

## AAA AUTO Group reports its unaudited consolidated financial results for the first nine months of 2011

**Prague / Budapest, 16 November 2011 - AAA Auto Group N.V. finished the first nine months of 2011 with a net profit of EUR 5.2 million which is by 53.2% more than for the same period last year. The result also already exceeded the net profit the company achieved for the whole year 2010. On a quarterly basis, net profits for the third and second quarter are the best quarterly results since mid 2007 when the Group's financial performance peaked.**

The results undoubtedly confirm that the retail used car market is substantially stronger than in the past two years and that the company has been strongly benefiting from its strategy to focus on the best selling models, maximizing the total gross profit per car sold and recently also increasing penetration of financial services. However, for the rest of the year the company maintains its conservative expectations due to the traditionally weaker winter season.

According to the financial results, AAA AUTO Group recorded **total revenues** of EUR 201.5 million for the first nine months of 2011 representing a 35.4% growth compared to the same period last year<sup>1</sup>, while the underlying number of cars sold during this period increased by 14.4% yoy (to 33,881 cars). The difference in the growth rates can be explained by an increase in the average price of a car sold by 18.4% yoy during the 9M 2011.

The **gross profit on sales** grew by 28.6% yoy to EUR 48.0 million for the first nine months of 2011 while the gross profit margin on sales weakened by 1.3 percentage points yoy to 23.8%. However, on a quarterly comparison, the **profit margin on sales** gradually improved throughout the year 2011 from 22.5% in 1Q to 24.6% in 3Q 2011. This is a result of a strong improvement in the company's penetration of financial services (from 38.3% in 1Q to 46.1% in 3Q) and the company's strict control system introduced in 2Q in order to maximize the total gross profit per car sold (the combined gross profit on a sold car, financial services and up-sale products).

In line with the increasing revenues grew also **operating expenses**. The fastest growing category was the personnel expenses (+47.7% yoy) as part of the salespeople wages is pegged to the sales performance and the gross profit on sales which increased throughout the year substantially. Partially, in 3Q there was also the effect of start up costs for opening of a new branch in Russia in mid September. However, the overall increase in operating expenses of 26.9% yoy was maintained below the level of the increase in total revenues of 35.4%. Thus, the Company has so far been fulfilling its goal and even further decreased the OPEX / revenue ratio to 18.0% in 9M 2011 from 19.2% in 9M 2010.

AAA AUTO Group recorded **EBITDA** of EUR 13.2 million for the first nine months of 2011 representing a 46.6% increase compared to the same period last year.

At the level of financial expenses, despite the Company's increased need to finance its growing working capital (increasing car stock; new branches opened in CR and Russia) the **interest expense** increased only moderately in 9M 2011 (by 9.4% yoy to EUR 1.4 mil.) and declined by 19.5% in 3Q 2011 compared to 2Q 2011. This was the effect of the Company's program for a reduction of the overall debt of the Group (*the net debt / equity ratio<sup>2</sup> was reduced to 178% as at the end of Sep 2011 from 299% as at Sep 2010*) as well as the partial refinancing of the Group's short and long term borrowings, in June and July 2011, in order to minimise the average interest rate the company pays on its debt.

<sup>1</sup> Note that the year-on-year comparison is based on 9M 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).

<sup>2</sup> Net Debt / Equity = [(Long and Short Term Borrowings + Finance Lease) - (Cash and Cash Equivalents + Financial Assets)] / Equity

