

LPP SA Financial Results for 2014

LPP

Warsaw, February 19th 2015 r.

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Retail network development in 2014

| Selling area [000 sqm] | 31 Dec 2014 | 31 Dec 2013 | change [000 sqm] | change |
|-------------------------|-------------------|-------------------|-------------------|-------------|
| Reserved | 390 | 322 | 67 | 21% |
| Poland | 209 | 189 | 20 | 11% |
| UE | 84 | 53 | 31 | 60% |
| Russia & Ukraine | 97 | 81 | 16 | 19% |
| CROPP | 106 | 91 | 15 | 16% |
| Poland | 58 | 55 | 4 | 7% |
| UE | 17 | 11 | 6 | 57% |
| Russia & Ukraine | 30 | 25 | 5 | 19% |
| House | 90 | 80 | 9 | 12% |
| 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 | 11 | 9 | 2 | 18% |
| total by regions | | | | |
| Poland | 414 | 367 | 47 | 13% |
| UE | 129 | 81 | 48 | 59% |
| Russia & Ukraine | 180 | 141 | 40 | 28% |
| <u>TOTAL</u> | <u>723</u> | <u>589</u> | <u>134</u> | 23% |

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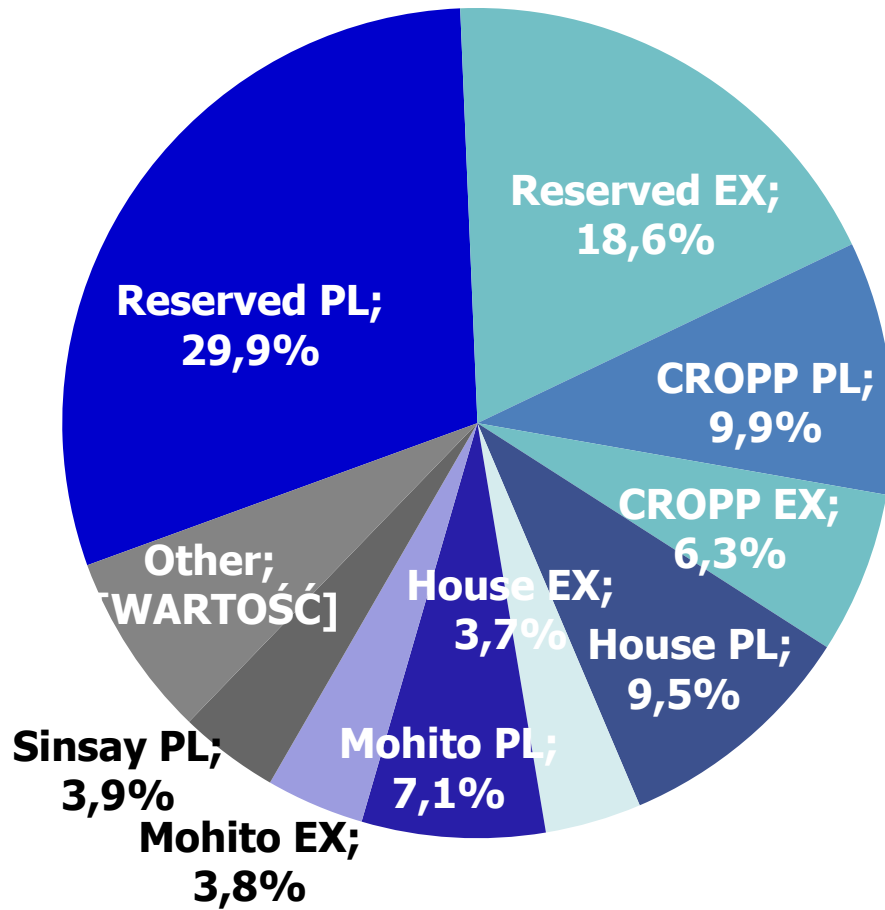
M O H I T O



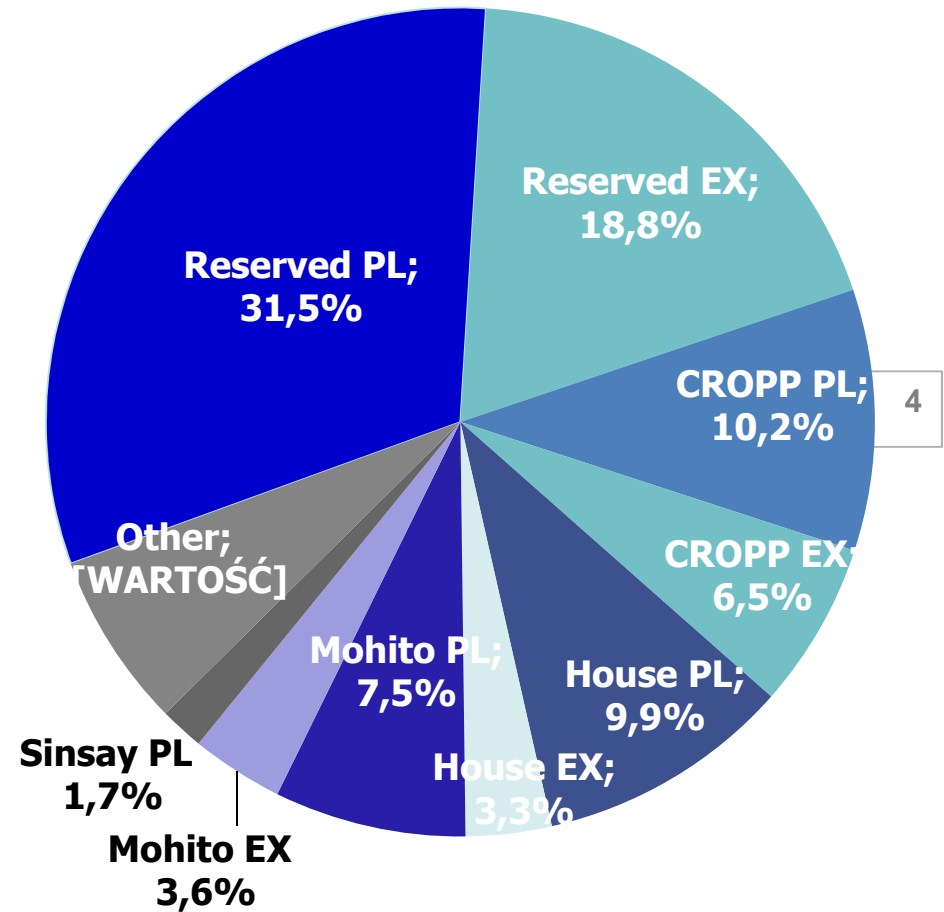
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Revenue split by brands

