ANNUAL REPORT
ON THE OPERATIONS OF THE CCC S.A. CAPITAL GROUP
FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 DECEMBER 2012

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1. Background Information

Name of the dominant entity: CCC Spółka Akcyjna

Registered office of the dominant entity: Polkowice

Address: ul. Strefowa 6, 59-101 Polkowice

Telephone: +48 (76) 845 84 00

Fax: +48 (76) 845 84 31

Email: ccc@ccc.eu

Website: www.ccc.eu

Registration: District Court for Wrocław-Fabryczna in Wrocław, 9th Commercial Division of the National Court Register,

KRS Number: 0000211692

Regon (Statistical Number): 390716905

NIP (Tax Identification Number): 692-22-00-609

Corporate purpose: The Group's primary corporate purpose according to the European Classification of Economic Activities is wholesale and retail trade of clothing and footwear (ECEA 51.42).

The Management Board of CCC S.A. announces that, by the decision of the General Meeting of Shareholders of 19 December 2012, the name of the company was changed from NG2 S.A. to CCC S.A.
For the purposes of this report, the Issuer uses the new name "CCC S.A." with respect to the company, and the name the "CCC S.A. Capital Group" with respect to the Capital Group in which it is the dominant entity (hereinafter, the "CCC Capital Group" or the "CCC Group" or the "Group").
CCC S.A. has been listed on Giełda Papierów Wartościowych S.A. in Warsaw (Warsaw Stock Exchange) since 2004.

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

As on 31 December 2012, the CCC S.A. Capital Group's sales network comprised 709 locations, which included:

		number of outlets	
		31 Dec 2011	***31 Dec 2012***
OWN STORES	CCC (Poland), of which:	293	*375*
	- CCC (agency)	-	*36*
	CCC (Czech Republic)	52	*62*
	CCC (Slovakia)	-	*12*
	CCC (Hungary)	-	*15*
	BOTI	218	*146*
	LASOCKI/QUAZI	37	*34*
FRANCHISES	CCC (PL franchise)	49	*8*
	CCC (Russia)	5	*5*
	CCC (Latvia)	-	*3*
	CCC (Romania)	-	*5*
	CCC (Kazakhstan, Ukraine)	-	*2*
	BOTI (PL franchise)	62	42

TOTAL	714	*709*

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

The retail space in its own shops increased by 24.7 per cent and amounts to 188,900 sq. m as on 31 December 2012 (including 156,600 sq. m in Poland) in comparison to 151,500 sq. m as on 31 December 2011 (including 135,100 sq. m in Poland). The franchise space decreased by 44.1 per cent and amounts to 12,700 sq. m as on 31 December 2012 (including 6,700 sq. min Poland) in comparison to 22,700 sq. m as on 31 December 2011 (including 20,700 sq. m in Poland).

The strategy of the CCC S.A. Capital Group provides for consistent expansion of the sales network and opening new locations, both in Poland and abroad, carefully selected in terms of expected profitability and return.
In 2013, the CCC Group will increase its rate of growth, strengthening its standing as the clear leader in Poland and gaining market share in foreign markets. After the balance sheet date, the Company registered a company in Austria and resolved to establish a company in Turkey, whose primary corporate purpose will be to distribute merchandise supplied by CCC S.A. First pilot stores may also appear in Slovenia and Croatia. In the coming years, the CCC Group will also expand to other markets in Central and Eastern Europe.

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

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

Table 1. Key business and financial figures of the CCC S.A. Group

Figure	2012 (PLN '000)	2011 (PLN '000)	percentage difference
net revenue from sales	1,317,457	1,091,260	20.7
gross earnings from sales	678,398	612,813	10.7
cost of sales and management	527,746	447,768	17.9
profit loss on operating activity (EBIT)	141,334	159,052	-11.1
gross profits	126,323	151,374	-16.5
net profits	106,314	122,776	-13.4
Figure	**31 Dec 2012 (PLN '000)**	**31 Dec 2011 (PLN '000)**	**percentage difference**
shareholders' equity	528,711	495,085	6.8
liabilities and provisions	449,403	470,528	-4.5
non-current liabilities and non-current provisions, of which:	124,099	208,560	-40.5
*long-term bank loans**	88,000	206,800	-57.4
current liabilities and current provisions, of which:	325,304	261,968	24.2
*- short-term bank loans**	200,648	71,972	178.8

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

Figure	31 Dec 2012 (PLN '000)	31 Dec 2011 (PLN '000)	percentage difference
total assets	978,114	965,613	1.3
non-current assets	387,368	367,139	5.5
current assets	590,746	598,474	-1.3
inventory	399,163	484,815	-17.7
current receivables	65,875	78,733	-16.3

detailed information about the loans incurred is set out in Note 15 to the financial statements

