



PRESENTATION OF 2011 RESULTS

KRUK Group

Agenda

Introduction

Debt collection market

Operations

Financial performance

Appendices

KRUK had a superb year – an 84% increase in net profit to PLN 66m, and PLN 569m of investments in portfolios building future results

(I) In 2011, the KRUK Group invested **PLN 569m** in debt portfolios in Poland, Romania, Czech Republic and Slovakia. These investments will significantly create results and recoveries in following years.

(II) The Group's **net profit** for the entire 2011 is **84%** higher year on year, at **PLN 66m**.

(VII) As confirmed by KPMG's audit, **compared with 2010, in 2011 the database** of Biuro Informacji Gospodarczej RD ERIF **grew by 105%** and as at the end of December 2011 comprised over **1 million cases**.

(VI) **Strong growth** on the debt purchase markets: in Poland by ca. 160%, to ca. **PLN 1.2bn** of investments in debt portfolios, and in Romania by 10%, to ca. **PLN 0.2bn** of investments in debt portfolios.

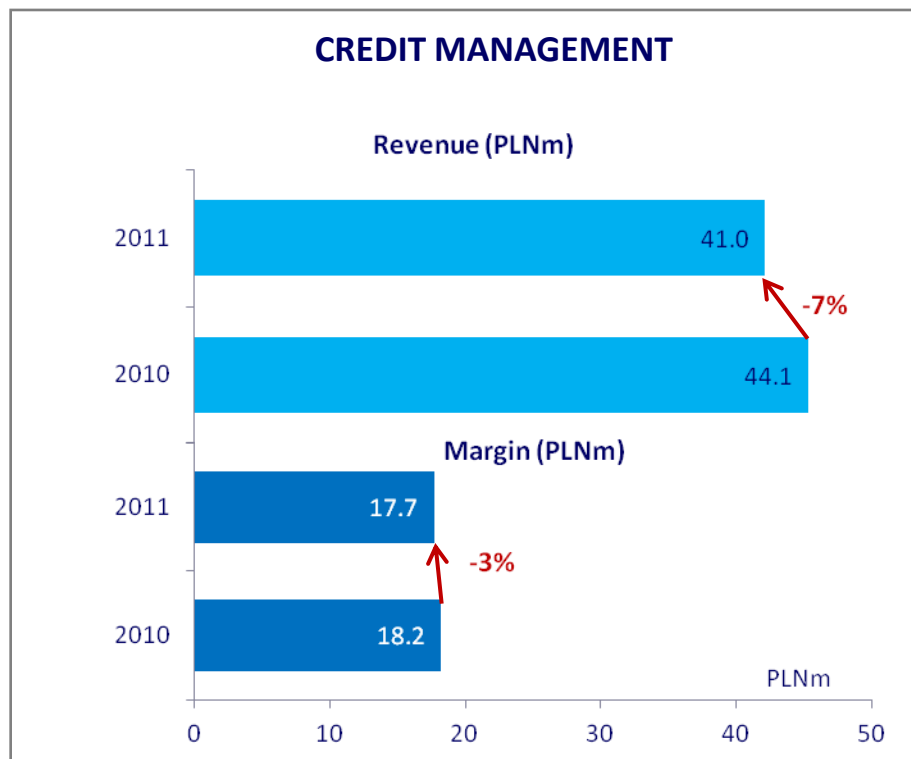
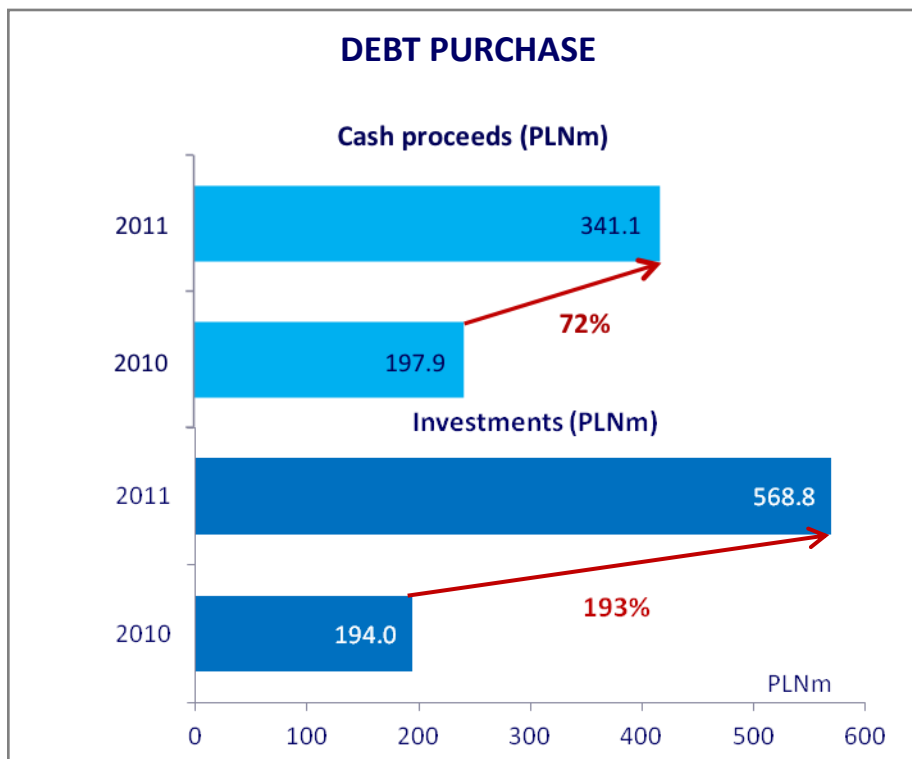
(V) **Successful entry onto the Czech market** with **PLN 38m** value of investments.

(III) **Strong cash-flow:** Recoveries on own portfolios rose by 72% to **PLN 341m** in 2011.

(IV) KRUK enjoys high availability of funds to finance its operations: in 2011, KRUK **issued notes with a value of PLN 291m** using the issue proceeds to purchase new debt portfolios. The Group also successfully acquired bank debt and in 2011 concluded relevant agreements for a total value of **PLN 125m**.



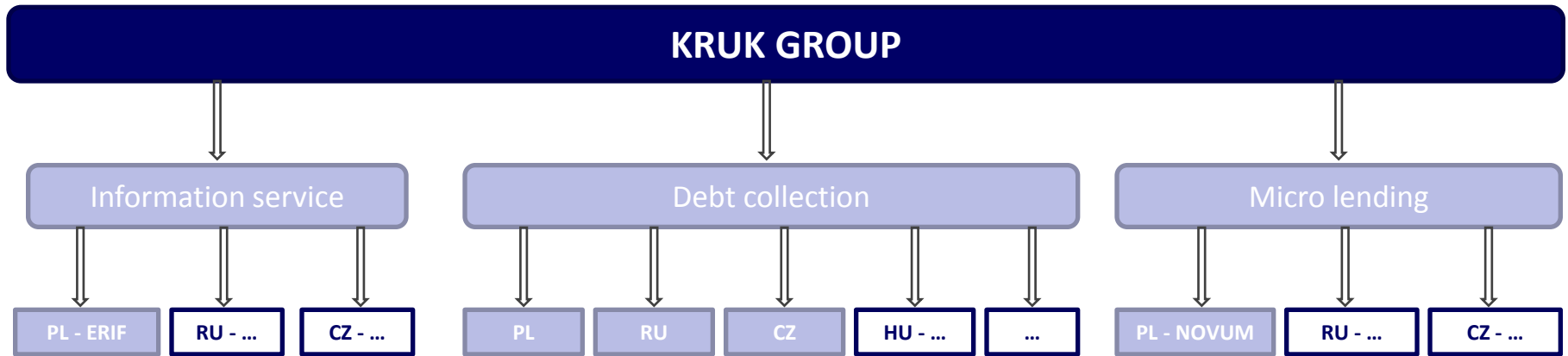
The 2011 net profit and cash EBITDA higher by 84% and 68%, respectively, year on year



	2011	2010	Change
Revenue (PLNm)	274.0	164.3	67%
EBIT (PLNm)	96.0	42.6	125%
Cash EBITDA (PLNm)	212.2	126.4	68%
Net profit (PLNm)	66.4	36.1	84%
EPS (PLN)	4.03	2.34	72%
ROE	27.9%	27.7%	0%

* Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt portfolios

Development directions of the KRUK Group for the coming years



Agenda

Introduction

Debt collection market

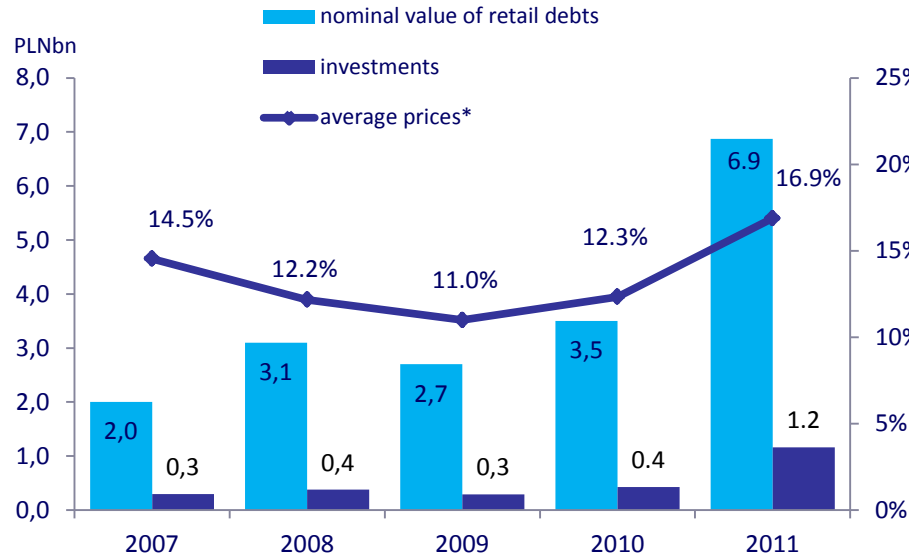
Operations

Financial performance

Appendices

As expected, banks in Poland and Romania continued strong sellout of retail debt in 2011

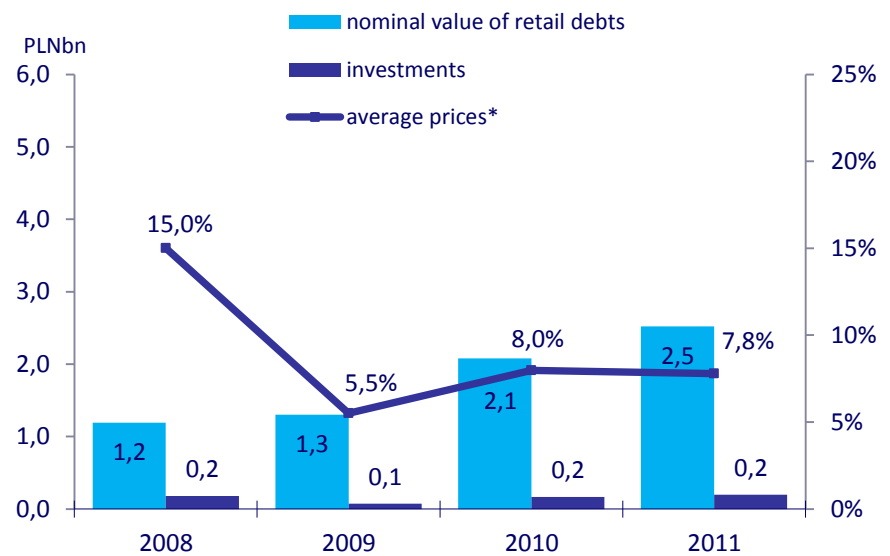
POLAND



According to our estimates, the size of the debt purchase market increased by ca. 160% in 2011.

Higher purchase prices are driven by the better quality of purchased debt, but also by competitive pressure.

ROMANIA

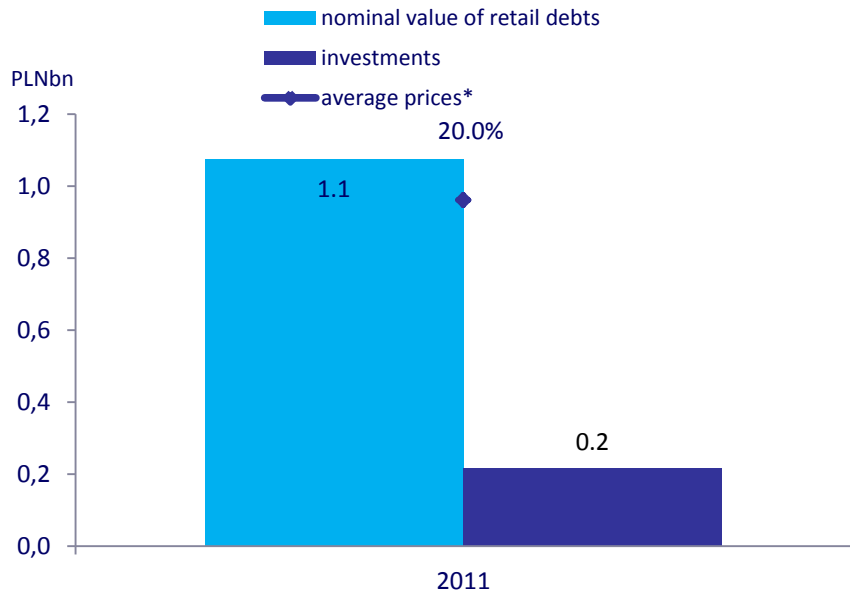


Relatively low prices prevail, which results from the specific nature of Romanian debts and lower competition compared to Poland.

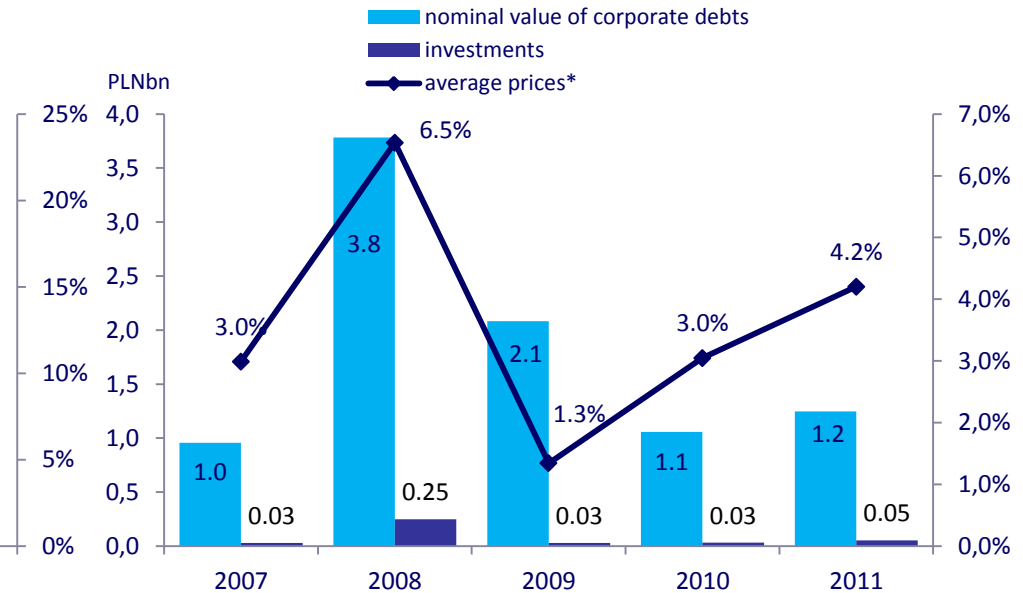
We estimate that in 2011 the entire Romanian debt purchase market grew by ca. 10% to PLN 200m in terms of investments.

In 2011, the Czech debt purchase market was similar in size to the Romanian market; the Polish corporate debt market did not return to the growth path

THE CZECH REPUBLIC



POLAND – CORPORATE DEBT



Average prices of debt portfolios on the Czech market are high as collection costs may be added to the amount of the debt.

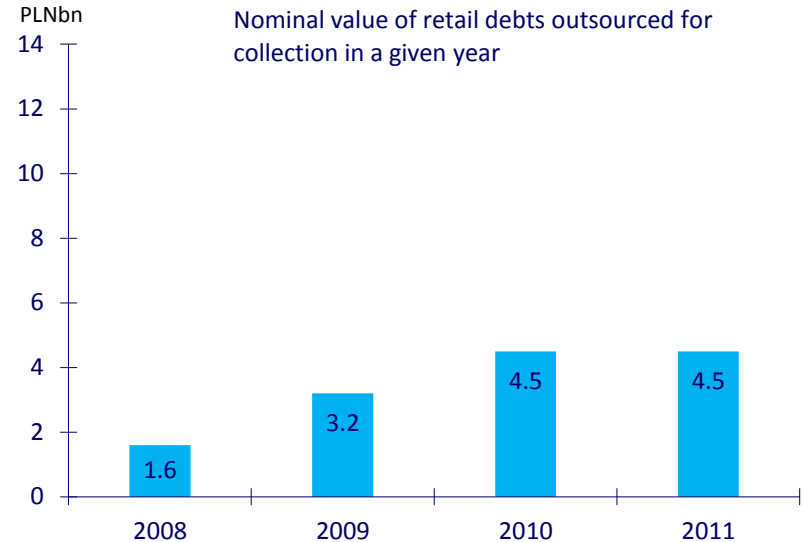
We expect that corporate debt supply will grow in the coming years.

