

**CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
OF THE GROUP CCC S.A.
FOR Q4 2016**



CCC
SHOES & BAGS



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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016

[in mln PLN unless otherwise stated]

SELECTED FINANCIAL AND OPERATING DATA OF THE GROUP CCC S.A.

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
	2016	2015	2016	2015
Selected data from the consolidated statement of profit or loss and other comprehensive income				
Sales revenue	3 191,0	2 307,0	729,3	551,3
Poland	1 689,2	1 438,4	386,0	343,7
CEE	707,7	538,5	161,7	128,7
Western Europe	325,9	201,3	74,5	48,1
Other countries	15,3	8,0	3,5	1,9
Retail activity	2 738,1	2 186,2	625,7	522,4
E-commerce	287,4	—	65,7	—
Wholesale	163,7	118,3	37,4	28,3
Manufacturing	1,8	0,2	0,4	—
Other	—	2,3	—	0,5
Gross profit (loss) on sale	1 682,4	1 265,8	384,5	302,5
Gross sale margin	52,7%	54,9%	52,7%	54,9%
Result on segments				
Poland	339,0	289,8	77,5	69,3
CEE	104,4	84,4	23,9	20,2
Western Europe	(75,1)	(34,4)	(17,2)	(8,2)
Other countries	(1,4)	(1,6)	(0,3)	(0,4)
Retail activity	366,9	338,2	83,9	80,8
E-commerce	54,4	—	12,5	—
Wholesale	40,4	29,3	9,2	7,0
Manufacturing	1,7	0,2	0,4	—
Profit on operating activity	375,6	256,7	85,8	61,3
Profit before tax	345,1	233,0	78,9	55,7
NET PROFIT	316,1	259,4	72,2	62,0
ADJUSTED NET PROFIT ⁽¹⁾	334,6	244,2	76,5	58,4
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Selected data of the consolidated statement of financial position				
Fixed assets	1 237,1	920,3	279,6	216,0
Current assets, including:	1 379,8	1 151,7	311,9	270,3
Inventories	1 022,6	680,5	231,1	159,7
Cash	142,4	340,6	32,2	79,9
TOTAL ASSETS	2 616,9	2 072,0	591,5	486,2
Non-current liabilities including:	422,5	335,0	95,5	78,6
Debt liabilities	366,0	296,0	82,7	69,5
Current liabilities including:	998,0	613,4	225,6	143,9
Debt liabilities	432,8	422,8	97,8	99,2
TOTAL LIABILITIES	1 420,5	948,4	321,1	222,6
EQUITY	1 196,4	1 123,6	270,4	263,7

	IN MLN PLN		IN MLN EUR	
Selected data from the consolidated statement of cash flows	2016	2015	2016	2015
Net cash flows from operating activities	174,8	325,4	39,9	77,8
Net cash flows from investing activities	(371,1)	(155,5)	(84,8)	(37,2)
Net cash flows from financing activities	(1,9)	8,8	(0,4)	2,1
TOTAL CASH FLOWS	(198,2)	178,7	(45,3)	42,7

	IN MLN PLN		IN MLN EUR	
OPERATIONAL DATA	2016	2015	2016	2015
Number of stores CCC	862	759	—	—
Floor space of stores CCC (thousand m ²)	458,6	369,0	—	—
Number of markets with online sales	8	6	—	—

	IN MLN PLN		IN MLN EUR	
Floor space of stores (thousand m²)	2016	2015	2016	2015
Capital expenditures (in mln)	(169,1)	(156,9)	(38,6)	(37,5)
Average revenue per m ² of floor space ^[2]	6,4	6,4	1,5	1,5

[2] Revenue per 1m² of the floor space is calculated by dividing the value of retail revenue for the 12 months of a given year by the number of m² of retail floor space at the balance sheet date.

Selected data from the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the consolidated statement of cash flows were calculated into euro in accordance with the prevailing conversion method:

- individual items of assets and liabilities in the consolidated statement of financial position were calculated at the exchange rate prevailing on the last day of the reporting period:
 - exchange rate on 31.12.2016 amounted to 1 EUR – 4,4240 PLN
 - exchange rate on 31.12.2015 amounted to 1 EUR – 4,2615 PLN

- individual items of the consolidated statement of profit and loss and other comprehensive income and consolidated statement of cash flows were calculated at exchange rates representing the arithmetic average of exchange rates announced by the Polish National Bank for EUR prevailing on the last day of each month during the reporting period:

- the average exchange rate in the period 01.01.2016 – 31.12.2016 r. was 1 EUR – 4,3757 PLN
- the average exchange rate in the period 01.01.2015 – 31.12.2015 r. was 1 EUR – 4,1848 PLN

The conversion was made in accordance with the previously indicated exchange rates by dividing the values expressed in millions of zlotys by the exchange rate.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016**

[in mln PLN unless otherwise stated]

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL
RESULT AND OTHER COMPREHENSIVE INCOME**

	2016	2015	10.2016-12.2016	10.2015-12.2015
Sales revenue	3 191,0	2 307,0	1 132,6	755,4
Cost of goods sold	(1 508,6)	(1 041,2)	(523,1)	(348,0)
Gross profit on sale	1 682,4	1 265,8	609,5	407,4
gross margin	53%	55%	54%	54%
Cost of operating stores	(930,8)	(731,1)	(267,4)	(199,6)
Other cost of sale	(288,2)	(164,7)	(88,7)	(70,3)
Administrative expenses	(105,4)	(115,2)	(31,4)	(26,8)
Other cost and operating revenue	17,6	1,9	(3,9)	7,6
Operating profit	375,6	256,7	218,1	118,3
Finance revenue	2,3	0,1	—	—
Finance cost	(32,8)	(23,8)	(9,2)	(4,0)
Profit before tax	345,1	233,0	208,9	114,3
Income tax	(29,0)	26,4	(18,5)	(9,1)
NET PROFIT	316,1	259,4	190,4	105,2
Attributable to shareholders of the parent company	306,5	259,4	186,6	105,2
Attributable to non-controlling interest	9,6	—	3,8	—
Other comprehensive income				
Attributable to be reclassified to profit – exchange rate differences upon conversion of reports of foreign entities	3,0	0,4	3,4	3,5
Non-attributable to be reclassified to result – other	—	—	—	—
Total net comprehensive income	3,0	0,4	3,4	3,5
TOTAL COMPREHENSIVE INCOME	319,1	259,8	193,8	108,7
Weighted average number of ordinary shares (mln pcs)	39,2	38,4	39,2	38,4
Basic and diluted earnings per share (in PLN)	8,07	6,77	4,86	2,74

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

	2016	2015
Profit before tax	345,1	233,0
Amortization and depreciation	69,7	66,9
Loss on investment activity	(0,8)	4,4
Cost of borrowings	21,6	16,8
Other adjustments to profit before tax	8,8	24,5
Income tax paid	(5,8)	(51,9)
Minority interest	9,6	—
Cash flow before changes in working capital	448,2	293,7
Changes in working capital	—	—
Change in inventory and inventory write-downs	(294,9)	60,8
Change in receivables	(74,3)	(27,6)
Change in current liabilities, excluding borrowings	95,8	(1,5)
Net cash flows from operating activities	174,8	325,4
Proceeds from the sale of tangible fixed assets	16,4	14,0
Repayment of loans granted and interest	—	0,6
Purchase of intangible and tangible fixed assets	(169,1)	(156,9)
Loans granted	3,9	(13,2)
Purchase of investment in eobuwie.pl S.A. less cash	(222,3)	—
Net cash flows from investing activities	(371,1)	(155,5)
Proceeds from borrowings	195,1	288,0
Dividends and other payments to owners	(85,7)	(115,2)
Repayment of borrowings	(134,4)	(147,2)
Interest paid	(21,6)	(16,8)
Proceeds from issue of shares	44,7	—
Net cash flows from financing activities	(1,9)	8,8
TOTAL CASH FLOWS	(198,2)	178,7
Net increase/decrease of cash and cash equivalents	(198,2)	178,7
Exchange rate changes on cash and cash equivalents	—	—
Cash and cash equivalents at beginning of period	340,6	161,9
Cash and cash equivalents at the end of period	142,4	340,6

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016**

[in mln PLN unless otherwise stated]

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	2016	2015
Intangible assets	139,2	5,9
Goodwill	106,2	—
Tangible fixed assets – investments in stores	340,8	273,1
Tangible fixed assets – factory and distribution	276,5	221,4
Tangible fixed assets – other	59,9	97,4
Deferred tax assets	314,5	312,5
Loans granted	—	10,0
Long-term investments	—	—
Total non-current assets	1 237,1	920,3
Inventories	1 022,6	680,5
Trade receivables	109,4	51,3
Income tax receivables	14,1	6,8
Loans granted	11,1	18,0
Other receivables	80,2	54,5
Cash and cash equivalents	142,4	340,6
Total current assets	1 379,8	1 151,7
TOTAL ASSETS	2 616,9	2 072,0
Debt liabilities	366,0	296,0
Deferred tax liabilities	25,8	6,4
Provisions	7,2	6,5
Grants received	23,5	26,1
Total non-current liabilities	422,5	335,0
Debt liabilities	432,8	422,8
Trade liabilities	177,6	78,1
Other liabilities	123,3	100,4
Income tax liabilities	18,0	5,4
Provisions	12,3	4,1
Grants received	4,4	2,6
Liabilities on acquisition of own shares	229,6	—
Total current liabilities	998,0	613,4
TOTAL LIABILITIES	1 420,5	948,4
NET ASSETS	1 196,4	1 123,6
Equity		
Share capital and share premium	123,1	78,4
Exchange rate differences upon conversion of reports of foreign entities	1,0	(2,0)
Retained earnings	1 054,4	1 047,2
Non-controlling interest	17,9	—
TOTAL EQUITY	1 196,4	1 123,6

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY CAPITAL

	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	—	259,4	—	—	259,4
Exchange rate differences from the translations	—	—	—	0,4	0,4
Total comprehensive income	—	259,4	—	0,4	259,8
Dividend payment	—	(115,2)	—	—	(115,2)
Valuation of employee option scheme	—	26,8	—	—	26,8
Total transactions with owners	—	(88,4)	—	—	(88,4)
As of 31.12.2015 (01.01.2016)	78,4	1 047,2	—	(2,0)	1 123,6
Net profit for the period	—	316,1	—	—	316,1
Exchange rate differences from the translations	—	(8,1)	—	3,0	(5,1)
Total comprehensive income	—	308,0	—	3,0	311,0
Dividend payment	—	(85,7)	—	—	(85,7)
Valuation of employee option scheme	44,7	14,5	—	—	59,2
Total transactions with owners	44,7	(71,2)	—	—	(26,5)
Commitment to purchase own shares of eobuwie.pl S.A.	—	(229,6)	—	—	(229,6)
Non-controlling interest	—	—	17,9	—	17,9
As of 31.12.2016 (01.01.2017)	123,1	1 054,4	17,9	1,0	1 196,4

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016**

[in mln PLN unless otherwise stated]

SELECTED FINANCIAL AND OPERATING DATA CCC S.A.