2014



2013



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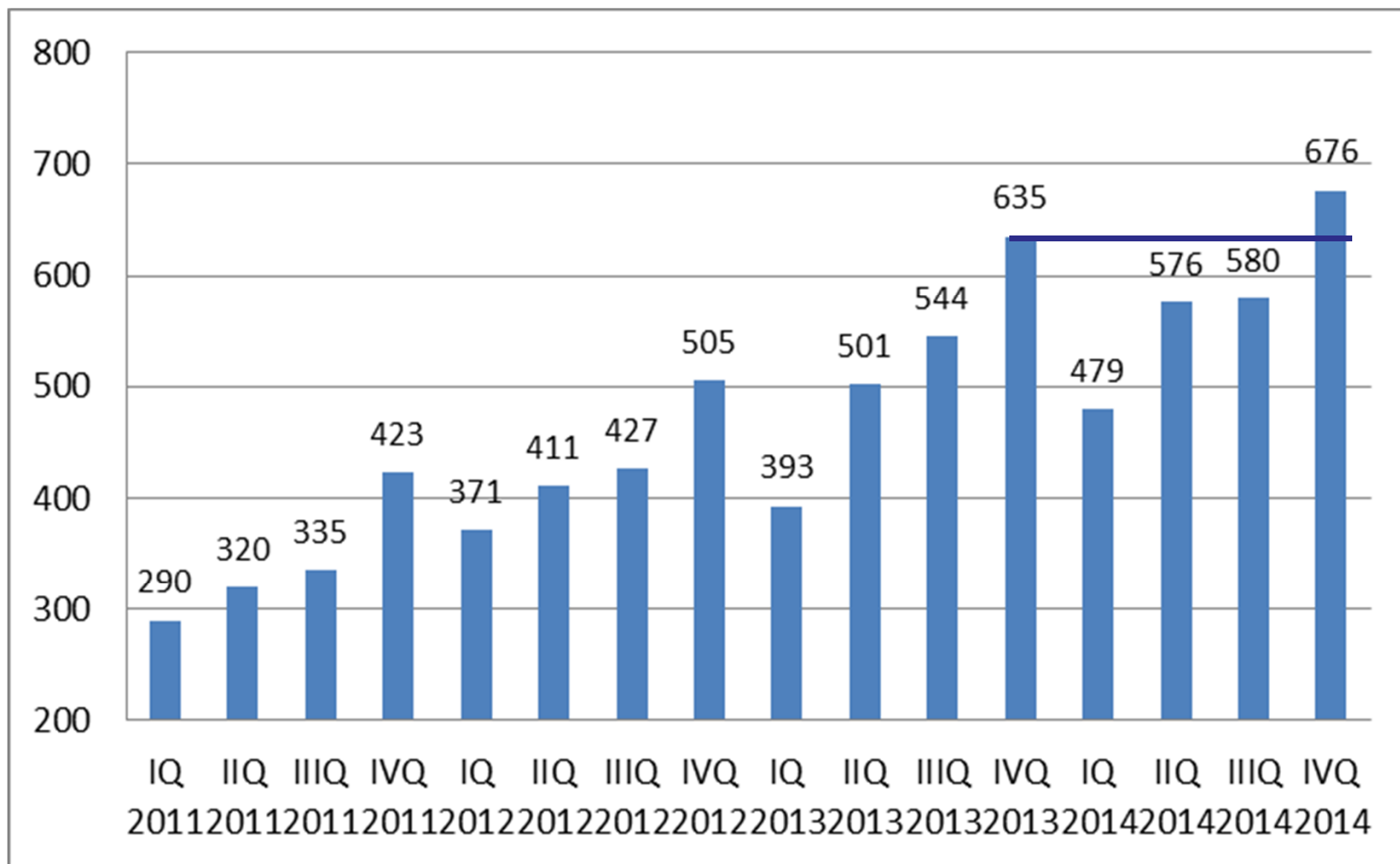
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RESERVED brand - sales revenue in mln PLN



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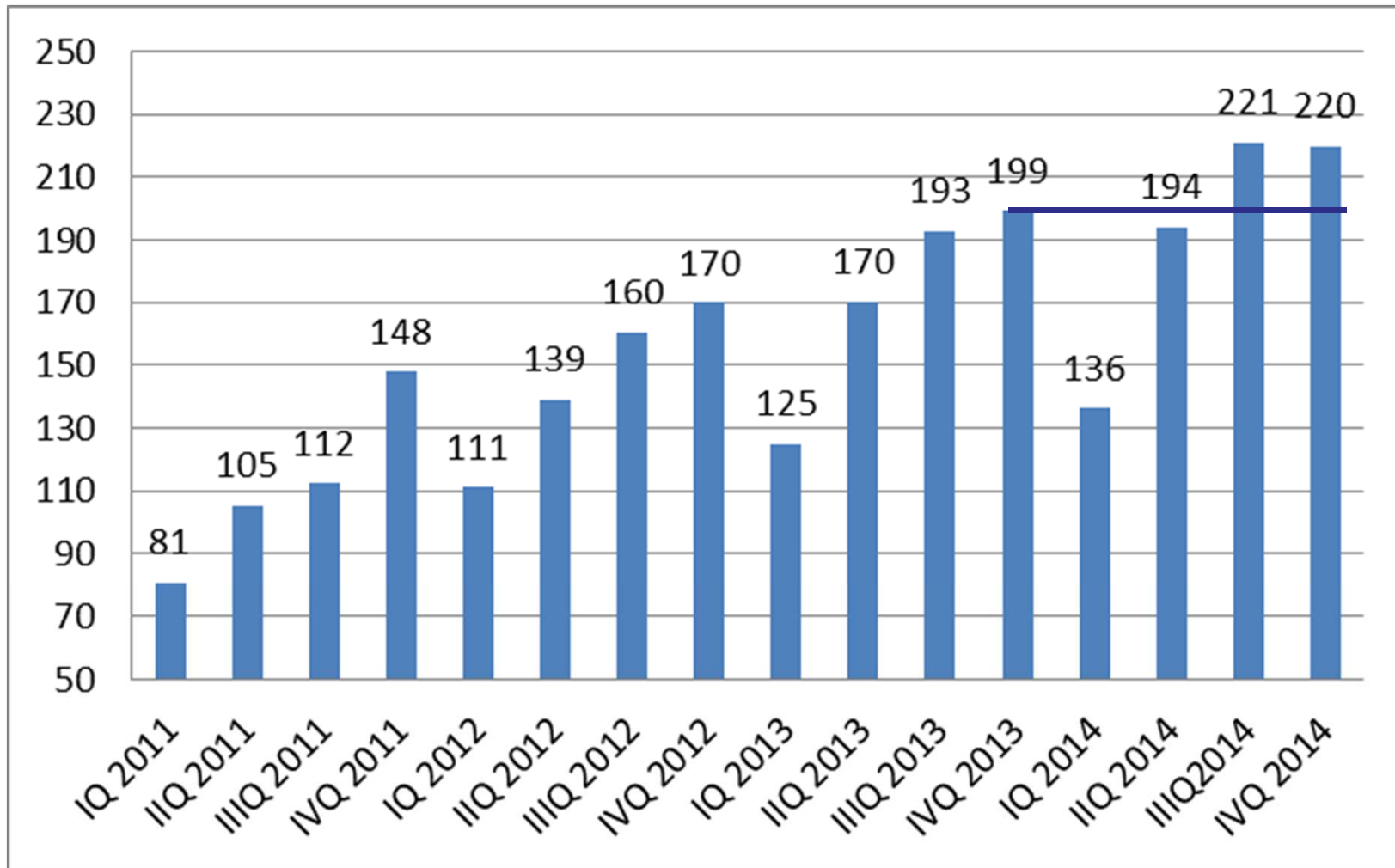
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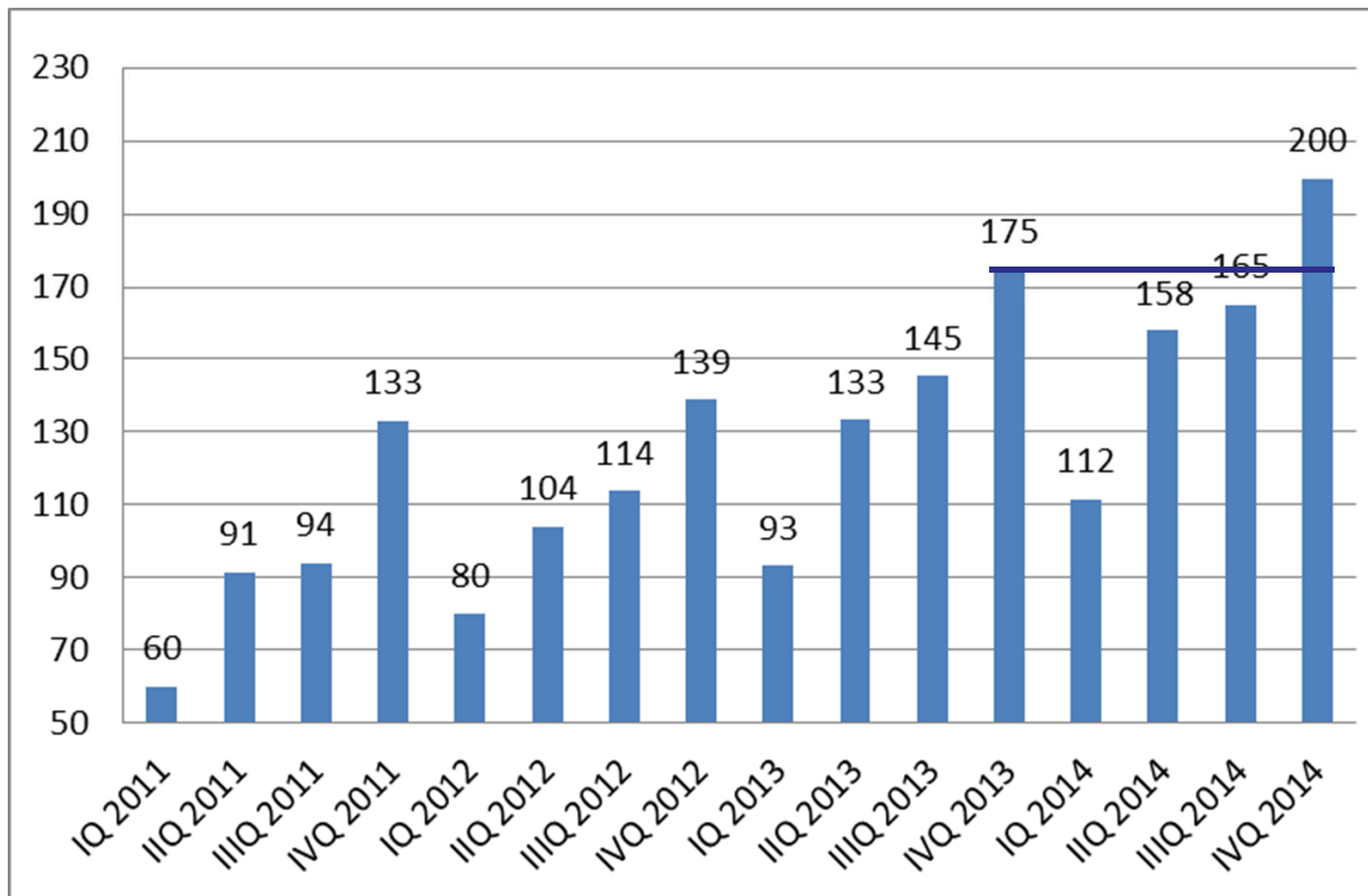


