

Polkowice, 25 August 2016

THE RESULTS OF THE CCCGROUP FOR Q2 2016

CCC S.A., the largest retail footwear company in Central Europe and the largest footwear manufacturer in Europe, reached in the second quarter of 2016 a net profit of PLN 134.0 million with sales revenues of PLN 864.9 million. The operating profit amounted to PLN 138.0 million and EBITDA PLN 151.0 million.

In the first half of the year, the Company earned net PLN 113.3 million with the operating profit of PLN 130.8 million and EBITDA PLN 160.0 million.

As of 30 June 2016, the total floor space of the sales network, including franchise stores domestically and abroad, amounted to 406.2 thousand m². The Company, since the beginning of the year has opened 49 new stores and closed 5 existing stores.

The year 2016 is the continuation of the implementation of the long-term strategy, according to which the CCC Group is expanding to the markets of Central and Eastern Europe seeking to become the leader in each national footwear market in the region. In addition to the already perfectly operating markets of Central and South – East, the Company in April launched the franchise sales in the Estonian market and is about to open the first retail stores in Serbia. Poland, Romania and Western countries - Germany and Austria are the main pillars of development in 2016. In the second quarter of 2016, the Company opened 8 stores in Poland and abroad the company focused its activities on the German market where it opened 6 new stores, thereby increasing the floor space by over 5.5 thousand m². In the area of e-commerce, through the synergy with eobuwie.pl S.A., the Group strives to become a leader in online sales of shoes in Central Europe. So far eobuwie.pl has been selling shoes and handbags through its regional domains in Poland, the Czech Republic, Slovakia, Germany, Romania, Hungary and Ukraine and from the second quarter of this year also in Bulgaria.

FINANCIAL PERFORMANCE OF CCC AFTER A SECOND QUARTER OF 2016

Detailed financial data of the CCC Group are as follows:

in thousand PLN	Q2 2016	Q2 2015	change (value)	change (%)
Net sales revenue	864,9	607,6	257,3	42,3 %
Operating profit (loss)	138,0	92,1	45,9	49,8 %
Net profit (loss)	134,0	101,3	32,7	32,3 %

FOREIGN EXPANSION

Sales network of CCC abroad at the end of June 2016 consisted of 383 stores, including, inter alia: 79 stores in the Czech Republic, 66 in Hungary, 64 in Germany, 44 in Romania, 38 in Slovakia, 30 in Austria, 19 in Croatia, 9 in Slovenia, 9 in Russia, 7 in Latvia and 5 in Ukraine.

In the second quarter of 2016, CCC Group opened 17 new stores in foreign markets. Germany was the main area of the Company's operations in the reporting period - 6 openings, Hungary - 3 openings and Croatia - 2 openings. Other new stores were in the Slovak, Bulgarian, Russian, Lithuanian, Romanian and Estonian markets which were increased by 1 store in each country.

Number of own stores and franchise stores of the CCC Group

Number of stores	As at 30.06.2015	As at 30.06.2016
CCC Poland	404	422
CCC Poland - Franchise	6	0
CCC Russia /Kazakhstan/ Ukraine - Franchise	11	16
CCC Romania Franchise	36	44
CCC Latvia/Lithuania - Franchise	6	10
CCC Czech Republic	78	79
CCC Slovakia	31	38
CCC Hungary	57	66
CCC Austria	24	30
CCC Slovenia	8	9
CCC Croatia	9	19
CCC Turkey	3	0
CCC Germany	35	64
CCC Bulgaria	5	7
CCC Estonia	0	1
Lasocki/Quazi	3	0
BOTI - own stores	19	0
BOTI - Franchise	6	0
Total number of stores	735	805

"The first half of 2016 was ended with very good results. To sum up that period one should mention the sale itself as well as the implementation of the announced in January strategic plans for the next two years. In terms of sales we consider the second quarter to be very good for the company - it brought us the results higher than expected. At the beginning of the year we announced the strategic objectives, which we meticulously meet. In April we commenced franchise sale in Estonia, we have been strongly developing the German market where since the beginning of the year, we have opened 13 new stores with a total retail area of almost 12 thousand m² and will soon open the first retail stores in Serbia. We also do not forget about our domestic market, which, since the beginning of this year, has been increased by 12 stores with a total area of nearly 11 thousand m². Online sales realized by the platform eobuwie.pl was extended by another country (Bulgaria). Speaking about the development it is worth mentioning the fact that to meet our customers' expectations, who willingly turn to leather footwear, the autumn-winter collection was enlarged by us for another leather brands:



QUAZI, BUT S and OTTIMO, which are already available in the CCC stores. "- said Dariusz Miłek, The President of the Management Board of CCC S.A.

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CCC Group is a leader of retail footwear market in Central Europe and the largest manufacturer in Europe. The CCC Capital Group consists of CCC S.A. - the company managing the sales network, CCC Factory Sp. z o.o., the largest footwear factory in Europe and the companies dealing with sales in foreign markets, inter alia: CCC Czech Republic, CCC Slovakia, CCC Hungary, CCC Austria, CCC Germany and CCC Bulgaria. The sale of the collection is carried out in a total of more than 800 stores. The shoes suppliers for the Company include both foreign manufacturers (Chinese manufacturers mainly sewing on behalf of CCC), domestic ones as well as our own manufacturing facilities. CCC Group's share in the highly fragmented domestic footwear market is estimated at over 20%.