ANNUAL REPORT

ON THE OPERATION OF CCC S.A.

FOR THE PERIOD FROM

1 JANUARY 2013 TO 31 DECEMBER 2013

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1. Background information

Name of the Issuer:	CCC Spółka Akcyjna
Registered office of the Issuer:	Polkowice
Address:	ul. Strefowa 6, 59-101 Polkowice
Telephone:	+ 48 (76) 845 84 00
Fax:	+ 48 (76) 845 84 31
Email:	ccc@ccc.eu
Website:	www.ccc.eu
Registration:	District Court for Wrocław-Fabryczna in Wrocław, 9th Commercial Division of the National Court Register.
KRS Number:	0000211692
Regon (Statistical Number):	390716905
NIP (Tax Identification Number):	692-22-00-609
Corporate purpose:	The Issuer's primary corporate purpose according to the European Classification of Economic Activities is wholesale and retail trade of clothing and footwear (ECEA 5142).

CCC S.A. has been listed on Giełda Papierów Wartościowych S.A. in Warsaw (Warsaw Stock Exchange) since 2004.

2. Primary business and financial figures disclosed in the annual financial statements, in particular, a description of the factors and circumstances which materially affect the Issuer's business and the profits generated or losses incurred by the Issuer in the financial year, as well as growth prospects for the Issuer's business, at least for the next financial year.

As of 31 December 2013, the CCC S.A. Group's sales network comprised of 712 stores.

Table 1. The area and number of stores of CCC Capital Group SA

		31.12.2012		*31.12.2013*	
		m²	*number*	*m²*	*number*
OWN STORES	CCC (Poland), including:	132 268	375	141 960	379
	- CCC (agency)	*11 546*	*36*	*12 102*	*37*
	CCC (The Czech Republic)	20 996	62	26 947	73
	CCC (Slovakia)	5 290	12	10 646	25
	CCC (Hungary)	6 028	15	23 456	50
	CCC (Germany)	-	-	2 272	4
	CCC (Austria)	-	-	2 816	6
	CCC (Turkey)	-	-	1 165	2
	CCC (Croatia)	-	-	1 651	3
	CCC (Slovenia)	-	-	924	2
	BOTI	19 709	146	9 820	72
	LASOCKI/QUAZI	4 609	34	2 504	20
FRANCHISES	CCC (Poland)	1 586	8	1 586	8
	CCC (Russia)	1 828	5	2 178	6
	CCC (Latvia)	1 430	3	2 212	5
	CCC (Romania)	2 074	5	7 869	19
	CCC (Kazakstan, Ukraine)	685	2	1 587	4
	BOTI (Poland)	5 086	42	4 325	34
TOTAL		**201 589**	**709**	**243 918**	**712**

2. Primary business and financial figures (...) (continued)

CCC Group operates a distribution in its own stores and franchises within 3 sales chains of CCC, BOTI, Lasocki. The space of own sales chain in 2013 amounted to 224,200 sq.m. (+18.7% y / y), including in Poland – 154,000 sq.m.. The retail space in retail franchises in 2013 amounted to 19.800 sq.m. (55.7% y / y), including in Poland – 5,900 sq.m.

The strategy of CCC provides for a consistent enlargement of sales chains and the opening of new stores, both domestically and abroad, carefully selected in terms of expected profitability and rate of return.
In 2013, CCC increased the pace of expansion, strengthening its position of an undisputed leader in Poland and winning foreign markets. As of the balance sheet date, the Company had subsidiaries in the Czech Republic, Slovakia, Hungary, Germany, Austria, Slovenia, Croatia and Turkey, whose primary business is the distribution of goods supplied by CCC SA. In the coming years, the Company will aggressively and dynamically continue to pursue the strategy of international expansion. In addition to the countries of Central Europe, the Company will carry out investments in brand new markets for the Company - in Germany, Austria, Slovenia, Croatia and Turkey.

Key values and business and financial figures are contained in the tables below:

Table 2. Key business and financial figures of CCC S.A.

Figure	2013 (PLN '000)	2012 (PLN '000)	change %
net revenue from sales	1 511 592	1 258 681	20,1%
gross earnings from sales	655 775	587 694	11,6%
cost of sales and management	539 930	492 726	9,6%
profit loss on operating activity (EBIT)	106 069	88 842	19,4%
gross profits	115 867	69 529	66,6%
net profits	98 396	57 174	72,1%
Figure	**31.12.2013 (PLN '000)**	**31.12.2012 (PLN '000)**	**change %**
shareholders' equity	398 212	359 060	10,9%
liabilities and provisions	635 173	552 724	14,9%
non-current liabilities and non-current provisions, of which:	190 510	123 855	53,8%
*long-term bank loans**	158 000	88 000	79,5%
current liabilities and current provisions, of which:	444 663	428 869	3,7%
- *short-term bank loans**	200 748	244 876	-18,0%
total assets	1 033 385	911 784	13,3%
non-current assets	345 959	352 828	-1,9%
current assets	687 426	558 956	23,0%
inventory	388 478	356 496	9,0%
current receivables	206 294	102 849	100,6%

**detailed information about the loans incurred is set out in Note 16 to the financial statements*

2. Primary business and financial figures (...) (continued)

In 2013, CCC S.A. generated a sales revenue of PLN 1,511,592,000 (+20,1% yoy). Retail sales revenue amounted to PLN 1,256,134,000, compared to PLN 1,119,034,000 in 2012 (+12,30 % yoy). In the same period, the revenue from franchise and other (wholesale) sales amounted to PLN 255,458,000 (+82.9 % yoy). The change in the structure of sales revenue sources is consistent with the Company's growth strategy. In the future, we should expect continued increase in the share of retail sales in the overall revenue.
In the discussed period, the cost of sales and management increased by PLN 47,204,000 (+9,6 % yoy). The ratio of the cost of sales and management to sales revenue decreased to 0.36 (2012: 0.39) and remains typical for companies operating in the retail sector.

