



ABBREVIATED INTERIM INDIVIDUAL  
FINANCIAL STATEMENTS OF NG2 S.A.  
FOR THE PERIOD  
FROM 1 JANUARY 2012 TO 30 JUNE 2012

## Table of Contents

ABBREVIATED INTERIM GLOBAL INCOME STATEMENT .....	3
ABBREVIATED INTERIM STATEMENT OF FINANCIAL STANDING .....	4
ABBREVIATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY .....	5
ABBREVIATED INTERIM CASH FLOW STATEMENT .....	7
NOTES .....	8
1. GENERAL INFORMATION .....	8
2. BASIS FOR PREPARATION .....	8
3. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY .....	8
4. ACCOUNTING PRINCIPLES APPLIED .....	8
5. SEASONAL OR CYCLIC NATURE OF THE ISSUER'S ACTIVITIES .....	9
6. REPORTING SEGMENTS .....	9
7. TANGIBLE FIXED ASSETS .....	12
8. INTANGIBLE ASSETS .....	13
9. CASH .....	14
10. INVENTORY, WRITE-DOWNS ON INVENTORY .....	14
11. INCOME TAX .....	14
12. DEFERRED TAX .....	15
13. OPERATING AND FINANCIAL REVENUE AND COSTS .....	15
14. CAPITAL .....	16
15. LOANS AND BORROWINGS .....	17
16. SHARE-BASED PAYMENTS .....	20
17. TRADE AND OTHER LIABILITIES .....	21
18. MINIMUM VALUE OF FUTURE PAYMENTS UNDER OPERATING LEASE .....	22
19. EARNINGS PER SHARE .....	22
20. DIVIDEND .....	23
21. CONTINGENT ASSETS AND LIABILITIES .....	23
22. INVESTMENTS IN SUBSIDIARIES .....	24
23. TRANSACTIONS WITH RELATED PARTIES .....	24
24. OCCURRENCES AFTER THE BALANCE SHEET DATE .....	26

## ABBREVIATED INTERIM GLOBAL INCOME STATEMENT

	Note number	from 1 January 2012 to 30 June 2012	from 1 January 2011 to 30 June 2011
Revenue from sale	6	553 845	460 106
Manufacturing cost of products, goods and services sold		(297 753)	(223 000)
<b>Gross earnings from sale</b>		<b>256 092</b>	<b>237 106</b>
Other operating revenue	13	6 386	3 941
Cost of sale		(226 376)	(194 893)
Cost of general management and administration	16	6 830	(3 879)
Other operating cost	13	(7 965)	(5 400)
<b>Profit on operating activity</b>		<b>34 967</b>	<b>36 875</b>
Financial revenue	13	652	167
Financial costs	13	(10 608)	(4 365)
<b>Profit before tax</b>		<b>25 011</b>	<b>32 677</b>
Income tax	11	(4 308)	(7 570)
<b>Net profit</b>		<b>20 703</b>	<b>25 107</b>
<b>Other global income:</b>		-	-
<b>Total global income</b>		<b>20 703</b>	<b>25 107</b>
<b>Earnings per share:</b>			
basic and diluted	19	PLN 0.54	PLN 0.65

## ABBREVIATED INTERIM STATEMENT OF FINANCIAL STANDING

	Note number	as on 30 June 2012	as on 31 December 2011	as on 30 June 2011
<b>Non-current assets</b>				
Intangible assets	8	6 819	6 395	3 211
Tangible fixed assets	7	289 200	276 901	241 213
Long-term investments	22	53 911	55 255	55 311
Long-term receivables		2 656	3 472	84
Deferred tax assets	12	2 807	3 149	1 774
<b>Total tangible assets</b>		<b>355 393</b>	<b>345 172</b>	<b>301 593</b>
<b>Current assets</b>				
Inventory		418 091	462 665	308 093
Trade receivables and other receivables		103 742	86 552	108 027
Receivables from income tax		4 036	-	-
Cash and cash equivalents	9	27 578	29 140	47 955
<b>Total current assets</b>		<b>553 447</b>	<b>578 357</b>	<b>464 075</b>
<b>Total assets</b>		<b>908 840</b>	<b>923 529</b>	<b>765 668</b>
<b>Shareholders' equity</b>				
Share capital	14	3 840	3 840	3 840
Reserve capital from the sale of shares above their nominal value	14	74 586	74 586	74 586
Other capitals	14	-	9 341	6 349
Retained earnings	14	244 182	284 900	222 380
<b>Total shareholders' equity</b>		<b>322 608</b>	<b>372 667</b>	<b>307 155</b>
<b>Long-term liabilities</b>				
Long-term loans and bank loans	15	170 507	214 835	133 998
Liabilities under retirement payments and service anniversary awards		1 441	1 441	1 482
Long-term liabilities under financial leasing	17	-	41	21
<b>Total long-term liabilities</b>		<b>171 948</b>	<b>216 317</b>	<b>135 501</b>
<b>Short-term liabilities</b>				
Trade liabilities and other liabilities	17	227 554	205 537	222 539
Income tax liabilities	17	-	7 584	1 038
Short-term liabilities under financial leasing	17	22	6	55
Short-term loans and bank loans	15	148 423	87 250	78 250
Short-term provisions		2 376	2 015	1 207
Subsidies received		35 909	32 153	19 923
<b>Total short-term liabilities</b>		<b>414 284</b>	<b>334 545</b>	<b>323 012</b>
<b>Total liabilities</b>		<b>908 840</b>	<b>923 529</b>	<b>765 668</b>

**ABBREVIATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Share capital	Reserve capital from the sale of shares above their nominal value	Other capitals	Retained earnings	Total shareholders' equity
<b>As on 1 January 2012</b>	<b>3 840</b>	<b>74 586</b>	<b>9 341</b>	<b>284 900</b>	<b>372 667</b>
Result for the period from 1 January to 30 June 2012	-	-	-	20 703	<b>20 703</b>
<b>Total global income</b>	<b>3 840</b>	<b>74 586</b>	<b>9 341</b>	<b>20 703</b>	<b>20 703</b>
Other adjustments	-	-	-	19	<b>19</b>
Declared dividend disbursement	-	-	-	(61 440)	<b>(61 440)</b>
Employee stock option plan - value of the benefit	-	-	(9 341)	-	<b>(9 341)</b>
<b>As on 30 June 2012</b>	<b>3 840</b>	<b>74 586</b>	<b>-</b>	<b>244 182</b>	<b>322 608</b>

