

**CAPITAL GROUP OF  
INTER CARS**

*Quarterly report including interim consolidated  
report on the activities of the Inter Cars S.A. Capital Group  
for the period of 3 months ended on  
31 December 2014*

# inter cars

części do samochodów

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### Selected consolidated financial data of the Inter Cars Group

The following exchange rates were applied to calculate selected financial data in EUR:

- for balance sheet items – the National Bank of Poland exchange rate of 31 December 2014 – 1 EUR = PLN 4.2623, and the National Bank of Poland exchange rate of 31 December 2013 – 1 EUR = PLN 4.1472
- for the profit and loss account and cash flow items – the National Bank of Poland Exchange rate constituting the average National Bank of Poland exchange rate announced on the last day of each month of the 4 quarters of 2014 and 2013, respectively: 1 EUR = PLN 4.1893 and 1 EUR = PLN 4.2110 PLN.

	<i>for the period of 12 months ended on 31 December</i>			
	2014	2013	2014	2013
	in thousand PLN	in thousand PLN	in thousand EUR	in thousand EUR
<b>Information on growth and profits</b>				
Sales margin	30,2%	31,6%		
EBITDA	268,205	232,379	64,021	55,184
EBITDA as percentage of sales	6,81%	6,62%		
EBITDA (for 12 consecutive months)	268,205	232,379	64,021	55,184
Net debt / EBITDA	2.13	1.85		
Basic earnings per share (PLN)	12.52	10.43	2.99	2.48
Diluted earnings per share (PLN)	12.52	10.43	2.99	2.48
Operating profit	227,061	193,282	54,200	45,899
<b>Net profit</b>	<b>177,369</b>	<b>147,837</b>	<b>42,339</b>	<b>35,107</b>
<b>Cash flows</b>				
Operating cash flows	(25,086)	101,649	(5,988)	24,139
Investing cash flows	(70,623)	(38,596)	(16,858)	(9,166)
Financing cash flows	112,559	(49,804)	26,868	(11,827)
<b>Employment and branches</b>				
Employees				
Parent company	335	364		
Subsidiaries	1,355	1,258		
Branches				
Parent company	169	156		
Subsidiaries	155	134		

	<b>As at</b>		<b>As at</b>	
	<b>31/12/2014</b>	<b>31.12.2013</b>	<b>31/12/2014</b>	<b>31.12.2013</b>
	in thousand PLN	in thousand PLN	in thousand EUR	in thousand EUR
<b>Consolidated statement of the financial situation</b>				

Cash and cash equivalents	67,047	50,197	15,730	12,104
Balance sheet total	2,037,855	1,696,612	478,112	409,098
Loans, borrowings and finance lease	637,527	479,726	149,573	115,675
Equity attributable to the shareholders of the parent entity	1,067,044	903,766	250,345	217,922

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE INTER CARS GROUP

### Interim Consolidated statement of the financial situation

<i>(in thousand PLN)</i>	<u>31/12/2014</u> <i>(not audited)</i>	<u>31.12.2013</u> <i>(audited)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	274,552	219,446
Investment property	25,357	25,825
Intangible assets	155,099	160,861
Investments in related entities	672	45
Investments available for sales	301	301
Receivables	13,111	11,722
Deferred tax assets	32,874	26,922
	<u>501,966</u>	<u>445,122</u>
<b>Current assets</b>		
Inventories	1,013,389	818,513
Trade and other receivables	455,100	377,002
Corporate income tax receivables	353	5,778
Assets available for sales	-	-
Cash and cash equivalents	67,047	50,197
	<u>1,535,889</u>	<u>1,251,490</u>
<b>TOTAL ASSETS</b>	<u><b>2,037,855</b></u>	<u><b>1,696,612</b></u>
<b>LIABILITIES</b>		
Share capital	28,336	28,336
Share premium account	259,530	259,530
Statutory reserve funds	553,052	446,251
Other capital reserves	5,935	5,935
Foreign exchange gains /losses	(7,750)	(3,718)
Retained earnings	227,941	167,432
<b>Equity attributable to the shareholders of the parent entity</b>	<u><b>1,067,044</b></u>	<u><b>903,766</b></u>
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<u><b>1,067,044</b></u>	<u><b>903,766</b></u>
<b>Long-term liabilities</b>		
Loan, borrowing and finance lease liabilities	400,925	41,040
Other long-term liabilities	653	284
Deferred corporate income tax reserve	14,340	8,750
	<u>415,918</u>	<u>50,074</u>
<b>Short-term liabilities</b>		
Trade and other liabilities	307,267	285,670

Loan, borrowing and finance lease liabilities	236,602	438,686
Employee benefits	5,664	11,949
Income tax liabilities	5,360	6,467
	<b>554,893</b>	<b>742,772</b>
<b>TOTAL LIABILITIES</b>	<b>2,037,855</b>	<b>1,696,612</b>

### Interim consolidated statement of comprehensive income

(in thousand PLN)

	for the period of 3 months ended on		for the period of 12 months ended on	
	31/12/2014	31.12.2013	31/12/2014	31.12.2013
<b>Continued activity</b>				
Sales revenues	1,088,774	940,077	3,940,390	3,512,647
Cost of sales	(778,419)	(646,064)	(2,749,949)	(2,402,524)
<b>Gross profit on sales</b>	<b>310,355</b>	<b>294,013</b>	<b>1,190,441</b>	<b>1,110,123</b>
Other operating income	2,628	8,671	2,628	6,290
Costs of sales and administrative costs	(151,494)	(146,747)	(529,616)	(505,764)
Distribution expenses	(111,389)	(98,643)	(428,927)	(387,428)
Other operating expenses	(1,934)	(15,313)	(7,465)	(29,939)
<b>Operating profit</b>	<b>48,166</b>	<b>41,981</b>	<b>227,061</b>	<b>193,282</b>
Financial income	347	490	2,549	1,882
Foreign exchange gains/losses	(2,699)	491	(2,451)	192
Financial expenses	(5,548)	(2,448)	(21,389)	(24,238)
Interest in associates	6	(13)	95	(13)
<b>Profit before tax</b>	<b>40,272</b>	<b>40,501</b>	<b>205,865</b>	<b>171,105</b>
Income tax	(4,796)	(4,243)	(28,495)	(23,268)
<b>Net profit</b>	<b>35,476</b>	<b>36,258</b>	<b>177,370</b>	<b>147,837</b>
Attributable to:				
shareholders of the parent company	35,476	36,258	177,370	147,837
minority shareholders	-	-	-	-
	<b>35,476</b>	<b>36,258</b>	<b>177,370</b>	<b>147,837</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Foreign exchange gains /losses	(6)	(1,828)	(4,032)	(1,318)
Total other comprehensive income, net	<b>(6)</b>	<b>(1,828)</b>	<b>(4,032)</b>	<b>(1,318)</b>
	-	-	-	-
<b>COMPREHENSIVE INCOME</b>	<b>35,470</b>	<b>34,430</b>	<b>173,338</b>	<b>146,519</b>
<b>Net profit attributable to:</b>				
- the shareholders of the parent entity	35,476	36,258	177,370	147,837
- minority interests	-	-	-	-
	<b>35,476</b>	<b>36,258</b>	<b>177,370</b>	<b>147,837</b>
<b>Comprehensive income attributable to:</b>				
- the shareholders of the parent entity	35,470	34,430	173,338	146,519
- minority interests	-	-	-	-
	<b>35,470</b>	<b>34,430</b>	<b>173,338</b>	<b>146,519</b>
Earnings per share (PLN)				
- basic	2.50	2.56	12.52	10.43
- diluted	2.50	2.56	12.52	10.43
Number of shares	14,168,100	14,168,100	14,168,100	14,168,100
Number of shares to be diluted	14,168,100	14,168,100	14,168,100	14,168,100



