

LPP

EQUITY STORY

GLOBAL ASPIRATIONS

SEPTEMBER 2016

RESERVED

 TALLINDER

M O H I T O

 house

CROPP

sinsay

Disclaimer

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OVERVIEW

The largest clothing retailer on the WSE

1,686
STORES

18
MARKETS

c. PLN 5 bn
REVENUES

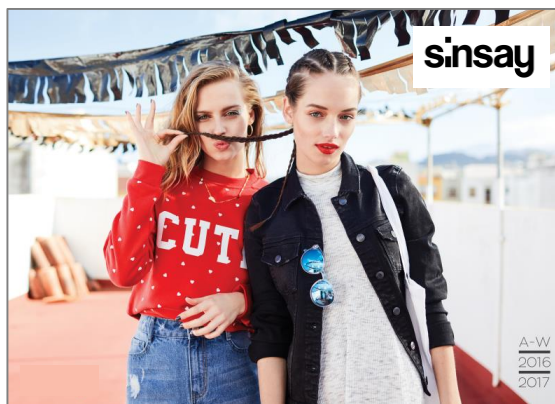
69%
FREE FLOAT

c. PLN 9 bn
MARKET CAP

MSCI POLAND
WIG 20 MEMBER

Note: All data as of 30.06.2016

A diversified brand portfolio



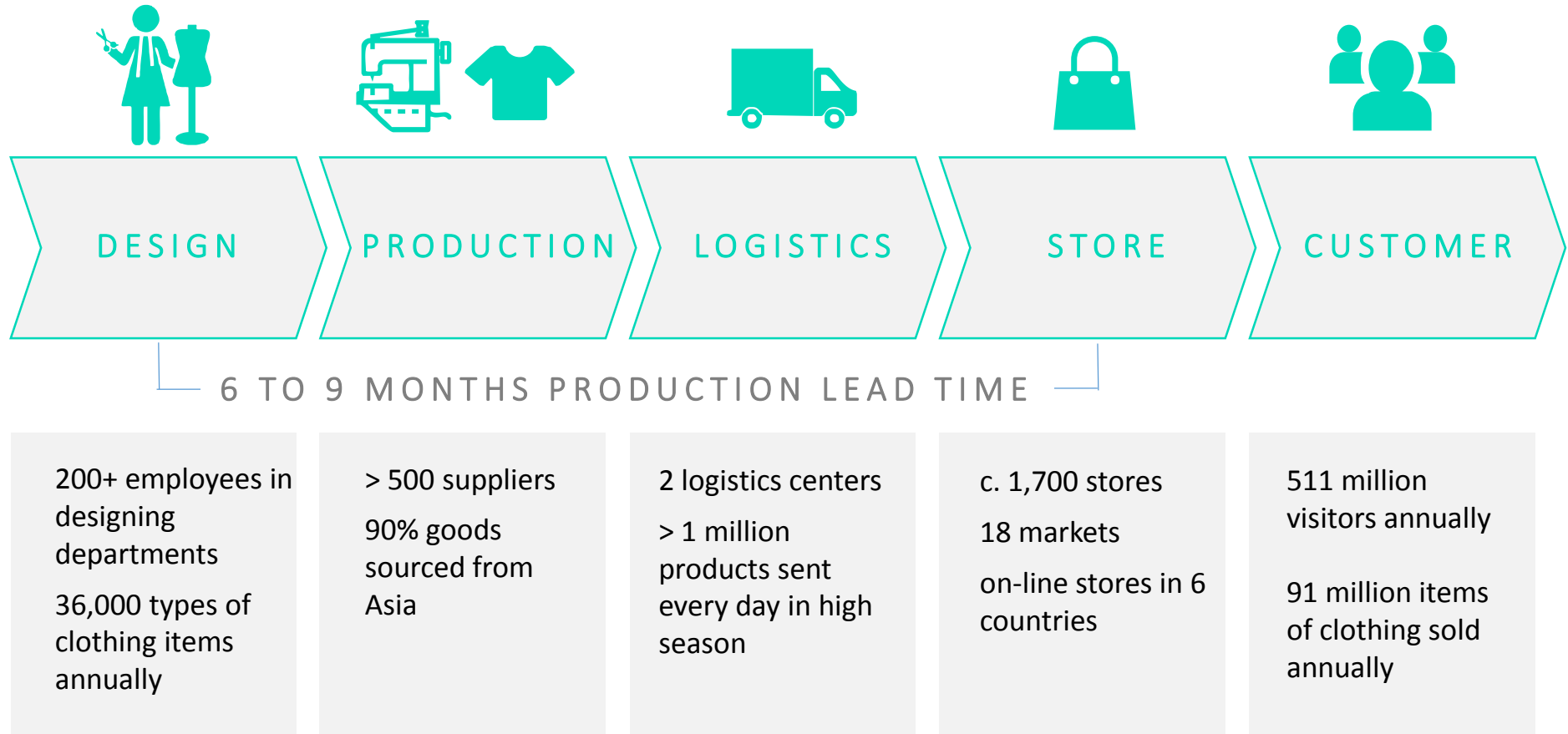
Note: Tallinder brand to be closed down in 1Q17.

30.06.2016	No. of stores	YoY growth
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NO. OF LPP STORES



A lean retail-oriented business model

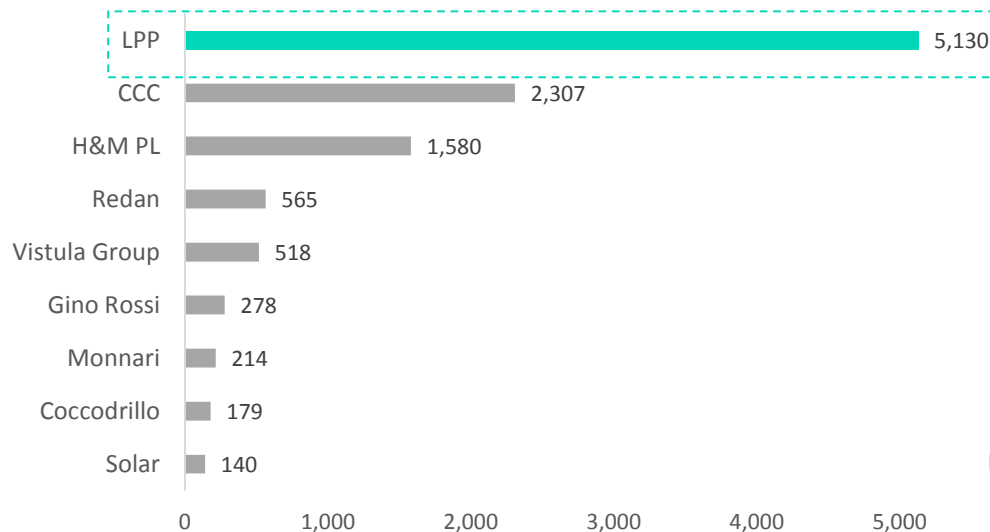


Note: The duration of the production cycle varies depending on the model, size of the order and country of production. Our models reflect the latest trends (the so-called must-haves) and are designed and manufactured in no more than 6 weeks. The rest of the collection is manufactured in approx. 90-100 days.

Eyeing the international giants

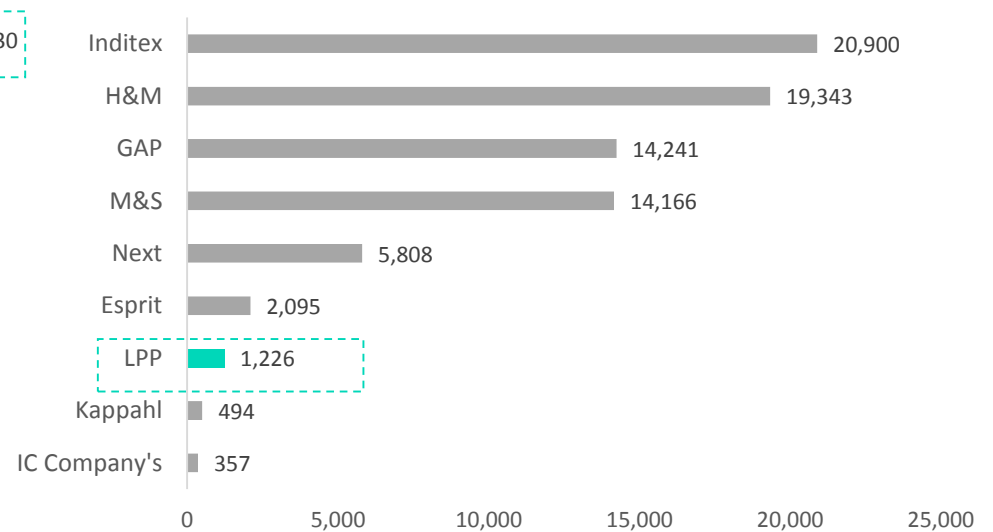
Leader domestically

Revenues (PLN m)
selected companies



Challenging international players

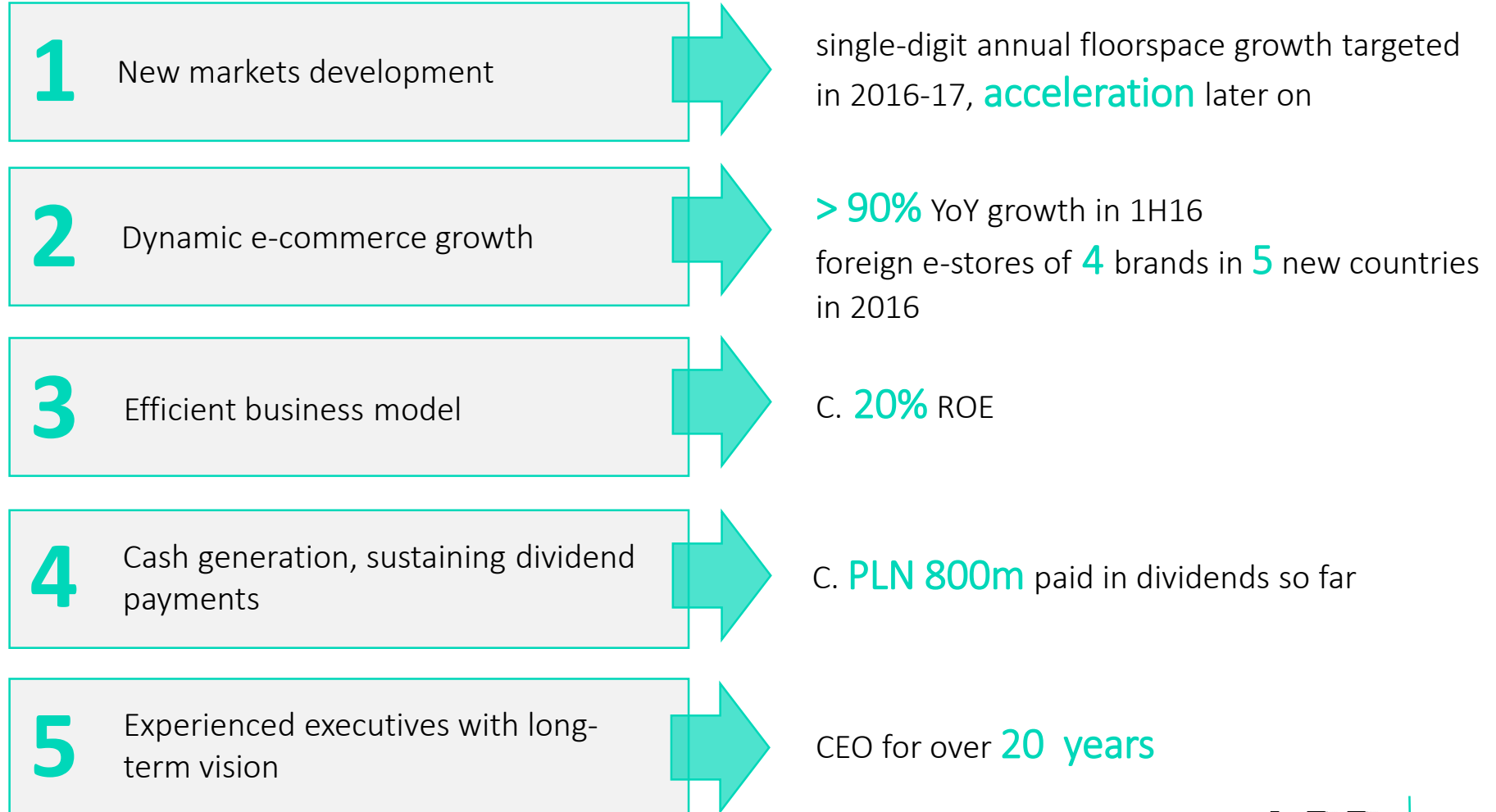
Revenues (EUR m)
selected companies





*Note: Data based on 2015 revenues or equivalent annual.
Values calculated at average exchange rates for the period.*

INVESTMENT THESIS

Investment thesis

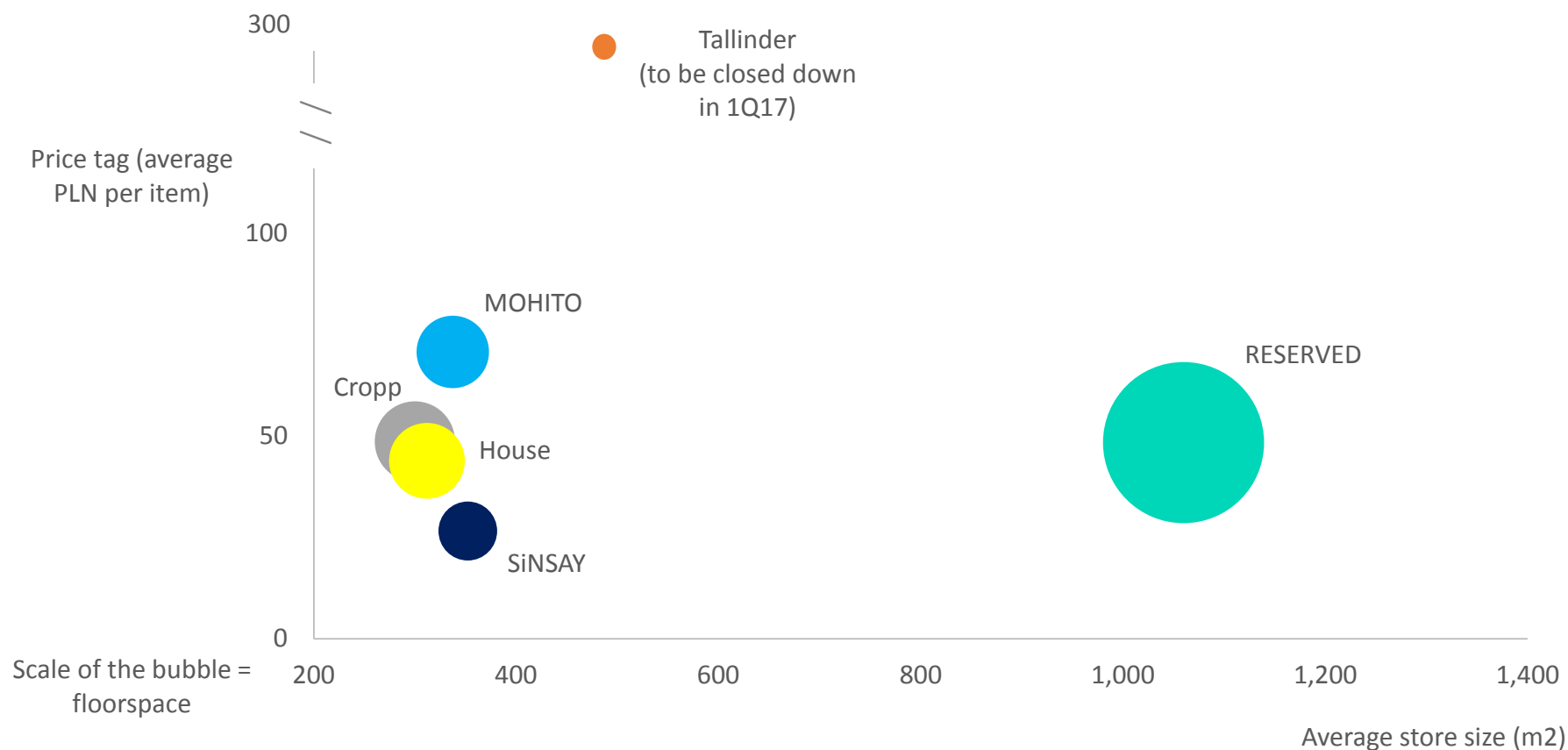


Brand portfolio optimisation

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	1998	2004	2001 (at LPP since 4Q08)	2008 (at LPP since 4Q08)	2013	1Q16 (to be closed down in 1Q17)
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)	Poland
# STORES FLOORSPACE 2Q16	447 473.8k m2	388 117.8k m2	343 104.8k m2	284 95.9 m2	179 63.1k m2	8 3.7k m2
AVERAGE STORE SIZE	1,060 m2	304 m2	306 m2	338 m2	352 m2	458 m2

Concentration on mainstream customer

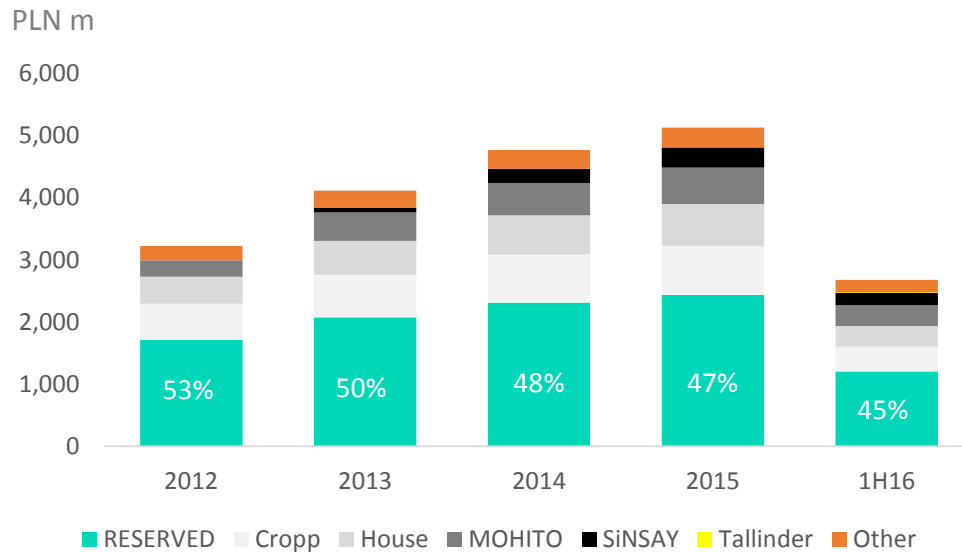
LPP's brands: floorspace versus price tag



Note: Average price per piece of clothing and average store size based on 1H16 data.

