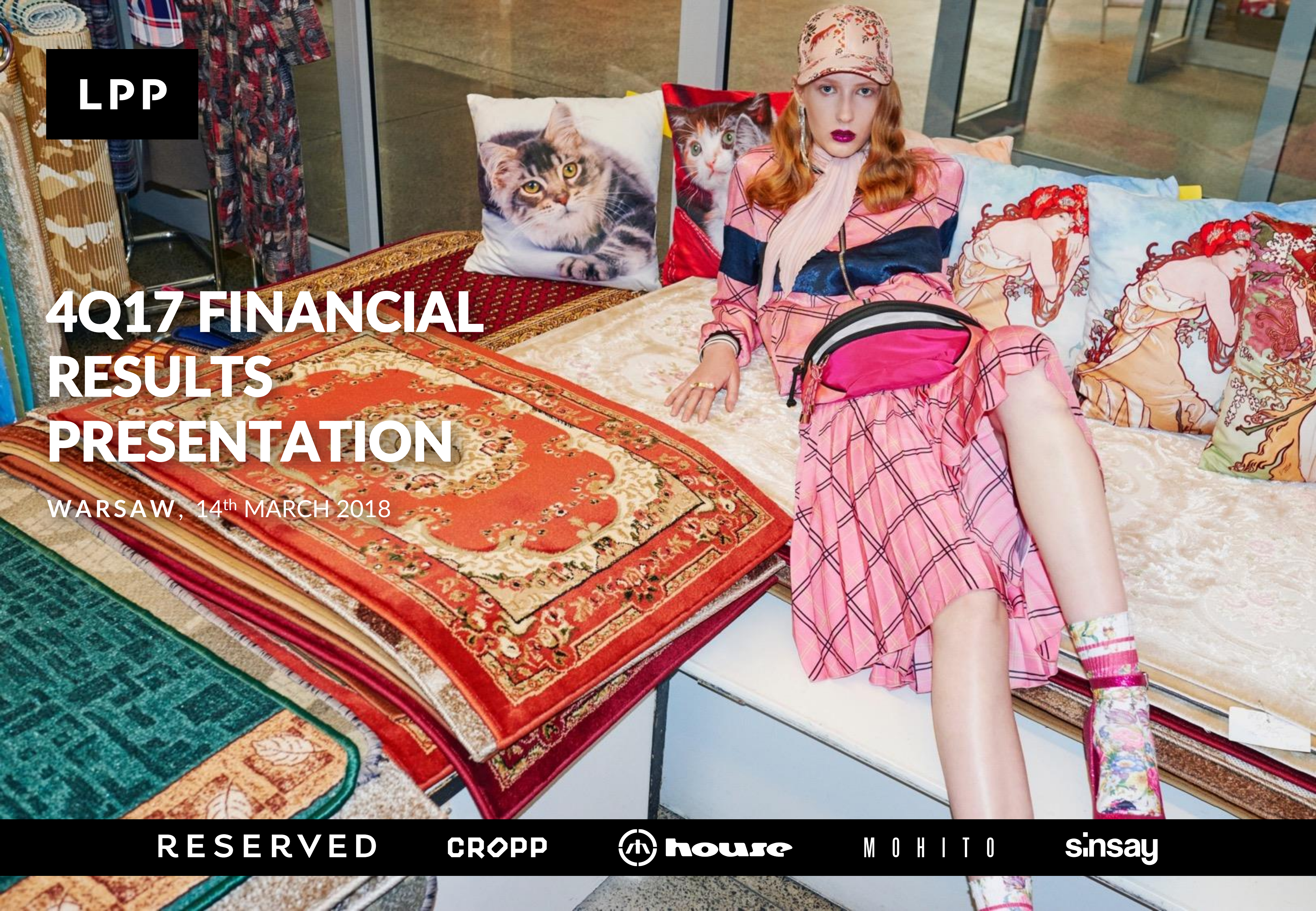

4Q17 FINANCIAL RESULTS PRESENTATION

WARSAW, 14th MARCH 2018

Disclaimer

LPP

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1. 4Q17 financial results

2. Key corporate events

3. 2018 outlook

Over PLN 7bn revenues in 2017

LPP

1,743
STORES

20
COUNTRIES

+9%
m2

+10%
LFLs

+108%
E-COMMERCE

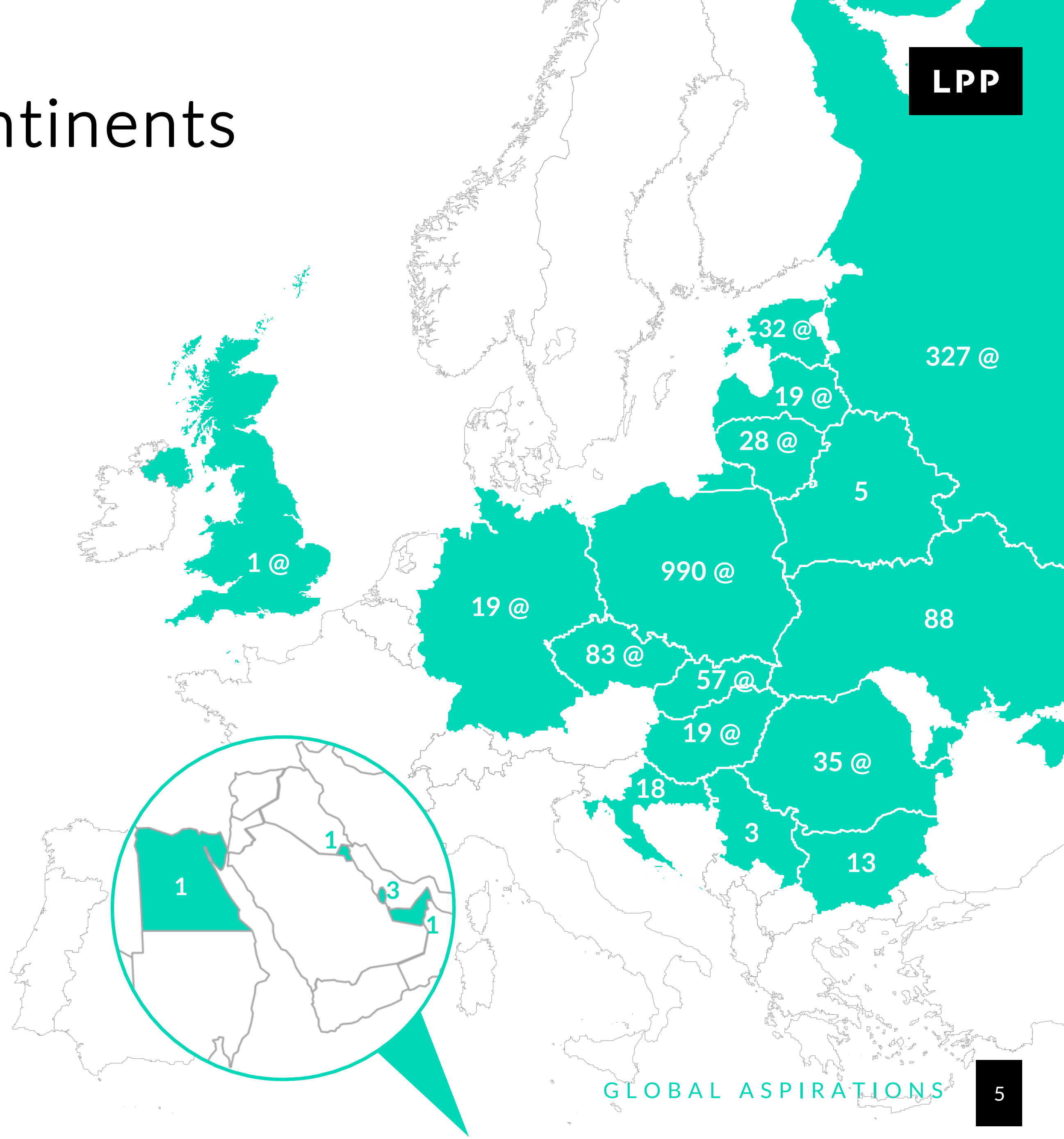
+17%
REVENUES

20 countries, 3 continents

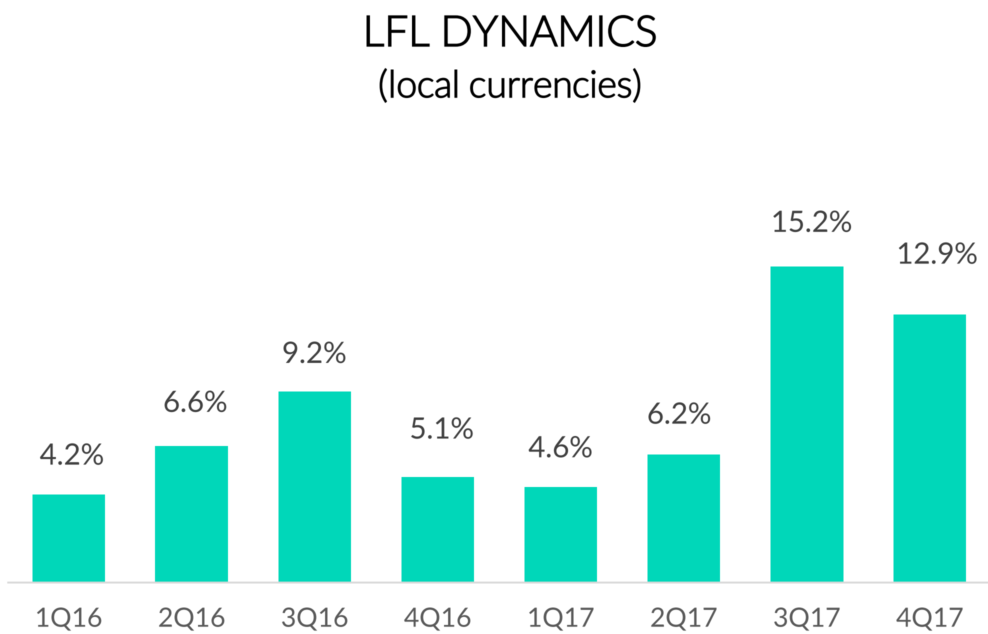
31.12.2017	No. of stores	YoY
LPP GROUP	**1,743**	**+40**
Reserved	468	+7
Cropp	381	+2
House	333	+3
Mohito	294	+4
Sinsay	233	+35
Tallinder	0	-9
Outlets	34	-2

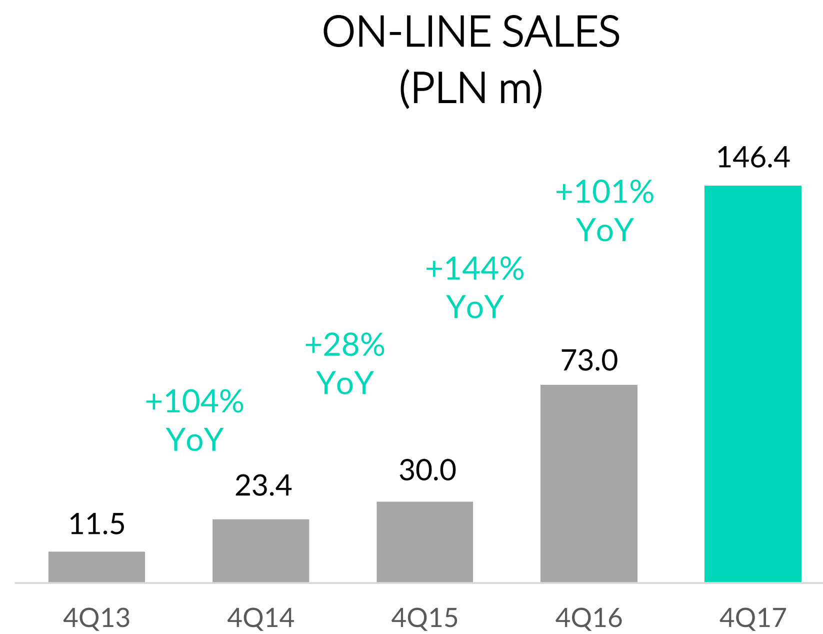
xx Number of stores

@ Internet stores



LFL and e-commerce growths





- LFLs were positive in each month and for each brand in 4Q17.
- 4Q17 LFLs were in the black in majority of countries (the highest growth rates were recorded in Romania, Croatia, Russia and the Baltic countries).
- On-line sales amounted to 8.1% revenues in Poland and 6.8% of group revenues in 4Q17.
- Further e-commerce growth due to investments in internet and mobile stores of all brands, development of e-stores outside Poland and marketing outlays.

Floorspace growths in all brands

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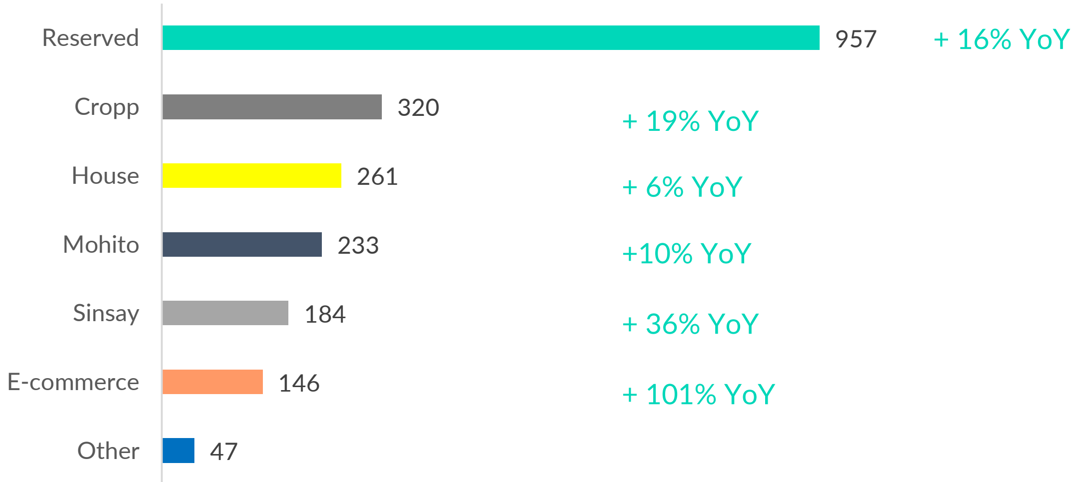
REVENUES BY BRANDS
(PLN m)



4Q17 FLOORSPACE
(by brands)

ths m2	4Q16	4Q17	YoY
LPP GROUP	920.7	1,000.6	8.7%
Reserved	509.1	562.3	10.5%
Cropp	120.4	127.2	5.7%
House	105.7	110.6	4.7%
Mohito	99.1	103.8	4.7%
Sinsay	69.8	84.6	21.2%
Tallinder	4.1	0.0	-100.0%
Outlets	12.6	12.1	-4.1%

- Dynamic Reserved 4Q17 revenue growth resulted from: floorspace development as well as more favourable YoY reception of brand's collections by customers (double-digit LFLs).
- Cropp in 4Q17: double-digit LFLs (the highest among brands) and double-digit revenue dynamics.
- Sinsay's floorspace and revenues grew at a higher pace than those of other LPP's brands, due to development in Poland and abroad.