A shift towards the debt sale market and lower lending activity inhibited the growth of the credit management market in 2011

POLAND



ROMANIA

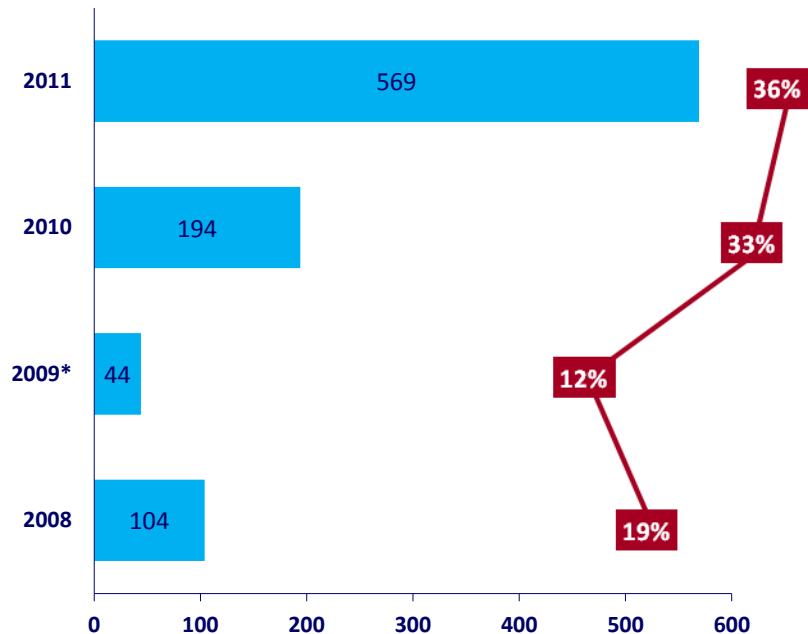


As sales of new consumer loans slowed down, some banks reduced the volume of debt outsourced for collection.

There is a shift from credit management market towards the debt sale market.

KRUK enjoys the leading position with a 36% share of the debt purchase market in Poland, Romania and the Czech Republic, and a 29% share of the credit management market in Poland and Romania

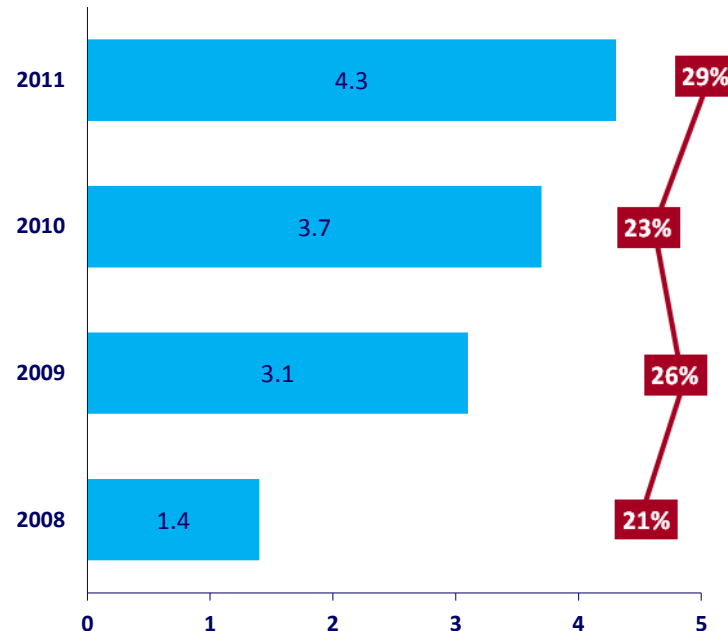
Purchased retail debt portfolios in Poland, Romania and the Czech Republic** (PLNm) and market share (%)



KRUK is the unquestioned leader of the debt purchase market in Poland and Romania.

KRUK successfully entered the Czech market by purchasing debt portfolios for approximately PLN 38m.

Nominal value of debt outsourced for collection in Poland and Romania (PLNbn) and market share (%)

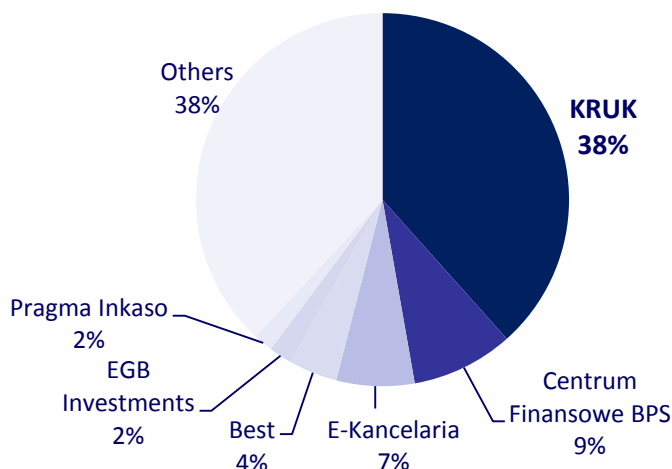


KRUK strengthened its leading position in the face of slower growth of the credit management market.

The Group's average market share in 2011 was driven by the 39% market share in Poland. The high share in the domestic market results from, among other things, acceptance for collection of high value debts, with a total nominal value of approximately PLN 1bn.

KRUK ranked as the unquestioned market leader in Poland in public rankings

Structure of the Polish credit management market in 2011 (by nominal value of debt cases)

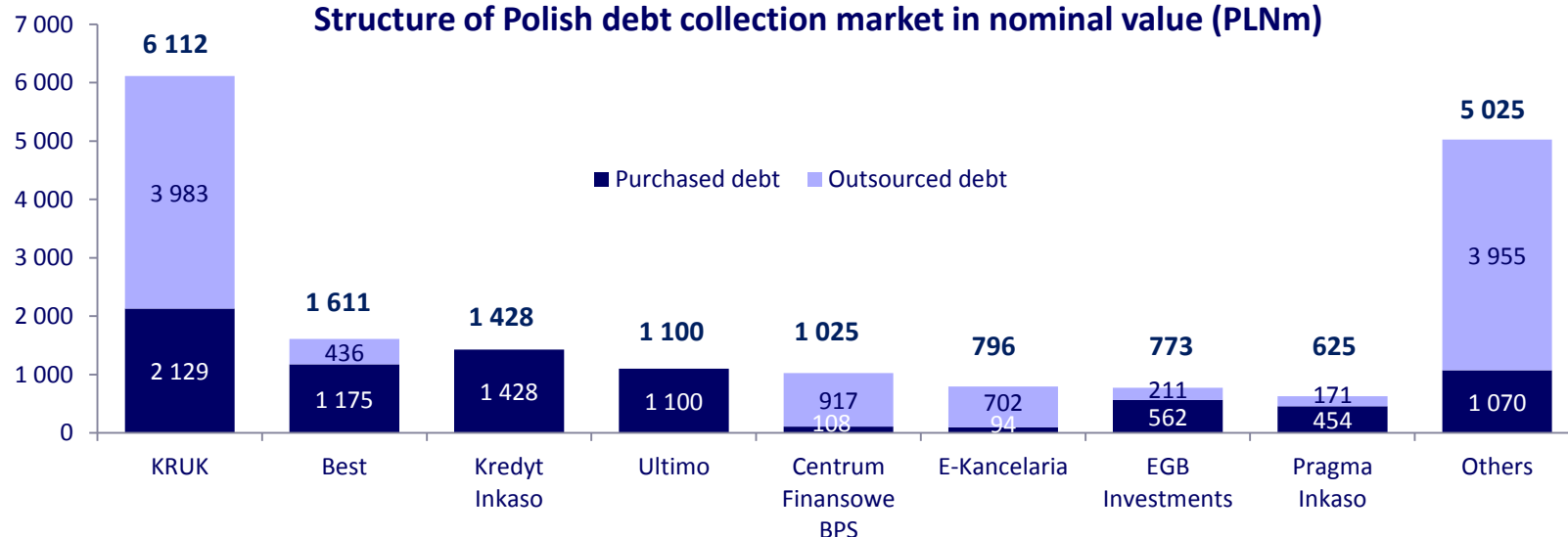


The total nominal value of debt cases handled by the **KRUK Group** in 2011 was **18% higher** than the aggregate value of debt handled by its four largest competitors.

