



INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENT
OF NG2 S.A. GROUP
FOR 01.01.2011 – 31.03.2011

FINANCIAL CONSOLIDATED HIGHLIGHTS

	('000) PLN		('000) EUR	
	Period from 01 Jan 2011 to 31 Mar 2011	Period from 01 Jan 2010 to 31 Mar 2010	Period from 01 Jan 2011 to 31 Mar 2011	Period from 01 Jan 2010 to 31 Mar 2010
	I. Sales revenue	184 925	195 708	46 531
II. Operating profit / (loss)	(1 907)	9 172	(480)	2 312
III. Profit / (loss) before tax	(3 674)	7 199	(924)	1 815
IV. Net profit / (loss)	(6 234)	5 090	(1 569)	1 283
V. Cash flow from operating activities	(102 793)	(41 607)	(25 865)	(10 489)
VI. Cash flow from investing activities	(26 380)	(24 595)	(6 638)	(6 200)
VII. Cash flow from financing activities	65 498	21 971	16 481	5 539
VIII. Total net cash flow	(63 675)	(44 231)	(16 022)	(11 150)
IX. Basic earnings per share (PLN/EUR)	(0,16)	0,13	(0,04)	0,03
X. Diluted earnings per share (PLN/EUR)	(0,16)	0,13	(0,04)	0,03
	('000) PLN		('000) EUR	
	31.03.2011	31.12.2010	31.03.2011	31.12.2010
XI. Total assets	752 802	678 222	187 642	171 255
XII. Total liabilities	334 459	255 374	83 366	64 483
XIII. Long-term liabilities	128 426	105 117	32 011	26 543
XIV. Short-term liabilities	206 033	150 257	51 355	37 941
XV. Equity	418 343	422 848	104 276	106 772
XVI. Share capital	3 840	3 840	957	970
XVII. Shares quantity	38 400 000	38 400 000	38 400 000	38 400 000
XVIII. Share book value (PLN/EUR)	10,89	11,01	2,72	2,78
XIX. Dilute share value(PLN/EUR)	10,89	11,01	2,72	2,78
XX. Declared or paid dividends per share(PLN/EUR)	-	1,00	-	0,25

The financial data denominated in EUR regarding to the following principles:

- particular positions of assets and liabilities according to the average EUR/PLN exchange rates announced by National Bank of Poland on 31.03.2011 - 1 EUR = 4.0119 and 31.12.2010 - 1 EUR= 3.9603;
- particular positions of statement comprehensive and cash flow according to the arithmetic average EUR/PLN exchange rates announced by National Bank of Poland on the last day of every month in the following reporting periods: 01.01.2011 – 31.03.2011 and 01.01.2010 – 31.03.2010, 1 EUR=3.9742 and 1 EUR=3.9669 respectively.

CONSOLIDATED GLOBAL INCOME STATEMENT

	Period from 1 Jan 2011 to 31 Mar 2011	Period from 1 Jan 2010 to 31 Mar 2010
Revenue from sale	184 925	195 708
Manufacturing cost of products, goods and services sold	(89 086)	(94 992)
Gross earnings from sale	95 839	100 716
Other operating revenue	3 896	4 382
Cost of sale	(94 233)	(89 924)
Cost of general management and administration	(4 060)	(2 720)
Other operating costs	(3 349)	(3 282)
Profit on operating activity	(1 907)	9 172
Financial revenue	152	117
Financial costs	(1 919)	(2 090)
Profit before tax	(3 674)	7 199
Income tax	(2 560)	(2 109)
Net profits	(6 234)	5 090
Other global income:		
Currency exchange differences from converting foreign units	233	292
Total global income	(6 001)	5 382
Earnings per share:		
basic and diluted	(0,16) PLN	0,13 PLN

Due to the lack of minority shareholders, the net profit and global income is divided among the NG2 S.A. shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL STANDING

	As on 31 Mar 2011	As on 31 Dec 2010	As on 31 Mar 2010
Non-current assets			
Other intangible assets	835	882	1 009
Tangible fixed assets	258 649	240 894	219 063
Long-term receivables	99	114	159
Deferred tax assets	26 362	28 069	5 744
Total tangible assets	285 945	269 959	225 975
Current assets			
inventory	320 298	252 446	274 697
Trade receivables and other receivables	127 169	72 752	57 529
Cash and cash equivalents	19 390	83 065	16 664
Total current assets	466 857	408 263	348 890
Total assets	752 802	678 222	574 865
Shareholders' equity			
Share capital	3 840	3 840	3 840
Reserve capital from the sale of shares above their nominal value	74 586	74 586	74 586
Currency exchange on consolidation	(84)	(317)	150
Other capitals	4 854	3 358	-
Retained earnings	335 147	341 381	266 765
Total shareholders' equity	418 343	422 848	345 341
Long-term liabilities			
Long-term loans and bank loans	126 572	103 245	75 000
Trade liabilities and other liabilities	86	86	89
Liabilities under retirement payments and service anniversary awards	1 482	1 482	683
Long-term provisions	199	193	364
Long-term liabilities under financial leasing	87	111	184
Total long-term liabilities	128 426	105 117	76 320
Short-term liabilities			
Trade liabilities and other liabilities	101 421	86 770	78 667
Income tax liabilities	2 808	5 833	4 335
Short-term liabilities under financial leasing	59	136	126
Short-term loans and bank loans	90 294	46 006	68 518
Short-term provisions	3 074	3 135	1 558
Subsidies received	8 377	8 377	-
Total short-term liabilities	206 033	150 257	153 204
Total liabilities	752 802	678 222	574 865

