



# KREDYT INKASO SA

CAPITAL GROUP



## CONSOLIDATED REPORT FOR THE FIRST QUARTER 2011/12

## SELECTED CONSOLIDATED FINANCIAL DATA

SELECTED FINANCIAL DATA	in PLN thousand		in EUR thousand	
	current data	comparative data	current data	comparative data
<b>FROM PROFIT AND LOSS ACCOUNT</b>	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010
I. Net income from sale of products, goods and materials	10 173	11 117	2 568	2 751
II. Operating profit (loss)	4 825	2 800	1 218	693
III. Gross profit (loss)	2 937	1 674	742	414
IV. Net profit (loss)	2 981	1 403	753	347
V. Profit (loss) per one ordinary share (in PLN / EUR)	0,23	0,26	0,06	0,06
VI. Diluted profit (loss) per one ordinary share (in PLN / EUR)	0,23	0,25	0,06	0,06
<b>FROM CASH FLOW STATEMENT</b>	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010
VII. Net operating cash flows	4 665	2 084	1 178	516
VIII. Net investment cash flows	-19 065	-281	-4 814	-70
IX. Net financial cash flows	111 833	-896	28 238	-222
X. Total net cash flows	97 356	907	24 582	224
<b>FROM BALANCE SHEET</b>	30.06.2011	31.03.2011	30.06.2011	31.03.2011
XI. Total assets	382 593	268 800	95 970	67 001
XII. Liabilities and reserves for liabilities	126 076	55 297	31 625	13 783
XIII. Long-term liabilities	93 937	16 852	23 563	4 201
XIV. Short-term liabilities	32 139	38 379	8 062	9 566
XV. Equity	256 220	213 503	64 270	53 217
XVI. Share capital	12 937	9 169	3 245	2 285
XVII. Number of shares (thousand)	12 937	9 169	12 937	9 169
XVIII. Book value per one share (in PLN/EUR)	19,81	23,29	4,97	5,80
XIX. Diluted book value per one share (in PLN/EUR)	19,81	16,50	4,97	4,11
XX. Declared or paid dividend per one share (in PLN /EUR)	0,32	0,45	0,08	0,11
XXI. Diluted declared or paid dividend per one share (in PLN/EUR)	0,32	0,32	0,08	0,08

Translation into EURO was calculated in the following way:

- For the items from I to X the average rate of exchange for a given period was applied, calculated as the arithmetic average of the National Bank of Poland rates of exchange (table A) binding as of the last day of each month in a given period. In the period from 01 April 2011 to 30 June 2011 the average amounts to PLN/EUR 3.9604 and in the period from 01 April 2010 to 30 June 2010 it equals to PLN/EUR 4.0416.
- For the items from XI to XXI the average rate of exchange of NBP (table A) as of the last day of the period, i.e. as of 30 June 2011 was applied which was equal to PLN/EUR 3.9866 and as of 31 March 2011 the rate of exchange equal to PLN/EUR 4.0119 was applied.

**SELECTED STAND-ALONE FINANCIAL DATA**

SELECTED FINANCIAL DATA	in PLN thousand		in EUR thousand	
	current data	comparative data	current data	comparative data
	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010
<b>FROM PROFIT AND LOSS ACCOUNT</b>				
I. Net income from sale of products, goods and materials	9 059	11 117	2 287	2 751
II. Operating profit (loss)	3 627	2 800	916	693
III. Gross profit (loss)	1 738	1 674	439	414
IV. Net profit (loss)	1 888	1 403	477	347
V. Profit (loss) per one ordinary share (in PLN/EUR)	0,15	0,26	0,04	0,06
VI. Diluted profit (loss) per one ordinary share (in PLN / EUR)	0,15	0,25	0,04	0,06
<b>FROM CASH FLOW STATEMENT</b>				
VII. Net operating cash flows	1 494	2 084	377	516
VIII. Net investment cash flows	-19 066	-281	-4 814	-70
IX. Net financial cash flows	111 833	-896	28 238	-222
X. Total net cash flows	94 261	907	23 801	224
<b>FROM BALANCE SHEET</b>				
XI. Total assets	291 046	184 461	73 006	45 978
XII. Liabilities and reserves for liabilities	120 249	57 829	30 163	14 414
XIII. Long-term liabilities	93 937	16 852	23 563	4 201
XIV. Short-term liabilities	26 313	40 897	6 600	10 194
XV. Equity	170 575	126 632	42 787	31 564
XVI. Share capital	12 937	9 169	3 244	2 285
XVII. Number of shares (thousand)	12 937	9 169	12 937	9 169
XVIII. Book value per one share (in PLN/EUR)	13,19	13,81	3,31	3,44
XIX. Diluted book value per one share (in PLN/EUR)	13,19	9,79	3,31	2,44
XX. Declared or paid dividend per one share (in PLN /EUR)	0,32	0,27	0,08	0,07
XXI. Diluted declared or paid dividend per one share (in PLN/EUR)	0,32	0,19	0,08	0,05

Translation into EURO was calculated in the following way:

1. For the items from I to X the average rate of exchange for a given period was applied, calculated as the arithmetic average of the National Bank of Poland rates of exchange (table A) binding as of the last day of each month in a given period. In the period from 01 April 2011 to 30 June 2011 the average amounts to PLN/EUR 3.9604 and in the period from 01 April 2010 to 30 June 2010 it equals to PLN/EUR 4.0416.
2. For the items from XI to XXI the average rate of exchange of NBP (table A) as of the last day of the period, i.e. as of 30 June 2011 was applied, which was equal to PLN/EUR 3.9866 and as of 31 March 2011 the rate of exchange equal to PLN/EUR 4.0119 was applied.



