

# LPP SA: Results for 1Q2011

Warszaw, 11<sup>th</sup> May 2011

RESERVED

  
cropp

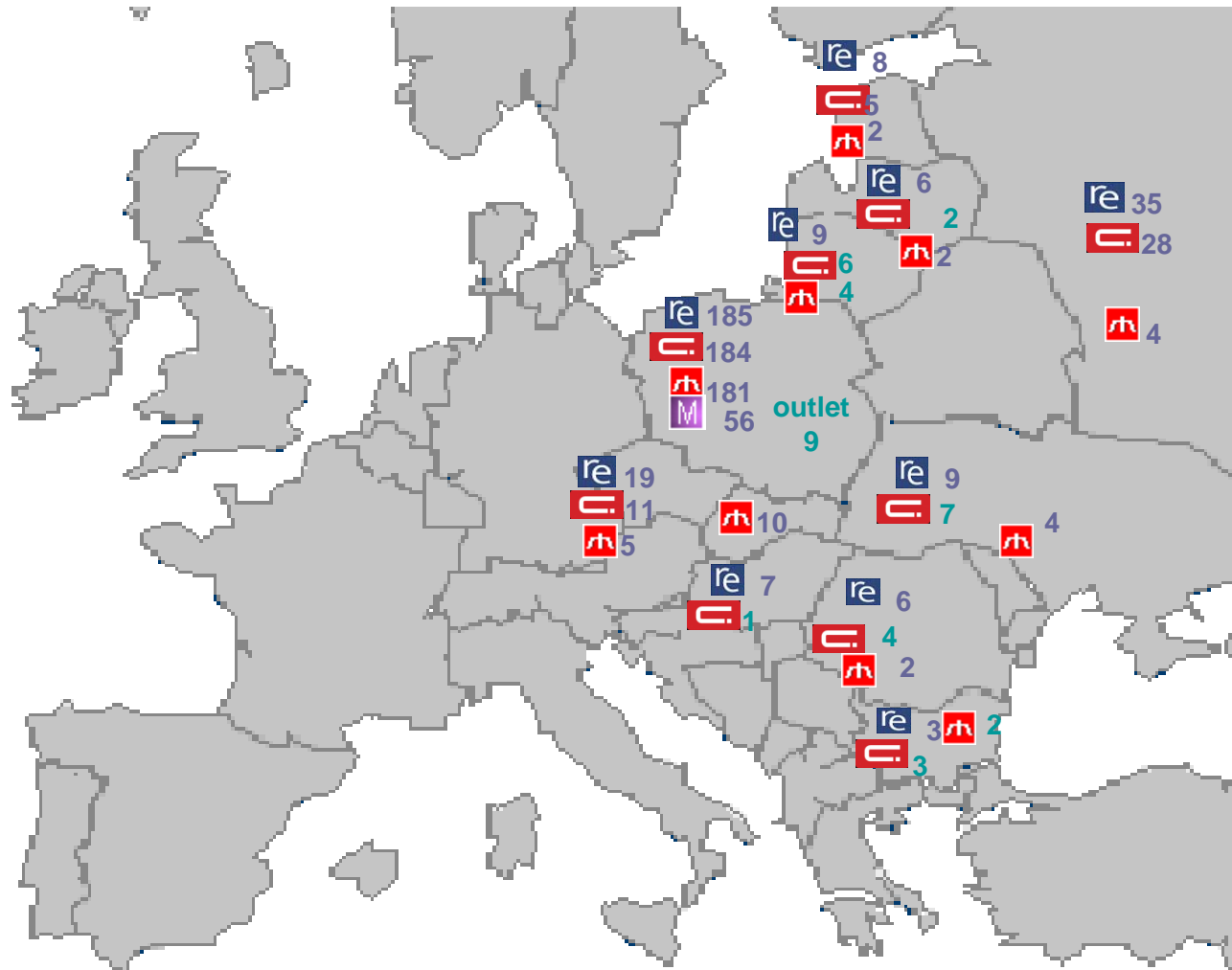
 house

M O H I T O

# Our brands are present in the whole CEE region

At the end of March 2011 LPP's retail sales network consists of 921 stores, including:

