LPP

FINANCIAL RESULTS FOR 3Q15

GLOBAL ASPIRATIONS

WARSAW, 12th NOVEMBER 2015

RESERVED CROPP house MOHITO sinsay

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AGENDA

- Executive summary
- 3Q15 financial results
- Key corporate events
- 2015 and 2016 outlook
- Q&A

Over PLN 3.5bn revenues in 9M15

1,574
STORES
17
COUNTRIES

-0.2%
LFLs
+17%
SPACE m2

PLN 3,555m
REVENUES
+5.7%

53%
GROSS PROFIT MARGIN

-16%
SG&A / m2

PLN 267m EBIT

Key 3Q15 achievements

Openings in Czech Rep. and Slovakia

New stores in
Czech Rep. (4) and Slovakia (5)
6,700m2

August/September 2015

First store in Saudi Arabia

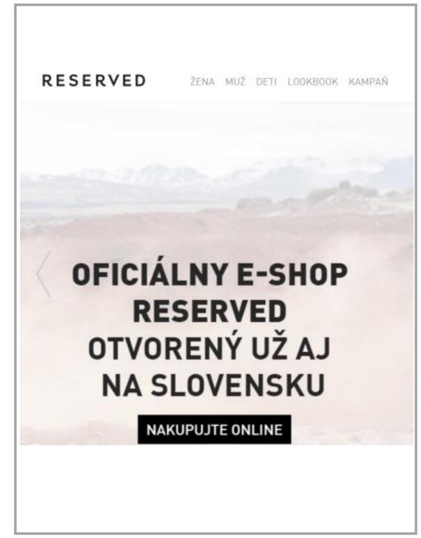
RESERVED franchise store
in Saudi Arabia
1,594m2

September 2015

Largest flagship in Germany

RESERVED own store
in Stuttgart
3,910m2

September 2015



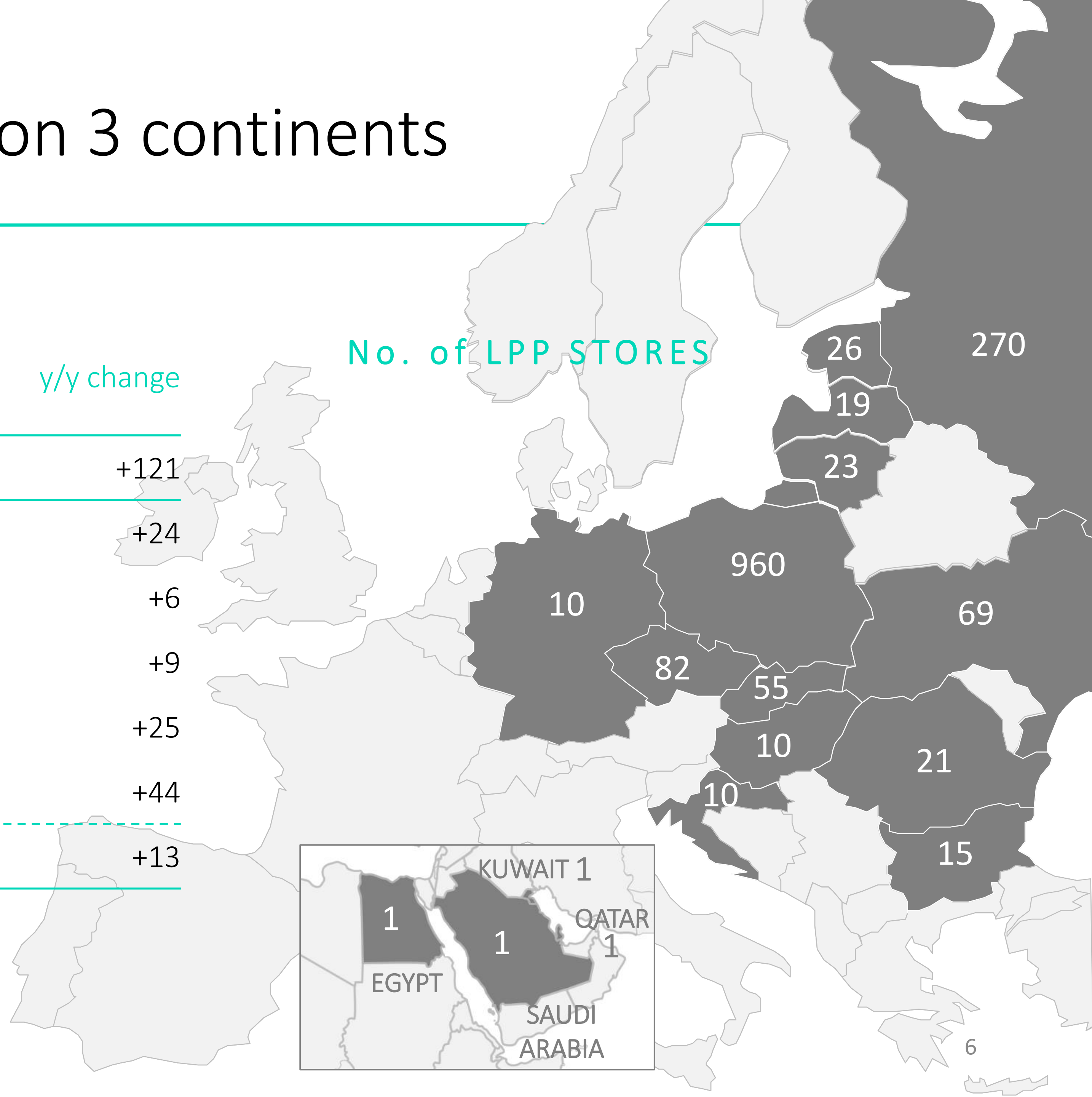
On-line store in Slovakia

Fourth country with
RESERVED
on-line offer

October 2015

1,574 stores on 3 continents

As at 30.09.2015	No of stores	y/y change
LPP GROUP	1,574	+121
RESERVED	437	+24
Cropp	362	+6
House	311	+9
MOHITO	271	+25
SiNSAY	157	+44
Outlets	36	+13



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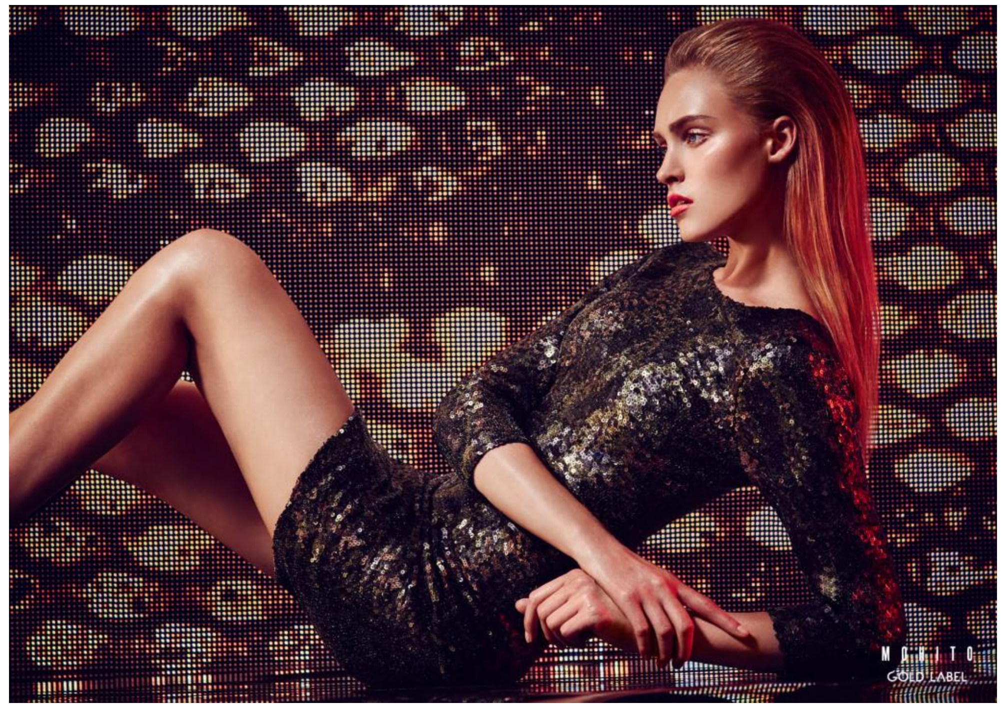
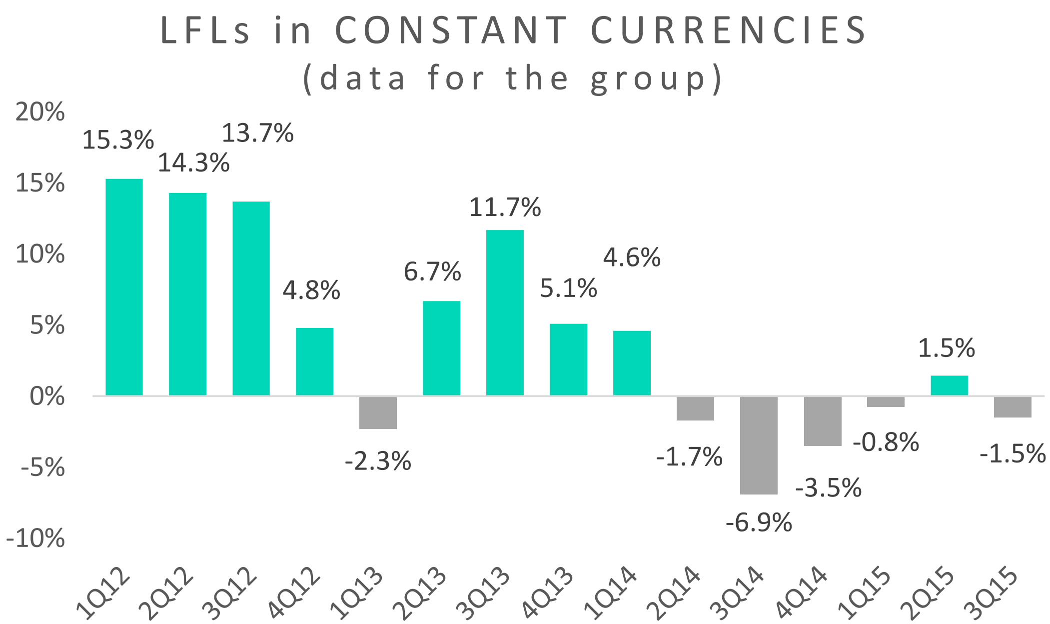
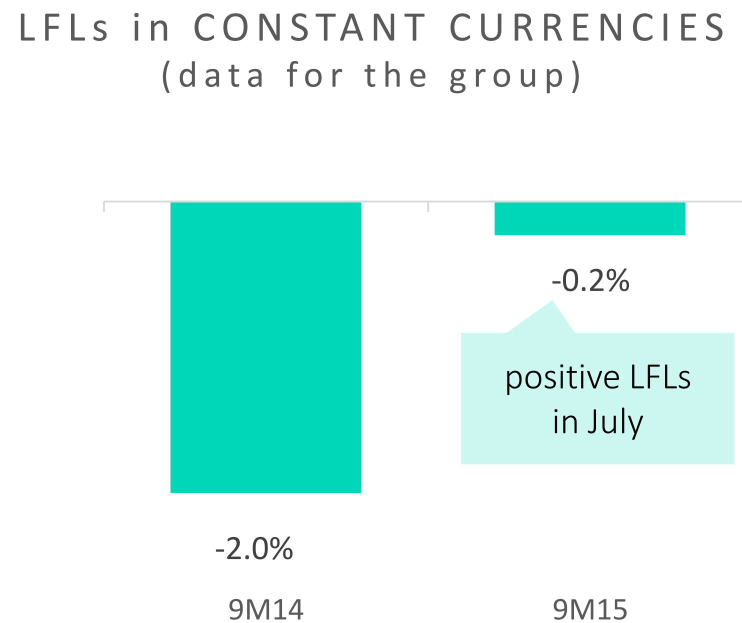


LFL dynamics slightly below zero

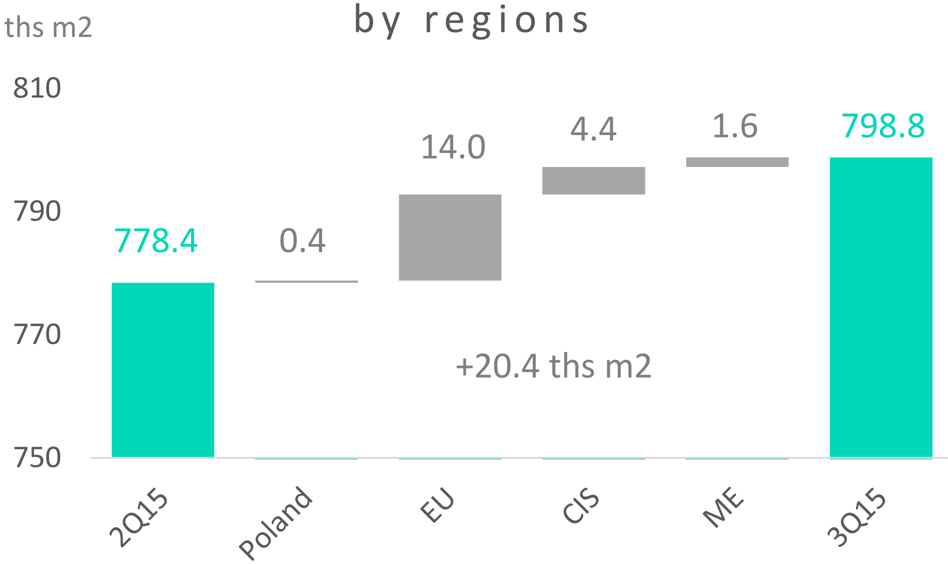




- All brands showed positive LFLs in 3Q15 apart from RESERVED. Strong result of MOHITO.
- Lower traffic (especially during hot August) and limited back-to-school effect resulted in negative LFLs in Poland in 3Q15.
- Despite political issues, LFLs in Russia and Ukraine remained double-digit positive in 3Q15 (September showed weaker positive dynamics than two summer months).

