LPP

4Q18 FINANCIAL RESULTS PRESENTATION

WARSAW
11th April 2019

RESERVED CROPP house MOHITO sinsay

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1. 4Q18 financial results

2. Key corporate events

3. 2019 outlook

Growth on-line and off-line

1,765
STORES

+7.2%
LFL

+14.5%
GROUP REVENUES

23
COUNTRIES

+9.1%
m2

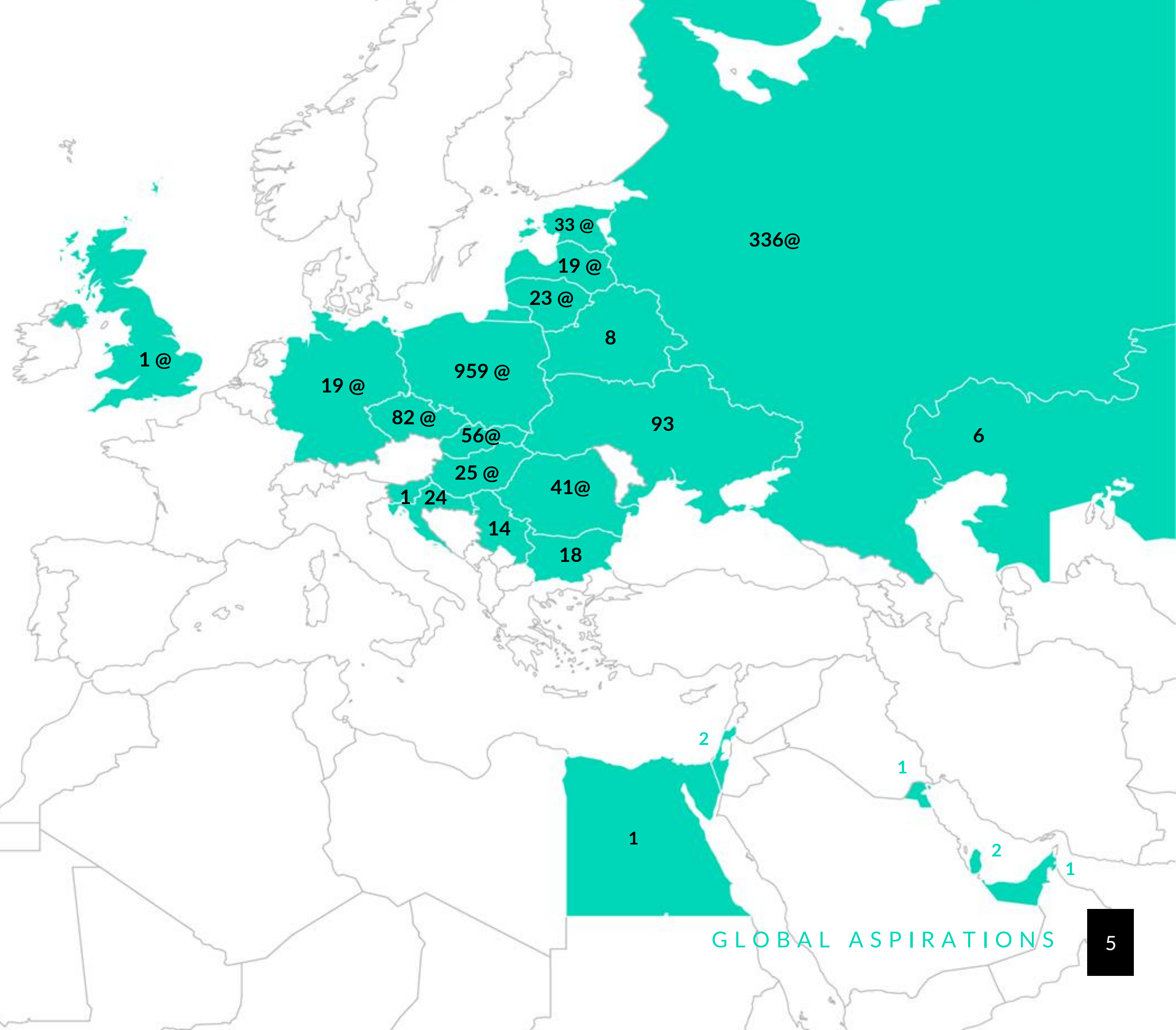
+97%
E-COMMERCE

1,765 stores in 23 countries

31.12.2018	No. of stores	YoY
LPP GROUP	**1,765**	**+ 22**
Reserved	464	- 4
Cropp	373	- 8
House	332	- 1
Mohito	296	+ 2
Sinsay	272	+ 39
Outlets	28	- 6

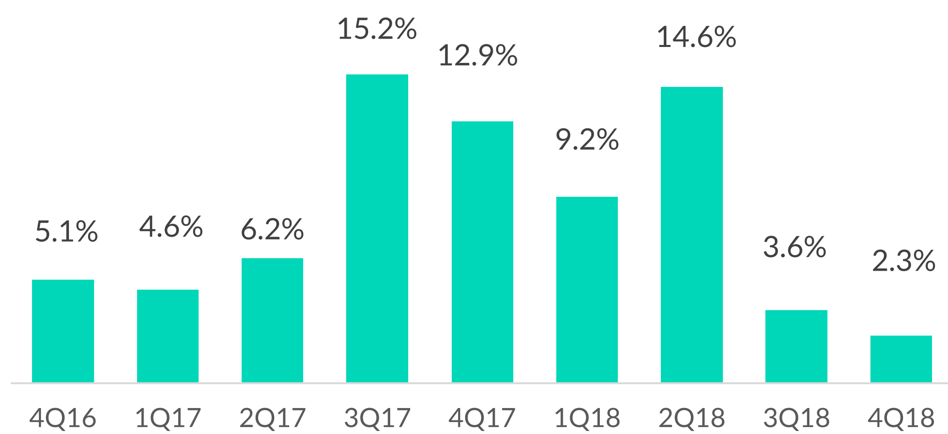
xx Number of stores

@ Internet stores

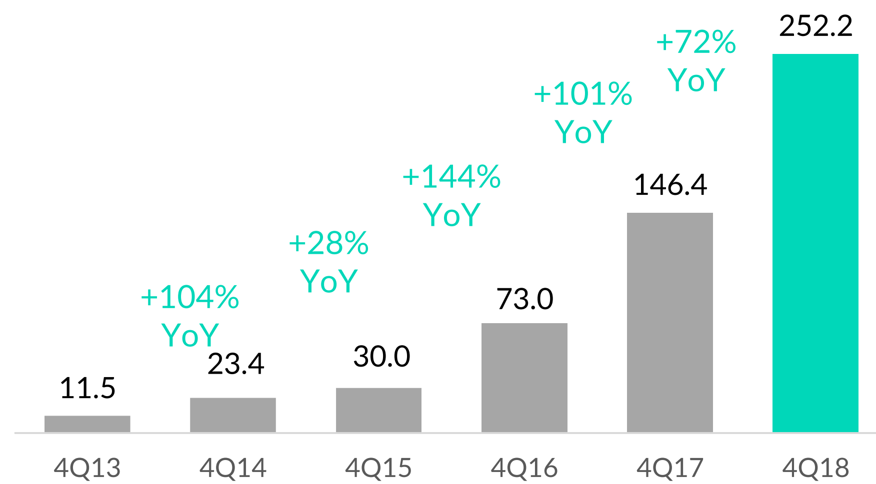


Further LFL and e-commerce growth

LFL DYNAMICS
(local currencies)



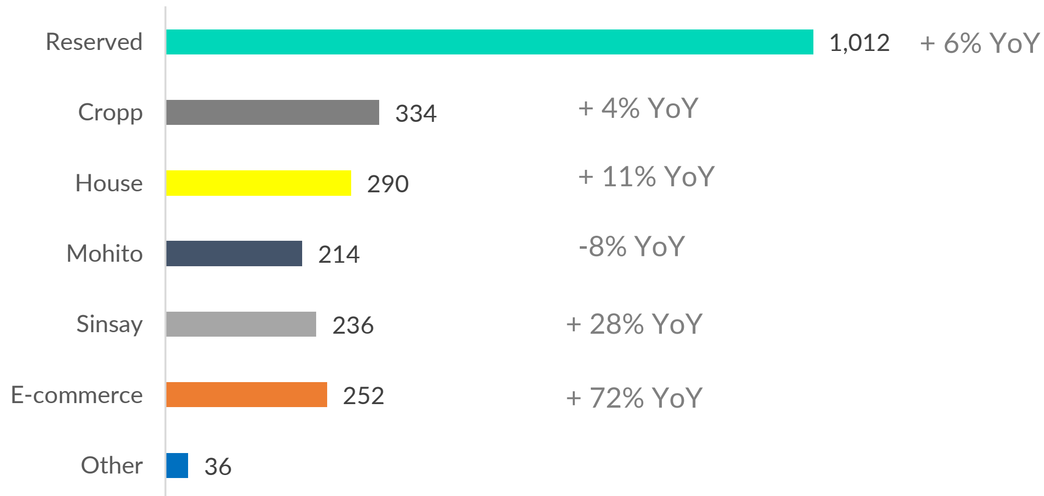
ON-LINE SALES
(PLN m)



- LFLs were positive in October and November 2018. Reserved, Cropp, House and Sinsay showed positive LFLs in 4Q18.
- In 4Q18 LFLs were positive in most countries (the highest in Lithuania, Romania, Russia and Ukraine), despite the high base.
- High double-digit e-commerce growth due to development of e-stores outside of Poland, marketing outlays and changing customer habits in Poland (stores partially closed on Sundays).
- On-line sales amounted to 12.3% of revenues from Poland and 10.6% group revenues in 4Q18.

Floorspace growth in all brands

REVENUES BY BRANDS
(PLN m)



4Q18 FLOORSPACE
(by brands)

ths m2	4Q17	4Q18	YoY
LPP GROUP	1,000.6	1 091.3	9.1%
Reserved	562.3	616.7	9.7%
Cropp	127.2	134.0	5.3%
House	110.6	116.2	5.1%
Mohito	103.8	109.4	5.4%
Sinsay	84.6	103.0	21.8%
Outlets	12.1	12.0	-0.8%

- In 4Q18 Reserved and Cropp generated more revenues from abroad than from Poland.
- The fastest sales growth was recorded by Sinsay (successful collections and dynamic network development) and House brand (continuation of YoY in collection improvements).
- Reserved maintained high revenue dynamics thanks to new collections that were accepted by customers as well as consistent floorspace development (entry to Kazakhstan).

Floorspace growth in all regions

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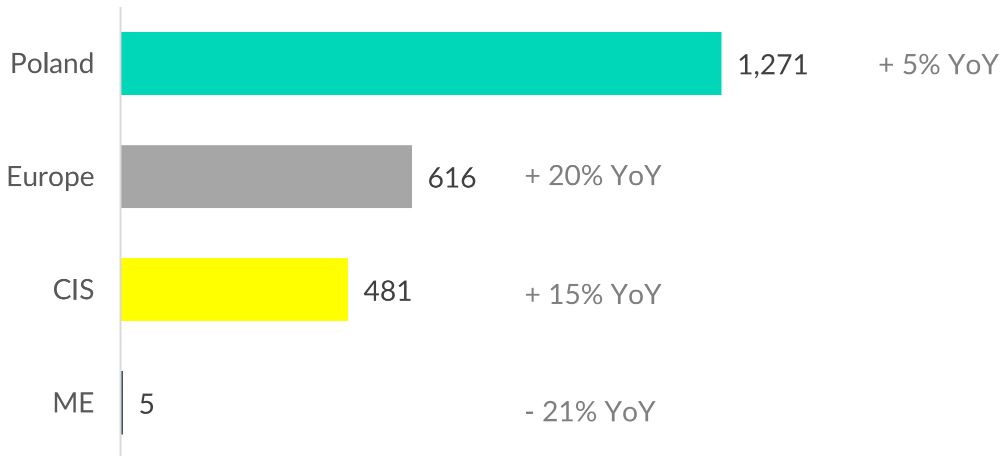
REVENUES BY REGIONS
(PLN m)



4Q18 FLOORSPACE
(by regions)

ths m2	4Q17	4Q18	YoY
LPP GROUP	1,000.6	1 091.3	9.1%
Poland	514.0	529.5	3.0%
Europe	232.8	279.4	20.0%
CIS	247.3	275.4	11.4%
ME	6.6	7.1	7.2%

- Revenue growth in Poland results from floorspace optimization and the impact of the partial ban on Sunday trading. Dynamic revenue growth in Europe in 4Q18 due to strong growth in the CEE and SEE regions.
- High sales dynamics in all CIS countries in 4Q18. Start of sales in Kazakhstan.
- Fall in ME in 4Q18 – sales to Israel prior to store opening took place in 3Q18.
- Among countries, the highest nominal YoY revenue growth was recorded in Poland, Russia and Hungary.

