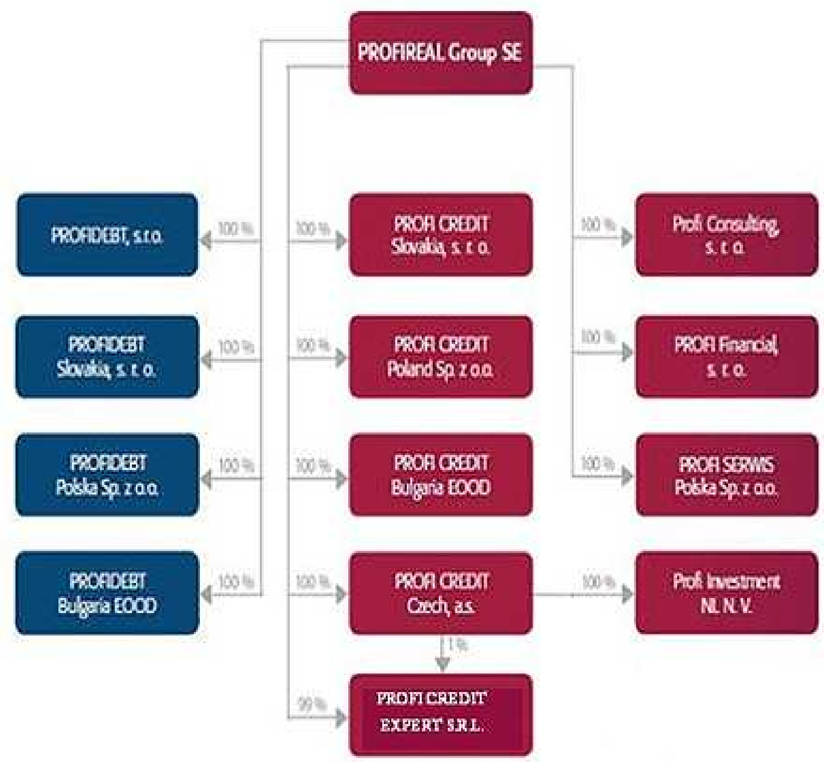
PROFIREAL GROUP SE

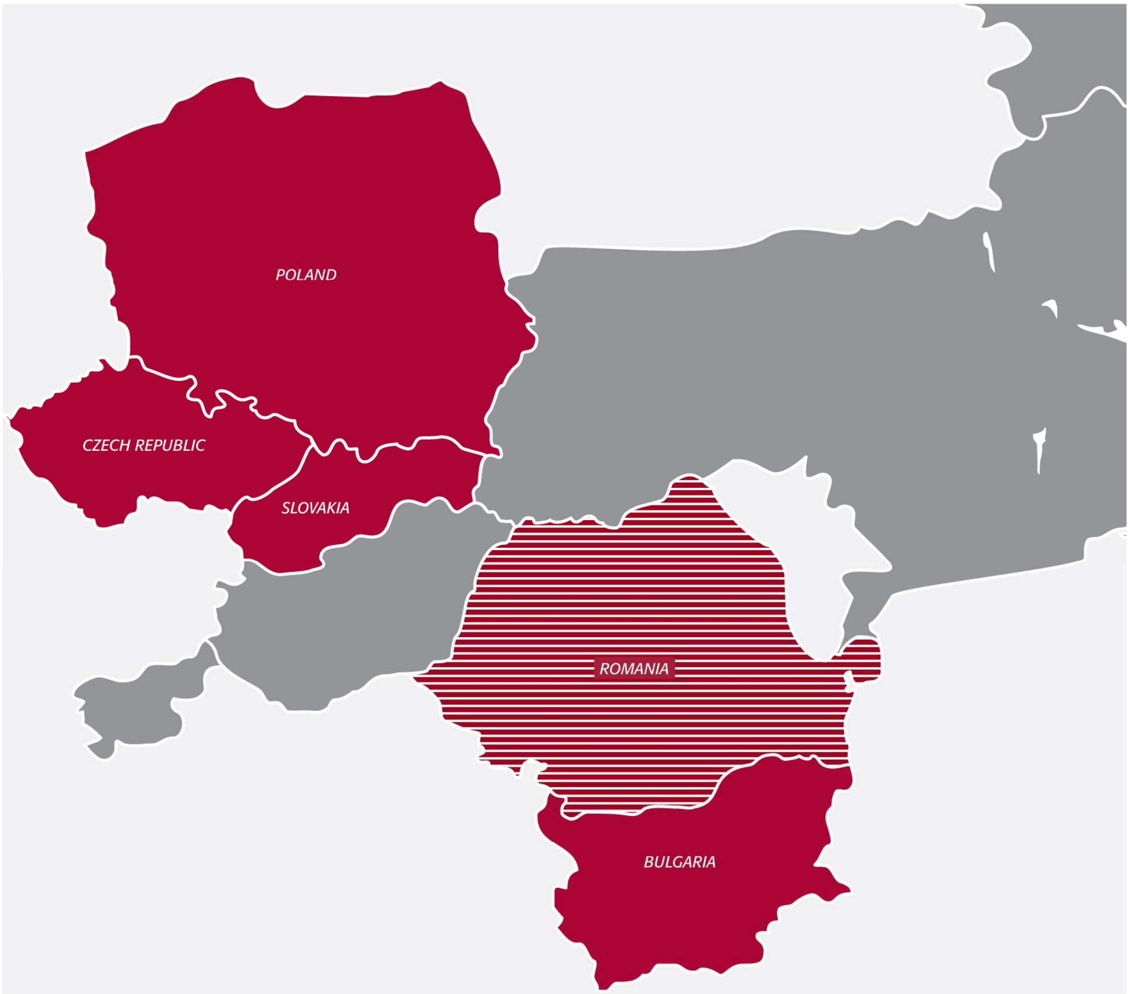
ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

