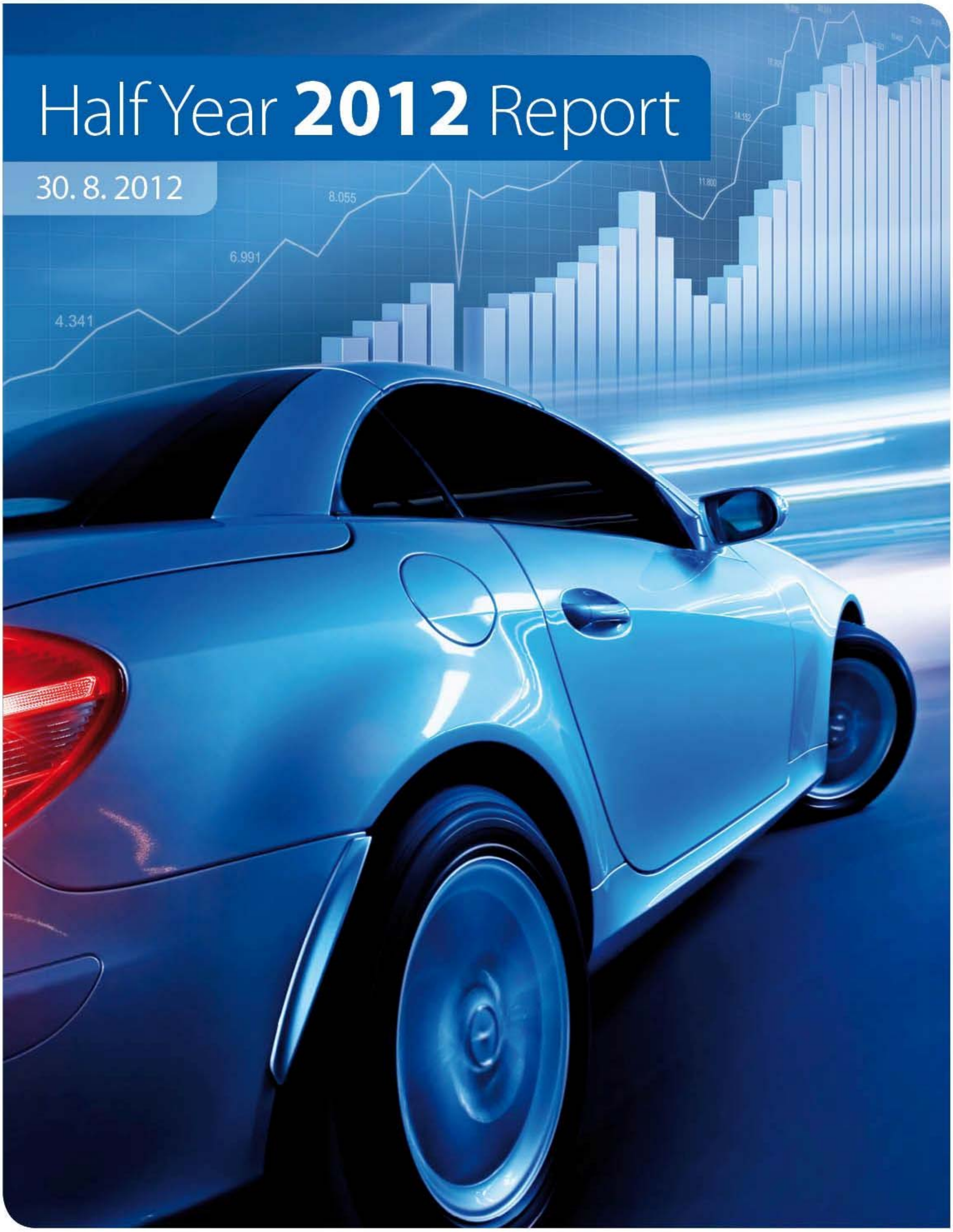
Half Year 2012 Report

30. 8. 2012



AAA AUTO

AAA Auto Group N. V.

Prague, 30 August 2012

Selected Financial Indicators *(EUR million)*	**1H 2012**	**1H 2011**	**YoY change**
Total revenues	164.5	130.0	*26.5%*
of which revenues from sale of cars	136.7	111.5	*22.7 %*
Gross revenue from sale	43.6	30.4	*43.1%*
Gross profit margin	26.5%	23.4%	*3.1 pp*
Operating profit (EBITDA)	13.9	7.2	*91.9%*
Economic result for common period	8.6	3.2	*164.8%*
Number of cars sold (units)	25,841	22,241	*16.2%*

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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 page 5).

Company Owners: The majority owner of the AAA Auto Group N.V. is a Luxembourg based company, AUTOMOTIVE INDUSTRIES S.à.r.l., which by 30 June 2012 owned 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, 3.77% was as at 30 June 2012 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
- 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.

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

Registered Office: Hostivice, Husovo nám. 14, ZIP 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

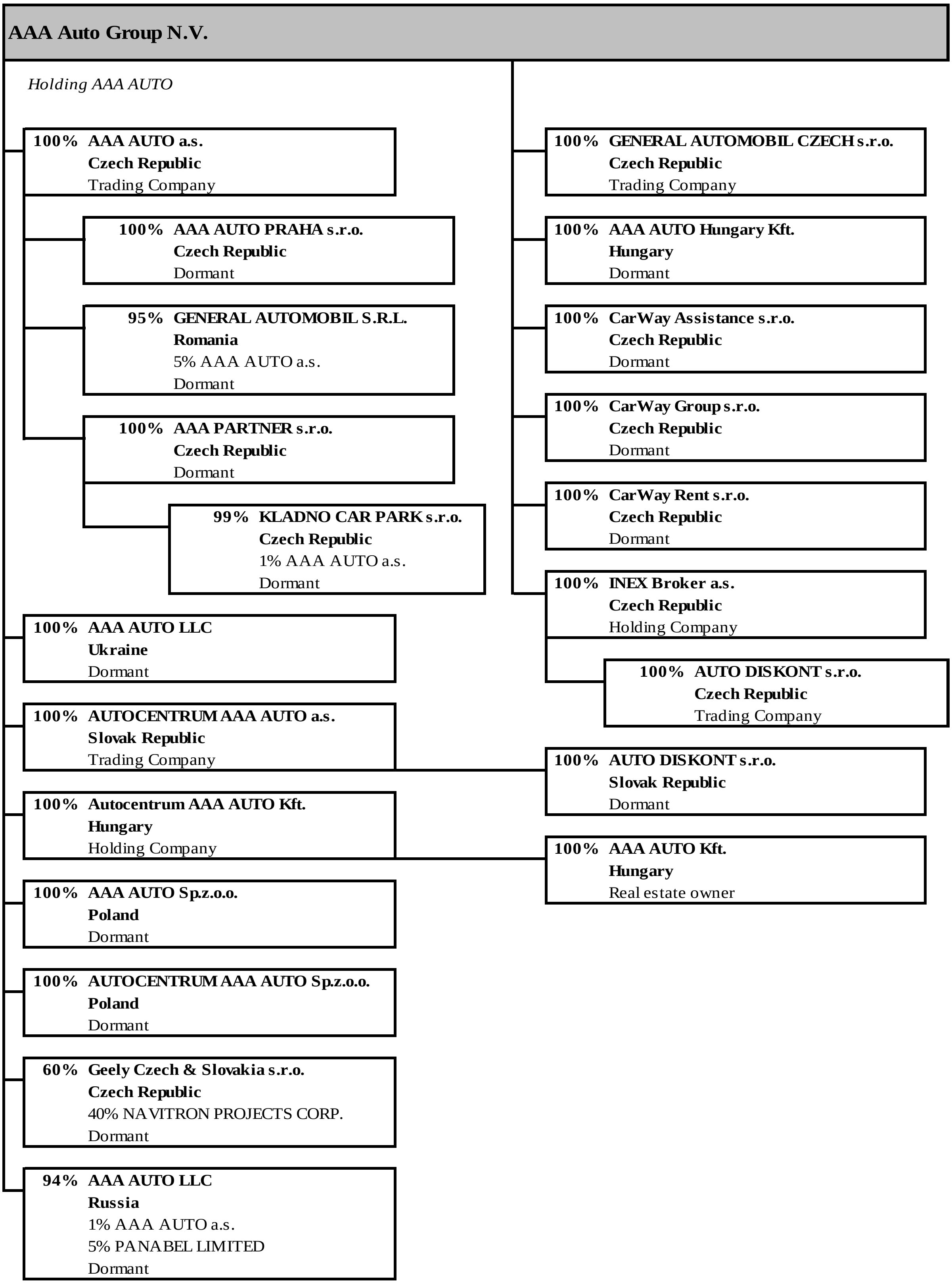
Subject of Business:

- repairs to road vehicles
- services of accounting consultants, accounting maintenance
- production, retail and services not listed in annexes 1 to 3 of the trade law
- repairs to bodywork
- provision or mediation of consumer loans

Free trade license activities - Production, retail and services not listed in annexes 1 to 3 of the trade law:

- intermediation for services and retail
- wholesale and retail
- pawn broking business
- maintenance of motor vehicles and accessories
- Storage, packaging of goods, manipulation with loads and technical activities in transportation
- rental and lending of movable items
- advertising and marketing services.

