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

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

1) for the fourth quarter of 2016:

- Revenues: PLN 1,855 million,
- Gross profit on sales: PLN 943 million,
- SG&A costs: PLN 699 million,
- Operating profit (EBIT): PLN 202 million,
- Pre-tax profit: PLN 180 million,
- Net profit: PLN 158 million

2) for period from 01.01.2016 till 31.12.2016:

- Revenues: PLN 6,021 million,
- Gross profit on sales: PLN 2,935 million,
- SG&A costs: PLN 2,608 million,
- Operating profit (EBIT): PLN 229 million,
- Pre-tax profit: PLN 197 million,
- Net profit: PLN 176 million

Selected balance sheet data as at 31.12.2016:

- Inventories: PLN 1,165 million (approx. PLN 1,278/m²)
- Loan liabilities: PLN 510 million
- Cash: PLN 366 million

The increase in revenue in the fourth quarter of 2016 was 18% compared with the same period last year. Sales in comparable stores (LFL) in local currencies in the fourth quarter of 2016 increased by 5.1%, and cumulatively for the four quarters of 2016 by 6.4%.

Trade margin in the fourth quarter was 50.9% and was lower by 4.4 pp year-on-year due to a one-off operation involving the wholesale of old collections on stock to an external recipient.

Operating profit for the fourth quarter of 2016 amounted to PLN 202 million.

The balance of financial income and expenses in the fourth quarter of 2016 was negative and amounted to PLN 22 million.

In the fourth quarter of 2016, LPP generated a net profit of PLN 158 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 23th February 2016.

Art. 17 paragraph 1 of the MAR – confidential information

Signatures: Przemysław Lutkiewicz – Vice President of the Management Board

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