The balance sheet of CCC S.A. as of 31 December 2013 shows a total amount of assets and liabilities of PLN 1,033,385,000. The balance sheet sum increased by 121,601,000 compared to its value as on 31 December 2012. The significant change in current assets involved a increase in receivables of PLN 103,445,000 to PLN 206,294,000. Other significant changes involved an decrease in cash and cash equivalents to PLN 92,654,000 (PLN 99,611,000 as of at the end of 2012) and an increase in inventory of PLN 31,982,000 (PLN 356,496,000 as at the end of 2012). On the tangible assets side, there was a fall in fixed assets (-2,6 % YoY).
On the liabilities side, major changes included an decrease in liabilities under short-term loans to PLN 200,748,000 (PLN 244,876,000 as on 31 December 2012), which coincided with a increase in liabilities under long-term loans to PLN 158,000,000 (PLN 88,000,000 as on 31 December 2012). The increase in long-term credit liabilities ensues from a higher share of financing the activities with external capital. Trade liabilities and other liabilities increased to PLN 238,884,000 (PLN 178,877,000 as on 31 December 2012).

Table 3. Profitability ratios

Figure	2013 (%)	2012 (%)	change %
gross profit margin on sales	43,38	46,69	-7,1
operating profitability (EBIT)	7,02	7,06	-0,6
gross profitability	7,67	5,52	38,9
net profitability	6,51	4,54	43,4
return on assets (ROA)	9,52	6,27	51,8
return on equity (ROE)	24,71	15,92	55,2

Definitions:
a) **gross profit margin on sales** - ratio of gross margin on sales to sales revenue,
b) **operating profitability (EBIT)** - ratio of operating profits to sales revenue,
c) **gross profitability** - ratio of gross profits to sales revenue,
d) **net profitability** - ratio of net profits to sales revenue,
e) **return on assets** (ROA) - ratio of net profits to the position of assets,
f) **return on equity** (ROE) - ratio of net profits to the position of equity.

Table 4. Liquidity ratios

Figure	2013	2012	change %
quick ratio	1,55	1,30	19,2
quick liquidity ratio	0,67	0,47	42,6
stock rotation ratio (days)	159	223	-28,7
receivables rotation ratio (days)	37	27	37,0
trade liabilities rotation ratio (days)	69	84	-17,9

2. Primary business and financial figures (...) (continued)

Definitions:

a) **quick ratio -** ratio of total current assets to the value of short-term liabilities and short-term provisions,
b) **quick liquidity ratio -** ratio of total current assets less provisions to the value of short-term liabilities and short-term provisions,
c) **stock rotation ratio -** ratio of mid-sized stock to the cost of goods and services sold, multiplied by the number of days in the reference period,
d) **receivables rotation ratio -** ratio of mid-range trade receivables and other receivables to sales revenue, multiplied by the number of days in the reference period,
e) **liabilities rotation ratio -** ratio of mid-range liabilities to the cost of goods and services sold, multiplied by the number of days in the reference period.

Table 5. Debt and asset financing ratios

Figure	2013 (%)	2012 (%)	change %
share of own funds in the financing of current assets (per cent)	57,93	64,24	-9,8
ratio of coverage of fixed assets with shareholders' equity	115,10	101,77	13,1
overall debt ratio	61,47	60,62	1,4
long-term debt ratio	18,44	13,58	35,8
short-term debt ratio	43,03	47,04	-8,5
ratio of liabilities to shareholders' equity	159,51	153,94	3,6

Definitions:

a) **share of own funds in the financing of current assets** - ratio of own funds to current assets,
b) **ratio of coverage of fixed assets with shareholders' equity** - ratio of shareholders' equity to fixed assets,
c) **overall debt ratio** - ratio of the total value of liabilities and provisions to the value of assets,
d) **long-term, short-term debt ratio** - ratio of, respectively, non-current liabilities, non-current provisions, current liabilities, and current provisions to the balance sheet sum,
e) **ratio of liabilities to shareholders' equity** - ratio of total liabilities and provisions as at the end of the reference period to the value of shareholders' equity.

The Management Board of CCC S.A. assesses highly the Company’s ability to discharge any obligations incurred thereby.

3. Description of material risks and threats, and the extent to which the Issuer is affected by these risks and threats.

In the opinion of the Management Board, the activity of CCC S.A. is affected by the following factors:

1. Internal factors:

- Strengthening of own sales chain. In the years 2013-2015, the planned increase in the commercial space of the CCC Group S.A. will be at least 200,000 sq. m:
  - 2013 - 42,300 sq.m.
  - 2014 – 75,000 sq.m. (increase over 30%)
  - 2015 – 80,000 – 95,000 sq.m. (estimated increase 25-30%)

- Efforts to increase brand recognisability and value. Appropriate advertising and promotional tools, store décor and presence in high-profile venues should help consistently enhance and strengthen the image of the brands owned by the CCC S.A. Group.

3. Primary business and financial figures (...) (continued)

2. External factors:

- Currency exchange rates. Due to the fact that CCC S.A. generates the majority of its revenue in PLN, and the majority of their costs are incurred in foreign currencies, the exchange rates of USD and EUR (practically all imports are denominated in these currencies, as is a considerable portion of leases) will affect the cost structure, and the potential change of supply sources and recording currency exchange differences in the income statement. As the Chinese market is the primary supply market for CCC S.A., the exchange rate of the Chinese currency to world's major currencies is also very important. Its appreciation may affect import terms.
- Interest rate change. CCC S.A. is exposed to the risk of interest rate changes in relation to the loan agreements concluded. The loans are subject to a variable interest rate based on WIBOR. Interest rate increases will affect the value of interest on the loans to be paid by the Company.
- Credit risk. This risk derives from the uncertainty as to whether and when amounts due will be repaid. Wholesale also includes deferred payment sales, which exposes CCC S.A. to the risk of financing customers. To remain a leader position on the footwear market, CCC S.A. uses the sales credit feature, which enhances the company's appeal to wholesalers.
- Overall economic situation in Poland and abroad. The majority of the revenue of CCC S.A. is generated in Poland. The Company also sells to foreign business partners (subsidiaries and other foreign franchisees). Therefore, the Company attaches great importance to the buying power of consumers from Central and Eastern Europe and their willingness to purchase. Any worsening of the economic situation in Europe may negatively affect the operating results and financial position of the Issuer.
- Seasonal nature of sales and weather conditions. Sales and the value of inventory depends on the seasonal nature of demand (demand peaks in the spring and autumn seasons). A disruption of weather conditions may cause consumers to postpone their shopping decisions or may shorten the peak sales season. Having its own manufacturing capacity strengthens CCC S.A.'s immunity to seasonal and weather factors. The Company is able to quickly adapt production and supply stores with goods that reflect current expectations and weather conditions.
- Stores locations. Strengthening market standing through dynamic growth of the store chain may be associated with the risk of an unsuccessful store location or a limited number of successful new locations.
- Fashion trends and failed collections. CCC S.A. is exposed to the risk of launching failed footwear collections. A factor that can mitigate this risk is the Company's many years of market experience, monitoring European and global fashion trends (participating in international footwear fashion fairs, e.g. in Milan, Garda, Dusseldorf).