	Share capital	Reserve capital from the sale of shares above their nominal value	Other capitals	Retained earnings	Total shareholders' equity
<b>As on 1 January 2011</b>	<b>3 840</b>	<b>74 586</b>	<b>3 358</b>	<b>254 716</b>	<b>336 500</b>
Results for the year	-	-	-	87 628	<b>87 628</b>
<b>Total global income</b>	<b>3 840</b>	<b>74 586</b>	<b>3 358</b>	<b>87 628</b>	<b>87 628</b>
Other adjustments	-	-	-	156	<b>156</b>
Dividend disbursement	-	-	-	(57 600)	<b>(57 600)</b>
Employee stock option plan - value of the benefit	-	-	5 983	-	<b>5 983</b>
<b>As on 31 December 2011</b>	<b>3 840</b>	<b>74 586</b>	<b>9 341</b>	<b>284 900</b>	<b>372 667</b>

**ABBREVIATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Share capital	Reserve capital from the sale of shares above their nominal value	Other capitals	Retained earnings	Total shareholders' equity
<b>As on 1 January 2011</b>	<b>3 840</b>	<b>74 586</b>	<b>3 358</b>	<b>254 716</b>	<b>336 500</b>
Result for the period from 1 January to 30 June 2011	-	-	-	25 107	<b>25 107</b>
<b>Total global income</b>	<b>3 840</b>	<b>74 586</b>	<b>3 358</b>	<b>25 107</b>	<b>25 107</b>
Other adjustments	-	-	-	157	<b>157</b>
Declared dividend disbursement	-	-	-	(57 600)	<b>(57 600)</b>
Employee stock option plan - value of the benefit	-	-	2 991	-	<b>2 991</b>
<b>As on 30 June 2011</b>	<b>3 840</b>	<b>74 586</b>	<b>6 349</b>	<b>222 380</b>	<b>307 155</b>

## ABBREVIATED INTERIM CASH FLOW STATEMENT

	from 1 January 2012 to 30 June 2012	from 1 January 2011 to 30 June 2011
Gross profits:	25 011	32 677
Adjustments:	(2 757)	(59 748)
Depreciation	13 294	9 884
Interest and share in profits (dividends)	(354)	103
Profit (loss) on investment activity	3 844	928
Cost of interest	7 511	3 007
Changes in provisions	361	(1 683)
Changes in inventory	44 575	(70 638)
Changes in receivables	(20 411)	(18 373)
Changes in short-term liabilities, other than loans and borrowings	(25 398)	21 985
Other adjustments	(8 927)	3 378
Income tax paid	(17 252)	(8 339)
<b>Net operating cash flow</b>	<b>22 254</b>	<b>(27 071)</b>
<b>Investment cash flow</b>		
Interest received	354	(103)
Subsidies received	3 757	11 545
Proceeds from the sale of tangible assets	129	103
Proceeds from the sale of investments available for sale	959	-
Purchase of intangible assets	(6 725)	(20)
Purchase of tangible assets	(31 226)	(63 199)
Investments into share capital increases in subsidiaries	-	(5 935)
<b>Net investment cash flow</b>	<b>(32 752)</b>	<b>(57 609)</b>
<b>Financial cash flow</b>		
Proceeds from incurring loans	27 980	114 635
Repayment of loans and borrowings	(11 135)	(48 893)
Payment of liabilities under financial leasing agreements	(24)	(33)
Interest paid	(7 885)	(4 317)
<b>Net financial cash flow</b>	<b>8 936</b>	<b>61 392</b>
<b>Total cash flow</b>	<b>(1 562)</b>	<b>(23 288)</b>
Net increase (decrease) in cash and cash equivalents	(1 562)	(23 288)
Cash and cash equivalents at the beginning of the period	29 140	71 243
<b>Cash and cash equivalents at the end of the period</b>	<b>27 578</b>	<b>47 955</b>

## NOTES

### 1. GENERAL INFORMATION

<b>Company name:</b>	NG2 Spółka Akcyjna
<b>Registered office of the Company:</b>	Polkowice
<b>Address:</b>	ul. Strefowa 6, 59-101 Polkowice
<b>Telephone:</b>	+48 (76) 845 84 00
<b>Fax:</b>	+48 (76) 845 84 31
<b>Email:</b>	<a href="mailto:ng2@ng2.pl">ng2@ng2.pl</a>
<b>Website:</b>	<a href="http://www.ng2.pl">www.ng2.pl</a>
<b>Registration:</b>	District Court for Wrocław-Fabryczna in Wrocław, Division IX Commercial of the National Court Register,
<b>KRS Number:</b>	0000211692
<b>Regon (Statistical Number):</b>	390716905
<b>NIP (Tax Identification Number):</b>	692-22-00-609
<b>Corporate purpose:</b>	The Company's primary corporate purpose according to the European Classification of Economic Activities is wholesale and retail trade of clothing and footwear (ECEA 51.42).

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

### 2. BASIS FOR PREPARATION

NG2 S.A. presents abbreviated interim financial statements for the first half-year of 2012 started on 1 January 2012 and ended on 30 June 2012.

These abbreviated interim financial statements were prepared in accordance with IAS 34 "Interim financial reporting". The statements do not cover all the information and disclosures required in annual financial statements and should be read together with the financial statements for the period from 1 January 2011 to 31 December 2011, which were prepared in accordance with the International Financial Reporting Standards approved by the European Union.

### 3. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The items contained in the Company's abbreviated interim financial statements are valued in the currency of the primary business environment in which the Company operates ("functional currency"). The financial statements are presented in PLN, which is the Company's functional currency and its presentation currency.

### 4. ACCOUNTING PRINCIPLES APPLIED

The accounting principles applied by NG2 S.A. did not change compared to the accounting principles applied in the financial statements prepared as on 31 December 2011, aside from applying new standards.

#### 4. ACCOUNTING PRINCIPLES APPLIED (CONTINUED)

As of 1 January 2012 the Company is bound by the following standards and interpretations:

- Amendments to IFRS 7 Disclosures – Transfer of Financial Assets;
- Adjustments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Hyperinflation and Removal of Fixed Dates for First-time Adopters;
- Amendments to IAS 12 Income taxes – Deferred income tax: Recovery of Underlying Assets;
- Adjustments to IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income.

All the above amendments to the standards and interpretations have been approved for use by the European Union as at the day these financial statements were published. The Company believes that application thereof had no impact on the Company's financial statements or that this impact was irrelevant, which means that the accounting principles applied in the process of drawing up these financial statements are compliant with the accounting principles applied in the process of drawing up the financial statements for the year ended on 31 December 2011 and described therein.

As at the day these financial statements were published the International Accounting Standards Board published subsequent standards and interpretations which did not come into force as of that day. However, some of them have been approved for use by the European Union. The Company did not decide to apply any of those standards prematurely.

#### 5. SEASONAL OR CYCLIC NATURE OF THE ISSUER'S ACTIVITIES

In the case of NG2 S.A. we are dealing with seasonal sales. The seasonality of NG2's sales is significant, not unlike that of the entire clothing and footwear industry. There are two primary high sales periods: the second and fourth quarter. Furthermore, throughout the year, sales are tied closely to weather conditions. Weather can disrupt the seasonality pattern by accelerating or postponing the periods of lower or higher sales, respectively.

