



# Presentation to investors

# NG2



NG2 Group

H1 2007

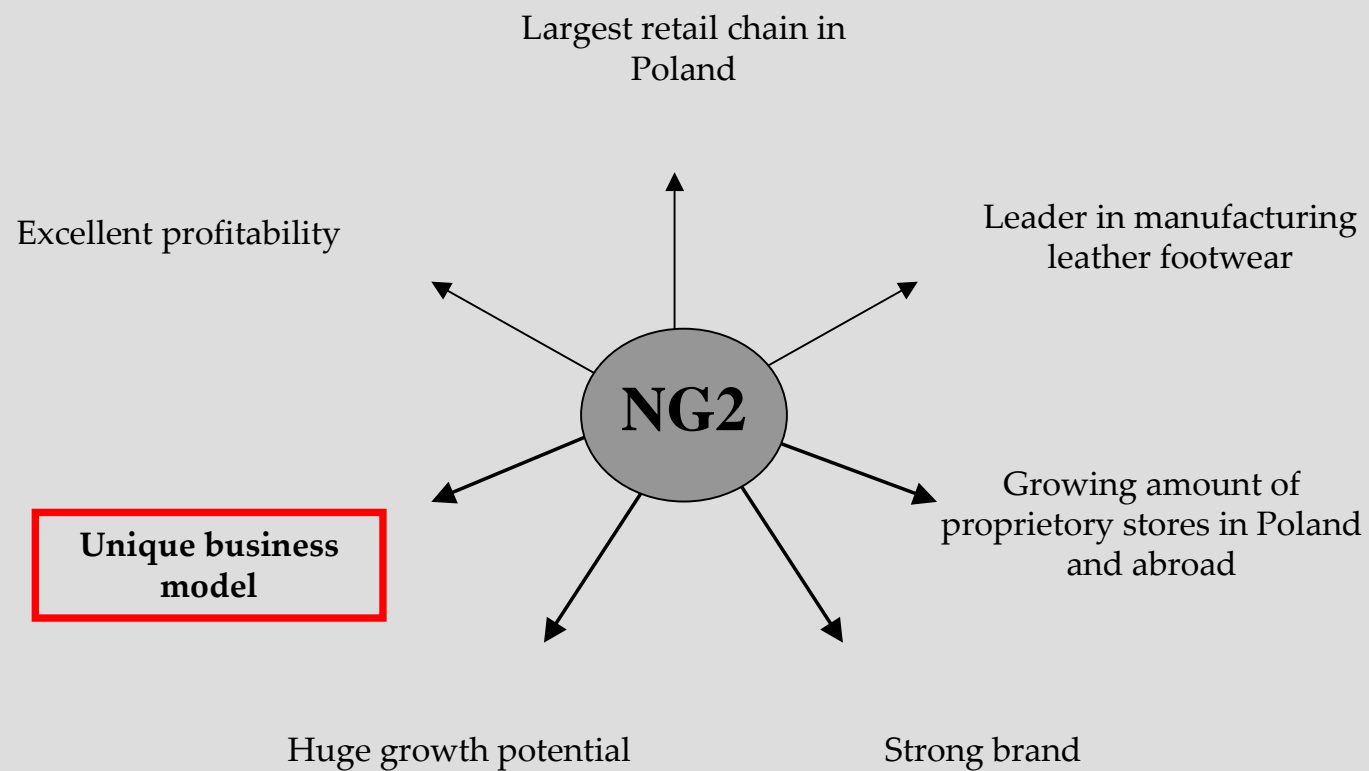
# Presentation plan

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- 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



# Finances – H1 2007



	H1 2006 `000 PLN	H1 2007 `000 PLN	Change
<b>Revenues</b>	<b>187 107</b>	<b>250 288</b>	<b>33,8 %</b>
Profit (loss) on sales	85 698	127 944	49,3 %
Gross margin on sales	45,8%	51,1%	11,6 %
Selling costs	52 366	79 984	52,7 %
General administrative costs	3 070	2 959	-3,6 %
EBIT	32 734	41 572	27,0 %
Financial profit (loss)	1 851	225	-87,8 %
Financial costs	508	4 711	827,4 %
Pre-tax profit (loss)	34 077	37 086	8,8 %
<b>Net profit (loss)</b>	<b>28 180</b>	<b>30 506</b>	<b>8,3 %</b>
Net profit margin	15,1%	12,2%	-19,2 %
Assets	218 065	303 912	39,4 %
Liabilities and provisions	59 687	127 927	114,3 %
Long-term liabilities	1 154	2 095	81,5 %
Short-term liabilities	58 533	125 832	115,0 %
Equity	158 378	175 985	11,1 %
ROE	17,8%	17,3%	-2,6 %
ROA	12,9%	10,0%	-22,3 %

