

ANNUAL REPORT

2009

PROFIREAL Group SE



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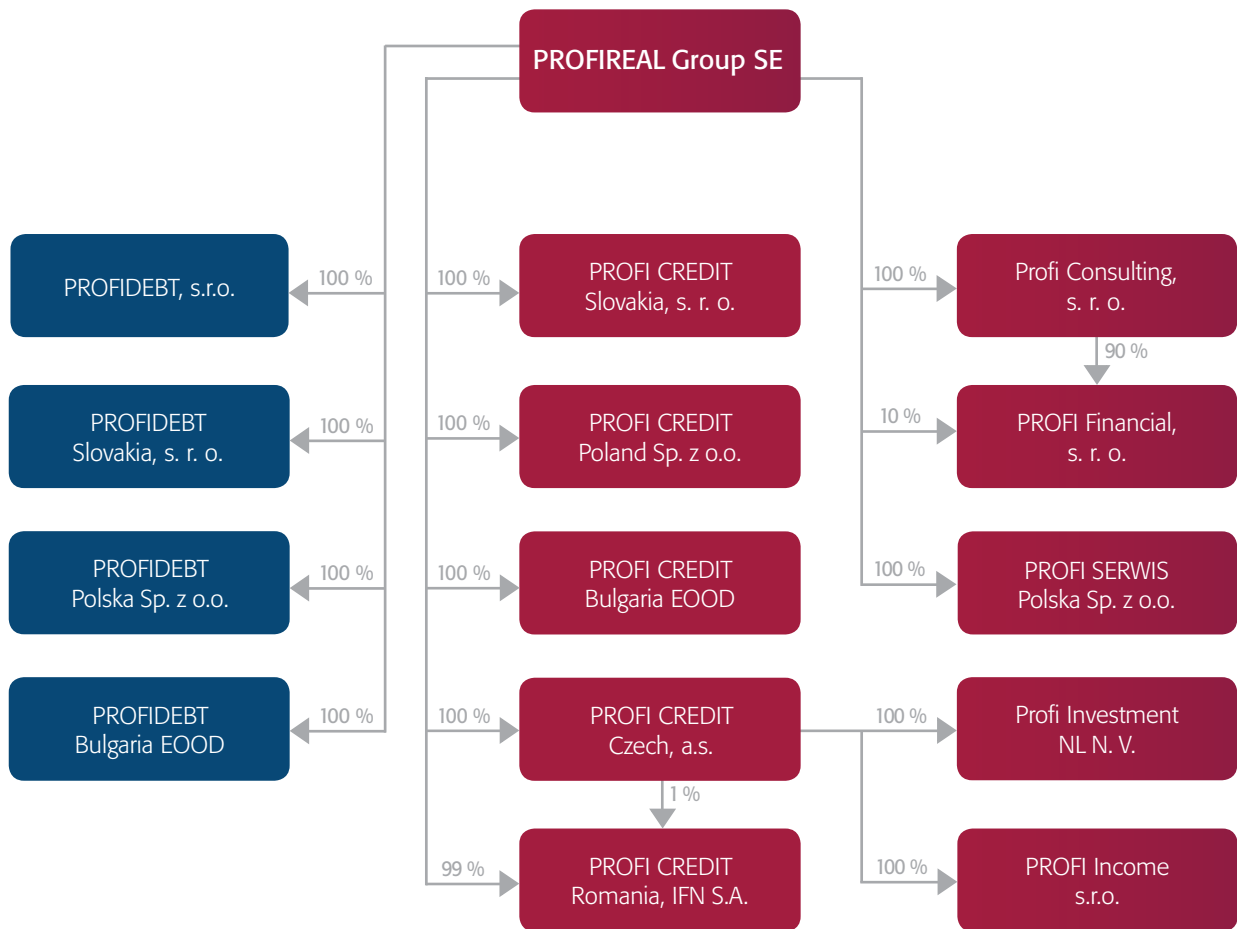
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PROFIREAL GROUP
PROVIDES CONSUMER
LOANS, DEBT COLLECTION
AND RECOVERY SERVICES
ACROSS CENTRAL AND
EASTERN EUROPE.

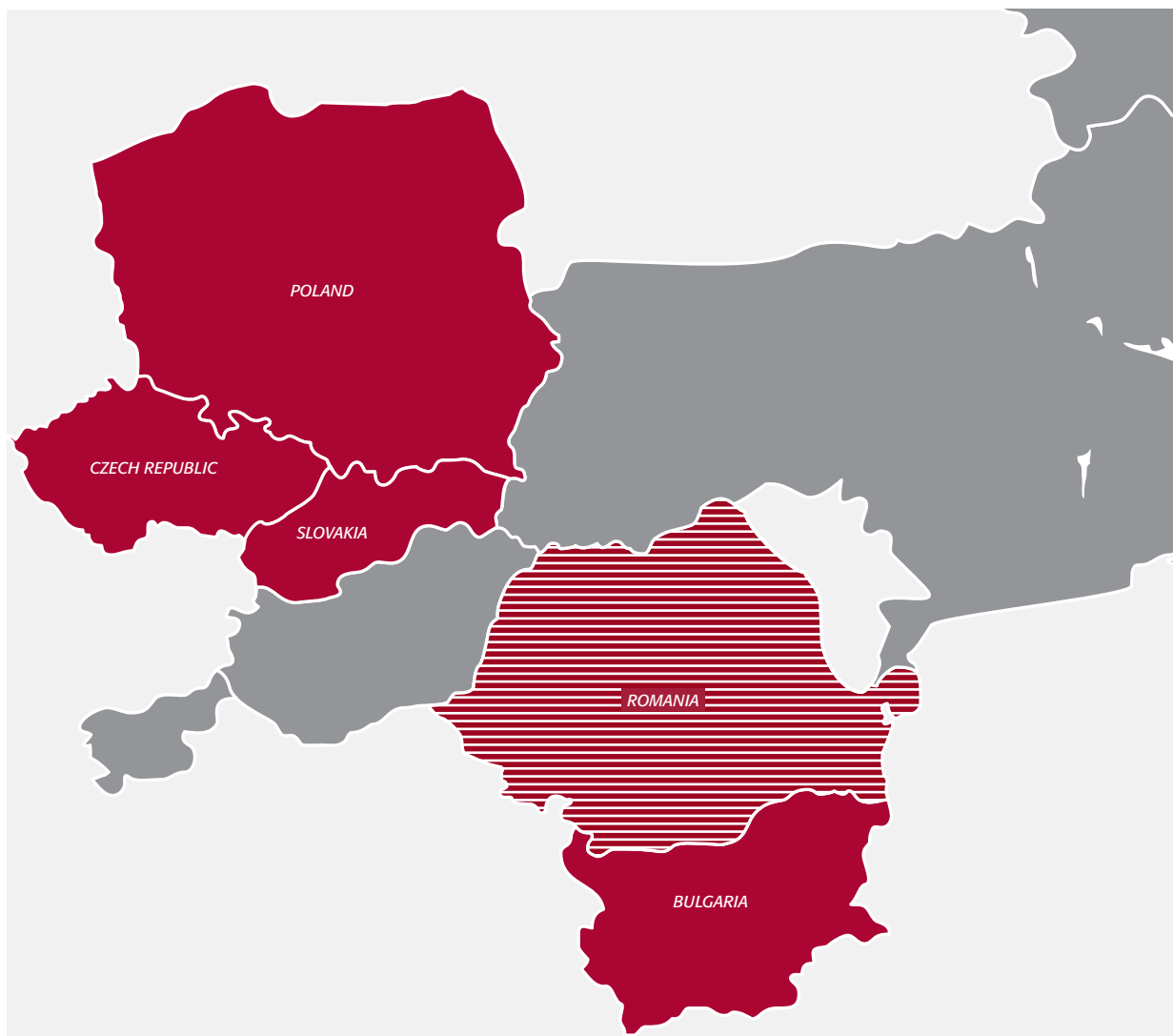




PROFIREAL GROUP STRUCTURE



The PROFIREAL Group



PROFI CREDIT focuses on countries of Central and Eastern Europe



-  Countries with active representation
-  Countries with postponed activities

PROFIDEBT specializes in purchasing, administering and collecting receivables



-  Countries with active representation
-  Countries with planned representation

COMPANY BODIES

Board of Directors

David Chour

Petr Vrba

Karol Jurák

Zdeněk Lhotský

Marlon Martis

Monique Rosenkötter-Donken

Sandy Calixto Martina

Harmen van de Wetering

Chairman

Vicechairman

Vicechairman

Member

Member

Member

Member

Member

SUBSIDIARIES

PROFI CREDIT Czech, a.s.

Registered Office

Pernštýnské nám. 80
530 02 Pardubice

Executives

David Chour
Petr Vrba

Filip Souček
Tomáš Rosenberger
Karol Jurák

PROFI CREDIT Slovakia, s.r.o.

Registered Office

Mliekarenská 10
824 96 Bratislava 26

Executives

Pavol Antálek
Milan Hiebsch

Petr Vrba
Vladimír Michniewicz

PROFI CREDIT Poland Sp. z o.o.

Registered Office

ul. Browarna 2
43-300 Bielsko-Biała

Executives

Petr Vrba
Slawomir Pavlik

Vladimír Michniewicz
Pavel Strnádek

PROFI CREDIT Bulgaria EOOD

Registered Office

49 Bulgaria Blvd.
1404 Sofia

Executives

Petr Vrba
Alexandar Žotev

Tomáš Rosenberger
Nikolay Kolev

PROFI CREDIT Romania, IFN S.A.

Registered Office

Calea Rahovei nr. 266–268, cladirea 3, et 2
Sector 5, Bucuresti, Romania

Executives

Tomáš Rosenberger
Petr Vrba

Rudolf Molnár

PROFIDEBT, s.r.o.

Registered Office

Pernštýnské nám. 80
530 02 Pardubice

Executives

David Chour
Marian Ganaj

Karol Jurák
Roman Kouba

PROFIDEBT Slovakia, s.r.o.

Registered Office

Mliekarenská 10
821 09 Bratislava

Executives

Pavol Antálek
Karol Jurák

Marian Ganaj
Martin Jakub Mlynár

PROFIDEBT Polska Sp. z o.o.

Registered Office

ul. Browarna 2
43-300 Bielsko-Biała

Executives

Karol Jurák
Vladimír Michniewicz

Roman Kouba
Krzysztof Cebrat

Subsidiaries

PROFIDEBT Bulgaria EOOD

Registered Office

49 Bulgaria Blvd.
1404 Sofia

Executives

Alexandar Žotev
Nikolay Kolev

Karol Jurák
Zdeněk Lhotský

PROFI Financial, s.r.o.

Registered Office

Pernštýnské nám. 80
530 02 Pardubice

Executives

David Chour
Filip Souček

František Tesař

PROFI Consulting, s.r.o.

Registered Office

Pernštýnské nám. 80
530 02 Pardubice

Executives

David Chour
Filip Souček

Václav Říha

PROFI SERWIS Polska Sp z o.o.

Registered Office

ul. Browarna 2
43–300 Bielsko-Biała

Executives

Vladimir Michniewicz
Petr Vrba

Pavel Strnádek
Krzysztof Cebrat

PROFI Investment NL N. V.

Registered Office

Naritaweg 165
1043 BW Amsterdam

Executives

David Chour
Zdeněk Lhotský

Trust International Management B. V.

PROFI Income, s.r.o.