Profireal Group Structure

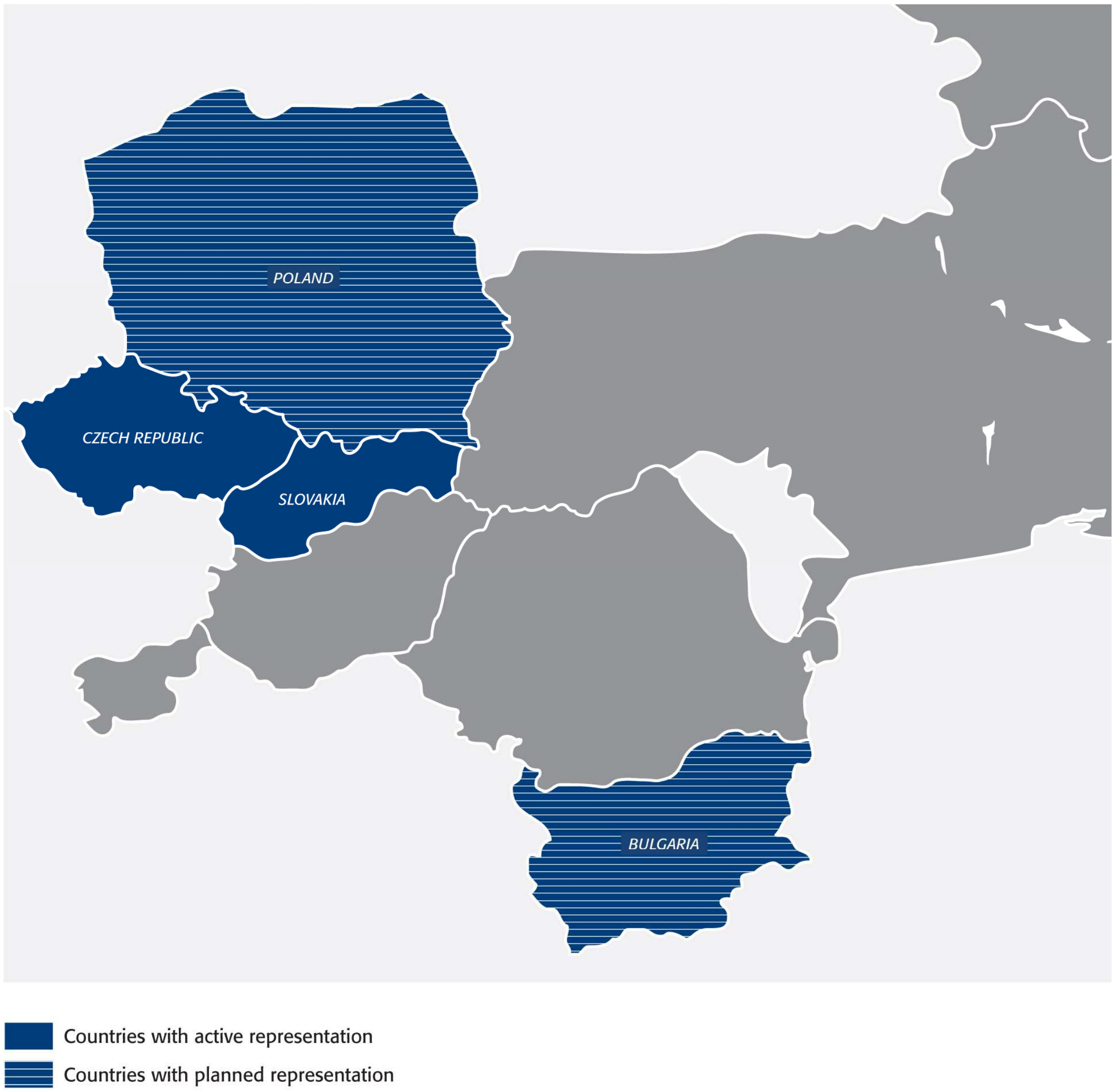


PROFI CREDIT focuses on countries of Central and Eastern Europe



Countries with active representation
Countries with postponed activities

PROFIDEBT specializes in purchasing, administering and collecting receivables.



Company Bodies

Board of Directors (valid as at December 31, 2011)

David Chour	Chairman
Petr Vrba	Vicechairman
Karol Jurák	Vicechairman
Zdeněk Lhotský	Member
Joop Michel	Member
Gerben van den Berg	Member
Dennis Kramer	Member
Hendrik van Wijlen	Member

Subsidiaries

PROFI CREDIT Czech, a.s.
Registered Office
Jindřišská 24/941
110 00 Praha 1

Executives
David Chour
Petr Vrba
Filip Souček (valid to September 26, 2011)
Tomáš Rosenberger (valid to December 1, 2011)
Karol Jurák
Rudolf Cejnar (valid from September 26, 2011)
Vladimír Michniewicz (valid from December 1, 2011)

PROFI CREDIT Slovakia, s.r.o.
Registered Office
Mliekarenská 10
824 96 Bratislava 26

Executives
Miroslav Jurenka
Petr Vrba
Vladimír Michniewicz
Martin Mlynár (valid to April 6, 2011)
David Říha (valid from July 16, 2011)

PROFI CREDIT Poland Sp. z o.o.
Registered Office
ul. Browarna 2
43-300 Bielsko-Biała

Executives
Petr Vrba
Slawomir Pavlik
Vladimir Michniewicz
Pavel Strnádek

PROFI CREDIT Bulgaria Ltd.
Registered Office
49 Bulgaria Blvd.
1404 Sofia

Executives
Petr Vrba
Alexandar Žotev (valid to June 28, 2011)
Zdravko Raichev
Nikolay Kolev
David Chour (valid from June 28, 2011)

PROFI CREDIT EXPERT, S.R.L.
Registered Office
Avantgarde Office Building,
54B Iancu de Hunedoara Blvd,
Bucharest, Romania

Executives
Tomas Rosenberger
Petr Vrba

Profidebt, s.r.o.
Registered Office
Jindřišská 24/941
110 00 Praha 1

Executives
David Chour
Marian Ganaj
Karol Jurák
Roman Kouba

PROFIDEBT SLOVAKIA, s.r.o.
Registered Office
Mliekarenská 10
821 09 Bratislava

Executives
Marcel Mešter
Karol Jurák
Marián Ganaj
Martin Jakub Mlynár

PROFIDEBT POLSKA Sp. z o.o.
Registered Office
ul. Browarna 2
43-300 Bielsko-Biała

Executives
Karol Jurák
Vladimir Michniewicz
Roman Kouba

PROFIDEBT Bulgaria Ltd
Registered Office
49 Bulgaria Blvd.
1404 Sofia

Executives
Zdravko Raychev
Nikolay Kolev
Karol Jurák
Zdeněk Lhotský

PROFI Financial, s. r. o.
Registered Office
Jindřišská 941/24
110 00 Praha, Nové Město

Executives
Petr Vrba
Alexandar Žotev (valid to August 4, 2011)
Tereza Kopičová
Jan Matějka (valid from August 4, 2011)

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
Slawomir Pawlik

PROFI Investment NL N.V.
Registered Office
Saturnusstraat 25 j
2132 HB Hoofddorp

Executives
David Chour
Zdeněk Lhotský
Dennis Jacobus Marlies Kramer
Winchester Trust & Consultancy B.V.

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 and Bulgaria 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 2011, PROFI CREDIT's loan portfolio amounted to EUR 311 million (increase compare to 2010 by 10%). Historicaly PROFI CREDIT provided more than 594 ths private individual loans and almost 4,5 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 2011, PROFIDEBT managed receivables with nominal value exceeding EUR 316 million (increase compare to 2010 by 36 %).

In 2011, the consolidated loss after tax of the financial group was EUR 6.4 million. The loss was mainly affected by foreign exchange loss in Profi Credit Poland in amount exceeding EUR 4.7 million.

The development of net working capital of the PROFIREAL Group was negatively influenced by classification of loan amount from main creditor as a loan on demand or within 1 year (state as at 31.12.2011). The mentioned amount reached in year 2011 EUR 100.1 million (2010: EUR 4.6 million). The mentioned credit contract was prolonged during the year 2012 till 31st of December 2015.

The PROFIREAL Group is concentrated on sustainable growth and intend to spend EUR 1.3 million EUR for research and development in year 2012 This costs are mainly related with development of new information system. Beyond this amount the expected investments of The Group achieve EUR 963 thousand. The stated investments are in connection with inventory. The Group doesn´t plan any significant changes in workforce.

Report of the Board of Directors

In 2011, the PROFIREAL Group division provided its clients with loans and credits totalling EUR 155.9 million through its PROFI CREDIT division, which is a 13 percent increase from 2010 when it provided loans amounting to EUR 138.4 million. Since 2000, PROFIREAL Group has lent its clients more than EUR 1.1 billion. In 2011, 73,942 clients received a loan or credit from the PROFIREAL Group and the average credit amount was EUR 2,108.
In 2011, the PROFIDEBT division purchased receivables representing EUR 70.53 million. Since 2005, PROFIDEBT has purchased EUR 267.07 million (converted using the CZK/EUR exchange rate effective as of 31 December 2011).

Results

The PROFIREAL Group continued to focus 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 again very successful. The PROFIREAL Group continued to focus on optimising business processes.

Increasing the quality of the scoring system and extending the training system for credit advisors are steadily our preferencies. The number of credit advisors increased by 35 percent from 2010 to 2011, which represented 3,119 credit advisors by the end of 2011.

The number of collection specialists in PROFIDEBT's receivables management is 118, which is increase by 1 % from 2010. We permanently work on improvement of the entire process of receivables management.

The total consolidated assets of the financial group increased by 5 percent, from EUR 216.3 million at the end of 2010 to EUR 226.6 million. The total consolidated revenues of the financial group went up by 15 percent from 2010 to 2011, amounting to EUR 99.8 million.

In 2011, the consolidated loss before tax of the financial group was EUR 4.1 million (in 2010, it was loss of EUR 4.5 million). The consolidated net loss of the Group in 2011 was EUR 6.4 million (in 2010, it was loss of EUR 8.6 million). The negative impact on the profit was seen mainly in PROFI CREDIT division due to currency loss of Profi Credit Poland exceeding the amount EUR 4.7 million. The aggregate consolidated accumulated loss in 2011 amounted to EUR 174.4 million, of which EUR 158 million represents a loss that arose from the revaluation as part of the Group restructuring which took place in 2007.