287 Reserved  
252 CROPP  
216 House  
56 Mohito



# Implementation of network development plan

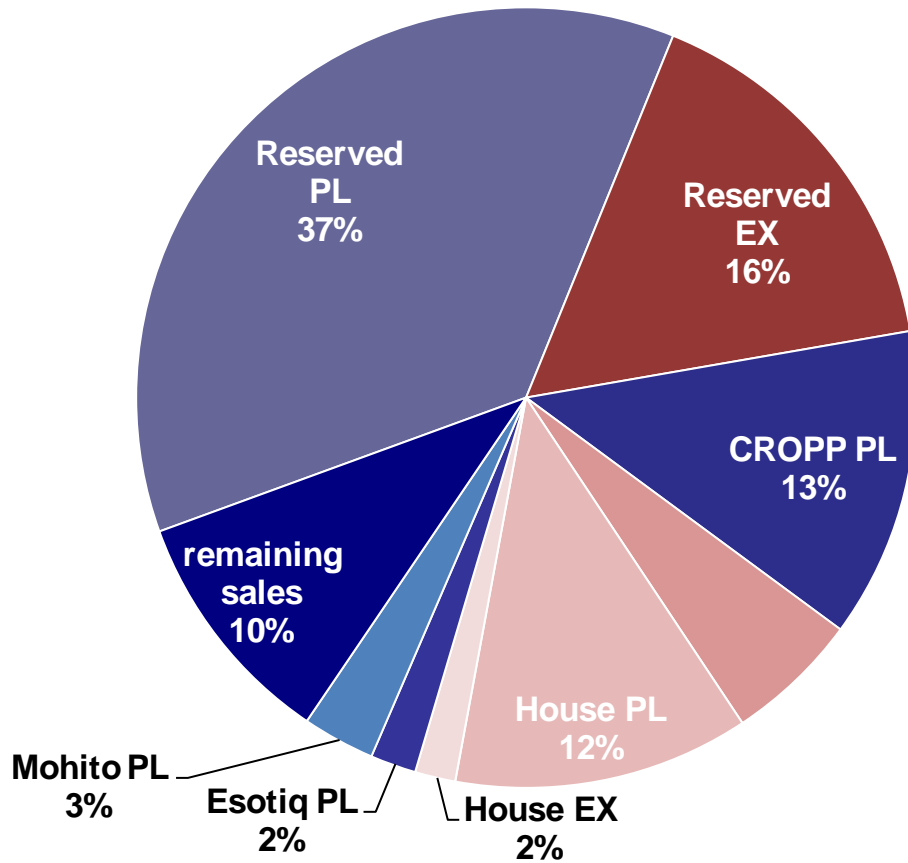
Area [000 sq.m]	31.03.2010	31.03.2011	Change
<b>Reserved</b>	<b>181,1</b>	<b>197,7</b>	<b>9%</b>
Poland	108,7	124,2	14%
UE	42,6	40,8	-4%
Russia and Ukraine	29,7	32,7	10%
<b>CROPP</b>	<b>51,4</b>	<b>55,9</b>	<b>9%</b>
Poland	35,0	37,9	8%
Abroad	16,4	18,0	10%
<b>ESOTIQ</b>	<b>6,8</b>	<b>-</b>	<b>-100%</b>
Poland	6,5	-	-100%
Abroad	0,3	-	-100%
<b>House</b>	<b>45,4</b>	<b>48,4</b>	<b>7%</b>
Poland	38,1	39,5	4%
Abroad	7,3	8,8	21%
<b>Mohito</b>	<b>9,9</b>	<b>10,0</b>	<b>1%</b>
Poland	9,9	10,0	1%
	-	-	-
outlet Poland	2,2	2,7	23%
<b>TOTAL</b>	<b>296,8</b>	<b>314,7</b>	<b>6%</b>

- The total area of sales network increased by 6% (by 17,9 thousand sq.m.) during last 12 months
- Avg sale area of brands in 1Q2011 was higher by 8% as compared to avg sale area in 1Q2010

