



**The Kruk Group**

**Interim Condensed Consolidated  
Financial Report  
for the first quarter ended March 31st 2013**

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## I. Interim condensed consolidated financial statements

### 1. Consolidated financial highlights

Financial highlights	PLN '000		EUR '000	
	Jan 1 2013 - Mar 31 2013	Jan 1 2012 – Mar 31 2012	Jan 1 2013 - Mar 31 2013	Jan 1 2012 – Mar 31 2012
<b>For period</b>				
Revenue	95,922	79,929	22,982	19,145
Operating profit	33,930	28,568	8,129	6,843
Pre-tax profit	20,317	15,745	4,868	3,771
Net profit attributable to owners of the parent	19,702	13,985	3,350	3,350
Net cash flows from operating activities	25,570	43,101	6,126	10,324
Purchase of debt portfolios at prices as per agreement	(48,928)	(12,332)	(11,723)	(2,954)
Cash recoveries	118,260	108,147	28,334	25,903
Net cash flows from investing activities	(1,588)	(85)	(380)	(20)
Net cash flows from financing activities	2,449	(40,237)	587	(9,638)
Change in net cash flows	26,431	(2,779)	6,333	(666)
Diluted earnings per share	1.16	0.84	0.28	0.20
Average number of shares ('000)	16,900	16,900	16,900	16,900
Earnings per share	1.17	0.84	0.28	0.20
<b>As at</b>	<b>Mar 31 2013</b>	<b>Dec 31 2012</b>	<b>Mar 31 2013</b>	<b>Dec 31 2012</b>
Total assets	1,014,131	971,430	242,766	237,618
Non-current liabilities	432,262	409,179	103,476	100,088
Current liabilities	242,273	244,619	57,996	59,835
Equity	339,596	317,632	81,294	77,695
Share capital	16,900	16,900	4,046	4,134
Carrying amount per ordinary share	20.09	18.79	4.81	4.60

The financial highlights presented in these interim condensed financial statements have been translated into the euro as follows:

- items related to the statement of comprehensive income and the statement of cash flows have been translated using the arithmetic mean of mid exchange rates quoted by the National Bank of Poland for the last day of each month in a given period; the exchange rate thus calculated was:

- for the current period – 4.1738
- for the previous period – 4.1750

- items of the statement of financial position have been translated using the mid exchange rate quoted by the National Bank of Poland for the end of the reporting period; the exchange rate was:

- for the current period – 4.1774
- for the previous period – 4.0882.

2. *Interim condensed consolidated statement of financial position*

As at Mar 31 2013

PLN '000

	31.03.2013	Dec 31 2012	31.03.2012
<b>Assets</b>			
<b>Non-current assets</b>			
Property plant and equipment	16,501	17,209	13 657
Other intangible assets	8,267	7,646	6 462
Goodwill	1,024	1,024	1 024
Deferred tax assets	1,594	1,603	1 590
<b>Total non-current assets</b>	<b>27 386</b>	<b>27,482</b>	<b>22,733</b>
<b>Current assets</b>			
Inventories	733	879	550
Investments	894,768	880,012	697 414
Trade receivables	12,138	12,019	9 845
Income tax receivable	1,467	767	-
Other receivables	6,320	5,160	3 928
Prepayments and accrued income	2,159	2,382	2 091
Cash and cash equivalents	69,160	42,729	38 984
<b>Total current assets</b>	<b>986 745</b>	<b>943,948</b>	<b>752,812</b>
<b>Total assets</b>	<b>1 014 131</b>	<b>971,430</b>	<b>775,545</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	16,900	16,900	16 900
Share premium	45,107	45,107	45 107
Exchange differences on translating foreign operations	(1,958)	(3,774)	605
Other capital reserves	46,121	45,711	44 038
Retained earnings	233,234	213,532	146 478
<b>Equity attributable to owners of the parent</b>	<b>339 404</b>	<b>317,476</b>	<b>253,128</b>
<b>Non-controlling interests</b>	<b>192</b>	<b>156</b>	<b>224</b>
<b>Total equity</b>	<b>339 596</b>	<b>317,632</b>	<b>253,352</b>
<b>Non-current liabilities</b>			
Non-current liabilities under bank borrowings and other debt instruments	432,262	409,179	331,033
<b>Total non-current liabilities</b>	<b>432 262</b>	<b>409,179</b>	<b>331,033</b>
<b>Current liabilities</b>			
Current liabilities under bank borrowings and other debt instruments	179,902	187,204	117 101
Trade and other payables	45,168	38,508	62 481
Current tax payable	-	-	799
Employee benefits payable	16,939	18,643	10 515
Current provisions	264	264	264
<b>Total current liabilities</b>	<b>242,273</b>	<b>244,619</b>	<b>191,160</b>
<b>Total liabilities</b>	<b>674,535</b>	<b>653,798</b>	<b>522,193</b>
<b>Total equity and liabilities</b>	<b>1,014,131</b>	<b>971,430</b>	<b>775,545</b>

### 3. *Interim condensed consolidated income statement*

**For the reporting period from January 1st to March 31st 2013**

PLN '000

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
<b>Continuing operations</b>		
Revenue	95,921	79,929
Other income	525	332
Cost of merchandise and materials sold	-	-
Employee benefits expense	(22,311)	(21,468)
Depreciation and amortisation expense	(2,180)	(1,538)
Services	(13,524)	(12,955)
Other expenses	(24,501)	(15,732)
	<u>(62,516)</u>	<u>(51,693)</u>
<b>Operating profit</b>	33,930	28,568
Finance income	146	279
Finance costs	(13,759)	(13,102)
<b>Net finance costs</b>	<u>(13,613)</u>	<u>(12,823)</u>
<b>Profit before tax</b>	20 317	15,745
Income tax	579	1,724
<b>Net profit for the period</b>	<u>19 738</u>	<u>14,021</u>
<b>Net profit attributable to:</b>		
Owners of the parent	19,702	13,985
Non-controlling interests	36	36
<b>Net profit for the period</b>	<u>19,738</u>	<u>14,021</u>
<b>Earnings/(loss) per share</b>		
Basic (PLN)	1.17	0.84
Diluted (PLN)	1.16	0.84

(\*)Data for 2012 was restated in line with the reclassification of costs of court fees discussed in the interim report for Q3 2012.

4. *Interim condensed consolidated statement of other comprehensive income*

For the reporting period from January 1st to March 31st 2013

PLN '000

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
<b>Net profit for the period</b>	19,738	14,021
<b>Other comprehensive income</b>		
Exchange differences on translating foreign operations	1,816	275
<b>Other comprehensive net income for the period</b>	<u>1,816</u>	<u>275</u>
<b>Total comprehensive income for the period</b>	<u>1,816</u>	<u>275</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	17,922	13 710
Non-controlling interests	36	36
<b>Total comprehensive income for the period</b>	<u>17,958</u>	<u>13,746</u>

