

The background of the entire page is an abstract, dynamic composition of blue and white light streaks. These streaks originate from a bright, glowing point on the left side and radiate outwards, creating a sense of motion and depth. The colors range from deep, dark blues to bright, almost white highlights, giving the impression of a high-speed tunnel or a futuristic light display.

AAA Auto Group N.V.
Interim Statement
May 2012

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AAA Auto Group N.V. Interim Statement – May 2012

Material events in the first four months of 2012 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:

- According to consolidated financial results for the first quarter of 2012, AAA Auto Group N.V. improved its overall profitability in the first three months substantially on the back of strong 1Q sales results, substantially more robust financial services penetration compared to the same period of last year, gradually increasing revenue contribution from its Russian operations and other newly opened branches on its main Czech and Slovak markets and the overall higher operating and cost efficiency of the Group.
- In the first quarter of 2012 the Company booked impairment charges against the value of its real estate property held in Hungary and Czech Republic. However, the charges were of an accounting basis and had no effect on the Group's cash flow.
- Exchange rate gains and losses, the majority of which were non-cash.

AAA Auto Group N.V. published its financial results for the first three months of 2012 today – for a commentary see the next page.

In the first half of 2012 AAA AUTO Group made also an important business decision:

- Regional expansion in the Czech Republic and Slovakia

For a commentary on this decision and for other potential influences on the Company's financial results until the end of 2012 see the section after the financial results.

Consolidated Unaudited Financial Results of AAA AUTO Group for 1Q 2012

Sales Results for the first four months of 2012

Prague / Budapest, 21 May 2012 - According to consolidated financial results for the first quarter of 2012, AAA Auto Group N.V. raised its net income threefold to EUR 2.9 million, compared to the first quarter of last year, on the back of strong 1Q sales results, substantially more robust financial services penetration, increasing revenue contribution from its Russian operations and other newly opened branches on its main Czech and Slovak markets and the overall higher operating and cost efficiency of the Group. Total revenues increased by 22% yoy to EUR 76.9 million in 1Q 2012, on a 42% yoy increase in gross profit on sales (EUR 20.1 million) and 79% increase in operating profit (EBITDA; EUR 5.1 million).

“AAA AUTO Group benefited from very good sales results in 1Q 2012, which outperformed the market; the Group’s increasing revenues from financial services and strong profit margins. We are also very pleased to see the increasing contribution of our Russian operations. Our Russian division achieved excellent sales result of 200 cars sold in April and as a result, we expect to reach a breakeven point at the level of net income in June,” commented Karolína Topolová, Chief Operating Officer and Deputy CEO of AAA AUTO Group.

AAA AUTO Group’s **total revenues** for 1Q 2012 grew by 21.6% to EUR 76.9 million compared to the same period last year thanks to the 10.2% year-on-year increase in unit sales that the Company recorded in the first quarter and 56.8% increase in revenues from financial services.

The **gross profit on sales** increased by 41.6% yoy to EUR 20.1 million in 1Q 2012. The **gross profit margin** strengthened to 26.2% in 1Q 2012 compared to the average profit margin of 25.9% for the whole 2011¹. This improvement was thanks to a substantially higher penetration of financial services² compared to last year and increasing revenues from upsale products, both of which yield high profit margins. The financial services penetration increased considerably, from 38.3% in 1Q 2011 to 50.4% in 1Q 2012. The contribution of financial services and upsale products to the Group’s total gross profit grew to 62.8% in 1Q 2012 from 56.7% a year earlier.

Together with the sales growth in the first quarter of 2012, **operating expenses** increased to EUR 15.1 million. The increase in operating expenses of 31.4% outpaced the increase in total revenues of 21.6% on the back of operating costs for Russian operations (where the company hasn’t reached the breakeven point yet) and costs for opening of new branches and training new personnel in the CR and Slovakia. However, the opex / revenue ratio remained below a 20% level.

As a result of the improved operating performance, **EBITDA** grew by 79.2% in the 1Q 2012 to the level of EUR 5.1 million compared to EUR 2.9 million achieved a year ago.