## We are effective – H1 2007

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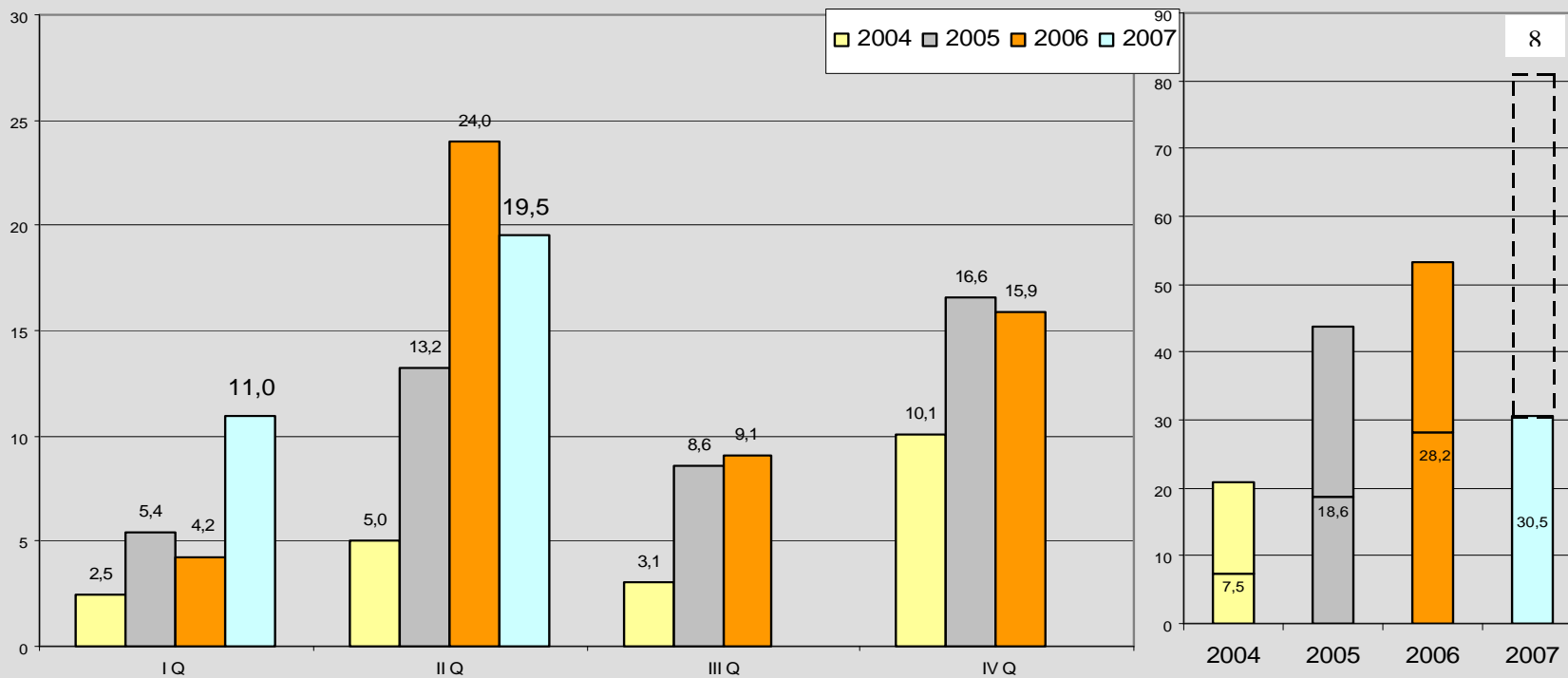
- Revenues increased by 34 %
- EBIT grew by 27 %
- Net profit 8.3 % higher
- Sales growth on the same stores 15.3 % up
- High level of net profit margin: 12.2 %



# Consolidated net profit 2004 – H1 2007



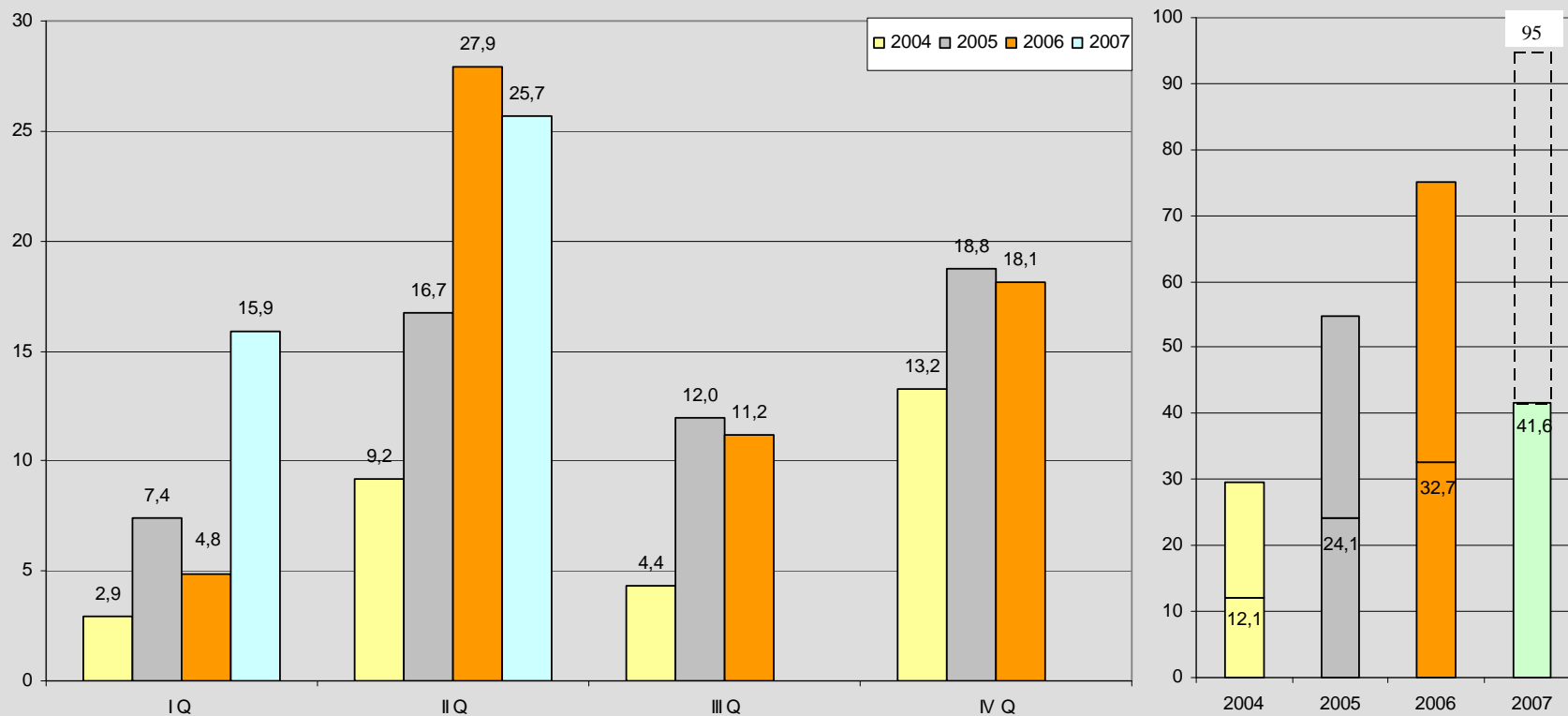
Consolidated net profit 2004 - 2007 (w mln PLN)



