

# **AAA AUTO**

**CORRECTION** (correction of inside information issued on 26 May 2011, 17:15; detail of the correction is specified in the footnote <sup>1</sup>)

Regulatory Announcement of Inside Information

Published: 26.05.2011 at 21:50

## **Consolidated Unaudited Financial Results of AAA AUTO Group for Q1 2011 (CORRECTION<sup>1</sup>)**

**Prague / Budapest, 26 May 2011 - The consolidated financial results for the first quarter of 2011 which AAA Auto Group N.V. reported today show a solid growth performance across the income statement compared to the same period last year which corresponds with the strong sales performance the company reported for Q1 2011 earlier this year. The company recorded total revenues of EUR 63.3 million for Q1 2011, which is by 61.2% more compared to Q1 2010, with gross profit on sales at EUR 14.2 million (+ 42.4% yoy) and consolidated net profit at EUR 0.7 million (+ 45.1% yoy).**

AAA AUTO Group's total revenues for Q1 2011 grew by 61.2% compared to the same period last year thanks to the 37.2% year-on-year increase in unit sales that the company recorded for Q1 2011 and an increase in the average price per car sold over the past year.

The gross profit on sales increased by 42.4% yoy to EUR 14.2 million. However, the gross profit margin weakened to 22.5% in Q1 2011 (compared to 25.4% in Q1 2010). This was due to the fact that the company had to meet unexpectedly high demand during the first quarter which temporarily weakened the profit margin per car sold. This effect has diminished with the slowing sales growth that the company registered after the first quarter and has already brought about recovering profit margins.

Together with the sales growth in the first quarter of 2011, operating expenses increased by 51.2% to EUR 11.5 million. This increase was however comfortably below the 61.2% growth rate of revenues. As a result, the opex / revenue ratio improved to 18.1% (compared to 19.3% for Q1 2010 and 20.4% at YE 2010).

As a result of the improved operating performance, EBITDA grew by 16.9% yoy in the Q1 2011 to the level of EUR 2.9 million.

At the level of financial income, the interest expense grew on the back of the company's higher need for working capital financing driven by stronger sales over the past year. The financial income was also negatively affected by forex losses stemming mainly from exchange rate movements of HUF/EUR (most of these forex losses for Q1 2011 were unrealised and non-cash).

The total net profit AAA AUTO Group recorded for the first quarter of 2011 was 45.1% higher than the same period in 2010 <sup>2</sup> and amounted to EUR 0.7 million.

---

<sup>1</sup> The corrected items are included in Consolidated Statement of Financial Position in Current Liabilities. For more information, please see the Appendix

<sup>2</sup> The company has reclassified most of its discontinued operations to continuing as at 2010. As a result, the net income from discontinued operations now includes only minor costs related to the real estate property the company holds in its remaining discontinued operations (Poland).

The new definition of the Company's operations in its Statement of Comprehensive Income is currently as follows:

- continuing operations - daughter companies in the Czech Republic, Slovakia, Hungary and the parent company incorporated in the Netherlands
- discontinued operations - daughter companies in Poland

Note that the definition in the Statement of Financial Position (balance sheet) is marginally different.

AAA Auto Group N.V., Amsterdam, Netherlands, with registered address: Dopravaku 723, Prague 8; IC: 28215044

[www.aaaauto.nl](http://www.aaaauto.nl)

