



NG2
New Gate Group

results and strategy

H1 2011

Wide portfolio of business concepts

CCC

Economy, shopping centres & cities

Floorspace (average – sq m) 334

Capex (PLN per sq m) 842

BOTI

Super-economy concept,
hypermarkets & mid-sized towns

Floorspace (average – sq m) 128

Capex (PLN per sq m) 757

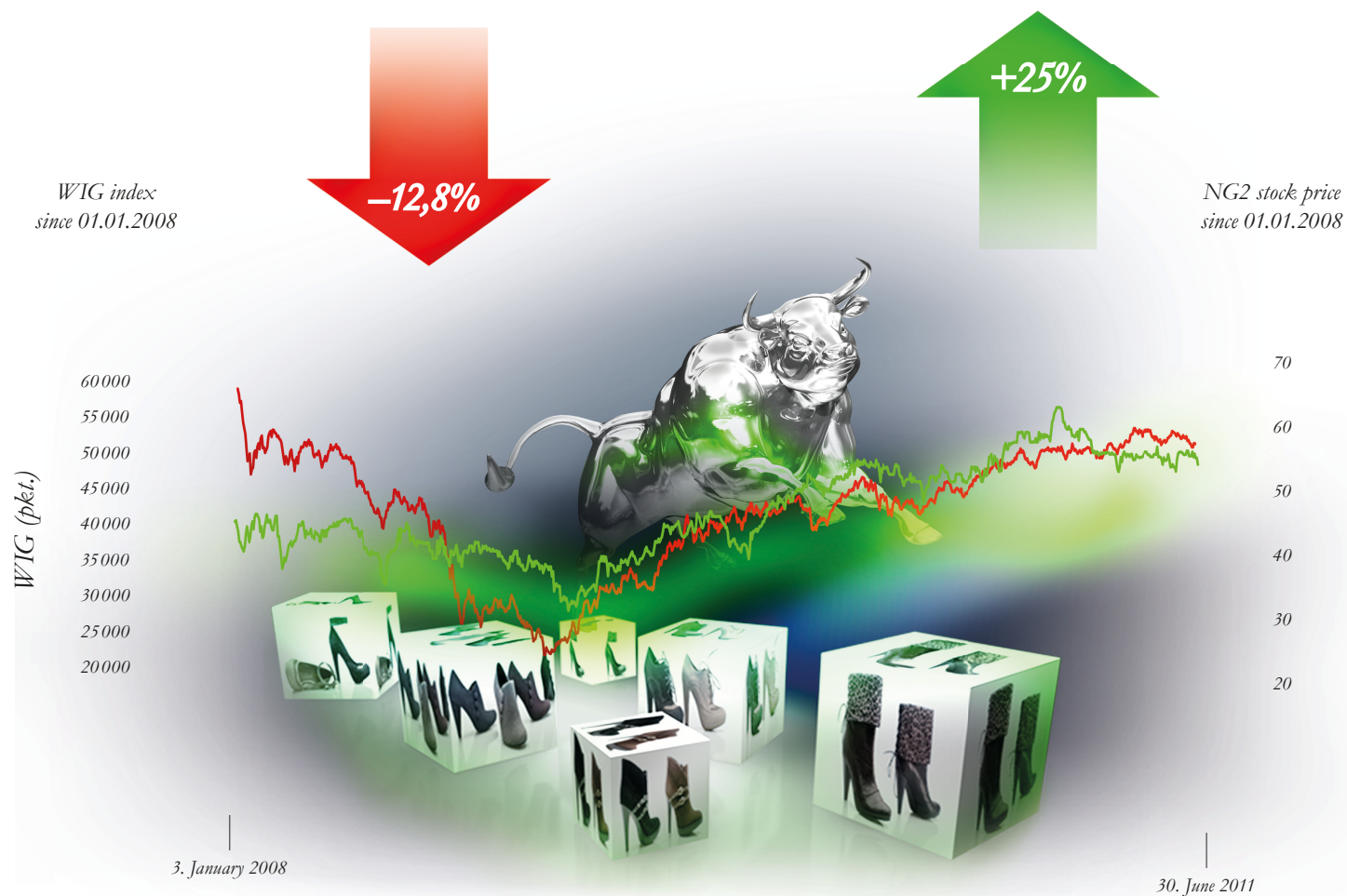
QUAZI

Premium brand, shopping malls

Floorspace (average – sq m) 140

Capex (PLN per sq m) 2225

NG2 S.A. – stock listed since 2004



Analysts coverage

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Stock info

Share Price = 44 PLN
Reuters: CCCC.WA
Bloomberg: CCC PW
www.ng2.pl

Number of shares:
38.400.000

Free float 30%

Market Cap:
(PLNm) 1.690
(EURm) 407.0

NG2
New Gate Group

NG2 S.A. – leader of the footwear market in Poland



NG2 – results and strategy

In 2010 NG2 posted record net profit due to high margins and strict control of operating costs.

Strategy of NG2 in the coming years is to increase share in the Polish and Czech footwear market. Concurrently, NG2 will seek opportunities for further development in Russia.

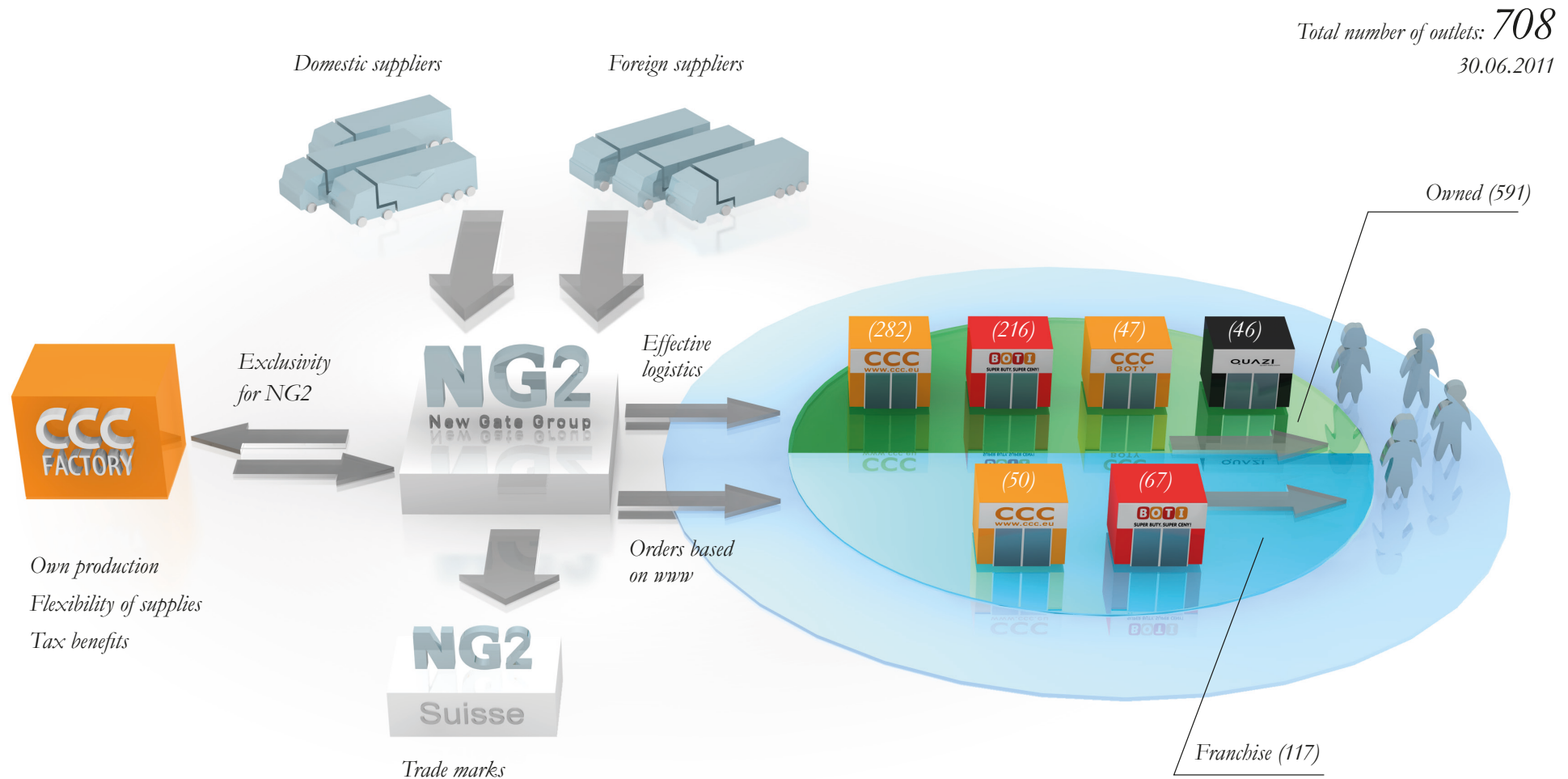
The goal for 2011-2012 is to keep high profitability while maintaining the high rate of ROE.