*Interim condensed consolidated financial statement of the NG2 S.A. Group for the 1 Quarter of 2011.
Amounts presented in thousands PLN, unless otherwise specified*

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Reserve capital from the sale of shares above their nominal value	Other capitals	Retained earnings	Currency exchange differences on converting controlled entities	Total shareholders' equity
As on 1 January 2011	3 840	74 586	3 358	341 381	(317)	422 848
Result for the period from 01 Jan 2011 to 31 Mar 2011				(6 234)		(6 234)
Foreign exchange losses on translation					233	233
Total comprehensive income	-	-	-	(6 234)	233	(6 001)
Transactions with owners						
Dividend payment						
Stock option plan- value of the benefit			1 496			1 496
As on 31 March 2011	3 840	74 586	4 854	335 147	(84)	418 343

	Share capital	Reserve capital from the sale of shares above their nominal value	Other capitals	Retained earnings	Currency exchange differences on converting controlled entities	Total shareholders' equity
As on 1 January 2010	3 840	74 586	-	261 925	(142)	340 209
Result for the year				117 856		117 856
Foreign exchange losses on translation					(175)	(175)
Total comprehensive income	-	-	-	117 856	(175)	117 681
Transactions with owners						
Dividend payment				(38 400)		(38 400)
Stock option plan- value of the benefit			3 358			3 358
As on 31 December 2010	3 840	74 586	3 358	341 381	(317)	422 848

*Interim condensed consolidated financial statement of the NG2 S.A. Group for the 1 Quarter of 2011.
Amounts presented in thousands PLN, unless otherwise specified*

	Share capital	Reserve capital from the sale of shares above their nominal value	Other capitals	Retained earnings	Currency exchange differences on converting controlled entities	Total shareholders' equity
As on 1 January 2010	3 840	74 586	-	261 925	(142)	340 209
Result for the period from 01 Jan 2010 to 31 Mar 2010				5 090		5 090
Foreign exchange losses on translation					292	292
Total comprehensive income	-	-	-	5 090	292	5 382
Transactions with owners						
Dividend payment						
Other changes				(250)		(250)
As on 31 March 2010	3 840	74 586	-	266 765	150	345 341

CONSOLIDATED CASH FLOW STATEMENT

	period from 01 Jan 2011 to 31 Mar 2011	period from 01 Jan 2010 to 31 Mar 2010
Gross profit (loss)	(3 674)	7 199
Adjustments	(99 119)	(48 806)
Depreciation and amortisation	5 863	5 698
Interest and share in profits (dividends)	(37)	(4)
Foreign exchange gains / losses	233	(35)
Profit / loss on investing activities	815	(8)
Interest expense	1 303	1 562
Change in provisions	(55)	125
Change in inventories	(67 852)	(32 241)
Change in receivables	(54 402)	(21 761)
Change in current liabilities, excl. loans and borrowings	13 581	2 223
Change in prepayments and accruals	-	68
Income tax paid	(64)	(4 433)
Other adjustments	1 496	
Net cash flows from operating activities	(102 793)	(41 607)
Cash flows from investing activities		
Interest received	37	4
Subsidy received		
Proceeds on disposal of property, plant and equipment		8
Proceeds on loans granted to third parties		
Expenses on loans granted to third parties		
Purchase of intangible assets	(15)	(4)
Purchase of property, plant and equipment	(26 402)	(24 603)
Net cash flows from investing activities	(26 380)	(24 595)
Cash flows from financing activities		
Proceeds from loans and borrowings	130 759	48 560
Repayment of loans and borrowings	(63 322)	(25 010)
Payments on account of finance lease agreements	(100)	(17)
Interest paid	(1 839)	(1 562)
Net cash flows from financing activities	65 498	21 971
Total cash flows	(63 675)	(44 231)
Net increase (decrease) in cash and cash equivalents	(63 675)	(44 231)
Cash and cash equivalents at beginning of period	83 065	60 895
Cash and cash equivalents at end of period	19 390	16 664

