



results and strategy
1H 2012

CCC

Economy, shopping centres & cities

Floorspace (average – sq m) 358

Capex (PLN per sq m) 1 025

BOTI

Super-economy concept,
hypermarkets & mid-sized towns

Floorspace (average – sq m) 135


Capex (PLN per sq m) 785

QUAZI

Premium brand, shopping malls

Floorspace (average – sq m) 137

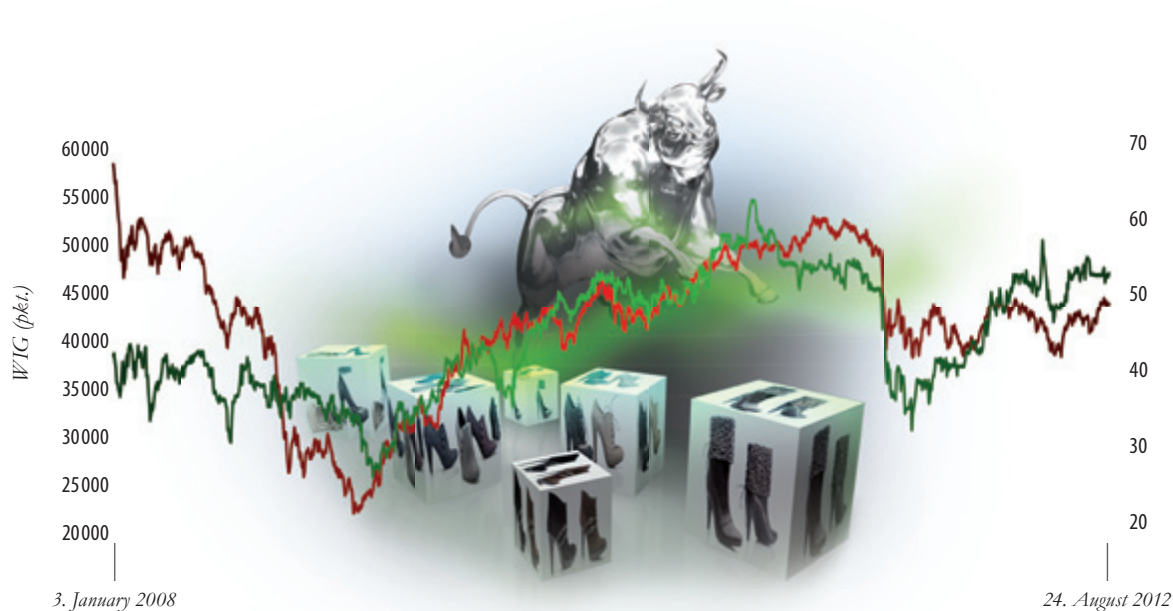
Capex (PLN per sq m) 2 225

The background of the slide features several overlapping sheets of paper. On the left, there are watercolor paintings in shades of green, blue, and purple. On the right, there are pencil sketches, including a detailed drawing of a hand holding a pen and a sketch of a face. The papers are layered, creating a sense of depth and artistic creativity.

Management is fully satisfied with l-f-l sales, traffic, floorspace development and growth in revenue. However, due to the lower margin in H1 net profit is below expectations.

Based on deep analysis and first openings the new long-term strategy of rapid expansion in CEE countries was developed.

In the years 2013–2015 NG2 will strengthen its position of the market leader in Poland. The same position is to be achieved in Czech Republic, Slovakia and Hungary. CCC stores will be also opened in Russia, Romania, Kazakhstan, Ukraine and Baltic countries.



Analysts coverage

<i>Institution</i>	<i>Analyst/Contact</i>
ING Securities	Milena Olszewska milena.olszewska@pl.ing.com
Deutsche Bank Securities	Łukasz Wachelko lukasz.wachelko@db.com
DM Banku Handlowego	Piotr Zielonka piotr.zielonka@citi.com
KBC Securities	Kamil Szlaga kamil.szlaga@kbcsecurities.pl
Unicredit CAIB	Małgorzata Kloka malgorzata.kloka@caib.unicredit.eu
Wood&Company	Gabriela Borowska gabriela.borowska@wood.com
PKO BP	Włodzimierz Giller wlodzimierz.giller@pkobp.pl
Ipopema Securities	Tomasz Duda tomasz.duda@ipopema.pl
IDM	Sylvia Jaśkiewicz s.jaskiewicz@idmsa.pl
Dom Maklerski Banku BPS	Marcin Stebakow stebakow@bdm.com.pl
Biuro Maklerskie BPH S.A.	Tomasz Chwiałkowski tomasz.chwialkowski@ge.com
Millennium Dom Maklerski S.A.	Adam Kaptur adam.kaptur@millenniumdm.pl
DM Amerbrokers S.A.	Renata Miś renata.mis@amerbrokers.pl
Raiffeisen Centrobank AG	Jakub Krawczyk jakub.krawczyk@rcb.at

Stock info

Share Price = 58,20 PLN
 Reuters: CCCC.WA
 Bloomberg: CCC PW
www.ng2.pl

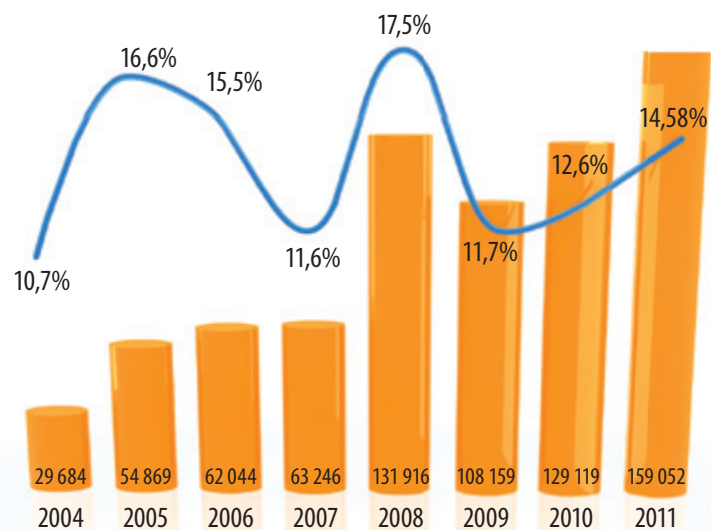
Market Cap:
 (PLN*m*) 2,235
 (EUR*m*) 555,9