# AAA AUTO

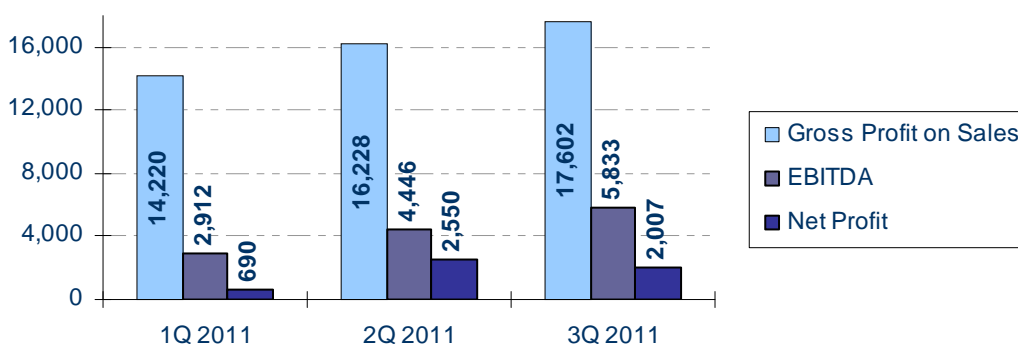
In the third quarter of 2011 the company also recorded **forex losses** of EUR 1.1 mill. due to substantial exchange rate movements between the local currencies (HUF, PLN) and EUR and/or CZK. Most of the forex losses were however unrealized.

The **profit before tax** grew by 68.3% yoy to EUR 8.2 million in 9M 2011.

AAA AUTO Group generated a **net profit from its continuing operations**<sup>3</sup> of EUR 5.6 million in the first nine months of 2011 which is by 91.0% more compared to the same period last year.

The Group's total **consolidated net profit** (including a EUR 0.4 million net loss from the discontinued operations<sup>3</sup>) reached the amount of EUR 5.2 million for the first nine months of 2011 which represents an improvement of 53.2% compared to the net profit of EUR 3.4 million the Group recorded for the same period last year.

## Development of Gross Profit on Sales, EBITDA and Net Profit in 2011

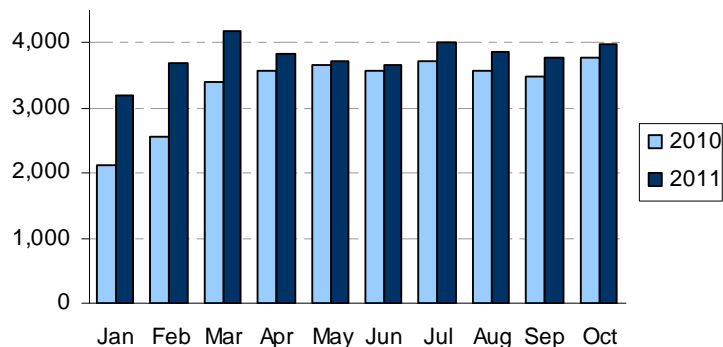


## AAA AUTO Group's Sales Performance<sup>4</sup>

The company registered a positive start of the fourth quarter with **October sales** (3,976 sold cars) exceeding the average monthly sales result for the third quarter as well as the whole 2011. Thus October became together with March and July the best performing months this year and the strongest months in terms of sales since 2008.

**Overall for the first ten months**, the Group sold 37,857 cars which represents a 13.3% yoy growth. Following the opening of a new branch, after nearly four years, in the CR (Opava) and a first branch in Russia in September 2011 AAA AUTO Group plans to open another branch in Liberec where there is currently only a buying outlet.

## AAA AUTO Group's Monthly Sales in 2011 vs 2010



Source: Company data

<sup>3</sup> continuing operations - daughter companies in the CR, Slovakia, Hungary, Russia and the parent company incorporated in the Netherlands

discontinued operations - daughter companies in Poland (note that the definition in the Statement of Financial Position is marginally different)

<sup>4</sup> Note that the company commented on its 9M 2011 sales results in a separate press release of 6 October 2011 (see [www.aaaauto.nl](http://www.aaaauto.nl))

# **AAA AUTO**

AAA Auto Group N.V. published today also its 'Interim Statement – November 2011' which is available at the company's website <http://www.aaaauto.nl> in the section About Us / Investors / Publications.