*Excluding seasonal shops*

# Retail sales split by brands

2010

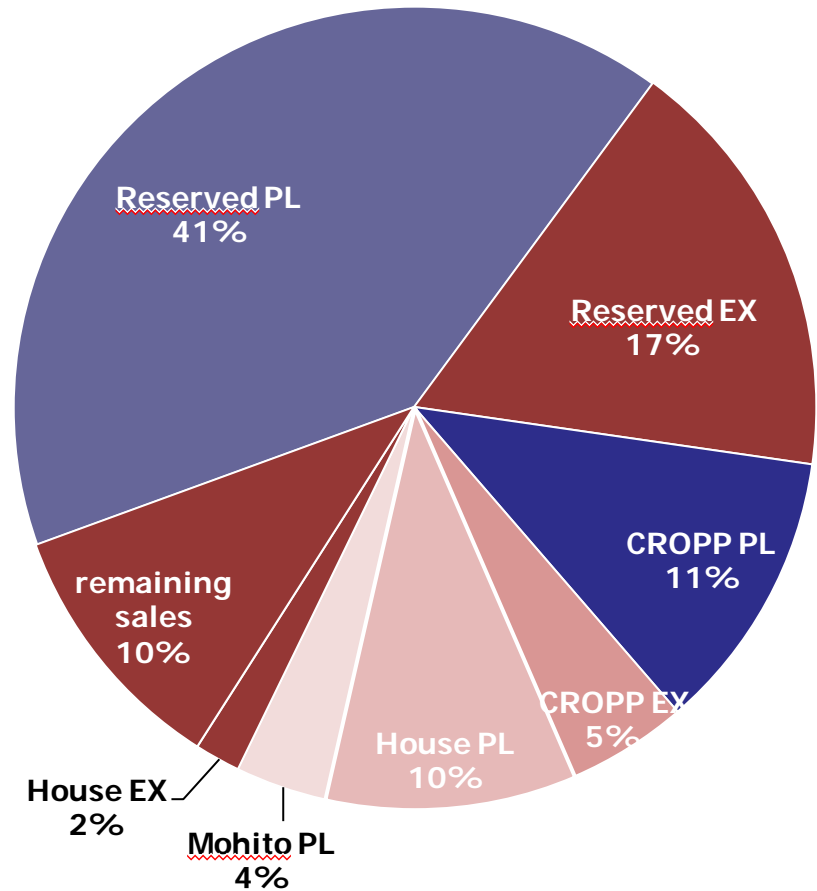


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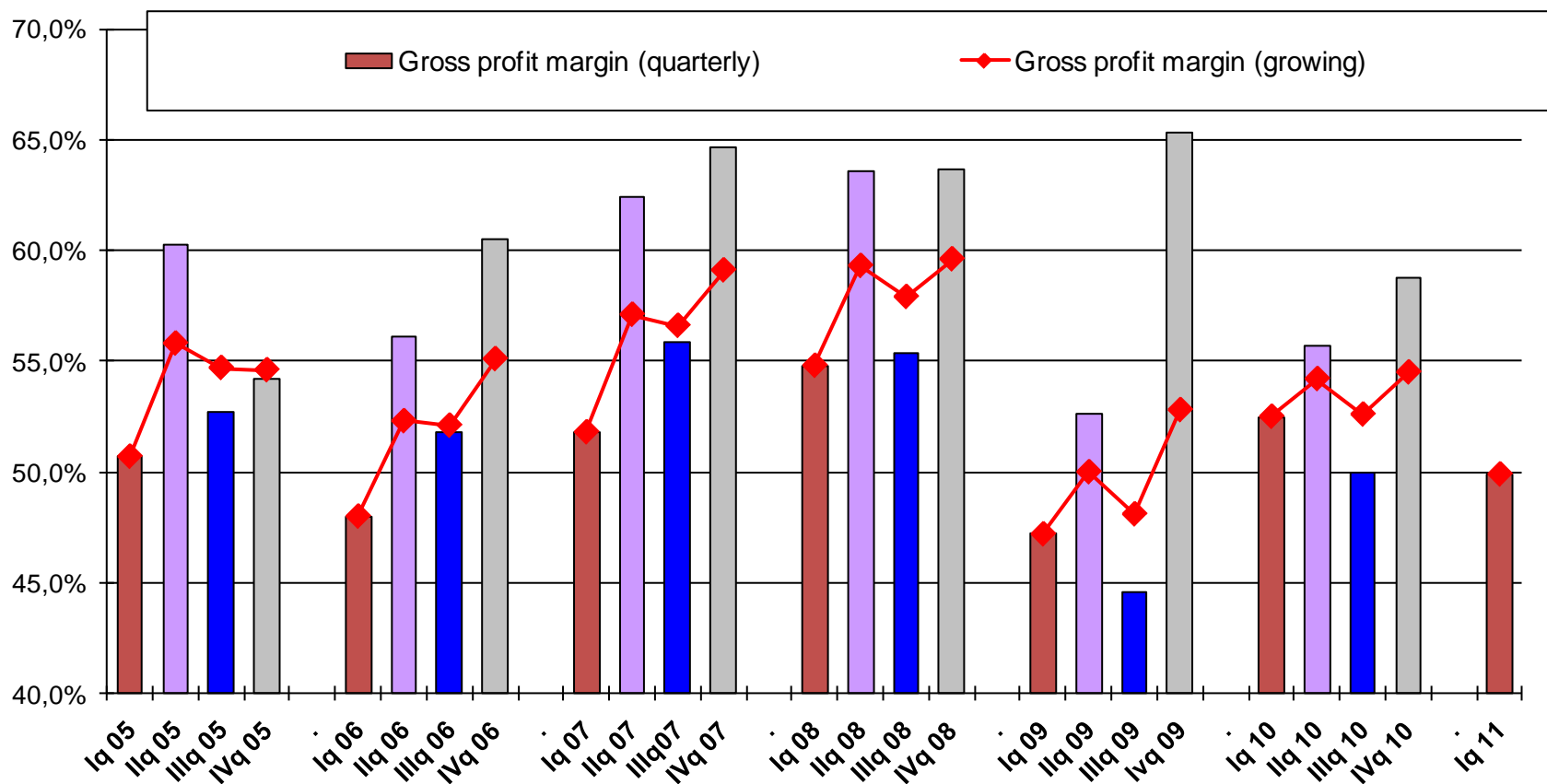


