

L P P

E Q U I T Y S T O R Y

GLOBAL ASPIRATIONS

NOVEMBER 2016

RESERVED

 TALLINDER

M O H I T O

 house

CROPP

sinsay

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OVERVIEW

The largest clothing retailer on the WSE

1,668
STORES

18
MARKETS

c. PLN 5 bn
REVENUES

69%
FREE FLOAT

c. PLN 7 bn
MARKET CAP

MSCI POLAND
WIG 20 MEMBER

Note: All data as of 30.09.2016

A diversified brand portfolio



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

Almost 1,700 stores worldwide

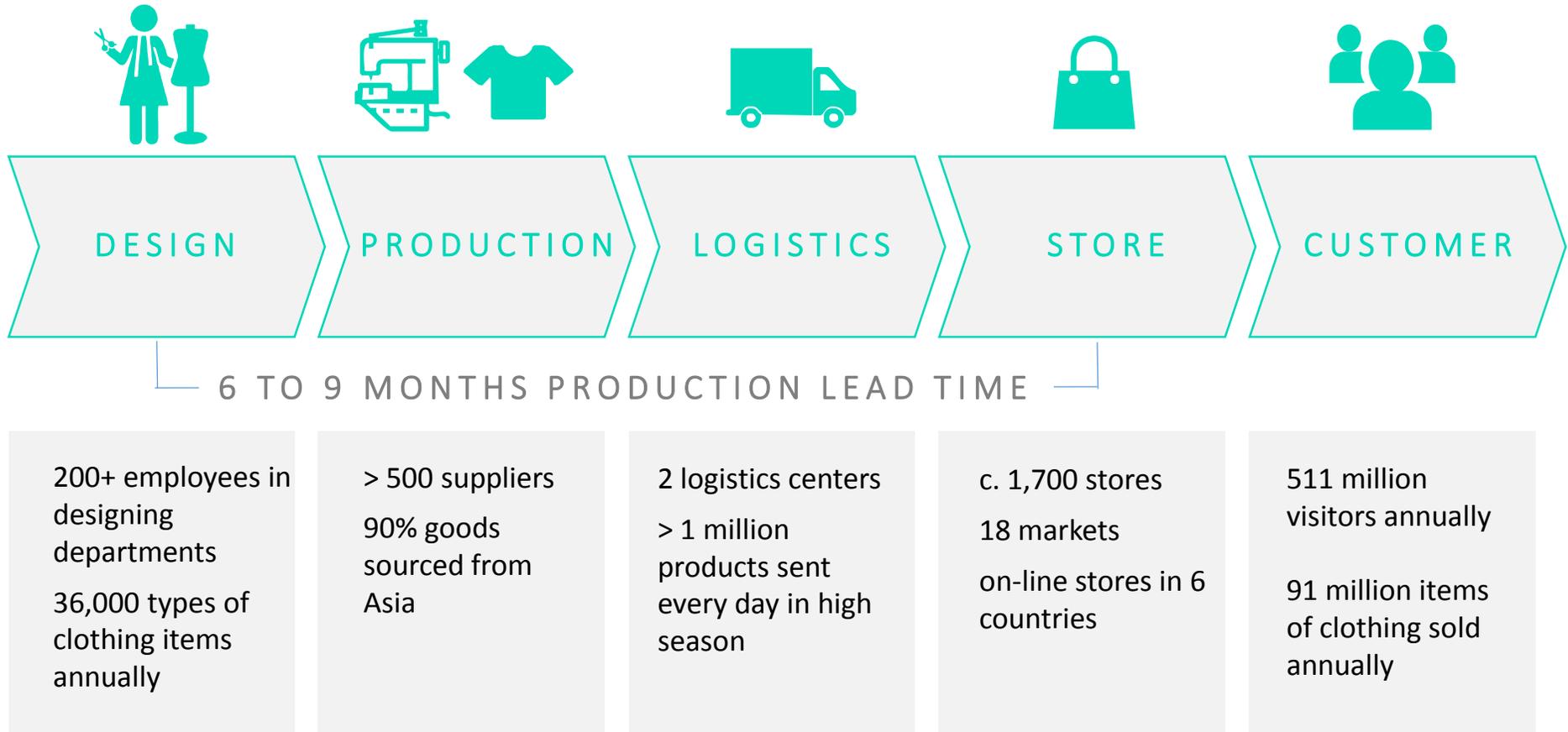
NO. OF LPP STORES

30.09.2016 No. of stores YoY growth

	No. of stores	YoY growth
LPP GROUP	1,668	+94
RESERVED	449	+12
Cropp	375	+13
House	326	+15
MOHITO	288	+17
SiNSAY	185	+28
Tallinder	8	+8
Outlets	37	+1



A lean retail-oriented business model

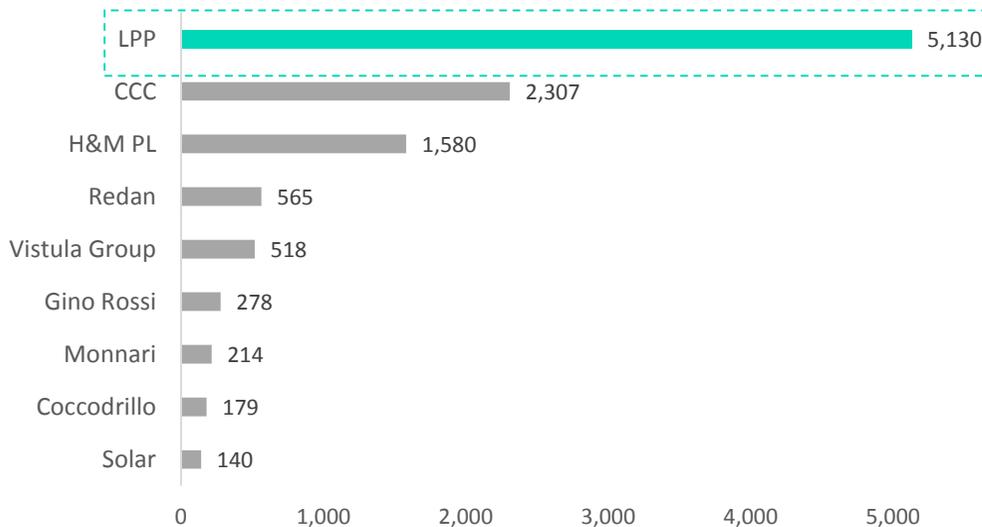


Note: The duration of the production cycle varies depending on the model, size of the order and country of production. Our models reflect the latest trends (the so-called must-haves) and are designed and manufactured in no more than 6 weeks. The rest of the collection is manufactured in approx. 90-100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

Eyeing the international giants

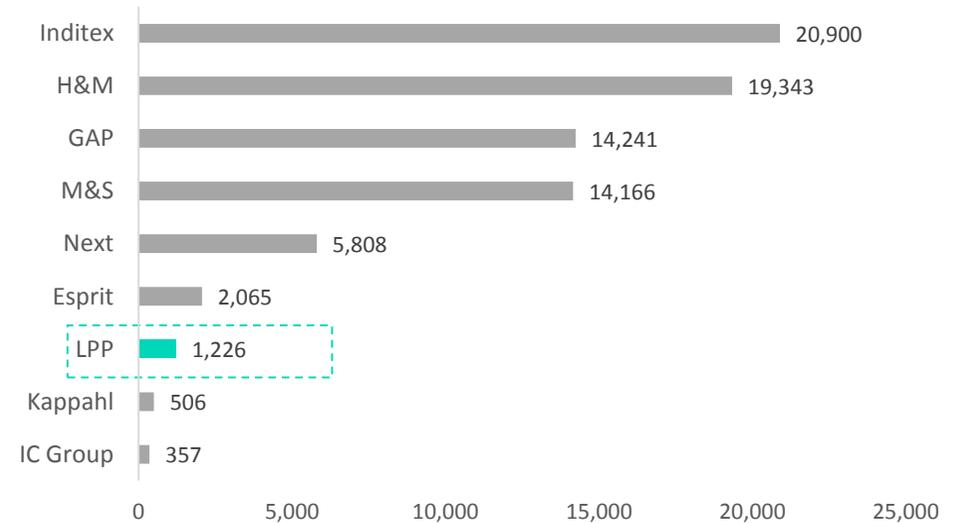
Leader domestically

Revenues (PLN m)
selected companies



Challenging international players

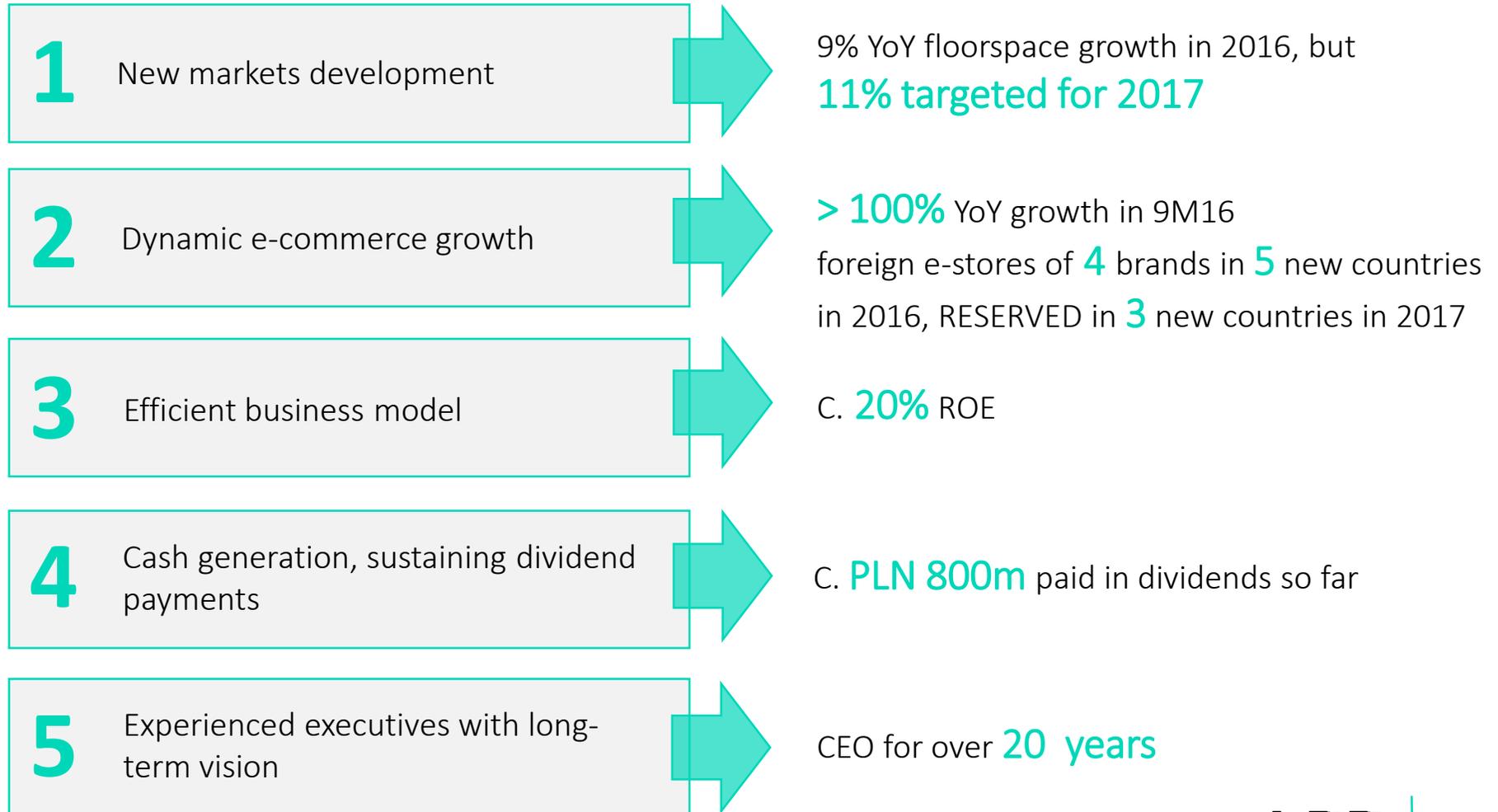
Revenues (EUR m)
selected companies



*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

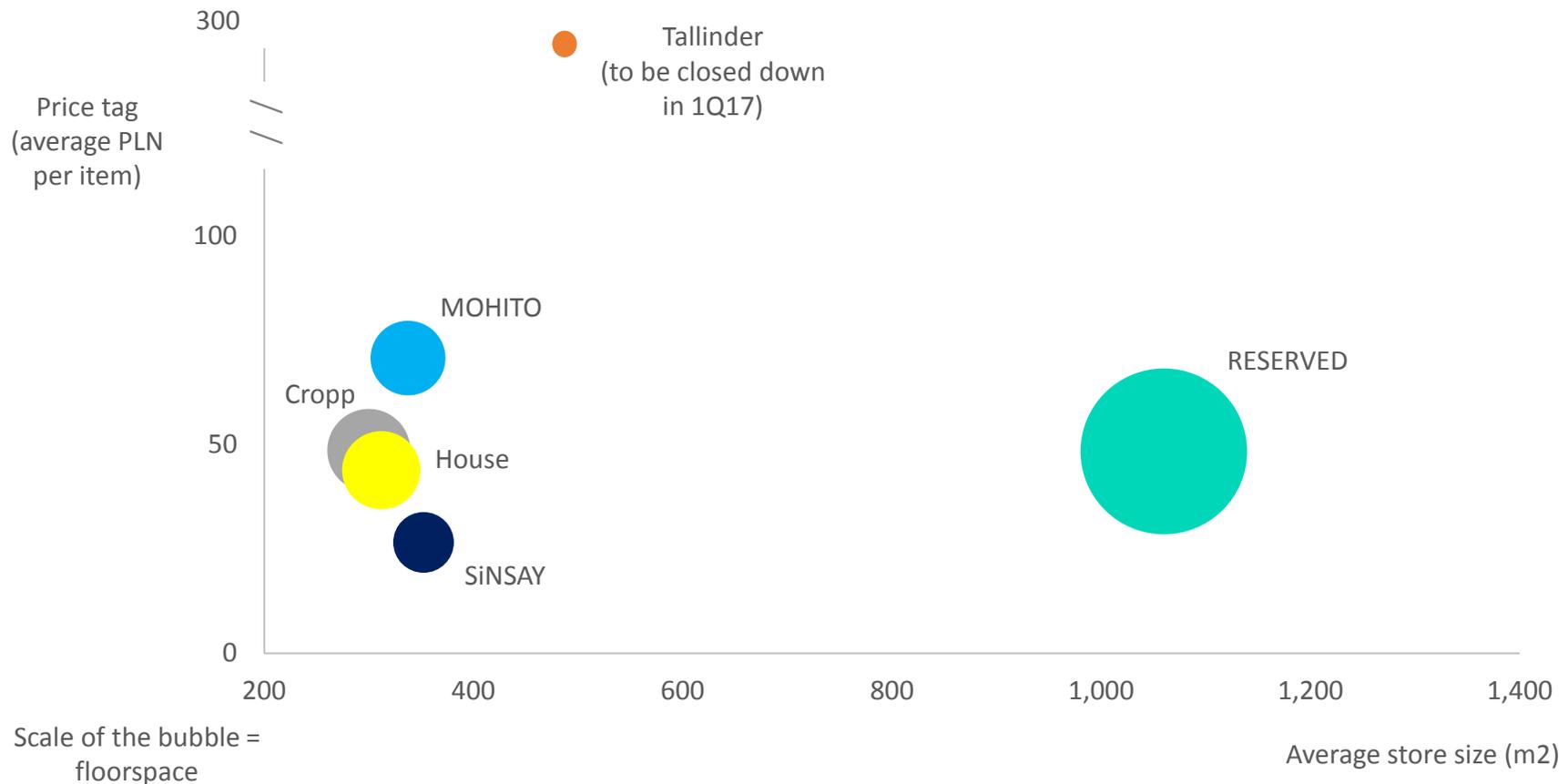
UP-MARKET

	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 3 Q 1 6	449 487.2k m2	375 116.7k m2	326 103.8k m2	288 97.6 m2	185 65.2k m2	8 3.7k m2
AVERAGE STORE SIZE	1,085 m2	311 m2	318 m2	339 m2	352 m2	458 m2

Note: Sum of brand floorspace does not equal group floorspace as on top we have 13.8k m2 of outlets.

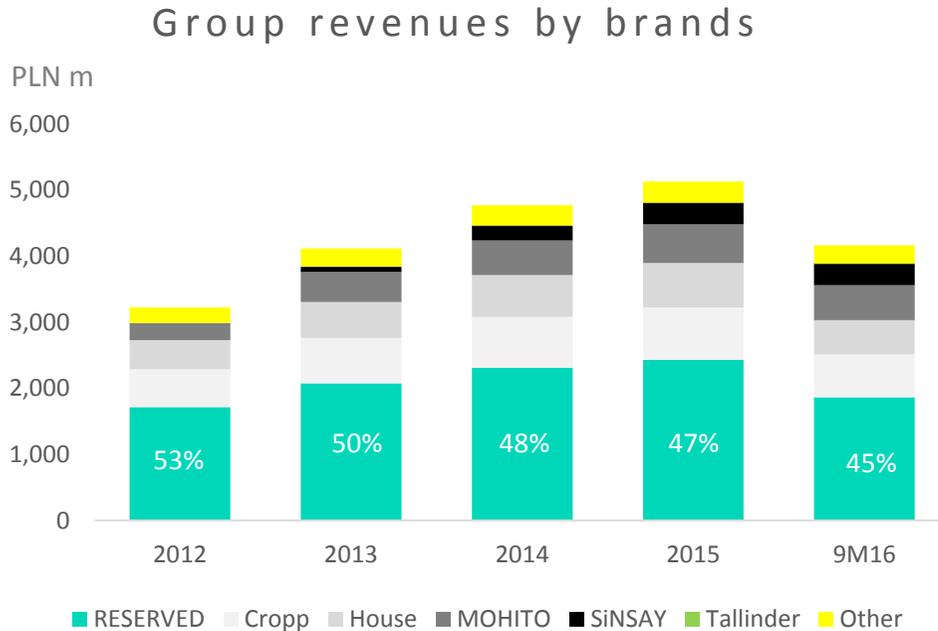
Concentration on mainstream customer

LPP's brands: floorspace versus price tag



Note: Average price per piece of clothing and average store size based on 9M16 data.