Registered Office

Pernštýnské nám. 80
530 02 Pardubice

Executives

David Chour

BUSINESS ACTIVITIES

PROFIREAL Group SE (the “Group”) is a diversified financial services group which provides consumer loans, debt collection and recovery services across Central and Eastern Europe. The Group is active in the Czech Republic, Slovakia, Poland, Bulgaria and Romania and is organized into two divisions: PROFI CREDIT and PROFIDEBT.

PROFI CREDIT primarily offers instalment credit, loans and other financial services such as payment protection insurance. Since 2003, PROFI CREDIT has also been providing loans to small and medium-sized enterprises and entrepreneurs, although these still account for less than 3 % of the loan book. As at 31 December 2009, PROFI CREDIT’s loan portfolio amounted to EUR 245 million (increase compare to 2008 by 16 %). Historically PROFI CREDIT provided more than 460 ths private individual loans and more than 3 ths business loans, respectively.

PROFIDEBT is a debt collection and recovery business focusing on retail receivables with market presence in the Czech Republic and Slovakia. PROFIDEBT operates commercially independently of PROFI CREDIT and has developed a sustainable business with third parties, including banks, consumer finance providers, telecommunication operators and energy suppliers. As at 31 December 2009, PROFIDEBT managed receivables with nominal value exceeding EUR 141 million (increase compare to 2008 by 28 %).

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THOUGH FACING
A GLOBAL ECONOMIC
DOWNTURN, THE CONSO-
LIDATED PROFIT BEFORE
TAX WAS EUR 0.6 MILLION.



REPORT OF THE BOARD OF DIRECTORS

In 2009, the PROFIREAL Group division provided its clients with loans and credits totalling EUR 118.4 million through its PROFI CREDIT division, which is a 17 percent decrease from 2008 when it provided loans amounting to EUR 143.4 million. These results are still above market. Since 2000, PROFIREAL Group has lent its clients almost EUR 825.3 million. In 2009, 64,154 clients received a loan or credit from the PROFIREAL Group and the average credit amount was EUR 1,846.

In 2009, the PROFIDEBT division purchased receivables representing EUR 34.65 million. Since 2005, PROFIDEBT has purchased EUR 135.6 million (converted using the CZK/EUR exchange rate effective as of 31 December 2009). Revenues from receivables management in 2009 reached EUR 7.2 million.

Legal changes in our business sector: in line with an EU directive, EU member states should incorporate new rules for providing consumer loans amounting to EUR 200-75,000 into their legislation by 2009. Major changes arising from the directive include an option for clients to withdraw from a credit contract during the first 14 days of the contract and a lower penalty for repaying the consumer loan early. All of our companies are currently in accordance with the new laws.

RESULTS

In 2009, PROFIREAL Group SE faced a continuing global economic downturn. The business of the PROFIREAL Group was affected in two areas: it was difficult to enlarge and diversify external funding and provisions for bad debts were increased. To combat the effects, management decided to implement cost cutting programmes in all of its businesses and entities, strict credit risk management in lending business and careful evaluation and pricing on bad debt purchase.

The PROFIREAL Group focused on several personnel projects supporting employee effectiveness and skills development. The programme targeting university talented students that was continuing to facilitate the recruitment of new employees was very successful. In addition, the PROFIREAL Group focused on optimising business processes. As result the total number of employees in the financial group decreased to 558 in 2009, which is approximately a 14 percent decrease as compared to 2008.

The quality of the network of credit advisors improved thanks to focus on high quality advisers and sustainable production, systematic training and sales activity support. The number of credit advisors decreased by 31 percent from 2008 to 2009, which represented 2,251 credit advisors by the end of 2009, but their productivity increased highly.

The number of collection specialists in PROFIDEBT's receivables management is 163, which is very similar number as last year. The main priority in 2009 in respect of the collection network was to make the entire process of receivables management more cost efficient.

The total consolidated assets of the financial group increased by 7 percent, from EUR 189.7 million at the end of 2008 to EUR 202,1 million at the end of 2009 and for first time get over 200 million. The total consolidated revenues of the financial group went up by 9 percent from 2008 to 2009, amounting to EUR 87.0 million.

In 2009, the consolidated profit before tax of the financial group was EUR 0.6 million (in 2008, it was loss of EUR 3.5 million).

Report of the Board of Directors

The highest profit before tax was generated by PROFI CREDIT Czech, a.s. (EUR 5.6 million).

The consolidated profit of the financial group after tax in 2009 was negative EUR 4.3 million.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Exposure to various risks arises in the normal course of the Group's business. These risks include credit risks, interest rate risks, currency risk, liquidity risk, capital risk, operation risk and compliance risk.

Principal financial assets of the Group include cash at bank and cash and loans and advances to customers which represent a maximum exposure of the Group to risk in relation to financial instruments.

• Credit Risk

Credit risks of the Group predominantly relate to loans and advances to customers. The balances presented in the consolidated balance sheet are reported net of provisions for impaired receivables which are charged based on the estimate of the Group's management taking into account historical experience and impacts associated with existing economic conditions.

Credit risks attached to liquid funds are limited as the counterparties are banks with high rating assessments determined by international rating agencies.

Debt Recovery

Companies in the PROFIREAL Group use their own network of external collection specialists for the recovery of their own or purchased receivables.

Credit Risk Collateralisation

The principal limitation of the credit risk exposure relates to the fact that the Group has its credit risk diversified into a significant number of clients and geographically within the entire Group. Contracts for the provision of loans are also collateralised by bills of exchange and a guarantee or a security is required.

Collateral for Received Loans

The Group uses its assets as collateral for received bank and non-bank loans. These assets include real estate and receivables from provided loans. In terms of the collateral, it is important for companies to monitor the amount of the receivable from advanced loans which are not impaired.

The Group reports no significant concentration of credit risks as its exposure is distributed among a significant number of counterparties and customers.

• Liquidity Risk

The liquidity risk represents the risk that the Group will not have sufficient funds available to settle the amounts owed arising from financial contracts.

Under its contracted limits of overdraft facilities, the Group can apply for additional drawing of funds at any point of time and thus deal with the difficulties arising from a potential lack of funds.

• Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk.

The companies in the PROFIREAL Group have concluded long-term loan contracts which are renewed and adjusted on an annual basis. For these reasons, the interest rate risk is minimised. In addition, the Group has the possibility to change, as and when required, the interest rates attached to advanced loans.

• Currency Risk

Currency risk includes the risk of the change in the value of financial instrument as a result of a change in market foreign currency rates and potential impact of these changes in the profit and loss. The table in Notes in chapter 30 d) shows the structure of assets and liabilities in the Group.

The Group is not exposed to the currency risk. PROFI CREDIT Poland that has drawn loan in EUR and PROFI CREDIT Romania IFN S.A that has drawn loan in CZK are the only exceptions.

• Operational Risks

Operational risk is defined as the risk of loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss arising from external events. The Group assesses these risks on a regular basis and undertakes measures aimed at systematic detection and minimisation of these risks.

• Capital Risks

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group as loans and credits provider is mainly influenced by the fact that it leverages its business by using external financing. There are no real seasonality impacts on its financial position but rather a volatility of financial markets might positively or negatively influence the Group's financial position.

• Compliance Risks

Internal procedures and training aimed at keeping knowledge of laws and regulations up to date:

- Ethical code and whistleblower code;
- Compliance with the ethical code is discussed with employees at least once a year; and
- Procedures aimed at hiring ethical staff (including references).

Report of the Board of Directors

BUSINESS OUTLOOK FOR THE COMING YEARS

For the 2010 financial year, the Company has begun the following activities to attain the planned business results. The PROFIREAL Group is working on seeking long-term diversified funding for all group companies, which is an issue of the increasing profitability of the Group. This factor is closely connected with the necessity to find additional financial sources for the future growth of business of all Group's companies. Company will make great efforts to ensure cheaper and more stable financial sources. Management will carefully observe each subsidiary with the aim to control cost and cut off all non-profitable activities. In 2010, Group companies will continue on a cost reduction programme that will affect the number of personnel which has to follow revenues development in each subsidiary. To ensure sufficient future financial results, Group companies will focus on maintaining the quality of the portfolio and reasonable risk management and will continue to take advantage of opportunities arising from the purchase of non-performing debts. In addition PROFIREAL Group will emphasize on projects focused on new products development that will target additional potential customers and clients from retail and small business sector.

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IN 2009, PROFIREAL GROUP BECAME THE OWNER OF MARVEL CREDIT PRAHA, S.R.O. WHICH WAS RENAMED TO PROFI INCOME, S.R.O.



FINANCIAL PART

Consolidated Financial Statements
Prepared in Accordance with International Financial Reporting
Standards as Adopted by the EU
for the Year Ended
31 December 2009

Consolidated Statement of Comprehensive Income

	NOTE	Year ended 31 December 2009 EUR ,000	Year ended 31 December 2008 EUR ,000
Interest income	5	75 301	73 141
Interest expenses	5	-25 818	-23 527
Net interest income		49 483	49 614
Provisions for credit risks	6	-22 710	-14 346
Net interest income after provisions for credit risks		26 773	35 268
Net fees and commissions	7	-6 027	-6 928
General administrative expenses	8	-23 373	-28 486
Net insurance income	9	3 572	3 535
Other operating income/(expenses), net	10	-388	-6 921
Profit/(loss) before taxation		557	-3 532
Income tax	11	-4 911	1 549
Profit/(loss) after taxation		-4 354	-1 983
Profit/(loss) for the period		-4 354	-1 983
Other Comprehensive Income			
Exchange differences on translating foreign operations		252	1 340
Tax on profit associated with component of other comprehensive income		0	0
Total Comprehensive Income for the year		-4 102	-643

Consolidated Balance Sheet

	NOTE	31 December 2009 EUR ,000	31 December 2008 EUR ,000
Cash and balances with banks	13	1 637	1 169
Loans and advances to customers (net)	14	193 322	181 206
Deferred expenses and accrued income and other assets	15	2 161	1 571
Income tax	11	104	0
Deferred tax asset	20	442	1 128
Intangible assets (net)	16	397	317
Property and equipment (net)	17	3 934	4 196
Equity investments in unconsolidated companies (net)		127	76
Total assets		202 125	189 663
Amounts owed to customers	18	6 961	5 916
Liabilities arising from finance leases	19	808	858
Deferred tax liabilities	20	2 443	1 158
Tax liabilities	11	987	1 279
Bank loans and overdrafts	21	27 325	31 132
Other received loans	22	151 944	134 693
Provisions	23	5 327	4 886
Other liabilities	24	11 620	10 929
Total liabilities		207 415	190 851
Share capital	26	9 000	9 000
Share premium		150 032	150 032
Foreign currency translation reserve	27	1 492	1 240
Accumulated loss		-161 460	-159 477
Profit or loss for the current period		-4 354	-1 983
Total equity		-5 290	-1 188
Total liabilities and equity		202 125	189 663

The consolidated balance sheet is prepared according to the order of liquidity of assets and liabilities, as this presentation provides more reliable and accurate information on assets and liabilities.

