



NG2
New Gate Group

Slowdown?
Not in NG2...

Wide portfolio of business concepts

CCC

Economy, shopping centres & cities

Floorspace (average – sq m) 340

Capex (PLN per sq m) 867

BOTI

Super-economy concept,
hypermarkets & mid-sized towns

Floorspace (average – sq m) 134

Capex (PLN per sq m) 735

QUAZI

Premium brand, shopping malls

Floorspace (average – sq m) 135

Capex (PLN per sq m) 2 225

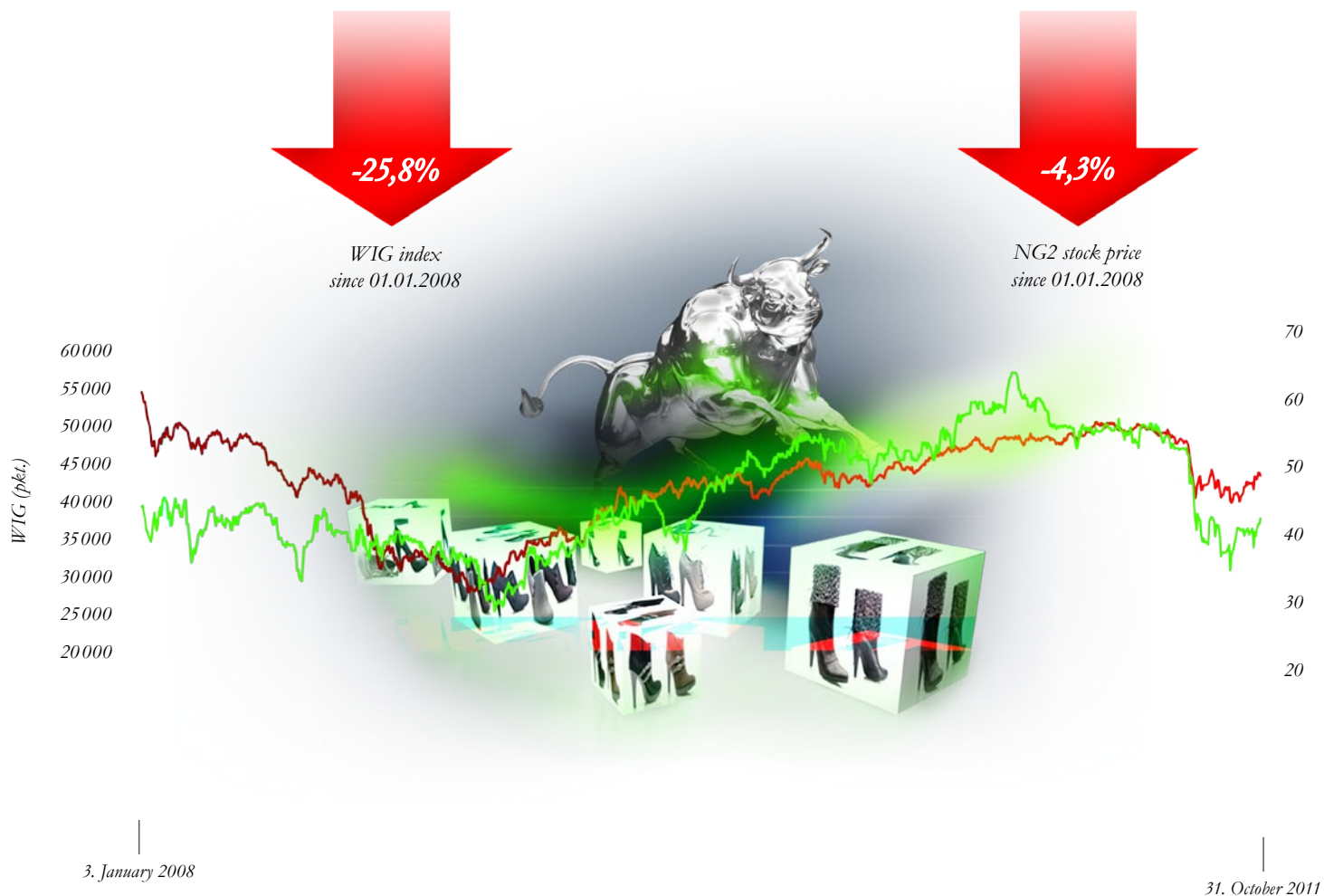
Results and Strategy of NG2

— NG2 expects very strong 2011 financial results.

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

— The strategic goal for 2012–2013 is to keep high profitability while maintaining very high rate of ROE.