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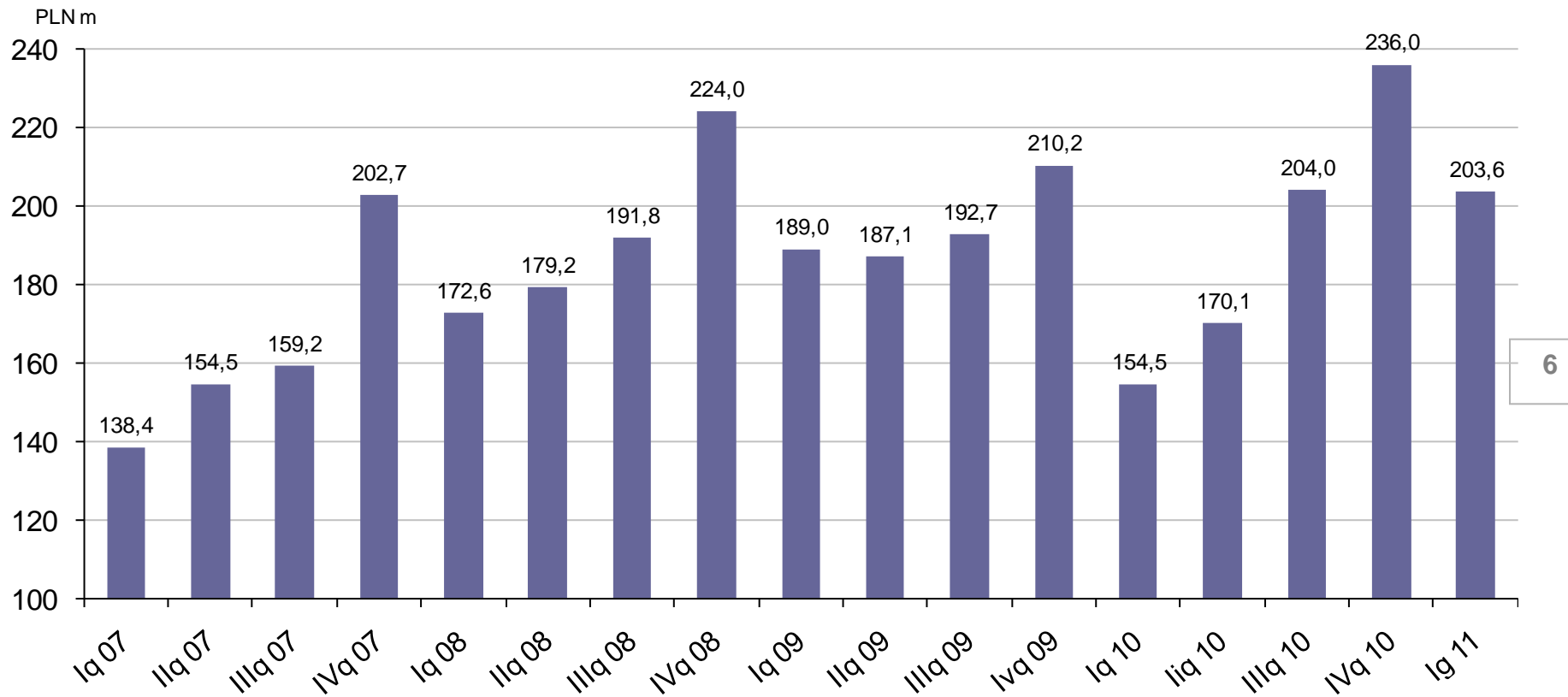
IQ2011