5. *Interim condensed consolidated statement of changes in equity*

For the reporting period from January 1st to March 31st 2013

PLN '000

	Share capital	Share premium account	Exchange differences on translating foreign operations	Other capital reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>Equity as at Jan 1 2012</b>	16,900	45,107	330	43,365	132,493	238,195	188	238,383
Net profit for the period	-	-	-	-	13,985	13,985	36	14,021
- Exchange differences on translating foreign operations	-	-	275	-	-	275	-	275
<b>Total comprehensive income for the period</b>	-	-	275	-	13,985	14,260	36	14,296
<b>Contributions from and distributions to owners</b>								
- Share-based payments	-	-	-	673	-	673	-	673
<b>Contributions from and distributions to owners</b>	-	-	-	673	-	673	-	673
<b>Total equity as at Mar 31 2012</b>	16,900	45,107	605	44,038	146,478	253,128	224	253,352
<b>Equity as at Jan 1 2012</b>	16,900	45,107	330	43,365	132,493	238,195	188	238,383
Net profit for the period	-	-	-	-	81,039	81,039	155	81,194
- Exchange differences on translating foreign operations	-	-	(4,104)	-	-	(4,104)	-	(4,104)
<b>Total comprehensive income for the period</b>	-	-	(4,104)	-	81,039	76,935	155	77,090
<b>Contributions from and distributions to owners</b>								
- Share-based payments	-	-	-	2,346	-	2,346	-	2,346
- Payment of dividend	-	-	-	-	-	-	(187)	(187)
<b>Contributions from and distributions to owners</b>	-	-	-	2,346	-	2,346	(187)	2,159
<b>Total equity as at Dec 31 2012</b>	16,900	45,107	(3,774)	45,711	213,532	317,476	156	317,632
<b>Equity as at Jan 1 2013</b>	16,900	45,107	(3,774)	45,711	213,532	317,476	156	317,632
<b>Comprehensive income for the period</b>								
Net profit for the period	-	-	-	-	19,702	19,702	36	19,738
- Exchange differences on translating foreign operations	-	-	1,816	-	-	1,816	-	1,816
<b>Total comprehensive income for the period</b>	-	-	1,816	-	19,702	21,518	36	21,554
<b>Contributions from and distributions to owners</b>								
- Share-based payments	-	-	-	410	-	410	-	410
<b>Contributions from and distributions to owners</b>	-	-	-	410	-	410	-	410
<b>Total equity as at Mar 31 2013</b>	16,900	45,107	(1,958)	46,121	233,234	339,404	192	339,596

## 6. *Interim condensed consolidated statement of cash flows*

For the reporting period from January 1st to March 31st 2013

PLN '000

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
<b>Cash flows from operating activities</b>		
<b>Net profit for the period</b>	19,738	14,021
<i>Adjustments</i>		
Depreciation of property plant and equipment	1,400	1 031
Amortisation of intangible assets	780	507
Change in financial assets at fair value through profit or loss*	(14,843)	25 896
Change in other investments	(781)	(755)
Net finance costs	14,577	12 823
(Gain)/ loss on sale of property plant and equipment	(63)	(97)
Equity-settled share-based payment transactions	410	673
Income tax	579	1 724
Change in inventories	146	(13)
Change in receivables	(1,279)	2 489
Change in prepayments and accrued income	223	(292)
Change in current liabilities excluding financial liabilities	5,954	(13 569)
Income tax paid	(1,270)	(1 337)
<b>Net cash flows from operating activities</b>	<b>25 571</b>	<b>43,101</b>
<b>Cash flows from investing activities</b>		
Interest received	146	279
Sale of intangible assets and property plant and equipment	80	87
Purchase of intangible assets and property plant and equipment	(1,814)	(451)
<b>Net cash flows from investing activities</b>	<b>(1 588)</b>	<b>(85)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from commercial paper issue	60,000	70 000
Increase in borrowings	69,500	45 450
Repayment of borrowings	(113,973)	(143 889)
Payments under finance lease agreements	(497)	(441)
Interest paid	(12,582)	(11 357)
<b>Net cash flows from financing activities</b>	<b>2,448</b>	<b>(40,237)</b>
<b>Total net cash flows</b>	<b>26,431</b>	<b>2,779</b>
Cash and cash equivalents at beginning of the period	42,729	36,205
Cash and cash equivalents at end of the period	<u>69,160</u>	<u>38,984</u>

\* Due to the limited amount of information on revenue from debt collection services and spending on purchase of debt portfolios, this consolidated statement of cash flows should be read together with the information contained in Section III.4.



## II. Interim condensed separate financial statements

### 1. Separate financial highlights

Financial highlights	PLN '000		EUR '000	
	Jan 1 2013 - Mar 31 2013	Jan 1 2012 – Mar 31 2012	Jan 1 2013 - Mar 31 2013	Jan 1 2012 – Mar 31 2012
<b>For period</b>				
Revenue	29,514	24,245	7,071	5,807
Operating profit	(536)	(2,747)	(128)	(658)
Pre-tax profit	(12,086)	25,252	(2,896)	6,048
Net profit	(12,506)	23,490	(2,996)	5,626
Net cash flows from operating activities	5,211	6,237	1,248	1,494
Net cash flows from investing activities	10,862	31,601	2,603	7,569
Net cash flows from financing activities	2,611	(40,236)	626	(9,637)
Change in net cash flows	18,684	(2,398)	4,477	(574)
Diluted earnings per share	-0.73	1.39	-0.18	0.33
Average number of shares ('000)	16,900	16,900	16,900	16,900
Earnings per share	-0.74	1.39	-0.18	0.33
<b>As at</b>	<b>Mar 31 2013</b>	<b>Dec 31 2012</b>	<b>Mar 31 2013</b>	<b>Dec 31 2012</b>
Total assets	750,217	748,102	179,589	182,991
Non-current liabilities	432,060	408,950	103,428	100,032
Current liabilities	212,773	221,672	50,934	54,222
Equity	105,384	117,480	25,227	28,736
Share capital	16,900	16,900	4,046	4,134
Carrying amount per ordinary share	6.24	6.95	1.49	1.67

The financial highlights presented in these financial statements have been translated into the euro as follows:

- items related to the statement of comprehensive income and the statement of cash flows have been translated using the arithmetic mean of mid exchange rates quoted by the National Bank of Poland for the last day of each month in a given period; the exchange rate thus calculated was:

- for the current period – 4.1738
- for the previous period – 4.1750

- items of the statement of financial position have been translated using the mid exchange rate quoted by the National Bank of Poland for the end of the reporting period; the exchange rate was:

- for the current period – 4.1774
- for the previous period – 4.0882.

2. *Interim condensed separate statement of financial position*

As at Mar 31 2013

PLN '000

	<b>Mar 31 2013</b>	<b>Dec 31 2012</b>	<b>Mar 31 2012</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13,297	13,899	11,485
Intangible assets	7,533	6,879	6,119
Investments in subsidiaries	602,753	618,954	487,185
Deferred tax assets	1,116	1,197	1,383
<b>Total non-current assets</b>	<b>624,699</b>	<b>640,929</b>	<b>506,172</b>
<b>Current assets</b>			
Inventories	480	654	423
Investments	59,681	55,007	100,035
Trade receivables from related entities	28,752	27,815	15,549
Trade receivables from other entities	3,984	5,441	2,122
Income tax receivable	1,453	767	-
Other receivables	486	5,039	6,623
Prepayments and accrued income	1,442	1,894	1,766
Cash and cash equivalents	29,240	10,556	7,625
<b>Total current assets</b>	<b>125,518</b>	<b>107,173</b>	<b>134,143</b>
<b>Total assets</b>	<b>750,217</b>	<b>748,102</b>	<b>640,315</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	16,900	16,900	16,900
Share premium	45,107	45,107	45,107
Other capital reserves	46,121	45,711	44,038
Retained earnings	(2,744)	9,762	26,096
<b>Total equity</b>	<b>105,384</b>	<b>117,480</b>	<b>132,141</b>
<b>Non-current liabilities</b>			
Non-current liabilities under bank borrowings and other debt instruments	432,060	408,950	330,714
<b>Total non-current liabilities</b>	<b>432,060</b>	<b>408,950</b>	<b>330,714</b>
<b>Current liabilities</b>			
Current liabilities under bank borrowings and other debt instruments	179,698	187,007	116,880
Trade and other payables	18,780	21,549	44,985
Current tax payable	-	-	799
Employee benefits payable	14,295	13,116	14,796
<b>Total current liabilities</b>	<b>212,773</b>	<b>221,672</b>	<b>177,460</b>
<b>Total liabilities</b>	<b>644,833</b>	<b>630,622</b>	<b>508,174</b>
<b>Total equity and liabilities</b>	<b>750,217</b>	<b>748,102</b>	<b>640,315</b>