FINANCIAL HIGHLIGHTS OF NG2

	('000) PLN		('000) EUR	
	from	from	from	from
	01 Jan 2011 to 31 Mar 2011	01 Jan 2010 to 31 Mar 2010	01 Jan 2011 to 31 Mar 2011	01 Jan 2010 to 31 Mar 2010
I. Sales revenue	178 737	195 344	44 974	49 243
II. Operating profit / (loss)	(5 553)	13 101	(1 397)	3 303
III. Profit / (loss) before tax	(7 497)	10 948	(1 886)	2 760
IV. Net profit / (loss)	(9 134)	8 470	(2 298)	2 135
V. Cash flow from operating activities	(99 593)	(34 810)	(25 060)	(8 775)
VI. Cash flow from investing activities	(25 914)	(23 532)	(6 521)	(5 932)
VII. Cash flow from financing activities	66 749	19 533	16 796	4 924
VIII. Total net cash flow	(58 758)	(38 809)	(14 785)	(9 783)
IX. Basic earnings per share (PLN/EUR)	(0,24)	0,22	(0,06)	0,06
X. Diluted earnings per share (PLN/EUR)	(0,24)	0,22	(0,06)	0,06
	('000) PLN		('000) EUR	
	31.03.2011	31.12.2010	31.03.2011	31.12.2010
XI. Total assets	707 477	639 381	176 345	161 448
XII. Total liabilities	378 615	302 881	94 373	76 479
XIII. Long-term liabilities	128 087	104 774	31 927	26 456
XIV. Short-term liabilities	250 528	198 107	62 446	50 023
XV. Equity	328 862	336 500	81 972	84 968
XVI. Share capital	3 840	3 840	957	970
XVII. Shares quantity	38 400 000	38 400 000	38 400 000	38 400 000
XVIII. Share book value (PLN/EUR)	8,56	8,76	2,13	2,21
XIX. Dilute share value(PLN/EUR)	8,56	8,76	2,13	2,21
XX. Declared or paid dividends per share(PLN/EUR)	-	1,00	-	0,25

The financial data denominated in EUR regarding to the following principles:

- particular positions of assets and liabilities according to the average EUR/PLN exchange rates announced by National Bank of Poland on 31.03.2011 - 1 EUR = 4.0119 and 31.12.2010 - 1 EUR= 3.9603;
- particular positions of statement comprehensive and cash flow according to the arithmetic average EUR/PLN exchange rates announced by National Bank of Poland on the last day of every month in the following reporting periods: 01.01.2011 – 31.03.2011 and 01.01.2010 – 31.03.2010, 1 EUR=3.9742 and 1 EUR=3.9669 respectively.

STATEMENT OF COMPREHENSIVE INCOME OF NG2

	period from 01 Jan 2011 to 31 Mar 2011	period from 01 Jan 2010 to 31 Mar 2010
Revenue from sale	178 737	195 344
Manufacturing cost of products, goods and services sold	(93 894)	(99 908)
Gross earnings from sale	84 843	95 436
Other operating revenue	3 741	4 328
Cost of sale	(89 481)	(82 846)
Cost of general management and administration	(1 833)	(912)
Other operating costs	(2 823)	(2 905)
Profit on operating activity	(5 553)	13 101
Financial revenue	129	112
Financial costs	(2 073)	(2 265)
Profit before tax	(7 497)	10 948
Income tax	(1 637)	(2 478)
Net profits	(9 134)	8 470
Other global income:	-	-
Currency exchange differences from converting foreign units		
Total global income	(9 134)	8 470
Earnings per share:		
basic and diluted	(0,24) PLN	0,22 PLN

Due to the lack of minority shareholders, the net profit and global income is divided among the NG2 S.A. shareholders

STATEMENT OF FINANCIAL STANDING OF NG2

	As on 31 Mar 2011	As on 31 Dec 2010	As on 31 Mar 2010
Non-current assets			
Other intangible assets	467	506	880
Tangible fixed assets	204 778	186 689	164 938
Long-term investment	49 722	49 762	38 231
Long-term receivables	99	114	159
Deferred tax assets	2 352	3 989	780
Total tangible assets	257 418	241 060	204 988
Current assets			
Inventory	300 035	237 455	257 935
Trade receivables and other receivables	137 539	89 623	84 973
Cash and cash equivalents	12 485	71 243	14 215
Total current assets	450 059	398 321	357 123
Total assets	707 477	639 381	562 111
Shareholders' equity			
Share capital	3 840	3 840	3 840
Reserve capital from the sale of shares above their nominal value	74 586	74 586	74 586
Other capitals	4 854	3 358	-
Retained earnings	245 582	254 716	215 694
Total shareholders' equity	328 862	336 500	294 120
Non-current liabilities			
Non-current loans and borrowings	126 572	103 245	75 000
Retirement benefits and service anniversary awards	1 482	1 482	683
Non-current liabilities under finance lease	33	47	88
Total long-term liabilities	128 087	104 774	75 771
Current liabilities			
Trade and other payables	148 604	140 086	120 331
Income tax liabilities	2 058	3 431	4 325
Current liabilities under finance lease	59	62	74
Current loans and borrowings	88 540	43 261	66 084
Current provisions	2 890	2 890	1 406
Subsidy received	8 377	8 377	-
Total short-term liabilities	250 528	198 107	192 220
Total liabilities	707 477	639 381	562 111

*Interim condensed consolidated financial statement of the NG2 S.A. Group for the 1 Quarter of 2011.
Amounts presented in thousands PLN, unless otherwise specified*

