

# LPP SA Financial Results 1st Half of 2014

# LPP

Warsaw, August 21st, 2014

---

RESERVED

CROPP

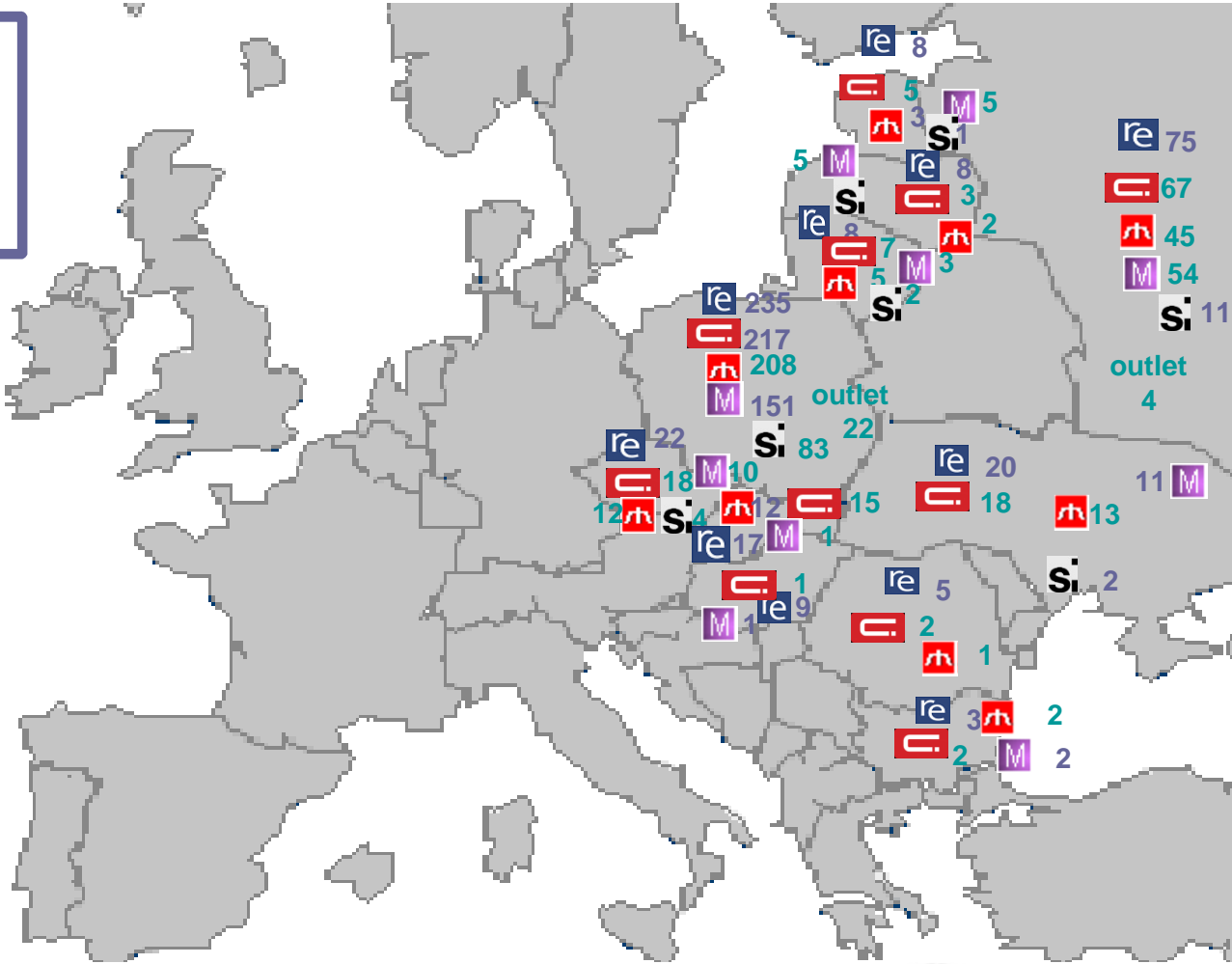
M O H I T O



sinsay

# Our brands present across CEE region

As of June 30th, LPP's retail network included 1488 stores:  
 410 Reserved  
 379 CROPP  
 326 House  
 243 Mohito  
 104 Sinsay



# Retail selling area growth

Selling area [000 sqm]	30.06.2014	30.06.2013	change (sqm 000)	change
<b>Reserved</b>	<b>359</b>	<b>279</b>	<b>80</b>	<b>29%</b>
Poland	203	164	39	24%
EU	65	47	18	38%
Russia & Ukraine	91	68	23	34%
<b>CROPP</b>	<b>103</b>	<b>82</b>	<b>21</b>	<b>26%</b>
Poland	60	51	9	17%
EU	15	10	5	55%
Russia & Ukraine	29	22	7	33%
<b>House</b>	<b>91</b>	<b>71</b>	<b>20</b>	<b>28%</b>
Poland	60	51	9	18%
EU	11	8	3	36%
Russia & Ukraine	20	12	8	62%
<b>Mohito</b>	<b>77</b>	<b>51</b>	<b>25</b>	<b>50%</b>
Poland	45	34	11	33%
EU	9	5	4	79%
Russia & Ukraine	23	13	10	80%
<b>Sinsay</b>	<b>35</b>	<b>10</b>	<b>25</b>	<b>250%</b>
Poland	27	10	17	169%
EU	3	0	3	
Russia & Ukraine	5	0	5	
Outlets	9	8	2	16%
<b>Total by regions</b>				
Poland	402	317	85	27%
EU	102	69	33	47%
Russia & Ukraine	170	115	55	48%
<b><u>TOTAL</u></b>	<b><u>674</u></b>	<b><u>500</u></b>	<b><u>173</u></b>	<b>35%</b>