Growths in key regions

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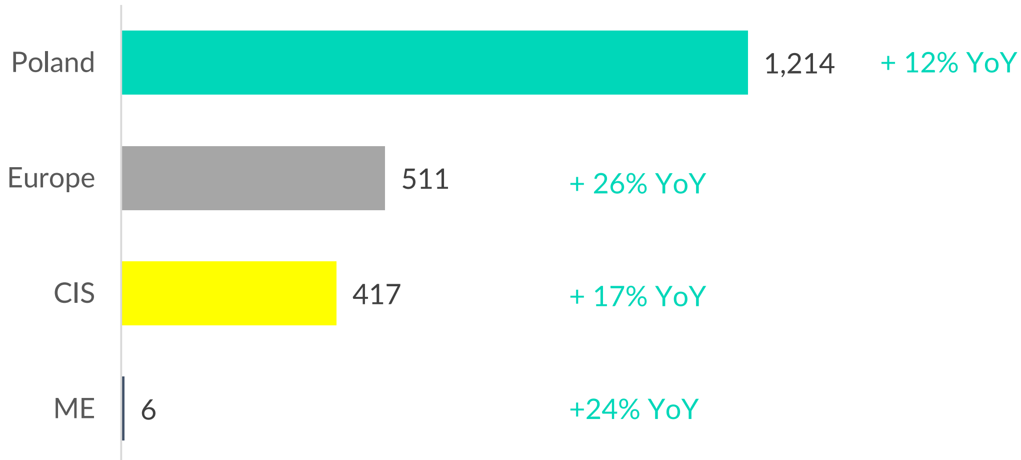
REVENUES BY REGIONS
(PLN m)



4Q17 FLOORSPACE
(by regions)

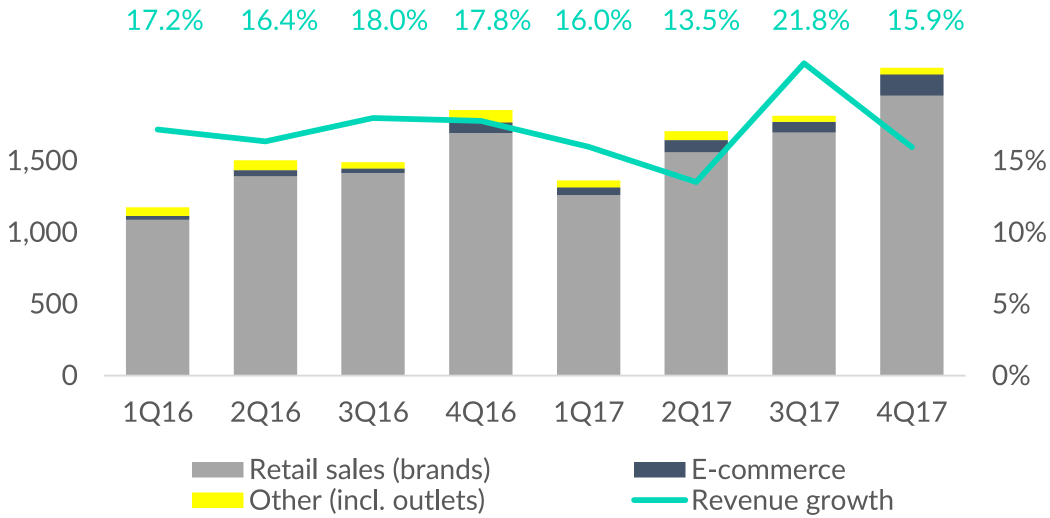
ths m2	4Q16	4Q17	YoY
LPP GROUP	920.7	1,000.6	8.7%
Poland	496.6	514.0	3.5%
Europe	209.5	232.8	11.1%
CIS	207.0	247.3	19.4%
ME	7.6	6.6	-13.3%

- Revenue growth in Poland higher than floorspace growth due to positive LFLs.
- Dynamic revenue and floorspace growth in Europe in 4Q17 among others due to development in the UK and Serbia.
- Acceleration of store openings in the CIS region, especially in 4Q17.
- Among countries, the highest nominal YoY revenue growth was recorded in Russia and Poland.

High sales/ m2 dynamics

LPP

GROUP REVENUES
(PLN m)

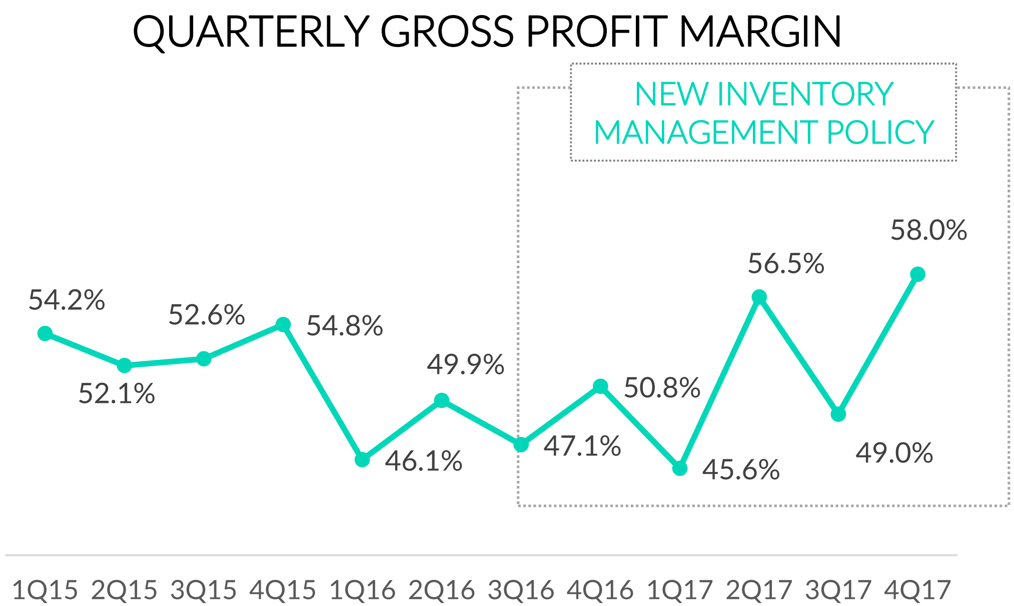


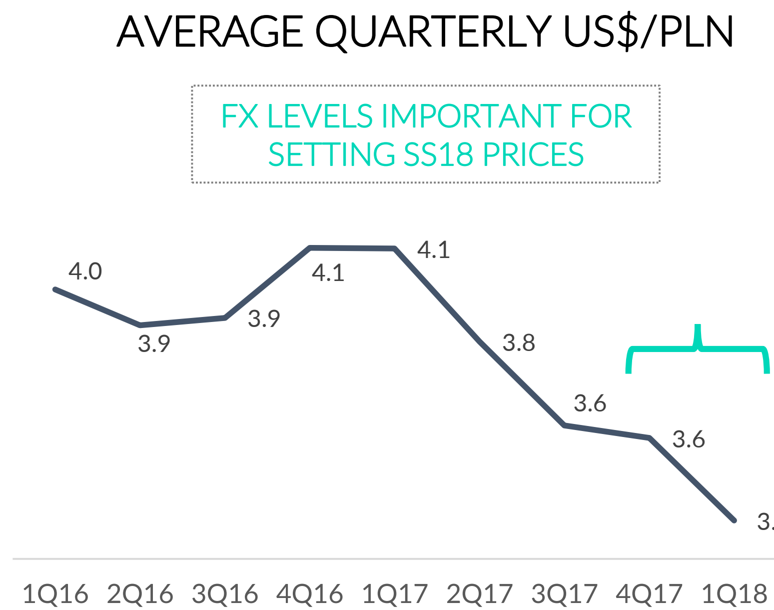
REVENUES/ M2

PLN (monthly)	4Q16	4Q17	YoY
LPP GROUP (retail)	659	731	11.0%
Poland	718	789	9.9%
Europe	649	732	12.9%
CIS	543	613	12.9%
LPP GROUP	680	741	9.0%

- Group revenues grew 15.9% YoY in 4Q17 due to higher floorspace, positive LFLs and high e-commerce growth.
- In 4Q17 retail sales/ m2 were double-digit higher YoY.
- The highest double-digit retail sales/ m2 were recorded in 4Q17 in Romania, Bulgaria and the Czech Republic.

Gross profit margin improvement continues

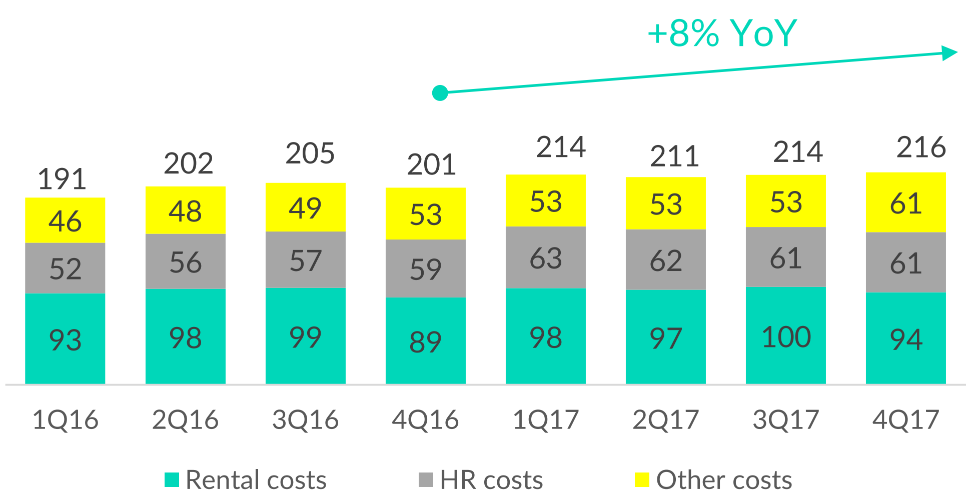




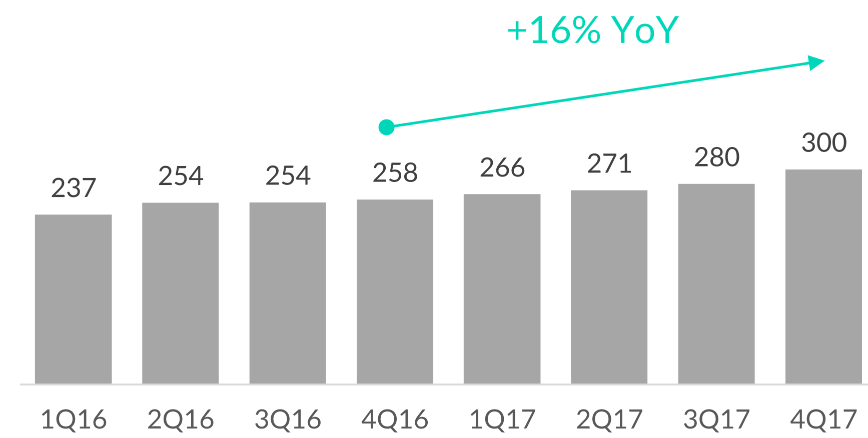
- Sizeable 4Q17 YoY gross profit margin pick-up, due to: (1) improved collections, (2) favourable FX trends, (3) new inventory management policy and (4) lack of one-off transaction, which lowered 4Q16 margin.
- Due to new inventory management policy we are better prepared for weather changes in the season.
- Appreciation of zloty versus dollar creates a cushion for margin and a possibility of lowering prices for customers.

Higher costs/ m2

COSTS OF OWN STORES/ M2



SG&A COSTS/ M2



- Higher YoY rental charges → greater impact of rentals related to turnover.
- YoY pick-up in personnel costs → growth in salaries across all countries.
- Higher YoY other costs of stores → higher usage of materials due to sizeable openings in 4Q17.
- Growth in SG&A/ m2 YoY → higher costs of headquarters (development of product divisions, further e-commerce expansion and resultant pick-up in logistics costs, higher on-line and off-line marketing costs) and higher costs of stores.

PLN 300m of net income in 4Q17

LPP

PLN m	4Q16	4Q17	YoY
Revenues	**1,853.4**	**2,148.9**	**15.9%**
Gross profit margin	50.8%	58.0%	7.2p.p.
SG&A costs	699.6	861.9	23.2%
EBIT	**199.1**	**376.7**	**89.2%**
EBIT margin	10.7%	17.5%	6.8p.p.
Adjusted EBIT	311.0	376.7	21.1%
Net income	**157.0**	**299.5**	**90.7%**

- Dynamic group revenue growth:
  - positive LFLs and floorspace growth,
  - on-line sales increase.
- Sizeable gross profit margin growth, due to improved collections, more favourable FX, introduction of new inventory management policy and a lack of one-off transaction present in 4Q16.
- SG&A growth above top-line growth due to significant number of openings in 4Q17 and one-off costs related to the launch of logistics and marketing.
- Stable net financials:
  - lower interest due to lower indebtedness,
  - higher FX losses.
- Doubling net profit.

