INTERIM CONDENSED SEPARATE STATEMENTS ON OPERATIONS OF CCC S.A. FOR THE PERIOD 01.01.2016 – 30.06.2016

CCC
SHOES & BAGS

TABLE OF CONTENT


LASOCKI
Comfort Line
CCC
SHOES & BAGS

1.
OPERATIONS OF THE CCC GROUP

CCC
SHOES & BAGS

2000%

Since the first quotation in 2004. The price of one share has increased by over 2000%. The highest share price amounted to 203 PLN on 27 April 2015.

consolidated revenue in the first half of 2016 amounted

PLN 1,4 billion

18 million

the number of pairs of shoes the CCC Group can store in its warehouses

105 million

the number of customers who visited our stores in the first half of 2016

SELECTED FINANCIAL DATA

Selected data from the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the consolidated statement of cash flows were converted into euro in accordance with the following rules:

- particular items of assets and liabilities in the consolidated statement of financial position were converted in accordance with the average NBP exchange rate announced as:

  30.06.2016 – 4.4255 PLN/EUR

  31.12.2015 – 4.2615 PLN/EUR

  30.06.2015 – 4.1944 PLN/EUR

- particular items of the consolidated statement of profit and loss and other comprehensive income and a consolidated statement of cash flows were converted in accordance with the exchange rate which constitutes an arithmetic average of NBP exchange rates for Euro effective on the last day of each month of the reporting period:

  01.01.2016 - 30.06.2016 – 4.3805 PLN/EUR

  01.01.2015 - 30.06.2015 – 4.1341 PLN/EUR

The conversion was made in accordance with the above indicated exchange rates by dividing the values expressed in PLN millions by the exchange rate.

	IN PLN MILLION		IN EUR MILLION	
Selected data from the consolidated statement of profit or loss and other comprehensive income	01.2016-06.2016	01.2015-06.2015	01.2016-06.2016	01.2015-06.2015
Sale revenue	1 394,6	1 039,9	318,4	251,5
Poland	767,1	681,3	175,1	164,8
CEE	307,8	232,7	70,3	56,3
Western Europe	129,6	78,6	29,6	19,0
Other countries	5,2	3,2	1,2	0,8
Retail activity	1 209,7	995,8	276,2	240,9
E-commerce	109,3	—	25,0	—
Wholesale	75,3	44,0	17,2	10,6
Manufacturing	0,3	0,1	0,1	0,0
Other	—	—	—	—
Gross profit (loss)	733,8	565,1	167,5	136,7
Gross margin	52,6%	54,3%	52,6%	54,3%
Result of segments				
Poland	134,8	124,0	30,8	30,0
CEE	34,2	27,9	7,8	6,7
Western Europe	(35,9)	(21,8)	(8,2)	(5,3)
Other countries	(2,3)	(1,2)	(0,5)	(0,3)
Retail activity	130,8	128,9	29,9	31,2
E-commerce	21,6	—	4,9	—
Wholesale	16,3	14,4	3,7	3,5
Manufacturing	—	—	—	—
Operating profit	130,8	105,8	29,9	25,6
Profit before tax	125,3	92,8	28,6	22,4
NET PROFIT	113,3	111,5	25,9	27,0
ADJUSTED NET PROFIT[1]	125,7	90,7	28,7	21,9
Selected data of the consolidated statement of financial position	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Non-current assets	1 172,3	920,3	264,9	216,0
Current assets, including:	1 261,1	1 151,7	285,0	270,3
Inventories	842,1	680,5	190,3	159,7
Cash and cash equivalents	254,3	340,6	57,5	79,9
TOTAL ASSETS	2 433,4	2 072,0	549,9	486,2
Non-current liabilities, including:	399,0	335,0	90,2	78,6
Debt liabilities	366,0	296,0	82,7	69,5
Current liabilities, including:	1 083,4	613,4	244,8	143,9
Debt liabilities	562,5	422,8	127,1	99,2
TOTAL LIABILITIES	1 482,4	948,4	335,0	222,6
EQUITY	951,0	1 123,6	214,9	263,7

1) Adjusted net profit is a measure of its own profit - an explanation of a measure is contained in the section 3.1.1.1 on p. 34

OPERATING DATA	IN PLN MILLION		IN EUR MILLION	
Selected data from the consolidated statement of cash flows	01.2016-06.2016	01.2015-06.2015	01.2016-06.2016	01.2015-06.2015
Net cash flows from operating activities	26,1	17,5	6,0	4,2
Net cash flows from investing activities	(294,2)	(44,6)	(67,2)	(10,8)
Net cash flows from financing activities	181,8	1,7	41,5	0,4
TOTAL CASH FLOWS	(86,3)	(25,4)	(19,7)	(6,1)

OPERATING DATA	IN PLN MILLION		IN EUR MILLION	
Operating data	06.2016	12.2015	06.2016	12.2015
Number of CCC stores	805	761	—	—
Number of markets with online stores	8	6	—	—
CCC floor space (thousand m^2)	406,2	369,8	—	—
Capital expenditures (in PLN million)	(76,4)	(56,7)	(17,4)	(13,7)
Average retail revenue per m^2 of floor space	3,2	3,3	0,7	0,8

1) Revenue per 1m^2 is calculated by dividing revenue for the first 6 months of a given year by the number of m2 of floor space at the balance sheet date.

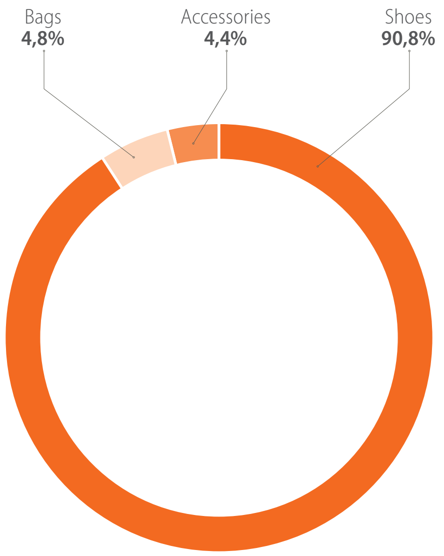
1.1
GENERAL INFORMATION

1.1.1
GENERAL INFORMATION ABOUT THE GROUP

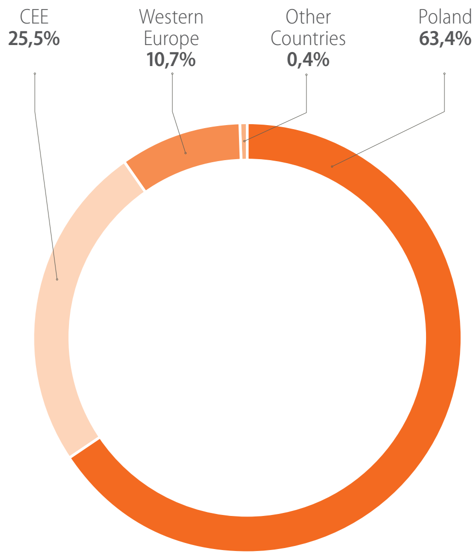
BUSINESS PROFILE

- Leader of the Polish retail footwear sales market
- The largest manufacturer of footwear in Poland
- Company listed on WSE since 2004
- Market capitalisation of PLN 6.13 billion (as of 30 June 2016)

Structure of sale in 01.2016-06.2016
(By value)



Structure of sale in 01.2016-06.2016
(By geographical area) - retail activity

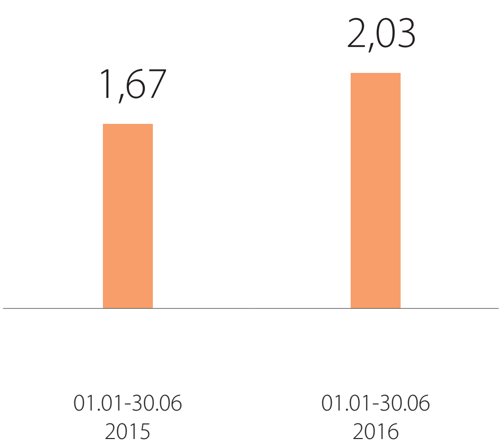


FIVE LARGEST COUNTRIES BY SALES REVENUE*

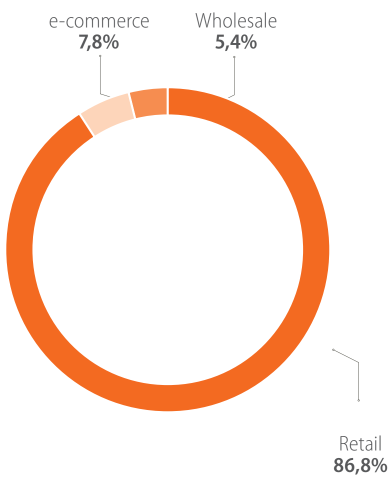
- Poland 55.0%
- Czech Republic 8.2%
- Germany 6.1%
- Hungary 5.6%
- Slovakia 4.9%

* per cent of total consolidated revenues for the first half of 2016.

Numbers of the manufactured pairs of shoes in 2016 [in mln pairs]



Diversification of consolidated revenue 01.2016-06.2016 [%]



The Capital Group CCC S.A. („CCC CG", „CCC Capital Group", „CCC Group", „the Group") is the leader in the Polish retail footwear market and is the largest manufacturer in Poland. The CCC Group consists of over 800 stores located in modern shopping centers and shopping malls in 16 countries, its own factory of leather shoes, 10 000 employees and 28 million pairs of shoes sold during one year. Fashionable and affordable products are offered to customers in the Group's own stores in Poland, Slovakia, Hungary, the Czech Republic, Austria, Bulgaria, Slovenia, Croatia and Germany and in franchise stores in the Baltic countries, Russia, Ukraine, Romania and Kazakhstan.

Moreover, the Group sells online in the following markets: Poland, Czech Republic, Germany, Slovakia, Romania, Hungary, Ukraine and Bulgaria.

During one season the Group offers nearly three thousand models of shoes. The Group owns in total 67 registered brands – the most popular brand sold by CCC is Lasocki, which is available in CCC stores.

CCC S.A. is the parent company of the Group.

The CCC Group operations are currently organized into four segments:

- Segment of manufacturing activities
- Segment of distribution activities – retail
    - Poland
    - Central and Eastern Europe
    - Western Europe
    - Other countries
- Segment of distribution activities – wholesale
- Segment of distribution activities – e-commerce

1.1.2 THE MOST IMPORTANT EVENTS IN THE FIRST HALF OF 2016

2016

Q1	JANUARY	conclusion of a dispositive agreement with the shareholders of eobuwie.pl S.A.
Q2	APRIL	opening of the first CCC store in Estonia
	MAY	final payment for shares of eobuwie.pl S.A. based on EBITDA for the year 2015
	JUNE	changes in the composition of the Supervisory Board
	JUNE	Supervisory Board's resolution on the implementation of the terms of the 2013-2015 Incentive Scheme and determination of the final number of warrants granted to 768,000

1.1.3 BRIEF DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF THE ISSUER DURING THE PERIOD COVERED BY THE REPORT, INCLUDING THE LIST OF THE MOST IMPORTANT EVENTS CONCERNING THE ISSUER

In the first half of 2016 the CCC Group:

- expanded its floor space by nearly 36.000 m^2,
- recorded revenue growth by 34.1% compared to the first half of 2015,
- recorded an increase in operating profit by PLN 25.0 million compared to the first half of 2015,
- finalized the acquisition of 74.99% of shares of eobuwie.pl S.A.
- registered a subsidiary – CCC SHOES & BAGS d.o.o. Beograd - Stari Grad based in Belgrade, which allows the Group to start operational activities in Serbia.

1.1.4 SEASONALITY AND WEATHER

Weather conditions and seasonality (peak demand is in Spring and Autumn) has a significant impact on the changes in volume of sales during the financial year. Deviations from normal weather conditions affect sales as they result in changes of customer purchasing decisions and shorten the high season of sales. In the reporting period, due to weather conditions, the peak of demand had shifted from the first to the second quarter.

[in mln PLN unless otherwise stated]

CHANGES OF EXCHANGE RATES

Part of the CCC Group's costs is denominated in foreign currencies, therefore exchange rates of USD and EUR have an impact on the cost structure. Due to the fact that the Group sells also imported goods, it is exposed to the risk of changes of exchange rates of USD/PLN and EUR/PLN. The Group also grants loans in foreign currencies.

PERIOD (USD/PLN)	HIGHEST	LOWEST	END OF PERIOD	AVERAGE
01.2016-06.2016	4,1475	3,7193	3,9803	3,9360
01.2015-06.2015	3,9260	3,5550	3,7645	3,7269
01.2014-06.2014	3,1370	3,0042	3,3175	3,0539

PERIOD (EUR/PLN)	HIGHEST	LOWEST	END OF PERIOD	AVERAGE
01.2016-06.2016	4,4987	4,2355	4,4255	4,3805
01.2015-06.2015	4,3335	3,9822	4,1944	4,1341
01.2014-06.2014	4,2375	4,0998	4,3292	4,1784

According to the Management Board of CCC S.A., during the reporting period, there were no factors and events of unusual nature affecting the financial results and operations of the CCC Group.

1.1.5 FACTORS THAT IN THE ISSUER'S OPINION WILL AFFECT ITS RESULTS OVER AT LEAST THE NEXT QUARTER

According to the issuer, primary factors that will affect the results in the nearest future, are as follows:

1. Volume of sales and realized margins,
2. Further expansion of the CCC store chain domestically and abroad,
3. Development of online sales,
4. Prevailing weather conditions,
5. Changes in exchange rates.

1.2 PRODUCTS AND BRANDS

PORTFOLIO OF THE CCC GROUP

The CCC Group targets a broad group of customers by offering a wide range of products. Besides women, men and kids' footwear, the Group offers handbags and shoe care products as well as other products such as jewellery, fancy goods and cycling accessories.

Footwear is the primary product of the CCC Group. Customers visiting stores have a wide choice of products for every occasion – from casual and sports shoes to elegant leather shoes. Products offered to customers are sold under the Group's own brands as well as under licensed ones.