3

RESERVED

CROPP

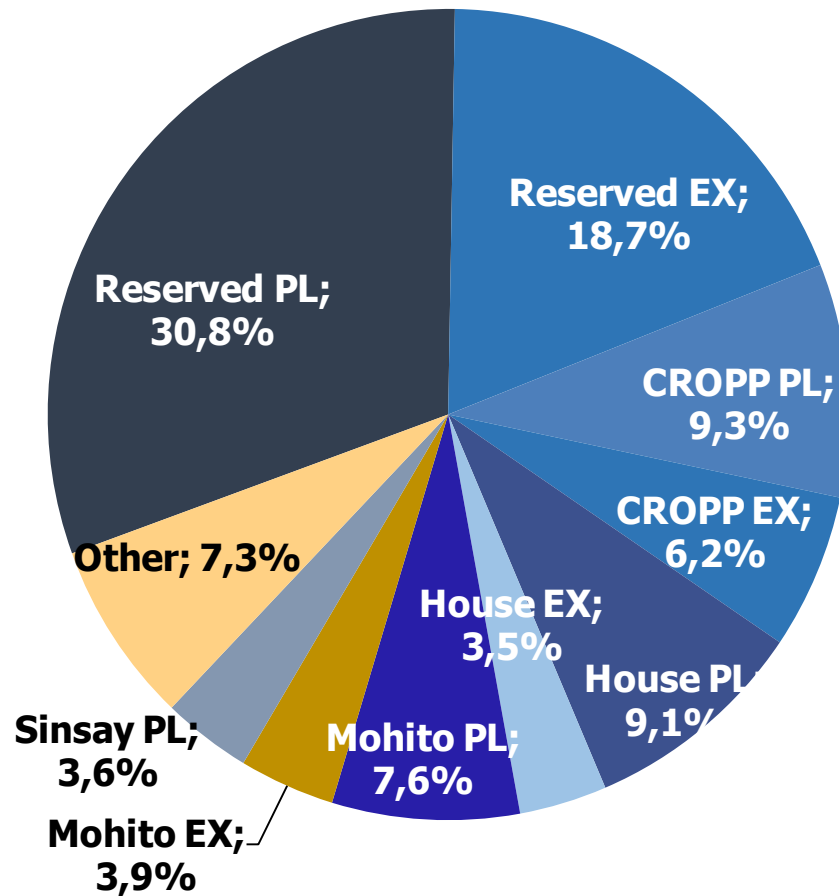
M O H I T O



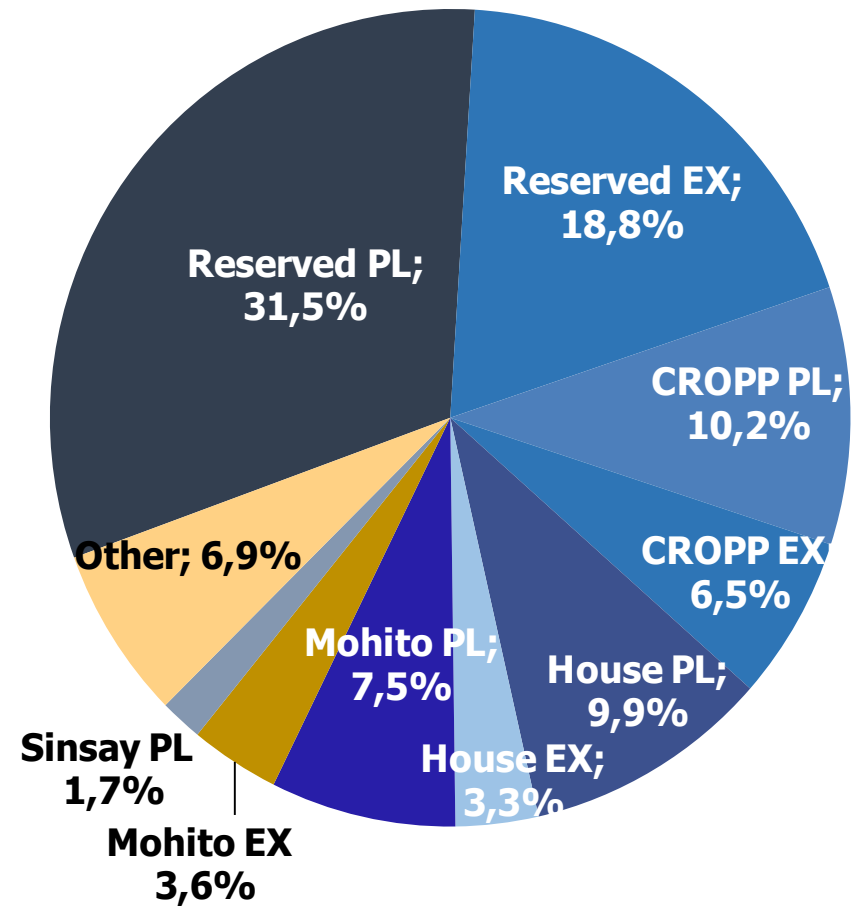
sinsay

# Retail sale revenue split by brands

**IH 2014**



**2013**



4

RESERVED