2. AAA AUTO Group Structure as of 30th June 2012



3. Report on Business Activities of AAA AUTO Group in the First Half 2012

The consolidated financial results that AAA Auto Group N.V. recorded for the first six months of 2012 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, related to the continuing high demand on the used car market, which allowed the Company to grow rapidly for the last 18 months.

The Company still recorded a gradually growing penetration of financial services (ratio of cars sold on leasing) on both of its primary markets, in the Czech Republics and Slovak Republic.

Market trends slowly but surely confirm long-term 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 sufficient 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 2012 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 2012 AAA AUTO Group made also several important business decisions which however had no material impact on the 1H 2012 financial results:

- Planned regional expansion in the Company's core markets of the Czech and Slovak Republic within the next 18 months
- Potential return to the Group's former Hungarian market depending on the market situation

For more detail see the chapter Outlook for 2012

Other business plans approved by the Management Board of AAA Auto Group N.V. that have been materialized in 2012 YTD:

- AAA AUTO Group opened new branches of its subsidiary AAA AUTO a.s., in Liberec and Jihlava and of its subsidiary AUTOCENTRUM AAA AUTO a.s., in Nové Zámky. It is expected that the new branches will support the growth of retail sales of the Company in 2012.
- AAA AUTO Group launched a project for long-term testing of the aspects of marketing of used electric cars. 20 June 2012, the Prague AAA AUTO Group central launched the first recharging station, a second one is under preparations in Brno, additional suitable branches will follow. We may expect the first dozens to hundreds of used electric cars to reach the market, mostly arriving from company car parks or the car parks of public and semi-public institutes.

Although it is expected that the newly opened branches will support the growth of income from the financial services and lead to more customers, their overall impact on the Group financial results will only be significant from 2013 onward.

3.2. Human Resources, IT and the Call Centre

Human Resources

For 2012, the Company management has set the following priorities in Human Resources management:

- strengthening of the management potential of the Company,
- obtaining human resources within the planned expansion of the Company to new branches and countries,
- efficiency of HR processes and HR in general,
- stabilization of key employees,
- unification of HR development processes across branches.

As at 30 June 2012, the Company employs 1,722 [1] employees, which translates into a 22.4% increase compared to the same period of last year (1,407 [2] employees).

In January 2012, the position of Group HR Director was established, the main responsibility of which is to obtain general support of the Company management during the strategic development of HR and for increasing the efficiency of current HR processes. The hiring of an experienced Group Recruitment Manager supported the implementation of modern approaches and improved the utilization of new technology in the recruitment process.

Aside of the HR division, the highest managerial positions in the IT, Marketing and Office Operations divisions also had new leaders. The growing demand for quality and experienced managers on the highest positions and the general growth of employees reflects the planned development of business activities and the continuous improvement of the Company's business results. The Company also strictly plans for HR needs and continuously evaluates its current coverage. As in previous years, also in 1H 2012 the

[1] The number of employees in 1H 2012 contains 110 employees on maternal leave
[2] The number of employees in 1H 2011 contains 131 employees on maternal leave

hiring process for new or freed positions first emphasized internal applicants before searching for external ones.

The development of the business activities of the Company brings new requirements for the skills of current employees. In the first half of the year, our training department focused on improving the basic technical, marketing and managerial skills and also on prepare and implement new training in the project management area. A renowned external company, which won our tender, trained 12 employees in their first training seminar. Based on the positive feedback of participants, it was decided that the project management training will be added into the standard list of offered training.

Continuous measurement showed a lower fluctuation of employees in the first 6 months of 2012. Aside from the preferential hiring of current employees for freed position, this is also due to more thorough work with references when hiring new employees, a properly set adaptation process and active communication and cooperation of responsible employees of the HR Division with line managers when a problem occurs and HR counseling.

In the second half of 2012, the HR division activities will focus on fulfilling the approved priorities, i.e. strengthening and developing managerial potential, keeping a positive trend in increased stabilization of key employees and standardization of HR on all branches of the Company.

IT

In the first half of 2012, the primary attention of the IT department focused on standardization of processes, increasing the efficiency of using resources in IT and telecommunication technology and improving security. A more reliable project management with an impact on the whole company is to also play a key role.

The whole department was reorganized to increase efficiency, with respect to logical relations and work areas. This has lead to a measurable increase of efficiency and KPI growth in all areas. Now the IT department can face the ever-increasing Company requirements.

The whole infrastructure was transferred to a virtual environment to increase output and improve flexibility when resolving business requirements. A project for complete redesigning of backup solutions was launched, which will reflect the growing volume of important data and will contribute to additional increase of information security. The third large project in the area of hardware was a successful upgrade of the call manager - the heart of the whole Company call centre - which now provides higher availability and reliability for the system.

With respect to software systems, ERP Navision was upgraded to version 2009 and there are current projects to further increase its functionality, including a transport module for logistics.

Large development projects such as programming a new CRM system and creation of an environment for the buyout and appraisal of vehicles - with an internal name of eBook - were formalized with respect to their functionality, synchronized with business requirements and development teams were replenished to maximize work efficiency.

Large projects for 2H 2012 include especially the above-listed implementation of the backup system, finalization of process standardization - especially with respect to ITIL methodology - and finalization of development of a new CRM and eBook, at least up to the status of running a proof of concept.

Call Centre

The call centre processed more than 280,000 calls in the first half of 2012 - growth against the same period of the last year is due to opening a new market in Russia and due to a continuing revitalization of traditional markets in the Czech Republic and Slovak Republic. Opening of the branch in Russia has lead to almost 30,000 incoming phone calls, which were handled by a new Call Centre department with native speakers.

An 18% increase of calls in the Czech Republic (14% in the Slovak Republic) was caused, among others, by addressing new clients in regions where new AAA auto centres were opened.

An even greater increase was recorded in electronic communication. This is a trend which grows every year. A new application from 2011, Live chat directly from the portfolio card of a specific vehicle on our website, has become an integral part of the everyday operation of the call centre. A new team of operators for online communication is in charge of this activity. This has contributed to an overall increase of the number of sales made over the call centre of 24%.

4. Sales Results

4.1. Overview of Automotive Market Development

According to SAP (Automotive Industry Association), there was a 6.74% increase in the registration of new cars in the period of 1-6/2012 (from 88,284 units to 94,233 units, i.e. by 5,949 units). The shares of corporate and private vehicles have remained practically unchanged in 2Q 2012 and are: corporate 59.25%, private 35.58%, undisclosed 5.7%.

Škoda is the market leader with 29,207 registered units (30.99%), followed by Hyundai – 8,534 units (9.05%), Volkswagen – 7,853 units (8.33%), Ford – 7,299 units (7.74%), Renault - 5,580 units (5.92%), Kia – 4,502 units (4.77%), Peugeot – 3,793 units (4,02%), Citroën – 2,942 units (3,12%), Toyota – 2,110 units (2.23%), BMW – 2,014 units (2.13%), other brands.