## Consolidated financial results for the first quarter of 2011 – key figures <sup>3</sup>

- Total revenues amounted to EUR 63.3m (+61.2% year-on-year)
  - of which car sales accounted for EUR 54.9m (+66.6% yoy)
- Gross profit on sales reached EUR 14.2m (+42.4% yoy)
  - the gross profit margin weakened to 22.5% in Q1 2011 (compared to 25.4% in Q1 2010) due to the fact that the company had to meet unexpectedly high demand during the first quarter. This effect has already diminished in the following months.
- In line with the sales growth in the first quarter of 2011 the operating expenses increased by 51.2% yoy to EUR 11.5m
  - of which personnel expenses representing 54% of total opex grew 70.1% to EUR 6.2m
  - the increase in total opex was capped below the growth rate of revenues which resulted in an improved opex / revenue ratio of 18.1% (compared to 19.3% in Q1 2010)
- Operating profit EBITDA reached EUR 2.9m (+16.9% yoy)
- AAA AUTO Group achieved a consolidated net profit of EUR 0.7m for Q1 2011 (+45.1%)

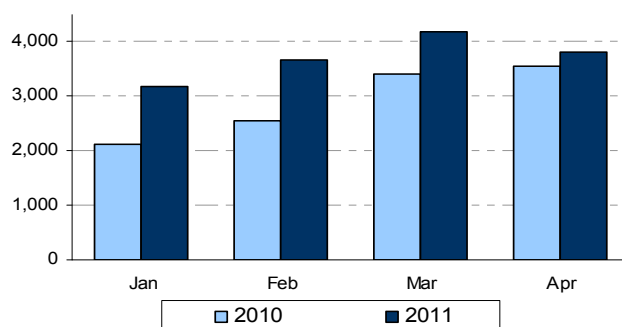
### Sales performance

After the robust unit sales performance AAA AUTO Group registered in the unexpectedly strong winter season (sales grew by 37% yoy in Q1 2011), the sales dynamics weakened in the following months (in April and May up to this day). This indicates that the high season which usually comes with the spring months arrived early this year.

The market statistics (SDA, the Car Importers Association) show that used car imports and new car sales in the Czech Republic have been experiencing a similar trend this year (after a growth in the first quarter sales declined yoy in April for both market segments).

The main factor that determines consumer demand on the used car retail market remains the underlying economic development. As the economic recovery is still in its early stage and as the growth momentum on the market has been recently showing a weakening trend the Company has decided to revise its sales outlook for 2011 to a more conservative level of 5% above the level of sales achieved in 2010.

### AAA AUTO Group's Monthly Sales Development



<sup>3</sup> Note that due to the reclassification, the financial results for Q1 2010 have been retrospectively restated to ensure a correct year-on-year comparison with the financial results for Q1 2011.

Contacts:

Dana Pavlousková  
Group PR & IR Manager  
AAA AUTO  
Tel.: +420 283 068 229  
GSM: +420 602 666 622  
E-mail: [dana.pavlouskova@aaaauto.cz](mailto:dana.pavlouskova@aaaauto.cz)

Pavel Tuček  
Analyst & IR Administration Coordinator  
AAA Auto Group N.V.  
Tel.: +420 283 068 583  
GSM: +420 734 395 245  
E-mail: [pavel.tucek@aaaauto.cz](mailto:pavel.tucek@aaaauto.cz)