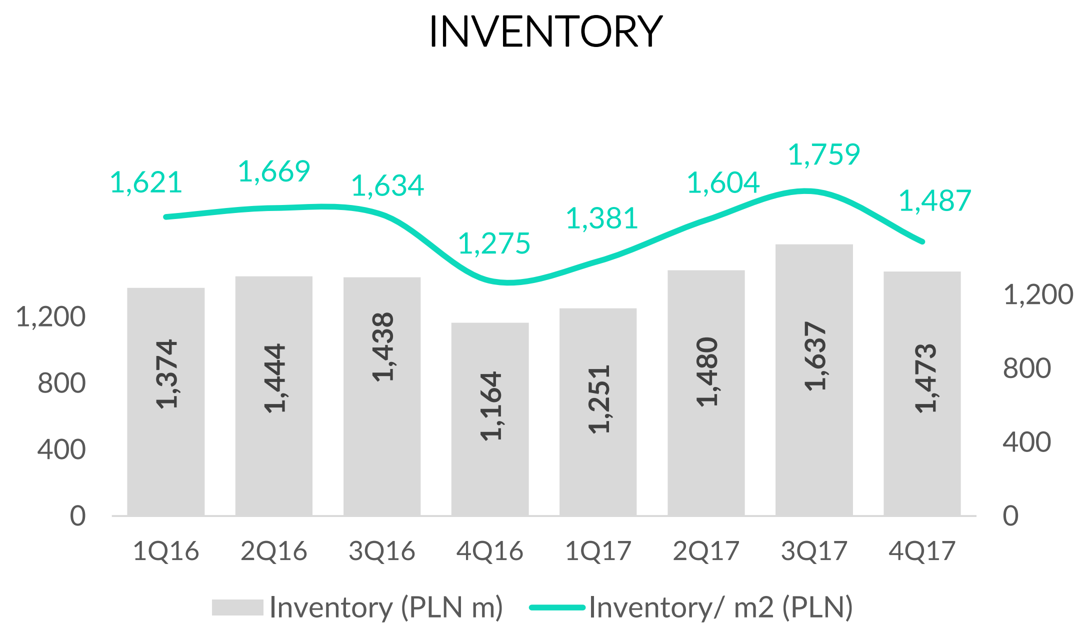
Triple-digit earnings growth in 2017

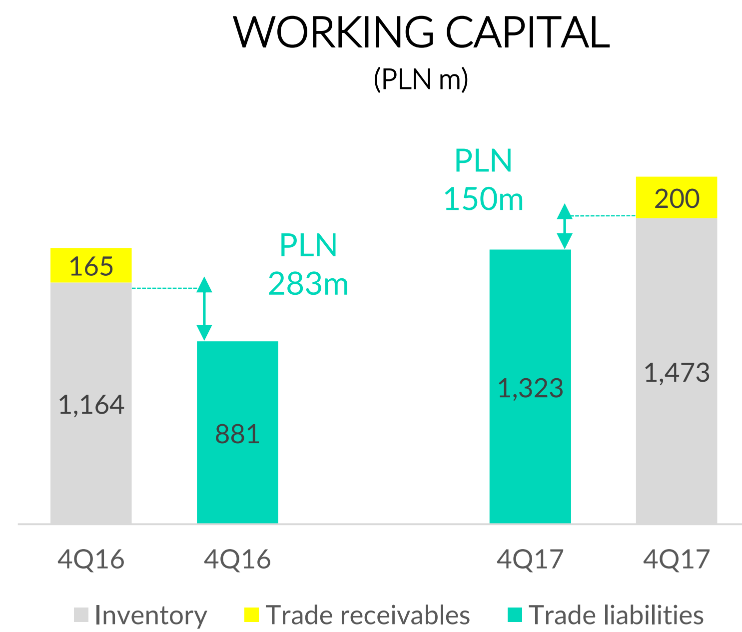
LPP

PLN m	2016	2017	YoY
Revenues	**6,019.0**	**7,029.4**	**16.8%**
Gross profit margin	48.7%	52.9%	4.2p.p.
SG&A costs	2,608.8	3,099.9	18.8%
EBIT	**226.4**	**578.4**	**155.5%**
EBIT margin	3.8%	8.2%	4.4p.p.
Net profit	**174.8**	**440.9**	**152.2%**

- Dynamic group revenue growth due to favourable developments in both business lines: traditional stores (positive changes in Reserved) and in e-commerce.
- Gross profit margin pick-up, due to new inventory management policy and improved collections.
- SG&A costs growth above sales growth due to investments in headquarters and e-commerce.
- Other operating line more favourable YoY due to sizeable write-offs in 2016 (PLN 24.6m of write-offs and provisions for closing down the Tallinder and PLN 28.4m write-offs related to inventories).
- More favourable net financials:
  - lower interest due to lower indebtedness,
  - higher FX losses.
- High pre-tax and net income dynamics.

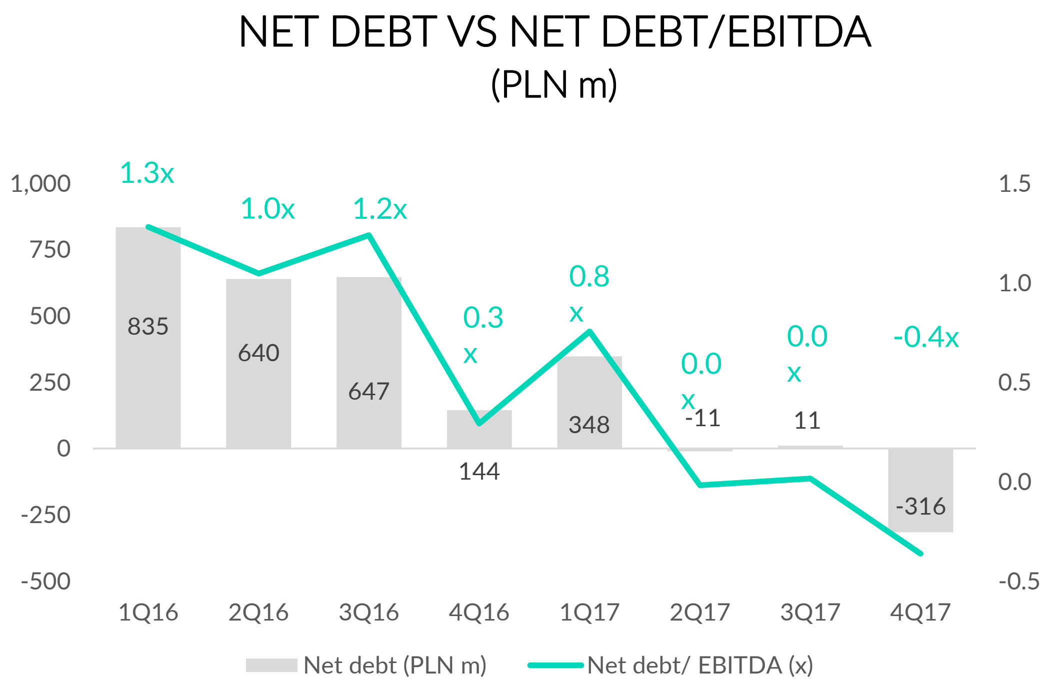
Freeing up working capital even further

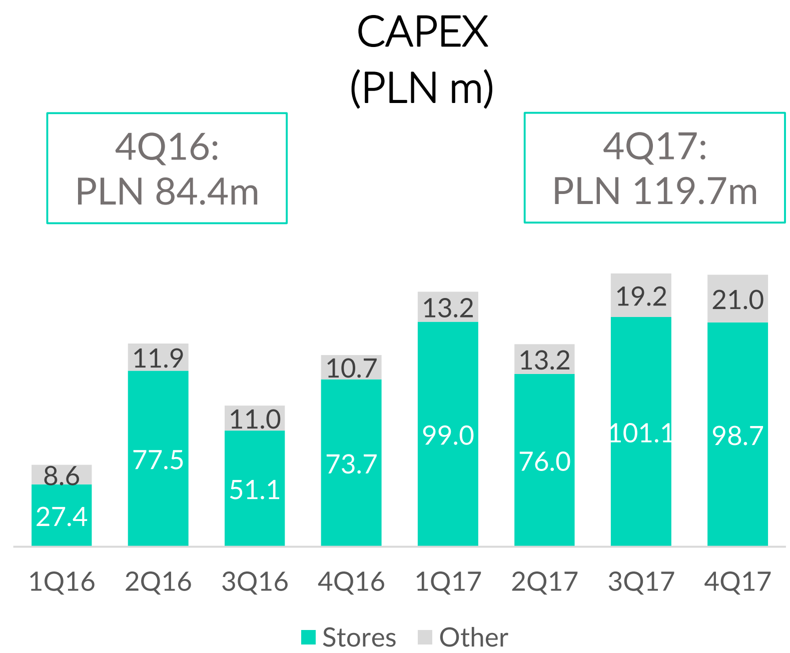




- 26% YoY growth in inventory and 16% YoY growth in inventory/ m2, despite strong sales due to higher YoY level of SS18 collections (collection has been sourced earlier) and dynamic growth in e-commerce.
- Higher YoY receivables due to a sizeable amount of credit card and payment cards transaction at the year end.
- PLN 360m additional liabilities at the end of 4Q17 due to supplier financing programme.
- Our aim is to match liabilities to the inventory level.

Sizeable net debt reduction





- 4Q17 capex grew 42% YoY due to accumulation of store openings and higher costs of stores modernisation.
- Fall in long-term and short-term debt due to favourable operating cash flows and supply chain financing.
- Our aim is to keep net cash in upcoming quarters due to further development of supplier financing programme.

2017 executive summary

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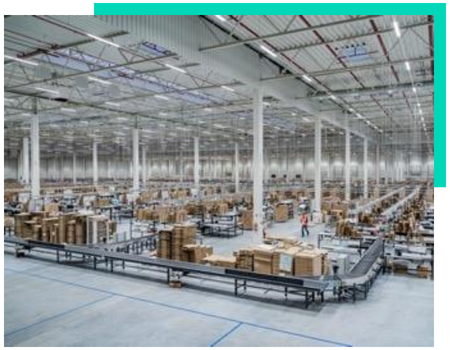
1. Stores in 20 countries – entry into Belarus, Serbia and United Kingdom.
2. E-stores in 11 countries – triple-digit e-commerce growth continues.
3. High LFLs (success of Reserved collection).
4. Gross profit margin continues to rise YoY.
5. Net cash at the end of 2017.

1. 4Q17 financial results

2. Key corporate events

3. 2018 outlook

Key corporate events



2 NEW E-COMMERCE LCs

Arvato e-commerce logistics centre in Strykow (central Poland) and e-commerce center for Russia (Moscow).

November 2017

ACCELERATION IN THE EAST

Opening of stores of all brands in the East. New stores in Russia, Ukraine and Belarus. Launch of e-commerce in Russia.

Nov. – Dec. 2017

NEW RESERVED IN WARSAW

New Reserved store in Open to Public concept in Zlote Tarasy shopping mall in Warsaw.

2,500 m2

December 2017

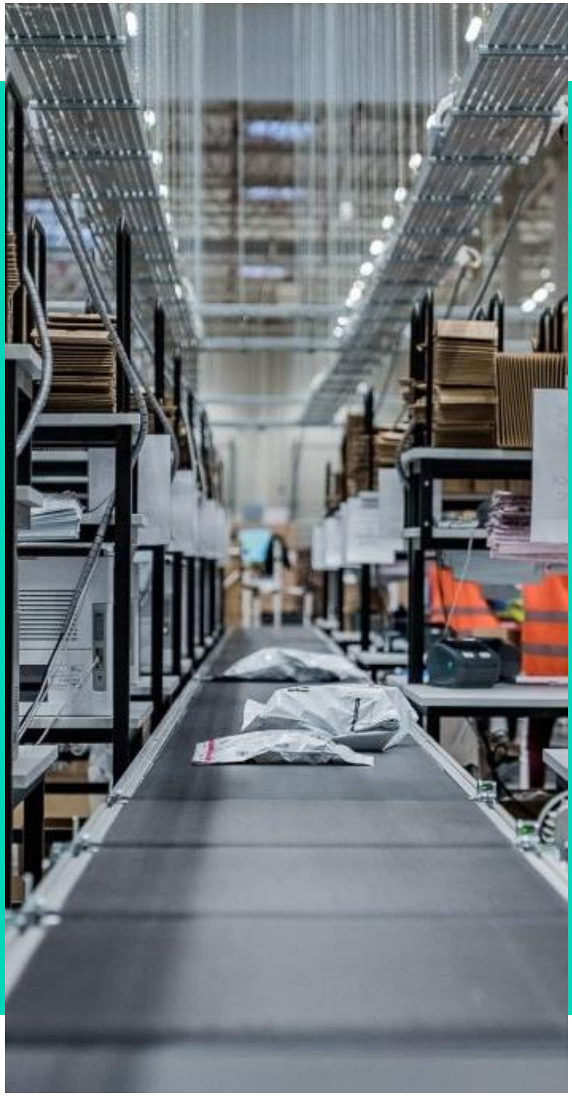
LPP AMONG FAMILY COMPANIES

LPP joined the Family Companies Association - Family Business Network Poland.

December 2017

Successful launch of two new logistics centers

LPP



EXISTING		FUTURE
POLAND	RUSSIA	
Pruszcz Gdanski 66 ths m2 owned	Moscow stores 9.5 ths m2 rented	We are considering renting a warehouse in the UK.
Strykow 30 ths m2 (possibility of extending to 60 ths m2) rented	Moscow e-commerce 7 ths m2 rented	We are considering renting a warehouse in SEE.

Acceleration development in the East in 4Q17

ROSTOW, RUSSIA

KIEV, UKRAINE

MINSK, BELARUS

- In 4Q17 we opened 60.7 ths m2 i.e. c. 75% of all 2017 openings.
- The CIS region had the largest share in openings. We opened 28.6 ths m2 in Russia, Ukraine and Belarus.
- Openings took place in big cities and smaller towns. Geographical expansion of all brands.
- In 4Q17 we launched e-commerce in Russia for 4 our brands: Reserved, House, Mohito and Sinsay. Cropp on-line store was launched in 1Q18.