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**Kredyt Inkaso Spółka Akcyjna  
in Zamość  
Capital Group**

**INTERIM ABRIDGED CONSOLIDATED FINANCIAL  
STATEMENTS  
OF KREDYT INKASO S.A. CAPITAL GROUP  
FOR 3 MONTHS ENDED ON  
30 JUNE 2011  
(I quarter of the financial year 2011/12)**

drawn up in accordance with  
the International Financial Reporting Standards  
approved by the European Union

Zamość, August 2011

**CONSOLIDATED BALANCE SHEET**

	30.06.2011	31.03.2011
<b>ASSETS</b>	<b>382 593</b>	<b>268 800</b>
<b>Fixed assets</b>	<b>9 552</b>	<b>8 977</b>
Tangible assets	1 997	1 875
Goodwill	5 705	5 705
Intangible assets	1 506	1 397
Long-term capital investments	0	0
Deferred income tax assets	343	0
Long-term prepayments and accruals	0	0
<b>Current assets</b>	<b>373 041</b>	<b>259 823</b>
Supplies	0	0
Trade receivables	638	1 347
Receivables relative to income tax	212	212
Receivables relative to awarded costs of legal proceedings	4 730	4 676
Other receivables	18 176	8 391
Debts purchased	225 707	237 739
Deposits not listed on the active market	0	0
Cash and cash equivalents	99 283	1 927
Other short-term investments	22 129	0
Short-term prepayments and accruals	2 166	5 532
<b>LIABILITIES</b>	<b>382 593</b>	<b>268 800</b>
<b>Equity</b>	<b>256 220</b>	<b>213 503</b>
Share capital	12 937	9 169
Supplementary reserve (shares premium)	101 608	59 588
Amounts received for the future shares issue	0	0
Own shares (negative value)	0	0
Revaluation reserve - reserve resulting from the revaluation of financial assets available for sale	124 875	130 926
Retained earnings	16 487	13 604
Net profit (loss) for the current period	2 883	8 205
Profits (losses) brought forward	8 197	-8
Retained profit from bank deposits	0	0
Supplementary reserve established out of profit	5 407	5 407
Capital reserve established out of profit	0	0
Non-controlling interest	314	216
<b>Long-term liabilities</b>	<b>93 937</b>	<b>16 852</b>
Long-term reserves	0	0
Reserve for deferred income tax	1 153	1 137
Bonds issued (according to amortized cost)	92 394	15 255
Credits and loans (according to amortized cost)	0	0
Liabilities relative to leasing	390	460
Other liabilities	0	0
<b>Short-term liabilities</b>	<b>32 139</b>	<b>38 379</b>
Short-term reserves	215	215
Bonds issued (according to amortized cost)	24 371	32 842
Credits and loans (according to amortized cost)	0	0
Liabilities relative to income tax	210	0
Liabilities relative to leasing	65	44
Trade liabilities	2 976	3 682
Other liabilities	4 301	1 596
<b>Accruals</b>	<b>297</b>	<b>66</b>



Book value	256 220	213 503
Number of ordinary shares	12 937	9 169
Number of diluted shares	12 937	12 937
Book value per one share (in PLN)	19,81	23,29
Diluted book value per one share (in PLN)	19,81	16,50

**CONSOLIDATED TOTAL INCOME STATEMENT**

	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010
<b>Net income</b>	<b>10 173</b>	<b>11 117</b>
Income from debts purchased	9 763	8 564
Income from awarded costs of proceedings	343	2 525
Income from legal services	32	0
Other income from sales	33	28
<b>Own cost of income</b>	<b>2 735</b>	<b>5 947</b>
Costs of debts purchase	2 322	3 568
Costs of legal proceedings	358	2 365
Own cost of legal services	0	0
Own costs of other income	55	14
<b>Gross profit (loss) on sales</b>	<b>7 437</b>	<b>5 170</b>
Cost of sales	0	0
Overheads	1 214	472
Other costs of core business	1 275	764
<b>Profit (loss) on sales</b>	<b>4 947</b>	<b>3 934</b>
Other operating income	38	0
Other operating costs	160	1 134
<b>Operating profit (loss)</b>	<b>4 825</b>	<b>2 800</b>
Financial income	1 399	9
Financial costs	3 288	1 135
<b>Gross profit (loss) before tax</b>	<b>2 937</b>	<b>1 674</b>
Income tax	-44	271
Current amount	284	453
Deferred amount	-328	-183
<b>Net profit (loss)</b>	<b>2 981</b>	<b>1 403</b>
<b>Components of other total income</b>		
Financial assets available for sale	-5 488	-4 910
Valuation of fixed assets	0	0
Income tax	0	0
<b>Total of components of other total income</b>	<b>-5 488</b>	<b>-4 910</b>
<b>Total income</b>	<b>-2 507</b>	<b>-3 507</b>
<b>Net profit / (Loss) attributable to:</b>		
- shareholders of the Dominating Undertaking	2 883	n/a
- non-controlling interest	98	n/a
<b>Total income attributable to:</b>		n/a
- shareholders of the Dominating Undertaking	-2 507	n/a
- non-controlling interest	0	n/a
<b>Basic and diluted profit (loss) per one share attributable to shareholders of Kredyt Inkaso S.A.</b>		
- basic	0,23	0,26
- diluted	0,23	0,25

## CONSOLIDATED CASH FLOW STATEMENT

OPERATING CASH FLOWS	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010
Profit (loss) before tax	2 937	1 674
<b>Total adjustments</b>	<b>1 727</b>	<b>410</b>
Profit (loss) of non-controlling interest	0	0
Amortization and depreciation	308	171
Foreign exchange gains (losses)	0	0
Interest and profit sharing	-514	878
(Profit)/(loss) on investments	0	0
Increase/(decrease) of long-term reserves (excluding reserve for deferred income tax)	0	0
Increase/(decrease) of short-term reserves	179	-12
(Increase)/decrease of trade receivables	709	4
(Increase)/decrease of receivables relative to awarded costs of proceedings	-55	-1 099
(Increase)/decrease of other receivables (excluding receivables relative to the sale of tangible fixed assets and intangible assets)	-9 833	-926
(Increase)/decrease of receivables relative to the state of purchased debts along with the change of revaluation reserve relative to purchased debts	6 140	1 982
(Increase)/decrease relative to the state of deposits not listed on the active market	0	
Increase/(decrease) of trade liabilities	-706	-3 116
Increase/(decrease) of other liabilities (excluding liabilities relative to the purchase of tangible fixed assets and intangible assets and dividend payment)	120	16
Increase/(decrease) of long-term prepayments and accruals	143	0
Increase/(decrease) of short-term prepayments and accruals	3 461	2 368
Paid (returned) income tax	-74	-103
Other adjustments	642	248
<b>Net operating cash flows</b>	<b>4 665</b>	<b>2 084</b>



