

Half Year **2013** Report

30. 8. 2013



AAA AUTO

AAA Auto Group N.V.

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Half-Yearly Directors' Report

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Prague, 30 August 2013

Selected Financial Indicators <i>(EUR million)</i>	1H 2013	1H 2012	YoY change
Total revenues	178.8	164,5	8.7%
of which revenues from sale of cars	144.7	136.7	5.8%
Gross revenue from sale	47.5	43.6	8.9%
Gross profit margin	26.6%	26.5%	0.1pp
Operating profit (EBITDA)	16.1	13.9	16.3%
Economic result for common period	9.2	8.6	7.8%
Number of cars sold (units)	27,450	25,841	6.2%

1. General Identification Information

i. Company name

AAA Auto Group N.V., a public limited liability company with the statutory seat in Amsterdam and the registered address: Dopraváků 723, 184 00 Praha 8, Czech Republic, incorporated in the Commercial Register in Amsterdam, the Netherlands, under reg. number 34199203. It is the parent and the controlling Company of AAA AUTO Group and controls the individual corporate entities including subsidiaries in individual countries (see the Group chart on page 6).

ii. Company owners

The majority owner of the AAA Auto Group N.V. is a Luxembourg-based company, AUTOMOTIVE INDUSTRIES S.à.r.l., which owned 73.79% shares of AAA Auto Group N.V. as of 30 June 2013; the remaining 26.21% shares were, as of 30 June 2013, free floated shares on the Prague and Budapest Stock Exchanges; of these shares, 3.77% was as of 30 June 2013 held by Anthony James Denny, AAA Auto Group N.V. Non-Executive Board Member and Chairman of the Board.

As of 4 July 2013, the entire issue of 67,757,875 dematerialised shares having a nominal value of EUR 0.01 each, ISIN NL0006033375, issued by AAA Auto Group N.V., was delisted from trading on the Prime Market organised by Burza cenných papírů Praha, a.s., ("Prague Stock Exchange") in accordance with Section 60 of Czech Act No. 256/2004 Coll., on Undertakings on Capital Market ("Capital Market Act") and the corresponding Section VI. of the Exchange Rules of the Prague Stock Exchange, and from Budapest Stock Exchange Ltd ("Budapest Stock Exchange") in accordance with the pertaining provisions of the Hungarian Act CXX of 2011 on the Capital Market, whereas the last trading day on Prague Stock Exchange was 3 July 2013 and on the Budapest Stock Exchange was 28 June 2013.

Mr. Anthony James Denny is the beneficiary owner of the shares of AUTOMOTIVE INDUSTRIES S.à.r.l.

iii. Legal form

Public limited liability company

iv. Registered business

- incorporation, participation in any form whatsoever in, management, supervision of businesses and companies;
- financing of businesses and companies;
- borrowing, lending and raising funds, including the issuing of bonds, promissory notes or other securities or evidence of indebtedness as well as entering into agreements in connection with the aforementioned activities;
- rendering advice and services to businesses and companies with which the Company forms a Group and to third parties;
- granting of guarantees, to bind the Company and pledging of assets for the obligations of businesses and companies with which it forms a Group and on behalf of third parties;
- acquisition, alienation, management and exploitation of registered property and items of property in general;

- trading in currencies, securities and items of property in general;
- development of and trading in patents, trademarks, licenses, know-how and other industrial property rights;
- performing any and all activities of an industrial, financial or commercial nature; and
- doing all that is connected therewith or may be conducive thereto; all to be interpreted in the broadest sense.

The Company does not have any research and development activities.

v. Trading company

The largest trading company in the Group: AAA AUTO a.s.

Registered address: Hostivice, Husovo nám. 14, postal code 253 01, Czech Republic

