

L P P

E Q U I T Y S T O R Y

GLOBAL ASPIRATIONS

JUNE 2016

RESERVED

 TALLINDER

M O H I T O

 house

CROPP

sinsay

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Table of contents

OVERVIEW	4	BACK-UP	34
INVESTMENT THESIS	10	BRAND DETAILS	35
NEW BRANDS & NEW MARKETS DEVELOPMENT ..	12	LFLs	46
DYNAMIC E-COMMERCE GROWTH	21	FLOORSPACE	50
EFFICIENT BUSINESS MODEL	23	GEOGRAPHICAL EXPANSION	53
CASH GENERATION	28	GROWTH DRIVERS	59
EXECUTIVES WITH LONG-TERM VISION	32	BUSINESS MODEL DETAILS	65
		CORPORATE MILESTONES	76
		CORPORATE GOVERNANCE	77
		SOCIAL RESPONSABILITY	83
		STOCK EXCHANGE/IR	85

OVERVIEW

The largest clothing retailer on the WSE

1,641
STORES

18
MARKETS

c. PLN 5 bn
REVENUES

69%
FREE FLOAT

c. PLN 10 bn
MARKET CAP

MSCI POLAND
WIG 20 MEMBER

A diversified portfolio of 6 brands

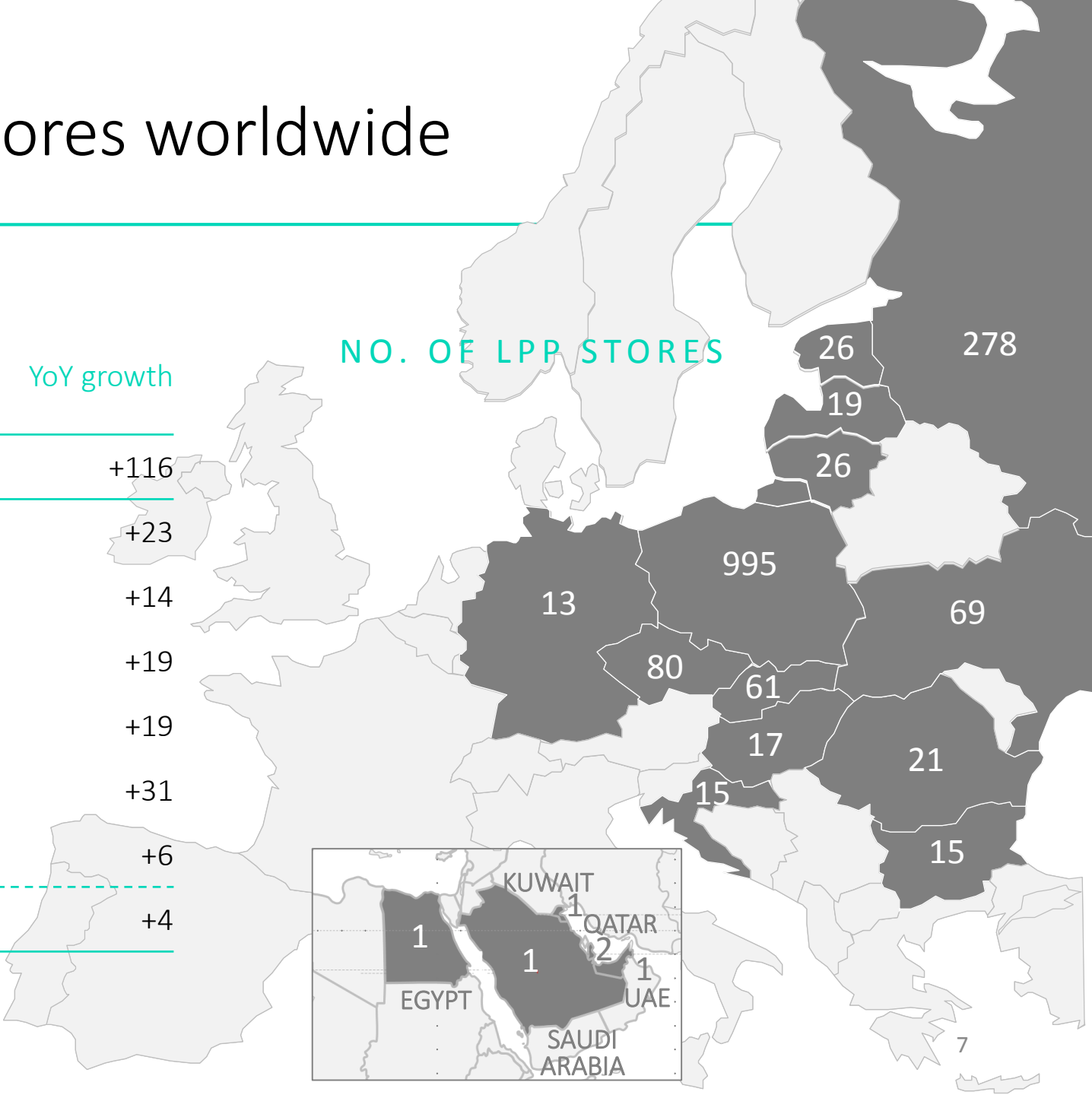


Over 1,600 stores worldwide

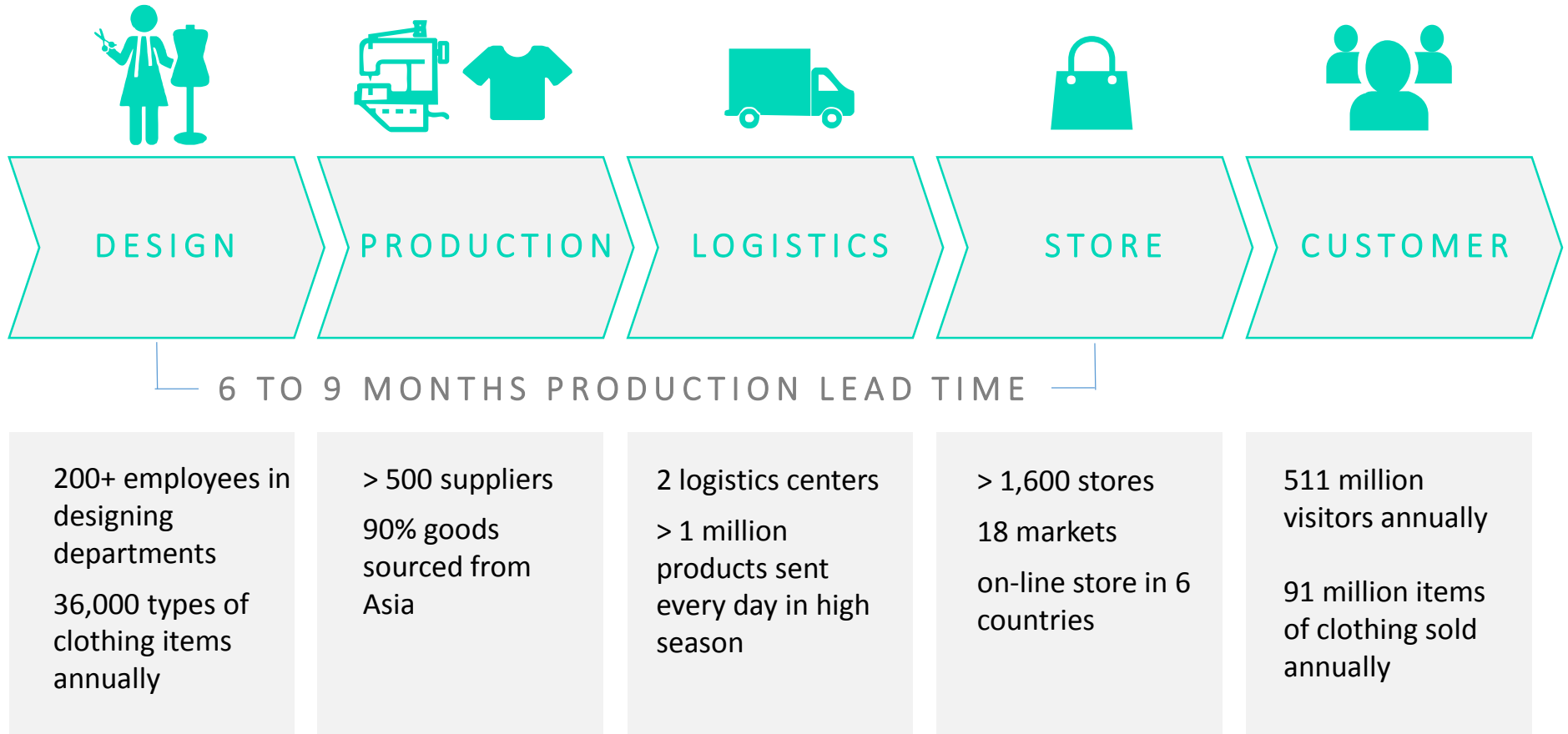
31.03.2016 No. of stores YoY growth

	No. of stores	YoY growth
LPP GROUP	1,641	+116
RESERVED	448	+23
Cropp	375	+14
House	322	+19
MOHITO	281	+19
SiNSAY	172	+31
Tallinder	6	+6
Outlets	37	+4

NO. OF LPP STORES



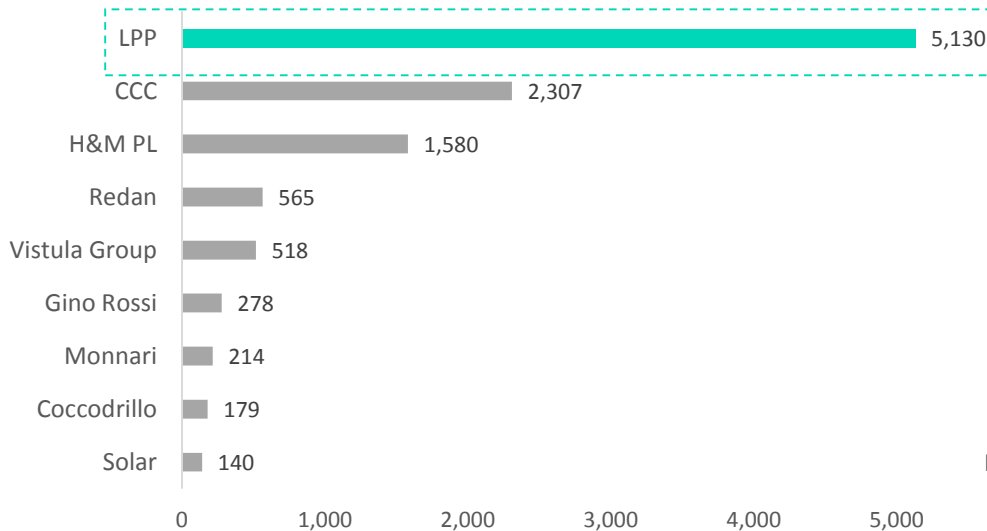
A lean retail-oriented business model



Eyeing the international giants

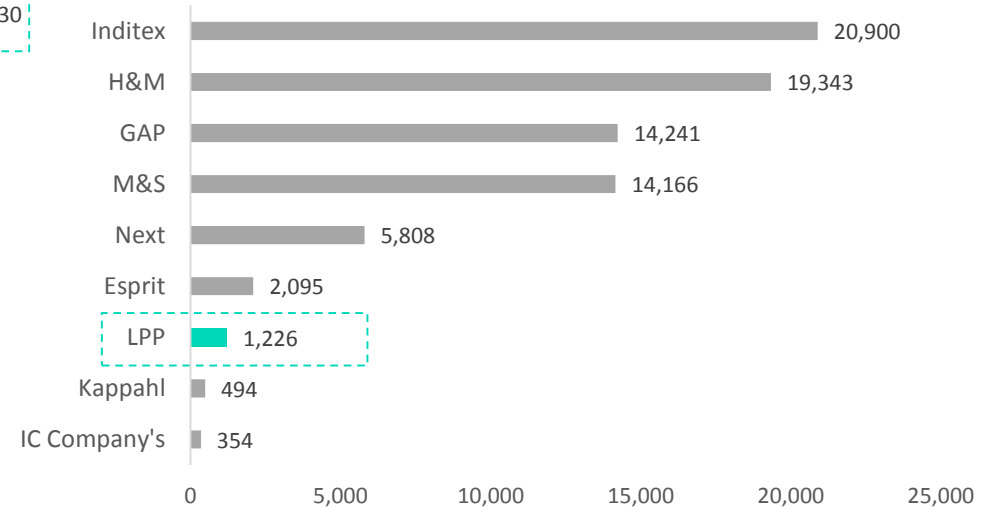
Leader domestically

Revenues (PLN m)
selected companies



Challenging international players

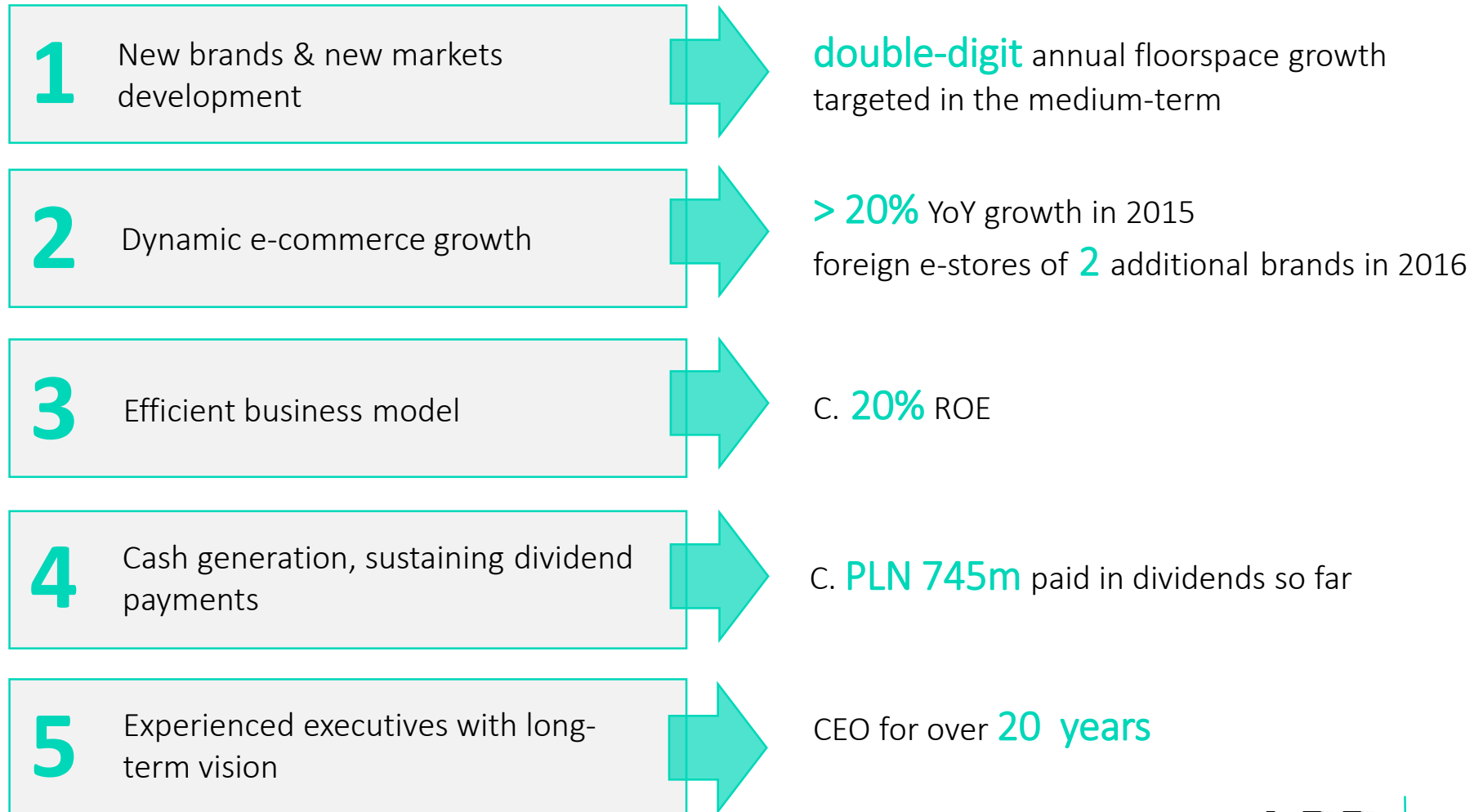
Revenues (EUR m)
selected companies





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

INVESTMENT THESIS

Investment thesis

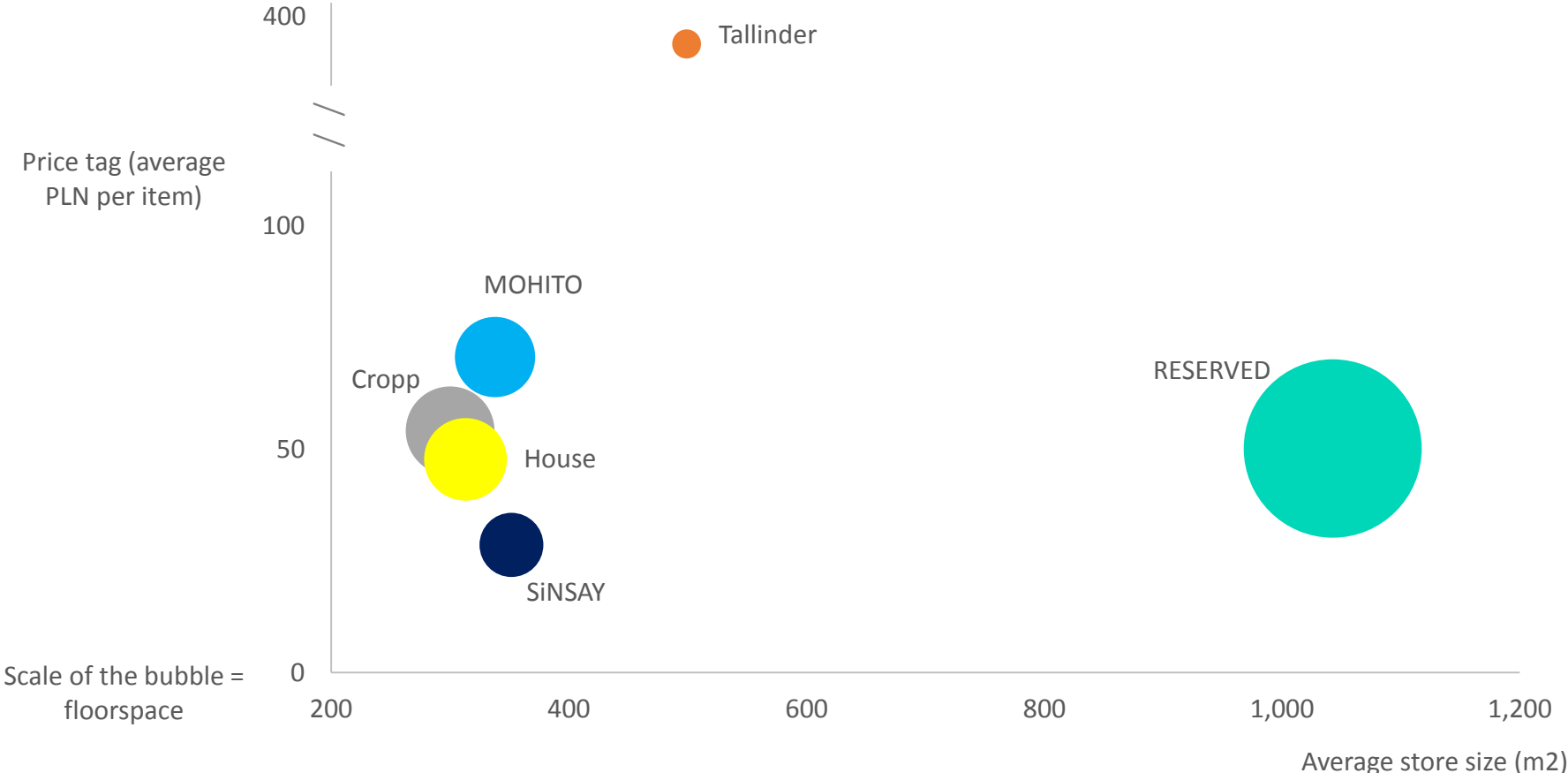


Growing number of brands

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	1999	2004	2001 (at LPP since 4Q08)	2008 (at LPP since 4Q08)	2013	1Q16
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 1Q16	448 467.1k m2	375 115.4k m2	322 100.5k m2	281 94.9 m2	172 60.5k m2	6 2.9k m2
AVERAGE STORE SIZE	1,043 m2	308 m2	312 m2	338 m2	352 m2	484 m2

