Half Year 2011 Report

AAA Auto Group N.V.

19 August 2011

Selected Financial Indicators *(EUR million)*	**1H 2011**	**1H 2010**
Total revenues *	130.0	91.7
of which revenues from sale of cars *	111.5	77.3
Operating profit (EBITDA) *	7.4	6.1
Profit / (loss) from continuing operations *	3.4	2.6
Profit / (loss) from discontinued operations	(0.2)	(0.2)
Profit / (loss) for the period	3.4	2.4
Number of cars sold (units) *	22,241	18,840

** for continuing operations*

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Half-Yearly Directors' Report

1. General Identification Information

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 structure on pages 5 - 6).

Company Owners: The majority owner of the AAA Auto Group N.V. is a Luxembourg-based company, AUTOMOTIVE INDUSTRIES S.à.r.l., which owns 73.79% shares of AAA Auto Group N.V.; the remaining 26.21% shares are free floated shares on the Prague and Budapest Stock Exchanges; of these shares, 2.71% was as at 30 June 2011 held by Anthony Denny, CEO AAA Auto Group N.V. Mr. Anthony James Denny is the beneficiary owner of the shares of AUTOMOTIVE INDUSTRIES S.à.r.l.

Legal Form: a public limited Liability Company

Subject of 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.

AAA Auto Group N.V. does not perform research and development activities.

AAA AUTO a.s., the biggest of the daughter companies of AAA Auto Group N.V.

Registered Office: Hostivice, Husovo nám. 14, PSČ 253 01, Czech Republic

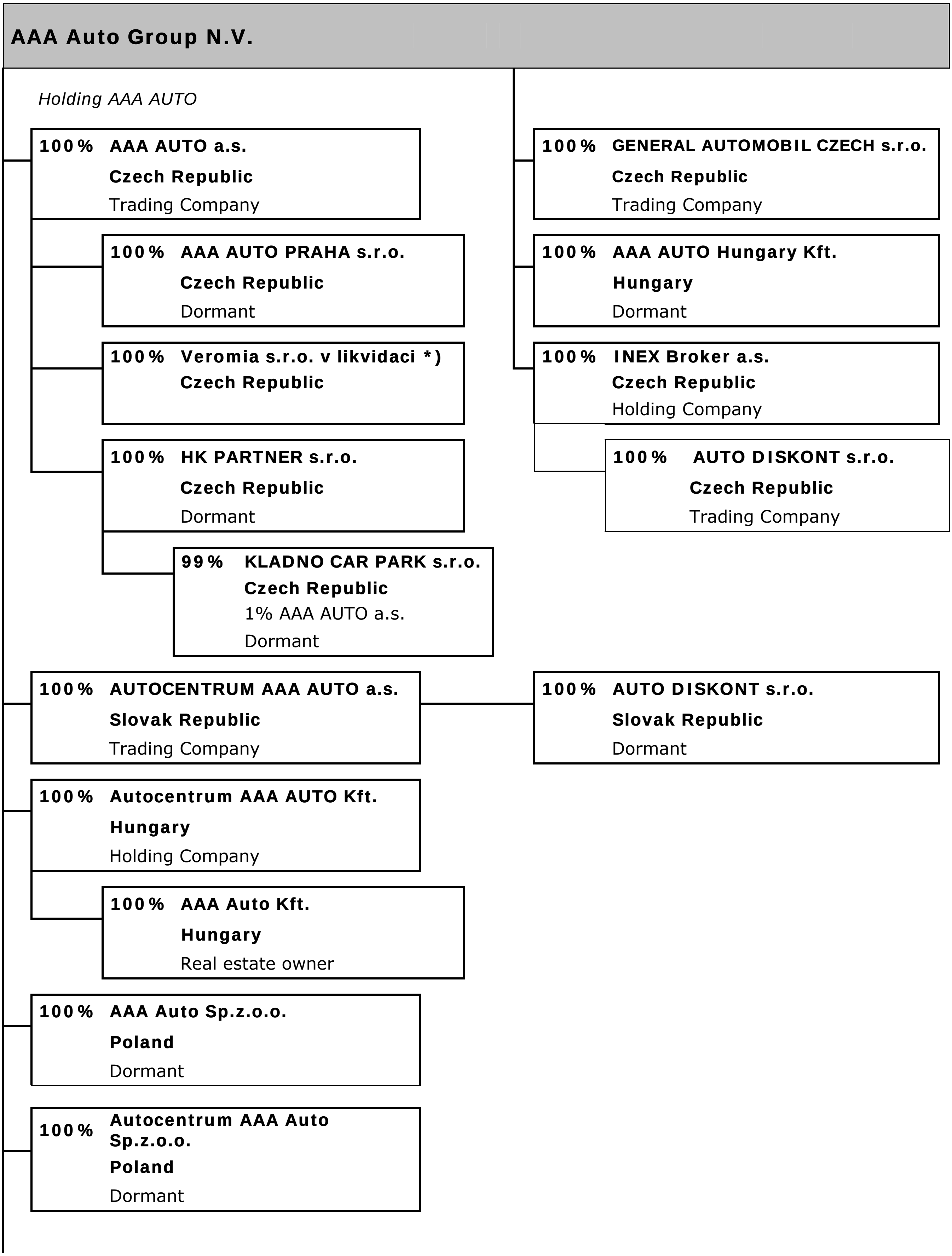
Company ID. No.: 26699648, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Portfolio 8578

Legal Form: a joint-stock company

Subject of Business:

- retail with motor vehicles and accessories
- specialized retail
- retail with used goods
- wholesale
- agency for trade
- agency for services
- repairs to road vehicles
- repairs to bodywork
- services of accounting consultants, accounting maintenance
- pawn broking business
- rental and lending of movable items
- maintenance of motor vehicles and accessories
- currency exchange business
- purchase, storage and sale of medical aids of a) Class IIb and III b) Class I and IIa, which may be sold by dealers of medical aids
- advertising and marketing services.

2. AAA AUTO Group's Structure as of 30 June 2011



100% **AAA Auto a.d. Beograd**
Serbia
Dormant

100% **AAA AUTO LLC**
Ukraine
Dormant

99% **AAA AUTO LLC**
Russia
Dormant
1% AAA AUTO a.s.

*) company in liquidation

3. Report on Business Activities of AAA AUTO Group in First Half 2011

The consolidated financial results that AAA Auto Group N.V. recorded for the first six months of 2011 show a solid growth in the Group's operational and financial performance compared to the same period last year.

After very strong results in the first quarter AAA AUTO Group's performance was further improved in the second quarter confirming the recovery on the used car market from which the Company has been benefiting over the past year.

The momentum in the sales performance as the leading indicator of the future development of demand on the used car retail market slowed down in the second quarter but sales volumes remained steadily above the level of last year. While the sales dynamics slowed down in the second quarter the Company strongly focused on enhancement of the gross profit per car sold and was very successful.

Market trends slowly but surely confirm gradual economic recovery and the revival on the used car retail market. Consumers are more willing to use credit financing which leads to an increasing demand for more expensive and better equipped cars and paves the way for further increase in the Company sale of financial services and complementary products which yield high profit margins.

Despite the onset of market recovery which brought about an encouraging improvement in the Company's financial performance, the Company 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 2011 and their effect on the AAA AUTO Group's financial results:

- The sales performance as usual is the single most important factor that determines the Group's financial performance – for more details see the commentary in the chapters Sales and Financial Results
- There have been other minor effects that influenced the Group's financial results – for more details see the commentary in the chapter Financial Results

In the first half of 2011 AAA AUTO Group made also several important business decisions which however had no material impact on the 1H 2011 financial results:

- Regional expansion in the Company's core markets of the Czech and Slovak Republic within the next 18 months
- Plan to enter the Russian market by the end of 2011
- Potential return to the Group's former Hungarian market depending on the market situation

  For more detail see the chapter Outlook for 2011

Other business plans approved by the Management Board of AAA Auto Group N.V. that have been materialized in 2011 YTD:

- AAA AUTO Group received through its daughter company INEX Broker a.s. an insurance broker licence from the Czech National Bank on 9 August 2011

- AAA AUTO Group has launched a leasing based limited auto loan called 'Jista Pujcka' to special groups of customers turned down by banks and other financial institutions (the Group offers this product as an agent in the CR since the 2Q 2011 and in SR since the beginning of August 2011).

  While both services are expected to support the growth in revenues from financial services (and Jista Pujcka to also enable more customers to purchase a car from the Group) the overall effect on the Group's financial results in 2011 is expected to be yet insignificant.

3.2. Human Resources, IT and the Call Centre

The first half of the year invited a number of new campaigns which have led to many positive outcomes. The sales results of the Company, which have been improving steadily, as well as the plans for future expansion to foreign markets, brought on the need to employ new Czech and international managers. As a result, additional resources and tools were identified for the search for and selection of the best talent, and for the most effective exploitation of the Company's human resources. The recruitment department focused a part of its effort on the newly established Moscow branch. We recruited Russian-speaking candidates in the Czech Republic, to be seconded to Russia. We also scouted the Russian labour market for the most suitable candidates for our Russian operation.

As at 30 June 2011, the Company employed 1,407 [1] people, which translates into a 3.5% increase compared to the same period of last year (1,360 [2] employees), while the efficiency of HR planning continued to be at a high level. At the beginning of 2011, the range of employee benefits was expanded to include new cultural, rest & relaxation and sports activities, discounts in restaurants, preventive medical check-ups directly at the workplace, etc. In addition to the employee discount on the purchase of a car and discounted mobile call plans, we also made it possible that our employees benefit from wholesale prices of energy.

In the first half of the year, our training department focused on improving the quality of our sales assistants who sell cars and financial products. Training programmes for new employees are now much more integrated with practice and help new employees adapt to the Company much faster. At the end of the second quarter, we enrolled new sales assistants who are preparing for their work placement in Russia in the training programme. The programme content including the course materials were designed specifically for Russian-speaking employees. New programmes are in development also for Czech managers who will eventually work in Russia. The programmes will take several months and include instruction in the Russian language. In the longer term, we plan to dedicate more time to coaching our people in business skills.