Footwear market in Poland

- Unsaturated market
(4.1 pairs of shoes per year while the average figure for EU is 6.2)
- Lack of strong competitors
- NG2 is the market leader in Poland
- Market share of NG2 estimated at 13% / 14% in terms of value / volume (2010)



NG2 S.A. – growth & value delivered



CCC – key driving factor of NG2 performance

CCC

	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11
Number of outlets										
<i>domestic company-owned outlets</i>	229	237	236	254	262	269	267	273	274	282
<i>abroad company-owned outlets</i>	29	32	33	38	40	40	41	45	45	47
<i>franchise shops, partners</i>	85	82	73	72	61	61	61	61	52	50
Floorspace (sq m)	103 787	106 360	106 490	111 858	112 207	114 185	115 190	119 244	118 418	121 594
<i>domestic company-owned outlets</i>	73 807	76 286	76 758	82 515	85 171	87 149	87 762	90 738	91 247	94 268
<i>abroad company-owned outlets</i>	9 835	10 699	10 925	12 466	12 933	12 933	13 124	14 282	14 282	14 782
<i>franchise shops, partners</i>	20 145	19 375	18 807	16 877	14 103	14 103	14 304	14 224	12 889	12 544
Gross Profit on Sale Margin (%)										
<i>owned</i>	46,8	54,3	51,0	56,7	55,8	58,6	55,2	57,3	56,5	59,5
<i>franchise</i>	18,8	28,8	35,6	33,1	34,5	32,4	29,5	35,4	35,1	25,5
<i>abroad CCC</i>	51,8	61,4	50,9	45,0	45,5	47,5	46,8	48,5	53,2	63,4

BOTI – super-economy brand



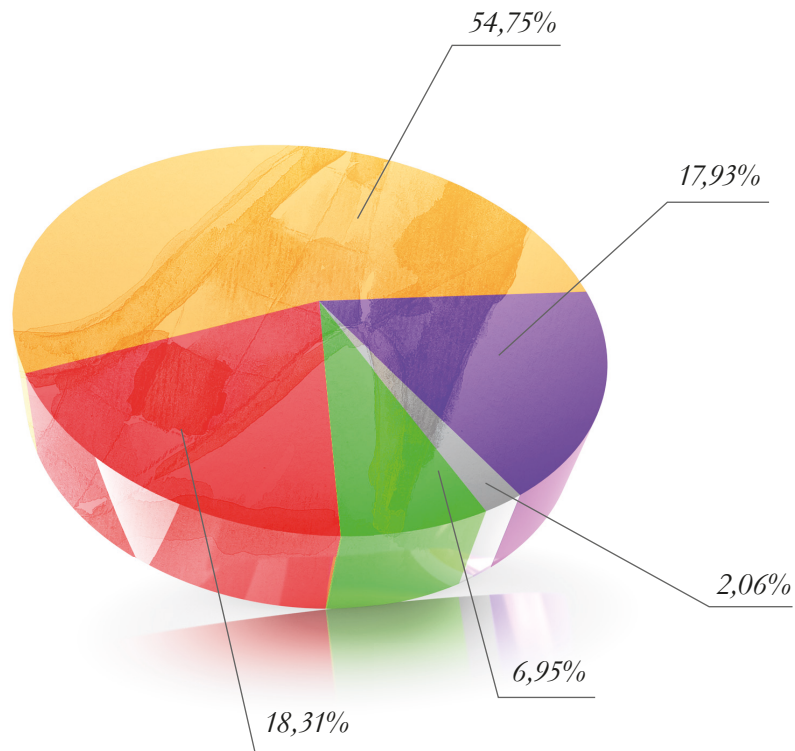
	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11
Number of outlets										
<i>domestic company-owned outlets</i>	164	181	210	213	223	222	225	213	220	216
<i>franchise shops</i>	73	76	65	64	65	66	63	62	68	67
Floorspace (sq m)										
<i>domestic company-owned outlets</i>	18 765	21 358	24 586	25 216	27 507	27 750	28 765	27 447	28 637	28 355
<i>franchise shops</i>	7 518	7 923	7 050	7 090	7 304	7 479	6 978	6 912	7 779	7 632
Gross Profit on Sale Margin (%)										
<i>owned</i>	46,0	51,6	50,5	56,4	54,4	58,3	55,9	57,8	56,6	60,6
<i>franchise</i>	18,8	28,8	35,6	33,1	34,5	32,4	29,5	35,4	35,1	25,5

QUAZI

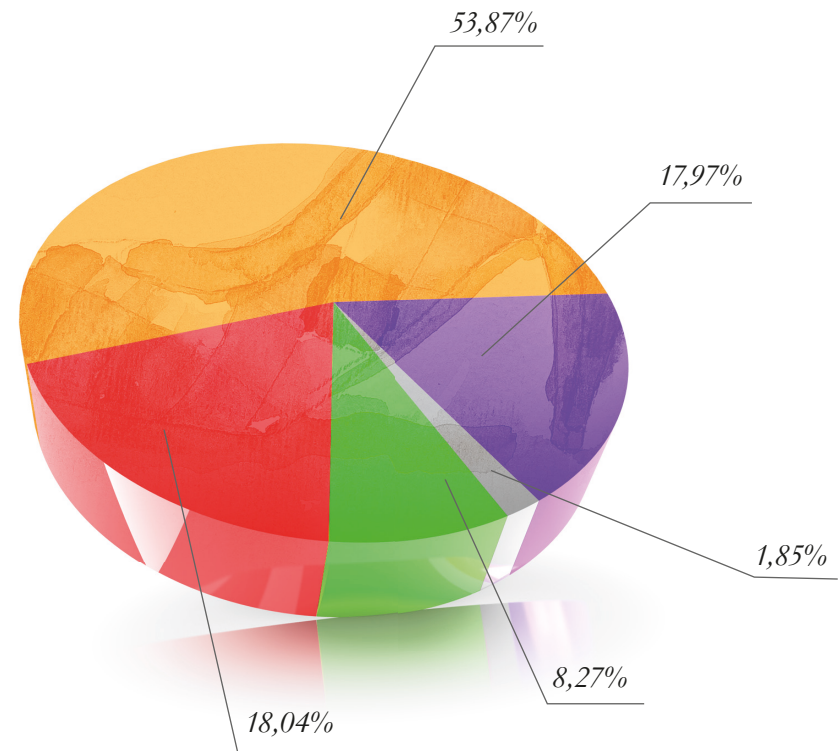
	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11
Number of outlets										
<i>owned</i>	34	41	44	51	48	49	48	49	48	46
Floorspace (sq m)	5 641	6 568	6 943	7 863	6 938	7 033	6 772	6 854	6 743	6 435
Gross Profit on Sale Margin (%)										
<i>owned</i>	36,1	46,5	44,1	49,6	50,4	56,8	53,4	54,1	48,1	51,5

Revenue split by volume and sales channels (%)