INVESTMENT CASH FLOWS		
<b>Inflows</b>	<b>938</b>	<b>9</b>
Inflows from sale of tangible fixed assets and intangible assets	0	0
Inflows from profit sharing	0	0
Inflows from sale of securities	0	0
Interest received	938	9
Repayment of short-term loans	0	0
Other investments inflows	0	0
<b>Outflows</b>	<b>20 003</b>	<b>290</b>
Outflows for purchase of tangible fixed assets and intangible assets	2	290
Outflows for purchase of securities	20 001	0
Granting short-term loans	0	0
Other investment outlays	0	0
<b>Net investment cash flows</b>	<b>-19 065</b>	<b>-281</b>
FINANCIAL CASH FLOWS		
<b>Inflows</b>	<b>119 055</b>	<b>0</b>
Net inflows from issue of shares	45 788	0
Net issue of bonds	73 125	0
Credits and loans	0	0
Other financial inflows	143	0
<b>Outflows</b>	<b>7 223</b>	<b>896</b>
Dividends and payments to shareholders	0	0
Redemption of bonds	6 750	0
Repayment of credits and loans	0	0
Payments under finance lease	49	9
Interest paid	424	887
Other financial outlays	0	0
<b>Net financial cash flows</b>	<b>111 833</b>	<b>-896</b>
<b>Total net cash flows:</b>	<b>97 356</b>	<b>907</b>
<b>Balance sheet movements in cash and cash equivalents, of which:</b>	<b>97 356</b>	<b>907</b>
Cash and cash equivalents at the beginning of period	1 927	521
Cash and cash equivalents at the end of period	99 283	1 428

## CONSOLIDATED CHANGE IN SHAREHOLDERS' EQUITY

from 01.04.2010 to 31.03.2011	Share capital	Supplementary reserve (shares premium)	Reserve relative to revaluation of financial assets available for sale	Net profit of the current period	Profit (loss) brought forward	Supplementary reserve established out of profit	Non-controlling interests	Equity, total
Opening balance	9 169	59 588	130 926	0	8 197	5 407	216	213 503
- adjustments for errors	0	0	0	0	0	0	0	0
- change of accounting policy	0	0	0	0	0	0	0	0
Opening balance after adjustments	9 169	59 588	130 926	0	8 197	5 407	216	213 503
Increase/ decrease from profit distribution	0	0	0	0	0	0	0	0
of which: dividend	0	0	0	0	0	0	0	0
Net result	0	0	0	2 883	0	0	98	2 981
Coverage of loss brought forward	0	0	0	0	0	0	0	0
Distribution of profit brought forward	0	0	0	0	0	0	0	0
Shares issue	3 768	43 327	0	0	0	0	0	47 095
Costs of shares issue	0	-1 307	0	0	0	0	0	-1 307
Revaluation of financial instruments fair value	0	0	-6 051	0	0	0	0	-6 051
Change in the capital group structure (purchases/disposals)	0	0	0	0	0	0	0	0
Changes in the period, total	3 768	42 020	-6 051	2 883	0	0	98	42 718
Closing balance	12 937	101 608	124 875	2 883	8 197	5 407	314	256 220

For the period from 01.04.2010 to 30.06.2010 (comparative data)	Share capital	Supplementary reserve (shares premium)	Reserve relative to revaluation of financial assets available for sale	Net profit of the current period	Profit (loss) brought forward	Supplementary reserve established out of profit	Non-controlling interests	Equity, total
State as of 01.04.2010 (O.B.)	5 494	18 111	64 066	0	5 536	5 407	0	98 615
- adjustments for errors	0	0	0	0	0	0	0	0
- change of accounting policy	0	0	0	0	0	0	0	0
State as of 01.04.2010 after adjustments (O.B.)	5 494	18 111	64 066	0	5 536	5 407	0	98 615
Increase/ decrease from profit distribution	0	0	0	0	0	0	0	0
of which: dividend	0	0	0	0	0	0	0	0
Net result	0	0	0	1 403	0	0	0	1 403
Coverage of loss brought forward	0	0	0	0	0	0	0	0
Distribution of profit brought forward	0	0	0	0	0	0	0	0
Shares issue	0	0	0	0	0	0	0	0
Costs of shares issue	0	0	0	0	0	0	0	0
Revaluation of financial instruments fair value	0	0	-4 910	0	0	0	0	-4 910
Changes in the period, total	0	0	-4 910	1 403	0	0	0	-3 507
State as of 30.06.2010 (C.B.)	5 494	18 111	59 156	1 403	5 536	5 407	0	95 108



# ADDITIONAL INFORMATION TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## I. Legal basis of Kredyt Inkaso S.A. Capital Group business activity

The dominating entity of Kredyt Inkaso S.A. Capital Group („Capital Group”, „Group”) is Kredyt Inkaso S.A. (“Kredyt Inkaso”, „Company”, „Dominating Entity” or “Issuer”) with the registered office in Zamość at 32 Okrzei Street.

Kredyt Inkaso S.A. was entered into the Entrepreneurs Register of the National Court Register under the number KRS 0000270672, pursuant to the decision of the District Court in Lublin, 11th Economic Division of the National Court Register dated 28 December 2006.

The Company was established as a result of the transformation of Dom Obrotu Wierzytelnościami Kredyt Inkaso Sp. z o.o. sp. k. into a joint stock company. Dom Obrotu Wierzytelnościami Kredyt Inkaso sp. z o.o. sp. k. (limited partnership) was entered into the Entrepreneurs Register of the National Court Register under the number KRS 0000007605, pursuant to the decision of the District Court in Lublin, 11<sup>th</sup> Economic Division of the National Court Register dated 19 April 2001.

Organization of the Capital Group, list of undertakings subject to consolidation and changes in the structure of the Group have been presented in item V.

The Company has been listed on the WSE since 2007. It has been operating in the financial services market, basing on the investment fund model. It specializes in investing in mass receivables from the banking and telecommunications sectors.

The registered office of Kredyt Inkaso S.A. is located in Zamość at 32 Okrzei Str.

