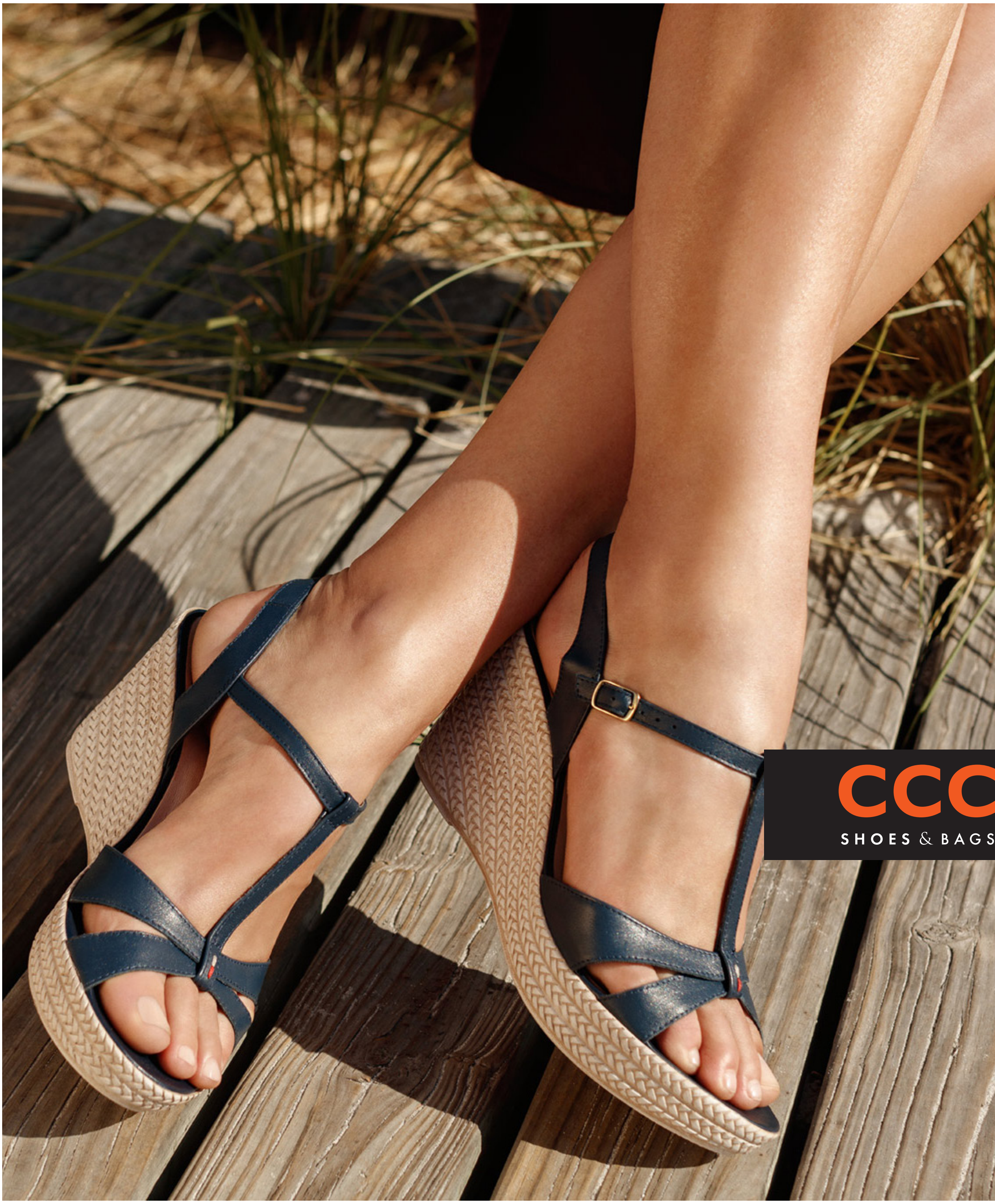
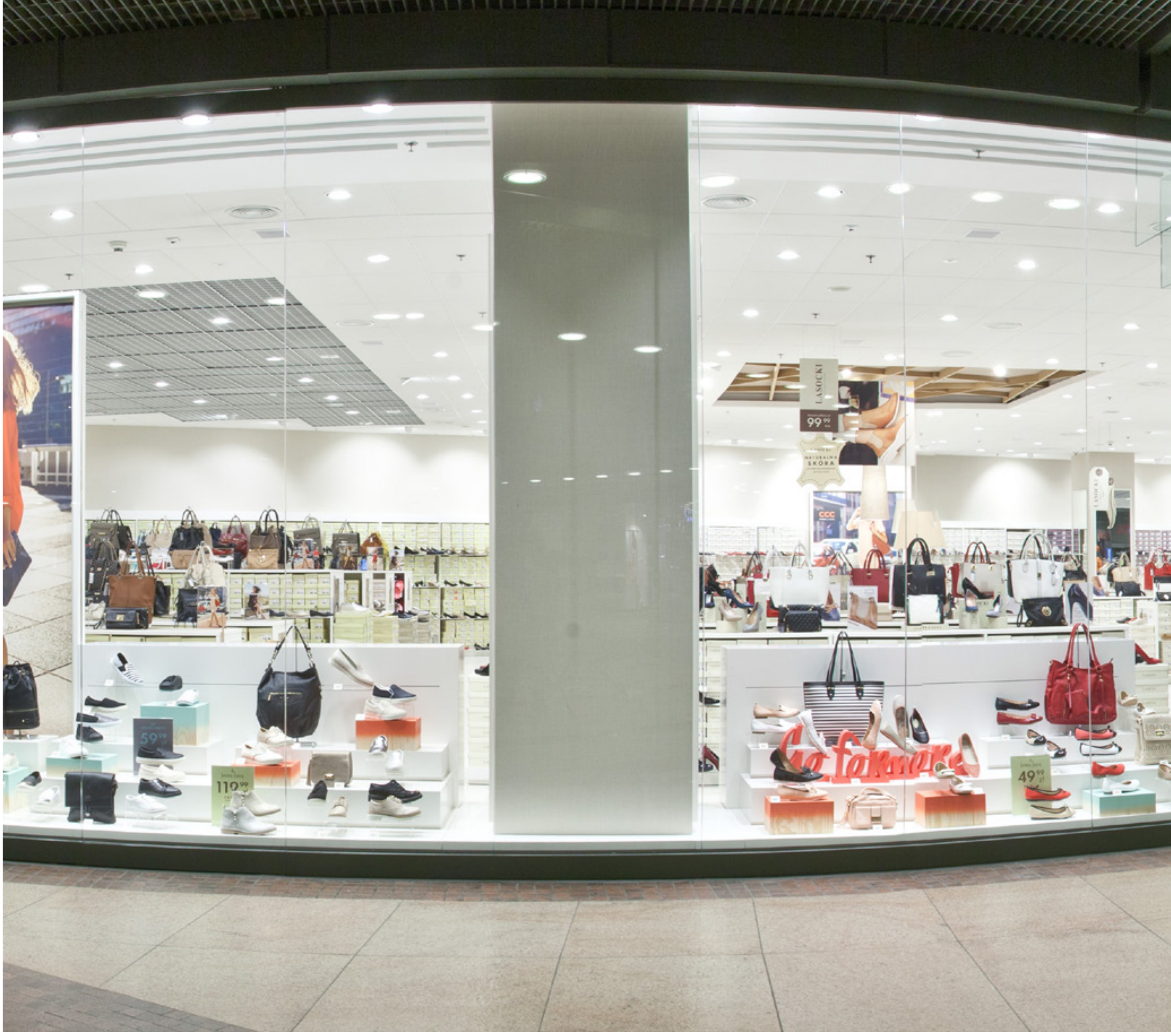
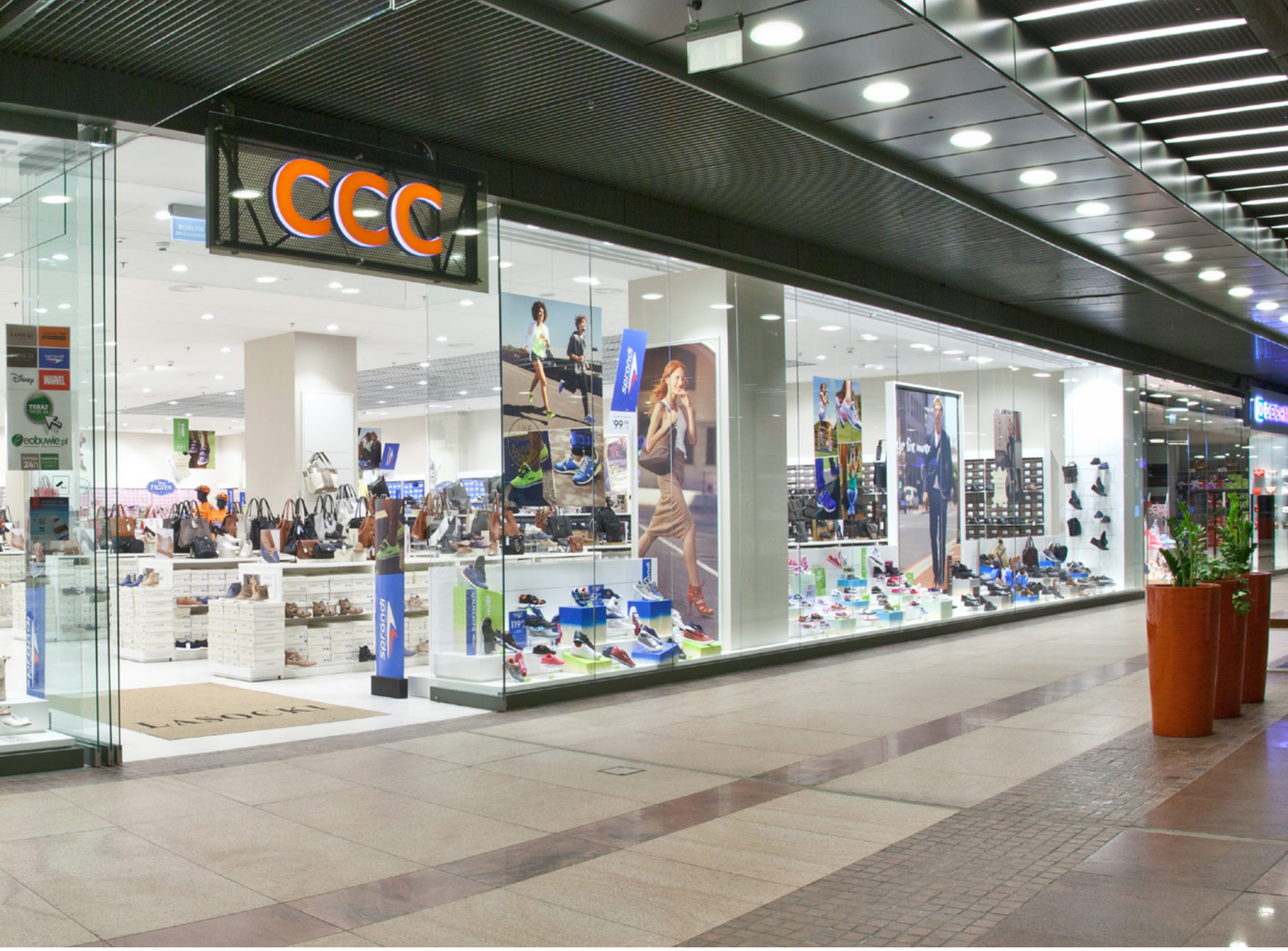
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF CAPITAL GROUP

FOR THE PERIOD 01.01 – 30.06.2016



CCC
SHOES & BAGS


LASOCKI
99,99
NATURALNA SKÓRA
CCC



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INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

NOTE		01.2016 - 06.2016	01.2015 - 06.2015	04.2016 - 06.2016	04.2015 - 06.2015
	Sales revenue	1 394,6	1 039,9	864,9	607,6
3.1	Cost of goods sold	(660,8)	(474,8)	(397,8)	(293,0)
	GROSS PROFIT ON SALE	733,8	565,1	467,1	314,6
	Gross margin	53%	54%	54%	52%
3.1	Cost of operating stores	(426,5)	(349,2)	(222,8)	(178,9)
3.1	Other cost of sale	(138,6)	(72,6)	(81,0)	(23,8)
3.1	Administrative expenses	(53,8)	(39,7)	(36,3)	(29,0)
3.1	Other cost and operating revenue	15,9	2,2	11,0	9,2
	Profit on operating activity	130,8	105,8	138,0	92,1
3.1	Finance revenue	8,6	0,7	10,6	2,8
3.1	Finance cost	(14,1)	(13,7)	(6,2)	(6,8)
	Profit before tax	125,3	92,8	142,4	88,1
3.2	Income tax	(12,0)	18,7	(8,4)	13,2
	NET PROFIT	113,3	111,5	134,0	101,3
	Attributable to shareholders of the parent company	100,7	111,5	131,6	101,3
	Attributable to non-controlling share	12,6	—	2,4	—
	Other comprehensive income				
	Attributable to be reclassified to profit - exchange rate differences upon conversion of Statements of foreign entities	(4,4)	(0,6)	(0,5)	(2,1)
	Non-attributable to be reclassified to result - other	—	—	—	—
	Total net comprehensive income	(4,4)	(0,6)	(0,5)	(2,1)
	TOTAL COMPREHENSIVE INCOME	108,9	110,9	133,5	99,2
	Weighted average number of ordinary shares (mln pcs)	38,4	38,4	38,4	38,4
	Basic earnings per share (in PLN)	2,95	2,90	3,48	2,63
	Diluted earnings per share (in PLN)	2,91	—	2,86	—

i MORE INFORMATION IN THE SECTION **2.1.1.1.** IN THE STATEMENT ON THE OPERATIONS OF THE GROUP

[in mln PLN unless otherwise stated]

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

NOTE		01.01.2016 – 30.06.2016	01.01.2015 – 30.06.2015
	Profit before tax	125,3	92,9
3.1	Amortization and depreciation	29,2	30,5
	Loss on investment activity	(0,9)	(6,2)
4.2	Cost of borrowings	9,3	8,5
4.4	Other adjustments to profit before tax	31,4	4,6
	Non-controlling interest	3,7	—
3.2	Income tax paid	(23,4)	(38,0)
	Cash flow before changes in working capital	174,6	92,3
	Changes in working capital	—	—
5.3	Change in inventory and inventory write-downs	(115,2)	(7,4)
4.4	Change in receivables	(16,4)	27,3
4.4	Change in current liabilities, excluding borrowings	(16,9)	(94,7)
	Net cash flows from operating activities	26,1	17,5
	Proceeds from the sale of tangible fixed assets	4,8	11,4
	Repayment of loans granted and interest	—	0,8
5.2, 5.1	Purchase of intangible and tangible fixed assets	(76,4)	(56,7)
	Loans granted	(0,1)	(0,1)
	Purchase of investment in eobuwie.pl S.A.	(222,5)	—
	Net cash flows from investing activities	(294,2)	(44,6)
4.2	Proceeds from borrowings	253,4	135,8
4.2	Issue of bonds	—	—
4.1	Dividends and other payments to owners	—	—
4.2	Repayment of borrowings	(62,3)	(125,6)
4.2	Interest paid	(9,3)	(8,5)
	Net cash flows on financial activities	181,8	1,7
	TOTAL CASH FLOWS	(86,3)	(25,4)
	Net increase/decrease of cash and cash equivalents	(86,3)	(25,4)
	Exchange rate changes on cash and cash equivalents	—	—
	Cash and cash equivalents at beginning of the period	340,6	161,9
	Cash and cash equivalents at the end of the period	254,3	136,5

