

NO. OF STORES - 1,594

FACT SHEET 2Q15

LPP is an international retail company based in Gdańsk with over 20 years of experience in designing and selling clothes and accessories. The Company owns five well-known fashion labels: RESERVED, Cropp, House, MOHITO and SINSAY. All brands are in the mainstream price range.

LPP's stores are located in 16 countries around the world, however revenues from Poland constitute around 65% of group sales.

LPP employs c. 20,000 people. The Company does not have own factories. The majority of the production is sourced from the Far East.

SHAREHOLDERS

As at 30.06.2015	shares	%	votes	%
Marek Piechocki	175,498	9.6%	875,498	27.1%
Jerzy Lubianiec	175,000	9.6%	875,000	27.1%
Monistor Limited	200,728	11.0%	200,728	6.2%
Treasury Shares	18,978	1.0%	18,978	0.6%
Free-Float	1,260,919	68.9%	1,260,919	39.0%
TOTAL	1,831,123		3,231,123	

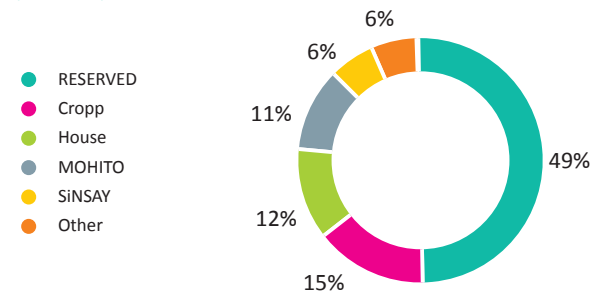
STOCK DATA

Price (30.06.2015)	6,648	EPS (2014)	265
Min (1Y)	6,525	DPS	32
Max (1Y)	10,100	Div Yield (%)	0.5
Mkt Cap (PLN m)	12,173	Ticker	LPP
Free-Float (PLN m)	8,382	Bloomberg	LPP PW
Book Value (PLN m)	1,725	Reuters	LPPPWA

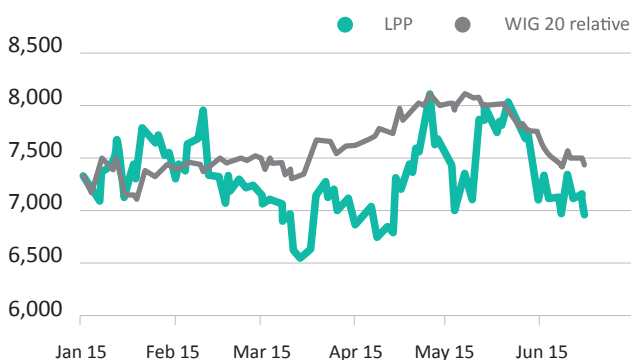
INVESTMENT THESIS

- New brands and new markets development should translate into 15% p.a. floorspace growth in the medium-term.
- Dynamic e-commerce growth.
- Efficient business model.
- Free cash flow generation allows for sustaining dividend payments.
- Experienced executives with long- term vision.

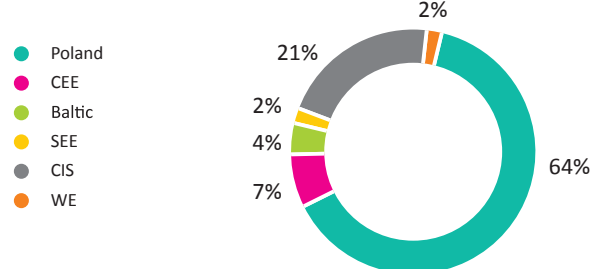
REVENUES SPLIT BY BRANDS (1H15)



SHARE PRICE PERFORMANCE



REVENUES SPLIT BY COUNTRIES (1H15)



NETWORK

	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2012	2013	2014
NO. OF STORES												
RESERVED	360	362	386	382	410	413	425	426	429	344	386	425
Cropp	333	316	337	333	376	356	366	361	382	295	337	366
House	281	267	292	292	325	302	308	304	330	259	292	308
MOHITO	188	191	219	225	243	246	256	263	268	161	219	256
SINSAY	36	44	62	77	104	113	129	141	150	0	62	129
Outlets	19	22	24	24	24	23	32	33	35	18	24	32
TOTAL	1,217	1,202	1,320	1,333	1,482	1,453	1,516	1,528	1,594	1,077	1,320	1,516
FLOORSPACE (tho m²)												
Poland	316.6	324.0	365.5	376.3	401.1	400.0	413.6	423.5	443.5	279.4	365.5	413.6
EU	70.0	72.1	80.7	80.3	100.9	107.9	128.6	139.6	147.7	60.9	80.7	128.6
CIS	115.0	119.3	142.4	148.8	170.2	173.2	180.3	183.1	183.2	93.7	142.4	180.3
ME	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	3.9	0.0	0.0	0.0
TOTAL	501.5	515.4	588.6	605.5	672.2	681.1	722.5	747.7	778.4	434.0	588.6	722.5

