



MANAGEMENT BOARD'S REPORT
ON BUSINESS ACTIVITIES OF NG2 S.A.
FOR THE PERIOD FROM 01.01.2008 TO 31.12.2008

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1. About the Company

Issuer's Name:	NG2 Spółka Akcyjna
Issuer's Registered Office:	Polkowice
Address:	ul. Strefowa 6, 59-101 Polkowice
Telephone:	(0-prefix-76) 845 84 00
Fax:	(0-prefix-76) 845 84 31
E-mail:	ng2@ng2.pl
Web Site:	www.ng2.pl
Registration:	District Court for Wrocław–Fabryczna in Wrocław, 9 th Commercial Department of the National Court Register
KRS	0000211692
Regon	390716905
NIP	692-22-00-609
Scope of Business:	According to the European Classification of Activities, the Issuer's core business is wholesale and retail trade services of clothing and footwear (ECA 5142)

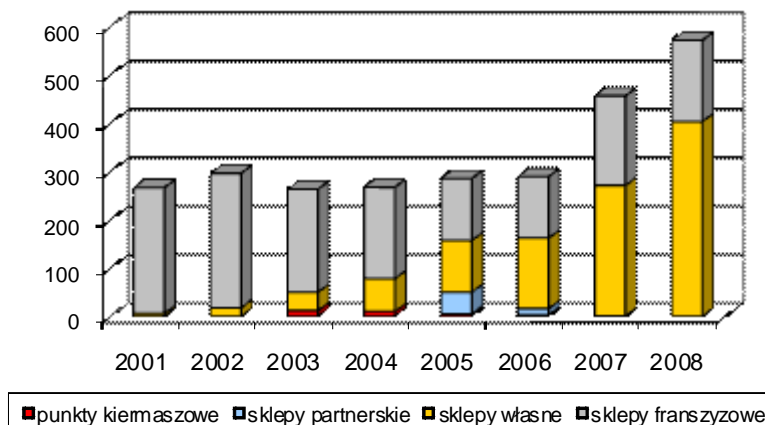
2. Overview of Main Economic and Financial Figures Disclosed in the Annual Financial Statements, with a Description of Factors and Events, including Atypical Ones, That Significantly Affect the Issuer's Business and Profits Generated by it or Losses Suffered During the Current Financial Year, as Well as an Overview of Prospects for Development of the Issuer's Business, at Least During the Incoming Financial Year.

At 31 December 2008, NG2 sales network consisted of 571 outlets, specifically:

- 228 CCC official stores (179 stores at 31.12.2007)
- 33 QUAZI boutiques (25 at 31.12.2007)
- 142 own BOTI shops (66 at 31.12.2007)
- 168 shops in the franchise chain – including 73 BOTI shops (114 CCC and 71 BOTI at 31.12.2007).

The sales space area in own outlets located across the country increased to 94,000 m² (71,200 m² at 31.12.2007), i.e., by 32.0%.

Figure 1 Historical Development of the Number of Shops in Poland.



[Legend: - fair outlets; - partnering shops; - own shops; - franchise shops]

To grow the number of own outlets is presently the main element of strategy of NG2 S.A. The fastest development enjoys the BOTI footwear chain. It grew by 76 own shops during 2008. The chain of CCC official stores was increased by 49 outlets and QUAZI by 8 exclusive boutiques.

The basic economic and financial figures and ratios are shown in tables below.

Table 1. Basic Economic and Financial Figures for NG2 S.A.