In 2012, the CCC S.A. Group generated a revenue from sales of PLN 1,317,457,000 (+20.7 per cent year on year). Revenue from retail sales amounted to PLN 1,265,853,000, compared to PLN 994,381,000 in 2011 (+27.3 per cent YoY). In the same period, the proceeds from franchise and other (wholesale) sales amounted to PLN 51,604,000 (-46.7 per cent YoY). The change in the structure of sales revenue sources is consistent with the Group's growth strategy. In the future, we should expect continued increases in the share of retail sales in the overall revenue.
Lower growth of the gross earnings from sales (10.7 per cent year on year) than in the case of revenue from sales is a consequence of, among other things, weakening of the Polish currency with respect to USD (higher costs of purchasing goods).
In the period under discussion, the cost of sales and management increased by PLN 79,978,000 (+17.9 per cent YoY). The ratio of the cost of sales and management to revenue from sales decreased to 0.40 (2011: 0.41) and remains typical for companies operating in the retail sector.
The lower margin and increased cost of sales and management caused a decrease in operating profits of 11.1 per cent (YoY).

The balance sheet of the CCC S.A. Group as on 31 December 2012 shows a total amount of assets and liabilities of PLN 978,114,000. The balance sheet sum increased by 12,501[,000] compared to its value as on 31 December 2011. The growth on the tangible asset side was primarily caused by the dynamic growth in property, plant and equipment by PLN 23,040,000 (6.9 per cent YoY) due to expansion of the sales network. Material changes in current assets included a decrease in inventory by PLN 85,652,000. Cash and cash equivalents decreased to PLN 125,708,000 (PLN 34,926,000 as on 31 December 2011).
On the liabilities side, major changes included an increase in liabilities under short-term loans to PLN 200,648,000 (PLN 71,972,000 as on 31 December 2011), which coincided with a decrease in liabilities under long-term loans to PLN 88,000,000 (PLN 206,800,000 as on 31 December 2011). Trade liabilities and other liabilities decreased to PLN 116,252,000 (PLN 146,356,000 as on 31 December 2011).

Table 2. Profitability ratios

Figure	2012 (%)	2011 (%)	percentage difference
gross profit margin on sales	51.49	56.16	-8.3
operating profitability (EBIT)	10.73	14.58	-26.4
gross profitability	9.59	13.87	-30.9
net profitability	8.07	11.25	-28.3
return on assets (ROA)	10.87	12.71	-14.5
return on equity (ROE)	20.11	24.80	-18.9

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

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

Table 3. Liquidity ratios

Figure	2012	2011	percentage difference
acid test ratio	1.82	2.28	-20.2
quick liquidity ratio	0.59	0.43	37.2
stock rotation ratio (days)	252	281	-10.3
receivables rotation ratio (days)	20	25	-20.0
trade liabilities rotation ratio (days)	48	59	-18.6

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

Table 4. Debt and asset financing ratios

Figure	2012 (%)	2011 (%)	percentage difference
share of own funds in the financing of current assets (per cent)	89.50	82.72	8.2
ratio of coverage of fixed assets with shareholders' equity	136.49	134.85	1.2
overall debt ratio	45.95	48.73	-5.7
long-term debt ratio	12.69	21.60	-41.3
short-term debt ratio	33.26	27.13	22.6
ratio of liabilities to shareholders' equity	85.00	95.04	-10.6

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

The Management Board of CCC S.A. has assessed highly the Companies’ ability to discharge any obligations incurred thereby.

3. Description of material risks and threats, and the extent to which Group Companies are affected by these risks and threats.

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

1. Internal factors:

- Strengthening of own sales network. In the years 2013-2015, the planned increase in the commercial space of the CCC S.A. Group will be at least 130,000 sq. m:
  - in its own stores in Poland, the Czech Republic, Slovakia and Hungary by almost 96,000 sq. m,
  - in franchise stores in Central and Eastern Europe by more than 34,000 sq. m.
- Efforts to increase brand recognisability and value. Appropriate advertising and promotional tools, store décor and presence in high-profile venues should help consistently enhance and strengthen the image of the brands owned by the CCC S.A. Group.

2. External factors:

- Currency exchange rates. Due to the fact that CCC S.A. Group companies generate revenues in PLN, EUR, CZK, HUF, and the majority of their costs are incurred in foreign currencies, the exchange rates of CZK, HUF, USD and EUR (practically the entire Group imports are denominated in these currencies, as is a considerable portion of leases) will affect the cost structure, and the potential change of supply sources and recording currency exchange differences in the statement of comprehensive income. As the Chinese market is the primary supply market for the CCC S.A. Group, the exchange rate of the Chinese currency to world's major currencies is also very important. Its appreciation may affect import terms. Some of the costs resulting from currency fluctuations may be transferred to the consumer.

- Interest rate changes. The CCC S.A. Group is exposed to the risk of interest rate changes in relation to the loan agreements concluded. The loans are subject to a variable interest rate based on WIBOR or BLR. Interest rate increases will affect the value of interest on the loans to be paid.