CONSOLIDATED INCOME STATEMENT

PLN m	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2012	2013	2014
Revenues	991.0	1,107.5	1,267.0	945.0	1,185.1	1,234.2	1,404.9	1,002.6	1,291.3	3,223.8	4,116.3	4,769.3
COGS	404.1	471.1	499.8	407.5	458.9	534.6	575.8	459.1	617.9	1,396.7	1,707.2	1,976.8
Gross profit on sales	586.9	636.4	767.2	537.6	726.2	699.6	829.1	543.4	673.4	1,827.1	2,409.2	2,792.5
SG&A costs	420.8	458.9	495.2	480.7	533.2	558.4	576.2	512.5	523.5	1,360.8	1,759.2	2,148.3
Other operating activity	-5.1	-10.0	-10.5	-8.5	-15.0	-6.9	-4.7	-7.3	-13.1	-11.9	-34.3	-35.0
EBIT	160.9	167.4	261.4	48.4	178.1	134.4	248.3	23.7	136.8	454.4	615.6	609.1
Net financials	-17.4	-33.9	-40.6	-60.8	25.5	-39.3	-74.6	-53.4	21.5	-30.3	-91.8	-149.2
Pre-tax profit	143.6	133.5	220.8	-12.4	203.5	95.1	173.7	-29.7	158.3	424.1	523.9	459.9
Tax	-23.2	-22.5	-38.9	-1.8	-35.1	-13.1	97.0	-7.6	-21.6	-70.2	-91.0	22.0
Minorities	0.5	0.5	0.5	0.7	0.8	0.3	0.6	0.0	0.0	1.5	1.9	2.3
Net income	119.9	110.5	181.5	-14.9	167.7	81.7	245.1	-37.3	136.6	352.4	431.0	479.5
EBITDA	197.1	205.1	302.9	91.4	226.5	185.0	299.9	74.1	192.5	563.4	763.8	802.8

EFFICIENCY

	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2012	2013	2014
Sales / m ² per month	697	724	755	536	610	608	663	462	567	675	664	589
Gross profit on sales / m ² per month	413	416	457	305	374	345	391	250	296	403	405	356
Costs of own stores / m ² per month	239	238	235	220	222	202	202	189	187	232	239	218
SG&A costs / m ² per month	297	299	296	270	274	274	271	236	230	300	296	274
Gross profit on sales	59.2%	57.5%	60.5%	56.9%	61.3%	56.7%	59.0%	54.2%	52.1%	56.7%	58.5%	58.6%
EBITDA margin	19.9%	18.5%	23.9%	9.7%	19.1%	15.0%	21.3%	7.4%	14.9%	17.5%	18.6%	16.8%
EBIT margin	16.2%	15.1%	20.6%	5.1%	15.0%	10.9%	17.7%	2.4%	10.6%	14.1%	15.0%	12.8%
Net margin	12.1%	10.0%	14.3%	-1.6%	14.1%	6.6%	17.4%	-3.7%	10.6%	10.9%	10.5%	10.1%
Effective tax rate	16.2%	16.9%	17.6%	-14.8%	17.2%	13.8%	-41.4%	-25.6%	13.7%	16.5%	17.4%	-4.8%
ROE	32.6%	32.3%	33.1%	29.1%	31.0%	27.9%	31.4%	29.2%	26.1%	33.4%	32.0%	30.7%