Each brand is targeted at a different customer base

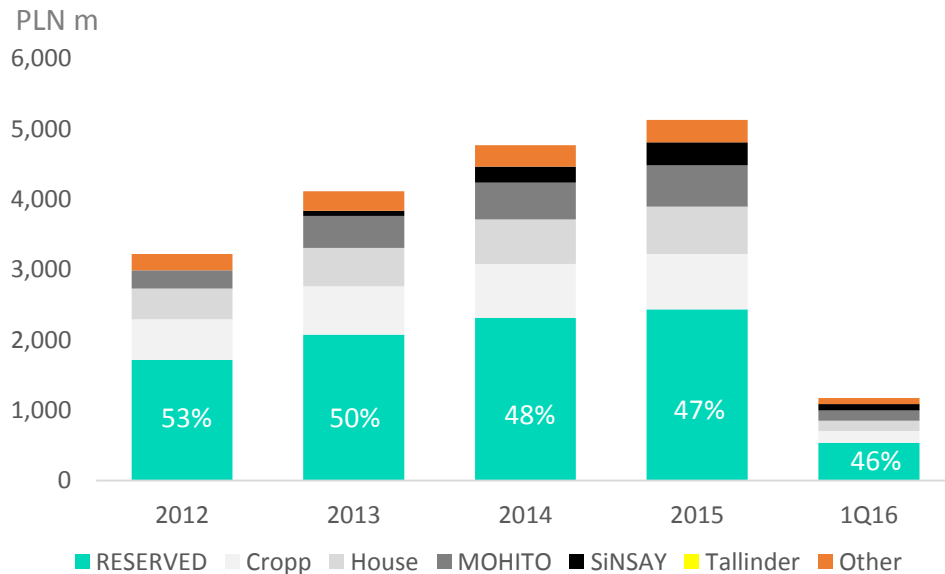
LPP's brands: floorspace versus price tag



Note: Average price per piece of clothing and average store size based on 1Q16 data.

Diversification by brands to continue

Group revenues by brands



Group revenues by brands

PLN m	2012	2013	2014	2015	1Q16
LPP GROUP	3,224	4,116	4,769	5,130	1,175
RESERVED	1,714	2,074	2,311	2,434	538
Cropp	580	687	771	790	167
House	437	546	634	673	144
MOHITO	259	456	523	586	150
SiNSAY	0	74	225	329	88
Tallinder	0	0	0	0	1
Other	233	279	306	318	87

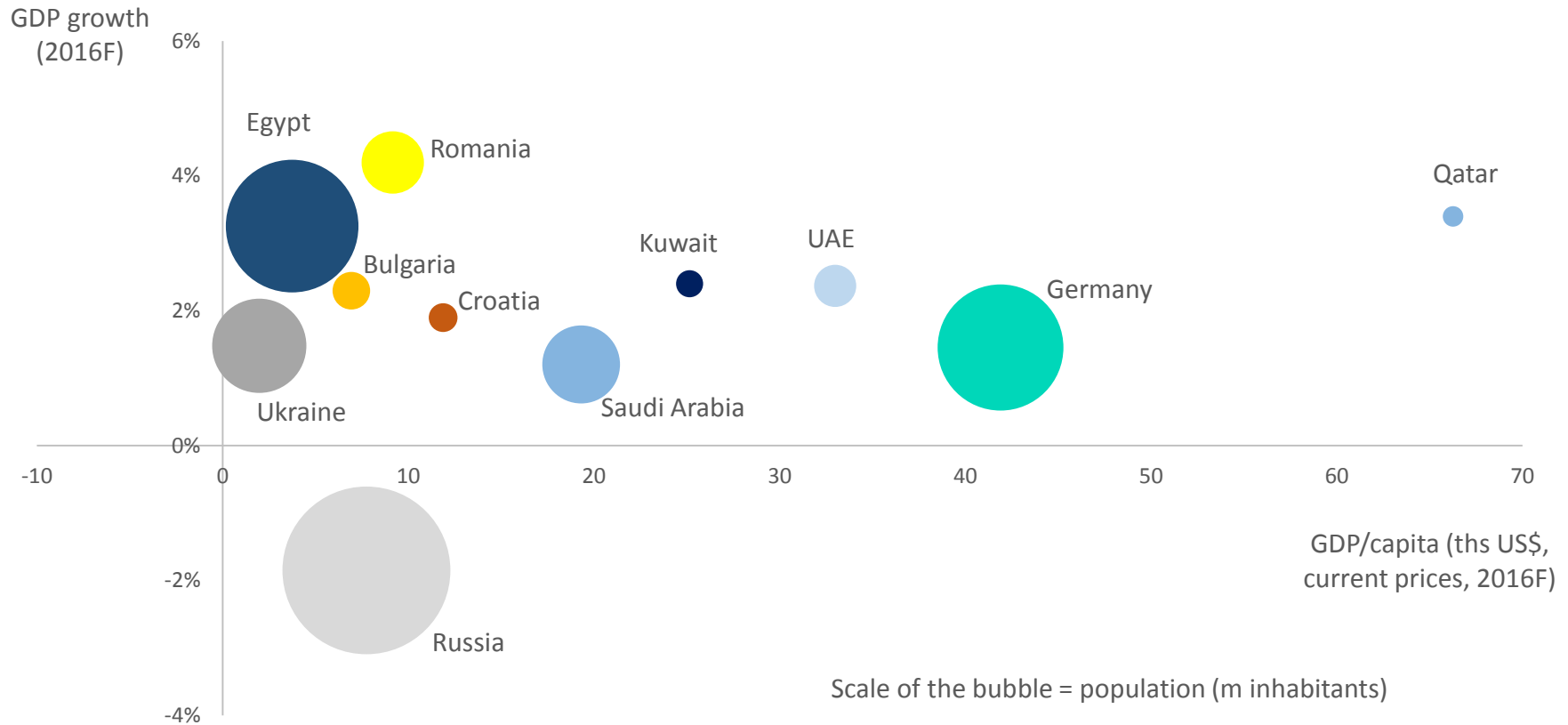
- It is LPP's strategy to continue to diversify revenues by adding new brands to minimise fashion risk.
- The dependence on the key fast fashion mainstream RESERVED brand should continue to diminish.
- In the long-term we plan to open stores of each brand in all countries in which we are present today.
- The priority in new markets' expansion is given to RESERVED brand (Germany, Middle East, UK).

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
# 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 1Q16	1,153	71	51	347	13	6
TYPE OF STORES	Own (majority), franchise	Own	Own	Own (majority), franchise	Own	Franchise
FLOORSPACE 1Q16	548.0k m2	38.2k m2	36.8k m2	194.7k m2	29.7k m2	7.6k m2

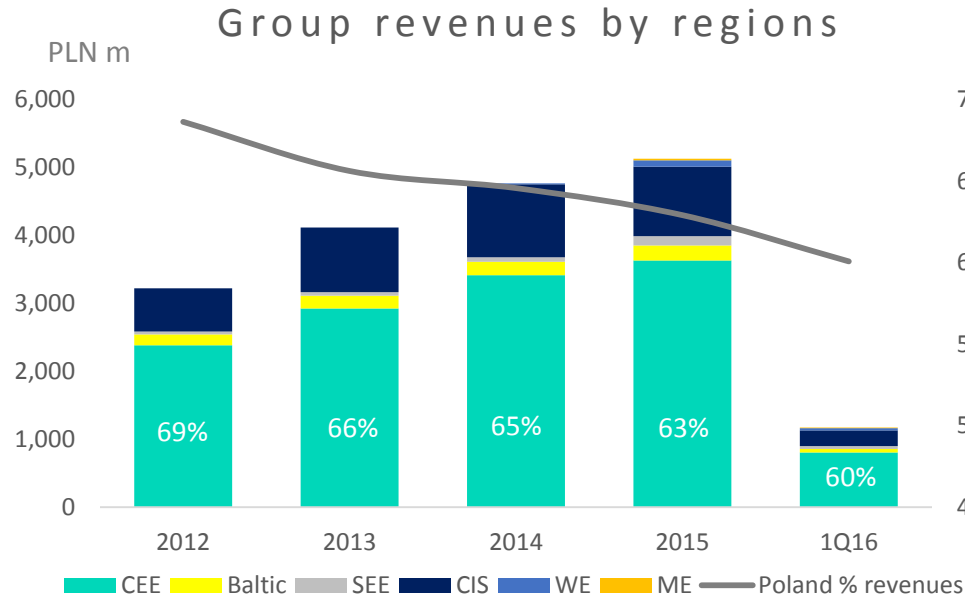
Entry into high growth potential markets

Growth potential of countries developed



Source: International Monetary Fund and World Bank data.

Diversification by countries to continue



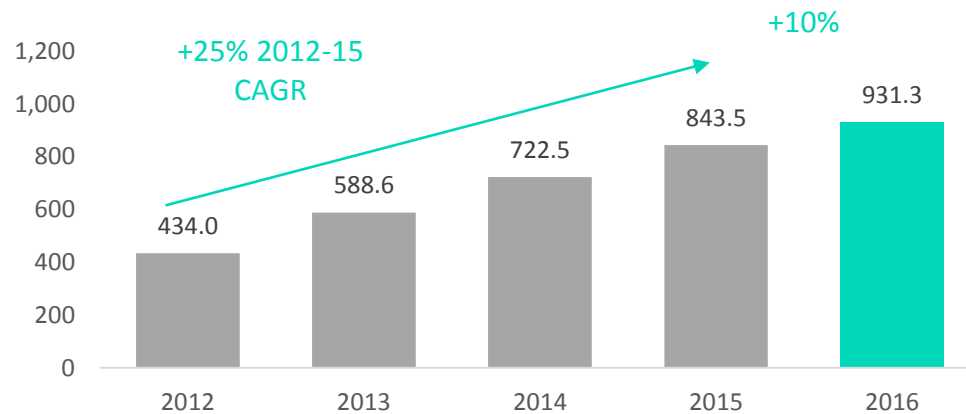
Group revenues by regions

PLN m	2012	2013	2014	2015	1Q16
LPP GROUP	3,224	4,116	4,769	5,130	1,175
CEE	2,382	2,927	3,414	3,634	806
Baltic	162	186	200	222	52
SEE	42	52	65	134	42
CIS	638	952	1,076	1,025	233
WE	0	0	15	94	33
ME	0	0	0	23	9

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

Medium-term target: double-digit floorspace growth

Floorspace growth targets
(ths m2)



Floorspace targets
by regions

ths m2	2015	2016	YoY
LPP GROUP	843.5	931.3	10.4%
Poland	465.0	496.6	6.8%
EU	179.0	212.7	18.9%
CIS	193.9	213.1	9.8%
ME	5.5	9.0	63.8%

- In 2016 we plan to grow floorspace by 10% YoY, as a result of: 1) further development in Germany, 2) 10% floorspace growth in Russia and 3) Tallinder development in Poland.
- Openings of franchise stores in Belarus and Kazakhstan postponed until 2017 due to delays in shopping mall constructions.
- We believe that in the medium-term we can maintain double-digit floorspace growth.

Flagships to fuel floorspace growth

FLAGSHIPS IN GERMANY



- We want to build our recognition by flagship stores in key WE cities.
- In September 2015 we opened our flagship in Stuttgart. That is the largest RESERVED store. 137 ths products sold on 3,910 m2. 80 employees.
- Flagship in Berlin is to be opened in 2017.

WE AWAIT FIRST RE IN UK



- Conditional agreement for the first UK flagship at 252/258 Oxford Street, London, next to Zara and H&M stores, replacing a BHS store.
- We await the building's landlord consent. Target store size at c. 3 ths m2. Opening planned for 4Q17.
- We look for further flagship opportunities, eg. in Milan, Paris or Vienna.

Continuation of prestigious openings

Another RESERVED in Qatar



- Second RESERVED store in Qatar opened in February 2016 in prestigious Villagio Mall.
- Floorspace of the store: 1,070 m².
- Due to favourable sales results of women collection we consider opening RESERVED stores with offer for ladies only.

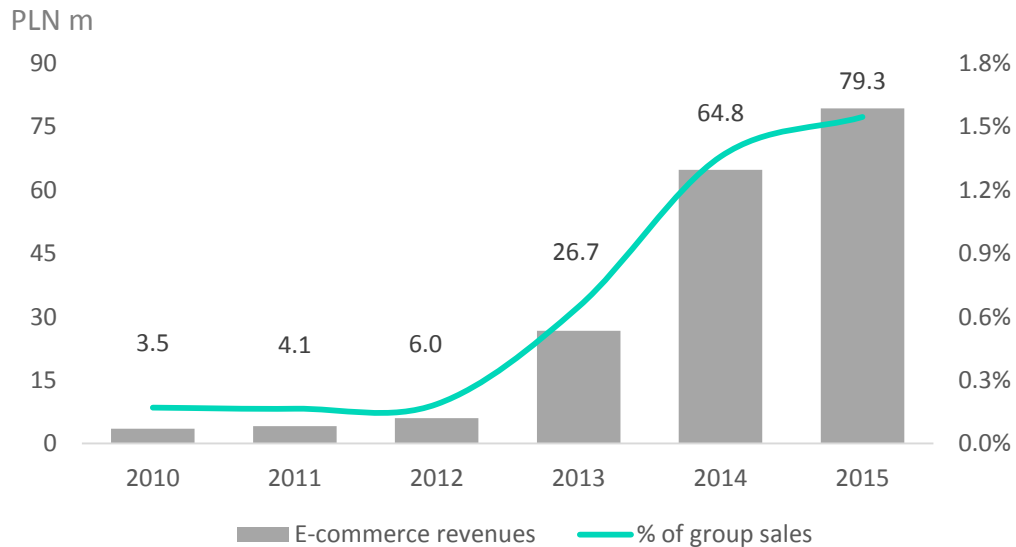
RESERVED in St. Petersburg



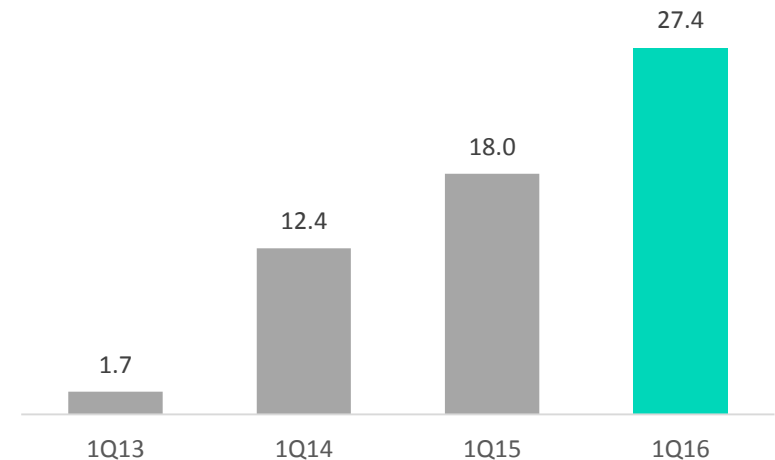
- Opening of the largest RESERVED store in Russia in Galeria shopping mall in St. Petersburg at the beginning of April 2016.
- Floorspace of the store: 2,434 m².
- LPP's stores are now located in 42 cities in Russia.

Dynamic e-commerce development

LPP's on-line sales

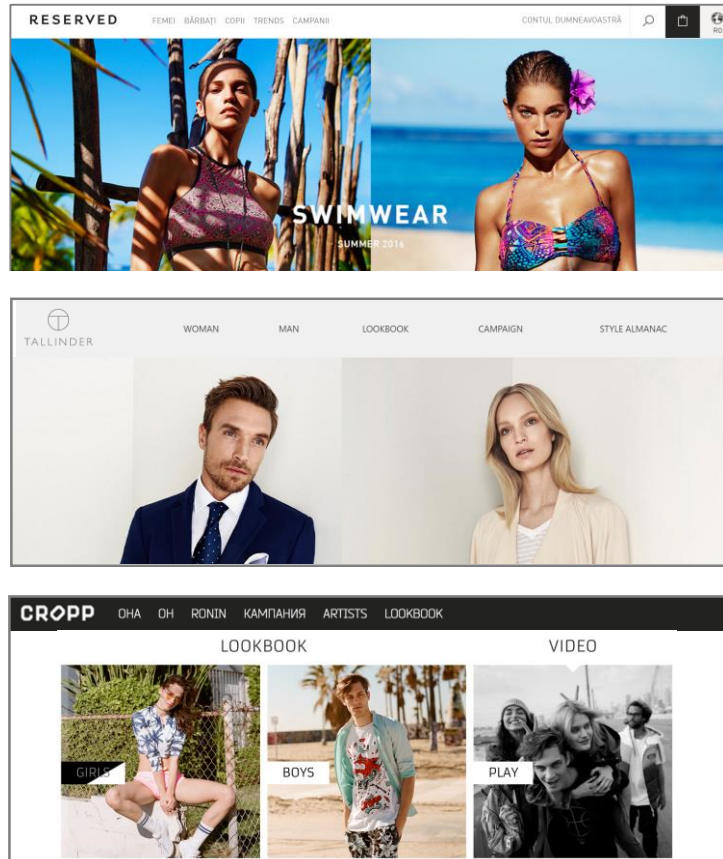


LPP's on-line sales



- We believe on-line sales in Poland should converge to the European average.
- As our customers increasingly often shop on-line we invest in high quality internet stores for all our brands (in Poland 55% of internet users made on-line purchases; 53% of these were women).
- 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.