As of 31 December 2011, the Group reported a deficit on its equity of EUR 18.5 thousand (a deficit of EUR 13,052 thousand as of 31 December 2010). The deficit on equity was incurred due to the initial costs of forming foreign Group entities and initiating activation of their business activities but also due to the limited financing over the last years as a result of the global crisis. The Group management anticipates that the deficit on equity will be offset against future profits the Group plans to generate. The management believes that the newly acquired financing as well as the growth of sales in 2012 indicate a real change in the trend of the last years.

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 statement of financial position 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 is the only exception. The company has drawn the credit in EUR and provide the loans in PLN. Instalments to creditor are paid in EUR. In 2012 PROFI CREDIT Poland has changed the conditions of this loan contact and has started to drawn the credit in CZK that is less volatile than EUR in relation with PLN.

- **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 achieve a sufficient 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).

Business Outlook for the Coming Years

For the 2012 financial year, the Group continue 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 continue in ensuring adequately expensive and stable financial sources. Management will carefully observe each subsidiary with the aim to control cost and cut off all non-profitable activities. In 2012, 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 result, Group companies will persistently 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 additional 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.

In 2011, companies in the Group managed to conclude loan contracts with banking and non-banking entities for the aggregate amount of up to EUR 26 million. In the first half of 2012, companies in the group obtained other loan contacts in the approximate amount of EUR 21 million. Main part of this amount is covered by increase of credit limit of current non-banking creditor. Given that both sides are satisfied with the cooperation started with the banking and non-banking entities in 2011 and 2012, the PROFIREAL Group started another negotiation with these creditors with the aim of funding the Polish entity. At this time, the development of the negotiations is very positive and we anticipate concluding the loan documentation in the amount of EUR 8 million in the second half of 2012. Main part of this loan will be used for the direct funding of loans and borrowings newly provided to clients. Besides that there could occur new loan contracts for Czech and Slovak entities in the amount EUR 9 millions. In conclusion the Group managed the prolongation of credit contacts with the main current non-banking creditor till 2015.

FINANCIAL PART

Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the EU for the Year Ended 31 December 2011

Consolidated Statement of Comprehensive Income

	NOTE	Year ended 31 December 2011 EUR '000	Year ended 31 December 2010 EUR '000
Interest income	5	85 412	76 563
Interest expenses	5	-32 886	-29 201
Net interest income		**52 526**	**47 362**
Provisions for credit risks	6	-23 811	-26 945
Net interest income after provisions for credit risks		**28 715**	**20 417**
Net fees and commissions	7	-6 199	-6 053
General administrative expenses	8	-27 823	-23 511
Net insurance income	9	7 208	5 599
Other operating income/(expenses), net	10	-6 008	-952
Loss before taxation		**-4 107**	**-4 500**
Income tax	11	-2 274	-4 132
Loss after taxation		**-6 381**	**-8 632**
Loss for the period		**-6 381**	**-8 632**
Other Comprehensive Income net of income tax			
Exchange differencies on translating foreign operations		895	870
Total Comprehensive Income for the year		**-5 486**	**-7 762**

Consolidated Statement of Financial Position

	NOTE	31 December 2011 EUR '000	31 December 2010 EUR '000
Cash and balances with banks	13	3 074	3 234
Loans and advances to customers (net)	14	216 977	206 878
Deferred expenses and accrued income and other assets	15	2 907	2 289
Income tax	11	362	458
Deferred tax asset	20	0	51
Intangible assets (net)	16	417	406
Property and equipment (net)	17	2 877	3 006
Total assets		**226 614**	**216 322**
Amounts owed to loan advisors	18	6 852	6 532
Liabilities arising from finance leases	19	459	522
Bank loans and overdrafts	21	14 151	24 531
Other received loans	22	196 902	173 219
Tax liabilities	11	246	336
Deferred tax liabilities	20	3 859	3 822
Other liabilities	24	16 443	14 445
Provisions	23	6 205	5 967
Total liabilities		**245 117**	**229 374**
Share capital	26	9 000	9 000
Share premium		150 032	150 032
Foreign currency translation reserve	27	3 257	2 362
Accumulated loss		-174 411	-165 814
Profit or loss for the current period		-6 381	-8 632
Total equity		**-18 503**	**-13 052**
Total liabilities and equity		**226 614**	**216 322**

The consolidated statement of financial position 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 period	Total
Balance at 1 January 2010	**9 000**	**150 032**	**1 492**	**-161 460**	**-4 354**	**-5 290**
Appropriation of net result	0	0	0	-4 354	4 354	**0**
Result for the period	0	0	0	0	-8 632	**-8 632**
Other comprehensive income	0	0	870	0	0	**870**
Comprehensive Income for the period	**0**	**0**	**870**	**0**	**-8 632**	**-7 762**
Balance at 31 December 2010	**9 000**	**150 032**	**2 362**	**-165 814**	**-8 632**	**-13 052**
Appropriation of net result				-8 632	8 632	**0**
Correction of net result				35		**35**
Result for the period					-6 381	**-6 381**
Other comprehensive income			895			**895**
Comprehensive Income for the period			**895**		**-6 381**	**-5 486**
Balance at 31 December 2011	**9 000**	**150 032**	**3 257**	**-174 411**	**-6 381**	**-18 503**

The correction of net result in amount EUR 35 ths is related with correction of booked accumulated loss of Profi Credit Bulgaria. This amount is based on correction of booked costs from previous periods.

Consolidated Statement of Cash Flows

	NOTE	2011 EUR '000	2010 EUR '000
OPERATING ACTIVITY			
Profit/(loss) before tax		-4 107	-4 500
Adjustments for non-cash transactions:			
Depreciation of property and equipment		737	1 213
Amortisation of intangible assets		142	156
Impairment of assets		324	173
Gain on the sale of property and equipment		-	-
Increase/(decrease) in provisions		24 887	27 585
Financial expenses		32 886	29 201
Other non-cash changes		-254	111
Cash flow from operating activities before changes in working capital		54 281	53 939
Increase in receivables		-34 458	-39 857
Increase in payables		2 317	2 396
Cash flow from operating activities		22 140	16 478
Income tax paid		-2 596	-3 617
Interest paid		-31 895	-28 752
NET CASH FLOW FROM OPERATING ACTIVITIES		**-12 351**	**-15 891**
INVESTING ACTIVITIES			
Acquisition of new companies		8	-75
Purchases of property and equipment		-767	-700
Sale of assets		0	212
NET CASH FLOW FROM INVESTING ACTIVITIES		**-759**	**-563**
FINANCING ACTIVITIES			
Payments of liabilities arising from finance leases		-342	-416
Net increase/(decrease) in bank loans		-10 381	-2 794
Net increase/(decrease) in other loans		23 684	21 275
NET CASH FLOW FROM FINANCING ACTIVITIES		**12 961**	**18 065**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**-149**	**1 611**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**3 234**	**1 637**
Impact of exchange differencies on cash and cash equivalents		-11	-14
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**13**	**3 074**	**3 234**

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 PROFI CREDIT Czech, 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: PROFI CREDIT Slovakia, spol. s r.o. (100%), PROFI CREDIT Polska Sp. z o.o. (100%), PROFI CREDIT Bulgaria e.o.o.d (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.

Till 8 February 2011 the registered office of the Company was located at Arlandaweg 12, 1043 EW Amsterdam, the Netherlands.

Since 8 February 2011 the registered office of the Company is located at Saturn Building, Saturnsstraat 25 j, 2132 HB Hoofddorp, the Netherlands.

Since 1 July 2012 the registered office of the Company is located at Martinus Nijhofflaan 2,17th floor, 2624 ES Delft, the Netherlands. The registered office of the company was changed to Delft as most of the board members are based there and therefore most activities were carried out in Delft.