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Foreign currency translation reserve	Accumulated loss	Result of the year	Total
Balance at 1 January 2008	9 000	150 032	-100	-165 425	5 948	-545
Appropriation of net result	0	0	0	5 948	-5 948	0
Result for the period	0	0	0	0	-1 983	-1 983
Other comprehensive income	0	0	1 340	0	0	1 340
Comprehensive Income for the year	0	0	1 340	0	-1 983	-643
Balance at 31 December 2008	9 000	150 032	1 240	-159 477	-1 983	-1 188
Appropriation of net result	0	0	0	-1 983	1 983	0
Result for the period	0	0	0	0	-4 354	-4 354
Other comprehensive income	0	0	252	0	0	252
Comprehensive Income for the year	0	0	252	0	-4 354	-4 102
Balance at 31 December 2009	9 000	150 032	1 492	-161 460	-4 354	-5 290

Consolidated Statement of Cash Flows

	NOTE	2009 EUR ,000	2008 EUR ,000
OPERATING ACTIVITY			
Profit/(loss) before tax		557	-3 532
Adjustments for:			
Depreciation of property and equipment		934	1 117
Amortisation of intangible assets		139	165
Gain on the sale of property and equipment		-61	-87
Increase/(decrease) in provisions		23 396	16 546
Financial expenses		25 818	23 527
Other gains/losses		291	11
Cash flow from operating activities before changes in working capital		51 074	37 747
Increase in receivables		-34 048	-43 597
Increase in payables		1 737	3 896
Cash flow from operating activities		18 763	-1 954
Income tax paid		-2 817	-1 312
Interest paid		-23 728	-12 750
NET CASH FLOW FROM OPERATING ACTIVITIES		-7 782	-16 016
INVESTING ACTIVITIES			
Acquisition of new companies		-51	-6
Gain on the sale of property and equipment		61	87
Purchases of property and equipment		-892	-543
NET CASH FLOW FROM INVESTING ACTIVITIES		-882	-463
FINANCING ACTIVITIES			
Payments of liabilities arising from finance leases		-407	-204
Decrease in bank loans		-3 807	0
Increase in other loans		13 368	15 006
NET CASH FLOW FROM FINANCING ACTIVITIES		9 154	14 802
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		490	-1 676
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1 169	1 506
Impact of exchange differences on translating foreign operations		-22	1 340
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13	1 637	1 169

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

PROFIREAL Group SE (hereinafter the "Company") is a European limited liability company formed under Dutch law.

The Company was formed on 9 August 2007 by a Deed of Association and registered in the Register of Companies maintained by the Chamber of Commerce in Amsterdam as PROFIREAL Group N.V. (naamloze vennootschap – limited liability company) based in Amsterdam, the Netherlands.

On 9 August 2007, the initial share capital of EUR 45,000 was paid in. On 8 October 2007, one of the owners of the Company invested 100 percent of the share capital of PROFIREAL, a.s. in the Company and acquired 4,116,353 new shares with a nominal value of EUR 1 each.

On 8 October 2007, the new owner, Profireal Holding a.s., acquired 4,658,647 shares in the same nominal value in exchange for the equity investments in the following companies: PROFIREAL Slovakia, spol. s r.o. (100 %), PROFIREAL Polska Sp. z o.o. (100 %), PROFIREAL Bulgaria EOOD (100 %), PROFIDEBT s.r.o. (100 %), PROFIDEBT Slovakia s.r.o. (100 %), PROFI Financial s.r.o. (10 %), PROFI Consulting s.r.o. (100 %), PROFIDEBT Polska Sp. z o.o. (100 %), and PROFISERWIS Polska Sp. z o.o. (100 %).

On 13 November 2007, 180,000 shares in the same nominal value were issued. These shares were paid from the Company's internal funds. Following these investments, the Company's paid-in share capital amounted to EUR 9,000 thousand.

On 21 December 2007, the Company (successor company) merged with Profireal Holding a.s. (dissolving company) and adopted the legal status of SE.

The registered office of the Company is located at Arlandaweg 12, 1043 EW Amsterdam, the Netherlands.

2. PRINCIPAL ACTIVITIES

PROFIREAL Group SE (hereinafter the "Company") together with its ten subsidiaries that were founded by it, form the PROFIREAL group (hereinafter the "Group"). The principal activities of PROFIREAL Group SE involves the holding of equity investments and funding of the Group companies.

The principal activities of the Group are as follows:

1. Provision of loans and borrowings from own funds; and
2. Trading with receivables and debts.

Principal activities of the controlled companies as of 31 December 2009:

Name of the entity	Direct holding %	Principal activity	Registered office
PROFI CREDIT Czech, a.s.	100.0	Provision of loans and borrowings	Pardubice, Czech Republic
PROFI CREDIT Slovakia, s.r.o.	100.0	Provision of loans and borrowings	Bratislava, Slovakia
PROFI CREDIT Poland Sp. z o.o.	100.0	Provision of loans and borrowings	Bielsko Biala, Poland
PROFI CREDIT Bulgaria EOOD	100.0	Provision of loans and borrowings	Sofia, Bulgaria
PROFI CREDIT Romania, IFN. S.A.	99.0	Provision of loans and borrowings	Bucharest, Romania
PROFIDEBT, s.r.o.	100.0	Trading with receivables and debts	Pardubice, Czech Republic
PROFIDEBT Slovakia, s.r.o.	100.0	Trading with receivables and debts	Bratislava, Slovakia
PROFIDEBT Polska Sp. z o.o.	100.0	Trading with receivables and debts	Bielsko Biala, Poland
PROFI SERWIS Polska Sp. z o.o.	100.0	Servicing	Bielsko Biala, Poland
PROFI Consulting, s.r.o.	100.0	Provision of services	Pardubice, Czech Republic
PROFI Financial, s.r.o.	10.0	Provision of services	Pardubice, Czech Republic
PROFIDEBT Bulgaria EOOD	100.0	Trading with receivables and debts	Sofia, Bulgaria

Name of the entity	Indirect holding %	Principal activity	Registered office
PROFI CREDIT Romania, IFN. S.A.	1.0	Provision of loans and borrowings	Bucharest, Romania
Profi Investment, N.V.	100.0	Financial activities	Amsterdam, Netherlands
PROFI Financial, s.r.o.	90.0	Provision of services	Pardubice, Czech Republic
PROFI Income, s.r.o.	100.0	Provision of services	Pardubice, Czech Republic

List of companies excluded from the consolidation:

Name of the entity	Registered office	Ownership	Voting power in %	Principal activity
PROFI Financial, s.r.o.	Pardubice, Czech Republic	100 %	100 %	Provision of services
PROFI Investment, N.V.	Amsterdam, Netherlands	100 %	100 %	Financial activities
PROFIDEBT Bulgaria, EOOD	Sofia, Bulgaria	100 %	100 %	Trading with receivables and debts
PROFIDEBT Polska Spolka z o.o.	Bialsko Biala, Poland	100 %	100 %	Trading with receivables and debts
PROFISERWIS Polska Spolka z o.o.	Bialsko Biala, Poland	100 %	100 %	Servicing
PROFI Income, s.r.o.	Pardubice, Czech Republic	100 %	100 %	Provision of services
PROFI Consulting, s.r.o.	Pardubice, Czech Republic	100 %	100 %	Provision of services

The above companies are immaterial to the Group, as they did not conduct any business activities in 2009 and the equity investment includes an investment in the share capital in minimum amounts. As such, they were excluded from consolidation.

During the year 2009 Company transformed its registered shares to bearer shares. Management of the Company states the structure of shareholders on the basis of the information available in the moment of share's transformation. Management it is not aware of any subsequent changes in ownership structure.

Shareholder	Ownership percentage
David Beran	99 %
Arte Invest, N.V.	1 %

Notes to the Consolidated Financial Statements

3. SIGNIFICANT CHANGES IN THE GROUP IN THE YEAR ENDED 31 DECEMBER 2009

Pursuant to the conclusion of the Contract for the Transfer of the Equity Investment with the deferral condition and the subsequent exercising of the option on 20 October 2009, the Company became the owner of Marvel Credit Praha, s.r.o. which was renamed to PROFI Income, s.r.o. as of the date when the change in the owner was recorded in the Register of Companies, i.e. on 15 February 2010.

In January 2009, the Group decided to gradually terminate its activities in Romania. The subsidiary PROFI CREDIT Romania IFN S.A. ceased to provide new loans and focuses on the collection only. The impact of its operations to the consolidated equity and profit after tax is as follows.

EUR ,000	2009 EUR ,000	2008 EUR ,000
Total equity	-5 290	-1 188
<i>of which Group without PC Romania</i>	-622	1 306
<i>of which PC Romania</i>	-4 669	-2 494
Profit/(loss) for the period	-4 354	-1 983
<i>of which Group without PC Romania</i>	-2 243	239
<i>of which PC Romania</i>	-2 111	-2 222

4. PRINCIPAL ACCOUNTING POLICIES

Basis of the Preparation of the Consolidated Financial Statements

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union.

The consolidated financial statements include a consolidated balance sheet, a consolidated statement of comprehensive income, a consolidated statement of changes in shareholders' equity, a consolidated cash flow statement and notes to the consolidated financial statements containing accounting policies and explanatory disclosures.

The consolidated financial statements were prepared on the accruals basis of accounting whereby the effects of transactions and other events are recognised when they occur and are reported in the financial statements of the periods to which they relate, and on the going concern assumption.

These consolidated financial statements have been prepared under the historical cost convention as modified by the remeasurement to fair value when required by IFRS.

The presentation of consolidated financial statements in conformity with IFRS requires management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and their reported amounts of revenues and expenses during the reporting period (see below). Actual results could differ from those estimates.

These consolidated financial statements are presented in thousands of Euros ("EUR '000"), unless stated otherwise.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

Basis of Consolidation

The Company uses the full consolidation method only in respect of controlled companies (refer to the structure of the Group in Note 2).

The consolidated financial statements include the financial statements of companies in which the Company exercises controlling influence (subsidiary undertakings) and which are prepared as of 31 December 2009. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial information relating to PROFIREAL Group SE is presented in the consolidated financial statements. Accordingly, in accordance with article 2:402 of the Netherlands Civil Code, the company financial statements only contain an abridged profit and loss account.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All significant intra-group transactions, related balances, income and expenses are eliminated from the consolidated balance sheet and consolidated statement of comprehensive income upon consolidation.

The Company has no associates.

The Company accounts for all business combinations using the purchase method. The Company, as the acquirer, measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given in exchange for control of the acquiree and any costs directly attributable to the business combination.

At the acquisition date, the Company allocates the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria at the fair values at that date. Any difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is accounted for as goodwill or negative goodwill.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Company accounts for the combination using those provisional values.

The Company recognises any adjustments to those provisional values within twelve months of the acquisition date, with effect from the acquisition date, i.e. retrospectively.

Income and Expense Recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the original effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Other related income/expenses from loans (e.g. contractual fines, fees) is accrued and discounted using the effective interest rate to the net carrying value of an asset over its expected useful life.

The fees paid by the debtor with respect to the provision of a loan to a customer are part of the effective interest rate and are reported in the consolidated statement of comprehensive income line item 'Interest income'. Other fees and commissions are recognised on an accruals basis in the period to which they relate.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Non-interest income is recognised on an accruals basis and is always measured at the fair value of the consideration claimed.

Notes to the Consolidated Financial Statements

Interest expenses related to interest bearing instruments are reported in the consolidated statement of comprehensive income on an accruals basis using the effective interest rate method. Other expenses are reported in the consolidated statement of comprehensive income on an accruals basis.

Non-interest expenses are recognised on an accruals basis and are measured at fair value.

Insurance Services

Within the Group, PROFIT CREDIT offers insurance services taking the form of the Bonus product. A customer pays an insurance premium for the provision of this insurance coverage in the contracted amount according to contractual terms stated in the contract.