Company ID. No.: 26699648

Registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 8578

Legal form: a joint-stock company

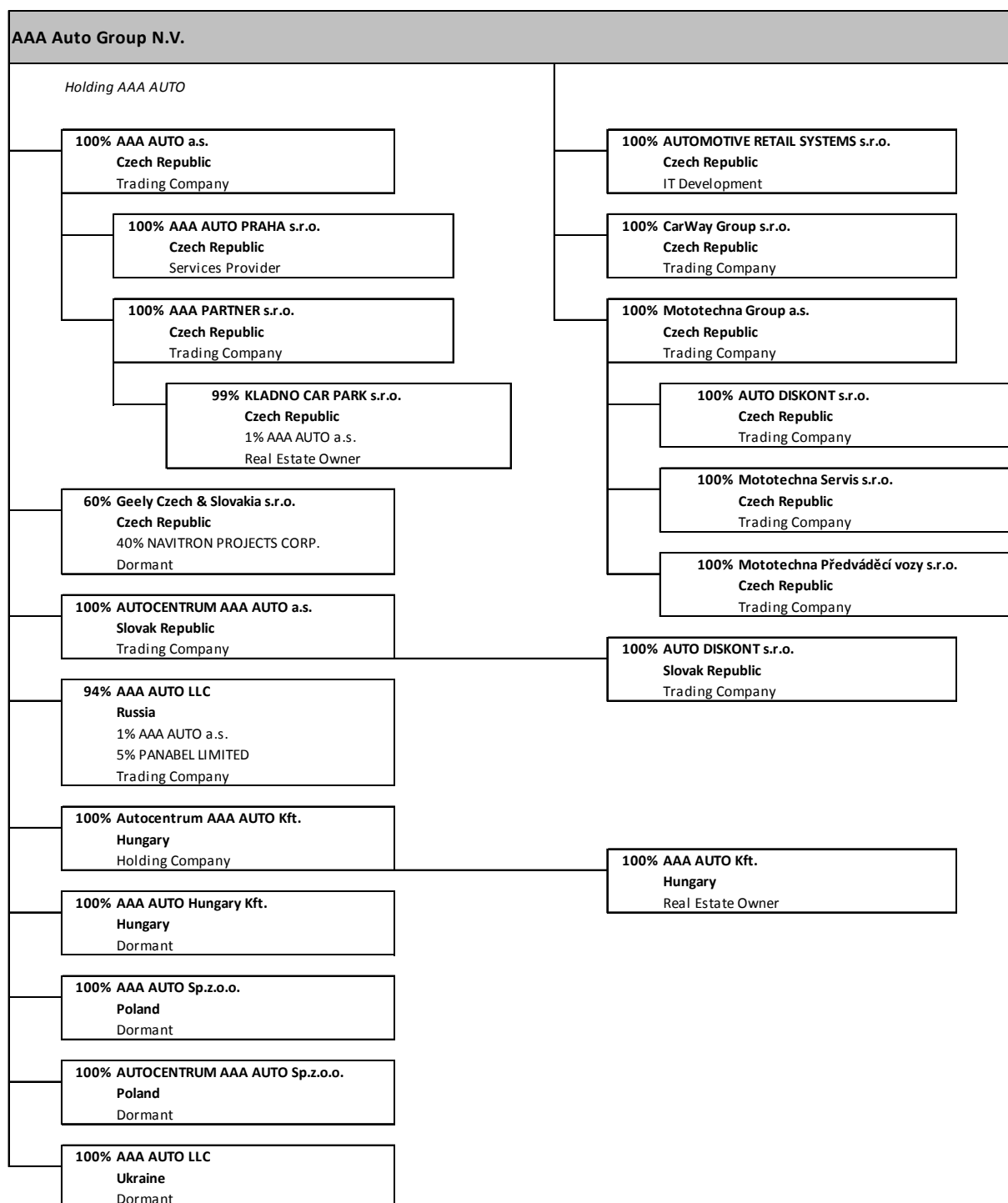
Registered business:

- Repairs to road vehicles
- Manufacturing, trading and services not included in annexes 1-3 of the Trade License Act
- Car bodywork and body repairs
- Accounting consultancy, bookkeeping, tax accounting
- Consumer loan provision or mediation

Trade License of Manufacturing, trading and services not included in the annexes 1-3 of the Trade License Act:

- Trade agency
- Wholesale and retail
- Pawn brokerage and resale of used goods
- Car and car accessories servicing
- Warehousing, packaging, load manipulation and other technical activities related to transport
- Rental of movable property
- Advertising, marketing, media agency.

2. AAA AUTO Group Structure as of 30th June 2013



3. Report on Business Activities of AAA AUTO Group in the First Half 2013

The consolidated financial results that AAA Auto Group N.V. recorded for the first six months of 2013 show a gradual growth in the Group's operational and financial performance compared to the same period last year.

In the 1Q AAA AUTO Group faced lower supply of used cars, caused mainly by substantial drop in new car sales. Due to this situation the company had to spend more on its sourcing process, namely by increasing marketing and personnel expenditures. These factors together lead to lower than expected growth in profit by 7.8% to EUR 9.2 million in comparison to the same period of the last year. The total revenues in 1H 2013 grew by 8.7% to EUR 178.8 million in comparison to the same period of the last year.

Despite the slight improvement in the Group's revenues in the 2Q 2013, the company foresees the tightening trading market conditions to lead to the above mentioned increased expenditures until the 1Q of the next year. The Company also perceives further economic development as still considerably uncertain and therefore remains conservative in its sales expectations and investment planning for its future expansion.

3.1. Main Factors that Influenced the Group's Performance

Important events that occurred during the first six months of 2013 and their effect on the AAA AUTO Group's financial results:

- The lower supply of used cars especially in the 1Q 2013, which influenced the sales performance of the Group
- Increase in marketing and personnel expenses in order to face the above mentioned fact

In the first half of 2013 AAA AUTO Group made also several important business decisions:

- The Mototechna branch was opened in Bratislava
- New branch was opened in Tábor
- The shareholders of the AAA Auto Group N.V. decided at a general meeting to delist Company's shares from the Budapest and Prague stock exchanges
- The management of the Company decided to re-enter Hungarian market in 2014 (the branch in Fót is to be re-opened in 1Q 2014)

4. Financial Results for the First Half of 2013

4.1. Selected Financial Indicators

Selected Financial Indicators (EUR million)	1H 2013	1H 2012	YoY change
Total revenues	178.8	164,5	8.7%
of which revenues from sale of cars	144.7	136.7	5.8%
Gross revenue from sale	47.5	43.6	8.9%
Gross profit margin	26.6%	26.5%	0.1pp
Operating profit (EBITDA)	16.1	13.9	16.3%
Economic result for common period	9.2	8.6	7.8%
Number of cars sold (units)	27,450	25,841	6.2%

Source: Company data

The interim consolidated financial statements of AAA Auto Group N.V. and all of its subsidiaries (the Group) are unaudited and have been prepared in accordance with IAS 34 “Interim financial reporting” which is an IFRS standard applicable for interim reporting.