Reserved Open to Public in Warsaw

- New Reserved store in *Open to Public* concept in Zlote Tarasy shopping mall in Warsaw.
- Modern LED screens, moving mannequins, automated changing rooms and the entire collection within the sight of the customer.
- Area: 2,500 m2.
- Two floors: ground floor with women collection, first floor with children and men garments.
- Overall, we have stores of four our brands (Reserved, Cropp, Mohito, Sinsay) at Zlote Tarasy shopping mall with and with an overall floorspace of 4,400 m2.

A socially responsible Polish family company

- Created and managed by Polish entrepreneurs
- SGS
- ACCORD
- Member of the Family Business Network Poland
- First Fitting
- LPP's Ambassador Programme
- LPP TEAM for Kids.

1. 4Q17 financial results

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One million m2 of retail floorspace

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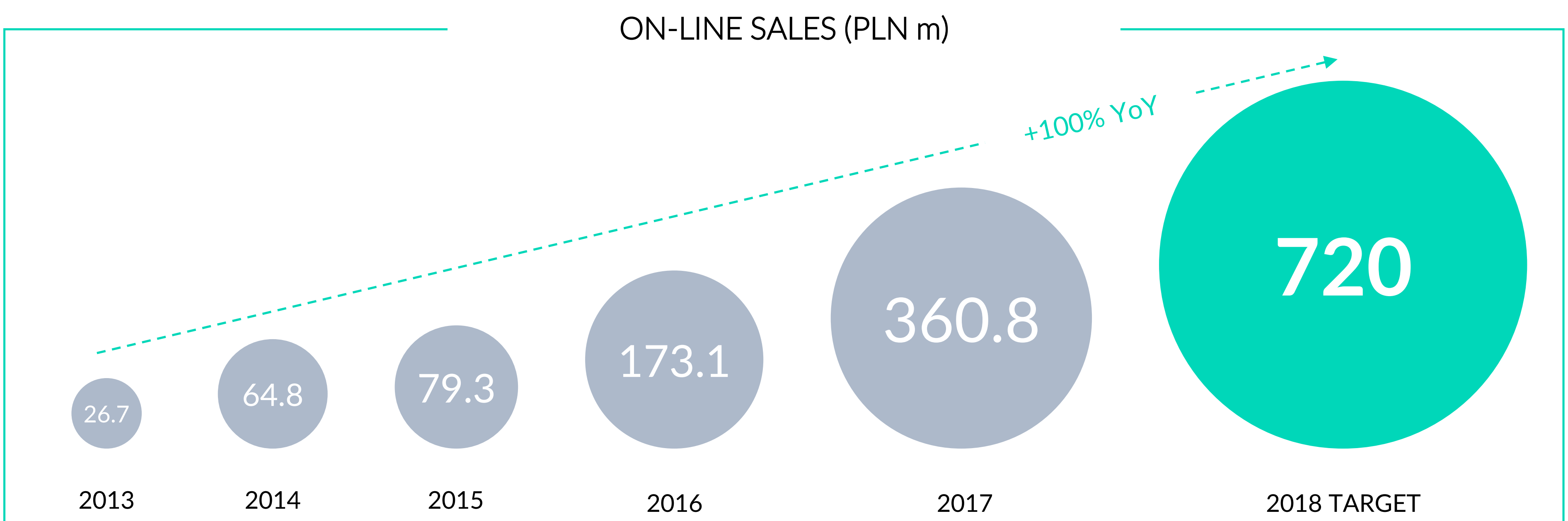
Floorspace (ths m2)	2017	2018 former target	2018 target	YoY
BY BRANDS				
Reserved	562.3	627.5	628.9	12%
Cropp	127.2	131.4	132.7	4%
House	110.6	114.9	114.7	4%
Mohito	103.8	108.3	109.5	6%
Sinsay	84.6	107.2	107.4	27%
Outlets	12.1	11.0	11.8	-2%
BY REGIONS				
Polska	514.0	533.6	527.4	3%
Europa	232.8	282.7	285.3	23%
CIS	247.3	275.0	284.1	15%
ME	6.6	9.1	8.4	28%
TOTAL	**1,000.6**	**1,100.4**	**1,105.1**	**10%**

- 10% YoY floorspace growth in 2018.
- Reserved stores in 23 countries at the end of 2018.
- 3 new markets in 2018:
  - Kazakhstan and Slovenia (own stores),
  - Israel (franchise stores).
- 2018 target:
  - selective development in Poland,
  - acceleration of growth in Europe (emphasis on South-Eastern Europe),
  - further development in the CIS region,
  - return to growth in the Middle East.
- Planned 2018 capex at c. PLN 520m, up c. 18% YoY. Planned store capex at PLN 350m, HQs outlays at PLN 95m and IT and logistics outlays at PLN 75m.

Triple-digit on-line sales growth



2018 target: **100% YoY** on-line sales growth.

We plan to launch e-commerce in **Ukraine** in 2H18

Further investments in logistics and HQs

2 SOURCES OFCAPEX (EXCL. STORES)

OFFICES

FURTHER EXPANSION

PLN 720m
in 2018-20

LOGISTICS

2018 outlook

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OPPORTUNITIES

LPP's stores in new countries.

E-commerce in new countries.

2018 TARGETS

Continuation of double-digit revenue growth due to floorspace development and e-commerce.

Group's gross profit margin should be between 54-55% (higher YoY).

Net cash to continue.

RISKS

Ban on trade on Sundays (18% of Polish revenues).

Unfavorable FX trends on US$, EUR, RUB versus PLN.

Poland is the most important country in CEE

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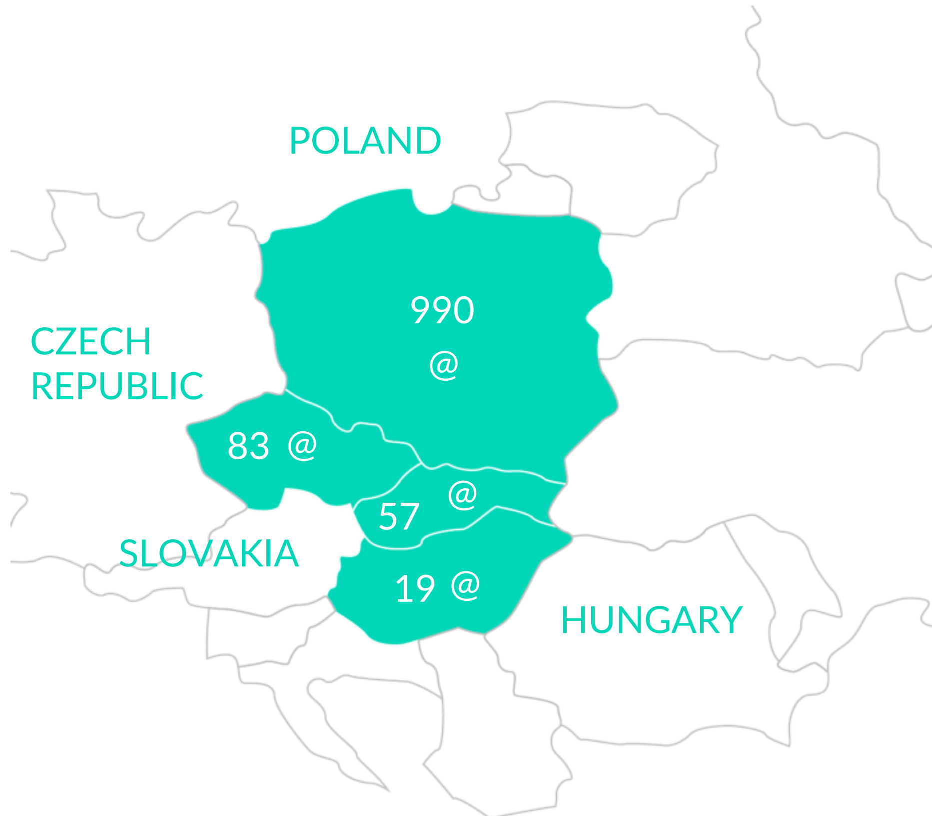
POLAND

- Poland will remain the most important market in 2018.
- Mature market - focus on:
    - increasing LFL (emphasis on RESERVED),
    - modernizations of stores and openings of Reserved and Sinsay (higher 2018 floorspace but lower number of stores),
    - e-commerce development.
- Command center - this is where ideas for collections and development are created.

CZECH REPUBLIC, SLOVAKIA, HUNGARY

- Concentration on growth in 2018:
    - sales efficiency in traditional stores,
    - on-line sales of all brands.

CENTRAL AND EASTERN EUROPE



xx No. of stores, end-2017

@ Internet stores

Further development in SEE

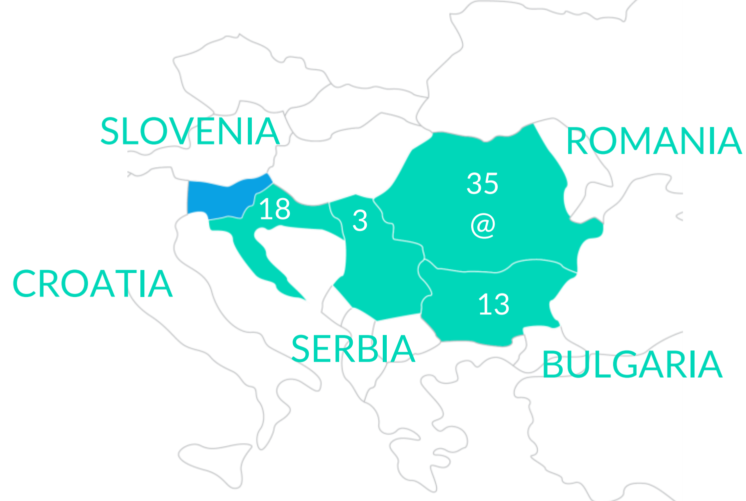
ROMANIA, BULGARIA, CROATIA, SERBIA, SLOVENIA

- Successful entry into Serbia in 2017. Potential to open more stores.
- In 2018, entry into the fifth country in the region - Slovenia.
- E-commerce in each of five countries of the region by the end 2018.

LITHUANIA, LATVIA, ESTONIA

- Enlargement of existing stores rather than new store openings.
- Further development of e-commerce in each country.

SOUTH EASTERN EUROPE



BALTIC

xx Number of stores, end-2017

@ Internet stores

Planned countries

Continuation of development in the East

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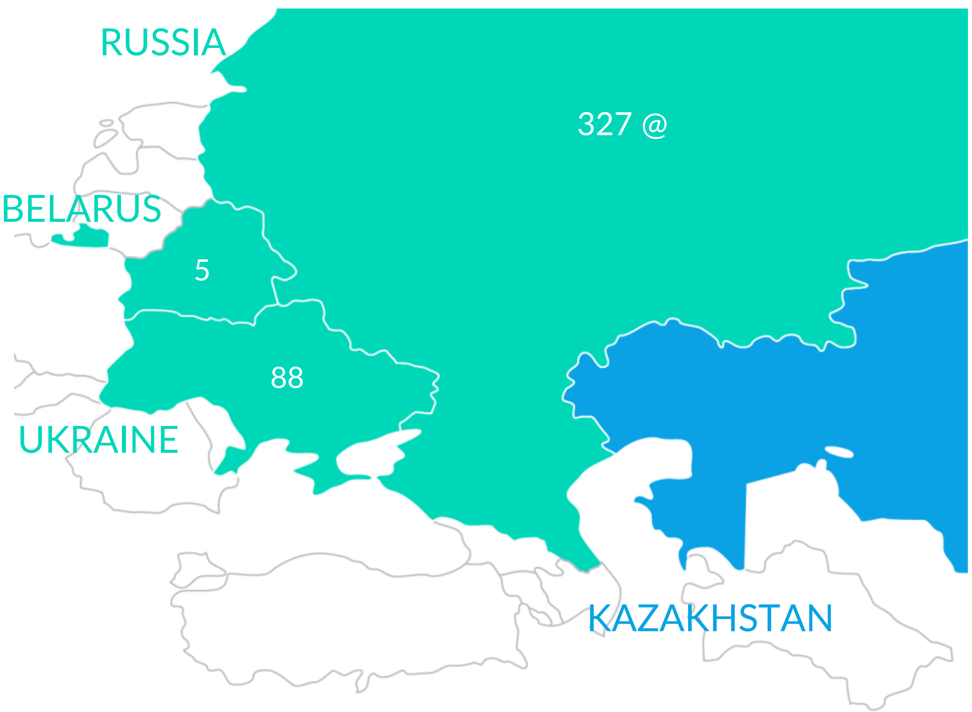
RUSSIA, UKRAINE

- Further development in Russia and Ukraine (+12 ths m2 in each of these countries). Opening of stores of all brands.
- Dynamic on-line development:
  - Russia - launch of Cropp on-line in 1Q18; now all brands are on-line,
  - Ukraine - launch on-line in 2H18.

BELARUS, KAZAKHSTAN

- Stabilization of franchise network in 2018 - a three-year plan achieved in one year.
- Opening of Reserved store in Kazakhstan in 2018. Five stores in three years.