## II. Statement about consistency and format of the financial statements

### Basis of drawing up and format of the financial statements

These Abridged Interim Consolidated Financial Statements of Kredyt Inkaso S.A. Capital Group (“financial statements”) were drawn up in accordance with the International Financial Reporting Standards (hereinafter referred to as “IFRS”) approved by the EU, binding as of 30 September 2010, and in the scope required by the Ordinance of the Minister of Finance dated 19 February on current and periodic information published by issuers of securities and the conditions for recognition as equivalent the information required by the laws of a non-member state (Journal of Laws No. 33, item 259 with later amendments).

The herein interim abridged consolidated financial statements accurately present financial and economic position of Kredyt Inkaso S.A. Capital Group as of 30 June 2011 and 31 March 2011, results of its operations and cash flows for the period of 3 months ended on 30 June 2011 and 30 June 2010.

Functional currency of the Dominating Undertaking and all subsidiaries as well as the currency in which these financial statements were presented is Polish zloty, and all amounts are expressed in PLN thousand (unless it was indicated otherwise).

Financial statements were prepared assuming going concern by the entities of the Group in the foreseeable future. As of the Date of Approval of these financial statements for publication there are no circumstances posing a threat to the going concern of the entities included in the Group.



Capital Group called „consolidated statement of the financial position” „consolidated balance sheet”.

These Abridged Quarterly Financial Statements were drawn up applying the following accounting rules:

### **Adopted accounting standards and changes**

The herein interim abridged consolidated financial statements were drawn up in accordance with the accounting standards described in the annual consolidated financial statements of Kredyt Inkaso S.A. Capital Group for the period ended on 31 March 2011. Changes in IFRS that became effective from 1 April 2011 have no influence on current and previously presented financial results as well as values of the consolidated equity.

The Group is going to adopt changes in IFRS that were published but not binding until the date of publication of these interim abridged financial statements in accordance with the date on which they become effective. Assessment of the influence of those changes on the Group's future consolidated financial statements is subject of analyses that are being conducted.

### **III. Commentary concerning seasonal or cyclical character of business activity in the interim period.**

Operations of the Capital Group are not seasonal. The Groups operations consist in collecting debts, first of all in court. The presented model of business generates income in the relatively short period following the debts portfolio purchase, and then in a long-term perspective in the course of executing legal procedures of debt collecting (mainly the proceedings relative to court enforcement officers), also as a result of their reopenings after the periods of adjournment. At the same time, costs are accumulated first of all in the initial stage of purchased debt portfolios collections (first of all related to court and instituting court enforcement officer proceedings).

### **IV. Opinion of the Management Board on the possibility of accomplishing published earlier forecasts for a given year, taking into consideration results presented in the quarterly report in comparison with forecasted results.**

The Management Board upholds financial forecasts for the financial year 2011/12 published in June 2011, according to its assessment in this scope, results of the current quarter correspond to expectations. Consolidated income from sales will increase by 46% to the amount of PLN 59.9 million, whereas the net profit will amount to PLN 18.6 million (increase by 123%).



## V. Shareholders owning directly or indirectly through subsidiaries at least 5 % of the total number of votes at the issuer's general assembly as of the date of publishing the quarterly report.

Shareholder	number of shares	% of votes at the General Assembly
Agnieszka Buchajska along with subsidiaries	3 026 419	23,39%
Pioneer Pekao Investment Management S.A	917 821	7,09%
Aviva Inwestors Poland SA	773 000	5,98%
Artur Górnik along with subsidiaries	701 389	5,42%
Other shareholders	7 517 880	58,11%

## VI. The list of ownership of the issuer's shares or rights to them (options) of persons managing or supervising the issuer as of the date of publication of the quarterly report along with presentation of changes in the ownership, in the period from the date of publication of the previous quarterly report, separately for each of the persons

According to our knowledge among the persons managing or supervising Kredyt Inkaso S.A. the following persons owned our shares and options for our shares:

Agnieszka Buchajska:	state of ownership of shares:	- as presented in the previous item
	state of ownership of options for shares:	- none
Artur Górnik:	state of ownership of shares:	- as presented in the previous item
	state of ownership of options for shares:	- none
Sławomir Ćwik:	state of ownership of shares:	- 379 881 shares (2,94% of votes at the General Assembly)
	state of ownership of options for shares:	- none

## VII. Description of the issuer's capital group organization

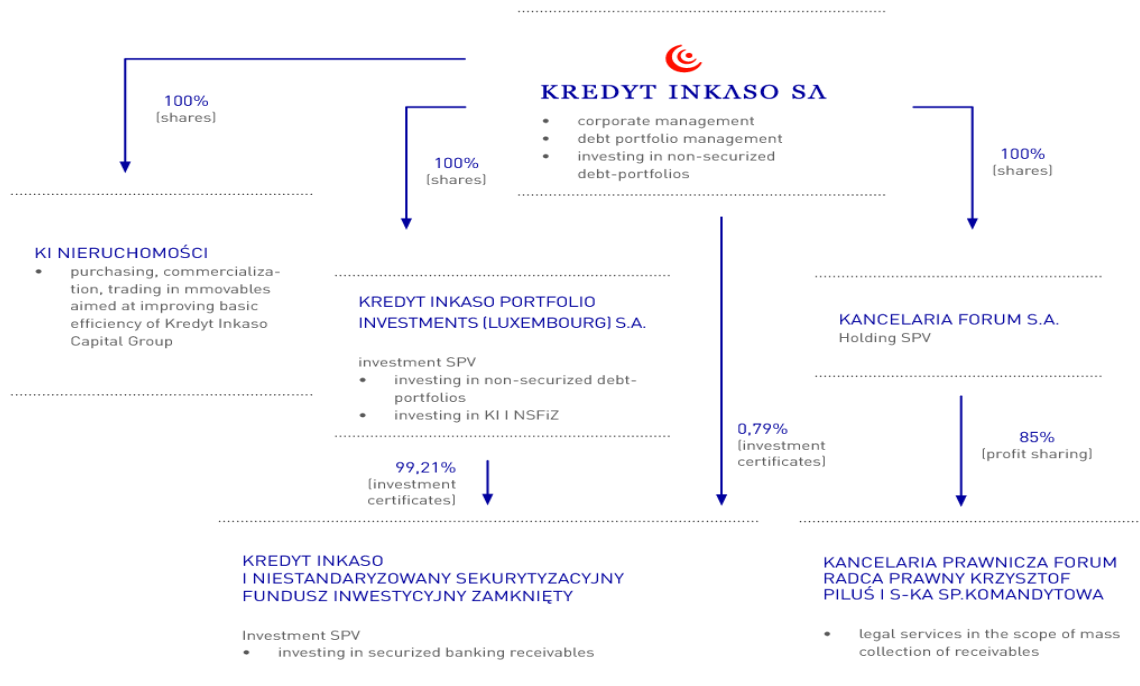
Capital Group comprises Kredyt Inkaso S.A. as the Dominating Entity and entities registered in the territory of Poland and Luxembourg.