Item	2008 ('000 PLN)	2007 ('000 PLN)	Change %
Net sale revenue	748 113	530 645	40.98
Gross profit from sales	370 918	251 346	47.57
Operating profit (EBIT)	118 985	54 085	120.00
Gross profit	109 300	48 731	124.29
Net profit	88 072	37 042	137.76
Shareholder's equity	256 544	168 472	52.28
Liabilities and provisions	216 378	126 314	71.30
Non-current liabilities and long-term provisions	14 217	1 599	789.12
Current liabilities and short-term provisions	202 161	124 715	62.10
Fixed assets	156 866	106 842	46.82
Current assets	316 056	187 944	68.16
Inventories	197 744	91 366	116.43
Current receivables	109 996	92 854	18.46

During 2008, NG2 S.A. earned the sale revenue of PLN 748,113,000, i.e., 40.98% more than in the corresponding period of the previous year. The optimisation of supply sources and modification of the structure of distribution channels produced a better – than in the case of sale revenue – growth rate of gross profit from sales (47.57%). The favourable change trends at different levels of the profit and loss account led to the increase of profitability ratio, namely the net margin went up to 11.77% (68.62%).

At 31.12.2008, total assets and liabilities on the balance sheet of NG2 S.A. amounted to PLN 472,922,000. The balance sheet total grew by 60.4% when compared to the corresponding figure at 31.12.2007.

On the side of assets, that growth was mostly stimulated by the dynamic growth of current assets (68.16%), including inventories (116.43%). The increased volume of inventories is the effect of expansion of the sales network, the development of the retail chain in particular. The development of the sales network is also reflected in the increased level of fixed assets (46.82%) due to investments on opening retail outlets.

On the side of equity and liabilities, significant items include: increase of liabilities by 71.3%, specifically: current liabilities by PLN 77,446,000, non-current liabilities by PLN 12,618,000. The growth of liabilities is due to the increased use of loan capital in funding of NG2 S.A.'s operations.

Table 2. Profitability Ratios

Item	2008 (%)	2007 (%)	Change %
Gross margin	49.58	47.37	4.67
EBIT margin	15.90	10.19	56.04
Pre-tax margin	14.61	9.18	59.15
Net margin	11.77	6.98	68.62
Return on assets (ROA)	18.62	12.57	48.13
Return on equity (ROE)	34.33	21.99	56.12

Definitions:

- a) **Gross margin** – gross profit on sales to sales;
- b) **EBIT margin** – operating profit to sales;
- c) **Net margin** – net profit to sales;
- d) **Pre-tax margin** – pre-tax profit to sales;
- e) **Return on assets (ROA)** – net profit to average assets;
- f) **Return on equity (ROE)** – net profit to average equity.

The profitability ratios grew over the reporting period.

Table 3. Liquidity Ratios

Item	2008	2007	Change %
Current ratio	1.56	1.51	3.31
Quick ratio	0.59	0.77	-23.38
Inventory turnover (days)	140	99	41.41
A/R turnover (days)	49	61	-19.67
A/P turnover (days)	45	28	60.71

Definitions:

- a) **Current ratio** – total current assets to current liabilities and short-term provisions;
- b) **Quick ratio** – total current assets less inventories to current liabilities and short-term provisions;
- c) **Inventory turnover** – average inventory to COGS multiplied by number of days in the period;
- d) **A/R turnover** – average trade receivables and other receivables to sales multiplied by number of days in the period;
- e) **A/P turnover** – average trade payables to COGS multiplied by number of days in the period.

The current ratio grew on 2007 and remains at a satisfactory level. The increase of inventories in 2008 contributed to the reduction of the quick ratio when compared to the figure for 2007.

Table 4. Debt and Asset Financing Ratios

Item	2008 (%)	2007 (%)	Change %
Share of own funds in financing of current assets (%)	81.17	89.64	-9.45
Fixed assets to equity ratio	163.54	157.68	3.72
Total debt ratio	45.75	42.85	6.77
Long-term debt ratio	3.01	0.54	457.41
Short-term debt ratio	42.75	42.31	1.04
Debt to equity ratio	84.34	74.98	12.48

Definitions:

- a) **Share of own funds in current assets** – equity to current assets;
- b) **Fixed assets to equity ratio** – fixed assets divided by equity;
- c) **Total debt ratio** – total liabilities and provisions to total assets;
- d) **Long-term/ short-term debt ratio** – non-current/ current liabilities and short-term/ long-term provisions, as appropriate, to balance sheet total;
- e) **Debt to equity ratio** – total liabilities and provisions at the end of period to shareholder's equity.