- Credit risk. This risk derives from the uncertainty as to whether and when amounts due will be repaid. Wholesale also includes deferred payment sales, which exposes the CCC S.A. Group to the risk of financing customers. To remain the leader on the footwear market, the CCC S.A. Group uses the sales credit feature, which enhances the company's appeal to wholesalers.

- Overall economic situation in Poland. The majority of the revenues of the CCC S.A. Group is generated in Poland. Therefore, the Group attaches great importance to the buying power of Polish consumers and their willingness to purchase. Any worsening of the economic situation in Poland may affect the operating results and financial standing of the Issuer, and consequently, of the Group.

- Overall economic situation in the Czech Republic, Slovakia and Hungary. A portion of the revenues of the CCC S.A. Group is generated in the Czech Republic, Slovakia and Hungary. Therefore, the Group pays attention to the buying power of Czech, Slovak and Hungarian consumers and their willingness to purchase. Any worsening of the economic situation may affect the operating results and financial standing of the subsidiaries, and consequently, of the Group.

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

- Fashion trends and failed collections. The CCC S.A. Group is exposed to the risk of launching failed footwear collections. A factor that can mitigate this risk is the dominant entity's many years of market experience, monitoring European and global fashion trends (participating in international footwear fashion fairs, e.g. in Milan, Garda, Dusseldorf).

- Seasonal nature of sales and weather conditions. Sales and the value of inventory depend on the seasonal nature of demand (demand peaks in the spring and autumn seasons). A disruption of weather conditions may cause consumers to postpone their shopping decisions or may shorten the peak sales season. Having its own manufacturing capacity strengthens the CCC S.A. Group's immunity to seasonal and weather factors. The Group is able to quickly adapt production and supply stores with goods that reflect expectations and current weather conditions.

- Store locations. Strengthening market standing through dynamic growth of the store chain may be associated with the risk of an unsuccessful store location or a limited number of successful new locations.

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

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

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

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

The business activity of the CCC S.A. Group companies covers the following fundamental areas:
- retail and wholesale of footwear through its own and franchise distribution network,
- imports of goods from Asia and Europe,
- retail and wholesale of accessories and small leather goods,
- lease of commercial spaces,
- sale of trade mark licences for CCC, BOTI and LASOCKI.

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

Table 5. The structure of sales of the CCC S.A. Group

CATEGORY	2012		2011	
	PLN '000	percentage share	PLN '000	percentage share
Footwear	1,215,239	92.2	1,017,160	93.2
Other sales	102,218	7.8	74,100	6.8
Total	**1,317,457**	**100**	**1,091,260**	**100.0**

The item "Other sales" includes revenue from selling handbags, footwear manufacturing components, accessories and small leather goods, as well as reinvoiced costs of commercial space lease.

5. Information about major products (…) (continued)

Table 6. Volume and value of footwear sales of the CCC S.A. Group

CATEGORY	2012		2011	
	Volume (thousands)	Value (PLN '000)	Volume (thousands)	Value (PLN '000)
Women's footwear	10,575	753,507	10,074	654,190
percentage share	55.5%	62.0%	57.3%	64.3%
Men's footwear	3,371	272,238	2,714	192,451
percentage share	17.7%	22.4%	15.4%	18.9%
Children's footwear	5,099	189,494	4,804	170,519
percentage share	26.8%	15.6%	27.3%	16.8%
Total	**19,045**	**1,215,239**	**17,592**	**1,017,160**
percentage share	100.0%	100.0%	*100.0%*	*100.0%*

In the sales structure of the CCC S.A. Group, the main product sold is women's footwear, which accounts for 62.0 per cent of the value of footwear sales in 2012.

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

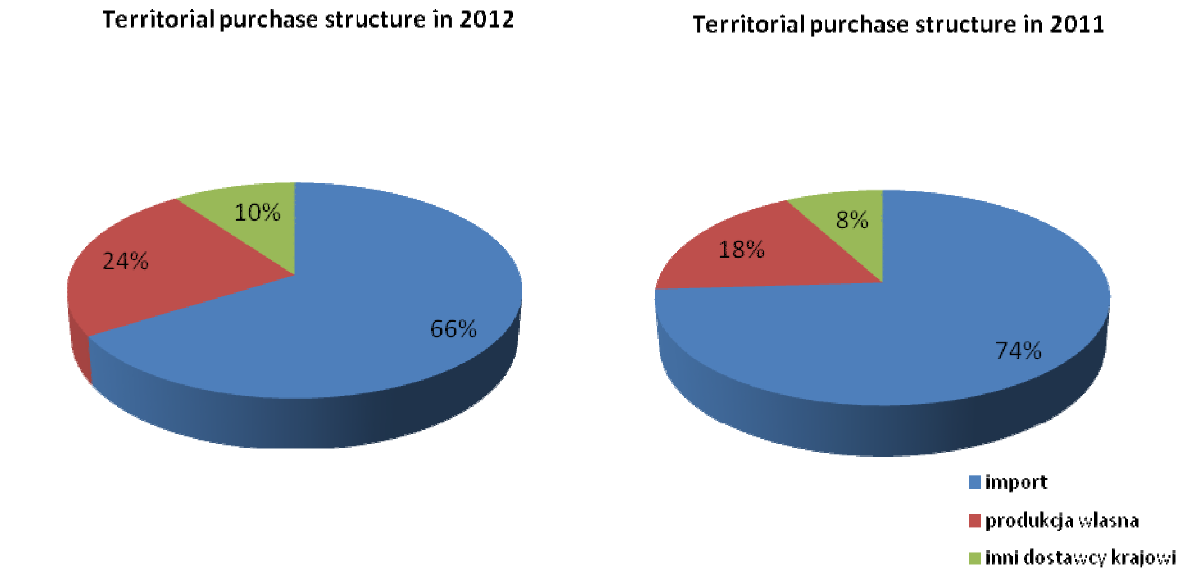
In 2012, the share of retail in total sales amounted to 96.1 per cent (91.1 per cent in 2011). Developing retail salons is an important factor in improving business profitability due to the higher retail margin it offers. In the case of franchises, the dominant entity generates a lower wholesale margin. The sales structure of the CCC S.A. Group is presented in table 7.