## Interim consolidated statement of changes in equity

for the period from 1 January 2014 to 31 December 2014

<i>(in thousand PLN)</i>	Share capital	Share premium account	Statutory reserve funds	Foreign exchange gains /losses	Other capital reserves	Retained earnings	Total equity
<b>As at 1 January 2014</b>	<b>28,336</b>	<b>259,530</b>	<b>446,251</b>	<b>(3,718)</b>	<b>5,935</b>	<b>167,432</b>	<b>903,766</b>
<b>Statement of comprehensive income</b>							0
Profit in the reporting period	-	-	-	-	-	177,369	<b>177,369</b>
<b>Other comprehensive income</b>							-
Foreign exchange gains /losses	-	-	-	(4,032)	-	-	<b>(4,032)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,032)</b>	<b>-</b>	<b>177,369</b>	<b>173,337</b>
							0
<b>Transactions with shareholders</b>							0
Distribution of prior period profit – dividend			(39,712)			29,653	<b>(10,059)</b>
Distribution of retained earnings – transfer to statutory reserve funds	-	-	146,513	-	-	(146,513)	-
<b>As at 31 December 2014</b>	<b>28,336</b>	<b>259,530</b>	<b>553,052</b>	<b>(7,750)</b>	<b>5,935</b>	<b>227,941</b>	<b>1,067,044</b>

for the period from 01 January 2013 to 31 December 2013

<i>(in thousand PLN)</i>	Share capital	Share premium account	Statutory reserve funds	Foreign exchange gains /losses	Other capital reserves	Retained earnings	Total equity
<b>As at 01 January 2013</b>	<b>28,336</b>	<b>259,530</b>	<b>373,750</b>	<b>(2,400)</b>	<b>5,935</b>	<b>92,096</b>	<b>757,247</b>
<b>Statement of comprehensive income</b>							
Profit in the reporting period	-	-	-	-	-	147,837	147,837
<b>Other comprehensive income</b>							
Foreign exchange gains /losses	-	-	-	(1,318)	-	-	(1,318)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,318)</b>	<b>-</b>	<b>147,837</b>	<b>146,519</b>
<b>Transactions with shareholders</b>							
Distribution of retained earnings – transfer to statutory reserve funds	-	-	72,501	-	-	(72,501)	-
<b>As at 31 December 2013</b>	<b>28,336</b>	<b>259,530</b>	<b>446,251</b>	<b>(3,718)</b>	<b>5,935</b>	<b>167,432</b>	<b>903,766</b>



## Interim consolidated statement of cash flows

(in thousand PLN)

	<b>01.01.2014</b>	<b>01.01.2013</b>
	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>Cash flows from operating activities</b>		
Profit before tax	205,864	171,105
Adjustments:		
Depreciation and amortization	41,145	39,097
Foreign exchange gains /losses	(6,483)	(1,126)
(Profit) /loss on the sale of property, plant and equipment	(1,546)	12,272
Net interest	19,086	18,031
(Gain)/loss on revaluation of investment property	(423)	1,404
Dividends received	0	(15)
Other adjustments, net	10	(406)
Operating profit before changes in the working capital	<b>257,653</b>	<b>240,362</b>
Change in inventories	(194,876)	(83,546)
Change in receivables	(89,602)	(37,300)
Change in short-term liabilities	24,012	14,027
Cash generated by operating activities	<b>(2,813)</b>	<b>133,543</b>
Corporate income tax paid	(22,273)	(31,894)
<b>Net cash from operating activities</b>	<b>(25,086)</b>	<b>101,649</b>
<b>Cash flow from investing activities</b>		
Proceeds from the sale of intangible assets, investment property, property, plant and equipment	9,184	5,277
Proceeds from the sale of shares	20	-
Acquisition of intangible assets, investment property, and property, plant and equipment	(79,212)	(44,797)
Cost of acquisition of shares in other entities	(546)	(45)
Repayment of loans granted	3,467	6,716
Loans granted	(4,036)	(7,015)
Dividends received	21	15
Interest received	479	1,253
<b>Net cash from investing activities</b>	<b>(70,623)</b>	<b>(38,596)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of shares	150,000	0
(repayments) / proceeds from loans and lease	59,152	(25,893)
Payment of finance lease liabilities	(11,066)	(7,453)
Interest paid	(18,608)	(18,799)
Dividend paid	(10,059)	0
Payment of the reverse factoring	(56,860)	2,341
<b>Net cash from financing activities</b>	<b>112,559</b>	<b>(49,804)</b>
<b>Net change in cash and cash equivalents</b>	<b>16,850</b>	<b>13,249</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>50,197</b>	<b>36,948</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>67,047</b>	<b>50,197</b>

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**Explanatory notes to the interim condensed financial statements for the period of 3 months ended on 31 December 2014****I. Information about the Inter Cars Capital Group****Scope of activities**

The principal activities of Grupa Kapitałowa Inter Cars Spółka Akcyjna (hereinafter referred to as “the Group,” “the Inter Cars Capital Group,” the Inter Cars Group”) are import and distribution of spare parts for passenger cars and commercial vehicles.

**Registered seat – the parent entity**

Inter Cars S.A.  
ul. Powsińska 64  
02-903 Warsaw  
Poland

*Central Warehouse:*

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05-152 Czosnów nearby/Warsaw

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**Supervisory Board**

Andrzej Oliszewski, President  
Piotr Płoszajski  
Maciej Oleksowicz  
Michał Marczak  
Jacek Klimczak

**Management Board**

Robert Kierzek, President  
Krzysztof Soszyński, Vice-President  
Krzysztof Oleksowicz  
Witold Kmieciak  
Wojciech Twaróg

**Statutory auditor**

KPMG Audyty Sp. z ograniczoną odpowiedzialnością, sp. k.  
ul. Chłodna 51  
00-867 Warsaw

## II. Composition of the Capital Group

The parent company, Inter Cars S.A. ("the Company") is registered in Poland. The interim consolidated financial statements for the period ended on 31 December 2014 contain information about the company, its subsidiaries referred to as the Inter Cars Capital Group ("the Group"), and about the Group's share in related entities.

The consolidated financial statements of the Inter Cars Capital Group for the period ended on 31 December 2013 are available at [www.intercars.com.pl](http://www.intercars.com.pl).

As at 31 December 2014, the following entities comprised the Inter Cars Capital Group: Inter Cars S.A. as the parent entity, and 29 other entities, including:

- 25 subsidiaries of Inter Cars S.A.
- 2 indirect subsidiaries of Inter Cars S.A.

The Group also holds shares in two related entities.

