

Report of the Supervisory Board of CCC S.A. of 20th May 2014 on the assessment of the individual and consolidated financial statements, the report on the activities of CCC S.A. and CCC S.A. Capital Group as well as the motion of the Management Board on the distribution of profits for the period of 1st January 2013 to 31st December 2013.

1. Basis of the Report preparation.

Pursuant to Art. 382 § 3 and 395 § 2 of the Commercial Companies Code, § 16 paragraph 2, item 2 of the Company's Statute and Code of Best Practice for WSE Listed Companies - annex to Resolution No. 19/1307/2012 of the WSE Board dated on 21st November 2012, in order to prepare this report, the Supervisory Board had assessed and considered the following documents:

- 1) The financial statement of The Company CCC S.A. and the report of the Company's operations for the year 2013;
- 2) The financial statement of the CCC S.A. Capital Group and the report on the activities of the CCC S.A. Capital Group for the year 2013;
- 3) Review and report on the individual and consolidated financial statement of the Company for the year 2013, drawn up by the independent auditors from PricewaterhouseCoopers Sp. z o.o., based in Warsaw;
- 4) The proposals of the Management Board regarding the distribution of profit for the year 2013.

2. Analysis of financial statement and the Management Board's report on the activities of the Company in 2013.

The Supervisory Board took note of the opinion and report of auditors from the individual financial statement, as well as it analyzed the economic - financial functioning of the Company. The independent auditors acting on behalf of PricewaterhouseCoopers Sp. z o.o. issued a positive opinion of the submitted financial statement for the year 2013, stating that it was prepared in all crucial aspects, in accordance with accounting rules, arising from the International Accounting Standards, International Financial Reporting Standards and related interpretations in these standards and on the basis of properly kept accounts. The report is consistent in a form and

content with the legal regulations and provides fairly and clearly all the information necessary to assess the financial and asset condition of CCC S.A. on 31st December 2013.

In the reporting period from 1st January to 31st December 2013, the CCC S.A. Company's sales revenues amounted to 1,511,592 billion PLN against 1,258,681 billion PLN in 2012 (+20.1 % yoy). The Company generated the operating profit at the level of 106,069 million PLN and net profit in the amount of 98,396 million PLN (an increase of 72.1%). The retail sales revenue amounted to 1,256,134 billion PLN against 1,119,034 billion PLN in 2012 (+12.3 % yoy). In the same period, sales revenues of a franchise and other (wholesale) amounted to 255,458 million PLN (+82.9 % yoy). Change in the structure of sales revenue sources is in line with the development strategy of the Company. In the future, a further increase in the share of retail sales in total revenues is expected. During this period, the cost of sales and administrative expenses increased by 47,204 million PLN (+9.6 % yoy). The ratio of cost of sales and administrative expenses to sales fell to 0.36 (0.39 - 2012) and remains at the level typical for companies operating in the retail sector. The Balance of CCC S.A. as of 31.12.2013 at the assets and liabilities amounted to 1,033,385 billion PLN. The total balance sum increased by 121,601 million PLN in relation to the value of 31.12.2012. The significant change in current assets is an increase in receivables of 103,445 million PLN to the level of 206,294 million PLN. Other significant changes include a decrease in cash and cash equivalents to the level of 92,654 million PLN (99,611 million PLN at the end of 2012) and an increase in the value of inventories by 31,982 million PLN (356,496 million PLN at the end of 20 12). On the fixed assets side it was reported a decline in tangible fixed assets (-2.6 % yoy). On the liabilities side the significant changes is the decline in liabilities from short-term loans to the amount of 200,748 million PLN (244,876 million PLN - 31.12.2012) while increasing liabilities of long-term loans to the amount of 158,000 million PLN (88,000 million PLN - 31.12.2012). Increase in long-term loan obligations is due to the increased participation of foreign capital in financing the activity of the company. Trade and other liabilities increased to 238,884 million PLN (178,877 million PLN - 31.12.2012).

The Report of the Company CCC S.A. concerning the activity in 2012 should be regarded as complete. This report includes the information on economic and financial situation of the Company and describes the major events having a significant impact on the Company's operations during the reporting period. This report was prepared in accordance with the books and documents of the Company and the actual situation, and provides essential synthetic information on the operation of CCC S.A.

The Supervisory Board recognizes the described reports as correctly reflecting the actual situation and properly presenting the situation of the Company during the reporting period.

3. Analysis of the consolidated financial statement and the report of the activity of the CCC S.A. Capital Group in 2013.

The Supervisory Board took note of the opinion and report of independent auditors from the individual financial statement, as well as it analyzed the economic - financial functioning of the Company. The auditors acting on behalf of PricewaterhouseCoopers Sp. z o.o. issued a positive opinion of the submitted financial statement for the year 2013, stating that it was prepared in all crucial aspects, in accordance with accounting rules, arising from the International Accounting Standards, International Financial Reporting Standards and related interpretations in these standards and on the basis of properly kept accounts and maintained consolidation documentation.

The report is consistent in a form and content with the legal regulations and provides fairly and clearly all the information necessary to assess the financial and asset condition of CCC S.A. on 31st December 2013.

In 2013 the sales revenues of the CCC S.A. Capital Group amounted to 1,643,139 billion PLN (+24.7% yoy). Retail sales revenues amounted to 1,565,855 billion PLN against 1,265,852 billion PLN in the year 2012 (+23.7% yoy). In the same period the same period, sales revenues of a franchise and other (wholesale) amounted to 77,284 million PLN (+49.8 % yoy).