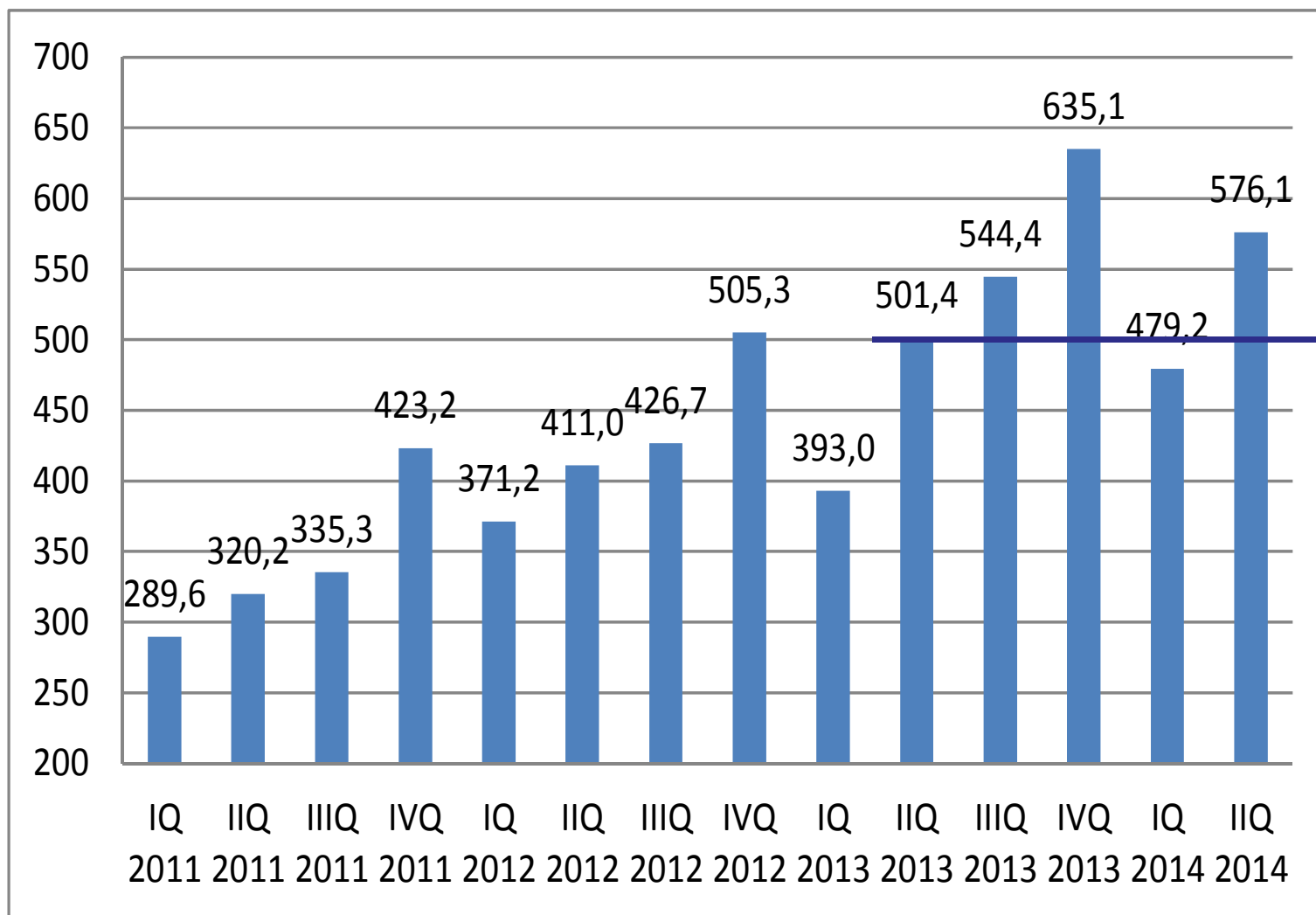
CROPP

M O H I T O

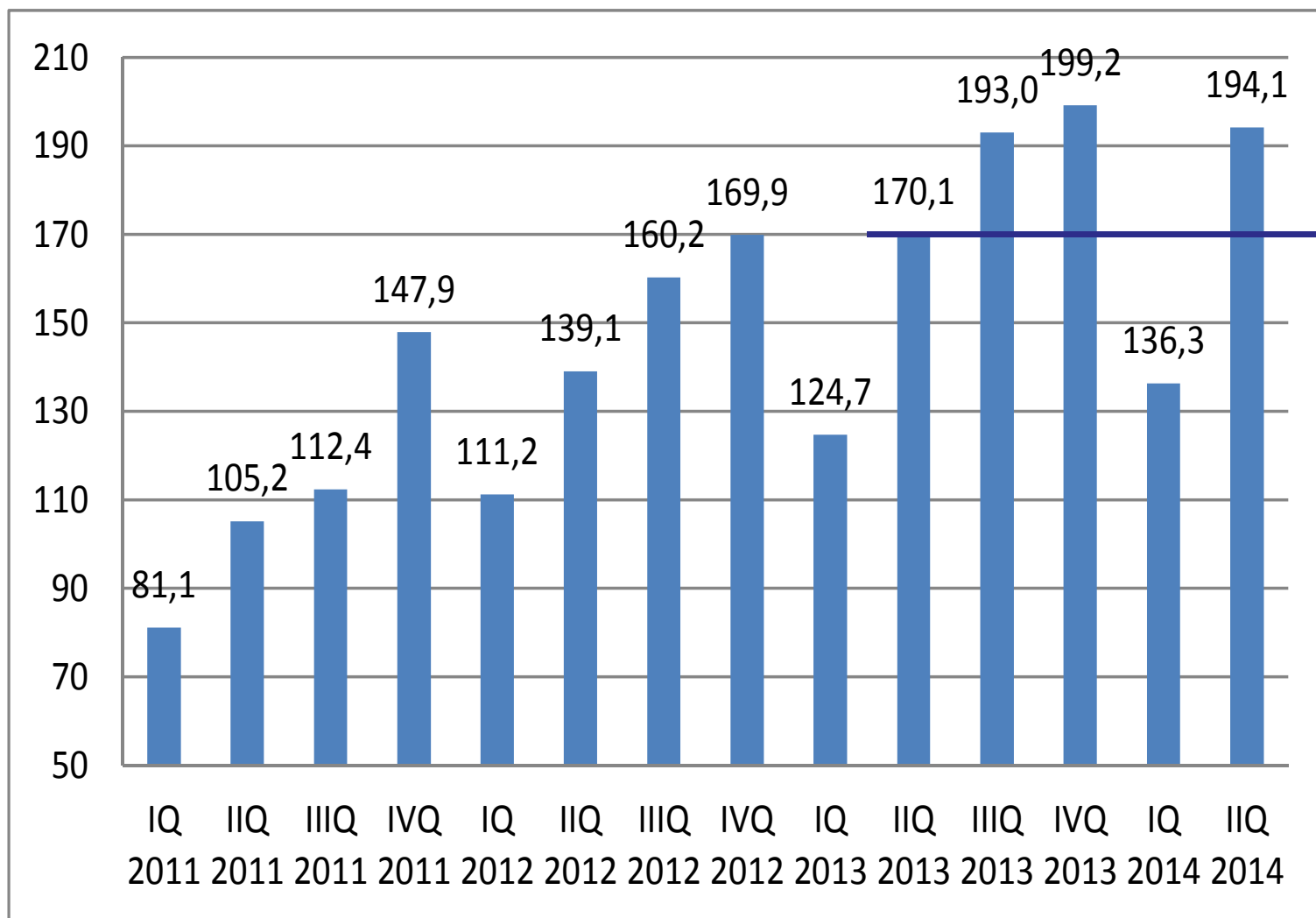


sinsay

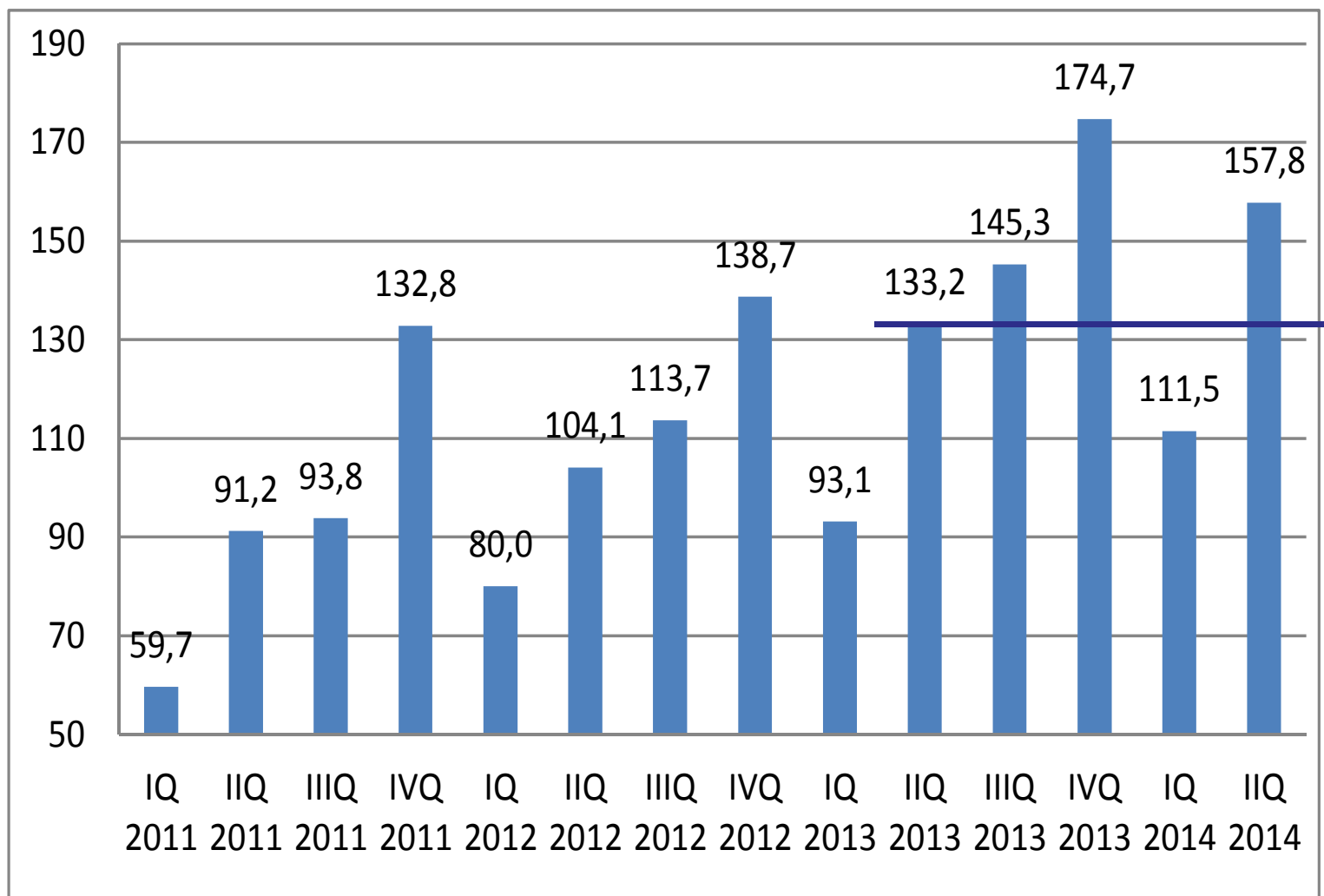
## Retail sale revenue of RESERVED brand [PLN mln]



