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Selected preliminary consolidated financial data of LPP Capital Group for the third quarter of 2016

The Management Board of LPP SA hereby announces selected preliminary consolidated financial data of LPP SA Capital Group:

1) for the third quarter of 2016:

- Sales revenues: PLN 1,488 million,
- Gross profit on sales: PLN 701 million,
- SG&A costs: PLN 662 million,
- Operating profit (EBIT): PLN 4.8 million,
- Pre-tax profit: PLN 3 million,
- Net profit: PLN 6 million

2) for period from 01.01.2016 till 30.09.2016:

- Sales revenues: PLN 4,166 million,
- Gross profit on sales: PLN 1 992 million,
- SG&A costs: PLN 1 909 million,
- Operating profit (EBIT): PLN 27 million,
- Pre-tax profit: PLN 16.7 million,
- Net profit: PLN 17.7 million

Selected balance sheet data as at 30.09.2016:

- Inventories: PLN 1,438 million (approx. PLN 1,664/m²)
- Loan liabilities: PLN 913 million
- Cash: PLN 266 million

The increase in sales revenue in the third quarter of 2016 was 18% compared with the same period last year. Sales in comparable stores (LFL) in local currencies in the third quarter of 2016 increased by 9.2%, and cumulatively for the three quarters of 2016 by 7%.

Trade margin in the third quarter was 47.1% and was lower by 5.5 pp year-on-year due to significant sales of goods in the SS16 collection in July and August 2016.

The Company recognised provisions and impairment losses on account of closing the Tallinder brand in the total amount of PLN 24.5 million in the operating expenses and other operating expenses for the third quarter of 2016.

Operating profit for the third quarter of 2016 amounted to PLN 4.8 million.

The balance of financial income and expenses in the third quarter of 2016 was negative and amounted to PLN 8 million.

In the third quarter of 2016, LPP recorded a net loss of PLN 6 million.

The calculations of these data have been made according to the current knowledge of the Management Board.

Please also note that a detailed financial report will be published on 14th November 2016.

Art. 17 paragraph 1 of the MAR – confidential information

Signatures: Przemysław Lutkiewicz – Vice President of the Management Board Sławomir Łoboda - Vice President of the Management Board
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