	IN MLN PLN		IN MLN EUR	
	2016	2015	2016	2015
Selected data from the consolidated statement of profit or loss and other comprehensive income				
Sales revenue	1 738,5	1 673,9	397,3	400,0
Gross profit (loss) on sale	548,9	486,8	125,4	116,3
Profit on operating activity	46,4	40,1	10,6	9,6
Profit before tax	64,5	297,1	14,7	71,0
NET PROFIT	56,4	288,4	12,9	68,9
Selected data of the consolidated statement of financial position				
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Fixed assets	723,4	459,9	163,5	107,9
Current assets, including:	435,2	578,2	98,4	135,7
Inventories	183,5	116,2	41,5	27,3
Cash	38,0	180,8	8,6	42,4
TOTAL ASSETS	1 158,6	1 038,1	261,9	243,6
Non-current liabilities including:	235,1	237,4	53,1	55,7
Debt liabilities	210,0	210,0	47,5	49,3
Current liabilities including:	238,7	145,8	54,0	34,2
Debt liabilities	37,8	23,5	8,5	5,5
TOTAL LIABILITIES	473,8	383,2	107,1	89,9
EQUITY	684,8	654,9	154,8	153,7
	IN MLN PLN		IN MLN EUR	
	2016	2015	2016	2015
Selected data from the consolidated statement of cash flows				
Net cash flows from operating activities	154,3	369,8	35,3	88,4
Net cash flows from investing activities	(218,7)	(114,2)	(50,0)	(27,3)
Net cash flows from financing activities	(78,4)	(133,8)	(17,9)	(32,0)
TOTAL CASH FLOWS	(142,8)	121,8	(32,6)	29,1
	IN MLN PLN		IN MLN EUR	
	2016	2015	2016	2015
OPERATIONAL DATA				
Number of stores CCC	436	410	—	—
Floor space of stores (thousand m ²)	212,2	186,8	—	—
Capital expenditures (in mln)	(48,9)	(69,2)	(11,2)	(16,5)

Selected data from the statement of profit or loss and other comprehensive income, statement of financial position and the statement of cash flows were calculated into euro in accordance with the prevailing conversion method:

- individual items of assets and liabilities in the statement of financial position were calculated at the exchange rate prevailing on the last day of the reporting period:
 - exchange rate on 31.12.2016 amounted to 1 EUR – 4,4240 PLN
 - exchange rate on 31.12.2015 amounted to 1 EUR – 4,2615 PLN

- individual items of the statement of profit and loss and other comprehensive income and statement of cash flows were calculated at exchange rates representing the arithmetic average of exchange rates announced by the Polish National Bank for EUR prevailing on the last day of each month during the reporting period:
 - the average exchange rate in the period 01.01.2016 – 31.12.2016 was 1 EUR – 4,3757 PLN
 - the average exchange rate in the period 01.01.2015 – 31.12.2015 was 1 EUR – 4,1848 PLN

The conversion was made in accordance with the previously indicated exchange rates by dividing the values expressed in millions of zlotys by the exchange rate.



**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016**

[in mln PLN unless otherwise stated]

CONDENSED INTERIM STATEMENT OF FINANCIAL RESULTS AND OTHER COMPREHENSIVE INCOME

	2016	2015	10.2016-12.2016	10.2015-12.2015
Sales revenue	1 738,5	1 673,9	607,9	485,2
Cost of goods sold	(1 189,6)	(1 187,1)	(428,2)	(370,1)
Gross profit on sale	548,9	486,8	179,7	115,1
gross margin	32%	29%	30%	24%
Cost of operating stores	(441,4)	(385,6)	(125,5)	(89,1)
Other cost of sale	(15,0)	(19,1)	(3,8)	(5,7)
Administrative expenses	(35,1)	(37,8)	(13,1)	(7,0)
Other cost and operating revenue	(11,0)	(4,2)	(20,2)	(8,9)
Operating profit	46,4	40,1	17,1	4,4
Finance revenue	29,4	269,5	12,4	55,9
Finance cost	(11,3)	(12,5)	(4,6)	(1,4)
Profit before tax	64,5	297,1	24,9	58,9
Income tax	(8,1)	(8,7)	(2,3)	(7,4)
NET PROFIT	56,4	288,4	22,6	51,5
Other comprehensive income				
Attributable to be reclassified to profit – exchange rate differences upon conversion of reports of foreign entities	—	—	—	—
Non-attributable to be reclassified to result – other	—	—	—	—
Total net comprehensive income	—	—	—	—
TOTAL COMPREHENSIVE INCOME	56,4	288,4	22,6	51,5
Weighted average number of ordinary shares (mln pcs)	39,2	38,4	39,2	38,4
Basic and diluted earnings per share (in PLN)	1,44	7,51	0,58	1,34

CONDENSED INTERIM CASH FLOW STATEMENT

	2016	2015
Profit before tax	64,5	297,1
Amortization and depreciation	37,7	34,3
Loss on investment activity	(12,2)	(260,5)
Cost of borrowings	7,1	9,1
Other adjustments to profit before tax	19,1	7,6
Income tax paid	(16,9)	(28,6)
Lowering capital of NG2 Suisse S.a.r.l.	—	209,4
Cash flow before changes in working capital	99,3	268,4
Changes in working capital	—	—
Change in inventory and inventory write-downs	(67,4)	112,2
Change in receivables	39,7	61,9
Change in current liabilities, excluding borrowings	82,7	(72,7)
Net cash flows from operating activities	154,3	369,8
Proceeds from the sale of tangible fixed assets	17,0	9,4
Repayment of loans granted and interest	86,1	28,8
Purchase of intangible and tangible fixed assets	(48,9)	(69,2)
Loans granted	(86,2)	(82,3)
Expenses on capital increase in subsidiaries	(231,4)	(0,9)
Podwyższenie kapitału własnego	44,7	—
Net cash flows from investing activities	(218,7)	(114,2)
Proceeds from borrowings	20,8	0,8
Dividends and other payments to owners	(85,7)	(115,2)
Repayment of borrowings	(6,4)	(12,0)
Interest paid	(7,1)	(7,4)
Net cash flows from financing activities	(78,4)	(133,8)
TOTAL CASH FLOWS	(142,8)	121,8
Net increase/decrease of cash and cash equivalents	—	—
Exchange rate changes on cash and cash equivalents	—	—
Cash and cash equivalents at beginning of period	180,8	59,0
Cash and cash equivalents at the end of period	38,0	180,8

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016**

[in mln PLN unless otherwise stated]

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	2016	2015
Intangible assets	1,5	2,4
Tangible fixed assets – investments in stores	146,1	137,7
Tangible fixed assets – factory and distribution	123,3	131,2
Tangible fixed assets – other	42,8	47,2
Deferred tax assets	9,2	5,8
Loans granted	29,4	10,9
Long-term investments	371,1	124,7
Total non-current assets	723,4	459,9
Inventories	183,5	116,2
Trade receivables	14,5	69,7
Income tax receivables	7,7	5,9
Loans granted	172,3	200,2
Other receivables	19,2	5,4
Cash and cash equivalents	38,0	180,8
Total current assets	435,2	578,2
TOTAL ASSETS	1 158,6	1 038,1
Debt liabilities	210,0	210,0
Provisions	1,6	1,3
Grants received	23,5	26,1
Total non-current liabilities	235,1	237,4
Debt liabilities	37,8	23,5
Trade liabilities	147,2	87,3
Other liabilities	48,1	32,0
Income tax liabilities	2,5	—
Provisions	0,5	0,4
Grants received	2,6	2,6
Total current liabilities	238,7	145,8
TOTAL LIABILITIES	473,8	383,2
NET ASSETS	684,8	654,9
Equity		
Share capital and share premium	123,1	78,4
Retained earnings	561,7	576,5
TOTAL EQUITY	684,8	654,9

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL AND SHARE PREMIUM	RETAINED EARNINGS	EXCHANGE RATE DIFFERENCES UPON CONVERSION OF FOREIGN ENTITIES	TOTAL EQUITY
As of 01.01.2015	78,4	376,4	—	454,8
Net profit for the period	—	288,4	—	288,4
Exchange rate differences from the translations	—	—	—	—
Total comprehensive income	—	288,4	—	288,4
Dividend payment	—	(115,2)	—	(115,2)
Valuation of employee option scheme	—	26,9	—	26,9
Total transactions with owners	—	(88,3)	—	(88,3)
As of 31.12.2015 (01.01.2016)	78,4	576,5	—	654,9
Net profit for the period	—	56,4	—	56,4
Exchange rate differences from the translations	—	—	—	—
Total comprehensive income	—	56,4	—	56,4
Dividend payment	—	(85,7)	—	(85,7)
Valuation of employee option scheme	44,7	14,5	—	59,2
Total transactions with owners	44,7	(71,2)	—	(26,5)
As of 31.12.2016 (01.01.2017)	123,1	561,7	—	684,8