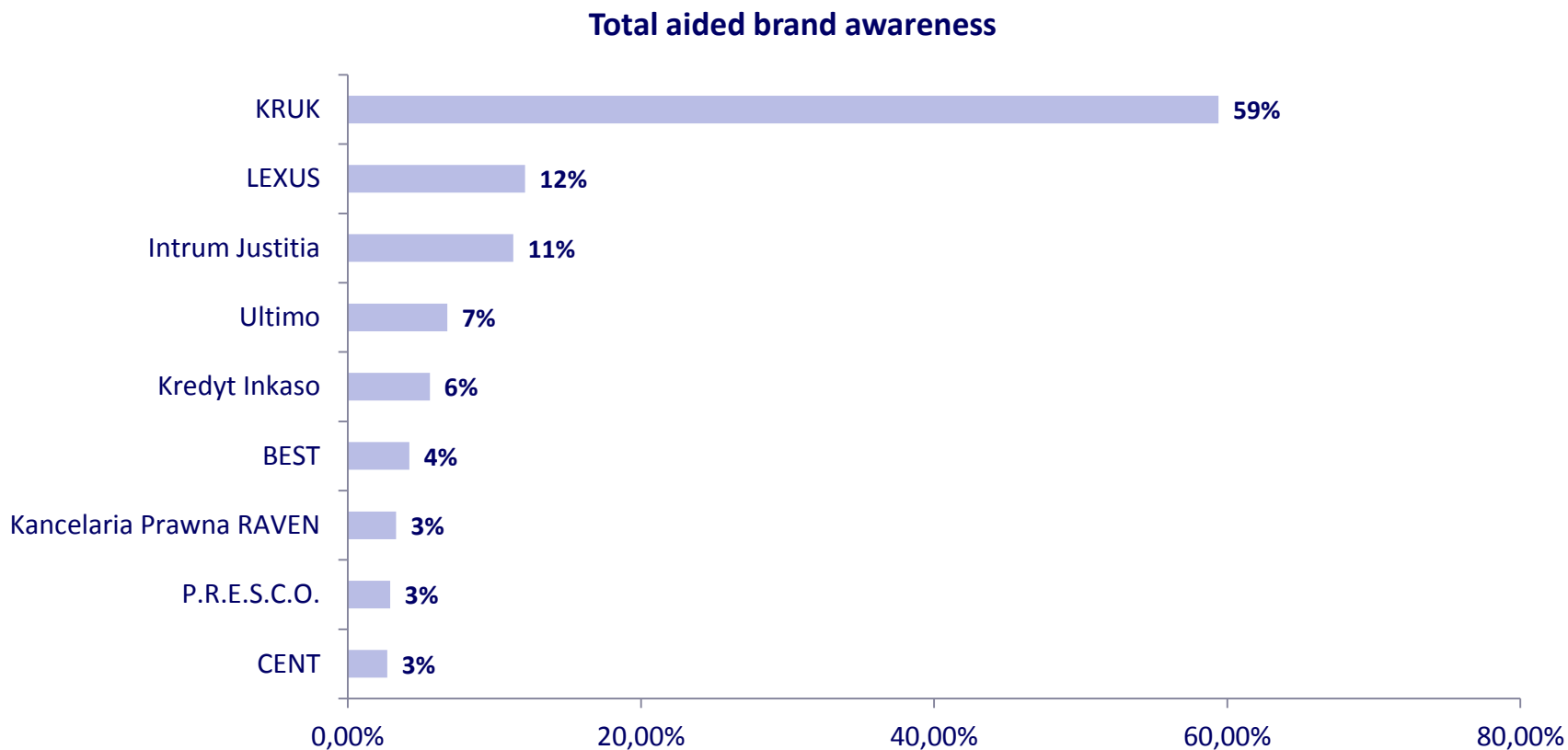
The **KRUK Group** purchased more than a quarter of debt portfolios put for sale in 2011. The total nominal value of debt purchased was PLN 2.1bn, 50% more than compared with the second-largest collector.

As the unquestioned leader of the credit management segment, the **KRUK Group** accepted for collection **38% of debt cases** handled in Poland, i.e. over four times more than the second-largest debt collection company.

Structure of Polish debt collection market in nominal value (PLNm)



KRUK S.A. is the best-known debt collector in Poland recognized by 60% of respondents.



Source: Report by TNS Pentor on familiarity with debt collection companies among Poles.

The survey requested by KRUK S.A. was carried out in the period November 18th-23rd 2011 on a representative group of thousand adult Poles.

Agenda

Introduction

Debt collection market

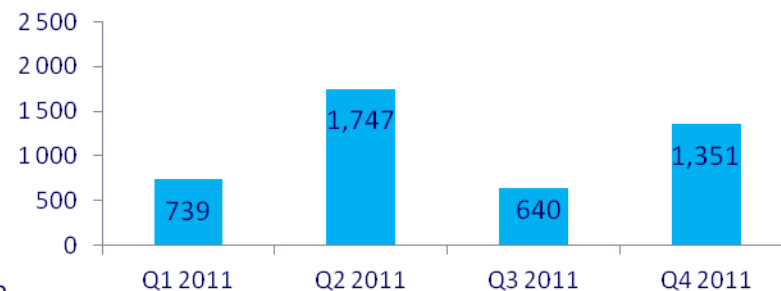
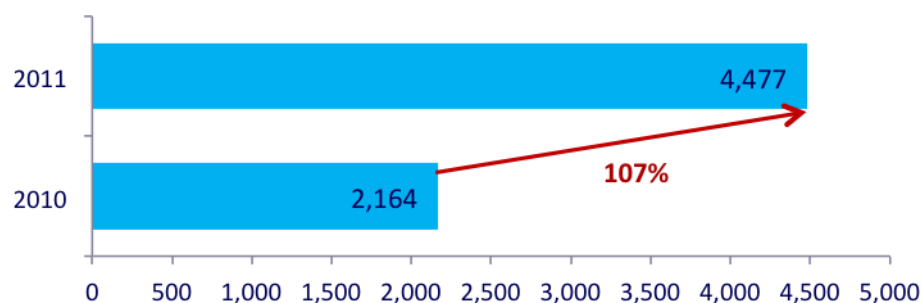
Operations

Financial performance

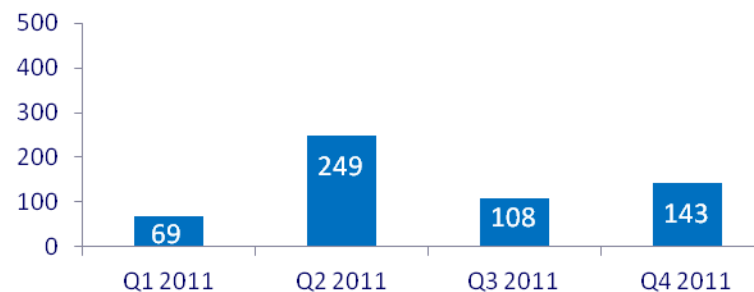
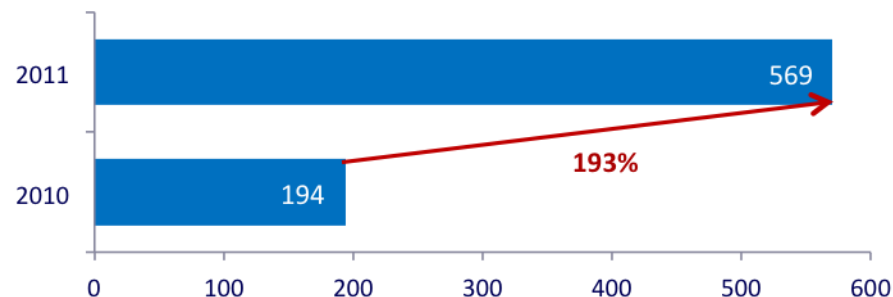
Appendices

KRUK – investment in debt purchases

Nominal value of purchased debt (PLNm)



