



KREDYT INKASO SA

Kredyt Inkaso Spółka Akcyjna in Zamość

**ABRIDGED QUARTERLY FINANCIAL STATEMENTS OF
KREDYT INKASO SA**

**FOR 3 MONTH PERIOD FROM 01.10.2008 TO 31.12.2008
(III QUARTER OF THE FINANCIAL YEAR 2008/09)**

**DRAWN UP IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**BALANCE SHEET**

	31.12.2008	31.03.2008 (modified)
ASSETS	107 064	99 761
Fixed assets	1 954	1 173
Tangible assets	1 465	973
Intangible assets	490	178
Deferred income tax assets	0	22
Long-term prepayments and accruals	0	0
Current assets	105 110	98 588
Trade receivables	147	18
Receivables relative to income tax	0	588
Receivables relative to awarded costs of legal proceedings	898	496
Other receivables	625	303
Debts purchased	98 159	94 298
Cash and cash equivalents	122	545
Other short-term investments	7	0
Short-term prepayments and accruals	5 152	2 340
LIABILITIES	107 064	99 761
Equity	71 398	82 236
Share capital	5 494	5 494
Supplementary reserve (shares premium)	18 111	18 111
Amounts received for the future shares issue	0	0
Own shares (negative value)	0	0
Revaluation reserve - reserve resulting from the revaluation of financial assets available for sale	42 579	54 385
Retained earnings	5 213	4 246
Net profit (loss) for the current period	1 846	4 243
Profits (losses) brought forward	3	3
Supplementary reserve established out of profit	3 364	0
Capital reserve established out of profit	0	0
Long-term liabilities	785	13 508
Long-term reserves	0	0
Reserves for deferred income tax	753	508
Bonds issued (according to amortized cost)	0	13 000
Liabilities relative to leasing	32	0
Other liabilities	0	0
Short-term liabilities	34 882	4 017
Short-term reserves	0	9
Bonds issued (according to amortized cost)	29 240	3 929
Liabilities relative to income tax	0	0
Liabilities relative to leasing	90	0
Trade liabilities	5 349	62
Other liabilities	202	17
Accruals	0	0



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Book value	74 876	82 236
Number of ordinary shares (in thousand)	5 494	5 494
Number of diluted shares (in thousand)	5 654	5 654
Book value per one share (in PLN)	13,63	14,97
Diluted book value per one share (in PLN)	13,24	14,54



PROFIT AND LOSS ACCOUNT

	3rd quarter of 2008/09	3 quarters of 2008/09	3rd quarter of 2006/07/08	3 quarters of 2006/07/08
	01.10.2008- 31.12.2008	01.04.2008- 31.12.2008	01.07.2007- 30.09.2007	28.12.2006- 20.09.2007
Net income	4 189	12 338	1 399	4 664
Income from debts purchased	3 503	10 832	1 355	4 479
Income from awarded costs of proceedings	651	1 438	28	169
Other income from sale	36	68	16	16
Own cost of income	1 774	4 576	287	1 043
Costs of debts purchase	1 123	3 242	259	874
Costs of legal proceedings	651	1 334	28	169
Own costs of other income	0	0	0	0
Gross profit (loss) on sales	2 415	7 761	1 112	3 621
Cost of sales	0	0	0	0
Overheads	138	1 008	92	273
Other costs of core business	671	1 810	527	1 305
Profit (loss) on sales	1 607	4 943	493	2 043
Other operating income	310	323	22	33
Other operating costs	510	868	-2	17
Operating profit (loss)	1 407	4 398	518	2 059
Financial income	5	46	141	160
Financial costs	881	2 331	3	3
Gross profit (loss) before tax	532	2 113	656	2 216
Income tax	-1	267	129	427
Current amount	0	0	128	427
Deferred amount	-1	267	1	0
Net profit (loss)	532	1 846	526	1 789
Weighted average number of ordinary shares in thousand	5 494	5 494	4 995	4 180
Weighted average of diluted shares in thousand	5 654	5 654	4 995	4 180
Net profit per one ordinary share in PLN	0,10	0,34	0,11	0,43
Net profit per one diluted share in PLN	0,09	0,33	0,11	0,43



