



INTERIM CONDENSED  
FINANCIAL STATEMENT  
OF NG2 S.A.  
FOR 01.01.2009 – 30.06.2009

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*Interim condensed financial statement of the NG2 S.A. for the 1H of 2009.  
Amounts presented in thousands PLN, unless otherwise specified*

**Interim Balance sheet of NG2 S.A.**

<b>INTERIM BALANCE SHEET NG2 S.A.</b>	notes	as of 2009-06-30	as of 2008-12-31	as of 2008-06-30
<b>Non-current assets</b>				
Other Intangible assets	3	1 022	1 110	1 241
Property, land and equipment	4	127 511	117 459	89 620
Non-current investments		34 042	34 427	34 813
Long-term receivables		203	233	263
Differed income tax asstes		1 540	3 637	3 347
<b>Non-current assets Total</b>		<b>164 318</b>	<b>156 866</b>	<b>129 284</b>
<b>Current assets</b>				
Inventories	5	242 684	225 018	180 036
Trade and other receivables		121 712	109 996	109 484
Cash and cash equivalentents		11 119	8 316	4 831
<b>Total current assets</b>		<b>375 515</b>	<b>343 330</b>	<b>294 351</b>
<b>Total assets</b>		<b>539 833</b>	<b>500 196</b>	<b>423 635</b>
<b>Equity</b>				
Share capital		3 840	3 840	3 840
Share premium		74 586	74 586	74 586
Other capital reserves		139 718	95 584	95 584
Retained profit /(deficit)		(1 033)	(5 538)	(5 538)
Net profit / (loss)		26 469	87 039	40 877
<b>Total equity</b>		<b>243 580</b>	<b>255 511</b>	<b>209 349</b>
<b>Long-term liabilities</b>				
Interest bearing loans and borrowings	6	90 000	12 500	17 500
Deferred tax provisions		491	683	821
Retirement benefits and jubilee awards liabilities		908	908	565
Long-term lease liabilities	8	109	166	183
<b>Total long-term liabilities</b>		<b>91 508</b>	<b>14 257</b>	<b>19 069</b>

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**Short-term liabilities**

Trade and other account payable		138 594	125 610	96 454
Current income tax payable		2 437	10 904	6 293
Current lease payable	8	56	69	63
Interest bearing loans and borrowings	6	62 483	92 148	91 697
Short-term provisions	7	1 175	1 697	710
<b>Total short-term liabilities</b>		<b>204 745</b>	<b>230 428</b>	<b>195 217</b>

<b>Total equity and liabilities</b>		<b>539 833</b>	<b>500 196</b>	<b>423 635</b>
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**Interim off balance sheet items**

<b>INTERIM OFF BALANCE SHEET ITEMS NG2 S.A.</b>	as of 2009-06-30	as of 2008-12-31	as of 2008-06-30
<b>I. RECEIVABLES</b>	<b>40 450</b>	<b>25 650</b>	<b>32 935</b>
<b>1. Contingent receivables</b>			
1.1. From related parties			
1.2. From other undertakings			
<b>2. Other receivables</b>	<b>40 450</b>	<b>25 650</b>	<b>32 935</b>
2.1. From other undertakings	<b>40 450</b>	<b>25 650</b>	<b>32 935</b>
- guarantees and warranties received	40 450	25 650	32 935
<b>II. LIABILITIES</b>	<b>63 607</b>	<b>39 082</b>	<b>36 026</b>
<b>1. Contingent liabilities</b>			
1.1 To related parties			
1.2 To other undertakings			
<b>2. Other liabilities</b>	<b>63 607</b>	<b>39 082</b>	<b>36 026</b>
2.1. To related parties			
2.2. To other undertakings (relative to)	<b>63 607</b>	<b>39 082</b>	<b>36 026</b>
- custom guarantees	22 500	8 500	8 500
- other guarantees	29 837	24 312	21 256
- security established	11 270	6 270	6 270
<b>Off balance sheet items Total</b>	<b>104 057</b>	<b>64 732</b>	<b>68 961</b>

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**Interim statement of comprehensive income of NG2 S.A.**

<b>INTERIM STATEMENT OF COMPREHENSIVE INCOME OF NG2 S.A.</b>	Note no.	from 2009-01-01 to 2009-06-30	from 2008-01-01 to 2008-06-30
Sales revenue		398 106	321 527
Cost of sales		(208 481)	(156 353)
<b>Gross profit on sales</b>		<b>189 625</b>	<b>165 174</b>
Other operating income		15 452	5 816
Selling costs		(159 908)	(107 890)
General and administrative costs		(1 489)	(1 132)
Other operating expenses		(6 201)	(6 258)
<b>Operating profit</b>		<b>37 479</b>	<b>55 710</b>
Financial income		461	58
Financial expenses		(4 713)	(5 107)
<b>Profit before tax</b>		<b>33 227</b>	<b>50 661</b>
Corporate income tax		(6 758)	(9 784)
Net loss from abandoned activities			
<b>Net profit</b>		<b>26 469</b>	<b>40 877</b>
<b>Other total profits:</b>			
Currency translation differences		-	-
<b>Total profits</b>		<b>26 469</b>	<b>40 877</b>
<b>Profit attributable to:</b>			
- shareholders		26 469	40 877
- minority interest			
<b>Earning per share:</b>	2		
Basic and diluted		0,69 zł	1,06 zł

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**Interim statement of changes in equity of NG2 SA**