1H 2010



1H 2011



CCC



BOTI



QUAZI

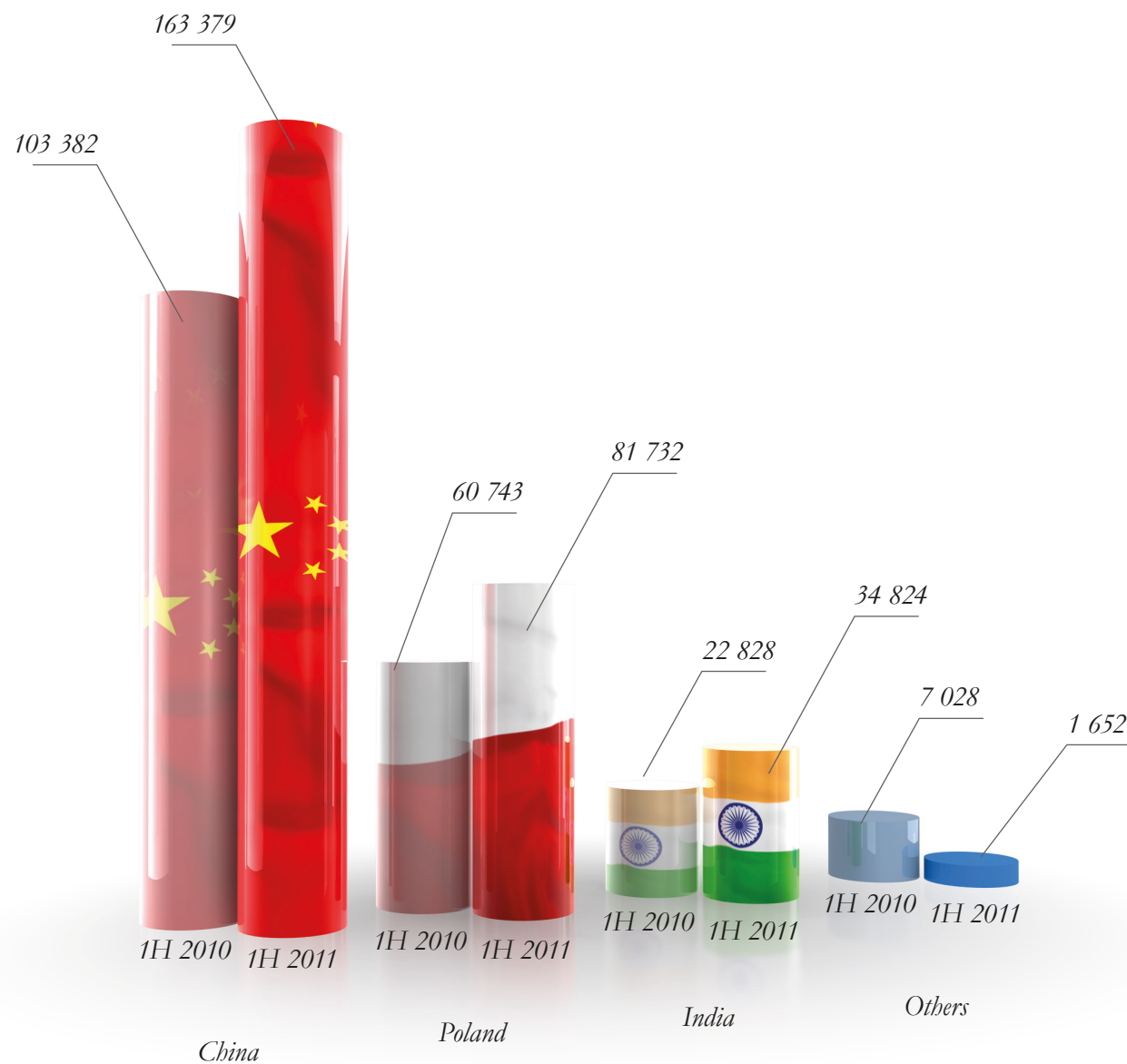


NG2 to CCC Boty

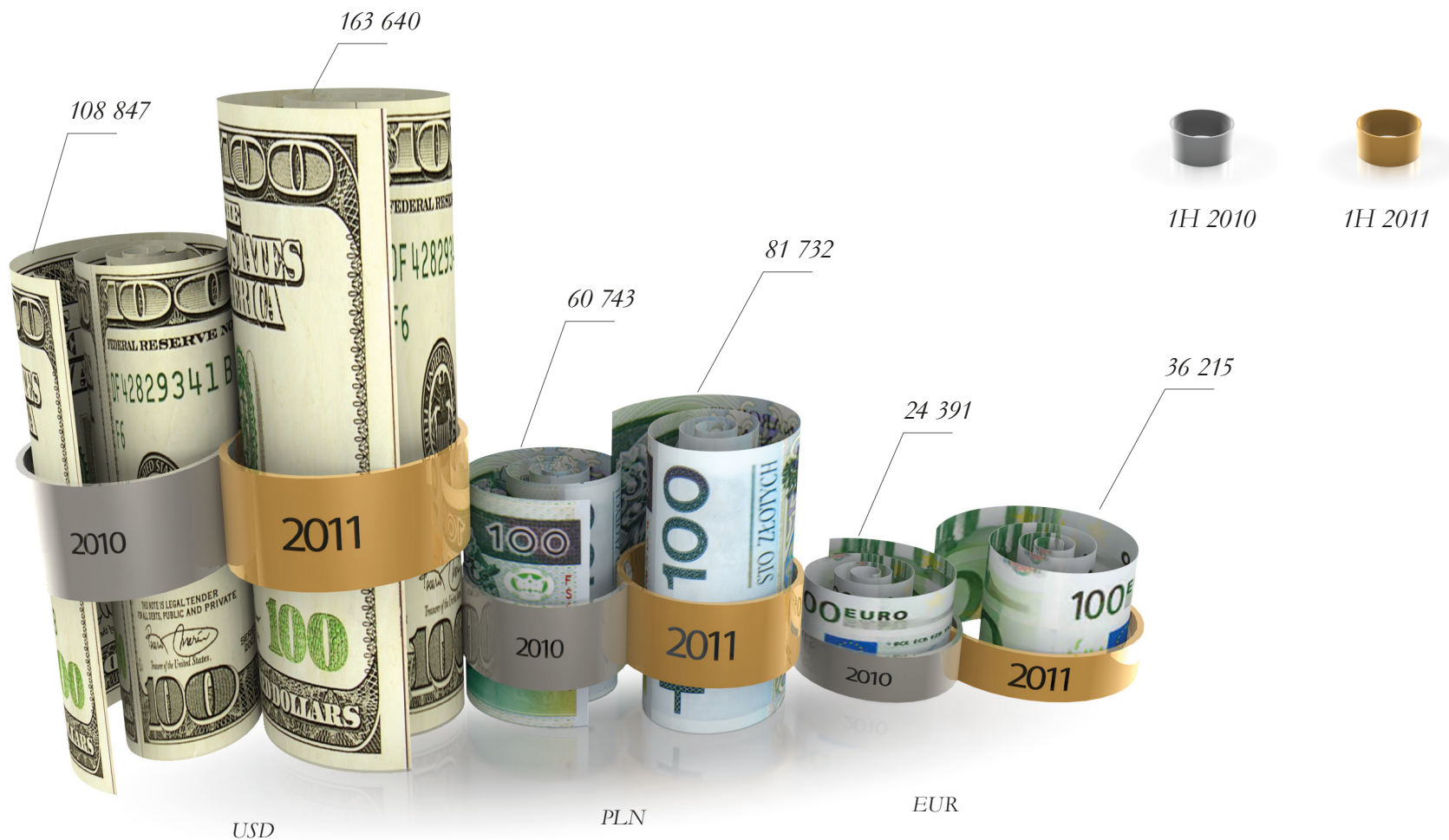


Franchise

Purchases split by sources of supplies (PLN 000’)



Purchases split by currency I-VI 2010/2011 (PLN 000`)



April, May, June 2010 vs. 2011

248 stores



	April 2010	April 2011	%
number of visitors	8 405 635	8 308 162	-1,16%
number of transactions	723 505	894 982	23,70
net sales	46 995 374 PLN	59 253 173 PLN	26,08
effectiveness of sales	8,6%	10,8%	25,58
av. ticket value	65 PLN	66 PLN	1,54
revenue per 100 visitors	559 PLN	713 PLN	27,55