In 1Q 2012 the Company also booked **impairment charges** of EUR 0.46 million for real estate property held in Hungary and Czech Republic. On the other hand, the Company recorded **forex gains** of EUR 0.55 million stemming mainly from exchange rate movements of local currencies versus EUR. Neither of the two items, however, had a material effect on the Group’s cash flow.

At the level of financial income, the **interest expense** decreased by 13.0% yoy despite the Company’s higher need for working capital financing driven by stronger sales over the past year and

¹ The Company chooses not to compare the 1Q 2012 profit margin with 1Q 2011 when profit margins temporarily dropped to 22.5% due to the fact that the Company had to meet unexpectedly high demand during the first quarter 2011 which temporarily weakened the profit margin per car sold.

² The ratio of cars sold on consumer credit or leasing to total number of cars sold by AAA AUTO Group.

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newly opened branches. The decrease in interest expense is a product of the Company's gradual reduction of the Group's debt (the net debt to equity ratio³ was reduced from 288% as at end 1Q 2011 to 121% as at end 1Q 2012).

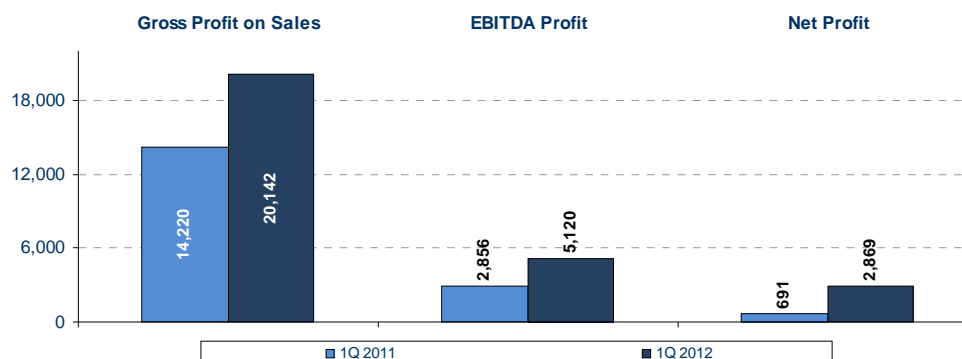
As a result of the strong improvement across the income statement AAA AUTO Group realised a **profit before tax** at the level of EUR 4.1 million, compared to EUR 1.2 million achieved a year ago.

AAA AUTO Group's total **net profit** soared threefold to EUR 2.8 million in the first quarter of 2012 compared to EUR 0.7 million realised in the same period of 2011.

Consolidated financial results for the first quarter of 2012 – key figures ⁴

- Total revenues of EUR 76.9m (+21.6% year-on-year)
 - of which car sales accounted for EUR 64.0m (+16.6% yoy)
 - of which revenues from financial services accounted for EUR 11.7m (+56.8%)
- Gross profit on sales reached EUR 20.1m (+41.6% yoy)
 - The gross profit margin strengthened to 26.2% in 1Q 2012 compared to the average profit margin of 25.9% for the whole 2011 on the back of increasing contribution of financial services and upsale products which yield high profit margins
- Together with the sales growth in the first quarter of 2012 the operating expenses increased by 31.4% yoy to EUR 15.1m
 - of which personnel expenses representing 54% of total opex grew 32.2% to EUR 8.2m
 - the opex / revenue ratio was capped below 20% level
- Operating profit (EBITDA) increased by 79.2% to EUR 5.1m compared to EUR 2.9m in 1Q2011
- Profit before tax jumped two and half times to EUR 4.1m compared to EUR 1.2m in 1Q2011
- AAA AUTO Group grew its consolidated net profit threefold to EUR 2.9m in 1Q 2012 compared to EUR 0.7m realised in 1Q 2011

Gross Profit on Sales, EBITDA and Net Profit



³ Net Debt / Equity = [(Long and Short Term Borrowings + Finance Lease + Liabilities of disposal group classified as held for sale) – (Cash and Cash Equivalents + Financial Assets)] / Equity