We follow our customers



MILESTONE OPENINGS LPP'S ON-LINE STORES

JULY 2014: RESERVED on-line in Germany

MAY 2015: RESERVED on-line store in Czech Republic

OCT 2015: RESERVED on-line store in Slovakia

NOV 2015: RESERVED on-line store in Romania

FEB 2016: Tallinder.com store in Poland

MAR 2016: RESERVED on-line in Hungary

2016: target to open on-line stores of two brands in Czech Republic, Slovakia, Hungary and Romania

Further development possibilities in 2016

2016 TARGETS

- Revenue growth should exceed floorspace growth.
- E-commerce development (two new brands on-line in CEE/SEE in 4Q16).
- Fall in gross profit margin by c.2 pp versus 2015 level.

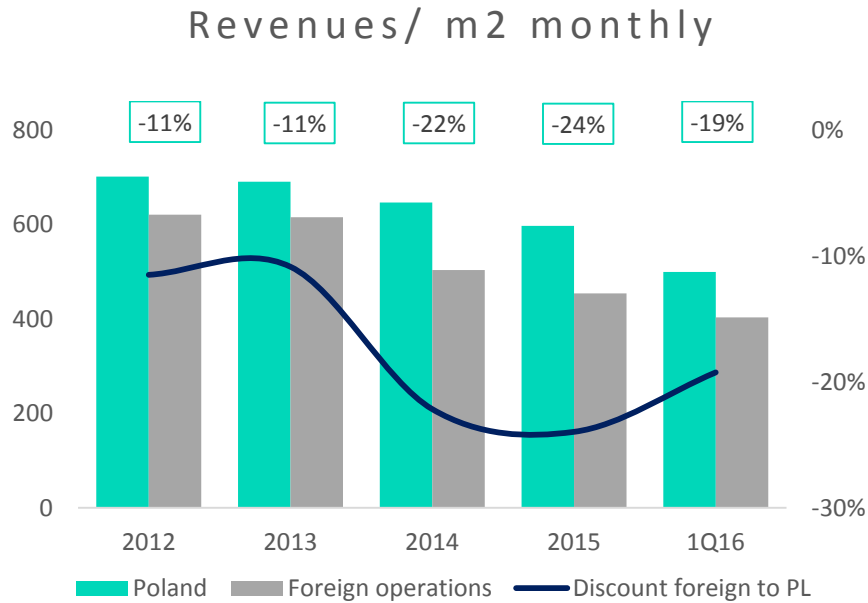
2016 OPPORTUNITIES

- LFLs improvement.
- Development on existing foreign markets.
- More favourable price-to-quality ratio.

2016 RISKS

- Higher taxation of retail companies and/or ban for trade on Sundays.
- Continuation of FX trends on PLN/US\$ and PLN/EUR.
- Delays in the Middle East expansion.

Poland records highest sales/m2



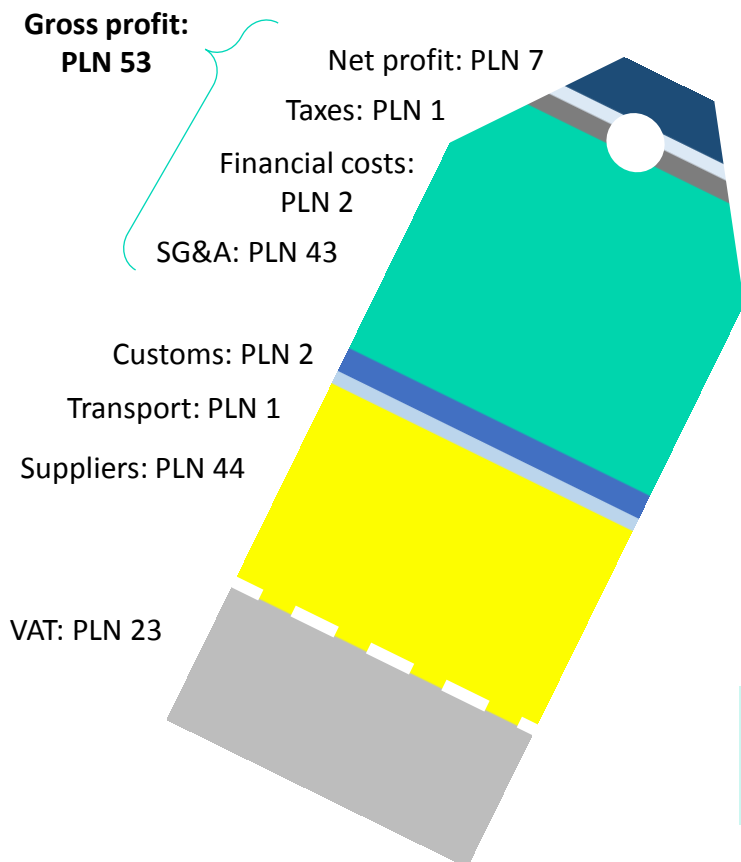
Revenues/ m2 monthly

PLN	2012	2013	2014	2015	1Q16
LPP GROUP	675	664	589	548	468
Poland	702	691	647	598	500
Foreign operations	621	616	503	454	403
RESERVED	628	617	547	483	395
Cropp	756	725	647	591	487
House	654	652	612	579	481
MOHITO	843	759	583	549	528
SiNSAY	-	670	584	531	491
Tallinder	-	-	-	-	324

- 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 rubble and hryvna to PLN.
- For all brands revenues/m2 in Poland remain higher than abroad due to superior brand recognition.

Gross profit margin remains high despite the FX impact

Retail price split PLN 123



Gross profit margin development

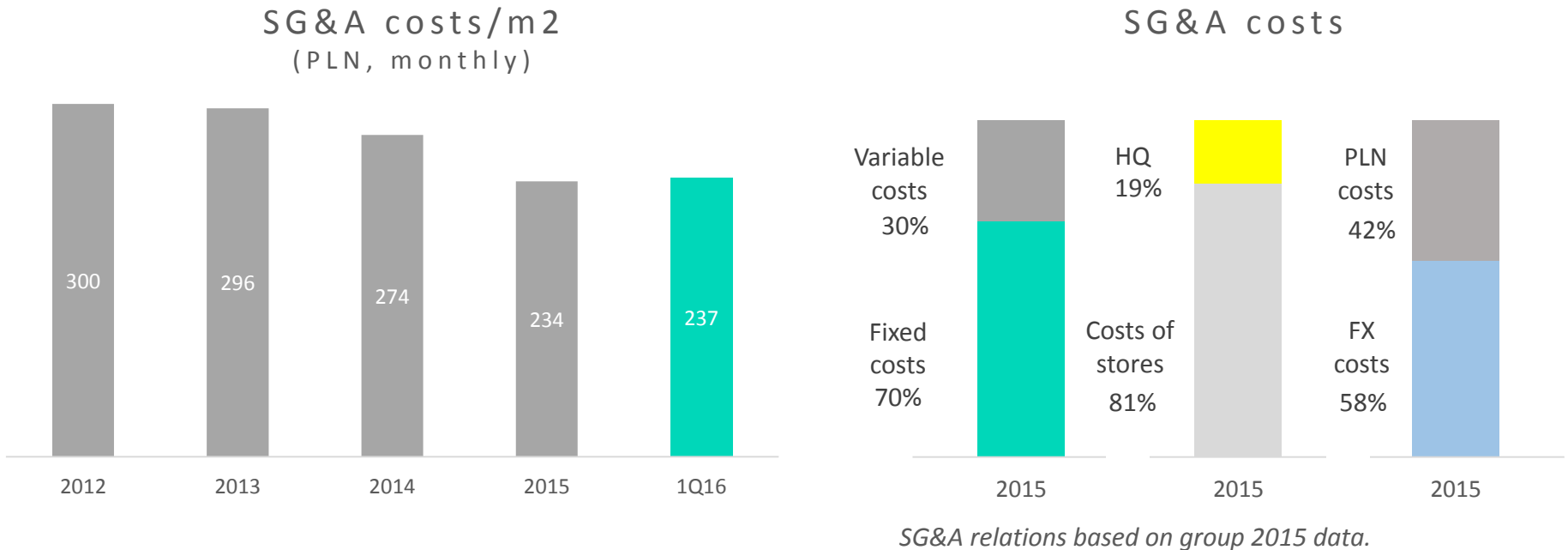
Gross profit margin	2012	2013	2014	2015	1Q16
LPP GROUP	56.7%	58.5%	58.6%	53.5%	46.1%

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. However, the attempts may be hindered by competitive environment (the current situation in Poland).
- 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. 2 pp versus to 2015.

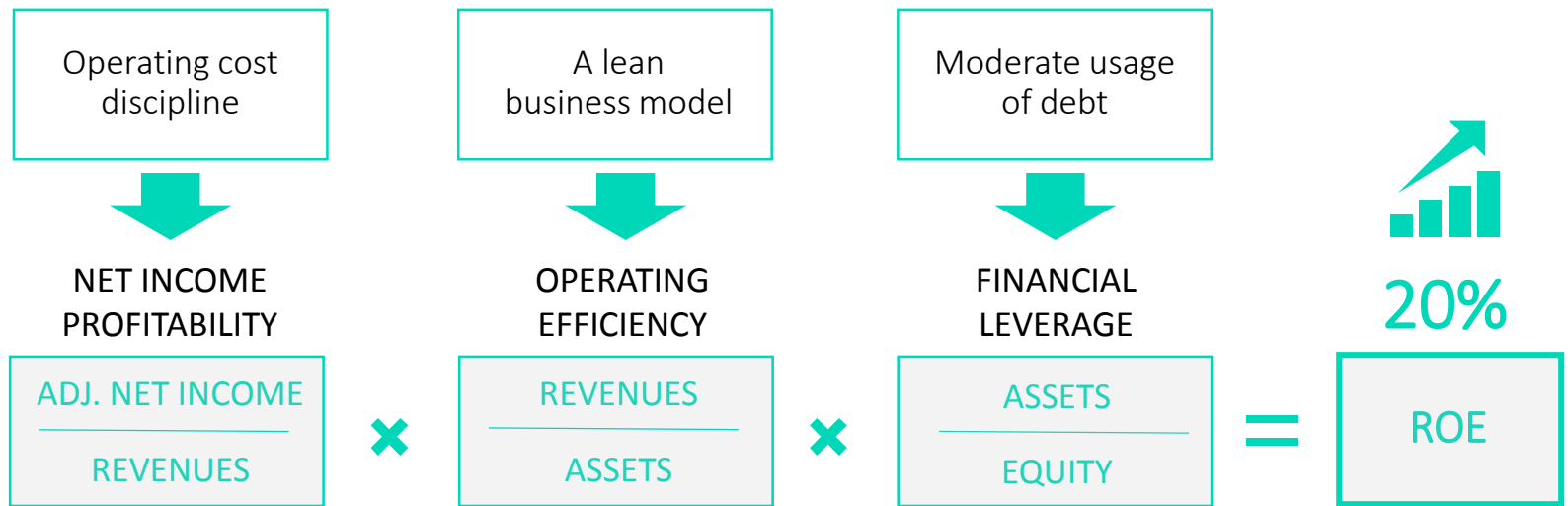
High operating leverage business



- 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.
- Lower costs of stores/m2 over 2012-15 → lower rentals, HR costs and other costs of stores.

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

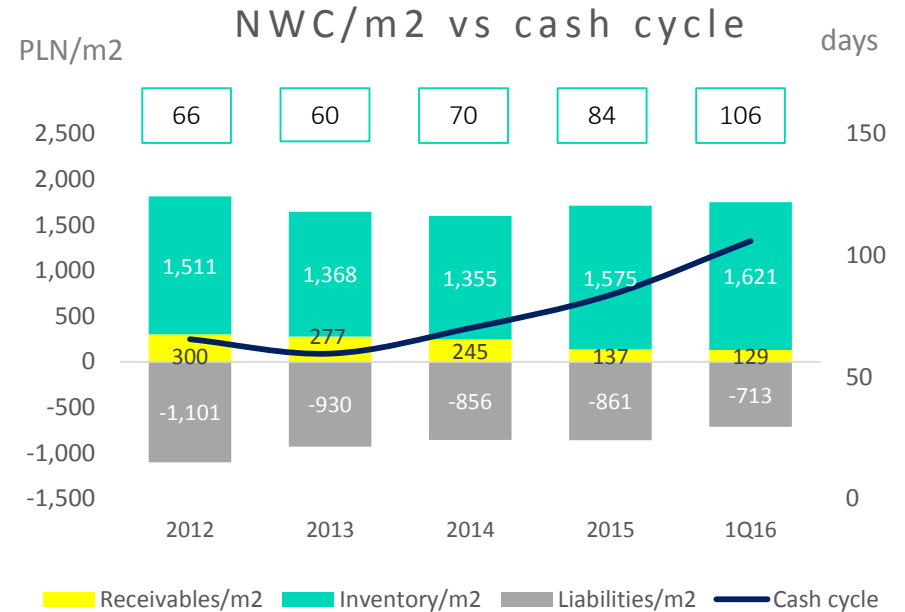
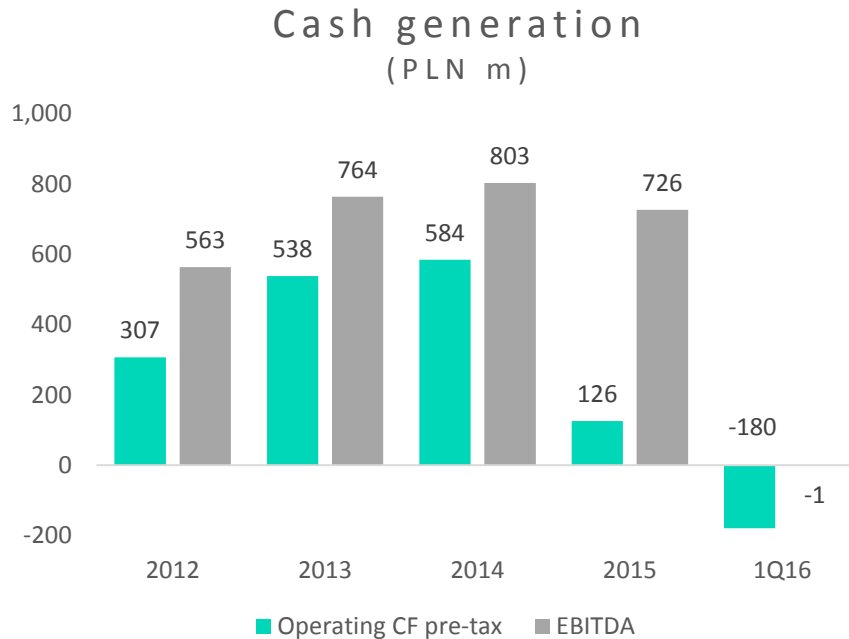
PLN m	2012	2013	2014	2015
FCFF	178	19	154	-64
NOPAT	379	509	638	426
D&A	109	148	194	224
Capex	-288	-542	-551	-491
NWC	-22	-96	-127	-223

2015 cash flow bridge (PLN m)



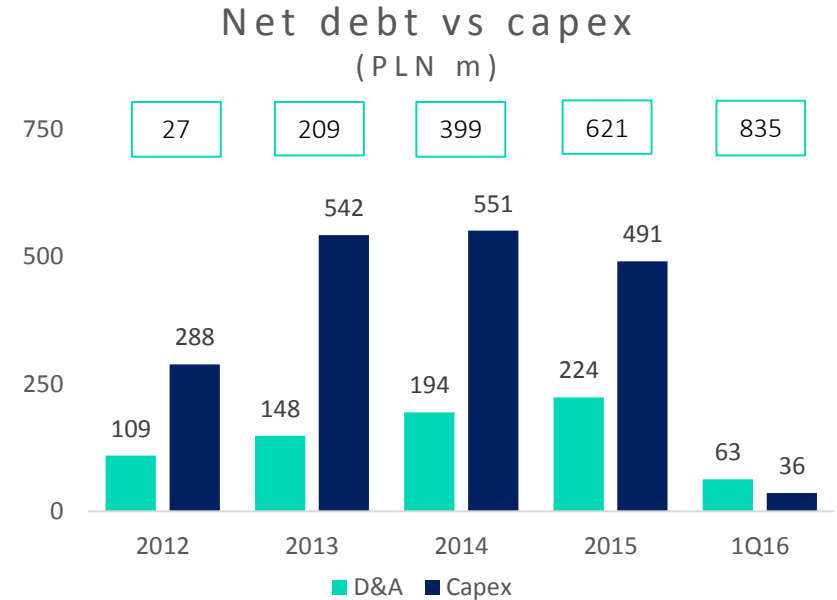
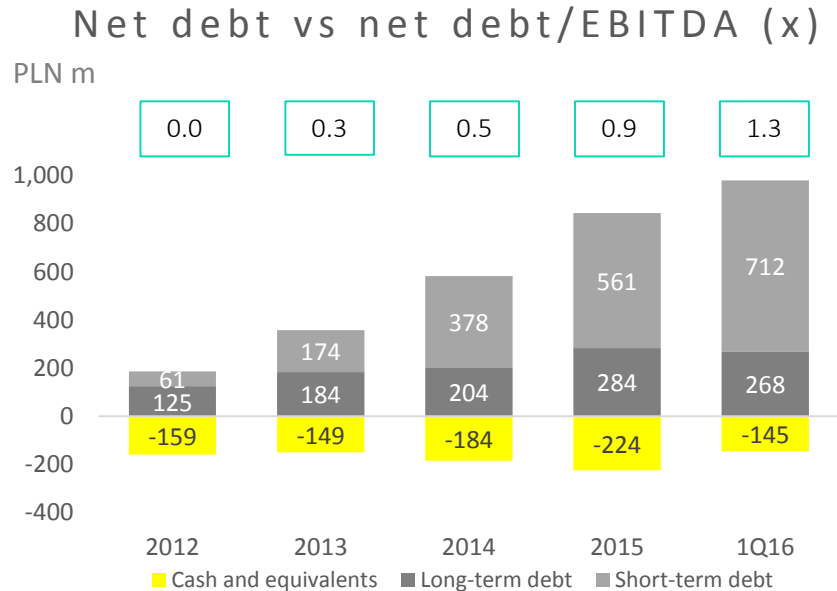
- We continue to focus on FCFF:
 - NOPAT: ongoing cost optimisation (rentals renegotiation, search for best suppliers).
 - NWC: focus on maintaining optimal inventory/m2, lead time between 6 to 9 months.
 - Capex: franchise store openings and focus on fits-outs for own stores.

...despite NWC drag



- Our business generates cash on an annual basis, even though inventory puts a pressure on cash cycle.
- 2015 and 1Q16 pressure on NWC results from inventory growing due to stronger US\$ vs PLN.
- Liabilities cycle depends on the Far East purchases (goods ordered 3-4 months in advance of shipment).
- As majority of sales is conducted in our retail stores, receivables cycle is negligibly low.

