

Polkowice, 9th May, 2013

Long winter contributed to weak results of I quarter

CCC S.A., the largest distributor and manufacturer of footwear in Poland, developed in IQ 2013, 39,7 million PLN net loss at 221,2 million PLN revenue from sales. The operating loss amounted to 33,9 million PLN and EBITDA was 25,2 million PLN. The Group CCC realized the plans of expanding the own sales network which on I quarter increased from 188,9 thousand sq.m2 to 194,7 thousand sq.m2, (including franchise stores in the country and abroad, total sales area on 31.03.2013 amounts 208,9 thousand sq.m2.).

The Management Board set its strategic objective for 2013-2015 to **becoming a leader in the footwear market in the Central and Eastern Europe**. In Poland, Czech Republic, Slovakia and Hungary expansion will be conducted by own CCC salons. In 2013 salons are appearing in Austria, Slovenia, Croatia and Turkey. In each of these countries, before autumn-winter season, some salons will be functioning.

In Romania, Baltic countries, Russia, Kazakhstan and Ukraine the CCC intends to expand the network of franchise stores.

FINANCIAL RESULTS OF CCC GROUP AFTER FIRST QUARTER OF 2013

Detailed financial data of CCC are as follows:

In thousands of PLN	Q1 2013	Q1 2012	Change (value)	Change (%)
Revenues of Net sales	221 223	256 605	(-) 35 382	(-)13,8%
Operating profit	(-) 33 904	8 465	(-) 42 369	-
Net profit	(-) 39 664	2 678	(-) 42 342	-

Prolonged and severe winter caused exceptionally weak results of I quarter 2013 and discouraged customers to buy products from new spring collection. Number of people, who visited our stores decreased in March by almost 25% comparing to 2012, which had direct influence on values of reached revenues and margin in I quarter. Sales results of April (increase by 34,2% comparing to 2012) and beginning of May confirms, that we have to deal with postponing of demand.

DEVELOPMENT OF SALES NETWORK

Sales network at the end of March 2013 comprised 706 salons, including 640 own stores (340 CCC salons in Poland, 62 in Czech Republic, 19 in Slovakia, 23 in Hungary, 132 BOTI salons, 26 Lasocki Boutiques, 38 agency stores).

The company plans a further dynamic development of network sales, especially of their own retail outlets, which will lead to **the increase of the market share and strengthening the leadership in the domestic footwear market** as well as **gaining the position of the biggest player in the other countries of Middle Europe – in the Czech Republic, Slovakia and Hungary.** We estimate that the network of sales in the years 2013-2015 will be expanded not less than by 150 thousand square meters.

Regardless of development plans on markets in: Poland, Czech Republic, Slovakia and Hungary, in coming years the CCC Group intends to developing also in another countries. CCC is interested in countries, where CCC salons have already existed: Romania, Russia, Latvia, Kazakhstan, Ukraine, but also Slovenia, Croatia, Turkey. First West European country, where CCC salon is appearing is Austria.

Number of stores of CCC Group

Number of stores	Condition on 31th December 2012	Condition on 31th March 2013
CCC Poland – own stores	339	340
CCC Poland - agency	36	38
CCC Poland – franchise	8	8
CCC Russia/Latvia/Romania/ Kazakhstan/Ukraine-franchise	15	20
CCC Czech Republic	62	62
CCC Slovakia	12	19
CCC Hungary	15	23
QUAZI	4	0
Lasocki	30	26
BOTI – own stores	146	132
BOTI – franchise	42	38
The total number of units	709	706

“Results of I quarter don't give reasons to satisfaction. This was the weakest quarter for the height of the financial results in the history of CCC. Severe and long winter caused, that customers postponed plans of buying shoes from spring collection to later term. Very good sale results in April and on first days of March confirmed CCC predictions that we have to deal with postponing of demand.

Looking at the annual results, I quarter is not very important. Continuous development of own network of retail stores is leading to increase of share of fixed costs. In consequence, there are comparatively weak results of I and III quarter, but in II and IV quarter we are expecting strong financial leverage effect. We evaluate, that revenue plan and annual result are not at risk.

First quarter 2013 focused on continuation intensive expansion on foreign markets. The CCC Group opened 7 salons in Slovakia, 8 in Hungary and 5 franchise stores: 3 in Romania and 2 in Latvia. There were on a large scale activities associated with establishing subsidiaries, building structures and starting operational activities in Austria, Slovenia, Croatia and Turkey.

Regardless of the expansion plans and pro-sales actions, an absolute priority for us remains to maintain a high operational effectiveness and efficiency, efficient sales network management and maintenance of costs at the low level, as a consequence maintaining high margins and high profitability.”-said Dariusz Miłek, CEO of CCC Management Board.

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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, CCC Slovakia, CCC Shoes Hungary, CCCshoes Turkey . 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 17 -18%.