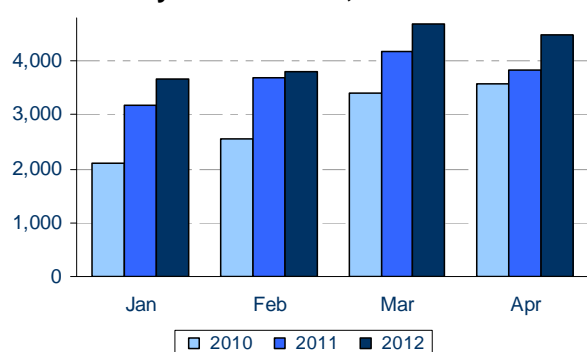
⁴ To ensure a correct year-on-year comparison, the financial results for 1Q 2011 have been retrospectively reclassified (all remaining discontinued operations were reclassified to continuing).

Sales performance

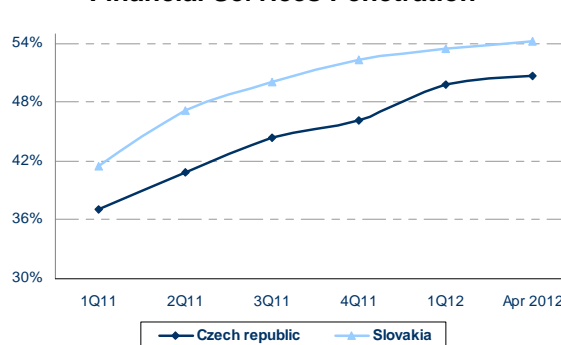
AAA AUTO Group's sales results for the first four months outperformed, in terms of growth performance, the market of used car imports and sale of new cars⁵. The Group's sales for April increased by 17.1% yoy to a strong 4,479 cars sold, though April sales didn't reach the exceptional sales result for March which is usually the strongest month of the year for the Group in terms of sales. On the contrary, the Group's sales results in Russia have been steadily growing from 80 in January to 168 in March and 200 in April indicating that Russian operations will be the leading growth driver of the Group's sales in 2012 (e.g. without Russian sales, the sales growth for April of 17.1% would stand at 11.9%).

As for regional sales growth performance, the main growth drivers were Eastern and Northern Bohemia in the Czech Republic and Eastern Slovakia.

Monthly Sales in 2010, 2011 and 2012



Financial Services Penetration⁶



	YTD 2011	YTD 2012 *	yoy	April 2011	April 2012	yoy
Czech Republic	10,965	12,025	9.7%	2,940	3,179	8.1%
Slovakia	3,910	4,081	4.4%	884	1,100	24.4%
Russia **	0	548	n/m	0	200	n/m
Group	14,875	16,654	12.0%	3,824	4,479	17.1%

* YTD = January – April

** Russian operations were launched in September 2011

Source: Company data

⁵ Data source: SDA (Sdružení dopravců automobilů ČR) and ZAP (Združenie automobilového priemyslu SR)

⁶ The ratio of cars sold on consumer credit or leasing to total number of cars sold by AAA AUTO Group.

Other important events since the beginning of 2012:

- **Regional expansion in the Czech Republic and Slovakia**

Following the opening of a first new branch, after nearly a four year break, in the Czech Republic (Opava) in September 2011, AAA AUTO Group plans to open up to four new branches in the Czech Republic and another two in Slovakia in 2012.

The first centres planned to be opened in 2012 already opened their doors in early February 2012 in Jihlava (the Czech Republic) and in Nové Zámky (Slovakia) and another one in April in Liberec⁷ (the Czech Republic).

Given the conservative strategy and gradual investment phasing, the regional expansion is planned in such a way as to have a limited impact on the Group's consolidated financial results. If the macroeconomic development in Europe evolves adversely the Company might reconsider its plans and the investments might be postponed.

