

LPP SA Financial Results I-IIIQ 2014

LPP

Warsaw, November 7th, 2014

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CROPP

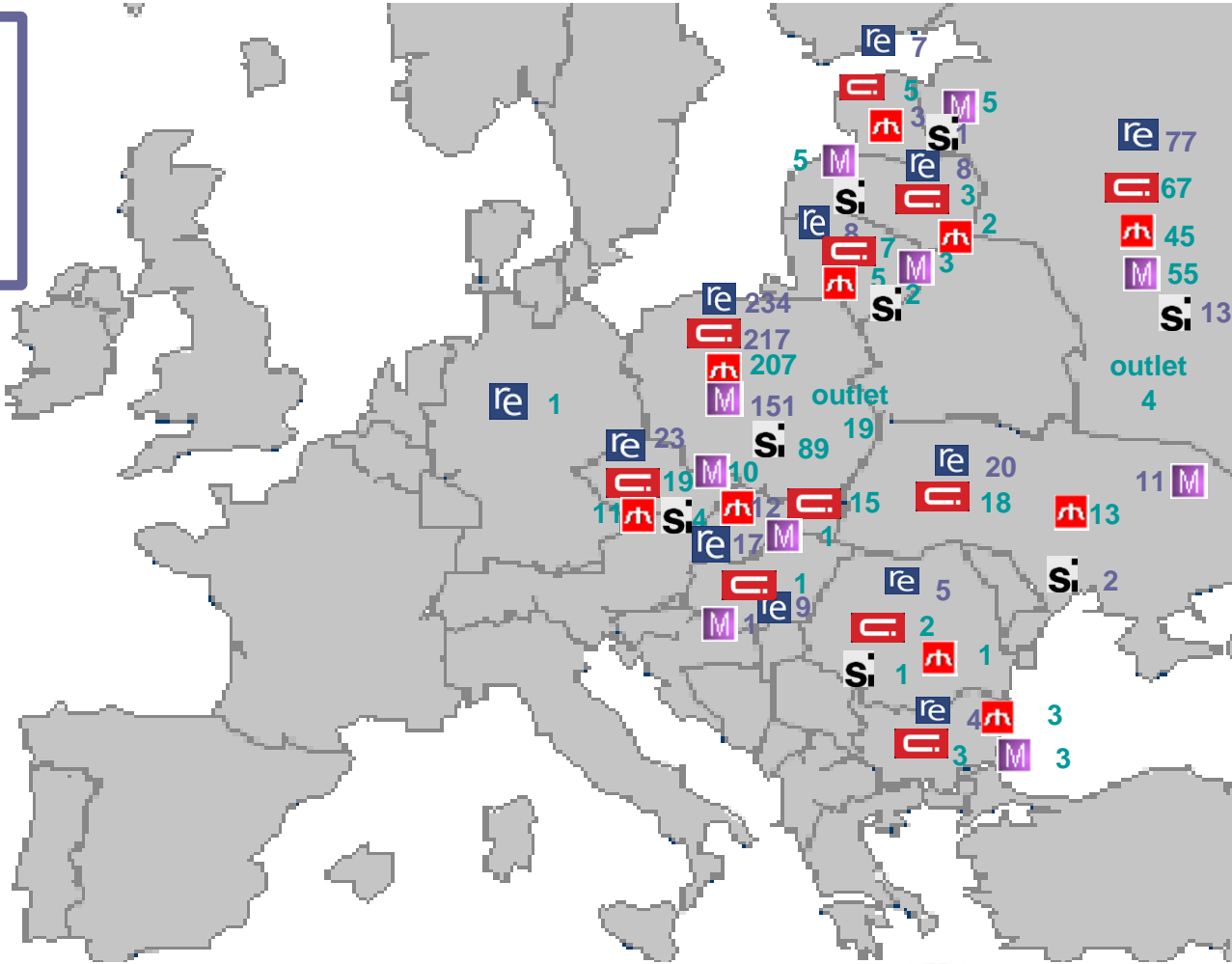
M O H I T O



sinsay

Our brands present across CEE region

As of September 30th, LPP's retail network included 1453 stores:
 413 Reserved
 357 CROPP
 301 House
 246 Mohito
 113 Sinsay



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Retail selling area growth

Selling area [000 sqm]	30.09.2014	30.09.2013	change [000 sqm]	change
Reserved	368	287	80	28%
Poland	205	170	35	21%
UE	70	48	22	46%
Russia & Ukraine	93	70	24	34%
CROPP	101	82	20	24%
Poland	57	50	7	15%
UE	16	10	6	59%
Russia & Ukraine	29	22	6	28%
House	87	70	17	24%
Poland	57	50	7	14%
UE	10	8	3	32%
Russia & Ukraine	20	13	7	57%
Mohito	79	54	25	47%
Poland	45	35	10	29%
UE	9	5	5	100%
Russia & Ukraine	24	14	10	73%
Sinsay	38	13	25	188%
Poland	29	12	17	139%
UE	3	1	2	210%
Russia & Ukraine	6	0	6	
outlet	9	9	0	3%
total by regions				
Poland	400	325	76	23%
UE	108	71	37	52%
Russia & Ukraine	173	119	55	46%
<u>TOTAL</u>	<u>681</u>	<u>514</u>	<u>167</u>	32%

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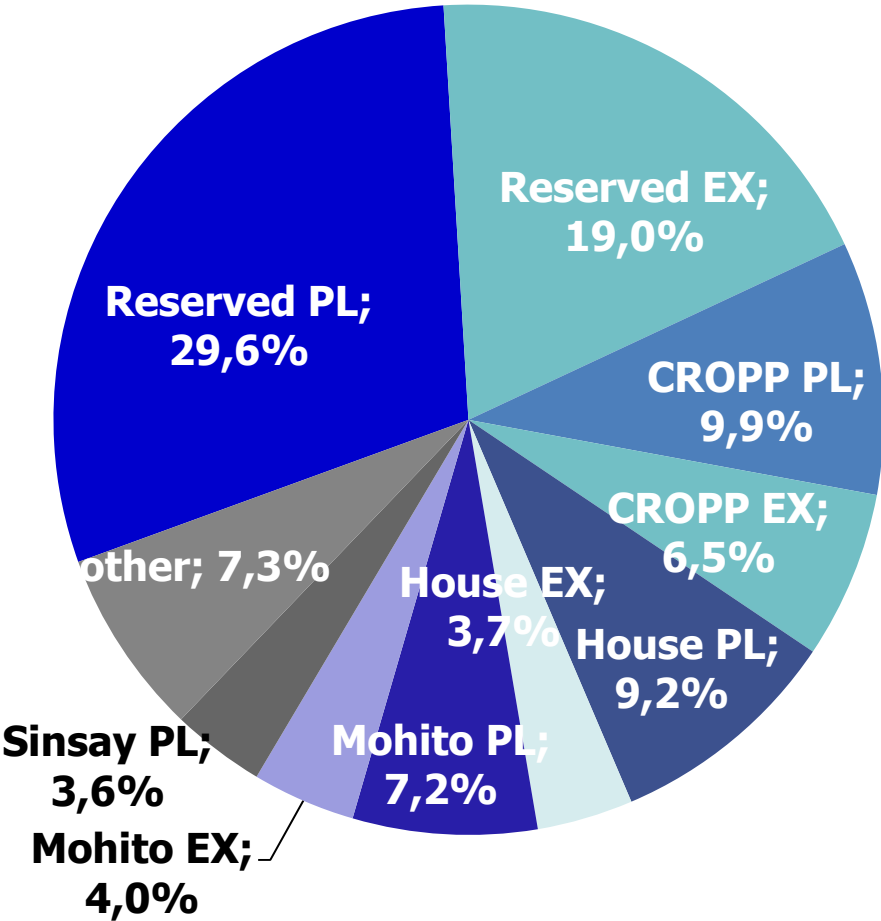
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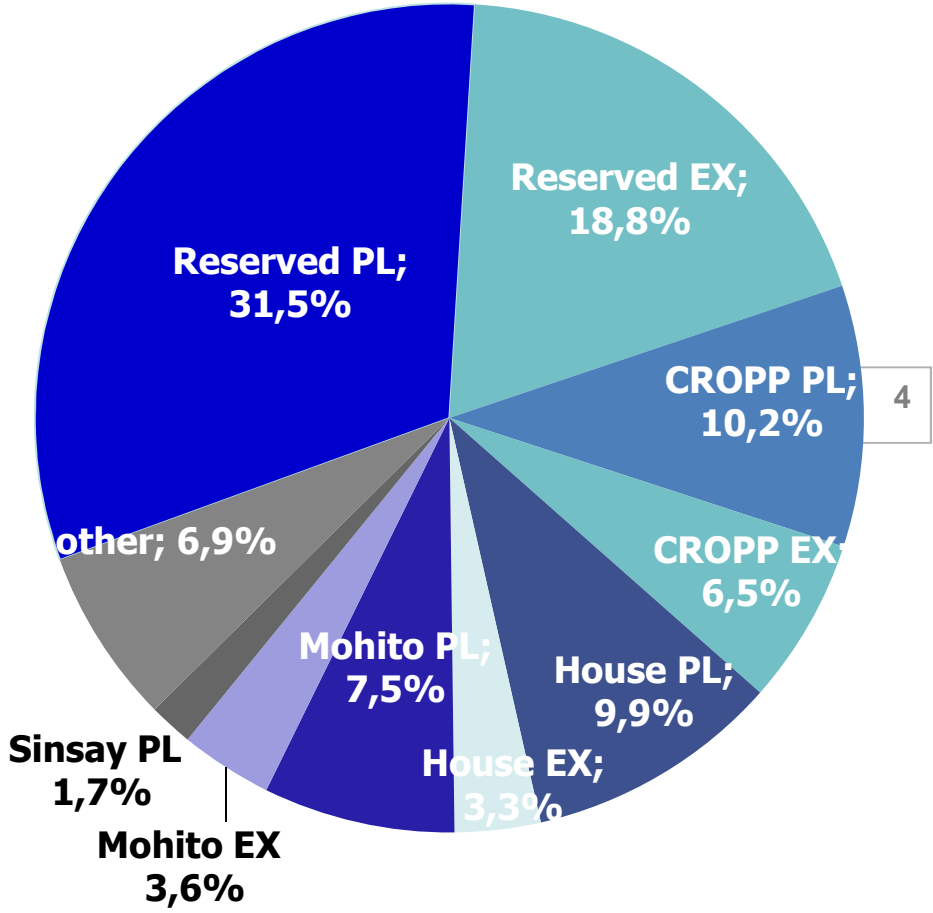
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Retail sale revenue split by brands