Growth in floorspace by regions

FLOORSPACE GROWTH
by regions



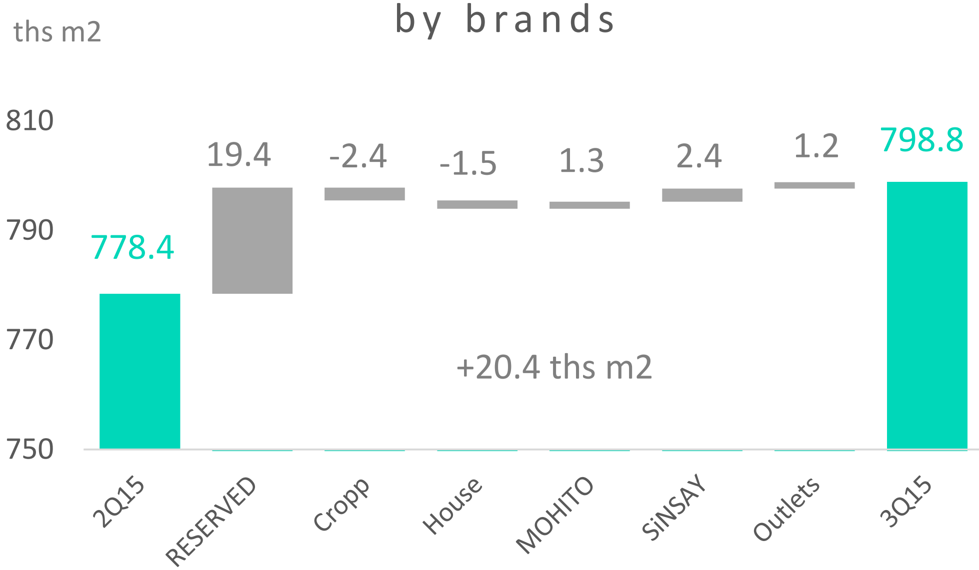
3Q15 FLOORSPACE
by regions

ths m2	3Q14	3Q15	YoY
LPP GROUP	681.1	798.8	17.3%
Poland	400.0	443.9	11.0%
EU	107.9	161.7	49.8%
CIS	173.2	187.7	8.4%
ME	0.0	5.5	N/M

- Poland: limited floorspace growth due to closing down of Cropp and House seasonal stores.
- Dynamic EU region growth in 3Q15 due to: (1) development in Germany (3 new stores, 8 ths m2) and (2) openings in Czech Republic and Slovakia.
- No openings in Russia in 3Q15. Stores of 4 brands in a new shopping mall in Lvov (Ukraine).
- Another country entered in the Middle East (Saudi Arabia, 1 store).

RESERVED the key floorspace driver

FLOORSPACE GROWTH by brands

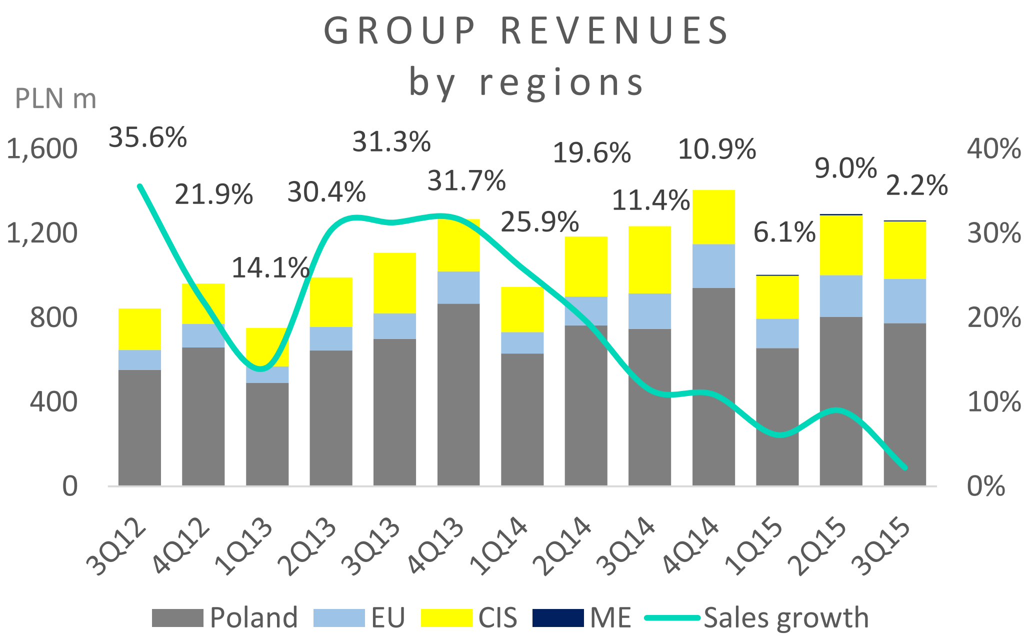


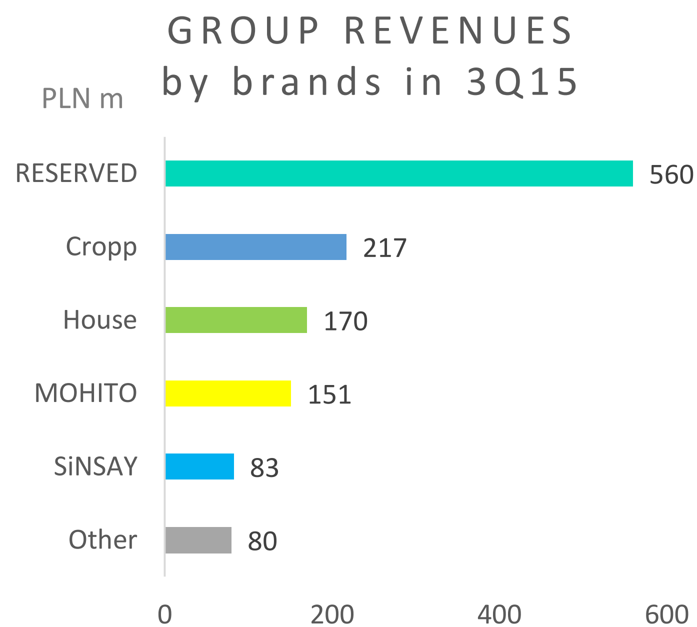
3Q15 FLOORSPACE by brands

ths m2	3Q14	3Q15	YoY
LPP GROUP	681.1	798.8	17.3%
RESERVED	367.4	435.7	18.6%
Cropp	101.2	109.1	7.8%
House	87.3	95.2	9.0%
MOHITO	78.4	90.3	15.2%
SiNSAY	38.0	54.8	44.2%
Outlets	8.8	13.6	41.1%

- Dynamic RESERVED development due to openings in Germany, Poland and the Middle East.
- In 3Q15 the majority of MOHITO and SiNSAY openings took place outside of Poland.
- Negative dynamics in Cropp and House floorspace result from closing down of seasonal stores (c. 6 ths m2) in Poland.

Growth in group revenues



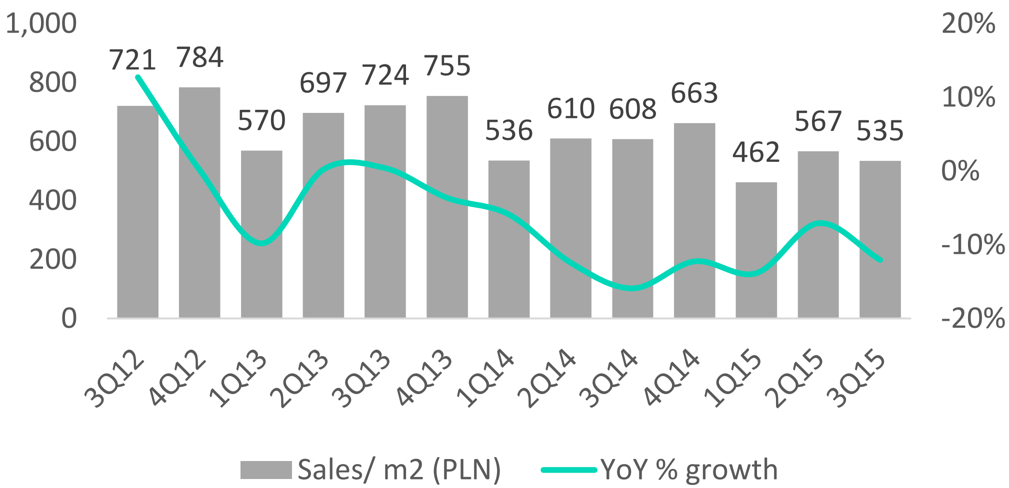


- Group revenues up 2.2% YoY in 3Q15 due to higher floorspace.
- The largest nominal revenue growth in 3Q15 took place in Poland, Germany, Romania and Croatia.
- Revenues in Ukraine were flat YoY, while Russia showed YoY falls (rubble depreciation to PLN, macroeconomic issues).
- MOHITO and SiNSAY were the largest revenue growth contributors by brands.

LPP

Growth in floorspace lowers sales/ m2

SALES/ m2 average per month

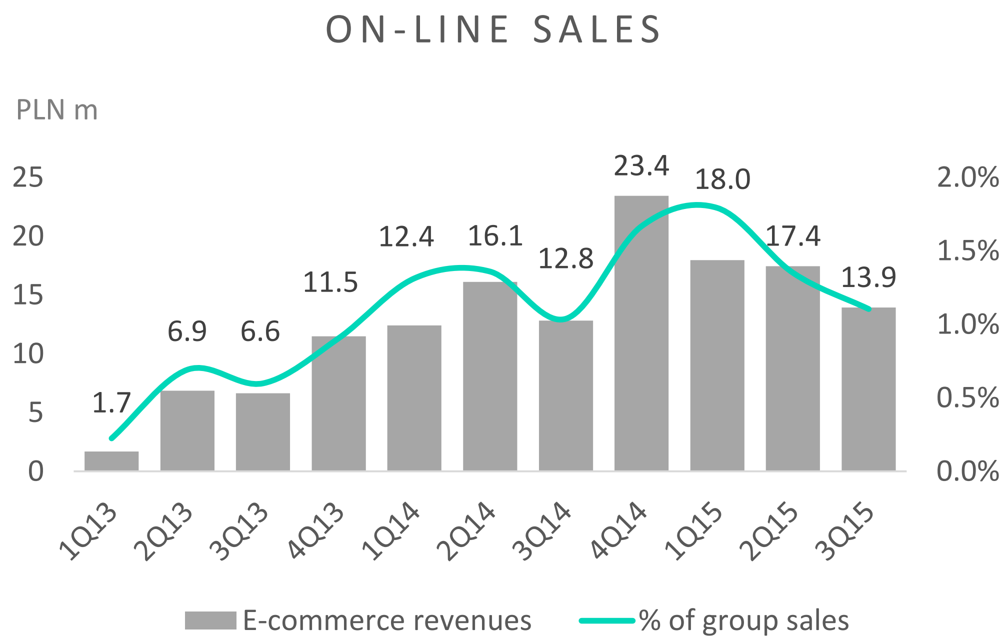


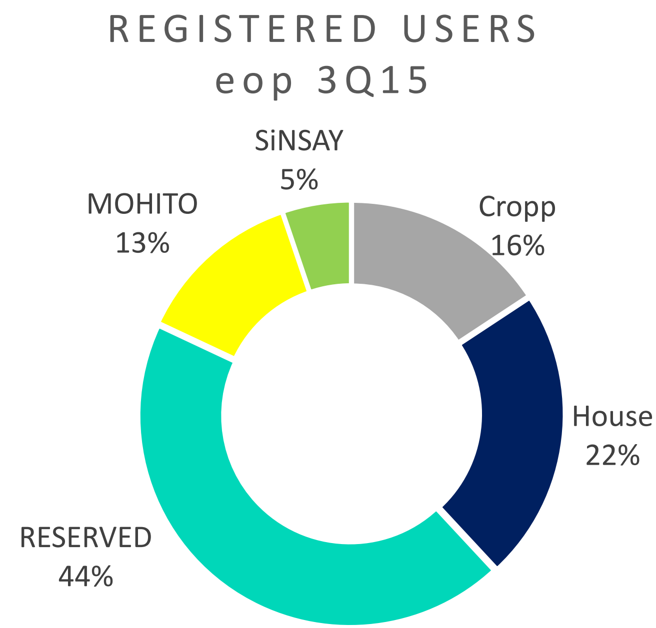
RETAIL SALES/ m2

PLN (m-c)	3Q14	3Q15	YoY
LPP GROUP	571	504	-11.7%
Poland	594	544	-8.6%
EU	494	456	-7.8%
CIS	572	463	-19.0%

- Falls in sales/ m2 in PLN in Russia, due to macroeconomic situation and rubble depreciation. Despite similar tendencies, sales/ m2 in PLN in Ukraine was flat YoY.
- In 3Q15, in local currencies, sales/ m2 grew 14% YoY in Russia while 38% YoY in Ukraine.
- Growth in 3Q15 sales/ m2 in PLN took place in Latvia and Romania, while flattish YoY result was recorded in Ukraine, Czech Republic and Slovakia.

