



LPP EQUITY
STORY

GLOBAL ASPIRATIONS

SEPTEMBER 2017

LPP

RESERVED

CROPP

 **house**

MOHITO

sinsay

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RESERVED

- 1 Overview
- 2 Investment case
- 3 Back-up

The largest clothing retailer on WSE

1,710
STORES

19
COUNTRIES

PLN 3bn
REVENUES

69%
FREE FLOAT

MSCI POLAND
WIG 20 MEMBER

PLN 13bn
MARKET
CAPITALISATION

Data as of 30.06.2017

A diversified brand portfolio ...



...with varied store concepts



2 growth pillars: stores and e-commerce



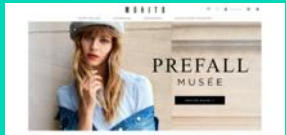
Germany



Czech Republic



Slovakia



Romania



Hungary



Poland



Latvia



Lithuania



Estonia



19

countries off-line



9

countries on-line



2

pillars of growth

30.06.2017	No. of stores	YoY
LPP GROUP	1,710	+24
Reserved	458	+ 11
Cropp	386	- 2
House	338	- 5
Mohito	288	+ 4
Sinsay	204	+ 25
Tallinder	0	- 8
Outlets	36	- 1

Over 1,700 stores on 3 continents



Data as of 30.06.2017 with exception of London flagship opened in September 2017.

A lean retail oriented business model



200+
designers

700+
total number of people
creating collections
of 5 brands

90%
goods sourced
from Asia

500+
suppliers

capacity to send up to
1.5m
products daily to stores

the largest and most
modern clothing
logistics centre in CEE

1,700+
stores

19
countries

3 continents
Europe, Asia, Africa

545m
customers annually

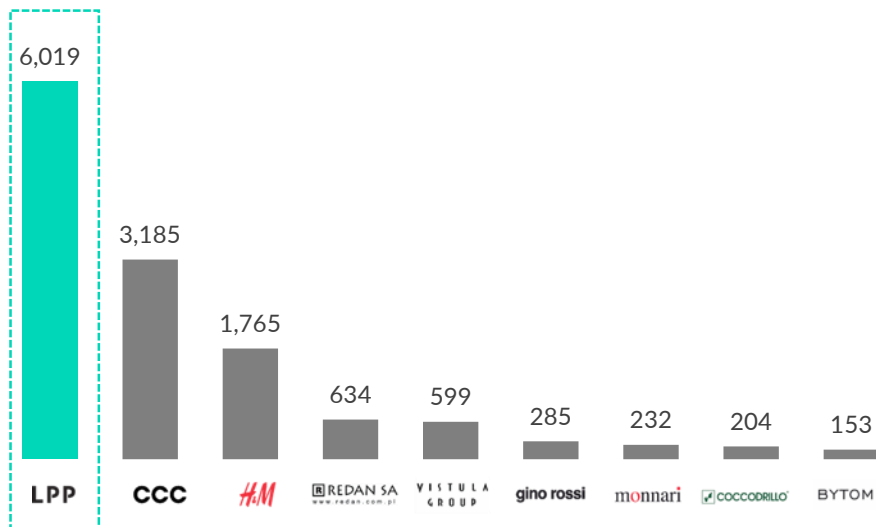
170m
pieces of clothing
and accessories sold
in 2016

Duration of the production cycle varies depending on the model, size of the order and country of production. Our models reflect the latest trends (the so-called must-haves) and are manufactured as quickly as 30 days. The rest of the collection is manufactured in approx. 90-100 days.

Eyeing the international giants

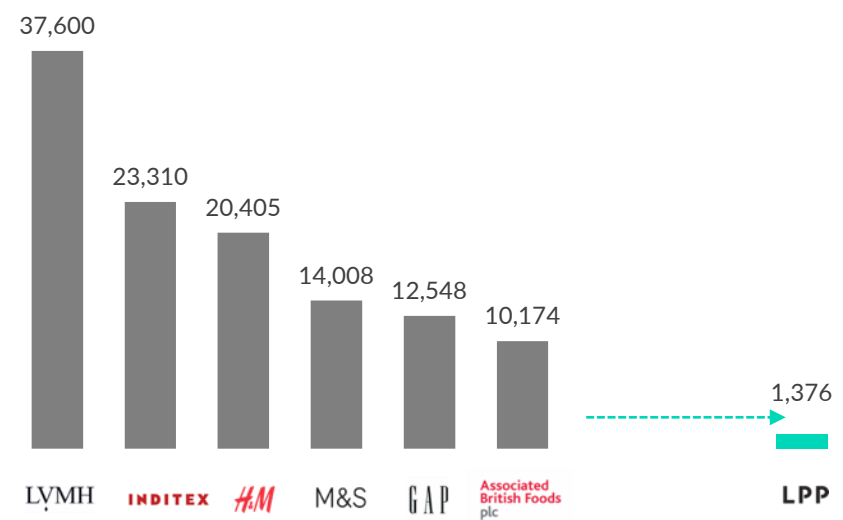
LEADER ON THE DOMESTIC RETAIL MARKET

REVENUES (PLN m)



AMBITIONS TO BE AMONG THE INTERNATIONAL LEADERS

REVENUES (EUR m)



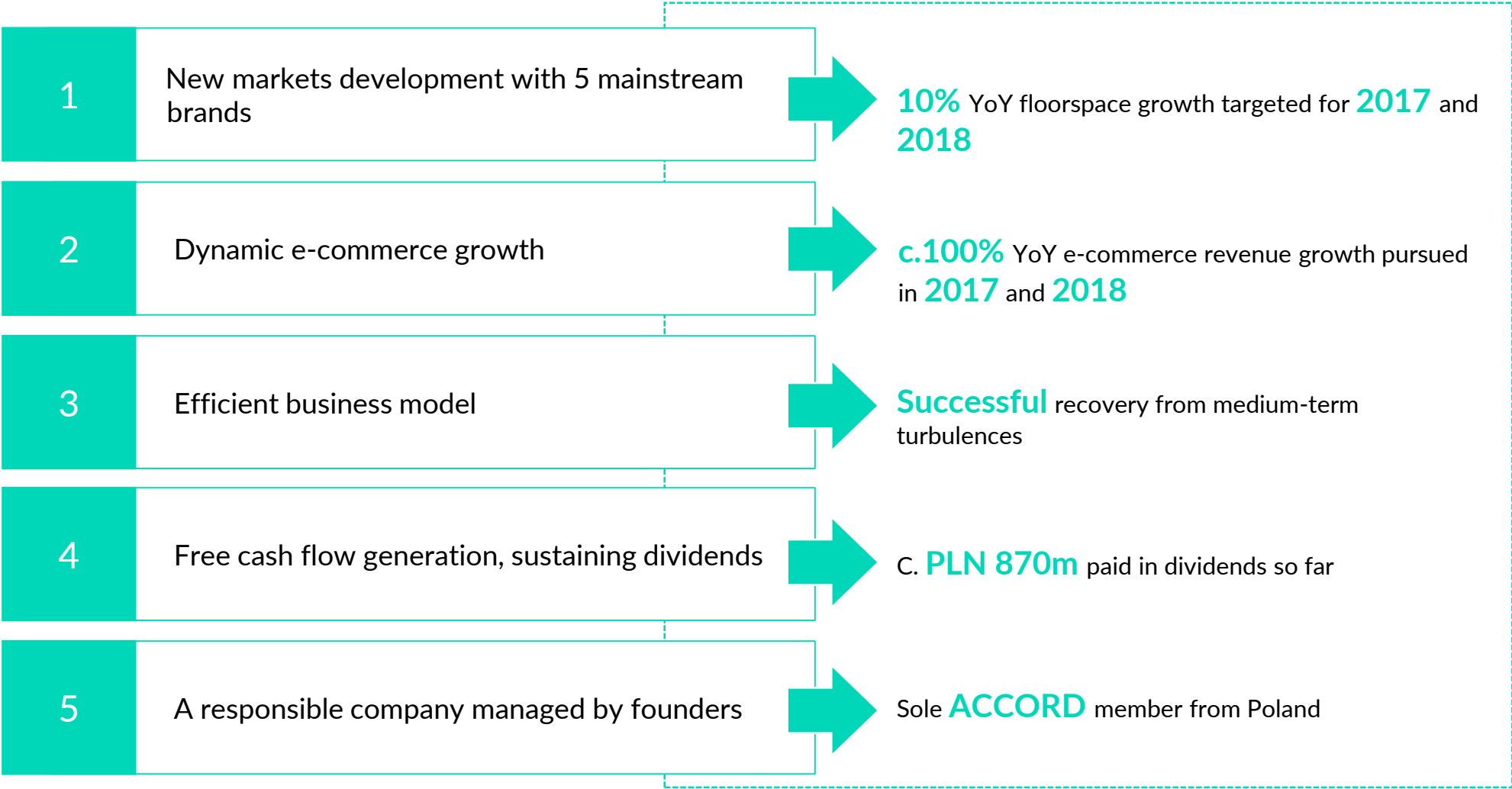
Note: Data based on 2016 revenues or equivalent annual if available. Values calculated at average exchange rates for the period.

CROPP




- 1 Overview
- 2 Investment case
- 3 Back-up

Investment case



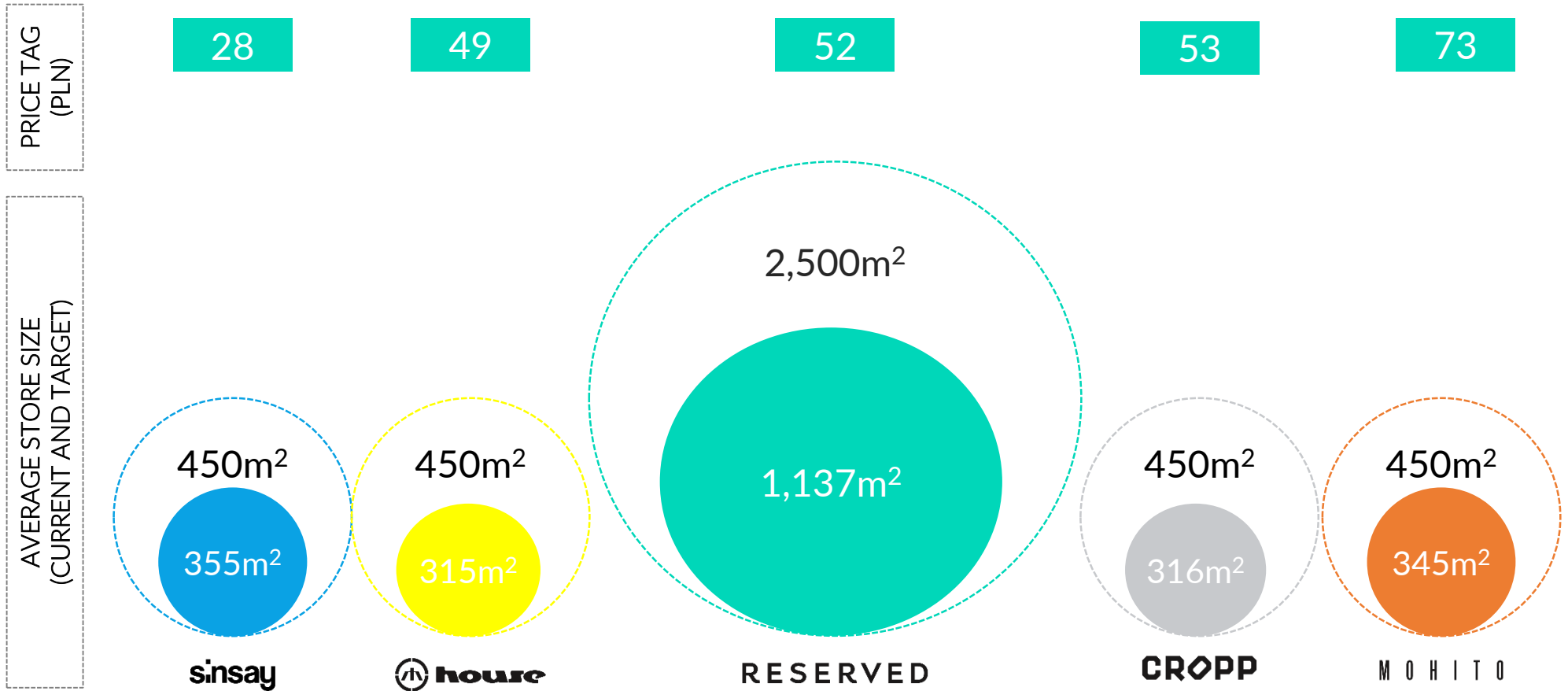
Portfolio of 5 mainstream brands

WE FOCUS ON MAINSTREAM-PRICED BRANDS

	RESERVED	CROPP	 hourse	M O H I T O	sinsay
KEY BRAND FEATURES	Anchor 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
TARGET CUSTOMERS	Women, men, children	Teenagers (boys and girls)	Teenagers (boys and girls)	Young women	Teenagers (girls only)
YEAR OF LAUNCH	1998	2004	2001 (at LPP since 4Q08)	2008 (at LPP since 4Q08)	2013
COUNTRIES / REGIONS PRESENT	CEE, SEE, Baltic, CIS, Germany, ME	CEE, SEE, Baltic, CIS	CEE, SEE, Baltic, CIS	CEE, SEE, Baltic, CIS (excl. Belarus)	CEE, Baltic, CIS (excl. Belarus), SEE (excl. BGN)
# STORES / FLOORSPACE 2Q17	458 520.8 ths m2	386 121.9 ths m2	338 106.6 ths m2	288 99.3 ths m2	204 72.5 ths m2
AVERAGE STORE SIZE	1,137 m2	316 m2	315 m2	345 m2	355 m2

Note: Sum of brand floorspace does not equal group floorspace as on top we had 12.6 ths m2 of outlets at the end of 2Q17.

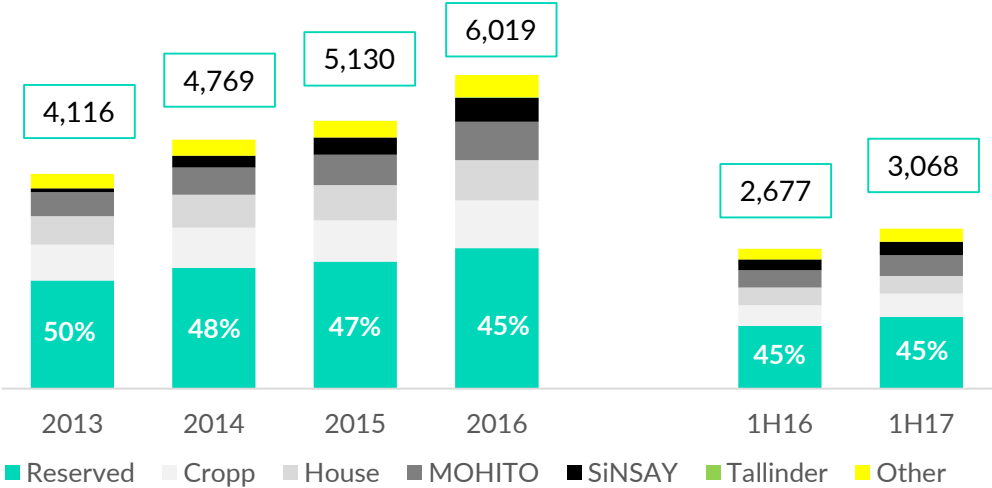
Store upgrades to continue



We plan to continue to gradually enlarge the average size of stores of all our brands so as to accommodate room for more comprehensive collections.

Reserved remains our most important brand

GROUP REVENIUES BY BRANDS
(PLN m)



GROUP REVENIUES BY BRANDS

PLN m	2013	2014	2015	2016	1H17
LPP GROUP	4,116	4,769	5,130	6,019	3,068
Reserved	2,074	2,311	2,434	2,693	1,377
Cropp	687	771	790	915	442
House	546	634	673	767	339
Mohito	456	523	586	737	396
Sinsay	74	225	329	461	261
Tallinder	0	0	0	12	1
Other	279	306	318	434	251

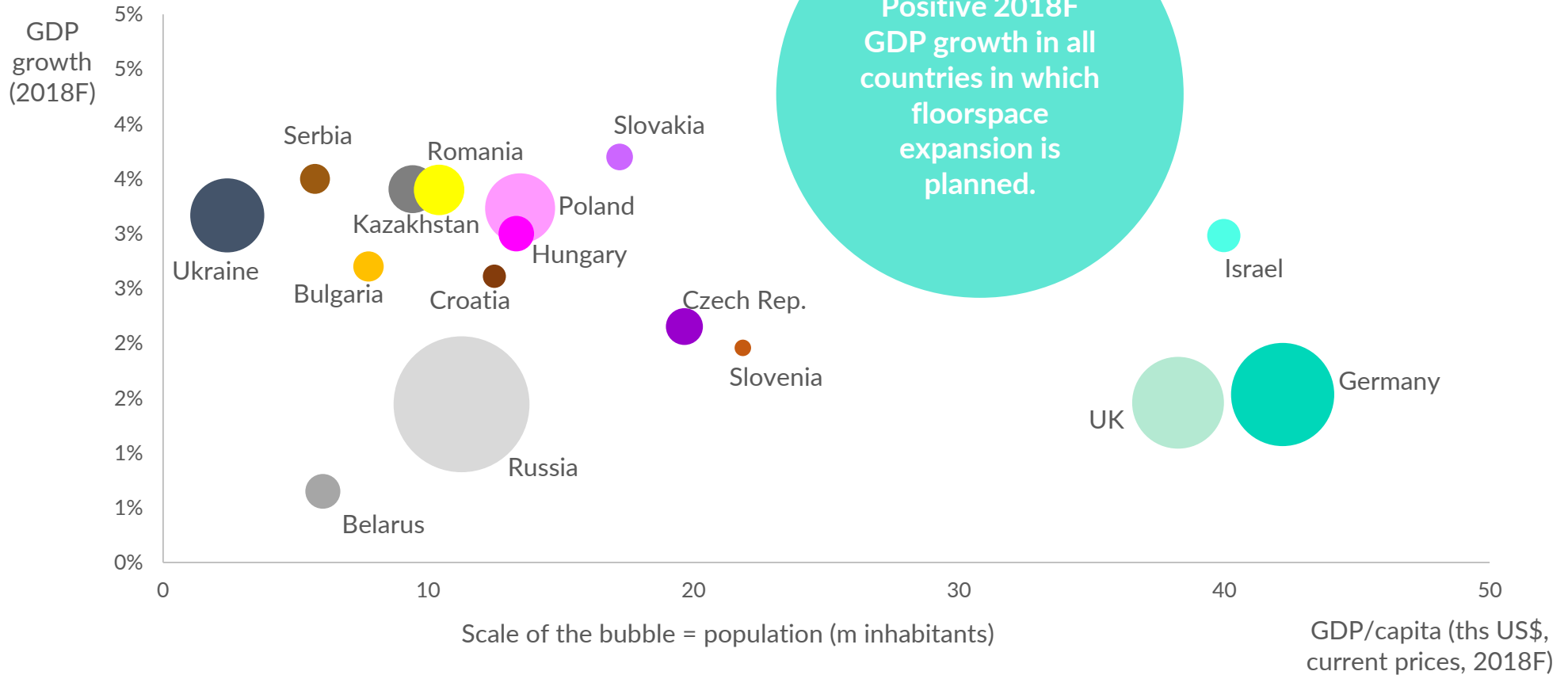
- Reserved remains our key brand. We continue to develop other brands to minimise fashion risk and benefit from economies of scale.
- In the long-term we plan to open stores of each brand in all countries in which we are present today.
- The priority in new markets' expansion is given to Reserved brand (Germany, Middle East, the UK).

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, Belarus	Germany
# COUNTRIES PRESENT	4	3	3	3	1	5
BRANDS	Reserved, Cropp, House, Mohito, Sinsay	Reserved, Cropp, House, Mohito, Sinsay	Reserved, Cropp, House, Mohito, Sinsay	Reserved, Cropp, House, Mohito, Sinsay	Reserved	Reserved
# STORES 2Q17	1,167	74	64	379	19	7
TYPE OF STORES	Own (majority), franchise	Own	Own	Own (majority), franchise	Own	Franchise
FLOORSPACE 2Q17	574.9 ths m2	39.9 ths m2	48.7 ths m2	216.5 ths m2	45.5 ths m2	8.2 ths m2

Entry into high growth potential markets

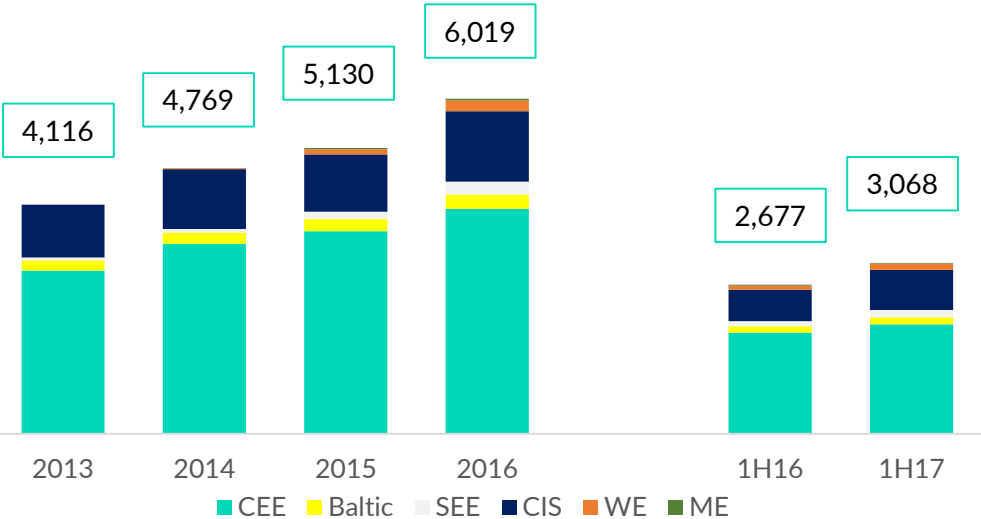
GROWTH POTENTIAL OF COUNTRIES DEVELOPED



Source: International Monetary Fund, April 2017 dataset.