Revenues continue to grow

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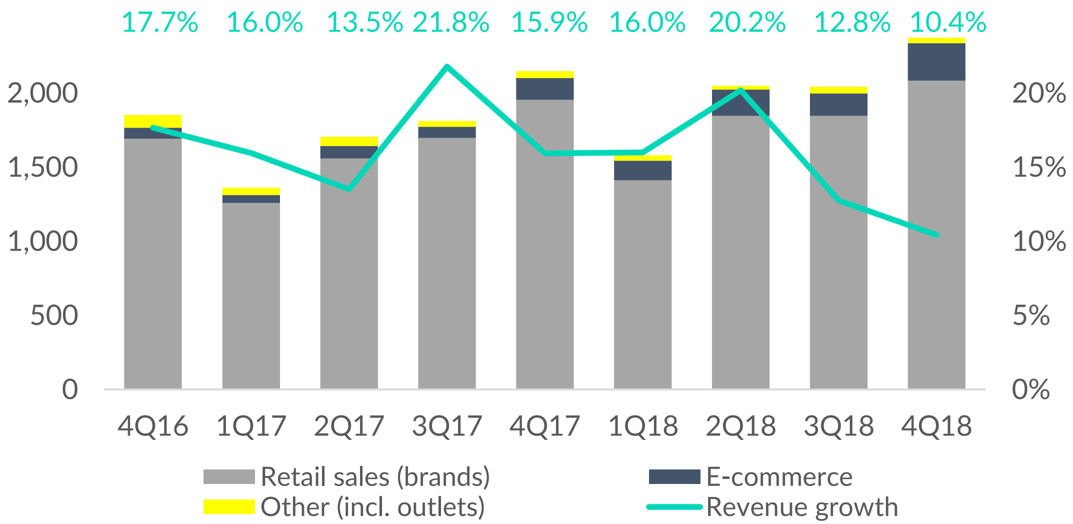
GROUP REVENUES (PLN m)

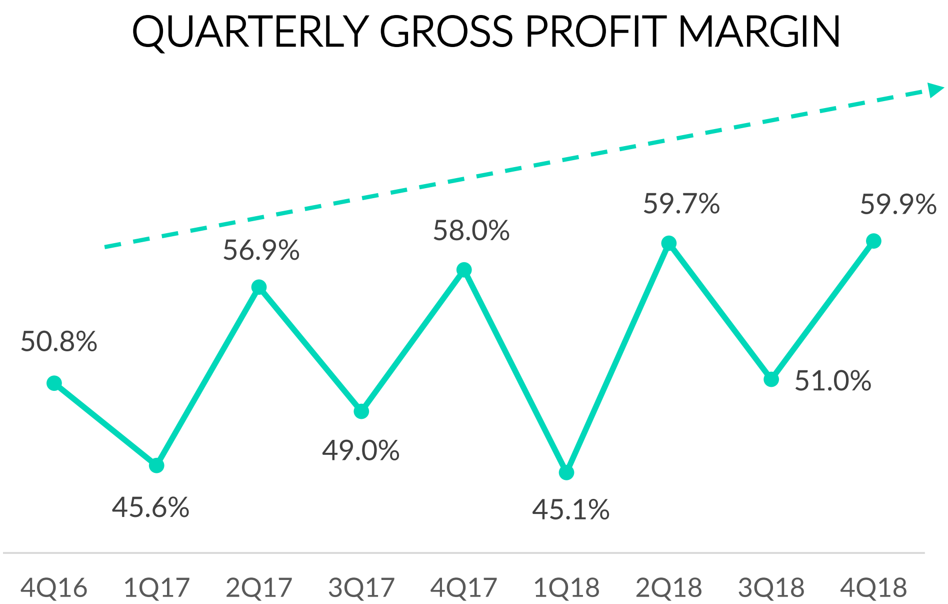


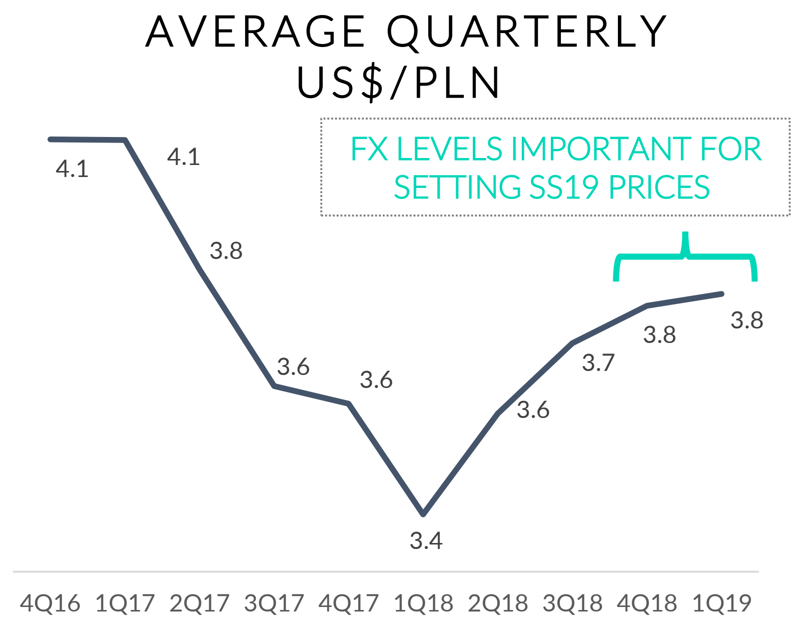
REVENUES/ M2

PLN (monthly)	4Q17	4Q18	YoY
LPP GROUP retail	731	676	-7.6%
Poland	789	735	-6.8%
Europe	732	652	-11.0%
CIS	613	583	-4.9%
LPP GROUP	741	751	1.3%

- Group revenues grew 10.4% YoY in 4Q18 due to higher floorspace, positive LFLs and high e-commerce dynamics.
- Higher YoY sales/ m2 in 4Q18, due to growth in e-commerce. Lower YoY retail sales/ m2 due to opening of increasingly large stores.
- The highest double-digit retail sales/ m2 growths were recorded in 4Q18 in Lithuania, Latvia, Romania, Serbia.

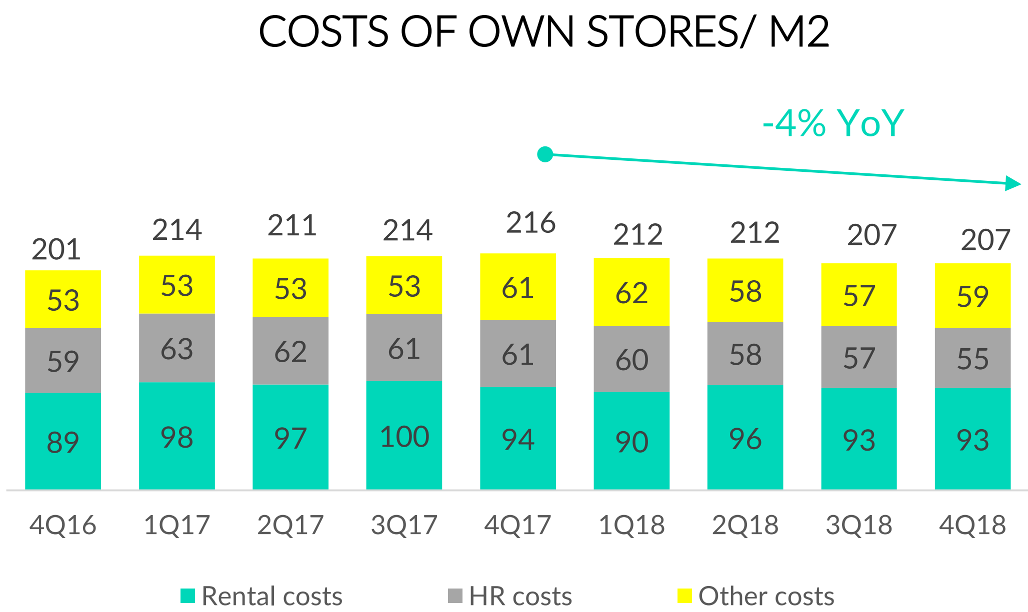
Gross profit margin expansion

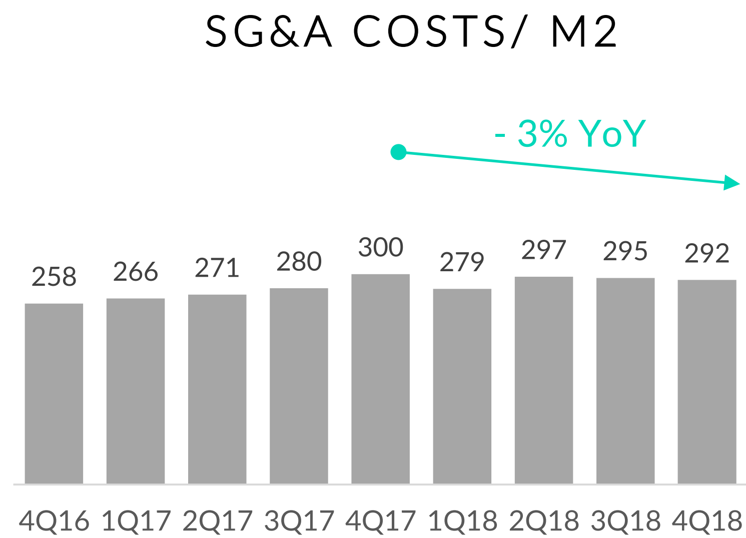




- YoY gross margin increase in 4Q18 as a result of: good acceptance of the Autumn/Winter collection by customers (including Reserved and House).
- The gross margin was also favourably influenced by the inventory management policy, including the system allocating goods individually on a per store basis.
- In 4Q18 the value of inventory write-offs amounted to only PLN 3m, i.e. it was irrelevant to the gross margin level.

Operating costs under control





- Lower YoY rental charges → increasing the average size of stores lowers average rental paid.
- Double-digit fall YoY personnel costs → we reduce the responsibilities of sales personnel and we shift part of these to external subcontractors.
- Fall in other costs of stores → continued cost optimisation.
- Growth in SG&A/ m2 YoY → higher costs of headquarters due to: further e-commerce development and resultant pick-up in logistics costs, but fall on per m2 basis due to floorspace development.

Improvement on all lines

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PLN m	4Q17	4Q18	YoY
Revenues	**2,148.9**	**2,372.7**	**10.4%**
Gross profit margin	*58.0%*	*59.9%*	*1.9pp.*
SG&A costs	861.9	921.3	6.9%
EBIT	**376.7**	**433.3**	**15.0%**
EBIT margin	*17.5%*	*18.3%*	*0.8pp.*
Net profit	**299.5**	**312.3**	**4.3%**

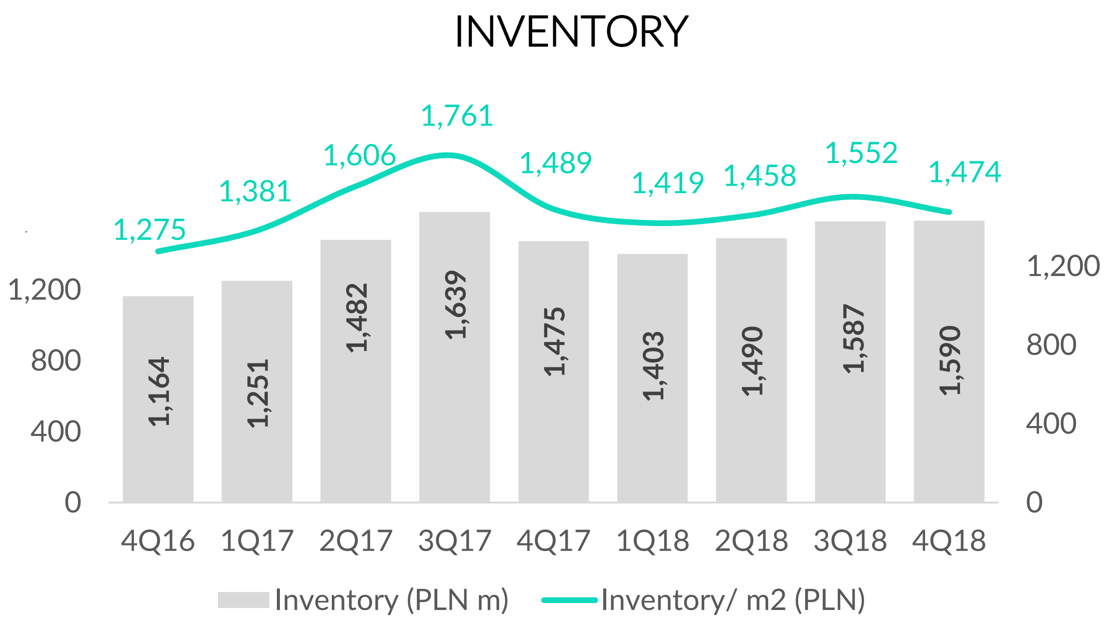
- Dynamic group revenue growth:
  - positive LFL and floorspace increase,
  - on-line sales development.
- Significant improvement in gross margin: favorable purchase prices, but also very good acceptance of the Autumn/ Winter collection of most brands (including Reserved and House).
- SG&A costs growth below sales due to positive effect of operating leverage.
- Higher other operating costs due to write-offs, among others to unprofitable stores.
- More favorable net financial activity due to lower YoY FX losses.
- Single-digit increase in net profit.