I-IIIQ 2014



2013



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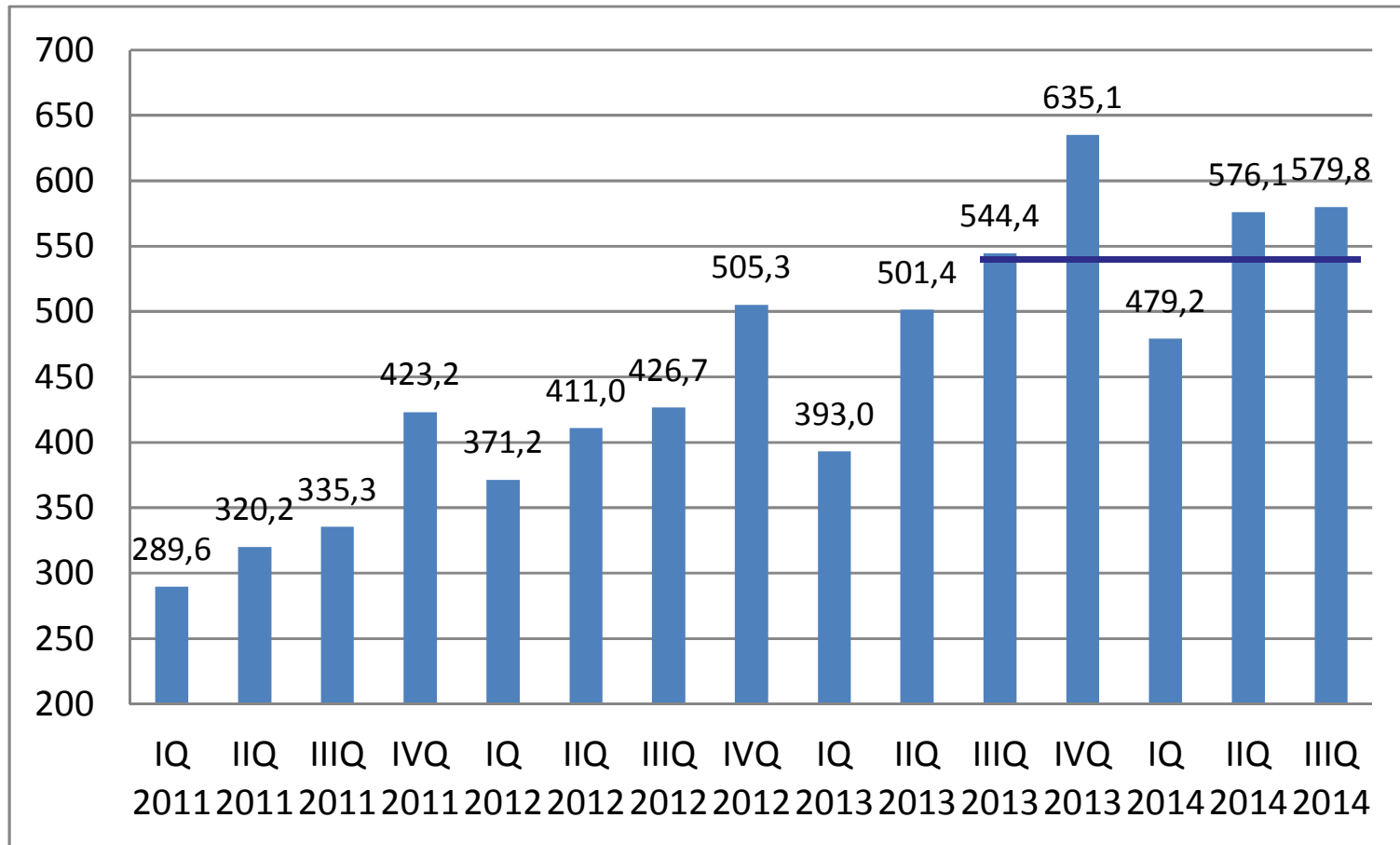
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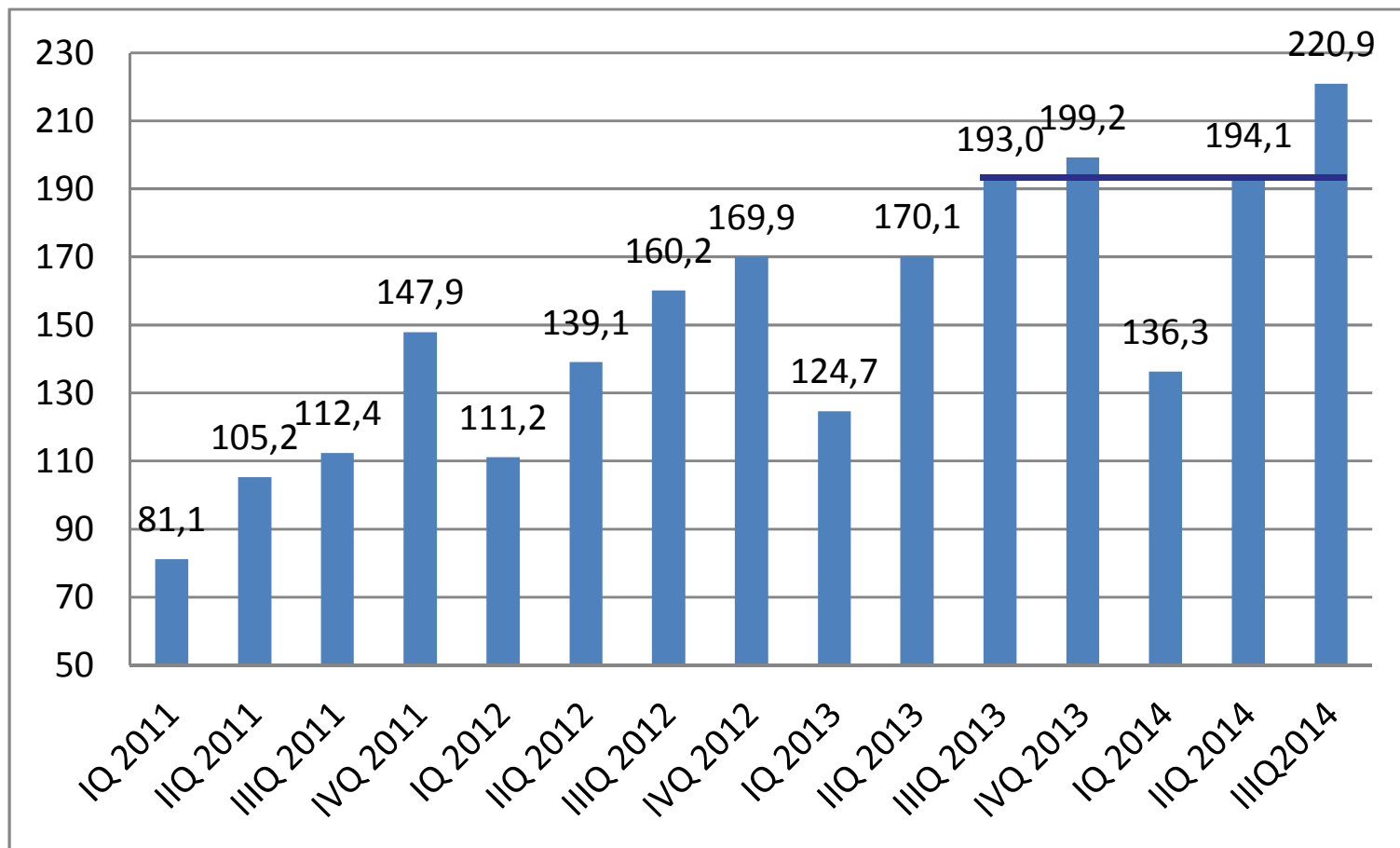