New countries fuel revenue growth

GROUP REVENUES BY REGIONS
(PLN m)



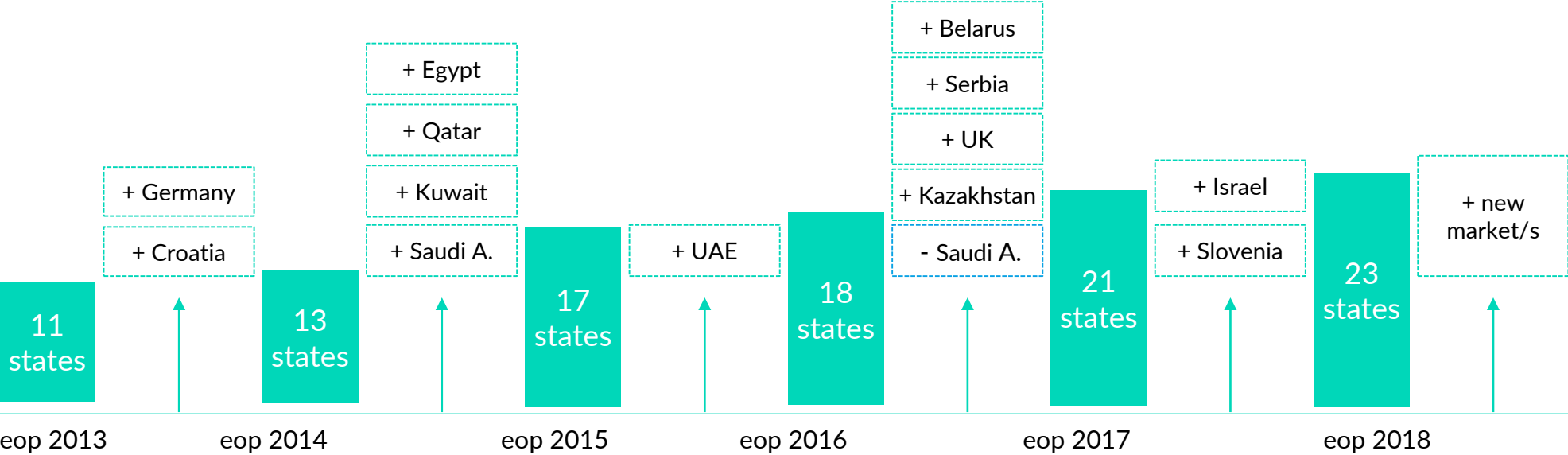
GROUP REVENUES BY REGIONS

PLN m	2013	2014	2015	2016	1H17
LPP GROUP	4,116	4,769	5,130	6,019	3,068
CEE	2,927	3,414	3,634	4,039	1,964
Baltic	186	200	222	256	127
SEE	52	65	134	230	130
CIS	952	1,076	1,025	1,269	718
WE	0	15	94	194	115
ME	0	0	23	31	13

- CEE: dependency on Poland should continue to diminish in upcoming years. Maturity has been reached in Czech Republic and Slovakia, but Hungary still offers growth potential.
- CIS: acceleration in 2017 – step-up in store openings in Russia and Ukraine and entry via franchise stores into Belarus (April 2017) and Kazakhstan (planned for 4Q17). SEE: entry into Serbia in August 2017.
- WE: 20 stores in Germany by the end of 2018 and first store in London opened in September 2017.

New countries every year

EXPANSION BY COUNTRIES

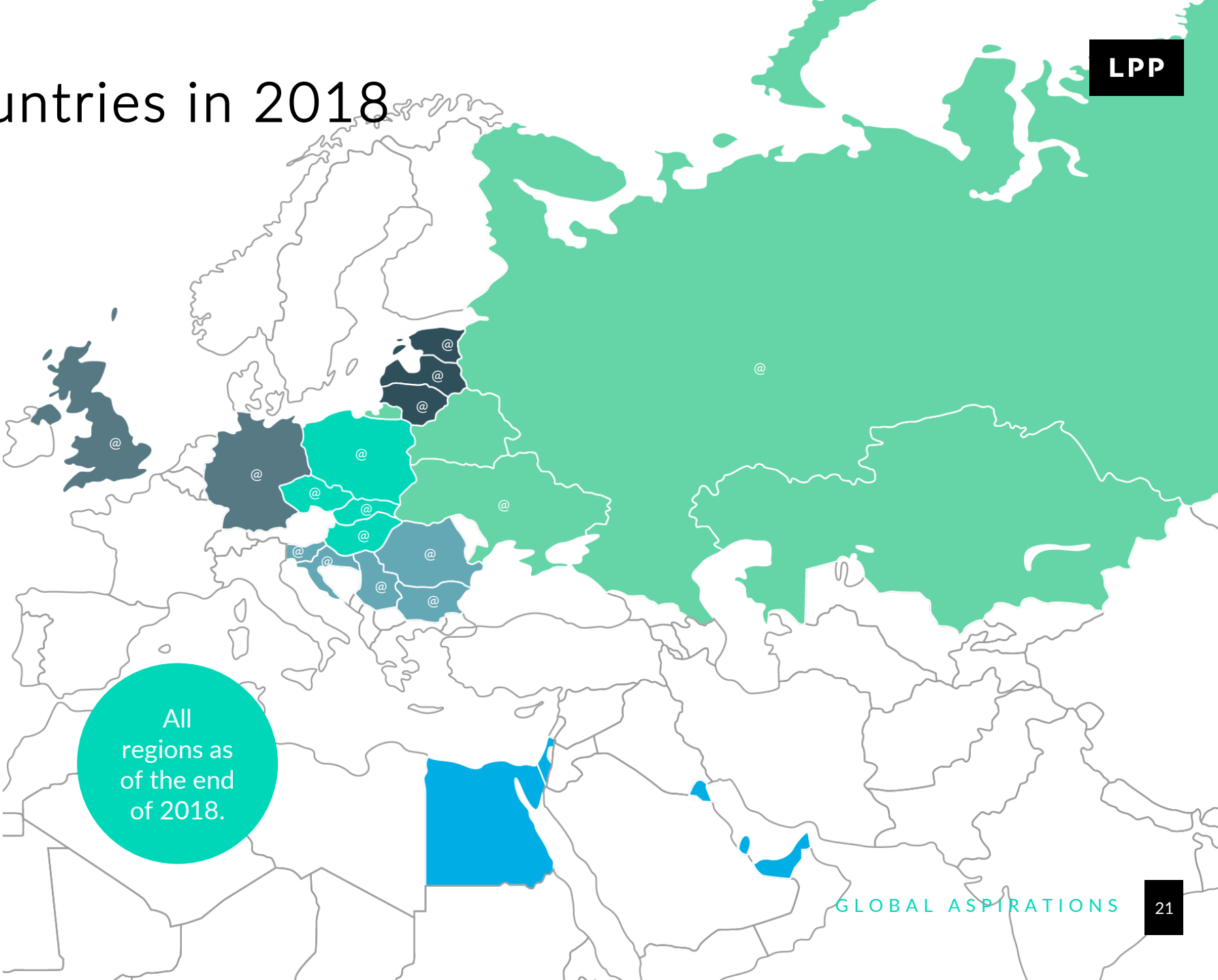


- It is our target to add at least one new country every year.
- In 2017 we have already opened three new markets: Belarus with franchise stores as well as Serbia and the UK with own stores. Franchise store in Kazakhstan remains to be launched in 4Q17.
- In 2018 we plan to open first Reserved franchise stores in Israel and own stores in Slovenia.

23 countries in 2018

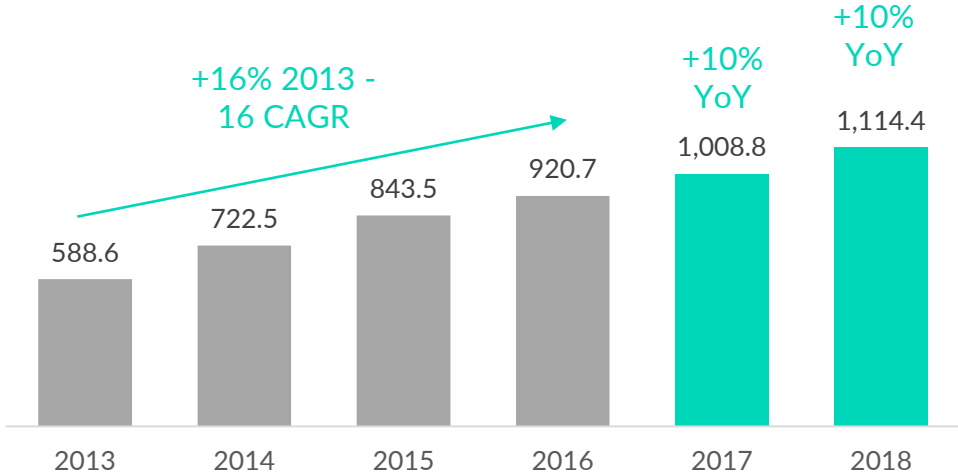
- CEE
- Baltic
- SEE
- CIS
- WE
- ME

All regions as of the end of 2018.



Double-digit floorspace growth

FLOORSPACE GROWTH TARGETS
(ths m2)



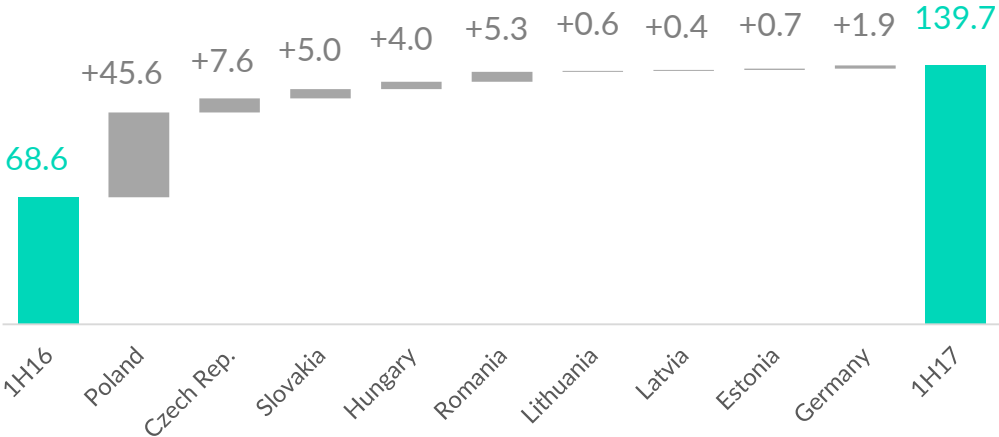
FLOORSPACE TARGETS BY REGIONS

ths m2	2017	YoY	2018	YoY
LPP GROUP	1,008.8	10%	1,114.4	10%
Poland	510.1	3%	547.7	7%
Europe	236.5	13%	277.7	17%
CIS	255.6	23%	276.6	8%
ME	6.6	-13%	12.5	90%

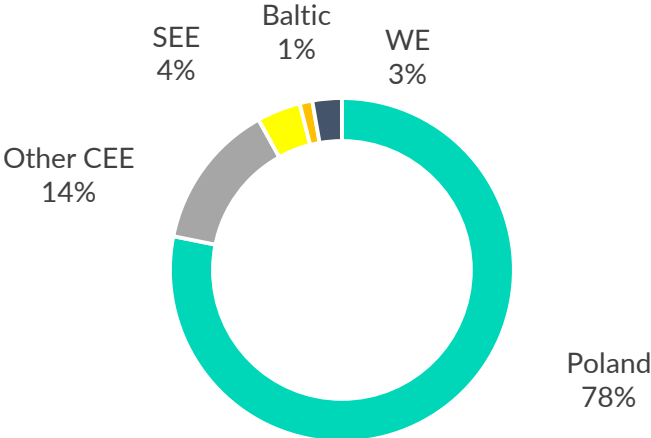
- We plan to grow floorspace by 10% YoY not only in 2017 but also in 2018.
- 2017 targets: (1) further CEE development, (2) CIS acceleration (especially in Russia), (3) further growth in the SEE region (focus on Romania, entry to Serbia in August 2017) and (4) new stores in WE (UK flagship).
- LPP stores in 4 new countries in 2017: Belarus and Kazakhstan (both franchise) and Serbia and the UK (both own stores).

E-commerce successful on every market

LPP's ON-LINE SALES DEVELOPMENT
(PLN m)

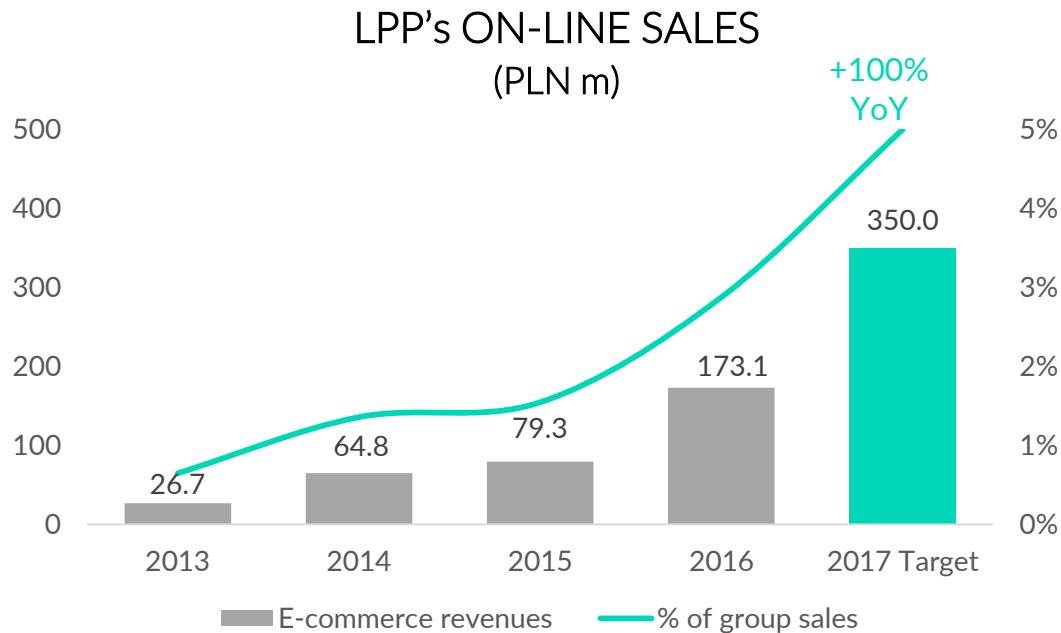


1H17 ON-LINE SALES BY REGIONS
(PLN m)



- E-commerce is the second pillar of our of growth strategy.
- We have high-quality internet and mobile stores of five brands in 9 countries.
- We have been successful on every on-line market that we have launched.
- Poland remains the largest on-line sales contributor due to strong recognition of our brands and much earlier roll-out.

Triple-digit on-line sales growth to continue



TARGET

We expect 2017 and 2018 e-commerce revenues to grow some 100% YoY.

- In April 2017 we signed an agreement with Arvato to outsource on-line logistics of four our brands with the aim to speed up and improve the logistics.
- We continue to work on e-commerce growth: in September we launched Reserved on-line store in the UK together with our London flagship and we see growth perspectives on the to-be-entered in 4Q17 markets: Russia and Ukraine.
- It is our 2020 target for internet sales to constitute 7-8% of revenues.

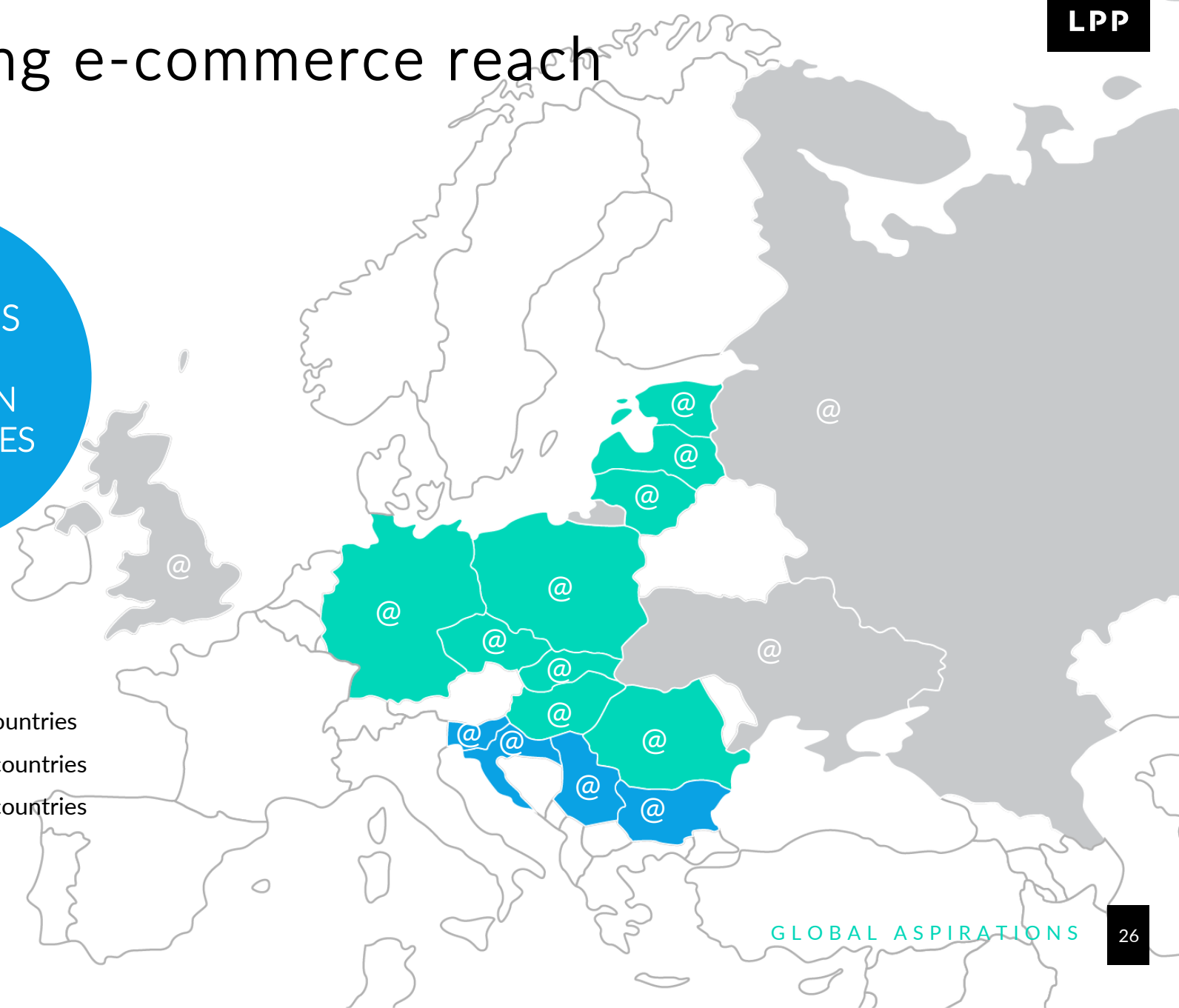
Acceleration of e-commerce roll-out



Fast growing e-commerce reach

2018 PLANS
E-STORES IN
16 COUNTRIES

- E-commerce 1H17 - 9 countries
- E-commerce 2017 - 12 countries
- E-commerce 2018 - 16 countries



A positive 2017 outlook

REVENUES

Revenue growth should continue to exceed floorspace growth (positive LFLs at all brands).

GROSS PROFIT MARGIN

Pick-up in gross profit margin versus 2016 level. Estimated 2017 group gross profit margin at 52-53%.

SG&A COSTS

Controllable growth of SG&A/ m2, mostly due to salary increases.

INTEREST

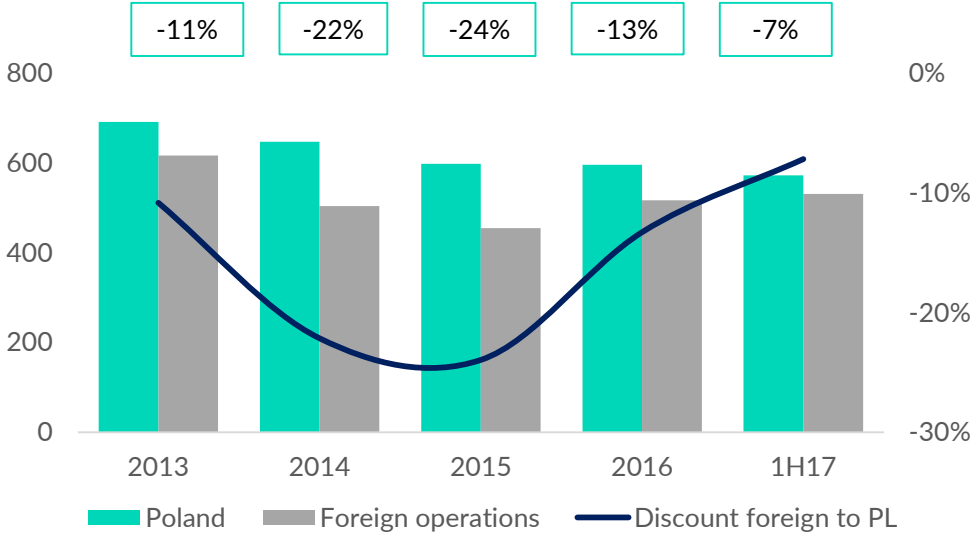
Indebtedness at a low level, among others due to further net working capital improvements.