To take minds off work and build the team spirit among our employees, several teambuilding events were organised for individual departments of the Company in the first half of 2011. We motivated the people to deliver on their targets also by awarding special bonuses and through various competitions and leagues, such as the Premier

[1] The number of employees for the first half of 2011 includes 131 employees on maternity leave
[2] The number of employees for the first half of 2010 includes 154 employees on maternity leave

League of the best sales people, in which the ultimate winner walks away with a holiday abroad.

IT

In the first half of 2011 in the area of ICT, AAA AUTO Group focused on improving the stability and efficiency of its internal information and communications services and the related systems.

A decision was made to strengthen the capacity of its in-house development team with a view to increasing the scope and flexibility of core business support while simultaneously reducing the cost of modifications required by the corporate information system. The project of upgrading ERP Navision to the new version was launched in connection with the aforementioned effort, to be completed in 3Q/11.

A tender in Slovakia for the supplier of mobile communication services solicited more favourable offers and the contract was awarded to Slovak Telekom (T-Mobile SK), which will additionally supply also an international telephone VPN service.

Additional savings of ICT-related costs were generated by tenders: for instance the Company’s toll-free numbers, which will be migrated to a new provider in the course of 3Q/11.

Other projects which are underway include, for instance the consolidation of document printing, for which the specification of requirements had been finalised and now the Company is searching for the best partner for the outsourcing of its printing services.

Call Centre

The call centre processed more than 161,000 calls in the first half of 2011, which is 16% more than in the same period of the last year. The positive trend from 2010 – the first signs of market recovery after the economic crisis – continued. A greater percentage of inbound traffic was recorded from Czech customers (up 20% year on year).

An even greater increase could be seen in electronic communications – the call centre processed 29% more email enquiries and offers compared to 2010; in this particular area, the traffic from Slovak customers saw the highest increase in percentage terms. To accommodate the growing demand for instant messaging as a means of communication, we launched a pilot live chat application, which lets the customer talk to our operator directly from the portfolio card of a specific vehicle from our range.

The stronger market demand and the higher number of sales channels helped to increase the volume of sales brokered by the call centre by 22% in the Czech Republic and 40% in Slovakia.

4. Sales Results

4.1. Overview of Automotive Market Development

According to SAP (Automotive Industry Association), 69,378 imported used cars[3] were registered in the Czech Republic in the first six months of 2011, which represents a 2.6% increase from last year's 67,594 imported cars; while the sale of new cars fell by 0.7% year on year down to 94,265 units.

Out of the total number of new cars registered in the Czech Republic during the first six months, 37% were diesel cars, 61% had a petrol engine and the remaining cars were mostly environmentally friendly gas or electric cars.

A survey performed by the Czech ŘSD (Road and Motorway Directorate) showed that the average age of a vehicle on Czech roads is 7.5 years (so called dynamic composition of the car fleet) and is thus comparable with Austria, Germany or Switzerland. The dynamic statistics that measures the average age of vehicles directly on the roads contrasts with the average age of all vehicles registered in the Czech Republic which amounts to 13.7 years.

The survey also shows that (1) the most common car brand on Czech roads is Skoda with 36% share; (2) that 57% of passenger cars have petrol engine and 43% diesel; and (3) finally that the share of vehicles on Czech roads that do not meet European emission norms has gone down significantly (from 25% - 60% ten years ago to the current 4.7%).

The average age of individually imported used cars reached 7.6 years. The fact that the average age is increasing reflects the fact that 30% of imported cars were more than 10 years old. This trend impacts negatively the average age of the car fleet stock mainly in Slovakia.

As for market sales during the first half of the year, Slovakia showed a stronger dynamics in the new car segment: the sales of new passenger cars and light utility vehicles went up by 16.5% year on year, and reached 36,958 units. In the segment of imported used cars, Slovakia registered 31,857 vehicles in the first half of the year which is comparable to the same period of last year (the number increased year-on-year by 0.2%).

Overall, the two markets displayed comparable sales trends as those seen by the AAA AUTO Group in the first half of the year. The strong first quarter was followed by a correction in the subsequent months of the second quarter and the segments of used car imports and new car sales experienced even a year-on-year decline (the sales of the AAA AUTO Group, on the other hand, maintained a moderate growth trend and remained above the level of last year's sales for the same period). The only exception was the sales of new cars in Slovakia which bucked the general trend and maintained a strong growth dynamics throughout the second quarter of the year.

[3] All statistics presented in this section concern passenger cars and light utility vehicles (M1 + N1)

4.2. Car Sales

AAA AUTO Group entered the year 2011 successfully. The sales of the Group in the first quarter went up by 37.2% year on year, which is the Company's historical record for the winter season – traditionally the weakest period in terms of sales. The strong demand can be attributed to an earlier arrival of the strong season which otherwise comes in the spring, most likely caused by a release of the pent up demand from consumers who postponed a purchase of a car during the crisis. The market upturn has been visible already since May last year.

During this period the AAA AUTO Group also outperformed the market. The number of first-time registrations of imported used cars in the first quarter of 2011 grew yoy by 9.1% in the Czech Republic and 2.5% in Slovakia and the sales of new cars increased by 7.2% and 18.3%, respectively. On the other hand, the sales of AAA AUTO Group increased by 30.6% in the Czech Republic and by 58.4% in Slovakia, outperforming both of the two markets

The dynamics of the sales growth slowed down into the second quarter, but the Group's monthly sales results were steadily above the level of the same period of last year, reflecting on the stronger demand for used cars propelled by the gradual economic recovery. The Company's goal for the second quarter was to improve the gross profit margin per unit sold (sum of the profit margin on the car, financial services and additional products sold), which temporarily weakened in the first quarter due to the unexpectedly high demand.

As a result of the Company's introduction of a strict control system, the gross profit margin improved to 24.3% in the second quarter from 22.5% in 1Q 2011 . The average profit margin of the Group for the first half of 2011 was 23.4%.

Number of cars sold by AAA AUTO Group

	1H 2011	**1H 2010**	***YoY change***
Czech Republic	16,454	14,193	*15.9%*
Slovakia	5,787	4,647	*24.5%*
Group *	**22,241**	**18,840**	***18.1%***

** for continuing operations only [4]*

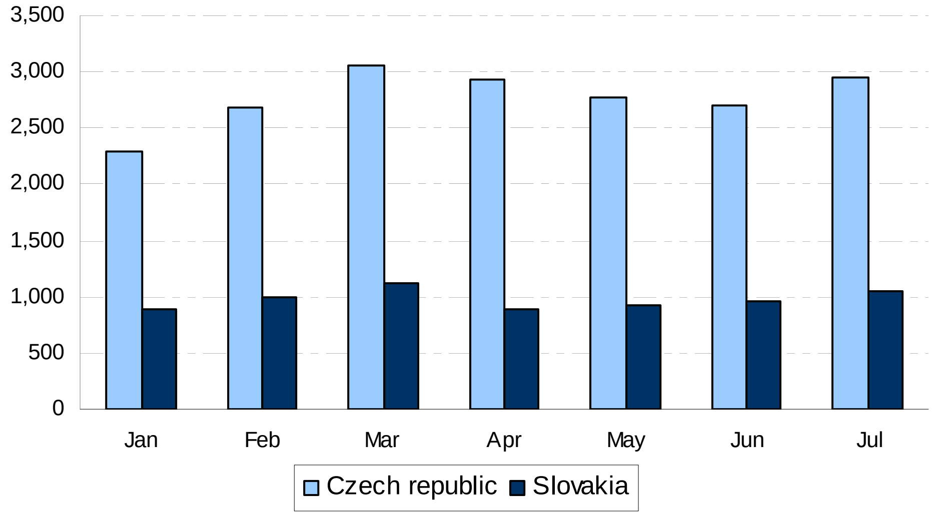
Source: Company data

The number of cars sold by AAA AUTO Group in the first six months of 2011 reached 22,241 units, which was by 18.1% more compared to the same period of last year. Slovakia saw a stronger growth dynamics: sales in Slovakia increased by 24.5% year on year (to 5,787 cars), compared to the 15.9% growth in the Czech market (where sales reached 16,454 cars).

Overall, the Czech Republic holds a stable 74% share in the total Group sales of used cars, while Slovakia holds a 26% share.

[4] Continuing operations = daughter companies in the Czech Republic, Slovakia, Hungary and the parent company incorporated in the Netherlands (in 2010 and 2011 the AAA AUTO Group generated sales only in the CR and Slovakia)

AAA AUTO Group's Monthly Sales in 2011



Source: Company data

The start of the third quarter of 2011 was positive for the Group. In July AAA AUTO Group sold 3,992 used cars which represents, after March sales, the second highest volume of sold cars the Company recorded for the past two years. In the Czech Republic, July was together with March the strongest month even in the last three years, namely since August 2008. In terms of year-on-year performance, July's sales grew by 7.6% compared to the same period of last year.

Sales Outlook for 2011

Despite the fact that the first quarter saw a significant recovery of sales (a year-on-year increase of 37%), the second quarter already brought about a correction by returning the sales to a level closer to that of the previous year (a year-on-year increase of 3.8%). For this reason, the Company reassessed its year-end outlook for sales and now expects a more conservative sales growth of max. 5% for the whole 2011 compared to the sales volume achieved in 2010. Although the market for used cars shows sales revival, the overall economic recovery, which is the main driver of the Group's sales dynamics, is still in its early and uncertain stage. The consumers' attitude to long term investments is better than during the crisis, but greater caution in consumer behaviour still prevails.

4.3. Financial Services [5]

Despite the lower dynamics of sales growth in the second quarter of the year, the signals of recovery in the used car market are more than evident – they manifest both in the higher sales compared to the previous year and in the growing penetration of financial services sold by AAA AUTO Group (i.e. the number of cars sold on credit or leasing).

[5] Note that AAA AUTO Group and its subsidiaries act as an agent when selling financial services to its customers

The gradual economic recovery thus demonstrated itself especially in the second quarter by the increasing readiness of consumers to use debt financing to fund their car purchases.

