

Presentation to investors

NG2



NG2 Group

4Q2006

Presentation plan



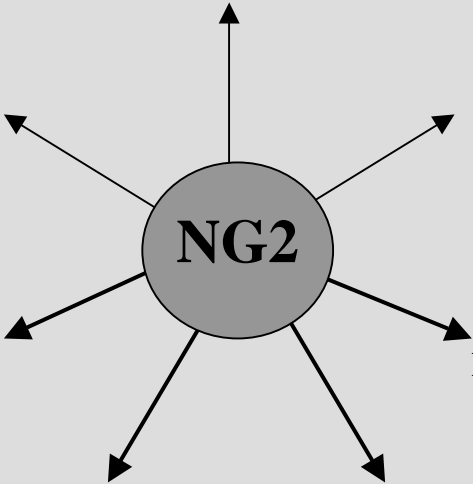
- Introduction
- Finances
- Realization of goals
- Plans & forecast 2007
- General review of NG2 Group
 - NG2 operating structure
 - Sales structure – distribution chain
 - Structure of shareholders

NG2 Group



Excellent profitability

Unique business model



Largest retail chain in Poland

Leader in manufacturing leather footwear

Growing amount of proprietary stores in Poland and abroad

Huge growth potential

Strong brand

Finances – 4Q2006



	4Q2005 `000 PLN	4Q2006 `000 PLN	Change
Revenues	99 161	121 401	22,4 %
Profit (loss) on sales	45 520	56 657	24,5 %
Gross margin on sales	45,9%	46,7%	1,7 %
Selling costs	24 265	31 181	28,5 %
General administrative costs	2 630	5 226	98,7 %
EBIT	18 765	18 123	-3,4 %
Pre-tax profit (loss)	18 835	19 428	3,1 %
Net profit (loss)	16 907	15 896	-6,0 %
Net profit margin	17,1%	13,1%	-23,4 %
Assets	204 491	239 445	17,1 %
Liabilities and provisions	35 787	56 088	56,7 %
Long-term liabilities	783	1 670	113,3 %
Short-term liabilities	35 004	54 418	55,5 %
Equity	168 704	183 357	8,7 %
ROE	10,0%	8,7%	-13,5 %
ROA	8,3%	6,6%	-19,7 %

Finances – 4Q2006 accrued



	4Q2005 `000 PLN	4Q2006 `000 PLN	Change
Revenues	330 926	400 857	21,1 %
Profit (loss) on sales	145 635	181 973	25,0 %
Gross margin on sales	44,0%	45,4%	3,2 %
Selling costs	75 866	104 058	37,2 %
General administrative costs	15 356	16 388	6,7 %
EBIT	54 869	61 989	13,0 %
Pre-tax profit (loss)	54 652	64 718	18,4 %
Net profit (loss)	43 836	53 138	21,2 %
Net profit margin	13,2%	13,3%	0,8 %
Assets	204 491	239 445	17,1 %
Liabilities and provisions	35 787	56 088	56,7 %
Long-term liabilities	783	1 670	113,3 %
Short-term liabilities	35 004	54 418	55,5 %
Equity	168 704	183 357	8,7 %
ROE	26,0%	29,0%	11,5 %
ROA	21,4%	22,2%	3,5 %

We are effective – 4Q2006



- Revenues increased by 21 %
- EBIT grew by 13 %
- Net profit 21 % higher
- Sales growth on the same stores 5,8 % up
- High level of net profit margin

Plans for 2006 - accomplishment



- Opening further **40** proprietary stores in Poland by the EoY2006 / **27** opened
- Launching new distribution channel – **15** stores by EoY2006 / 14 opened
- Opening **10** stores in the Czech Republic by EoY2006 / **2** opened
- Introducing new motivative remunerating systems in our retail chain
- Sales increase in the comparable stores by **5%** / Eo4Q: **5,8%**

NG2 stores – openings in 2006

CCC stores

Quazi boutiques

No	CITY	SHOPPING CENTRE	M2	OPENING DATE	No	CITY	SHOPPING CENTRE	M2	OPENING DATE
1	Toruń		507	2006-01-28	1	Warszawa	CH WILEŃSKA	156	2006-08-25
2	Białystok		477	2006-02-25	2	Katowice	3 Stawy	94	2006-09-02
3	Kalisz	Tesco	141	2006-03-11	3	Poznań	CH. AUCHAN	195	2006-09-07
4	Łowicz	Galeria Łowicka	270	2006-03-31	4	Janki	CH. JANKI	249	2006-10-07
5	Ostrołęka		326	2006-04-09	5	Poznań	CH. AUCHAN	214	2006-10-28
6	Radomsko		215	2006-04-28	6	Gliwice	ARENA lokal B47	186	2006-10-30
7	Szczytno		139	2006-05-04	7	Szczecin	CH. STER Geant	238	2006-11-04
8	Łódź	Manufaktura	344	2006-05-17	8	Legnica	Galeria Piastów	162	2006-11-30
9	Mikołów	Galeria Handlowa Pik	187	2006-05-19	9	Sosnowiec	CH. AUCHAN	200	2006-12-01
10	Warszawa	CH. King Cross	151	2006-06-24	10	Piaseczno	CH. AUCHAN	165	2006-12-02
11	Wrocław	CH. BOREK 2	180	2006-06-27	11	Łódź	Pasaż Łódzki	199	2006-12-08
12	Ostróda		245	2006-07-28	12	Gdynia	CH. BATORY	152	2006-12-09
13	Lublin	Galeria Orkana	563	2006-08-19	13	Grudziądz	Carrefour Galeria Grudziądz	160	2006-12-16
14	Sosnowiec	CH. AUCHAN	372	2006-08-19	14	Wrocław	CH. KORONA	114	2006-12-23
15	Radom	CH. E' LECLERC	185	2006-08-23	<h2>Branded shops Boti (franchised)</h2>				
16	Katowice		630	2006-08-26					
17	Gdynia	CH. BATORY	535	2006-09-01					
18	Legionowo	DH. MAXIM	210	2006-09-16					
19	Gliwice	ARENA	500	2006-09-27					
20	Mińsk Mazowiecki	DH. OLIMP	300	2006-10-18					
21	Tomaszów Mazowiecki		361	2006-10-21					
22	Gdańsk	CH. AUCHAN	418	2006-11-02					
23	Grudziądz	Carrefour Galeria Grudziądz	340	2006-11-08					
24	Wrocław	CH. KORONA	293	2006-11-17					
25	Puławy	Galeria Zielona	299	2006-11-22	No	CITY	SHOPPING CENTRE	M2	OPENING DATE
26	Rybnik	Carrefour Galeria Śląska	232	2006-11-25	1	Bogatynia	CH. TESCO	81	2006-12-16
27	Bydgoszcz	Carrefour Galeria Glinki	313	2006-12-16	2	Kościan	CH. TESCO	89	2006-12-09