Diversification by brands to continue



Group revenues by brands

PLN m	2012	2013	2014	2015	9M16
LPP GROUP	3,224	4,116	4,769	5,130	4,166
RESERVED	1,714	2,074	2,311	2,434	1,865
Cropp	580	687	771	790	646
House	437	546	634	673	522
MOHITO	259	456	523	586	525
SiNSAY	0	74	225	329	326
Tallinder	0	0	0	0	8
Other	233	279	306	318	274

- 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, the UK).

Closing down the Tallinder brand

- September 6, 2016 the Management Board decided to resign from further development of the Tallinder brand.
- The first store was opened in February 2016. At the end of October 2016, the brand had 9 stores. These will be closed by the end of February 2017.
- Unsatisfactory results for 1H16 were among the reasons for abandonment of the brand's development.
- We estimate 2016 loss at c. PLN 20m. In addition, PLN 24.6m of related provisions and write-offs were booked in 3Q16.
- We plan to convert Tallinder stores into stores of other LPP brands.

P & L AND CASH FLOW IMPACT

	1Q16	2Q16	3Q16	2016 target
Revenues (PLN m)	0.7	3.1	3.8	35
Sales / m2 per month (PLN)	324	310	344	1,000

PLN m	2015	2016 results	2016 target
Revenues	0	12	35
EBIT	(6)	(20)	(1)
Capex	0	(18)	(19)

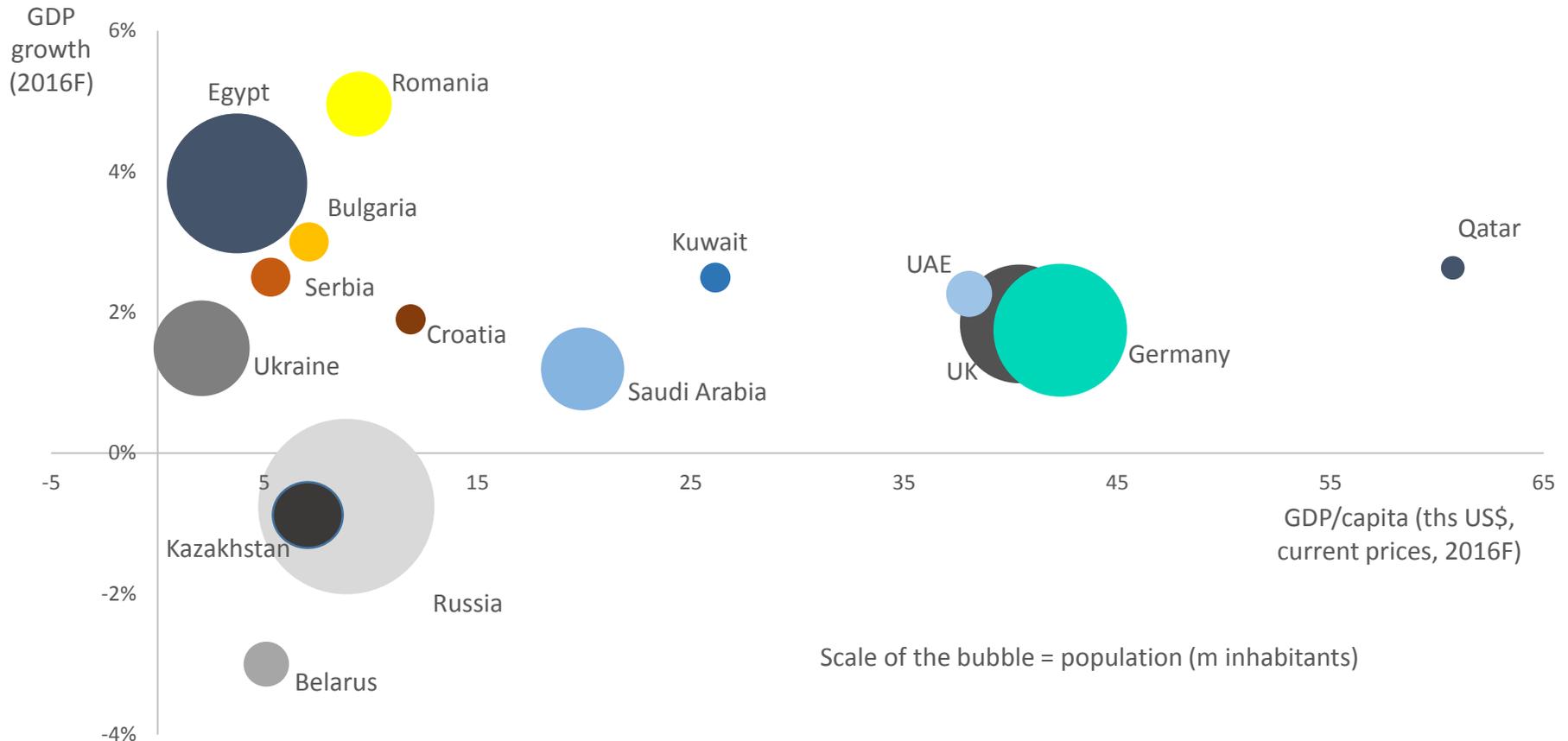
Note: The results for 2016 are LPP's estimates at the time of publication of the current report on closing down the Tallinder brand. Targets for 2016 are LPP's expectations at the time the brand was launched.

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 3 Q 16	1,146	71	67	362	16	6
TYPE OF STORES	Own (majority), franchise	Own	Own	Own (majority), franchise	Own	Franchise
FLOORSPACE 3 Q 16	549.4k m2	38.2k m2	51.1k m2	204.0k m2	37.7k m2	7.6k m2

Entry into high growth potential markets

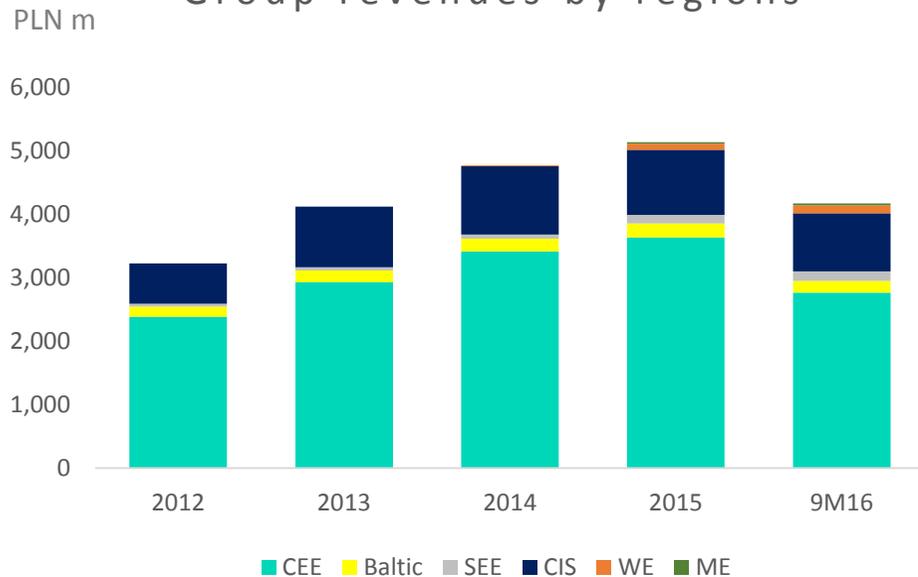
Growth potential of countries developed



Source: International Monetary Fund, October 2016 data.

Diversification by countries to continue

Group revenues by regions



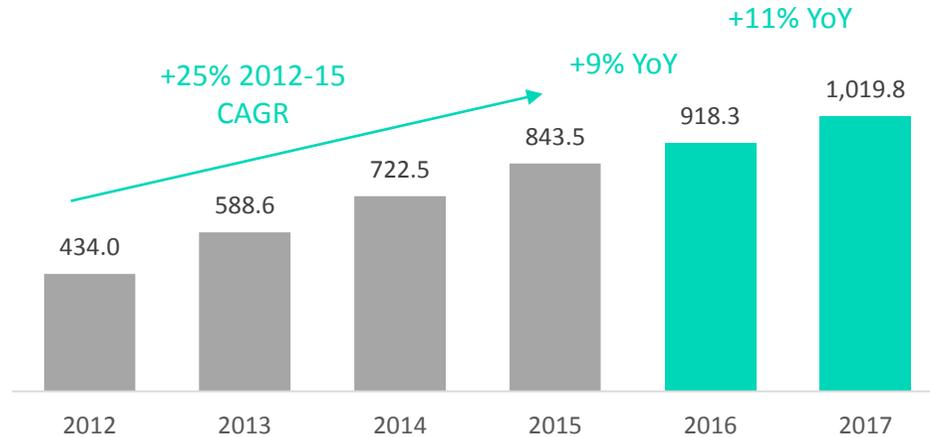
Group revenues by regions

PLN m	2012	2013	2014	2015	9M16
LPP GROUP	3,224	4,116	4,769	5,130	4,166
CEE	2,382	2,927	3,414	3,634	2,764
Baltic	162	186	200	222	185
SEE	42	52	65	134	152
CIS	638	952	1,076	1,025	914
WE	0	0	15	94	125
ME	0	0	0	23	26

- 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 by the end of 2017 and 70 franchise stores in the Middle East in 6 years since launch.

Continued floorspace growth

Floorspace growth targets
(ths m2)

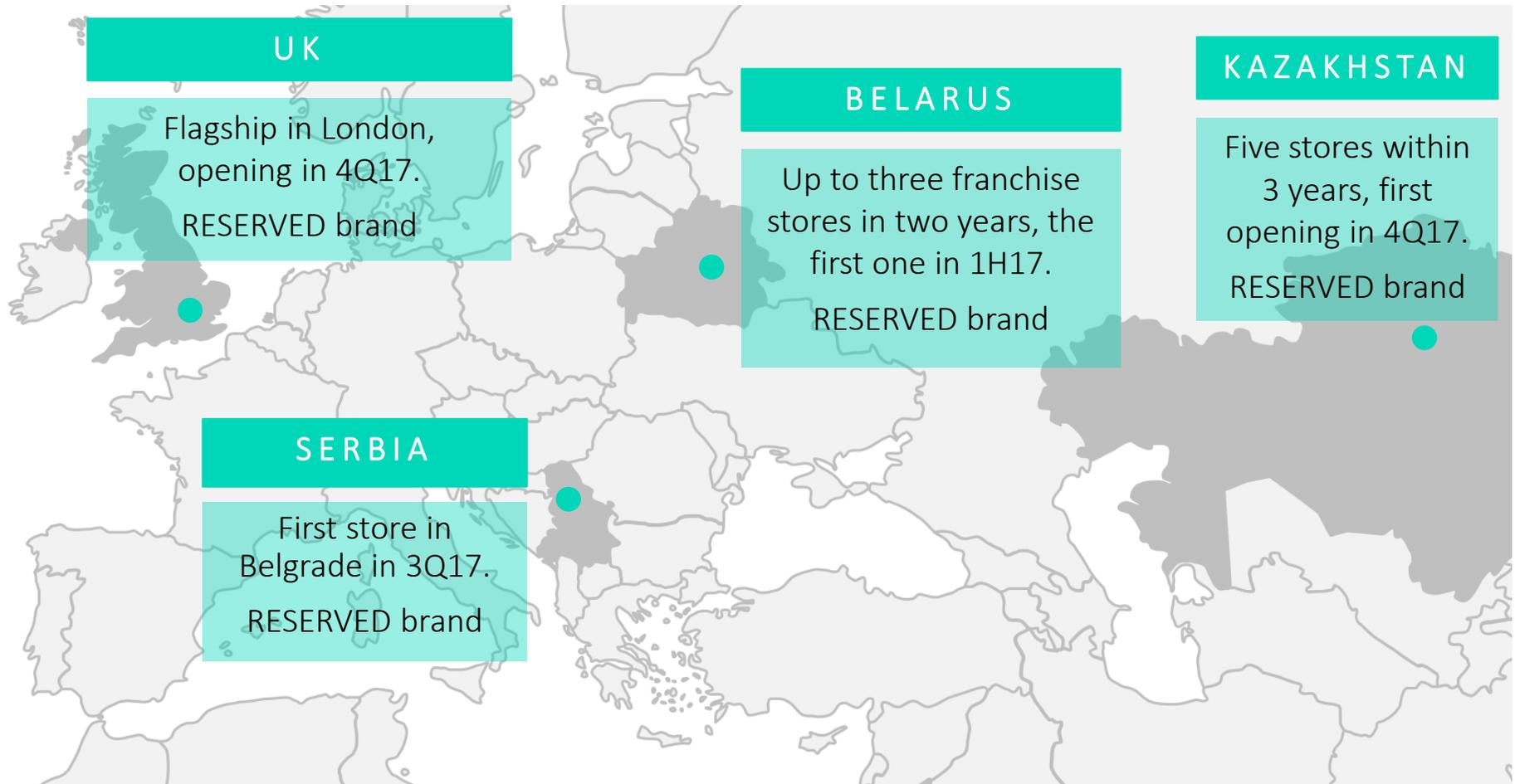


Floorspace targets
by regions

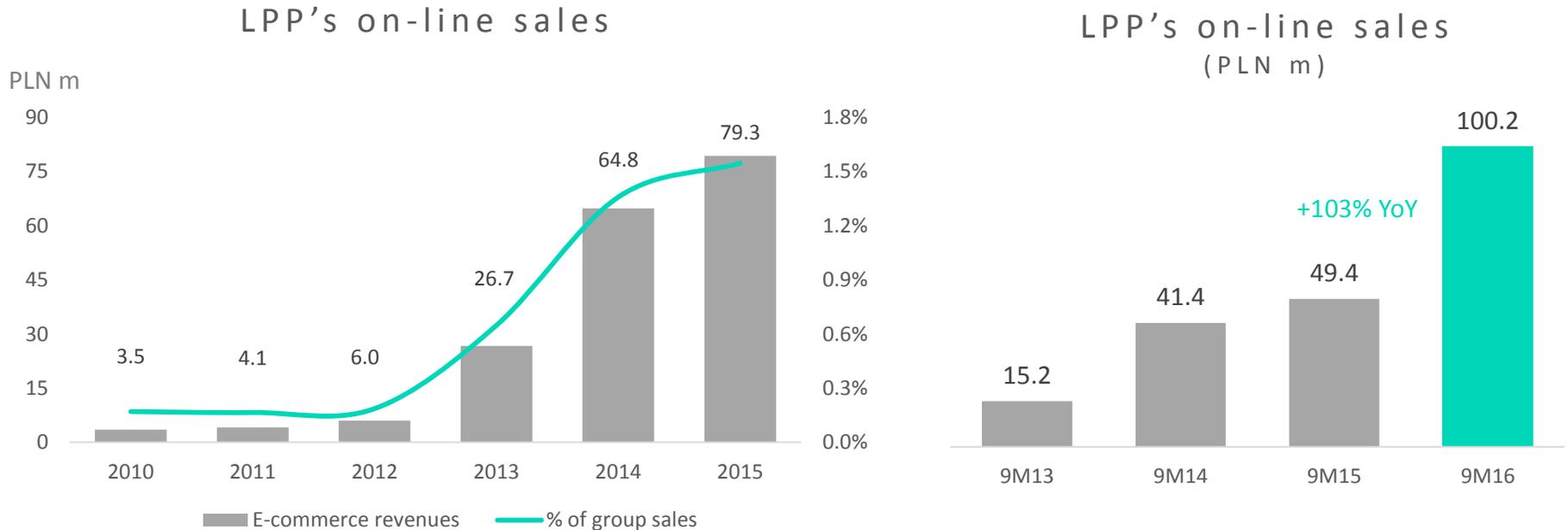
ths m2	2016	YoY	2017	YoY
LPP GROUP	918.3	9%	1,019.8	11%
Poland	494.2	6%	527.1	7%
Europe	209.5	17%	237.9	14%
CIS	207.0	7%	243.9	18%
ME	7.6	38%	10.9	43%

- 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.
- 2017 development targets: 1) further CEE development, 2) CIS acceleration and 3) further growth 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).

Four new markets in 2017



Dynamic e-commerce growth



- We believe on-line sales in Poland should converge to the European average.
- 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.

E-commerce – a strategic pillar



TARGET BY 2020

7-8% of group sales generated by e-commerce

2016 expectations

2016 TARGETS

2016 TARGETS MAINTAINED

- Revenue growth should exceed floorspace growth.
- Fall in gross profit margin by no more than c.3-4% p.p. versus 2015 level.

4Q16 CHANCES

- LFLs improvement.
- E-commerce development (4 brands on-line in 5 new countries in 4Q16).
- Lack of turnover tax charges in 4Q16.

4Q16 RISKS

- Unfavourably warm weather.
- Continuation of FX trends on PLN/US\$ and PLN/EUR.
- Pressure on SG&A/ m2, especially HR costs.

2017 outlook

2017 TARGETS

- Revenue growth should exceed floorspace growth (positive LFLs at all brands).
- Pick-up in gross profit margin versus 2016 level. Estimated 2017 gross profit margin at 52-53%.