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF NG2

	Share capital	Reserve capital from the sale of shares above their nominal value	Other capitals	Retained earnings	Total shareholders' equity
As on 1 January 2011	3 840	74 586	3 358	254 716	336 500
Result for the period from 01 Jan 2011 to 31 Mar 2011				(9 134)	(9 134)
Total comprehensive income				(9 134)	(9 134)
Dividend payment				-	-
Stock option plan - the value of benefits			1 496		1 496
As on 31 March 2011	3 840	74 586	4 854	245 582	328 862

	Share capital	Reserve capital from the sale of shares above their nominal value	Other capitals	Retained earnings	Total shareholders' equity
As on 1 January 2010	3 840	74 586	-	207 224	285 650
Result for the year				85 892	85 892
Total comprehensive income				85 892	85 892
Dividend payment				(38 400)	(38 400)
Stock option plan- the value of benefits			3 358		3 358
As on 31 December 2010	3 840	74 586	3 358	254 716	336 500

*Interim condensed consolidated financial statement of the NG2 S.A. Group for the 1 Quarter of 2011.
Amounts presented in thousands PLN, unless otherwise specified*

	Share capital	Reserve capital from the sale of shares above their nominal value	Other capitals	Retained earnings	Total shareholders' equity
As on 1 January 2010	3 840	74 586	-	207 224	285 650
Result for the period from 01 Jan 2010 to 31 Mar 2010				8 470	8 470
Total comprehensive income				8 470	8 470
Dividend payment				-	-
Stock option plan- the value of benefits			-		-
As on 31 March 2010	3 840	74 586	-	215 694	294 120

STATEMENT OF CASH FLOWS OF NG2

	period from 01 Jan 2011 to 31 Mar 2011	period from 01 Jan 2010 to 31 Mar 2010
Gross profit (loss)	(7 497)	10 948
Adjustments	(92 096)	(45 758)
Depreciation and amortisation	4 919	4 442
Interest and share in profits (dividends)	(35)	-
Profit / loss on investing activities	797	(8)
Interest expense	1 303	1 554
Change in inventories	(62 579)	(24 273)
Change in receivables	(47 901)	(25 705)
Change in current liabilities, excl. loans and borrowings	16 002	1 826
Other adjustments	1 689	193
Income tax paid	(6 291)	(3 787)
Net cash flows from operating activities	(99 593)	(34 810)
Cash flows from investing activities		
Interest received	35	-
Proceeds on disposal of property, plant and equipment	80	8
Purchase of shares in subsidiaries	(153)	-
Purchase of intangible assets	(14)	(2)
Purchase of property, plant and equipment	(25 862)	(23 538)
Net cash flows from investing activities	(25 914)	(23 532)
Cash flows from financing activities		
Proceeds from loans and borrowings	130 759	46 084
Repayment of loans and borrowings	(62 154)	(24 980)
Payments on account of finance lease agreements	(17)	(17)
Interest paid	(1 839)	(1 554)
Net cash flows from financing activities	66 749	19 533
Total cash flows	(58 758)	(38 809)
Net increase (decrease) in cash and cash equivalents	(58 758)	(38 809)
Cash and cash equivalents at beginning of period	71 243	53 024
Cash and cash equivalents at end of period	12 485	14 215

GENERAL INFORMATION

Name of the parent company:	NG2 Spółka Akcyjna
Registered Office	
of the parent company:	Polkowice
Address:	ul. Strefowa 6, 59-101 Polkowice
Telephone:	+48 (76) 845 84 00
Telefax:	+48 (76) 845 84 31
E-mail:	ng2@ng2.pl
Website:	www.ng2.pl
Registration:	District Court of Wrocław – Fabryczna in Wrocław, IX Commercial Division of the National Court Register
KRS:	0000211692
Regon [statistical number]:	390716905
NIP [Tax Identification Number]	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).

NG2 S.A. has been listed on Giełda Papierów Wartościowych S.A. in Warsaw (Warsaw Stock Exchange) since 2004.

1. Description of the organization issuer's group indicating the the units to be consolidated.

At 31 March 2011 Group of Companies NG2, include:

- a) the parent company NG2 SA, based in Polkowice,
- b) subsidiaries:
 - CCC Factory Sp. z.o.o. established in Polkowice,
 - CCC Boty Czech sro, based in Prague, Czech Republic
 - Continental Trust Fund no. 968 in USA
 - NG2 Suisse S.a.r.l. headquartered in Zug, Switzerland.

NG2 SA holds 100% equity participation in the above. entities and 100% of the total number of votes Companies.

Table 1. The NG2 SA Group's related parties stated 31 Mar 2011 r.

Subsidiaries of the NG2 S.A.	Head office /Country	Share in equity %	Consolidation methode
CCC Factory Sp. z o.o.	Polkowice, Poland	100	Full
CCC Boty Czech s.r.o.	Prague, Czech Rep.	100	Full
NG2 Suisse S.a.r.l	Zug, Switzerland	100	Full
Continental Trust Fund no. 968	USA	100	-

2. Basis for preparation

NG2 S.A. Capital Group is presenting financial report for the first quarter of 2011 with the beginning on January 1st 2011 and the end on March 31th 2011.