EXPLANATORY NOTES

1. GENERAL INFORMATION

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

As of 31 December 2016 Capital Group CCC S.A. was composed of the dominant entity CCC S.A with its headquarters in Polkowice and the following subsidiaries:

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 Obutev d.o.o.	Maribor, Slovenia	commercial
CCC Hrvatska d.o.o.	Zagreb, Croatia	commercial
CCC Germany G.m.b.h.	Frankfurt, Germany	commercial
CCC Shoes Ayakkabıcılık Limited Sirketi	Istanbul, Turkey	commercial
CCC Isle of Man Ltd.	Douglas, Isle of Man	service
CCC.eu sp. z o.o.	Polkowice, Poland	purchase and selling
CCC Shoes & Bags sp. z o.o.	Polkowice, Poland	investment
CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	commercial
eobuwie.pl S.A.	Zielona Góra, Poland	commercial
NG2 Suisse sarl	Zug, Switzerland	in liquidation
CCC Shoes & Bags d.o.o. - Novi Beograd	Belgrade, Serbia	commercial
eschuhe.de UG	Frankfurt, Germany	commercial
Traf Logistics sp. z o.o.	Zielona Góra, Poland	logistics
CCC Russia sp. z o.o.	Moscow, Russia	commercial

CCC Group



[1] The Company CCC.eu Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (99.75%) and a subsidiary of the Issuer (0.25%).

[2] eobuwie.pl S.A. is a subsidiary since 15 January 2016.

[3] CCC Russia sp. z o.o. is a subsidiary since 20 September 2016

BASIS FOR PREPARATION.

Capital Group CCC S.A. presents the condensed consolidated interim financial statement for the Q4 2016 beginning on 1st January 2016 and ending on 31st December 2016.

This condensed interim financial statement was prepared in accordance with IAS 34 "Interim Financial Reporting". This statement does not cover all the information and disclosures required in the annual financial statements and should be read together with the financial statements for the period from 01.01.2015 to 31.12.2015 which were prepared pursuant to the International Financial Reporting Standards approved by the European Union.

FUNCTIONAL CURRENCY AND CURRENCY OF THE FINANCIAL STATEMENTS.

Items contained in the Capital Group's condensed consolidated interim financial statements are valued in the currency of the primary business environment in which each entity operates ("functional currency"). This financial statement is presented in (PLN), which is the Group's functional currency and its presentation currency.

BASIS FOR CONSOLIDATION.

This condensed consolidated interim financial statement contains the statement of the dominant entity CCC S.A. and the statements of the subsidiaries.

The subsidiaries are subject to consolidation in the period from the date of taking control by the Group until the date of cessation of control.

All entities constituting the Capital Group underwent the audit during the entire reporting period (the company eobuwie.pl S.A. since 15.01.2016, the company CCC Russia sp. z o.o. since 20.09.2016). All transactions, balances, revenues and costs between the consolidated subsidiaries are subject to consolidation exemptions.

APPLIED ACCOUNTING PRINCIPLES.

The accounting principles applied by CCC S.A. Capital Group companies did not change compared to the accounting principles applied in the financial statement prepared for the financial year from 1 January to 31 December 2015, except for the application of the new standards.

Information on used average exchange rates of Polish zloty in the period covered by the financial statements and comparative financial data in relation to euro, established by the NBP

PERIOD (USD/PLN)	HIGHEST	LOWEST	END OF THE PERIOD	AVERAGE
2016	4,2493	3,7193	4,1793	3,9680
2015	3,9260	3,5550	3,9011	3,7928
2014	3,1370	3,0042	3,5072	3,1784

PERIOD (EUR/PLN)	HIGHEST	LOWEST	END OF THE PERIOD	AVERAGE
2016	4,5035	4,2355	4,4240	4,3757
2015	4,3335	3,9822	4,2615	4,1848
2014	4,2375	4,0998	4,2623	4,1893

Selected data from the statement of profit or loss and other comprehensive income, statement of financial position and the statement of cash flows were calculated into euro in accordance with the prevailing conversion method:

- individual items of assets and liabilities in the statement of financial position were calculated at the exchange rate prevailing on the last day of the reporting period:
 - exchange rate on 31.12.2016 amounted to 1 EUR – 4,4240 PLN
 - exchange rate on 31.12.2015 amounted to 1 EUR – 4,2615 PLN

- individual items of the statement of profit and loss and other comprehensive income and statement of cash flows were calculated at exchange rates representing the arithmetic average of exchange rates announced by the Polish National Bank for EUR prevailing on the last day of each month during the reporting period:

- the average exchange rate in the period 01.01.2016 – 31.12.2016 was 1 EUR – 4,3757 PLN
- the average exchange rate in the period 01.01.2015 – 31.12.2015 was 1 EUR – 4,1848 PLN

The conversion was made in accordance with the previously indicated exchange rates by dividing the values expressed in millions of zlotys by the exchange rate.

2. REPORTING SEGMENTS

Operating segments are presented in a manner consistent with internal reporting 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 Management Board of the parent company.

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 e-commerce, wholesale and retail activities in each of these geographic areas.

The Group identifies the following operating and reporting segments:

REPORTING SEGMENT	DESCRIPTION OF THE REPORTING SEGMENT AND USED MEASURES OF THE RESULT	PREMISES OF AGGREGATION OF OPERATING SEGMENTS INTO REPORTING 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.	
Distribution activities – retail in the European Union – Central and Eastern Europe (Czech Republic, Slovakia, Hungary, Croatia, Slovenia, Bulgaria) Stores operate exclusively in the chain CCC.	Stores sell footwear handbags shoe care products, small leather goods and clothing in their own facilities, within the chain: CCC, BOTI LASOCKI.	The financial information was aggregated in total for the chain CCC, BOTI, LASOCKI by geographic markets due to: <ul style="list-style-type: none"> • 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 – 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, Russia, Serbia) Stores operate exclusively in the chain CCC.		
Distribution activity – 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 footwear, handbags and shoe care products fancy leather and clothing goods, etc. to domestic and foreign retailers. The measures of the result is the gross sale 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 costs of sales relating to the operation 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 accessories 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.	

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016

[in mln PLN unless otherwise stated]

2016	DISTRIBUTION ACTIVITY						MANUFACTURING ACTIVITY	TOTAL
	RETAIL				E-COMMERCE	WHOLESALE		
	POLAND	UE – CEE	UE – WESTERN EUROPE	OTHER COUNTRIES				
Total sales revenue	1 689,2	707,7	325,9	15,3	287,4	1 996,1	269,2	5 290,8
Revenue from sales to other segments	—	—	—	—	—	(1 832,4)	(267,4)	(2 099,8)
Revenue from sales from external customers	1 689,2	707,7	325,9	15,3	287,4	163,7	1,8	3 191,0
Gross profit on sale	881,7	411,7	202,2	6,2	123,0	55,9	1,7	1 682,4
Gross margin (gross profit on sale/revenue from sales to other segments)	52,2%	58,2%	62,0%	40,6%	42,8%	34,2%	na	52,7%
PROFIT OF SEGMENT	339,0	104,4	(75,1)	(1,4)	54,5	40,4	1,7	463,4
Assets of segments								
Fixed assets except deferred tax asset	313,6	137,0	85,7	9,6	169,5	12,6	92,1	820,1
Deferred tax assets	9,3	—	—	—	0,4	7,6	7,3	24,6
Inventories	183,5	101,6	76,3	12,7	99,9	521,1	59,7	1 054,8
Outlays on tangible fixed assets and intangibles	313,6	137,0	85,7	9,6	169,5	12,6	92,1	820,1
Other revenue/costs:								
Amortization and depreciation	(22,5)	(15,0)	(11,3)	(0,5)	(1,5)	(1,9)	(3,4)	(56,1)
Impairment loss of tangible fixed assets and intangibles	(1,2)	—	—	(0,2)	—	—	—	(1,4)
2015								
Total sales revenue	1 438,4	538,5	201,3	8,0	—	1 756,4	282,0	4 224,6
Revenue from sales to other segments	—	—	—	—	—	(1 638,1)	(281,8)	(1 919,9)
Revenue from sales from external customers	1 438,4	538,5	201,3	8,0	—	118,3	0,2	2 304,7
Gross profit on sale	771,6	313,8	131,8	4,8	—	41,3	0,2	1 263,5
Gross margin (gross profit on sale/revenue from sales to other segments)	53,6%	58,3%	65,5%	60,0%	—	34,9%	na	54,8%
PROFIT OF SEGMENT	289,8	84,4	(34,4)	(1,6)	—	29,3	0,2	367,7
Assets of segments								
Fixed assets except deferred tax asset	318,5	118,3	62,8	1,2	—	8,0	94,3	603,1
Deferred tax assets	5,8	—	—	—	—	6,6	7,9	20,3
Inventories	116,1	87,7	46,1	4,5	—	420,9	46,6	721,9
Outlays on tangible fixed assets and intangibles	318,5	118,3	62,8	1,2	—	8,0	94,3	603,1
Other revenue/costs:								
Amortization and depreciation	(19,1)	(11,7)	(7,7)	(0,3)	—	(2,0)	(3,3)	(44,1)
Impairment loss of tangible fixed assets and intangibles	(3,1)	0,8	—	—	—	—	—	(2,3)