FX LOSSES

Cash flow hedge of invoices once sent by suppliers. Start end of June 2017.

Sales/ m2 should continue to grow

AVERAGE MONTHLY REVENUES/ M2



AVERAGE MONTHLY REVENUES/ M2

PLN m	2013	2014	2015	2016	1H17
LPP GROUP	664	589	548	575	563
Poland	691	647	598	595	571
Export	616	503	454	516	530
Reserved	617	547	483	475	457
Cropp	725	647	591	653	615
House	652	612	579	621	546
Mohito	759	583	549	636	669
Sinsay	670	584	531	607	616

- Revenues/ m2 in Poland were on average c.17% higher in 2013-16 than on foreign markets.
- The difference narrowed in 2016 and 1H17 due to stronger recognition of the younger brands abroad, more favourable FX trends especially in 2H16 and introduction of a new replenishment system abroad.
- Except for Cropp, in 2013-16 revenues/ m2 in Poland were higher than abroad due to superior brand recognition, yet the difference gradually dissipates.

Gross profit margin should be on the rise

SOURCES OF GROSS PROFIT MARGIN IMPROVEMENT

FX – c. 90% of purchases are made in the Far East and indexed to US\$. Appreciation of zloty to US\$ decreases costs of purchases from Asia.

Sell-off policy – new inventory management policy is aimed at selling goods to a maximum extent in stores to avoid the costs of their return and transport to post-season warehouse.

Quality of collections – we have introduced far reaching changes within our design departments so as to better meet the customers' expectations.



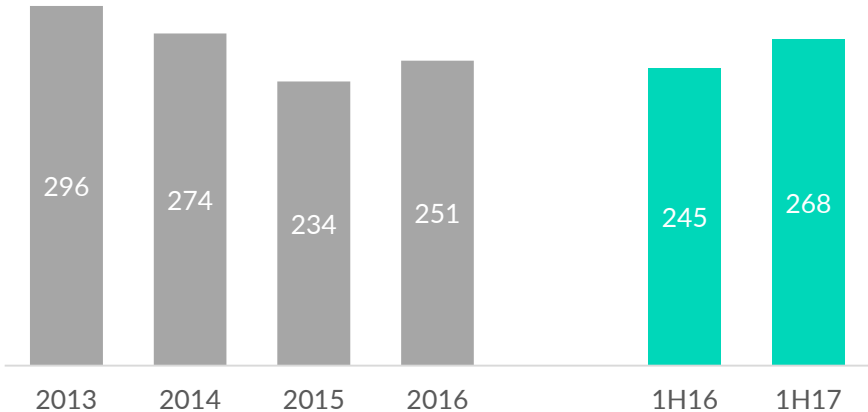
%	2013	2014	2015	2016	1H17
LPP GROUP	58.5%	58.6%	53.5%	48.8%	51.7%



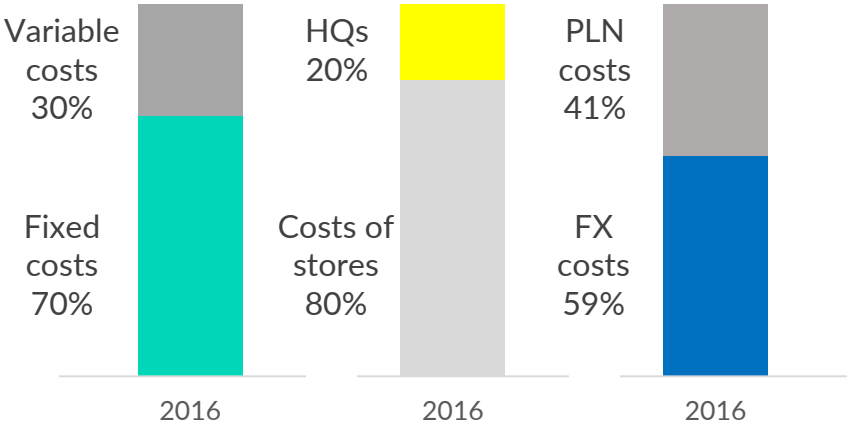
First positive results.

High operating leverage business

AVERAGE MONTHLY SG&A COSTS/ M2 (PLN)



SG&A COSTS

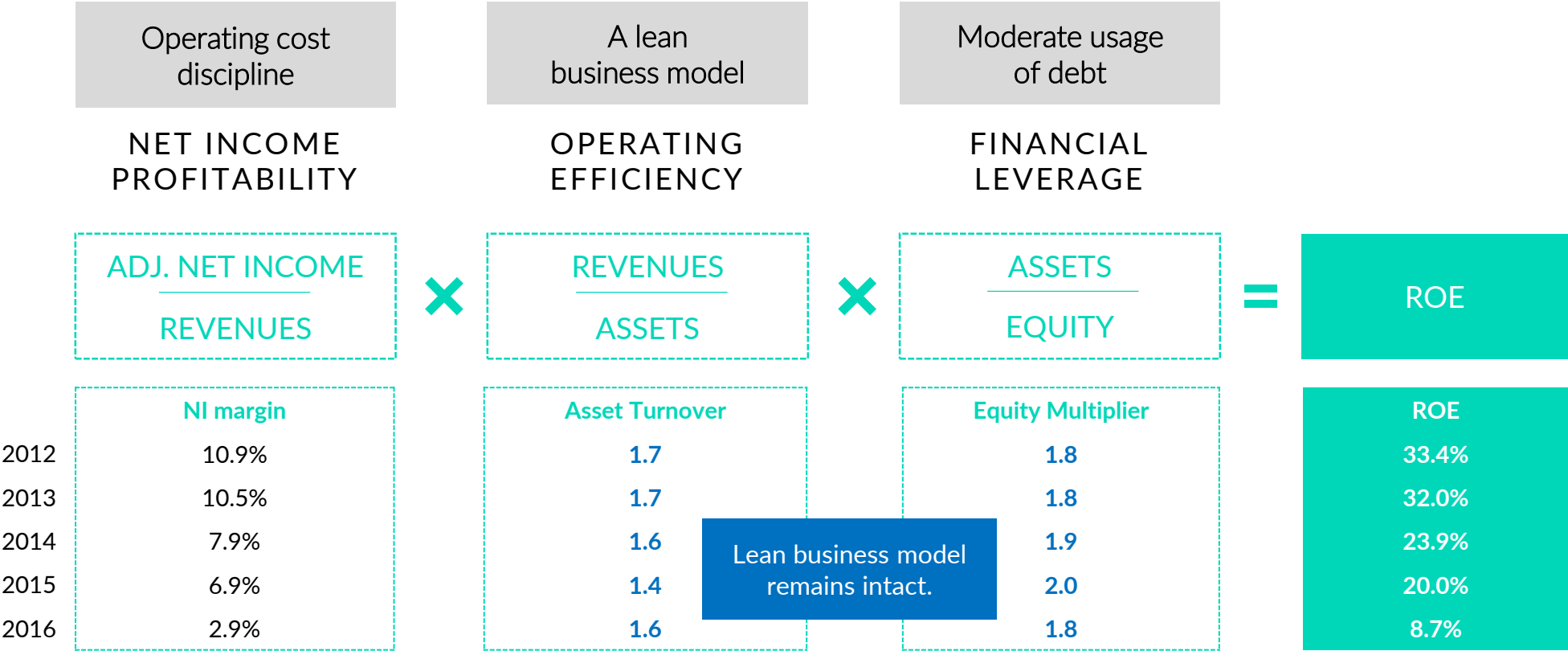


Note: SG&A relations based on group 2016 data.

- 70% of our SG&A costs are fixed, which implies a high operating leverage.
- 59% of SG&A costs are linked to foreign currencies → zloty appreciation is favourable for EBIT.
- Fall in SG&A/ m2 over 2013-15 → optimisation of costs of stores and headquarters.
- Higher SG&A/ m2 in 2016 → growth in costs of stores (higher rentals due to depreciation of zloty versus euro, higher HR costs due to growing salaries) and pick-up in HQs costs.

ROE levels should rebound

LPP'S ROE CONTRIBUTORS



Note: 2014 net income adjusted for tax asset.

We focus on FCFF generation

FCFF GENERATION

PLN m	2013	2014	2015	2016	1H17
FCFF	19	154	-64	454	152
NOPAT	509	638	426	205	57
D&A	148	194	224	267	147
Capex	-542	-551	-491	-272	-202
NWC	-96	-127	-223	254	149

NOPAT

- We focus on positive LFLs on all brands.
- Positive LFLs trigger the operating leverage to work in our favour.
- Strong growths in the higher margin e-commerce should additionally support EBIT margin.

CAPEX & D&A

- We invest in high quality store locations where we obtain fit-outs.
- Current logistics centre is sufficient until 2020.
- We outsource e-commerce logistics.

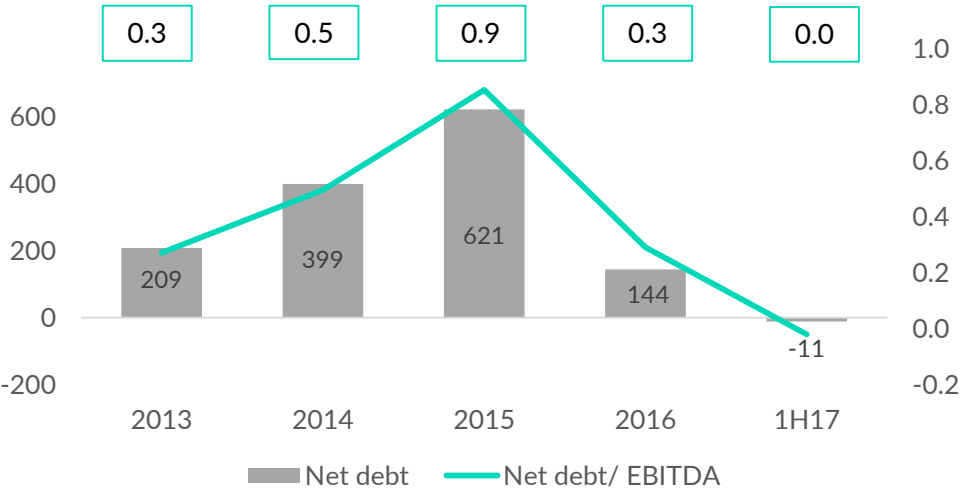
NWC

- It is our aim to match liabilities to the level of inventory.
- We use supply chain financing for our suppliers.
- We search for the optimal inventory/ m2 level.

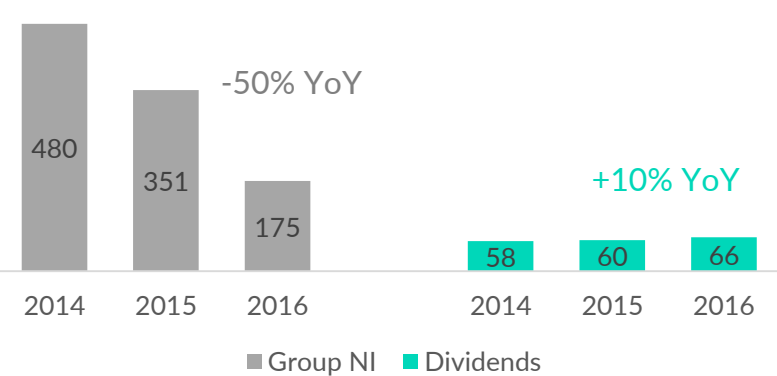
Positive 2016 and 1H17 FCFF (Free Cash Flow to Firm).

Safe net debt levels support dividends

NET DEBT VS NET DEBT/EBITDA
(PLN m)



DIVIDENDS VS NET EARNINGS
(PLN m)



- Despite dynamic organic growth, the net debt/EBITDA ratio remained at a safe level in 2013-16.
- Our aim is to maintain the net debt/EBITDA ratio at a comfortable level between 0-1x.
- 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.

We focus on all stakeholders

LPP was the only Polish retail company to join ACCORD (Accord on Fire and Building Safety in Bangladesh).

Co-operation was signed for 5 years.



The aim of the alliance is to improve the safety of workers in Bangladesh.

Over 190 retail companies and NGOs joined ACCORD in October 2013.



Since April 2017 we co-operate with an international SGS company in frames of auditing the working conditions at our Asian subcontractors.

Company managed by founders

Index of Success awarded by Deloitte and Rzeczpospolita newswire in 2016 for the last 10-year performance



No 1 Investor Relations by Parkiet (2015, 2014)



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)



- Both LPP's founders, Marek Piechocki (CEO, 56) and Jerzy Lubianiec (Chairman of the Supervisory Board, 57) have over 25 years of experience in the retail business and actively support LPP's development.
- Both founders still control the business with 30% of equity and c.61% of votes.
- Since IPO, top-ranked management for the quality of investor relations in domestic surveys among investment professionals.

LPP – an investment opportunity



Company actively pursuing international expansion.

High quality Company post medium-term turbulences.

Stock benefiting from liquidity and recognition from WIG20 and MSCI Poland membership.



1 Overview

2 Investment case

3 Back-up

RESERVED

KEY BRAND FEATURES	Anchor brand with broad customer base
TARGET CUSTOMERS	Women, men, children
YEAR OF LAUNCH	1998
# STORES	458
# MARKETS	19
STORE SIZE	1,137 m2
ADVERTISING	International stars like Kate Moss and Georgia May Jagger

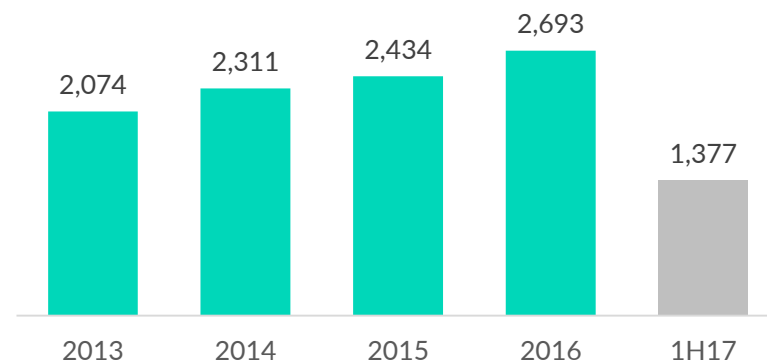


RESERVED

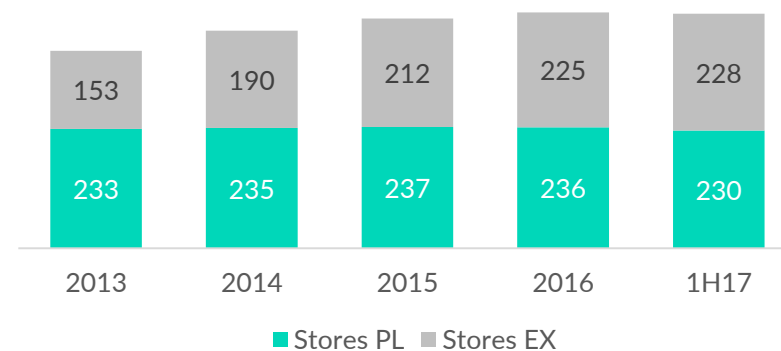
Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	2,073.8	2,311.3	2,433.8	2,692.9	1,376.9
No. of stores	386	425	449	461	458
Store size (m2)	835	917	1,027	1,104	1,137
Floorspace (ths, m2)	322.3	389.7	461.3	509.1	520.8
Sales/ m2 monthly	617	547	483	475	457
% of floorspace in PL	59%	54%	50%	49%	47%

YoY growth	2013	2014	2015	2016	1H17
Revenues (PLN m)	21%	11%	5%	11%	14%
No. of stores	12%	10%	6%	3%	2%
Store size (m2)	14%	10%	12%	7%	7%
Floorspace (eop, m2)	28%	21%	18%	10%	10%
Sales/ m2 monthly	-2%	-11%	-12%	-2%	4%
% of floorspace in PL	-3ppt	-5ppt	-4ppt	-1ppt	-3ppt

REVENUES (PLN m)



STORES



■ Stores PL ■ Stores EX

CROPP

KEY BRAND FEATURES Casual streetwear brand with international labels

TARGET CUSTOMERS Teenagers (boys and girls)

YEAR OF LAUNCH 2004

STORES 386

MARKETS 13

STORE SIZE 316 m²

ADVERTISING Partner of artistic and street art events

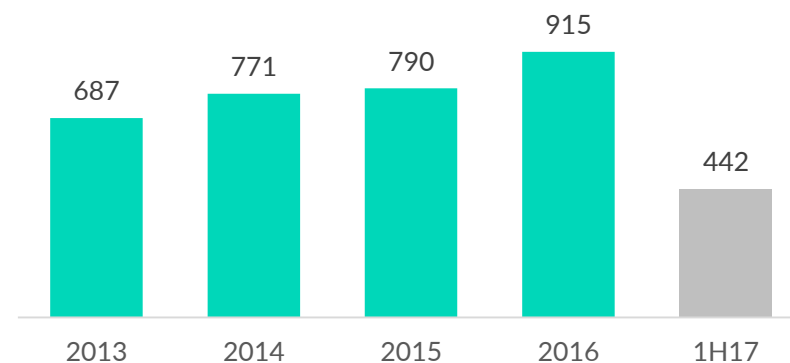


CROPP

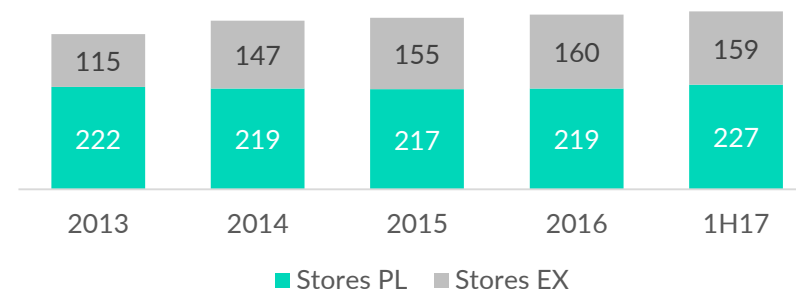
Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	687.0	770.9	789.9	914.9	442.4
No. of stores	337	366	372	379	386
Store size (m2)	269	288	308	318	316
Floorspace (ths, m2)	90.6	105.4	114.5	120.4	121.9
Sales/ m2 monthly	725	647	591	653	615
% of floorspace in PL	60%	55%	55%	54%	55%

YoY growth	2013	2014	2015	2016	1H17
Revenues (PLN m)	18%	12%	2%	16%	11%
No. of stores	14%	9%	2%	2%	-1%
Store size (m2)	10%	7%	7%	3%	4%
Floorspace (eop, m2)	26%	16%	9%	5%	4%
Sales/ m2 monthly	-4%	-11%	-9%	11%	6%
% of floorspace in PL	-2ppt	-5ppt	0ppt	-1ppt	0ppt

REVENUES (PLN m)



STORES





KEY BRAND FEATURES Urban fashion brand with folk and vintage elements

TARGET CUSTOMERS Teenagers (boys and girls)

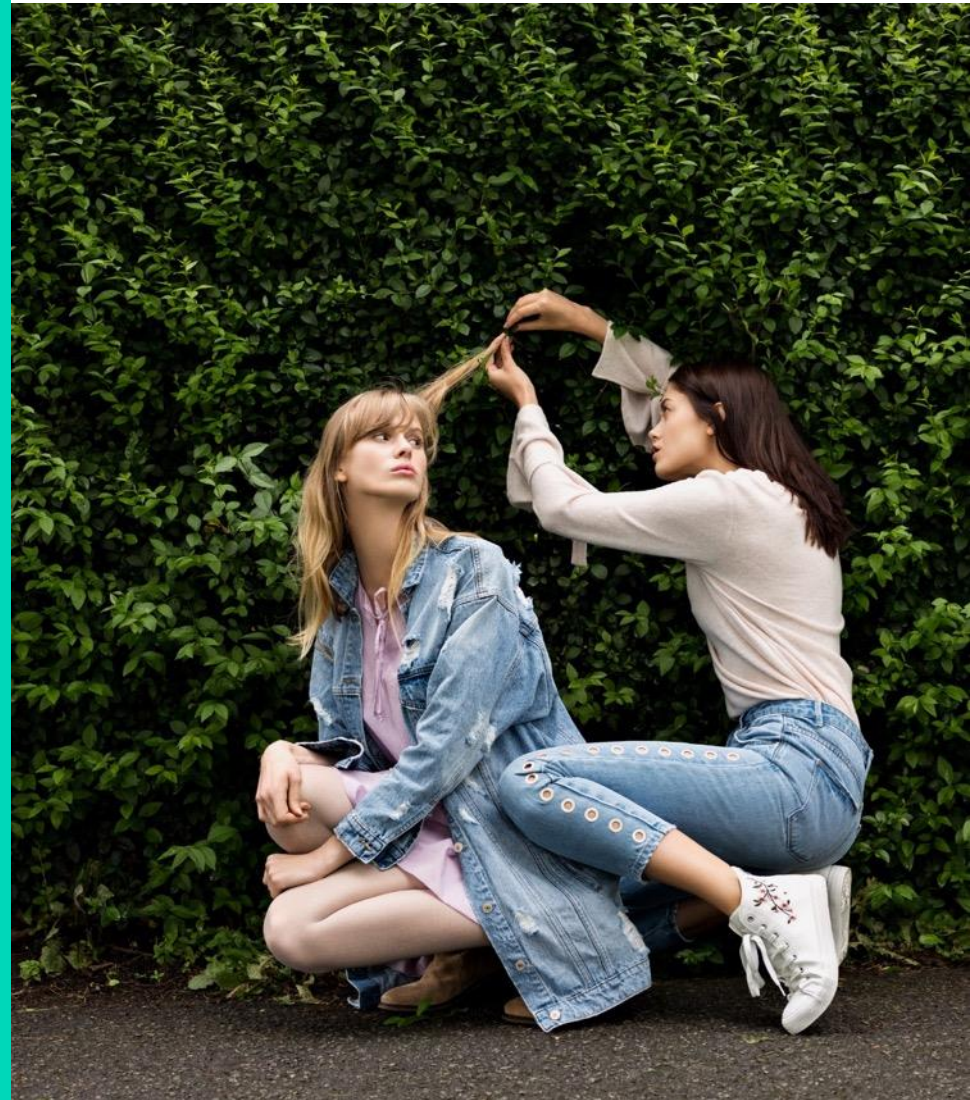
YEAR OF LAUNCH 2001 (at LPP since 4Q08)

