

FACT SHEET 3Q15

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 17 countries around the world, however revenues from Poland constitute around 60% of group sales.

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

SHAREHOLDERS

As at 30.09.2015	shares	%	votes	%
Marek Piechocki	175,498	9.6%	875,498	27.3%
Jerzy Lubianiec	175,000	9.6%	875,000	27.2%
Forum TFI	200,728	11.0%	200,728	6.2%
Treasury Shares	18,978	1.0%	0	0.0%
Free-Float	1,260,919	68.9%	1,260,919	39.3%
TOTAL	1,831,123		3,212,145	

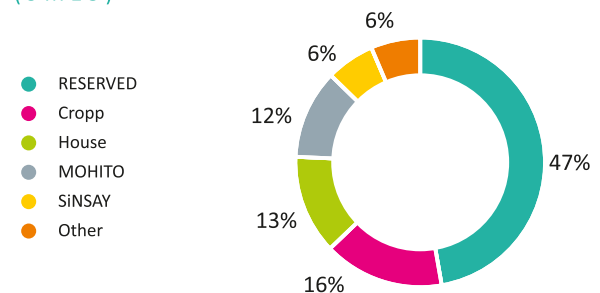
STOCK DATA

Price (30.09.2015)	7,820	EPS (2014)	265
Min (1Y)	6,525	DPS	32
Max (1Y)	10,049	Div Yield (%)	0.4
Mkt Cap (PLN m)	14,319	Ticker	LPP
Free-Float (PLN m)	9,860	Bloomberg	LPP PW
Book Value (PLN m)	1,740	Reuters	LPPPWA

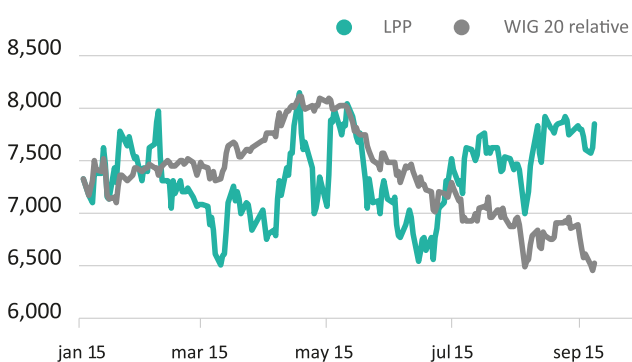
INVESTMENT THESIS

- 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.

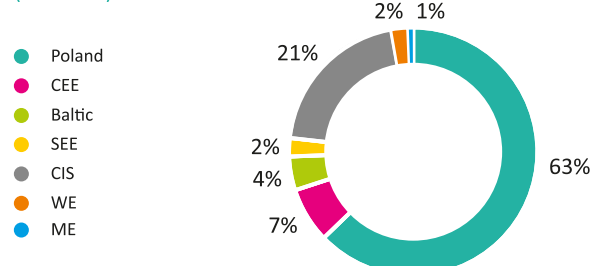
REVENUES SPLIT BY BRANDS (9M15)



SHARE PRICE PERFORMANCE



REVENUES SPLIT BY COUNTRIES (9M15)



NETWORK

	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2012	2013	2014
NO. OF STORES												
RESERVED	362	386	382	410	413	425	426	429	437	344	386	425
Cropp	316	337	333	376	356	366	361	382	362	295	337	366
House	267	292	292	325	302	308	303	330	311	259	292	308
MOHITO	191	219	225	243	246	256	262	268	271	161	219	256
SINSAY	44	62	77	104	113	129	141	150	157	0	62	129
Outlets	22	24	24	24	23	32	33	35	36	18	24	32
TOTAL	1,202	1,320	1,333	1,482	1,453	1,516	1,526	1,594	1,574	1,077	1,320	1,516
FLOORSPACE (thś m²)												
Poland	324.0	365.5	376.3	401.1	400.0	413.6	423.5	443.5	443.9	279.4	365.5	413.6
EU	72.1	80.7	80.3	100.9	107.9	128.6	140.7	147.7	161.7	60.9	80.7	128.6
CIS	119.3	142.4	148.8	170.2	173.2	180.3	181.2	183.2	187.7	93.7	142.4	180.3
ME	0.0	0.0	0.0	0.0	0.0	0.0	1.5	3.9	5.5	0.0	0.0	0.0
TOTAL	515.4	588.6	605.5	672.2	681.1	722.5	746.9	778.4	798.8	434.0	588.6	722.5