This insurance covers the possible failure to repay the instalments made by a customer based on clearly defined conditions. For this reason, it is necessary to separate the recognition of the loan itself from the increase in the insurance.

The insurance contract itself is separated from the Bonus product and reported separately in accordance with the requirements arising under IFRS 4. Income and expenses relating to insurance services are disclosed in 'Net insurance income'.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Amounts received or receivable as an incentive for the conclusion of an operating lease contract are recognised on a straight-line basis over the lease term.

Foreign Currency Translation

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency), that is, the local currency. For the purpose of the consolidated financial statements, the results and financial position of each entity are translated and expressed in EUR which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the ECB rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the consolidated statement of comprehensive income

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using the ECB's exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Taxation

The final amount disclosed in the consolidated statement of comprehensive income includes the tax currently payable and change in the balance of deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax liabilities and assets are recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the consolidated statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax reported under IFRS differs from the deferred tax reported in the local financial statements. These differences result from a different method of the calculation of write-offs of receivables and depreciation of assets and a recognition of receivables arising from loans and repurchases in the consolidated balance sheet.

Property and Equipment and Intangible Assets

Property and equipment and intangible assets are stated at cost less accumulated depreciation/amortisation charges and impairment provisions and increased by technical improvements.

The cost of assets, except for land and assets under construction, is depreciated annually through the income statement line item 'General administrative expenses' over the expected useful lives of assets using the straight-line method as follows:

Cars	20 %
Computers, printers, servers, copy machines	20 %
Other office equipment (safe, projector)	20 %
Furniture	10 %–20 %
Air-conditioning	10 %
Other low-value assets (mobile phones, calculators, etc.)	50 %
Marketing study	20 %–25 %
Buildings	2 %
Software	10 %–35 %

Notes to the Consolidated Financial Statements

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The Group specifically does not depreciate land, works of art, tangible and intangible assets under construction and technical improvements, unless they are brought into a condition fit for use.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of Tangible and Intangible Assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired. The test includes the comparison of the carrying value and the recoverable value of the assets.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in expenses.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

All financial assets with normal delivery terms are recognised using settlement date accounting. The settlement (collection) date is the day on which the financial instrument is delivered (cash payment). When settlement date accounting is applied, the financial asset is recognised on the day of receipt of a financial instrument (sending of cash) and derecognised on the day of its provision (collection of cash).

Loans and Advances to Customers

Upon initial recognition, loans and advances to customers are carried at fair value adjusted by transaction costs, if any, and subsequently remeasured at amortised cost using the effective interest rate method.

Provisions against impaired receivables are recognised in the consolidated statement of comprehensive income if there is objective evidence that an asset is impaired (deteriorating financial position of the debtor, delays in payments, etc). The recognised provision is determined as equal to the difference between the carrying value of an asset and the present value of the estimated future cash flows discounted using the effective interest rate calculated upon initial recognition. The provision is decreased or released if the objective reasons for the impairment of the receivable cease to exist or if the receivable is sold or written off. The provisions are utilised upon the sale or write-off of receivables.

The Group determines the level of provisions on an individual basis for individually significant loans and receivables. Loans and receivables which are not individually significant and which demonstrate similar characteristics in terms of credit risk exposure and where there is objective evidence of impairment, the Group determines provisions on a collective basis.

If the receivable from the customer is past its due date, it is possible to prepare an individual repayment schedule reflecting an additional credit risk exposure relating to the customer in default. In the event of a new calculated repayment schedule, the treatment is similar as is the case when a new receivable originates.

Purchased receivables are valued based on the anticipated cash flow (collection) arising from these receivables and using the effective interest rate for the calculation of interest income.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank and Other Loans

Interest-bearing bank and other loans and overdrafts are initially recognised at fair value adjusted for transaction costs, if any, and are subsequently remeasured at amortised cost using the original effective interest rate method.

Amounts Owed to Customers

At initial recognition, amounts owed to customers are recognised at fair value adjusted for transaction costs, if any, and subsequently remeasured at amortised cost using the effective interest rate method.

Equity Investments in Unconsolidated Companies

Equity investments in unconsolidated companies are reported in the consolidated balance sheet at cost net of impairment charges, if any.

Provisions

In accordance with IFRS, the Group recognises a provision when, and only when:

- It has a present obligation (legal or constructive) as a result of a past event;
- It is probable that the settlement of the obligation will cause an outflow of resources embodying economic benefits; and
- A reliable estimate can be made of the amount of the obligation.

Notes to the Consolidated Financial Statements

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provisions against Losses arising from Loans and Advances

Determining whether loans and advances are impaired requires an estimation of anticipated cash flows arising from these financial assets. This estimation is made by the Group's management on the basis of a professional judgment concerning the knowledge of the portfolio quality and individually significant loan receivables. In arriving at provisioning levels, the Group refers to its historical experience with the recovery of past due receivables.

Provisions against receivables arising from contractual fines, penalties, recognised court fees, fees for legal representation and agreements on the recognition of debt are recognised on the basis of the historical experience with the recovery of these receivables and anticipated cash-flow.

Uncertainty about the Impact of the Global Financial Crisis

The Group might be influenced by the global financial and economic crisis. The Group might be exposed to an increased risk specifically due to the high volatility and uncertainty regarding the valuation, possible impairment of assets, contingent liabilities and future developments of the markets. Those potential risks may have an impact on the Group's consolidated financial statements in the future.

The presented consolidated financial statements for the year ended 31 December 2009 are based on the current best estimates and management of the Group believes that they present the truest and fairest view of the Group's financial results and financial position using all relevant and available information at the consolidated financial statements date.

Changes in Accounting Policies in 2009

Standards and interpretations that have an impact on the amounts reported in the reporting period (or in prior reporting periods)

In the year ended 31 December 2009, the Group started to use standards and interpretations that have an impact on amounts reported in these financial statements:

IAS 1 – Presentation of the Financial Statements – revised standard (effective 1 January 2009) – the standard introduces changes in the used terminology (including amended names of financial statements) and changes in the format and content of the financial statements.

Standards and interpretations the adoption of which has no impact on the consolidated financial statements of the Group

IAS 23 – Borrowing Costs – revised standard (effective 1 January 2009);

IFRS 7 – Financial Instruments: Disclosures – amendment Improving disclosures – pursuant to the requirements of the amendment (effective 1 January 2009)

IFRS 8 – Operating Segments – new standard applicable for listed companies (effective 1 January 2009)

IAS 32 – Financial Instruments: Disclosure and Presentation – revised standard (effective 1 January 2009);

IAS 39 – Financial Instruments: Recognition and Measurement – revised standard (effective 1 January 2009);

IFRS 1 – First-time Adoption of IFRS – revised standard (effective 1 January 2009);

IFRS 2 – Share-based Payment – revised standard (effective 1 January 2009);

IFRIC 9 – Reassessment of Embedded Derivatives (effective 1 January 2009);

IFRIC 13 – Customer Loyalty Programmes (effective for periods beginning on or after 1 July 2008);

IFRIC 15 – Agreements for the Construction of Real Estate (effective 1 January 2009);

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 October 2008); and Improvements to International Financial Reporting Standards (effective 1 January 2009).

Standards and interpretations that were issued, but have not been applied

As of the approval date of these financial statements, the following standards and interpretations were issued but not yet effective:

IAS 7 – Statement of Cash Flows – amended standard (effective 1 January 2010);

IAS 27 – Consolidated and Separate Financial Statements – revised standard (effective 1 July 2009);

IAS 28 – Investments in Associates – revised standard (effective 1 July 2009);

IFRS 2 – Share-based Payment – revised standard (effective 1 January 2010);

IFRS 3 – Business Combinations – revised standard (effective 1 July 2009);

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations – amended standard (effective 1 January 2010);

IFRIC 17 – Distributions of Non-cash Assets to Owners (effective for periods beginning on or after 1 July 2009);

IFRIC 18 – Transfer of Assets from Customers (effective 1 July 2009); and Improvements to International Financial Reporting Standards – adjustment of requirements of IAS 17 Leases (effective 1 January 2010).

These standards are not yet effective as of the reporting date. Endorsement by the EU is expected by the time the standards and interpretations become effective.

The Group considers that the impact of adopting the standards and interpretations that will become effective after 1 January 2010 will not have a material impact on the consolidated financial statements for the year ended 31 December 2009, including comparative information.

Notes to the Consolidated Financial Statements

5. NET INTEREST INCOME

	2009	2008
	EUR ,000	EUR ,000
Interest income		
– from loans and advances to financial institutions	46	35
– from loans to customers	75 254	73 106
Total interest income	75 301	73 141
Interest expenses		
– from loans and advances from financial institutions	2 184	2 540
– from amounts owed to non-financial institutions	23 634	20 987
Total interest expenses	25 818	23 527
Total net interest income	49 483	49 614

Interest income from the loans to customers includes interest arising both from loans to customers and from debt recovery efforts. The year-on-year increase in interest income is consistent with the growth of the portfolio of advanced loans (refer also to Note 14).

6. PROVISIONS FOR CREDIT RISKS

	2009	2008
	EUR ,000	EUR ,000
Charge for provisions for the period	22 710	18 403
Release of provisions for the period	0	–4 057
Net charge for provisions	22 710	14 346
Total provisions for credit risk	22 710	14 346

The year-on-year increase in the provisions reflexes the impact of current economic crisis.

7. NET FEES AND COMMISSIONS

Net fees and commissions include:

	2009	2008
	EUR ,000	EUR ,000
Fee and commission expense for services and transactions	7 714	8 492
Fee and commission income from services and transactions	1 687	1 564
Total net fees and provisions	–6 027	–6 928

Fee and commission expense for services and transactions includes expenses relating to the operation of the network of salespersons and their bonuses for arranging loans.

8. GENERAL ADMINISTRATIVE EXPENSES**Structure of general administrative expenses:**

	2009	2008
	EUR ,000	EUR ,000
Staff costs		
Payroll costs	8 990	10 122
Social security contributions	2 325	2 556
Other staff costs and payments made to the members of management	623	640
Total staff costs	11 937	13 318
Other administrative expenses		
Data processing expenses	308	479
Office lease expenses	1 695	1 924
Business transactions expenses	245	900
Advertising and marketing expenses	1 872	2 778
Advisory and legal services expenses	2 073	1 975
Sundry administrative expenses	4 168	5 830
Total other administrative expenses	10 362	13 886
Depreciation of assets		
Amortisation of intangible assets (refer to Note 16)	139	165
Depreciation of property and equipment (refer to Note 17)	934	1 117
Total	1 073	1 282
Total general administrative expenses	23 373	28 486

The Group had 558 employees as of 31 December 2009 (2008–649).

Advisory and legal services expenses include fee paid to the Group Auditor. The total compensation paid to the Group Auditor is as follows

	Deloitte Accountants B.V.	Deloitte network	2009	2008
	EUR ,000	EUR ,000	EUR ,000	EUR ,000
Audit services	21	246	267	267
Non audit services	–	–	–	–
Total	21	246	267	267

Notes to the Consolidated Financial Statements

9. NET INSURANCE INCOME

	2009 EUR ,000	2008 EUR ,000
Net earned insurance	5 536	4 755
Costs of insurance claims	1 964	1 220
Total net insurance income	3 572	3 535

Insurance income relates to the possibility of taking out insurance for selected products. The BONUS product, which is offered by the Group companies, facilitates the deferral of instalments under predetermined conditions which are compensated for by a higher price of the product. Under IFRS 4, this product meets the definition of a 'hidden insurance contract', therefore the difference between the standard product and the BONUS product is recognised as insurance income.