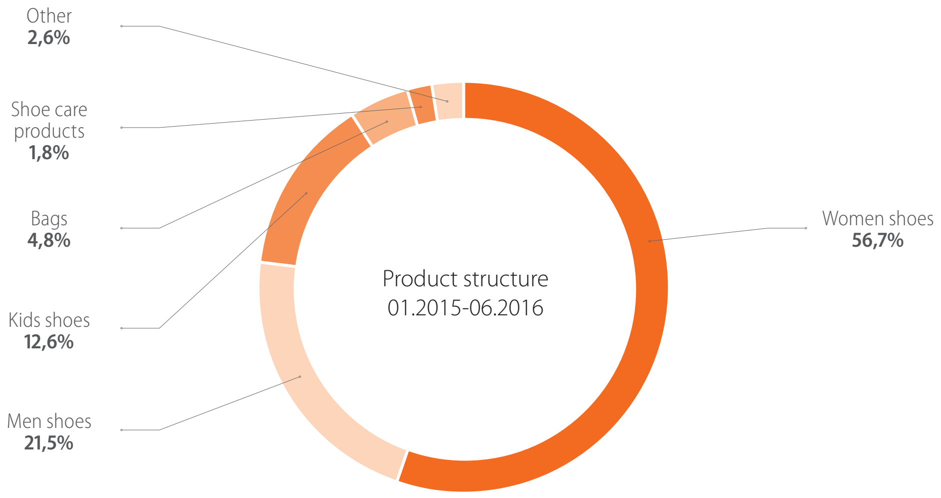
The CCC Group, through eobuwie.pl, offers more than 450 brands in the middle and upper price segment.

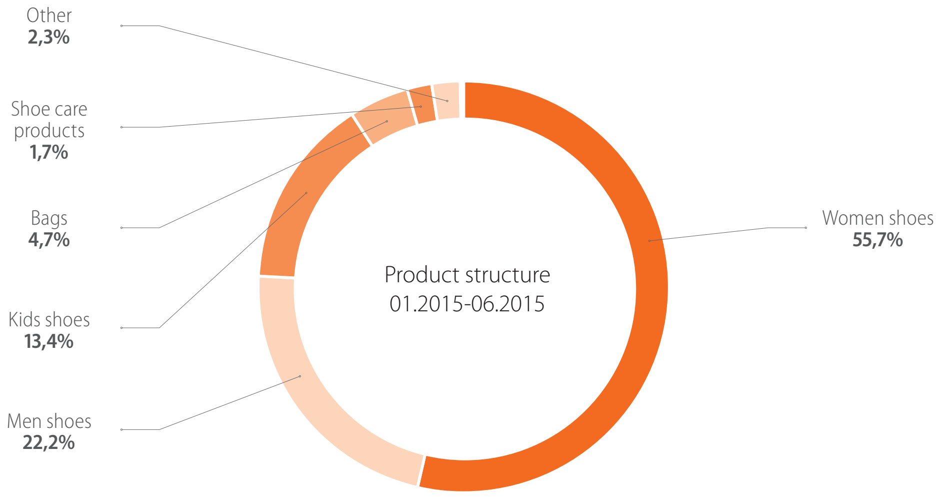
PRODUCT STRUCTURE

The sales structure by product range remains constant over years – in the first half of 2016 women's footwear accounted for approx. 56,7% of sales; men's footwear accounted for approx. 21,5%, and kids' footwear accounted for approx. 12,6%. Besides footwear, which is the main product, bags account for approx. 4,8% of sales, and shoe care products for approx. 1,8%.

The CCC Group range of products is being constantly expanded, which positively impacts the increase in sales – the variety of products offered allows customers to find a product corresponding to their expectations.

The chart below presents a detailed structure of retail sales in particular groups of products in the first half of 2015 and 2016:





56,7%

WOMEN SHOES

Within the product range of women shoes, the Group offers its customers: ballerinas, boots, flip-flops, sport shoes, low cut shoes, sandals, high-heels and sneakers. Women's footwear is sold under the following brands: Lasocki, Lasocki Comfort, Sprandi, Jenny Fairy, Clara Barson, Bassano, Nylon Red, INBLU and Via Ravia, Quazi, But S. Sales of women's footwear accounted for 56.7% of total revenues (62.5% of revenue from footwear) in the first half of 2016, and 60.1% of total sales of footwear in terms of volume which resulted in sales of 8.9 million pairs of shoes. Compared with the first half of 2015, sales of women's footwear increased by 23.9%.

MEN SHOES

21,5%

Within the product range of men shoes, the Group offers its customers: boots, sports shoes, low cut shoes, sandals and sneakers. Men's footwear is sold under the following brands: Lasocki for men, Sprandi, Ottimo, Gino Lanetti, Vapiano and Cesare Cave. Sales of men's shoes accounted for 21.5% of total revenues (23.6% of revenue from footwear) in the first half of 2016, and 18.0% of total sales of footwear in terms of volume which resulted in sales of 2.7 million pairs of shoes. Compared with the first half of 2015, sales of men's footwear increased by 17.4%.

KIDS SHOES

Within the product range of shoes for kids, the Group offers its customers footwear for both boys and girls for every season of the year. Kids' footwear is sold the under the own brands such as Lasocki, Lasocki Kids, Lasocki Young, Sprandi, Action Boy, Magic Lady, Nelli Blu, Nylon Red, Vapiano, Muflon and under licensed brands, including Mickey and Friends, Spiderman Ultimate, Violetta, Cars, Frozen, Planes, Star Wars, Fairies, Sofia the first, Princess, Avengers and Finding Dory. Sales of kids' footwear accounted for 12.6% of total revenues (13.9% of sales of footwear) in the first half of 2016, and in 21.9% of total sales of footwear in terms of volume which resulted in sales of 3.3 million pairs of shoes. Compared with the first half of 2015, sales of kids' footwear increased by 14.3%.

12,6%

4,8%

BAGS

Within this group of products, the Group offers its customers bags made of synthetic materials sold under such brands as Jenny Fairy and Lasocki casual for men. Sales of bags accounted for 4.8% of total revenues in the first half of 2016, which in terms of volume resulted in 0.8 million of bags sold. Compared with the first half of 2015 sales of bags increased by 21.8%

Within its product range of cosmetics, the Group sells products for shoe care. Sales of shoe care accounted for 1.8% of total revenues. Compared with the first half of 2015, sales of cosmetics increased by 26.9%.

1,8%

SHOE CARE PRODUCTS

2,6%

OTHER

within the product range of others, the Group sells, among others, following products: jewellery, fancy goods and cycling accessories. Sales of other products accounted for 2.6% of total sales.

1.3 BUSINESS MODEL

1.3.1 DISTRIBUTION

MARKET ENVIRONMENT

Retail activity is the main business segment of the CCC Capital Group which generates 86.8% of total revenues. In this segment, the Group operates in four geographical regions:

- Poland,
- Central and Eastern Europe,
- Western Europe,
- Other countries

In these regions, the CCC Group also runs an online business, which accounts for 7.8% of total revenues.

The following is a characteristic of the market environment and competition in the Group's key regions.

REGION	MARKET SITUATION
Poland	The current economic situation in Poland is stable with moderate growth prospects. The level of GDP per capita is steadily increasing - in the second quarter of 2016 the estimated GDP increased by 3.0% comparing to the first quarter. Currently, one of the lowest levels of unemployment is being recorded, which in June 2016 amounted to approx. 8.8%. In the reporting period there were no changes in tax rates applicable to the goods sold by the Group, however in August 2016 the Parliament has adopted a law on tax on retail sales, which will apply to the Group. As a result of the above macroeconomic data and planned changes in social policy of the government (The Family 500+ benefit programme), allow to expect that the disposable income of consumers will increase. In Poland, the key competitor of the CCC Group is Deichmann.
Central and Eastern Europe	The current economic situation in Central and Eastern Europe is stable, with moderate growth prospects. The level of GDP per capita is growing at a stable pace, the unemployment rate in the most important countries of the region is in a decreasing trend. In the reporting period there were no changes in tax rates relating to Group's products. The above macroeconomic data allows to expect an increase in disposable income of consumers. In Central and Eastern Europe Deichmann is the key competitor for the CCC Group
Western Europe	The current economic situation in Western Europe is stable, with moderate growth prospects. The level of GDP per capita is growing at a stable pace. The unemployment rate remained at a stable level. In the reporting period there were no changes in tax rates relating to Group's products. The above macroeconomic data allows to expect a positive impact on the results achieved by the CCC Group. Deichmann is the key competitor of the Group in Western Europe.

[in mln PLN unless otherwise stated]

PRESENCE IN THE MARKETS

Poland is the main market for the CCC Group's sales. The share of the CCC Group in a highly fragmented retail footwear market in Poland is estimated at about 20%. The main market for the CCC Group is the customer's medium segment. In Poland, in terms of the number of stores, the CCC Group is almost twice as large as the rest of the biggest competitors. The medium segment is still the largest segment within the domestic footwear market – its estimated capacity is considered to be more than 130 million pairs of shoes annually.

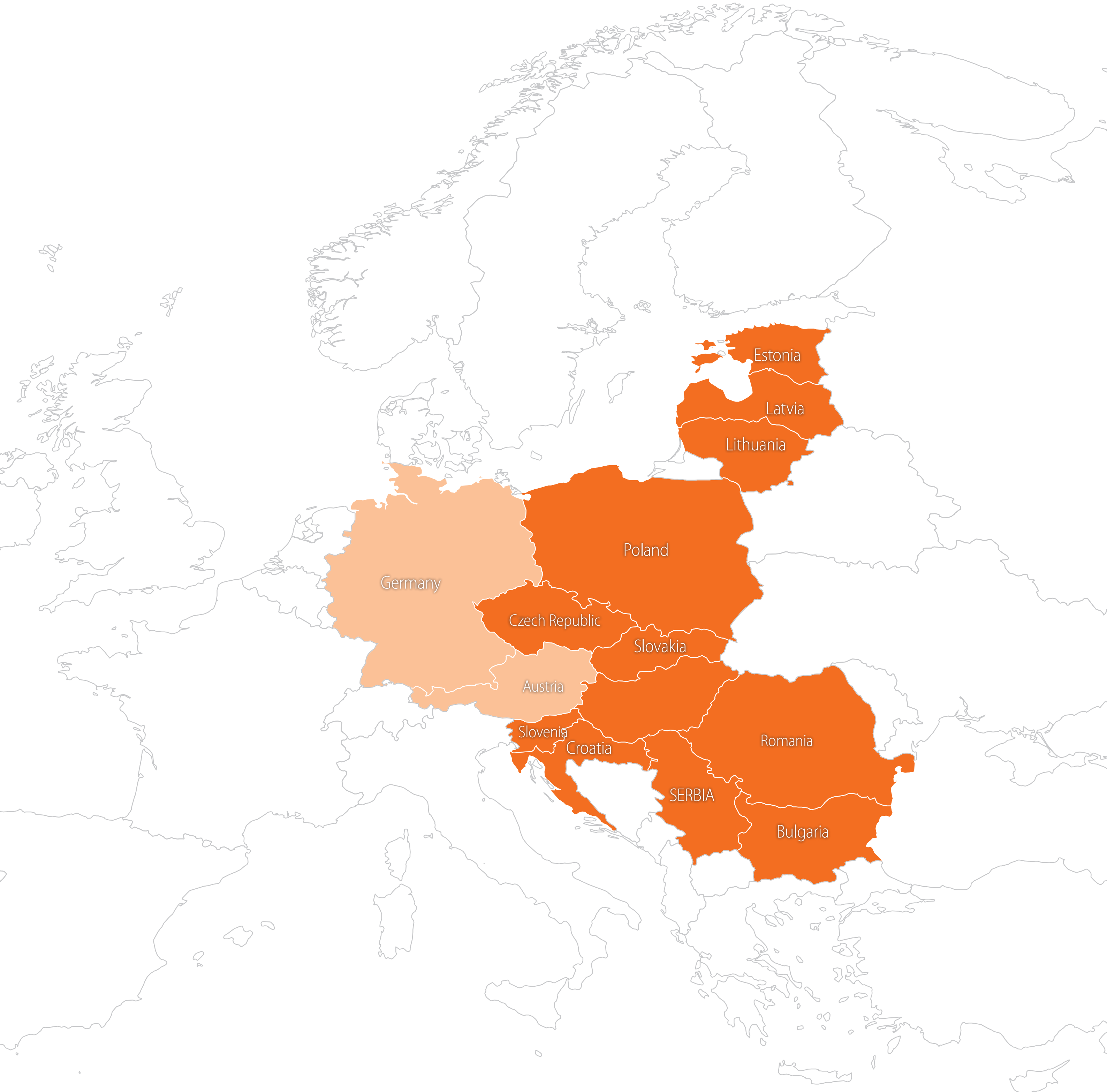
Apart from the Polish market, the CCC Group operates in Central and Eastern Europe i.e. in the Czech Republic, Slovakia, Hungary, Slovenia, Bulgaria and in Croatia; and in Western Europe, i.e. in Germany and Austria.

The stores are located in large shopping centers, alongside major traffic routes and in prestigious urban locations.

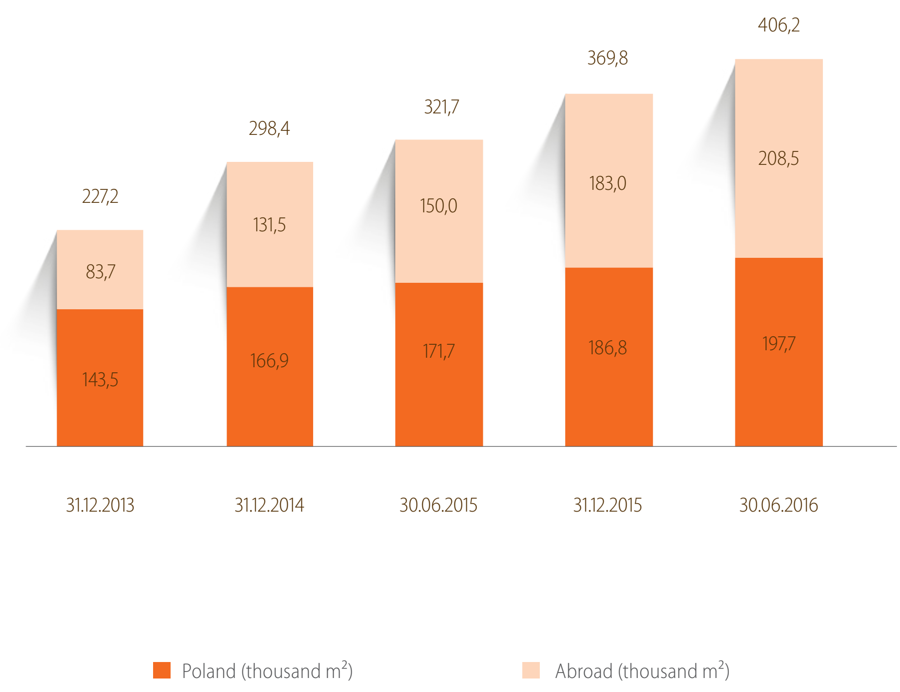
	31.12.2015	30.06.2016		
TOTAL NUMBER OF STORES:	773	809		
CCC Group own stores	695	734		
Poland *	410	422	●	○
Czech Republic *	79	78	●	○
Slovakia *	37	38	●	○
Hungary *	61	66	●	○
Austria	27	30		
Croatia	13	19		
Turkey	3	0		
Germany *	51	65	●	○
Slovenia	8	9		
Bulgaria *	6	7		○
CCC GROUP FRANCHISE STORES	66	71		
Romania *	42	44		
Russia	8	9		
Latvia	7	7		
Lithuania	2	3		
Kazakhstan	2	2		
Ukraine *	5	5		○
Estonia	0	1		
OTHER STORES	12	4		

● Markets with online stores as at 31 December 2015

○ Markets with online stores as at 30 June 2016.


