

L P P

E Q U I T Y S T O R Y

GLOBAL ASPIRATIONS

MARCH 2016

RESERVED

 TALLINDER

M O H I T O

 house

CROPP

sinsay

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OVERVIEW

The largest clothing retailer on the WSE

1,627
STORES

17
MARKETS

c. PLN 5 bn
REVENUES

69%
FREE FLOAT

c. PLN 10 bn
MARKET CAP

MSCI POLAND
WIG 20 MEMBER

A diversified portfolio of 6 brands

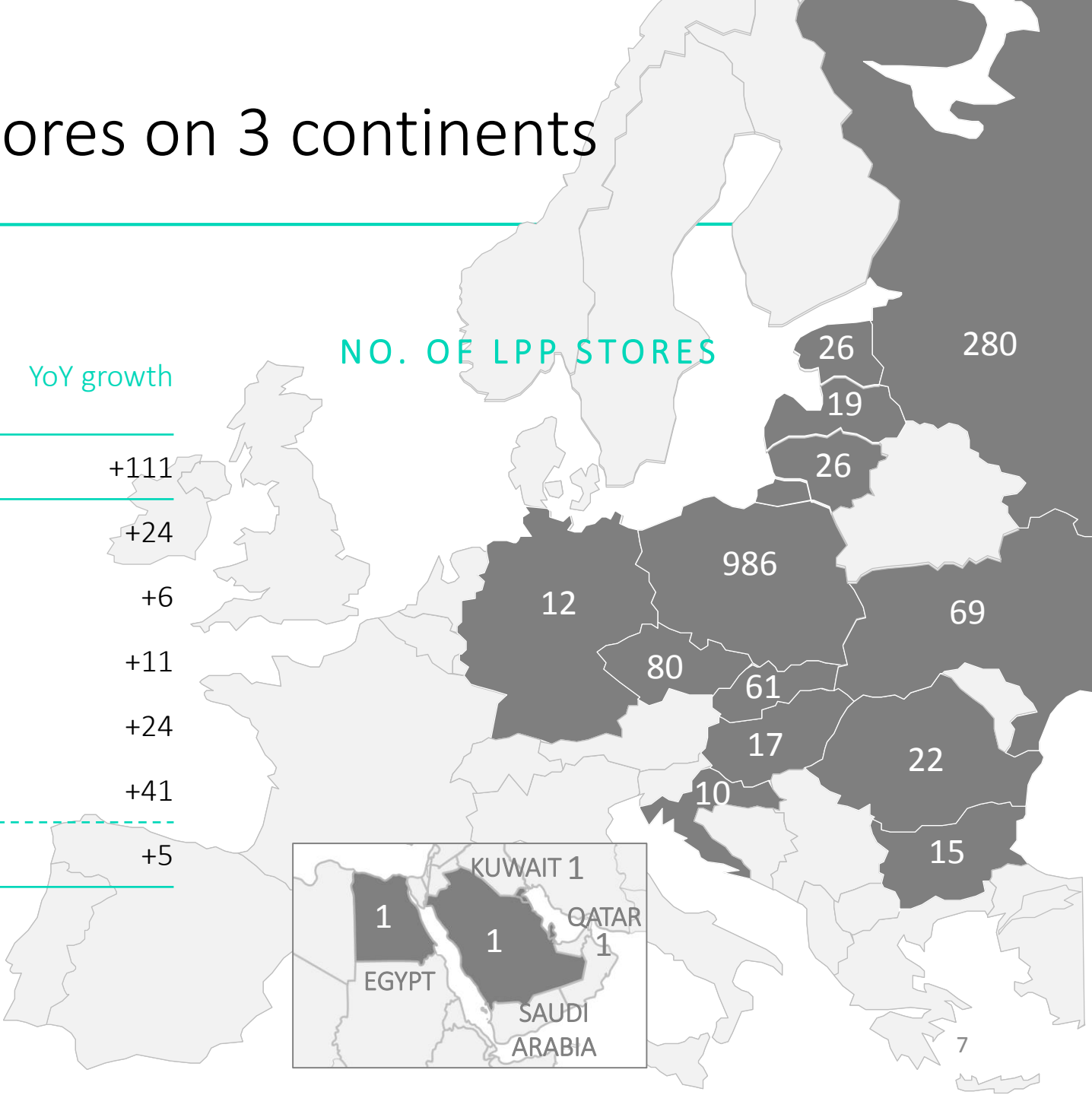


Over 1,600 stores on 3 continents

31.12.2015 No. of stores YoY growth

LPP GROUP	1,627	+111
RESERVED	449	+24
Cropp	372	+6
House	319	+11
MOHITO	280	+24
SiNSAY	170	+41
Outlets	37	+5

NO. OF LPP STORES



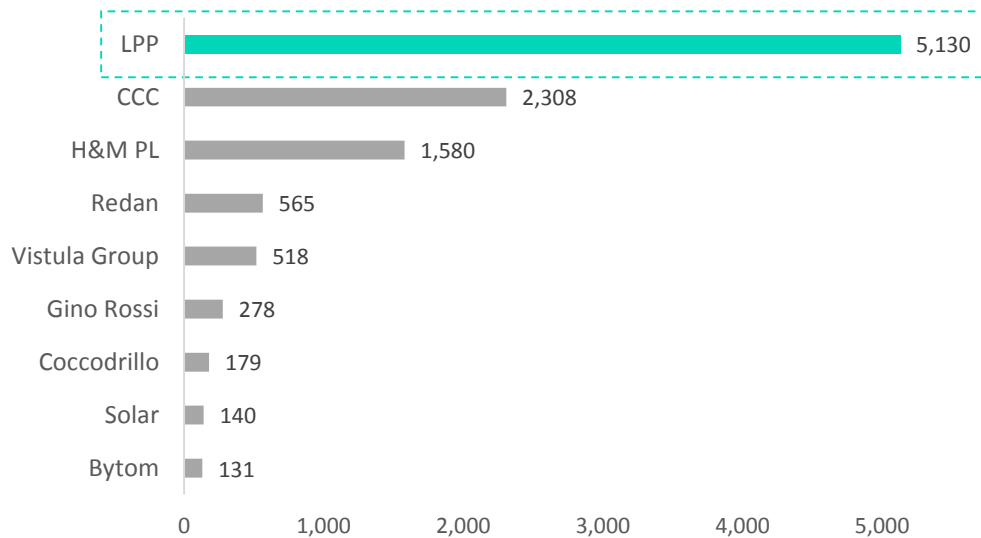
A lean retail-oriented business model



Eyeing the international giants

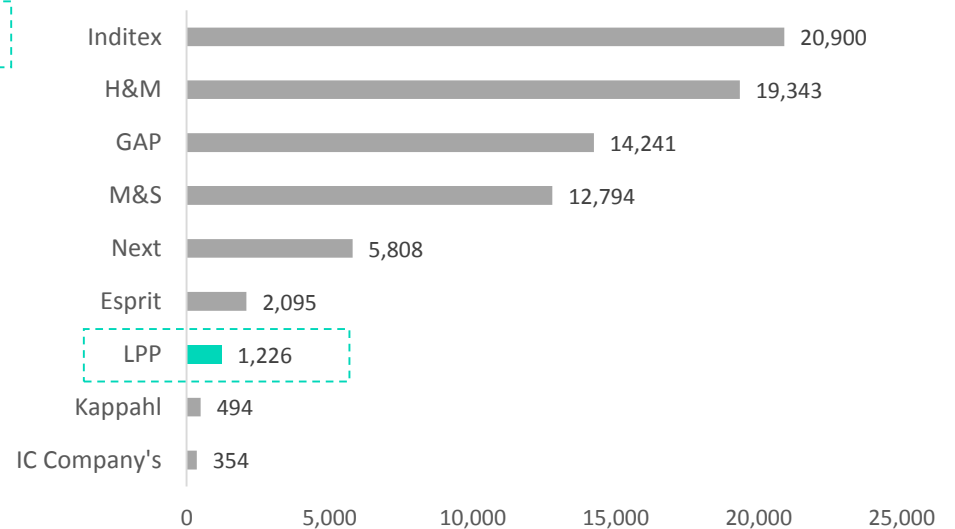
Leader domestically

Revenues (PLN m)
selected companies



Challenging international players

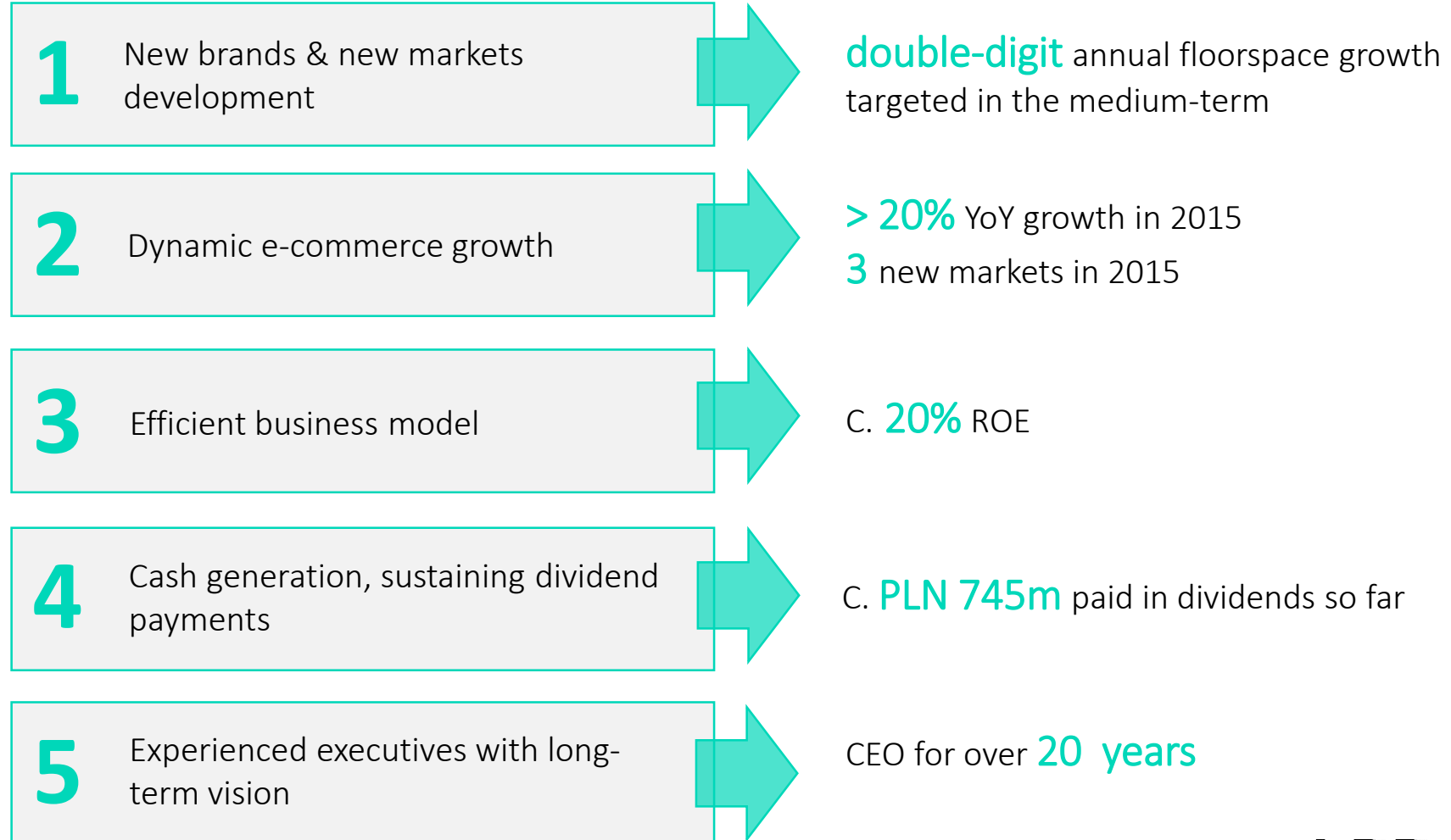
Revenues (EUR m)
selected companies





*Note: Data based on 2015 revenues (monthly sales data or 2015 results) or equivalent annual.
Values calculated at average exchange rates for the period.*

INVESTMENT THESIS

Investment thesis

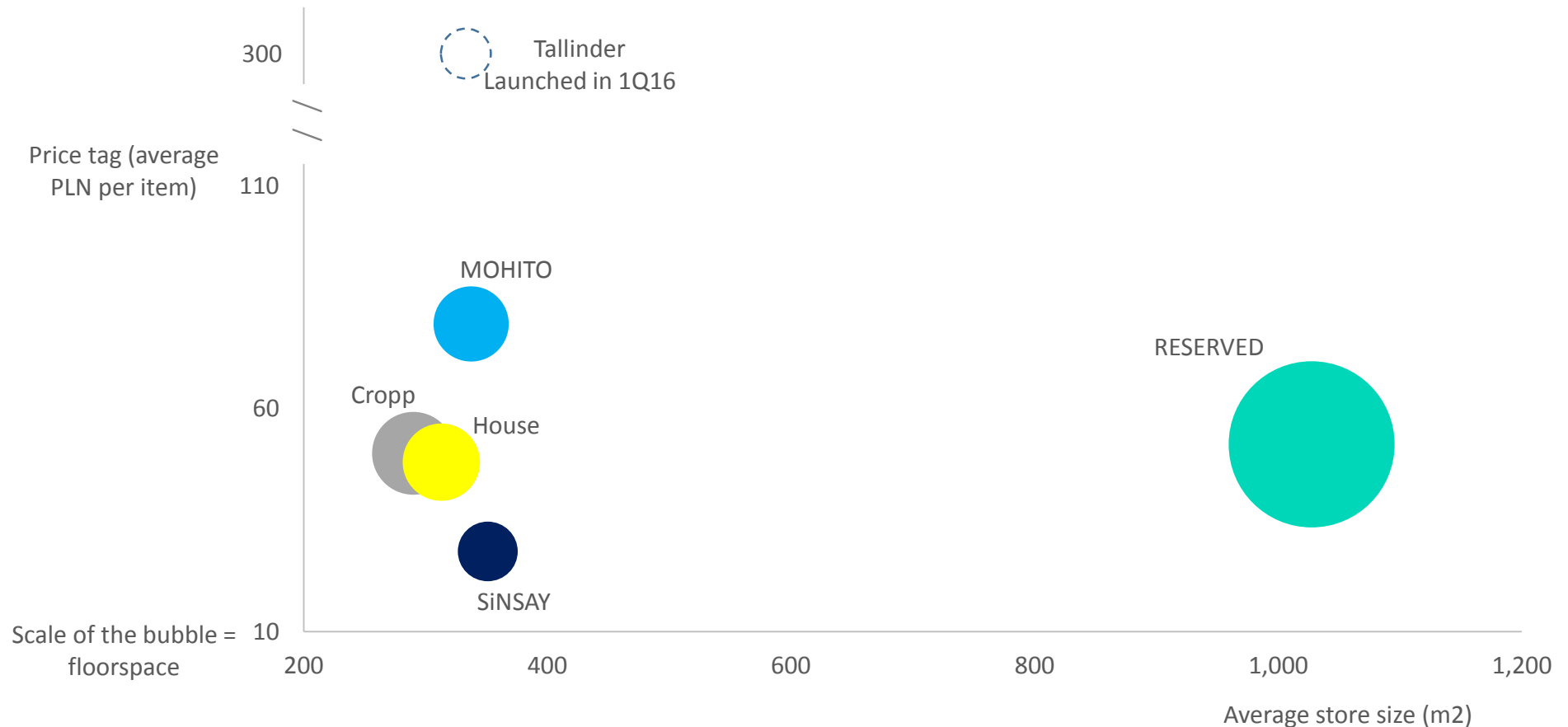


Growing number of brands

PRICE TAG	MAINSTREAM					UP-MARKET
	RESERVED	CROPP	 house	M O H I T O	sinsay	 TALLINDER
KEY BRAND FEATURES	Fast fashion brand with broad customer base	Casual streetwear brand offering also international labels	Urban fashion brand with folk and vintage elements	Comfort and elegance for business and informal meetings	Clothes for every day inspirations and original party outfits	High quality clothing for more demanding customers
TARGET CUSTOMERS	Women, men, children	Teenagers (boys and girls).	Teenagers (boys and girls)	Young women	Teenagers (girls only)	Men and women
YEAR OF LAUNCH	1999	2004	2001 (at LPP since 4Q08)	2008 (at LPP since 4Q08)	2013	1Q16
COUNTRIES / REGIONS PRESENT	CEE, SEE, Baltic, CIS, Germany, ME	CEE, SEE, Baltic, CIS	CEE, SEE, Baltic, CIS	CEE, SEE, Baltic, CIS	CEE, Baltic, CIS, SEE (excl. BGN)	Expansion to start in Poland
# STORES FLOORSPACE 2015	449 461.3k m2	372 114.5k m2	319 99.7k m2	280 94.5k m2	170 59.7k m2	0 Target: 30 stores in Poland
AVERAGE STORE SIZE	1,027 m2	308 m2	313 m2	337 m2	351 m2	350 m2

Each brand is targeted at a different customer base

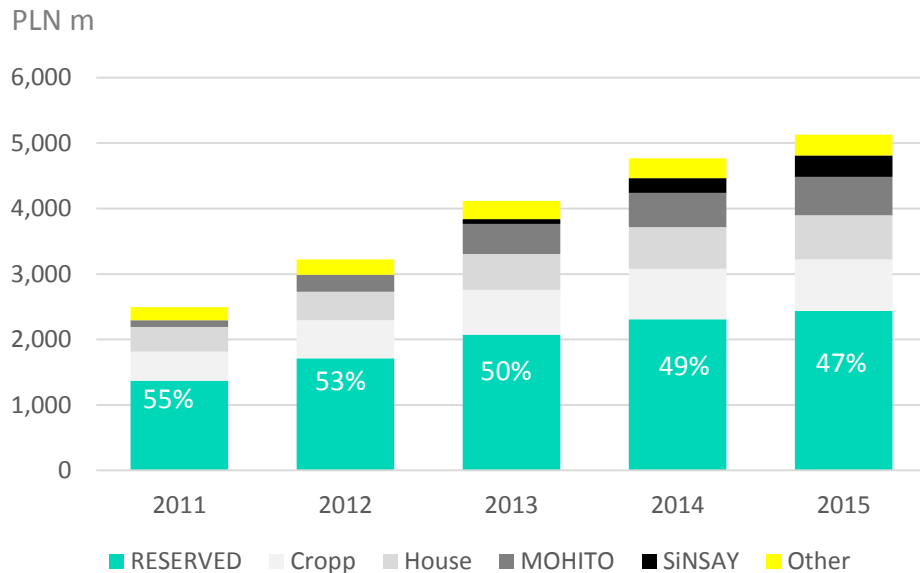
LPP's brands: floorspace versus price tag



Note: Average price per piece of clothing and average store size based on 2015 data.

Diversification by brands to continue

Group revenues by brands



Group revenues by brands

PLN m	2011	2012	2013	2014	2015
LPP GROUP	2,493	3,224	4,116	4,769	5,130
RESERVED	1,368	1,714	2,074	2,311	2,434
Cropp	447	580	687	771	790
House	378	437	546	634	673
MOHITO	104	259	456	523	586
SiNSAY	0	0	74	225	329
Other	196	233	279	306	318

- It is LPP's strategy to continue to diversify revenues by adding new brands to minimise fashion risk.
- The dependence on the key fast fashion mainstream RESERVED brand should continue to diminish.
- In the long-term we plan to open stores of each brand in all countries in which we are present today.
- The priority in new markets' expansion is given to RESERVED brand (Germany, Middle East, UK).