### 3. *Interim condensed separate statement of comprehensive income*

**For the reporting period ended March 31st 2013**

PLN '000

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
Revenue	29,514	24,245
Other income	305	477
Cost of merchandise and materials sold	-	(45)
Employee benefits expense	(16,608)	(15,183)
Depreciation and amortisation expense	(1,743)	(1,289)
Services	(7,636)	(7,254)
Other expenses	(4,368)	(3,698)
	<u>(30,355)</u>	<u>(27,469)</u>
<b>Operating profit</b>	(536)	(2,747)
Finance income	2,002	40,946
Finance costs	(13,552)	(12,947)
<b>Net finance income</b>	<u>(11,550)</u>	<u>27,999</u>
<b>Profit before tax</b>	(12,086)	25,252
Income tax	(420)	(1,762)
<b>Net profit for the period</b>	<u>(12,506)</u>	<u>23,490</u>
<b>Total comprehensive income for the period</b>	<u><u>(12,506)</u></u>	<u><u>23,490</u></u>
<b>Earnings per share</b>		
Basic (PLN)	(0.74)	1.39
Diluted (PLN)	(0.73)	1.39

**4. Interim condensed separate statement of changes in equity**

For the reporting period ended March 31st 2013

PLN '000

	Share capital	Share premium	Other capital reserves	Retained earnings	Total equity
<b>Equity as at Jan 1 2012</b>	16,900	45,107	43,365	2,606	107,978
Net profit for the period	-	-	-	23,490	23,490
<b>Total comprehensive income for the period</b>	-	-	-	23,490	23,490
<b>Contributions from and distributions to owners</b>					
- Share-based payment	-	-	673	-	673
<b>Contributions from and distributions to owners</b>	-	-	673	-	673
<b>Total equity as at Mar 31 2012</b>	16,900	45,107	44,038	26,096	132,141
<b>Equity as at Jan 1 2012</b>	16,900	45,107	43,365	2,606	107,978
<b>Comprehensive income for the period</b>					
Net profit for the period	-	-	-	7,156	7,156
<b>Total comprehensive income for the period</b>	-	-	-	7,156	7,156
<b>Contributions from and distributions to owners</b>					
- Share-based payments	-	-	2,346	-	2,346
<b>Contributions from and distributions to owners</b>	-	-	2,346	-	2,346
<b>Total equity as at Dec 31 2012</b>	16,900	45,107	45,711	9,762	117,480
<b>Equity as at Jan 1 2013</b>	16,900	45,107	45,711	9,762	117,480
<b>Comprehensive income for the period</b>					
Net profit for the period	-	-	-	(12,506)	(12,506)
<b>Total comprehensive income for the period</b>	-	-	-	(12,506)	(12,506)
<b>Contributions from and distributions to owners</b>					
- Share-based payments	-	-	410	-	410
<b>Contributions from and distributions to owners</b>	-	-	410	-	410
<b>Total equity as at Mar 31 2013</b>	16,900	45,107	46,121	(2,744)	105,384

**5. Interim condensed separate statement of cash flows**

**For the reporting period ended March 31st 2013**

PLN '000

	<i>Note</i>	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
<b>Cash flows from operating activities</b>			
<b>Net profit for the period</b>		<b>(12,506)</b>	23,490
<i>Adjustments</i>			
Depreciation of property, plant and equipment		1,135	782
Amortisation of intangible assets		608	506
Change in financial assets at fair value through profit or loss			
		428	9 845
Net finance income		10,997	(27 826)
(Gain)/ loss on sale of property, plant and equipment		(63)	<b>(97)</b>
Equity-settled share-based payment transactions			
		410	<b>(673)</b>
Income tax		420	1 762
Change in inventories		173	(30)
Change in receivables		4,436	6 371
Change in prepayments and accrued income		452	(306)
Change in current liabilities, excluding financial liabilities		(1,437)	(7 692)
Change in employee benefits payable		1,182	1 444
Income tax paid		<b>(1,025)</b>	<b>(1 339)</b>
<b>Net cash flows from operating activities</b>		<b>5 211</b>	<b>6,237</b>
<b>Cash flows from investing activities</b>			
Interest received		53	148
Loans advanced		(4,914)	(3 810)
Sale of intangible assets and property, plant and equipment		80	0
Dividend received		1,100	38 500
Disposal of financial assets		17,700	0
Purchase of intangible assets and property, plant and equipment		(1,656)	(230)
Acquisition of financial assets		(1,500)	(3 950)
Repayment of loans advanced		-	943
<b>Net cash flows from investing activities</b>		<b>10 862</b>	<b>31,601</b>
<b>Cash flows from financing activities:</b>			
Proceeds from commercial paper issue		60,000	70 000
Increase in borrowings		69,500	62 172
Repayment of borrowings		(113,973)	(143 889)
Redemption of debt instruments		-	<b>(16 722)</b>
Payments under finance lease agreements		(461)	(441)
Interest paid		<b>(12,455)</b>	<b>(11 356)</b>
<b>Net cash flows from financing activities</b>		<b>2 611</b>	<b>(40,236)</b>
Total net cash flows		18,684	(2,398)
Cash and cash equivalents at beginning of the period		10,556	10,023
Cash and cash equivalents at end of the period		<u>29,240</u>	<u>7,625</u>

### **III. Notes to the financial statements**

#### **1. Organisation of the KRUK Group**

##### **Parent**

*Name:*

KRUK Spółka Akcyjna ("KRUK S.A." or "Parent")

*Registered office:*

ul. Legnicka 56  
54-204 Wrocław, Poland

*Registration in the National Court Register:*

District Court for Wrocław-Fabryczna in Wrocław, VI Commercial Division of the National Court Register,  
ul. Poznańska 16, 53-630 Wrocław, Poland  
Date of entry: September 7th 2005  
Entry number: KRS 0000240829

*Description of business of the Parent and subsidiaries*

The business of the Parent and its subsidiaries consists primarily in the restructuring and recovery of debts purchased by the Group companies and debts held by financial institutions and other clients.

Subsidiary NOVUM Finance Sp. z o.o. conducts business activity which consists in providing loans to natural persons.

Rejestr Dłużników ERIF Biuro Informacji Gospodarczej S.A. ("RD ERIF credit agency S.A."), a subsidiary of Kruk S.A., is a credit information agency providing credit information on consumers and businesses which is stored and administered by RD ERIF credit agency S.A.

These interim condensed consolidated financial statements for the reporting period ended March 31st 2013 include the financial statements of the Parent and its Subsidiaries (jointly the "Group").

The Parent is Kruk S.A.

As at March 31st 2013 and as at this report date, the Management Board of the Parent was composed of the following members:

Piotr Krupa	President of the Management Board
Rafał Janiak	Member of the Management Board
Agnieszka Kułton	Member of the Management Board
Urszula Okarma	Member of the Management Board
Iwona Słomska	Member of the Management Board
Michał Zasepa	Member of the Management Board

In view of the foregoing, the Supervisory Board – by way of a resolution of May 9th 2013 – resolved to assign the function performed to date by Mr Rafał Janiak to Management Board Member Mr Michał Zasepa as of September 1st 2013, appointing the latter to the position of Management Board Member for Finance with effect as of September 1st 2013 and removing him from the position of Management Board Member for Investments and Development with effect as of August 31st 2013.

Further, the Supervisory Board resolved to change the number of Management Board members – from six to five persons.