With respect to segments, the class of small cars leads with 25.33%, followed by medium cars with 18.99%, lower-medium - 15.65%, MPV - 14.82%, terrain - 14.62, upper-medium - 4.41%, mini - 3.67%, sports - 0.51%, luxury - 0.16%, undisclosed 1.79%.

With respect to car bodies, wagons lead with 31.70%, followed by hatch/lift with 19.97%, MPV - 14.83%, terrain - 14.62%, sedan 12.87%, mini - 3.67%, sports - 0.51%, undisclosed 1.79%.

The most sold cars are Škoda OCTAVIA with 12,921 units (13.72%), followed by Škoda FABIA – 8,080 units (8.57%), Hyundai i30 – 2,604 units (2.76%), Škoda SUPERB – 2,537 units (2.69%), Škoda YETI – 2,271 units (2.40%), Škoda ROOMSTER – 2,063 units (2.18%), Ford FUSION – 2,034 units (2.15%), Volkswagen GOLF – 1,906 units (2.02%), Hyundai i20 – 1,877 units (1.99%), Hyundai iX 20 – 1,848 units (1.96%), other models.

Registration of new light utility vehicles dropped compared to the period of 1-6/2011 by 3.38% (from 5,981 units to 5,779 units, i.e. by 202 units). The leader is Volkswagen with 1,090 registered units of light utility vehicles (18.86%), followed by Ford - 916 units (15.85%), Renault - 671 units (11.61%), Fiat - 634 units (10.97%), Citroën - 536 units (9.27%), Peugeot - 535 units (9.25%), Mercedes-Benz - 371 units (6.41%), Iveco - 194 units (3.35%), Dacia - 166 units (2.87%), Škoda - 163 units (2.82%), other brands.

The most sold cars are Ford TRANSIT with 747 units (12.92%), followed by Renault MASTER - 468 units (8.09%), Volkswagen TRANSPORTER - 408 units (7.06%), Peugeot BOXER - 366 units (6.33%), Fiat DUCATO - 347 units (6.00%), Volkswagen CRAFTER - 314 units (5.43%), Mercedes-Benz SPRINTER - 295 units (5.10%), Citroën JUMPER - 277 units (4.79%), Volkswagen CADDY - 234 units (4.04%), Fiat DOBLÓ - 216 units (3.73%), other models.

Information from the Slovak Automotive Industry Association, the number of registrations of new cars (category M1) dropped by 5.11% year-on-year in June 2012, to 5,976 vehicles. This is the third month in a row in 1H where a year-on-year drop was recorded. 34,316 cars were registered in the first six months, which represents only a slight increase of 0.39 % and is close to market stagnation. 34,183 new cars were registered in the same period last year.

The N1 (light utility vehicle) category recorded a level of 399 vehicles in June 2012, which is approximately 29.88% less than in the same month last year. The drop in light utility vehicles reflects the behavior of business entities in the unstable economic situation.

The order of most sought after labels of new cars on the Slovak market is Škoda with a market share of 24.03 %, Volkswagen with 9.38 %, Kia with 7.32 % and Hyundai with 6.27 %. The fifth place is held by Renault with 5.92 %, followed by Peugeot with 5.51 % and Opel with 3.68 %. Followed by: 8. Citroen 3.49%, 9. Suzuki 3.37%, 10. Ford 3.31%, 11. BMW 2.93 % and 12. Toyota 2.88 %.

For light utility vehicles, Fiat strengthened its lead with a share of 23.77%, followed by Peugeot with 17.24% and Citroen with 13.24%. Followed by: 4. Renault 10.91%, 5. Volkswagen 8.54%, 6. Mercedes-Benz 5.88%, 7. Ford 4.53%, 8. Iveco 4.21%, 9. Nissan 3.35% and 10. Opel 2.25%.

The sale of new cars and light utility vehicles in Russia increased in June by 10% to 272 125 units, which represents the largest monthly sales since June 2008. Sales in Russia have grown for the 26th month in a row and it is expected to return to pre-crisis levels in 2012. In 1H 2012, sales grew by 14% to 1.4 million cars, the largest increase in the last four years, based on data from AEB.

Sales of Škoda Auto in Russian grew by 36% to over 9,500 cars. In the first six months of 2012, brand sales increased by 41% in the country.

AEB confirmed that in 2012 it expects a car sales growth in Russia of 7.5% to 2.85 million units. In 2H 2012, Reuters believes that growth should slow down due to the uncertain economic situation.

4.2. Car Sales

AAA AUTO Group entered the year 2012 very successfully. The sales of the Group in the first quarter indicate that this year’s winter season was even stronger than last year’s, despite the sales results of the Group last winter exceeded its previous growth records. Market statistics of imports of used cars into the Czech Republic additionally indicate that AAA AUTO outperformed the market.

The largest impact on sales growth of AAA AUTO in 1Q 2012 was made by sales in March, when the Group sold 4,695 cars (+ 12% year-on-year), the strongest monthly sales result since August 2008.

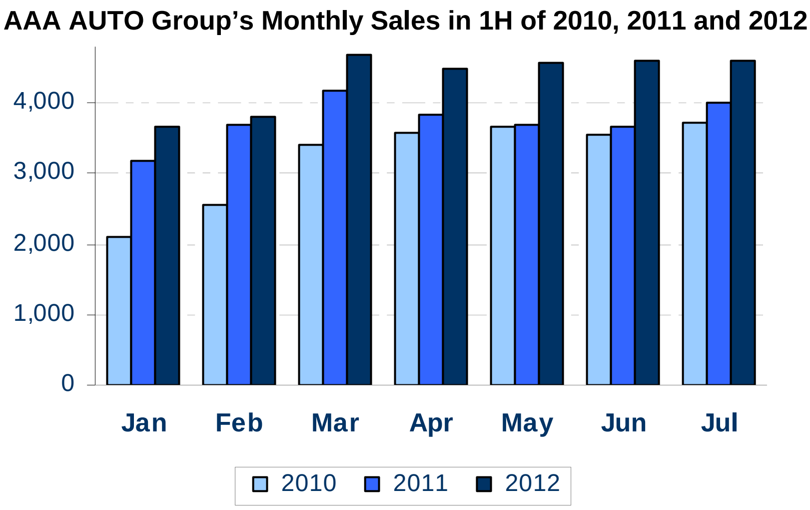
AAA AUTO Group sold a total of 12,175 used cars compared to the 11,051 sold in the same period last year, increasing the number of sold cars by 10.2%. The primary growth territory was again the Czech Republic, where the Group increased year-on-year its sales by 10.2% to 8,846 cars, while sales in the Slovak Republic remained more or less on the same level with 2,981 cars. In Russia, the Group sold a total of 348 vehicles in 1Q. The sales dynamics in Russia, where the Group opened its first branch in September last year, gradually grew - in January 80 cars were sold, in February 100 cars, in March 168 cars and in June 226 cars.

The dynamics of the sales growth continued in the second quarter, which confirms the generally higher demand for used cars. In total, the Group sold 13,666 cars, which lead to a further 12% sales increase compared to the very successful 1Q 2012.

Number of cars sold by AAA AUTO Group

	1H 2011	1H 2012	YoY change
Czech Republic	16,454	18,341	*11.5%*
Slovakia	5,787	6,565	*13.4%*
Russia	0	935	*n/m*
Group	**22,241**	**25,841**	***16.2%***

Source: Company data



Source: Company data

AAA AUTO Group sales grew year-on-year by 16.2% in 1H 2012. Growth was recorded on all markets the Group operates in. Growth amounted to 11.5% on the Czech market and sales increased by 13.4% in Slovakia. A sales growth of 68.7% compared to 1Q 2012 was recorded on the Russian market, where the company opened its first branch in September last year.

AAA AUTO Group sold a total of 25,841 cars in 1H 2012, of which 18,341 were sold in the Czech Republic, 6,565 in Slovakia and 935 in Russia. Prague and its surrounding areas remained the strongest regional market in the region in 2Q. This is followed by the traditionally strong regions of Moravia, North Bohemia and East Bohemia. The obtained results in Slovakia were also very satisfactory for AAA AUTO Group. The Slovak market was characterized by apparent optimism and growing sales. The autocentres which registered the largest year-on-year sales growths are in Kosice, Banska Bystrice and Lucenec.