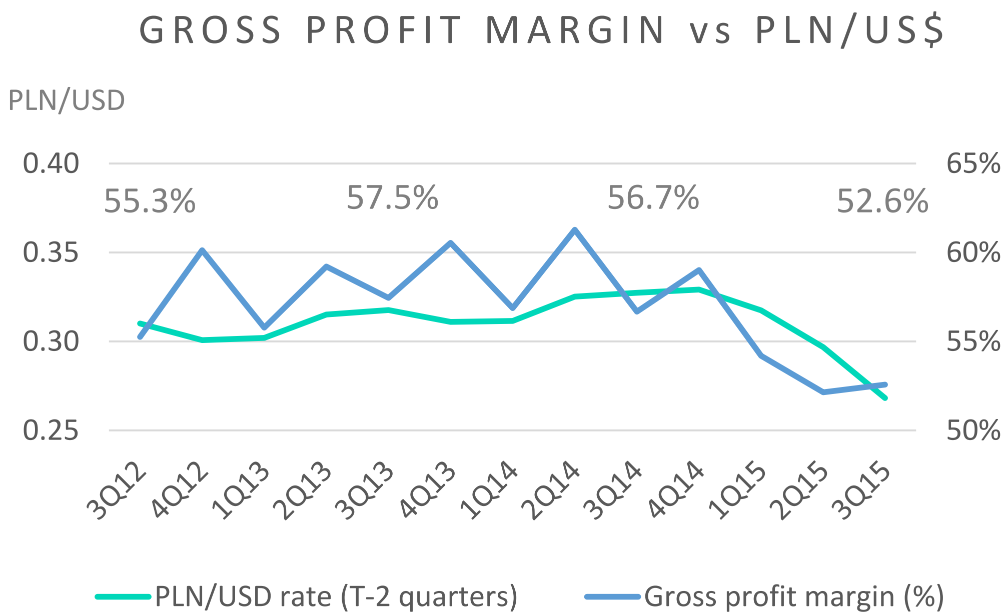
E-commerce development continues

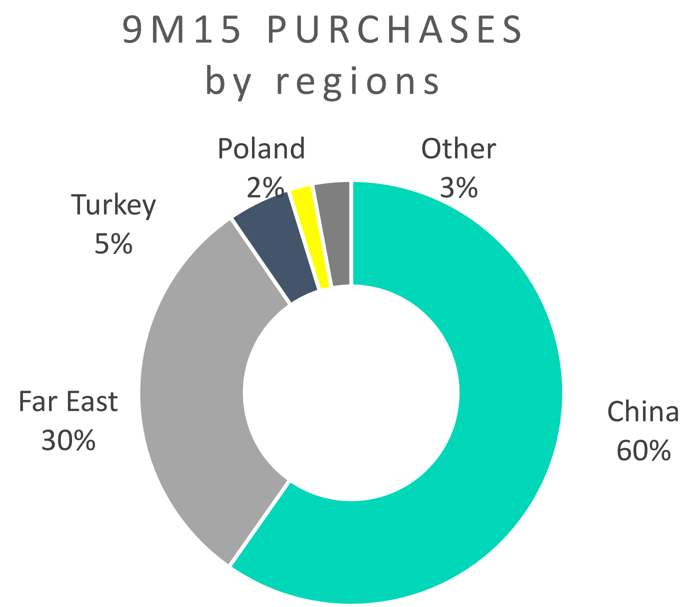




- On-line sales constituted 1.1% of group revenues in 3Q15.
- Each of the 5 brands has its own internet store in Poland.
- RESERVED on-line store operates also in Germany, Czech Republic and Slovakia.

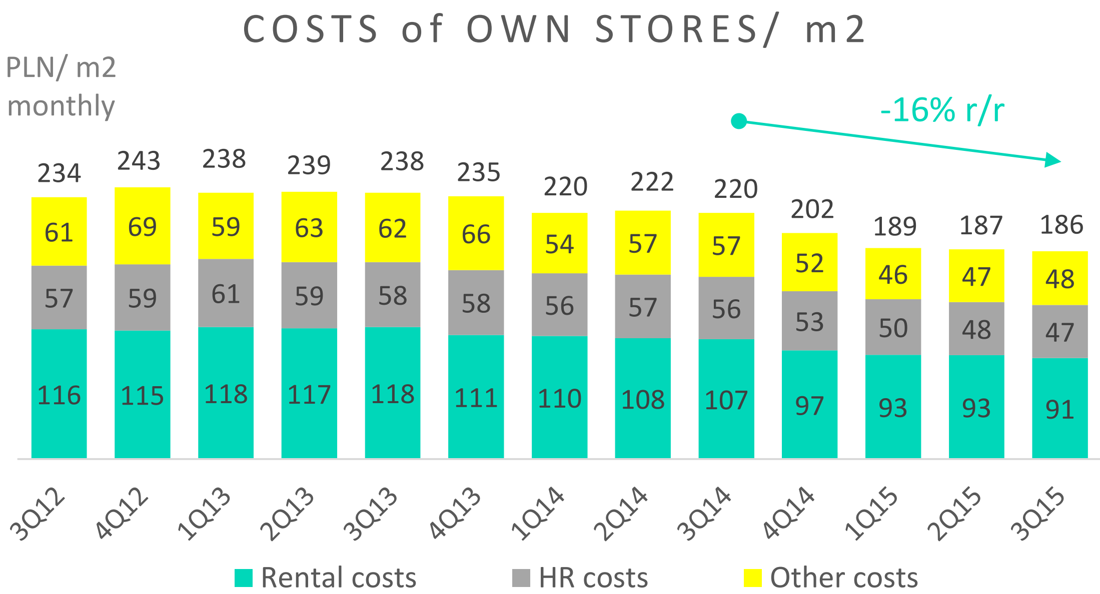
Stronger US$ increases COGS

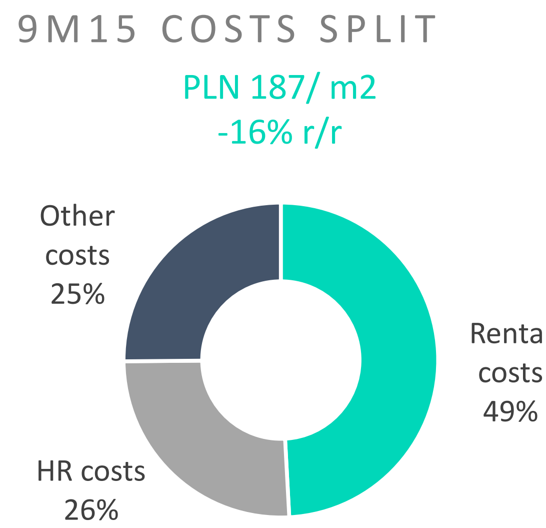




- Fall in 3Q15 gross profit margin due to sell-offs of excessive inventory in July and August.
- The new improved collection (in stores since mid-August) sold at more favourable margins (September gross profit margin at 58%).
- Yuan devaluation: new contracts with Chinese suppliers signed at more favourable terms.
- Seasonal pick-up in China in 9M5 purchases vs 6M15.

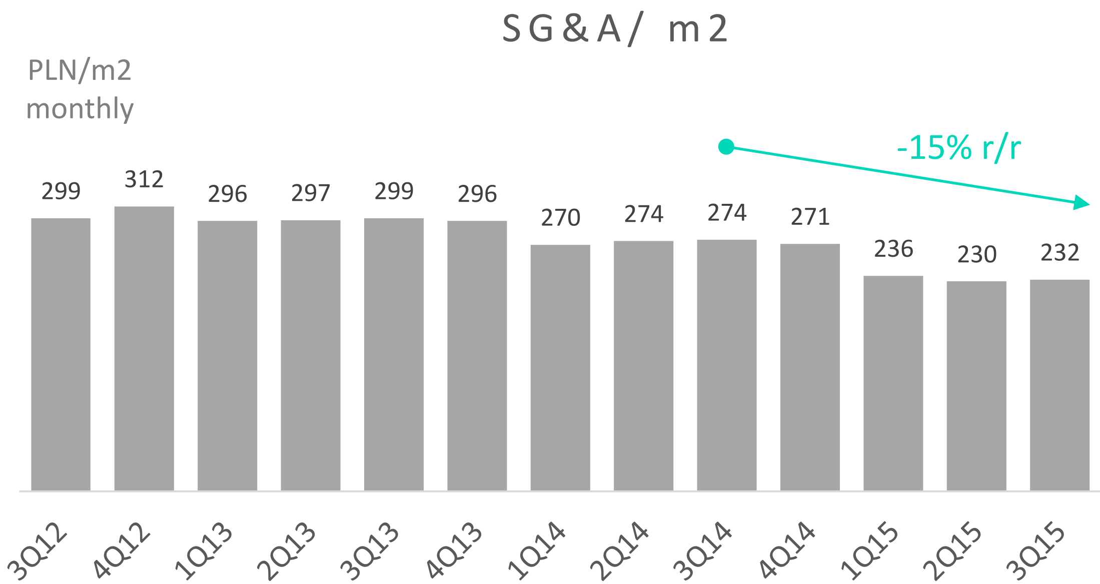
Lower costs of own stores

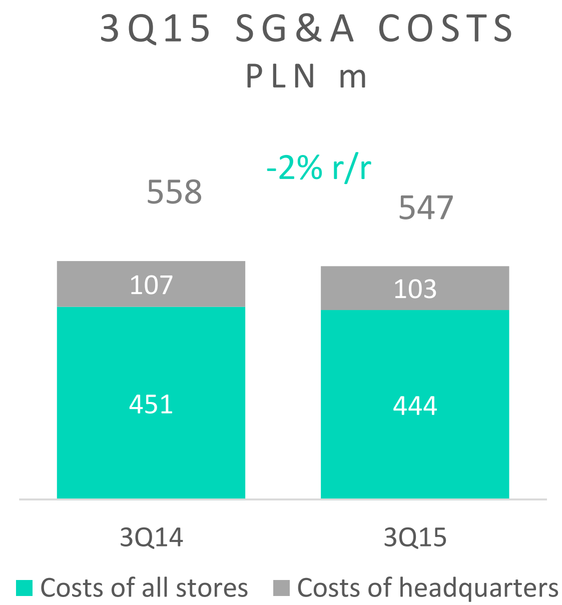




- Fall in rental charges → further rental renegotiations in Russia and Ukraine, opening of cheaper floorspace in Romania and Croatia.
- Fall in personnel costs → continuous headcount optimisation and impact of variable remuneration (bonuses dependent on level of sales).
- Fall in other costs of stores → depreciation of rubble and hryvnia against US$ and zloty.

Fall in SG&A costs





- Fall in nominal levels of SG&A costs → lower costs of headquarters (cut in marketing budget with exception of Germany) and lower costs of third party services.
- Fall in SG&A/m2 → fall in costs of franchise stores (switch to own stores).
- Costs of own stores flat YoY despite network growth due to: (1) rental renegotiation, lower HR costs and other costs of stores; (2) depreciation of rubble and hryvnia against zloty.

