



**Independent auditor's report prepared for the
General Meeting and Supervisory Board of
CCC Spółka Akcyjna**

We conducted an audit of the attached financial statements of CCC Spółka Akcyjna (hereinafter, the "Company"), with its registered office in Polkowice at ul. Strefowa 6, comprising the statement of comprehensive income for the period from 1 January to 31 December 2012, showing comprehensive income of PLN 57,174,000, the statement of financial position prepared as at 31 December 2012, showing a total of PLN 911,784,000 on the assets and liabilities side, the statement of changes in equity, the statement of cash flow for that financial year and additional information on the accounting principles adopted and other information provided for clarification purposes.

The Management Board of the Company is responsible for preparing the financial statements and the report on the operations of the entity in line with the applicable laws and for the accuracy of the accounting records. The Company's Management Board and its Supervisory Board Members are required to ensure that the financial statements and the report on the operations of the entity meet the requirements set forth in the Accounting Act of 29 September 1994 (the "Accounting Act", Journal of Laws of 2013, item 330).

Our task was to audit the attached financial statements and express an opinion on the conformity, in all material respects, of these financial statements with the applicable accounting policies (principles) and whether they present accurately and clearly, in all material respects, the asset and financial position and the financial result of the entity and on the correctness of the accounting records used as the basis for preparing these statements.

We conducted our audit in accordance with:

- a. Chapter 7 of the Accounting Act;
- b. the Polish financial reporting standards issued by the National Council of Auditors.

The audit was planned and carried out so as to offer sufficient confidence that the financial statements do not contain material errors or omissions. The audit involved, among other things, examining, on the basis of a selected sample, evidence of the amounts and information disclosed in the financial statements. The audit also involved an assessment of the accounting policies applied by the Company and material estimates made in preparing the financial statements, as well as overall assessment of their presentation. We feel that our audit provided a sufficient basis for expressing our opinion.



**Independent auditor's report prepared for the
General Meeting and Supervisory Board of CCC
Spółka Akcyjna (continued)**

In our opinion, the attached financial statements, in all material respects:

- a. accurately and clearly present the asset and financial position of the Company as at 31 December 2012 and the financial result for the financial year from 1 January to 31 December 2012 in accordance with the International Financial Reporting Standards approved by the European Union;
- b. comply in terms of their form and contents with the applicable laws binding on the Company and with the Statute of the Company;
- c. were prepared on the basis of duly maintained accounting records in accordance with the applicable accounting policies (principles).

The information contained in the report on the operations of the Company for the financial year from 1 January to 31 December 2012 complies with the provisions of the Regulation of the Minister of Finance on current and periodical information provided by issuers of securities and the conditions of equivalency of information required by the legislation of non-member states of 19 February 2009 (the "Regulation" - Journal of Laws No. 33, item 259, as amended) and is consistent with the information contained in the audited financial statements.

The auditor carrying out the audit on behalf of PricewaterhouseCoopers Sp. z o.o., a company entered on the list of entities authorised to audit financial statements under No. 144, was:

Marcin Sawicki

Key Auditor

Registration number 11393

Wrocław, 30 April 2013



Auditor's report from the audit of the financial statements for the financial year from 1 January to 31 December 2012 prepared for the General Meeting of Shareholders and the Supervisory Board of CCC Spółka Akcyjna

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Auditor's report from the audit of the financial statements for the financial year from 1 January to 31 December 2012

I. Company overview

- a. The registered office of CCC Spółka Akcyjna (the "Company") is in Polkowice at ul. Strefowa 6.
- b. The company was established as CCC Spółka Akcyjna. The deed of incorporation of the Company was drafted as a notarial deed at the Notarial Offices of Grażyna Marciniak-Morgut in Polkowice on 15 June 2004 and registered in Repertory A No. 3540/2004. On 30 June 2004, the District Court in Wrocław, Division IX Commercial of the National Court Register, entered the Company in the Commercial Register under KRS number 0000211692. On 24 January 2007, the General Meeting of Shareholders resolved to change the name of the Company to NG2 S.A. On 19 December 2012, by the decision of the General Meeting of Shareholders, the name of the Company was changed once again, from NG2 S.A. to CCC S.A.
- c. For tax purposes, the Company was assigned the following tax identification number (NIP): 692-22-00-609, and for statistical purposes, the Company was assigned the following statistical number (REGON): 390716905.
- d. The share capital of the Company as at 31 December 2012 was PLN 3,840,000 and consisted of 38,400,000 shares with a nominal value of PLN 0.10 each. The shareholders' equity as on that date was positive and amounted to PLN 359,060,000.
- e. As on 31 December 2012, the shareholders of the Company were:

Name of the shareholder	Number of shares held	Nominal value of the shares held (PLN)	% share in the share capital	% votes held
Luxprofi s.a.r.l.*	15,360,000	1,536,000.00	40.0	44.6
Leszek Gaczorek	3,010,000	301,000.00	7.8	10.6
ING OFE	2,477,486	247,748.60	6.5	5.5
Aviva	2,305,389	230,538.90	6.0	5.1
Others	15,247,125	1,524,712.50	39.7	34.2
	38,400,000	3,840,000.00	100.0	100.0

* Entity controlled by Dariusz Miłek

As on the date of the report, i.e. 30 April 2013, the shareholders of the Company were:

Name of the shareholder	Number of votes held	Nominal value of the shares held (PLN)	% share in the share capital	% votes held
Luxprofi s.a.r.l.*	13,360,000	1,336,000.00	34.8	40.2

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Leszek Gaczorek	3,010,000	301,000.00	7.8	10.6
ING OFE	2,477,486	247,748.60	6.5	5.5
Aviva	2,305,389	230,538.90	6.0	5.1
Others	17,247,125	1,724,712.50	44.9	38.6
	<hr/> 38,400,000	<hr/> 3,840,000.00	<hr/> 100.0	<hr/> 100.0

* Entity controlled by Dariusz Miłek

- f. In the audited period, the Company's corporate purpose was wholesale and retail trade in footwear and small leather goods.

I. Company overview (continued)

- g. In the financial year, the Company's Management Board members were:
- Dariusz Miłek - President of the Management Board,
 - Mariusz Gnych - Vice-President of the Management Board,
 - Piotr Nowjalis - Vice-President of the Management Board
- h. The Company's related parties are:
- The entities forming part of the CCC S.A. Capital Group in which the Company is the dominant entity,
 - Members of the Company's senior management and parties related thereto.
- Related party transactions are described in Note 27 to the financial statements.
- i. The Company is an issuer of securities admitted to trading on the Warsaw Stock Exchange. Taking advantage of the opportunity to select its accounting principles, as provided in the Act, since 2005, the Company has been preparing its financial statements in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union.
- j. The Company, as the dominant entity in the CCC SA Capital Group, also prepared, as at 30 April 2013, the consolidated financial statements in accordance with the IFRS approved by the European Union. In order to understand the financial position and results on the operations of the Company as a dominant entity, the separate financial statements should be read together with the consolidated statements.

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Auditor's report from the audit of the financial statements for the financial year from 1 January to 31 December 2012

II. Information about the audit

- I. The audit of the financial statements for the financial year from 1 January to 31 December 2012 was carried out by PricewaterhouseCoopers Sp. z o.o. with its registered office in Warsaw at Al. Armii Ludowej 14, entered on the list of entities authorised to audit financial statements under number 144. On behalf of the authorised entity, the audit was carried out under the supervision of key auditor Marcin Sawicki (registered under number 11393).
- II. PricewaterhouseCoopers Sp. z o.o. was appointed the Company's auditor by Resolution No. 11/05/2012/RN of the Supervisory Board of 30 May 2012 pursuant to Article 16 par. 2 of the Company's Statute.
- III. PricewaterhouseCoopers Sp. z o.o. and the key auditor conducting the audit are independent from the audited entity, as defined in Article 56 par. 2-4 of the Act on auditors and their governing bodies, entities authorised to audit financial statements and on public supervision of 7 May 2009 (Journal of Laws No. 77, item 649, as amended).
- IV. The audit was conducted pursuant to an agreement concluded on 22 June 2012 in the following periods:
 - initial audit from 26 to 30 November 2012;
 - final audit from 18 February to 20 April 2013.