## 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 2011 and 2010 (EUR '000)

	31/03/11	31/03/10 Restated <sup>1)</sup>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	159	322
Property, plant and equipment	37,839	37,447
Other financial assets	267	296
Deferred tax assets	17	16
<b>Total non-current assets</b>	<b>38,282</b>	<b>38,081</b>
<b>Current assets</b>		
Inventories	29,674	16,437
Trade and other receivables	10,849	14,937
Current tax asset	880	354
Other non-financial assets	1,156	4,127
Cash and cash equivalents	1,741	4,313
	<b>44,300</b>	<b>40,168</b>
Assets of disposal group classified as held for sale	3,897	6,396
	<b>48,197</b>	<b>46,564</b>
<b>TOTAL ASSETS</b>	<b>86,479</b>	<b>84,645</b>
<b>EQUITY AND LIABILITIES</b>	<b>31/03/11</b>	<b>31/03/10 Restated <sup>1)</sup></b>
<b>Equity</b>		
Issued capital	38,185	38,185
Reserves	6,403	4,944
Accumulated losses	(29,477)	(35,054)
<b>Equity attributable to equity holders of the company</b>	<b>15,111</b>	<b>8,075</b>
<b>Total equity</b>	<b>15,111</b>	<b>8,075</b>
<b>Non-current liabilities</b>		
Bank and other borrowings	16,395	20,747
Deferred tax liabilities	253	447
<b>Total non-current liabilities</b>	<b>16,648</b>	<b>21,194</b>
<b>Current liabilities</b>		
Trade and other payables	11,941	17,223 <sup>2)</sup>
Current tax liabilities	2,782	275
Bank overdrafts and borrowings	28,155	26,917 <sup>2)</sup>
Provisions	3,356	3,858
Other financial liabilities	4,259	3,206
Other non-financial liabilities	3,534	2,678
	<b>54,027</b>	<b>54,157</b>
Liabilities of disposal group classified as held for sale	693	1,219
	<b>54,720</b>	<b>55,376</b>
<b>Total liabilities</b>	<b>71,368</b>	<b>76,570</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>86,479</b>	<b>84,645</b>

<sup>1)</sup> Some amounts have been restated and do not correspond to the amounts presented in the consolidated financial statements for the quarter ended 31 March 2010

<sup>2)</sup> In the previously presented press release the *Trade and other payables* was incorrectly increased by the amount of EUR 8,266 thousand. This amount has now been correctly transferred to *Bank overdrafts and borrowings*

**AAA Auto Group N.V.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Quarter Ended 31 March 2011 and 2010 (EUR '000)**

	1Q 2011	1Q 2010 <sup>*)</sup>
		Restated
<b>Continuing operations</b>		
<b>Revenue</b>	<b>63,276</b>	<b>39,253</b>
Other income	160	92
Changes in inventories	775	516
Car inventory sold	(49,831)	(29,784)
Advertising expenses	(1,509)	(809)
Employee benefit expenses	(6,185)	(3,636)
Depreciation and amortisation expense	(546)	(692)
Impairment of property plant and equipment	-	(78)
Other expenses	(3,774)	(3,141)
Finance cost	(1,056)	(596)
<b>Profit before tax</b>	<b>1,310</b>	<b>1,125</b>
Income tax expense	(556)	(468)
<b>Profit for the period from continuing operations</b>	<b>754</b>	<b>657</b>
<b>Discontinued operations</b>		
Profit/(loss) from discontinued operations	(64)	(181)
<b>Profit for the period</b>	<b>690</b>	<b>476</b>
<b>Other comprehensive income</b>		
Foreign currency translation differences for foreign operations	(93)	132
<b>Other comprehensive income for the period, net of income tax</b>	<b>(93)</b>	<b>132</b>
<b>Total comprehensive income for the period</b>	<b>597</b>	<b>608</b>
<b>Profit attributable to:</b>		
Equity holders of the company	690	476
<b>Profit for the period</b>	<b>690</b>	<b>476</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the company	597	608
<b>Total comprehensive income for the period</b>	<b>597</b>	<b>608</b>
<b>Earnings per share from continuing and discontinued operations attributable to the equity holders of the company during the year (expressed in EUR cent per share)</b>		
<b>Basic earnings per share</b>		
From continuing operations	1.11	0.97
From discontinued operations	(0.09)	(0.27)
	<b>1.02</b>	<b>0.70</b>
<b>Diluted earnings per share</b>		
From continuing operations	1.08	0.93
From discontinued operations	(0.09)	(0.26)
	<b>0.98</b>	<b>0.67</b>

<sup>\*)</sup> Some amounts have been restated and do not correspond to the amounts presented in the consolidated financial statements for the quarter ended 31 March 2010

**AAA Auto Group N.V.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Periods Ended 31 December 2010<sup>\*)</sup> and 31 March 2011 (EUR '000)**