Deceleration of net earnings falls

PLN m	3Q14	3Q15	YoY
Revenues	**1,234.2**	**1,261.5**	**2.2%**
Gross profit on sales	699.6	663.2	-5.2%
Gross profit margin	*56.7%*	*52.6%*	*-4.1 p.p.*
SG&A costs	558.4	546.8	-2.1%
Other operating activity	-6.9	-9.6	
EBIT	**134.4**	**106.8**	**-20.5%**
EBIT margin	*10.9%*	*8.5%*	*-2.4 p.p.*
Net financials	-39.3	-14.4	
Pre-tax profit	**95.1**	**92.5**	**-2.8%**
Tax	13.1	12.7	-2.6%
Effective tax rate	*13.8%*	*13.8%*	
Minorities	0.3	0.0	
Net income	**81.7**	**79.7**	**-2.5%**
Net margin	*6.6%*	*6.3%*	*-0.3 p.p.*

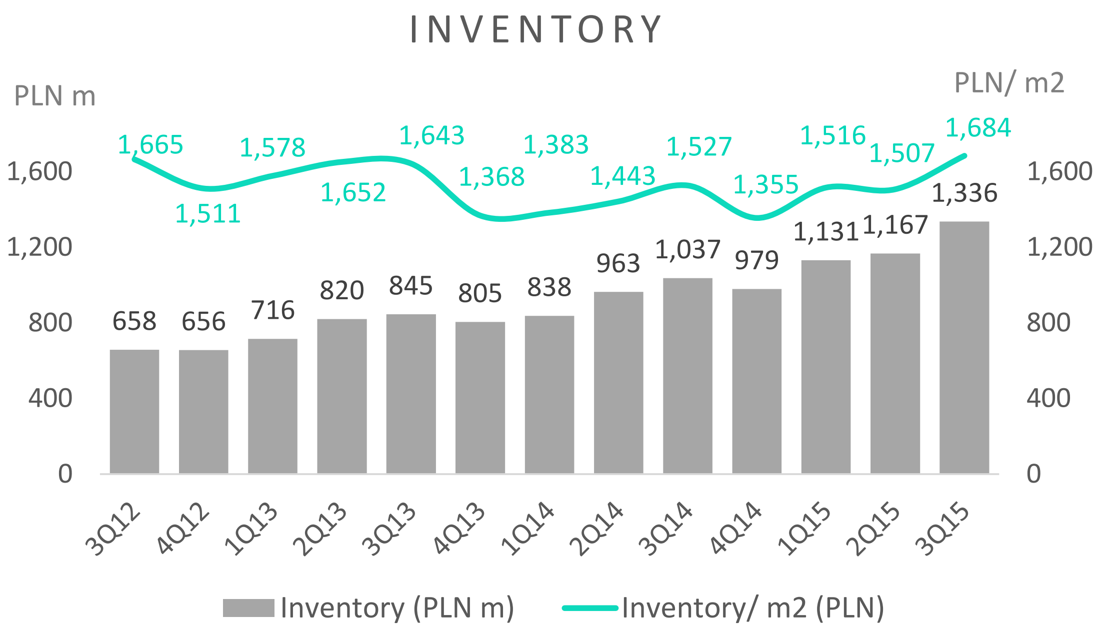
- Lower gross profit margin, but deceleration of falls QoQ:
  - sell-offs of excessive inventory finished in August
  - higher margins on new collections.
- Fall in SG&A costs and SG&A/ m2.
- Higher other net operating costs:
  - higher write-offs.
- Negative net financials:
  - PLN 10m of FX losses (3Q14: PLN 35.5m), out of which PLN 10m on rubble and hryvnia (3Q14: PLN 40m) and PLN 1 m losses on US$ (PLN 4m of FX gains in 3Q14).
- Flat YoY effective tax rate due to changes in deferred taxation.

9M15 supported by cost reductions

PLN m	9M14	9M15	r/r
Revenues	**3,364.4**	**3,555.3**	**5.7%**
Gross profit on sales	1,963.4	1,880.1	-4.2%
Gross profit margin	*58.4%*	*52.9%*	*-5.5 p.p.*
SG&A costs	1,572.2	1,582.7	0.7%
Other operating activity	-30.4	-30.0	
EBIT	**360.9**	**267.3**	**-25.9%**
EBIT margin	*10.7%*	*7.5%*	*-3.2 p.p.*
Net financials	-74.6	-46.3	
Pre-tax profit	**286.2**	**221.0**	**-22.8%**
Tax	50.0	42.0	-16.0%
Effective tax rate	*17.5%*	*19.0%*	
Minorities	1.8	0.0	
Net income	**234.5**	**179.0**	**-23.7%**
Net margin	*7.0%*	*5.0%*	*-2.0 p.p.*

- Lower gross profit margin:
  - weaker consumer demand and traffic
  - less favorable FX trends
- EBIT on a high level:
  - SG&A costs flat YoY
  - fall in SG&A/ m2
- Other operating expanses remained flat.
- High net financial charges:
  - PLN 32.8m FX losses (9M14: PLN 62.9m), out of which PLN 32.5m on rubble and hryvnia (9M14: PLN 49m losses) and PLN 11m losses on US$ (PLN 6m in 9M14).
- Pick-up in effective tax rate → return to statutory 19% tax rate.

Inventory remains under control



LOGISTICS CENTRES

Centre in Pruszcz Gdanski (Poland, own)

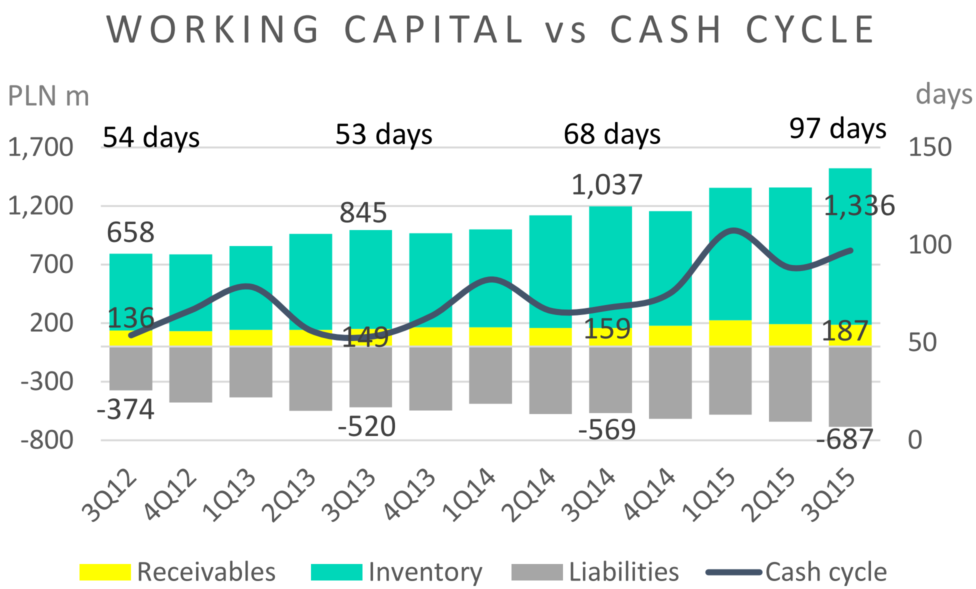
66,000 m2

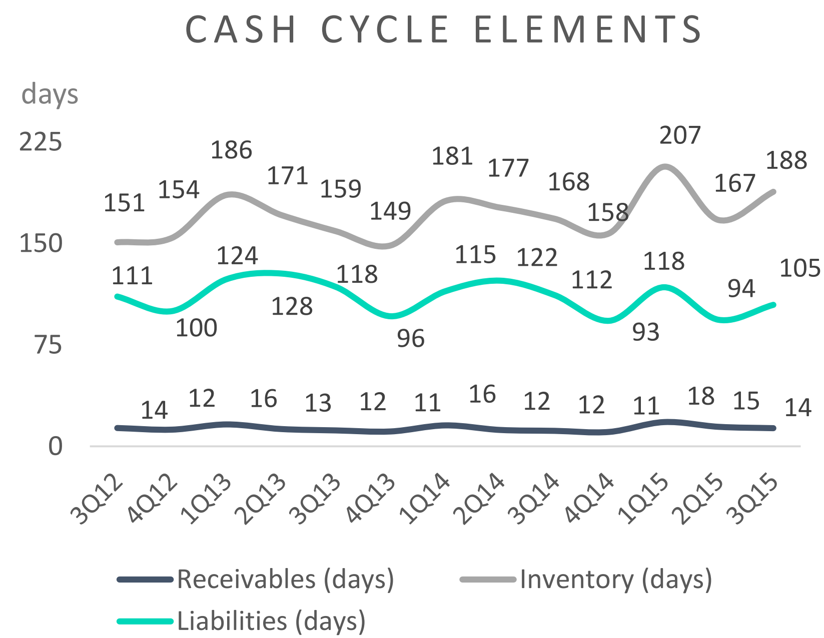
Centre near Moscow (Russia, rented)

9,500 m2

- YoY growth in inventory results from higher floorspace, appreciation of US$ to PLN and lower-than-expected September revenues.
- Fine-tuning of new logistics centre. Doubled efficiency of packing coupled with half the previous man hours.

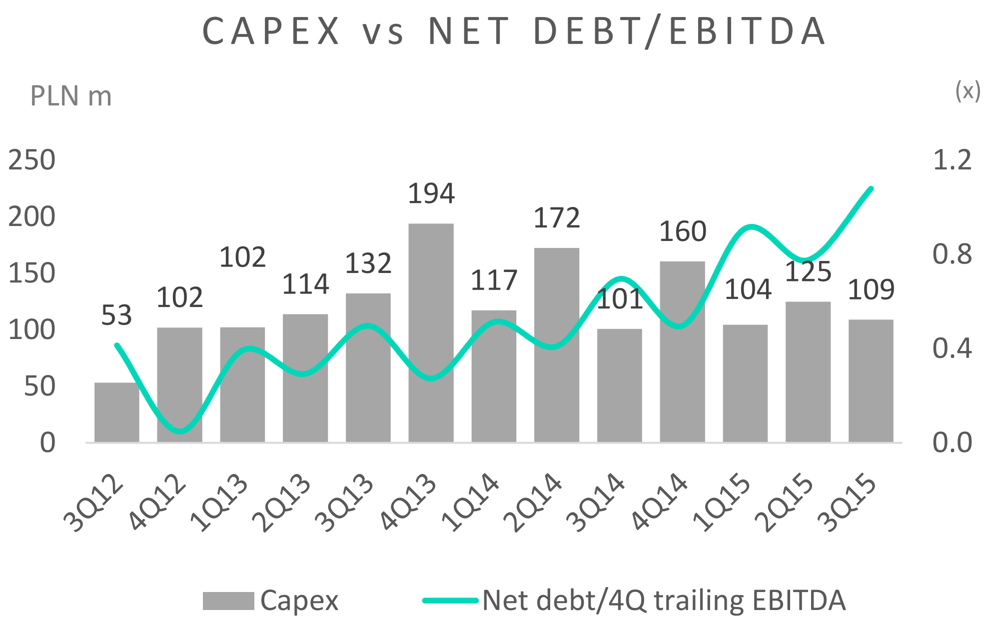
A stable cash cycle

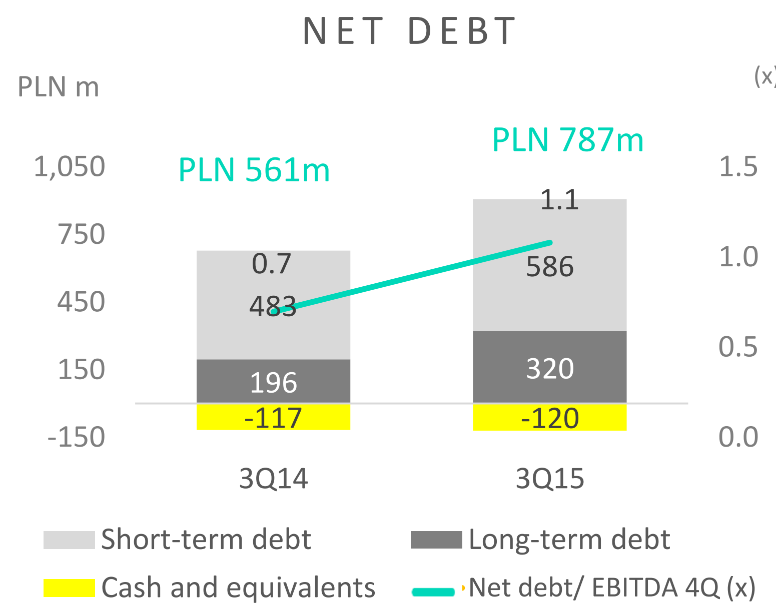




- 3Q15 cash cycle remained stable vs 1H15. YoY growth results from inventory turnover (receivables and liabilities cycles have remained unchanged).
- Higher net working capital YoY and QoQ results from higher inventory.
- Settlements with suppliers have remained unchanged – more than half of these is conducted in the form of a letter of credit.