4.2. Commentary on the Financial Results

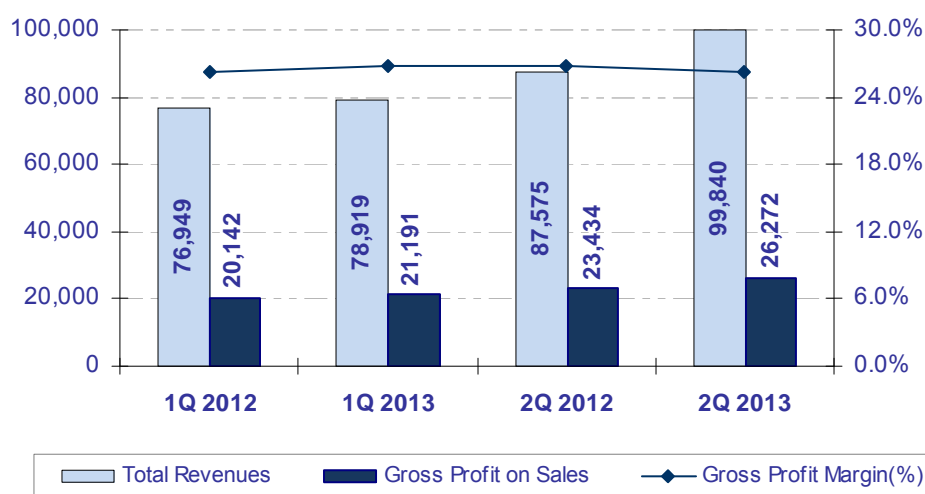
AAA AUTO Group's **total revenues** grew by 8.7% year-on-year to EUR 178.8 million in the first six months of 2013, while the underlying number of cars sold during this period grew by 6.2% yoy (to 27,450 cars). The average price of a car sold slightly dropped by 0.4% yoy in comparison to last year to EUR 5.270.

The **revenues from financial services** grew by 22.4% yoy to EUR 31 million in comparison to EUR 25.3 million in last year. This was mainly caused by new agreements with suppliers of financial services, where the volume bonuses revenues to the Group were provided during the year 2013 however only at the year end of 2012. This yoy difference had an impact in the amount of EUR 1.8 million.

The **gross profit margin** in 1H 2013 kept at the same level as in 1H 2012 with the slight growth by 0.1 pp to final 26.6%.

The total **gross profit on sales** in 1H 2013 grew slightly by 8.9% yoy to EUR 47.4 million in comparison to EUR 43.6 million achieved in the same period of the last year.

Development of Total Revenues and Gross Profit on Sales



Source: Company data

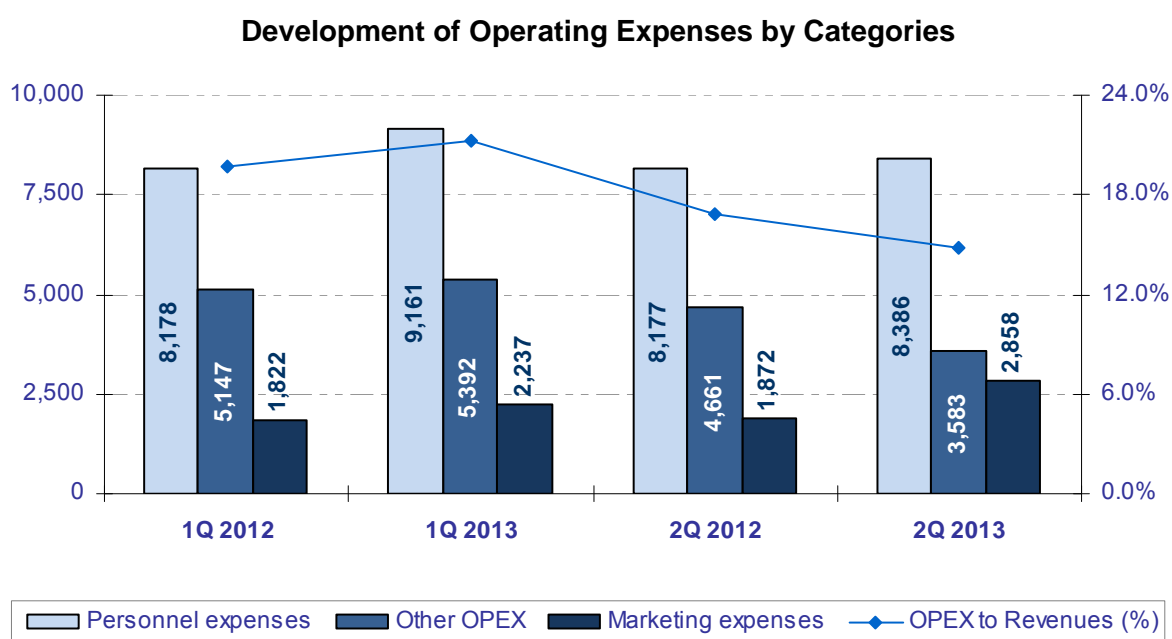
The main contributor to **operating expenses** (OPEX) category was personnel expenses, which account for 55.5% of the Group's total OPEX. The personnel expenses grew slightly by 7.3% year-on-year for the 1H 2013 (to EUR 17.5 million). In contrast to the personnel expenses, there was a significant increase by 37.9% year-on-year recorded in the marketing expenses. Especially in 2Q 2013 marketing expenses grew by 52.7% in comparison to the same period of the last year as the company dealt with lower supply of used cars in the market, so it had to spend more funds on its sourcing processes.

