CONSOLIDATED FINANCIAL STATEMENTS
for the 1st quarter of 2008 ending 31 March 2008

NOTES
to the Consolidated Quarterly Report for the 1st quarter of 2008

1. General information

Statement of compliance

These financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) and related interpretations published by way of regulations of the European Commission.

Presentation of Financial Statements

The NG2 S.A. Capital Group presents its financial statements for the 1st quarter of 2008 beginning 1 January 2008 and ending 31 March 2008 and comparable financial data for the similar period of 2007.

The financial statements were prepared with the assumption that the NG2 S.A. Capital Group will continue as a going concern in the foreseeable future. There are no circumstances indicating threats to the Group's continuing as a going concern.

The parent company prepares and publishes the consolidated financial statements of the Capital Group.

General information concerning the Issuer and the Capital Group

As at 31 March 2008 the NG2 Capital Group consisted of:

a) parent company NG2 S.A. with its registered seat in Polkowice;
b) subsidiary undertakings:
   - CCC FACTORY Sp. z o.o. with its registered seat in Polkowice;
   - CCC BOTY CZECH s.r.o. with its registered seat in Prague (the Czech Republic);
   - Continental Trust Fund No. 968.

NG2 S.A. holds a 100% share in the capitals of the aforementioned undertakings and 100% share in the total number of votes of the Companies.
The Continental Trust Fund does not prepare financial reports as it is not required by U.S. law. Whereas, the Fund, as a Trustee, shall confirm in writing, any time it is demanded to do so by the Beneficiary, the type of assets under trust fund. The valuation of assets is effected according to regulations applicable in the Beneficiary's state, i.e. according to Polish regulations.

Functional and reporting currency

The functional currency of the parent Company and the reporting currency in the financial statements shall be PLN. The data presented are expressed as thousands PLN.

2. Relevant accounting standards

The financial statements were drawn up according to the IFRS in force as at 31 March 2008 and according to the historical cost model with the exception of financial instruments which were measured at fair value. The NG2 S.A. Capital Group shows economic events in the financial statements according to their economic substance.

Basis for consolidation

The consolidated financial statements consist of the statement of the parent company NG2 S.A. and statements of the subsidiary undertakings.

The subsidiary undertakings are subject to consolidation in the period from the Group's acquisition of control up to the termination of the control.
The CCC FACTORY Sp. z o.o. subsidiary started to be controlled from 01.06.2004, and CCC BOTY CZECH s.r.o. from 01.01.2005.
Therefore, the consolidated financial statements include:

- data pertaining to CCC Factory Sp. z o.o. for the period from 01.01.2008 up to 31.03.2008 and similar data for the period from 01.01.2007 up to 31.03.2007;
- data pertaining to CCC BOTY CZECH s.r.o. for the period from 01.01.2008 up to 31.03.2008 and similar data for the period from 01.01.2007 up to 31.03.2007;

Any transactions, balances, income and costs between the related undertakings under consolidation are subject to consolidation eliminations.

The NG2 S.A. Capital Group draws up the profit and loss account in the multiple-step variant. The value of income from the sale of goods and materials are set against the value of the goods and materials sold at the acquisition or purchase price and the costs of manufacture of products sold as well as selling (commercial) costs and overheads.

<u>Income from sales</u>

The item of income from the sale of goods and materials includes the income from the sale of goods and materials earned during normal business operations (i.e. income from sale of goods, materials, finished products minus rebates, VAT and other sale-related taxes).
The item of income from sales includes also profits/losses on fair valuation of settled derivative instruments which hedge future cash flows in that part which constitutes effective hedge.

<u>Value of goods and services sold</u>

The item of "value of goods and materials sold" presents:

- value of goods sold as at the moment of handing them over to the recipient at the acquisition price;
- value of packaging released for sale;
- return of goods according to customers' complaints;
- direct costs (particularly materials and labour) and indirect production costs connected with the manufacturing of finished products and rendering of services;
- revaluation write-offs for stock;
- impairment write-offs on fixed assets and intangible assets used in the production of goods or while providing services (amortization and depreciation of production machinery);
- profits/ losses on factoring transactions;

Other operating income

Other operating income include income from business activities other than the basic operating activities of the Capital Group's undertakings. This items comprises mainly:

- profit from sale of tangible fixed assets, including recoveries from the liquidation of fixed assets;
- profit from sale of intangible assets;
- reimbursement of costs by the insurer;
- state subsidies received and other donations;
- charging expired or extinct receivables to income;
- release of unused reserves;
- fines and penalties imposed;
- recognized unsettled excess of tangible assets and cash assets;
- other operating income.