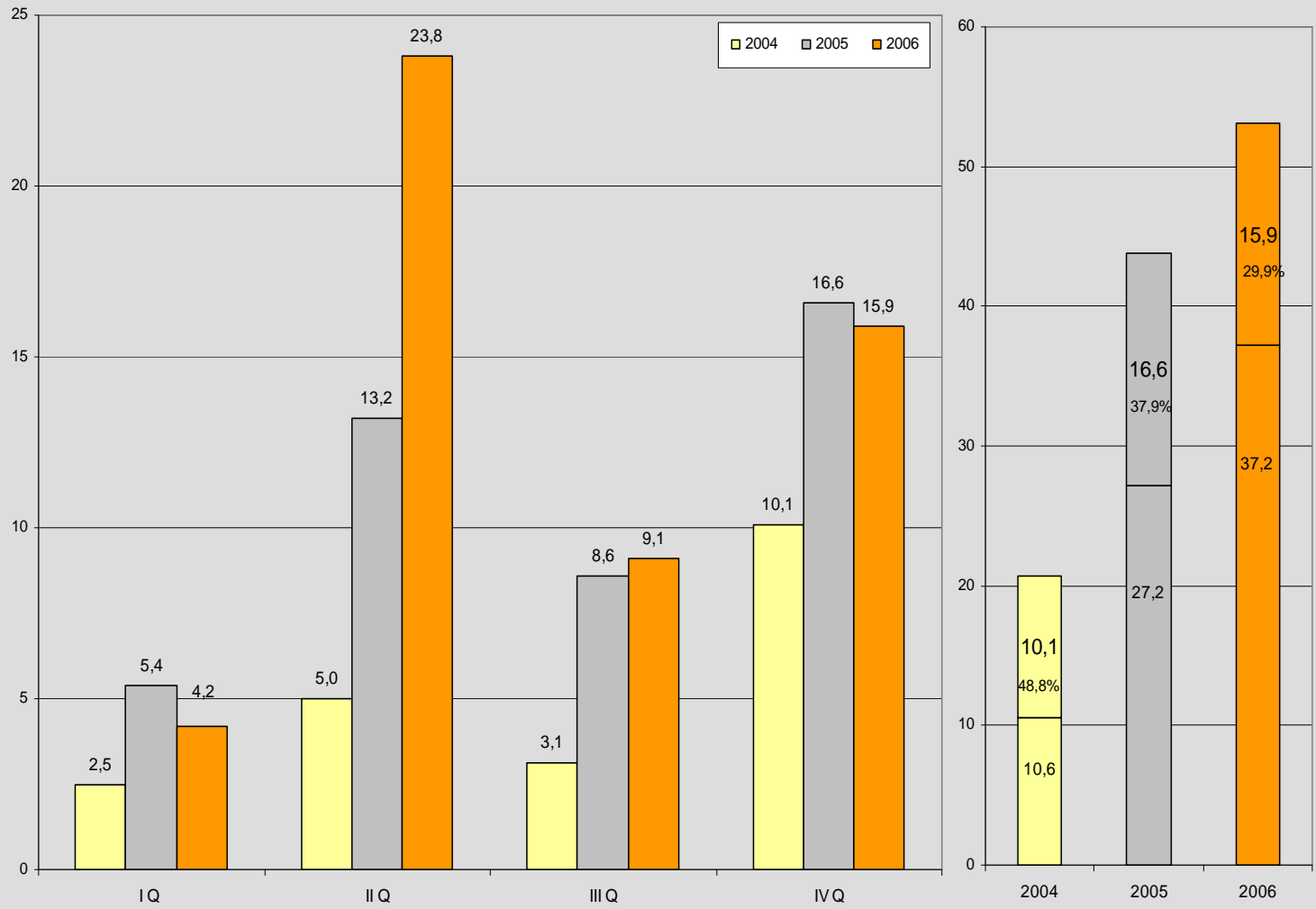


QUAZI
quazi-italy.com

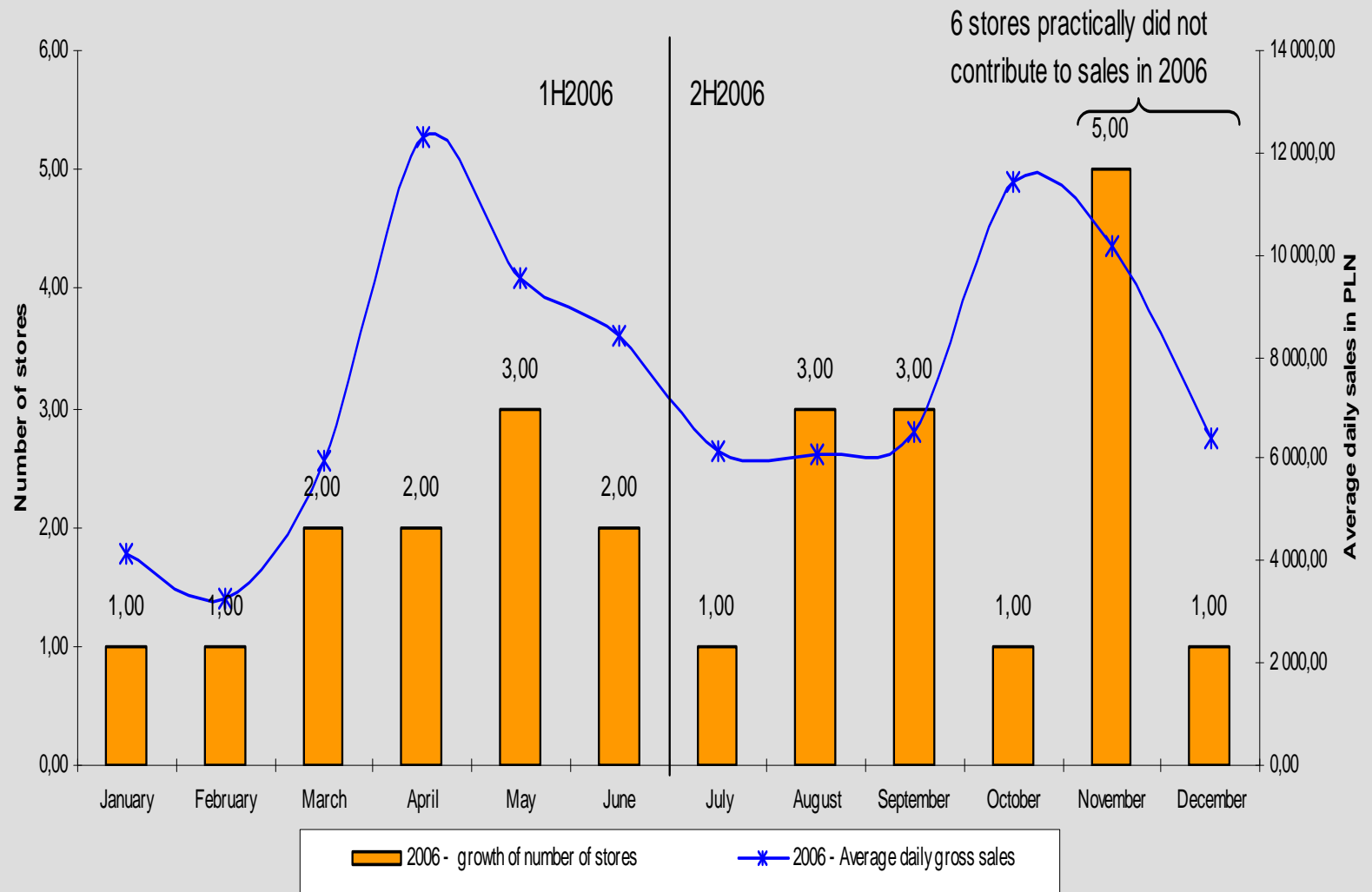
Consolidated net profit 2004-2006



consolidated net profit 2004 - 2006 (mln PLN)



Average daily sales comparing to number of stores



Average daily sales per outlet



Average daily sales per store in retail gross prices 2004-2006

Year	2004	2005	2006
Month	Average gross sales / store	Average gross sales / store	Average gross sales / store
January	3 096,11	3 447,28	4 119,44
February	3 871,37	3 098,55	3 233,56
March	8 970,99	7 862,81	5 941,53
April	10 709,57	10 949,01	12 283,19
May	7 739,80	9 209,26	9 559,58
June	6 989,11	7 667,09	8 392,60
July	5 080,93	6 413,46	6 170,68
August	5 021,96	5 877,44	6 062,51
September	6 825,26	5 971,09	6 527,58
October	9 784,99	10 610,77	11 432,72
November	9 490,71	10 018,08	10 148,33
December	6 002,42	7 739,37	6 412,42
Average in 2006	6 965,27	7 405,35	7 523,68

* Average daily sales per store = monthly gross sales / working days amount

Average daily sales per store in XI i XII 2006



Average daily sales per outlet in gross retail prices attained in 2005 - 2006

Year	2005	2006	Quantitative change
Month/Day	Average gross sales / store	Average gross sales / store	2006-2005
November 1-10	8 882,32	17 028,23	
November 11-20	12 245,75	9 113,64	-3 132,11
November 21-30	8 938,63	5 095,06	-3 843,57
December 1-10	7 400,00	5 856,06	-1 543,94
December 11-20	7 645,41	6 058,28	-1 587,13
December 21-31	8 202,90	7 446,47	-756,43
Daily average in 2006	8 885,84	8 432,96	-2 172,64