As at January 1st 2013, the Supervisory Board of KRUK S.A. was composed of five persons, including:

Dariusz Prończuk	Chairman of the Supervisory Board
Piotr Stępnia	Member of the Supervisory Board
Krzysztof Kawalec	Member of the Supervisory Board
Wojciech Małek	Member of the Supervisory Board
Józef Wancer	Member of the Supervisory Board

On March 27th 2013, resignations were received from all of the above members of the KRUK Supervisory Board, effective as of that date. On the same date, representations were received from shareholders of KRUK S.A., i.e. Polish Enterprise Fund IV, L.P. and Mr Piotr Krupa, to the effect that they would exercise their rights under the Company's Articles of Association to appoint members of the Supervisory Board of KRUK S.A. The Fund represented that by exercising some of its rights provided for in par. 11.4 of the Company's Articles of Association it appointed one member of the Supervisory Board of the new term, namely Mr Dariusz Prończuk, with effect as of March 20th 2013. Mr Dariusz Prończuk will serve as Chairman of the Supervisory Board. At the same time, the Fund waived its other rights under par. 11.4 of the Articles of Association. Mr Piotr Krupa in turn represented that in exercise of his rights under par. 11.5 of the Company's Articles of Association, should the Extraordinary General Meeting resolve to change the number of members of the KRUK Supervisory Board from five to seven, Mr Krupa would appoint to the KRUK Supervisory Board Mr Robert Koński as of March 27th 2013 and Ms Katarzyna Beuch as of April 1st 2013.

On March 27th 2013, the Extraordinary General Meeting of KRUK S.A. adopted a resolution to change the number of members of the Supervisory Board of KRUK S.A. from five to seven and, with effect as of the same date, it appointed Messrs Józef Wancer, Piotr Stępnia, Krzysztof Kawalec and Arkadiusz Jastrzębski to serve on the Supervisory Board.

In view of the foregoing, from April 1st 2013, the composition of the Supervisory Board of KRUK S.A. was as follows:

Dariusz Prończuk	Chairman of the Supervisory Board
Józef Wancer	Member of the Supervisory Board
Piotr Stępnia	Member of the Supervisory Board
Krzysztof Kawalec	Member of the Supervisory Board
Katarzyna Beuch	Member of the Supervisory Board
Arkadiusz Orlin Jastrzębski	Member of the Supervisory Board
Robert Koński	Member of the Supervisory Board

By the date of publication of this interim report, the composition of the Supervisory Board of KRUK S.A. did not change.

## **The Group and its subsidiaries**

As at March 31st 2013, the Group comprised KRUK S.A. of Wrocław and twelve subsidiaries:

- Kancelaria Prawna RAVEN Krupa & Stańko sp.k. of Wrocław, a law firm providing comprehensive services to support litigation and enforcement, exclusively in connection with the debt collection process carried out by the KRUK Group and its partners;
- Rejestr Dłużników ERIF Biuro Informacji Gospodarczej S.A. of Warsaw, a credit information agency serving as a platform for collection, processing and provision of information on natural persons and businesses, both delinquent debtors and timely payers;
- KRUK România s.r.l. of Bucharest, Romania, a company active on the market of credit management services and debts purchase;
- Secapital S.a.R.L. of Luxembourg, a special-purpose securitisation vehicle whose business consists chiefly in investing in debt or debt-backed assets;
- Prokura NS FIZ and Prokulus NS FIZ securitisation funds which are securitisation and investment vehicles relying on professional risk assessment and credit management methodologies. All certificates issued by the securitisation funds are held by Secapital S.a.r.l.;
- Secapital Polska Sp. z o.o. of Wrocław, a securitised debt company;
- ERIF Business Solutions Sp. z o.o. of Wrocław, the company's core business consists in financial and agency services, and support for Small and Medium-Sized Enterprises;

## The Kruk Group

- NOVUM FINANCE Sp. z o.o. of Wrocław, a company whose main business consists in providing consumer loans;
- KRUK Česká a Slovenská republika s.r.o. of Prague, Czech Republic, a company active on the market of credit management services and debts purchase;
- KRUK Towarzystwo Funduszy Inwestycyjnych S.A. of Wrocław, a fund management company;
- KRUK International Zrt. of Budapest, Hungary, a company holding a licence for activities comprising credit management services and debts purchase.

All the subsidiaries listed above were consolidated in the condensed consolidated financial statements prepared as at March 31st 2013 and for the period from January 1st to March 31st 2013.

The percentage equity interests held by the Parent in the subsidiaries as at this report release date were as follows:

	Country	Share capital held (%)	
		Mar 31 2013	Dec 31 2012
Secapital S.a.r.l	Luxembourg	100%	100%
ERIF Business Solutions Sp. z o.o.	Poland	100%	100%
Secapital Polska Sp. z o.o.	Poland	100%	100%
Rejestr Dłużników ERIF Biuro Informacji Gospodarczej S.A.	Poland	100%	100%
NOVUM Finance Sp. z o.o.	Poland	100%	100%
KRUK Romania S.r.l.	Romania	100%	100%
Kancelaria Prawna RAVEN Krupa & Stańko Spółka komandytowa	Poland	98%	98%
Prokura NS FIZ *	Poland	100%	100%
Prokulus NS FIZ *	Poland	100%	100%
KRUK TFI S.A.	Poland	100%	100%
KRUK Ceska and Slovenska Republika S.r.o.	Czech Republic	100%	100%
KRUK International Z.r.t.	Hungary	100%	100%

\* subsidiaries of Secapital Sarl





## **2. Significant accounting policies**

### **Statement of compliance**

KRUK S.A. and the KRUK Group prepare their financial statements in accordance with the International Financial Reporting Standards as endorsed by the European Union (the “EU-IFRS”).

These interim condensed consolidated financial statements of the Group have been prepared in the condensed form in accordance with IAS 34 and the accounting standards applicable to interim financial statements, as endorsed by the European Union, which had been published and were effective at the time of preparation of these financial statements.

### **Basis of preparation**

These consolidated financial statements have been prepared based on the historical cost approach, except with respect to financial instruments at fair value through profit or loss, and include data for the three months from January 1st to March 31st 2013 and comparative data for the three months from January 1st to March 31st 2012. The presented data has not been audited.

The data contained in these consolidated financial statements is presented in the Polish złoty (PLN), rounded to the nearest thousand. The Polish złoty is the functional currency of the Parent.

In order to prepare financial statements in accordance with the EU-IFRS, the Management Board is required to rely on judgements, estimates and assumptions which affect the application of accounting policies and the reported amounts of assets, liabilities, income and costs, whose actual values may differ from these estimates. The material assumptions underlying the estimates made by the Group and the applied accounting policies have been presented in the most recent annual consolidated financial statements and in the relevant notes.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Any changes in accounting estimates are introduced prospectively, starting from the reporting period in which the estimate is changed.

In the opinion of the Parent's Management Board, there are no facts or circumstances which could pose a significant threat to the consolidated companies of the Group continuing as going concerns. Therefore, these financial statements have been prepared on a going concern basis.

### **Changes in accounting policies**

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the most recent consolidated annual financial statements.

These financial statements are interim condensed consolidated financial statements, prepared in accordance with IAS 34.

## **3. Reporting and geographical segments**

### **Reporting segments**

The Group has two principal reporting segments described below. The President of the Management Board reviews internal management reports relating to each business segment at least quarterly. The Group's reporting segments conduct the following activities:

- Debt purchase: collection of purchased debt;
- Credit management: fee-based collection of debt on client's behalf.

Each segment's performance is discussed below. The key performance metric for each reporting segment is gross profit, which is disclosed in the management's internal reports reviewed by the President of the

## *The Kruk Group*

Management Board. A segment's gross profit is used to measure its performance, as the management believes the gross profit to be the most appropriate metric for the assessment of the segment's results against other entities operating in the industry.

The Group's operating activities concentrate in a few geographical segments: Poland, Romania, the Czech Republic and Slovakia.

