

KRUK
Group



REJESTR DŁUŻNIKÓW
ERIF
BIG S.A.



NOVUM
finance



Presentation of 2012 results KRUK Group

March 2013

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Net profit up 22% on 2011, and up 125% since KRUK's IPO.



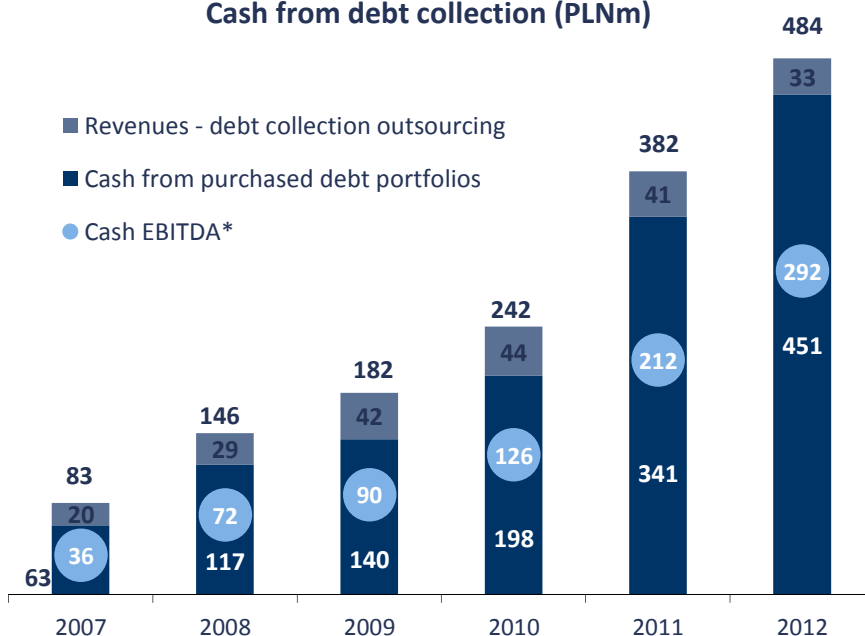
- I** In 2012, the Group's **net profit was PLN 81m, up 22% on 2011**. Since the IPO, KRUK's net profit has grown **by 125%**.
- II** **Investments:** in 2012 the KRUK Group invested **PLN 309m in 53 debt portfolios**. The Group's investments accelerated in H2 2012 when the total expenditure was **PLN 213m**. Since the IPO, the Group's investments amounted to **PLN 878m**.
- III** **The fair value of the Group's acquired portfolios exceeded PLN 873m** as at the end of 2012, while the nominal value of the debt acquired since the launch of operations has reached **PLN 14.1bn**. These assets are a strong foundation for future profits.
- IV** **Strong debt portfolio sales market:** in 2012 the value of investments in debt portfolios was **PLN 1.1bn in Poland, PLN 0.2bn in Romania, and PLN 0.3bn in the Czech Republic and Slovakia**.
- V** **KRUK enjoys stable funding:** as at the end of 2012, the Group had access to bank facilities of **PLN 260m**. The balance of bonds issued was **PLN 427m**.
- VI** **Development of the debt collection business in the Czech Republic and Slovakia:** the Group launched its debt collection outsourcing in Slovakia in August 2012. In October 2012, the Group acquired first portfolios in a stand-alone transaction. The total amount spent on debt portfolios in the Czech Republic and Slovakia in 2012 was **PLN 27m**.

Source: KRUK S.A.



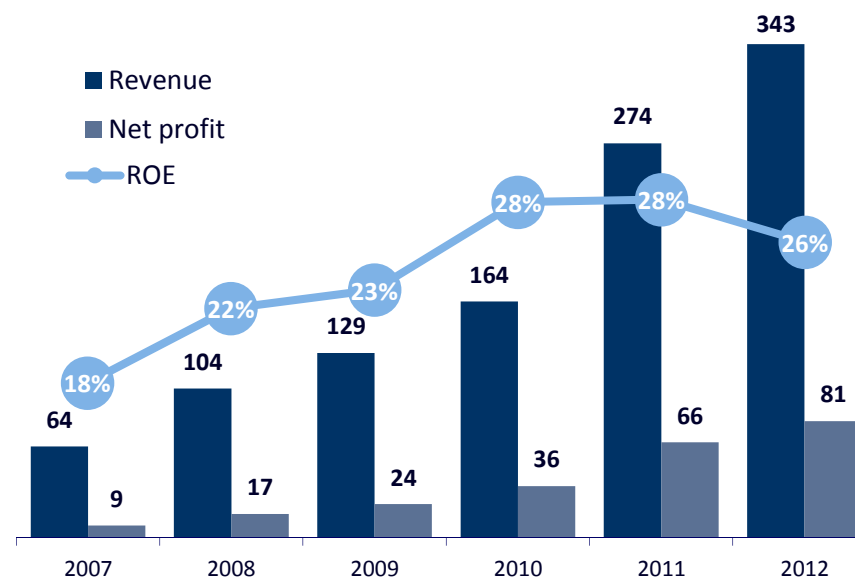
2012 was another year of KRUK's strong growth – net profit up 22%, cash EBITDA up 38%, with high ROE at 26%

Cash from debt collection (PLNm)



in PLNm	2007	2011	2012	12/11	CAGR '07-'12
revenue	63.6	274.0	343.0	25%	40%
EBIT	11.5	96.0	136.7	42%	64%
cash EBITDA*	34.2	212.2	292.3	38%	54%
net profit	8.7	66.4	81.2	22%	56%

Financial performance (PLNm)



	2007	2012	change
number of cases as at the end of the year, PLNm (debt collection outsourcing and purchased debt portfolios)	1.1	2.6	134%
nominal value of debt as at the end of the year, PLNbn (debt collection outsourcing and purchased debt)	4.7	19.3	310%
accumulated recoveries, PLNm	157	1,405	794%
number of employees*	751	1,805	140%

Source: KRUK S.A.; * Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt portfolios
 * including personnel under employment contracts and civil law contracts

KRUK - awards and distinctions received in 2012



Bulls and Bears 2011 – award for the most successful IPO on the Warsaw Stock Exchange in 2011.



Effie Award 2012 – the “We help pay your debts” media campaign launched by KRUK received the silver award in the banking category. This was the first time in the history of the media market in Poland, and perhaps also globally, that a campaign organised by a debt management company was singled out for this prestigious award.



“The Best Annual Report 2011” – The report was recognised as one of the most useful reports for readers in the banks and financial institutions category.



Piotr Krupa, President of the KRUK Management Board, was among ten finalists of the 10th edition of the prestigious Entrepreneur of the Year 2012 contest organised by Ernst&Young.

2012



Good Company 2012 (Dobra Firma 2012) – The KRUK Group joined the prestigious group of 20 most dynamic and effective Polish businesses, as part of the annual ranking of the best Polish companies - List 2000.



Złoty Laur Klienta 2012 (Golden Laurel 2012) – The award attests to the popularity of the brand and the positive opinion it enjoys among customers. “Laur Klienta” is the largest consumer award programme in Poland.

2012
Book of Lists



TOP BRAND 2013 in the **LAUR KLIENTA/KONSUMENTA** contest – The Top Brand award is given by a selection panel composed of journalists based on how well a given brand fared in the previous editions of the Laur Konsumenta contest. KRUK has been awarded Złoty Laur each year since 2008.

Book of Lists 2012 – Top position in the ranking of debt management companies.

Best Product for Your Business 2012 – KRUK was named the Best Product for Your Business by Gazeta Finansowa in the debt collection category.

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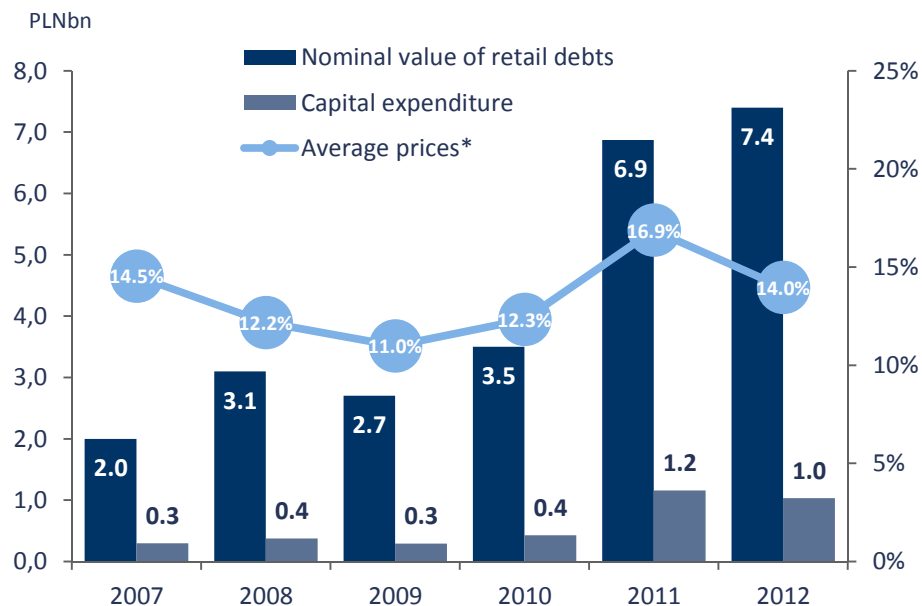
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2012 was characterised by strong supply of consumer debt portfolios** from banks in Poland and Romania