Diversification by brands to continue

Group revenues by brands



Group revenues by brands

PLN m	2012	2013	2014	2015	1H16
LPP GROUP	3,224	4,116	4,769	5,130	2,677
RESERVED	1,714	2,074	2,311	2,434	1,204
Cropp	580	687	771	790	400
House	437	546	634	673	333
MOHITO	259	456	523	586	333
SiNSAY	0	74	225	329	205
Tallinder	0	0	0	0	4
Other	233	279	306	318	198

- It is LPP's strategy to diversify revenues from the key RESERVED brand 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).

Introduction of new RESERVED store concept



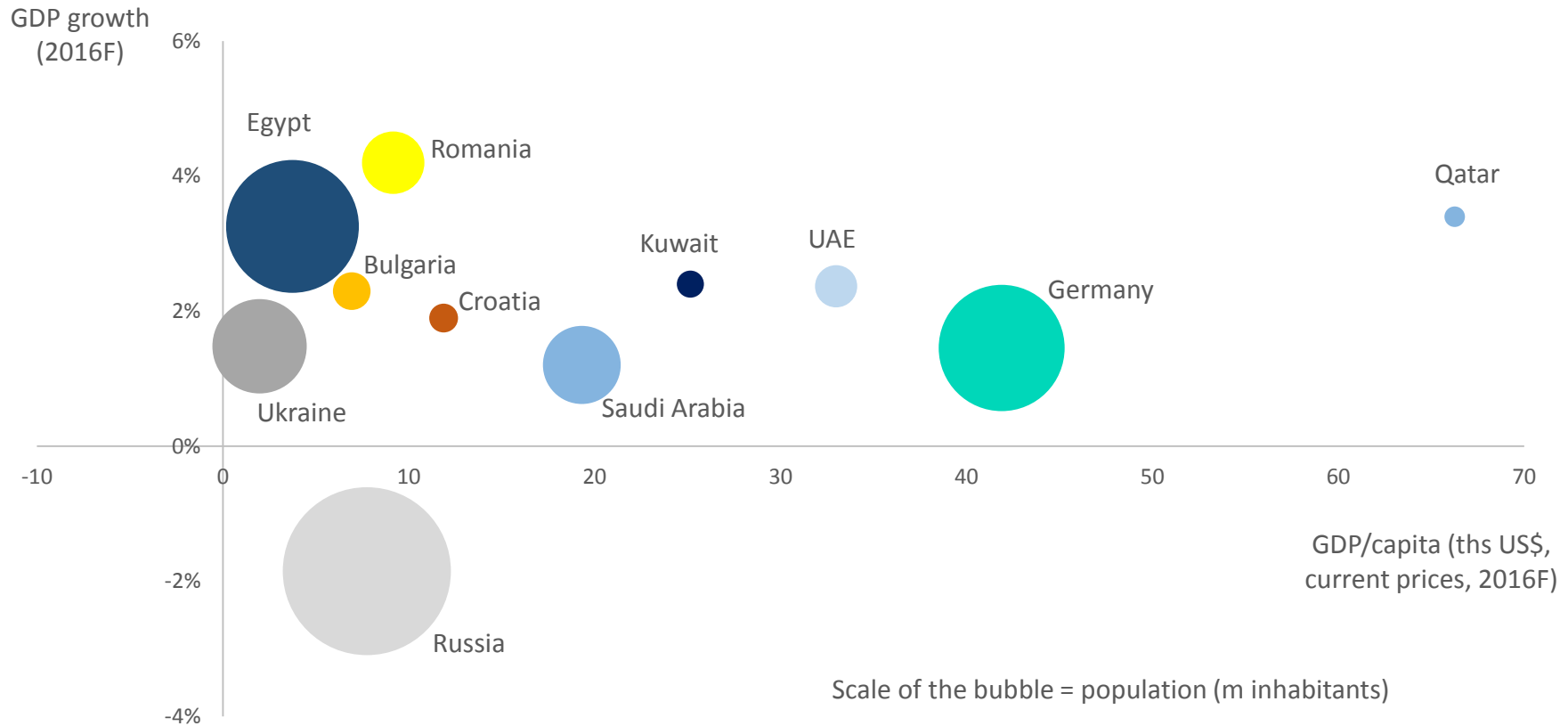
- Wide, open and transparent storefront allows for a deep view into the store.
- Modern LED lamps and LED screens illuminate the collections in a better way and create a warm ambience.
- Comfortable, large and spacious fitting rooms.
- Lack of dedicated zones allows for a smooth transition between women, men and children zones.
- Furniture made of straight profiles, flexible and more mobile.

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, UAE
# COUNTRIES PRESENT	4	3	3	2	1	5
BRANDS	RESERVED, Cropp, House, MOHITO, SiNSAY, Tallinder	RESERVED, Cropp, House, MOHITO, SiNSAY	RESERVED, Cropp, House, MOHITO, SiNSAY	RESERVED, Cropp, House, MOHITO, SiNSAY	RESERVED	RESERVED
# STORES 2 Q 16	1,185	71	58	351	15	6
TYPE OF STORES	Own (majority), franchise	Own	Own	Own (majority), franchise	Own	Franchise
FLOORSPACE 2 Q 16	556.1k m2	38.2k m2	39.8k m2	196.9k m2	34.2k m2	7.6k m2

Entry into high growth potential markets

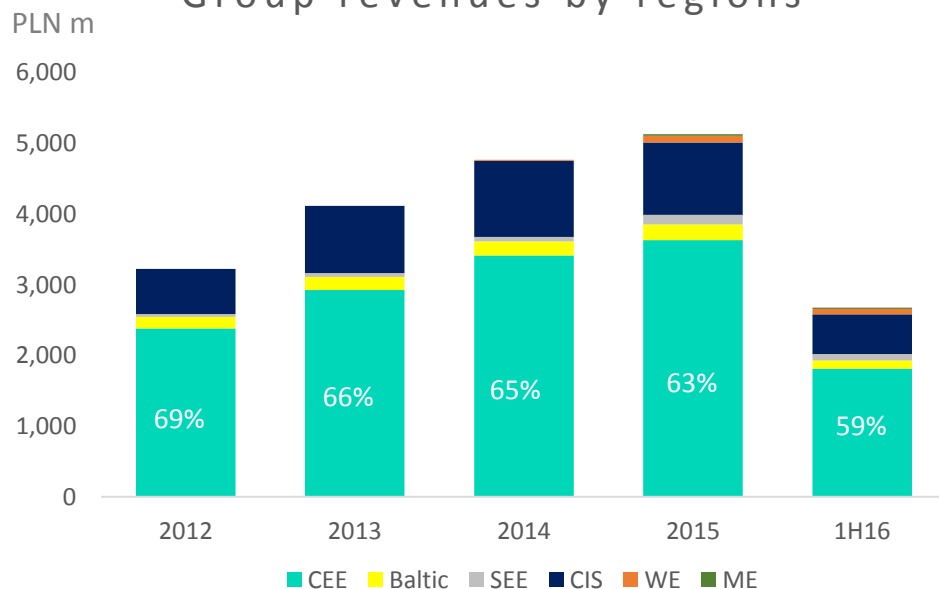
Growth potential of countries developed



Source: International Monetary Fund and World Bank data.

Diversification by countries to continue

Group revenues by regions

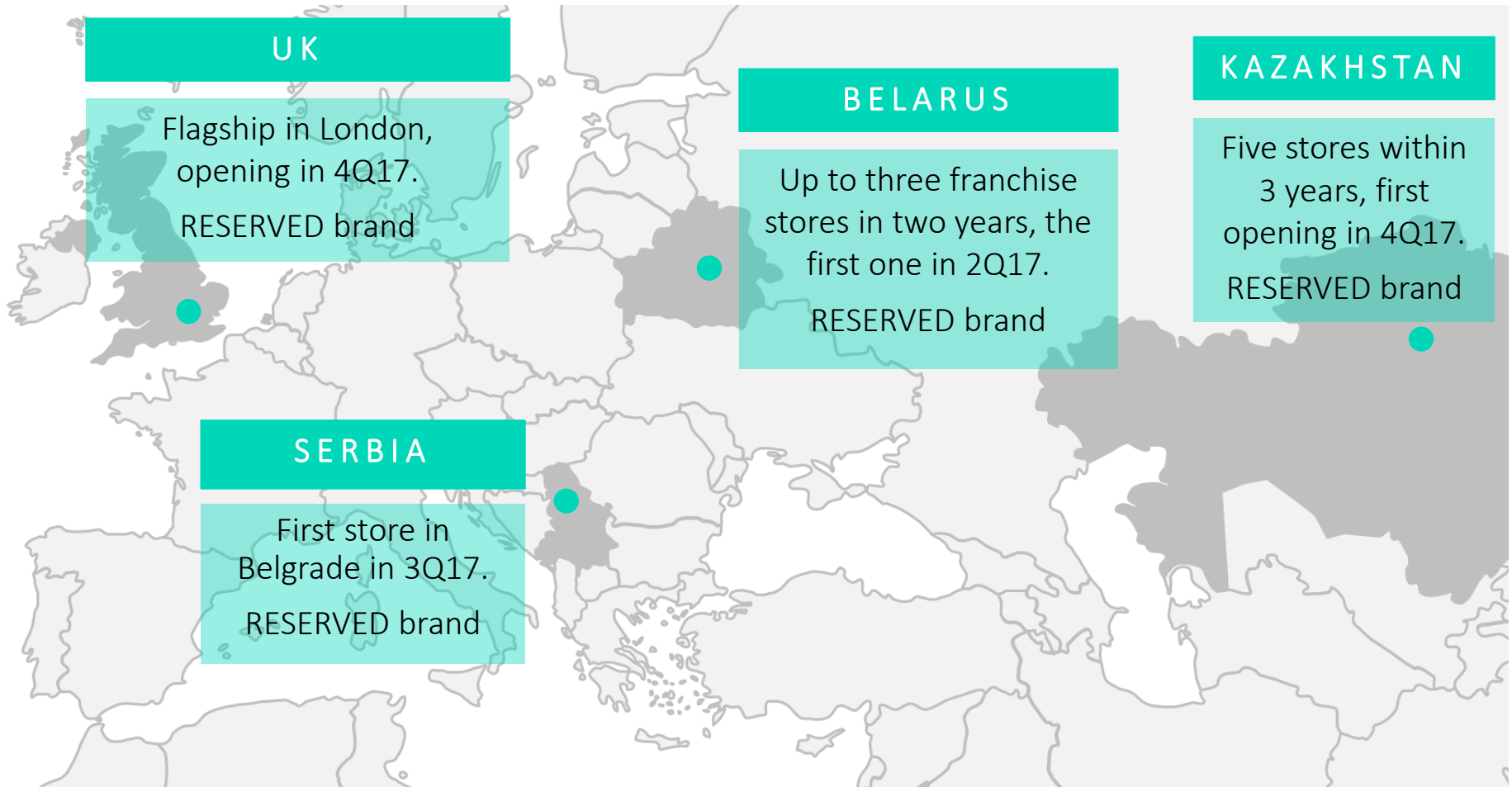


Group revenues by regions

PLN m	2012	2013	2014	2015	1H16
LPP GROUP	3,224	4,116	4,769	5,130	2,677
CEE	2,382	2,927	3,414	3,634	1,814
Baltic	162	186	200	222	116
SEE	42	52	65	134	91
CIS	638	952	1,076	1,025	563
WE	0	0	15	94	77
ME	0	0	0	23	16

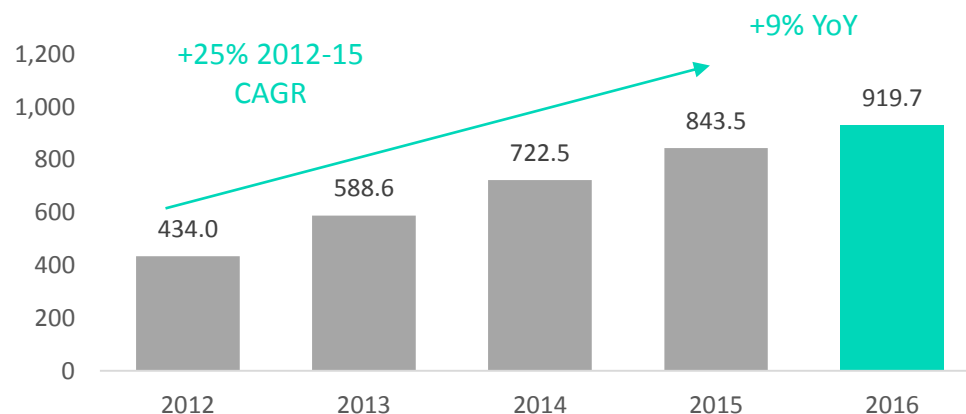
- Dependency on Poland should continue to diminish in upcoming years.
- Maturity has been reached in Czech Republic, but Slovakia and Hungary still offer growth potential.
- Development potential in SEE: (1) only 3 countries entered, (2) not all brands present in Bulgaria.
- Target: 20 own stores in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

Four new markets in 2017



Continued floorspace growth

Floorspace growth targets
(ths m2)

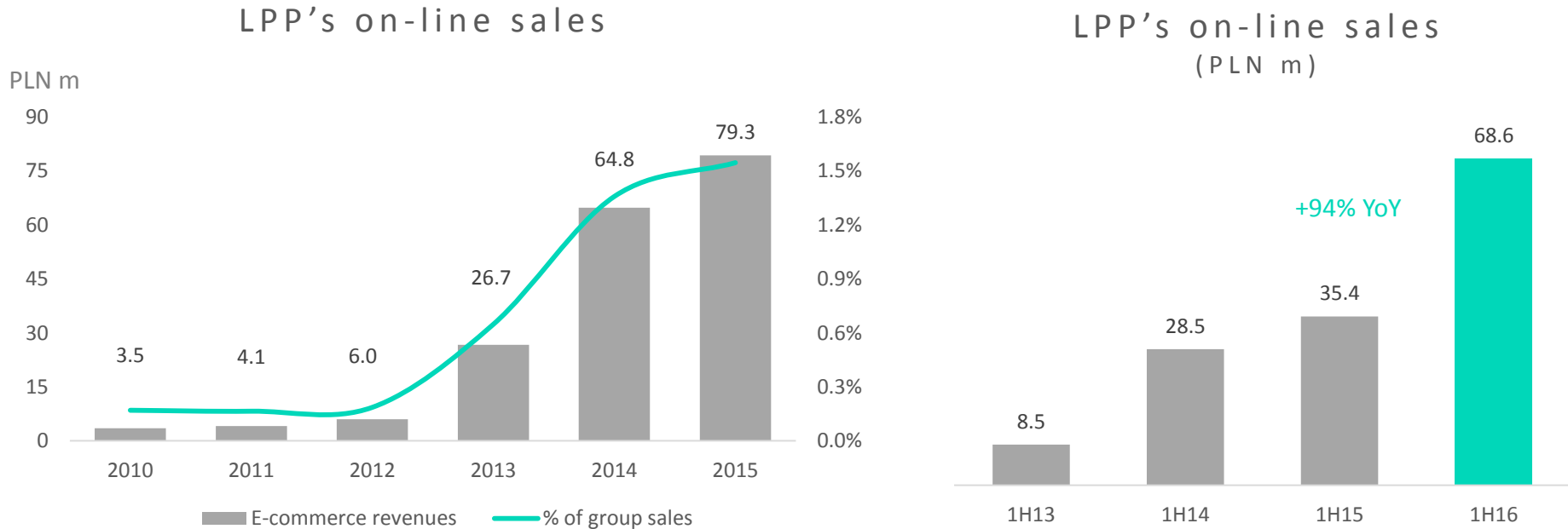


Floorspace targets
by regions

ths m2	2015	2016	YoY
LPP GROUP	843.5	919.7	9.0%
Poland	465.0	495.6	6.6%
EU	179.0	209.3	16.9%
CIS	193.9	207.2	6.9%
ME	5.5	7.6	38.3%

- In 2016 we plan to grow floorspace by 9% YoY, as a result of: 1) further development in Germany, 2) 10% floorspace growth in Russia and 3) expansion in the SEE region.
- We plan to open stores in 4 new countries in 2017: Belarus and Kazakhstan (both franchise) and Serbia and the UK (own stores).
- Acceleration of floorspace development post 2016-17 transition years (needed for internal changes).

Dynamic e-commerce growth



- We believe on-line sales in Poland should converge to the European average.
- We aim to have 7-8% of group sales generated from e-commerce by 2020.
- 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.

Acceleration of e-commerce development

- We accelerate the openings of on-line stores: on-line stores of four (not two) brands in 4Q16.
- Brands: Cropp, House, MOHITO, and SiNSAY will have their on-line stores in five new countries: Czech Republic, Slovakia, Hungary, Romania and Germany.
- We constantly improve our mobile sales platform (more intuitive navigation, improved product presentation) and logistics (faster delivery, favourable return conditions).

PLANNED ON-LINE STORES AT THE END OF 2016



	Poland	Czech Rep.	Slovakia	Hungary	Romania	Germany
RESERVED	✓	✓	✓	✓	✓	✓
Cropp	✓	✓	✓	✓	✓	✓
House	✓	✓	✓	✓	✓	✓
MOHITO	✓	✓	✓	✓	✓	✓
SiNSAY	✓	✓	✓	✓	✓	✓
Tallinder	✓					

Expectations for 2016

2016 TARGETS

- Revenue growth should exceed floorspace growth.
- Fall in gross profit margin by c.3-4% p.p. versus 2015 level.

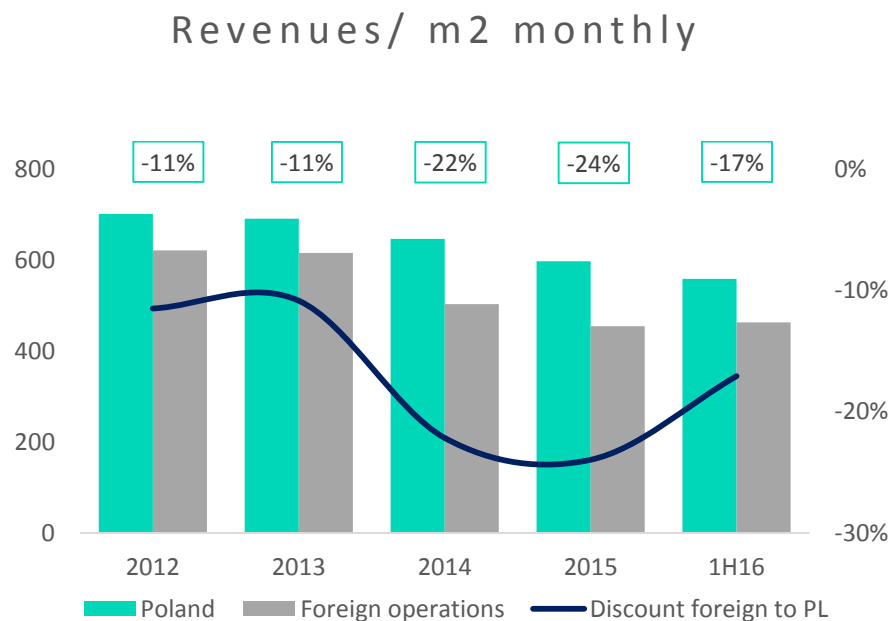
2016 OPPORTUNITIES

- LFLs improvement.
- Dynamic e-commerce development (four new brands on-line in five new countries in 4Q16).