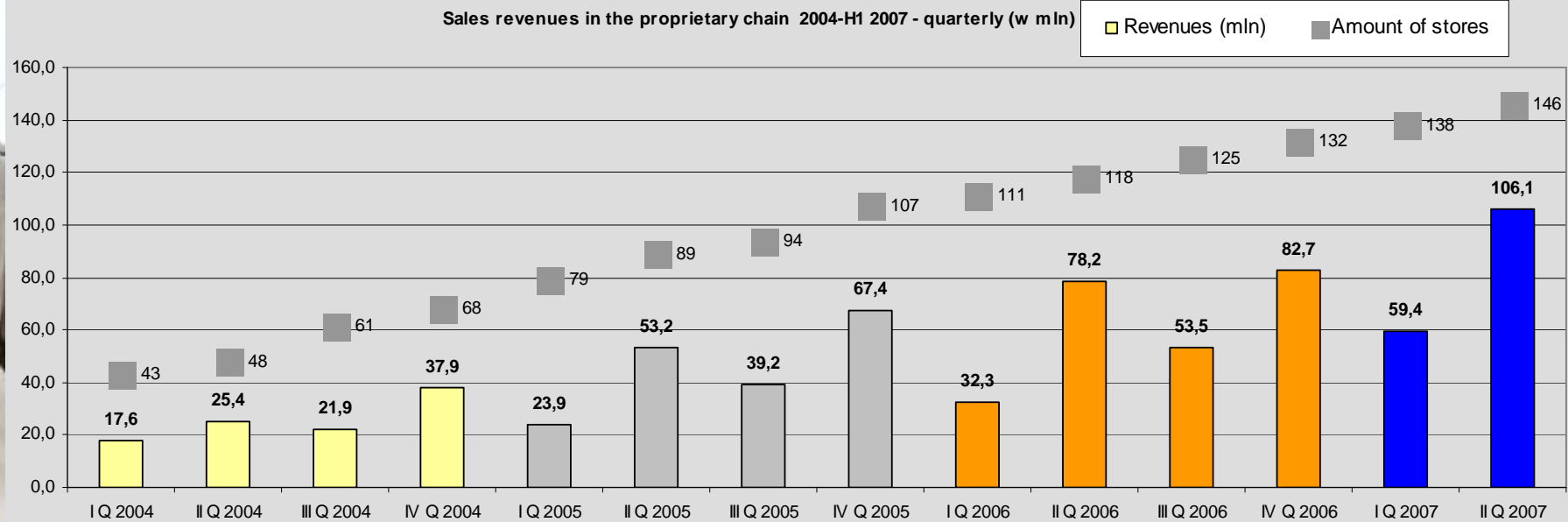
# Consolidated EBIT 2004 – H1 2007



Consolidated EBIT 2004 - 2007 (w mln PLN)



