

DEAR SHAREHOLDERS,

As every year, it's time to sum up our recent activities. 2016 was without a doubt a groundbreaking year for the CCC Group. We set new records in numerous fields, both financial and operational. We finalized an acquisition which has changed our company forever. We have also revised our plans for the following years and set new strategic goals, reaching which will let us multiply the value for Shareholders.

Last year marked the peak of implementing our ambitious international expansion strategy. The CCC Group's floorspace grew by almost 90 000 square meters (almost 25%) in comparison to 2015, and our Customers are now able to access our collections in over 100 new stores across the Central Europe. Never before have we increased our floorspace this much within one year. The total floorspace of our 862 stores spread across 16 countries has reached 459 000 square meters. It's also worth mentioning that over 70% of new floorspace was delivered outside of Poland, and thus – for the first time in history – the share of domestic floorspace fell below 50% of Group's total last year.

The dynamic floorspace growth of the last years, together with great reception of our collections by Customers and a very effective marketing campaign, have led to a big leap in our financials last year. The Group's sales broke the level of 3 billion PLN for the first time in history, while the net profit exceeded 300 million PLN, rising by 38% and 22% respectively year over year.

Another milestone in CCC Group's history was last year's acquisition of the Internet platform Eobuwie.pl. This undisputed leader of Polish footwear e-commerce brought to our team a long track record of success in such fields as online footwear retail and premium brand footwear trading. Thanks to Group synergies, among others, Eobuwie's results in the very first year after acquisition have beaten expectations – the sales exceeded 300 million PLN while maintaining profitability at a level unusually high for e-commerce. The platform has been gaining market share very dynamically not only in Poland, but also in other countries of the region, mostly coinciding with the reach of the traditional sales network of the CCC Group.

Last but not least, another important factor in our Group's development was a recent significant reinforcement of the Management Board. At the turn of 2016 and 2017 we were joined by three experienced managers. Mr Marcin Czyczerski has taken the seat of Chief Financial Officer (after the resignation of Mr Piotr Nowjalis), Mr Karol Półtorak is developing the strategy and innovative potential in the Group, and Mr Marcin Pałazej is focused on managing the retail operations. This way our Management Board has grown from three to five persons.

We wouldn't be ourselves if we didn't set new ambitious goals for the new year. The primary, probably most interesting for our Investors, goal is to break the level of 4 billion PLN of sales in 2017 and increase the Group's floorspace by over 100 000 square meters. But that's not all – CCC's business isn't only traditional retail anymore, so together with Eobuwie's team we're currently working on making our whole product range available in a dedicated online channel fully integrated with our brick and mortar stores. Without a doubt it will be a big leap forward in a matter of our Customers' comfort and will significantly extend our reach beyond the cities we currently operate in.

On top of that we do not cease our efforts to modernize the Group's IT infrastructure and internal logistics, also on store level, which will improve day to day management and bring considerable savings on cost side. We constantly improve – as the world around us is evolving, so are we. That's why we want to raise the Group's innovation level by implementing numerous projects, both in the stores and in our HQ.

Finally, I would like to express my sincere thanks to everybody who has been with us and works for our Group's success – our Shareholders, Employees, Customers and Business Partners.

New challenges and even more ambitious goals lie ahead!

YOURS FAITHFULLY,

PRESIDENT OF THE MANAGEMENT BOARD

DARIUSZ MIŁEK