NG2 S.A. – stock listed since 2004



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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 25%

Market Cap:
 (PLNm) 1 690
 (EURm) 389.1

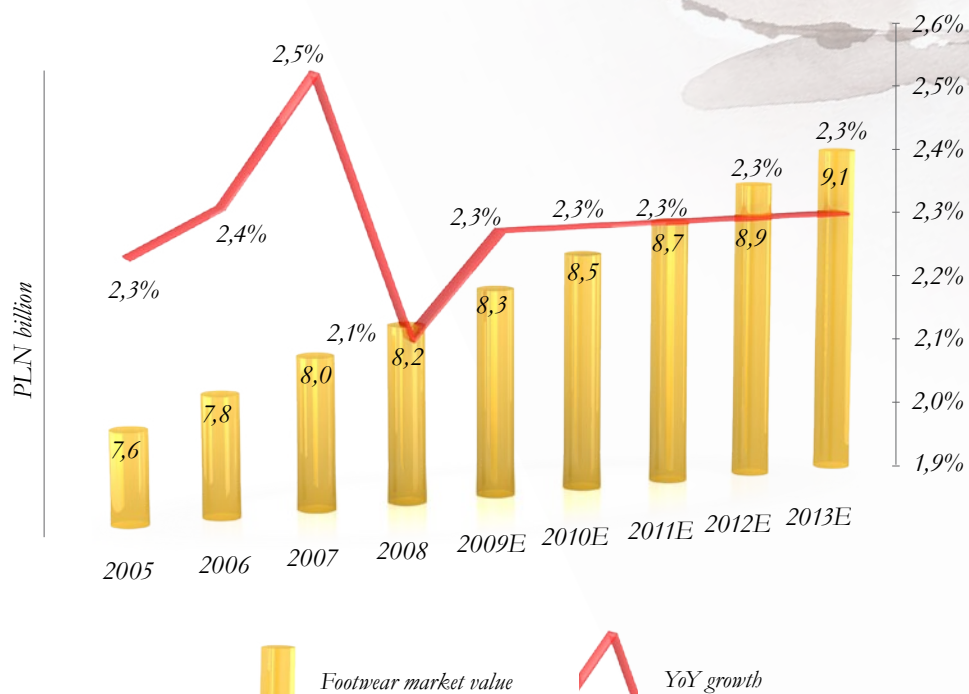
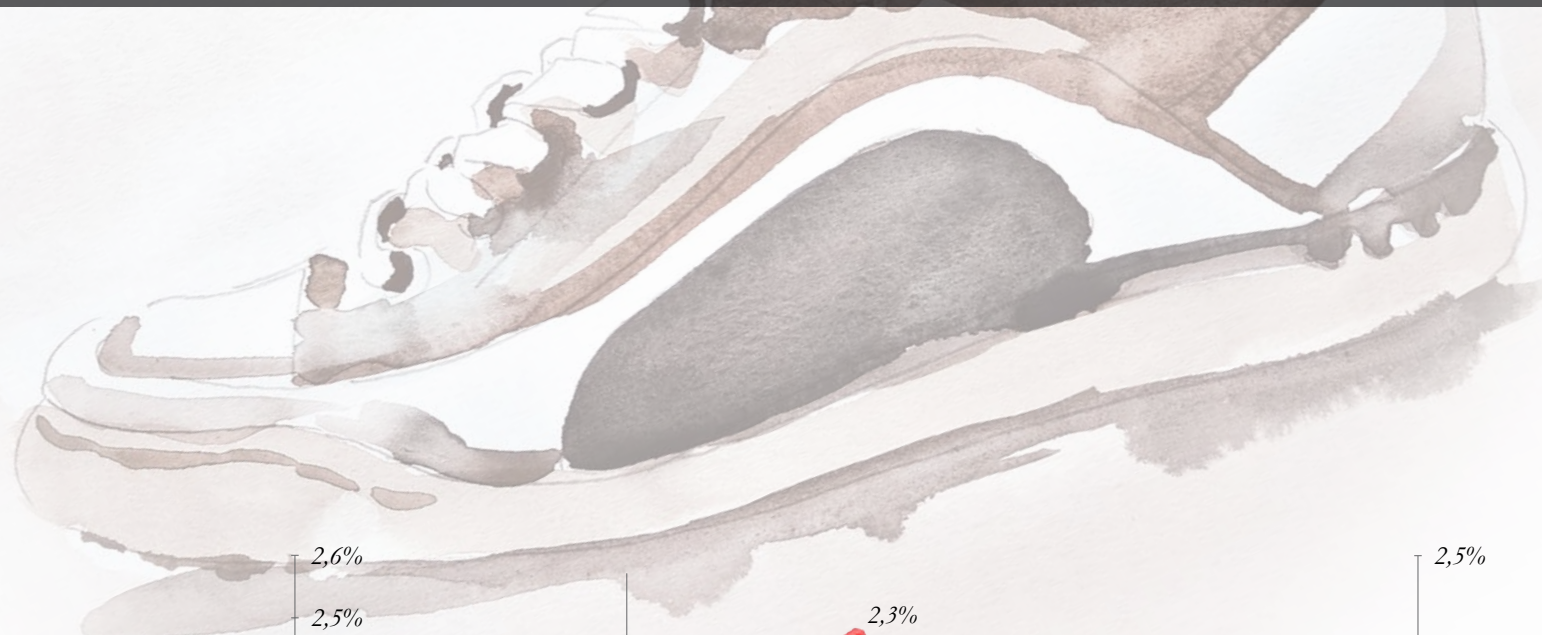
NG2
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NG2 S.A. – leader of the footwear market in Poland