## Retail sale revenue of CROPP brand [PLN mln]



## Retail sale revenue of HOUSE brand [PLN mln]



7

RESERVED

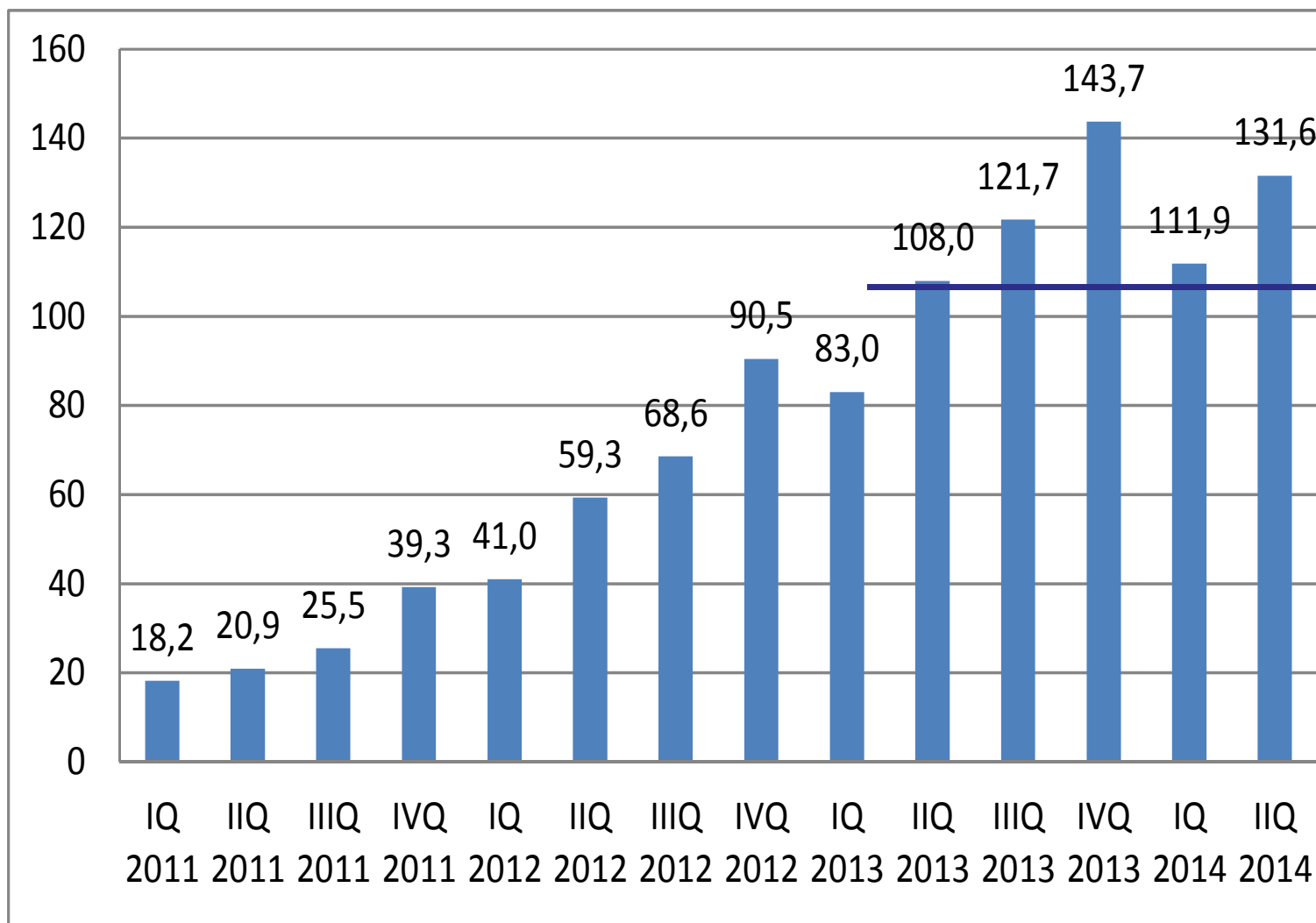
CROPP

M O H I T O



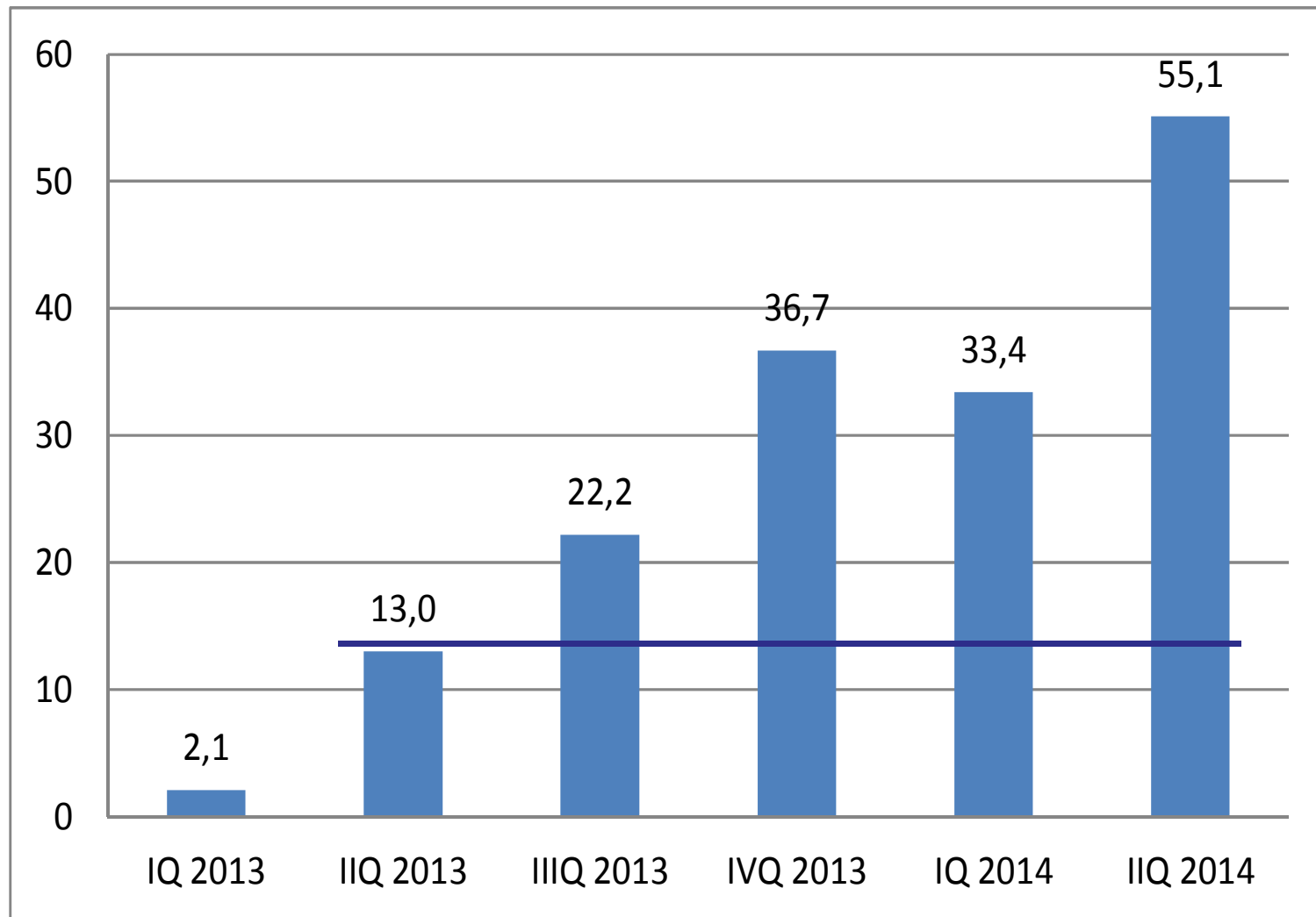
sinsay

## Retail sale revenue of MOHITO brand [PLN mln]

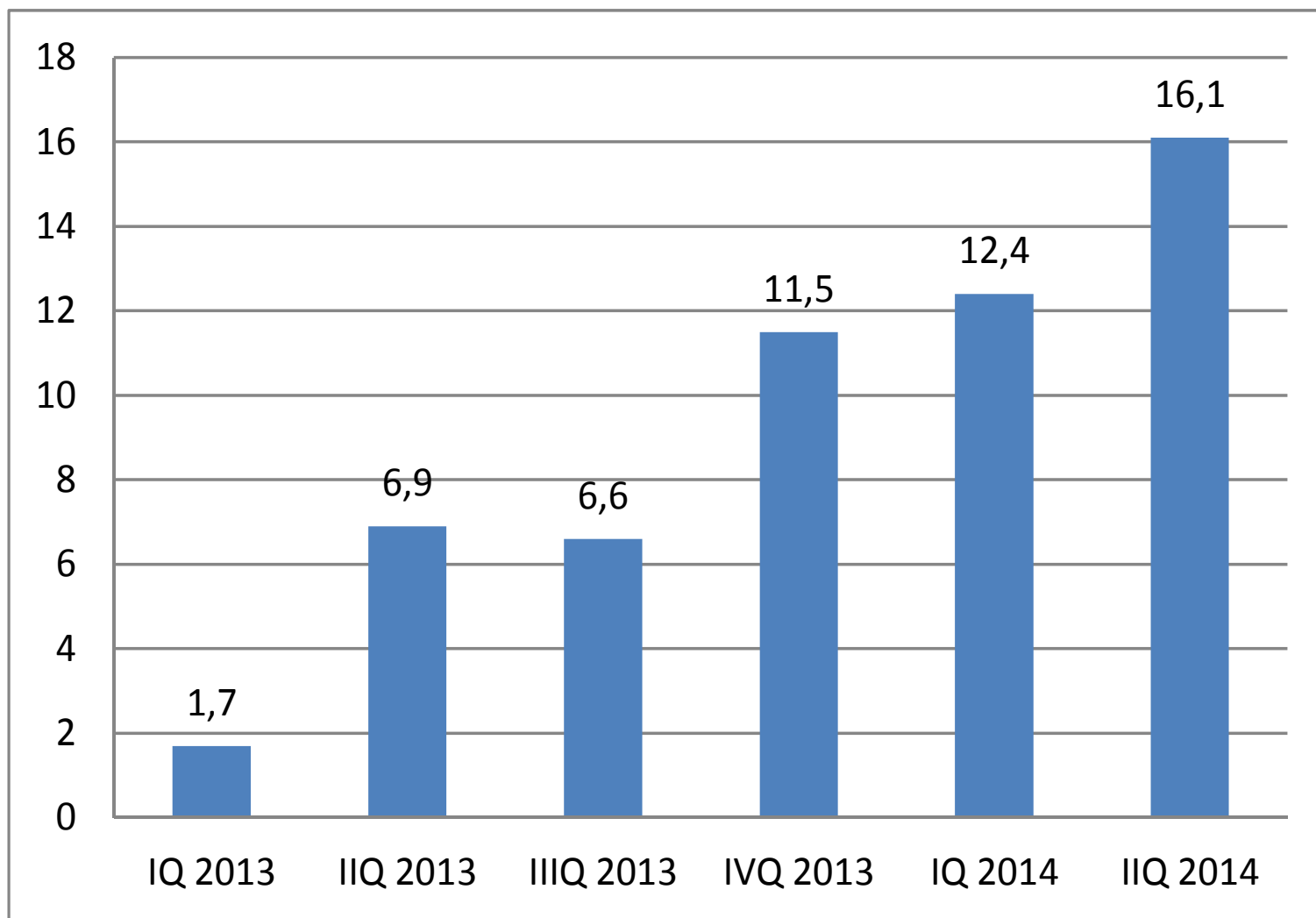