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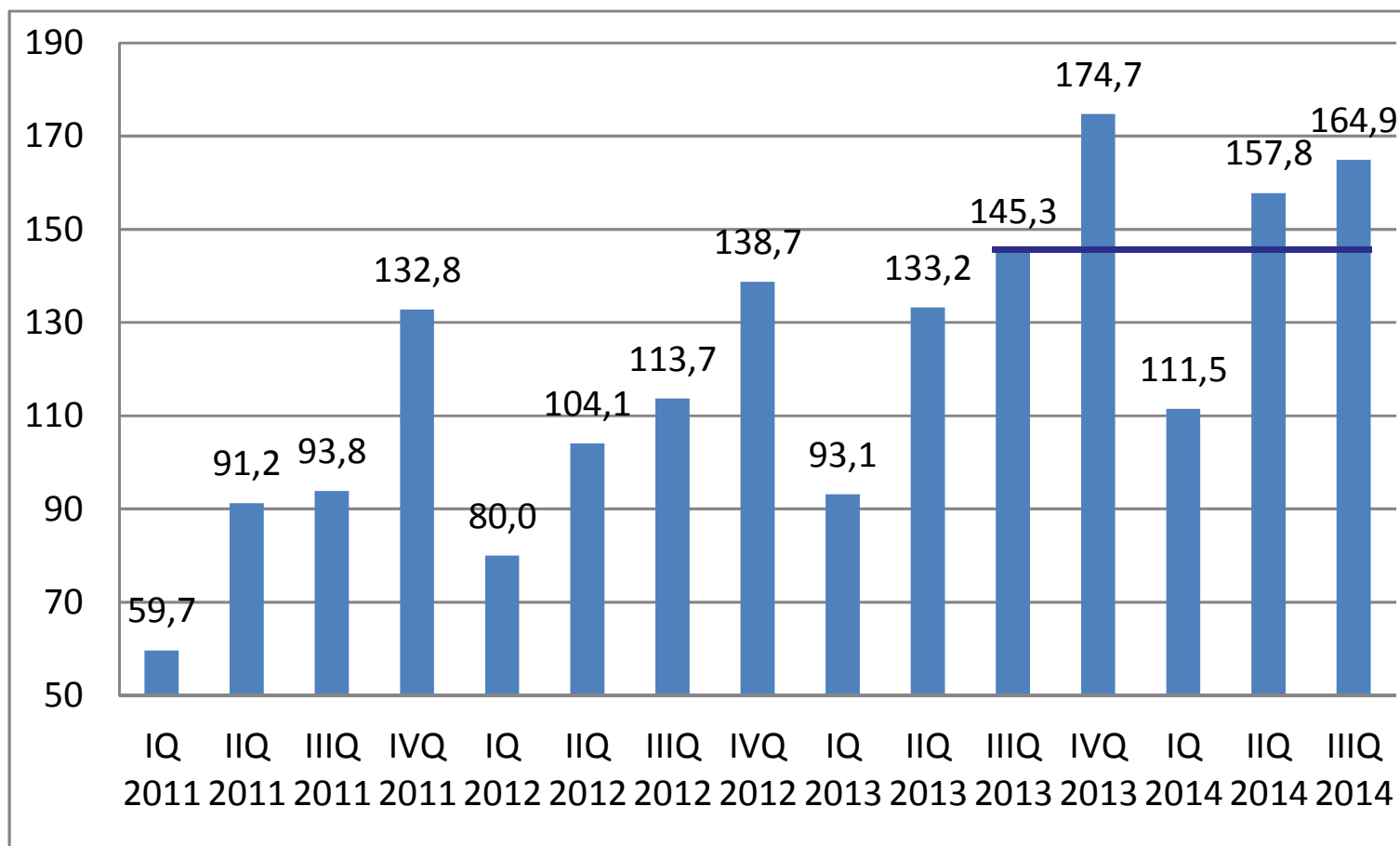
Retail sale revenue of RESERVED brand [PLN mln]



Retail sale revenue of CROPP brand [PLN mln]



Retail sale revenue of HOUSE brand [PLN mln]



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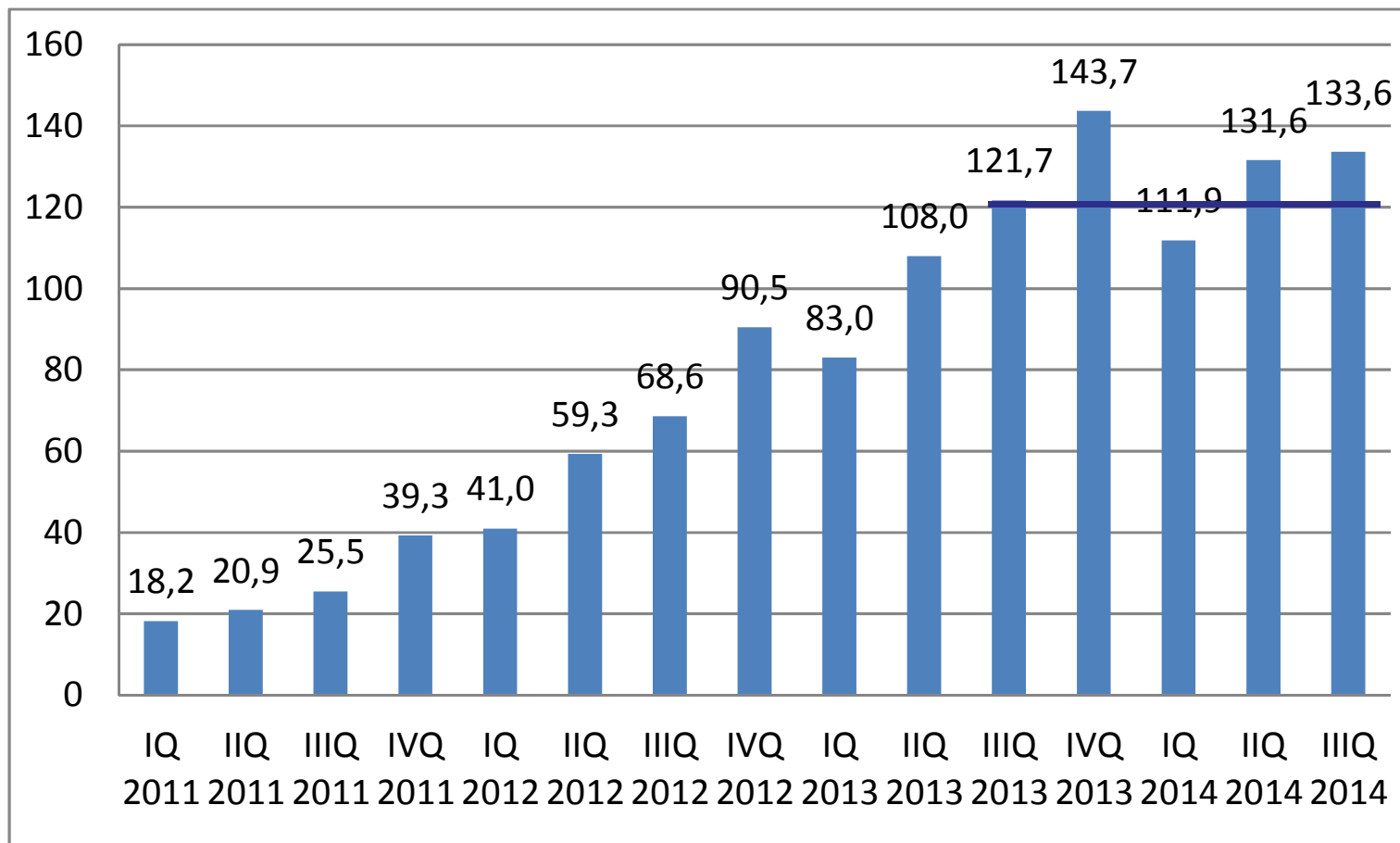
CROPP