STORES 338

MARKETS 13

STORE SIZE 315 m2

ADVERTISING Artistic events partner and music sponsor

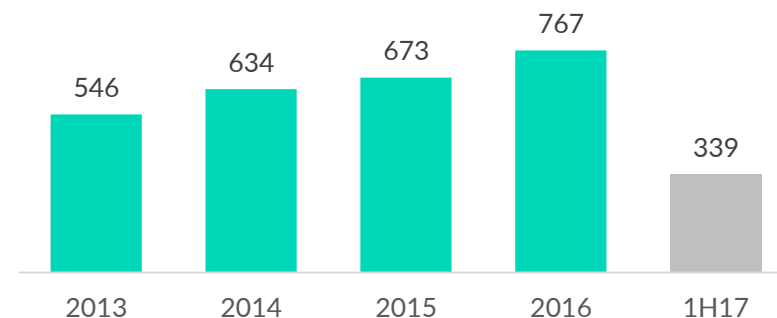




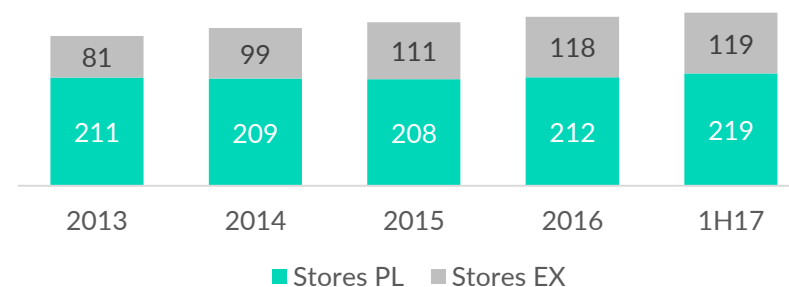
Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	546.3	633.6	673.2	767.1	339.5
No. of stores	292	308	319	330	338
Store size (m2)	275	291	313	320	315
Floorspace (ths, m2)	80.2	89.6	99.7	105.7	106.6
Sales/ m2 monthly	652	612	579	621	546
% of floorspace in PL	69%	64%	62%	61%	61%

YoY growth	2013	2014	2015	2016	1H17
Revenues (PLN m)	25%	26%	6%	14%	2%
No. of stores	13%	5%	4%	3%	-1%
Store size (m2)	11%	6%	7%	2%	3%
Floorspace (eop, m2)	26%	12%	11%	6%	2%
Sales/ m2 monthly	0%	-2%	-5%	7%	-1%
% of floorspace in PL	-4ppt	-5ppt	-2ppt	-1ppt	-1ppt

REVENUES (PLN m)



STORES



M O H I T O

KEY BRAND
FEATURES Comfort and elegance;
business and casual

TARGET
CUSTOMERS Young women

YEAR OF
LAUNCH 2008
(at LPP since 4Q08)

STORES 288

MARKETS 12

STORE SIZE 345 m²

ADVERTISING Super models (Anna
Jagodzinska, Anja Rubik)

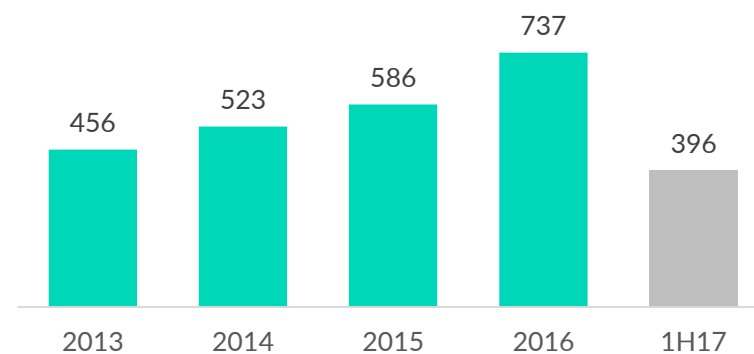


M O H I T O

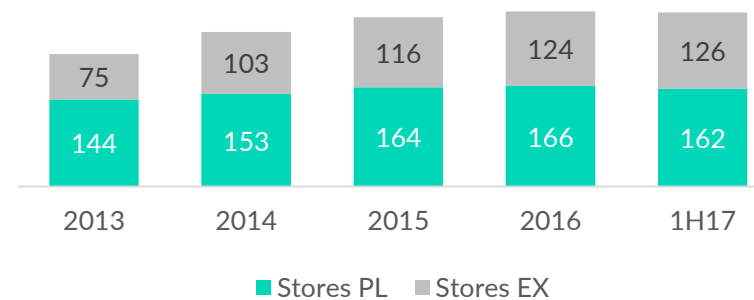
Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	456.4	522.9	586.5	736.8	395.9
No. of stores	219	256	280	290	288
Store size (m2)	301	323	337	342	345
Floorspace (ths, m2)	66.0	82.8	94.5	99.1	99.3
Sales/ m2 monthly	759	583	549	636	669
% of floorspace in PL	62%	56%	55%	54%	53%

YoY growth	2013	2014	2015	2016	1H17
Revenues (PLN m)	76%	15%	12%	26%	19%
No. of stores	36%	17%	9%	4%	1%
Store size (m2)	25%	7%	4%	1%	2%
Floorspace (eop, m2)	70%	26%	14%	5%	4%
Sales/ m2 monthly	-6%	-19%	-6%	16%	14%
% of floorspace in PL	-5ppt	-6ppt	-1ppt	-1ppt	-1ppt

REVENUES (PLN m)



STORES



sinsay

KEY BRAND FEATURES Every day clothes and original party outfits

TARGET CUSTOMERS Teenagers (girls only)

YEAR OF LAUNCH 2013

STORES 204

MARKETS 11

STORE SIZE 355 m2

ADVERTISING Social media

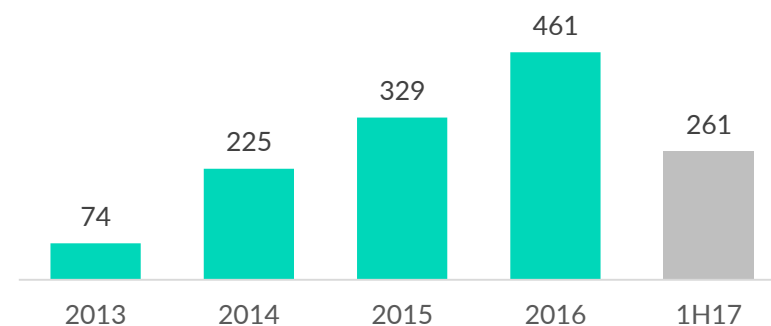


sinsay

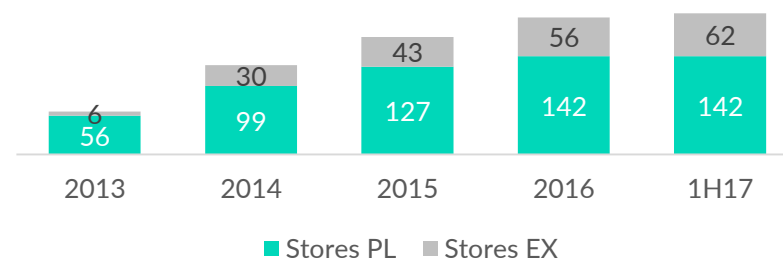
Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	74.0	224.7	328.9	460.9	260.7
No. of stores	62	129	170	198	204
Store size (m2)	325	338	351	352	355
Floorspace (ths, m2)	20.1	43.7	59.7	69.8	72.5
Sales/ m2 monthly	670	584	531	607	616
% of floorspace in PL	89%	75%	73%	70%	68%

YoY growth	2013	2014	2015	2016	1H17
Revenues (PLN m)	-	204%	46%	40%	27%
No. of stores	-	108%	32%	16%	14%
Store size (m2)	-	4%	4%	0%	1%
Floorspace (eop, m2)	-	117%	37%	17%	15%
Sales/ m2 monthly	-	-4%	-9%	14%	9%
% of floorspace in PL	-	-14ppt	-2ppt	-3ppt	-3ppt

REVENUES (PLN m)



STORES



Acceleration of LFL growth

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, i.e. in local currencies.

LFLs IN LOCAL CURRENCIES

%	2013	2014	2015	2016	1H17
LPP GROUP	5.6%	-2.5%	0.6%	6.4%	5.5%

ACTIONS TAKEN TO BOOST LFLs

- New collections
- Price
- International stars
- Promotions
- Attractive floorspace

International stars promote our brands

RESERVED



Georgia May Jagger



Cara Delevingne



Kate Moss

M O H I T O



Anja Rubik



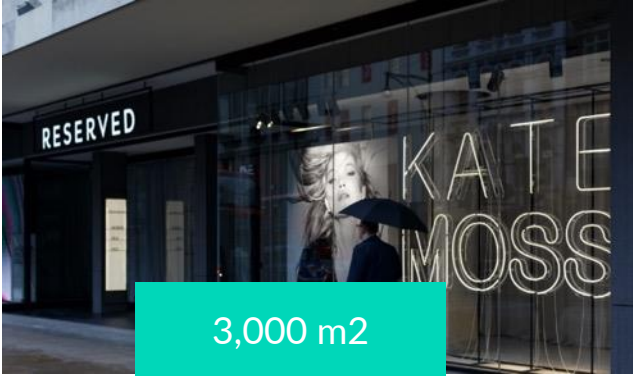
Anna Jagodzińska



Zuzanna Bijoch

We focus on flagships

Reserved in London, UK



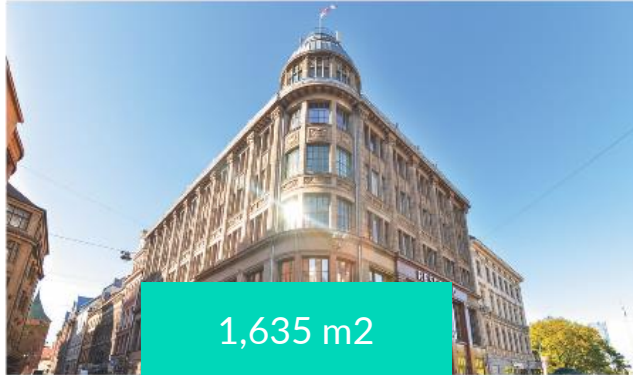
Reserved in Stuttgart, Germany



Reserved in Moscow, Russia



Reserved in Riga, Latvia



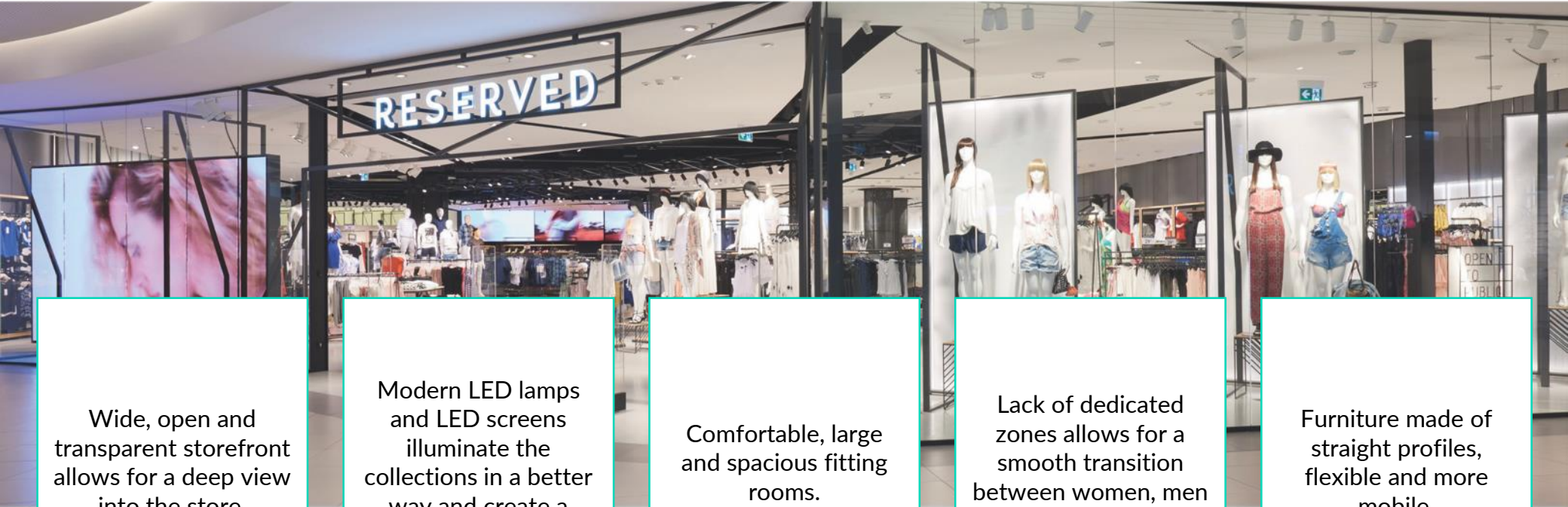
Reserved in Zakopane, Poland



Reserved in Budapest, Hungary



New Reserved store concept



Wide, open and transparent storefront allows for a deep view into the store.

Modern LED lamps and LED screens illuminate the collections in a better way and create a warm ambience.

Comfortable, large and spacious fitting rooms.

Lack of dedicated zones allows for a smooth transition between women, men and children zones.

Furniture made of straight profiles, flexible and more mobile.

Consistent network development

Floorspace (ths m2)	30.06.2015	30.09.2015	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016	31.03.2017	30.06.2017
Reserved	416.3	435.7	461.3	467.1	473.8	487.2	509.1	510.7	520.8
Poland	219.0	223.4	232.5	230.9	235.1	232.0	248.7	245.9	247.4
Europe	95.1	106.5	120.2	124.0	127.2	140.0	144.1	147.7	151.3
CIS	98.3	100.4	103.1	104.6	103.9	107.7	108.7	109.5	114.0
ME	3.9	5.5	5.5	7.6	7.6	7.6	7.6	7.6	8.2
Cropp	111.5	109.1	114.5	115.4	117.8	116.7	120.4	120.1	121.9
Poland	62.8	59.6	63.0	63.6	65.2	63.0	65.3	65.1	66.5
Europe	18.7	19.1	19.8	20.2	20.6	21.0	21.2	21.0	20.8
CIS	30.0	30.4	31.7	31.6	31.9	32.8	34.0	34.0	34.7
House	96.7	95.2	99.7	100.5	104.8	103.8	105.7	102.9	106.6
Poland	62.4	59.3	62.2	62.9	65.4	63.1	64.9	62.4	65.1
Europe	13.2	14.4	15.1	15.5	16.4	16.8	16.4	16.2	16.2
CIS	21.1	21.6	22.4	22.0	23.1	23.9	24.3	24.3	25.4
Mohito	89.1	90.3	94.5	94.9	95.9	97.6	99.1	97.8	99.3
Poland	49.2	49.7	52.1	52.5	51.8	52.4	53.4	51.7	52.6
Europe	14.5	15.2	16.1	16.5	17.7	18.1	18.1	18.1	18.1
CIS	25.4	25.4	26.2	25.9	26.3	27.1	27.7	28.0	28.6
Sinsay	52.4	54.8	59.7	60.5	63.1	65.2	69.8	69.8	72.5
Poland	38.6	40.3	43.5	43.9	44.5	45.5	48.6	48.6	49.0
Europe	6.3	6.6	7.6	8.0	8.8	9.2	9.7	9.7	10.4
CIS	7.6	7.9	8.6	8.6	9.8	10.5	11.5	11.5	13.1
Tallinder (Poland only)	0.0	0.0	0.0	2.9	3.7	3.7	4.1	0.0	0.0
Outlets	12.4	13.6	13.8	13.8	13.8	13.8	12.6	12.6	12.6
Total by regions									
Poland	443.5	443.9	465.0	468.3	477.4	471.2	496.6	485.3	492.1
Europe	147.7	161.7	179.0	184.4	190.8	205.2	209.5	212.8	216.9
CIS	183.2	187.7	193.9	194.7	196.9	204.0	207.0	208.2	216.5
ME	3.9	5.5	5.5	7.6	7.6	7.6	7.6	7.6	8.2
TOTAL	778.4	798.8	843.5	855.0	872.7	888.0	920.7	913.9	933.7

Double-digit 2017 floorspace growth

Floorspace (thn m2)	2016	2017 former target	2017 target	YoY
BY BRANDS				
Reserved	509.1	578.4	565.3	11%
Cropp	120.4	129.0	127.4	6%
House	105.7	112.2	111.7	6%
Mohito	99.1	102.1	103.7	5%
Sinsay	69.8	89.5	86.3	24%
Tallinder	4.1	0.0	0.0	-100%
Outlets	12.6	11.6	14.5	15%
BY REGIONS				
Poland	496.6	513.2	510.1	3%
Europe	209.5	251.0	236.5	13%
CIS	207.0	250.5	255.6	23%
ME	7.6	8.2	6.6	-13%
TOTAL	920.7	1,022.9	1,008.8	10%

- 10% YoY floorspace growth in 2017.
- Reserved stores should be in 21 countries at the end of 2017. 4 new countries in 2017 encompass:
 - Serbia and the UK (own stores) – openings in 3Q17,
 - Belarus (since April) and Kazakhstan (franchise stores).
- 2017 targets:
 - CEE development,
 - CIS acceleration,
 - further SEE development (especially in Romania, entry to Serbia),
 - new stores in WE (3 stores in Germany in 1H17 and entry to the UK).
- Planned 2017 capex at c. PLN 375m, up c. 40% YoY due to floorspace growth. Planned store capex at PLN 340m and HQs outlays at PLN 35m.

2017 network development details

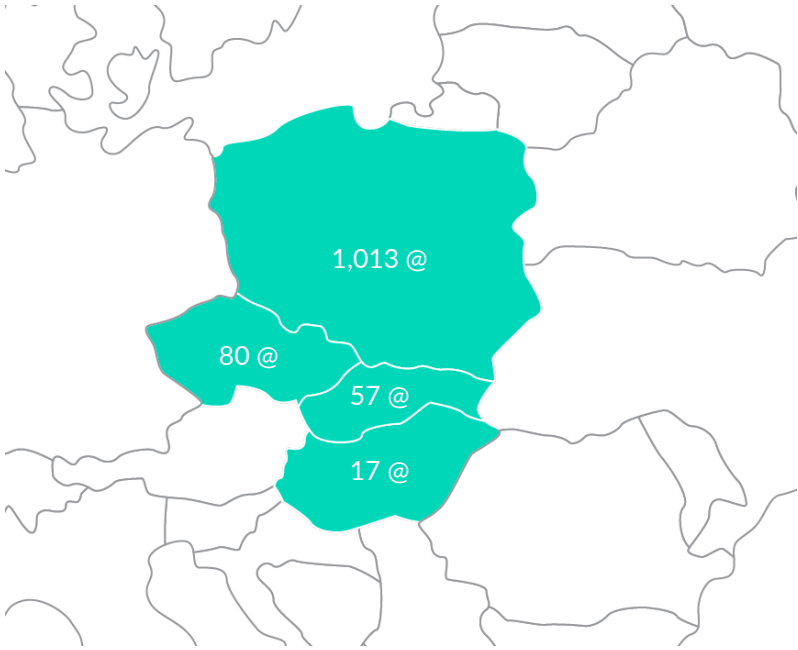
FLOORSPACE (ths m2)	31.12.2016	2017 TARGET	Nom. growth	YoY
Reserved	509.1	565.3	56.2	11%
Poland	248.7	263.8	15.2	6%
Europe	144.1	162.6	18.5	13%
CIS	108.7	132.2	23.5	22%
ME	7.6	6.6	-1.0	-13%
Cropp	120.4	127.4	7.0	6%
Poland	65.3	65.1	-0.2	0%
Europe	21.2	22.8	1.6	8%
CIS	34.0	39.5	5.6	16%
House	105.7	111.7	6.0	6%
Poland	64.9	64.9	0.0	0%
Europe	16.4	17.4	1.1	6%
CIS	24.3	29.3	5.0	20%
Mohito	99.1	103.7	4.6	5%
Poland	53.4	52.7	-0.7	-1%
Europe	18.1	20.0	1.9	11%
CIS	27.7	31.1	3.4	12%
Sinsay	69.8	86.3	16.5	24%
Poland	48.6	53.2	4.6	9%
Europe	9.7	13.5	3.8	40%
CIS	11.5	19.6	8.0	70%
Tallinder	4.1	0.0	-4.1	-100%
Poland	4.1	0.0	-4.1	-100%
Europe	0.0	0.0	0.0	0%
CIS	0.0	0.0	0.0	0%
Outlets	12.6	14.5	1.9	15%
Poland	11.6	10.3	-1.3	-11%
Europe	0.2	0.2	0.0	0%
CIS	0.8	4.0	3.2	404%
TOTAL	920.7	1,008.8	88.1	10%

NUMBER OF STORES	31.12.2016	2017 TARGET	Nom. growth	YoY
Reserved	461	466	5	1%
Poland	236	228	-8	-3%
Europe	116	119	3	3%
CIS	103	113	10	10%
ME	6	6	0	0%
Cropp	379	379	0	0%
Poland	219	208	-11	-5%
Europe	68	69	1	1%
CIS	92	102	10	11%
House	330	335	5	2%
Poland	212	205	-7	-3%
Europe	51	52	1	2%
CIS	67	78	11	16%
Mohito	290	293	3	1%
Poland	166	158	-8	-5%
Europe	57	54	-3	-5%
CIS	67	81	14	21%
Sinsay	198	238	40	20%
Poland	142	152	10	7%
Europe	26	36	10	38%
CIS	30	50	20	67%
Tallinder	9	0	-9	-100%
Poland	9	0	-9	-100%
Europe	0	0	0	0%
CIS	0	0	0	0%
Outlets	36	36	0	0%
Poland	33	30	-3	-9%
Europe	1	1	0	0%
CIS	2	5	3	150%
TOTAL	1 703	1 747	44	3%

CEE region

COUNTRIES PRESENT	Poland, Czech Republic, Slovakia, Hungary
GROWTH STAGE	Maturity
TRADITIONAL STORES	Reserved, Cropp, House, Mohito, Sinsay in all countries
ON-LINE STORES	Reserved, Cropp, House, Mohito, Sinsay in all countries
# STORES	1,167
FLORSPACE	574.9 ths m2
TYPE OF STORES	Own (majority), franchise

CENTRAL EASTERN EUROPE



XX NUMBER OF STORES, END 1H17
 @ ON-LINE STORES, END 1H17

Established position domestically

Key data Poland	2013	2014	2015	2016	1H17
Revenues (PLN m)	2,701	3,080	3,228	3,511	1,692
% of group revenues	66%	65%	63%	58%	55%
No. of stores	886	943	986	1,017	1,013
Floorspace (ths m2)	365.5	413.6	465.0	496.6	492.1

No. of stores	2013	2014	2015	2016	1H17
Poland	886	943	986	1,017	1,013
Reserved	233	235	237	236	230
Cropp	222	219	217	219	227
House	211	209	208	212	219
Mohito	144	153	164	166	162
Sinsay	56	99	127	142	142
Tallinder	0	0	0	9	0
Outlets	20	28	33	33	33

Focus set on network optimisation in Poland.