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 involve 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 2011:

Name of the entity	Direct holding %	Principal activity	Registered office
PROFI CREDIT Czech, a.s.	100.0	Provision of loans and borrowings	Praha, Czech Republic
PROFI CREDIT Slovakia, spol. s r. o.	100.0	Provision of loans and borrowings	Bratislava, Slovakia
PROFI CREDIT Polska 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
Profidebt, s.r.o.	100.0	Trading with receivables and debts	Praha, Czech Republic
Profidebt Slovakia, s.r.o.	100.0	Trading with receivables and debts	Bratislava, Slovakia
Profidebt Polska Spolka Z O.O.	100.0	Trading with receivables and debts	Bielsko Biala, Poland
Profiserwis Polska Spolka 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.	100.0	Provision of services	Praha, Czech Republic
Profidebt Bulgaria, EOOD	100.0	Trading with receivables and debts	Sofia, Bulgaria
PROFI CREDIT EXPERT S.R.L	99.0	Provision of loans and borrowings	Bucharest, Romania

Name of the entity	Indirect holding %	Principal activity	Registered office
PROFI CREDIT EXPERT S.R.L.	1.0	Provision of loans and borrowings	Bucharest, Romania
Profi Investment, N.V.	100.0	Financial activities	Amsterdam, Netherlands

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.

Mr. David Beran is ultimate controlling party of the Group.

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

3. Significant changes in the Group in the year ended 31 December 2011

In January 2009, the Group decided to gradually terminate its activities in Romania. The subsidiary PROFI CREDIT EXPERT S.R.L. (PROFI CREDIT Romania IFN S.A.) ceased to provide new loans and focuses on the collection only.

The management of Profireal Group SE has decided to increase the share capital of PROFI CREDIT Expert, S.R.L. by the amount of RON equivalent of CZK 157,624,482.81. The reason for this decision was that the shareholder Profireal Group SE will be able to subscribe this amount by the conversion of the receivables it has from the loan with PROFI CREDIT Expert, S.R.L. to shares. This transaction was performed due to the fact that the equity of the entity was deeply negative.

In September 2011 the management of Profireal Group SE has decided to sell the 100% equity share in daughter company Profi Income, s.r.o.

4. Principal Accounting Policies

Going Concern Assumption

The Group has been hit by the global financial and economic crisis influencing the sector severely. The Group is exposed to increased risk mainly due to limited financing in the last two years and increased underlying credit risk from its loans. 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. However the Group reported a deficit on its equity of EUR 18,056 thousand.

Herein presented consolidated financial statements for the year ended 31 December 2011 are based on the current best estimates and the management of the Group believes that they present the true and fair view of the Group's financial results and financial position, using all relevant and available information at reporting date.

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 the non-banking entity was prolonged till 31 December 2015. In addition, the company obtained additional funds to finance the future development of sales in the following years.

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.

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 statement of financial position, 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 2011. 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 income statement.

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 statement of financial position 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 received.

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.

Insurance Services

Within the Group, PROFI 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. Initial recognition of insurance premium is recorded as deferred income in row other liabilities and released during life of insurance to P&L. Income and expenses relating to insurance services are disclosed in 'Net insurance income'.

Provision for insurance claims

Claims and loss adjustment expenses are charged to the income statement as incurred based on the estimated liability for compensation owed to contract holders.

The following method is used to determine the provision for outstanding claims:

The provision is calculated based on statistical methods. Estimates of expected losses are developed using historical claims experience, actual versus estimated claims experience and other known trends and developments.

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 statement of financial position 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, which is a legal 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 statement of financial position..

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 consolidated statement of comprehensive income 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 %

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 statement of financial position 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.

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.

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 2011 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 2011

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

In the year ended 31 December 2011, the Group did not start to use standards and interpretations the use of which would have a significant impact on the consolidated financial statements.

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

- IAS 24 – Related Party Disclosures (amended in 2009) (effective 1 January 2011); and
- IFRIC 14 – revised standard, Minimum Funding Requirements (effective 1 January 2011).

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

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

- IFRS 7 – Financial Instruments: Disclosures - revised standard, amendments enhancing disclosures about transfers of financial assets (effective 1 July 2011);

- IFRS 7 – Financial Instruments: Disclosures - revised standard, amendments enhancing disclosures about the offsetting of financial assets and financial liabilities (effective 1 January 2013);

- IFRS 9 – Financial Instruments (from 2010) (effective 1 January 2015);

- IFRS 10 – Consolidated Financial Statements (effective 1 January 2013);

- IFRS 11 – Joint Arrangements (effective 1 January 2013);

- IFRS 12 – Disclosure of Interest in Other Entities (effective 1 January 2013);

- IFRS 13 – Fair Value Measurement (effective 1 January 2013);

- IAS 1 – Presentation of Financial Statements – revised standard (effective 1 July 2012);

- IAS 12 – Income Taxes – revised standard (effective 1 January 2012);

- IAS 19 – Employee Benefits – revised standard, post-employee benefits and termination of benefits projects (effective 1 January 2013);

- IAS 27 – Separate Financial Statements – re-issued standard (effective 1 January 2013);

- IAS 28 – Investments in Associates – re-issued standard (effective 1 January 2013); and

- IAS 32 – Financial Instruments: Presentation – revised standard, the offsetting of financial assets and financial liabilities (effective 1 January 2014).

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 2012 will not have a material impact on the financial statements for the year ending 31 December 2012, including comparative information.

5. Net Interest Income

	2011 EUR '000	2010 EUR '000
Interest income		
- from loans and advances to financial institutions	**144**	**34**
- from loans to customers	**85 268**	**76 529**
Total interest income	**85 412**	**76 563**
Interest expenses		
- from loans and advances from financial institutions	**1 390**	**2 135**
- from amounts owed to non-financial institutions	**31 496**	**27 066**
Total interest expenses	**32 886**	**29 201**
Total net interest income	**52 526**	**47 362**

Interest income from the loans to customers includes interest arising both from loans to customers and from debt recovery efforts.

6. Provisions for Credit Risks

	2011 EUR '000	2010 EUR '000
Charge for provisions for the period	23 811	26 945
Release of provisions for the period	0	0
Net charge for provisions	23 811	26 945
Total provisions for credit risk	**23 811**	**26 945**

7. Net Fees and Commissions

Net fees and commissions include:

	2011 EUR '000	2010 EUR '000
Fee and commission expense for services and transactions	8 586	7 752
Fee and commission income from services and transactions	2 387	1 699
Total net fees and commissions expense	**-6 199**	**-6 053**

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:

	2011 EUR '000	2010 EUR '000
Staff costs		
Payroll costs	10 450	8 580
Social security contributions	2 704	2 234
Other staff costs and payments made to the members of management	508	490
Total staff costs	**13 663**	**11 304**
Other administrative expenses		
Data processing expenses	440	416
Office lease expenses	1 563	1 520
Business transactions expenses	121	104
Advertising and marketing expenses	2 765	1 797
Advisory and legal services expenses	3 056	2 605
Sundry administrative expenses	5 336	4 396
Total other administrative expenses	**13 281**	**10 838**
Depreciation of assets		
Amortisation of intangible assets (refer to Note 16)	142	156
Depreciation of property and equipment (refer to Note 17)	737	1 213
Total	**880**	**1 369**
Total general administrative expenses	**27 823**	**23 511**

The Group had 605 employees as of 31 December 2011 (2010 – 556).

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

EUR'000	**Deloitte Accountants B.V.**	**Other Deloitte firms**	**Total 2011**	**Total 2010**
Audit fees	27	233	261	280
Audit related fees		47	47	47
Tax advisory		12	12	0
Other non-audit fees				
Total	**27**	**292**	**320**	**327**

9. Net Insurance Income

	2011 EUR '000	2010 EUR '000
Net earned insurance	8 891	7 167

Costs of insurance claims	1 683	1 568
Total net insurance income	**7 208**	**5 599**

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 2011 is due to the increase in the volume of BONUS product provided loans.

10. Other Operating Income/(Expenses), net

	2011 **EUR '000**	**2010** **EUR '000**
Gain from the sale of assets	-12	3
Income from other services	213	286
Received compensation of deficits and damage	18	17
Sundry operating and financial income	2 749	1 676
Total other operating income	**3 079**	**1 530**
Charge for provisions	47	-1
Loss from the disposal and impairment of assets	828	173
Deficits and damage, fines and penalties	-36	40
Sundry operating expenses	6 324	718
Other taxes	1 924	1 551
Total other operating expenses	**9 087**	**2 481**
Total other operating income/(expenses) net	**-6 008**	**-952**

In 2011 "Sundry operating expenses" include the foreign exchange loss of PROFI CREDIT Poland exceeding the amount EUR 4.7 million.