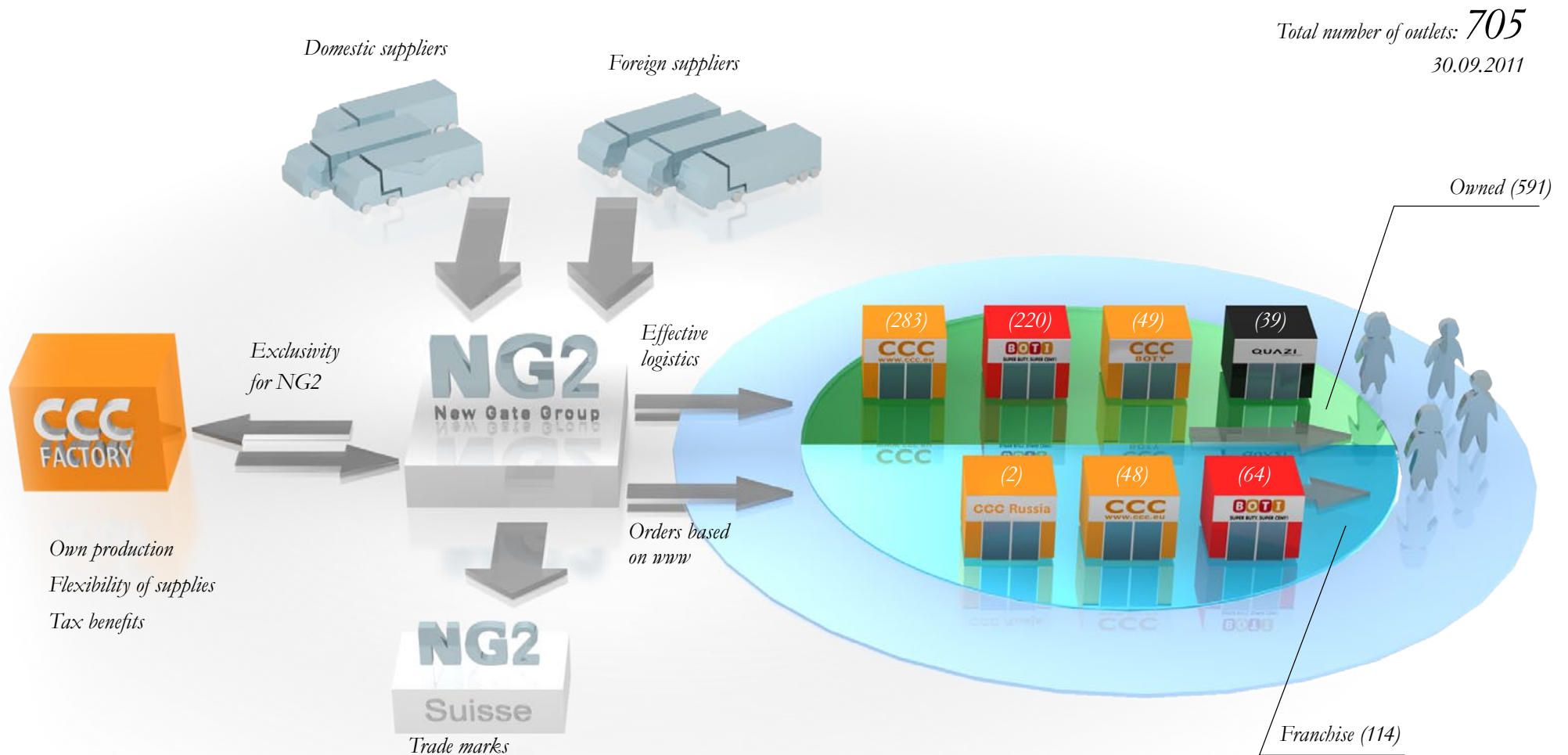


Footwear market in Poland

- 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)