# Gross profit margin



# Sales of RESERVED brand in Poland

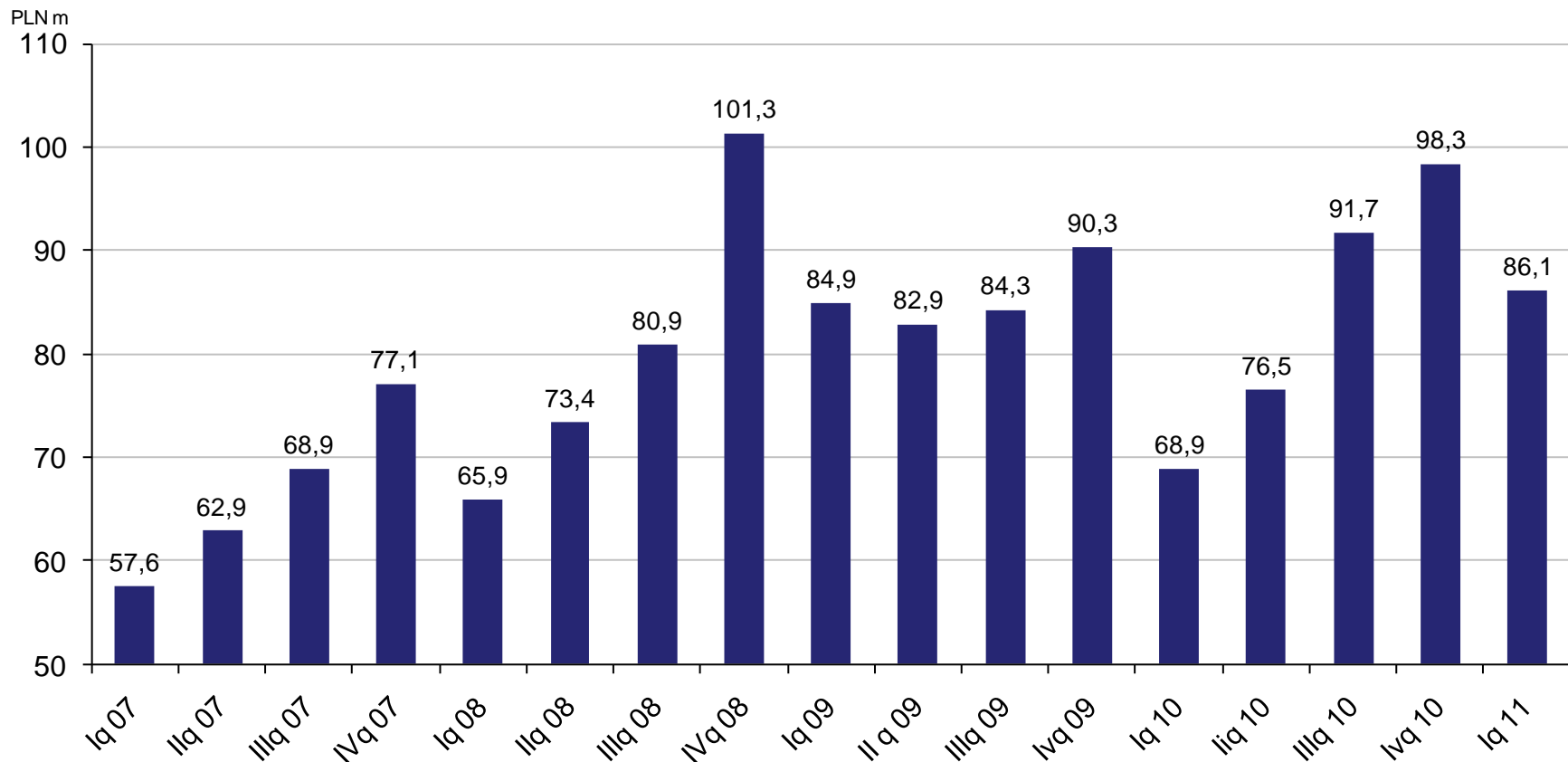