2017 CHANCES

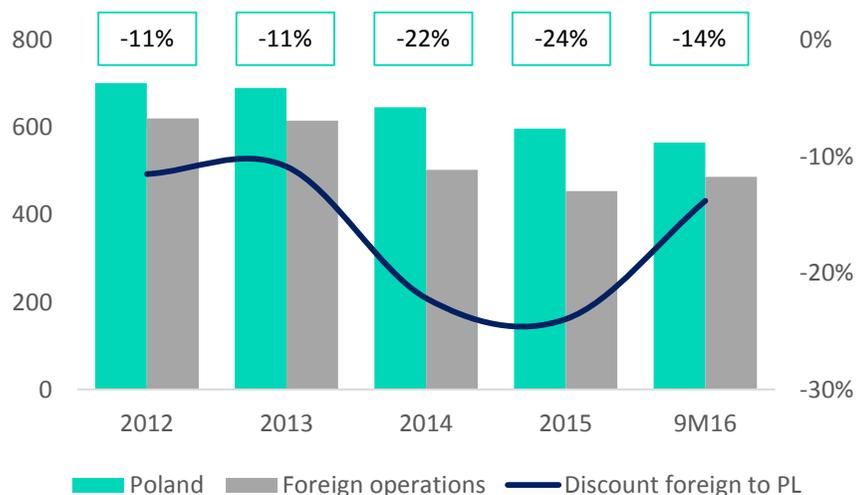
- LFLs improvement, especially at RESERVED brand.
- Dynamic e-commerce development (3 new markets).

2017 RISKS

- Ban on trade on Sundays (19% of Polish turnover) and turnover tax.
- Unfavourable FX trends on PLN/US\$ and PLN/EUR.

Sales/m2 higher than average abroad

Revenues/ m2 monthly



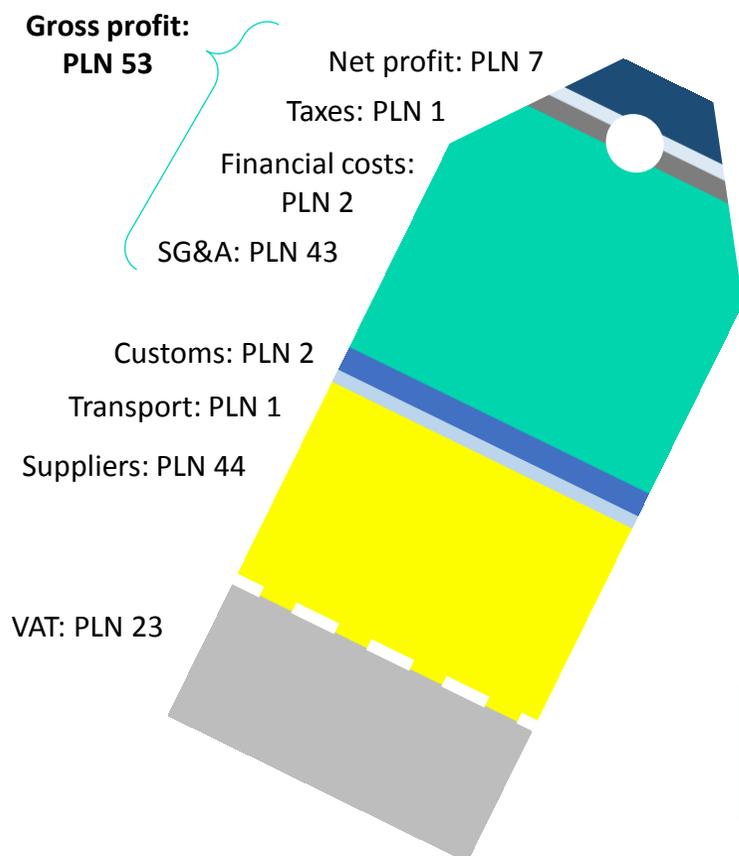
Revenues/ m2 monthly

PLN	2012	2013	2014	2015	9M16
LPP GROUP	675	664	589	548	530
Poland	702	691	647	598	565
Foreign operations	621	616	503	454	487
RESERVED	628	617	547	483	444
Cropp	756	725	647	591	620
House	654	652	612	579	567
MOHITO	843	759	583	549	609
SiNSAY	-	670	584	531	585
Tallinder	-	-	-	-	327

- 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 in 2012-15 revenues/m2 in Poland were 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

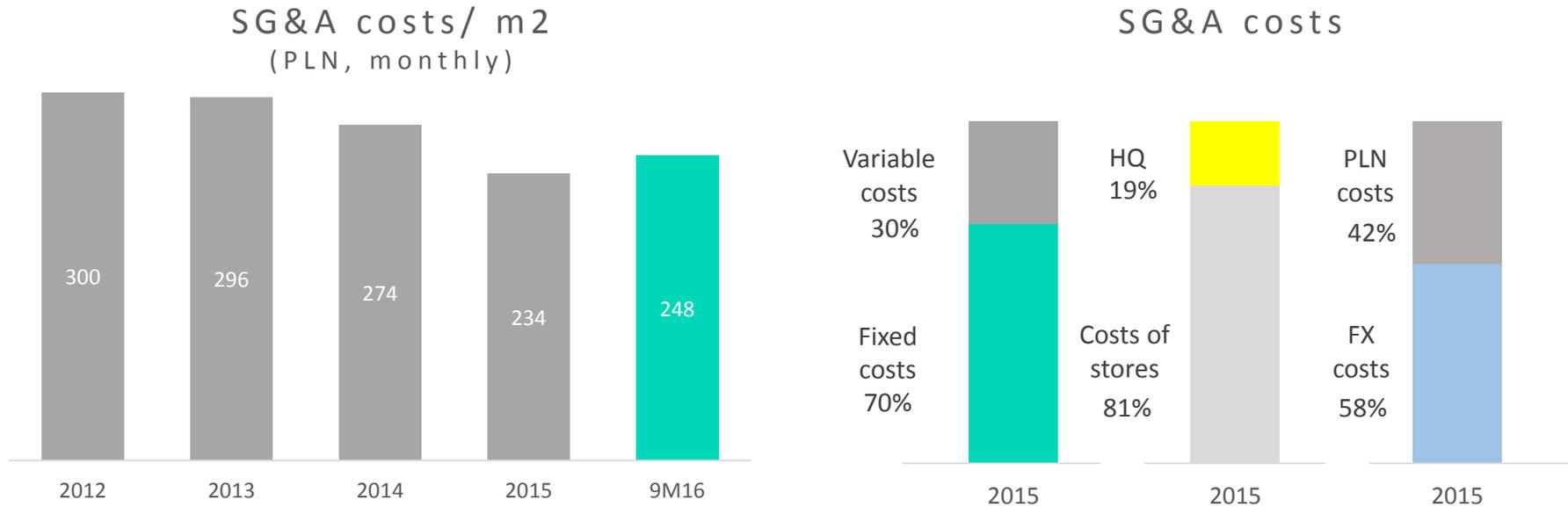
Gross profit margin	2012	2013	2014	2015	9M16
LPP GROUP	56.7%	58.5%	58.6%	53.5%	47.8%

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. Along with improved collections in RESERVED brand from AW16/17, we record higher YoY margins from September.
- 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. 2017 margin should be between 52-53%.

High operating leverage business

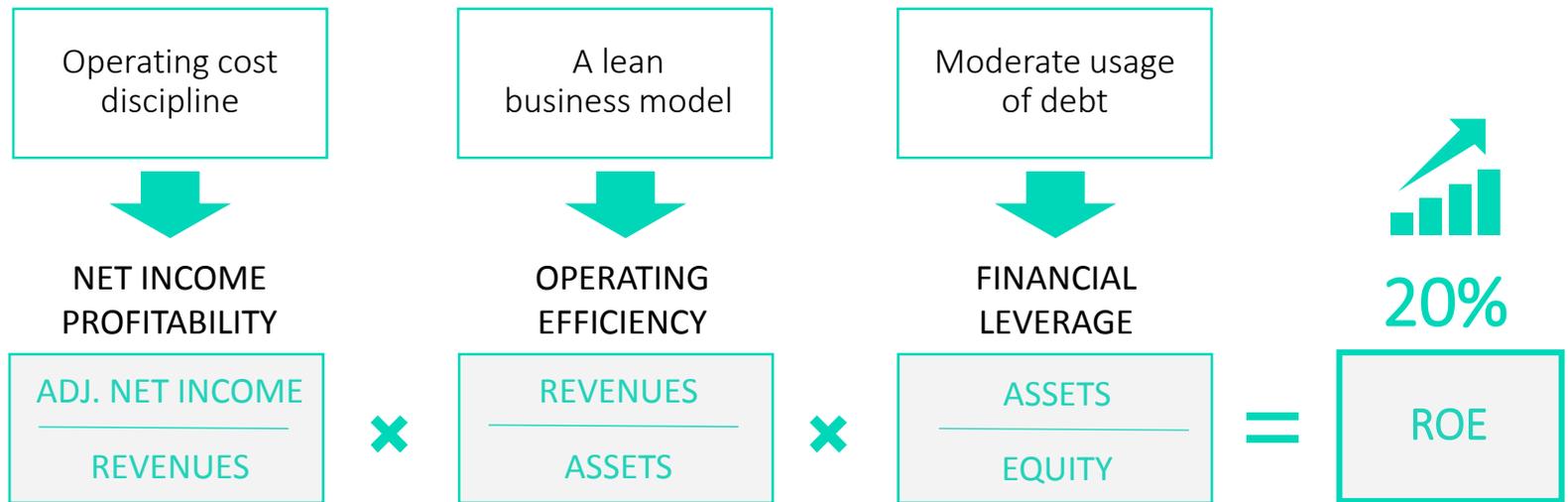


Note: SG&A relations based on group 2015 data.

- 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 9M16 → 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.

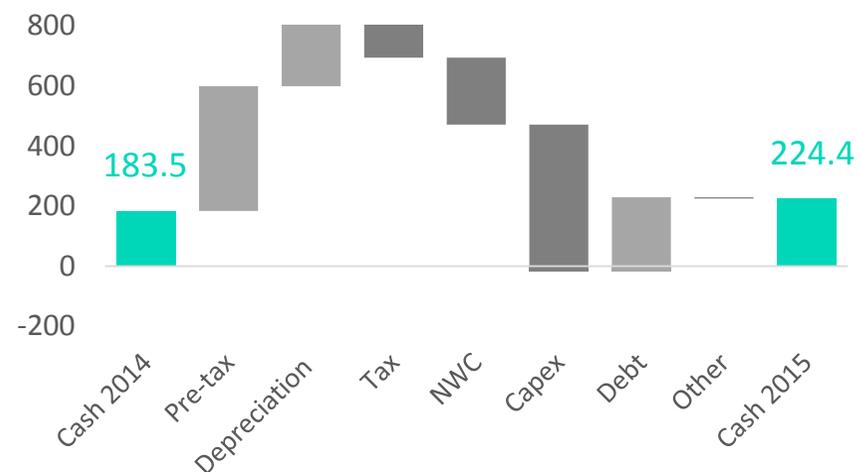
Note: 2014 net income adjusted for tax asset.

We generate cash...

FCFF generation

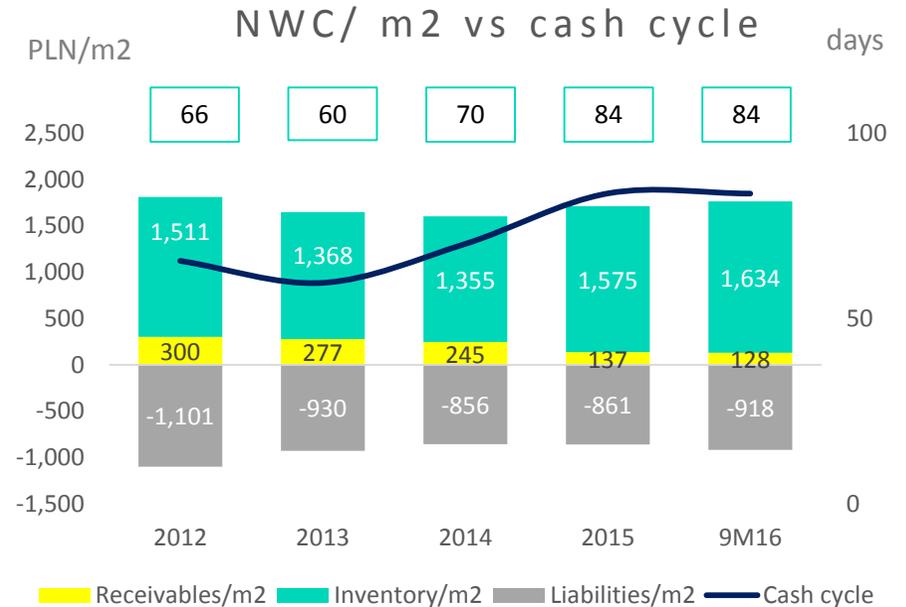
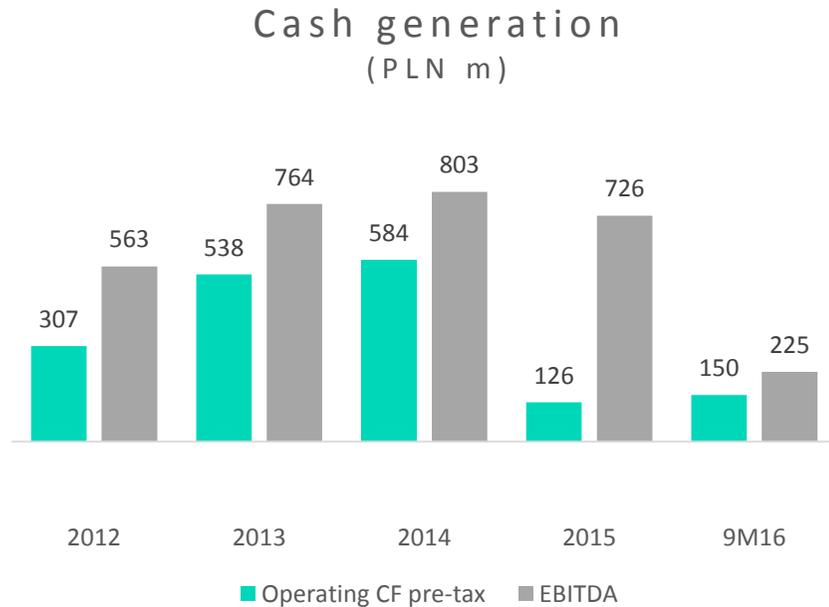
PLN m	2012	2013	2014	2015
FCFF	178	19	154	-64
NOPAT	379	509	638	426
D&A	109	148	194	224
Capex	-288	-542	-551	-491
NWC	-22	-96	-127	-223

2015 cash flow bridge (PLN m)



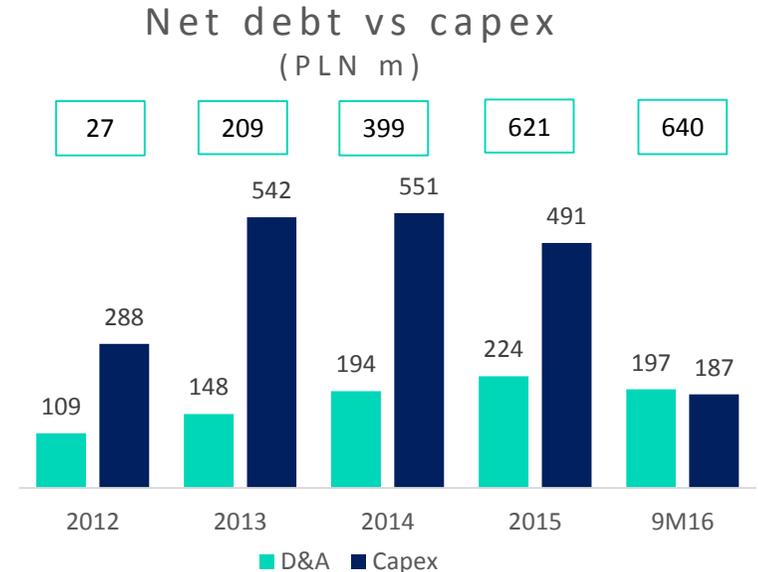
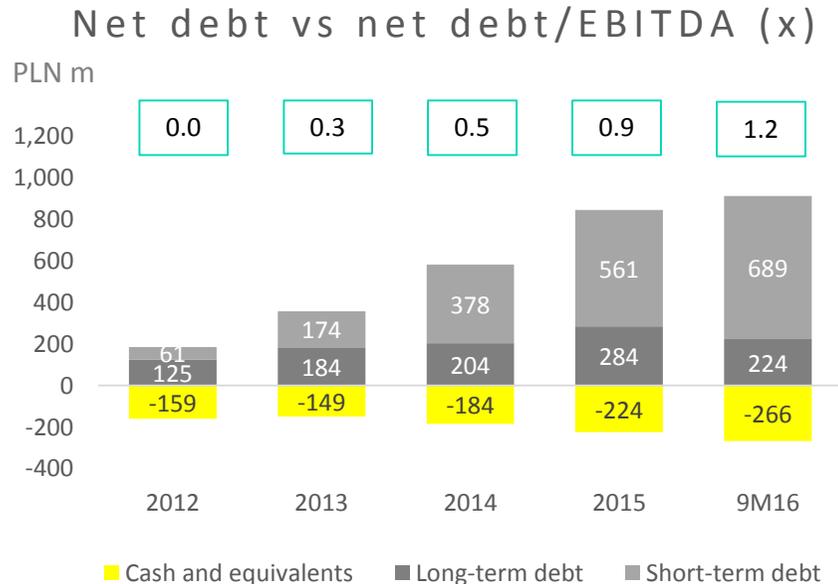
- We continue to focus on FCFF:
 - NOPAT: ongoing cost optimisation (rentals renegotiation, search for best suppliers).
 - NWC: focus on maintaining optimal inventory/m2, lead time between 6 to 9 months.
 - Capex: franchise store openings and focus on fits-outs for own stores.