CASH FLOW STATEMENT - INDIRECT METHOD

	31.12.2008	30.09.2007 (modified)
OPERATING CASH FLOWS		
Profit (loss) before tax	2 113	2 216
Total adjustments	-10 680	-19 906
Amortization and depreciation	268	15
Foreign exchange gains (losses)	0	0
Interest and profit sharing	2 129	0
(Profit)/loss on investments	0	0
Increase/(decrease) of long-term reserves (excluding reserve for deferred income tax)	0	0
Increase/(decrease) of short-term reserves	-9	0
(Increase)/decrease of trade receivables	-128	4
(Increase)/decrease of receivables relative to awarded costs of proceedings	-402	1
(Increase)/decrease of other receivables (excluding receivables relative to the sale of tangible fixed assets and intangible assets)	-315	-313
(Increase)/decrease of receivables relative to the state of purchased debts along with the change of revaluation reserve relative to purchased debts	-15 651	-19 015
Increase/(decrease) of trade receivables	5 287	-43
Increase/(decrease) of other receivables (excluding receivables relative to the purchase of tangible fixed assets and intangible assets)	153	4
Increase/(decrease) of long-term prepayments and accruals	0	0
Increase/(decrease) of short-time prepayments and accruals	-2 812	26
Income tax paid	588	-388
Other adjustments	213	-197
Net operating cash flows	-8 566	-17 690
INVESTMENT CASH FLOWS		
Inflows	3	276
Inflows from sale of tangible fixed assets and intangible assets	0	0
Inflows from profit sharing	0	0
Inflows from sale of securities	0	0
Interest received	0	7
Repayment of short-time loans	3	269
Other investments inflows	0	0
Outflows	868	769
Outflows for purchase of tangible fixed assets and intangible assets	858	769
Outflows for purchase of securities	0	0
Granting short-term loans	10	0
Other investment outlays	0	0
Net investment cash flows	-865	-493



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FINANCIAL CASH FLOWS

Inflows	12 110	18 174
Net inflows from issue of shares	0	13 674
Net issue of bonds	12 110	4 500
Credits and loans	0	0
Other financial inflows	0	0
Outflows	3 101	366
Dividends and payments to shareholders	879	366
Redemption of bonds	0	0
Repayment of credits and loans	0	0
Payments under finance lease	94	0
Interest paid	2 129	0
Other financial outlays	0	0
Net financial cash flows	9 009	17 808
Total net cash flows:	-423	-375
Balance sheet movements in cash and cash equivalents, of which:	-423	-375
Cash and cash equivalents at the beginning of period	545	724
Cash and cash equivalents at the end of period	122	349



CHANGE IN SHAREHOLDERS' EQUITY

3 quarters of the year 2008/09 (from 01.04.2008 to 31.12.2008)

	Share capital	Supplementary reserve (shares premium)	Own shares (negative value)	Amounts received for future shares issue	Revaluation reserve, of which:	Retained earnings				Equity, total
						reserve relative to revaluation of financial assets available for sale	Net profit from current period	Profit (loss) brought forward	Supplementary reserve established out of profit	
State as of 01.04.2008 (opening balance)	5 494	18 111	0	0	44 138	0	4 243	0	0	71 986
- adjustments for errors	0	0	0	0	0	0	0	0	0	0
- change of accounting policy	0	0	0	0	10 247	0	3	0	0	10 250
State as of 01.04.2008 after adjustments (opening balance)	5 494	18 111	0	0	54 385	0	4 246	0	0	82 236
Increase / decrease as a result of distribution of profit	0	0	0	0	0	0	-4 243	3 364	0	-879
of which: dividend	0	0	0	0	0	0	879	0	0	879
Net result	0	0	0	0	0	1 846	0	0	0	1 846
Coverage of loss brought forward	0	0	0	0	0	0	0	0	0	0
Distribution of profit brought forward	0	0	0	0	0	0	0	0	0	0
Shares issue	0	0	0	0	0	0	0	0	0	0
Costs of shares issue	0	0	0	0	0	0	0	0	0	0
Revaluation of financial instruments fair value	0	0	0	0	-11 805	0	0	0	0	-11 805
Changes in the period, total	0	0	0	0	-11 805	1 846	-4 243	3 364	0	-10 838
State as of 31.12.2008 (closing balance)	5 494	18 111	0	0	42 579	1 846	3	3 364	0	71 398



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3 quarters of the year 2006/07/08 (from 28.12.2006 to 30.09.2007)

	Share capital	Supplementary reserve (shares premium)	Own shares (negative value)	Amounts received for future shares issue	Revaluation reserve, of which:	Retained earnings				Equity, total
						reserve relative to revaluation of financial assets available for sale	Net profit from current period	Profit (loss) brought forward	Supplementary reserve established out of profit	
State as of 28.12.2006 (opening balance)	3 745	0	0	0	3 856	0	0	0	0	7 601
- adjustments for errors	0	0	0	0	0	0	0	0	0	0
- change of accounting policy	0	0	0	0	0	0	0	0	0	0
State as of 28.12.2006 after adjustments (opening balance)	3 745	0	0	0	3 856	0	0	0	0	7 601
Increase / decrease as a result of distribution of profit	0	0	0	0	0	0	0	0	0	0
of which: dividend	0	0	0	0	0	0	0	0	0	0
Net result	0	0	0	0	0	1 762	0	0	0	1 762
Coverage of loss brought forward	0	0	0	0	0	0	0	0	0	0
Distribution of profit brought forward	0	0	0	0	0	0	0	0	0	0
Shares issue	1 250	13 750	0	0	0	0	0	0	0	15 000
Costs of shares issue	0	-1 384	0	0	0	0	0	0	0	-1 384
Revaluation of financial instruments fair value	0	0	0	0	20 388	0	0	0	0	20 388
Changes in the period, total	1 250	12 366	0	0	20 388	1 762	0	0	0	35 766
State as of 30.09.2007 (closing balance)	4 995	12 366	0	0	24 244	1 762	0	0	0	43 367



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I. KREDYT INKASO S.A.