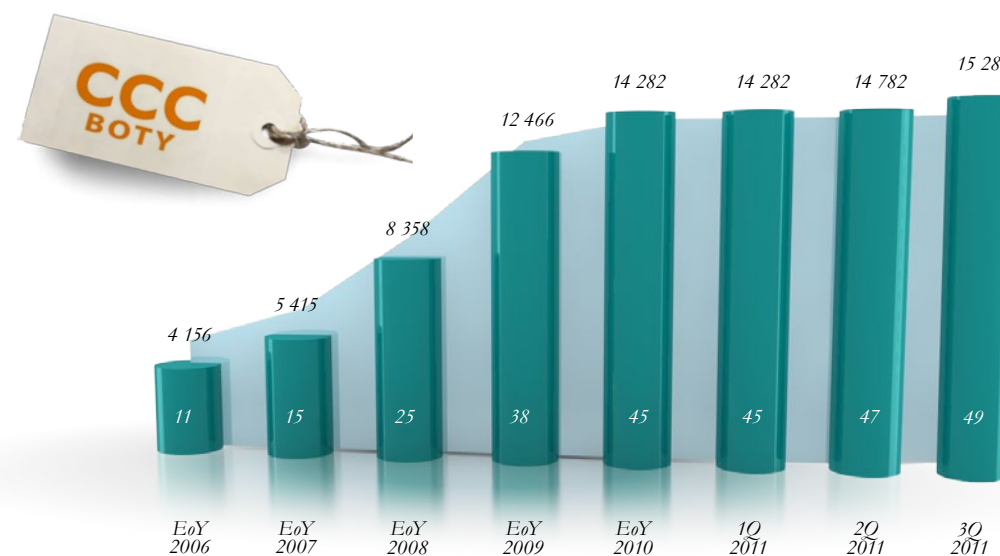
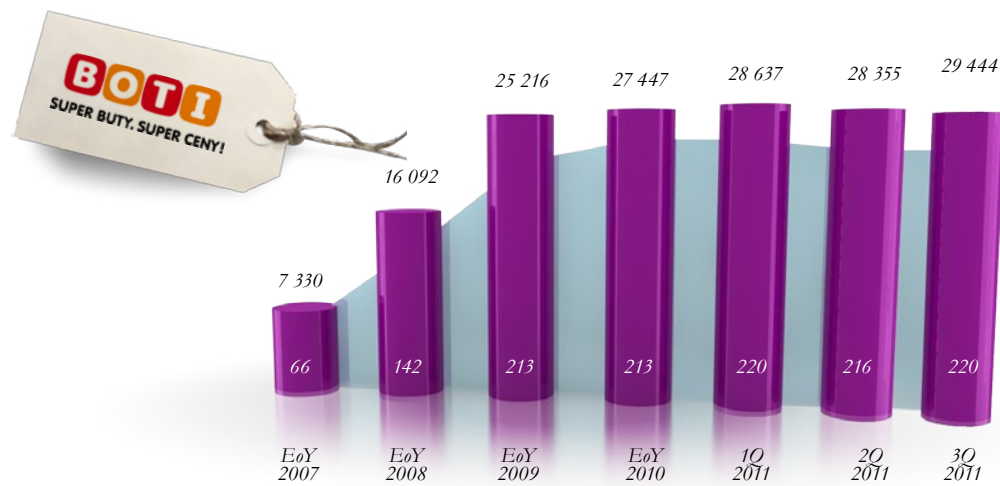
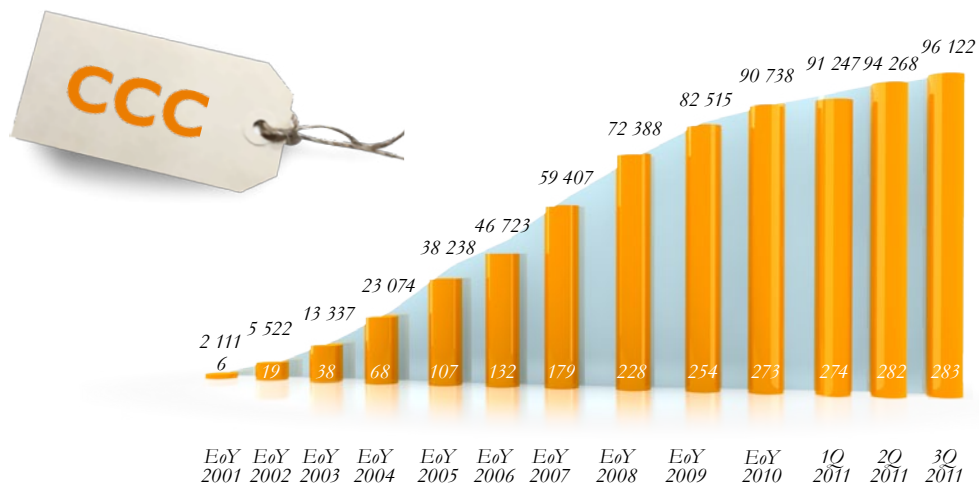


NG2 S.A. – growth & value delivered



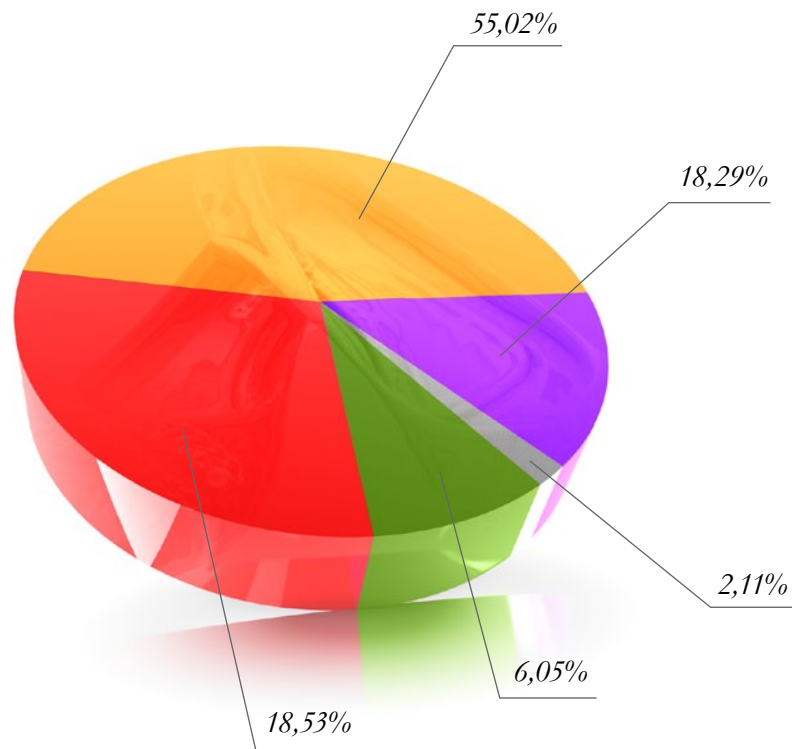
Total number of outlets: **705**
30.09.2011