FINANCIAL REPORT OF CAPITAL GROUP CCC S.A.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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	2016			2015		
	AGGREGATED SEGMENT DATA	CONSOLIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENT	AGGREGATED SEGMENT DATA	CONSOLIDATION ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENT
Total sales revenue	5 290,8	(2 099,8)	3 191,0	4 224,6	(1 919,9)	2 304,7
Sales revenue not allocated to the segment	—	—	—	—	—	2,3
Sales revenue in the financial statement	—	—	3 191,0	—	—	2 307,0
Cost of goods sold in the financial statement	—	—	(1 508,6)	—	—	(1 041,2)
Gross profit on sale	1 682,4	—	1 682,4	1 263,5	—	1 265,8
Gross margin	(1 219,0)	—	(1 219,0)	(895,8)	—	(895,8)
Performance of segment	463,4	—	463,4	367,7	—	370,0
Not allocated cost of sale	—	—	—	—	—	—
Administrative expenses	—	—	(105,4)	—	—	(115,2)
Other cost and operating revenue	—	—	17,6	—	—	1,9
Finance revenue	—	—	2,3	—	—	0,1
Finance cost	—	—	(32,8)	—	—	(23,8)
Profit before tax	—	—	345,1	—	—	233,0
Assets of segments						
Fixed assets except deferred tax asset	820,1	(3,7)	816,4	603,1	(5,3)	597,8
Deferred tax assets	24,6	289,9	314,5	20,3	292,2	312,5
Inventories	1 054,8	(32,2)	1 022,6	721,9	(41,4)	680,5
Outlays on tangible fixed assets and intangibles	820,1	(3,7)	816,4	603,1	(5,3)	597,8
Other revenue/costs:						
Amortization and depreciation	(56,1)	(13,6)	(69,7)	(44,1)	(22,8)	(66,9)
Impairment loss of tangible fixed assets and intangibles	(1,4)	—	(1,4)	(2,3)	—	(2,3)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016**

[in mln PLN unless otherwise stated]

	SALES REVENUE		FIXED ASSETS (EXCEPT FINANCIAL INSTRUMENTS AND DEFERRED TAX)	
	2016	2015	2016	2015
Poland	1 689,2	1 438,4	414,6	416,9
Czech Republic	256,9	205,4	46,8	45,3
Hungary	183,9	143,7	39,2	32,1
Germany	215,6	124,0	57,5	42,7
Slovakia	152,0	121,5	20,4	18,4
Austria	110,4	77,3	28,2	20,1
Romania	99,4	69,3	—	—
Croatia	59,4	32,1	15,7	11,8
Slovenia	32,5	25,5	6,9	4,8
Other	104,3	69,8	17,6	5,7
e – commerce	287,4	—	169,5	—
Total	3 191,0	2 307,0	816,4	597,8
Deferred tax	—	—	314,5	312,5
Financial instruments	—	—	—	10,0
Total assets	—	—	1 130,9	920,3

3.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AND TO THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

3.1 COSTS BY TYPE

2016	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(1 255,2)	—	—	—	(1 255,2)
Consumption of materials and energy	(211,5)	(35,9)	(14,8)	(4,5)	(266,7)
Provision for inventories	—	(2,1)	—	—	(2,1)
Remuneration and other employee benefits	(39,9)	(345,3)	(77,0)	(32,1)	(494,3)
Cost of incentive program	—	—	—	(14,5)	(14,5)
Agent services	—	(47,9)	(1,2)	(0,1)	(49,2)
Transportation services	(2,1)	—	(66,1)	—	(68,2)
Lease costs	—	(386,8)	(7,3)	(1,5)	(395,6)
Other outsourcing services	(0,9)	(39,5)	(56,4)	(32,9)	(129,7)
Amortization	(2,6)	(46,7)	(14,0)	(9,0)	(72,3)
Taxes and charges	(1,1)	(3,5)	(2,6)	(3,7)	(10,9)
Other flat costs	(0,3)	(23,1)	(48,8)	(7,1)	(79,3)
Change in products and production in progress	5,0	—	—	—	5,0
Total	(1 508,6)	(930,8)	(288,2)	(105,4)	(2 833,0)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016**

[in mln PLN unless otherwise stated]

2015	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(870,3)	—	—	—	(870,3)
Consumption of materials and energy	(135,6)	(36,3)	(33,7)	(4,2)	(209,8)
Provision for inventories	(6,4)	—	—	—	(6,4)
Remuneration and other employee benefits	(26,2)	(272,6)	(39,9)	(28,5)	(367,2)
Cost of incentive program	—	—	—	(23,5)	(23,5)
Agent services	—	(37,3)	—	—	(37,3)
Transportation services	(1,1)	(0,2)	(2,5)	—	(3,8)
Lease costs	—	(284,0)	(0,8)	(13,8)	(298,6)
Other outsourcing services	(0,8)	(34,2)	(54,4)	(25,6)	(115,0)
Amortization	(1,8)	(35,7)	(2,0)	(8,8)	(48,3)
Taxes and charges	(0,1)	(3,1)	(0,1)	(2,6)	(5,9)
Other flat costs	—	(27,7)	(32,3)	(8,2)	(68,2)
Change in products and production in progress	1,1	—	1,0	—	2,1
Total	(1 041,2)	(731,1)	(164,7)	(115,2)	(2 052,2)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016**

[in mln PLN unless otherwise stated]

3.3 PROVISIONS

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
As of 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	—	—	—	—	—
As of 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
As of 01.01.2016	6,6	3,0	—	1,0	10,6
Establishment	1,3	2,6	—	11,2	15,1
Utilisation	—	(1,9)	—	(4,9)	(6,8)
Release	—	0,2	—	—	0,2
Exchange rate differences	—	0,7	—	(0,3)	0,4
As of 31.12.2016	7,9	4,6	—	7,0	19,5
Current	1,0	4,6	—	6,7	12,3
Non-current	6,9	—	—	0,3	7,2

3.4 DEFERRED TAX ASSETS AND LIABILITIES

	31.12.2016	CREDITING TO / (CHARGING) FINANCIAL RESULT	31.12.2015	CREDITING TO / (CHARGING) FINANCIAL RESULT	01.01.2015
Assets					
Goodwill	251,1	3,8	247,3	39,2	208,1
Trademarks	31,7	(4,1)	35,8	(4,0)	39,8
Inventories – adjustment of margin on intragroup sale	8,7	0,9	7,8	(4,0)	11,8
Impairment of assets	4,1	(3,2)	7,3	1,2	6,1
Provisions for liabilities	5,8	2,7	3,1	(0,1)	3,2
Others	15,5	0,6	14,9	13,6	1,3
Total before offsetting	316,9	0,7	316,2	45,9	270,3
Liabilities					
Accelerated tax depreciation of tangible fixed assets	(0,4)	(3,5)	3,1	(5,8)	8,9
Others	24,3	17,3	7,0	6,4	0,6
Total before offsetting	23,9	13,8	10,1	0,6	9,5
Offsetting	1,9	(1,7)	3,7	0,7	3,0
Balance of deferred tax in the balance sheet:					
Assets	314,5	2,0	312,5	45,2	267,3
Liabilities	25,8	19,4	6,4	(0,1)	6,5
Charging financial result	—	21,9		45,2	

3.5 CHANGE IN WRITE-DOWNS ON CURRENT RECEIVABLES VALUE

	2016	2015
As at 01.01	2,3	0,6
a) increase	0,1	1,8
b) decrease	(0,1)	(0,1)
As at 31.12	2,3	2,3

3.6 CHANGE IN WRITE-DOWNS ON INVENTORIES

	2016	2015
At beginning of period	6,4	9,0
Establishment in cost of goods sold	0,2	5,5
Utilisation	(2,1)	—
Reversal in cost of goods sold	—	(8,1)
At end of period	4,5	6,4

3.7 CHANGE IN WRITE-DOWNS ON IMPAIRMENT OF TANGIBLE FIXED ASSETS

	2016	2015
As at 01.01	4,6	7,6
a) increase	0,1	0,8
b) decrease	(1,5)	(3,8)
As at 31.12	3,2	4,6

3.8 EARNINGS PER SHARE

Cumulatively for four quarters of 2016, ordinary and diluted earnings per share amounted to PLN 8.07 (in the same period of 2015 PLN 6.77).

	31.12.2016	10.2016-12.2016
Number of shares (mln pcs.)	39,13	39,13
Potential number of shares (mln pcs.)	0,04	0,04
TOTAL	39,17	39,17
Net profit	316,06	190,29
Earnings per share (in PLN)	8,07	4,86
Diluted earnings (in PLN)	8,07	4,86
Number of warrants (mln pcs.)	0,04	0,04
Price of warrants (in PLN)	61,35	61,35
Average price during period (in PLN)	165,89	192,20
Number by a market price (mln pcs.)	0,01	0,01
Share price at end of period (in PLN)	203,55	203,55
Number of shares for ordinary earnings per share (mln pcs.)	39,13	39,13
Number of diluting shares (mln pcs.)	0,03	0,03
Number of shares after adjustment (mln pcs.)	39,15	39,15
Net profit	316,06	190,29
Diluted earnings per share (in PLN)	8,07	4,86

4. NOTES TO THE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AND TO THE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

4.1 COSTS BY TYPE

2016	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(1 189,6)	—	—	—	(1 189,6)
Consumption of materials and energy	—	(13,7)	(0,5)	(2,2)	(16,4)
Remuneration and other employee benefits	—	(151,5)	(11,4)	(9,2)	(172,1)
Cost of incentive program	—	—	—	(4,4)	(4,4)
Agent services	—	(46,6)	—	—	(46,6)
Transportation services	—	—	(0,7)	—	(0,7)
Lease costs	—	(195,5)	(0,2)	(1,0)	(196,7)
Other outsourcing services	—	(11,4)	(1,3)	(11,9)	(24,6)
Amortization	—	(22,5)	(0,2)	(3,1)	(25,8)
Taxes and charges	—	(0,1)	(0,1)	(1,3)	(1,5)
Other flat costs	—	(0,1)	(0,6)	(2,0)	(2,7)
Total	(1 189,6)	(441,4)	(15,0)	(35,1)	(1 681,1)