2016 RISKS

- New turnover tax for retailers (estimated cost of c. PLN 13-15m in 2016, c. PLN 40m in 2017) and/or ban for trade on Sundays.
- Continuation of FX trends on PLN/US\$ and PLN/EUR.

Poland records highest sales/m2



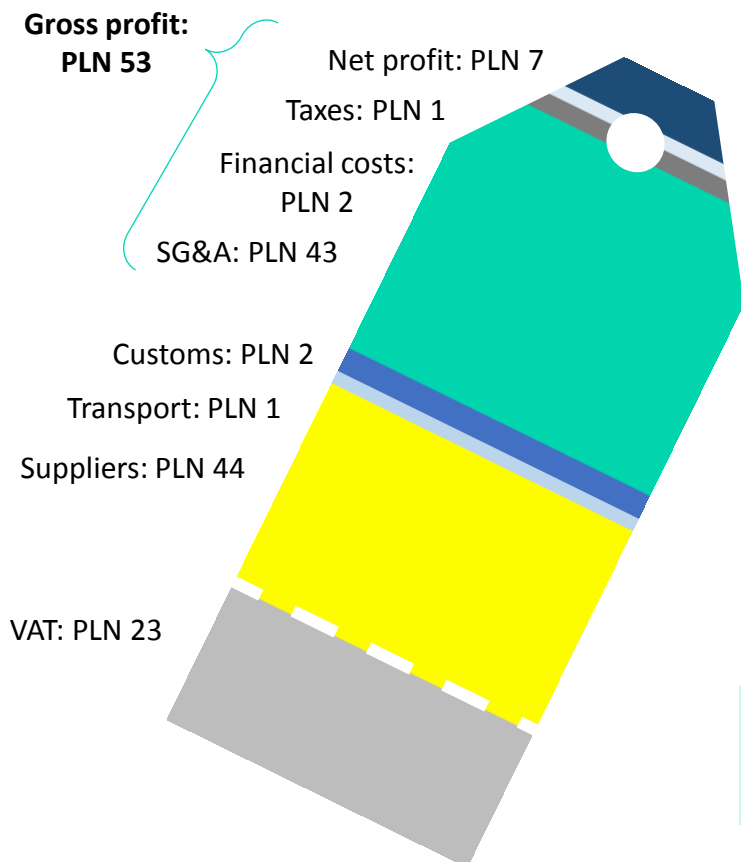
Revenues/ m2 monthly

PLN	2012	2013	2014	2015	1H16
LPP GROUP	675	664	589	548	522
Poland	702	691	647	598	559
Foreign operations	621	616	503	454	463
RESERVED	628	617	547	483	438
Cropp	756	725	647	591	578
House	654	652	612	579	550
MOHITO	843	759	583	549	584
SiNSAY	-	670	584	531	563
Tallinder	-	-	-	-	312

- Revenues/m2 in Poland were on average c.17% higher in 2012-15 than on foreign markets.
- The difference widened in 2014-15 due to depreciation of ruble 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

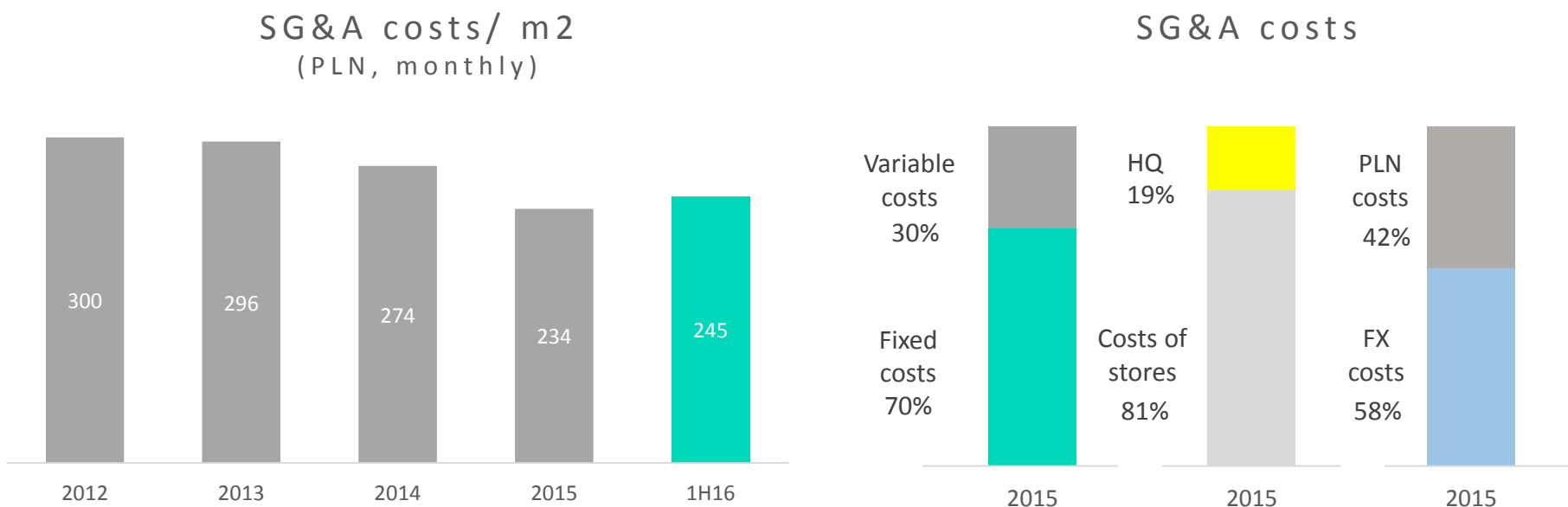
Gross profit margin	2012	2013	2014	2015	1H16
LPP GROUP	56.7%	58.5%	58.6%	53.5%	48.2%

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. Due to unsatisfactory collection at the main RESERVED brand we have not been able to do this in 1H16.
- Terms with suppliers - we pursue most attractive offers to obtain more favourable price-to-quality ratio.

We believe that 2016 gross profit margin may fall by c. 3-4 p.p. versus 2015 level.

High operating leverage business

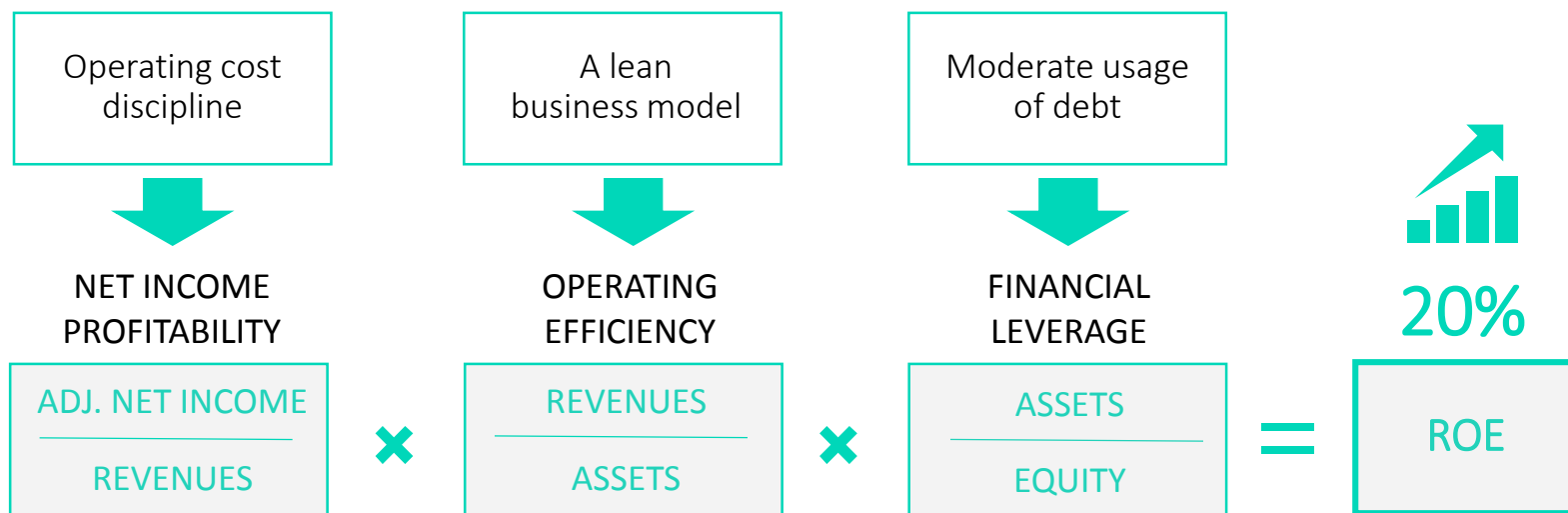


Note: SG&A relations based on group 2015 data.

- 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 over 2012-15 → optimisation of costs of stores and headquarters.
- Higher SG&A/ m2 in 1H16 → growth in costs of stores (higher rentals due to depreciation of zloty versus euro, higher HR costs due to growing salaries) and pick-up in HQs costs.

High ROE levels should continue

LPP's high ROE contributors



	<u>NI margin</u>	<u>Asset Turnover</u>	<u>Equity Multiplier</u>	<u>ROE</u>
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.

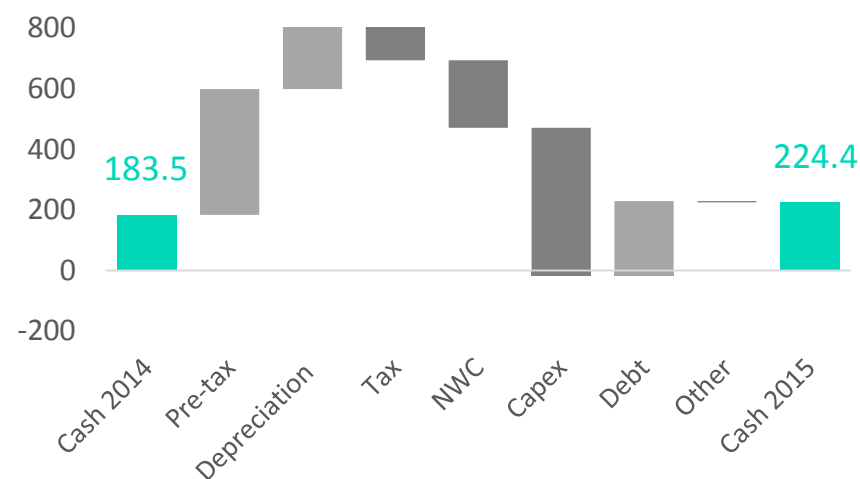
Note: 2014 net income adjusted for tax asset.

We generate cash...

FCFF generation

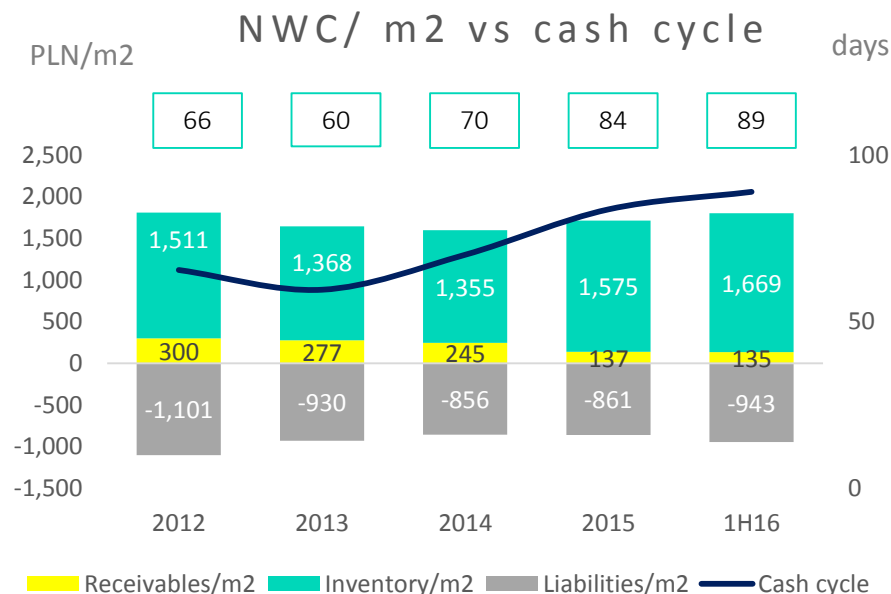
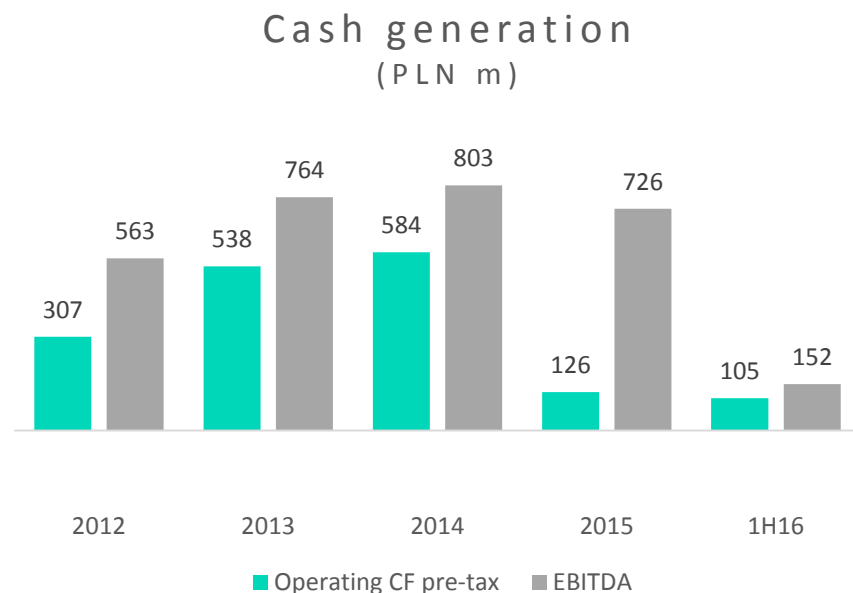
PLN m	2012	2013	2014	2015
FCFF	178	19	154	-64
NOPAT	379	509	638	426
D&A	109	148	194	224
Capex	-288	-542	-551	-491
NWC	-22	-96	-127	-223

2015 cash flow bridge (PLN m)



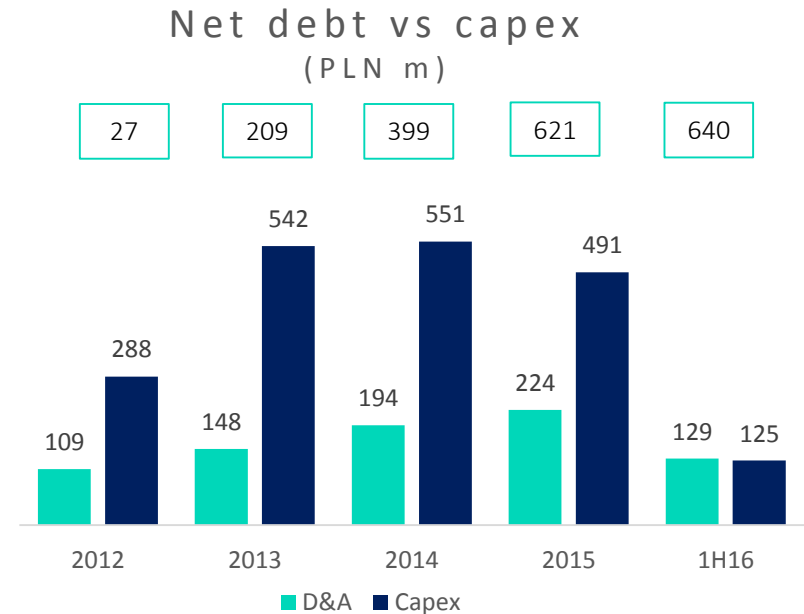
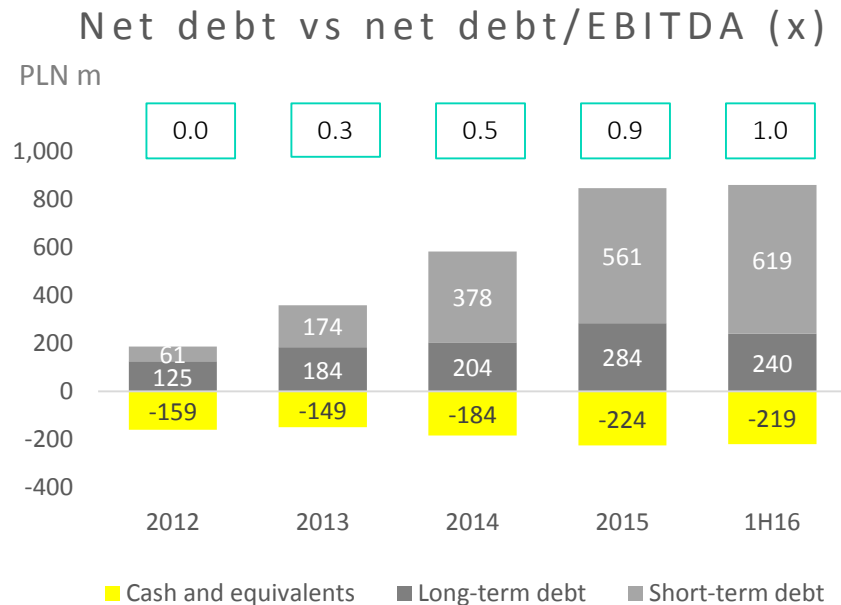
- We continue to focus on FCFF:
 - NOPAT: ongoing cost optimisation (rentals renegotiation, search for best suppliers).
 - NWC: focus on maintaining optimal inventory/m2, lead time between 6 to 9 months.
 - Capex: franchise store openings and focus on fits-outs for own stores.

...despite NWC drag



- Our business generates cash on an annual basis, even though inventory puts a pressure on cash cycle.
- 2015 and 1H16 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 low.

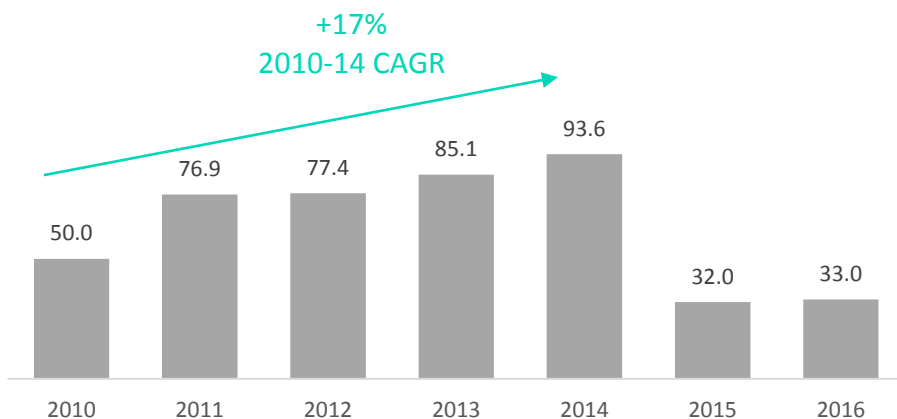
Safe net debt level...



