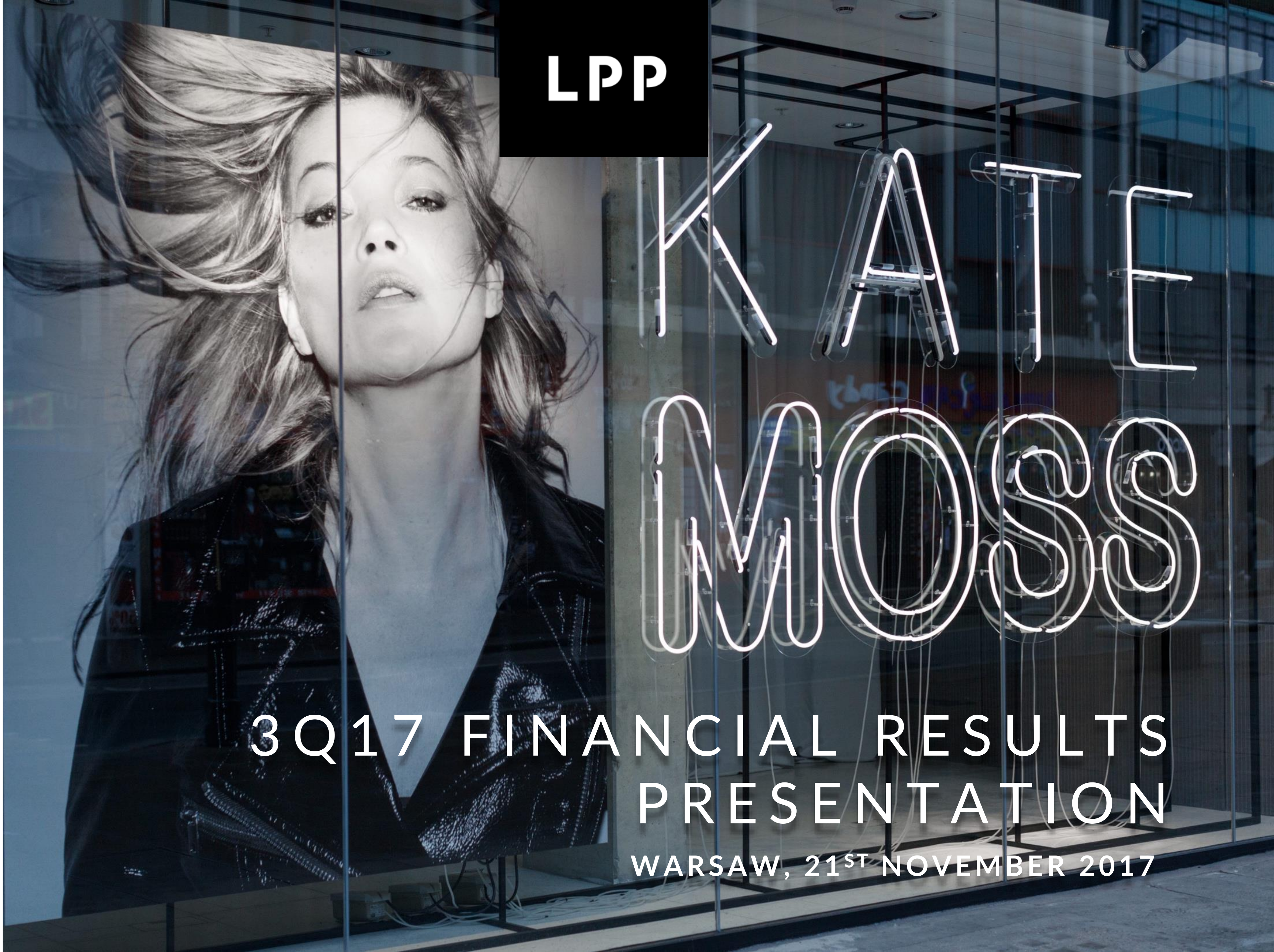
LPP



3Q17 FINANCIAL RESULTS PRESENTATION

WARSAW, 21ST NOVEMBER 2017

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1 3Q17 financial results

2 Key corporate events

3 2017 and 2018 outlook

Almost PLN 5bn revenues in 9M17

LPP

1,683
STORES

20
COUNTRIES

+6%
m2

+8.8%
LFLs

+114%
E-COMMERCE

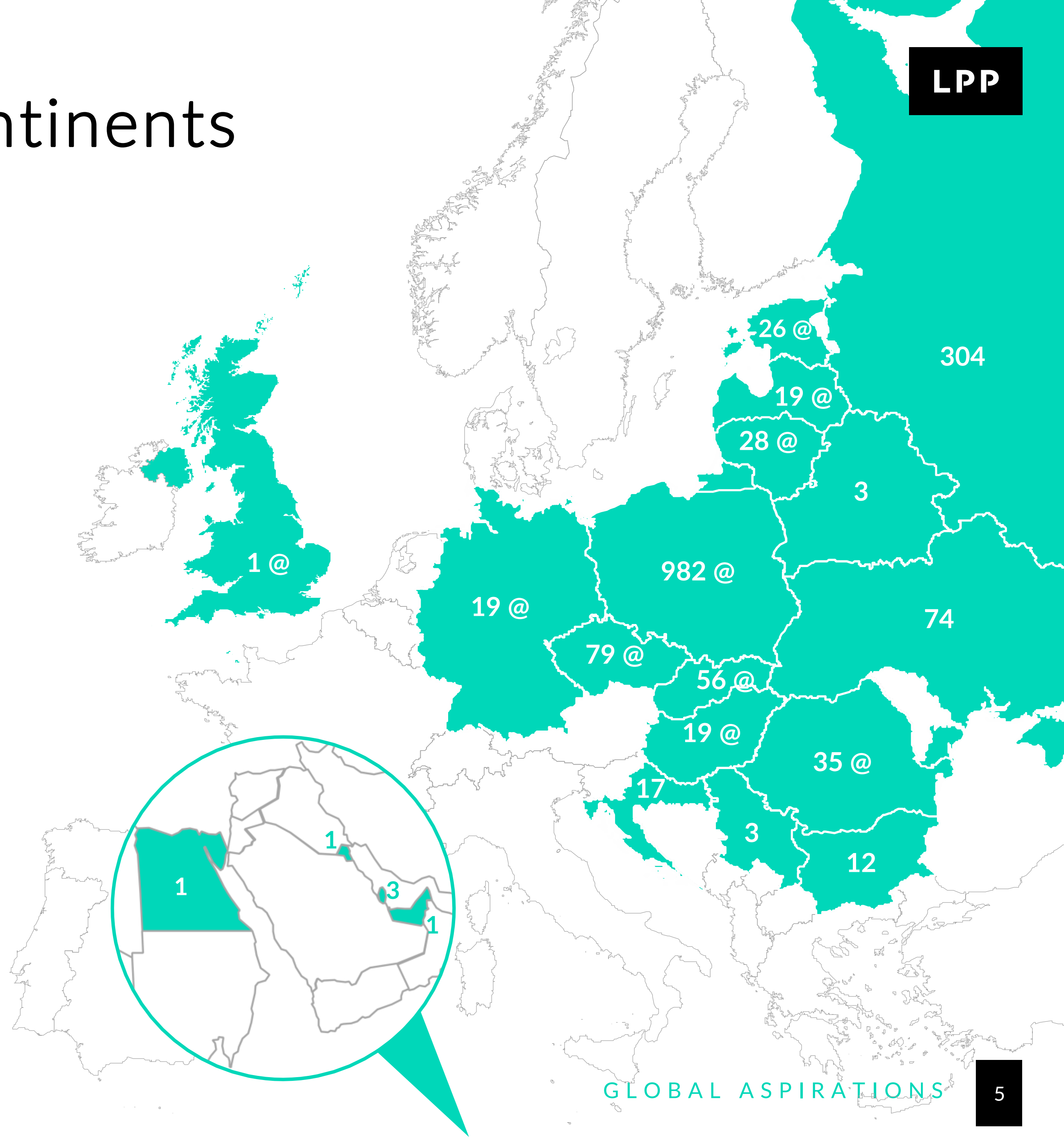
+17%
GROUP REVENUES

20 countries, 3 continents

30.09.2017	No. of stores	YoY
LPP GROUP	**1,683**	**+15**
Reserved	454	+5
Cropp	373	-2
House	324	-2
Mohito	285	-3
Sinsay	213	+28
Tallinder	0	-8
Outlets	34	-3

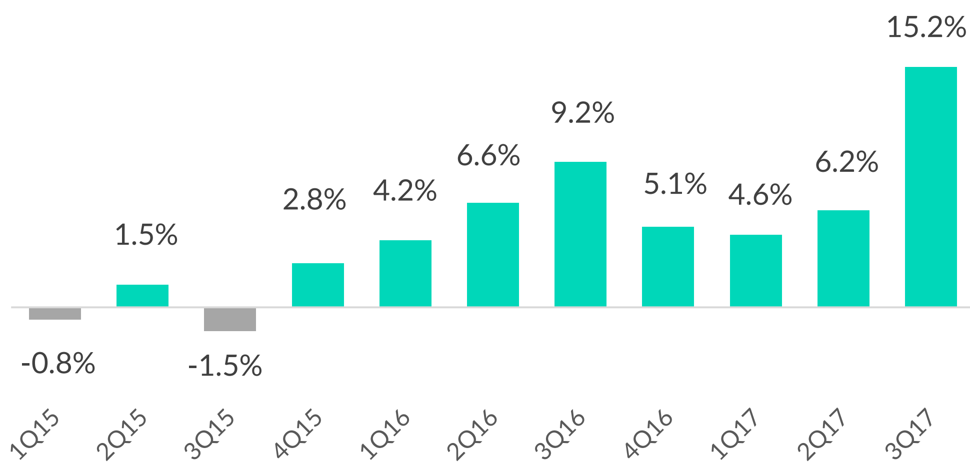
xx Number of stores

@ Internet stores

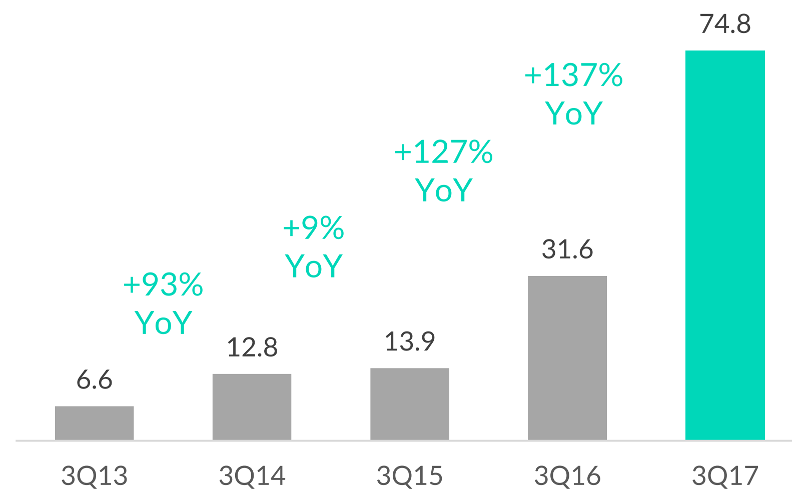


LFL and e-commerce growths

LFL DYNAMICS
(local currencies)



ON-LINE SALES
(PLN m)



- LFLs were positive in each month and for each brand in 3Q17.
- 3Q17 LFLs were in the black in all countries (the highest growth rates were recorded in Hungary, Romania, Ukraine and Czech Republic).
- On-line sales amounted to 5,4% revenues in Poland and 4,1% of group revenues in 3Q17.
- Further e-commerce growth due to investments in internet and mobile stores of all brands and development of e-stores outside Poland.