* Average daily sales per store = monthly gross sales / working days amount

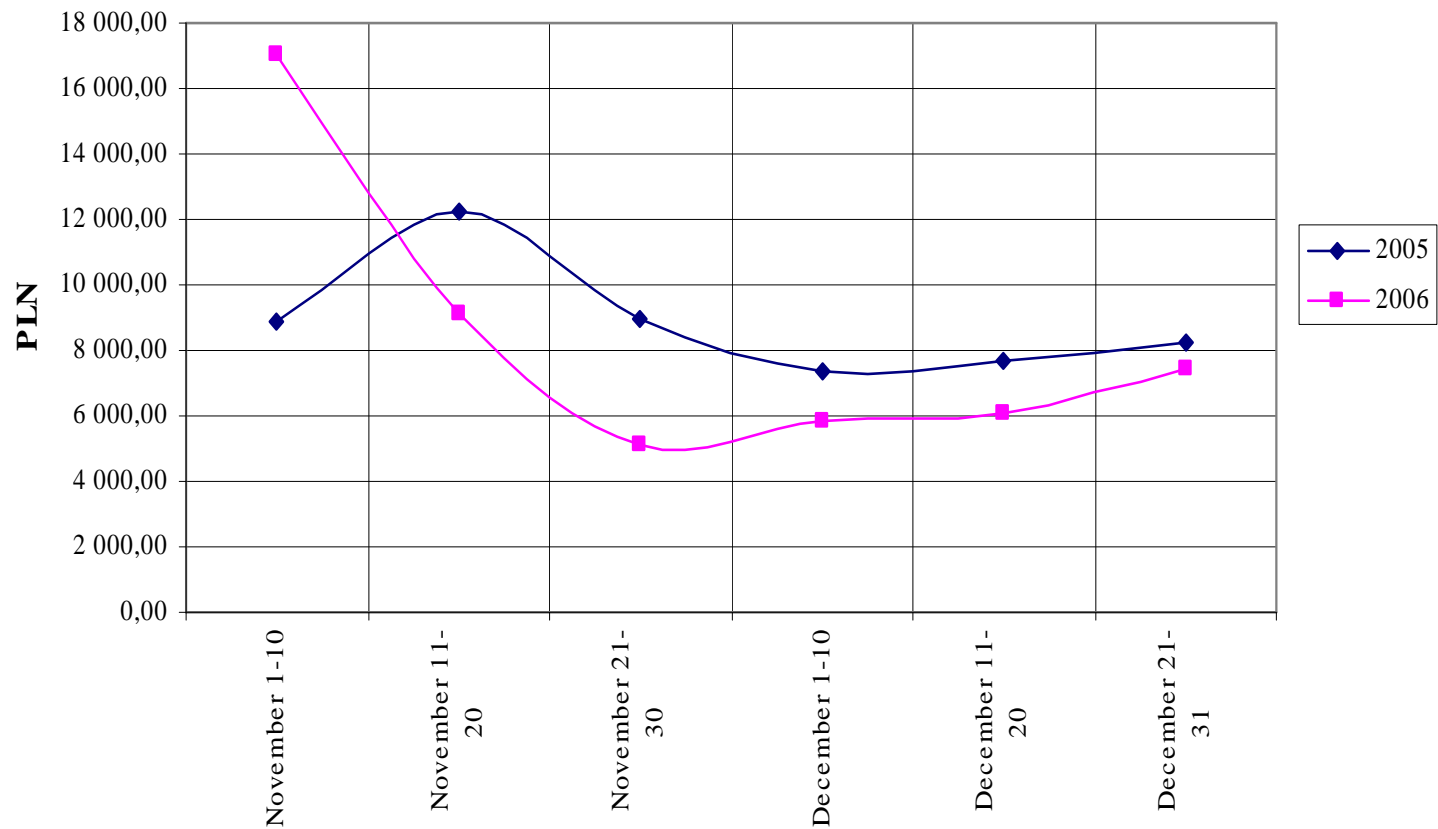
Loss of sales due to no winter season in Poland