CONSOLIDATED INCOME STATEMENT

PLN m	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2012	2013	2014
Revenues	1,107.5	1,267.0	945.0	1,185.1	1,234.2	1,404.9	1,002.6	1,291.3	1,261.5	3,223.8	4,116.3	4,769.3
COGS	471.1	499.8	407.5	458.9	534.6	575.8	459.1	617.9	598.3	1,396.7	1,707.2	1,976.8
Gross profit on sales	636.4	767.2	537.6	726.2	699.6	829.1	543.4	673.4	663.2	1,827.1	2,409.2	2,792.5
SG&A costs	458.9	495.2	480.7	533.2	558.4	576.2	512.5	523.5	546.8	1,360.8	1,759.2	2,148.3
Other operating activity	-10.0	-10.5	-8.5	-15.0	-6.9	-4.7	-7.3	-13.1	-9.6	-11.9	-34.3	-35.0
EBIT	167.4	261.4	48.4	178.1	134.4	248.3	23.7	136.8	106.8	454.4	615.6	609.1
Net financials	-33.9	-40.6	-60.8	25.5	-39.3	-74.6	-53.4	21.5	-14.4	-30.3	-91.8	-149.2
Pre-tax profit	133.5	220.8	-12.4	203.5	95.1	173.7	-29.7	158.3	92.5	424.1	523.9	459.9
Tax	-22.5	-38.9	-1.8	-35.1	-13.1	72.0	-7.6	-21.6	-12.7	-70.2	-91.0	22.0
Minorities	0.5	0.5	0.7	0.8	0.3	0.6	0.0	0.0	0.0	1.5	1.9	2.3
Net income	110.5	181.5	-14.9	167.7	81.7	245.1	-37.3	136.6	79.7	352.4	431.0	479.5
EBITDA	205.1	302.9	91.4	226.5	185.0	299.9	74.1	192.5	162.6	563.4	763.8	802.8

EFFICIENCY

	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2012	2013	2014
Sales / m ² per month	724	755	536	610	608	663	462	567	535	675	664	589
Gross profit on sales / m ² per month	416	457	305	374	345	391	250	296	281	403	405	356
Costs of own stores / m ² per month	238	235	220	222	220	202	189	187	186	232	239	218
SG&A costs / m ² per month	299	296	270	274	274	271	236	230	232	300	296	274
Gross profit on sales	57.5%	60.5%	56.9%	61.3%	56.7%	59.0%	54.2%	52.1%	52.6%	56.7%	58.5%	58.6%
EBITDA margin	18.5%	23.9%	9.7%	19.1%	15.0%	21.3%	7.4%	14.9%	12.9%	17.5%	18.6%	16.8%
EBIT margin	15.1%	20.6%	5.1%	15.0%	10.9%	17.7%	2.4%	10.6%	8.5%	14.1%	15.0%	12.8%
Net margin	10.0%	14.3%	-1.6%	14.1%	6.6%	17.4%	-3.7%	10.6%	6.3%	10.9%	10.5%	10.1%
Effective tax rate	16.9%	17.6%	14.8%	17.2%	13.8%	-41.4%	-25.6%	13.7%	13.8%	16.5%	17.4%	-4.8%
ROE	32.3%	33.1%	29.1%	31.0%	27.9%	31.4%	29.2%	26.1%	24.4%	33.4%	32.0%	30.7%