Kredyt Inkaso S.A. („Kredyt Inkaso” or „Company” or „KI S.A.” or „Issuer”), joint-stock company, formed on 19 April 2001, in the previous legal form (limited partnership Dom Obrotu Wierzytelnościami Kredyt Inkaso sp. z o.o. sp. komandytowa). Since 28 December 2006 it has been operating in the present legal form as a joint-stock company.

The Company is the leading purchaser of debt portfolios assumed difficult to collect by telecommunications operators in Poland. Kredyt Inkaso S.A. collects debts purchased on its own account and risk first of all in court.

The registered office of Kredyt Inkaso S.A. is situated in Zamość at 32 Okrzei Str.

II. STATEMENT ABOUT CONSISTENCY AND THE FORMAT OF THE FINANCIAL STATEMENTS

Basis and format of the financial statements

These not audited Abridged Quarterly Financial Statements of the Company („Abridged Quarterly Financial Statements”) were prepared in accordance with the International Accounting Standard („IAS”) 34 - Interim Financial Reporting („IAS 34”) and in accordance with relative accounting standards applied for interim financial reporting adopted by the European Union, published and binding during preparation of the Abridged Quarterly Financial Statements. Those are the third abridged financial statements after implementation of rules resulting from IFRS/IAS.

These Abridged Quarterly Financial Statements should be read together with not audited, published Financial Statements of Kredyt Inkaso S.A. drawn up in accordance with IFRS/IAS for the period from 1 April 2008 to 30 September 2008.

Abridged Quarterly Financial Statements comprise balance sheet, profit and loss account, change in shareholders' equity, cash flow statement and selected explanatory notes.

In the quarterly financial statements we allowed for or deferred costs arising in the financial year not regularly, only when the above costs should be allowed for or deferred at the end of a given financial year.

These Abridged Quarterly Financial Statements were prepared in PLN thousand and approved (the Management Board) for publication on 4 February 2009. All amounts presented in the enclosed Abridged Quarterly Financial Statements are presented in PLN thousand, unless otherwise defined.

Going concern assumption

These Abridged Quarterly Financial Statements were prepared assuming going concern by the Company in the foreseeable future since we do not know circumstances posing a threat to the going concern of the Company.

Standards, changes in accounting standards and interpretations binding as of 31 December 2008.

We did not choose the option of earlier application of the following standards and interpretations (already adopted or in the course of adoption by the European Union):

- IFRS 8 “Operating Segments”, shall be applied for the annual periods beginning after 1 January 2009,
- Updated IAS 23 “Borrowing Costs”, shall be applied for annual periods beginning after 1 January 2009. The mentioned standard has not been accepted by the European Union,
- Updated IAS 1 “Presentation of Financial Statements”, shall be applied for annual periods beginning after 1 January 2009. The mentioned standard has not been accepted by the European Union,



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- Updated IFRS 3 “Business Combinations”, shall be applied for annual periods beginning after 1 July 2009. The mentioned standard has not been accepted by the European Union,
- Updated IAS 27 “Consolidated and Separate Financial Statements” shall be applied for annual periods beginning after 1 July 2009. The mentioned standard has not been accepted by the European Union,
- Amendments to IFRS 2 “Share-Based Payment - Vesting Conditions and Cancellations” shall be applied for annual periods beginning as of 1 January 2009 or after 1 January 2009. The mentioned standard has not been accepted by the European Union,
- Amendments to IAS 32 „Financial Instruments: Presentation” and to IAS 1 „Presentation of Financial Statements - “Puttable Instruments and Obligations Arising on Liquidation”.

The mentioned above standards have not been accepted by the European Union.

Changes in accounting rules (policy) and presentation of financial statements

These Abridged Quarterly Financial Statements were drawn up applying the following accounting rules:

BALANCE SHEET - Assets

Intangible assets

Intangible assets are considered those components of assets which result from agreements or other legal titles regardless of the fact if they are marketable or not.

Initial valuation of intangible asset was calculated at the acquisition price resulting from a separate transaction. After the initial recognition, intangible assets valuation was calculated at the acquisition price after deduction of amortization; moreover the factor which as a rule decreases the valuation is the total amount of impairment write offs. The mentioned factor did not occur in the reporting period.

The period and the method of amortization of the intangible assets with the defined period of usage were verified at the end of the reporting period. Verified period of intangible assets usage did not differ from the previous estimations. The residual value was assumed zero.