#### 6. REPORTING SEGMENTS

##### ***Identifying operating segments***

Operating segments are presented consistently with internal reporting supplied to the Key Operating Body (KOB) - the Company's Management Board. Operating segments are divided into stores and franchise counterparts.

##### ***Identifying reporting segments***

The identified operating segments (stores, franchise partners) are grouped into reporting segments as they meet the grouping criteria set out in IFRS 8. NG2 S.A. defines two reporting segments in its business ("retail business", "franchise and other business") in accordance with IFRS 8 "Operating Segments". In the segments above, NG2 S.A. conducts business activity, generating certain revenue and incurring costs. The results on segment activity are regularly reviewed by the KOB. Financial Information about the identified segments is also available.

## 6. REPORTING SEGMENTS (CONTINUED)

### **The "retail business" - "retail" segment**

The "retail business" segment covers primarily the sale of footwear, shoe care products and small leather products. NG2 S.A. carries out sales in its own locations in Poland, targeting retail customers. Retail sales are conducted via three chains: CCC, BOTI, QUAZI. The operating segment is each individual store operating in one of the chains and analysed individually by the KOB. Due to the similarity of the long-term average gross margins, and also due to the similar nature of the goods (among other things, footwear, shoe care products, small leather products), the method of distribution of goods and the types of customers (sale conducted in own stores and addressed to retail customers), the "retail business" segment covers financial information jointly for the CCC, BOTI and QUAZI chains, while the operating segments have been combined under IFRS 8, forming a reporting segment called "retail business".

### **The "franchise and other business" - "franchise and other" segment**

The "franchise and other business" segment includes primarily the sale of footwear, shoe care products, small leather products and services, as well as the value of production sold (e.g. shoes). Sale is carried out in Poland and it is addressed to Polish wholesale customers (primarily those conducting sale in the franchises of CCC and BOTI) as well as foreign wholesale customers. The operating segment is each individual customer operating in one of the chains and analysed individually by the KOB. Due to the similarity of long-term average gross margins, and also due to the similar nature of the goods (among other things, footwear, shoe care products, small leather products) and the services provided (re invoicing transportation services), the method of distribution of the goods and the type of customers (sale targeting wholesalers), the "franchise and other" segment covers financial information for all business partners combined under IFRS 8, forming a reporting segment called "franchise and other business".

The accounting principles applicable to the operating segments are the same as the accounting policy principles under which NG2 S.A. prepares its financial statements. The Company evaluates the operation of each segment on the basis of financial performance.

### **Other disclosures related to reporting segments**

The following items do not apply: earnings on transactions with other business segments of the same entity, the entity's share in the profit or loss of affiliated entities and joint ventures and material non-cash items other than depreciation.

from 1 January 2012 to 30 June 2012	Retail business	Franchise and other business	Unassigned items	Total
Revenue from sale	493 074	60 771	-	553 845
Prime cost of sale	(241 733)	(56 020)	-	(297 753)
<b>Gross earnings from sale</b>	<b>251 341</b>	<b>4 751</b>	<b>-</b>	<b>256 092</b>
Cost of sales and management	(214 556)	(4 927)	(63)	(219 546)
Balance of other earnings and operating costs	(2 656)	1 077	-	(1 579)
<b>Operating profit</b>	<b>34 129</b>	<b>901</b>	<b>(63)</b>	<b>34 967</b>
Balance of earnings and financial costs	(8 413)	(1 543)		(9 956)
<b>Profit before tax</b>	<b>25 716</b>	<b>(642)</b>	<b>(63)</b>	<b>25 011</b>
Income tax			(4 308)	(4 308)
<b>Net profit</b>				<b>20 703</b>
<b>Net profit disclosed in the statement of global income</b>				<b>20 703</b>

## 6. REPORTING SEGMENTS (CONTINUED)

Assets	621 622	181 743	105 475	908 840
Earnings from interest	-	-	237	237
Cost of interest	(5 820)	(1 687)	(4)	(7 511)
Depreciation	(8 300)	(1 079)	(3 915)	(13 294)

from 1 January 2011 to 30 June 2011	Retail business	Franchise and other business	Unassigned items	Total
Revenue from sale	397 776	62 330	-	460 106
Prime cost of sale	(172 448)	(50 552)	-	(223 000)
<b>Gross earnings from sale</b>	<b>225 328</b>	<b>11 778</b>	-	<b>237 106</b>
Cost of sales and management	(193 935)	(5 011)	174	(198 772)
Balance of other earnings and operating costs	(1 881)	422	-	(1 459)
<b>Operating profit</b>	<b>29 512</b>	<b>7 189</b>	<b>174</b>	<b>36 875</b>
Balance of earnings and financial costs	(3 364)	(834)	-	(4 198)
<b>Profit before tax</b>	<b>26 148</b>	<b>6 355</b>	<b>174</b>	<b>32 677</b>
Income tax			(7 570)	(7 570)
<b>Net profit</b>				<b>25 107</b>
<b>Net profit disclosed in the statement of global income</b>				<b>25 107</b>

Assets	448 873	116 201	200 594	765 668
Earnings from interest	-	-	106	106
Cost of interest	(2 409)	(591)	(7)	(3 007)
Depreciation	(7 323)	(1 106)	(1 455)	(9 884)

	from 1 January 2012 to 30 June 2012	from 1 January 2011 to 30 June 2011
<b>Revenue from sale from external customers:</b>	<b>553 845</b>	<b>460 106</b>
- assigned to a country in which the Issuer has an office	510 724	435 835
- assigned to other countries, including:	43 121	24 271
- the Czech Republic	27 563	13 646
- Slovakia	2 918	-

	30.06.2012	30.06.2011
<b>Non-current assets:</b>	<b>352 586</b>	<b>299 819</b>
- located in a country in which the Company has an office	317 462	267 069
- located in other countries, including:	35 124	32 750
- the Czech Republic	31 579	31 858
- Slovakia	874	-

## 6. REPORTING SEGMENTS (CONTINUED)

### Disclosures of information concerning the entity

NG2 S.A. discloses information about the revenue from the sale of products and services to external customers as part of reporting segments. A group of similar products (i.e. footwear, shoe care products, accessories) are presented in the retail and franchise segment (due to the minor share of the sale of goods other than footwear, they are not disclosed individually). Therefore, NG2 S.A. does not disclose individually any information about the revenue from the sale of products and services to external customers.

NG2 S.A. does not disclose in the statements any information about key customers due to the fact that the revenue from its individual external customers does not exceed ten per cent of the revenue of NG2 S.A.