Estonia
Latvia
Lithuania
Poland
Germany
Czech Republic
Slovakia
Austria
Slovenia
Croatia
Romania
SERBIA
Bulgaria

The following chart presents the change of the floor space of stores in the years 2013-2016 [thousand m^2]:



In the first half of 2016, the CCC Group increased its net floor space by 36.4 thousand m^2, from 369.8 thousand m^2 to 406.2 thousand m^2 at the end of the reporting period. The change in the floor space was due to new store openings with a total floor space of 34.1 thousand m^2 and the modernization and enlargement of existing floor space by 5.2 thousand m^2. In the first half of 2016, 7 CCC stores with a total floor space of 2.9 thousand m^2 were closed down. In the first half of 2016 also 5 BOTI stores and 3 Lasocki stores were closed with total area of 1.1 thousand m^2 (0.4 and 0.7 thousand m^2 respectively). The decision was based on several factors, however the main one was the change of the Group's business strategy in which a key element is the expansion of CCC Group's presence in other European markets.

RETAIL SALES

Retail sales in CCC own stores and agency stores in the first half of 2016 were carried out in Poland, the Czech Republic, Slovakia, Austria, Slovenia, Croatia, Turkey, Bulgaria, Germany and Hungary. The total number of own stores and agency stores as of 30 June 2016 amounted to 734. The average floor space increased by 59 m^2 up to 507 m2 (448 m^2 in 2015). The total floor space of own stores and agent stores as of 30 June 2016 amounted to 372.1 thousand m^2 and increased by 9.6% compared to 31 December 2015 (339.4 thousand m^2). Revenues from retail sales increased by 21.5% to PLN 1,209.7 billion (PLN 995.9 million in the first half of 2015) and accounted for 86.74% of total revenues. Revenue from retail sales per square meter increased to 3.24 thousand PLN/m^2 (3.33 thousand PLN/m2 in the first half of 2015).

The following table presents data on the development of its own network of sales by country (as of 30.06 and 31.12):

CHAIN	TYPE	31.12.2013		31.12.2014		30.06.2015		31.12.2015		30.06.2016	
		m^2	number	m^2	number	m^2	number	m^2	number	m^2	number
CCC own stores	Poland	141 960	379	166 946	405	171 713	404	186 782	410	197 682	422
	Germany	2 272	4	18 380	27	24 186	35	34 920	51	46 792	65
	Czech Republic	26 947	73	32 309	79	32 428	78	36 104	79	37 100	78
	Hungary	23 456	50	27 689	57	28 127	57	30 462	61	33 949	66
	Slovakia	10 646	25	13 866	30	14 416	31	18 852	37	19 530	38
	Austria	2 816	6	9 184	17	13 335	24	14 681	27	16 258	30
	Croatia	1 651	3	4 436	8	4 907	9	7 314	13	11 268	19
	Slovenia	924	2	3 646	6	4 603	8	4 603	8	5 083	9
	Bulgaria	—	—	—	—	3 138	5	3 875	6	4 412	7
	Turkey	1 165	2	1 805	3	1 805	3	1 805	3	—	—

WHOLESALE

Franchise partners, to whom the wholesale is directed, in the first half of 2016 were present in Russia, Kazakhstan, Romania, Estonia, Ukraine, Latvia and Lithuania. The total number of franchise stores as of 30 June 2016 amounted to 71. The average floor space of these stores increased by 20 m^2 to 481 m^2 (461 m^2 in 2015). The total floor space of franchise stores as of 30 June 2016 amounted to 34.1 thousand m^2 and increased by 12.1% compared to 31 December 2015 (30.4 m^2). Wholesale revenue increased by 70.9% to PLN 75.2 million (PLN 44.0 million in the first half of 2015) and accounted for 5.4% of total sales. Revenue from sales per square meter increased by 15.8% to 2.2 thousand PLN/m2 (1.9 thousand PLN/m2 in the first half of 2015).

CHAIN	TYPE	31.12.2013		31.12.2014		30.06.2015		31.12.2015		30.06.2016	
		m^2	number	m^2	number	m^2	number	m^2	number	m^2	number
CCC Franchise	Romania	7 869	19	13 454	31	16 118	36	19 325	42	20 695	44
	Russia	2 178	6	1 781	5	1 978	5	3 617	8	4 655	9
	Latvia	2 212	5	2 622	6	2 622	6	3 232	7	3 232	7
	Ukraine	769	2	1 470	4	1 470	4	2 237	5	2 237	5
	Lithuania	—	—	—	—	—	—	1 187	2	1 787	3
	Kazakhstan	818	2	818	2	818	2	818	2	818	2
	Estonia	—	—	—	—	—	—	—	—	724	1
	Poland	1 586	8	—	—	—	—	—	—	—	—
CCC TOTAL		227 269	586	298 406	680	321 664	707	369 814	761	406 222	805

ONLINE SALES

The CCC Group online sales are performed by eobuwie.pl S.A. As at 30 June 2016 eobuwie.pl was operating in Poland, Germany, the Czech Republic, Slovakia, Romania, Hungary, Ukraine and Bulgaria. Revenues from online sales amounted to PLN 109.3 million and accounted for 7.8% of total revenues in the first half of 2016.

1.3.2 LOGISTICS

Development of the Group, the increase in demand for its products and increasing distribution performance requirements contributed to the realization of the largest investment in the history of the Group – the building of the Logistics Centre, located in the Legnica Special Economic Zone (SEZ) in Polkowice. The Logistics Centre is a modern complex of large-format objects.

The most important part of the Logistics Centre is the fully automated mini-load high storage warehouse, with a total area of 23,064 square meters, which is able to store 5 million pairs of shoes, which constitutes more than 500,000 cartons of different dimensions. It is the largest of its kind in Central Europe. The investment was in 40% financed with EU funds from the Innovative Economy programme.

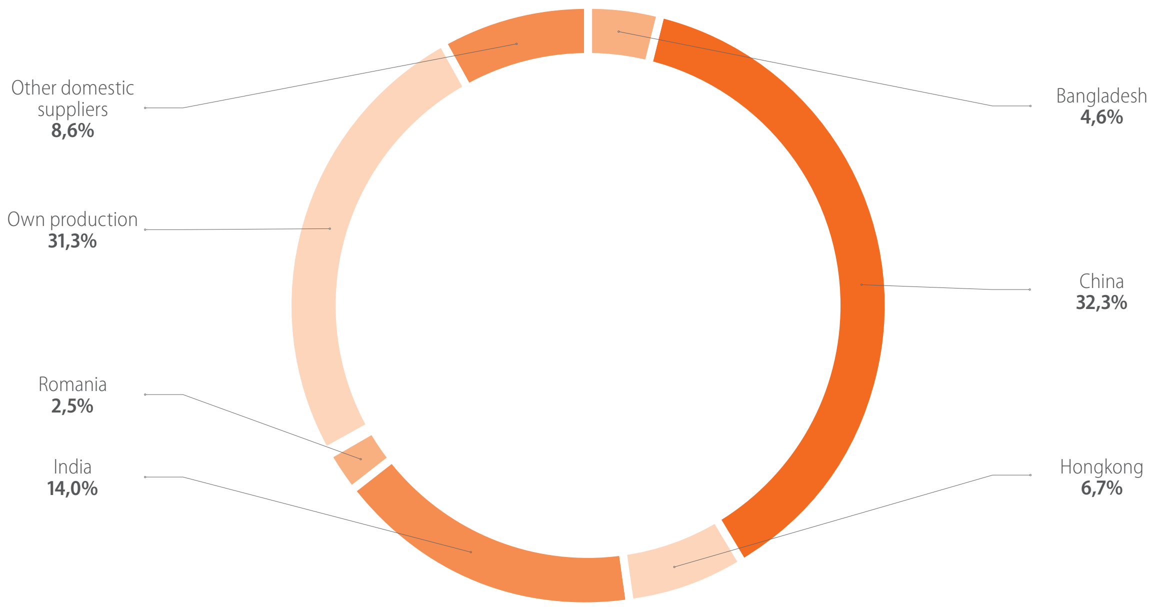
The New Distribution Centre, in conjunction with the existing sorting plant is able to handle more than 100,000 cartons (approx. 1.1 million pairs of shoes) during two working shifts. The process of mechanization provides handling for future development and is essential for the further development of the logistics processes. In addition, it allows for the optimization of storage space, which is currently 82.3 thousand m^2.

The result of the organizational restructuring of CCC S.A. was the CCC Group leaving the logistics service in the parent company and providing them to all related parties.

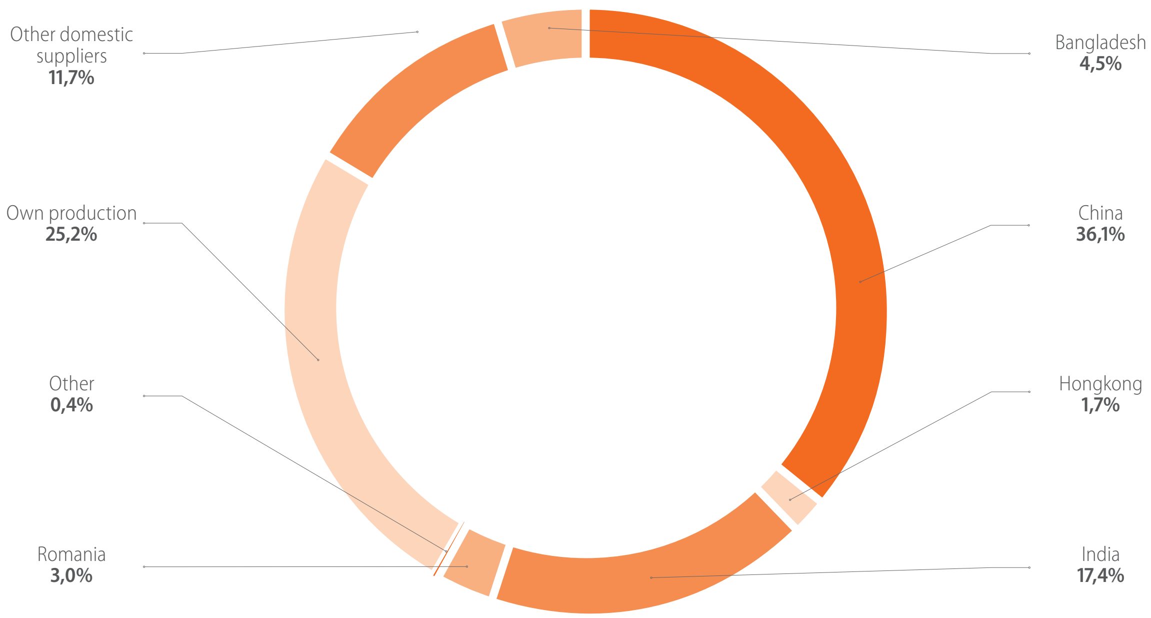
1.3.3 MANUFACTURING AND SUPPLIERS

The company CCC.eu Sp. z o.o. is the supplier of goods to the CCC Group. The company acquires goods from domestic and foreign suppliers and from the Group's factory (CCC Factory Sp. z o.o.).

GEOGRAPHICAL STRUCTURE OF FOOTWEAR PURCHASES IN THE FIRST HALF OF 2016 (VALUE)



GEOGRAPHICAL STRUCTURE OF FOOTWEAR PURCHASES IN THE FIRST HALF OF 2015 (VALUE)



FOOTWEAR

Footwear, the primary product of the CCC Group, is imported from Asia (59.7% of total value of purchase of shoes), manufactured in the Group's own factory (25.2%), purchased from domestic suppliers (11.7%) and in other countries (3.4%). Despite an increase in own production by 22% in the first half of 2016, the share in purchase of footwear manufactured in Group's own factory decreased, which is due to an increase of total purchases of shoes. The main direction of footwear import from Asia is China (36.1% of total imports of footwear), from where supplies come from dozens of manufacturers.

BAGS, SHOE CARE PRODUCTS AND OTHERS

The CCC Group sells also bags, shoe care products, jewellery, fancy goods and cycling accessories. All of these goods are purchased from external suppliers. In particular, bags are imported from Asia, while other goods are obtained from European markets

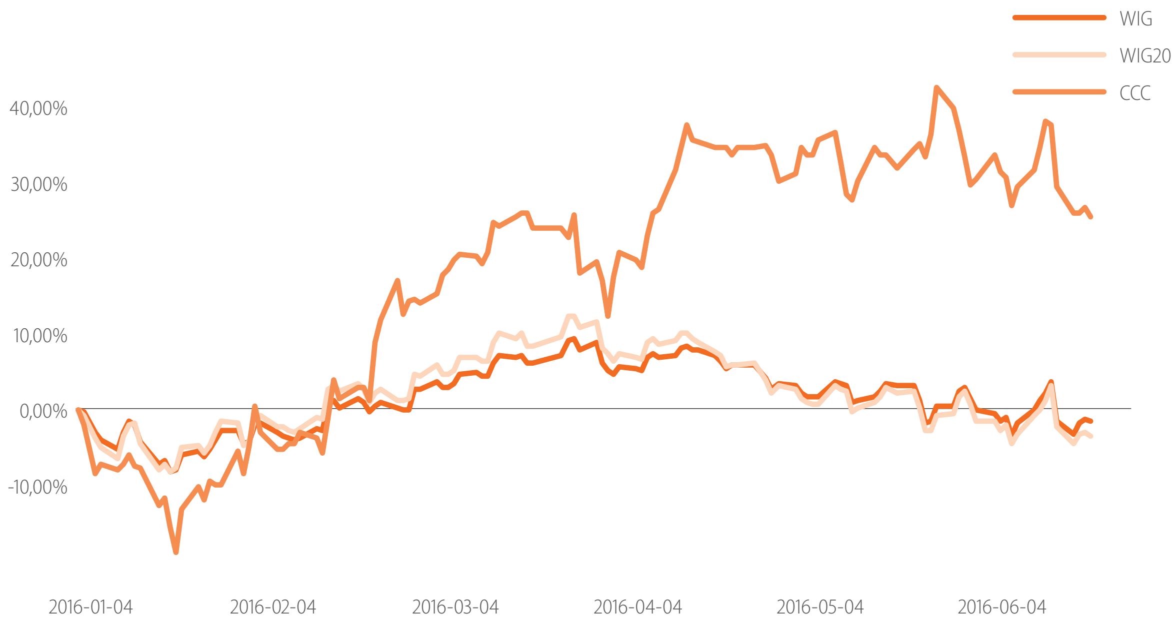
1.4
LISTING OF SHARES ON WSE

CCC S.A. has been listed on the Warsaw Stock Exchange for nearly 12 years, and as of 30 June 2016 one share of CCC was valued at PLN 159.65, which resulted in a capitalization of CCC of PLN 6.13 billion. The highest price of the reporting period (closing price) amounted to PLN 170.90, while the lowest amounted to PLN 109.00. The maximum transaction price in the first half of 2016 amounted to PLN 180.6, while the minimum price was PLN 108.45.