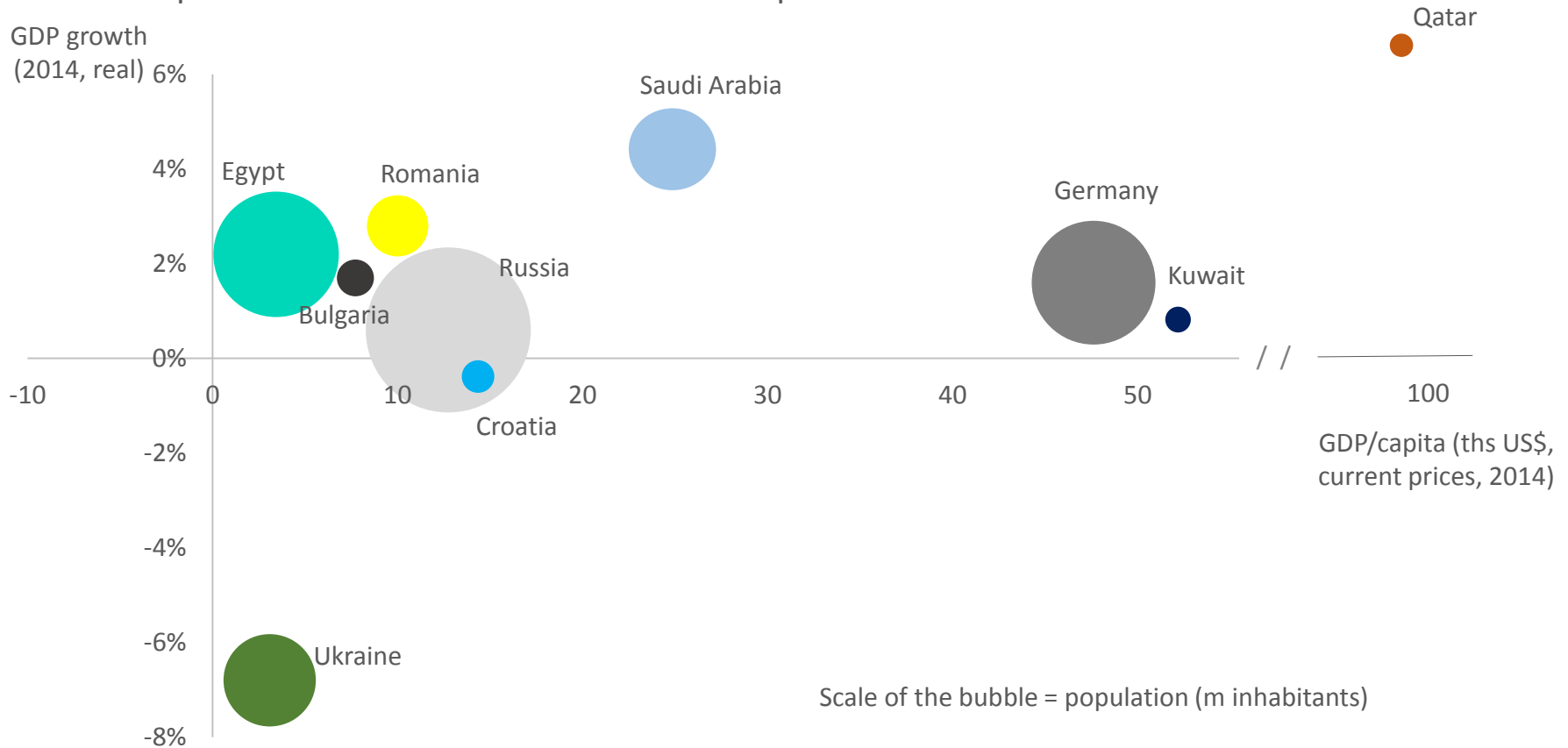
International growth opportunities

DEVELOPMENT STAGE	MATURITY		DEVELOPING		EARLY STAGE	
	CEE	BALTIC	SEE	CIS	WE	ME
COUNTRIES PRESENT	Poland, Czech Republic, Hungary, Slovakia	Lithuania, Latvia, Estonia	Bulgaria, Romania, Croatia	Russia, Ukraine	Germany	Egypt, Kuwait, Qatar, Saudi Arabia
# COUNTRIES PRESENT	4	3	3	2	1	4
BRANDS	RESERVED, Cropp, House, MOHITO, SiNSAY	RESERVED, Cropp, House, MOHITO, SiNSAY	RESERVED, Cropp, House, MOHITO, SiNSAY	RESERVED, Cropp, House, MOHITO, SiNSAY	RESERVED	RESERVED
# STORES 2015	1,144	71	47	349	12	4
TYPE OF STORES	Own (majority), franchise	Own	Own	Own (majority), franchise	Own	Franchise
FLOORSPACE 2015	544.7k m2	38.2k m2	34.1k m2	193.9k m2	27.1k m2	5.5k m2

Entry into high growth potential markets

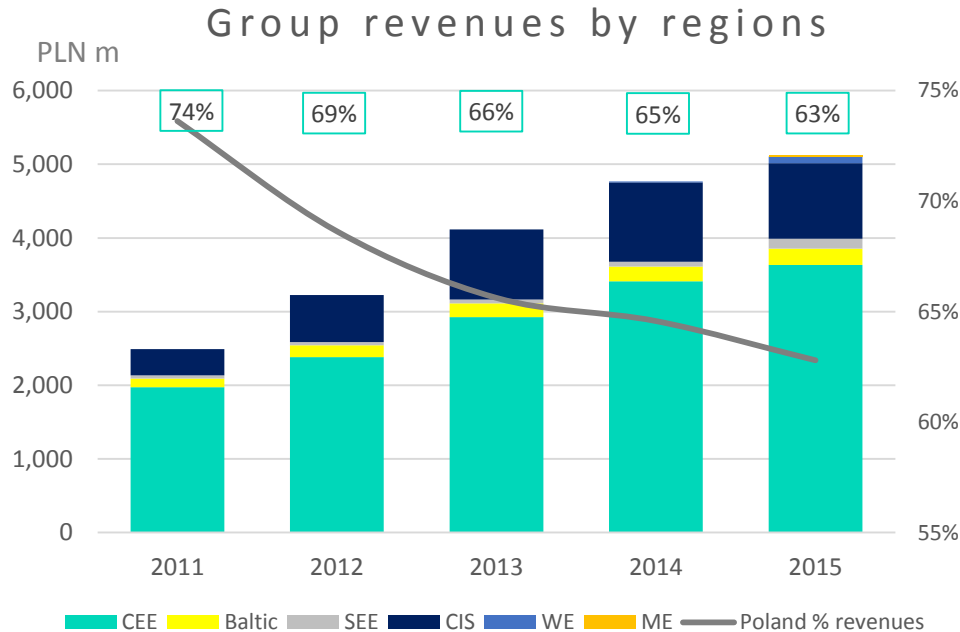
Growth potential of countries developed

GDP growth
(2014, real) 6%



Source: World Bank data.

Diversification by countries to continue



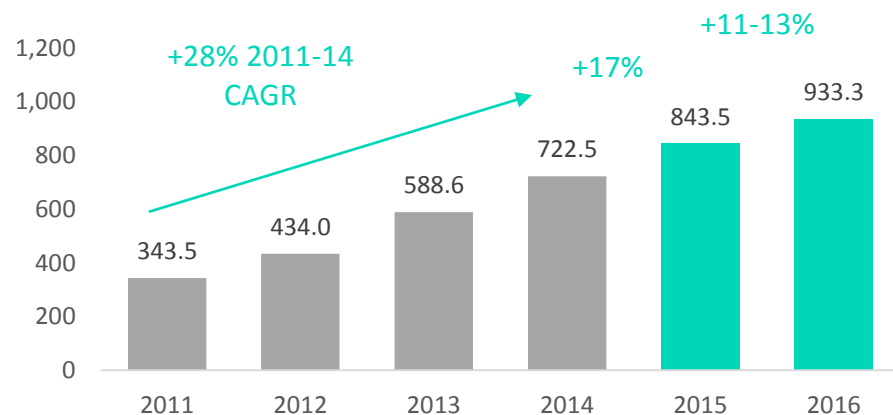
Group revenues by regions

PLN m	2011	2012	2013	2014	2015
LPP GROUP	2,493	3,224	4,116	4,769	5,130
CEE	1,973	2,382	2,927	3,414	3,634
Baltic	120	162	186	200	222
SEE	40	42	52	65	134
CIS	359	638	952	1,076	1,025
WE	0	0	0	15	94
ME	0	0	0	0	23

- Dependency on Poland should continue to diminish in upcoming years.
- Maturity has been reached in Czech Republic, but Slovakia and Hungary still offer growth potential.
- Development potential in SEE: (1) only 3 countries entered, (2) not all brands present in Bulgaria.
- Target: 20 own stores in Germany in 3 years and 70 franchise stores in the Middle East in 6 years.

Medium-term target: double-digit floorspace growth

Floorspace growth targets
(ths m2)



Floorspace targets
by regions

ths m2	2015	2016	YoY
LPP GROUP	843.5	933.3	10.7%
Poland	465.0	494.2	6.3%
EU	179.0	210.2	17.5%
CIS	193.9	214.2	10.5%
ME	5.5	14.6	165.9%

- In 2016 we plan to grow floorspace by 11-13% YoY.
- Slower CIS expansion (c. 10% p.a. floorspace growth in Russia) should be offset by opening of franchise stores in Belarus and Kazakhstan and further development in Germany and in the Middle East.
- We believe that in the medium-term we can maintain double-digit floorspace growth.
- From 2016 floorspace growth should be supported by the new Tallinder brand.

Flagships to fuel floorspace growth

NEW OPENINGS IN GERMANY



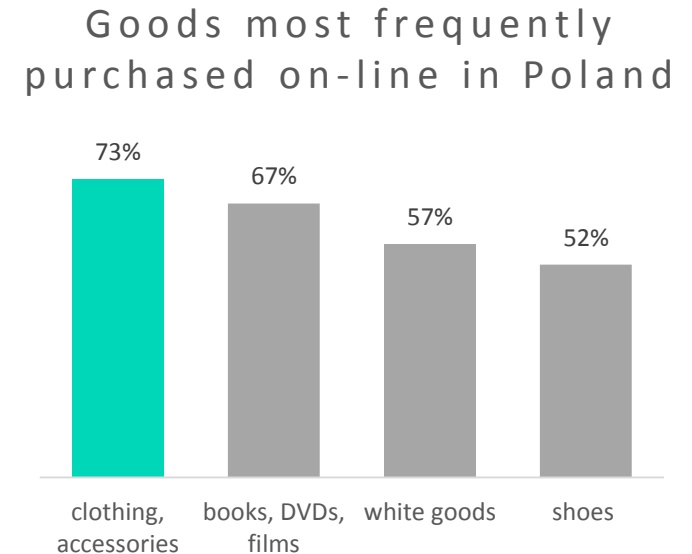
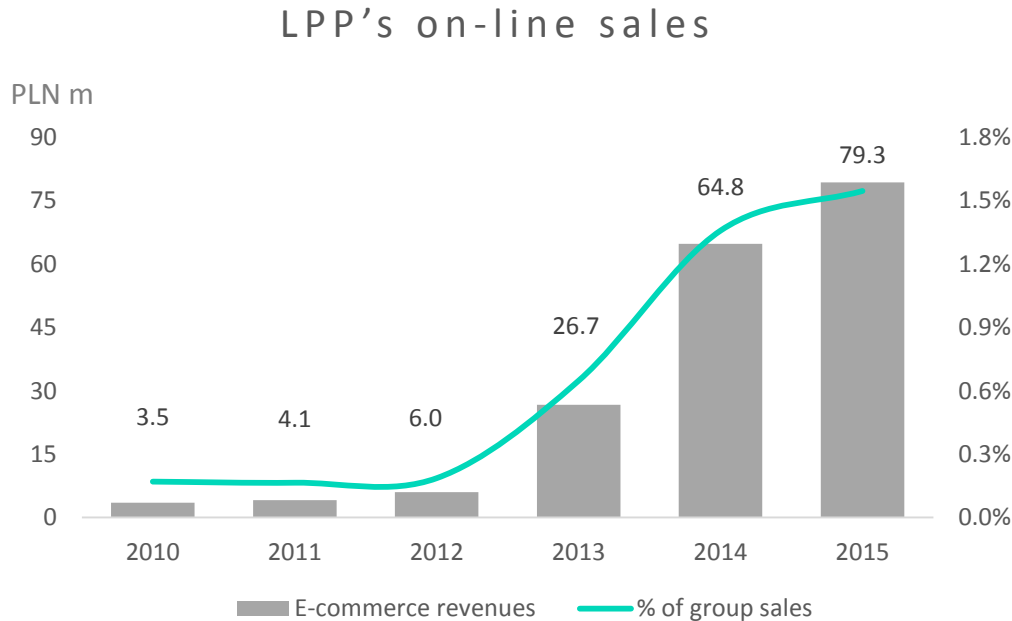
- We want to build our recognition by flagship stores in key WE cities.
- In September 2015 we opened our flagship in Stuttgart. That is the largest RESERVED store. 137 ths products sold on 3,910 m2. 80 employees.
- Flagship in Berlin is to be opened in 2017.

WE AWAIT FIRST RE IN UK



- In December 2015 we signed a conditional agreement for the first UK flagship at 252/258 Oxford Street, London, next to Zara and H&M stores, replacing a BHS store.
- We await the building's landlord consent. Target store size at c. 3 ths m2.
- We look for further flagship opportunities, eg. in Milan, Paris or Vienna.

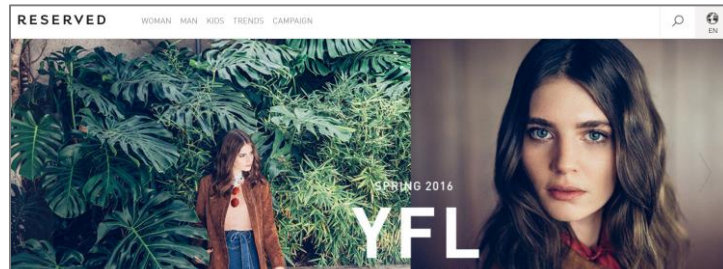
Dynamic e-commerce development



Source: Gemius, E-Commerce in Poland in 2015.

- We believe on-line sales in Poland should converge to the European average.
- As our customers increasingly often shop on-line we invest in high quality internet stores for all our brands (in Poland 55% of internet users made on-line purchases; 53% of these were women).
- All 6 LPP's brands have their own internet stores in Poland.
- LPP's integrated on-line sales platform is scalable onto the new markets.

We follow our customers



MILESTONE OPENINGS LPP'S ON-LINE STORES

JULY 2014: RESERVED on-line in Germany

MAY 2015: RESERVED on-line store in Czech Republic

OCT 2015: RESERVED on-line store in Slovakia

NOV 2015: RESERVED on-line store in Romania

FEB 2016: Tallinder.com store in Poland

1Q16: target to open RESERVED on-line in Hungary

2016: target to open on-line stores of two brands in Czech Republic, Slovakia, Hungary and Romania

Further development possibilities in 2016

2016 TARGETS

- Revenue growth should exceed floorspace growth.
- E-commerce development (Tallinder in Poland, RESERVED in Hungary, 2 new brands on-line in CEE/SEE region).
- Gross profit margin at levels similar to 2015.

2016 OPPORTUNITIES

- LFLs improvement.
- New markets development (UAE, Belarus, Kazakhstan).
- More favourable price-to-quality ratio (yuan depreciation allows renegotiation of terms with suppliers).

2016 RISKS

- Higher taxation of retail companies.
- Continuation of unfavourable FX trends on PLN/US\$ and PLN/EUR.
- Continuation of negative macroeconomic situation in Russia.

We aim to improve LFLs

2016 TARGET

- Positive LFLs in 2016, especially at the RESERVED brand in Poland.

WIDER ASSORTMENT

- 50% more models within RESERVED collection from SS16 season.
- More varied models in stores and diverse fabrics used.

MORE DESIGNERS

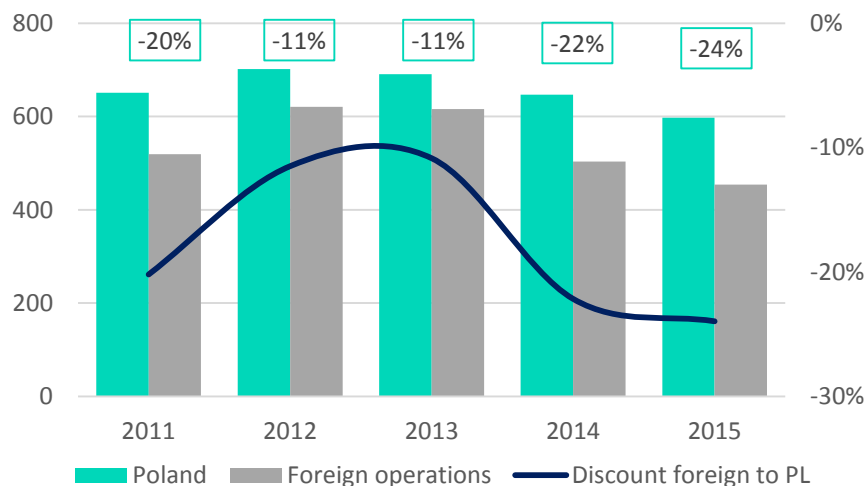
- New employees in design departments of all six brands.
- First employer branding campaign promoting LPP as an attractive employer.

QUALITY CONTROL

- More effective control over the production process (direct supervision).
- Verification of the list of suppliers, focus on the best in kind.

Poland records highest sales/m2

Revenues/ m2 monthly



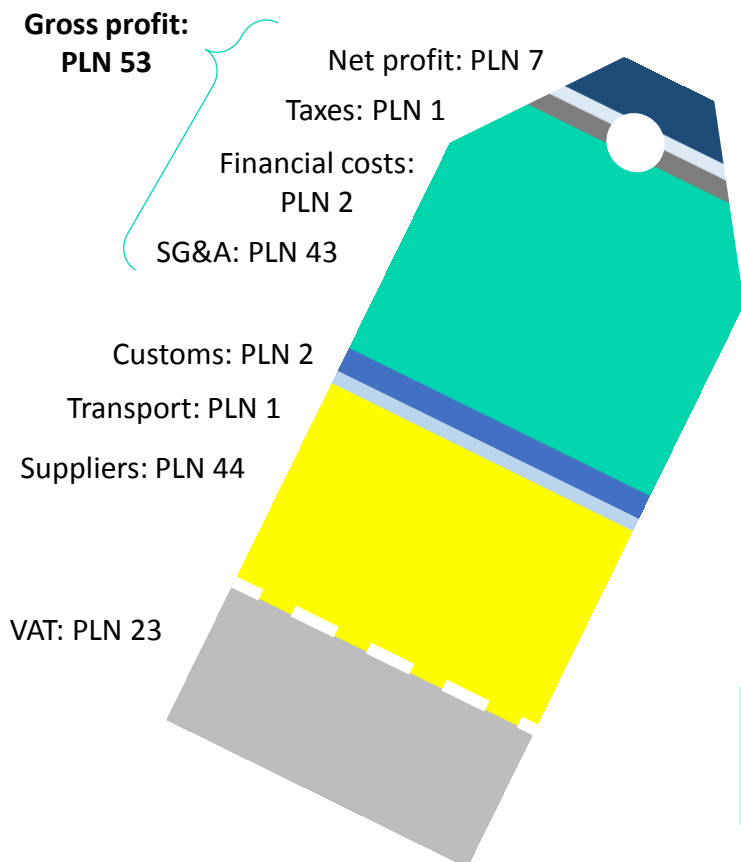
Revenues/ m2 monthly

PLN	2011	2012	2013	2014	2015
LPP GROUP	610	675	664	589	548
Poland	651	702	691	647	598
Foreign operations	520	621	616	503	454
RESERVED	566	628	617	547	483
Cropp	651	756	725	647	591
House	633	654	652	612	579
MOHITO	733	843	759	583	549
SiNSAY	-	-	670	584	531

- Revenues/m2 in Poland were on average c.17% higher in 2011-15 than on foreign markets.
- The difference widened in 2014-15 due to depreciation of rubble and hryvna to PLN.
- For all brands revenues/m2 in Poland remain higher than abroad due to superior brand recognition.