Table 7. Sales structure of the CCC S.A. Group by distribution channel

CATEGORY	2012		2011	
	PLN '000	percentage share	PLN '000	percentage share
Retail sales	1,265,853	96.1	994,381	91.1
Franchise and other sales	51,604	3.9	96,879	8.9
Total	**1,317,457**	**100.0**	**1,091,260**	**100.0**

6. Information about markets (...) (continued)

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



import	import
produkcja własna	own production
inni dostawcy	other domestic suppliers

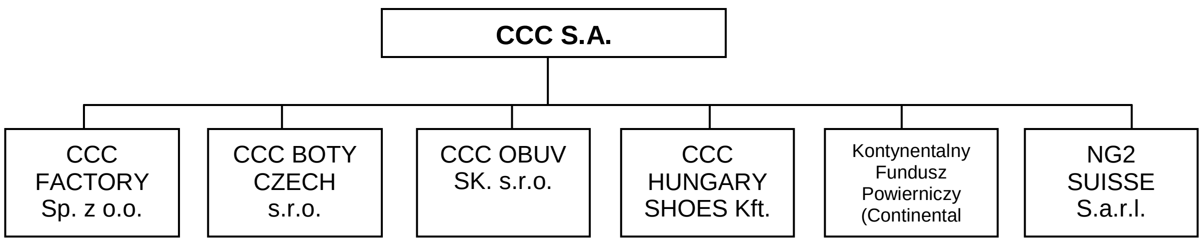
The CCC S.A. Group's primary supply sources are Polish vendors, its own factory and imports. The supply structure (Poland, imports) remains similar. Depending on the economic situation, the Group is able to quickly change its foreign supply sources. The footwear imported from China comes from several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

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

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

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

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



8. Information about organisational links (…) (continued)

Table 8. Affiliates as on 31 December 2012

The subsidiaries of CCC S.A.	Percentage share in the entity's capital	Nominal value of shares
CCC Factory Sp. z o.o.	100	PLN 15,036,000
CCC Boty Czech s.r.o.	100	CZK 112,600,000
CCC Obuv Sk s.r.o.	100	EUR 5,000
CCC Hungary Shoes Kft.	100	HUF 10,000,000
Kontynentalny Fundusz Powierniczy nr 968 (Continental Trust Fund No.	100	USD 10
NG2 Suisse S.a.r.l.	100	CHF 20,000

After the balance sheet date, a subsidiary CCC Austria Ges.m.b.H. was registered and the Management Board of the dominant entity resolved to establish a subsidiary CCC Shoes Ayakkabıcılık Ticaret Limited Sirketi in Turkey.Detailed information is set out in Note 29 to the consolidated financial statements.

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

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

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

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

Table 9. Loan agreements concluded in the reporting period

Borrower	Lender	Date of concluding agreement	Loan amount	Interest rate* per annum	Maturity date
CCC S.A.	NG2 Suisse	22 February 2012	PLN 2,000,000	5.5%	31 December 2013
CCC S.A.	NG2 Suisse	2 July 2012	PLN 10,000,000	6.0%	31 December 2013
CCC S.A.	NG2 Suisse	24 October 2012	PLN 7,000,000	6.0%	31 December 2013

*fixed interest rate throughout the term of the agreement

In the reporting period, CCC S.A. signed annexes to the following agreements increasing the value of loans:

1/ On 28 February 2012, CCC S.A. signed an annex to the loan agreement of 28 October 2010, concluded with Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw. The annex increased the amount of the loan to PLN 75,000,000, interest as per WIBOR + bank margin.

2/ On 27 February 2012, CCC S.A. signed an annex to the loan agreement of 23 December 2009, concluded with BRE Bank S.A. with its registered office in Warsaw. The annex increased the amount of the loan to PLN 55,000,000, interest as per WIBOR + bank margin.