Floorspace growths in all brands

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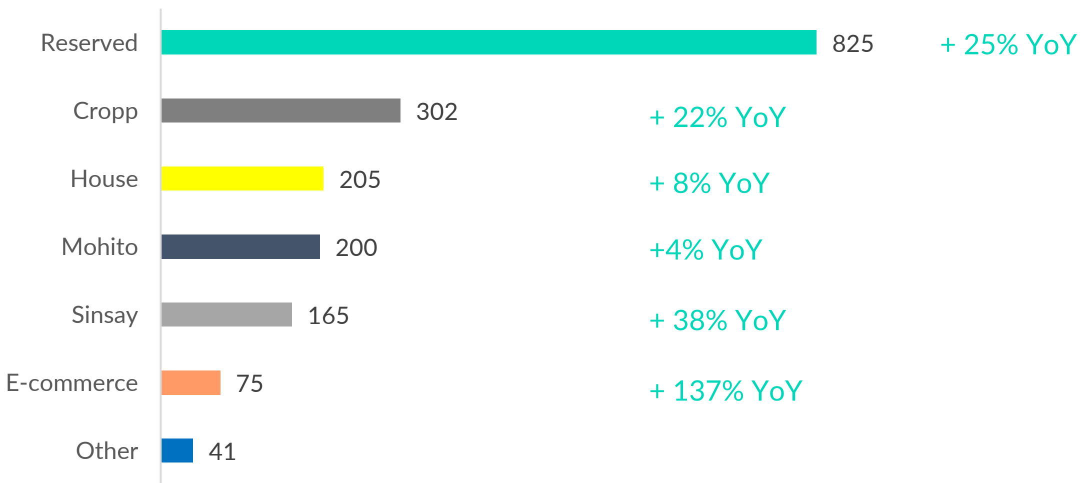
REVENUES BY BRANDS
(PLN m)



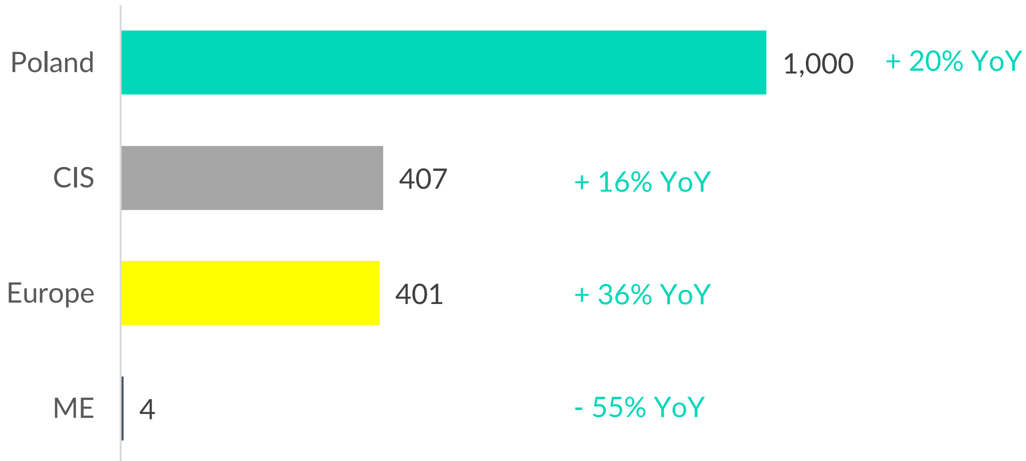
3Q17 FLOORSPACE
(by brands)

ths m2	3Q16	3Q17	YoY
GRUPA LPP	888.0	939.9	5.9%
Reserved	487.2	526.8	8.1%
Cropp	116.7	121.4	4.0%
House	103.8	105.6	1.7%
Mohito	97.6	98.5	0.9%
Sinsay	65.2	76.0	16.7%
Tallinder	3.7	0.0	-100.0%
Outlets	13.8	11.6	-15.6%

- Dynamic Reserved 3Q17 revenue growth resulted from: floorspace development as well as more favourable YoY reception of brand's collections by customers.
- Double-digit LFLs and revenue growth in Cropp in 3Q17 – strong back-to-school effect.
- Sinsay's floorspace and revenues grew at a higher pace than those of other LPP's brands, due to development in Poland and abroad.

Growths in key regions

REVENUES BY REGIONS
(PLN m)



3Q17 FLOORSPACE
(by regions)

ths m2	3Q16	3Q17	YoY
LPP GROUP	888.0	939.9	5.9%
Poland	471.2	490.5	4.1%
Europe	205.2	224.1	9.2%
CIS	204.0	218.7	7.2%
ME	7.6	6.6	-13.3%

- Revenue growth in Poland higher than floorspace growth due to positive LFLs.
- Dynamic revenue and floorspace growth in Europe in 3Q17 among others due to development in the UK and Serbia.
- Floorspace growth in CIS continued in 3Q17 together with favourable impact of YoY rubble appreciation to zloty.
- Among countries, the highest nominal YoY revenue growth was recorded in Russia and Poland.

Acceleration of sales/ m2 growth

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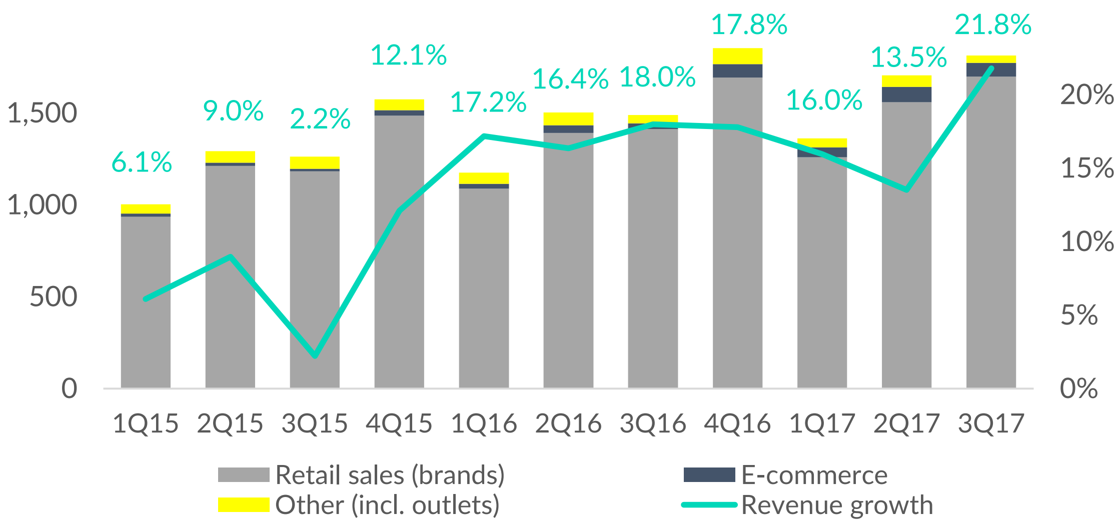
GROUP REVENUES (PLN m)



REVENUES/ M2

PLN (monthly)	3Q16	3Q17	YoY
LPP GROUP (retail)	547	638	16.6%
Poland	560	661	18.0%
Europe	497	605	21.7%
CIS	570	625	9.8%
LPP GROUP	567	648	14.3%

- Group revenues grew 21.8% YoY in 3Q17 due to higher floorspace, positive LFLs and high e-commerce growth.
- In 3Q17 both group revenues/ m2 and retail sales/ m2 were double-digit higher YoY.
- The highest double-digit retail sales/ m2 were recorded in 3Q17 in Central and Eastern Europe.

Gross profit margin improvement continues

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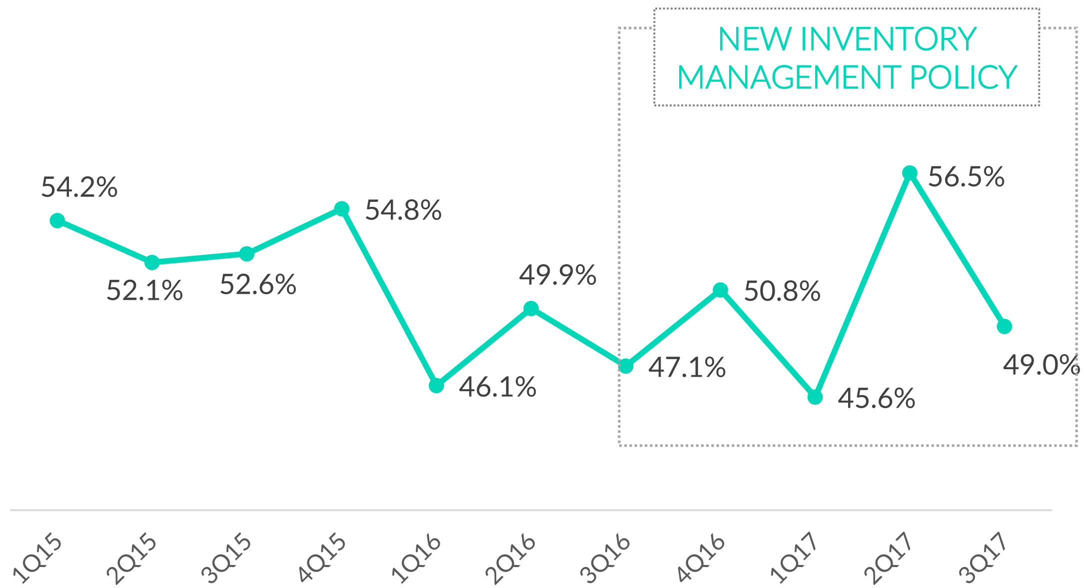
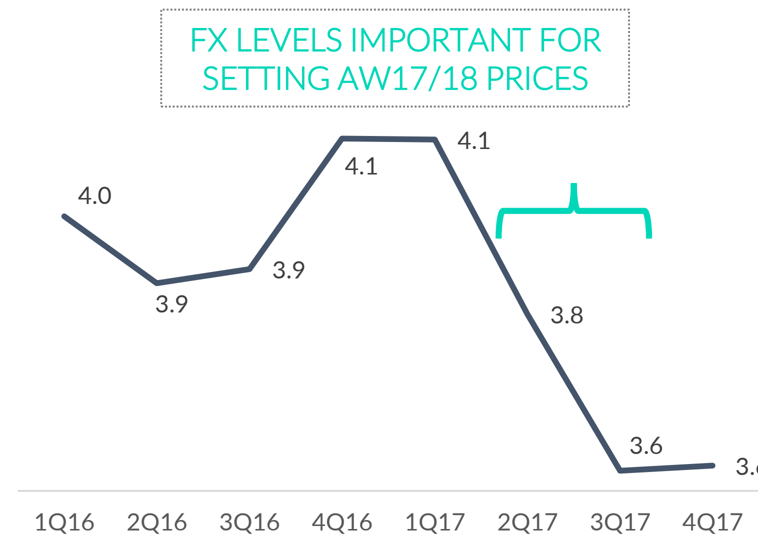
QUARTERLY GROSS PROFIT MARGIN

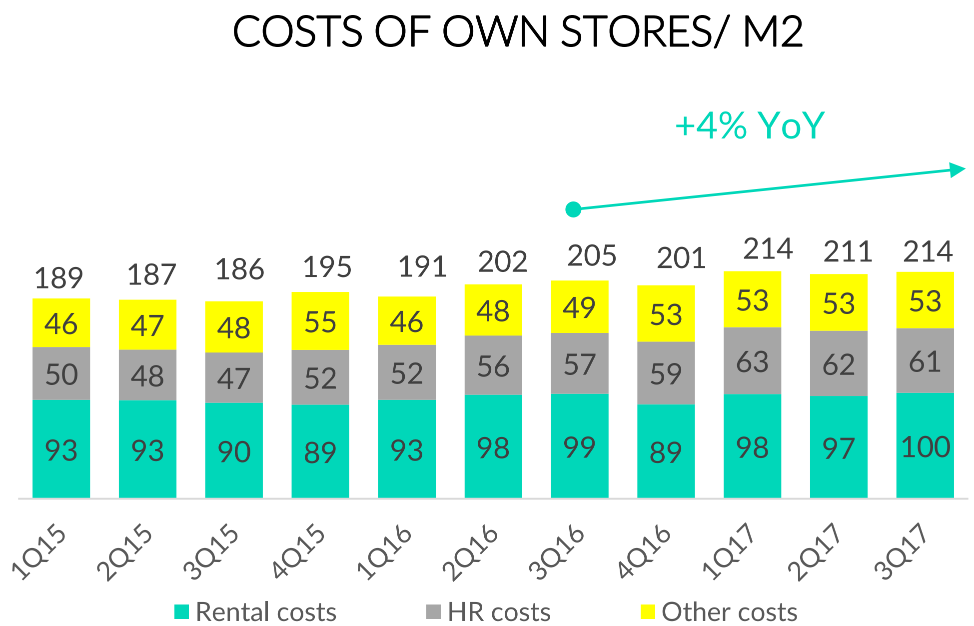


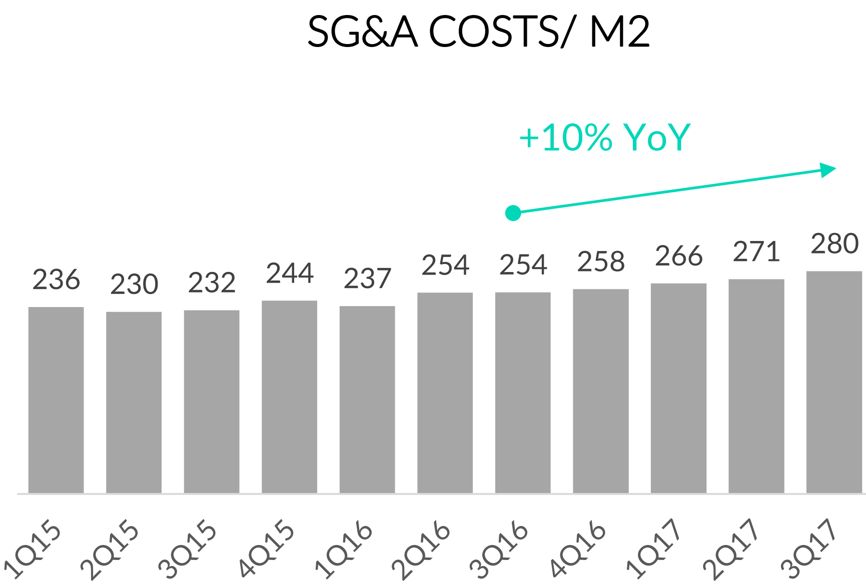
AVERAGE QUARTERLY US$/PLN



- Sizeable 3Q17 YoY gross profit margin pick-up, due to: (1) improved collections, (2) favourable FX trends, and (3) new inventory management policy.
- The new policy results in sizeable gross profit margin differences between the sell-off and full margin months: 36% in July 2017 (-2p.p. YoY), 47% (+2p.p. YoY) in August 2017, compared to 62% (+3 p.p. YoY) in September or 61% (+1p.p. YoY) in October 2017.
- Due to new inventory management policy we are better prepared for weather changes in the season.