Gross profit margin remains high despite the FX impact

Retail price split PLN 123



Gross profit margin development

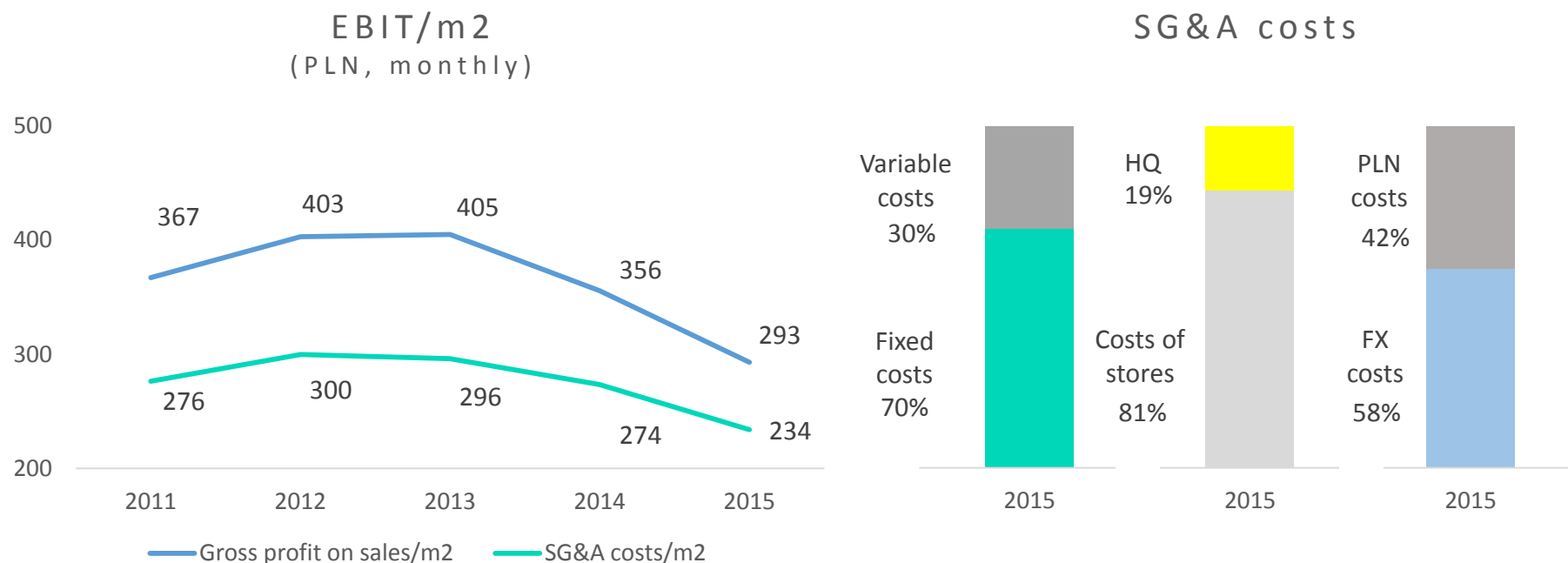
Gross profit margin	2011	2012	2013	2014	2015
LPP GROUP	57.1%	56.7%	58.5%	58.6%	53.5%

Factors affecting gross profit margin:

- FX - c. 90% of purchases made in the Far East and indexed to US\$. Depreciation of zloty to US\$ increases costs of purchases from Asia. FX exposure is not hedged.
- Consumer demand - the retail industry aims to transfer any increased costs of purchase onto the final consumer. However, the attempts may be hindered by competitive environment (the current situation in Poland).
- Terms with suppliers - we pursue most attractive offers to obtain more favourable price-to-quality ratio.

We have an ambitious target of maintaining 2016 gross profit margin at levels similar to 2015.

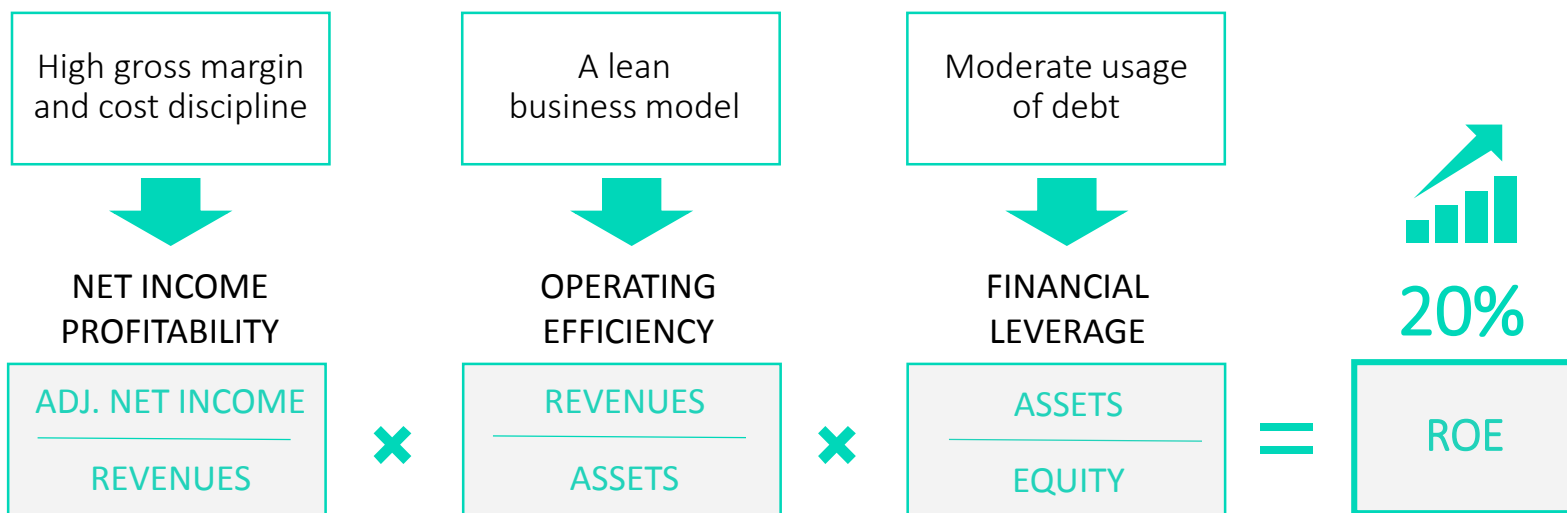
High operating leverage business



- 70% of our SG&A costs are fixed, which implies a high operating leverage.
- 58% of SG&A costs are linked to foreign currencies → zloty appreciation is favourable for EBIT.
- Fall in SG&A/m² → optimisation of costs of stores and headquarters.
- Lower costs of stores/m² → lower rentals, HR costs and other costs of stores.

High ROE levels should continue

LPP's high ROE contributors



	NI margin	Asset Turnover	Equity Multiplier	ROE
2011	10.8%	1.5	1.8	29.6%
2012	10.9%	1.7	1.8	33.4%
2013	10.5%	1.7	1.8	32.0%
2014	7.9%	1.6	1.9	23.9%
2015	6.9%	1.4	2.0	20.0%

Lean business model remains intact.

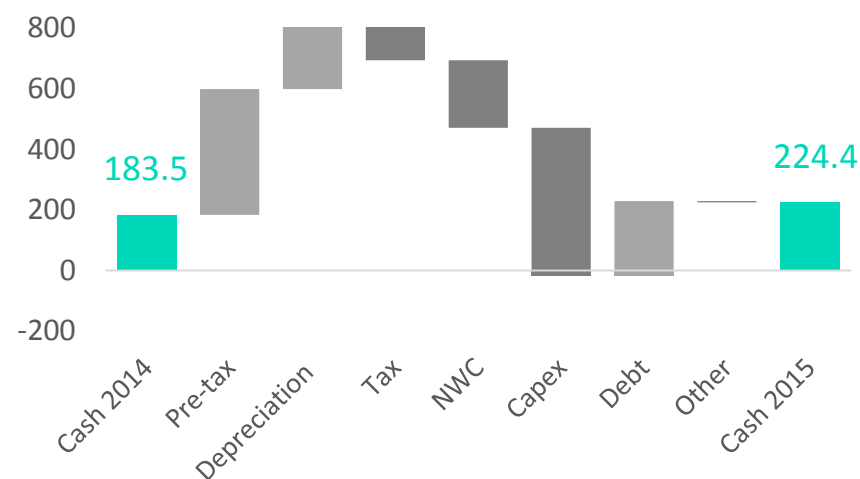
Note: 2014 net income adjusted for tax asset.

We generate operating CF and cash ...

FCFF generation

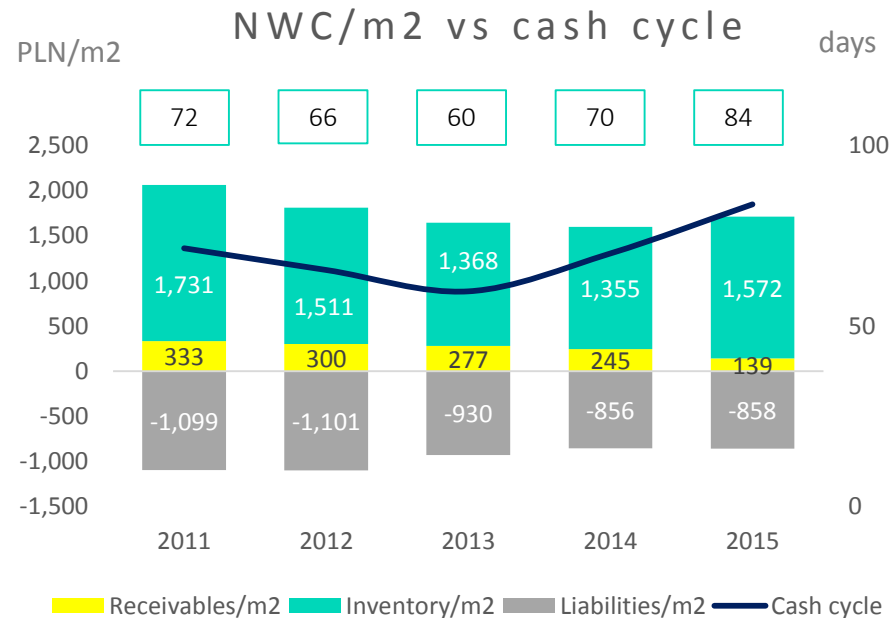
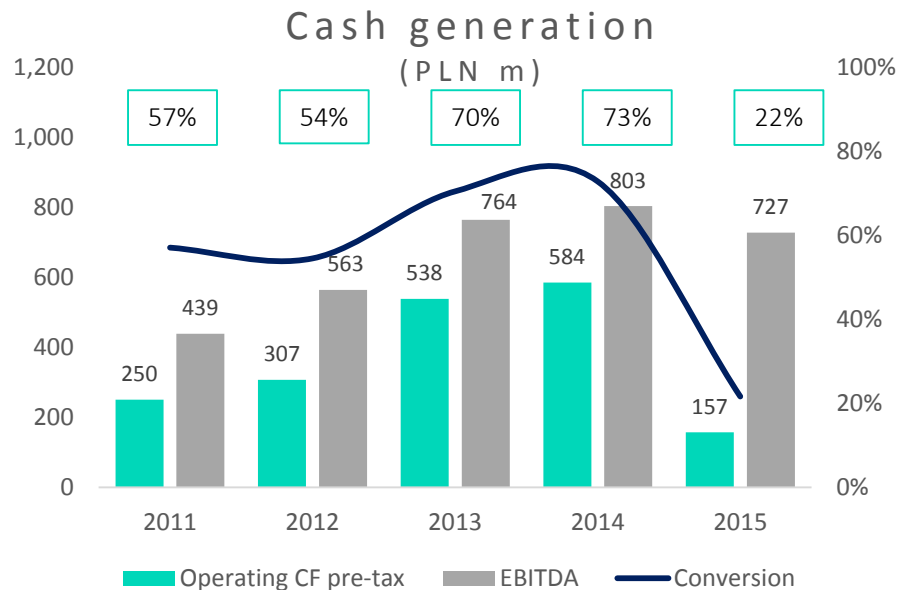
PLN m	2011	2012	2013	2014	2015
FCFF	100	178	19	154	-61
NOPAT	279	379	509	638	427
D&A	95	109	148	194	224
Capex	-129	-288	-542	-551	-489
NWC	-145	-22	-96	-127	-223

2015 cash flow bridge (PLN m)



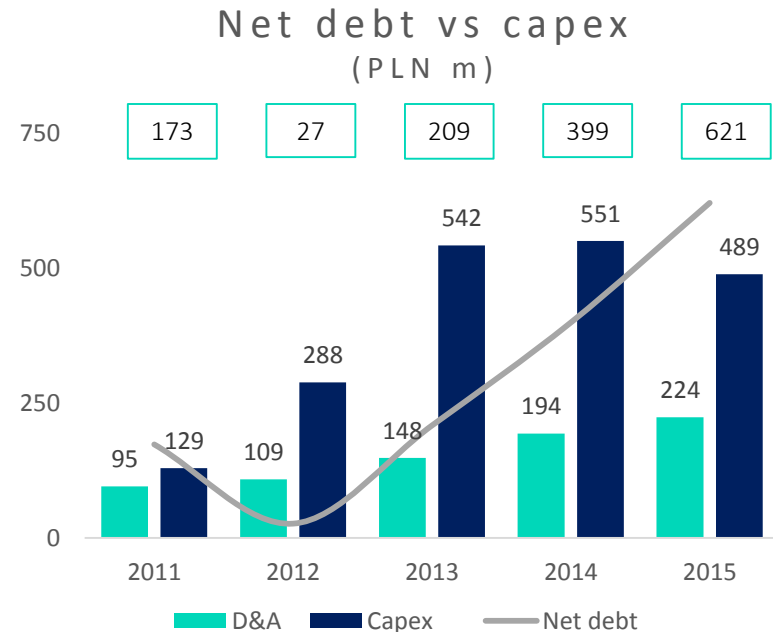
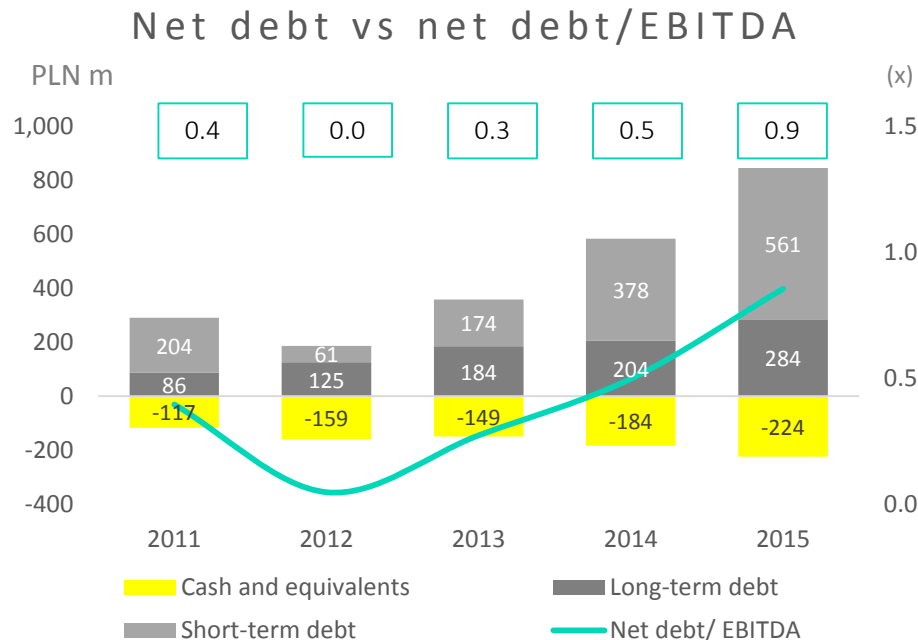
- We continue to focus on FCFF:
 - NOPAT: ongoing cost optimisation (rentals renegotiation, search for best suppliers).
 - NWC: focus on maintaining optimal inventory/m2, lead time between 6 to 9 months.
 - Capex: more franchise store openings and focus on fits-outs.

... despite NWC drag



- Our business generates cash, even though inventory puts a pressure on cash cycle.
- 2015 pressure on NWC results from inventory growing due to stronger US\$ vs PLN.
- Liabilities cycle depends on the Far East purchases (goods ordered 3-4 months in advance of shipment).
- As majority of sales is conducted in our retail stores, receivables cycle is negligibly low.

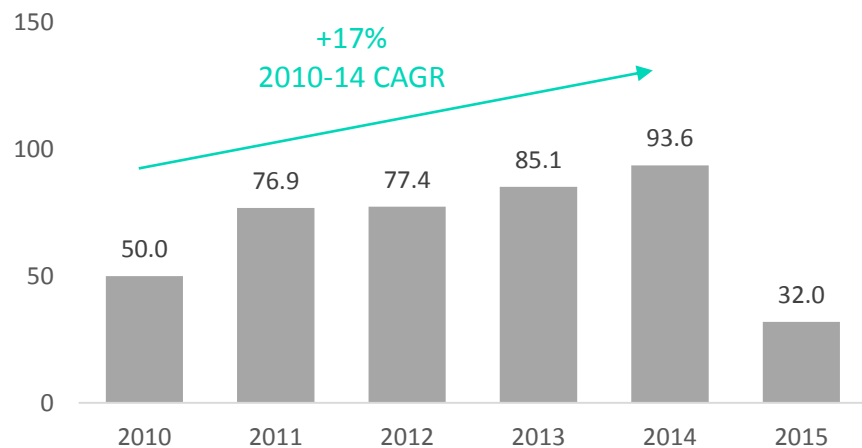
Safe net debt level...



- Despite growing capex (organic only) net debt/EBITDA ratio remained at a safe level.
- Core business cash generation allows for net debt/EBITDA being below 2.5x.
- Fit-outs are now demanded while expanding abroad. These coupled with franchise store openings lower the overall cash outflow.

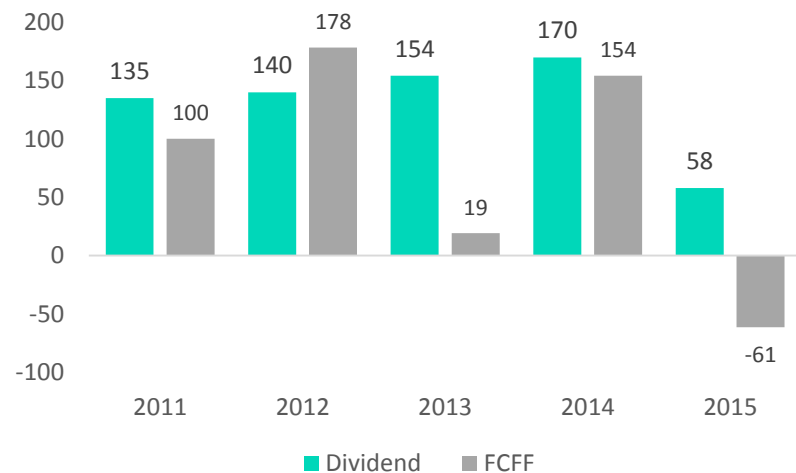
... allows to pay dividend

Dividend per share



Note: DPS shown under year paid.

Dividend paid vs FCFF
(PLN m)



- LPP has a history of dividend payments (first in 2010 from 2009 earnings).
- It is the intention of LPP's management to continue dividend payments in future.
- Fall in 2015 DPS results from uncertain situation on the CIS market.
- Dividend from 2014 earnings was paid in September 2015.

Experienced and deliverable executives

- 1991 Jerzy Lubianiec (55) and Marek Piechocki (55) form Mistral company (LPP's predecessor).
- Each of the founders has over 20 years of experience in the retail business.
- Both founders still control the business with c.30% of equity and c.61% of votes.
- They are still actively involved in LPP's operations, with Marek Piechocki being the CEO and Jerzy Lubianiec holding the post of Chairman of the Supervisory Board.
- Current management board members are long-standing employees, at LPP at least since 2008.
- Since IPO, top-ranked management for the quality of investor relations in domestic surveys among investment professionals.

RECENT AWARDS



No 1 IR by Parkiet (2014, 2015)

Most effective CEO by Harvard Business Review (2013)

No 1 at ranking Stock Company of the Year by Puls Biznesu (2014, 2012, 2011)

The most dynamically growing company in Pomerania region by Forbes (2014)

LPP – an investment opportunity



1

High quality Company gradually overcoming medium-term turbulences.

2

Stock benefiting from increased liquidity and recognition from WIG20 and MSCI Poland membership.

3

Company actively pursuing international expansion.