The increase in the insurance income in the year ended 31 December 2009 is due to the increase in the volume of BONUS product provided loans.

10. OTHER OPERATING INCOME/(EXPENSES) NET

	2009 EUR ,000	2008 EUR ,000
Gain from the sale of assets	61	87
Income from other services	175	1 261
Received compensation of deficits and damage	57	68
Release of provisions for non-credit amounts due	0	28
Sundry operating and financial income	1 068	2 840
Total other operating income	1 360	4 284
Charge for provisions	-30	108
Loss from the disposal and impairment of assets	245	690
Deficits and damage, fines and penalties	19	11
Charge for provisions for non-credit amounts due	0	0
Sundry operating expenses	797	9 870
Other taxes	717	526
Total other operating expenses	1 748	11 205
Total other operating income/(expenses) net	-388	-6 921

In 2008 "Sundry operating expenses" include the foreign exchange loss of PROFI CREDIT Poland exceeding EUR 6 million.

11. INCOME TAX

	2009	2008
	EUR ,000	EUR ,000
Income tax charge/(credit):		
Tax payable charged to expenses	2 940	2 139
Deferred tax recognised in expenses/(income) with respect to origination and recognition of temporary differences	1 971	-3 688
Total tax recognised in expenses/(income)	4 911	-1 549

Income tax includes the amounts of taxes paid by individual companies from the taxable profit for the year and calculation of deferred tax.

In the following table, the Company used the rate for the calculation of tax in the amount used in individual countries where the Company operates.

The tax charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2009	2008
	EUR ,000	EUR ,000
Profit before tax	557	-3 533
Tax at the local tax rate in the Netherland of 20 % (2008: 20 %)	-11	99
Tax at the local tax rate in the Czech Republic of 20 % (2008: 21 %)	1 367	1 443
Tax at the local tax rate in the Slovak Republic 19 % (2008: 19 %)	-33	468
Tax at the local tax rate in the Poland of 19 % (2008: 19 %)	-248	-1 601
Tax at the local tax rate in the Bulgaria of 10 % (2008: 10 %)	-243	-193
Tax at the local tax rate in the Romania of 16 % (2008: 16 %)	-335	-385
Tax effect of non-tax deductible expenses in determining taxable profit	1 848	2 014
Tax effect of the utilisation of tax losses that were not previously recognised	538	-81
Recognised deferred tax	1 971	-3 688
Unrecognised deferred tax asset	56	375
Income tax for the period	4 911	-1 549

12. DIVIDENDS

In 2009 and 2008, the General Meeting decided not to declare and pay out dividends.

Notes to the Consolidated Financial Statements

13. CASH AND CASH AT BANK

	2009 EUR ,000	2008 EUR ,000
Cash	426	282
Deposits at bank	1 211	887
Total cash and cash at bank	1 637	1 169

Cash at bank and cash include the Group's cash and short-term deposits with the original maturity of three months and less.

14. LOANS AND ADVANCES TO CUSTOMERS (NET)

a) Total loans and advances to customers (net)

	2009 EUR ,000	2008 EUR ,000
Loans to customers	206 477	183 747
Other advances to customers	38 037	27 739
Gross loans and advances to customers	244 514	211 486
Provisions for loans to customers	50 028	29 344
Provisions for other advances to customers	1 164	936
Total loans and advances to customers (net)	193 322	181 206

Loans to customers in amount of EUR 193 322 thousands (2008: 181 206 thousands) includes receivables acquired from third parties. The carrying amount of these receivables was EUR 19 092 thousands as of 31 December 2009 (2008: 14 246 thousands) and the nominal value of these receivables was EUR 141 millions (2008: 110 millions).

b) Structure of the loan portfolio

The loan portfolio of the Group as of 31 December 2009 includes the following allocation to categories:

	Gross EUR ,000	Collateral used EUR ,000	Uncollateralised exposure EUR ,000	Provisions EUR ,000	Carrying amount EUR ,000	Provisions %
Non-impaired	144 792	0	144 792	1 427	143 365	1 %
Impaired	99 722	0	99 722	49 765	49 957	50 %
Total	244 514	0	244 514	51 192	193 322	21 %

The loan portfolio of the Group as of 31 December 2008 includes the following allocation to categories:

	Gross EUR ,000	Collateral used EUR ,000	Uncollateralised exposure EUR ,000	Provisions EUR ,000	Carrying amount EUR ,000	Provisions %
Non-impaired	142 091	0	142 091	777	141 314	1 %
Impaired	69 395	0	69 395	29 503	39 892	43 %
Total	211 486	0	211 486	30 280	181 206	14 %

Advanced loans are usually collateralised by a bill of exchange in favour of the creditor and an aval by the co-debtor.

The structure of loans by geographical area is as follows:

	2009 EUR ,000	2008 EUR ,000
Loans to retail customers	189 342	175 063
Loans to corporate customers	3 980	6 143
Total	193 322	181 206

The structure of loans by geographical area is as follows:

	2009 EUR ,000	2008 EUR ,000
Czech Republic	111 591	102 974
Slovakia	46 668	45 972
Poland	26 773	25 028
Bulgaria	8 088	6 055
Romania	202	1 177
Total	193 322	181 206

Notes to the Consolidated Financial Statements

Aging analysis of loans:

	Before due dates EUR ,000	1–90 days EUR ,000	91–180 days EUR ,000	181 days and more EUR ,000	Total EUR ,000
Loans at 31 Dec 2009	126 456	10 717	6 728	49 422	193 322
Loans at 31 Dec 2008	134 610	6 412	3 874	36 310	181 206

Given the focus of its activities, the Company monitors the aging analysis of individual repayments rather than individual loans.

c) Provisions for loans and advances

The charge for and use of provisions for loans and advances:

	2009 EUR ,000	2008 EUR ,000
Provisions for loans and advances at 1 January	30 280	22 191
Charge for provisions	22 710	18 403
Release of provisions	0	4 057
Net charge for provisions	22 710	14 346
Use of provisions for the write-off and assignment of amounts due	2 050	5 273
Impact of translation to EUR	252	–985
Provisions for loans and advances at 31 December	51 192	30 280

Provisions against loans and receivables from customers by categories:

	2009 EUR ,000	2008 EUR ,000
Individually impaired	0	73
Collectively impaired	51 192	30 207
Total	51 192	30 280

15. DEFERRED EXPENSES AND ACCRUED INCOME AND OTHER ASSETS

Deferred expenses and accrued income and other assets as of 31 December 2009 predominantly include prepayments of EUR 721 thousand (EUR 610 thousand as of 31 December 2008), trade receivables of EUR 395 thousand (EUR 500 thousand as of 31 December 2008), estimated receivables of EUR 253 thousands (EUR 3 thousands as of 31 December 2008), other loans of EUR 359 thousands (EUR 1 262 thousands as of 31 December 2008) and inventory of EUR 70 thousand (EUR 91 thousand as of 31 December 2008).

16. INTANGIBLE ASSETS

	Software EUR ,000	Intangible assets under construction EUR ,000	Other intangible assets EUR ,000	Total EUR ,000
Balance at 31 December 2007	693	5	102	800
Additions	45	28	8	81
Impact of translation to EUR	41	0	4	45
Disposals	4	31	3	38
Balance at 31 December 2008	775	2	111	888
Additions	50	212	5	267
Impact of translation to EUR	4	0	0	4
Disposals	2	54	0	56
Balance at 31 December 2009	827	160	116	1 103
ACCUMULATED AMORTISATION				
Balance at 31 December 2007	326	0	48	374
Amortisation for the period	151	0	15	166
Impact of translation to EUR	19	0	12	31
Balance at 31 December 2008	496	0	75	571
Amortisation for the period	116	10	14	140
Impact of translation to EUR	-2	0	0	-2
Eliminated on Disposal	3	0	0	3
Balance at 31 December 2009	607	10	89	706
NET BOOK VALUE				
Balance at 31 December 2008	279	2	36	317
Balance at 31 December 2009	220	150	27	397

Notes to the Consolidated Financial Statements

17. PROPERTY AND EQUIPMENT

	Land and buildings EUR ,000	Assets under construction EUR ,000	Equipment, fixtures and fittings EUR ,000	Prepayments for tangible assets EUR ,000	Total EUR ,000
COST OR VALUATION					
Balance at 31 December 2007	1 718	86	4 726	33	6 563
Additions	64	215	1 795	0	2 074
Impact of translation to EUR	99	32	-1 201	0	-1 070
Disposals	0	332	1 362	33	1 727
Balance at 31 December 2008	1 881	1	3 958	0	5 840
Additions	0	153	621	0	774
Impact of translation to EUR	0	20	69	0	89
Disposals	0	112	393	0	505
Balance at 31 December 2009	1 881	62	4 255	0	6 198
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
Balance at 31 December 2007	367	0	1 642	0	2 009
Depreciation for the year	68	0	1 049	0	1 117
Impact of translation to EUR	92	0	-1 131	0	-1 039
Eliminated on disposal	0	0	442	0	442
Balance at 31 December 2008	527	0	1 118	0	1 645
Depreciation for the year	40	0	894	0	934
Impact of translation to EUR	-30	0	-34	0	-64
Eliminated on disposal	0	0	251	0	251
Balance at 31 December 2009	537	0	1 727	0	2 264
NET BOOK VALUE					
Balance at 31 December 2008	1 354	1	2 841	0	4 196
Balance at 31 December 2009	1 344	62	2 528	0	3 934

Information on finance leases is disclosed in Note 19.

18. AMOUNTS OWED TO CUSTOMERS

Amounts owed to customers and loan providers as of 31 December 2009 included mainly payables arising from outstanding commissions of EUR 4,573 thousand (31 December 2008: EUR 3,996 thousand) and accrued expenses of EUR 1,428 thousand (31 December 2008: EUR 1,110 thousand).

19. LIABILITIES ARISING FROM FINANCE LEASES

	Minimum lease instalment		Present value of minimum lease instalment	
	2009 EUR ,000	2008 EUR ,000	2009 EUR ,000	2008 EUR ,000
Liabilities from finance leases:				
Less than one year	416	407	344	340
From two to five years	556	585	465	518
	972	992	808	858
Less future finance charges	164	134	0	0
Present value of finance lease liabilities	808	858	808	858
Less payables maturing within 1 year (reported as short-term payables)	0	0	344	340
Payables after 1 year	0	0	464	518

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 3 to 4 years. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

Notes to the Consolidated Financial Statements

20. DEFERRED TAX

The table below shows the principal deferred tax liabilities and assets recognised by the Group and their movements during the current and prior period:

	Accelerated tax depreciation EUR ,000	Tax losses EUR ,000	Loans and advances EUR ,000	Other EUR ,000	Total EUR ,000
As of 31 December 2007	207	1 533	-5 183	-73	-3 516
Charged against profit or loss	-60	-1 288	4 200	835	3 687
From which impact of changes in tax rates	0	0	0	0	0
Impact of translation to EUR	-1	19	-265	46	-201
As of 31 December 2008	146	264	-1 248	808	-30
Charged against profit or loss	-35	-544	-1 497	104	-1 971
From which impact of changes in tax rates	10	0	-33	-26	-49
Impact of translation to EUR	0	0	0	0	0
As of 31 December 2009	111	-280	-2 745	912	-2 001

Deferred tax assets and liabilities were mutually offset for individual Group entities. The below table shows an analysis of deferred tax (after the offsetting of certain balances) for financial reporting purposes:

	2009 EUR ,000	2008 EUR ,000
Deferred tax liabilities	-2 443	-1 158
Deferred tax assets	442	1 128
Net deferred tax asset/(liability)	-2 001	-30

A deferred tax asset is recognised for the carryforward tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The Group companies anticipate income growth in the future, thereby assuming that most of the tax losses for the current period will be utilised in future periods. The amount of unused tax losses for which the deferred tax asset was not recognised amounted EUR 11 064 thousands as of 31 December 2009.