DEVELOPMENT IN THE EAST



xx Number of stores, end-2017

@ Internet stores

Planned countries

Efficiency improvement in Western Europe

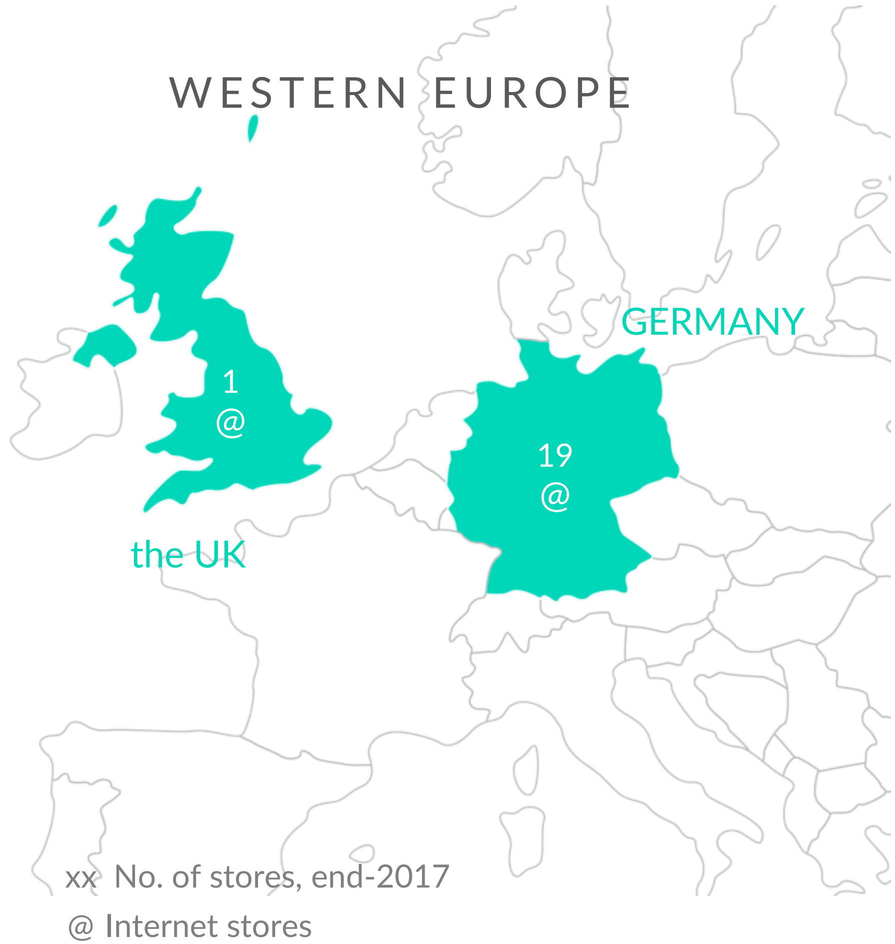
LPP

GERMANY

- 20th Reserved store in Germany (in Frankfurt am Main) to be opened by year end.
- Focus on traditional network efficiency, increasing Reserved brand recognition and sales per m2.
- Acceleration of e-commerce development.

the UK

- Focus on Oxford Street/ London flagship. New collections, global advertising, beneficial effects of wheel traffic closure.
- On-line development – plan to launch a local logistics centre.



New country in the Middle East

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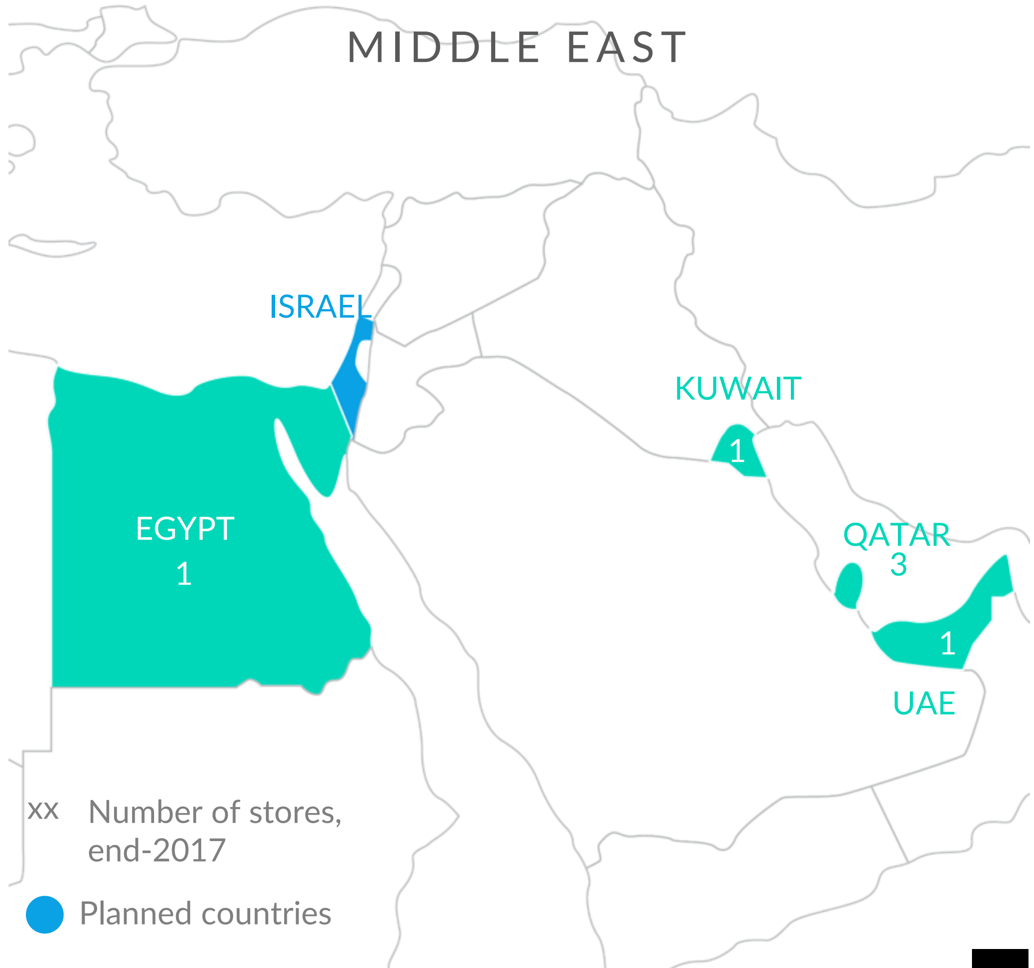
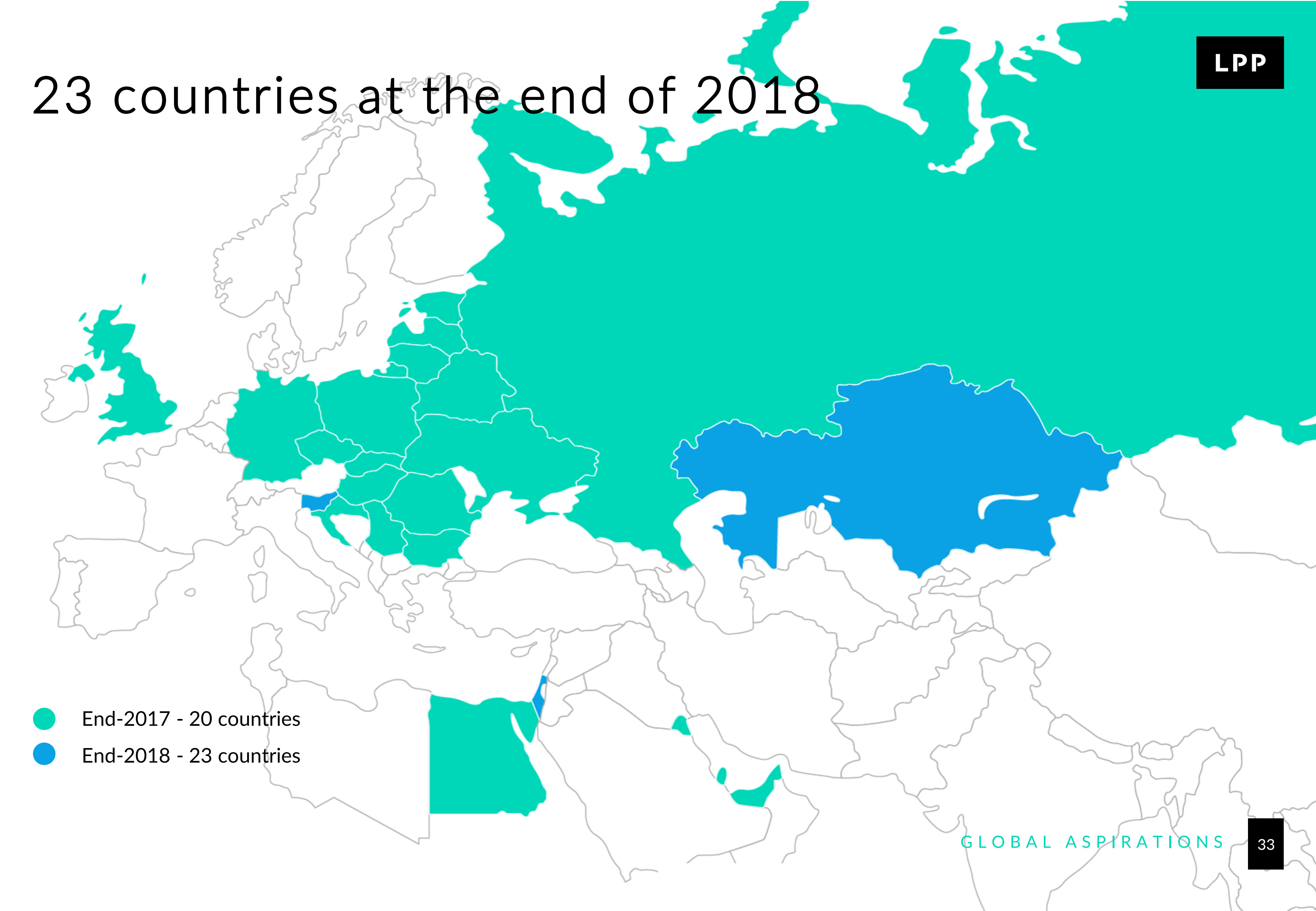
FRANCHISE-BASED DEVELOPMENT

- Growth in the Middle East only through franchise stores (no capex).
- We plan to enter Israel in 2018.
- First two Reserved stores in 2H18.



23 countries at the end of 2018



Changes in information policy

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2018

- From 2018, no more monthly trading updates. Our European competitors do not share such data.
- Instead, quarterly data with preliminary financial results (estimated sales, margin and EBIT) to be published on the first business day after the end of the quarter.

2019

From **2019**, **IFRS 16** enters into force and with it a change in the presentation of leases of retail space.

3 areas of changes:

- balance sheet recognition of a liability equal to discounted rental payments (lease obligations),
- balance sheet recognition of asset showing the right to use the floorspace rented,
- changes within cost structure: lower rentals but pick-up in depreciation charge.

As a result, higher EBITDA and financial charges (incl. FX differences).

Q&A

Back-up

Network development

Floorspace (ths m2)	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016	31.03.2017	30.06.2017	30.09.2017	31.12.2017
Reserved	**461.3**	**467.1**	**473.8**	**487.2**	**509.1**	**510.7**	**520.8**	**526.8**	**562.3**
Poland	232.5	230.9	235.1	232.0	248.7	245.9	247.4	247.9	266.8
Europe	120.2	124.0	127.2	140.0	144.1	147.7	151.3	157.6	160.8
CIS	103.1	104.6	103.9	107.7	108.7	109.5	114.0	114.7	128.1
ME	5.5	7.6	7.6	7.6	7.6	7.6	8.2	6.6	6.6
Cropp	**114.5**	**115.4**	**117.8**	**116.7**	**120.4**	**120.1**	**121.9**	**121.4**	**127.2**
Poland	63.0	63.6	65.2	63.0	65.3	65.1	66.5	64.9	65.7
Europe	19.8	20.2	20.6	21.0	21.2	21.0	20.8	21.2	22.3
CIS	31.7	31.6	31.9	32.8	34.0	34.0	34.7	35.3	39.3
House	**99.7**	**100.5**	**104.8**	**103.8**	**105.7**	**102.9**	**106.6**	**105.6**	**110.6**
Poland	62.2	62.9	65.4	63.1	64.9	62.4	65.1	64.0	65.0
Europe	15.1	15.5	16.4	16.8	16.4	16.2	16.2	16.2	17.1
CIS	22.4	22.0	23.1	23.9	24.3	24.3	25.4	25.4	28.6
Mohito	**94.5**	**94.9**	**95.9**	**97.6**	**99.1**	**97.8**	**99.3**	**98.5**	**103.8**
Poland	52.1	52.5	51.8	52.4	53.4	51.7	52.6	52.1	53.0
Europe	16.1	16.5	17.7	18.1	18.1	18.1	18.1	18.1	19.7
CIS	26.2	25.9	26.3	27.1	27.7	28.0	28.6	28.4	31.1
Sinsay	**59.7**	**60.5**	**63.1**	**65.2**	**69.8**	**69.8**	**72.5**	**76.0**	**84.6**
Poland	43.5	43.9	44.5	45.5	48.6	48.6	49.0	50.9	53.2
Europe	7.6	8.0	8.8	9.2	9.7	9.7	10.4	10.9	12.8
CIS	8.6	8.6	9.8	10.5	11.5	11.5	13.1	14.2	18.7
Tallinder (Poland only)	**0.0**	**2.9**	**3.7**	**3.7**	**4.1**	**0.0**	**0.0**	**0.0**	**0.0**
Outlets	13.8	13.8	13.8	13.8	12.6	12.6	12.6	11.6	12.1
Total by regions									
Poland	465.0	468.3	477.4	471.2	496.6	485.3	492.1	490.5	514.0
Europe	179.0	184.4	190.8	205.2	209.5	212.8	216.9	224.1	232.8
CIS	193.9	194.7	196.9	204.0	207.0	208.2	216.5	218.7	247.3
ME	5.5	7.6	7.6	7.6	7.6	7.6	8.2	6.6	6.6
TOTAL	843.5	855.0	872.7	888.0	920.7	913.9	933.7	939.9	1,000.6

2017 network development details

LPP

Floorspace (ths m2)	31.12.2016	31.12.2017	Nom. growth	YoY
Reserved	**509.1**	**562.3**	**53.2**	**10%**
Poland	248.7	266.8	18.1	7%
Europe	144.1	160.8	16.7	12%
CIS	108.7	128.1	19.4	18%
ME	7.6	6.6	-1.0	-13%
Cropp	**120.4**	**127.2**	**6.8**	**6%**
Poland	65.3	65.7	0.4	1%
Europe	21.2	22.3	1.1	5%
CIS	34.0	39.3	5.3	16%
House	**105.7**	**110.6**	**5.0**	**5%**
Poland	64.9	65.0	0.0	0%
Europe	16.4	17.1	0.7	5%
CIS	24.3	28.6	4.2	17%
Mohito	**99.1**	**103.8**	**4.6**	**5%**
Poland	53.4	53.0	-0.4	-1%
Europe	18.1	19.7	1.6	9%
CIS	27.7	31.1	3.4	12%
Sinsay	**69.8**	**84.6**	**14.8**	**21%**
Poland	48.6	53.2	4.6	9%
Europe	9.7	12.8	3.1	32%
CIS	11.5	18.7	7.1	62%
Tallinder	**4.1**	**0.0**	**-4.1**	**-100%**
Polska	4.1	0.0	-4.1	-100%
Europa	0.0	0.0	0.0	0%
CIS	0.0	0.0	0.0	0%
Outlets	**12.6**	**12.1**	**-0.5**	**-4%**
Poland	11.6	10.3	-1.3	-11%
Europe	0.2	0.2	0.0	0%
CIS	0.8	1.6	0.8	97%
TOTAL	920.7	1,000.6	79.9	9%