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				31.12.2014	31.12.2013
<b>Parent company</b>					
Inter Cars S.A.	Warsaw	Import and distribution of spare parts for passenger cars and commercial vehicles	full	Not applicable	Not applicable
<b>Direct subsidiaries</b>					
Inter Cars Ukraine	Ukraine, Khmelnytsky	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Q-service Sp. z o.o.	Cząstków Mazowiecki	Advisory services, organization of trainings and seminars related to automotive services and the automotive market	full	100%	100%
Lauber Sp. z o.o.	Słupsk	Remanufacturing of car parts	full	100%	100%
Inter Cars Česká republika s.r.o.	Czech Republic, Prague	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Feber Sp. z o.o.	Sieradz	Manufacture of motor vehicles, trailers and semi-trailers	full	100%	100%
IC Development & Finance Sp. z o.o.	Warsaw	Real estate development and lease	full	100%	100%
Armatus sp. z o.o.	Warsaw	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Slovenská republika s.r.o.	Slovakia, Bratislava	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Lietuva UAB	Lithuania, Vilnius	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
JC Auto s.r.o.	Czech Republic, Karvina-Darkom	The Company does not carry out operating activities	full	100%	100%
JC Auto S.A.	Belgium, BrainL'Allued	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Hungária Kft	Hungary, Budapest	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Italia s.r.l. (formerly JC Auto s.r.l.)	Italy, Milan	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars d.o.o.	Croatia, Zagreb	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Romania s.r.l.	Romania, Cluj-Napoca	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%

Inter Cars Cyprus Limited	Cyprus, Nicosia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
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Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				31.12.2014	31.12.2013
Inter Cars Latvija SIA	Latvia, Riga	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Cleverlog-Autoteile GmbH	Germany, Berlin	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Bulgaria Ltd.	Bulgaria, Sofia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Marketing Services Sp. z o.o.	Warsaw	Advertising, market and public opinion research	full	100%	100%
ILS Sp. z o.o.	Nadarzyn	Logistics services	full	100%	100%
Inter Cars Malta Holding Limited	Malta	Assets management	full	100%	100%
Q-service Truck Sp. z o.o.	Warsaw	Sale of delivery vans and trucks	full	100%	100%
Inter Cars d o.o.(Slovenia)*	Slovenia, Ljubljana	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	-
Cleverlog Eesti OÜ (Estonia) **	Estonia, Tallinn	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	-
<b>Indirect subsidiaries</b>					
Inter Cars Malta Limited	Malta	Sale of spare parts and advisory services related to automotive services and the automotive market	full	100%	100%
Aurelia Auto d o o	Croatia	Distribution of spare parts and real estate rental	full	100%	100%
<b>Associated entities</b>					
SMIOC FRENOPLAST Bułhak i Cieślowski S.A.	Szczytno	Manufacture of friction linings and materials	equity method	49%	49%
InterMeko Europa Sp. z o.o.	Warsaw	Control and assessment of spare parts, components and accessories	equity method	50%	-

\* The company started operational activity in 2Q2014.

\*\* The company started operational activity in 1Q2015

In the reporting period there were no changes in the structure of the entity, including business combinations, takeovers or sales entities of the Capital Group of the Company, long-term investments, division, restructurization or cessation of business activities.

#### Stock exchange listings

The shares of Inter Cars S.A., i.e. the parent entity, are listed on the Warsaw Stock Exchange in the continuous trading system.

### III. Declaration of compliance with IFRS

The condensed interim consolidated financial statements of the Inter Cars Capital Group were prepared for the period of 12 months ended on 31 December 2014.

The condensed interim financial statements covering four quarters of 2014 comply with the requirements of the International Accounting Standard IAS 34 "Interim Financial Reporting" related to interim financial statements.

The condensed interim financial statements of the Group are published together with the condensed standalone interim financial statements. The condensed standalone interim financial statements of the Company should be read together with the condensed interim consolidated financial statements of the Group in order to have a comprehensive view of the financial result and the financial situation of the company.

Preparation of financial statements in accordance with IFRS requires application of specific accounting estimates. It also requires from the Management Board to use its own judgement with regard to application of the accounting standards adopted by the Group. The areas a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are presented in note 14.

Interim condensed consolidated financial statement of Inter Cars S.A. Capital Group prepared for the period of 3 months ended on 31 December 2014 with explanatory notes to interim condensed financial statements and quarterly financial information of Inter Cars S.A. 4Q 2014 was approved by the Board of Managers for publication on 27 February 2015.

### IV. Basis for preparing the condensed interim consolidated financial statements

With the exception of the changes described in "Changes to the accounting principles," these condensed interim financial statements were prepared by the Inter Cars Capital Group in accordance with the same accounting standards as those applied by the Group to prepare the consolidated financial statements for the period ended on 31st December 2013.

The condensed interim consolidated financial statements were prepared under the assumption that Group will continue as a going concern in the foreseeable future and that there are no circumstances indicating a threat to the continuance of its operations.

All values presented in the condensed interim financial statements are quoted in PLN '000, unless otherwise indicated.

### V. Changes to the accounting principles

During the reporting period the Group made no changes to the accounting principles.

### VI. Foreign Exchange rates applied to calculate the figures for 4 quarter of 2014

All financial figures presented in the report in EUR were translated according to the following exchange rates:

	<b>2014</b>	<b>2013</b>
exchange rate as at 31 December .....	4.2623	1472
average exchange rate in the period from 1 January to 31 December ....	4.1893	110

The following principles have been used to convert data presented in thousand EURO in selected financial data:

- the figures resulting from the profit and loss account – the average exchange rate constituting the arithmetic mean of the exchange rates announced by President of the National Bank of Poland on the last day of each month of a given period;

- 
- the figures resulting from the balance sheet – the exchange rate as at 31 December constituting the average EUR exchange rate announced on 31 December the President of the National Bank of Poland;
  - for translating the value of the share capital – the average EUR exchange rates applicable on the day on which an increase in the share capital was registered.

## OTHER INFORMATION ON THE ACTIVITIES OF THE INTER CARS CAPITAL GROUP

gains/losses on the margin, it would go down by 1.1 per cent.

### 1. Summary of activities and consolidated and standalone financial results for Q4 2014

#### Summary of financial results of the Inter Cars Group

- In Q4 2014, the Group recorded a % **growth in consolidated sales revenues** compared to the same period of 2013. **A growth in consolidated sales revenues of 12,2% compared year to year.**
- Export sales understood as sales by the overseas distribution companies, and direct sales by Inter Cars S.A. to foreign clients (mainly to Eastern European markets) increased by nearly **16.9%** compared to the analogous period a year ago.
- The revenues of Inter Cars at home accounted for app. 65% of the total revenues of the Capital Group (taking into account consolidation exclusions). The overseas companies account for 29.4% of the Group's distribution activity. The Polish market remains the basic sales market for the Capital Group.
- **The consolidated percentage sales margin** for the period of 12 months went down to % from % and decrease by **1.4 p.p.** compared to the same period a year ago. The margin for the reporting period was mostly influenced by:
  - a) dynamic growth of sales in market segments which characterize lower percent margin then basic segments ( spare parts for trucks and tyres )
  - b) results on recalculation of foreign exchange gains/ losses on trade payables and receivables (mainly realized differences). If we eliminate the influence of these exchange

- The costs of sales and administration increased by % compared to the same period of 2013, with sales revenues 12.2% higher, and the ratio of sales costs to revenues decreased from 14.4% to 13.4% compared to Q4 of last year.
- The **consolidated gross sales profit** for 12 months of 2014 was **7.2%** higher than in the analogous period of the previous year, and amounted to **PLN 80,318k**.
- **The consolidated net profit** increased by PLN 29,533k compared to the same period of 2013, to PLN 177,370k.
- In 2014 the effective tax rate was 13.84 % and was equal to the anticipated tax rate for 2014.