## Retail sale revenue of SINSAY brand [PLN mln]



## Retail sale revenue of e-commerce [PLN mln]



10

RESERVED

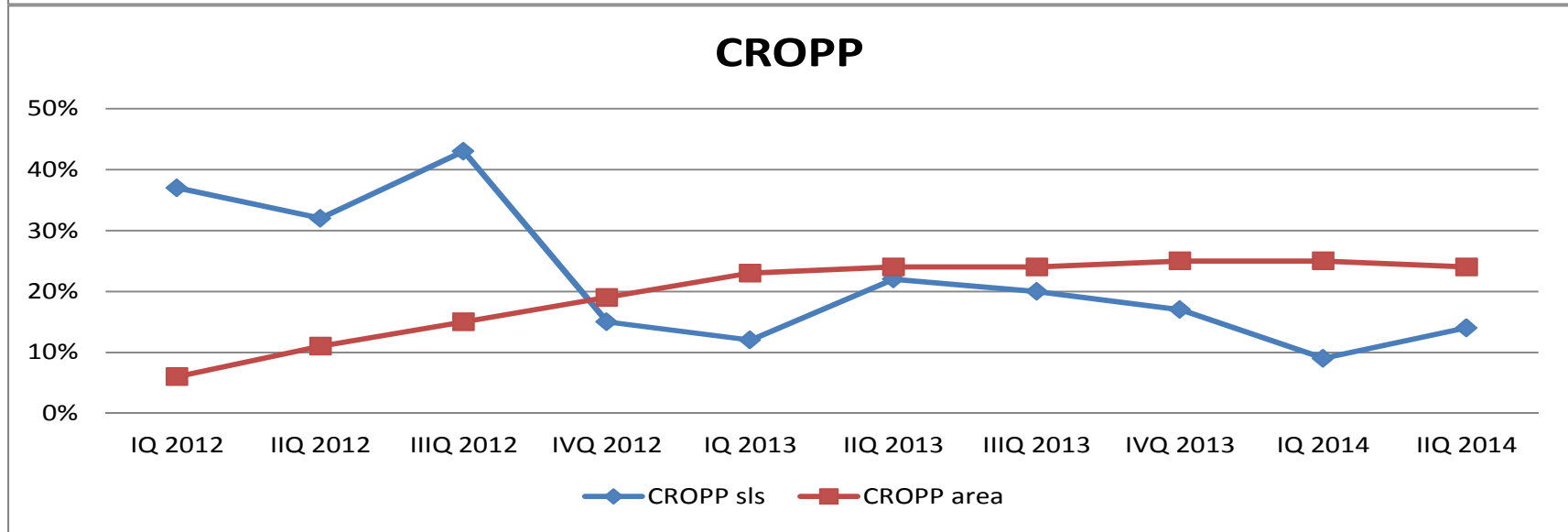
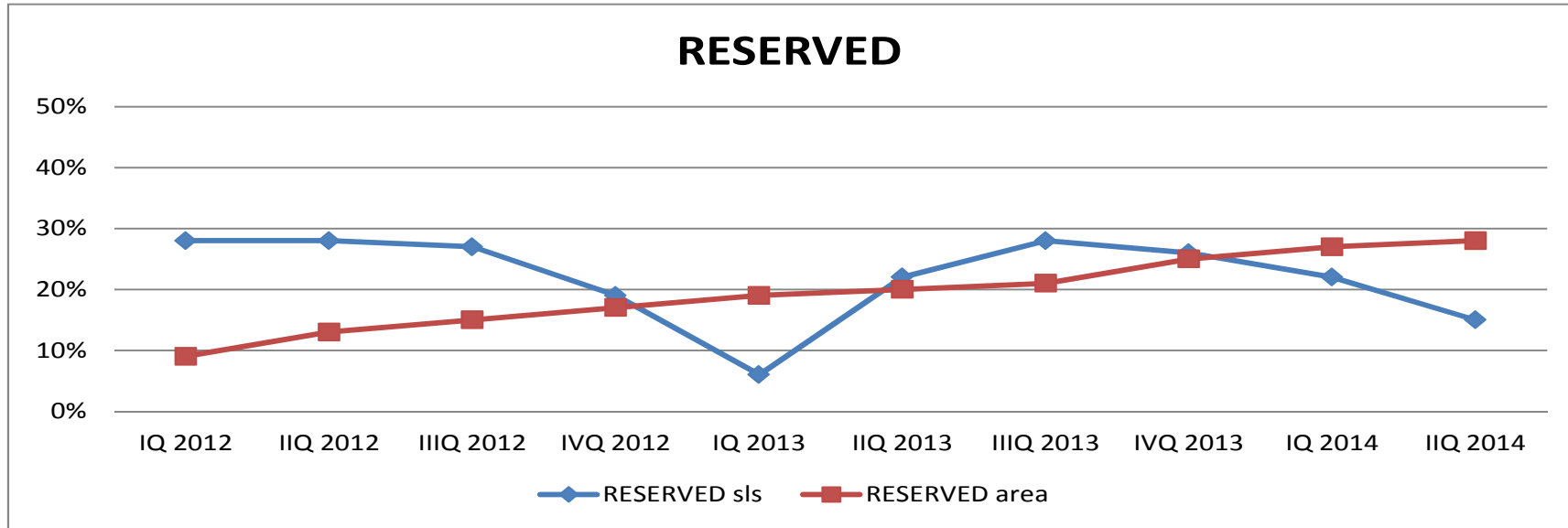
CROPP

M O H I T O

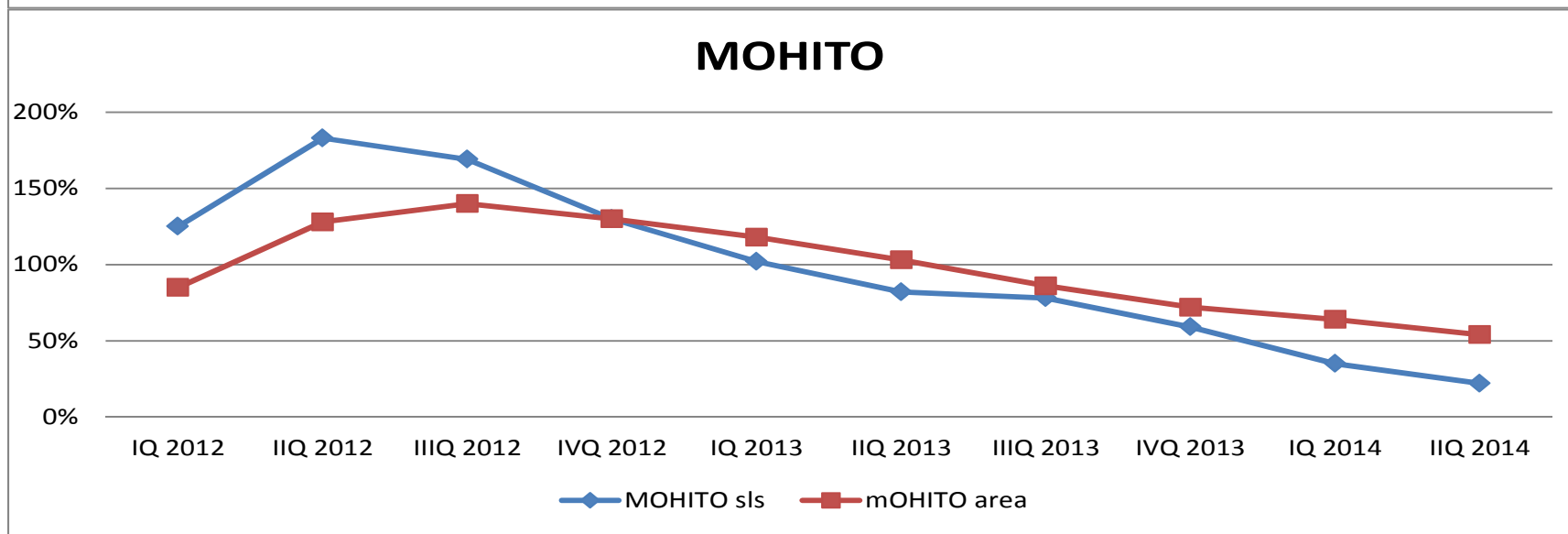
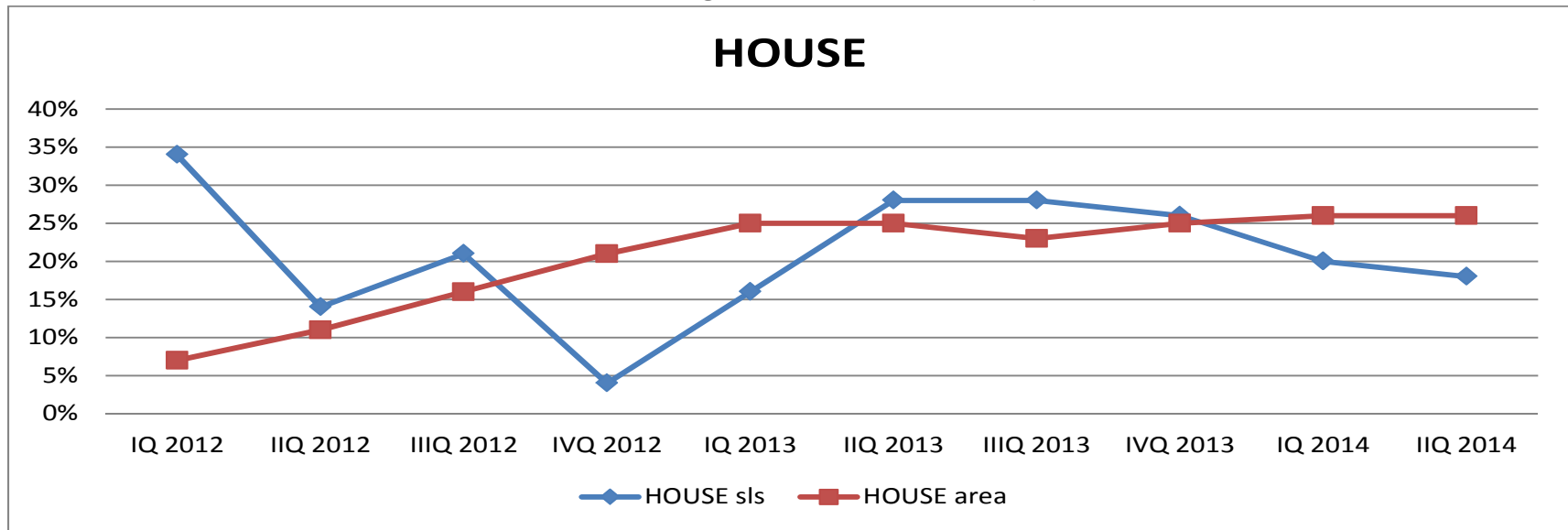