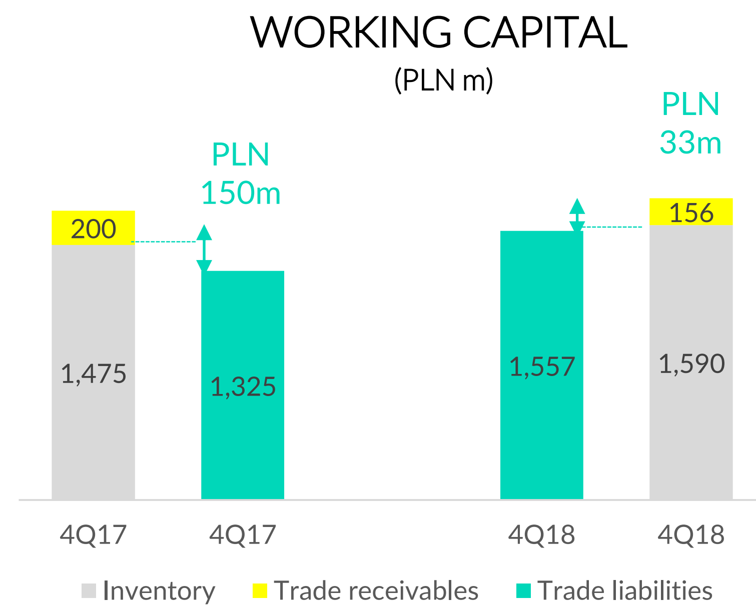
Over PLN 0.5bn net profit

PLN m	2017	2018	YoY
Revenues	**7,029.4**	**8,046.8**	**14.5%**
Gross profit margin	*53.0%*	*54.7%*	*1.7pp.*
SG&A costs	3,099.9	3,532.2	13.9%
EBIT	**578.4**	**756.6**	**30.8%**
EBIT margin	*8.2%*	*9.4%*	*1.2pp.*
Net profit	**440.9**	**505.2**	**14.6%**

- Dynamic group revenue growth:
  - positive LFLs,
  - floorspace growth, entry new countries,
  - on-line sales increase.
- Gross profit margin improvement in 2018 due to favourable FX trends and good reception of the collection.
- SG&A growth in line with top-line growth.
- Less favourable impact of net financial activity due to FX differences.
- Record high net profit.

Trade liabilities equalled with inventory





- 8% YoY growth in inventory, due to weaker than expected December. 1% YoY fall in inventory/ m2, due to floorspace development and a more efficient way of inventory management.
- We are in line with our long-term target of matching liabilities to the inventory level.
- Supplier financing programme utilization at PLN 552m at the end of 4Q18.
- As a result, we reduced our cash cycle to -1 days in 4Q18 compared to 27 days in 4Q17.

Net cash on the balance sheet

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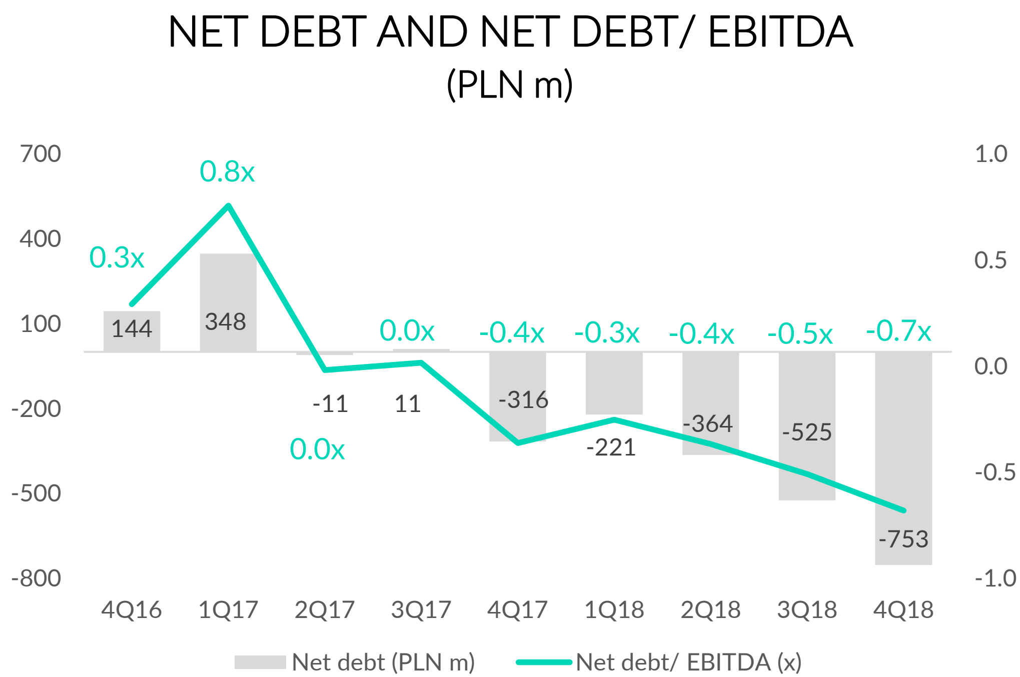

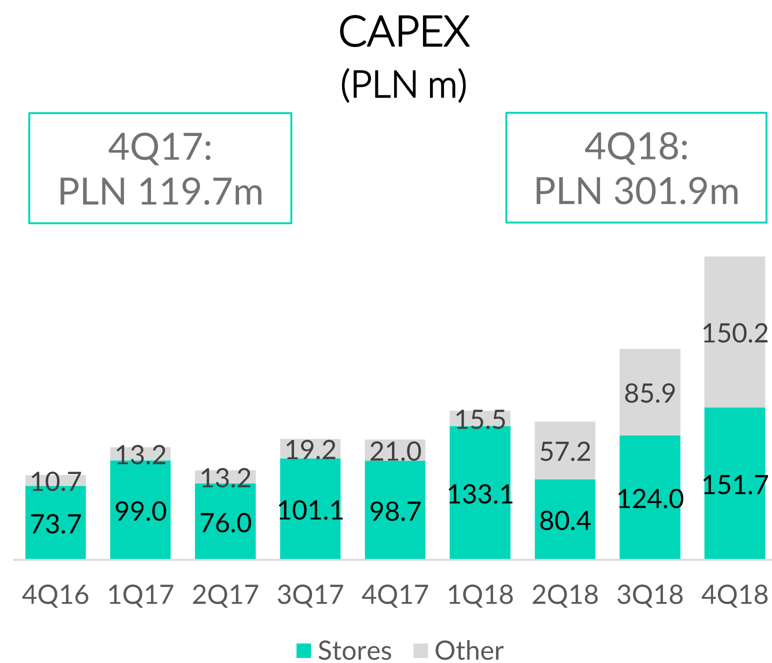

- At the end of 4Q18, we had PLN 753m of net cash. In addition, we had PLN 55.4m worth of money market funds. Our target is to keep net cash in the next quarters for future investments.
- 4Q18 capex reached PLN 302m, up 152% YoY due to upgrades of existing stores and opening of new ones as well as outlays for distribution centres coupled with expansion of our HQ.
- YoY increase in short-term debt due to taking loans by two subsidiaries.

2018 executive summary

1. Positive LFL dynamics.
2. Double-digit on-line sales growth.
3. Control of costs of stores.
4. Shortening of the cash cycle.
5. Increase in net cash.

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Key corporate events

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NEW MARKET: KAZAKHSTAN

Debut on the 23rd market - stores of 5 brands in a shopping center in Almaty. Total retail space increased by further stores.

7,674 m^2

October/November 2018

November 2018

EXPANSION IN SERBIA

Opening of stores of 5 LPP brands in Serbia in such cities as Novi Sad, Pozarevac, Vrsac.

5,120 m^2

NEW STORES IN ROMANIA

New stores of all brands in new cities in Romania, e.g. Craiova, Ramnicu Valcea.

4,190 m^2

November 2018

December 2018

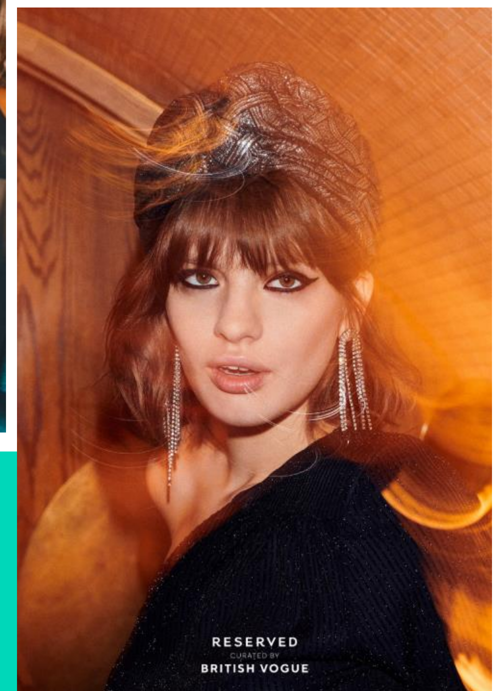
RESERVED AND VOGUE UK PROJECT

Reserved New Year's Eve collection created in cooperation with British Vogue stylists. Available in selected stores and on-line.

Reserved „Curated by British Vogue”

The Reserved New Year's Eve collection created in cooperation with **British Vogue** stylists was available in selected Reserved stores around the world and on-line on **reserved.com** from December 2018.

We make good use of the potential of our store at Oxford Street in London



The line reflects the atmosphere of the famous nightclub **Studio 54** and portrays the glamor style of the '70s.

Reserved David Bowie

We are continuing positive changes in the men's part of the Reserved brand.

SS2019 contains a collection inspired by the character of David Bowie.

#RESERVEDFORMEN

RFID implementation

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Preparation for the process, planning of activities, budgets, employees' engagement.

2018

RFID implementation in Reserved

2019

RFID implementation in Cropp, House, Mohito and Sinsay.

Achieving first benefits in Reserved.

2020

Achieving full integrity in the supply chain and some 3% sales increase.

On-line deliveries from stores.

2021 +

RFID throughout the supply chain

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COSTS	HOW STORES BENEFIT?
PLN 60m annually - cost of electronic tags that will be circulating between stores and suppliers.	60% faster delivery receipt
Additional costs: IT department work time, purchase of new IT tools, investments in stores and distribution center.	70% shorter time of product registration at the counter
	Faster transfer of goods from the storage room to the sales room (availability of 95% of models and sizes)

Second integrated report

PUBLICATION

of LPP's second integrated report

Please contact us:
csr@lppsa.com

A socially responsible company

A safe delivery chain from Asia

audits in production facilities conducted by SGS and internal auditors,
PLN 20.5m invested in safety and proper working conditions since 2013

LPP Foundation activities

volunteering actions as well as financial and in-kind donations for over **PLN 1.5m**, 108 entities benefited form our support

Responsible approach to environment

permanent **eco collection** in the offer, **recycling** in Reserved stores, **eco-friendly materials** in EcoAware offer

Support for troubled young people

First Fitting programme, second edition in Tri-city and Warsaw, a couple dozen of participants

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Acceleration of growth in 2019

Floorspace (ths m2)	2018	2019 former target	2019 target	YoY
BY BRANDS				
Reserved	616.7	673.9	675.1	9%
Cropp	134.0	149.8	152.1	14%
House	116.2	129.2	132.4	14%
Mohito	109.4	111.9	111.6	2%
Sinsay	103.0	130.3	129.6	26%
Outlets	12.0	11.5	9.2	-23%
BY REGIONS				
Poland	529.5	537.3	532.6	1%
Europe	279.4	337.6	351.3	26%
CIS	275.4	324.7	316.7	15%
ME	7.1	7.1	9.5	34%
TOTAL	**1,091.3**	**1,206.6**	**1,210.0**	**11%**

- 11% YoY floorspace growth in 2019.
- 2 new markets in 2019: Bosnia and Herzegovina and Finland (own stores).
- As a result, at the end of 2019 Reserved brand stores should be present in 25 countries.
- 2019 target:
  - floorspace stabilization in Poland,
  - acceleration of growth in Europe (emphasis on South Eastern Europe),
  - continuation of floorspace development on the CIS region,
  - new stores in the Middle East (Israel).
- Planned 2019 capex at c. PLN 860m, up c. 8% YoY. Planned store capex at c. PLN 670m, HQs outlays at PLN c. 110m, logistics outlays at c. PLN 30m and IT at c. PLN 50m.

Higher capex on stores

In 2018-2020, a significant part of our rental agreements expires.

Rental agreements are signed on average for 8 years.

We have decided to thoroughly renew existing stores.

Why are we upgrading stores?

We invest in modern stores, encouraging customers to visit them.

We use modern technological solutions that increase the comfort and speed of shopping.

We believe that the future belongs to omnichannel and stores support on-line sales.