⁷ Liberec was only a buying outlet

Potential risks and other potential influences on the financial results by the end of 2012:

- I. The main factor that determines consumer demand on the used car retail market remains the underlying **economic development**. Given its persisting uncertainty about the future economic development in Europe and thus in the Company's main market of the Czech Republic and Slovakia, and given the sales performance being the single most important factor that determines the Group's financial performance, this risk factor remains to be crucial.
- I. **Foreign exchange (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 rest 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.
- II. Development of the Company's operations in **Russia**. The potential size of the Russian market makes the entry to this market a strategically significant investment for the Group (the Company opened its first branch in September 2011). The Company expects the first branch to break even at the level of net income by mid 2012. For the whole 2012 the Company expects the Russian operations to be still moderately in red numbers, while in 2013 the first Russian branch should become fully profitable. Based on the sales and financial results of the first branch the Company plans to open another car centre in Russia, most likely in 2013 or 2014.
- III. Given the still uncertain overall economic situation in **Hungary** and the expected start-up costs for relaunching operations in the Hungarian used car market, the Company postponed a decision to return to Hungary until the second half of 2012, while continuing to monitor the local market.
- IV. The Company doesn't plan, at the present time, to enter any other **foreign markets**.
- V. As part of the resumed **regional expansion**, the Company has already opened two new branches in the Czech Republic (Jihlava and Liberec) and one in Slovakia (Nove Zamky) this year. The opening of other new branches will depend on the prevailing demand for used cars in regions target by the Company for new sites' opening. While the Company expects sales volumes of the current branches to be flat this year, the newly opened car centres are expected to be the leading contributors to a sales growth for the whole Group in 2012, provided that the situation on the used car market remains unchanged.
- VI. The Company doesn't expect to realise a sale of any **real estate property** by the end of 2012.

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Appendix

Interim Financial Report for the 3 months ended 31 March 2011

Unaudited

The consolidated financial statements of AAA Auto Group N.V. and all of its subsidiaries (the Group) have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the European Union ("IFRS").

AAA Auto Group N.V. CONSOLIDATED STATEMENT OF FINANCIAL POSITION at 31 March 2012 (EUR '000)

ASSETS	31/03/12	31/03/11
Non-current assets		
Intangible assets	138	159
Property, plant and equipment	38,856	37,839
Other financial assets	191	267
Deferred tax assets	44	17
Total non-current assets	40,229	38,282
Current assets		
Inventories	37,165	29,674
Trade and other receivables	6,704	10,849
Current tax asset	0	880
Other non-financial assets	2,011	1,156
Cash and cash equivalents	4,286	1,741
	50,167	44,300
Assets of disposal group classified as held for sale	-	3,897
	50,167	48,197
TOTAL ASSETS	90,396	86,479
EQUITY AND LIABILITIES	31/03/12	31/03/11
Equity		
Issued capital	38,185	38,185
Reserves	8,372	6,403
Accumulated losses	(17,865)	(29,477)
Equity attributable to equity holders of the company	28,692	15,111
Total equity	28,692	15,111
Non-current liabilities		
Bank and other borrowings	25,539	16,395
Deferred tax liabilities	0	253
Total non-current liabilities	25,539	16,648
Current liabilities		
Trade and other payables	8,365	11,941
Current tax liabilities	2,630	2,782
Bank overdrafts and borrowings	14,515	28,155
Provisions	3,752	3,356
Other financial liabilities	1,308	4,259
Other non-financial liabilities	5,595	3,534
	36,165	54,027
Liabilities of disposal group classified as held for sale	-	693
	36,165	54,720
Total liabilities	61,704	71,368
TOTAL EQUITY AND LIABILITIES	90,396	86,479

AAA Auto Group N.V.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended 31 March 2012 (EUR '000)

	1Q 2012	1Q 2011 ^{*)}
Continuing operations		
Revenue	76,949	63,276
Other income	125	162
Changes in inventories	944	775
Car inventory sold	(57,751)	(49,831)
Advertising expenses	(1,822)	(1,509)
Employee benefit expenses	(8,178)	(6,185)
Depreciation and amortisation expense	(569)	(547)
Impairment of property plant and equipment	(460)	-
Other expenses	(5,147)	(3,832)
Finance cost	58	(1,068)
Profit before tax	4,148	1,241
Income tax expense	(1,280)	(551)
Profit for the period	2,869	690
Other comprehensive income		
Foreign currency translation differences for foreign operations	(31)	(93)
Other comprehensive income for the period, net of income tax	(31)	(93)
Total comprehensive income for the period	2,837	597
Earnings per share from: operations attributable to the equity holders of the company during the year (expressed in EUR cent per share)		
Basic earnings per share	4.23	1.02
Diluted earnings per share	4.10	0.98

^{*)} Note that the results for 2011 were retrospectively reclassified (all discontinued operations were reclassified into continuing operations) to make the financial results for 2012 and 2011 fully comparable.