Floorspace and number of stores

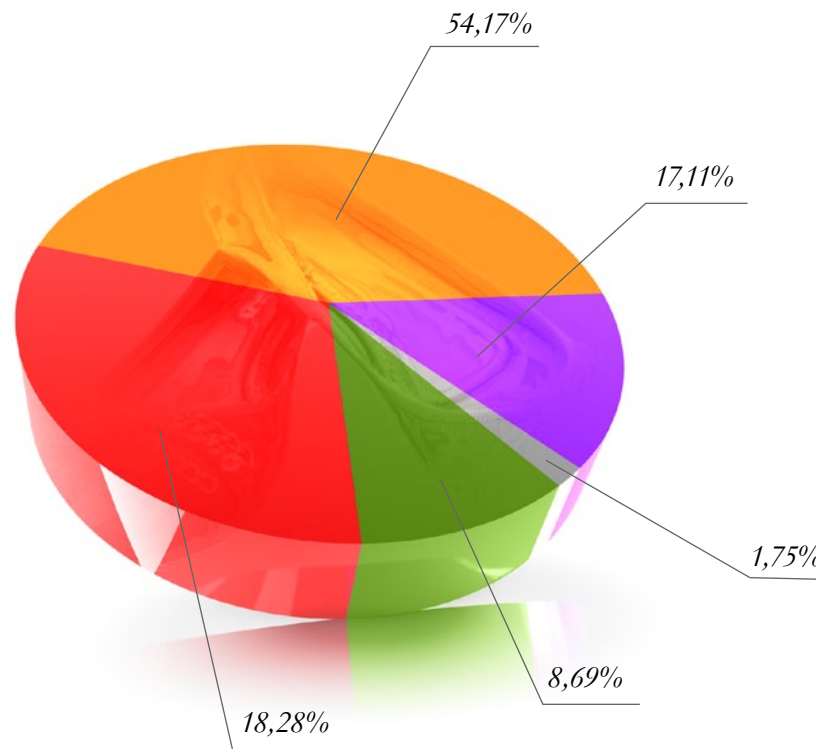


Revenue split by volume and sales channels (%)