248 stores



	May 2010	May 2011	%
number of visitors	10 509 044	10 399 900	-1,04%
number of transactions	867 097	1 104 510	27,38%
net sales	54 009 777 PLN	69 449 904 PLN	28,59%
effectiveness of sales	8,3%	10,6%	27,71%
av. ticket value	62 PLN	63 PLN	1,61%
revenue per 100 visitors	514 PLN	668 PLN	29,96%

254 stores



	June 2010	June 2011	%
number of visitors	9 844 926	8 574 940	-12,90%
number of transactions	915 617	863 785	-5,66%
net sales	53 314 932 PLN	50 707 116 PLN	-4,89%
effectiveness of sales	9,3%	10,1%	8,60%
av. ticket value	58 PLN	59 PLN	1,72%
revenue per 100 visitors	542 PLN	591 PLN	9,04%

Financial results– Q2 2011

	2Q 2010 `000 PLN	2Q 2011 `000 PLN	Change % 2011/2010
Revenue	244 546	299 332	22,4%
Gross Profit on Sale	140 631	174 059	23,8%
Gross Profit on Sale Margin	57,5%	58,1%	1,1%
Selling Costs	-95 547	-109 122	14,2%
General & Administrative Costs	-3 233	-4 551	40,8%
EBIT	38 729	57 468	48,4%
EBIT Margin	15,8%	19,2%	21,2%
Financial Costs	-2 556	-2 023	-20,9%
Gross Profit	36 326	55 500	52,8%
Net Profit	47 762	47 917	0,3%
Net Profit Margin	19,5%	16,0%	-18,0%
Total Assets	594 822	816 469	37,3%
Liabilities nad Reserves	240 016	405 988	69,2%
Long Term Liabilities	51 064	135 788	165,9%
Short Term Liabilities	188 952	270 200	43,0%
Equity	354 806	410 481	15,7%

Financial results– H1 2011

	1–4Q 2010 `000 PLN	1–4Q 2011 `000 PLN	Change 1–4Q 2011 / 2010
Revenue	440 254	484 257	10,0%
Gross Profit on Sale	241 347	269 898	11,8%
Gross Profit on Sale Margin	54,8%	55,7%	1,6%
Selling Costs	-185 471	-203 355	9,6%
General & Administrative Costs	-5 953	-8 611	44,6%
EBIT	47 901	55 561	16,0%
EBIT Margin	10,9%	11,5%	5,5%
Financial Costs	-4 646	-3 942	-15,2%
Gross Profit	43 525	51 826	19,1%
Net Profit	52 852	41 683	-21,1%
Net Profit Margin	12,0%	8,6%	-28,3%
Total Assets	594 822	816 469	37,3%
Liabilities and Reserves	240 016	405 988	69,2%
Long Term Liabilities	51 064	135 788	165,9%
Short Term Liabilities	188 952	270 200	43,0%
Equity	354 806	410 481	15,7%

NG2 – unleveraged retailer (as of 30th of June)

Financial Indebtedness / Equity(%)

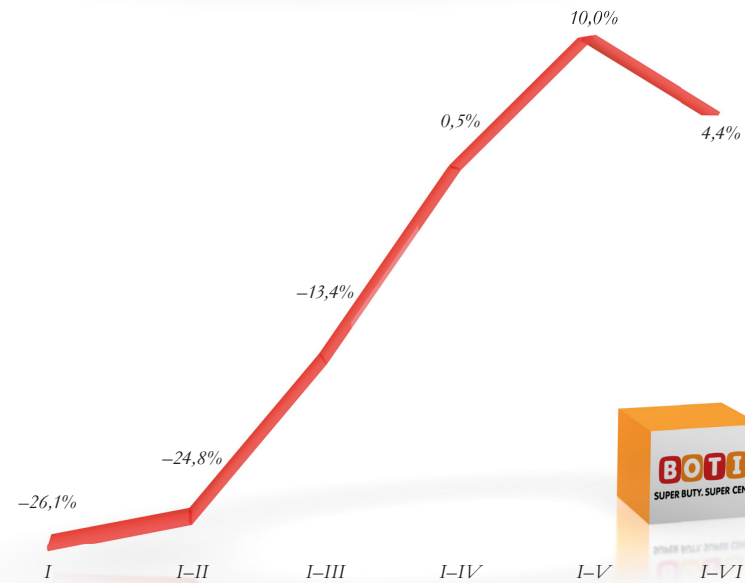
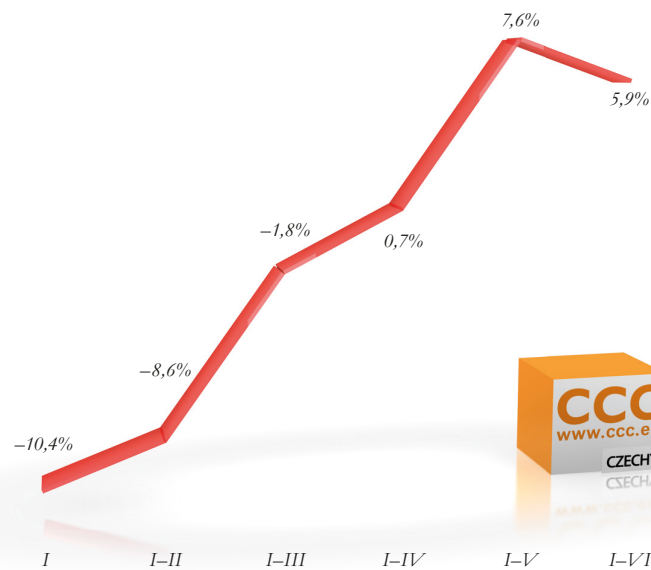
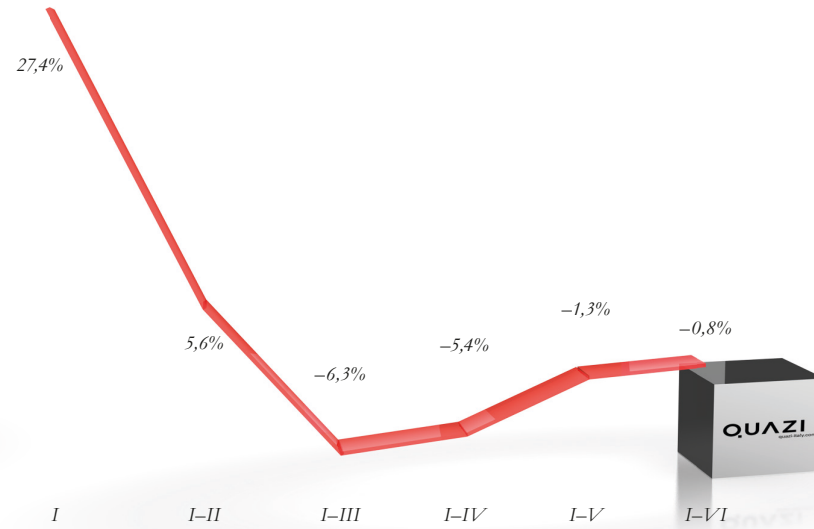
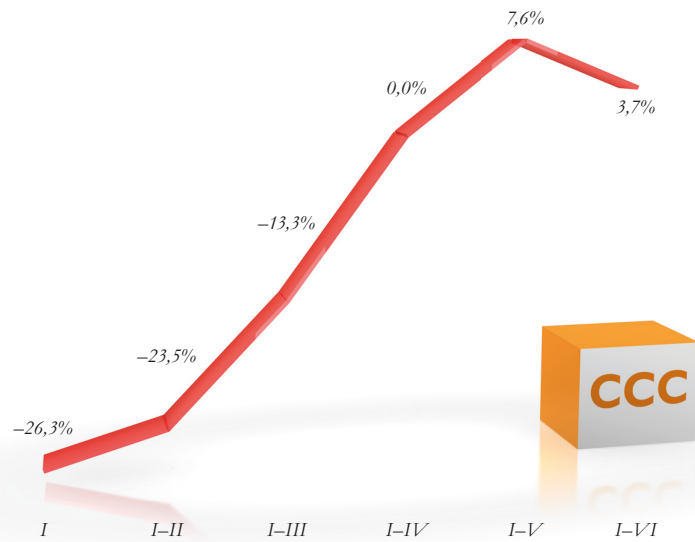
Net debt / EBITDA