The Management Board of CCC S.A. states that in the reference period in question, there were no factors or circumstances of non-typical nature that would significantly affect the Company's operations.

4. Proceedings pending before a court, an authority competent to conduct arbitration proceedings or a public administration body.

CCC S.A. is not a party to any court proceedings in which the value of the subject of dispute would exceed 10 per cent of the Company's own funds.

5. Information about basic products, goods or services, together with their value and quantity, and the share of the products, goods or services (if they are material) or their groups in the Issuer's total sales, as well as changes in this regard in the financial year.

The business activity of CCC S.A. covers the following fundamental areas:
- retail and wholesale of footwear through its own and franchise distribution network,
- imports of goods from Asia and Europe,
- retail and wholesale of accessories and small clothing accessories,
- lease of commercial spaces.

The structure of sales of CCC S.A. by value and volume is presented in the tables below.

Table 6. The structure of sales of CCC S.A

CATEGORY	2013		2012	
	PLN '000	share %	PLN	share %
Footwear	1 383 914	91,6	1,164,025	92,5
Other sales	127 678	8,4	94, 656	7,5
Total	**1 511 592**	**100,0**	**1,258,681**	**100,0**

The item "Other sales" includes revenue from selling handbags, accessories and small clothing accessories, as well as reinvoiced costs of commercial space lease.

Table 7. Volume and value of footwear sales of CCC S.A.

CATEGORY	2013		2012	
	Volume (in thousands of units)	Value (PLN '000)	Volume (in thousands of units)	Value (PLN '000)
Women's footwear	12,969	851 213	10,763	720,549
Share %	56,7	61,5	55,4	61,9
Men's footwear	4,215	322 189	3,445	261,494
Share %	18,4	23,3	17,7	22,5
Children's footwear	5,681	210 512	5,218	181,982
Share %	24,9	15,2	26,9	15,6
Total	**22,865**	**1 383 914**	**19,426**	**1,164,025**
Share %	100,0	100,0	100,0	100,0

In the sales structure of CCC S.A., the main product sold is women's footwear, which accounted for 61.5 per cent of the value of footwear sales in 2013.

6. Information about markets, including domestic and foreign markets, and information about sources of manufacturing materials, sources of goods and services, specifying dependence on one or more customers and suppliers.

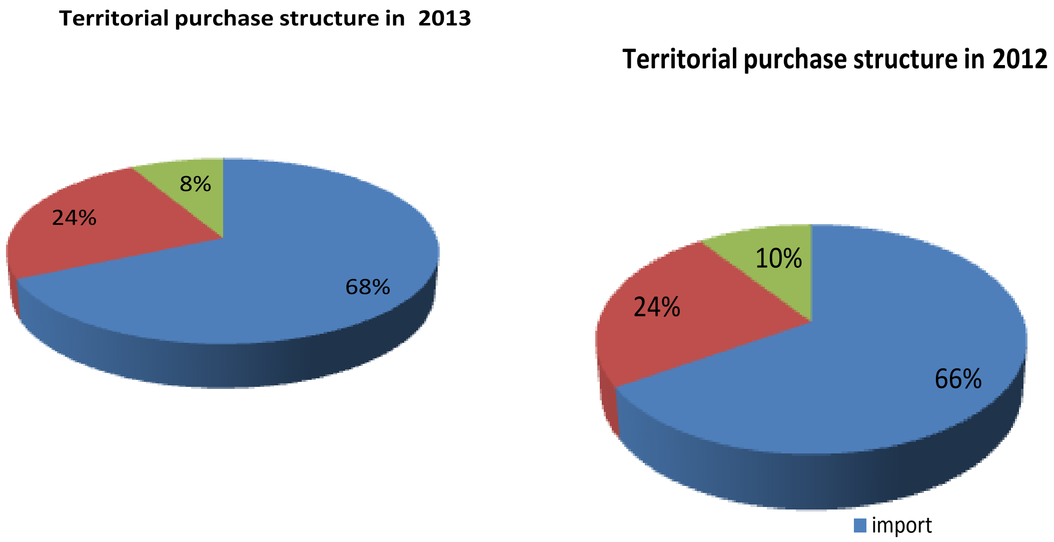
In 2013, the share of retail in total sales amounted to 83,1% (88,9% in 2012). Developing retail stores is an important factor in improving business profitability due to the higher retail margin it offers. In the case of franchises, CCC S.A. generates a lower wholesale margin. The sales structure of CCC S.A. is presented in table 7.

6. Information about markets (…) (continued)

Table 8. The structure of sales of CCC S.A. according to distribution channels

CATEGORY	2013		2012	
	PLN '000	share %	PLN '000	share %
Retail sales	1 256 134	83,1	1,119,034	88,9
Franchise and other sales	255 458	16,9	139,647	11,1
Total	**1 511 592**	**100,0**	**1,258,681**	**100,0**

Figure 1. Major product supply sources for the CCC S.A. Capital Group (value)



CCC S.A. primary supply sources are Polish vendors, its own factory and imports. The supply structure (Poland, imports) remains similar. Depending on the economic situation, the Company is able to quickly change its foreign supply sources. The footwear imported from China comes from several dozen manufacturers.