11. Income Tax

	2011	2010
	EUR '000	EUR '000
Income tax charge/(credit):		
Tax payable charged to expenses	2 076	2 542
Deferred tax recognised in expenses/(income) with respect to origination and recognition of temporary differences	198	1 590
Total tax recognised in expenses/(income)	**2 274**	**4 132**

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:

	2011	2010
	EUR '000	EUR '000
Profit/(loss) before tax	-4 107	-4 500
Tax at the local tax rate in the Netherland of 25 % (20010: 25 %)	188	382
Tax at the local tax rate in the Czech Republic of 19 % (2010: 19 %)	388	255
Tax at the local tax rate in the Slovak republic 19% (2010: 19 %)	-49	-457
Tax at the local tax rate in the Poland of 19 % (2010: 19 %)	-941	154
Tax at the local tax rate in the Bulgaria of 10 % (2010: 10 %)	-171	-310
Tax at the local tax rate in the Romania of 16 % (2010: 16 %)	0	-185
Tax effect of non-tax deductible expenses in determining taxable profit	2 415	2 310
Tax effect of the utilisation of tax losses that were not previously recognised	246	393
Recognised deferred tax	198	1 590
Income tax for the period	**2 274**	**4 132**
Effective tax rate	**-55,3%**	**-91,8%**

12. Dividends

In 2011 and 2010, the General Meeting decided not to declare and pay out dividends.

13. Cash and Cash at Bank

	2011 EUR '000	2010 EUR '000
Cash	306	1 745
Deposits at bank	2 768	1 489
Total cash and cash at bank	**3 074**	**3 234**

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)

	2011 EUR '000	2010 EUR '000
Loans to customers	257 289	236 595
Other advances to customers	53 765	47 852
Gross loans and advances to customers	**311 053**	**284 447**
Provisions for loans to customers	93 657	77 251
Provisions for other advances to customers	419	318
Total loans and advances to customers (net)	**216 977**	**206 878**

Loans to customers in amount of EUR 216 977 thousands (2010: 206 878 thousands) includes receivables acquired from third parties. The carrying amount of these receivables was EUR 31 665 thousands as of 31 December 2011 (2010: 26 268 thousands) and the nominal value of these receivables was EUR 317 millions (2010: 234 millions).

b) Structure of the loan portfolio

The loan portfolio of the Group as of 31 December 2011 includes the following allocation to categories:

	Gross EUR '000	Collateral used EUR '000	Exposure not secured by collateral EUR '000	Provisions EUR '000	Carrying amount EUR '000	Provisions %
Non-impaired	143 755	0	143 755	1 085	142 670	1%
Impaired	167 298	0	167 298	92 991	74 308	56%
Total	**311 053**	**0**	**311 053**	**94 076**	**216 977**	**30%**

The loan portfolio of the Group as of 31 December 2010 includes the following allocation to categories:

	Gross EUR '000	Collateral used EUR '000	Exposure not secured by collateral EUR '000	Provisions EUR '000	Carrying amount EUR '000	Provisions %
Non-impaired	148 294	0	148 294	1 406	146 889	1%
Impaired	136 152	0	136 152	76 163	59 990	56%
Total	**284 447**	**0**	**284 447**	**77 569**	**206 878**	**27%**

Advanced loans are usually collateralised by a blank promissory note in favour of the creditor and an aval by the co-debtor therefore considered with zero value.

The structure of loans by categories of customers is as follows:

	2011 EUR '000	2010 EUR '000
Loans to retail customers	212 821	202 900
Loans to corporate customers	4 156	3 978
Total	**216 977**	**206 878**

The structure of loans by geographical area is as follows:

	2011 EUR '000	2010 EUR '000
Czech Republic	116 376	120 279
Slovakia	53 498	46 814
Poland	32 395	28 628
Bulgaria	14 706	11 142
Romania	0	16
Total	**216 977**	**206 878**

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 2011	142 816	5 445	3 273	65 443	**216 977**
Loans at 31 Dec 2010	139 487	7 251	3 789	55 965	**206 878**

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:

	2011 EUR '000	2010 EUR '000
Provisions for loans and advances at 1 January	**77 569**	**51 192**
Charge for provisions	23 811	26 945
Release of provisions	0	0
Net charge for provisions	**23 811**	**26 945**
Use of provisions for the write-off and assignment of amounts due	2 921	2 208
Impact of translation to EUR	-4 383	1 640
Provisions for loans and advances at 31 December	**94 076**	**77 569**

Provisions against loans and receivables from customers by categories:

	2011 EUR '000	2010 EUR '000
Individually impaired	0	0
Collectively impaired	94 076	77 569
Total	**94 076**	**77 569**

15. Deferred Expenses and Accrued Income and Other Assets

	2011 EUR '000	2010 EUR '000
Deferred expenses	376	203
Accrued income	98	566
Estimated receivables	4	1
Trade receivables	529	33
Short-term prepayments made	1 030	862
Other non-current financial assets	7	7
Goods	61	61
Other Loans in Group	401	0
Others	401	556
Total	**2 907**	**2 289**

16. Intangible Assets

	Software EUR '000	Intangible assets under construction EUR '000	Other intangible assets EUR '000	Total EUR '000
Balance at 31 December 2009	**827**	**160**	**116**	**1103**
Additions	232	105	18	355
Impact of translation to EUR	-47	68	5	26
Disposals	1	203	0	204
Balance at 31 December 2010	**1 011**	**130**	**139**	**1 280**
Additions	49	153	4	206
Impact of translation to EUR	-22	-13	-3	-38
Disposals	0	18	67	85
Balance at 31 December 2011	**1 038**	**252**	**73**	**1 363**
ACCUMULATED AMORTISATION				
Balance at 31 December 2009	**607**	**10**	**89**	**706**
Amortisation for the period	133	10	13	156
Impact of translation to EUR	-31	40	3	12
Eliminated on Disposal	0	0	0	0
Balance at 31 December 2010	**709**	**60**	**105**	**874**
Amortisation for the period	113	15	15	143
Impact of translation to EUR	3	-4	4	3
Eliminated on Disposal	0	4	70	74
Balance at 31 December 2011	**825**	**67**	**54**	**946**
NET BOOK VALUE				
Balance at 31 December 2010	**303**	**69**	**34**	**406**
Balance at 31 December 2011	**216**	**183**	**19**	**417**

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 2009	**1 881**	**62**	**4 255**	**0**	**6 198**
Additions	1	68	276	0	345
Impact of translation to EUR	136	-34	1 332	0	1 434
Disposals	0	92	218	0	310
Balance at 31 December 2010	**2 018**	**4**	**5 645**	**0**	**7 667**
Additions	0	250	692	0	942
Impact of translation to EUR	-57	-1	-234	0	-292
Disposals	0	181	211	0	392
Balance at 31 December 2011	**1 961**	**72**	**5 892**	**0**	**7 925**
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
Balance at 31 December 2009	**537**	**0**	**1 727**	**0**	**2 264**
Depreciation for the year	42	0	1 171	0	1 213
Impact of translation to EUR	70	0	1 246	0	1 316
Eliminated on disposal	0	0	132	0	132
Balance at 31 December 2010	**649**	**0**	**4 012**	**0**	**4 661**
Depreciation for the year	43	0	693	0	736
Impact of translation to EUR	-20	0	-173	0	-193
Eliminated on disposal	0	0	156	0	156
Balance at 31 December 2011	**672**	**0**	**4 376**	**0**	**5 048**
NET BOOK VALUE					
Balance at 31 December 2010	**1 369**	**4**	**1 634**	**0**	**3 007**
Balance at 31 December 2011	**1 289**	**72**	**1 516**	**0**	**2 877**

Information on finance leases is disclosed in Note 19.