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CROPP brand - sales revenue in mln PLN



HOUSE brand - sales revenue in mln PLN



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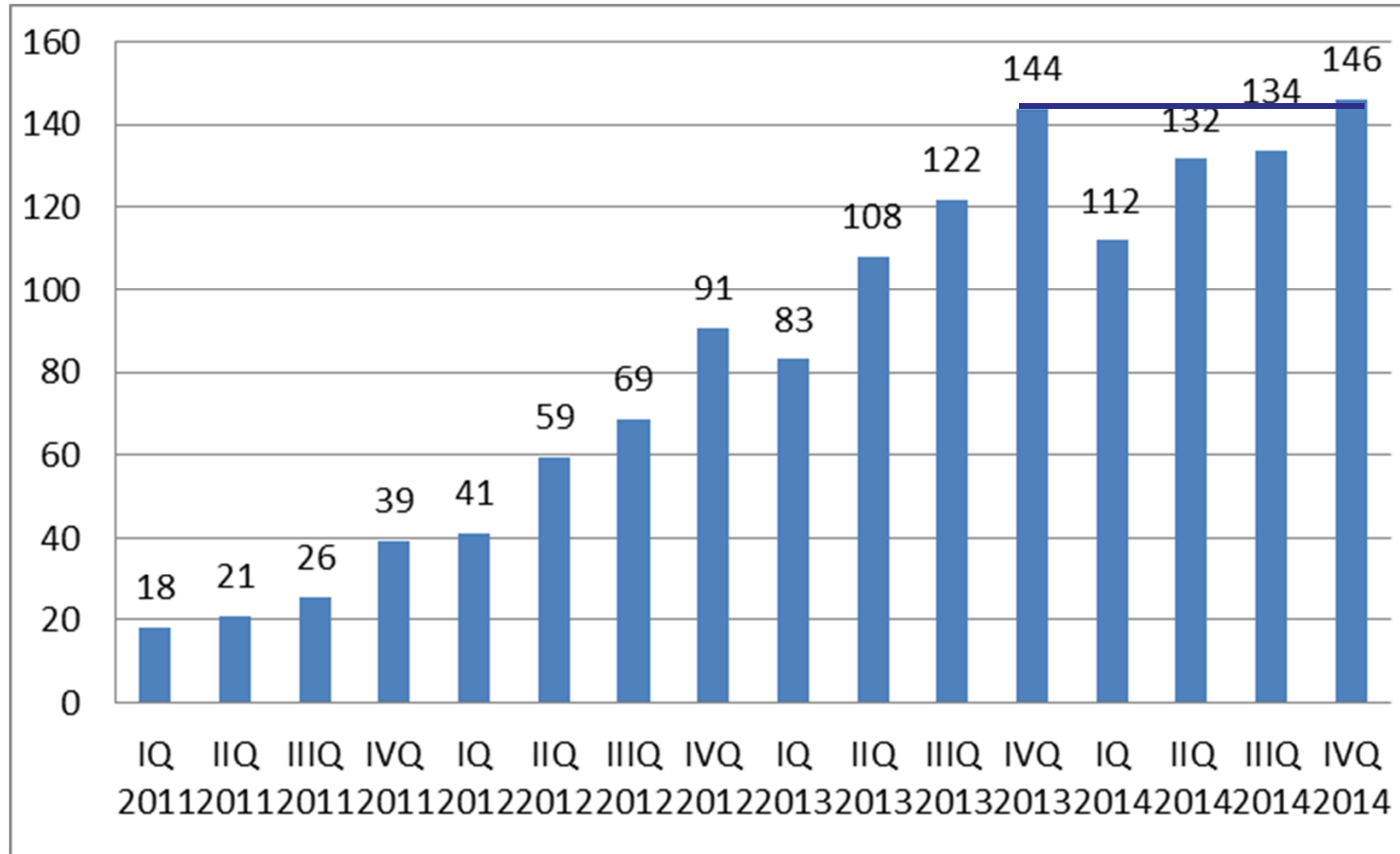
CROPP