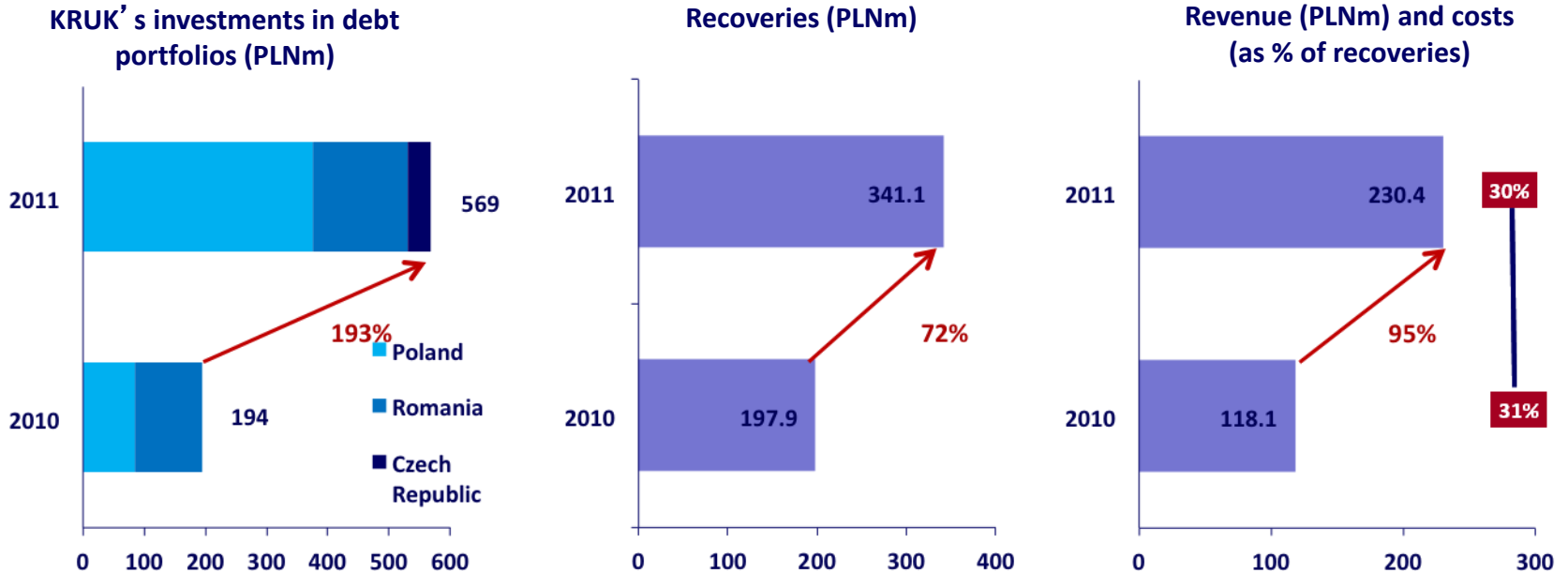
Investments in new debt portfolios (PLNm)



In the entire 2011, KRUK purchased 53 new debt portfolios.

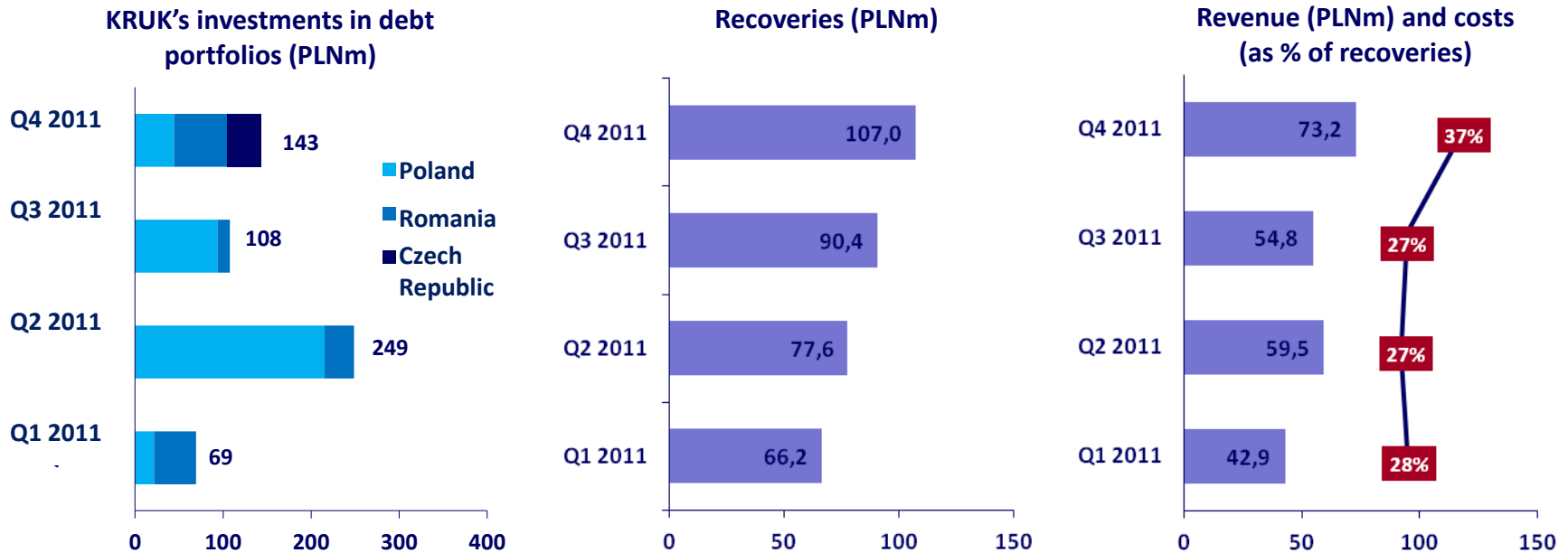
The KRUK Group purchased debt mainly from financial institutions in Poland, Romania and the Czech Republic.

KRUK's debt purchase - rapid growth and high margin



The KRUK Group reported a record-high level of investments in debt portfolios and at the same time improved its operating margin in 2011.

KRUK's debt purchase – PLN 143m investments in three countries and over PLN 1m of cash generated each day in Q4 2011

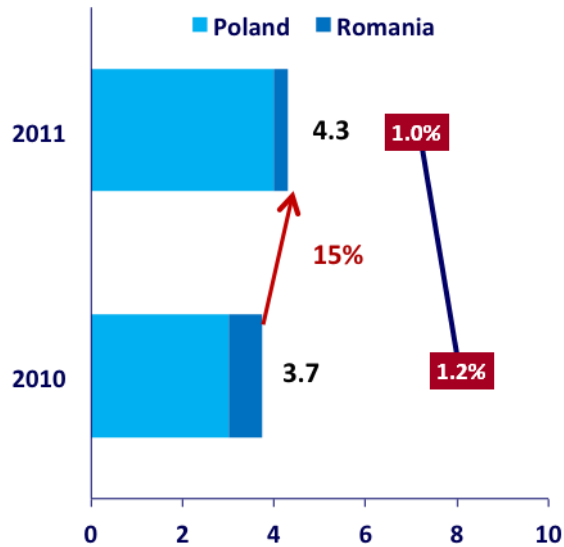


In H2 2011, KRUK's operating expenses included significant positions which will increase recoveries in following years:

- advertising campaigns in Poland and Romania,
- transfer to judicial collection of tens of thousands of cases more than in primary process scenario (purchased between 2003-09),
- provision tied for duty on actions under civil law, of which PLN 1.7m relates to years 2008-2010.

KRUK's credit management services – stable and highly profitable business line

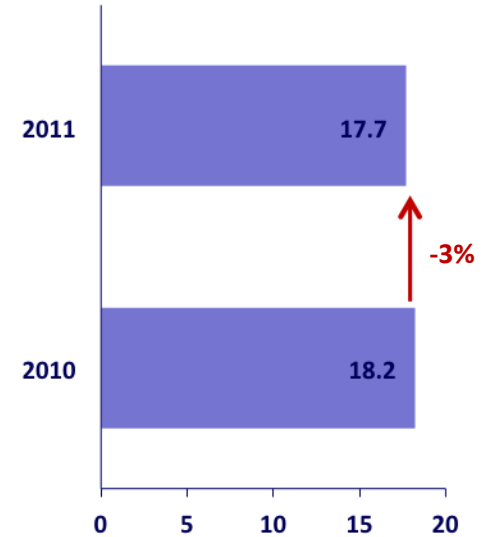
Nominal value of debt outsourced for collection (PLNbn) and commission fees (% of nominal value)



Revenue (PLNm) and margin on debt outsourced for collection (% of revenue)



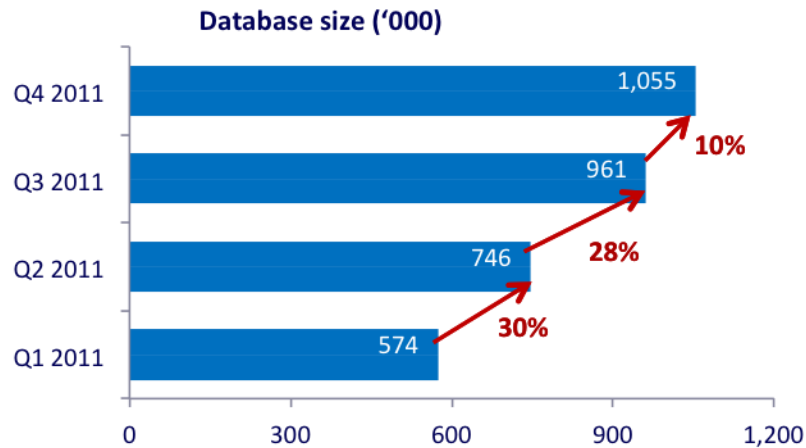
Indirect margin on debt outsourced for collection (PLNm)



Credit management continues to be a highly profitable business line, which is strategically important to KRUK given the synergies with the debt purchase business.