18. Amounts Owed to loan advisors

	2011 EUR '000	2010 EUR '000
Accrued expenses	1 913	1 536
Payables arising from outstanding commissions	4 846	4 921
Other	92	76
Total	**6 852**	**6 532**

19. Liabilities Arising from Finance Leases

	Minimum lease instalment		Present value of minimum lease instalment	
	2011 EUR '000	2010 EUR '000	2011 EUR '000	2010 EUR '000
Liabilities from finance leases:				
Less than one year	347	341	321	258
From two to five years	209	281	182	264
	556	**622**	**503**	**522**
Less future finance charges	53	100	0	0
Present value of finance lease liabilities	**503**	**522**	**503**	**522**
Less payables maturing within 1 year (reported as short-term payables)	0	0	118	258
Payables after 1 year	0	0	161	264

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.

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 2009	**111**	**-280**	**-2 745**	**912**	**-2 001**
Charged against profit or loss	68	437	-5 710	3 615	**-1 590**
From which impact of changes in tax rates	*0*	*0*	*0*	*0*	***0***
Impact of translation to EUR	28	-52	2 594	-2 749	**-180**
As of 31 December 2010	**207**	**105**	**-5 861**	**1 778**	**-3 771**
Charged against profit or loss	-30	-838	5 354	-4 684	**-198**
From which impact of changes in tax rates	*0*	*0*	*0*	*0*	***0***
Impact of translation to EUR	-6	92	-165	189	**110**
As of 31 December 2011	**171**	**-641**	**-672**	**- 2 717**	**-3 859**

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:

	2011 EUR '000	2010 EUR '000
Deferred tax liabilities	-3 859	-3 822
Deferred tax assets	0	51
Net deferred tax asset/(liability)	**-3 859**	**- 3 771**

The below table shows the movement in deferred tax assets and liabilities.

	2011 EUR '000	2010 EUR '000
Beginning of year	-3 771	-2 001
Currency translation adjustments	110	-180
Charged to the statement of comprehensive income	-198	-1 590
End of the year	**-3 859**	**-3 771**

The deffered income tax asset is comprised of :

	2011 EUR '000	2010 EUR '000
Fixed assets	171	207
Loans and advances	-672	-5 861
Fiscal loss carried forward	-641	105
Other	-2 717	1 778
Deferred tax (asset)/ liability	**-3 859**	**-3 771**

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 16,509 thousands as of 31 December 2011.

21. Bank Loans and Overdrafts

	2011 EUR '000	2010 EUR '000
Bank loans	14 151	24 531
Total	**14 151**	**24 531**
Loans are repayable as follows:		
- on demand or within one year	10 971	14 360
- in the second year	1 396	9 892
- in the third to five year	1 784	279
Total	**14 151**	**24 531**

The table below shows average interest rate of bank loans.

	2011 %	2010 %
Bank loans	8.78	9.13

Other significant information on the Group's loans:

The Group was granted the following significant bank loan:

a) A loan of EUR 8,919 thousand (2010: EUR 24,531 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 2011.

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 2011 and 2010.

22. Other Received Loans

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

	2011 EUR '000	**2010 EUR '000**
Entity 1*	168 791	160 254
Entity 2**	19 817	0
Other	8 295	12 965
Total	**196 902**	**173 219**
Loans are repayable as follows:		
- on demand or within 1 year	10 550	4 645
- in the second year	5 329	168 574
- in the third to fifth year	181 023	0
Total	**196 902**	**173 219**

Loans by currency:

At 31 December 2011	**Total EUR '000**	**CZK EUR '000**	**EUR EUR '000**
Entity 1*	168 791	80 760	88 031
Entity 2**	19 817	8 477	11 340
Other	8 294	8 281	13
Total	**196 902**	**97 518**	**99 384**

At 31 December 2010	**Total EUR '000**	**CZK EUR '000**	**EUR EUR '000**
Entity 1*	160 254	75 124	85 130
Other	12 965	12 965	0
Total	**173 219**	**88 089**	**85 130**

*Entity 1 is Solarex Investments BV, a dutch legal entity.
** Entity 2 is Dairewa Properties Limited, a Cyprus legal entity.

The loans from Entity 1 and Entity 2 are 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 and bear fixed interest rates. The undrawn amount of the loan from Entity 1 is EUR 55,928 thousand (EUR 63,731 thousand as of 31 December 2010). The loan is repayable on 31st of December 2015.

The table below shows average interest rate of other received loans.

	2011 %	**2010 %**
Other received loans	15.85	16.41

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 2011 and 2010.

23. Provisions

	Provision for insurance claims EUR '000	Other EUR '000	Total EUR '000
At 1 January 2011	**5 063**	**904**	**5 967**
Additions to provisions for the period	1 671	32	1 703
Use of provisions	1 357	0	1 357
Impact of translation to EUR	458	-566	-108
At 31 December 2011	**5 835**	**370**	**6 205**

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.

24. Other Liabilities

	2011 EUR '000	2010 EUR '000
Trade payables	802	1 061
Deferred income - Bonus loans	11 741	10 383
Accrued expenses	610	377
Estimated payables	361	336
Payables to employees, Social and health insurance	715	559
Untaken holiday	271	219
Other	2 382	1 798
Total elimination	-439	-287
Total	**16 443**	**14 445**

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 2011, the Group reported a deficit on its equity of EUR 18,503 thousand (a deficit of EUR 13,052 thousand as of 31 December 2010).

The aggregate consolidated accumulated loss as of 31 December 2011 amounts to EUR 174,411 thousand, of which EUR 150,896 thousand represents a loss that arose from the revaluation as part of the Group restructuring which took place in 2007, and EUR 23 515 thousand represents an accumulated loss arising from the Group's operations.

26. Share Capital

In 2011, resp. 2010 there was no change in share capital.

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. All shares are ordinary shares.

In 2011 and 2010, the General Meeting decided not to declare and pay out dividends.

27. Foreign Currency Translation Reserve

	Total EUR '000
Balance at 31 December 2009	**1 492**
Movement for the period	870
Balance at 31 December 2010	**2 362**
Movement for the period	895
Balance at 31 December 2011	**3 257**

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 relevant market data, 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

Loans and advances to customers are carried net of provisions. 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

The estimated fair value of amounts owed to banks and customers with no stated maturity is equal to the amounts repayable on demand as of the consolidated financial statements date (i.e. their carrying amounts).

Carrying amounts of term loans with a variable interest rate principally equal their fair values as of the consolidated financial statements date.

Fair values of payables with a fixed interest rate are estimated as the present value of discounted future cash flows and applied discount factor is equal to the interest rates currently offered on the market for products with similar conditions. Amounts owed to banks and customers with interest rate fixed for middle or long term represent only an insignificant part of the total carrying amount.

For this reason, the fair value of total amounts owed to banks and customers does not significantly differ from the carrying amount as of the balance sheet date.

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:

	2011 Carrying value EUR '000	2011 Fair value EUR '000	2010 Carrying value EUR '000	2010 Fair value EUR '000
Financial assets				
Cash and cash at bank	3 074	3 074	3 234	3 234
Loans and advances to customers (net)	216 997	225 189	206 878	218 052
Financial liabilities				
Amounts owed to customers	6 852	6 852	6 532	6 532
Amounts owed to banks	14 151	14 151	24 531	24 531
Other received loans	196 902	196 902	173 219	173 219

Inputs to valuation models

When utilising valuation techniques, the fair value can be significantly affected by the choice of valuation techniques and underlying assumptions concerning factors such as the amount and timing of cash flows, discount rates and credit risk. The principal inputs to these valuation techniques are as follows:

- Interest rates – these are principally benchmark interest rates derived from EURIBOR
- Counterparty credit spreads – adjustments are made to market prices (or parameters) when the creditworthiness of the counterparty differs from that of the assumed counterparty in the market price (or parameters)
- Recovery rates – there are used as an input to valuation models as an indicator of severity of losses on default. Recovery rates are estimated based on historical data of collections and estimated development on the market.

