

# NG2

New Gate Group



**QUAZI**



**CCC**



**BOTI**

Presentation to investors Q4 2007



# PRESENTATION PLAN

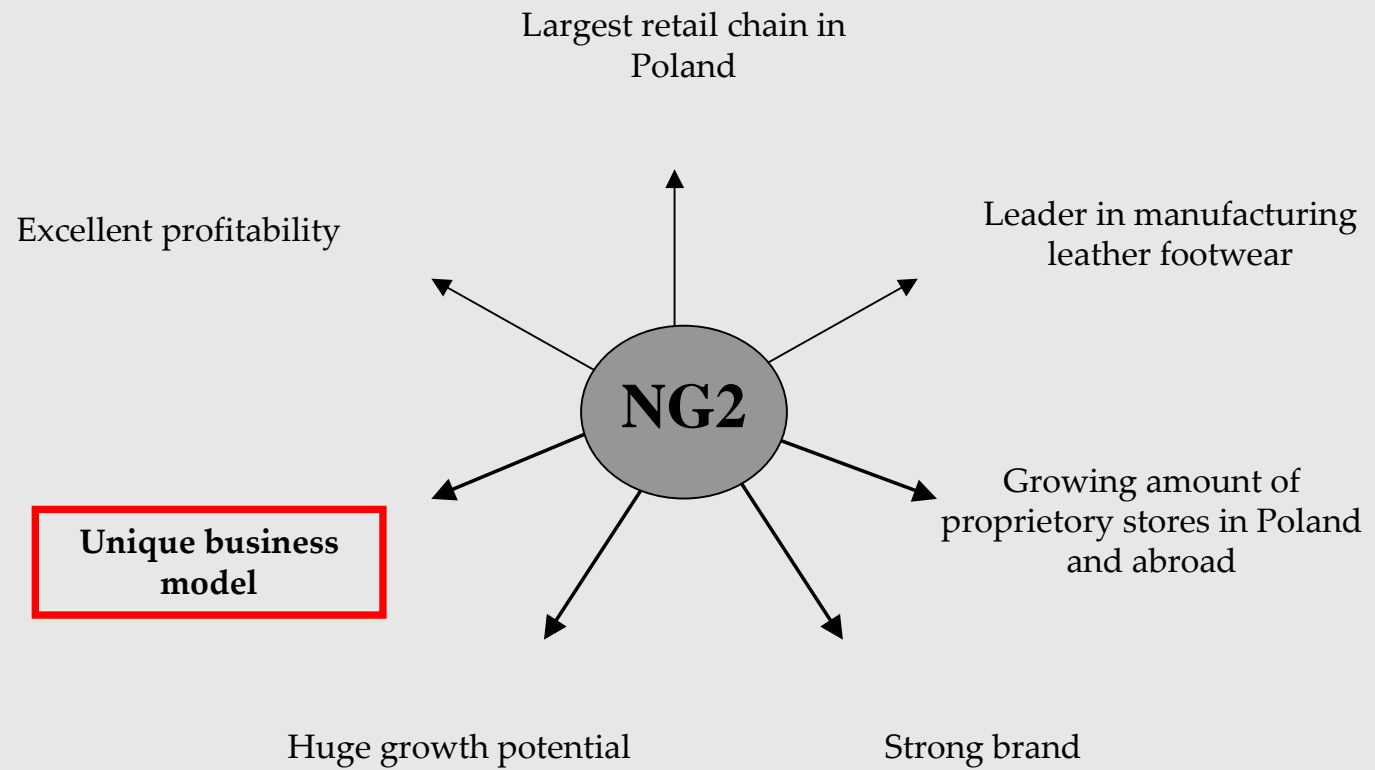
**NG2**

- Introduction
- Finances
- Realization of goals
- Plans
- General review of NG2 Group



# NG2 Group

# NG2





# Finances Q4 2006/2007

# NG2

	Q4 2006 `000 PLN	Q4 2007 `000 PLN	Change
<b>Revenues</b>	<b>127 362</b>	<b>164 772</b>	<b>29,4 %</b>
Profit (loss) on sales	54 446	87 305	60,4 %
Gross margin on sales	42,7%	53,0%	24,1 %
Selling costs	33 398	57 555	72,3 %
General administrative costs	3 010	1 913	-36,4 %
EBIT	16 310	21 792	33,6 %
Financial costs	178	1 231	591,6 %
Pre-tax profit (loss)	17 615	20 629	17,1 %
<b>Net profit (loss)</b>	<b>14 101</b>	<b>18 474</b>	<b>31,0 %</b>
Net profit margin	11,1%	11,2%	0,9 %
Assets	240 882	330 842	37,3 %
Liabilities and provisions	57 441	130 616	127,4 %
Long-term liabilities	4 306	2 467	-42,7 %
Short-term liabilities	53 135	128 149	141,2 %
Equity	183 441	200 226	9,2 %
ROE	7,7%	9,2%	20,0 %
ROA	5,9%	5,6%	-4,6 %