In the opinion of the Management Board of NG2 S.A., the Company is able to satisfy its obligations easily.

In 2009, the Management Board of NG2 S.A. is going to continue the strategy of strengthening its position in the fragmented retail footwear market at home and, at the same time, maintain the high level of profitability. Under that strategy, NG2 S.A. has plans to expand the network of its own points of sale by occupying new attractive locations in shopping centres and by foreign expansion. By the end of 2009, NG2 S.A. plans to open the following in Poland: 32 own CCC official stores, 12 QUAZI boutiques offering more expensive footwear and 75 own shops in the BOTI chain.

3. Description of Material Risk Factors and Threats and Identification of the Degree of the Issuer's Exposure to Them.

In the opinion of the Management Board, NG2 S.A. is affected by the following factors in its business operations:

1. Internal factors:
 - Strengthening of its own sale network. By the end of 2009, NG2 S.A. plans to open the following in Poland: 32 own CCC official stores, 12 QUAZI boutiques offering more expensive footwear and 75 own shops in the BOTI chain.
 - Activities aimed at enhancement of brand awareness and brand value. Appropriate advertising and promotional instruments, interior decoration of shops and presence in prestigious locations should stimulate the gradual improvement and enhancement of the image of brands owned by NG2 S.A.

2. External factors:

- Level of foreign exchange rates. Since virtually all revenue is earned by NG2 S.A. in PLN and the majority of costs are incurred in foreign currencies, the exchange rates of USD and EUR (virtually all of the Issuer's imports are denominated in those currencies, likewise a large share of the costs of space lease), they will affect the cost structure, the change of supply sources, if any, and the disclosure of foreign exchange differences in the profit and loss account. Since China is the main supply market for NG2 S.A., the exchange rate of the Chinese currency to the main world currencies is also of importance. Its appreciation might deteriorate the conditions of import. Some costs caused by exchange rate fluctuations may be shifted onto consumers.
 - Change of interest rates. NG2 S.A. is exposed to the risk of interest rate changes in connection with its loan facility agreements. Those facilities bear interest at a WIBOR-based floating interest rate. Any increase of interest rates will affect the amount of interest paid by NG2 S.A. under loan facilities.
 - General economic situation in Poland. The prevailing share of revenue of NG2 S.A. is generated in Poland and, hence, the purchasing power of domestic consumers and their propensity to buy are material for the Company. Any deterioration of the economic situation at home might adversely affect the performance and financial standing of the Issuer.
 - General economic situation in the Czech Republic. NG2 S.A. generates a portion of its revenue in the Czech Republic and, hence, the purchasing power of Czech consumers and their propensity to buy are important. Any deterioration of the economic situation there might adversely affect the performance and financial standing of the Issuer.
4. Seasonality of sales and weather conditions. Sales and stock volumes depend on the seasonality of demand (peak demand is in spring and autumn). Unusual weather conditions might make customers postpone their purchase decisions or shorten the peak sales seasons. Own production capacities are the factor which allows to reduce the vulnerability of NG2 S.A. to seasonal and weather factors. The Issuer is able to adjust its production rapidly and to supply shops with goods that satisfy expectations and match weather conditions at a given time.
5. Location of retail outlets. The strengthening of the market position by a dynamic development of the retail chain might entail the risk of failed location of a shop as well as the limited number of attractive new locations.
6. Fashion trends and failed collections. NG2 S.A. is exposed to the risk associated with unsuccessful footwear collections. The factor allowing for mitigation of that risk is the Issuer's extensive market experience, continuous observation of trends in the European and world fashion (participation in international footwear fashion fairs, e.g., in Milan, Garda, Düsseldorf).

The Management Board of NG2 S.A. informs that no factors or atypical events occurred during the reporting period which would significantly affect that Issuer's operations.