Amortization write offs for intangible assets are calculated according to a straight-line method during the period of anticipated period of usage, which is following for individual categories of intangible assets used in the presented periods:

- | | |
|---------------------------|--------------|
| - for system software | - 33% or 50% |
| - for production software | - 50% |

After analysis it was identified that the residual value of intangible assets used by the Company amounts to zero. Amortization rates applied for intangible assets in previous periods do not differ from those which were verified and applied in the reporting period. Due to this fact net values of intangible assets estimated according to the previous rules and those which are valid at present are the same.

The Company owns the component of intangible assets with indefinite period of usage which is a trademark. Such a component is recognized at the purchase price after it has been tested for impairment. The test did not prove the necessity of balance sheet value decreasing.

In the presented reporting periods no prerequisites for impairment of other components of intangible assets occurred.

The component of intangible asset is removed from a balance sheet register when it is sold or if further benefits resulting from its usage or sale are not anticipated.

Tangible fixed assets

The following fixed assets are classified as tangible fixed assets:

- 1) those which are maintained by the Company in order to use them in business activities,
- 2) those which are to be used for the time longer than one period,



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- 3) in relation to which there is the probability that they will generate economic benefits,
- 4) the value of which can be estimated in a reliable manner.

The following assets were classified as tangible fixed assets:

- 1) improvements in third party fixed assets (buildings),
- 2) machinery, technical equipment,
- 3) other fixed assets,
- 4) fixed assets under construction.

As of the date of initial recognition fixed assets were valued at the acquisition price.

In the tangible fixed assets used by the Company no significant parts of fixed assets (components) of which period of usage would differ from the period of usage of the whole tangible fixed asset were identified.

In the presented periods straight-line method of tangible fixed assets depreciation was applied, resulting from the anticipated useful life of a tangible fixed asset, with the exception of notebooks depreciated according to a degressive method at the ratio equal 2.

The basis of tangible fixed assets depreciation in the period of applying IAS is the initial value decreased by residual value. After analysis it was identified that the residual value of tangible fixed assets used by the Company equals zero. Depreciation rates applied for tangible fixed assets in previous periods do not differ from those which were verified and applied in the reporting period. Due to that fact net values of tangible fixed assets estimated according to former rules and those which are valid at present are the same.

Depreciation was calculated applying rates resulting from anticipated periods of usage, which are following for already owned tangible fixed assets:

Investments in third party fixed assets (buildings)	- 10%
Computers (work stations)	- 30%
Notebooks	- 30%
Servers	- 30%
Photocopiers and high-output printers	- 28%
Telecommunications systems	- 20%
Furniture	- 20%
Specialized office equipment (e.g. mailing equipment, high-output shredders)	- 14%

Depreciation begins when a tangible fixed asset is available for usage and it ends for tangible fixed assets removed from the balance sheet register.

Deferred income tax assets

Deferred income tax assets were estimated at the amount that is meant to be deducted from income tax in the future, in relation to negative temporary timing differences which will result in decrease of taxable base in the future, calculated in a conservative manner.

Valuating deferred income tax assets, the tax rate equal to 19% was taken into consideration, which to the best of our knowledge will be valid in the year in which the mentioned item of assets will be effectuated.

Other long-term prepayments and accruals

The Company classifies as long-term prepayments and accruals the interest on financial lease, anticipated to be settled in the period not longer than 12 months from the reporting date.



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Short-term receivables

Trade receivables, receivables relative to income tax, receivables relative to awarded costs of proceedings and other receivables are classified as short-term receivables.

Receivables are valued at the amount of due payment, estimated in a conservative manner. Receivables are revaluated taking into consideration the probability of their payment by means of establishing revaluation write offs at the end of the reporting period.

Those are first of all receivables resulting from the Company's business activity consisting in trade and management of debts.

Book value of receivables corresponds to their fair value.

Previously, presenting assets and liabilities related to trust assignment of debts we disclosed their amount on the side of assets as other short-time receivables and on the side of liabilities as other accruals. At present they are presented as receivables at the value adjusted with the amounts which were previously recognized in liabilities as other accruals.

The results of changes are presented in the following way:

Item of the balance sheet	Result of changes as of 31.03.2008
Assets, short-term receivables	-233
Liabilities, other accruals	-233

Purchased debts

Purchased debts consist of the value of debts purchased on our own risk and account, which are classified as financial instruments available for sale. They are valued at the fair value according to the estimation based on historical experiences (recalculation of the future cash flows allowing for the current value of the investment in debts as of the balance sheet date)

Temporary timing differences in income tax occurring at the moment of the initial recognition are not recognized since they comply with the condition under IAS 12 paragraph 22, paragraph 15c and paragraph 24. Temporary timing differences occurring due to the valuation at the amount of fair value as of each following reporting day are lower than the difference from the initial recognition that is why they are not recognized either. Debts which are managed by the Company are characterized with the tendency for the decrease in the fair value as the time passes.

Both positive and negative differences from the fair value estimation are recognized in the revaluation reserve.

We identified the difference resulting from the recognition in the valuation of the purchased debts according to the rules applied at present, the amount of transaction cost which was previously recognized as short-term prepayments and accruals.