# Accrued finances Q4 2006/2007

# NG2

	2006 `000 PLN	2007 `000 PLN	Change
<b>Revenues</b>	<b>400 524</b>	<b>544 493</b>	<b>35,9 %</b>
Profit (loss) on sales	181 658	277 085	52,5 %
Gross margin on sales	45,4%	50,9%	12,1 %
Selling costs	114 822	183 958	60,2 %
General administrative costs	5 135	6 319	23,1 %
EBIT	62 044	75 675	22,0 %
Financial costs	1 287	10 740	734,5 %
Pre-tax profit (loss)	64 827	65 382	0,9 %
<b>Net profit (loss)</b>	<b>53 222</b>	<b>55 056</b>	<b>3,4 %</b>
Net profit margin	13,3%	10,1%	-24,1 %
Assets	240 882	330 842	37,3 %
Liabilities and provisions	57 441	130 616	127,4 %
Long-term liabilities	4 306	2 467	-42,7 %
Short-term liabilities	53 135	128 149	141,2 %
Equity	183 441	200 226	9,2 %
ROE	29,0%	27,5%	-5,2 %
ROA	22,1%	16,6%	-24,7 %



## Y2007 – financial summary

**NG2**

- + Revenues increased by 36%
- + Sales growth on the same stores 12,8% up
- EBIT grew by 22%
- Net profit remained on 2006 level
- Increase of net profit margin by 10,1%
- Essential growth of sales costs
- Loss on financial / forex operations



# Sales costs

# NG2

		2006	2007	difference
total retail & wholesale		107 005 147,56	173 441 319,27	66 436 171,71
Fixed costs	Remuneration	10 406 955,10	19 385 206,75	8 978 251,65
	National insurance (retail & w wholesale) ZUS	6 009 927,65	10 366 354,42	4 356 426,77
	Representation and promotion expences	9 153 186,85	8 561 113,85	-592 073,00
	Amortization	4 334 014,00	6 647 816,24	2 313 802,24
	Residual costs	9 952 052,64	14 442 077,91	4 490 025,27
	Other costs	2 317 195,61	7 400 783,13	5 083 587,52
Retail costs	Rent&tenancy service, exploitation	35 250 549,61	53 848 625,11	18 598 075,50
	Remuneration	20 922 412,47	35 894 185,99	14 971 773,52
	Transport services	2 787 310,53	4 940 990,63	2 153 680,10
	Other materials	427 819,44	4 124 961,74	3 697 142,30
	Credit card service	1 451 574,37	2 441 695,24	990 120,87
	Other costs	3 992 149,29	5 387 508,26	1 395 358,97
difference ZUS				%
	w ages fund	31 329 367,57	55 279 392,74	0,76
	ZUS	6 009 927,65	10 366 354,42	0,72



Rent

18,6 mln

**NG2**

		mln PLN
	Rent differences	18,6
CCC	discount outlets	-0,2
	opened in 2007	6,3
	opened in 2006 (did not operate the w hole year)	4,6
	opened before 31.12.2005	1,0
QUAZI		4,0
BOTI		2,9

average monthly rent + derivative fees ('000 PLN)	2006	2007
CCC	23,1	25,1
QUAZI	19,2	22,0
BOTI		7,9





# Remuneration – service 8,6 mln

# NG2

## Remuneration growth. Fixed costs. Service

	2006	2007	difference	%
Average regular posts amount	112,91	182,41	69,50	61,55%
Average remuneration	3 818,08	3 938,14	120,06	3,14%

Wage fund increase due to:	
- remuneration increase	162 671,70
- growth of regular posts amount	3 284 408,76
total	3 447 080,46

## Remuneration growth. Fixed costs. Storehouse

	2006	2007	różnica	%
Average regular posts amount	107,05	191,65	84,60	79,03%
Average remuneration	2 521,50	2 875,95	354,45	14,06%

Wage fund increase due to:	
- remuneration increase	455 326,47
- growth of regular posts amount	2 919 664,44
total	3 374 990,91

## Remuneration growth. Total fixed costs

	w mln PLN
	8,60
service	3,40
storehouse	3,40
staff	0,5
provision agreements, storehouse	1,3