On the Russian market, the Group expects a further up to 50% growth of sales after launching the offers of new leasing products.

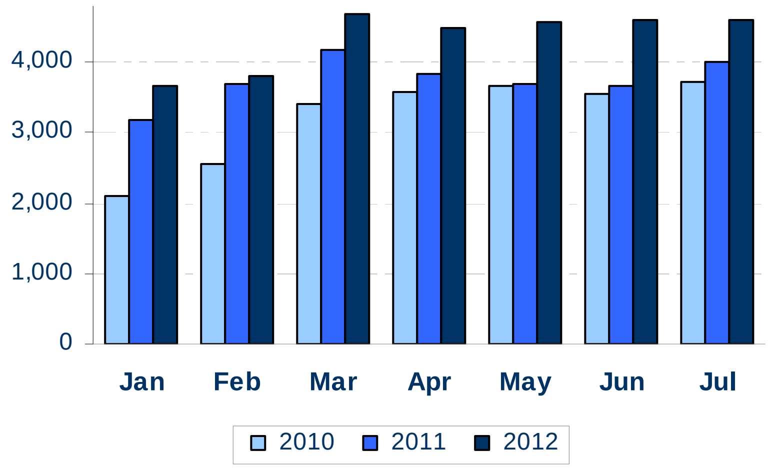
In total, the Czech Republic's share of sold used cars in the Group was 71%, followed by Slovakia with 25% and Russia with 4%.

The strict control system implemented by the Group has increased the gross profit from sales in 1H 2012 to 26.5% from the original 23.4% of 1H 2011.

Sales Outlook for 2012

3Q began positively for AAA AUTO Group and continued the growth trend of the previous months of this year. In July, AAA AUTO Group sold 4,594 used cars, representing a year-on-year growth of 15.1% compared to July 2011. The very positive sales results were impacted by summer campaigns and significant discounts of offered cars.

AAA AUTO Group's Monthly Sales in the first seven months of 2010, 2011 and 2012



	7M 2011	7M 2012	YoY change	July 2011	July 2012	YoY change
Czech Republic	19,406	21,346	*10.0%*	2,952	3,005	*1.8%*
Slovakia	6,827	7,907	*15.8%*	1,040	1,342	*29.0%*
Russia	0	1,182	*n/m*	0	247	*n/m*
Group	26,233	30,435	***16.0%***	3,992	4,594	***15.1%***

Source: Company data

Despite the indications of growing demand on the used car market, the economic situation remains uncertain. The approach of consumers to long-term investments is more positive than during the crisis, but greater caution in consumer behavior still prevails. The Company expects a more conservative growth of around 5% for the overall development of sales for 2012 against the volume of sales obtained in 2011.

4.3. Financial Services [3]

In total, it may be stated that the dynamics of sales growth in 1H 2012 was followed by increased penetration of AAA AUTO Group financial services (i.e. the number of cars sold on credit or leasing).

The whole 1H 2012 indicated a greater willingness of consumers to utilize credit for their car purchases.

[3] We remind that the AAA AUTO Group and its subsidiaries assume the role of intermediate agent when selling financial services to its customers

Credit is used to finance mostly cars in higher price categories. The average price of sold cars financed by AAA AUTO Group remained the same year-on-year.

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

	1H 2011	1H 2012	*YoY change*
Czech Republic	39.0%	49.8%	*+10.8 pp*
Slovakia	44.2%	55.4%	*+11.2 pp*
Russia	-	45.1%	*n/m*
Group *	**40.4%**	**51.1%**	***+10.7 pp***

Source: Company data

In Russia, the penetration of the Group's financial services was circa 45% in 1H 2012, with a total 422 cars being financed. The penetration significantly increased each quarter since entering this market. In 4Q 2011, penetration amounted to 23%, while in 1Q 2012 this increased to 36% and in 2Q 2012 to 51%.

In the whole 1H 2012, the penetration of financial services in the Czech Republic and in Slovakia grew to 51.3% compared to 40.4% in 1H last year. In the Czech Republic, the penetration reached 50% in 1H 2012 (up from 39% in 1H 2011) and in Slovakia, which traditionally has a higher penetration rate, the penetration reached 55% (up from 44% in 1H 2011).

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. On 9 August 2011, INEX Broker a.s., the 100% daughter company of AAA Auto Group N.V., acquired the Insurance Agent and Broker License from the Czech National Bank.[4]

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 license from CNB.

The Group currently offers the products of five financing partners for its customers in the Czech Republic and of three financing partners for customers in Slovakia. In Russia the Group cooperates with a financial mediator with 13 banking institutions in its portfolio.

[4] This includes the subsidiary renamed from the original business name of KAPITÁL AUTOMOTIVE a.s., a 100% subsidiary 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 grew by 45.8% yoy to EUR 2.5 million in the first half of 2012.

The share of profits from up-sale products in total profits increased to 1.5% in 1H 2012 (compared to 1.3% in 1H 2011). Its share of the Group’s total gross profit on sales accounted for 4.4% (4.1% in 1H 2011).

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 2012

5.1. Selected Financial Indicators

Selected Financial Indicators *(EUR million)*	**1H 2012**	**1H 2011**	**YoY change**
Total revenues	164.5	130.0	*26,5%*
of which revenues from sale of cars	136.7	111.5	*22,7 %*
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Economic result for common period	8.6	3.2	*164.8%*
Number of cars sold (units)	25,841	22,241	*16.2%*

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.

5.2. Commentary on the Financial Results

The consolidated financial results that AAA Auto Group N.V. recorded for the first six months of 2012 show a stable growth in the Group's financial performance compared to the same period last year.

AAA AUTO Group's **total revenues** grew by 26.5% year-on-year to EUR 164.5 million in the first six months of 2011, while the underlying number of cars sold during this period increased by 16.2% yoy (to 25,841 cars). This can be explained by an increase in the average price of a car sold by 5.6% yoy.

The financial results at the top level have been influenced by two main factors.

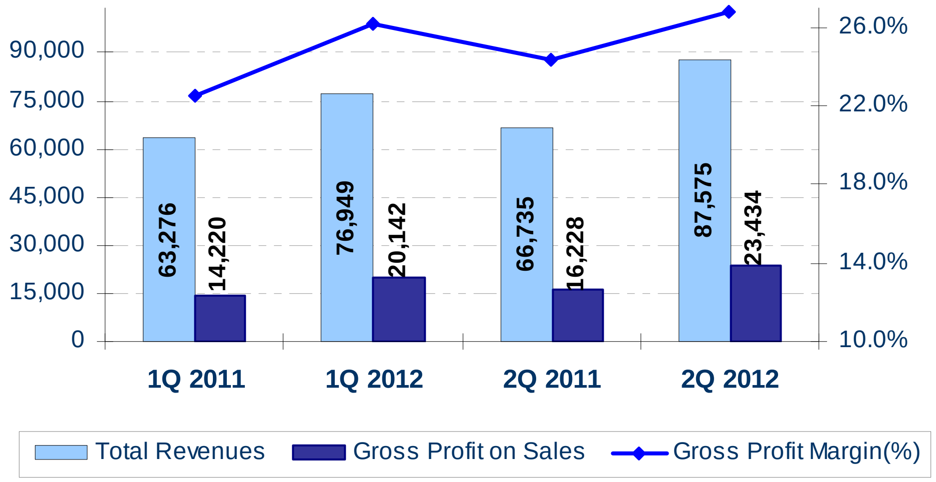
Firstly, the consumers' increasing willingness to take on **credit** to finance their car purchases was reflected. As a result, the Company registered an increasing penetration of financial services (the number of cars sold on credit or leasing) which was hand in hand reflected in the above mentioned 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 insurance, roadside assistance services – as people tend to buy more complementary products and services when financed by credit). Increased demand and sale of car financing was due to a year-on-year increase of revenue from the provision of leasing and credit products by 50.3%. In 1H 2011, revenue from the sale of credit and leasing products amounted to EUR 16.8 million, which increased to EUR 25.3 million in the same period of 2012.