Cost of sales

Cost of sales includes the cost of maintaining shops and other sales outlets. This item includes mainly:

- amortization and depreciation of fixed assets;
- amortization and depreciation of intangible assets;
- cost of outsourcing;
- cost of remuneration;
- other costs;
- revaluation write-offs for trade receivables.

Overheads

Overheads include the cost of managing the whole business activity of the NG2 S.A Capital Group and overheads of the companies of the Capital Group.

Other operating costs

Other operating costs include the costs of the business other than the basic operating activities of the undertakings. This item includes mainly:

- losses from sale of tangible assets and liquidation costs;
- losses from sale of intangible assets;
- write-offs for fixed assets under construction, including those with no economic effect;
- costs of maintenance of investment real estate;
- donations provided;
- charging expired and extinct receivables to costs;
- establishing reserves for disputable cases, penalties, damages, and other directly connected with the operating activities;
- fines and penalties paid;
- unintentional shortages of assets and act-of-god damage (relative to tangible assets, tangible working assets, money assets);
- other operating costs;

Other investment profits and losses

Other investment profits and losses include:

- interest income from bank deposits;
- decrease of the fair value of investments held for trading due to the sale of the investments;
- decrease of the fair value of financial assets held for trading held until the balance sheet date;
- profit from sale of financial assets available for sale;
- profit from foreign exchange differences only on liabilities relative to the sources of financing the business activities of the undertaking;
- other investment profits and losses;

Financial costs

The item of financial costs shows the costs of financing the business activities of the undertaking, in particular:

- current account credit interest and bank credit and loan interest;
- interest on financial lease contracts liabilities;
- loss on trading of derivative instruments;
- loss from foreign exchange differences only on liabilities relative to the sources of financing the business activities of the undertaking.

The companies comprising the Capital Group perform the valuation of off-balance items in the following manner:

Tangible assets

Tangible assets are shown at the acquisition price or cost of manufacture minus any possible impairment write-offs. Land is not subject to amortization and depreciation.

Fixed assets under construction are presented in the balance sheet at the cost of manufacture minus depreciation and impairment write-offs. External financing costs are recognized as period cost in the profit and loss account.

Plant and machinery and other fixed assets are presented in the balance sheet at historical cost minus depreciation and impairment write-offs.

Amortization commences once the assets are accepted for use and are amortized according to the principles adopted. Amortization is written off by the linear method by estimating the useful life of a particular asset, i.e.:

- buildings	- from 10 up to 20 years
- plant and machinery	- from 5 up to 15 years
- means of transport	- from 5 up to 10 years
- other tangible assets	- from 5 up to 10 years

Fixed assets under financial lease contracts were recognized in the balance sheet alongside other fixed assets and are subject to depreciation according to the same principles.

Intangible assets

The companies apply the historical cost model to all items within particular types of assets. The (initial) cost minus depreciation and impairment write-offs. The method of amortization of intangible assets is analogous to the amortization of tangible assets.

It is assumed that the useful life of intangible assets is not longer than 20 years from the moment at which a particular asset is usable. Amortization of intangible assets is provided on a straight-line basis.

Intangible assets made by an undertaking on its own are not recognized as assets and the outlays on production thereof are debited to the profit and loss account in the year in which they were borne.
If events or changes in circumstances indicate that the carrying value of intangible assets may not be recoverable, they are reviewed for any possible impairment.

Patents and Trademark
Patents and trademarks are recognized in the balance sheet at acquisition price minus depreciation through the straight-line method for their useful life and minus depreciation write-offs, if any. The amortization period is 5 years.