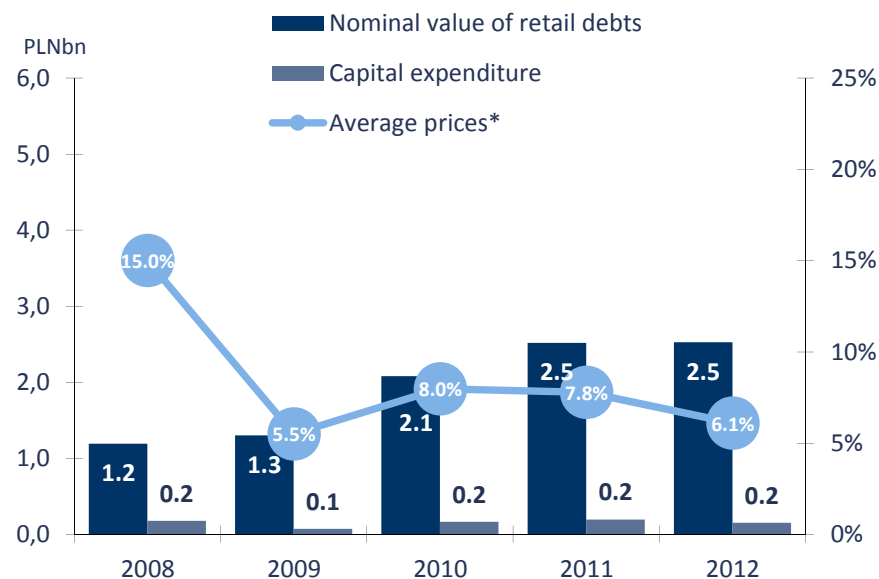
POLAND



The nominal value of the unsecured consumer debt portfolio market increased 10% year on year (PLN 6.0bn in 2011 vs. PLN 6.6bn in 2012).

Last year, prices of unsecured consumer debt fell on deteriorating debt quality and weaker competition in H2 2012.

ROMANIA



The market stabilised in 2012 at the previous year's level.

The structure of debts in Romania and the competition being weaker than in Poland contribute to average debt portfolio prices remaining low. The decline of the average price seen in 2012 was attributable to the change in the structure of auctioned portfolios.

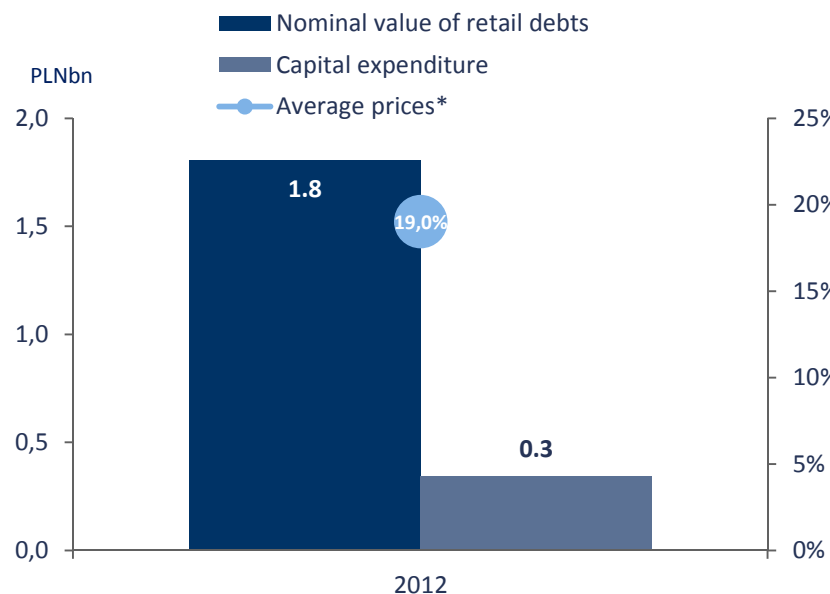
Source: KRUK S.A., IBnGR.

* Average price as a percentage of nominal value

** consumer portfolios = unsecured consumer debts + non-mortgage debts of SME.

Total expenditure on the consumer debt portfolios in the Czech Republic and Slovakia in 2012 amounted to ca. PLN 340m. The value of the corporate debt portfolios sold in Poland nearly doubled.**

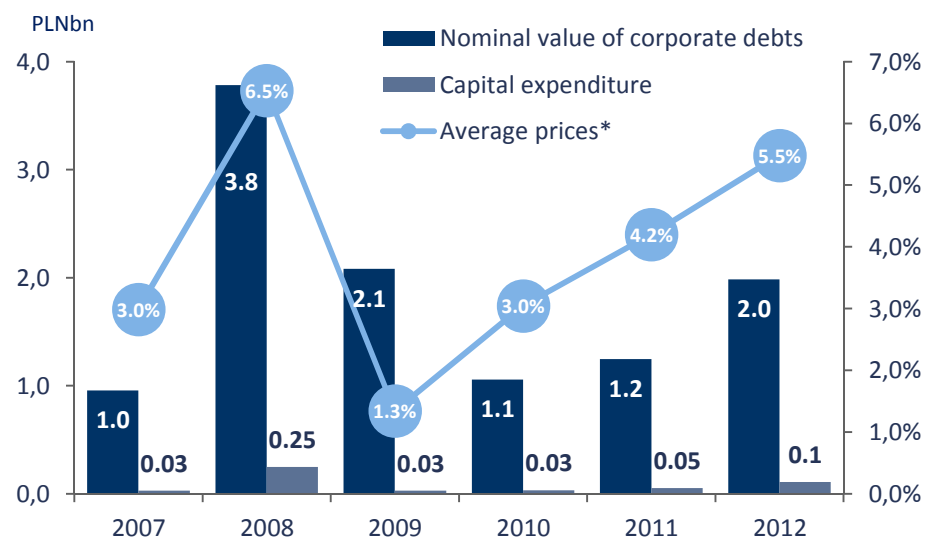
THE CZECH REPUBLIC AND SLOVAKIA



Expenditure incurred on the Czech and Slovak consumer debt market is approximately twice as large as the expenditure incurred in the corresponding segment of the Romanian market.

Debt portfolio prices on the Slovak market are lower than on the Czech market due to longer delinquency periods of the auctioned debt and differences in the legal environment.

POLAND – CORPORATE DEBT PORTFOLIOS



The corporate debt market in Poland saw a 59% year-on-year increase in nominal value. Expenditure on the market grew by almost 90% relative to 2011.

The average price (expressed as percentage of nominal value) increased on the improved quality of debt portfolios auctioned in 2012 vs. the quality of debts sold in 2009–2011.

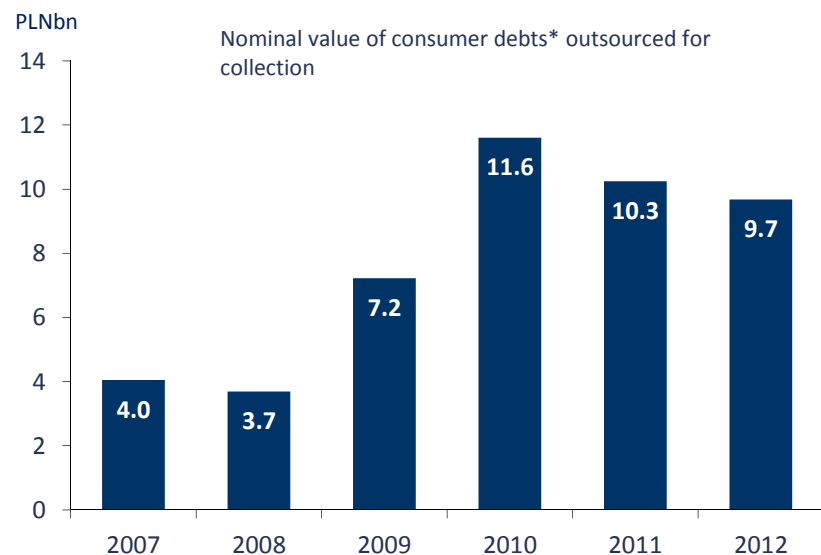
Source: KRUK S.A.

* Average price as % of nominal value.

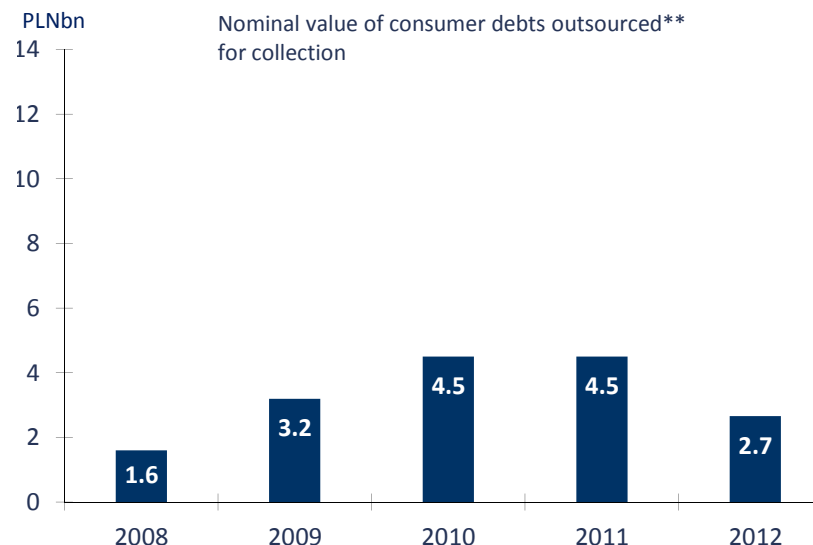
** consumer portfolios = unsecured consumer debts + non-mortgage debts of SME.

In both Poland and Romania, the volume of debt collection outsourcing market shrank, owing to various factors, including strong supply to the debt sale market and reduction of banks' lending activity.

POLAND



ROMANIA



On the back of the decelerating lending activity in Poland and Romania, in 2012 certain banks continued to scale back debt collection outsourcing. In Poland, the value of debt outsourced by banks for collection fell 6% from on 2011. In Romania the decline was deeper and came in at 41%.