As of 30 June 2011, the Capital Group of Kredyt Inkaso S.A. comprises the following entities:

- Kredyt Inkaso S.A., with the registered office in Zamość, ul. Okrzei 32, 22-400 Zamość, dominating entity,
- Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme (S.A.) („Kredyt Inkaso Luxembourg”), with the registered office in Luxembourg, L-2557 Luxembourg, 18, rue Robert Stumper, as the subsidiary entity,
- Kredyt Inkaso I Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty, with the registered office in Warsaw, („Kredyt Inkaso I NSFIZ”), ul. Rodziny Hiszpańskich 1, 02-685 Warszawa, as the subsidiary entity,
- Kancelaria Forum S.A., with the registered office in Zamość, ul. Okrzei 32, 22-400 Zamość, as the subsidiary entity,
- Kancelaria Prawnicza FORUM radca prawny Krzysztof Piliś i spółka spółka komandytowa, with the registered office in Warsaw, („KP Forum”), ul. Domaniewska 39A, 02-672 Warsaw, as the subsidiary entity,
- KI Nieruchomości Sp. z o.o. in organization, with the registered office in Warsaw, ul. Domaniewska 39A, 02-672 Warsaw, as the subsidiary entity.



Graphic presentation of the organizational structure of Kredyt Inkaso S.A. Capital Group.



Dominating Undertaking and five subsidiaries were included in the Interim Consolidated Financial Statements of Kredyt Inkaso S.A. Capital Group:

Name of subsidiary	Consolidation method	Group's share in equity:		Degree of control	
		30.06.2011	31.03.2011	30.06.2011	31.03.2011
Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme (S.A.)	full	100%	100%	100%	100%
Kredyt Inkaso I Niestandaryzowany Sekuryzacyjny Fundusz Inwestycyjny Zamknięty	full	100%	100%	100%	100%
Kancelaria Forum S.A.	full	100%	100%	100%	100%
Kancelaria Prawnicza FORUM radca prawny Krzysztof Pilius i spółka spółka komandytowa	full	85%	85%	85%	85%
KI Nieruchomości Sp. z o.o.	full	100%	100%	100%	100%

In the period from 1 April 2011 to 30 June 2011 there were no changes in the composition of the Capital Group.

Term of the Dominating Undertaking and undertakings included in the Capital Group, subject to consolidation is indefinite.

The core business of the Dominating Undertaking and its subsidiaries is trading in portfolios of receivables in the domestic market and legal services.

The core business of the Dominating Undertaking, according to provisions of its Statutes consists in:

- other financial service activity, not classified elsewhere, except insurance and pension funds - in PKD 64.99.Z;
- financial leasing - in PKD 64.91.Z;
- other forms of granting credits - in PKD 64.92.Z;
- other activity supporting finance services, except insurance and pension funds - in PKD 66.19.Z;
- execution of building projects related to buildings construction - in PKD 41.10.Z;
- purchase and disposal of immovable property on the company's own account - in PKD 68.10.Z;

- g. rental and management of own or leased immovable property - in PKD 68.20.Z;
- h. legal activity - in PKD 69.10.Z,
- i. other consultancy services in the fields of business activity and management - in PKD 70.22.Z,
- j. photocopying, preparing documents and other specialized activity supporting handling office - in PKD 82.19.Z,
- k. activity performed by collection agencies and credit bureaus - in PKD 82.91.Z,
- l. operating call centres - in PKD 82.20.Z,
- m. other out of school forms of education, not classified elsewhere - in PKD 85.59.B;

### VIII. Category and amounts of items influencing assets, liabilities, capital, net financial result or cash flow, which are untypical due to their category, amount or influence.

Neither untypical events nor amounts occurred.

### IX. Category and amount of changes in estimation values in the reporting period

a. deferred income tax assets

State at the beginning of period	Increases	Decreases	State at the end of period
0	343	0	343

b. reserves for deferred income tax

State at the beginning of period	Increases	Decreases	State at the end of period
1 327	80	64	1 153

a) revaluation write offs for receivables

State at the beginning of period	Increases	Decreases	State at the end of period
4 676	94	38	4 732

b) reserves for liabilities

State at the beginning of period	Increases	Decreases	State at the end of period
215	0	0	215

## **X. Issues, repurchase and repayment of debt and capital securities.**

In the reporting period, on 1 April 2011 we issued two bonds issues of series S02 and S03, with the total nominal value of PLN 75 million. Series S02 and S03 bonds are listed on the bonds market, Catalyst, run on transaction platforms of the Warsaw Stock Exchange and BondSpot.

In the reporting period we also redeemed series T01, K and N bonds with the total value of PLN 8.5 million.

In the reporting period, we paid interest to owners of series O and P bonds on determined dates.

## **XI. Dividends paid (in total or calculated per one share), divided into ordinary shares and other shares.**

The Company's dividend policy is based on the assumption that its amount should depend on gained financial results and capital needs connected with the purchase of further debt portfolios as well as other strategic investments.

The Management Board of the Company is of the opinion that in the next years it will be possible to pay out dividend at least at the level of 1/5 part of the gained profit. The Management Board also assumes that it will pay the remaining part of the net profit as a dividend in the form of the Company's shares.

For the last year, the Management Board will recommend payment of 50% of the consolidated profit in the form of a cash dividend. As of 31 March 2011, profit per one ordinary share amounted to PLN 0.91/share, and diluted profit per one ordinary share equalled PLN 0,64/share.

Proposed dividend per one ordinary share amounts to PLN 0,32/share.