No. of STORES	31.12.2016	31.12.2017	Nom. growth.	YoY
Reserved	**461**	**468**	**7**	**2%**
Poland	236	232	-4	-2%
Europe	116	119	3	3%
CIS	103	111	8	8%
ME	6	6	0	0%
Cropp	**379**	**381**	**2**	**1%**
Poland	219	211	-8	-4%
Europe	68	69	1	1%
CIS	92	101	9	10%
House	**330**	**333**	**3**	**1%**
Poland	212	205	-7	-3%
Europe	51	52	1	2%
CIS	67	76	9	13%
Mohito	**290**	**294**	**4**	**1%**
Poland	166	160	-6	-4%
Europe	57	53	-4	-7%
CIS	67	81	14	21%
Sinsay	**198**	**233**	**35**	**18%**
Poland	142	152	10	7%
Europe	26	33	7	27%
CIS	30	48	18	60%
Tallinder	**9**	**0**	**-9**	**-100%**
Poland	9	0	-9	-100%
Europe	0	0	0	0%
CIS	0	0	0	0%
Outlets	**36**	**34**	**-2**	**-6%**
Poland	33	30	-3	-9%
Europe	1	1	0	0%
CIS	2	3	2	50%
TOTAL	1,703	1,743	40	2%

Infrastructure spending plan for 2018-20

LPP

PLN m	2018	2019	2020	2018-2020
HQs	**96**	**90**	**140**	**326**
New offices, Gdansk Łakowa - Building 1	60	20		**80**
New offices, Gdansk Łakowa - Building 2		70		**70**
New offices, Gdansk Łakowa - Building 3			70	**70**
New offices, Gdansk Łakowa - Building 4			70	**70**
New offices in Cracow	36			**36**
Logistics	**32**	**166**	**200**	**398**
Expansion of Pruszcz Gdanski LC	32	16		**48**
New logistics centre in Central Poland		150	200	**350**
TOTAL	128	256	340	**724**

IFRS16 – financial statements impact

LPP

BALANCE SHEET

- Assets higher by some PLN 5 bn.
- Liabilities higher by some PLN 5 bn.

+ assets / +liabilities

INCOME STATEMENT

- Above EBIT: PLN 0.8 bn depreciation pick-up, but lack of PLN 1 bn rentals.
- Below EBIT: interest costs on liability (front-loading, higher charge in the early years).

++ EBITDA /+EBIT

CASH FLOW STATEMENT

- Operating cash flow: growth due to higher depreciation charge.
- Financing cash flow: higher costs, leasing payments.

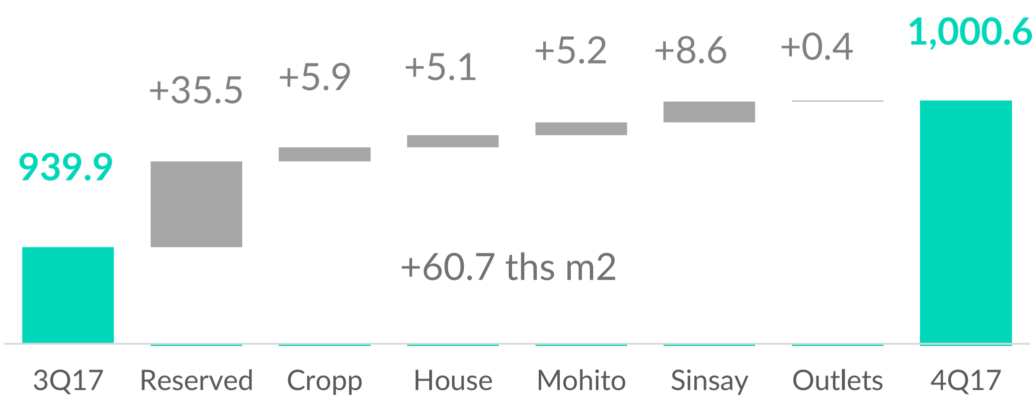
+ operating cash flows

APPLICATION: 2019 BALANCE OF OPENING AND LATER QUARTERS.

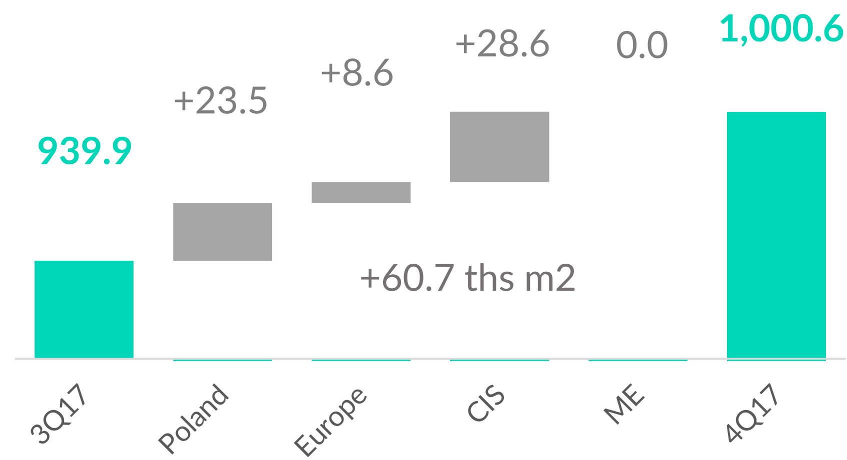
Changes in 4Q17 floorspace

LPP

CHANGE IN FLOORSPACE BY BRANDS
(ths m2)

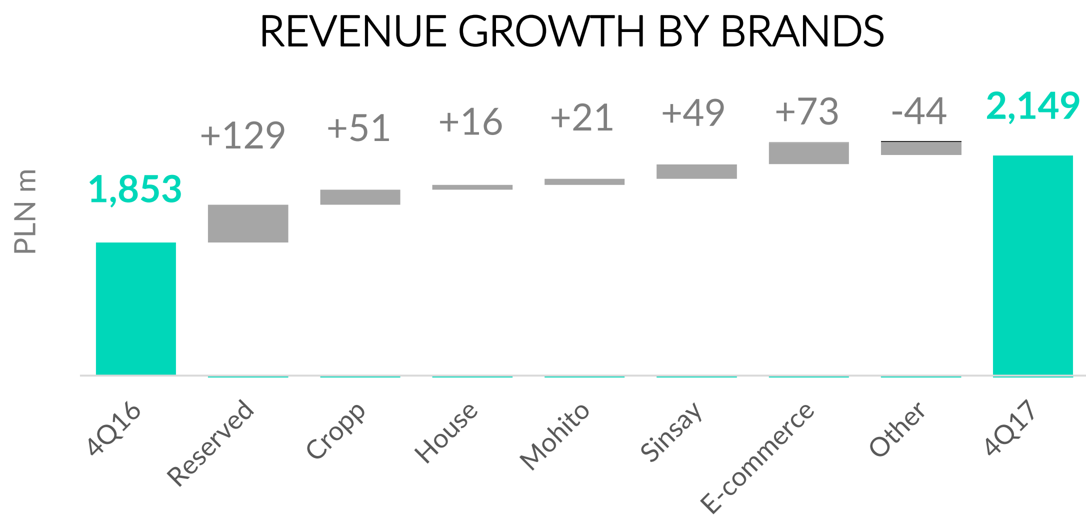


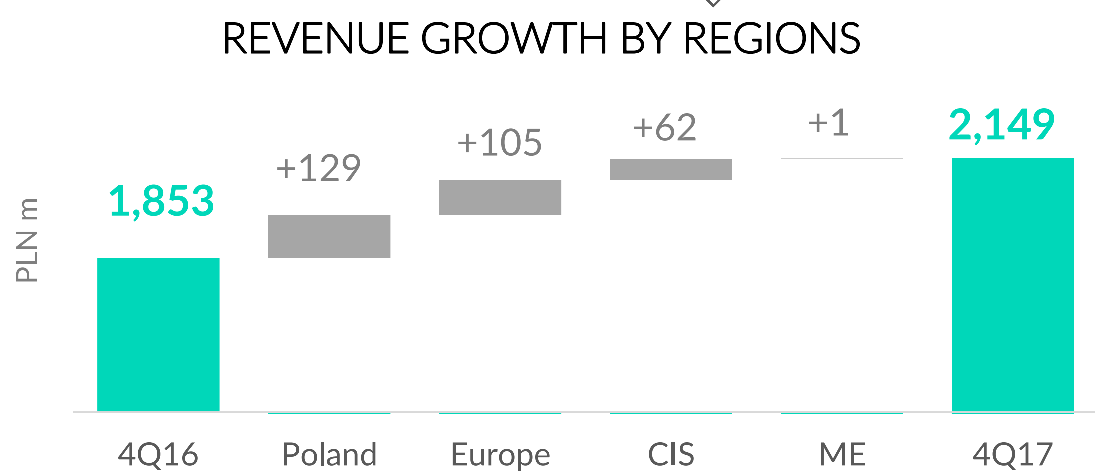
CHANGE IN FLOORSPACE BY REGIONS
(ths m2)



- Reserved development in 4Q17 resulted from the opening of new stores mainly in Poland, Russia and Ukraine as well as store expansion of existing stores. Dynamic development of Sinsay domestically and abroad.
- Acceleration of openings in the East - new stores in Russia (geographic expansion, cities around 1 million inhabitants, e.g. Rostow, Tula), in Ukraine (new stores, including in Kiev and Lviv) and Belarus (Minsk).
- Significant openings in Poland - new flagship in Warsaw (Zlote Tarasy), openings in cities, i.e. Wroclaw, Szczecin and Zielona Gora.

4Q17 revenue growth contributors

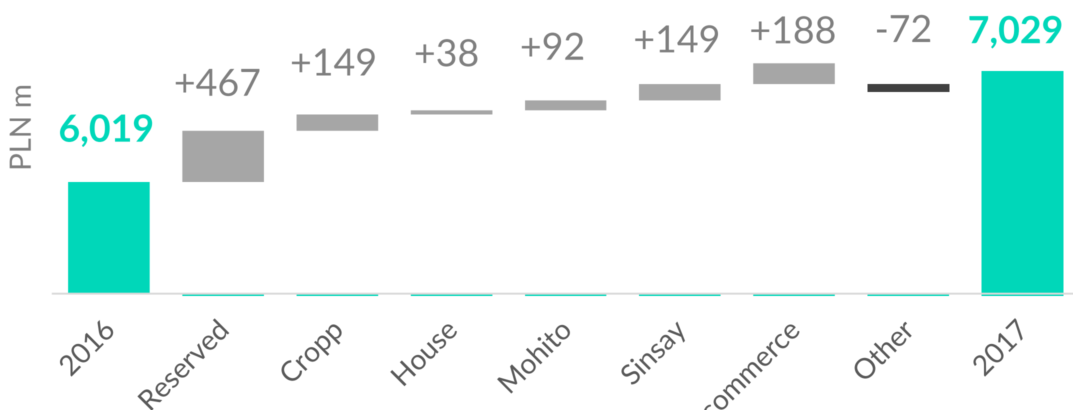




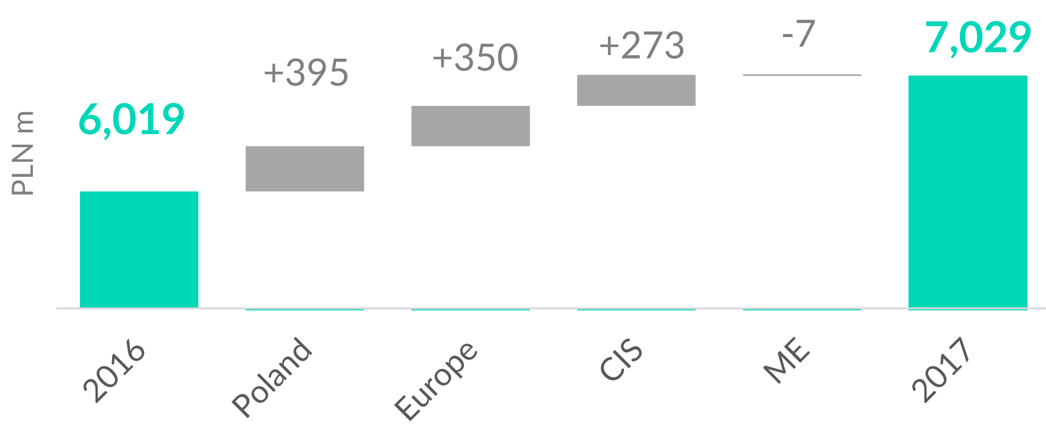
PLN m	4Q16	4Q17	YoY
LPP GROUP	**1,853.4**	**2,148.9**	**15.9%**
Reserved PL	435.6	489.9	12.5%
Reserved EX	392.4	467.4	19.1%
Cropp PL	142.1	157.4	10.8%
Cropp EX	126.6	162.5	28.4%
House PL	163.9	170.4	3.9%
House EX	81.1	90.5	11.6%
Mohito PL	119.1	131.3	10.3%
Mohito EX	92.4	101.3	9.6%
Sinsay PL	102.2	126.9	24.2%
Sinsay EX	33.1	57.4	73.4%
E-commerce	73.0	146.4	100.7%
Other	91.9	47.5	-48.4%