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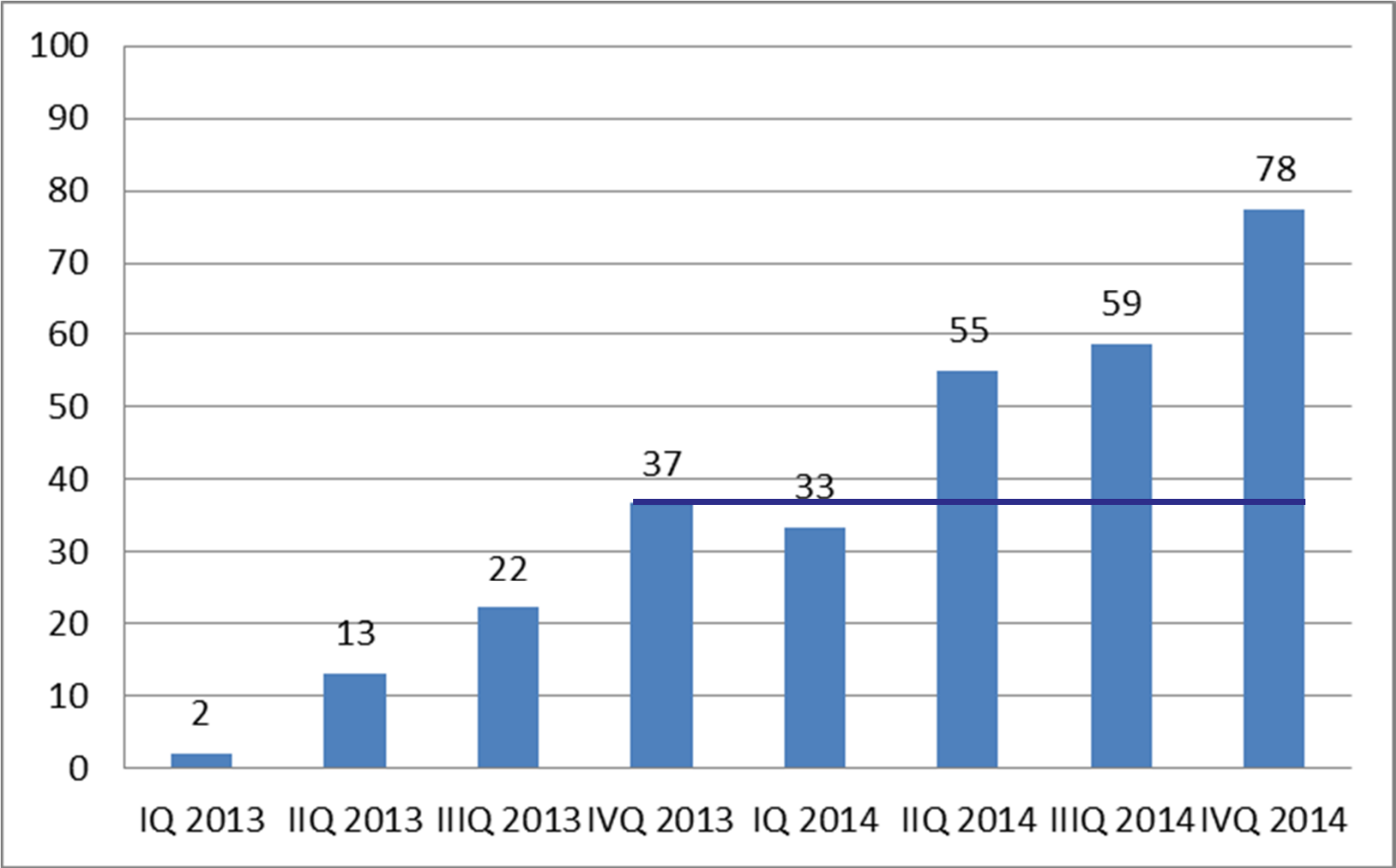


sinsay

MOHITO brand - sales revenue in mln PLN

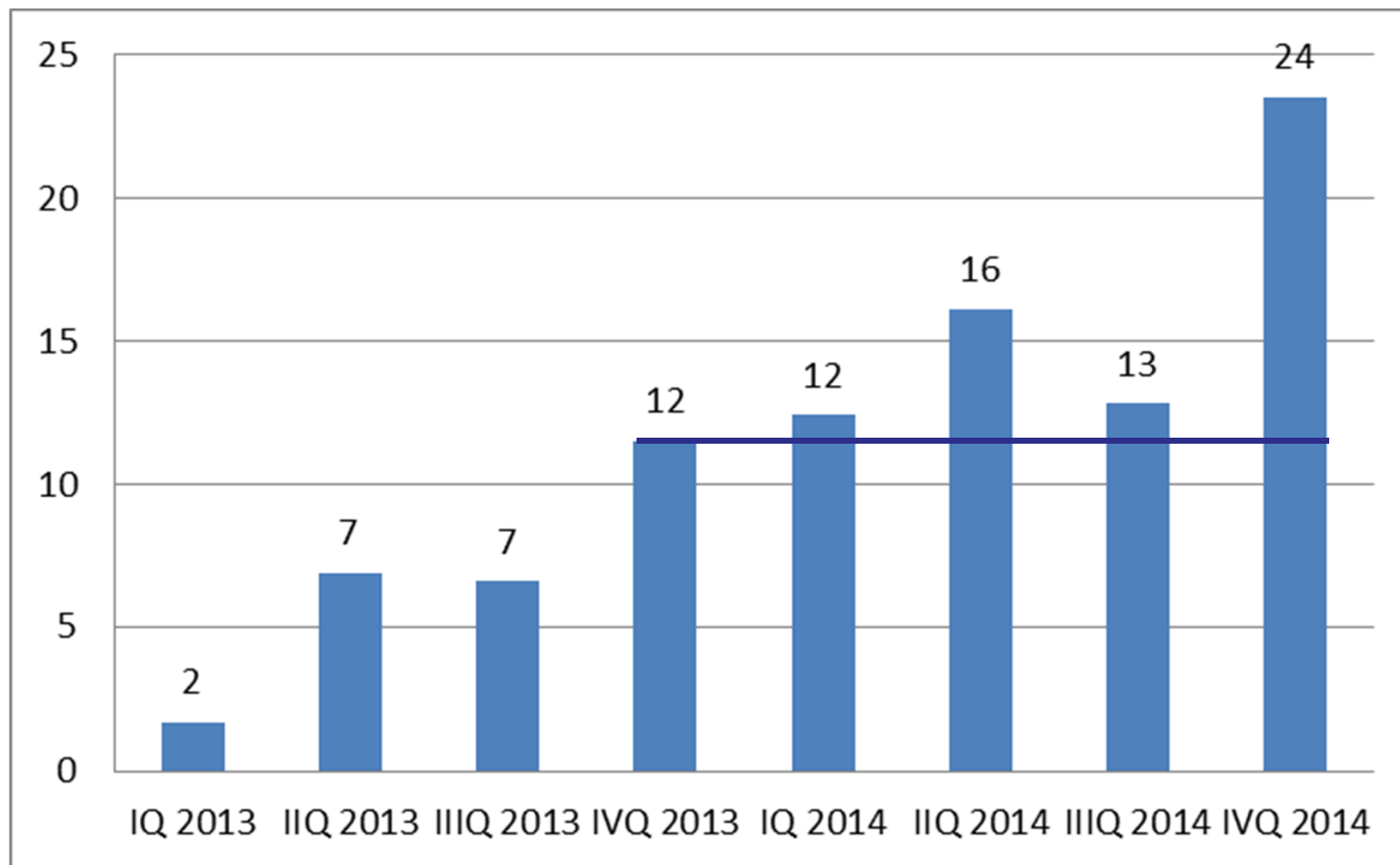


SINSAY brand - sales revenue in mln PLN



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E-commerce - sales revenue in mln PLN