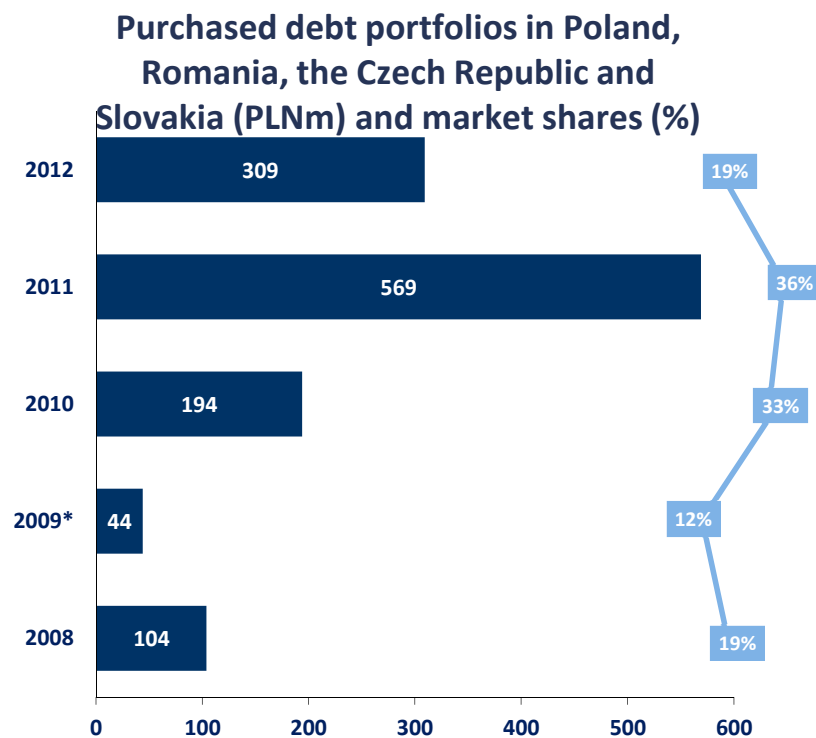
2012 was another year to see clients move away from debt collection outsourcing towards debt auctions.

Source: KRUK S.A.

* Consumer debts outsourced in Poland = unsecured and secured (mortgage) consumer debts

** Consumer debts outsourced in Romania = unsecured consumer debts

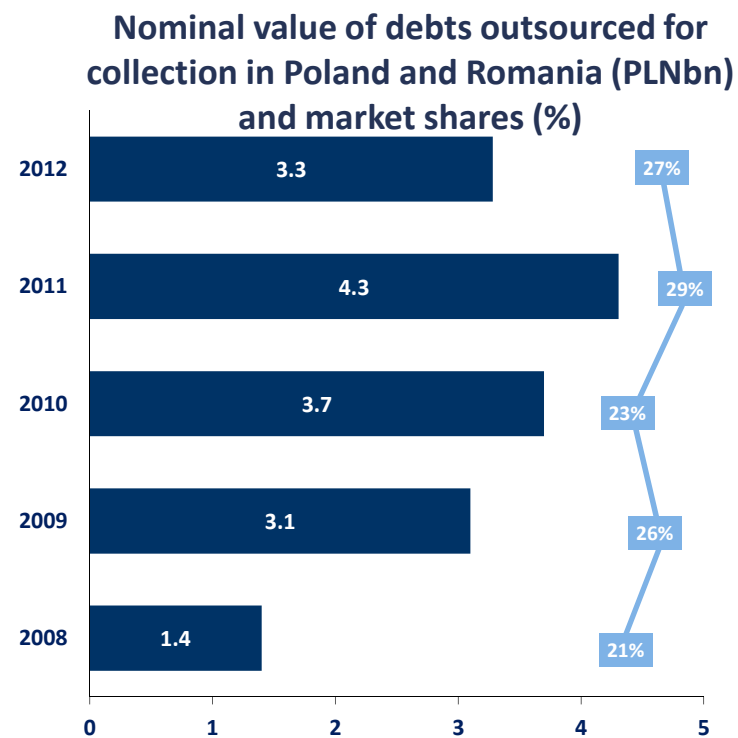
KRUK retained the position of the regional leader on the debt sale and debt collection outsourcing markets in 2012



KRUK has been the **leader** of the debt purchase markets in Poland and Romania.

Group's share in the debt purchase market in individual countries, by expenditure

Poland	20%
Romania	38%
Czech Republic/Slovakia	8%



KRUK has recently seen deceleration on the debt collection outsourcing market. The market is **shifting towards debt sale**.

Most of the outsourced debts were handled in Poland, which enabled KRUK to carve a **31% share in the domestic debt collection outsourcing market**.

Source: KRUK S.A. * Additionally, KRUK invested PLN 10m in corporate debt in 2009.

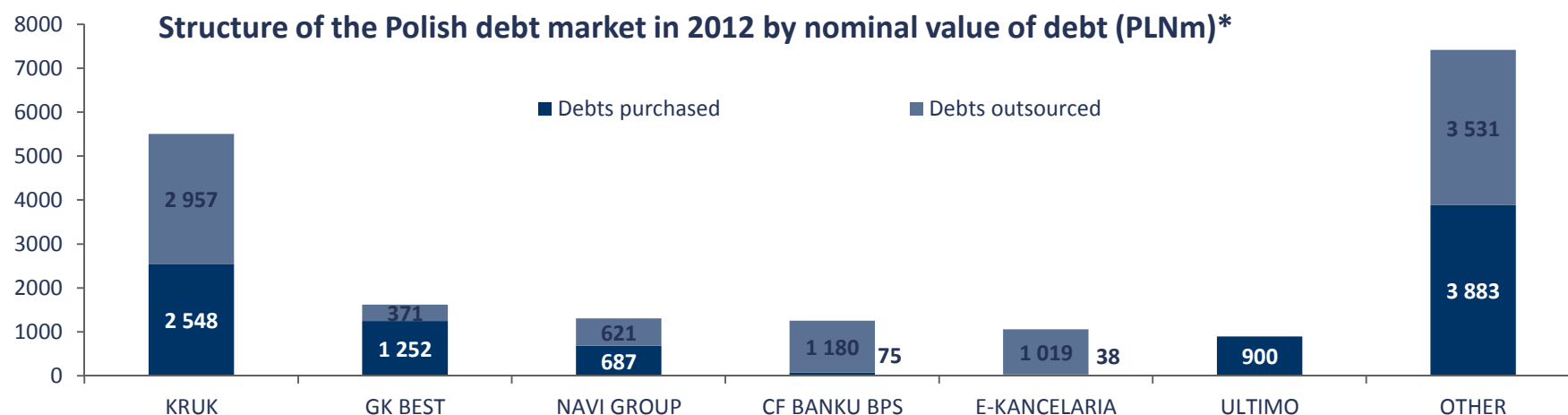
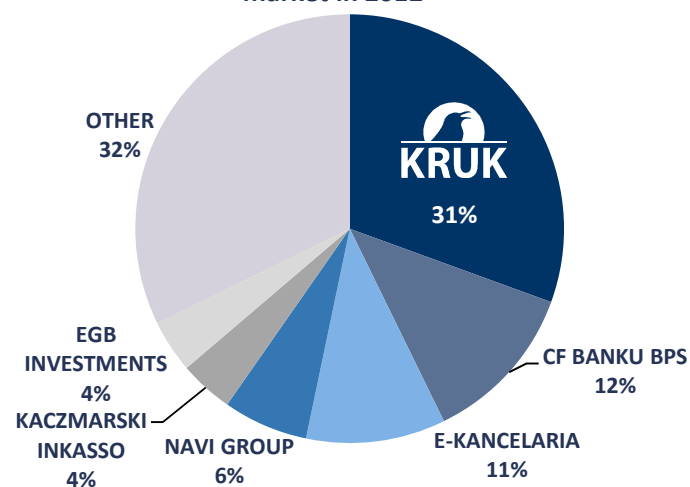
KRUK – the undisputed leader on the Polish debt management market*

In Poland, the KRUK Group managed debts with a total nominal value of PLN 5.5bn, which is **5% more than the aggregate value of debts managed by the four largest competitors**, according to the ranking prepared by the *Gazeta Giełdy Parkiet* daily*.

In 2012, the KRUK Group **purchased debt with a nominal value of PLN 2.5bn**, representing 27% of debt portfolios auctioned in Poland. The value was over two times higher than that reported by the largest competitor which came in second in the *Gazeta Giełdy Parkiet** ranking.

The KRUK Group remains the undisputed leader of the debt collection outsourcing segment in Poland. In 2012, **the Group assumed for management debts with a nominal value of ca. PLN 3bn**. The second largest player in the *Gazeta Giełdy Parkiet* ranking reached less than 40% of that amount.

Structure of the Polish debt collection outsourcing market in 2012*



* The ranking covers entities which provided Gazeta Giełdy Parkiet with data on the nominal value of debt outsourced for collection on a fee basis and purchased; the "OTHER" item is KRUK's estimate.

Source: In-house data based on the article "Akcjonariusze windykatorów mają powody do optymizmu" (Shareholders of debt collection companies find reasons to be optimistic) in Gazeta Giełdy Parkiet of February 18th 2013 and KRUK S.A.'s own data.