RESERVED

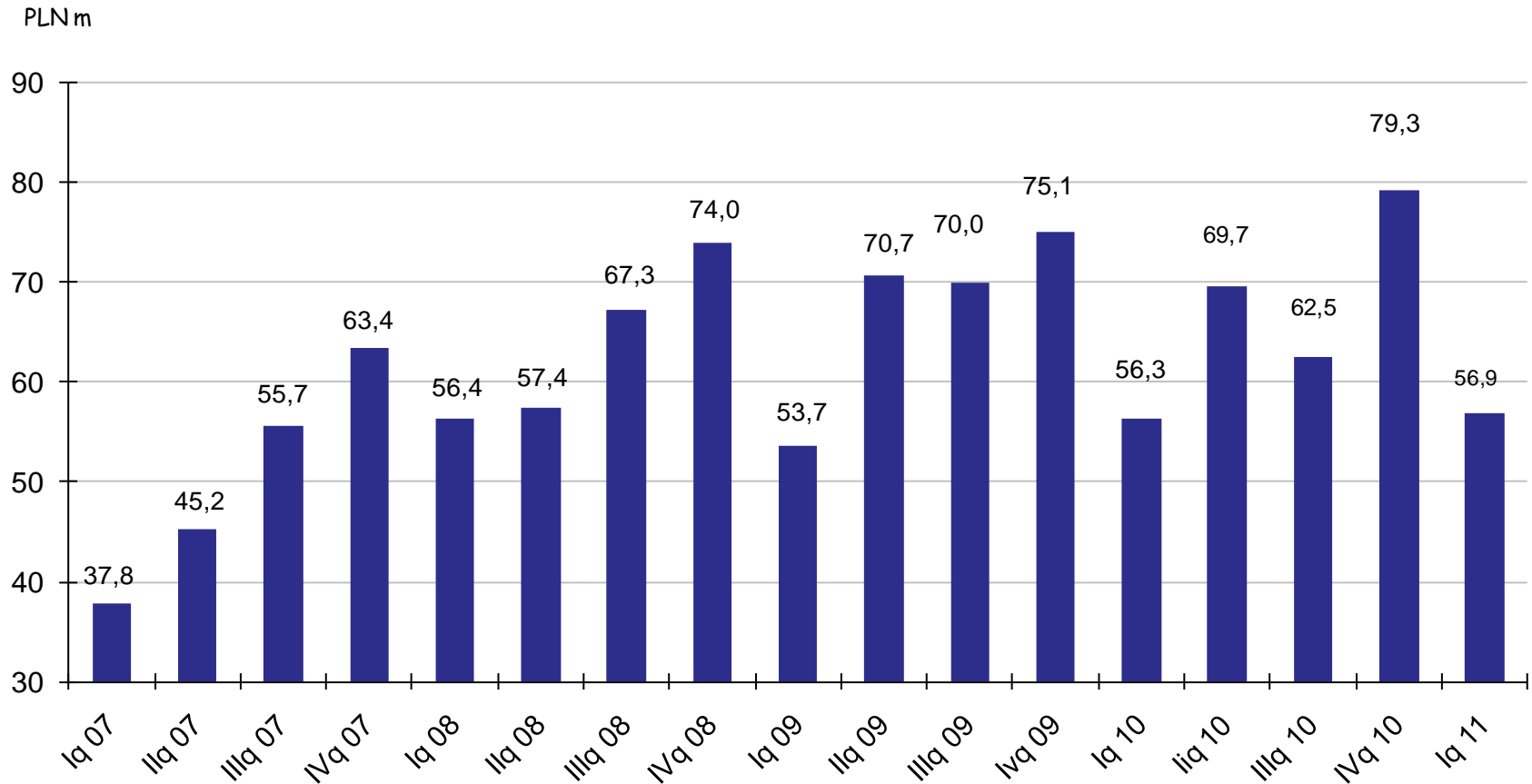


M O H I T O