# Remuneration – retail

15 mln

**NG2**

## Remouneration growth - NG2 retail. CCC network

	2006	2007	change	%
Average regular posts amount	1 161,03	1 540,66	379,63	32,70%
Average remuneration	1 482,20	1 624,40	142,20	9,59%

- motivation system

Wage fund increase due to:	
- remuneration increase	1 981 181,59
- growth of regular posts amount	7 400 051,66
total	9 381 233,26

## Remouneration growth - RETAIL

mln PLN

	15,0
CCC remuneration growth	2,0
CCC regular posts amount	7,4
QUAZI	2,5
BOTI	3,1



Financial & forex operations 15,7 mln **NG2**

### Result on forex operations

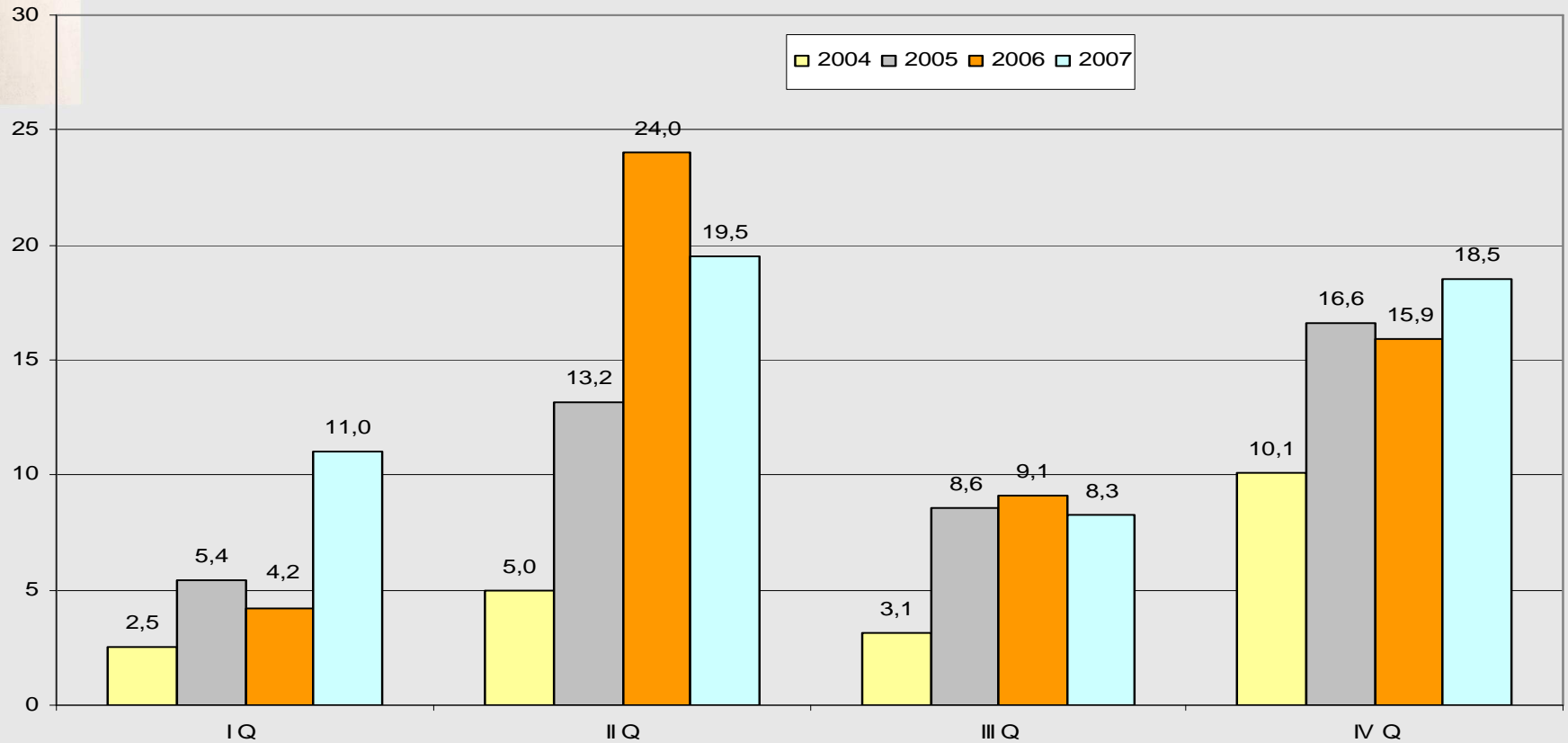
Result on forex operations in "other operating income/expences "	-10 315,07
Result on forex operations in "financial income/expences "	-5 401,64
Total loss on forex operations	-15 716,71