Higher costs/ m2





- Stable YoY rental charges → appreciation of zloty versus euro and favourable new agreements.
- YoY pick-up in personnel costs → growth in salaries across all countries.
- Higher YoY other costs of stores → higher usage of materials due to opening in London.
- Growth in SG&A/ m2 YoY → higher costs of headquarters (development of product divisions, further e-commerce expansion and resultant pick-up in logistics costs, one-off marketing costs related to London store opening) and higher costs of stores.

Over PLN 100m of EBIT in 3Q17

PLN m	3Q16	3Q17	YoY
Revenues	**1,488.4**	**1,812.8**	**21.8%**
Gross profit margin	47.1%	49.0%	1.9p.p.
SG&A costs	662.2	775.0	17.0%
EBIT	**4.8**	**103.1**	**2,046.7%**
EBIT margin	0.3%	5.7%	5.4p.p.
Net profit	**-6.5**	**85.1**	**n/m**

- Dynamic group revenue growth:
  - positive LFLs and floorspace growth,
  - on-line sales increase.
- Sizeable gross profit margin growth, due to improved collections, more favourable FX and introduction of new inventory management policy.
- Favourable operating leverage impact – SG&A growth below top-line growth.
- More favourable net financials:
  - lower interest due to lower indebtedness,
  - higher FX gains.
- From net loss to net profit.

Triple-digit earnings growth in 9M17

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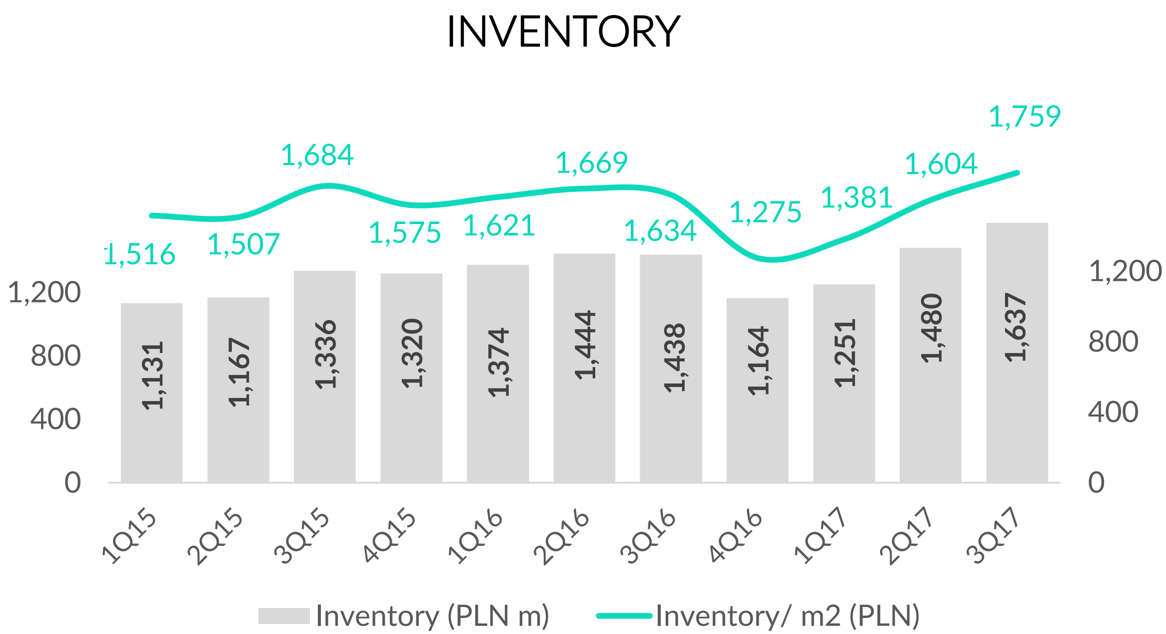
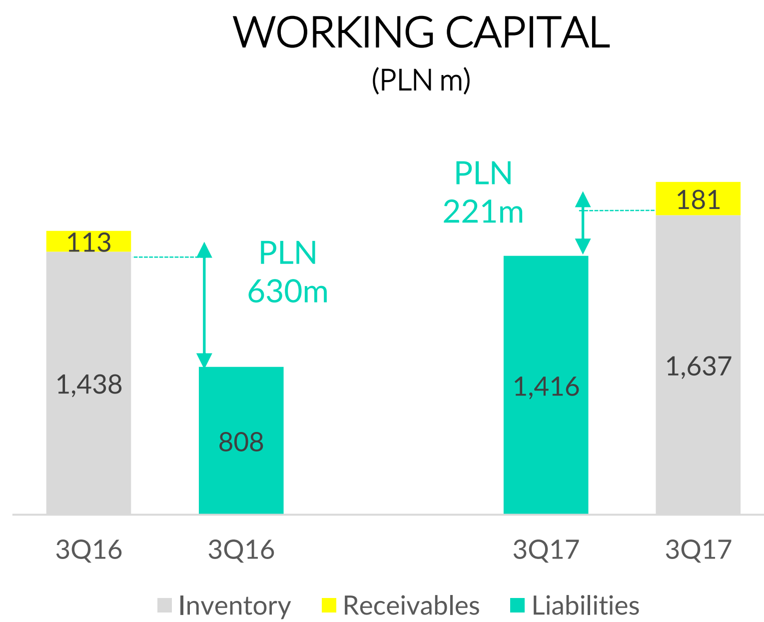
PLN m	9M16	9M17	YoY
Revenues	**4,165.6**	**4,880.5**	**17.2%**
Gross profit margin	47.8%	50.7%	2.9p.p.
SG&A costs	1,909.2	2,238.1	17.2%
EBIT	**27.4**	**201.7**	**637.3%**
EBIT margin	0.7%	4.1%	3.5p.p.
Net profit	**17.7**	**141.4**	**696.7%**

- Dynamic group revenue growth due to favourable developments in both business lines: traditional stores (positive changes in Reserved brand, acceleration in Cropp brand) and in e-commerce.
- Gross profit margin pick-up, due to new inventory management policy and improved collections.
- SG&A growth in line with sales growth despite low base of 1Q16.
- Other operating line more favourable YoY due to PLN 24.6m of write-offs and provisions for closing down the Tallinder brand in 3Q16.
- More favourable net financials:
  - lower interest on debt and fees,
  - higher FX gains.
- High pre-tax and net income dynamics.

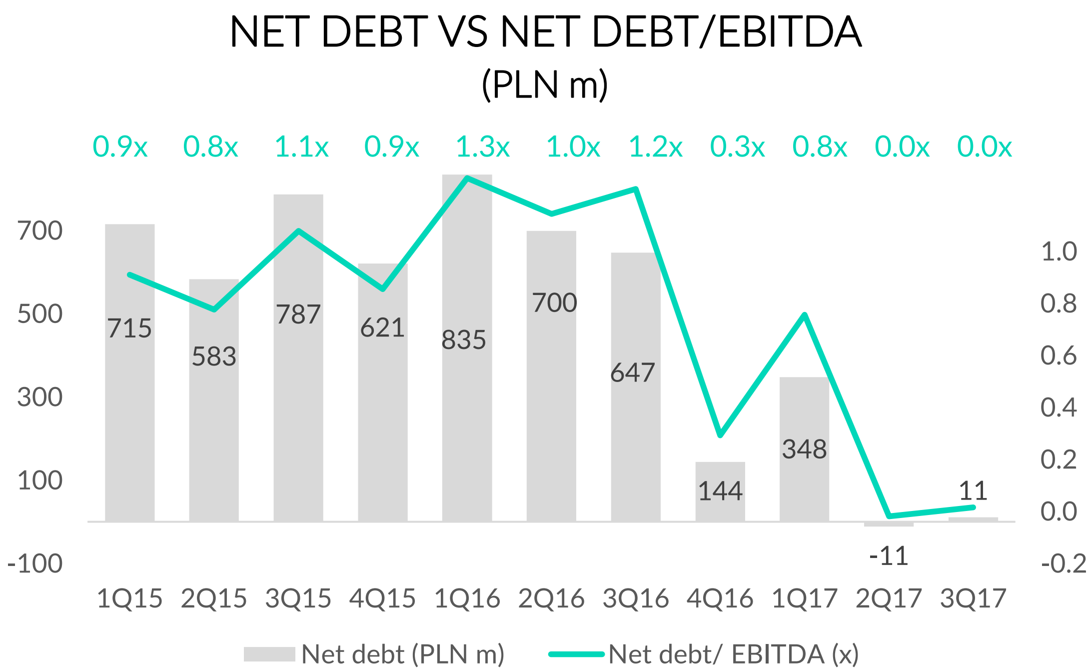
Freeing up working capital even further

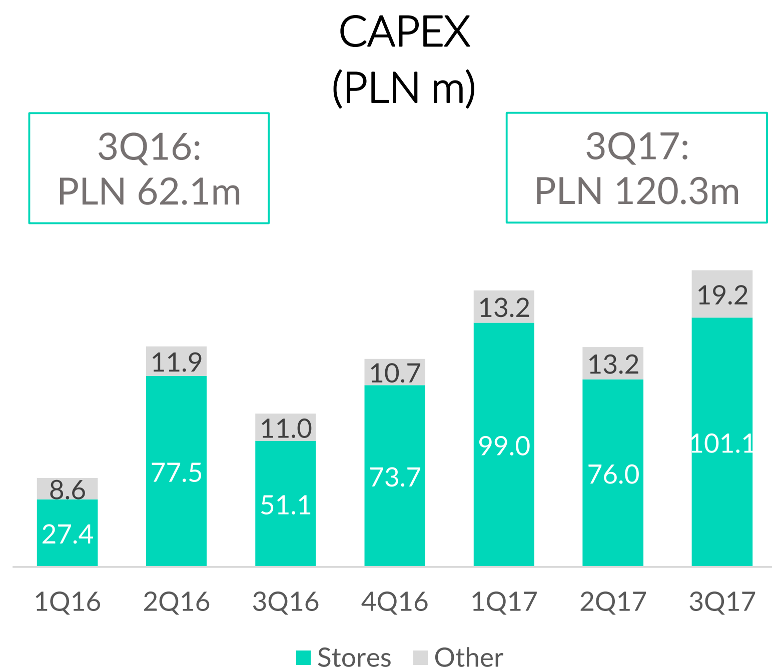




- 14% YoY growth in inventory and 8% YoY growth in inventory/ m2, despite strong sales of new collection in September due to higher YoY level of Autumn/Winter collections at the end of 3Q17 (the whole collection has been sourced earlier).
- Higher YoY receivables due to further inventory sell-offs, in line with the new policy.
- PLN 585m additional liabilities due to extension of payment terms for suppliers at the end of 3Q17.
- Our aim is to match liabilities to the inventory level.