7. Concluded agreements with material effect on the Issuer's operations, including agreements known to the Issuer and concluded between shareholders, insurance agreements, and partnership or cooperation agreements.

In the reporting period, the Issuer did not conclude any new material agreements, save for the agreements described in Clauses 10 and 12.

8. Information about the Issuer's foreign or capital links with other entities and its primary domestic and foreign investments (securities, financial instruments, intangible assets and real estate), including capital investments made outside the affiliate group and the financing method.

CCC S.A. is the dominant entity in the CCC Capital Group. The organisational structure in the CCC S.A. Capital Group is as follows:

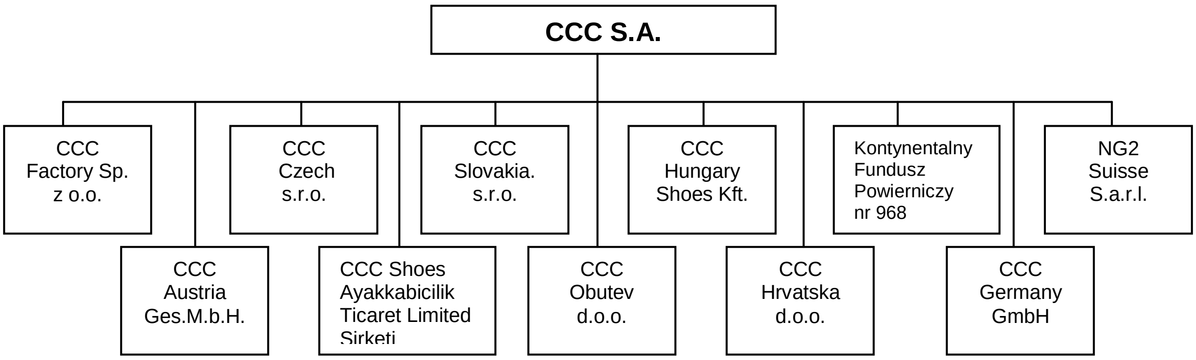


Table 9. Affiliates as on 31 December 2013

The subsidiaries of CCC S.A.	Percentage share in the entity's capital %	Nominal value of shares
CCC Factory Sp. z o.o.	100	15,559,000 PLN
CCC Czech s.r.o.	100	112,600,000 CZK
CCC Slovakia s.r.o.	100	5,000 EUR
CCC Hungary Shoes Kft.	100	10,000,000 HUF
CCC Austria Ges. M. b. H.	100	100,000 EUR
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi	100	50,000 TRY
CCC Obutev d.o.o.	100	50,000 EUR
CCC Hrvatska d.o.o.	100	380,000 HRK
CCC Germany GmbH	100	100,000 EUR
Continental Trust Fund No. 968	100	10 USD
NG2 Suisse S.a.r.l.	100	20,000 CHF

9. Material transactions concluded by the Issuer or its subsidiary with affiliates on terms other than arm's length terms, together with their amounts and notes on the nature of the transactions.

To the Issuer's knowledge, none of the transactions described above were concluded.

10. Information on loan agreements incurred and terminated in the financial year, listing at least their amount, type and interest rate, currency and maturity date.

In the reporting period, CCC S.A. (Borrower) concluded with its subsidiary NG2 Suisse S.a.r.l. (Lender) the following loan agreements:

Table 9. Loan agreements concluded in the reporting period

Date of concluding the agreement	Loan amount	Interest rate* per annum	Maturity date
14.02.2013 r.	9,500,000 PLN	6,0%	31.12.2013 r.

*fixed interest rate throughout the term of the agreement

W okresie sprawozdawczym Spółka CCC S.A. podpisała następujące umowy oraz aneksy do umów zwiększających wartość kredytów:

1/ On 20 February 2013, CCC S.A. signed an annex to the loan agreement of 3 March 2009, concluded with Bank Handlowy S.A. with its registered office in Warsaw. The annex increased the amount of the loan to PLN 56,000,000, interest as per WIBOR + bank margin;

2/ On 27 March 2013, the Company CCC S.A. signed a loan agreement with BRE Bank SA with its registered office in Warsaw. The agreement provides for the revolving loan in the amount of PLN 30,000,0000, interest rate as per WIBOR + bank margin;

3 / On 27 March 2013, the Company CCC S.A. signed an annex to the loan agreement dated on 14 November 2012, concluded with mBank S.A., with its registered office in Warsaw. The annex increased the loan amount to 15,000,000 PLN , interest rate as per WIBOR + bank margin;

4 / On 9 October 2013, the Company CCC S.A. signed a multi-purpose credit line with Bank Polska Kasa Opieki S.A., with its registered office in Warsaw. As part of the agreement, the Bank granted the Company a limit in the form of overdraft facility up to a total amount not exceeding PLN 100,000,000, interest rate as per WIBOR + bank margin;

5 / On 25 October 2013, the Company CCC S.A. signed an annex to the agreement of 28 October 2010, signed with the Bank PKO BP S.A., with its registered office in Warsaw. The annex increased the loan amount to PLN 100,000,000, interest rate as per WIBOR + bank margin;

6 / On 30 October 2013, the Company CCC SA signed an annex to the loan agreement dated 3 March 2009 , with Bank Handlowy SA, with its registered office in Warsaw. The annex increased the loan amount to 86,000,000 PLN, interest rate as per WIBOR + bank margin;

7 / On 2 December 2013, the Company CCC SA signed an annex to the loan agreement dated 30 January 2009, concluded with ING Bank Śląski SA, with its registered office in Katowice. The annex increased the loan amount to PLN 100,000,000, interest rate as per WIBOR +bank margin.

Other information in this regard was published in Note 16 to the financial statements of CCC S.A. for the period from 1 January 2013 to 31 December 2013.

11. Loans granted in the financial year in question, taking into account particularly the loans granted to the Issuer's affiliates, listing their amount, type and interest rate, currency and maturity date.