Total operating expenses grew to EUR 31.6 million in the first six months of 2013, which is by 5.9% yoy more than in 1H 2012.

Operating Expenses in 2013 vs. 2012

(EUR ths.)	1Q 2013	1Q 2012	y-o-y	2Q 2013	2Q 2012	y-o-y	1H 2013	1H 2012	y-o-y
Personnel expenses	9,161	8,178	12.0%	8,386	8,177	2.6%	17,547	16,355	7.3%
Marketing expense	2,237	1,822	22.8%	2,858	1,872	52.7%	5,095	3,694	37.9%
Other OPEX	5,392	5,147	4.8%	3,583	4,661	-23.1%	8,975	9,808	-8.5%
Total OPEX	16,790	15,147	10.8%	14,827	14,710	0.8%	31,617	29,858	5.9%

Source: Company data



Source: Company data

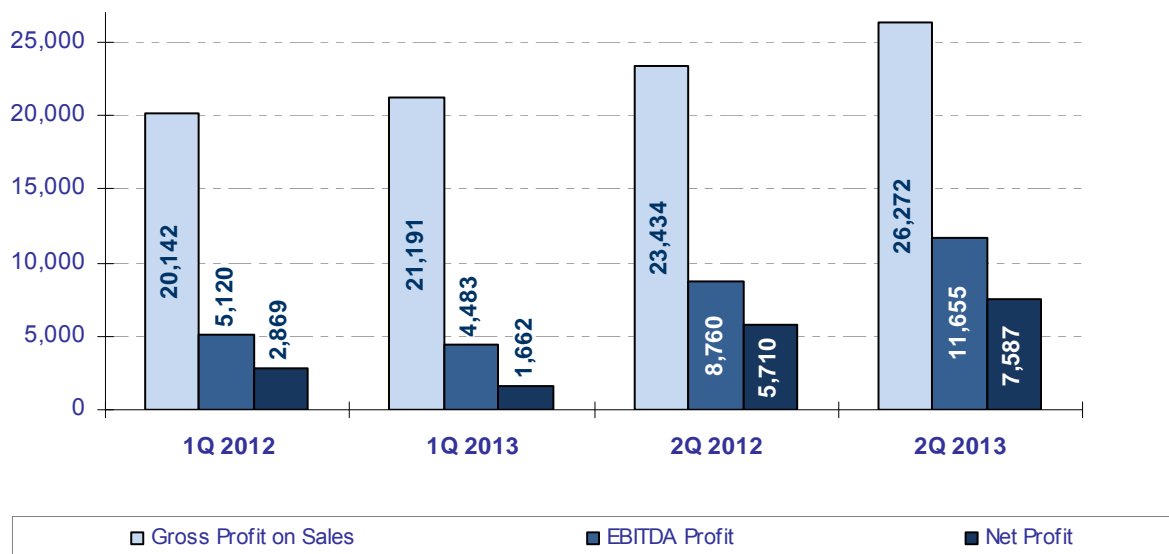
AAA AUTO Group recorded **EBITDA** of EUR 16.1 million for the first six months of 2013, representing a 16.3% increase compared to the same period last year.

The Group's **interest expenses** significantly dropped in 1H 2013 (by 42.4% yoy to EUR 0.3 million) as the effect of the Company's program for the gradual reduction of the overall debt of the Group.

The **profit before tax** slightly grew by 6.9% yoy in 1H 2013 to EUR 12.9 million.

The Group's total consolidated net profit reached the amount of EUR 9.2 million for the first six months of 2013, which represents an improvement of 7.8% compared to the net profit of EUR 8.6 million the Group recorded for the same period last year.