In the first half of 2016 CCC shares increased in value by 22.2% while the WIG and WIG20 indices in the same period depreciated respectively by -1.3% and -3.0%.

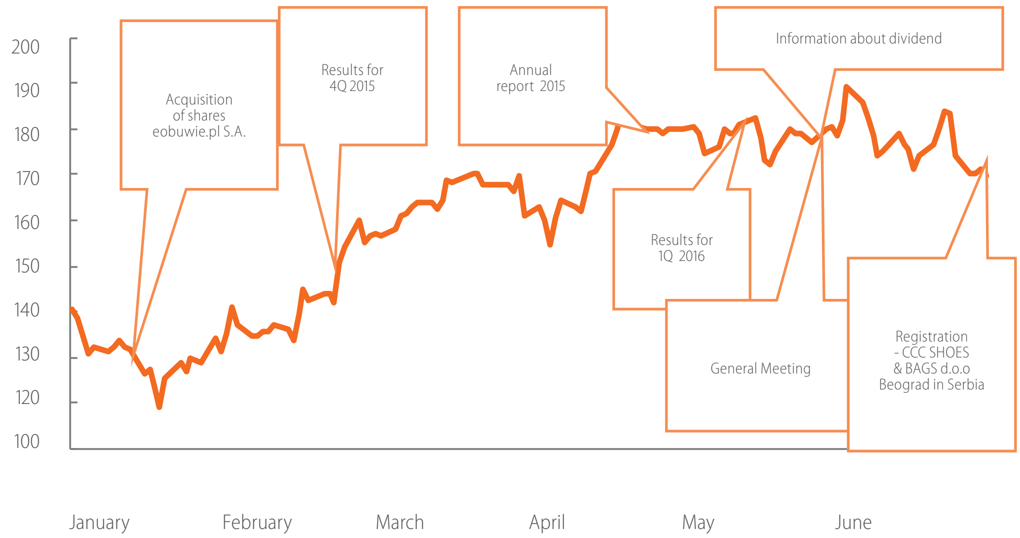
Since the beginning of quotations, the price of one share of CCC has increased by over 1580% from 9.50 PLN (issue price as of 2 December 2004) to the price of PLN 159.65 at the closing of the trading session on 30 June 2016.

CCC has allocated more than 33% of the consolidated net profit for 2015 for the payment of dividends to shareholders. In connection with the registration of 727 900 shares of series E in the KDPW on 19 August 2016, the number of shares entitling to participate in the dividend is 39,127,900 whereas the amount of the dividend per share is PLN 2.19. More information is contained in point 3.2.1.



CCC SHARE PRICE FROM ITS IPO UNTIL THE END OF THE REPORTING PERIOD

THE MOST SIGNIFICANT EVETS AGAINST THE QUOTATIONS OF CCC SHARE PRICE IN WSE IN THE REPORTING PERIOD



REPORTING CALENDAR

10 November 2016 Consolidated quarterly report for Q3 2016

2.
ANALYSIS OF SELECTED FINANCIAL RESULTS OF THE CCC GROUP


CCC
SHOES & BAGS

2.1
ANALYSIS OF SELECTED FINANCIAL AND OPERATING DATA

2.1.1 FINANCIAL RESULTS OF THE CCC GROUP

2.1.1.1 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVENUE, COST OF GOODS SOLD AND GROSS PROFIT

HOW WE DEFINE PARTICULAR COMPONENTS OF THE FINANCIAL RESULT

Sales revenue comprises revenue from sales of goods, products and sublease services obtained in the normal course of business and revenues from sale of logistics and accounting services for CCC.eu sp. z o.o. Data on revenue by segment included in the tables below represent the sales to external customers – intragroup sales were excluded and consolidation adjustments were included so that the value of revenue was the same as the revenue reported in the consolidated financial statement.

As **cost of goods sold** the Group recognizes: the value of goods sold, the value of packages sold, the cost of the provision concerning claims and returns, the value of finished goods sold, the cost of sublease services, the cost of logistics and accounting services, impairment of inventories and impairment of tangible and intangible assets used in manufacturing of goods or providing services (depreciation of manufacturing machines).

Gross profit is calculated as the difference between sales revenue and cost of goods sold and gross profit margin as the ratio of gross profit to sales revenue from external customers.

In addition, in the analysis we use metrics such as **revenue per m^2 of floor space and like-for-like sales** – definitions of these measures are included in the tables below.

Our sales revenue were as follows:

	SALES REVENUE [1]		CHANGE %	REVENUE PER 1M² OF FLOOR SPACE (IN THOUSAND PLN)[2] SALES REVENUE[1]	
	01.2016-06.2016	01.2015-06.2015		01.2016-06.2016	01.2015-06.2015
Poland	767,1	681,3	12,6%	3,9	3,9
CEE	307,8	232,7	32,3%	2,8	2,8
Western Europe	129,6	78,6	64,9%	2,1	2,1
Other countries	5,2	3,2	62,5%	2,9	1,8
Retail activities	1 209,7	995,8	21,5%	3,2	3,3
Wholesale	75,3	44,0	71,1%	2,2	1,9
E-commerce	109,3		n/a		
Manufacturing	0,3	0,1	>100%		
TOTAL	1 394,6	1 039,9	34,1%		

1) Sales revenue includes only sales to external customers.

2) Revenue per 1m² of floor space is calculated by dividing the value of revenues for the period of 6 months of a given year by the number of m² of floor space as at the balance sheet date.

Sales revenue in the first half of 2016 amounted to PLN 1,394.6 billion, which is an increase of PLN 354.7 million (34.1%) compared to the corresponding period in the previous year. Development of business activities and expansion in particular retail markets significantly attributed to the increase of sales as well as the sale via the e-commerce channel (the Group conducts online sales through eobuwie.pl S.A., a subsidiary of the Company since January 2016). Total revenues from retail sales in the first half of 2016 accounted for 86.8% of total sales to external customers, with 5.4% of wholesale and 7.8% of sale via the e-commerce channel. The Polish market is still the largest retail sales market in physical stores, with a share in total sales in 2016 of 55.0% compared to 65.5% in 2015 (the decrease results from a dynamic expansion in foreign markets and introduction of a new distribution channel). Revenue from sales to external customers increased in all markets compared to the corresponding period. The Group maintains high retail sales per 1m² – during the first half of 2016 revenue amounted to 3.2 thousand PLN/m² (3.3 thousand PLN/m² in the first half of 2015) together with an increase in the average area of a CCC store by 11.0% to 507 m².

The amount of revenue is affected by changes in sales of existing stores and changes resulting from the opening and closing of retail units. Data on the distribution of sales by facilities continuing operations and newly opened or closed ones are as follows:

	LIKE-FOR-LIKE STORES [1]			CHANGE %	OTHER STORES [2]	
	NUMBER	2016	2015		2016	2015
Poland	278	500,1	470,6	6,3%	267,0	210,7
CEE	161	225,2	220,5	2,1%	82,6	12,2
Western Europe	45	75,3	69,8	7,9%	54,3	8,8
Other Countries					5,2	3,2
TOTAL	484	800,6	760,9	5,2%	409,1	234,9

1) Like-for-like stores include stores which operated continuously during the first half of year 2016 and 2015.

2) All other stores, including stores newly opened in the current or previous period; stores closed in the current or previous period; and stores that had a break in the activity.

In total, in relation to the reported periods, the increase in like-for-like sales amounted to PLN 39.7 million (+5.2%). Increases in like-for-like sales were reported in all markets (Poland +6.3%, Central and Eastern Europe +2.1%, Western Europe +7.9%).

Revenues from retail sales in Poland in the first half of 2016 amounted to PLN 767.1 million, which is an increase of PLN 85.9 million (+12.6%) compared to the corresponding period of the previous year and is due to an increase in like-for-like sales in CCC stores of PLN 29.5 million (+6.3%) and an increase in sales in other stores of PLN 56.4 million (+26.8%). In the reporting period, CCC stores' floor space in Poland increased due to openings and expansions by 11.7 thousand m^2, and decreased due to closures by 1.9 thousand m^2. Net, in the first half of 2016, commercial floor space in Poland increased by 9.8 thousand m^2, including +10.9 thousand m^2 at CCC stores, and -1.1 thousand m^2 at BOTI and LASOCKI stores. In the reporting period, the Group ceased its operations in its own facilities of BOTI and Lasocki.

Throughout the segment of Central and Eastern Europe (Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bulgaria) revenues from sales amounted to PLN 307.8 million, increasing by PLN 75.1 million (+32.3%) compared to the corresponding period of the previous year. In the same period in Central and Eastern Europe new stores with a total net floor space of 10.1 thousand m^2 were opened.

The largest market in this segment in terms of revenue is the Czech Republic, which accounts for 8.2% of total revenue from external customers. In the first half of 2016 sales to external customers in the Czech Republic amounted to PLN 114.5 million and increased by PLN 23.7 million. In the reporting period new stores with a total net floor space of 1.0 thousand m^2 were opened in the Czech Republic.

Hungary is the second largest market with a share in total revenues of 5.6%. Revenues from external customers generated in this market in the first half of 2016 amounted to PLN 77.8 million and increased by PLN 14.6 million (23.1%) compared to the corresponding period of the previous year. In the reporting period, new stores with total net floor space of 3.5 thousand m^2 were opened in Hungary.

The Slovak market is significant among the markets in Central and Eastern Europe with a share in total revenues of 4.9% (PLN 68.2 million). It recorded an increase in sales of PLN 15.3 million (29.0%). In Slovakia in the first half of 2016 new stores with a total net floor space of 0.7 thousand m^2 were opened.

Among other dynamically developing markets are Croatia (increase in sales revenue from external customers by 95.3%), Bulgaria (273.7%) and Slovenia (28.1%).

In the segment of Western Europe the fastest growing market in the first half of 2016 was the German market. During this period in Germany sales revenue from external customers amounted to PLN 85.5 million and increased by 86.2% from PLN 45.9 million compared to the corresponding period of the previous year. The Austrian market reached sales revenues from external customers of PLN 44.1 million – an increase of 34.8% from the level of PLN 32.7 million in the corresponding period of the previous year. During the reporting period 13 stores (11.9 thousand m^2) and 3 stores (1.6 thousand m^2) were opened in Germany and Austria respectively.

In first half of the 2016 the CCC Group ceased to carry out operating activity in the Turkish market.

Due to the acquisition of eobuwie.pl, in the first half of 2016 the CCC Group generated sales revenue in the amount of PLN 109.3 million in the e-commerce segment.

Sales to external customers in the wholesale operations segment in in the first half of 2016 amounted to PLN 75.2 million and increased by 70.9% compared to the corresponding period of the previous year. Within this segment, the two largest counterparties are entities operating in Romania and Latvia. Revenues from sale in Romania in the reporting period amounted to PLN 41.3 million (+61.6%) and to PLN 9.8 million (+32.8%) in Latvia.

[in mln PLN unless otherwise stated]

GROSS PROFIT

As a result of our activity we achieved the following gross profit:

	01.2016-06.2016	01.2015-06.2015	CHANGE %
Sales revenue	1 394,6	1 039,9	34,1%
Cost of goods sold	(660,8)	(474,8)	39,2%
Cost of purchase of goods sold	(526,5)	(358,1)	47,0%
Cost of manufacturing of goods sold	(134,3)	(116,7)	15,1%
Write-down on inventories	—	—	—
Gross profit	733,8	565,1	29,9%

Gross profit by each segment was as follows:

	GROSS PROFIT		CHANGE %	GROSS MARGIN	
	01.2016-06.2016	01.2015-06.2015		01.2016-06.2016	01.2015-06.2015
Poland	395,6	359,1	10,2%	51,6%	52,7%
CEE	182,4	136,1	34,0%	59,3%	58,5%
Western Europe	81,5	49,9	63,3%	62,9%	63,5%
Other countries	1,4	1,9	-26,3%	26,6%	60,0%
Retail activity	660,9	547,0	20,8%	54,6%	54,9%
Wholesale	25,4	18,1	40,3%	33,7%	41,2%
E-commerce	47,5	0,0	n/a	43,5%	
TOTAL	733,8	565,1	29,9%	52,6%	54,3%

Consolidated gross profit of the Group increased by 29.9% and amounted to PLN 733.8 million in the first half of 2016. A higher growth rate of cost of goods sold of +39.2%, resulting from a change in the structure of sales channels, compared to a growth rate of sales revenue of +34.1% resulted in a slight decrease in the gross margin by 1.7 p.p. in relation to the corresponding period of the previous year.

The gross margin in the retail segment amounted to 54.6% in the first half of 2016 and decreased slightly (0.3 p.p.) compared to the corresponding period of the previous year.

[in mln PLN unless otherwise stated]

COST OF OPERATING STORES/ WHOLESALE AND SEGMENTS RESULT

HOW WE DEFINE PARTICULAR COMPONENTS OF THE FINANCIAL RESULT

Cost of operating stores include the cost of maintenance of stores. This item includes mainly fees under operating lease of premises in which stores are operated; depreciation of tangible fixed assets; amortization of intangible assets; costs of external services; cost of remuneration of store employees ; and other flat costs.