In the reporting period, CCC S.A. (Lender) concluded the following loan agreements:

11. Loans granted in the financial year (…) (continued)

Table 10. Loan agreements granted in the reporting period

Entity	Date of concluding agreement	Loan amount	Interest rate per annum	Maturity date
CCC Austria Ges.m.bH.	16.12.2013	2,000,000 EUR	1,5%	31.12.2014
CCC Germany GmbH.	09.08.2013 13.12.2013	2,000,000 EUR	1,5%	31.12.2014
CCC Hrvatska d.o.o.	17.06.2013	2,000,000 EUR	1,5%	31.12.2014
CCC Hungary Shoes Kft.	21.05.2013	300,000,000 HUF	7,5%	31.12.2014
CCC Obutev d.o.o.	17.06.2013	5,000,000 EUR	1,5%	31.12.2014
CCC Shoes Ayakkabicilik Ticaret Limited Sirketi	07.08.2013 19.11.2013	4,000,000 TRY	9,0%	31.12.2014
CUPRUM ARENA MGC INVEST sp. z o.o. s.ka.	23.07.2013	31,000,000 PLN	Wibor 12M+margin	31.12.2013
Professional Cycling Team	01.07.2013	2,200,000 PLN	Wibor 1M+margin	28.02.2014
Miejski Klub Sportowy Polkowice (Sport Club Polkowice)	24.05.2013 29.05.2013	1,670,000 PLN	Wibor 1M+margin	Not specified

12. Guarantees and warranties obtained and extended in the financial year, in particular with respect to guarantees and warranties extended to the Issuer's affiliates.

In the reporting period, the Company CCC SA signed the following agreements and annexes to increase the value of limits in the form of bank guarantees:

1 / On 9 October 2013, the Company CCC SA signed a multi-purpose credit line with Bank Pekao SA, with its registered office in Warsaw. As part of the agreement, the Bank granted the Company a limit in the form of bank guarantees for a total amount not exceeding 5,000,000 PLN, interest rate as per WIBOR + bank margin;
2 / On 25 October 2013, the Company CCC SA signed an annex to the agreement of 28 October 2010, signed with PKO BP SA, with its registered office in Warsaw. The annex has increased the amount of bank guarantee limit to 20,000,000 PLN, interest rate as per WIBOR + bank margin ;
3 / On 27 March 2013, the Company CCC SA signed an annex to the agreement dated 14 November 2012, concluded with mBank SA, with its registered office in Warsaw. The annex increased the amount of the limit to 15,000,000 PLN, interest rate as per WIBOR + bank margin;
4 / On 25.04.2013 , the Company CCC SA signed an annex to the agreement dated 31March 2009, with Bank Zachodni WBK SA, with its registered office in Wroclaw. The annex changed the duration of the limit until 30 April 2014 and the date of expiry of the agreement, which expires on 29 April 2015.

Detailed information about the loans and guarantees granted and received is set out in Note 16 to the financial statements.

13. Explanation of the differences between the financial results disclosed in the annual report and the previously published performance projections for the year.

No projections were published for 2013.

14. Assessment and justification pertaining to the management of financial resources, with particular emphasis on the ability to discharge incurred obligations, and specification of potential threats and measures that the Issuer plans to take to counteract the threats.

The Management Board of CCC S.A. has assessed highly the Company's ability to discharge any obligations incurred thereby. In the Management Board's view, the level of cash flow and generated financial performance will allow the Company to maintain its liquidity ratios at a level that will ensure proper functioning of the Company. Furthermore, to counteract any potential threats, the Company consistently diversifies its third-party working capital sources.

15. Assessment of the potential to implement investment goals, including capital expenditures, compared to the amount of funds possessed, taking into account potential changes to the structure of funding this activity.

The Management Board of CCC S.A. intends to finance its investments using its own funds and foreign capital (increase of the value of foreign debt). In the view of the Management Board, there are currently no major threats that could affect the implementation of investment goals in the future.

16. Assessment of factors and non-typical occurrences affecting the result on operations for the financial year in question, stating the extent to which these factors and non--typical occurrences affected the performance.

In the period covered by this report, there were no non-typical occurrences that would materially affect the result on operations.

17. External and internal factors affecting the growth of the Issuer's business and growth prospects for the Issuer's business at least until the end of the financial year following the financial year for which the financial statements contained in this annual report were prepared, taking into account elements of the Issuer's market strategy.

In the Issuer's view, the major factors that will affect its performance in the near future are:
- volume of sales completed and margins generated,
- continued dynamic expansion of CCC's sales network,
- weather conditions,
- currency exchange rates.

18. Changes to the fundamental principles of managing the Issuer's business and its Capital Group.

In the period covered by this report, no changes were introduced to the fundamental principles of managing the business or the Capital Group.

19. Any agreements concluded between the Issuer and managers, which stipulate compensation in the event of their resignation or departure from their position without a valid reason, or if their recall or dismissal results from a merger of the Issuer effected via an acquisition.

There were no such agreements concluded between the Issuer and managers.

20. Value of remuneration, awards and benefits, including those offered under incentive or bonus schemes, based on the Issuer's capital, including plans based on senior bonds, convertible bonds, subscription warrants (in cash, in kind or any other form), paid out, payable or potentially payable, individually for each of the Issuer's managers or supervisors in the Issuer's business.

Remuneration of the Issuer's management or supervisory board members, received for the period from 1 January to 31 December 2013, and for the period from 1 January to 31 December 2012, are presented in the tables below.