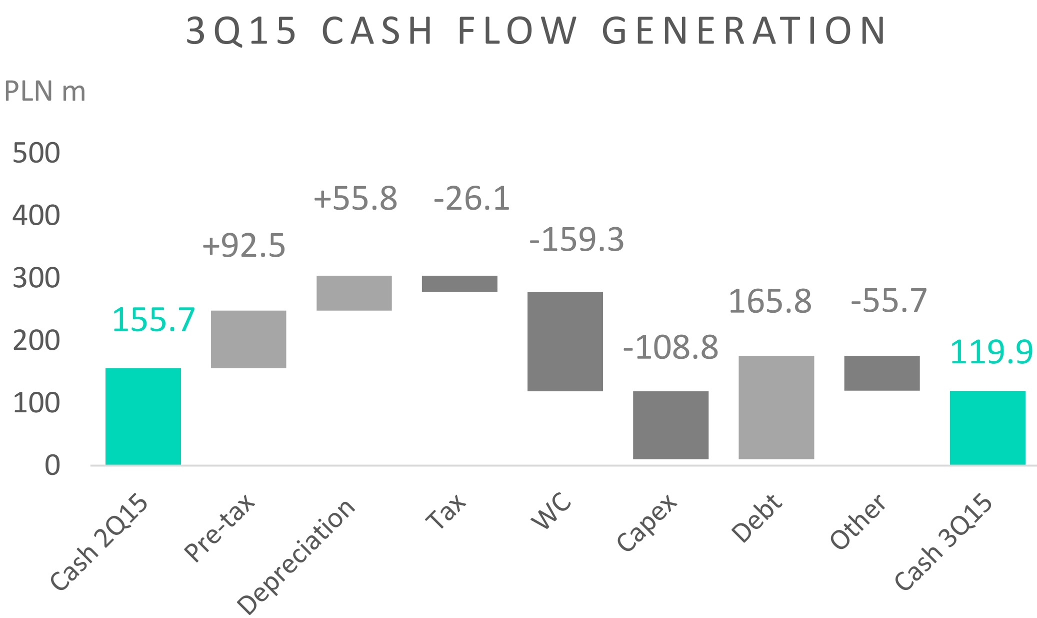
Indebtedness at a safe level

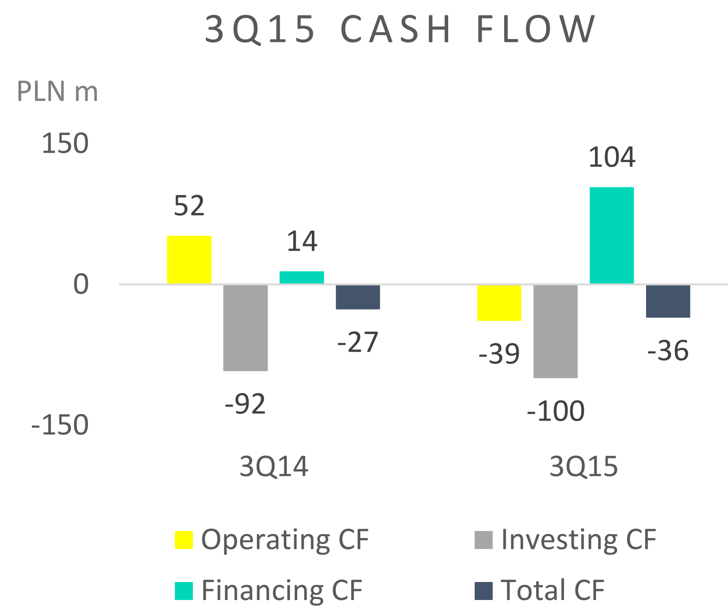




- 3Q15 capex grew 8% YoY, due to openings in Germany.
- In 9M15 capex reached PLN 338m, down 13% YoY, due to lower outlays for logistics centre.
- Despite YoY pick-up, net debt / EBITDA remains at a safe level.

Seasonal cash flow worsening





- Operating cash flow → lower YoY pre-tax and pick-up in inventory.
- Investing cash flow → higher capex, due to openings abroad (Germany).
- Financing cash flow → higher usage of debt aimed at financing inventory and openings.
- PLN 1.54bn in open credit lines used for letters of credits, guarantees and overdrafts.

Balance sheet remains stable

PLN m	30.09.2014	31.12.2014	30.09.2015
Non-current assets	**1,426.2**	**1,516.4**	**1,664.3**
intangibles (including goodwill)	313.4	315.9	323.3
fixed assets	1,039.2	1,038.8	1,149.0
Current assets	**1,419.9**	**1,417.3**	**1,742.2**
inventory	1,036.8	979.3	1,336.0
trade receivables	159.1	176.9	186.6
cash and equivalents	117.1	183.5	119.9
Total assets	**2,846.1**	**2,933.7**	**3,406.6**
Equity	**1,533.2**	**1,638.4**	**1,739.7**
Long-term liabilities	**203.0**	**210.7**	**360.6**
interest bearing debt	195.6	204.5	320.3
Short-term liabilities	**1,109.9**	**1,084.6**	**1,306.3**
trade liabilities	569.3	618.6	687.4
interest bearing debt	482.7	378.3	586.4
Total liabilities	**2,846.1**	**2,933.7**	**3,406.6**

- Higher YoY fixed assets due to investments in stores.
- Growth in intangibles due to investments in concept stores of all brands.
- Higher YoY inventory due to growth in floorspace and limited back-to-school effect.
- Pick-up in receivables results from development of the ME franchise business.
- Pick-up in trade liabilities due to higher floorspace.
- Short-term debt picked-up YoY due to the need to finance inventory and new openings.
- Changes in debt structure – pick-up in long-term debt aimed at achieving a more stable financing structure.

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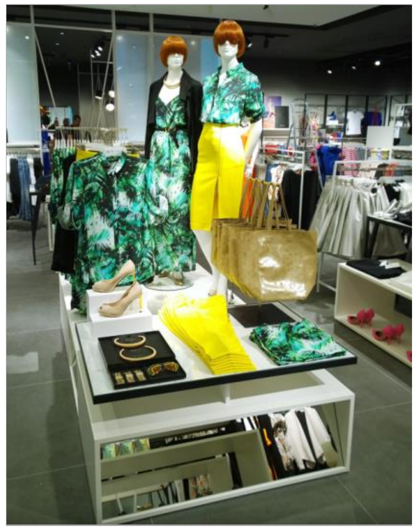
MOHITO – a new concept store

Elegant interior design

Bright centre of the store surrounded by darker environment.

3 openings in 2015 (incl. Zlote Tarasy, Warsaw).

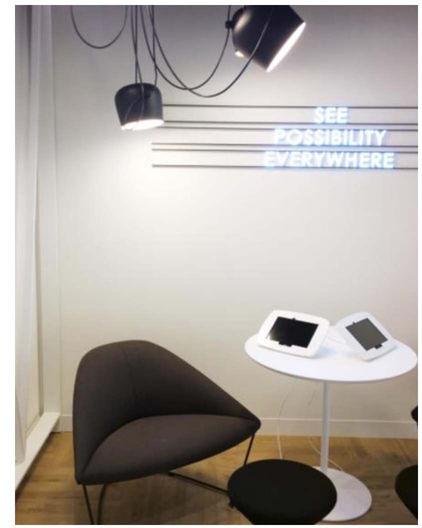


Displays for limited collections

Separate display area for new and exclusive collections.

Emphasis on *Gold & Exclusive Line*

Highly fashionable clothing and accessories.
High quality of materials ensured by use of silk, suede and cashimre.



Comfortable waiting room

A new comfortable zone near the dressing rooms (tablets with WiFi).

The new brand – launch in 1Q16 maintained

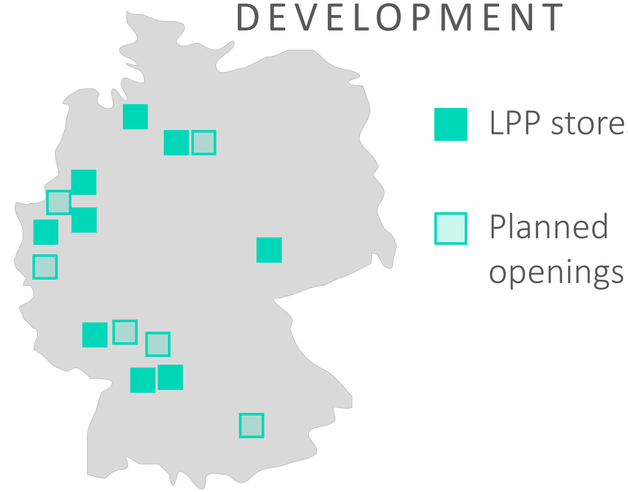
Key brand features	Modern elegance
# stores	Target: 30 stores in Poland
# markets	Launch in Poland
Average store size	350 m2
Average ticket	PLN 300
Capex/m2	PLN 4,000

- First 7 stores to be opened in March 2016.
- Launch of internet store in 1Q16.
- Target group:
  - Men and women over 35 years old
  - Citizens of large towns
  - People who value timeless elegance and classics and value high quality materials and finishing.
- Concept store:
  - A mix of modern design and classics
  - High quality of fixtures and fittings used.

Germany – flagship in Stuttgart

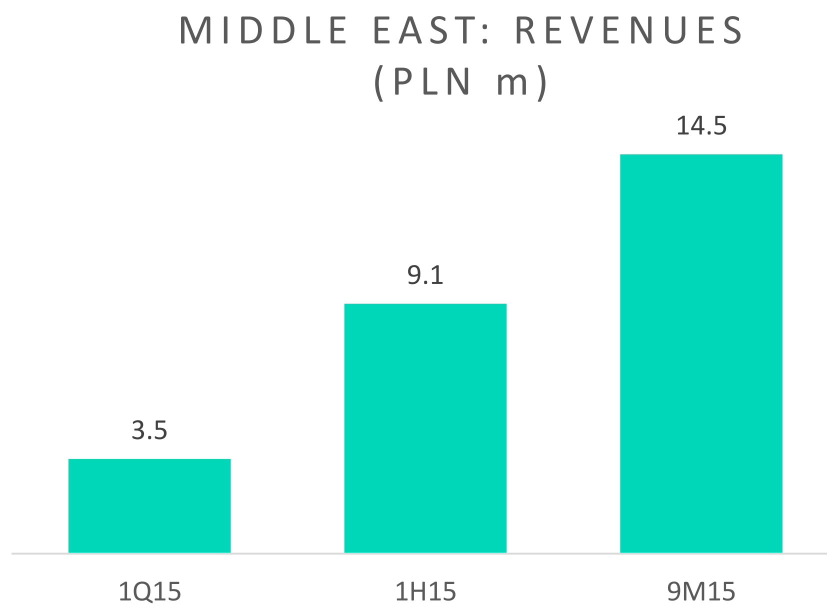
- Stuttgart (highstreet location) – the largest RESERVED store. 137 ths products sold on 3,910 m2. 80 employees.
- At the end of September we had 10 stores in Germany and 22.3 ths m2 of floorspace.
- Capex for all stores in Germany reached EUR 21m.

GERMANY: FURTHER DEVELOPMENT



City	m2	Opening
Aachen	2,371	OCT 2015
Mannheim	2,423	OCT 2015
Essen	1,879	MAR 2016
Hanover	2,635	MAR 2016
Ludwigsburg	2,450	JUN 2016
Munich	3,456	SEPT 2016

Fourth country in the Middle East



- We have 4 franchise stores in the Middle East region.
- All stores are located in shopping malls.
- 3Q15 wholesale revenues reached PLN 5.4m, while PLN 14.5m in 9M15.

Strengthening of the management board

NEW MANAGEMENT BOARD MEMBER

- Sławomir Łoboda (50)
- Appointed: 14 October 2015
- Responsibility: legal issues, new retail space and store development.

- Cooperated with LPP since 1997
- Selected projects:
  - setting up franchise network
  - LPP's WSE listing
  - merger with Artman SA
  - divesture of ESOTIQ.

Open communication with investors

NEW MATERIALS

15 October – Factbook publication
Materials available on
www.lppsa.com

NEW BRAND PRESENTATION

February 2016 – new brand presentation at LPP's Chmielna showroom (Warsaw, Poland).

