

Report of the Supervisory Board of CCC S.A. of 20th May 2015 on the assessment of the individual and consolidated financial statements, the report on the activities of CCC S.A. and CCC S.A. Capital Group as well as the motion of the Management Board on the distribution of profits for the period of 1st January 2014 to 31st December 2014.

1. Basis of the Report preparation.

Pursuant to Art. 382 § 3 and 395 § 2 of the Commercial Companies Code, § 16 paragraph 2, item 2 of the Company's Statute and Code of Best Practice for WSE Listed Companies - annex to Resolution No. 19/1307/2012 of the WSE Board dated on 21st November 2012, in order to prepare this report, the Supervisory Board had assessed and considered the following documents:

- 1) The financial statement of The Company CCC S.A. and the report of the Company's operations for the year 2014;
- 2) The financial statement of the CCC S.A. Capital Group and the report on the activities of the CCC S.A. Capital Group for the year 2014;
- 3) Review and report on the individual and consolidated financial statement of the Company for the year 2014, drawn up by the independent auditors from PricewaterhouseCoopers Sp. z o.o., based in Warsaw;
- 4) The proposals of the Management Board regarding the distribution of profit for the year 2014.

2. Analysis of financial statement and the Management Board's report on the activities of the Company in 2014.

The Supervisory Board took note of the opinion and report of auditors from the individual financial statement, as well as it analyzed the economic - financial functioning of the Company. The independent auditor acting on behalf of PricewaterhouseCoopers Sp. z o.o. issued a positive opinion of the submitted financial statement for the year 2014, stating that it was prepared in all crucial aspects, in accordance with accounting rules, arising from the International Accounting Standards, International Financial Reporting Standards and related interpretations in these standards and on the basis of properly kept accounts. The report is consistent in a form and content with the legal regulations and provides fairly and clearly all the necessary information, financial condition as well as financial result of the entity.

In the reporting period from 1st January to 31st December 2014, the CCC S.A. Company's sales revenues amounted to 1,695,891 billion PLN against 1,511,592 billion PLN in 2013 (+12.2 % yoy). The Company generated the operating profit at the level of 132,560 million PLN and net profit in the amount of 115,825 million PLN (an increase of 17.7%). The retail sales revenue amounted to 1,398,829 billion PLN against 1,256,134 billion PLN in 2013 (+11.4 % yoy). The sale in comparable stores of own network CCC increased by 6.2% yoy. In the same period, sales revenues of a franchise and other (wholesale) amounted to 297,062 million PLN (+16.3 % yoy). During this period, the cost of sales and administrative expenses increased by 21,890 million PLN (+4.1 % yoy). The ratio of cost of sales and administrative expenses to sales fell to 0.33 (0.36 - 2013) and remains at the level typical for companies operating in the retail sector. The Balance of CCC S.A. as of 31.12.2014 at the assets and liabilities amounted to 968,466 million PLN. The total balance sum decreased by 64,919 million PLN in relation to the value of 31.12.2013. The significant change in current assets connected with the restructuring process of the Group CCC it is a decrease in inventory by 160,175 million PLN to the level of 228,303 million PLN. On September 30, 2014 the Company CCC S.A. brought as a contribution in kind to a subsidiary of CCC Shoes & Bags Sp. z o.o. the organized part of the enterprise and acquired shares in the increased share capital of the company. However, from 1 October, the Company CCC Shoes & Bags Sp. z o.o. completed the disposal of the organized parts of the enterprise to its subsidiary CCC.eu Sp. z o.o. and acquired shares in the increased share capital of the Company. These activities were related to the carried out restructuring and organizational process the Issuer and the separation of operation activities from the holding ones within the CCC S.A. Capital Group. As a result, the company CCC S.A. from 30 September has not been making a franchise sale. On the assets side an increase in long-term investments was noted which relates to the acquisition of shares in Shoes & Bags Sp. z o.o. to a level of 107,175 thousand. PLN (+91.6%). On the liabilities side the significant changes include obtaining new sources of financing by external capital (bond issue in the amount of 210,000 million PLN in June 2014.) and the transfer of the majority of bank loans to the company CCC.eu Sp. z o.o. (the operation related to the restructuring process of the Group CCC).

The Report of the Company CCC S.A. concerning the activity in 20134 should be regarded as complete. This report includes the information on economic and financial situation of the Company and describes the major events having a significant impact on the Company's operations during the reporting period. This report was prepared in accordance with the books and documents of the Company and the actual situation, and provides essential synthetic information on the operation of CCC S.A.

The Supervisory Board recognizes the described reports as correctly reflecting the actual situation and properly presenting the situation of the Company during the reporting period.

3. Analysis of the consolidated financial statement and the report of the activity of the CCC S.A. Capital Group in 2014.

The Supervisory Board took note of the opinion and report of independent auditors from the individual financial statement, as well as it analyzed the economic - financial functioning of the Company. The auditors acting on behalf of PricewaterhouseCoopers Sp. z o.o. issued a positive opinion of the submitted financial statement for the year 2014, stating that it was prepared in all crucial aspects, in accordance with accounting rules, arising from the International Accounting Standards, International Financial Reporting Standards and related interpretations in these standards and on the basis of properly kept accounts and maintained consolidation documentation.

The report is consistent in a form and content with the legal regulations and provides fairly and clearly the financial and asset condition of CCC S.A. as on 31st December 2014.

In 2014 the sales revenues of the CCC S.A. Capital Group amounted to 2,009,059 billion PLN (+22.3% yoy). Retail sales revenues amounted to 1,930,127 billion PLN against 1,565,855 billion PLN in the year 2013 (+23.3% yoy). In the same period, sales revenues of a franchise and other (wholesale) amounted to 78,932 million PLN (+2.1 % yoy).