<b>Statement of changes in equity of NG2 SA</b>	Share capital	Share premium	Revaluation reserve	Other capitals	Retained profit / (deficit)	Net profit / (loss)	Total Equity
1 January 2008	3 840	74 586	276	52 728	<b>42 856</b>	-	<b>174 286</b>
Adjustments for errors	-	-	(276)	-	(5 538)	-	(5 814)
<b>1 January 2008 after adjustments</b>	<b>3 840</b>	<b>74 586</b>	<b>0</b>	<b>52 728</b>	<b>37 318</b>	-	<b>168 472</b>
<b>Comprehensive income for the period ended 30 June 2008</b>	-	-	-	-	-	<b>40 877</b>	<b>40 877</b>
Distribution of profits / (loss)	-	-	-	42 856	(42 586)	-	<b>0</b>
<b>30 June 2008</b>	<b>3 840</b>	<b>74 586</b>	<b>0</b>	<b>95 584</b>	<b>(5 538)</b>	<b>40 877</b>	<b>209 349</b>

<b>Statement of changes in equity of NG2 SA</b>	Share capital	Share premium	Revaluation reserve	Other capitals	Retained profit / (deficit)	Net profit / (loss)	Total Equity
1 January 2008	3 840	74 586	276	52 728	<b>42 856</b>	-	<b>174 286</b>
Adjustments for errors.	-	-	(276)	-	(5 538)	-	(5 814)
<b>1 January 2008 after adjustments</b>	<b>3 840</b>	<b>74 586</b>	<b>0</b>	<b>52 728</b>	<b>37 318</b>	-	<b>168 472</b>
<b>Comprehensive income for the period ended 31 December 2008</b>	-	-	-	-	-	<b>88 072</b>	<b>88 072</b>
Distribution of profit / (loss)	-	-	-	42 856	(42 586)	-	<b>0</b>
<b>30 June 2008</b>	<b>3 840</b>	<b>74 586</b>	<b>0</b>	<b>95 584</b>	<b>(5 538)</b>	<b>88 072</b>	<b>256 544</b>

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<b>Statement of changes in equity of NG2 SA</b>	Share capital	Share premium	Revaluation reserve	Other capitals	Retained profit / (deficit)	Net profit / (loss)	Total Equity
1 January 2009	3 840	74 586	0	95 584	<b>82 534</b>	-	<b>256 544</b>
Total basic error adjustments	-	-	-	-	(1 033)	-	(1 033)
<b>1 January 2009 after adjustments</b>	<b>3 840</b>	<b>74 586</b>	<b>0</b>	<b>95 584</b>	<b>81 501</b>	0	<b>255 511</b>
<b>Total profits for the period ended at 30 June 2008</b>	-	-	-	-	-	<b>26 469</b>	<b>26 469</b>
Reclassification of loss brought forward to be covered	-	-	-	(5 814)	<b>5 814</b>	-	<b>0</b>
Transfer of capital from revaluation	-	-	-	276	(276)	-	<b>0</b>
Distribution of profit/(loss)	-	-	-	49 672	(49 672)	-	<b>0</b>
Dividends paid	-	-	-	-	(38 400)	-	(38 400)
<b>30 June 2008</b>	<b>3 840</b>	<b>74 586</b>	<b>0</b>	<b>139 718</b>	<b>(1 033)</b>	<b>26 469</b>	<b>243 580</b>

**Interim cash flow of NG2 S.A.**

<b>CASH FLOW of NG2 S.A.</b>	from 2009-01-01 to 2009-06-30	from 2008-01-01 to 2008-06-30
Profit / (loss) before tax:	33 227	50 661
Total adjustments:	(52 256)	(54 744)
Share in profits of associates		
Depreciation and amortization	6 702	4 479
Loss of fixed assets value		
Loss of firm value		
Profit / (loss) on valuation of investing estates at fair value		
Allowance of firm negative value for income statement		
Profit / (loss) on derivative instruments valuation		(2 866)
Profit / (loss) on f/x differences		3
Interest and shares in profits		
Profit / (loss) on investments	352	402
Interest and dividends received, net	3 543	3 577
Change in provisions	(563)	(676)
Change in inventory position	(17 665)	(88 670)
Change in balance of receivables, net	(12 298)	(21 495)
Change in short-term liabilities, excluding borrowings	(16 646)	57 781
Change in deferred income	612	(809)
Net cash generated from operating activities		
Corporate income tax paid	(16 293)	(6 470)
Interest paid		
Other adjustments		
<b>Cash flow from operating activities</b>	<b>(19 029)</b>	<b>(4 083)</b>
<b>Cash flow from investing activities</b>		
Interest received		263
Dividends received from associates		
Dividends received from available-for-sale investments		
Disposal of investments as held for trading		
Disposal of investments as held for sale		
Disposal of subsidiaries		
Disposal of intangible assets		
Disposal of tangible fixed assets	66	35
Disposal of investing estates		
Purchase of investments as held for trading		
Purchase of investments as held for sale		
Purchase of subsidiary		
Purchase of intangible assets	25	1 096
Purchase of fixed assets	22 300	17 548
Purchase of investing estates		
Purchase of financial assets		
<b>Cash flow from investing activities</b>	<b>(22 259)</b>	<b>(18 346)</b>



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**Cash flow from financing activities**

Inflows from issue of ordinary shares, other capital instruments and capital surcharge