# Sales of RESERVED brand abroad

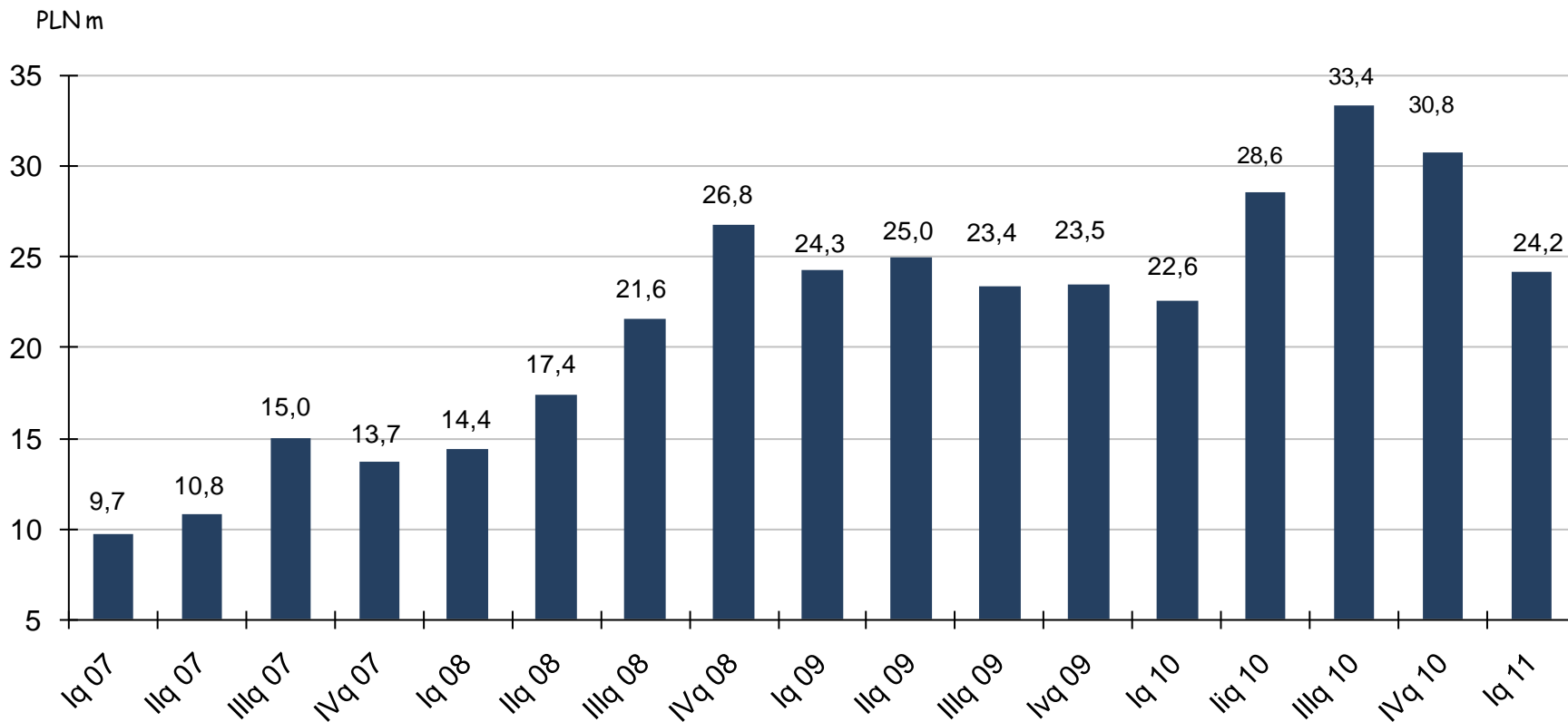


# Sales of CROPP brand in