M O H I T O

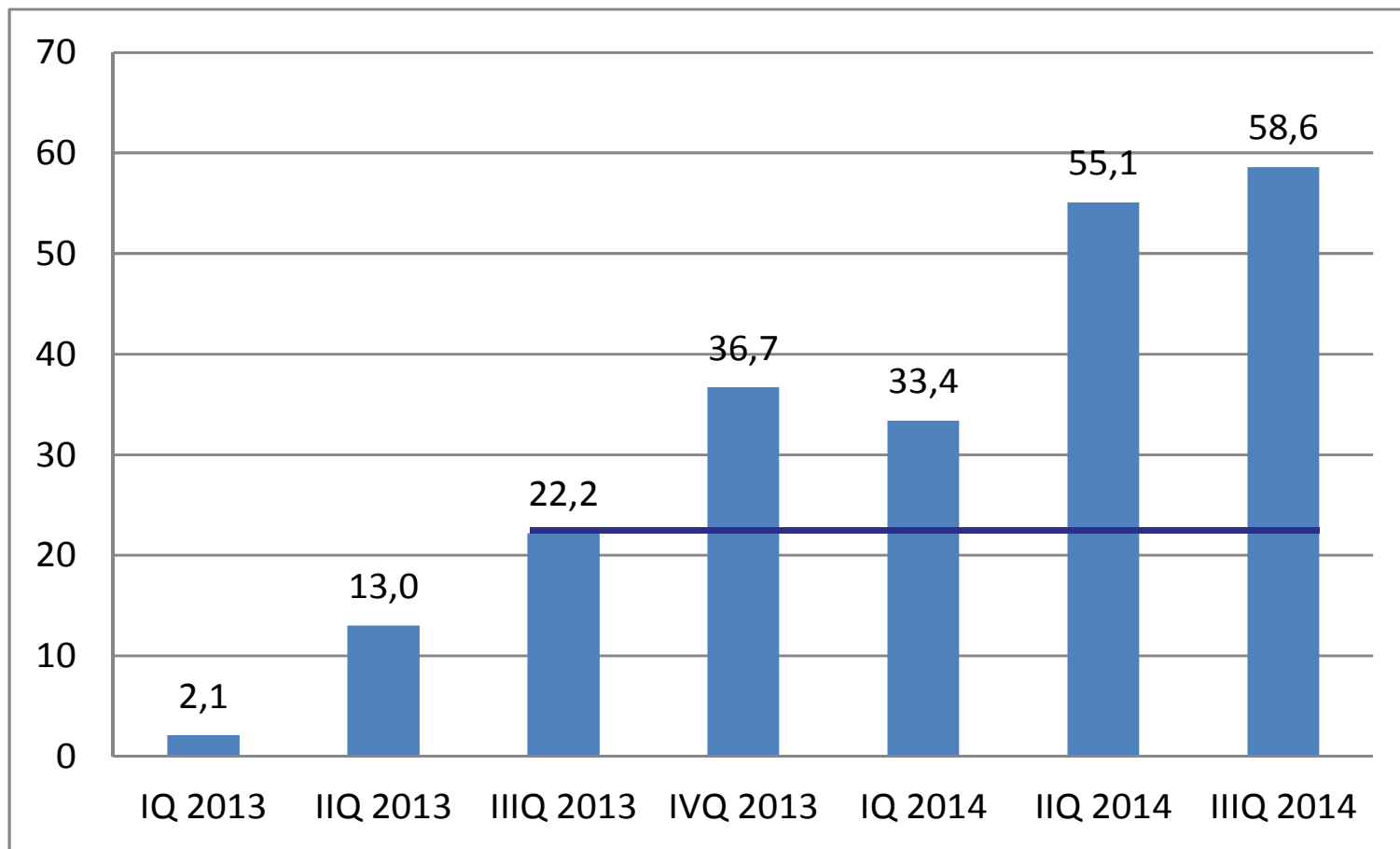


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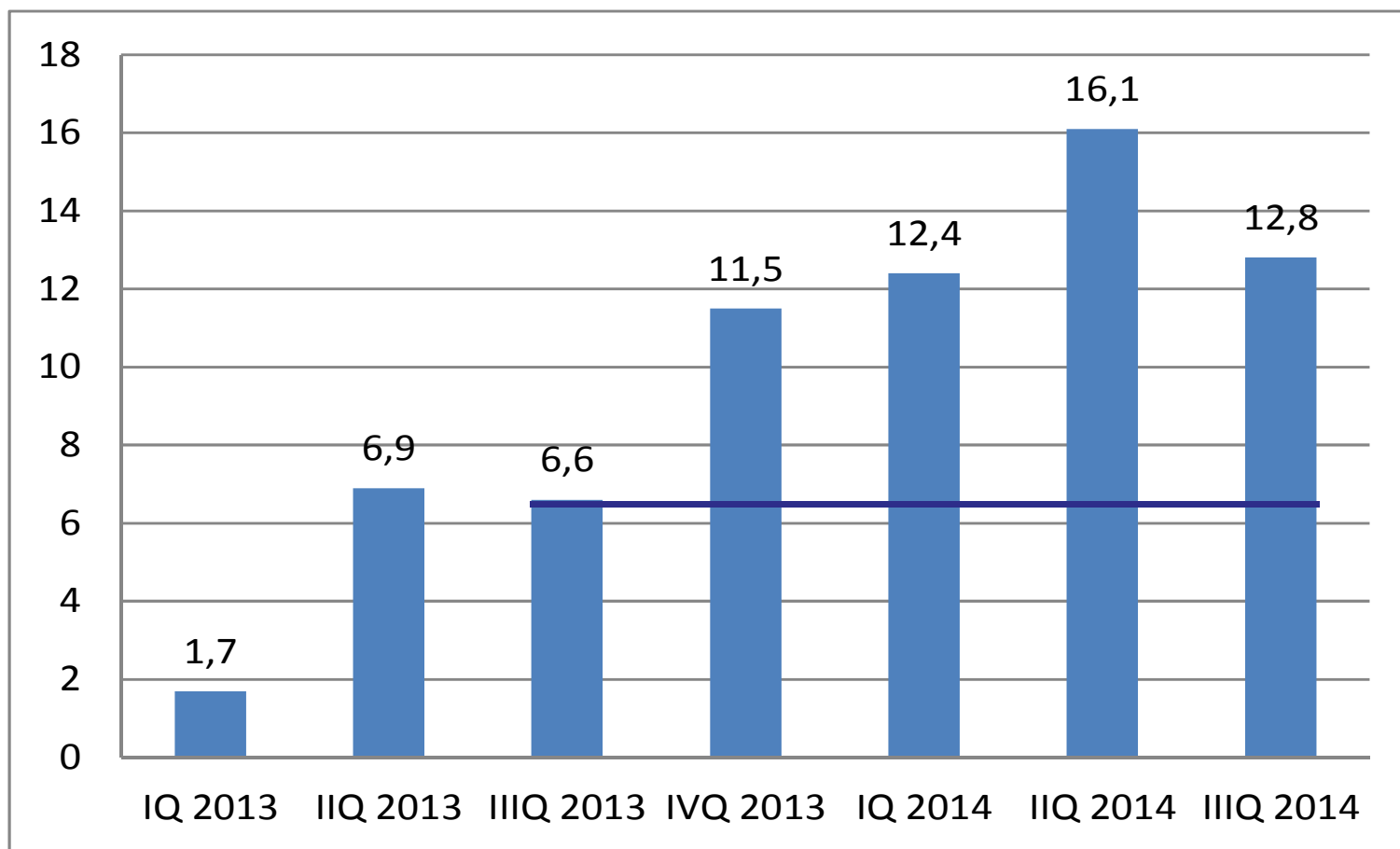
Retail sale revenue of MOHITO brand [PLN mln]