sinsay

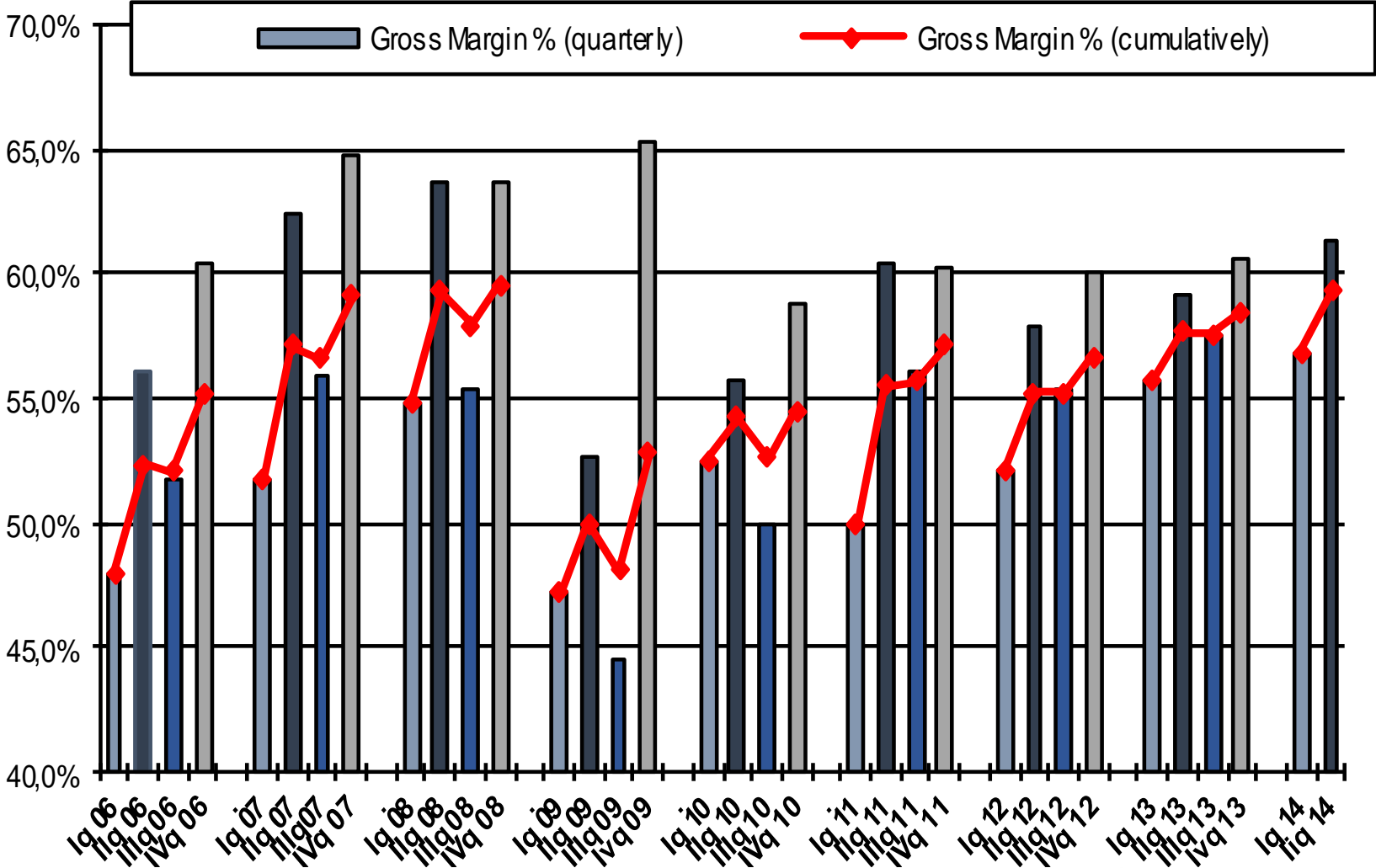
# Change in Efficiency



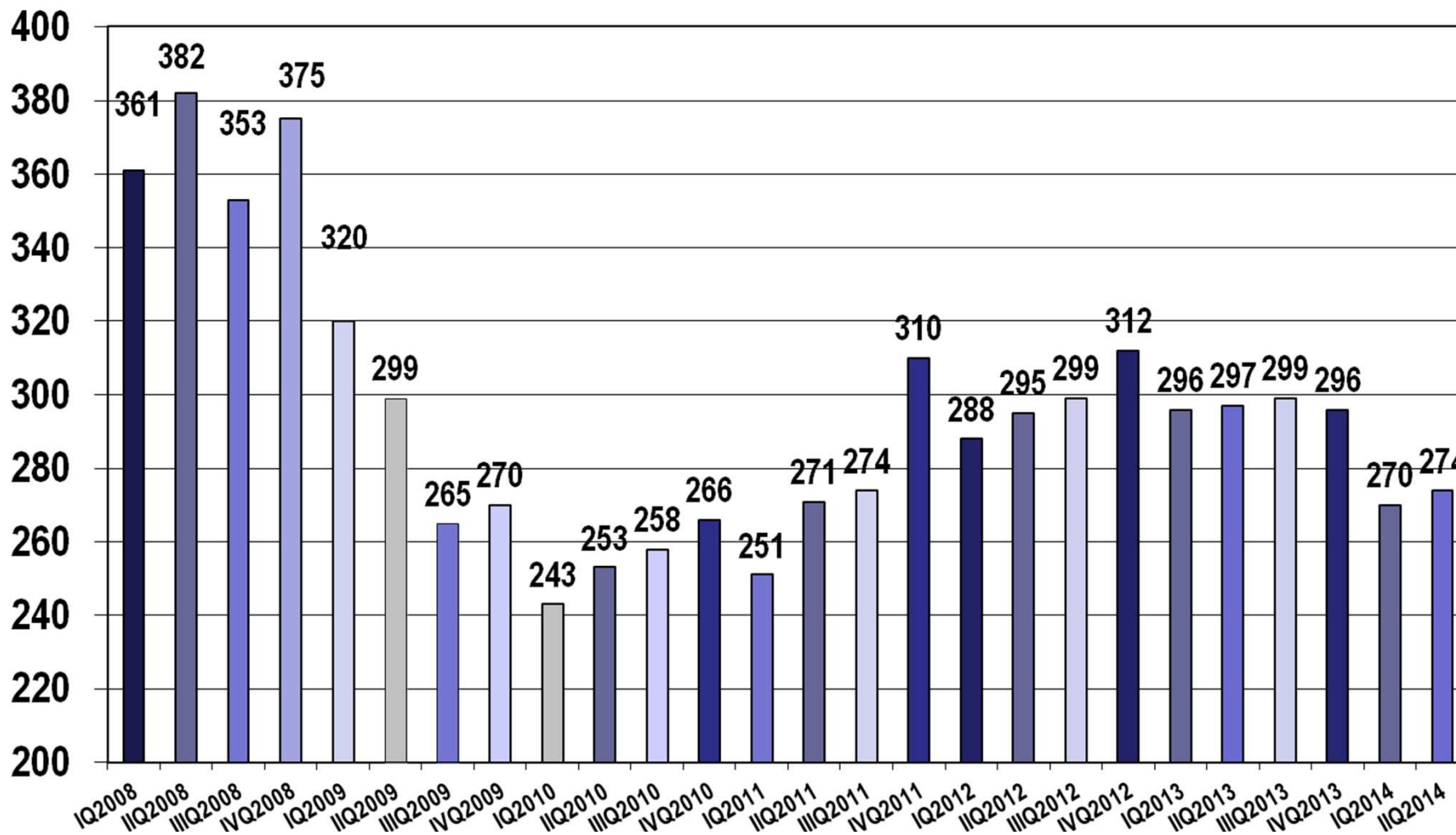
# Change in Efficiency



# Gross Margin on Sales (%)



SG&A Costs per sqm in PLN (Total costs / Total selling space in sqm / Month)



14

RESERVED

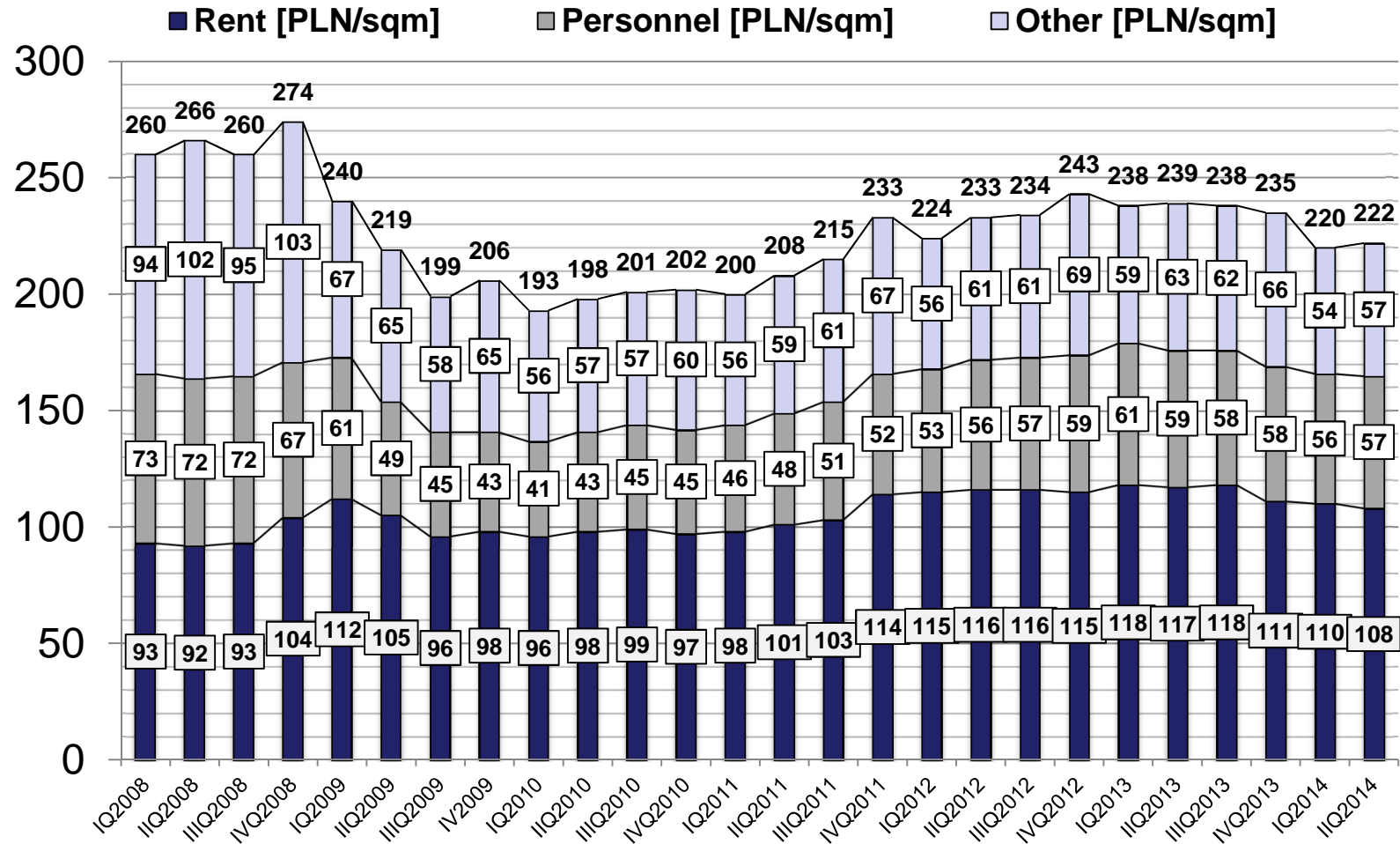
CROPP

M O H I T O



sinsay

# Costs in own stores (Rent / Personnel / Other) in PLN/sqm/month



## Consolidated Profit & Loss Account IH 2014

P&L (amounts in PLN mln)	IH 2014	IH 2013	Change [%]
<b>Sales Revenue</b>	<b>2 130,1</b>	<b>1 741,8</b>	<b>22%</b>
COGS	866,3	736,2	18%
<b>Gross Margin</b>	<b>1 263,8</b>	<b>1 005,6</b>	<b>26%</b>
<i>Gross Margin (%)</i>	<i>59,3%</i>	<i>57,7%</i>	<i>1,6 p.p</i>
<b>SG&amp;A</b>	<b>1 013,8</b>	<b>805,0</b>	<b>26%</b>
<b>EBITDA</b>	<b>318,0</b>	<b>255,9</b>	<b>24%</b>
<i>EBITDA Margin</i>	<i>14,9%</i>	<i>14,7%</i>	<i>0,2 p.p</i>
<b>EBIT</b>	<b>226,5</b>	<b>186,8</b>	<b>21%</b>