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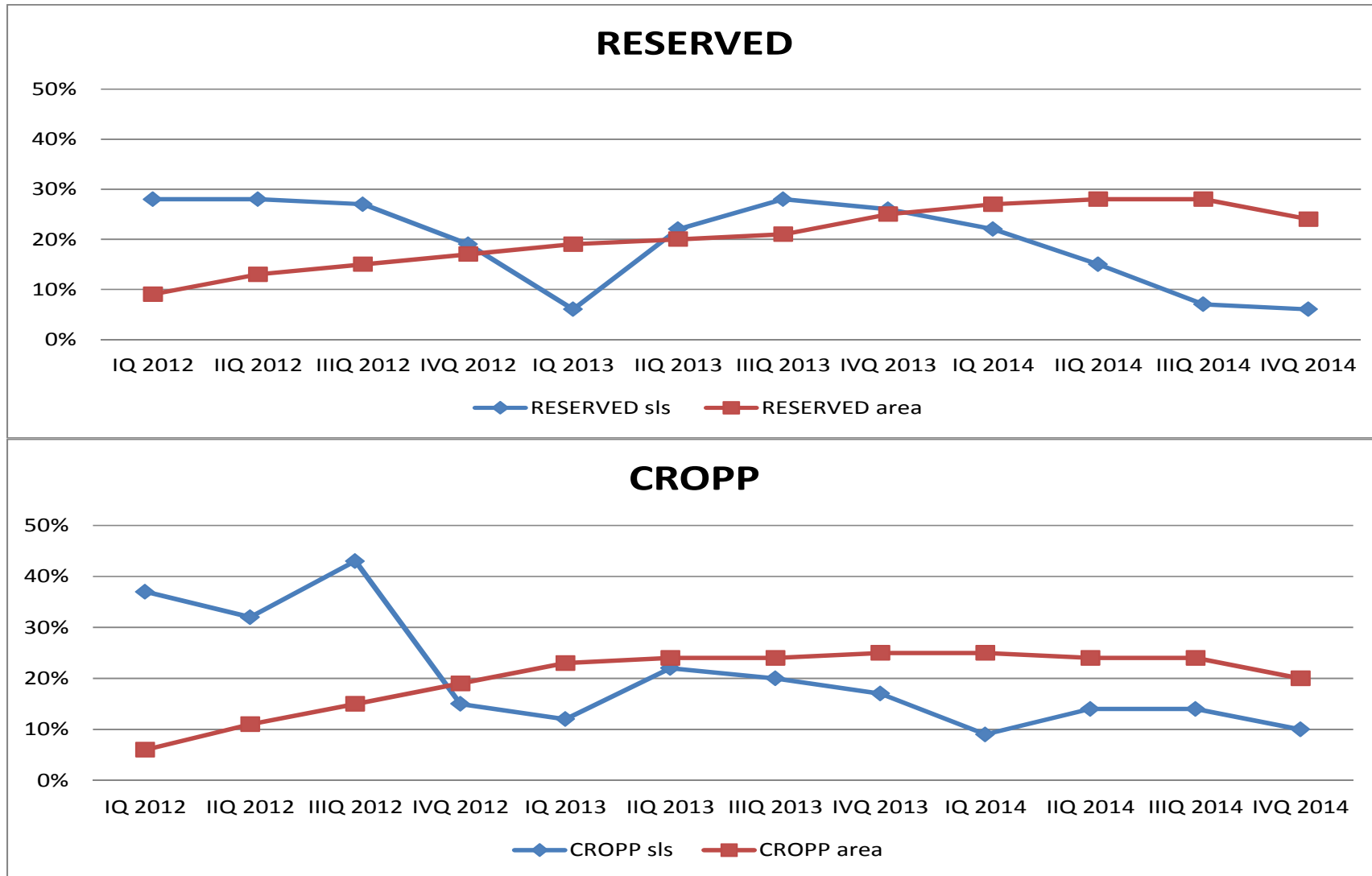
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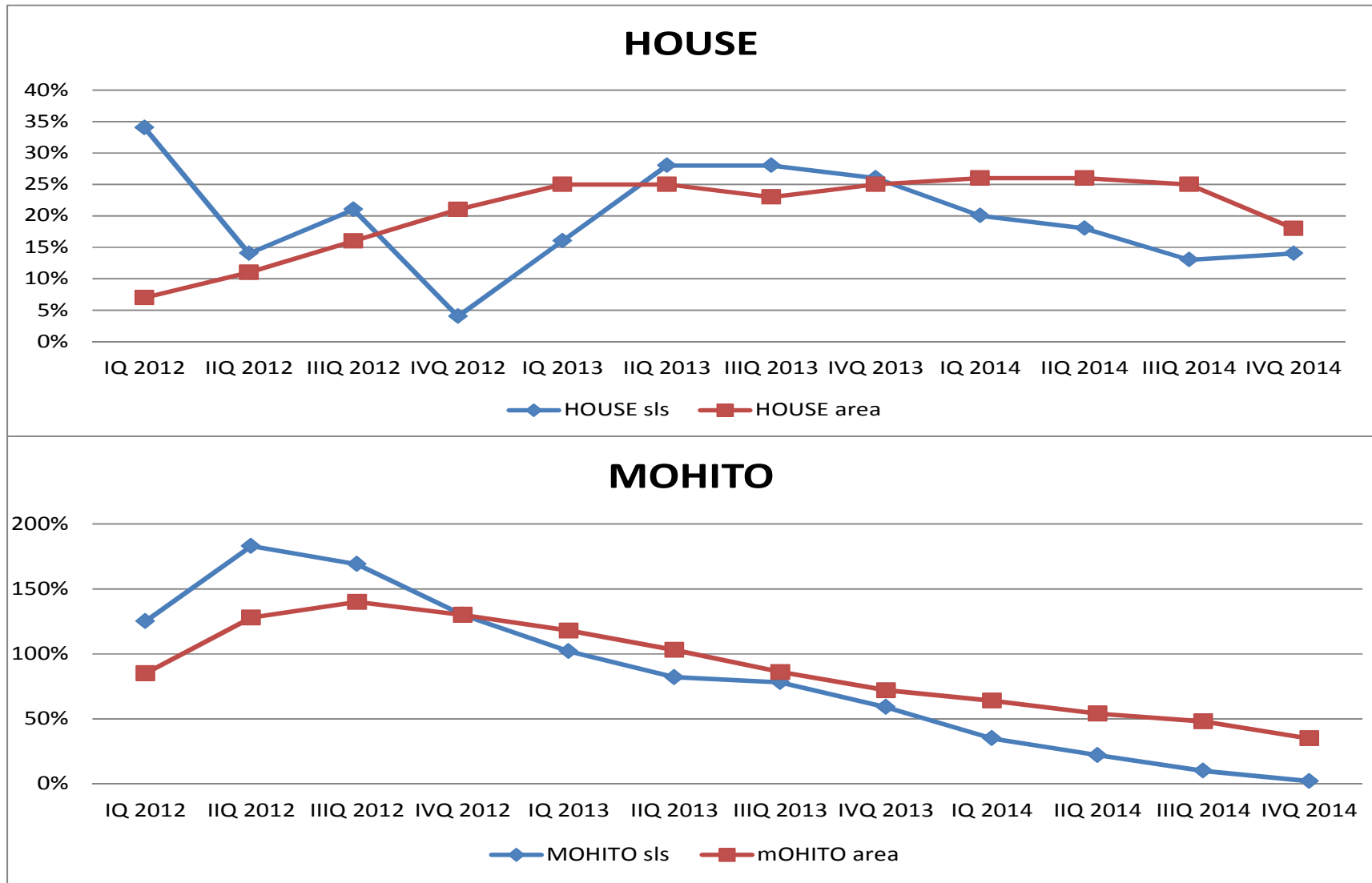