Development of Gross Profit on Sales, EBITDA and Net Profit

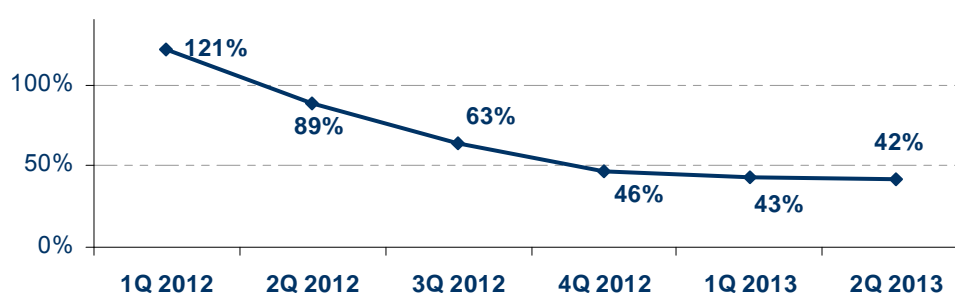


Source: Company data

Debt and cash position

As a result of the Company's program for the gradual reduction of the Group's overall debt, the Net Debt to Equity Ratio was reduced to 42% as at the end of June 2013.

Net Debt / Equity Ratio¹



Source: Company data

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

Half-Yearly Consolidated Financial Statements

Interim Condensed Consolidated Financial Information for the 6 months ended 30 June 2013

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 2012.

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

Interim consolidated statement of comprehensive income

(EUR '000)

		Six months ended	
		Note	June 2013 June 2012
Revenue	7,8	178,759	164,524
Other income		291	161
Changes in inventories		2,658	1,948
Car inventory sold		(133,955)	(122,895)
Advertising expenses		(5,095)	(3,694)
Employee benefit expenses		(17,547)	(16,355)
Depreciation and amortisation expense	11	(1,194)	(1,104)
Impairment of property plant and equipment	11	(66)	(660)
Other expenses		(8,975)	(9,808)
Finance cost		(2,003)	(69)
Profit before tax		12,873	12,048
Income tax expense	9	(3,625)	(3,470)
Profit for the period		9,248	8,578
Other comprehensive income			
Foreign currency translation differences for foreign operations		(137)	(1,492)
Other comprehensive income for the period, net of income tax		(137)	(1,492)
Total comprehensive income for the period		9,111	7,086
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		13,65	12,66
Diluted earnings per share		13,65	12,31

Interim consolidated statement of financial position

(EUR '000)

ASSETS	Note	30 June 2013	31 December 2012
Non-current assets			
Intangible assets	11	1,098	667
Property, plant and equipment	11	39,718	40,663
Other financial assets		284	295
Deferred tax assets	9	40	124
Total non-current assets		41,140	41,749
Current assets			
Inventories		43,412	38,265
Trade and other receivables		9,676	8,176
Current tax asset	9	13	3
Other non-financial assets		2,353	1,642
Cash and cash equivalents		10,373	5,534
Total current assets		65,827	53,620
TOTAL ASSETS		106,967	95,369
EQUITY AND LIABILITIES			
Equity			
Issued capital	12	35,608	38,185
Reserves		7,557	7,686
Accumulated losses		9,573	997
Equity attributable to equity holders of the parent company		52,738	46,868
Total equity		52,738	46,868
Non-current liabilities			
Bank and other borrowings	13	16,494	12,914
Deferred tax liabilities		-	58
Total non-current liabilities		16,494	12,972
Current liabilities			
Trade and other payables		7,310	7,435
Current tax liabilities	9	3,394	2,481
Bank overdrafts and borrowings	13	15,833	14,356
Provisions	14	3,534	3,144
Other financial liabilities		710	353
Other non-financial liabilities		6,954	7,760
Total current liabilities		37,735	35,529
Total liabilities		54,229	48,501
TOTAL EQUITY AND LIABILITIES		106,967	95,369

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

Interim consolidated statement of changes in equity

(EUR '000)

	Note	Share capital	Share premium	Equity/legal reserve	Share option reserve	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 01/01/12		6,776	31,409	456	580	7,317	(20,733)	25,805
Profit for the period		-	-	-	-	-	8,578	8,578
<i>Other comprehensive income</i>								
Foreign currency translation differences		-	-	-	-	(1,492)	-	(1,492)
Total comprehensive income for the period		-	-	-	-	(1,492)	8,578	7,086
<i>Transactions with owners</i>								
Equity legal reserve		-	-	537	-	-	(537)	-
Share options		-	-	-	100	-	-	100
Balance at 30/06/12		6,776	31,409	993	680	5,825	(12,692)	32,991
Balance at 01/01/13		6,776	31,409	1,003	664	6,019	997	46,868
Profit for the period		-	-	-	-	-	9,248	9,248
<i>Other comprehensive income</i>								
Foreign currency translation differences		-	-	-	-	(137)	-	(137)
Own shares	12	(295)	(2,282)	-	-	-	-	(2,577)
Total comprehensive income for the period		(295)	(2,282)	-	-	(137)	9,248	6,534
<i>Transactions with owners</i>								
Equity legal reserve		-	-	672	-	-	(672)	-
Share options		-	-	-	(664)	-	-	(664)
Balance at 30/06/13		6,481	29,127	1,675	-	5,882	9,573	52,738