The Group's operations are also divided into three main geographical segments:

- Poland
- Romania
- Other foreign markets

## **Reporting segments**

<i>PLN '000</i>	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
<b>Revenue</b>	95,921	79,929
Purchased debt portfolios	79,548	69,776
Credit management	14,320	8,609
Other products	2,053	1,544
<b>Direct and indirect costs</b>	(45,363)	(37,464)
Purchased debt portfolios	(38,398)	(30,471)
Credit management	(5,094)	(5,541)
Other products	(1,871)	(1,452)
<b>Gross profit</b>	50,558	42,465
Purchased debt portfolios	41,150	39,305
Credit management	9,226	3,068
Other products	182	92
<b>General and administrative expenses</b>	(13,927)	(12,691)
Depreciation and amortisation expense	(2,180)	(1,538)
Other income	(521)	332
Finance income/costs	(13,613)	(12,823)
<b>Pre-tax profit</b>	20,317	15,745
Income tax	579	1,724
<b>Net profit</b>	19,738	14,021

**Geographical segments**

<i>PLN '000</i>	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
<b>Revenue</b>	95,921	79,925
Poland	59,084	56,805
Romania	31,282	18,721
Other foreign markets	5,516	4,399
<b>Direct and indirect costs</b>	(45,324)	(37,460)
Poland	(31,271)	(31,023)
Romania	(7,364)	(5,117)
Other foreign markets	(6,689)	(1,320)
<b>Gross profit</b>	50,558	42,465
Poland	27,813	25,782
Romania	23,918	13,604
Other foreign markets	(1,173)	3,079
<b>General and administrative expenses</b>	(13,927)	(12,082)
Depreciation and amortisation expense	(2,180)	(1,538)
Other income	(521)	(277)
Finance income/costs	(13,613)	(12,823)
<b>Pre-tax profit</b>	20,317	15,745
Income tax	579	1,724
<b>Net profit</b>	19,738	14,021

**4. Type and amounts of changes in estimates presented in previous financial years, with a material effect on the current period**

**Investments**

PLN '000

	<b>Mar 31 2013</b>	<b>Dec 31 2012</b>
<b>Current investments</b>		
Financial assets at fair value through profit or loss	888,340	873,497
Loans advanced	6,428	6,515
	<u>894,768</u>	<u>880,012</u>

**Purchased debt portfolios**

In the period covered by these financial statements, expenses incurred by the Group to purchase debt portfolios were PLN 48.9m.

PLN '000

<b>Purchased debt portfolios as at Jan 1 2012</b>	<b>718,706</b>
Purchase of debt portfolios at prices as per agreement	309,269
Adjustment following change in valuation (*)	(347)
Acquisition price adjustment for discount	(793)
Cash recoveries	(451,329)
Liabilities to debtors due to overpayments	1,097
Revenue from debt purchase (interest and revaluation)	302,996
Fair value translation differences (**)	(6,102)
<b>Purchased debt portfolios as at Dec 31 2012</b>	<b><u>873,497</u></b>
<b>Purchased debt portfolios as at Jan 1 2013</b>	<b>873,497</b>
Purchase of debt portfolios at prices as per agreement	48,928
Adjustment following change in valuation (*)	2
Cash recoveries	(118,260)
Liabilities to debtors due to overpayments	31
Revenue from debt purchase	79,548
Fair value translation differences (**)	4,594
<b>Purchased debt portfolios as at Mar 31 2013</b>	<b><u>888,340</u></b>

(\*)In 2012, the value of portfolios purchased by KRUK International S.r.o. in the Czech Republic was translated into CZK, the company's functional currency. Due to its negligible effect on consolidation, in prior periods the valuation was made in PLN.

(\*\*) RON to PLN fair value translation differences between January 1st 2012 and March 31st 2013 for consolidation purposes (following introduction of RON as functional currency at Secapital S.a.r.l.)

PLN '000

	<b>Mar 31 2013</b>	<b>Dec 31 2012</b>
<b>Purchased debt portfolios</b>		
Bank loans, including:	828,233	810,764
- consumer loans	827,366	809,641
- car loans	718	871
- mortgage loans	149	252
Telecommunication bills	33,472	43,630
Cash loans (non-bank)	125	346
Mixed portfolios	26,510	18,757
	<u>888,340</u>	<u>873,497</u>

**5. Type and amounts of items affecting the assets, equity and liabilities, capital, net profit/loss or cash flows, which are material due to their type, size or effect**

**Revenue**

PLN '000

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
Revenue from debt purchase	79,548	69,776
Revenue from debt collection services	14,320	8,609
Revenue from other services	2,014	1,540
Revenue from sales of merchandise and materials	39	4
	<u>95,921</u>	<u>79,929</u>

PLN '000

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
Interest income adjusted for actual payments	78,547	75,331
Revaluation of debt portfolios	1,001	(5,555)
	<u>79,548</u>	<u>69,776</u>
	-	-

PLN '000

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
Revision of recovery forecast	(838)	(6,335)
Change due to change in discount rate	1,839	780
	<u>1,001</u>	<u>(5,555)</u>

In line with the adopted accounting policies, the change in the fair value of assets due to revaluation has been charged to the profit/loss for current period.

**Net finance costs**

*PLN '000*

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
Interest income on bank deposits	146	279
	<u>146</u>	<u>279</u>
Interest expense on financial liabilities measured at amortised cost	(12,842)	(11,513)
Net foreign exchange gains/(losses)	(917)	(1,589)
	<u>(13,759)</u>	<u>(13,102)</u>
Net finance costs recognised in profit or loss	(13,613)	(12,823)

*PLN '000*

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
Total interest income on financial assets	146	279
Total interest expense on financial liabilities	(12,842)	(11,513)

*PLN '000*

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 – Mar 31 2012</b>
Exchange differences on translating foreign operations	1,816	275
Attributable to:		
Owners of the parent	1,816	275
Finance income recognised directly in other comprehensive income	<u>1,816</u>	<u>275</u>

## Loans, borrowings and finance lease liabilities

PLN '000

	<b>Mar 31 2013</b>	<b>Dec 31 2012</b>
<b>Non-current liabilities</b>		
Secured borrowings	63,530	22,709
Liabilities under debt securities (unsecured)	363,236	304,547
Finance lease liabilities	5,496	3,777
	<b>432,262</b>	<b>331,033</b>
<b>Current liabilities</b>		
Current portion of secured borrowings	53,332	7,583
Liabilities under debt securities	124,352	107,669
Current portion of finance lease liabilities	2,218	1,849
	<b>179,902</b>	<b>117,101</b>

## Earnings per share

'000

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 - Mar 31 2012</b>
Number of ordinary shares as at Jan 1	16,900	16,900
Effect of retirement and issue of own shares	-	-
Weighted average number of ordinary shares as at Sep 30	16,900	16,900

PLN

Earnings per share	1.17	0.83
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'000

	<b>Jan 1 2013 - Mar 31 2013</b>	<b>Jan 1 2012 - Mar 31 2012</b>
Number of ordinary shares as at Jan 1	16,900	16,900
Effect of issue of non-registered and unpaid shares	175	-
Weighted average number of ordinary shares as at Mar 31 (diluted)	17,075	16,900

PLN

Earnings per share (diluted)	1.16	0.83
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**6. *The Group's material achievements or failures in the reporting period, along with the most significant events related to such achievements or failures***

The KRUK Group's marketing activities in Q1 2013 focused on continued building of the image of the Group as an institution helping people to pay off their debts and educating them on how to manage their household finances. Three marketing campaigns were prepared and launched in Q1 2013. In Poland, the Company decided to once more opt for the idea of product placement in "Barwy Szczęścia", one of the most popular TV series. In the Czech Republic, the Group ran an educational campaign in lifestyle magazines, where dedicated articles were published encouraging indebted individuals to seek an amicable solution with creditors, enter into a settlement and pay off their outstanding debts. In March 2013, a press conference was held in Bratislava to formally mark the launch of the Company's operations in the Slovakian market.