Gross Profit Interest Cover



	1H 2010	1H 2011
<i>Financial Indebtedness (%)</i>	37,7	66,4
<i>Net debt / EBITDA</i>	0,7	1,3
<i>Gross Profit Interest Cover</i>	15,4	11,9

L-f-1 sales I-VI 2011



Selling costs in company-owned stores

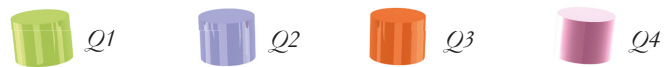
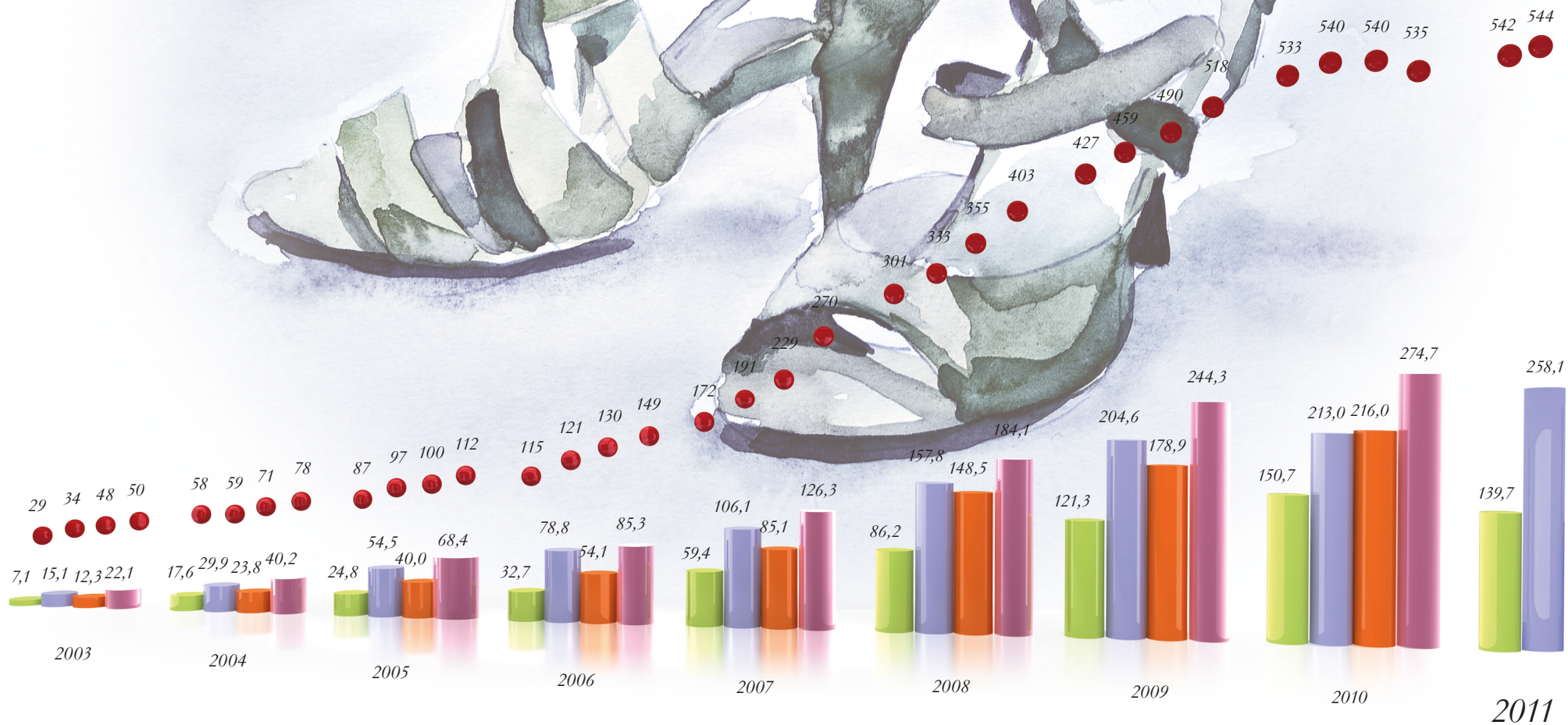


	selling costs (PLN/m ²)	rental costs (PLN/m ²)	selling costs (PLN/m ²)	rental costs (PLN/m ²)	selling costs (PLN/m ²)	rental costs (PLN/m ²)
1 H 2011	186,6	92,1	182,0	75,4	301,3	161,2
1 H 2010	182,2	91,4	171,0	70,6	318,6	159,5
zm % 2011/2010	2,4%	0,8%	6,4%	6,8%	-5,4%	1,1%
2 Q 2011	192,5	94,4	187,9	78,3	310,8	168,1
2 Q 2010	185,5	92,6	172,6	72,8	323,1	161,1
zm % 2011/2010	3,8%	1,9%	8,9%	7,6%	-3,8%	4,3%
1 Q 2011	180,7	89,8	176,2	72,4	291,9	154,2
1 Q 2010	178,8	90,2	169,4	68,4	314,2	158,0
zm % 2011/2010	1,1%	-0,4%	4,0%	5,8%	-7,1%	-2,4%

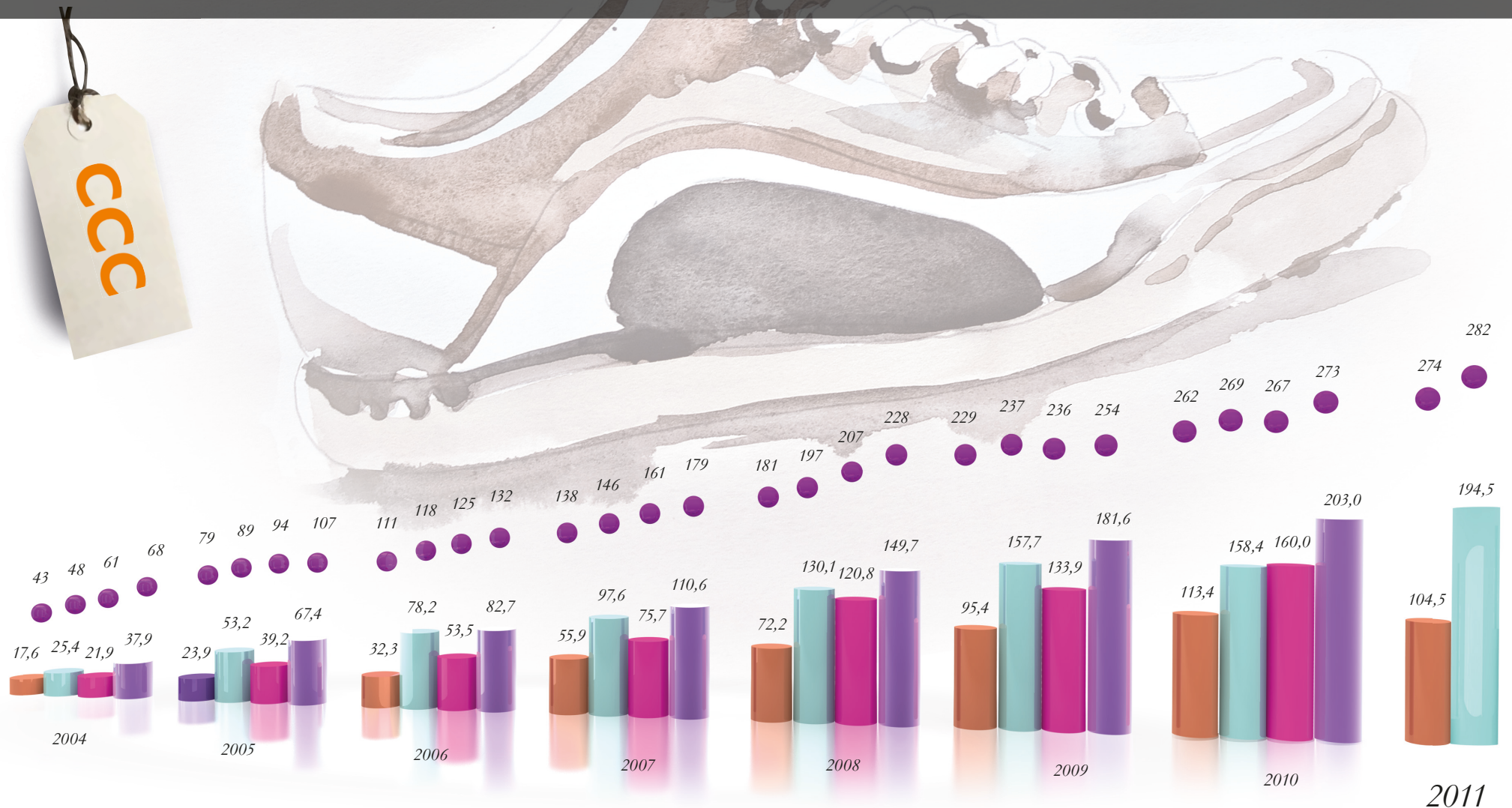
Consolidated Net Profit 2004-2011 (PLN million)