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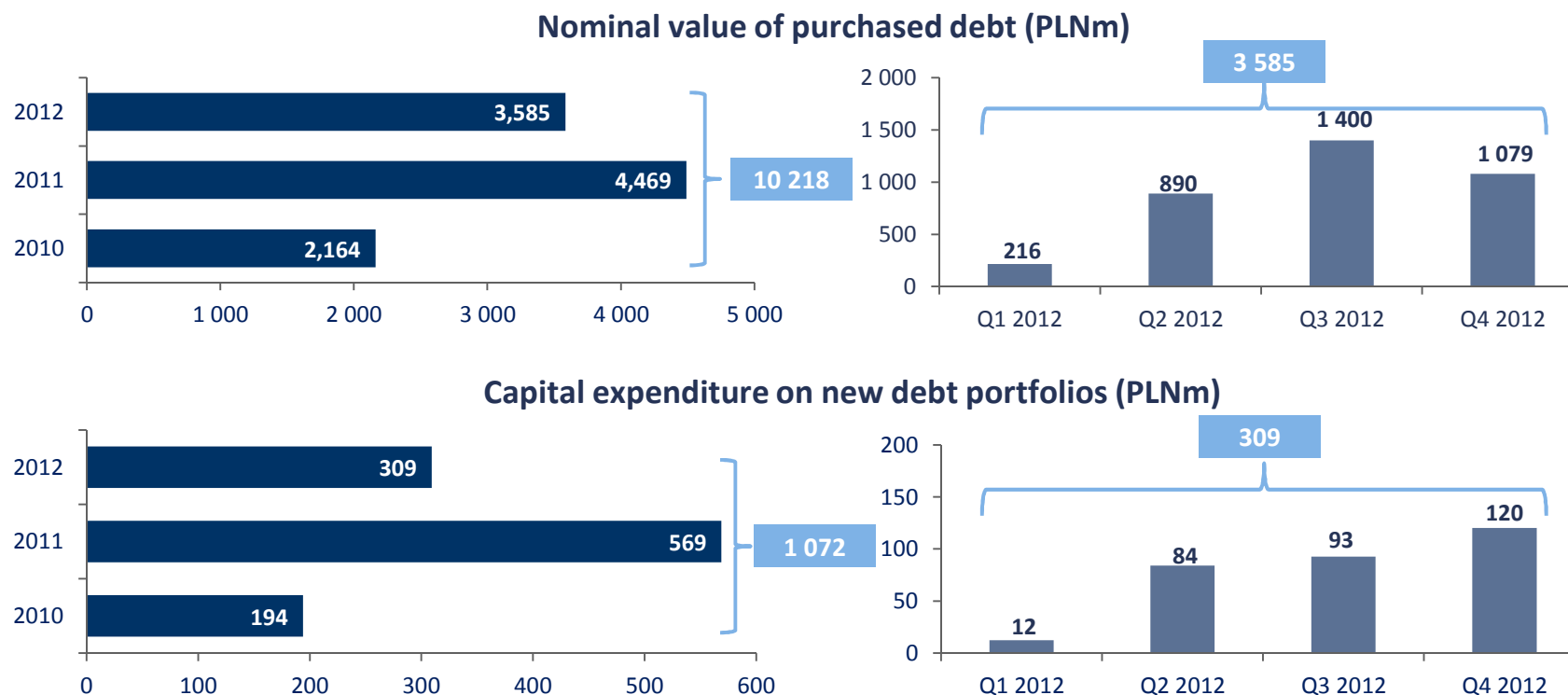
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KRUK – Investment in debt purchases in 2012

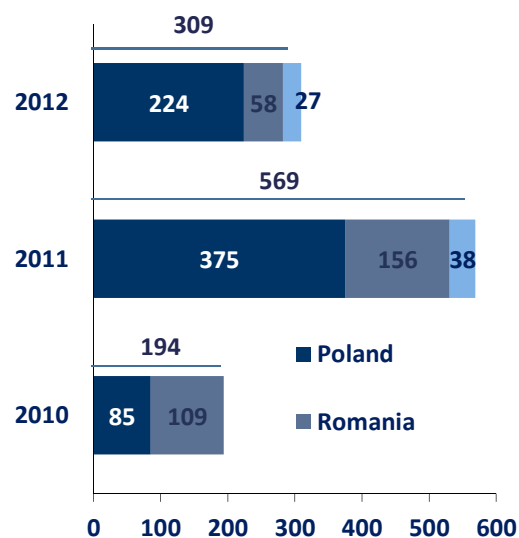


In 2012, KRUK purchased 53 debt portfolios. The main source of the portfolios were financial institutions, from which KRUK purchased 47 portfolios with a total nominal value of over PLN 3.4bn.

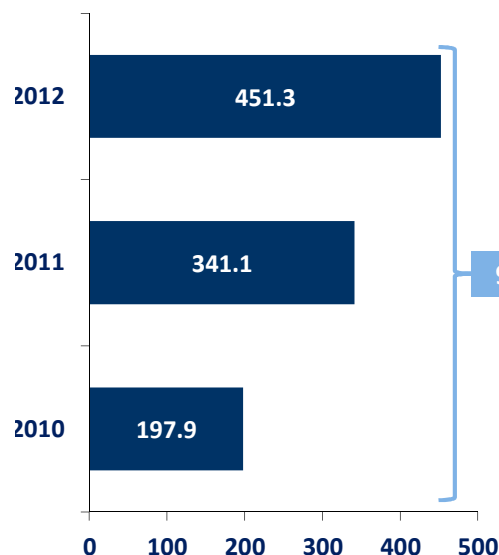
In H2 2012, KRUK invested PLN 213m, or nearly 70% of total 2012 investments.

KRUK – PLN 451m in recoveries from purchased portfolios in 2012, with operating expenses at 27%

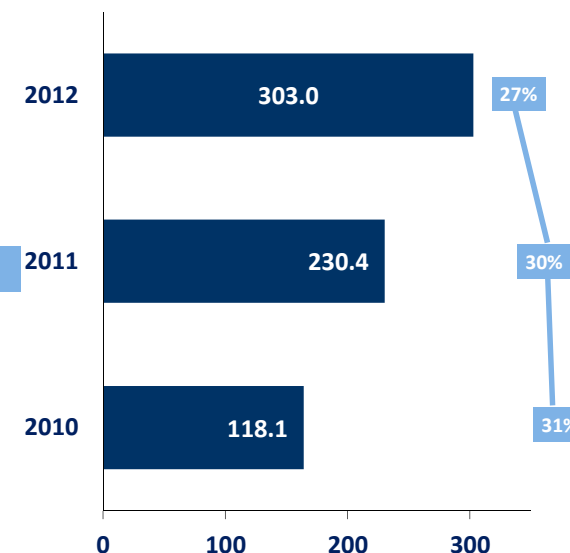
KRUK's expenditure on debt portfolios (PLNm)



Recoveries (PLNm)



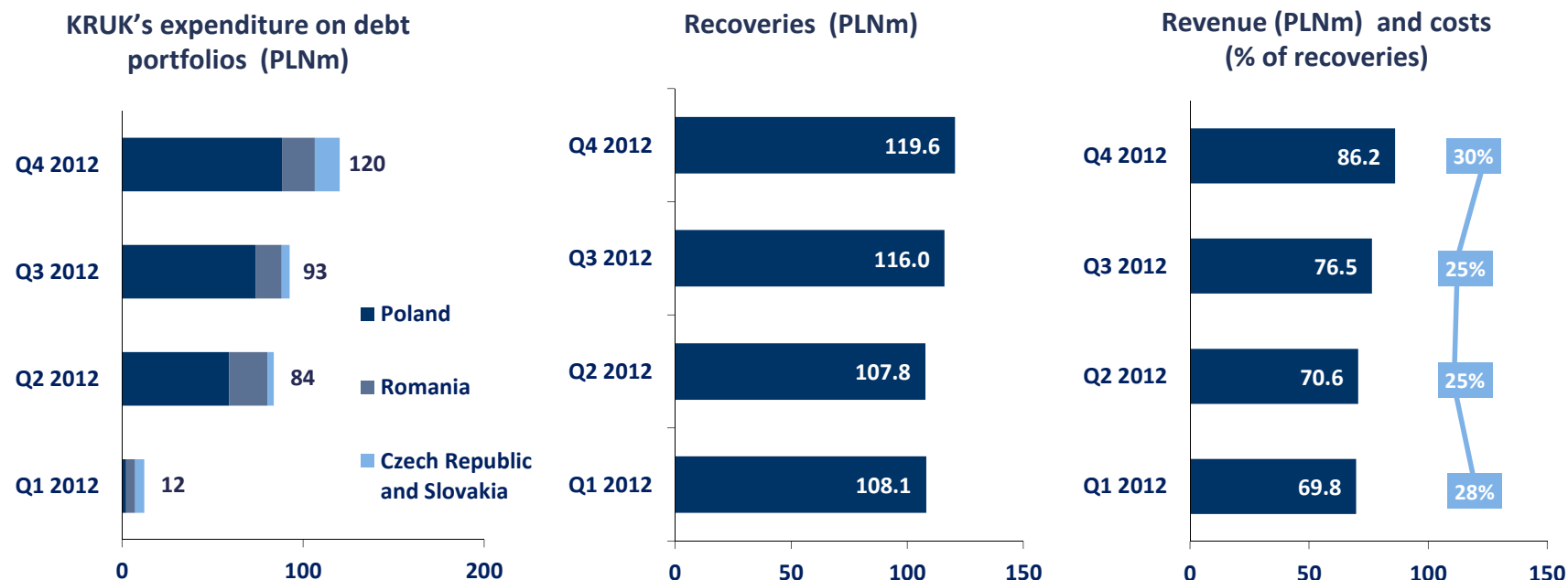
Revenue (PLNm) and costs (% of recoveries)



The Group incurred a significant portion of its total expenditure in H2 2012 in response to the improving supply-demand balance and changes in prices paid for auctioned portfolios.

Significant investments in debt portfolios (PLN 878m over the last two years) have brought tangible benefits in the form of a strong growth of recoveries: by almost 130% since 2010.