BACK-UP

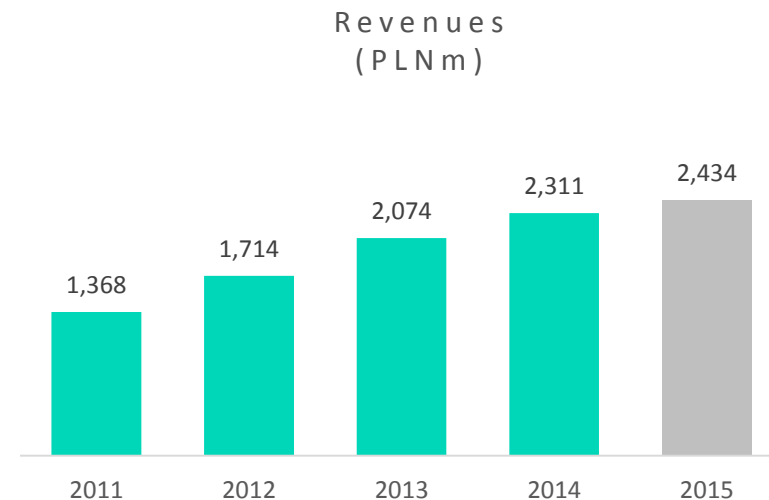
RESERVED

KEY BRAND FEATURES	Fast fashion brand with broad customer base
TARGET CUSTOMERS	Women, men, children
YEAR OF LAUNCH	1998
# STORES	449
# MARKETS	17
STORE SIZE	1,027 m2
ADVERTISING	International stars like Georgia May Jagger

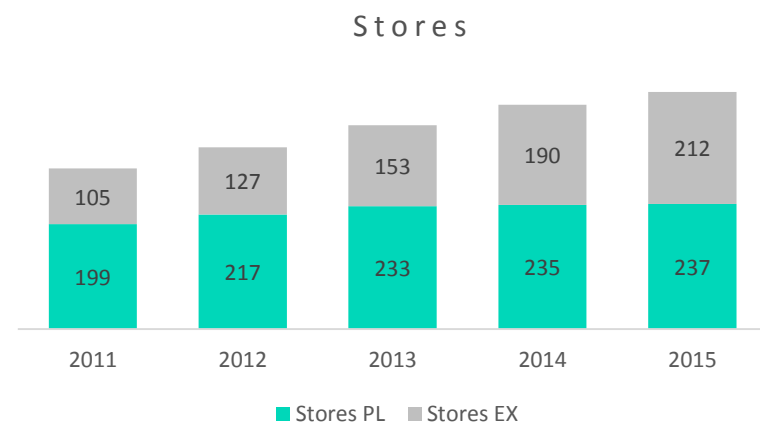


RESERVED

Key data	2011	2012	2013	2014	2015
Revenues (PLN m)	1,368.4	1,714.1	2,073.8	2,311.3	2,433.8
No. of stores	304	344	386	425	449
Store size (m2)	697	733	835	917	1,027
Floorspace (eop, m2)	212.0	252.3	322.3	389.7	461.3
Sales/m2 monthly	566	628	617	547	483
% of floorspace in PL	65%	62%	59%	54%	50%

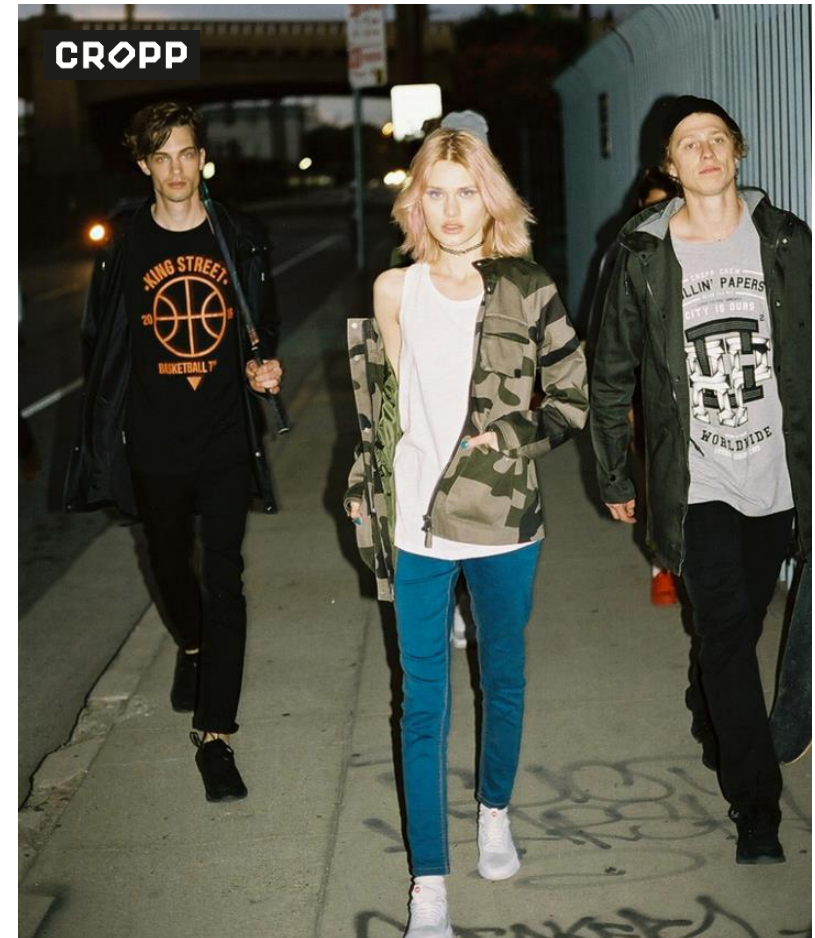


YoY growth	2011	2012	2013	2014	2015
Revenues (PLN m)	25%	25%	21%	11%	5%
No. of stores	6%	13%	12%	10%	6%
Store size (m2)	2%	5%	14%	10%	12%
Floorspace (eop, m2)	7%	19%	28%	21%	18%
Sales/m2 monthly	13%	11%	-2%	-11%	-12%
% of floorspace in PL	-2ppt	-3ppt	-3ppt	-5ppt	-4ppt



CROPP

KEY BRAND FEATURES	Casual streetwear brand and international labels
TARGET CUSTOMERS	Teenagers (boys and girls)
YEAR OF LAUNCH	2004
# STORES	372
# MARKETS	12
STORE SIZE	308 m2
ADVERTISING	Partner of artists and street art events

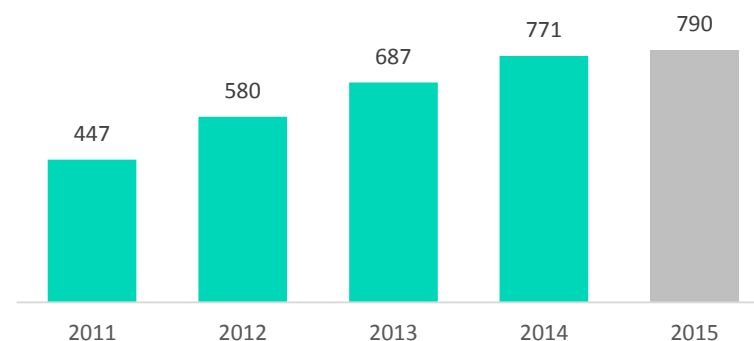


CROPP

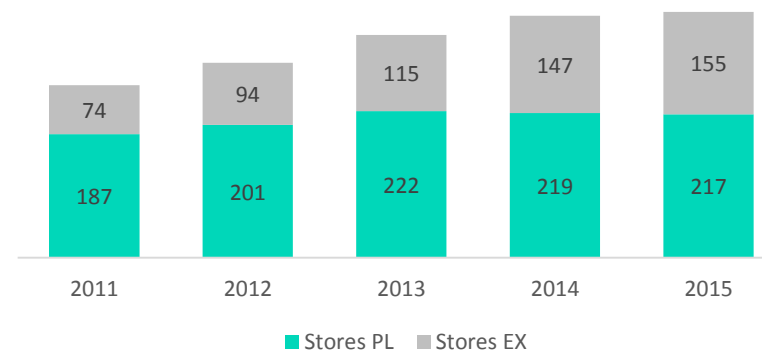
Key data	2011	2012	2013	2014	2015
Revenues (PLN m)	446.6	580.4	687.0	770.9	789.9
No. of stores	261	295	337	366	372
Store size (m2)	228	244	269	288	308
Floorspace (eop, m2)	59.5	72.0	90.6	105.4	114.5
Sales/m2 monthly	651	756	725	647	591
% of floorspace in PL	67%	62%	60%	55%	55%

YoY growth	2011	2012	2013	2014	2015
Revenues (PLN m)	17%	30%	18%	12%	2%
No. of stores	5%	13%	14%	9%	2%
Store size (m2)	2%	7%	10%	7%	7%
Floorspace (eop, m2)	7%	21%	26%	16%	9%
Sales/m2 monthly	7%	16%	-4%	-11%	-9%
% of floorspace in PL	-2ppt	-5ppt	-2ppt	-5ppt	0ppt

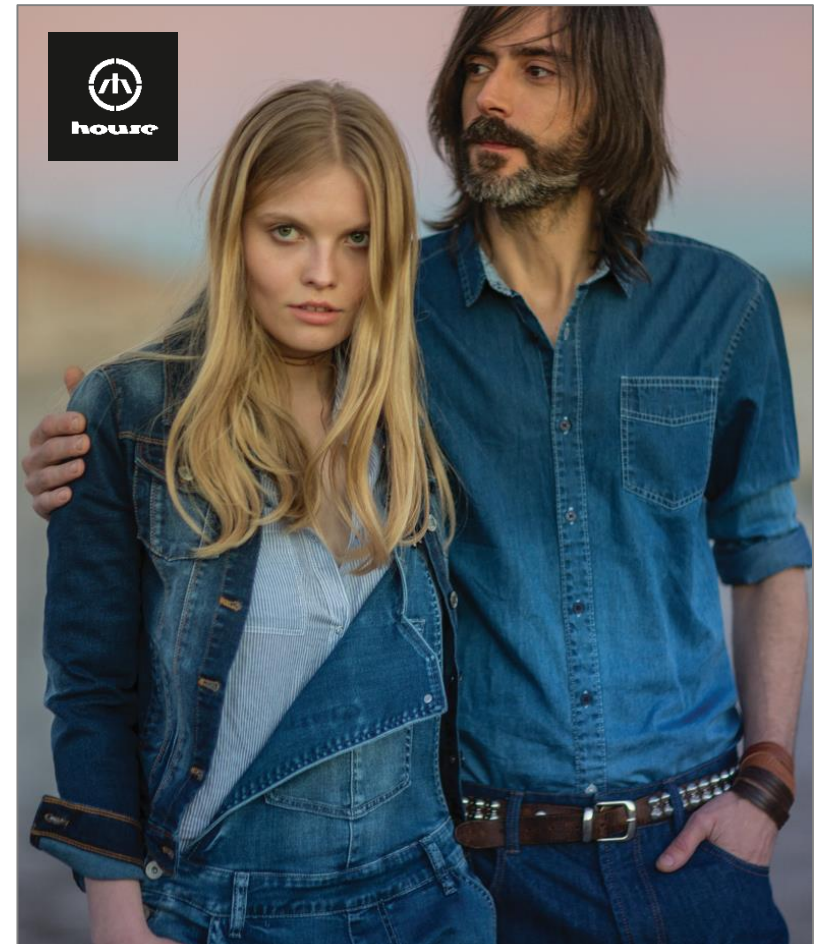
Revenues
(PLN m)



Stores



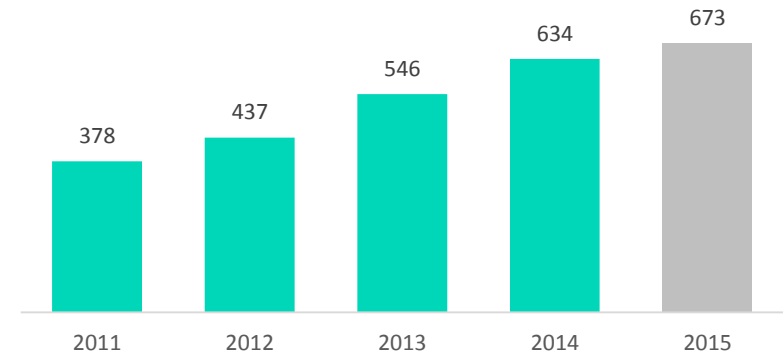
KEY BRAND FEATURES	Urban fashion brand with folk and vintage elements
TARGET CUSTOMERS	Teenagers (boys and girls)
YEAR OF LAUNCH	2001 (at LPP since 4Q08)
# STORES	319
# MARKETS	12
STORE SIZE	313 m2
ADVERTISING	Artistic events partner and music sponsor



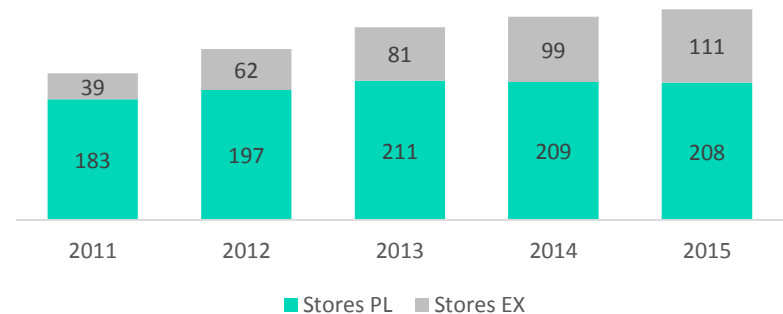
Key data	2011	2012	2013	2014	2015
Revenues (PLN m)	377.6	436.6	546.3	633.6	673.2
No. of stores	222	259	292	308	319
Store size (m2)	230	247	275	291	313
Floorspace (eop, m2)	51.0	63.9	80.2	89.6	99.7
Sales/m2 monthly	633	654	652	612	579
% of floorspace in PL	80%	73%	69%	64%	62%

YoY growth	2011	2012	2013	2014	2015
Revenues (PLN m)	29%	16%	25%	26%	6%
No. of stores	3%	17%	13%	5%	4%
Store size (m2)	3%	7%	11%	6%	7%
Floorspace (eop, m2)	6%	25%	26%	12%	11%
Sales/m2 monthly	18%	3%	0%	-2%	-5%
% of floorspace in PL	-2ppt	-7ppt	-4ppt	-5ppt	-2ppt

Revenues
(PLN m)



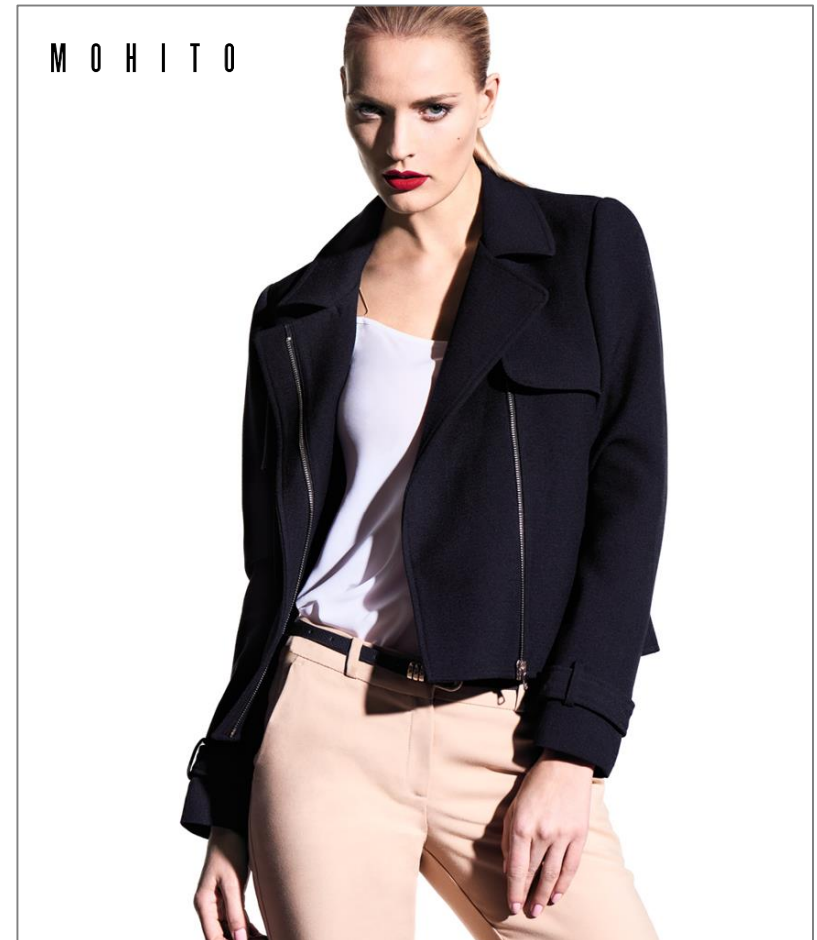
Stores



■ Stores PL ■ Stores EX

M O H I T O

KEY BRAND FEATURES	Comfort and elegance; business and casual
TARGET CUSTOMERS	Young women
YEAR OF LAUNCH	2008 (at LPP since 4Q08)
# STORES	280
# MARKETS	12
STORE SIZE	337 m2
ADVERTISING	Super models (Anja Rubik, Zuzanna Bijoch)

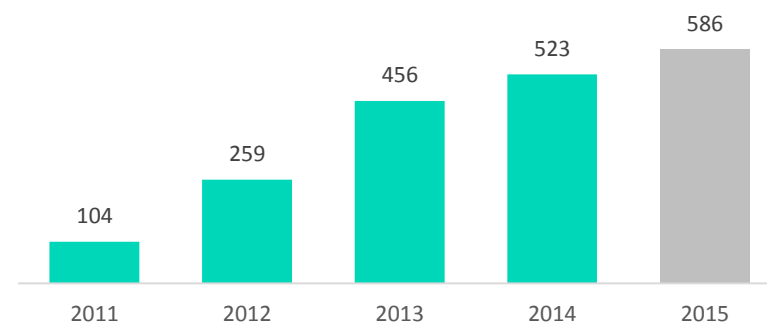


M O H I T O

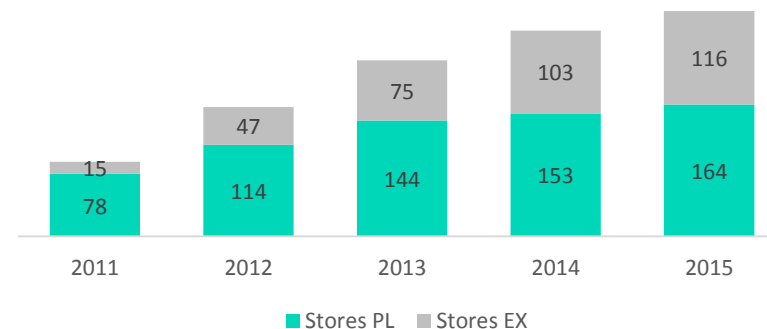
Key data	2011	2012	2013	2014	2015
Revenues (PLN m)	104.0	259.4	456.4	522.9	586.5
No. of stores	93	161	219	256	280
Store size (m2)	186	242	301	323	337
Floorspace (eop, m2)	17.3	38.9	66.0	82.8	94.5
Sales/m2 monthly	733	843	759	583	549
% of floorspace in PL	87%	67%	62%	56%	55%

YoY growth	2011	2012	2013	2014	2015
Revenues (PLN m)	67%	149%	76%	15%	12%
No. of stores	66%	73%	36%	17%	9%
Store size (m2)	3%	30%	25%	7%	4%
Floorspace (eop, m2)	71%	125%	70%	26%	14%
Sales/m2 monthly	39%	53%	-6%	-19%	-6%
% of floorspace in PL	-13ppt	-10ppt	-5ppt	-6ppt	-1ppt

Revenues
(PLN m)



Stores



■ Stores PL ■ Stores EX

sinsay

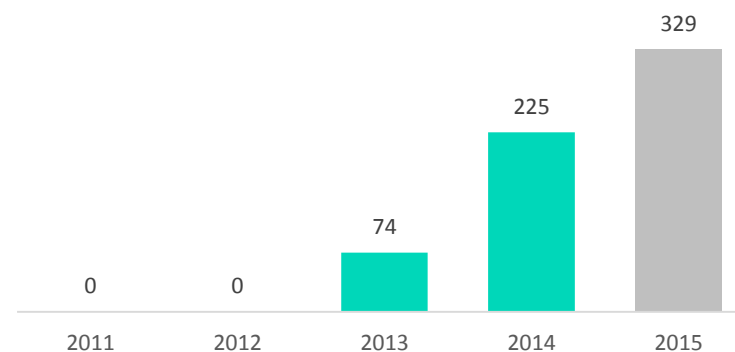
KEY BRAND FEATURES	Every day clothes and original party outfits
TARGET CUSTOMERS	Teenagers (girls only)
YEAR OF LAUNCH	2013
# STORES	170
# MARKETS	11
STORE SIZE	351 m2
ADVERTISING	Social media



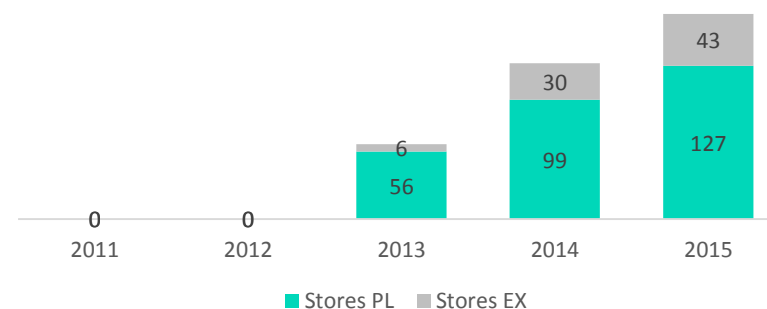
Key data	2011	2012	2013	2014	2015
Revenues (PLN m)	-	-	74.0	224.7	328.9
No. of stores	-	-	62	129	170
Store size (m2)	-	-	325	338	351
Floorspace (eop, m2)	-	-	20.1	43.7	59.7
Sales/m2 monthly	-	-	670	584	531
% of floorspace in PL	-	-	89%	75%	73%

YoY growth	2011	2012	2013	2014	2015
Revenues (PLN m)	-	-	-	204%	46%
No. of stores	-	-	-	108%	32%
Store size (m2)	-	-	-	4%	4%
Floorspace (eop, m2)	-	-	-	117%	37%
Sales/m2 monthly	-	-	-	-4%	-9%
% of floorspace in PL	-	-	-	-14ppt	-2ppt

Revenues
(PLN m)



Stores



■ Stores PL ■ Stores EX

KEY BRAND FEATURES	High quality clothing
TARGET CUSTOMERS	More demanding men and women 35+
YEAR OF LAUNCH	1Q16
# STORES	Target: 30 stores in Poland
# MARKETS	Expansion initiated in Poland
STORE SIZE	350 m2
ADVERTISING	Billboards, social media, word-of-mouth



Actions to boost LFLs

ACTIONS TAKEN TO BOOST LFLs

- New collections
- International stars
- Attractive floorspace
- Price
- Promotions

LFLs

	2011	2012	2013	2014	2015
LPP GROUP	15.7%	11.3%	5.6%	-2.5%	0.6%

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.