Number of shares:
 38.400.000

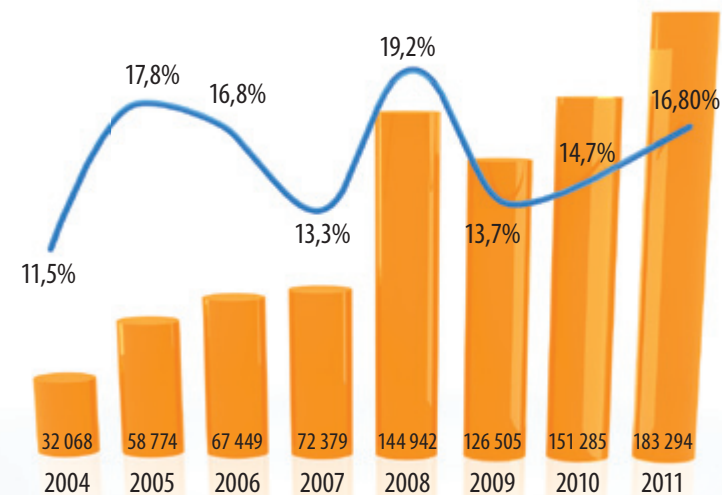
Free float 39,3%

Consolidated Profit 2004–2011 (PLN '000)

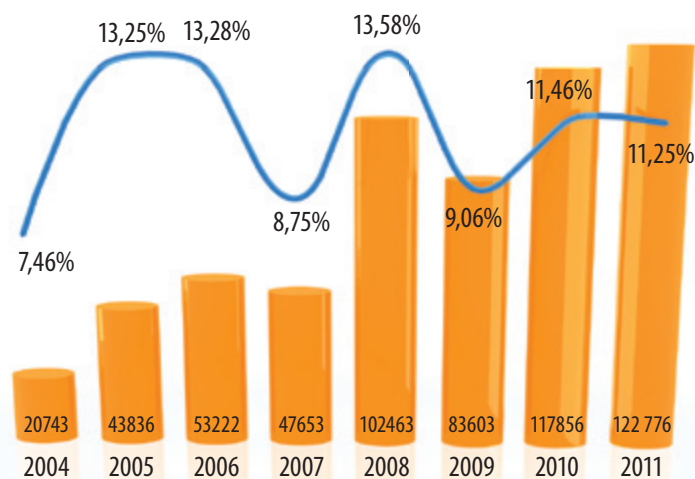
Consolidated EBIT



Consolidated EBITDA



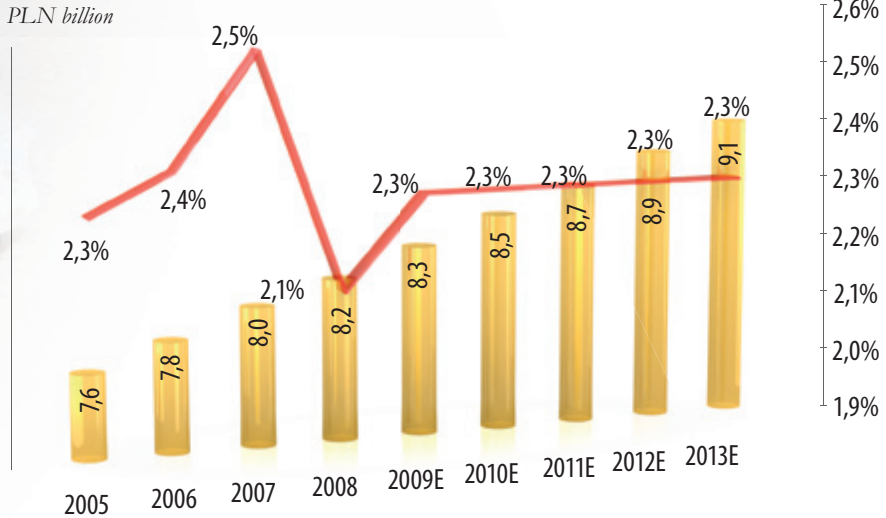
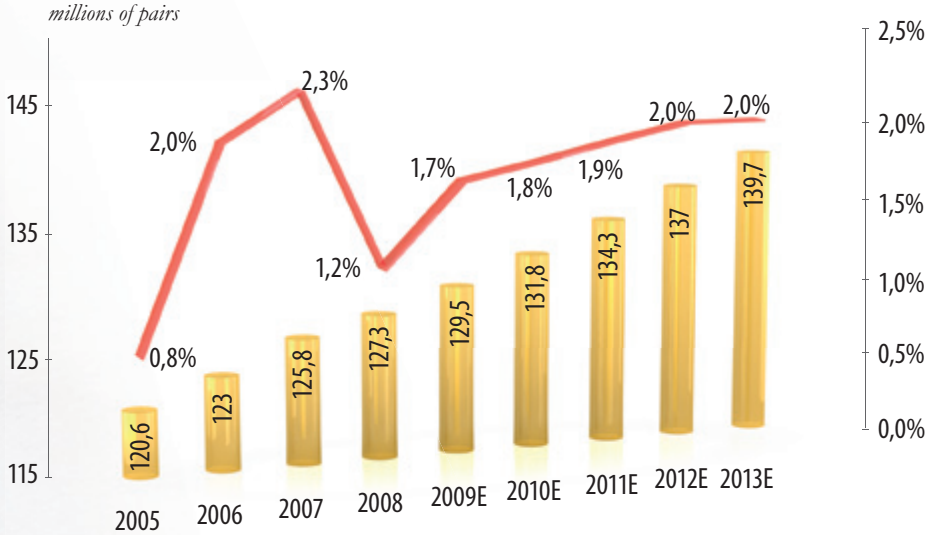
Consolidated net profit





