

AAA Auto Group N.V.

Interim Statement / November 2012



AAA AUTO

Material events in the second half of 2012 so far and their impact on AAA AUTO Group

Among the main factors that had an influence on the financial results of AAA Auto Group N.V. were:

- A strong improvement in the company's penetration of financial services and the Company's strict control system implemented in 2011 to optimize the total gross profit per car sold. Continuous growth of sales results of the Group with the largest growth registered in Slovakia, steady results in Czech Republic and Russia came out slightly behind business plan.
- Continuing expansion and opening new branches in the Czech Republic and Slovakia
- Exchange rate gains and losses, the majority of which were non-cash.

AAA Auto Group N.V. published its financial results for the first nine months of 2012 on 1 November 2012 – for a commentary see the next page.

In the second half of 2012 AAA AUTO Group made also several important business decisions:

- AAA AUTO brand Mototechna re-launched on the market
- AAA Auto Group N.V. has extended its reach into the Information & Communication Technologies (ICT) field.
- Regional expansion in CEE and Russia

For a commentary on these decisions and for other events that occurred in the second half of 2012 see the section after the financial results.

AAA AUTO Group reports its unaudited consolidated financial results for the first nine months of 2012 with yoy net profit growth of more than 200%

October group sales results confirm return to growth in the Czech Republic

Prague / Budapest, 1 November 2012 - AAA Auto Group N.V. finished the first nine months of 2012 with a net profit of EUR 15.8 million which is by 201.6% more than for the same period last year. On a quarterly basis, net profit for the third quarter is the best quarterly result since mid 2007 when the Group's financial performance peaked.

"Our forecast of the net profit for 2012 is approx. 20 million Euro, which means it will be our 3^d consecutive year we doubled our net profit. Very few companies in the world managed to achieve such consistent results during the financial crisis," stressed Karolína Topolová, AAA AUTO CEO. *"Behind our growth, there is hard work aimed at the continuous strengthening of control mechanisms through the whole buying and selling process, and focusing on the quality of cars we are offering,"* added Topolová.

According to the financial results, AAA AUTO Group recorded **total revenues** of EUR 252.6 million for the first nine months of 2012 representing a 25.3% growth compared to the same period last year, while the underlying number of cars sold during this period increased by 15.1% yoy (to 39,000 cars). The difference in the growth rates can be explained by an increase in the average price of a car sold by 6.0% yoy during the 9M 2012.

The **gross profit on sales** grew by 40.9% yoy to EUR 67.7 million for the first nine months of 2012 and the gross profit margin on sales increased by 3.0 percentage points yoy to 26.8%. This is a result of a strong improvement in the company's penetration of financial services (from 42.3% in first nine months of 2011 to 51.0% in the same period of 2012) and the company's strict control system introduced in 2Q 2011 in order to optimize the total gross profit per car sold (the combined gross profit on a sold car, financial services and up-sale products).

In line with the increasing revenues grew also **operating expenses**. The fastest growing category was marketing expenses (+50.2% yoy). However, the overall increase in operating expenses of 22.5% yoy was maintained below the level of the increase in total revenues of 25.3%.

AAA AUTO Group recorded **EBITDA** of EUR 23.4 million for the first nine months of 2012 representing a 79.0% increase compared to the same period last year.

At the level of financial expenses the **interest expense** decreased in 9M 2012 by 33.9% yoy to EUR 0.9 mil. This was the effect of the Company's program for a reduction of the overall debt of the Group in order to minimise the average interest rate the company pays on its debt.

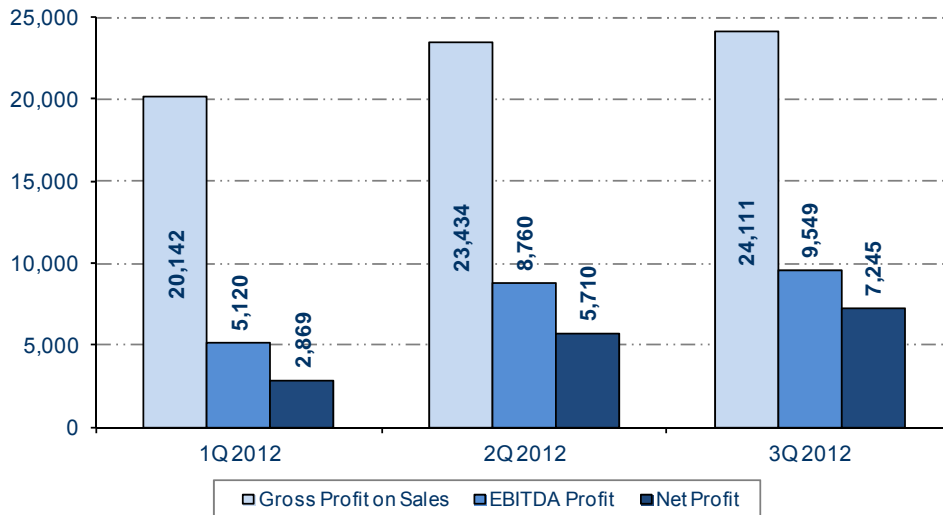
The **profit before tax** grew by 174.1% yoy to EUR 21.5 million in 9M 2012.