Results of changes are presented in the following way:

Balance sheet item	Result of changes as of 31.03.2008
Assets, current assets, purchased debts (formerly: Short-term investments, short-term financial assets, other short-term financial assets)	+370
Assets, current assets, short-term prepayments and accruals	- 370



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Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank as well as other cash equivalents, i.e. bank deposits with the maturity not exceeding three months. The mentioned cash was valued at the nominal value, whereas bank deposits at the amount of due payment. Book value of those assets corresponds with their fair value.

Short-term prepayments and accruals

Short-term prepayments and accruals comprise prepaid costs i.e. incurred expenditure related to future reporting periods and interest related to financial lease that is to be settled within 12 months of the reporting date.

We did not identify discrepancies between the accounting rules that were applied previously and at present as well as in the amount of valuation with the exception of discrepancies indicated in the item *Purchased debts* and resulting from the valuation according to the amortized cost of bonds issued- cost of bonds issue previously recognized as the prepayments and accruals settled in time on the side of assets, at present adjust the value of liability.

Results of changes are presented in the following way:

Balance sheet item	Result of changes as of 31.03.2008
Liabilities, relative to bonds	- 185
Assets, short-term prepayments and accruals	- 185

BALANCE SHEET - Liabilities

Share capital

Company's share capital is presented at the nominal value, in accordance with the Statutes of the Company and the entry in the National Court Register.

We did not identify discrepancies in the amount of valuation due to the change of accounting standards.

Supplementary reserve (shares premium)

The mentioned reserve is established out of the surplus of the issue value of shares over their nominal value less costs of the issue.

We did not identify discrepancies in the amount of valuation occurring due to the change of the accounting standards.

Revaluation reserve, reserve relative to revaluation of financial assets available for sale

Revaluation reserve is established in relation to the valuation of financial instruments available for sale at the fair values, revaluations both increasing and decreasing the fair value are recognized here.

At the moment of exclusion of the financial assets component from the balance sheet, accumulated net profits and losses recognized in the revaluation reserve are recognized in the financial result of a given period.



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Previously the revaluations, including revaluations decreasing the fair value of financial instruments, however only to the level of financial instrument purchase price, were recognized in the revaluation reserve,. Revaluations decreasing fair value in the part lower than the purchase price and increasing the fair value to the level of purchase price were recognized in the profit and loss account.

According to the former standards out of the revaluation amount the reserve for the income tax in debit of revaluation reserve was established (See purchased debts). At present the reserve is not established.

Results of changes are presented in the following way:

Balance sheet item	Result of changes as of 31.03.2008
Liabilities, revaluation reserve, reserve relative to revaluation of financial assets available for sale	-106 +10 353
Liabilities, retained profit, net profit of the financial year	+106
Liabilities, reserve for deferred income tax	-10 353

Reserve for deferred income tax

Reserve for deferred income tax was established in the amount which will result in increasing the liability relative to income tax in the future, due to the occurrence of positive temporary differences between balance sheet value of assets and liabilities and their tax value.

Valuating the reserve for deferred income tax, the tax rate of 19% was taken into consideration, which to our best of knowledge will be valid in the year in which the reserve will be released.

The reserve for income tax on receivables relative to legal proceedings cost was established.

Comments to the change of reserves for income tax revaluation rules - see: revaluation reserve.

Results of changes are presented in the following way:

Balance sheet item	Result of changes as of 31.03.2008
Liabilities, Liabilities and reserves for liabilities, reserves for liabilities, reserve for deferred income tax	+94
Liabilities, retained profit, net profit of the financial year	-94

Reserve for pensions and similar benefits

According to the amendments to the labor law, employees of the Company are entitled to receive retirement severance pay, which is paid once at the moment of retiring. The estimated amount of the reserve for retirement benefits turned out to be of no significance that is why we desisted from its recognizing and presentation.

Other reserves

Other reserves are established when the existing obligation that results from the past events is incumbent on Company and it is probable that its fulfillment will cause the necessity of outflow of economic benefits and it is possible to estimate the mentioned obligation in a reliable way.



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The established reserves are classified respectively as other operating costs, financial costs depending on circumstances which are connected with the future liability.

Liabilities

Liabilities are valued at the end of the reporting period in the amount of due payment, with the exception of liabilities relative to bonds issue. Liabilities relative to bonds issue are valued at the moment of initial recognition at the fair value less costs of transaction. As of the balance sheet date the valuation was calculated according to the amortized cost applying the effective interest rate (adjusted acquisition price) and divided according to the term of generated cash flow into short-term and long-term part.

Liabilities relative to legal persons' income tax are presented in the due amount, applying 19% rate.

Liabilities relative to financial lease that have been occurring since this year were also presented separately.

Other accruals

Deferred costs are calculated as of the reporting date, if it is necessary, in the amount of probable liabilities in the current reporting period.