[in mln PLN unless otherwise stated]

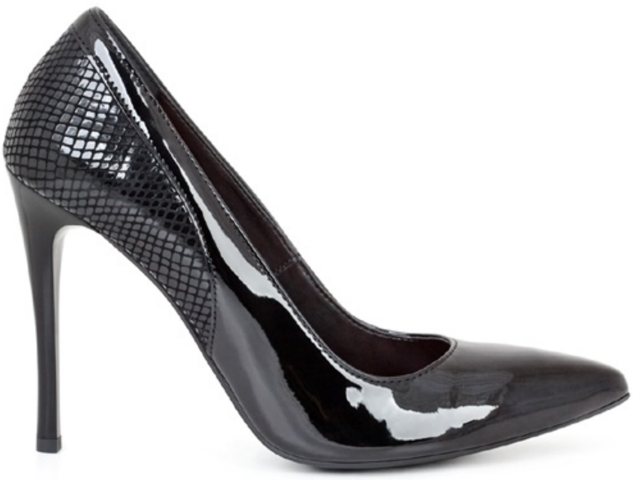
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOTE		30.06.2016	31.12.2015
5.1	Intangible assets	7,5	5,9
6.2	Goodwill	210,5	—
5.2	Tangible fixed assets - investments in stores	327,6	307,0
5.2	Tangible fixed assets – factory and distribution	255,6	227,3
5.2	Tangible fixed assets – other	58,3	57,6
3.3	Deferred tax assets	312,8	312,5
5.4	Loans granted	—	10,0
	Fixed assets	1 172,3	920,3
5.3	Inventories	842,1	680,5
5.4	Trade receivables	93,4	51,3
3.3	Income tax receivables	18,0	6,8
5.4	Loans granted	15,1	18,0
5.4	Other receivables	38,2	54,5
5.5	Cash and cash equivalents	254,3	340,6
	Current assets	1 261,1	1 151,7
	TOTAL ASSETS	2 433,4	2 072,0
4.2	Debt liabilities	366,0	296,0
3.3	Deferred tax liabilities	1,5	6,4
5.7	Provisions	6,7	6,5
5.2	Grants received	24,8	26,1
	Total non-current liabilities	399,0	335,0
4.2	Debt liabilities	562,5	422,8
5.6	Trade liabilities	91,2	78,1
5.6	Other liabilities	181,0	100,4
6.2	Liabilities due to acquisition of own shares	225,9	—
3.3	Income tax liabilities	10,0	5,4
5.7	Provisions	8,0	4,1
5.2	Grants received	4,8	2,6
	Current liabilities	1 083,4	613,4
	TOTAL LIABILITIES	1 482,4	948,4
	NET ASSETS	951,0	1 123,6
	EQUITY		
4.2	Share capital and share premium	78,4	78,4
	Exchange rate differences upon conversion of foreign entities	(6,4)	(2,0)
4.2	Retained earnings	866,4	1 047,2
	Non-controlling shares	12,6	—
	TOTAL EQUITY	951,0	1 123,6

[in mln PLN unless otherwise stated]

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL AND SHARE PREMIUM	RETAINED EARNINGS	NON-CONTROLLING INTEREST	EXCHANGE RATE DIFFERENCES UPON CONVERSION OF FOREIGN ENTITIES	TOTAL EQUITY
As of 01.01.2015	78,4	876,2	—	(2,4)	952,2
Net profit for the period	—	259,5	—	—	259,5
Exchange rate differences from translation	—	—	—	0,4	0,4
Total comprehensive income	—	259,5	—	0,4	259,9
Declared dividend	—	(115,2)	—	—	(115,2)
Valuation of employee option scheme	—	26,7	—	—	26,7
Total transactions with owners	—	(88,5)	—	—	(88,5)
Non-controlling shares	—	—	—	—	—
Additional contributions of co-partners	—	—	—	—	—
As of 31.12.2015 (01.01.2016)	78,4	1 047,2	—	(2,0)	1 123,6
Net profit for the period	—	113,3	—	—	113,3
Exchange rate differences from translation	—	—	—	(4,4)	(4,4)
Total comprehensive income	—	113,3	—	(4,4)	108,9
Declared dividend	—	(86,0)	—	—	(86,0)
Valuation of employee option scheme	—	14,5	—	—	14,5
Total transactions with owners	—	—	—	—	—
Non-controlling shares	—	—	12,6	—	12,6
Commitment to acquire its own shares of eobuwie.pl S.A.	—	(222,6)	—	—	(222,6)
As of 30.06.2016 (01.07.2016)	78,4	866,4	12,6	(6,4)	951,0



NOTES

1. GENERAL INFORMATION

Name of the company:	CCC Spółka Akcyjna
Headquarters:	ul. Strefowa 6, 59-101 Polkowice
Registration:	District Court for Wrocław-Fabryczna in Wrocław, IX Commercial Division of the National Court Register,
KRS:	0000211692
Corporate purpose:	The Company's primary corporate purpose according to the European Classification of Economic Activities is wholesale and retail trade of clothing and footwear (ECEA 5142).

The Company CCC S.A. (the parent entity in the Capital Group CCC S.A. (hereinafter: Parent Entity) has been listed on the Warsaw Stock Exchange S.A. in Warsaw since 2004.

This interim condensed consolidated financial statements has been prepared in accordance with IAS 34 „Interim Financial Statementing". This statement does not include all information and disclosures required in the annual financial statements and should be read together with the financial statements for the period 01.01.2015 - 31.12.2015, which was prepared in accordance with International Financial Statementing Standards as adopted by the European Union.

Items included in the financial statements of each Group's entities are measured using the currency of the primary economic environment in which the entity operates („the functional currency"). The consolidated condensed financial statements are presented in PLN, which is the functional and presentation currency of the Group. The financial statements have been prepared under the historical cost.

The most important accounting principles applied in the preparation of these financial statements are presented in the context of successive individual notes. These principles were applied in all presented years in a continuous manner. The list of the most important accounting policies and estimates and judgments for each item of Statements on financial results and financial position are presented below:

[in mln PLN unless otherwise stated]

NOTE	TITLE	ACCOUNTING POLICIES (Y/N)	CRITICAL ESTIMATES AND JUDGEMENTS (Y/N)	PAGE
2	Sales revenue	Y		13
3.1	Cost of goods sold	Y		19
3.1	Cost of operating stores	Y		19
3.1	Other cost of sale	Y		19
3.1	Administrative expenses	Y		19
3.1	Operating leasing	Y		21
3.2	Other operating and finance costs and revenues	Y		22
3.3	Income tax	Y		23
3.3	Deferred tax assets	Y	Y	27
3.3	Income tax liabilities	Y		27
4.2	Equity	Y	Y	29
4.2	Debt liabilities	Y		30
4.3	Liquidity management	N		32
4.4	Additional information to CF	N		33
5.1	Intangible assets	Y	Y	34
5.2	Tangible fixed assets	Y		35
5.2	Grants received	Y		35
5.3	Inventories	Y		38
5.4	Loans granted	Y		39
5.4	Trade receivables	Y		39
5.4	Other receivables	Y		39
5.5	Cash and cash equivalents	Y		40
5.6	Trade liabilities	Y		41
5.6	Other liabilities	Y		42
5.7	Provisions	Y		43
6.1	Financial instruments	Y		44
6.2	Purchase of eobuwie.pl S.A.	N		48
6.4	Costs of the incentive scheme	Y		52

[in mln PLN unless otherwise stated]

APPLIED NEW AND REVISED ACCOUNTING STANDARDS:

In these financial statements, the following new and amended standards and interpretations were applied, which came into force on 1 January 2016:

STANDARD	DESCRIPTION OF THE CHANGE
IAS 16 "Property, Plant and Equipment", IAS 38 "Intangible assets"	Clarification of Acceptable Methods of Depreciation and Amortization
IFRS 11 "Joint arrangements"	Accounting for interests in joint operations
IAS 27 "Consolidated and Separate Financial Statements"	Equity method in separate financial statements
IAS 1 " Presentation of Financial Statements	The initiative on disclosures in the financial statements
Changes related to standards "Annual improvements to IFRS (a cycle 2010-2012)"	Introduced main amendments to definitions and drawbacks (IAS 16, IAS 24, IAS 38, IFRS 2, IFRS 3, IFRS 8, IFRS 13)
Changes related to standards "Annual improvements to IFRS (a cycle 2012-2014)"	Introduced main amendments to definitions and drawbacks (IAS 19, IAS 34, IFRS 5, IFRS 7)

The above changes had no material impact on the Company's financial statements.

[in mln PLN unless otherwise stated]

PUBLISHED STANDARDS AND INTERPRETATIONS THAT ARE NOT EFFECTIVE YET AND HAD NOT BEEN EARLY ADOPTED BY THE GROUP

In these financial statements, the Group did not decide to use earlier any of the published standards, interpretations and amendments to existing standards before their effective date.

The Group analyzed the impact of all these above-mentioned, unapplied earlier standards with particular emphasis on the following new standards:

STANDARD	MAIN CHANGES AND EFFECTIVE DATE
IFRS 9 „Financial Instruments"	The standard introduces one model with only two classifications of financial assets: measured at fair value and subsequently measured at amortized cost. The classification is made on initial recognition and depends on the entity's financial instrument business model and the contractual cash flows characteristics of these instruments. IFRS 9 introduces a new model for the setting of write-downs - model of expected credit losses. Effective date: 1 January 2018.
IFRS 15 „Revenue from Contracts with Customers"	The principles set out in IFRS 15 will apply to all contracts resulting in revenues. The fundamental principle of the new standard is to recognize revenue at the time of transfer of goods or services to the client, in the amount of the transaction price. Any goods or services sold in packages that can be distinguished within the package, should be recognized separately, moreover, any discounts and rebates regarding transaction prices must in principle be allocated to the various elements of the package. Effective date: 1 January 2018.
IFRS 16 „Leasing"	The new standard establishes rules for the recognition, measurement, presentation and disclosures relating to the leasing. All leasing transactions result in obtaining the lessee's right to use the assets and liabilities arising from the obligation to pay. Thus, IFRS 16 removes the classification of operating leases and finance leases in accordance with IAS 17 and introduces one model for the accounting for leases by the lessee. Effective date: 1 January 2019.

Other published changes and new standards not listed in the table above have no material impact on the Group.

Based on the analysis made, in the opinion of the Management Board, IFRS 16 Leasing may have a significant impact on the financial statements of the Group. Within the activity described in the segment of „distribution activities", the Group rents premises, in which it sells its own goods. Rent is now recognized in the financial statements of the Group as operating lease. According to the rules introduced by IFRS 16, the Group will have to recognize assets and liabilities arising from contracts of this type in the statement of financial position. Future minimum payments under operating lease is described in note 3.1. After application of IFRS 16, the Group expects a significant increase in the value of assets and lease liabilities in the statement of financial position of the Group. Future minimum lease payments is a rough estimate of how much the liability would increase, if the standard was adopted at the balance sheet date. Recognized assets and liabilities will be accounted differently from the settlement under the operating lease.

Currently, lease payments are settled linearly. It is expected that the assets of the lease will also be settled linearly, while liabilities will be settled by effective interest rate, which will increase the liabilities in the period after the conclusion or modification of the lease agreement and its reduction within the course of time.

The Management Board has not made a detailed assessment or simulation on the balance sheet date, and plans to conduct relevant analyses in the years 2017-2018.

The Group expects that the only significant impact associated with the implementation of IFRS 9 may be a need to create provisions for a model of expected losses. It is expected that this will have an impact on the opening balance and the balances of write-downs, but this will have little effect on the value of the write-offs recognized. The Management Board plans to conduct appropriate analysis of the impact of this standard on the Group in 2016-2017.

In case of IFRS 15, the majority of the Company's sales it is a retail sale (of individual products) and service activities, and therefore the Company does not expect many significant changes. The Management Board plans to conduct appropriate analysis of the impact of this standard on the Company in 2016-2017.

VALUATION OF ITEMS DENOMINATED IN FOREIGN CURRENCIES

The consolidated financial statements are presented in PLN, which is the functional currency of the Parent Entity and the presentation currency for the consolidated financial statements of the Group.

Gains and losses from exchange rate differences relating to debt and cash and cash equivalents are recognized in the income statement under „financial income or expense." All other gains or losses on foreign exchange differences are recognized in the income statement under „other operating income and other operating expenses" expressed in the net amount.

The results and the financial position of all entities of the Group, whose functional currency are different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities in each presented statement of financial position are translated at the closing rate at the balance sheet date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the dates of the transactions - in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income and cumulatively as a separate component of equity.

When selling the entity operating abroad (including partial disposal), such exchange differences are recognized in profit or loss as a part of the gain or loss on sale.

2. SEGMENTS

The financial data prepared for management Statementing purposes are based on the same accounting policies as used in the preparation of the consolidated financial statements.

ACCOUNTING POLICY

The sales revenues recognize revenues from sales of goods, products and sublease services achieved in the normal course of business. Revenue from sales is recognized at the fair value received or receivable for the sale of goods and services in the ordinary course of business of the Group. Revenue is shown after the deduction of value-added tax, returns, rebates and discounts and also after eliminating sales within the Group.

Revenues from sales of goods and products - wholesale

The Group sells footwear handbags, shoe care products, small leather goods and clothing in the wholesale domestic market and foreign market. In the domestic market sales are made on the basis of franchise concluded agreements. Revenue from sales is recognized at the time the contractor is transferred the significant risks and benefits related to the ownership of the goods.
The Group has all the risks associated with product obsolescence and after-sales service for the retail customer, i.e. the Group is obliged to cover the costs incurred in this connection and receive the goods coming from the complaints handling. Principles of creating provisions for warranty repairs are presented in Note 5.7.

Revenues from sales of goods and products - retail sale

The Group sells footwear, handbags, shoe care products, clothing fancy goods through a network of its own stores located throughout the country. Revenue from sales is recognized upon delivery of the goods to the customer in the store. Retail sale is conducted mainly in cash or by payment cards. The Group applies a policy of return of goods by the customer within 7 days from the date of purchase. In order to estimate the size of returns and the creation of a provisions, the previous experience is applied. Principles of creating provisions for warranty repairs are presented in Note 5.7.