4. Identification of Proceedings Pending Before Courts, Competent Arbitration Tribunals or Public Administration Body.

NG2 S.A. is not a party to any legal proceedings where the value of a chose of action would exceed 10% of the Company's equity.

5. Information about Core Products, Goods or Services and their Value and Quantities, and Share of Individual Products, Goods and Services (if Material) or Their Groups in Total Sales by the Issuer, as Well as Changes in that Respect during the Financial Year.

The business activity of NG2 S.A. includes the following core areas:

- Retail and wholesale trade services of footwear in own and franchise distribution network;
- Importation of goods from Asia and Europe;
- Retail and wholesale trade services of accessories and haberdashery; and
- Rental services of commercial space.

The breakdown of NG2 S.A. sales by value and volume is given in tables below.

Table 5. Breakdown of NG2 S.A. Sales

CATEGORY	2008		2007	
	'000 PLN	% Share	'000 PLN	% Share
Footwear	714 616	95.5	505 303	95.2
Other sales	33 497	4.5	25 342	4.8
Total	748 113	100.0	530 645	100.0

"Other" includes, i.a., revenue from sale of components for footwear production, sale of accessories and haberdashery and recharged costs of space lease.

Table 6. NG2 S.A.: Footwear Sales Volume and Value

CATEGORY	2008		2007	
	Volume in '000 Units	Value in '000 PLN	Volume in '000 Units	Value in '000 PLN
Women's footwear	7 615	457 319	5 030	309 119
% share	54.2	64.0	49.9	61.2
Men's footwear	2 732	156 041	1 901	108 461
% share	19.5	21.8	18.8	21.4
Children's footwear	3 693	101 256	3 159	87 723
% share	26.3	14.2	31.3	17.4
Total	14 040	714 616	10 090	505 303
% share	100.0	100.0	100.0	100.0

Sales of women's footwear prevail in the sales structure of NG2 S.A. accounting for 64% of the value of footwear sales in 2008. NG2 S.A. sold over 14 million pairs of footwear during the reporting period.

6. Information about Sale Markets, with Breakdown into Domestic and Foreign Markets, and Information about Sources of Supply in Materials for Production, in Goods and Services, with Identification of Dependence on One or More Buyers and Suppliers.

During 2008, the share of retail sales in total sales was 77.1% (71.0% in 2007). The development of own official stores is an important factor improving the return on ordinary activity by reason of earning higher margins on retail sales. As regards franchise shops, the Issuer earns a lower wholesale margin. The sales structure of NG2 S.A. is shown in table 7.

Table 7. NG2 S.A. Sales Structure by Distribution Channel.

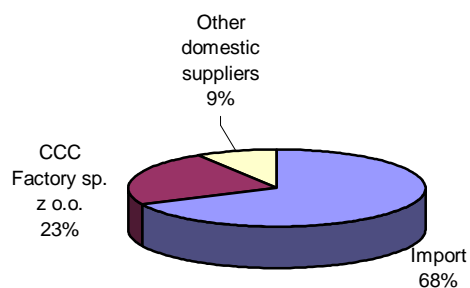
CATEGORY	2008		2007	
	'000 PLN	% Share	'000 PLN	% Share
Retail sales	576 642	77.1	376 888	71.0
Wholesales	156 550	20.9	139 386	26.3
Other sales	14 921	2.0	14 371	2.7
Total	748 113	100.0	530 645	100.0

NG2 S.A. generates the majority of its sales in the domestic market. In 2008, the value of sales made by NG2 S.A. outside Poland was PLN 30 million or 4% of total sales.

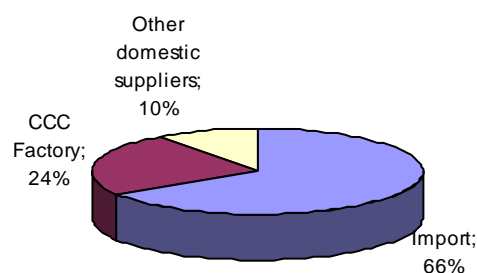
The supply sources of NG2 S.A. during 2008 included domestic suppliers, own factory and imported supplies. The supply structure (domestic, imported) remains unchanged. According to the market developments, the Company is capable of switching rapidly its foreign supply sources. Footwear imported from China come from dozens of manufacturers, however, the major part of supplies is made by a single entity operating as an export-import agency.