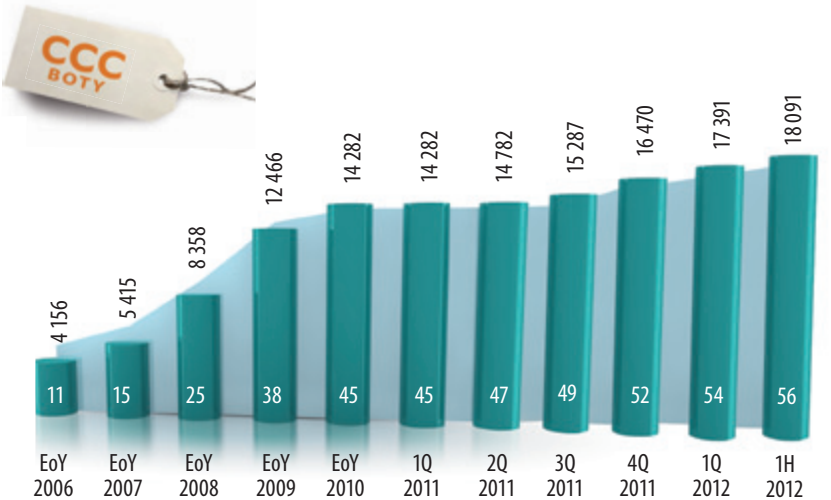
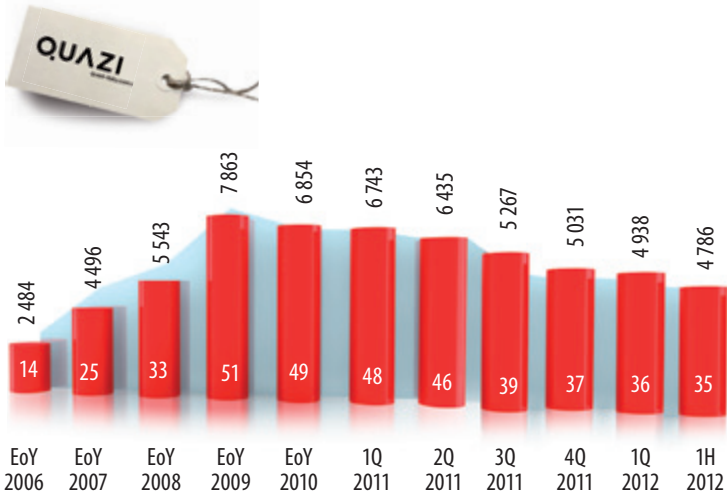
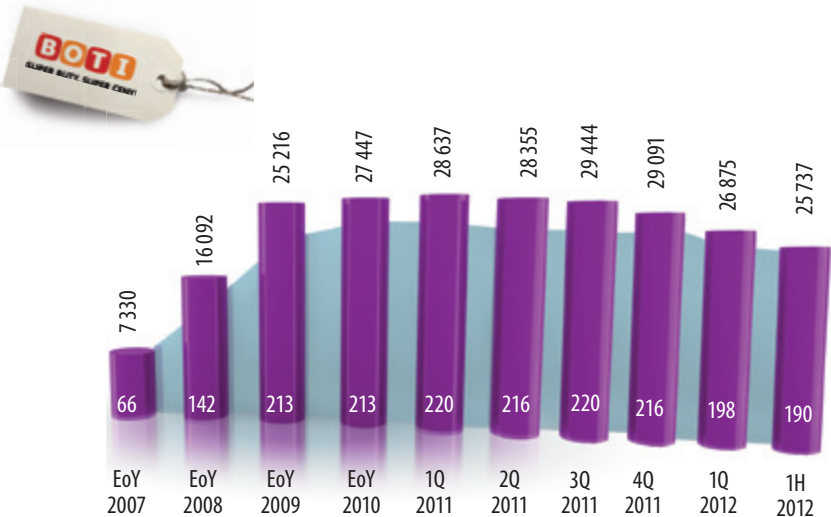
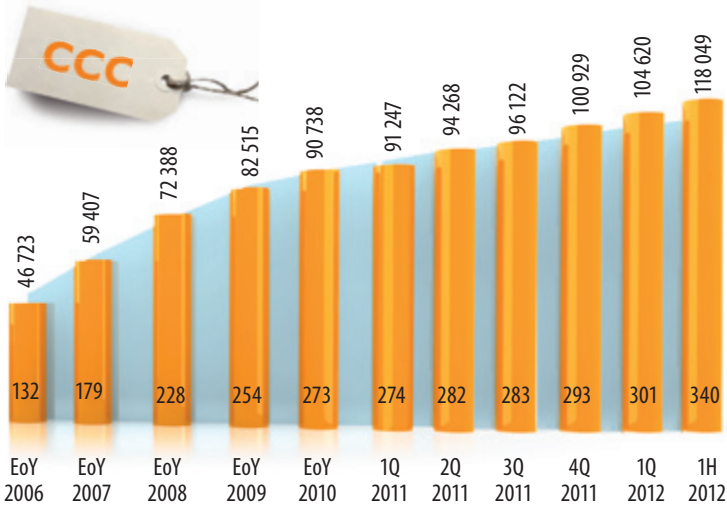
Footwear market in Poland

- 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 16,5% (2011)