Revenues from sales of goods – e-commerce sale

The Group sells shoes, handbags, shoe care products, clothing fanvy goods via shop online running on the local and foreign markets. Revenue from sales is recognized when the invoice (receipt) is issued, or upon receipt of payment - depending on which of the events occurred first. In order to estimate the size of returns and to create a reserve for this a previous experience is applied here. Principles of creating reserves for warranty repairs are presented in Note 5.7.

Revenue from premises sublease services

The Group is a party to the lease agreements and sublease of premises used to conduct retail business. Sublease agreements are concluded with business partners cooperating with the Group on the basis of franchise agreements. Therefore, the Group makes re-invoicing of lease costs for a contractor running business in a given location. In the consolidated financial statements, the Group presents the margin, it is the value of revenues less the costs associated with the title of revenue. Revenue from sublease services is recognized for the period to which lease or sublease applies.

Operating segments are presented in a manner consistent with internal Statementing submitted to the chief operating decision-maker, on the basis of which he shall evaluate the results and decide on the allocation of resources. The main operating decision-maker is the board of the parent entity.

The Management Board verifies Group's performance from the geographical and product perspective:

- from a geographical perspective, the Management Board analyses the activities in Poland, the European Union and other countries;
- from the perspective of product, the Management Board examines the wholesale and retail activities in each of these geographic areas.

The Group identifies the following operating and Statementing segments:

STATEMENTING SEGMENT	DESCRIPTION OF THE STATEMENTING SEGMENT AND USED MEASURES OF THE RESULT	PREMISES OF AGGREGATION OF OPERATING SEGMENTS INTO STATEMENTING SEGMENTS, INCLUDING ECONOMIC CIRCUMSTANCES TAKEN INTO ACCOUNT IN ASSESSING THE SIMILARITY OF THE ECONOMIC CHARACTERISTICS OF THE OPERATING SEGMENTS
Distribution activities - retail in Poland, the stores operate in the chain: CCC, Lasocki, BOTI.	Each own individual store operating in the said country constitutes the operating segment.	The financial information was aggregated in total for the chain CCC, BOTI, LASOCKI by geographic markets due to: • Similarity of long-term average gross margins, • Similar nature of the goods (such as footwear, handbags, shoe care accessories, clothing accessories), • Similar way of distributing the goods, • Similar categories of customers (sale made in own facilities and directed to retail customers)
Distribution activities - retail in the European Union - Central and Eastern Europe (Czech Republic, Slovakia, Hungary, Croatia, Slovenia, Bulgaria) Stores operate exclusively in the CCC network.	Stores sell footwear handbags shoe care products, clothing fancy goods in their own facilities, within the chain: CCC, BOTI LASOCKI.	
Distribution activities - retail in the European Union - Western Europe (Austria, Germany) Stores operate exclusively in the chain CCC.	Measures of the result is the gross sales profit calculated in relation to the external sales and the segment's operating profit being the difference between the sales, cost of goods sold, direct selling costs relating to the operations of the retail chain (stores operating costs) and the cost of organizational units supporting the sale.	
Distribution activities - retail in other countries (Turkey).		
Stores operate exclusively in the chain CCC.		
Distribution activities – e-commerce	The whole activity is carried out by eobuwie.pl S.A. dealing with the distribution of goods via the Internet. The company sells shoes, handbags, shoe care products, clothing fancy goods, etc. to domestic and foreign retail recipients. Measurement of the result is the gross sales profit calculated in relation to the external sales and the segment's operating result being the difference between the sales, cost of goods sold and direct costs of sales relating to the functioning of the sales channel (such as logistics costs).	
Distribution activities – wholesale	The whole activity is carried out by CCC.eu dealing with the distribution of goods to the companies Group. The company sells footwear, handbags, shoe care products, clothing fancy goods to domestic and foreign franchisees and other wholesale customers. Measures of result is the gross sales profit calculated in relation to the external sales and the segment's operating profit being the difference between the sales, cost of goods sold and direct selling costs relating to the operation of the distribution network (including logistics costs).	
Manufacturing activities	Manufacturing of leather shoes for women is carried out in Poland. Measures of result is the result of operating segment being the difference between the sales, cost of sales of products and direct costs of sales.	

i MORE INFORMATION IN SECTION **1.3** (BUSINESS MODEL) IN THE STATEMENT ON THE OPERATIONS OF THE GROUP

i MORE INFORMATION IN THE STATEMENT ON THE OPERATIONS OF THE GROUP

[in mln PLN unless otherwise stated]

01.2016-06.2016	DISTRIBUTION ACTIVITY						MANUFACTURING ACTIVITY
	RETAIL				E-COMMERCE	WHOLESALE	
	POLAND	UE – EUROPE CENTRAL-EAST	UE – WEST EUROPE	OTHER COUNTRIES			
Total sales revenue	767,1	307,8	129,6	5,2	109,3	894,2	144,4
Revenues from sales to other segments	—	—	—	—	—	(818,9)	(144,1)
Revenues from sales from external customers	767,1	307,8	129,6	5,2	109,3	75,3	0,3
Gross profit from sale	395,6	182,4	81,5	1,4	47,5	25,4	—
Gross margin (gross profit on sales/revenues from sales to external customers)	51,6%	59,3%	62,9%	26,9%	43,5%	nd	nd
PROFIT OF SEGMENT	134,8	34,2	(35,9)	(2,3)	21,6	16,3	—
ASSETS OF SEGMENTS:							
Fixed assets except deferred tax asset and goodwill	313,3	127,8	75,2	1,0	32,5	11,1	93,0
Deferred tax assets	5,3	—	—	—	0,7	5,9	7,0
Inventories	130,6	116,8	59,3	0,5	65,8	432,1	46,5
Outlays on tangible fixed assets and intangibles	313,3	127,8	75,2	1,0	32,5	11,1	93,0
Significant revenue/costs:							
Amortisation and depreciation	(10,7)	(7,3)	(5,1)	(0,2)	—	(0,9)	(0,3)
Write-downs on losses for tangible fixed assets and intangibles	2,4	—	—	1,0	—	—	—

01.2015-06.2015	DISTRIBUTION ACTIVITY						MANUFACTURING ACTIVITY
	RETAIL				E-COMMERCE	WHOLESALE	
	POLAND	UE – EUROPE CENTRAL-EAST	UE – WEST EUROPE	OTHER COUNTRIES			
Total sales revenue	681,3	232,7	78,6	3,2	—	665,5	151,1
Revenues from sales to other segments	—	—	—	—	—	(621,5)	(151,0)
Revenues from sales from external customers	681,3	232,7	78,6	3,2	—	44,0	0,1
Gross profit from sale	359,1	136,1	49,9	1,9	—	18,1	—
Gross margin (gross profit on sales/revenues from sales to external customers)	52,7%	58,5%	63,5%	59,4%	—	nd	nd
PROFIT OF SEGMENT	124,0	27,9	(21,8)	(1,2)	—	14,4	—
ASSETS OF SEGMENTS:							
Fixed assets except deferred tax asset and goodwill	301,9	101,9	51,6	1,4	—	8,2	95,8
Deferred tax assets	5,8	—	—	—	—	6,2	11,9
Inventories	167,8	89,4	35,7	5,8	—	470,2	37,8
Outlays on tangible fixed assets and intangibles	301,9	101,9	51,6	1,4	—	8,2	95,8
Significant revenue/costs:							
Amortisation and depreciation	10,9	5,6	3,5	0,2	—	0,9	1,6
Write-downs on losses for tangible fixed assets and intangibles	—	—	—	—	—	—	—

[in mln PLN unless otherwise stated]

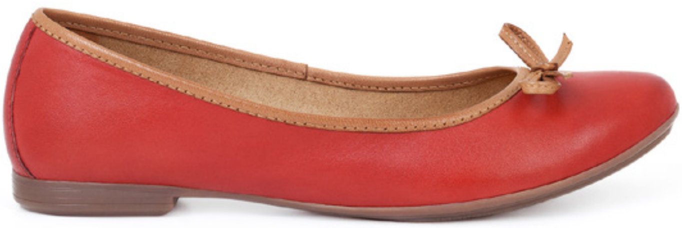
Reconciliation of data relating to the segments of the consolidated financial statements are presented below:

	01.2016-06.2016			01.2015-06.2015		
	AGGREGATED DATA OF SEGMENTS	CONSO-LIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENTS	AGGREGATED DATA OF SEGMENTS	CONSO-LIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENTS
Total sales revenue	2 357,6	(963,0)	1 394,6	1 812,4	(772,5)	1 039,9
Revenues from the sale unallocated to segment	—	—	—	—	—	—
Sales revenues in the financial statements	—	—	1 394,6	—	—	1 039,9
Cost of sales of goods in the financial statements	—	—	(660,8)	—	—	(474,8)
Gross profit on sales	733,8	—	733,8	565,1	—	565,1
Cost of sales for the activities of segments	(565,1)	—	(565,1)	(421,8)	—	(421,8)
Result of segment	168,7	—	168,7	143,3	—	143,3
Unallocated cost of sales	—	—	—	—	—	—
General and administrative expenses	—	—	(53,8)	—	—	(39,7)
Other operating income and expenses	—	—	15,9	—	—	2,2
Finance income	—	—	8,6	—	—	0,7
Finance costs	—	—	(14,1)	—	—	(13,7)
Profit before tax	168,7	—	125,3	143,3	—	92,8
ASSETS OF SEGMENTS:						
Fixed assets (except deferred tax asset)	653,9	(4,9)	649,0	560,8	(4,6)	556,2
Deferred tax assets	18,9	293,9	312,8	23,9	268,4	292,3
Inventories	851,6	(9,5)	842,1	806,7	(58,0)	748,7
Outlays on tangible fixed assets and intangibles	653,9	(4,9)	649,0	560,8	(4,6)	556,2
Significant revenue/costs:						
Amortisation and depreciation	(24,5)	(4,7)	(29,2)	22,6	7,9	30,5
Write-downs on losses for tangible fixed assets and intangibles	3,4	—	3,4	1,8	—	1,8

[in mln PLN unless otherwise stated]

	SALES REVENUE		FIXED ASSETS (EXCEPT FINANCIAL INSTRUMENTS AND DEFERRED TAX)	
	01.2016-06.2016	01.2015-06.2015	30.06.2016	30.06.2015
Poland	767,4	685,0	413,6	401,2
Czech Republic	114,5	90,8	47,0	41,6
Hungary	77,8	63,2	35,4	30,2
Germany	85,5	45,9	51,2	32,7
Slovakia	68,2	52,9	18,8	13,9
Austria	44,1	32,7	24,0	18,9
Romania	41,3	25,5	—	—
Croatia	24,7	12,7	15,3	7,5
Slovenia	13,8	10,8	6,1	5,1
Other	48,0	20,4	5,1	5,1
E-commerce	109,3	—	32,5	—
Total	1 394,6	1 039,9	649,0	556,2
Deferred tax			312,8	292,3
Total assets			961,8	848,5

i E INFORMATION IN THE SECTION **2.1.1.1** (REVENUES, COGS AND GROSS PROFIT) + **2.1.1.2** (TANGIBLE ASSETS) IN THE STATEMENT OF THE OPERATIONS OF THE GROUP



3. THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND OTHER COMPREHENSIVE INCOME

3.1 COSTS BY NATURE

ACCOUNTING POLICY

Cost of goods sold

As the cost of goods sold the Group recognizes:
- purchase value of goods sold
- value of packages expended for sale
- cost of a provision concerning complaints (note 5.7)
- the value of finished goods sold
- impairments for inventories
- cost of sublease services (cost of the fees under operating lease of premises that are the subject of sublease)
- impairment losses of fixed assets and intangible assets used in the production of products or provision of services (depreciation of production machines).

i MORE INFORMATION IN SECTION **2.1.1.1** (COSTS OF OPERATING STORES) IN THE STATEMENT ON THE OPERATIONS OF THE GROUP

Cost of operating stores

Cost of operating stores includes the cost of maintenance of stores and other retail outlets. This item includes mainly:
- cost of the fees in operating lease of premises in which stores are run
- remuneration costs of employees employed in stores
- amortisation of tangible fixed assets (investments in stores)
- cost of external services (inter alia, the costs of the agent's remuneration, costs of media consumption)

Other cost of sale

Other cost of sale includes cost of sale not directly related to the maintenance of stores, relating to organizational units supporting the sale. This item includes mainly:
- remuneration costs of employees of organizational units supporting sale
- amortisation of tangible fixed assets
- cost of external services
- other flat costs
- impairment losses on receivables from supplies and services.

Administrative expenses

Administrative expenses include expenses related to managing the general operations of the Group (general-administrative expenses) and general expenses of the Group.

Operating lease

Leasing, in which a significant portion of the risks and benefits under the ownership are retained by the lessor, constitutes an operating lease. Operating lease mainly concerns the lease of retail space in which the sale of retail goods is made.
Payments made under operating lease are recognized in the income statement by a linear method over the period of the lease agreement.
Discounts received by the lessor are recognized in the financial statement in the same way as an integral part of the total lease payments.
These costs are recognized in the statement of comprehensive income in „Costs of operating stores" or „Other cost of goods sold".

Other income and operating cost

Other operating income and costs include income and costs from non-core operating business activities of the units, for example, profit or loss on disposal of tangible fixed assets, penalties and fines, donations, etc.

Income and financial cost

Financial income and cost resulting from financial activity of the Group include interest, commissions and profit or loss on exchange rates.

i MORE INFORMATION IN NOTE **5.7**

[in mln PLN unless otherwise stated]

NOTE	01.01.2016 – 30.06.2016	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
	Cost of purchase of goods sold	(526,5)	—	—	—	(526,5)
	Consumption of materials and energy	(113,4)	(17,5)	(9,8)	(2,2)	(142,9)
5.3	Write-downs for inventories	—	(1,2)	—	—	(1,2)
	Remunerations	(14,0)	(125,4)	(17,7)	(12,2)	(169,3)
6.4	Costs of the incentive scheme	—	—	—	(14,6)	(14,6)
	Costs of employees' benefits	(4,3)	(36,1)	(4,7)	(3,0)	(48,1)
	Agency services	—	(21,1)	(0,3)	—	(21,4)
	Transportation services	(0,9)	—	(31,7)	—	(32,6)
	Lease costs	—	(179,8)	(1,0)	(0,3)	(181,1)
	Other outsourcing services	(0,6)	(19,9)	(48,9)	(13,2)	(82,6)
5.2	Amortization and depreciation	(1,4)	(22,0)	(0,6)	(4,3)	(28,3)
	Taxes and fees	(0,6)	(0,9)	(1,3)	(1,9)	(4,7)
	Other flat costs	(0,2)	(2,6)	(22,6)	(2,1)	(27,5)
	Change in products and production in progress	1,1	—	—	—	1,1
	Total	(660,8)	(426,5)	(138,6)	(53,8)	(1 279,7)

The amount of cost of goods sold of the manufacturing company amounted in the first half of 2016 to 134.6 million PLN (first half of 2015 -116.8).