We work on LFL improvements

INCREASING ATTRACTIVNESS

ACTIONS TAKEN IN 2015

ADVERTISING

- Contracting international stars
 - Georgia May Jagger (face of RESERVED AW14/15, SS15) created a star collection for RESERVED AW15/16
 - Brooklyn Beckham (RESERVED SS15)
 - Anja Rubik (star collection for MOHITO AW14/15)
 - Zuzanna Bijoch (face of MOHITO AW15/16)



COLLECTIONS

- New collections introduced at RESERVED:
 - BE ACTIVE - sport collection
 - Concept Limited Collection - for city dwellers
 - Modern Line - for fashion followers



FLOORSPACE

- Refurbishment of stores of all brands
- New stores in top quality locations
- New flagships in Germany



Attractive floorspace – new store concepts



International stars promote our brands



Zuzanna Bijoch

Face of MOHITO
AW15/16 collection



Georgia May Jagger

Designed star
AW 15/16 RESERVED
collection.
Face of AW14/15 & SS15



Brooklyn Beckham

Face of RESERVED
SS15 collection



Anja Rubik

Designer of MOHITO
AW14/15 star
collection

Consistent network development

Floorspace (ths m2)	31.12.2011	31.12.2012	YoY growth	31.12.2013	YoY growth	31.12.2014	YoY growth	31.12.2015	YoY growth
RESERVED	212.0	252.3	19.0%	322.3	27.7%	389.7	20.9%	461.3	18.4%
Poland	137.6	156.1	13.5%	188.9	21.0%	209.2	10.8%	232.5	11.1%
EU	38.4	41.2	7.4%	52.4	27.1%	83.9	60.1%	120.2	43.2%
CIS	36.0	54.9	52.4%	81.0	47.5%	96.6	19.2%	103.1	6.8%
ME	0.0	0.0		0.0		0.0		5.5	
Cropp	59.5	72.0	21.0%	90.6	25.9%	105.4	16.3%	114.5	8.7%
Poland	39.6	44.9	13.4%	54.5	21.3%	58.3	6.9%	63.0	8.2%
EU	9.1	8.3	-9.0%	10.9	31.1%	17.1	57.1%	19.8	15.7%
CIS	10.7	18.7	74.7%	25.2	34.6%	30.0	19.0%	31.7	5.6%
House	51.0	63.9	25.2%	80.2	25.6%	89.6	11.7%	99.7	11.3%
Poland	41.0	46.5	13.4%	55.4	19.3%	57.3	3.4%	62.2	8.6%
EU	7.0	7.2	2.5%	9.2	27.5%	11.4	24.6%	15.1	32.4%
CIS	3.0	10.2	236.2%	15.6	53.1%	20.9	33.6%	22.4	7.1%
MOHITO	17.3	38.9	125.3%	66.0	69.5%	82.8	25.5%	94.5	14.1%
Poland	15.0	26.1	73.9%	40.9	56.9%	46.2	12.9%	52.1	12.8%
EU	1.4	3.0	112.4%	6.5	118.7%	11.8	80.7%	16.1	37.2%
CIS	0.9	9.8	1,037.9%	18.5	88.0%	24.8	34.1%	26.2	5.6%
SiNSAY	0.0	0.0		20.1		43.7	116.7%	59.7	36.7%
Poland	0.0	0.0		17.9		32.7	82.2%	43.5	33.1%
EU	0.0	0.0		2.2		4.4	99.3%	7.6	72.3%
CIS	0.0	0.0		0.0		6.6		8.6	30.8%
Outlets	3.8	7.0	85.0%	9.3	-48.4%	11.3	22.0%	13.8	21.3%
TOTAL by regions									
Poland	236.8	279.4	18.0%	365.5	30.8%	413.6	13.1%	465.0	12.4%
EU	56.1	60.9	8.6%	80.7	32.5%	128.6	59.4%	179.0	39.2%
CIS	50.7	93.7	85.0%	142.4	51.9%	180.3	26.7%	193.9	7.5%
ME	0.0	0.0		0.0		0.0		5.5	
TOTAL	343.5	434.0	26.3%	588.6	35.6%	722.5	22.8%	843.5	16.7%

Further floorspace development in 2016

Floorspace (thś m2)	31.12.2015	2016 previous target	2016 new target	YoY growth
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BY BRANDS

RESERVED	461.3	533.4	521.8	13%
Cropp	114.5	121.8	119.9	5%
House	99.7	108.3	105.4	6%
MOHITO	94.5	102.2	98.9	5%
SiNSAY	59.7	75.2	69.1	16%
Tallinder	0.0	5.2	4.4	-
Outlets	13.8	12.4	13.8	0%

BY REGIONS

Poland	465.0	500.7	494.2	6%
EU	179.0	226.5	210.2	17%
CIS	193.9	206.0	214.2	10%
ME	5.5	25.3	14.6	166%
TOTAL	843.5	958.6	933.3	11%

- C.11-13% YoY floorspace growth targeted for 2016.
- In 2016 we plan to open franchise stores in three new countries: UAE (January 2016), Belarus and Kazakhstan.
- 2016 targets: (1) further development in Germany, (2) 10% floorspace growth in Russia and (3) Tallinder development in Poland.
- By the end of 2016 RESERVED stores should be present in 20 countries.
- Planned 2016 capex at c.PLN 370m, down 24% YoY. Planned investments in own stores at PLN 290m, down 26% YoY, due to more franchise openings.
- MOHITO and SiNSAY openings in the Middle East in 2017.

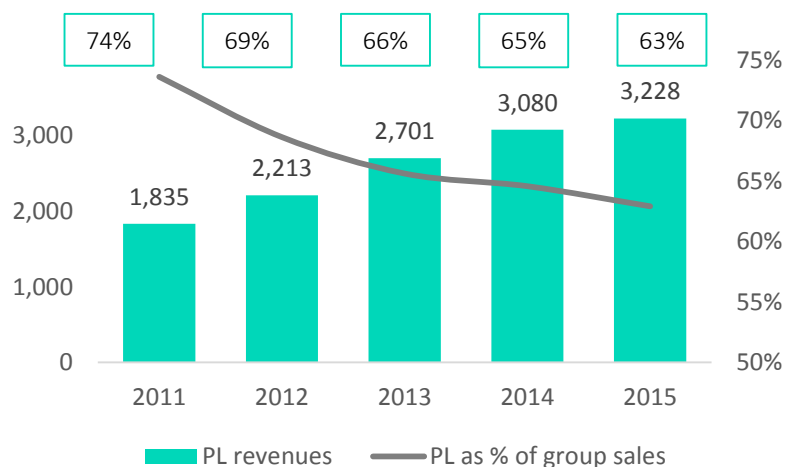
2016 network development details

Floorspace (ths m2)	31.12.2015	2016 Target	Nominal growth	YoY growth
RESERVED	461.3	521.8	60.5	13%
Poland	232.5	246.8	14.3	6%
EU	120.2	145.2	25.0	21%
CIS	103.1	115.1	12.0	12%
ME	5.5	14.6	9.1	166%
Cropp	114.5	119.9	5.4	5%
Poland	63.0	65.4	2.4	4%
EU	19.8	20.7	0.9	5%
CIS	31.7	33.8	2.1	7%
House	99.7	105.4	5.6	6%
Poland	62.2	64.5	2.3	4%
EU	15.1	16.5	1.3	9%
CIS	22.4	24.3	2.0	9%
MOHITO	94.5	98.9	4.5	5%
Poland	52.1	53.7	1.5	3%
EU	16.1	17.6	1.4	9%
CIS	26.2	27.7	1.5	6%
ME	0.0	0.0	0.0	-
SINSAY	59.7	69.1	9.4	16%
Poland	43.5	47.7	4.2	10%
EU	7.6	10.3	2.7	36%
CIS	8.6	11.1	2.5	30%
ME	0.0	0.0	0.0	-
Tallinder	0.0	4.4	4.4	n/m
Poland	0.0	4.4	4.4	-
EU	0.0	0.0	0.0	-
CIS	0.0	0.0	0.0	-
Outlets	13.8	13.8	0.0	0%
Polka	11.6	11.6	0.0	-
EU	0.2	0.2	0.0	-
CIS	2.0	2.0	0.0	-
TOTAL	843.5	933.3	89.8	11%

No. of stores	31.12.2015	2016 Target	Nominal growth	YoY growth
RESERVED	449	473	24	5%
Poland	237	238	1	0%
EU	107	115	8	7%
CIS	101	110	9	9%
ME	4	10	6	150%
Cropp	372	382	10	3%
Poland	217	221	4	2%
EU	66	68	2	3%
CIS	89	93	4	4%
House	319	329	10	3%
Poland	208	211	3	1%
EU	48	51	3	6%
CIS	63	67	4	6%
MOHITO	280	289	9	3%
Poland	164	166	2	1%
EU	52	56	4	8%
CIS	64	67	3	5%
ME	0	0	0	-
SINSAY	170	196	26	15%
Poland	127	139	12	9%
EU	21	27	6	29%
CIS	22	30	8	36%
ME	0	0	0	-
Tallinder	0	10	10	n/m
Poland	0	10	10	-
EU	0	0	0	-
CIS	0	0	0	-
Outlets	37	37	0	0%
Poland	33	33	0	0%
EU	1	1	0	0%
CIS	3	3	0	0%
TOTAL	1,627	1,716	89	5%

Established position domestically

Poland remains our main market
(PLN m)



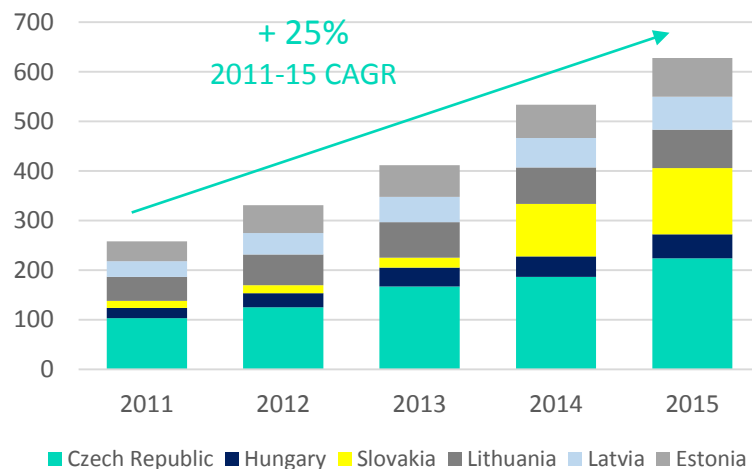
Polish network development

No. of stores	2011	2012	2013	2014	2015
Poland	659	745	886	943	986
RESERVED	199	217	233	235	237
Cropp	187	201	222	219	217
House	183	197	211	209	208
MOHITO	78	114	144	153	164
SiNSAY	0	0	56	99	127
Outlets	12	16	20	28	33

- Poland is LPP's largest market, generating 63% of group revenues in 2015.
- Development of company-owned stores was initiated in Poland with the RESERVED brand in 1998.
- Currently, stores of all brands are present in Poland in best shopping malls and high-streets.
- Poland is the market where sales/m² are the highest due to strong brand recognition.
- Further development in Poland planned via new shopping malls and Tallinder.

Strong presence in CEE and Baltic

Revenues from CEE and Baltic
(PLN m)

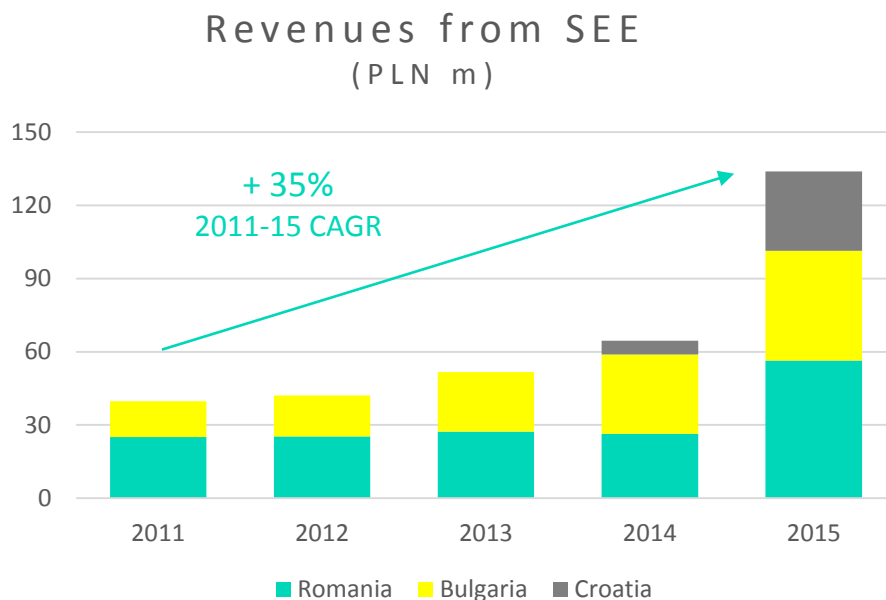


CEE and Baltic network development

No. of stores	2011	2012	2013	2014	2015
CEE	50	64	90	132	158
Czech Republic	32	43	66	73	80
Hungary	8	9	11	11	17
Slovakia	10	12	13	48	61
Baltic	59	59	58	70	71
Lithuania	26	25	23	25	26
Latvia	15	14	16	19	19
Estonia	18	20	19	26	26

- All five mainstream brands are now in Czech Republic and maturity has been reached.
- Hungary remains the least saturated CEE market, despite 2015 introduction of House and SiNSAY brands.
- After taking over the Slovak franchise stores (April 2014), we still see development potential.
- Five mainstream brands present in Lithuania, Latvia and Estonia. Target set at efficiency improvement.

Growth potential in the SEE

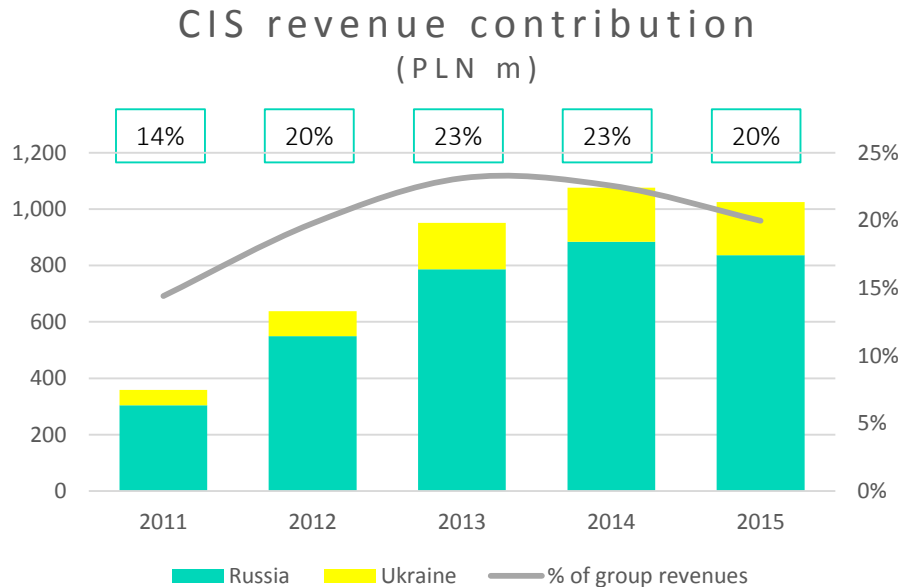


SEE network development

No. of stores	2011	2012	2013	2014	2015
SEE	19	11	23	31	47
Romania	12	5	5	11	22
Bulgaria	7	6	9	15	15
Croatia	0	0	0	5	10

- Late SEE entry (2008) due to: 1) priority given to CIS, 2) limited appropriate infrastructure in the region.
- Along with softer macro environment, in 2014 we have stepped up our SEE development, opening more stores in Romania and Bulgaria and entering Croatia.
- We see medium-term development potential: 1) in terms of markets (only 3 markets entered so far) and 2) in terms of brands (SiNSAY brand is not present in Bulgaria).

Development in CIS temporary withheld



CIS network development

No. of stores	2011	2012	2013	2014	2015
CIS	106	198	272	336	349
Russia	84	159	219	267	280
Ukraine	22	39	53	69	69

FX changes

FX	2011	2012	2013	2014	2015
PLN/RUB	9.9	9.5	10.1	12.0	16.1
PLN/UAH	2.7	2.5	2.6	3.7	5.7

- CIS is the second most important market after Poland, responsible for 20% of group sales.
- Due to high-growth potential, development in Russia was initiated in 2002. The pace of new openings was dependent on the quality of shopping mall floorspace available.
- Following the geopolitical issues from 2014, we have withheld new Russian and Ukrainian openings. We now target 10% p.a. floorspace growth in Russia in the medium-term.

Western Europe – the new pillar

We are satisfied with our so far German performance

	4Q14	1Q15	2Q15	3Q15	4Q15
Revenues (PLN m)	13.6	10.9	18.1	22.3	42.6
No. of stores	4	6	7	10	12
Floorspace (sqm)	7,638	12,007	14,054	22,258	27,059
Store size (sqm)	1,910	2,001	2,008	2,226	2,255
Sales/m2 monthly	773	459	488	469	561

We open our German stores in top quality locations

2016 German openings	Type	m2	Opening
1. Essen	Street	1,879	Mar 2016
2. Hanover	Street	2,635	Mar 2016
3. Ludwigsburg	Street	2,450	Jun 2016
4. Munich	Street	3,456	Sep 2016

- Germany was the first Western European country entered.
- In July 2014 we launched RESERVED on-line store, while first shop was opened in September 2014.
- Flagship store in Stuttgart opened in September 2015 is the largest RESERVED store in our network.
- We plan to open a flagship store in Berlin in 2017. Our target: 20 stores in Germany in 3 years.
- We have a conditional agreement for our first flagship in the UK, in the center of London.

Middle East – foothold on the third continent

Current and planned ME presence



ME development

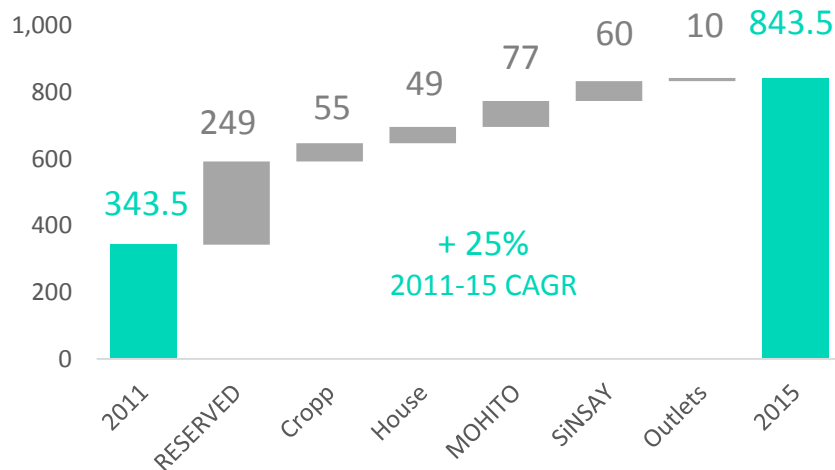
	1Q15	2Q15	3Q15	4Q15
No. of stores	1	3	4	4
Floorspace (m2)	1,532	3,897	5,491	5,491
No. of countries	1	3	4	4
Sales (PLN m)	3.5	5.6	5.4	8.1

LPP stores
 Planned openings

- Development via franchise stores since 1Q15 opened by franchisee Azadea (contrary to other markets).
- Franchise stores require no capex, yet bear no retail margin.
- Now, only RESERVED stores are opened, but MOHITO and SiNSAY expansion is to start in 2017.
- 70 franchise stores targeted in the Middle East within 6 years.