21. BANK LOANS AND OVERDRAFTS

	2009 EUR ,000	2008 EUR ,000
Bank loans	27 325	31 132
Total	27 325	31 132
Loans are repayable as follows:		
– on demand or within one year	9 571	31 132
– in the second year	9 066	0
– in the third to five year	8 688	0
Total	27 325	31 132

Loans by currency:

At 31 December 2009	Total EUR ,000	CZK EUR ,000	EUR EUR ,000
Bank loans	27 325	22 287	5 038
Total	27 325	22 287	5 038

At 31 December 2008	Total EUR ,000	CZK EUR ,000	EUR EUR ,000
Bank loans	31 132	26 046	5 086
Total	31 132	26 046	5 086

Other significant information on the Group's loans:

The Group was granted the following significant bank loans:

- a) A loan of EUR 22,287 thousand (2008: EUR 26,046 thousand). This loan was advanced on 3 November 2006 and its repayment period was negotiated in quarter instalments up to year 2012. The loan is collateralised by a pledge on real estate, bank accounts and receivables of the Group and bore a floating interest rate in 2009; and
- b) A loan facility of EUR 5 million (2008: EUR 5 million) is collateralised by a pledge on real estate, bank accounts and receivables of the Group. This loan was advanced on 3 November 2006 and originally was due on 3 November 2007. In 2008, its maturity was extended to October 2009 and in 2009, repayment period was renegotiated to quarter instalments up to November 2010. This loan bears a floating interest rate.

The Group was not in breach of any covenants underlying the provision of the loans and was not in default on the repayment of the loans during the years ended 31 December 2009 and 2008.

Notes to the Consolidated Financial Statements

22. OTHER RECEIVED LOANS

The Group has received loans from the following non-banking entities:

	2009	2008
	EUR ,000	EUR ,000
Entity 1*	150 824	133 804
Other	1 120	889
Total	151 944	134 693
Loans are repayable as follows:		
– on demand or within 1 year	7 855	2 647
– in the second year	0	87 167
– in the third to fifth year	144 089	44 879
– later than fifth year	0	0
Total	151 944	134 693

Loans by currency:

At 31 December 2009	Total	CZK	SKK	EUR
	EUR ,000	EUR ,000	EUR ,000	EUR ,000
Entity 1*	150 824	71 530	0	79 294
Other	1 120	1 120	0	0
Total	151 944	72 650	0	79 294
At 31 December 2008	Total	CZK	SKK	EUR
	EUR ,000	EUR ,000	EUR ,000	EUR ,000
Entity 1*	133 804	59 470	39 597	34 737
Other	889	144	0	745
Total	134 693	59 614	39 597	35 482

*Entity 1 is Solarex Investments BV, a dutch legal entity.

The loan from Entity 1 is collateralised by a promissory note of the loan recipient and pledged receivables. Other loans are collateralised by a promissory note of the loan recipient only. The undrawn amount of the loan from Entity 1 is EUR 61,488 thousand (EUR 76,397 thousand as of 31 December 2008). In 2009 the majority of loan facility from Entity 1 was prolonged till 31 December 2012.

The Group was not in breach of any covenants underlying the provision of the loans and was not in default on the repayment of the loans during the years ended 31 December 2009 and 2008.

23. PROVISIONS

	Provision for insurance claims EUR ,000	Other EUR ,000	Total EUR ,000
At 1 January 2009	3 485	1 401	4 886
Additions to provisions for the period	2 040	290	2 330
Use of provisions	1 178	728	1 907
Impact of translation to EUR	-18	0	-18
At 31 December 2009	4 364	963	5 327

Provision for Insurance Claims

The adequacy of the provision for insurance claims is determined directly by the provision calculation technique. The provision is recognised when an insurance event occurs as equal to anticipated insurance claims. The Group reports net insurance income (refer to Note 9) and the use of provisions does not exceed the aggregate insurance income.

Notes to the Consolidated Financial Statements

24. OTHER LIABILITIES

As of 31 December 2009, other liabilities predominantly include amounts owed arising from the purchase of goods and services of EUR 1,735 thousand (EUR 1,327 thousand as of 31 December 2008), amounts owed to employees of EUR 811 thousand (EUR 684 thousand as of 31 December 2008), and deferred income of EUR 7,564 thousand (EUR 6,632 thousand as of 31 December 2008).

Deferred income relates to the BONUS product and represents the difference between the fee for the standard product and the fee for the BONUS product which is gradually released to income and reduced by the claimed insurance payments. The year-on-year increase in deferred income is attributable to the increased share of the BONUS product in the entire loan portfolio.

25. EQUITY

As of 31 December 2009, the Group reported a deficit on its equity of EUR 5,290 thousand (a deficit of EUR 1,188 thousand as of 31 December 2008). As expected by the Group's management, the deficit on equity was incurred due to the initial costs of forming foreign Group entities and initiating their active business activities. Management of the Group anticipates that the deficit on equity will be offset against future profits the Group plans to generate.

In 2009, the equity was negatively impacted by the loss making economy of PROFIT CREDIT Romania which discontinued its activities at the beginning of 2009.

26. SHARE CAPITAL

In 2009, resp. 2008 there was no change in share capital.

27. FOREIGN CURRENCY TRANSLATION RESERVE

	Total EUR ,000
Balance at 31 December 2007	-100
Movement for the period	1 340
Balance at 31 December 2008	1 240
Movement for the period	252
Balance at 31 December 2009	1 492

28. CONTINGENT LIABILITIES

The Group has no contingent liabilities.

29. ESTIMATED FAIR VALUE OF ASSETS AND LIABILITIES OF THE GROUP

The fair value of financial instruments is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value estimates are made based on estimates, discounted cash flows or using other generally acknowledged valuation methods. The results of these methods are significantly impacted by used estimates, specifically discounted rates and estimates of future cash flows. Therefore, the calculated fair market estimates cannot be realised in a current sale of the financial instrument.

In estimating the fair value of the Group's financial instruments, the following methods and assumptions were used.

a) Cash and Balances with Banks

The reported balances of cash and short-term instruments are generally deemed to approximate their fair value.

b) Loans and Advances to Customers

The fair value of loans is estimated on the basis of discounted cash flows using the market interest rate common in loans with similar conditions and terms and advanced to debtors with a similar risk assessment. The used interest rate depended on the type of the amount due as each type of the amount due carries a different interest rate which results from the value of money used for the funding of the relevant amount due and risk margin.

c) Amounts Owed to Banks and Customers

Fair values of deposits at call equal the amounts repayable on demand as of the consolidated financial statements date (i.e. their carrying amounts). Carrying amounts of term deposits with a variable rate principally equal their fair values as of the consolidated financial statements date. Fair values of deposits with a fixed interest rate are estimated based on the discounting of cash flows using market interest rates.

d) Other Received Loans

The fair values of other received loans with fixed interest rates are estimated on the basis of discounted cash flows using market interest rates.

The following table shows the carrying values and fair values of selected financial assets and liabilities:

	2009 Carrying value EUR ,000	2009 Fair value EUR ,000	2008 Carrying value EUR ,000	2008 Fair value EUR ,000
Financial assets				
Cash and cash at bank	1 637	1 637	1 169	1 169
Loans and advances to customers (net)	193 322	201 271	181 206	185 190
Financial liabilities				
Amounts owed to customers	6 961	6 961	5 916	5 916
Amounts owed to banks	27 325	27 325	31 132	31 132
Other received loans	151 944	151 944	134 693	134 693

Notes to the Consolidated Financial Statements

30. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

a) Credit Risk

Principal financial assets of the Group include cash at bank and cash (refer to Note 13) and loans and advances to customers (refer to Note 14) which represent a maximum exposure of the Group to credit risk in relation to financial assets.

Credit risks of the Group predominantly relate to loans and advances to customers. The balances presented in the consolidated balance sheet are reported net of provisions for impaired receivables which are charged based on the estimate of the Company's management taking into account historical experience and impacts associated with existing economic conditions.

Credit risks attached to liquid funds are limited as the counterparties are banks with high rating assessments determined by international rating agencies.

The Group reports no significant concentration of credit risks as its exposure is distributed among a significant number of counterparties and customers.

Debt Recovery

Companies in the PROFIREAL Group use their own network of external collection specialists for the recovery of their own or purchased receivables.

Credit Risk Collateralisation

The principal limitation of the credit risk exposure relates to the fact that the Group has its credit risk diversified into a significant number of clients and geographically within the entire Group. Contracts for the provision of loans are also collateralised by bills of exchange and a guarantee or a security is required.

Collateral for Received Loans

The Company uses its assets as collateral for received bank and non-bank loans. These assets include real estate and receivables from provided loans. The following table shows the amount of receivables used as collateral:

Carrying amount of financial assets used as collateral	2009 EUR ,000	2008 EUR ,000
Bank loans and overdrafts	37 144	39 075
Other received loans	156 178	142 131
Total	193 322	181 206

In terms of the collateral, it is important for companies to monitor the amount of the receivable from advanced loans which are not impaired. The following table shows their balances:

Carrying amount of provided loans which are not past their due dates or impaired	2009 EUR ,000	2008 EUR ,000
Employee loan	121 416	95 939
Business loan	691	1 009
Trade loan	1 969	1 827
Employees loan – "CZK 6 000"	931	2 757
Total	125 008	101 532

The Group does not report receivables that would be past their due dates and were not impaired.

b) Liquidity Risk

The liquidity risk represents the risk that the Group will not have sufficient funds available to settle the amounts owed arising from financial contracts.

Under its contracted limits of overdraft facilities, the Company can apply for additional drawing of funds at any point of time and thus deal with the difficulties arising from a potential lack of funds.

The table below provides an analysis of non-discounted financial liabilities into relevant maturity groupings (residual maturity is the period from the balance sheet date to the maturity date and represents all cash flows).

Non-discounted financial liabilities as of 31 Dec 2009	Within 7 days EUR ,000	Within 3 months EUR ,000	From 3 months to 1 year EUR ,000	From 1 year to 5 years EUR ,000	More than 5 years EUR ,000
Amounts owed to customers	11	1 357	938	4 657	0
Liabilities arising from finance leases	0	115	249	519	0
Bank loans and overdrafts	0	2 991	8 666	19 416	0
Other received loans	571	6 076	19 516	196 578	0
Other liabilities	30	8 377	1 228	2 651	0
Total	612	18 916	30 597	223 821	0

Non-discounted financial liabilities as of 31 Dec 2008	Within 7 days EUR ,000	Within 3 months EUR ,000	From 3 months to 1 year EUR ,000	From 1 year to 5 years EUR ,000	More than 5 years EUR ,000
Amounts owed to customers	51	1 300	724	3 841	0
Liabilities arising from finance leases	1	91	273	528	10
Bank loans and overdrafts	0	471	32 895	0	0
Other received loans	40	5 086	17 745	157 107	0
Other liabilities	343	7 745	706	1 980	0
Total	435	14 693	52 343	163 456	10

Notes to the Consolidated Financial Statements

c) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk.