- Despite growing capex (organic only) in 2012-15 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.
- Our aim is to reduce the net debt/EBITDA level.

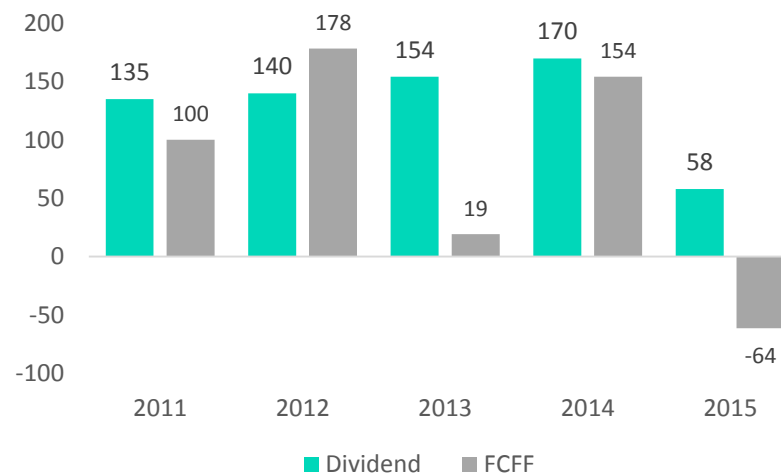
...allows to pay dividend

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.
- Stable YoY DPS despite unfavourable FX and competitive pressure in Poland.
- Dividend from 2015 earnings paid in September 2016.

Experienced and deliverable executives

- 1991 Jerzy Lubianiec (56) 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 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



Index of Success awarded by Deloitte and Rzeczpospolita newswire for the last 10-year performance

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 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	447
# MARKETS	18
STORE SIZE	1,060 m2
ADVERTISING	International stars like Georgia May Jagger

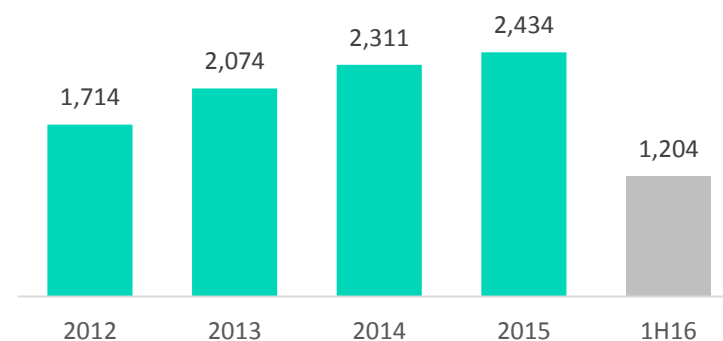


RESERVED

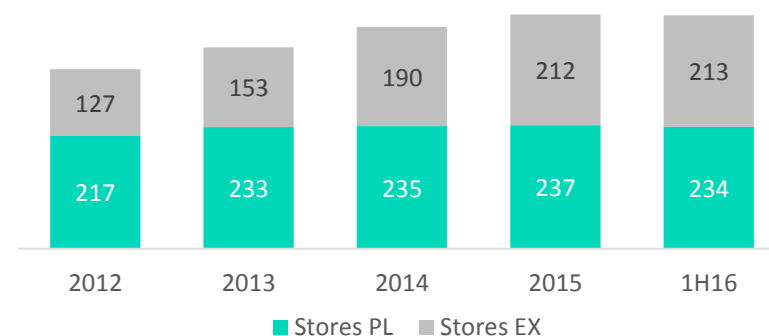
Key data	2012	2013	2014	2015	1H16
Revenues (PLN m)	1,714.1	2,073.8	2,311.3	2,433.8	1,204.1
No. of stores	344	386	425	449	447
Store size (m2)	733	835	917	1,027	1,060
Floorspace (eop, m2)	252.3	322.3	389.7	461.3	473.8
Sales/ m2 monthly	628	617	547	483	438
% of floorspace in PL	62%	59%	54%	50%	50%

YoY growth	2012	2013	2014	2015	1H16
Revenues (PLN m)	25%	21%	11%	5%	8%
No. of stores	13%	12%	10%	6%	4%
Store size (m2)	5%	14%	10%	12%	9%
Floorspace (eop, m2)	19%	28%	21%	18%	14%
Sales/ m2 monthly	11%	-2%	-11%	-12%	-6%
% of floorspace in PL	-3ppt	-3ppt	-5ppt	-4ppt	-3ppt

Revenues
(PLN m)



Stores



■ Stores PL ■ Stores EX

CROPP

KEY BRAND FEATURES	Casual streetwear brand and international labels
TARGET CUSTOMERS	Teenagers (boys and girls)
YEAR OF LAUNCH	2004
# STORES	388
# MARKETS	12
STORE SIZE	304 m2
ADVERTISING	Partner of artists and street art events

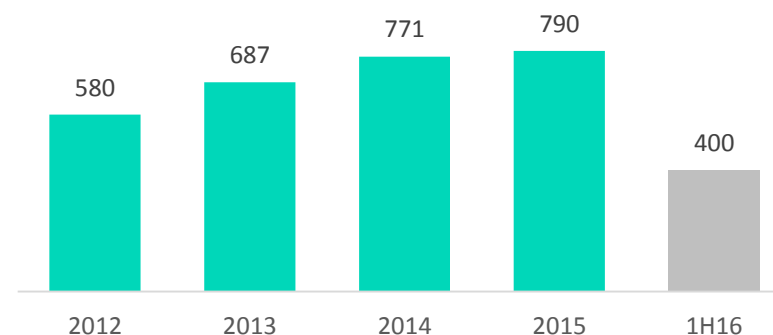


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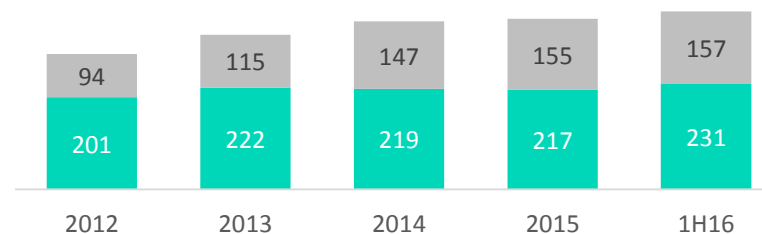
Key data	2012	2013	2014	2015	1H16
Revenues (PLN m)	580.4	687.0	770.9	789.9	399.7
No. of stores	295	337	366	372	388
Store size (m2)	244	269	288	308	304
Floorspace (eop, m2)	72.0	90.6	105.4	114.5	117.8
Sales/ m2 monthly	756	725	647	591	578
% of floorspace in PL	62%	60%	55%	55%	55%

YoY growth	2012	2013	2014	2015	1H16
Revenues (PLN m)	30%	18%	12%	2%	18%
No. of stores	13%	14%	9%	2%	2%
Store size (m2)	7%	10%	7%	7%	4%
Floorspace (eop, m2)	21%	26%	16%	9%	11%
Sales/ m2 monthly	16%	-4%	-11%	-9%	9%
% of floorspace in PL	-5ppt	-2ppt	-5ppt	0ppt	-1ppt

Revenues
(PLN m)



Stores



■ Stores PL ■ Stores EX



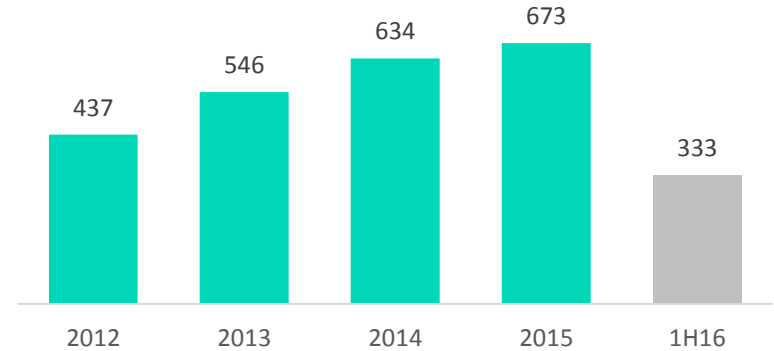
KEY BRAND FEATURES	Urban fashion brand with folk and vintage elements
TARGET CUSTOMERS	Teenagers (boys and girls)
YEAR OF LAUNCH	2001 (at LPP since 4Q08)
# STORES	343
# MARKETS	12
STORE SIZE	306 m2
ADVERTISING	Artistic events partner and music sponsor



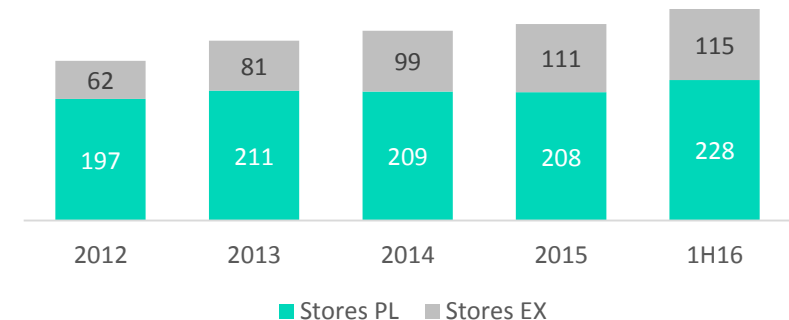
Key data	2012	2013	2014	2015	1H16
Revenues (PLN m)	436.6	546.3	633.6	673.2	333.0
No. of stores	259	292	308	319	343
Store size (m2)	247	275	291	313	306
Floorspace (eop, m2)	63.9	80.2	89.6	99.7	104.8
Sales/ m2 monthly	654	652	612	579	550
% of floorspace in PL	73%	69%	64%	62%	62%

YoY growth	2012	2013	2014	2015	1H16
Revenues (PLN m)	16%	25%	26%	6%	16%
No. of stores	17%	13%	5%	4%	4%
Store size (m2)	7%	11%	6%	7%	4%
Floorspace (eop, m2)	25%	26%	12%	11%	8%
Sales/ m2 monthly	3%	0%	-2%	-5%	5%
% of floorspace in PL	-7ppt	-4ppt	-5ppt	-2ppt	-3ppt

Revenues
(PLN m)



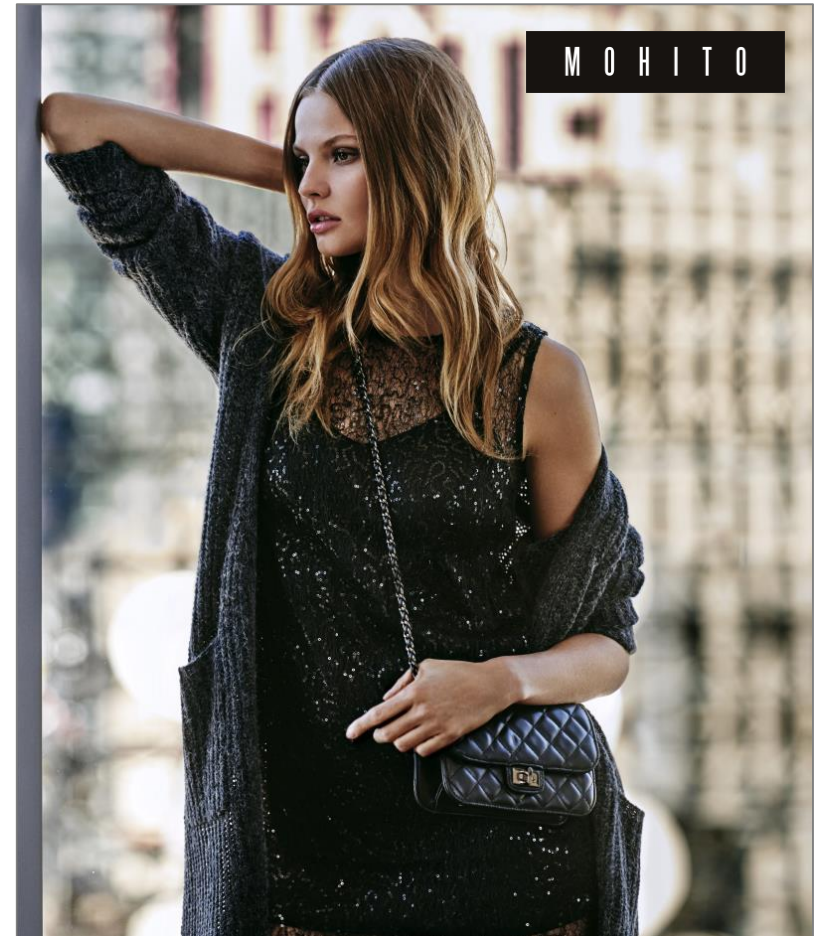
Stores



■ 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	284
# MARKETS	12
STORE SIZE	338 m2
ADVERTISING	Super models (Anna Jagodzinska, Anja Rubik)

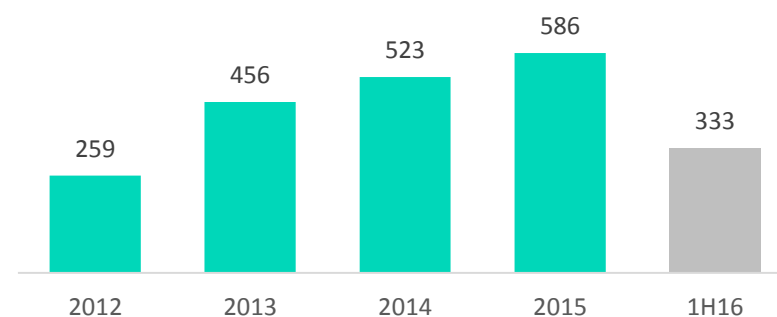


M O H I T O

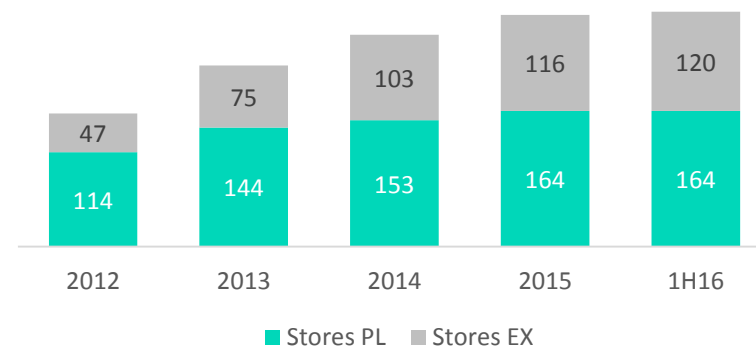
Key data	2012	2013	2014	2015	1H16
Revenues (PLN m)	259.4	456.4	522.9	586.5	332.9
No. of stores	161	219	256	280	284
Store size (m2)	242	301	323	337	338
Floorspace (eop, m2)	38.9	66.0	82.8	94.5	95.9
Sales/ m2 monthly	843	759	583	549	584
% of floorspace in PL	67%	62%	56%	55%	54%

YoY growth	2012	2013	2014	2015	1H16
Revenues (PLN m)	149%	76%	15%	12%	28%
No. of stores	73%	36%	17%	9%	6%
Store size (m2)	30%	25%	7%	4%	2%
Floorspace (eop, m2)	125%	70%	26%	14%	8%
Sales/ m2 monthly	53%	-6%	-19%	-6%	15%
% of floorspace in PL	-10ppt	-5ppt	-6ppt	-1ppt	-1ppt

Revenues
(PLN m)



Stores



■ Stores PL ■ Stores EX

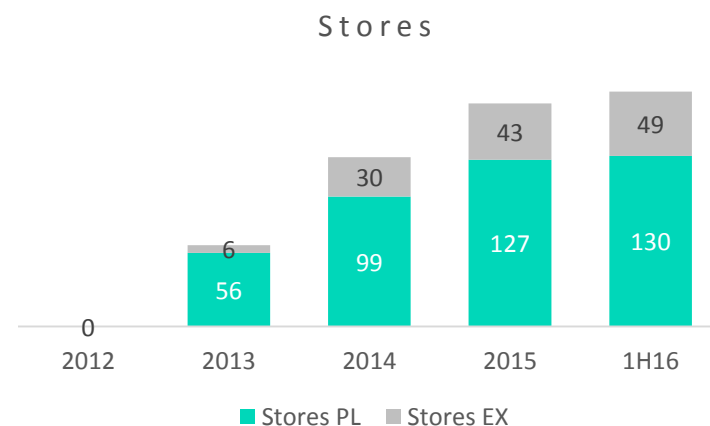
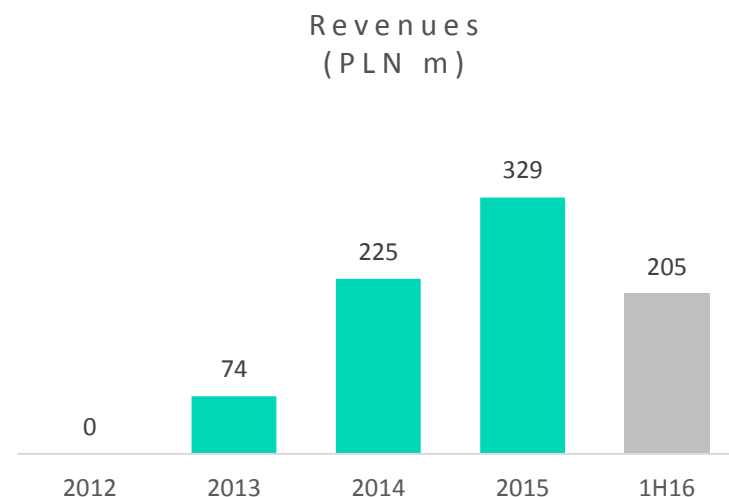
sinsay

KEY BRAND FEATURES	Every day clothes and original party outfits
TARGET CUSTOMERS	Teenagers (girls only)
YEAR OF LAUNCH	2013
# STORES	179
# MARKETS	11
STORE SIZE	352 m2
ADVERTISING	Social media



Key data	2012	2013	2014	2015	1H16
Revenues (PLN m)	-	74.0	224.7	328.9	205.5
No. of stores	-	62	129	170	179
Store size (m2)	-	325	338	351	352
Floorspace (eop, m2)	-	20.1	43.7	59.7	63.1
Sales/ m2 monthly	-	670	584	531	563
% of floorspace in PL	-	89%	75%	73%	71%

YoY growth	2012	2013	2014	2015	1H16
Revenues (PLN m)	-	-	204%	46%	45%
No. of stores	-	-	108%	32%	19%
Store size (m2)	-	-	4%	4%	1%
Floorspace (eop, m2)	-	-	117%	37%	20%
Sales/ m2 monthly	-	-	-4%	-9%	12%
% of floorspace in PL	-	-	-14ppt	-2ppt	-3ppt



■ Stores PL ■ Stores EX

KEY BRAND FEATURES	High quality clothing
TARGET CUSTOMERS	More demanding men and women 30+
YEAR OF LAUNCH	February 2016 (to be closed down in 1Q17)
# STORES	8
# MARKETS	Poland
STORE SIZE	458 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

	2012	2013	2014	2015	1H16
LPP GROUP	11.3%	5.6%	-2.5%	0.6%	5.7%

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 RESERVED LFLs improvement

2016 and 2017: time for internal changes, mainly in the RESERVED brand

IMPROVED PRODUCT

- Product improvement (sizes, designs, finishing).
- New creative director with international experience.
- Opening of a new design department in Warsaw.