The correspondingly growing penetration of financial services is also propelling the average price of a car sold, as financing instruments are used mainly to fund purchases of cars at the higher end of the price range. The average price of a car sold by AAA AUTO Group increased by 22.1.% yoy in the first half of 2011 to EUR 5,012.

Penetration of financial services - number of cars sold on credit or leasing by AAA AUTO Group

	1H 2011	1H 2010	*YoY change*
Czech Republic	39.0%	38.4%	*+0.6pp*
Slovakia	44.2%	42.7%	*+1.5pp*
Group *	**40.4%**	**39.5%**	***+0.9pp***

** for continuing operations only [4]*

Source: Company data

During the first half of 2011, the penetration of financial services increased only slightly to 40.4% compared to 39.5% in the first half of last year. However, when we look at the individual quarters closer, the growth dynamics is apparently stronger. In the second quarter of 2011, the penetration went up to 42.4% compared to 38.3% for the same period last year. In the Czech Republic, the penetration reached 40.9% in the second quarter (up from 36.7% in 2Q 2010) and in Slovakia, which traditionally has a higher penetration rate, the penetration reached 47.1% (up from 43.1% in 2Q 2010).

As the rate of penetration of financial services, i.e. number of cars sold on credit or leasing, gradually increased, so did the sale of other financial services such as insurance products.

Insurance products are currently part of the strategic focus of AAA AUTO Group. As announced at the beginning of the year, the Group applied for an insurance broker licence in the Czech Republic. On 9 August 2011, INEX Broker a.s.[6], the 100% daughter company of AAA Auto Group N.V., acquired the Insurance Agent and Broker License from the Czech National Bank.

The strategic intention of AAA Auto Group N.V. for obtaining the license through its subsidiary was:

- to extend the sales channels through which the company offers its insurance products using its call centre and web portal;
- to offer a complete portfolio of high quality insurance products at favourable financial conditions to both the AAA AUTO Group's clients and to new customers.

INEX Broker will also offer services and cooperate with local insurance companies in Slovakia through the newly acquired licence from CNB.

[6] It's a subsidiary renamed from the formal company KAPITÁL AUTOMOTIVE a.s., 100% daugther company of AAA Auto Group N.V.

4.4. Up-Sale Products

As part of a marketing strategy the Company has been bundling the sale of cars with selected up-sale products for a significant discount. As a result, revenues from up-sale products declined by 34.9% yoy to EUR 1.7 million in the first half of 2011.

The strategy of the Company is not to maximise the income from up-sale products but instead it focuses to maximise the total gross profit per car sold.

Their share of the Group's total revenues has, therefore, been diminishing and accounted for 1.3% in 1H 2011 (down from 2.9% in 1H 2010) but thanks to their high profit margin their share of the Group's total gross profit on sales accounted for 4.1% (down from 9.0% in 1H 2010).

Apart from some categories of insurance products that are classified as up-sale products (such as roadside assistance services) the other major up-sale product groups that AAA AUTO Group focuses on are: car security and navigation systems, mandatory car equipment (such as a first aid kit) and car cosmetics.

5. Financial Results for the First Half of 2011

5.1. Selected Financial Indicators

Selected Financial Indicators *(EUR million)*	**1H 2011**	**1H 2010 restated**	**yoy**[7]
Total revenues *	130.0	91.7	*41.8%*
of which revenues from sale of cars *	111.5	77.3	*44.2%*
Gross profit on sales *	30.4	23.6	*28.9%*
Gross profit margin *	23.4%	25.8%	*(2.3pp)*
Operating profit (EBITDA) *	7.4	6.1	*20.6%*
Profit / (loss) from continuing operations *	3.4	2.6	*33.4%*
Profit / (loss) from discontinued operations	(0,2)	(0.2)	*(10.9%)*
Profit / (loss) for the period	3.2	2.4	*37.7%*
Number of cars sold (units) *	22,241	18,840	*18.1%*

** for continuing operations*

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.

5.2. Commentary on Financial Results

The consolidated financial results that AAA Auto Group N.V. recorded for the first six months of 2011 show a solid growth in the Group's financial performance compared to the same period last year.

AAA AUTO Group's **total revenues** grew by 41.8% year-on-year[8] to EUR 130.0 million in the first six months 2011, while the underlying number of cars sold during this period increased by 18.1% yoy. This can be explained by an increase in the average price of a car sold by 22.1% that the Company registered in the first half of 2011.

The financial results at the top line have been influence by two main factors.

Firstly, the gradual economic recovery was reflected, mainly in the second quarter, in consumers' increasing willingness to take on credit financing. As a result, the Company registered an increasing penetration of financial services (the number of cars sold on credit or leasing) which was hand in hand reflected in the above mentioned increasing average price of a car sold (as people tend to buy on credit more expensive cars) as well as in the increasing amount of other financial services (such as fully comprehensive car

[7] Note that the year-on-year comparison is based on 1H 2010 results which were restated for the reclassification of Hungarian and other operations into continuing operations (for more information see the Annual Report 2010, Financial Note 3.4).

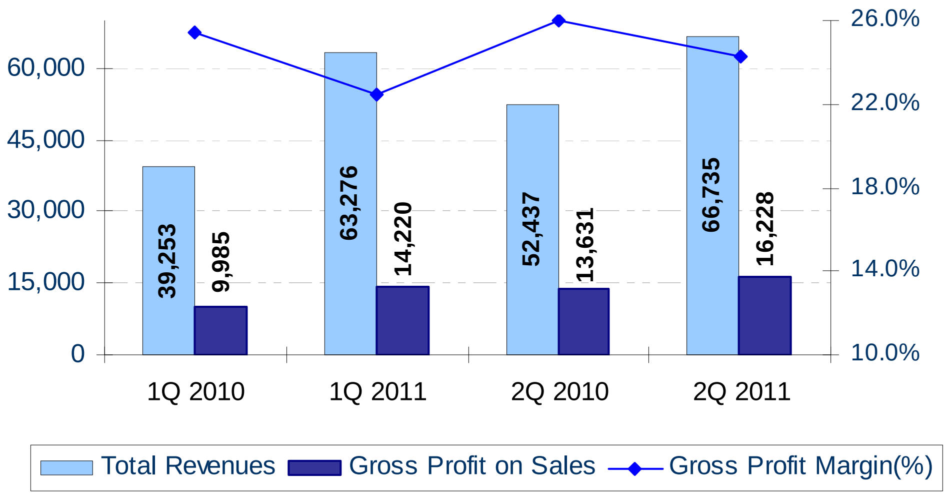
[8] Note that the year-on-year comparison is based on 1H 2010 results which were restated for the reclassification of Hungarian and other operations into continuing operations (for more information see the Annual Report 2010).

insurance, roadside assistance services – as people tend to buy more complementary products and services when financed by credit).

Secondly, the growing **gross profit per car sold** in the second quarter. The above mentioned effect of the gradual economic recovery paved the way for improving profit margins. However, the main factor that leveraged up the Group's gross profit on sales in the second quarter was the Company's introduction of a strict control system of its sales and purchasing processes with the aim to maximize the total gross profit per car sold (the combined gross profit on sold cars, financial services and up-sale products). As a result, the gross profit margin on sales improved in the second quarter to 24.3% from 22.5% in 1Q 2011 (in the first quarter of 2011 the margin temporarily weakened due to the unexpectedly high demand that the Company had to meet during the first months of 2011).

The **total gross profit on sales** grew by 28.9% yoy to EUR 30.4 million.

Development of Total Revenues and Gross Profit on Sales



Source: Company data

The main contributor to the increase in the **operating expenses** (OPEX) was personnel expenses which account for 53% of the Group's total OPEX. The 54.4% year-on-year increase in the personnel expenses for the 1H 2011 (to EUR 12.7 million) was a result of the personnel recruitment the Group has undertaken over the past year in order to meet the increasing demand it has been registering. Also the increase in the gross profit on sales, mainly in the second quarter of 2011, raised partially the personnel expenses (the variable part of the salespeople's salary is pegged to the increase/decrease in Company's sales and the gross profit). As the Company has already halted the recruitment in the second quarter (the number of employees went moderately down in 2Q 2011 to 1,407 employees[9] from 1,496 in 1Q 2011), it can be expected the personnel expenses to have a flattened out pattern for the rest of the year.

[9] Note that the number of employees includes also employees on maternity leaves (131 at 1H 2011)

Marketing expenses went up significantly in the first quarter of 2011 when the Company aimed to further support the growing sales. The Company already reduced its marketing spending in the second quarter. For 1H 2011 the marketing expenses reached the total amount of EUR 2.7 million (+44.6% yoy).

Other operating expenses went up moderately by 7.9% yoy to EUR 8.4 million in the 1H 2011. The amount was inflated by EUR 0.3 million (a one-off effect of a write-off and sale of a real-estate property).

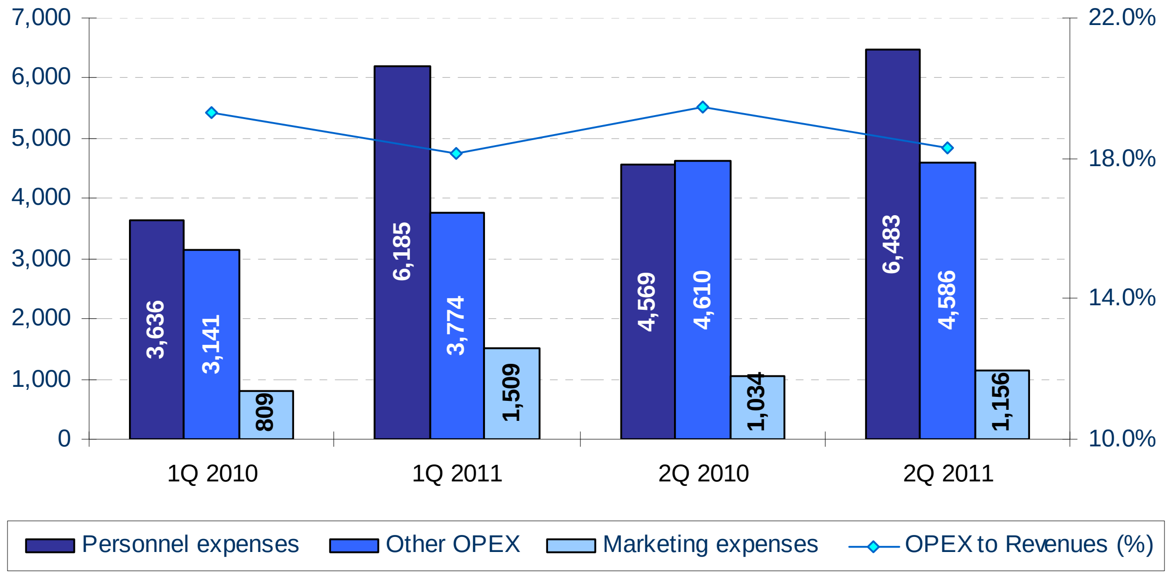
Total operating expenses grew to EUR 23.7 million in the first six months of 2011. The increase of 33.1% yoy was below the level of the increase in total revenues of 41.8%. Thus, the Company has so far been fulfilling its goal and even further decreased the OPEX / revenue ratio to 18.2% in 1H 2011 from 19.4% in 1H 2010.