AAA Auto Group N.V.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Quarter Ended 31 March 2012 (EUR '000)

	Share capital	Share premium	Equity/ legal reserve	Share option reserve	Foreign currency translation reserve	Accumulated losses	Total equity
Balance at 01/01/11	6,776	31,409	280	418	5,747	(30,166)	14,464
Profit for the year	-	-	-	-	-	10,343	10,343
Other comprehensive income							
Foreign currency translation differences	-	-	-	-	1,570	-	1,570
Total comprehensive income	-	-	-	-	1,570	10,343	11,913
Transactions with owners							
Equity legal reserve	-	-	176	-	-	(176)	-
Distribution to the majority shareholder **)	-	-	-	-	-	(734)	(734)
Share options	-	-	-	162	-	-	162
Balance at 31/12/11	6,776	31,409	456	580	7,317	(20,733)	25,805
Balance at 01/01/12	6,776	31,409	456	580	7,317	(20,733)	25,805
Profit for the period	-	-	-	-	-	2,869	2,869
Other comprehensive income							
Foreign currency translation differences	-	-	-	-	(31)	-	(31)
Total comprehensive income	-	-	-	-	(31)	2,869	2,837
Transactions with owners							
Equity legal reserve	-	-	-	-	-	-	-
Share options	-	-	-	50	-	-	50
Balance at 31/03/12	6,776	31,409	456	630	7,286	(17,864)	28,692



AAA Auto Group N.V.
CONSOLIDATED CASH FLOW STATEMENT
For the Quarter ended 31 March 2012 (EUR '000)

	1Q 2012	1Q 2011
Cash flows from operating activities		
Profit for the year	2,869	690
Adjustments for:		
Income tax expense	1,280	551
Depreciation and impairment of fixed assets	1,029	547
Change in provisions and in provisions to inventories and receivables	559	258
(Gain) / loss on disposal of fixed assets	11	(72)
Interest income	(24)	-
Interest expense	392	-
Share options	50	50
Foreign exchange (gain)/loss	(550)	366
(Increase)/decrease in inventories	(8,074)	(6,212)
Decrease/(increase) in receivables and other assets	1,645	(711)
Increase/(decrease) in payables and other liabilities	2,067	1,913
Interest paid	(194)	237
Interest received	24	0
Income tax paid	(831)	(326)
Net cash provided by operating activities	252	(2,709)
Cash flows from investing activities		
Purchase of property, plant and equipment ^{**})	(573)	(1,045)
Proceeds from disposals of property, plant and equipment	5	72
Net cash used in investing activities	(568)	(973)
Cash flows from financing activities		
Proceeds from third party loans	912	1,734
Repayment of third party loans	(1,547)	-
Payment of finance lease liabilities	-	-
Net cash from financing activities	(635)	1,734
Net increase/(decrease) in cash and cash equivalents	(951)	(1,948)
Net foreign exchange difference	85	24
Cash and cash equivalents at the beginning of the year	5,152	3,665
Cash and cash equivalents at the end of the year	4,286	1,741

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AAA AUTO Group has been in operation for 20 years and gradually expanded its branch network across the CE region. At present, it operates a network of 27 branches in the Czech Republic, Slovakia and Russia. In September 2007, the Netherlands-based parent company AAA Auto Group N.V. entered the stock exchanges in Prague and Budapest. AAA AUTO Group sold over 44 800 used cars in 2011 and according to the audited consolidated financial results it recorded a turnover of EUR 276 million. According to market research by Ernst & Young, AAA AUTO Group placed among the top ten largest vehicle distributors in Europe in 2007.