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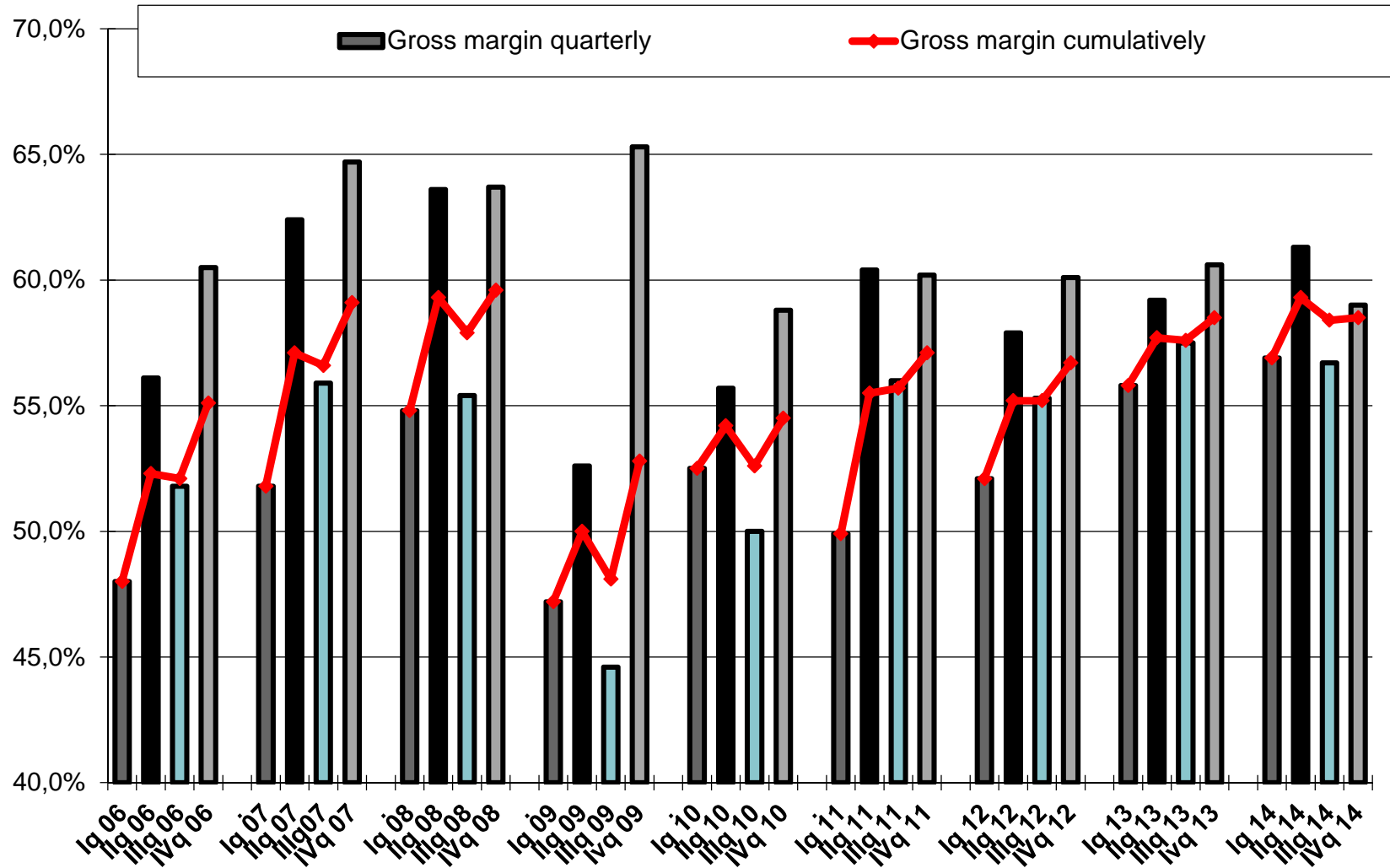
Change in sales efficiency



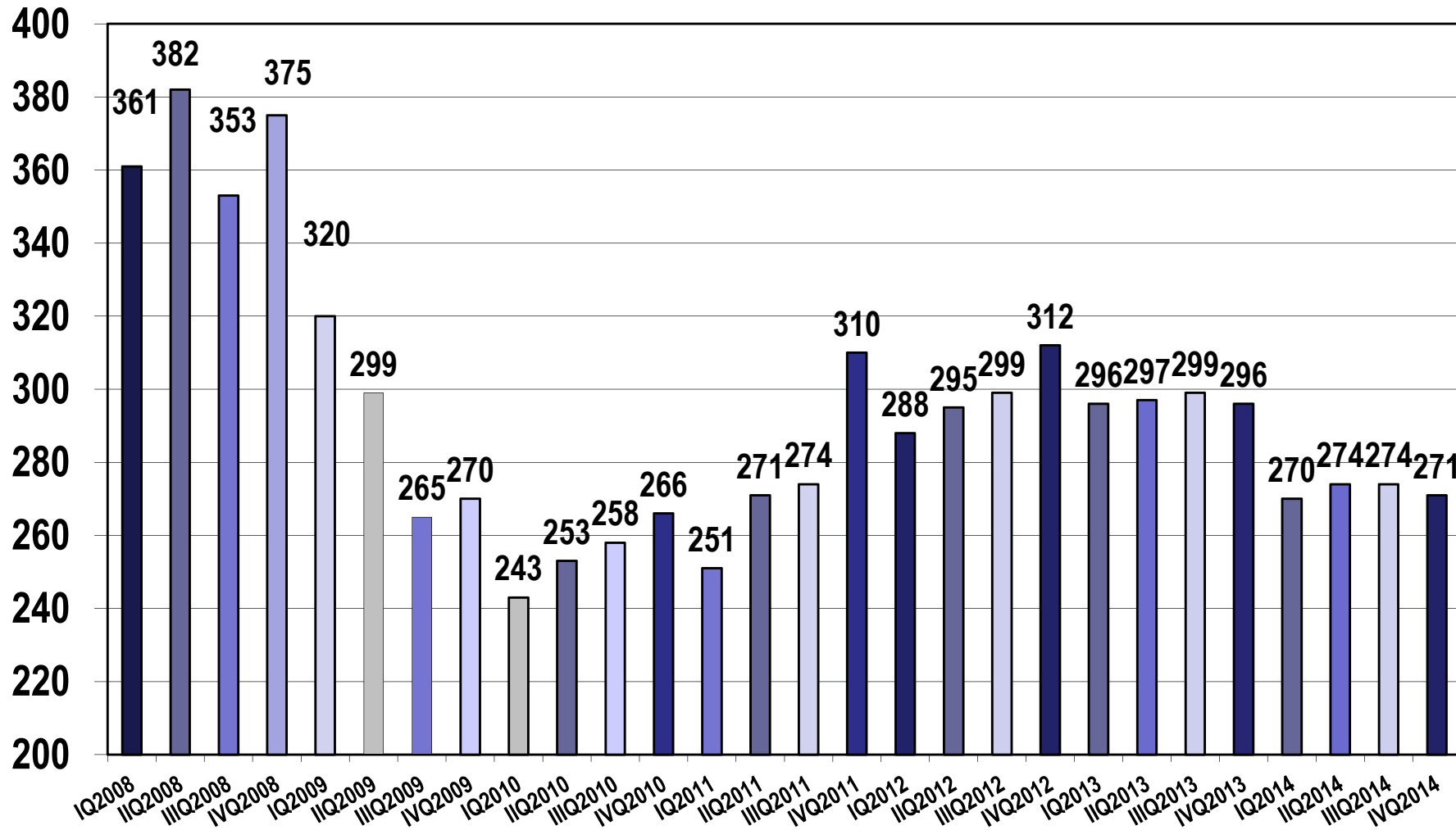
Change in sales efficiency



Gross Margin on sales (%)