Sizeable net debt reduction

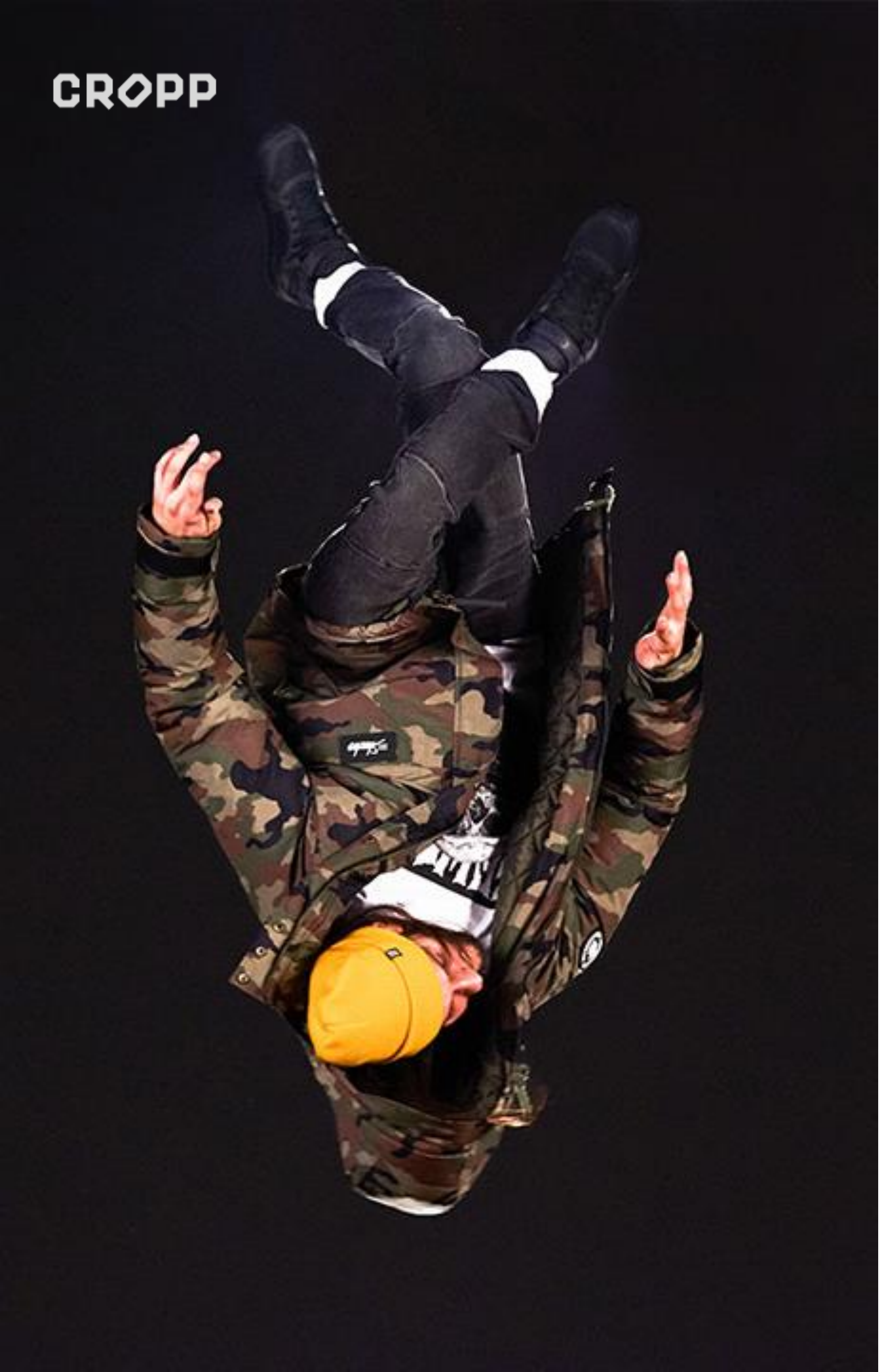




- 3Q17 capex doubled YoY due to opening of stores in prestigious locations (especially London) and payments for stores opened and modernised in 2Q17.
- Fall in short-term debt due to more favourable YoY operating cash flows and supply chain financing.
- A low net debt level in 3Q17. Our aim is to keep net debt/EBITDA ratio on a safe level between 0-1x.

9M17 executive summary

1. Stores in 20 countries – entry into Belarus, Serbia and United Kingdom.
2. E-stores in 10 countries – triple-digit e-commerce growth continues.
3. High LFLs (success of Reserved collection).
4. Gross profit margin continues to rise YoY.
5. Indebtedness at a low level due to working capital improvements.



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Key corporate events

FIRST STORES IN SERBIA

Reserved and Sinsay stores in Belgrade, Serbia.

3,500 m2

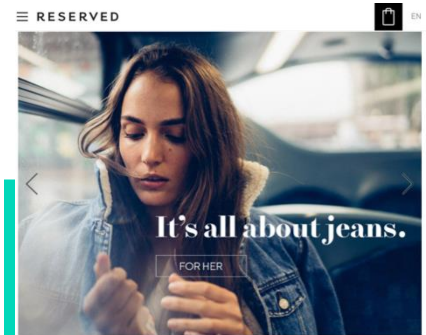
August 2017

FLAGSHIP IN LONDON

Reserved store in the centre of London, at 252/258 Oxford Street.

3,000 m2

September 2017



RESERVED ON-LINE IN THE UK

England, Wales and Scotland within the reach of on-line store.

September 2017

NEW STORES IN WARSAW

Stores of all 5 brands in new Galeria Polnocna shopping mall in Warsaw.

4,300 m2

September 2017

First stores in Serbia

- In August 2017 we launched 2 Reserved stores and 1 Sinsay store in Serbia.
- Floorspace: 3,500 m2.
- Location: Belgrade (capital city).
- Target for 2018: all LPP's brands present in Serbia, almost 20 stores overall.

Serbia is the 4th country in the South Eastern-Europe in which LPP's stores are located.

Success of Reserved in London

- First Reserved flagship in London, UK, opened in September 2017.
- A prestigious venue: 252/258 Oxford Street in London, next to Zara and H&M stores.
- Floorspace 3,000 m2.
- Reserved e-store opened together with the flagship.
- Kate Moss the face of Reserved in the UK.
- A successful concept – traffic of 4-5 ths people daily, up to 6.5 ths on Saturdays.
- Our target is to have PLN 100m of revenues from the store in 5 years.

2 logistics centres for e-commerce

We rent 2 new centres, to support e-commerce development

Stryków (Poland)

Arvato services e-commerce for 4 brands: Reserved, House, Mohito and Sinsay.

30 ths m2 with the possibility to double the floorspace to 60 ths m2.

Responsible for orders from Poland and foreign countries (Germany, Czech Republic, Slovakia, Romania, Hungary, Baltic countries and the UK).

Moscow (Russia)

Servicing of e-commerce in the whole of Russia.

Floorspace: 7 ths m2

Possibility to expand into other CIS regions.

In future we plan minimum
2 new centres:
in the UK and in South Eastern Europe.

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2017 target: million of m2 of floorspace

Floorspace (ths m2)	2016	2017 former target	2017 target	YoY
BY BRANDS				
Reserved	509.1	565.3	562.4	10%
Cropp	120.4	127.4	127.2	6%
House	105.7	111.7	111.1	5%
Mohito	99.1	103.7	103.7	5%
Sinsay	69.8	86.3	84.3	21%
Tallinder	4.1	0.0	0.0	-100%
Outlets	12.6	14.5	12.6	1%
BY REGIONS				
Poland	496.6	510.1	514.0	4%
Europe	209.5	236.5	231.4	10%
CIS	207.0	255.6	249.3	20%
ME	7.6	6.6	6.6	-13%
TOTAL	**920.7**	**1,008.8**	**1,001.4**	**9%**

- 9% YoY floorspace growth in 2017.
- Reserved stores in 20 countries at the end of 2017.
- In 4Q17 we plan opening 61.5 ths m2. Sources of growth:
  - c. 24 ths m2 in Poland,
  - further CEE development,
  - CIS: +16 ths m2 in Russia, +12 ths m2 in Ukraine and new stores in Belarus,
  - Baltic countries: +4.4 ths m2 in Estonia,
  - furher openings in the SEE region (Bulgaria and Croatia).
- Planned 2017 capex at c. PLN 410m, up c. 50% YoY. Planned store capex at PLN 370m, HQs outlays at PLN 10m and IT and e-commerce outlays at PLN 30m.

2017 targets

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REVENUES	Double-digit group revenue growth due to floorspace development and e-commerce.
GROSS PROFIT MARGIN	Group gross profit margin should be around 53% in 2017 (higher YoY).
OPERATING COSTS	Controllable SG&A/ m2 growth.
INTEREST/ INDEBTEDNESS	Indebtedness at a low level.
FX GAINS	Hedging of cash flows for suppliers from June 2017.

2018 outlook

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OPPORTUNITIES

LPP's stores in new countries.

E-commerce in new countries coupled with further e-stores development in Russia.

2018 TARGETS

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

Group's gross profit margin should be between 53-54% (higher YoY).

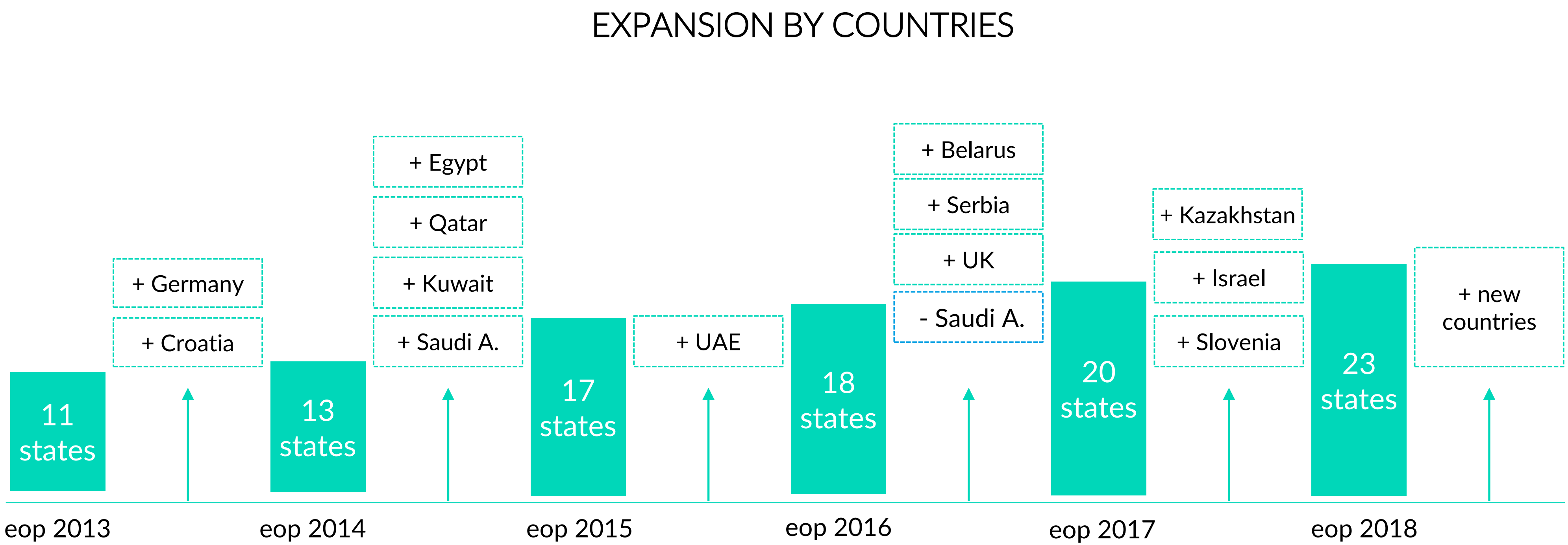
Net debt at low levels, among other due to further working capital improvements.

RISKS

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

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

New country every year



- We aim to enter at least one country every year.
- In 2017 we entered 3 new markets: Belarus (franchise stores), Serbia and the UK (both with own stores).
- We plan to enter 3 new countries in 2018: Kazakhstan (own stores, change from franchise), Israel (franchise stores) and Slovenia (own stores).