# Sales revenues in the proprietary chain 2004 – H1 2007





# Average daily sales per CCC store H1 2007

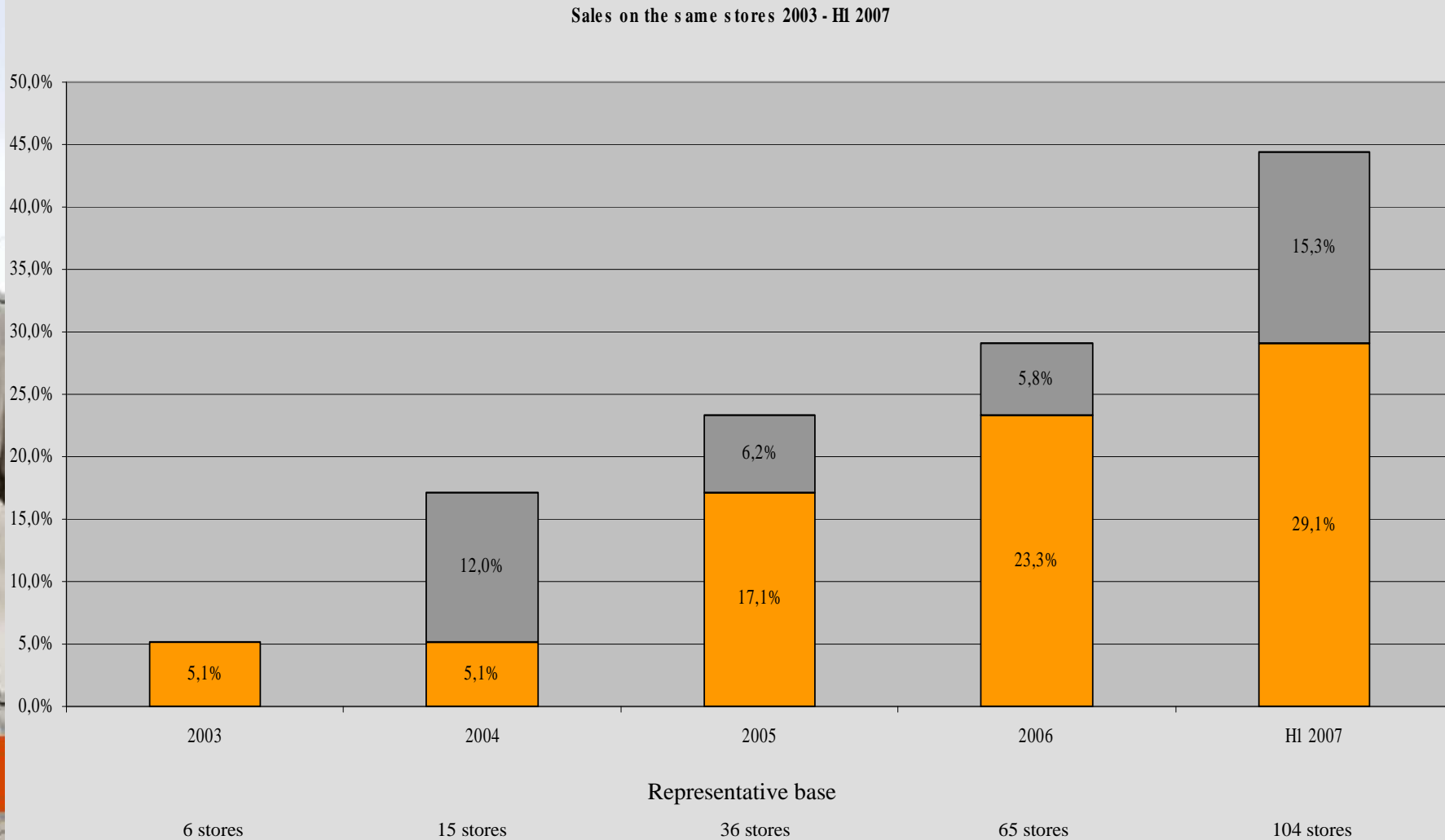
Average daily sales per store in retail gross prices 2004 - 2007

Year	2004	2005	2006	2007
Month	Average gross sales / store	Average gross sales / store	Average gross sales / store	Average gross sales / store
January	3 096,11	3 447,28	4 119,44	3 930,69
February	3 871,37	3 098,55	3 233,56	3 457,21
May	8 970,99	7 862,81	5 941,53	10 505,07
April	10 709,57	10 949,01	12 283,19	11 821,51
May	7 739,80	9 209,26	9 559,58	10 766,14
June	6 989,11	7 667,09	8 392,60	8 246,75
Average H1	<b>6 896,16</b>	<b>7 039,00</b>	<b>7 254,98</b>	<b>8 121,23</b>
Average H2	<b>7 034,38</b>	<b>7 771,70</b>	<b>7 792,99</b>	



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# Sales on the same stores – month-on-month comparison



# Fixed costs - BEP



	I H 2004	I H 2005	I H 2006	I H 2007
Average cost	35 354,50	39 504,72	42 980,81	47 575,29
Average sales margin	42,04	51,21	52,12	55,89
Required sales	84 095,03	77 141,36	82 470,38	85 127,41
Average sales (execution)	155 280,68	155 398,85	162 160,05	182 131,82
	2H 2004	2H 2005	2H 2006	2H 2007
Average sales (execution)	160 794,05	179 459,87	179 649,08	

Average area of stores opened before 1.01.2005	266,08
Average area of stores opened in H1 2005	318,39
Average area of stores opened in H1 2006	265,91
Average area of stores opened in H1 2007	266,20
Average area of stores working in the H1 2006	290,85
Average area of stores working in the H1 2007	296,24
change % H1 2006/2007	1,85

# Sales 2007

SALES REVENUES 2007	January	February	March	April	May	June	Total
WHOLESALE REVENUES	6 659 626,00	15 382 236,91	19 238 543,09	15 033 235,30	9 699 405,07	7 847 430,51	73 860 476,88
RENT	1 054 296,71	981 948,36	1 154 557,29	1 164 939,14	1 296 566,92	1 181 485,76	6 833 794,18
RETAIL REVENUES	12 518 453,57	10 377 905,10	36 533 394,83	38 473 281,63	38 402 294,72	29 236 920,22	165 542 250,07

TOTAL: 246 236 521,13

## Revenues - retail

	I	II	III	IV	V	VI	accrued I-VI
CCC	11 864 507,08	9 692 375,23	34 256 426,05	35 536 515,03	35 382 351,11	26 706 975,04	153 439 149,54
QUAZI	607 312,42	518 978,05	1 200 842,54	1 470 744,36	1 485 334,91	1 273 515,36	6 556 727,64
BOTI	2 912,82	166 551,82	1 076 126,24	1 466 022,24	1 534 608,70	1 256 429,82	5 502 651,64