Operating Expenses in 2011 vs. 2010

(EUR ths.)	1Q 2011	1Q 2010	yoy	2Q 2011	2Q 2010	yoy	1H 2011	1H 2010	yoy
Personnel expenses	6,185	3,636	70.1%	6,483	4,569	41.9%	12,668	8,205	54.4%
Marketing expenses	1,509	809	86.5%	1,156	1,034	11.8%	2,665	1,843	44.6%
Other expenses	3,774	3,141	20.2%	4,586	4,610	(0.5%)	8,360	7,751	7.9%
Total OPEX	11,468	7,586	51.2%	12,225	10,213	19.7%	23,693	17,799	33.1%

Source: Company data

Development of Operating Expenses by Categories



Source: Company data

AAA AUTO Group recorded **EBITDA** of EUR 7.4 million for the first six months of 2011 representing a 20.6% increase compared to the same period last year.

The Company realised two real estate property deals in the CR in 2Q 2011 (one was an acquisition of the premises of an existing car centre that the company previously rented in Plzen and the other was a long planned sale a formerly closed car centre in Tabor).

The related one-off **impairment charges** against the value of the Group's real estate property in the 2Q 2011 were at the net value of EUR 0.4 million (for more information see the financial note 12).

At the level of the financial income, despite the Company's increased need to finance its growing working capital the **interest expense** increased only moderately in the 1H 2011 (by 13.5% yoy to EUR 1.0 mil.) and even dropped in the 2Q 2011 (by 7.9% yoy). This was the effect of the Company's program for the gradual reduction of the overall debt of the Group (the net debt / equity ratio[10] was reduced to 224% as at the end of June 2011 from 397% as at end June 2010).

On top of that, the Company refinanced part of its short and long term borrowings, as at the end of June 2011, in order to minimise the average interest rate the company pays on its debt and to optimize the overall Group's debt structure (part of short term borrowings with not regular instalments has been replaced with longer term borrowings with regular instalments – for more information see financial note 14). This should be another effect that will put a downward pressure on the interest expense of the Group going forward.

The **profit before tax** grew by 21.5% yoy to EUR 4.9 million in the first half of 2011.

AAA AUTO Group generated a **net profit from continuing operations** of EUR 3.4 million for the first half of 2011 which is by 33.4% more compared to the same period last year.

The **net loss from discontinued operations** amounted to EUR 0.2 million. In 2010 the Company reclassified some of its formerly discontinued operations back to continuing (for more detail see the Company's Annual Report 2010, Financial Note 3.4). As a result, currently there are only minor operating costs (property maintenance) for remaining real-estate property the Group holds for sale in Poland and which is classified as discontinued operations (from the Statement of Comprehensive Income point of view).

The AAA AUTO Group ended the first six months of 2011 with a **consolidated net profit** of EUR 3.2 million which represents an improvement of 37.7% compared to the net profit of EUR 2.4 million the Group recorded for the same period last year.

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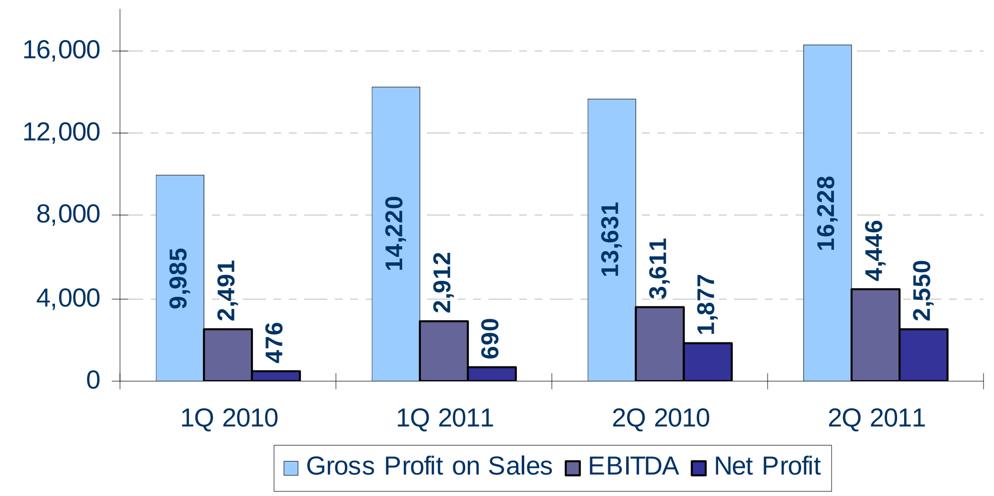
[10] Net Debt / Equity = [(Long and Short Term Borrowings + Finance Lease) – (Cash and Cash Equivalents + Financial Assets)] / Equity

Development of Gross Profit on Sales, EBITDA and Net Profit



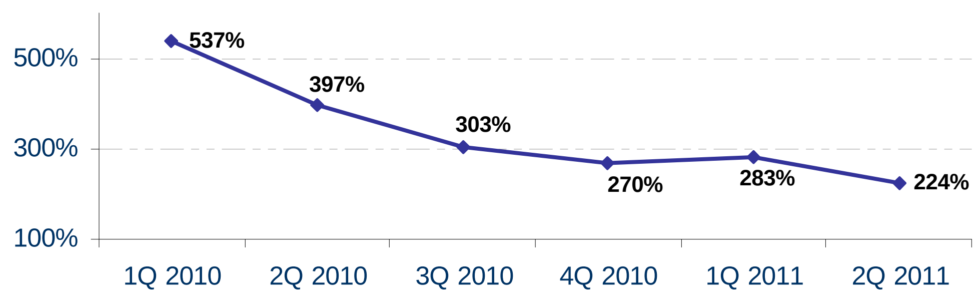
Source: Company data

Debt and cash position

In order to optimize the Group's **debt structure** and to minimise the average interest rate the Group pays on its debt, the Company refinanced part of its short-term borrowings which bear higher interest rates with longer term borrowings at the end 2Q 2011 (also part of short term borrowings with not regular instalments has been replaced with longer term borrowings with regular instalments – for more information see financial note 14). As the refinancing took place at the end of June there was no effect on the amount of interest expense in the 2Q 2011. However, the refinancing should put a downward pressure on the interest expense of the Group in the following accounting periods.

As a result of the Company's program for the gradual reduction of the Group's overall debt and the refinancing and consolidation of part of the Group's borrowings, the Net Debt to Equity Ratio was reduced to 224% as at the end of June 2011.

Net Debt / Equity Ratio [11]



Source: Company data

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

At the level of Interim Consolidated Statement of Financial Position, the increase in the property assets and the long term borrowings in the 2Q 2011 can be partially attributed to the acquisition of a real estate property in the CR (Plzen) where the Company has its car centre (the Company previously rented the premises).

The Company also reduced significantly its trade and other liabilities as part of a one-off settlement agreement with some of its suppliers in the 2Q 2011. In the second quarter there was also a significant decrease in trade and other receivable and in other financial liabilities due to the settlement of receivable and payables with related parties (see the Chapter Related Party Transactions and financial note 17).

At the level of the Interim Consolidated Cash Flow Statement, the Company's **cash position** has been influenced during the first half of 2011 by the following main factors: the increase in the net profit and inventory during the higher sales season, the above mentioned settlement of some of the Group's receivables and payables, the acquisition of a real-estate property in the CR and the consolidation of part of the Group's short and long term debt.

6. Report to Shareholders

6.1. Personnel Changes in the Company's Management

Management Board

In the first half of 2011 there were no changes in the Management Board.

As at 30 June 2011 the Management Board of AAA Auto Group N.V. consisted of the following members:

- Anthony James Denny - Executive Member of the Management Board (from 29 December 2006; appointed for an indefinite period of time)
- Vratislav Kulhánek - Non-Executive Member and Chairman of the Management Board (from 1 November 2007; appointed for a tenure of four years)
- Vratislav Válek - Non-Executive Member of the Management Board (from 25 April 2008; appointed for a tenure of four years)

Top Management

In the first half of 2011 Daniel Harant joined the Company's top management as Group Sales Director. Also, Ralph Edgar Howie was appointed as Executive Director of the Company.

As at 30 June 2011 the composition of the top management of AAA AUTO Group was as follows:

- Anthony James Denny - Chief Executive Officer
- Karolína Topolová - Chief Operations Officer
- Jiří Trnka - Chief Financial Officer
- Ralph Edgar Howie - Executive Director
- Petr Vaněček – Group Buying Director
- Daniel Harant - Group Sales Director

6.2. Information about the Company Shares

The shares of AAA Auto Group N.V. (Company shares) are traded in the Czech Republic on the Prague Stock Exchange (PSE) and on RM-SYSTÉM Czech Stock Exchange and in Hungary on the Budapest Stock Exchange. The overall number of issued shares amounts to 67,757,875 (with the nominal value of EUR 0.10 per share) of which 50,000,000 shares (73.79%) were as at 30 June 2011 held by Automotive Industries S.à.r.l. which is owned by Mr. Anthony James Denny, CEO and Executive Member of the Management Board of AAA Auto Group N.V. The remaining 17,757,875 shares (26.21%) are available for trading on the stock exchanges (free float); the ISIN of the shares is NL0006033375.