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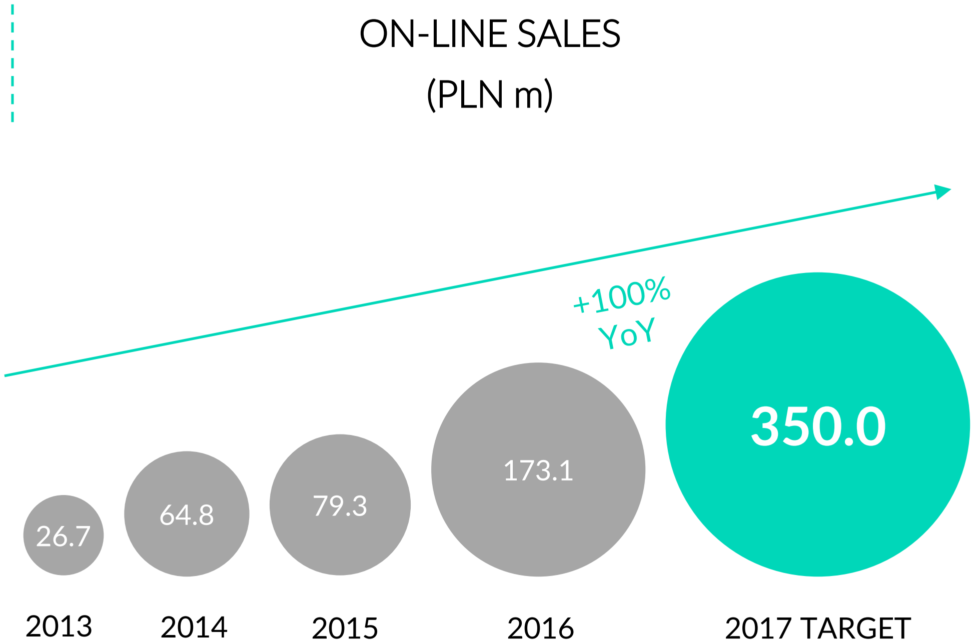
Growths on all markets in 2018

Floorspace (ths m2)	2017 target	2018 target	YoY
BY BRANDS			
Reserved	562.4	627.5	12%
Cropp	127.2	131.4	3%
House	111.1	114.9	3%
Mohito	103.7	108.3	4%
Sinsay	84.3	107.2	27%
Outlets	12.6	11.0	-13%
BY REGIONS			
Poland	514.0	533.6	4%
Europe	231.4	282.7	22%
CIS	249.3	275.0	10%
ME	6.6	9.1	39%
TOTAL	**1,001.4**	**1,100.4**	**10%**

- 10% YoY floorspace growth in 2018.
- Reserved stores in 23 countries at the end of 2018.
- 3 new markets in 2018:
  - Kazakhstan and Slovenia (own stores),
  - Israel (franchise stores).
- 2018 targets:
  - selective growth in Poland,
  - acceleration of growth in Europe (emphasis on South Eastern Europe),
  - continuation of CIS development,
  - return to ME growths.
- Planned 2018 capex at c. PLN 430m, up c. 5% YoY. Planned store capex at PLN 320m, HQs outlays at PLN 90m and IT and e-commerce outlays at PLN 20m.

Triple-digit on-line sales growth



We launched e-commerce in **Russia** in October 2017.

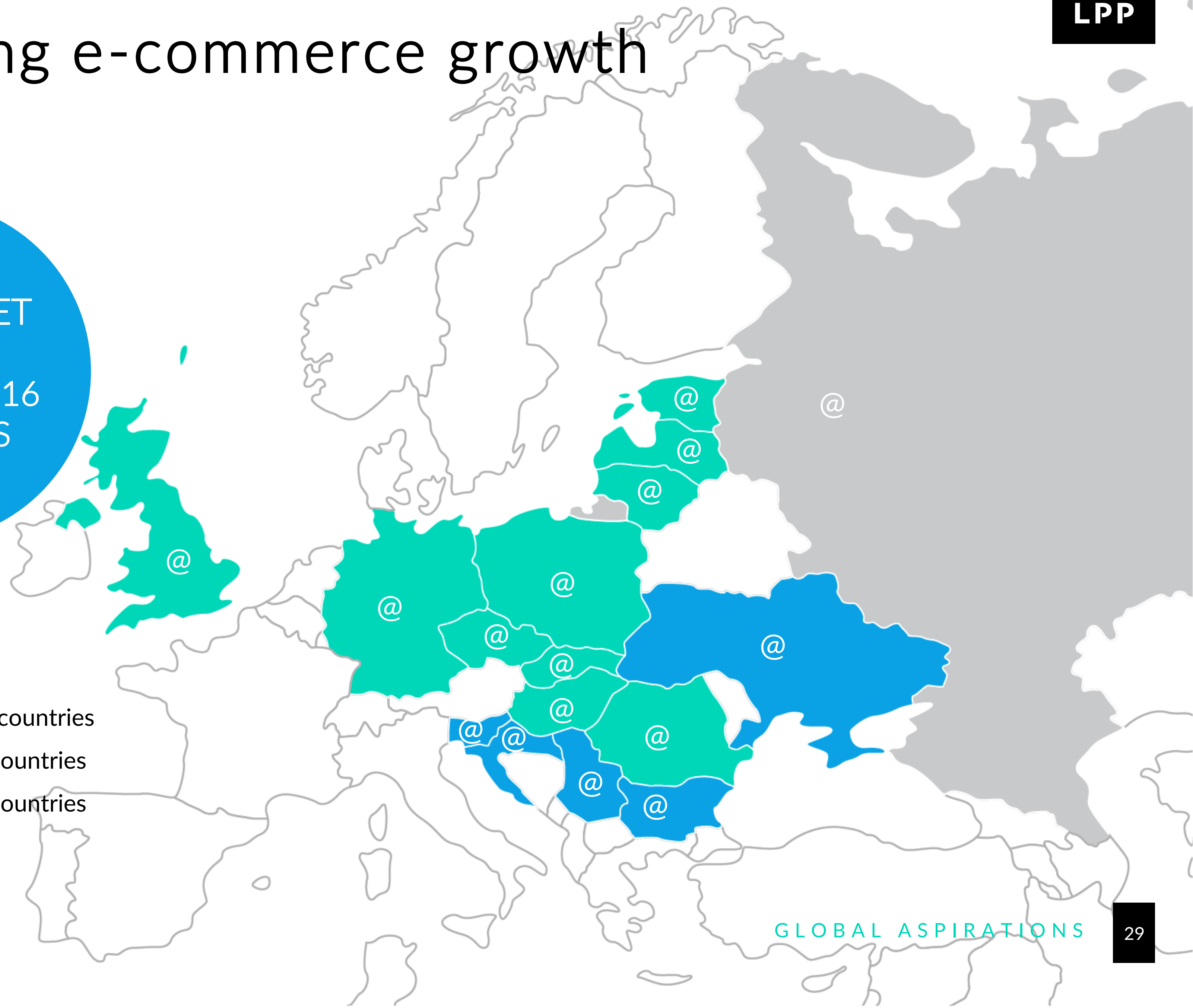
2018 target: **100% YoY** on-line sales growth.

2020 target on-line sales **7-8%** of group revenues.

Fast growing e-commerce growth

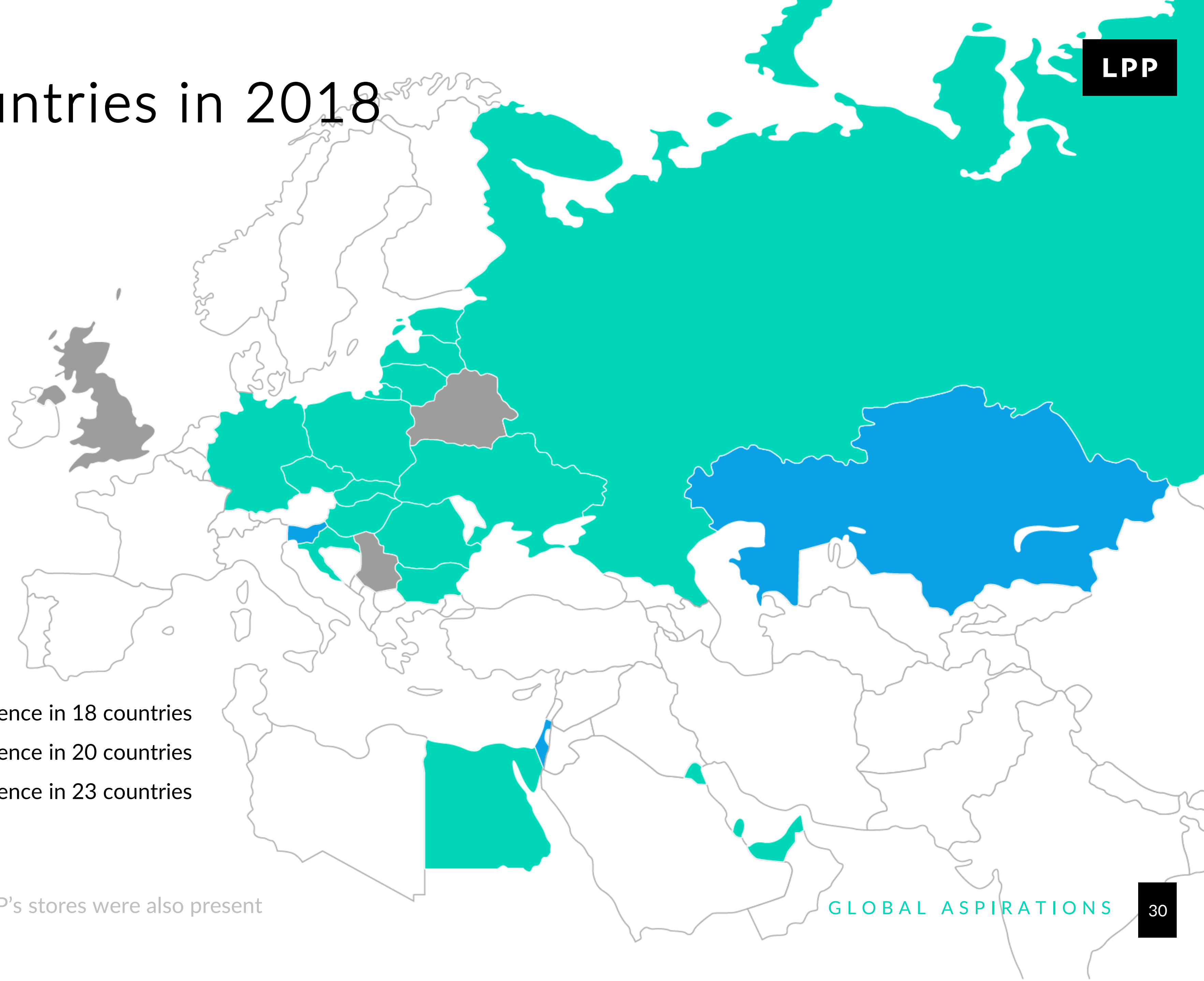
2018 TARGET

E-STORES IN 16 COUNTRIES



- E-commerce 9M17 - 10 countries
- E-commerce 2017 - 11 countries
- E-commerce 2018 - 16 countries

23 countries in 2018



- 2016 – presence in 18 countries
- 2017 – presence in 20 countries
- 2018 – presence in 23 countries

By mid-2017 LPP's stores were also present in Saudi Arabia.

Q&A

Back-up

Network development

Floorspace (ths m2)	30.09.2015	31.12.2015	31.03.2016	30.06.2016	30.09.2016	31.12.2016	31.03.2017	30.06.2017	30.09.2017
Reserved	**435.7**	**461.3**	**467.1**	**473.8**	**487.2**	**509.1**	**510.7**	**520.8**	**526.8**
Poland	223.4	232.5	230.9	235.1	232.0	248.7	245.9	247.4	247.9
Europe	106.5	120.2	124.0	127.2	140.0	144.1	147.7	151.3	157.6
CIS	100.4	103.1	104.6	103.9	107.7	108.7	109.5	114.0	114.7
ME	5.5	5.5	7.6	7.6	7.6	7.6	7.6	8.2	6.6
Cropp	**109.1**	**114.5**	**115.4**	**117.8**	**116.7**	**120.4**	**120.1**	**121.9**	**121.4**
Poland	59.6	63.0	63.6	65.2	63.0	65.3	65.1	66.5	64.9
Europe	19.1	19.8	20.2	20.6	21.0	21.2	21.0	20.8	21.2
CIS	30.4	31.7	31.6	31.9	32.8	34.0	34.0	34.7	35.3
House	**95.2**	**99.7**	**100.5**	**104.8**	**103.8**	**105.7**	**102.9**	**106.6**	**105.6**
Poland	59.3	62.2	62.9	65.4	63.1	64.9	62.4	65.1	64.0
Europe	14.4	15.1	15.5	16.4	16.8	16.4	16.2	16.2	16.2
CIS	21.6	22.4	22.0	23.1	23.9	24.3	24.3	25.4	25.4
Mohito	**90.3**	**94.5**	**94.9**	**95.9**	**97.6**	**99.1**	**97.8**	**99.3**	**98.5**
Poland	49.7	52.1	52.5	51.8	52.4	53.4	51.7	52.6	52.1
Europe	15.2	16.1	16.5	17.7	18.1	18.1	18.1	18,1	18.1
CIS	25.4	26.2	25.9	26.3	27.1	27.7	28.0	28.6	28.4
Sinsay	**54.8**	**59.7**	**60.5**	**63.1**	**65.2**	**69.8**	**69.8**	**72.5**	**76.0**
Poland	40.3	43.5	43.9	44.5	45.5	48.6	48.6	49.0	50.9
Europe	6.6	7.6	8.0	8.8	9.2	9.7	9.7	10.4	10.9
CIS	7.9	8.6	8.6	9.8	10.5	11.5	11.5	13.1	14.2
Tallinder (Poland only)	**0.0**	**0.0**	**2.9**	**3.7**	**3.7**	**4.1**	**0.0**	**0.0**	**0.0**
Outlets	13.6	13.8	13.8	13.8	13.8	12.6	12.6	12.6	11.6
Total by regions									
Poland	443.9	465.0	468.3	477.4	471.2	496.6	485.3	492.1	490.5
Europe	161.7	179.0	184.4	190.8	205.2	209.5	212.8	216.9	224.1
CIS	187.7	193.9	194.7	196.9	204.0	207.0	208.2	216.5	218.7
ME	5.5	5.5	7.6	7.6	7.6	7.6	7.6	8.2	6.6
TOTAL	798.8	843.5	855.0	872.7	888.0	920.7	913.9	933.7	939.9