...despite NWC drag



- Our business generates cash on an annual basis, even though inventory puts a pressure on cash cycle.
- 2015 and 9M16 pressure on NWC results from higher inventory (stronger US\$ vs PLN, more stores).
- 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.

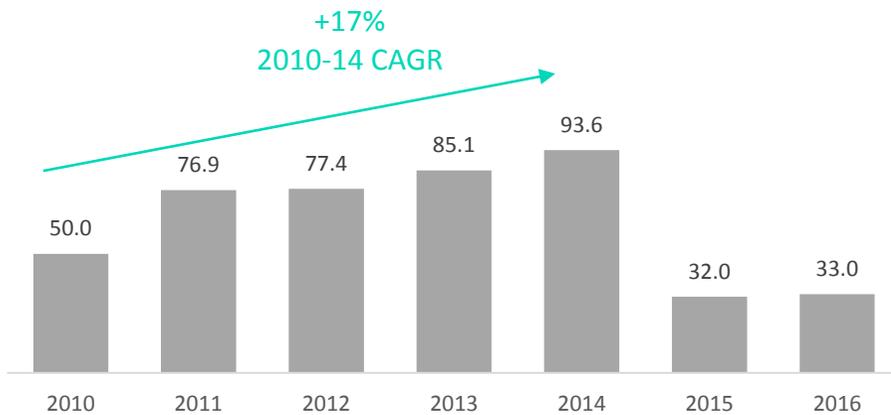
Safe net debt level...



- 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.

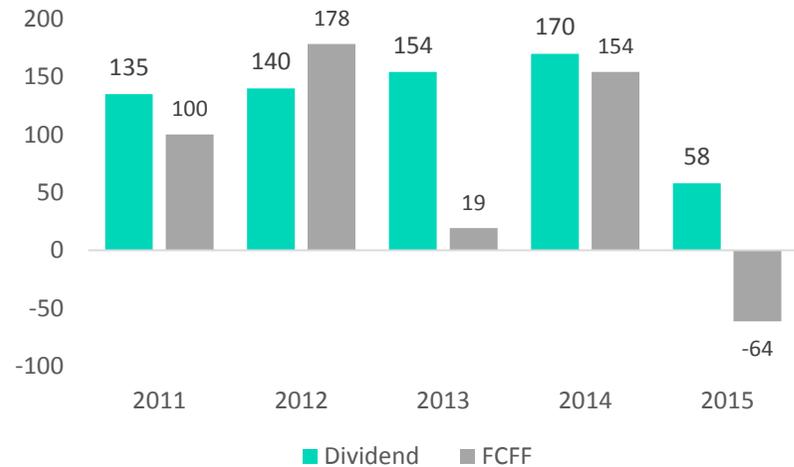
...allows to pay dividend

Dividend per share



Note: DPS and dividends 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 (PLN59m) 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	449
# MARKETS	18
STORE SIZE	1,085 m2
ADVERTISING	International stars like Georgia May Jagger

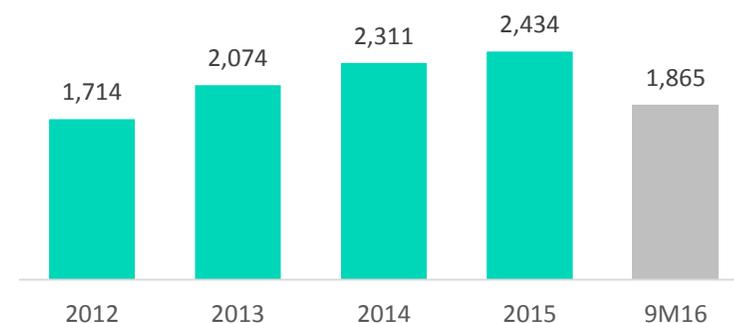


RESERVED

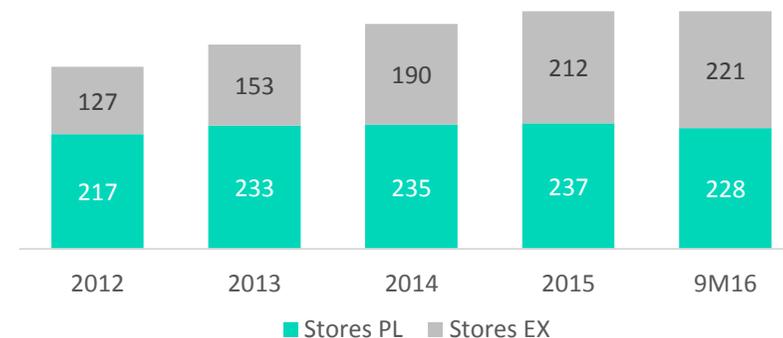
Key data	2012	2013	2014	2015	9M16
Revenues (PLN m)	1,714.1	2,073.8	2,311.3	2,433.8	1,864.9
No. of stores	344	386	425	449	449
Store size (m2)	733	835	917	1,027	1,085
Floorspace (eop, m2)	252.3	322.3	389.7	461.3	487.2
Sales/ m2 monthly	628	617	547	483	444
% of floorspace in PL	62%	59%	54%	50%	48%

YoY growth	2012	2013	2014	2015	9M16
Revenues (PLN m)	25%	21%	11%	5%	11%
No. of stores	13%	12%	10%	6%	3%
Store size (m2)	5%	14%	10%	12%	9%
Floorspace (eop, m2)	19%	28%	21%	18%	12%
Sales/ m2 monthly	11%	-2%	-11%	-12%	-3%
% of floorspace in PL	-3ppt	-3ppt	-5ppt	-4ppt	-3ppt

Revenues
(PLN m)



Stores



CROPP

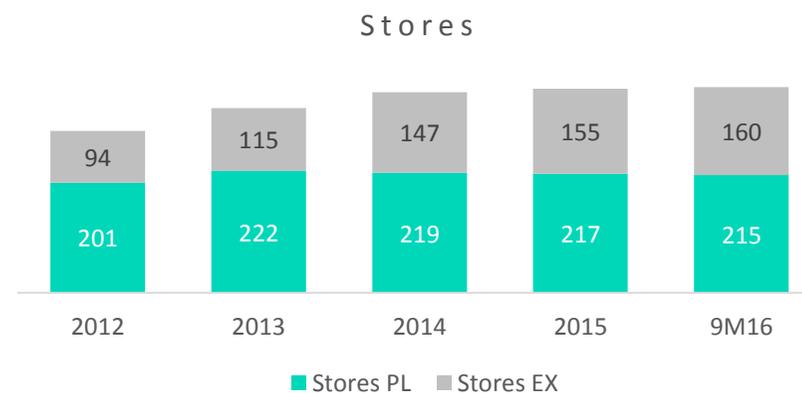
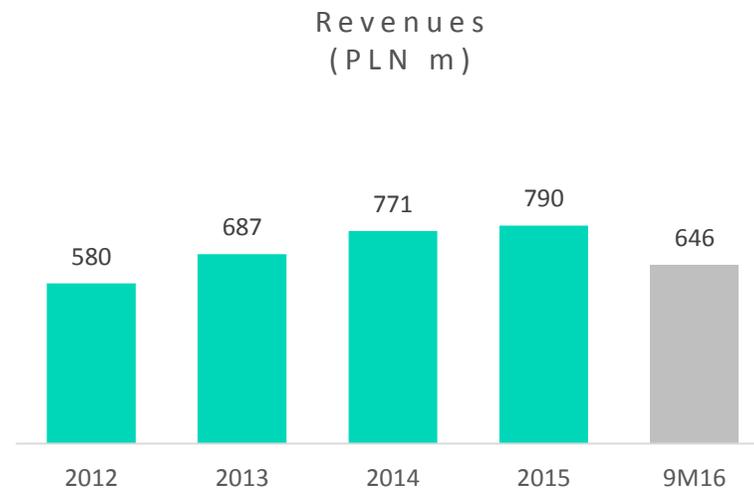
KEY BRAND FEATURES	Casual streetwear brand and international labels
TARGET CUSTOMERS	Teenagers (boys and girls)
YEAR OF LAUNCH	2004
# STORES	375
# MARKETS	12
STORE SIZE	311 m2
ADVERTISING	Partner of artists and street art events



CROPP

Key data	2012	2013	2014	2015	9M16
Revenues (PLN m)	580.4	687.0	770.9	789.9	646.1
No. of stores	295	337	366	372	375
Store size (m2)	244	269	288	308	311
Floorspace (eop, m2)	72.0	90.6	105.4	114.5	116.7
Sales/ m2 monthly	756	725	647	591	620
% of floorspace in PL	62%	60%	55%	55%	54%

YoY growth	2012	2013	2014	2015	9M16
Revenues (PLN m)	30%	18%	12%	2%	16%
No. of stores	13%	14%	9%	2%	4%
Store size (m2)	7%	10%	7%	7%	3%
Floorspace (eop, m2)	21%	26%	16%	9%	7%
Sales/ m2 monthly	16%	-4%	-11%	-9%	10%
% of floorspace in PL	-5ppt	-2ppt	-5ppt	0ppt	-1ppt





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 326

MARKETS 12

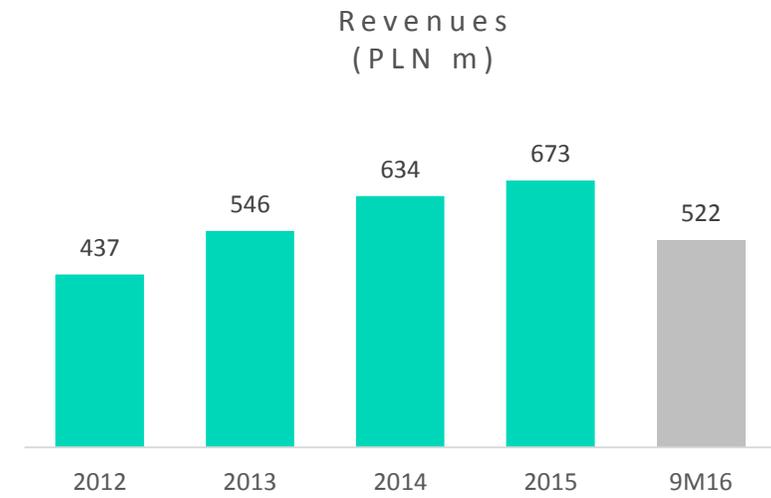
STORE SIZE 318 m2

ADVERTISING Artistic events partner and music sponsor



Key data	2012	2013	2014	2015	9M16
Revenues (PLN m)	436.6	546.3	633.6	673.2	522.1
No. of stores	259	292	308	319	326
Store size (m2)	247	275	291	313	318
Floorspace (eop, m2)	63.9	80.2	89.6	99.7	103.8
Sales/ m2 monthly	654	652	612	579	567
% of floorspace in PL	73%	69%	64%	62%	61%

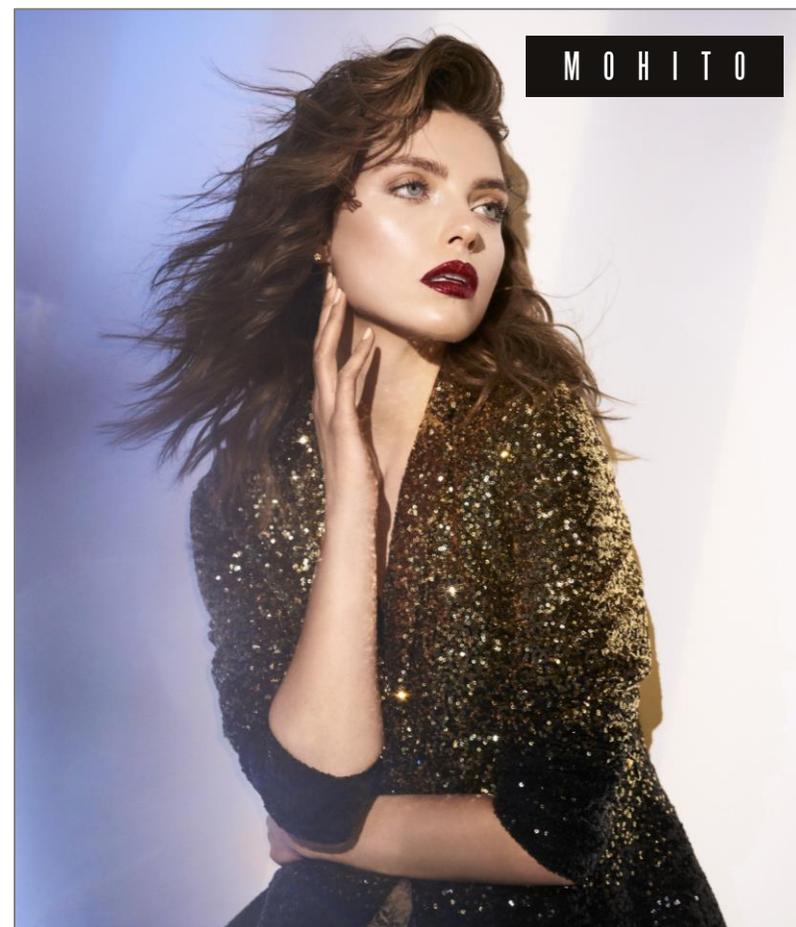
YoY growth	2012	2013	2014	2015	9M16
Revenues (PLN m)	16%	25%	26%	6%	14%
No. of stores	17%	13%	5%	4%	5%
Store size (m2)	7%	11%	6%	7%	4%
Floorspace (eop, m2)	25%	26%	12%	11%	9%
Sales/ m2 monthly	3%	0%	-2%	-5%	6%
% of floorspace in PL	-7ppt	-4ppt	-5ppt	-2ppt	-1ppt



■ Stores PL ■ Stores EX

M O H I T O

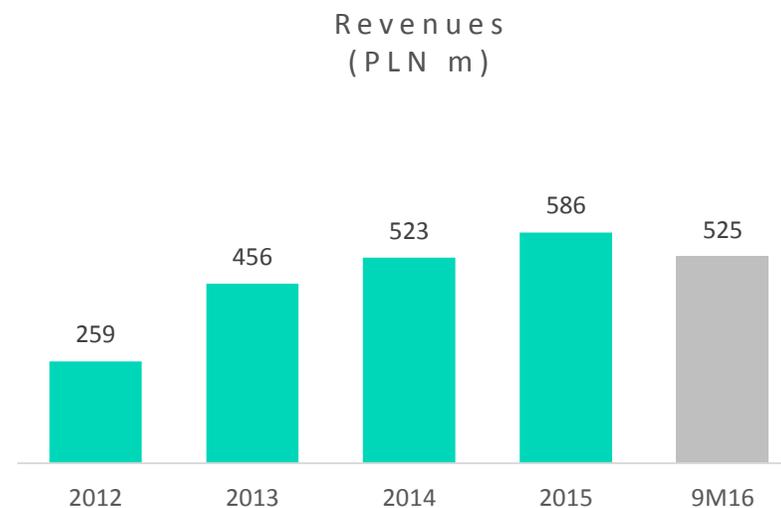
KEY BRAND FEATURES	Comfort and elegance; business and casual
TARGET CUSTOMERS	Young women
YEAR OF LAUNCH	2008 (at LPP since 4Q08)
# STORES	288
# MARKETS	12
STORE SIZE	339 m2
ADVERTISING	Top models (Magdalena Frąckowiak, Anja Rubik)



M O H I T O

Key data	2012	2013	2014	2015	9M16
Revenues (PLN m)	259.4	456.4	522.9	586.5	525.3
No. of stores	161	219	256	280	288
Store size (m2)	242	301	323	337	339
Floorspace (eop, m2)	38.9	66.0	82.8	94.5	97.6
Sales/ m2 monthly	843	759	583	549	609
% of floorspace in PL	67%	62%	56%	55%	54%

YoY growth	2012	2013	2014	2015	9M16
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%	16%
% of floorspace in PL	-10ppt	-5ppt	-6ppt	-1ppt	-1ppt



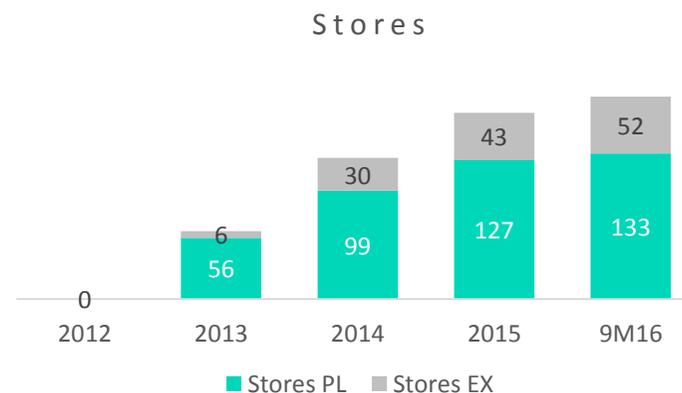
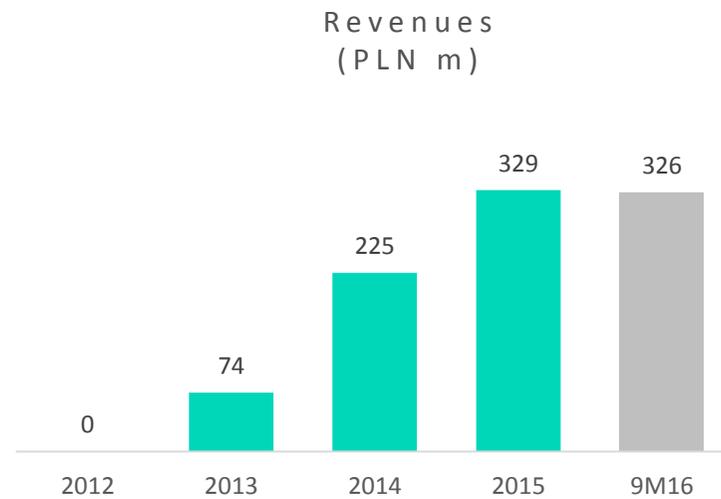
sinsay

KEY BRAND FEATURES	Every day clothes and original party outfits
TARGET CUSTOMERS	Teenagers (girls only)
YEAR OF LAUNCH	2013
# STORES	185
# MARKETS	11
STORE SIZE	352 m2
ADVERTISING	Social media



Key data	2012	2013	2014	2015	9M16
Revenues (PLN m)	-	74.0	224.7	328.9	325.6
No. of stores	-	62	129	170	185
Store size (m2)	-	325	338	351	352
Floorspace (eop, m2)	-	20.1	43.7	59.7	65.2
Sales/ m2 monthly	-	670	584	531	585
% of floorspace in PL	-	89%	75%	73%	70%

YoY growth	2012	2013	2014	2015	9M16
Revenues (PLN m)	-	-	204%	46%	45%
No. of stores	-	-	108%	32%	18%
Store size (m2)	-	-	4%	4%	1%
Floorspace (eop, m2)	-	-	117%	37%	19%
Sales/ m2 monthly	-	-	-4%	-9%	16%
% of floorspace in PL	-	-	-14ppt	-2ppt	-4ppt



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	9M16
LPP GROUP	11.3%	5.6%	-2.5%	0.6%	7.0%

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 a 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.