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Auditor's report from the audit of the financial statements for the financial year from 1 January to 31 December 2012

III. Characteristics of the performance, financial position of the entity and material items of the financial statements

STATEMENT OF FINANCIAL POSITION as at 31 December 2012 (selected items)

	31 December 2012 (PLN '000)	31 December 2011 (PLN '000)*	Change		Structure	
			(PLN '000)	(%)	31 December 2012 (%)*	31 December 2011 (%)*
ASSETS						
Non-current assets	352,828	345,172	7,656	2.2	39.1	37.4
Current assets	558,956	578,357	(19,401)	(3.4)	60.9	62.6
Total assets	911,784	923,529	(11,745)	(1.3)	100.0	100.0
LIABILITIES						
Shareholders' equity	359,060	372,667	(13,607)	(3.7)	39.4	40.4
Non-current liabilities	123,855	216,317	(92,462)	(42.7)	13.6	23.4
Current liabilities	428,869	334,545	94,324	28.2	47.0	36.2
Total liabilities	911,784	923,529	(11,745)	(1.3)	100.0	100.0

* adjusted information

STATEMENT OF COMPREHENSIVE INCOME

for the financial year from 1 January to 31 December 2012 (selected items)

	2012 (PLN '000)	2011 (PLN '000)	Change		Share in revenue	
			(PLN '000)	(%)	2012 (%)	2011 (%)
Revenue from sales	1,258,681	1,038,451	220,230	21.2	100.0	100.0
Manufacturing cost of products, goods and services sold	(670,987)	(495,781)	(175,206)	35.3	(53.3)	(47.7)
Gross earnings from sales	587,694	542,670	45,024	8.3	46.7	52.3
Net profits	57,174	87,628	(30,454)	(34.8)	4.5	8.4
Total comprehensive income	57,174	87,628	(30,454)	(34.8)	4.5	8.4

Auditor's report from the audit of the financial statements for the financial year from 1 January to 31 December 2012

III. Characteristics of the performance, financial position of the entity and material items of the financial statements (continued)

Selected ratios illustrating the asset and financial position and the financial performance of the Company

The business activity of the Company, its financial performance for the financial year and the asset and financial position as on the balance sheet date, as compared to previous periods, are characterised by the following indicators:

	2012	2011	2010
Activity ratios			
- receivables turnover	13 days	15 days	17 days
- inventory turnover	220 days	254 days	173 days
Profitability ratios			
- net return on sales	5%	8%	9%
- gross return on sales	8%	12%	12%
- general return on equity	16%	25%	28%
Debt ratios			
- debt ratio	61%	60%	47%
- liabilities turnover	68 days	84 days	61 days
	31 December 2012	31 December 2011	31 December 2010
Liquidity ratios			
- liquidity ratio I	1.3	1.7	2.0
- liquidity ratio II	0.5	0.3	0.8
	2012	2011	2010
Other ratios			
- effective income tax rate	18.1%	20.3%	20.2%

The ratios below were calculated on the basis of the financial statements.

The purpose of the audit was not to present the entity in the context of its performance and ratios achieved. Detailed interpretation of the ratios requires in-depth analysis of the entity's operations and the conditions governing them.

III. Characteristics of the performance, financial position of the entity and material items of the financial statements (continued)

The financial statements do not account for the effect of inflation. The overall consumer price index (December-to-December) in the audited year amounted to 2.4 per cent (2011: 4.6 per cent).

The comments below are presented on the basis of the information obtained in the process of auditing the financial statements.

- At the end of the financial year, the Company's assets amounted to PLN 911,784,000. In the period of one year, the balance sheet sum decreased by PLN 11,745,000, i.e. 1.3 per cent. The decrease in balance sheet sum stems primarily from a decrease in inventory of PLN 106,169,000, which coincided with an increase in cash and cash equivalents of PLN 70,471,000 and trade and other receivables of PLN 10,103,000.
- The balance of inventory as at the end of the audited year was PLN 356,496,000, having decreased compared to the previous year by PLN 106,169,000, i.e. by 22.9 per cent, which resulted primarily from stock depletion by PLN 103,591,000, i.e. by 22.4 per cent.
- The balance of loans and borrowings as at 31 December 2012 increased compared to the previous year by PLN 30,791,000, i.e. by 10.2 per cent. Due to the occurrence of expiry dates of the loan agreements, the Company reported a decrease in long-term loans and borrowings (by PLN 126,835,000, i.e. by 59.0 per cent), which coincided with an increase in short-term loans and borrowings (by PLN 157,626,000, i.e. by 180.7 per cent).
- The Company's ratios and debt structure changed slightly. The debt ratio increased from 60 per cent as at the end of the previous year to 61 per cent as at the end of the current year. Liabilities turnover decreased from 84 days to 68 days.
- The total revenue from sales amounted to PLN 1,258,681,000 and increased by 21.2 per cent compared to the previous year. The Company's primary corporate purpose in the current financial year was the sale of footwear. In the year under audit, the Company continued its strategy of expanding and optimising its sales chain.
- Profitability measured by net profits was reported at 5 per cent, i.e. lower by three percentage points than that recorded in the previous year. An increase in the manufacturing cost of products, goods and services sold of PLN 670,987,00, which increased over the previous year by PLN 175,206,000, i.e. 35.3 per cent, had a significant effect on changes in the Company's profitability. This was mainly due to the negative effect of currency exchange rates in which purchases are made.
- The Company's balance of payments changed. Liquidity ratio I decreased from 1.7 to 1.3 in the current financial year, while liquidity ratio II increased compared to the previous year by 0.1, reaching 0.5.