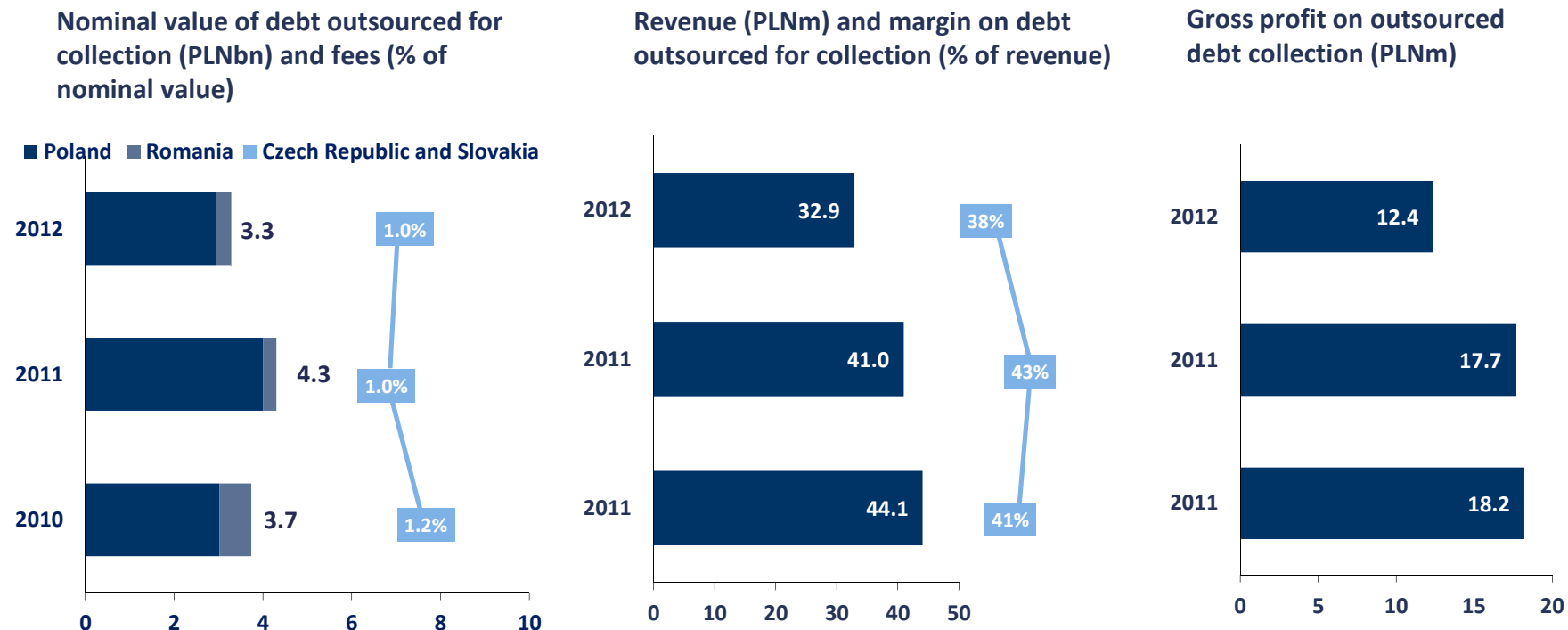
KRUK – investments accelerated in the second half of the year



The Group made a significant proportion of its 2012 investments in H2 (PLN 213m vs. PLN 96m in H1), in response to the improved supply of debts on the market.

In Q4 2012, the Group recorded an increase in the share of costs in recoveries, driven by higher promotion and advertising expenses (the expenses incurred in Q4 accounted for 74% of the 2012 total promotion and advertising expenses).

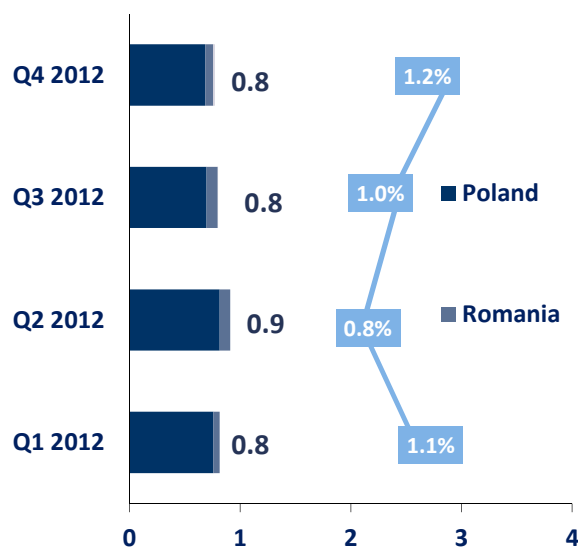
KRUK – provision of fee-based debt collection services remains the key pillar of the Group's business, despite decline in both size of the market and the related revenue.



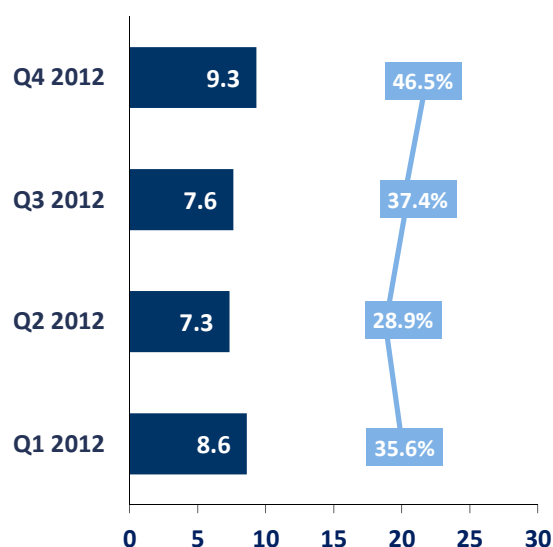
We observe a shift on the debt market from outsourced debt collection towards debt auctions. Debt collection outsourcing continues to be strategically important to KRUK, given its high profitability and the synergies with the debt purchase business.

KRUK – quarterly performance in the debt collection segment in 2012

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)



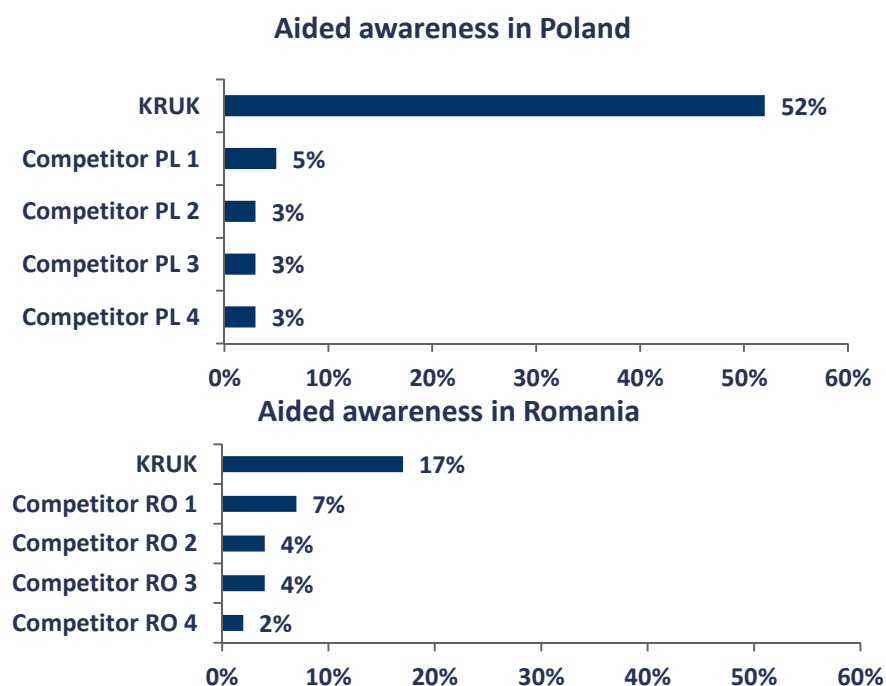
Gross profit on outsourced debt collection (PLNm)



In 2012, the Group maintained a stable level of debts outsourced for collection on a fee basis. Since Q2 2012, the Group has been gradually increasing charged commission fees from 0.8% to 1.2% in Q4 2012.

In Q4 2012 revenue and gross profit on outsourced debt collection grew. The performance improved despite practically no changes in the nominal value of debt outsourced, primarily thanks to the result on corporate debt collection outsourced to the Group by secondary investors.

KRUK's innovative and unique approach to the management of purchased debt portfolios



KRUK'S BUSINESS PHILOSOPHY

- KRUK treats debtors as customers and not just like indebted individuals
- Our employees' task is to assist customers in debt repayment – consultants negotiate individualised repayment plans with debtors
- KRUK is the only debt collection company on the market which reaches the indebted with television advertising spots and promotes amicable approach
- The effectiveness of the amicable strategy has been confirmed by the increased collection efficiency, as well as the stability and predictability of cash flows
- The growing recognition and the use of services of RD ERIF credit information agency translates into KRUK's improved efficiency

In the context of the European market our approach to contacts with debtors is unique and it enables the KRUK Group to maintain its leader positions in Poland and Romania as well as to enter and grow in other countries.

Source: Report on PBS' survey of awareness of debt collection companies among in Poland.