NOTE	01.01.2015 - 30.06.2015	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
	Cost of purchase of goods sold	(358,1)	—	—	—	(358,1)
	Consumption of materials and energy	(96,6)	(15,8)	(8,5)	(1,9)	(122,8)
5.3	Write-downs for inventories	—	(0,1)	—	—	(0,1)
	Remunerations	(13,5)	(101,3)	(11,1)	(10,8)	(136,7)
6.4	Costs of the incentive scheme	—	—	—	(7,9)	(7,9)
	Costs of employees' benefits	(4,2)	(27,8)	(2,7)	(2,8)	(37,5)
	Agency services	—	(17,0)	—	—	(17,0)
	Transportation services	(0,7)	(10,4)	(12,0)	—	(23,1)
	Lease costs	—	(139,6)	(3,5)	(0,1)	(143,2)
	Other outsourcing services	(0,6)	(16,3)	(21,5)	(7,6)	(46,0)
5.2	Amortization and depreciation	(1,2)	(17,8)	(0,7)	(3,8)	(23,5)
	Taxes and fees	(0,1)	(0,6)	(0,7)	(2,5)	(3,9)
	Other flat costs	—	(2,5)	(11,9)	(2,3)	(16,7)
	Change in products and production in progress	0,2	—	—	—	0,2
	Total	(474,8)	(349,2)	(72,6)	(39,7)	(936,3)

[in mln PLN unless otherwise stated]

OPERATING LEASE

The Group uses the following assets under the contracts that are classified as operating lease: premises, where it operates a commercial activity and other assets.

Expected minimum payments under operating lease contracts with no possibility of early termination as of 30 June 2016 and 31 December 2015 are as follows:

	RENTS	
	30.06.2016	31.12.2015
- up to 1 year	243,0	245,0
- from 1 to 5 years	971,0	980,0
- over 5 years	486,0	490,0
Total	1 699,0	1 715,0

The Group has the agreements with banks pursuant to which banks issued guarantees to entities renting premises in which the Group conducts commercial activities. The total amount of guarantees utilized at 30 June 2016 amounted to 71.9 million PLN (68.4 million PLN at 31 December 2015).

The Group is also a party to sublease agreements on the basis of operating lease. Revenues from sub-leasing fees on the basis of operating lease for the period of 6 months in 2016 amounted to 7.0 million PLN (for the period of 12 months in 2015 amounted to 13.1 million PLN).

[in mln PLN unless otherwise stated]

3.2 OTHER INCOME AND OPERATING AND FINANCIAL COSTS

NOTE		01.2016 - 06.2016	01.2015 - 06.2015	04.2016 - 06.2016	04.2015 - 06.2015
	Other costs				
	Loss on disposal of tangible non-current assets	(0,4)	—	(1,7)	—
	Stocktaking net losses	(1,4)	(2,1)	(0,9)	(1,6)
5.7	Provision establishment	(1,9)	(1,1)	(1,8)	(1,1)
	Other net operating cost	0,4	(1,7)	—	—
	Loss on exchange rates from positions other than debt	(0,9)	(3,4)	(1,5)	(0,5)
	Other costs in total	(4,2)	(8,3)	(5,9)	(3,2)
	Other revenues				
	Profit on disposal of tangible fixed assets	(0,3)	4,4	0,2	7,3
	Profit from exchange rate differences on items other than debt	12,0	—	11,6	—
	Compensations	0,7	0,1	0,3	0,1
	Other net operating income	6,3	4,3	3,9	1,0
	Subsidy to remunerations of PFRON	1,4	1,7	0,9	4,0
	Other revenues in total	20,1	10,5	16,9	12,4
	Total other operating costs and income	15,9	2,2	11,0	9,2

NOTE		01.2016 - 06.2016	01.2015 - 06.2015	04.2016 - 06.2016	04.2015 - 06.2015
	Finance cost				
4.2	Interest on borrowings (recognized in costs)	(8,7)	(8,5)	(4,2)	(5,8)
	Result on exchange rates	(0,3)	(3,5)	(0,5)	—
	Commissions paid	(0,4)	(0,6)	(0,1)	(0,2)
	Other finance cost	(4,7)	(1,1)	(1,4)	(0,8)
		(14,1)	(13,7)	(6,2)	(6,8)
	Finance revenue				
	Interest from current account and other	0,6	0,7	0,5	0,1
	Result on exchange rates	7,7	—	9,6	2,7
	Other finance revenue	0,3	—	0,5	—
		8,6	0,7	10,6	2,8

i SEE SECTION **2.1.1.1** (FINANCIAL INCOME AND EXPENSES) IN THE STATEMENT ON THE OPERATIONS OF THE GROUP

3.3 TAXATION

ACCOUNTING POLICY

The obligatory burdens of result include a current tax (CIT) and a deferred tax.

Current tax burden is calculated on the basis of the tax result in a given Statementing period in countries where the company and its subsidiaries operate and generate taxable income based on the rates in force in the country. Changes in estimates relating to previous years are recognized as an adjustment to the burden for the current year.

Deferred tax assets and liabilities are recognized in the result of the creation of differences between the book value of assets and liabilities and their corresponding tax values and from unaccounted tax losses. Such differences arise in the Group in a situation of different accounting of depreciation for accounting and tax purposes, the recognition of accounting impairment of assets (which for tax purposes will be realized in the form of tax write-offs in future periods) or created for the purpose of accounting provisions (which for tax purposes will be recognized at the moment of incurring respective costs). The differences (not related to acquisitions transactions) related to the initial recognition of a part of an asset or liabilities that does not affect the moment of recognition of a given asset neither the outcome nor the accounting profit (loss) tax are excluded from recognition.

Temporary differences also arise in acquisition transactions and internal reorganization in the group. In case of acquisitions of external bodies, temporary differences arise as a result of the valuation of assets and liabilities to their fair values without affecting the tax bases of these assets and liabilities - liabilities or assets for deferred income tax resulting from these differences adjusts the value of the company (profit by on occasional acquisition). In the event of an intra-group reorganization, assets or deferred tax liabilities arise as a result of recognition or changes in the value of assets elements or liabilities for tax purposes (e.g. a trademark) without recognizing them at the same time in the balance sheet due to the elimination of result on intragroup transactions - the effects of recognition of the related assets and deferred taxes liabilities are recognized in profit or loss unless the underlying transactions had an impact on other comprehensive income or equity. Positive temporary differences relating to goodwill are excluded from a taxable recognition, however, if the tax value of goodwill of the company arising on the transaction is higher than its carrying amount then the deferred tax asset is recognized on the initial recognition of goodwill if it is probable that the tax income will be generated which will allow for the implementation of the deductible temporary difference.

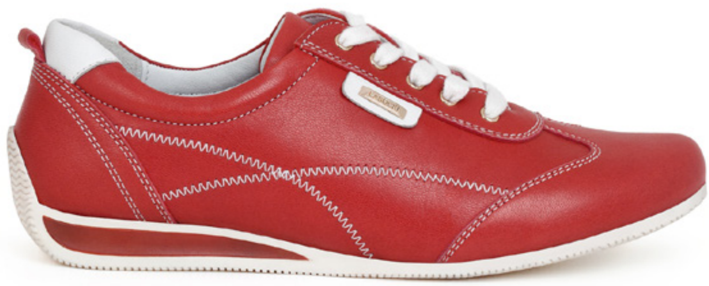
Deferred tax assets and liabilities are calculated using the current (or practically applicable) tax rates. Deferred tax assets and liabilities are subject to offsetting within the Group, when it has the right to settle current tax in a net amount.

Deferred tax assets are recognized to the amount that it is probable to generate taxable income, which will allow the realization of negative temporary differences and tax losses, or when it is expected to simultaneously realize positive temporary differences. Amounts above this are exclusively subject to disclosure.

[in mln PLN unless otherwise stated]

A. AMOUNTS OF INCOME TAX RECOGNIZED IN THE INCOME STATEMENT AND STATEMENT OF CASH FLOWS

NOTE		30.06.2016	30.06.2015
	Current tax	(16,6)	(7,2)
5.3.c	Deferred tax	4,6	25,9
5.3.b	Income tax recognized in income statement	(12,0)	18,7
	Current tax recognized in the result	16,6	7,2
	Balance of liabilities /(receivables) at beginning of the period	(1,4)	31,8
	Balance of receivables /(liabilities) at the end of the period	8,0	(1,0)
	Other changes	0,2	—
	Tax paid recognized in statement of cash flows	23,4	38,0



[in mln PLN unless otherwise stated]

B. INFORMATION ON APPLIED TAX RATES AND RECONCILIATION FOR CHARGING THE RESULT

The table below shows the countries in which the Group achieves the highest income tax with an indication of the tax rate corresponding to the relevant jurisdiction:

	2016	2015
Poland	19,00%	19,00%
Czech Republic	19,00%	19,00%
Hungary	10,00%	10,00%
Slovakia	22,00%	22,00%
Weighted average income tax rate	14,54%	16,00%

Income tax of the Group's profit before tax differs in the following way from the theoretical amount that would be achieved, using the weighted average tax rate in force applicable to the profits of the Group:

	01.2016 - 06.2016	04.2016 - 06.2016	01.2015 - 06.2015	04.2015 - 06.2015
Profit before tax	125,3	142,4	92,8	88,1
Weighted average tax rate	14,54%	14,54%	16,00%	16,00%
Tax calculated according to weighted average tax rate	(18,2)	(20,7)	(14,8)	(14,1)
Tax effects of the following items:				
• income not allowable for tax income	0,2	—	—	—
• non-tax-deductible expenses	(4,1)	—	(1,7)	—
• recognition of temporary difference for trademarks and goodwill	24,7	12,3	47,6	23,8
• tax losses in respect of which deferred tax assets were not recognized	(9,1)	—	(15,8)	—
• other adjustments	(5,5)	—	3,4	3,5
Charging of financial result on income tax	(12,0)	(8,4)	18,7	13,2

The main item of income not constituting tax revenues are the incomes achieved after balance sheet date.

Non-tax-deductible expenses include mainly the cost of the valuation of employee scheme.

[in mln PLN unless otherwise stated]

C. BALANCE AND CHANGES OF DEFERRED TAX

Changes in assets and liabilities due to deferred income tax during the year is presented as follows:

NOTE		30.06.2016	CREDITING TO / (CHARGING) FINANCIAL RESULT	31.12.2015	CREDITING TO / (CHARGING) FINANCIAL RESULT	01.01.2015
	Assets					
5.1	Goodwill	252,3	5,0	247,3	39,2	208,1
5.1	Trademarks	33,8	(2,0)	35,8	(4,0)	39,8
	Inventories - adjustment of margin on intragroup sale	8,9	1,1	7,8	(4,0)	11,8
	Impairment of assets	6,8	(0,5)	7,3	1,2	6,1
	Provisions for liabilities	4,6	1,5	3,1	(0,1)	3,2
	Other	9,8	(5,1)	14,9	13,6	1,3
	Total before offsetting	316,2	—	316,2	45,9	270,3
	Liabilities					
	Accelerated tax depreciation of tangible fixed assets	4,7	1,6	3,1	(5,8)	8,9
	Other	0,2	(6,8)	7,0	6,4	0,6
	Total before offsetting	4,9	(5,2)	10,1	0,6	9,5
	Offsetting	3,4	(0,3)	3,7	0,7	3,0
	Balance of deferred tax in the balance sheet:					
	Assets	312,8	0,3	312,5	45,2	267,3
	Liabilities	1,5	(4,9)	6,4	(0,1)	6,5
	Charging financial result		(4,6)		45,1	

[in mln PLN unless otherwise stated]

D. SIGNIFICANT ESTIMATES REGARDING THE RECOGNITION OF DEFERRED TAX ASSETS AND INFORMATION ABOUT UNRECOGNIZED DEFERRED TAX ASSETS

In October 2014, an organized part from the company CCC S.A. was transferred that included distribution, logistics, marketing, investment and other activity to the company CCC.eu. The result is the occurrence of a tax goodwill. From the resulting deductible temporary difference in respect of goodwill deferred tax asset was recognized in the amount of which implementation is likely taking into account forecasts of future tax results. At the same time, the Company CCC.eu purchased in 2014 from a related company NG2 Suisse S.a.r.l trademarks CCC, Lasocki and BOTI at a price equal to their fair value at the acquisition date. In this regard, the tax value of the trademarks increased. From the resulting deductible temporary difference between the carrying value of these trademarks and their increased tax value, deferred tax assets was recognized. As a result of the transactions made, the Group recognized deferred tax assets in the amount of 215.6 mln PLN recognizing the effect in the result in the year 2014, leaving the amount of 193.9 mln PLN on a goodwill unrecognized.

In 2015, the Group recognized another part of the assets of goodwill in the amount of 95.1 million PLN thereby leaving the unrecognized value of 98.8 million PLN. In 2016, the Group recognized another part of the assets of goodwill in the amount of 24.7 million PLN thereby leaving the unrecognized value of 74.1 million PLN.

Implementation and reversal of temporary differences requires from the Management Board significant estimates in relation to expected results subject to taxation in various entities of the Group. Recognition of deferred tax assets in excess of recognized deferred tax liability means that it is probable that the Group will be able to realize the economic benefits resulting from the settlement of amortization of goodwill and trademarks. The following table shows the periods in which realization of recognized assets and deferred tax liabilities is estimated:

PERIOD OF REALIZATION OF ASSETS AND LIABILITIES DUE TO DEFERRED TAX	30.06.2016		31.12.2015	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
up to 1 year	70,2	1,5	72,9	6,4
1-2 years	43,4	—	43,4	—
2-3 years	43,4	—	43,4	—
3-5 years	86,9	—	86,9	—
Over 5 years	68,8	—	65,9	—
Total	312,8	1,5	312,5	6,4
Unrecognized	121,5	—	129,7	—
• Relating to goodwill	74,1	—	98,8	—
• Relating to tax losses	47,4	—	30,9	—

Goodwill is amortized for tax purposes over 10 years (the remained period as of 30 June 2016 - 8.5 years). Due to the uncertainty of estimation, the recognition of an asset in the forecast period over 5 years was not made. The estimation of future income tax of CCC.eu. affects the recoverability of an asset.

The balance of unrecognized assets due to tax losses consists of tax losses of some companies of the Group [operating in Germany, Austria and Poland], and the tax losses related to the amortization of goodwill.

[in mln PLN unless otherwise stated]

4. DEBT, CAPITAL AND LIQUIDITY MANAGEMENT

4.1. CAPITAL MANAGEMENT

The Group's objective in capital management is to secure Group ,s ability to continue its operations so that it can generate return for shareholders and benefits for other interested parties and maintain an optimal capital structure in order to reduce its cost.

In accordance with the Group ,s policy, the dividend is possible in the amount not less than 33% and not higher than 66% of the profit for the period. Detailed information on the dividend policy is included in the Statement on the operations of the Group.-section 2.2.1 (financial indicators)

To maintain or adjust the capital structure, the Group may adjust the amount of dividends declared to be paid to shareholders, return capital to shareholders, issue new shares or sell assets in order to reduce debt.