CONSOLIDATED BALANCE SHEET

PLN m	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2012	2013	2014
Non-current assets	1,123.6	1,231.9	1,296.2	1,395.0	1,426.2	1,516.4	1,557.5	1,638.4	1,664.3	909.9	1,231.9	1,516.4
Fixed assets	785.4	896.8	945.3	1,015.4	1,039.2	1,038.8	1,080.1	1,129.2	1,149.0	598.5	896.8	1,038.8
Intangibles (incl. goodwill)	279.8	281.2	282.5	311.4	313.4	315.9	318.2	321.0	323.3	278.7	281.2	315.9
Current assets	1,238.0	1,259.7	1,246.6	1,395.7	1,419.9	1,417.3	1,565.0	1,601.8	1,742.2	1,022.4	1,259.7	1,417.3
Inventory	845.2	805.0	837.6	963.1	1,036.8	979.3	1,131.1	1,167.1	1,336.0	656.1	805.0	979.3
Trade receivables	149.4	163.3	163.8	157.9	159.1	176.9	224.1	192.0	186.6	130.4	163.3	176.9
Cash and equivalents	138.0	149.4	105.4	143.7	117.1	183.5	121.9	155.7	119.9	159.4	149.4	183.5
Total assets	2,361.6	2,491.6	2,542.7	2,790.7	2,846.1	2,933.7	3,122.5	3,240.2	3,406.6	1,932.2	2,491.6	2,933.7
Equity	1,310.5	1,496.5	1,484.4	1,479.9	1,533.2	1,638.4	1,637.3	1,725.4	1,739.7	1,211.0	1,496.5	1,638.4
Long-term liabilities	187.9	192.3	210.2	210.1	203.0	207.3	217.9	217.9	360.6	121.0	192.3	210.7
Interest bearing debt	179.0	184.3	202.0	202.5	195.6	204.5	201.0	182.8	320.3	125.1	184.3	204.5
Provisions	7.9	7.9	8.1	7.6	7.4	6.3	6.3	6.9	7.1	5.7	7.9	6.3
Other long-term liabilities	1.0	0.1	0.0	0.0	0.1	0.0	0.0	28.1	33.2	0.1	0.1	0.0
Short-term liabilities	863.2	802.7	848.1	1,100.7	1,109.9	1,084.6	1,277.8	1,297.0	1,306.3	590.2	802.7	1,084.6
Interest bearing debt	295.8	173.6	311.8	280.0	482.7	378.3	636.0	556.1	586.4	61.0	173.6	378.3
Trade liabilities	520.3	547.6	490.2	577.8	569.3	618.6	581.2	643.5	687.4	477.8	547.6	618.6
Provisions	34.9	62.4	29.6	43.4	41.9	58.2	19.9	16.1	14.2	38.9	62.4	58.2
Other short-term liabilities	12.1	19.2	16.5	199.6	16.0	29.5	40.8	81.2	18.3	12.4	19.2	29.5
Total liabilities	2,361.6	2,491.6	2,542.7	2,790.7	2,846.1	2,933.7	3,122.5	3,240.2	3,406.6	1,932.2	2,491.6	2,933.7

INDEBTEDNESS

PLN m	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2012	2013	2014
Net debt	336.9	208.5	408.4	338.8	561.1	399.3	715.1	583.3	786.9	26.8	208.5	399.3
Cash	138.0	149.4	105.4	143.7	117.1	183.5	121.9	155.7	119.9	159.4	149.4	183.5
Debt	474.8	357.9	513.8	482.5	678.2	582.8	837.0	739.0	906.8	186.2	357.9	582.8
Net debt/EBITDA (4 quarters)	0.5	0.3	0.5	0.4	0.7	0.5	0.9	0.8	1.1	0.0	0.3	0.5

TURNOVER RATIOS

	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2012	2013	2014
Cash cycle (days)	53	64	82	66	68	75	107	88	97	66	60	70
Receivables (days)	12	11	16	12	12	11	18	15	14	14	13	13
Inventory (days)	159	149	181	177	168	158	207	167	188	163	156	165
Liabilities (days)	118	96	115	122	112	93	118	94	105	112	110	108

CONSOLIDATED CASH FLOW

PLN m	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	2012	2013	2014
Operating CF	126.9	317.0	-86.8	237.0	51.8	290.9	-203.0	231.2	-39.4	481.3	508.8	492.9
D&A	37.7	41.4	43.0	48.4	50.6	51.6	55.7	50.8	55.8	109.0	148.2	193.7
Investing CF	-126.8	-181.3	-104.7	-159.4	-92.2	-119.6	-96.2	-94.4	-100.0	-260.7	-518.2	-476.0
Capex	-132.1	-193.9	-117.1	-172.4	-100.7	-160.4	-104.4	-124.9	-108.8	-288.4	-541.9	-550.5
Financing CF	3.8	-124.4	147.6	-39.4	-13.9	-104.9	237.6	-103.0	103.5	-178.1	-0.6	17.2
Total CF	3.9	11.4	-43.9	38.3	-26.5	66.4	-61.6	33.8	-35.8	42.4	-10.0	34.2