2017 revenue growth contributors

REVENUE GROWTH BY BRANDS

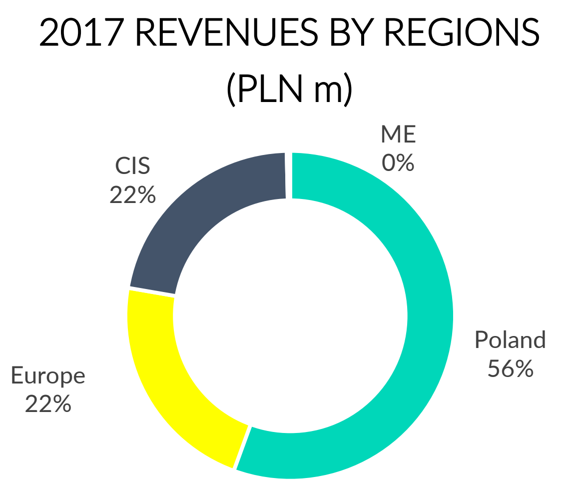


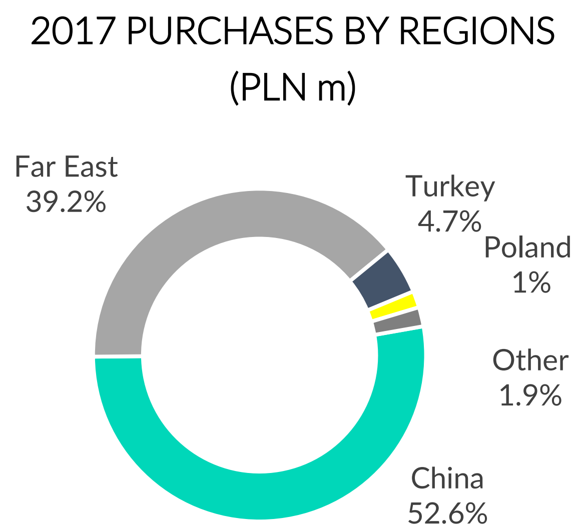
REVENUE GROWTH BY REGIONS

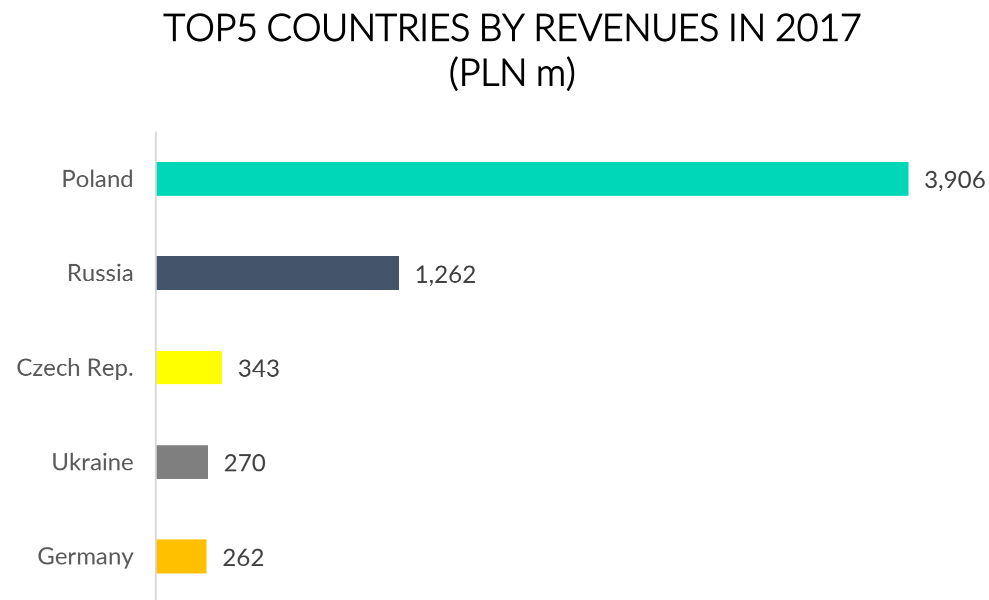


PLN m	2016	2017	YoY
LPP GROUP	**6,019.0**	**7,029.4**	**16.8%**
Reserved PL	1,407.0	1,560.5	10.9%
Reserved EX	1,285.9	1,599.0	24.3%
Cropp PL	497.4	540.5	8.7%
Cropp EX	417.5	523.4	25.4%
House PL	517.3	524.3	1.4%
House EX	249.9	281.0	12.5%
Mohito PL	405.5	445.4	9.9%
Mohito EX	331.3	383.1	15.6%
Sinsay PL	346.1	430.4	24.4%
Sinsay EX	114.8	179.8	56.7%
E-commerce	173.1	360.8	108.4%
Other	273.3	201.0	-26.5%

Revenue and COGS split

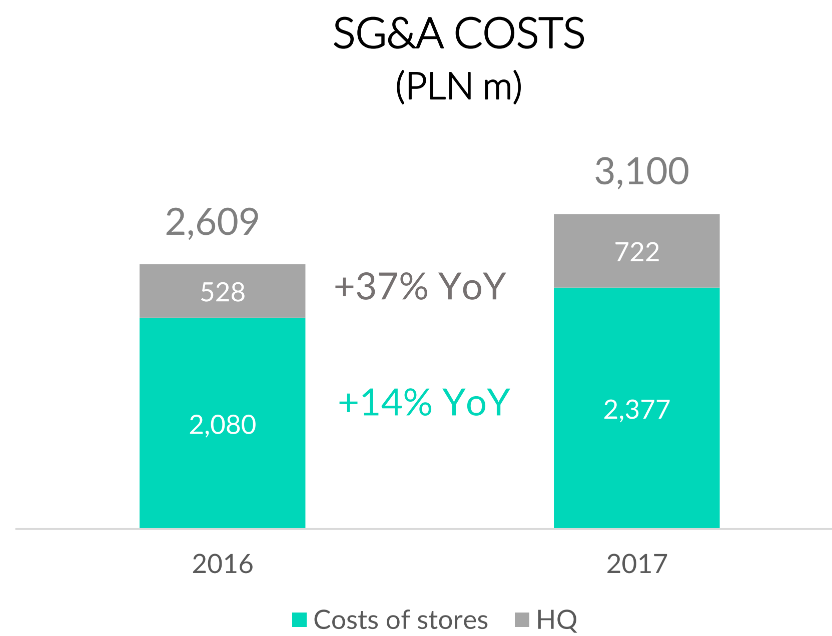






Poland remains our most important market.

Costs of stores and HQs



- Costs of stores encompass costs of own stores (rentals, personnel and other) as well as costs of franchise stores in Poland. Stores in the Middle East and Belarus do not have any material effect on SG&A costs.
- Costs of stores ➔ YoY growth in 4Q17 due to higher YoY floorspace and increase in other costs of stores.
- HQ costs ➔ YoY growth in 4Q17 due to further e-commerce development, logistics expansion, higher marketing costs (Christmas campaign with Irina Shayk) and on-line advertising.

4Q17 other operating and net financial lines

LPP

OTHER OPERATING ACTIVITY

PLN m	4Q16	4Q17
OTHER OPERATING REVENUES	**7.5**	**12.4**
Inventory excess, insurance	6.1	2.9
Gain on sale of assets, write-ups	-0.1	5.5
OTHER OPERATING COSTS	**50.6**	**20.1**
Write-offs	33.1	0.7
Inventory losses	15.1	15.7
Donations and other	1.4	1.5
OTHER OPERATING ACTIVITY	**-43.0**	**-7.7**

Lower other operating costs due to lack of PLN 28.4m write-offs in 4Q16 conducted along with introduction of new inventory management model.

NET FINANCIAL ACTIVITY

PLN m	4Q16	4Q17
FINANCIAL REVENUES	**-8,0**	**-17.4**
FX gains	-8.7	-17.8
Interest	0.4	0.4
FINANCIAL COSTS	**13.6**	**7.5**
FX losses	7.3	4.3
Interest	5.1	2.3
Fees and charges	1.3	0.8
NET FINANCIAL ACTIVITIES	**-21.7**	**-24.9**

PLN 22.1m of FX losses (4Q16: PLN 16.0m losses), out of which PLN 13.0m of losses on rubble and hryvna (4Q16: PLN 2.1m losses), PLN 6.3m losses on US$ (4Q16: PLN 14.1m losses) and PLN 2.8m losses on other currencies (EUR, RON, HUF, CZK).

2107 other operating and net financial lines

LPP

OTHER OPERATING ACTIVITY

PLN m	2016	2017
OTHER OPERATING REVENUES	**25.4**	**35.8**
Inventory excess, insurance	18.2	13.4
Gain on sale of assets, write-ups	2.7	13.7
OTHER OPERATING COSTS	**124.0**	**77.4**
Write-offs	57.7	2.2
Inventory losses	52.1	55.5
Donations and other	9.3	13.3
OTHER OPERATING ACTIVITY	**-98.6**	**-41.6**

Lower YoY other operating costs due to lack of write-offs and provisions for closing down the Tallinder brand in 3Q16 and write-downs for inventories in 4Q16 along with the new inventory management policy.

NET FINANCIAL ACTIVITY

PLN m	2016	2017
FINANCIAL REVENUES	**1.3**	**4.8**
FX gains	0.0	0.0
Interest	0.9	4.5
FINANCIAL COSTS	**33.7**	**19.5**
FX losses	7.3	4.3
Interest	22.6	12.3
Fees and charges	3.8	2.9
NET FINANCIAL ACTIVITIES	**-32.3**	**-14.8**

PLN 4.3m of FX losses (2016: PLN 7.3m losses), out of which PLN 22.0m of losses on rubble and hryvna (2016: PLN 2.8m gains), PLN 16.4m gains on US$ (2016: PLN 8.9m losses) and PLN 1.3m gains on other currencies (EUR, RON, HUF, CZK).

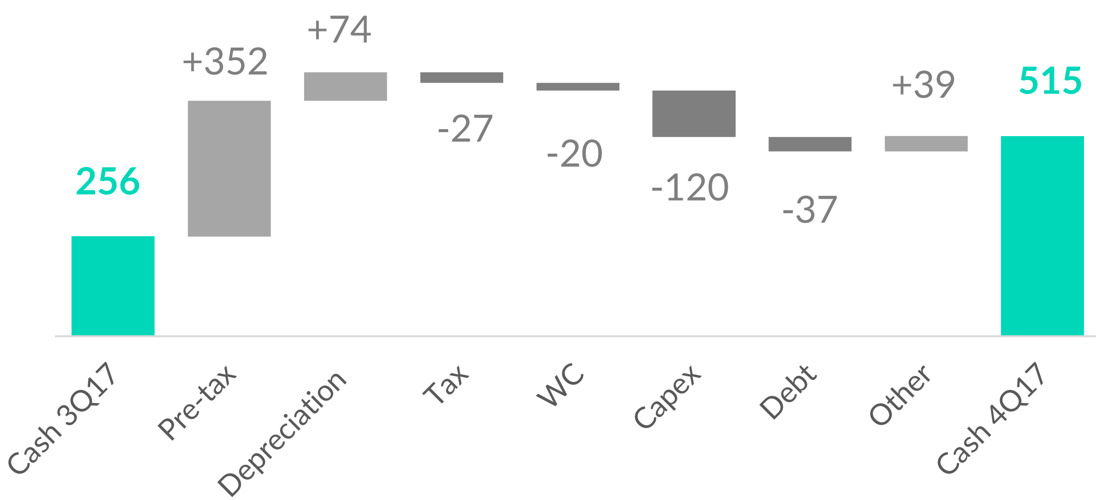
Historical quarterly numbers

PLN m	1Q16	1Q17	2Q16	2Q17	3Q16	3Q17	4Q16	4Q17	YoY
Revenues	**1,174.8**	**1,362.3**	**1,502.4**	**1,705.4**	**1,488.4**	**1,812.8**	**1,853.4**	**2,148.9**	**15.9%**
Gross profit on sales	541.8	620.6	749.7	964.4	700.6	888.7	941.7	1,246.3	32.4%
Gross profit margin	46.1%	45.6%	49.9%	56.5%	47.1%	49.0%	*50.8%*	*58.0%*	*7.2p.p.*
SG&A costs	595.3	719.2	651.7	743.8	662.2	775.0	699.6	861.9	23.2%
Other operating line	-10.4	-10.4	-11.6	-13.0	-33.6	-10.6	-43.0	-7.7	
EBIT	**-63.9**	**-109.0**	**86.5**	**207.6**	**4.8**	**103.1**	**199.1**	**376.7**	**89.2%**
EBIT margin	-5.4%	-8.0%	5.8%	12.2%	0.3%	5.7%	*10.7%*	*17.5%*	*6.8p.p.*
Net financial activity	-5.0	-2.5	2.4	1.4	-8.0	11.2	-21.7	-24.9	
Pre-tax profit	-68.9	-111.5	88.9	209.0	-3.2	114.3	177.4	351.9	98.4%
Tax	-3.4	5.5	-0.9	35.8	3.2	29.3	20.4	52.3	
Net income	**-65.6**	**-117.0**	**89.8**	**173.3**	**-6.5**	**85.1**	**157.0**	**299.5**	**90.7%**
Net income margin	-5.6%	-8.6%	6.0%	10.2%	-0.4%	4.7%	*8.5%*	*13.9%*	*5.5p.p.*

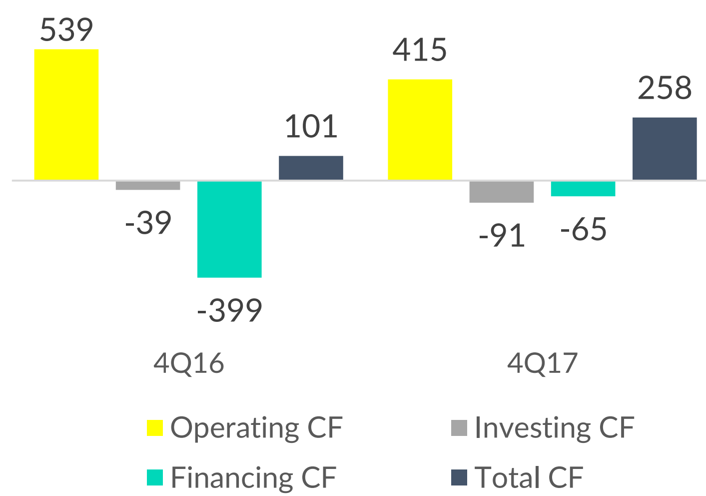
Cash flows

LPP

4Q17 CASH GENERATION
(PLN m)



4Q17 CASH FLOWS
(PLN m)



- Operating cash flow → freeing up inventory in the quarter but lower level of supply chain financing QoQ.
- Investing cash flow → higher YoY capex, accumulation of openings of stores in 4Q17.
- Financing cash flows → lower usage of debt due to strong operating cash flows.
- PLN 1.5bn in open credit lines used for letters of credits, guarantees and overdrafts.