Investments in LPP's future

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PLN m	2019	2020	2021	2022	2019-2022
Stores	670	620	500	450	2,240
Stores in Poland and abroad	670	620	500	450	**2,240**
Offices	110	110	70	0	290
New office Gdańsk Łąkowa - building 1	50				**50**
New office Gdańsk Łąkowa - building 2	30	40			**70**
New office Gdańsk Łąkowa - building 3		70	70		**140**
New office Kraków	30				**30**
Logistics	30	200	200	0	430
Expansion LC Pruszcz Gdański	20				**20**
New LC Central Poland	10	200	200		**410**
IT & others	50	50	50	50	200
TOTAL	**860**	**980**	**820**	**500**	**3,160**

PLN 1bn of e-commerce revenues

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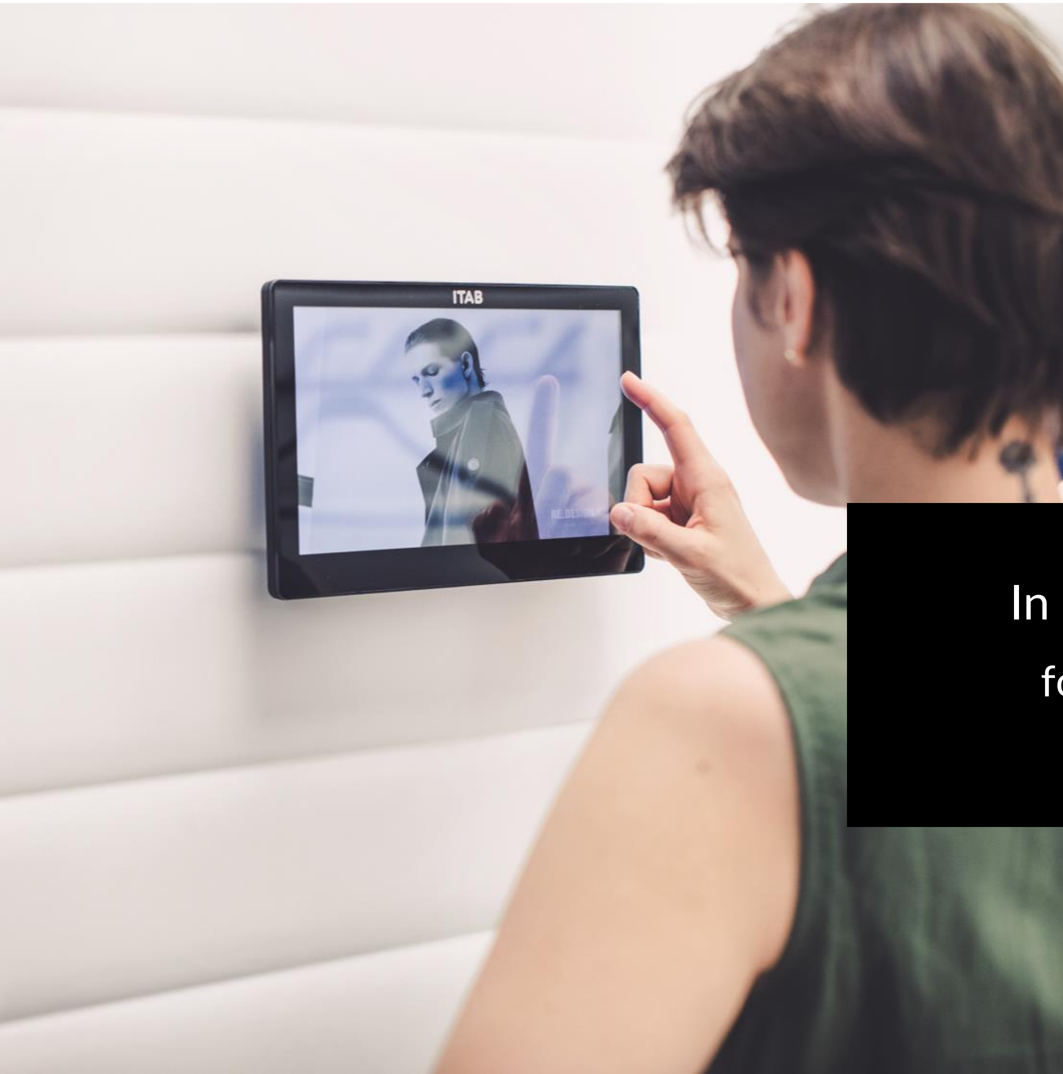

In 2019 e-commerce revenues should exceed:
PLN 1bn.

2021 target maintained:
20%
e-commerce share in revenues.

In **2H19** we plan to launch an on-line store for all **EU countries and Ukraine** and a distribution center in Romania.

2019 outlook

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Target

- Continuation of double-digit revenue growth due to floorspace development and e-commerce.
- Group's gross profit margin should be between 54-55% (higher YoY).
- Costs control.
- Net cash to continue.

OPPORTUNITIES

- LPP's stores in new countries.
- Dynamic e-commerce growths.
- RFID implementation.

RISKS

- Unfavourable FX trends on US$, EUR and RUB in relation to PLN.
- More severe ban on trade on Sundays (12% of Polish revenues).

Stabilization of floorspace in Poland

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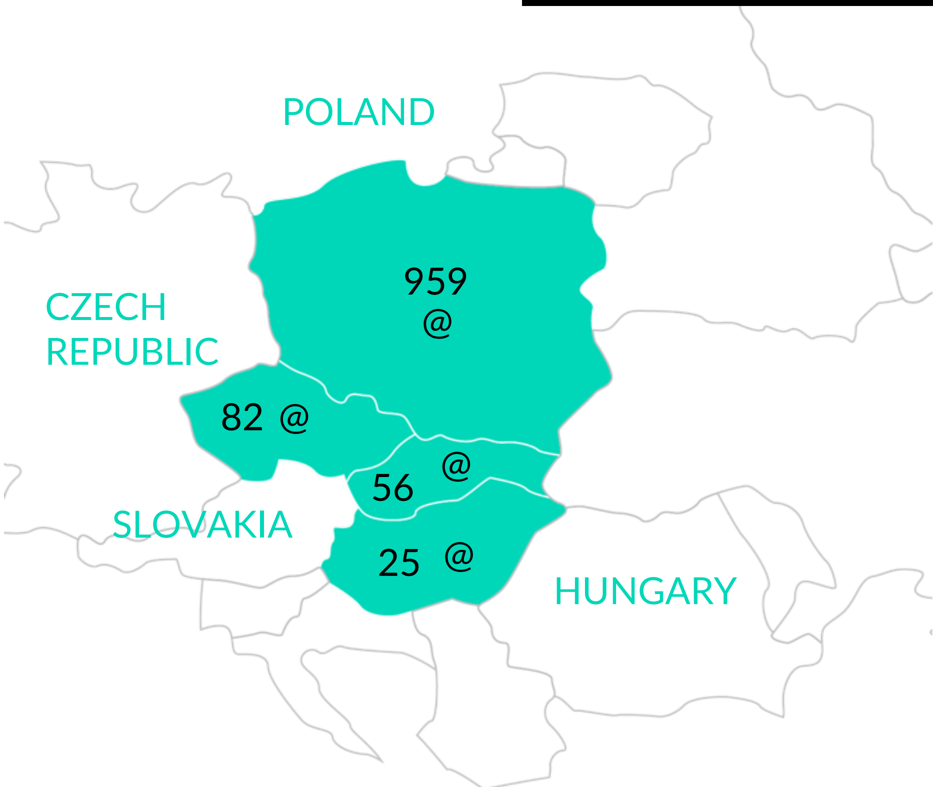
REGION CEE



xx No. of stores, end of '18. @ On-line stores

POLAND

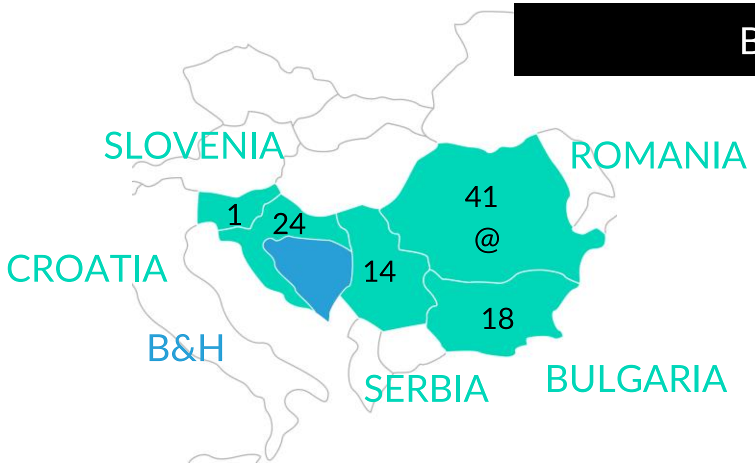
- In 2019, Poland will remain the most important market.
- A mature market - focus on:
  - off-line: expansion of existing stores, work on LFLs (in particular Reserved men's collection and Mohito),
  - further growth of e-commerce.
- RFiD implementation.

CZECH REPUBLIC, SLOVAKIA, HUNGARY

- In 2019, focus on:
  - increasing sales efficiency in stores,
  - enlarging store sizes,
  - growing on-line sales of all brands.

Further development in the Balkans

BALKANS



- Successful entry to Slovenia in 2018 i.e. the fifth country in the region.
- Entrance to Bosnia and Herzegovina in 2019.
- Opening of a regional distribution center in Romania in 2H19.

BALTIC COUNTRIES

- Enlargements of existing stores in 2019.
- YoY floorspace increase in Lithuania and Latvia.
- Further e-commerce development in each of the countries.

xx No. of stores, end of '18. @ On-line stores ● Planned countries

Eastern expansion continued

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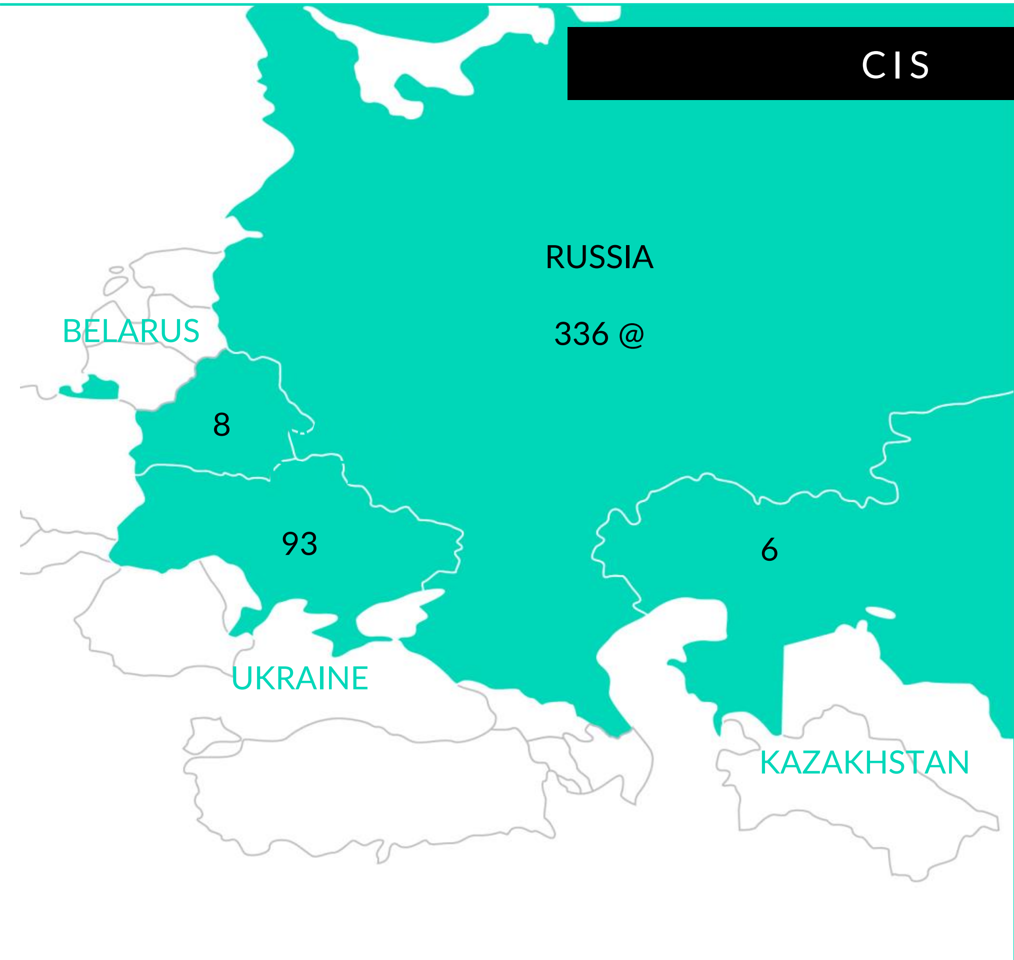
CIS