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.
- First store: Munich, September 2016.

Attractive floorspace – new store concepts



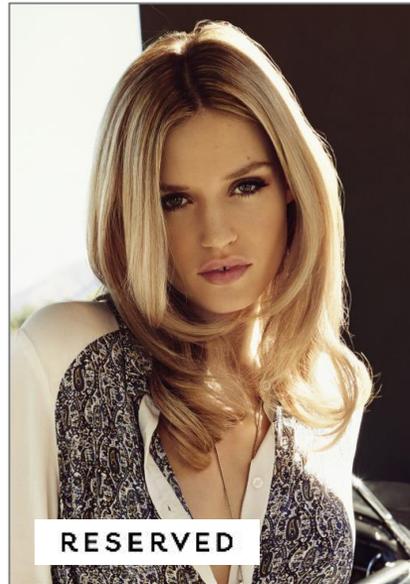
Note: Tallinder brand to be closed down in 1Q17.

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	30.09.2016	YoY growth
RESERVED	252.3	322.3	27.7%	389.7	20.9%	461.3	18.4%	487.2	11.8%
Poland	156.1	188.9	21.0%	209.2	10.8%	232.5	11.1%	232.0	3.8%
Europe	41.2	52.4	27.1%	83.9	60.1%	120.2	43.2%	140.0	31.5%
CIS	54.9	81.0	47.5%	96.6	19.2%	103.1	6.8%	107.7	7.3%
ME	0.0	0.0		0.0		5.5		7.6	38.3%
Cropp	72.0	90.6	25.9%	105.4	16.3%	114.5	8.7%	116.7	6.9%
Poland	44.9	54.5	21.3%	58.3	6.9%	63.0	8.2%	63.0	5.6%
Europe	8.3	10.9	31.1%	17.1	57.1%	19.8	15.7%	21.0	10.0%
CIS	18.7	25.2	34.6%	30.0	19.0%	31.7	5.6%	32.8	7.8%
House	63.9	80.2	25.6%	89.6	11.7%	99.7	11.3%	103.8	9.1%
Poland	46.5	55.4	19.3%	57.3	3.4%	62.2	8.6%	63.1	6.5%
Europe	7.2	9.2	27.5%	11.4	24.6%	15.1	32.4%	16.8	16.6%
CIS	10.2	15.6	53.1%	20.9	33.6%	22.4	7.1%	23.9	11.1%
MOHITO	38.9	66.0	69.5%	82.8	25.5%	94.5	14.1%	97.6	8.1%
Poland	26.1	40.9	56.9%	46.2	12.9%	52.1	12.8%	52.4	5.5%
Europe	3.0	6.5	118.7%	11.8	80.7%	16.1	37.2%	18.1	18.9%
CIS	9.8	18.5	88.0%	24.8	34.1%	26.2	5.6%	27.1	6.6%
SiNSAY	0.0	20.1		43.7	116.7%	59.7	36.7%	65.2	18.9%
Poland	0.0	17.9		32.7	82.2%	43.5	33.1%	45.5	12.9%
Europe	0.0	2.2		4.4	99.3%	7.6	72.3%	9.2	39.6%
CIS	0.0	0.0		6.6		8.6	30.8%	10.5	32.2%
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	1.2%
TOTAL by regions									
Poland	279.4	365.5	30.8%	413.6	13.1%	465.0	12.4%	471.2	6.2%
Europe	60.9	80.7	32.5%	128.6	59.4%	179.0	39.2%	205.2	26.9%
CIS	93.7	142.4	51.9%	180.3	26.7%	193.9	7.5%	204.0	8.7%
ME	0.0	0.0		0.0		5.5		7.6	38.3%
TOTAL	434.0	588.6	35.6%	722.5	22.8%	843.5	16.7%	888.0	11.2%

2016 floorspace targets maintained

Floorspace (ths m2)	31.12.2015	2016 previous target	2016 new target	YoY growth
BY BRANDS				
RESERVED	461.3	508.0	507.3	10%
Cropp	114.5	120.2	120.4	5%
House	99.7	105.2	105.0	6%
MOHITO	94.5	98.7	99.1	5%
SiNSAY	59.7	69.4	69.8	17%
Tallinder	0.0	4.4	4.1	-
Outlets	13.8	13.8	12.6	-9%
BY REGIONS				
Poland	465.0	495.6	494.2	6%
Europe	179.0	209.3	209.5	17%
CIS	193.9	207.2	207.0	7%
ME	5.5	7.6	7.6	38%
TOTAL	843.5	919.7	918.3	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 and (3) acceleration in the SEE region.
- Planned 2016 capex at c. PLN 310m, down 37% YoY due to slower floorspace growth.
- Capex split: (1) PLN 270m for new stores and (2) PLN 40m for store upgrades. Outlays for headquarters delayed until 2017.
- 4Q16 floorspace growth should mainly come from the CEE region (Poland should be the regional leader). We also plan openings in Russia and the Baltic countries. 2016 development plans for Germany and the Middle East have already been achieved.

2016 network development details

Floorspace (ths m2)	31.12.2015	2016 TARGET	Nominal growth	YoY growth
RESERVED	461.3	507.3	46.0	10%
Poland	232.5	246.9	14.4	6%
Europe	120.2	144.1	23.9	20%
CIS	103.1	108.7	5.6	5%
ME	5.5	7.6	2.1	38%
Cropp	114.5	120.4	5.9	5%
Poland	63.0	65.3	2.3	4%
Europe	19.8	21.2	1.4	7%
CIS	31.7	34.0	2.3	7%
House	99.7	105.0	5.3	5%
Poland	62.2	64.3	2.0	3%
Europe	15.1	16.4	1.2	8%
CIS	22.4	24.3	2.0	9%
MOHITO	94.5	99.1	4.7	5%
Poland	52.1	53.4	1.3	2%
Europe	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	69.8	10.1	17%
Poland	43.5	48.6	5.1	12%
Europe	7.6	9.7	2.1	27%
CIS	8.6	11.5	3.0	34%
ME	0.0	0.0	0.0	-
Tallinder	0.0	4.1	4.1	-
Poland	0.0	4.1	4.1	-
Europe	0.0	0.0	0.0	-
CIS	0.0	0.0	0.0	-
Outlets	13.8	12.6	-1.2	-9%
Poland	11.6	11.6	0.0	0%
Europe	0.2	0.2	0.0	0%
CIS	2.0	0.8	-1.2	-60%
TOTAL	843.5	918.3	74.9	9%

No. of stores	31.12.2015	2016 TARGET	Nominal growth	YoY growth
RESERVED	449	460	11	2%
Poland	237	234	-3	-1%
Europe	107	117	10	9%
CIS	101	103	2	2%
ME	4	6	2	50%
Cropp	372	379	7	2%
Poland	217	219	2	1%
Europe	66	68	2	3%
CIS	89	92	3	3%
House	319	328	9	3%
Poland	208	210	2	1%
Europe	48	51	3	6%
CIS	63	67	4	6%
MOHITO	280	290	10	4%
Poland	164	166	2	1%
Europe	52	57	5	10%
CIS	64	67	3	5%
ME	0	0	0	-
SINSAY	170	198	28	16%
Poland	127	142	15	12%
Europe	21	26	5	24%
CIS	22	30	8	36%
ME	0	0	0	-
Tallinder	0	9	9	-
Poland	0	9	9	-
Europe	0	0	0	-
CIS	0	0	0	-
Outlet	37	36	-1	-3%
Poland	33	33	0	0%
Europe	1	1	0	0%
CIS	3	2	-1	-33%
TOTAL	1,627	1,700	73	4%

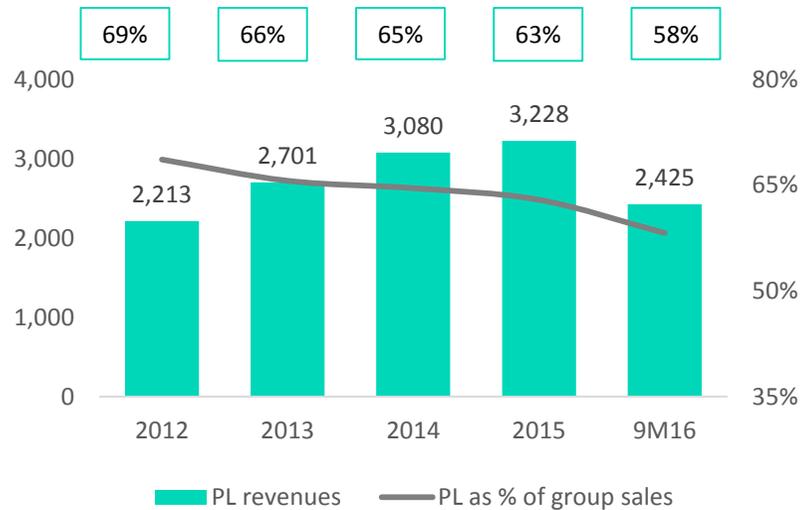
Double-digit floorspace growth in 2017

Floorspace (ths m2)	2016 target	2017 target	YoY growth
BY BRANDS			
RESERVED	507.3	581.4	15%
Cropp	120.4	128.5	7%
House	105.0	113.4	8%
MOHITO	99.1	104.2	5%
SiNSAY	69.8	81.2	16%
Tallinder	4.1	0.0	-100%
Outlets	12.6	11.0	-12%
BY REGIONS			
Poland	494.2	527.1	7%
Europe	209.5	237.9	14%
CIS	207.0	243.9	18%
ME	7.6	10.9	43%
TOTAL	918.3	1,019.8	11%

- 11% YoY floorspace growth in 2017.
- 4 new countries in 2017:
 - Serbia and the UK in Europe (own stores);
 - Belarus and Kazakhstan in CIS (franchise stores).
- RESERVED stores in 22 countries at the end of 2017.
- 2017 targets: (1) further CEE development (emphasis on Poland and Hungary), (2) CIS acceleration (especially own stores in Russia) and (3) faster growth in the SEE region.
- Planned 2017 capex at c. PLN 430m, up 39% YoY, due to faster floorspace growth (planned store capex at c. PLN 350m) and headquarters expansion (PLN 80m).

Established position domestically

Poland remains our main market
(PLN m)



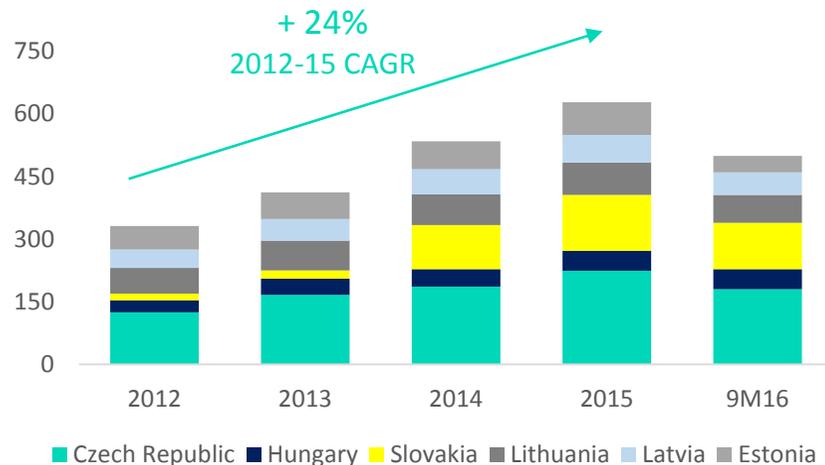
Polish network development

No. of stores	2012	2013	2014	2015	9M16
Poland	745	886	943	986	990
RESERVED	217	233	235	237	228
Cropp	201	222	219	217	215
House	197	211	209	208	208
MOHITO	114	144	153	164	165
SiNSAY	0	56	99	127	133
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 higher than average abroad due to stronger 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)



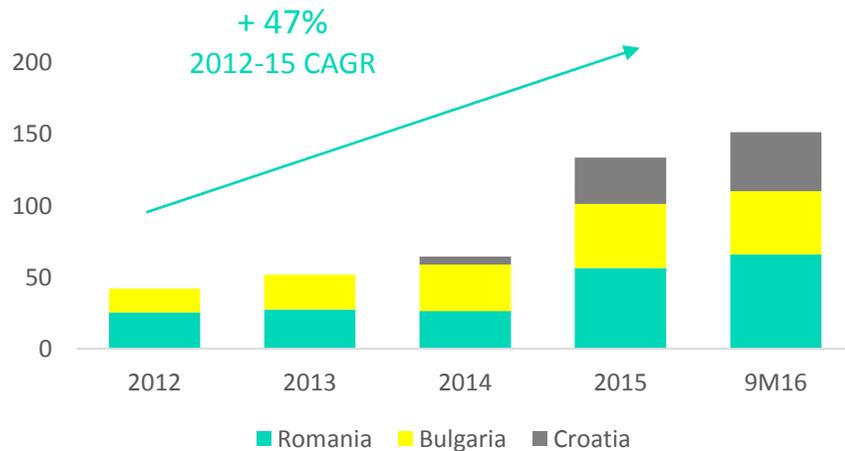
CEE and Baltic network development

No. of stores	2012	2013	2014	2015	9M16
CEE (excl. Poland)	64	90	132	158	156
Czech Republic	43	66	73	80	79
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)

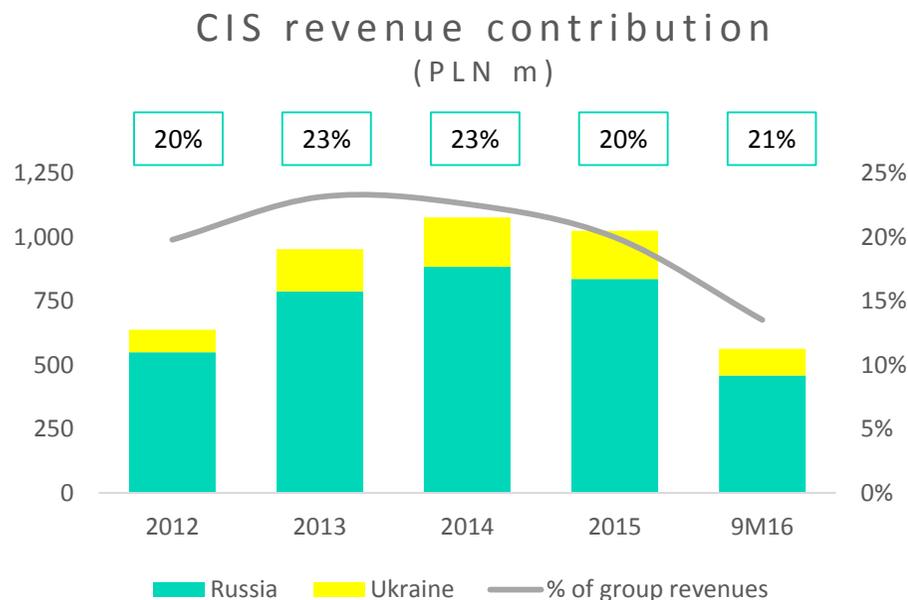


SEE network development

No. of stores	2012	2013	2014	2015	9M16
SEE	11	23	31	47	67
Romania	5	5	11	22	34
Bulgaria	6	9	15	15	16
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.