## 7. TANGIBLE FIXED ASSETS

	Land, buildings and structures	Plants and equipment	Means of transportation	Other	Fixed assets under construction	Total
<b>GROSS VALUE</b>						
<b>As on 1 January 2012</b>	<b>176 175</b>	<b>21 887</b>	<b>31 773</b>	<b>9 123</b>	<b>110 002</b>	<b>348 960</b>
<b>Increases due to:</b>	<b>80 010</b>	<b>51 760</b>	<b>569</b>	<b>209</b>	<b>27 735</b>	<b>160 283</b>
- investments in third-party facilities	-	-	-	-	16 189	16 189
- expenditures from transfer	80 010	50 969	-	-	-	130 979
- own investment outlays	-	-	-	-	11 546	11 546
- purchase	-	791	569	209	-	1 569
<b>Decreases due to:</b>	<b>6 629</b>	<b>188</b>	<b>501</b>	<b>193</b>	<b>130 979</b>	<b>138 490</b>
- liquidation	6 629	188	-	193	-	7 010
- sale	-	-	501	-	-	501
- investments completed - transfer	-	-	-	-	130 979	130 979
<b>As on 30 June 2012</b>	<b>249 556</b>	<b>73 459</b>	<b>31 841</b>	<b>9 139</b>	<b>6 758</b>	<b>370 753</b>
<b>AMORTISATION AND DEPRECIATION</b>						
<b>As on 1 January 2012</b>	<b>50 248</b>	<b>8 113</b>	<b>7 265</b>	<b>6 433</b>	-	<b>72 059</b>
Depreciation for the period from 1 Jan to 30 Jun	8 393	2 741	1 240	658	-	13 032
Decreases due to sale or liquidation	2 749	171	501	117	-	3 538
<b>As on 30 June 2012</b>	<b>55 892</b>	<b>10 683</b>	<b>8 004</b>	<b>6 974</b>	-	<b>81 553</b>
<b>NET VALUE</b>						
<b>As on 1 January 2012</b>	<b>125 927</b>	<b>13 774</b>	<b>24 508</b>	<b>2 690</b>	<b>110 002</b>	<b>276 901</b>
<b>As on 30 June 2012</b>	<b>193 664</b>	<b>62 776</b>	<b>23 837</b>	<b>2 165</b>	<b>6 758</b>	<b>289 200</b>

## 7. TANGIBLE FIXED ASSETS (CONTINUED)

	Land, buildings and structures	Plants and equipment	Means of transportation	Other	Fixed assets under construction	Total
<b>GROSS VALUE</b>						
<b>As on 1 January 2011</b>	<b>155 175</b>	<b>22 234</b>	<b>10 367</b>	<b>9 055</b>	<b>45 651</b>	<b>242 482</b>
Increases in the period from 1 Jan to 30 Jun	3 715	335	1 568	73	64 685	70 376
Decreases in the period from 1 Jan to 30 Jun	1 724	2	668	-	3 716	6 110
<b>As on 30 June 2011</b>	<b>157 166</b>	<b>22 567</b>	<b>11 267</b>	<b>9 128</b>	<b>106 620</b>	<b>306 748</b>
<b>AMORTISATION AND DEPRECIATION</b>						
<b>As on 1 January 2011</b>	<b>39 202</b>	<b>6 604</b>	<b>6 135</b>	<b>5 116</b>	<b>-</b>	<b>57 057</b>
Depreciation for the period from 1 Jan to 30 Jun	6 869	1 331	875	702	-	9 777
Decreases due to sale or liquidation	647	-	652	-	-	1 299
<b>As on 30 June 2011</b>	<b>45 424</b>	<b>7 935</b>	<b>6 358</b>	<b>5 818</b>	<b>-</b>	<b>65 535</b>
<b>NET VALUE</b>						
<b>As on 1 January 2011</b>	<b>115 973</b>	<b>15 630</b>	<b>4 232</b>	<b>3 939</b>	<b>45 651</b>	<b>185 425</b>
<b>As on 30 June 2011</b>	<b>111 742</b>	<b>14 632</b>	<b>4 909</b>	<b>3 310</b>	<b>106 620</b>	<b>241 213</b>

The Company did not make write-downs with respect to fixed assets.

<b>Tangible fixed assets securing loans and guarantees</b>	<b>30.06.2012</b>	<b>31.12.2011</b>
Ordinary mortgage over property up to the value of	252 500	252 500

## 8. INTANGIBLE ASSETS

	Patents and licences	Intangible assets under construction	Total
<b>GROSS VALUE</b>			
As on 1 January 2012	<b>1 443</b>	<b>6 040</b>	<b>7 483</b>
Increases in the period from 1 Jan to 30 Jun due to:	2 858	-	2 858
- purchase	686	-	686
- expenditures from transfer	2 172	-	2 172
Decreases in the period from 1 Jan – 30 Jun	-	2 172	2 172
<b>As on 30 June 2012</b>	<b>4 301</b>	<b>3 868</b>	<b>8 169</b>
<b>AMORTISATION</b>			
As on 1 January 2012	<b>1 088</b>	<b>-</b>	<b>1 088</b>
Depreciation in the period from 1 Jan – 30 Jun	262	-	262
<b>As on 30 June 2012</b>	<b>1 350</b>	<b>-</b>	<b>1 350</b>
<b>NET VALUE</b>			
<b>As on 1 January 2012</b>	<b>355</b>	<b>6 040</b>	<b>6 395</b>
<b>As on 30 June 2012</b>	<b>2 951</b>	<b>3 868</b>	<b>6 819</b>

## 8. INTANGIBLE ASSETS (CONTINUED)

	Patents and licences	Intangible assets under construction	Total
<b>GROSS VALUE</b>			
As on 1 January 2011	1 376	1 264	2 640
Increases in the period from 1 Jan – 30 Jun	21	1 527	1 548
Decreases in the period from 1 Jan – 30 Jun	-	-	-
<b>As on 30 June 2011</b>	<b>1 397</b>	<b>2 791</b>	<b>4 188</b>
<b>AMORTISATION</b>			
As on 1 January 2011	870	-	870
Depreciation in the period from 1 Jan – 30 Jun	107	-	107
<b>As on 30 June 2011</b>	<b>977</b>	<b>-</b>	<b>977</b>
<b>NET VALUE</b>			
<b>As on 1 January 2011</b>	<b>506</b>	<b>1 264</b>	<b>1 770</b>
<b>As on 30 June 2011</b>	<b>420</b>	<b>2 791</b>	<b>3 211</b>

## 9. CASH

	30.06.2012	31.12.2011	30.06.2011
Cash in the bank and petty cash fund	18 026	10 571	6 672
Short-term deposits	9 552	18 569	41 283
<b>Total</b>	<b>27 578</b>	<b>29 140</b>	<b>47 955</b>

Funds in bank accounts and cash comprise cash held by the Company and short-term bank deposits with a maturity date of up to three months. The book value of these assets corresponds to their fair value.