Proceeds from loans and advances	143 335	58 407
Issue of debt securities		
Interest received		
Dividends and other payments to shareholders		
Payments of loans and advances	95 500	31 000
Redemption of debt securities		
Payments of financial lease liabilities	201	31
Interest	3 543	3 840
Other financing outflows		
<b>Cash flow from financing activities</b>	<b>44 091</b>	<b>23 536</b>
<b>Total net cash flow</b>	<b>2 803</b>	<b>1 107</b>
Net increase (decrease) of cash and cash equivalents	2 803	1 107
Cash and cash equivalents at the beginning of the period	<b>8 316</b>	<b>3 724</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11 119</b>	<b>4 831</b>

## GENERAL INFORMATION

<b>Name of the company:</b>	NG2 Spółka Akcyjna
<b>Registered Office of the company:</b>	Polkowice
<b>Address:</b>	Strefowa St. 6, 59-101 Polkowice, Poland
<b>Telephone:</b>	( 0-prefix-76 ) 845 84 00
<b>Telefax:</b>	( 0-prefix-76 ) 845 84 31
<b>E-mail:</b>	<a href="mailto:ng2@ng2.pl">ng2@ng2.pl</a>
<b>Website:</b>	<a href="http://www.ng2.pl">www.ng2.pl</a>
<b>Registration:</b>	District Court of Wrocław – Fabryczna in Wrocław, IX Commercial Division of the National Court Register
<b>KRS:</b>	0000211692
<b>Regon [statistic number]:</b>	390716905
<b>NIP [Tax Identification Number]</b>	692-22-00-609
<b>Scope of business:</b>	According to the European Classification of Activities, the Issuer's core business is wholesale and retail trade services of clothing and footwear (ECA 5142).

### 1. The presentation of financial statements

The NG2 Group presents the interim condensed financial statements for 2009 beginning 1 January 2009 and ending 30 June 2009.

The interim condensed statement presented were prepared with accordance to IAS 34 and it should be read together with consolidated financial statement for the period 01.01.2008 -31.12.2008.

## NOTES

### 2. Profit per share

<b>Profits</b>	<b>30.06.2009</b>	<b>30.06.2008</b>
Net profit for a given year for the purpose of calculating profit per share subject to distribution between the shareholders of the parent undertaking	26 469	40 877
Profit recognized for the purpose of calculating diluted profit per share	<b>26 469</b>	<b>40 877</b>

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Number of shares issued	30.06.2009	30.06.2008
Weighted average of number of shares recognized for the purpose of calculating ordinary profit per share	38 400 000	38 400 000
Weighted average of number of shares recognized for the purpose of calculating diluted profit per share	<b>38 400 000</b>	<b>38 400 000</b>
<b>Profit per share</b>		
- basic	0,69 zł	1,06 zł
- diluted	0,69 zł	1,06 zł

In the reporting period there were no events affecting the diluted value of profit.

### 3. Intangible assets

	Patents and licences	Trademarks	Total
<b>GROSS AMOUNTS</b>			
As at 1 January 2008	465	137	602
Increase in the period 01.01. - 30.06.	974	102	1 076
Decrease in the period 01.01. - 30.06.			
<b>As at 30 June 2008</b>	<b>1 439</b>	<b>239</b>	<b>1 678</b>
As at 1 January 2009	1 283	357	1 640
Change from F/X differences	-	-	-
Increase in the period 01.01. - 30.06.	23	3	26
Decrease in the period 01.01. - 30.06.	0	0	0
<b>As at 30 June 2009</b>	<b>1 306</b>	<b>360</b>	<b>1 666</b>
<b>DEPRECIATION</b>			
As at 1 January 2008	249	93	342
Change from F/X differences	-	-	-
Depreciation in the period 01.01. - 30.06.	80	15	95
Adjustments of depreciation in the period 01.01. - 30.06.	0	0	0
<b>As at 30 June 2008</b>	<b>329</b>	<b>108</b>	<b>437</b>
As at 1 January 2009	437	93	530
Change from F/X differences	-	-	-
Depreciation in the period 01.01. - 30.06.	113	1	114
Adjustments of depreciation in the period 01.01. - 30.06.			
<b>As at 30 June 2009</b>	<b>550</b>	<b>94</b>	<b>644</b>
<b>NET AMOUNTS</b>			
<b>As at 30 June 2009</b>	<b>756</b>	<b>266</b>	<b>1 022</b>
<b>As at 31 December 2008</b>	<b>846</b>	<b>264</b>	<b>1 110</b>
<b>As at 30 June 2008</b>	<b>1 110</b>	<b>131</b>	<b>1 241</b>

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**4. Property, land and equipment**