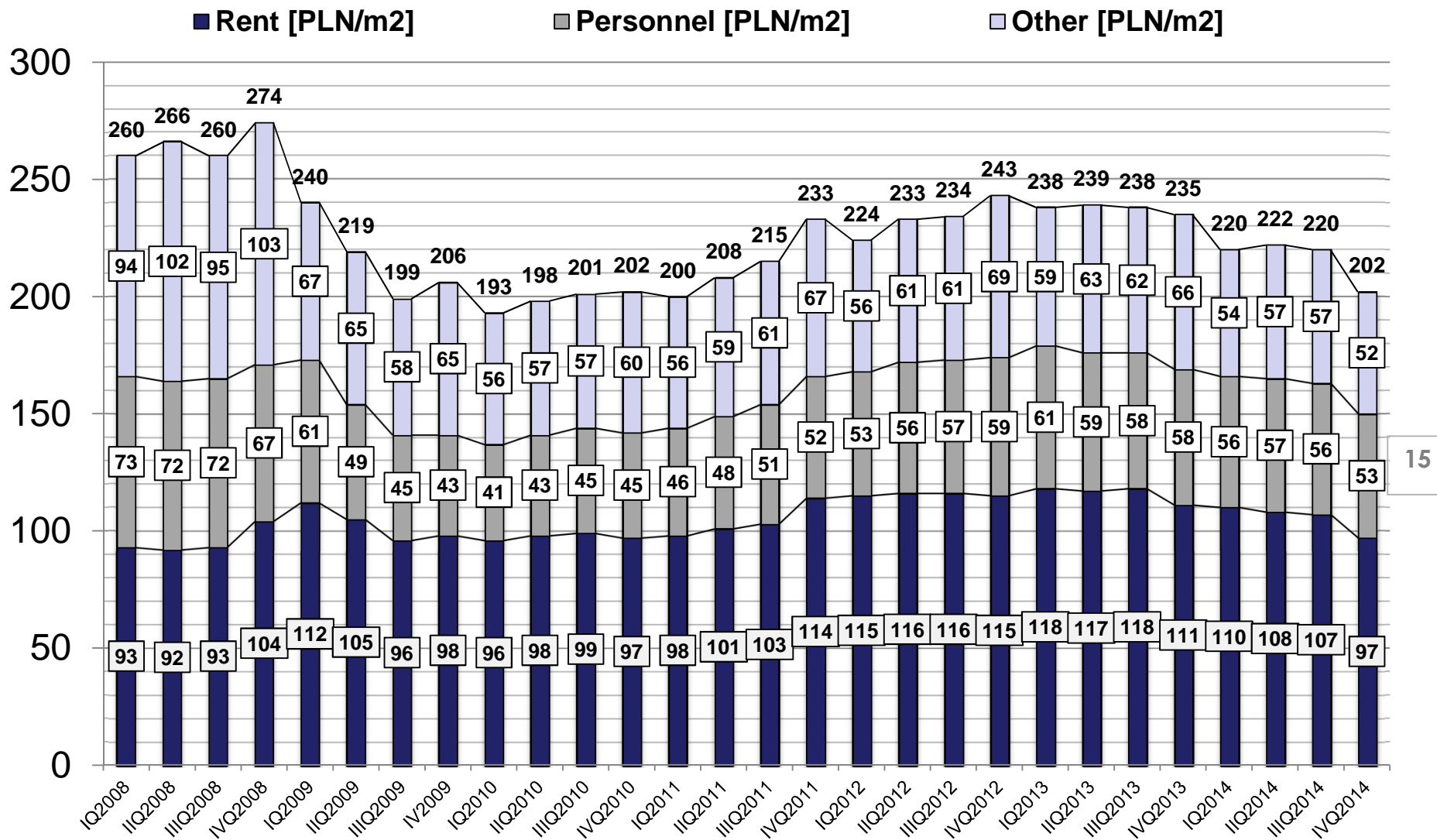


SG&A cost per sqm in PLN



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Operating costs of own stores



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P&L Consolidated for 2014

| P&L (in PLN mln) | 2014 | 2013 | change [%] |
|--------------------------|----------------|----------------|-----------------|
| Sales Revenue | 4 769,1 | 4 116,3 | 16% |
| COGS | 1 977,1 | 1 707,1 | 16% |
| Gross Margin | 2 792,0 | 2 409,2 | 16% |
| <i>Gross Margin (%)</i> | <i>58,5%</i> | <i>58,5%</i> | - |
| SG&A | 2 147,8 | 1 759,2 | 22% |
| EBITDA | 802,8 | 763,8 | 5% |
| <i>EBITDA Margin</i> | <i>16,8%</i> | <i>18,6%</i> | <i>-1,8 p.p</i> |
| EBIT | 609,2 | 615,6 | -1% |
| <i>EBIT Margin</i> | <i>12,8%</i> | <i>15,0%</i> | <i>-2,2 p.p</i> |
| Net Profit / Loss | 484,0 | 432,9 | 12% |
| <i>Net Profit Margin</i> | <i>10,1%</i> | <i>10,5%</i> | <i>-0,4 p.p</i> |

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P&L Consolidated for IVQ 2014 only

| P&L (in PLN mln) | IVQ 2014 | IVQ 2013 | change [%] |
|--------------------------|----------------|----------------|-----------------|
| Sales Revenue | 1 404,7 | 1 267,0 | 11% |
| COGS | 576,1 | 499,8 | 15% |
| Gross Margin | 828,6 | 767,2 | 8% |
| <i>Gross Margin (%)</i> | <i>59,0%</i> | <i>60,6%</i> | <i>-1,6 p.p</i> |
| SG&A | 575,6 | 495,2 | 16% |
| EBITDA | 299,9 | 302,8 | -1% |
| <i>EBITDA Margin</i> | <i>21,3%</i> | <i>23,9%</i> | <i>-2,6 p.p</i> |
| EBIT | 248,3 | 261,4 | -5% |
| <i>EBIT Margin</i> | <i>17,7%</i> | <i>20,6%</i> | <i>-2,9 p.p</i> |
| Net Profit / Loss | 247,8 | 182,0 | 36% |
| <i>Net Profit Margin</i> | <i>17,6%</i> | <i>14,4%</i> | <i>3,2 p.p</i> |

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Balance Sheet Consolidated 2014

| Balance Sheet (amounts in PLN mln) | 31 December 2014 | 31 December 2013 |
|--------------------------------------|-----------------------|-----------------------|
| <u>Fixed asset, incl:</u> | <u>1 515,4</u> | <u>1 231,90</u> |
| - intangibles | 315,8 | 281,2 |
| - tangible fixed assets | 1037,4 | 896,8 |
| <u>Current assets, incl:</u> | <u>1 416,4</u> | <u>1 259,70</u> |
| - stock in trade | 979,8 | 805,0 |
| - short term receivables | 176,1 | 163,3 |
| - cash & cash equivalents | 183,3 | 149,4 |
| Total Assets | 2 933,8 | 2 491,6 |
| <u>Equity, incl:</u> | <u>1 638,7</u> | <u>1 496,5</u> |
| - share capital | 3,7 | 3,7 |
| - current year profit / loss | 479,8 | 431 |
| <u>Long term liabilities, incl:</u> | <u>211,1</u> | <u>192,3</u> |
| - bank loans | 204,5 | 184,3 |
| <u>Short term liabilities, incl:</u> | <u>1082,1</u> | <u>802,7</u> |
| - trade liabilities | 623,6 | 547,6 |
| - bank loans | 378,3 | 173,6 |
| Total Equity & Liabilities | 2 931,9 | 2 491,6 |