6.3. Shareholders Structure

On 3 April 2009, Anthony James Denny, CEO and Executive Member of the Management Board of AAA Auto Group N.V., announced its intention to acquire around 5% of the Company shares. As at 30 June 2011, Mr. Denny held a total of 2.71% of the Company shares. Together with his company Automotive Industries S.à.r.l. his overall holding thus reached 76.50% of the outstanding capital and voting rights of AAA Auto Group N.V. as at 30 June 2011.

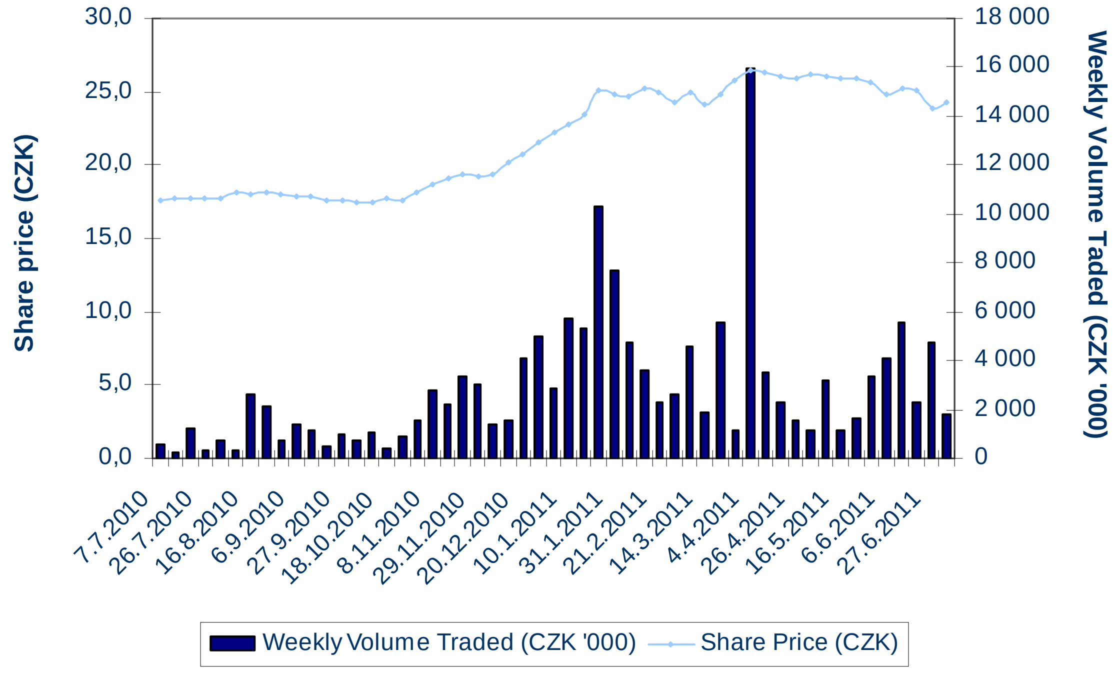
	30 June 2011	**31 December 2010**
Automotive Industries S.à.r.l.	73.79%	73.79%
Anthony James Denny	2.71%	2.60%
Other investors	23.50%	23.61%

Source: Company data

6.4. Development of the Share Price on the Stock Exchange

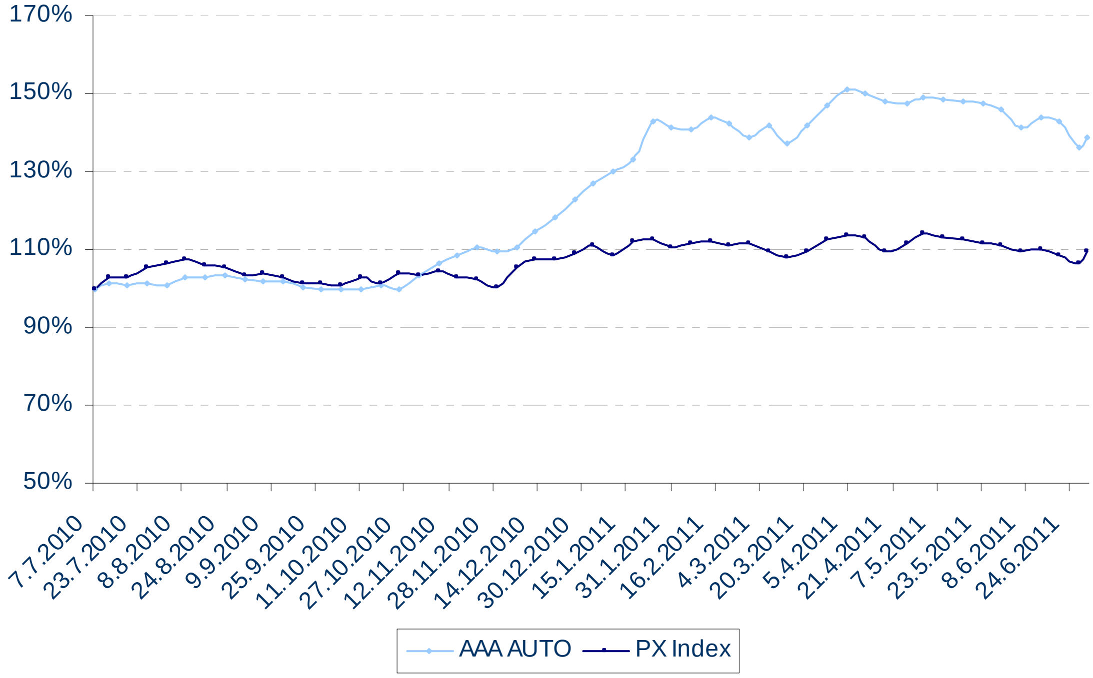
The share price of AAA Auto Group N.V. over the past year has been reflecting the improved financial results of the Group, especially the announcement of Company's financial results for the first 9 months of 2010. The share price has been therefore growing from November 2010 until the end of January 2011, when it steadied at the value of CZK 25 per share, which represents a growth of approximately 40% within three months. This value remained then almost unchanged until the announcement of the Company's 2010 preliminary financial results at the end of March 2011, when the share price reached its maximum since June 2008, with an above-standard volume of traded shares. Shares of AAA Auto Group N.V. ended the first half of 2011 at the price of CZK 24.34 per share. The subsequent weakening that occurred in August 2011 in contrast to the positive news issued by the Company about its strong sales and preliminary financial results, followed the general correction and investment sentiment on the entire PSE market and most world capital markets.

Development of AAA AUTO Share Price and Volume Traded on the PSE



Source: PSE

Relative Performance of AAA AUTO Shares and the PX Index



Source: PSE

6.5. General Meeting of Shareholders

In the first half of 2011 one general meeting of shareholders of AAA Auto Group N.V. took place.

The Annual General Meeting was assembled on 17 June 2011 in Amsterdam with the following agenda:

1. Opening and announcements
2. a. Discussion of the 2010 Annual Accounts (including corporate governance)
   b. Adoption of the 2010 Annual Accounts (voting item)
3. a. Discharge of Executive Management Board Members for their duties over the past fiscal year (voting item)
   b. Discharge of Non-Executive Management Board Members for their duties over the past fiscal year (voting item)
4. Amendment of the Articles of Association (voting item)
   a. Amendment of the Articles of Association
   b. Authorisation to effect the amendment
5. Designation of the Management Board as the corporate body authorised to issue shares, grant rights to subscribe for shares and/or exclude or limit pre-emptive rights (voting item)
6. Authority to the Management Board to buy back shares (voting item)
7. Appointment of an auditor (voting item)
8. Closing

As the main agenda item of the general meeting, the shareholders of AAA Auto Group N.V. discussed the Company’s financial results for 2010 and adopted the 2010 Annual Accounts prepared and audited in accordance with IFRS.

The shareholders also approved an amendment of the Company's Articles of Association prepared primarily in order to put the Articles in line with recent and anticipated changes in Dutch law and other applicable legislation and regulations.

The Company's Articles of Association (as they read prior to implementation of the aforementioned amendments), designated the Management Board, for the period ending 29 December 2011, as the Company body authorised to:

(i) issue shares;

(ii) grant rights to acquire shares; and

(iii) exclude or limit pre-emptive rights

The shareholders approved a proposal to extend this designation by three years until 29 December 2014, and that the number of shares to be issued under such delegation be limited to the authorised capital as per the moment of the resolution to issue shares and/or grant rights to acquire shares.

As previously occurred in past years, the General Meeting of shareholders approved the authority for the Management Board to buy back Company shares up to ten percent of the Company's outstanding capital through the stock exchange, if needed. The authority for the share buy-back was approved in accordance with Dutch law for the period of 18 months and has thus been extended until 17 December 2012. The minimal repurchase price shall be the nominal value of the shares, while the maximum repurchase price shall be EUR 4 per share.

As the result of no resolution being adopted on the final voting item on the agenda, the Management Board is authorised to appoint the Company's auditor for the financial year 2011 for the purpose of examining the Company's Annual Accounts and the Annual Report for 2011 and issuing an auditor's report.

Further details about the Annual General Meeting, that is: (i) the Meeting Minutes, (ii) the amended Articles of Association and (iii) the adopted 2010 Annual Accounts (the Annual Report 2010), are available at the Company website: http://www.aaaauto.cz in the About Us / Investors / Corporate Governance section.

6.6. 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.

For information about related party transactions in the first six months of 2011 see the Financial Note 17 on page 42.

7. Risk Factors

7.1. Risk Management

The Management Board is responsible for AAA AUTO Group's risk management system and control systems and for reviewing their effectiveness. These systems are designed to manage the risks that may prevent the AAA AUTO Group from achieving its objectives. However the systems cannot provide absolute assurance that material misstatements, fraud and violations of laws and regulations can be avoided. Future effectiveness of the systems are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the Group's policies and procedures may deteriorate.