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Floorspace growth to continue

Floorspace (ths m2)	31.12.2014	2015 PREVIOUS TARGET	2015 CURRENT TARGET	YoY
RESERVED	389.7	460.6	460.8	18%
Poland	209.2	231.5	231.9	11%
EU	83.9	121.7	122.0	45%
CIS	96.6	101.9	101.4	5%
ME franchise	0.0	5.5	5.5	-
Cropp	105.4	114.8	114.8	9%
Poland	58.3	63.6	62.9	9%
EU	17.1	20.2	20.2	18%
CIS	30.0	31.0	31.7	6%
House	89.6	100.6	99.7	11%
Poland	57.3	63.1	62.1	8%
EU	11.4	15.5	15.5	36%
CIS	20.9	22.0	22.0	5%
MOHITO	82.8	95.1	94.6	14%
Poland	46.2	52.3	52.2	13%
EU	11.8	16.5	16.5	41%
CIS	24.8	26.2	25.9	4%
ME franchise	0.0	0.0	0.0	-
SiNSAY	43.7	60.5	60.1	38%
Poland	32.7	43.9	43.5	33%
EU	4.4	8.0	8.0	82%
CIS	6.6	8.6	8.6	31%
ME franchise	0.0	0.0	0.0	-
Outlets	11.3	12.4	13.6	20%
TOTAL by regions				
Poland	413.6	466.0	464.3	12%
EU	128.6	182.0	182.3	42%
CIS	180.3	190.5	191.5	6%
ME franchise	0.0	5.5	5.5	-
TOTAL	722.5	844.0	843.6	17%

- 17% YoY floorspace growth in 2015 maintained.
- We plan to open 45 ths m2 of new floorspace in 4Q15, out of which 20.4 ths m2 in Poland.
- 4Q15 plans: further development in Germany (2 stores, 5 ths m2) and 3 ths new m2 in Russia.
- 4Q15 should show acceleration of Hungarian development (7 new stores, 6 ths m2).
- Opening of stores of all brands in Croatia planned for 4Q15. 3.6 ths new m2 in Lithuania in 4Q15.
- Total 2015 capex planned at PLN 500m, out of which PLN 390m for own stores (flat vs the previous target).
- At the end of 2015 RESERVED stores should be present in 17 countries.

2015 targets

2015 TARGETS

- Group revenue growth should come between 5% to 10%.
- Gross profit margin fall should be between 4-6 ppt
- SG&A costs/m2 should fall by more than 10% YoY.

PLANS FOR 4Q15

- Improved sales dynamics versus 3Q15.
- Plans for lower sell-offs than in 9M15 and transferring increased US$ costs on retail prices. 4Q14 gross profit margin (59%) remains a high base.
- SG&A/m2 should remain at a low level.

RISKS FOR 4Q15

- Further fall in traffic in Poland.
- Further US$ appreciation to PLN.
- Macroeconomic situation in Russia and Ukraine.

E-commerce targets

LONG-TERM TARGETS

- Internet stores of all brands in majority of countries where brick-and-mortar stores are present.
- Development only through own internet stores.

4Q15 PLANS

- On-line RESERVED store in Slovakia opened on 1 October.
- By the end of the year, RESERVED on-line store should be operating in Romania.

2016 PLANS

- 1Q16: start of RESERVED on-line store in Hungary.
- 1Q16: start of the new brand on-line store.
- 2016: internet store of two brands to be launched in Czech Rep., Slovakia, Hungary and Romania.

RESERVED target: LFLs improvement

NEW INITIATIVES	DETAILS
Increased number of styles	▪ 50% pick-up in numer of styles in RESERVED SS16 collection (adjusting the offer to growing average store size). ▪ Store offering is to be differentiated based on location and store size. ▪ More styles and higher inventory/m2 in stores.
Quality improvement	▪ Increased control over production process. Supervision over fabrics choice. ▪ Mainstream price positioning maintained but larger divergence in prices. ▪ Establishing long-term relations with top suppliers.
Broadening target customer group	▪ New lines for women within the RESERVED brand: BE ACTIVE (sports collection), Business Code (business line), Modern Line (fashion from catwalks). ▪ Broader offering for kids in RE Kids since SS16: clothes for new-borns, wide range of collection of 2-4 year olds, seasonal back-to-school offering.

Germany – further growth potential

CURRENT STATUS

30% lower traffic/m2
than in Poland.

Average price of one piece 25%
higher than in Poland.

20% more ticket items
than in Poland.

DEVELOPMENT PLANS

EUR 4m marketing outlays
in 2015 and in 2016.

More inventory in stores, wider
range of expensive products.

30 own stores in
Germany in 3 years.

Middle East – high growth potential

- Two-way development:
  - New countries: UAE, Lebanon, Jordan, Oman and Bahrain.
  - New brands: MOHITO and SiNSAY (on top of RESERVED development).
- Target: 70 franchise stores in 6 years
  - 30 RESERVED
  - 20 MOHITO
  - 20 SiNSAY.
- High growth potential market:
  - Despite just three quarters of presence, average monthly sales/ m2 is 2.5x higher than in Poland.
  - Different seasonality than in European countries.

MIDDLE EAST: DEVELOPMENT PLANS

Floorspace growth to continue in 2016

Floorspace (ths m2)	2015 Target	2016 Target	YoY growth
RESERVED	**460.8**	**533.4**	**16%**
Poland	231.9	251.8	9%
EU	122.0	151.1	24%
CIS	101.4	108.7	7%
ME franchise	5.5	21.8	298%
Cropp	**114.8**	**121.8**	**6%**
Poland	62.9	65.3	4%
EU	20.2	21.9	9%
CIS	31.7	34.5	9%
House	**99.7**	**108.3**	**9%**
Poland	62.1	65.2	5%
EU	15.5	18.2	17%
CIS	22.0	25.0	13%
MOHITO	**94.6**	**102.2**	**8%**
Poland	52,2	53.2	2%
EU	16,5	20.3	23%
CIS	25,9	26.9	4%
ME franchise	0,0	1.8	-
SiNSAY	**60.1**	**75.2**	**25%**
Poland	43.5	48.2	11%
EU	8.0	15.0	87%
CIS	8.6	10.2	19%
ME franchise	0.0	1.7	-
Brand No 6	**0.0**	**5.2**	**-**
Poland	0.0	5.2	-
Outlets	**13.6**	**12.4**	**-9%**
TOTAL by regions			
Poland	464.3	500.7	8%
EU	182.3	226.5	24%
CIS	191.5	206.0	8%
ME franchise	5.5	25.3	362%
TOTAL	**843.6**	**958.6**	**14%**

- 15% YoY floorspace growth planned for 2016. From the planned 125 new ths m2 only 10 ths m2 is not booked.
- In 2016 we target opening franchise stores in three new countries: UAE, Belarus and Kazakhstan.
- Acceleration of ME openings due to launch of MOHITO and SiNSAY stores.
- 2016 targets: (1) further development in Germany, (2) 10% floorspace growth in Russia and (3) new brand development in Poland.
- Planned 2016 capex at PLN 400m, down 20% YoY. Planned investments in own stores at PLN 290m, down 26% YoY, due to more franchise openings.
- By the end of 2016 RESERVED stores should be present in 20 countries.
- We plan to keep the 15% floorspace growth rate in 2017 and 2018.

AGENDA

- Executive summary
- 3Q15 financial results
- Key corporate events
- 2015 and 2016 outlook
- Q&A

- Back-up

An upgraded LFLs definition

A new improved LFLs definition:

- *Stores that*
  - *have been the same as a year before (have not changed their floorspace, have not undergone upgrades) and*
  - *have been in operation for the past 12 months (without a break longer than 7 days).*
- *Calculations are conducted without taking into account changes in currencies in countries in which LPP's stores are run.*

Former LFLs definition:

- *Revenues from stores that have been in operation for 12 months.*
- *Calculations were conducted without taking into account changes in currencies in countries in which LPP's stores are run.*

LFLs	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
Former definition	-1.0%	8.8%	14.0%	7.6%	7.0%	-1.0%	-6.7%	-	-	-	-
Current definition	-2.3%	6.7%	11.7%	5.1%	4.6%	-1.7%	-6.9%	-3.5%	-0.8%	1.5%	-1.5%

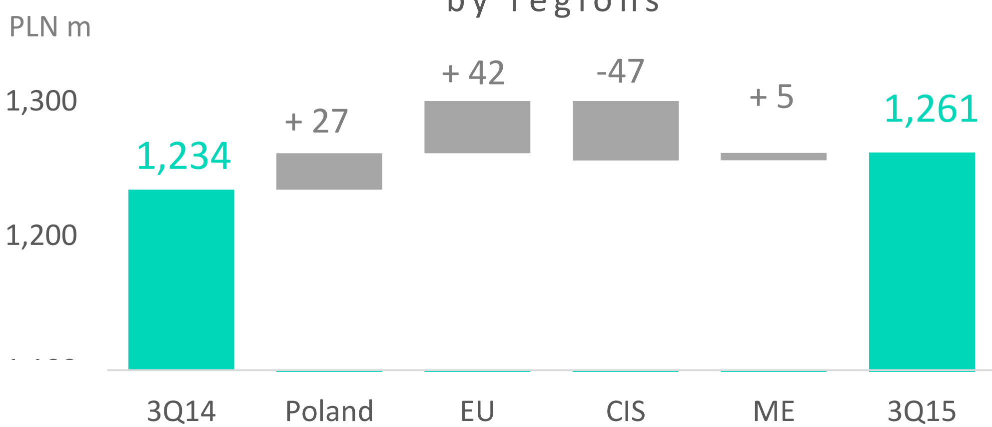
- In 4Q14 LPP introduced an upgraded methodology of LFLs calculation.
- The key reason behind the change was the intention to address upgrades of stores.
- The upgraded stores were temporary excluded from LFLs calculations, which lowered the historical numbers.

Network development

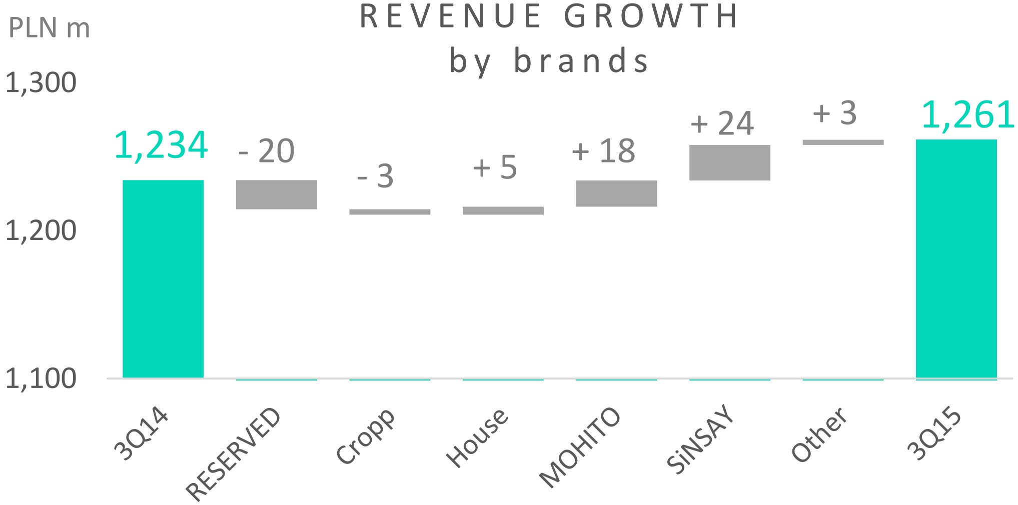
Floorspace (ths m2)	30.09.2013	31.12.2013	31.03.2014	30.06.2014	30.09.2014	31.12.2014	31.03.2015	30.06.2015	30.09.2015
RESERVED	288.1	322.3	327.1	358.9	367.4	389.7	403.8	416.3	435.7
Poland	169.7	188.9	193.7	202.8	204.7	209.2	215.2	219.0	223.4
EU	48.8	52.4	52.4	64.6	69.6	83.9	91.2	95.1	106.5
CIS	69.6	81.0	81.0	91.5	93.2	96.6	95.8	98.3	100.4
ME franchise	0.0	0.0	0.0	0.0	0.0	0.0	1.5	3.9	5.5
Cropp	81.8	90.6	91.8	102.2	101.2	105.4	106.6	111.5	109.1
Poland	49.7	54.5	54.5	59.1	57.0	58.3	58.5	62.8	59.6
EU	9.8	10.9	10.7	14.5	15.6	17.1	17.8	18.7	19.1
CIS	22.3	25.2	26.6	28.6	28.6	30.0	30.2	30.0	30.4
House	70.3	80.2	82.3	89.9	87.3	89.6	89.9	96.7	95.2
Poland	49.7	55.4	55.6	59.3	56.9	57.3	56.2	62.4	59.3
EU	7.8	9.2	9.0	10.5	10.3	11.4	12.7	13.2	14.4
CIS	12.8	15.6	17.7	20.1	20.1	20.9	21.0	21.1	21.6
MOHITO	53.6	66.0	69.3	76.7	78.4	82.8	86.4	89.1	90.3
Poland	34.9	40.9	42.3	44.7	45.1	46.2	47.8	49.2	49.7
EU	4.7	6.5	6.5	8.6	9.4	11.8	13.6	14.5	15.2
CIS	13.9	18.5	20.5	23.4	24.0	24.8	25.0	25.4	25.4
SiNSAY	13.2	20.1	25.8	35.1	38.0	43.7	48.4	52.4	54.8
Poland	12.2	17.9	22.4	27.2	29.1	32.7	35.5	38.6	40.3
EU	1.0	2.2	1.7	2.7	3.1	4.4	5.4	6.3	6.6
CIS	0.0	0.0	1.7	5.2	5.8	6.6	7.6	7.6	7.9
Outlets	8.5	9.3	9.3	9.3	8.8	11.3	11.8	12.4	13.6
Total by regions									
Poland	324.0	365.5	376.3	401.1	400.0	413.6	423.5	443.5	443.9
EU	72.1	80.7	80.3	100.9	107.9	128.6	140.7	147.7	161.7
CIS	119.3	142.4	148.8	170.2	173.2	180.3	181.2	183.2	187.7
ME franchise	0.0	0.0	0.0	0.0	0.0	0.0	1.5	3.9	5.5
TOTAL	515.4	588.6	605.5	672.2	681.1	722.5	746.9	778.4	798.8