RESULT OF SEGMENTS

01.2016-06.2016	SALES REVENUE	GROSS PROFIT	COSTS OF OPERATING STORES	OTHER COSTS OF SALE	SEGMENT RESULT
Poland	767,1	395,6	(209,4)	(51,4)	134,8
CEE	307,8	182,4	(115,0)	(33,2)	34,2
Western Europe	129,6	81,5	(98,8)	(18,6)	(35,9)
Other countries	5,2	1,4	(3,3)	(0,4)	(2,3)
Retail activity	1 209,7	660,9	(426,5)	(103,6)	130,8

01.2015-06.2015	SALES REVENUE	GROSS PROFIT	COSTS OF OPERATING STORES	OTHER COSTS OF SALE	SEGMENT RESULT
Poland	681,3	359,1	(198,2)	(36,9)	124,0
CEE	232,7	136,1	(87,6)	(20,6)	27,9
Western Europe	78,6	49,9	(60,6)	(11,1)	(21,8)
Other countries	3,2	1,9	(2,8)	(0,3)	(1,2)
Retail activity	995,8	547,0	(349,2)	(68,9)	128,9

[in mln PLN unless otherwise stated]

Changes in gross profit, costs of operating stores and segment result between the first half of 2016 and the corresponding period of 2015 are shown in the table below:

Change %	SALES REVENUE	GROSS PROFIT	COSTS OF OPERATING STORES	OTHER COSTS OF SALE	SEGMENT RESULT
Poland	12,6%	10,2%	5,7%	39,3%	8,7%
CEE	32,3%	34,0%	31,3%	61,2%	22,6%
Western Europe	64,9%	63,3%	63,0%	67,6%	64,7%
Other countries	62,5%	-26,3%	17,9%	33,3%	91,7%
Retail activity	21,5%	20,8%	22,1%	50,4%	1,5%

Gross profit covers the costs of operating stores and creates the segment results. In the first half of 2016, as compared to the corresponding period of the previous year, costs of operating stores increased by PLN 77.3 million, and the result of the retail segment increased by PLN 1.9 million.

Costs of operating stores were as follows:

	01.2016-06.2016	01.2015-06.2015	CHANGE %
Remuneration	125,4	101,3	23,8%
Costs of employees' benefits	36,1	27,8	29,9%
Agency costs	21,1	17,0	24,1%
Lease cost	179,8	139,6	28,8%
Amortisation and depreciation	22,0	17,8	23,6%
Taxes and fees	0,9	0,6	50,0%
Consumption of materials and energy	17,5	15,8	10,8%
Other flat costs	23,7	29,3	-19,1%
TOTAL	426,5	349,2	22,1%

In the first half of 2016, the most significant cost item of the CCC Group were the costs of operating stores, which in comparison with the corresponding period of the previous year increased by PLN 77.3 million (+22.1%) up to PLN 426,5 million. The main reason for the increased costs of operating stores was the increase in floor space by 73.4 thousand m^2. With the market expansion and the opening of new retail stores, all components of the costs of operating stores increased, the most significant ones being the costs of lease and remuneration of employees (sellers and other employees employed in the stores), which accounted respectively for 42.2% and 37.9% of the total costs of operating stores.

In order to analyse and compare the performance of individual stores, the Group uses the ratio of the cost incurred per square meter of floor space. In aggregate, the costs of operating stores per square meter between the first half of 2015 and 2016 changed slightly – in the first half of 2016 this ratio amounted to 1.14 thousand PLN/m^2, and in the corresponding period in 2015 it amounted to PLN 1.17 PLN/m^2. The most favourable cost/m2 ratio was recorded in Central and Eastern Europe and the least favourable in Western Europe.

[in mln PLN unless otherwise stated]

THE IMPACT OF OTHER INCOME AND COSTS

HOW WE DEFINE PARTICULAR COMPONENTS OF THE FINANCIAL RESULT

Other costs of sale include the costs of organizational units supporting sale and development of the sales network, including the costs of the expansion department, regional managers, the costs of logistics department, and marketing.

Administrative expenses include expenses relating to management of all operations of the Group (the costs of financial and accounting departments, administration department, costs of the Management Board) and general expenses.

Other operating income and costs include income and costs of non-core business activities of the operating units, e.g. profits or losses on disposal of tangible fixed assets, penalties and fines, donations, etc.

Finance income includes the following items: interest income from current account and others; the result on exchange rate differences and other finance income.

Finance cost includes the following costs: interest on loans; commissions paid and other finance costs.

Income tax includes accrued tax and deferred tax.

When presenting **adjusted net profit** the Group excludes items that according to the Management Board are of a one-off nature and are not taken into account when assessing performance and in making decisions. Adjusted net profit is not an IFRS measure. More information on the measure is presented on page 32.

	01.2016-06.2016	01.2015-06.2015	CHANGE %
Performance of segment	168,7	143,3	17,7%
Administrative expenses	(53,8)	(39,7)	35,5%
Other cost and operating revenue	15,9	2,2	> 100%
Profit on operating activity	130,8	105,8	23,6%
Finance revenue	8,6	0,7	> 100%
Finance cost	(14,1)	(13,7)	2,9%
Profit before tax	125,3	92,8	35,0%
Income tax	(12,0)	18,7	< -100%
Net profit	113,3	111,5	1,6%
Adjusted net profit[1]	125,7	90,7	38,6%

1) Adjusted net profit is the Company's own performance measure – the explanation of this measure is included in section on p. 32.

Other operating costs and income accounted for PLN 4.2 million and PLN 20.1 million respectively, which on a net basis resulted in a PLN 15.9 million of income, compared to PLN 2.2 million of net income in the corresponding period of the previous year. The main reason for the change was the positive result on exchange rate differences which amounted to PLN +13.7 million.

As a result of the factors described above, the CCC Group achieved operating profit in the first half of 2016 in the amount of PLN 130.8 million, an increase of 23.6% compared to the corresponding period of 2015.

FINANCE INCOME AND COSTS

In the first half of 2016, finance income amounted to PLN 8.6 million and compared with the corresponding period of the previous year it was higher by PLN 7.9 million, which was due to the positive result on exchange rate differences of PLN +7.7 million.

In the first half of 2016, finance costs amounted to PLN 14.1 million and compared to the corresponding period of the previous year they were higher by PLN 0.4 million. The main item impacting finance costs in the reporting period was interest on debt (62% of total finance costs), which amounted to PLN 8.7 million and was PLN 0.2 million higher in comparison with the corresponding period of the previous year. The other items of finance costs were mainly commissions paid (PLN 0.4 million) and other finance costs (PLN 4.7 million).

Income tax in the first half of 2016 amounted to PLN 12.0 million. Income tax, except the current tax, was affected by the recognition of deferred tax on temporary differences from trademarks and goodwill and investment relief in the amount of PLN 2.2 million (PLN 28.7 million in the first half of 2015).

After taking into account finance income and costs and income tax, the net profit amounted to PLN 113.3 million and was 1.6% higher than in the first half of 2015.

The alternative performance measures used by the Management Board are EBITDA and adjusted net profit.

EBITDA is a measure used primarily for the analysis of debt due to covenants imposed by the lending banks. For more information on the EBITDA measure, please refer to section 3.2.1. „Debt and liquidity of the CCC Group".

Adjusted net profit is calculated based on the net profit adjusted for items which, according to the Management Board are of a one-off nature and are not taken into account when assessing performance and when making decisions. Below there is a list of items excluded from net income together with an explanation:

NON-CASH ITEMS

- Deferred tax concerning trademark and goodwill – includes temporary differences which resulted from business restructuring of the Group.
- Deferred tax concerning the investment relief – this item concerns temporary differences which resulted from investments undertaken in CCC Group.
- Cost of incentive scheme – includes cost of incentive scheme program.

[in mln PLN unless otherwise stated]

RECONCILIATION OF ADJUSTED NET PROFIT

	01.2016-06.2016	01.2015-06.2015
Net profit	113,3	111,5
Recognition of a temporary difference for the trademark, goodwill and investment relief	2,2	28,7
Costs of the incentive scheme	(14,6)	(7,9)
Adjusted net profit	125,7	90,7

2.1.1.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION (OVERVIEW OF MAIN ITEMS)

Overview of the main items of our statement of financial position is as follows:

NON-CURRENT ASSETS

HOW WE DEFINE PARTICULAR COMPONENTS OF EQUITY AND LIABILITIES

Tangible fixed assets include: investments in non-proprietary fixed assets (namely, investments in leased stores which are used for sales of retail goods); fixed assets used in production and distribution activities and other.

Deferred tax assets and liabilities are recognized (i) as a result of arising differences between the book values of assets and liabilities and the corresponding tax values, and (ii) in respect of unused tax losses.

Non-current assets as at 30 June 2016 included tangible fixed assets (PLN 641.5 million), intangible assets (PLN 7.5 million) and deferred tax assets (PLN 312.8 million). The value of non-current assets compared to 31 December 2015 increased by 27.4% to PLN 1,172.3 billion, which was mainly due to the recognition of goodwill related to the acquisition of eobuwie.pl S.A., and due to an increase in capital expenditures related to the opening of new stores and construction of the logistics centre for eobuwie.pl.

	TANGIBLE FIXED ASSETS		CHANGE %	
	30.06.2016	31.12.2015	30.06.2016	IN FLOOR SPACE OF STORES
Investments in stores	327,6	307,0	6,7%	23,9%
Land, buildings and constructions	183,7	155,1	18,4%	
Machines and equipment	68,5	69,8	-1,9%	
Tangible fixed assets under construction	3,4	2,4	41,7%	
Factory and distribution	255,6	227,3	12,5%	
Other	58,3	57,6	1,2%	
TOTAL	641,5	591,9	8,4%	

Tangible fixed assets as at 30 June 2016 amounted to PLN 641.5 million and increased by PLN 49.6 million (8.4%) compared to 31 December 2015, which was mainly due to capital expenditures in stores (+20.6%), an increase in floor space of own stores by 32.7 thousand m^2 and an increase in the value of fixed assets in manufacturing and logistics activities which were higher by PLN 28.3 million compared to the end of 2015 and amounted to PLN 255.6 million (mainly construction of the logistics centre for eobuwie.pl S.A.)

Deferred tax assets as at 30 June 2016 related mainly to the recognition of deferred tax assets arising from the recognition of goodwill and the acquisition of trademarks and amounted to PLN 312.8 million at the balance sheet date. A detailed description of the recognition of deferred tax assets and liabilities is set out in note 3.3 c to the consolidated financial statements.

[in mln PLN unless otherwise stated]

CURRENT ASSETS

HOW WE DEFINE PARTICULAR COMPONENTS OF ASSETS

Inventories are recognized at purchase price, cost of production or net sale price, depending on which of these amounts is lower. The cost of production of finished goods and work-in-progress includes design costs, raw materials, direct labour, other direct costs and related general manufacturing costs.

In the event of circumstances as a result of which there was a decrease in the value of inventories, **impairment loss** is recognized in the cost of goods sold.

Cash and cash equivalents include cash in hand and bank deposits payable on demand.

Current assets as at 30 June 2016 amounted to PLN 1,261.1 billion and consisted of inventories (PLN 842.1 million), cash and cash equivalents (PLN 254.3 million), loans granted (PLN 15.1 million) and receivables from customers and other receivables (PLN 149.6 million). The value of current assets compared to 31 December 2015 increased by 9.5% from PLN 1,157.7 billion. The main reason for the increase in the value of current assets was the increase of inventory (increase by PLN 161.6 million, which included: inventory in stores +PLN 52.9 million and inventory of eobuwie.pl S.A. +PLN 65.4 million), which at the end of the year amounted to PLN 680.5 million.

The following table presents data on the inventories of the CCC Group:

	30.06.2016	31.12.2015	CHANGE %
Retail activity	307,1	254,2	20,8%
Warehouse	436,8	427,5	2,2%
E-commerce	65,4		n/a
Factory	46,6	46,5	0,2%
Materials	36,8	39,2	-6,1%
Work-in-progress	9,8	7,3	34,2%
Total gross inventory	855,9	728,2	17,5%
Inventory write-downs	(4,5)	(6,4)	-29,7%
Consolidation adjustments	(9,3)	(41,3)	
Total net inventory	842,1	680,5	23,7%
Inventory write-downs/net inventory ratio	-0,53%	-0,94%	
Inventory turnover ratio[1]	229 days	239 days	-6,7%

1) Inventory turnover ratio is calculated as the proportion between the amount of inventory at the end of the period and cost of goods sold multiplied by the number of days in the period.

Most of the finished goods of the CCC Group as at 30 June 2016 were located in the main warehouse of the Group i.e. in the Logistics Centre in Polkowice (51.9% of all goods), whereas 36.5% were within the store network.

In 2016 the Group recognized inventory write-downs in the amount of PLN 4.5 million, while in the corresponding period if the previous year inventory write-downs amounted to PLN 6.4 million (decrease by 29.7%). Inventory turnover ratio (229 days in 2016) decreased by 4.2% (10 days), compared to the end of 2015 due to seasonality and stocking.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the CCC Group as at 30 June 2016 amounted to PLN 254.3 million, decreasing by PLN 86.3 million (-25.3%) compared with the end of 2015. At the end of the first half of 2016, 66.3% of cash was held in the bank account and in hand, and 33.7% were deposited on current deposits.

EQUITY AND DEBT LIABILITIES

HOW WE DEFINE PARTICULAR COMPONENTS OF EQUITY AND LIABILITIES

Equity is recognized in the accounting books by the following types: share capital; reserve capital; retained earnings; and other reserves.

Debt liabilities consist mainly of bank loans and issued bonds.

Liabilities to suppliers are classified as current liabilities if payment is due within one year. Otherwise, liabilities are recognised as non-current. Liabilities to suppliers are valued at the amount due.

As at 30 June 2016, the CCC Group's equity compared with the end of 2015 decreased by PLN 172.6 million (-15.4%), mainly due to the decision of the Annual General Meeting of Shareholders on the distribution of profit for 2015 in the amount of PLN 86.0 million and due to the recognition in the consolidated financial statements of the acquisition of the remaining 25.01% of shares of eobuwie.pl S.A. by CCC S.A. (PLN 222.5 million). The liability which arose as a result of the acquisition of the minority shares in eobuwie.pl S.A. is discussed in section 6.2. „The acquisition of eobuwie.pl S.A. and transactions with related parties" in the financial statements.