Information in this regard was published in Note 15 to the consolidated financial statements of the CCC S.A. Group for the period from 1 January 2012 to 31 December 2012.

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

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

Table 10. Loan agreements granted in the reporting period

Entity	Date of concluding agreement	Loan amount	Interest rate per annum	Maturity date
CCC Obuv Sk s.r.o.	1 March 2012	EUR 1,000,000	6M LIBOR + margin	1 March 2017
CCC Hungary Shoes Kft.	24 October 2012	HUF 200,000,000	7.5%*	31 December 2013
Miejski Klub Sportowy Polkowice [Polkowice Football Club]	21 August 2012	PLN 3,000,000	1M WIBOR + margin	31 December 2013

*fixed interest rate throughout the term of the agreement

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

On 14 November 2012, CCC S.A. and BRE Bank S.A. with its registered office in Warsaw concluded the Master Agreement on the use of guarantees under a guarantee line. Under the agreement, the Bank agreed to grant under the guarantee line timely payments with a maturity date of 13 November 2015. The maximum limit is PLN 5,000,000, with the maximum single guarantee amount being PLN 400,000.
On 21 December 2012, CCC S.A. and BRE Bank S.A. with its registered office in Warsaw concluded a credit limit agreement under which the bank agreed to extend, as of 24 December 2012, a credit limit of PLN 10,000,000.
Detailed information about the loans and guarantees granted and received is set out in Note 15 to the consolidated financial statements.

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

No 2012 projections were published.

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

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

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

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

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

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

17. Changes to the fundamental principles of managing the Issuer's business and its capital group.

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

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

Management Board members are employed under employment contracts governed by the Labour Code.

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

Salaries of the Issuer's management or supervisory board members, received for the period from 1 January to 31 December 2012, and for the period from 1 January to 31 December 2011, are presented in the tables below.

Table 11. Remuneration of management board members

Position/title Name and surname	Gross amount (PLN) 2012	Gross amount (PLN) 2011
Management Board President - Dariusz Miłek	480,000	502,500
Vice-President of the Management Board - Mariusz Gnych	510,000	581,000
Vice-President of the Management Board - Piotr Nowjalis	525,000	596,000
Total	**1,515,000**	**1,679,500**

19. The value of salaries, awards or benefits (…) (continued)

Table 12. Remuneration of supervisory board members

Position/title Name and surname	Gross amount (PLN) 2012	Gross amount (PLN) 2011
Chairman of the Supervisory Board - Henryk Chojnacki	24,000	24,000
Member – Wojciech Fenrich	18,000	18,000
Member – Martyna Kupiecka	18,000	18,000
Member – Paweł Tamborski	1,065	18,000
Member - Piotr Nadolski	18,000	9,714
Member - Rafał Chwast	-	8,357
Member – Adam Szczepanik	12,661	-
Member - Marcin Murawski	-	-
Total	**91,726**	**96,071**

On 23 January 2012, the Management Board of CCC S.A. was informed by Mr. Paweł Tamborski, Member of the Supervisory Board, about his resignation from membership in the Supervisory Board.
On 6 March 2012, the Extraordinary General Meeting of Shareholders of CCC S.A. appointed Mr. Adam Szczepanik as a Supervisory Board Member.
On 21 November 2012, the Management Board of CCC S.A. was informed by Mr. Adam Szczepanik, Member of the Supervisory Board, about his resignation from membership in the Supervisory Board.
On 19 December 2012, the Extraordinary General Meeting of Shareholders of CCC S.A. appointed Mr. Marcin Murawski as a Supervisory Board Member.
On 17 May 2011, the Management Board of CCC S.A. was informed about the decision of Mr. Rafał Chwast, Member of the Supervisory Board, not to seek re-election in the following term. The Supervisory Board Member mandate expired on 16 June 2011.

Management and Supervisory Board members do not collect any fee for their positions with the CCC S.A. Group companies, other than the salaries set out in Tables 11 and 12.

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

The Issuer’s share capital is composed of 38,400,000 shares:
- 6,650,000 shares carrying voting rights - 2 votes for each share;
- 31,750,000 ordinary bearer shares.

The nominal value of 1 share is PLN 0.1.

As on the date of the 2012 report, the Issuer’s Management and Supervisory Board members held the following number of shares in CCC S.A.:

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

Position/title Name and surname	Shares held as on the report submission date	Face value in PLN ‘000
Management Board President - Dariusz Miłek*	13,360,000	1,336.00
Vice-President of the Management Board - Mariusz Gnych	120,000	12.00
Member of the Supervisory Board	17,498	1.75

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

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

In 2010-2012, an incentive scheme was in place, but its objectives were not met and, therefore, the subscription right was not exercised.
To the Issuer's knowledge, as on the report submission date, in addition to the new Incentive Scheme addressed to current and future Management Board members, current and future members of the management boards of the subsidiaries, and the Company's executives, there are no agreements that could in the future result in changes to the proportional holdings of the shares among existing shareholders.
Detailed information about the incentive scheme is set out in Note 16 to the consolidated financial statements.