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 statement of financial position 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	2011 EUR '000	2010 EUR '000
Bank loans and overdrafts	69 637	46 684
Other received loans	147 340	160 195
Total	**216 977**	**206 878**

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 neither impaired not past due	2011 EUR '000	2010 EUR '000
Employee loan	89 526	117 938
Business loan	375	464
Trade loan	2 145	2 284
Employees loan – "CZK 6 000"	623	742
Employees loan – "CZK 4999"	428	0
Total	**93 097**	**121 428**

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

Value of real estate used as collateral is EUR 1 124 ths (2010: EUR 1 208 ths).

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 2011	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	1 361	847	5 339	0
Liabilities arising from finance leases	0	198	86	190	0
Bank loans and overdrafts	0	3 170	8 606	3 608	0
Other received loans	0	7 633	94 981	139 033	0
Other liabilities	0	9 840	1 793	3 758	0
Total	**11**	**22 202**	**106 313**	**151 928**	**0**

Non-discounted financial liabilities as of 31 Dec 2010	**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	0	1 082	762	4 689	0
Liabilities arising from finance leases	0	62	227	274	0
Bank loans and overdrafts	0	5 470	10 369	10 646	0
Other received loans	596	7 338	23 403	212 874	0
Other liabilities	18	10 378	956	3 093	0
Total	**613**	**24 330**	**36 357**	**231 576**	**0**

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 2011	**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	8 919	1M PRIBOR	423	473	373
Variable interest rates of bank loans in EUR	0	0	0	0	0

Sensitivity analysis: interest rate risk at 31 Dec 2010	**Carryin g 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	22 745	1M PRIBOR	1 343	1 497	1 190
Variable interest rates of bank loans in EUR	0		0	0	0

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 following table shows sensitivity analysis in Currency risk of Received loans which represent most significant currency risk for the Group:

Sensitivity analysis: CY risk at 31 Dec 2011	**Credit currency**	**LCY**	**Credit amount**	**Credit amount (at 1 % increase in the exchange rate)**	**Credit amount (at 1 % decrease in the exchange rate)**
PROFI CREDIT Poland	EUR	PLN	47 395	47 869	46 921
PROFI CREDIT Bulgaria	CZK	BGN	23 546	23 781	23 310

Sensitivity analysis: CY risk at 31 Dec 2010	**Credit currency**	**LCY**	**Credit amount**	**Credit amount (at 1 % increase in the exchange rate)**	**Credit amount (at 1 % decrease in the exchange rate)**
PROFI CREDIT Poland	EUR	PLN	47 395	47 869	46 921
PROFI CREDIT Bulgaria	CZK	BGN	23 546	23 781	23 310

Structure of assets and liabilities by original currency at 31 Dec 2011 EUR '000	CZK	EUR	PLN	BGN	RON	Other	Total
Cash and cash at bank	1 381	925	652	111	0	5	3 074
Loans and advances to customers (net)	166 208	3 668	32 395	14 706	0	0	216 977
Deferred expenses and accrued income and other assets	3 001	-392	208	95	0	0	2 912
Income tax	362	0	0	0	0	0	362
Deferred tax asset	0	0	0	0	0	0	0
Intangible fixed assets (net)	345	8	45	19	0	0	417
Property and equipment (net)	2 333	52	409	83	0	0	2 877
Total assets	**173 630**	**4 261**	**33 709**	**15 014**	**0**	**5**	**226 619**
Amounts owed to customers	5 516	19	416	901	0	0	6 852
Liabilities arising from finance lease	227	20	212	0	0	0	459
Deferred tax liabilities	3 776	0	4	79	0	0	3 859
Tax liabilities	14	0	232	0	0	0	246
Bank loans and overdrafts	14 151	0	0	0	0	0	14 151
Other received loans	135 871	61 031	0	0	0	0	196 902
Provisions	4 198	0	1 989	18	0	0	6 205
Other liabilities	13 526	756	640	1 521	0	0	16 443
Total liabilities	**177 279**	**61 826**	**3 493**	**2 519**	**0**	**0**	**245 117**
Net exposure	**-3 649**	**-57 565**	**30 216**	**12 495**	**0**	**5**	**-18 498**

Structure of assets and liabilities by original currency at 31 Dec 2010 EUR '000	CZK	EUR	PLN	BGN	RON	Other	Total
Cash and cash at bank	1 321	1 624	198	75	14	2	3 234
Loans and advances to customers (net)	120 279	46 814	28 627	11 142	16	0	206 878
Deferred expenses and accrued income and other assets	1 308	793	115	68	5	0	2 289
Income Tax	0	458	0	0	0	0	458
Deferred tax asset	0	51	0	0	0	0	51
Intangible fixed assets (net)	277	74	55	0	0	0	406
Property and equipment (net)	2 189	265	523	29	0	0	3006
Total assets	**125 374**	**50 079**	**29 518**	**11 314**	**35**	**2**	**216 322**
Amounts owed to customers	5 253	393	262	624	0	0	6 532
Liabilities arising from finance lease	70	77	375	0	0	0	522
Deferred tax liabilities	2 974	0	841	7	0	0	3 822
Tax liabilities	153	0	183	0	0	0	336
Bank loans and overdrafts	24 531	0	0	0	0	0	24 531
Other received loans	88 089	85 130	0	0	0	0	173 219
Provisions	2 159	1 836	1 922	48	2	0	5 967
Other liabilities	8 416	4 353	522	1 131	23	0	14 445

Total liabilities	**131 645**	**91 789**	**4 105**	**1 810**	**25**	**0**	**229 374**
Net exposure	**-6 271**	**-41 710**	**25 413**	**9 504**	**10**	**2**	**-13 052**

e) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2010.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 21 and 22 offset by cash and bank balances) and equity of the Group (note 25,26).

The Group is not subject to any externally imposed capital requirements.

31. Legal Disputes

In 2011, the court effectually put an end to a several year long legal dispute with the disputed balance of hundreds of millions CZK (approx. EUR 20 million) in favour of one of the companies in the Group, PROFI CREDIT Czech, a.s. No appeal was filed against this decision, therefore the Group consider this dispute finished, and will enforce the expenses of the legal dispute on the prosecutor.

As of 31 December 2011, 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 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.

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 below .

Business Transactions

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

	Income		Expenses		Receivables		Payables	
	2011 EUR '000	2010 EUR '000	2011 EUR '000	2010 EUR '000	2011 EUR '000	2010 EUR '000	2011 EUR '000	2010 EUR '000
Ultimate shareholder	0	11	134	0	0	15	13	0
Other subsidiaries	47	8	93	52	368	60	0	6
Key management personnel	0	0	665	609	0	0	1	1
Other related parties	0	0	8	11	32	8	92	163
Total	47	19	900	672	400	83	106	170

Receivables from related parties were not provisioned.

The amounts mentioned in Key management personnel represent the transactions with the members of the company Board. This amounts are related with the short - term remuneration and were stated on arm´s length basis.

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 2011

EUR '000	**PROFIREAL GROUP SE**	**PROFI CREDIT Czech, a.s.**	**PROFI CREDIT Slovakia, spol. s r.o.**	**PROFI CREDIT Poland Sp. z o.o.**
Interest income	763	34 200	16 761	17 260
Interest expense	811	10 815	6 037	7 161
Net interest income	-48	23 385	10 724	10 099
Profit or loss before tax	487	1 650	1 039	- 4 667
Income tax	0	738	1 270	366
Profit or loss after taxation	487	912	-231	-5 032
Total assets	21 325	92 884	51 419	33 712
Loans and receivables from customers (net)	0	88 380	49 830	32 395
Bank loans and overdrafts	0	8 919	0	0
Other received loans	5 087	52 026	42 858	47 395
Equity	**-18 503**	**16 267**	**-204**	**-17 288**

EUR '000	PROFI CREDIT Bulgaria EOOD	Profidebt s.r.o.	Profidebt Slovakia s.r.o.
Interest income	6 937	8 481	1 049
Interest expense	3 985	3 008	1 109
Net interest income	2 952	5 472	-59
Profit or loss before tax	-1 712	394	-1 298
Income tax	-3	-97	0
Profit or loss after taxation	-1 710	491	-1 298
Total assets	15 117	28 490	3 795
Loans and receivables from customers (net)	14 706	27 997	3 668
Bank loans and overdrafts	0	5 232	0
Other received loans	23 546	17 441	9 131
Equity	**-11 530**	**2 835**	**-5 559**