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

Interim consolidated cash flow statement

(EUR '000)

		Six months ended	
	Notes	June 2013	June 2012
Cash flows from operating activities			
Profit for the period		9,248	8,578
Adjustments for:			
Income tax expense		3,625	3,470
Depreciation and impairment of PPE	11	1,260	1,764
Provisions		258	1,286
(Gain)/loss on disposal of fixed assets		1	(79)
Interest income		(7)	(2)
Interest expense		367	628
Share options		(664)	100
Foreign exchange (gain)/loss		1,175	(743)
Decrease/(increase) in inventories		(5,065)	(8,442)
Decrease/(Increase) in receivables and other assets		(2,150)	(6,233)
Increase/(decrease) in payables and other liabilities		(1,521)	3,428
Interest paid		(236)	(331)
Interest received		7	2
Income tax (paid)/received		(2,696)	(1,963)
Net cash provided by operating activities		3,602	1,463
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,129)	(822)
Proceeds from disposals of property, plant and equipment		34	158
Net cash used in investing activities		(1,095)	(664)
Cash flows from financing activities			
Proceeds from third party loans	13	10,539	1,604
Repayment of third party loans	13,16	(5,483)	(4,373)
Changes in equity	12	(2,577)	-
Net cash from financing activities		2,479	(2,769)
Net increase (decrease) in cash and cash equivalents		4,986	(1,970)
Net foreign exchange difference		(147)	(16)
Cash and cash equivalents at the beginning of the period		5,534	5,152
Cash and cash equivalents at the end of the period		10,373	3,166

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

Notes to the interim condensed consolidated financial statements

1. General information

AAA Auto Group N.V. (the “**Company**”) was incorporated as a private company with limited liability on 12 December 2003 under the name Automobil Group B.V. On 29 December 2006, Automobil Group B.V. was converted into a public company with limited liability and changed its name into AAA Auto Group N.V. The address of the Company’s registered office is Dopraváků 723, 184 00 Prague 8, Czech Republic and is incorporated in the Commercial Register in Amsterdam, the Netherlands, under reg. number 34199203.

On 26 September 2007 the Company entered the Prague (PSE) and Budapest (BSE) stock exchange. From the overall number of 67,757,875 shares with the nominal value of EUR 0.10 per share 17,757,875 shares were available for trading at PSE as at 30 June 2013².

Before entering the stock exchange the sole shareholder of the Company was AUTOMOTIVE INDUSTRIES S.á.r.l. Ave. JR. Kennedy 46a, Luxembourg, who remains the majority owner with 73.79% shares. The ultimate controlling party is Mr. Anthony James Denny who owns 73.79% of the Company indirectly through the company AUTOMOTIVE INDUSTRIES S.á.r.l. and 3.77% of the shares directly. 4.35% of the Company shares have been acquired by the Company itself (AAA Auto Group N.V.) within the delisting process. The remaining 18.09% shares are owned by other investors.

The main activity of the Company is to act as a holding, finance and services company for its subsidiaries. The principal activity of the Group (including together the Company and its subsidiaries) is the sale of used cars.

The Group also serves as an intermediary (agent) providing its customers with third party financing, insurance, leasing or roadside assistance. For such services the Group is eligible for agreed commission fee based on long – term contracts.

2. Basis of preparation

This interim condensed consolidated financial information of AAA Auto Group N.V. and all of its subsidiaries (the Group) for the six months ended 30 June 2013 has been prepared in accordance with IAS 34, “Interim financial reporting” (“IAS 34”). The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRSs.

The interim condensed consolidated financial information has been prepared on the historical cost basis. The interim condensed consolidated financial information has been prepared under the going concern principle.

The preparation of financial information in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in the most appropriate application in applying the Group's accounting policies.

² Shares of the Company were delisted from Budapest Stock Exchange (BSE) and Prague Stock Exchange (PSE) on 4 July 2013, whereas the last trading day on PSE was 3 July 2013 and on the BSE was 28 June 2013

All amounts are presented in EURO and, unless otherwise indicated, rounded to the nearest EUR 1,000.

3. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

4. Estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012.

5. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk.

The financial risks are managed by Group Treasury department. All treasury activity operates within a formal control framework. The Board has approved treasury policies and guidelines and periodically reviews treasury activities. Additionally, it is the Group's policy that speculative treasury transactions are expressly forbidden. Currently, the Group does not undertake hedging transactions.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at and for the year ended 31 December 2012. There have been no changes in the risk management department since the year-end or in any risk management policies.

6. Fair value estimation

The Group does not report any assets and liabilities that are measured at fair value at 30 June 2013.

7. Seasonality and cyclicity of interim operations

The consolidated financial results that AAA Auto Group N.V. recorded for the first six months of 2013 show a growth in the Group's operational performance compared to the same period last year. This

was mainly driven by the change in agreements with suppliers of financial services (such as insurance, financing etc.) where the volume bonuses revenue to the Group were provided during the year 2013 however only at the year end of 2012. Impact of this change for the first six months of 2013 was 1,761 TEUR.