2015	COST OF GOODS SOLD	COST OF OPERATING STORES	OTHER COST OF SALE	ADMINISTRATIVE EXPENSES	TOTAL
Cost of purchase of goods sold	(1 187,1)	—	—	—	(1 187,1)
Consumption of materials and energy	—	(14,1)	(1,5)	(1,6)	(17,2)
Remuneration and other employee benefits	—	(128,7)	(9,3)	(8,3)	(146,3)
Cost of incentive program	—	—	—	(10,4)	(10,4)
Agent services	—	(37,3)	—	—	(37,3)
Transportation services	—	(0,2)	(3,6)	—	(3,8)
Lease costs	—	(175,6)	(1,1)	(0,8)	(177,5)
Other outsourcing services	—	(9,9)	(2,0)	(9,7)	(21,6)
Amortization	—	(19,1)	(0,4)	(3,8)	(23,3)
Taxes and charges	—	(0,1)	(0,1)	(1,4)	(1,6)
Other flat costs	—	(0,6)	(1,1)	(1,8)	(3,5)
Total	(1 187,1)	(385,6)	(19,1)	(37,8)	(1 629,6)



4.3 PROVISIONS

	PROVISION FOR JUBILEE AWARDS AND RETIREMENT BENEFITS	PROVISIONS FOR WARRANTY REPAIRS	PROVISION FOR LITIGATION	OTHER PROVISIONS	TOTAL
As of 01.01.2015	1,5	—	3,0	—	4,5
Establishment	0,2	—	—	—	0,2
Utilisation	—	—	(2,0)	—	(2,0)
Release	—	—	(1,0)	—	(1,0)
Exchange rate differences	—	—	—	—	—
As of 31.12.2015	1,7	—	—	—	1,7
Current	0,4	—	—	—	0,4
Non-current	1,3	—	—	—	1,3
As of 01.01.2016	1,7	—	—	—	1,7
Establishment	0,4	—	—	—	0,4
Utilisation	—	—	—	—	—
Release	—	—	—	—	—
Exchange rate differences	—	—	—	—	—
As of 31.12.2016	2,1	—	—	—	2,1
Current	0,5	—	—	—	0,5
Non-current	1,6	—	—	—	1,6



**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q4 2016**

[in mIn PLN unless otherwise stated]

4.4 DEFERRED TAX ASSETS AND LIABILITIES

	31.12.2016	CREDITING TO / (CHARGING) FINANCIAL RESULT	31.12.2015	CREDITING TO / (CHARGING) FINANCIAL RESULT	01.01.2015
Assets					
Goodwill	—	—	—	—	—
Trademarks	—	—	—	—	—
Inventories – adjustment of margin on intragroup sale	—	—	—	—	—
Impairment of assets	0,4	(2,0)	2,4	—	2,4
Provisions for liabilities	3,3	2,1	1,2	(0,2)	1,4
Others	7,6	3,5	4,1	2,0	2,1
Total before offsetting	11,3	3,6	7,7	1,8	5,9
Liabilities					
Accelerated tax depreciation of tangible fixed assets	1,9	0,3	1,6	0,5	1,1
Others	0,2	(0,1)	0,3	(0,1)	0,4
Total before offsetting	2,1	0,2	1,9	0,4	1,5
Offsetting	(2,1)	(0,2)	(1,9)	(0,4)	(1,5)
Balance of deferred tax in the balance sheet:					
Assets	9,2	3,4	5,8	1,4	4,4
Liabilities	—	—	—	—	—
Charging financial result		3,8		2,3	

4.5 CHANGE IN WRITE-DOWNS ON CURRENT RECIVABLES

	2016	2015
As at 01.01	(2,3)	(0,6)
a) increase	(0,1)	(1,8)
b) decrease	0,1	0,1
As at 31.12	(2,3)	(2,3)

4.6 CHANGE IN WRITE-DOWNS ON IMPARMENT OF TANGIBLE FIXED ASSETS

	2016	2015
As at 01.01	(3,1)	(6,2)
a) increase	(0,1)	—
b) decrease	1,3	3,1
As at 31.12	(1,9)	(3,1)

4.7 CHANGE IN WRITE-DOWNS ON INVENTORIES

	2016	2015
At beginning of period	—	—
Establishment in cost of goods sold	—	2,1
Utilisation	—	—
Reversal in cost of goods sold	—	(2,1)
At end of period	—	—

OTHER INFORMATION

A BRIEF DESCRIPTION OF CONSIDERABLE ACHIEVEMENTS OR FAILURES IN Q4 2016

In the fourth quarter 2016, the Capital Group CCC S.A.:

- increased sales network by more than 33.0 thousand m²
- recorded an increase in sales revenue by 49.9% compared to the fourth quarter of 2015 (cumulatively an increase in sales revenue by 38.3% compared to the same period of 2015),
- recorded an increase in operating profit by PLN 99.8 million compared to the fourth quarter of 2015 (cumulatively an increase of operating profit by 46.3% compared to the same period of 2015).



SALES REVENUE

Our sales revenue developed as follows:

	SALES REVENUE ^[1]			REVENUE PER 1M ² OF FLOOR SPACE (IN THOUSAND PLN) ^[2]	
	2016	2015	CHANGE %	2016	2015
Poland	1 689,2	1 438,4	17,4%	7,96	7,65
CEE	707,7	538,5	31,4%	5,69	5,32
Western Europe	325,9	201,3	61,9%	3,99	4,06
Other countries	15,3	8,0	91,3%	4,70	4,43
Retail activity	2 738,1	2 186,2	25,2%	6,43	6,42
Wholesale	163,7	118,3	38,4%	4,98	3,79
E-commerce	287,4	—	—	—	—
Other activities	—	2,3	—	—	—
Manufacturing	1,8	0,2	>100%	—	—
Total	3 191,0	2 307,0	38,3%		

[1] Revenues from sales apply only to sales to external customers.

[2] Revenue per 1m² of the floor space is calculated by dividing the value of revenue for the 12 months of a given year by the number of m² of floor space at the balance sheet date.

Revenue from sales for the period 1-12.2016 amounted to PLN 3,191.0 billion, an increase of PLN 884.0 million (38.3%) compared to the corresponding period of the previous year. The increase in sales was caused by a business development and expansion in different markets and sales via e-commerce channel (online sales of the Group has been realized by its subsidiary eobuwie.pl S.A. since January 2016.). Total retail sales for the period 1-12.2016 accounted for 85.8% of total sales from external customers with 5.2% of wholesale sales, 9.0% of sales in the e-commerce channel. Poland is still the largest market in retail sales in physical stores whose share in total sales in 2016 amounted to 61.7% compared with 65.8% in 2015 (decrease in the share is due to the dynamic expansion in foreign markets and the introduction of new

channel of distribution). In relation to the previous year, revenue from sales to external customers increased in all markets. The Group maintains a high retail sales per 1m² – for the period 1-12.2016 sales amounted to 6.4 thousand PLN/m² (6.4 thousand PLN/m² in the same period of 2015.) with the increase in the average area of the CCC store by 9.5% up to 535 m².

The size of the generated revenue is affected by a change in the sales in existing units and the changes resulting from the opening and closing of retail stores. Increase in like-for-like stores was recorded in all markets (Poland + 10.0%; Central-East Europe + 4.9%; Western Europe + 4.0%)

GROSS SALES PROFIT

Gross profit by particular segments was as follows:

	GROSS PROFIT ON SALE		CHANGE%	GROSS MARGIN	
	2016	2015		2016	2015
Poland	881,7	771,6	14,3%	52,2%	53,6%
CEE	411,7	313,8	31,2%	58,2%	58,3%
Western Europe	202,2	131,8	53,4%	62,0%	65,5%
Other countries	6,2	4,8	28,6%	40,6%	60,0%
Retail activity	1 501,8	1 222,0	22,9%	54,8%	55,9%
E-commerce	123,0	—	—	42,8%	na
Wholesale	55,9	41,3	35,4%	34,2%	34,9%
Manufacturing	1,7	0,2	>100%	na	na
Total	1 682,4	1 263,5	33,2%	52,7%	54,8%
Unallocated to segments	—	2,3	—		
Total	1 682,4	1 265,8	32,9%	52,7%	54,9%

Consolidated gross sales profit of the Group increased by 32.9% and amounted in the period 1-12.2016 to PLN 1,682.4 billion. Higher growth rate of cost of goods sold +44.9 % resulting from a change in the structure of sales channels, compared to sales revenues +38.3 resulted in a decrease in the gross margin on sales by 2.2 p.p. in relation to the previous period.

The margin in the retail sales segment amounted in the period 1-12.2016 to 54.8% and changed by – 1.1 p.p. compared to the like-for-like period.

COSTS OF OPERATING STORES

Costs of operating stores were as follows:

	2016	2015	ZMIANA %
Remuneration and other employee benefits	(345,3)	(272,6)	26,7%
Agency services	(47,9)	(37,3)	28,4%
Lease costs	(386,8)	(283,9)	36,2%
Amortization and depreciation	(46,7)	(35,7)	30,8%
Taxes and fees	(3,5)	(3,1)	12,9%
Consumption of materials and energy	(35,9)	(36,3)	-1,1%
Other flat costs	(64,7)	(62,2)	4,0%
Total	(930,8)	(731,1)	27,3%

In the period 1-12.2016, the most significant cost item of CCC Group were costs of operating stores which in comparison with the previous year increased by PLN 199.7 million (+ 27.3%) up to PLN 930.8 million. The main reason for the increased costs of operating stores was an increase in floor space by 86.3 thousand m² (+ 25.4%). With the market expansion and the opening of new retail units some items of the costs of operating stores increased. And the most significant were the costs of rent and staff remuneration costs in the stores, which accounted for 41.5% and 37.1% of the total costs of operating stores.

In order to analyse and compare the performance of individual stores, the Group uses the ratio of the cost incurred per square meter of floor space. In aggregate, the cost of operating stores per square meter between 1-12.2015 and 2016 changed slightly – in 2016 the ratio was 2.19 thousand PLN/m², and in 2015 2.15 thousand PLN/m². This ratio is most favourable in Central and Eastern Europe, while the highest cost/m² is incurred in Western Europe.