Table 11. Remuneration of management board members

Position/title Name and surname	Gross amount (PLN) 2013	Gross amount (PLN) 2012	Number of potentially payable subscription warrants (2013)
The President of Management Board – Dariusz Miłek	690 000	480 000	-
Vice-President of the Management Board – Mariusz Gnych*	510 000	420 000	50 000
Vice-President of the Management Board – Piotr Nowjalis	728 000	525 000	50 000
Total	**1 928 000**	**1 425 000**	**100 000**

** For year 2013, Mr. Dariusz Miłek additionally received, under the contract of employment, remuneration in the amount of PLN 10,000 in the subsidiary CCC Factory Sp.z o.o.;*
*** For year 2012, Mr. Mariusz Gnych additionally received remuneration in the amount of PLN 90,000 for performing functions in the subsidiary of CCC Factory Sp.z o.o.;*
*** For year 2013, Mr. Mariusz Gnych additionally received remuneration in the amount of PLN 105,000 for performing functions in the subsidiary of CCC Factory Sp.z o.o.;*
**** For year 2013 Mr. Piotr Nowjalis additionally received under the contract of employment remuneration in the amount of PLN 10,000 in the subsidiary CCC Factory Sp.z o.o.*

Table 12. Remuneration of supervisory board members

Position/title Name and surname	Gross amount (PLN) 2013	Gross amount (PLN) 2012
Chairman of the Supervisory Board- Henryk Chojnacki	24 000	24 000
Member - Wojciech Fenrich	18 000	18 000
Member - Martyna Kupiecka	18 000	18 000
Member - Piotr Nadolski	14 000	18 000
Member - Adam Szczepanik	-	12 661
Member - Paweł Tamborski	-	1 065
Member - Rafał Chwast	18 000	-
Member - Marcin Murawski	4 000	-
Total	**96 000**	**91 726**

On 26 June 2013, the Annual General Meeting of Shareholders of CCC SA appointed Mr. Jan Rosochowicz as a Supervisory Board Member. Mr.Piotr Nadolski's mandate expired on 26 June 2013.
On 23 January 2013, the Management Board of CCC S.A. was informed by Mr. Paweł Tamborski, Member of the Supervisory Board, about his resignation from membership in the Supervisory Board.
On 6 March 2012, theExtraordinary General Meeting of Shareholders of CCC SA appointed Mr. Adam Szczepanik a Supervisory Board Member.
On 21 November 2012, the Management Board of CCC S.A. was informed by Mr. Adam Szczepanik, Member of the Supervisory Board, about his resignation from membership in the Supervisory Board On 19 December 2012, the Extraordinary General Meeting of Shareholders of CCC SA appointed Mr. Marcin Murawski as a Supervisory Board Member.

Management and Supervisory Board members do not collect any fee for their positions with the CCC S.A. Group companies, other than the salaries set out in Tables 12 and 13.

21. Total number and value of all of the Issuer’s shares and shares in the Issuer’s affiliates, held by Management and Supervisory Board members (for each individually).

The Issuer’s share capital is composed of 38,400,000 shares:

- 6,650,000 shares carrying voting rights - 2 votes for each share;

- 31,750,000 ordinary bearer shares.

The nominal value of 1 share is PLN 0.1.

As on the date of the 2013 report, the Issuer’s Management and Supervisory Board members held the following number of shares in CCC S.A.:

Table 13. Number and nominal value of shares held by Management Board members

Position/Title Name and surname	Shares held as on the report submission date	Nominal value in PLN ‘000
The President of the Management Board–Dariusz Miłek*	13 360 000	1,336.00
Vice-President of the Management Board-Mariusz Gnych	120 000	12,00

**indirectly as the dominant entity in Luxprofi S.a.r.l.*

22. Information on agreements known to the Issuer (including agreements concluded after the balance sheet date) which may in the future result in changes to the proportional holdings of the shares among existing shareholders and bondholders.

In 2010-2012, an incentive scheme was in place, but its objectives were not met and, therefore, the subscription right was not exercised.
To the Issuer’s knowledge, as on the report submission date, in addition to the new Incentive Scheme addressed to current and future Management Board members, current and future members of the management boards of the subsidiaries, and the Company's executives, there are no agreements that could in the future result in changes to the proportional holdings of the shares among existing shareholders.
Detailed information about the incentive scheme is set out in Note 17 to the financial statements.

23. Information about the monitoring system for employee stock ownership plans.

By the decision of the Extraordinary General Meeting of Shareholders of 19 December 2013, the 2013-2015 incentive scheme was launched, and was addressed to current and future Management Board Members, current and future members of the management boards of the subsidiaries and the Company’s management. Participants of the Scheme will be able to subscribe E series shares (new issue shares). This right may be exercised if the total consolidated net profits of the CCC SA Group for the years 2013, 2014 and 2015, calculated with the exclusion of costs incurred in connection with the introduction of the Incentive Scheme, is at least PLN 620,000,000.
Detailed information about the incentive scheme is set out in Note 17 to the financial statements.

24. The Issuer’s agreement with the entity authorised to audit financial statements.

Information in this regard was published in Note 29 to the financial statements of CCC S.A. for the period from 1 January 2013 to 31 December 2013.

25. Information about major research and development accomplishments.

Not applicable.

26. Information on the purchase of own shares, and in particular, the purpose of their purchase, their number and nominal value, and indication of the percentage of the share capital they represent, purchase price and sale price of these shares, in the case of their disposal.

In the reporting period in question, the Company did not purchase its own shares.

27. Information about the entity's branches (plants).

The Company does not have branches (plants).

28. Information about financial instruments.

The company has signed agreements relating to futures and derivatives with Bank Handlowy SA in Warsaw, PKO BP SA, PEKAO SA and mBank.
At the balance sheet date, the Company did not demonstrate open positions on financial instruments in the accounts. The risks to which the Company is exposed in connection with the use of other than the above-mentioned financial instruments are described in Note 3 of the CCC SA financial statements for the period 01.01.2013-31.12.2013.

29. Statement of the Management Board of CCC S.A.

Pursuant to Article 91.1.5 and 91.1.6 of the Regulation of the Minister of Finance on current and periodical information provided by issuers of securities and the conditions of equivalency of information required by the legislation of non-member states of 19 February 2009, the Management Board of CCC S.A. hereby states that:

- to its best knowledge, the annual financial statements of CCC SA, as well as the comparable data, were prepared in accordance with the applicable accounting standards and reflect truly, accurately and clearly the assets, financial standing and financial performance of CCC SA,
- the annual report on the operations of CCC SA presents a true picture of the growth, accomplishments and situation of CCC SA, including the major threats and risk factors,
- the entity authorised to audit financial statements, auditing the annual financial statements of CCC SA, was appointed in accordance with the applicable laws. Furthermore, that entity and auditors auditing the Issuer's annual financial statements have met the requirements to issue an impartial and independent opinion on the audited annual financial statements, in accordance with the applicable laws and professional standards.