The Group's total **consolidated net profit** reached the amount of EUR 15.8 million for the first nine months of 2012 which represents an improvement of 201.6% compared to the net profit of EUR 5.2 million the Group recorded for the same period last year.

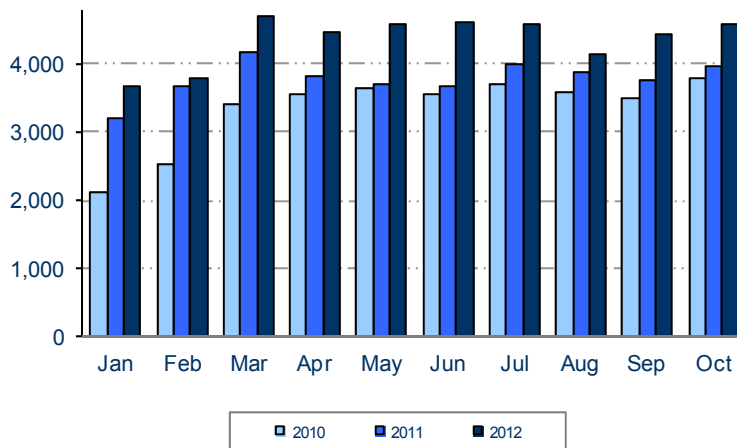
The company continuous growth is also confirmed by its October sales results, where the group sold 17% more cars yoy 1. *"The main driving force behind the October sales was again our business in Slovakia with 35% yoy growth with 1,385 cars sold ¹. After some problems with the government car register department during the summer, the Czech Republic resumed growth with a 7% increase in sold units compared to last October (3,085 cars ¹). Russia came out slightly behind the business plan. The total Group results for the first 10 months represent a growth of 15%, with total sales of 43,649 cars ¹,"* said Topolová.

¹ Please note, that the sales data are preliminary and can marginally change

Development of Gross Profit on Sales, EBITDA and Net Profit in 2012



AAA AUTO Group's Monthly Sales in 2010, 2011 and 2012



Source: Company data

Other important events of the second half of 2012:

I. AAA AUTO brand Mototechna re-launched on the market

In mid-September AAA AUTO introduced re-vived brand Mototechna in Prague showroom. Mototechna focuses on selling almost-new cars with manufacturer's warranty, usually car dealer testing cars with no more than 30 thousand kilometres and not older than two years. In addition to the remaining factory warranty two-year guarantee of mechanical and electrical condition will be still provided to these cars.

Mototechna also offers car service and provides financial products for car purchase financing. In the future, Mototechna will offer sales of spare parts or car rental services.

After AAA AUTO brand Mototechna being successfully launched in Prague, new branch was opened in Kladno. In the future other branches are planned in Czech Republic as well as in Slovakia.

II. AAA Auto Group N.V. has extended its reach into the Information & Communication Technologies (ICT) field.

The company has decided to exploit its 20 years of experience in used car market and has been developing two new, stand-alone systems, one for Customer Relations Management (CRM) and another for used-car pricing, buying and stock management.

These systems are tailored for businesses with annual sales of at least 20,000 new or used vehicles. The new CRM system will enable companies that decide to use it to better manage their call center, client retention, and predictive customer calling operations. The second application is an integrated application for used-car pricing, buying and stock management. The company expects to sell just one license per country to ensure exclusivity.

Both systems are nearing completion, with operational testing to begin in Q1 2013. They should be fully operational by the middle of 2013 and go on sale by the end of that year.

III. Regional expansion in CEE and Russia

On 26 September 2012 two new branches were opened in two countries simultaneously - Sokolov in western Bohemia and in Michalovce in eastern Slovakia. The total number of branches in the AAA AUTO Group now climbed to 30.

AAA AUTO sees the opening of new branches as one of the ways of further increasing the volume of cars sold. Each branch offers a standard range of AAA AUTO services. If the customer decides to buy a car, he or she can easily and quickly also receive car financing, including loan or leasing.