Stocks
Stocks are recognized at the lower of acquisition price (or cost of manufacture) and net selling price. Depreciation of stocks down to the net selling price is generally effected through revaluation write-offs, as regards the stocks which have become obsolete. If circumstances which caused the depreciation of stocks cease to exist, an opposite operation is performed, i.e. restoration of the value of the stocks.
The profit and loss account includes:

- book value of stocks sold in the period in which income from sale was credited;
- write-off of stocks to the net selling price in the period in which the write-off was made.

Revaluation write-offs adjust the cost of goods sold.
The FIFO method is applied to all stocks of similar type and purpose.

Loans and receivables
Trade receivables with general maturity period from 30 up to 180 days are recognized at the amount invoiced originally.
Other receivables are recognized at amount due.
Receivables are recognized at nominal value adjusted for relevant revaluation write-offs. Receivables are revaluated allowing for the likelihood of them being paid.
Loans as at the balance sheet date are recognized at adjusted acquisition price and estimated with the use of effective interest rate.
Receivables revaluation write-offs are classified as cost of sales.

Cash and cash equivalents
Cash is recognized at nominal value, but the cash deposited in bank accounts includes also capitalized interest added to the bank account balance.
Interest accrued on deposits of the Company Social Benefits Fund increases the Fund, in other cases it constitutes the Company's financial income.
Foreign currencies deposited in the undertakings' currency account and paid out in the year are recognized at the exchange rate on the date of the transaction (at the exchange rate applied by the bank which maintains the account).

Derivative instruments
In order to ensure protection from financial risks connected with changes in exchange rates, forward and option contracts are employed. Derivative instruments are not used for speculation purposes.
Derivative instruments (forwards, options) are entered in the account books as at the execution date at fair value of the value of assets received.
As at the balance sheet date futures are recognized at fair value measured reliably.

Deferred expenditure
The companies of the NG2 S.A. Capital Group recognize deferred expenditure if it pertains to future reporting periods. The companies' deferred expenditure is effected according to the principle of

commensurability, which allows to ensure commensurability of income and related costs. This allows to avoid the distortion of the financial results for particular reporting periods.
Deferred expenditure is recognized if it pertains to future reporting periods. Minor or irrelevant expenditure, even if it relates to several reporting periods, is not deferred but charged directly to costs when incurred.
The companies recognize accrued expenditure in the amount of probable liabilities relating to the current reporting periods.
Liabilities recognized as accrued expenditure and the principle of its evaluation result from the generally recognized business practice.

Equity
Equity is recognised in the account books broken down by type and according to principles as stipulated by law and the statute.
Equity types:
- share capital of the Company is recognized at the value laid down in the statute and court register;
- capital reserves made up of the surplus of the sale value over the nominal value of shares minus the issue costs;
- other capitals due to reclassification of profit or loss brought forward to be covered;
- retained financial result.

Corporate income tax
The mandatory tax burden on financial results comprises the current tax (CIT) and deferred tax.
The current tax is calculated on the basis of the tax-related result for a particular reporting period.
The tax burden is measured on the basis of tax rates in force in a given fiscal year.
Deferred tax is calculated as a tax payable or refundable in the future in relation to the differences between the carrying values of assets and liabilities and related tax values used to calculate the tax base.

Income tax reserve
Deferred tax reserves are established in the amount of income tax to be paid in the future due to temporary differences, i.e. such differences which will result in the increase of the base for estimating the income tax in the future. The reserves are estimated subject to income tax rates in force in the year in which the tax liability arose.

Deferred income tax assets
Deferred income tax assets are established in the amount which will presumably be deducted from income tax with regard to negative temporal differences which will result, in the future, in reducing the income tax base and a deductible tax loss determined in a conservative manner.

Other reserves
The companies of the NG2 S.A. Capital Group establish reserves for:
- anticipated returns and complaints;
- future pension benefits and anniversary awards;
- unused employee leaves;
- pending court proceedings.

The amount with which a reserve is established should be the best estimate of outlays required to meet the present liability as at the balance sheet date. The estimates of the financial result and effect are determined through the judgement of the management of the company, supplemented by experience of similar transactions and - in some cases - reports of independent experts.