The interim condensed consolidated statement presented were prepared with accordance to IAS 34 "Interim Financial Reporting" and it should be read together with consolidated financial statement for the period 01.01.2010 -31.12.2010.

3. Basis consolidation.

The consolidated financial statements include the parent report and the report of NG2 subsidiaries. Subsidiaries are consolidated in the period from the date of acquisition of control by the Group until the date of cessation of control.

All subsidiaries include Group NG2 S.A. were controlled throughout the reporting period. All transactions, balances, income and expenses between related parties are subject to exemptions consolidated consolidation.

Continental Trust Fund does not prepare financial statements, as it is not required by the law of the USA. The Trustee will, at each request of the Beneficiary, provide a written confirmation of what type of property was transferred for administration. Property valuation will be made according to International Accounting Standards (IAS).

4. Functional and reporting currency.

The items included in interim condensed financial statements of Group entities are measured in the currency of the primary economic environment in which a given entity operates ("functional currency"). Financial statements are presented in the PLN currency which is a functional and presentation currency of the Group. The data presented is expressed as thousands PLN.

5. 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 31.12.2010.

6. Segment reporting.

Identification of operating segments. Operating segments are presented in the manner consistent with internal reporting submitted to the chief operating decision-maker – the Management Board of the Parent. Group NG2 S.A. presents operating segments in the figures stores and contractor franchise.

Identification of reportable segments. Separated operating segments (stores, contracting parties) are aggregated in reportable segments as they meet the aggregation criteria specified in IFRS 8. NG2 S.A. Group identifies two reportable segments ("retail activity", "**franchise and other activity**") pursuant to IFRS 8 "Operating segments". In the reported segments, NG2 S.A. Group pursues business activity by obtaining revenue and incurring expenses. Segment performance is examined on a regular basis by chief operating decision-makers (persons making crucial operating decisions). Financial information concerning identified segments is also available.

Segment "retail activity" – "retail" The segment "retail activity" encompasses, above all, the sales of shoes, shoe care products, clothing accessories. The sale is performed by NG2 S.A. in its own outlets within the territory of Poland and Czech Republic and is directed to retail customers. Retail sale is effected under 3 chains: CCC, BOTI, QUAZI. Each individual outlet operating under one of the chains and analyzed separately by chief operating decision-maker is considered an operating segment. Due to the similarities between the long-term average gross margins, as well as a similar nature of goods (e.g. shoes, shoe care products, clothing accessories), manner of goods distribution and recipients categories (sales performed in own outlets and directed towards retail customers), the segment "retail activity" includes financial information altogether for the CCC, BOTI, QUAZI chains, and operating segments have been aggregated pursuant to IFRS 8, thus creating reportable segment "retail activity".

Segment “franchise and other activity” – “franchise and other”. The “franchise and other activity” segment includes mostly the sale of shoes, shoe care products, clothing accessories, services, as well as the value of the goods sold (e.g. shoes) to the Companies not belonging to NG2 S.A. Group. The sale is carried out by NG2 S.A. and CCC Factory Sp. z o.o. on the territory of Poland and is directed towards domestic wholesale recipients (including, above all, sales in franchise outlets of CCC and BOTI) and foreign wholesale recipients. Each individual recipient operating under one of the chains and analyzed separately by chief operating decision-maker is considered an operating segment. Due to the similarities between the long-term average gross margins, as well as a similar nature of goods (i.a. shoes, shoe care products, clothing accessories) and services provided (i.a. re-invoicing transportation services), manner of goods distribution and recipients categories (sales directed towards wholesale customers), the “franchise and other activity” segment includes financial information for all contracting parties aggregated in accordance with IFRS 8 to create a reportable segment “franchise and other activity”.

The accounting principles applied to operating segments are the same as the accounting principles pursuant to which the Companies of NG2 S.A. Group compile financial statements. The Group estimates segment performance based on operating profit or loss before tax.

Other disclosures referring to reportable segments. The following items do not occur: revenue on transactions with other operating segments of the same entity, entity’s share in profit or loss of associated entities and common undertakings and significant non-cash items other than depreciation and amortization.