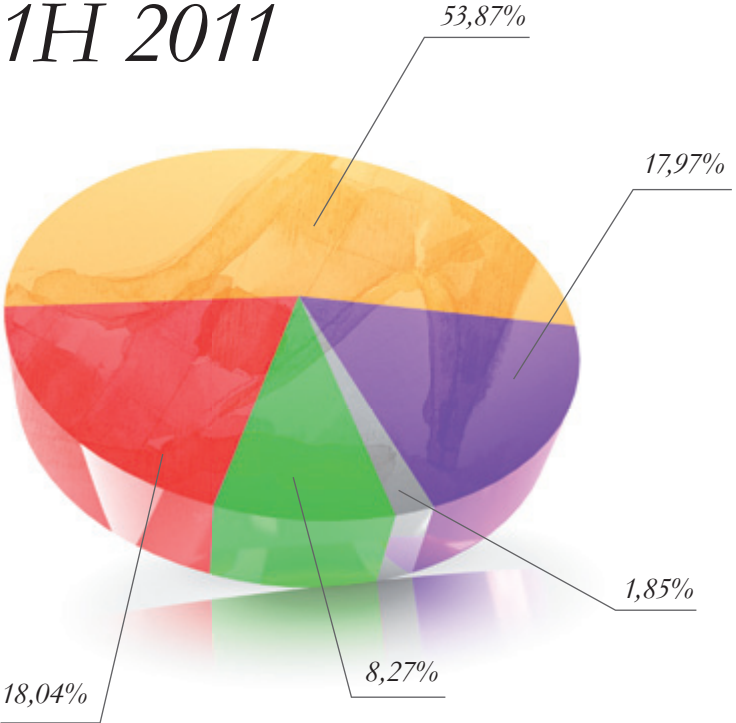
■ Footwear market volume
 ▲ YoY growth

Floorspace and number of stores

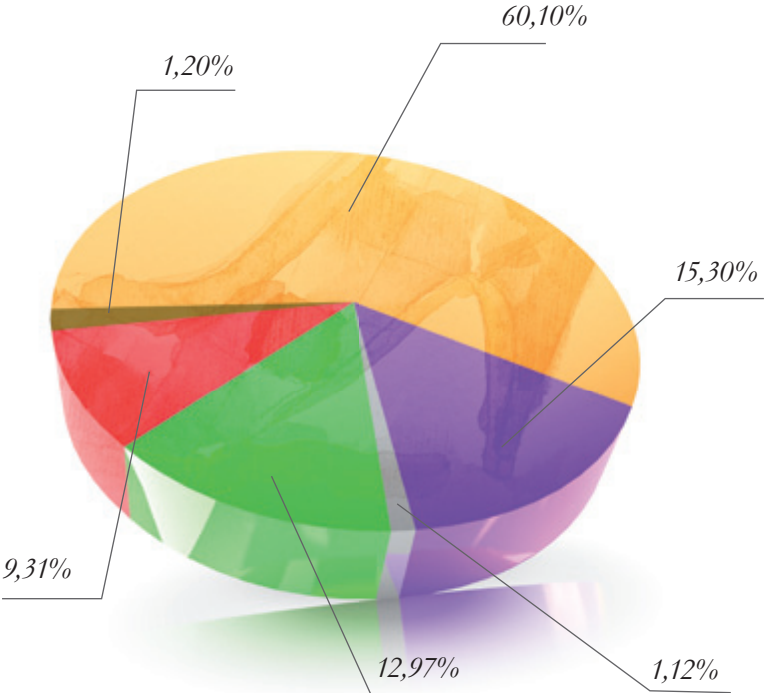


Revenue split by volume and sales channels (%)