New brands fuel floorspace growth

Floorspace growth by brands
(ths m2)



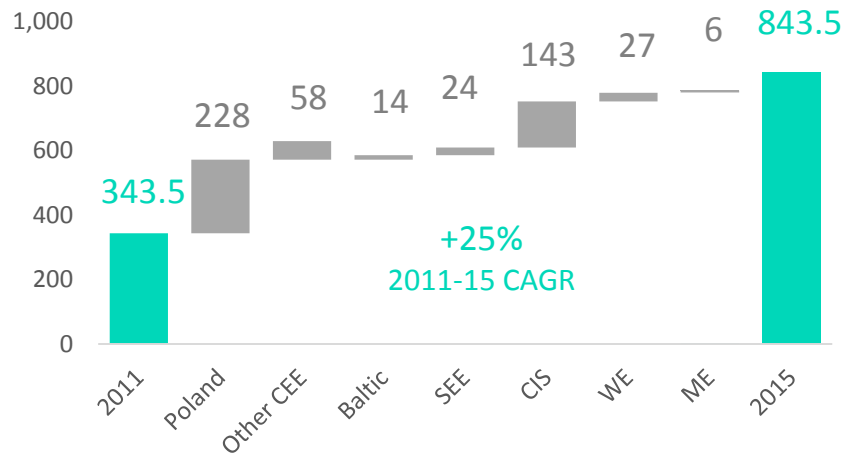
Floorspace by brands

ths m2	2011	2012	2013	2014	2015
LPP GROUP	343.5	434.0	588.6	722.5	843.5
RESERVED PL	137.6	156.1	188.9	209.2	232.5
RESERVED EX	74.4	96.2	133.4	180.5	228.8
Cropp PL	39.6	44.9	54.5	58.3	63.0
Cropp EX	19.8	27.0	36.1	47.1	51.5
House PL	41.0	46.5	55.4	57.3	62.2
House EX	10.1	17.4	24.8	32.3	37.5
MOHITO PL	15.0	26.1	40.9	46.2	52.1
MOHITO EX	2.3	12.8	25.0	36.6	42.4
SiNSAY PL	0.0	0.0	17.9	32.7	43.5
SiNSAY EX	0.0	0.0	2.2	11.0	16.2
Outlets	3.8	7.0	9.3	11.3	13.8

- In 2011-15, RESERVED opened 95ths m2 in Poland but as much as 154ths m2 abroad.
- Even though SiNSAY was launched in 2013, it added more to floorspace as the more mature Cropp.
- Cropp, House and MOHITO growths came from domestic and foreign expansion.

New regions fuel floorspace growth

Floorspace growth by regions
(ths m2)

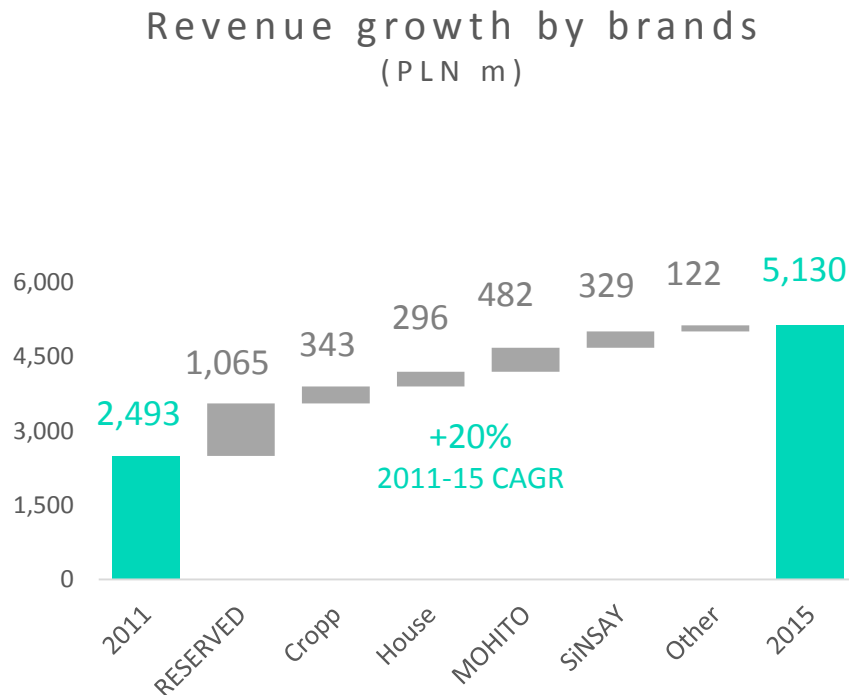


Floorspace by regions

ths m2	2011	2012	2013	2014	2015
LPP GROUP	343.5	434.0	588.6	722.5	843.5
CEE	258.5	309.1	408.8	475.5	544.7
Poland	236.8	279.4	365.5	413.6	465.0
Other CEE	21.8	29.6	43.3	61.9	79.7
Baltic	24.1	24.3	27.2	36.4	38.2
SEE	10.2	7.0	10.2	22.6	34.1
CIS	50.7	93.7	142.4	180.3	193.9
Russia	41.9	76.4	116.7	146.0	157.9
Ukraine	8.7	17.3	25.6	34.3	36.0
WE	0.0	0.0	0.0	7.6	27.1
ME	0.0	0.0	0.0	0.0	5.5

- The CEE region dominated in new floorspace due to development of 5 mainstream brands in Poland.
- The CIS region was the second largest contributor as more high quality mall space was available.
- Even though Germany was launched in 4Q14, 12 stores added similar m2 to SEE.

New brands fuel revenue growth

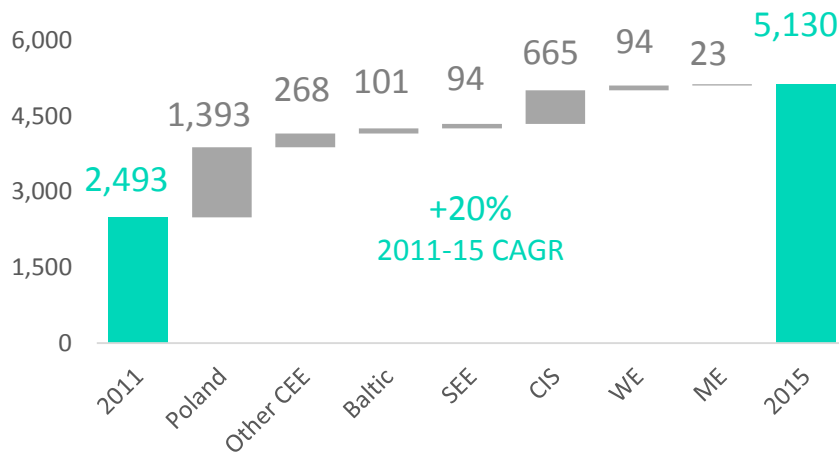


PLN m	2011	2012	2013	2014	2015
LPP GROUP	2,492.5	3,223.7	4,116.3	4,769.3	5,130.3
RESERVED PL	944.7	1,134.9	1,298.0	1,425.7	1,421.5
RESERVED EX	423.7	579.2	775.8	885.6	1,012.3
Cropp PL	311.4	372.2	419.3	469.8	467.8
Cropp EX	135.1	208.2	267.7	301.2	322.0
House PL	322.9	350.9	409.0	454.9	469.7
House EX	54.7	85.8	137.3	178.7	203.4
MOHITO PL	96.6	192.5	307.6	340.5	353.5
MOHITO EX	7.4	67.0	148.8	182.4	233.0
SiNSAY PL	0.0	0.0	70.7	186.0	262.0
SiNSAY EX	0.0	0.0	3.3	38.6	66.9
Other	196.0	233.1	278.8	305.9	318.2

- Despite its scale in Poland, RESERVED was the largest group revenue contributor in 2011-15.
- MOHITO proved a successful concept, with growth coming from domestic and foreign expansion.
- Even though SiNSAY was launched in 2013, it added as much to revenues as Cropp.

New regions fuel revenue growth

Revenue growth by regions
(PLN m)



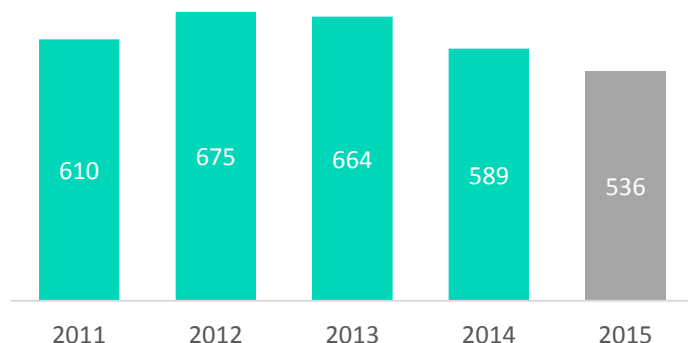
Revenue by regions

PLN m	2011	2012	2013	2014	2015
LPP GROUP	2,492.5	3,223.7	4,116.3	4,769.3	5,130.3
CEE	1,973.4	2,382.1	2,926.5	3,413.6	3,633.8
Poland	1,835.1	2,212.6	2,701.2	3,079.6	3,227.7
Other CEE	138.4	169.5	225.3	333.9	406.1
Baltic	120.1	161.9	186.4	199.8	221.6
SEE	39.8	42.1	51.7	64.6	133.8
CIS	359.2	637.7	951.7	1,076.2	1,024.6
Russia	304.7	549.4	787.1	884.4	836.2
Ukraine	54.5	88.3	164.6	191.8	188.4
WE	0.0	0.0	0.0	15.2	93.9
ME	0.0	0.0	0.0	0.0	22.6

- The CEE dominated in terms of revenue contribution largely due to the core Polish market.
- Floorspace expansion in Russia translated into CIS being the second largest revenue addition.
- Expansion into Baltic and SEE has been immaterial while WE was entered in 2H14.

Growth in floorspace lowers sales/m2

Revenues/ m2 monthly
(PLN)

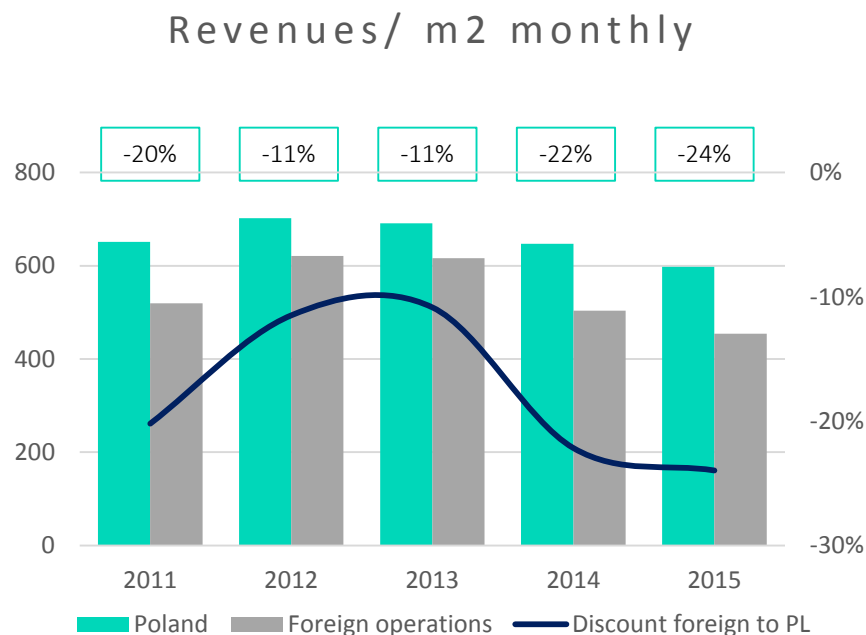


Revenues/ m2 monthly

PLN	2011	2012	2013	2014	2015
LPP GROUP	610	675	664	589	548
RESERVED PL	607	654	644	599	536
RESERVED EX	491	582	573	481	423
Cropp PL	669	754	720	684	624
Cropp EX	613	759	733	596	549
House PL	661	684	682	664	631
House EX	507	556	578	511	486
MOHITO PL	724	857	777	647	601
MOHITO EX	876	803	725	491	483
SiNSAY PL	-	-	682	613	576
SiNSAY EX	-	-	483	475	407

- For all brands revenues/m2 in Poland remains higher than abroad due to superior brand recognition.
- Falls in foreign sales /m2 in PLN in 2014 and 2015 largely relate to depreciation of rubble and hryvna.
- In 2015, House had the highest revenues/ m2 in Poland while Cropp abroad.

... and by regions



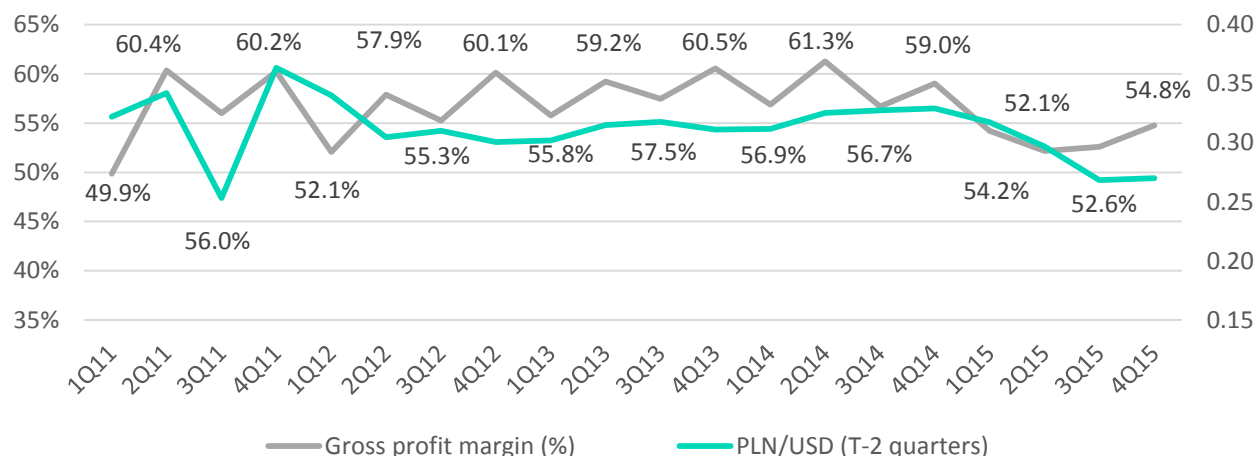
Revenues/ m2 monthly

PLN	2011	2012	2013	2014	2015
LPP GROUP	610	675	664	589	548
CEE	530	578	578	543	528
Poland	651	702	691	647	598
Other CEE	489	537	540	509	505
Baltic	461	567	604	530	493
SEE	314	377	467	457	382
CIS	570	672	663	508	451
Russia	635	710	659	509	435
Ukraine	505	635	667	507	467
WE	-	-	-	836	510

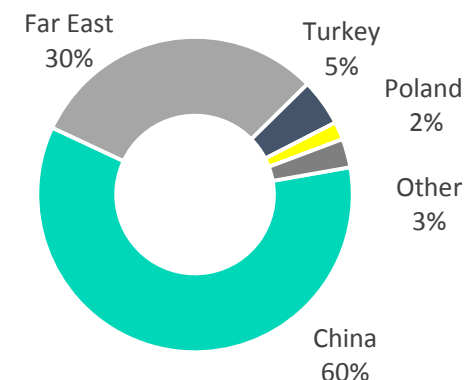
- Sales/m2 in Poland were on average c.17% higher in 2011-15 than on foreign markets.
- The difference widened in 2014-15 due to depreciation of ruble and hryvna to PLN.
- Situation in Russia and Ukraine affects also the revenues from the Baltic countries.

Gross profit margin depends on US\$

Gross profit margin versus PLN/USD



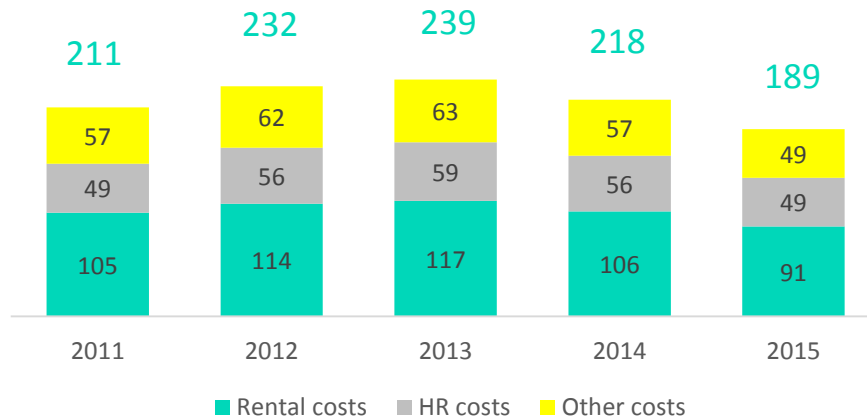
2015 purchases by regions



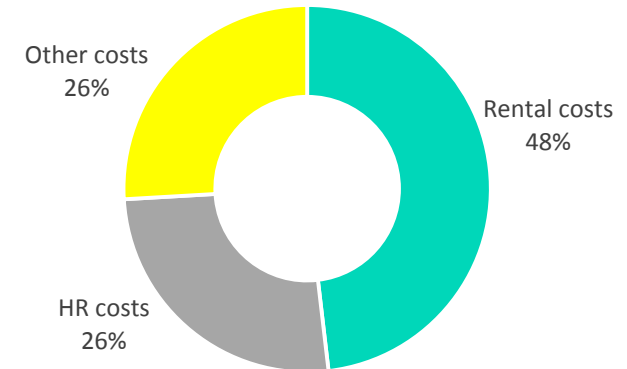
- The majority of purchases is conducted in the Far East and indexed to US\$.
- Depreciation of zloty to US\$ increases costs of purchases from Asia.
- Further US\$ appreciation to PLN is a risk factor to gross profit margin levels in upcoming quarters.
- Yuan devaluation allows for renegotiations of contracts with suppliers. We aim to achieve a better price to quality ratio of our products.