250 stores x 50 days x 2172 zł = 27 mln zł

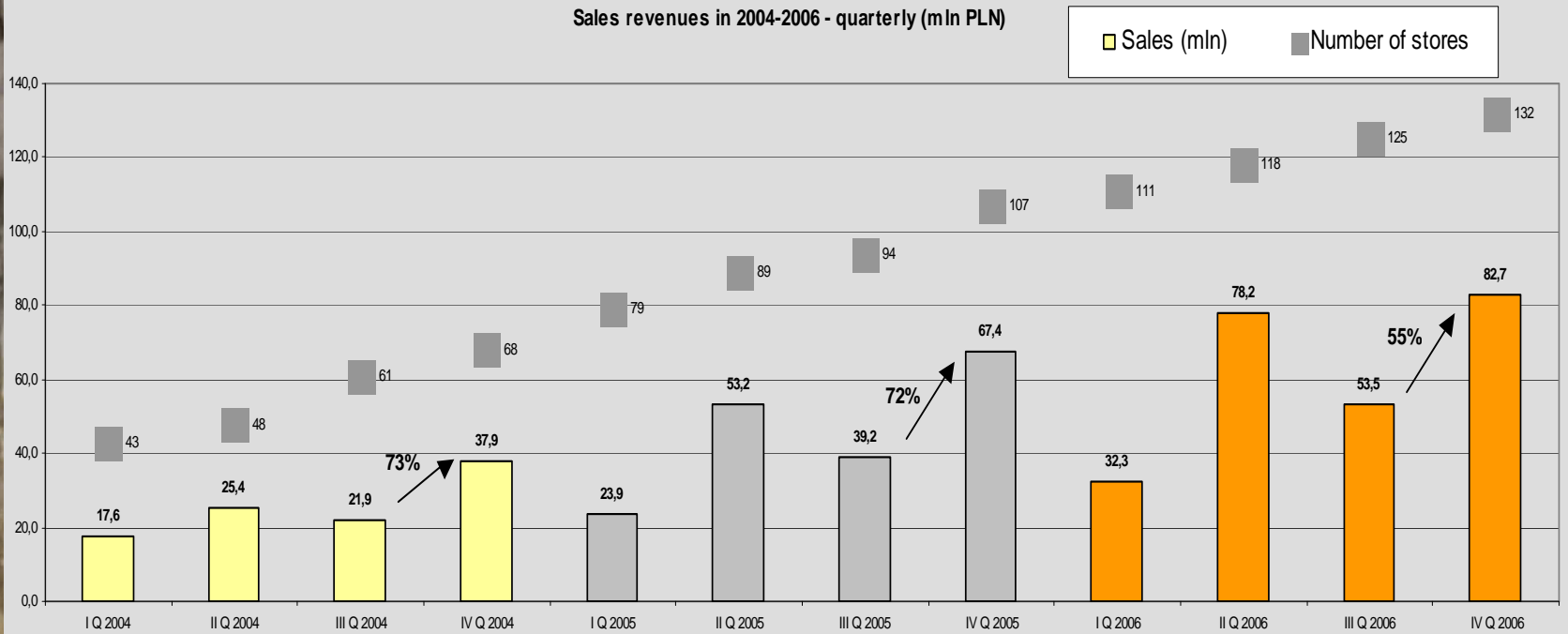
Average daily sales per store



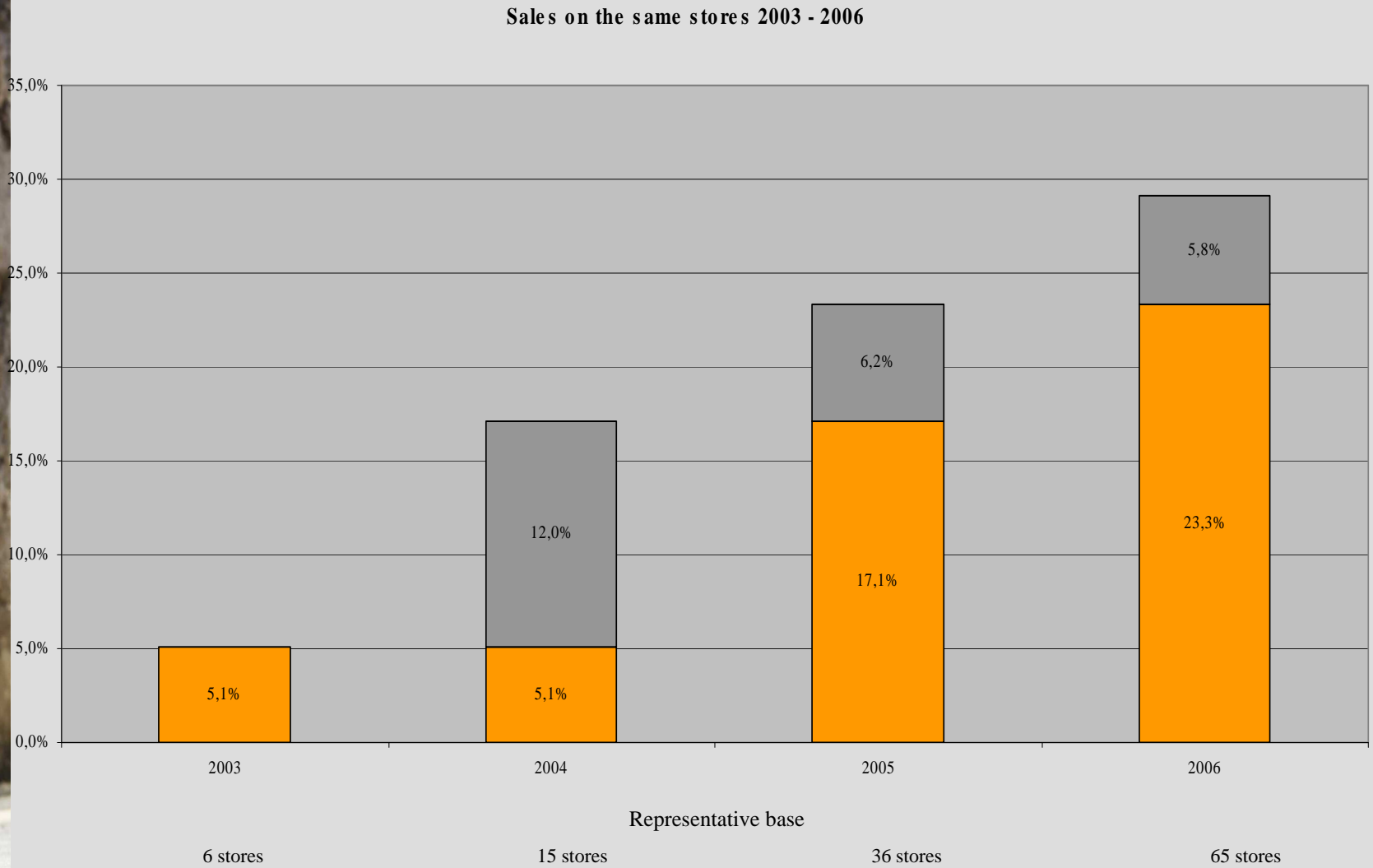
Average daily sales per outlet in gross retail prices attained in 2005 - 2006 in PLN



Sales revenues in the proprietary chain 2004-2006



Sales on the same outlets – month-on-month comparison



Sales dynamics at the retail chain in comparable outlets



Months	4Q2006	Accrued
January	19,38%	19,38%
February	6,34%	12,10%
March	-19,45%	-4,91%
April	14,93%	4,24%
May	10,85%	6,31%
June	15,51%	8,04%
July	-1,11%	6,77%
August	9,28%	6,93%
September	14,50%	7,57%
October	12,72%	8,29%
November	5,72%	7,91%
December	-15,00%	5,78%

2007

January	1,61%	1,61%
February*	11,18%	5,65%

* as of 27.02.2007

Fixed costs



	2004	2005	2006
Average cost	34 951,31	41 358,48	43 177,03
Average sales margin	42,8	49,9	51,9
Required sales	81 757	82 887	83 266
Average sales (execution)	158 037	167 429	170 905

Average area of stores opened before 1.01.2005 266,08

Average area of stores opened in 2005 312,22

Average area of stores opened in 2006 323,52

Average area of stores working in the 4Q2005 289,92

Average area of stores working in the 4Q2006 296,74

change % 4Q 2005/2006 2,35

	2005	2006
average cost of rent	15 255,51	18 566,12
change %	21,70	

Forecast 2007



Consolidated (PLN mln)	2007	Forecast 2007	Change
Revenues	400,86	540,0	+34,7 %
EBIT	61,99	95,0	+53,2 %
Net profit	53,14	81,0	+52,4 %

Assumptions:

- opening of 40 branded CCC stores
- opening of 10 boutiques Quazi
- opening of 50 proprietary shops and 80 franchised Boti shops
- growth of sales on the existing stores by 5%

Retail chain development



CCC stores	
2006	135
2007	+40
2008	+20
Target: ok. 200 + 150F	

Branded shops BOTI		
	own	franchise d
2006	0	2
2007	+50	80
Target 2009:		350
		350