1-3Q 2010



1-3Q 2011



CCC



BOTI



QUAZI

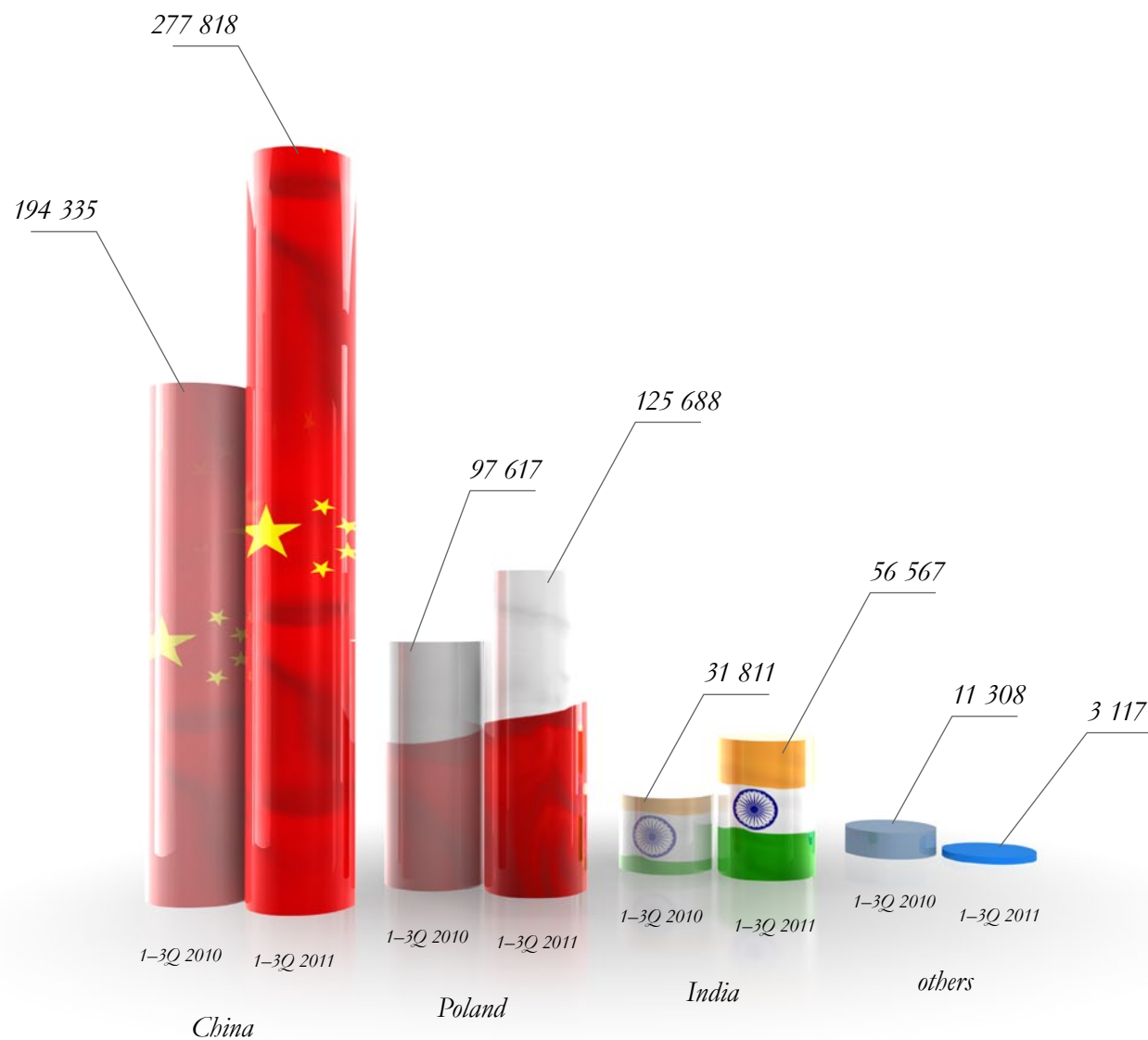


NG2 to CCC Boty



Franchise

Purchases split by sources of supplies (PLN 000’)



Purchases split by currency (PLN 000`)



Financial results– 3Q 2011

	3Q 2010 '000 PLN	3Q 2011 '000 PLN	Change% 2011/2010
Revenue	267 927	242 588	-9,5%
Gross Profit on Sale	142 471	135 026	-5,2%
Gross Profit on Sale Margin	53,2%	55,7%	4,7%
Selling Costs	-106 944	-104 785	-2,0%
General & Administrative Costs	-4 303	-4 473	4,0%
EBIT	31 161	22 881	-26,6%
EBIT Margin	11,6%	9,4%	-18,9%
Financial Costs	-1 889	-1 861	-1,5%
Gross Profit	29 449	21 212	-28,0%
Net Profit	23 949	17 099	-28,6%
Net Profit Margin	8,9%	7,0%	-21,1%
Total Assets	667 033	874 608	31,1%
Liabilities nad Reserves	286 988	444 168	54,8%
Long Term Liabilities	36 227	221 570	511,6%
Short Term Liabilities	250 761	222 598	-11,2%
Equity	380 045	430 440	13,3%

Financial results – 1–3Q 2011

	1–3Q 2010 `000 PLN	1–3Q 2011 `000 PLN	Change 2011 / 2010
Revenue	708 181	726 845	2,6%
Gross Profit on Sale	383 602	404 924	5,6%
Gross Profit on Sale Margin	54,2%	55,7%	2,8%
Selling Costs	-292 200	-308 140	5,5%
General & Administrative Costs	-10 256	-13 084	27,6%
EBIT	79 062	78 442	-0,8%
EBIT Margin	11,2%	10,8%	-3,3%
Financial Costs	-6 535	-5 803	-11,2%
Gross Profit	72 974	73 038	0,1%
Net Profit	76 801	58 782	-23,5%
Net Profit Margin	10,8%	8,1%	-25,4%
Total Assets	667 033	874 608	31,1%
Liabilities and Reserves	286 988	444 168	54,8%
Long Term Liabilities	36 227	221 570	511,6%
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NG2 – unleveraged retailer (as of 30th of September)