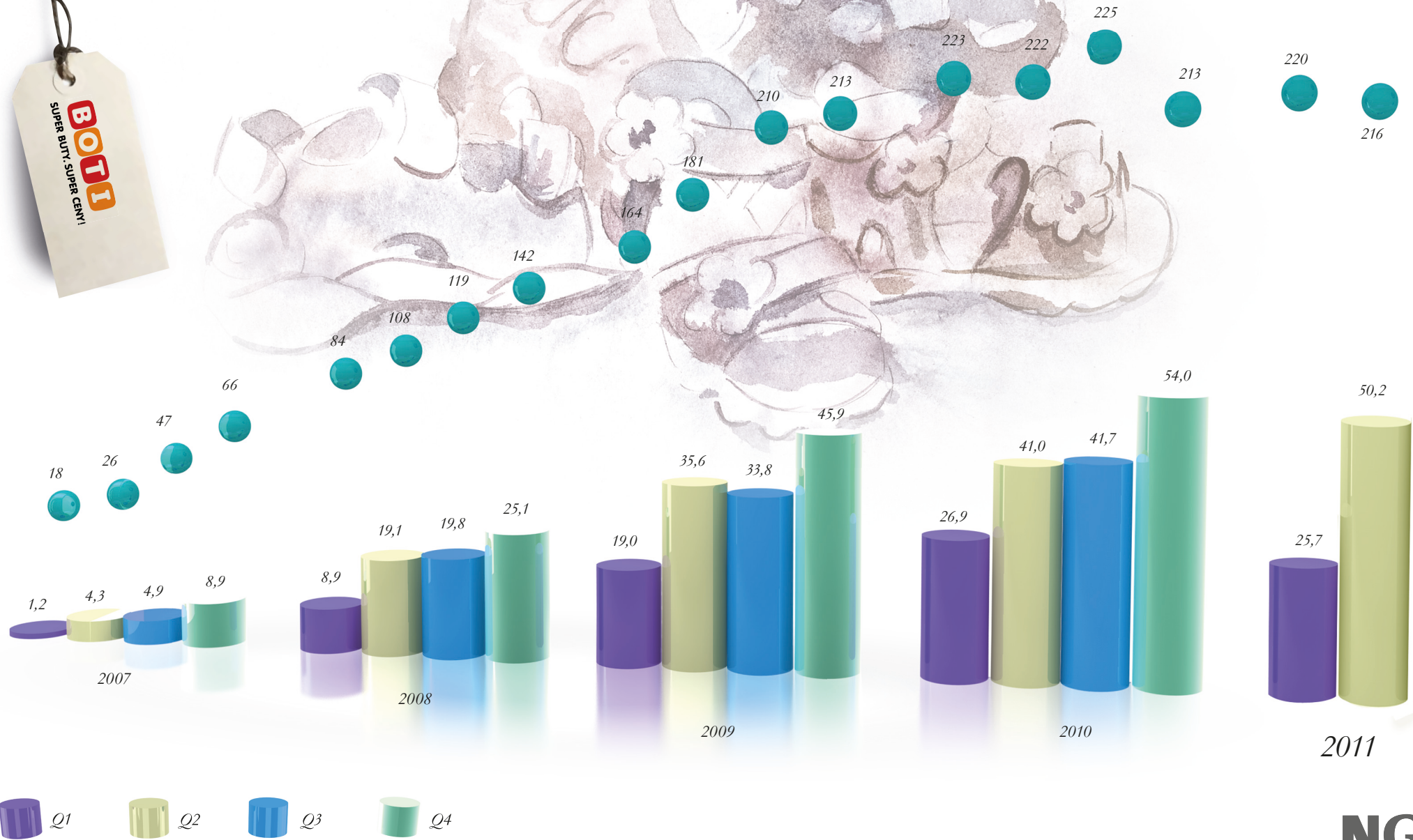
Revenue – owned stores 2003-2011



Revenue – CCC stores 2004–2011

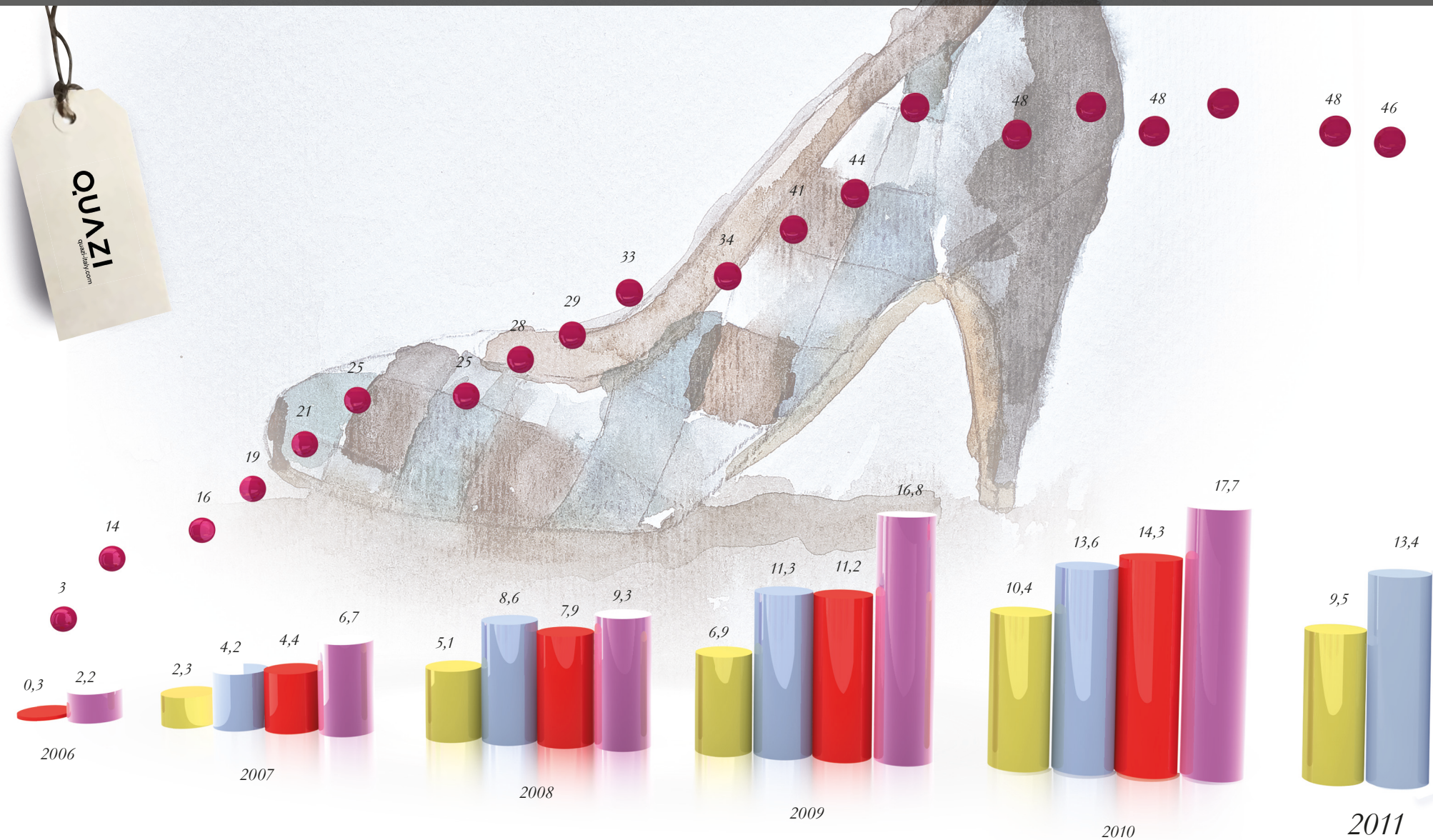


Revenue – BOTI stores 2007–2011



■ Q1
 ■ Q2
 ■ Q3
 ■ Q4

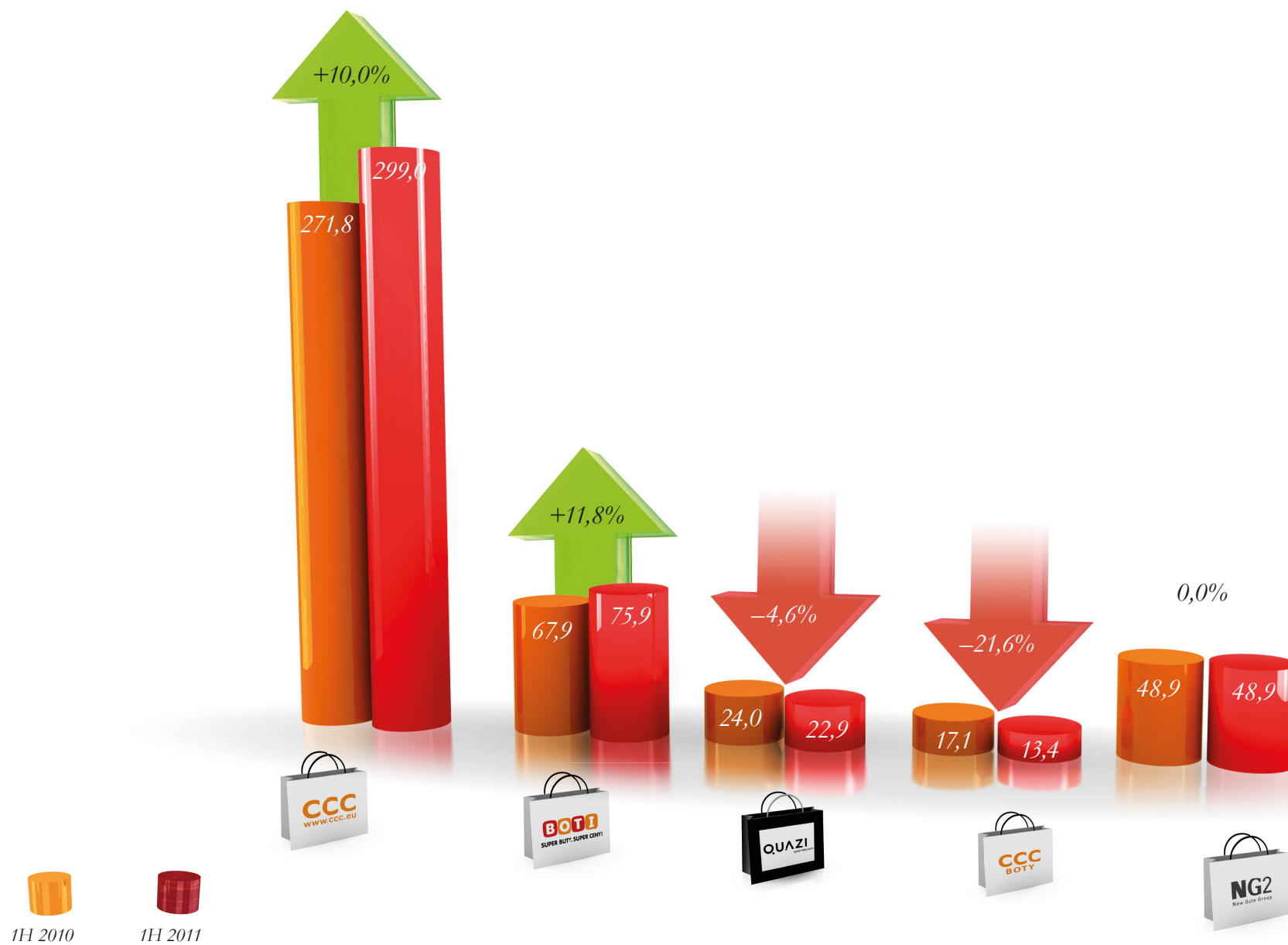
Revenue – QUAZI stores 2006–2011