## 10. INVENTORY, WRITE-DOWNS ON INVENTORY

Changes in write-downs on inventory	30.06.2012	31.12.2011	30.06.2011
As at the beginning of the period	523	3 841	3 841
a) increase	3 326	233	-
b) decrease	-	3 551	3 551
<b>Write-downs on inventory at the end of the period</b>	<b>3 849</b>	<b>523</b>	<b>290</b>

The value of established and liquidated write-downs on inventory was entered as adjustment of the prime cost of sale for the period.

On the basis of loan agreements, pledges were established on inventory. The value of pledges as on the balance sheet date amounted to PLN 296 million (as on 31 December 2011 PLN 375 million, as on 30 June 2011 PLN 262 million)

## 11. INCOME TAX

Income tax	from 1 January 2012 to 30 June 2012	from 1 Jan 2011 to 31 Dec 2011	from 1 January 2011 to 30 June 2011
Profit before tax	25 011	109 976	32 677
Tax at the 19 per cent rate	4 752	20 895	6 209
Tax effect of non-deductible costs	(786)	613	(854)
Current income tax	3 966	21 509	5 355
Deferred tax	342	839	2 215
<b>Income tax</b>	<b>4 308</b>	<b>22 348</b>	<b>7 570</b>

## 11. INCOME TAX (CONTINUED)

Under the applicable laws, the Tax Office may audit the Company's tax filings for a period of five years. Therefore, the Company may incur an additional tax burden together with penalties and interest.

## 12. DEFERRED TAX

The items below are the main items under deferred tax liabilities and assets entered by the Company and the changes thereof in the current and preceding reporting period. Under IAS 12, in its financial statements, the Company discloses net deferred tax liabilities and assets.

<b>Deferred tax liabilities</b>	<b>30.06.2012</b>	<b>31.12.2011</b>	<b>30.06.2011</b>
Accelerated tax depreciation	220	220	220
Computed interest	124	21	31
<b>Deferred tax liabilities</b>	<b>344</b>	<b>241</b>	<b>251</b>

  

<b>Deferred tax assets</b>	<b>30.06.2012</b>	<b>31.12.2011</b>	<b>30.06.2011</b>
Costs after the balance sheet date	38	1 237	95
Provisions for liabilities	1 417	1 204	1 178
Depreciation of assets	1 675	931	734
Other	21	18	18
<b>Deferred tax assets</b>	<b>3 151</b>	<b>3 390</b>	<b>2 025</b>

The Company has identified all the assets on which deferred income tax should be recognised.

## 13. OPERATING AND FINANCIAL REVENUE AND COSTS

<b>Other operating revenue</b>	<b>from 1 January 2012 to 30 June 2012</b>	<b>from 1 January 2011 to 30 June 2011</b>
Liquidated provisions	166	825
Result on exchange rate differences	2 358	-
Inventory surplus	1 474	1 499
Interest	924	302
Compensation received	85	210
Other operating revenue	1 379	1 105
<b>Total</b>	<b>6 386</b>	<b>3 941</b>

The following, among other things, were posted under Other operating revenue during the reporting period: PLN 656,000 from recovered store furnishings and PLN 557,000 from burdening suppliers with the costs of preparing footwear for sale. The following operations, among other things, occurred during the first half of 2011: PLN 647,000 from compensation for mining damage and PLN 268,000 from recovered store furnishings.

### 13. OPERATING AND FINANCIAL REVENUE AND COST (CONTINUED)

Other operating cost	from 1 January 2012 to 30 June 2012	from 1 January 2011 to 30 June 2011
Loss on sale of fixed assets	3 845	928
Establishment of provisions	556	500
Result on exchange rate differences	-	115
Inventory shortages	2 186	2 464
Licence and copyright fees paid	705	744
Interest	275	59
Other operating cost	398	590
<b>Total</b>	<b>7 965</b>	<b>5 400</b>

Financial revenue	from 1 January 2012 to 30 June 2012	from 1 January 2011 to 30 June 2011
Revenue from interest on the current account and other	237	106
Other financial revenue	415	61
<b>Total</b>	<b>652</b>	<b>167</b>

Financial costs	from 1 January 2012 to 30 June 2012	from 1 January 2011 to 30 June 2011
Interest on loans and borrowings	7 509	3 004
Interest on financial leases	2	3
Surplus of negative exchange rate differences over positive	25	399
Impairment write-offs on fixed assets	386	386
Commission paid	217	184
Other financial costs	2 469	389
<b>Total</b>	<b>10 608</b>	<b>4 365</b>

The following, among other things, were posted under Other financial costs during the reporting period: PLN 2,061,000 from valuation of loan security.

### 14. CAPITAL

Share capital	Number of shares	(of which ordinary shares)	Nominal value	Base capital
As on 30 June 2011	38 400 000	31 750 000	PLN 0.10	3 840
As on 31 December 2011	38 400 000	31 750 000	PLN 0.10	3 840
As on 30 June 2012	38 400 000	31 750 000	PLN 0.10	3 840

All issued shares have been paid for in full. The number of preferred registered shares is 6,650,000. The preference pertains to voting rights, in that each preferred share carries two votes. Shareholders have the right of first refusal with respect to the purchase of registered preferred shares for sale.

#### 14. CAPITALS (CONTINUED)

<b>Reserve capital from the sale of shares above their nominal value</b>	<b>value</b>
As on 30 June 2011	74 586
As on 31 December 2011	74 586
As on 30 June 2012	74 586

<b>Other capitals</b>	<b>value</b>
As on 30 June 2011	6 349
As on 31 December 2011	9 341
As on 30 June 2012	-

<b>Retained earnings</b>	<b>value</b>
As on 30 June 2011	222 380
As on 31 December 2011	284 900
Net profit for the period	20 703
Declared dividend disbursement	(61 440)
Other adjustments	19
<b>As on 30 June 2012</b>	<b>244 182</b>

The list of shareholders holding at least 5 per cent of the overall number of votes at the Issuer's General Meeting, pursuant to Article 69 of the Act on Offers, as on the date of submission of the semi-annual report, is set out in the table below.

<b>Shareholder</b>	<b>Number of shares held (quantity)</b>	<b>Percentage share in the share capital</b>	<b>Number of votes at the General Meeting (quantity)</b>	<b>Share in the overall number of votes at the General Meeting (per cent)</b>
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 a subsidiary, Luxprofi S.a.r.l.	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
Aviva OFE	2 305 389	6.00	2 305 389	5.12

As on the date of preparing the statements for the first half of 2012, NG2 S.A. did not have any information about any other shareholders holding at least 5 per cent of the votes at the General Meeting.