**7. *Factors and events, in particular of non-recurring nature, with a material bearing on the Group's financial performance***

The key factor with a bearing on the current period's performance were investments in debt portfolios made in previous periods and in the reporting period.

Total investments in debt portfolios purchased by the Company in Q1 2013 were PLN 48.9m.

In the corresponding period of the previous year, investments in debt portfolios purchased totalled PLN 12.3m.

As at March 31st 2013, the value of the Group's investments in debt portfolios accounted for 88% of its assets. Equity accounts for 34% of the financing of the Group's operations.

**8. *Seasonality or cyclicity of operations***

The Group's operations are not subject to seasonal or cyclical fluctuations.

**9. *Information on issue, redemption and repayment of non-equity and equity securities***

On January 18th 2013, a portion of investment certificates issued by PROKURA NS FIZ were repurchased and redeemed (743,310 Series M investment certificates with a value of PLN 10.09 per certificate). All redeemed certificates were held by SECAPITAL S.à.r.l. of Luxembourg, the Company's subsidiary.

On February 5th 2013, the Management Board of KRUK S.A. adopted a resolution to issue Series P2 unsecured commercial paper with a total value of up to PLN 30,000 thousand. The commercial paper of the above series matures 48 months after its allotment. On February 12th 2013, the interest rate for the commercial paper was determined at WIBOR for three-month interbank deposits plus 460 basis points.

On February 12th 2013, a portion of investment certificates issued by PROKURA NS FIZ were repurchased and redeemed (833,334 Series M investment certificates with a value of PLN 10.2 per certificate). All redeemed certificates were held by SECAPITAL S.à.r.l. of Luxembourg, the Company's subsidiary.

On February 19th 2013, the interest rate for the P3 Series commercial paper was determined at WIBOR for three-month interbank deposits plus 460 basis points.

On February 21st 2013, a portion of investment certificates issued by PROKURA NS FIZ were repurchased and redeemed (736,740 Series M investment certificates with a value of PLN 10.18 per certificate). All redeemed certificates were held by SECAPITAL S.à.r.l. of Luxembourg, the Company's subsidiary.

On March 7th 2013, KRUK S.A. issued PLN 30,000 thousand worth of unsecured 48-month Series P2 commercial paper. The commercial paper was issued at par. The issue proceeds were used to finance debt portfolio purchases by the KRUK Group companies. The commercial paper is admitted to trading in the alternative trading system on the Catalist market.



On March 14th 2013, KRUK S.A. issued PLN 30,000 thousand worth of unsecured Series P3 commercial paper. The commercial paper was issued at par. The issue proceeds were used to finance debt portfolio purchases by the KRUK Group companies. The commercial paper is admitted to trading in the alternative trading system on the Catalyst market.

On April 2nd 2013, KRUK S.A. repurchased PLN 23,000 thousand worth of unsecured Series G commercial paper.

#### **10. *Dividend paid out (or declared)***

In the reporting period, KRUK S.A. did not pay or declare any dividend.

#### **11. *Events subsequent to the balance-sheet date, not disclosed in these financial statements, but potentially having a material bearing on the Group's future performance***

On April 15th 2013, the Management Board of KRUK S.A. adopted resolutions to issue Series P4 unsecured commercial paper with a total value of up to PLN 40,000 thousand and Series R1 unsecured commercial paper with a total value of up to PLN 20,000 thousand. The commercial paper of the above series matures 48 months after its allotment.

On April 19th 2013, a lease agreement was executed between the Company and DEVCO Sp. z o. o., providing for the lease of 7,335 sq. metres of floor space, comprising offices and storage areas forming part of an office building to be located in Wrocław at ul. Wołowska 8, within the Wrocław Business Park 2 complex, along with parking spaces.

On April 22nd 2013, a portion of investment certificates issued by PROKURA NS FIZ were repurchased and redeemed (2,336,849 Series M investment certificates with a value of PLN 10.48 per certificate). All redeemed certificates were held by SECAPITAL S.à.r.l. of Luxembourg, the Company's subsidiary.

On April 24th 2013, the Management Board of KRUK S.A. adopted resolutions setting the interest rate for Series P4 and R1 commercial paper. The interest rate was determined on the basis of the book-building process, at the level of WIBOR for three-month interbank deposits plus 420 basis points.

#### **12. *Information on changes in contingent liabilities or contingent assets subsequent to the end of the previous financial year***

On January 14th 2013, KRUK S.A. and Bank Zachodni WBK S.A. entered into a bank guarantee agreement for the period from January 25th 2013 to January 24th 2014, to secure the payment of all liabilities towards LEGNICKA BUSINESS HOUSE Sp. z o.o. under the office space lease agreement between KRUK S.A. and LEGNICKA BUSINESS HOUSE Sp. z o.o. The guarantee amount is EUR 168,000.00. The guarantee is secured with a power of attorney over KRUK's bank accounts held with Bank Zachodni WBK S.A.

On February 18th 2013, KRUK S.A. and Bank Zachodni WBK S.A. entered into a bank guarantee agreement for the period from February 25th 2013 to February 24th 2014, to secure the payment of all liabilities towards Devco Sp. z o.o. under the office space lease agreement between KRUK S.A. and Devco Sp. z o.o. The guarantee amount is EUR 135,420.75 The guarantee is secured with a power of attorney over KRUK's bank accounts held with Bank Zachodni WBK S.A.

**13. *Effects of changes in the structure of the Group, including through business combinations, acquisitions or divestments of Group entities, long-term investments, divisions, restructurings or discontinuation of operations***

In the reporting period, there were no changes in the Group's structure.

**14. *Management Board's position on the feasibility of meeting previously published forecasts for a given year***

The Management Board of KRUK S.A. has not published any forecasts concerning the performance of KRUK S.A. or its Group.

**15. *Shareholders holding, directly or indirectly through subsidiaries, 5% or more of the total vote at the General Meeting of the Company as at the quarterly report release date, as well as changes in the ownership of major holdings of the Company shares since the release of the previous report***

As at the date of release of the previous quarterly report, i.e. as at November 11th 2012.

Shareholder	Number of shares	Ownership interest (%)	Number of votes held	Share in total vote at GM (%)
Polish Enterprise Fund IV1209 Orange Street, Wilmington, County of New Castle, State of Delaware, USA	4,196,550	24.83	4,196,550	24.83
Piotr Krupa	2,625,928	15.54	2,625,928	15.54
Generali Otworthy Fundusz Emerytalny	866,101	5.12	866,101	5.12

In accordance with a notification received by KRUK S.A. on June 1st 2011, published in the form of Current Report No. 16/2011, based on the powers of proxy from its shareholders, PEF IV was entitled to exercise the voting rights attached to 748,000 ordinary bearer shares, representing 4.4% of the Company's share capital and 4.4% of the total vote at its General Meeting. In view of the foregoing, at the date of release of the previous quarterly report, in total PEF IV was entitled to exercise voting rights attached to 4,944,550 ordinary bearer shares, representing in aggregate 29.3% of the Company's share capital and carrying the rights to 4,944,550 votes, or 29.3% of the total vote, at the Company's General Meeting.

**As at the date of release of this report**

<b>Shareholder</b>	<b>Number of shares</b>	<b>Ownership interest (%)</b>	<b>Number of votes held</b>	<b>Share in total vote at GM (%)</b>
Piotr Krupa	2,613,928	15.47	2,613,928	15.47
Aviva OFE	1,932,184	11.43	1,932,184	11.43
ING OFE and ING DFE	1,835,643	10.86	1,835,643	10.86
AMPLICO OFE and AMPLICO DFE	1,310,000	7.75	1,310,000	7.75
Generali Otwarty Fundusz Emerytalny	1,538,000	9.10	1,538,000	9.10

(\*)Jointly ING OFE and ING DFE, managed by ING PTE S.A.

(\*\*)Jointly Amplico OFE and Amplico DFE, managed by Amplico PTE S.A.