During this period, the cost of sales and administrative expenses increased by 124,583 million PLN (+23.6 % yoy). The ratio of cost of sales and administrative expenses to sales remained at the level of the year 2012, i.e. 0.40. Gross profit margins on sales (50.9 %) and the operating profit margin (10.2 %) slightly changed compared to the year 2012 (respectively: 51.5%, 10.7 %) mainly due to the results achieved in the first quarter.

Balance of CCC S.A. Capital Group as of 31.12.2013 at the assets and liabilities amounted to 1,119,727 billion PLN . The total balance sum increased by 141,613 million PLN in relation to the value as of 31.12.2012 This increase on fixed assets was primarily affected by an increase in tangible fixed assets by 42,356 million PLN (11.9 % yoy) associated with the development of the sales chain. The value of current assets during the period increased by 98,786 million PLN (+16.7 % yoy). The significant change is the increase in the value of inventories by 63,845 million PLN (+16.0 % yoy), which is the consequence of the development of the sales chain. Cash and cash equivalents increased to 143,736 million PLN (18,028 million PLN - 31.12.2012).

On the liabilities side the significant change is the increase in liabilities arising from long-term loans to the amount of 206,800 million PLN (103,245 million PLN - 31.12.2011) accompanied by a decrease of liabilities from short-term loans to the amount of 169,809 million PLN (200,648 million PLN – 31.12.2012). “Trade and other liabilities” increased to the amount of 155,364 million PLN (116,252 million PLN – 31.12.2012).

The Report of the CCC S.A. Capital Group concerning the activity in 2013 should be regarded as complete. This report includes the information on economic and financial situation of the Company and describes the major events having a significant impact on the Company's operations during the reporting period. This report was prepared in accordance with the books and documents of the Company and the actual situation, and provides essential synthetic information on the operation of the Capital Group.

The Supervisory Board recognizes the described reports as correctly reflecting the actual situation and properly presenting the situation of the Company during the reporting period.

4. Conclusions of the analysis of the reports and recommendations to the General Meeting

Summing up the past year, the Supervisory Board stated that the activity conducted by CCC S.A. generated very good economic results, which led to the strengthening of the position of the Company and the Group on the financial and business market and increase of the value of assets.

The strategy of CCC S.A. Capital Group assumes consistent expansion of sales chain and opening new stores, both in Poland and abroad, carefully selected in terms of expected profitability and rate of return.

In 2013, the CCC Group increased the pace of expansion, strengthening its position of a clear leader in Poland and winning more foreign markets. At the balance sheet date, the Group comprises of companies in the Czech Republic, Slovakia, Hungary, Germany, Austria, Slovenia, Croatia and Turkey, whose primary business is the distribution of goods supplied by CCC S.A. Effective expansion in 2013 led to the increase of retail space. At the same time, the Company eliminated all unprofitable sales units. The retail space in own stores of the Capital Group increased by 18.7% and amounted to 224.2 thousand m² as on 31.12.2013 (including: 154.3 thousand m² in Poland). The retail space in franchise stores in 2013 amounted to 19.8 thousand m² (+55.7 %), including in Poland - 5.9%.

In the coming years, the Group will aggressively and dynamically continue to pursue the strategy of international expansion. In addition to the countries of Central Europe, the Group will carry

out major investments in brand new markets for the Group - in Germany, Austria, Slovenia, Croatia and Turkey.

The increase resulted in an increase in cost of sales and general administrative expenses by 124,583 million PLN, i.e. by 23.6 %. Also, the cost of manufacturing of sold products, goods and services during the period increased compared to the previous year by the amount of 167,375 million PLN, i.e. 26.2 %. Larger increase in cost of manufacturing of sold products, goods and services in relation to sales revenue is mainly due to the strengthening of the U.S. dollar compared to 2012. The domestic market remained the basic market, which realized 77.6 % of sales. The share of foreign sales in total sales increased by 8.7 percentage point compared to 2012 and amounted to 22.4 %.

In order to ensure further stable development of the Company, the Supervisory Board finds that the adopted directions of development are properly and successfully implemented by the Management Board.

The performed economic - financial results presented in the reports and their analysis made by the Supervisory Board allow a positive judgment on the operation of the Company in 2013 and highly assess the work of the Management Board.

The Supervisory Board, after analyzing the submitted reports and results of CCC S.A and CCCS.A. Capital Group in 2013, acting in accordance with the principles of Best Practice for WSE Listed Companies, presents a positive assessment of the Company's operations in 2013 and the financial situation of the Company for the period from 1st January 2013 to 31st December 2013.

In the opinion of the Supervisory Board there is no threat to the continued operation of CCC S.A. as well as for the Capital Group, and the actions having been taken are the guarantee of a further development of the Company in the future.

The Supervisory Board approves, presented by the Management Board of CCC S.A., a proposal for the profit distribution for 2013 and the individual and consolidated financial statements for 2013 and proposes the General Meeting to approve these documents.

Therefore, the Supervisory Board after making the assessment at its meeting, decides to propose the General Meeting of the Shareholders to take the following resolutions:

1. approving the annual financial statement and the report o the activity of the Company CCC S.A. for the financial year 2013;
2. approving the financial statement and the report of the activity of CCC S.A. Capital Group for the financial year 2013;
3. making a profit distribution for the year 2013;

4. granting an exoneration of the Management Board of performing its duties in 2013.

Chairman of the Supervisory Board

.....

(Henryk Chojnacki)