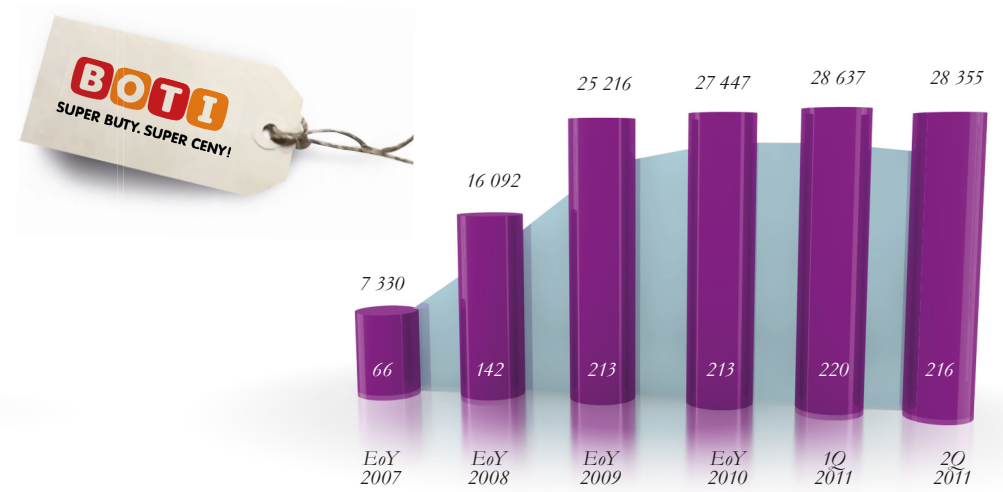
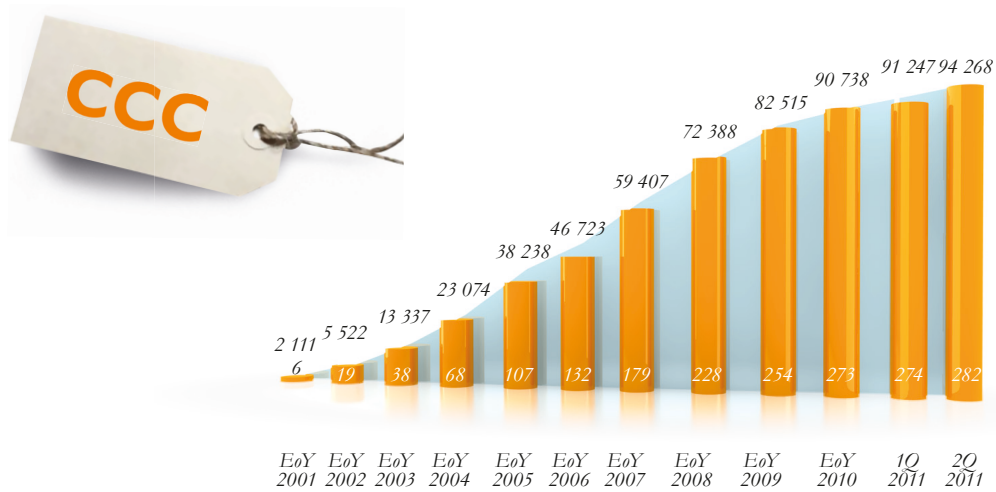
Revenue – CCC Boty Czech stores 2006–2011



Revenue by sales channels 2010 / 2011



Floorspace and number of stores



Factors affecting strategy of NG2



Characteristics of the footwear market in Poland.