The second factor was **the growing gross profit per car sold** in the first and second quarter. 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 26.8% from 26.2% in

1Q. In comparison to the first six months of 2011, the gross margin increased in 1H 2012 by 3.1 pp to 26.5%.

The total gross profit on sales grew by 43.1% yoy to EUR 43.6 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 54.8% of the Group's total OPEX. The 29.1% year-on-year increase in the personnel expenses for the 1H 2012 (to EUR 16.4 million) was a result of the personnel recruitment the Group has undertaken over the past period in order to support revenue growth and obtain quality and experienced experts and managers. The general growth of employees reflects the planned development of business activities and the continuous improvement of the Company's business results. Also the increase in the gross profit on sales, mainly in the second quarter of 2012, raised partially the personnel expenses (the variable part of the sales people's salary is pegged to the increase/decrease in Company's sales and the gross profit). Marketing expenses went up in the first and second quarters of 2012 when the Company aimed to further support the growing sales. Marketing expenses were more or less comparable in the first and second quarters of 2012. For 1H 2012 the marketing expenses reached the total amount of EUR 3.7 million (+38.6% yoy). Other operating expenses went up by 15.5% yoy to EUR 9.8 million in 1H 2012.

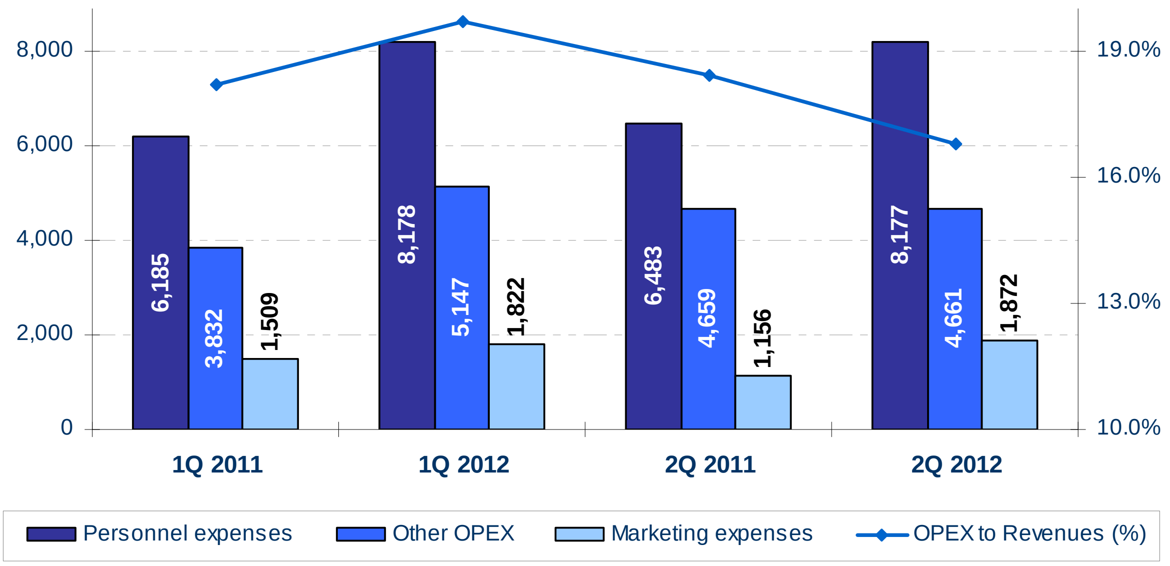
Total operating expenses grew to EUR 29.9 million in the first six months of 2012. The increase of 25% yoy was below the level of the increase in total revenues of 26.5%.

Operating Expenses in 2012 vs. 2011

(EUR ths.)	1Q 2012	1Q 2011	y-o-y	2Q 2012	2Q 2011	y-o-y	1H 2012	1H 2011	y-o-y
Personnel expenses	8,178	6,185	*32.2%*	8,177	6,483	*26.1%*	16,355	12,668	*29.1%*
Marketing expense	1,822	1,509	*20.7%*	1,872	1,156	*62.0%*	3,694	2,665	*38.6%*
Other OPEX	5,147	3,832	*34.3%*	4,661	4,659	*0.0%*	9,808	8,491	*15.5%*
Total OPEX	**15,147**	**11,526**	***31.4%***	**14,710**	**12,298**	***19.6%***	**29,858**	**23,824**	***25.3%***

Source: Company data

Development of Operating Expenses by Categories



Source: Company data

AAA AUTO Group recorded **EBITDA** of EUR 13.9 million for the first six months of 2012, representing a 91.9% increase compared to the same period last year.

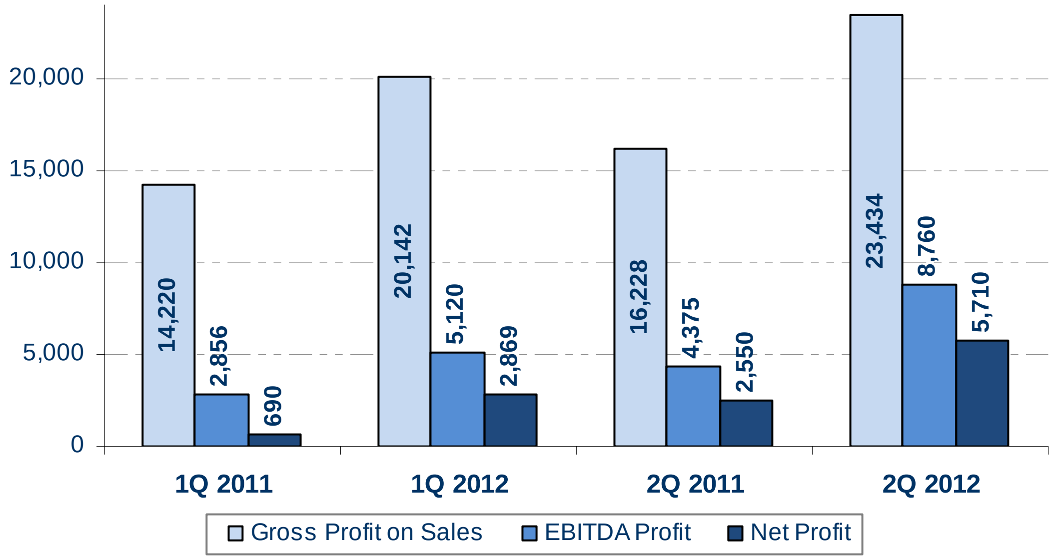
In 1H 2012, an **impairment charge** was created against the value of the Group's real property, which is inactive on 30 June 2012, amounting to EUR 0.7 million (for more information see the financial note 12).

The Group's **interest expenses** significantly dropped in 1H 2012 (by 36% yoy to EUR 0.6 million). This was the effect of the Company's program for the gradual reduction of the overall debt of the Group.

The **profit before tax** grew by 158.6% yoy in 1H 2012 to EUR 12 million.

The Group's total consolidated net profit reached the amount of EUR 8.6 million for the first six months of 2012, which represents an improvement of 164.8% compared to the net profit of EUR 3.2 million the Group recorded for the same period last year.

Development of Gross Profit on Sales, EBITDA and Net Profit



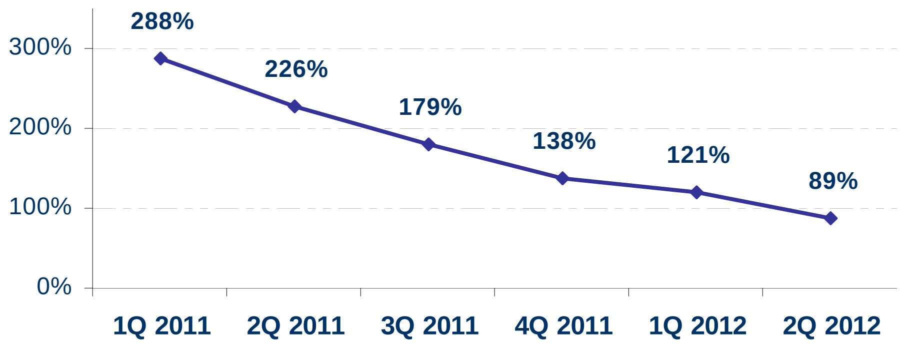
Source: Company data

Debt and cash position

As a result of the long-term optimization of the Group's **debt structure** and minimization of the average interest rate the Group pays on its debt, the volume of these financial resources dropped yoy by 20% - for more information see financial note 14.