2017 network development details

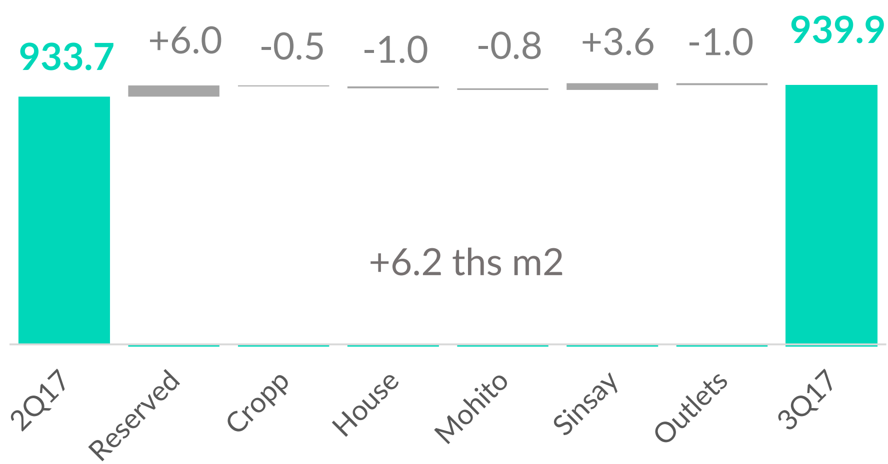
LPP

Floorspace (ths m2)	31.12.2016	2017 TARGET	Nom. growth	YoY
Reserved	**509.1**	**562.4**	**53.4**	**10%**
Poland	248.7	266.7	18.1	7%
Europe	144.1	159.5	15.4	11%
CIS	108.7	129.6	20.9	19%
ME	7.6	6.6	-1.0	-13%
Cropp	**120.4**	**127.2**	**6.7**	**6%**
Poland	65.3	65.7	0,4	1%
Europe	21,2	22.2	1.0	5%
CIS	34.0	39.3	5.3	16%
House	**105.7**	**111.1**	**5.4**	**5%**
Poland	64.9	65.4	0.4	1%
Europe	16.4	17.1	0.8	5%
CIS	24.3	28.6	4.2	17%
Mohito	**99.1**	**103.7**	**4.6**	**5%**
Poland	53.4	53.0	-0.4	-1%
Europe	18.1	19.7	1.6	9%
CIS	27.7	31.0	3.3	12%
Sinsay	**69.8**	**84.3**	**14.5**	**21%**
Poland	48.6	52.8	4.3	9%
Europe	9.7	12.8	3.1	32%
CIS	11.5	18.7	7.2	62%
Tallinder	**4.1**	**0.0**	**-4.1**	**-100%**
Polska	4.1	0.0	-4.1	-100%
Europa	0.0	0.0	0.0	0%
CIS	0.0	0.0	0.0	0%
Outlets	**12.6**	**12.6**	**0.1**	**1%**
Poland	11.6	10.3	-1.3	-11%
Europe	0.2	0.2	0.0	0%
CIS	0.8	2.1	1.4	172%
TOTAL	920.7	1,001.4	80.6	9%

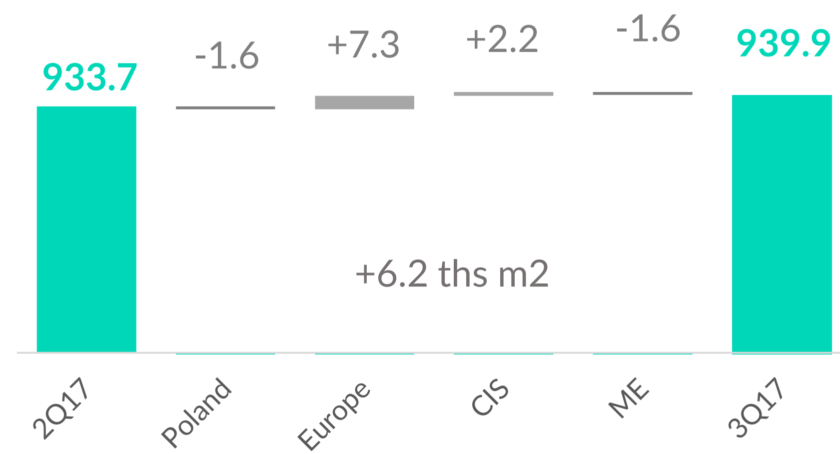
No. of STORES	31.12.2016	2017 TARGET	Nom. growth	YoY
Reserved	**461**	**468**	**7**	**2%**
Poland	236	232	-4	-2%
Europe	116	118	2	2%
CIS	103	112	9	9%
ME	6	6	0	0%
Cropp	**379**	**381**	**2**	**1%**
Poland	219	211	-8	-4%
Europe	68	69	1	1%
CIS	92	101	9	10%
House	**330**	**335**	**5**	**2%**
Poland	212	207	-5	-2%
Europe	51	52	1	2%
CIS	67	76	9	13%
Mohito	**290**	**294**	**4**	**1%**
Poland	166	160	-6	-4%
Europe	57	53	-4	-7%
CIS	67	81	14	21%
Sinsay	**198**	**232**	**34**	**17%**
Poland	142	151	9	6%
Europe	26	33	7	27%
CIS	30	48	18	60%
Tallinder	**9**	**0**	**-9**	**-100%**
Poland	9	0	-9	-100%
Europe	0	0	0	0%
CIS	0	0	0	0%
Outlets	**36**	**35**	**-1**	**-3%**
Poland	33	30	-3	-9%
Europe	1	1	0	0%
CIS	2	4	2	100%
TOTAL	1,703	1,745	42	2%

Changes in 3Q17 floorspace

CHANGE IN FLOORSPACE BY BRANDS
(ths m2)



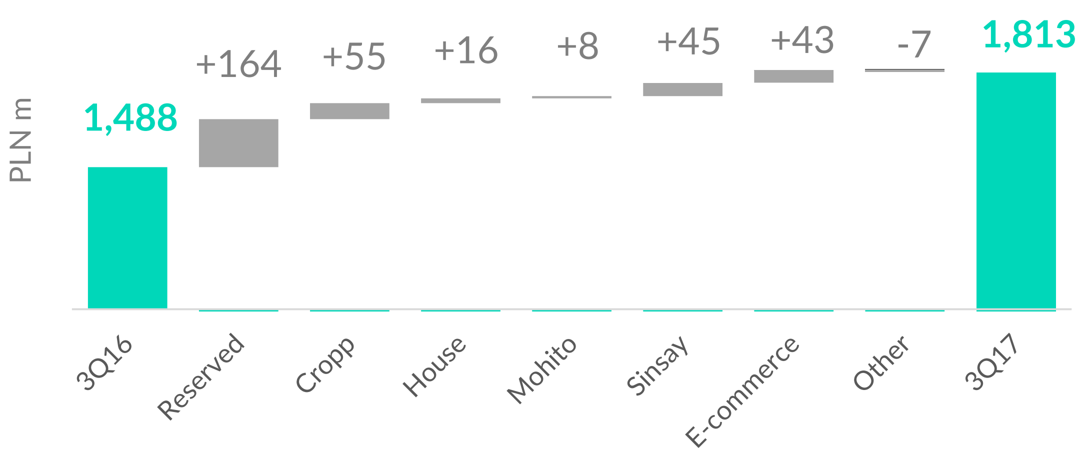
CHANGE IN FLOORSPACE BY REGIONS
(ths m2)



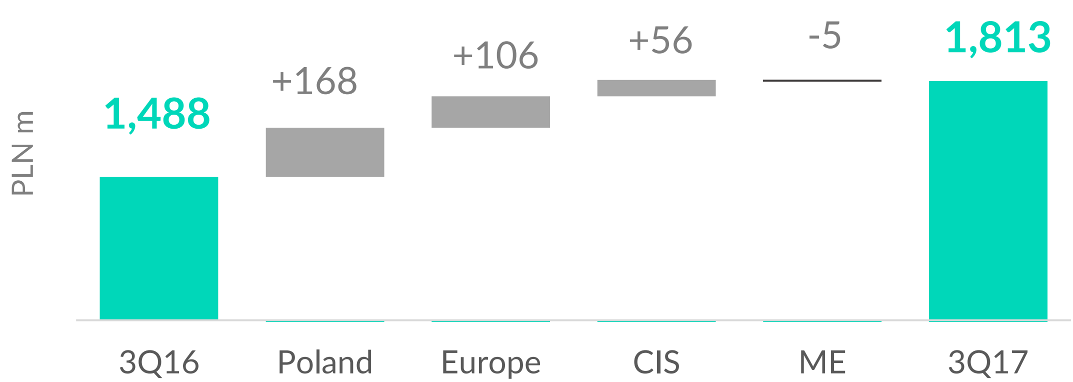
- Reserved development in 3Q17 resulted from: (1) flagship opening in London and (2) opening first stores in Serbia.
- Closing of Cropp and House seasonal stores and optimisation of Mohito network behind floorspace reduction in Poland.
- European countries were the leaders of floorspace growth in 3Q17 due to entry onto two new markets: Serbia and the UK.

3Q17 revenue growth contributors

REVENUE GROWTH BY BRANDS



REVENUE GROWTH BY REGIONS

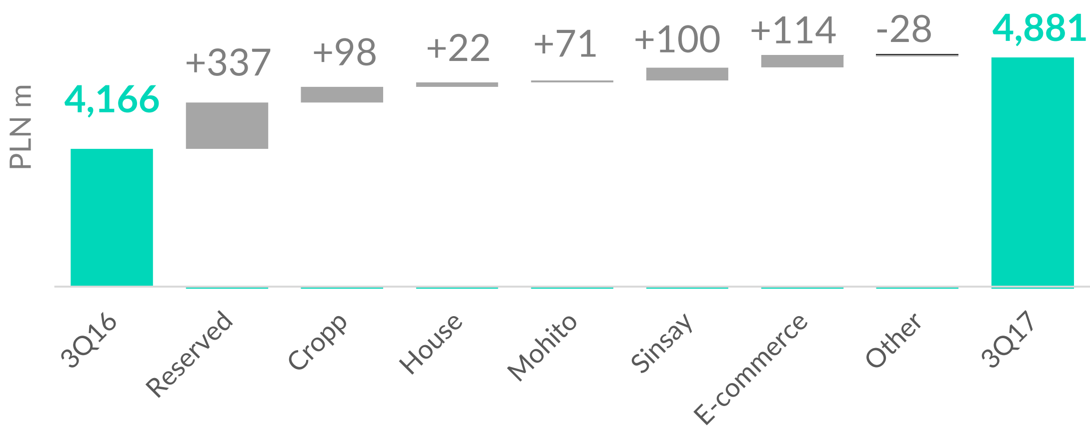


PLN m	3Q16	3Q17	YoY
LPP GROUP	**1,488.4**	**1,812.8**	**21.8%**
Reserved PL	329.7	400.6	21.5%
Reserved EX	331.1	424.7	28.3%
Cropp PL	132.9	158.4	19.2%
Cropp EX	113.5	143.2	26.2%
House PL	125.8	133.3	5.9%
House EX	63.3	71.7	13.1%
Mohito PL	99.2	107.3	8.2%
Mohito EX	93.2	92.7	-0.5%
Sinsay PL	88.0	115.6	31.4%
Sinsay EX	32.1	49.6	54.6%
E-commerce	31.6	74.8	136.6%
Other	47.9	40.8	-14.8%