Like other companies in the industry, the Group monitors the capital by using the debt ratio. This ratio is calculated as the ratio of net debt to total capital. Net debt is calculated as total of borrowings (including current and non-current loans and issued bonds indicated in the separate statement of financial position) less cash and cash equivalents. Total value of capital is calculated as equity presented in the separate statement of financial position with net debt.

NOTE		30.06.2016	31.12.2015
4.2	Debt liabilities	928,5	718,8
5.5	Cash and cash equivalents	254,3	340,6
	Net debt	674,2	378,2
4.1	Total equity	951,0	1 123,6
	Capital employed (equity and net debt)	1 625,2	1 501,8
	Debt ratio	41%	25%

The change of a ratio is consistent with the activities under-taken by the Group, and the ratio is at the level expected by the Management Board of the parent entity, which means it is in the range from 20 to about 40%.

4.1.1. EQUITY

ACCOUNTING POLICY

Equity is recognized in the accounting books by type and in accordance with legal regulations and the provisions of the Articles of Association.
The types of equity:
• basic capital (share) of the Parent Entity is recognized in the value specified in the Articles of Association and entered in the court register,
• capital reserve created from the surplus value from the sale of shares above their nominal value less the issuance costs,
• retained earnings created from the dividing of financial result, undivided financial result and profit (loss) for the period covered by the financial statements,
• other capitals - created based on launched stock option scheme for employees
Dividend payments to shareholders of the Parent Entity is recognized as a liability in the Group's consolidated financial statements in the period in which they are approved by shareholders of the Parent Entity.

SHARE CAPITAL

As at 30 June 2016 and 31 December 2015 share capital of the Parent Company consisted of 38.4 million shares, including 31.75 million ordinary shares and 6.65 million preferred shares with voting rights. All issued shares were paid in full.

Shareholders have the exclusive right to purchase the registered preferred shares held for sale.

The entity which has a significant effect on the Parent Company is a company Ultro Sp z o.o.., based in Polkowice, which holds 26.95% of the share capital and 33.52% of the total number of votes. This entity is dependent on Dariusz Miłek, The President of the Management Board of CCC S.A. Other information applied to shareholders is included in the Statement on operation of the Group.

OTHER CAPITALS

Other capitals mainly include capital from the settlement of employee benefit plans based on shares settled in capital instruments (for further details see note 6.4).

RETAINED EARNINGS

Retained earnings include: retained earnings from previous years (including the amounts transferred to the capital reserve in accordance with the requirements of the Commercial Companies Code) and profit of the fiscal year.

EARNINGS PER SHARE

In the first half of 2016 earnings per share amounted to 2.95 PLN, and diluted earnings per share amounted to 2.91 PLN (in the same period of 2015 – 2.90 PLN). The cause of the profit dilution was the acquisition of series A subscription warrants by persons covered by the Incentive Scheme.

	30.06.2016
Number of shares (mln pcs.)	38,4
Potential umber of shares (mln pcs.)	0,8
TOTAL	39,2
Net profit	113,3
Earnings per share (in PLN)	2,95
Diluted earnings (in PLN)	2,91
Number of warrants (mln pcs.)	0,8
Price of warrants (in PLN)	61,4
Average price during period (1-30.06.2016) (in PLN)	150,1
Number by a market price (mln pcs.)	0,3
Value without price	0,5
Share price as of 30.06.2015 (in PLN)	159,7
Number of shares for ordinary earnings per share (mln pcs.)	38,4
Number of diluting shares (mln pcs.)	0,5
Number of shares after adjustment (mln pcs.)	38,9
Net profit	113,3
Diluted earnings per share (in PLN)	2,91

[in mln PLN unless otherwise stated]

DIVIDEND

On 2 June 2016, the General Meeting of CCC S.A. adopted a resolution on the payment of dividend from the net profit for 2015 in the amount of 86.0 million PLN, which corresponds to 2.19 PLN per 1 share (in 2015 it was 115.2 million PLN, corresponding to 3,00 PLN per 1 share). The date of the dividend (D-day) was established on 31 August 2016. The dividend payment date (P-day) was established on 13 September 2016.

1 As a result of profit dilution relating to the issuance of series E shares, detailed information can be found in the Current Statement No. 41/2016, provided that the new shares are registered at the KDPW.

4.2 DEBT

ACCOUNTING POLICY

Debt liabilities cover mainly bank loans and issued bonds. Debt liabilities are recognized initially at fair value less transaction costs associated with obtaining financing.
After initial recognition, financial liabilities are measured at amortized cost using the effective interest rate. Financial costs are recognized in the financial result in financial costs except for costs that relate to the financing of production of fixed assets (according to the policy in note 5.2).

NOTE		CREDIT LIABILITIES NON-CURRENT	CREDIT LIABILITIES CURRENT	IN CURRENT ACCOUNT	OTHER	TOTAL
4.2	As of 01.01.2015	6,0	252,0	110,0	210,0	578,0
	Proceeds from debt contracted					
	- financing received	—	25,0	80,6	—	105,6
	- transactional cost	—	—	—	—	—
	Charging interest	1,3	4,2	3,0	—	8,5
	Debt payment					
	- repayment of capital	(6,0)	(109,5)	(10,1)	—	(125,6)
	- interest paid	(1,3)	(4,2)	(3,0)	—	(8,5)
	Change in current account	—	(21,5)	182,3	—	160,8
	Other non-cash changes	86,0	(86,0)	—	—	—
4.2	As of 31.12.2015 (01.01.2016)	86,0	60,0	362,8	210,0	718,8
	Proceeds from debt contracted					
	- financing received	70,0	—	—	—	70,0
	- transactional cost	—	—	—	—	—
	Charging interest	1,5	0,5	3,9	3,4	9,3
	Debt payment					
	- repayment of capital	—	(62,3)	—	—	(62,3)
	- interest paid	(1,5)	(0,5)	(3,9)	(3,4)	(9,3)
	Change in current account	—	2,3	199,7	—	202,0
	Other non-cash changes	—	—	—	—	—
4.2	As of 30.06.2016	156,0	—	562,5	210,0	928,5

[in mln PLN unless otherwise stated]

All the financing was incurred in PLN. Interest on the total funding (loans and bonds) are based on variable interest rates (WIBOR plus the bank margin). The existing debt involves interest rate risk. Description of exposure to financial risks is provided in note 6.1.

Under the terms of loan agreements and incurred liabilities with respect to bonds of which the balance of the debt on the balance sheet date is 928.5 mln PLN (2015: 718.5 mln PLN) The Group is required to comply with the following covenants:

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

b) ratio 2 i.e. [interest service ratio] is not lower than 5.0

c) ratio 3 i.e. [operating margin] is not lower than 9,0%

On 30 June 2016 the value of Ratio 1 was 1.9 (1.2 at 31 December 2015), the value of Ratio 2 amounted to 18.8 (18.6 at 31 December 2015), whereas the value of Ratio 3 amounted to 9.6% (11,1% at 31 December 2015)

As of 30 June 2016, during the Statementing period and until the date of approval of the financial statements, there had been no breaches of the covenants contained in the aforementioned agreements.

Repayment of these liabilities are covered by the following collateral:

	AMOUNT/OR BOOK VALUE OF GUARANTEE	
	30.06.2016	31.12.2015
Sureties granted	72,0	68,4
Capped mortgages on property	615,7	645,0
Registered pledge on movable assets	183,0	200,0
In blanco bills of exchange	40,6	—
Assignments of insurance policies	9,8	8,0

[in mln PLN unless otherwise stated]

4.3 CONTRACTUAL MATURITIES FOR FINANCIAL LIABILITIES AND LIQUIDITY MANAGEMENT POLICY

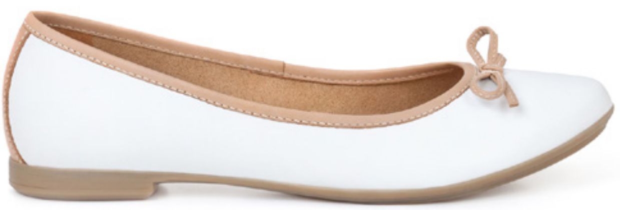
Cautious liquidity management implies maintaining sufficient cash and cash equivalents and the availability of further funding through guaranteed sources from credit lines.

The following table provides information on the contractual undiscounted payments under the existing debt.

i [FOR MORE INFORMATION SEE SECTION **2.3.1** (BORROWINGS) IN THE STATEMENT ON THE OPERATIONS OF THE GROUP

NOTE	AS OF 30.06.2016	CONTRACTUAL MATURITIES FOR FINANCIAL LIABILITIES FROM THE END OF THE STATEMENTING PERIOD					TOTAL UNDISCOUNTED	BOOK VALUE
		UP TO 3 MONTHS	3-12 MONTHS	1-3 YEARS	3-5 YEARS	OVER 5 YEARS		
4.2	Borrowings	85,7	476,8	156,0	—	—	718,5	718,5
4.2	Bonds	—	—	210,0	—	—	210,0	210,0
5.6	Trade liabilities	91,2	—	—	—	—	91,2	91,2

NOTE	AS OF 31.12.2015	CONTRACTUAL MATURITIES FOR FINANCIAL LIABILITIES FROM THE END OF THE STATEMENTING PERIOD					TOTAL UNDISCOUNTED	BOOK VALUE
		UP TO 3 MONTHS	3-12 MONTHS	1-3 YEARS	3-5 YEARS	OVER 5 YEARS		
4.2	Borrowings	60,0	246,0	202,8	—	—	508,8	508,8
4.2	Bonds	—	—	—	210,0	—	210,0	210,0
5.6	Trade liabilities	78,1	—	—	—	—	78,1	78,1



[in mln PLN unless otherwise stated]

4.4 ADDITIONAL INFORMATION TO SELECTED ITEMS OF THE STATEMENT OF CASH FLOWS

NOTE		RECIVABLES	LIABILITIES
	As of 31.12.2015	133,8	178,6
	As of 30.06.2016	146,7	498,1
	Change in the statement of financial position	12,9	319,5
	Difference arising from:		
5.4	Loans granted	12,9	—
	Change in investment liabilities	—	5,4
	Liabilities due to acquisition of own shares	—	(225,9)
	Other	(9,4)	(29,9)
	Dividend declared	—	(86,0)
	Change recognized in the statement of cash flows	(16,4)	(16,9)
	As of 31.12.2014	78,5	181,3
	As of 30.06.2015	51,1	207,8
	Change in the statement of financial position	(27,4)	26,5
	Difference arising from:		
5.4	Loans granted	0,1	—
	Change in investment liabilities	—	(6,0)
	Dividend liability	—	(115,2)
	Change recognized in the statement of cash flows	(27,3)	(94,7)

	01.2016-06.2016	01.2015-06.2015
Other profit adjustments before taxation:		
(Profit) loss on exchange rates differences	(4,4)	(1,9)
Change in provisions	2,4	(1,8)
Valuation of employee option scheme	14,5	8,9
Other	18,9	(0,6)
	31,4	4,6

	01.2016-06.2016	01.2015-06.2015
Amortization and depreciation resulting from changes in fixed assets		
Amortization and depreciation disclosed in note of costs by nature	28,3	23,5
Change due to re-invoicing of costs	—	18,8
Other	0,9	7,0
	29,2	30,5

[in mln PLN unless otherwise stated]

5. NOTES TO THE STATEMENT OF FINANCIAL POSITION

5.1 INTANGIBLE ASSETS

ACCOUNTING POLICY

The Group measures intangible assets in the value of incurred cost less depreciation write-offs and impairment losses.
Depreciation is calculated with linear method by estimating the utility period of a particular asset, which for selected groups refers to:
- patents and licenses - from 5 to 10 years
- trademarks - from 5 to 10 years
- other intangible assets - from 5 to 10 years

In case when there were events or changes in circumstances indicating that the book value of intangible assets may not be recoverable, they undergo verification for impairment in accordance with the policy described in note 5.2.

i MOR INFORMATION IN THE NOTE **5.2**

	TRADEMARKS, PATENTS AND LICENSES	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Gross value 01.01.2015	11,5	3,5	15,0
Aggregated write-off	(5,7)	—	(5,7)
Net value 01.01.2015	5,8	3,5	9,3
Exchange rate differences from translation	—	—	—
Amortization	(2,9)	—	(2,9)
Purchase	1,1	1,1	2,2
Producing on its own	—	—	—
Liquidation and disposal	—	(2,7)	(2,7)
Transfer between groups	—	—	—
Gross value 31.12.2015 (01.01.2016)	12,6	1,9	14,5
Aggregated write-off	(8,6)	—	(8,6)
Net value 31.12.2015 (01.01.2016)	4,0	1,9	5,9
Exchange rate differences from translation	0,7	—	0,7
Amortization	(1,1)	—	(1,1)
Purchase	0,8	1,2	2,0
Producing on its own	—	—	—
Liquidation and disposal	—	—	—
Transfer between groups	—	—	—
Gross value 30.06.2016	14,1	3,1	17,2
Aggregated write-off	(9,7)	—	(9,7)
Net value 30.06.2016	4,4	3,1	7,5

[in mln PLN unless otherwise stated]

5.2 TANGIBLE FIXED ASSETS

ACCOUNTING POLICY

Tangible fixed assets include mainly: investments in foreign fixed assets (i.e. outlays in rented premises used for selling retail goods) and land and buildings, machinery and equipment.
Fixed assets are recognized at purchase price or production cost less depreciation write-offs and recognized impairment losses. Lands and fixed assets in progress are not depreciated.
Subsequent outlays are included in the book value of the fixed asset or recognized as a separate fixed asset (where appropriate) only when it is probable that this item will generate economic benefits for the Group, whereas the cost of the item can be measured reliably. Book value of the mentioned item is removed from the balance sheet. All other outlays on repairs and maintenance are recognized in financial result during the financial period in which they are incurred.
Borrowing costs are subject to capitalization and are recognized as an increase in the value of the fixed asset. Depreciation is calculated with linear method by estimating the utility period of a particular asset, which for selected groups refers to:

GROUP OF FIXED ASSETS		DEPRECIATION PERIOD
Investments in stores	Depreciation period is determined by two factors and accept lesser of values: – utility period of outlays (typically 10 years) – duration of the lease store in which the fixed asset is placed (usually 10 years)	
Factory and distribution	– buildings – machines and equipment – means of transport – other tangible fixed assets	– from 10 to 40 years – from 3 to 15 years – from 5 to 10 years – from 5 to 10 years
Other	– machines and equipment – means of transport – other tangible fixed assets	– from 3 to 15 years – from 5 to 10 years – from 5 to 10 years

Depreciation method and its period are reviewed at each balance sheet date.
Principles of testing for impairment and accounting write-downs due to impairment of tangible fixed assets are described in note below.