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## Appendix

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 30 September 2011 and 2010 (EUR '000)

	30/09/11	30/09/10 Restated *)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	124	138
Property, plant and equipment	36,876	37,865
Other financial assets	222	279
Deferred tax assets	288	17
<b>Total non-current assets</b>	<b>37,510</b>	<b>38,299</b>
<b>Current assets</b>		
Inventories	31,608	24,103
Trade and other financial receivables	6,405	16,371
Current tax asset	-	-
Other financial assets	-	-
Other non-financial assets	1,589	1,529
Cash and cash equivalents	3,821	4,958
	<b>43,423</b>	<b>46,961</b>
Assets of disposal group classified as held for sale	2,426	3,928
	<b>45,849</b>	<b>50,889</b>
<b>TOTAL ASSETS</b>	<b>83,359</b>	<b>89,188</b>
<b>EQUITY AND LIABILITIES</b>	<b>30/09/11</b>	<b>30/09/10 Restated *)</b>
<b>Equity</b>		
Issued capital	38,185	38,185
Reserves	8,478	6,892
Retained earnings	(24,914)	(31,655)
<b>Equity attributable to equity holders of the company</b>	<b>21,749</b>	<b>13,421</b>
<b>Total equity</b>	<b>21,749</b>	<b>13,421</b>
<b>Non-current liabilities</b>		
Bank and other borrowings	22,114	19,128
Deferred tax liabilities	183	450
Other liabilities	1	-
<b>Total non-current liabilities</b>	<b>22,298</b>	<b>19,578</b>
<b>Current liabilities</b>		
Trade and other financial liabilities	9,305	17,608
Current tax liabilities	2,153	848
Bank overdrafts and borrowings	20,505	25,911
Provisions	2,804	4,111
Obligation under finance lease	-	-
Other financial liabilities	659	3,684
Other non-financial liabilities	3,695	3,637
	<b>39,121</b>	<b>55,799</b>
Liabilities of disposal group classified as held for sale	191	390
	<b>39,312</b>	<b>56,189</b>
<b>Total liabilities</b>	<b>61,610</b>	<b>75,767</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>83,359</b>	<b>89,188</b>

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

**AAA Auto Group N.V.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Nine Months Ended 30 September 2011 and 2010 (EUR '000)**

	9M 2011	9M 2010 <sup>*)</sup>
		<b>Restated</b>
<b>Continuing operations</b>		
<b>Revenue</b>	<b>201,503</b>	<b>148,770</b>
Other income	1,472	266
Changes in inventories	2,404	1,950
Car inventory sold	(155,857)	(113,357)
Advertising expenses	(4,149)	(3,140)
Employee benefit expenses	(19,480)	(13,185)
Depreciation and amortisation expense	(1,779)	(1,628)
Impairment of property plant and equipment	(656)	-
Other expenses	(12,703)	(12,304)
Finance cost	(2,519)	(2,479)
Share on profit of equity accounted investees	(1)	-
<b>Profit before tax</b>	<b>8,235</b>	<b>4,893</b>
Income tax expense	(2,605)	(1,945)
<b>Profit for the period from continuing operations</b>	<b>5,630</b>	<b>2,948</b>
<b>Discontinued operations</b>		
Profit/(loss) from discontinued operations	(383)	477
<b>Profit for the period</b>	<b>5,247</b>	<b>3,245</b>
<b>Other comprehensive income</b>		
Foreign currency translation differences for foreign operations	1,888	1,869
<b>Other comprehensive income for the period, net of income tax</b>	<b>1,888</b>	<b>1,869</b>
<b>Total comprehensive income for the period</b>	<b>7,135</b>	<b>5,294</b>
<b>Profit attributable to:</b>		
Equity holders of the company	5,247	3,425
<b>Profit for the period</b>	<b>5,247</b>	<b>3,425</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the company	7,135	5,294
<b>Total comprehensive income for the period</b>	<b>7,135</b>	<b>5,294</b>
<b>Earnings per share from continuing and discontinued operations attributable to the equity holders of the company during the year</b> (expressed in EUR cent per share)		
<b>Basic earnings per share</b>		
From continuing operations	8.31	4.35
From discontinued operations	(0.57)	0.70
	<b>7.74</b>	<b>5.05</b>
<b>Diluted earnings per share</b>		
From continuing operations	8.04	4.18
From discontinued operations	(0.55)	0.68
	<b>7.49</b>	<b>4.86</b>

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

**AAA Auto Group N.V.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Periods Ended 30 September 2010<sup>\*)</sup> and 30 September 2011 (EUR '000)**