# Consolidated net profit 2004-2007

# NG2

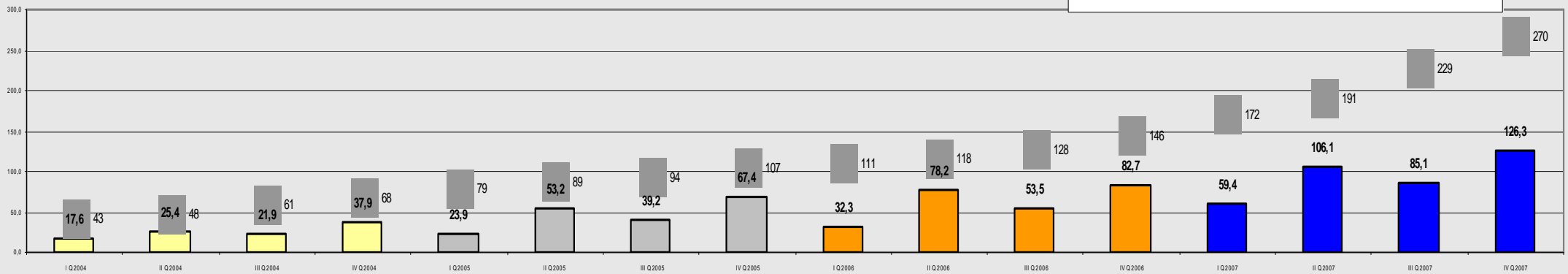
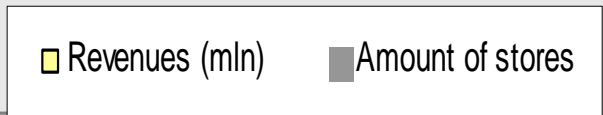
Consolidated net profit 2004 - 2007 (mIn PLN)





# Sales revenues in proprietary chain 2004-2007 **NG2**

quarterly (mIn)