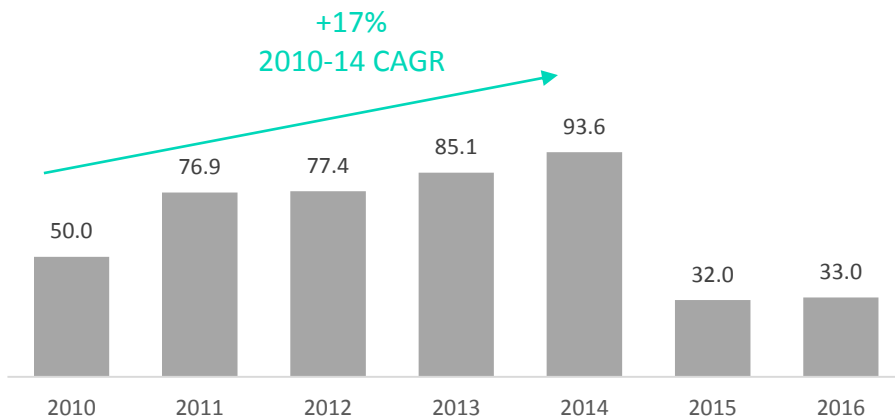
Safe net debt level...



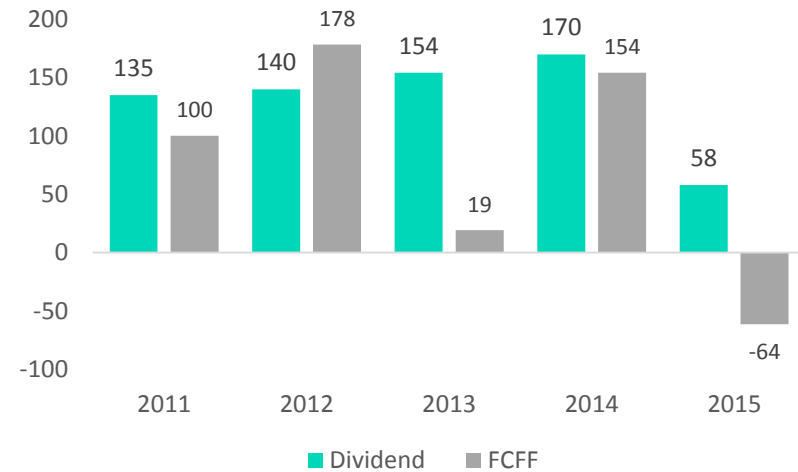
- Despite growing capex (organic only) net debt/EBITDA ratio remained at a safe level.
- Core business cash generation allows for net debt/EBITDA being below 2.5x.
- Fit-outs are now demanded while expanding abroad. These coupled with franchise store openings lower the overall cash outflow.
- Our aim is to reduce net debt/EBITDA levels.

...allows to pay dividend

Dividend per share



Dividend paid vs FCFF
(PLN m)



Note: DPS shown under year paid. Dividend under 2016 has not yet been paid.

- 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 will be 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



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

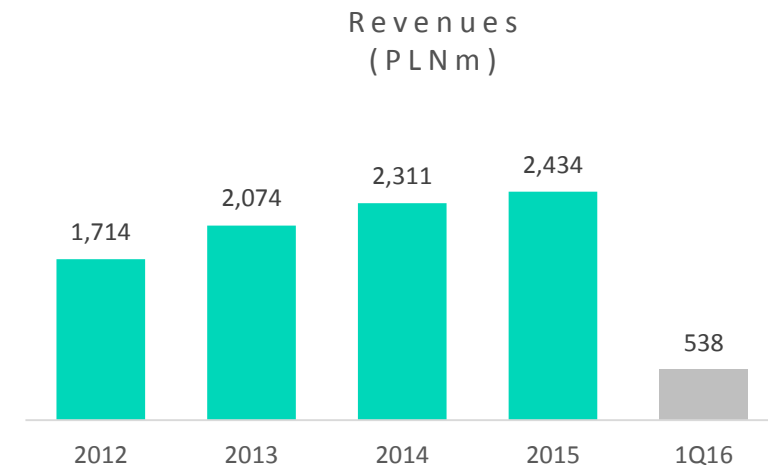
RESERVED

KEY BRAND FEATURES	Fast fashion brand with broad customer base
TARGET CUSTOMERS	Women, men, children
YEAR OF LAUNCH	1998
# STORES	448
# MARKETS	18
STORE SIZE	1,043 m2
ADVERTISING	International stars like Georgia May Jagger

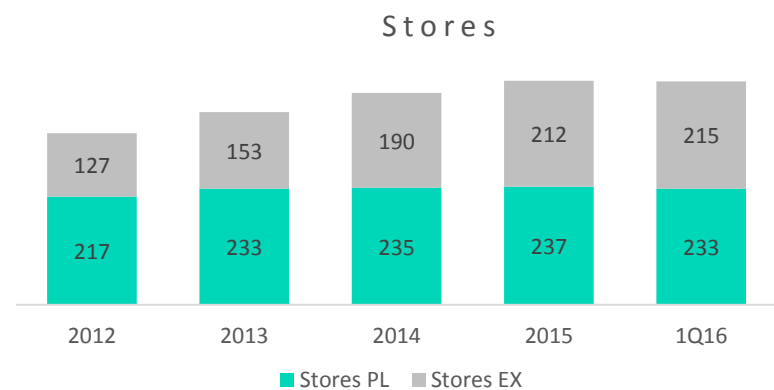


RESERVED

Key data	2012	2013	2014	2015	1Q16
Revenues (PLN m)	1,714.1	2,073.8	2,311.3	2,433.8	537.7
No. of stores	344	386	425	449	448
Store size (m2)	733	835	917	1,027	1,043
Floorspace (eop, m2)	252.3	322.3	389.7	461.3	467.1
Sales/m2 monthly	628	617	547	483	395
% of floorspace in PL	62%	59%	54%	50%	49%



YoY growth	2012	2013	2014	2015	1Q16
Revenues (PLN m)	25%	21%	11%	5%	9%
No. of stores	13%	12%	10%	6%	5%
Store size (m2)	5%	14%	10%	12%	10%
Floorspace (eop, m2)	19%	28%	21%	18%	16%
Sales/m2 monthly	11%	-2%	-11%	-12%	-6%
% of floorspace in PL	-3ppt	-3ppt	-5ppt	-4ppt	-4ppt



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	308 m2
ADVERTISING	Partner of artists and street art events

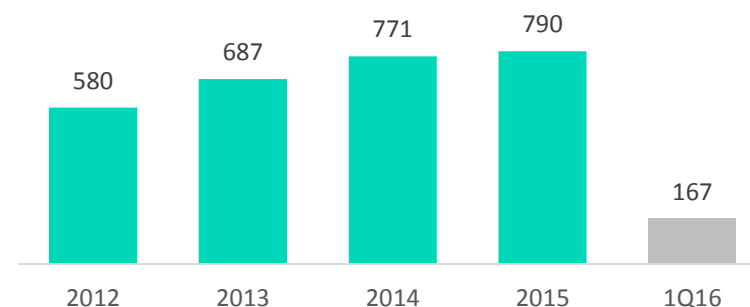


CROPP

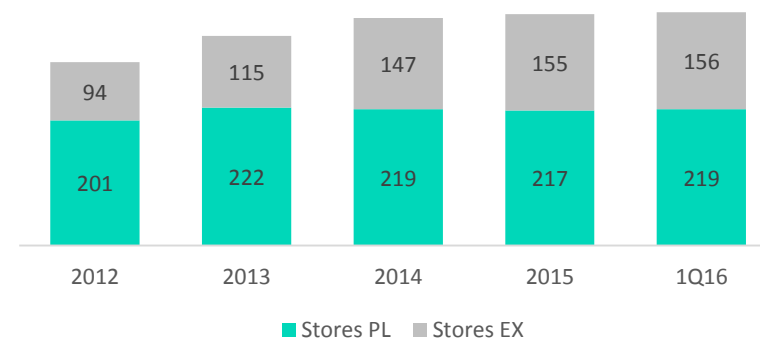
Key data	2012	2013	2014	2015	1Q16
Revenues (PLN m)	580.4	687.0	770.9	789.9	167.4
No. of stores	295	337	366	372	375
Store size (m2)	244	269	288	308	308
Floorspace (eop, m2)	72.0	90.6	105.4	114.5	115.4
Sales/m2 monthly	756	725	647	591	487
% of floorspace in PL	62%	60%	55%	55%	55%

YoY growth	2012	2013	2014	2015	1Q16
Revenues (PLN m)	30%	18%	12%	2%	18%
No. of stores	13%	14%	9%	2%	4%
Store size (m2)	7%	10%	7%	7%	4%
Floorspace (eop, m2)	21%	26%	16%	9%	8%
Sales/m2 monthly	16%	-4%	-11%	-9%	7%
% of floorspace in PL	-5ppt	-2ppt	-5ppt	0ppt	0ppt

Revenues
(PLN m)

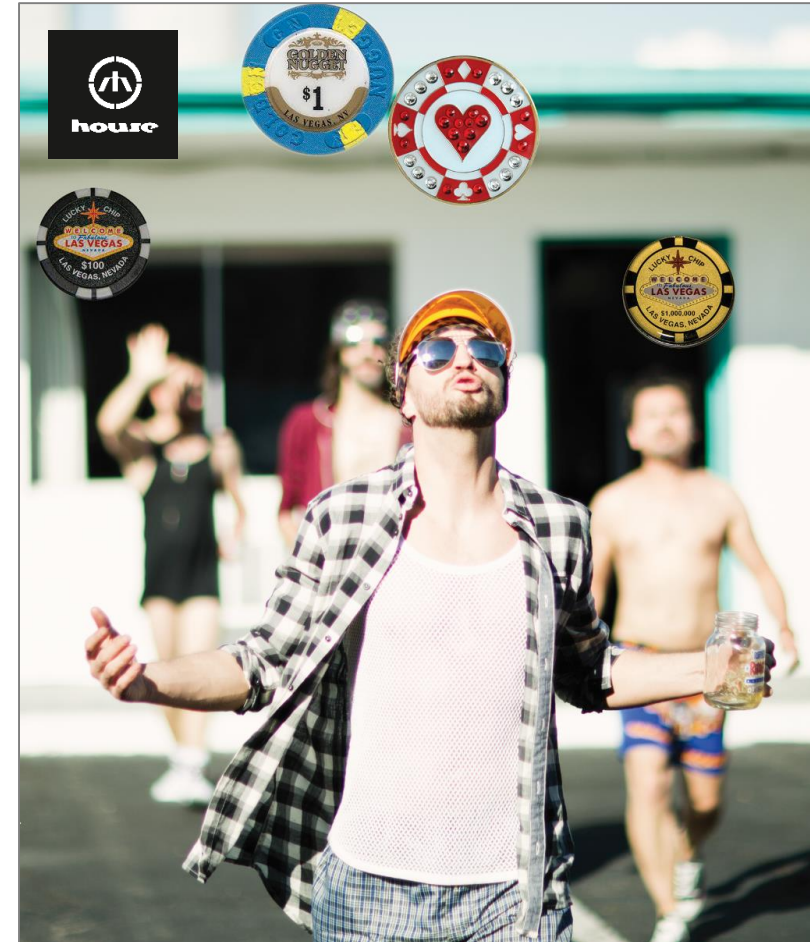


Stores



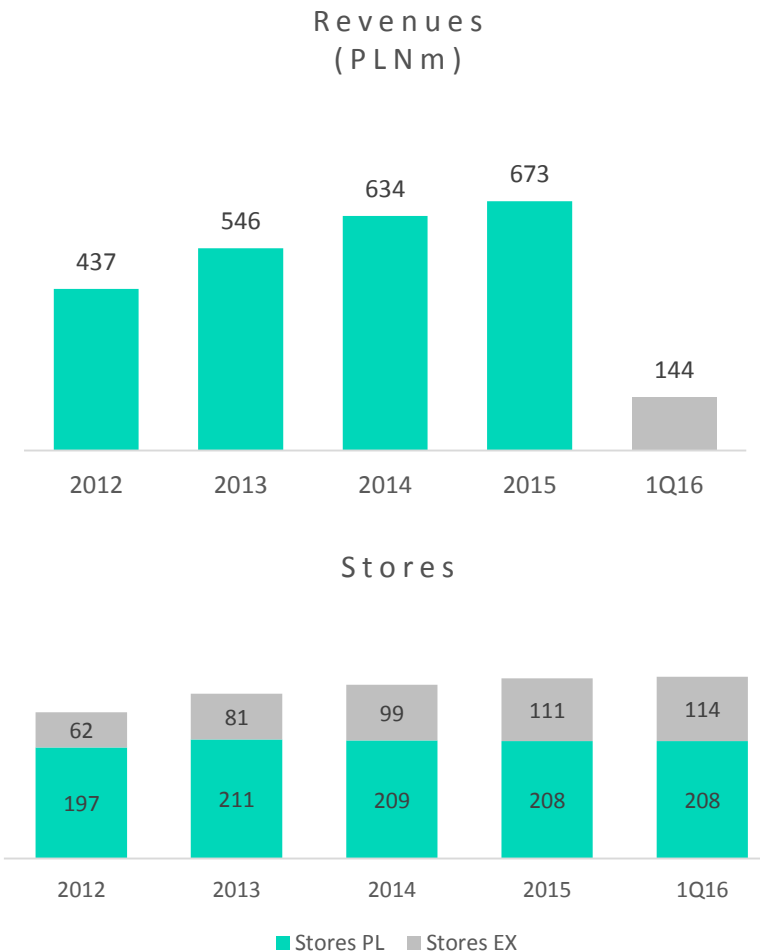


KEY BRAND FEATURES	Urban fashion brand with folk and vintage elements
TARGET CUSTOMERS	Teenagers (boys and girls)
YEAR OF LAUNCH	2001 (at LPP since 4Q08)
# STORES	322
# MARKETS	12
STORE SIZE	312 m2
ADVERTISING	Artistic events partner and music sponsor



Key data	2012	2013	2014	2015	1Q16
Revenues (PLN m)	436.6	546.3	633.6	673.2	144.1
No. of stores	259	292	308	319	322
Store size (m2)	247	275	291	313	312
Floorspace (eop, m2)	63.9	80.2	89.6	99.7	100.5
Sales/m2 monthly	654	652	612	579	481
% of floorspace in PL	73%	69%	64%	62%	63%

YoY growth	2012	2013	2014	2015	1Q16
Revenues (PLN m)	16%	25%	26%	6%	13%
No. of stores	17%	13%	5%	4%	6%
Store size (m2)	7%	11%	6%	7%	5%
Floorspace (eop, m2)	25%	26%	12%	11%	12%
Sales/m2 monthly	3%	0%	-2%	-5%	2%
% of floorspace in PL	-7ppt	-4ppt	-5ppt	-2ppt	+1ppt



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	281
# MARKETS	12
STORE SIZE	338 m2
ADVERTISING	Super models (Anna Jagodzinska, Anja Rubik, Zuzanna Bijoch)

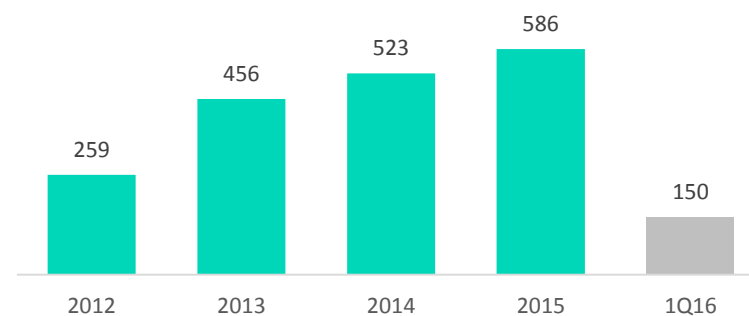


M O H I T O

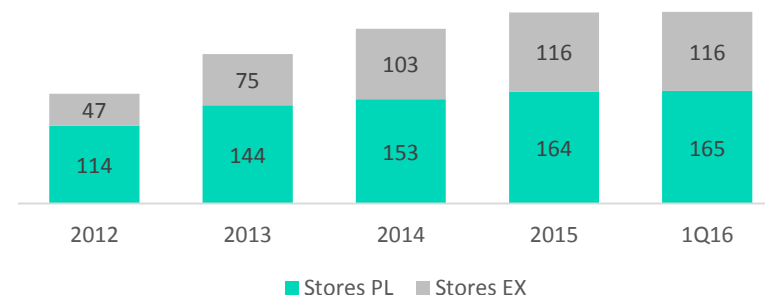
Key data	2012	2013	2014	2015	1Q16
Revenues (PLN m)	259.4	456.4	522.9	586.5	149.5
No. of stores	161	219	256	280	281
Store size (m2)	242	301	323	337	338
Floorspace (eop, m2)	38.9	66.0	82.8	94.5	94.9
Sales/m2 monthly	843	759	583	549	528
% of floorspace in PL	67%	62%	56%	55%	55%

YoY growth	2012	2013	2014	2015	1Q16
Revenues (PLN m)	149%	76%	15%	12%	31%
No. of stores	73%	36%	17%	9%	7%
Store size (m2)	30%	25%	7%	4%	2%
Floorspace (eop, m2)	125%	70%	26%	14%	10%
Sales/m2 monthly	53%	-6%	-19%	-6%	15%
% of floorspace in PL	-10ppt	-5ppt	-6ppt	-1ppt	0ppt

Revenues
(PLN m)



Stores



■ Stores PL ■ Stores EX

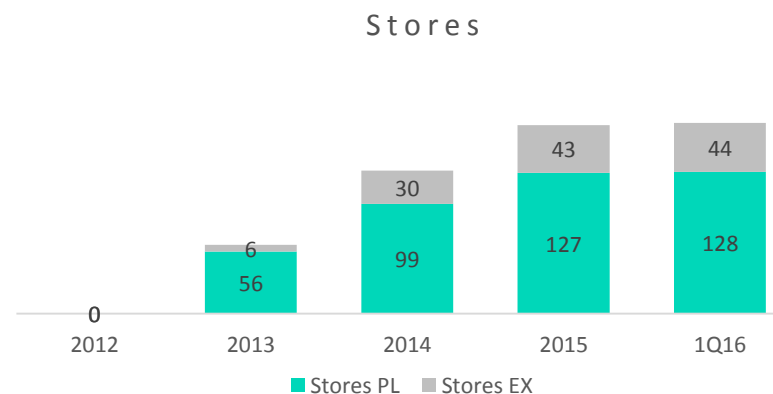
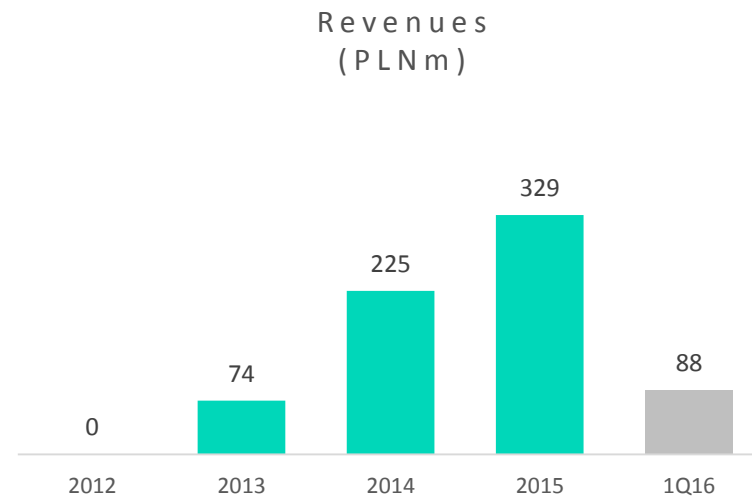
sinsay