	Lands, buildings, premises	Plant and machinery	Means of transport	Other	Tangible assets under construction	Total
<b>GROSS AMOUNT</b>						
<b>As at 1 January 2008</b>	<b>74 368</b>	<b>4 819</b>	<b>7 256</b>	<b>4 212</b>	<b>1 441</b>	<b>92 096</b>
Increase	3 832	935	250	1 540	17 118	23 675
Decrease	117	16	0	262	4 056	4 451
<b>As at 30 June 2008</b>	<b>78 083</b>	<b>5 738</b>	<b>7 506</b>	<b>5 490</b>	<b>14 503</b>	<b>111 320</b>
<b>As at 1 January 2009</b>	<b>109 642</b>	<b>6 024</b>	<b>7 385</b>	<b>6 626</b>	<b>13 953</b>	<b>143 630</b>
Change from F/X differences	-	-	-	-	-	-
<b>Increase (as a result of):</b>	<b>12 419</b>	<b>1 055</b>	<b>1 662</b>	<b>533</b>	<b>17 022</b>	<b>32 691</b>
-outlays in foreign facilities	12 396				17 022	29 418
- investments building of NG2	23					23
- purchase		924	1 662	533		3 119
- lease contracts		131				131
- revaluation						
<b>Decrease (as a result of):</b>	<b>400</b>	<b>453</b>	<b>373</b>	<b>66</b>	<b>15 564</b>	<b>16 856</b>
- liquidation	400	453		66		919
- sales			373			373
- write-off adjustments						
- investment completed					15 564	15 564
<b>As at 30 June 2009</b>	<b>121 661</b>	<b>6 626</b>	<b>8 674</b>	<b>7 093</b>	<b>15 411</b>	<b>159 465</b>
<b>DEPRECIATION AND IMPAIRMENT</b>						
<b>As at 01 January 2008</b>	<b>10 255</b>	<b>2 226</b>	<b>2 886</b>	<b>2 291</b>	<b>0</b>	<b>17 658</b>
Depreciaion in the period 01.07 - 31.07	2 987	399	712	285	0	4 383
Decrease as a result of sales or liquidation	63	16		262	0	341
<b>As at 30 June 2008</b>	<b>13 179</b>	<b>2 609</b>	<b>3 598</b>	<b>2 314</b>	<b>0</b>	<b>21 700</b>
<b>As at 01 January 2009</b>	<b>16 866</b>	<b>2 812</b>	<b>3 763</b>	<b>2 730</b>	<b>0</b>	<b>26 171</b>
Change from F/X differences	-	-	-	-	-	-
Depreciation and amortization in the period 01.01 - 30.06	4 834	488	750	517	0	6 589
Decrease as a result of sales or liquidation	116	294	340	56	0	806
<b>As at 30 June 2009</b>	<b>21 584</b>	<b>3 006</b>	<b>4 173</b>	<b>3 191</b>	<b>0</b>	<b>31 954</b>
<b>NET AMOUNT</b>						
<b>As at 30 June 2009</b>	<b>100 077</b>	<b>3 620</b>	<b>4 501</b>	<b>3 902</b>	<b>15 411</b>	<b>127 511</b>
<b>As at 31 December 2008</b>	<b>92 776</b>	<b>3 212</b>	<b>3 622</b>	<b>3 896</b>	<b>13 953</b>	<b>117 459</b>
<b>As at 30 June 2008</b>	<b>64 904</b>	<b>3 129</b>	<b>3 908</b>	<b>3 176</b>	<b>14 503</b>	<b>89 620</b>

## 5. Stocks

Movements in write-offs for stocks	30.06.2009	31.12.2008	30.06.2008
Opening balance at the beginning of the period	594	760	760
a) increase		79	79
b) decrease		245	
<b>Balance of write-offs for stocks at the end of period</b>	<b>594</b>	<b>594</b>	<b>839</b>

The value of established and released impairments of stocks constitutes the adjustment of selling costs of the current period.

## 6. Credits and loans

Long-term credits and loans	30.06.2009	31.12.2008	30.06.2008
Bank credit	90 000	12 500	17 500
	<b>90 000</b>	<b>12 500</b>	<b>17 500</b>

Credit which maturity is dated on 29th January 2012 was granted by ING Bank Śląski SA with WIBOR interest rate plus bank margin. According to the credit agreement the limit amounts to 50 000 000 PLN. The collateral was established on a fixed property and registered pledge on stocks.

Credit which maturity is dated on 9th March 2011 was granted by Bank Handlowy w Warszawie SA with WIBOR interest rate plus bank margin. According to the credit agreement the limit amounts to 60 000 000 PLN. The collateral was established on fixed property and registered pledge on stocks.

Short-term credits and loans	30.06.2009	31.12.2008	30.06.2008
Current account credit facility	62 483	14 148	31 697
Bank credit	-	78 000	60 000
	<b>62 483</b>	<b>92 148</b>	<b>91 697</b>

### The Company concluded credit loan agreements as follows

#### As at 30.06.2009

Bank	Company name	Subject matter of agreement	Limit available	Amount consumed	Expiry date	Financial terms	Security
BZ WBK S.A.	NG2 SA	Line of guarantee	10 000 PLN 4 200 EUR	20 385 PLN	31.03.2010	commision	Bail mortgage; registered pledge on stocks
Bank Handlowy w Warszawie SA	NG2 SA	Current account credit	40 000 PLN	37 524 PLN	09.03.2010	WIBOR + margin	Bail mortgage; registered pledge on stocks
Bank Handlowy w Warszawie SA	NG2 SA	Line of guarantee	20 000 PLN	9 451 PLN	09.03.2010	commision	Bail mortgage; registered pledge on stocks
Bank Handlowy w Warszawie SA	NG2 SA	Limit on Paylink cards	6 230 PLN	5 627 PLN	09.03.2010	WIBOR + margin	Seruty
Bank Millennium SA	NG2 SA	Current account credit	5 000 PLN	4 968 PLN	22.09.2009	WIBOR + margin	Registered pledge on stocks

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Societe Generale	NG2 SA	Line of guarantee	10 000 PLN	0 PLN	Undefined	commision	None
Alior Bank	NG2 SA	Line of guarantee	5 000 PLN	0 PLN	Undefined	commision	None

Terms of the agreements concluded are not vary from market terms for agreements of this type.

