

FOTA S.A. GROUP

Expanded
Consolidated quarter report
the first quarter of 2009



15th May 2009

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Attached abridged consolidated financial report drawn up according to the International Accounts Standard 34, approved by the Board of Fota S.A. on the 15th May 2009.

On behalf of the Board

Wojciech Pratkowski
President of Board

Paweł Gizicki
V-ce President of Board

Selected data concerning abridged consolidated financial report				
	3 months period until 31.03.2009	3 months period until 31.03.2008	3 months period until 31.03.2009	3 months period until 31.03.2008
	PLN thousand		EUR thousand	
Sale income Nett	165 815	173 019	36 909	48 636
Sale profit(loss) gross	46 053	40 752	10 251	11 456
Operational activity profit(loss)	6 171	1 697	1 374	477
Profit(loss) gross	(6 726)	(4 287)	(1 497)	(1 205)
Profit(loss) Nett due to dominant unit shareholders	(7 614)	(4 077)	(1 695)	(1 146)
Profit(loss) per share (PLN/EUR)	(0,81)	(0,43)	(0,18)	(0,12)
Operational activity money flow Nett	23 258	161	5 177	46
Investment activity money flow Nett	(2 051)	(6 414)	(457)	(1 803)
Financial activity money flow Nett	(20 150)	1 378	(4 485)	387
Money flow Nett	1 057	(4 875)	235	(1 370)
	31.03.2009	31.12.2008	31.03.2009	31.12.2008
	PLN in thousand		EUR in thousand	
Assets together	450 778	447 423	95 884	107 234
Obligations and reserves	304 609	298 184	64 793	71 466
Long-term obligations	21 844	26 494	4 646	6 350
Short-term obligations	275 777	262 545	58 660	62 924
Ownership capital	140 827	144 762	29 955	34 695
Number of shares	9 416 000	9 416 000	9 416 000	9 416 000
Accountancy value per share (PLN/EUR)	14,96	15,37	3,18	3,68

Selected data concerning abridged consolidated financial report				
	3 months period until 31.03.2009	3 months period until 31.03.2008	3 months period until 31.03.2009	3 months period until 31.03.2008
	PLN in thousand		EUR in thousand	
Sale income Nett	117 338	121 084	26 119	34 037
Sale profit(loss) gross	33 514	2 291	7 460	644
Operational activity profit(loss)	4 921	2 017	1 095	567
Profit(loss) gross	(7 814)	(3 038)	(1 739)	(854)
Profit(loss) Nett due to dominant unit shareholders	(7 814)	(2 612)	(1 739)	(734)
Profit(loss) per share (PLN/EUR)	(0,83)	(0,28)	(0,18)	(0,08)
Operational activity money flow Nett	24 774	10 311	5 515	2 898
Investment activity money flow Nett	(711)	(5 173)	(158)	(1 454)
Financial activity money flow Nett	(22 868)	(5 161)	(5 090)	(1 451)
Money flow Nett	1 195	(23)	267	(7)
	31.03.2009	31.12.2008	31.03.2009	31.12.2008
	PLN in thousand		EUR in thousand	
Assets together	355 973	375 288	75 718	89 945
Obligations and reserves	211 320	222 567	44 949	53 343
Long-term obligations	15 000	21 197	3 191	5 080
Short-term obligations	190 779	194 350	40 580	46 580
Ownership capital	144 653	152 721	30 769	36 603
Number of shares	9 416 000	9 416 000	9 416 000	9 416 000
Accountancy value per share (PLN/EUR)	15,36	16,22	3,27	3,89

Board's comment on results of Fota S.A. Capital Group activity in the first quarter of 2009

Group's sale income in the first quarter of 2009 amount to 165,8 million PLN and was 7,2 (4,2%)million lower in relation to first quarter of 2008 also 9,6 million PLN(5,5%) lower against fourth quarter of 2008. Lower sale income was accompanied by the Gross mark-up increase. Gross mark-up for first quarter of 2009 amounts to 46,1 million PLN and was higher by 5,3 million PLN (13,0%) in relation to the first quarter of 2008 as well as 3,0 million PLN (6,9%) against fourth quarter of 2008. The average profitability Gross within the Group increased by 24,6% in the fourth quarter of 2008 up to 27,8% in the first quarter of 2009.