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

By the decision of the Extraordinary General Meeting of Shareholders of CCC S.A. of 19 December 2012, the 2013-2015 incentive scheme was launched, and was addressed to current and future Management Board Members**,** current and future members of the management boards of the subsidiaries and the Company's management. Participants of the Scheme will be able to subscribe E series shares (new issue shares). This right may be exercised if the total consolidated net profits of the CCC SA Group for the years 2013, 2014 and 2015, calculated with the exclusion of costs incurred in connection with the introduction of the Incentive Scheme, is at least PLN 620,000,000.
Detailed information about the incentive scheme is set out in Note 16 to the consolidated financial statements.

23. The Issuer's agreement with the entity authorised to audit financial statements.

Information in this regard was published in Note 28 to the consolidated financial statements of the CCC S.A. Group for the period from 1 January 2012 to 31 December 2012.

24. Information about major research and development accomplishments.

Not applicable.

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

In the reporting period in question, the CCC S.A. Group did not purchase its own shares.

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

The dominant entity does not have branches (plants).

27. Information about financial instruments.

In the reporting period in question, the CCC S.A. Group Companies did not use derivative instruments. The risk to which the Companies are exposed in connection with using other financial instruments than those set out above is described in Note 3 to the consolidated financial statements of the CCC S.A. Group for the period from 1 January 2012 to 31 December 2012.

28. Description of the structure of assets and liabilities on the consolidated balance sheet, also from the point of view of liquidity of the Issuer's Capital Group.

The Group describes the structure of the assets and liabilities on its consolidated balance in Clause 2.

29. Major events significantly affecting the operations and financial performance of the Capital Group in the financial year in question or that may affect them in the following years.

In the reporting period in question, no single events occurred that would significantly affect the financial performance of the Capital Group in the current financial year or in the following years.

30. Description of the structure of major capital investments made within the Issuer's Capital Group in the financial year in question.

No major capital investments were made in the financial year in question.

31. Description of the organisation of the Issuer's Capital Group, listing entities subject to consolidation, and a description of changes in the Issuer's Capital Group structure and reasons therefor.

CCC S.A. is the dominant entity in the CCC S.A. Capital Group. The subsidiaries of CCC S.A. are set out in table 14.

Table 14. Affiliates as on 31 December 2012

The subsidiaries of CCC S.A.	Registered office/Country	Percentage share in the entity's capital	Consolidation
CCC Factory Sp. z o.o.	Polkowice, Poland	100	full
CCC Boty Czech s.r.o.	Prague, Czech Republic	100	full
CCC Obuv Sk s.r.o.	Bratislava, Slovakia	100	full
CCC Hungary Shoes Kft.	Budapest, Hungary	100	full
Kontynentalny Fundusz Powierniczy nr 968	USA	100	-
NG2 Suisse S.a.r.l.	Zug, Switzerland	100	full

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

After the balance sheet date, a subsidiary CCC Austria Ges.m.b.H. was registered, in which the dominant entity subscribed 100 per cent of the shares, and the Management Board of the dominant entity resolved to establish a subsidiary CCC Shoes Ayakkabıcılık Ticaret Limited Sirketi, in which the dominant entity will subscribe 100 per cent of the shares.Detailed information is set out in Note 29 to the consolidated financial statements.

32. Description of the policy concerning expansion of the Issuer's Capital Group.

The CCC Group's strategy envisions continued dynamic growth and increasing the market share through organic growth of the sales network. The growth will involve consistent expansion of the sales network and opening new locations, both in Poland and abroad, carefully selected in terms of expected profitability and return.
In 2013, the CCC Group will increase its rate of growth, strengthening its standing as the clear leader in Poland and gaining market share in foreign markets. In the years 2013-2015, the CCC Group intends to become the leader on the footwear market in Central and Eastern Europe. In 2013, the Group will begin to expand its operations in Austria. First pilot stores may also appear in Slovenia, Croatia and Turkey.

33. Description of material off-balance sheet items, in terms of their subject, object and value.

OFF-BALANCE SHEET ITEMS FOR THE CCC S.A. GROUP (PLN '000)	**As at 31 Dec 2012**	**As at 31 Dec 2011**
I. RECEIVABLES	**33,800**	**33,800**
1. Other receivables	33,800	**33,800**
1.1. From other entities (on account of)	33,800	33,800
- guarantees and warranties received	33,800	33,800
II.LIABILITIES	**65,538**	**68,199**
2. Other liabilities	**65,538**	**68,199**
2.1. To other entities (on account of)	65,538	68,199
- customs bonds	8,500	8,500
- other forms of security	50,038	52,699
- security extended	7,000	7,000

Customs bonds provide a security for the repayment of customs receivables due to the Company's operation of customs warehouses, and their maturity date is 17 June 2013.
Other guarantees secure property leases and their maturity date is 29 April 2014.
The security granted is related to the Paylink overdraft facility opened with Bank Handlowy for franchise customers and the loan security for subsidiaries. Their maturity dates are unspecified.