xx No. of stores, end of '18. @ On-line stores

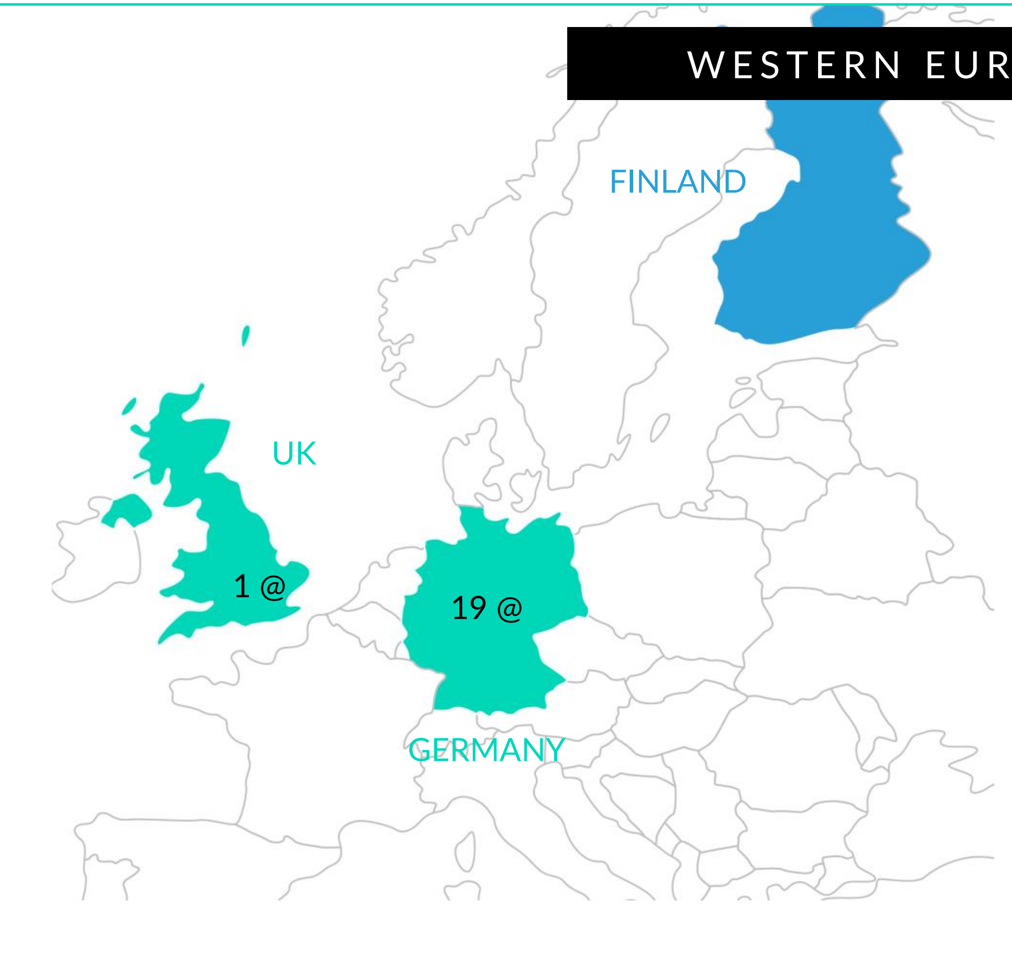
RUSSIA, UKRAINE

- Further floorspace development in Russia and Ukraine (+20 ths m2 in each of these countries). Openings of stores of all brands.
- Dynamic on-line expansion continued:
  - Russia – further dynamic growth,
  - Ukraine – on-line launch in 2H19.

BELRUS, KAZAKHSTAN

- Belarus: stabilization of floorspace of franchise stores in 2019 – a three year plan achieved in one year.
- Openings of new stores in Astana (capital city of Kazakhstan). Focus on brand awareness. Target: five Reserved stores in three years.

Improving efficiency in Western Europe



xx No. of stores, end of '18. @ On-line stores ● Planned countries

GERMANY AND UK

- Network stabilization in Germany (19 stores in major cities, top locations).
- Concentration on efficiency of the traditional network in Germany, increasing the recognition of the Reserved brand and sales / m2.
- UK: focus on the flagship store at Oxford Street in London. New collections, global advertising, building of brand recognition.

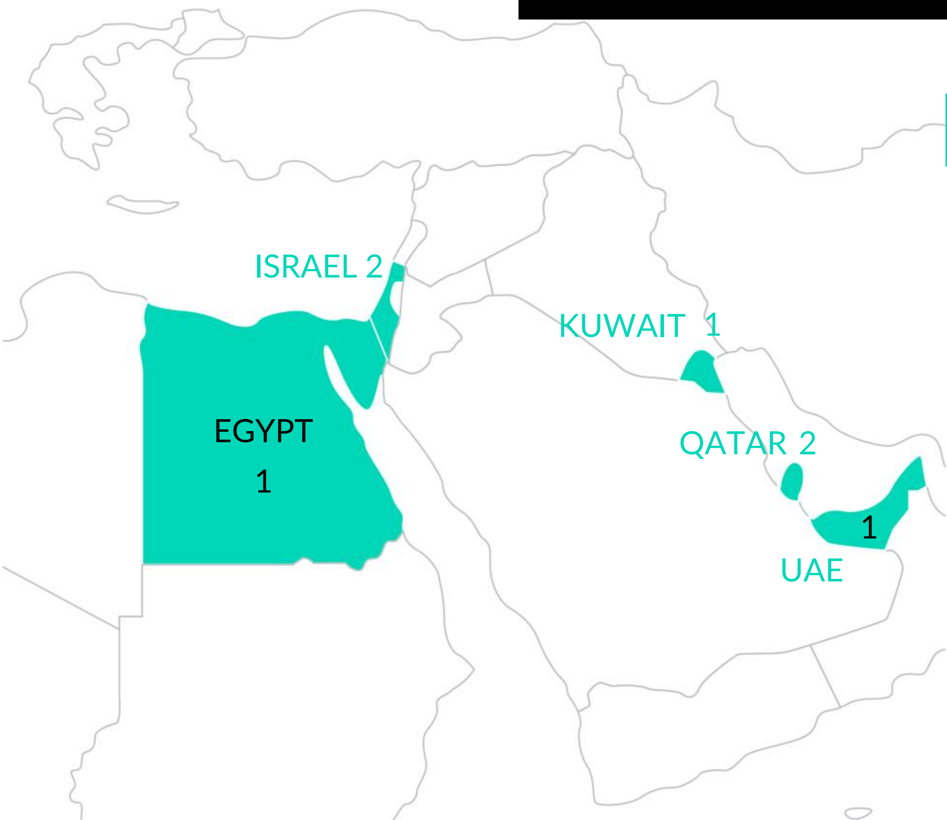
FINLAND

- Entrance to a Helsinki shopping center with 5 brands of LPP.

E-commerce development in Western Europe through opening of e-stores in all EU countries.

New openings in the Middle East

MIDDLE EAST

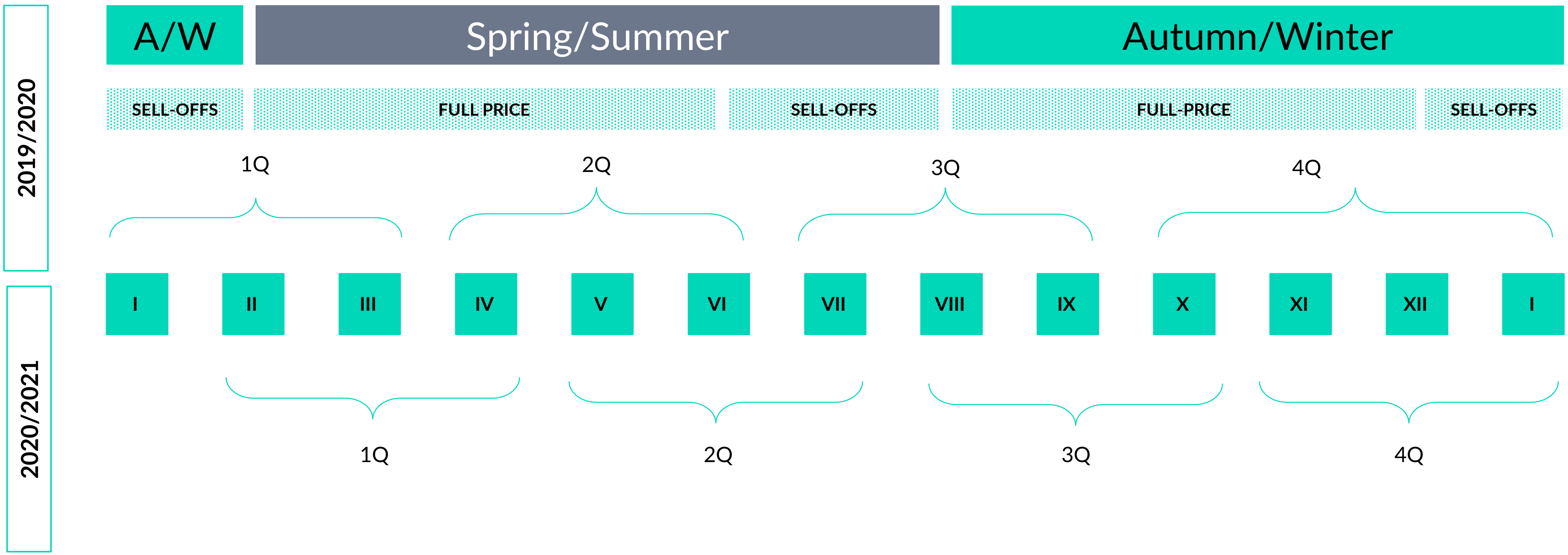


DEVELOPMENT THROUGH FRANCHISING

- Growth in the Middle East only through franchise stores (no capex).
- Successful entry to Israel in 2018. In 2019, we plan further store openings.
- E-commerce growth through an external internet platform.

xx No. of stores, end of '18.

Change in the fiscal year from 2019



The aim behind the planned fiscal year change is to align the fiscal year with the fashion seasons (collection assessment, lower seasonality).

The fiscal year in 2019 will be 13 months long and 4Q19 will be 4 months long.

The first 12-month financial year after the fiscal year change from February 1, 2020.

IFRS16 – impact on financial statements

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BALANCE SHEET

- Assets higher by some PLN 3 bn.
- Liabilities higher by some PLN 3 bn.
- Only basic rental agreements within the scope of IFRS16 (no additional charges, no floating rates).

+ assets / +liabilities

INCOME STATEMENT

- Some half of rental expenses will be recognised under IFRS16.
- PLN 0.6bn depreciation pick-up, equal to the amount of rentals excluded from EBIT.
- C. PLN 0.1bn of additional annual interest on new liability.

++ EBITDA /+EBIT

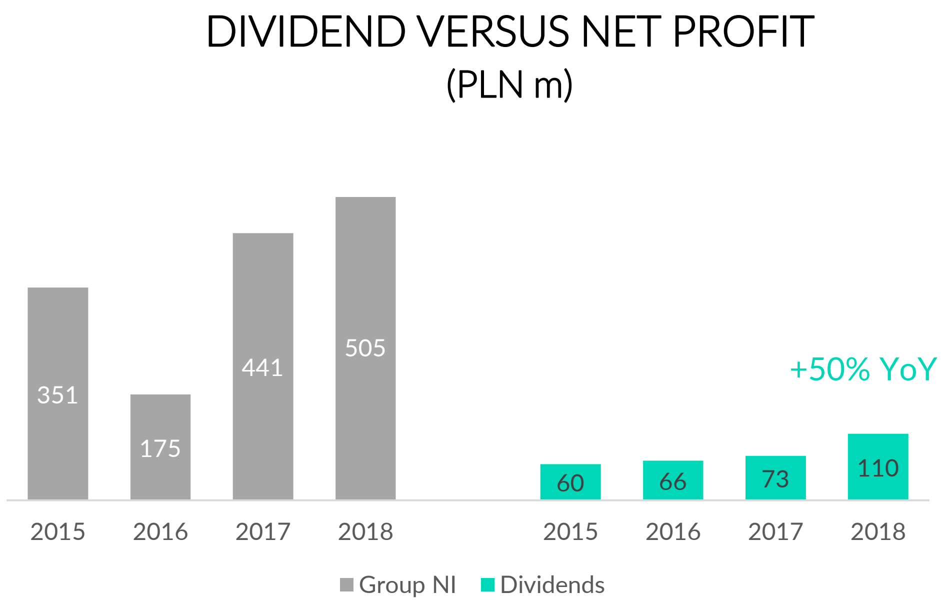
CASH FLOW STATEMENT

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

+ operating cash flows

APPLICATION: 2019 BALANCE OF OPENING AND LATER QUARTERS.

A growing dividend



Dividend shown under the year from which it is paid, not under the year, in which it is paid out.

Dividend date
18th June 2019

Payment date
27th June 2019

- Management recommends LPP's Supervisory Board and the General Shareholder Meeting paying out PLN 110.1m in dividends from 2018 profits.
- The amount is 50% higher YoY and constitutes 22% of consolidated audited profit for 2018.
- The proposal translates into a dividend per share of PLN 60.00 versus PLN 40.00 from 2017 earnings.