Figure 2. Main Directions of Product Supply of NG2 S.A. (in terms of value)

Territorial structure of purchases in 2008



Territorial structure of purchases in 2007

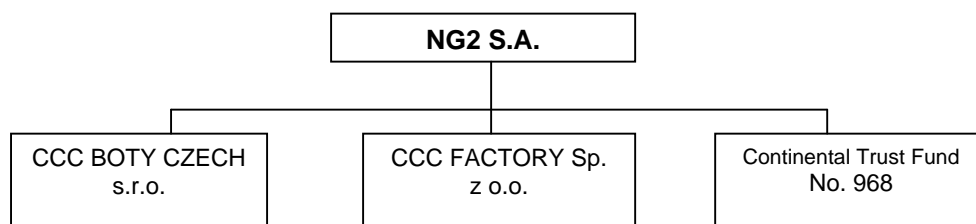


7. Information about Agreements Which Are Significant in the Issuer's Business, Including Agreements Made Between/ Among Its Shareholders, Insurance Contracts or Cooperation Agreements, to the Extent Known by the Issuer.

To the best knowledge of the Issuer, none of agreements specified above was made.

8. Information about Organisational or Capital Ties between the Issuer and Other Entities, and Listing of its Main Domestic and Foreign Investments (Securities, Financial Instruments, Intangible Assets and Real Property), including Equity Investments Made Outside its Group of Companies, and Description of Methods of their Financing.

NG2 S.A. is the parent company of the NG2 Group of Companies. The organisational structure of the NG2 S.A. Group is as follows:



During the first half of 2007, the Company purchased a fixed asset (aircraft) worth PLN 10,728,000. The Continental Trust Fund seated in the USA was established pursuant to relevant agreements and the aforesaid fixed asset was put under the management of that Fund as its sole assets.

NG2 Spółka Akcyjna became the Fund's Beneficiary and acquired the 100% ownership of the assets entrusted with the Fund. Pursuant to relevant agreements, the Beneficiary has retained all rights to dispose of the Fund's assets as confirmed by the certificate in receipt of the Company.

To the best knowledge of the Management Board of NG2 SA, the Fund's assets are not encumbered with any obligations whatsoever.

The Continental Trust Fund does not prepare any financial reports as it is not required to do so under the US law. However, as the Trustee, it will confirm in writing to the Beneficiary, at its every request, what type of assets was put under its management. The valuation of assets will be in accordance with the IAS.

Table 8. Related Parties at 31.12.2008

Subsidiaries of NG2 S.A.	Shareholding %	Par Value of Shares
CCC Factory Sp. .z o.o.	100	PLN 15 036 000
CCC Boty Czech s.r.o.	100	CZK 75 000 000
Continental Trust Fund No. 968	100	USD 10

9. Information about Significant Transactions Made by the Issuer or its Subsidiary with Related Parties Otherwise than on an Arm's Length Basis, with Amounts and Details of Nature of Such Transactions.

On 25 June 2008, a resolution was passed to increase the share capital of CCC Boty Czech s.r.o. by means of conversion of debts owed to CCC BOTY CZECH s.r.o by NG2 S.A. The debt of CZK 40,800,000 was converted on 25.06.2008. The share capital of CCC BOTY CZECH s.r.o. was increased from CZK 34,000,000 up to CZK 75,000,000. On 15 September 2008, the Municipal Court in Prague (Czech Republic) registered the increase of the share capital of CCC BOTY Czech s.r.o., Prague.

Following the registration of the share capital increase, NG2 S.A. holds 100% shares in CCC BOTY Czech s.r.o. which represent 100% votes at the general meeting of shareholders.