34. Statement by the Management Board of the dominant entity of the CCC S.A. Group

Pursuant to Article 92.1.5 and 92.1.6 of the Regulation of the Minister of Finance on current and periodical information provided by issuers of securities and the conditions of equivalency of information required by the legislation of non-member states of 19 February 2009, the Management Board of CCC S.A. hereby states that:

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

SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS		
Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

Polkowice, 30 April 2013

35. Statement by the Issuer's Management Board on the application of corporate governance principles in the CCC S.A. Capital Group in 2012

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

In 2012, the Issuer complied with the principles contained in the document entitled "Dobre Praktyki Spółek Notowanych na GPW" ("Best Practice for WSE-Listed Companies"), contained in the appendix to Resolution 12/1170/2007 of the Supervisory Board of the Stock Exchange of 4 July 2007, amended by the last Resolution No. 20/1287/2011 of 19 October 2011.

The collection of the principles is available *inter alia* on the WSE's website:
http://www.corp-gov.gpw.pl/assets/library/polish/regulacje/dobre_praktyki_19_10_2011_final.pdf

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

In 2012, the Issuer complied with the principles contained in the document entitled "Dobre Praktyki Spółek Notowanych na GPW" ("Best Practice for WSE-Listed Companies").

Description of the fundamental features of the internal audit and risk management systems used in the CCC S.A. Capital Group with respect to the process of preparing financial statements and consolidated financial statements.

Responsibility for the effective functioning of the internal audit and risk management system with respect to the process of preparing financial statements in each company of the CCC S.A. Group lies with the Management Board of these companies. In the case of consolidated financial statements, the above responsibility lies with the Management Board of the dominant entity.
The Vice-President of the Management Board supervises the process of preparing financial statements. The Head Accountant of the Company is responsible for managing the process of preparing financial statements, and supervises the proper recording of business operations in the Company's books of account. The document circulation process ensures that any potential risks related to the proper recording of business operations may be mitigated. The Company has a multi-level internal audit system, which, in the Management Board's view, makes it possible to effectively counteract and quickly eliminate potential inaccuracies.
Furthermore, annual and semi-annual financial statements are audited by an independent body, i.e. an auditor. The results of each audit are enclosed to the reports published.

Shareholders of the dominant entity holding considerable blocks of shares (whether directly or indirectly).

Shareholders holding considerable blocks of shares pursuant to Article 69 of the Act on the Offering (as on the annual report submission date):

Shareholder	Number of shares carrying voting rights (quantity)	Share in the share capital (%)	Number of votes at the General Meeting (quantity)	Share in the overall number of votes at the General Meeting (%)
Luxprofi s.a.r.l. *(an entity controlled by Dariusz Miłek)*	13,360,000	34.79	18,110,000	40.20
Leszek Gaczorek	3,010,000	7.84	4,760,000	10.57
ING OFE	2,477,486	6.45	2,477,486	5.50
Aviva OFE	2,305,389	6.00	2,305,389	5.12

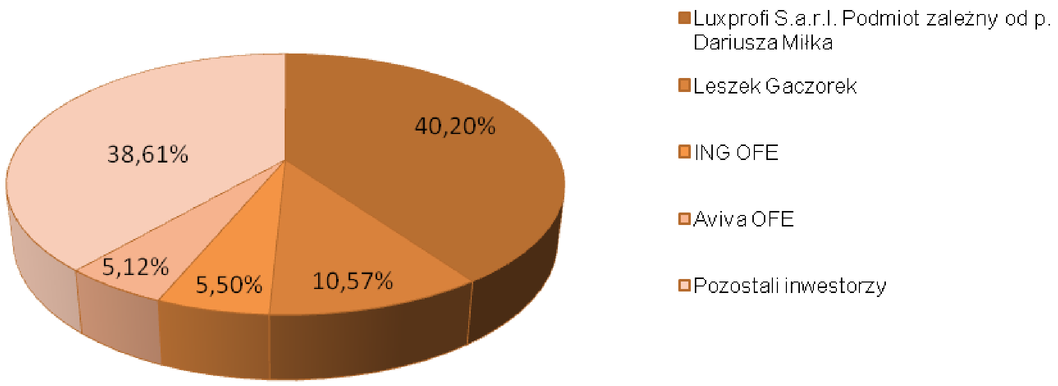
35. Statement by the Issuer's Management Board on the application of corporate governance principles in the CCC S.A. Capital Group in 2012 (continued)

The dominant entity's shares are divided into the following categories:
- ordinary bearer shares,
- registered shares carrying voting rights, in that each share carries two votes at the General Meeting of the dominant entity.