Impairment on non-financial fixed assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate the possibility of not realizing their book value. An impairment loss is recognized for the amount by which the book value of a particular part of assets exceeds its recoverable amount. The recoverable amount constitutes the higher of two amounts: fair value of assets less costs of sale or value in use. For the purposes of assessing impairment, assets are grouped at the lowest level in regard to which there are separately identifiable cash flows (cash generating units). Non-financial assets in regard to which impairment had been identified previously are assessed at each balance sheet date for the occurrence of reasons for possible reversal of the made impairment.

In retail sales each of the stores is a separate cash generating unit. In accordance with the above principles, in respect of investments in stores at each balance sheet date, the Group makes analysis for impairment loss. Operating profit realized by each of the retail units is assessed.

In order to estimate the impairment loss of non-financial assets, the Group takes into account the following reasons:
1. Store operates at least 24 months.
2. Store suffers a loss at the gross level including the customs tolerances in each of the last two years of operation.
3. Analysis of the current value of future cash flows indicates the lack of coverage of investment outlays.

In the event that the assets are recognized as irrecoverable, the Group performs an impairment loss in the amount of surplus of investment outlays over the recoverable amount. Write-down is recognized in cost of sale.

For the Group's companies which commence or operate in developed economies there are analyzed additional presumptions related to the acquisition of the market. For those entities, the adaptation period and achievement of the expected profitability may be extended to 5 years.

Grants received

Grants for the purchase or production of tangible fixed assets the Group recognizes in the books of the Group at the moment of inflow or prima facie evidence of its inflow in the future (e.g. receiving a promissory note, incentive on operating lease) if there is reasonable assurance that the Group will meet the conditions necessary to receive a grant. Grants are recognized as deferred income (position „grants received"). Included in deferred income the amounts of grants gradually adjust the depreciation in cost of sales of goods, in parallel to depreciation write-offs or tangible fixed assets impairment financed from these sources.

In the first half of 2016 impairment loss of non-financial assets in the amount of 1.2 million PLN was released, in total relating to outlays in stores.

In 2015 impairment loss of non-financial assets in the amount of 2.3 million PLN was released, in total relating to outlays in stores.

Some of the assets relating to the specific points of sales can be permanently connected to the rented premise (outlays in stores), which causes the lack of an alternative way of using them or reselling. Their utility period, as well as the amortization period is related to the estimation of the lease of the premises. Approved utility periods are described in accounting policy.

Accordingly, the level of costs of depreciation depends on the estimated rental period of the point of sales. Changes of this period can affect the level of impairment loss.

If the rental period was increased/decreased by one year, the level of depreciation expense would decrease/increased by 3.4 million PLN.

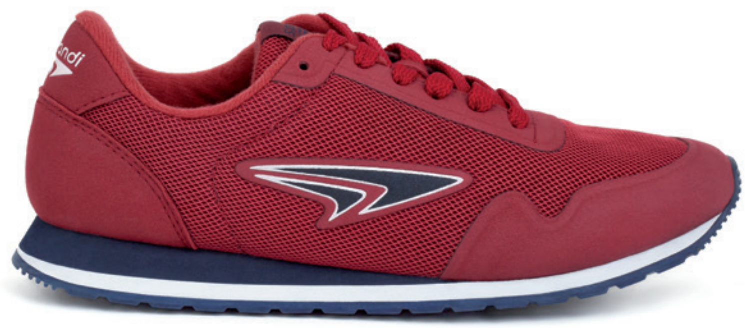
Fixed assets in progress mainly include investment outlays incurred in the stores.

Information on fixed assets creating a pledge for the debt incurred is presented in note 4.2.

The Company CCC S.A. on 23 December 2009 concluded the agreement with the Polish Agency for Enterprise Development for financing investments in fixed assets. The company applied for a grant from the Innovative Economy Operational Programme in connection with the investment of building high-storage warehouse located in Polkowice. The final amount of the grant was fixed in the amount of 38.5 million PLN.

The grant was, in accordance with the accounting policy of the Group, classified as deferred income in the statement of financial position.

In the first half of 2016 a grant in the amount of 1.3 million PLN was settled in the statement of comprehensive income (in the same period of 2015 it was also 1.3 million PLN).



[in mln PLN unless otherwise stated]

		FACTORY AND DISTRIBUTION				OTHER TANGIBLE FIXED ASSETS				
	INVESTMENT IN STORES	LAND, BUILDINGS AND CON-STRUCTIONS	MACHINES AND EQUIPMENT	TANGIBLE FIXED ASSETS IN PROGRESS	TOTAL	LAND AND BUILDINGS	MACHINES AND EQUIPMENT	OTHER STORES	TOTAL	TOTAL
Gross value 01.01.2015	363,2	87,9	99,9	57,5	245,3	20,1	33,4	49,9	103,4	711,9
Write-off	(106,0)	(8,1)	(36,9)	—	(45,0)	(1,7)	(17,7)	(17,0)	(36,4)	(187,4)
Impairment loss	(3,6)	—	—	—	—	—	—	—	—	(3,6)
Net value 01.01.2015	253,6	79,8	63,0	57,5	200,3	18,4	15,7	32,9	67,0	520,9
Exchange differences on translation	0,1	—	—	—	—	—	—	0,6	0,6	0,7
Purchase	88,8	88,0	22,7	69,1	179,8	1,0	4,3	1,8	7,1	275,7
Produced on its own	—	—	—	—	—	—	—	—	—	—
Amortization and depreciation	(27,3)	(12,7)	(10,3)	—	(23,0)	(0,4)	(2,2)	(13,8)	(16,4)	(66,7)
Liquidation and disposal	(13,5)	(1,0)	(4,7)	—	(5,7)	—	—	(3,9)	(3,9)	(23,1)
Write-off (liquidation and sale)	10,4	—	0,8	—	0,8	—	—	0,5	0,5	11,7
Transfers	—	—	—	(124,9)	(124,9)	—	—	—	—	(124,9)
Impairment loss	1,3	—	—	—	—	—	—	—	—	—
Gross value 31.12.2015	434,9	175,9	116,5	2,8	295,2	21,1	40,4	48,4	109,9	840,0
Write-off	(125,6)	(20,8)	(46,7)	(0,4)	(67,9)	(2,0)	(19,9)	(30,3)	(52,2)	(245,7)
Impairment loss	(2,3)	—	—	—	—	—	—	—	—	(2,3)
Net value 31.12.2015 (01.01.2016)	307,0	155,1	69,8	2,4	227,3	19,0	20,5	18,1	57,6	591,9
Exchange differences on translation	6,9	3,6	(3,6)	(0,1)	(0,1)	—	0,1	—	0,1	6,9
Purchase	45,2	27,2	7,3	2,9	37,4	—	1,9	0,4	2,3	84,9
Produced on its own	—	—	—	—	—	—	—	—	—	—
Amortization and depreciation	(21,9)	(2,2)	(6,1)	(0,1)	(8,4)	(0,2)	(2,7)	(1,6)	(4,5)	(34,8)
Liquidation and sale	(6,8)	—	(2,1)	—	(2,1)	—	(0,6)	(2,0)	(2,6)	(11,5)
Write-off (liquidation and sale)	4,3	—	0,4	—	0,4	—	0,3	1,5	1,8	6,5
Transfers	(5,4)	—	—	(1,7)	(1,7)	0,4	—	—	0,4	(6,7)
Impairment loss	1,1	—	—	—	—	—	—	—	—	—
Gross value 30.06.2016	471,4	215,1	112,6	4,0	331,7	21,5	39,7	42,9	104,1	907,2
Aggregated depreciation	(140,4)	(31,4)	(44,1)	(0,5)	(76,0)	(2,2)	(22,5)	(21,2)	(45,9)	(262,3)
Impairment loss	(3,4)	—	—	—	—	—	—	—	—	(3,4)
Net value 30.06.2016	327,6	183,7	68,5	3,4	255,6	19,3	17,1	21,9	58,3	641,5

[in mln PLN unless otherwise stated]

5.3 INVENTORIES

ACCOUNTING POLICY

Inventories are recognized at purchase price or production cost or the net selling price, depending which of these amounts is lower. The cost of finished goods and manufacturing in progress covers design costs, raw materials, direct labor, other direct costs and related general manufacturing costs (based on normal production capacity), but it excludes borrowing costs.
Net selling price it is the estimated selling price in the ordinary course of business less applicable variable selling expenses.
In the event of circumstances as a result of which there has been a decrease in the value of inventories, the impairment loss in cost of sales of goods is made. In the case of termination of the circumstances that caused the decrease in the value of inventories, the reversal of impairment is made by deducting the cost of sales of goods. In regard to the disbursement of all inventories of similar kind and similar usage the FIFO method is applied.

i FOR MORE INFORMATION SEE SECTION **2.1.1.2** (FIXED ASSETS) IN THE STATEMENT ON THE OPERATIONS OF THE GROUP

	30.06.2016	31.12.2015
Materials	36,8	39,2
Manufacturing in progress	9,8	7,3
Goods	791,0	602,3
Finished goods	—	38,1
Total (gross)	837,6	686,9
Impairment	(4,5)	(6,4)
Total (net)	842,1	680,5

In order to determine the amount of impairment, the Management Board relies on the most appropriate available historical data and expectations for sales. Sales of footwear depends mainly on the changing trends and customer expectations.

To determine the value of impairment on the balance sheet date inventories are taken into account that due to defined collection category are older than 2 years, counting from the collection of the current year. Based on the data relating to sales of footwear conforming to the above conditions, the Group establishes a ratio that is used to estimate the value of impairment of inventories. The value of inventory impairments and changes of the impairments are shown below.

CHANGE IN IMPAIRMENT LOSS ON INVENTORIES

	30.06.2016	31.12.2015
At the beginning of the period	(6,4)	(9,0)
Establishment in cost of sales of goods	(0,2)	(5,5)
Utilization	2,1	—
Release in cost of sales of goods	—	8,1
At the end of the period	(4,5)	(6,4)

i FOR MORE INFORMATION SEE SECTION **2.1.1.2** (CURRENT ASSETS) IN THE STATEMENT ON THE OPERATIONS OF THE GROUP

[in mln PLN unless otherwise stated]

The creation of an additional impairment loss of inventory or its release refers to goods. Changes in impairment resulting from the development of the Group's activities and sales policy.

The value of inventories pledged as security for the repayment of loans is presented in note 4.2.

5.4 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate less the impairment losses (further policy described in note 6.1).

If the amount payable can be expected within one year, receivables are classified as current assets. Otherwise, it is recognized as fixed assets.

Other receivables

Other receivables not being financial assets are initially recognized at nominal value and measured on the last day of the Statementing period in the due amount.

Loans granted

Loans granted are valued initially at fair value and valued after initial recognition at amortized cost using the effective interest rate method less impairment loss. (further policy described in note 6.1).

	30.06.2016	31.12.2015
Trade receivables	95,6	53,6
Write-off for receivables	(2,2)	(2,3)
Total net receivables	93,4	51,3
Short-term loans granted	15,1	18,0
Advances on future supplies of goods	30,5	43,3
Costs settled in time	—	9,6
Tax receivables	7,7	1,2
Other	—	0,4
Total other receivables	38,2	54,5
Long-term loans granted	—	10,0

[in mln PLN unless otherwise stated]

Customer receivables are exposed to credit risk and currency exchange risk.

Policy for managing these risks and further information on these risks (including assessment of credit quality, the maximum exposure to credit risk, sensitivity analysis on the change rate of the exchange rate) are shown in note 6.1. In relation to these assets there are no overdue receivables.

CREDIT RISK

Policy on this risk management is presented in note 6.1.

In the opinion of the Management Board, the credit quality of these receivables is good.

The loans are unsecured and the maximum amount of exposure to credit risk corresponds to the book value of these receivables. Loans receivables aren't overdue or no impairment loss is confirmed.

i FOR FURTHER INFORMATION SEE SECTION **2.3** IN THE STATEMENT ON OPERATIONS OF THE GROUP]

Loan agreements with related parties have not changed significantly compared to the data published in the consolidated annual Statement for 2015.

Loans receivables are subject to credit risk and interest rate risk

INTEREST RATE RISK

Policy on this risk management, and is presented in note 6.1.

Analysis of sensitivity to interest-rate changes is presented in note 6.1

FAIR VALUE

The fair value of receivables is similar to their book value.

5.5 CASH

ACCOUNTING POLICY

Cash and cash equivalents include cash in hand, bank deposits payable on demand. Overdrafts are presented in the statement of financial position as a component of short-term debt liabilities, but for the purposes of the statement of cash flows statement it decreases cash and cash equivalents.

i For further information see section **2.1.1.2** in the Statement on operations of the Group

	30.06.2016	31.12.2015
Cash in hand	25,9	15,1
Cash at bank	142,6	84,5
Short-term deposits (up to 3 months)	85,8	241,0
Total	254,3	340,6

[in mln PLN unless otherwise stated]

Cash and cash equivalents are exposed to credit risk and currency exchange risk.

Policy for managing these risks and further information on these risks (including assessment of credit quality, the maximum exposure to credit risk, sensitivity analysis on the change rate of the exchange rate) are shown in note 6.1.

5.6 LIABILITIES TO SUPPLIERS AND OTHER LIABILITIES

ACCOUNTING POLICY

Trade liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Trade liabilities are classified as current liabilities if payment is due within one year. Otherwise, liabilities are recognized as non-current. Other liabilities are measured at the amount due.

	30.06.2016	31.12.2015
Trade liabilities		
• lease and supply of goods and services	63,2	68,8
• investment	16,3	9,3
• other	11,7	—
Total	91,2	78,1
Liabilities for indirect taxes, customs and other benefits	47,1	28,6
Liabilities to employees	24,3	25,0
Dividend liabilities	86,0	—
Liabilities due to acquisition of own shares	225,9	—
Other liabilities	23,6	46,8
Total	406,9	100,4

Liabilities to suppliers are exposed to currency risk. Management of currency risk and sensitivity analysis are presented in note 6.1.

Liabilities involve liquidity risk (for further information see note 4.3).

The fair value of liabilities to suppliers approximates their book value.

i FOR FURTHER INFORMATION SEE NOTE **4.3**

[in mln PLN unless otherwise stated]

5.7 PROVISIONS

ACCOUNTING POLICY

Provision for warranty repairs and litigations are mainly recognized within the provisions.
The provision for warranty repairs is created as an estimated determination determine of the average level of product returns in respect of the complaints based on historical data.
After making the calculation for several periods and on the basis of gained experience of theGroup in order to simplify the estimates made, the average rate of complaints concerning prior periods is calculated. Variable determining the potential returns from sales, upon which the value of the potential claims depends is the amount of revenue from sales in the period.
In subsequent periods some provisions adjustments are made by increasing or releasing depending on the revenue generated from the sale.
Provision for litigations is created in the amount representing the best estimate of the amount required to settle the resulting obligation.