Reserves should be reviewed at each balance sheet date and adjusted in order to reflect the current best estimate. If it is no longer likely that an outflow of resources with economic benefits will be required to meet the liability, then the reserve is released.
A reserve for anticipated returns and complaints concerning goods sold in the last financial year is established as an estimate of an average of returns based on historical data.
With calculations made for several periods and thanks to the experience gained, the Companies calculate the average index of complaints for the previous periods. The variable which indicates any possible returns on sales and which influences the value of any possible complaints expresses the value of income from sales for those months to which the returns apply. The return-on-sales index for the previous months is calculated by dividing the value of returns by income from sales for the period to which a given complaint applies.
A reserve is appropriately adjusted in the next periods by increasing or releasing such a reserve, depending on the income from sales.
A reserve for future pension benefits and anniversary awards is established on the basis of actuarial calculation.
A reserve for unused annual leaves is calculated as the product of all the unused days of an annual leave and the average remuneration per day in the companies of the Capital Group.

Credits and loans

Credits and loans are recognized at acquisition value corresponding to the fair value of cash received minus costs connected with obtaining a credit or loan.

Trade liabilities and other

Liabilities include the balance of all liabilities connected with the purchase of goods and services for the operating activities, including the purchase of works from domestic and foreign providers.
Trade liabilities are recognized in the account books at the amount due.

Employee benefits liabilities

Such liabilities include remunerations, social and health insurance, and also liabilities relative to the Labour Fund and the Guaranteed Employment Benefit Fund, the Company Social Benefits Fund.

Income tax related liabilities

Income tax related liabilities include the Company's corporate and personal income-tax related liabilities towards the state budget.

Lease contracts

As of the beginning of a lease contract period the Companies recognize financial lease contracts in the balance sheet as assets and liabilities amounting to the fair value of an item established as at the date of the beginning of the lease contract or amounting to the present value of the minimal lease rent established as at the date of the beginning of the lease contract, provided that it is lower than the fair value. The present value of the minimal rents is calculated with the use of a discounted interest rate being the lease interest rate, if it is possible to determine. Otherwise, the marginal interest rate of the leaseholder is applied. The leaseholder's initial direct costs increase the amount recognized as an asset.

Foreign currency transactions

Initial valuation

Business operations denominated in foreign currencies are recognized in the account books as at the date of their execution at buying and selling rates applied by the bank servicing the companies, as regards the operations of buying and selling currencies and paying liabilities or receivables.
Regardless of the fact whether cash expressed in foreign currency was credited to the company's bank domestic currency account or foreign currency account, it is valuated at:

- buying rate of the bank servicing the company if foreign receivables are credited to the account;
- selling rate of the bank servicing the company if foreign currencies are purchased.

Outgoings from the domestic bank account is valuated at:

- buying rate of the bank servicing the company if foreign liabilities are satisfied;
- buying rate of the bank servicing the company if foreign currencies are sold.

In the case of:

- importing or exporting goods and materials and investment goods – they are valuated at the rate set out in the SAD document (or other valid document);
- importing or exporting services, purchase of rights, and financial assets (shares in other undertakings and securities purchased) – they are valuated at the average rate established by the National Bank of Poland as at that date;
- intra-Community transactions – at the average rate established by the National Bank of Poland as at the transaction date (date of issuing of an invoice).

Balance sheet valuation
As at the balance sheet date assets and liabilities, denominated in foreign currencies and recognized in the account books as at that date, are valuated at the average exchange rate published by the National Bank of Poland for a particular currency as at that date.

Since 01.01.2007 the Companies apply the accounting method of settling exchange differences.

Events occurring after the balance sheet date
The companies adjust amounts shown in the financial statements to recognize the events that occur after the balance sheet date and which must be adjusted.
The NG2 S.A. Capital Group does not adjust amounts shown in the financial statements to reflect such events occurring after the balance sheet date which are referred to as "requiring no adjustments".