Previously, the value of trust assignment of debts transactions was recognized in other accruals. At present, the method of valuation and presentation after compensation with an appropriate amount of a receivable was adopted (description and result of changes see item: *Short-term receivables*).

Transactions in foreign currencies

Assets and liabilities expressed in foreign currencies did not occur in the reporting period.

PROFIT AND LOSS ACCOUNT

Income

Income from purchased debts (collecting debts on our own risk and account) is recognized in the moment of obtaining it in the obtained amount.

Income from awarded costs of proceedings is recognized as of the date of enforcement order obtaining.

Income from services is recognized as of the due date and in the due amount.

We did not identify differences in the amount of valuation, occurring due to the accounting standards change.

Own cost of income

Own cost of income from purchased debts consists of purchase value, including the fee for the agent for litigation in the amount of income obtained in relation to reimbursement of awarded cost of representation in legal proceedings, whereas own cost of income from awarded cost of proceedings consists of costs of those proceedings corresponding with the income awarded with valid judgments of proceedings costs excluding costs of representation in legal proceedings.

Purchase value of debts comprises also the part of purchase value of debts i.e. the price plus transaction costs which in the reporting period was considered the part that would not generate financial benefits in the future periods and at the same time it was not included into costs in the future periods.



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Previously, the part of purchase price of debts was presented as other operating costs and the costs of representation in legal proceedings as overheads.

We did not identify discrepancies in the amount of valuation due to the change of accounting standards apart from the above ones.

Results of changes are presented in the following manner:

Profit and loss account item	Result of changes as of 30.06.2008
P&LA, Own cost of income, purchase value of debts	+483
P&LA, other operating cost	-483

Overheads

Overheads comprise all other costs incurred by the Company which were not classified as the own cost of income and other cost of core business and were also incurred in relation to Company's operating activity.

We did not identify discrepancies in the amount of valuation occurring due to the change of accounting standards.

Other costs of core business

Other costs of core business comprise cost of contact center maintenance, costs of handling the purchased debts in the pre-action stage and other costs connected with the purchased debts management, not recognized in the own cost of obtained income.

Income tax

Obligatory burden of the result consists of: current and deferred tax. Current tax liability was calculated on the basis of tax result of a given period, according to the valid rate - 19%.

Deferred tax was calculated on the basis of the balance sheet method as the tax subject to refund or payment in the future, basing on the differences between balance sheet value and tax value of assets and liabilities.

CASH FLOW STATEMENT

The Company prepares cash flow statement according to the indirect method. In the operating activity the cash flows relative to debts considered by the Company the financial instruments available for sale were disclosed.

III. COMMENTARY CONCERNING SEASONAL OR CYCLICAL CHARACTER OF BUSINESS ACTIVITY IN THE INTERIM PERIOD.

Kredyt Inkaso S.A. operations are not seasonal. Kredyt Inkaso S.A. operations consist in collecting debts, first of all in court. The presented model of business generates income in the relatively short period following the debts portfolio purchase, and then in a long-term perspective in the course of executing legal procedures of debt collecting (mainly the proceedings relative to court enforcement officers), also as a result of their reopenings after the periods of adjournment. At the same time costs are accumulated first of all in the initial stage of purchased debt portfolios collections (first of all related to court and instituting court enforcement officer proceedings). In the present reporting period legal acts aiming at instituting enforcement proceedings in the next periods in relation to the debt portfolios purchased earlier were undertaken as well as the activities aiming at initiating collection of debt portfolios in December 2008 in relation to debt portfolios purchased recently.



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IV. OPINION OF THE MANAGEMENT BOARD ON POSSIBILITY OF ACCOMPLISHING PUBLISHED EARLIER FORECASTS FOR A GIVEN YEAR TAKING INTO CONSIDERATION RESULTS PRESENTED IN THE QUARTERLY FINANCIAL STATEMENTS IN COMPARISON WITH FORECASTED RESULTS.

We did not publish financial results forecasts for this period and the next ones.

V. SHAREHOLDERS OWNING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARY ENTITIES AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE ISSUER'S GENERAL ASSEMBLY AS OF THE DATE OF SUBMISSION OF THE QUARTERLY FINANCIAL STATEMENTS

	31.12.2008		30.09.2008	
	number of shares	% of votes at General Assembly	number of shares	% of votes at General Assembly
Agnieszka Buchajska	2 207 000	40,17%	2 207 000	40,17%
Dekra Holdings Limited (Nicosia, Cyprus)	549 000	9,99%	549 000	9,99%
Artur Górnik, of which:	480 000	8,74%	480 000	8,74%
- directly	243 000	4,42%	243 000	4,42%
- through KI sp. z o.o.	237 000	4,31%	237 000	4,31%
Monika Chadaj	405 000	7,37%	405 000	7,37%
DWS Polska TFI	322 235	5,87%	322 235	5,87%
Sławomir Ćwik	300 000	5,46%	300 000	5,46%

In the third quarter no change in the ownership of shares of the shareholders owning directly or indirectly through subsidiary entities at least 5% of the total number of votes at the Issuer's General Assembly occurred and data presented in the table as of 31.12.2008 remains relevant as of the date of publishing the financial statements.