SUMA: 165 498 528,82

## Amount of proprietary stores

	I	II	III	IV	V	VI
CCC	132	134	138	141	141	146
QUAZI	14	14	16	19	19	19
BOTI	2	10	18	22	24	26

## Accrued sales on the same stores (%) - month-on-month comparison

		01.01.-28.02	01.01.-31.03	01.01.-30.04	01.01.-31.05	01.01.-30.06
CCC		7,00	43,67	21,91	19,31	15,26

## Gross sales margin (%)

	I	II	III	IV	V	VI
CCC	43,00	51,88	57,92	57,69	57,84	55,92



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# Retail chain development



CCC	
2006	135
2007	+40 / 60
2008	+20 / 40
2009	+35
<b>Target:</b>	<b>270 + 130F</b>

BOTI		
	own	franchise
2006	0	2
2007	+50	80
<b>Eo Y 2009:</b>	<b>350</b>	<b>350</b>
<b>Target</b>	<b>600</b>	<b>300</b>

# NG2

DISTRIBUTION CHANNELS

QUAZI	
2006	14
2007	+10 / 12
2008	+10
2009	+10
<b>Target:</b>	<b>60</b>

Czech Rep.	
2006	11
2007	2 / 5
2008	2 / 10
<b>Target:</b>	<b>ok. 40</b>

# Plans for 2007 – accomplishment H1 2007



- Opening further **40** proprietary stores in Poland by the EoY2007 / EoH1 : 15  
+ 7 franchised
- Opening **10** stores of the new line QUAZI by the EoY2007 / **5** opened
- **50** proprietary & **80** franchised BOTI shops / opened **26** & **47**, respectively
- Opening **2** stores in the Czech Republic by EoY2007 / **1** opened
- Sales increase in the comparable stores by **5%** / 15,26



# Proprietary stores NG2 – openings H1 2007

Quazi

No	CITY	ADDRESS	SHOPING CENTER	M2	OPENING DATE
1	Inowroclaw	Królowej Jadwigi 20		245	2007-03-03
2	Sosnowiec	Sienkiewicza 2	Plaza	121	2007-03-30
3	Zabrze	Plac Teatralny 12	CH. PLATAN	164	2007-04-20
4	Wroclaw	Pl. Grunwaldzki 22	Pasaż Grunwaldzki	211	2007-04-21
5	Wroclaw	Powstańców Śląskich 2-4	Arkady Wrocławskie	256	2007-04-28

CCC

No	CITY	ADDRESS	SHOPING CENTER	M2	OPENING DATE
1	Warszawa	Złota 59	Złote Tarasy	445	2007-02-07
2	Sosnowiec	Modrzewowska 16		148	2007-02-10
3	Świebodzin	Sulechowska 8	TESCO	220	2007-03-02
4	Opole	Ozimska 2		180	2007-03-10
5	Rybnik	Raciborska 16	Plaza	189	2007-03-16
6	ława	Jana III Sobieskiego 43	Galeria Centrum	247	2007-03-21
7	Sosnowiec	Sienkiewicza 2	CH. PLAZA	254	2007-03-30
8	Wroclaw	Pl. Grunwaldzki 22	Pasaż Grunwaldzki	505	2007-04-04
9	Żory	Okrzeńska 2	CH. KAUFAND	254	2007-04-25
10	Wroclaw	Powstańców Śląskich 2-4	Arkady Wrocławskie	414	2007-04-28
11	Racibórz	Rybnicka 97	CH. AUCHAN	220	2007-05-30
12	Głogów	Poniatowskiego 12	Galeria Głogów	215	2007-06-02
13	Nowa Sól	Pl. Wyzwolenia 3		134	2007-06-09
14	Lublin	Obrońców Pokoju 1a	CH. PLAZA	251	2007-06-12
15	Gliwice	Lipowa 1	FORUM	317	2007-06-28

+ 7 franchised

Boti

No	CITY	ADDRESS	SHOPING CENTER	M2	OPENING DATE
1	Pruszków	Zimnińskiej-Sygietyńskiej 1	Albert	125	2007-01-26
2	Katowice	Al. Roździeńskiego 200	CH. Carrefour-Dąbrówka	139	2007-01-31
3	Grudziądz	Piłsudskiego 10	CH. KAUFAND	126	2007-02-02
4	Kutno	Oporowska 6a	HYPERNOVA	164	2007-02-06
5	Szczecin	Ku Słońcu 67	CH. STER Geant	62	2007-02-17
6	Wroclaw	Al. gen. Hallera 52	CH. BOREK-CARREFOUR	95	2007-02-21
7	Lublin	Witolda Chodźki 14	CH. REAL	70	2007-02-23
8	Łódź	Brzezińska 27/29	CH. M1	140	2007-02-23
9	Mragowo	Warszawska 37	Capital Park	93	2007-02-24
10	Jaworzno	Wojska Polskiego 2D	CH. Carrefour	143	2007-02-28
11	Piotrków Trybunalski	Al. Generała Sikorskiego 7	Intermarche	106	2007-03-01
12	Świnoujście	Plac Słowiański 3a		104	2007-03-01
13	Sosnowiec	Baczyńskiego 2	Centrum Sosnowiec Real	94	2007-03-07
14	Mysłowice	Katowicka 75	CH. REAL	137	2007-03-10
15	Szczecin	Krzywoustego 9-10	CH. KUPIEC	125	2007-03-16
16	ława	Kościuszki 3		111	2007-03-28
17	Szczecin	Struga 29	CH. KAUFAND	65	2007-03-29
18	Warszawa	Stalowa 60/64	CH. TESCO	209	2007-03-31
19	Szczecinek	Pl. Wolności 10		95	2007-04-17
20	Pisz	Warszawska 48		115	2007-04-18
21	Łódź	Zachodnia 21		78	2007-04-27
22	Chrzanów	Trzebińska 40	CH. MAX	130	2007-04-28
23	Ostrów Wielkopolski	Plac 23 Stycznia 36		97	2007-05-02
24	Łowicz	Ułańska 12	CH. TESCO	70	2007-05-05
25	Mińsk Mazowiecki	Warszawska 61	CH. Carrefour	99	2007-06-01
26	Czaplinek	Rynek 7		80	2007-06-02