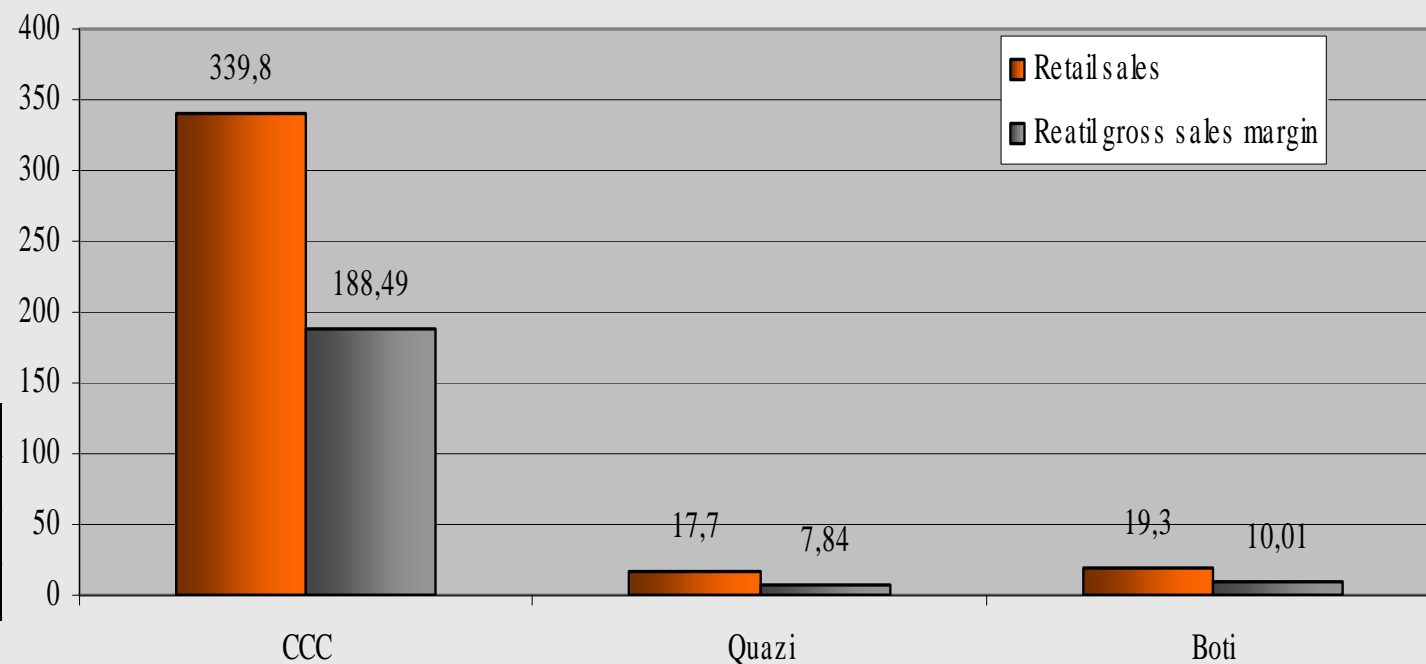


# Retail sales & sales margin 2007

# NG2

**retail gross sales margin  
01.01-31.12.2007 (%)**

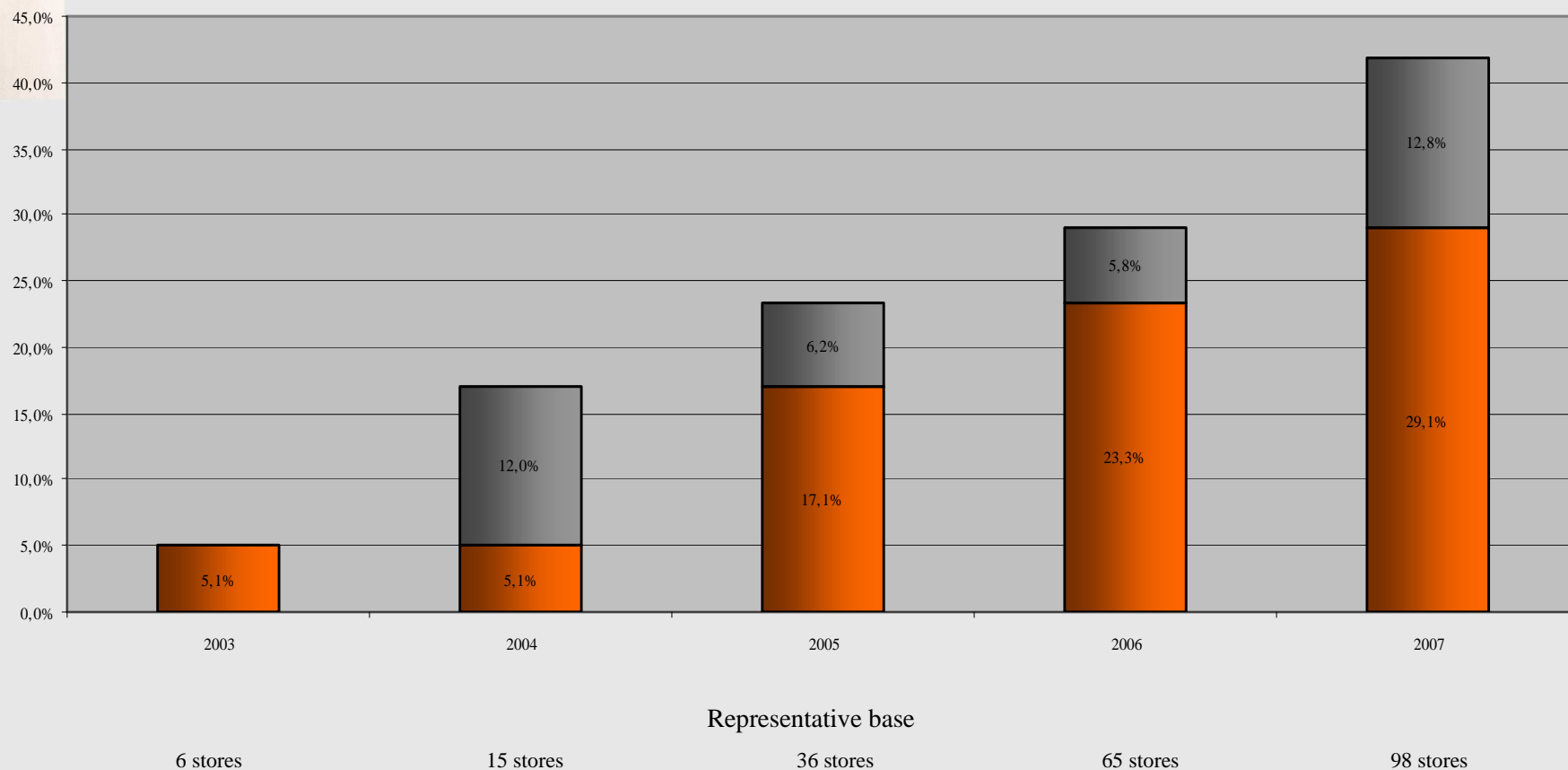
	Plan	Execution
CCC	50,38	55,47
QUAZI	40,05	44,28
BOTI	46,02	51,89