1H 2011



1H 2012



CCC



CCC Agency



BOTI



QUAZI

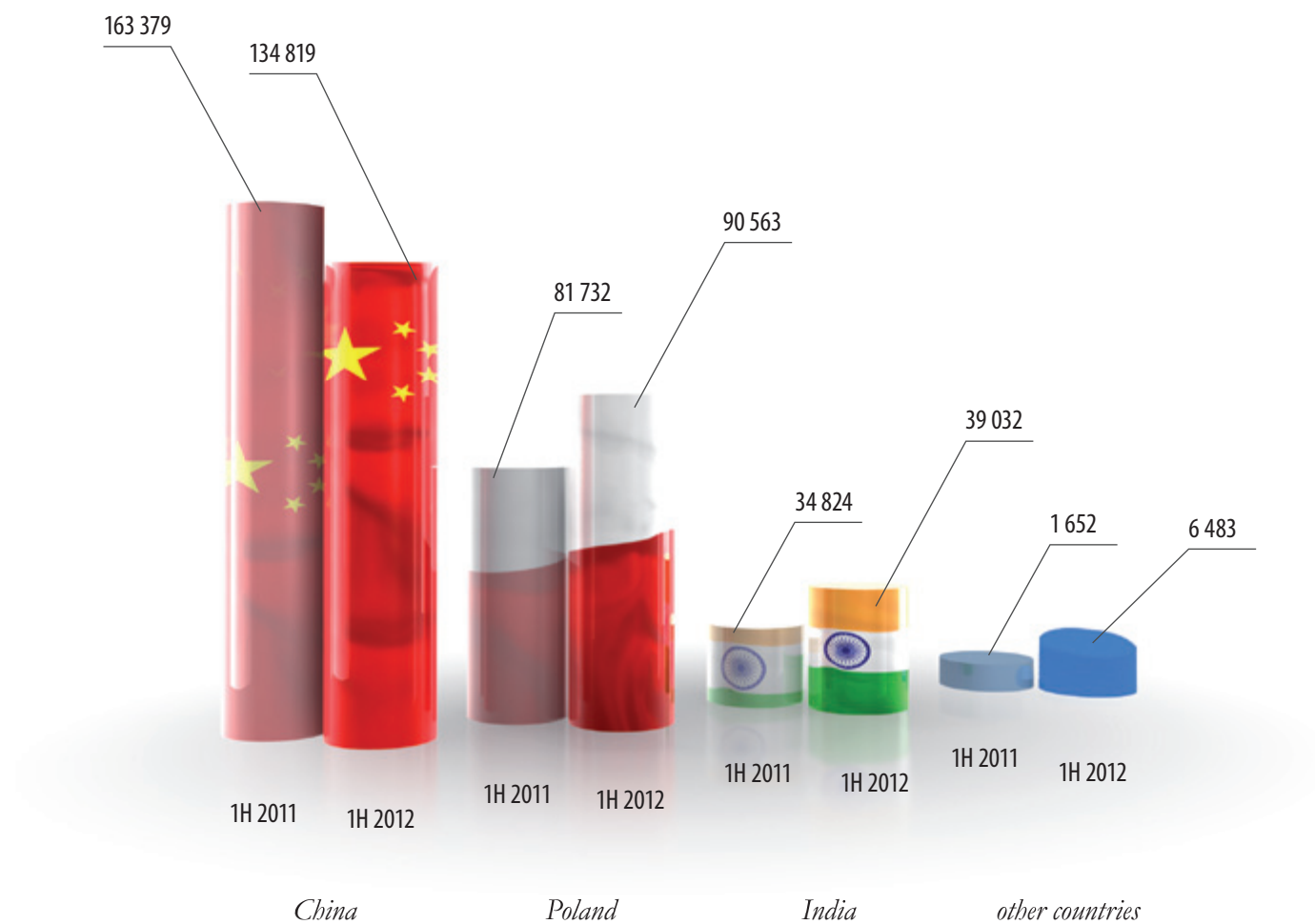


NG2 to CCC Boty



Franchise

Purchases split by sources of supplies (PLN '000)



Purchases split by currency I-VI 2011/2012 (PLN '000)



	1H 2011 `000 PLN	1H 2012 `000 PLN	Change % 2012/2011
Revenue	484 257	583 016	20,39%
Gross Profit on Sale	269 898	296 447	9,84%
Gross Profit on Sale Margin	55,73%	50,85%	-8,76%
Selling Costs	-203 355	-237 030	16,56%