Year ended 31 December 2010

EUR '000	PROFIREAL GROUP SE	PROFI CREDIT Czech, a.s.	PROFI CREDIT Slovakia, spol. s r.o.	PROFI CREDIT Poland Sp. z o.o.
Interest income	480	32 737	15 983	15 554
Interest expense	479	10 979	5 489	5 740
Net interest income	1	21 758	10 494	9 814
Profit or loss before tax	263	221	-1 310	598
Income tax	0	1 860	128	1 553
Profit or loss after taxation	263	-1 639	-1 438	-955
Total assets	25 667	100 632	45 935	29 520
Loans and receivables from customers (net)	0	96 514	44 311	28 628
Bank loans and overdrafts	0	22 745	0	0
Other received loans	5 238	46 117	39 509	38 965
Equity	**-13 052**	**15 843**	**27**	**-13 669**

EUR '000	PROFI CREDIT Bulgaria EOOD	Profidebt s.r.o.	Profidebt Slovakia s.r.o.
Interest income	5 006	6 264	838
Interest expense	2 972	2 301	916
Net interest income	2 034	3 963	-78
Profit or loss before tax	-3 104	1 085	-1 095
Income tax	-2	592	0
Profit or loss after taxation	-3 101	493	-1 095
Total assets	11 459	24 607	2 598
Loans and receivables from customers (net)	11 142	23 765	2 503
Bank loans and overdrafts	0	1 787	0
Other received loans	19 439	17 270	6 656
Equity	**-9 856**	**2 435**	**-4 261**

35. Subsequent events

In September 2012 the Amendment to Loan contract with Solarex Investment B.V. was signed and the maturity of the loan was prolonged to 31 December 2015.

In July 2012 the management of Profireal Group SE has decided to take over 100% equity share in Profi Investment NL NV that was in ownership of daugher company Profi Credit Czech, a.s.

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

Company Financial Statements for the Year Ended 31 December 2011

All information presented in '000 EUR unless stated otherwise

Statement of Financial Position as at December 31, 2011
(before appropriation of results)

	Notes	*December 31, 2011*	*December 31, 2010*
ASSETS			
Fixed Assets			
Financial Fixed Asset			
Investments	*4*	19 329	18 422
Loans receivable	*5*	861	5 106
		20 190	23 528
Current Assets			
Receivables and prepaid expenses	*6*	207	637
Cash at banks	*7*	928	1 512
		1 135	2 149
TOTAL ASSETS		21 325	25 677
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's Equity	*8*		
Issued and fully paid share capital		9 000	9 000
Share premium		150 032	150 032
Foreign currency translation reserve		3 257	2 362
Accumulated loss		-174 411	-165 814
Result of the year		- 6 381	-8 632
		-18 503	-13 052
Non-Current Liabilities			
Provision to investments	*4*	34 582	33 357
Long term loans	*9*	5 087	5 238
		39 669	38 595
Current Liabilities			
Accounts payable and accrued expenses		159	134
		159	134
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		21 325	25 677

The accompanying notes form part of these accounts.

Income statement
for the year ended December 31, 2010

	31-Dec-11	***31-Dec-10***
Company result	487	263
Result from participations in Group companies	-6 868	-8 895
Investment result	-6 381	-8 632

Notes to the Company financial statements
December 31, 2011

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 company financial statements of Profireal Group SE have been prepared in accordance with the requirements in Title 9 Book 2 of the Dutch Civil Code. The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU.
The accounting policies applied in the company financial statements are the same as those applied in the consolidated financial statements. Profireal Group SE applies the exemption as included in the section 2:362 paragraph 8 of the Netherlands Civil Code. Participating interests in Group companies are valued at net asset value determined on the basis of IFRS as adopted by the EU. Reference is made to the accounting policies section in 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 income statement.

Exchange gains or losses are reflected in the income statement.

Exchange rates for EUR 1 used at period-end are:		***31-Dec-11***	***31-Dec-10***
	CZK	25,787	25,0438

d) Recognition of Income and Expense

Other income and expenses, including taxation, are recognized and reported on an accruals basis.

4. Investments

	2011	2010
Balance January 1	-14 935	-5 234
New acquisitions	0	74
Share in income	-6 868	-8 895
Dividend	0	-1 750
Exchange rate differences	1 009	870
Other changes	5 541	0
Balance December 31	-15 253	-14 935

Investments with positive equity (presented as investments in assets)	19 329	18 422
Investments with negative equity (presented as provision in liabilities)	-34 582	-33 357
	-15 253	-14 935

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.

Other changes in investments represents capitalisation of loan provided by Profireal Group SE to PROFI CREDIT EXPERT S.R.L.

5. Loans receivable

			31-Dec-11	*31-Dec-10*
PROFI CREDIT EXPERT S.R.L.	CZK		0	5 066
Profi Credit Czech, a.s	CZK	15 000	582	0
Profi Financial s.r.o.	CZK	7 200	279	40
			861	5 106

The loan provided to PROFI CREDIT EXPERT S.R.L. was capitalised to equity and therefore is now presented as investment in PROFI CREDIT EXPERT S.R.L.

6.Receivables and prepaid expenses

	31-Dec-11	*31-Dec-10*
Guarantee income receivable	133	127
Consultancy income receivable.	5	6
Interest receivable	29	480
Intercompany account	32	8
Prepaid expenses	1	3
VAT receivable	7	13
	207	637

7. Cash at banks

			31-Dec-11	*31-Dec-10*
Citco Bank Nederland, The Netherlands			0	3
ING Bank, The Netherlands			855	1408
ING Bank, The Netherlands	CZK	1 890	73	101
Komercni Banka, Czech Republic	CZK	2	0	0
			928	1 512

8. 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 2010	**9 000**	**150 032**	**1 492**	**-161 460**	**-4 354**	**-5 290**
Appropriation of net result	0	0	0	-4 354	4 354	**0**
Result for the period	0	0	0	0	-8 632	**-8 632**
Translation result on investments	0	0	870	0	0	**870**
Balance at 31 December 2010	**9 000**	**150 032**	**2 362**	**-165 814**	**-8 632**	**-13 052**
Appropriation of net result	0	0	0	-8 632	8 632	**0**
Correction of net result	0	0	0	35	0	**35**
Result for the period	0	0	0	0	-6 381	**-6 381**
Translation result on investments	0	0	895	0	0	**895**
Balance at 31 December 2011	**9 000**	**150 032**	**3 257**	**-174 411**	**-6 381**	**-18 503**

In 2011 and 2010, the General Meeting decided not to declare and pay out dividends. Foreign currency reserve is a legal reserve.

9. Long terms loans

			31-Dec-11	31-Dec-10
Solarex Investment B.V.	CZK	131 190	5 087	5 238
			5 087	5 238

The loan with Solarex Investment B.V. has a final maturity date on 31st of December 2015.

10. Directors and Employees

The Company has no employees other than its directors (2010: 0). The Company had 8 directors during the year (2010: 8). Four of the directors have received a remuneration. Their remuneration is shown in the consolidated financial statements in the Note 33 under key management personnel. Key management personell in Note 33only relates to the statutory directors. The Company has no supervisory director (2010: 0).

Approval of the Financial Statements

These financial statements were approved on 26 September 2012.

Members of the Board of Directors A:

J. Michel

G. van den Berg

D. Kramer

Members of the Board of Directors B:

D.Chour

P. Vrba

K. Jurak

Z. Lhotsky

Members of the Board of Directors C

H. van Wijlen

Supplementary Information
December 31, 2011

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.

Subsequent Events

In September 2012 the Amendment to Loan contract with Solarex Investment B.V. was signed. Maturity of the loan was prolonged to 31 December 2015 and the interest fixed at 15 % per annum.

In July 2012 the management of Profireal Group SE has decided to take over 100% equity share in Profi Investment NL NV that was in ownership of daugher company Profi Credit Czech, a.s.

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

Special controlling rights

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 6,381 ths. was transferred to accumulated losses from prior years.

Auditor's Report

Contacts

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Profireal Group SE

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