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 89% as at the end of June 2012.

Net Debt / Equity Ratio[5]



Source: Company data

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

6. Report to Shareholders

6.1. Personnel Changes in the Company's Management

Management Board

In the first half of 2012 there were no changes in the Management Board.

As at 30 June 2012 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 2011; appointed for a tenure of two years)
- Vratislav Válek - Non-Executive Member of the Management Board (from 25 April 2012; appointed for a tenure of two years)

Top Management

Karolína Topolová, the Chief Operations Officer, as of 23 May 2012 was appointed simultaneously as Deputy CEO. As at 30 June 2012 the composition of the top management of AAA AUTO Group was as follows:

- Anthony James Denny - Chief Executive Officer
- Karolína Topolová - Chief Operations Officer and Deputy Chief Executive Officer
- Jiří Trnka - Chief Financial Officer
- Petr Koutský - 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 in Hungary on the Budapest Stock Exchange (BSE) as of 26 September 2007. Shares are also traded in RM-system, Česká burza cenných papírů, a.s., which has in the meanwhile become another CNB-regulated 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 in Prague and Budapest. The ISIN of the shares is NL0006033375.

6.3. Shareholder Structure

On 3 April 2009, Anthony James Denny, CEO and Executive Member of the Management Board of AAA Auto Group N.V., announced his intention to acquire around 5% of the Company shares. As at 30 June 2012, Mr. Denny held a total of 3.77% of the Company shares. Together with his company AUTOMOTIVE INDUSTRIES S.à.r.l. his overall holding thus reached 77.56% of the outstanding capital and voting rights of AAA Auto Group N.V. as at 30 June 2011.

	30 June 2012	31 December 2012
AUTOMOTIVE INDUSTRIES S.à.r.l.	73.79%	73.79%
Anthony James Denny	3.77%	3.24%
Other investors	22.44%	22.97%

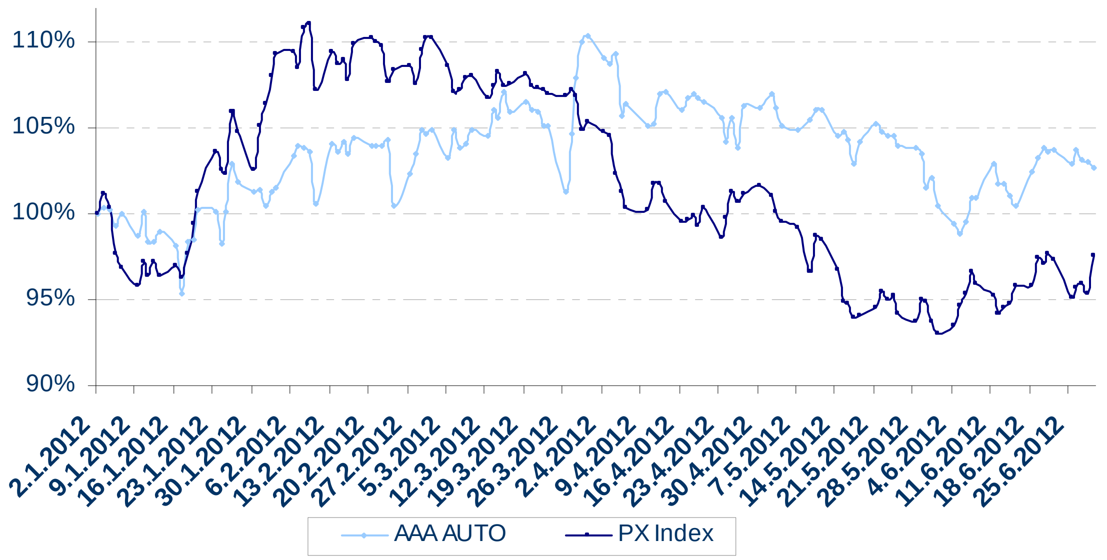
Source: Company data

6.4. Development of the Share Price on the Stock Exchange

The share price of AAA Auto Group N.V. over 1H 2012 has been reflecting the European debt crisis, especially the situation in Greece and Spain. Based on the analysis of Cyrrus, the ECB Long term refinancing operation for European commercial banks was the cause of general optimism and reduction of risk analysis. This transferred the risks from these banks to the ECB and lowered the pressure on eurozone banks. Solid macroeconomic data from the U.S. economy indicated a continuation of market optimism. 1Q 2012 was the most profitable 1Q since 1998. However, the situation of public finances in Spain and the slowing down of the Chinese economy were getting more attention. In April, the continuing problems of the eurozone resurfaced, especially in Spain, which is the fourth largest economy in the eurozone. However, these were balanced out by solid reports from the U.S. and China, where over 70% of reporting companies managed to overcome market expectations. The European debt crisis continued to deepen in May. The parliament elections in Greece ended with a stalemate, and the unsatisfactory situation of the Spanish banking sector worsened. The problems in Greece continued in June. The meeting of the Currency committee of the U.S. Federal bank took place. The committee extended the program of purchasing long-term bonds and the sale of short-term bonds known as Twist. This step did not calm down the financial markets, also due to the negative outlook of the Fed on the U.S. economy. The long-expected EU leader summit took place at the end of June. It did not bring any solution to the debt crisis, but it at least managed to calm down the markets for a few days.

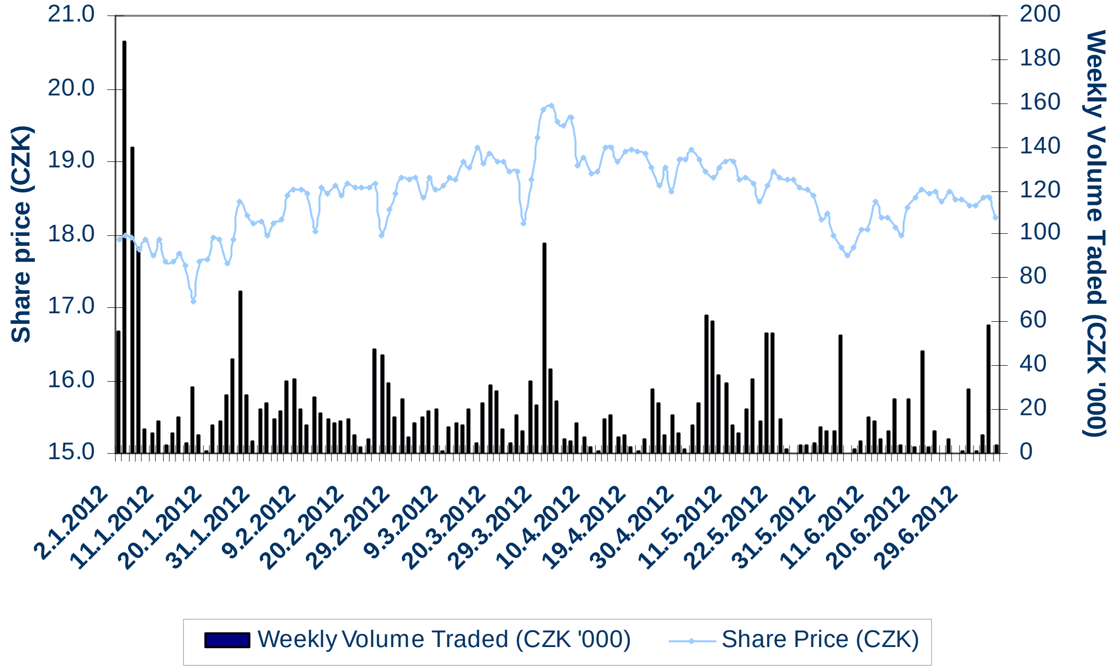
The share price of the Company thus basically reflected the general mood of the whole capital market in 1H 2012 despite the publication of very positive growth data, both of sales and financial indicators. The only visible reaction of the capital markets to the gradual release of improving results of AAA AUTO Group occurred in early April. This was due to the release of preliminary unaudited consolidated results for 2011 of 29 March 2012. The AAA AUTO Group share price ended the first half of 2012 at a value of CZK 18.40 per share.