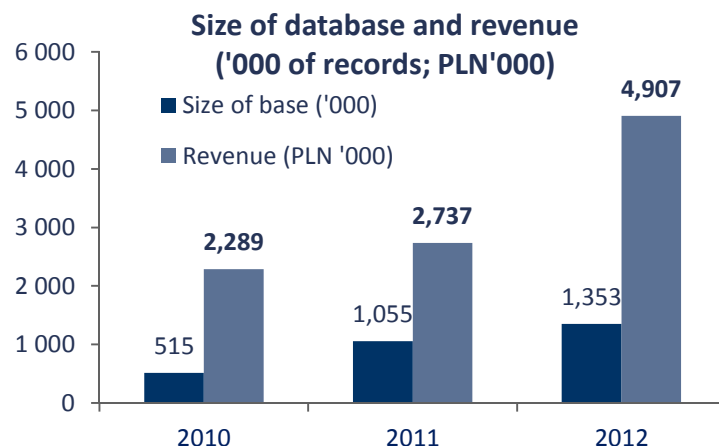
Report on TNS CSOP Romania survey of awareness of debt collection companies in Romania

The survey was commissioned by KRUK S.A. and conducted in November and December; based on responses from representative samples of 1,000 Polish adults and 1,000 Romanian adults, respectively.



KRUK - New projects in Poland of major importance to the Group

RD ERIF (credit information agency)

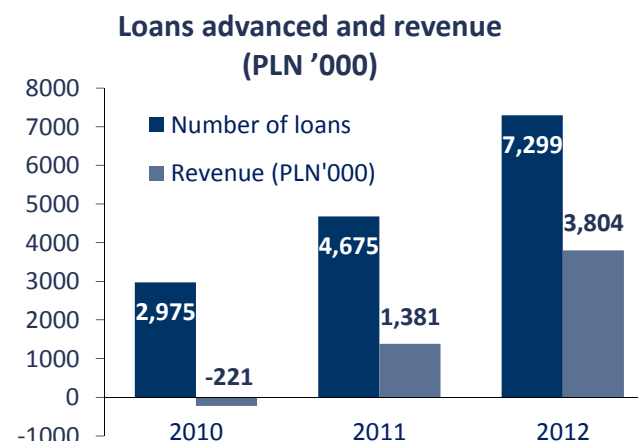


The dynamic increase in RD ERIF's database continued in 2012 – the number of records exceeded PLN 1.35m, and their value was over PLN 7bn.

The only agency in Poland whose database is regularly reviewed by an independent auditor; review findings are published in the form of regular reports.

The growing scale of RD ERIF's business improves the efficiency of KRUK's operations by increasing the repayment discipline among debtors.

NOVUM LOANS



In 2012, revenue of the NOVUM project nearly doubled compared with 2011. The number of Novum loans advanced rose by 56% year on year.

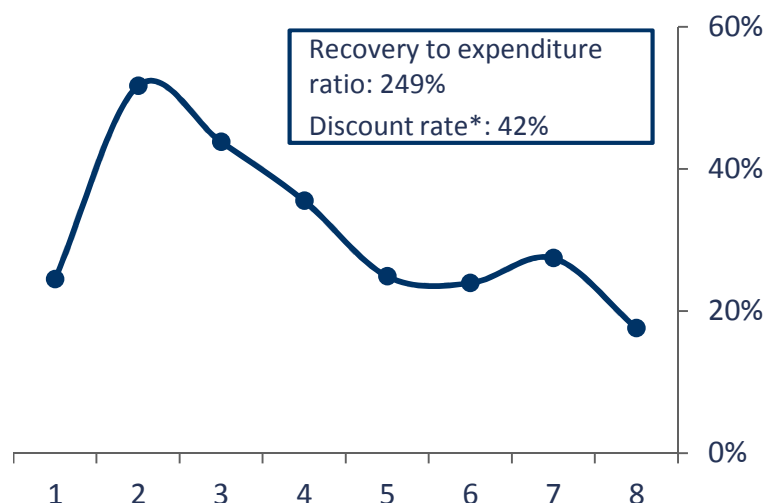
The product is dedicated for persons who have repaid their debt to KRUK and regularly repay other any other debts.

The Company's competitive advantage in this business is based on its knowledge of the borrower's characteristics and behavioural patterns, and on efficiency of the collection measures.

KRUK - Historical recovery to expenditure curve for 2005-2012

Weighted average recovery rate for portfolios acquired in calendar years	Total	1Y	2Y	3Y	4Y	5Y	6Y	7Y	8Y	9Y	9Y+
Investments made in 2005-2012	249%+	24%	52%	44%	36%	25%	24%	27%	18%	+	+

Weighted average recovery rate for portfolios purchased in 2005-2012



Factors affecting the recovery curve:

- Macroeconomic situation, unemployment rate and other factors affecting the financial condition of debtors
- Legal framework, which determines the effectiveness of any collection measures taken
- Competition
- Strategy, implemented on a mass scale in 2008, which relies on out-of-court settlements with debtors and on marketing communication
- Building relationships with the debtors by developing a network of field advisers
- Growing level of recognition and scale of business of RD ERIF BIG S.A.
- Effective use and development of the court action in foreign markets
- Experience in valuation of debt packages
- Scale of the business and synergies between debt collection outsourcing and the debt purchase segment.

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

KRUK – selected material events subsequent to December 31st 2012

Notes

Series P2

Based on resolutions of the Company's Management Board of February 5th and March 7th 2013:

As part of a private placement, the Company issued **30,000** unsecured series P2 notes, with a nominal value of PLN 1,000 per note, maturing on March 7th 2017. Issue amount: **PLN 30m**

Series P3

Based on resolutions of the Company's Management Board of February 12th and March 14th 2013 :

As part of a private placement, the Company issued **30,000** unsecured series P3 notes, with a nominal value of PLN 1,000 per note, maturing on March 7th 2017. Issue amount: **PLN 30m**

Credit facilities

On February 18th 2013

- KRUK S.A. (the Company) and BZ WBK S.A. executed an annex to the credit facility agreement of April 8th 2011, whereby the PLN 140m credit limit made available to the Company was reduced to **PLN 70m**.
- KRUK S.A. and PROKURA NS FIZ (the Fund) entered into a credit agreement with BZ WBK S.A., whereby the Bank made available to the Fund a credit facility of **PLN 70m**. Repayment of liabilities under the agreement is secured with a pledge over Secapital S.a.r.l. shares held by KRUK S.A., a power of attorney over specific bank accounts of the Fund and of KRUK S.A., and a surety under civil law provided by KRUK S.A.

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KRUK's development strategy – to maintain the leading position on its present markets, to further enhance operational efficiency, to expand abroad and to grow new products

capitalise on market growth and maintain leading market position

- As the most experienced and innovative organisation in the industry, KRUK intends to maintain its leading position in the consumer debt purchase and consumer debt collection outsourcing markets in Poland and Romania and to win the leading position in these market segments in the Czech Republic and Slovakia
- Since 2003, KRUK has purchased debt portfolios with a total nominal value of PLN 14.1bn. KRUK's objective is to become more effective in getting through to the debtors in these portfolios and thus improving cash recovery rates, which provides potential for generating higher profits based on the assets already held
- KRUK is also planning to enhance its presence in the corporate debt purchase and debt collection outsourcing in Poland relying on its vast experience gained as well as its corporate debt collection outsourcing

expand on foreign markets

- KRUK's dynamic growth in the Romanian, Czech and Slovakian markets confirms the effectiveness of its business model
- KRUK intends to expand its presence on the new markets by developing debt purchase and debt collection outsourcing businesses through organic growth or acquisitions of local firms

growth of new products

- KRUK is developing RD ERIF BIG SA as an independent credit reference agency, but also as an increasingly more effective debt collection tool
- KRUK intends to develop the lending business for its customers.

At the end of 2012, KRUK held 246 debt portfolios with a nominal value of PLN 14.1bn and fair value of PLN 873m, and intends to enhance its recovery rates

The KRUK Group's operational assets potential

Debt portfolios [PLNm]	2008	2009	2010	2011	2012
Nominal value of purchased portfolios	640	1 712	2 164	4 469	3 585
Accumulated nominal value	2 197	3 909	6 072	10 542	14 126
Cash recoveries	117	140	198	341	451
Accumulated cash recoveries	274	415	612	954	1 405
Fair value	152	150	263	719	873
Revaluation of fair value	9	6	10	20	5
Revaluation as % of fair value	6,0%	4,2%	4,0%	2,7%	0,5%

Operational initiatives undertaken by the KRUK Group with a view to enhancing its effectiveness in debt recovery


Development of the field adviser network in Poland, Romania and the Czech Republic

Development of court collection in Romania

Enhancement of effectiveness of the marketing measures building access to the debtors

Increasing the business scale and recognition of RD ERIF BIG SA

KRUK – the fastest growing and most profitable business with the lowest valuation compared with its listed peers

		2008	2009	2010	2011	2012	CAGR (08-12)
 KRUK S.A.	Net profit (PLNm)	16.7	23.5	36.1	66.4	81.2	49%
	growth		41%	54%	84%	22%	
	EPS (PLN)	1.1	1.48	2.34	4.03	4.80	44%
	growth		35%	58%	72%	19%	
	Equity (PLNm)	76.5	98.3	130.3	238.4	317.6	43%
	ROE	22%	24%	28%	28%	26%	
		Capitalisation (PLNm)*				964	
		P/E**				11.9	
Intrum Justitia***	Net profit (PLNm)	220.2	219.7	225.4	275.6	291.2	7%
	Growth		0%	3%	22%	6%	
	EPS (PLN)	2.77	2.76	2.83	3.45	3.65	7%
	Growth		-1%	3%	22%	6%	
	Equity (PLNm)	1 194.3	1 270.9	1 284.7	1 402.7	1 506.3	6%
	ROE	18%	17%	18%	20%	19%	
		Capitalisation (PLNm)*				4 722	
		P/E**				16.2	
Portfolio Recovery***	Net profit (PLNm)	144.6	141.3	235.6	322.5	402.1	29%
	growth		-2%	67%	37%	25%	
	EPS (PLN)	9.47	9.15	13.87	18.65	23.56	26%
	growth		-3%	52%	34%	26%	
	Equity (PLNm)	905.2	1 069.7	1 564.1	1 898.8	2 259.0	26%
	ROE	16%	13%	15%	17%	18%	
		Capitalisation (PLNm)*				6 672	
		P/E**				16.6	