*Financial Indebtedness / Equity
(%)*



Net debt / EBITDA

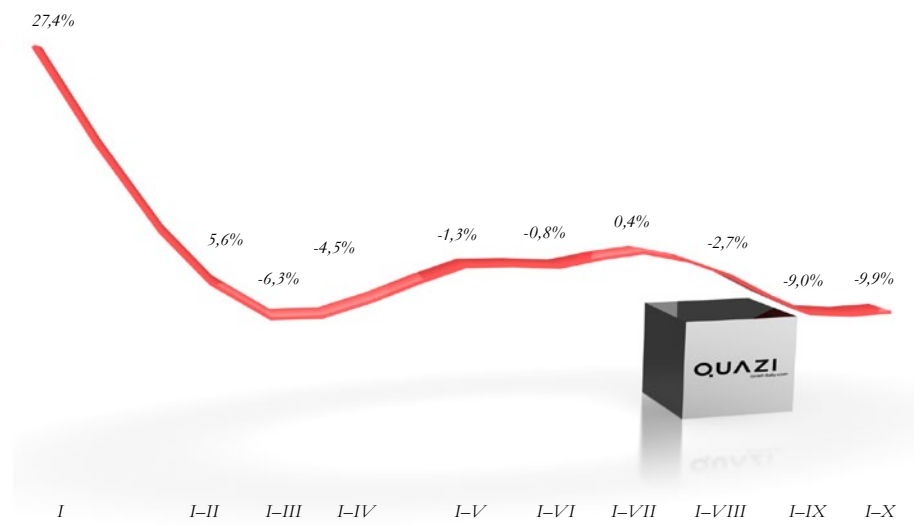
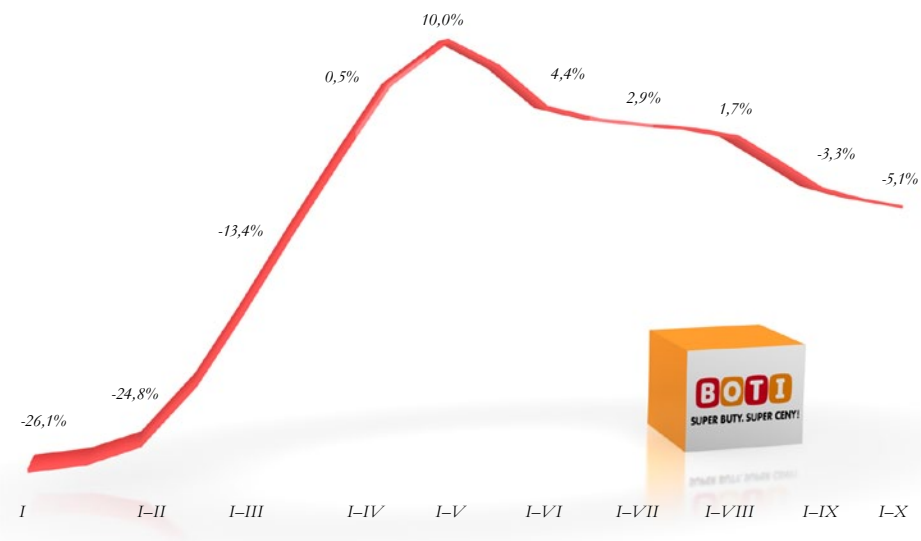
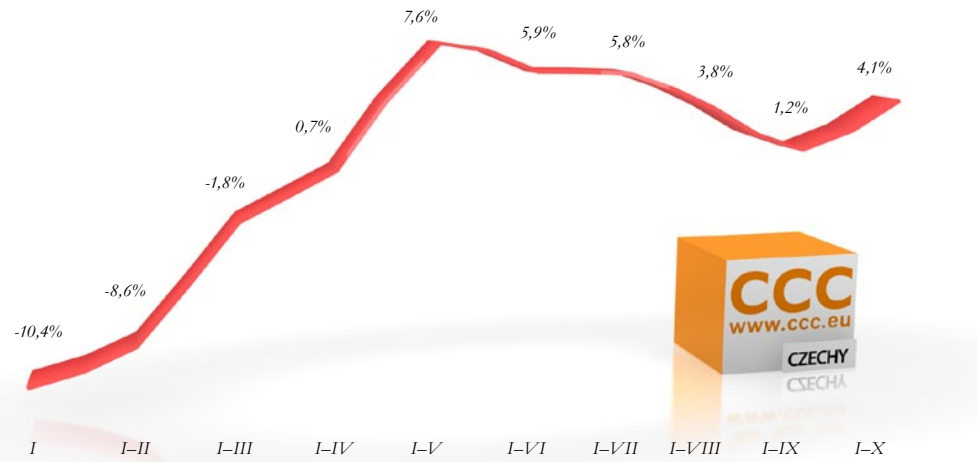
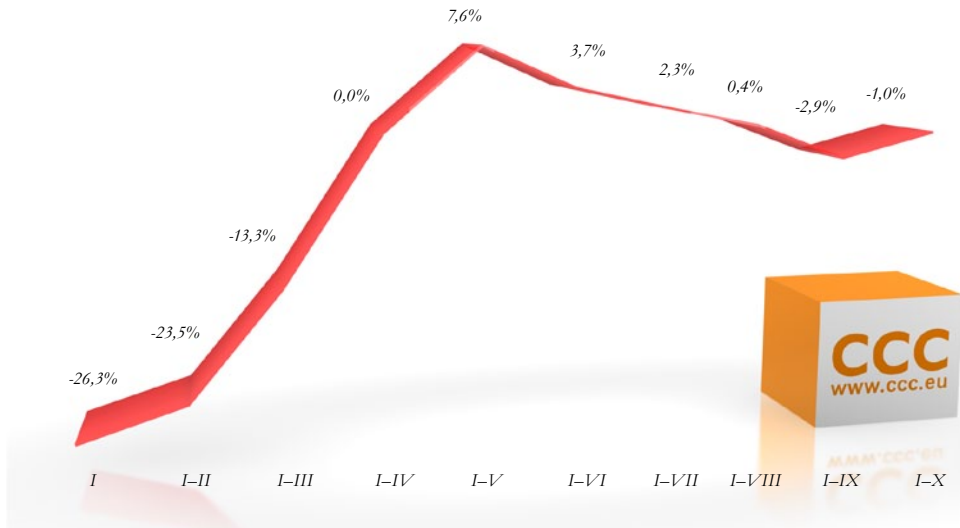


Gross Profit Interest Cover



	<i>1-3Q 2010</i>	<i>1-3Q 2011</i>
<i>Financial Indebtedness (%)</i>	42,7	67,8
<i>Net debt / EBITDA</i>	0,9	1,8
<i>Gross Profit Interest Cover</i>	15,2	15,9