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, 30 April 2014 r.

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2013.

Indication of the corporate governance principles applicable to the Issuer and the location of the publicly available set of principles.

In 2013, the Company complied with the principles contained in the document entitled „Dobre Praktyki Spółek Notowanych na GPW" ("Best Practice for WSE-Listed Companies"), contained in the appendix to Resolution 19/1307/2012 of the Supervisory Board of the Stock Exchange of 21 November 2012.

The collection of the principles is available *inter alia* on the WSE's website: http://www.corp-gov.gpw.pl/assets/library/polish/regulacje/dobre_praktyki_16_11_2012_final.pdf

Extent to which the Issuer departed from the provisions of the set of corporate governance principles and reasons for such departure.

In 2013, the Company did not apply the rules contained in Section 12 of Chapter I and point 10 of Chapter IV of the "Code of Best Practice for WSE Listed Companies". The Company taking into account the need to carry out a number of technical steps - and associated risk of technical and legal nature which may affect the orderly and uninterrupted agenda of the general meeting of shareholders, and thus on their rights, decided not to broadcast the general meeting in real time, and provide shareholders with the possibility to participate in the general meeting by means of electronic communication. As far as the use of this technology is promoted and provides adequate security for its application, the Management Board of CCC SA has been considering putting it into practice.

Description of the fundamental features of the internal audit and risk management systems used in the Issuer's business with respect to the process of preparing financial statements and consolidated financial statements.

The Management Board is responsible for the effective operation of the Company's internal audit system. The Vice-President of the Management Board supervises the process of preparing financial statements. The Chief Accountant of the Company is responsible for managing the process of preparing financial statements, and supervises the proper recording of business operations in the Company's books of account. The document circulation process ensures that any potential risks related to the proper recording of business operations may be mitigated. The Company has a multi-level internal audit system, which, in the Management Board's view, makes it possible to effectively counteract and quickly eliminate potential inaccuracies.
Furthermore, annual financial statements are audited and semi-annual financial statements are reviewed by an independent body, i.e. an auditor. The results of each audit and review are enclosed to the reports published.

Shareholders holding directly or indirectly considerable blocks of shares.

List of shareholders holding large blocks of shares in accordance with Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (as of the date of submission of the annual report):

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2013.

Shareholder	Number of shares carrying voting rights (quantity)	Share in the share capital (%)	Number of votes at the General Meeting (quantity)	Share in the overall number of votes at the General Meeting
Luxprofi s.a.r.l. (the entity controlled by Dariusz Miłek)	13 360 000	34,79	18 110 000	40,20
Leszek Gaczorek	3 010 000	7,84	4 760 000	10,57
ING OFE*	2 718 693	7,08	2 718 693	6,03
Aviva OFE*	3 174 451	8,27	3 174 451	7,05

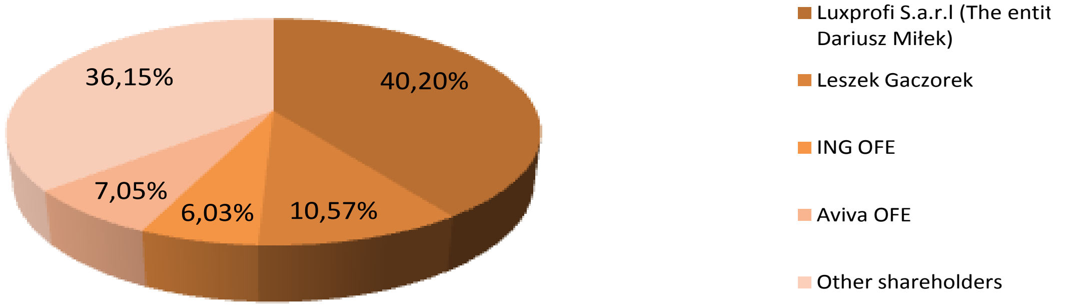
* Data are derived from the annual information about the structure of the Funds ING OFE and Aviva OFE as of 31.12.2013

On the submission date of the financial statements for 2013, the Company has no information about the other shareholders who have held at least 5% of votes at the General Meeting of Shareholders.
The Company's shares are divided into the following categories:
- ordinary bearer shares,
- registered shares carrying voting rights, in that each share carries two votes at the General Meeting of the Company.

A portion of the above shares vested in Luxprofi s.a.r.l. (a subsidiary of Dariusz Miłek) and Leszek Gaczorek carry voting rights:

Shareholder	Number of shares carrying voting rights (quantity)	Share in the share capital (%)	Number of votes at the General Meeting (quantity)	Share in the overall number of votes at the General Meeting (%)
Luxprofi s.a.r.l. (the entity controlled by Dariusz Miłek)	4 750 000	12,37	9 500 000	21,09
Leszek Gaczorek	1 750 000	4,56	3 500 000	7,77

Share in the overall number of votes at The General Meeting of Shareholders



Holders of any securities that carry special control rights and a description of these rights.

Shareholders holding preferred shares (as on the annual report submission date):

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2013. (continued)

Shareholder	Number of shares held	Share in the share capital (%)	Number of votes at the General Meeting (quantity)	Share in the overall number of votes at the General Meeting (%)
Luxprofi s.a.r.l. (the entity controlled by Dariusz Miłek)	4 750 000	12,37	9 500 000	21,09
Leszek Gaczorek	1 750 000	4,56	3 500 000	7,77
Lech Chudy	50 000	0,13	100 000	0,22
Mariusz Gnych	50 000	0,13	100 000	0,22
Renata Miłek	50 000	0,13	100 000	0,22
Total	**6 650 000**	**17,32**	**13 300 000**	**29,52**

The above shares carry voting rights and each share carries two voting rights.

Any restrictions with respect to exercising voting rights in the Issuer's company.
There are no restrictions.

Any restrictions with respect to transferring the ownership of the Issuer's securities.
Shareholders of the Company have the right of first refusal with respect to the purchase of registered preferred shares designated for sale. If this right is not exercised with respect to all or any portion of the shares, the transfer of ownership of these shares requires the approval of the Company's Management Board.