KRUK's new projects in Poland – over 1m entries in RD ERIF database and more than 4,500 loans sold

RD ERIF (credit information agency)

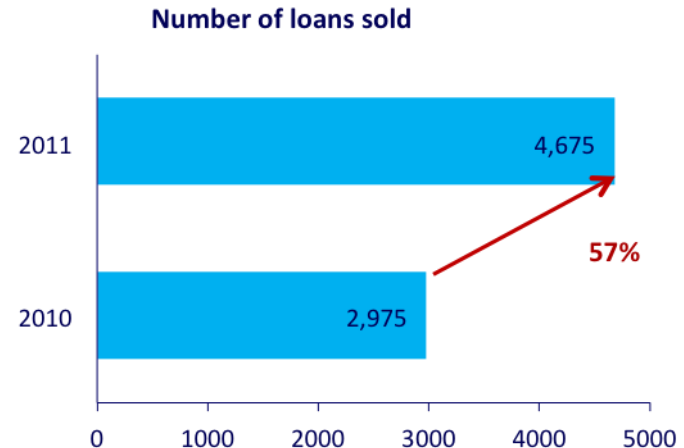


RD ERIF's database has continued to expand dynamically.

RD ERIF is the first credit information agency to have its database audited, thus confirming its quality.

RD ERIF is developing sales to the corporate sector and institutions with large consumer debt, as well as to the SME sector.

NOVUM LOANS



The product is currently targeted at persons who have already repaid their debt to KRUK and are regularly repaying other liabilities.

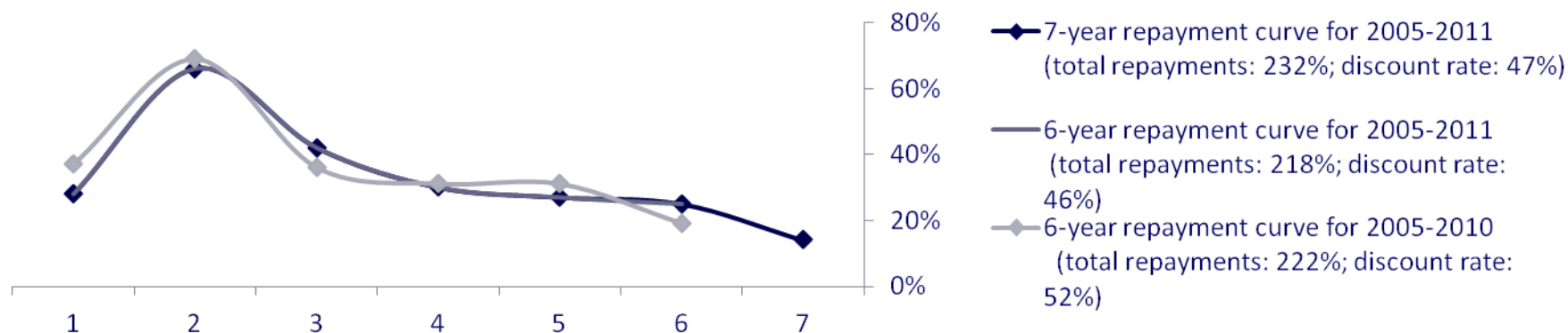
Prospective clients, due to their status and conditions prevailing on the banking market, have limited access to bank loans.

The company's significant competitive edge comes from the ability to mitigate risk thanks to its knowledge of borrowers' profiles and behaviour patterns and effective debt collection.

Historical repayment curve for KRUK

Repayment curve comparison	Total	1Y	2Y	3Y	4Y	5Y	6Y	7Y	8Y	8Y+
Average repayment curve on portfolios purchased in 2005-2010	222%+	37%	69%	36%	31%	31%	19%	+	+	+
Average repayment curve on portfolios purchased in 2005-2011	232%+	28%	66%	42%	30%	27%	25%	14%	+	+

Comparison of historical average repayment curves and corresponding discount rates*



Compared with the data published in the Prospectus, there was a change in the repayment curve, which was due to the purchases made in 2011 and the continued application of the strategy focused on amicable debt settlement agreements to all portfolios purchased by the KRUK Group.

In line with earlier expectations, the average repayment curve flattened in the first two calendar years from purchase, which was also accompanied by an increase (in percentage terms) in the average recovered value over the following years.

The result of curve flattening in the initial years of debt management was a lower discount rate* by six percentage points relative to the average repayment curve based on similar periods for 2005-2010, with the concurrent extension of repayment periods and generation of more stable cash flows at the Group thanks to the implementation of the debt settlement strategy.

*discount rate = annualised IRR based on semi-annual cash flows, assuming investment in portfolios in the middle of a calendar year
Source: KRUK S.A.

KRUK – important events subsequent to 2011

By June 30th 2012, the Company plans to issue unsecured notes: Series M¹ notes with a total value of up to PLN 70.0m, and Series N¹ bonds with the total value of up to PLN 50.0m.

The Company executed an annex to the revolving credit facility agreement concluded with Bank Zachodni WBK S.A., whereby :

- the maturity of the PLN 80m credit facility was extended by 11 months, that is until February 28th 2015;
- a PLN 60m supplementary facility was obtained, to be repaid by March 6th 2013.

KRUK obtained the approval of the Hungarian financial regulator to acquire SH Money Ingatlanfinanszírozási és Pénzügyi Zártkörűen Működő Részvénytársaság, a Hungarian company holding a licence to purchase debt portfolios in Hungary.

Agenda

Introduction

Debt collection market

Operations

Financial performance

Appendices

KRUK 2008-2011 - rapidly growing and highly profitable business with strong cash generation capabilities

PLNm	2008	2009	2010	2011	' 11/' 10	CAGR ' 08-' 11
DEBT PURCHASE						
Debt purchased – investments	-104	-54	-194	-569	193%	76%
Debt purchased – recoveries	117	140	198	341	72%	43%
Amortisation of debt purchased, net	-44	-55	-80	-111	39%	36%
INCOME STATEMENT						
Operating income	104	129	164	274	67%	38%
Debt purchase	73	85	118	230	95%	47%
o/w revaluation			10	20	91%	
Credit management	29	42	44	41	-7%	12%
Other products and services	3	2	2	3		
Indirect margin	48	57	75	144	92%	44%
<i>Percentage margin</i>	<i>46%</i>	<i>44%</i>	<i>45%</i>	<i>52%</i>		
Debt purchase	38	39	57	127	122%	50%
Credit management	9	18	18	18	-3%	25%
Other products and services	0	1	-1	-1		
EBITDA	27	35	47	101	118%	55%
<i>EBITDA margin</i>	<i>26%</i>	<i>27%</i>	<i>28%</i>	<i>37%</i>		
NET PROFIT	17	24	36	66	84%	57%
<i>Net profit margin</i>	<i>16%</i>	<i>18%</i>	<i>22%</i>	<i>24%</i>		
ROE	22%	23%	28%	28%		
EPS (PLN)	1.1	1.5	2.3	4.0	72%	54%
NET PROFIT adjusted for provision for duty on actions under civil law ('08-'10)	17	24	36	68	89%	59%
CASH EBITDA*	71	90	127	212	68%	44%

*Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt portfolios

KRUK - 2011 results by quarters

PLNm	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
DEBT PURCHASE					
Debt purchased – investments	98	69	249	108	143
Debt purchased – recoveries	58	66	78	90	107
Amortisation of debt purchased, net	-25	-23	-18	-36	-34
INCOME STATEMENT					
Operating income	44	53	71	67	83
Debt purchase	33	43	60	55	73
o/w revaluation	2	-1	8	5	8
Credit management	10	10	10	11	10
Other products and services	1	1	1	1	0
Indirect margin	18	28	43	35	38
<i>Percentage margin</i>	<i>42%</i>	<i>52%</i>	<i>61%</i>	<i>53%</i>	<i>45%</i>
Debt purchase	15	25	39	30	34
Credit management	4	4	4	5	5
Other products and services	0	0	0	0	-1
EBITDA	9	19	32	25	25
<i>EBITDA margin</i>	<i>21%</i>	<i>36%</i>	<i>45%</i>	<i>38%</i>	<i>30%</i>
NET PROFIT	7	14	25	13	14
<i>Net profit margin</i>	<i>17%</i>	<i>27%</i>	<i>36%</i>	<i>20%</i>	<i>17%</i>
CASH EBITDA *	34	43	50	61	59

*Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt portfolios

KRUK – P&L by geographical segments (presentation format)

PLNm	2010	2011	' 11/' 10
INCOME STATEMENT			
Operating income	164.3	274.0	67%
Poland	122.7	170.0	39%
Romania	41.6	104.0	150%
Indirect margin	74.7	143.7	92%
<i>Percentage margin</i>	45%	52%	
Poland	45.9	63.2	38%
Romania	28.8	80.4	179%
Total expenses	28.1	40.9	46%
EBITDA	46.6	101.4	118%
<i>EBITDA margin</i>	28%	37%	
Finance expenses (net)	-7.0	-27.4	
NET PROFIT	36.1	66.4	84%
<i>Net profit margin</i>	22%	24%	

- The strong growth and high margins on foreign operations were driven by:
- higher investment in debt portfolios in 2010 relative to the previous years;
 - high effectiveness of collection activities;
 - record-high level of investments in purchased debts in 2011;
 - appreciation of RON against PLN.