Jan - Mar 2011	Retail activity	Franchise and other activity	Unassigned items	Total
Revenue	152 965	31 960		184 925
- obtained on the territory of Poland	139 692	31 553		171 245
-obtained outside the territory of Poland (the Czech Republic)	13 273	407		13 680
Cost of sales	(67 320)	(21 766)		(89 086)
Gross profit on sales	85 645	10 194	-	95 839
Selling and administrative costs	(96 097)	(2 227)	31	(98 293)
Balance of other operating income and expenses	434	113		547
Operating profit	(10 018)	8 080	31	(1 907)
Balance of financial income and expense	(1 454)	(313)		(1 767)
Profit before tax	(11 472)	7 767	31	(3 674)
Income tax			(2 560)	(2 560)
Net profit				(6 234)
Net profit recognized in the consolidated statement of comprehensive income				(6 234)
Assets, of which:	451 427	130 386	170 989	752 802
Non-current assets in compliance with IFRS 8	230 260	29 224	-	259 484
- on the territory of Poland	214 161	28 958	-	243 119
- outside the territory of Poland (the Czech Republic)	16 099	266	-	16 365
Interest income	-	-	73	73
Interest expense	1 076	227	-	1 303
Depreciation and amortisation	3 934	553	1 376	5 863

*Interim condensed consolidated financial statement of the NG2 S.A. Group for the 1 Quarter of 2011.
Amounts presented in thousands PLN, unless otherwise specified*

Jan - Mar 2010	Retail activity	Franchise and other activity	Unassigned items	Total
Revenue	161 623	34 085	-	195 708
- obtained on the territory of Poland	150 728	34 085		184 813
- obtained outside the territory of Poland (the Czech Republic)	10 895	-	-	10 895
Cost of sales	(74 440)	(20 552)		(94 992)
Gross profit on sales	87 183	13 533	-	100 716
Selling and administrative costs	(90 576)	(1 888)	(180)	(92 644)
Balance of other operating income and expenses	488	612	-	1 100
Operating profit	(2 905)	12 257	(180)	9 172
Balance of financial income and expense	(1 559)	(414)	-	(1 973)
Profit before tax	(4 464)	11 843	(180)	7 199
Income tax			(2 109)	(2 109)
Net profit				5 090
Net profit recognized in the consolidated statement of comprehensive income				5 090
Assets, of which:	371 811	87 877	115 177	574 865
Non-current assets in compliance with IFRS 8	197 949	22 123	-	220 072
- on the territory of Poland	183 816	22 123	-	205 939
- outside the territory of Poland (the Czech Republic)	14 133	-	-	14 133
Interest income	-	-	99	99
Interest expense	1 239	315	8	1 562
Depreciation and amortisation	3 460	553	1 685	5 698

Disclosure of information concerning the entity. The NG2 S.A. Group 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. Group does not present separately data concerning income on products and services sale. In the financial statement the Group presents information about incomes acquired from exterior customers categorized by regions, as well data about fixed assets other than financial instruments and deferred income tax assets categorized by regions. In the financial statement the Group does not presents information concerning major customers, due to fact that incomes gained from individual external customers do not reach 10 % of total incomes.

Jan - Mar 2011	Poland	Czech Republic	Switzerland	Total
Sales revenue	171 245	13 273	407	184 925
Non-current assets other than financial instruments	243 119	16 099	266	259 484
Deferred tax assets	4 344	4 013	18 005	26 362

Jan - Mar 2010	Poland	Czech Republic	Switzerland	Total
Sales revenue	184 813	10 895	-	195 708
Non-current assets other than financial instruments	205 939	14 133	-	220 072
Deferred tax assets	2 231	3 513	-	5 744

7. Notes to the interim consolidated statement of financial position and the interim consolidated statement of comprehensive income.

Provision	Provision for guarantee repairs	Provision for employee benefits	Total
	PLN'000	PLN'000	PLN'000
As at 1 January 2010	1 764	901	2 665
Change from F/X differences	(4)	(5)	(9)
Provision created in the year	213	-	213
Release of provision	51	213	264
Provision used	-	-	-
As at 31 March 2010	1 922	683	2 605
Provisions up to 1 year	1 558	-	1 558
Provisions of more than 1 year	364	683	1 047

Provision	Provision for guarantee repairs	Provision for employee benefits	Total
	PLN'000	PLN'000	PLN'000
As at 1 January 2011	3 328	1 482	4 810
Change from F/X differences	6	-	6
Provision created in the year	-	-	-
Release of provision	61	-	61
Provision used	-	-	-
As at 31 March 2011	3 273	1 482	4 755
Provisions up to 1 year	3 074	-	3 074
Provisions of more than 1 year	199	1 482	1 681

Deferred tax provision	31 Mar 2011	31 Mar 2010
Accelerated tax depreciation	594	557
Interest	27	28
Total	621	585

Deferred tax assets	31 Mar 2011	31 Mar 2010
Costs after balance sheet date	518	38
Provisions	1 482	614
Impairment of assets	783	689
Consolidation adjustment to margin on inventories	2 432	2 309
Tax losses	3 746	2 677
Valuation of trademarks	18 005	-
Other	17	2
Deferred tax assets	26 983	6 329

Change in allowance for current receivables	31 Mar 2011	31 Mar 2010
At beginning of period	1 294	1 978
a) increase	1	203
b) decrease	41	24
Balance of allowance for current receivables at end of period	1 254	2 157

Change in inventory write-downs	31 Mar 2011	31 Mar 2010
At beginning of period	3 843	530
a) increase	0	0
b) decrease	3 547	197
Balance of inventory write-downs at end of period	296	333

The Company has made adjustments to comparable periods as per statement below:

Title	Adjustments to previous periods	31 Mar 2010	
		Dt	Ct
Presentation of provisions for liabilities	Other operating revenues	1 532	
	Selling costs		1 532
Compensate asset and deferred tax provision	Deferred income tax asstes		510
	Deferred tax provision	510	
Presentation of prepayments and accruals	Trade and other payables		1 150
	Current provisions	1 150	
Compensate advance payment to supplies	Trade and other receivables		31 179
	Trade and other payables	31 179	

8. Notes to the interim statement of financial position and interim statement of comprehensive income.

Provision	Provision for guarantee repairs	Provision for employee benefits	Total
	PLN'000	PLN'000	PLN'000
As at 1 January 2010	1 406	683	2 089
Provision created in the year	-	-	-
Release of provision	-	-	-
Provision used	-	-	-
As at 31 March 2010	1 406	683	2 089
Provisions up to 1 year	1 406	-	1 406
Provisions of more than 1 year	-	683	683

Provision	Provision for guarantee repairs	Provision for employee benefits	Total
	PLN'000	PLN'000	PLN'000
As at 1 January 2011	2 890	1 482	4 372
Provision created in the year	-	-	-
Release of provision	-	-	-
Provision used	-	-	-
As at 31 March 2011	2 890	1 482	4 372
Provisions up to 1 year	2 890	-	2 890
Provisions of more than 1 year	-	1 482	1 482

Deferred tax provision	31 Mar 2011	31 Mar 2010
Accelerated tax depreciation	241	351
Interest	27	28
Total	268	379

Deferred tax assets	31 Mar 2011	31 Mar 2010
Costs after balance sheet date	518	38
Provisions	1 371	520
Impairment of assets	714	599
Other	17	2
Deferred tax assets	2 620	1 159

Change in allowance for current receivables	31 Mar 2011	31 Mar 2010
At beginning of period	878	1 427
a) increase	1	203
b) decrease	32	23
Balance of allowance for current receivables at end of period	847	1 607

Change in inventory write-downs	31 Mar 2011	31 Mar 2010
At beginning of period	3 819	496
a) increase	-	-
b) decrease	3 547	190
Balance of inventory write-downs at end of period	272	306

The Company has made adjustments to comparable periods as per statement below:

Title	Adjustments to previous periods	31 Mar 2010	
		Dt	Ct
Presentation of provisions for liabilities	Other operating revenues	1 532	
	Selling costs		1 532
Compensate advance payment to supplies	Trade and other receivables		31 179
	Trade and other payables	31 179	

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

In the first quarter of 2011 GK NG2 recorded:

- decrease sales revenues by 5,5 % in comparison with the 1st 2010.
- decrease net profit to the level PLN -6.234 000 in comparison with the 1st 2010
- strengthening of NG2 image and further development retail chains: CCC, QUAZI, BOTI.

As at 31 March 2011 the sales chains of NG2 S.A. Group comprised 707 stores, which included:

- 274 CCC outlets (as at 31.03.2010 – 262 outlets),
- 48 QUAZI boutiques (48 – as at 31.03.2010)
- 220 BOTI own stores (223– as at 31.03.2010)
- 45 CCC outlets in the Czech Republic (as at 31.03.2010 – 40 outlets)
- 120 franchised stores –68 BOTI stores (as at 31.03.2010 – 126 stores and 65 BOTI).

The retail space in our own stores located in Poland increased to 126,000 sq.m (119,600 sq.m as at 31.03.2010), i.e. by 5.85% compared to 3.27% decrease retail space franchise store (from 21,400. sq.m - as at 31.03.2010 to 20,700 sq.m at as 31.03.2011).

10. Description of factors and events, in particular non-recurring ones, which had a material effect on financial results.

During the reporting period, there were no events which affect the value of the results.

11. 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.

12. Explanations to seasonality or cyclist 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: 2nd and 4th quarter. As well the whole year sales is strongly subordinated to weather conditions. They can disturb seasonality model by hastening or delaying periods of i periods of higher and lower sales

13. Information concerning the issue, redemption and repayment of non equity securities.

During the reporting period, there were no these events.

14. Information on any dividend paid out (or declared) in aggregate and per one share, separately for ordinary and preference shares.

Not applicable.

15. 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

Not applicable.

16. Information on changes in contingent liabilities or contingent assets which occurred since the end of the last financial year.

Changes of contingent liabilities or contingent assets the describes below table:

	31 Mar 2011	31 Mar 2010	change 2011/2010 (value)
1) - received guarantees and sureties	33 800	34 800	(1 000)
Total contingent assets	33 800	34 800	(1 000)
1) customs bonds	22 500	22 500	-
2) other guarantees	27 611	30 221	(2 610)
3) collaterals granted	7 000	7 000	-
Total contingent liabilities	57 111	59 721	(2 610)

Customs bonds are employed to secure the payment of customs liabilities related to maintaining bonded warehouses by the Company, and their maturity date falls on 17.06.2011.