Non-current liabilities as at 30 June 2016 amounted to PLN 399.0 million, increasing by PLN 64.0 million (19.1%) from PLN 335.0 million as at 31 December 2015. The total amount of non-current liabilities as at 30 June 2016 consisted mainly of non-current debt liabilities (PLN 366.0 million); deferred tax liabilities (PLN 1.5 million); provisions (PLN 6.7 million) and grants received (PLN 24.8 million).

Current liabilities as of 30 June 2016 amounted to PLN 1,083.4 billion, increasing by PLN 470.0 million (76.6%) from PLN 613.4 million as at 31 December 2015. The total amount of current liabilities as of 30 June 2016 consisted mainly of debt liabilities (PLN 562.5 million); liabilities to suppliers, which amounted to PLN 91.2 million (an increase of 16.8% compared to the end of 2015); other liabilities, which amounted to PLN 406.9 million (an increase of PLN 306.5 million compared to the end of 2015, which was caused mainly by the acquisition of eobuwie.pl S.A. of PLN 222.5 million and dividend liability of PLN 86.0 million); income tax liabilities PLN 10.0 million (an increase of PLN 4.6 million compared to the end of 2015); provisions, which amounted to PLN 8.0 million (an increase of PLN 3.9 million); and grants, which amounted to PLN 4.8 million.

Debt liabilities are discussed in section 3.2.1. „Debt and liquidity of the CCC Group".

[in mln PLN unless otherwise stated]

2.1.1.3 CONSOLIDATED STATEMENT OF CASH FLOWS (OVERVIEW OF MAIN ITEMS)

	01.2016-06.2016	01.2015-06.2015	CHANGE %
Profit before tax	125,3	92,9	34,9%
Adjustments	72,7	37,4	94,4%
Income tax paid	(23,4)	(38,0)	-38,4%
Cash flows before changes in working capital	174,6	92,3	89,2%
Changes in working capital	(148,5)	(74,8)	98,5%
Cash flows from operating activities	26,1	17,5	49,1%
Cash flows from investing activities	(294,2)	(44,6)	>100%
Cash flows from finance activities	181,8	1,7	>100%
Total cash flows	(86,3)	(25,4)	>100%

NET CASH FLOWS FROM OPERATING ACTIVITIES

Consolidated net cash flows from operating activities in the first half of 2016 amounted to PLN 26.1 million and resulted from changes in working capital of PLN -148.5 million (including change in inventory and inventory write-downs of PLN -115.2 million) and operating profit adjusted by non-cash items of PLN 174.6 million.

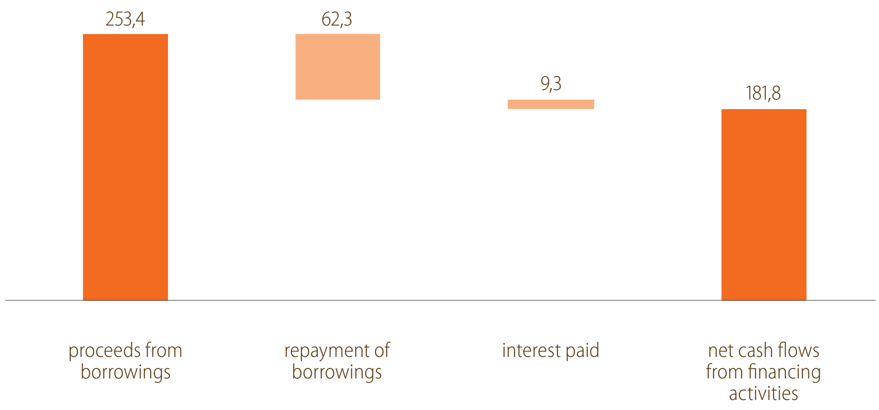
NET CASH FLOWS FROM INVESTING ACTIVITIES

Consolidated net cash flows from investing activities in the first half of 2016 amounted to PLN -294.2 million. This amount resulted mainly from an increase in investments available for sale (PLN 222.5 million), i.e., among others, the acquisition of eobuwie.pl S.A.

Additionally, investment activity was affected by the increase in expenditures on tangible fixed assets and intangible assets related to the implementation of the strategy of market expansion and enlargement of retail floor space in Poland and abroad – such expenditures in the first half of 2016 amounted to PLN 76.4 million.

NET CASH FLOWS FROM FINANCE ACTIVITIES

Consolidated net cash flows from finance activities in first half of 2016 amounted to PLN 181.8 million. This amount was mainly due to proceeds from finance debt (PLN 191.1 million) and interest payments of PLN 9.3 million.



More information about net cash flows from finance activities is presented in section 2.2.1. „Debt and liquidity of the CCC Group".

Taking into account the above mentioned cash flows, the CCC Group's cash and cash equivalents amounted to PLN 254.3 million at 30 June 2016, which was an increase of PLN 117.8 million (86.3%) compared to 30 June 2015.

2.1.2 PUBLICATION OF PROFIT FORECASTS

CCC S.A. did not publish profit forecasts for the first half of 2016.

2.2 CAPITAL MANAGEMENT AND LIQUIDITY

2.2.1 DEBT AND LIQUIDITY OF THE CCC GROUP

The CCC Group finances its operations through equity and debt, which consists mainly of bank loans, borrowings and issued bonds.

As of 30 June 2016 the Group had non-current debt liabilities in the amount of PLN 366.0 million, which consisted mainly of bonds issued in June 2014 with a total value of PLN 210.0 million and bank loans, the non-current part of which amounted to PLN 156.0 million. Compared to 31 December 2015 the non-current part of bank loans increased by PLN 70 million.

Current debt liabilities as at 30 June 2016 consisted mainly of bank loans in the amount of PLN 562.5 million. This item increased by 139.7 million PLN (33.0%) compared to 30 June 2015.

Below are the details regarding changes in bank loans which took place in the first half of 2016:

BANK	COMPANY	TYPE	DATE OF CONCLUSION	MATURITY DATE	AMOUNT [MLN]
Loan agreements					
Bank Handlowy S.A.	CCC EU	Annex to the agreement on revolving credit as of 03.03.2009	2016-02-15	2018-02-14	156.0
Powszechna Kasa Oszczędności BP S.A.	CCC EU	Agreement for multipurpose credit limit	2016-05-30	2018-05-29	200.0
Bank Polska Kasa Opieki S.A.	CCC EU	Annex to agreement for multipurpose credit limit as of 15.10.2014	2016-06-28	2017-10-31	355.0
mBank S.A.	CCC EU	Annex to agreement for revolving credit as of 27.03.2013	2016-03-23	2017-03-27	60.0
mBank S.A.	CCC EU	Annex to the overdraft agreement	2016-06-08	2016-06-08	55.0
Limit for guarantees					
Raiffeisen Bank Polska S.A.	CCC S.A.	Annex to the debt limit agreement as of 11.06.2014	2016-06-15	2017-09-15	7,5
Raiffeisen Bank Polska S.A.	CCC S.A.	Annex to the debt limit agreement as of 04.05.2011	2016-06-15	2017-09-15	15,0
BZ WBK S.A.	CCC S.A.	Annex to bank guarantees limit agreement as of 30.03.2009	2016-06-01	2022-08-18	67,5 PLN 0,1 EUR

INFORMATION ON BONDS

In June 2014 the Company carried out an issue of bonds within the Bond Issue Programme for the amount of PLN 500 million. The bonds were issued in PLN, as bearer securities, dematerialized and as coupon bonds. The Agent of the issue was mBank S.A.

The bonds were issued with the following terms and conditions of the issue:

1. The nominal value of one Bond – PLN 1.000;
2. Issue price: equal to the nominal value of one Bond;
3. The number of Bonds – 210,000;
4. The total nominal value of Bonds – PLN 210,000,000;
5. Redemption of Bonds – a one-off redemption at par value on 10 June 2019;
6. Interest on coupon bonds: at a variable interest rate based on WIBOR 6M plus a fixed margin; interest paid semi-annually;
7. Quotations in the alternative trading system Catalyst – bonds traded from 16 October 2014.

INFORMATION ON COVENANTS

Under the terms of the bond issue, the balance of which at the balance sheet date amounted to PLN 210.0 million (2015: PLN 210.0 million) and together with bank loan agreements – PLN 718.5 million, the Group is required to comply with the following covenants:

a) Ratio 1, i.e. [ratio of net financial debt / EBITDA] is not higher than 3.0

b) Ratio 2, i.e. [ratio of interest coverage] is not lower than 5.0

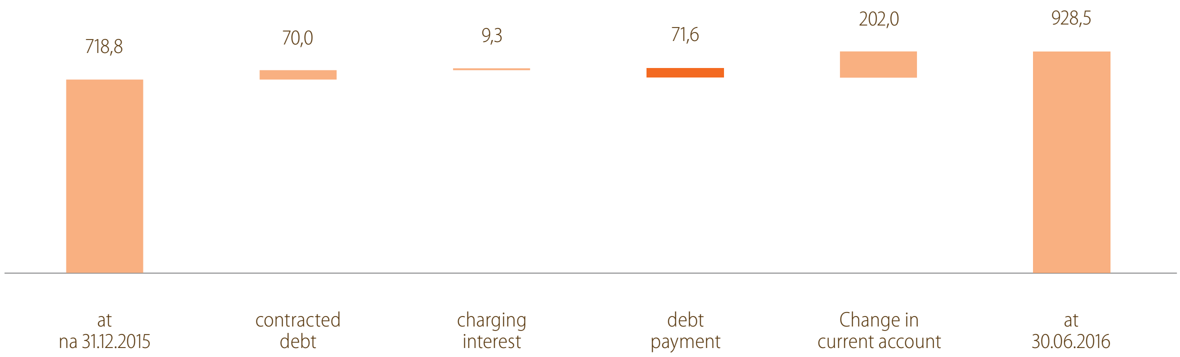
c) Ratio 3, i.e. [operating profit margin] is not lower than 9.0%.

As of 30 June 2016 the value of Ratio 1 was 1.9 (1.2 as of 31 December 2015), the value of Ratio 2 was 18.5 (18.6 as of 31 December 2015) whereas the value of Ratio 3 was 9.4% (11.1% as of 31 December 2015).

As of 31 December 2015, during the reporting period and until the date of approval of the financial statements, there were no breaches of the covenants contained in the abovementioned agreements.

CHANGES IN DEBT LEVEL

Below there is a chart presenting the change of the debt level (according to a note 4.2 "Debt" to the consolidated financial statements):



In the first half of 2016 cash flows from incurred and repaid borrowings amounted to respectively PLN 272.0 million and PLN 71.6 million (including interest: PLN 9.3 million).

[in mln PLN unless otherwise stated]

DEBT RATIOS

The Management Board of the CCC Group, when analysing the level of debt, uses the net debt to capital ratio and net debt to EBITDA ratio. The following is a description of the two ratios.

Net debt to capital ratio is calculated as the ratio of net debt to total capital employed. Net debt is calculated as total borrowings (including current and non-current loans, borrowings and issued bonds as indicated in the consolidated statement of financial position) less cash and cash equivalents. Total capital employed is calculated as the sum of equity as shown in the consolidated statement of financial position and the net debt. The following is a calculation of the net debt to capital ratio:

	30.06.2016	31.12.2015
Net debt		
Bank loans and borrowings	718,5	508,8
(+) Bonds liabilities	210,0	210,0
= Debt liabilities	928,5	718,8
(-) Cash and cash equivalents	254,3	340,6
= Net debt	674,2	378,2
Net debt to capital ratio		
Total equity	951,0	1 123,6
(+) Net debt	674,2	378,2
= Capital employed	1 625,2	1 501,8
The net debt to capital ratio (net debt / capital employed)	41%	25%

The net debt to capital ratio increased by 16 p.p. compared to the end of the previous year, primarily due to the increase of bank loans of PLN 209.7 million.

Net debt to EBITDA ratio is calculated as the ratio of net debt and EBITDA.

EBITDA is used by the Management Board of CCC S.A. when analysing debt which is a result of covenants imposed by banks.

[in mln PLN unless otherwise stated]

The calculation and reconciliation of net debt to EBITDA ratio is presented below:

	30.06.2016	31.12.2015
Net debt		
Bank loans and borrowings	718,5	508,8
(+) Bonds liabilities	210,0	210,0
= Debt liabilities	928,5	718,8
(-) Cash and cash equivalents	254,3	340,6
= Net debt	674,2	378,2
EBITDA *		
Net profit	261,2	259,4
(+) Income tax	(4,3)	26,4
Profit before tax	265,5	233,0
(+) Finance cost	(24,2)	(23,8)
(-) Finance income	8,0	0,1
Operating profit	281,7	256,7
(+) Depreciation and amortisation	65,6	66,9
= EBITDA	347,3	323,6
Net debt to EBITDA ratio (net debt/annualized EBITDA	1,9	1,2

* Annualized EBITDA has been calculated as EBITDA for the first half of 2016 and second half of 2015

The net debt to EBITDA ratio increased compared to the previous year primarily due to the increase of net debt.

[in mln PLN unless otherwise stated]

CURRENT LIQUIDITY RATIO

This ratio is calculated by dividing the value of current assets and the value of current liabilities and provisions. The calculation of the ratio is presented below:

	30.06.2016	31.12.2015
Inventories	842,1	680,5
(+) Receivables from customers and other receivables	164,7	130,6
(+) Cash and cash equivalents	254,3	340,6
= Current assets	1 261,1	1 151,7
Current debt liabilities	562,5	422,8
(+) Liabilities to suppliers and other liabilities	508,1	183,9
(+) Provisions and grants	12,8	6,7
= Current liabilities	1 083,4	613,4
Current liquidity ratio (current assets / current liabilities)	1,16	1,88

Current ratio of the CCC Group from the end of 2015 till 30 June 2016 decreased from 1.88 to 1.16, mainly due to a significant increase in current liabilities (including the recognition of liabilities related to the acquisition of eobuwie.pl S.A. and dividend liabilities) compared to a much smaller increase in current assets of 9.6%.

The Management Board of CCC S.A. assesses that the CCC Capital Group is capable of fulfilling all of its contracted liabilities and believes that the level of realized cash flows and financial results achieved will enable to maintain liquidity ratios at a level enabling the proper functioning of the Group. In addition, in order to mitigate potential risks, the Group is constantly diversifying sources of financing.