**As at 31.12.2008**

Bank	Company name	Subject matter of agreement	Limit available	Amount consumed	Expiry date	Financial terms	Security
BZ WBK SA	NG2 SA	Current account credit	30 000 PLN	9 179 PLN	31.03.2009	WIBOR + margin	Bail mortgage; registered pledge on stocks
BZ WBK SA	NG2 SA	Revolving credit facility	50 000 PLN	50 000 PLN	31.03.2009	WIBOR + margin	Bail mortgage; registered pledge on stocks
BZ WBK SA	NG2 SA	Line of guarantee	20 000 PLN	17 915 PLN	31.03.2009	Margin	Bail mortgage; registered pledge on stocks
ING Bank Śląski S.A.	NG2 SA	Current account credit	20 000 PLN	16 000 PLN	15.01.2009	WIBOR + margin	Mortgage for an amount up to a cap
Bank Handlowy w Warszawie S.A.	NG2 SA	Passive balance	-	12 PLN	-	Passive balance	-
Bank Handlowy w Warszawie S.A.	NG2 SA	Line of guarantee	8 000 PLN	6 982 PLN	29.05.2009	Margin	Mortgage for an amount up to a cap; pledge on stocks
Bank Handlowy w Warszawie S.A.	NG2 SA	Limit on Paylink cards	7 230 PLN	6 235 PLN	09.03.2010	WIBOR + margin	Surety
Bank Millennium S.A.	NG2 SA	Current account credit	5 000 PLN	4 956 PLN	22.09.2009	WIBOR + margin	Pledge on stocks
Societe Generale	NG2 SA	Line of guarantee	10 000 PLN	6 011 PLN	Undefined	Margin	None

Terms of the agreements concluded are not vary from market terms for agreements of this type.

**7. Provisions**

	Provision for warranty repairs	Total
<b>As at 30 June 2008</b>	<b>710</b>	<b>710</b>
<b>As at 31 December 2008</b>	<b>1 697</b>	<b>1 697</b>
Provisions formed		
Provisions released	522	522
Provisions consumed		
<b>As at 30 June 2009</b>	<b>1 175</b>	<b>1 175</b>
Provisions for one year	1 175	1 175

#### 8. Finance lease contract liabilities

	Minimum lease rents		
	30.06.2009	31.12.2008	30.06.2008
Financial lease contracts liabilities due:	165	235	246
within one year	56	69	63
Within two or five years	109	166	183
After five years	-	-	-
	165	235	246
Decreased by future interest:			
Present value of future liabilities	<b>165</b>	<b>235</b>	<b>246</b>
Less amount due within 12 months (recognized in short-term liabilities)	56	69	63
Liabilities due after 12 months	109	166	183

The Company uses office equipment according to the finance lease agreement with purchase option. Future minimum leasing payments contractually and present value of minimum leasing payments are presented in the table above.

Every leasing liability is denominated in Polish currency.

#### 9. Operating lease contract liabilities

Expected minimum payments on account of operating lease deprived of a possibility for earlier termination are as follows:

	30.06.2009	30.06.2008
Within one year	128 860	76 800
Within two or five years	644 300	384 000
After five years	128 860	76 800
<b>Total</b>	<b>902 020</b>	<b>537 600</b>

In case of numerous shops (particularly located in shopping centers) rent payments consist of two components: fixed payment and conditional payment dependent on revenues of a shop. Conditional payment usually hesitate between 5% and 7% of shops revenues.

The Company is also a party In a subleasing agreement according to the principles of operating lease. Income on account of subleasing payments according to the principles of operating lease for period of 6 months in 2009 and 2008 areas follows:

	30.06.2009	30.06.2008
Income from operating sublease	8 082	9 338

**10. Transactions with related undertakings**

		Sale to related undertakings	Purchase from related undertakings	Receivables from related undertakings	Liabilities to related undertakings
<b>Capital related undertakings</b>					
	30.06.2009	55	34 319	1	29 560
CCC Factory Sp. z o.o.	31.12.2008	209	104 007	7	36 522
	30.06.2008	149	50 620	16	16 306
	30.06.2009	14 767	550	31 552	192
CCC Boty Czech s.r.o.	31.12.2008	23 838	993	24 312	90
	30.06.2008	11 421	25	17 253	
<b>Personaly related undertakings</b>					
	30.06.2009	7			
MGC INWEST Sp. z o.o.	31.12.2008	329			
	30.06.2008	321		134	
<b>Managing persons and persons fulfilling managing responsibilities</b>					
Mitek Dariusz	30.06.2009.				21 180
Gaczorek Leszek	30.06.2009				4 200
Chudy Lech	30.06.2009				220
Gnych Mariusz	30.06.2009				120
Fenrich Wojciech	30.06.2009				17

**11. Contingent receivables and liabilities.**

NG2 recognizes contingent receivables on account of bills of exchange being the collateral for settlement of contractor receivables involved by franchising agreements.

NG2 SA reports contingent liabilities on account of:

- guarantees established on the customs warehouse managed by the parent company. Guaranties concern collateral of customs receivables.
- guarantees established on signed tenancy agreements of places used by the parent company for the retail economic activity.
- collaterals granted for franchisers using Paylink credit from Bank Handlowy w Warszawie SA.
- collaterals granted for CCC Factory in regard to credit agreement

The value of conditional receivables and liabilities was announced in interim consolidated off balance sheet positions.