Due to the growth of cars sold in the main segments (Czech Republic, Slovak Republic and Russia which was opened in October 2011) the Group revenue increased to EUR 178,8 million in the first six month 2013 compared to EUR 164,5 million in the first six month 2012.

No seasonality factors have been recognized in the first six months 2013.

8. Operating segment information

Management has determined the operating segments based on the reports reviewed by the chief decision makers that are used to make strategic decisions.

The chief decision makers consider the business from a geographic perspective in the Czech Republic, Slovak Republic and Russia. Majority of sales of the Group represent used cars supplied to similar customer base. There are no revenues from transactions with a single external customer that amount to 10 per cent or more of the Group's revenues.

The accounting policies of the operating segments are the same as those described in the Consolidated Financial Statements 2012 in the summary of significant accounting policies.

The chief decision makers assesses the performance of the operating segments based on a measure of the operating result (EBITDA). It excludes unrealised FX gains/losses, interest expenses and other financial income or cost. These are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Information about total assets by segment is not disclosed because such information is not reported to or used by the chief decision makers.

The segment information provided to the chief decision makers for the reportable segments for the 6 month period ended 30 June 2013 is as follows:

	Czech Republic EUR '000	Slovak Republic EUR '000	Russia EUR '000	Total EUR '000
2013				
Total segment revenue	125,404	50,841	12,819	189,064
Inter-segment revenues	(9,804)	(453)	(48)	(10,305)
Revenues from external customers	115,600	50,388	12,771	178,759
Operating result (EBITDA) reported to the chief decision makers	11,408	4,574	(433)	15,549

The segment information provided to the chief decision makers for the reportable segments for the 6 month period ended 30 June 2012 is as follows:

	Czech Republic EUR '000	Slovak Republic EUR '000	Russia EUR '000	Total EUR '000
2012				
Total segment revenue	117,173	41,832	11,267	170,272
Inter-segment sales	(5,532)	(216)	-	(5,748)
Revenues from external customers	111,641	41,616	11,267	164,524
Operating result (EBITDA) reported to the chief decision makers	10,000	4,700	(703)	13,997

A reconciliation of the segment result reported to the chief decision makers to profit for the period for the continuing operations is provided as follows:

	2013 EUR '000	2012 EUR '000
Operating result (EBITDA) reported to the chief decision makers	15,549	13,997
Depreciation and amortization	(1,194)	(1,104)
Impairment of property plant and equipment	(66)	(660)
Finance cost	(2,003)	(69)
Income tax expense	(3,625)	(3,470)
Other	587	(116)
Profit for the period from continuing operations	9,248	8,578

Depreciation and amortisation included in operating result (EBITDA) reported to the chief decision makers allocated to individual segments is as follows:

	Czech Republic EUR '000	Slovak Republic EUR '000	Russia EUR '000	Other EUR '000	Total EUR '000
2013	951	194	22	27	1,194
2012	831	180	22	71	1,104

The total of non-current assets other than deferred tax assets located in the Czech Republic is TEUR 23,605 as at 30 June 2013 (30 June 2012: TEUR 20,070) and the total of these assets located in Slovakia is TEUR 10,090 (30 June 2012: TEUR 9,995).

9. Income taxes

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

10. Dividends

No dividends were paid in the six months ended 30 June 2013.

11. Property, plant and equipment and intangible asset

In the period of six months ended 30 June 2013 there were no significant movements within the PP&E.

In the period of six months ended 30 June 2013 the Group incurred TEUR 461 of development costs (included in the category Intangible assets in the course of acquisition) relating to capitalised development of internally created software called CRM Project and Project eBook, which are under development as of 30 June 2013.

12. Share capital

The extraordinary general meeting held on 29 March 2013 approved the intention to delist all issued and outstanding ordinary shares in registered form, with a nominal value of EUR 0.10 each, from trading on the Prime Market organised by Burza cenných papírů Praha a.s. and on the Budapesti Értéktőzsde Zrt. and to make an offer to the shareholders of the Company to buy their shares in exchange for a consideration in cash.

As of 30.6.2013 there were bought 2,946,216 number of shares for the total value of TEUR 2,577.

13. Borrowings and loans

	30 June 2013	31 December 2012
	EUR '000	EUR '000
Bank overdraft	1,851	967
Bank and corporate loans	20,952	19,767
Company cars financing	2,498	2,434
Obligation under finance lease	90	124
Inventory financing	6,936	3,978
Total	32,327	27,270
The borrowings are repayable as follows:		
- On demand or within one year	15,833	14,356
- In the second to fifth year inclusive	16,494	12,914
Total	32,327	27,270

The Group is financed by 4 main types of loans:

- bank overdrafts – short-term loans used for managing the liquidity of the Group;
- bank and corporate loans – mainly long-term loans used for long-term projects like acquisitions, purchase of a property, plant and equipment,
- company cars financing – short-term loans used for financing of the company cars,
- inventory financing – special loans provided by finance institutions only for the purpose of purchasing the cars.