Relative Performance of AAA AUTO Shares and the PX Index in the period of 1-6/2012



Source: PSE

Development of AAA AUTO Share Price and Volume Traded on the PSE in the period of 1-6/2012



Source: PSE

6.5. General Meeting of Shareholders

In the first half of 2012 the general meeting of shareholders of AAA Auto Group N.V. took place.

The Annual General Meeting was assembled on 2 June 2012 in Amsterdam with the following agenda:

1. Opening and announcements
2. a. Discussion of the 2011 Annual Accounts (Including Corporate Governance)
   b. Adoption of the 2011 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. Authority to the Management Board to buy back shares (voting item)
5. Appointment of an auditor (voting item)
6. Conclusion

As the main agenda item of the general meeting, the shareholders of AAA Auto Group N.V. discussed the Company's financial results for 2011 and adopted the 2011 Annual Accounts prepared and audited in accordance with IFRS.

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 22 December 2013.

As the result of no resolution being adopted on the final voting item on the agenda, the Management Board is authorized to appoint the Company's auditor for the financial year 2012 for the purpose of examining the Company's Annual Accounts and the Annual Report for 2012 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 2012 see the Financial Note 17.

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.

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 2012, 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 2012, and provide reasonable assurance that the 2012 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 the first half of 2012, the AAA AUTO Group had commercial operations in the Czech Republic, in Slovakia and in Russia. The Company closely monitored and managed the risks which could negatively impact the business activities and thus the financial results of the Company. The risk management system of the AAA AUTO Group divides risks into four categories: 1. Strategic risks, 2. Financial risks, 3. Operating risks and 4. Risks related to compliance with appropriate legislative and regulatory provisions.

Strategic 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
- implementation and realization of new investments and projects

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 the 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.

Operating risks

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

- inadequate division of competences
- high turnover of employees
- multiskilling in important job positions
- lacking qualifications of job-seekers
- shift operation
- centralization of management
- configuration of internal activities and processes
- controlling environment
- fraud and adverse events
- information management and digitalization

Regulatory and legislative compliance

Company management in cooperation with internal and external experts and consulting companies closely monitors changes of legislature and regulatory precautions in all areas of its activities, to ensure the required compliance with current legislature including information obligations following from the fact that the Company is a public shares company.

Other important risks, especially those relating to the economic, political, social environment in the markets where the Company operates, 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 2012

The Company goal for 2012 is to reach a growth of consolidated profit by 20% with a turnover at least 5% higher than the previous year.

Regional expansion in the Czech Republic and Slovakia

In February 2012, a new branch was opened in Jihlava, followed by a new branch in April in Liberec. In Slovakia, a new branch was opened in Nové Zámky in February. Within its expansion, the Company plans the opening of one other branch in the Czech Republic and one branch in Slovakia, and in 2013 this will be followed by several other branches in the Czech Republic and Slovakia.

Russia

Since launching its operations in autumn last year, the economics of the Russian branch have reached a turning point in July 2012. For all of 2012, the Company expects its operation in Russia to remain in the red. The goal for 2013 is to obtain a whole-year positive economic result. Based on sales and economic results, the Company plans the opening of another autocentre in Russia.

Hungary

Based on a thorough analysis of the economic situation and local market with used cars and consumer financing, AAA AUTO Group is currently considering its return to the Hungary market. The Company plans to make a final decision in the matter during 2H 2012. The considered initial plans include the opening of one branch in Budapest and possible others based on the conditions on the local used car market.

Half-Yearly Consolidated Financial Statements

Interim Condensed Consolidated Financial Information for the 6 months ended 30 June 2012

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 2011.

Interim consolidated statement of comprehensive income

(EUR´000)

	Note	Six months ended June 2012	June 2011 (restated)
Continuing operations			
Revenue	6.7	**164,524**	**130,011**
Other income		161	607
Changes in inventories and WIP		1,948	1,569
Car inventory sold		(122,895)	(101,132)
Advertising expenses		(3,694)	(2,665)
Employee benefit expenses		(16,355)	(12,668)
Depreciation and amortization expense	12	(1,104)	(1,184)
Impairment of property plant and equipment	12	(660)	(370)
Other expenses		(9,808)	(8,491)
Finance cost		(69)	(1,018)
Profit before tax		**12,048**	**4,659**
Income tax expense	10	(3,470)	(1,419)
Profit for the period from continuing operations		**8,578**	**3,240**
Discontinued operations			
Profit from discontinued operations*	8	0	0
Profit for the period		**8,578**	**3,240**
Other comprehensive income			
Foreign currency translation differences for foreign operations		(1,492)	31
Other comprehensive income for the period, net of income tax		**(1,492)**	**31**
Total comprehensive income for the period		**7,086**	**3,271**
Profit attributable to:			
Equity holders of the company		8,578	3,240
Profit for the period		**8,578**	**3,240**
Total comprehensive income attributable to:			
Equity holders of the company		7,086	3,271
Total comprehensive income for the period		**7,086**	**3,271**
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		**12.66**	**4.78**
Diluted earnings per share		**12.31**	**4.63**

**) Some amounts have been reclassified and do not correspond to the amounts presented in the interim consolidated financial information for the period ended 30 June 2011. For details see Note 8*

Interim consolidated statement of financial position

(EUR´000)

ASSETS	Note	30 June 2012	31 December 2011
Non-current assets			
Intangible assets	12	135	150
Property, plant and equipment	12	39,268	39,249
Other financial assets		233	206
Deferred tax assets	10	71	62
Total non-current assets		***39,707***	***39,667***
Non-current assets			
Inventories		37,512	28,974
Trade and other receivables		8,285	8,008
Current tax asset	10	-	54
Other non-financial assets		2,861	2,315
Cash and cash equivalents		3,166	5,152
Total current assets		***51,824***	***44,503***
TOTAL ASSETS		**91,531**	**84,170**

EQUITY AND LIABILITIES	Note	30 June 2012	31 December 2011
Equity			
Issued capital	13	38,185	38,185
Reserves		7,498	8,353
Accumulated losses		(12,692)	(20,733)
Equity attributable to equity holders of the parent company		**32,991**	**25,805**
Total equity		**32,991**	**25,805**
Non-current liabilities			
Bank and other borrowings	14	18,529	26,321
Deferred tax liabilities		-	62
Total non-current liabilities		***18,529***	***26,383***
Current liabilities			
Trade and other payables		11,939	8,260
Current tax liabilities	10	3,716	2,192
Bank overdrafts and borrowings	14	13,890	14,324
Provisions	15	4,420	3,043
Other financial liabilities		-	761
Other non-financial liabilities		6,046	3,402
Total current liabilities		***40,011***	***31,982***
Total liabilities		**58,540**	**58,365**
TOTAL EQUITY AND LIABILITIES		**91,531**	**84,170**

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 equity holders of the parent Company	Total equity
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**
Balance at 01/01/12	**6,776**	**31,409**	**456**	**580**	**7,317**	**(20,733)**	**25,805**	**25,805**
Profit for the period	-	-	-	-	-	8,578	**8,578**	**8,578**
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	(1,492)	-	**(1,492)**	**(1,492)**
Total comprehensive income for the period	-	-	-	-	(1,492)	8,578	**7,086**	**7,086**
Transactions with owners								
Equity legal reserve	-	-	537	-	-	(537)	**-**	**-**
Share options	-	-	-	100	-	-	**100**	**100**
Balance at 30/06/11	**6,776**	**31,409**	**993**	**680**	**5,825**	**(12,692)**	**32,991**	**32,991**

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

Interim consolidated cash flow statement

(EUR´000)