2.3
INFORMATION ON AGREEMENTS CONCLUDED BY THE COMPANIES OF THE CCC GROUP

2.3.1 LOANS GRANTED

In the reporting period the CCC Group concluded the following loan agreements:

COMPANY(LENDER)	PARTY OF AGREEMENT (BORROWER)	DATE OF CONCLUSION	MATURITY DATE	AMOUNT [MLN]	CURRENCY	INTEREST RATE
CCC S.A.	EOBUWIE.PL S.A.	2016-01-19	2016-12-31	5,0	EUR	1,50%
CCC S.A.	CCC GERMANY GmbH	2016-02-24	2016-12-31	11,6	EUR	1,50%
CCC S.A.	CCC Shoes Ayakkabycylyk Ticaret Limited Sirketi – TURCJA	2016-01-27	2016-12-31	17,0	TRY	9,00%

2.3.2 SURETIES, GUARANTEES GRANTED AND OTHER CONTINGENT LIABILITIES

In the reporting period the CCC Group granted the following sureties and guarantees:

1. GUARANTEES GRANTED IN RELATION TO SIGNING LEASE CONTRACT OF COMMERCIAL FLOOR SPACE

COMPANY	NUMBER OF GUARANTEES	DEBTOR	VALUE OF SURETY OR GUARANTEE [MLN]	CURRENCY
CCC S.A.	3	CCC GERMANY GmbH	0,21	EUR
CCC S.A.	8	CCC GERMANY GmbH	2 MONTHS OF NET RENT	EUR
CCC S.A.	1	CCC GERMANY GmbH	3 MONTHS OF GROSS RENT	EUR
CCC S.A.	3	CCC HUNGARY Kft	0,17	EUR

2. OTHER SURETIES AND GUARANTEES

In the reporting period, CCC S.A. received the following sureties and guarantees:

COMPANY	ISSUER	DEBTOR	TYPE OF COLLATERAL	DURATION		VALUE OF SURETY OR GUARANTEE [MLN]	CURRENCY
				BEGINNING	END		
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Polska Kasa Opieki S.A.	CCC.eu Sp. z o.o.	Surety according to the civil law to the multi-purpose credit limit agreement	2016-06-28	2017-10-31	426,0	PLN
CCC S.A. CCC S&B	PKO BP	CCC.eu	Surety according to a civil law	2016-05-30	2018-05-29	—	PLN

2.3.3 SIGNIFICANT TRANSACTIONS CONCLUDED WITH RELATED PARTIES

To the best knowledge of the Group there were no significant transactions concluded between the Company and its related parties on non-market terms. Information on transactions with related parties is included in the consolidated financial statements in point. 6.2. „Transactions with related parties".

2.3.4 DESCRIPTION OF SIGNIFICANT AGREEMENTS

In the reporting period CCC S.A. concluded the following significant agreements:

LEASE AGREEMENTS FOR COMMERCIAL SPACE

- Annex dated 29 June 2016 to a lease agreement dated 23 April 2005 concluded with KNS Krakau Neue Stadtmitte G.m.b.H & Co. KG limited partnership with its registered office in Warsaw at ul. Fabryczna 5a, 00-446 Warszawa, represented by ECE Projektmanagement Poland Sp. o.o. The annex extended the term of the lease until 2026 and changed the size of the floor space area and at the same time the amount of rent. The agreement value for the period will amount to PLN 16.1 million (current report no. 35/2016)

AGREEMENT ON THE LIMIT FOR BANK GUARANTEES

- Annex no. 10 dated 17 June 2016 to bank guarantees limit agreement as of 30 September 2009, concluded with Bank Zachodni WBK S.A. The material annex changed the duration of the agreement until 18 August 2022.
- Annex no. 2 dated 15 June 2016 to the debt limit agreement dated 11 June 2014, concluded with Raiffeisen Bank Poland S.A. The annex introduced a collateral in the form of an in-blanco promissory note for the amount of PLN 7.5 million.
- Annex no. 5 dated 15 June 2016 to the debt limit agreement dated 4 April 2011, concluded with Raiffeisen Bank Poland S.A. The annex increased the amount of the in-blanco promissory note declaration up to PLN 15 million.

BORROWINGS AGREEMENTS

- The borrowing agreement dated 19 June 2016 concluded with eobuwie.pl S.A. for the amount of EUR 2 million.
- Annex no. 1 dated 04 April 2016 to the borrowing agreement dated 19 January 2016 concluded with eobuwie.pl S.A. The material annex changed the loan amount to EUR 5 million.
- Annex no. 5 dated 24 February 2016 to the borrowing agreement dated 13 December 2013 concluded with CCC Germany GmbH. The material annex changed the loan amount to EUR 11.6 million.
- Annex no. 6 dated 27 January 2016 to the loan agreement dated 19 October 2013 concluded with CCC Shoes Ayakkabycylyk Ticaret Limited Sirketi. The material annex changed the loan amount to TRY 17 million.

In the reporting period, CCC.eu Sp. o.o. concluded the following significant agreements:

LOAN AGREEMENTS

- Agreement for a multipurpose credit limit as of 30 April 2016 concluded with PKO BP S.A. for the amount of PLN 200 million (current report no. 24/2016).
- Annex no. 7 dated 15 February 2016 to the revolving credit agreement dated 03 March 2009 concluded with Bank Handlowy S.A. The annex changed the amount of the agreement for PLN 156 million and the duration of the contract until 14 February 2018 (current report no. 8/2016).
- Annex no. 2 dated 28 June 2016 to the agreement for a multi-purpose credit limit as of 15 October 2014 concluded with the Bank Polski Pekao S.A. The annex changed the amount of the agreement for PLN 355 million (current report no. 36/2016).
- Annex no. 13 dated 08 June 2016 to the overdraft agreement as of 23 December 2009 concluded with mBank S.A. The annex changed the duration of the agreement until 08 June 2016 (current report no. 33/2016)
- Annex no. 6 dated 23 March 2016 to the revolving credit agreement as of 27 March 2013 concluded with mBank S.A. The annex changed the duration of the agreement until 27 March 2017 (current report no. 10/2016)

In the reporting period, CCC Germany GmbH concluded the following significant agreements:

LEASE AGREEMENTS FOR COMMERCIAL SPACE

- Lease agreement dated 18 February 2016 concluded with Einkaufs-Center Sofia GmbH z with its registered office in Sofia, „Sitniakovo" blvd. 48, Sofia 1505, a subsidiary to ECE Projektmanagement G.m.b.H & Co. KG with its office in Hamburg, Heegbarg 30, 22391. The agreement value will amount to PLN 5.7 million (current report no. 7/2016).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3.
ORGANIZATION OF THE CCC CAPITAL GROUP


CCC
SHOES & BAGS

3.1 ORGANIZATIONAL STRUCTURE OF THE CCC GROUP

3.1.1 DESCRIPTION/SCHEME OF THE CCC GROUP ORGANIZATIONAL STRUCTURE

CCC S.A. is the parent company of the CCC Capital Group. At the balance sheet date, CCC S.A. held directly and indirectly 100% of the share capital of all 16 subsidiaries located in Poland, Central and Eastern Europe, Western Europe and in other countries. The results of these companies are fully consolidated. The chart below shows the organizational structure of CCC Group.

Grupa CCC

CCC S.A.

Manufacturing activity

- CCC Factory Sp. z o.o. – 100% Poland

Distribution activity

- CCC Germany GmBH – 100% Germany
- CCC Shoes Bulgaria EOOD – 100% Bulgaria
- CCC Czech s.r.o. – 100% Czech Republic
- CCC Obutev d o.o. – 100% Slovenia
- CCC Austria Ges.M.b.H – 100% Austria
- CCC Slovakia s.r.o. – 100% Slovakia
- CCC Hrvatska d o.o. – 100% Croatia
- CCC Shoes Ayakkabibilik Ticaret Limited Sirketi – 100% Turkey
- CCC.eu sp. z o.o. [1] – 100% Poland
- CCC Hungary Shoes Kft. – 100% Hungary
- CCC Shoes Bulgaria – 100% Bulgaria
- CCC Shoes & Bags d.o.o. Beograd – Stari Grad – 100%Serbia
- eobuwie.pl [2] – 74,99% Poland

Other activity

- NG2 Suisse S.a.r.l. – 100% Switzerland
- CCC Isle of Man Ltd. – 100% Douglas
- CCC Shoes and Bags sp. z o.o. – 100% Poland

[1] CCC.eu Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (99.75%) and a subsidiary of the Issuer (0.25%).

[2] eobuwie.pl S.A. has been a subsidiary since 15 January 2016.

3.1.2
CHANGES IN ORGANIZATION AND MANAGEMENT OF THE CCC GROUP

CHANGES IN ORGANIZATION OF THE CAPITAL GROUP CCC IN THE FIRST HALF OF 2016.

On 10 May 2016 the Management Board of CCC S.A. adopted a resolution concerning the establishment of a new subsidiary – CCC Shoes & Bags d.o.o. Beograd – Stari Grad, with its headquarters in Belgrade, Serbia, which was registered on 24 June 2016. CCC S.A. holds 100% shares of CCC Shoes & Bags d.o.o. Beograd – Stari Grad. The principal activities of the subsidiary will be retail sales of footwear in stores located in Serbia (current report no. 23/2016, current report no. 34/2016).

CHANGES IN ORGANIZATION OF THE CCC CAPITAL GROUP AFTER THE BALANCE SHEET DATE

The Management Board of CCC S.A. reported that on 8 July 2016 by the resolution of the Management Board it agreed to dispose all the shares of eobuwie.pl S.A. (7.499.000 shares representing 74.99% of the nominal share capital of eobuwie.pl S.A.). The disposal of shares will take place by way of contribution in kind to a subsidiary CCC Shoes & Bags based in Warsaw (current report no. 39/2016). The resolution came into force on 22 August 2016 by consent of the Supervisory Board of CCC S.A. (current report no. 39/2016).

[in mln PLN unless otherwise stated]

3.2 SHARE CAPITAL AND SHAREHOLDERS

3.2.1 SHARE CAPITAL OF THE CCC GROUP AND THE OWNERSHIP STRUCTURE

As of 30 June 2016 the share capital of CCC S.A. amounted to PLN 3,840,000.00 and was divided into 38,400,000 shares with a nominal value of PLN 0.10 each.

SERIES/ISSUE	TYPE OF SHARES	TYPE OF PREFERENCE	NUMBER OF SHARES	VALUE OF SERIES / ISSUE IN NOMINAL VALUE (PLN)	MANNER OF CAPITAL COVERAGE
„A1"	preference shares	2 votes per share	6.650.000	665.000	cash contributions
„A2"	ordinary bearer shares	n/a	13.600.000	1.360.000	cash contributions
B	ordinary bearer shares	n/a	9.750.000	975.000	cash contributions
C	ordinary bearer shares	n/a	2.000.000	200.000	cash contributions
D	ordinary bearer shares	n/a	6.400.000	640.000	cash contributions
TOTAL			38.400.000	3.840.000	

[in mln PLN unless otherwise stated]

After the balance sheet date, due to the implementation of the Incentive Scheme Program for the years 2013-2015, some entitled persons in possession of subscription warrants provided the Company with a statement on acquisition of the shares. On 19 August 2016, KDPW registered 727,900 shares of E series, thus the total number of issued shares increased to 39,127,900.

Further changes in the ownership structure should be expected as 40,100 subscription warrants remained unrealized, from which the rights for conversion into E series shares can be exercised until 30 June 2018. More information on this topic is presented in section 3.2.4 of this report.

3.2.2 SHAREHOLDERS OF CCC S.A. HOLDING SUBSTANTIAL BLOCKS OF SHARES

According to the best knowledge of the Management Board of the Company, the shareholders holding at least 5% of the total number of votes at the General Meeting of CCC S.A. as of 30 June 2016 were:

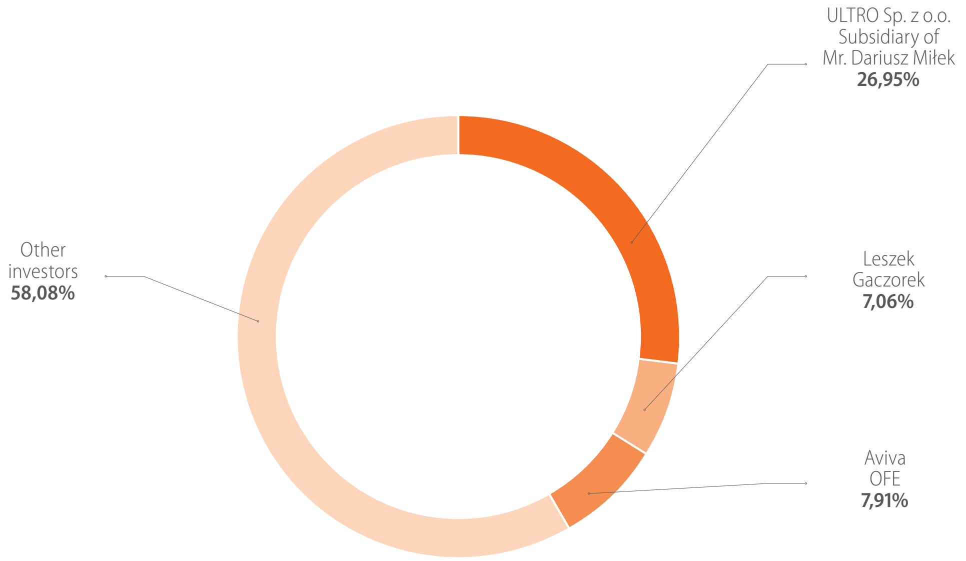
- ULTRO Sp z o.o. (a subsidiary of Dariusz Miłek) which held 10,350,000 shares of the Company, representing 26.95% of the share capital of the Company and giving the right to 33.52% of votes at the General Meeting,
- Leszek Gaczorek who held 2,200,000 shares of the Company, representing 5.73% of the share capital of the Company and giving the right to 8.77% of votes at the General Meeting,
- Aviva OFE, which held 2,900,000 shares of the Company, representing 7.55% of the share capital of the Company and giving the right to 6.44% of votes at the General Meeting.