LOGISTICS' CHANGES

- New collection delivered straight to stores (bypassing back-office).
- Lower returns to logistics centre (emphasis on sell-offs in stores).
- Offer tailored to the specific store.

EFFECTIVE MANAGEMENT

- Small product teams, rewarded separately from one another.
- Merging of domestic and foreign trade departments.
- Close cooperation with manufacturers and flexible procurement policy.



Acceleration of network development after the period of changes

Attractive floorspace – new store concepts



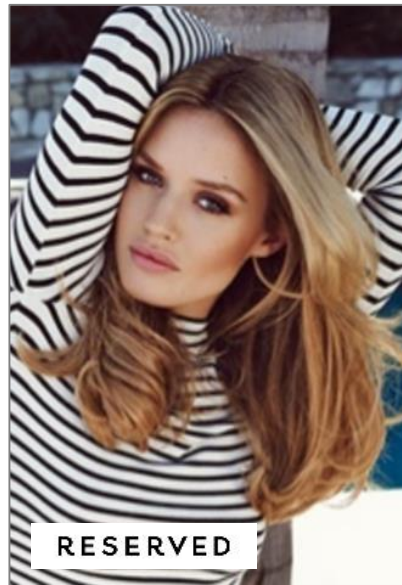
Note: Tallinder brand to be closed down in 1Q17.

International stars promote our brands



Magdalena Frąckowiak

Face of MOHITO
AW16/17 collection



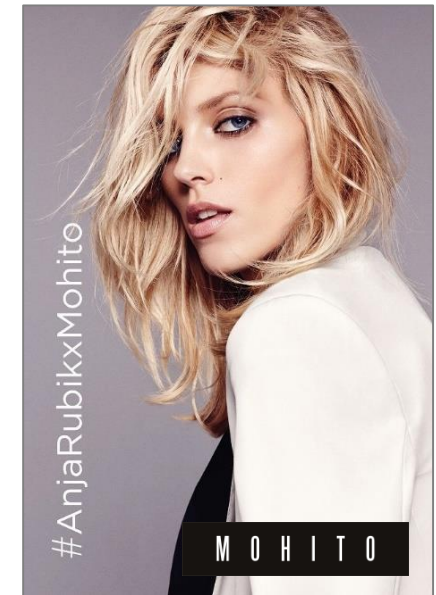
Georgia May Jagger

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)	31.12.2012	31.12.2013	YoY growth	31.12.2014	YoY growth	31.12.2015	YoY growth	30.06.2016	YoY growth
RESERVED	252.3	322.3	27.7%	389.7	20.9%	461.3	18.4%	473.8	13.8%
Poland	156.1	188.9	21.0%	209.2	10.8%	232.5	11.1%	235.1	7.4%
EU	41.2	52.4	27.1%	83.9	60.1%	120.2	43.2%	127.2	33.8%
CIS	54.9	81.0	47.5%	96.6	19.2%	103.1	6.8%	103.9	5.7%
ME	0.0	0.0		0.0		5.5		7.6	94.9%
Cropp	72.0	90.6	25.9%	105.4	16.3%	114.5	8.7%	117.8	5.7%
Poland	44.9	54.5	21.3%	58.3	6.9%	63.0	8.2%	65.2	3.8%
EU	8.3	10.9	31.1%	17.1	57.1%	19.8	15.7%	20.6	10.2%
CIS	18.7	25.2	34.6%	30.0	19.0%	31.7	5.6%	31.9	6.3%
House	63.9	80.2	25.6%	89.6	11.7%	99.7	11.3%	104.8	8.4%
Poland	46.5	55.4	19.3%	57.3	3.4%	62.2	8.6%	65.4	4.8%
EU	7.2	9.2	27.5%	11.4	24.6%	15.1	32.4%	16.4	24.2%
CIS	10.2	15.6	53.1%	20.9	33.6%	22.4	7.1%	23.1	9.5%
MOHITO	38.9	66.0	69.5%	82.8	25.5%	94.5	14.1%	95.9	7.6%
Poland	26.1	40.9	56.9%	46.2	12.9%	52.1	12.8%	51.8	5.3%
EU	3.0	6.5	118.7%	11.8	80.7%	16.1	37.2%	17.7	22.1%
CIS	9.8	18.5	88.0%	24.8	34.1%	26.2	5.6%	26.3	3.5%
SiNSAY	0.0	20.1		43.7	116.7%	59.7	36.7%	63.1	20.4%
Poland	0.0	17.9		32.7	82.2%	43.5	33.1%	44.5	15.3%
EU	0.0	2.2		4.4	99.3%	7.6	72.3%	8.8	39.7%
CIS	0.0	0.0		6.6		8.6	30.8%	9.8	28.9%
Tallinder (Poland only)	0.0	0.0		0.0		0.0		3.7	n/m
Outlets	7.0	9.3	-48.4%	11.3	22.0%	13.8	21.3%	13.8	11.3%
TOTAL by regions									
Poland	279.4	365.5	30.8%	413.6	13.1%	465.0	12.4%	477.4	7.6%
EU	60.9	80.7	32.5%	128.6	59.4%	179.0	39.2%	190.8	29.2%
CIS	93.7	142.4	51.9%	180.3	26.7%	193.9	7.5%	196.9	7.5%
ME	0.0	0.0		0.0		5.5		7.6	94.9%
TOTAL	434.0	588.6	35.6%	722.5	22.8%	843.5	16.7%	872.7	12.1%

Slower floorspace growth in 2016

Floorspace (thb m2)	31.12.2015	2016 previous target	2016 new target	YoY growth
BY BRANDS				
RESERVED	461.3	516.5	508.0	10%
Cropp	114.5	120.4	120.2	5%
House	99.7	106.3	105.2	5%
MOHITO	94.5	100.4	98.7	5%
SiNSAY	59.7	69.6	69.4	16%
Tallinder	0.0	4.3	4.4	-
Outlets	13.8	13.8	13.8	0%
BY REGIONS				
Poland	465.0	496.6	495.6	7%
EU	179.0	212.7	209.3	17%
CIS	193.9	213.1	207.2	7%
ME	5.5	9.0	7.6	38%
TOTAL	843.5	931.3	919.7	9%

- 9% YoY floorspace growth targeted for 2016 together with 1,700 stores in 18 countries.
- 2016 targets: (1) further development in Germany, (2) further floorspace growth in Russia, (3) acceleration in the SEE region.
- Planned 2016 capex at c. PLN 370m, down 24% YoY due to slower floorspace growth.
- 2016 capex split: (1) PLN 270m for new stores and (2) PLN 40m for store upgrades. The remaining amount consists mainly of headquarters expansion.
- We plan to enter 4 new countries in 2017: Belarus and Kazakhstan (franchise) and Serbia and the UK (flagship in London).

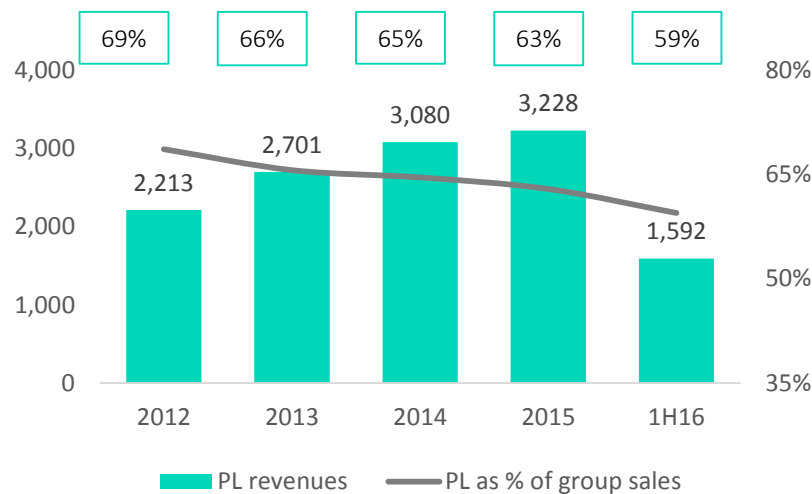
2016 network development details

Floorspace (ths m2)	31.12.2015	2016 TARGET	Nominal growth	YoY growth
RESERVED	461.3	508.0	46.6	10%
Poland	232.5	248.2	15.6	7%
EU	120.2	144.1	23.9	20%
CIS	103.1	108.1	5.0	5%
ME	5.5	7.6	2.1	38%
Cropp	114.5	120.2	5.7	5%
Poland	63.0	65.4	2.4	4%
EU	19.8	20.8	1.1	5%
CIS	31.7	34.0	2.3	7%
House	99.7	105.2	5.5	5%
Poland	62.2	64.5	2.2	4%
EU	15.1	16.4	1.2	8%
CIS	22.4	24.3	2.0	9%
MOHITO	94.5	98.7	4.3	5%
Poland	52.1	53.0	0.9	2%
EU	16.1	18.1	1.9	12%
CIS	26.2	27.7	1.5	6%
ME	0.0	0.0	0.0	-
SINSAY	59.7	69.4	9.7	16%
Poland	43.5	48.5	5.0	12%
EU	7.6	9.7	2.1	28%
CIS	8.6	11.2	2.6	30%
ME	0.0	0.0	0.0	-
Tallinder	0.0	4.4	4.4	-
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%
Poland	11.6	11.6	0.0	0%
EU	0.2	0.2	0.0	0%
CIS	2.0	2.0	0.0	0%
TOTAL	843.5	919.7	76.2	9%

No. of stores	31.12.2015	2016 TARGET	Nominal growth	YoY growth
RESERVED	449	460	11	2%
Poland	237	235	-2	-1%
EU	107	117	10	9%
CIS	101	102	1	1%
ME	4	6	2	50%
Cropp	372	380	8	2%
Poland	217	220	3	1%
EU	66	68	2	3%
CIS	89	92	3	3%
House	319	328	9	3%
Poland	208	210	2	1%
EU	48	51	3	6%
CIS	63	67	4	6%
MOHITO	280	288	8	3%
Poland	164	164	0	0%
EU	52	57	5	10%
CIS	64	67	3	5%
ME	0	0	0	-
SINSAY	170	197	27	16%
Poland	127	142	15	12%
EU	21	26	5	24%
CIS	22	29	7	32%
ME	0	0	0	-
Tallinder	0	10	10	-
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	1,700	73	4%

Established position domestically

Poland remains our main market
(PLN m)



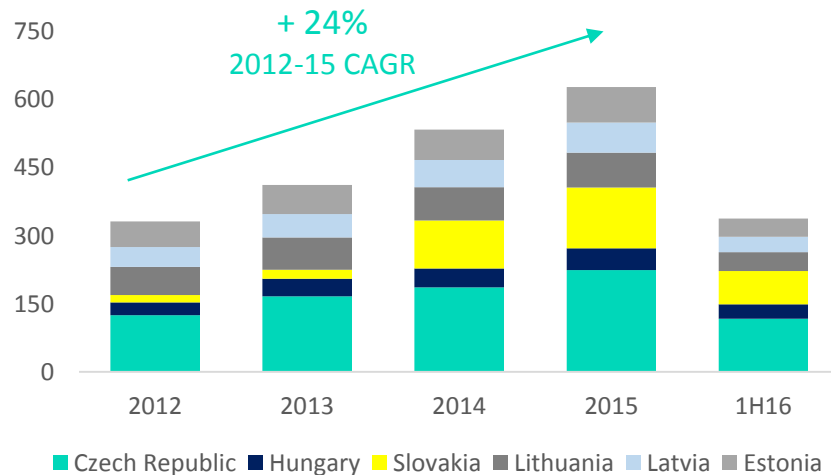
Polish network development

No. of stores	2012	2013	2014	2015	1H16
Poland	745	886	943	986	1,028
RESERVED	217	233	235	237	234
Cropp	201	222	219	217	231
House	197	211	209	208	228
MOHITO	114	144	153	164	164
SiNSAY	0	56	99	127	130
Tallinder	0	0	0	0	8
Outlets	16	20	28	33	33

- Poland is LPP's largest market, generating 63% of group revenues in 2015.
- As development of company-owned stores was initiated in Poland with the RESERVED brand in 1998, Poland is the market where sales/m² are the highest due to strong brand recognition.
- Currently, stores of all brands are present in Poland in best shopping malls and high-streets. Further development in Poland planned via new shopping malls. Tallinder is to be closed down in 1Q17.

Strong presence in CEE and Baltic

Revenues from CEE and Baltic
(PLN m)



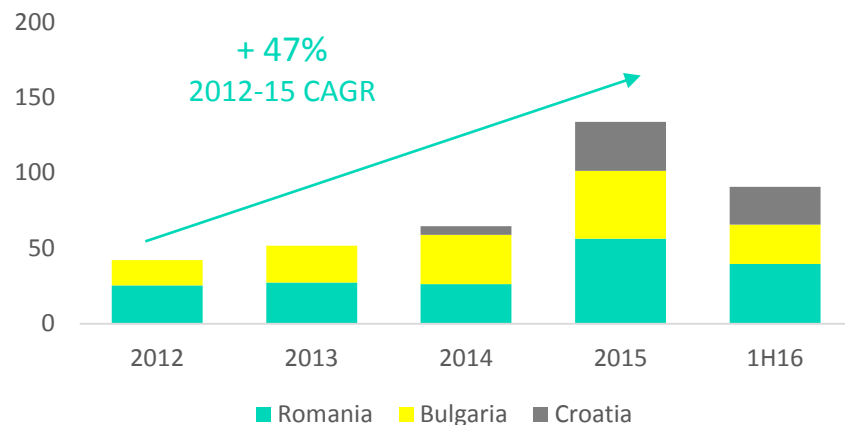
CEE and Baltic network development

No. of stores	2012	2013	2014	2015	1H16
CEE (excl. Poland)	64	90	132	158	157
Czech Republic	43	66	73	80	80
Hungary	9	11	11	17	16
Slovakia	12	13	48	61	61
Baltic	59	58	70	71	71
Lithuania	25	23	25	26	26
Latvia	14	16	19	19	19
Estonia	20	19	26	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

Revenues from SEE
(PLN m)

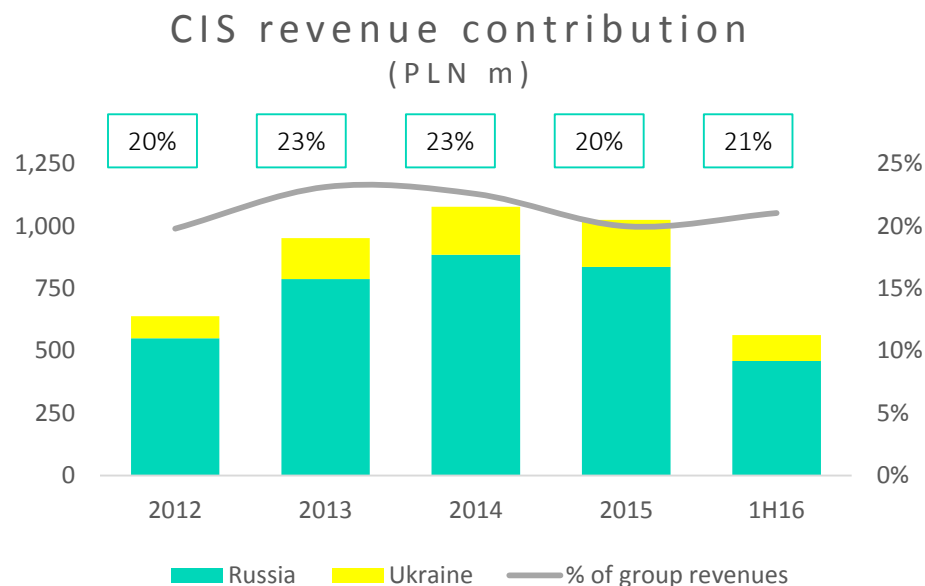


SEE network development

No. of stores	2012	2013	2014	2015	1H16
SEE	11	23	31	47	58
Romania	5	5	11	22	26
Bulgaria	6	9	15	15	15
Croatia	0	0	5	10	17

- 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, as so far we have only entered 3 regional countries. In 2017, first company-owned RESERVED stores are going to be opened in Serbia.

Development in CIS at a slower pace



CIS network development

No. of stores	2012	2013	2014	2015	1H16
CIS	198	272	336	349	351
Russia	159	219	267	280	280
Ukraine	39	53	69	69	71

FX changes

FX	2012	2013	2014	2015	1H16
PLN/RUB	9.5	10.1	12.0	16.1	17.9
PLN/UAH	2.5	2.6	3.7	5.7	6.5

- CIS is the second most important market after Poland, responsible for 20% of group sales in 2015. 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.
- First RESERVED franchise stores in Belarus and Kazakhstan to be opened in 2017.