General & Administrative Costs	-8 611	2 408	-127,96%
EBIT	55 561	58 953	6,11%
EBIT Margin	11,47%	10,11%	-11,86%
Financial Costs	-3 942	-7 476	89,65%
Gross Profit	51 826	51 773	-0,10%
Net Profit	41 683	45 453	9,04%
Net Profit Margin	8,61%	7,80%	-9,41%

Financial Indebtedness / Equity(%)

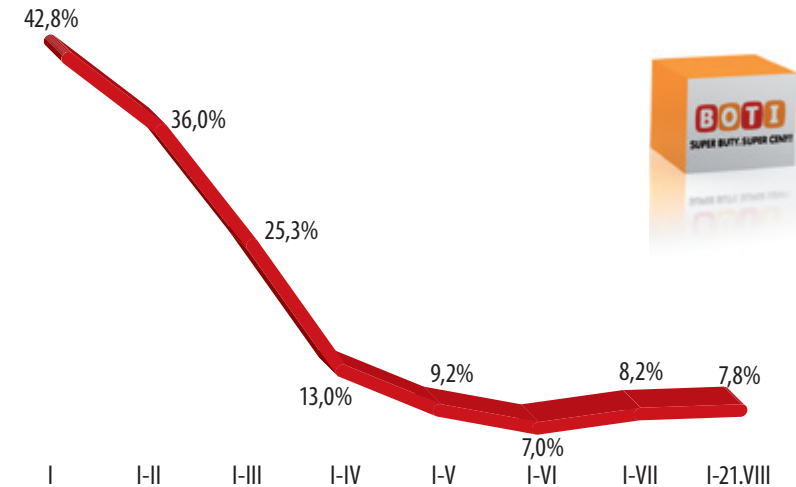
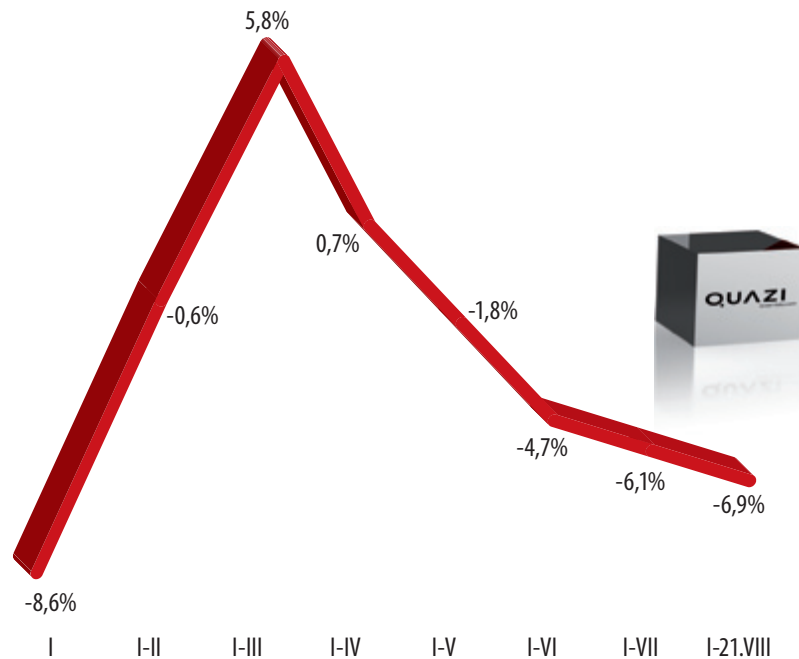
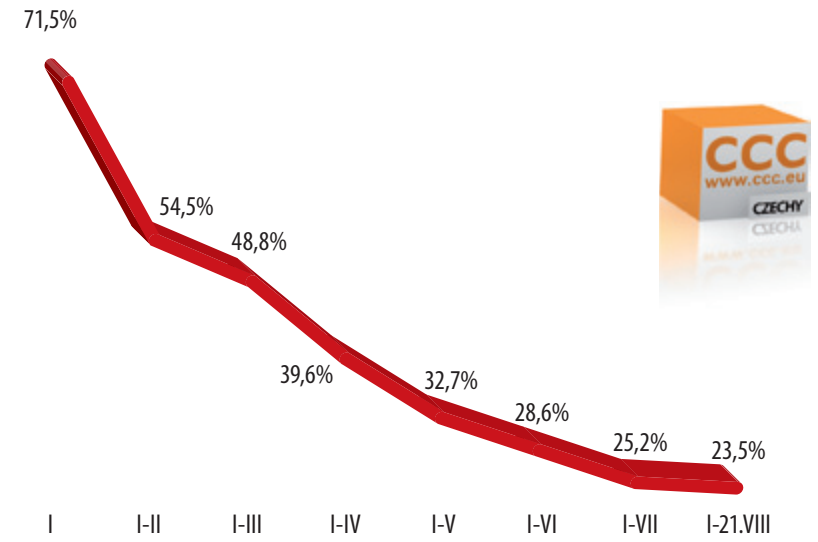
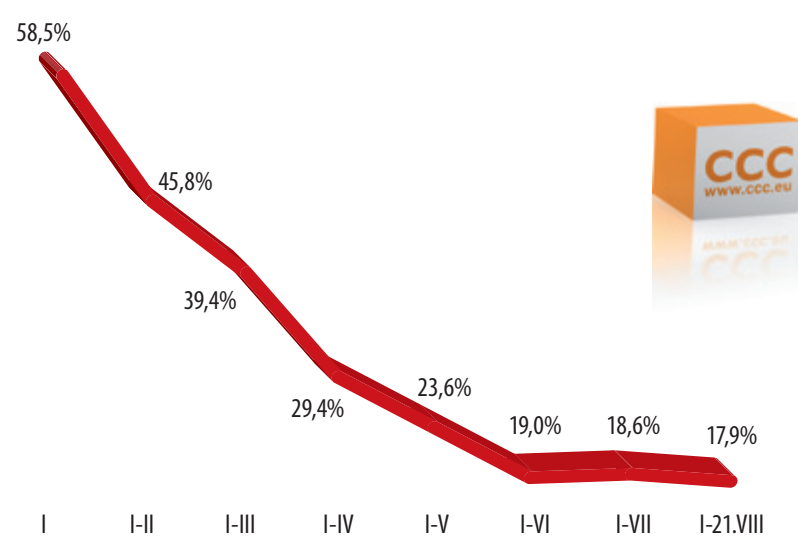
Net debt / EBITDA