On January 25th 2013, the Company received a notification from Aviva Powszechnie Towarzystwo Emerytalne Aviva BZ WBK S.A. to the effect that the share of the total vote at the Company's General Meeting held by Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK had increased to more than 5%. The increase was a result of purchase of shares in the Company. After the execution and settlement of the purchase transaction, Aviva OFE held 887,388 Company shares, comprising 5.25% of the Company's share capital and conferring the right to 887,388 votes, i.e. 5.25% of the total vote.

On April 9th 2013, KRUK S.A. received a notification from Enterprise Investors Sp. z o.o., representing Polish Enterprise Fund IV L.P., to the effect that the fund's share of the total vote at the Company's General Meeting had decreased. After the change in the shareholding resulting from circumstances detailed in the notification, Polish Enterprise Fund IV L.P. does not hold any shares in KRUK S.A.

On April 11th 2013 r., KRUK S.A. received a notification from AMPLICO Powszechnie Towarzystwo Emerytalne S.A. to the effect that two funds managed by it, i.e. AMPLICO Otwarty Fundusz Emerytalny ("AMPLICO OFE") and Metlife Amplico Dobrowolny Fundusz Emerytalny ("AMPLICO DFE"), had increased their holding of KRUK shares to more than 5% of the total vote at the Company's General Meeting. Currently, AMPLICO OFE and AMPLICO DFE hold in aggregate 1,310,000 shares, representing 7.75% of the Company's share capital and carrying the right to 1,310,000 votes, or 7.75% of the total vote, at the Company's General Meeting.

On April 11th 2013, the Company received a notification from Aviva Powszechnie Towarzystwo Emerytalne Aviva BZ WBK S.A. to the effect that the share of the total vote at the Company's General Meeting held by Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK ("Aviva OFE") had increased to more than 10%. Following the execution and settlement of the transactions specified in the notification, Aviva OFE held 1,932,184 shares in the Company, representing 11.43% of its share capital and conferring the right to 1,932,184 votes, or 11.43% of the total vote, at its General Meeting.

On April 11th 2013, KRUK S.A. received a notification from ING Powszechnie Towarzystwo Emerytalne S.A. to the effect that, following acquisition of KRUS shares in transactions on the Warsaw Stock Exchange settled on April 9th 2013, ING Otwarty Fundusz Emerytalny ("ING OFE") and ING Dobrowolny Fundusz Emerytalny ("ING DFE"), funds managed by ING Powszechnie Towarzystwo Emerytalne S.A., had increased their shareholding in the Company above the threshold of 10% of the total vote at the Company's General Meeting. As at April 11th 2013, 1,835,643 Company shares were recorded in ING OFE's and ING DFE's

securities accounts, representing 10.86% of the Company's share capital. The shares conferred the right to 1,835,643 votes, or 10.86% of the total vote, at the KRUK General Meeting.

On April 12th 2013, the Company received a notification from Mr Piotr Krupa, President of the Management Board of KRUK S.A. and a significant shareholder of the Company, given under Art. 160.1 of the Act on Trading in Financial Instruments, to the effect that Mr Piotr Krupa had sold 12,000 shares in KRUK S.A. in an ordinary transaction executed during a trading session on the Warsaw Stock Exchange on April 8th 2013.

**16. *Members of the management or supervisory staff holding the Company shares or rights to the Company shares as at the date of release of the periodic report, including information on changes in their holdings after the release of the previous periodic report***

<b>Name and surname</b>	<b>Position</b>	<b>Number of shares held</b>
Piotr Krupa	President of the Management Board	2,613,928
Rafał Janiak	Member of the Management Board	91,870 and 52,840 shares held indirectly
Urszula Okarma	Member of the Management Board	110,350
Agnieszka Kulon	Member of the Management Board	92,220
Iwona Słomska	Member of the Management Board	35,000
Michał Zasepa	Member of the Management Board	8,000

To the best of the Company's knowledge, none of the Supervisory Board members holds any shares in the Company.

On April 15th 2013, the Company received a notification from Ms Agnieszka Kulon, acting Member of the Management Board, given under Art. 160.1 of the Act on Trading in Financial Instruments, to the effect that Ms Agnieszka Kulon had sold 25,000 shares in KRUK S.A. in an ordinary transaction executed during a trading session on the Warsaw Stock Exchange on April 11th 2013.

On April 24th 2013, the Company received a notification from Ms Iwona Słomska, acting Member of the Management Board, given under Art. 160.1 of the Act on Trading in Financial Instruments, to the effect that Ms Iwona Słomska had sold shares in KRUK S.A. in ordinary transactions executed during trading sessions on the Warsaw Stock Exchange: 217 shares on April 19th 2013 and 5,641 shares on April 23rd 2013.

Pursuant to a resolution of the KRUK Supervisory Board of July 20th 2012, issued on the basis of the 2011–2014 Incentive Scheme for key management personnel of the Company and the Group subsidiaries, Management Board Members were presented with an offer to acquire subscription warrants that would entitle them to purchase new shares in KRUK S.A. at an issue price of PLN 39.70 per share. The subscription warrants were delivered to Management Board Members on September 3rd 2012.

**Number of warrants allotted to Management Board Members as part of Tranche 1 for 2011:**

Name and surname	Position	Number of warrants allotted in Tranche 1 for 2011
Rafał Janiak	Member of the Management Board	10,507
Urszula Okarma	Member of the Management Board	10,507
Agnieszka Kulon	Member of the Management Board	10,507
Iwona Słomska	Member of the Management Board	9,257
Michał Zasepa	Member of the Management Board	10,507

The Management Board Members named above hold no entitlements in respect of KRUK shares other than the subscription warrants.

A total of 189,790 Warrants were granted to eligible persons under Tranche I.

The remaining 21,464 Warrants to be allotted in 2011 were transferred to Tranche II for 2012.

As at the date of publication of this report, none of the eligible persons had exercised its rights under its subscription warrants to acquire Series E shares in the Company.

**17. Litigation, arbitration or administrative proceedings**

**Litigation in which the value of claims exceeds 10% of the Issuer's equity**

<i>Subject matter</i>	<i>Value of claim [PLN]*</i>	<i>Date instigated</i>	<i>Parties</i>	<i>Kruk S.A.'s position</i>
bankruptcy proceedings concerning NISCO INVEST SRL	PLN 13,078,277.25	Mar 2 2011	KRUK SA and 15 other creditors	claim filed against the bankruptcy estate, acknowledged by the bankruptcy administrator
bankruptcy proceedings concerning Pascal Construction sp. z o.o. w upadłości (in bankruptcy)	PLN 18,209,415.9	Jan 25 2006	PROKURA NSFIZ - Pascal Construction sp. z o.o. w upadłości (in bankruptcy)	The funds specified in the bankruptcy plan were paid out on May 7th 2012. The bankruptcy proceedings are pending; the fund does not expect its claims to be satisfied.

**Litigation with the largest value of claims, not exceeding 10% of the Issuer's equity**

**Litigation involving potential liabilities  
- three largest cases**

<i>Subject matter</i>	<i>Value of claim [PLN]*</i>	<i>Date instigated</i>	<i>Parties</i>	<i>Kruk S.A.'s position</i>
Action concerning abusive clauses used in a loan agreement between BCR and debtor	PLN 92,719.06	Jul 13 2011	ARICIU GABRIELA ELENA Kruk România S.R.L	The Company believes the claim to be without merit and expects it to be dismissed in its entirety.
Action concerning abusive clauses used in a loan agreement between BCR and debtor	PLN 73,785.44	Jun 17 2011	PIVNICERU RADA S.C. KRUK România S.R.L.	The Company believes the claim to be without merit and expects it to be dismissed in its entirety (proceedings suspended).
Action concerning abusive clauses used in a loan agreement between BCR and debtor	PLN 49,936.96	Mar 23 2012	OLARU OANA DANIELA Kruk România S.R.L	The Company believes the claim to be without merit and expects it to be dismissed in its entirety.