3. Information on adjustments for reserves and revaluation write-offs for assets

In the NG2 Capital Group's consolidated balance sheet prepared as at 31.03.2008 the liabilities include reserves for liabilities in the amount of PLN 4,324,000 and include:

- reserve for deferred income tax	PLN 611,000
- reserve for service under guarantee	PLN 1,161,000
- reserve for employee benefits	PLN 1,006,000
- reserve for auditing the balance sheet	PLN 111,000
- other reserves	PLN 1,435,000

Movements in reserves for liabilities in the period from 01.01. - 31.03.2008 are as follows:

As at 31.12.2007	PLN 4,332,000
Establishing reserves 01.01. - 31.03.2008	PLN 348,000
Releasing reserves 01.01. - 31.03.2008	PLN 356,000
As at 31.03.2008	PLN 4,324,000

In the NG2 Capital Group's consolidated balance sheet prepared as at 31.03.2008 the assets include deferred income tax assets in the amount of PLN 4,023,000.

Movements in income tax assets in the period from 01.01 - 31.03.2008 are as follows:

As at 31.12.2007	PLN 3,423,000
Establishing reserves 01.01. - 31.03.2008	PLN 779,000
Releasing reserves 01.01. - 31.03.2008	PLN 179,000
As at 31.03.2008	PLN 4,023,000

In NG2's separate balance sheet prepared as at 31.03.2008 the liabilities include reserves for liabilities in the amount of PLN 2,426,000 and include:

- reserve for deferred income tax	PLN 546,000
- reserve for service under guarantee	PLN 1,086,000
- reserve for employee benefits	PLN 746,000
- reserve for auditing the balance sheet	PLN 84,000

Movements in reserves for income tax in the period from 01.01 - 31.03.2008 are as follows:

As at 31.12.2007	PLN 2,792,000
Establishing reserves 01.01. - 31.03.2008	PLN 0,000
Releasing reserves 01.01. - 31.03.2008	PLN 330,000
As at 31.03.2008	PLN 2,462,000

In the NG2's separate balance sheet prepared as at 31.03.2008 the assets include deferred income tax assets in the amount of PLN 2,294,000 and include:

Movements in income tax assets in the period from 01.01 - 31.03.2008 are as follows:

As at 31.12.2007	PLN 2,354,000
Establishing asset 01.01. - 31.03.2008	PLN 119,000
Releasing reserves 01.01. - 31.03.2008	PLN 179,000
As at 31.03.2008	PLN 2,294,000

4. Short description of important achievements or failures of the issuer in the reporting period and a list of the most important related events

The NG2 Capital Group's achievements of the 1st quarter 2008 include, in particular:

- increase of income from sales by 33.1% in comparison with the 1st quarter of 2007;
- increase of operating profit by 28.6% in comparison with the 1st quarter of 2007;
- increase of net profit by 55.4% in comparison with the 1st quarter of 2007;
- strengthening the reputation of the Company and further development of the chain of CCC, QUAZI, BOTI showrooms.

As at 31 March 2008 the retail network of the NG2 Capital Group had 495 sales outlets, i.e.:

- 181 showrooms of the CCC brand (138 showrooms as at 31.03.2007);
- 25 QUAZI boutiques (16 boutiques as at 31.03.2007);
- 84 own BOTI shops (18 shops as at 31.03.2007);
- 15 branded showrooms in the Czech Republic (11 showrooms as at 31.12.2006);
- 179 franchise chain shops, including 80 BOTI shops (126 CCC and 26 BOTI as at 31.03.2007);
- 11 CCC agency showrooms.

The sales area in the own facilities located domestically increased up to 73,500 sq.m (52,900 sq.m as at 31.03.2007), i.e. by 38.9% in comparison with the 1% increase of the area of franchise shops (from 29,400 sq. m as at 31.03.2007 up to 29,700 sq. m as at 31.03.2008).

5. Description of factors and events, especially of extraordinary nature, having a material effect on the financial results

In the reporting period no unusual circumstances occurred having a material effect on the financial results.

6. Explanations on the seasonal and periodical nature of the issuer's activity in the presented period

As far as the companies of the NG2 Capital Group, their selling and production activity may be regarded as being of seasonal nature.
The seasonal nature of sales of the NG2 Capital Group is significant as it is the case for the whole clothing and shoe industry. There are two basic periods with the highest sales, i.e. second and fourth quarter annually. Moreover, during the year sales are very much dependent upon weather conditions which may disturb the seasonality schedule, hastening or delaying the better or worse sales periods.
Seasonality of production is a derivative of: 1) seasonality of sales; 2) production profile. CCC Factory specializes in autumn, spring and summer shoes and, therefore, must, in sufficient advance and before the sales peak, produce adequate number of shoes in order to provide branded showrooms with the products. The sales peak is during the first and third quarters, and the period of decreased production and maintenance break usually takes place in July.