Terms and conditions of appointing and recalling Management Board members and their powers, in particular, the right to make decisions on issuing or purchasing shares.

The Company's Management Board members are appointed and recalled by the Company's Supervisory Board. The powers and rules of operation of the Management Board of CCC S.A. are set out in the following documents:
1) the Company's Statute, available on the Company's website
2) Management Board By-Laws, available on the Company's website
3) Commercial Companies Code.

An issue of new shares may take place after an appropriate resolution is adopted by the General Meeting of the Company and results in a share capital increase. The provisions of the Commercial Companies Code and provisions on the public offering and on the conditions of introducing financial instruments to organised trading and on public companies apply to issues of new shares and share purchases.

Terms of amending the Issuer's statute.

The provisions of the Commercial Companies Code apply accordingly to any amendments of the statute. To amend the company's statute, a resolution of the General Meeting of Shareholders must be adopted by a majority of % votes and an entry must be made in the National Court Register. The Company's Supervisory Board may, in accordance with the authorisation granted to it by the General Meeting, determine a uniform wording of the amended statute or introduce other editorial changes set out in the resolution of the General Meeting.

The resolution amending the statute becomes effective once it is entered into the National Court Register.

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2013 (continued)

The General Meeting and its fundamental powers, together with a description of the shareholders' rights and their exercise.

The General Meeting operates on the basis of the Company's Statute and General Meeting By-laws, published by the Company *inter alia* on the website of CCC S.A. and to the extent not governed by the above documents, on the basis of the Commercial Companies Code.

Convening a General Meeting of Shareholders:
1) General Meetings of Shareholders may be ordinary or extraordinary.
2) General Meetings of Shareholders are held at the Company's offices, in Warsaw or in Wrocław, at a time and location specified in the announcement convening the General Meeting.
3) Ordinary General Meetings are held annually, within six months from the lapse of the financial year.
4) Information on convening a General Meeting, listing the date and location (day and time) is published by the Management Board in the form of a current report and published on the Company's website.

Powers of the General Meeting of Shareholders:
The powers of the General Meeting, in addition to all matters related to the Company's business activity and matters set out in the applicable laws, with the exception of real property purchase and disposal, perpetual usufruct or share in real properties, include:
1) Appointing and recalling Supervisory Board members
2) Approving Supervisory Board By-Laws
3) Determining the rules of remuneration for the Supervisory Board
4) Determining the remuneration for members of the Supervisory Board delegated to perform day-to-day supervision individually.

The powers of the General Meeting are set forth in the following documents:
1) the Company's Statute, available on the Company's website
2) By-Laws of the General Meeting of CCC S.A., available on the Company's website
3) Commercial Companies Code
Taking into account Best Practices for Public Listed Companies.

Holding a General Meeting of Shareholders:
1) A General Meeting of Shareholders is opened by the Chairman of the Supervisory Board or a person authorised thereby. The Chairman or its nominee determines that a Chairman of the General Meeting be elected.
2) The person opening the General Meeting ensures that the Chairman of the General Meeting is elected immediately. The Chairman manages the work of the General Meeting and ensures that the meeting is expedient and that the rights and interests of all shareholders are respected.
3) The General Meeting adopts resolutions only on matters included in the agenda.
4) Members of the Supervisory and Management Board of the Company and the auditor should, within the bounds of their powers and to the extent required for the matters being resolved and discussed by the General Meeting, provide participants of the Meeting with information and clarifications regarding the Company.
5) The General Meeting is minuted by a notary.

Voting:
1) Voting at the General Meeting occurs via open ballot. Secret ballot voting is effected at elections and for votes with respect to recalling members of the Company's governing bodies, with respect to action being brought against them, as well as in personal matters. Moreover, secret ballot votes are effected at the request of at least one shareholder or its representative

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2013 (continued)

2) The General Meeting may appoint a Vote Review Committee, which will be responsible for overseeing each vote, monitoring computer support (if a vote is conducted using electronic solutions) and determining the results of a vote and providing them to the Chairman of the General Meeting.
3) One share entitles to one vote at the General Meeting. In the case of preferred A_1 series shares (registered preferred share), one share carries two votes.
4) The Chairman of the General Meeting announces the results of the vote, which will then be recorded in the minutes of the meeting.

The composition and changes thereto in the last financial year and a description of the governing, supervisory or managing bodies of the Issuer as well as their committees.

Management Board:

The Management Board of the Company is composed of at least one and no more than seven members appointed and recalled by the Supervisory Board for a four-year term.

As on 31 December 2013, the Management Board of the Company was composed as follows:

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

The powers and rules of operation of the Management Board of CCC S.A. are set out in the following documents:
1) the Company's Statute, available on the Company's website
2) Management Board By-Laws, available on the Company's website
3) Commercial Companies Code.

Supervisory Board:

The Supervisory Board is composed of at least five and no more than seven members, appointed by the General Meeting for a two-year term. The Supervisory Board meets as necessary, but no less than three times per financial year and its meetings are convened by the Chairman.

As on 31 December 2013 the Supervisory Board of the Company was composed as follows:

Henryk Chojnacki	-	Chairman of the Supervisory Board
Martyna Kupiecka	-	Member of the Supervisory Board
Marcin Murawski	-	Member of the Supervisory Board
Wojciech Fenrich	-	Member of the Supervisory Board
Jan Rosochowicz	-	Member of the Supervisory Board

On 26 June 2013 the General Meeting of Shareholders appointed the Supervisory Board for another term of office (RB 38/2013) in the above-mentioned composition.

The powers and rules of operation of the Supervisory Board of CCC S.A. are set out in the following documents:
1) the Company's Statute, available on the Company's website
2) Supervisory Board By-Laws, available on the Company's website
3) Resolutions of the Company's General Meeting
4) Commercial Companies Code and other applicable laws.

The corporate documents of CCC S.A. are available on the Company's website at:
http://firma.ccc.eu/pl/ladkorporacyjny

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

Polkowice, 30 April 2014 roku