Q&A

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Back-up

Network development

Floorspace (ths m2)	31.12.2016	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018
Reserved	**509.1**	**510.7**	**520.8**	**526.8**	**562.3**	**561.0**	**582.2**	**584.9**	**616.7**
Poland	248.7	245.9	247.4	247.9	266.8	264.9	264.7	259.3	273.3
Europe	144.1	147.7	151.3	157.6	160.8	162.2	178.1	182.3	191.7
CIS	108.7	109.5	114.0	114.7	128.1	127.3	132.8	136.0	144.6
ME	7.6	7.6	8.2	6.6	6.6	6.6	6.6	7.3	7.1
Cropp	**120.4**	**120.1**	**121.9**	**121.4**	**127.2**	**127.7**	**130.1**	**126.4**	**134.0**
Poland	65.3	65.1	66.5	64.9	65.7	65.7	67.9	64.2	66.5
Europe	21.2	21.0	20.8	21.2	22.3	22.1	22.6	22.8	24.9
CIS	34.0	34.0	34.7	35.3	39.3	39.8	39.6	39.3	42.6
House	**105.7**	**102.9**	**106.6**	**105.6**	**110.6**	**110.9**	**113.0**	**112.4**	**116.2**
Poland	64.9	62.4	65.1	64.0	65.0	64.9	66.8	65.9	67.3
Europe	16.4	16.2	16.2	16.2	17.1	17.2	17.0	17.0	18.9
CIS	24.3	24.3	25.4	25.4	28.6	28.7	29.2	29.4	30.1
Mohito	**99.1**	**97.8**	**99.3**	**98.5**	**103.8**	**103.4**	**105.5**	**106.2**	**109.4**
Poland	53.4	51.7	52.6	52.1	53.0	52.3	53.7	52.9	54.1
Europe	18.1	18.1	18.1	18.1	19.7	20.1	21.2	22.2	23.5
CIS	27.7	28.0	28.6	28.4	31.1	31.0	30.6	31.1	31.8
Sinsay	**69.8**	**69.8**	**72.5**	**76.0**	**84.6**	**85.8**	**92.8**	**94.7**	**103.0**
Poland	48.6	48.6	49.0	50.9	53.2	53.3	56.0	56.4	60.1
Europe	9.7	9.7	10.4	10.9	12.8	13.1	15.9	17.3	20.2
CIS	11.5	11.5	13.1	14.2	18.7	19.4	21.0	21.0	22.7
Tallinder (Poland only)	**4.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Outlets	12.6	12.6	12.6	**11.6**	**12.1**	**12.1**	**10.6**	**10.8**	**12.0**
Total by regions									
Poland	496.6	485.3	492.1	490.5	514.0	511.5	518.0	507.2	529.5
Europe	209.5	212.8	216.9	224.1	232.8	235.0	254.9	261.8	279.4
CIS	207.0	208.2	216.5	218.7	247.3	247.8	254.7	259.0	275.4
ME	7.6	7.6	8.2	6.6	6.6	6.6	6.6	7.3	7.1
TOTAL	**920.7**	**913.9**	**933.7**	**939.9**	**1,000.6**	**1,000.9**	**1,034.2**	**1,035.4**	**1,091.3**

2019 network development details

LPP

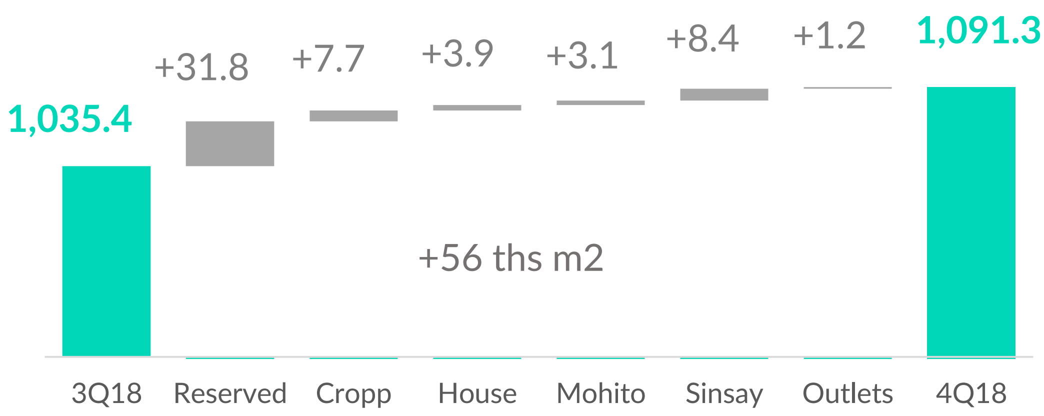
Floorspace (ths m2)	31.12.2018	31.12.2019	Nom. growth	YoY growth
Reserved	**616.7**	**675.1**	**58.4**	**9%**
Poland	273.3	272.0	-1.2	0%
Europe	191.7	226.4	34.6	18%
CIS	144.6	167.2	22.6	16%
ME	7.1	9.5	2.4	34%
Cropp	**134.0**	**152.1**	**18.1**	**14%**
Poland	66.5	63.7	-2.9	-4%
Europe	24.9	34.1	9.3	37%
CIS	42.6	54.3	11.7	27%
House	**116.2**	**132.4**	**16.1**	**14%**
Poland	67.3	66.1	-1.2	-2%
Europe	18.9	31.2	12.2	65%
CIS	30.1	35.1	5.1	17%
Mohito	**109.4**	**111.6**	**2.2**	**2%**
Poland	54.1	52.7	-1.4	-3%
Europe	23.5	30.1	6.6	28%
CIS	31.8	28.8	-3.0	-9%
Sinsay	**103.0**	**129.6**	**26.6**	**26%**
Poland	60.1	72.5	12.4	21%
Europe	20.2	29.5	9.3	46%
CIS	22.7	27.7	4.9	22%
Outlets	**12.0**	**9.2**	**-2.8**	**-23%**
Poland	8.3	5.6	-2.7	-32%
Europe	0.2	0.0	-0.2	-100%
CIS	3.5	3.6	0.1	2%
TOTAL	**1,091.3**	**1,210.0**	**118.7**	**11%**

No. of STORES	31.12.2018	31.12.2019	Nom. growth	YoY growth
Reserved	**464**	**452**	**-12**	**-3%**
Poland	216	199	-17	-8%
Europe	127	131	4	3%
CIS	114	113	-1	-1%
ME	7	9	2	29%
Cropp	**373**	**365**	**-8**	**-2%**
Poland	200	180	-20	-10%
Europe	69	76	7	10%
CIS	104	109	5	5%
House	**332**	**324**	**-8**	**-2%**
Poland	200	180	-20	-10%
Europe	54	64	10	19%
CIS	78	80	2	3%
Mohito	**296**	**283**	**-13**	**-4%**
Poland	156	145	-11	-7%
Europe	60	67	7	12%
CIS	80	71	-9	-11%
Sinsay	**272**	**288**	**16**	**6%**
Poland	165	166	1	1%
Europe	51	60	9	18%
CIS	56	62	6	11%
Outlets	**28**	**17**	**-11**	**-39%**
Poland	22	13	-9	-41%
Europe	1	0	-1	-100%
CIS	5	4	-1	-20%
TOTAL	1 765	1 729	-36	-2%

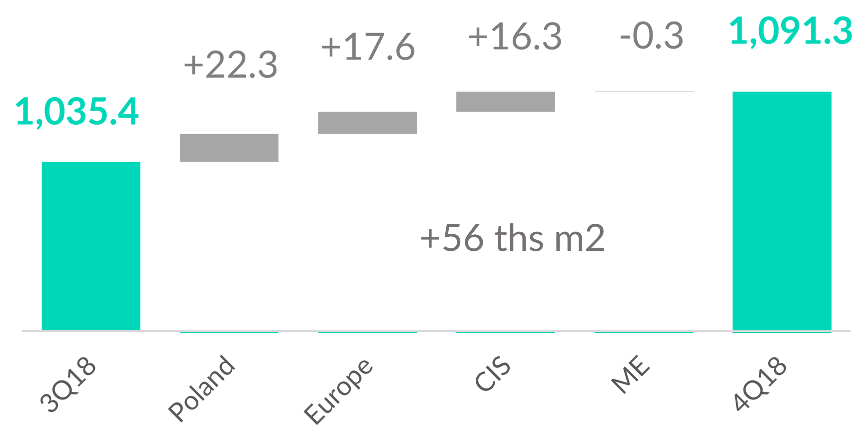
Changes in 4Q18 floorspace

LPP

CHANGE IN FLOORSPACE BY BRANDS
(ths m2)



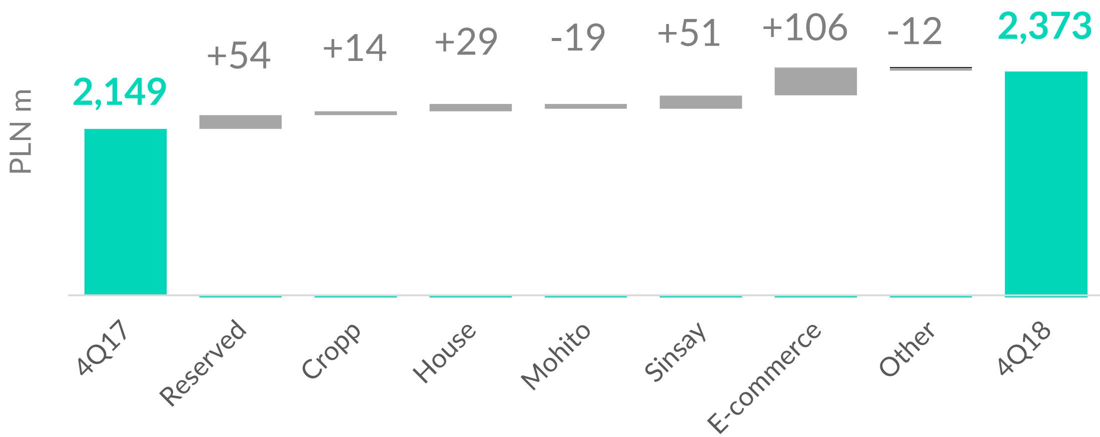
CHANGE IN FLOORSPACE BY REGIONS
(ths m2)



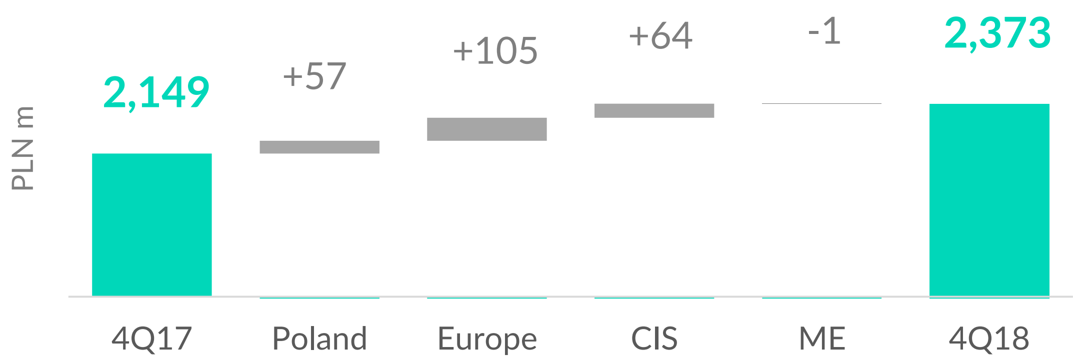
- Dynamic floorspace growth in 4Q18 results from development in Poland and abroad. Opening 22.3 ths m2 of net floorspace in Poland, due to the enlargement of the stores.
- Development in Europe resulted mainly from openings in Romania and in Serbia. In 4Q18 there were no changes in floorspace in Western Europe. In the CIS region the fastest development in 4Q18 took place in Russia. 7.7 ths were also opened m2 in Kazakhstan. Another franchise stores in Israel was opened in ME, but a store in Qatar was closed.
- Of the brands in 4Q18 Reserved added the most floorspace, due to the entry into a new country (Kazakhstan).