A defined long-term benefit scheme within the period of employment

Under the terms of the collective labor agreement, a group of employees has the right to receive jubilee awards depending on seniority. Eligible employees receive a lump sum constituting, after 10 years of service, the equivalent of 100% of the base salaries monthly, an amount equivalent to 150% of the base salaries monthly after 15 years of service, after 20 years of service an amount equivalent to 200% of the base salaries monthly and after 25 years of service an amount equivalent to 250% of the base monthly salaries.
The Group recognizes a provision for bonuses payable for the fiscal period and subject to the charging and payment after the end of the fiscal year. The value is determined at the end of the fiscal year.
The Group establishes a provision for future jubilee awards based on actuarial valuation using the projected unit benefits method.

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
At 01.01.2015	5,9	3,8	3,0	0,4	13,1
Establishment	1,4	0,4	—	0,6	2,4
Utilisation	—	—	(2,0)	—	(2,0)
Release	(0,7)	(1,2)	(1,0)	—	(2,9)
Exchange rate differences	—	—	—	—	—
At 31.12.2015	6,6	3,0	—	1,0	10,6
current	0,1	3,0	—	1,0	4,1
non-current	6,5	—	—	—	6,5
At 01.01.2016	6,6	3,0	—	1,0	10,6
Establishment	0,8	2,4	—	2,1	5,3
Utilisation	—	(0,4)	—	(0,9)	(1,3)
Release	—	—	—	—	—
Exchange rate differences	—	—	—	—	—
At 30.06.2016	7,4	5,1	—	2,2	14,7
current	1,0	4,9	—	2,1	8,0
non-current	6,4	0,2	—	0,1	6,7

[in mln PLN unless otherwise stated]

6. OTHER NOTES

6.1 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

ACCOUNTING POLICY

Impairment loss for financial assets

For each balance sheet date an assessment is made if a financial asset is impaired. If there is evidence showing impairment of loans and receivables valued at amortized cost, the amount of impairment loss is determined as the difference between the asset's book value and the current value of estimated future cash flows discounted at the original effective interest rate for these assets. An impairment loss is recognized in statement of profit or loss in the item of other operating expenses. Reversal of impairment loss is recognized if in subsequent loss decreases and the decrease can be attributed to events occurring after recognizing the impairment.

	30.06.2016		31.12.2015	
	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES
Financial assets	362,8	—	419,9	—
Loans granted	15,1	—	28,0	—
Trade receivables	93,4	—	51,3	—
Cash and cash equivalents	254,3	—	340,6	—
Financial liabilities	—	1 019,7	—	796,9
Debt liabilities	—	928,5	—	718,8
Trade liabilities	—	91,2	—	78,1

FINANCIAL RISK MANAGEMENT

There are many different financial risks related to the activities carried out by the Capital Group CCC S.A. The Management Board identifies the main ones: the risk of changes in exchange rates, interest rate change, credit risk (described below) and liquidity risk (see note 4.3).

[in mln PLN unless otherwise stated]

RISK OF CHANGES IN CURRENCY EXCHANGE RATES

The Capital Group CCC S.A. operates internationally and therefore is exposed to the risk of changes in currency exchange rates, in particular USD and EUR in relation to the transaction costs of purchasing goods in China and costs of stores rentals.

Key balance sheet items exposed to currency risk are trading liabilities (leases of shops), trade receivables (due to sublease of stores), loans granted and cash.

The Group monitors the exchange rate fluctuations and on regular basis takes steps to minimize the negative impact of currency fluctuations, e.g.: by taking these changes into account in product prices. The Group does not apply hedging instruments.

The following table presents the Group's exposure to exchange currency risk:

30.06.2016	TOTAL BOOK VALUE	POSITIONS IN FOREIGN CURRENCY			POSITIONS IN FUNCTIONAL CURRENCY
		USD	EUR	OTHER	
Financial assets	362,8	140,3	31,0	1,3	190,2
Loans granted	15,1	—	—	—	15,1
Trade receivables	93,4	67,3	10,6	1,3	14,2
Cash and cash equivalents	254,3	73,0	20,4	—	160,9
Financial liabilities	1 019,7	0,5	15,5	0,2	1 924,0
Debt liabilities	928,5	—	—	—	1 856,9
Trade liabilities	91,2	0,5	15,5	0,2	67,1

31.12.2015	TOTAL BOOK VALUE	POSITIONS IN FOREIGN CURRENCY			POSITIONS IN FUNCTIONAL CURRENCY
		USD	EUR	OTHER	
Financial assets	419,9	51,8	27,0	0,7	340,3
Loans granted	28,0	—	—	—	28,0
Trade receivables	51,3	28,3	21,8	—	1,2
Cash and cash equivalents	340,6	23,5	5,2	0,7	311,1
Financial liabilities	796,9	0,5	2,3	—	543,3
Debt liabilities	718,8	—	—	—	468,0
Trade liabilities	78,1	0,5	2,3	—	75,3

[in mln PLN unless otherwise stated]

RISK OF INTEREST RATE CHANGES

The Capital Group CCC S.A. is exposed to interest rate change risk mainly due to the debt resulting from concluded loan agreements and issued bonds, cash in bank accounts and loans granted.

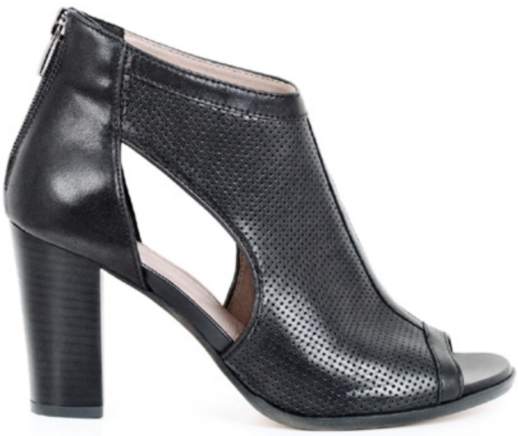
The entire debt bears interest at a variable interest rate based on WIBOR. An increase in interest rates affect the cost of debt servicing, which is partially offset by cash deposits and loans granted with variable interest rates.

The Group does not use hedging activities limiting the impact on the financial result of changes in cash flows resulting from changes in interest rates.

If interest rates on debt in the period of 6 months ended 30 June 2016 were 1 p.p. higher/lower, the profit for the period would be about 2.1 million PLN (2015: 1.5 million PLN lower/higher).

The following table presents a sensitivity analysis of the risk of changes in interest rates, which in the opinion of the Group would be reasonably possible at the balance sheet date.

	AMOUNT VULNERABLE TO RISK OF INTEREST RATE CHANGE %		30.06.2016		31.12.2015	
	30.06.2016	31.12.2015	+1 P.P.	-1 P.P.	+1 P.P.	-1 P.P.
Cash at bank	142,6	325,5	0,9	(0,9)	3,3	(3,3)
Loans granted	15,1	28,0	2,0	(2,0)	0,3	(0,3)
Debt liabilities	(928,5)	(718,8)	(5,0)	5,0	(5,1)	5,1
Effect on net result			(2,1)	2,1	(1,5)	1,5



[in mln PLN unless otherwise stated]

CREDIT RISK

Credit risk it is the risk by the Group to incur financial losses due to a failure by the customer or counterparty to a financial instrument to meet its contractual obligations. Credit risk is mainly related to the Group's receivables from customers (under wholesale), loans granted and cash and cash equivalents in bank accounts.

The maximum exposure to credit risk at balance sheet date (30 June 2016 and 31 December 2015) is presented in the table below

	30.06.2016	31.12.2015
Loans granted	15,1	28,0
Trade receivables	93,4	51,3
Cash and cash equivalents	254,3	340,6
Total	362,8	473,2

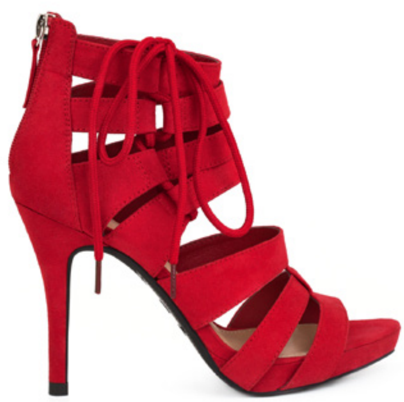
The lifetime structure of receivables, together with information on impairment of receivables are presented in note 5.4.

Due to the fact that the Group's wholesale customers do not have external ratings, the Group independently monitors the exposure to credit risk associated with receivables from customers through periodic analysis of the financial situation of the counterparties, setting credit limits and collateral promissory note from the franchise recipients.

Due to the lifelong cooperation with its counterparties, the Group assesses the credit risk of receivables from those counterparties as low.

Credit risk is additionally reduced by concluded framework agreements for offsetting of receivables from customers with liabilities (as described in note 6.1).

i FOR FURTHER INFORMATION SEE NOTE **6.1**



[in mln PLN unless otherwise stated]

Credit risk related to financial instruments in the form of cash in bank accounts is limited, due to the fact that the parties to the transaction are banks with high credit ratings received from international rating agencies.

	30.06.2016	31.12.2015
Banks with a rating of A	3,2	—
Banks with a rating of A-	169,0	272,5
Banks with a rating of B+	1,6	1,0
Banks with a rating of BB	—	—
Banks with a rating of BAA1	0,6	—
Banks with a rating of BAA2	1,0	1,0
Banks with a rating of BAA3	1,0	1,0
Banks with a rating of BBB+	10,3	9,0
Banks with a rating of BBB-	21,0	25,0
Banks with a rating of BBB	20,7	16,0
Total cash at banks	228,4	325,5

The Group has no significant concentration of credit risk. The risk is spread over a large number of banks, whose services are used, and customers with which it cooperates.

FRAMEWORK AGREEMENTS ON OFFSETTING

The following assets and financial liabilities are covered by enforceable framework agreements and similar agreements for offsetting (as of 30 June 2016 and 31 December 2015).

30.06.2016	GROSS VALUE	VALUE SUBJECT TO OFFSETTING	NET VALUE PRESENTED IN THE BALANCE SHEET
Trade receivables	93,4	—	93,4
Trade liabilities	91,2	—	91,2

31.12.2015	GROSS VALUE	VALUE SUBJECT TO OFFSETTING	NET VALUE PRESENTED IN THE BALANCE SHEET
Trade receivables	51,3	—	51,3
Trade liabilities	78,1	—	78,1

6.2 ACQUISITION OF EOBUWIE.PL S.A.

On 15 January 2016, CCC S.A. acquired 74.99% of the share capital of eobuwie.pl S.A. for PLN 235,660,541.05 and took control of the Group eobuwie.pl S.A., dealing with online sales of shoes and fancy goods, operating in Poland and other European countries.

The remuneration was determined as follows:

- The amount of PLN 129,982,000.00 paid in cash,

- The amount of PLN 100,678,541.05 paid in cash, determined as 74.99% of the amount determined as follows: the product of PLN 12.00 (twelve) for each PLN 1.00 (one) of EBITDA of the company eobuwie.pl S.A. 2015, above the amount 15.000.000,00 PLN (fifteen million), less the amount paid to Shareholders by way of settlement of the Company's profit attributable for the period from 01.01.2015 until 31.12.2015

- contingent consideration in the amount of PLN 5,000,000.00 for which the payment is deferred in time.

Following the acquisition, the Company will begin distributing their goods in the e-commerce channel.

Provisionally determined goodwill of the company in the amount of 210.5 mln PLN under the acquisition is attributable to acquired customer base and benefits of scale expected from the combination of the Company's activities with the activities of eobuwie.pl S.A.

No part of the demonstrated goodwill is not deductible for income tax purposes.

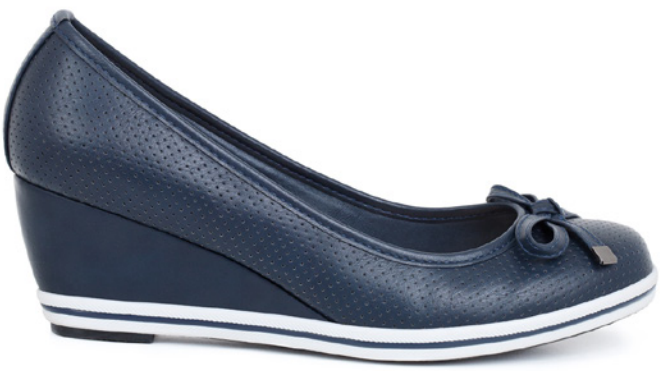
The table below shows the remuneration paid for the eobuwie.pl S.A. and provisional settlement in the book value of the acquired assets and liabilities Statemented at the acquisition date as the Company has not yet completed works related to the identification and valuation of assets and liabilities acquired.

Settlement in fair value will take place at a future date, not later than 12 months from the date of taking control over eobuwie.pl S.A..

Non-controlling shares representing 25.01% of the capital of eobuwie.pl S.A. were established on the basis of the proportionate share of the net assets acquired

[in mln PLN unless otherwise stated]

REMUNERATION AS OF 15 JANUARY 2016	
Cash	231,0
Contingent consideration	5,0
Total remuneration	236,0
Recognized values of the identifiable acquired assets and liabilities	—
Cash and cash equivalents	9,0
Tangible fixed assets	12,0
Intangible fixed assets	1,0
Deferred tax assets	—
Inventories	47,0
Trade receivables and other receivables	9,0
Trade liabilities and other liabilities	(25,5)
Liabilities due to post-employment benefits	—
Borrowings	(17,0)
Provisions for liabilities	(1,0)
Deferred tax liabilities	—
Identifiable net assets in total	34,5
Non-controlling share	(9,0)
Goodwill	210,5
Total	236,0



Arrangements concerning contingent consideration require from the group to pay no later than 7 days after the expiration of 12 months from the date of transfer of shares, in the amount of PLN 5 000 000,00 plus interest of 2.5% per year as long as all or part of that amount is not secured by the Company on account of the Company's claims for defects representations and warranties made by eobuwie.pl S.A. due to the conclusion of the investment agreement.

The acquisition agreement provides for an option to acquire the remaining 25.01% of shares eobuwie.pl S.A. by CCC S.A.. In case of realization of the call option by eobuwie. pl S.A. or the put option by the CCC S.A., CCC S.A. will be obliged to purchase shares at a price corresponding to the value of 25.01% of the multiplier: 12 x EBITDA of eobuwie. pl S.A. for 2018, and if the company makes a loss in EBITDA or EBITDA is zero, the price will be equal to the nominal value of shares (i.e. 500 200 PLN). Options are exercisable until 28 February 2020.

These aforementioned put and call options are symmetrical - they are settled at the same time and the same price, therefore they are considered as a symmetrical forward and thus recognized as a one instrument. This Forward (symmetrical put and call option) used to purchase non-controlling interest (minority) has been recognized in the consolidated financial statements as a liability to pay the current value of the remuneration for the remaining shares on the basis of IAS 32 par. 23 and included in equity in the amount of 222.5 million PLN, which is a discounted (using the original effective interest rate) estimated liability.