REVENUES AND OPERATING AND FINANCIAL COSTS

Other costs and operating revenues accounted for respectively PLN 11.9 million and PLN 29.5 million, which in terms of net accounted for PLN 17.6 million on the income compared with PLN 1.9 million in the previous year also on the income. The main reason for the change in 2016 to the same period of 2015 were foreign exchange differences PLN +4.3 million, the profit on disposal of tangible fixed assets PLN +13.9 million.

Other costs and financial revenues accounted for respectively PLN 32.8 million and PLN 2.3 million, which represented a net amount of PLN 30.5 million on the cost as compared with PLN 23.7 million in the previous year also on the cost. The main item making up the financial costs in the reporting period were interest on debt (63.4% of total finance costs), which amounted to PLN 20.8 million and were by PLN 3.4 million higher in relation to the previous year. The other financial costs were primarily exchange rate differences (PLN 2.3 million), commissions paid (PLN 0.5 million) and other financial costs (PLN 9.2 million).

INCOME TAX

Income tax for the period 2016 amounted to PLN 29.0 million. This amount, in addition to the current tax, was affected by the recognition of the deferred tax assets on temporary difference for trademarks and goodwill and investment relief in the amount of PLN 1.1 million (in the same period of 2015 – PLN 44.9 million).

NET PROFIT AND ADJUSTED NET PROFIT

After taking into account revenue and financial costs and income tax, the net profit amounted to PLN 316.1 million and was by 21.9% higher than in the same period of 2015.

Adjusted net profit is calculated based on the net profit adjusted for items which, according to the Management Board, are of one-off event nature and are not taken into account when assessing performance and when making decisions. Below there is a list of items excluded from net result together with an explanation:

Non-cash positions:

- deferred tax related to the trademark and goodwill – this item refers to temporary differences resulting from the business restructuring of the CCC Group
- deferred tax related to investment relief – this item applies to temporary differences arising on investments held by the CCC Group
- the cost of the incentive scheme – this item includes the cost of the incentive scheme existing in the CCC Group

APPROVAL OF ADJUSTED NET PROFIT

	2016	2015
Net profit	316,1	259,4
Effects of business restructuring	—	—
Recognition of a deferred tax asset relating to the trademark, goodwill and investment relief	(1,1)	44,9
Consultancy costs	(2,8)	(2,8)
Costs of the incentive program	(14,6)	(26,9)
Adjusted net income	334,6	244,2

**OVERVIEW OF THE MAIN ITEMS IN
OUR CONSOLIDATED STATEMENT OF
FINANCIAL POSITION IS AS FOLLOWS:**

Total balance sheet as of 31 December 2016 amounted to PLN 2,616.9 billion and increased by PLN 544.9 million (+ 26.3%) in relation to 31 December 2015, which on the assets resulted mainly from the recognition of goodwill associated with purchasing the company eobuwie.pl (an increase by PLN 235.1 million) and the increase in inventories by PLN 342.1 million (+ 50.3%) which is the result of the development of the network sales and the acquisition of eobuwie.pl.

The increase in balance sheet total as of 31 December 2016 in relation to 31 December 2015, on the liabilities side was primarily affected by the increase in debts to suppliers by PLN 99.5 million (+ 127.4%) and an increase in financial debt by PLN 80.0 million (+11.1%) which resulted from the liability to purchase own shares by 229.6 million PLN (the valuation of put options). The increase in financial debt did not negatively affect the overall debt ratio, which at 31 December 2016 was 54.9% and in the opinion of the Management Board remains at a safe level.

Overall debt ratio is calculated as the ratio of net debt to total capital employed. Net debt is calculated as total borrowings (including current and non-current loans and issued bonds indicated in the consolidated statement of financial position) less cash and cash equivalents. Total



**OVERVIEW OF THE MAIN ITEMS OF
OUR CONSOLIDATED TOTAL CASH
FLOWS IS AS FOLLOWS:**

NET CASH FLOWS FROM OPERATING ACTIVITIES

Consolidated net cash flows from operating activities for the period 1-12.2016 amounted to PLN 174.8 million and resulted from changes in working capital PLN 273.4 million (including a change in inventory and inventory write-downs PLN 294.9 million) and adjusted for non-cash operations by an operating profit PLN 448.2 million.

**NET CASH FLOWS FROM
INVESTMENT ACTIVITIES**

Consolidated net cash flows from investment activities for the period 1-12.2016 amounted to PLN 371.1 million. This amount was mainly due to increase in expenses associated with the acquisition of investment in eobuwie.pl S.A. (PLN 222.3 million).

Additionally, investment activity was affected by the increase in expenses on tangible fixed assets and intangible and legal assets related to the implementation of the strategy of market expansion and enlargement of floor space in Poland and abroad as well – these expenses in the period in 2016 amounted to PLN 169.1 million.

NET CASH FLOWS FROM FINANCE ACTIVITIES

Net cash flows from finance activities for the period 1-12.2016 amounted to PLN – 1.9 million. This amount consisted of an increase in cash by PLN 60.7 million on account of financial debt, the net proceeds from the issuance of shares in the amount of PLN 44.7 million, and the outflows, the interest costs in the amount of PLN 21.6 million and dividend payment in the amount of PLN 85.7 million.

SALES NETWORK OF THE CAPITAL GROUP CCC S.A.

The fourth quarter of 2016 was marked by further expansion in foreign markets. The Group opened 7 stores in Austria, 6 stores in Romania, 4 stores in Germany, 3 stores in Slovakia,

2 stores in the Czech Republic, Serbia, Russia and Hungary, 1 store in Bulgaria and Slovenia.

As at 31 December 2016, the sales network of the Capital Group CCC S.A. comprised of 862 CCC stores, which consists of:

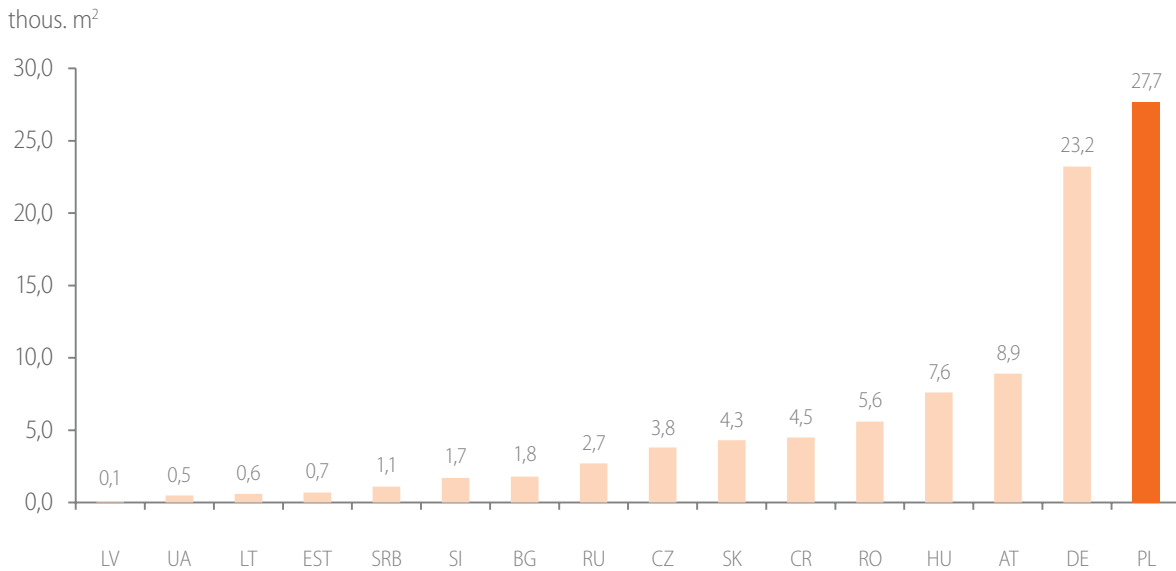
CHAIN	TYPE	31.12.2013		31.12.2014		31.12.2015		31.12.2016	
		m ²	number	m ²	number	m ²	number	m ²	number
CCC own	Poland	141 960	379	166 946	405	186 782	410	212 242	436
	Czech Republic	26 947	73	32 309	79	36 104	79	39 415	82
	Slovakia	10 646	25	13 866	30	18 852	37	23 104	42
	Hungary	23 456	50	27 689	57	30 462	61	38 040	69
	Austria	2 816	6	9 184	17	14 681	27	23 580	39
	Slovenia	924	2	3 646	6	4 603	8	6 272	11
	Croatia	1 651	3	4 436	8	7 314	13	11 842	20
	Turkey	1 165	2	1 805	3	1 805	3	—	—
	Germany	2 272	4	18 380	27	34 920	51	58 127	75
	Bulgaria	—	—	—	—	3 875	6	5 665	9
	Serbia	—	—	—	—	—	—	1 089	2
	Russia*	—	—	—	—	—	—	6 339	11
CCC Franchise	Russia*	2 178	6	1 781	5	3 617	8	—	—
	Ukraine	769	2	1 470	4	2 237	5	2 709	5
	Romania	7 869	19	13 454	31	19 325	42	24 386	50
	Latvia	2 212	5	2 622	6	3 232	7	3 281	7
	Lithuania	—	—	—	—	1 187	2	1 787	3
	Poland	1 586	8	—	—	—	—	—	—
	Estonia	—	—	—	—	—	—	724	1
CCC TOTAL		226 451	584	297 588	678	368 996	759	458 602	862

*CCC Russia is a subsidiary Since 20.09.2016

The floor space of the Group on 31.12.2016 amounted 459.0 thousand m² (CCC 458.6 thousand m², BOTI 0.4 thousand m²) and increased by 88.3 thousand m² (compared to 31.12.2015), which consisted of opening and enlargement of CCC stores +94.7 thousand m² and closing – 6.4 thousand m² (CCC – 5.2 thousand m²).