Gross Profit Interest Cover



	1H2011	1H2012
<i>Financial Indebtedness (%)</i>	50,3%	62,3%
<i>Net debt / EBITDA</i>	0,9	1,3
<i>Gross Profit Interest Cover</i>	18,6	8,6

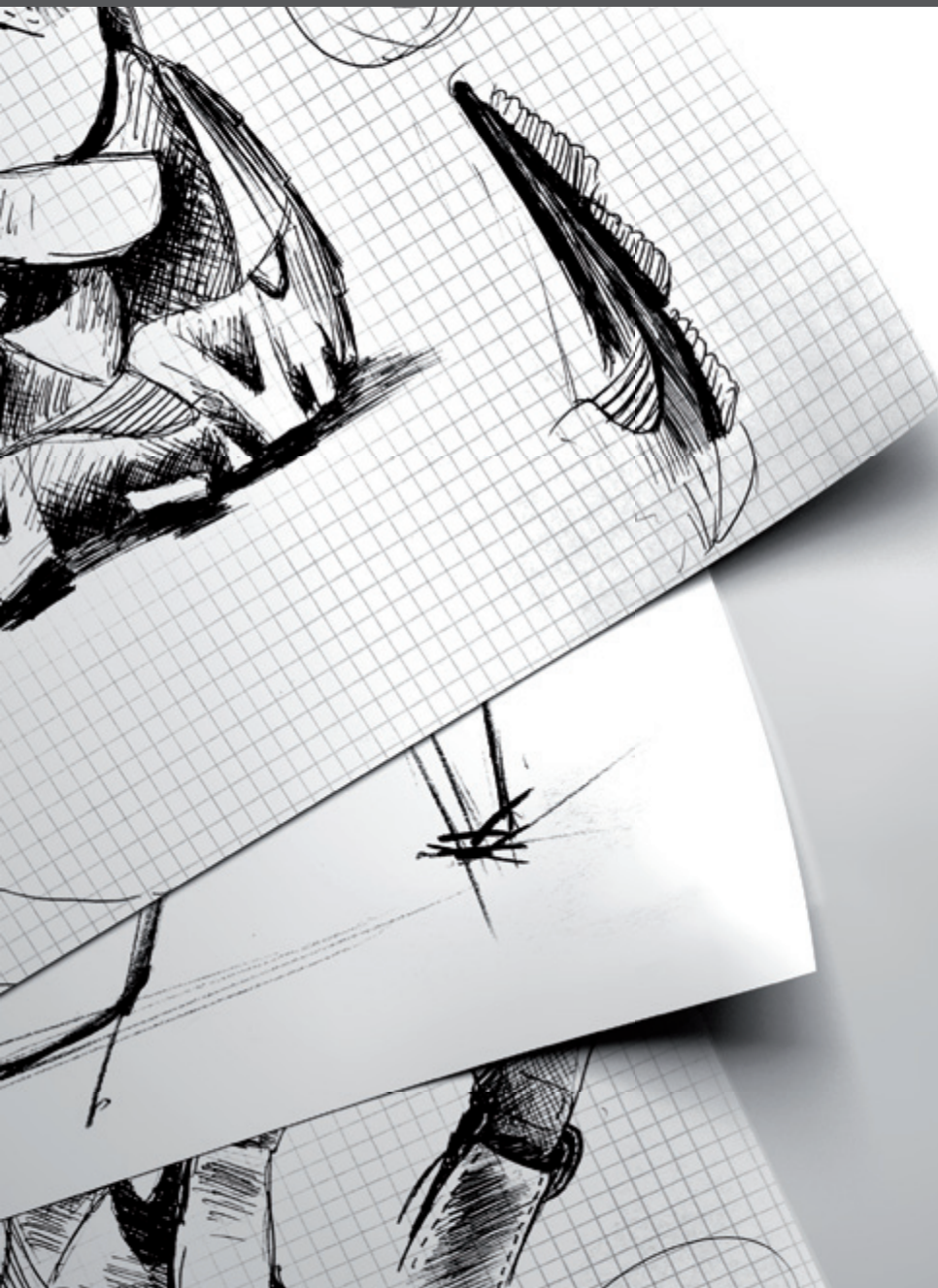
L-f-1 sales I — 21.VIII.2012



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)
1H 2012	198,2	96,6	188,4	76,6	309,4	176,2
1H 2011	186,6	92,1	182,0	75,4	301,3	161,2
% 2012/2011	6,2%	4,9%	3,5%	1,6%	2,7%	9,3%
2Q 2012	200,6	97,9	189,2	76,7	308,9	180,0
2Q 2011	192,5	94,4	187,9	78,3	310,8	168,1
% 2012/2011	4,2%	3,7%	0,7%	-2,0%	-0,6%	7,1%
1Q 2012	195,7	95,4	187,5	76,5	309,9	172,4
1Q 2011	180,7	89,8	176,2	72,4	291,9	154,2
% 2012/2011	8,3%	6,2%	6,4%	5,7%	6,2%	11,8%



The strategic goal for the years 2013–2015 is to become the market leader in each of the CEE countries: Poland, Czech Republic, Slovakia and Hungary.

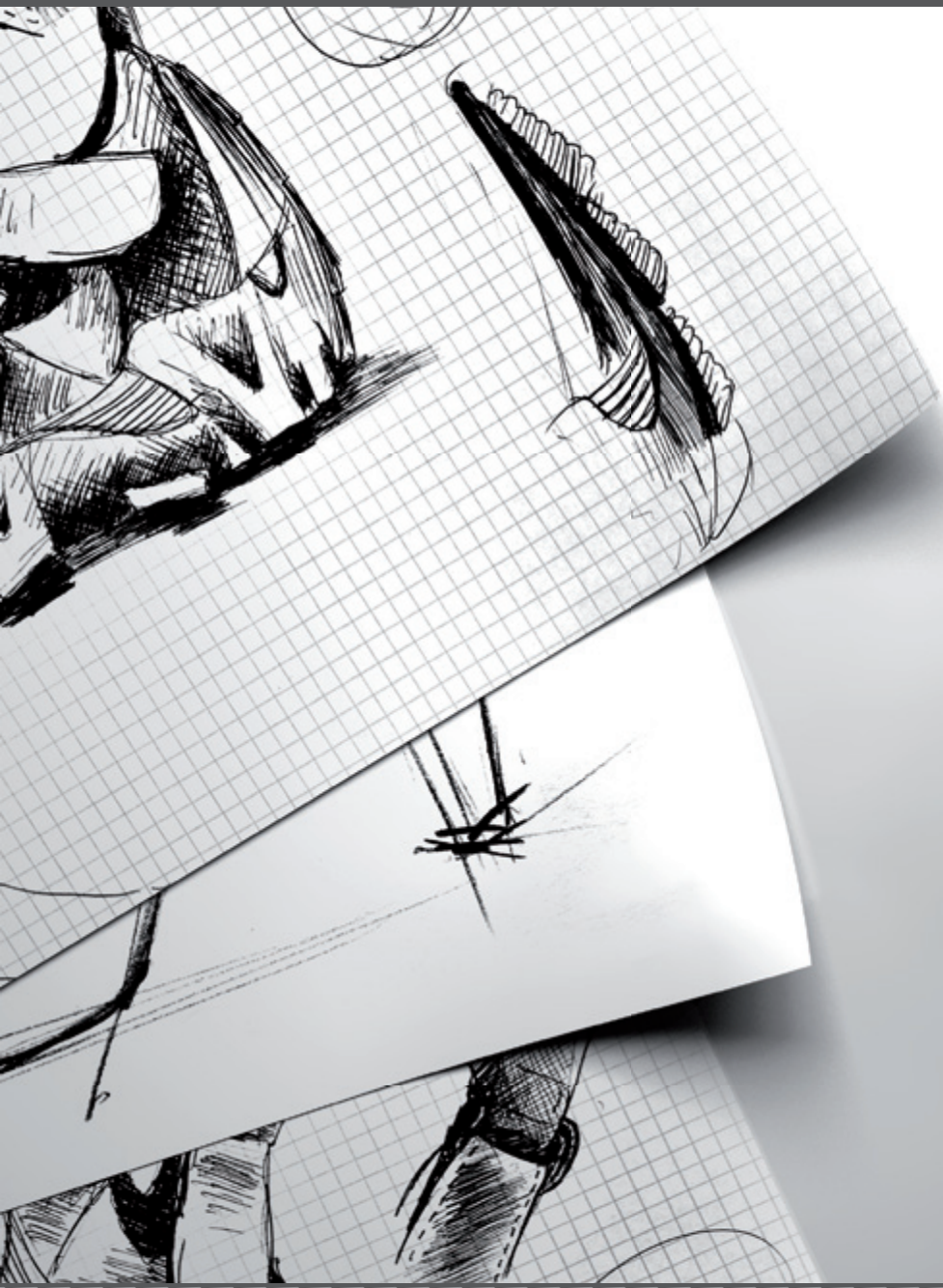
- NG2 Group intends to take the opportunity of the economic slowdown and to increase the total floorspace by 80% (150.000 sq.m.) till the end of 2015.
- In Poland, Czech Republic, Slovakia and Hungary only owned stores will be opened. In Russia, Romania, Baltic countries and other countries franchise business model will be developed.