	Share capital	Share premium	Equity/ legal reserve	Share option reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to holders of the Company	Total equity
<b>Balance at 01/01/10</b>	<b>6,776</b>	<b>31,409</b>	<b>653</b>	<b>428</b>	<b>4,186</b>	<b>(35,650)</b>	<b>7,802</b>	<b>7,802</b>
Profit for the year	-	-	-	-	-	3,425	3,425	3,425
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	1,796	73	1,869	1,869
Foreign currency translation differences related to entities sold	-	-	-	-	-	-	-	-
Equity legal reserve	-	-	33	-	-	-33	-	-
Reclassification	-	-	(529)	-	-	529	-	-
Share options	-	-	-	325	-	-	325	325
<b>Total other comprehensive income</b>	-	-	(496)	325	1,796	569	2,194	2,194
<b>Total comprehensive income for the period</b>	-	-	(496)	325	1,796	3,994	5,619	5,619
Addition to legal reserve fund	-	-	-	-	-	-	-	-
<b>Balance at 30/09/10</b>	<b>6,776</b>	<b>31,409</b>	<b>157</b>	<b>753</b>	<b>5,982</b>	<b>(31,656)</b>	<b>13,421</b>	<b>13,421</b>
<b>Balance at 31/12/10</b>	<b>6,776</b>	<b>31,409</b>	<b>280</b>	<b>417</b>	<b>5,748</b>	<b>(30,166)</b>	<b>14,464</b>	<b>14,464</b>
Profit for the year	-	-	-	-	-	5,247	5,247	5,247
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	1,888	-	1,888	1,888
Dividend paid	-	-	-	-	-	-	-	-
Equity legal reserve	-	-	(5)	-	-	5	0	0
Reclassification	-	-	-	-	-	-	-	-
Share options	-	-	-	150	-	-	150	150
<b>Total other comprehensive income</b>	-	-	(5)	150	1,888	5	2,038	2,038
<b>Total comprehensive income for the period</b>	-	-	(5)	150	1,888	5,252	7,285	7,285
Addition to legal reserve fund	-	-	-	-	-	-	-	-
<b>Balance at 30/09/11</b>	<b>6,776</b>	<b>31,409</b>	<b>275</b>	<b>567</b>	<b>7,636</b>	<b>(24,914)</b>	<b>21,749</b>	<b>21,749</b>

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

**AAA Auto Group N.V.**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**For the Nine Months Ended 30 September 2010 and 2011 (EUR '000)**

	9M 2011	9M 2010 <sup>*)</sup>
		<b>Restated</b>
<b>Cash flows from operating activities</b>		
Profit for the year	5,247	3,425
Adjustments for:		
Income tax expense	2,605	1,942
Depreciation and impairment of PPE	2,435	1,628
Provisions	472	660
Gain / (loss) on disposal of fixed assets	(172)	(1,657)
Interest income	(10)	(3)
Interest expense	1,388	1,388
Share options	150	325
Foreign exchange (gain) / loss	1,321	1,107
Decrease / (increase) in inventories	(7,036)	(10,923)
Decrease / (increase) in receivables and other assets	5,078	1,869
Increase / (decrease) in payables and other liabilities	(4,423)	1,474
Interest paid	(656)	(796)
Interest received	10	5
Income tax (paid) / received	(2,181)	(450)
<b>Net cash provided by operating activities</b>	<b>4,229</b>	<b>(7)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,985)	(1,933)
Proceeds from sale of subsidiaries	-	-
Proceeds from disposals of property, plant and equipment	1,166	5,617
<b>Net cash used in investing activities</b>	<b>(3,819)</b>	<b>3,684</b>
<b>Cash flows from financing activities</b>		
Proceeds from third party loans	11,532	778
Repayment of third party loans	(11,662)	(4,806)
Payment of finance lease liabilities	-	(670)
<b>Net cash from financing activities</b>	<b>(130)</b>	<b>(4,698)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>280</b>	<b>(1,020)</b>
<b>Net foreign exchange difference</b>	<b>(124)</b>	<b>(50)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,665</b>	<b>6,028</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,821</b>	<b>4,958</b>

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