The commitment has been estimated based on 25.01% of the forecasted EBITDA for eobuwie.pl S.A. for the year 2018, multiplied by a factor of 12, and discounted using the interest rate of the average cost of debt to CCC S.A.

The obligation of the redemption of the minority interest in eobuwie.pl S.A. is the variable price, calculated based on the EBITDA of the company, due to such construction of the price it is highly likely that the risks and rewards were not transferred to CCC S.A. on the date when the option was established, therefore, a financial liability under the put option lowers the equity.

Valuation of liabilities at the balance sheet dates will occur at amortized cost and will be recognized in the profit and loss account.

Revenues of the Group eobuwie.pl S.A. recognized in the consolidated statement of comprehensive income since 15 January 2016 amounted to PLN 111,323,425.08. The Group eobuwie.pl S.A., moreover, included in the same period a profit in the amount of PLN 15,296,577.70. If the Group eobuwie.pl S.A. was consolidated from 1 January 2016, the consolidated statement of comprehensive income would recognize a revenue „pro-forma" in the amount of PLN 1,406.5 million and a profit „pro-forma" in the amount of 114.2 million PLN.

TRANSACTIONS WITH RELATED ENTITIES

In presented periods the Group made the following transactions with related entities:

	30.06.2016	31.12.2015
Entities related to members of key management personnel		
Transactions in the fiscal year:		
Sale	—	—
Purchase	1,7	9,2
Transactions in the fiscal year:		
Receivables	—	—
Liabilities	0,2	0,5

6.3. REMUNERATION OF THE KEY MANAGEMENT PERSONNEL

IN THOUSAND PLN	FIXED REMUNERATION	PROGRAM OF PAYMENTS BASED ON SHARES - FAIR VALUE AT THE MOMENT OF GRANTING	OTHER (BONUSES)	TOTAL
30.06.2016				
Members of Management Board	1 350,0	11 502,5	—	12 762,5
Supervisory Board	198,1	—	—	198,1
Total	1 548,1	11 502,5	—	12 762,5
30.06.2015				
Members of Management Board	1 110,0	1 567,0	400,0	3 077,0
Supervisory Board	74,0	—	—	74,0
Total	1 184,0	1 567,0	400,0	3 151,0

On 19 July 2016, The Management Board of CCC S.A. informed about the acquisition of series E shares by persons performing managerial responsibilities regarding the execution of series A subscription warrants granted under the Incentive Scheme for the years 2013 - 2015 - Vice President of the Issuer's Management Board Piotr Nowjalis (75 000 shares at a price of 61.35 PLN per share) and Vice President of the Issuer's Management Board Mariusz Gnych (132 000 shares at a price of 61.35 PLN per share). (CR 40/2016).

6.4 PAYMENTS IN FORM OF SHARES

ACCOUNTING POLICY

The Group runs a program of benefits based on shares settled in capital instruments, under which the entity receives services of employees in exchange for equity instruments (options) of the Group. The fair value of employee's services received in exchange for granting options is recognized as an expense over the period of conferring rights to exercise the option in correspondence to equity - retained earnings.
The total amount subject to recognition in cost is determined by referring to the fair value of options granted at the date of granting the option:
• taking into account any market conditions (for example entity's share price);
• excluding the impact of any related work experience and non-market conferring rights (for example, sales profitability, the goals connected with growth in sales and the indicated period of the compulsory employment of the employee in the unit); and
• taking into account the impact of any conditions unrelated to conferring the rights (for example, the requirement by the current staff to keep received instruments for a specified period).
At the end of each Reporting period, the entity revises the made estimates of the expected number of options to which rights are to be conferred as a result of the conditions of conferring rights of a non-market. The Group presents the impact of a possible revision of the original estimates in the Statement on the financial result, with a corresponding adjustment to equity.
In addition, in certain circumstances, employees can provide services before the date of granting them the stock options. In this case, the fair value of at the date of granting stock options is estimated to recognize costs during the period from commencement of the service by the staff to the actual date of granting them the options.
Upon exercise of the options, an entity issues new shares. The funds obtained after the deduction of any costs that can be directly attributable to the transaction, increase the share capital (nominal value) and the surplus of the issue price of shares over their nominal value.
Social security contributions payable in connection with the granting of stock options are considered an integral part of the benefit granted and the cost is treated as a transaction settled in a form of cash.

The parent company launched in December 2012 the incentive scheme based on subscription warrants (Scheme).

The scheme is based on offering the participants subscription warrants giving the possibility to acquire in future the shares of the Parent Company after meeting certain non-market conditions of conferring these rights.

The scheme covers the members of the board of the Unit, members of the management board of subsidiaries, key employees and associates of the Unit and subsidiaries.

The aim of the scheme is to motivate the people covered by the scheme to actions ensuring both long-term growth of the Group's value as well as the steady growth in net profit as well as stabilization of the managerial staff.

The incentive program is a program settled by capital.

Under this program, the Supervisory Board granted warrants with a total number of 768 000. As at 31 December 2015 it was granted a total number of 652 000 warrants in two tranches (described below). On 2 June 2016, the Supervisory Board adopted a resolution on the implementation of the terms of the Incentive Scheme and determined the final number of granted warrants to 768 000. The entire cost of a new tranche of the scheme in the amount of 14.5 million PLN was recognized in the income statement increasing equity by this amount.

On 22 July 2016, the Company CCC S.A. announced that on 19 -22 July 2016 a part of some persons holding registered series A subscription warrants entitled to subscribe for ordinary bearer shares of series E filed a statement of acquisition of shares. Under the exercise of the rights of 768 000 subscription warrants, a statement of acquisition of shares was made by 85 entitled persons for a total of 727 900 shares of series E, at a price of 61.35 PLN in the amount of 44,656,665.00 PLN. The Shares of series E will be the subject of application for admission to a trading on a regulated market. For the remaining series A subscription warrants (40.100) there is a possibility to acquire them until 30 June 2018.

[in mln PLN unless otherwise stated]

MAIN CONDITIONS OF THE SCHEME	TRANCHE 2012	TRANCHE 2015	TRANCHE 2016
Date of granting rights	19.12.2012	29.12.2015	02.06.2016
Number of employees covered by the scheme	31	67	23
The value of the scheme as of the date of rights vesting	14.9 mln PLN	16.4 mln PLN	14.5 mln PLN
Number of warrants granted	475.000	177.000	116.000
Value of a warrant at the date of rights vesting	31,34 PLN	92,66 PLN	125,00 PLN
Expense recognized in the income statement in the year 2016	-	-	14.5 mln PLN
Expense recognized in the income statement in the year 2015	10.5 mln PLN	16.4 mln PLN	-
Expense recognized in the income statement in the year 2014	2.2 mln PLN	-	-
Cumulative amount recognized in equity as at 30 June 2016 („retained earnings") 31 December 2015 („retained earnings")	14.9 mln PLN	16.4 mln PLN	45.8 mln PLN
Vesting conditions	Non-market conditions relating to employment and the results (described in detail below)		
Vesting period	Finished	Finished	Finished
Period of execution of warrants to which the rights were vested	Until 30.06.2019	Until 30.06.2019	Until 30.06.2018

SIGNIFICANT PARAMETERS ADOPTED IN THE MODEL OF VALUATION WERE AS FOLLOWS:			PARAMETER VALUE
The valuation model of warrants			of a Monte-Carlo simulation
Number of warrants granted	475.000	177.000	116.000
Share price at the grant date	73,80 PLN	159,00 PLN	107,50 PLN
Exercise price of the warrant	61,35 PLN	61,35 PLN	61,35 PLN
Expected volatility	0,35	0,33	0,33
Value of the expected dividend	1,60 PLN	3,33 PLN	2,19
Average life duration of the option	5,9 years	3,5 years	3 years

	ASSUMPTIONS ADOPTED AS FOR THE IMPLEMENTATION OF THESE TERMS			
	TRANCHE 2012		TRANCHE 2015	TRANCHE 2016
	2016	2015	2015	2016
Achieving annual consolidated net profit of the Capital Group for financial years 2013, 2014 and 2015 no less than 620 million PLN	Terms achieved	Terms achieved	Terms achieved	Terms achieved
Maintaining service relationship until 31.12.2015	Terms achieved		Terms achieved	Terms achieved
Positive assessment of the work performance of the person entitled	Terms achieved	Terms achieved	Terms achieved	Terms achieved

6.5 CONSOLIDATION

ACCOUNTING POLICY

Subsidiaries these are all business entities over which the Group exercises control. Subsidiaries are subject to a full consolidation from the date of transfer of control to the Group. Consolidation ceases from the date of cessation of control.
The Group recognizes the business combination using the purchase method. The payment given for the acquisition of the venture it is the fair value of the assets given, liabilities incurred to the previous owners of the acquiree and the equity shares issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities acquired in a business combination are measured at initial recognition at their fair values at the acquisition date. The Group recognizes at the acquisition date any non-controlling shares in the acquiree either at fair value or according to the proportionate share (corresponding to the share not giving control) in identifiable recognized net assets of the acquiree.
The excess of the cost of acquisition and non-controlling shares over the fair value of net assets acquired is recorded as goodwill.
Transaction costs are recognized in the financial result when incurred.
Intra-group transactions and balances and unrealized gains on transactions between the entities of the group are eliminated.
The table below shows the subsidiaries of CCC S.A.:

SUBSIDIARIES OF CCC S.A.	HEADQUARTERS/COUNTRY	TYPE OF BUSINESS ACTIVITY
CCC Factory Sp. z o.o.	Polkowice, Poland	manufacturing
CCC Czech s.r.o.	Prague, Czech Republic	commercial
CCC Slovakia s.r.o.	Bratislava, Slovakia	commercial
CCC Hungary Shoes Kft.	Budapest, Hungary	commercial
CCC Austria Ges.M.b.H.	Graz, Austria	commercial
CCC Shoes Ayakkabıcılık Ticaret Limited Sirketi	Istanbul, Turcja	commercial
CCC Obutev d o.o.	Maribor, Slovenia	commercial
CCC Hrvatska d o.o.	Zagreb, Croatia	commercial
CCC Germany GmbH	Frankfurt, Germany	commercial
CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	commercial
CCC Isle of Man Ltd.	Douglas, Isle of Man	service
CCC.eu sp. z o.o.	Polkowice, Poland	purchase and selling
CCC Shoes and Bags sp. z o.o.	Polkowice, Poland	investment
NG2 Suisse S.a.r.l.	Zug, Switzerland	in liquidation
eobuwie.pl S.A.	Zielona Góra, Poland	commercial
CCC Shoes & Bags d.o.o. Beograd – Stari Grad	Belgrad, Serbia	commercial
eschuhe.de UG	Frankfurt, Germany	commercial
Traf Logistics Sp. z o.o.	Zielona Góra, Poland	logistics

The organizational changes that took place in the Group during the fiscal year are described in point. 3.1.2 of the Statements on the operations of the Capital Group CCC S.A.

i For further information see section **3.1** in the Statement on operations of the Group

6.6. EVENTS AFTER BALANCE SHEET DATE

On 5 July 2016, the Management Board of CCC S.A. informed on the establishment of a contractual mortgage in the amount of 300,000,000.00 PLN on the ownership title of CCC S.A. on the property located in Polkowice, ul. Strefowa 6 (CR 38/2016).

On 8 July 2016, the Management Board of CCC S.A. adopted a resolution that concerns giving a consent to dispose all shares held by the Company of shares eobuwie.pl S.A. i.e. 74.99% (7,499,000 shares), of the nominal value of the share capital of eobuwie.pl S.A., thereby giving 74.99% of votes at the General Meeting of eobuwie.pl S.A.

The sale of shares will take place for the benefit of the Company's subsidiary of CCC S.A. - CCC Shoes & Bags sp. z o.o. as a contribution in kind in exchange for the acquisition by CCC S.A. of shares in the increased share capital of CCC Shoes & Bags sp. z o.o.. The resolution will take effect on the date of giving the consent by the Supervisory Board of CCC S.A. for the disposal of shares of eobuwie.pl S.A. (CR 39/2016.)

On 22 July 2016, the Company CCC S.A. announced that on 19 – 22 July 2016 a part of persons holding registered series A subscription warrants entitled to subscribe for ordinary bearer shares of series E filed a statement of acquisition of the shares. Under the exercise of the rights of 768,000 subscription warrants, a statement of acquisition of shares was made by 85 entitled persons for a total of 727,900 shares of series E, at a price of 61.35 PLN in the amount of 44,656,665.00 PLN. The Shares of Series E will be the subject of application for admission to a trading on a regulated market. For the remaining series A subscription warrants (40.100) there is a possibility of their acquisition until 30 June 2018. (CR 41/2016)

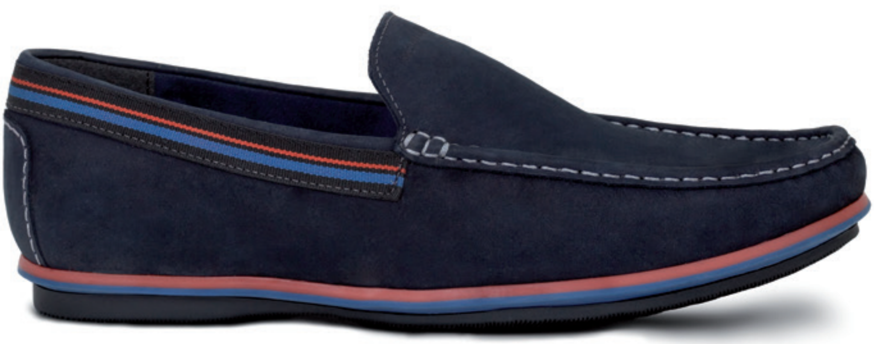
On 16 August 2016, the Board of the National Depository for Securities S.A. („KDPW") accepted in the National Depository for Securities 727,900 ordinary shares of series E (CR 43/2016).

On 17 August 2016, the Board of the Stock Exchange in Warsaw agreed to introduce to the stock exchange trading on the main market of 727,900 ordinary shares of series E with effect from 19 August 2016. (CR 44/2016).

In connection with the registration of 727,900 ordinary shares of series E in KDPW, the amount of the dividend per share amounts to 2.19 PLN. (CR 45/2016)

On 22 August the Supervisory Board adopted a resolution on giving its consent to dispose all the shares held by the Issuer in the company eobuwie.pl S.A. (7.499.000 shares constituting 74.99% of the nominal value of the share capital of eobuwie.pl S.A.) (CR 46/2016).

On 23 August 2016 the Management Board of the subsidiary of the Issuer CCC Shoes & Bags Sp. z o.o. in Warsaw informed on its intention to acquire 75% of shares with the value of 375 000 RUB in Russian company „3S Retail" a limited liability company in Moscow which is the sole distributor of CCC goods on Russian market. (CR 47/2016)



The interim condensed financial statements were approved for publication by the Management Board of the Company on 25 August 2016 and signed on behalf of the Management Board by:

SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS

Edyta Banaś	Chief Accountant	

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.