SHAREHOLDER	NUMBER OF SHARES HELD	% SHARE IN SHARE CAPITAL	NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS	% SHARE IN THE NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS
ULTRO Sp. z o.o. Subsidiary of Mr. Dariusz Miłek	10 350 000	26,95%	15 100 000	33,52%
Leszek Gaczorek	2 710 000	7,06%	4 460 000	9,90%
Aviva OFE [1]	3 038 335	7,91%	3 038 335	6,74%
Other investors [2]	22 301 665	58,08%	22 451 665	49,84%
TOTAL	38 400 000	100,00%	45 050 000	100,00%

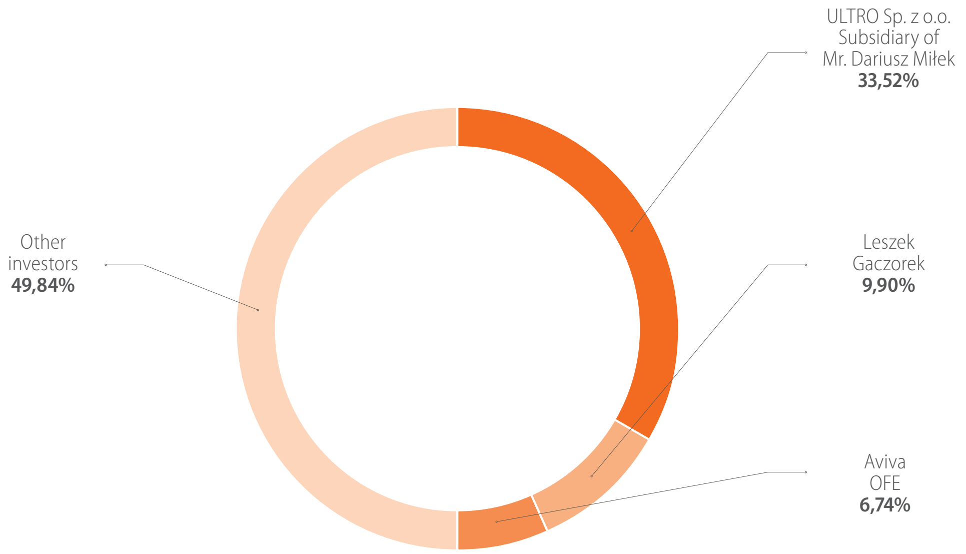
[1] Details derived from annual information on the structure of assets of the Aviva OFE Fund as of 30.06.2016.

[2] Investors holding less than 5% of votes at the General Meeting of Shareholders

SHAREHOLDERS BY NUMBER OF SHARES at as 30.06.2016



SHAREHOLDERS BY NUMBER OF VOTES at as 30.06.2016



[in mln PLN unless otherwise stated]

3.2.3 SHARES OF THE PARENT COMPANY AND RELATED PARTIES HELD BY THE MEMBERS OF THE MANAGEMENT AND SUPERVISING BODIES

To the best knowledge of the Management Board members of management and supervisory bodies of the Company as of the date of submission of this report and as at the date of publication of the consolidated report for the first half of 2016 held following numbers of shares:

SHAREHOLDER	NUMBER OF SHARES AS OF SUBMISSION DATE OF THE QUARTERLY REPORT FOR THE FIRST QUARTER OF 2016	THE NOMINAL VALUE OF THE SHARES AS OF SUBMISSION DATE OF THE QUARTERLY REPORT FOR THE FIRST QUARTER OF 2016 (PLN)	NUMBER OF SHARES AS OF SUBMISSION DATE OF THE REPORT FOR THE FIRST HALF OF 2016	THE NOMINAL VALUE OF THE SHARES AS OF SUBMISSION DATE OF THE REPORT FOR THE FIRST HALF OF 2016 (PLN)
President Dariusz Miłek*	10 350 000	1 035 000	10 350 000	1 035 000
Vice-President Mariusz Gnych	120 000	12 000	252 000	25 200
Vice-President Piotr Nowjalis	0	0	75 000	7 500

*indirectly as a dominant entity in ULTRO sp. z o.o.

On 19 July 2016 the Management Board of CCC S.A received a notification concerning the acquisition of 132,000 ordinary bearer shares of E series by Mr. Mariusz Gnych and 75,000 ordinary bearer shares of E series by Mr. Peter Nowjalis as a result of implementation of the Incentive Scheme Programme for 2013-2015 (current report no. 40/2016).

Other members of the Management Board and the Supervisory Board did not hold any shares of CCC S.A. nor its related parties.

3.2.4 SYSTEM OF CONTROL OF EMPLOYEES SHARES PROGRAM

INCENTIVE PROGRAM FOR YEARS 2013-2015

Incentive mechanisms for Management Board members of the parent company, board members of the subsidiaries, key employees and associates of the parent company were implemented to motivate the key personnel to contribute to both long-term growth of the parent company and steady growth of net profit, as well as in order to create a firm and stable management team. For that purpose the parent company decided to launch an incentive program based on subscription warrants. This programme is based on offering participants of the programme a possibility to acquire shares of the parent company in the future.

On 19 December 2012, the Extraordinary General Meeting of Shareholders of CCC S.A. adopted resolutions, among others, on the conditional increase of the share capital of the parent company and the issue of subscription warrants with the exclusion of pre-emptive rights of shareholders with respect to shares issued within the conditional capital and subscription. The resolution provides for the conditional share capital increase of the parent company by no more than PLN 76,800 by issuing no more than 768,000 E series ordinary bearer shares with a nominal value of PLN 0.10 each and the issue of a total of no more than 768,000 A series registered subscription warrants, each of which entitles to subscribe for one (1) E series share to the exclusion of pre-emptive rights of shareholders with respect to the E series shares and subscription warrants.

The right to subscribe for E series shares will be exercised by the eligible persons, provided that the total consolidated net profit of the parent company for the fiscal years 2013, 2014 and 2015, adjusted for the costs of establishing the program will amount to no less than PLN 620.000.000.

According to §3 point 8 of the resolution, the Supervisory Board was authorized to decide, by means of the resolution, to establish the list of Entitled Persons and establish detailed rules relating to the issue of subscription warrants and their execution.

On 2 June 2016, the Supervisory Board adopted a resolution on the implementation of the terms of the Incentive Scheme Program and determined the final number of granted warrants to 768.000.

Details regarding the valuation of the scheme and the accounting treatment of its value are described in note 6.3 to the interim condensed consolidated financial statements of the CCC Capital Group for the first half of 2016.

After the balance sheet date, 85 entitled persons made a statement on the acquisition of a total of 727.900 shares (current report no. 41/2016). For the remaining warrants, there is a possibility of their acquisition until 30 June 2018.

4.
RISK MANAGEMENT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4.1 SIGNIFICANT RISK FACTORS

CCC Group identified the following risks along with their description and actions taken to mitigate them.

RISKS OF STRATEGY IMPLEMENTATION

RISK AREA	DESCRIPTION OF RISK	ACTIONS TAKEN
Strengthening own sales network	In the years 2016-2017 the Group plans to increase the retail space of CCC stores by 200 thousand m2: In case of non-implementation of its assumed objectives, the Group may prove to be less competitive than its competitors, and thus lose market share, which could result in lower revenues. At the same time, in case of too extensive store network development, contrary to the demand, the Group may incur costs higher than necessary.	In order to minimize the risks associated with the strengthening of own sales network, the Group introduced the following solutions: • monitoring the activities of competitors, • monitoring the situation in the industry, • monitoring of the macroeconomic situation, • creating a detailed plan and a dedicated team responsible for the implementation of the objectives connected to the development of own sales chain.
Activities aimed at increasing brand recognition and value of the brand	Increase of brand recognition and its value may contribute to the increase in customer retention, as well as to increased growth of new customers. The result will lead to an increase in market share and revenue. In case of a deterioration in brand recognition and its value an outflow of customers may occur and ultimately lead to a drop in market share and revenue.	In order to ensure further increase in brand recognition and its value, the Group has undertaken the following actions: • introduction of appropriate advertising and promotion tools, • introduction of interesting design of stores, • presence of stores in prestigious locations.
Location of commercial facilities	The location of commercial facilities is an important factor affecting the attractiveness of the brand. Inappropriate choice of location may lead to low profitability per m2, and thus to reduce the Group's profitability. Strengthening the market position by a dynamic development of the store network bears the risk of an unfortunate location of the store, and with a limited number of new, attractive locations.	In order to ensure the appropriate choice of location of stores, the Group carries out a detailed analysis of the location before deciding to sign a lease agreement, and bases its decision on historical data.

EXTERNAL RISKS

RISK AREA	DESCRIPTION OF RISK	ACTIONS TAKEN
Exchange rate risk	Companies of the CCC Capital Group generate revenues in PLN, EUR, CZK, HUF, HRK, BGN. Most of the costs are incurred in foreign currencies. Hence, exchange rates of CZK, HUF, HRK, USD and EUR (practically all import is denominated in USD and EUR, and a large percentage of the cost of renting space is denominated in EUR) will affect the structure of revenues and expenses. The main supply market for the CCC Group is the Chinese market, and consequently, the exchange rate of the Chinese RMB against the major world currencies can also have a significant impact on the costs of the Group. The appreciation of the RMB may worsen the conditions of imports, and thus result in increased costs.	The Group has undertaken the following measures to reduce the impact of exchange rate risk: • continuous monitoring of changes in exchange rates significant to the Group, • Introduction of natural hedging strategies.
The risk of changes in interest rates	The CCC Group is exposed to the risk of changes in interest rates, as a result of signed loan agreements. These loans bear interest at a variable interest rate based on WIBOR or BLR. An increase in interest rates would affect the amount of interest paid on loans.	The Group has undertaken the following measures to reduce the impact of interest rate risk: • diversification of sources of capital, • monitoring key interest rates.
The risk of the overall economic situation	The CCC Group conducts business activity primarily in the Polish, Czech, Hungarian and Slovak markets, therefore the consumer purchasing power and propensity to consume in those markets is an important factor. An economic downturn in any of those markets could have a negative impact on the results of operations and financial position of the Group. The CCC Group also operates in several other foreign markets (inter alia: Germany, Austria, Croatia, Slovenia, Bulgaria).	The Group has undertaken the following measures to reduce the impact of risk of the overall economic situation: • diversification in terms of countries where the Group operates (lower economic situation correlation between countries), • monitoring the economic situation globally and in the countries important to the Group, as well as suitable adjustments to the Group's strategy, • monitoring of important economic indicators in selected countries (unemployment rate, GDP per capita, CPI).
Seasonality of sales and weather conditions	Sales and inventory value depends on the seasonality of demand (peak of demand is in Spring and Autumn). The disorder of weather conditions may result in putting away customer purchase decisions or shortening the season of the highest sales.	A method of reducing the sensitivity of the CCC Group to seasonal factors and weather is having its own manufacturing capacity. The Group is able to rapidly adjust production and deliver goods to shops in line with expectations and current weather conditions.
Trends in fashion and unsuccessful collections	The CCC Group is exposed to risks associated with unsuccessful collections of footwear.	The factor enabling to reduce this risk is a long-standing market experience of the parent company, permanent observation of trends in the European and world fashion (participation in international fairs of footwear fashion, inter alia: Milan, Garda, Dusseldorf).

INTERNAL RISK

RISK AREA	DESCRIPTION OF RISK	ACTIONS TAKEN
Credit risk	The source of this risk is the uncertainty regarding whether and when the receivables are settled. Within the wholesale trade sale with deferred payment is used, therefore the CCC Group is exposed to credit risk. In order to maintain its leading position in the footwear industry, the CCC Group uses the instrument of a trade credit, additionally increasing the attractiveness of the Group to wholesale partners.	The Group has undertaken the following measures to reduce the impact of credit risk: • a continuous verification of the financial situation of counterparties, • a continuous review of the history of cooperation with counterparties.

5.
STATEMENTS OF THE MANAGEMENT BOARD

5.1 STATEMENT ON THE FAIRNESS OF FINANCIAL STATEMENTS PREPARATION

To the best knowledge of the Management Board of CCC S.A., the interim condensed consolidated financial statements and the interim condensed stand-alone financial statements and comparative data were prepared in accordance with applicable accounting principles and they give a true and fair view of the financial position of the CCC Group and its financial results.

The report of the Management Board on operations of CCC Capital Group presents a true picture of the development, achievements and situation of the Group, including basic risks and threats.

5.2 STATEMENT ON THE ENTITY AUTHORIZED TO AUDIT THE FINANCIAL STATEMENTS

The Management Board of CCC S.A. declares that the entity authorized to conduct a review of the interim condensed consolidated financial statements and the interim condensed stand-alone financial statements, was appointed in accordance with provisions of the law. This entity and certified auditors conducting the review met the conditions to issue an unbiased and independent review report, in accordance with applicable regulations and professional standards.

The Company CCC S.A. concluded on 28 June 2016 with PricewaterhouseCoopers Sp. z o.o. an agreement to audit the financial statements and consolidated financial statements for the period from 1 January to 31 December 2016 and to review the financial statements and consolidated financial statements for the period from 1 January to 30 June 2016.

6.
OTHER INFORMATION


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6.1 INFORMATION CONCERNING PROCEEDINGS IN FRONT OF COURT, BODY APPROPRIATE FOR ARBITRATION PROCEEDINGS OR IN FRONT OF PUBLIC ADMINISTRATION AUTHORITIES

As at 30 June 2016 CCC S.A. and its subsidiaries were not a party of any proceedings whose total value would constitute at least 10% of the parent company's equity.

6.2 OTHER INFORMATION THAT IN THE ISSUER'S OPINION IS RELEVANT FOR THE EVALUATION OF STAFF, PROPERTY AND FINANCIAL SITUATION, FINANCIAL RESULT AND THEIR CHANGES AS WELL AS INFORMATION RELEVANT FOR THE EVALUATION OF THE FEASIBILITY OF COMMITMENTS IMPLEMENTATION BY THE ISSUER.

The financial statements contain basic information that is relevant to the assessment of the CCC Group . In the opinion of the Management Board, there are currently no threats to the realization of the Group's commitments.

6.3 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE WHICH MAY AFFECT THE FUTURE FINANCIAL RESULTS OF THE ISSUER

1. On 5 July 2016, the Management Board of CCC S.A. informed about the establishment of a contractual mortgage in the amount of PLN 300,000,000.00 on the ownership title of the property owned by CCC S.A. located in Polkowice, ul. Strefowa 6 (current report no. 38/2016).

2. On 6 July 2016, the Polish Parliament passed a law on retail sales tax. According to the accepted rules the revenue from retail sales will be subject to taxation, excluding sales carried out via the Internet. The Act introduces two tax rates – 0.8 percent on the revenue between PLN 17 million and PLN 170 million per month and 1.4 percent on the revenue over PLN 170 million per month. The amount of tax-free annual revenue will therefore amount to PLN 204 million. The new regulations come into force on 1 September 2016.

3. On 23 August 2016 the Management Board of the subsidiary of the Issuer CCC Shoes & Bags Sp. o.o. with its seat in Warsaw, informed about the intention to acquire 75% of shares with a value of 375,000 RUB (Russian rubles) in the Russian company „3S Retail" limited liability company with its registered office in Moscow, which is the sole distributor of CCC products in the Russian market.

SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS

Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

Polkowice, 25 August 2016.