- Domestic footwear market in Poland dispersed and not saturated.
- Foreign footwear chains lost momentum to grow in Polish market.
- Lack of large multinational players (Deichmann is an exception).

Financial strength of NG2

- Low leverage allows to finance rapid expansion.
- Low interest costs guarantee stability of business development.
- High equity and ROE make NG2 unique low-risk retail chain.

Economic slowdown

- NG2 is a well-shaped organization with low level of costs and effective structure.
- Opportunities are taken to increase the competitive advantages.
- Crisis was the best possible period to increase the awareness of the brand among customers.

Strategy of NG2



Strategy of NG2 is based on constant dynamic growth and increase of the market share in Poland and Czech Republic.

- Lack of attractive companies to acquire.
- Opening of new CCC and BOTI stores in Poland and Czech Republic.
- Franchise stores in Poland are gradually being taken over.

Franchising business in Russia

- NG2 is interested in franchise model in Russia.
- Top priorities for the Company are: low risk and costs of this distribution channel.
- The first two stores were opened in March and July, another 4-5 are planned by the end of the year.

Increase of the effectiveness

- Constant growth of l-f-l sale remains the strategic goal of NG2.
- Automation of processes is intended to lower the logistic and labour costs.
- Precise budgets limit expenditures and increase the cost awareness.

Retail chain's development plans

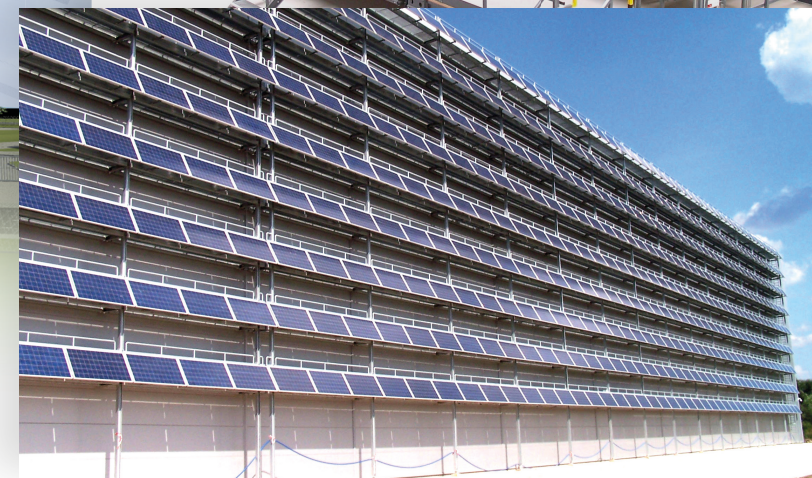
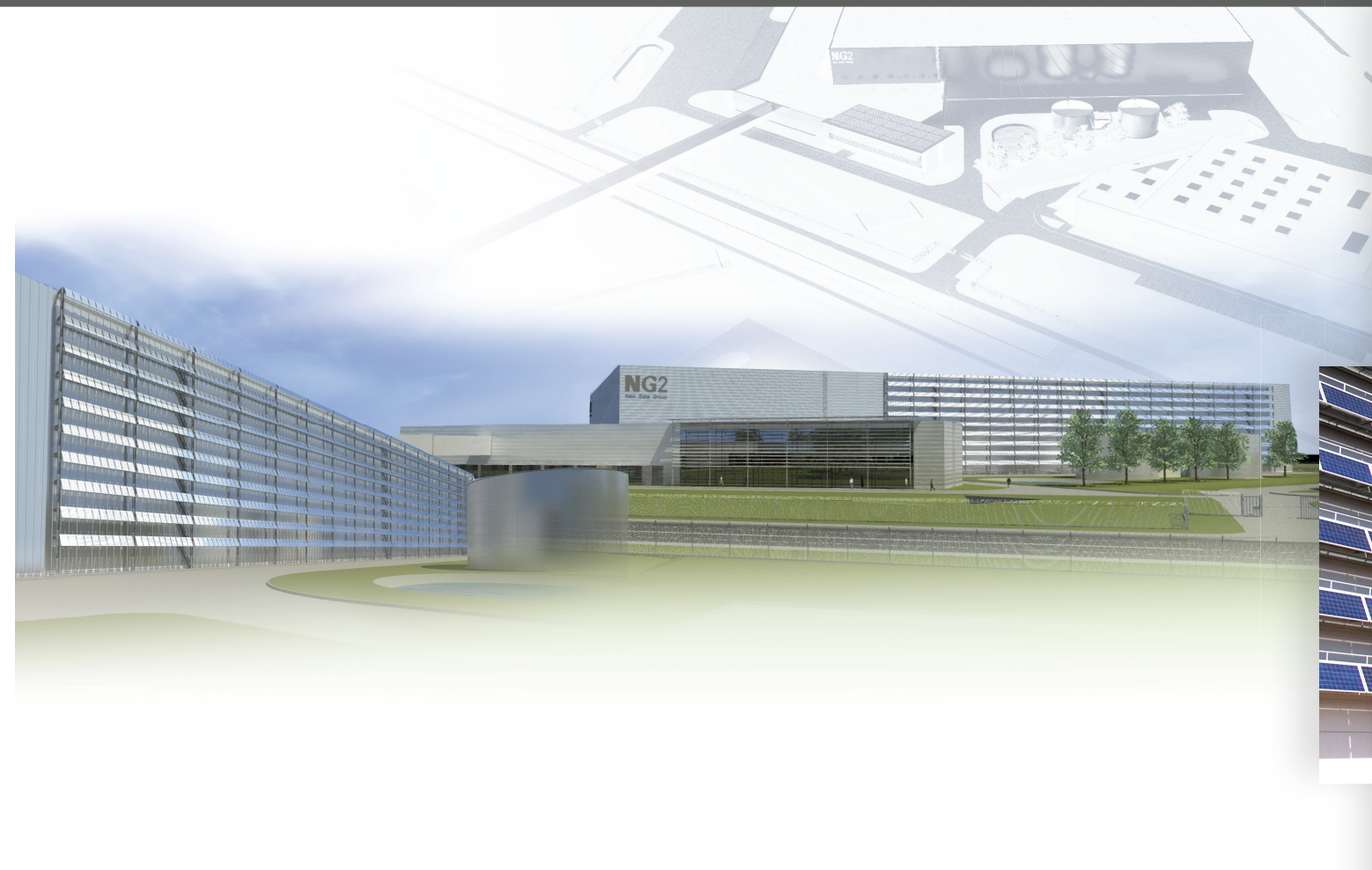
*NG2 intends to achieve **20% footwear market share** in Poland within next three years.*

In 2011 floorspace will grow by 9 - 10 % (13.000 -14.000 sqm).

In the 2012 we are expecting the growth of floorspace of 15.000 sqm.

Up to 20 franchise stores may be opened in Russia by the end of 2012.

New, fully-automated logistic center in Polkowice



Completion of the logistic center is scheduled for the end of 2011

- 23 thousand sqm, capacity over 5 million pairs,
- Total cost : PLN 130,985 million (incl.VAT), out of which PLN 38 million subsidized by EU

Shareholders structure (shares)

NG2 S.A. has been listed on the Warsaw Stock Exchange since 2004

The main shareholder and founder of NG2 is The President of Management Board Mr Dariusz Milek

Number of shares:
38.400.000