4Q18 revenue growth contributors

REVENUE GROWTH BY BRANDS



REVENUE GROWTH BY REGIONS

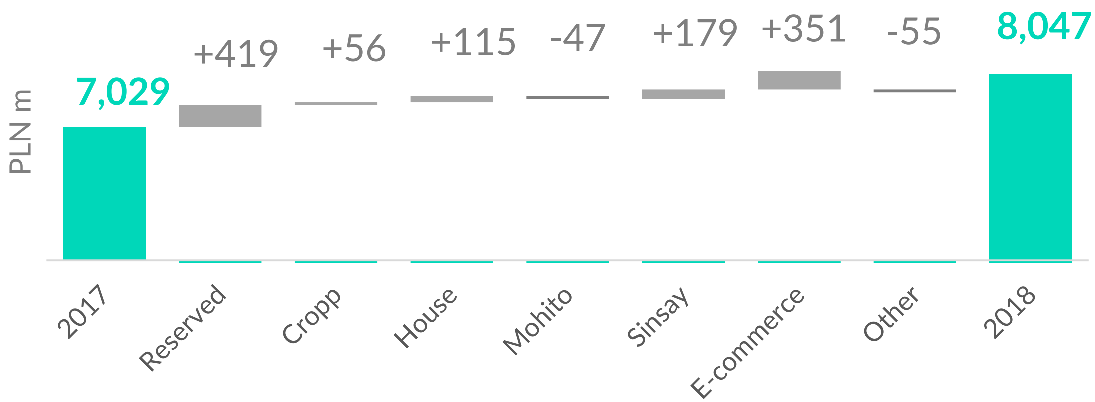


PLN m	4Q17	4Q18	YoY
LPP GROUP	**2,148.9**	**2,372.7**	**10.4%**
Reserved PL	489.9	497.4	1.5%
Reserved EX	467.4	514.2	10.0%
Cropp PL	157.4	155.9	-1.0%
Cropp EX	162.5	178.2	9.6%
House PL	170.4	182.7	7.2%
House EX	90.5	107.4	18.7%
Mohito PL	131.3	112.2	-14.5%
Mohito EX	101.3	101.3	0.0%
Sinsay PL	126.9	149.8	18.0%
Sinsay EX	57.4	85.9	49.6%
E-commerce	146.4	252.2	72.3%
Other	47.5	35.5	-25.2%

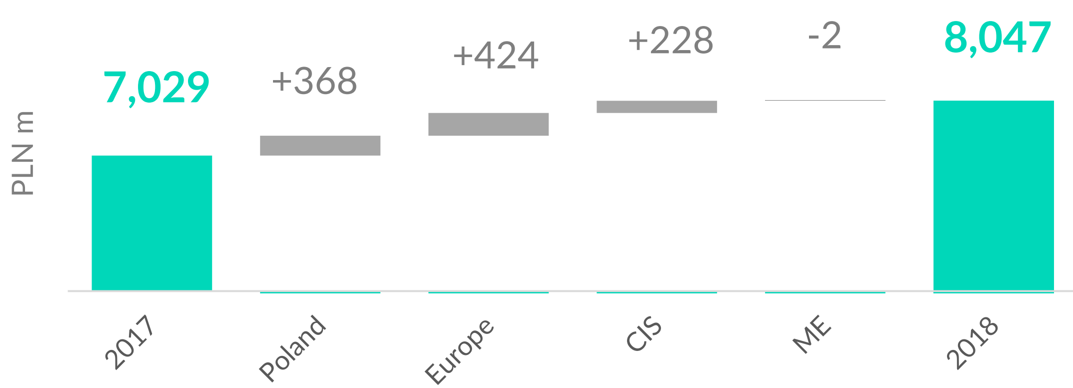
2018 revenue growth contributors

LPP

REVENUE GROWTH BY BRANDS



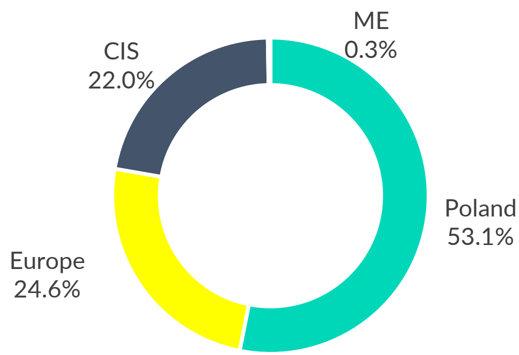
REVENUE GROWTH BY REGIONS



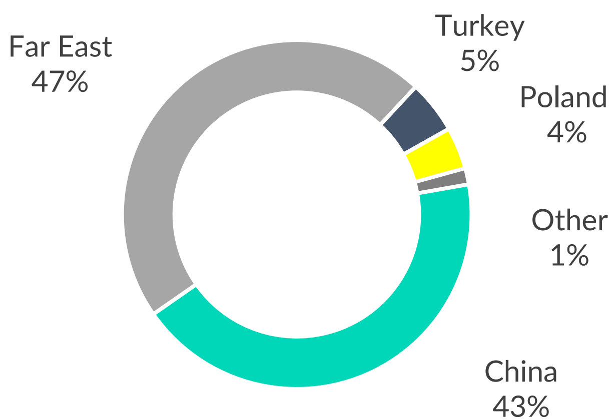
PLN m	2017	2018	YoY
LPP GROUP	**7,029.4**	**8,046.8**	**14.5%**
Reserved PL	1,560.5	1,740.1	11.5%
Reserved EX	1,599.0	1,838.3	15.0%
Cropp PL	540.5	529.8	-2.0%
Cropp EX	523.4	590.1	12.7%
House PL	524.3	575.6	9.8%
House EX	281.0	344.4	22.5%
Mohito PL	445.4	406.0	-8.9%
Mohito EX	383.1	375.6	-2.0%
Sinsay PL	430.4	502.0	16.6%
Sinsay EX	179.8	287.0	59.6%
E-commerce	360.8	712.1	97.3%
Other	201.0	145.9	-27.4%

Revenue and COGS split

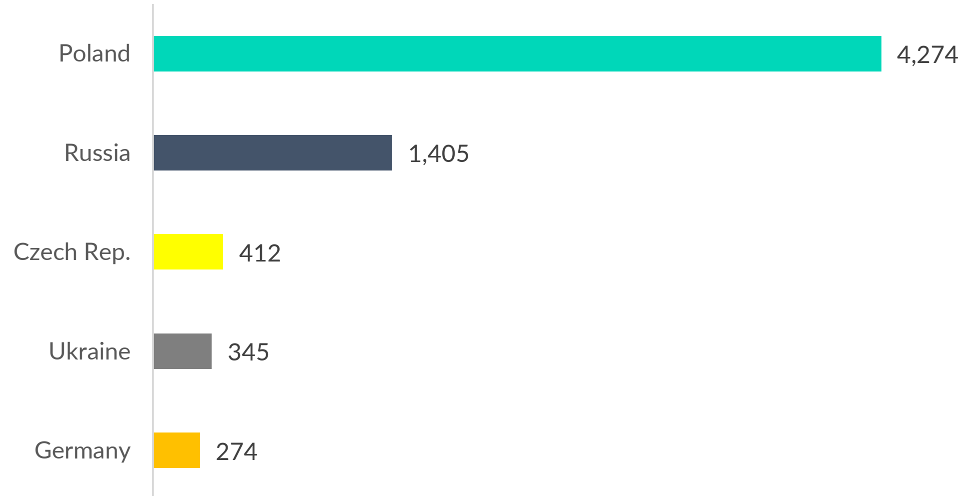
2018 REVENUES BY REGIONS (PLN m)



2018 PURCHASES BY REGION (PLN m)

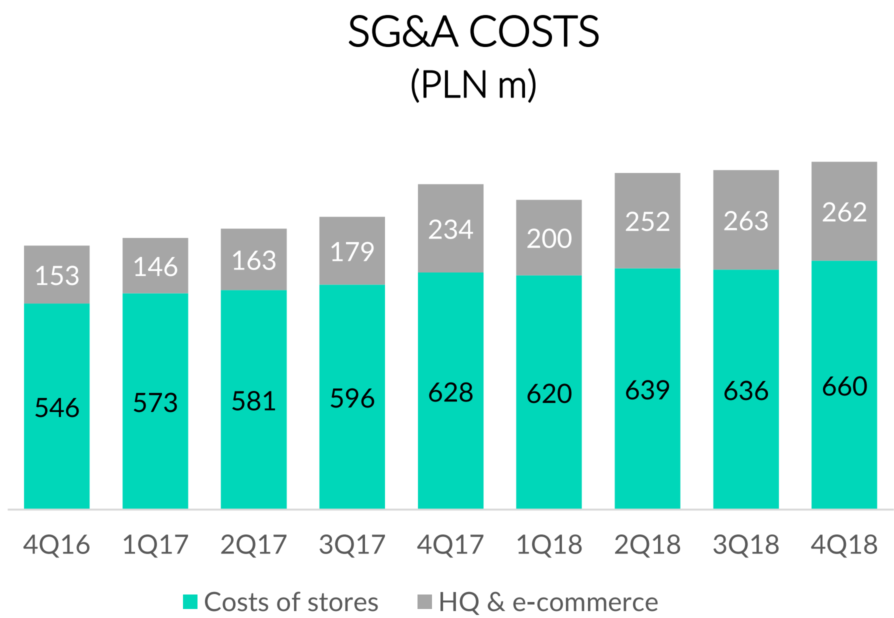


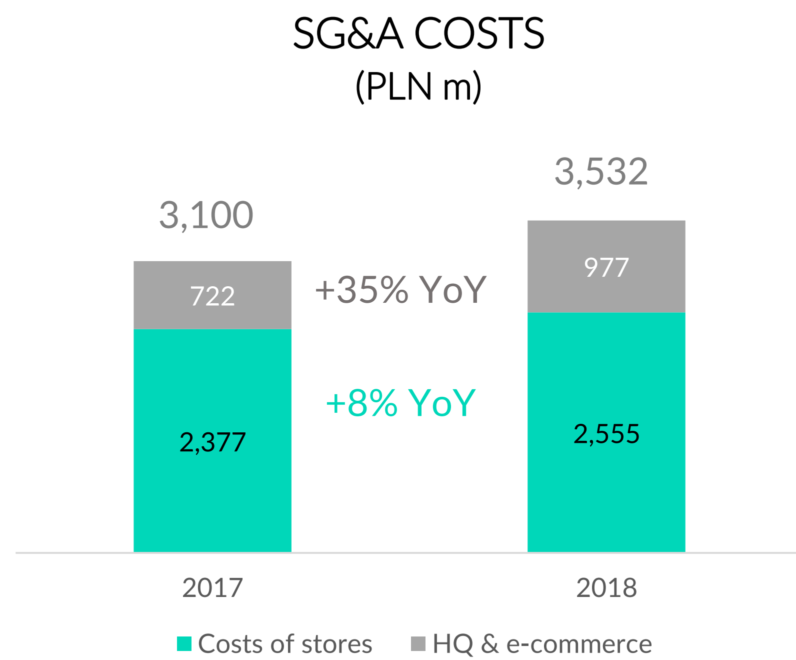
TOP5 REVENUES BY COUNTRIES IN 2018 (PLN m)



Poland remains our most important market.

Costs of stores and HQs





- Costs of stores encompass costs of own stores (rentals, personnel and other) as well as costs of franchise stores in Poland. Stores in the Middle East and Belarus do not have any material effect on SG&A costs.
- Costs of stores ➔ YoY growth in 4Q18 due to higher floorspace.
- HQ costs ➔ YoY growth in 4Q18 due to e-commerce foreign expansion, higher costs of foreign logistics and higher costs of on-line advertising.

4Q18 other operating and net financial lines

LPP

OTHER OPERATING ACTIVITY

PLN m	4Q17	4Q18
OTHER OPERATING REVENUES	**11.8**	**14.7**
Inventory excess	2.9	6.3
Gain on sale of assets. write-ups	4.8	1.0
OTHER OPERATING COSTS	**20.1**	**80.7**
Write-offs	0.7	34.5
Inventory losses	15.7	25.6
Donations and other	1.5	1.4
OTHER OPERATING ACTIVITY	**-8.4**	**-66.0**

Higher level of other operating costs due to: (1) PLN 32m write-offs for unprofitable stores as well as stores and outlets to be closed in 2019 and (2) PLN 13m write-off for overdue receivables.

NET FINANCIAL ACTIVITY

PLN m	4Q17	4Q18
FINANCIAL REVENUES	**-17.4**	**3.1**
FX gains	-17.8	0.0
Interest	0.4	2.9
FINANCIAL COSTS	**7.5**	**15.9**
FX losses	4.3	10.0
Interest	2.3	4.9
Fees and charges	0.8	0.9
NET FINANCIAL ACTIVITIES	**-24.9**	**-12.7**

PLN 10m of FX losses (4Q18: PLN 22.1m losses), out of which PLN 3.1m losses on rubble and hryvna (4Q17: PLN 13.0m losses), PLN 3.8m losses on US$ (4Q17: PLN 6.3m losses) and PLN 3.0m losses on other currencies (EUR, RON, HUF, CZK).

2018 other operating and net financial lines

LPP

OTHER OPERATING ACTIVITY

PLN m	2017	2018
OTHER OPERATING REVENUES	**28.6**	**35.6**
Inventory excess	13.4	21.3
Gain on sale of assets. write-ups	6.5	1.7
OTHER OPERATING COSTS	**77.4**	**148.2**
Write-offs	2.2	45.1
Inventory losses	55.5	66.9
Donations and other	13.3	12.6
OTHER OPERATING ACTIVITY	**-48.7**	**-112.5**

Higher level of other operating expenses results from write-offs for unprofitable stores, write-offs for outlets and stores to-be-closed in 2019 and write-offs for receivables made in 4Q18.

NET FINANCIAL ACTIVITY

PLN m	2017	2018
FINANCIAL REVENUES	**4.8**	**8.4**
FX gains	0.0	0.0
Interest	4.5	8.1
FINANCIAL COSTS	**19.5**	**41.3**
FX losses	4.3	22.8
Interest	12.3	15.0
Fees and charges	2.9	3.6
NET FINANCIAL ACTIVITIES	**-14.8**	**-32.9**

PLN 22.8m of FX losses (2017: PLN 4.3m losses), out of which PLN 27.7m losses on rubble and hryvnia (2017: PLN 22.0m losses), PLN 11.5m gains on US$ (2017: PLN 16.4m gains) and PLN 6.6m losses on other currencies (EUR, RON, HUF, CZK).