Retail sale revenue of SINSAY brand [PLN mln]



Retail sale revenue of e-commerce [PLN mln]



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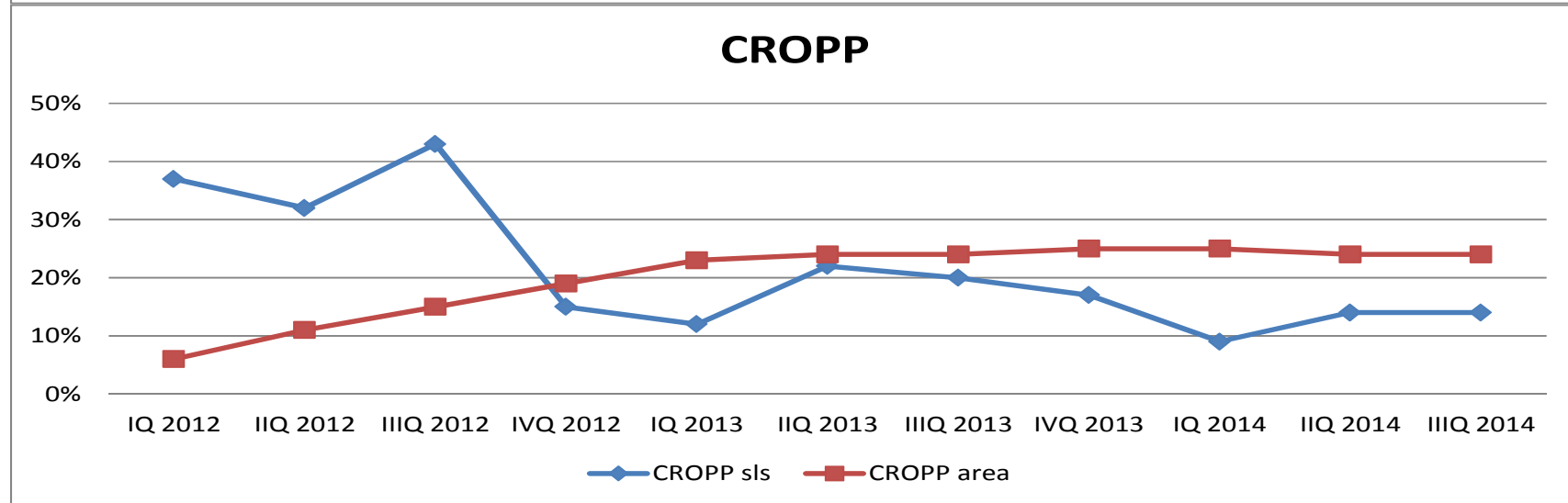
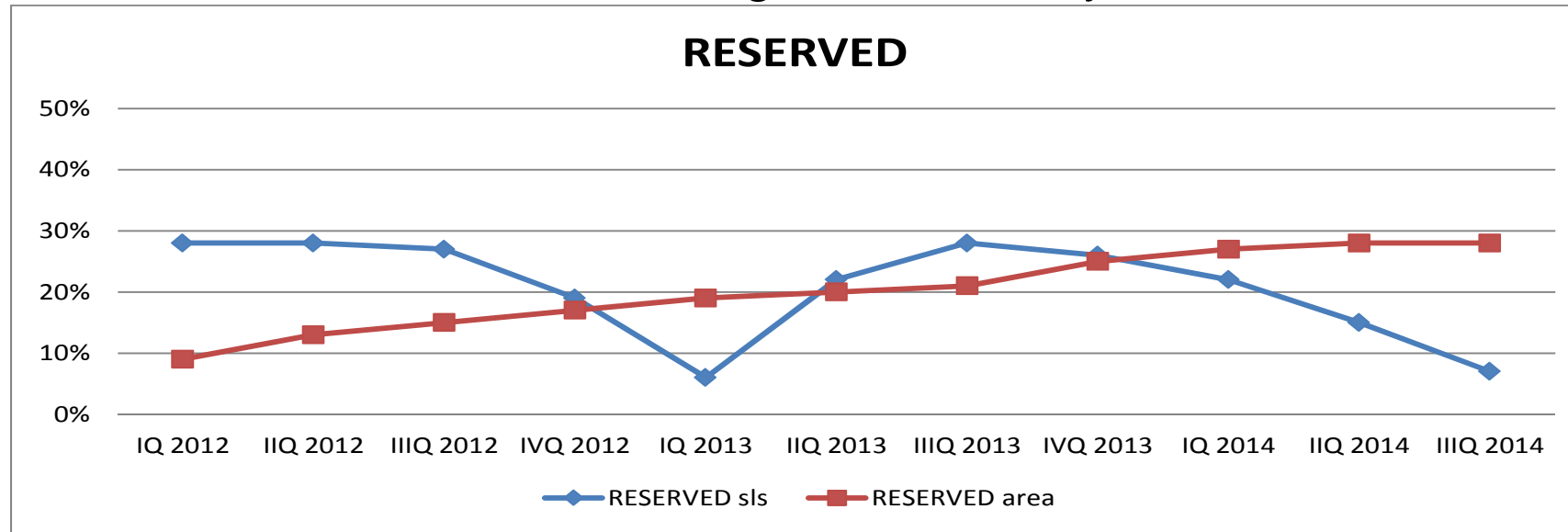
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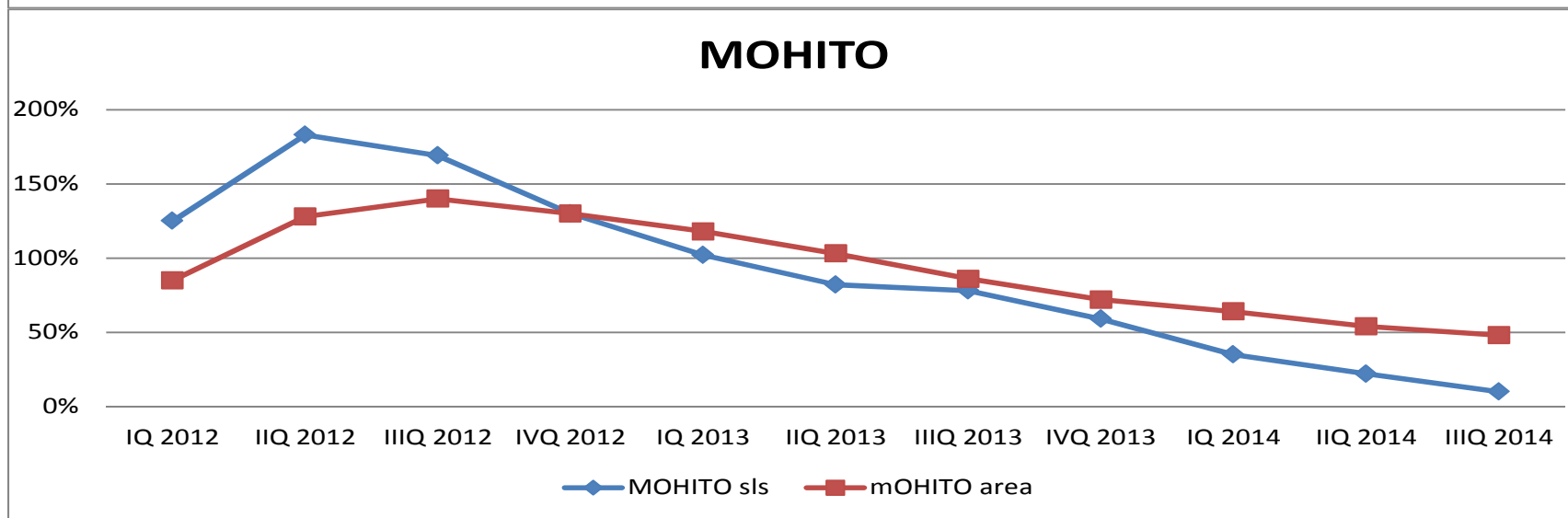
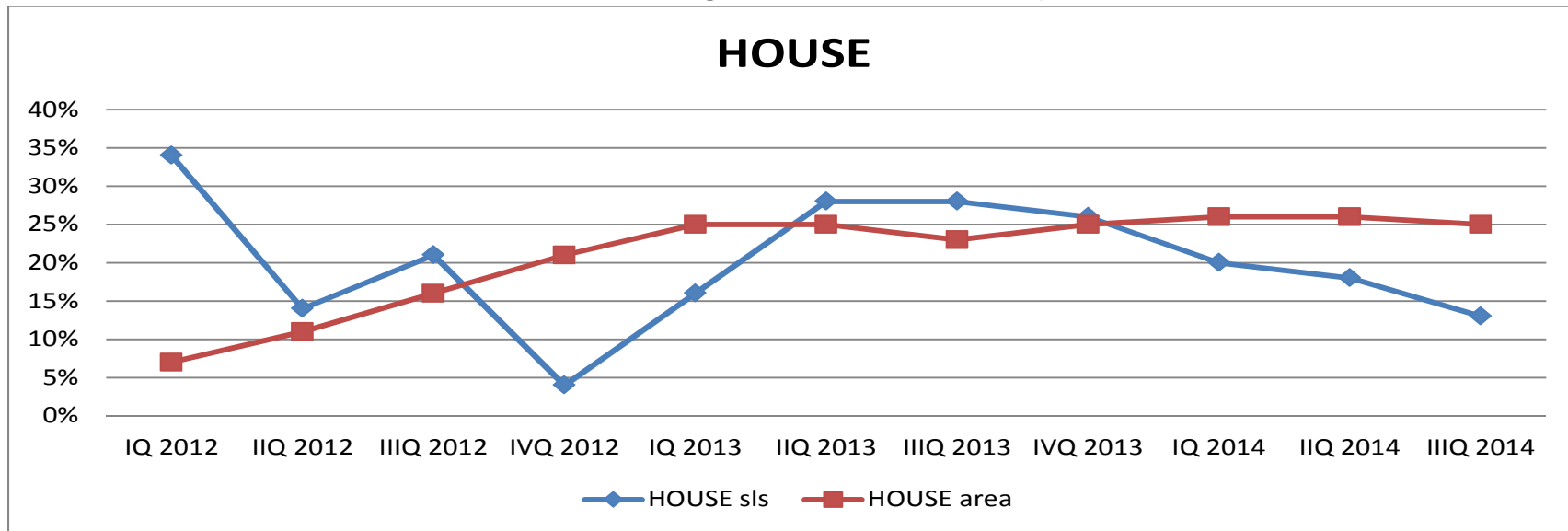