The item Bank and corporate loans of TEUR 20,952 as at 30 June 2013 (31 December 2012: TEUR 19,767) includes a related party loan from Ms. Helena Denny totaling TEUR 4,098 (as at 31 December 2012 from shareholder AUTOMOTIVE INDUSTRIES S.à.r.l. totaling TEUR 2,575) and Investment loan totaling TEUR 16,854 (31 December 2012: TEUR 17,040).

All loan covenants were met.

14. Provisions for other liabilities and charges

	Law suits EUR '000	Other EUR '000	Total EUR '000
Six months ended 30 June 2012			
Opening net book amount at 1 January 2012	1,356	1,686	3,042
Amount used	(51)	(212)	(263)
Additional provision recognized	444	2,018	2,462
Unused amount reversed	(226)	(806)	(1,032)
Exchange differences	116	95	211
Closing net book amount at 30 June 2012	1,639	2,781	4,420
Six months ended 30 June 2013			
Opening net book amount at 1 January 2013	1,419	1,725	3,144
Amount used	(54)	(110)	(164)
Additional provision recognized	272	834	1,106
Unused amount reversed	(315)	(172)	(487)
Exchange differences	(22)	(43)	(65)
Closing net book amount at 30 June 2013	1,300	2,234	3,534

Employee benefit provision represents unused vacation of employees.

The provision for law suits and other liabilities consists mainly of the three types of claims: clients who sued the Group because of a car defect after the purchase of the car, termination of rents, provisions for onerous contracts and labor suit in respect of invalid termination of labor contract by the Company.

Generally the Group created the provision for obligation where there is a probability of losing the case.

All provisions are classified as current liabilities.

15. Contingent assets and liabilities

There are no material contingent assets and liabilities to be reported.

16. Related-party transactions

The Group's majority owner is AUTOMOTIVE INDUSTRIES S.à.r.l. (incorporated in Luxembourg) that does not produce any consolidated financial statements (including the Company), only separate financial statements. The ultimate controlling party is Mr. Anthony James Denny.

In the six months ended 30 June 2013 were recognized the following significant transactions in comparison with the same period of 2012:

- the receivables and payables between AUTOMOTIVE INDUSTRIES S.à.r.l., AAA Auto Group N.V. and Central Investment s.r.o. have been mutually settled,

The Group is monitoring the overall balance of trade receivables and liabilities within the related parties on monthly basis.

Detail of ownerships as at 30 June 2013

Company	Ownership Majority	Share
AUTOMOTIVE INDUSTRIES S.à.r.l.	Mr. Anthony James Denny	100%
CAPITAL INVESTMENT s.r.o.	Mr. Anthony James Denny	90%
CENTRAL INVESTMENT s.r.o.	Mr. Anthony James Denny	100%
1 1 Nejlepší autopůjčka s.r.o. (GLOBAL CAR RENTAL s.r.o.)	CarWay Holding B.V.	100%
1 1 Najlepšia autopôžička s. r. o., organizačná zložka (Global Car Rental s.r.o. , organizačná zložka Bratislava)	CarWay Holding B.V.	100%
Global Direct Assistance Kft. (HU) in liquidation	CarWay Holding B.V.	65%
TRUE TRAC s.r.o. (CarWay Service CZ s.r.o.)	CarWay Holding B.V.	100%
CarWay Holding B.V.	AUTOMOTIVE INDUSTRIES S.à.r.l.	95%

Borrowings from related parties

EUR'000	Borrowings from related parties	
	30 June 2012	31 December 2012
AUTOMOTIVE INDUSTRIES S.à.r.l.	0	2,575
Helena Denny	4,098	0
Total	4,098	2,575

Key management compensation

Key management includes Management Board members (executive and non-executive members) and the senior management of the AAA AUTO Group. The compensation paid or payable to key management for employee services is shown below:

Key management compensation	30 June 2013	30 June 2012
	EUR '000	EUR '000
Salaries and other short-term employee benefits	181	278
Post-employment benefits	34	49
Share-based payments	0	18
Total	215	345

17. Events occurring after the reporting period

There have been no events after the balance sheet date which may have impact on the interim consolidated financial information or require disclosure.

Management Board Statement

In accordance with the Dutch Financial Supervision Act ("Wft"), Section 5:25d(2)(c)

The Members of the Management Board of AAA Auto Group N.V. hereby declare that to the best of their knowledge:

1. the half-yearly consolidated financial statements for the first six months of 2013 give a true and fair view of the assets, liabilities, financial position and profit of the Company and its consolidated entities; and
2. the half-yearly directors' report gives a true and fair view of the Company's position as at the balance sheet date of 30 June 2013, the state of affairs during the first six months of 2013 to which the report relates and of that of the Company's related entities whose financial information has been consolidated in the Company's half-yearly financial statements, and the expected course of affairs focusing in particular on capital expenditures and circumstances affecting revenue developments and profit-earning capacity.

The Management Board of AAA Auto Group N.V.:

30 June 2013

Anthony James Denny

Chairman and Non-Executive Member of the Management Board

Karolína Topolová

Executive Member of the Management Board

Vratislav Kulhánek

Non-Executive Member of the Management Board

(A signed version of the financial statements is available at the offices of the Company).



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