Risk management is an integral part of the Company's adopted strategy and the Management Board of AAA Auto Group N.V. regards risk management as one of the principal instruments of its efficient management system which supports the achievement of objectives and the strategy of the Company. The risk management model is uniform for all companies in the AAA AUTO Group. Cooperation between companies in the AAA AUTO Group provides for further development of the risk management system as one of the pillars of the Company's internal control system. The principles of and responsibilities in the risk management system have been approved by the Company's Management Board. Potential risks have been identified by the Company and are now assessed and managed by the responsible managers; they are also discussed with the risk coordinator and the Audit Committee. Risks are assessed and managed according to their materiality and likelihood.

The Audit Committee has approved the recommendations proposed by Internal Audit for implementation.

In accordance with best practice provision II.1.4 of the Dutch corporate governance code the Management Board of AAA Auto Group N.V. has assessed the design and operational effectiveness of its internal risk management and control system. Based on the activities performed during 2010, and in accordance with best practice provision II.1.5, the Management Board believes that the risk management and control systems regarding the financial reporting risks have worked properly during 2010, and provide reasonable assurance that the 2010 financial statements do not contain any errors of material importance.

7.2. Risk Factors for AAA AUTO Group

A number of key risk factors, which the AAA AUTO Group is exposed to in the course of its business, were already given in the Prospectus published in connection with the share offering at the Prague and Budapest stock exchanges, and in the 2007 Annual Report. The majority of the risk factors are still applicable. The aforementioned documents are available on the Company's website (www.aaaauto.cz), in the section About us/Investors/Publications.

In first half 2011, the AAA AUTO Group had commercial operations in the Czech Republic and in Slovakia, and as such was exposed to a number of external and internal risks which may negatively impact on the performance and sales – and, by extension – the Company's bottom line. The risk management system of the AAA AUTO Group recognises risks in four categories: 1. Business and marketing risks, 2. Financial risks, 3. Personnel and competence risks and 4. Operating risks.

Business and marketing risks

As a priority, the management of AAA AUTO Group manages risks that have the greatest bearing on the revenues and costs of the Company and its bottom line. The most significant risk factors in this category are the following:

- seasonality of the automobile retail business;
- increase in individual imports of cars;
- declining prices of new cars;
- obtaining a viable mix of popular pre-owned vehicles;
- changing consumer trends;
- rising fuel prices and costs of ownership of cars;
- negative public opinion.

Financial risks

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.

Personnel and competence risks

The employees are the biggest asset to the management of AAA AUTO Group, and the risks associated with the personnel area are therefore adequately managed. The most significant risk factors in this category include:

- inadequate division of competences;
- high turnover of employees;
- multiskilling in important job positions;
- lacking qualifications of job-seekers ;
- shift operation.

Operating risks

The management of AAA AUTO Group also manages risks stemming from operating losses, failures, problems and deficiencies in the Company. The most significant risk factors in this category are the following:

- centralisation of management;
- configuration of internal activities and processes;
- controlling environment;
- fraud and adverse events;
- information management and digitalisation;
- implementation and execution of new projects;
- regulatory and legislative compliance.

Other important risks include those relating to the economic, political, social, legal, regulatory and tax environment in the markets where the Company operates. Availability of timely and accurate information to the management of the Group is an important factor in risk management. All the above risks, and many others, are monitored by executive and line managers who propose, in collaboration with controlling departments, measures aimed at the mitigation of all identified risks, which they subsequently monitor and evaluate.

8. Outlook for 2011

The Company foresees and/or expects the following factors and risks that may occur and influence its financial results in the second half of 2011:

- The economic situation affecting the market sales and retail credit financing
- The foreign exchange (FOREX) gains and losses
- Real estate property sales
- Local expansion and entry to a new foreign market

Despite the fact that the first quarter saw a significant recovery of sales, the second quarter already brought about a correction by returning the sales to a level closer to that of the previous year. For this reason, the Company reassessed its year-end outlook for sales and now expects a more conservative sales growth of max. 5% for the whole 2011 compared to the sales volume achieved in 2010. Although the retail market of used cars has been showing signs of a steady revival in demand, the overall economic recovery, which is the main driver of the Group's sales dynamics, is still in its early and uncertain stage. The consumers' attitude to long term investments is better than during the crisis, but greater caution in consumer behaviour still prevails.

Furthermore, the concern about the possible return of the USA and the world economy into recession coupled with concerns about the excessive indebtedness of some of the countries in the EMU which was reflected in the extremely volatile development on the capital markets in early August spells further uncertainty to the future economic development in the countries where AAA AUTO Group operates.

FOREX gains and losses affect the Company's financial results every quarter at the level of both continuing and discontinued operations. It is reasonable to expect the affect of FOREX gains and losses on the financial results to occur also in the second half of 2011 depending on the development of the exchange rate of EUR versus local currencies (CZK, HUF, PLN). The Company uses partial natural hedging to mitigate the impact of exchange rate movements on the Company's financial results.

The Company also expects to complete the sale of part of another property in the CR in the 3Q 2011. The net effect on the Group's financial results is expected to be, nevertheless, negligible.

The Company's strategic plan is to open up to five new branches in the Czech Republic and three in Slovakia in the frame of the next one and a half years. The Company is simultaneously pursuing the project of entering the Russian market by the end of 2011 through the opening of a branch in Moscow; the Company is also analysing the possibility of re-establishing its commercial operations in Hungary in 2012 and is currently monitoring the local market situation.

Given the conservative strategy and gradual investment phasing, none of the projects for local expansion will have a significant impact on the Group's consolidated financial results in 2011. The start up costs for the expansion to Russia will be specified by the Company as part of the year-end consolidated financial results.

Consolidated Financial Statements

Interim Condensed Consolidated Financial Information for the 6 months ended 30 June 2011, Unaudited

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 2010.

In the financial information, the financial results for the Polish operations are disclosed in line called "Profit/(loss) from discontinued operations".

Interim consolidated statement of comprehensive income

(EUR´000)

	Note	Six months ended June 2011	June 2010 restated*)
Continuing operations			
Revenue	6,7	**130,011**	**91,690**
Other income		603	285
Changes in inventories and WIP	19	1,569	1,190
Car inventory sold		(101,132)	(69,264)
Advertising expenses		(2,665)	(1,843)
Employee benefit expenses		(12,668)	(8,205)
Depreciation and amortisation expense	7,19	(1,184)	(1,079)
Impairment of property plant and equipment	7,12,19	(370)	95
Other expenses	19	(8,360)	(7,751)
Finance cost	19	(941)	(1,115)
Profit before tax		**4,863**	**4,003**
Income tax expense	19	(1,419)	(1,422)
Profit / (loss) for the period from continuing operations		**3,444**	**2,581**
Discontinued operations			
Profit/(loss) from discontinued operations	8	(204)	(229)
Profit / (loss) for the period		**3,240**	**2,352**
Other comprehensive income			
Foreign currency translation differences for foreign operations		31	587
Other comprehensive income for the period, net of income tax		**31**	**587**
Total comprehensive income for the period		**3,271**	**2,939**
Profit / (loss) attributable to:			
Equity holders of the company		3,240	2,352
Profit / (loss) for the period		**3,240**	**2,352**
Total comprehensive income attributable to:			
Equity holders of the company		3,271	2,939
Total comprehensive income for the period		**3,271**	**2,939**
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			
From continuing operations		5.08	3.81
From discontinued operations		(0.30)	(0.34)
		4.78	**3.47**
Diluted earnings per share			
From continuing operations		4.92	3.66
From discontinued operations		(0.29)	(0.33)
		4.63	**3.33**

**) Some amounts have been restated and do not correspond to the amounts presented in the interim condensed consolidated financial information for the period ended 30 June 2010.*

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

Interim consolidated statement of financial position

(EUR´000)

ASSETS	Note	30 June 2011	31 December 2010
Non-current assets			
Intangible assets		138	143
Property, plant and equipment		38,158	37,314
Other financial assets		229	256
Deferred tax assets		154	17
Total non-current assets		***38,679***	***37,730***
Current assets			
Inventories		28,468	23,463
Trade and other receivables		4,839	10,242
Current tax asset		-	1
Other non-financial assets		1,311	1,676
Cash and cash equivalents		5,625	3,665
		40,243	***39,047***
Assets of disposal group classified as held for sale		3,823	3,916
Total current assets		***44,066***	***42,963***
TOTAL ASSETS		**82,745**	**80,693**

EQUITY AND LIABILITIES	Note	30 June 2011	31 December 2010
Equity			
Issued capital		38,185	38,185
Reserves		6,569	6,445
Retained earnings		(26,921)	(30,166)
Equity attributable to equity holders of the company		**17,833**	**14,464**
Total equity		**17,833**	**14,464**
Non-current liabilities			
Bank and other borrowings	16	19,688	16,299
Deferred tax liabilities		315	220
Other liabilities		1	-
Total non-current liabilities		***20,004***	***16,519***
Current liabilities			
Trade and other payables		7,613	10,683
Current tax liabilities		2,027	1,757
Bank overdrafts and borrowings	14	25,921	26,449
Provisions	15	3,419	3,023
Other financial liabilities		1,904	3,818
Other non-financial liabilities		3,637	3,220
		44,521	***48,950***
Liabilities directly of disposal group classified as held for sale		387	760
Total current liabilities		***44,908***	***49,710***
Total liabilities		**64,912**	**66,229**
TOTAL EQUITY AND LIABILITIES		**82,745**	**80,693**

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

Interim consolidated statement of changes in equity

(EUR´000)