VI. THE LIST OF THE OWNERSHIP OF ISSUER'S SHARES OR RIGHTS TO THEM (OPTIONS) BY THE PERSONS MANAGING OR SUPERVISING THE ISSUERS AS OF THE DATE OF SUBMISSION OF THE QUARTERLY FINANCIAL STATEMENTS, ALONG WITH PRESENTATION OF CHANGES IN THE OWNERSHIP, IN THE PERIOD FROM THE DATE OF SUBMISSION OF THE PREVIOUS QUARTERLY FINANCIAL STATEMENTS, SEPARATELY FOR EACH OF THE PERSONS

According to our knowledge among the persons managing or supervising Kredyt Inkaso S.A. the following persons owned our shares and options for our shares:

Agnieszka Buchajska-	state of ownership of shares:	-as presented in the previous item
	state of ownership of options for shares:	-none
Artur Górnik-	state of ownership of shares:	-as presented in the previous item
	state of ownership of options for shares:	-96 000 units
Sławomir Ćwik-	state of ownership of shares:	-as presented in the previous item
	state of ownership of options for shares:	-64 000 units.

VII. DESCRIPTION OF ISSUER'S CAPITAL GROUP ORGANIZATION.

Kredyt Inkaso S.A. does not operate in a capital group.



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VIII. CATEGORY AND AMOUNTS OF ITEMS INFLUENCING ASSETS, LIABILITIES, CAPITAL, NET FINANCIAL RESULT OR CASH FLOW WHICH ARE UNTYPICAL DUE TO THEIR CATEGORY, AMOUNT OR INFLUENCE.

Untypical events and amounts did not occur.

IX. CATEGORY AND AMOUNTS OF CHANGES IN ESTIMATION VALUES IN THE REPORTING PERIOD

a. deferred income tax assets

State at the beginning of period	Increases	Decreases	State at the end of period
0	0	0	0

b. reserves for deferred income tax

State at the beginning of period	Increases	Decreases	State at the end of period
754	0	0	753

c. revaluation write offs for receivables

State at the beginning of period	Increases	Decreases	State at the end of period
1288	454	0	1742

d. reserves for liabilities

State at the beginning of period	Increases	Decreases	State at the end of period
12	0	12	0

X. ISSUES, REDEMPTION AND REPAYMENT OF DEBT AND CAPITAL SECURITIES.

In the reporting period the following took place:

- redemption of series F bonds on the date defined in the agreement (30 December 2008) with the nominal value of PLN 3,2 million along with the payment of due interest;
- private issue of series G bonds with the total nominal value of PLN 3,2 million and the redemption period ending on 25 March 2009.

Moreover, in the reporting period we paid interest to the owners of series B, C, D i E bonds on determined dates.

XI. DIVIDENDS PAID (TOTAL OR CALCULATED PER ONE SHARE), DIVIDED INTO ORDINARY SHARES AND OTHER SHARES.

In the quarter for which the Abridged Financial Statements were drawn up we did not pay the dividend.

On 6 August 2008, pursuant to the resolution of the General Assembly of Shareholders of 7 July 2008 on distribution of profit for the financial year beginning on 28 December 2006 and ending on 31 March 2008, we paid the dividend in the amount of 16 grosz per one share. The total value of dividend amounted to PLN 879 040.

XII. SIGNIFICANT EVENTS WHICH OCCURRED AFTER THE END OF THE INTERIM PERIOD WHICH WERE NOT DISCLOSED IN THE FINANCIAL STATEMENTS FOR A GIVEN INTERIM PERIOD.

They did not occur.



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XIII. CHANGES IN CONTINGENT LIABILITIES OR ASSETS WHICH OCCURRED FROM THE END OF THE LAST FINANCIAL YEAR.

In order to ensure further uninterrupted development of the current activity we have assumed that we will continue to make use of debt by partial refinancing of existing liabilities resulting from already issued bonds. We estimate that as a result of present stagnation in the market, obtaining debt capital may be difficult or may result in the increase of the cost of liabilities payment to the level higher than the present one.

XIV. LAWSUITS PENDING BEFORE COURT, BODY APPROPRIATE FOR ARBITRAL PROCEEDING OR STATE ADMINISTRATIVE BODY, TAKING INTO CONSIDERATION INFORMATION IN THE SCOPE:

They did not occur, except the ones presented below.

- I. Lawsuit related to liabilities or receivables of the issuer or its subsidiary the value of which constitutes at least 10% of issuer's equity.**

It did not occur.