* capitalisation as at 12.03.2013

** P/E ratio calculated on the basis of recent four quarters reported

*** data converted using USD/PLN and SEK/PLN quotes as at 12.03.2013 (NBP)

Source: KRUK S.A., financial reports of Intrum Justitia and Portfolio Recovery

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KRUK 2008-2012 – a fast-growing and highly profitable business, generating strong cash flows

PLNm	2008	2009	2010	2011	2012	'12/'11 CAGR	'08-'12
PURCHASED DEBT PORTFOLIOS							
expenditure on debt portfolios	-104	-54	-194	-569	-309	-46%	31%
recoveries	117	140	198	341	451	33%	40%
INCOME STATEMENT							
Revenue	104	129	164	274	343	25%	35%
Purchased debt portfolios	73	85	118	230	303	32%	43%
including revaluation	9	6	10	20	5		
Debt collection outsourcing	29	42	44	41	33	-20%	3%
Other products and services	3	2	2	3	7		
Gross profit	48	57	75	144	194	35%	42%
<i>Gross margin</i>	46%	44%	45%	52%	57%		
Purchased debt portfolios	38	39	57	127	181	42%	48%
Debt collection outsourcing	9	18	18	18	12	-31%	8%
Other products and services	0	1	-1	-1	1		
EBITDA	27	35	47	101	144	43%	52%
<i>EBITDA margin</i>	26%	27%	28%	37%	42%		
NET PROFIT	17	24	36	66	81	23%	48%
<i>net profit margin</i>	16%	18%	22%	24%	24%		
ROE	22%	23%	28%	28%	26%		
EPS (PLN)	1.1	1.5	2.3	4.0	4.8	20%	45%
CASH EBITDA	71	90	127	212	292	38%	43%
Ratio of revenue to fair value of purchased debt portfolios	48%	56%	45%	32%	35%		
Revaluation as % of fair value of purchased debt portfolios	6.0%	4.2%	4.0%	2.7%	0.5%		

KRUK – quarterly results in 2012

PLNm	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
PURCHASED DEBT PORTFOLIOS					
Expenditure on debt portfolios	146.0	12.3	83.9	92.7	120.3
Recoveries	106.9	108.1	107.8	116.0	119.4
INCOME STATEMENT					
Revenue	83.4	79.9	79.4	85.8	97.9
Purchased debt portfolios	73.2	69.8	70.6	76.5	86.2
including revaluation	7.9	-5.6	-0.7	3.7	7.2
Debt collection outsourcing	10.2	8.6	7.3	7.6	9.3
Other products and services	0.0	1.5	1.5	1.7	2.4
Gross profit	37.8	42.5	46.1	50.3	55.2
<i>Gross margin</i>	53%	58%	59%	57%	56%
Purchased debt portfolios	34.0	39.3	44.0	47.3	50.3
Debt collection outsourcing	5.1	3.1	2.3	2.7	4.3
Other products and services	-1.2	0.1	-0.2	0.4	0.6
EBITDA	25.1	30.1	33.5	38.0	42.5
<i>EBITDA margin</i>	30%	38%	42%	44%	43%
NET PROFIT	14.1	14.0	18.2	21.8	27.1
<i>net profit margin</i>	17%	18%	23%	25%	28%
CASH EBITDA*	58.9	68.5	70.7	77.5	75.7

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

PLNm	2011	2012	12/'11
INCOME STATEMENT			
Revenue	274.0	343.0	25.2%
Poland	170.0	240.1	41.2%
Foreign markets	104.0	102.9	-1.1%
Gross profit	143.7	194.1	35.1%
<i>Gross margin</i>	52%	57%	
Poland	63.2	124.6	97.1%
Foreign markets	80.4	69.5	-13.6%
Administrative expenses	40.9	50.3	22.8%
EBITDA	101.4	144.0	42.0%
<i>EBITDA margin</i>	37%	42%	
Finance costs	27.4	51.6	87.9%
NET PROFIT	66.4	81.2	22.3%
<i>Net margin</i>	24%	24%	

KRUK – selected balance-sheet items (presentation format)

PLNm	2011	2012	12/'11
ASSETS			
Non-current assets	23.8	27.5	15%
Current assets	776.6	943.9	22%
including: Investments in debt portfolios purchases	718.7	873.4	22%
Cash	36.2	42.7	18%
Total assets	800.5	971.4	21%
EQUITY AND LIABILITIES			
Equity	238.4	317.6	33%
including: Retained earnings	132.5	213.5	61%
Liabilities	562.1	653.8	16%
including: Borrowings and leases	118.0	169.0	43%
Bonds	359.0	427.4	19%
Total equity and liabilities	800.5	971.4	21%
Interest-bearing debt	477.0	596.4	25%
Net interest-bearing debt	440.8	553.7	26%
Net interest-bearing debt to equity	1.8	1.7	-6%
Interest-bearing debt to 12-month cash EBITDA*	2.1	1.9	-9%

KRUK – key cash flow data (presentation format)

PLNm	IQ 2012	IIQ 2012	IIIQ 2012	IVQ 2012	2011	2012
Cash flows from operating activities:	58.9	52.9	72.0	55.9	197.5	239.8
Recoveries from debtors - purchased debt portfolios	108.1	107.8	116.0	119.6	341.1	451.3
Operating costs - purchased debt portfolios	-30.5	-26.6	-29.2	-36.1	-103.2	-122.3
Operating margin – debt collection outsourcing	3.1	2.3	2.7	4.3	17.5	12.4
Administrative expenses	-12.7	-12.3	-12.2	-12.9	-40.9	-50.2
Other operating cash flow	-9.1	-18.3	-5.2	-19.0	-17.0	-51.6
Cash flows from investing activities:	-14.3	-85.7	-100.2	-123.1	-579.8	-323.3
Expenditure on purchase of debt portfolios	-12.3	-83.9	-94.0	-119.0	-568.8	-309.3
Other investing cash flow	-2.0	-1.7	-6.3	-4.1	-11.0	-14.1
Cash flows from financing activities:	-41.8	26.4	41.1	64.4	397.7	90.0
Increase in borrowings and lease liabilities	61.9	66.9	111.1	133.7	194.9	373.7
Issue of bonds	70.0	50.0	0.0	70.0	291.0	190.0
Decrease in borrowings and lease liabilities	-143.6	-48.9	-5.5	-124.5	-103.9	-322.5
Redemption of bonds	-15.9	-39.6	-60.0	-5.0	-30.0	-120.5
Other financing cash flow	-14.3	-2.1	-4.5	-9.8	45.8	-30.7
Net cash flows:	2.8	-6.4	12.9	-2.7	15.4	6.5

KRUK – structure of debt and note redemption schedule

Bonds (PLNm)*	2011	2012	2013	2014	2015	2016
Issued	291	190	-	-	-	-
Redeemed	30	120	102	130	41	154
Bonds outstanding at the end of period	357	427	325	195	154	-

* Data based on nominal amounts

BANK BORROWINGS (PLNm)	Available credit facilities	Amount outstanding as at Dec 31 2012
Total bank borrowings	260	162
Investment credit facilities	25	10
Revolving credit facilities	235	152

Agenda

Introduction

Debt collection market

Operating activities

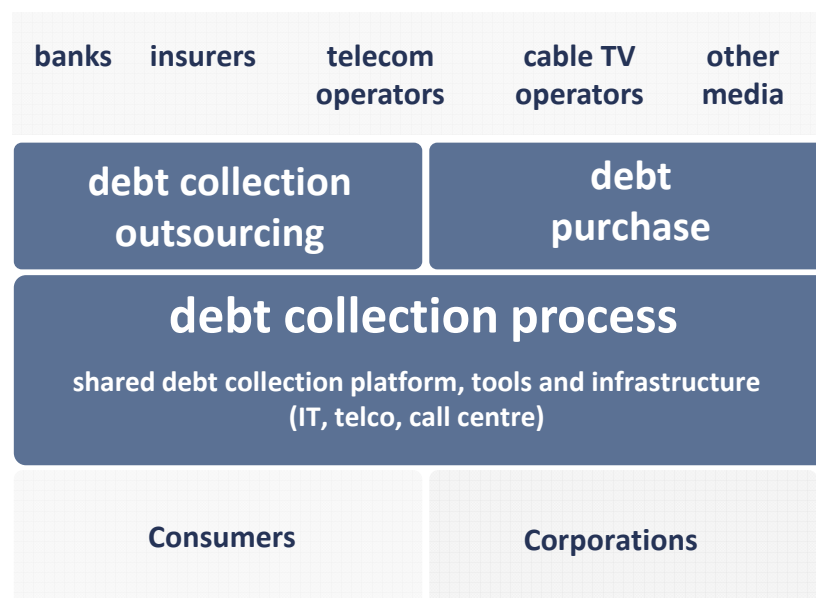
Development directions

Financial performance

Appendices

KRUK – business model and milestones

KRUK Group's business model



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 debt collection outsourcing business
- 2001** Introduction of the “success only fee” in CMS

Debt portfolio market emerges – decision to raise new equity

- 2003** KRUK as 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** Mass roll out of amicable settlement solutions (voluntary settlement or litigation)
- 2010** Legislative changes enable ERIF to use TV commercials as a mass debt collection tool

Prospects of large supply of NPLs

- 2011** IPO on the WSE
Entry into the Czech market
- 2012** Development of the KRUK Group's business in Slovakia

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, *** at nominal value of debt



The KRUK Management Board is the most experienced team on the market



Piotr Krupa, *President and CEO*

Founding shareholder and President of the Management Board since 1998.