#### 15. LOANS AND BORROWINGS

<b>Long-term loans and borrowings</b>	<b>30.06.2012</b>	<b>31.12.2011</b>	<b>30.06.2011</b>
Long-term loans and borrowings, of which:	170 507	214 835	133 998
- long-term loan, of which:	160 509	206 800	133 998
- payable in the period from 1 to 2 years	69 509	176 800	121 800
- payable in the period from 2 to 5 years	91 000	30 000	-
- payable in more than 5 years	-	-	12 198
- long-term loan	9 998	8 035	-

## 15. LOANS AND BORROWINGS (CONTINUED)

Short-term loans and borrowings	30.06.2012	31.12.2011	30.06.2011
Short-term loans and borrowings, of which:	148 423	87 250	78 250
- overdraft facility	125 173	87 250	70 000
- bank loan	6 000	-	-
- borrowing	17 250	-	8 250
<b>Total loans and borrowings</b>	<b>318 930</b>	<b>302 085</b>	<b>212 248</b>

### As on 30 June 2012

Name of the entity	Type	Limit	Amount utilised	Date of expiry	Financial terms	Security
Bank Handlowy w Warszawie SA	Revolving	36 000	36 000	27.02.2013	WIBOR + margin	Capped mortgage
Bank Handlowy w Warszawie SA	Overdraft facility	64 000	63 652	27.02.2013	WIBOR + margin	Pledge over inventory
BRE Bank SA	Overdraft facility	55 000	25 521	03.01.2013	WIBOR + margin	Capped mortgage
BRE Bank SA	Investment	30 000	27 000	30.12.2016	Commission	Capped mortgage
ING Bank Śląski SA	Revolving	70 000	70 000	29.01.2015	WIBOR + margin	Capped mortgage Pledge over inventory
PKO BP SA	Overdraft facility	50 000	49 509	27.10.2013	WIBOR + margin	Pledge over inventory
PKO BP SA	Revolving*	70 000	20 000	27.10.2013	WIBOR + margin	Pledge over inventory
NG2 Suisse	Loan	CZK 6,000,000 (PLN 998,000)	CZK 6,000,000 (PLN 998,000)	31.12.2013	Fixed interest rate	none
NG2 Suisse	Loan	7 000	7 000	31.12.2013	Fixed interest rate	none
NG2 Suisse	Loan	8 250	8 250	31.12.2012	Fixed interest rate	none
NG2 Suisse	Loan	9 000	9 000	31.12.2012	Fixed interest rate	none
NG2 Suisse	Loan	2 000	2 000	31.12.2013	Fixed interest rate	none

\* total indebtedness towards the Bank ensuing from credit on the current account and revolving credit cannot be higher than PLN 70 million

The financial terms of the loans incurred do not vary materially from market terms.

## 15. LOANS AND BORROWINGS (CONTINUED)

Name of the entity	Type	Limit	Amount utilised	Date of expiry	Financial terms	Security
BRE Bank SA	Guarantee cap	13 500	11 640	31.10.2012	Commission	none
Bank Handlowy w Warszawie SA	Paylink card limit	7 000	3 335	27.01.2013	WIBOR + margin	Surety
Societe Generale	Guarantee cap	12 000	10 227	unspecified	Commission	none
BZ WBK SA	Guarantee cap	PLN 20,000,000 and EUR 6,000,000	PLN 10,679,000 and EUR 4,480,000	29.04.2014	Commission	Pledge over inventory
PKO BP SA	Guarantee cap	5 000	-	27.10.2013	WIBOR + margin	Pledge over inventory
Raiffeisen Bank	Guarantee cap	USD 800,000 (PLN 2,711,000)	USD 237,000 (PLN 800,000)	28.02.2013	Commission	none

### As on 30 June 2011

Name of the entity	Type	Limit	Amount utilised	Date of expiry	Financial terms	Security
Bank Handlowy w Warszawie SA	Revolving	36 000	36 000	27.02.2013	WIBOR + margin	Capped mortgage; Pledge over inventory
Bank Handlowy w Warszawie SA	Overdraft facility	64 000	62 957	27.02.2013	WIBOR + margin	
BRE Bank SA	Overdraft facility	45 000	22 843	03.01.2013	WIBOR + margin	Capped mortgage
BRE Bank SA	Investment	30 000	12 198	30.12.2016	WIBOR + margin	Capped mortgage
ING Bank Śląski SA	Revolving	70 000	70 000	29.01.2012	WIBOR + margin	Capped mortgage; Pledge over inventory
PKO BP SA	Overdraft facility	50 000	-	27.10.2013	WIBOR + margin	Pledge over inventory
NG2 Suisse S.a.r.l.	Loan	8 250	8 250	31.12.2012	Interest as agreed	none

## 15. LOANS AND BORROWINGS (CONTINUED)

The financial terms of the loans incurred do not vary materially from market terms.

Name of the entity	Type	Limit	Amount utilised	Date of expiry	Financial terms	Security
Bank Handlowy w Warszawie SA	Guarantee cap	2 000	1 046	27.02.2013	Commission	Capped mortgage; Pledge over inventory
Bank Handlowy w Warszawie SA	Paylink card limit	7 000	6 971	30.12.2011	WIBOR + margin	Surety
BRE Bank SA	Guarantee cap	13 500	11 640	30.04.2012	Commission	Joint contractual capped mortgage
Societe Generale	Guarantee cap	12 000	11 603	unspecified	Commission	none
BZ WBK SA	Guarantee cap	PLN 20,000,000 and EUR 6,000,000	PLN 8,902,000 and EUR 2,078,000	30.04.2012	Commission	Pledge over inventory
Raiffeisen Bank	Guarantee cap	USD 800,000	-	15.05.2013	Commission	none

## 16. SHARE-BASED PAYMENTS

The Company has a scheme providing benefits in the form of shares, settled on equity instruments. Under the scheme, the entity receives employee services as remuneration for the Company's equity instruments (stock options). The fair value of the employee services received in return for awarding the options is recorded as a cost. The total amount to be recognised as cost is determined by reference to the fair value of the options awarded:

- taking into account any market terms;
- without taking into account any conditions related to seniority or non-market conditions for acquiring rights (for example, profitability of sales, purposes related to an increase of sales or the prescribed period of mandatory employment at the entity);
- without taking into account any conditions not related to acquiring rights (for instance, the requirement to maintain the instruments obtained, binding on employees).

Non-market conditions are included in the assumptions regarding the anticipated number of options on which rights are acquired. The total cost is recorded throughout the period of acquiring the rights, which is a period during which all of the prescribed conditions for acquiring the rights are to be met. At the end of each reporting period, the estimates of the expected number of options, to which rights will be acquired as a result of meeting the non-market requirements for acquiring rights, are reviewed. The entity presents the effect of the possible review of the initial estimates in the profit and loss statement, together with the appropriate adjustment of shareholders' equity. Once the options are exercised, the company issues new shares. Funds received after deducting all costs that may be directly allocated to the transaction will increase the share capital (nominal value) and the share premium upon the exercise of the options.