**Revenues increased in all geographical markets.** The Company has been consistently expanding its business in Central and Eastern Europe. This market displays a large potential of growth and a net profitability higher than the domestic market. The highest sales dynamics after 4 quarters of 2014 – compared to the same period of the previous year – (after translation to PLN and consolidation exclusions) was recorded by companies in the following countries: Latvia (187%), Bulgaria (93%), Hungary (90%), Romania (44%), Italy (27%) and Croatia (22%). It should be noted that among companies the biggest impact on the Group's revenues are Lithuania (14%) the Czech Republic (11%) and Slovakia (6%). The only subsidiary company whose revenues decreased in comparison to 2013 is Inter Cars Ukraine. The cause of decreased of sales expressed in PLN is the political situation in Ukraine and weakening of Ukrainian currency in relation to all main currencies, including Polish zloty. In local currency, UAH, the company recorded an increase of approximately 29%.

The underlying financial data of the Inter Cars S.A. Group for IV quarters of 2014 were as follows:

	for the period of 12 months ended on 31 December		for the period of 12 months ended on 31 December	
	2014	2013	2014	2013
( <i>'000</i> )	<i>PLN</i>	<i>PLN</i>	<i>EUR</i>	<i>EUR</i>
<b>Profit and loss account (for the period)</b>				
Sales revenues	3,940,390	3,512,647	940,584	834,160
Gross profit (loss) on sales	1,190,441	1,110,123	284,162	263,625
Net financial revenues / costs	(21,291)	(22,164)	(5,082)	(5,263)
Operating profit (loss)	227,061	193,282	54,200	45,899
Net profit (loss)	177,369	147,837	42,339	35,107
<b>Other financial data</b>				
Operating cash flows	(25,086)	101,649	(5,988)	24,139
Investing cash flows	(70,623)	(38,596)	(16,858)	(9,166)
Financing cash flows	112,559	(49,804)	26,868	(11,827)
Basic profit per share	12.52	10.43	2.99	2.48
Sales margin	30,21%	31,60%		
EBITDA margin	6,81%	6,62%		
<b>Balance sheet (as at)</b>				
	<b>31/12/2014</b>	<b>31.12.2013</b>	<b>31/12/2014</b>	<b>31.12.2013</b>
Cash and cash equivalents	67,047	50,197	15,730	12,104
Balance sheet total	2,037,855	1,696,612	478,112	409,098
Loans, borrowings and finance lease	637,527	479,726	149,573	115,675
Equity attributable to the shareholders of the parent entity	1,067,044	903,766	250,345	217,922



## Overview of the financial results of the parent company – Inter Cars

The underlying financial data of Inter Cars S.A. were as follows:

	for the period of 12 months ended on 31 December		for the period of 12 months ended on 31 December	
	2014	2013	2014	2013
	PLN	PLN	EUR	EUR
(’000)				
<b>Profit and loss account (for the period)</b>				
Sales revenues	3,397,220	3,067,579	810,928	726,468
Gross profit (loss) on sales	857,679	814,210	204,731	193,353
License fees	(52,606)	(47,419)	(12,557)	(11,261)
Net financial revenues / costs	29,650	68,460	7,078	16,403
Operating profit (loss)	84,047	96,027	20,062	22,804
Net profit (loss)	100,315	145,784	23,946	34,620
<b>Other financial data</b>				
Operating cash flows	(34,820)	(5,869)	(8,312)	(1,394)
Investing cash flows	15,848	18,083	3,783	4,294
Financing cash flows	23,257	(9,202)	5,552	(2,185)
Basic profit per share	7.08	10.29	1.69	2.44
Sales margin	25,2%	26,5%		
EBITDA margin	3,2%	3,8%		
<b>Balance sheet (as at)</b>	<b>31.12.2014</b>	<b>31.12.2013</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
Cash and cash equivalents	20,086	15,802	4,712	3,810
Balance sheet total	1,861,012	1,629,695	436,622	392,963
Loans, borrowings and finance lease	668,809	503,441	156,913	121,393
Equity	934,863	844,606	219,333	203,657

**The sales revenues** in 12 months of 2014 were **10.75% higher** than in the same period of 2013.

**The gross sales profit** for 12 months of 2014 was **5.34% higher** than in the same period of 2013. **The sales margin** for 4 quarters of 2014 was 25.3% (compared to 26.5% in 4 quarters of 2013).

**Distribution service costs** – the share of the branch managing entity in the margin. The sales margin generated by a branch is divided between the branch and Inter Cars in the 50/50 ratio. The branch system is based on the assumption of entrusting management of a distribution point (branch) to external entities. Sales are made on behalf of Inter Cars.

**Financial revenues and costs** include primarily costs and revenues due to interest on credits. In four quarters of 2014, the Company incurred PLN 17,833k of these costs.

**Liabilities resulting from credits, loans, debt securities and finance lease** as at 31 December 2014 amounted to PLN 454,780k.

## **2. Factors and events of a non-recurring nature having a material bearing on the financial result, and a description of the Company's material achievements and failures along with a list of related key events**

**The major events affecting the current and future business activity of the Inter Cars Group:**

- Consolidated EBITDA for the period of 12 months cumulatively for the period ended on 31 December 2014 was PLN 268,205k (cumulatively, as operating profit plus depreciation) and was higher by PLN 35,826k than in 2013.
- The net debt /EBITDA ratio was 2.13 compared to 1.85 as at 31 December 2013.

## **3. Material evaluations and estimates**

The preparation of the condensed consolidated interim financial statements in conformity with the EU IFRS requires the Company's Management Board to use evaluations and estimates that affect the application of accounting principles and reported amounts of assets and liabilities, income and expenses. The judgements and estimates are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised.

Information on particularly significant areas that are subject to evaluations and estimates and that affect the interim financial statements did not change from the information presented in the annual financial statements as at 31 December 2013.

## **4. Seasonality**

Sales revenues display a slight degree of seasonality, with Q4 usually constituting app. 27% of the annual sales revenues.

## **5. Information on business segments**

The Inter Cars Group's structure has been shaped by the strategy of geographical expansion adopted for distribution of spare parts (Inter Cars Ukraine, 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, Inter Cars Romania s.r.l., Inter Cars Latvija SIA, Inter Cars Bulgaria Ltd., Cleverlog – Autoteile GmbH, Inter Cars d o.o. Slovenia, Cleverlog Eesti OÜ ) and development of projects supporting the Group's core business (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., Inter Cars Cyprus Limited oraz ILS Sp. z o.o., Inter Cars Malta Holding Ltd, Q-service Truck Sp. z o.o. and Aurelia Auto d o o.).

The above mentioned entities were consolidated with the full method as at 31 December 2014. Financial data of FRENOPLAST and InterMeko Europe Sp. z o.o. were consolidated using equity method.

The core business of the Inter Cars S.A. Capital Group is the sale of spare parts. In addition, the companies Feber, Lauber, IC Development and ILS Sp. z o.o. are active in other business segments, such as the manufacture of semi-trailers, recovery of spare parts, real estate development and logistics.