QUAZI botiques	
2006	14
2007	+10
2008	+10
2009	+10
Target: 60	

Czech Rep.	
2006	11
2007	2
2008	2
Target: ok. 40	

NG2 stores – signed agreements: Y2007



No.	FP	Opening date	CITY	Shopping Centre	M2
1	W	2007-02-10	Sosnowiec		148
2	W	2007-02-07	Warszawa	Złote Tarasy	445
3	FR	2007-02-17	Lukow	WOLNY	272
4	FR	2007-02-24	Wloclawek	real.	210
5	W	2007-03-02	Świebodzin	TESCO	220
6	FR	2007-03-03	Inowroclaw	WOLNY	456
7	W	2007-03-07	Opole	po drogerii Natura	180
8	FR	2007-03-10	Poznan	STARY BROWAR	555,64
9	W	2007-03-21	Ilawa	Rafalski	240
10	W	2007-03-16	Rybnik	PLAZA	189
11	FR	2007-03-17	Legnica	AUCHAN - SCHEVER	271,79
12	FR	2007-03-22	Legnica	FERIO	223
13	W	2007-03-30	Sosnowiec	PLAZA	254
14	FR	2007-03-31	Szczawno Zdr. / Walbrzych	TESCO	228
15	W	2007-04-04	Wroclaw	Pasaż Grunwaldzki	504,7
16	W	2007-04-14	Nowa Sól	ulico	134
17	W	2007-04-14	Żory	Kaufland	254
18	W	2007-04-25	Wroclaw	CHARKADY WROCLAWSKIE	414
19	W	2007-05-15	Racibórz	AUCHAN - SCHEVER	220,45
20	W	2007-05-25	Lublin	PLAZA	254
21	W	2007-05-30	Głogów	Carrefour	214,6
22	W	2007-05-31	Gliwice	CUSHMAN	317,5
23	W	2007-06-13	Rybnik	FOCUS PARC	382,1
24	W		Malbork	9.03 - Wyrok z Sądu	339
25	W		Myslowice	real.	450
26	W	2007-08-05	Belchatow	Kaufland	249
27	W		Białystok	CH HETMAN	460
28	W		Białystok	TK	382
29	W		Gdansk	ECE	558
30	W		Gorzów Wlk	CH ASKANA	329
31	W		Kalisz	ML Consulting Projekt 1 Sp. z o. o.	266
32	FR		Kraków	Galeria Handlowa Selvay Park	300
33	FR	2007-10-20	Legnica	Galeria Gwama	244
34	W	2007-09-01	Lublin	Carrefour	197
35	W	2007-08-02	Oświęcim	Kaufland	240
36	W	2007-09-01	Siemianowice	Kaufland	252,2
37	W		Sieradz		300
38	W	2007-07-01	Szczecin	Carrefour	385,91
39	W		Warszawa	CH Skorosze	279
40	W		Wroclaw	Galeria Legnicka	302

CCC (40)

- proprietary: 31
- franchised: 9

BOTI (93)

- proprietary: 45
- franchised: 48

QUAZI

- proprietary: 11

No.	Opening date	CITY	Shopping Centre	m2
1	2007-03-03	Inowroclaw	WOLNY	245
2	2007-03-30	Sosnowiec	PLAZA	121
3	2007-04-04	Wroclaw	Pasaż Grunwaldzki	211
4	2007-04-25	Wroclaw	CH ARKADY WROCLAWSKIE	256
5	2007-06-13	Rybnik	FOCUS PARC	151,5
6		Zabrze	Geant CH PLATAN	164,07
8	2005-12-16	Białystok	CH HETMAN	248
9	2006-10-12	Białystok	GALERIA BIAŁA	216
10	2006-05-10	Gorzów Wlk	ASKANA Mroczek	180
11	2006-06-02	Wroclaw	Galeria LEGNICKA	167

No.	FP	Opening date	CITY	Shopping Centre	M2
1	FR	2006-12-09	Koscian	Tesco	89,41
2	FR	2006-12-16	Bogatynia	Tesco	80,72
3	FR	2007-04-14	Legnica	Kaufland	55
4	W	2007-04-26	Pruszków	AHOLD	124,79
5	W	2007-02-02	Grudziądz	Kaufland	125,8
6	W	2007-02-03	Katowice	CEFCO	139
7	FR	2007-02-06	Zgorzelec	real.	81,80
8	W	2007-02-06	Kutno	AHOLD	164
9	FR	2007-02-09	Świebodzice		66,25
10	W	2007-02-09	Szczecin	Geant	
11	FR	2007-02-17	Głogów	Intermarche	69
12	FR	2007-02-17	Kędzierzyn-Kozle		100
13	FR	2007-02-18	Zielona Góra	Auchan - SCHEVER	95,87
14	W	2007-02-21	Wroclaw	CEFCO	95
15	W	2007-02-23	Lublin	real.	70,3
16	W	2007-02-23	Lódz	MRE	129,74
17	FR	2007-02-23	Pleszew		
18	FR	2007-02-24	Chelm	Capitol Park	96
19	W	2007-02-24	Mragowo	Capitol Park	93,37
20	FR	2007-02-27	Złotoryja		100
21	FR	2007-02-28	Skarżysko Kamienna	Champion	69
22	W	2007-02-28	Jaworzno	CARREFOUR	143
23	FR	2007-03-01	Sroda Wlkp.		
24	W	2007-03-01	Piotrków Tr.	Intermarche	106
25	W	2007-03-01	Swinoujscie		104
26	FR	2007-03-02	Chojnow		94,4
27	FR	2007-03-03	Wodzislaw Slaski		
28	FR	2007-03-07	Wloclawek	real.	85
29	W	2007-03-10	Sosnowiec	Geant	94
30	W	2007-03-10	Warszawa	Tesco	209
31	FR	2007-03-10	Jarcin	Kaufland	70,7
32	FR		Lubin	FN PIOTREK	79
33	W	2007-04-04	Ilawa		
34	W	2007-03-11	Szczecin	KUPEC	125,37
35	FR	2007-03-14	Jedrzejew		112
36	FR	2007-03-15	Rawicz	Tesco	54
37	FR	2007-03-21	Rzeszow	real.	150
38	FR	2007-03-16	Poznan	Galeria Rondo SELGROS	79
39	FR	2007-03-22	Boleslawiec	Intermarche	82
40	W	2007-03-30	Minsk Mazowiecki	CARREFOUR	98,50
41	W		Szczecin	Kaufland	65
42	W		Myslowice	real.	136,9
43	FR		Głogów	DEPTAK	110
44	FR		Jelenia Góra		79
45	FR	2007-05-15	Racibórz	Auchan - SCHEVER	79,40
46	W		Lomza	Kaufland	103