7. Information on the issuance, redemption and repayment of debt securities and equity securities

Not applicable.

8. Information on dividends paid (or declared) per share in total, separately for ordinary shares and preferential shares

Not applicable.

9. Events that occurred after the date of preparing the condensed quarterly financial statements and which were not recognized in these statements but which may materially affect the future results of the issuer

After the date as at which the statements are prepared no events occurred that may affect the future financial results.

10. Consequences of changes in the structure of the business unit, also as a result of merger of business units, acquisition or sale of undertakings of the capital group, long-term investments, division, restructuring and discontinuance of business operations

Not applicable.

11. Information on changes in contingent liabilities or assets that have occurred since the end of the previous financial year

Changes in contingent liabilities and assets are presented in the table below (in thousands PLN).

	31.03.2008	31.12.2007	31.03.2007
1) Guarantees and warranties received	32,935	32,935	33,173
total receivables	***32,935***	***32,935***	***33,173***
1) customs guarantees	8,500	8,500	8,500
2) other guarantees	20,620	19,540	16,499
3) security established	6,270	5,640	5,640
total liabilities	***35,390***	***33,680***	***30,639***

According to the agreement concluded by and between the bank Bank Handlowy w Warszawie S.A. and our enterprise under which the bank finances our distribution channels, we have granted a warranty to the bank amounting to PLN 6,270,000. That warranty is recognized as an off-balance (contingent) liability towards the bank.

12. Financial highlights comprising basic items of the condensed financial statements

CONSOLIDATED FINANCIAL HIGHLIGHTS	in thousands PLN		in thousands PLN	
	period from 2008-01-01 up to 2008-03-31	period from 2007-01-01 up to 2007-03-31	period from 2008-01-01 up to 2008-03-31	period from 2007-01-01 up to 2007-03-31
highlights pertaining to consolidated financial statements				
I. Net income from the sale of goods and materials	138,866	104,307	39,036	26,702
II. Operating profit (loss)	20,377	15,841	5,728	4,055
III. Gross profit (loss)	18,021	14,025	5,066	3,590
IV. Net profit (loss)	17,110	11,010	4,810	2,819
V. Net operating cash flows	(36,952)	(38,827)	(10,387)	(9,940)
VI. Net investment cash flows	(22,728)	(5,533)	(6,389)	(1,416)
VII. Net financial cash flows	58,389	44,663	16,413	11,434
VIII. Total net cash flows	(1,291)	303	(363)	78
IX. Total assets	431,013	301,978	122,245	78,041
X. Liabilities and reserves for liabilities	217,048	107,320	61,560	27,735
XI. Long-term liabilities	1,446	4,352	410	1,125
XII. Short-term liabilities	215,602	102,968	61,150	26,610
XIII. Equity	213,965	194,658	60,686	50,306
XIV. Initial capital	3,840	3,840	1,089	992
XV. Number of shares (pcs.)	38,400,000	38,400,000	38,400,000	38,400,000
XVI. Profit (loss) per ordinary share (in PLN/EUR)	0.45	0.29	0.13	0.07
XVII. Diluted profit (loss) per ordinary share (in PLN/EUR)	0.45	0.29	0.13	0.07
XVIII. Book value per share (in PLN/EUR)	5.57	5.07	1.58	1.31
XIX. Diluted book value per share (in PLN/EUR)	5.57	5.07	1.58	1.31
XX. Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