Western Europe – the new pillar

We continue marketing spending to improve brand recognition

	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Revenues (PLN m)	10.9	18.1	22.3	42.6	33.4	43.7
No. of stores	6	7	10	12	13	15
Floorspace (sqm)	12,007	14,054	22,258	27,059	29,728	34,168
Store size (sqm)	2,001	2,008	2,226	2,255	2,287	2,278
Sales/ m2 monthly (PLN)	459	488	469	561	403	462

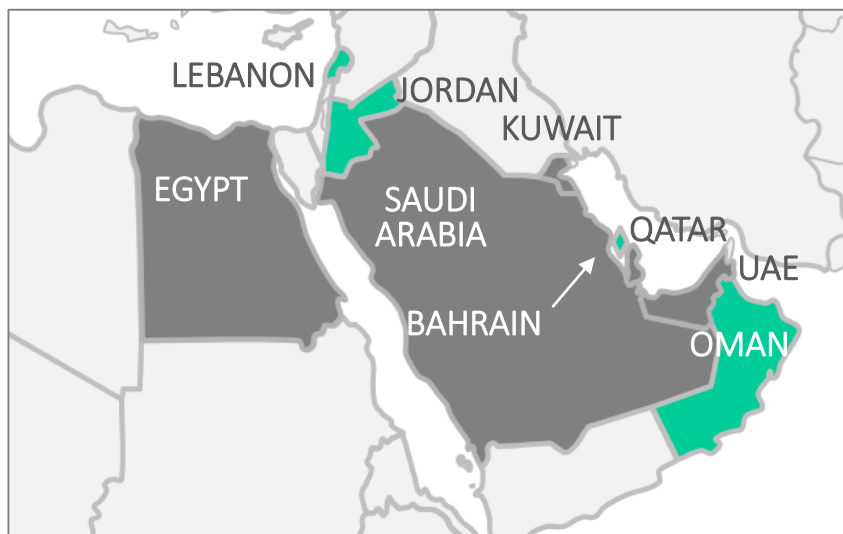
We open our German stores in top quality locations

2016-17 German openings	m2	Opening
Hanover	2,669	MAR 2016
Essen	1,879	APR 2016
Ludwigsburg	2,450	JUNE 2016
Munich	3,456	SEPT 2016
Berlin	2,096	1Q 2017
Hamburg	2,780	1Q 2017
Cologne	2,884	1Q 2017

- 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.
- Our target: 20 stores in Germany in 3 years. Further development once these stores reach profitability.
- 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	1Q16	2Q16
No. of stores	1	3	4	4	6	6
Floorspace (m2)	1,532	3,897	5,491	5,491	7,594	7,594
No. of countries	1	3	4	4	5	5
Sales (PLN m)	3.5	5.6	5.4	8.1	9.5	6.9

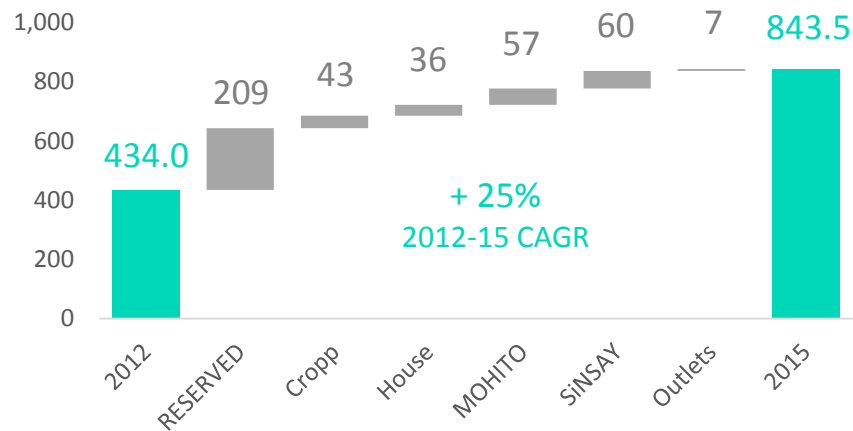
■ LPP stores

■ Planned openings

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

Younger brands fuel floorspace growth

Floorspace growth by brands
(ths m2)



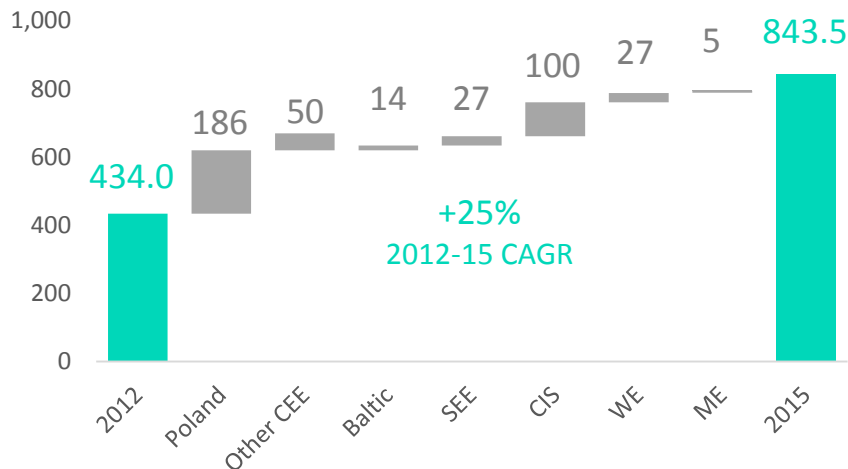
Floorspace by brands

ths m2	2012	2013	2014	2015	1H16
LPP GROUP	434.0	588.6	722.5	843.5	872.7
RESERVED PL	156.1	188.9	209.2	232.5	235.1
RESERVED EX	96.2	133.4	180.5	228.8	238.7
Cropp PL	44.9	54.5	58.3	63.0	65.2
Cropp EX	27.0	36.1	47.1	51.5	52.5
House PL	46.5	55.4	57.3	62.2	65.4
House EX	17.4	24.8	32.3	37.5	39.4
MOHITO PL	26.1	40.9	46.2	52.1	51.8
MOHITO EX	12.8	25.0	36.6	42.4	44.0
SiNSAY PL	0.0	17.9	32.7	43.5	44.5
SiNSAY EX	0.0	2.2	11.0	16.2	18.6
Tallinder PL	0.0	0.0	0.0	0.0	3.7
Outlets	7.0	9.3	11.3	13.8	13.8

- In 2012-15, RESERVED opened 76ths m2 in Poland but as much as 133ths m2 abroad.
- Even though SiNSAY was launched in 2013, it added as much floorspace as the more mature MOHITO.
- Cropp and House growths came from domestic and foreign expansion.

New regions fuel floorspace growth

Floorspace growth by regions
(ths m²)



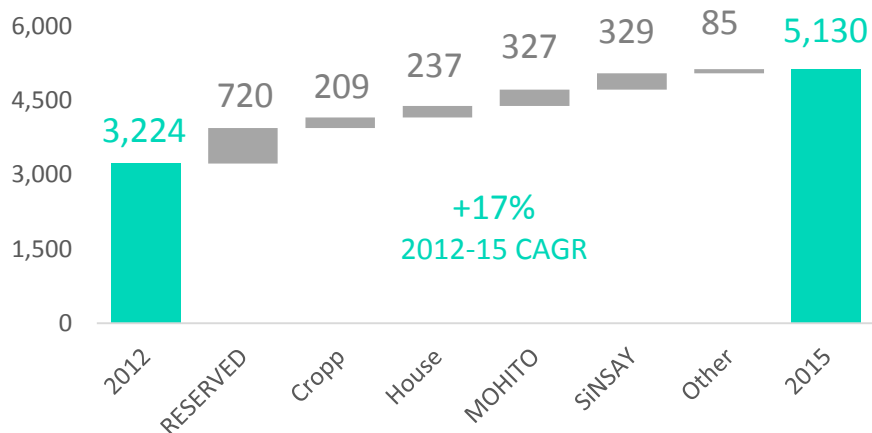
Floorspace by regions

ths m ²	2012	2013	2014	2015	1H16
LPP GROUP	434.0	588.6	722.5	843.5	872.7
CEE	309.1	408.8	475.5	544.7	556.1
Poland	279.4	365.5	413.6	465.0	477.4
Other CEE	29.6	43.3	61.9	79.7	78.7
Baltic	24.3	27.2	36.4	38.2	38.2
SEE	7.0	10.2	22.6	34.1	39.8
CIS	93.7	142.4	180.3	193.9	196.9
Russia	76.4	116.7	146.0	157.9	160.1
Ukraine	17.3	25.6	34.3	36.0	36.8
WE	0.0	0.0	7.6	27.1	34.2
ME	0.0	0.0	0.0	5.5	7.6

- 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 2H14, 12 stores added similar m² to SEE in 2012-15.

Younger brands fuel revenue growth

Revenue growth by brands
(PLN m)



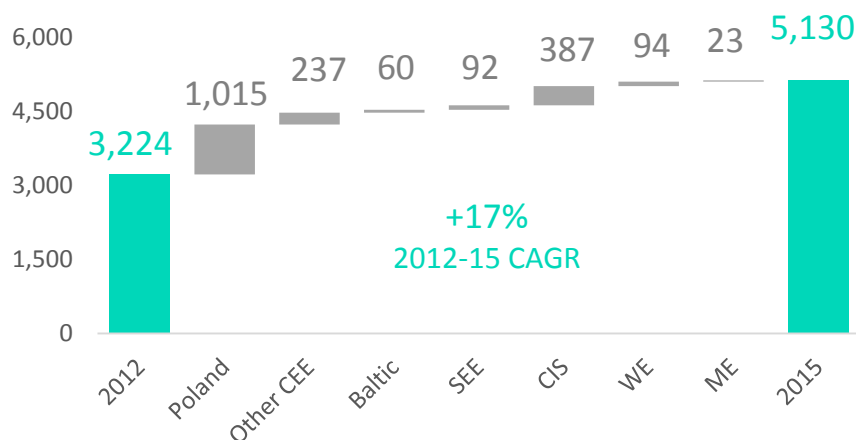
Revenues by brands

PLN m	2012	2013	2014	2015	1H16
LPP GROUP	3,223.7	4,116.3	4,769.3	5,130.3	2,677.2
RESERVED PL	1,134.9	1,298.0	1,425.7	1,421.5	641.7
RESERVED EX	579.2	775.8	885.6	1,012.3	562.4
Cropp PL	372.2	419.3	469.8	467.8	222.4
Cropp EX	208.2	267.7	301.2	322.0	177.4
House PL	350.9	409.0	454.9	469.7	227.5
House EX	85.8	137.3	178.7	203.4	105.5
MOHITO PL	192.5	307.6	340.5	353.5	187.2
MOHITO EX	67.0	148.8	182.4	233.0	145.7
SiNSAY PL	0.0	70.7	186.0	262.0	155.9
SiNSAY EX	0.0	3.3	38.6	66.9	49.6
Tallinder PL	0.0	0.0	0.0	0.0	3.8
Other	233.1	278.8	305.9	318.2	198.3

- Despite its scale in Poland, RESERVED was the largest group revenue contributor in 2012-15.
- 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 MOHITO.

New regions fuel revenue growth

Revenue growth by regions
(PLN m)



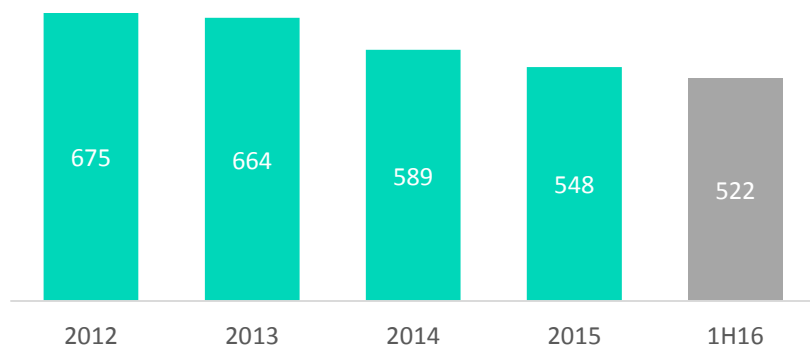
Revenues by regions

PLN m	2012	2013	2014	2015	1H16
LPP GROUP	3,223.7	4,116.3	4,769.3	5,130.4	2,677.2
CEE	2,382.1	2,926.5	3,413.6	3,633.8	1,814.4
Poland	2,212.6	2,701.2	3,079.6	3,227.7	1,591.9
Other CEE	169.5	225.3	333.9	406.1	222.5
Baltic	161.9	186.4	199.8	221.6	115.7
SEE	42.1	51.7	64.6	133.8	90.7
CIS	637.7	951.7	1,076.2	1,024.6	563.1
Russia	549.4	787.1	884.4	836.2	459.3
Ukraine	88.3	164.6	191.8	188.4	103.8
WE	0.0	0.0	15.2	93.9	77.1
ME	0.0	0.0	0.0	22.6	16.4

- 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 SEE and WE is visible on our top-line. Since 2015 we develop in the Middle East.

Growth in floorspace lowers sales/ m2

Revenues/ m2 monthly
(PLN)



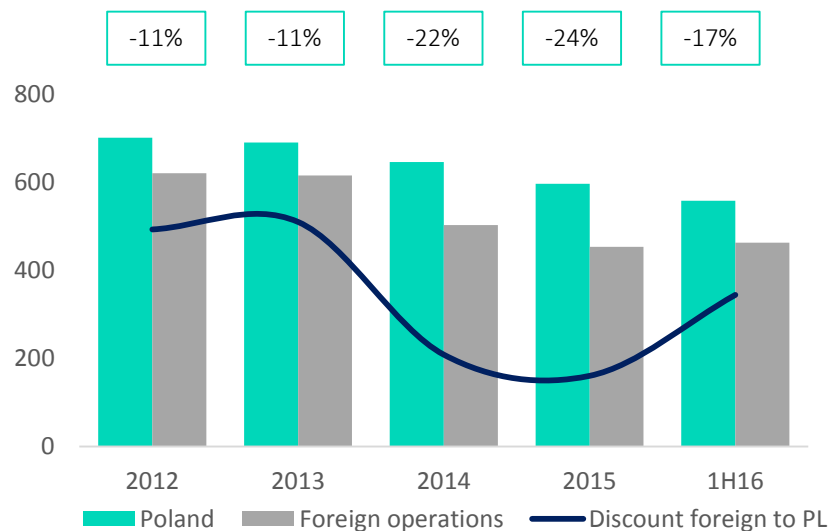
Revenues/ m2 monthly

PLN	2012	2013	2014	2015	1H16
LPP GROUP	675	664	589	548	522
RESERVED PL	654	644	599	536	461
RESERVED EX	582	573	481	423	414
Cropp PL	754	720	684	624	583
Cropp EX	759	733	596	549	573
House PL	684	682	664	631	601
House EX	556	578	511	486	465
MOHITO PL	857	777	647	601	597
MOHITO EX	803	725	491	483	569
SiNSAY PL	-	682	613	576	591
SiNSAY EX	-	483	475	407	490
Tallinder PL	-	-	-	-	312

- For all brands revenues/ m2 in Poland remain 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

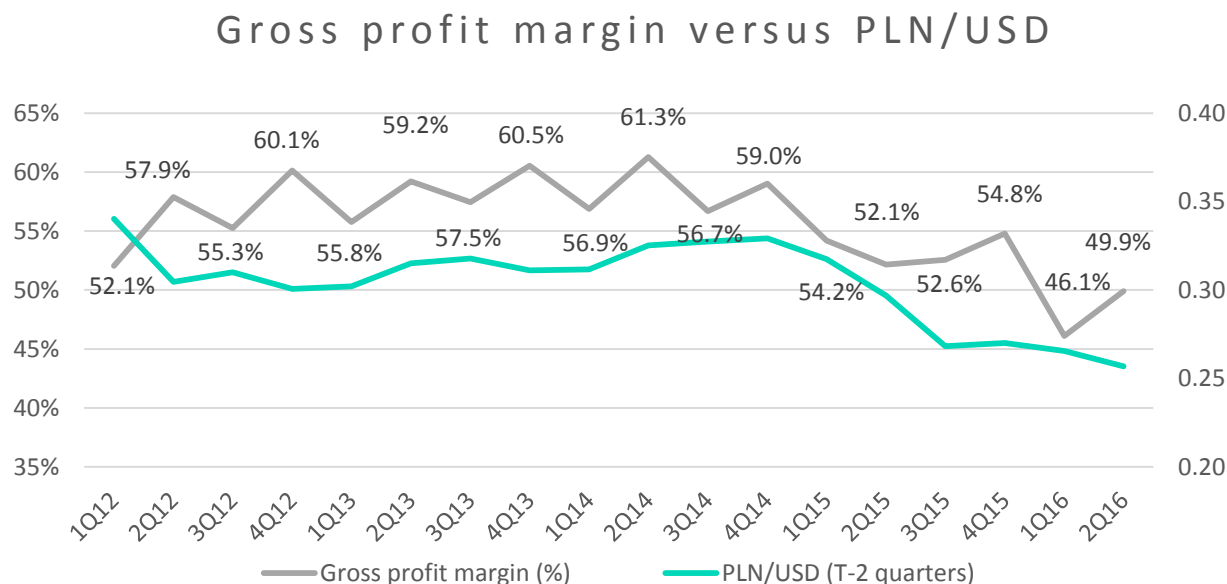


Revenues/ m2 monthly

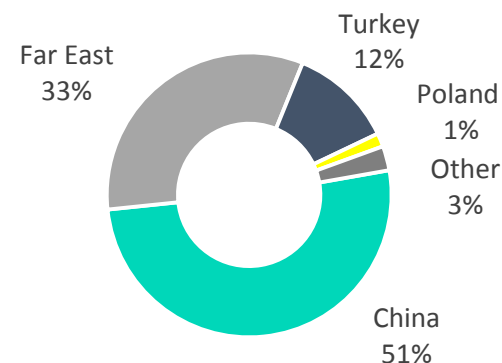
PLN	2012	2013	2014	2015	1H16
LPP GROUP	675	664	589	548	522
CEE	578	578	543	528	487
Poland	702	691	647	598	559
Other CEE	537	540	509	505	462
Baltic	567	604	530	493	510
SEE	377	467	457	382	401
CIS	672	663	508	451	473
Russia	710	659	509	435	467
Ukraine	635	667	507	467	479
WE	-	-	836	510	435

- Sales/ m2 in Poland were on average c.17% higher in 2012-15 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\$



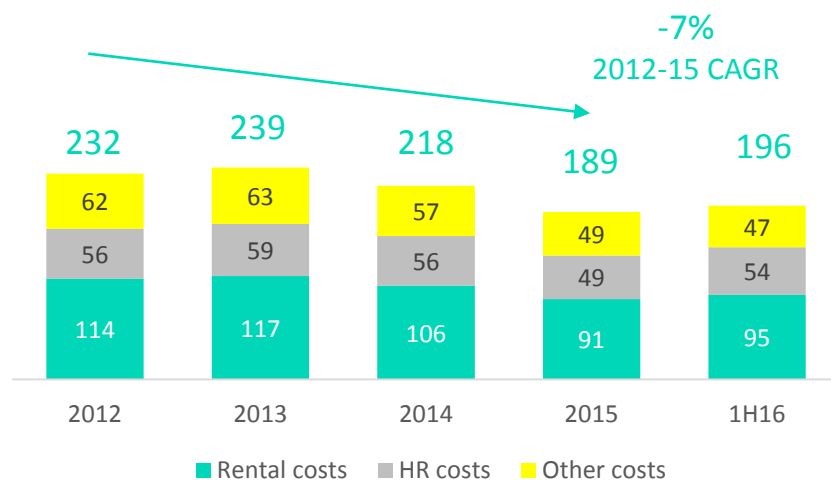
1H16 purchases by regions



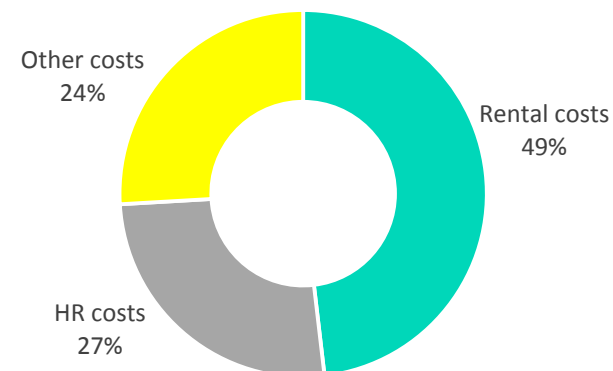
- The majority of purchases is conducted in the Far East and indexed to US\$. Depreciation of zloty to US\$ increases costs of purchases from Asia. Further US\$ appreciation to PLN is a risk factor to gross profit margin levels in upcoming quarters.
- A new sell-out policy introduced from 2Q16 – goods are sold off to the maximum extent in stores, to avoid the costs of removal and transportation to the post-season warehouse.
- Gross profit margin on own stores abroad is c. 3 p.p. higher than in Poland.