Lower costs of own stores

Costs of own stores / m2
(PLN monthly)

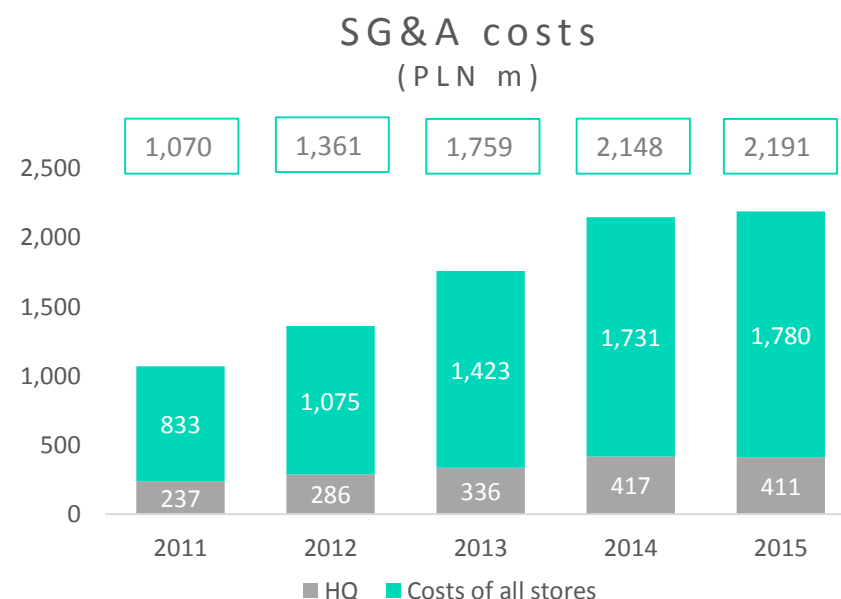
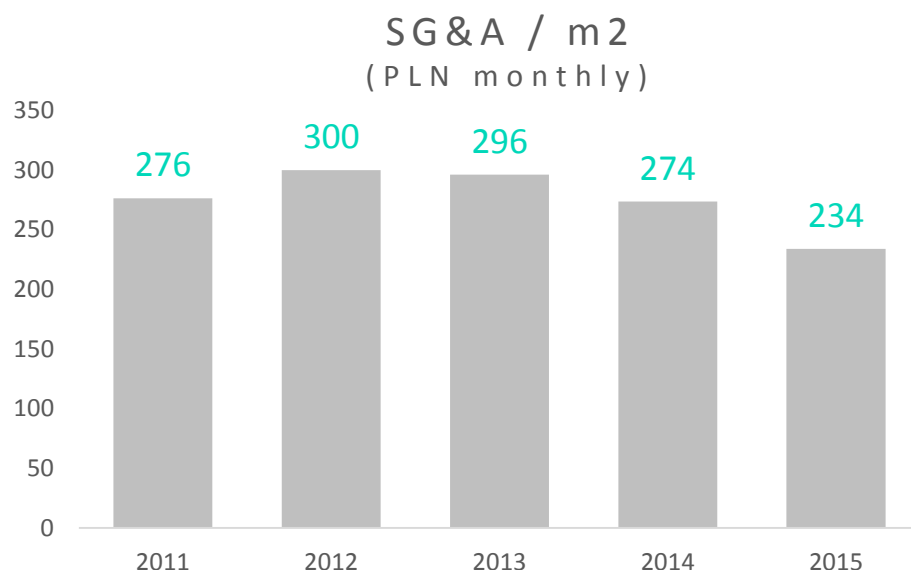


Split of costs of
own stores in 2015



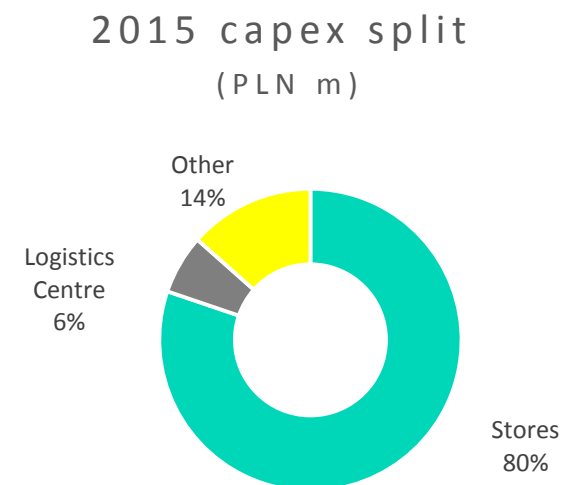
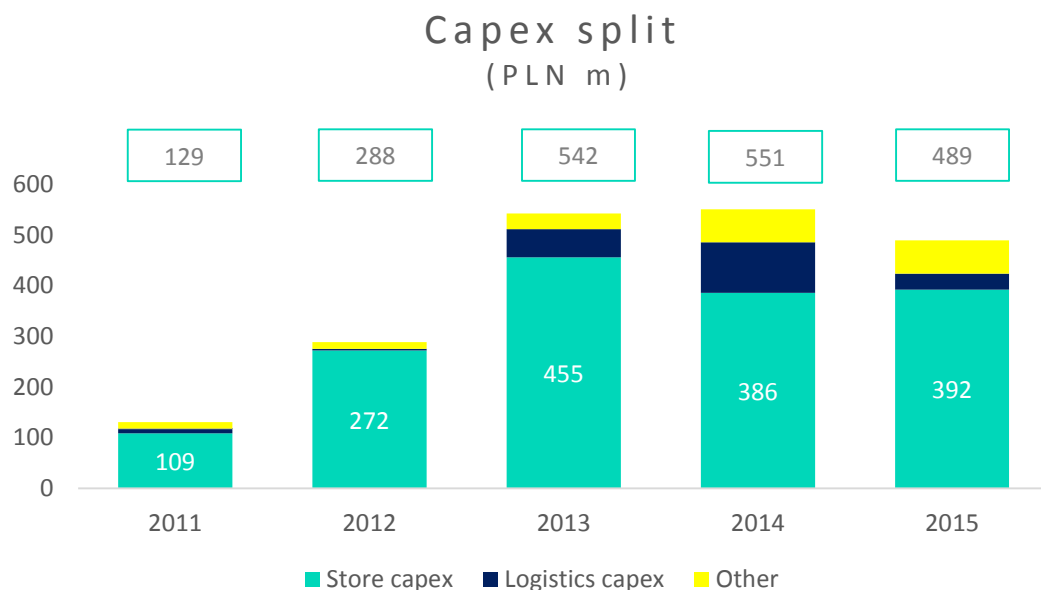
- Fall in rental charges → successful rental renegotiations domestically, in Russia and Ukraine.
- Fall in personnel costs → continuous headcount optimisation but growth in salaries.
- Fall in other costs of stores → depreciation of rubble and hryvnia against US\$ and zloty.
- Depreciation constitutes half of other costs of stores; other costs: energy, provisions, security.

We control SG&A/m2



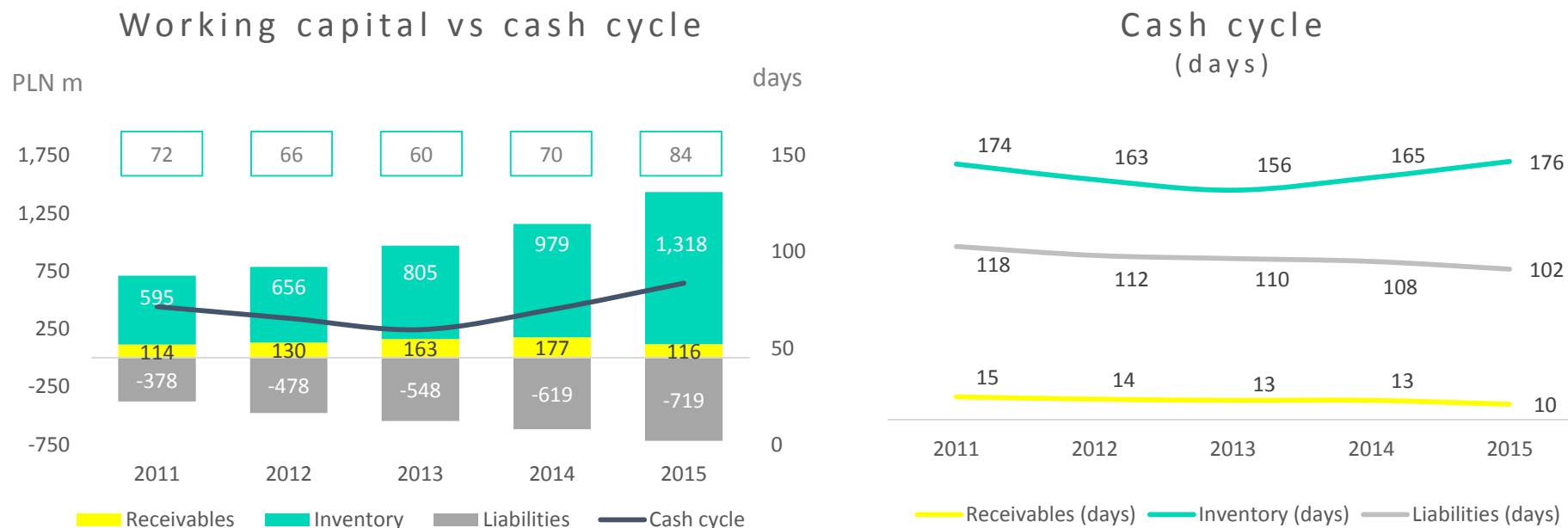
- Fall in SG&A/m2 → optimisation of costs of own stores and headquarters.
- Lower costs of stores/m2 → work on lower rentals, HR costs and other costs of stores.
- Lower costs of stores/m2 → depreciation of rubble and hryvna against zloty.
- Lower costs of HQ/m2 → continuous cost savings despite work on the new Tallinder brand launch.

Capex reduced by fit-outs



- Maintenance capex constitutes c.10% of store outlays.
- Target capex of PLN 2,500 /m2 is lowered by fit-outs obtained domestically and abroad.
- Upgrade of Polish logistics center conducted in 2013-15 cost PLN 177m. It was launched in 2Q15.
- Modernisation of Gdansk headquarters finished in September 2015. We own plots for further growth.

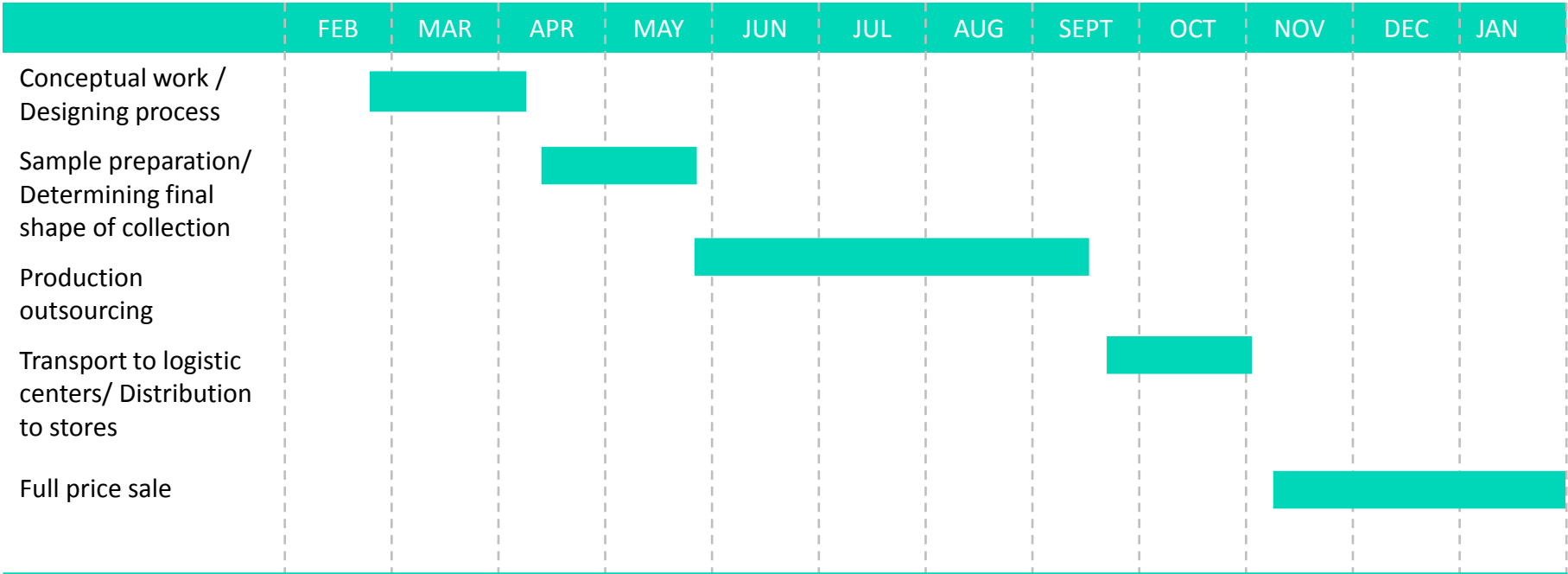
Cash cycle with potential to improve



- The majority of receivables are obtained in cash. The wholesale business is the only exception.
- Goods are ordered 3-4 months before their shipment. We usually use marine transportation.
- Some half of settlements with suppliers is conducted in the form of a letter of credit. We do not use prepayments, contrary to documentary collection and bank transfers.

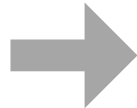
Streamlining production lead time

EXAMPLE: COLLECTION FROM FAR EAST



Top quality logistics

LOGISTICS CENTERS



90% goods sourced
from Asia



10% delivery
from Europe



100 containers
per week



In Poland (owned)

The largest and most modern in CEE
of its kind

Serves all LPP stores ex. Russia

66,000 m2 floorspace

Sufficient for
development until 2020

In Russia (rent)

9,500 m2 floorspace

Serves 90% of goods in
Russian stores



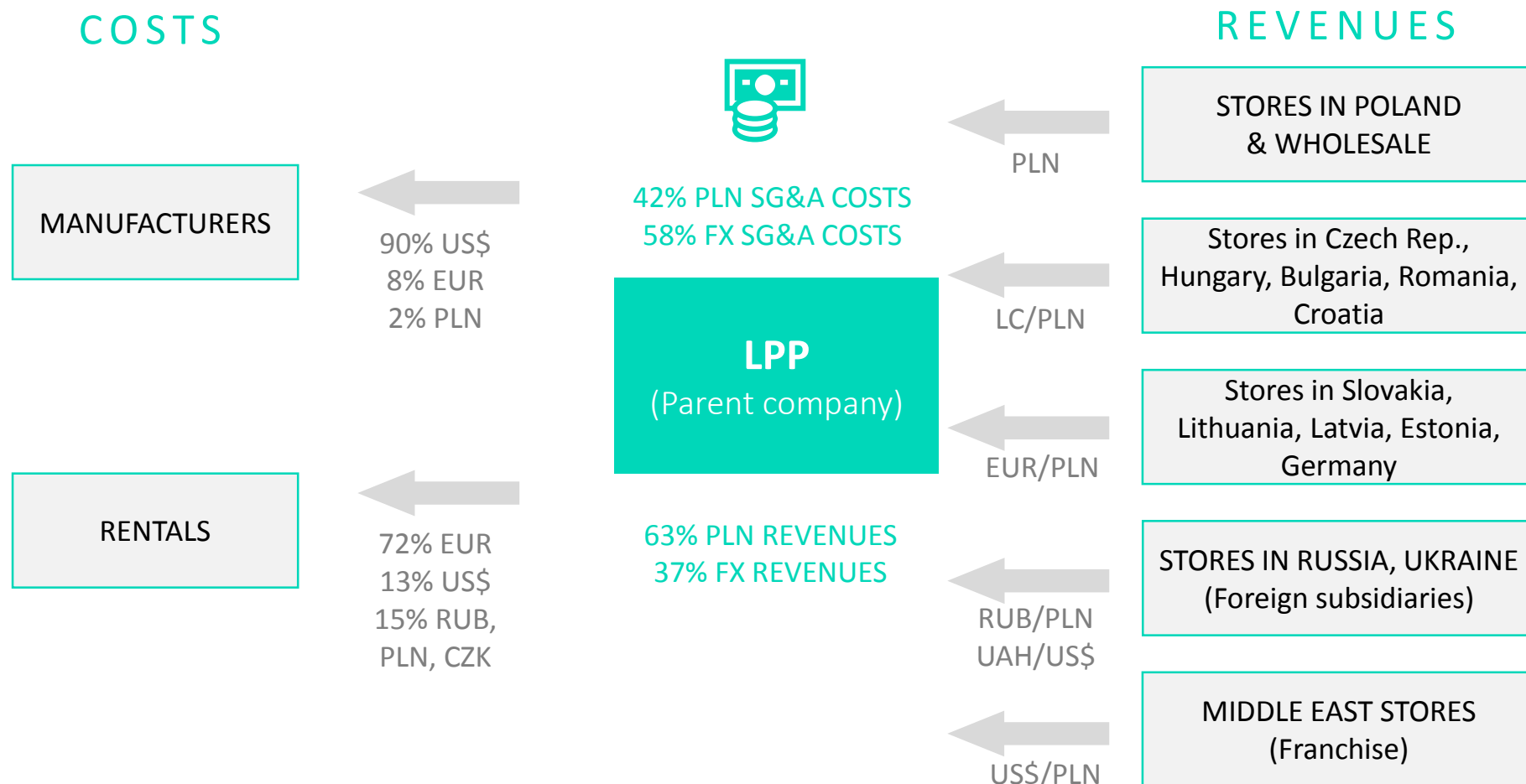
> 1m pieces of clothes
sent daily in high
season



Center prepares orders
for c.900 stores
simultaneously



Group's FX exposure



Note: LC stands for local currency.

Historical numbers show growth and cost efficiency

PLN m	2011	2012	YoY	2013	YoY	2014	YoY	2015	YoY	CAGR 2011-15
Revenues	2,492.5	3,223.8	29.3%	4,116.3	27.7%	4,769.3	15.9%	5,130.3	7.6%	19.8%
Gross profit on sales	1,423.7	1,827.1	28.3%	2,409.2	31.9%	2,792.5	15.9%	2,742.8	-1.8%	17.8%
<i>Gross profit margin</i>	<i>57.1%</i>	<i>56.7%</i>	<i>-0.4ppt</i>	<i>58.5%</i>	<i>1.9ppt</i>	<i>58.6%</i>	<i>0.1ppt</i>	<i>53.5%</i>	<i>-5.1ppt</i>	
SG&A costs	1,070.3	1,360.8	27.1%	1,759.2	29.3%	2,148.3	22.1%	2,191.1	2.0%	19.6%
Other operating activity	-10.4	-11.9		-34.3		-35.0		-48.5		
EBIT	343.1	454.4	32.4%	615.6	35.5%	609.1	-1.1%	503.2	-17.4%	10.0%
<i>EBIT margin</i>	<i>13.8%</i>	<i>14.1%</i>	<i>0.3ppt</i>	<i>15.0%</i>	<i>0.9ppt</i>	<i>12.8%</i>	<i>-2.2ppt</i>	<i>9.8%</i>	<i>-3.0ppt</i>	
Net financials	-12.1	-30.3		-91.8		-149.2		-88.3		
Pre-tax profit	331.0	424.1	28.1%	523.9	23.5%	459.9	-12.2%	414.9	-9.8%	5.8%
Tax	61.9	70.2		91.0		-22.0		62.9		
<i>Effective tax rate</i>	<i>18.7%</i>	<i>16.5%</i>		<i>17.4%</i>		<i>-4.8%</i>		<i>15.2%</i>		
Minorities	0.4	1.5		1.9		2.3		0.0		
Net income	268.7	352.4	31.1%	431.0	22.3%	479.5	11.3%	352.0	-26.6%	7.0%
<i>Net margin</i>	<i>10.8%</i>	<i>10.9%</i>	<i>0.1ppt</i>	<i>10.5%</i>	<i>-0.4ppt</i>	<i>10.1%</i>	<i>-0.4ppt</i>	<i>6.9%</i>	<i>-3.2ppt</i>	

Balance sheet remains strong

PLN m	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015
Non-current assets	744.9	909.9	1,231.9	1,516.4	1,795.8
intangibles (including goodwill)	272.6	278.7	281.2	315.9	324.4
fixed assets	447.7	598.5	896.8	1,038.8	1,258.7
Current assets	868.9	1,022.4	1,259.7	1,417.3	1,766.0
inventory	594.6	656.1	805.0	979.3	1,317.6
trade receivables	114.3	130.4	163.3	176.9	116.4
cash and equivalents	117.0	159.4	149.4	183.5	224.4
Total assets	1,613.9	1,932.2	2,491.6	2,933.7	3,561.8
Equity	909.2	1,211.0	1,496.5	1,638.4	1,890.5
Long-term liabilities	89.4	131.0	192.3	210.7	342.3
interest bearing debt	86.4	125.1	184.3	204.5	284.3
Short-term liabilities	615.3	590.2	802.7	1,084.6	1,329.1
trade liabilities	377.5	477.8	547.6	618.6	719.2
interest bearing debt	204.0	61.0	173.6	378.3	561.1
Total liabilities	1,613.9	1,932.2	2,491.6	2,933.7	3,561.8

Operating cash flow in the black

PLN m	31.12.2011	31.12.2012	31.03.2013	31.12.2014	31.12.2015
Pre-tax profit	331.0	424.1	523.9	459.9	414.9
D&A	95.4	109.0	148.2	193.7	223.6
NWC	-145.0	-21.7	-95.7	-127.3	-222.8
Operating CF	254.0	481.3	508.8	492.9	284.8
Capex	-129.3	-288.4	-541.9	-550.5	-489.0
Investing CF	-39.6	-260.7	-518.2	-476.0	-413.9
Interest bearing debt	-42.9	-18.4	167.4	204.0	275.6
Dividends	-135.0	-140.0	-154.0	-169.6	-58.0
Interest	-18.6	-17.9	-12.5	-14.8	-18.5
Financing CF	-193.9	-178.1	-0.6	17.2	169.9
Total CF	20.5	42.4	-10.0	34.2	40.9