CIS – the second largest market



CIS network development

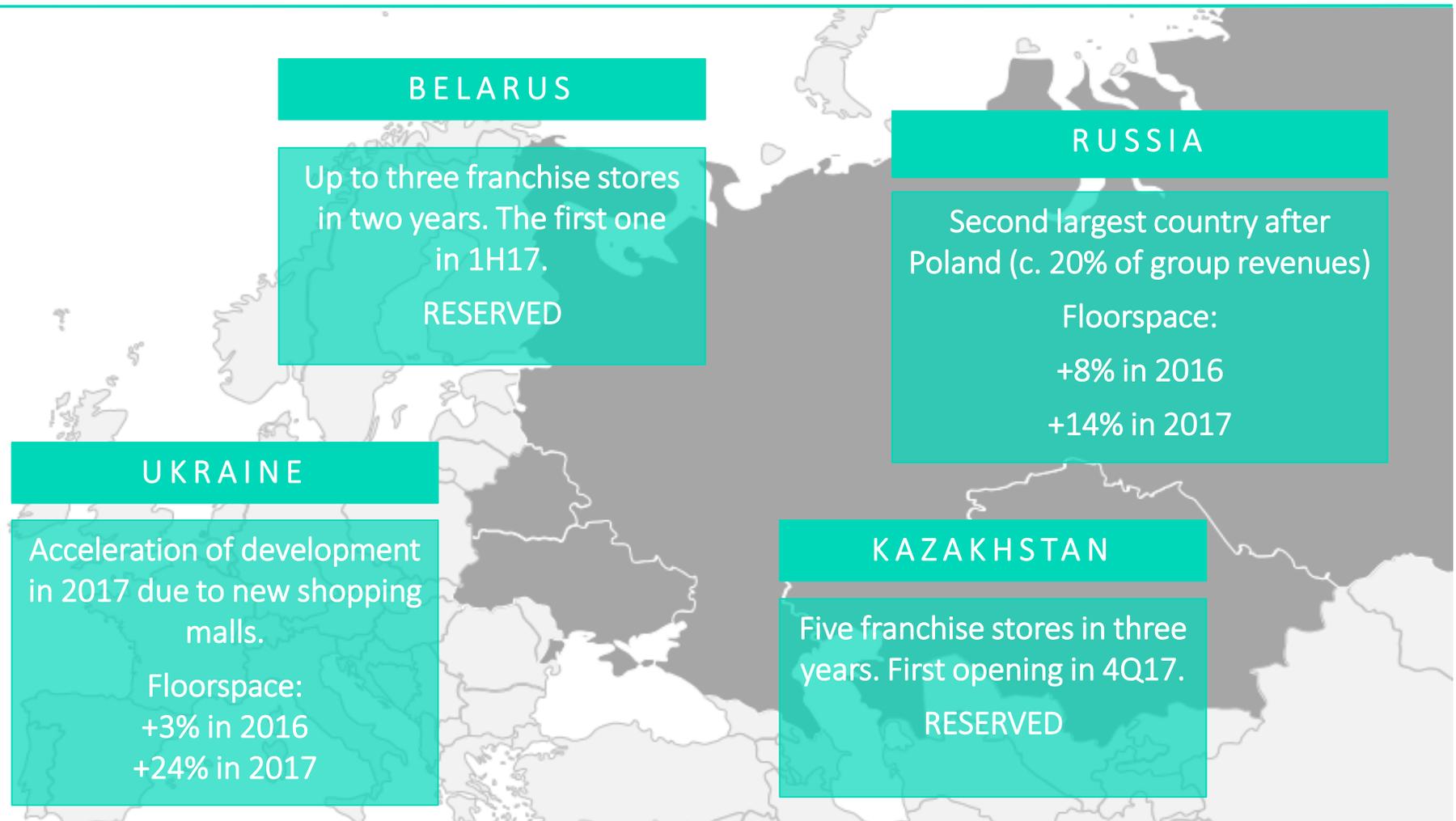
No. of stores	2012	2013	2014	2015	9M16
CIS	198	272	336	349	362
Russia	159	219	267	280	291
Ukraine	39	53	69	69	71

FX changes

FX	2012	2013	2014	2015	9M16
PLN/RUB	9.5	10.1	12.0	16.1	17.4
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. From 2017 we plan to accelerate development in both Russia and Ukraine.
- First RESERVED franchise stores in Belarus and Kazakhstan to be opened in 2017.

CIS development acceleration



Western Europe – the new pillar

We continue marketing spending to improve brand recognition

	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
Revenues (PLN m)	10.9	18.1	22.3	42.6	33.4	43.7	48.3
No. of stores	6	7	10	12	13	15	16
Floorspace (k sqm)	12.1	14.1	22.3	27.1	29.7	34.2	37.7
Store size (sqm)	2,001	2,008	2,226	2,255	2,287	2,278	2,356
Sales/ m2 monthly (PLN)	459	488	469	561	403	462	435

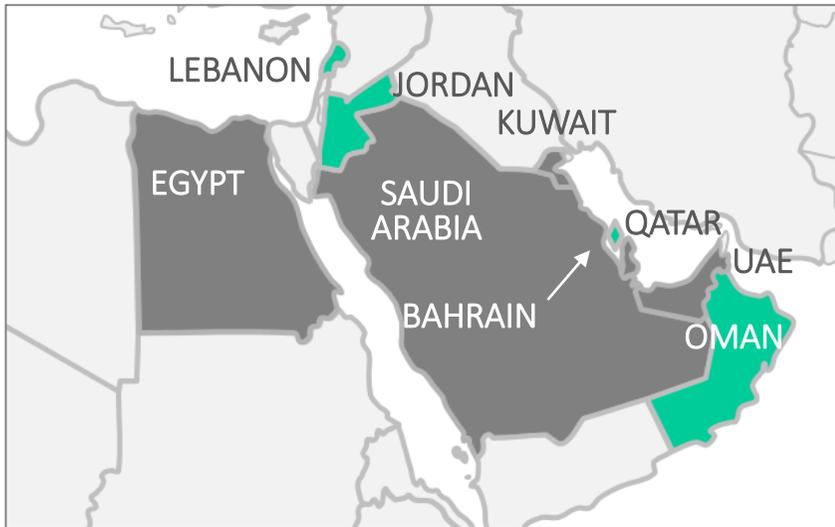
Further German development



- 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 Munich opened in September 2016 is the first RESERVED store in the new concept.
- Our target: 20 stores in Germany by the end of 2017. Further development once these 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

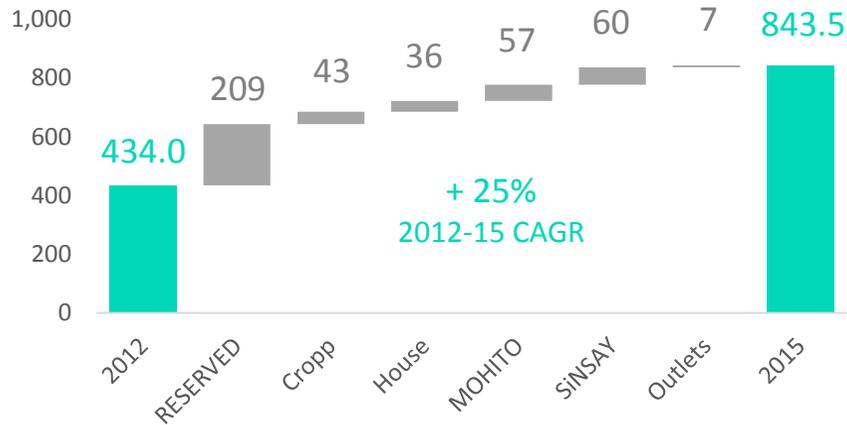
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
No. of stores	1	3	4	4	6	6	6
Floorspace (k m ²)	1.5	3.9	5.5	5.5	7.6	7.6	7.6
No. of countries	1	3	4	4	5	5	5
Sales (PLN m)	3.5	5.6	5.4	8.1	9.5	6.9	9.9

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 since launch.

Younger brands fuel floorspace growth

Floorspace growth by brands
(ths m2)



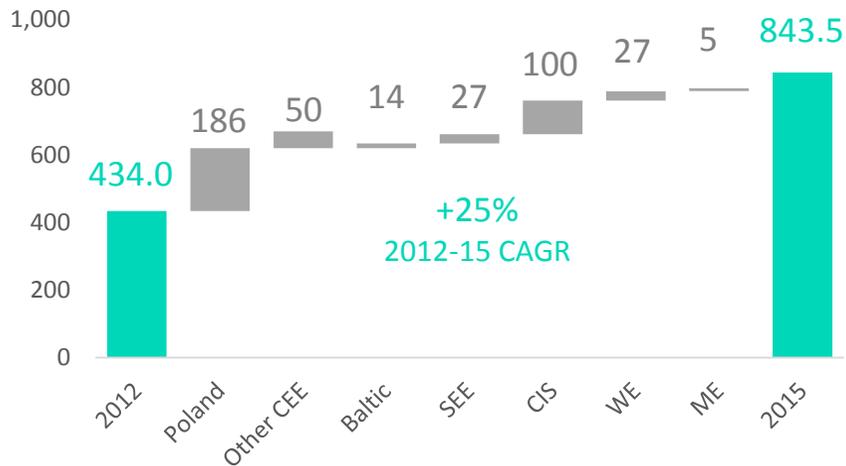
Floorspace by brands

ths m2	2012	2013	2014	2015	9M16
LPP GROUP	434.0	588.6	722.5	843.5	888.0
RESERVED PL	156.1	188.9	209.2	232.5	232.0
RESERVED EX	96.2	133.4	180.5	228.8	255.3
Cropp PL	44.9	54.5	58.3	63.0	63.0
Cropp EX	27.0	36.1	47.1	51.5	53.8
House PL	46.5	55.4	57.3	62.2	63.1
House EX	17.4	24.8	32.3	37.5	40.7
MOHITO PL	26.1	40.9	46.2	52.1	52.4
MOHITO EX	12.8	25.0	36.6	42.4	45.2
SiNSAY PL	0.0	17.9	32.7	43.5	45.5
SiNSAY EX	0.0	2.2	11.0	16.2	19.7
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)



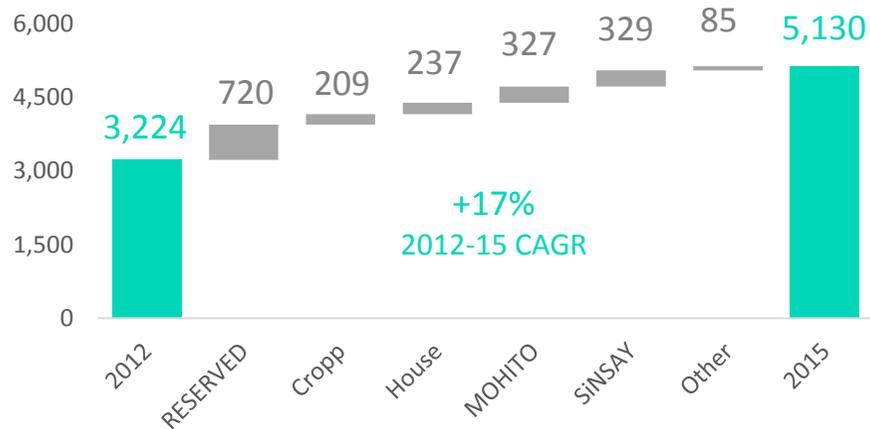
Floorspace by regions

ths m ²	2012	2013	2014	2015	9M16
LPP GROUP	434.0	588.6	722.5	843.5	888.0
CEE	309.1	408.8	475.5	544.7	549.4
Poland	279.4	365.5	413.6	465.0	471.2
Other CEE	29.6	43.3	61.9	79.7	78.2
Baltic	24.3	27.2	36.4	38.2	38.2
SEE	7.0	10.2	22.6	34.1	51.1
CIS	93.7	142.4	180.3	193.9	204.0
Russia	76.4	116.7	146.0	157.9	167.1
Ukraine	17.3	25.6	34.3	36.0	36.8
WE	0.0	0.0	7.6	27.1	37.7
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)



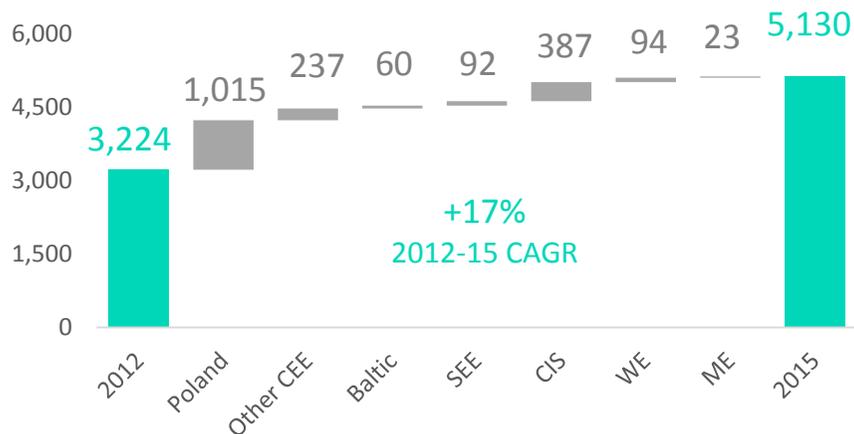
Revenues by brands

PLN m	2012	2013	2014	2015	9M16
LPP GROUP	3,223.7	4,116.3	4,769.3	5,130.3	4,165.6
RESERVED PL	1,134.9	1,298.0	1,425.7	1,421.5	971.4
RESERVED EX	579.2	775.8	885.6	1,012.3	893.5
Cropp PL	372.2	419.3	469.8	467.8	355.2
Cropp EX	208.2	267.7	301.2	322.0	290.9
House PL	350.9	409.0	454.9	469.7	353.3
House EX	85.8	137.3	178.7	203.4	168.8
MOHITO PL	192.5	307.6	340.5	353.5	286.4
MOHITO EX	67.0	148.8	182.4	233.0	238.9
SiNSAY PL	0.0	70.7	186.0	262.0	243.9
SiNSAY EX	0.0	3.3	38.6	66.9	81.7
Tallinder PL	0.0	0.0	0.0	0.0	7.5
Other	233.1	278.8	305.9	318.2	274.0

- 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)



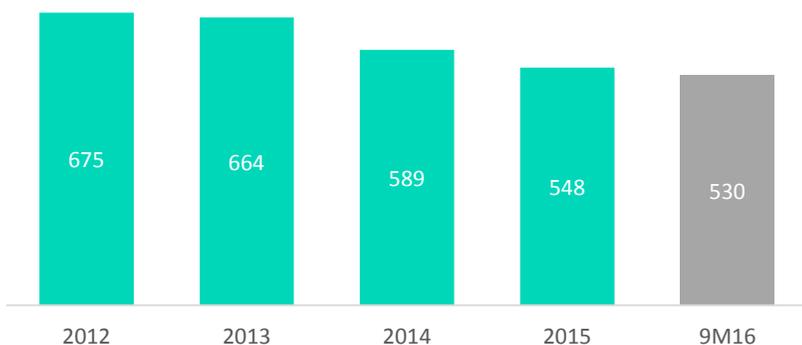
Revenues by regions

PLN m	2012	2013	2014	2015	9M16
LPP GROUP	3,223.7	4,116.3	4,769.3	5,130.4	4,165.6
CEE	2,382.1	2,926.5	3,413.6	3,633.8	2,763.6
Poland	2,212.6	2,701.2	3,079.6	3,227.7	2,424.8
Other CEE	169.5	225.3	333.9	406.1	338.8
Baltic	161.9	186.4	199.8	221.6	185.0
SEE	42.1	51.7	64.6	133.8	151.6
CIS	637.7	951.7	1,076.2	1,024.6	913.7
Russia	549.4	787.1	884.4	836.2	751.2
Ukraine	88.3	164.6	191.8	188.4	162.6
WE	0.0	0.0	15.2	93.9	125.4
ME	0.0	0.0	0.0	22.6	26.3

- 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)



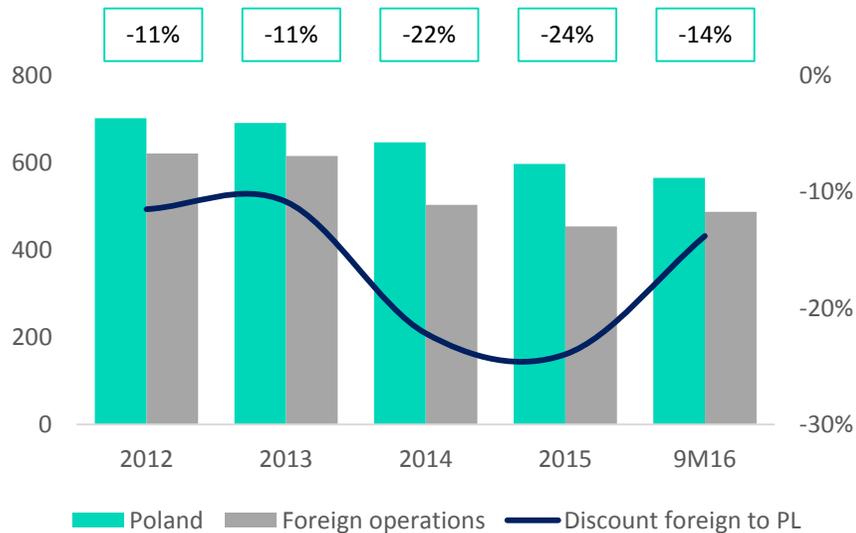
Revenues/ m2 monthly

PLN	2012	2013	2014	2015	9M16
LPP GROUP	675	664	589	548	530
RESERVED PL	654	644	599	536	459
RESERVED EX	582	573	481	423	429
Cropp PL	754	720	684	624	619
Cropp EX	759	733	596	549	620
House PL	684	682	664	631	616
House EX	556	578	511	486	486
MOHITO PL	857	777	647	601	604
MOHITO EX	803	725	491	483	614
SiNSAY PL	-	682	613	576	612
SiNSAY EX	-	483	475	407	517
Tallinder PL	-	-	-	-	327

- 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

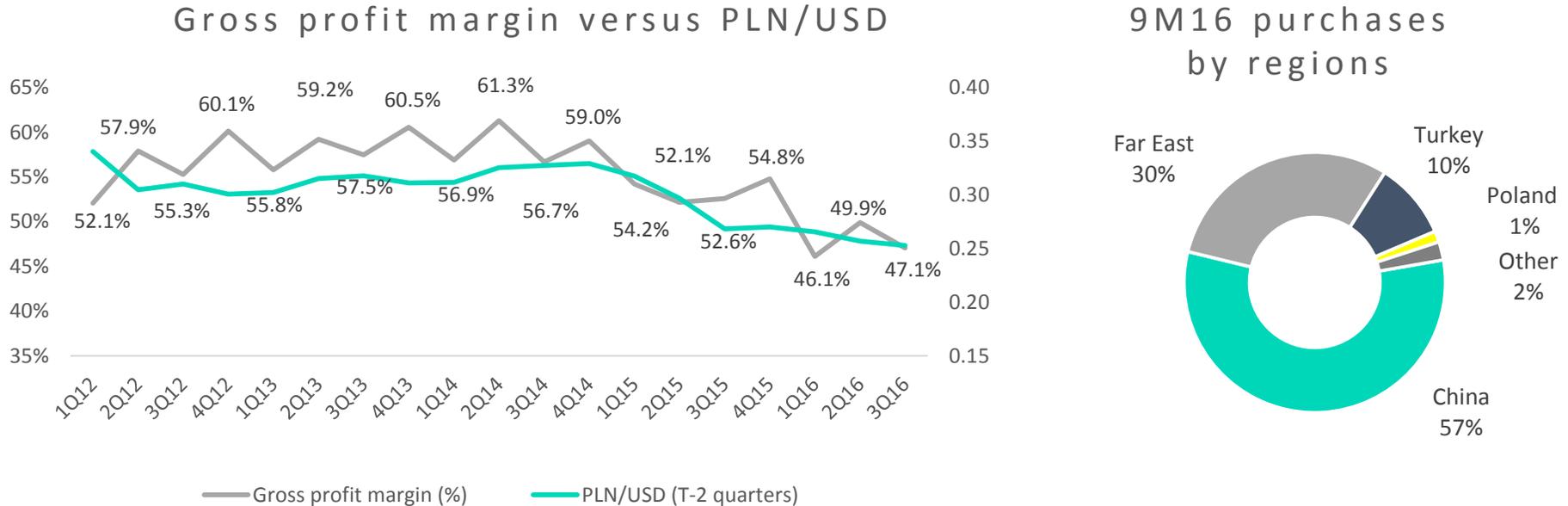


Revenues/ m2 monthly

PLN	2012	2013	2014	2015	9M16
LPP GROUP	675	664	589	548	530
CEE	578	578	543	528	493
Poland	702	691	647	598	565
Other CEE	537	540	509	505	469
Baltic	567	604	530	493	543
SEE	377	467	457	382	413
CIS	672	663	508	451	501
Russia	710	659	509	435	505
Ukraine	635	667	507	467	497
WE	-	-	836	510	445

- 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.