NG2 intends to increase rapidly scale of the business while maintaining high profitability accompanied by the high ROE.

- NG2 Group will double its revenue until 2015.
- Long term sustainable EBIT Margin is estimated at 15-16% while Net Profit Margin at 11-13%.
- ROE will be above 20%.

Sales parametres will be improved substantially.

- Widening product offer and introducing new assortment.
- Marketing activities supporting CCC brand.
- Active promotion of CCC Club (loyalty program).



Management Board of NG2 forecasts single digit (5–7%) l-f-l sales growth in CCC stores in 2013–2015. Target seems to be achievable due to introduction of the new products, marketing campaigns and loyalty program.

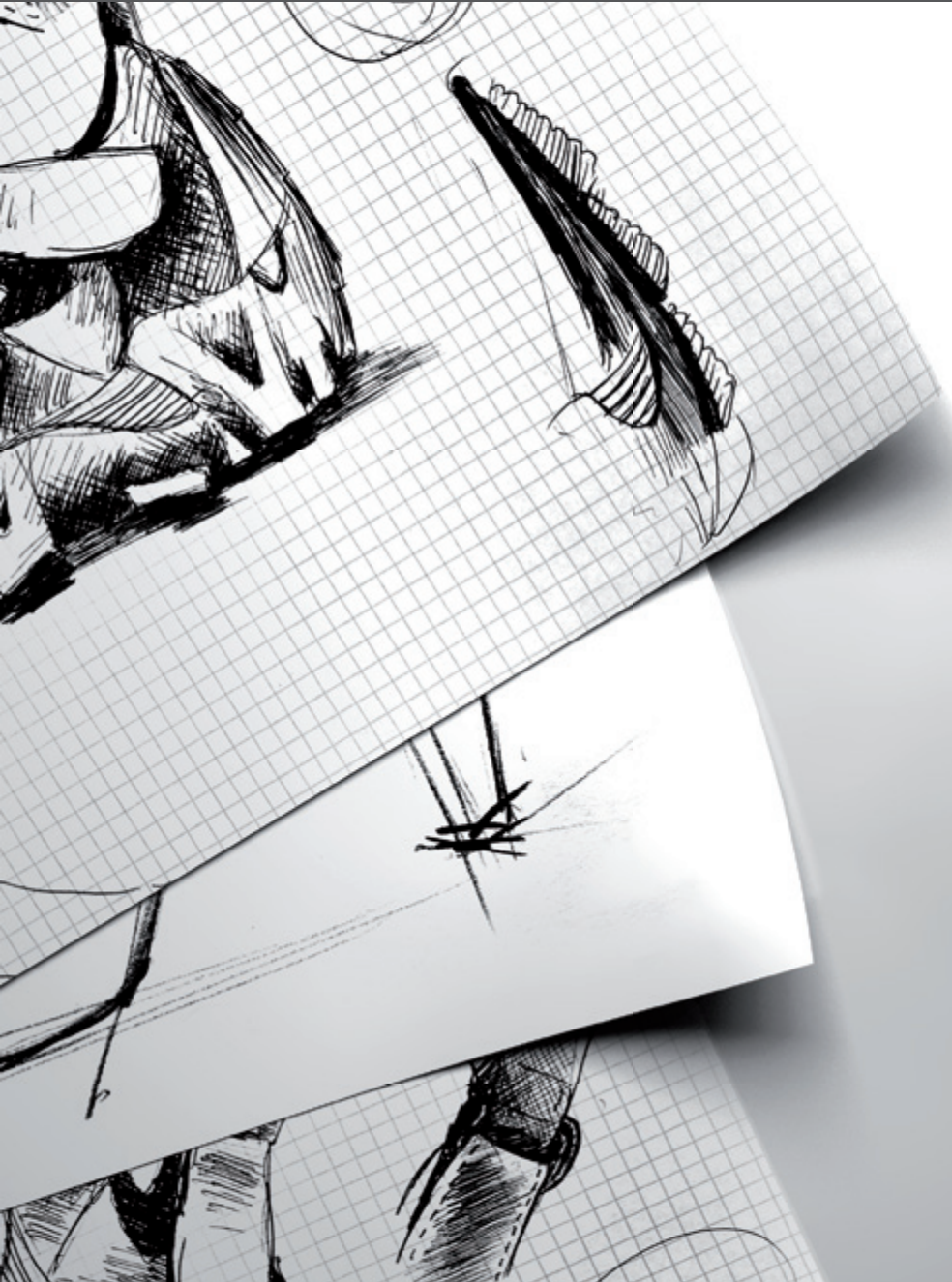
Widening of the product offer:

- *New brands of leather shoes – Lasocki Fashion for Men, Lasocki Kids, Lasocki Young,*
 - *Children Disney shoes,*
 - *Wide offer of shoe accessories,*
 - *Introduction of branded sports shoes (Nike, Puma, Adidas).*
-

In 2013 two celebrities are to promote CCC in Poland – Anna Przybylska and Piotr Adamczyk.

In Czech Republic and Slovakia Tatiana Kucharova (Miss World 2006) will be a face for the brand.

Launching of the loyalty program for CCC customers – after 4 weeks 250,000 active users.



In 2012 NG2 Group will increase the floorspace in the owned stores by at least 37,000 sq.m. (24,5%). Increase will be driven by intense development in Poland, Czech Republic, Hungary and Slovakia and taking over franchise stores in Poland.

In the years 2013–2015 total floorspace will grow by at least 127,000 sq.m. :

- in owned stores in Poland, Czech Republic, Slovakia and Hungary by 93,000 sq.m.*
 - in franchise stores across Central and Eastern Europe by 34,000 sq.m.*
-

Only CCC concept will be developed – domestically and abroad, both owned and franchise.

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 Mitek

*Number of shares:
38 400 000*