Successful story of LPP

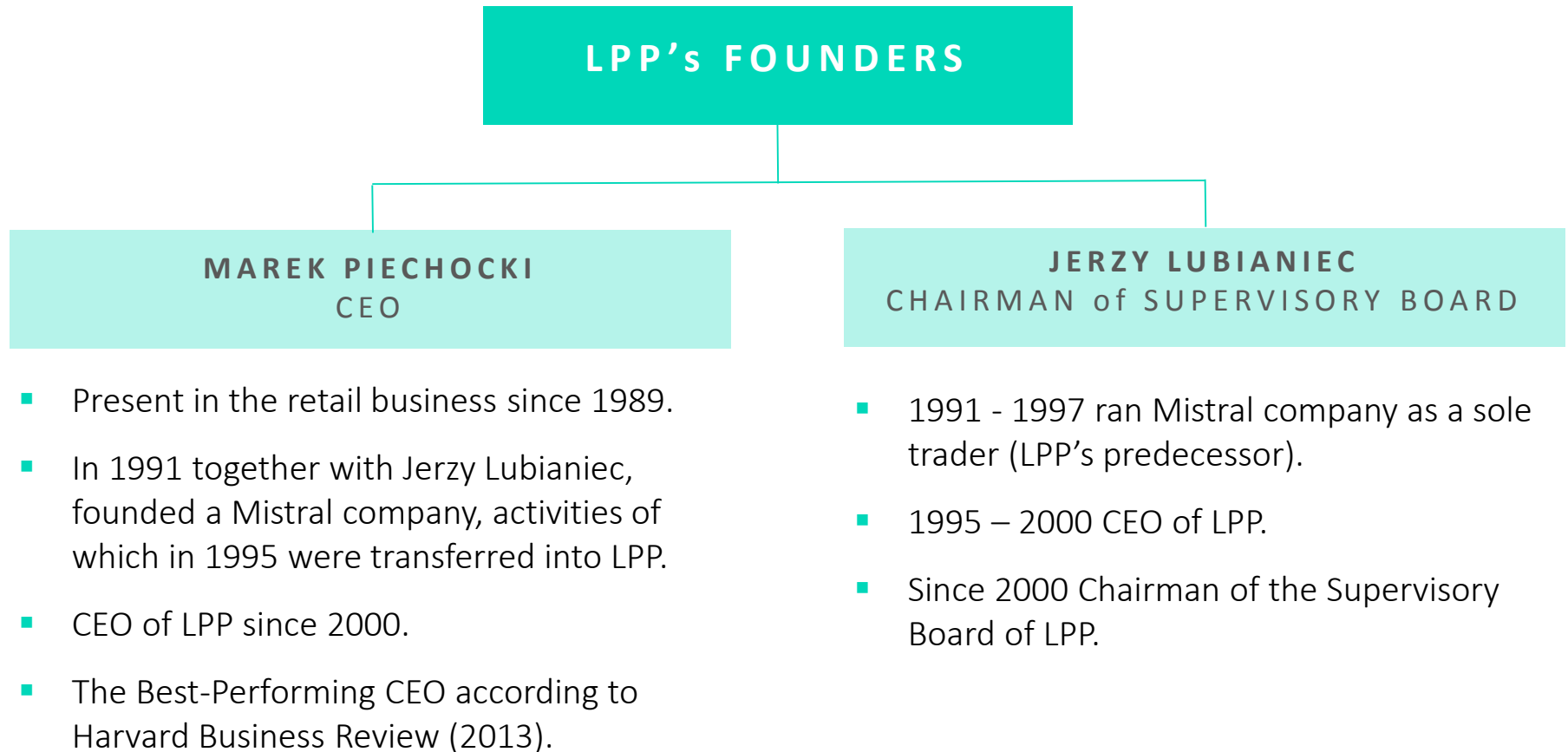
No. of STORES

10
50
100
400
500
1,000
> 1,600

CORPORATE MILESTONES

- 1991 ○ Creation of Mistral company by Marek Piechocki and Jerzy Lubianiec
- 1995 ○ Mistral transformed into LPP
- 1997 ○ Opening offices in Shanghai
- 1998 ○ Launch of RESERVED – first retail store opened
- 2001 ○ IPO on the Warsaw Stock Exchange
- 2002 ○ Start of international expansion (Russia, Czech Rep., Estonia, Hungary, Latvia)
- 2003 ○ Further international expansion (Lithuania, Ukraine, Slovakia)
- 2004 ○ Launch of Cropp brand
- 2008 ○ Acquisition of Artman, owner of the House and MOHITO brands
- 2008 ○ Launch of the modern logistics center
- 2008 ○ Further international expansion (Romania, Bulgaria)
- 2010 ○ Payment of first dividend
- 2013 ○ Launch of SiNSAY brand
- 2014 ○ New countries: Germany, Croatia; entry into MSCI Poland and WIG20 indices
- 2015 ○ Middle East entry: Egypt, Kuwait, Qatar, Saudi Arabia
- 2016 ○ Launch of Tallinder brand; another ME entry – UAE

Founders still involved in the business



Management with long-term vision

MAREK PIECHOCKI (55) CEO & FOUNDER

- Since 1989 in retail business.
- Founded LPP in 1991. CEO of LPP since 2000.
- Responsible for LPP's strategy, Cropp, Tallinder and RESERVED brands.

PRZEMYSŁAW LUTKIEWICZ (45) CFO

- At LPP since 2008.
- Since 2015 LPP's CFO, initially as Head of Controlling.
- 1995-2007 manager at First Data Poland.

HUBERT KOMOROWSKI (38) BOARD MEMBER

- At LPP since 2000, initially in charge of RESERVED.
- Responsible for supervision of LPP's merger with Artman.
- Responsible for Cropp, House and MOHITO development.

JACEK KUJAWA (41) BOARD MEMBER

- At LPP since 2004.
- Responsible for logistics, administration and IT.
- 1999-2004 at Wirtualna Polska.

SŁAWOMIR ŁOBODA (51) BOARD MEMBER

- Cooperated with LPP since 1997.
- Appointed: 14 October 2015.
- Responsible for legal issues, new retail space and store development.

Former CEO and CFO sit on the Supervisory Board

JERZY LUBIANIEC (55) CHAIRMAN

- Since 2000 Chairman of the Supervisory Board of LPP.
- 1995 – 2000 CEO of LPP.
- 1991 – 1997 ran Mistral company (LPP's predecessor).

DARIUSZ PACHLA (54) Member

- 2000 – 2014 CFO of LPP.
- 1995 – 2000 manager at LPP.
- 1991 – 1995 worked at Mistral (LPP's predecessor).

WOJCIECH OLEJNICZAK (60) Member

- Since 1999 member of the Supervisory Board of LPP.
- 1996 – 1997 LPP Management Board member.
- 1991 – 1996 partner at Mistral company (LPP's predecessor).

KRZYSZTOF OLSZEWSKI (55) Independent Member

- Since 2004 member of the Supervisory Board of LPP.
- Since 1993 a sole trader providing consulting services in real estate.
- Shareholder at Fasko limited liability company.

MACIEJ MATUSIAK (48) Independent Member

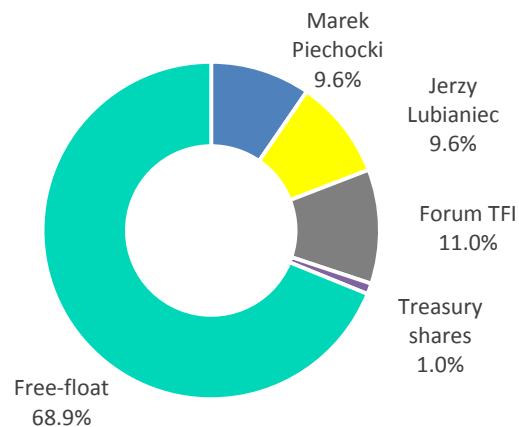
- Since 2004 member of the Supervisory Board of LPP.
- Licensed stock broker's, CFA chartholder.
- Since 2006 CEO of Artemis Investment limited liability company.

Company controlled by its founders

Shareholders by equity

(31.12.2015)

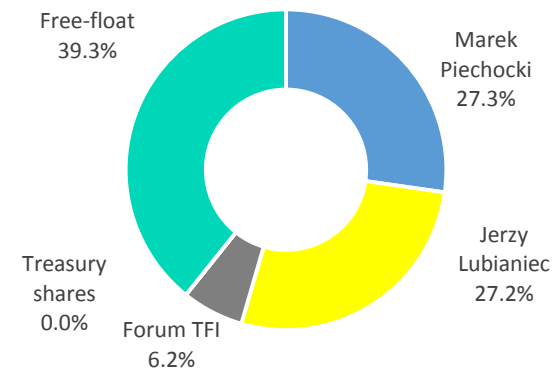
total no of shares: 1,831,123



Shareholders by votes

(31.12.2015)

total no of votes: 3,231,123



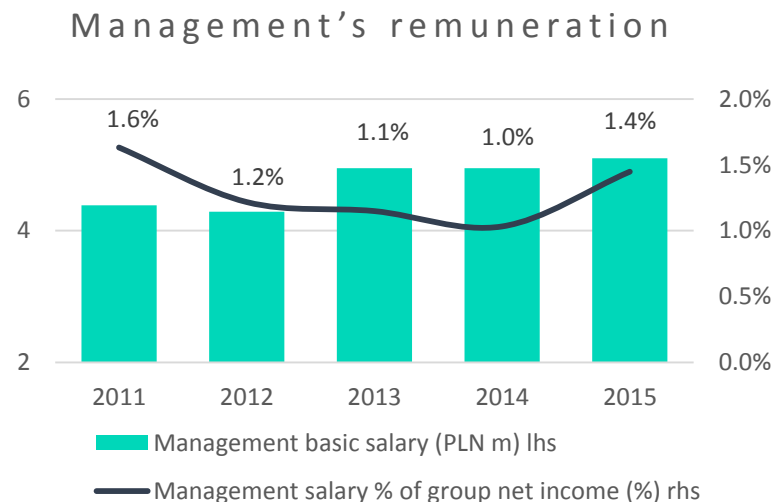
- The shares held directly by the founders are privileged 1 to 5 in votes.
- The Forum TFI stake is owned by the founders, i.e. Marek Piechocki and Jerzy Lubianiec.
- Effectively, the founders control 30.1% of equity and 60.7% of votes.
- Treasury shares (18,978) are valued at PLN 2,280 and partially used for the purpose of stock option plan.

Stable management motivated by stock option plans

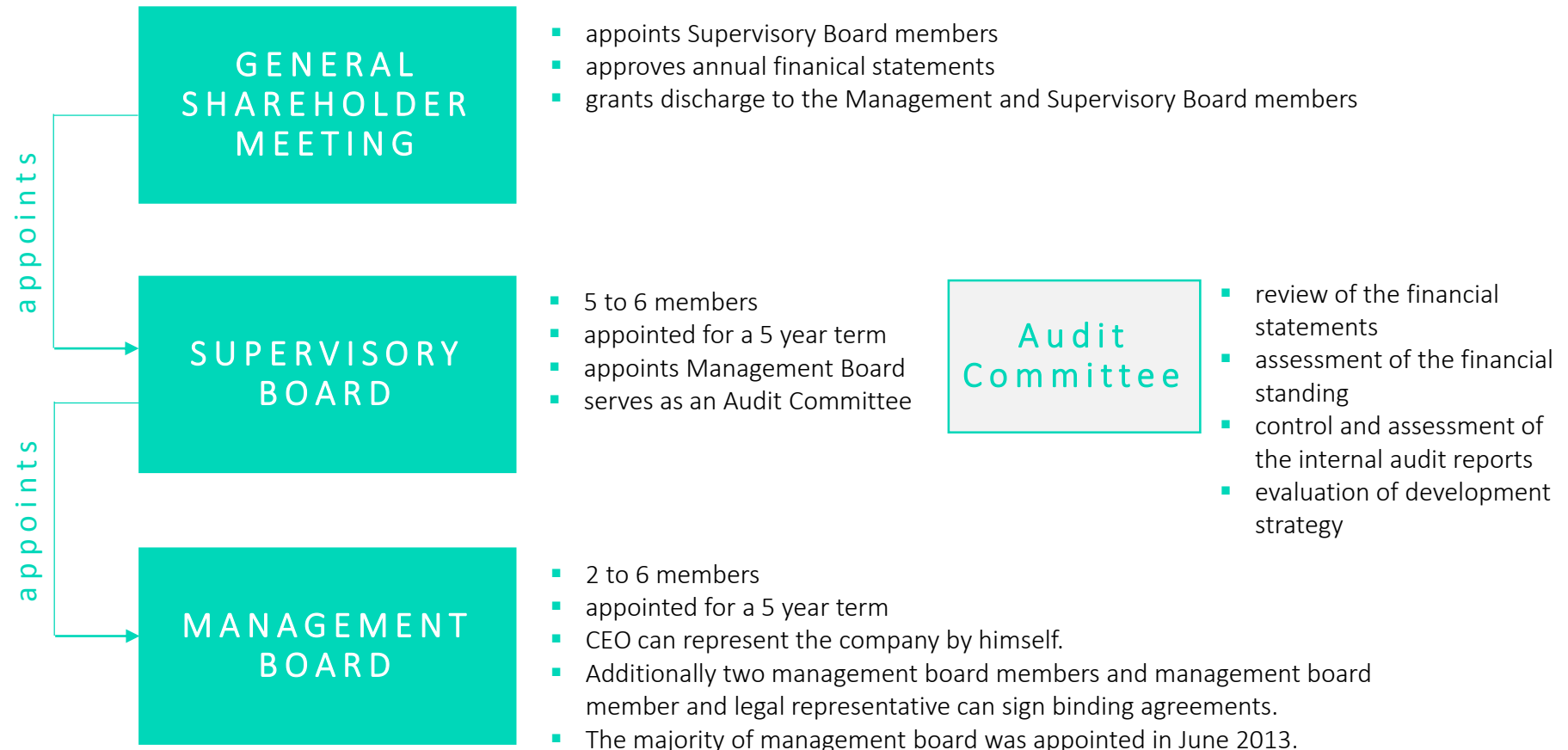
- Since 2011, there have been three stock option plans. Key summary below.

Tenure of stock option plan	Max dilution (no. of shares)	Shares issued	Cost in P&L (PLN m)	Issuance price	Criteria
2011-14	21,300	4,084	7.2	PLN 2,000 (market proxy)	10% YoY EPS growth
2013	2,420	2,420 (treasury shares used)	5.4	PLN2 (nominal price)	10% YoY EPS growth
2014	1,080	0	9.3	PLN2 (nominal price)	10% YoY EPS growth

- Between 2010-14 management's remuneration grew proportionately to group's earnings.
- Between 2010-14 the management has remained the same.
- Change on the level of CFO took place from 2015, when Przemysław Lutkiewicz replaced Dariusz Pachla.



Corporate governance



New CSR actions



EFFECTIVE SUPERVISION

- Creation of an Audit Department for Factories at LPP.
- Setting up offices in Dhaka (Bangladesh) responsible, among others, for auditing production facilities.
- All LPP factories producing in Bangladesh are subject to independent ACCORD inspections on fire, electrical and structural safety.

We have strict requirements versus our foreign suppliers: they have an obligation to provide workers with a safety environment, decent pay and paid overtime. We put a ban for hiring people < 15 years old.



RESPONSIBLE PRODUCTION

- Signing the ACCORD agreement (2013).
- Efficient supervision over factories and suppliers:
 - factory audit department (2014),
 - offices in Dhaka/ Bangladesh (2015).
- Update of Code of Conduct for suppliers (April 2015).
- Eco production:
 - resignation from usage of angora, i.e. rabbit fur (November 2014),
 - **introduction of organic cotton (December 2015).**

We take care of the safety of workers



- LPP was the only Polish retail company to join the international Alliance aimed at improving the safety of workers in Bangladesh (Accord on Fire and Building Safety in Bangladesh).
- The Accord was formed by over 190 retail companies and NGOs and signed by LPP in October 2013.
- It was signed for 5 years during which several actions are to be taken to improve the safety and conditions of Bangladesh employees.



Liquidity and interest supported by presence in key indices

POLISH INDICES

WIG20

- The most important index of the WSE
- Member since Mar 2014
- c. 4.2% LPP's weight
- The sole clothing retailer in the index

WIG30

- WIG30 index of the 30 most liquid companies on the WSE
- WIG30 index was launched Sep 2013
- LPP member since index inception
- c. 3.9% LPP's weight

INTERNATIONAL INDICES

MSCI

- MSCI Poland is a key index for international institutions investing in Poland
- LPP member since Aug 2014
- c. 3.9% LPP's weight

FTSE

- FTSE indices are tracked by ETFs
- LPP member of three FTSE indices: All-World Index, Emerging Index, Global Style Index

Strong medium-term market outperformer

LPP'S SHARE PRICE RELATIVE PERFORMANCE TO WIG20



TICKERS

WSE	LPP
Bloomberg	LPP PW
Reuters	LPPP.WA

PERFORMANCE

1Y	-21%
3Y	+22%
5Y	+157%

MARKET DATA

Price (30.12.15)	PLN 5,555
Min 1Y	PLN 5,230
Max 1Y	PLN 8,099

Broad analytical coverage of LPP

INSTITUTION	ANALYST	E-MAIL
BDM	Adrian Górniak	gorniak@bdm.pl
BGŻ BNP Paribas BM	Michał Krajczewski	michal.krajczewski@bgzbnpparibas.pl
BofA/ML	Ilya Ogorodnikov	Ilya.ogorodnikov@baml.com
BOŚ DM	Sylwia Jaśkiewicz	s.jaskiewicz@bossa.pl
BPS DM	Marcin Stebakow	marcin.stebakow@dmbps.pl
BZ WBK DM	Tomasz Sokołowski	tomasz.sokolowski@bzwbk.pl
Citi Handlowy	Rafał Wiatr	rafal.wiatr@citi.com
Erste Securities	Marek Czachor	marek.czachor@erstegroup.com
Goldman Sachs	Yulia Gerasimova	yulia.gerasimova@gs.com
Haitong	Konrad Księżopolski	kksiezopolski@haitongib.pl
IPOPEMA Securities	Michał Bugajski	michal.bugajski@ipopema.pl
JP Morgan	Michał Kuzawiński	michal.kuzawinski@jpmorgan.com
mBank	Piotr Bogusz	piotr.bogusz@mdm.pl
Millennium DM	Marcin Palenik	marcin.palenik@millenniumdm.pl
Pekao IB	Małgorzata Kloka	malgorzata.kloka@pekaoib.pl
PKO BP DM	Włodzimierz Giller	wlodzimierz.giller@pkobp.pl
Raiffeisen Centrobank	Jakub Krawczyk	Jakub.Krawczyk@rcb.at
Trigon DM	Dariusz Dziubiński	dariusz.dziubinski@trigon.pl
UBS	Michał Potyra	michal.potyra@ubs.com
Wood & Co.	Łukasz Wachelko	lukasz.wachelko@wood.com

Investor relations' calendar



KEY DATES

22 Apr 2016	Annual report publication
12 May 2016	1Q16 results publication
Jun 2016	AGM
30 Aug 2016	2Q16 results announcement
14 Nov 2016	3Q16 results announcement



IR CONTACT

Person:	Magdalena Kopaczewska IR Manager
E-mail:	LPP.investor.relations@lppsa.com
Phone:	+ 48 693 904 337
Address:	Łąkowa 39/44 Street 80-769 Gdansk, POLAND

Glossary

Poland	Retail sales in Poland and other sales of LPP SA.
CEE	Region including: Czech Republic, Slovakia, Hungary, unless otherwise indicated.
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 / 12.
Average monthly costs of own stores/m2	Costs of own stores / average working floorspace of own stores (ie. excluding franchise stores) / 12.
Average monthly SG&A PLN/m2	SG&A costs/ average working total floorspace / 12.
Inventory days	Average inventory/ COGS * 365 days.
Receivables days	Average receivables/ group revenues * 365 days.
Liabilities days	Average trade liabilities/ COGS * 365 days.
Cash conversion cycle	Inventory days + receivables days – liabilities days.

CONTACT INFORMATION

GDANSK HEADQUARTERS

LPP SA
Łąkowa 39/44
80-769 Gdansk, Poland
Phone + 48 58 76 96 900
Fax + 48 58 76 96 909
E-mail: lpp@lppsa.com

MEDIA CONTACT

E-mail: media@lppsa.com

CRACOW BRANCH

LPP SA
Bagrowa 7
30-733 Cracow, Poland
Phone + 48 12 39 25 000

INVESTOR RELATIONS CONTACT

E-mail: LPP.investor.relations@lppsa.com

LOGISTICS CENTRE

LPP SA
Tczewska 2
83-000 Pruszcz Gdanski, Poland

RESERVED

 **TALLINDER**

M O H I T O

 **house**

CROPP

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