

# AAA AUTO

Regulatory Announcement of Inside Information  
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## Consolidated Unaudited Financial Results of AAA AUTO Group for 1Q 2012 Sales Results for the first four months of 2012

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

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

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

The **gross profit on sales** increased by 41.6% yoy to EUR 20.1 million in 1Q 2012. The **gross profit margin** strengthened to 26.2% in 1Q 2012 compared to the average profit margin of 25.9% for the whole 2011<sup>1</sup>. This improvement was thanks to a substantially higher penetration of financial services<sup>2</sup> compared to last year and increasing revenues from upsale products, both of which yield high profit margins. The financial services penetration increased considerably, from 38.3% in 1Q 2011 to 50.4% in 1Q 2012. The contribution of financial services and upsale products to the Group’s total gross profit grew to 62.8% in 1Q 2012 from 56.7% a year earlier.

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

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

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

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

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

At the level of financial income, the **interest expense** decreased by 13.0% yoy despite the company's higher need for working capital financing driven by stronger sales over the past year and newly opened branches. The decrease in interest expense is a product of the company's gradual reduction of the Group's debt (the net debt to equity ratio<sup>3</sup> was reduced from 288% as at end 1Q 2011 to 121% as at end 1Q 2012).

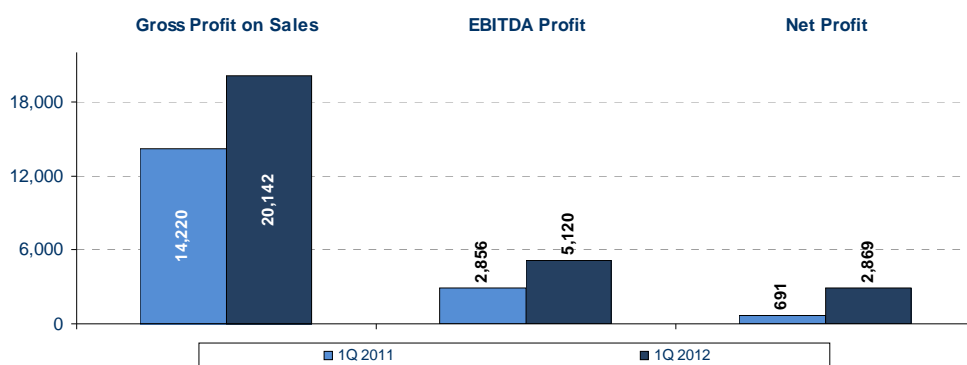
As a result of the strong improvement across the income statement AAA AUTO Group realised a **profit before tax** at the level of EUR 4.1 million, compared to EUR 1.2 million achieved a year ago.

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

### Consolidated financial results for the first quarter of 2012 – key figures <sup>4</sup>

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

### Gross Profit on Sales, EBITDA and Net Profit



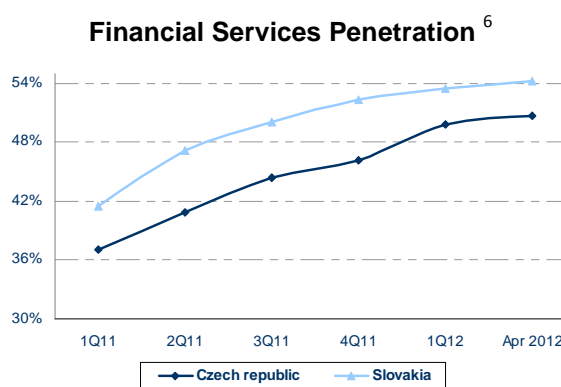
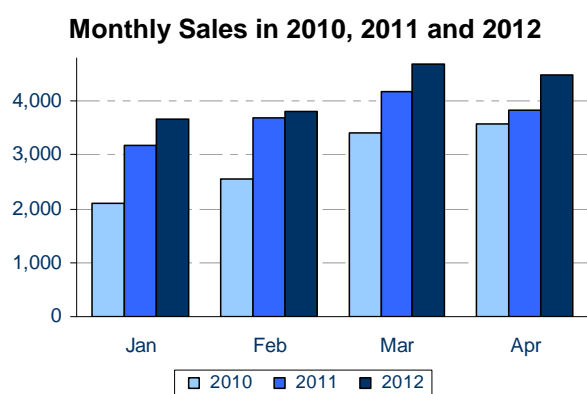
<sup>3</sup> Net Debt / Equity = [ (Long and Short Term Borrowings + Finance Lease + Liabilities of disposal group classified as held for sale) – (Cash and Cash Equivalents + Financial Assets) ] / Equity

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

## Sales performance

AAA AUTO Group's sales results for the first four months outperformed, in terms of growth performance, the market of used car imports and sale of new cars<sup>5</sup>. The Group's sales for April increased by 17.1% yoy to a strong 4,479 cars sold, though April sales didn't reach the exceptional sales result for March which is usually the strongest month of the year for the Group in terms of sales. On the contrary, the Group's sales results in Russia have been steadily growing from 80 in January to 168 in March and 200 in April indicating that Russian operations will be the leading growth driver of the Group's sales in 2012 (e.g. without Russian sales, the sales growth for April of 17.1% would stand at 11.9%).

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



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

\* YTD = January – April

\*\* Russian operations were launched in September 2011

Source: Company data

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

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

## Appendix

### Interim Financial Report for the 3 months ended 31 March 2011

Unaudited

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

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

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

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

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

<sup>\*)</sup> Note that the results for 2011 were retrospectively reclassified (all discontinued operations were reclassified into continuing operations) to make the financial results for 2012 and 2011 fully comparable.

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

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

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

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