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Change of Efficiency

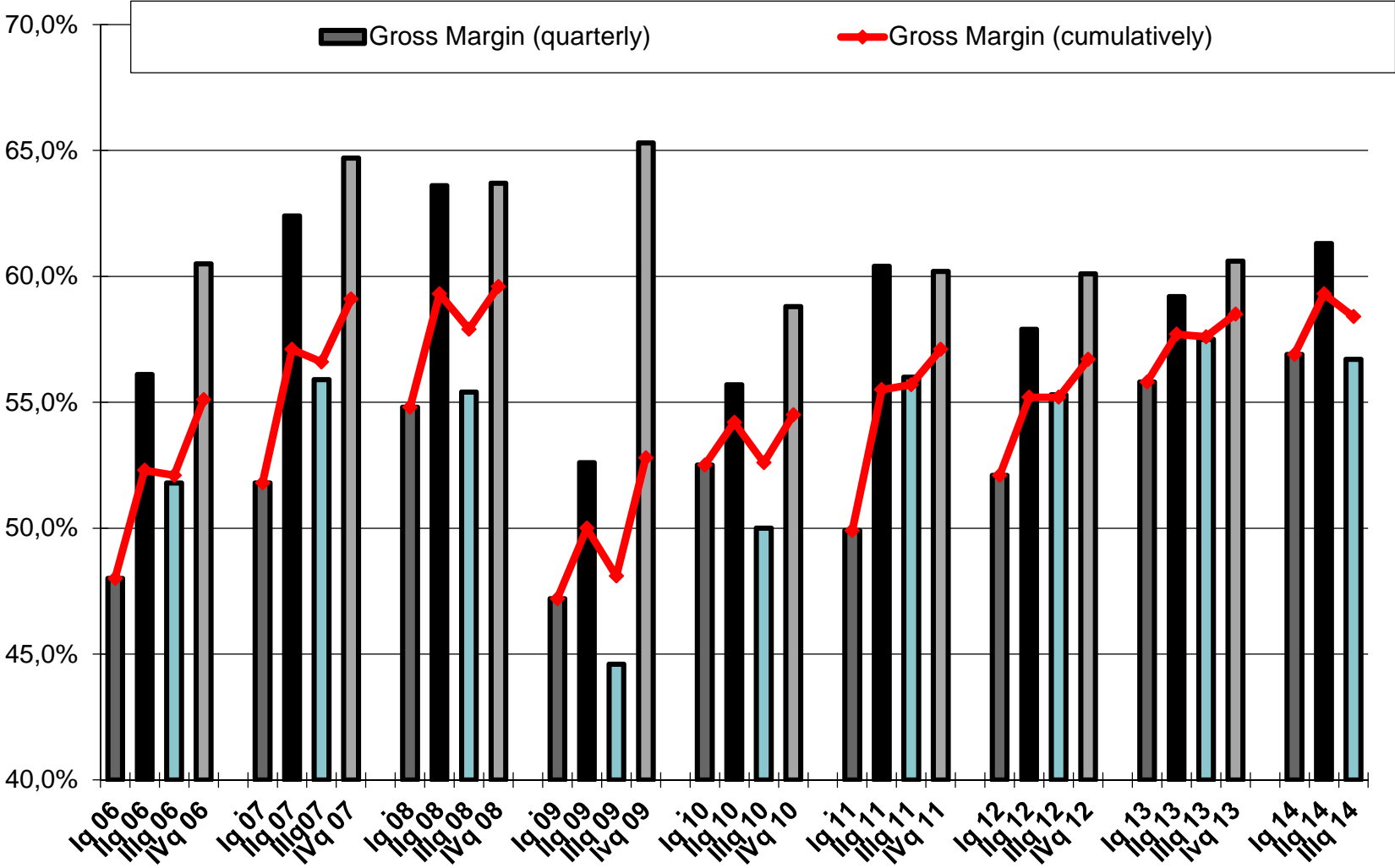


Change of Efficiency

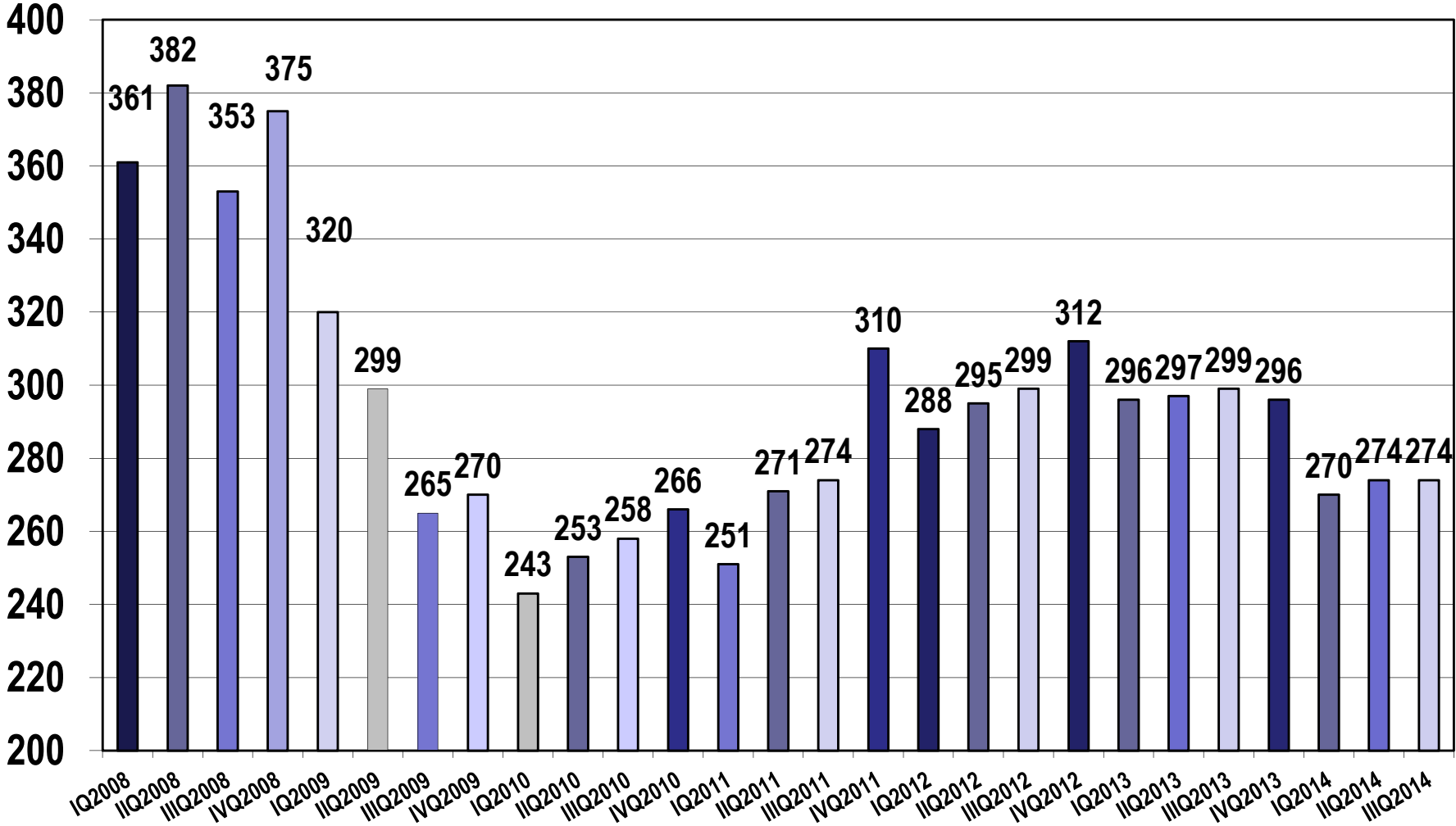


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Gross Margin on Sales (%)

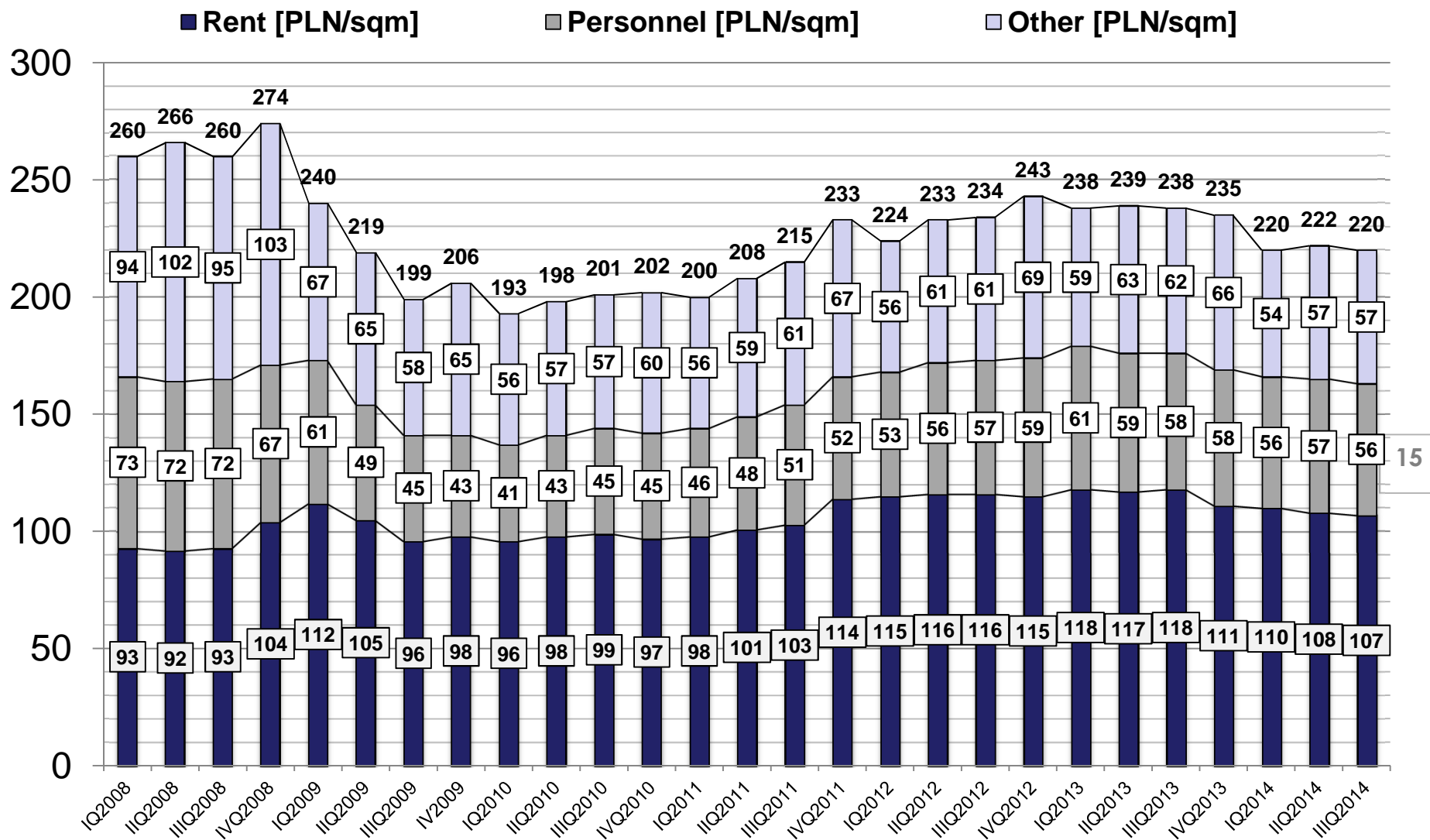


SG&A Costs per sqm in PLN (Total costs/Total selling space in sqm/Month)



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



Consolidated Profit & Loss Account I-IIIQ 2014

P&L (amounts in PLN mln)	I-IIIQ 2014	I-III 2013	Change [%]
Sales Revenue	3 364,4	2 849,3	18%
COGS	1 401,0	1 207,3	16%
Gross Margin	1 963,4	1 642,0	20%
<i>Gross Margin (%)</i>	<i>58,4%</i>	<i>57,6%</i>	<i>0,8 p.p</i>
SG&A	1 572,2	1 264,0	24%
EBITDA	502,9	461,0	9%
<i>EBITDA Margin</i>	<i>14,9%</i>	<i>16,2%</i>	<i>-1,3 p.p</i>