Group 3Q15 revenue growth contributors

REVENUE GROWTH
by regions



REVENUE GROWTH
by brands

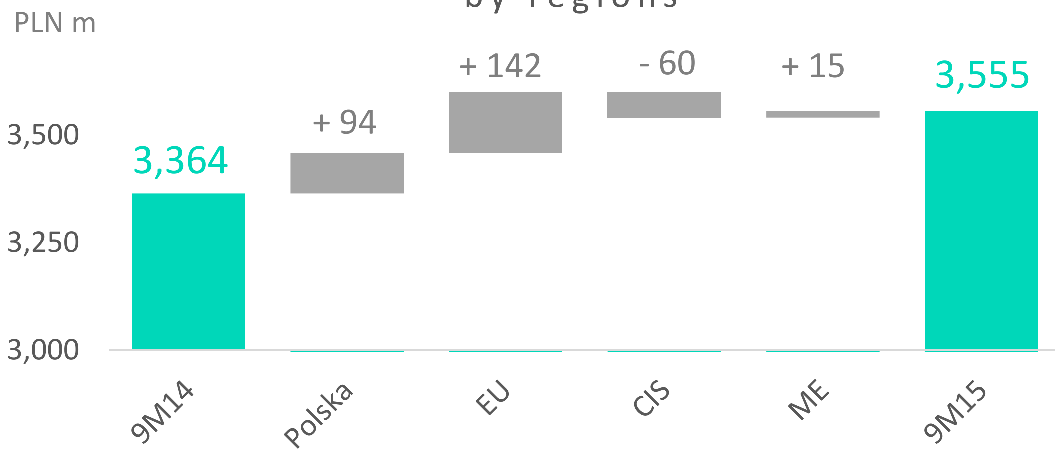


REVENUES
by brands

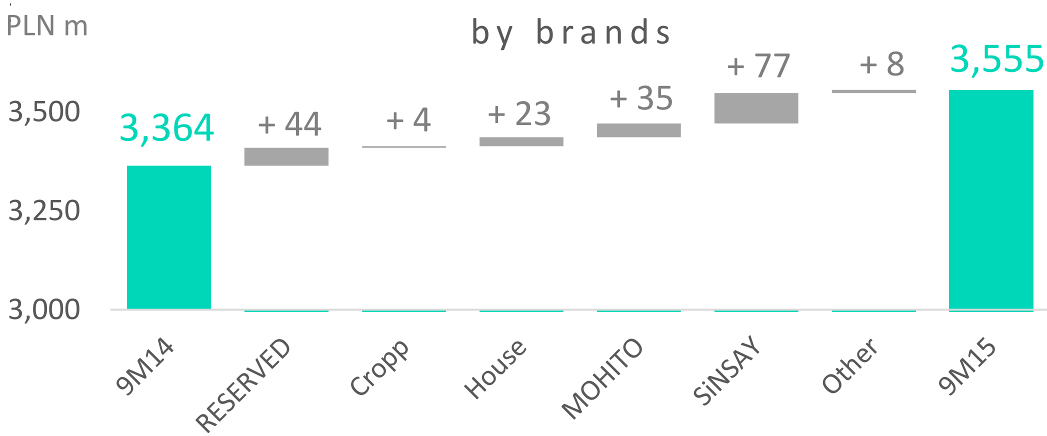
PLN m	3Q14	3Q15	YoY
LPP GROUP	1,234.2	1,261.5	2.2%
RESERVED PL	339.4	314.5	-7.3%
RESERVED EX	240.4	245.4	2.1%
Cropp PL	133.5	131.2	-1.7%
Cropp EX	87.4	86.2	-1.4%
House PL	114.5	119.7	4.6%
House EX	50.4	50.5	0.2%
MOHITO PL	80.6	85.9	6.5%
MOHITO EX	53.0	65.3	23.4%
SiNSAY PL	46.2	64.9	40.4%
SiNSAY EX	12.4	17.9	43.7%
Other	76.5	80.0	4.6%

Group 9M15 revenue growth contributors

REVENUE GROWTH
by regions



REVENUE GROWTH
by brands



REVENUES
by brands

PLN m	9M14	9M15	YoY
LPP GROUP	3,364.4	3,555.3	5.7%
RESERVED PL	995.8	985.0	-1.1%
RESERVED EX	639.2	694.5	8.7%
Cropp PL	331.7	330.6	-0.3%
Cropp EX	219.5	224.9	2.5%
House PL	308.2	318.5	3.3%
House EX	125.9	138.3	9.8%
MOHITO PL	241.6	248.0	2.7%
MOHITO EX	135.4	163.5	20.8%
SiNSAY PL	122.6	177.5	44.7%
SiNSAY EX	24.6	46.5	89.5%
Other	219.8	227.8	3.7%

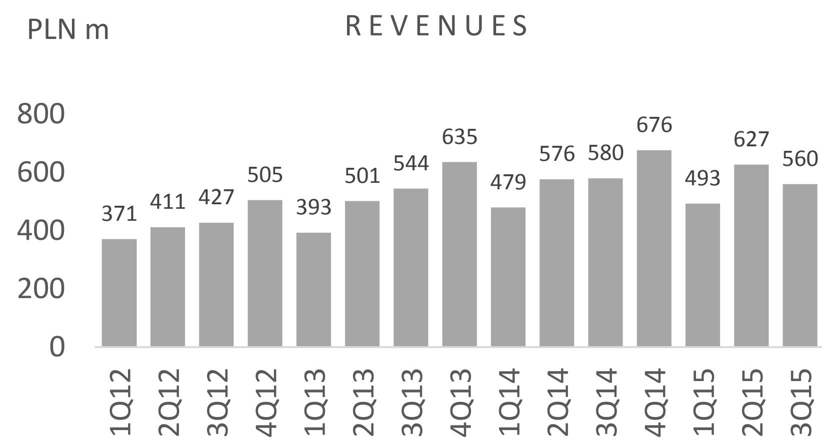
Historical quarterly numbers

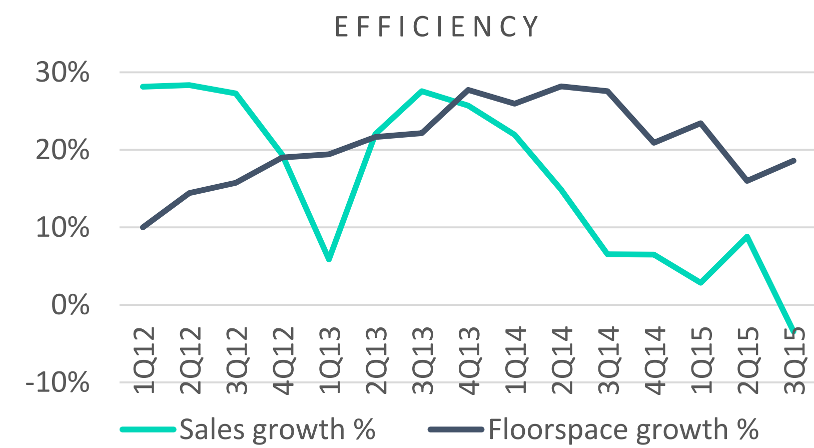
PLN m	1Q14	1Q15	YoY	2Q14	2Q15	YoY	3Q14	3Q15	YoY
Revenues	**945.0**	**1,002.6**	**6.1%**	**1,185.1**	**1,291.3**	**9.0%**	**1,234.2**	**1,261.5**	**2.2%**
Gross profit on sales	537.6	543.3	1.1%	726.2	673.4	-7.3%	699.6	663.2	-5.2%
Gross profit margin	*56.9%*	*54.2%*	*-2.7 p.p.*	*61.3%*	*52.1%*	*- 9.2 p.p.*	*56.7%*	*52.6%*	*-4.1 p.p.*
SG&A costs	480.7	512.5	6.6%	533.2	523.5	-1.8%	558.4	546.8	-2.1%
Other operating activity net	-8.5	-7.3		-15.0	-13.1		-6.9	-9.6	
EBIT	**48.4**	**23.7**	**-51.0%**	**178.1**	**136.8**	**-23.2%**	**134.4**	**106.8**	**-20.5%**
EBIT margin	*5.1%*	*2.4%*	*-2.8 p.p.*	*15.0%*	*10.6%*	*-4.4 p.p.*	*10.9%*	*8.5%*	*-2.4 p.p.*
Net financial activity	-60.8	-53.4		25.5	21.5		-39.3	-14.4	
Pre-tax profit	**-12.4**	**-29.7**	**n/m**	**203.5**	**158.3**	**-22.2%**	**95.1**	**92.5**	**-2.8%**
Tax	1.8	7.6	314.0%	35.1	21.6	-38.3%	13.1	12.7	-2.6%
Effective tax rate	*-14.8%*	*-25.6%*		17.2%	13.7%		*13.8%*	*13.8%*	
Minorities	0.7	0.0		0.8	0.0		0.3	0.0	
Net income	**-14.9**	**-37.3**	**n/m**	**167.7**	**136.6**	**-18.5%**	**81.7**	**79.7**	**-2.5%**
Net income margin	*-1.6%*	*-3.7%*	*-2.1 p.p.*	*14.1%*	*10.6%*	*-3.6 p.p.*	*6.6%*	*6.3%*	*-0.3 p.p.*

RESERVED

- A fast fashion brand with a broad customer base; wide range of collections.
- Target customers: women, men and children.
- Established in 1999.
- First LPP's brand present in Germany and the Middle East.
- Advertised by international stars (Georgia May Jagger, Brooklyn Beckham).
- Store concept: each store has three sections - women, men and children, differentiated by colours and fixtures and fittings. Men and women zones are sub-divided to display lines.

	3Q14	3Q15	YoY
Average store space (m2)	890	997	12%
Average monthly sales (PLN/m2)	536	442	-18%

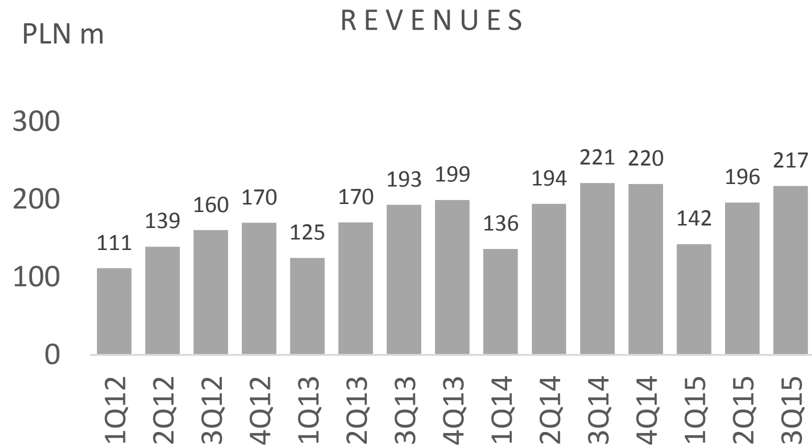


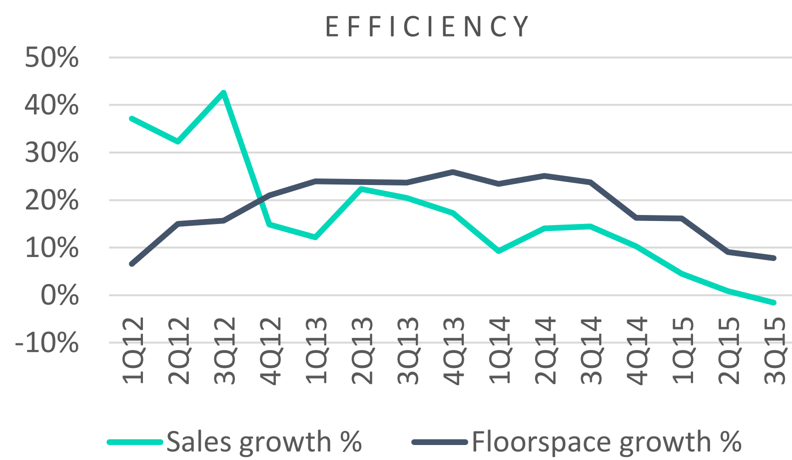


CROPP

- A casual streetwear brand.
- Target customers: teenagers (boys and girls).
- Established in 2004.
- Partner of many events addressed to artists and street art.
- Offers also international labels (eg. New Balance, Converse).
- Store concept: the shopping space is designed in the form of squat, garage and industrial halls. Stores encompass special relax zones with PlayStation and tablets with WiFi. Shop window displays are equipped with modern multimedia.