FINANCIAL HIGHLIGHTS	in thousands PLN		in thousands PLN	
	period from 2008-01-01 up to 2008-03-31	period from 2007-01-01 up to 2007-03-31	period from 2008-01-01 up to 2008-03-31	period from 2007-01-01 up to 2007-03-31
highlights pertaining to consolidated financial statements				
I. Net income from the sale of goods and materials	138,985	103,901	39,069	25,598
II. Operating profit (loss)	18,686	14,271	5,253	3,653
III. Gross profit (loss)	16,427	12,592	4,618	3,224
IV. Net profit (loss)	13,815	9,579	3,883	2,452
V. Net operating cash flows	(5,589)	(43,316)	(1,571)	(11,089)
VI. Net investment cash flows	(35,789)	(3,182)	(10,060)	(815)
VII. Net financial cash flows	44,576	44,592	12,530	11,415
VIII. Total net cash flows	3,198	(1,906)	899	(488)
IX. Total assets	380,450	279,186	107,905	72,150
X. Liabilities and reserves for liabilities	192,349	99,538	54,555	25,724
XI. Long-term liabilities	1,317	1,391	374	359
XII. Short-term liabilities	191,032	98,147	54,181	25,364
XIII. Equity	188,101	179,648	53,350	46,427
XIV. Initial capital	3,840	3,840	1,089	992
XV. Number of shares (pcs.)	38,400,000	38,400,000	38,400,000	38,400,000
XVI. Profit (loss) per ordinary share (in PLN/EUR)	0.36	0.25	0.10	0.06
XVII. Diluted profit (loss) per ordinary share (in PLN/EUR)	0.36	0.25	0.10	0.06
XVIII. Book value per share (in PLN/EUR)	4.90	4.68	1.39	1.21
XIX. Diluted book value per share (in PLN/EUR)	4.90	4.68	1.39	1.21
XX. Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

13. Information on applying average exchange rates of PLN, published by the National Bank of Poland, in the period reported in the financial statements and comparable financial data in relation to EUR

Financial period	Average exchange rate in the period	Minimal exchange rate in the period	Maximal exchange rate in the period	Exchange rate as at the last day of the period
01.01 – 31.03.2008	3.5574	3.5204	3.6577	3.5258
01.01 – 31.03.2007	3.9063	3.8270	3.9385	3.8695

Financial data converted to EUR in the following manner:
- particular assets and liabilities at average exchange rates published by the National Bank of Poland as at 31.03.2008 and 31.03.2007;
- particular items of the profit and loss account and cash flow statement at exchange rates being the arithmetic mean of average exchange rates published by the National Bank of Poland as at the last day of each finished month in the following reporting periods: 01.01.2008 - 31.03.2008 and 01.01.2007 – 31.03.2007.

14. Opinion of the Management Board on the possibility to realize the earlier published forecasts concerning results for a given year in the light of the results shown in the quarterly report in comparison with the forecast results

No forecast for 2008 was published.

15. Shareholders holding, directly or through subsidiary undertakings, 5% of the total of number of votes at the General Meeting of the issuer at the date of submitting the quarterly report

Shareholder	Number of shares held	% share in the initial capital	Number of votes at the General Meeting	% share in the votes at the General Meeting
Dariusz Miłek	21,470,330	55.91%	26,220,330	58.14%
Leszek Gaczorek	4,600,000	11.98%	6,350,000	14.08%
ING Towarzystwo Funduszy Inwestycyjnych S.A.	2,471,833	6.44%	2,471,833	5.48%

16. Specification of the issuer's shareholding or rights thereto (options) held by the issuer's managing and supervising persons as at the date of submitting the quarterly report, and information on movements in the shareholding from the submission date of the previous quarterly report separately for each of the persons

According to the issuer's knowledge, the managing and supervising persons' shareholding is as follows:

Title/position/name	Shares held as at the submitting of the QSr –I/2008 report	Shares held as at the submitting of the QSr –IV/2007 report
President – Dariusz Miłek	21,470,330	21,470,330
Vice-president – Lech Chudy	220,000	220,000
Vice-president – Mariusz Gnych	120,000	120,000

On 10 and 21 January 2008, Mr Dariusz Miłek purchased 290,000 shares in the Company in total, which was shown in the current report 4/2008 of 11.01.2008 and current report 7/2008 of 23.01.2008.

According to the issuer's knowledge, the Chairman and members of the Supervising Board hold no shares of the Company.