- Poland is LPP's largest market, generating 55% of group revenues in 1H17.
- As development of company-owned stores was initiated domestically, Poland is the market where sales/ m2 are higher than average abroad due to stronger brand recognition.
- Currently, stores of all brands are present in Poland in best shopping malls and high-streets.
- We focus on network optimisation and quality of stores in Poland.

Strong presence in other CEE countries

Key data of other CEE	2013	2014	2015	2016	1H17
Revenues (PLN m)	225	334	406	527	272
% of group revenues	5%	7%	8%	9%	9%
No. of stores	90	132	158	160	154
Floorspace (ths, m2)	43.3	61.9	79.7	84.0	82.8

No. of stores	2013	2014	2015	2016	1H17
Other CEE countries	90	132	158	160	154
Czech Republic	66	73	80	80	80
Hungary	11	11	17	18	17
Slovakia	13	48	61	62	57

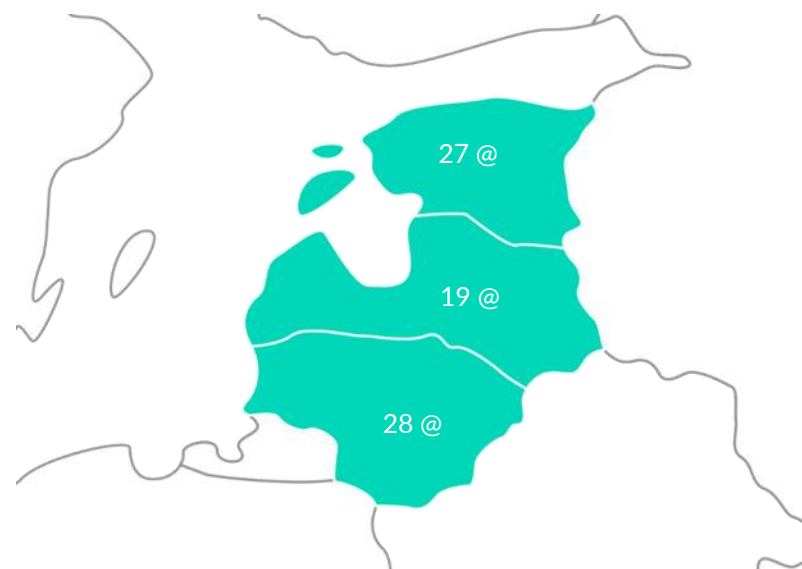
Strong presence in other CEE countries.

- 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 some development potential.

Baltic region

COUNTRIES PRESENT	Lithuania, Latvia, Estonia
GROWTH STAGE	Maturity
TRADITIONAL STORES	Reserved, Cropp, House, Mohito, Sinsay in all countries
ON-LINE STORES	Reserved, Cropp, House, Mohito, Sinsay in all countries as of 1H17
# STORES	74
FLORSPACE	39.9 ths m2
TYPE OF STORES	Own

BALTIC COUNTRIES



XX NUMBER OF STORES, END 1H17
 @ ON-LINE STORES, END 1H17

Strong presence in Baltic countries

Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	186	200	222	256	127
% of group revenues	5%	4%	4%	4%	4%
No. of stores	58	70	71	73	74
Floorspace (ths, m2)	27.2	36.4	38.2	39.5	39.9

No. of stores	2013	2014	2015	2016	1H17
Baltic countries	58	70	71	73	74
Lithuania	23	25	26	28	28
Latvia	16	19	19	19	19
Estonia	19	26	26	26	27

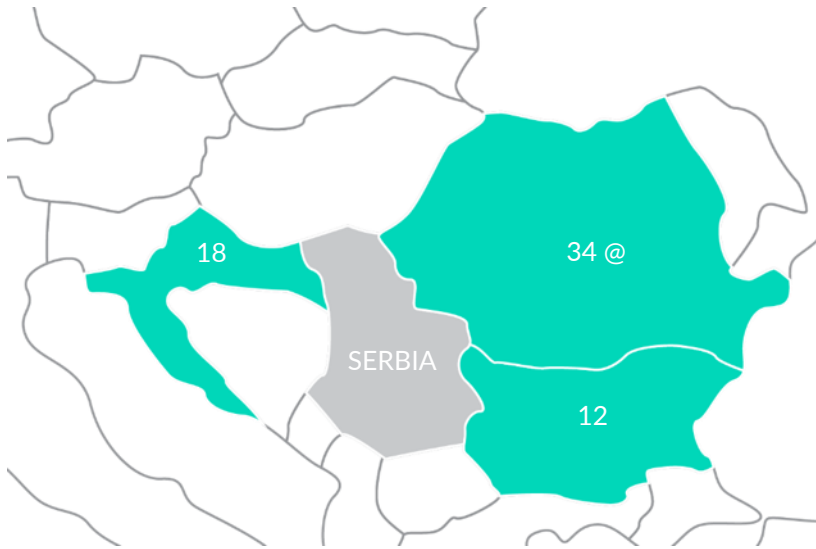
On-line stores now in all Baltic countries.

- Five mainstream brands present in Lithuania, Latvia and Estonia.
- Emphasis on efficiency improvement in traditional stores.
- Focus on on-line sales. On-line stores of all brands launched in April 2017.

SEE region

COUNTRIES PRESENT	Bulgaria, Romania, Croatia; entry into Serbia in August 2017
GROWTH STAGE	Developing
TRADITIONAL STORES	Reserved, Cropp, House, Mohito in all countries, no Sinsay in Bulgaria
ON-LINE STORES	Reserved, Cropp, House, Mohito, Sinsay in Romania only
# STORES	64
FLORSPACE	48.7 ths m2
TYPE OF STORES	Own

SOUTH EASTERN EUROPE



XX NUMBER OF STORES, END 1H17
 @ ON-LINE STORES, END 1H17
 ■ NEW COUNTRIES, END 2017

Developing presence in SEE countries

Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	52	65	134	230	130
% of group revenues	1%	1%	3%	4%	4%
No. of stores	23	31	47	63	64
Floorspace (ths, m2)	10.2	22.6	34.1	48.3	48.7

No. of stores	2013	2014	2015	2016	1H17
SEE countries	23	31	47	63	64
Romania	5	11	22	34	34
Bulgaria	9	15	15	12	12
Croatia	0	5	10	17	18

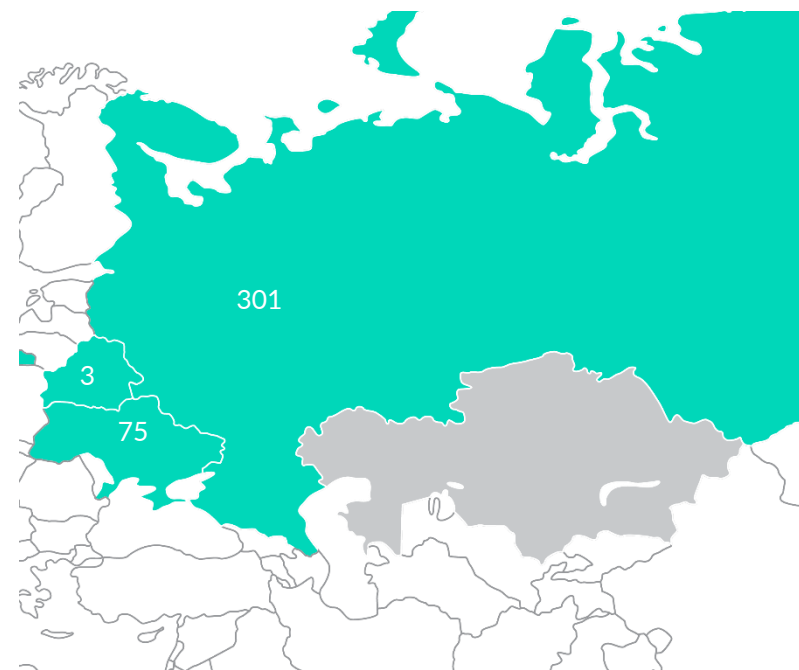
We see development potential in the SEE regions.

- Late SEE entry (2008) due to: 1) priority given to CIS and 2) limited appropriate infrastructure in the region.
- Along with softer macro environment, in 2014 we stepped up our SEE development, opening more stores in Romania and Bulgaria and entering Croatia.
- We see medium-term development potential. First store in Serbia was opened in August 2017. In 2018 we plan to enter Slovenia.
- Focus on e-commerce expansion in 2018.

CIS region

COUNTRIES PRESENT	Russia, Ukraine, Belarus; entry into Kazakhstan in 4Q17
GROWTH STAGE	Developing
TRADITIONAL STORES	Reserved, Cropp, House, Mohito, Sinsay in Russia and Ukraine, while Reserved, Cropp, House in Belarus
ON-LINE STORES	Reserved, Cropp, House, Mohito, Sinsay in Russia and Ukraine by the end of 2017
# STORES	379
FLORSPACE	216.5 ths m2
TYPE OF STORES	Own (majority), franchise

CIS REGION



XX NUMBER OF STORES, END 1H17
 @ ON-LINE STORES, END 1H17
 ■ NEW COUNTRIES, END 2017

More opportunities in the CIS region

Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	952	1,076	1,025	1,269	718
% of group revenues	23%	23%	20%	21%	23%
No. of stores	272	336	349	368	379
Floorspace (ths, m2)	142.4	180.3	193.9	207.0	216.5

No. of stores	2013	2014	2015	2016	1H17
CIS countries	272	336	349	368	379
Russia	219	267	280	296	301
Ukraine	53	69	69	72	75
Belarus	0	0	0	0	3

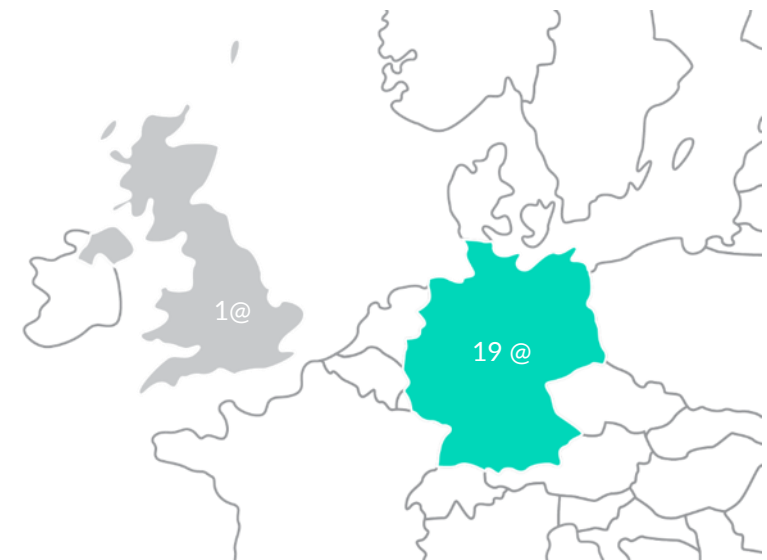
We seek growth in Russia.

- CIS is the second most important market after Poland, responsible for 23% of group sales in 1H17.
- Following the geopolitical issues from 2014, we have withheld new Russian and Ukrainian openings. From 2017 we accelerate development in both Russia and Ukraine.
- First franchise Reserved, Cropp and House stores were opened in April 2017 in Minsk, Belarus. Kazakhstan is planned for 4Q17.

Western Europe

COUNTRIES PRESENT	Germany; entry into the UK in September 2017
GROWTH STAGE	Early stage
TRADITIONAL STORES	Reserved
ON-LINE STORES	Reserved, Cropp, House, Mohito, Sinsay in Germany, Reserved on-line in UK since September 2017
# STORES	19
FLORSPACE	45.5 ths m2
TYPE OF STORES	Own

WESTERN EUROPE



XX NUMBER OF STORES, END 1H17
 @ ON-LINE STORES, END 1H17
 ■ NEW COUNTRIES, END 2017

Western Europe as a new growth pillar

Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	0	15	94	194	115
% of group revenues	0%	0%	2%	3%	4%
No. of stores	0	4	12	16	19
Floorspace (ths, m2)	0	7.6	27.1	37.7	45.5

No. of stores	2013	2014	2015	2016	1H17
WE countries	0	4	12	16	19
Germany	0	4	12	16	19
UK	0	0	0	0	0

We focus on BEP in Germany.

- Germany was the first Western European country entered. In July 2014 we launched Reserved on-line store, while first shop followed in September 2014.
- Flagship store in Munich opened in September 2016 was the first Reserved store in the new concept.
- Our target: 20 stores in Germany by the end of 2018. Further development once these reach profitability.
- Our first store in the UK, in the centre of London, was opened in September 2017.

Middle East

COUNTRIES PRESENT	Egypt, Kuwait, Qatar, Saudi Arabia, UAE
GROWTH STAGE	Early stage
TRADITIONAL STORES	Reserved
ON-LINE STORES	None
# STORES	7
FLORSPACE	8.2 ths m2
TYPE OF STORES	Franchise

MIDDLE EAST



XX NUMBER OF STORES, END 1H17
 @ ON-LINE STORES, END 1H17

ME – foothold on the third continent

Key data	2013	2014	2015	2016	1H17
Revenues (PLN m)	0	0	23	31	13
% of group revenues	0%	0%	0%	1%	0%
No. of stores	0	0	4	6	7
Floorspace (ths, m2)	0	0	5.5	7.6	8.2

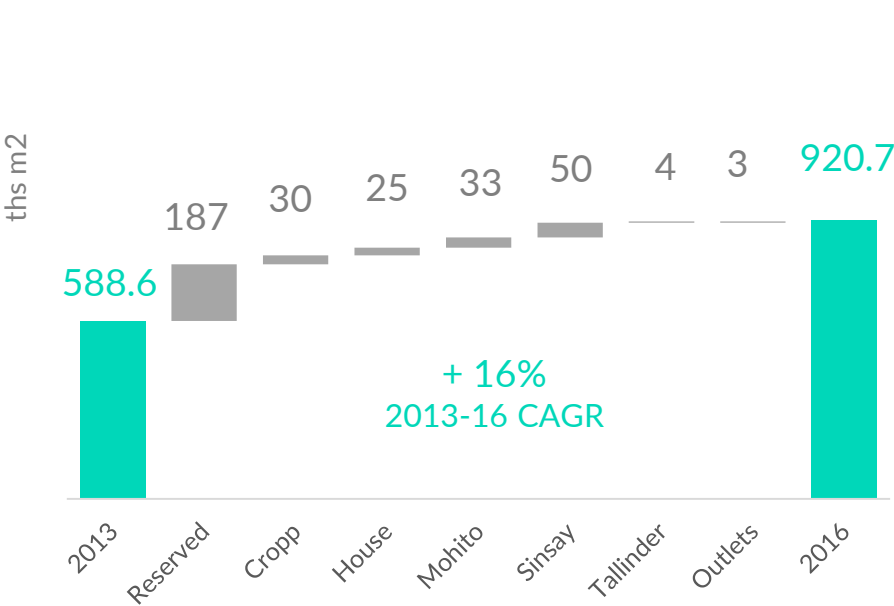
No. of stores	2013	2014	2015	2016	1H17
ME countries	0	0	4	6	7
Egypt	0	0	1	1	1
Kuwait	0	0	1	1	1
Qatar	0	0	1	2	3
Saudi Arabia	0	0	1	1	1
UAE	0	0	0	1	1

We develop ME via franchise stores.

- Development via franchise stores opened by franchisee Azadea since 1Q15.
- Franchise stores require no capex, yet bear no retail margin.
- Now, only Reserved stores are developed.
- New country – Israel – to be opened in 2018. Entry is planned via franchise stores.

Younger brands fuel floorspace growth

FLOORSPACE GROWTH BY BRANDS



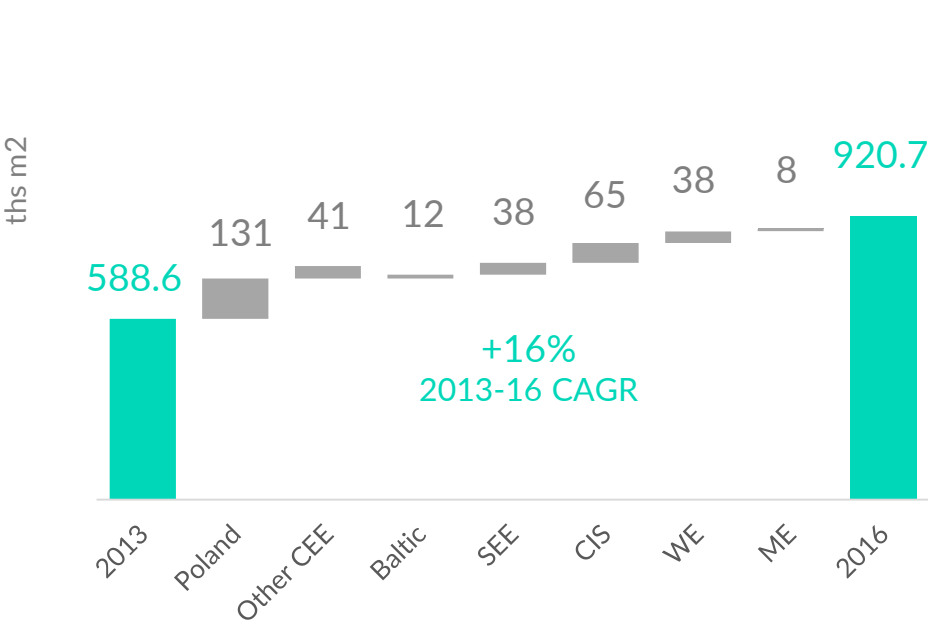
FLOORSPACE BY BRANDS

ths m2	2013	2014	2015	2016	1H17
LPP GROUP	588.6	722.5	843.5	920.7	933.7
Reserved PL	188.9	209.2	232.5	248.7	247.4
Reserved EX	133.4	180.5	228.8	260.4	273.4
Cropp PL	54.5	58.3	63.0	65.3	66.5
Cropp EX	36.1	47.1	51.5	55.1	55.5
House PL	55.4	57.3	62.2	64.9	65.1
House EX	24.8	32.3	37.5	40.7	41.6
Mohito PL	40.9	46.2	52.1	53.4	52.6
Mohito EX	25.0	36.6	42.4	45.7	46.7
Sinsay PL	17.9	32.7	43.5	48.6	49.0
Sinsay EX	2.2	11.0	16.2	21.2	23.5
Tallinder PL	0.0	0.0	0.0	4.1	0.0
Outlets	9.3	11.3	13.8	12.6	12.6

- In 2013-16, Reserved dominated in floorspace openings due to entry into new countries.
- Even though Sinsay was launched in 2013, it added more floorspace than the more mature Mohito.
- Cropp and House growths came from domestic and foreign expansion.