The Inter Cars Capital Group applies uniform accounting principles to all segments. Transactions between particular segments are carried out at arm's length. The above-mentioned transactions were eliminated from these condensed consolidated quarterly financial statements.

**Information on business segments**  
for the period of 12 months ended on 31 December 2014

	Sale of spare parts	Other segments	Eliminations	Total
External sales	3,872,473	67,917	-	3,940,390
Inter-segment sales	34,594	65,266	(99,860)	-
<b>Profit before tax</b>	<b>234,221</b>	<b>25,831</b>	<b>(54,187)</b>	<b>205,865</b>

for the period of 12 months ended on 31 December 2013

	Sale of spare parts	Other segments	Eliminations	Total
External sales	3,464,357	52,070	-	3,516,427
Inter-segment sales	19,209	169,674	(188,883)	-
<b>Profit before tax</b>	<b>239,893</b>	<b>21,093</b>	<b>(87,897)</b>	<b>173,089</b>

**Assets by operating segments**

	Status as at 31/12/2014	Status as at 31/12/2013
Sale of spare parts segment	1,919,693	1,567,193
Other segments	233,393	187,433
Eliminations	(115,231)	(58,014)
	<b>2,037,855</b>	<b>1,696,612</b>

## 6. Dividend

In the reporting period, no dividend was distributed by Inter Cars S.A.

## 7. Liabilities due to borrowings and other debt instruments

**The syndicated credit facility agreement:**

On 29 July 2009, a syndicated credit facility agreement was signed by [Inter Cars](#) S.A. (the Borrower) and (with subsequent changes) Feber Sp. z o.o., IC Development & Finance Sp. z o.o., [Inter Cars](#) Ceska Republika s.r.o., [Inter Cars](#) Slovenska Republika s.r.o., ILS sp. z o.o., Inter Cars Cyprus Limited, Q-Service sp. z o.o. and Inter Cars Marketing Services Sp. z o.o (Co-Borrowers) with the following banks: Bank Polska Kasa Opieki S.A., ING Bank Śląski S.A., Bank Handlowy w Warszawie S.A. and BRE Bank S.A.

On 20 November 2013 and annex to credit contract was signed. The annex increased the total amount of credit available to PLN 495m. Furthermore, the Lenders agreed to extend the repayment period by another year with the final maturity date falling on 20.11.2014. Moreover, an additional co-borrower was added to the credit facility agreement, the company [INTER CARS ROMANIA](#) S.R.L., based in Cluj-Napoca, Romania.

On 18 November 2014 and annex to credit facility agreement was signed. The annex increased the total amount of credit available to PLN 550m. Furthermore, the Lenders agreed to extend the repayment period to 18 November 2015 (for PLN 280m - short-term part) and to 18 November 2017 (for PLN 270m - long-term part). Moreover, an additional co-borrower was added to the credit facility agreement, the company INTER CARS LIETEUVA UAB with its registered seat in Vilnius.

The credit facility bears interest at a variable interest rate based on WIBOR, EURIBOR and LIBOR reference rates plus bank's margin for each interest period.

### Bank credits concluded directly by subsidiary companies:

Inter Cars Česká republika s.r.o. concluded an agreement with Raiffeisenbank a.s. for:

- a) credit facility with a nominal value of EUR 5 million and maturity date 30 April 2015.
- b) investment credit with a value of Czech crown 10,000 thousand and maturity date 31 December 2014.

Inter Cars Slovenska Republika concluded an agreement with Citibank Europe PLC for credit facility with a nominal value of EUR 5,000 thousand and maturity date 27 March 2015.

Inter Cars in Romania concluded an agreement with ING Bank N.V. for credit facility with a value of Romanian LEI 15 million for the period of one year, the agreement was signed on 30 July 2014.

Moreover, on 20 August 2014 Inter Cars in the Czech Republic concluded an agreement with Citibank Europe plc for credit facility with a value of EUR 4.5 million for the period of one year.

	amount as per the agreement (limit) <i>in thousand PLN</i>	carrying amount as per 31/12/2014 <i>in thousand PLN</i>	maturity date
Inter Cars S.A.	270,000	235,000	18-11-2017
Inter Cars S.A.	280,000	142,738	18-11-2015
Inter Cars Česká republika s.r.o.	18,444	13,833	30-04-2015
Inter Cars Česká republika s.r.o.	1,537	-	31-12-2014
Inter Cars Slovenská republika s.r.o.	21,312	21,312	27-03-2015
Inter Cars Česká republika s.r.o.	19,180	17,049	20-08-2015
Inter Cars Romania s.r.l.	14,265	13,506	30-07-2015
	<u>624,738</u>	<u>443,437</u>	

### Issuance of bonds

On the day of 3 October 2014, Inter Cars SA. signed with mBank S.A. and Bank Handlowy w Warszawie S.A. a contract ("Programme Contract") regarding issuance of bonds by the Company up to the maximum amount of PLN 500,000,000 and servicing by mBank S.A. the issuance of bonds offered between the companies from the Group (so called inter-group bonds).

The Programme Contract makes it possible for the Company to issue Bonds offered within private offers for some investors (with no obligation of preparing issue prospectus) on the basis of art. 9 point 3 of Law on Bonds dated 29 June 1995 (as amended).

The Bonds issued in compliance with the Programme Contract will be unsecured bonds, authorizing bond holders only to receive cash benefits.

Detailed information of issuance of each series of Bonds, including their nominal value, issuance price, number of bonds, issue threshold, maturity date, interest rate, will each time be agreed and stipulated in relevant issue documents. The Company shall bear standard costs of issuance of Bonds, including the dealer commission, after each finished issuance. The Programme Contract is concluded for an indefinite time.

The first series of bonds, with total value of PLN 150,000,000 (series A) was issued by the Company on 24 October 2014. The bonds include only cash benefits. Interest on Bonds are to be paid in 6-month periods based on WIBOR interest rate for six-month deposits and particular margin set forth in the terms and conditions of Issuance of Bonds. The Bonds shall be mature as at 24 October 2019, or in case of basis for earlier buyback, at dates stipulated in the terms and conditions of Issuance of Bonds.

Income from issuance of bonds will be used for financing current operational activity and investment activity of the Company. Favourable market conditions on issuance of bonds allowed

for: a) diversification of sources of investment, and b) generating cost attractive financing for the period of 5 years.

Below chart presents Bonds issued and planned buyback dates:

Tranche number	Date of issuance	Maturity date	Amount of buyback
Series A	24.10.2014	24.10.2019	150,000,000
			<b>150,000,000</b>

## 8. Contingent liabilities and sureties

In the reporting period, Inter Cars S.A. and its subsidiaries did not grant any sureties for credits, loans or other guarantees worth at least 10% of equity capital.

Contingent liabilities, granted security and unrecognized liabilities did not change materially from those described in the financial statements as at 31 December 2013.