## Sales on the same stores, like-to-like comparison

# NG2





# NG2 network development

# NG2

CCC stores	
2007	179 + 115F
2008	+40
2009	+40
<b>Target:</b>	<b>300 + 130F</b>

BOTI shops		
	own	franchise d
2007	66	71
2008	+100	+50
<b>EoY 2009:</b>	<b>266</b>	<b>171</b>
<b>Target:</b>	<b>600</b>	<b>300</b>

# NG2

DISTRIBUTION CHANNELS

QUAZI boutiques	
2007	25
2008	+10
2009	+10
<b>Target:</b>	<b>100</b>

Czech Rep.	
2007	15
2008	+5
<b>Target:</b>	<b>ok. 50</b>





## 2007 plan and its accomplishment

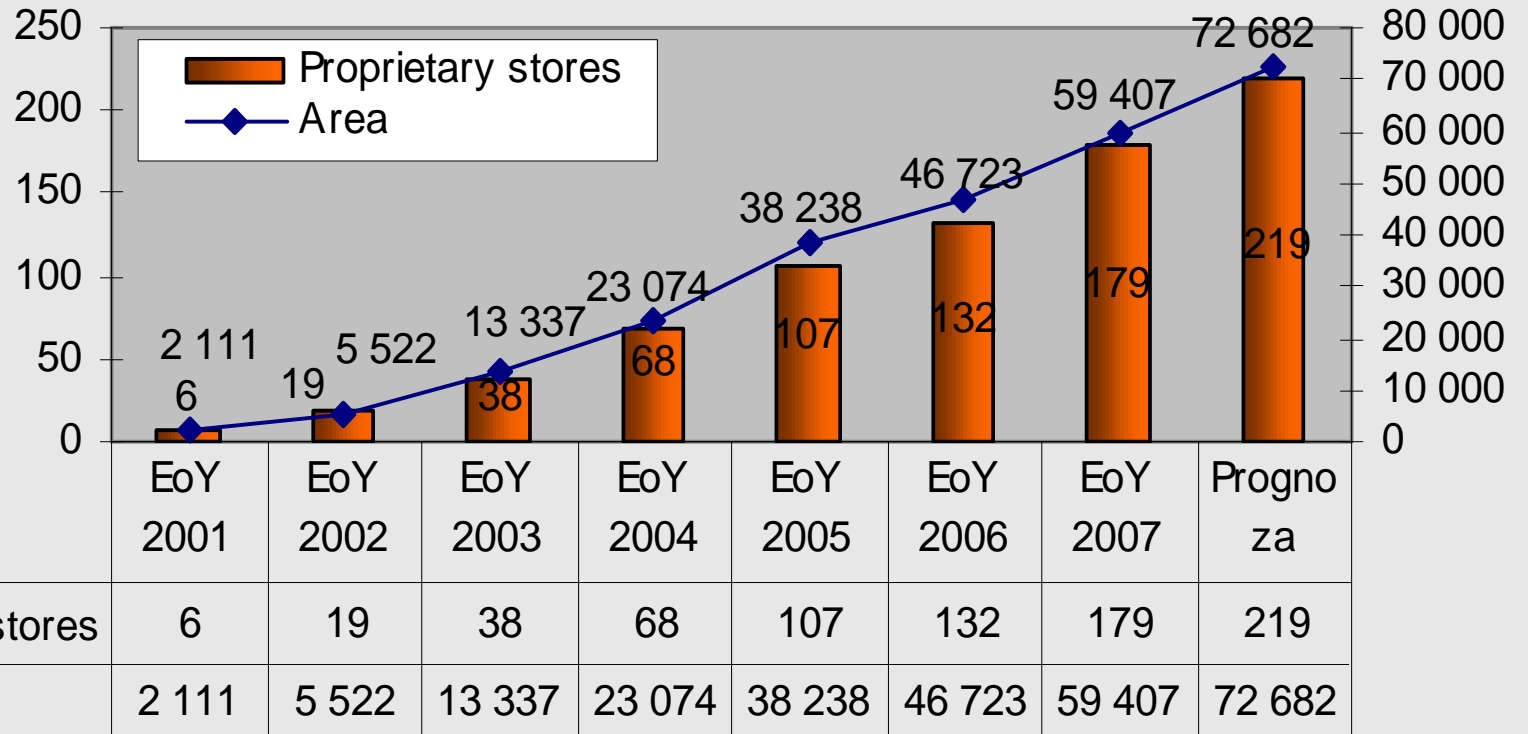
**NG2**

- Opening further **40** proprietary stores in Poland by the EoY2007 / EoY : 47
- Opening **10** stores of the new line QUAZI by the EoY2007 / EoY : 11
- **50** proprietary & **80** franchised BOTI shops / EoY : 66 & 69 respectively
- Opening **2** stores in the Czech Republic by EoY2007 / EoY : 4
- Sales increase in the comparable stores by **5%** / EoY : 12,8%