New regions fuel floorspace growth

FLOORSPACE GROWTH BY REGIONS



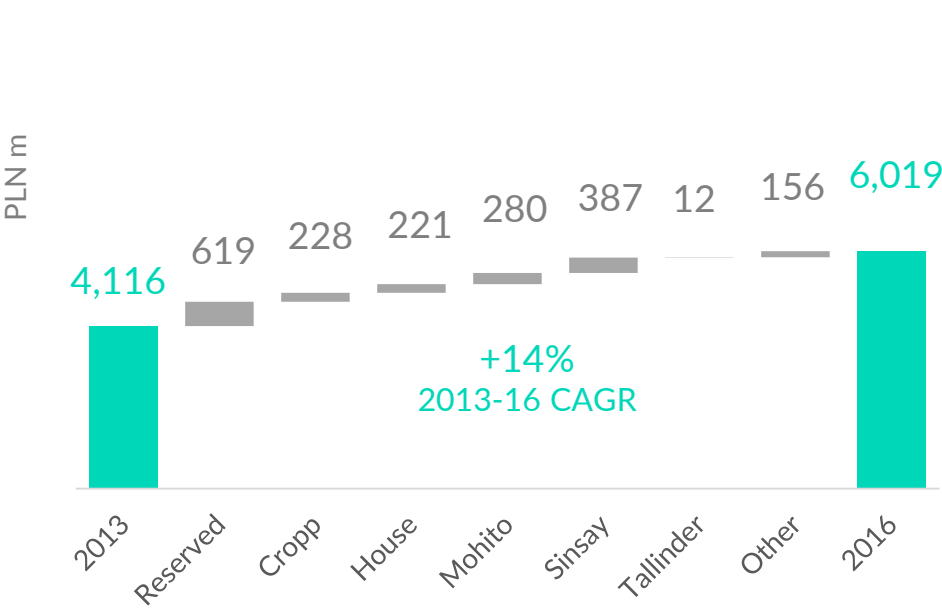
FLOORSPACE BY REGIONS

ths m2	2013	2014	2015	2016	1H17
LPP GROUP	588.6	722.5	843.5	920.7	933.7
CEE	408.8	475.5	544.7	580.6	574.9
Poland	365.5	413.6	465.0	496.6	492.1
Other CEE	43.3	61.9	79.7	84.0	82.8
Baltic	27.2	36.4	38.2	39.5	39.9
SEE	10.2	22.6	34.1	48.3	48.7
CIS	142.4	180.3	193.9	207.0	216.5
WE	0.0	7.6	27.1	37.7	45.5
ME	0.0	0.0	5.5	7.6	8.2

- 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, German stores added similar m2 to SEE in 2013-16.

Younger brands fuel revenue growth

REVENUE GROWTH BY BRANDS



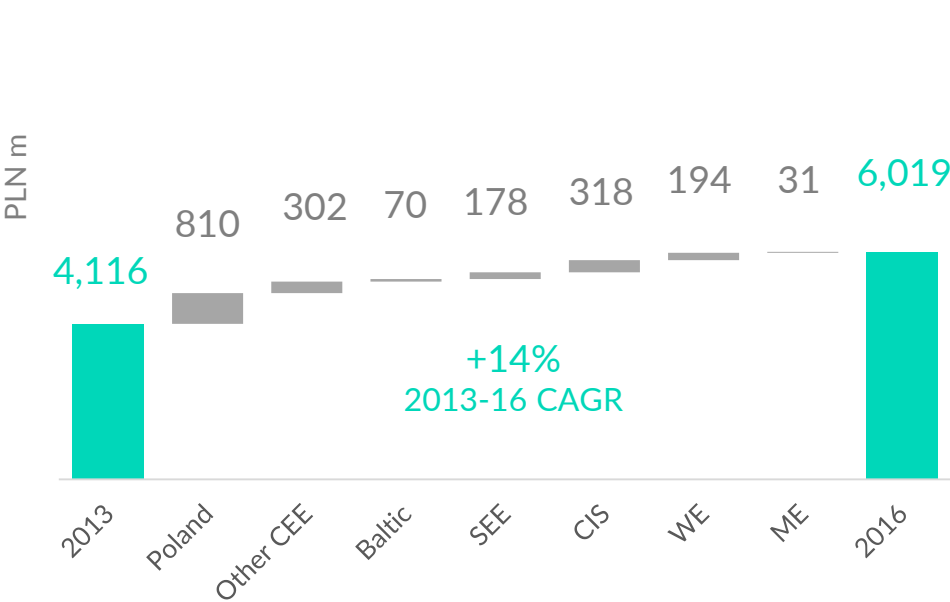
REVENUES BY BRANDS

PLN m	2013	2014	2015	2016	1H17
LPP GROUP	4,116.3	4,769.3	5,130.3	6,019.0	3,067.7
Reserved PL	1,298.0	1,425.7	1,421.5	1,407.0	670.0
Reserved EX	775.8	885.6	1,012.3	1,285.9	706.9
Cropp PL	419.3	469.8	467.8	497.4	224.7
Cropp EX	267.7	301.2	322.0	417.5	217.6
House PL	409.0	454.9	469.7	517.3	220.6
House EX	137.3	178.7	203.4	249.9	118.9
Mohito PL	307.6	340.5	353.5	405.5	206.8
Mohito EX	148.8	182.4	233.0	331.3	189.1
Sinsay PL	70.7	186.0	262.0	346.1	187.9
Sinsay EX	3.3	38.6	66.9	114.8	72.9
Tallinder PL	0.0	0.0	0.0	12.1	1.1
Other	278.8	305.9	318.2	434.4	251.2

- Despite its scale in Poland, Reserved was the largest group revenue contributor in 2013-16.
- Mohito and Sinsay proved to be successful concepts, growing domestically and abroad.
- Cropp and House were similar revenue contributors.

New regions fuel revenue growth

REVENUE GROWTH BY REGIONS



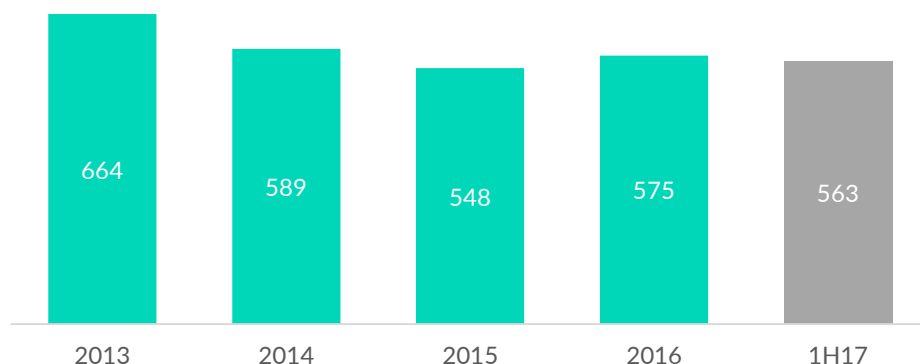
REVENUES BY REGIONS

PLN m	2013	2014	2015	2016	1H17
LPP GROUP	4,116.3	4,769.3	5,130.4	6,019.0	3,067.7
CEE	2,926.5	3,413.6	3,633.8	4,038.6	1,963.9
Poland	2,701.2	3,079.6	3,227.7	3,511.4	1,691.8
Other CEE	225.3	333.9	406.1	528.7	272.1
Baltic	186.4	199.8	221.6	256.4	126.7
SEE	51.7	64.6	133.8	229.8	130.4
CIS	951.7	1,076.2	1,024.6	1,269.3	718.2
WE	0.0	15.2	93.9	193.6	115.2
ME	0.0	0.0	22.6	31.4	13.3

- The CEE dominated in terms of revenue contribution largely due to the core Polish market.
- Floorspace expansion in Russia translated into CIS being the second largest revenue addition.
- Expansion into SEE and WE is visible on our top-line. Since 2015 we develop in the Middle East.

Pick-up in sales/ m2 by brands

REVENUES/ M2 MONTHLY
(PLN)



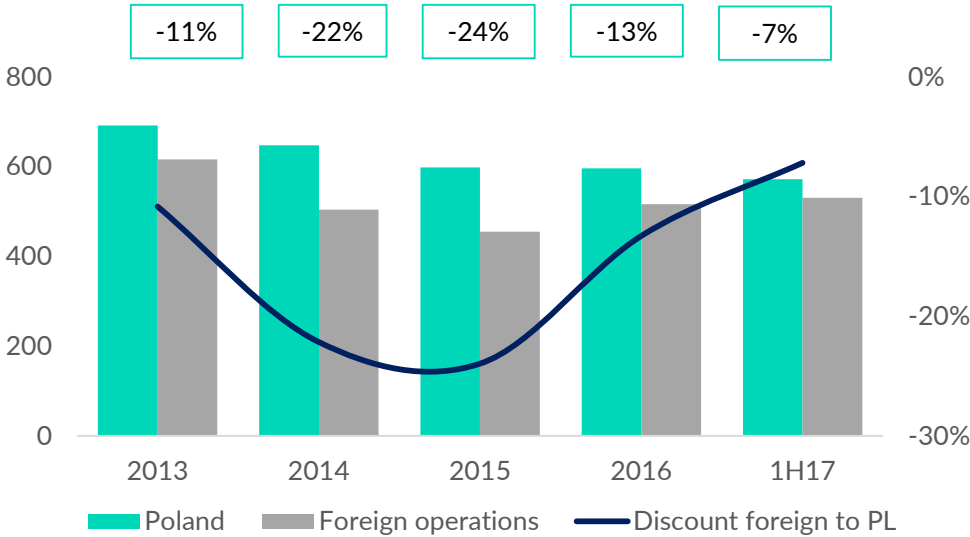
REVENUES/ M2 MONTHLY

PLN	2013	2014	2015	2016	1H17
LPP GROUP	664	589	548	575	563
Reserved PL	644	599	536	494	452
Reserved EX	573	481	423	455	461
Cropp PL	720	684	624	648	576
Cropp EX	733	596	549	659	661
House PL	682	664	631	675	584
House EX	578	511	486	532	487
Mohito PL	777	647	601	640	657
Mohito EX	725	491	483	631	682
Sinsay PL	682	613	576	640	643
Sinsay EX	483	475	407	525	556
Tallinder PL	-	-	-	346	-

- All brands had higher revenues/ m2 in Poland than abroad, except for Cropp.
- Growth in foreign sales/ m2 in PLN in 2016 relates to changes in replenishment system at foreign stores and growing recognition abroad of the younger brands.
- In 2016, House had the highest revenues/ m2 in Poland while Cropp abroad.

... and by regions

REVENUES/ M2 MONTHLY (PLN)



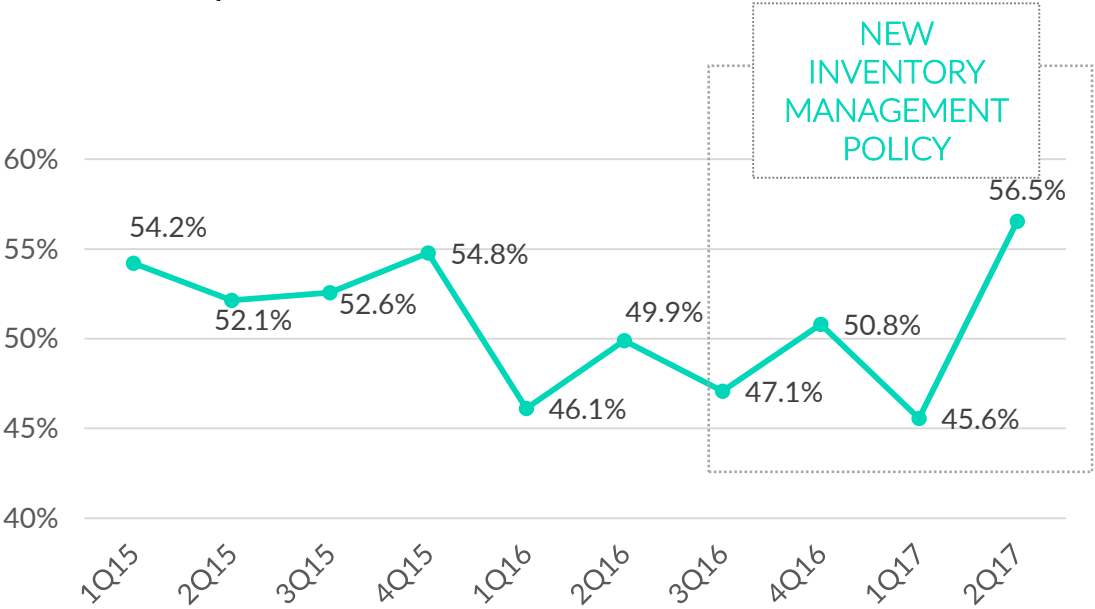
REVENUES/ M2 MONTHLY

PLN	2013	2014	2015	2016	1H17
LPP GROUP	664	589	548	575	563
CEE	578	543	528	557	567
Poland	691	647	598	595	571
Other CEE	540	509	505	544	565
Baltic	604	530	493	560	540
SEE	467	457	382	444	438
CIS	663	508	451	514	541
WE	-	836	510	490	558

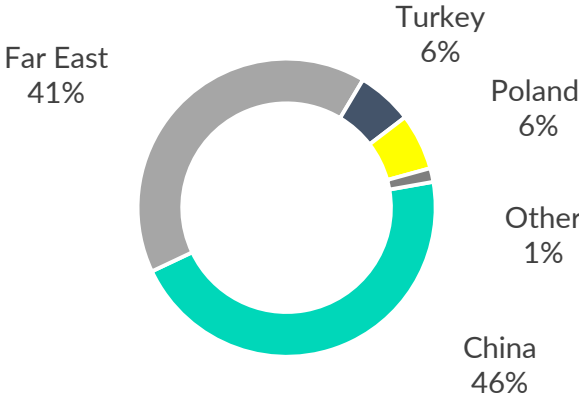
- Sales/ m2 in Poland were on average c.17% higher in 2013-16 than on foreign markets.
- Visible improvement in CIS, among others due to more favourable FX relations, especially in 2H16.
- Pick-up in sales/ m2 in WE in 1H17 due to stronger brand recognition.

Gross profit margin on the upward trend

QUARTERLY GROSS PROFIT MARGIN



1H17 PURCHASES BY REGION



- The majority of purchases is conducted in the Far East and indexed to US\$. Appreciation of zloty to US\$ decreases costs of purchases from Asia.
- A new sell-out policy – goods are sold off to the maximum extent in stores, to avoid the costs of removal and transportation to the post-season warehouse.
- Without the December 2016 inventory sell-off, 2016 gross profit margin would come at 50.8%, down 2.7 p.p. Reported 2016 gross profit margin came at 48.8%.

New inventory management policy

FORMER

Change in
customer
preferences

Price as key purchase trigger.
Possibility to sell goods from previous
seasons.

Promotions and
sell-offs

Mid-season promotions depending on
attractiveness of collections and
competitors' actions.

Unsold goods

Unsold goods sent to post-season
warehouse, while later once again
shifted to stores.

Outlets

Unsold collections from the past
season sold in outlets in Poland and
abroad.

CURRENT

Clients increasingly reluctant to accept
old stock. Limited ability to liquidate
unsold goods in outlets.

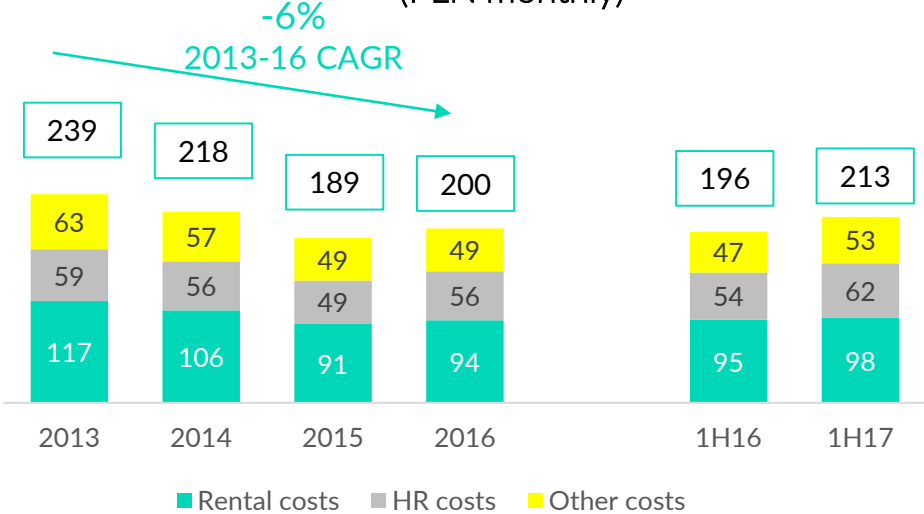
Concentration on gross profit margin
during the season but stronger post-
season sell-offs.

Post-season inventory sold to third
parties. Goods older than 12 months
no longer in stores.

Outlets only in selected locations in
Poland, due to focus on brand image.

Costs of own stores depend on rentals

COSTS OF OWN STORES/ m2
(PLN monthly)

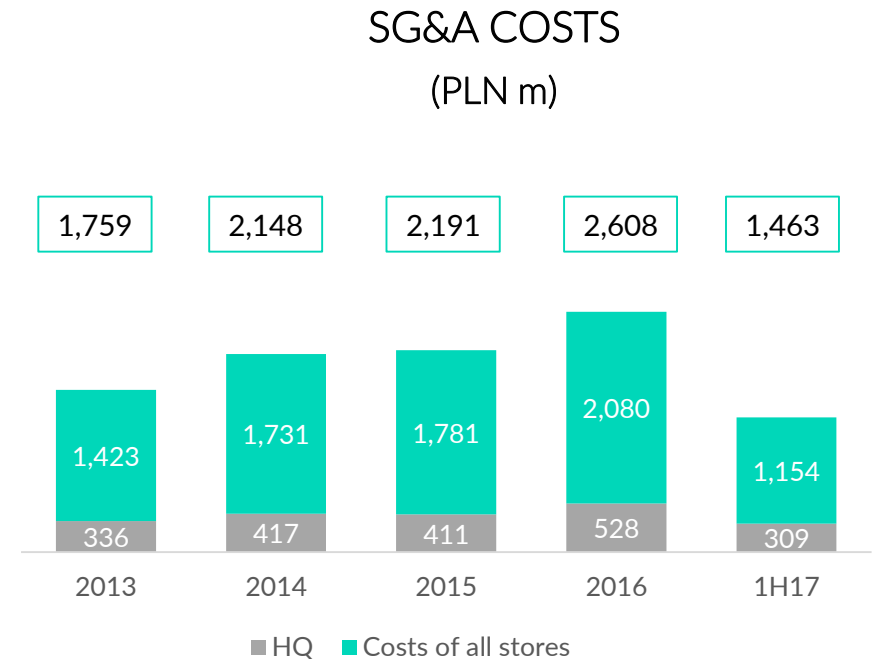
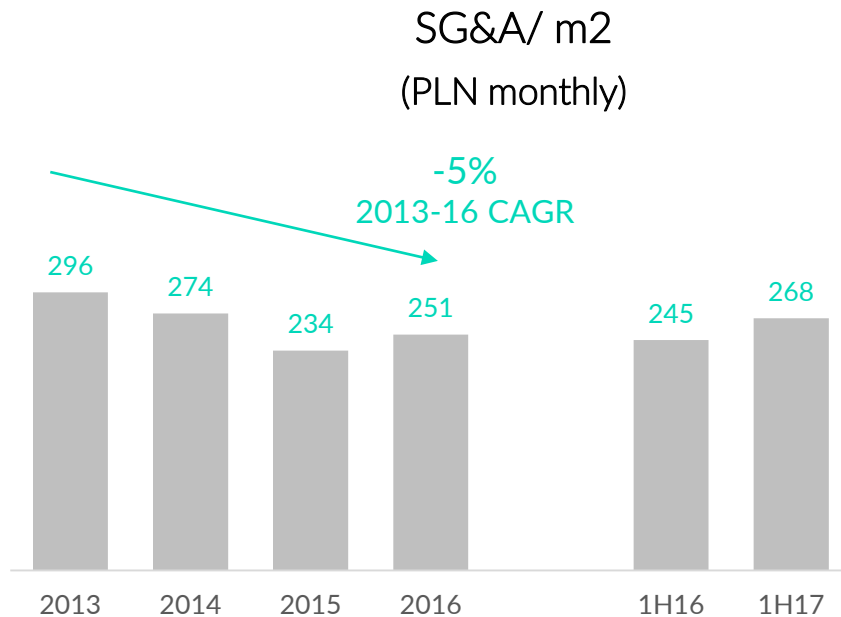


1H17 COSTS OF OWN STORES SPLIT



- Rental charges → successful rental renegotiations; level paid depends on EUR/PLN exchange rate.
- Personnel costs → continuous headcount optimisation in 2013-15, but pressure on salaries growth from 2016.
- Other costs of stores → depreciation constitutes half of other costs of stores; other costs: energy, provisions, security.