Mark-up increase gross with slightly lower sale income was caused mainly by the price growth through Polish zloty depreciation as well as restructuring activities, including customer credit control procedure sealing (sale restriction to customers who regulate their obligation towards Group past indicated payment term), also branch limitation(unprofitable branches shutdown).

The most significant factor influencing operational activity income in first quarter of 2009 was remedy action resulting in major overall costs limitation of the Group(sale cost together with managing overall costs). Overall Group costs in first quarter of 2009 totalled up to 39,6 million PLN and were 1,0 million PLN(2,6%) lower in relation to first quarter of 2008 also 12,6 million PLN(24,2%) lower against fourth quarter of 2008. As a result of Group's overall cost limitation the operational activity income in first quarter of 2009 amounts to 6,2 million PLN(3,7% of sale income) and is 4,5 million PLN higher in relation to first quarter of 2008. In fourth quarter of 2008 the Group suffered a loss through operational activity of 17,3 million PLN.

In first quarter of 2009 the Group met financial costs which were beyond the operational activity income. Gross loss for the first quarter of 2009 amounts to 6,7 million PLN. The result is mainly caused by the currency depreciation for functional units being a part the Group in relation to the main currency used by the Group to settle accounts with its suppliers(EUR and USD). The loss resulting from the currency rate change amounts to 5,0 million PLN in first quarter of 2009. The most significant fact causing the loss through financial activity was the potential valuation for obligations questioned by the Company resulting from currency options for the joined amount of 19,8 million PLN. The influence of options valuation on the Group's result in first quarter of 2009 was equal 6,4 million PLN. On the day of this report preparation the term of contract fulfilment has passed, while the Total potential obligation amounts to 16,0 million PLN.

Interest cost in the first quarter of 2009 were equal to 1,5 million PLN and were similar to the compared period.

The table below presents the EBIDTA Group result for the first quarter of 2009.

Operational activity income	6 171
Amortization	<u>2 139</u>
EBIDTA	<u>8 310</u>

Condensed consolidated profit and loss calculation for the 3 months period ending on the 31st March 2009.

Statement of comprehensive income	<i>PLN (thousand)</i>	
	01.01.2009 -31.03.2009 (not subject to audit)	01.01.2008 -31.03.2008 (not subject to audit)
Profit Nett brought by product, material, goods sale	165 815	173 019
Product, material and goods sale costs,	(119 762)	(132 267)
Profit(loss) on sale gross	46 053	40 752
Cost of sales	(30 000)	(23 920)
Overall management costs	(9 635)	(14 724)
Profit on sales	6 418	2 108
Other operational profit	841	709
Other operational costs	(1 088)	(1 120)
Operational activity profit	6 171	1 697
Financial income	2 098	737
Financial costs	(14 995)	(6 721)
Loss gross	(6 726)	(4 287)
Income tax	(71)	(32)
Share of profit (loss) for subordinate units valued according to property right	-	-
Profit(loss) Nett	(6 797)	(4 319)
Vested to:		
Shareholders of dominant unit	(7 614)	(4 077)
Minority shareholders	817	(242)
Profit(loss) per single share (PLN)	(0,81)	(0,43)

Condensed consolidated balance

Assets	<i>PLN(thousand)</i>		
	31.03.2009 (not subject to audit)	31.12.2008 (not subject to audit)	31.03.2008 (not subject to audit)
I. Tangible assets	90 748	91 558	68 996
Intangible value	11 532	11 669	9 252
Company's value after consolidation	6 617	6 617	4 905
Substantial permanent assets	62 592	62 650	50 001
Long-term obligations	146	134	232
Long-term periodical settlements	9 861	10 488	4 606
II. Rotating assets	360 030	355 865	399 753
Reserves	241 254	238 517	267 467
Short-term obligations	98 334	94 416	108 156
Short-term investments	14 195	12 885	13 926
Short-term periodical settlements	6 247	10 047	10 204
Assets altogether	450 778	447 423	468 749