10. Information about Loan and Credit Contracts Made and Terminated During the Financial Year, with Such Minimum Details as their Amount, Interest Rate Type and Amount, Currency and Maturity.

During the period covered by the report, NG2 S.A. had the following contracts for credits and loans:

- Current account overdraft facility at BZWBK S.A., up to PLN 30,000,000, interest rate: WIBOR + margin, with expiry date on 31.03.2009;
- Revolving loan facility at BZWBK S.A., up to PLN 50,000,000, interest rate: WIBOR + margin, with expiry date on 31.03.2009;
- Working capital loan at BZWBK S.A., up to PLN 30,000,000, interest rate: WIBOR + margin, with expiry date on 09.03.2011;
- Current account overdraft facility at ING Bank Śląski S.A., up to PLN 20,000,000, interest rate: WIBOR + margin, with expiry date on 15.01.2009;
- Current account overdraft facility at Millenium Bank S.A., up to PLN 5,000,000, interest rate: WIBOR + margin, with expiry date on 22.09.2009; and
- Loan received from CCC Factory Sp. z o.o.: loan amount of PLN 14,500,000, interest rate on an arm's length basis, repaid on 23.06.2008.

11. Information about Loans Extended During the Financial Year, with Special Impact on Loans Granted to the Issuer's Related Parties, at Least with Such Details as Their Amount, Interest Rate Type and Amount, Currency and Maturity.

No such events took place.

12. Information about Sureties and Guarantees Given and Received During the Financial Year, with Special Impact on Sureties and Guarantees Given to the Issuer's Related Parties.

During the period covered by the report, NG2 S.A. was committed under the following contracts:

- Contract of mandate to grant a limit on bank guarantees made with BZWBK S.A., up to PLN 20,000,000, with expiry date on 31.03.2009;
- Contract of mandate to grant a limit on bank guarantees made with Bank Handlowy w Warszawie S.A., up to PLN 8,000,000, with expiry date on 29.05.2009;
- Revolving line agreement to provide the products for processing and financing of commercial transactions, made with Bank Handlowy w Warszawie S.A., up to PLN 7,230,000, with expiry date on 09.03.2010; and
- Contract to grant a limit on bank guarantees and letters of credit made with Societe Generale S.A., up to PLN 10,000,000.

13. Explanation of Differences Between Financial Results Disclosed in the Annual Report and Any Earlier Forecast Results Published for the Year.

NG2 S.A. did not publish any forecast of its results during the period covered by the report.

14. Assessment, with Reasons therefore, Regarding the Financial Management, with Special Emphasis on the Ability to Meet Existing Obligations and Details of Threats and Steps, if Any, Taken or Intended by the Issuer in Order to Counteract Such Threats.

In the opinion of the Management Board of NG2 S.A., the Company is able to satisfy its obligations easily. In the judgment of the Management Board, the level of cash flows and financial performance generated by the Company will permit maintenance of liquidity ratios at the level which enables the proper operation of the Company. Furthermore, in order to prevent any threats, the Company has been continuously diversifying its external sources of working capital.

15. Assessment of the Ability to Complete Intended Investments, Equity Investments in Particular, in Comparison to the Funding at Hand, Including Possible Modification of the Funding Structure of Those Activities.

The Management Board of NG2 S.A. intends to fund its investment projects with both own capital and debt capital (the value of debt capital is expected to grow). In the judgment of the Management Board, there are no major threats at present which might adversely affect the completion of intended investments. Considering the present level of earnings, the Company is capable of making a wider use of financial leverage.

16. Assessment of Factors and Atypical Events Affecting the Result on Ordinary Activity for the Current Financial Year, and Degree of Impact of those Factors or Atypical Events on the Final Result.

During the period covered by the report, there were no atypical events having any impact on the result of ordinary activity.