**12. Adjustments of previous periods**

	Data presented in SA-PSr 2008 statement	Adjustment
Sales revenues	339 165	(7 638)
Costs of sales	(157 735)	7 638
Gross profit on sales	0	0



Due to the fact that presented adjustments did not have an influence to the balance sheet on 30.06.2008, the comparable data have not been presented on that day.

The issuer on 30th September 2008 conveyed periodical report SA-PSr 2008 containing the profit and loss account showing an individual item "sales revenues" at amount of 329 165 000 PLN and "cost of sales" at amount of (163 991 000) PLN. As a result of changes made in presented operations concerning re-invoiced rent payments for franchisers, the adjustments have been made to exclude sales income and costs of sales at amount of 7 638 000 PLN. The adjustments have a neutral influence on net result.

The dominant company made adjustments on stocks and liabilities from goods in transit identified on delivery terms set on purchase operations:

	30.06.2009	31.12.2008	30.06.2008
Stocks	22 799	22 275	21 227
Trade liabilities	22 799	22 275	21 227

Moreover, the Company has made adjustments in the current financial result and in previous years to amount of 1 033 000 PLN as a result of turnover rent costs related to income counted and invoiced in the period following the period concerning settlement.

With regard to the adjustment which concerns year 2008, the comparable data concerning reporting period which ended 30.06.2008 have not been corrected.

The company have made following adjustments in presented below provisions and liabilities:

	30.06.2009	31.12.2008	30.06.2008
Long-term liabilities related to retirement benefits and jubilee awards	+909	+909	+565
Long-term provisions	- 869	- 869	-530
Short-term provisions	-3 373	-10 220	-5 083
Trade liabilities and other	+3 333	+10 180	+5 048
Short-term provisions	-3 373	-10 220	-5 083

### 13. ADDITIONAL INFORMATION

#### 13.1. 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 is expressed as thousands PLN.

#### 13.2. Relevant accounting standards

Accounting standards applied by entities of NG2 S.A. Group did not change in relation to those used in financial statement prepared for 31.12.2008.

#### 13.3. The new standard or interpretation with no prior use.

##### IFRS 8 „Operating segment”

IFRS 8 was issued by the International Accounting Standards Board (IASB) on 30.11.2006 and it is effective for annual periods beginning on or after 01.01.2009. IFRS 8 replaces IFRS 14 "Segment reporting". This standard defines new requirements referring to information concerning activity

segments, as well information concerning products and services, geographical regions in which business activity is conducted and main customers. IFRS 8 requires "management approach" referring to reporting about financial results of activity segments. The company will begin to execute the standard to events which fall within its regulations in case of their occurrence.

#### Alteration in IAS 23 "Borrowing costs"

Changes to IAS 23 were issued by the International Accounting Standards Board (IASB) on 29.03.2007 and it is effective for annual periods beginning on or after 01.01.2009. Alteration concerns accounting attitude to cost of external financing, which can be directly assigned to acquirement, engineering or production of asset which requires significant period of time to prepare it for declared usage or sale. Regarding this change the instant possibility to recognize these costs in profit and loss account of the period carrying mentioned-above costs was excluded. According to the new standard costs have to be capitalized. The Company will begin to execute this standard to economic events falling within this regulations in case of their occurrence.

#### IAS 1 (Z) „Presentation of Financial Statements"

The changed IAS 1 was issued by International Accounting Standards Board (IASB) on 29.09.2007 and it is effective for annual periods beginning on or after 01.01.2009. Introduced changes concern mainly presentation matters in frame of equity changes and their goal was to mend ability of financial statement users to analysis and comparing gathered information.

#### Alteration in IFRS 2 "Share-based payment"

The changed IFRS 2 was issued by International Accounting Standards Board (IASB) on 17.01.2008 and it is effective for annual periods beginning on or after 01.01.2009. The change in standards concerns two matters: it explains that conditions of purchase the rights are just only condition of providing services and conditions related to operating results of entity. Other features of the program of payment by shares are not conceded as a condition to acquire rights. The standard explains that recognition of the program cancelation by the entity or other transaction party should be the same. The company will begin executing the standard to events which fall within regulations in case of their occurrence.

#### Alterations in IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements"

Changed IAS 32 and IAS 1 were issued by International Accounting Standards Board (IASB) on 14.02.2008 and they are effective for annual periods beginning on or after 01.01.2009. Changes regard accounting attitude for some financial instruments which are in part similar to capital instruments but are classified as financial liabilities. According the new Standard requirements the financial instruments like financial instruments with sell option and instruments which levy on the company obligation to pay the share in net assets only in a situation of company liquidation after fulfilling particular conditions are presented as equity. The company will begin executing the standard in events falling within its regulations in case of occurrence.

#### Amendments in IFRS 2008

The International Accounting Standards Board issued "Amendments in IFRS" which change 20 standards. Amendments include changes in presentation, subsuming and valuation and include terminology and edition changes. Most of the changes obligates for annual periods beginning from 01.01.2009.

#### Alterations in IFRS 1 "First time Adoption of IFRS" and IAS 27 "Consolidated Financial Statements"

The changed IFRS 1 and IAS 32 were issued by International Accounting Standards Board (IASB) on 22.05.2008 and they are effective for annual periods beginning on or after 01.01.2009. Changes allow to use as a "hypothetical costs" the fair value or carrying value set according to current accounting principles for subsidiaries, affiliates and semi-subsidiaries in financial statement. Moreover, definition of cost method was deleted and replaced by the revenue identification rule according to dividends gained in financial statement. The change will have no effect on financial statement of the group.