# NG2 proprietary stores - CCC

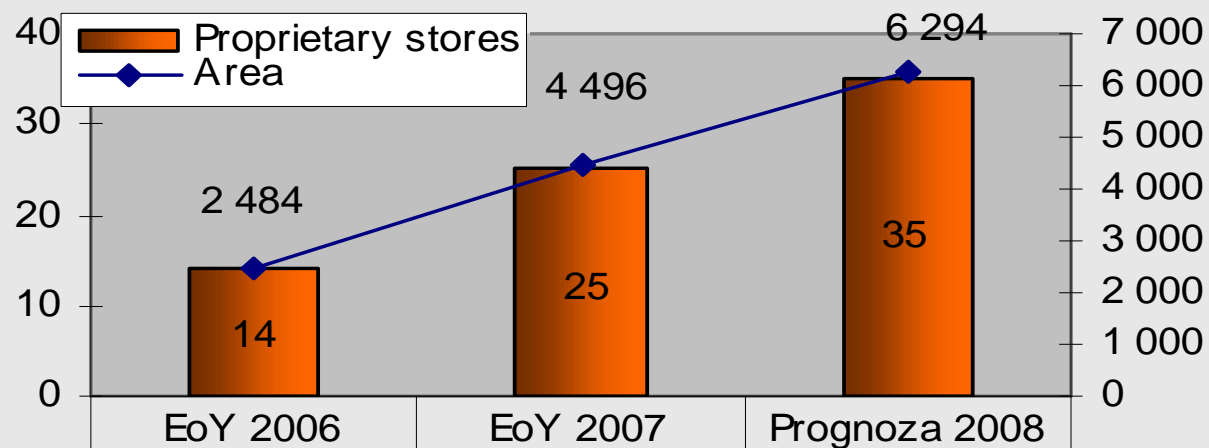
# NG2





# NG2 proprietary stores – Quazi

# NG2

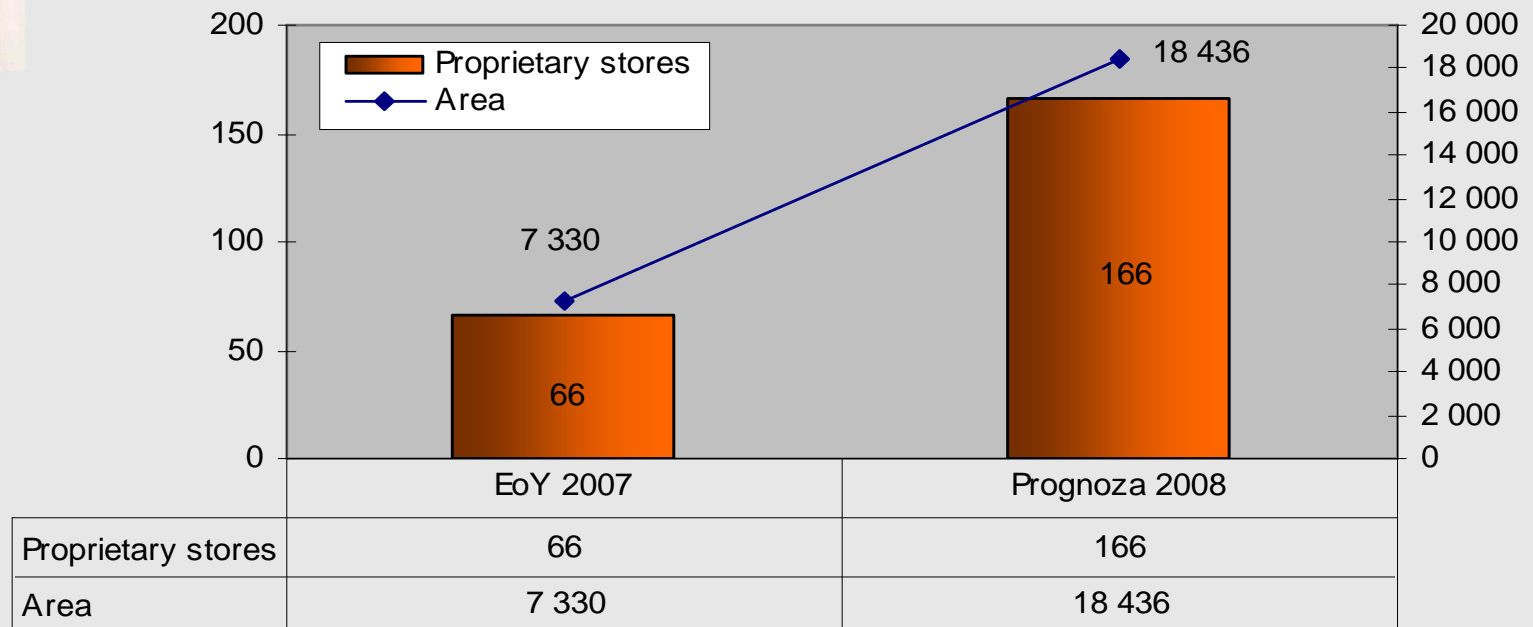


Proprietary stores	14	25	35
Area	2 484	4 496	6 294



# NG2 proprietary stores – Boti

# NG2





# Forecast 2007

# NG2

Consolidated results (PLN mln)	2006	Forecast 2007	Execution
Revenues	400,86	<b>540,0</b>	<b>544,5</b>
EBIT	61,99	<b>95,0</b>	<b>75,7</b>
Net profit	53,14	<b>81,0</b>	<b>55,1</b>

### Assumptions:

- opening of 40 branded CCC stores
- opening of 10 boutiques Quazi
- opening of 50 proprietary shops and 80 franchised Boti shops
- growth of sales on the existing stores by 5%



## Forecast accomplishment

**NG2**

- + Retail gross sales margin 16,4 mln upwards of expectations**
- + Wholesale gross sales margin 5,7 mln higher than assumed**
- Retail sales costs exceeded by 14,9 mln**