KEY BRAND FEATURES	Every day clothes and original party outfits
TARGET CUSTOMERS	Teenagers (girls only)
YEAR OF LAUNCH	2013
# STORES	172
# MARKETS	11
STORE SIZE	352 m2
ADVERTISING	Social media



Key data	2012	2013	2014	2015	1Q16
Revenues (PLN m)	-	74.0	224.7	328.9	88.2
No. of stores	-	62	129	170	172
Store size (m2)	-	325	338	351	352
Floorspace (eop, m2)	-	20.1	43.7	59.7	60.5
Sales/m2 monthly	-	670	584	531	491
% of floorspace in PL	-	89%	75%	73%	73%

YoY growth	2012	2013	2014	2015	1Q16
Revenues (PLN m)	-	-	204%	46%	52%
No. of stores	-	-	108%	32%	22%
Store size (m2)	-	-	4%	4%	2%
Floorspace (eop, m2)	-	-	117%	37%	25%
Sales/m2 monthly	-	-	-4%	-9%	13%
% of floorspace in PL	-	-	-14ppt	-2ppt	0ppt



KEY BRAND FEATURES	High quality clothing
TARGET CUSTOMERS	More demanding men and women 35+
YEAR OF LAUNCH	February 2016
# STORES	6
# MARKETS	Expansion initiated in Poland
STORE SIZE	484 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	1Q16
LPP GROUP	11.3%	5.6%	-2.5%	0.6%	4.2%

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 LFL improvements

INCREASING ATTRACTIVENESS

ACTIONS TAKEN IN 2015 & 2016

ADVERTISING

Contracting international stars

- Georgia May Jagger created a star collection for RESERVED AW15/16
- Anna Jagodzinska (MOHITO SS16)
- Brooklyn Beckham (RESERVED SS15)
- Anja Rubik (star collection for MOHITO AW14/15)
- Zuzanna Bijoch (face of MOHITO AW15/16)



COLLECTIONS

New collections introduced at RESERVED:

- BE ACTIVE - sport collection
- Concept Limited Collection - for city dwellers
- Modern Line - for fashion followers

New lines in MOHITO collections



FLOORSPACE

- Refurbishment of stores of all brands
- New stores in top quality locations
- New flagships in Germany
- Flagship in the centre of London (conditional)



Attractive floorspace – new store concepts



International stars promote our brands



Anna Jagodzińska

Face of MOHITO
SS16 collection



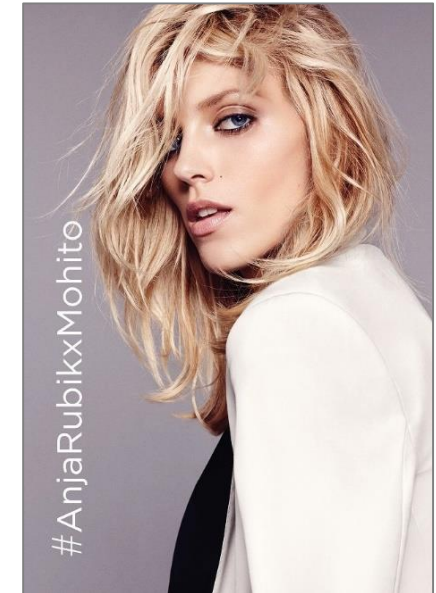
Georgia May Jagger

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	31.03.2016	YoY growth
RESERVED	252.3	322.3	27.7%	389.7	20.9%	461.3	18.4%	467.1	16.0%
Poland	156.1	188.9	21.0%	209.2	10.8%	232.5	11.1%	230.9	7.3%
EU	41.2	52.4	27.1%	83.9	60.1%	120.2	43.2%	124.0	37.6%
CIS	54.9	81.0	47.5%	96.6	19.2%	103.1	6.8%	104.6	9.2%
ME	0.0	0.0		0.0		5.5		7.6	395.7%
Cropp	72.0	90.6	25.9%	105.4	16.3%	114.5	8.7%	115.4	8.3%
Poland	44.9	54.5	21.3%	58.3	6.9%	63.0	8.2%	63.6	8.7%
EU	8.3	10.9	31.1%	17.1	57.1%	19.8	15.7%	20.2	13.1%
CIS	18.7	25.2	34.6%	30.0	19.0%	31.7	5.6%	31.6	4.5%
House	63.9	80.2	25.6%	89.6	11.7%	99.7	11.3%	100.5	11.7%
Poland	46.5	55.4	19.3%	57.3	3.4%	62.2	8.6%	62.9	12.0%
EU	7.2	9.2	27.5%	11.4	24.6%	15.1	32.4%	15.5	22.3%
CIS	10.2	15.6	53.1%	20.9	33.6%	22.4	7.1%	22.0	4.6%
MOHITO	38.9	66.0	69.5%	82.8	25.5%	94.5	14.1%	94.9	9.9%
Poland	26.1	40.9	56.9%	46.2	12.9%	52.1	12.8%	52.5	9.8%
EU	3.0	6.5	118.7%	11.8	80.7%	16.1	37.2%	16.5	21.7%
CIS	9.8	18.5	88.0%	24.8	34.1%	26.2	5.6%	25.9	3.5%
SiNSAY	0.0	20.1		43.7	116.7%	59.7	36.7%	60.5	24.9%
Poland	0.0	17.9		32.7	82.2%	43.5	33.1%	43.9	23.7%
EU	0.0	2.2		4.4	99.3%	7.6	72.3%	8.0	49.1%
CIS	0.0	0.0		6.6		8.6	30.8%	8.6	13.2%
Tallinder (Poland only)	0.0	0.0		0.0		0.0		2.9	n/m
Outlets	7.0	9.3	-48.4%	11.3	22.0%	13.8	21.3%	13.8	16.3%
TOTAL by regions									
Poland	279.4	365.5	30.8%	413.6	13.1%	465.0	12.4%	468.3	10.6%
EU	60.9	80.7	32.5%	128.6	59.4%	179.0	39.2%	184.4	32.1%
CIS	93.7	142.4	51.9%	180.3	26.7%	193.9	7.5%	194.7	7.5%
ME	0.0	0.0		0.0		5.5		7.6	395.7%
TOTAL	434.0	588.6	35.6%	722.5	22.8%	843.5	16.7%	855.0	14.6%

Further floorspace development in 2016

Floorspace (thn m2)	31.12.2015	2016 previous target	2016 new target	YoY growth
BY BRANDS				
RESERVED	461.3	521.8	516.5	12%
Cropp	114.5	119.9	120.4	5%
House	99.7	105.4	106.3	7%
MOHITO	94.5	98.9	100.4	6%
SiNSAY	59.7	69.1	69.6	17%
Tallinder	0.0	4.4	4.3	-
Outlets	13.8	13.8	13.8	0%
BY REGIONS				
Poland	465.0	494.2	496.6	7%
EU	179.0	210.2	212.7	19%
CIS	193.9	214.2	213.1	10%
ME	5.5	14.6	9.0	64%
TOTAL	843.5	933.3	931.3	10%

- 10% YoY floorspace growth targeted for 2016.
- 2016 targets: (1) further development in Germany, (2) 10% floorspace growth in Russia and (3) Tallinder development in Poland.
- By the end of 2016 RESERVED stores will remain in 18 countries.
- Planned 2016 capex at c. PLN 390m, down 20% YoY. Planned investments in own stores at PLN 290m, down 26% YoY, due to more franchise openings.
- Openings in Belarus and Kazakhstan postponed until 2017 due to delays in shopping malls construction.

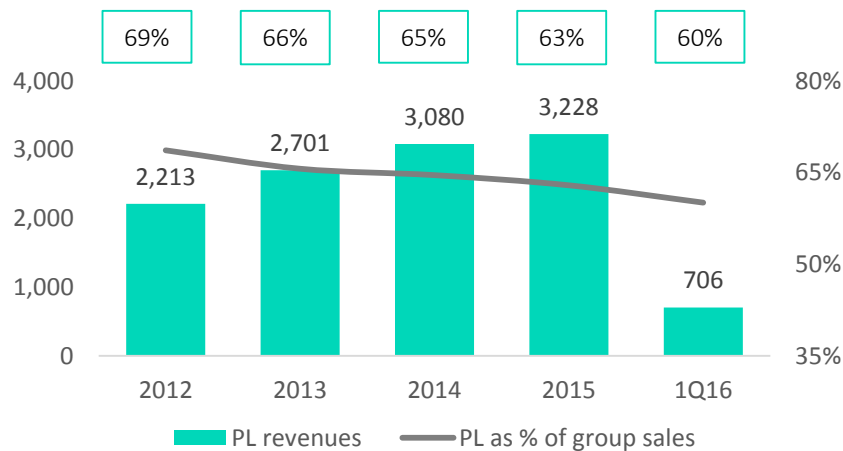
2016 network development details

Floorspace (ths m2)	31.12.2015	2016 TARGET	Nominal growth	YoY growth
RESERVED	461.3	516.5	55.2	12%
Poland	232.5	248.8	16.2	7%
EU	120.2	146.7	26.5	22%
CIS	103.1	112.0	8.9	9%
ME	5.5	9.0	3.5	64%
Cropp	114.5	120.4	5.9	5%
Poland	63.0	65.3	2.2	4%
EU	19.8	20.8	1.0	5%
CIS	31.7	34.4	2.7	8%
House	99.7	106.3	6.5	7%
Poland	62.2	64.8	2.5	4%
EU	15.1	16.6	1.4	10%
CIS	22.4	24.9	2.6	12%
MOHITO	94.5	100.4	5.9	6%
Poland	52.1	53.3	1.1	2%
EU	16.1	19.0	2.9	18%
CIS	26.2	28.1	1.9	7%
ME	0.0	0.0	0.0	-
SiNSAY	59.7	69.6	9.9	17%
Poland	43.5	48.6	5.0	12%
EU	7.6	9.6	2.0	26%
CIS	8.6	11.5	2.9	34%
ME	0.0	0.0	0.0	-
Tallinder	0.0	4.3	4.3	n/m
Poland	0.0	4.3	4.3	-
EU	0.0	0.0	0.0	-
CIS	0.0	0.0	0.0	-
Outlets	13.8	13.8	0.0	0%
Poland	11.6	11.6	0.0	-
EU	0.2	0.2	0.0	-
CIS	2.0	2.0	0.0	-
TOTAL	843.5	931.3	87.9	10%

No. of stores	31.12.2015	2016 TARGET	Nominal growth	YoY growth
RESERVED	449	464	15	3%
Poland	237	236	-1	0%
EU	107	117	10	9%
CIS	101	104	3	3%
ME	4	7	3	75%
Cropp	372	382	10	3%
Poland	217	220	3	1%
EU	66	68	2	3%
CIS	89	94	5	6%
House	319	330	11	3%
Poland	208	211	3	1%
EU	48	51	3	6%
CIS	63	68	5	8%
MOHITO	280	292	12	4%
Poland	164	165	1	1%
EU	52	59	7	14%
CIS	64	68	4	6%
ME	0	0	0	-
SiNSAY	170	198	28	16%
Poland	127	142	15	12%
EU	21	26	5	24%
CIS	22	30	8	36%
ME	0	0	0	-
Tallinder	0	10	10	n/m
Poland	0	10	10	-
EU	0	0	0	-
CIS	0	0	0	-
Outlets	37	37	0	0%
Poland	33	33	0	0%
EU	1	1	0	0%
CIS	3	3	0	0%
TOTAL	1,627	1,713	86	5%

Established position domestically

Poland remains our main market
(PLN m)



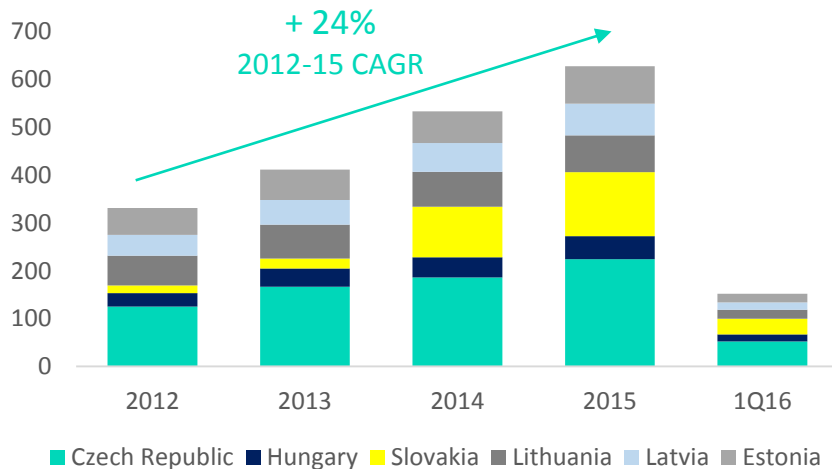
Polish network development

No. of stores	2012	2013	2014	2015	1Q16
Poland	745	886	943	986	995
RESERVED	217	233	235	237	233
Cropp	201	222	219	217	219
House	197	211	209	208	211
MOHITO	114	144	153	164	165
SiNSAY	0	56	99	127	128
Tallinder	0	0	0	0	6
Outlets	16	20	28	33	33

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

Strong presence in CEE and Baltic

Revenues from CEE and Baltic
(PLN m)



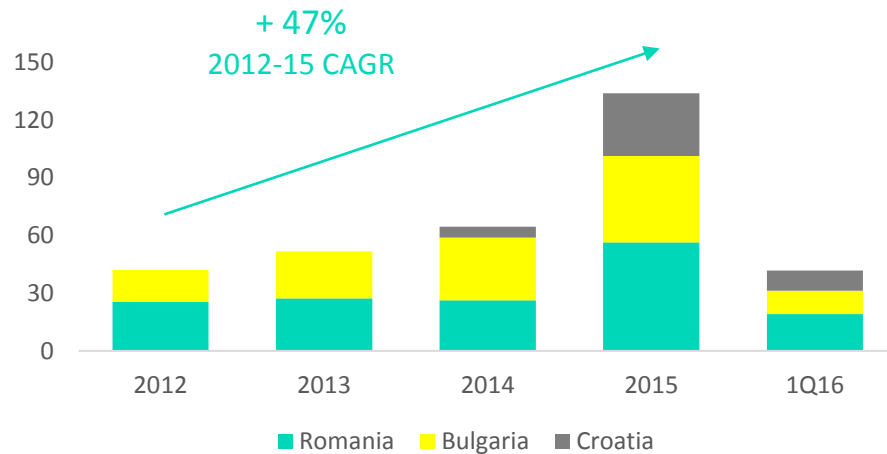
CEE and Baltic network development

No. of stores	2012	2013	2014	2015	1Q16
CEE (excl. Poland)	64	90	132	158	158
Czech Republic	43	66	73	80	80
Hungary	9	11	11	17	17
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)



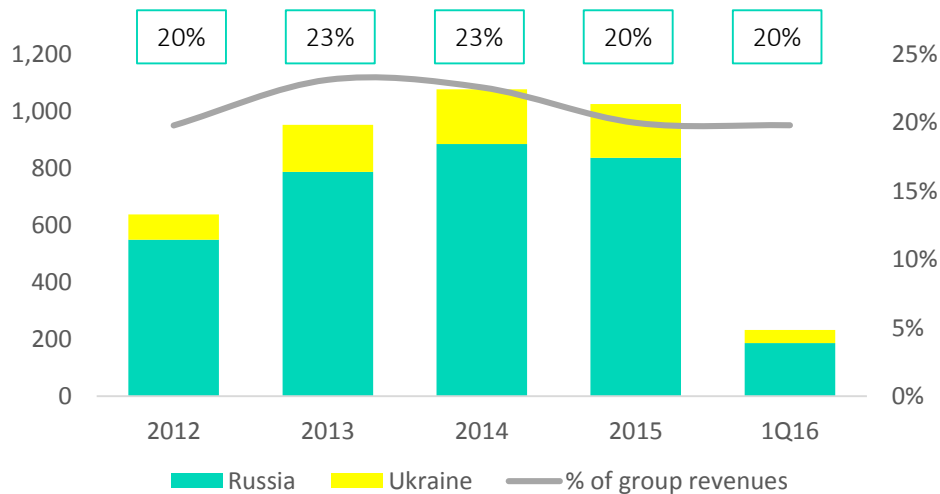
SEE network development

No. of stores	2012	2013	2014	2015	1Q16
SEE	11	23	31	47	51
Romania	5	5	11	22	21
Bulgaria	6	9	15	15	15
Croatia	0	0	5	10	15

- 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.

Development in CIS at a slower pace

CIS revenue contribution
(PLN m)



CIS network development

No. of stores	2012	2013	2014	2015	1Q16
CIS	198	272	336	349	347
Russia	159	219	267	280	278
Ukraine	39	53	69	69	69

FX changes

FX	2012	2013	2014	2015	1Q16
PLN/RUB	9.5	10.1	12.0	16.1	18.9
PLN/UAH	2.5	2.6	3.7	5.7	6.5

- CIS is the second most important market after Poland, responsible for 20% of group sales.
- Due to high-growth potential, development in Russia was initiated in 2002. The pace of new openings was dependent on the quality of shopping mall floorspace available.
- Following the geopolitical issues from 2014, we have withheld new Russian and Ukrainian openings. We now target 10% p.a. floorspace growth in Russia in the medium-term.