Liabilities	<i>PLN(thousand)</i>		
	31.03.2009 (not subject to audit)	31.12.2008 (not subject to audit)	31.03.2008 (not subject to audit)
Ownership capital	140 827	144 762	180 752
Minority capital	5 342	4 477	5 131
Obligations and reserves for obligations	304 609	298 184	282 866
Reserves for liabilities	2 947	3 657	2 440
Long-term liabilities	21 844	26 494	5 197
Short-term liabilities	275 777	262 545	272 579
Periodical settlements	4 041	5 488	2 650
Liabilities altogether	450 778	447 423	468 749
Accountant value per share	14,96	15,37	19,20

Condensed consolidated alternation combination of ownership capital

	Initial capital	Alternate capital	Reserve capital	Currency difference	Profit/loss from past years	Together	Minority capital	Capitals together
Status on the day of 1st January 2009	18 832	70 477	97 270	1 004	(42 821)	144 762	4 477	149 239
Currency differences (Loss)/profit for the quarter				3 679		3 679	48	3 727
					(7 614)	(7 614)	817	(6 797)
Status on the day 31 st March 2009	18 832	70 477	97 270	4 683	(50 435)	140 827	5 342	146 169
Status on the 1st January 2008	75 328	70 477	39 312	(303)	2 346	187 160	6 215	193 375
Correction					(884)	(884)	(570)	1 454
Status on the 1st January 2008 (changed)	75 328	70 477	39 312	(303)	1 462	186 276	5 645	191 921
Profit transfer			1 462		(1 462)			
Currency difference				(1 447)		(1 447)	(272)	(1 719)
Loss for the quarter					(4 077)	(4 077)	(242)	(4 319)
Status on the 31 st March 2008	75 328	70 477	40 774	(1 750)	(4 077)	180 752	5 131	185 883

The dominant unit based on General's Meeting resolution from the 15.06.2007 which reduced initial capital through lowering the face value of shares from 8 PLN to 2 PLN. The above mentioned has been registered by a District Court in Northern Gdansk VIII Economic Department on the 15.01.2008.

The change at initial capital by 56 496 thousand PLN has been fully transferred to the alternate capital without payouts to the stockholders.

Consolidated statement of cash flow

	<i><u>PLN(thousand)</u></i>	
Cash flow calculation	Three months period until 31.03.2009 (not subject to audit)	Three months period until 31.03.2008 (not subject to audit)
Profit(loss) Nett	(7 614)	(4 077)
Corrections together	30 872	4 238
Profit / (loss) for minority capital	817	(242)
Amortization	2 139	1 894
(Profit) Loss though currency difference	3 826	(1 448)
Interest and shares within the profit (dividend)	1 465	1 413
(Profit) Investment activity loss	6 081	(5)
Reserves state alteration	(84)	(333)
Stock state alteration	(2 737)	(37 013)
Liabilities state alteration	(3 930)	(33 273)
Short-term obligations alteration, excluding loans and credits	20 939	78 329
Periodical accounts state alteration	2 356	(5 084)
Other corrections		
Cash flow Nett through operational activity	23 258	161
Cash flow through investment activity		
Income	84	6
Intangible values and tangible current assets dismissal		6
From financial assets including:	49	
a) at correlated units – on grounds of loan repayment	35	
Expenses	2 135	6 420
Intangible value and tangible current assets acquires	1 945	6 344
Financial assets acquire including:		
a) at correlated units		
- granted long-term loans	190	76
Cash flow Nett through investment activity	(2 051)	(6 414)
Cash flow through financial activity		
Income	3 304	3 086
Credits and loans	3 264	2 991
Other financial income	40	95
Expenses	23 454	1 708
Credits and loans repayment	21 707	
Payments on grounds of financial leasing agreements	242	200
Interest	1 505	1 508
Cash flow Nett through financial activity	(20 150)	1 378
Cash flow Nett altogether	1 057	(4 875)
Balanced alternation of cash means:	1 057	(4 875)
Cash means at the beginning	12 380	18 379
Cash means at the end	13 437	13 504

The company did not grant any correlated unit neither a credit guaranty nor a loan for a sum beyond at least 10% ownership capital.