EBIT	360,9	354,2	2%
<i>EBIT Margin</i>	<i>10,7%</i>	<i>12,4%</i>	<i>-1,7 p.p</i>
Net Profit / Loss	236,2	250,9	-6%
<i>Net Profit Margin</i>	<i>7,0%</i>	<i>8,8%</i>	<i>-1,8 p.p</i>

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Consolidated Profit & Loss Account IIIQ 2014

P&L (amounts in PLN mln)	IIIQ 2014	IIIQ 2013	Change [%]
Sales Revenue	1 234,2	1 107,5	11%
COGS	534,6	471,1	13%
Gross Margin	699,6	636,4	10%
<i>Gross Margin (%)</i>	<i>56,7%</i>	<i>57,5%</i>	<i>-0,8 p.p</i>
SG&A	558,4	458,9	22%
EBITDA	185,0	205,1	-10%
<i>EBITDA Margin</i>	<i>15,0%</i>	<i>18,5%</i>	<i>-3,5 p.p</i>
EBIT	134,4	167,4	-20%
<i>EBIT Margin</i>	<i>10,9%</i>	<i>15,1%</i>	<i>-4,2 p.p</i>
Net Profit / Loss	82,0	111,0	-26%
<i>Net Profit Margin</i>	<i>6,6%</i>	<i>10,0%</i>	<i>-3,4 p.p</i>