KRUK – Selected balance-sheet items (presentation format)

PLNm	2010	2011	' 11/' 10
Non-current assets	18.8	23.8	27%
Current assets	298.7	776.6	160%
including: investment in debt purchase	263.2	718.7	173%
Cash	20.8	36.2	74%
Total assets	317.6	800.5	152%
EQUITY AND LIABILITIES			
Equity	130.3	238.4	83%
including retained earnings	106.3	132.5	25%
Liabilities	187.3	562.1	200%
including: loans and leases	25.2	118.0	368%
Bonds	96.9	359.0	270%
Total equity and liabilities	317.6	800.5	152%
RATIOS			
Interest debt	122.1	477.0	291%
Net interest debt	101.4	440.8	335%
Net interest debt to equity	0.8	1.8	138%
Interest debt to 12-month cash EBITDA *	1.0	2.2	133%

Source: KRUK S.A.

*Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt portfolios

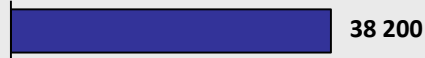
KRUK – Cash-flow highlights (presentation format)

	2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011
Cash flows from operating activities :	124,1	42.4	46.5	35.3	73.6	197.8
Debt purchased – recoveries	197,9	66.2	77.6	90.4	106.9	341.1
Operating expenses related to debt purchased	-60,7	-18.4	-20.7	-24.8	-39.3	-103.2
Operating margin on credit management	18,2	3.5	4.2	4.9	4.9	17.5
General expenses	-28,1	-8.2	-10.7	-10.0	-12.3	-41.2
Other cash flows from operating activities	-3,2	-0.7	-3.9	-25.2	13.3	-16.5
Cash flows from investing activities:	-201,0	-71.1	-250.5	-109.9	-146.8	-578.3
Debt purchased – expenses	-194,0	-69.2	-248.7	-107.7	-143.2	-568.8
Other cash flows from investing activities	-7,0	-1.9	-1.8	-2.1	-3.6	-9.4
Cash flows from financing activities	73,9	39.1	200.7	77.8	78.4	396.0
Increase in loans and lease liabilities	17,2	19.8	67.5	33.3	74.3	194.9
Bond issue	112,0	0.0	138.0	118.0	35.0	291.0
Repayment of loans and lease liabilities	-37,9	-5.8	-36.8	-37.3	-24.0	-103.9
Redemption of bonds	-34,0	0.0	0.0	-30.0	0.0	-30.0
Other cash flows from financing activities	16,6	25.1	32.1	-6.1	-6.8	44.3
Net cash flows:	-3,0	10.4	-3.3	3.2	5.1	15.4

Macroeconomic data (1/2)

POLAND

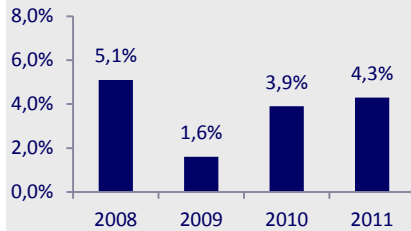
Population [2011 in thousands]



Gross National Product per capita [2010 in USD]



GDP growth [%]

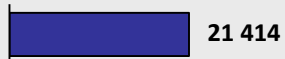


Unemployment rate [%]

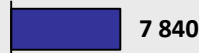


ROMANIA

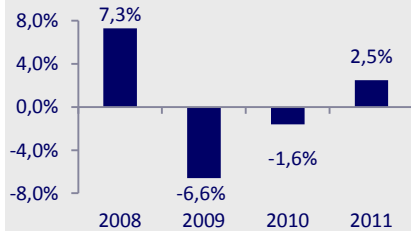
Population [2011 in thousands]



Gross National Product per capita [2010 in USD]



GDP growth [%]



Unemployment rate [%]



CZECH REPUBLIC

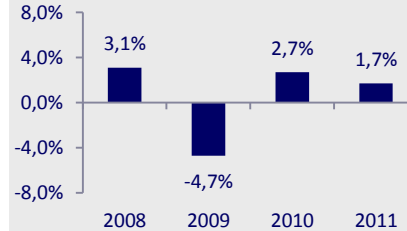
Population [2011 in thousands]



Gross National Product per capita [2010 in USD]



GDP growth [%]

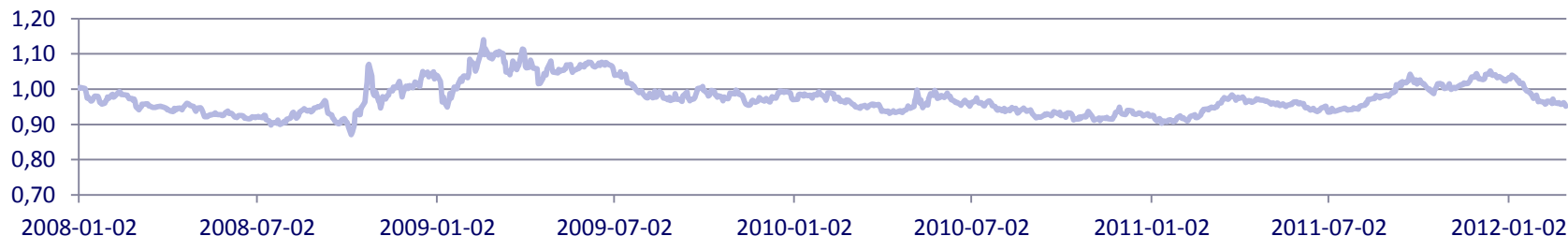


Unemployment rate [%]

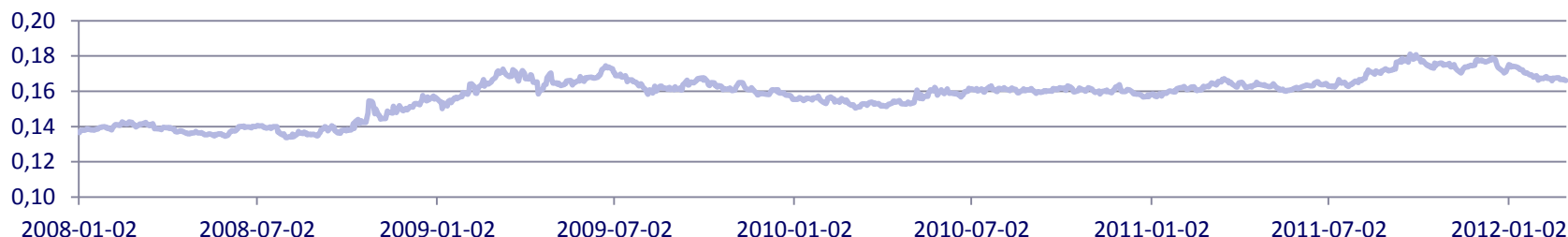


Macroeconomic data (2/2)

Average RON/PLN exchange rates since 2008



Average CZK/PLN exchange rates since 2008



Analysis of currency exchange rates impact on Group's results (especially fair value of debt portfolios) must consider also other factors which significantly influence portfolios' recovery. These factors include political situation in the market, economic fluctuations, level of households' debt and income, the situation of banking sector, as well as resulting from these factors, behavior of the debtor. Consequently, the sensitivity of net income to the isolated impact of exchange rate changes can significantly differ from the total effect of all the analyzed factors affecting the recovery.