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

Shareholder	Number of shares carrying voting rights (quantity)	Share in the share capital (%)	Number of votes at the General Meeting (quantity)	Share in the overall number of votes at the General Meeting (%)
Luxprofi s.a.r.l. (an entity controlled by Dariusz Miłek)	4,750,000	12.37	9,500,000	21.09
Leszek Gaczorek	1,750,000	4.56	3,500,000	7.77

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



Luxprofi S.a.r.l. Podmiot zależny od p. Dariusza Miłka	Luxprofi S.a.r.l. Entity controlled by Dariusz Miłek
Leszek Gaczorek	Leszek Gaczorek
ING OFE	ING OFE
Aviva OFE	Aviva OFE
Pozostali inwestorzy	Other investors

Holders of any securities that carry special control rights in the Issuer's entity and a description of these rights.

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

Shareholder	Number of shares carrying voting rights (quantity)	Share in the share capital (%)	Number of votes at the General Meeting (quantity)	Share in the overall number of votes at the General Meeting (%)
Luxprofi s.a.r.l. (an entity controlled by Dariusz Miłek)	4,750,000	12.37	9,500,000	21.09
Leszek Gaczorek	1,750,000	4.56	3,500,000	7.77

Lech Chudy	50,000	0.13	100,000	0.22
Mariusz Gnych	50,000	0.13	100,000	0.22
Renata Miłek	50,000	0.13	100,000	0.22
Total	**6,650,000**	**17.32**	**13,300,000**	**29.52**

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

35. Statement by the Issuer's Management Board on the application of corporate governance principles in the CCC S.A. Capital Group in 2012 (continued)

Any restrictions with respect to exercising voting rights in the Issuer's company.

There are no restrictions.

Any restrictions with respect to transferring the ownership of the Issuer's securities.

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

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

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

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

Terms of amending the Issuer's statute.

The provisions of the Commercial Companies Code apply accordingly to any amendments of the statute.
To amend the company's statute, a resolution of the General Meeting of Shareholders must be adopted by a majority of 3/4 votes and an entry must be made in the National Court Register. The Company's Supervisory Board may, in accordance with the authorisation granted to it by the General Meeting, determine a uniform wording of the amended statute or introduce other editorial changes set out in the resolution of the General Meeting.
The resolution amending the statute becomes effective once it is entered into the National Court Register.

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

The General Meeting at the dominant entity operates on the basis of the Company Statute and General Meeting By-Laws, published by the Issuer inter alia on the website of CCC S.A. and to the extent not governed by the above documents, on the basis of the Commercial Companies Code.

35. Statement by the Issuer's Management Board on the application of corporate governance principles in the CCC S.A. Capital Group in 2012 (continued)

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

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

The powers of the General Meeting are set forth in the following documents:
1) The Issuer's Statute, available on the Company's website
2) By-Laws of the General Meeting of CCC S.A., available on the Company's website
3) Commercial Companies Code

Taking into account Best Practices for Public Companies.

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

35. Statement by the Issuer's Management Board on the application of corporate governance principles in the CCC S.A. Capital Group in 2012 (continued)

Voting:
1) Voting at the General Meeting occurs via open ballot. Secret ballot voting is effected at elections and for votes with respect to recalling members of the Company's governing bodies, with respect to action being brought against them, as well as in personal matters. Moreover, secret ballot votes are effected at the request of at least one shareholder or its representative.
2) The General Meeting may appoint a Vote Review Committee, which will be responsible for overseeing each vote, monitoring computer support (if a vote is conducted using electronic solutions) and determining the results of a vote and providing them to the Chairman of the General Meeting.
3) One share entitles to one vote at the General Meeting. In the case of preferred A_1 series shares (registered preferred share), one share carries two votes.
4) The Chairman of the General Meeting announces the results of the vote, which will then be recorded in the minutes of the meeting.

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

Management Board of the dominant entity:

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

As on 31 December 2012, the Management Board of the Company was composed as follows:

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

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

The Supervisory Board of the dominant entity:

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

As on 31 December 2012, the Supervisory Board of the Company was composed as follows:

Henryk Chojnacki	-	Chairman of the Supervisory Board
Martyna Kupiecka	-	Member of the Supervisory Board
Marcin Murawski	-	Member of the Supervisory Board
Piotr Nadolski	-	Member of the Supervisory Board
Wojciech Fenrich	-	Member of the Supervisory Board

On 23 January 2012, the Management Board of CCC S.A. was informed by Mr. Paweł Tamborski, Member of the Supervisory Board, about his resignation from membership in the Supervisory Board.
On 6 March 2012, the Extraordinary General Meeting of Shareholders of CCC S.A. appointed Mr. Adam Szczepanik as a Supervisory Board Member.
On 21 November 2012, the Management Board of CCC S.A. was informed by Mr. Adam Szczepanik, Member of the Supervisory Board, about his resignation from membership in the Supervisory Board.
On 19 December 2012, the Extraordinary General Meeting of Shareholders of CCC S.A. appointed Mr. Marcin Murawski as a Supervisory Board Member.

35. Statement by the Issuer’s Management Board on the application of corporate governance principles in the CCC S.A. Capital Group in 2012 (continued)

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

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

SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS		
Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

Polkowice, 30 April 2013