17. Characteristics of External and Internal Factors of Material Importance for the Development of the Issuer's Enterprise, and Description of Prospects for Development of the Issuer's Business at Least by the End of the Financial Year Immediately Following the Financial Year for Which the Financial Statements Were Made and Included in the Annual Report, Taking Account of Elements of the Market Strategy Devised by the Issuer.

The Issuer believes that the core factors that will affect its performance in the nearest future are the following:

- Volume of sales and margins generated by it;
- Further dynamic development of the trade network of NG2;
- Prevailing atmospheric conditions; and
- Foreign exchange rates.

18. Modification of Basic Principles of Management of the Issuer's Enterprise and Its Group of Companies.

During the period covered by the report, no changes were made in the basic principles of management of the enterprise or the group of companies.

19. Any Agreements Made Between the Issuer and Its Managing Persons Providing for Compensation in the Event of Their Resignation or Removal from the Office Without Important Reasons, or When Their Removal or Dismissal is Caused by the Issuer's Merger by Acquisition.

The members of the Management Board are employed under employment contracts governed by the Labour Code.

20. Amounts of Emoluments, Awards or Rewards, Including Those under Incentive or Bonus Schemes Linked to the Issuer's Capital, Including Schemes with Priority Bonds, Convertible Bonds, Subscription Warrants (in Money, in Specie or in any Form Whatsoever) Paid, Due or Potentially Due, Separately for Each Managing and Supervisory Persons in the Issuer's Enterprise.

The emoluments received by the managing and supervisory persons of the Issuer in the period from 1 January to 31 December 2008 and for the period from 1 January to 31 December 2007 are shown in tables below.

Table 9. Emoluments of Managing Persons

Position/ Function Name	Gross Amount (PLN) 2008	Gross Amount (PLN) 2007	For Services in Subordinated Companies
President of Management Board - Dariusz Miłek	264 743.88	264 928.00	-
Vice President of Management Board - Lech Chudy	223 855.86	223 649.05	-
Vice President of Management Board - Mariusz Gnych	223 479.22	223 446.16	-
Vice President of Management Board - Teresa Ziola	111 600.02	223 199.85	-
Vice President of Management Board - Piotr Nowjalis*	9 691.19	-	-
Total	833 370.17	935 223.06	-

* Mr. Piotr Nowjalis has served as Vice President since 16.12.2008.

Table 10. Emoluments of Supervisory Persons

Position/ Function Name	Gross Amount (PLN) 2008	Gross Amount (PLN) 2007	For Services in Subordinated Companies
Chairman of Supervisory Board – Henryk Chojnacki	24 000.00	24 000.00	-
Member – Martyna Kupiecka	18 000.00	18 000.00	-
Member – Marek Wiza	18 000.00	18 000.00	-
Member – Paweł Tamborski	18 000.00	9 525.00	-
Member – Rafał Chwast	17 523.00	-	-
Member – Włodzimierz Olszewski	471.77	18 000.00	-
Member – Andrzej Zydorowicz	-	8 475.00	-
Total	95 994.77	96 000.00	-

21. Total Number and Par Value of All Shares Held by the Issuer's Managing and Supervisory Persons (for Each Person Separately).

The share capital of the Issuer consists of 38,400,000 shares:

- 6,750,000 series A shares (with voting preferences, i.e., two votes per one share);
- 13,500,000 series A₂ shares (ordinary bearer shares);
- 9,750,000 series B shares (ordinary bearer shares);
- 2,000,000 series C shares (ordinary bearer shares); and
- 6,400,000 series D shares (ordinary bearer shares).

The par value per share is PLN 0.1.

At the date of the 2008 report, the Issuer's managing and supervisory persons held the following numbers of shares in NG2 S.A.:

Table 11. Number and Par Value of Shares Held by Members of the Management Board

Position/ Function Name	Shareholding at the Report Submission Date	Par Value '000 PLN
President of the Management Board – Dariusz Miłek	21 470 330	2 147
Vice President of the Management Board – Lech Chudy	220 000	22
Vice President of Management Board – Mariusz Gnych	120 000	12

To the best knowledge of the Issuer, neither the Chairman nor members of the Supervisory Board hold any shares in the Company.