Consolidated Balance Sheet

Balance Sheet (amounts in PLN mln)	30 September 2014	30 September 2013	31 December 2013
<u>Fixed asset, incl:</u>	<u>1 426,20</u>	<u>1 123,6</u>	<u>1 231,90</u>
- intangibles	313,4	279,8	281,2
- tangible fixed assets	1039,2	785,4	896,8
<u>Current assets, incl:</u>	<u>1 419,90</u>	<u>1 238,0</u>	<u>1 259,70</u>
- stock in trade	1036,8	845,2	805
- short term receivables	159,1	149,3	163,3
- cash & cash equivalents	117,2	138,0	149,4
Total Assets	2 846,1	2 361,6	2 491,6
<u>Equity, incl:</u>	<u>1 533,20</u>	<u>1 310,5</u>	<u>1 496,5</u>
- share capital	3,7	3,7	3,7
- current year profit / loss	235,1	249,5	431
<u>Long term liabilities, incl:</u>	<u>203,0</u>	<u>187,9</u>	<u>192,3</u>
- bank loans	195,6	179,0	184,3
<u>Short term liabilities, incl:</u>	<u>1 109,90</u>	<u>863,2</u>	<u>802,7</u>
-trade liabilities	569,3	520,3	547,6
- bank loans	482,7	295,8	173,6
Total Equity & Liabilities	2 846,1	2 361,6	2 491,6

Other Operating Income and Costs for I-IIIQ [PLN mln]

Operating Costs I-IIIQ

Total 57,4

1) Impairments	13,8
2) Inventory Losses	30,2
3) Donations and write-offs	8,2

Operating Income I-IIIQ

Total 27,0

1) Compensation for inv. losses	9,1
2) Profit on assets sale	11,4

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Other Financial Income and Costs for I-IIIQ [PLN mln]

Financial Costs	I-IIIQ
	<u>Total 76,6</u>

1) FX Losses	62,9
2) Interests paid	11,0
3) Commissions and Fees	2,6

Financial Income	I-IIIQ
	<u>Total 2,0</u>

1) Interests income	1,8
2) Other	0,2

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Other Operating Income and Costs for IIIQ [PLN mln]

Operating Costs IIIQ

Total 14,3

1) Impairments	1,6
2) Inventory Losses	8,5
3) Donations and write-offs	1,6

Operating Income IIIQ

Total 7,5

1) Compensation for inv. losses	3,3
2) Profit on assets sale	1,9

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Other Financial Income and Costs for IIIQ [PLN mln]

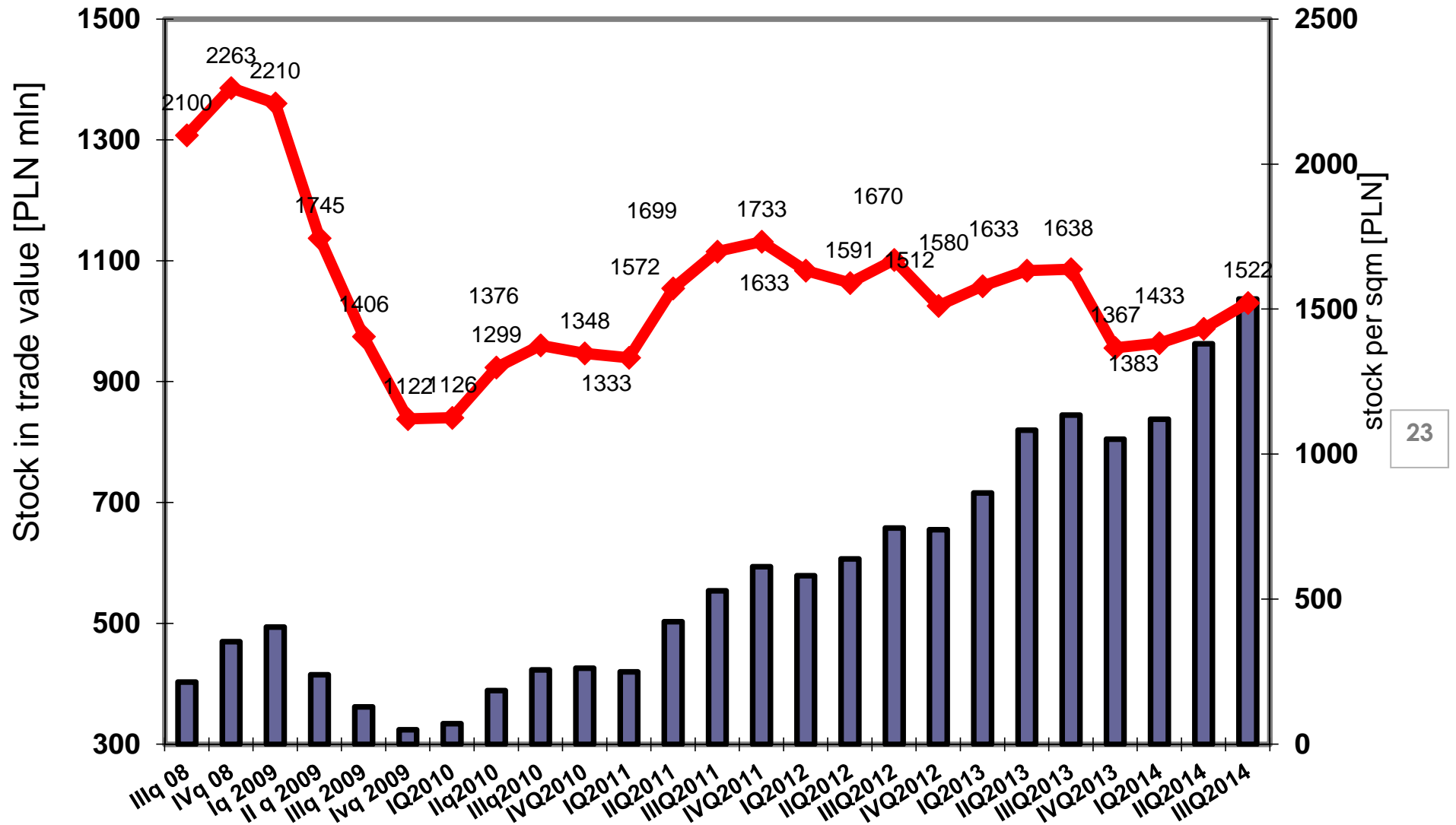
Financial Costs	IIIQ
	<u>Total 39,6</u>

1) FX Losses	35,5
2) Interests paid	3,6
3) Commissions and Fees	0,5

Financial Income	IIIQ
	<u>Total 0,4</u>

1) Interests income	0,4
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Stock in trade



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Selling Area Growth

Selling area [000 sqm]	31.12.2014	31.12.2013	change [000 sqm]	change
Reserved	386	322	64	20%
Poland	206	189	17	9%
UE	84	53	31	60%
Russia & Ukraine	97	81	16	19%
CROPP	105	91	14	16%
Poland	58	55	4	7%
UE	17	11	6	57%
Russia & Ukraine	30	25	5	18%
House	89	80	9	11%
Poland	57	55	2	3%
UE	11	9	2	24%
Russia & Ukraine	21	16	5	33%
Mohito	83	66	17	26%
Poland	46	41	5	13%
UE	12	7	5	82%
Russia & Ukraine	25	19	6	34%
Sinsay	44	20	24	119%
Poland	33	18	15	83%
UE	4	2	3	175%
Russia & Ukraine	7	1	6	1220%
outlet	13	9	3	27%
total by regions				
Poland	411	367	44	12%
UE	129	81	48	59%
Russia & Ukraine	180	141	39	28%
<u>TOTAL</u>	<u>720</u>	<u>589</u>	<u>131</u>	22%

Selling area growth in 2015 - possibilities

Selling area ['000 sqm]	31.12.2015	31.12.2014	change	change [%]
Reserved	482	386	96	25%
Poland	231	206	25	12%
EU	137	84	53	63%
Russia + Ukraine	105	97	8	8%
franchise	11			
CROPP	116	105	11	10%
Poland	63	58	4	7%
EU	21	17	4	25%
Russia + Ukraine	32	30	2	8%
House	101	89	12	13%
Poland	62	57	5	8%
EU	17	11	5	46%
Russia + Ukraine	23	21	2	10%
Mohito	98	83	15	18%
Poland	53	46	6	14%
EU	18	12	6	54%
Russia + Ukraine	27	25	2	8%
Sinsay	59	44	15	35%
Poland	41	33	9	27%
EU	9	4	4	98%
Russia + Ukraine	9	7	2	33%
Outlet	16	13	3	19%
Total by regions				
Poland	473	413	61	15%
EU	201	129	73	57%
Russia + Ukraine	197	179	18	10%
franchise	11			
<u>TOTAL</u>	<u>872</u>	<u>720</u>	<u>152</u>	21%

Selling area growth presented for 2015 is not the final forecast, however it is in line with current projects.

The final plan for 2015 will be presented at the 4Q2014 results conference..

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Thank you for your attention

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