	Share capital	Share premium	Equity/legal reserve	Share option reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to holders of the Company	Total equity
Balance at 01/01/10 restated *)	**6,776**	**31,409**	**653**	**428**	**4,186**	**(35,650)**	**7,802**	**7,802**
Profit for the period	-	-	-	-	-	2,352	**2,352**	**2,352**
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	587	-	**587**	**587**
Total comprehensive income for the period	-	-	-	-	587	2,352	**2,939**	**2,939**
Transactions with owners								
Equity legal reserve	-	-	41	-	-	(41)	**-**	**-**
Reclassification	-	-	(529)	-	-	529	**-**	**-**
Share options	-	-	-	250	-	-	**250**	**250**
Balance at 30/06/10	**6,776**	**31,409**	**165**	**678**	**4,773**	**(32,810)**	**10,991**	**10,991**
Balance at 01/01/11	**6,776**	**31,409**	**280**	**418**	**5,747**	**(30,166)**	**14,464**	**14,464**
Profit for the period	-	-	-	-	-	3,240	**3,240**	**3,240**
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	29	-	**29**	**29**
Total comprehensive income for the period	-	-	-	-	29	3,240	**3,269**	**3,269**
Transactions with owners								
Equity legal reserve	-	-	(5)	-	-	5	**-**	**-**
Share options	-	-	-	100	-	-	**100**	**100**
Balance at 30/06/11	**6,776**	**31,409**	**275**	**518**	**5,776**	**(26,921)**	**17,833**	**17,833**

*) *The opening balance*

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

Interim consolidated cash flow statement

(EUR´000)

	Six months ended June 2011	June 2010
Cash flows from operating activities		
Profit for the period	3,240	2,352
Adjustments for:		
Income tax expense	1,419	1,434
Depreciation and impairment of PPE	1,554	984
Provisions	494	504
(Gain)/loss on disposal of fixed assets	(45)	(368)
Interest income	(2)	(5)
Interest expense	980	980
Share options	100	250
Foreign exchange (gain)/loss	(26)	239
Decrease/(increase) in inventories	(5,290)	(7,561)
Decrease/(Increase) in receivables and other assets	6,035	(1,946)
Increase/(decrease) in payables and other liabilities	(4,989)	4,228
Interest paid	(457)	(584)
Interest received	2	5
Income tax (paid)/received	(1,079)	(68)
Net cash provided by operating activities	1,936	444
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,526)	(1,691)
Proceeds from disposals of property, plant and equipment	797	1,374
Net cash used in investing activities	(2,729)	(317)
Cash flows from financing activities		
Proceeds from third party loans	5,950	868
Repayment of third party loans	(3,090)	(4,314)
Payment of finance lease liabilities	-	(651)
Net cash from financing activities	2,860	(4,097)
Net increase (decrease) in cash and cash equivalents	2,067	(3,970)
Net foreign exchange difference	(107)	(38)
Cash and cash equivalents at the beginning of the period	3,665	6,028
Cash and cash equivalents at the end of the period	5,625	2,020

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 are available for trading at PSE and BSE.

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 2.71% of the shares directly (remaining 23.50% 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 cooperates with third parties in the insurance and financial sectors to provide, on a professional level, a range of related services like credits, loans, insurance, roadside assistance, leasing etc.

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 2011 has been prepared in accordance with IAS 34, "Interim financial reporting" ("IAS 34"). The interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRSs.

The interim consolidated financial information has been prepared on the historical cost basis. The interim 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.

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.

From 1 January 2011 the Group adopted new standards and interpretations and amendments to standards and interpretations as listed below. The adoption of the new pronouncements did not have any material impact on this condensed interim consolidated financial information.

- IAS 24 - Related Party Disclosures - (effective for annual periods beginning on or after January 1, 2011). The main objective of the amendment is to provide a partial exemption from the disclosure requirements for government-related entities, and to clarify the definition of a related party. The amendment also clarifies the entity's obligation to disclose information about all commitments, associated with a related party, to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised).

- Improvements to International Financial Reporting Standards 2010 (issued in May 2010)
    - IFRS 3 - Business Combinations (effective for annual periods beginning on or after July 1, 2010). Measurement of non-controlling interests. Un-replaced and voluntarily replaced share-based payment awards. Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS 3.
    - IFRS 7 - Financial Instruments: Disclosures (effective for annual periods beginning on or after January 1, 2011). Clarification of disclosures.
    - IAS 1 - Presentation of Financial Statements (effective for annual periods beginning on or after January 1, 2011). Statement of changes in equity.
    - IAS 27 - Consolidated and Separate Financial Statements (effective for annual periods beginning on or after July 1, 2010). Transition requirements for subsequent amendments arising as a result of IAS 27.
    - IAS 34 - Interim Financial Reporting (effective for annual periods beginning on or after January 1, 2011). Significant events and transactions.
    - IFRIC 13 - Customer Loyalty Program (effective for annual periods beginning on or after January 1, 2011). Fair value of award credits.

- IAS 32 - Financial Instruments – Presentation: Classification of Rights Issues (effective for annual periods beginning on or after January 1, 2011). The amendment deals with presentation of rights issues denominated in a currency other than the issuing entity's functional currency. The amendment exempts certain rights issues of shares with proceeds denominated in foreign currencies from classification as financial derivatives.
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after January 1, 2011). It removes an unintended consequence

of IFRIC 14 related to voluntary pension prepayments when there is a minimum funding requirement.

- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after January 1, 2011). The interpretation addresses the accounting in cases where all or part of the financial liability is extinguished by the debtor by issuing equity instruments to the creditor.

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 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 2010.

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 consolidated financial statements do 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 31 December 2010. There have been no changes in the risk management department since year end or in any risk management policies.

Fair value estimation

The Group does not report any assets and liabilities that are measured at fair value at 30 June 2011.

6. Seasonality and cyclicality of interim operations

The consolidated financial results that AAA Auto Group N.V. recorded for the first six months of 2011 show a solid growth in the Group's operational and financial performance compared to the same period last year. This was partly driven by growth of both markets in Czech Republic and Slovakia. However, the Group outperformed both markets during the first half of 2011.

Due to growth of car sold in both main segments (Czech Republic and Slovak Republic) the Group revenue increased to EUR 130,0 million in the first six month 2011 compared to EUR 91,7 million in the first six month 2010.

No seasonality factors have been recognized in the first six months 2011.

7. Operating segment information

Management has determined the operating segments based on the reports reviewed by the top management team that are used to make strategic decisions.

The top management team considers the business from a geographic perspective in the Czech Republic and the Slovak Republic. Majority of sales of the Group represent used cars supplied to similar customer base.

The accounting policies of the operating segments are the same as those described in the Consolidated Financial Statements 2010 in the summary of significant accounting policies.

The top management team 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. Since the top management team reviews the operating result (EBITDA), the results of discontinued operations are not included in the measure of EBITDA.

Information about total assets by segment is not disclosed because such information is not reported to or used by top management team.

The segment information provided to the top management team for the reportable segments for the six months ended 30 June 2011 is as follows:

	Czech Republic	**Slovak Republic**	**Total**
	EUR '000	EUR '000	EUR '000
Six months ended 30 June 2011			
Total segment revenue	100,112	34,830	134,942
Inter-segment revenues	(4,692)	(239)	(4,931)
Revenues from external customers	**95,420**	**34,591**	**130,011**
Operating result (EBITDA) reported to the top management team	5,304	1,634	6,938

The segment information provided to the top management team for the reportable segments for the six months ended 30 June 2010 is as follows:

	Czech Republic	Slovak Republic	Total
	EUR '000	EUR '000	EUR '000
Six months ended 30 June 2010			
Total segment revenue	69,481	24,960	94,441
Inter-segment revenues	(2,710)	(41)	(2,751)
Revenues from external customers	**66,771**	**24,919**	**91,690**
Operating result (EBITDA) reported to the top management team	4,752	1,769	6,521

A reconciliation of the segment result reported to the top management team to profit for the period for the continuing operation is provided as follows:

	30 June 2011	30 June 2010
	EUR '000	EUR '000
Adjusted EBITDA for reportable segments	**6,938**	**6,521**
Depreciation and amortization	(1,184)	(1,079)
Impairment of property plant and equipment	(370)	95
Finance cost	(941)	(1,115)
Other	420	(419)
Profit before income tax and discontinuing operations	**4,863**	**4,003**

Depreciation and amortisation included in operating result (EBITDA) reported to the top management team allocated to individual segments is as follows:

	Czech Republic	Slovak Republic	Other	Total
	EUR '000	EUR '000	EUR '000	EUR '000
Six months ended 30 June 2011	778	203	203	**1,184**
Six months ended 30 June 2010	654	165	260	**1,079**

The Company is domiciled in the Czech Republic. The total of non-current assets other than deferred tax assets located in the Czech Republic is TEUR 21,770 as at 30 June 2011 (31 December 2010: TEUR 20,143) and the total of these assets located in Slovakia is TEUR 9,786 (31 December 2010: TEUR 9,976).

8. Discontinued operations and disposal groups

During the 6 month ended 30 June 2011 there was no change to discontinued operations and assets held for sale.

Result of discontinued operations	**Six months period ended** **30 June 2011**	**30 June 2010**	**30 June 2010**
		restated *	**reported**
	EUR´000	**EUR´000**	**EUR ´000**
Revenues	4	105	374
Profit on sale of PP&E	-	204	204
Expenses	(208)	(526)	(1,794)
Income tax	-	(12)	(92)
Profit / (loss) after tax of discontinued operations	**(204)**	**(229)**	**(1,308)**

Assets of disposal group classified as held for sale	**30 June 2011**	**31 December 2010**
	EUR´000	**EUR´000**
Property, plant and equipment	3,745	3,728
Trade and other financial assets	78	188
Total	**3,823**	**3,916**

Liabilities of disposal group classified as held for sale	**30 June 2011**	**31 December 2010**
	EUR´000	**EUR´000**
Trade and other payables	264	530
Short term provision	123	230
Total	**387**	**760**

Cash flow from discontinued operations	**Six months period ended** **30 June 2011**	**30 June 2010**	**30 June 2010**
		restated *)	**reported**
	EUR´000	**EUR´000**	**EUR´000**
Net cash (used in)/ provided from operating activities	(8)	2,336	2,896
Net cash provided from investing activities	-	(1,145)	(1,145)
Net cash used in financing activities	-	(1,229)	(1,750)

*) *During the closing of the year 2010, corrections according to IAS 8 were made and Assets classified as held for sale were reviewed to comply with IFRS. Based on that review, only entities in Poland remained classified as discontinued. In the category Assets held for sale, the assets of AAA*

Auto Sp z oo, Autocentrum AAA Auto Sp z oo (Poland) and HK Partner s.r.o., HK Partner Kladno s.r.o. (Czech Republic) remained. The restated amounts in tables above show the figures as if the corrections were also made for the period ended 30 June 2010.