The companies in the PROFIREAL Group have concluded long-term loan contracts which are renewed and adjusted on an annual basis. For these reasons, the interest rate risk is minimised. In addition, the Company has the possibility to change, as and when required, the interest rates attached to advanced loans.

The table below provides information on the extent of the Group's interest rate exposure based either on that fact that if the interest rate of these instruments changes before the maturity date, their potential impact on the profit or loss.

Sensitivity analysis: interest rate risk at 31 Dec 2009	Carrying value	Interest rate basis	Anticipated interest expense (at the current interest rate)	Anticipated interest expense (at 1 % increase in the interest rate)	Anticipated interest expense (at 1 % decrease in the interest rate)
Variable interest rates of bank loans in CZK	22 287	1M PRIBOR	1 855	2 060	1 650
Variable interest rates of bank loans in EUR	5 038	6M EURIBOR	466	516	416

Sensitivity analysis: interest rate risk at 31 Dec 2008	Carrying value	Interest rate basis	Anticipated interest expense (at the current interest rate)	Anticipated interest expense (at 1 % increase in the interest rate)	Anticipated interest expense (at 1 % decrease in the interest rate)
Variable interest rates of bank loans in CZK	26 046	3M PRIBOR	2 006	2 287	1 726
Variable interest rates of bank loans in EUR	5 086	1M EURIBOR	495	555	453

d) Currency Risk

Currency risk includes the risk of the change in the value of financial instrument as a result of a change in market foreign currency rates and potential impact of these changes in the profit and loss. The following table shows the structure of assets and liabilities in the Group.

The Group is not exposed to the currency risk, refer to the structure of assets and liabilities. PROFI CREDIT Poland that has drawn loan in EUR and PROFI CREDIT Romania IFN S.A that has drawn loan in CZK are the only exceptions.

**Structure of assets and liabilities
by original currency at 31 Dec 2009**

EUR ,000	CZK	EUR	SKK	PLN	BGN	RON	Other	Total
Cash and cash at bank	838	225	0	442	36	93	2	1 637
Loans and advances to customers (net)	111 592	46 668	0	26 773	8 088	202	0	193 322
Deferred expenses and accrued income and other assets	1 187	785	0	109	76	4	0	2 161
Income tax	0	104	0	0	0	0	0	104
Deferred tax asset	0	70	0	372	0	0	0	442
Intangible fixed assets (net)	297	66	0	12	22	0	0	397
Property and equipment (net)	2 496	402	0	817	220	0	0	3 934
Investments in unconsolidated entities (net)	100	26	0	0	0	0	0	127
Total assets	116 511	48 346	0	28 524	8 443	299	2	202 125
Amounts owed to customers	5 018	940	0	653	350	0	0	6 961
Liabilities arising from finance lease	97	175	0	536	0	0	0	808
Deferred tax liabilities	2 434	0	0	0	9	0	0	2 443
Tax liabilities	850	0	0	134	0	2	0	987
Bank loans and overdrafts	22 287	5 038	0	0	0	0	0	27 325
Other received loans	72 649	79 294	0	0	0	0	0	151 944
Provisions	1 761	2 213	0	1 331	21	0	0	5 327
Other liabilities	7 106	3 324	0	544	569	78	0	11 620
Total liabilities	112 203	90 985	0	3 199	949	79	0	207 415

Notes to the Consolidated Financial Statements

Structure of assets and liabilities by original currency at 31 Dec 2008

EUR ,000	CZK	EUR	SKK	PLN	BGN	RON	Other	Total
Cash and cash at bank	452	47	400	80	150	37	3	1 169
Loans and advances to customers (net)	102 975	0	45 971	25 028	6 055	1 177	0	181 206
Deferred expenses and accrued income and other assets	832	65	421	135	84	34	0	1 571
Deferred tax asset	0	0	0	1 128	0	0	0	1 128
Intangible fixed assets (net)	197	0	71	18	31	0	0	317
Property and equipment (net)	2 688	0	554	570	285	99	0	4 196
Investments in unconsolidated entities (net)	6	70	0	0	0	0	0	76
Total assets	107 150	182	47 417	26 959	6 605	1 347	3	189 663
Amounts owed to customers	4 491	0	798	324	303	0	0	5 916
Liabilities arising from finance lease	221	10	222	356	0	49	0	858
Deferred tax liabilities	1 028	0	121	0	9	0	0	1 158
Tax liabilities	468	0	691	101	19	0	0	1 279
Bank loans and overdrafts	26 046	5 086	0	0	0	0	0	31 132
Other received loans	59 250	35 846	39 597	0	0	0	0	134 693
Provisions	1 234	0	2 952	689	7	4	0	4 886
Other liabilities	6 885	104	2 343	820	522	255	0	10 929
Total liabilities	99 623	41 046	46 724	2 290	860	308	0	190 851

31. LEGAL DISPUTES

As of 31 December 2009, one of the companies in the Group, PROFI CREDIT Czech, a.s., acted as a defendant in a legal dispute, where the disputed balance amounts to tens of millions of Czech crowns (approx. EUR 20 million) and which is currently being handled by a court of first instance. The proceedings have not yet been initiated or ordered. In the opinion of the law firm representing the Company in this dispute, the outcome of the case will largely depend on the witnesses' testimonies and cannot be reasonably determined. Based on its own analysis, management of PROFI CREDIT Czech, a.s., considers that the legal dispute lacks merit and that the outcome should be positive for the Group. Therefore, the Group did not recognise a reserve to cover contingent losses even though the plaintiff's aggregate claim is material for the Group.

As of 31 December 2009, the Group was involved in no other legal dispute, the outcome of which would significantly impact the Group.

32. RISKS AND IMPACTS OF THE CURRENT ECONOMIC CRISIS

Impacts of the financial crisis

Companies in the PROFIREAL Group SE group are aware of the current economic situation and are well prepared to face the impacts of the financial crisis. Companies may be exposed to an increased risk, predominantly with respect to high volatility and uncertainty relating to the valuation, potential impairment of assets and future developments on the market. These risks may impact the consolidation group companies and will affect both companies in the PROFI CREDIT division and PROFIDEBT division.

Under these circumstances, the Group has decided to increase the level of recognised provisions for receivables from customers in accordance with the prudent approach to reflect the impacts of the crisis. The increased level of provisions subsequently has a significant impact on the total consolidated financial result of the PROFIREAL Group.

33. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries which are related parties were eliminated upon consolidation and are not disclosed in this Note. Transactions between the Group and affiliates or companies that were not included in the consolidation are disclosed in the following Note.

Business Transactions

During the reporting period, the Group companies effected the following transactions with other than Group related parties:

	Income		Expenses		Receivables		Payables	
	2009 EUR ,000	2008 EUR ,000	2009 EUR ,000	2008 EUR ,000	2009 EUR ,000	2008 EUR ,000	2009 EUR ,000	2008 EUR ,000
Ultimate shareholder	3	29	0	0	2	4	0	1
Unconsolidated subsidiaries	5	4	61	4	1	0	2	2
Key management personnel	0	0	567	458	0	0	0	0
Other related parties	0	6	13	3	0	6	150	201
Total	8	39	641	465	3	10	152	204

Receivables from related parties were not provisioned.

34. INDIVIDUAL FINANCIAL STATEMENTS OF COMPANIES INCLUDED IN THE CONSOLIDATION

Consolidated financial statements were prepared from individual financial statements prepared in the consolidation group.

The following tables show principal components of individual financial statements before the elimination of mutual relations in the consolidation group.

Year ended 31 December 2009

EUR ,000	PROFIREAL Group SE	PROFI CREDIT Czech, a.s.	PROFI CREDIT Slovakia, s.r.o.	PROFI CREDIT Poland Sp. z o.o.
Interest income	40	34 490	15 888	13 879
Interest expense	36	9 836	5 407	5 543
Net interest income	4	24 654	10 481	8 336
Profit or loss before tax	-59	5 679	898	-1 528
Income tax	0	2 840	472	730
Profit or loss after taxation	-59	2 839	426	-2 258
Total assets	159 464	99 307	45 529	28 524
Loans and receivables from customers (net)	0	94 829	44 339	26 773
Bank loans and overdrafts	0	22 287	0	0
Other received loans	0	45 370	36 023	37 751
Equity	159 314	16 564	3 215	-12 483

Notes to the Consolidated Financial Statements

EUR ,000	PROFI CREDIT Bulgaria EOOD	PROFI CREDIT Romania, IFN S.A.	PROFIDEBT, s.r.o.	PROFIDEBT Slovakia, s.r.o.
Interest income	3 353	455	6 345	900
Interest expense	1 781	785	1 736	743
Net interest income	1 572	-330	4 609	157
Profit or loss before tax	-2 425	-2 093	1 157	-1 072
Income tax	0	1	868	0
Profit or loss after taxation	-2 425	-2 094	289	-1 072
Total assets	8 834	308	17 320	2 534
Loans and receivables from customers (net)	8 088	202	16 763	2 329
Bank loans and overdrafts	5 038	0	0	0
Other received loans	9 337	4 626	13 401	5 521
Equity	-6 754	-4 451	1 801	-3 167

Year ended 31 December 2008

EUR ,000	PROFIREAL Group SE	PROFI CREDIT Czech, a.s.	PROFI CREDIT Slovakia, s.r.o.	PROFI CREDIT Poland Sp. z o.o.
Interest income	64	33 853	16 419	14 669
Interest expense	81	10 206	4 998	4 785
Net interest income	-17	23 647	11 421	9 884
Profit or loss before tax	496	6 921	3 477	-8 425
Income tax	0	1 260	509	-2 401
Profit or loss after taxation	496	5 661	2 968	-6 024
Total assets	160 213	94 624	45 498	26 959
Loans and receivables from customers (net)	0	90 573	44 129	25 028
Bank loans and overdrafts	0	26 047	0	0
Other received loans	745	41 922	35 599	34 881
Equity	159 373	13 523	2 900	-10 243

EUR ,000	PROFI CREDIT Bulgaria EOOD	PROFI CREDIT Romania, IFN S.A.	PROFIDEBT, s.r.o.	PROFIDEBT Slovakia, s.r.o.	PROFI Consulting, s.r.o.
Interest income	1 717	198	5 490	832	0
Interest expense	1 052	332	1 641	534	0
Net interest income	666	-133	3 849	298	0
Profit or loss before tax	-1 930	-2 409	-49	-1 015	1
Income tax	258	0	-1 174	0	0
Profit or loss after taxation	-2 187	-2 409	1 125	-1 015	1
Total assets	6 607	1 347	12 973	2 115	39
Loans and receivables from customers (net)	6 055	1 177	12 403	1 843	0
Bank loans and overdrafts	5 086	0	0	0	0
Other received loans	5 027	3 495	10 337	3 998	0
Equity	-2 187	-2 481	1489	-2 094	24

35. GOING CONCERN ASSUMPTION

As of the balance sheet date the Group was not in breach of any covenants underlying the provision of the loans and was not in default on the repayment of the loans.

The Group believes that as of the balance sheet date the Group has adequate sources to repay its liabilities on a timely basis or is negotiating extension with the necessary level of probability to succeed. In contrary case management has prepared contingency plans for maintaining sufficient cash flows for the group entities to continue running their businesses. The majority of the loan facility from non-banking entity was prolonged till 31 December 2012.