<i>EBIT Margin</i>	<i>10,6%</i>	<i>10,7%</i>	<i>-0,1 p.p</i>
<b>Net Profit / Loss</b>	<b>154,2</b>	<b>139,9</b>	<b>10%</b>
<i>Net Profit Margin</i>	<i>7,2%</i>	<i>8,0%</i>	<i>-0,8 p.p</i>

16



## Consolidated Profit & Loss Account IIQ 2014

P&L (amounts in PLN mln)	IIQ 2014	IIQ 2013	Change [%]
<b>Sales Revenue</b>	<b>1 185,1</b>	<b>991,0</b>	<b>20%</b>
COGS	458,8	404,2	14%
<b>Gross Margin</b>	<b>726,2</b>	<b>586,8</b>	<b>24%</b>
<i>Gross Margin (%)</i>	<i>61,3%</i>	<i>59,2%</i>	<i>2,1 p.p</i>
<b>SG&amp;A</b>	<b>533,1</b>	<b>418,7</b>	<b>27%</b>
<b>EBITDA</b>	<b>226,6</b>	<b>197,2</b>	<b>15%</b>
<i>EBITDA Margin</i>	<i>19,1%</i>	<i>19,9%</i>	<i>-0,8 p.p</i>
<b>EBIT</b>	<b>178,1</b>	<b>160,9</b>	<b>11%</b>
<i>EBIT Margin</i>	<i>15,0%</i>	<i>16,2%</i>	<i>-1,2 p.p</i>
<b>Net Profit / Loss</b>	<b>168,5</b>	<b>120,3</b>	<b>40%</b>
<i>Net Profit Margin</i>	<i>14,2%</i>	<i>12,1%</i>	<i>2,1 p.p</i>