The granting by the Company of options for its equity instruments to employees of the group's subsidiaries is treated as a capital contribution. The fair value of the received employee services, calculated by reference to the fair value of the date of the grant, is to be recorded throughout the period of acquiring the rights in the form of an increase of the balance of investments into subsidiaries together with a corresponding increase in shareholders' equity. As on 30 June 2012, 44 persons are eligible for the plan and entitled to subscribe for 682,000 shares.

## 16. SHARE BASED PAYMENTS (CONTINUED)

As on the balance sheet date the Company wrote off the accumulated cost of measuring the employee stock option plan to cost of general management and administration. The Management Board's estimates indicate that the plan cannot be carried out at the present moment. The current financial results suggest that it is not possible to uphold the decision to carry out the plan; however, they do not rule out the possibility of it being carried out in the future. Hence the balance of the costs of general management and administration of PLN 6,830,000 comprises the value of the cost of measuring the employee stock option plan written off in the amount of PLN 8,382,000 and the costs of general management and administration (PLN - 1,552,000)

## 17. TRADE AND OTHER LIABILITIES

Short-term liabilities	30.06.2012	31.12.2011	30.06.2011
Trade liabilities	137 702	175 181	137 469
- affiliates	78 545	76 361	66 694
- other entities	59 157	98 820	70 775
Liabilities under customs duty and taxes	8 811	17 796	12 489
Liabilities towards shareholders	61 440	-	57 600
Liabilities towards employees	13 028	13 889	15 960
Other liabilities	6 573	6 255	59
<b>Total</b>	<b>227 554</b>	<b>213 121</b>	<b>223 577</b>

Liabilities denominated in foreign currencies are valued as on the balance sheet date in accordance with the average exchange rate for each currency announced by the National Bank of Poland as on the balance sheet date. Currency exchange differences on balance sheet valuation are entered under other costs or operating revenue, respectively.

### a. Liabilities under financial lease

	30.06.2012	31.12.2011	30.06.2011
Liabilities under financial lease payable within:	22	47	76
- one year	22	6	55
- one to five years	-	41	21
- more than five years	-	-	-
<b>Total</b>	<b>22</b>	<b>47</b>	<b>76</b>
<b>Current value of future liabilities</b>	<b>22</b>	<b>47</b>	<b>76</b>
Less amounts due within twelve months (entered under short-term liabilities)	22	6	55
Liabilities payable in the period after twelve months	-	41	21

The Company uses office equipment under financial lease agreements and has the option to purchase the equipment.

Future minimum leasing fees do not differ significantly from the current value of minimum leasing fees.

All liabilities under leasing are denominated in Polish zloty.

## 18. MINIMUM VALUE OF FUTURE PAYMENTS UNDER OPERATING LEASE

The anticipated payments under operating leases without the option of early termination are as follows:

	30.06.2012	31.12.2011	30.06.2011
- up to 1 year	128 784	118 680	114 588
- one to five years	515 136	474 720	458 352
- more than 5 years	257 568	237 360	229 176
<b>Total</b>	<b>901 488</b>	<b>830 760</b>	<b>802 116</b>

In the case of multiple stores (especially those located at shopping centres), lease fees have two components: a fixed fee and a conditional fee based on the store's revenue. The conditional fee usually corresponds to 5-7 per cent of the store's revenue.

The Company is also a party to subleasing agreements, which follow the principles of operating leases. Revenue from subleasing fees on the terms of operating leases for the period of six months of 2012 and 2011 is presented in the table below.

	30.06.2012	31.12.2011	30.06.2011
Revenue from operating subleasing	6 541	12 563	6 090

## 19. EARNINGS PER SHARE

Earnings	from 1 January 2012 to 30 June 2012	from 1 Jan 2011 to 31 Dec 2011	from 1 January 2011 to 30 June 2011
Net profit for the year for the purpose of calculating earnings per share to be distributed among the Company's shareholders	20 703	87 628	25 107
<b>Earnings disclosed for the purpose of calculating the value of diluted earnings per share</b>	<b>20 703</b>	<b>87 628</b>	<b>25 107</b>

Number of shares issued	from 1 January 2012 to 30 June 2012	from 1 Jan 2011 to 31 Dec 2011	from 1 January 2011 to 30 June 2011
Average weighted number of shares disclosed for the purpose of calculating the value of ordinary earnings per share	38 400 000	38 400 000	38 400 000
<b>Average weighted number of ordinary shares disclosed for the purpose of calculating the value of diluted earnings per share</b>	<b>38 400 000</b>	<b>38 400 000</b>	<b>38 400 000</b>

Earnings per share	from 1 January 2012 to 30 June 2012	from 1 Jan 2011 to 31 Dec 2011	from 1 January 2011 to 30 June 2011
Ordinary	PLN 0.54	PLN 2.28	PLN 0.65
Diluted	PLN 0.54	PLN 2.28	PLN 0.65

In the reporting period, there were no events affecting the value of diluted earnings.

## 20. DIVIDEND

	30.06.2012	30.06.2011
Value of declared dividend	61 440	57 600
Value per 1 share	PLN 1.60	PLN 1.50

On 29 June 2012, the General Meeting of Shareholders of NG2 S.A. resolved to disburse a dividend from the 2011 net earnings in the amount of PLN 61,440,000. The amount of dividend

per share is PLN 1.60. The dividend eligibility determination date (D day) was set for 27 September 2012. The dividend disbursement date (W day) was set for 16 October 2012.

## 21. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities	30.06.2012	31.12.2011	30.06.2011
<b>I. Contingent assets</b>	<b>33 800</b>	<b>33 800</b>	<b>33 800</b>
From other entities:	33 800	33 800	33 800
- guarantees and warranties received	33 800	33 800	33 800
<b>II. Contingent liabilities</b>	<b>71 655</b>	<b>78 101</b>	<b>55 164</b>
To affiliates:	-	9 902	-
- security extended	-	9 902	-
To other entities:	71 655	68 199	55 164
- customs bonds	8 500	8 500	8 500
- other forms of security	51 253	52 699	29 762
- security extended	11 902	7 000	16 902

Customs bonds provide a security for the repayment of customs receivables due to the Company's operation of customs warehouses, and their maturity date is 17 June 2013.

Other guarantees secure property leases and their maturity date is 29 April 2014.

The security granted is related to the Paylink overdraft facility opened with Bank Handlowy for franchise customers and the loan security for subsidiaries. Their maturity dates are unspecified.

Under the long-term loan agreement concluded with BRE Bank S.A., the Company was required, among other things, to maintain the operating margin and the liquidity ratio on the level set out in the agreement. Failure to fulfil the above conditions does not bear loan maturity consequences but solely authorises the Bank to increase the margin. Despite the fact that the Company did not meet these requirements in the reporting period, the Bank did not take advantage of the possibility to raise the interest rate on the loan.

As on the balance sheet date, the Company was utilising the overdraft facility extended to it by BRE Bank S.A. in the amount of PLN 25,521,000 and had used up an investment loan of 27,000,000.