	31.03.2009	31.12.2008	31.03.2008
Short-term obligations	275 777	262 545	272 579
Towards correlated units	508	748	169
Towards other units	273 799	260 328	269 872
• Credits and loans	94 066	107 246	100 161
• Other financial obligations	19 791	13 706	10 285
• Distribution and service	141 615	120 888	148 830
• Down payments for carriage	1 173	1 151	1 071
• Taxes, subsidies, duties, social, health and other insurance	5 138	5 272	1 743
• Salaries	4 249	3 169	3 181
• Other	7 767	8 896	4 601
Special funds	1 470	1 469	2 538

Selected financial data Fota S.A.

Abridged calculation of profit and loss for the first quarter of 2009

	<i><u>PLN(thousand)</u></i>	
	01.01.2009 -31.03.2009 (not subject to audit)	01.01.2008 -31.03.2008 (not subject to audit)
Profit and loss calculation		
Profit Nett brought by product, material, goods sale	117 338	121 084
Product, material and goods sale costs,	(83 824)	(90 538)
Sales profit(loss) gross	33 514	30 546
Cost of sales	(21 948)	(21 927)
Overall administrative costs	(5 947)	(6 327)
Profit on sale	5 619	2 291
Other operational profit	152	488
Other operational costs	(850)	(762)
Operational activity profit	4 921	2 017
Financial income	995	41
Financial costs	(13 730)	(5 096)
Loss gross	(7 814)	(3 038)
Income tax	-	426
Share of profit (loss) for subordinate units valued according to property right	(7 814)	(2 612)

Profit(loss) Nett	(0,83)	(0,28)
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Statement of financial position

	<i>PLN(thousand)</i>		
	31.03.2009 (not subject to audit)	31.12.2008 (not subject to audit)	31.03.2008 (not subject to audit)
Assets			
Tangible assets	95 671	96 584	86 016
Intangible and legal value	10 877	11 022	8 725
Tangible current assets	43 352	44 120	37 923
Long-term investments	31 912	31 912	35 047
Long-term periodical settlements	9 530	9 530	4 321
Rotating assets	260 302	278 704	314 421
Reserves	160 723	177 051	197 473
Short-term obligations	85 200	85 797	97 506
Short-term investments	8 424	5 903	9 760
Short-term periodical settlements	5 954	9 953	9 682
Assets altogether	355 973	375 288	400 437
Liabilities			
Ownership capital	144 653	152 721	188 452
Liabilities and reserves for liabilities	211 320	222 567	211 985
Reserves for liabilities	1 681	2 456	1 424
Long-term liabilities	15 000	21 197	853
Short-term liabilities	190 779	194 350	207 132
Periodical settlements	3 860	4 564	2 576
Liabilities altogether	355 973	375 288	400 437
Accountant value per share	15,36	16,22	20,01

<u>Short-term liabilities</u>	31.03.2009	31.12.2008	31.03.2008
Short-term obligations	190 779	194 350	207 132
Towards correlated units	7 327	6 376	2 096
Towards other units	182 344	187 974	202 914
• Credit and loans	75 855	94 097	90 426
• Other financial obligations	19 760	13 663	10 285
• Distribution and service	73 083	70 746	87 809
• Down payments for carriage	1 062	1 062	1 062
• Taxes, subsidies, duties, social, health and other insurance	3 310	1 730	150
• Salaries	2 658	2 129	2 839
• Other	6 616	4 547	10 343
Special funds	1 108	-	2 122

Financial liabilities on 31 March 2009 include questioned by the company valuation of currency options (EUR/PLN) to the amount 19 760 thousand PLN. On the 31st December 2008 the liability value on the grounds of currency options is 13 325 thousand PLN.

On the day of this report preparation the term of contract fulfilment has passed, while the Total potential obligation amounts to 16,0 million PLN.

The Board of Fota S.A. based on legal analysis questions the effectiveness of options agreement on the grounds of legitimate person lack to commission its performance pointed by the Company.

Currently the Company is negotiating conditions for probable conciliatory resolution concerning dispute claims of options purchasers.