**Litigation involving potential receivables – five major cases**

<i>Subject matter</i>	<i>Value of claim [PLN]*</i>	<i>Date instigated</i>	<i>Parties</i>	<i>Kruk S.A.'s position</i>
Bankruptcy proceedings concerning SM SAMI SWOI	PLN 5,068,075.17	Feb 14 2000	PROKURA NSFIZ - SM SAMI SWOI	Bankruptcy proceedings are pending; the fund is awaiting a final bankruptcy plan to be drawn up – the plan is likely to be completed by the end of 2012.
bankruptcy proceedings concerning Spółdzielcze Zrzeszenie Budowy Domków Jednorodzinnych STOKROTKA	PLN 3,310,811.77	May 16 2002	PROKURA NSFIZ - Spółdzielcze Zrzeszenie Budowy Domków Jednorodzinnych STOKROTKA w upadłości (in bankruptcy)	Bankruptcy proceedings are pending; the fund does not expect its claims to be satisfied.
bankruptcy proceedings concerning JORDY IMPEX SRL	PLN 6,454,875.44	Aug 7 2009	KRUK SA and 10 other creditors	claim filed against the bankruptcy estate, acknowledged by the bankruptcy administrator
bankruptcy proceedings concerning VAGRIS SRL	PLN 5,479,983.28	Dec 17 2009	KRUK SA and others	claim filed against the bankruptcy estate, acknowledged by the bankruptcy administrator
bankruptcy proceedings concerning ACO IMPORT EXPORT SRL	PLN 2,172,823.92	Apr 24 2010	KRUK SA and others	claim filed against the bankruptcy estate, acknowledged by the bankruptcy administrator

The cases described above are cases with the largest value of claims from among all court proceedings in which the Group is involved on a mass scale as part of its debt collection business.

Given the nature of the Group's business, placing assets under court proceedings is a typical step in the debt recovery process, provided for in the Group's operating procedures, and the related risk is taken into account in the fair value measurement of the debts.

(\*) The value of the claim is based on the nominal value of debts, purchased by the Group for a considerably lower value.

**18. Information on one or more related-party transactions concluded by the Parent**

**Balance of liabilities, receivables and loans as at the balance-sheet date**

<i>PLN '000</i>	<b>Liabilities</b>	<b>Receivables</b>	<b>Loans advanced</b>	<b>Interest accrued on loans advanced</b>
Secapital S.a.r.l.	10,249	15,254	-	-
ERIF Business Solutions Sp. z o.o.	-	3	-	-
NOVUM Finance Sp. z o.o.	-	70	1,350	18
Secapital Polska Sp. z o.o.	-	1	-	-
Kancelaria Prawna RAVEN Krupa & Stańko Sp. k.	194	4 935	-	-
KRUK Romania S.r.l	573	2,980	3,856	643
Rejestr Dłużników ERIF BIG S.A.	-	184	710	84
NFIZ PROKURA	1,164	4,835	-	-
NFIZ PROKULUS	-	14	-	-
KRUK Ceska and Slovenska Republika S.r.o.	180	471	11,278	1,176
KRUK TFI S.A.	-	5	-	-
	<u>12,360</u>	<u>28,752</u>	<u>17,194</u>	<u>1,921</u>

**Revenue from mutual transactions**

<i>PLN '000</i>	<b>Revenue from sales of debt collection services</b>	<b>Revenue from sales of materials and services</b>	<b>Interest and dividends</b>
Secapital S.a.r.l	273	-	-
ERIF Business Solutions Sp. z o.o.	-	8	-
NOVUM Finance Sp. z o.o.	115	-	17
Secapital Polska Sp. z o.o.	-	5	-
Kancelaria Prawna RAVEN Krupa & Stańko Sp. k.	-	321	1,666
KRUK Romania S.r.l	-	355	66
Rejestr Dłużników ERIF BIG S.A.	-	121	11
NFIZ PROKURA	5,084	-	-
NFIZ PROKULUS	32	-	-
KRUK Ceska and Slovenska Republika S.r.o.	234	-	188
KRUK TFI S.A.	16	-	-
	<u>5,754</u>	<u>810</u>	<u>1,948</u>



*Costs of mutual transactions*

<i>PLN '000</i>	<b>Purchase of debt collection services</b>
KRUK Ceska and Slovenska Republika S.r.o. Kancelaria Prawna RAVEN Krupa & Stańko Sp. k.	190 781
Kruk International Srl	1,385
Rejestr Dłużników ERIF BIG S.A.	331
	<hr/> 2,687 <hr/>

**19. Sureties for repayment of loans or borrowings and guarantees issued by KRUK S.A. or its subsidiary**

Except for the surety provided by KRUK S.A. in respect of the liabilities of PROKURA NS FIZ under the credit facility agreement of February 18th 2013 (described below), neither Kruk S.A. nor any of the Kruk Group companies issued any sureties or guarantees securing repayment of loans or borrowings to other business entities.

**20. Other information relevant for the assessment of the staffing levels, assets, financial standing and financial performance, or changes in any of the foregoing, and information relevant for the assessment of the Company's ability to meet its obligations**

Following the execution on January 16th 2013 by KRUK and PROKURA Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty (PROKURA NS FIZ) of another annex to the agreement on the provision of services relating to securitised debt of February 27th 2006, the total value of agreements concluded between the KRUK Group and Secapital S.a.r.l., a subsidiary of the Company, and PROKURA NS FIZ, a subsidiary of Secapital S. a r. l., in the period from November 5th 2012, i.e. from the date of release of Current Report No. 42/2012, to January 16th 2013, reached PLN 34m.

On February 18th 2013, the Company and its subsidiary PROKURA Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty (PROKURA NS FIZ) concluded a trilateral agreement (the "PROKURA Agreement") with Bank Zachodni WBK S.A. (the "Bank") on a revolving credit facility of up to PLN 70m, comprising:

- a credit facility of up to PLN 40m,
- a supplementary credit facility of up to PLN 30m.

In connection with the PROKURA Agreement, on February 18th 2013 the Company executed a surety agreement with the Bank (the "Surety Agreement"). Under the Surety Agreement, the Company issued a surety covering PROKURA NS FIZ' liabilities towards the Bank under the PROKURA Agreement, thus becoming a joint and several debtor in respect of the liabilities. Pursuant to the Surety Agreement, on the basis of Art. 97 of the Banking Law the Company declared it would comply with any enforcement action up to the credit facility amount plus contractual interest, fees, commissions and other costs under the PROKURA Agreement, up to the total amount of double the limits made available by the Bank, i.e. up to PLN 140m.

Furthermore, on February 18th 2013 the Company and the Bank signed an annex to the revolving credit facility agreement of April 8th 2011.

On February 27th 2013, the Company's subsidiary Secapital S.a.r.l. and Ceska sporitelna a.s., the Erste Group company, executed a framework debt assignment agreement (the "Agreement"), as a result of which the total value of agreements executed between the KRUK Group and the Erste Group within 12 months from the Agreement execution date reached PLN 47m.

**21. *Factors with a potential bearing on the Group's results in the next quarter or in a longer term***

Except as described in this report, KRUK S.A. did not identify any factors with a potential bearing on its performance in the next quarter or in a longer term.

**Piotr Krupa**

*President of the Management Board*

**Rafał Janiak**

*Member of the Management Board*

**Agnieszka Kułton**

*Member of the Management Board*

**Urszula Okarma**

*Member of the Management Board*

**Iwona Słomska**

*Member of the Management Board*

**Michał Zasepa**

*Member of the Management Board*

**Katarzyna Raczkiewicz**

*Person responsible for maintaining  
the accounting records*

*Wrocław, May 10th 2013*