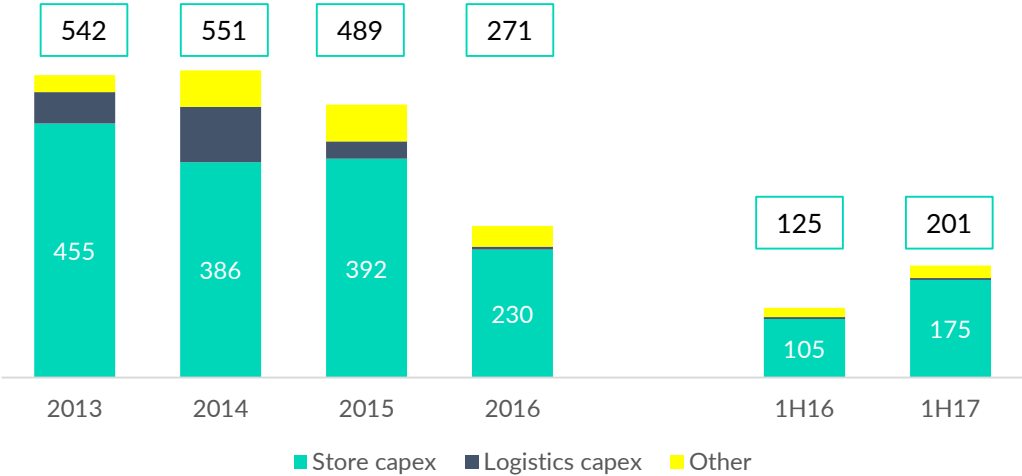
We control SG&A/ m2



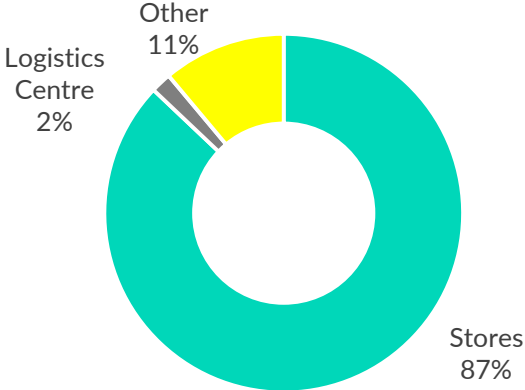
- Fall in SG&A/ m2 in 2012-16 → optimisation of costs of own stores and headquarters.
- Costs of stores → YoY growth in 2016 due to higher YoY floorspace, depreciation of zloty versus euro and HR costs. Fall in costs of franchise stores in Poland, due to switch to company owned stores.
- HQ costs → YoY growth in 2016 due to investments in product departments and e-commerce.
- Franchise stores in the Middle East and in Belarus do not affect SG&A costs.

Store capex reduced by fit-outs

CAPEX SPLIT
(PLN m)



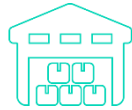
1H17 CAPEX SPLIT
(PLN m)



- Target capex of PLN 3,000/ m2 is lowered by fit-outs obtained domestically and abroad. However, the number may go up along with more WE openings. Maintenance capex constitutes c.10% of store outlays.
- Upgrade of Polish logistics center conducted in 2013-15 cost PLN 177m. It was launched in 2Q15.
- Modernisation of Gdansk headquarters finished in September 2015. We continue to expand our HQs to make room for future growth.

Logistics centre and HQs enlargement

2 SOURCES OF INFRASTRUCTURE SPENDING



Another logistics centre

We search for location for our new logistics centre.

Current logistics centre should be sufficient until 2020.

C. PLN 300m of planned capex between 2019-20.



Gdansk HQs expansion

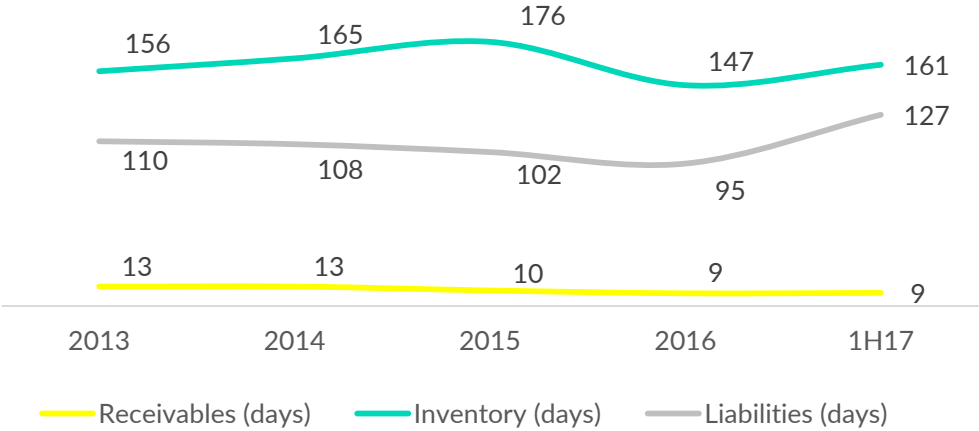
We are constructing another building next to current HQs.

The plot owned is sufficient for construction of 4 new buildings.

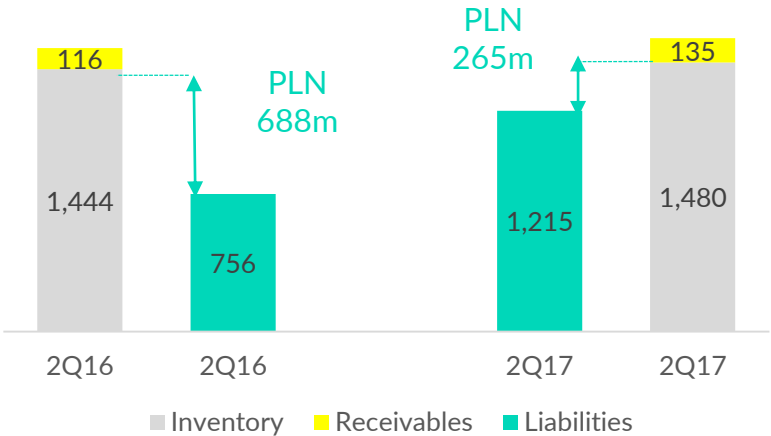
The currently constructed first building is to cost c. PLN 90m between 2017-18.

Freeing up working capital

CASH CYCLE
(days)



WORKING CAPITAL
(PLN m)



- Longer inventory cycle in 1H17 YoY due to a higher level of AW collection. YoY fall in inventory/ m2 due to new inventory management policy and improved reception of collections by customers.
- Higher YoY receivables due to further inventory sell-offs, in line with the new policy.
- PLN 215m additional liabilities due to extension of payment terms for suppliers at the end of 2Q17.
- Our aim is to match liabilities to the inventory level.

Optimisation of NWC

SUPPLY CHAIN FINANCE - SCF (SUPPLIER FINANCING PROGRAMME)

BENEFITS FOR LPP

- Extended payment periods on invoices for goods purchased.
- Net working capital and operating cash flows improvement.



BANKING PLATFORM

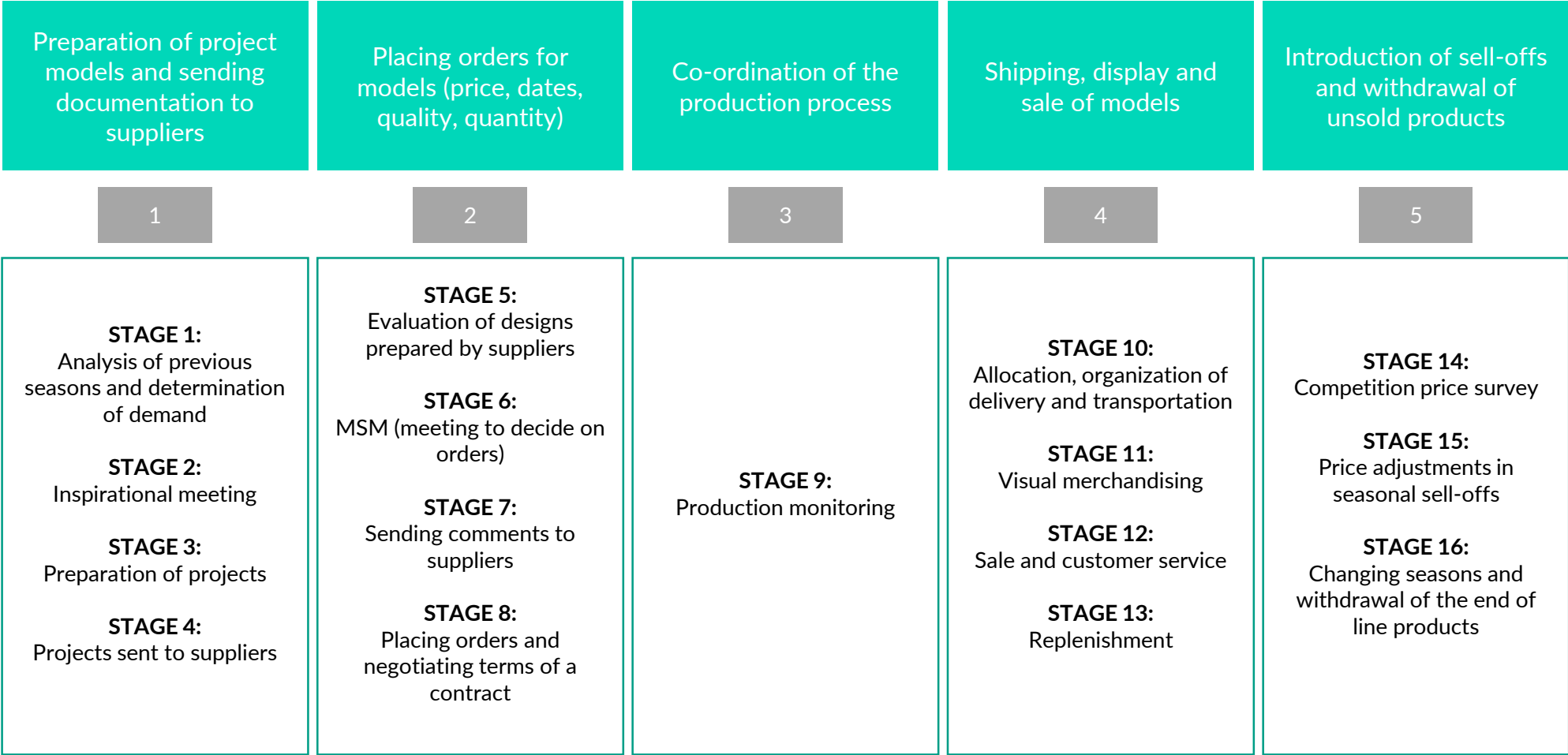


BENEFITS FOR SUPPLIERS

- Possibility to discount invoices for LPP before the payment deadline (low discount rate based on LPP's standing).
- No impact on credit ability.

Positive effect on LPP's net working capital since 4Q16.

Stages of the designing and supply process



Strengthening the designing teams

DESIGN CENTRES IN TOP3 CITIES IN POLAND.



GDANSK

- LPP's largest design centre.
- The centre is responsible for Reserved, Cropp and Sinsay brands.



CRACOW

- Design centre for House and Mohito brands.
- Co-operation with designing schools.



WARSAW

- A new design centre responsible for Reserved.
- Upgraded Showroom of all brands.

Top quality logistics

TRADITIONAL STORES

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 (RENTED)

9,500 m2 floorspace

Services **60%** of goods in Russian stores

Operations and infrastructure ready for upcoming e-commerce launch in Russia

E-COMMERCE

Co-operation with Arvato, outsourcing of e-commerce operations of 4 out of 5 LPP's brands

30,000 m2 floorspace in the centre of Poland

Outsourcing of e-commerce logistics

WE AIM TO STREAMLINE E-COMMERCE OPERATIONS



CO-OPERATION DETAILS

Arvato Poland will be responsible for e-commerce logistics of **4 LPP brands**: Reserved, House, Mohito and Sinsay.

Outsourcing of key elements (eg. warehouse, packaging, dispatch, returns) from a dedicated Arvato warehouse in the centre of Poland.



WAREHOUSE DETAILS

After signing the contract, Arvato increased its warehouse space by **30 ths m2**.

The agreement stipulates the possibility to expand up to 60 ths m2 in the next 3 years.

Within the first year Arvato will increase headcount by c. 500 people.



OUR BENEFITS

Access to e-commerce logistics know-how.

A more convenient location of the logistics centre.

Faster delivery of products to customers.

Group FX exposure

REVENUES

STORES IN POLAND
& WHOLESALE

PLN



Stores in Czech Rep.,
Hungary, Bulgaria, Romania,
Croatia

LC/PLN



Stores in Slovakia, Lithuania,
Latvia, Estonia, Germany

EUR/PLN



STORES IN RUSSIA,
UKRAINE
(Foreign subsidiaries)

RUB/PLN
UAH/US\$



MIDDLE EAST STORES
(Franchise)

US\$/PLN



58% PLN REVENUES
42% FX REVENUES

LPP
(Parent company)

41% PLN SG&A COSTS
59% FX SG&A COSTS

86% US\$
9% EUR
5% other



78% EUR
12% US\$
10% other

COSTS

MANUFACTURERS

RENTALS

First hedging transactions

1

Lowering the level of indebtedness of subsidiaries towards the parent company (conversion of debt into equity of subsidiaries).

2

Increase in self-financing of subsidiaries along with their improved financial standing.

3

Hedging to minimise the level of FX gains/losses in the net financials line (below EBIT).

- Hedging of US\$/PLN FX rate.
- Forwards with currency delivery.
- We hedge the period between booking the invoice from the supplier and invoice payment.

- We hedge 70% of payments.
- Hedged amount at US\$ 123m end-1H17.

Hedging will not affect gross profit margin.

Earnings turnaround

PLN m	2013	2014	2015	2016	1H16	1H17	YoY
Revenues	4,116.3	4,769.3	5,130.4	6,020.6	2,677.2	3,067.7	14.6%
Gross profit on sales	2,409.2	2,792.5	2,742.8	2,935.3	1 291,5	1 585,0	22.7%
Gross profit margin	58.5%	58.6%	53.5%	48.8%	48.2%	51.7%	3.5 p.p.
SG&A costs	1,759.2	2,148.3	2,191.7	2,607.9	1,247.0	1,463.0	17.3%
Other operating line	-34.3	-35.0	-48.5	-98.1	-21.9	-23.3	
EBIT	615.6	609.1	502.7	229.3	22.6	98.6	337.2%
EBIT margin	15.0%	12.8%	9.8%	3.8%	0.8%	3.2%	2.4 p.p.
Net financial activity	-91.8	-149.2	-88.3	-32.3	-2.6	-1.2	
Pre-tax profit	523.9	459.9	414.4	197.0	19.9	97.5	388.8%
Tax	91.0	-22.0	63.0	21.0	-4.3	41.3	
Minorities	1.9	2.3	0.0	0.0	0.0	0.1	
Net income	431.0	479.5	351.3	175.9	24.2	56.2	132.1%
Net income margin	10.5%	10.1%	6.8%	2.9%	0.9%	1.8%	0.9 p.p.

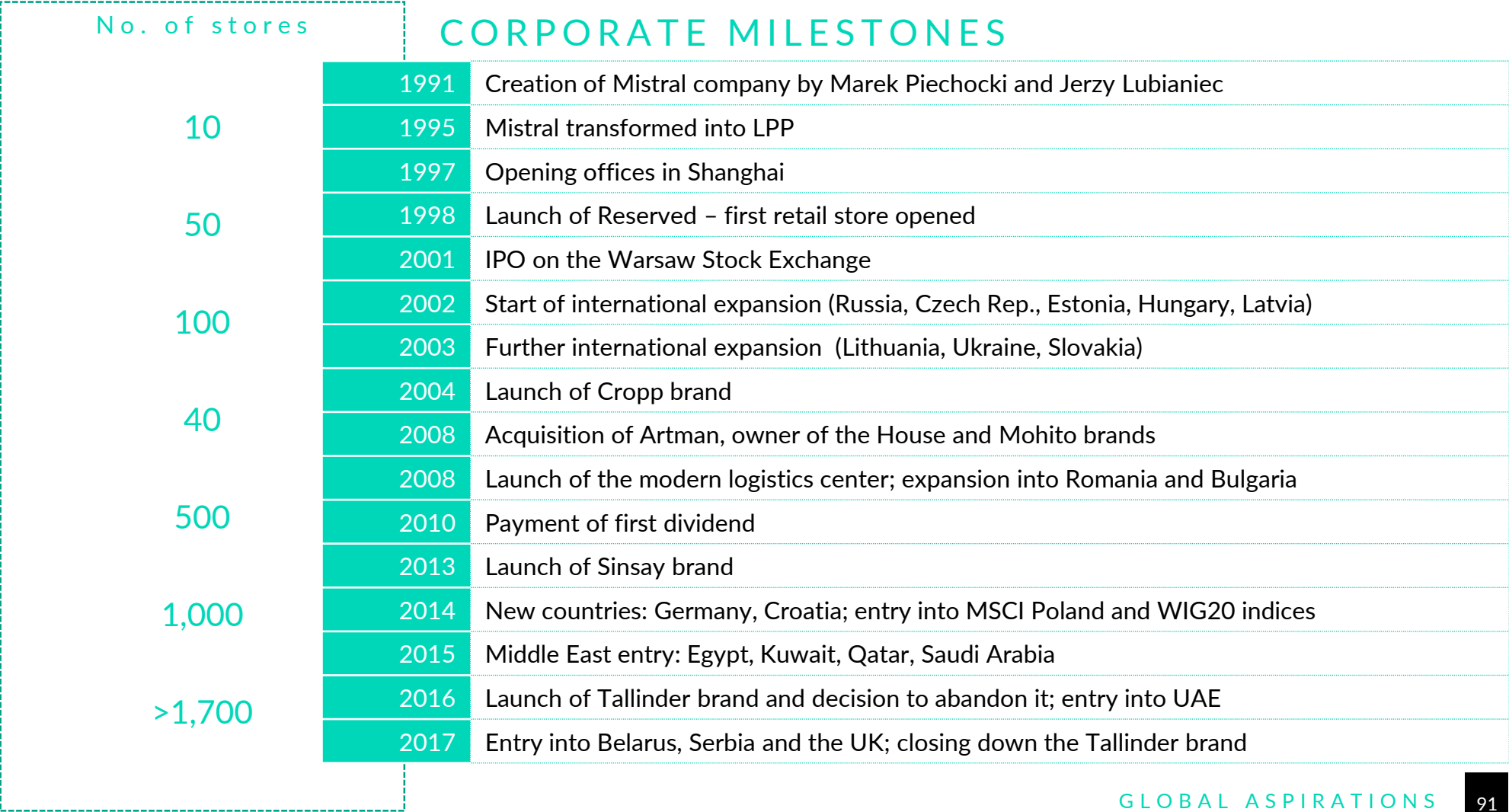
Balance sheet increasingly strong

PLN m	31.12.2013	31.12.2014	31.12.2015	31.12.2016	30.06.2016	30.06.2017
Non-current assets	1,231.9	1,516.4	1,797.0	1,838.7	1,811.7	1,795.2
fixed assets	281.2	315.9	324.4	1,291.3	1,266.0	1,248.5
intangibles (inc. goodwill)	896.8	1,038.8	1,258.8	330.6	326.5	339.3
Current assets	1,259.7	1,417.3	1,768.2	1,839.3	1,913.3	2,145.1
inventory	805.0	979.3	1,319.7	1,164.1	1,444.0	1,480.2
trade receivables	163.3	176.9	115.1	165.4	116.5	134.8
cash and equivalents	149.4	183.5	224.4	365.8	219.2	434.9
Total assets	2,491.6	2,933.7	3,565.2	3,677.9	3,724.9	3,940.3
Equity	1,496.5	1,638.4	1,889.7	2,134.7	1,933.9	2,063.3
Long-term liabilities	192.3	210.7	344.1	267.3	303.3	245.9
interest bearing debt	184.3	204.5	284.3	195.0	239.6	168.5
Short-term liabilities	802.7	1,084.6	1,331.3	1,275.9	1,487.8	1,631.1
trade liabilities	547.6	618.6	721.4	881.1	755.9	1,215.1
interest bearing debt	173.6	378.3	561.1	315.1	619.2	255.4
Total liabilities	2,491.6	2,933.7	3,565.2	3,677.9	3,724.9	3,940.3

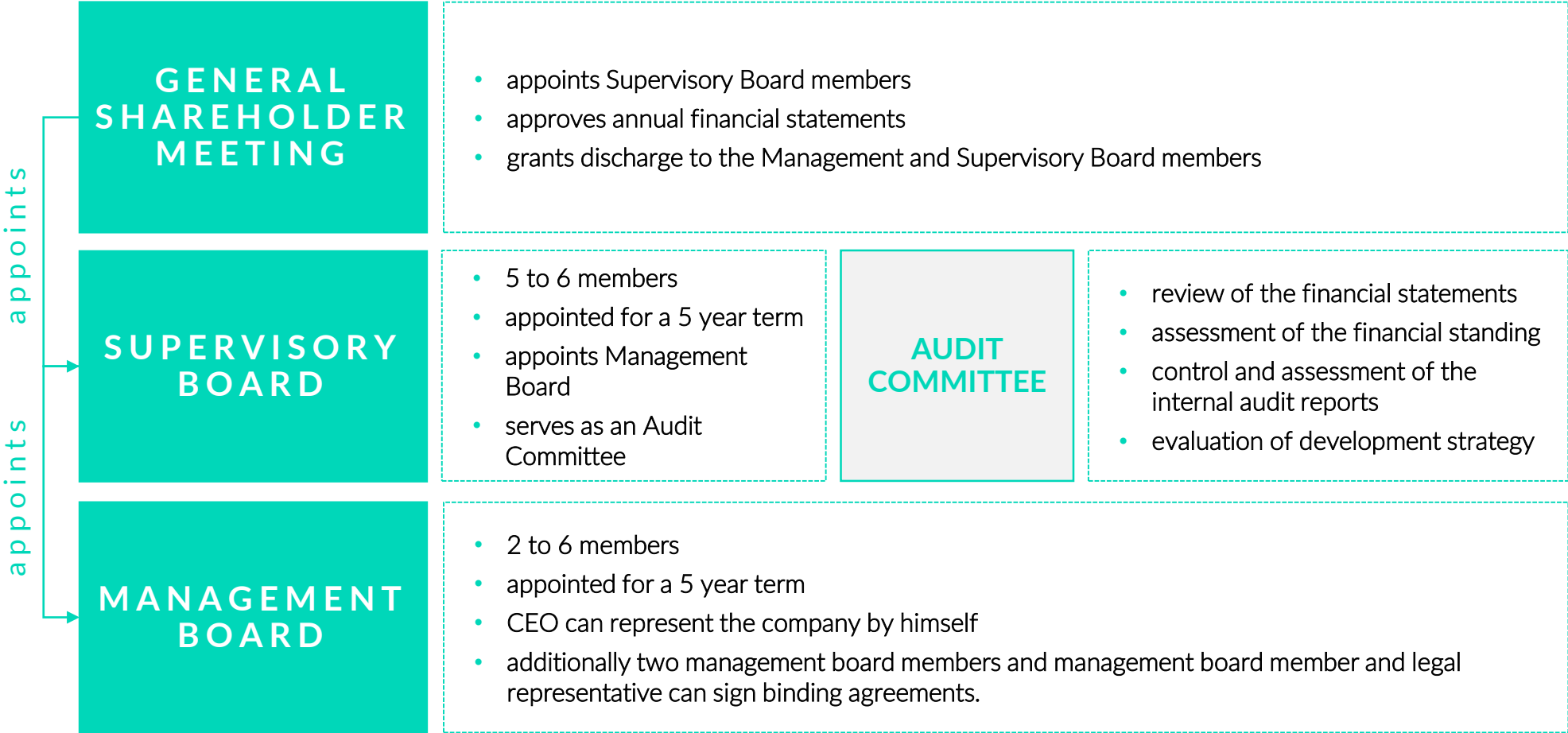
Record high operating CF in 2016 and 1H17