## **XII. Significant events that occurred after the end of the interim period, which were not disclosed in the financial statements for a given interim period.**

No such events occurred.

## **XIII. Changes in contingent liabilities or assets, which occurred from the end of the last financial year.**

Agreement No. 02.10-UDA-RPLU.01.07.-06-013/10 concluded on 21 December 2010 between the Issuer and Lubelskie Voivodeship (Lubelska Agencja Wspierania Przedsiębiorczości with the registered office ul. Graniczna 4, 20-010 Lublin - Intermediary Authority Second Degree) on implementation of the project: "Improvement of Kredyt Inkaso Company competitiveness through implementation of the innovative system of efficiency management" within the Regional Operational Program of Lubelskie Voivodeship for the years 2007-2013, Priority Axis: I. Enterprise and Innovation, Operation 1.7. As a result of conclusion of the Agreement, the Company obtained co-financing in the amount of PLN 249 368.00, which constitutes 50% of the total amount of the project. Co-financing from the European funds amounts to PLN 211 962.80, and co-financing in the form of restricted grant amounts to PLN 37 405.20. In the case of breaching the provisions of the agreement by the Company, it will be obliged to return the whole or part of the co-financing amount. Lubelska Agencja Przedsiębiorczości may terminate the agreement in the cases set forth in the agreement, which may cause the necessity for the Company to return the amount of co-financing along with interest calculated in the same manner as for the tax arrears.



Execution of obligations resulting from the agreement No. 13/OKN/2008 concluded on 6 October 2008 with Powiatowy Urząd Pracy in Zamość on refunding part of cost of creating 8 new posts took place.

#### **XIV. Lawsuits pending before court, body competent for arbitrary proceedings or state administrative body, taking into consideration information in the scope:**

They did not occur, except the ones presented below.

- a) **Lawsuits related to liabilities or receivables of the issuer or its subsidiary the value of which constitutes at least 10% of issuer's equity.**

No such lawsuits occurred.

- b) **Two or more lawsuits related to liabilities or receivables the total value of which constitutes respectively at least 10 % of the issuer's equity.**

##### **I. Court and enforcement proceedings:**

Kredyt Inkaso S.A. business model consists in purchasing mass debt portfolios (several or between ten and twenty thousand debts in a portfolio) and collecting them in court. Due to that fact, conducting great number of legal proceedings in court and before court enforcement officer is natural of our operations. However, due to small amounts of debts there is no risk of concentration (one or several bad debts i.e. with the considerably worse characteristic than the calculated one).

As of 30 June 2011, within the conducted business activity, companies of Kredyt Inkaso S.A. Capital Group were the party to, among others, approximately 30 thousand of proceedings before courts with the total value of the subject of litigation amounting to about PLN 75 million and over 119 thousand of enforcement proceedings with the total value of about PLN 288 million.

As of the Date of Approval, companies of Kredyt Inkaso S.A. Capital Group were party of approximately 30 thousand proceedings before courts with the total value of the subject of litigation of PLN 90 million and over 121 thousand enforcement proceedings with the total value of PLN 294 million.

Moreover, in the first quarter of the current financial year we received over 7 thousand new enforcement titles from courts and we initiated over 24 thousand new enforcement proceedings.

#### **XV. Information on completion by the issuer of one or a lot of transactions with related entities, if they are significant ones and were concluded on other than arm's length terms.**

No transactions with related entities occurred, which were concluded on other than arm's length terms.

#### **XVI. Information on granting a security on credit or granting a guarantee by the issuer.**

It did not occur.

## **XVII. Other information, which according to the issuer is material for assessing its employment, economic and financial position as well as the financial result and their changes and information significant for assessing the issuer's ability to meet its obligations.**

It did not occur.

## **XVIII. Factors that according to the issuer will have influence on the result obtained by it in at least one next quarter.**

We evaluate that the following factors will have influence on our results in the next quarter and in the short-term period:

In April 2011, series H shares issued in the last days of March 2011 were registered, thanks to which we raised the amount exceeding PLN 47 million and we completed an effective issue of series S02 and S03 bonds with the total nominal value of PLN 75 million.

As a result of the aforementioned issues we obtained over PLN 122 million, which invested in debt portfolios from telecommunications operators and banks, will contribute to the increase in the portfolio of receivables and as a consequence, will have a positive impact on income and results generated by the Group.

## **XIX. Segment information**

The Group's operating activity is allocated to:

- segment of trade in receivables, comprising wholesale trade in receivables resulting from mass services,
- segment of legal activity, comprising representing the Group's companies in court and enforcement proceedings and providing services of legal counsel and representation in proceedings at law in civil and commercial cases to external entities,
- corporate functions (CF) constituting reconciliation item and including activity relative to the activity connected with management and administration and other support functions and other activity not included into distinguished segments.



Allocation of companies of Kredyt Inkaso S.A. Capital Group to operating segments is presented in the table below.

Company's name	Operating segment
Kredyt Inkaso S.A.	trade in receivables, CF
Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme (S.A.)	trade in receivables
Kredyt Inkaso I Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty	trade in receivables
Kancelaria Forum S.A.	CF
Kancelaria Prawnicza FORUM radca prawny Krzysztof Piliś i spółka spółka komandytowa	legal activities
KI Nieruchomości Sp. z o.o.	CF

#### Operating segments - for the period from 01.04.2011 to 30.06.2011

Specification	Segment of trade in receivables	Segment of legal services	Corporate functions	Consolidation exclusions	Total
<i>Financial results of operating segments for the period from 01.04.2011 to 30.06.2011</i>					
External sale	10 140	33	0	n/a	10 173
Sale between segments	0	1 311	0	-1 312	0
<b>Total income</b>	<b>10 140</b>	<b>1 344</b>	<b>0</b>	<b>-1 312</b>	<b>10 173</b>
<b>Total operating costs</b>	<b>4 943</b>	<b>687</b>	<b>904</b>	<b>-1 312</b>	<b>5 222</b>
Other operating income	0	0	38	0	38
Other operating costs	0	0	160	0	160
<b>Segment's result</b>	<b>5 197</b>	<b>656</b>	<b>-1 027</b>	<b>0</b>	<b>4 826</b>
Financial income					1 399
Financial costs					3 288
<b>Profit before tax</b>					<b>2 937</b>
Income tax					-44
<b>Net profit</b>					<b>2 981</b>

All assets, except financial assets and income tax assets are allocated to reporting segments. Goodwill was allocated to reporting segments. Assets utilized jointly by reporting segments are allocated on the grounds of income generated by individual reporting segments.