Sureties issued by Inter Cars S.A. as at 31 December 2014 are presented in the chart below:

<i>(in thousand PLN)</i> To	Period covered	Status as at	
		31.12.2014	31.12.2013
Lauber Sp. z o.o.	2014-01-13	-	197
Feber Sp. z o.o.	Until further notice	938	912
Feber Sp. z o.o.	23/05/2015	2,000	2,000
Inter Cars Bulgaria Ltd.	05/07/2015	268	260
RIM Sp. z o.o.	Until further notice	20	20
Glob Cars Sp.z o.o.	Until further notice	150	150
JC Auto Kraków	Until further notice	50	50
Tomasz Zatoka APC Polska	Until further notice	170	170
Michał Wierzobolowski Fst M.	Until further notice	250	250
Intraserv	Until further notice	50	50
Ducati Motor Holding	31.07.2015	2,984	311
Feber Sp. z o.o.	31.12.2014	4,262	4,147
IC Ukraine	31.12.2014	426	-
IC Slovenia	09.10.2017	124	-
Feber Sp. z o.o.	20/10/2015	852	-
IC Malta	Until further notice	526	-
		<b>13,070</b>	<b>8,517</b>

## 9. The Management Board's standpoint on the feasibility of meeting the previously published forecasts of financial results for 2014

The Capital Group Inter Cars S.A. did not publish any forecasts of financial results.

## 10. The List of shareholders holding at least 5% of the total number of votes as at the date of release of these statements

Shareholder	Number of shares as at	Total nominal value	Percentage of share in the share capital held	Percentage of total vote held
		(PLN)	(%)	(%)
Krzysztof Oleksowicz	4,462,271	8,924,542	31,50%	31,50%
Andrzej Oliszewski	1,302,000	2,604,000	9,19%	9,19%
Amplico OFE	780,000	1,560,000	5,51%	5,51%
ING	1,100,000	2,200,000	7,76%	7,76%
AVIVA Otwarty Fundusz Emerytalny	1,500,000	3,000,000	10,59%	10,59%

AXA OFE	897,777	1,795,554	6,34%	6,34%
<b>Total</b>	<b>10,042,048</b>	<b>20,084,096</b>	<b>70,88%</b>	<b>70,88%</b>

Until the date of release of these financial statements, the Company had not received any other shareholding notifications.

Changes in structure of shareholders holding 5% or more of the total vote as at the date of publication of previous financial statements:

Shareholder	Number of shares		Decreases	Number of shares as at
	as at as at 14.11.2014	Increases		
Krzysztof Oleksowicz	4,472,271	-	(10,000)	4,462,271
Andrzej Oliszewski	1,302,000	-	-	1,302,000
Amplico OFE	780,000	-	-	780,000
ING	1,100,000	-	-	1,100,000
AVIVA Otwarty Fundusz Emerytalny	1,500,000	-	-	1,500,000
AXA OFE	897,777	-	-	897,777
<b>Total</b>	<b>10,052,048</b>	<b>0</b>	<b>(10,000)</b>	<b>10,042,048</b>

The number of shares is equal the number of votes at General Shareholders' Meeting.

## 11. Changes in the number of shares and rights to shares (options) in Inter Cars S.A. held by the Company's management and supervisory personnel since the publication of the most recent quarterly report.

The Company's supervisory and managing personnel hold a total of 5,800,309 shares, constituting 40.94% of the total vote at the General Shareholders Meeting of Inter Cars.

The managing and supervisory personnel hold no shares in the subsidiaries of Inter Cars.

List of shares being held by the managing and supervisory personnel of Inter Cars as at the date of publishing the report:

Shareholder	Number of shares as at	Total nominal value	Percentage of share in the share capital held	Percentage of total vote held
		(PLN)	(%)	(%)
Krzysztof Oleksowicz	4,462,271	8,924,542	31,50%	31,50%
Andrzej Oliszewski	1,302,370	2,604,740	9,19%	9,19%
Robert Kierzek	29,834	59,668	0,21%	0,21%
Krzysztof Soszyński	4,834	9,668	0,03%	0,03%
Witold Kmieciak	1,000	2,000	0,01%	0,01%
<b>Total</b>	<b>5,800,309</b>	<b>11,600,618</b>	<b>40,94%</b>	<b>40,94%</b>

Changes in ownership of the Company shares held by the Company's management and supervisory personnel since the publication of the most recent quarterly report:

Shareholder	Number of shares as at	Increases	Decreases	Number of shares as at
	14.11.2014			02.03.2015
Krzysztof Oleksowicz	4,472,271	-	( 10,000)	4,462,271
Andrzej Oliszewski	1,302,370	-	-	1,302,370
Robert Kierzek	29,834	-	-	29,834
Krzysztof Soszyński	4,834	-	-	4,834
Witold Kmiecik	1,000	-	-	1,000
<b>Total</b>	<b>5,810,309</b>	<b>-</b>	<b>( 10,000)</b>	<b>5,800,309</b>

## 12. Information on court, arbitration and administrative proceedings

No proceedings were brought during the reporting period before any court or administrative body with respect to any liabilities or claims of Inter Cars S.A. or its subsidiary undertakings, whose aggregate value would represent 10% or more of the Company's equity.

Furthermore, no proceedings are pending before any court or administrative body with respect to any liabilities or claims of Inter Cars S.A. or its subsidiaries whose aggregate value would represent 10% or more of the Company's equity.

## 13. Transactions with related entities

<i>(in thousand PLN)</i>	<b>1.01.2014- 31.12.2014</b>	<b>1.01.2013- 31.12.2013</b>
<i>Remuneration of the members of the Supervisory Board and the Management Board</i>		
Remuneration of the members of the Supervisory Board	218	216
Remuneration of the members of the Management Board	7,362	7,192
	<b>7,580</b>	<b>7,408</b>
	<b>1.01.2014- 31.12.2014</b>	<b>1.01.2013- 31.12.2013</b>
<i>Transactions with related entities</i>		
Income on sales to related entities	1,036	910
Purchase of goods and services from related entities	7,422	7,506
	<b>31.12.2014</b>	<b>31.12.2013</b>
<i>Settlements with related entities</i>		
Receivables from related entities	305	294
Liabilities to related entities	386	313

80% of the goods and services purchased from related entities relates to the standard distribution service settled based on the same principles as those applicable to all branches. Placement in this category results from the family ties between a branch director and one of the members of the management Board of Inter Cars S.A.

**14. Other information which the Company deems relevant for the assessment of its personnel, assets, financial position and financial result or changes in any of the foregoing, and for the assessment of the Company's ability to perform its obligations**

This information is included in the section entitled "Factors and events of a non-recurring nature having a material bearing on the financial result, and a description of the Company's material achievements and failures along with a list of related key events."

**15. Events subsequent to the balance sheet day as at which the report was prepared which may have a material bearing on the Company's future financial results**

Prior to the publication hereof no events occurred which may have a material bearing on the Company's future financial results. Inter Cars S.A.

**16. Information on material transactions with related entities concluded on terms other than at arm's length, including information on their amounts and nature.**

All transactions with related entities were concluded at arm's length.