+ 47 franchised



# Forecast 2007



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

## 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%

# Forecast execution

Average monthly gross sales margin 01.01 - 30.06. 2007 (plan+execution)

%	plan	execution	de viation	
			pkt %	%
CCC	51,48	55,86	4,38	8,51
QUAZI	41,18	44,75	3,57	8,68
BOTI	48,31	45,97	-2,34	-4,85

Proprietary stores amount at the end of months 2007 (plan + execution)

	I		II		III		IV		V		VI	
	plan	execution	plan	execution	plan	execution	plan	execution	plan	execution	plan	execution
CCC	133	132	135	134	138	138	140	141	144	142	148	146
QUAZI	14	14	14	14	15	16	16	19	17	19	18	19
BOTI	0	2	5	10	10	18	15	22	20	24	25	26
<b>total</b>	<b>147</b>	<b>148</b>	<b>154</b>	<b>158</b>	<b>163</b>	<b>172</b>	<b>171</b>	<b>182</b>	<b>181</b>	<b>185</b>	<b>191</b>	<b>191</b>

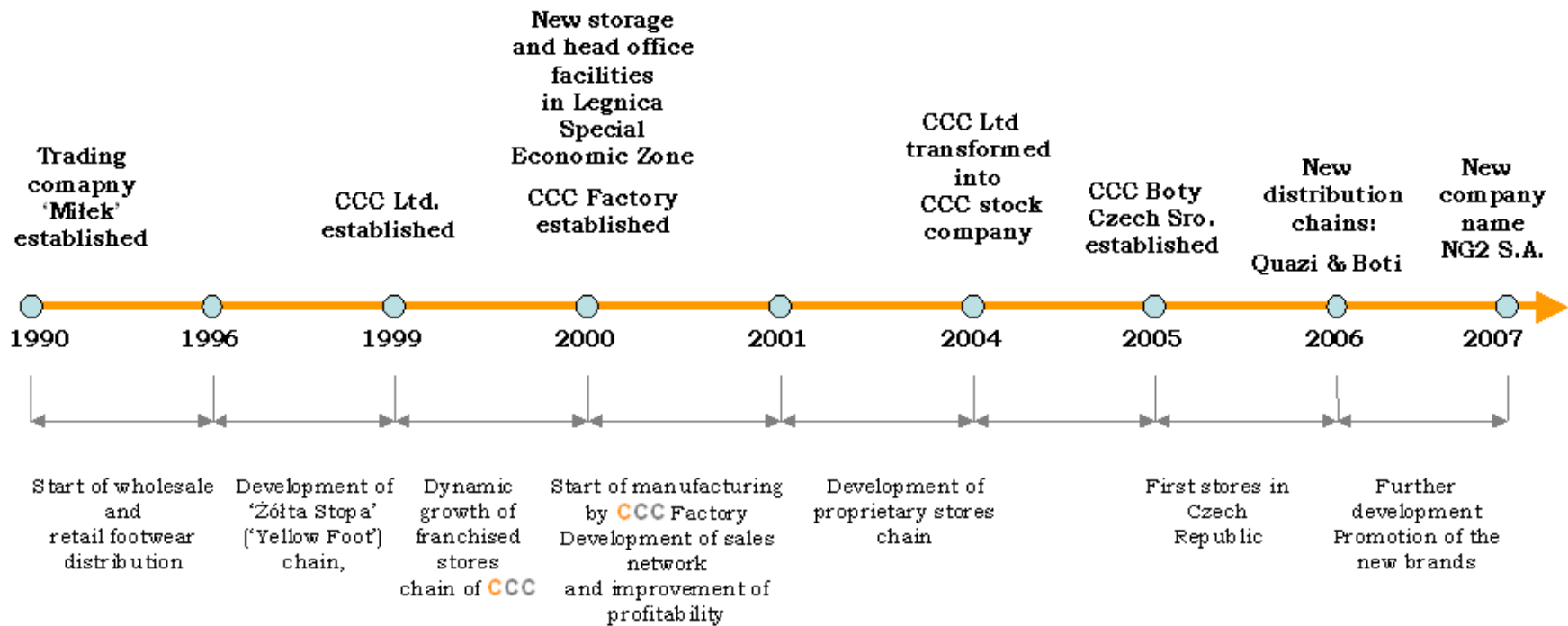