The floor space in own stores of the CCC network increased by 25.4% and amounts to 425.7 thousand m² on 31.12.2016 (including 212.2 thousand m² in Poland) as compared to 339.4 thousand m² on 31.12.2015 (including 186.8 thousand m² in Poland). The floor space in franchises units increased by 11.1% and amounts to 32.9 thousand m² on 31.12.2016 compared to 29.6 thousand m² on 31.12.2015. Due to the acquisition of shares in CCC Russia sp. z o.o., since 20.09.2016 stores in Russia are presented in the category of own stores.

**OPENINGS AND EXTENSIONS OF STORES OF CCC GROUP
 IN THE PERIOD 01.01.2016 – 31.12.2016**



DESCRIPTION OF FACTORS AND CIRCUMSTANCES, INCLUDING NON-TYPICAL FACTORS AND CIRCUMSTANCES, WHICH MATERIALLY AFFECTED THE ACHIEVED FINANCIAL RESULTS.

In the period covered by this statement there were no non-typical occurrences that would materially affect the achieved financial results.

FACTORS THAT IN THE ISSUER'S VIEW WILL AFFECT ITS RESULTS WITHIN A TIME SPAN OF AT LEAST THE NEXT QUARTER.

In the Issuer's view, the major factors that will affect its performance in the near future are:

1. the volume of sales achieved and margins generated,
2. further development of the CCC retail chain in Poland and abroad,
3. existing weather conditions,
4. currency exchange rates.

INFORMATION ABOUT THE NATURE AND SCOPE OF ALL MATERIAL LIMITATIONS OF CAPACITY OF THE SUBSIDIARIES TO FORWARD FUNDS TO THE DOMINANT ENTITY IN THE FORM OF CASH DIVIDENDS OR TO REPAY LOANS OR CREDITS.

To the knowledge of the Management Board of the dominant entity, there are no material limitations of capacity of the subsidiaries to forward funds to the dominant entity.

INFORMATION ON SIGNIFICANT TANGIBLE FIXED ASSETS PURCHASE AND SALE TRANSACTIONS, SIGNIFICANT LIABILITIES DUE TO THE PURCHASE OF TANGIBLE FIXED ASSETS PURCHASE, SIGNIFICANT SETTLEMENTS DUE TO COURT PROCEEDINGS

Not applicable.

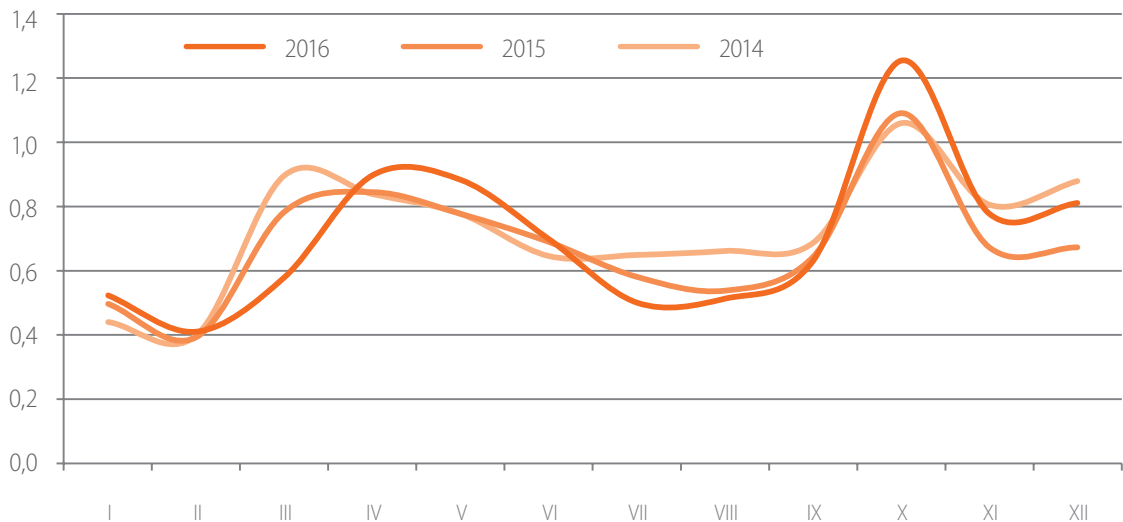
EXPLANATIONS CONCERNING SEASONALITY AND CYCLICALITY OF THE ISSUER'S ACTIVITIES DURING THE PRESENTED PERIOD.

In the case of the companies of Capital Group CCC S.A., we are dealing with seasonal sales. The seasonality of CCC S.A. Capital Group's sales is significant, just as in the entire clothing and footwear industry. There are two primary high sales periods: Q2 and Q4. Furthermore, throughout the

year, sales are tied closely to weather conditions. Weather may disrupt such seasonality pattern, by accelerating or postponing the periods of lower or higher sales, respectively.

Seasonal fluctuations for the past three years are presented in the diagram below.

thous. PLN/m²



INFORMATION ABOUT THE ISSUE, REDEMPTION AND REPAYMENT OF DEBT AND EQUITY SECURITIES.

Such events did not occur during the reporting period.

INFORMATION ON DIVIDENDS PAID (OR DECLARED) IN TOTAL PER SHARE

On 2 June 2016, the General Meeting of Shareholders of CCC S.A. adopted a resolution on the payment of dividend from the net profit for 2015 in the amount of PLN 85.7 million, which corresponds to 2.19 PLN^[1] per 1 share (in 2015 it was PLN 115.2 million, 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 (day W) was established on 13 September 2016.

[1] As a result of the dilution of profit on the issue of shares of series E.

DESCRIPTION OF EVENTS WHICH OCCURRED AFTER THE DAY ON WHICH THE FINANCIAL STATEMENT WAS PREPARED, NOT INCLUDED IN THIS STATEMENT BUT WHICH MIGHT SIGNIFICANTLY AFFECT THE ISSUER'S FUTURE FINANCIAL RESULTS.

Not applicable.

INFORMATION CONCERNING CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS WHICH OCCURRED SINCE THE END OF THE LAST FINANCIAL YEAR.

Changes in contingent liabilities and assets are described in the table below.

	2016	2015
Guarantees and sureties received	47,5	47,5
Total contingent assets	47,5	47,5
Custom bonds	9,8	8,0
Other forms of collateral	88,8	68,4
Security granted	—	—
Total contingent liabilities	98,6	76,4

Customs bonds provide a security for the repayment of customs liabilities due to the Group's operation of customs warehouses, and their maturity date is on 17.06.2017.

Other guarantees constitute a collateral of concluded agreements for the lease of premises, and their maturity date is on 10.11.2017. The collaterals granted are related to the surety agreement of the liability and their maturity is indefinite.



RESULTS OF CHANGES IN THE STRUCTURE OF THE BUSINESS ENTITY, INCLUDING RESULTS OF BUSINESS COMBINATIONS, ACQUISITIONS OR SALES OF ENTITIES OF THE ISSUER'S CAPITAL GROUP, LONG-TERM INVESTMENTS, DEMERGERS, RESTRUCTURINGS AND DISCONTINUED OPERATIONS.

In the fourth quarter of 2016 there were no changes in the organizational structure and of the Capital Group CCC S.A.

PROJECTIONS OF FINANCIAL RESULTS.

No projections for 2016 were published.

INFORMATION ON THE ECONOMIC SITUATION AND THE CONDITIONS OF CONDUCTING BUSINESS ACTIVITY WHICH HAVE A MATERIAL EFFECT ON THE FAIR VALUE OF THE FINANCIAL ASSETS AND FINANCIAL LIABILITIES OF AN ENTITY.

Not applicable.

INFORMATION ON A FAILURE TO REPAY A CREDIT OR LOAN OR A MATERIAL BREACH OF THE PROVISIONS OF THE CREDIT OR LOAN AGREEMENT, WHICH WERE NOT SUBJECT TO ANY REMEDIES TILL THE END OF THE REPORTING PERIOD.

Not applicable.

CONTENTIOUS ISSUES.

The companies of CCC S.A. Capital Group are not a party to any court proceedings in which the value of the subjects of dispute would exceed 10% of the Group's equities.

INFORMATION ON TOTAL LOAN SURETIES OR WARRANTIES GRANTED BY THE ISSUER OR ITS SUBSIDIARY TO A SINGLE ENTITY OR THAT ENTITY'S SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES CONSTITUTES AN EQUIVALENT OF AT LEAST 10% OF THE ISSUER'S OWN FUNDS.

Not applicable.

**SHAREHOLDERS HOLDING, DIRECTLY OR
INDIRECTLY THROUGH SUBSIDIARIES, AT
LEAST 5% OF THE TOTAL NUMBER OF VOTES
AT THE ISSUER'S GENERAL MEETING**

Summary of shareholders holding at least 5% of votes at the General Meeting of Shareholders on the date of submitting the report QSr – IV/2016.

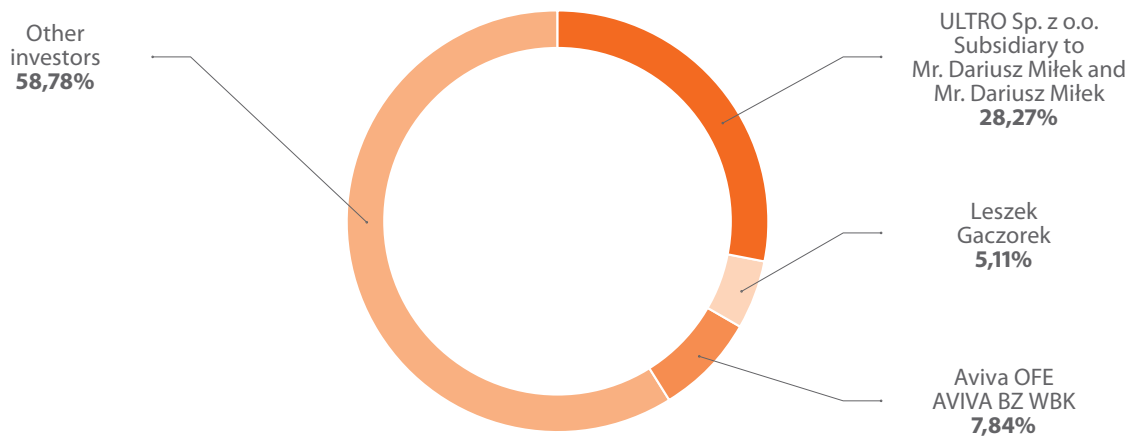
THE LIST OF SHAREHOLDERS HOLDING SIGNIFICANT BLOCKS OF SHARES OF CCC S.A.