	Share capital	Share premium	Equity/ legal reserve	Share option reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to holders of the Company	Total equity
<b>Balance at 01/01/10</b>	<b>6,776</b>	<b>31,409</b>	<b>653</b>	<b>428</b>	<b>4,186</b>	<b>(35,650)</b>	<b>7,802</b>	<b>7,802</b>
Profit for the year	-	-	-	-	-	5,111	5,111	5,111
<i>Other comprehensive income</i>								
Foreign currency translation differences	-	-	-	-	1,561	-	1,561	1,561
<b>Total comprehensive income</b>	-	-	-	-	1,561	5,111	6,672	6,672
<i>Transactions with owners</i>								
Equity legal reserve	-	-	156	-	-	(156)	-	-
Reclassification	-	-	(529)	-	-	529	-	-
Share options	-	-	-	(10)	-	-	(10)	(10)
<b>Balance at 31/12/10</b>	<b>6,776</b>	<b>31,409</b>	<b>280</b>	<b>418</b>	<b>5,747</b>	<b>(30,166)</b>	<b>14,464</b>	<b>14,464</b>
<b>Balance at 01/01/11</b>	<b>6,776</b>	<b>31,409</b>	<b>280</b>	<b>418</b>	<b>5,747</b>	<b>(30,166)</b>	<b>14,464</b>	<b>14,464</b>
Profit for the year	-	-	-	-	-	690	690	690
<i>Other comprehensive income</i>								
Foreign currency translation differences	-	-	-	-	(93)	-	(93)	(93)
<b>Total other comprehensive income</b>	-	-	-	-	<b>(93)</b>	<b>690</b>	<b>597</b>	<b>597</b>
<i>Transactions with owners</i>								
Equity legal reserve	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
Share options	-	-	-	50	-	-	50	50
<b>Balance at 31/03/11</b>	<b>6,776</b>	<b>31,409</b>	<b>280</b>	<b>468</b>	<b>5,654</b>	<b>(29,476)</b>	<b>15,111</b>	<b>15,111</b>

<sup>\*)</sup> Some amounts have been restated and do not correspond to the amounts presented in the consolidated financial statements for the quarter ended 31 March 2010

**AAA Auto Group N.V.**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**For the Quarter Ended 31 March 2011 and 2010 (EUR '000)**

	1Q 2011	1Q 2010 <sup>*)</sup>
		Restated
<b>Cash flows from operating activities</b>		
Profit for the year	690	476
Adjustments for:		
Income tax expense	551	462
Depreciation and impairment of PPE	547	770
Provisions	258	237
Gain on disposal of fixed assets	(72)	(178)
Interest income	0	21
Interest expense	0	440
Share options	50	75
Foreign exchange (gain)/loss	366	205
(Increase)/decrease in inventories	(6,212)	(3,257)
Decrease/(increase) in receivables and other assets	(711)	(5,825)
Increase/(decrease) in payables and other liabilities	1,913	5,360
Interest paid	237	(231)
Interest received	0	5
Income tax paid	(326)	(15)
Net cash provided by operating activities	(2,709)	(1,455)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,045)	(158)
Proceeds from sale of subsidiaries	-	-
Proceeds from disposals of property, plant and equipment	72	113
Net cash used in investing activities	(973)	(45)
<b>Cash flows from financing activities</b>		
Proceeds from third party loans	1,734	3,352
Repayment of third party loans	-	(3,536)
Net cash from financing activities	1,734	(184)
<b>Net decrease/(increase) in cash and cash equivalents</b>	(1,948)	(1,684)
<b>Net foreign exchange difference</b>	24	(31)
<b>Cash and cash equivalents at the beginning of the year</b>	3,665	6,028
<b>Cash and cash equivalents at the end of the year</b>	1,741	4,313

<sup>\*)</sup> Some amounts have been restated and do not correspond to the amounts presented in the consolidated financial statements for the quarter ended 31 March 2010