## 22. INVESTMENTS IN SUBSIDIARIES

Long-term investments	30.06.2012	31.12.2011	30.06.2011
Shares in non-listed companies	53 911	55 255	55 311

### Long-term financial investments include shares in subsidiaries:

Company name	Registered office of the company	Country	book value of shares		
			30.06.2012	31.12.2011	30.06.2011
CCC Factory Sp. z o.o.	Polkowice	Poland	15 036	15 584	15 409
CCC Boty Czech s.r.o.	Prague	Czech Republic	31 579	31 990	31 858
CCC Obuv Sk s.r.o.	Bratislava	Slovakia	22	22	-
NG2 Suisse s.a.r.l	Zug	Switzerland	892	892	892
Kontynentalny Fundusz Powierniczy nr 96 (Continental Trust Fund No. 968)	USA	USA	6 382	6 767	7 152
<b>Total</b>			<b>53 911</b>	<b>55 255</b>	<b>55 311</b>

## 23. TRANSACTIONS WITH RELATED PARTIES

	from 1 January 2012 to 30 June 2012*	from 1 January 2011 to 31 December 2011*	from 1 January 2011 to 30 June 2011*
<b>Subsidiaries:</b>			
<b>CCC Factory Sp. z o.o.:</b>			
Sale to an affiliate	65	138	58
Purchase from an affiliate	79 940	117 615	55 530
Receivables from an affiliate	16	-	-
Liabilities towards an affiliate	76 687	74 510	65 284
<b>CCC Boty s.r.o.:</b>			
Sale to an affiliate	33 771	37 406	13 986
Purchase from an affiliate	787	1 117	509
Receivables from an affiliate	20 284	6 938	15 519
<b>CCC Obuv SK s.r.o.</b>			
Sale to an affiliate	2 983	-	-
Receivables from an affiliate	3 015	-	-
Receivables from loans	852	-	-
Liabilities towards an affiliate	-	22	-
<b>NG2 Suisse s.a.r.l.:</b>			
Sale to an affiliate	2	36	-
Purchase from an affiliate	10 232	17 074	8 468
Receivables from an affiliate	11	36	-
Trade liabilities towards an affiliate	-	1 829	11 362
Liabilities from loan from an affiliate	27 248	25 277	-
Liabilities from interest on loan	47	8	-

### 23. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

<b>Subsidiaries of a member of the management board:</b>			
<b>MGC INWEST Sp. z o.o.</b>			
Sale to an affiliate	23	103	7
Purchase from an affiliate	34	596	7
Liabilities towards an affiliate	-	-	35
<b>Libra Project Sp. z o.o.</b>			
Purchase from an affiliate	31	84	39
Liabilities towards an affiliate	-	6	6
<b>ASTRUM Sp. z o.o.</b>			
Sale to an affiliate	26	12	6
Purchase from an affiliate	197	600	-
Receivables from an affiliate	-	(1)	-
Liabilities towards an affiliate	-	600	-
<b>CUPRUM ARENA MGC INWEST Sp. z o.o. S.k.</b>			
Purchase from an affiliate	635	907	575
Liabilities towards an affiliate	88	96	82
<b>LUXPROFI s.a.r.l.</b>			
Liabilities towards an affiliate	16 976	-	15 915
<b>Persons managing, supervising or performing managerial functions:</b>			
<b>Dariusz Miłek:</b>			
Liabilities towards an affiliate**	7 600	-	7 125
<b>Leszek Gaczorek:</b>			
Liabilities towards an affiliate**	4 816	-	4 515
<b>Mariusz Gnych:</b>			
Liabilities towards an affiliate**	192	-	180

\*as on the balance sheet date for receivables and liabilities

\*\* as on the date of submitting the report

The transactions with related parties were concluded on market terms.

#### Gross remuneration of Management Board members

Name and surname	Position	from 1 January 2012 to 30 June 2012	from 1 January 2011 to 31 December 2011	from 1 January 2011 to 30 June 2011
Dariusz Miłek	President of the Management Board	240	503	225
Mariusz Gnych	Vice-President of the Management Board	180	536	207
Piotr Nowjalis	Vice-President of the Management Board	225	596	207
<b>Total</b>		<b>645</b>	<b>1 635</b>	<b>639</b>

## 23. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### Gross remuneration of Supervisory Board members

Name and surname	Position	from 1 January 2012 to 30 June 2012	from 1 January 2011 to 31 December 2011	from 1 January 2011 to 30 June 2011
Henryk Chojnacki	Chairman of the Supervisory Board	12	24	12
Wojciech Fenrich	Member of the Supervisory Board	9	18	9
Martyna Kupiecka	Member of the Supervisory Board	9	18	9
Paweł Tamborski	Member of the Supervisory Board	3	18	9
Piotr Nadolski	Member of the Supervisory Board	9	10	-
Adam Szczepanik	Member of the Supervisory Board	5	-	-
Rafał Chwast	Member of the Supervisory Board	-	8	8
<b>Total</b>		<b>47</b>	<b>96</b>	<b>47</b>

On 23 January 2012 the Management Board of NG2 S.A. was informed by Mr. Paweł Tamborski, Member of the Supervisory Board, about his resignation from membership on the Supervisory Board.

On 6 March 2012 the Extraordinary General Meeting of Shareholders of NG2 S.A. appointed Mr. Adam Szczepanik as a Supervisory Board Member.

On 17 May 2011 the Management Board of NG2 S.A. was informed about the decision of Mr. Rafał Chwast, Member of the Supervisory Board, not to seek re-election in the following term. The Supervisory Board Member mandate expired on 16 June 2011.

Management and Supervisory Board members do not collect any remuneration for their positions with NG2 S.A., other than the salaries set out above.

## 24. OCCURRENCES AFTER THE BALANCE SHEET DATE

Between 20 and 25 August 2012 NG2 S.A. opened up 20 boutiques under the Lasocki brand name. These stores have been established in place of the existing QUAZI boutiques. The remaining 13 locations will continue operating under the Quazi brand name. The aim of these measures is to increase the effectiveness of the existing stores.

On 21 August 2012 the Issuer adopted a resolution on establishing a subsidiary CCC Hungary Shoes Kft. with its registered office in Budapest, Hungary. NG2 S.A. will take up 100 per cent of shares in the above company, which account for 100 per cent of votes at the General Meeting. The value of the subsidiary's share capital will be HUF 10,000,000 (ten million forints). The basic line of business of the newly established company will be distribution of goods supplied by NG2 S.A. in Hungary.

The Company's abbreviated interim financial statements were approved for publication by the Management Board of the Company on 27 August 2012 and signed on behalf of the Management Board by:

<b>SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS</b>		
Edyta Banaś	Head of Accounting	
<b>SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS</b>		
Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

Polkowice, 27 August 2012