PLN m	2013	2014	2015	2016	1H16	1H17	YoY
Pre-tax profit	523.9	459.9	414.4	197.0	19.9	97.5	388.8%
D&A	148.2	193.7	223.6	267.4	129.2	147.4	14.1%
NWC	-95.7	-127.3	-223.4	253.5	19.9	149.1	649.0%
Operating CF	508.8	492.9	253.9	718.2	77.4	348.9	351.0%
Capex	-541.9	-550.5	-490.6	-271.8	-125.4	-201.5	60.8%
Investing CF	-518.2	-476.0	-415.5	-181.4	-98.9	-187.0	89.1%
Interest bearing debt	167.4	204.0	277.7	-328.7	19.8	-83.2	
Dividends	-154.0	-169.6	-58.0	-59.9	0.0	0.0	
Interest	-12.5	-14.8	-18.5	-21.6	-11.3	-7.6	
Financing CF	-0.6	17.2	201.2	-393.8	16.7	-90.6	n/m
Total CF	-10.0	34.2	39.5	143.0	-4.8	71.2	n/m

LPP's success story



Corporate governance



Founders actively involved in the business

LPP'S FOUNDERS

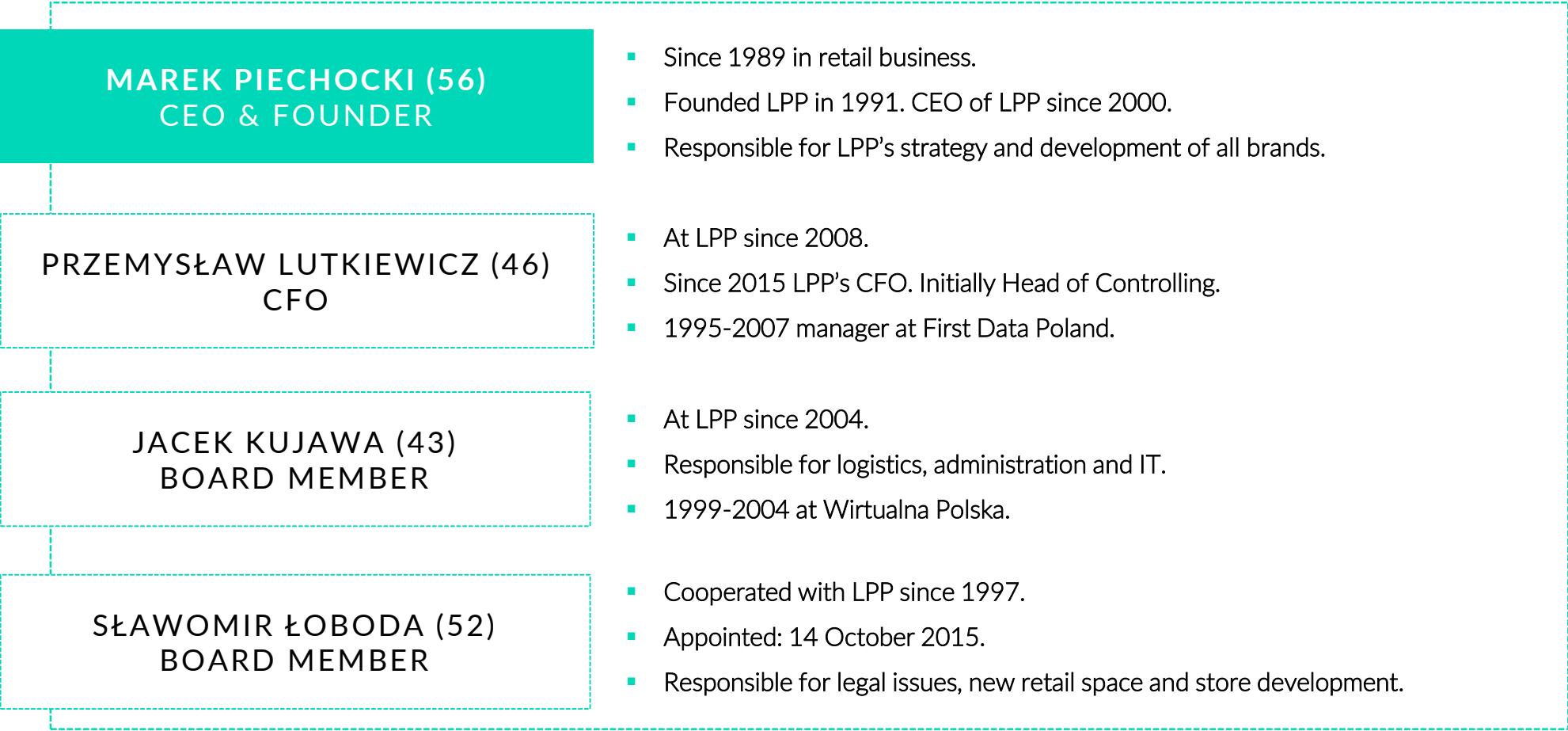
MAREK PIECHOCKI CHIEF EXECUTIVE OFFICER

- 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



Former CEO and CFO sit on the Supervisory Board

JERZY LUBIANIEC (57)
CHAIRMAN

DARIUSZ PACHLA (56)
Member

WOJCIECH OLEJNICZAK (61)
Member

KRZYSZTOF OLSZEWSKI (56)
Member

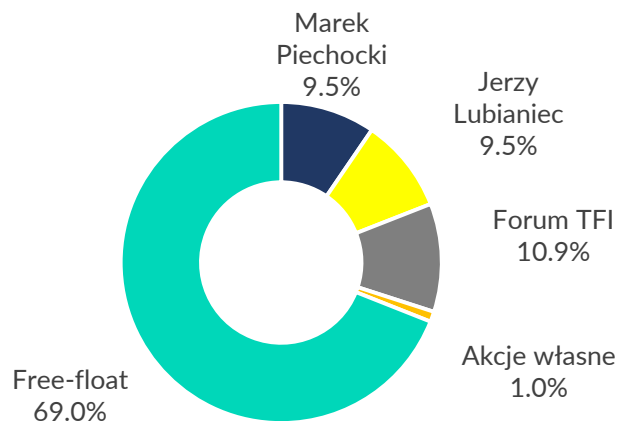
MACIEJ MATUSIAK (50)
Member

- Since 2000 Chairman of the Supervisory Board of LPP.
- 1995 – 2000 CEO of LPP.
- 1991 – 1997 ran Mistral company (LPP’s predecessor).
- 2000 – 2014 CFO of LPP.
- 1995 – 2000 manager at LPP.
- 1991 – 1995 worked at Mistral (LPP’s predecessor).
- Since 1999 member of the Supervisory Board of LPP.
- 1996 – 1997 LPP Management Board member.
- 1991 – 1996 partner at Mistral company (LPP’s predecessor).
- 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.
- Since 2004 member of the Supervisory Board of LPP.
- Licensed stock broker, CFA charterholder.
- Since 2006 CEO of Artemis Investment limited liability company.

Company controlled by its founders

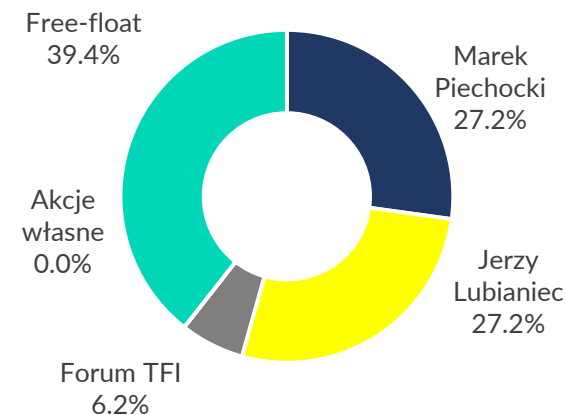
SHAREHOLDERS BY EQUITY
(30.06.2017)

total no of shares: 1,839,291



SHAREHOLDERS BY VOTES
(30.06.2017)

total no of votes: 3,220,313



- The shares held by the founders are privileged 1 to 5 in votes.
- The Forum TFI manages Forum 64 FIZ related to Jerzy Lubianiec and Forum 65 FIZ related to Marek Piechocki.
- Effectively, the founders control 30.0% of equity and 60.6% of votes.
- Treasury shares (18,978) are valued at PLN 2,280 and partially used for the purpose of stock option plan.
- Since September the number of shares and votes is higher by 13,132 due to conversion of warrants into shares.

Safety in Asian factories in our goal



PLN 16m



80 factories



21 people



PLN 16m outlays for audits of working conditions in Bangladesh factories:

- 2/3 of the amount for working conditions audit was spent for on-site inspections and audits of working conditions in factories,
- the remaining amount comprises of membership fees for ACCORD and Rana Plaza Trust Fund.

80 factories under ACCORD control:

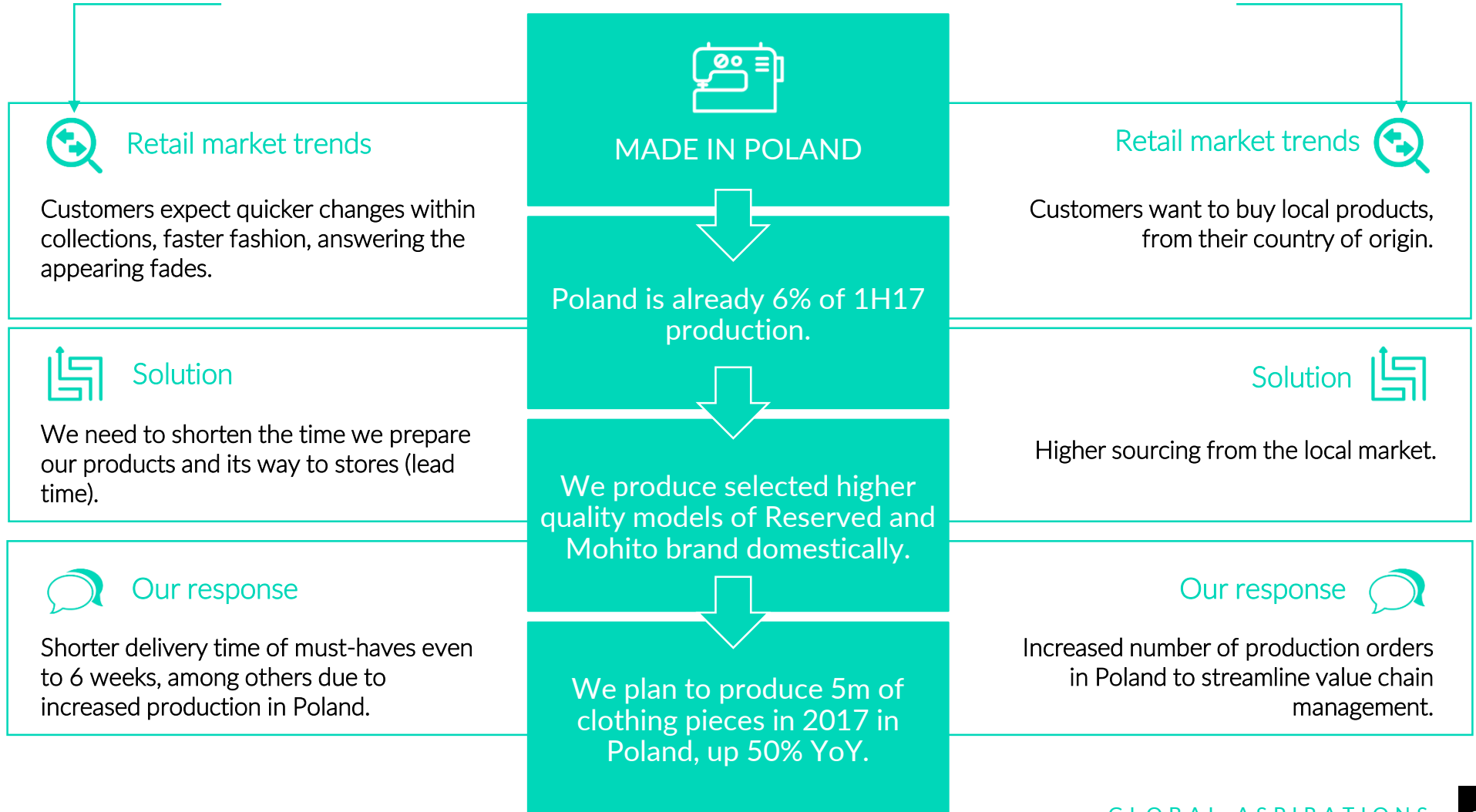
- 90% of factories had their electrical installations modernised or changed,
- 75% of factories ended up with additional anti-fire alarms and installations,
- 60% of factories had their constructions strengthened. In many cases the production was transferred to other venues.

21 people full-time employed in Bangladesh offices and Audit Department in HQs.

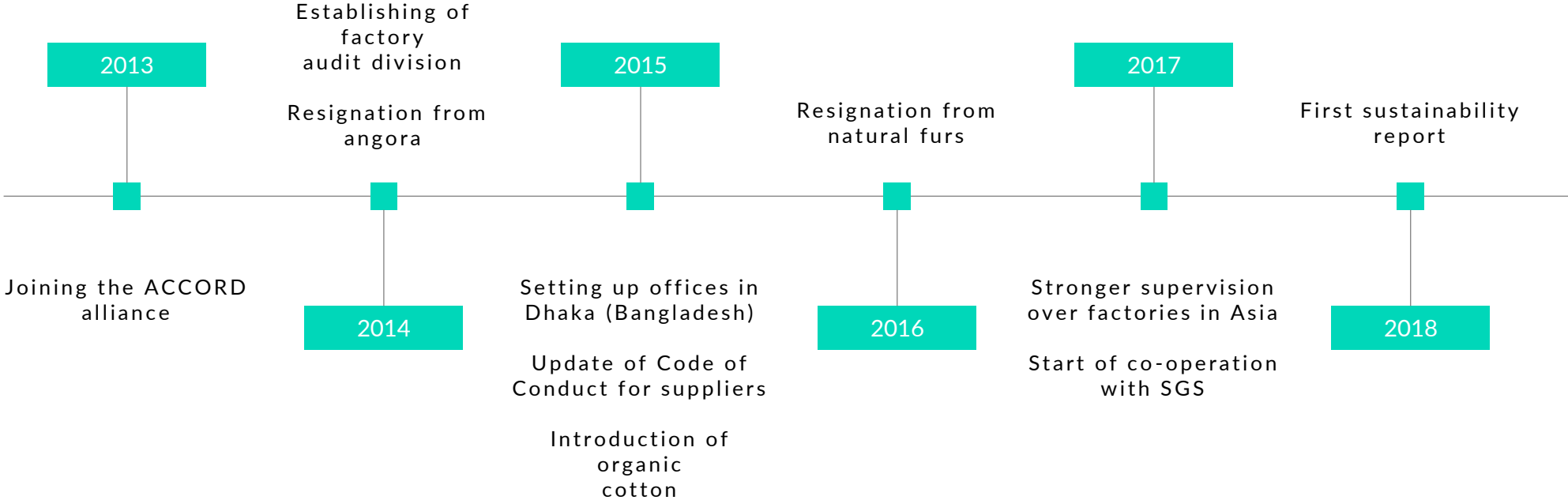
LPP’s Code of Conduct puts safety in factories first. Suppliers have the obligation to provide a decent pay, max 48 hours of work per week and paid overtime. They are banned to hire children < 15 years old.

We produce more locally

WE AIM TO DOUBLE PRODUCTION IN POLAND WITHIN THE NEXT 2 YEARS



We plan more CSR actions



Presence in key indices

POLISH INDICES

WIG20

- The most important index of the WSE
- Member since March 2014
- c. 5.1% 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 September 2013
- LPP member since index inception
- c. 4.7% LPP's weight

WIG

- The broadest index of the WSE
- c. 3.3% LPP's weight
- The largest clothing retailer in the index

INTERNATIONAL INDICES

MSCI POLAND

- MSCI Poland is a key index for international institutions investing in Poland
- LPP member since August 2014

FTSE

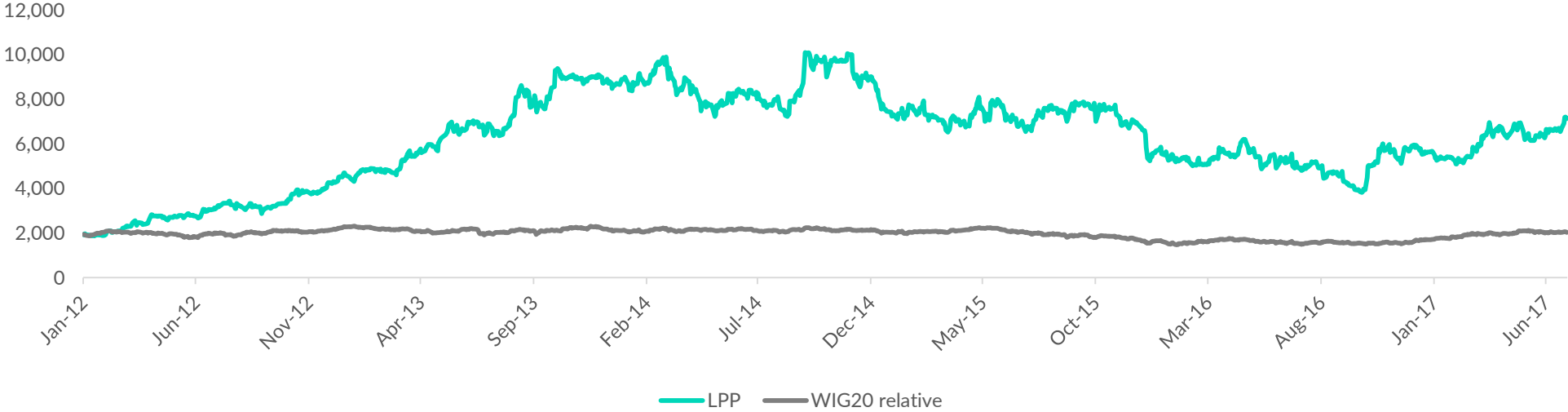
- FTSE indices are tracked by ETFs
- LPP member of three FTSE indices: All-World Index, Emerging Index, Global Style Index

CECE

- CECE Index is created by the Vienna Stock Exchange. It comprises of companies from Poland, Czech Republic and Hungary
- LPP re-entered the index mid-September 2017

Strong medium-term market outperformer

LPP'S SHARE PRICE RELATIVE TO WIG 20 INDEX



TICKERS

WSE	LPP
Bloomberg	LPP PW
Reuters	LPP.WA

PERFORMANCE

1Y	+42%
3Y	-15%
5Y	+111%

MARKET DATA

Price (30.06.17)	PLN 7,150
Min 1Y	PLN 4,490
Max 1Y	PLN 7,200

Broad analytical coverage

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Investor relations' calendar



KEY DATES

- 22.09.2017 Investors' Day in London
- 02.10.2017 September trading update
- 02.11.2017 October trading update
- 03.11.2017 3Q17 trading update
- 21.11.2017 3Q17 results publication
- 01.12.2017 November trading update



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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 and from 2017 also Belarus and Kazakhstan.
SEE	Region including: Bulgaria, Romania, Croatia, while from 2017 also Serbia.
WE	Region including Germany and from 2017 also the UK.
ME	Region including: Egypt, Qatar, Kuwait, Saudi Arabia, UAE.
Europe	Region including: CEE, Baltic, SEE and WE.
EBITDA	EBIT + depreciation from cash flow statement.
Average monthly revenues/m ²	Revenues of segment or brand / average working total floorspace / 12.
Average monthly costs of own stores/m ²	Costs of own stores / average working floorspace of own stores (ie. excluding all franchise stores which represent c. 6% of the working floorspace) / 12.
Average monthly SG&A PLN/m ²	SG&A costs/ average working total floorspace excluding stores located in ME and Belarus / 12.
Inventory/ m ²	End of period group inventory/ total floorspace without franchise stores in ME and Belarus.
Inventory days	Average inventory/ group COGS * 365 days.
Receivables days	Average receivables/ group revenues * 365 days.
Liabilities days	Average short-term liabilities/ group COGS * 365 days.
Cash conversion cycle	Inventory days + receivables days – liabilities days.

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RESERVED

CROPP

house

M O H I T O

sinsay