22. Shareholders Holding, Directly or Indirectly via Subsidiaries, at Least 5% of Total Number of Votes at the General Meeting of the Issuer, and Number of Shares Held by Those Entities, Their Percentage Share in the Share Capital, Number of Votes Attached to Them and Their Percentage Share in Total Number of Votes at the General Meeting.

Table 12. Structure of Shareholders Entitled to at Least 5% Votes at the General Meeting

Shareholder	Shareholding	Percentage of Share Capital	Number of Votes at the General Meeting	Percentage of 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%

At the date of the 2008 report, the Company had no information about other shareholders entitled to at least 5% votes at the General Meeting.

23. Holders of Any Securities with Entitlements to Special Control Powers over the Issuer, and Description of Those Powers.

Table 13. List of Shareholders Holding Preference Shares

Shareholder	Shareholding	Percentage of Share Capital	Number of Votes at the General Meeting	Percentage of Votes at the General Meeting
Dariusz Miłek	4 750 000	12.37	9 500 000	21.06
Leszek Gaczorek	1 750 000	4.56	3 500 000	7.76
Teresa Ziola	50 000	0.13	100 000	0.22
Lech Chudy	50 000	0.13	100 000	0.22
Mariusz Gnych	50 000	0.13	100 000	0.22
Renata Miłek	50 000	0.13	100 000	0.22
Total	6 700 000	17.45	13 400 000	29.71

24. Information about Agreements Known to the Issuer (Also Those Made after the Balance Sheet Date) That Might Bring About Future Changes in the Proportion of Shareholdings of the Existing Shareholders and Bondholders.

To the best knowledge of the Issuer, as at the report submission date, there exist no agreements that might bring about any future changes in the proportion of shareholdings of the existing shareholders.

25. Information about the System of Control over Employee Share Schemes.

NG2 S.A. operates no employee share schemes.

26. Information about the Issuer's Contract with the Entity Authorised to Audit Financial Statements.

On 19 May 2008, the Company and BDO Numerica S.A. (now: BDO Numerica International Auditors & Consultants Sp. z o.o.) made the contract for interim review of the individual and consolidated financial statements for the first half of 2008, audit of the individual and consolidated annual financial statements made at 31 December 2008.

The net amount of fee contemplated by the contract with the entity authorised to audit and review financial statements, for the services listed above, is PLN 165,000 (specifically: PLN 76,000 for review of financial statements and PLN 89,000 for audit of financial statements).

During the preceding financial year, BDO Numerica S.A. was paid PLN 164,600, net, for its review and audit of 2007 financial statements (specifically: PLN 80,600 for review of financial statements and post-balance sheet events, and PLN 84,000 for audit of financial statements).

27. Information about Most Important Research and Development Achievements.

The Company was not engaged in any research or development during the reporting period.

28. Information about Current and Expected Financial Situation.

The information about the current and expected economic and financial situation of the Company is given in Section 2.

29. Information about Corporate Governance.

The information about the compliance with the principles of corporate governance is set out in the Corporate Governance Statement being an integral part of the Annual Report of the Company.

30. Information about Purchase of Treasury Shares, Including the Purpose of Their Acquisition, Number and Par Value, the Proportion of Share Capital Represented by Them, Purchase Price and Sale Price of Those Shares – if any Were Sold.

During the reporting period the Company did not purchase any treasury shares.

31. Information about Branches (Operations) Owned by the Company.

The Company does not have any branches (operations).

32. Information about Financial Instruments.

During the reporting period the Company did not enter into any agreements for financial instruments.

SIGNATURE OF PERSONS RESPONSIBLE FOR KEEPING OF THE BOOKS OF ACCOUNT		
Edyta Banaś	Chief Accountant	
SIGNATURES OF ALL 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	
Piotr Nowjalis	Vice President of the Management Board	

Polkowice, 28 April 2009