Western Europe – the new pillar

We continue marketing spending to improve brand awareness

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

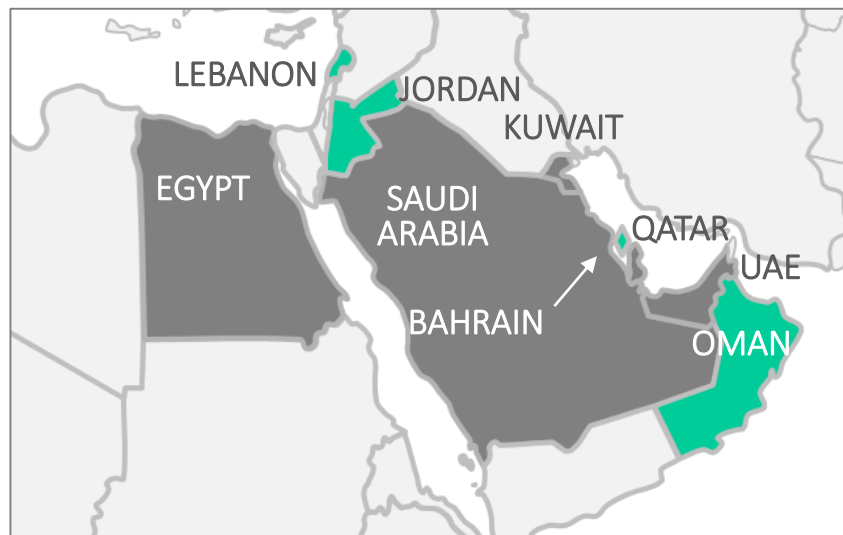
We open our German stores in top quality locations

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

- Germany was the first Western European country entered. In July 2014 we launched RESERVED on-line store, while first shop was opened in September 2014.
- Flagship store in Stuttgart opened in September 2015 is the largest RESERVED store in our network.
- Our target: 20 stores in Germany in 3 years. Further development once these stores reach profitability.
- We have a conditional agreement for our first flagship in the UK, in the center of London.

Middle East – foothold on the third continent

Current and planned ME presence



ME development

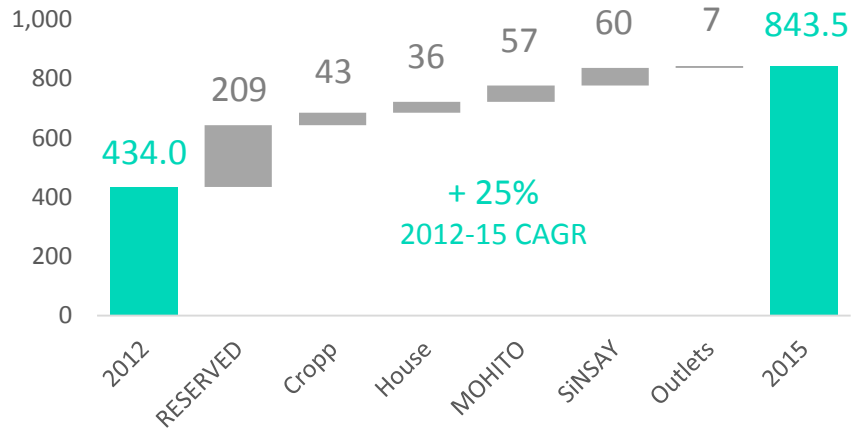
	1Q15	2Q15	3Q15	4Q15	1Q16
No. of stores	1	3	4	4	6
Floorspace (m2)	1,532	3,897	5,491	5,491	7,594
No. of countries	1	3	4	4	5
Sales (PLN m)	3.5	5.6	5.4	8.1	9.5

LPP stores
 Planned openings

- Development via franchise stores since 1Q15 opened by franchisee Azadea (contrary to other markets).
- Franchise stores require no capex, yet bear no retail margin.
- Now, only RESERVED stores are opened, but MOHITO and SiNSAY expansion is to start in 2017.
- 70 franchise stores targeted in the Middle East within 6 years.

New brands fuel floorspace growth

Floorspace growth by brands
(ths m2)



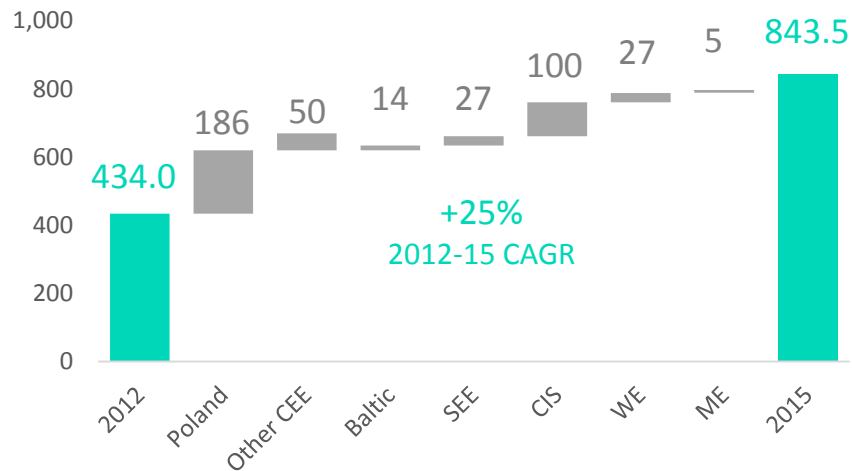
Floorspace by brands

ths m2	2012	2013	2014	2015	1Q16
LPP GROUP	434.0	588.6	722.5	843.5	855.0
RESERVED PL	156.1	188.9	209.2	232.5	230.9
RESERVED EX	96.2	133.4	180.5	228.8	236.2
Cropp PL	44.9	54.5	58.3	63.0	63.6
Cropp EX	27.0	36.1	47.1	51.5	51.8
House PL	46.5	55.4	57.3	62.2	62.9
House EX	17.4	24.8	32.3	37.5	37.6
MOHITO PL	26.1	40.9	46.2	52.1	52.5
MOHITO EX	12.8	25.0	36.6	42.4	42.4
SiNSAY PL	0.0	17.9	32.7	43.5	43.9
SiNSAY EX	0.0	2.2	11.0	16.2	16.6
Tallinder PL	0.0	0.0	0.0	0.0	2.9
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)



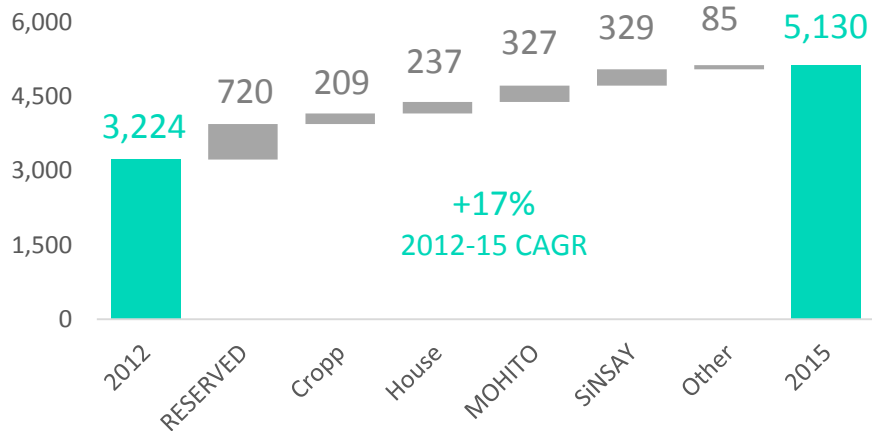
Floorspace by regions

ths m ²	2012	2013	2014	2015	1Q16
LPP GROUP	434.0	588.6	722.5	843.5	855.0
CEE	309.1	408.8	475.5	544.7	548.0
Poland	279.4	365.5	413.6	465.0	468.3
Other CEE	29.6	43.3	61.9	79.7	79.7
Baltic	24.3	27.2	36.4	38.2	38.2
SEE	7.0	10.2	22.6	34.1	36.8
CIS	93.7	142.4	180.3	193.9	194.7
Russia	76.4	116.7	146.0	157.9	158.7
Ukraine	17.3	25.6	34.3	36.0	36.0
WE	0.0	0.0	7.6	27.1	29.7
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.

New brands fuel revenue growth

Revenue growth by brands
(PLN m)



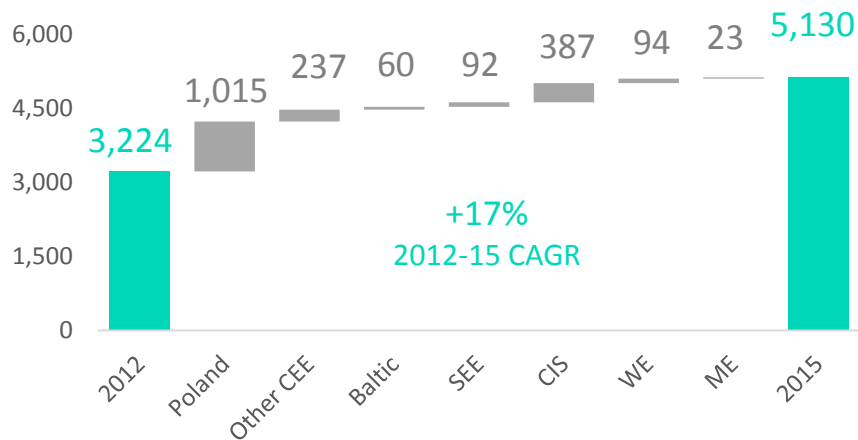
Revenues by brands

PLN m	2012	2013	2014	2015	1Q16
LPP GROUP	3,223.7	4,116.3	4,769.3	5,130.3	1,174.8
RESERVED PL	1,134.9	1,298.0	1,425.7	1,421.5	288.1
RESERVED EX	579.2	775.8	885.6	1,012.3	249.6
Cropp PL	372.2	419.3	469.8	467.8	96.2
Cropp EX	208.2	267.7	301.2	322.0	71.2
House PL	350.9	409.0	454.9	469.7	101.0
House EX	85.8	137.3	178.7	203.4	43.1
MOHITO PL	192.5	307.6	340.5	353.5	86.1
MOHITO EX	67.0	148.8	182.4	233.0	63.5
SiNSAY PL	0.0	70.7	186.0	262.0	68.2
SiNSAY EX	0.0	3.3	38.6	66.9	20.0
Tallinder PL	0.0	0.0	0.0	0.0	0.7
Other	233.1	278.8	305.9	318.2	87.2

- 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)



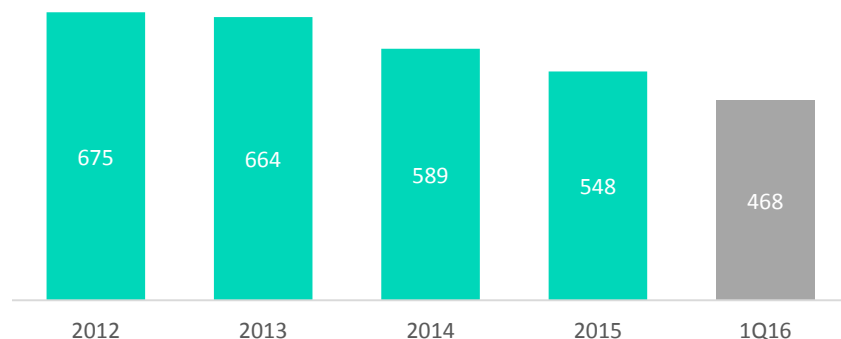
Revenues by regions

PLN m	2012	2013	2014	2015	1Q16
LPP GROUP	3,223.7	4,116.3	4,769.3	5,130.4	1,174.8
CEE	2,382.1	2,926.5	3,413.6	3,633.8	805.7
Poland	2,212.6	2,701.2	3,079.6	3,227.7	705.8
Other CEE	169.5	225.3	333.9	406.1	99.9
Baltic	161.9	186.4	199.8	221.6	52.0
SEE	42.1	51.7	64.6	133.8	41.7
CIS	637.7	951.7	1,076.2	1,024.6	232.6
Russia	549.4	787.1	884.4	836.2	186.2
Ukraine	88.3	164.6	191.8	188.4	46.3
WE	0.0	0.0	15.2	93.9	33.4
ME	0.0	0.0	0.0	22.6	9.5

- 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)



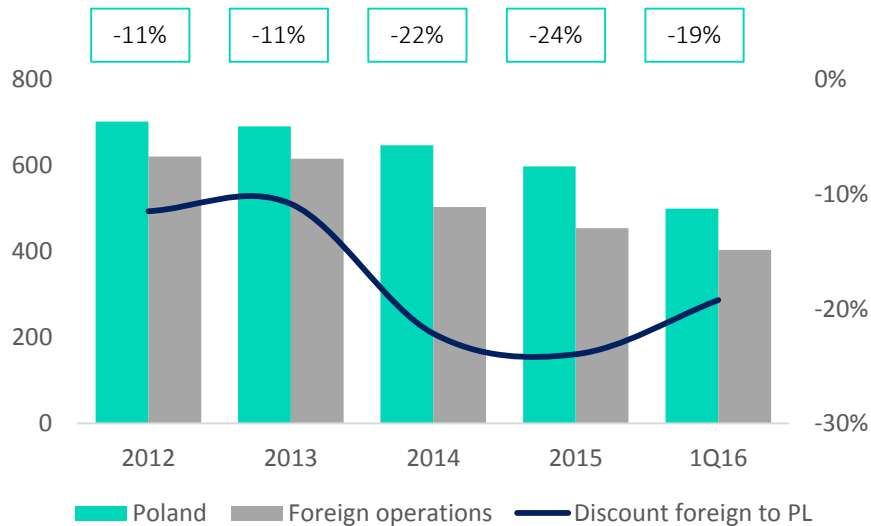
Revenues/ m2 monthly

PLN	2012	2013	2014	2015	1Q16
LPP GROUP	675	664	589	548	468
RESERVED PL	654	644	599	536	417
RESERVED EX	582	573	481	423	373
Cropp PL	754	720	684	624	507
Cropp EX	759	733	596	549	463
House PL	684	682	664	631	539
House EX	556	578	511	486	385
MOHITO PL	857	777	647	601	550
MOHITO EX	803	725	491	483	500
SiNSAY PL	-	682	613	576	522
SiNSAY EX	-	483	475	407	408
Tallinder PL	-	-	-	-	324

- 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 ruble and hryvna.
- In 2015, House had the highest revenues/ m2 in Poland while Cropp abroad.

... and by regions

Revenues/ m2 monthly



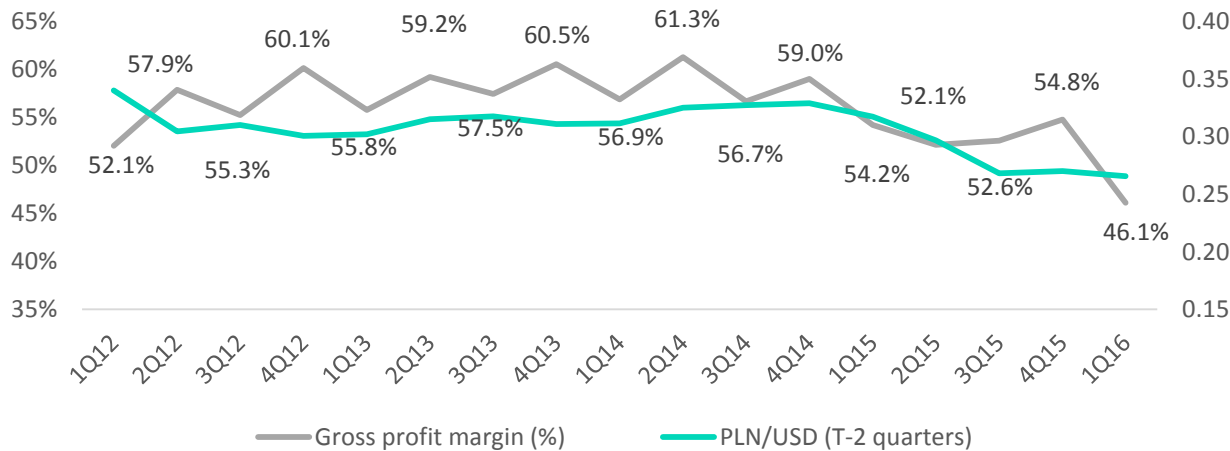
Revenues/ m2 monthly

PLN	2012	2013	2014	2015	1Q16
LPP GROUP	675	664	589	548	468
CEE	578	578	543	528	439
Poland	702	691	647	598	500
Other CEE	537	540	509	505	419
Baltic	567	604	530	493	458
SEE	377	467	457	382	385
CIS	672	663	508	451	405
Russia	710	659	509	435	382
Ukraine	635	667	507	467	428
WE	-	-	836	510	403

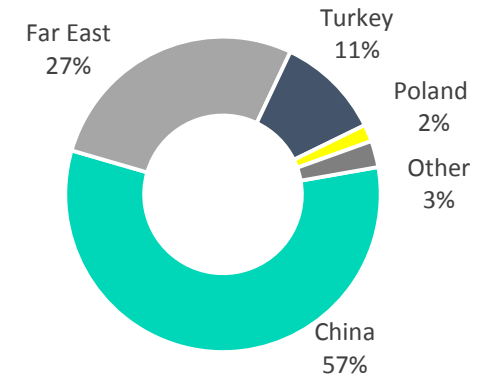
- Sales/m2 in Poland were on average c.17% higher in 2012-15 than on foreign markets.
- The difference widened in 2014-15 due to depreciation of ruble and hryvna to PLN.
- Situation in Russia and Ukraine affects also the revenues from the Baltic countries.

Gross profit margin depends on US\$

Gross profit margin versus PLN/USD



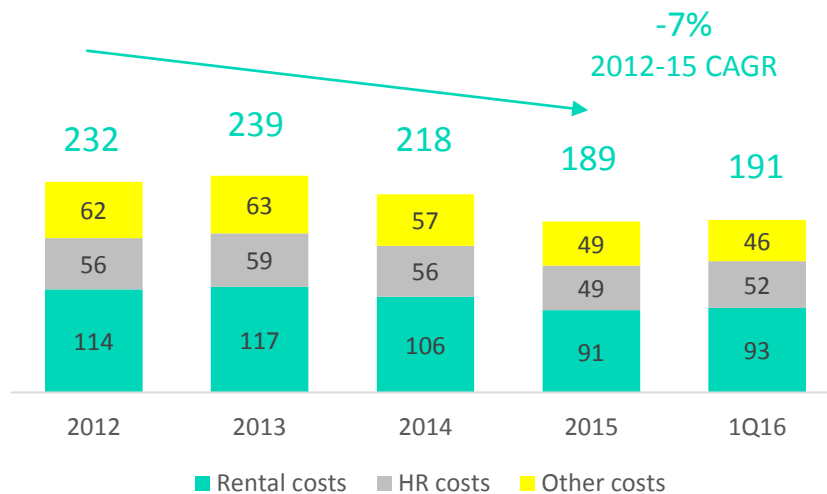
1Q16 purchases by regions



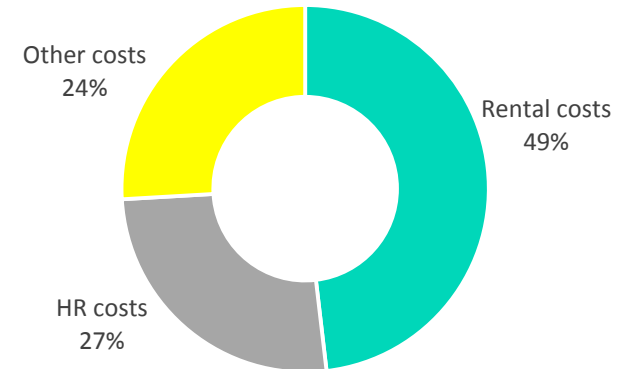
- The majority of purchases is conducted in the Far East and indexed to US\$.
- Depreciation of zloty to US\$ increases costs of purchases from Asia.
- Further US\$ appreciation to PLN is a risk factor to gross profit margin levels in upcoming quarters.
- Gross profit margin on own stores abroad is c. 3 pp higher than in Poland.