Auditor's report from the audit of the financial statements for the financial year from 1 January to 31 December 2012

IV. Statement of the independent auditor

- a. In the course of the audit, the Management Board of the Company presented the required information, explanations and statements and provided a statement on complete disclosure of information in the accounting records and on recognising any contingent liabilities, and reported on any material events that occurred between the balance sheet and the date of the statement.
- b. The scope of the audit was not limited.
- c. The Company maintains current documentation of its accounting policies (principles) that had been approved by the Management Board. The accounting policies adopted by the Company were adjusted to its needs and ensured identification in its accounting of all events relevant for the assessment of the asset and financial position and the financial result of the Company, while observing the prudence principle. Continuity of policies and methods applied was maintained with respect to the previous year, save for the changes set forth in item 2 of the financial statements.
- d. The closing balance sheet as at the end of the previous financial year was, in all material aspects, correctly entered in the accounting records as the opening balance sheet of the current period.
- e. Inventory of assets and shareholders' equity and liabilities was carried out and reconciled in accordance with the Accounting Act and its results were recorded in the accounting records for the year under audit.
- f. The financial statements of the Company for the financial year from 1 January to 31 December 2011 were approved by Resolution No. 3/ZWZA/2012 of the General Meeting of 29 June 2012 and filed with the National Court Register in Wrocław on 3 July 2012 and announced in Monitor Polski B No. 2386 on 5 October 2012.
- g. Under Resolution No. 6/ZWZA/2012 of the General Meeting of 29 June 2012, the previous year's profits of PLN 87,628,000 were distributed as follows:
 - PLN 61,440,000 was paid out as dividends,
 - PLN 26,188,000 was applied towards increasing the Company's supplementary capital.
- h. The financial statements for the previous year were audited by PricewaterhouseCoopers Sp. z o.o. The auditor issued an unqualified opinion.

IV. Statement of the independent auditor (continued)

i. We have assessed the accuracy of the accounting system in place. Our audit covered in particular:

- the correctness in documenting business transactions,
- the accuracy, faultlessness and traceability of the accounting records, including those maintained using a computer,
- the procedures used to prevent access to data and the computer-based system of processing them,
- protection of accounting documents, accounting records and the financial statements.

The assessment, combined with the evaluation of the reliability of each items of the financial statements, provides the basis for expressing an overall, comprehensive opinion on these statements. It was not our goal to express a comprehensive opinion about the operation of the above system.

- j. The additional information presents all material information required under the International Financial Reporting Standards approved by the European Union.
- k. The information contained in the report on the operations of the Company for the financial year from 1 January to 31 December 2012 complies with the provisions of the Regulation of the Minister of Finance on current and periodical information provided by issuers of securities and the conditions of equivalency of information required by the legislation of non-member states of 19 February 2009 (Journal of Laws No. 33, item 259, as amended) and is consistent with the information contained in the audited financial statements.

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**Auditor's report from the audit of the financial statements for the financial year
from 1 January to 31 December 2012**

V. Final information and notes

This report was prepared in connection with the audit of the financial statements of CCC Spółka Akcyjna with its registered office in Polkowice at ul. Strefowa 6. The consolidated statements were signed by the Management Board of the Company and the person entrusted with managing the accounts on 30 April 2013.

The report should be read together with the unqualified opinion of the independent auditor for the General Meeting and Supervisory Board of CCC Spółka Akcyjna of 30 April 2013 with respect to the above-described financial statements. The opinion on the financial statements expresses a general conclusion from the audit conducted. This conclusion is not the sum of assessments of the results of auditing each item of the financial statements or each issue, but it presupposes attributing certain importance (materiality) to each finding, taking into account the effect of the findings on the accuracy and correctness of the financial statements.

The auditor carrying out the audit on behalf of PricewaterhouseCoopers Sp. z o.o., a company entered on the list of entities authorised to audit financial statements under No. 144, was:

Marcin Sawicki

Key Auditor

Registration number 11393

Wrocław, 30 April 2013