Balance sheet increasingly strong

LPP

PLN m	31.12.2016	31.12.2017
Non-current assets	**1,838.7**	**1,919.7**
fixed assets	1,291.3	1,347.6
intangibles (inc. goodwill)	330.6	351.2
Current assets	**1,839.3**	**2,287.1**
inventory	1,164.1	1,472.5
trade receivables	165.4	199.6
cash and equivalents	365.8	514.8
Total assets	**3,677.9**	**4,206.8**
Equity	**2,134.7**	**2,443.4**
Long-term liabilities	**267.3**	**233.1**
interest bearing debt	195.0	141.8
Short-term liabilities	**1,275.9**	**1,530.2**
trade liabilities	881.1	1,322.6
interest bearing debt	315.1	56.5
Total liabilities	**3,677.9**	**4,206.8**

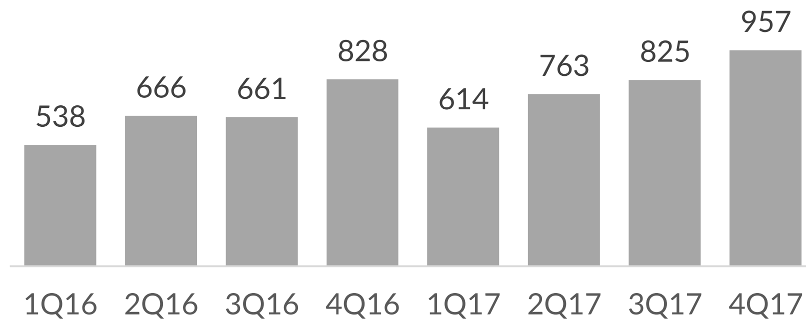
- YoY growth in fixed assets due to network development and investments in HQs.
- Higher YoY intangibles, due to investments in concept stores of five brands and IT outlays.
- YoY increase in inventory due to higher YoY level of SS collection.
- YoY growth in receivables due to a sizeable amount of credit card and payment cards transaction at the year end.
- Pick-up in trade liabilities YoY and YoY fall in short-term debt due to new supply chain financing policy.

RESERVED

LPP

CUSTOMER	Women, men and children.
YEAR OF LAUNCH	1998
BRAND CONCEPT	An anchor brand with a broad customer base and wide range of collections.
STORE CONCEPT	Lack of dedicated zones allows for a smooth transition between women, men and children areas. Wide, open and transparent storefront coupled with comfortable, large and spacious fitting rooms.
MARKETING	Advertised by international stars (Cindy Crawford, Kate Moss, Georgia May Jagger, Brooklyn Beckham).

REVENUES
(PLN m)

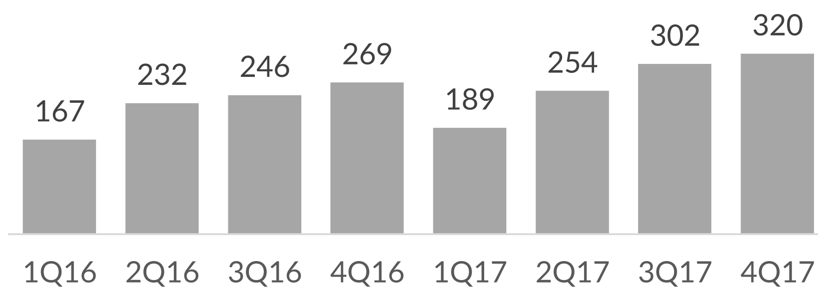


	4Q16	4Q17	YoY
Number of stores	461	468	+7
Floorspace (ths m2)	509.1	561.3	10%
Average store space (m2)	1,104	1,202	9%
Average monthly sales (PLN/m2)	560	599	7%

CROPP

CUSTOMER	Teenagers – boys and girls.
YEAR OF LAUNCH	2004
BRAND CONCEPT	A casual streetwear brand.
STORE CONCEPT	The shopping space is designed in the form of squat, garage and industrial halls. Stores encompass special relax zones with PlayStation and tablets with WiFi. Shop window displays are equipped with modern multimedia.
MARKETING	Partner of events for artists and street art.

REVENUES
(PLN m)

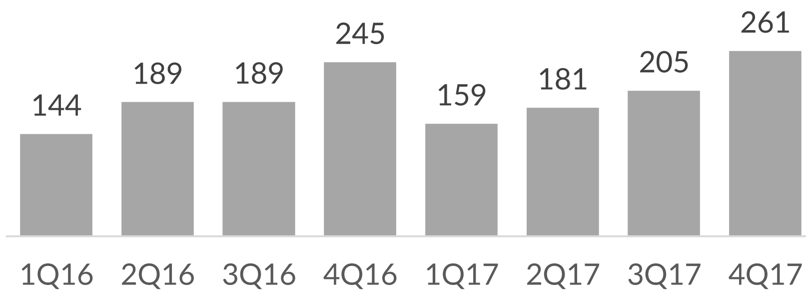


	4Q16	4Q17	YoY
Number of stores	379	381	+ 2
Floorspace (ths m2)	120.4	127.2	6%
Average store space (m2)	318	334	5%
Average monthly sales (PLN/m2)	751	862	15%

house

CUSTOMER	Teenagers (boys and girls) who like brave fashion choices.
YEAR OF LAUNCH	2001 (in LPP's Group since 4Q08).
BRAND CONCEPT	Urban fashion brand with folk and vintage elements.
STORE CONCEPT	The interior of the store is inspired by music instruments and possesses many music and art related details. A fresh look is obtained by usage of wooden elements and glass & metal lamps.
MARKETING	Participates in multiple artistic events (especially music related). Communication is based on insights and humour.

REVENUES
(PLN m)



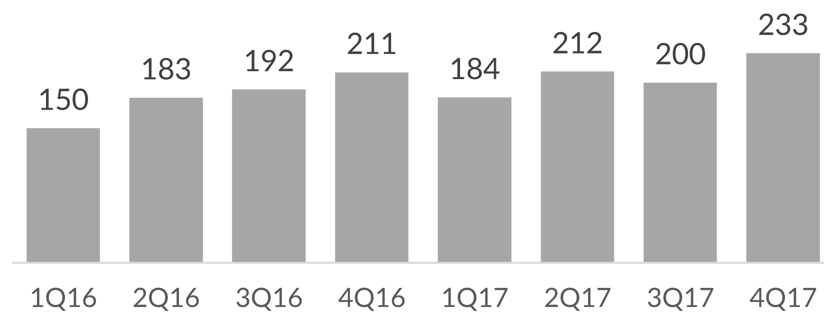
	4Q16	4Q17	YoY
Number of stores	330	333	+ 3
Floorspace (ths m2)	105.7	110.6	5%
Average store space (m2)	320	332	4%
Average monthly sales (PLN/m2)	777	807	4%

MOHITO

LPP

CUSTOMER	Young women.
YEAR OF LAUNCH	2008 (in LPP's Group since 4Q08)
BRAND CONCEPT	A brand that combines comfort and elegance for business and informal meetings.
STORE CONCEPT	Concept relates to elegance and beauty. The centre of the store is bright and is surrounded by a darker environment.
MARKETING	Anja Rubik created a limited collection for AW14/15. Zuzanna Bijoch was the face of AW15/16 collection. Top-model Anna Jagodzińska advertised SS16 collection, while Magdalena Frąckowiak the AW16/17 collection.

REVENUES
(PLN m)



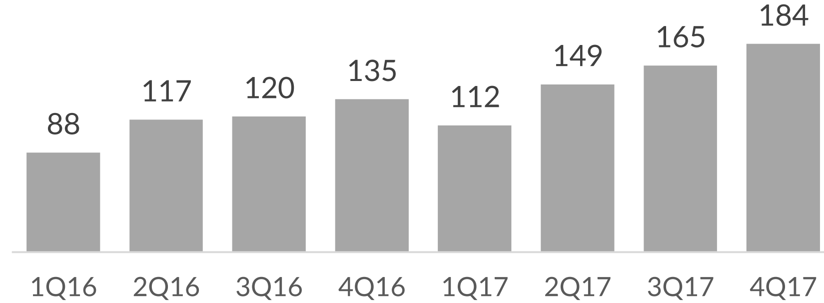
	4Q16	4Q17	YoY
Number of stores	290	294	+ 4
Floorspace (ths m2)	99.1	103.8	5%
Average store space (m2)	342	353	3%
Average monthly sales (PLN/m2)	714	770	8%

sinsay

LPP

CUSTOMER	Teenagers – girls only.
YEAR OF LAUNCH	2013
BRAND CONCEPT	Clothes for every day inspirations and original party outfits. The brand stands out for original T-shirts with extraordinary prints.
STORE CONCEPT	Fresh and edgy interiors yet monochromatic to differentiate from colourful clothes sold. Selling area divided into black and white parts.
MARKETING	Focus on social media. The brand co-operates with young fashion influencers and models. Last year Karolina Pisarek and Aleksandra Kowalska were the brand's faces.

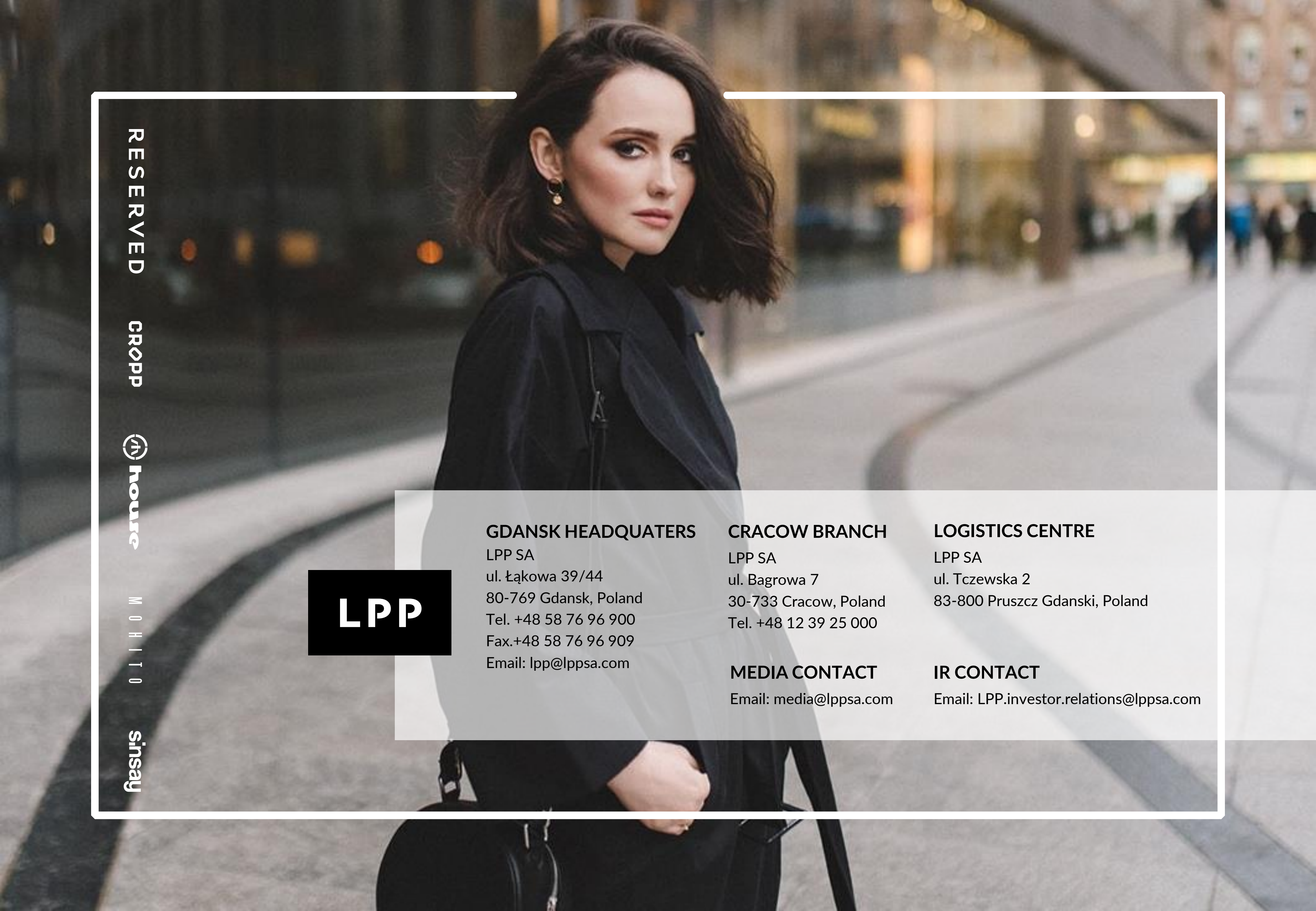
REVENUES
(PLN m)



	4Q16	4Q17	YoY
Number of stores	198	233	+ 35
Floorspace (ths m2)	69.8	84.6	21%
Average store space (m2)	352	363	3%
Average monthly sales (PLN/m2)	669	770	15%

Glossary

Poland	Retail sales in Poland and other sales of LPP SA.
CEE	Region including: Czech Republic, Slovakia, Hungary.
Baltic	Region including: Lithuania, Latvia, Estonia.
CIS	Region including: Russia, Ukraine, Belarus and from 2018 also Kazakhstan.
SEE	Region including: Bulgaria, Romania, Croatia, Serbia, while from 2018 also Slovenia.
WE	Region including Germany and the UK.
ME	Region including: Egypt, Qatar, Kuwait, UAE, while from 2018 also Israel. Until mid-2017 the region also encompassed Saudi Arabia.
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 / 3.
Average monthly costs of own stores/m2	Quarterly costs of own stores / average working floorspace of own stores (ie. excluding all franchise stores which represent c. 5.5% of the working floorspace) / 3.
Average monthly SG&A PLN/m2	Quarterly SG&A costs/ average working total floorspace excluding stores located in ME and Belarus / 3.
Inventory/ m2	End of period group inventory/ total floorspace without franchise stores in ME and Belarus.



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