IFRIC 12 „The agreement of the public services providing”

Interpretation of IFRIC 12 was issued by IFRIC (International Financial Reporting Interpretation Committee ) on 30.11.2006 and it is effective for annual periods beginning on or after 01.01.2008. This interpretation includes guidelines concerning usage of current standards by the entities which signed license agreement for services between public and private sector. IFRIC 12 concerns agreements in which customer controls which services operator will deliver by infrastructure, to who he provides these services and for how much. The standard has no effect on the group because subsidiaries do not provide public services.

IFRIC 13 „Customer Loyalty Programmes”

Interpretation of IFRIC 13 was issued by IFRIC on 27.06.2007 and it is effective for annual periods beginning on or after 01.01.2008. This interpretation include guidelines in frame of transaction recognition which conclude from implemented by the entity loyalty programmes for their customers, for instance loyalty cards and point programmes. Particularly FRIC 13 indicates the appropriate way of including liabilities as a result of need of free delivery or after the price reduction products or services to customers realizing gathered “points”. The standard has no effect on the Group business activity because subsidiaries do not conduct loyalty programmes.

IFRIC 14 „The ceiling for assets from particular benefits programme, minimum requirements on financing and their interactions”

Interpretation of IFRIC 14 was issued by IFRIC on 09.07.2007 and it is effective for annual periods beginning on or after 01.01.2008. This interpretation include general guidelines how to assess the level of surplus for the fair value of program assets above the current value of liabilities from the programme for particular benefits which could be recognized as an asset. Moreover, IFRIC 14, explains how the statutory or agreed requirements in frame of minimum financing may have an influence on the level of assets or liabilities from programme of particular benefits. This interpretation has no effect on the financial statement of the group.

Standards and interpretations which were implemented on 01.01.2009 did not have an effect on accounting standards applied by the Company, so the accounting standards used in preparing the current interim financial statement are identical to accounting standards used in preparing the financial statement for the year 2008 and the standards described there.

**13.4. Information on the nature and extent of any significant restrictions on the ability of subsidiaries to transfer funds to the parent, in the form of cash dividends to repay credit or loans.**

To the knowledge of the Management Board of the parent company, there are no significant restrictions on the ability of subsidiaries to transfer funds to the parent company.

**13.5. Explanations to seasonality or cyclicity of the Issuer’s economic activity in the reporting period.**

The seasonality of sales concerns NG2 SA. It’s the significant factor as it is in a whole branch of shoes and clothing. It is possible to point out two fundamental periods with the highest value of sales revenue: 2<sup>nd</sup> and 4<sup>th</sup> quarter. As well the whole year sales is strongly subordinated to weather conditions. They can disturb seasonality model by hastening or delaying periods of higher and lower sales.

### **13.6. Information on the total dividends paid (or declared) per share**

On the 29 June 2009 The General Meeting of Shareholders of the NG2 S.A. took the resolution concerning dividends payoff from net profit for the year of 2008 at the amount of 38,400 thousands PLN. The amount of dividend per share is equal to 1 PLN. The holder-of-record date were set to 28 September 2009. The day of dividend payment were set to 16 October 2009.

### **13.7. Events that occurred after the date of preparing the financial statement and which were not recognized in this statement but which materially affect the future result of the issuer.**

After the date of preparing the financial statement no events occurred that may affect the future financial result.

### **13.8. NG2 in the face of financial crisis**

The present worldwide liquidity crisis with its beginning in the medium of 2007 had its reponse in financing via capital market, decreasing liquidity level in finance sector and sometimes – increasing interest rate on inter-banking market and causing very strong fluctuation on stock market. Uncertainty on a global finance markets in USA, Western Europe, Russia and other countries brought bank insitutions and enforcement programmes for banking to collaps. There is no way to anticipate all effects of the present financial crisis either to secure completely against it.

#### **Influence on liquidity:**

The accesibility of credits drouped dramatically. These circumstances may affect the possibility of gaining new credits by the Group and refinancing current credits on terms concurrent with prior transactions

#### **Infulence on customers/credittakers(borrowers):**

The deterioration of liquidity situation may have harmull influence on wholesale recipients of the Group, which can have impact on ability of debt payments. Also the deterioration of business activity of customers may affect estimations of the management related to cash flow prognosis and valuation of depreciation of financial and non-financial assets. However it is advised to take into consideration fact that the wholesale doesn't form the core of the Company's revenue. The management adequately to accessibility of these information took into an account and revised the estimations on expected future cash flows in its valuation of deprecationd of assets.

The management is unable to reliably estimate the impact of possible further deterioration of liquidity on finance market, as well slightly higher uncertainty on currency markets and financial instruments on financial situation of the Company. The management is convinced that it undertakes every necessary step to support stability and economic development of the Company in the present circumstances.

### **13.9. Reporting segments**

**Operating segment identification.** NG2 S.A. separates two operating segments in its economic activity (retail activity, wholesale activity) according to MSSF8 "Operating segment". In these segments The Group conducts economic activity which acquire particular incomes and incur costs. The results of segments are regularly revised by CODM (personnel making the main operational decisions). Information concerning particular segments are also available.