No.	FP	Opening date	CITY	Shopping Centre	M2
47	FR	2007-05-05	Tarnow	Alma	91
48	FR	2007-05-15	Nowy Targ	Alma	110
49	FR		Jawor	Agneszka Paluchiewicz	91,26
50	?		Brzeg	Stefana Kozmowska	107,8
51	FR	2007-03-14	Jelenia Góra	RES	
52	W	2007-04-19	Gdynia	RES	
53	?		Lódz		
54	?	2007-03-08	Ostrow Mazowiecka	Orkisz - Konarska - Jastrzebski Sp. z o.o.	
55	?	2007-03-04	Pisz	Orkisz - Konarska - Jastrzebski Sp. z o.o.	
56	?		Szczecin		105
57	W		Chrzanow	Max	130
58	FR		Krakow	Tesco	
59	W		Olsztyn	CARREFOUR	
60	FR		Strzegom	INTERMARCHE	76,51
61	FR		Walbrzych	real.	
62	FR	2007-04-30	Gubin	Tesco	90
63	FR		Leszno	Kaufland	129
64	W		Bydgoszcz	Kaufland	90
65	FR		Konin	Kaufland	97,1
66	FR		Biala Podlaska	Kaufland	65,5
67	FR	2007-08-01	Pila	ECHO	
68	?		Gryfino		
69	?		Szczecin		
70	W		Tarnowskie Gory	Tesco	
71	W		Gdansk	Geant	
72	FR		Gryfice		
73	FR		Konin	Kaufland	
74	FR		Krakow	Kaufland	
75	FR		Lubin	Kaufland	
76	FR		Miedzyzecz		
77	FR		Plock	ECHO	
78	FR		Poznan	Kaufland	
79	W		Szczecin	Tesco	110
80	FR		Swiebodzin		
81	W		Warszawa	Geant	
82	FR		Wloclawek	Tesco	
83	W		Zawiercie	Intermarche	140
84			Opole	Dom Towarowy Centrum	
85			Zary		
86			Ostroda		
87			Plock		
88			Naklo		
89			Chodzież		
90			Braniewo		
91			Elblag		
92			Lodz		
93	FR		Szilce Opolekie		