L-f1 sales I-X 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)
1-3Q 2011	187,1	92,6	181,9	74,8	302,3	163,0
1-3Q 2010	185,5	91,9	174,3	71,0	317,5	160,5
zm% 2011/2010	0,9%	0,8%	4,4%	5,4%	-4,8%	1,6%
3Q 2011	188,2	93,5	181,6	73,6	304,2	166,6
3Q 2010	192,1	92,9	179,1	71,8	315,4	162,3
zm% 2011/2010	-2,0%	0,6%	1,4%	2,5%	-3,6%	2,6%
2Q 2011	192,5	94,4	187,9	78,3	310,8	168,1
2Q 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%
1Q 2011	180,7	89,8	176,2	72,4	291,9	154,2
1Q 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%

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 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.

Development plans



NG2 intends to achieve 20% footwear market share in Poland till the end of 2013.

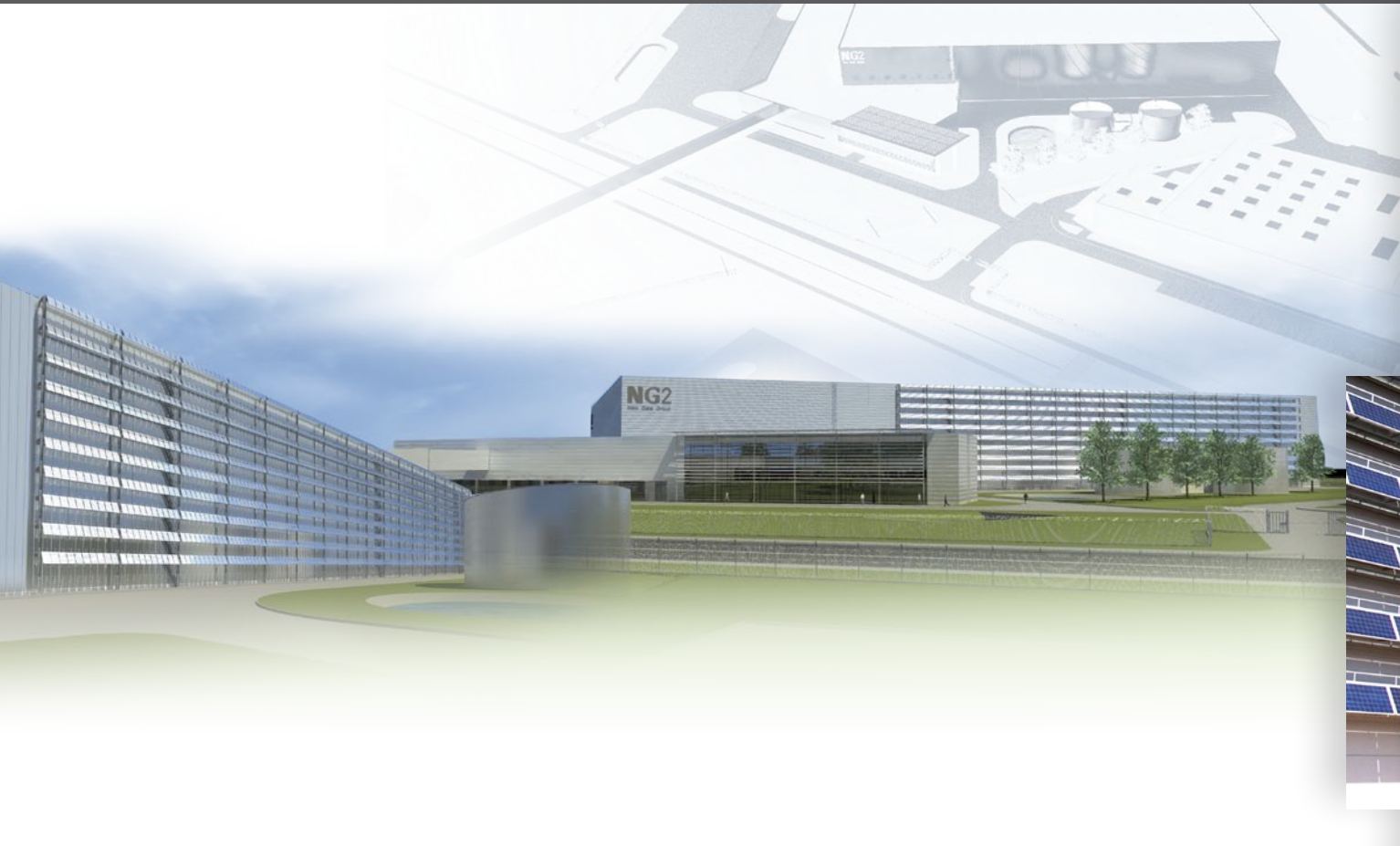
15-20% revenue growth is expected in 2012 and 2013.

Development of CCC is the key driving factor of NG2 growth and value.

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

Detailed plans will be announced after Autumn/Winter season.

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 of logistic center: PLN 131 million (incl.VAT), out of which PLN 38 million is 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