9. Business combinations

The Group did not acquire any new business in a transaction that would qualify as a business combination for the reported period.

10. Income taxes

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

11. Dividends

No dividends were paid in the six months ended 30 June 2011.

12. Property, plant and equipment

In the period of six months ended of 2011 were the main movements within the PP&E as follows:

- new site in Plzeň for TEUR 1,479 was acquired. The site Tábor in the net book value of TEUR 948 was sold for TEUR 797,
- the impairment was created in the amount of TEUR 494 to the property in Plzeň and impairment of TEUR 124 to property in Tábor was released.

There are no other significant movements in property, plant and equipment than above stated.

13. Share capital

There are no changes compared to the amounts reported in the annual report.

14. Borrowings and loans

	30 June 2011	31 December 2010
	EUR ‘000	EUR ‘000
Bank overdraft	6,982	6,820
Bank and corporate loans	29,737	27,053
Company cars financing	1,923	1,315
Obligation under finance lease	-	178
Inventory financing	6,967	7,382
Total	**45,609**	**42,748**
The borrowings are repayable as follows:		
- On demand or within one year	19,688	26,449
- In the second to fifth year inclusive	25,921	16,299
Total	**45,609**	**42,748**

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 29,737 as at 30 June 2011 (31 December 2010: TEUR 27,053) includes a related party loan from shareholder AUTOMOTIVE INDUSTRIES S.à.r.l. totaling TEUR 13,349 (31 December 2010: TEUR 12,475) and Investment loan totaling TEUR 15,655 (31 December 2010: TEUR 14,226).

Changes in bank and other borrowings:

In the Czech Republic and Slovakia the Group signed two new financing agreements with existing bank partners replacing original contracts. In the Czech Republic were replaced two investment loans and one overdraft by one new investment loan and one new overdraft. The new investment loan is in the amount of TEUR 4,929 with quarterly installment payments and 5 years maturity while the original two investment loans were with maturity in 2011 and 2013. The new overdraft is in the amount of TEUR 1,232 with one year term. In Slovakia was signed one new investment loan with existing bank partner in the amount of TEUR 4,300, monthly installment payment and expiry in 4 years. Existing overdraft was decreased to TEUR 500. The total amount of these two loans remain unchanged.

There was no gain or loss on extinguishment of the original borrowings.

The main reason of new contracts was to decrease short term borrowings and replace these with long term financing.

All loans covenants were met.

15. Provisions for other liabilities and charges

	Employee	Law suits	Other	Total
	EUR´000	EUR´000	EUR´000	EUR´000
Six months ended 30 June 2010				
Opening net book amount at				
1 January 2010	45	574	110	729
Amount used	-	-	-	-
Additional provision recognized	-	1,548	46	1,594
Unused amount reversed	-	(85)	(108)	(193)
Exchange differences	-	(76)	-	(76)
Closing net book amount at 30 June 2010	**45**	**1,961**	**48**	**2,054**
Six months ended 30 June 2011				
Opening net book amount at				
1 January 2011	158	2,042	823	3,023
Amount used	(187)	(226)	(16)	(429)
Additional provision recognized	610	960	2	1,572
Unused amount reversed	(44)	(745)	(58)	(847)
Exchange differences	5	88	7	100
Closing net book amount at 30 June 2011	**542**	**2,119**	**758**	**3,419**

The provision for law suits consists mainly of the three types of legal 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 labour suit in respect of invalid termination of labour contract by the Company. Generally the Group created the provision for obligation where there is a probability of losing the case.

Employee provision represents untaken holiday of employees.

All provisions are classified as current liabilities.

16. Contingent assets and liabilities

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

17. 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 2011 were recognized the following significant transactions in comparison with the same period of 2010:

- 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,

- invoicing of the car rent and other services from Central Investment s.r.o. to AAA AUTO a.s. – 30 June 2011: TEUR 71 (30 June 2010: TEUR 18),

- invoicing of the cars sold and other services from AAA AUTO a.s. to Global Car Rentals.r.o. – 30 June 2011: TEUR 295 (30 June 2010: TEUR 16).

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

Detail of ownerships 2011

Company	Ownership Majority	Share	Note
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%	
CREDIT INVESTMENT s.r.o.	Mr. Anthony James Denny	90%	
PRIORITY INVESTMENT s.r.o.	Mr. Anthony Denny	90%	
International Auto Workers Pensioen Fund B.V.	AUTOMOTIVE INDUSTRIES S.à.r.l.	100%	
CarWay Holding B.V.	AUTOMOTIVE INDUSTRIES S.à.r.l.	95%	
CarWay Group s.r.o. (renamed from Global Car Service s.r.o.)	CarWay Holding B.V.	100%	
CarWay Assistance CZ s.r.o. (Global Car Check s.r.o. CZ)	CarWay Holding B.V.	100%	
CarWay Assistance SK s.r.o. (Global Car Check s.r.o. SK)	CarWay Holding B.V.	85%	*)
GLOBAL CAR RENTAL s.r.o.	CarWay Holding B.V.	100%	
CarWay Rent SK s.r.o. (Global Car Rental s.r.o. SVK)	CarWay Holding B.V.	100%	*)
GLOBAL DIRECT s.r.o.	CarWay Holding B.V.	100%	
GLOBAL INSURANCE s.r.o.	CarWay Holding B.V.	85%	*)
CarWay Rent CZ s.r.o. (Yes Car Credit s.r.o.)	CarWay Holding B.V.	100%	
Global Auto Assistance S.R.L. (RO)	CarWay Holding B.V.	65%	
Direct Automotive Broker De Asigurare S.R.L.	CarWay Holding B.V.	99%	
Global Assistance Sp.z.o.o. (PL)	CarWay Holding B.V.	65%	
Global Direct Assistance Kft. (HU)	CarWay Holding B.V.	65%	*)
Carway Service CZ s.r.o.	CarWay Holding B.V.	100%	

Note: *) company in liquidation

CarWay Holding B.V. purchased the remaining 35% ownership GLOBAL CAR RENTAL s.r.o. (June 2011).

Loans to and borrowings from related parties

EUR'000	Loans to related parties		Borrowings from related parties	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
AUTOMOTIVE INDUSTRIES S.à.r.l.	-	-	13,349	12,475
Carway Holding B.V. (renamed from Global Automotive Holding B.V.)	-	56	10	-
Total	**-**	**56**	**13,359**	**12,475**

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 2011	30 June 2010	31 December 2010
	EUR '000	EUR '000	EUR '000
Salaries and other short-term employee benefits	436	317	653
Post-employment benefits	73	58	58
Share-based payments	47	57	57
Total	**556**	**432**	**768**

18. 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.

Binding offer to purchase of new site in Czech Republic (Most) was signed (purchase price TEUR 308).

19. Correction of prior period errors

During the annual audit of consolidated financial statements as at 31 December 2010, corrections according to IAS 8 were made to the Consolidated Statement of Comprehensive Income for the period of 12 month ended 31 December 2010.

To ensure comparability of currently presented Interim Consolidated Statement of Comprehensive Income for the 6 month ended 30 June 2011 we have corrected the originally presented Interim consolidated Statement of Comprehensive Income for the 6 month ended 30 June 2010 accordingly.

For full detailed description of correction made in line with IAS 8 please see the Annual Report 2010.

The effect of the corrections made into Interim Statement of Comprehensive Income as at 30 June 2010 originally presented and restated is in following table:

	30 June 2010 restated	30 June 2010 reported	Difference
	EUR '000	EUR '000	EUR '000
Continuing operations			
Revenue	91,690	91,577	113
Other income	285	283	2
Changes in inventories and WIP	1,190	-	1,190[1)]
Car inventory sold	(69,264)	(68,007)	(1,257)[1)]
Advertising expenses	(1,843)	(1,843)	-
Employee benefit expenses	(8,205)	(8,187)	(18)
Depreciation and amortization expense	(1,079)	(1,041)	(38)
Impairment of property plant and equipment	95	-	95
Other expenses	(7,751)	(7,299)	(452)[2)]
Finance cost	(1,115)	(350)	(765)[2)]
Profit before tax	**4,003**	**5,133**	**(1,130)**
Income tax expense	(1,422)	(1,526)	104
Profit for the period from continuing operations	**2,581**	**3,607**	**(1,026)**
Discontinued operations			
Loss from discontinued operations	(229)	(1,308)	1,079[2)]
Profit for the period	**2,352**	**2,299**	**53**
Other comprehensive income			
Foreign currency translation differences for foreign operations	587	587	-
Foreign currency translation differences related to entities sold	-	-	-
Change in share option reserve	-	250	(250)
Other comprehensive income for the period, net of income tax	**587**	**837**	**(250)**
Total comprehensive income for the period	**2,939**	**3,136**	**(197)**
Profit attributable to:			
Equity holders of the company	2,352	2,299	53
Non-controlling interest	-	-	-
Profit for the period	**2,352**	**2,299**	**53**
Total comprehensive income attributable to:			
Equity holders of the company	2,939	3,136	(197)
Non-controlling interest	-	-	-
Total comprehensive income for the period	**2,939**	**3,136**	**(197)**

[1] Changes in inventory and WIP / Car inventory sold

The Group reclassified TEUR 1,190 from Car inventory sold to Changes in inventories for employee's cost related to car inventory acquisition and servicing incurred in bringing car inventory to conditions for sale for cars that were held on stock as at 30 June 2010.

[2] Restatement of Hungarian and New Car (HK Partner) operations from discontinuing operations to continuing operations

During the year 2010 Group changed classification of Hungarian operations and New car operations from discontinuing to continuing what caused the difference of TEUR 1,079 in the category of Loss from discontinued operations. This reclassification is also reflected in all the other categories of continuing operations and explains all the rest of differences in the table above.

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 2011 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 2011, the state of affairs during the first six months of 2011 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 2011

Vratislav Kulhánek

Chairman of the Management Board

Anthony James Denny

Executive Member of the Management Board

Vratislav Válek

Non-Executive Member of the Management Board

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

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