Other guarantees secure premises lease agreements entered into, and their maturity date falls on 30.04.2012

The collaterals granted are related to the Paylink credit line opened in Bank Handlowy in favour of franchise clients, and their maturity date has not been defined.

17. 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 rate for the period	The minimum rate for the period	The maximum rate for the period	Rates on the last day of the period
01.01 – 31.03.2011	3,9742	3,8403	4,0800	4,0119
01.01 – 31.03.2010	3,9669	3,8622	4,1109	3,8622

The financial data denominated in EUR regarding to the following principles:

- particular positions of assets and liabilities according to the average EUR/PLN exchange rates announced by National Bank of Poland on 31.03.2011 - 1 EUR = 4.0119 and 31.12.2010 - 1 EUR= 3.9603;

- particular positions of statement comprehensive and cash flow according to the arithmetic average EUR/PLN exchange rates announced by National Bank of Poland on the last day of every month in the following reporting periods: 01.01.2011 – 31.03.2011 and 01.01.2010 – 31.03.2010, 1 EUR=3.9742 and 1 EUR=3.9669 respectively.

18. Effects of changes in the structure of the company, including mergers, acquisitions or disposals of the issuer's group undertakings, long-term investments, de-mergers, restructuring and discontinued operations.

Not applicable.

19. The Management Board's attitude towards possibility of realizing previously announced forecasts for a given financial year according to the information presented in the interim report regarding to the forecasted figures.

Any financial forecasts had not been published for year 2011.

20. Shareholders holding, directly or indirectly via subsidiaries, at least 5% of total number of votes at the General Meeting of the Issuer on the date of submitting the quarterly report .

Nie dokonano zmiany w stanie posiadania znacznych pakietów akcji Spółki w okresie od przekazania poprzedniego raportu kwartalnego.

There were no changes in ownership of large blocks of shares in the period from the previous quarterly report.

Shareholder	Number of shares owed	Participation in share capital (%)	Number of votes at the General Meeting	Participation in the total number of votes at the General Meeting (%)
Dariusz Miłek, of which:	15 360 000	40,00	20 110 000	44,64
- directly,	4 750 000	12,37	9 500 000	21,09
- indirectly, through the Luxprofi s.a.r.l. subsidiary.	10 610 000	27,63	10 610 000	23,55
Leszek Gaczorek	3 010 000	7,84	4 760 000	10,57
ING OFE	2 477 486	6,45	2 477 486	5,50
PIONEER Investment Management	3 271 877	8,52	3 271 877	7,26
PKO TFI	2 350 500	6,12	2 350 500	5,22

As at the date of preparing the financial statements for first quarter 2011, NG2 S.A. did not hold information about other shareholders with the number of votes at the General Meeting equaling at least 5%.

21. Summary of number of shares of the issuer or the rights to them by managers and supervisors of the issuer at the date of quarterly report, together with an indication of changes in ownership during the period of the prior quarterly report, separately for each person.

To the knowledge of Issuer the volume of shares held by the management and supervision personnel presents as follow:

Position / Function Name	Volume of shares held on the day of announcement of Q Sr – I/2011	Volume of share held on the day of the first announced Q Sr – IV/2010
President of the Management Board – Dariusz Miłek *	4 750 000	4 750 000
Vice President of the Management Board – Mariusz Gnych	120 000	120 000

* Mr Dariusz Miłek is also a parent entity in company named Luxprofi S.a.r.l., at the date of the report QSr- I/2011 has had 10.610.000 shares NG2 S.A.

22. Indication of proceedings pending before courts, competent arbitration tribunals or public administration body.

The entities of NG2 S.A. Group are not a party to any legal proceedings where the value of a subject of litigation exceeds 10% of the Company's equity.

23. Information about the conclusion by the Issuer or its Subsidiary one or more transactions with related parties, if individually or collectively they are significant and have been included under other circumstances than market.

Not applicable

24. Information on sureties for loans or guarantees issued by the issuer or its subsidiary undertaking— jointly to one entity or its subsidiary, if the aggregate value of existing sureties and guarantees is equivalent to at 10% of the issuer's equity.

Not applicable.

25. Important information from the Issuer point of view for personnel, property, financial and financial result situation and their changes and also information which are significant for assessment of possibility of liabilities settlement.

Financial statement consist basic information which are important for the Group assessment. The Management Board claims that there is no risk in settling the Group liabilities.

26. Indicated factors which in the assessment of the Issuer had an influence on achieved financial results.

The Issuer believes that the following are the primary factors which will affect the results of the NG2 S.A. Group achieved in the near future:

- 1) amount of achieved sales volume and achieved margins,
- 2) further dynamic growth of the NG2 Group commercial chain,
- 3) prevailing weather conditions,
- 4) exchange rates.

The interim condensed financial statements were approved for announcement by the Management Board of the Parent on 10 May 2011 and signed on behalf of the Management Board by:

SIGNATURE OF THE PERSON ENTRUSTED WITH KEEPING THE COMPANY'S BOOKS		
Edyta Banaś	Chief Accountant	
SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD		
Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

Polkowice, 10 May 2011 r.