- Fixed costs 22,6 mln above assumption**
- Other operating and financial costs 21,3 mln higher than expected**

**NG2**



# **NG2 Group General Review**



# Operating structure of NG2 Group As of 31.12.2007 **NG2**



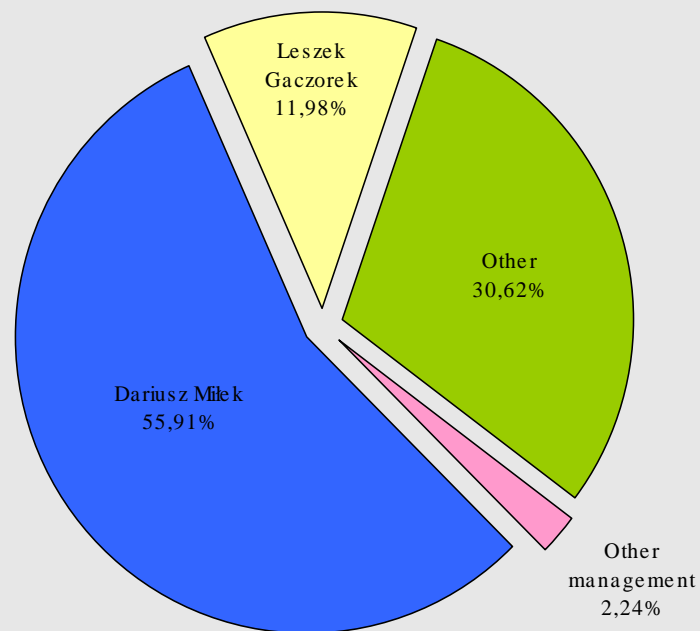




# Structure of shareholders

# NG2

- In November 2004, NG2 S.A. joined the stock market and with the day of 2<sup>nd</sup> December 2004 is quoted at the Warsaw Stock Market
- The principal shareholder and the founder of NG2 Group is Mr Dariusz Miłek, the President of the Board of Directors
- Other members of the Management are shareholders, as well
- Total amount of 38 400 000 shares



Thank you for your attention

NG2 S.A.

Polkowice, ul. Strefowa 6  
59-101 Polkowice

**NG2**

**tel.:** (076) 845 84 00

**Fax:** (076) 845 84 00

**e-mail:** [ng2@ng2.pl](mailto:ng2@ng2.pl)

**Adres www:** [www.ng2.pl](http://www.ng2.pl)