During the aforementioned period, the cost of sales and administrative expenses increased by 201,291 million PLN (+30.9 % yoy). The ratio of cost of sales and administrative expenses to sales increased to the level of 0.42 (0.40 -2013) and remains at the level characteristic for the companies operating in a retail sector. The company improved profitability at all levels of profit. The increase in net profitability to a level of 20.9% (+ 175% yoy) is the result of recognition of deferred tax assets arising in connection with the acquisition of goodwill and trademarks in the amount of PLN 231,363 million.

Balance of CCC S.A. Capital Group as of 31.12.2014 at the assets and liabilities amounted to 1,794,232 billion PLN . The balance sum increased by 674,505 million PLN in relation to the value as of 31.12.2013. A significant change in fixed assets related to the restructuring process of the CCC Group it is a growth of deferred tax asset to a level of 267,322 million PLN. The development of sales network resulted in an increase in tangible fixed assets by 123,625 million PLN and inventories by 278,278 million PLN. On the liabilities side the significant changes is the increase in the debt of Group CCC S.A. by 250,198 million PLN (including: bond issue in the amount of 210,000 million PLN in June 2014).

The Report of the CCC S.A. Capital Group concerning the activity in 2014 should be regarded as complete. This report includes the information on economic and financial situation of the Company and describes the major events having a significant impact on the Company's operations during the reporting period. This report was prepared in accordance with the books and documents of the Company and the actual situation, and provides essential synthetic information on the operation of the Capital Group.

The Supervisory Board recognizes the described reports as correctly reflecting the actual situation and properly presenting the situation of the Company during the reporting period.

4. Conclusions of the analysis of the reports and recommendations to the General Meeting

Summing up the past year, the Supervisory Board stated that the activity conducted by CCC S.A. generated very good economic results, which led to the strengthening of the position of the Company and the Group on the financial and business market and increase of the value of assets.

The strategy of CCC S.A. Capital Group assumes consistent expansion of sales chain and opening new stores, both domestically and abroad, carefully selected in terms of expected profitability and rate of return.

In 2014, the CCC Group increased the pace of expansion, strengthening its position of a clear leader in Poland and winning more foreign markets. At the balance sheet date, the Group comprises of companies in the Czech Republic, Slovakia, Hungary, Germany, Austria, Slovenia, Croatia, Turkey and Bulgaria, whose primary business is the distribution of goods supplied by CCC.eu Sp. z o.o.. Effective expansion in 2014 led to the increase of retail space. At the same time, the Company eliminated all unprofitable sales units. The retail space in own stores of the Capital Group increased by 26.8% and amounted to 284.3 thousand m² as on 31.12.2014 (including: 173.0 thousand m² in Poland). The retail space in franchise stores in 2014 amounted to 21.0 thousand m² (+6.4 %), including in Poland - 0.9%.

On September 30, 2014 the Company CCC S.A. brought as a contribution in kind to a subsidiary of CCC Shoes & Bags Sp. z o.o. the organized part of the enterprise and acquired shares in the increased share capital of the company. As of 1 October, the company CCC Shoes & Bags Sp. z o.o. completed the disposal of organized part of the company to its subsidiary CCC.eu Sp. z o.o. and acquired shares in the increased share capital of the company.

On 4 November 2014. General Meeting of Shareholders of NG2 Suisse S.a.r.l. approved the transfer of rights to trademarks for the Company CCC.eu Sp. z o.o.. The actions were connected

with the organizational and restructuring process of the Issuer and separation of operation activities from holding ones within the Group CCC S.A.

In the coming years, the Group will aggressively and dynamically continue to pursue the strategy of international expansion. In addition to the countries of Central Europe, the Group will carry out major investments in brand new markets - in Germany, Austria, Slovenia, Croatia.

The increase of retail space resulted in an increase in cost of sales and general administrative expenses by 201,291 million PLN, i.e. by 30.9 %. According to the realized restructuring of the Group CCC the supply of goods to the Group is handled by the company CCC.eu Sp. z o.o.. The company obtains goods from domestic and foreign suppliers and own factory. The structure of supply remains at a similar level. In 2014 years the share of retail sales in total sales amounted to 96.1% (95.3% in 2013). The sales structure is dominated by sales of women shoes, representing 61.5% of the footwear sales in 2014.

In order to ensure further stable development of the Company, the Supervisory Board finds that the adopted directions of development are properly and successfully implemented by the Management Board.

The performed economic - financial results presented in the reports and their analysis made by the Supervisory Board allow a positive judgment on the operation of the Company in 2014 and highly assess the work of the Management Board.

The Supervisory Board, after analyzing the submitted reports and results of CCC S.A and CCCS.A. Capital Group in 2014, acting in accordance with the principles of Best Practice for WSE Listed Companies, presents a positive assessment of the Company's operations in 2014 and the financial situation of the Company for the period from 1st January 2014 to 31st December 2014.

In the opinion of the Supervisory Board there is no threat to the continued operation of CCC S.A. as well as for the Capital Group, and the actions having been taken are the guarantee of a further development of the Company in the future.

The Supervisory Board approves, presented by the Management Board of CCC S.A., a proposal for the profit distribution for 2014 and the individual and consolidated financial statements for 2014 and proposes the General Meeting to approve these documents.

Therefore, the Supervisory Board after making the assessment at its meeting, decides to propose the General Meeting of the Shareholders to adopt the following resolutions:

1. approving the individual financial statement and the report of the activity of the Company CCC S.A. for the financial year 2014;

2. approving the financial statement and the report of the activity of CCC S.A. Capital Group for the financial year 2014;
3. making a profit distribution for the year 2014;
4. granting an exoneration of the Management Board of performing its duties in 2014.

Chairman of the Supervisory Board

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(Henryk Chojnacki)