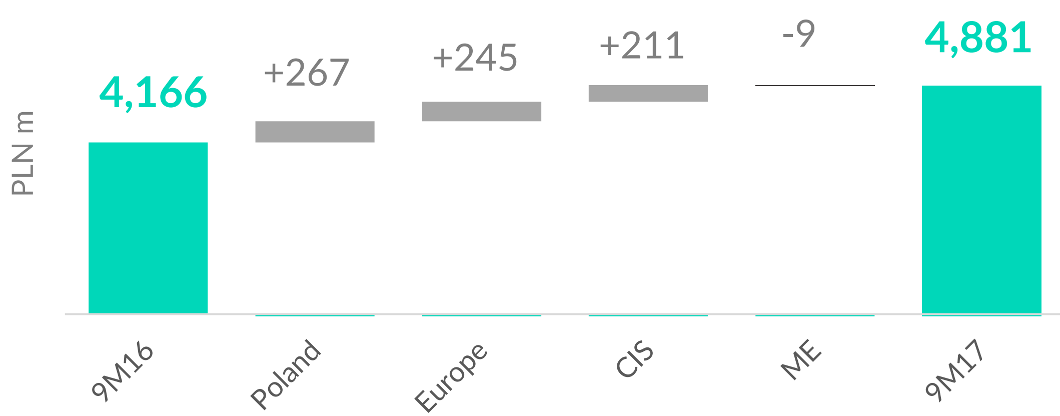
9M17 revenue growth contributors

LPP

REVENUE GROWTH BY BRANDS



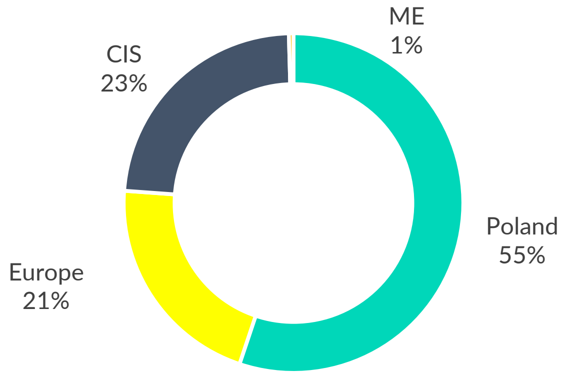
REVENUE GROWTH BY REGIONS



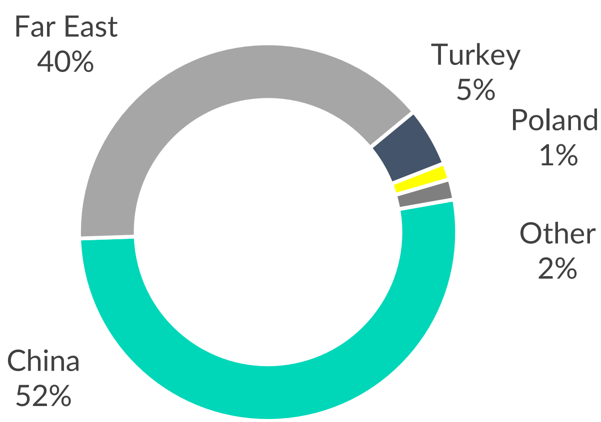
PLN m	9M16	9M17	YoY
LPP GROUP	**4,165.6**	**4,880.5**	**17.2%**
Reserved PL	971.4	1,070.6	10.2%
Reserved EX	893.5	1,131.6	26.6%
Cropp PL	355.2	383.1	7.8%
Cropp EX	290.9	360.9	24.1%
House PL	353.3	353.9	0.2%
House EX	168.8	190.5	12.9%
Mohito PL	286.4	314.1	9.7%
Mohito EX	238.9	281.9	18.0%
Sinsay PL	243.9	303.5	24.4%
Sinsay EX	81.7	122.4	49.9%
E-commerce	100.2	214.4	114.0%
Other	181.4	153.6	-15.4%

Revenue and COGS split

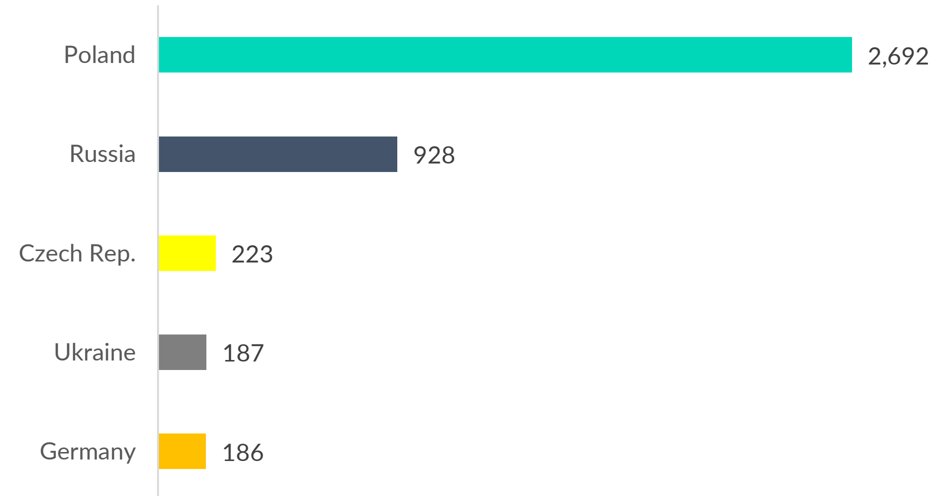
9M17 REVENUES BY REGIONS (PLN m)



9M17 PURCHASES BY REGIONS (PLN m)



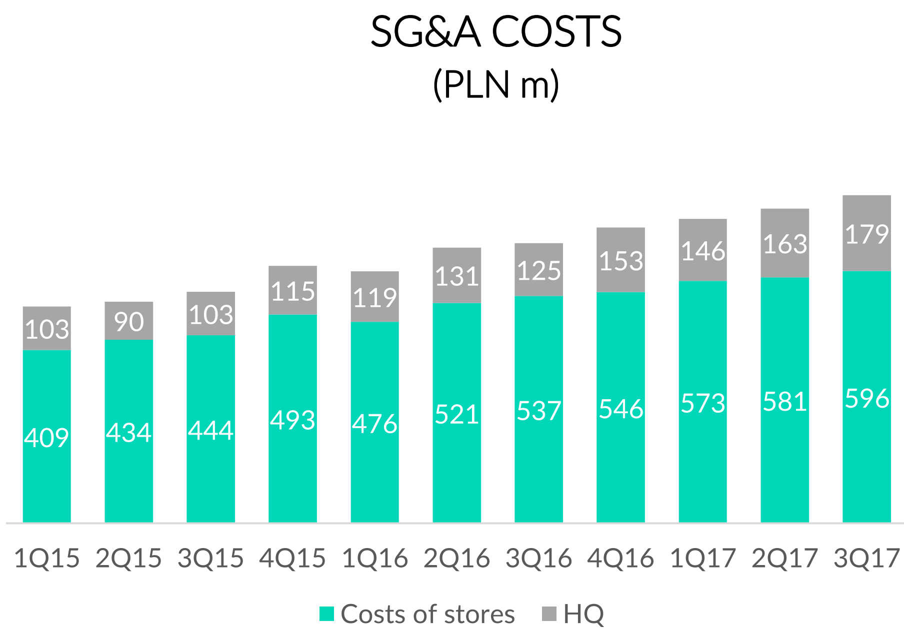
TOP5 REVENUES BY COUNTRIES IN 9M17 (PLN m)

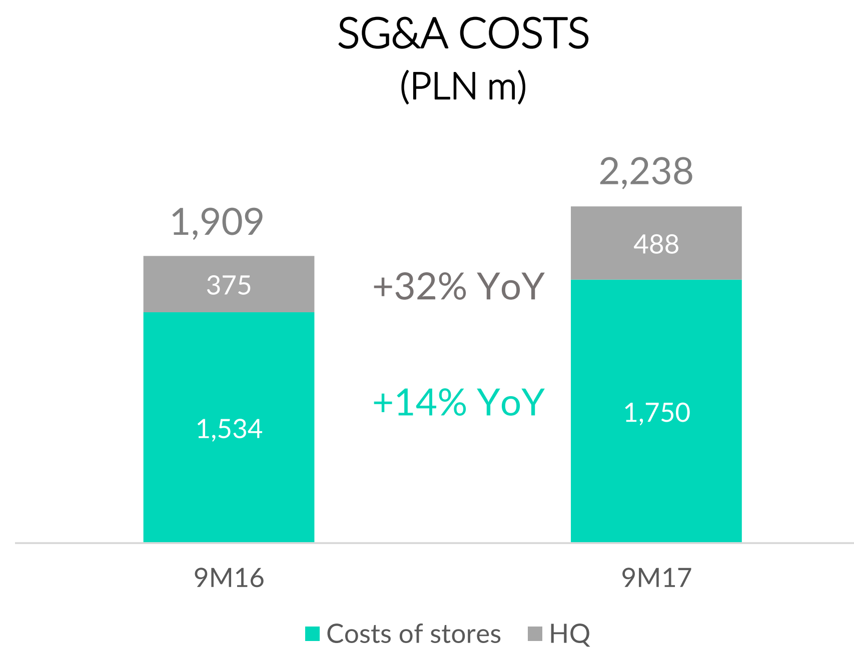


Poland remains our most important market.

Costs of stores and HQs

LPP





- Costs of stores encompass costs of own stores (rentals, personnel and other) as well as costs of franchise stores in Poland. Stores in the Middle East and Belarus do not have any material effect on SG&A costs.
- Costs of stores ➔ YoY growth in 3Q17 due to higher YoY floorspace, appreciation of rubble versus zloty and new store in London. Fall in costs of franchise stores in Poland, due to switch to company owned stores.
- HQ costs ➔ YoY growth in 3Q17 due to development of product departments, further e-commerce expansion and one-off marketing costs related to London opening.

3Q17 other operating and net financial lines

LPP

OTHER OPERATING ACTIVITY

PLN m	3Q16	3Q17
OTHER OPERATING REVENUES	**7.4**	**4.8**
Inventory excess	4.0	4.1
Gain on sale of assets, write-ups	3.6	-1.0
OTHER OPERATING COSTS	**41.0**	**15.3**
Write-offs	22.0	-0.7
Inventory losses	13.7	11.5
Donations and other	3.8	4.0
OTHER OPERATING ACTIVITY	**-33.6**	**-10.6**

Lower other operating costs due to lack of PLN 24.6m write-offs and provisions for closing down of Tallinder brand created in 3Q16.

NET FINANCIAL ACTIVITY

PLN m	3Q16	3Q17
FINANCIAL REVENUES	**-1.9**	**13.5**
FX gains	-1.9	12.3
Interest	0.0	1.3
FINANCIAL COSTS	**6.1**	**2.2**
FX losses	0.0	0.0
Interest	5.6	1.9
Fees and charges	0.4	0.4
NET FINANCIAL ACTIVITIES	**-8.0**	**11.2**

PLN 12.3m of FX gains (3Q16: PLN 1.9m losses), out of which PLN 4.7m of gains on rubble and hryvna (3Q16: PLN 9.6m losses), PLN 4.4m losses on US$ (3Q16: PLN 13.5m gains) and PLN 12.0m gains on other currencies (EUR, RON, HUF, CZK).

9M17 other operating and net financial lines

LPP

OTHER OPERATING ACTIVITY

PLN m	9M16	9M17
OTHER OPERATING REVENUES	**21.1**	**32.9**
Inventory excess	12.0	10.5
Gain on sale of assets, write-ups	7.4	17.3
OTHER OPERATING COSTS	**76.6**	**51.4**
Write-offs	29.6	11.1
Inventory losses	35.2	39.8
Donations and other	7.9	11.8
OTHER OPERATING ACTIVITY	**-55.6**	**-33.9**

Higher other operating revenues due to new inventory management policy. Lower YoY level of other operating costs due to lack of write-offs and provisions for closing down the Tallinder brand which (PLN 24.6m in 3Q16).

