

Dear Shareholders,

Just like every year, it's time to look back at the last year, and there's a lot to analyze this time. 2015 was by all means one of the most important years in the company's history. It marked the third and, according to the original assumptions, last year of our ambitious international growth strategy. It brought a surge in CCC Group's e-commerce presence, conducted in a way without precedence in our business environment. It also showed directions which need to be focused on in the coming years, as well as new strategic goals, which will allow us to continue dynamically adding value for our shareholders.

Four years ago, while announcing an ambitious international growth strategy for the years 2013-2015, the CCC Group Management Board pledged itself in front of the shareholders to achieve during this time numerous specific, measurable targets, so today is a good moment to check the extent to which they have been implemented so far. The first strategic goal was to become the footwear market leader in the CEE region, including Poland, Czech Republic, Slovakia, Hungary and Romania. The goal has been achieved, which is confirmed by independent research groups – the CCC Group is, as of today, the biggest (by revenue) footwear retailer in our part of the world. It has been made possible by reaching, and heftily beating, another goal of our strategy, which involved increasing the floor space by 80%. This target was reached way before schedule, and by the end of 2015 the total floor space of CCC Group's 773 stores in 16 countries reached 361 thousand square meters – 123% more than three years earlier.

Another challenge that we set for ourselves three years ago was doubling of yearly Group's revenue from 1,3B PLN in 2012 to 2,6B PLN in 2015. Here, unfortunately, we weren't that successful – the Group's consolidated turnover in 2015 crossed the 2,3B PLN mark, which means that we were a bit short of the target. It was caused in biggest part by last year's exceptionally unfavorable weather conditions in the region – extremely long and hot summer, which stretched until the beginning of the fourth quarter, followed by a much too warm autumn for our geographical reason and absolutely no sign of winter before the year's end. All that resulted in sales of a autumn-winter collection, which is crucial for the Group's performance, falling much below expectations. However, all signs so far in 2016 have been suggesting that we are more than able to not only reach but beat the turnover target this year – we are aiming to cross the mark of 3B PLN in revenues.

The last of the goals we promised to achieve was maintaining high profitability and equity return rate – the parameters that often suffer when a company focuses on dynamic growth. Thanks to our full determination and responsibility in decision making, we have been able to avoid sacrificing those indicators on growth's altar – adjusted net profit margin hasn't fallen below 10% in the last years, while our shareholders could enjoy the ROE at the level of 20%.

2015 wasn't all about the expansion in our traditional business model, though. For the last few years we have been promising our investors that we were about to enter the e-

commerce channel, and it has just taken place, and in an unconventional way. The research and case studies we have conducted in the last couple years have shown, that approaching e-commerce solely by starting an e-store on a company portal, offering the same collection as in traditional stores, doesn't bring much added value and in most cases ends up as a disappointment. Bearing all that in mind, and still considering e-commerce to be the future of our business, which we want to be a part of, we have decided to do something quite unconventional – to join forces with an undisputed leader of Polish Internet footwear market. The transaction of acquiring 74,99% of shares of eobuwie.pl SA was agreed upon in the summer of 2015 and finalized in January 2016. This new addition brings to our group not only huge experience in e-commerce, but also in a wider footwear market – as the company has been trading branded shoes from middle and upper market segments and has a big customer base, that hasn't probably been too familiar with CCC Group so far.

Today, looking back with pride at the achievements of the last few years, we aren't thinking about being complacent. In the years 2016-2017 we want to achieve more milestones in our group's history. First of all, we are about to close the most dynamic chapter of our growth in the CEE region, mostly in the developed markets where we've been present for years now. We also selectively keep adding new markets that we deem compatible with our business model – this year it's going to be Serbia, Lithuania and Estonia. Another target we want to achieve in the years to come is breaking even by our operations in Germany and Austria. It turns out to be a much bigger challenge than we anticipated in the beginning, but after a few years of working in those markets we can clearly see that it's well within our reach. And finally the last, but not the least important of our current challenges is connected with our new distribution channel. It is our ambition to make eobuwie.pl SA achieve during the next two years the same position in the region that the traditional part of CCC Group has – an undisputed leader of the footwear retail market. The dynamic growth in one region's country after another, together with a deliberate marketing campaign and consistent appliance of synergies in the capital group – these are the keys to success in this area.

In the end, I would like to express my heartfelt gratitude to everybody, who has contributed to our group's success – our shareholders, employees, customers and business partners. There are new challenges ahead of us, which also means more milestones and records to beat.