	Notes	Six months ended June 2012	June 2011 (restated)
Cash flows from operating activities			
Profit for the period		8,578	3,240
Adjustments for:			
Income tax expense		3,470	1,419
Depreciation and impairment of PPE	12	1,764	1,554
Provisions		1,286	494
(Gain)/loss on disposal of fixed assets		(79)	(45)
Interest income		(2)	(2)
Interest expense		628	980
Share options		100	100
Foreign exchange (gain)/loss		(743)	(26)
Decrease/(increase) in inventories		(8,442)	(5,290)
Decrease/(Increase) in receivables and other assets*		(6,233)	6,035
Increase/(decrease) in payables and other liabilities		3,428	(4,989)
Interest paid		(331)	(457)
Interest received		2	2
Income tax (paid)/received		(1,963)	(1,079)
Net cash provided by operating activities		1,463	1,936
Cash flows from investing activities			
Purchase of property, plant and equipment		(822)	(3,526)
Proceeds from disposals of property, plant and equipment		158	797
Net cash used in investing activities		(664)	(2,729)
Cash flows from financing activities			
Proceeds from third party loans	14	1,604	5,950
Repayment of third party loans*	14.17	(4,373)	(3,090)
Net cash from financing activities		(2,769)	2,860
Net increase (decrease) in cash and cash equivalents		(1,970)	2,067
Net foreign exchange difference		(16)	(107)
Cash and cash equivalents at the beginning of the period		5,152	3,665
Cash and cash equivalents at the end of the period		3,166	5,625

**Significant non- cash transaction: Settlement of loans with related parties for the trade receivables of TEUR 5.100*

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 3.77% of the shares directly (remaining 22.44% 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 2012 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 2011, 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.

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 2011.

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 2011. There have been no changes in the risk management department since the 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 2012.

6. Seasonality and cyclicality of interim operations

The consolidated financial results that AAA Auto Group N.V. recorded for the first six months of 2012 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 2012.

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 164.5 million in the first six month 2012 compared to EUR 130.0 million in the first six month 2011.

No seasonality factors have been recognized in the first six months 2012.

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, 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 2011 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.

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

The segment information provided to the top management team for the reportable segments for the 6 month period ended 30 June 2012 is as follows:

Six months ended 30 June 2012	**Czech Republic** EUR '000	**Slovak Republic** EUR '000	**Russia** EUR '000	**Total** EUR '000
Total segment revenue	117,173	41,832	11,267	170,272
Inter-segment revenues	(5,532)	(216)	-	(5,748)
Revenues from external customers	**111,641**	**41,616**	**11,267**	**164,524**
Operating result (EBITDA) reported to the top management team	10,000	4,700	(703)	13,997

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

Six months ended 30 June 2011	Czech Republic EUR '000	Slovak Republic EUR '000	Russia EUR '000	Total EUR '000
Total segment revenue	100,112	34,830	-	134,942
Inter-segment sales	(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

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

	30 June 2012 EUR '000	30 June 2011 EUR '000
Operating result (EBITDA) reported to the top management team	**13.997**	**6.938**
Depreciation and amortization	(1,104)	(1,184)
Impairment of property plant and equipment	(660)	(370)
Finance cost	(69)	(1,018)
Income tax expense	(3,470)	(1,419)
Other	(116)	293
Profit for the period	**8,578**	**3,240**

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

	Czech Republic EUR '000	Slovak Republic EUR '000	Russia EUR '000	Other EUR '000	Total EUR '000
Six months ended 30 June 2012	831	180	22	71	**1,104**
Six months ended 30 June 2011	778	203	-	203	**1,184**

The total of non-current assets other than deferred tax assets located in the Czech Republic is TEUR 20,070 as at 30 June 2012 (30 June 2011: TEUR 21,770) and the total of these assets located in Slovakia is TEUR 9,995 (30 June 2011: TEUR 9,786).

8. Discontinued operations and disposal groups

In the interim condensed consolidated financial information for the period of 6 month ended 30 June 2011 the operations carried by Autocentrum AAA Auto Sp. Z o.o. and AAA Auto Sp. Z o.o. were classified as discounted operations with planned sale completed prior to 31 December 2011. However negotiations with potential buyer were cancelled in November 2011 and management decided to reclassify these assets from disposal groups held for sale and discontinued operations back to property, plant and equipment (and continuing operations) as at 31 December 2011.

In the interim condensed consolidated financial information for the period of 6 month ended 30 June 2011 the properties of HK Partner Kladno were classified as assets of disposal groups held for sale. The Group initially signed sale agreement for these properties however the buyer cancelled the agreement in December 2011. As a result of the sale in foreseeable future is currently regarded as not probable by the management, the properties were reclassifies in December 2011 back to property plan and equipment in long term assets.

To ensure comparability of currently presented Interim Consolidated Statement of Comprehensive Income for the 6 month ended 30 June 2012 we have restated the originally presented Interim Consolidated Statement of Comprehensive Income for the 6 month ended 30 June 2011 accordingly.

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 2012.

11. Property, plant and equipment

In the period of six months ended 30 June 2012 there were no significant movements within the PP&E except of new impairment created in the amount of TEUR 660 to real estate which is idle as of 30 June 2012.

12. Share capital

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

13. Borrowings and loans

	30 June 2012	**31 December 2011**
	EUR '000	EUR '000
Bank overdraft	2,654	1,084
Bank and corporate loans	23,537	31,177
Company cars financing	1,036	1,635
Obligation under finance lease	122	141
Inventory financing	5,070	6,608
Total	**32,419**	**40,645**
The borrowings are repayable as follows:		
- On demand or within one year	13,890	14,324
- In the second to fifth year inclusive	18,529	26,321
Total	**32,419**	**40,645**

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 23,537 as at 30 June 2012 (31 December 2011: TEUR 31,177) includes a related party loan from shareholder AUTOMOTIVE INDUSTRIES S.à.r.l. totalling TEUR 6,977 (31 December 2011: TEUR 12,567) and Investment loan totalling TEUR 11,552 (31 December 2011: TEUR 18,064).

All loan covenants were met.

14. Provisions for other liabilities and charges

	Employee	Law suits	Other	Total
	EUR´000	EUR´000	EUR´000	EUR´000
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**
Six months ended 30 June 2012				
Opening net book amount at				
1 January 2012	383	1,356	1,303	3,042
Amount used	(116)	(51)	(96)	(263)
Additional provision recognized	1,190	444	828	2,462
Unused amount reversed	(714)	(226)	(92)	(1,032)
Exchange differences	(4)	116	99	211
Closing net book amount at 30 June 2012	**739**	**1,639**	**2,042**	**4,420**

Employee benefit provision represents untaken holiday 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 2012 were recognized the following significant transactions in comparison with the same period of 2011:

- 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 sold cars and other services from AAA AUTO a.s. to 1 1 Nejlepší autopůjčka s.r.o. – 30 June 2012: TEUR 881).
- invoicing of the car rent and other services from AUTOCENTRUM AAA AUTO a.s. to 1 1 Najlepšia autopôžička s. r. o., organizačná zložka – 30 June 2012: TEUR 196

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 2012

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%
CREDIT INVESTMENT s.r.o.	Mr. Anthony James Denny	90%
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 s.r.o.	CarWay Holding B.V.	100%
PRIORITY INVESTMENT s.r.o.	Mr. Anthony James Denny	100%
Global Auto Assistance S.R.L. (RO)	CarWay Holding B.V.	65%
Global Direct Assistance Kft. (HU)	CarWay Holding B.V.	65%
TRUE TRAC s.r.o. (CarWay Service CZ s.r.o.)	CarWay Holding B.V.	100%
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%

Borrowings from related parties

EUR'000	Borrowings from related parties	
	30 June 2012	31 December 2011
AUTOMOTIVE INDUSTRIES S.à.r.l.	6,977	12,567
CarWay Holding B.V.	585	495
Total	**7,562**	**13,062**

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 2012	30 June 2011	31 December 2011
	EUR '000	EUR '000	EUR '000
Salaries and other short-term employee benefits	278	436	1,684
Post-employment benefits	49	73	109
Share-based payments	18	47	48
Total	**345**	**556**	**1,841**

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 2012 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 2012, the state of affairs during the first six months of 2012 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 2012

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 is available at the offices of the Company)

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