Agenda

Introduction

Debt collection market

Operations

Financial performance

Appendices

KRUK - debt structure and notes redemption schedule

Changes in the structure of KRUK' s debt under notes in issue

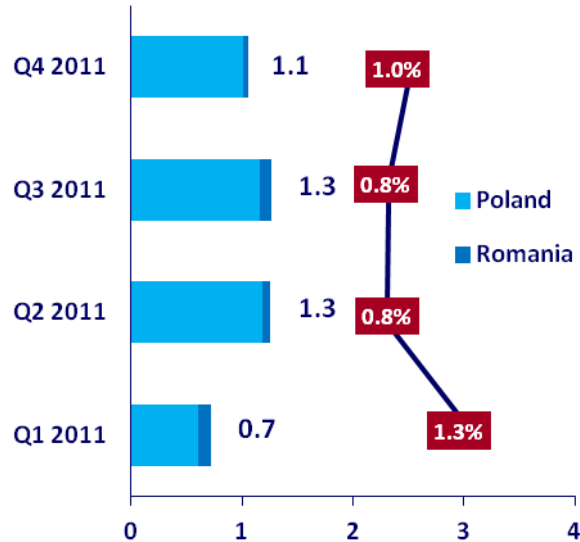
	2011	2012	2013	2014	2015	2016
Issue		120	-	-	-	-
Redemption		91	116	133	17	120
Notes to be redeemed as at Dec 31	357	386	270	137	120	-

* Based on nominal value

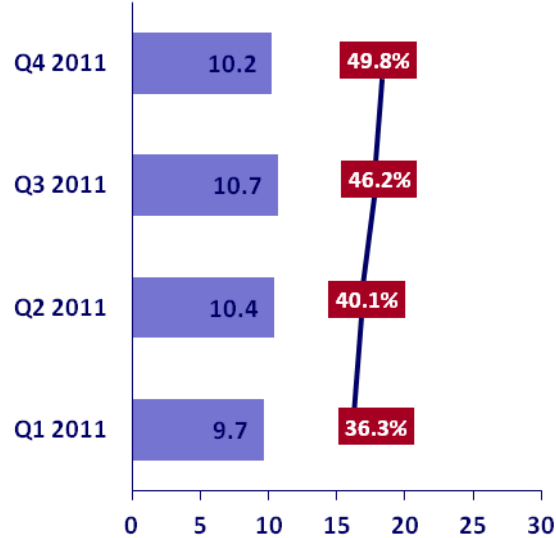
Revolving facility limits	195
Total other investment loans	17

KRUK's credit management in Q4 – higher margin and profitability relative to Q1-Q3 2011

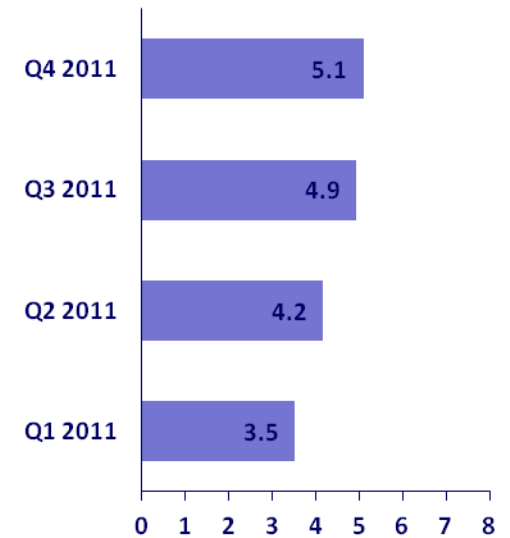
Nominal value of debt outsourced for collection (PLNbn) and commission fees (% of nominal value)



Revenue (PLNm) and margin on debt outsourced for collection (% of revenue)



Indirect margin on debt outsourced for collection (PLNm)



KRUK – Selected balance-sheet items (presentation format)

PLNm	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Non-current assets	19.4	19.4	19.3	23.8
Current assets	386.1	581.6	680.8	776.6
including: investment in debt purchase	307.0	533.9	608.7	718.7
Cash	31.2	27.9	31.1	36.2
Total assets	405.5	601.0	700.1	800.5
EQUITY AND LIABILITIES				
Equity	146.0	211.9	223.5	238.4
including retained earnings	122.1	147.1	158.4	132.5
Liabilities	259.5	389.1	476.6	562.1
including: loans and leases	39.8	70.6	63.3	118.0
Bonds	95.9	233.9	321.9	359.0
Total equity and liabilities	405.5	601.0	700.1	800.5
RATIOS				
Interest debt	135.7	304.5	385.2	477.0
Net interest debt	104.5	276.6	354.1	440.8
Net interest debt to equity	0.7	1.3	1.6	1.8
Interest debt to 12-month cash EBITDA *	1.0	1.9	2.1	2.2

Source: KRUK S.A.

*Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt portfolios

KRUK - business model and milestones

KRUK Group's business model

Creditors

Banks~ 70%**

banks insurers telecom operators cable TV operators other media

Credit management

Debt purchase

debt collection process

shared debt collection platform, tools and infrastructure
(IT, telco, call centre)

Debtors

Retail~ 70%**

Retail

Corporate

**B2B
(receivables)**

We help people pay their debts

as **76%** of all debtors are willing to pay their overdue liabilities*

KRUK Group's milestones – innovation leader

2000 Launch of the credit management business

2001 Introduction of the “success only fee” in CMS

Debt portfolio market emerges – decision to raise new equity

2003 KRUK as the CMS market leader***
Enterprise Investors invests USD 21m (PEF IV)
Purchase of the first debt portfolio

2005 First securitisation process in Poland
Branch launched in Wałbrzych

Decision to replicate business outside of Poland

2007 Entry into the Romanian market
Acquisition of Rejestr Dłużników ERIF BIG S.A.

Innovative approach to debtors

2008 Amicable settlement solutions (voluntary settlement or litigation) introduced on a mass scale

2010 Legislative changes enable ERIF to use
TV commercials as a mass debt collection tool

Prospects of a large supply of NPL

2011 IPO on the WSE
Entry into the Czech and Slovakian markets

Source: KRUK S.A. * Długi jako wstydlivy problem, CBnZE, 03/2010 (Debt as a shameful problem), ** of total debt in collection in 2009, according to IBnGR, *** in terms of the nominal value of debt

Financial statement items affected by the volatility of exchange rates

INCOME STATEMENT

Revaluation of debt portfolios as a portion of revenue from collection of purchased debt

Revenue forecast update is primarily based on the analysis of:

- debtors' behaviour patterns and effectiveness of the collection tools used;
- assessment of debtors' financial standing in the context of macroeconomic developments on particular markets;
- changes in currency exchange rates against PLN (for debt portfolios purchased abroad).

Net foreign exchange gains/losses recognised in finance income

Finance income includes interest income on the funds invested by the Group (net of income on purchased debt), dividend receivable and reversal of impairment losses on financial assets. Foreign exchange gains and losses are posted in net amounts.

Net foreign gains/losses recognised in finance expenses

Finance expenses include interest on debt financing, unwinding of the discount on provisions, and impairment losses on financial assets. Foreign exchange gains and losses are posted in net amounts.

EQUITY

Exchange differences on translation of foreign operations

Exchange differences on translating subsidiaries include exchange differences on translating foreign operations.

Source: KRUK S.A

How does KRUK recognise revenue from purchased debt portfolios?

Purchased debt - division into interest and principal

- for each purchased debt portfolio, the discount rate (IRR for recovery) is calculated based on projected recoveries,
- the product of the discount rate for a given debt portfolio and the portfolio's fair value is recognised as revenue in a period,
- the difference between recoveries and revenue reduces the portfolio's fair value in the balance sheet (debt portfolio amortisation),
- each debt portfolio is reviewed quarterly, any changes in the actual or projected recoveries or expenses are used to remeasure fair value based on the original discount rate, and the difference is recognised in P&L as revaluation.

Example calculation of recoveries and revenue from purchased debt portfolio

	PERIOD				
	0	1	2	3	Σ
purchase value	100				
planned recoveries	-100	70	70	70	110
discount rate	49%				
valuation at beginning of period		100	79	47	-
recoveries:		70	70	70	210
- revenue /interest/		49	38	23	110
- amortisation		21	32	47	100
valuation at end of period		79	47	0	-

outcome of planned recoveries and purchase price

product of value and discount rate

difference between recoveries and revenue

starting value reduced by amortisation

KRUK Group



REJESTR DŁUŻNIKÓW
E R I F
BIG S.A.

Kancelaria Prawna
RAVEN
Krupa&Stańko



KRUK S.A.

ul. Legnicka 56

54-204 Wrocław, Poland

ir@kruksa.pl

www.kruksa.pl