**17. Factors which in the Company's opinion will affect its financial results in the period covering at least the next quarter.**

Factors which in the Management Board's opinion will affect the Company's financial results in Q1 2015 include:

- ✓ *trends in the foreign exchange rates, mainly EUR, USD and YEN against PLN, UAH, HUF, CZK, SKK, LTL, HRK and RON;*
- ✓ trends in the demand from export customers, related mainly to political and legal situation in Ukraine;
- ✓ changes in interest rates, which will determine the amount of interest on contracted loans and thus affect the financial expenses;
- ✓ planned improvement in the stock turnover, which should reduce the financial costs by lowering the requirement for inventory financing;
- ✓ *optimization of logistics processes related to cost reductions;*
- ✓ enhanced awareness of the "Inter Cars" brand and obtaining new customers, which will contribute to the development of operating activities;



## QUARTERLY SEPARATE FINANCIAL STATEMENTS OF INTER CARS S.A.

### Statement of financial position

<i>(in thousand PLN)</i>	<u>31.12.2014</u> <i>(not audited)</i>	<u>31.12.2013</u> <i>(audited)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	146,869	139,391
Intangible assets	145,156	154,474
Investment property	2,134	2,100
Investments in subordinated entities	206,607	176,654
Investments available for sales	258	258
Receivables	30,418	18,580
Deferred corporate income tax	-	-
	<u>531,442</u>	<u>491,457</u>
<b>Current assets</b>		
Inventories	728,476	608,822
Trade and other receivables	581,008	508,181
Corporate income tax receivables	-	5,433
Cash and cash equivalents	20,086	15,802
	<u>1,329,570</u>	<u>1,138,238</u>
<b>TOTAL ASSETS</b>	<u><b>1,861,012</b></u>	<u><b>1,629,695</b></u>
<b>LIABILITIES</b>		
Equity		
Share capital	28,336	28,336
Share premium account	259,530	259,530
Statutory reserve funds	540,422	404,697
Other capital reserves	5,935	5,935
Retained earnings	100,640	146,108
	<u>934,863</u>	<u>844,606</u>
<b>Long-term liabilities</b>		
Loan, borrowing and finance lease liabilities	454,780	52,406
Deferred corporate income tax reserve	7,888	7,888
	<u>462,668</u>	<u>60,294</u>
<b>Short-term liabilities</b>		
Trade and other liabilities	246,079	272,483
Loans, borrowings, debt security and finance lease liabilities	214,029	451,035
Employee benefits	2,165	1,277
Income tax liabilities	1,208	-
	<u>463,481</u>	<u>724,795</u>
<b>TOTAL LIABILITIES</b>	<u><b>1,861,012</b></u>	<u><b>1,629,695</b></u>

## Statement of comprehensive income

(in thousand PLN)

	for the period of 3 months ended on 31 December		for the period of 12 months ended on 31 December	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
<b>Continued activity</b>				
Sales revenues	929,705	833,667	3,397,220	3,067,579
Cost of sales	(713,993)	(627,351)	(2,539,541)	(2,253,369)
Gross profit on sales	<b>215,712</b>	<b>206,316</b>	<b>857,679</b>	<b>814,210</b>
Other operating income	(513)	4,849	0	4,849
Costs of sales and administrative costs	(104,597)	(104,620)	(395,753)	(362,352)
Distribution expenses	(79,069)	(74,267)	(319,358)	(298,510)
License fees	(14,476)	(12,994)	(52,606)	(47,419)
Other operating expenses	429	(4,264)	(5,915)	(14,751)
Operating profit	<b>17,486</b>	<b>15,020</b>	<b>84,047</b>	<b>96,027</b>
Financial income	746	908	3,484	3,012
Dividends received	23,504	62,016	47,003	86,188
Foreign exchange gains/losses	(1,502)	513	(1,254)	214
Financial expenses	(4,980)	(669)	(19,583)	(20,954)
<b>Profit before tax</b>	<b>35,253</b>	<b>77,788</b>	<b>113,697</b>	<b>164,487</b>
Income tax	(2,008)	(5,443)	(13,382)	(18,703)
Net profit	<b>33,245</b>	<b>72,345</b>	<b>100,315</b>	<b>145,784</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Total other comprehensive income, net	-	-	-	-
<b>COMPREHENSIVE INCOME</b>	<b>33,245</b>	<b>72,345</b>	<b>100,315</b>	<b>145,784</b>
Earnings per share (PLN)				
- basic	2.35	5.11	7.08	10.29
- diluted	2.35	5.11	7.08	10.29
Number of shares	14,168,100	14,168,100	14,168,100	14,168,100
Number of shares to be diluted	14,168,100	14,168,100	14,168,100	14,168,100

## Statement of changes in equity

for the period from 1 January 2014 to 31 December 2014

<i>(in thousand PLN)</i>	Share capital	Share premium account	Statutory reserve funds	Other capital reserves	Retained earnings	Total
<b>As at 1 January 2014</b>	<b>28,336</b>	<b>259,530</b>	<b>404,697</b>	<b>5,935</b>	<b>146,108</b>	<b>844,606</b>
<b>Statement of comprehensive income</b>						
Net profit in the reporting period	-	-	-	-	100,315	<b>100,315</b>
<b>Total comprehensive income</b>	-	-	-	-	<b>100,315</b>	<b>100,315</b>
<b>Transactions with shareholders</b>						
Distribution of prior period profit - allocation to reserve capitals	-	-	135,725	-	(135,725)	-
Distribution of prior period profit – dividend	-	-	-	-	<b>(10,059)</b>	<b>(10,059)</b>
<b>As at 31 December 2014 (not audited)</b>	<b>28,336</b>	<b>259,530</b>	<b>540,422</b>	<b>5,935</b>	<b>100,639</b>	<b>934,862</b>

for the period from 01 January 2013 to 31 December 2013

<i>(in thousand PLN)</i>	Share capital	Share premium account	Statutory reserve funds	Other capital reserves	Retained earnings	Total equity
<b>As at 01 January 2013</b>	<b>28,336</b>	<b>259,530</b>	<b>332,196</b>	<b>5,935</b>	<b>72,825</b>	<b>698,822</b>
<b>Statement of comprehensive income</b>						
Profit in the reporting period	-	-	-	-	145,784	<b>145,784</b>
<b>Total comprehensive income</b>	-	-	-	-	<b>145,784</b>	<b>145,784</b>
<b>Transactions with shareholders</b>						
Distribution of retained earnings – transfer to statutory reserve funds	-	-	72,501	-	(72,501)	-
<b>As at 31 December 2013</b>	<b>28,336</b>	<b>259,530</b>	<b>404,697</b>	<b>5,935</b>	<b>146,108</b>	<b>844,606</b>

## Statement of cash flows

(in thousand PLN)

	<u>01.01.2014- 31.12.2014</u>	<u>01.01.2013- 31.12.2013</u>
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	113,697	164,487
Adjustments:		
Depreciation and amortization	25,973	21,695
Foreign exchange gains /losses	(10)	(14)
(Profit) /loss on the sale of property, plant and equipment	(1,044)	7,762
Net interest and share in profits	16,090	15,934
Net dividends	(47,003)	(86,188)
Other adjustments, net	0	1,389
Operating profit before changes in the working capital	<u>107,703</u>	<u>125,065</u>
Change in inventories	(119,655)	(26,598)
Change in receivables	(74,715)	(57,015)
Change in short-term liabilities	58,588	(25,979)
Cash generated by operating activities	<u>(28,080)</u>	<u>15,473</u>
Corporate income tax paid	(6,741)	(20,828)
<b>Net cash from operating activities</b>	<u>(34,820)</u>	<u>(5,355)</u>
<b>Cash flow from investing activities</b>		
Proceeds from the sale of plant, property, equipment and intangible assets	18,443	872
Purchase of property, plant, equipment and intangible assets	(31,067)	(27,844)
Sale of shares in subordinated entities	-	-
Purchase of financial assets in related and other entities	(29,938)	(43,505)
Repayment of loans granted	13,292	7,022
Loans granted	(9,577)	(7,491)
Interest received	7,692	2,433
Dividends received	47,003	86,188
Other items, net		
<b>Net cash from investing activities</b>	<u>15,848</u>	<u>17,675</u>
<b>Cash flow from financing activities</b>		
(repayments) / proceeds from loans and lease	(34,885)	(26,561)
Interest paid	(16,922)	(18,828)
Payment of finance lease liabilities	(8,017)	(4,877)
Security issues	150,000	-
Payment of the factoring	(56,860)	40,958
Dividend paid	(10,059)	-
<b>Net cash from financing activities</b>	<u>23,257</u>	<u>(9,308)</u>
<b>Net change in cash and cash equivalents</b>	<u>4,284</u>	<u>3,012</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>15,802</u>	<u>12,790</u>
	-	-
<b>Cash and cash equivalents at the end of the period</b>	<u>20,086</u>	<u>15,802</u>

## 1. Accounting principles

The accounting principles applied by Inter Cars are the same as those applied by the Group, with the exception of interest in subsidiaries, valued at the historical costs minus revaluation write-downs.