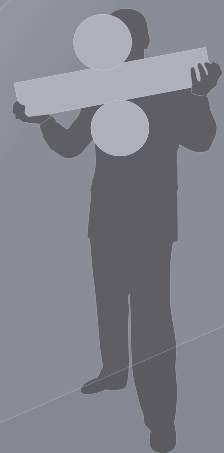
As such the management is not aware of any events or conditions that may indicate that the Entity's continuance as a going concern may be questionable. The going concern assumptions used in the preparation of consolidated financial statements appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Entity.

36. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

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THE TOTAL CONSOLIDATED
ASSETS OF THE GROUP
INCREASED BY 7 %.



Company Financial Statements for the Year Ended
31 December 2009

All information presented in ,000 EUR
unless stated otherwise

Balance sheet as at December 31, 2009
(before appropriation of results)

	Notes	December 31, 2009	December 31, 2008
ASSETS			
Fixed Assets			
<i>Financial Fixed Asset</i>			
Investments	4	21 615	17 941
		21 615	17 941
Current Assets			
Loans receivable	5	0	801
Guarantee income receivable	6	49	29
Consultancy income receivable	7	17	15
Interest receivable	8	0	4
Prepaid expenses		3	1
VAT receivable		19	36
Cash at banks	9	6	76
		93	962
TOTAL ASSETS		21 709	18 903
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's Equity			
	10		
Issued and fully paid share capital		9 000	9 000
Share premium		150 032	150 032
Foreign currency translation reserve		1 492	1 240
Accumulated loss		-161 460	-159 477
Result of the year		-4 354	-1 983
		-5 290	-1 188
Provision to investments	4	26 849	19 252
Current Liabilities			
Intercompany accounts	11	0	1
Short term loans	12	0	745
Interest payable	13	0	1
Tax payable	14	0	0
Accounts payable and accrued expenses	15	150	92
		150	839
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		21 709	18 903

The accompanying notes form part of these accounts.

Profit and Loss Account
for the year ended December 31, 2009

	December 31, 2009	December 31, 2008
Company result	-59	496
Result from participations in group companies	-4 295	-2 479
Investment result	-4 354	-1 983

Notes to the Company Financial Statements

December 31, 2009

1. GROUP AFFILIATION AND PRINCIPAL ACTIVITIES

The Company, incorporated on August 9, 2007, is a European private limited liability company with its statutory seat in Amsterdam, The Netherlands.

The principal activities of the Company are to act as a finance and holding Company.

2. BASIS OF PRESENTATION

The accompanying company financial statements have been prepared in accordance with the Netherlands Civil Code, Book 2, Title 9. In accordance with subsection 8 of section 362, Book 2 of the Netherlands Civil Code, the measurement principles applied in these company financial statements are the same as those applied in the consolidated financial statements (see note 4 to the consolidated financial statements).

As the financial data of PROFIREAL Group SE (the parent company) are included in the consolidated financial statements, the income statement in the company financial statements is presented in abbreviated form (in accordance with article 402 of Book 2 of the Netherlands Civil Code)

3. SIGNIFICANT ACCOUNTING POLICIES

a) General

Assets and liabilities are stated at face value unless indicated otherwise.

b) Financial Fixed Assets

The investments are stated at net asset value determined on the basis of IFRS as adopted by the EU, reference is made to the accounting policies as described in note 4 to the consolidated financial statements.

c) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Euros at rates of exchange applicable at the balance sheet date. Transactions in foreign currencies are translated at the rates in effect at the dates of transactions. The resulting exchanges differences are reflected in the profit and loss account.

Exchange gains or losses are reflected in the profit and loss account.

Exchange rates for EUR 1 used at period-end are:

	December 31, 2009	December 31, 2008
CZK	26,3852	26,8385

d) Recognition of Income and Expense

Dividends from investments are recognized when they are received. Other income and expenses, including taxation, are recognized and reported on an accruals basis.

4. INVESTMENTS

	2009	2008
Balance January 1	-1 311	-435
New acquisitions	0	263
Share in income	-4 295	-2 479
Exchange rate differences	252	1 340
Other changes	120	0
Balance December 31	-5 234	-1 311
Investments with positive equity (presented as investments in assets)	21 615	17 941
Investments with negative equity (presented as provision in liabilities)	-26 849	-19 252
	-5 234	-1 311

The Entity has committed to providing financial support to those Group entities that report negative equity balances. For this reason, a provision was recognised as equal to the sum of these negative equity balances.

5. LOANS RECEIVABLE

			December 31, 2009	December 31, 2008
PROFI CREDIT Czech, a.s.	CZK	0	0	801

6. GUARANTEE INCOME RECEIVABLE

			December 31, 2009	December 31, 2008
PROFI CREDIT Czech, a.s.	CZK	573	22	22
PROFI CREDIT Bulgaria EOOD			27	7
			49	29

Notes to the Company Financial Statements
December 31, 2009

7. CONSULTANCY INCOME RECEIVABLE

			December 31, 2009	December 31, 2008
PROFI CREDIT Slovakia, s.r.o.			2	6
PROFI CREDIT Poland Sp. z o.o.			7	5
PROFIDEBT, s.r.o.			2	2
PROFI CREDIT Romania, IFN S.A.			2	2
PROFI CREDIT Bulgaria EOOD			2	0
PROFIDEBT Slovakia, s.r.o.			2	0
			17	15

8. INTEREST RECEIVABLE

			December 31, 2009	December 31, 2008
PROFI CREDIT Czech, a.s.	CZK	0	0	4

9. CASH AT BANKS

			December 31, 2009	December 31, 2008
Citco Bank Nederland, The Netherlands			2	3
ING Bank, The Netherlands			1	37
ING Bank, The Netherlands	CZK	60	2	29
Komerční banka, Czech Republic	CZK	3	1	6
			6	76

10. SHAREHOLDER'S EQUITY

The authorized share capital is EUR 40,000 ths. divided into 40,000,000 shares of EUR 1 each. At the balance sheet date a total of 9,000,012 shares were issued and fully paid.

Movements in the shareholder's equity accounts are as follows:

	Share capital	Share premium	Foreign currency translation reserve	Accumulated loss	Result of the year	Total
Balance at 1 January 2008	9 000	150 032	-100	-165 425	5 948	-545
Appropriation of net result	0	0	0	5 948	-5 948	0
Result for the period	0	0	0	0	-1 983	-1 983
Other comprehensive income	0	0	1 340	0	0	1 340
Comprehensive Income for the year	0	0	1 340	0	-1 983	-643
Balance at 31 December 2008	9 000	150 032	1 240	-159 477	-1 983	-1 188
Appropriation of net result	0	0	0	-1 983	1 983	0
Result for the period	0	0	0	0	-4 354	-4 354
Other comprehensive income	0	0	252	0	0	252
Comprehensive Income for the year	0	0	252	0	-4 354	-4 102
Balance at 31 December 2009	9 000	150 032	1 492	-161 460	-4 354	-5 290

11. INTERCOMPANY PAYABLE

	December 31, 2009	December 31, 2008
Arte Invest N.V., The Netherlands Antilles	0	1
	0	1

Notes to the Company Financial Statements
December 31, 2009

12. SHORTTERMS LOANS

			December 31, 2009	December 31, 2008
Wave Invest Ltd.	CZK	0	0	745
			0	745

13. INTEREST PAYABLE

			December 31, 2009	December 31, 2008
Wave Invest Ltd.	CZK	0	0	1
			0	1

14. TAX PAYABLE

			December 31, 2009	December 31, 2008
VAT payable			0	0
Wage tax payable			0	0,1
			0	0,1

15. ACCRUED PAYABLE AND ACCRUED EXPENSES

			December 31, 2009	December 31, 2008
Accounts payable:				
Citco Nederland			79	52
Loyens & Loeff			0	1
Apogeo UK Limited	CZK	456	17	0
Letaned			1	1
Deloitte Audit, s.r.o.			0	27
Houthoff Buruma			12	0
Van Doorne			4	0
Ventures Investors Corp Finance SRO	CZK	178	4	0
Other creditors			1	0
PROFI CREDIT Czech, a.s.	CZK	172	7	3
			125	84
Accrued expenses:				
Accrued management fees			3	2
Accrued accounting fees			2	2
Accrued tax advisory fees			3	3
Accrued legal fees			7	2
Accrued audit fees			10	0
			25	9
			150	93

16. DIRECTORS AND EMPLOYEES

The Company has no employees other than its directors (2008: 0). The Company had 8 directors during the year (2008: 8). Four of the directors have received a remuneration. Their remuneration is shown in the consolidated financial statements in the Note 33. The Company has no supervisory director (2008: 0).

17. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved on 6 September 2010.

Members of the Board of Directors A:

M. Martis
S. Martina
H. van der Wetering

Members of the Board of Directors B:

D. Chour
P. Vrba
K. Jurak
Z. Lhotsky

Members of the Board of Directors C:

M. Rosenkötter-Dongen

Supplementary Information

December 31, 2009

Auditor's Report

Reference is made to the auditors report as included hereinafter.

Proposed Appropriation of Results

Subject to the provision under Dutch law that no dividends can be declared until all losses have been recovered, profits are at the disposal of the Annual General Meeting of Shareholders in accordance with the Company's Articles of Incorporation.

The management proposed not to declare dividends and to add the net result for the year to the accumulated deficit.

Post Balance Sheet Events

No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

Special controlling rights

During the year 2009 Company transformed its registered shares to bearer shares. On the basis of the information available in the moment of share's transformation the share in the Company was held by the two shareholders, Mr. David Beran (99 %) and Arte Invest, N.V. (1 %). Management of the Company it is not aware of any subsequent changes in ownership structure.

The Board of Management of the PROFIREAL Group SE consists of three Board Member A, four Board Members B and one Board Member C. The Company shall be represented by The Board. A Board Member A and a Board Member B, acting jointly can also be authorized to represent the Company. Director C has a supervisory role.

Profit distribution

The allocation of profits accrued in the financial year shall be determined by the Shareholders' Body.

Distribution of profits shall be made after adoption of the annual accounts if permissible under the given contents of the annual accounts.

The Shareholders' Body may resolve to make interim distribution and/or to make distributions at the expense of any reserve of the Company. In addition, the Management Board may decide to make a distribution of interim-dividend.

Distribution may be made up to an amount which does not exceed the amount of Distributable Equity and, if it concerns an interim distribution, the compliance with this requirement is evidenced by an interim statement of assets and liabilities as referred to in Section 2:105, subsection 4, of the Dutch Civil Code. The Company shall deposit the statement of assets and liabilities at the office of the Commercial Register within eight days after the day on which the resolution to distribute is published.

Unless the Shareholders' Body determines another day of payment, distribution on Shares shall be made payable immediately after they have been declared.

In calculating the amount of any distribution on Shares, Shares held by the Company shall be disregarded.

In accordance with General Meeting decision the loss EUR 4,354 ths. was transferred to accumulated losses from prior years.

Deloitte

Deloitte Accountants B.V.

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To the Shareholders of
Profireal Group SE
Amsterdam

Date
September 6, 2010

Reference
3100267651/OP9997/lc

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2009 of Profireal Group SE, Amsterdam. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2009, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2009, the company profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of the Board of Directors in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Deloitte

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September 6, 2010
3100267651/OP9997/lc

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Profireal Group SE as at 31 December 2009, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Profireal Group SE as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the Report of the Board of Directors is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Deloitte Accountants B.V.

already signed: J. Penon

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Published by

© 2010 PROFIREAL Group SE
Arlandaweg 12, 1043 EW Amsterdam
The Netherlands

Design and production
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