In the Czech Republic, the Company currently operates at 19 branches (including the AUTO DISKONT branch in Prague) and plans to open another 10 branches over the next 5 years. In Slovakia, the Company operates at 10 branches and, in the upcoming 5 years, it plans to open another 7 branches.

In Russia, the Group now operates at 1 branch and plans to open another 6 branches over the next 5 years. The Company plans to re-enter the Hungarian market in 2014 and Poland in 2015, and start business in Ukraine in 2016. The Company is closely monitoring an economic development and new-car and used-car markets in the target countries.

IV. Company auditor for 2012

AAA AUTO Group has reappointed PwC as its auditor for the financial year 2012 for the purpose of examining the Company's Annual Accounts and the Annual Report for 2012 and issuing an auditor's opinion.

V. Resolution of the extraordinary general meeting of AAA Auto Group N.V.

At the Extraordinary General Meeting of Shareholders which took place in Amsterdam on 21 September, shareholders of AAA Auto Group N.V. adopted the decision to appoint Ms. Karolina Topolova the Executive Management Board Member and also granted her the title of Chief Executive Officer ("CEO").

Following the resignation of Mr. Vratislav Valek as the Non-Executive Management Board Member of the Company, the shareholders appointed Mr. Anthony James Denny as a Non-Executive Management Board Member and granted him the title of Chairman of the Management Board.

Other potential influences on the financial results by the end of 2012:

FOREX gains and losses affect the Company's financial results every quarter. It is reasonable to expect the affect of FOREX gains and losses on the financial results to occur also in the fourth quarter of 2012 depending on the development of the exchange rate of EUR versus local currencies (CZK, HUF, PLN and RUB). The Company uses partial natural hedging to mitigate the impact of exchange rate movements on the Company's financial results.

Consolidated Financial Statements of first nine months

Condensed Consolidated Financial Information for the 9 months ended 30 September 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 are in the original English language, which was also used to make the press release; in case of any questions please contact the Investor Relations department at: investor.relations@aaaauto.cz)

Consolidated statement of comprehensive income

(EUR '000)

	Nine months ended	
	September 2012	September 2011 (reclassified)
Continuing operations		
Revenue	252,561	201,503
Other income	378	1,479
Changes in inventories and WIP	3,085	2,404
Car inventory sold	(187,958)	(155,857)
Advertising expenses	(6,231)	(4,149)
Employee benefit expenses	(24,860)	(19,480)
Depreciation and amortization expense	(1,680)	(1,779)
Impairment of property plant and equipment	(660)	(656)
Other expenses	(13,546)	(12,814)
Finance cost	431	(2,799)
Profit before tax	21,519	7,852
Income tax expense	(5,696)	(2,605)
Profit for the period from continuing operations	15,823	5,247
Discontinued operations		
Profit from discontinued operations*	-	-
Profit for the period	15,823	5,247
Other comprehensive income		
Foreign currency translation differences for foreign operations	(1,372)	1,888
Other comprehensive income for the period, net of income tax	(1,372)	1,888
Total comprehensive income for the period	14,451	7,135
Profit attributable to:		
Equity holders of the company	15,823	5,247
Profit for the period	15,823	5,247
Total comprehensive income attributable to:		
Equity holders of the company	14,451	7,135
Total comprehensive income for the period	14,451	7,135
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	23.35	7.74
Diluted earnings per share	22.58	7.49

**) Some amounts have been reclassified and do not correspond to the amounts presented in the interim consolidated financial information for the period ended 30 September 2011.*

Consolidated statement of financial position

(EUR '000)

ASSETS	30 September 2012	31 December 2011 ^{*)}
Non-current assets		
Intangible assets	432	150
Property, plant and equipment	40,102	39,249
Other financial assets	291	206
Deferred tax assets	57	62
Total non-current assets	40,881	39,667
Non-current assets		
Inventories	40,395	28,974
Trade and other receivables	6,676	8,008
Current tax asset	-	54
Other financial assets	206	-
Other non-financial assets	2,022	2,315
Cash and cash equivalents	3,807	5,152
Total current assets	53,107	44,503
TOTAL ASSETS	93,988	84,170
EQUITY AND LIABILITIES		
Equity		
Issued capital	38,185	38,185
Reserves	7,678	8,353
Accumulated losses	(5,457)	(20,733)
Equity attributable to equity holders of the parent company	40,406	25,805
Total equity	40,406	25,805
Non-current liabilities		
Bank and other borrowings	18,290	26,321
Deferred tax liabilities	-	62
Total non-current liabilities	18,290	26,383
Current liabilities		
Trade and other payables	9,734	8,260
Current tax liabilities	4,402	2,192
Bank overdrafts and borrowings	11,258	14,324
Provisions	4,053	3,043
Obligations under finance lease	111	0
Other financial liabilities	40	761
Other non-financial liabilities	5,693	3,402
Total current liabilities	35,291	31,982
Total liabilities	53,582	58,365
TOTAL EQUITY AND LIABILITIES	93,988	84,170