BOTI



- effective
- moderate price
- widely available



NG2 Group

General Review

Operating structure of NG2 Group

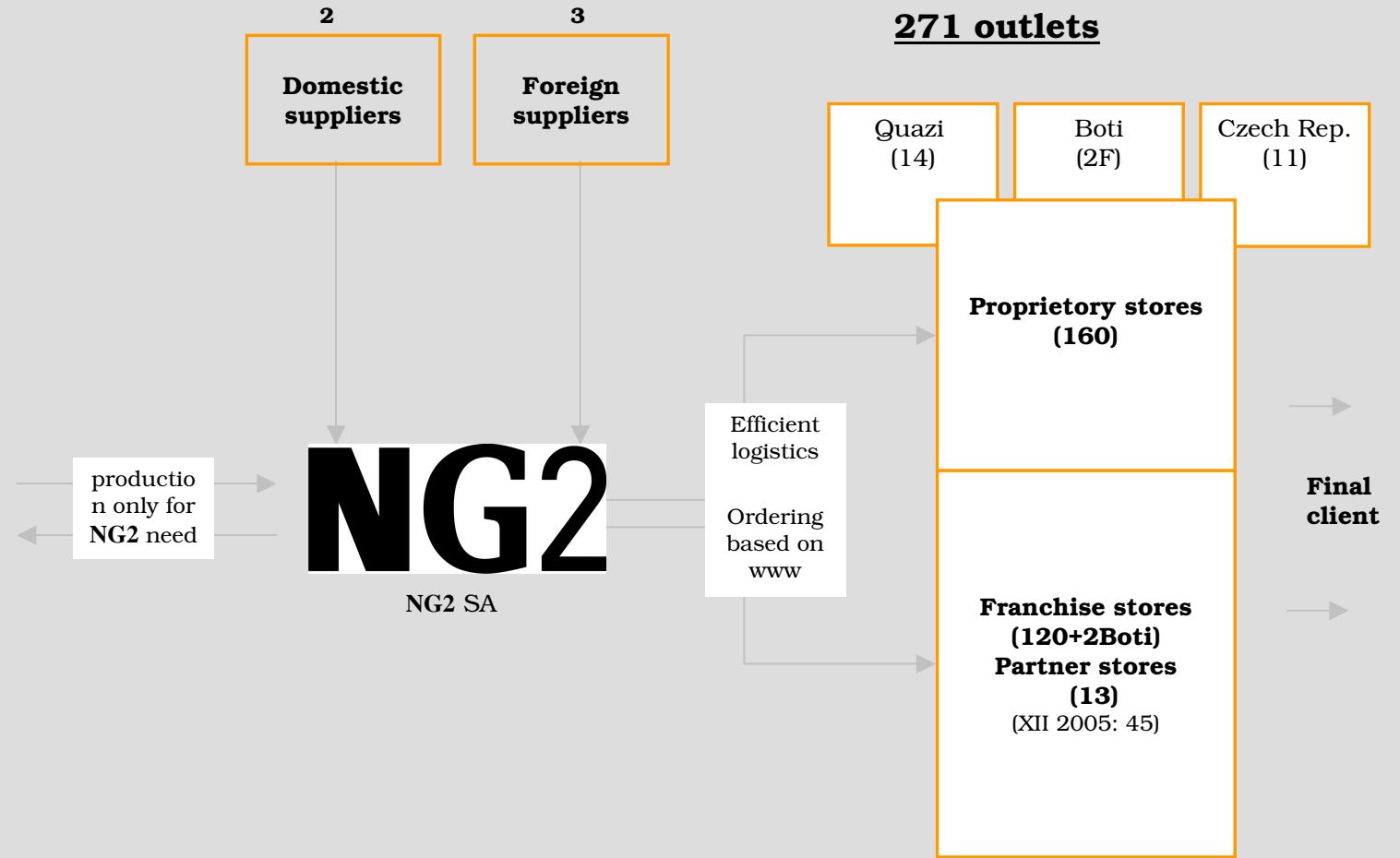
As of 31.12.2006



1
In-house manufacturing
Flexibility of supplying
Tax advantages



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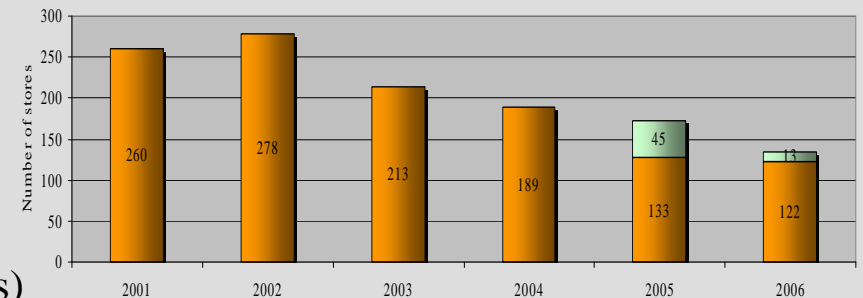


Distribution chain – franchise & partner stores



- **135 shops: 120** franchised shops, **13** partner shops, slightly smaller average shop area (appr.190 m²) + **2** franchised Boti
- Retail margin covers franchiser's all costs (incl. lease, most of quality claims)
- Favourable for NG2 franchise agreements:
 - Sales of NG2 products exclusively,
- Franchisers loyalty level very high:
 - Long-standing business relations
 - NG2 leases directly 50 out of 135 locations (mainly in shopping centres), which generated over 50 % sales of franchised network (lease costs reimbursed with 2% margin)

Number of franchised & partner locations
2001- 2006



Optimising of franchised network



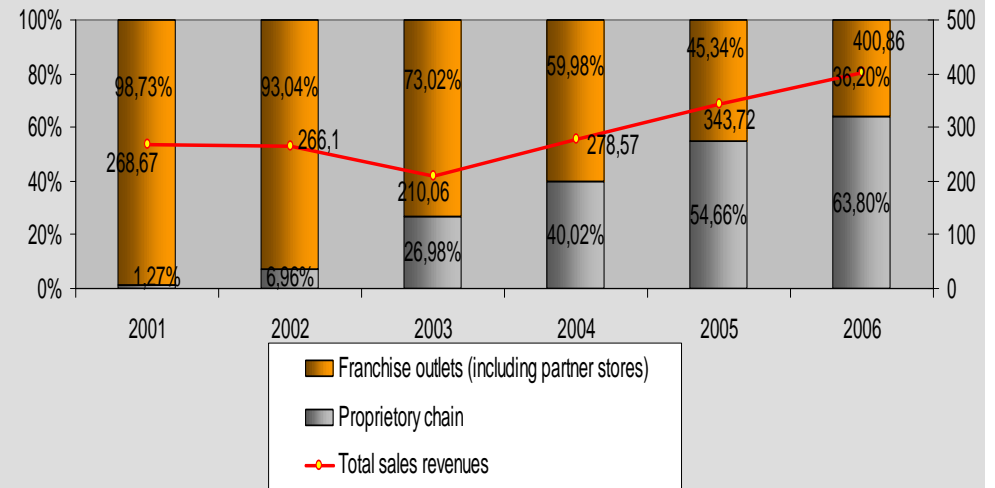
Distribution chain – proprietary stores



- **135 proprietary stores** of average area about 350 m²
- **14 boutiques** with new brand **QUAZI**
- Established on leased locations
- Generating average retail margin of **52.1%**



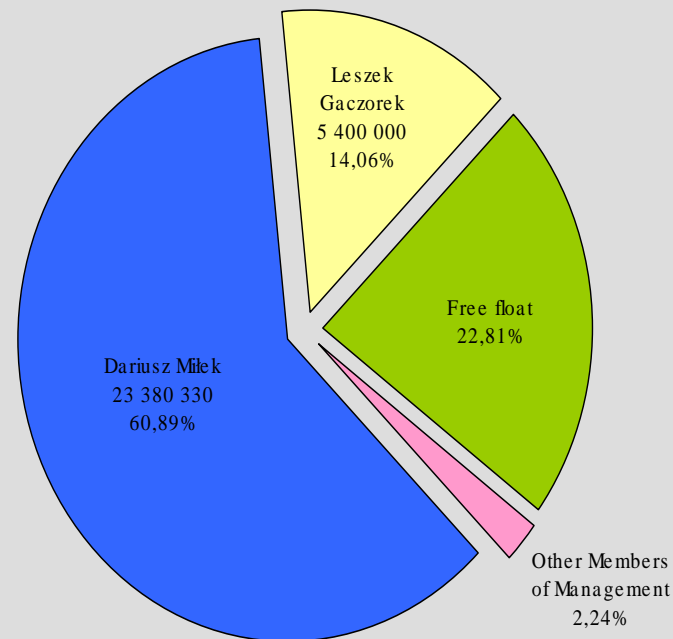
Retail sales revenues (%) to total sales revenues



Structure of Shareholders



- In November 2004, NG2 S.A. joined the stock market and with the day of 2nd December 2004 is quoted at the Warsaw Stock Market
- The principal shareholder and the founder of NG2 Group is Mr Dariusz Milek, the President of the Board of Directors
- Other members of the Management are shareholders, as well
- Total amount of 38 400 000 shares



Thank you for your attention

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