CONSOLIDATED BALANCE SHEET

PLN m	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2012	2013	2014
Non-current assets	1,066.5	1,123.6	1,231.9	1,296.2	1,395.0	1,426.2	1,516.4	1,557.5	1,638.4	909.9	1,231.9	1,516.4
Fixed assets	732.6	785.4	896.8	945.3	1,015.4	1,039.2	1,038.8	1,080.1	1,129.2	598.5	896.8	1,038.8
Intangibles (incl. goodwill)	279.7	279.8	281.2	282.5	311.4	313.4	315.9	318.2	321.0	278.7	281.2	315.9
Current assets	1,208.5	1,238.0	1,259.7	1,246.6	1,395.7	1,419.9	1,417.3	1,565.0	1,601.8	1,022.4	1,259.7	1,417.3
Inventory	820.3	845.2	805.0	837.6	963.1	1,036.8	979.3	1,131.1	1,167.1	656.1	805.0	979.3
Trade receivables	142.7	149.4	163.3	163.8	157.9	159.1	176.9	224.1	192.0	130.4	163.3	176.9
Cash and equivalents	134.1	138.0	149.4	105.4	143.7	117.1	183.5	121.9	155.7	159.4	149.4	183.5
Total assets	2,275.0	2,361.6	2,491.6	2,542.7	2,790.7	2,846.1	2,933.7	3,122.5	3,240.2	1,932.2	2,491.6	2,933.7
Equity	1,198.9	1,310.5	1,496.5	1,484.4	1,479.9	1,533.2	1,638.4	1,637.3	1,725.4	1,211.0	1,496.5	1,638.4
Long-term liabilities	192.1	187.9	192.3	210.2	210.1	203.0	210.7	207.3	217.9	131.0	192.3	210.7
Interest bearing debt	185.0	179.0	184.3	202.0	202.5	195.6	204.5	201.0	182.8	125.1	184.3	204.5
Provisions	6.1	7.9	7.9	8.1	7.6	7.4	6.3	6.3	6.9	5.7	7.9	6.3
Other long-term liabilities	1.1	1.0	0.1	0.0	0.0	0.1	0.0	0.0	28.1	0.1	0.1	0.0
Short-term liabilities	883.9	863.2	802.7	848.1	1,100.7	1,109.9	1,084.6	1,277.8	1,297.0	590.2	802.7	1,084.6
Interest bearing debt	128.8	295.8	173.6	311.8	280.0	482.7	378.3	636.0	556.1	61.0	173.6	378.3
Trade liabilities	549.1	520.3	547.6	490.2	577.8	569.3	618.6	581.2	643.5	477.8	547.6	618.6
Provisions	29.2	34.9	62.4	29.6	43.4	41.9	58.2	19.9	16.1	38.9	62.4	58.2
Other short-term liabilities	176.8	12.1	19.2	16.5	199.6	16.0	29.5	40.8	81.2	12.4	19.2	29.5
Total liabilities	2,275.0	2,361.6	2,491.6	2,542.7	2,790.7	2,846.1	2,933.7	3,122.5	3,240.2	1,932.2	2,491.6	2,933.7

INDEBTEDNESS

PLN m	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2012	2013	2014
Net debt	179.7	336.9	208.5	408.4	338.8	561.1	399.3	715.1	583.3	26.8	208.5	399.3
Cash	134.1	138.0	149.4	105.4	143.7	117.1	183.5	121.9	155.7	159.4	149.4	183.5
Debt	313.8	474.8	357.9	513.8	482.5	678.2	582.8	837.0	739.0	186.2	357.9	582.8
Net debt/EBITDA (4 quarters)	0.3	0.5	0.3	0.5	0.4	0.7	0.5	0.9	0.8	0.0	0.3	0.5

TURNOVER RATIOS

	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2012	2013	2014
Cash cycle (days)	56	53	64	82	66	68	75	107	93	66	60	70
Receivables (days)	13	12	11	16	12	12	11	18	15	14	13	13
Inventory (days)	171	159	149	181	177	168	158	207	167	163	156	165
Liabilities (days)	128	118	96	115	122	112	93	118	89	112	110	108

CONSOLIDATED CASH FLOW

PLN m	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2012	2013	2014
Operating CF	157.0	126.9	317.0	-86.8	237.0	51.8	290.9	-203.0	231.2	481.3	508.8	492.9
D&A	36.2	37.7	41.4	43.0	48.4	50.6	51.6	50.4	55.7	109.0	148.2	193.7
Investing CF	-113.3	-126.8	-181.3	-104.7	-159.4	-92.2	-119.6	-96.2	-94.4	-260.7	-518.2	-476.0
Capex	-113.7	-132.1	-193.9	-117.1	-104.2	-100.7	-110.4	-124.9	-124.9	-288.4	-541.9	-550.5
Financing CF	-17.4	3.8	-124.4	147.6	-39.4	-13.9	-104.9	237.6	-103.0	-178.1	-0.6	17.2
Total CF	26.3	3.9	11.4	-43.9	38.3	-26.5	66.4	-61.6	33.8	42.4	-10.0	34.2