Other Operating Income / Cost in 2014 [mIn PLN]

Operating Cost I-IVQ Total 80,9

| | |
|-----------------------------|------|
| 1) Impairment | 20,0 |
| 2) Inventory losses | 43,4 |
| 3) Write-offs and donations | 10,3 |

Operating Income I-IVQ Total 46,0

| | |
|----------------------|------|
| 1) Inventory surplus | 12,3 |
| 2) Sales on assets | 22,8 |
| 3) Reversed accruals | 4,2 |

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Other Financial Income / Cost in 2014 [mIn PLN]

Financial Cost I-IVQ Total 152,2

| | |
|---------------------|-------|
| 1) FX cost | 111,8 |
| 2) Interest paid | 15,9 |
| 3) Fees and charges | 3,6 |
| 4) Impairments | 10,9 |

Financial Income I-IVQ Total 2,9

| | |
|----------------------|-----|
| 1) Interest received | 2,6 |
|----------------------|-----|

Other Operating Income / Cost in IVQ 2014 [mln PLN]

Operating Cost IVQ Total 23,5

| | |
|-----------------------------|------|
| 1) Impairment | 6,1 |
| 2) Inventory losses | 13,2 |
| 3) Write-offs and donations | 2,0 |

Operating Income IVQ Total 19,0

| | |
|----------------------|------|
| 1) Inventory surplus | 3,2 |
| 2) Sales on assets | 11,4 |
| 3) Reversed accruals | 2,2 |

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Other Financial Income / Cost in IVQ 2014 [mIn PLN]

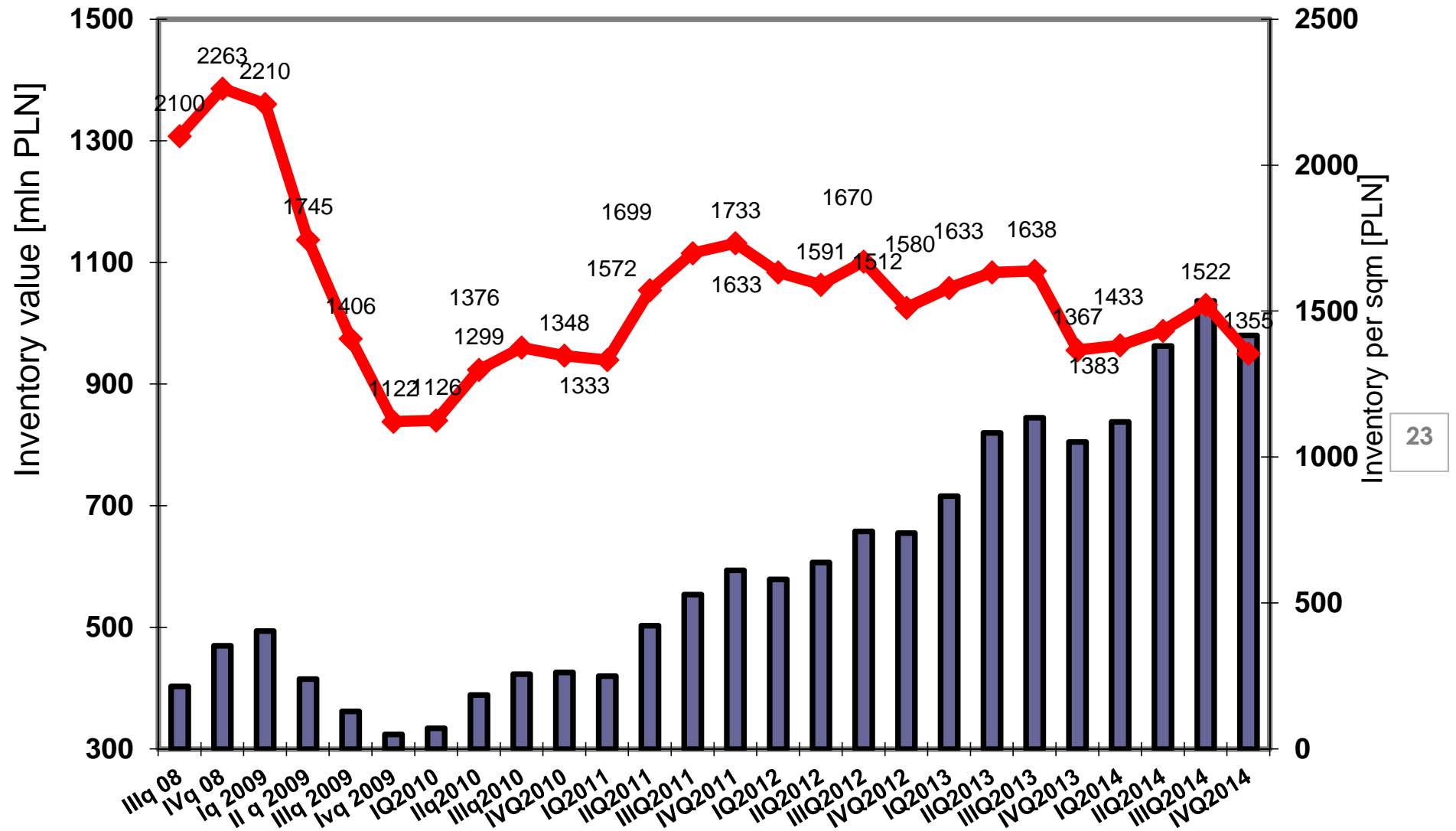
Financial Cost IVQ Total 75,6

| | |
|---------------------|------|
| 1) FX cost | 48,9 |
| 2) Interest paid | 4,9 |
| 3) Fees and charges | 0,9 |
| 4) Impairments | 10,9 |

Financial Income IVQ Total 1,0

| | |
|----------------------|-----|
| 1) Interest received | 0,8 |
|----------------------|-----|

Inventory value



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Retail network development – Plan for 2015

| Selling area ['000 sqm] | 31.12.2015 | 31.12.2014 | change | change [%] |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Reserved | 482 | 390 | 92 | 24% |
| Poland | 233 | 209 | 24 | 12% |
| EU | 125 | 84 | 41 | 49% |
| Russia + Ukraine | 109 | 97 | 12 | 13% |
| franchise | 15 | | | |
| CROPP | 117 | 106 | 12 | 11% |
| Poland | 63 | 58 | 5 | 8% |
| EU | 21 | 17 | 4 | 21% |
| Russia + Ukraine | 33 | 30 | 3 | 11% |
| House | 102 | 90 | 13 | 14% |
| Poland | 62 | 57 | 4 | 7% |
| EU | 17 | 11 | 5 | 47% |
| Russia + Ukraine | 24 | 21 | 3 | 14% |
| Mohito | 99 | 83 | 16 | 19% |
| Poland | 52 | 46 | 6 | 13% |
| EU | 17 | 12 | 5 | 42% |
| Russia + Ukraine | 29 | 25 | 4 | 15% |
| franchise | 1 | | 1 | |
| Sinsay | 62 | 44 | 18 | 41% |
| Poland | 43 | 33 | 11 | 32% |
| EU | 9 | 4 | 4 | 93% |
| Russia + Ukraine | 10 | 7 | 3 | 47% |
| Outlet | 14 | 11 | 2 | 16% |
| Total by regions | | | | |
| Poland | 466 | 414 | 52 | 13% |
| EU | 187 | 129 | 59 | 46% |
| Russia + Ukraine | 206 | 180 | 25 | 14% |
| franchise | 16 | | 16 | |
| <u>TOTAL</u> | <u>874</u> | <u>723</u> | <u>152</u> | <u>21%</u> |

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