- II. Two or more lawsuits related to liabilities or receivables the total value of which constitutes respectively at least 10 % of the issuer's equity.**

- a) Kredyt Inkaso S.A. business model consists in purchasing mass debt portfolios (several or between ten and twenty debts in a portfolio) and collecting them in court. Due to that fact, conducting great number of legal proceedings in court and before court enforcement officer is natural of our operations. However, taking into consideration small amounts of debts there is no risk of concentration (one or several bad debts i.e. with the considerably worse characteristic than the calculated one). At the present moment Kredyt Inkaso S.A. is the party to, among others, over 65 thousand of legal proceedings in courts with the total subject of litigation value exceeding PLN 67 million and almost 25 thousand of enforcement proceedings.

- b) When the Company made the first transactions of debt portfolios purchase in the year 2001 out of caution we declared and paid the tax on civil law transactions in the amount of 1% of the paid price. Subsequently, the Company filed an application to the tax authority to have the overpayment confirmed. In the year 2002 tax authorities refused to confirm the overpayment assuming the tax was well-grounded and the decisions were upheld by the Supreme Administrative Court, External Branch in Lublin. In that case, in the following years the Company declared and paid civil law transactions tax on all debt portfolios purchase transactions.

Due to the change of the opinion of administrative courts about the issue of civil law transactions taxation on transactions related to debts purchase made by the entities which professionally deal with debts purchase, in July 2008 the Company once again filed an application to have the overpayment confirmed in one of the cases. In November 2008 tax authority of the first instance returned to Kredyt Inkaso account the whole amount i.e. PLN 11,982.00 which was indicated by the Company as the overpaid tax in the course of one of transactions.

Since the mentioned application of Kredyt Inkaso S.A. to have the overpayment confirmed was considered to our advantage, in the first ten days of December we filed the applications to have overpayment confirmed in the further 11 cases, where the amount of overpayment equals to about PLN 375 thousand. At present we are waiting for consideration of those applications by the tax authority.

XV. INFORMATION ON CONCLUSION BY THE ISSUER OF ONE OR MANY TRANSACTIONS WITH RELATED ENTITIES WITH THE VALUE EXCEEDING THE EQUIVALENT OF EUR 500 000 EXPRESSED IN PLN.

They did not occur.



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XVI. INFORMATION ON GRANTING BY THE ISSUER SECURITY ON CREDIT OR LOAN OR GRANTING A GUARANTEE.

They did not occur.

XVII. OTHER INFORMATION WHICH ACCORDING TO THE ISSUER IS SIGNIFICANT FOR ASSESSING ITS EMPLOYMENT, PROPERTY AND FINANCIAL SITUATION AS WELL AS THE FINANCIAL RESULT AND THEIR CHANGES AND THE INFORMATION SIGNIFICANT FOR ASSESSING THE ISSUER'S ABILITY TO MEET HIS OBLIGATIONS.

XVIII. FACTORS WHICH ACCORDING TO THE ISSUER WILL HAVE INFLUENCE ON THE RESULTS OBTAINED BY IT IN AT LEAST ONE NEXT QUARTER.

We evaluate that the following factors will have influence on our results in the next quarter and in the short-time period:

- a. In the current financial year (the same as in the pervious year) we invested considerable funds in debt portfolios, purchasing them from telecommunications operators. Increase in the debts portfolio may considerably increase the income obtained by the Company. The amounts of debts are collected by us in the course of legal proceedings, so the efficiency of justice (first of all courts) in executing legal procedures has significant influence on the speed of obtaining income from debts by the Company.
- b. As a result of the decision of the Monetary Policy Council, in the last months the decrease of the reference interest rate of the National Bank of Poland by 175 base points took place and relative to that, the decrease of rates on the inter-bank market. Most of our indebtedness bears variable interest rate depending on WIBOR 3M rate, so the value of interest established for next interest periods will be lower. Further decreases of interest rates expected by the market will be the factor decreasing the cost of liabilities payment, which has significant influence on improvement of the financial results of the Company.
- c. The possibility of obtaining capital from the financial market and its cost will have influence on the dynamics of further growth of the Company. On the one hand, the decrease of interest rates makes the costs of operations financing lower; on the other hand - as a result of financial crisis - we observe intense dislike of risk, and resulting reluctance to provide capital as well as expecting higher premium for market risk by both potential new investors and creditors. The dynamic of our operations growth will depend on the final effect of those two factors.
- d. Since 15 December the new higher statutory interest rate (13%) has been effective, which was determined by the Council of Ministers as a result of previous significant increase of official interest rates of the National Bank of Poland. The present process of decreasing the cost of money in the economy will probably at a given moment be reflected by the lower level of statutory interest rates. Due to the fact that we calculate interest on purchased debts according to statutory interest rates, their future level will influence our rate of return on investment in debt portfolios.

XIX. SEGMENT INFORMATION

We have been operating in one basic segment comprising trade in debt portfolios in the local market. This branch is our core business and the other business activity is not run. All data presented in these Abridged Quarterly Financial Statements is related to this industry.



KREDYT INKASO SA

Zamość, 4 February 2009

Artur Górnik

President of
the Management Board
Artur Maksymilian Górnik

Sławomir Cwik

Vice-President
of the Management Board
Sławomir Cwik