17

# Consolidated Balance Sheet

Balance Sheet (amounts in PLN mln)	30 June 2014	30 June 2013	31 Dec. 2013
<u>Fixed Assets, incl:</u>	<u>1 395,00</u>	<u>1066,5</u>	<u>1 231,90</u>
- intangibles	311,4	279,7	281,2
- tangible fixed assets	1015,4	732,6	896,8
<u>Current Assets, incl:</u>	<u>1 395,70</u>	<u>1208,5</u>	<u>1 259,70</u>
- stock in trade	963,1	820,3	805
- short term receivables	157,9	142,7	163,3
- cash & cash equivalents	143,7	134,1	149,4
Total Assets	2 790,7	2 275,0	2 491,6
<u>Equity, incl:</u>	<u>1 479,90</u>	<u>1 198,90</u>	<u>1 496,5</u>
- share capital	3,7	3,7	3,7
- current year profit / loss	152,7	139	431
<u>Long term liabilities, incl:</u>	<u>210,1</u>	<u>192,1</u>	<u>192,3</u>
- bank loans	202,5	185,0	184,3
<u>Short term liabilities, incl:</u>	<u>1 100,70</u>	<u>883,9</u>	<u>802,7</u>
- trade liabilities	758,5	713,2	547,6
- bank loans	280,0	128,8	173,6
Total Equity & Liabilities	2 790,7	2 275,0	2 491,6

## Other Operating and Financial Income and Costs for 1H [PLN mln]

### Operating Costs IH

**Total 43,0**

1) Impairments	12,2
2) Inventory Losses	21,6
3) Donations and write-offs	6,6

### Operating Income IH

**Total 19,6**

1) Compensation for inv. losses	5,7
2) Profit on assets sale	9,6

### Financial Costs IH

**Total 36,9**

1) FX losses	27,4
2) Interests paid	7,4
3) Commissions and fees	2,1

### Financial Income IH

**Total 1,6**

1) Interests income	1,4
2) Other	0,2

19

## Other Operating and Financial Income and Costs for IIQ [PLN mln]

### Operating Costs IIQ

**Total 24,7**

1) Impairments	8,5
2) Inventory losses	11,7
3) Donations and write-offs	4,2

### Operating Income IIQ

**Total 9,7**

1) Compensation for inv. losses	2,7
2) Profit on assets sale	4,4

### Financial Costs IIQ

**Total -24,5**

1) FX losses	-30,0
2) Interests paid	4,1
3) Commissions and fees	1,4

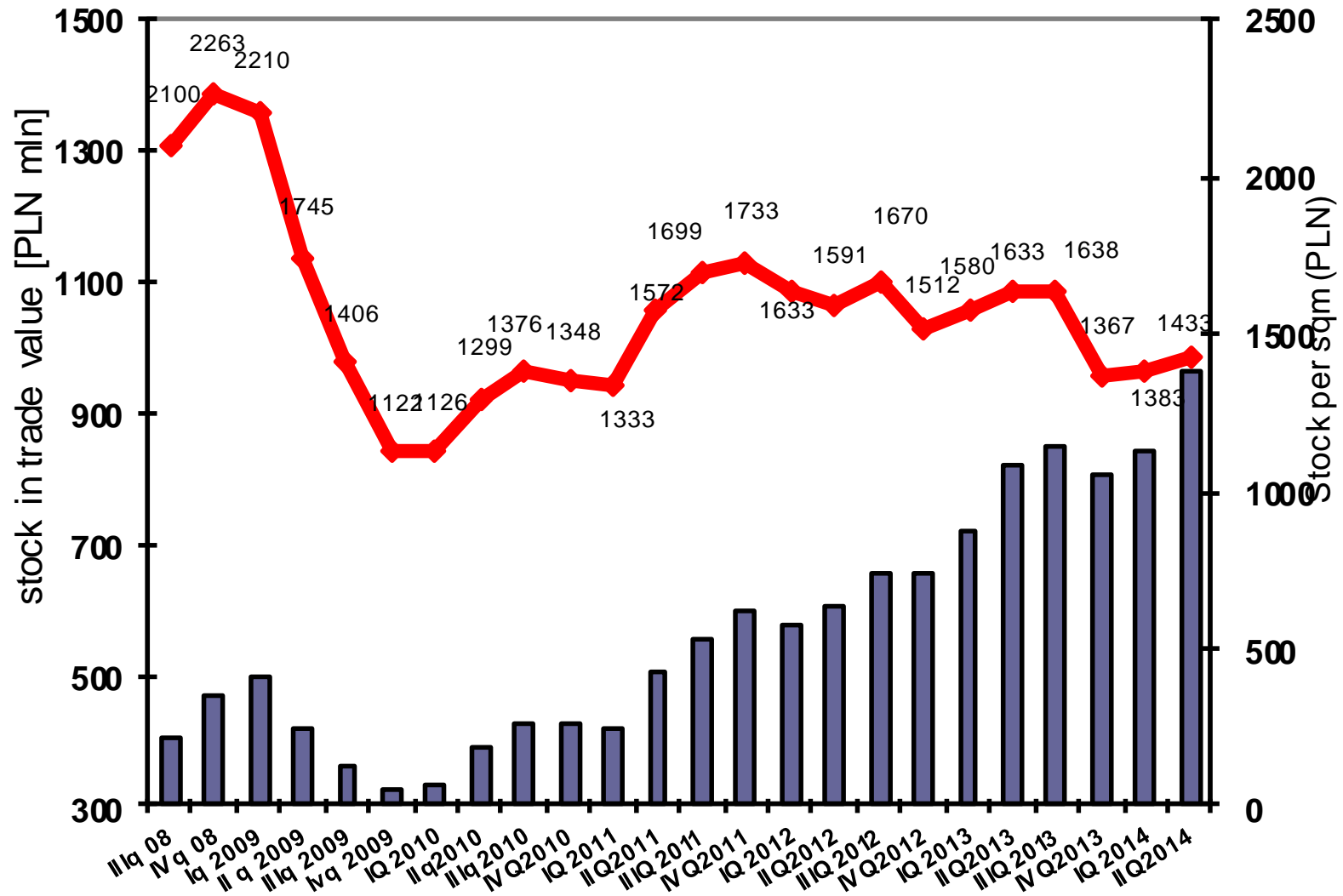
### Financial Income IIQ

**Total 1,0**

1) Interests	0,8
--------------	-----

20

# Stock in trade



21

# Selling Area – Growth and CAPEX Plans

Selling area [000 sqm]	31.12.2014	31.12.2013	change [000 sqm]	change
<b>Reserved</b>	<b>387</b>	<b>322</b>	<b>65</b>	<b>20%</b>
Poland	206	189	17	9%
EU	83	53	30	57%
Russia & Ukraine	98	81	17	21%
<b>CROPP</b>	<b>107</b>	<b>91</b>	<b>16</b>	<b>18%</b>
Poland	58	55	4	7%
EU	17	11	6	57%
Russia & Ukraine	32	25	6	25%
<b>House</b>	<b>92</b>	<b>80</b>	<b>11</b>	<b>14%</b>
Poland	58	55	3	5%
EU	11	9	2	24%
Russia & Ukraine	22	16	6	39%
<b>Mohito</b>	<b>84</b>	<b>66</b>	<b>18</b>	<b>28%</b>
Poland	46	41	5	13%
EU	12	7	5	82%
Russia & Ukraine	26	19	8	42%
<b>Sinsay</b>	<b>45</b>	<b>20</b>	<b>25</b>	<b>127%</b>
Poland	33	18	15	84%
EU	4	2	3	175%
Russia & Ukraine	8	1	8	1500%
Outlets	11	9	2	18%
<b>Total by regions</b>				
Poland	412	367	45	12%
EU	127	81	47	58%
Russia & Ukraine	187	141	47	33%
<b><u>TOTAL</u></b>	<b><u>726</u></b>	<b><u>589</u></b>	<b><u>138</u></b>	<b>23%</b>

- Forecasted growth of selling area in 2014 – approx. 138.000 sqm (+23%)
- New stores to be opened this Autumn in new countries: 4 in Germany and 5 in Croatia
- CAPEX for all stores in 2014 - 380 PLN million
- New Logistics Centre construction in progress – CAPEX of 100 PLN million in 2014

22

RESERVED

CROPP

M O H I T O



sinsay

# LPP

**Thank you for your attention.**

---

RESERVED

CROPP

M O H I T O



sinsay