

Polkowice, 27 August 2015

CCC GROUP INVESTS IN A POLISH LEADER OF E-COMMERCE

CCC S.A, the largest distributor and manufacturer of footwear in Poland, reached in Q2 2015 a net profit of 105.1 million PLN with sales revenues at the level of 608 million PLN. Operating profit amounted to 95.5 million PLN, and with EBITDA of 112.3 million PLN.

In the second quarter, the Group CCC continued to implement the plans to expand its own sales network, which as of 06.30.2015 amounted to 301.6 thousand m². The total area of network sales, including franchise stores, both domestically and in the foreign market amounted to 325.5 thousand m².

The year 2015 is the last year of implementing a three-year strategy of foreign expansion announced in August 2012. The company at that time proved that its international aspirations are realistic and reasonable. The strategy will be continued in the years 2016-2017, and the basic axis of growth remain the countries of Central and South-Eastern Europe and the Baltic States.

FINANCIAL RESULTS OF CCC GROUP AFTER SECOND QUARTER OF 2015

Detailed financial data of CCC are as follows:

In thousands of PLN	Q2 2015	Q2 2014	<i>change (value)</i>	<i>change (%)</i>
Net revenues of sales	608 034	496 951	111 083	22,4 %
Operating profit	95 525	87 173	8 352	9,6 %
Net profit	105 132	69 757	35 375	50,7 %

FOREIGN EXPANSION

Sales network abroad at the end of June 2015 included 303 own stores, inter alia: 78 in Czech Republic, 57 in Hungary, 31 in Slovakia, 36 in Romania, 35 in Germany, 24 in Austria, 9 in Croatia, 8 in Slovenia, 3 in Turkey and 5 in Bulgaria.

Number of stores of CCC Group

Number of stores	Condition on 30.06.2014	Condition on 30.06.2015
CCC Poland – own stores	366	366
CCC Poland – agency	38	38
CCC Poland - franchise	6	6
CCC Russia / Latvia / Kazakhstan / Ukraine – franchise	17	17
CCC Romania franchise	36	36
CCC Czech Republic	78	78
CCC Slovakia	27	31
CCC Hungary	54	57
CCC Germany	10	35
CCC Austria	12	24
CCC Slovenia	4	8
CCC Croatia	4	9
CCC Turkey	2	3
CCC Bulgaria	-	5
Lasocki / QUAZI	15	3
BOTI – own stores	43	19
BOTI – franchise	16	6
Total number of units	728	735

ACQUISITION OF eobuwie.pl S.A.

CCC Group decided to acquire a private company eobuwie.pl S.A.. As a result of the agreement concluded today, the process of taking it over has just begun and it is necessary to obtain the approval of, inter alia, UOKiK (Polish Office of Competition and Consumer Protection) for it the successful finalization.

After the closing of the acquisition, the undisputed leader in online selling of footwear in Poland of the is to enter the Group CCC (about 16% of market share in selling shoes online), with undeniable credibility among customers proved by some distinctions and awards. Eobuwie.pl S.A. deals with retail sale of medium and high-quality branded footwear and accessories in the Internet channel. Currently the offer of the portal includes over 20 000 products and more than 330 brands.

The company distributes products in countries coinciding with the main markets where the Group CCC operates - primarily in Poland, the Czech Republic, Germany and Slovakia. It intends to launch a dynamic expansion in other CEE countries and Austria. In order to support the geographical expansion eobuwie.pl launched a few months ago the investment in ultra-modern logistics centre.

Business activity of Eobuwie.pl is characterized by acquired very high margins and a dynamic growth - revenues of the company increased between 2012 and 2014 from 25 to 71 million PLN, while EBITDA for the same period increased from 4.2 to 11.2 million PLN.

Incorporating the company in the structures of the Group CCC will result in numerous cost and operational synergies. Eobuwie.pl will gain the access to the financial resources of the Capital Group and its logistics background, and it will also be able to benefit from advertising in CCC stores and enable its customers to receive and return orders at all stores of the CCC network.

Whereas, the CCC Group will be enriched by the acquisition with the highest competence in the field

e-commerce, which it will be able to take advantage of in further organic growth.

More expensive brands in the portfolio of CCC (Lasocki, Sprandi, Disney) will be available on

e-commerce platforms of the company eobuwie.pl S.A. in all the countries of Central Europe, Germany and in Austria.

The first stage of the transaction includes the purchase of 74.99% of shares of eobuwie.pl S.A. when the agreement gives CCC Group the right to purchase the remaining shares of the company in 2019 on pre-determined conditions. The two existing shareholders of the company - Marcin Grzymkowski (President of the Board) and Krzysztof Grzymkowski (Vice President of the Board) will continue to manage operationally the activity of eobuwie.pl S.A.



The value of the first phase of the transaction amounts to 129.982 million PLN and will be financed entirely from own funds of CCC Group, however the value can be increased as written in the contract in case of exceeding the budgeted results for the year 2015 by the company.

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The Group CCC is a leader in the Polish retail footwear market and the largest manufacturer in Poland. The Capital Group of CCC consists of CCC S.A. - The company managing the network sales, CCC Factory Ltd., dealing with the production of footwear, NG2 Suisse S.a.r.l., the company managing the company trademarks, companies managing sales on foreign markets; CCC Czech s.r.o., CCC Slovakia s.r.o., CCC Hungary Shoes Kft, CCC Austria Ges.m.b.H., CCC Germany G.m.b.H., CCC Hrvatska d.o.o., CCC Obutev d.o.o., CCC Shoes Turkiye. Sales of a collection is run in total in more than 700 outlets under the brands of CCC, BOTI and Lasocki. Suppliers of shoes for the Company are both foreign manufacturers (especially sewing on behalf of the CCC, Chinese producers), domestic ones as well as our own production facilities. The CCC Group's share in the highly fragmented market of footwear is estimated at 19 -20%.