

Polkowice, 20th February 2012,

CCC Crosses the borders

CCC S.A. the largest distributor and manufacturer of footwear in Poland, developed in 2012 over 118 million PLN net profit at 1317,4 million PLN revenue from sales. The operating profit amounted to 156,3 million PLN and EBITDA was 189,6 million PLN. The Group realized the plans of expanding the sales network which was increased in 2012 from 151,5 thousand sq.m2 to 188,9 thousand sq.m2 (including franchise stores in the country and abroad, the sales area on 31.12.2012 amounts to 201,6 thousand sq.m2)

The Management Board of CCC set its strategic goal for the years 2013-2015 to strengthen the position of the biggest player on the footwear market in Poland and gain the leadership position in the Czech Republic, Slovakia and Hungary. In 2013 we will also begin the expansion in Austria. First pilot stores can be open in Slovenia, Croatia and Turkey.

At the same time, the company also intends to expand the network of franchise stores in the countries of Middle-East Europe. In Russia in year 2012 similar locations with CCC logo as in Russia were joined in Romania, Kazakhstan and in Ukraine.

FINANCIAL RESULTS OF CCC Group after four quarters of 2012

Detailed financial data of CCC are as follows:

In thousands of PLN	Q4 2012	Q4 2011	Change	1-4Q 2012	1-4Q 2011	Change
Revenues of net sales	435 805	364 415	19,6%	1 317 442	1 091 260	20,7%
Operating profit	73 115	80 610	-9,3%	156 328	159 052	-1,7%
Net profit	55 207	63 994	-13,7%	118 051	122 776	-3,8%



In 2012 the Group CCC reported the high dynamic growth of consolidated sales revenue. Comparing to same period last year the revenues increased over 20,7%. Due to a lower gross sales margin by 4.5 pp, the Group reported a lower operating profit of 1.7% and a net profit of 3.8%

The results of 2012 were influenced by many factors, but the most important of them is the width and diversity of product offerings. The frequency of visits of our stores was on a high level as well as sales efficiency. Only the trade margin was lower than expected.

DEVELOPMENT OF NETWORK OF SALES

The network of sales of CCC at the end of December 2012 included a total of 709 outlets, including 644 own stores (339 CCC stores in Poland and 62 in the Czech Republic and 12 in Slovakia, 15 in Hungary, 146 BOTI stores, 4 QUAZI boutiques and 30 Lasocki boutiques) and 36 agency stores.

The company plans a further 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 130 thousand square meters.**

In December 2011, the CCC Management Board made a decision to commence the expansion on the Slovak market. The first shop was opened in March and at the end of 2012 our sales network included 12 stores.

Another subsidiary company is CCC Hungary established to organize a retail sales on the territory of The Hungarian Republic. At the end of December 2012 there were 15 own stores in Hungary.

Regardless of the development plans on the markets of Poland, the Czech Republic, Slovakia and Hungary, in the coming years The Capital Group CCC also intends to develop in other countries of the region. The area of interest are the countries where already CCC stores are functioning, it is: Romania, Russia, Latvia, Kazakhstan, Ukraine but also Slovenia, Croatia and Turkey. Austria will be the first East- European country where a store with CCC logo will appear.

Number of stores of CCC Group

Number of stores	Condition on 31 st December 2011	Condition on 31 st December 2012
CCC Poland - own stores	293	339
CCC Poland – agency	-	36
CCC Poland -franchise	49	8
CCC Russia / Latvia/Romania/Kazakhstan/Ukraine – franchise	5	15
CCC the Czech Republic	52	62
CCC Slovakia	-	12
CCC Hungary	-	15
QUAZI	37	4
Lasocki	-	30
BOTI - own stores	216	146
BOTI - Franchise	62	42
The total number of units	714	709

"Looking at the results of 2012 one may have mixed feelings. On the one hand, a large frequency of visits, high rates of efficiency, dynamic revenue growth and high level of sales in comparable stores. On the other hand - lower gross margin by 4.5 pp and financial results lower than expected. Our collection is, however, well received by customers and we are once again reinforced our position in the domestic footwear market. Last year we strongly promoted our own brand of leather shoes: Lasocki, Lasocki Fashion for Men, Lasocki Kids and Lasocki Young. We offer a very attractive and a wide range of children's shoes signature by Disney logo.

We are very pleased with the results of our first branches in Slovakia, Romania and Hungary. These are the results so promising that we decided to modify our strategic plans and start a dynamic expansion simultaneously in several countries of Central and Eastern Europe. We hope that in 2015 we will double revenues while maintaining high profitability parameters at the same



time. We expect EBIT profitability at 15-16% and net profit margin of not less than 11-13%. Also in 2013 we will open the first pilot stores 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 and NG2 Suisse S.a.r.l., the company managing the company trademarks, companies managing sales on foreign markets; CCC Czech, CCC Slovakia, CCC Hungary. 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%.