## 2. Investments in subordinated entities

<b>Investments in subordinated entities as at 30.09.2013</b>	<b>176,654</b>
Purchase of shares in Inter Cars d o.o., with its registered seat in Ljubljana in Slovenia	32
Reserve capital increase in IC Hungary	9,482
Capital increase in Q-Service Truck	495
Purchase of shares in IC Italia	4
Sale of shares in InterMeko Europa Sp. z o.o.	(20)
Capital increase in ILS	19,400
Capital increase in InterMeko Europa sp z o.o.	546
Purchase of shares in Cleverlog Eesti OÜ, with its registered seat in Tallinn, Estonia	14
<b>Investments in subordinated entities as at 31.12.2014</b>	<b>206,607</b>

## 3. Transactions with related entities in the condensed standalone financial statements

	<b>Sales revenues</b>		<b>Purchase of goods and services</b>	
	<b>01.01.2014- 31.12.2014</b>	<b>01.01.2013- 31.12.2013</b>	<b>01.01.2014- 31.12.2014</b>	<b>01.01.2013- 31.12.2013</b>
Inter Cars Ukraine LLC	27,259	29,090	-	-
Q-Service Sp. z o.o.	2,178	1,401	102,167	77,408
Lauber Sp. z o.o.	5,937	1,106	37,062	34,624
Inter Cars Ceska Republika	80,194	69,019	7,493	2,711
Inter Cars Slovenska Republika	75,601	67,921	2,305	1,703
Feber Sp. z o.o.	872	823	62,167	37,783
Inter Cars Lietuva UAB	72,798	100,999	18,559	10,505
IC Development & Finance Sp. z o.o.	16	(2)	1,177	1,236
JC Auto s.r.l.	7,960	6,422	245	3,344
Inter Cars d.o.o.	46,399	29,477	2,830	1,053
JC Auto S.A.	684	161	231	2,072
Inter Cars Hungária Kf.	47,887	21,977	4,020	880
Inter Cars Romania s.r.l.	180,010	118,594	18,685	10,208
Armatus sp. z o.o.	30	65	6,071	2,590
Cleverlog Autoteile BmbH	1,399	194	-	-
Inter Cars Latvija SIA	96,304	43,598	1,472	387
Inter Cars Bulgaria Ltd.	11,082	4,115	100	48
Inter Cars Marketing Services Sp. z o.o.	271	140	99,800	65,796
Inter Cars Cyprus Ltd	-	-	-	-
ILS Sp. z o.o.	27,290	10,509	189,826	125,414
Q-Service Truck Sp. z o.o.	512	-	894	-
ILS Latvija	58	-	-	-
ILS Romania	67	-	-	-
Inter Cars Slovenia	406	-	-	-
Inter Cars Malta Ltd	-	-	33,832	-
	<b>685,214</b>	<b>505,609</b>	<b>588,936</b>	<b>377,762</b>

Transactions with related entities in the condensed standalone financial statements (continued)

<i>Settlement</i>	<b>Receivables as at</b>		<b>Liabilities as at</b>	
	<b>31.12.2014</b>	<b>31.12.2013</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
Inter Cars Ukraine LLC	14,586	16,889	-	-
Q-service Sp. z o.o.	-	-	15,348	7,846
Lauber Sp. z o.o.	9,621	3,881	1,799	2,584
Inter Cars Ceska Republika	15,309	5,404	1,246	102
Inter Cars Slovenska Republika	14,210	6,108	69	-
Feber Sp. z o.o.	103	81	8,368	1,250
Inter Cars Lietuva UAB	5,953	7,830	156	250
Armatus sp. z o.o.	-	-	-	-
IC Development & Finance Sp. z o.o.	-	-	-	-
JC Auto s.r.l.	11,255	8,600	50	732
Inter Cars d.o.o.	34,972	28,390	3	-
JC Auto S.A.	121	-	241	563
INTER CARS Hungária Kft.	11,371	32,336	1,319	-
JC Auto s.r.o.	4,120	4,009	-	-
Inter Cars Romania s.r.l.	135,637	97,309	82	89
Inter Cars Latvija SIA	43,644	23,629	233	19
Inter Cars Cyprus Ltd.	-	-	2,737	3,160
Cleverlog-Autoteile GmbH	525	94	-	-
Inter Cars Bulgaria Ltd.	5,198	2,743	-	-
Inter Cars Marketing Services Sp. z o.o.	6	9	21,860	1,427
ILS Sp. z o.o.	8,089	78	362	22,414
Inter Cars Malta Holding Limited	-	1,037	(19)	(19)
Inter Cars Malta Limited	-	7,920	2,730	-
Q-service Truck Sp. z o.o.	7	-	14	-
Intermeko	1,095	-	-	-
ILS SRL	9	-	-	-
<b>Gross receivables from subsidiaries</b>	<b>315,831</b>	<b>246,347</b>	<b>56,598</b>	<b>40,417</b>
Revaluation write-down on receivables (JC Auto s.r.o.)	<b>(4,120)</b>	<b>(4,009)</b>	-	-
<b>Net receivables from subsidiaries</b>	<b>311,711</b>	<b>242,338</b>	<b>56,598</b>	<b>40,417</b>

**Settlements on loans and borrowings**

<i>Receivables from subsidiaries</i>	<b>31.12.2014</b>	<b>31.12.2013</b>
Lauber Sp. z o.o.	8,780	8,750
Feber Sp. z o.o.	3,010	23,198
IC Development & Finance Sp. z o.o.	25,334	26,065
SMiOC FRENOPLAST Buřhak i Cieřlawski S.A	1,477	3,104
Inter Cars Bulgaria Ltd.	1,009	982
Inter Cars Malta	6,046	-
Q-Service Truck	1,254	-
Cleverlog-Autoteile GmbH	129	-
<b>Gross receivables on loans</b>	<b>47,039</b>	<b>62,099</b>
Revaluation write-down on loans	<b>(1,477)</b>	<b>(3,059)</b>
<b>Net receivables on loans</b>	<b>45,562</b>	<b>59,040</b>

*Liabilities to subsidiaries*

Inter Cars Marketing Services Sp. z o.o.	45,561	23,823
Inter Cars (Cyprus) LIMITED	45,607	12,856
Q-Service sp z o.o.	4,262	4,234
	<b>95,430</b>	<b>40,913</b>