**Retail segment.** Retail segment includes primarily shoe sale, shoe-care products and clothing articles. The sale is realized by NG2 S.A. and CCC BOTZ CZECH s.r.o. in their own shops on the Polish and Czech Republic territory and directed towards retail recipients. Retail sale is conducted by three retail brands: CCC, BOTI, QUAZI. According to the main principle of MSSF8, as well by dint of similar character of commodities (including shoes, shoe-care products, clothing articles), the way of good distribution and customer categories (sale realized in own shops and directed towards retail recipients), retail segment includes financial information together for CCC, BOTI, QUAZI.

**Wholesale Segment.** Wholesale segment concerns primarily shoes sale, shoe-care products, clothing articles, services, as well the value of production sold (including shoes). The sale is realized by the NG2 S.A. and CCC Factory Sp. z o.o. on the territory of Poland and is directed towards wholesale recipients (including sales realized by franchise shops CCC and BOTI) and foreign wholesale recipients. According to the main principle of MSSF8, as well by dint of similar character of commodities (including shoes, shoe-care products, clothing articles) and provided services (including transport service and reinvoices), the way of good distribution and customer categories (sale directed towards wholesale recipients), wholesale segment includes financial information together for all contractors.

The accounting principles concerning operating segments are the same as the accounting policy principles applied by NG2 S.A. to prepare financial statements. The company assesses their financial results of particular sections by profits and losses before taking into account tax burdens.

**Other disclosure concerning reportable segments.** Following positions do not occur: income from transactions between segments of the same entity, share of entity in profits or losses of affiliates and collective ventures and other than amortization essential non-cash positions.

I-VI 2009	Retail activity	Wholesale activity	Unattributed position	TOTAL
Sales revenue	325 897	72 209		398 106
Cost of sales	(154 298)	(53 390)	(793)	(208 481)
<b>Profit on sales</b>	171 599	18 819	(793)	189 625
Selling and administrative costs	(156 683)	(4 645)	(69)	(161 397)
Balance of other operating revenue and costs	390	8 861		9 251
<b>Operating income</b>	15 306	23 035	(862)	37 479
Balance of other financial revenues and costs	(3 106)	(1 146)		(4 252)
<b>Income before tax</b>	12 200	21 889	(862)	33 227
Corporate income tax				(6 758)
<b>Net profit</b>				26 469
<b>Net income presented in statement of comprehensive income</b>				26 469
<hr/>				
assets	312 581	116 383	110 869	539 833
Interest income	-	-	403	403
Interest cost	(2 610)	(921)	(12)	(3 543)
amortization	(5 153)	(228)	(1 321)	(6 702)

*Interim condensed financial statement of the NG2 S.A. for the 1H of 2009.  
Amounts presented in thousands PLN, unless otherwise specified*

I-VI 2008	Retail activity	Wholesale activity	Unattributed positions	TOTAL
Sales revenue	244 069	77 458		321 527
Cost of sales	(104 525)	( 50 413)	(1 415)	(156 353)
<b>Profit on sales</b>	139 544	27 045	(1 415)	165 174
Selling and administrative costs	(104 663)	(4 304)	(55)	(109 022)
Balance of other operating revenue and costs	(604)	162		(442)
<b>Operating income</b>	34 277	22 903	(1 470)	55 710
financial income and costs balance	(3 719)	(1 330)	-	(5 049)
<b>Income before tax</b>	30 558	21 573	(1 470)	50 661
Corporate income tax			(9 784)	(9 784)
<b>Net profit</b>				40 877
<b>Net profit presented in statement of comprehensive income</b>				<b>40 877</b>
<i>assets</i>	224 598	103 644	95 393	423 635
<i>interest income</i>			7	7
<i>Interest costs</i>	(2 492)	(1 040)	(308)	(3 840)
<i>amortization</i>	(3 069)	(132)	(1 278)	(4 479)

**Reclassification of comparable amounts**

The Group companies have made alterations in presenting the reporting segments, reclassifying:

- Selling costs
- Operating and financial incomes/costs

Heretofore the selling costs generated by organizational units working for particular segments were attributed by using the division key. The costs of organizational units not related to particular segment were shown in entry "unattributed". In 2009 the costs of these units were attached to reporting segments using the division key.

So far operating and financial income/cost balances were presented in position named "unattributed". In 2009 they were attributed to proper reporting segments by using the division key.

The comparable data were demonstrated according to the new rules.

**Disclosure of information concerning the entity.** The NG2 S.A. presents information about revenues from product sales and services sales for external customers in the frame work of reporting segments. The group of products (i.e. shoes, shoe-care products, clothing articles) is presented in retail and wholesale segment (due to the minority of sales share products other than shoes are not separately introduced). Therefore NG2 S.A. does not present separately data concerning income on products and services sale.

The company does not present in the financial statement information about incomes acquired from exterior customers categorized by regions, because of irrelevant incomes acquired from customers who have their head offices abroad.

In the financial statement the Company does not present information about fixed assets other than financial instruments, assets from deferred tax income, in categorized regions because the listed assets are located on the territory of the country in which the head office of the Company is located. In the financial statement The Company does not present information concerning major customers, due to fact that incomes gained from individual external customers do not reach 10 % of total incomes.

<b>SIGNATURE OF THE PERSON AUTHORIZED TO KEEP ACCOUNT BOOKS</b>		
Edyta Banaś	Chief Accountant	
<b>SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD</b>		
Dariusz Miłek	President of the Management Board	
Lech Chudy	Vice-President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

*Polkowice, 24 August 2009*