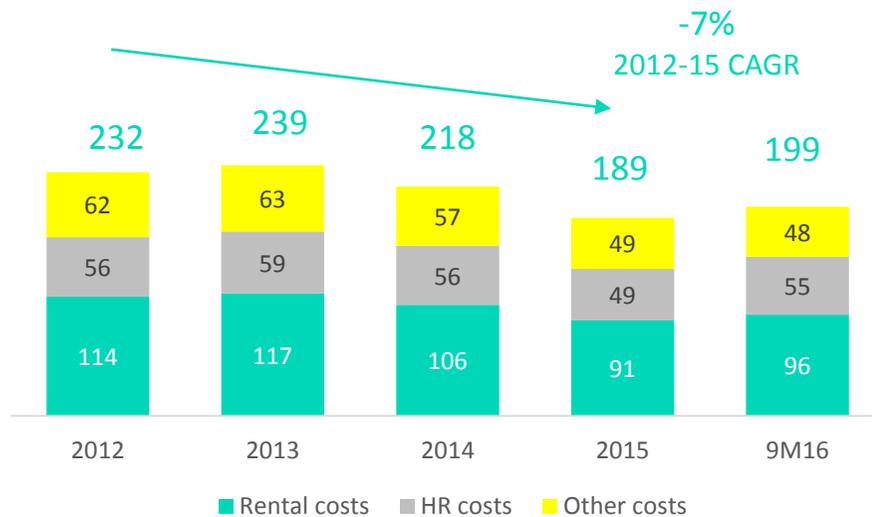
Gross profit margin depends on US\$



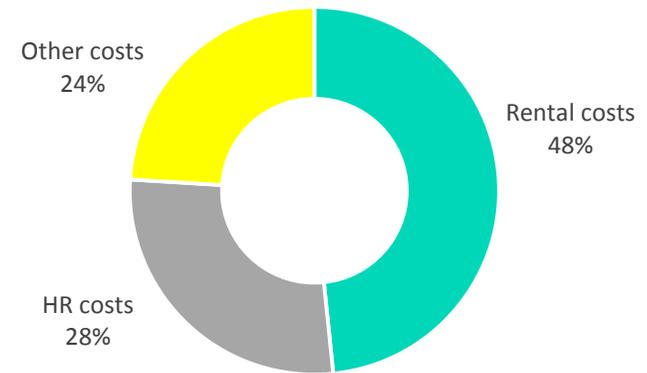
- The majority of purchases is conducted in the Far East and indexed to US\$. Depreciation of zloty to US\$ increases costs of purchases from Asia. Further US\$ appreciation to PLN is a risk factor to gross profit margin levels in upcoming quarters.
- A new sell-out policy introduced from 2Q16 – goods 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)

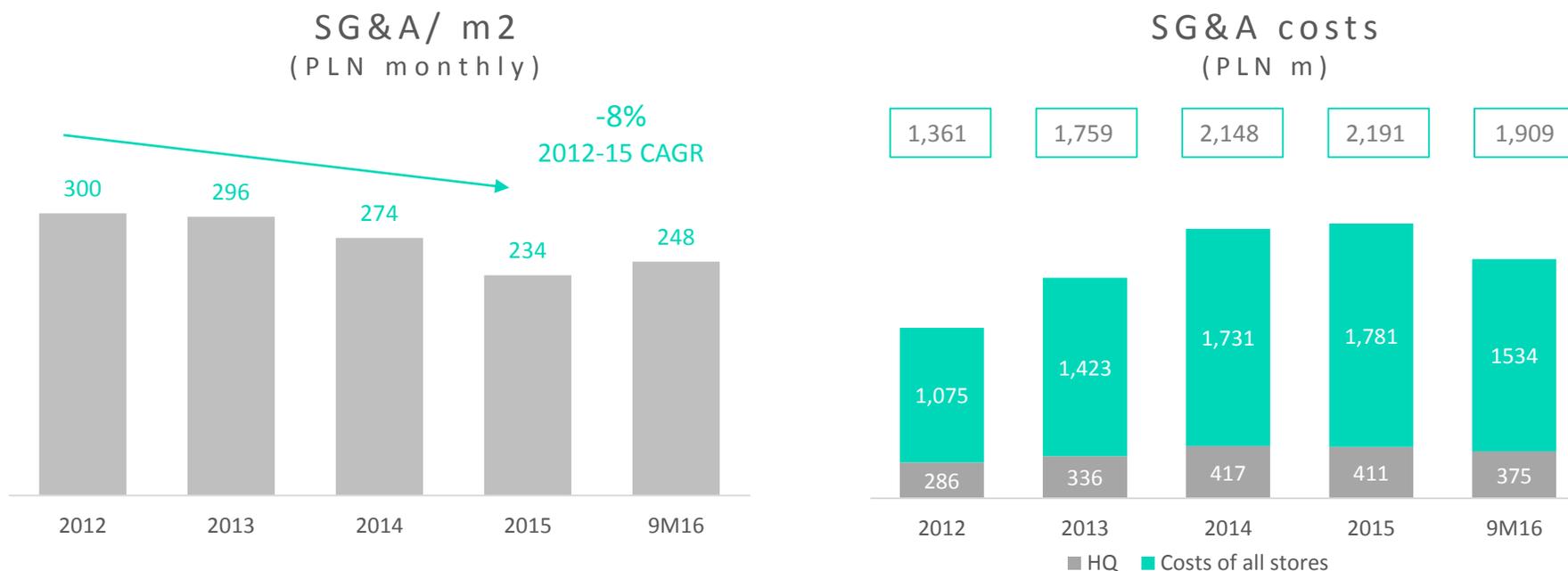


Split of costs of
own stores in 9M16



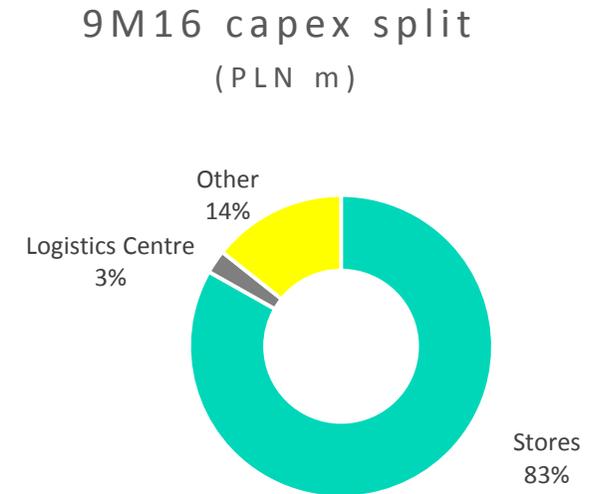
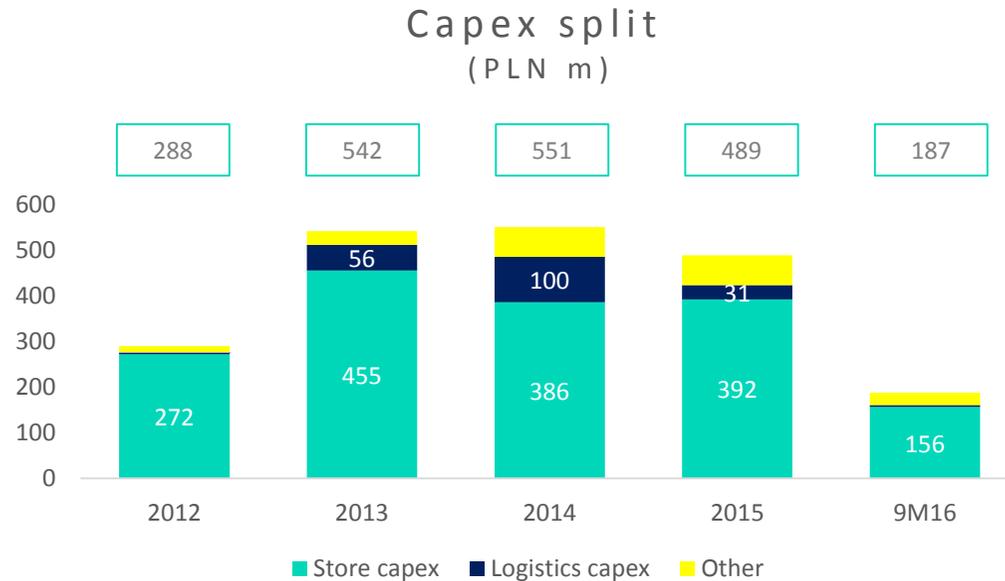
- Fall in rental charges in 2012-15 → successful rental renegotiations domestically, in Russia and Ukraine.
- Fall in personnel costs in 2012-15 → continuous headcount optimisation but growth in salaries.
- Fall in other costs of stores in 2012-15 → depreciation of rubble and hryvnia against US\$ and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

We control SG&A/ m2



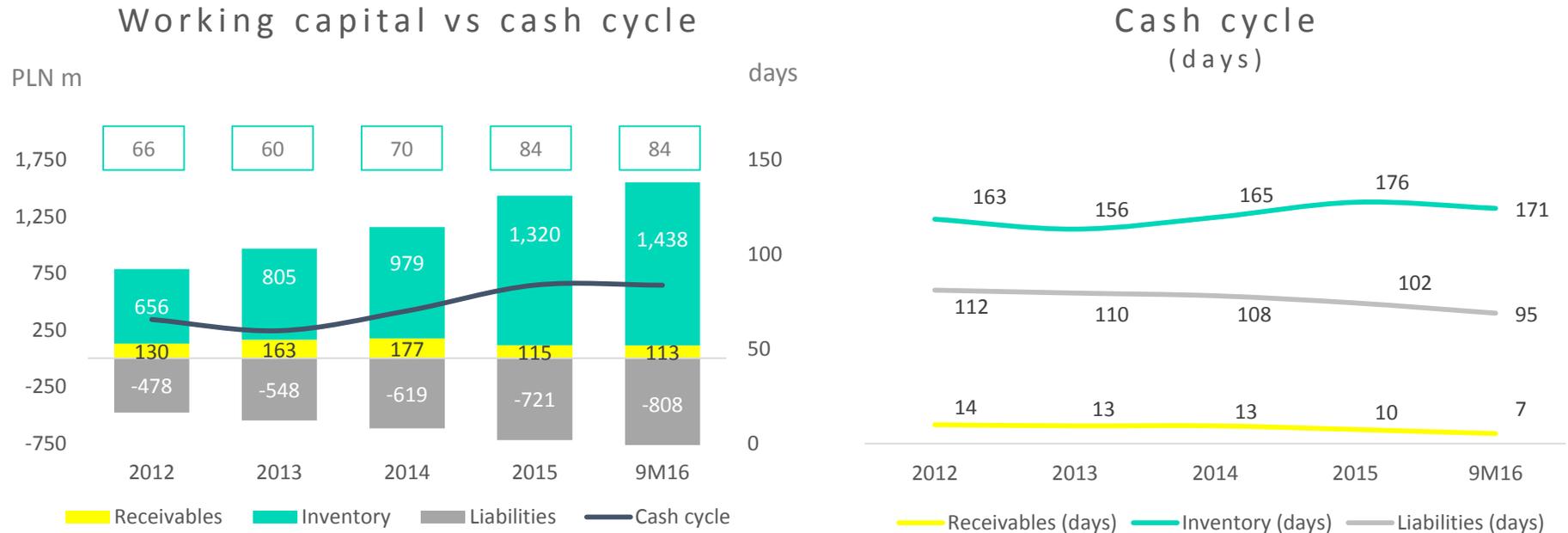
- Fall in SG&A/ m2 in 2012-15 → optimisation of costs of own stores and headquarters.
- Costs of stores → YoY growth in 9M16 due to higher YoY floorspace, depreciation of zloty versus euro and HR costs. Fall in costs of franchise stores in Poland, due to switch to company owned stores.
- HQ costs → YoY growth in 9M16 due to investments in product departments 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 continue to expand our HQs to make room for future growth.

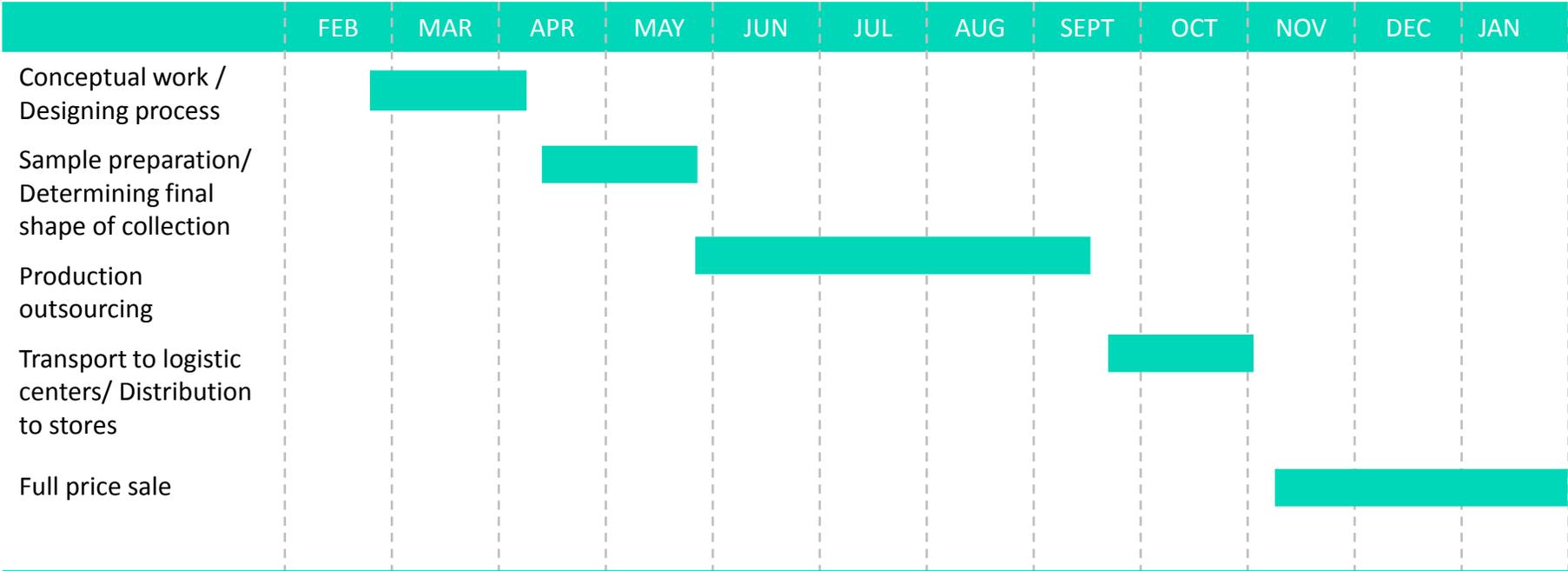
Cash cycle with potential to improve



- 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.