Capital Group generates 100% of its income from external clients in Poland.



# Kredyt Inkaso Spółka Akcyjna in Zamość Capital Group

## QUARTERLY FINANCIAL INFORMATION OF KREDYT INKASO S.A.

Zamość, August 2011

**STAND-ALONE BALANCE SHEET**

	30.06.2011	31.03.2011
<b>ASSETS</b>	<b>291 046</b>	<b>184 461</b>
<b>Fixed assets</b>	<b>52 280</b>	<b>51 769</b>
Tangible assets	1 827	1 718
Goodwill	0	0
Intangible assets	1 452	1 394
Long-term capital investments	48 657	48 657
Deferred income tax assets	343	0
Long-term prepayments and accruals	0	0
<b>Current assets</b>	<b>238 766</b>	<b>132 691</b>
Supplies	0	0
Trade receivables	35	103
Receivables relative to income tax	212	212
Receivables relative to awarded costs of legal proceedings	4 732	4 676
Other receivables	9 927	9 547
Debts purchased	107 020	112 480
Deposits not quoted in an active market	0	0
Cash and cash equivalents	94 374	113
Other short-term investments	20 363	0
Short-term prepayments and accruals	2 103	5 561
<b>LIABILITIES</b>	<b>291 046</b>	<b>184 461</b>
<b>Equity</b>	<b>170 575</b>	<b>126 632</b>
Share capital	12 937	9 169
Supplementary reserve (shares premium)	101 608	59 588
Amounts received for the future shares issue	0	0
Own shares (negative value)	0	0
Revaluation reserve - reserve resulting from the revaluation of financial assets available for sale	43 794	47 527
Retained earnings	12 236	10 349
Net profit (loss) for the current period	1 888	4 979
Profits (losses) brought forward	4 942	-37
Retained profit from deposits	0	0
Supplementary reserve established out of profit	5 407	5 407
Capital reserve established out of profit	0	0
Non-controlling interests	0	0
<b>Long-term liabilities</b>	<b>93 937</b>	<b>16 852</b>
Long-term reserves	0	0
Reserves for deferred income tax	1 153	1 137
Bonds issued (according to amortized cost)	92 394	15 255
Credits and loans (according to amortized cost)	0	0
Liabilities relative to leasing	390	460
Other liabilities	0	0
<b>Short-term liabilities</b>	<b>26 313</b>	<b>40 897</b>
Short-term reserves	9	9
Bonds issued (according to amortized cost)	24 371	34 608
Credits and loans (according to amortized cost)	0	0
Liabilities relative to income tax	104	0
Liabilities relative to leasing	65	44
Trade liabilities	980	5 307
Other liabilities	782	929
<b>Accruals</b>	<b>222</b>	<b>80</b>



Book value	170 575	126 632
Number of ordinary shares	12 937	9 169
Number of diluted shares	12 937	12 937
Book value per one share (in PLN)	13,19	13,81
Diluted book value per one share (in PLN)	13,19	9,79



## STAND-ALONE TOTAL INCOME STATEMENT

	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010
<b>Net income</b>	<b>9 059</b>	<b>11 117</b>
Income from debts purchased	8 682	8 564
Income from awarded costs of proceedings	344	2 525
Other income from sales	33	28
<b>Own cost of income</b>	<b>3 617</b>	<b>5 947</b>
Costs of debts purchase	3 239	3 568
Costs of legal proceedings	358	2 365
Own costs of other income	19	14
<b>Gross profit (loss) on sales</b>	<b>5 442</b>	<b>5 170</b>
Cost of sales	0	0
Overheads	902	472
Other costs of core business	791	764
<b>Profit (loss) on sales</b>	<b>3 749</b>	<b>3 934</b>
Other operating income	38	0
Other operating costs	160	1 134
<b>Operating profit (loss)</b>	<b>3 627</b>	<b>2 800</b>
Financial income	1 399	9
Financial costs	3 288	1 135
<b>Gross profit (loss) before tax</b>	<b>1 738</b>	<b>1 674</b>
Income tax	-150	271
Current amount	178	453
Deferred amount	-328	-183
<b>Net profit (loss)</b>	<b>1 888</b>	<b>1 403</b>
<b>Components of other total income</b>		
Financial assets available for sale	-3 733	-4 910
Valuation of fixed assets	0	0
Income tax	0	0
<b>Total of components of other total income</b>	<b>-3 733</b>	<b>-4 910</b>
<b>Total income</b>	<b>-1 845</b>	<b>-3 507</b>
<b>Net profit / (Loss) attributable to:</b>		
- shareholders of the Dominating Undertaking	1 888	n/a
- non-controlling interest		n/a
<b>Total income attributable to:</b>		
- shareholders of the Dominating Undertaking	-1 845	n/a
- non-controlling interest		n/a
<b>Basic and diluted profit (loss) per one share attributable to shareholders of Kredyt Inkaso S.A.</b>		
- basic	0,15	0,26
- diluted	0,15	0,25



# STAND-ALONE CASH FLOW STATEMENT

OPERATING CASH FLOWS	from 01.04.2011 to 30.06.2011	from 01.04.2010 to 30.06.2010
Profit (loss) before tax	1 738	1 674
<b>Total adjustments</b>	<b>-244</b>	<b>410</b>
Profit (loss) of non-controlling interest	0	0
Amortization and depreciation	301	171
Foreign exchange gains (losses)	0	0
Interest and profit sharing	-513	878
(Profit)/(loss) on investments	0	0
Increase/(decrease) of long-term reserves (excluding reserve for deferred income tax)	0	0
Increase/(decrease) of short-term reserves	0	-12
(Increase)/decrease of trade receivables	68	4
(Increase)/decrease of receivables relative to awarded costs of proceedings	-56	-1 099
(Increase)/decrease of other receivables (excluding receivables relative to the sale of tangible fixed assets and intangible assets)	-380	-926
(Increase)/decrease of receivables relative to the state of purchased debts along with the change of revaluation reserve relative to purchased debts	1 727	1 982
(Increase)/decrease relative to the state of deposits not listed on the active market	0	
Increase/(decrease) of trade liabilities	-4 327	-3 116
Increase/(decrease) of other liabilities (excluding liabilities relative to the purchase of tangible fixed assets and intangible assets and dividend payment)	-613	16
Increase/(decrease) of long-term prepayments and accruals	143	0
Increase/(decrease) of short-term prepayments and accruals	3 458	2 368
Paid (returned) income tax	-74	-103
Other adjustments	22	248
<b>Net operating cash flows</b>	<b>1 494</b>	<b>2 084</b>