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# NG2 Group General Review

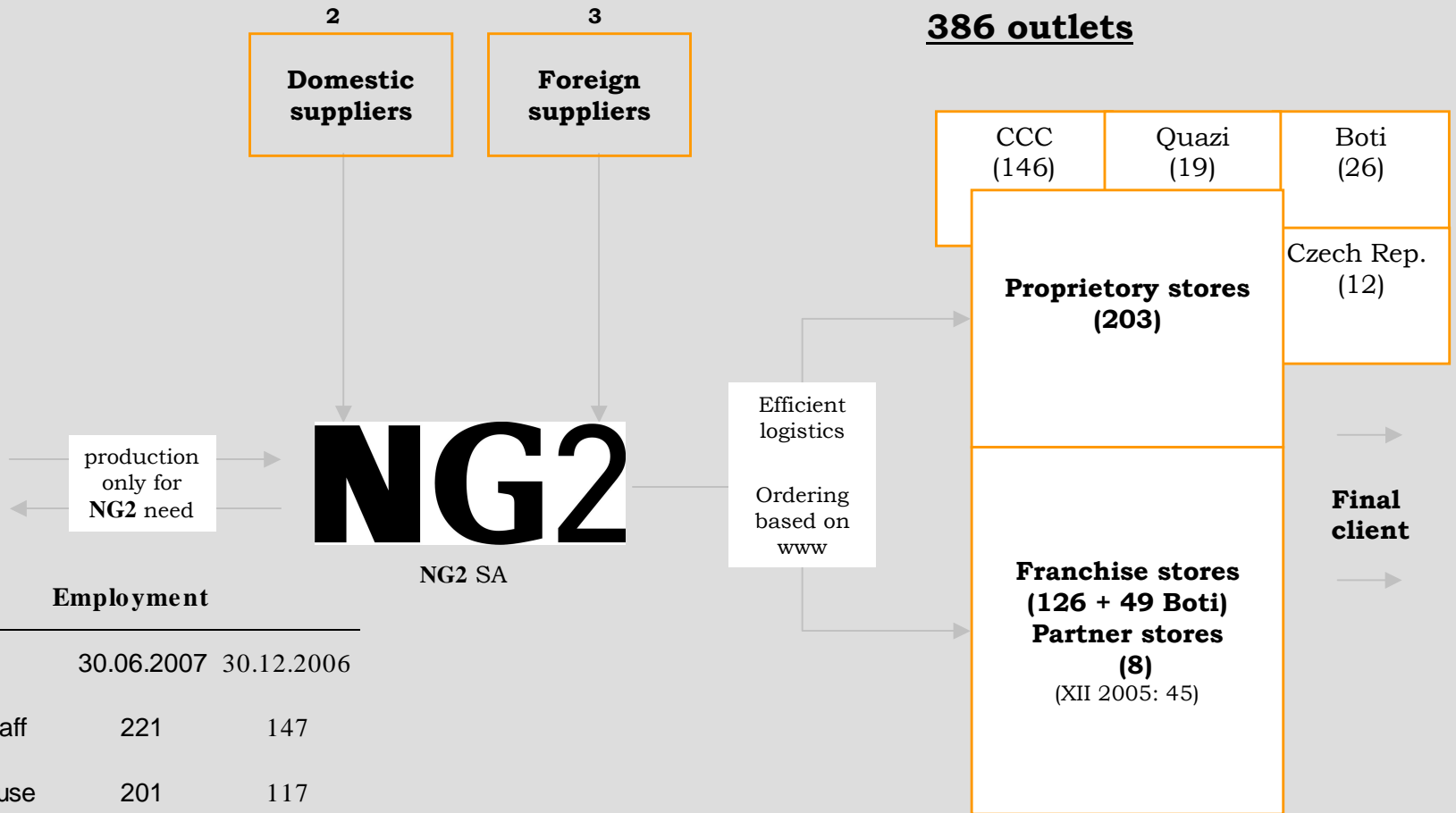
# History



# Operating structure of NG2 Group as of 30.06.2007



- 1
- In-house manufacturing
- Flexibility of supplying
- Tax advantages



## Employment

	30.06.2007	30.12.2006
Office staff	221	147
Warehouse	201	117
Stores	1876	1535
<b>Total</b>	<b>2298</b>	<b>1799</b>

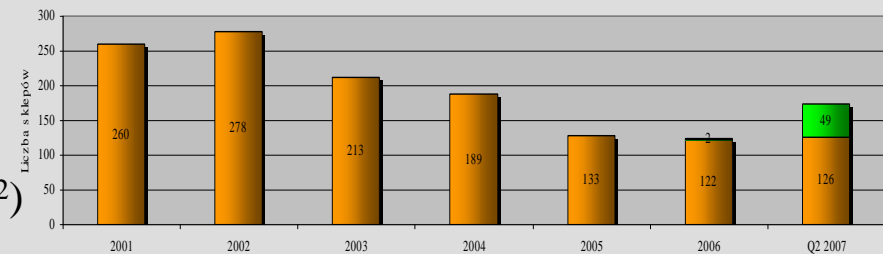


# Distribution chain – franchise & partner stores



- **183 franchise and partner shops**
  - ◆ 126 franchised shops
  - ◆ 8 partner shops
- slightly smaller average shop area (appr.190 m<sup>2</sup>)
  - ◆ 49 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 most of franchised locations (mainly in shopping centres), that generated over 50 % sales of franchised network (lease costs reimbursed with 2% margin)