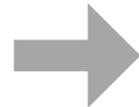
Streamlining production lead time

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

Services all LPP stores ex. Russia

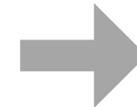
66,000 m2 floorspace

Sufficient for development until 2020

In Russia (rent)

9,500 m2 floorspace

Services 90% of goods in Russian stores



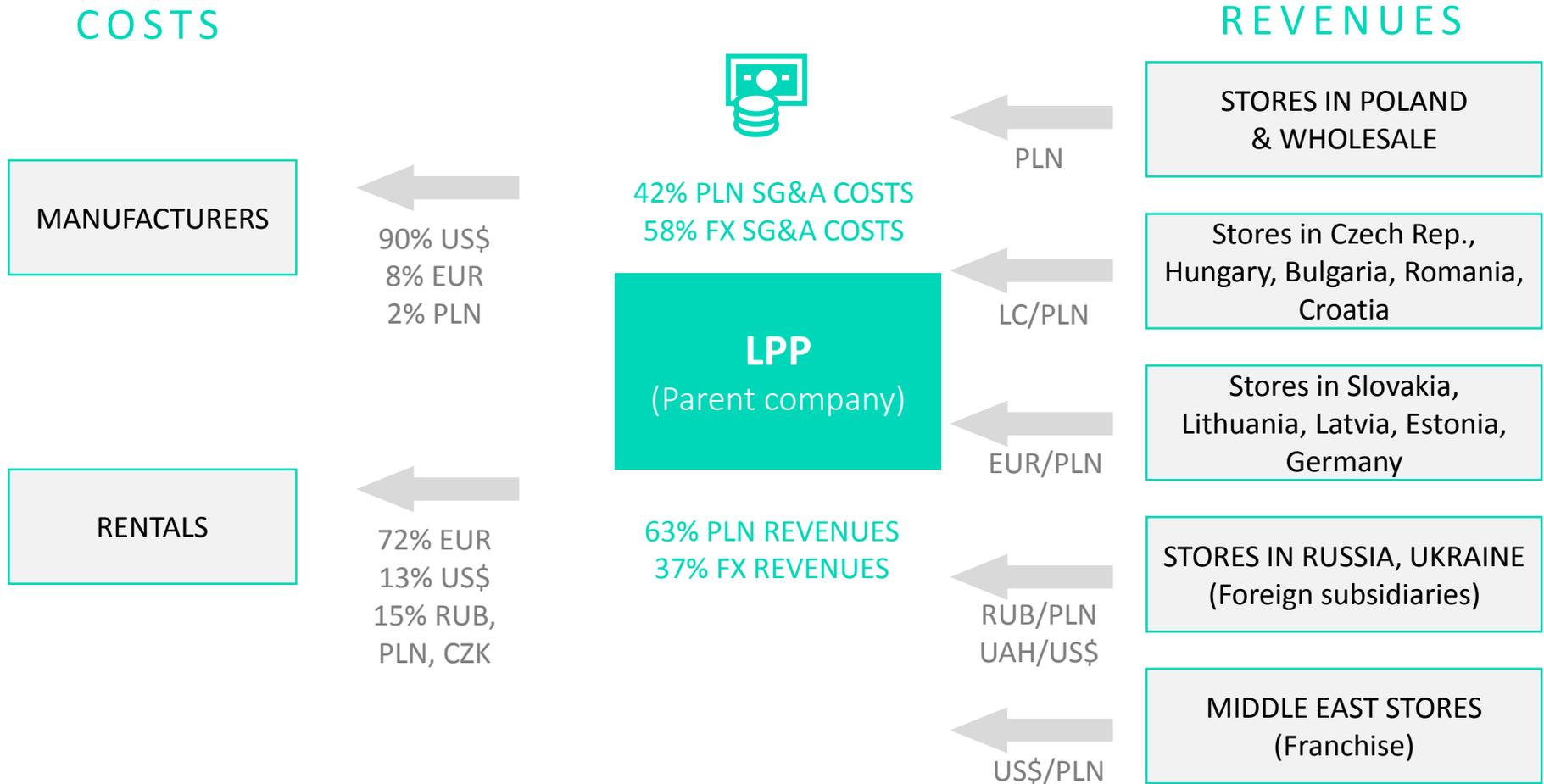
> 1m pieces of clothes sent daily in high season



Center prepares orders for c.900 stores simultaneously



Group's FX exposure



Note: LC stands for local currency. Calculations based on 2015 audited numbers.

Historical numbers show cost efficiency

PLN m	2012	2013	YoY	2014	YoY	2015	YoY	CAGR 2012-15	9M15	9M16	YoY
Revenues	3,223.8	4,116.3	27.7%	4,769.3	15.9%	5,130.4	7.6%	12.3%	3,555.3	4,165.6	17.2%
Gross profit on sales	1,827.1	2,409.2	31.9%	2,792.5	15.9%	2,742.8	-1.8%	10.7%	1,880.1	1,992.1	6.0%
<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.		52.9%	47.8%	-5.1 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%	1,582.7	1,909.2	20.6%
Other operating activity	-11.9	-34.3		-35.0		-48.5			-30.0	-55.6	
EBIT	454.4	615.6	35.5%	609.1	-1.1%	502.7	-17.5%	2.6%	267.3	27.4	-89.8%
<i>EBIT margin</i>	14.1%	15.0%	0.9 p.p.	12.8%	-2.2 p.p.	9.8%	-3.0 p.p.		7.5%	0.7%	-6.8 p.p.
Net financials	-30.3	-91.8		-149.2		-88.3			-46.3	-10.7	
Pre-tax profit	424.1	523.9	23.5%	459.9	-12.2%	414.4	-9.9%	-0.6%	221.0	16.7	-92.4%
Tax	70.2	91.0		-22.0		63.0			42.0	-1.0	
<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%	179.0	17.7	-90.1%
<i>Net margin</i>	10.9%	10.5%	-0.4 p.p.	10.1%	-0.4 p.p.	6.8%	-3.2 p.p.		5.0%	0.4%	-4.6 p.p.

Balance sheet remains strong

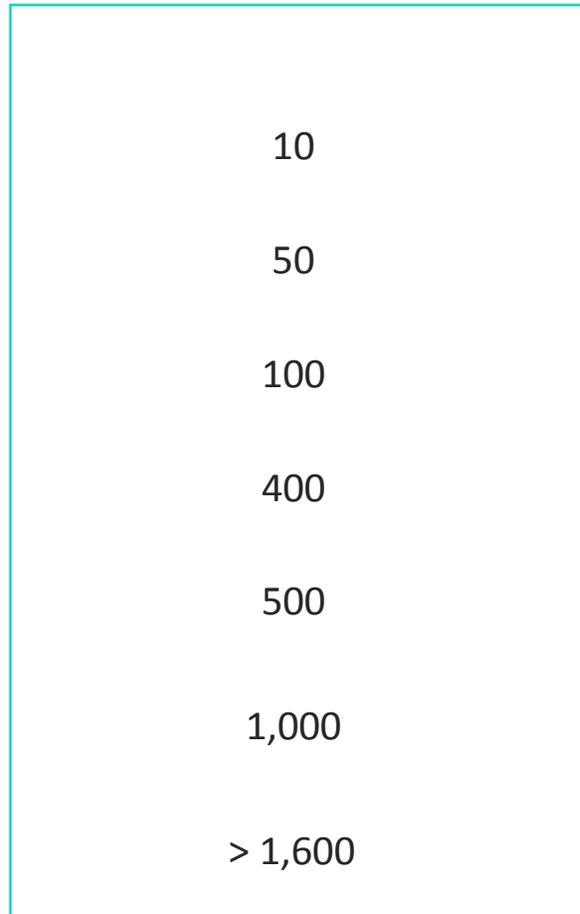
PLN m	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	30.09.2015	30.09.2016
Non-current assets	744.9	909.9	1,231.9	1,516.4	1,797.0	1,664.3	1,797.8
intangibles (including goodwill)	272.6	278.7	281.2	315.9	324.4	323.3	325.9
fixed assets	447.7	598.5	896.8	1,038.8	1,258.8	1,149.0	1,260.3
Current assets	868.9	1,022.4	1,259.7	1,417.3	1,768.2	1,742.2	1,954.7
inventory	594.6	656.1	805.0	979.3	1,319.7	1,336.0	1,438.3
trade receivables	114.3	130.4	163.3	176.9	115.1	186.6	112.8
cash and equivalents	117.0	159.4	149.4	183.5	224.4	119.9	265.9
Total assets	1,613.9	1,932.2	2,491.6	2,933.7	3,565.2	3,406.6	3,752.4
Equity	909.2	1,211.0	1,496.5	1,638.4	1,889.7	1,739.7	1,913.0
Long-term liabilities	89.4	131.0	192.3	210.7	344.1	360.6	292.3
interest bearing debt	86.4	125.1	184.3	204.5	284.3	320.3	223.5
Short-term liabilities	615.3	590.2	802.7	1,084.6	1,331.3	1,306.3	1,547.2
trade liabilities	377.5	477.8	547.6	618.6	721.4	687.4	808.5
interest bearing debt	204.0	61.0	173.6	378.3	561.1	586.4	689.4
Total liabilities	1,613.9	1,932.2	2,491.6	2,933.7	3,565.2	3,406.6	3,752.4

Operating cash flow in the black

PLN m	31.12.2011	31.12.2012	31.03.2013	31.12.2014	31.12.2015	30.09.2015	30.09.2016
Pre-tax profit	331.0	424.1	523.9	459.9	414.4	221.0	16.7
D&A	95.4	109.0	148.2	193.7	223.6	161.9	197.3
NWC	-145.0	-21.7	-95.7	-127.3	-223.4	-278.2	-28.0
Operating CF	254.0	481.3	508.8	492.9	253.9	-11.2	178.8
Capex	-129.3	-288.4	-541.9	-550.5	-490.6	-338.0	-187.5
Investing CF	-39.6	-260.7	-518.2	-476.0	-415.5	-290.5	-142.1
Interest bearing debt	-42.9	-18.4	167.4	204.0	277.7	309.3	74.2
Dividends	-135.0	-140.0	-154.0	-169.6	-58.0	-58.0	-59.9
Interest	-18.6	-17.9	-12.5	-14.8	-18.5	-13.1	-16.9
Financing CF	-193.9	-178.1	-0.6	17.2	201.2	238.1	5.5
Total CF	20.5	42.4	-10.0	34.2	39.5	-63.7	42.1

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

LPP's FOUNDERS

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graph TD; A[LPP's FOUNDERS] --> B[MAREK PIECHOCKI  
CEO]; A --> C[JERZY LUBIANIEC  
CHAIRMAN of SUPERVISORY BOARD];
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MAREK PIECHOCKI CEO

- Present in the retail business since 1989.
- In 1991 together with Jerzy Lubianiec, founded a Mistral company, activities of which in 1995 were transferred into LPP.
- CEO of LPP since 2000.
- The Best-Performing CEO according to Harvard Business Review (2013).

JERZY LUBIANIEC CHAIRMAN of SUPERVISORY BOARD

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

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 (46) 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

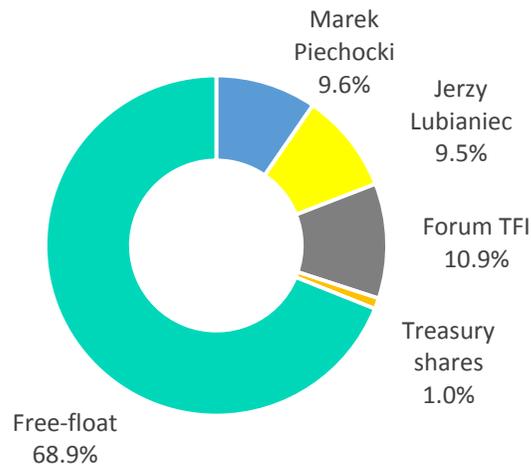
- Since 2004 member of the Supervisory Board of LPP.
- Licensed stock broker, CFA charterholder.
- Since 2006 CEO of Artemis Investment limited liability company.

Company controlled by its founders

Shareholders by equity

(30.09.2016)

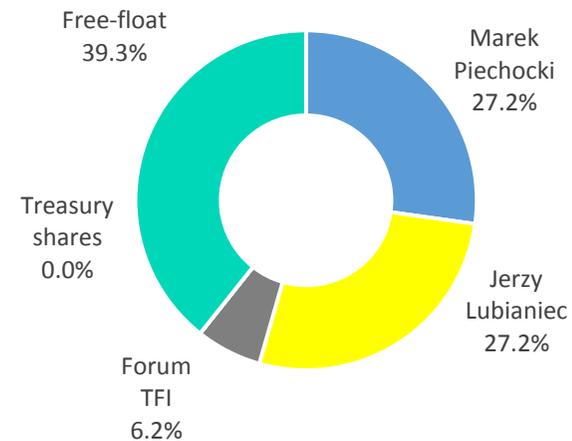
total no of shares: 1,835,207*



Shareholders by votes

(30.09.2016)

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.

* 4,084 subscription warrants conversion into shares was made in October 2016, increasing the number of shares outstanding to 1,839,291 and number of votes to 3,220,313. As a result, the CEO's stake in equity fell from 9.6% to 9.5%.

Management motivated by stock option plans

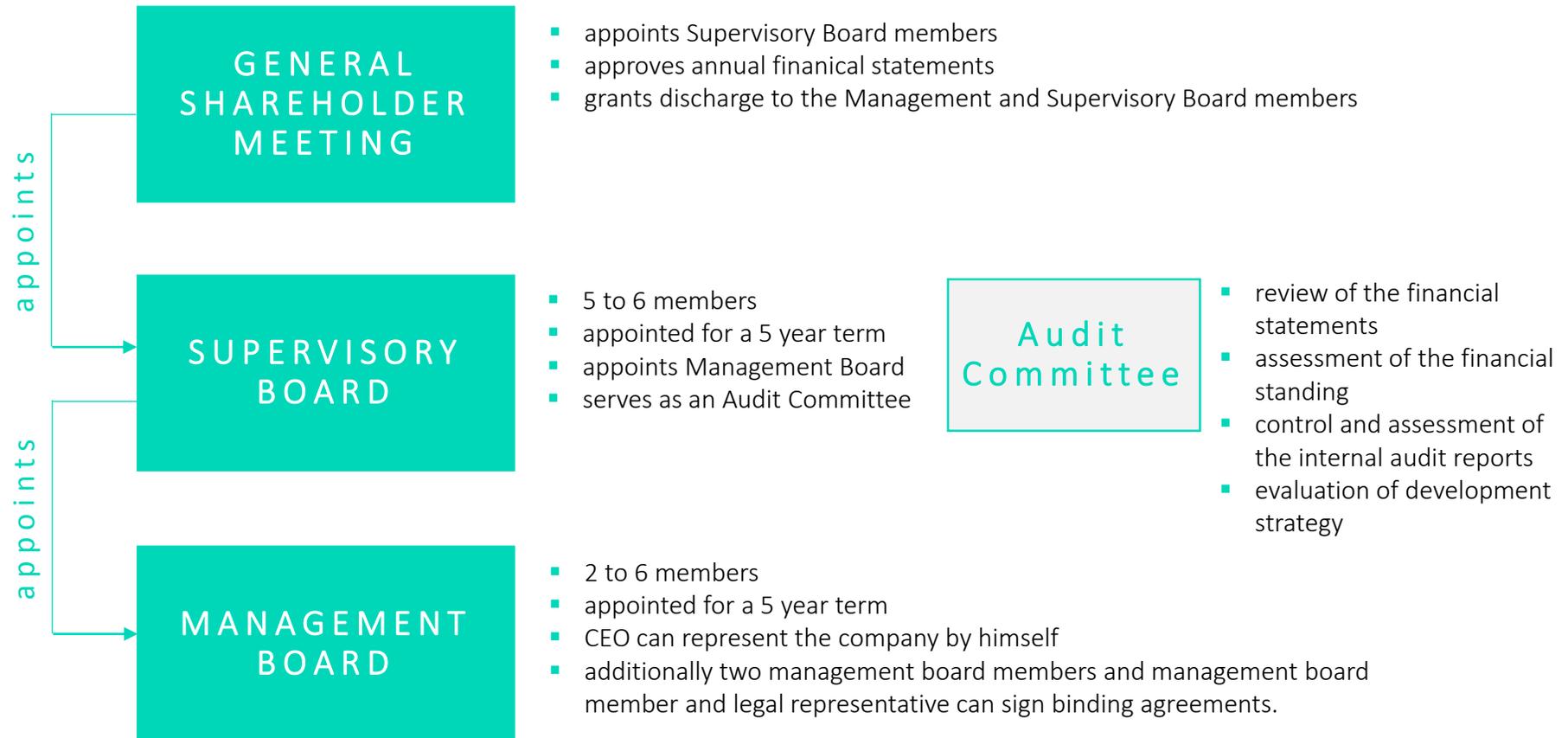
- Since 2011, there have been four stock option plans. Key summary below.

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	8,168*	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

* 4,084 subscription warrants were converted into shares in October 2016. As a result, the number of shares outstanding increased from 1,835,207 at the end of 3Q16 to 1,839,291.

- 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 all brands' AW16/17 collections.

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. 4.6% 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. 4.2% 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	-50%
3Y	-55%
5Y	+99%

MARKET DATA

Price (30.09.16)	PLN 3,835
Min 1Y	PLN 3,820
Max 1Y	PLN 7,776

Broad analytical coverage of LPP

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Investor relations' calendar



KEY DATES

February 2017	4Q16 results announcement
April 2017	2016 annual report
May 2017	1Q17 results publication
August 2017	2Q17 numbers announcement
November 2017	3Q17 results publication



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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, while from 2017 also Belarus and Kazakhstan.
SEE	Region including: Bulgaria, Romania, Croatia and from 2017 also Serbia.
WE	Region including Germany and from 2017 also the UK.
ME	Region including Egypt, Qatar, Kuwait, Saudi Arabia, United Arab Emirates.
Europe	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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RESERVED

 TALLINDER

MOHITO

 house

CROPP

sinsay