SHAREHOLDER	NUMBER OF SHARES HELD	% SHARE IN SHARE CAPITAL	NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS	% SHARE IN THE NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS
ULTRO sp. z o.o., subsidiary to Mr. Dariusz Miłek and Mr. Dariusz Miłek	11 060 000	28,27%	16 690 000	36,46%
Leszek Gaczorek	2 000 000	5,11%	3 040 000	6,64%
Aviva OFE*	3 069 920	7,84%	3 069 920	6,71%

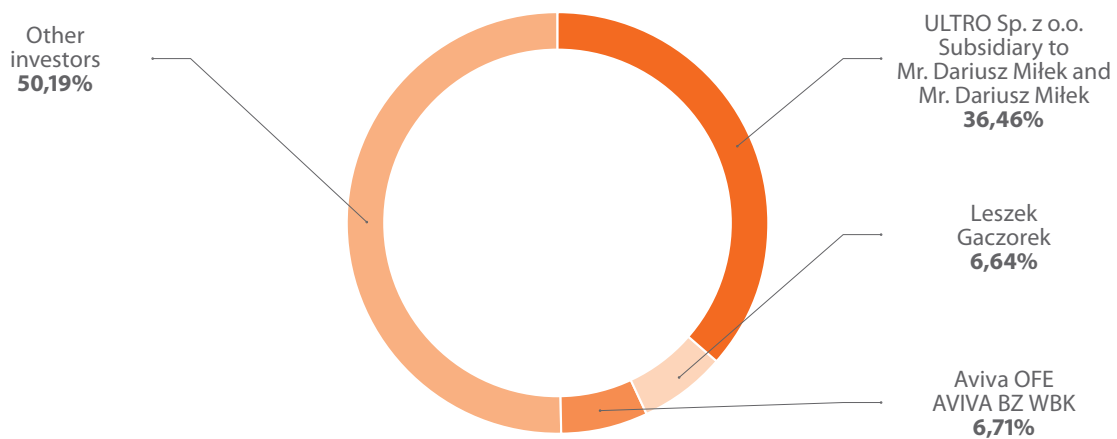
* data derived from the annual information on the structure of assets of the Fund Aviva OFE as of 30.12.2016.



Shareholders by number of sheres



Shareholders by number of votes



At the date of submitting the report for the fourth quarter of 2016, the Company is not aware of other shareholders who have held at least 5% of votes at the General Meeting of Shareholders.

Summary of shareholders holding at least 5% of votes at the General Meeting of Shareholders on the date of submitting the report for the third quarter of 2016.

THE LIST OF SHAREHOLDERS HOLDING SIGNIFICANT BLOCKS OF SHARES OF CCC S.A.

SHAREHOLDER	NUMBER OF SHARES HELD	% SHARE IN SHARE CAPITAL	NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS	% SHARE IN THE NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS
ULTRO sp. z o.o., subsidiary to Mr. Dariusz Miłek and Mr. Dariusz Miłek	10 350 000	26,45%	15 270 000	33,36%
Leszek Gaczorek	2 710 000	6,93%	4 460 000	9,74%
Aviva OFE*	3 038 335	7,77%	3 038 335	6,64%

* data derived from the annual information on the structure of assets of the Fund Aviva OFE as of 30.12.2015.



THE SHARES OF THE DOMINANT ENTITY AND SUBSIDIARIES BY MANAGING AND SUPERVISING PERSONS OF THE ISSUER

To the Issuer's best knowledge, the shareholding by managing and supervising persons is as follows:

SHAREHOLDER	NUMBER OF SHARES AT THE SUBMISSION DATE OF REPORT – QSR – IV/2016 (PCS.)	NUMBER OF SHARES AT THE SUBMISSION DATE OF REPORT – QSR – III/2016 (PCS.)
MANAGEMENT BOARD		
President Dariusz Miłek*	11 060 000	10 350 000
Vice President Mariusz Gnych	202 000	202 000

* indirectly as the dominant entity in the company Ultro Sp. z o.o.

On 7 October the Management Board of CCC S.A. received a notification of the sale of CCC shares on October 6 by:

1. Mr. Piotr Nowjalis – Vice President of the Management Board – sale of 75,000 shares at a price of 182,00 PLN per share;
2. Mr. Mariusz Gnych – Vice President of the Management Board – sale of 50,000 shares at a price of 182,00 PLN per share. (CR 50/2016)

In two transactions outside the regulated market, on, respectively, 6 December 2016 and 7 December 2016, Ultro sp. z o.o. (directly) acquired (through Ultro sp. z o.o. such acquisition was made by Dariusz Miłek), respectively, 110,000 and 600,000 registered voting preference shares issued by the Company (two votes at the General Meeting of the Company are given for each so acquired registered share). The acquired shares, referred to in the preceding sentence, represent 1.81% of share capital of the Company and entitle to 3.10% of the total number of votes at the general meeting of the Company. (CR 58/2016).

INFORMATION ON CONCLUSION BY THE ISSUER OR ITS SUBSIDIARY OF ONE OR MORE RELATED PARTY TRANSACTIONS, IF THEY ARE INDIVIDUALLY OR JOINTLY MATERIAL AND WERE CONCLUDED ON NON-MARKET TERMS.

Not applicable.

INFORMATION ON THE CHANGE OF FINANCIAL INSTRUMENTS APPRAISAL METHOD (EXPRESSED SO FAR IN FAIR VALUE).

Not applicable.

INFORMATION ON THE FINANCIAL ASSETS CLASSIFICATION CHANGE DUE TO THE CHANGE OF AIM OR USE OF THE SAID ASSETS.

Not applicable.

INFORMATION THAT, IN THE ISSUER'S VIEW, IS CRITICAL FOR THE ASSESSMENT OF THE STAFFING, ASSET AND FINANCIAL SITUATION, THE FINANCIAL RESULT AND ANY CHANGES THERETO, AS WELL AS INFORMATION THAT IS CRITICAL FOR THE ASSESSMENT OF THE ISSUER'S ABILITY TO PERFORM ITS LIABILITIES.

This financial statement includes basic information that is relevant to the assessment of CCC S.A. Capital Group's condition. The Management Board believes that there is currently no threat to the Group's performance of liabilities.

- On 21 November 2016, Mr. Piotr Nowjalis resigned from his position as a Vice President of the Management Board of CCC S.A. with the effect from 4 January 2017. (CR 54/2016)
- On 21 November 2016, the Supervisory Board of CCC S.A. appointed three new management board members:
 - Mr. Karol Pótorak, on 1 December 2016, was appointed Vice President of the Management Board. Mr. Karol Pótorak is responsible for supervising the implementation of development projects in the Capital Group CCC.
 - Mr. Marcin Czyczerski, on 1 January 2017, was appointed Vice President of the Management Board. Mr. Marcin Czyczerski is responsible for supervising the whole economic – financial issues in the Capital Group CCC.
 - Mr. Marcin Pałajej, on 9 January 2017, was appointed Vice President of the Management Board. Mr. Marcin Pałajej is responsible for the expansion of the CCC network. (CR 55/2016)
- On 21 November 2016, Mr. Karol Pótorak resigned from the function of being a Supervisory Board Member of CCC S.A. with the effect from 30 November 2016. (CR 56/2016)

EVENTS AFTER A BALANCE SHEET DATE

- On 10 January 2017, The Extraordinary General Meeting of Shareholders adopted a resolution to supplement the composition of the Supervisory Board and the appointment of Mr. Piotr Nowjalis as the Supervisory Board Member. (CR 4/2017)
- On 24 January 2017, The Management Board of CCC S.A. received information from Mr. Mirosław Stachowicz – The Member of the Supervisory Board on his resignation from membership in the Supervisory Board with the effect as of 31 January 2017r. (CR 6/2017)
- On 14 February 2017, a change in the share capital was reported. New revealed share capital amounts to PLN 3,912,790.00. Registration of the share capital is the result of the conversion of 727,900 subscription warrants series A to 727,900 series E shares in the share capital of CCC S.A. (CR 10/2017)
- On 17 February 2017, a subsidiary of the Issuer, CCC.eu Sp. z o.o. signed an annex to the agreement of 3 March 2009 on revolving loan and overdraft concluded with Bank Handlowy S.A.. The annex to the credit agreement changed the loan amount to PLN 226,000,000.00 (previous value: PLN 156,000,000.00) and the due repayment date until 13 February 2019 (the previous deadline: 14 February 2018). An annex to the overdraft agreement changed the due repayment date of the loan until 13 February 2019 (the previous deadline: 24 February 2017). Due to the changes, the additional obligations performance collateral were established under the Loan Agreements in the form of a mortgage up to the amount of PLN 3,600,000.00 on the property in the village of Chróstnik, the property of which is owned by the Issuer. (CR 11/2017).

The condensed consolidated interim financial statements of Capital Group CCC S.A. was approved for publication by the Management Board of the Dominant Entity on 28 February 2017 and signed on behalf of the Management Board by:

SIGNATURE OF THE PERSON RESPONSIBLE FOR KEEPING ACCOUNTING RECORDS

Edyta Banaś	Chief Accountant	
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SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD

Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice President of the Management Board	
Marcin Czyczerski	Vice President of the Management Board	
Marcin Pałazej	Vice President of the Management Board	
Karol Pótorak	Vice President of the Management Board	

Polkowice, 28 February 2017.