Costs of own stores bottoming out

Costs of own stores/ m2
(PLN monthly)

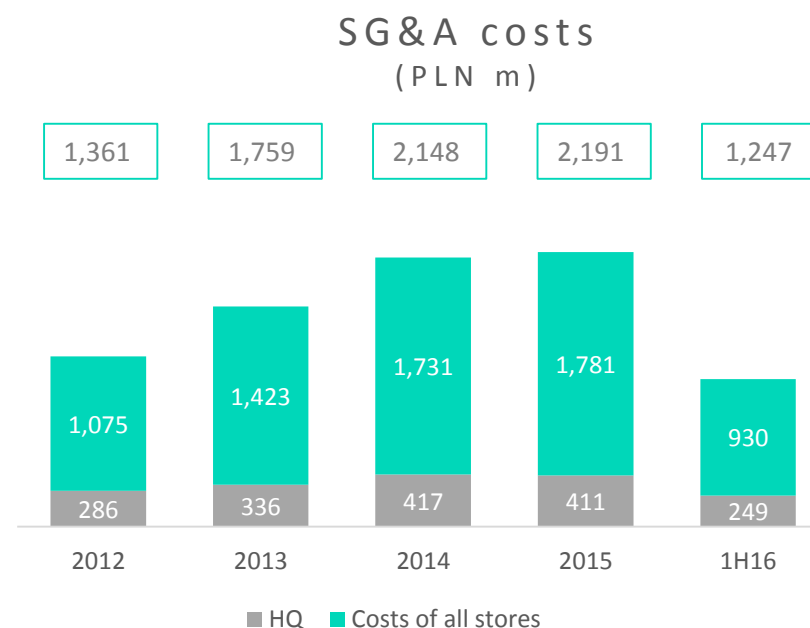
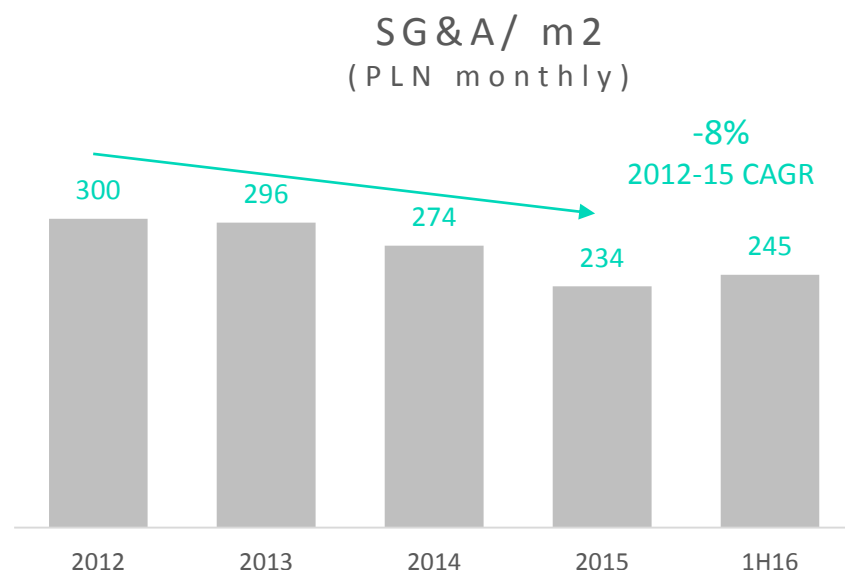


Split of costs of
own stores in 1H16



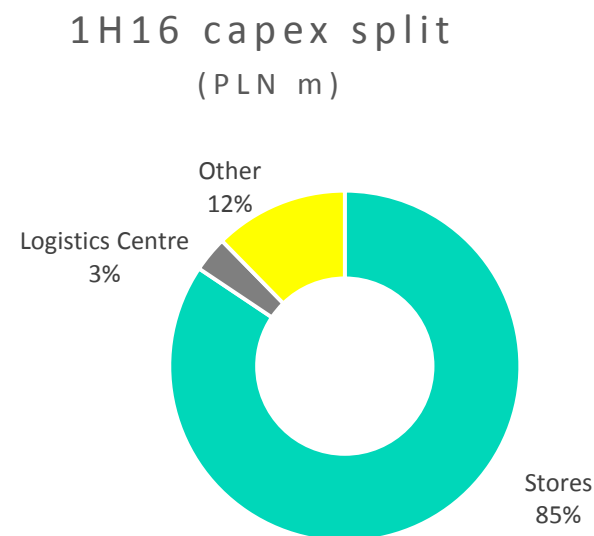
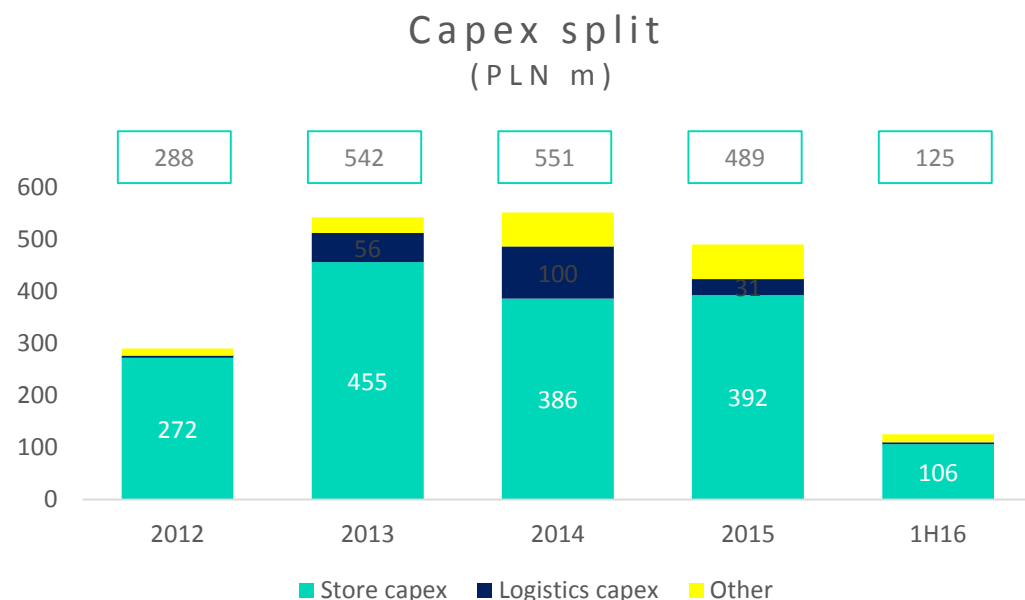
- Fall in rental charges in 2012-15 → successful rental renegotiations domestically, in Russia and Ukraine.
- Fall in personnel costs in 2012-15 → continuous headcount optimisation but growth in salaries.
- Fall in other costs of stores in 2012-15 → depreciation of ruble and hryvnia against US\$ and zloty.
- Depreciation constitutes half of other costs of stores; other costs: energy, provisions, security.

We control SG&A/ m2



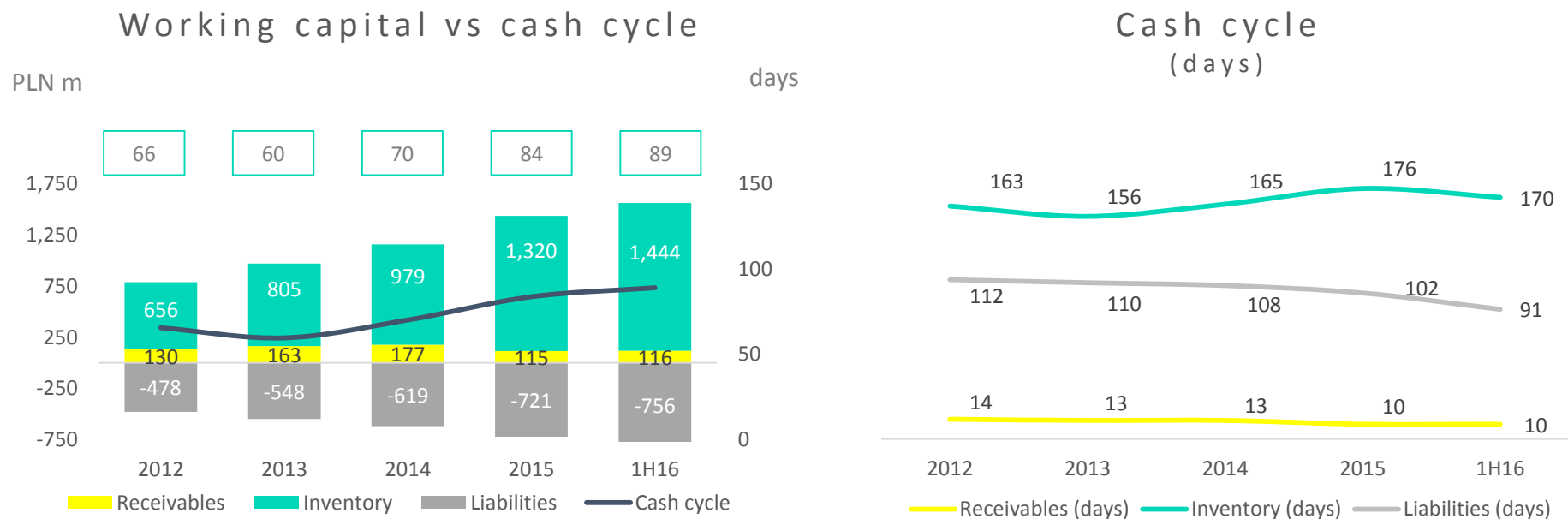
- Fall in SG&A/ m2 in 2012-15 → optimisation of costs of own stores and headquarters.
- Costs of stores → YoY growth in 1H16 due to higher YoY floorspace, depreciation of zloty versus euro and HR costs. Fall in costs of franchise stores in Poland, due to switch to company owned stores.
- HQ costs → YoY growth in 1H16 due to additional depreciation (logistic center and the new HQs) and higher personnel costs (investments in product and e-commerce).
- Stores in the Middle East do not affect SG&A costs.

Capex reduced by fit-outs



- Target capex of PLN 3,000/ m² is lowered by fit-outs obtained domestically and abroad. However, the number may go up along with more WE openings. Maintenance capex constitutes c.10% of store outlays.
- 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 expand our HQs to make room for future growth.

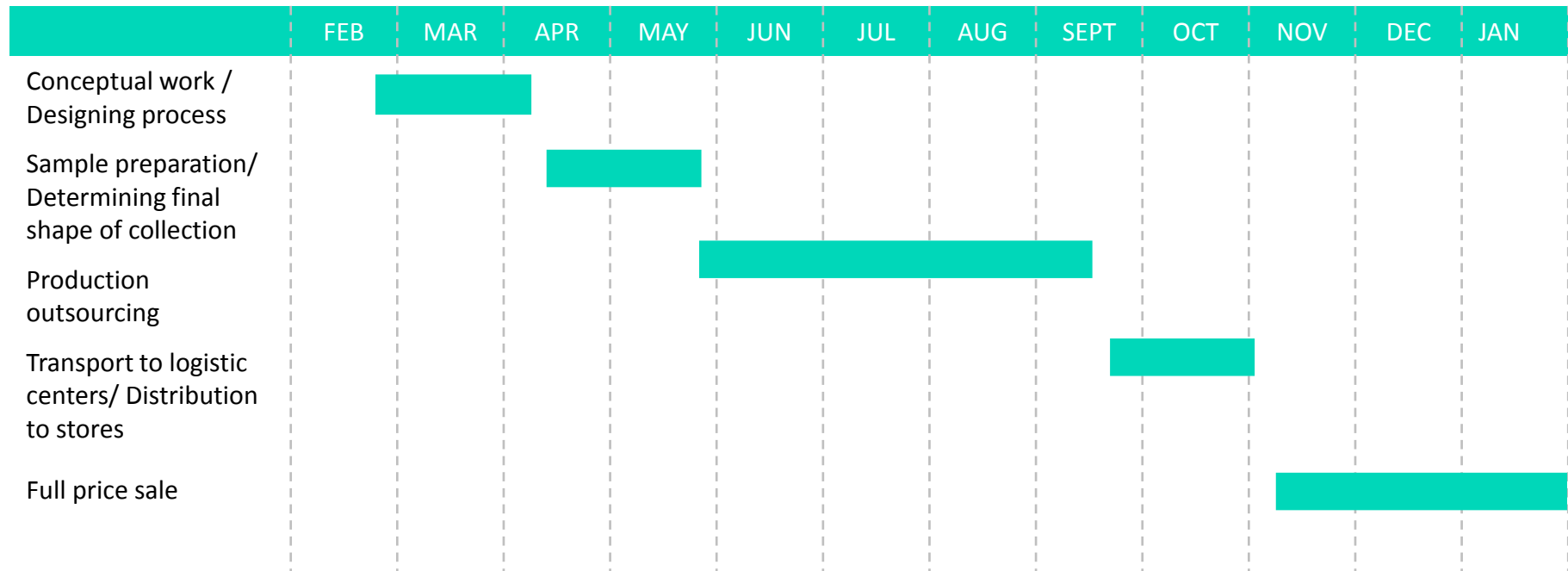
Cash cycle with potential to improve



- 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



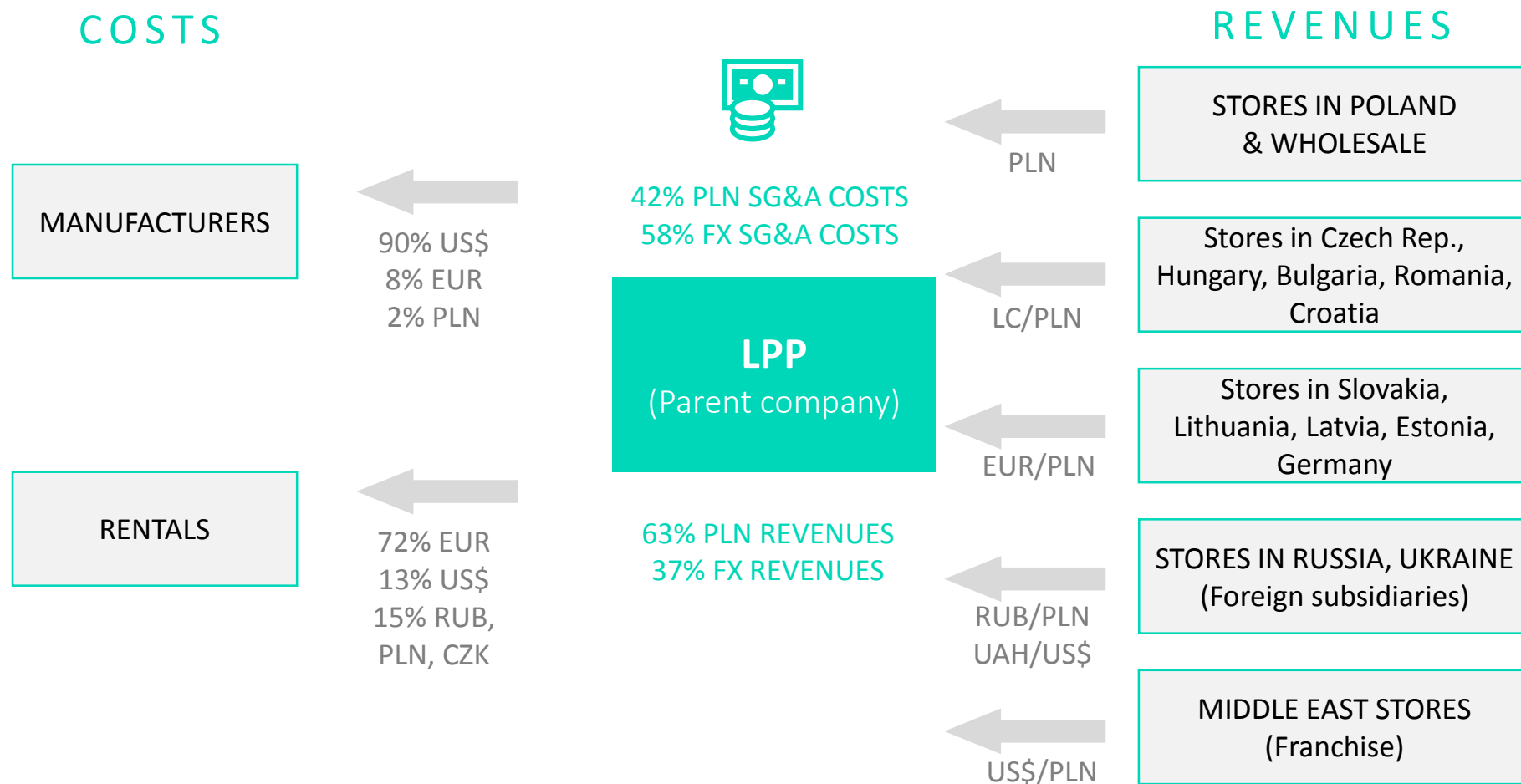
> 1m pieces of clothes
sent daily in high
season



Center prepares orders
for c.900 stores
simultaneously



Group's FX exposure



Note: LC stands for local currency.

Historical numbers show cost efficiency

PLN m	2012	2013	YoY	2014	YoY	2015	YoY	CAGR 2012-15	1H15	1H16	YoY
Revenues	3,223.8	4,116.3	27.7%	4,769.3	15.9%	5,130.4	7.6%	12.3%	2,293.8	2,677.2	16.7%
Gross profit on sales	1,827.1	2,409.2	31.9%	2,792.5	15.9%	2,742.8	-1.8%	10.7%	1,216.8	1,291.5	6.1%
<i>Gross profit margin</i>	56.7%	58.5%	1.9 p.p.	58.6%	0.1 p.p.	53.5%	-5.1 p.p.		53.0%	48.2%	-4.8 p.p.
SG&A costs	1,360.8	1,759.2	29.3%	2,148.3	22.1%	2,191.7	2.0%	12.7%	1,036.0	1,247.0	20.4%
Other operating activity	-11.9	-34.3		-35.0		-48.5			-20.3	-21.9	
EBIT	454.4	615.6	35.5%	609.1	-1.1%	502.7	-17.5%	2.6%	160.5	22.6	-85.9%
<i>EBIT margin</i>	14.1%	15.0%	0.9 p.p.	12.8%	-2.2 p.p.	9.8%	-3.0 p.p.		7.0%	0.8%	-6.2 p.p.
Net financials	-30.3	-91.8		-149.2		-88.3			-32.0	-2.6	
Pre-tax profit	424.1	523.9	23.5%	459.9	-12.2%	414.4	-9.9%	-0.6%	128.6	19.9	-84.5%
Tax	70.2	91.0		-22.0		63.0			29.3	-4.3	
<i>Effective tax rate</i>	16.5%	17.4%		-4.8%		15.2%			22.8%	-21.5%	
Minorities	1.5	1.9		2.3		0.0			0.0	0.0	
Net income	352.4	431.0	22.3%	479.5	11.3%	351.3	-26.7%	-0.1%	99.3	24.2	-75.6%
<i>Net margin</i>	10.9%	10.5%	-0.4 p.p.	10.1%	-0.4 p.p.	6.8%	-3.2 p.p.		4.3%	0.9%	-3.4 p.p.