	3Q14	3Q15	YoY
Average store space (m2)	284	302	6%
Average monthly sales (PLN/m2)	716	664	-10%

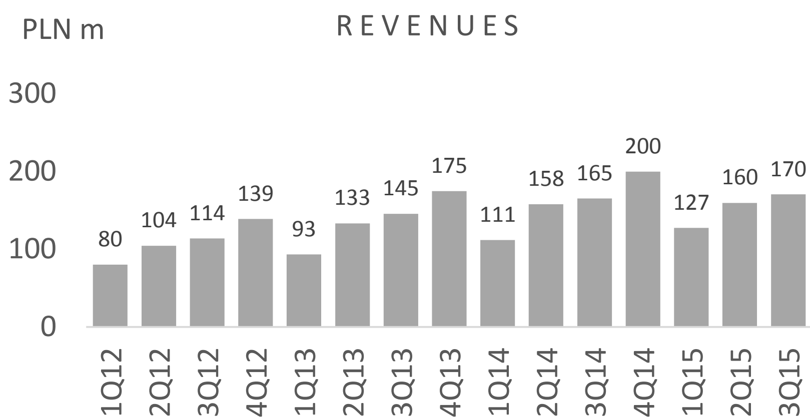


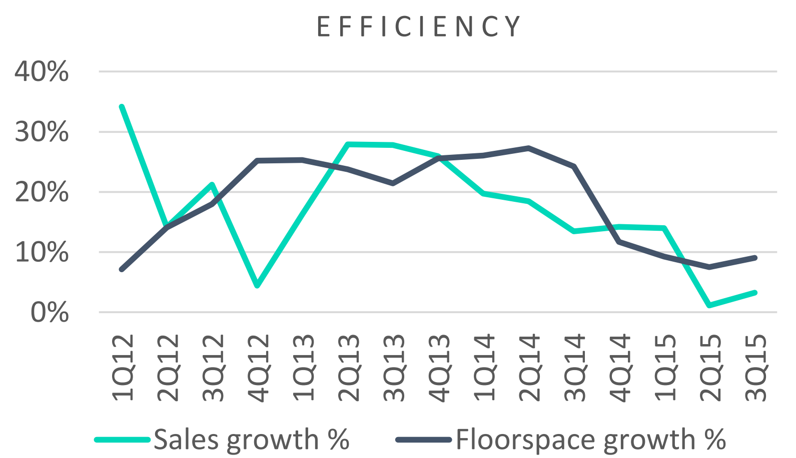


house

- Urban fashion brand with folk and vintage elements.
- Target customers: teenagers (boys and girls) who like brave fashion choices.
- Established in 2001 (in LPP Group since 4Q08).
- Participates in multiple artistic events and sponsors alternative music, eg. iFestival.
- Store concept: the interior of the store is inspired by music instruments and possesses many music and art related details. A fresh look is obtained by usage of wooden elements and glass & metal lamps.

	3Q14	3Q15	YoY
Average store space (m2)	289	306	6%
Average monthly sales (PLN/m2)	616	584	-5%

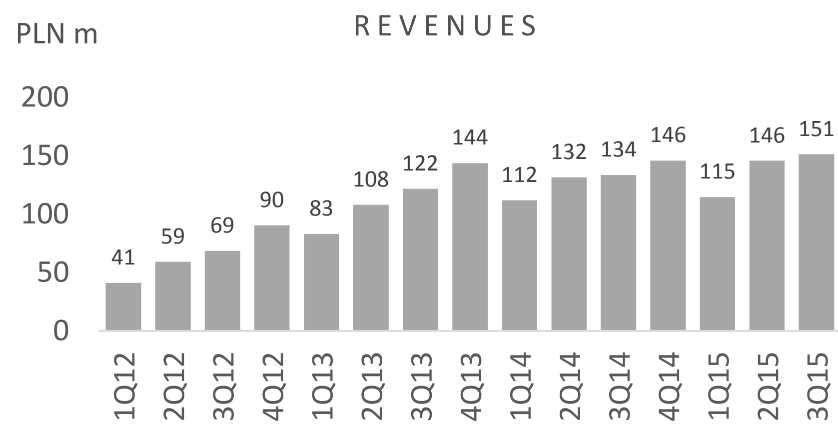


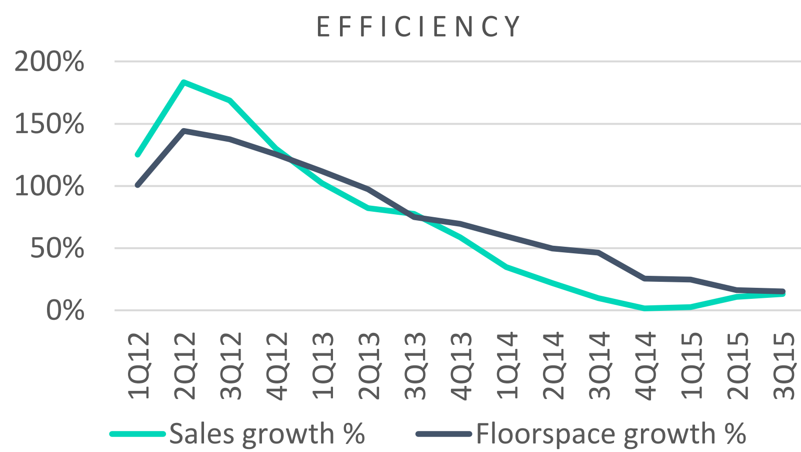


MOHITO

- A brand that combines comfort and elegance for business and informal meetings.
- Target customer: young women.
- Established in 2008 (in LPP's Group since 4Q08).
- Anja Rubik created a limited collection for AW2014/15. Zuzanna Bijoch is the face of AW2015/16 collection.
- Scheduled for ME development since 2016.
- Store concept: relates to elegance and beauty. The centre of the store is bright and is surrounded by a darker environment.

	3Q14	3Q15	r/r
Average store space (m2)	319	333	5%
Average monthly sales (PLN/m2)	574	564	-2%

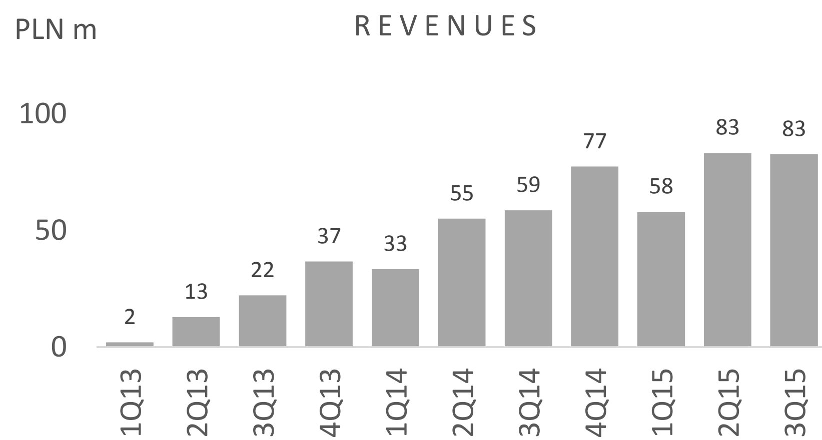


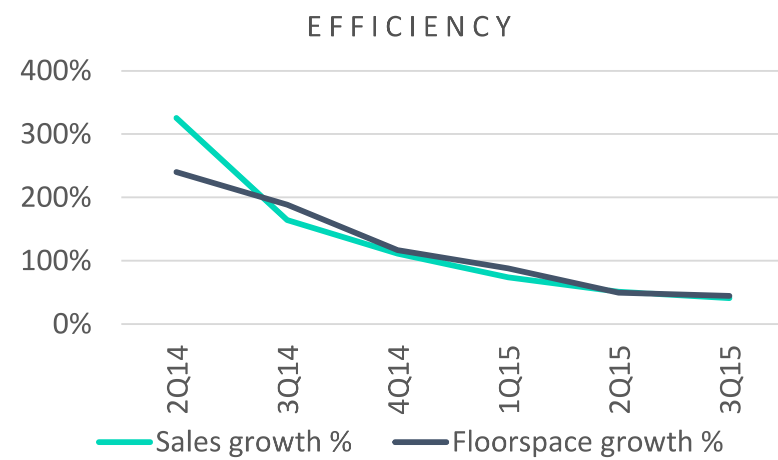


sinsay

- Clothes for every day inspirations and original party outfits.
- Target customers: teenagers – girls only.
- Established in 2013.
- The brand stands out for original T-shirts with extraordinary prints.
- In AW15/16 singer Margaret designed her star collection. ME launch planned in 2016.
- Store concept: fresh and egdy interiors yet monochromatic to differentiate from colourful clothes sold. Selling area divided into black and white parts.

	3Q14	3Q15	r/r
Average store space (m2)	336	349	4%
Average monthly sales (PLN/m2)	539	523	-3%





Other operating activity and net financials in 3Q15

OTHER OPERATING REVENUES

PLN m	3Q14	3Q15
Inventory excess	3.4	2.6
Gain on sale of assets	1.8	2.1
Other operating revenues	**7.4**	**6.0**

OTHER OPERATING COSTS

PLN m	3Q14	3Q15
Write-offs	1.6	2.3
Inventory losses	8.6	8.5
Donations and others	1.6	2.6
Other operating costs	**14.4**	**15.7**

OTHER OPERATING ACTIVITY	-6.9	-9.6

FINANCIAL REVENUES

PLN m	3Q14	3Q15
FX gains	-1.4	0.0
Interest	1.6	0.7
Financial revenues	**0.4**	**0.7**

FINANCIAL COSTS

PLN m	3Q14	3Q15
FX losses	35.5	10.1
Interest	3.6	4.3
Provisions	0.5	0.9
Financial costs	**39.7**	**15.0**

NET FINANCIALS	-39.3	-14.4

Other operating activity and net financials in 9M15

OTHER OPERATING REVENUES

PLN m	9M14	9M15
Inventory excess	9.1	9.3
Gain on sale of assets	11.4	4.4
Other operating revenues	**27.0**	**16.5**

OTHER OPERATING COSTS

PLN m	9M14	9M15
Write-offs	13.8	5.3
Inventory losses	30.2	25.3
Donations and others	8.2	10.5
Other operating costs	**57.4**	**46.5**

OTHER OPERATING ACTIVITY	-30.4	-30.0

FINANCIAL REVENUES

PLN m	9M14	9M15
FX gains	0.0	0.0
Interest	1.8	1.7
Financial revenues	**2.0**	**1.9**

FINANCIAL COSTS

PLN m	9M14	9M15
FX losses	62.9	32.8
Interest	11.0	13.4
Provisions	2.6	1.6
Financial costs	**76.6**	**48.2**

NET FINANCIALS	-74.6	-46.3

Glossary

Poland	Retail sales in Poland and other sales of LPP SA.
CEE	Region including: Czech Republic, Slovakia, Hungary.
Baltic	Region including: Lithuania, Latvia, Estonia.
CIS	Region including: Russia, Ukraine.
SEE	Region including: Bulgaria, Romania, Croatia.
WE	Region including Germany.
ME	Region including: Egypt, Qatar, Kuwait, Saudi Arabia.
EU	Region including: CEE, Baltic, SEE and WE.
EBITDA	EBIT + depreciation from cash flow statement.
Average monthly revenues/m2	Revenues of segment or brand / average working total floorspace / 3.
Average monthly costs of own stores/m2	Quarterly costs of own stores / average working floorspace of own stores (ie. excluding franchise stores) / 3.
Average monthly SG&A PLN/m2	Quarterly SG&A costs/ average working total floorspace / 3.
Inventory days	Average inventory/ group COGS * 90 days.
Receivables days	Average receivables/ group revenues * 90 days.
Liabilities days	Average short-term liabilities/ group COGS * 90 days.
Cash conversion cycle	Inventory days + receivables days – liabilities days.

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