INVESTMENT CASH FLOWS		
Inflows	937	9
Inflows from sale of tangible fixed assets and intangible assets	0	0
Inflows from profit sharing	0	0
Inflows from sale of securities	0	0
Interest received	937	9
Repayment of short-term loans	0	0
Other investments inflows	0	0
<b>Outflows</b>	<b>20 003</b>	<b>290</b>
Outflows for purchase of tangible fixed assets and intangible assets	2	290
Outflows for purchase of securities	20 001	0
Granting short-term loans	0	0
Other investment outlays	0	0
<b>Net investment cash flows</b>	<b>-19 066</b>	<b>-281</b>
FINANCIAL CASH FLOWS		
<b>Inflows</b>	<b>119 055</b>	<b>0</b>
Net inflows from issue of shares	45 788	0
Net issue of bonds	73 125	0
Credits and loans	0	0
Other financial inflows	143	0
<b>Outflows</b>	<b>7 223</b>	<b>896</b>
Dividends and payments to shareholders	0	0
Redemption of bonds	6 750	0
Repayment of credits and loans	0	0
Payments under finance lease	49	9
Interest paid	424	887
Other financial outlays	0	0
<b>Net financial cash flows</b>	<b>111 833</b>	<b>-896</b>
<b>Total net cash flows:</b>	<b>94 261</b>	<b>907</b>
<b>Balance sheet movements in cash and cash equivalents, of which:</b>	<b>94 261</b>	<b>907</b>
Cash and cash equivalents at the beginning of period	113	521
Cash and cash equivalents at the end of period	94 374	1 428

## CHANGE IN STAND-ALONE SHAREHOLDERS' EQUITY

from 01.04.2010 to 31.03.2011 od	Share capital	Supplementary reserve (shares premium)	Revaluation reserve relative to revaluation of financial assets available for sale	Retained earnings	Net profit of the current period	Profit (loss) brought forward	Supplementary reserve established out of profit	Capital reserve established out of profit	Equity, total
opening balance (T)	12 937	101 608	47 527	11 736	1 388	4 942	5 407	0	173 807
previous year result brought forward	0	0	0	4 979	0	4 979	0	0	4 979
<b>Opening balance</b>	<b>9 169</b>	<b>59 588</b>	<b>47 527</b>	<b>10 349</b>	<b>0</b>	<b>4 942</b>	<b>5 407</b>	<b>0</b>	<b>126 632</b>
- adjustments for errors	0	0	0	0	0	0	0	0	0
- change of accounting policy	0	0	0	0	0	0	0	0	0
<b>Opening balance after adjustments</b>	<b>9 169</b>	<b>59 588</b>	<b>47 527</b>	<b>10 349</b>	<b>0</b>	<b>4 942</b>	<b>5 407</b>	<b>0</b>	<b>126 632</b>
Increase/ decrease from profit distribution	0	0	0	0	0	0	0	0	0
of which: dividend	0	0	0	0	0	0	0	0	0
Net result	0	0	0	1 888	1 888	0	0	0	1 888
Coverage of loss brought forward	0	0	0	0	0	0	0	0	0
Distribution of profit brought forward	0	0	0	0	0	0	0	0	0
Shares issue	3 768	43 327	0	0	0	0	0	0	47 094
Costs of shares issue	0	-1 307	0	0	0	0	0	0	-1 307
Revaluation of financial instruments fair value	0	0	-3 733	0	0	0	0	0	-3 733
Change in the capital group structure (purchases/disposals)	0	0	0	0	0	0	0	0	0
<b>Changes in the period, total</b>	<b>3 768</b>	<b>42 020</b>	<b>-3 733</b>	<b>1 888</b>	<b>1 888</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43 942</b>
<b>Closing balance</b>	<b>12 937</b>	<b>101 608</b>	<b>43 794</b>	<b>12 236</b>	<b>1 888</b>	<b>4 942</b>	<b>5 407</b>	<b>0</b>	<b>170 575</b>

For the period from 01.04.2010 to 30.06.2010 (comparative data)	Share capital	Supplementary reserve (shares premium)	Revaluation reserve relative to revaluation of financial assets available for sale	Net profit of the current period	Profit (loss) brought forward	Supplementary reserve established out of profit	Equity, total
State as of 01.04.2010 (O.B.)	5 494	18 111	64 066	0	5 536	5 407	98 615
- adjustments for errors	0	0	0	0	0	0	0
- change of accounting policy	0	0	0	0	0	0	0
State as of 01.04.2010 after adjustments (O.B.)	5 494	18 111	64 066	0	5 536	5 407	98 615
Increase/ decrease from profit distribution	0	0	0	0	0	0	0
of which: dividend	0	0	0	0	0	0	0
Net result	0	0	0	1 403	0	0	1 403
Coverage of loss brought forward	0	0	0	0	0	0	0
Distribution of profit brought forward	0	0	0	0	0	0	0
Shares issue	0	0	0	0	0	0	0
Costs of shares issue	0	0	0	0	0	0	0
Revaluation of financial instruments fair value	0	0	-4 910	0	0	0	-4 910
Changes in the period, total	0	0	-4 910	1 403	0	0	-3 507
State as of 30.06.2010 (C.B.)	5 494	18 111	59 156	1 403	5 536	5 407	95 108



Zamość, 15 August 2011

*Artur Górnik*

President of  
the Management Board  
Artur Maksymilian Górnik

*Sławomir Ćwik*

Vice-President of  
the Management Board  
Sławomir Ćwik