Balance sheet remains strong

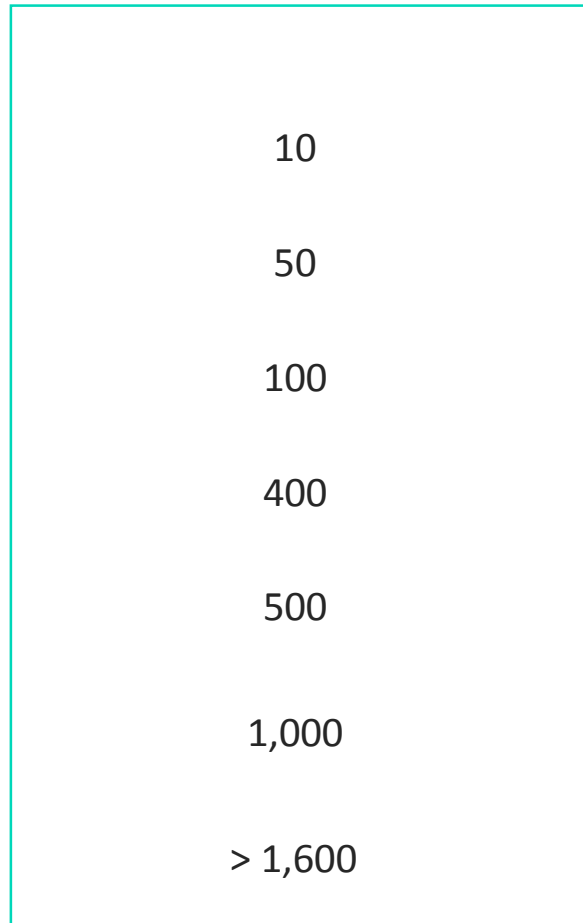
PLN m	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	30.06.2015	30.06.2016
Non-current assets	744.9	909.9	1,231.9	1,516.4	1,797.0	1,638.4	1,811.7
intangibles (including goodwill)	272.6	278.7	281.2	315.9	324.4	321.0	326.5
fixed assets	447.7	598.5	896.8	1,038.8	1,258.8	1,080.1	1,266.0
Current assets	868.9	1,022.4	1,259.7	1,417.3	1,768.2	1,601.8	1,913.3
inventory	594.6	656.1	805.0	979.3	1,319.7	1,167.1	1,444.0
trade receivables	114.3	130.4	163.3	176.9	115.1	192.0	116.5
cash and equivalents	117.0	159.4	149.4	183.5	224.4	155.7	219.2
Total assets	1,613.9	1,932.2	2,491.6	2,933.7	3,565.2	3,240.2	3,724.9
Equity	909.2	1,211.0	1,496.5	1,638.4	1,889.7	1,725.4	1,933.9
Long-term liabilities	89.4	131.0	192.3	210.7	344.1	217.9	303.3
interest bearing debt	86.4	125.1	184.3	204.5	284.3	182.8	239.6
Short-term liabilities	615.3	590.2	802.7	1,084.6	1,331.3	1,297.0	1,487.8
trade liabilities	377.5	477.8	547.6	618.6	721.4	645.1	755.9
interest bearing debt	204.0	61.0	173.6	378.3	561.1	556.1	619.2
Total liabilities	1,613.9	1,932.2	2,491.6	2,933.7	3,565.2	3,240.2	3,724.9

Annual operating cash flow in the black

PLN m	31.12.2011	31.12.2012	31.03.2013	31.12.2014	31.12.2015	30.06.2015	30.06.2016
Pre-tax profit	331.0	424.1	523.9	459.9	414.4	128.6	19.9
D&A	95.4	109.0	148.2	193.7	223.6	106.1	129.2
NWC	-145.0	-21.7	-95.7	-127.3	-223.4	-118.9	-58.8
Operating CF	254.0	481.3	508.8	492.9	253.9	28.2	77.4
Capex	-129.3	-288.4	-541.9	-550.5	-490.6	-229.2	-125.4
Investing CF	-39.6	-260.7	-518.2	-476.0	-415.5	-190.6	-98.9
Interest bearing debt	-42.9	-18.4	167.4	204.0	277.7	143.5	19.8
Dividends	-135.0	-140.0	-154.0	-169.6	-58.0	0.0	0.0
Interest	-18.6	-17.9	-12.5	-14.8	-18.5	-8.9	-11.3
Financing CF	-193.9	-178.1	-0.6	17.2	201.2	134.6	16.7
Total CF	20.5	42.4	-10.0	34.2	39.5	-27.8	-4.8

Successful story of LPP

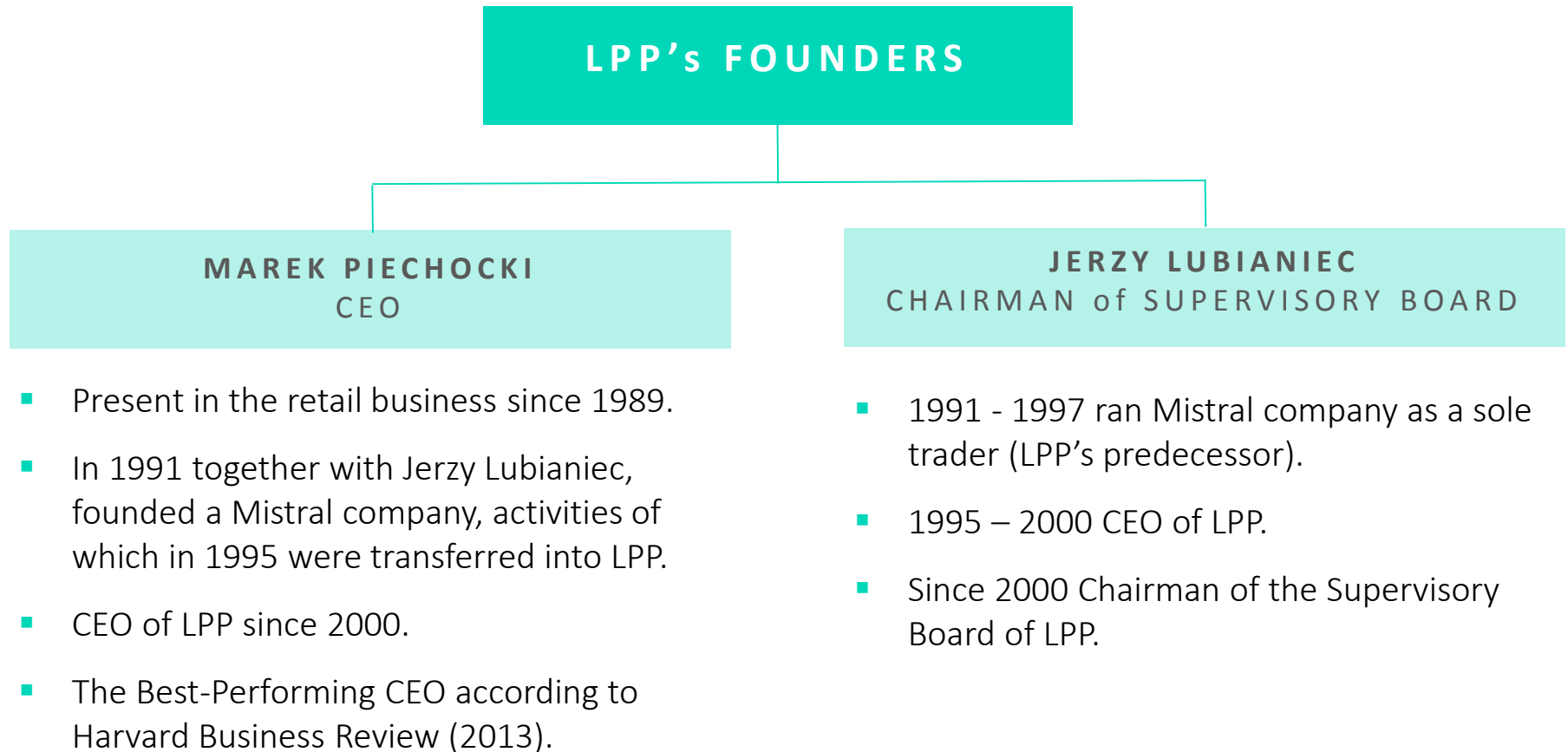
NO. of STORES



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 and decision to abandon it; 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 and development of all brands.

PRZEMYSŁAW LUTKIEWICZ (45) CFO

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

JACEK KUJAWA (42) 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 (56) 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 (55) 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 (49) Independent Member

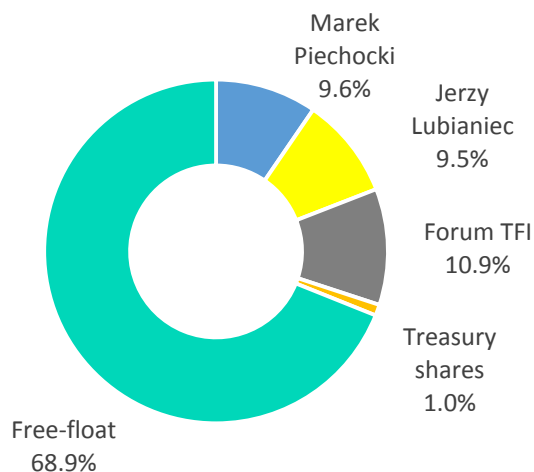
- Since 2004 member of the Supervisory Board of LPP.
- Licensed stock broker's, CFA chartholder.
- Since 2006 CEO of Artemis Investment limited liability company.

Company controlled by its founders

Shareholders by equity

(30.06.2016)

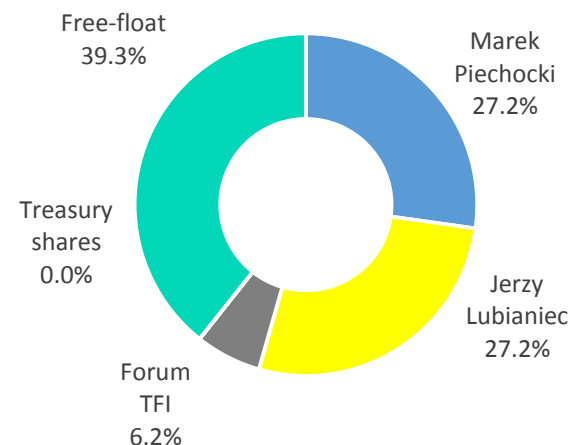
total no of shares: 1,835,207



Shareholders by votes

(30.06.2016)

total no of votes: 3,216,229



- The shares held 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 30.0% 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.

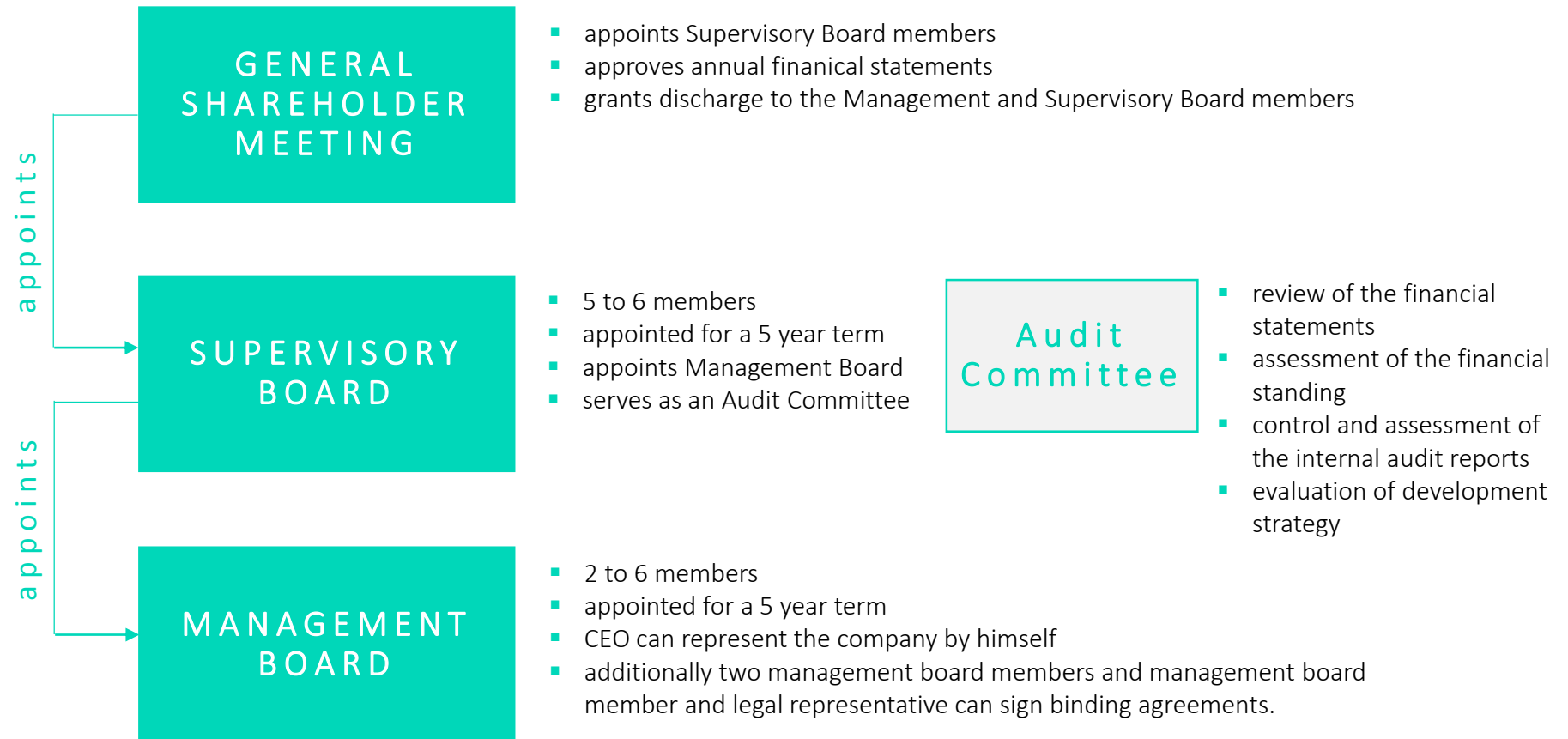
Management motivated by stock option plans

- Since 2011, there have been four 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
2016	3,000	0 (treasury shares are to be used)	n/a	PLN2 (nominal price)	10% YoY EPS growth

- Stock option programs are used to align the goals of the management board with those of shareholders.
- The current stock option plan was approved by AGM on 17 June 2016. All 4 management board members are its beneficiaries.
- If the 10% YoY growth in group 2016 EPS is met, up to 3,000 treasury shares are going to be allocated to the beneficiaries in 2019.

Corporate governance



Key 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: 1) factory audit department (2014), 2) 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),
 - resignation from usage of natural furs from AW16/17 collection.

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. 3.2% 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. 2.9% LPP's weight

INTERNATIONAL INDICES

MSCI POLAND

- MSCI Poland is a key index for international institutions investing in Poland
- LPP member since Aug 2014

FTSE

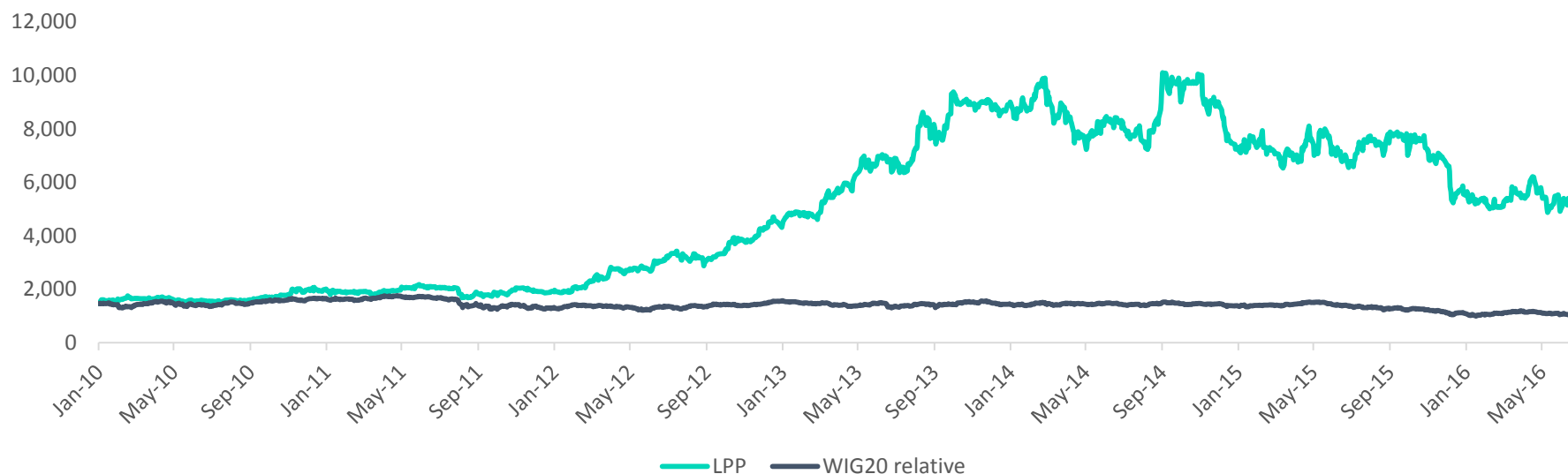
- FTSE indices are tracked by ETFs
- LPP member of three FTSE indices: All-World Index, Emerging Index, Global Style Index

CECE

- CECE Index is created by the Vienna Stock Exchange. It comprises of companies from Poland, Czech Rep. and Hungary
- LPP is a member since Mar 2016

Strong medium-term market outperformer

LPP'S SHARE PRICE RELATIVE PERFORMANCE TO WIG20



TICKERS

WSE	LPP
Bloomberg	LPP PW
Reuters	LPPP.WA

PERFORMANCE

1Y	-24%
3Y	-23%
5Y	+125%

MARKET DATA

Price (30.06.16)	PLN 5,039
Min 1Y	PLN 4,875
Max 1Y	PLN 7,880

Broad analytical coverage of LPP

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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
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Investor relations' calendar



KEY DATES

14 Nov 2016 3Q16 results announcement

15 Nov 2016 3Q16 conference



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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, United Arab Emirates.
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. excl. all franchise stores) / 12.
Average monthly SG&A PLN/m2	SG&A costs/ average working total floorspace excluding stores located in ME / 12.
Inventory/ m2	Inventory/ total floorspace floorspace excluding franchise stores in ME.
Inventory days	Average inventory/ group COGS * 365 days.
Receivables days	Average receivables/ group revenues * 365 days.
Liabilities days	Average short-term liabilities/ group COGS * 365 days.
Cash conversion cycle	Inventory days + receivables days – liabilities days.

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