Lower costs of own stores

Costs of own stores / m2
(PLN monthly)

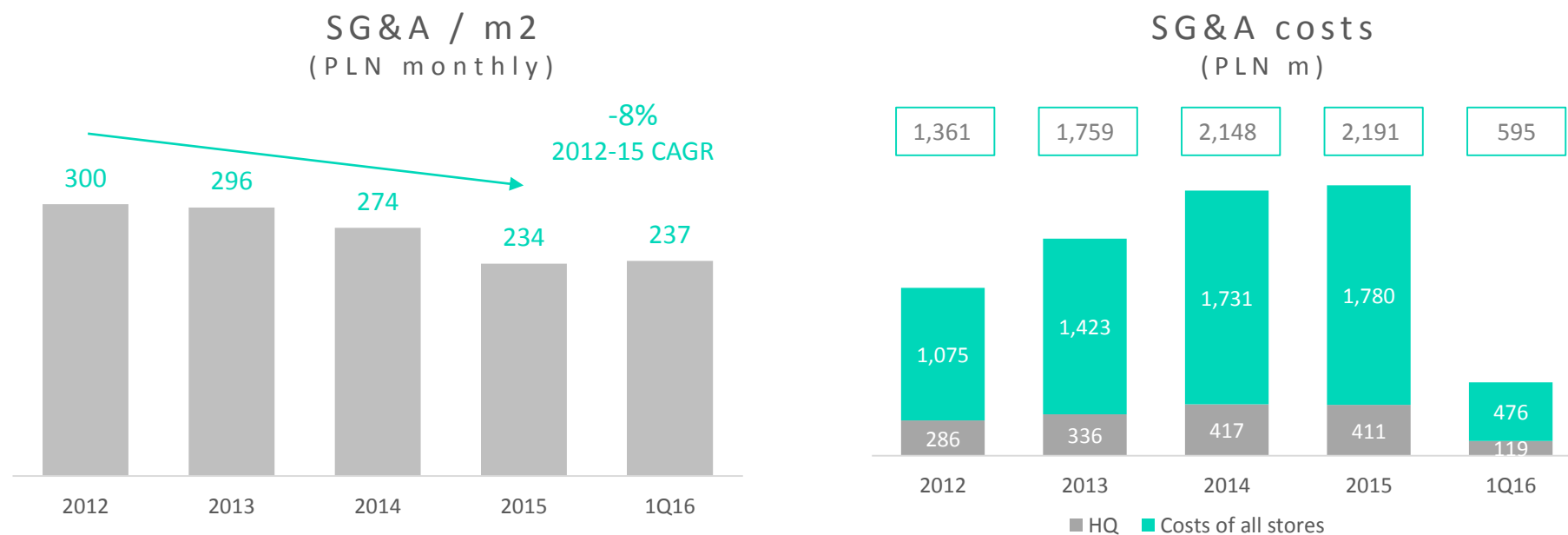


Split of costs of
own stores in 1Q16



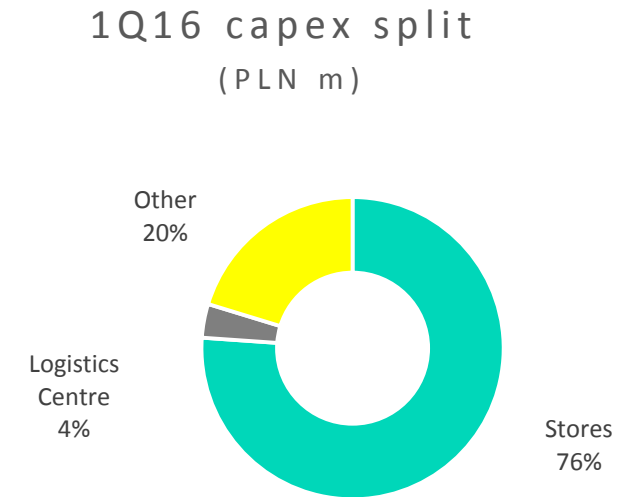
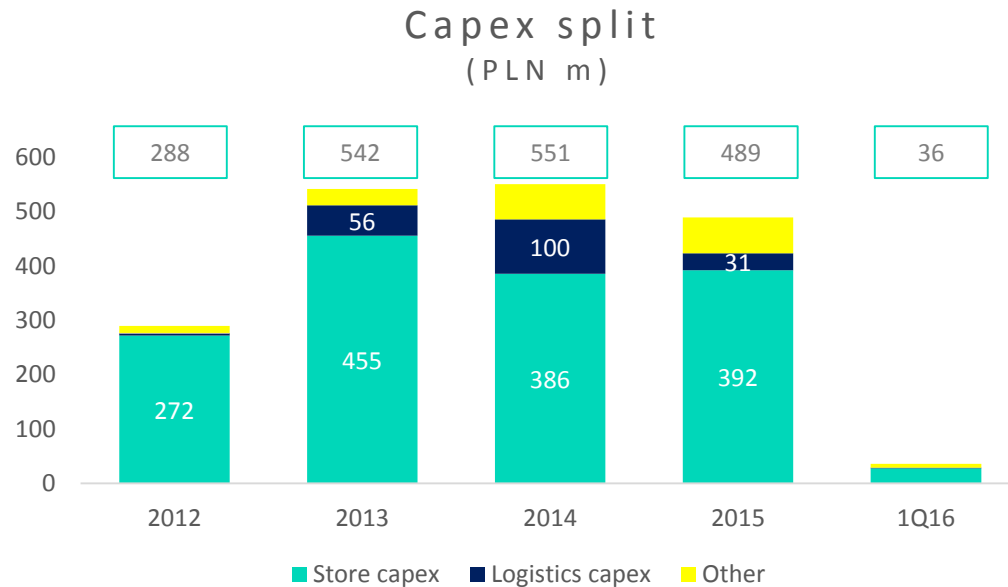
- Fall in rental charges in 2012-15 → successful rental renegotiations domestically, in Russia and Ukraine.
- Fall in personnel costs in 2012-15 → continuous headcount optimisation but growth in salaries.
- Fall in other costs of stores in 2012-15 → depreciation of rubble and hryvnia against US\$ and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

We control SG&A/m²



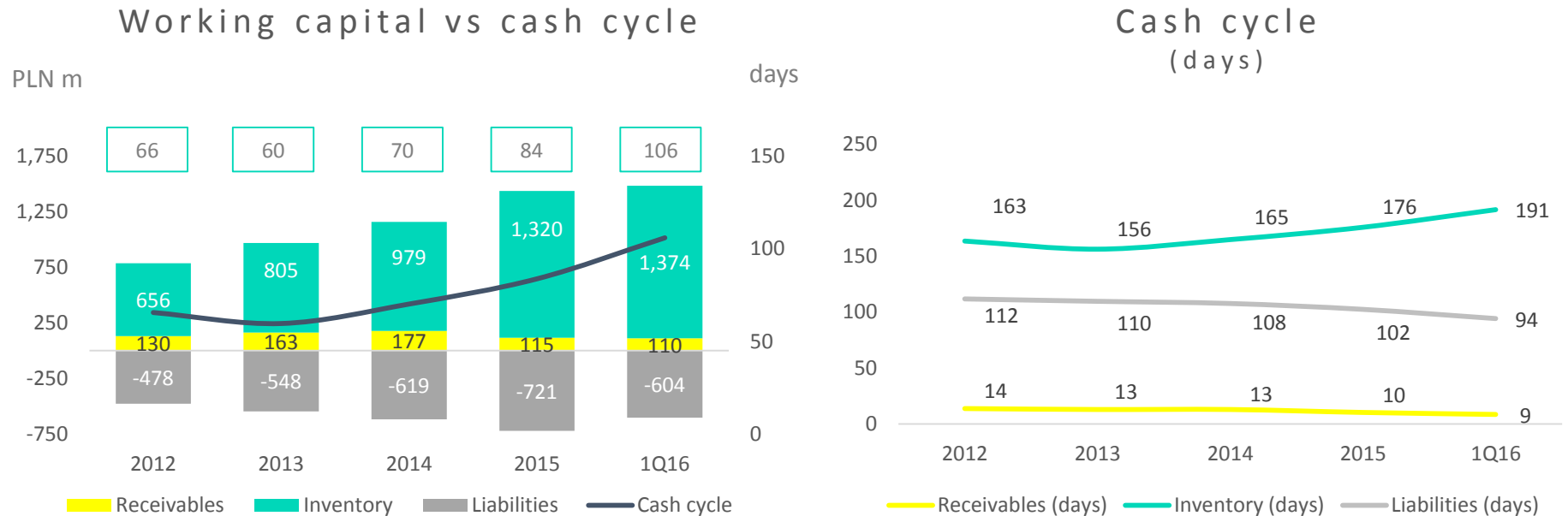
- Fall in SG&A/m² in 2012-15 → optimisation of costs of own stores and headquarters.
- Lower costs of stores/m² → work on lower rentals, HR costs and other costs of stores.
- Lower costs of stores/m² → depreciation of ruble and hryvna against zloty.
- Lower costs of HQ/m² → continuous cost savings despite work on the new Tallinder brand launch.

Capex reduced by fit-outs



- Maintenance capex constitutes c.10% of store outlays.
- Target capex of PLN 2,500 /m2 is lowered by fit-outs obtained domestically and abroad.
- 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 own plots for further growth.

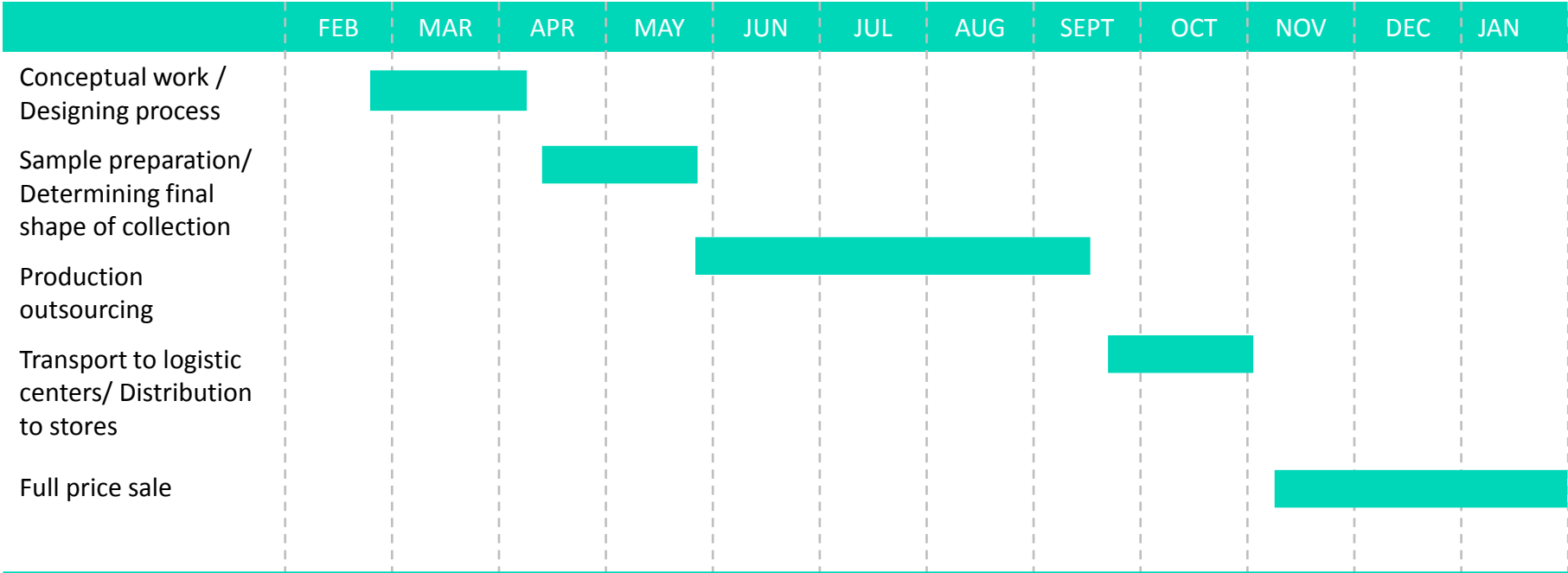
Cash cycle with potential to improve



- 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.

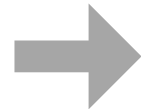
Streamlining production lead time

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



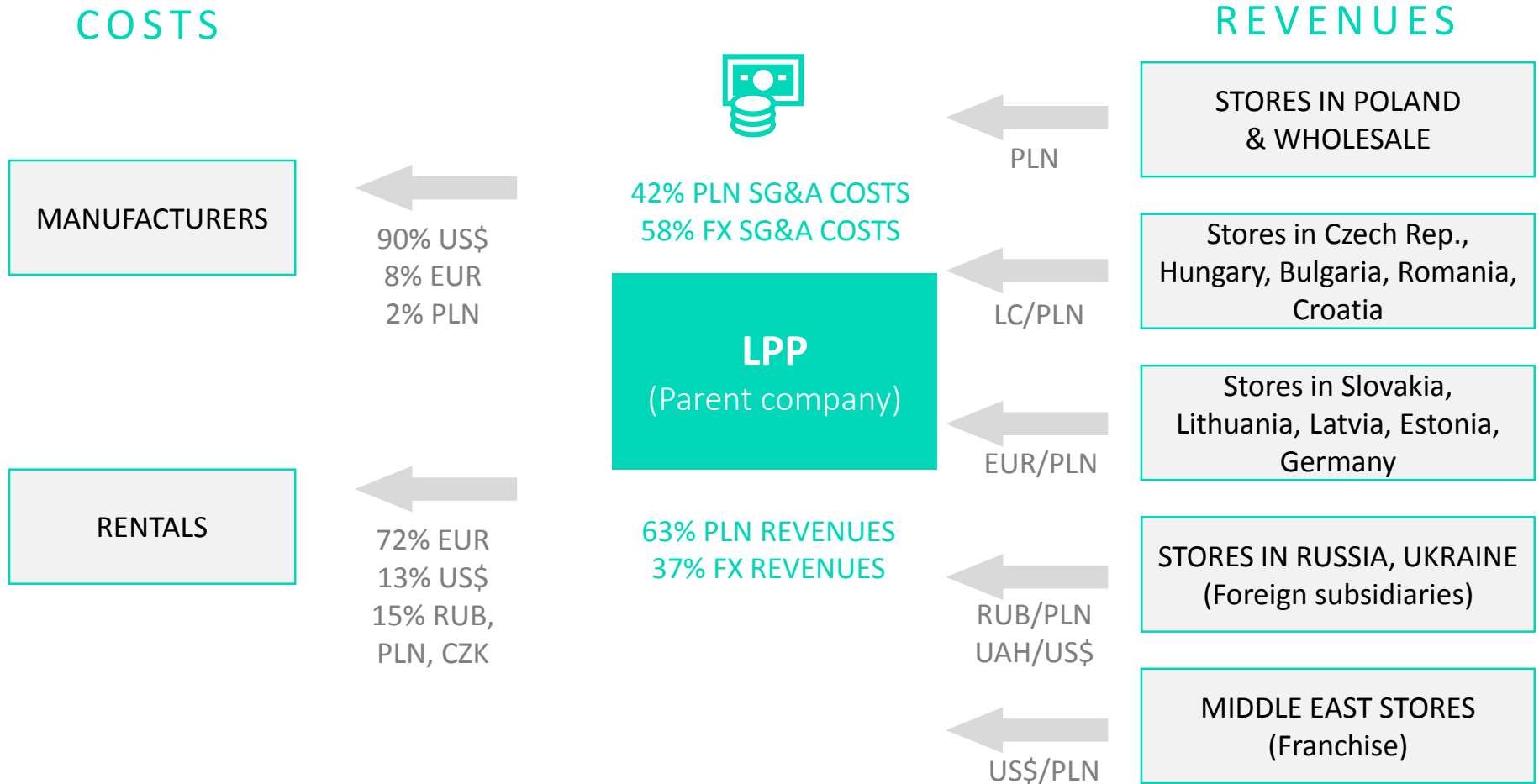
> 1m pieces of clothes sent daily in high season



Center prepares orders for c.900 stores simultaneously



Group's FX exposure



Note: LC stands for local currency.