**) Some amounts have been reclassified and do not correspond to the amounts presented in the interim consolidated financial information for the period ended 30 September 2011.*

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	417	5,748	(30,166)	14,464	14,464
Profit for the year	-	-	-	-	-	5,247	5,247	5,247
Other comprehensive income	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	1,888	-	1,888	1,888
Equity legal reserve	-	-	(5)	-	-	5	0	0
Share options	-	-	-	150	-	-	150	150
Total other comprehensive income	-	-	(5)	150	1,888	5	2,038	2,038
Total comprehensive income for the period	-	-	(5)	150	1,888	5,252	7,285	7,285
Addition to legal reserve fund	-	-	-	-	-	-	-	-
Balance at 30/09/11	6,776	31,409	275	567	7,636	(24,914)	21,749	21,749
Balance at 01/01/12	6,776	31,409	456	580	7,317	(20,733)	25,805	25,805
Profit for the year	-	-	-	-	-	15,823	15,823	15,823
Other comprehensive income	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	(1,372)	-	(1,372)	(1,372)
Equity legal reserve	-	-	547	-	-	(547)	(547)	(547)
Share options	-	-	-	150	-	-	150	150
Total other comprehensive income	-	-	547	150	(1,372)	(547)	(1,222)	(1,222)
Total comprehensive income for the period	-	-	547	150	(1,372)	15,276	14,601	14,601
Addition to legal reserve fund	-	-	-	-	-	-	-	-
Balance at 30.09.2012	6,776	31,409	1,003	730	5,945	(5,457)	40,406	40,406

Consolidated cash flow statement

(EUR '000)

	Nine months ended	
	September 2012	September 2011 ^{*)}
Cash flows from operating activities		
Profit for the period	15,823	5,247
Adjustments for:		
Income tax expense	5,696	2,605
Depreciation and impairment of PPE	2,340	2,435
Provisions	459	472
(Gain)/loss on disposal of fixed assets	(83)	(172)
Interest income	(3)	(10)
Interest expense	914	1,388
Share options	150	150
Foreign exchange (gain)/loss	(1,460)	1,321
Decrease/(increase) in inventories	(10,982)	(7,036)
Decrease/(Increase) in receivables and other assets*	(8,029)	5,078
Increase/(decrease) in payables and other liabilities	316	(4,423)
Interest paid	(484)	(656)
Interest received	3	10
Income tax (paid)/received	(3,489)	(2,181)
Net cash provided by operating activities	1,169	4,229
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,064)	(4,985)
Proceeds from disposals of property, plant and equipment	172	1,166
Net cash used in investing activities	(892)	(3,819)
Cash flows from financing activities		
Proceeds from third party loans	7,438	11,532
Repayment of third party loans*	(8,976)	(11,662)
Net cash from financing activities	(1,538)	(130)
Net increase (decrease) in cash and cash equivalents	(1,259)	280
Net foreign exchange difference	(86)	(124)
Cash and cash equivalents at the beginning of the period	5,152	3,665
Cash and cash equivalents at the end of the period	3,807	3,821

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AAA Auto Group N.V.

with statutory seat at Amsterdam, the Netherlands

with registered address at:

Dopraváků 723,
184 00 Prague 8
The Czech Republic

IC: 282 15 044
DIC: CZ28215044

E-mail: investor.relations@aaaauto.nl

Tel: +420 283 068 583

Fax: +420 283 060 601

www.aaaauto.nl



Over its 20 years in operation to date, AAA AUTO Group has gradually expanded its branch network across the CE region. Currently the network consists of 29 branches in the Czech Republic, Slovakia and Russia. In the first nine months of 2012, AAA AUTO sold 39,000 cars: 26,871 in the Czech Republic, 10,549 in Slovakia, and 1,580 in the Russian Federation. The Group sold a total of 44,828 used cars in 2011 and, according to the audited consolidated financial figures for that year, it recorded turnover of EUR 276 million. The Netherlands-based parent company, AAA Auto Group N.V., has been listed on the Prague and Budapest stock exchanges since September 2007. AAA AUTO holds the SAOP certificate, issued for consumer safe general business conditions by SOS, the largest Czech consumer protection organisation. Recently, AAA AUTO bought and revived the Mototechna brand, the former trademark of the largest new car dealer in socialist-era Czechoslovakia. The new brand will sell only high-quality, almost-new cars.