

LPP

Closing the Tallinder brand

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The Management Board of LPP SA announces that on September 6, 2016 it decided to abandon the development of the Tallinder brand.

The Tallinder brand has 8 stores operating in Poland. The financial performance of the brand was significantly below the adopted budget. The current level of sales turned out to be three times lower than the initial plans and – even after revision – there is no guarantee of profitability of the Tallinder brand in the next few years. The estimated loss of the Tallinder brand for the entire 2016 may amount to approx. PLN 20 million, with the originally planned loss of approx. PLN 1 million.

Employees responsible for products, marketing and sale in the Tallinder brand will be offered to stay in the company and strengthen the teams of Reserved or other brands of LPP. The stores of the Tallinder brand will continue to operate until the end of February 2017 – until completion of the sale of the fall-winter 2016 collection. Tallinder store employees will be invited to join the teams of the stores of our other LPP brands.

The Company estimates that the amount of the reserve in 2016 needed to carry out the process of closing the Tallinder brand will be approx. PLN 26 million.

Art. 17 paragraph 1 of the MAR – confidential information

Signatures: Przemysław Lutkiewicz – Vice President of the Management Board
Jacek Kujawa – Vice President of the Management Board