NET FINANCIAL ACTIVITY

PLN m	9M16	9M17
FINANCIAL REVENUES	**9.4**	**22.2**
FX gains	8.7	17.8
Interest	0.5	4.2
FINANCIAL COSTS	**20.0**	**12.0**
FX losses	0.0	0.0
Interest	17.4	10.0
Fees and charges	2.5	2.0
NET FINANCIAL ACTIVITIES	**-10.7**	**10.1**

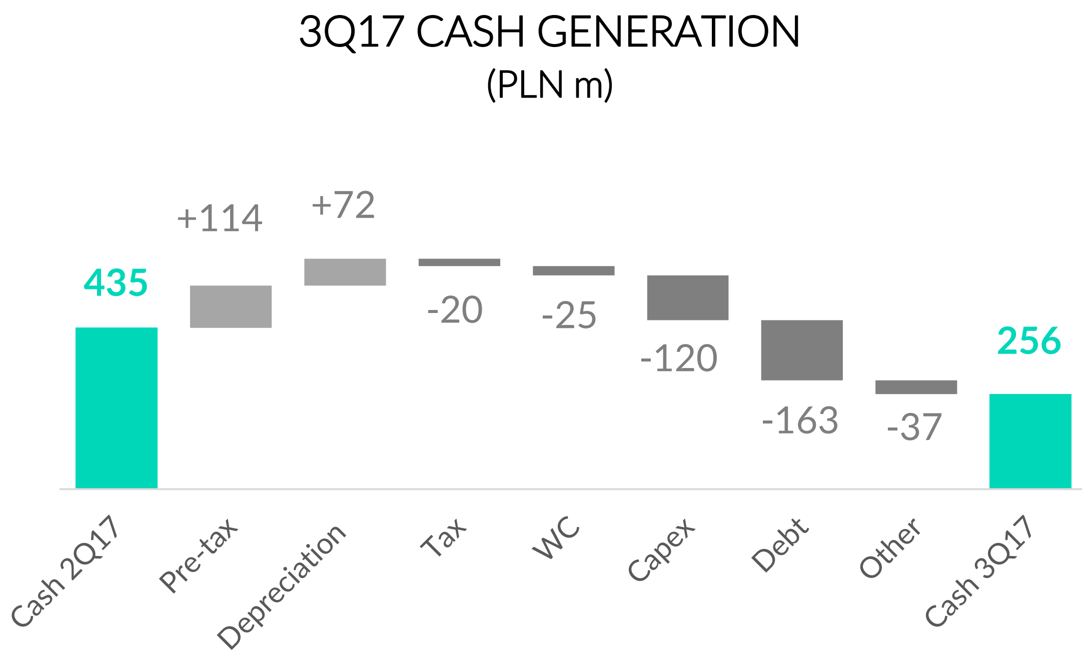
PLN 17.8m of FX gains (9M16: PLN 8.7m gains), out of which PLN 9.0m of losses on rubble and hryvna (9M16: PLN 4.9m gains), PLN 22.7m gains on US$ (9M16: PLN 5.2m gains) and PLN 4.1m gains on other currencies (EUR, RON, HUF, CZK).

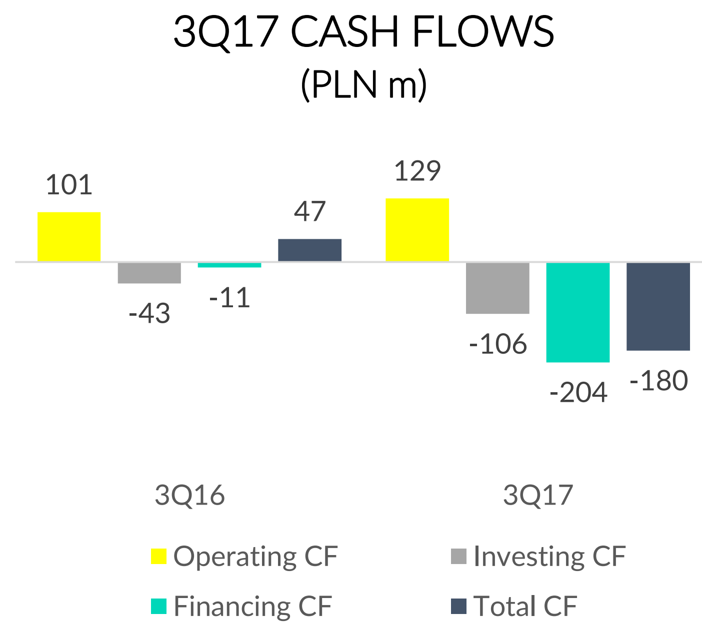
Historical quarterly numbers

LPP

PLN m	4Q15	4Q16	1Q16	1Q17	2Q16	2Q17	3Q16	3Q17	YoY
Revenues	**1,575.0**	**1,853.4**	**1,174.8**	**1,362.3**	**1,502.4**	**1,705.4**	**1,488.4**	**1,812.8**	**21.8%**
Gross profit on sales	862.8	941.7	541.8	620.6	749.7	964.4	700.6	888.7	26.8%
Gross profit margin	54.8%	50.8%	46.1%	45.6%	49.9%	56.5%	47.1%	49.0%	1.9p.p.
SG&A costs	608.9	699.6	595.3	719.2	651.7	743.8	662.2	775.0	17.0%
Other operating line	-18.5	-43.0	-10.4	-10.4	-11.6	-13.0	-33.6	-10.6	
EBIT	**235.4**	**199.1**	**-63.9**	**-109.0**	**86.5**	**207.6**	**4.8**	**103.1**	**2,046.7%**
EBIT margin	14.9%	10.7%	-5.4%	-8.0%	5.8%	12.2%	0.3%	5.7%	5.4p.p.
Net financial activity	-42.0	-21.7	-5.0	-2.5	2.4	1.4	-8.0	11.2	
Pre-tax profit	193.4	177.4	-68.9	-111.5	88.9	209.0	-3.2	114.3	n/m
Tax	21.0	20.4	-3.4	5.5	-0.9	35.8	3.2	29.3	
Net income	**172.3**	**157.0**	**-65.6**	**-117.0**	**89.8**	**173.3**	**-6.5**	**85.1**	**n/m**
Net income margin	10.9%	8.5%	-5.6%	-8.6%	6.0%	10.2%	-0.4%	4.7%	5.1p.p.

Cash flows





- Operating cash flow → extending the payment terms for suppliers, yet higher YoY inventory.
- Investing cash flow → higher YoY capex, opening of stores in prestigious locations (especially London) and payments for stores opened and modernised in 2Q17.
- Financing cash flows → lower usage of debt due to strong operating cash flows.
- PLN 1.6bn in open credit lines used for letters of credits, guarantees and overdrafts.

Balance sheet increasingly strong

LPP

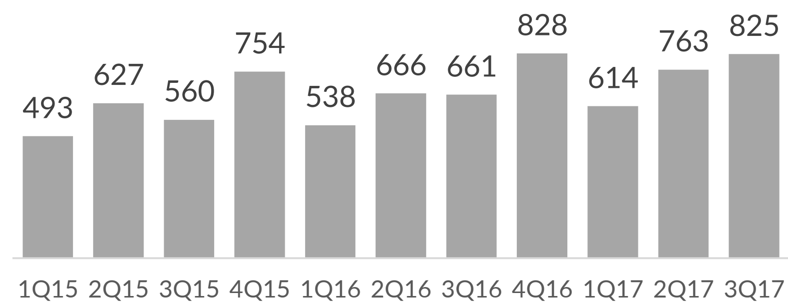
PLN m	30.09.2016	31.12.2016	30.09.2017
Non-current assets	**1,797.8**	**1,838.7**	**1,855.9**
fixed assets	1,260.3	1,291.3	1,294.5
intangibles (inc. goodwill)	325.9	330.6	344.2
Current assets	**1,954.7**	**1,839.3**	**2,203.6**
inventory	1,438.3	1,164.1	1,637.1
trade receivables	112.8	165.4	181.5
cash and equivalents	265.9	365.8	256.4
Total assets	**3,752.4**	**3,677.9**	**4,059.4**
Equity	**1,913.0**	**2,134.7**	**2,184.0**
Long-term liabilities	**292.3**	**267.3**	**233.6**
interest bearing debt	223.5	195.0	155.2
Short-term liabilities	**1,547.2**	**1,275.9**	**1,641.8**
trade liabilities	808.5	881.1	1,415.6
interest bearing debt	689.4	315.1	112.1
Total liabilities	**3,752.4**	**3,677.9**	**4,059.4**

- YoY growth in fixed assets due to network development and investments in HQs.
- Higher YoY intangibles, due to investments in concept stores of five brands and IT outlays.
- YoY increase in inventory due to higher YoY level of AW collection.
- YoY growth in receivables due to sell-off of inventory to third parties in line with the new policy.
- Pick-up in trade liabilities YoY and YoY fall in short-term debt due to new supply chain financing policy.

RESERVED

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

REVENUES
(PLN m)



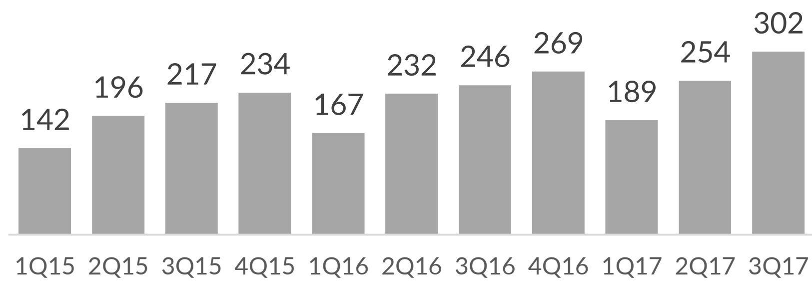
	3Q16	3Q17	YoY
Number of stores	449	454	+5
Floorspace (ths m2)	487,2	526,8	8%
Average store space (m2)	1 085	1 160	7%
Average monthly sales (PLN/m2)	457	539	18%

CROPP

LPP

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

REVENUES
(PLN m)

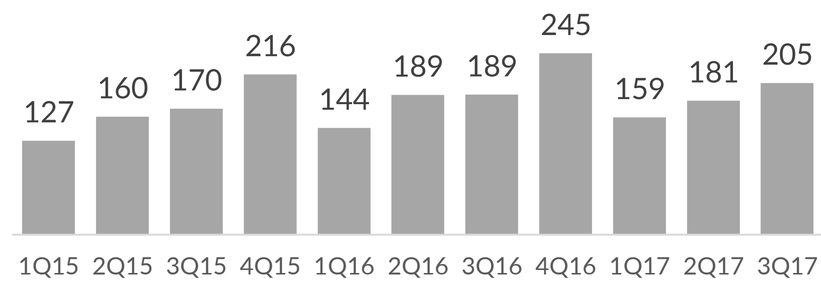


	3Q16	3Q17	YoY
Number of stores	375	373	-2
Floorspace (ths m2)	116,7	121,4	4%
Average store space (m2)	311	325	5%
Average monthly sales (PLN/m2)	701	828	18%

house

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

REVENUES
(PLN m)



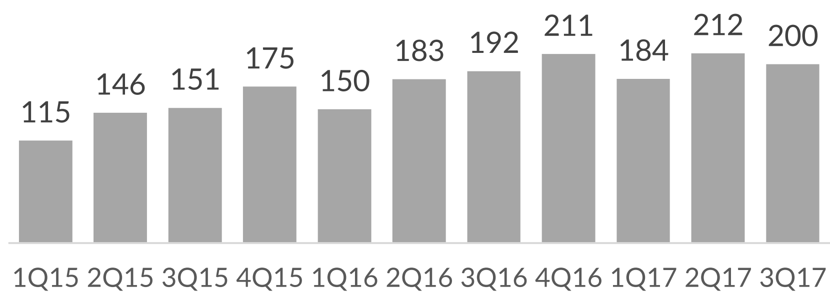
	3Q16	3Q17	YoY
Number of stores	326	324	-2
Floorspace (ths m2)	103,8	105,6	2%
Average store space (m2)	318	326	2%
Average monthly sales (PLN/m2)	600	648	8%

MOHITO

LPP

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

REVENUES
(PLN m)



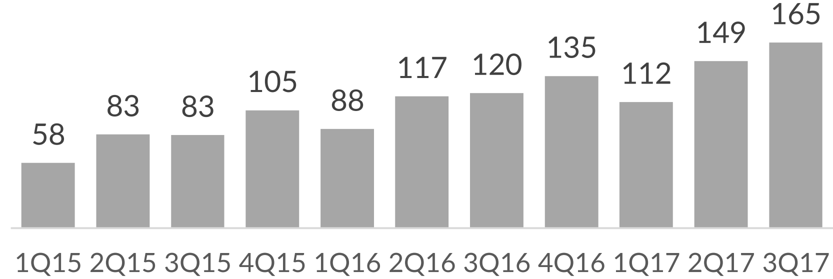
	3Q16	3Q17	YoY
Number of stores	288	285	-3
Floorspace (ths m2)	97,6	98,5	1%
Average store space (m2)	339	346	2%
Average monthly sales (PLN/m2)	657	674	3%

sinsay

LPP

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

REVENUES
(PLN m)



	3Q16	3Q17	YoY
Number of stores	185	213	+28
Floorspace (ths m2)	65.2	76.0	17%
Average store space (m2)	352	357	1%
Average monthly sales (PLN/m2)	626	748	19%

Glossary

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

RESERVED

CROPP

house

MOHITO

sinsay

LPP

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