17. Proceedings pending before courts, arbitration or public administration bodies

The companies of the NG2 Capital Group are not a party in any court proceedings where the value of the claim exceeds 10% of the Company's equity

18. Information on one or more transactions concluded by the issuer or its subsidiary with related undertakings if the value of such transactions (total value of all the transactions concluded in the period from the beginning of the financial year) exceeds the equivalent, expressed in PLN, of 500,000 EUR – if they are not typical and routine transactions

On 28.01.2008 the issuer was granted a loan from CCC Factory Sp. z o.o. amounting to PLN 14,500,000. The loan was granted on market terms without a fixed maturity period.

19. Information on granting by the issuer or its subsidiary credit and loan sureties, or guarantees

Not applicable

20. Information which, according to the issuer, is essential for the assessment of the HR, property and financial status, financial result and changes thereof, as well as information which is necessary for the assessment of the ability to satisfy liabilities to the issuer

The financial statements include basic information which is necessary to assess the standing of the NG2 Capital Group. According to the Management Board, there are currently no threats to the Group's meeting its liabilities.

21. Factors which, according to the issuer, will affect the results achieved by the issuer within at least one month

According to the issuer, the basic factors which will affect the results achieved in the near future are as follows:

1) sales volume achieved and margin realized;
2) continuing dynamic development of the retail network of NG2;
3) weather conditions;
4) foreign exchange rates.

22. Statement by business and geographical segments

The basic division is a division by business segments. There are three industry segments in the Group:

- **wholesale**
- **retail**
- **services (tenancy)**

Type of goods and services in each of the business segments reported.

1. Segment: wholesale

In this segment NG2 S.A. and CCC Factory Sp. z o.o. sell shoes to wholesale customers.

2. Segment: retail

In this segment NG2 S.A. and CCC BOTY CZECH s.r.o. sell shoes to its own retail network.

3. Segment: services

In this segment NG2 S.A. sub-lets facilities (sales outlets) within the franchise network.

The NG2 S.A. Capital Group does not apply the division by geographical segments, because the international sales segment did not reach the appropriate 10% thresholds as laid down in IFRS 14.

1Q 2008	Retail	Wholesale	Tenancy services	Unallocated items	Group
Income from sales	90 122	44 919	3,825		138,866
Cost of sales	(37,350)	(26,549)	(3,530)	(750)	(68,179)
Gross profit from sales	52,772	18,370	295	(750)	70,687
Cost of sales and overheads	(45,366)	(2,204)		(4,086)	(50,666)
Other operating income (cost) - (balance)				356	356
Operating profit	8,232	16,330	295	(4,480)	20,377
Financial income (cost) - (balance)				(2,356)	(2,356)
Profit before tax					18,021
Income tax					(911)
Net profit					17,110

1Q 2007	Retail	Wholesale	Tenancy services	Unallocated items	Group
Income from sales	63,268	37,848	3,191		104,307
Cost of sales	(28,165)	(22,244)	(3,032)	(427)	(53,868)
Gross profit from sales	35,103	15,604	159	(427)	50,439
Cost of sales and overheads	(28,651)	(2,092)		(3,704)	(34,447)
Other operating income (cost) - (balance)				(151)	(151)
Operating profit	6,452	13,512	159	(4,282)	15,841
Financial income (cost) - (balance)				(1,816)	(1,816)
Profit before tax					14,025
Income tax					(3,015)
Net profit					11,010

Reclassification of comparable amounts

The companies of the Capital Groups changed the business segments reclassifying in 2008:

- cost of sales
- overheads

Previously, cost of sales not directly connected with the cost incurred by own sales outlets was recognized in the "wholesale" segment. In 2008 costs generated by organizational units operating within particular segments were allocated with the use of an allocation key. The costs of the organizational units not linked with the separate segments ware included in the unallocated items.
The overheads of CCC Factory Sp. z o.o. were shown in the "wholesale" segment. In 2008 overheads were allocated with the use of an allocation key to the "retail" and "wholesale" segments.
Comparable data were presented according to new rules.

SIGNATURE OF THE PERSON AUTHORIZED TO KEEP ACCOUNT BOOKS		
Edyta Banaś	Chief Accountant	

SIGNATURES OF ALL THE MEMBERS OF THE MANAGEMENT BOARD		
Dariusz Miłek	President of the Management Board	
Lech Chudy	Vice-president of the Management Board	
Mariusz Gnych	Vice-president of the Management Board	

Polkowice, this 15th day of May 2008