Rafał Janiak, *Management Board Member, Finance and Risk*

Joined KRUK in 2003 as Finance Director, then appointed Member of the Management Board.



Michał Zasępa, *Management Board Member, Business Development and Financing*

Member of the KRUK Supervisory Board since 2005. Joined the Management Board in 2010, responsible for business development, international expansion and financing.



Agnieszka Kułton, *Management Board Member, Operations Related to Purchased Portfolios*

Joined KRUK in 2002, initially as debt dealing and debt collection outsourcing specialist; in 2003-2006 served as Debt Management Director. Member of the Management Board since 2006.



Urszula Okarma, *Management Board Member, Portfolio Purchases and Debt Collection Outsourcing*

With KRUK since 2002, as Director of Telephone Collection, and Director of Financial Institutions Division. Member of the Management Board since 2006.



Iwona Słomska, *Management Board Member, Human Resources, Marketing and Public Relations*

With KRUK since 2004, initially as Marketing and PR Director; since 2009 also responsible for HR as Member of the Management Board.

Performance-driven managers

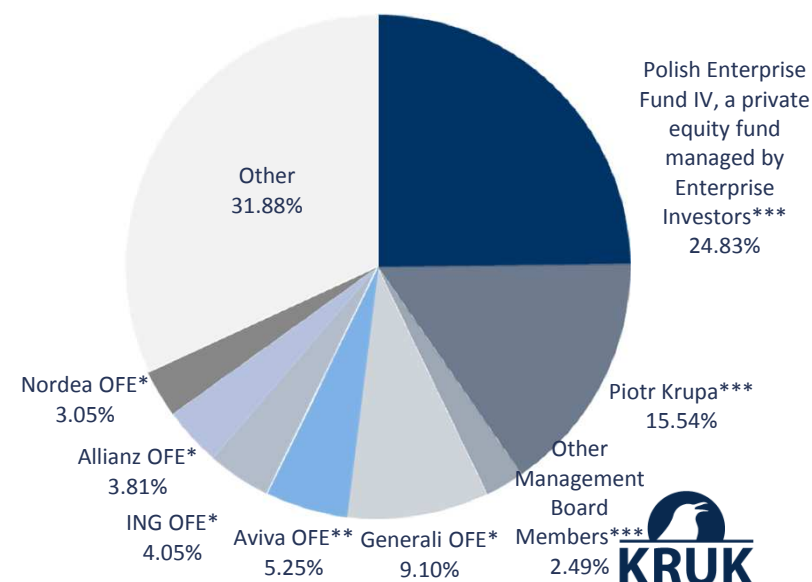
Effective incentive schemes

Average track record with KRUK: ten years

Large group of managers who are also Company shareholders

Strong focus on staff training and development

Over 18% of shares held by Members of the KRUK Management



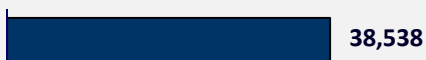
Source: KRUK S.A.

* Shareholding based on open-ended pension funds' reports published on their websites, ** as at January 23rd 2012, *** as at March 17th 2013.

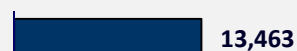
Key macroeconomic data (1/2)

POLAND

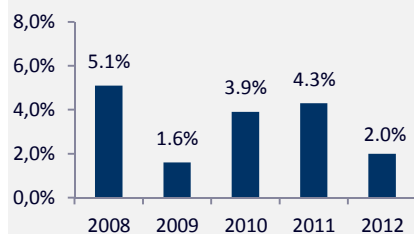
Population in 2012 ('000)



GDP per capita in 2011 (USD)



GDP growth (%)

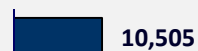


Unemployment rate(%)



CZECH REPUBLIC

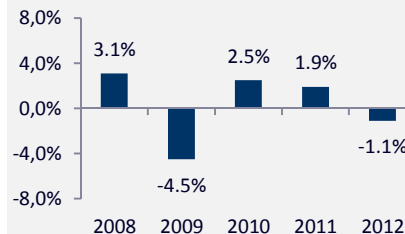
Population in 2012 ('000)



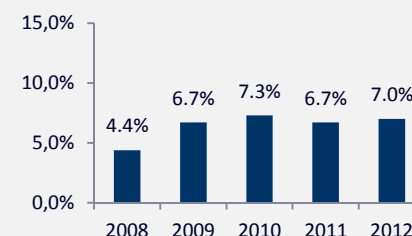
GDP per capita in 2011 (USD)



GDP growth (%)



Unemployment rate(%)



ROMANIA

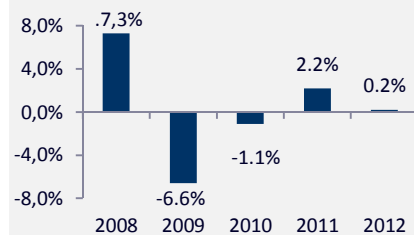
Population in 2012 ('000)



GDP per capita in 2011 (USD)



GDP growth (%)



Unemployment rate(%)



SLOVAKIA

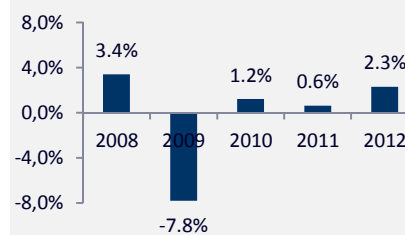
Population in 2012 ('000)



GDP per capita in 2011 (USD)



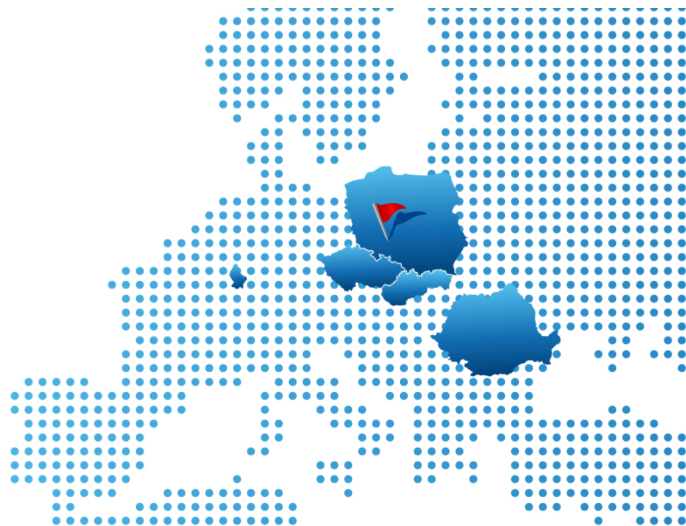
GDP growth (%)



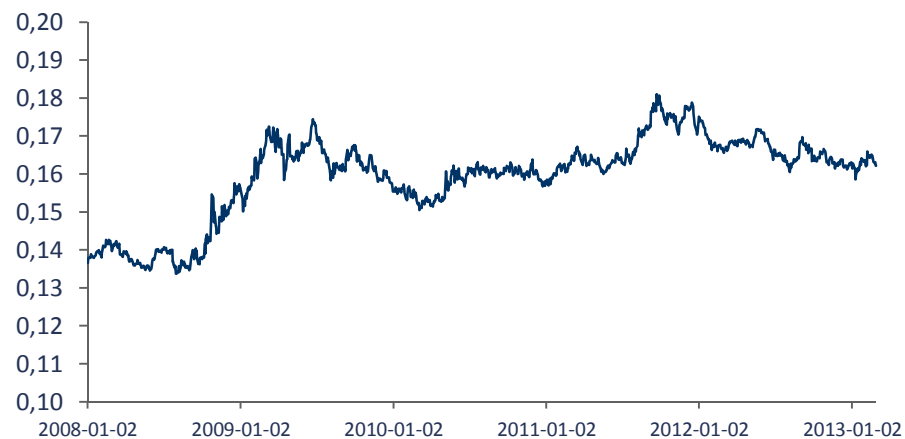
Unemployment rate(%)



Key macroeconomic data (2/2)



Average CZK/PLN exchange rate since 2008



Average RON/PLN exchange rate since 2008



Average EUR/PLN exchange rate since 2008



In Q3 2012, KRUK introduced a functional currency to minimise quarterly fluctuations in its financial performance caused by exchange rate volatility

Secapital S.a.r.l. compartment

As of July 1st 2012, a compartment (or a distinct part of business for which separate accounting is maintained) was established within subsidiary Secapital S.a.r.l.; debt portfolios purchased by Secapital in Romania were transferred to the compartment.

Reasons for the change

The decision was made based on the prevailing economic conditions, in order to reflect the actual economic transactions, developments and factors in the most precise manner possible. A portion of debt portfolios purchased by the Group, and hence cash inflows and revenues, is denominated in RON.

IAS 21

This approach is consistent with IAS 21 which requires each individual entity preparing separate financial statements to determine its functional currency, being the currency in which the majority of its cash flows are generated, and measure its results, assets and financial position in that currency.

Presentation of financial statements

Assets and liabilities of foreign operations with functional currencies other than PLN are translated at mid exchange rates quoted by the National Bank of Poland as at the end of a reporting period, and are presented in other comprehensive income. As regards disposals of an investment in such foreign operations or dividend distributions, the cumulative amount of foreign exchange differences presented in equity is recognised in profit or loss (as net foreign exchange gains/(losses) in finance income or cost).

PLN

The consolidated financial statements are presented in PLN. The Polish złoty is the functional and presentation currency of the Group.

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
ERIF
BIG S.A.



NOVUM
finance



KRUK S.A.
POLAND

ul. Legnicka 56, 54-204 Wrocław
ir@kruksa.pl, www.kruk.eu

FOR INVESTORS: en.kruk.eu/for-investors