Alternation statement at ownership capital

	Initial capital	Alternate capital	Reserve capital	Currency difference	Profit/loss from past years
State on the 1st January 2009	18 832	70 477	101 755	(38 343)	152 721
Correction			(254)		(254)
Quarter loss				(7 814)	(7 814)
State on the 31st March 2009	18 832	70 477	101 501	(46 157)	144 653
State on the 1st January 2008	75 328	70 477	39 313	5 946	191 064
Profit transfer			5 946	(5 946)	
Quarter loss				(2 612)	(2 612)
State on the 31st March 2008	75 328	70 477	45 259	(2 612)	188 452

The dominant unit based on General's Meeting resolution from the 15.06.2007 which reduced initial capital through lowering the face value of shares from 8 PLN to 2 PLN. The above mentioned has been registered by a District Court in Northern Gdansk VIII Economic Department on the 15.01.2008.

The change at initial capital by 56 496 thousand PLN has been fully transferred to the alternate capital without payouts to the stockholders.

Cash flow statement

	<i>PLN(thousand)</i>	
	Three months period until 31.03.2009 (not subject to audit)	Three months period until 31.03.2008 (not subject to audit)
Operational activity cash flow		
Profit / loss Nett	(7 814)	(2 612)
Corrections altogether	32 588	12 923
Amortization	1 434	1 378
Interest and shares within the profit(dividend)	1 094	1 291
Investment activity (Profit) loss	6 435	2
Reserves state alteration	-	(688)
Stock state alteration	16 327	(20 441)
Liabilities state alteration	597	(24 834)
Short-term obligations alteration, excluding loans and credits	4 079	61 044
Periodical accounts state alteration	2 622	(4 829)
Cash flow Nett through operational activity	24 774	10 311
Cash flow through investment activity		
Income	11	(2)
Intangible values and tangible current assets dismissal.	11	(2)
Expenses	722	5 171
Intangible values and tangible current assets acquire	532	5 160
Financial assets acquire including:		
a) at correlated units		
- granted long-term loans	190	11
Cash flow Nett through investment activity	(711)	(5 173)
Cash flow through financial activity		
Income	33	43
Other financial income	33	42
Expenses	22 901	5 204
Credits and loans repayment	21 707	3 672
Payments on grounds of financial leasing agreements	67	200
Interest	1 127	1 333
Cash flow Nett through financial activity	(22 868)	(5 161)
Cash flow Nett altogether	1 195	(23)
Balanced alternation of cash means:	1 195	(23)
Cash means at the beginning	6 663	9 361
Cash means at the end	7 858	9 338

Long-term investments

Unit	% capital	% votes	Purchase date	Purchase price	Actual capital	Accountancy value
Fota Hungary	100,0	100,0	01.07.2006	5 371	3 635	1 736
Fota Ukraine	70,0	70,0	01.07.2006	3 753	3 580	173
Fota Czech Republic	100,0	100,0	01.07.2006	3 812	2 954	858
Autoprime	80,0	80,0	01.07.2007	13 763	0	13 763
Art.-Gum	60,8	60,8	05.10.2007	4 918	0	4 918
Expom	99,5	99,5	02.07.2007	7 525	1 312	6 213
Automotosport	80,0	80,0	28.05.2008	4 251	0	4 251
Correlated subjects altogether				43 393	11 481	31 912
Vessel	39,2	39,2	07.12.2007	502	502	0
Correlated and associated subjects altogether				43 895	11 983	31 912

Sale to correlated and associated subjects

	<u>01.01-31.03.2009</u>
ART-GUM	187
EXPOM	3
FOTA Czech Republic	-
AUTOPRIMA	1 707
FOTA HUNGARY	1 233
FOTA UKRAINE	555
AUTOMOTOSPORT	-
Correlated subjects altogether	3 685
FOTA LTD	183
VESSEL	1
Correlated and associated subjects altogether	3 869

Liabilities from and obligations towards associated units

	Liabilities	Obligations
	On the 31.03.2009	On the 31.03.2009
ART-GUM	1 818	6 216
EXPOM	339	-
FOTA Czech Republic	3 038	4
AUTOPRIMA	4 397	428
FOTA HUNGARY	2 726	5
FOTA UKRAINE	12 464	166
AUTOMOTOSPORT	-	-
Correlated subjects altogether	24 782	6 819
FOTA LTD	194	494
VESSEL	-	14
Correlated and associated subject altogether	24 976	7 327