Historical quarterly results

LPP

PLN m	1Q17	1Q18	2Q17	2Q18	3Q17	3Q18	4Q17	4Q18	YoY
Revenues	**1,362.3**	**1,580.4**	**1,705.4**	**2,049.7**	**1,812.8**	**2,043.9**	**2,148.9**	**2,372.7**	**10.4%**
Gross profit on sales	620.6	712.8	970.9	1,224.5	888.6	1,043.4	1,247.0	1,420.6	13.9%
Gross profit margin	*45.6%*	*45.1%*	*56.9%*	*59.7%*	*49.0%*	*51.0%*	*58.0%*	*59.9%*	*1.9pp.*
SG&A costs	719.2	820.5	743.8	891.6	775.0	898.8	861.9	921.3	6.9%
Other operating line	-10.4	-10.1	-19.5	-21.1	-10.5	-15.4	-8.4	-66.0	
EBIT	**-109.0**	**-117.7**	**207.6**	**311.8**	**103.1**	**129.2**	**376.7**	**433.3**	**15.0%**
EBIT margin	*-8.0%*	*-7.4%*	*12.2%*	*15.2%*	*5.7%*	*6.3%*	*17.5%*	*18.3%*	*0.8pp.*
Net financial activity	-2.5	14.5	1.4	-15.5	11.2	-19.2	-24.9	-12.7	
Pre-tax profit	-111.5	-103.2	209.0	296.3	114.3	110.0	351.9	420.6	19.5%
Tax	5.5	1.6	35.8	90.2	29.3	18.4	52.3	108.3	
Net income	**-117.0**	**-104.8**	**173.3**	**206.1**	**85.1**	**91.6**	**299.5**	**312.3**	**4.3%**
Net income margin	*-8.6%*	*-6.6%*	*10.2%*	*10.1%*	*4.7%*	*4.5%*	*13.9%*	*13.2%*	*-0.7pp.*

IFRS16 application details

ASSETS (PLN ths)

Right to use	2,926,806
Long-term fit-outs	141,980
Short-term fit-outs	34,963
Long-term key money	-45,843
Short-term key money	-6,296

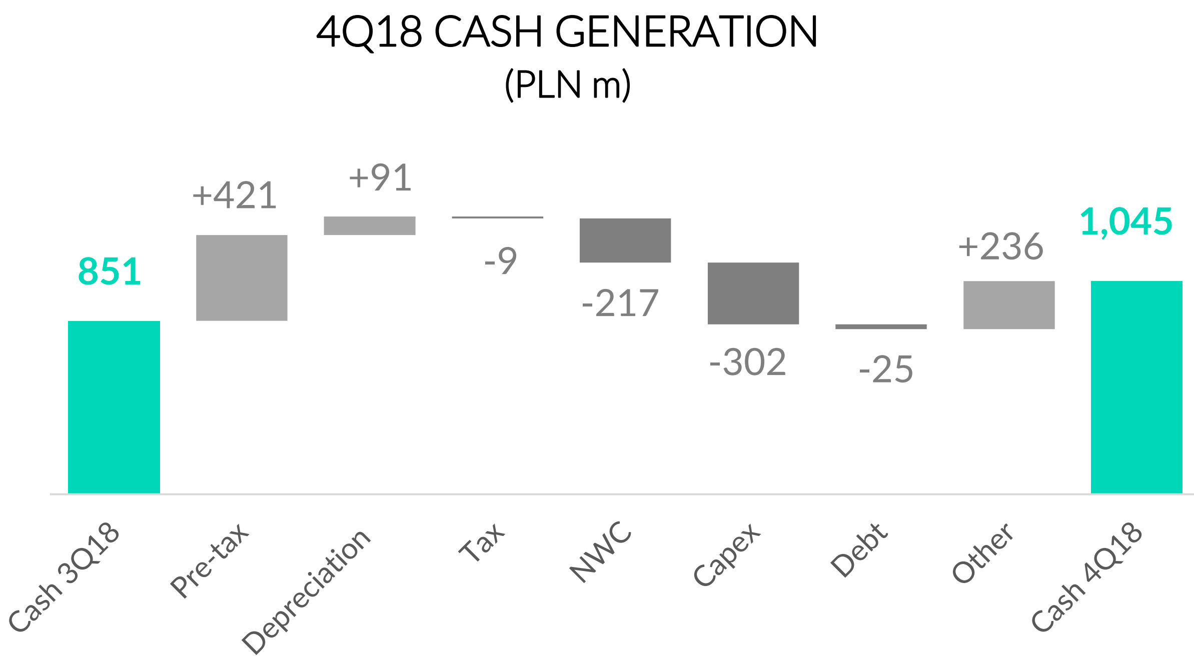
3,051,610

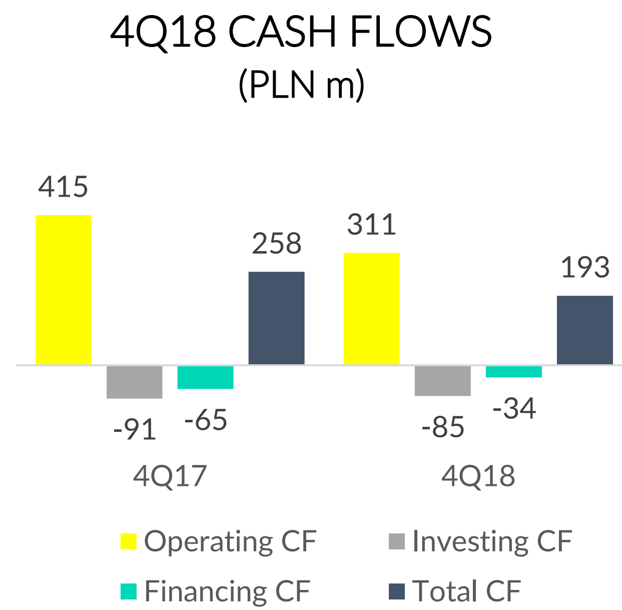
LIABILITIES & EQUITY (PLN ths)

Long-term liabilities	2,466,288
Current liabilities	585,322

3,051,610

Cash flows





- Operating cash flow → lower QoQ usage of the supply chain financing.
- Investing cash flow → higher YoY capex, net sale of money market funds.
- Financing cash flows → repayment of short-term debt.
- PLN 1.3bn in open credit lines used for letters of credits, guarantees and overdrafts.

Balance sheet increasingly strong

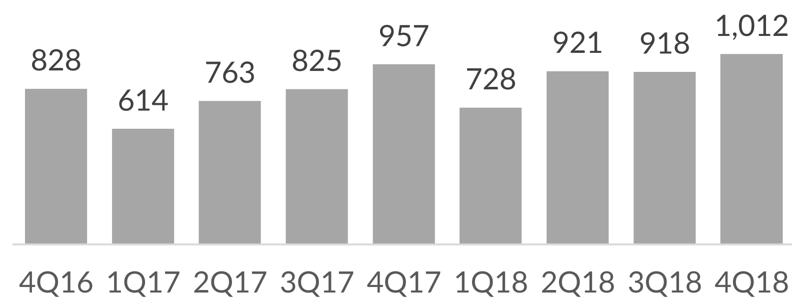
PLN m	31.12.2017	31.12.2018
Non-current assets	**2,041.4**	**2,417.8**
fixed assets	1,478.2	1,818.3
intangibles (inc. goodwill)	351.2	376.7
Current assets	**2,289.5**	**2,963.1**
inventory	1,475.2	1,590.4
trade receivables	199.6	156.3
cash and equivalents	514.8	1,045.0
Total assets	**4,330.8**	**5,380.8**
Equity	**2,443.4**	**2,860.5**
Long-term liabilities	**324.4**	**346.1**
interest bearing debt	141.8	88.6
Short-term liabilities	**1,563.0**	**2,174.1**
trade liabilities	1,325.3	1,557.4
interest bearing debt	56.5	203.2
Total liabilities	**4,330.8**	**5,380.8**

- YoY growth in fixed assets due to network development and investments in logistics.
- YoY growth intangibles due to investments in new concepts of five brands and and IT outlays.
- Higher YoY inventory due to floorspace development.
- YoY decrease in receivables results from the settlement of card transactions.
- Higher cash due to strong cash generation.
- YoY growth in trade payables due to supplier financing policy.
- YoY growth in the short-term debt due to taking loans by two subsidiaries.

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)

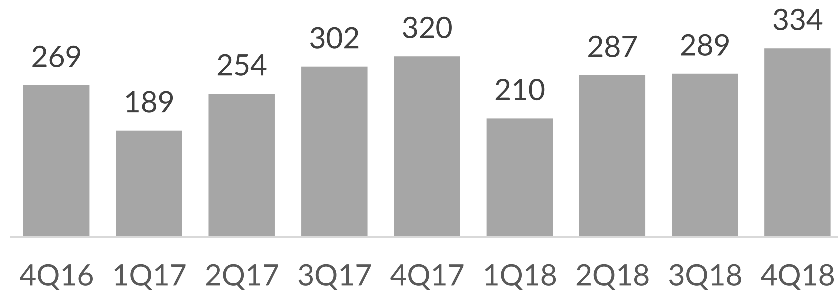


	4Q17	4Q18	YoY
Number of stores	468	464	-4
Floorspace (ths m2)	562.3	616.7	10%
Average store space (m2)	1 202	1 329	11%
Average monthly sales (PLN/m2)	599	571	-5%

CROPP

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

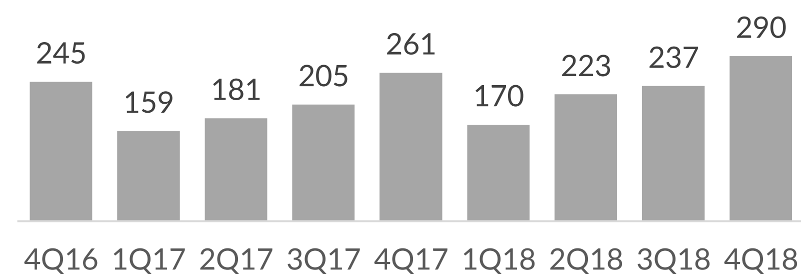
REVENUES
(PLN m)



	4Q17	4Q18	YoY
Number of stores	381	373	-8
Floorspace (ths m2)	127.2	134.0	5%
Average store space (m2)	334	359	8%
Average monthly sales (PLN/m2)	862	851	-1%

CUSTOMER	Teenagers (boys and girls) who like brave fashion choices.
YEAR OF LAUNCH	2001 (in LPP's Group since 4Q08).
BRAND CONCEPT	Optimistic fashion brand for everyone who follows the latest trends and wants to look good every day.
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).

REVENUES
(PLN m)



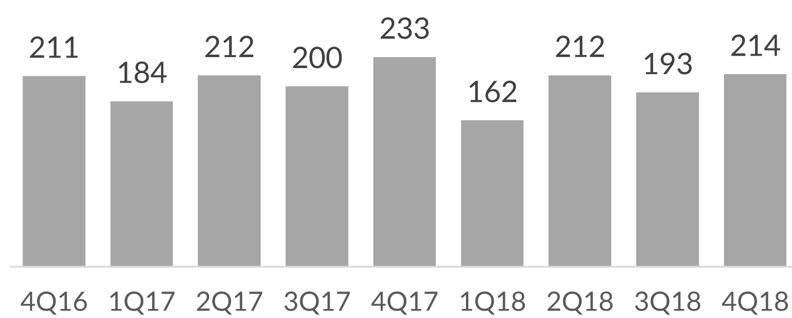
	4Q17	4Q18	YoY
Number of stores	333	332	-1
Floorspace (ths m2)	110.6	116.2	5%
Average store space (m2)	332	350	5%
Average monthly sales (PLN/m2)	807	849	5%

MOHITO

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)



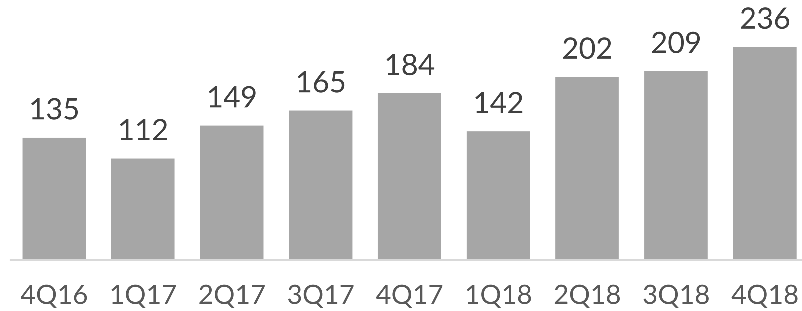
	4Q17	4Q18	YoY
Number of stores	294	296	+ 2
Floorspace (ths m2)	103.8	109.4	5%
Average store space (m2)	353	370	5%
Average monthly sales (PLN/m2)	770	660	-14%

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. In the past, Karolina Pisarek and Aleksandra Kowalska were the brand's faces.

REVENUES
(PLN m)



	4Q17	4Q18	YoY
Number of stores	233	272	+ 39
Floorspace (ths m2)	84.6	103.0	22%
Average store space (m2)	363	379	4%
Average monthly sales (PLN/m2)	770	791	3%

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. 5.4% 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.
Cash turnover cycle	Receivables (in days) plus inventories (in days) minus liabilities (in days). Calculations on average amounts of receivables, inventories and liabilities.

LPP

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