Number of franchised & partner locations  
2001- Q2 2007

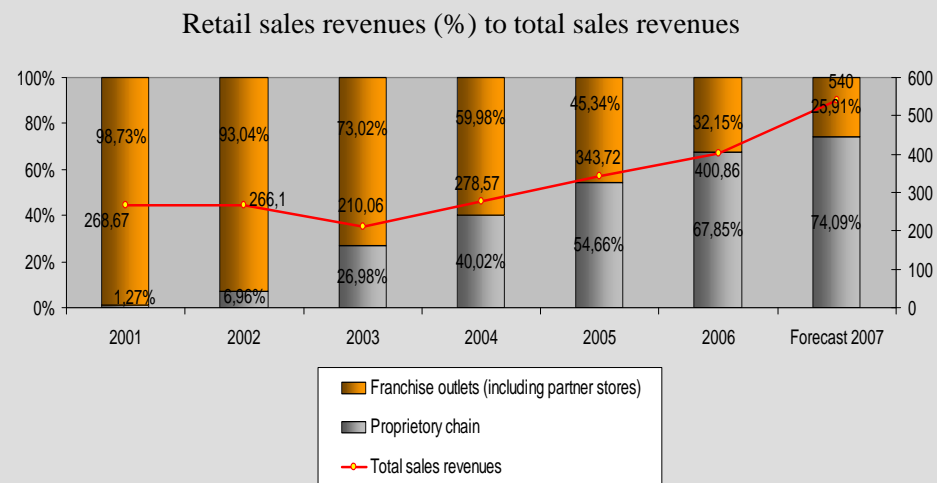
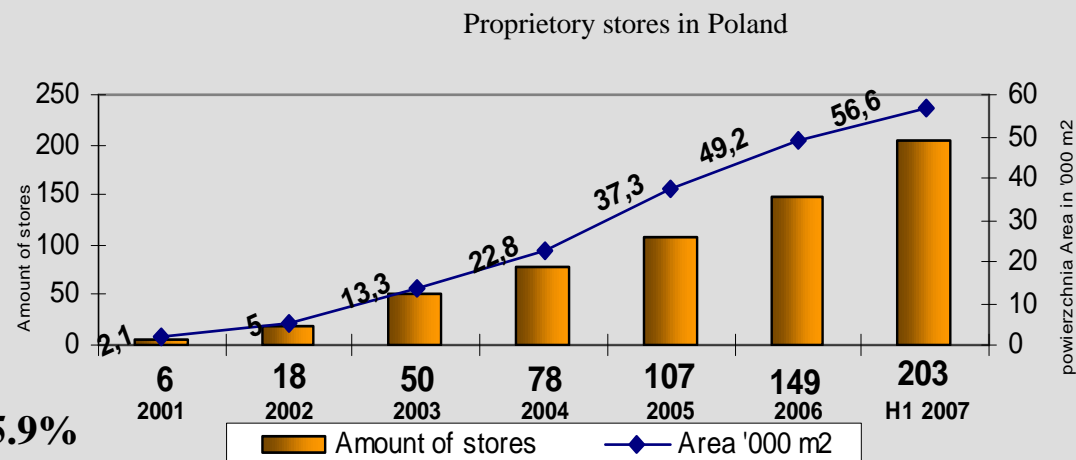


Optimising of franchised network



# Distribution chain – proprietary stores

- **203 proprietary stores**
  - ✦ 146 CCC stores
- average area about 300 m<sup>2</sup>
  - ✦ 19 boutiques of new line **QUAZI**
  - ✦ 26 shops of new brand **BOTI**
  - ✦ 12 stores in **Czech Republic**
- Established on leased locations
- Generating average retail margin of **55.9%**



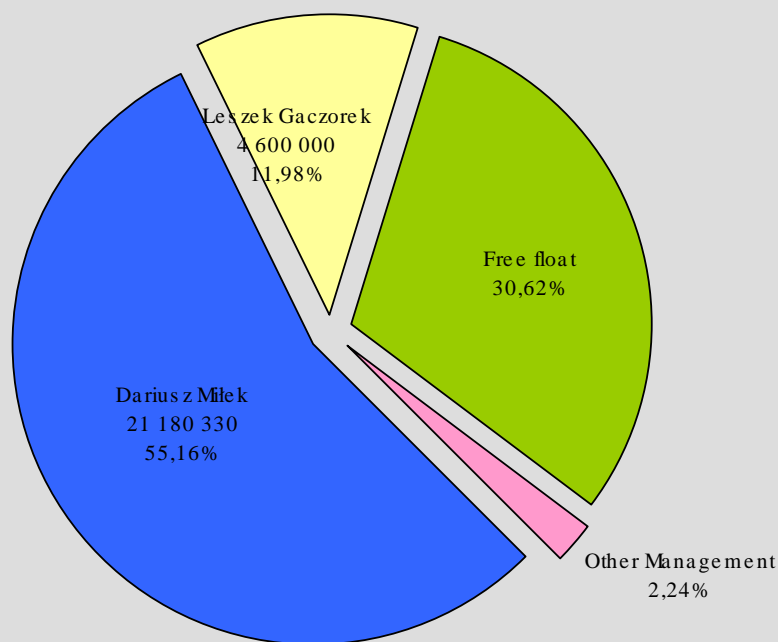
● Układ towaru w salonie wg marek

● Marki grupują asortyment wg ceny i jakości –instrument segmentacji klienta

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# Structure of Shareholders

- In November 2004, NG2 S.A. joined the stock market and with the day of 2<sup>nd</sup> December 2004 is quoted at the Warsaw Stock Market
- The principal shareholder and the founder of NG2 Group is Mr Dariusz Miłek, 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

**NG2 S.A.**

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