Historical numbers show cost efficiency

PLN m	2012	2013	YoY	2014	YoY	2015	YoY	CAGR 2012-15	1Q15	1Q16	YoY
Revenues	3,223.8	4,116.3	27.7%	4,769.3	15.9%	5,130.4	7.6%	12.3%	1,002.6	1,174.8	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%	543.4	541.8	-0.3%
<i>Gross profit margin</i>	56.7%	58.5%	1.9ppt	58.6%	0.1ppt	53.5%	-5.1ppt		54.2%	46.1%	-8.1ppt
SG&A costs	1,360.8	1,759.2	29.3%	2,148.3	22.1%	2,191.7	2.0%	12.7%	512.5	595.3	16.2%
Other operating activity	-11.9	-34.3		-35.0		-48.5			-7.3	-10.4	
EBIT	454.4	615.6	35.5%	609.1	-1.1%	502.7	-17.5%	2.6%	23.7	-63.9	<i>n/m</i>
<i>EBIT margin</i>	14.1%	15.0%	0.9ppt	12.8%	-2.2ppt	9.8%	-3.0ppt		2.4%	-5.4%	-7.8ppt
Net financials	-30.3	-91.8		-149.2		-88.3			-53.4	-5.0	
Pre-tax profit	424.1	523.9	23.5%	459.9	-12.2%	414.4	-9.9%	-0.6%	-29.7	-68.9	<i>n/m</i>
Tax	70.2	91.0		-22.0		63.0			7.6	-3.4	
<i>Effective tax rate</i>	16.5%	17.4%		-4.8%		15.2%			-25.6%	4.9%	
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%	-37.3	-65.6	75.7%
<i>Net margin</i>	10.9%	10.5%	-0.4ppt	10.1%	-0.4ppt	6.8%	-3.2ppt		-3.7%	-5.6%	-1.9ppt

Balance sheet remains strong

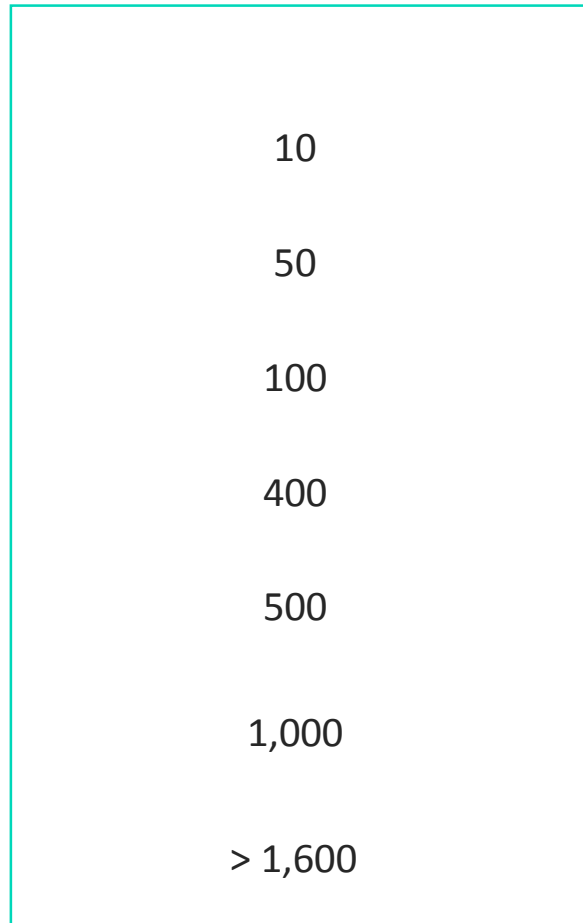
PLN m	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.03.2015	31.03.2016
Non-current assets	744.9	909.9	1,231.9	1,516.4	1,797.0	1,557.5	1,782.7
intangibles (including goodwill)	272.6	278.7	281.2	315.9	324.4	318.2	325.2
fixed assets	447.7	598.5	896.8	1,038.8	1,258.8	1,080.1	1,241.3
Current assets	868.9	1,022.4	1,259.7	1,417.3	1,768.2	1,565.0	1,761.6
inventory	594.6	656.1	805.0	979.3	1,319.7	1,131.1	1,373.6
trade receivables	114.3	130.4	163.3	176.9	115.1	224.1	109.6
cash and equivalents	117.0	159.4	149.4	183.5	224.4	121.9	145.3
Total assets	1,613.9	1,932.2	2,491.6	2,933.7	3,565.2	3,122.5	3,544.3
Equity	909.2	1,211.0	1,496.5	1,638.4	1,889.7	1,637.3	1,851.1
Long-term liabilities	89.4	131.0	192.3	210.7	344.1	207.3	326.8
interest bearing debt	86.4	125.1	184.3	204.5	284.3	201.0	268.2
Short-term liabilities	615.3	590.2	802.7	1,084.6	1,331.3	1,277.8	1,366.4
trade liabilities	377.5	477.8	547.6	618.6	721.4	581.2	604.0
interest bearing debt	204.0	61.0	173.6	378.3	561.1	636.0	711.8
Total liabilities	1,613.9	1,932.2	2,491.6	2,933.7	3,565.2	3,122.5	3,544.3

Annual operating cash flow in the black

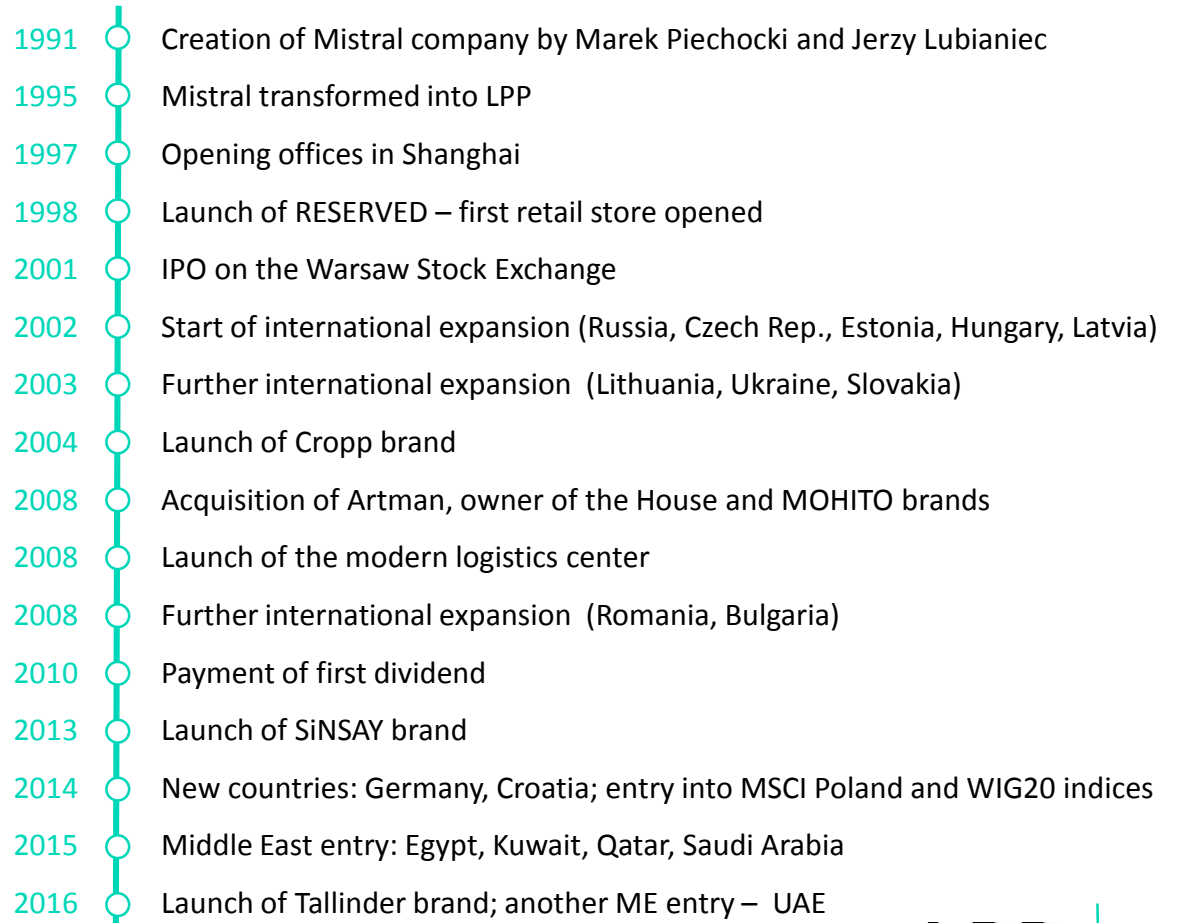
PLN m	31.12.2011	31.12.2012	31.03.2013	31.12.2014	31.12.2015	31.03.2015	31.03.2016
Pre-tax profit	331.0	424.1	523.9	459.9	414.4	-29.7	-68.9
D&A	95.4	109.0	148.2	193.7	223.6	50.4	62.9
NWC	-145.0	-21.7	-95.7	-127.3	-223.4	-187.2	-174.1
Operating CF	254.0	481.3	508.8	492.9	253.9	-203.0	-202.2
Capex	-129.3	-288.4	-541.9	-550.5	-490.6	-104.4	-36.0
Investing CF	-39.6	-260.7	-518.2	-476.0	-415.5	-96.2	-17.5
Interest bearing debt	-42.9	-18.4	167.4	204.0	277.7	241.7	139.2
Dividends	-135.0	-140.0	-154.0	-169.6	-58.0	0.0	0.0
Interest	-18.6	-17.9	-12.5	-14.8	-18.5	-4.1	-5.4
Financing CF	-193.9	-178.1	-0.6	17.2	201.2	237.6	141.9
Total CF	20.5	42.4	-10.0	34.2	39.5	-61.6	-77.8

Successful story of LPP

No. of STORES



CORPORATE MILESTONES



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]
```

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, Cropp, Tallinder and RESERVED brands.

PRZEMYSŁAW LUTKIEWICZ (45) CFO

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

HUBERT KOMOROWSKI (39) BOARD MEMBER

- At LPP since 2000, initially in charge of RESERVED.
- Responsible for supervision of LPP's merger with Artman.
- Responsible for Cropp, House and MOHITO development.

JACEK KUJAWA (41) 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.

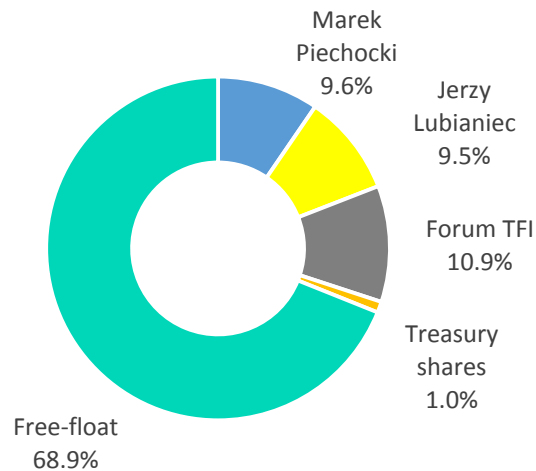
MACIEJ MATUSIAK (48) Independent Member

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

Company controlled by its founders

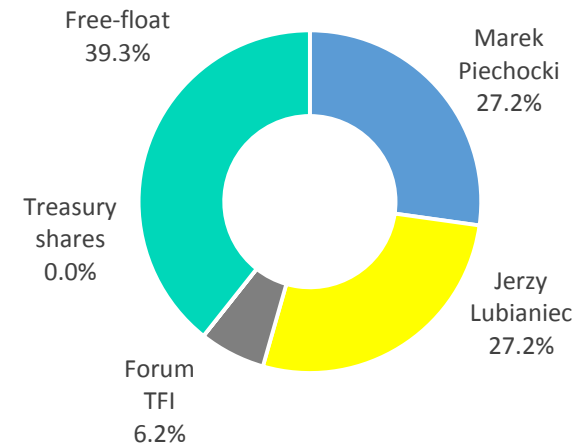
Shareholders by equity
(31.03.2016)

total no of shares: 1,835,207



Shareholders by votes
(31.03.2016)

total no of votes: 3,216,229



- The shares held by the founders are privileged 1 to 5 in votes.
- The Forum TFI stake is owned by the founders, i.e. Marek Piechocki and Jerzy Lubianiec.
- Effectively, the founders control 30.0% of equity and 60.7% of votes.
- Treasury shares (18,978) are valued at PLN 2,280 and partially used for the purpose of stock option plan.

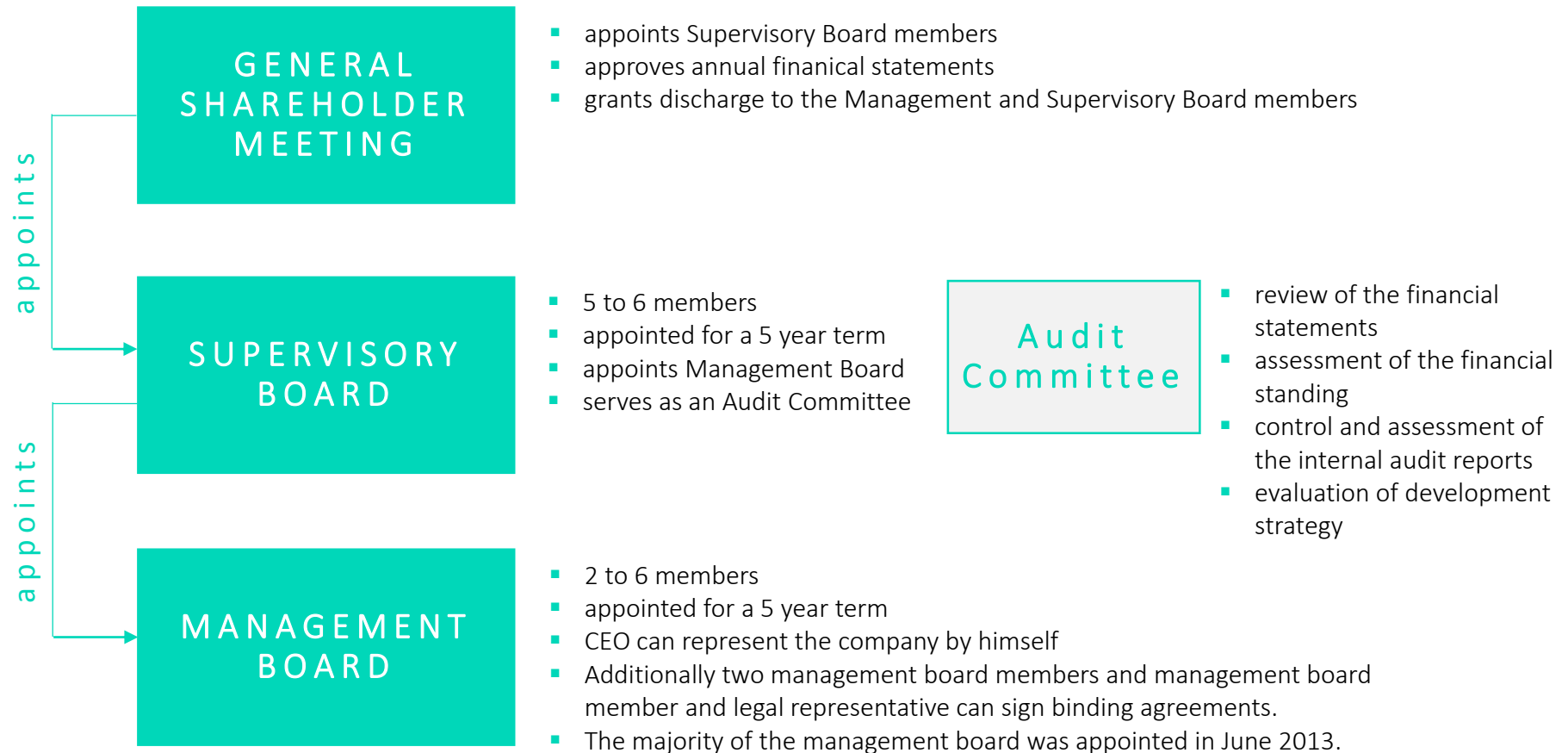
Management motivated by stock option plans

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

Tenure of stock option plan	Max dilution (no. of shares)	Shares issued	Cost in P&L (PLN m)	Issuance price	Criteria
2011-14	21,300	4,084	7.2	PLN 2,000 (market proxy)	10% YoY EPS growth
2013	2,420	2,420 (treasury shares used)	5.4	PLN2 (nominal price)	10% YoY EPS growth
2014	1,080	0	9.3	PLN2 (nominal price)	10% YoY EPS growth
2016	3,000	0 (treasury shares are to be used)	n/a	PLN2 (nominal price)	10% YoY EPS growth

- Stock option programs are used to align the goals of the management board with those of shareholders.
- The current stock option plan was approved by AGM on 17 June 2016. All 5 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:
 - factory audit department (2014),
 - 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).

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. 4.3% 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. 4.1% 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

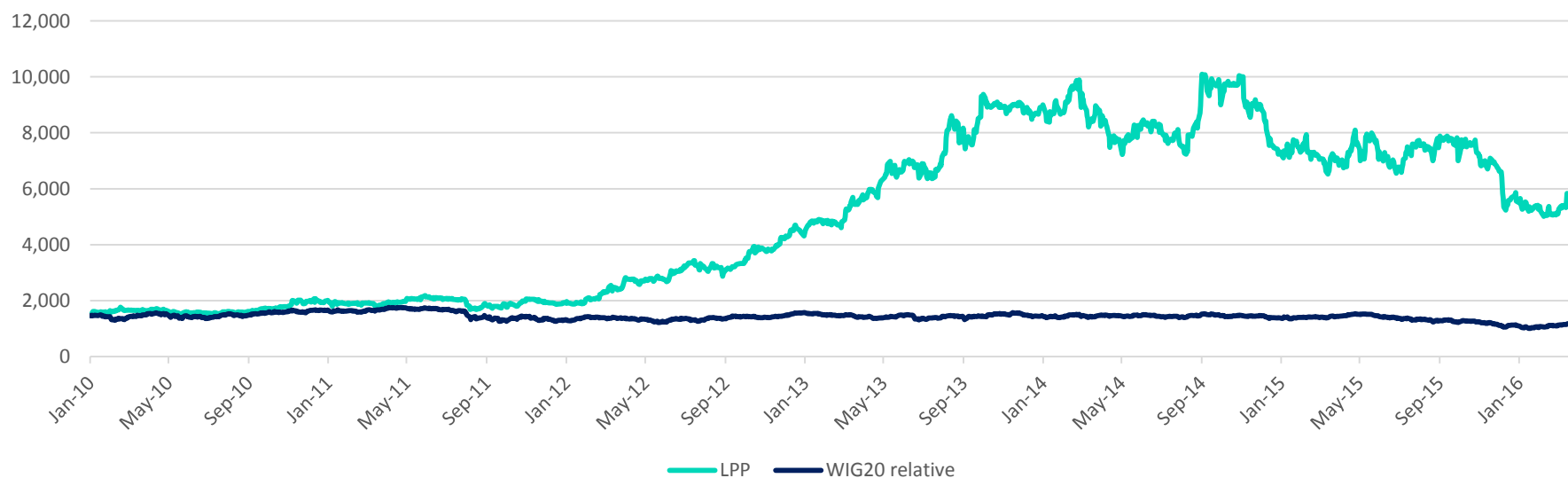
- FTSE indices are tracked by ETFs
- LPP member of three FTSE indices: All-World Index, Emerging Index, Global Style Index

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 -22%
 3Y -3%
 5Y +167%

MARKET DATA

Price (31.03.16) PLN 5,500
 Min 1Y PLN 5,011
 Max 1Y PLN 8,099

Broad analytical coverage of LPP

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Investor relations' calendar



KEY DATES

- 23 Jun 2016 Opening of 1,000th store (Warsaw)
- 30 Aug 2016 2Q16 results announcement and investors' conference
- 14 Nov 2016 3Q16 results announcement
- 15 Nov 2016 3Q16 conference



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Glossary

Poland	Retail sales in Poland and other sales of LPP SA.
CEE	Region including: Czech Republic, Slovakia, Hungary, unless otherwise indicated.
Baltic	Region including: Lithuania, Latvia, Estonia.
CIS	Region including: Russia, Ukraine.
SEE	Region including: Bulgaria, Romania, Croatia.
WE	Region including Germany.
ME	Region including Egypt, Qatar, Kuwait, Saudi Arabia, United Arab Emirates.
EU	Region including: CEE, Baltic, SEE and WE.
EBITDA	EBIT + depreciation from cash flow statement.
Average monthly revenues/m2	Revenues of segment or brand / average working total floorspace / 12.
Average monthly costs of own stores/m2	Costs of own stores / average working floorspace of own stores (ie. excl. franchise stores) / 12.
Average monthly SG&A PLN/m2	SG&A costs/ average working total floorspace / 12.
Inventory/ m2	Inventory/ floorspace excluding ME franchise.
Inventory days	Average inventory/ group COGS * 365 days.
Receivables days	Average receivables/ group revenues * 365 days.
Liabilities days	Average trade liabilities/ group COGS * 365 days.
Cash conversion cycle	Inventory days + receivables days – liabilities days.

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RESERVED

 TALLINDER

MOHITO

 house

CROPP

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