Poland

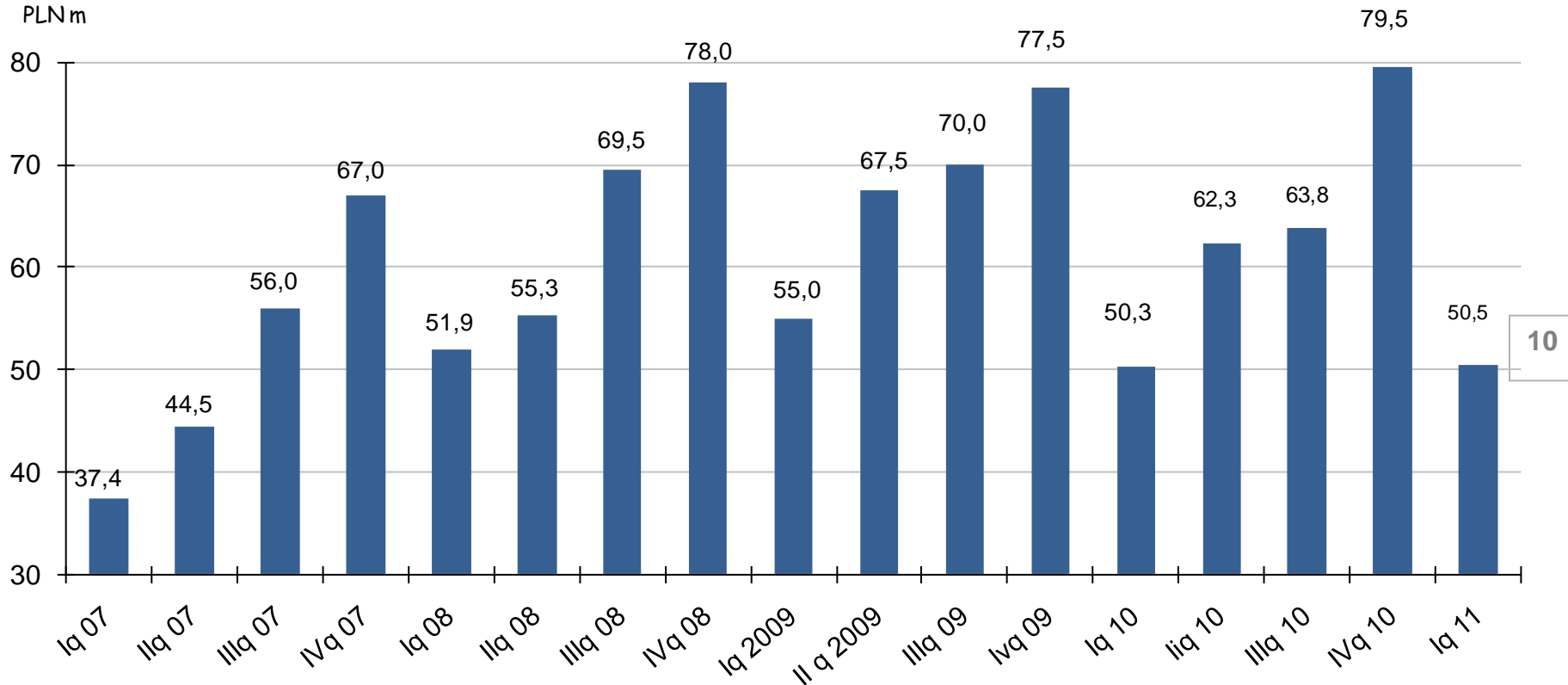




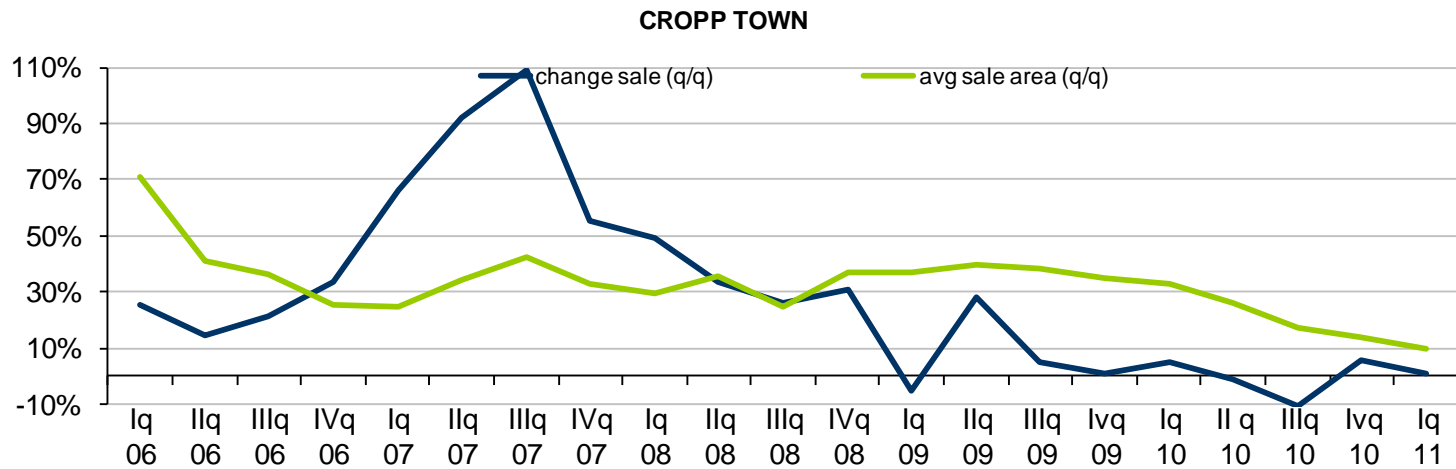
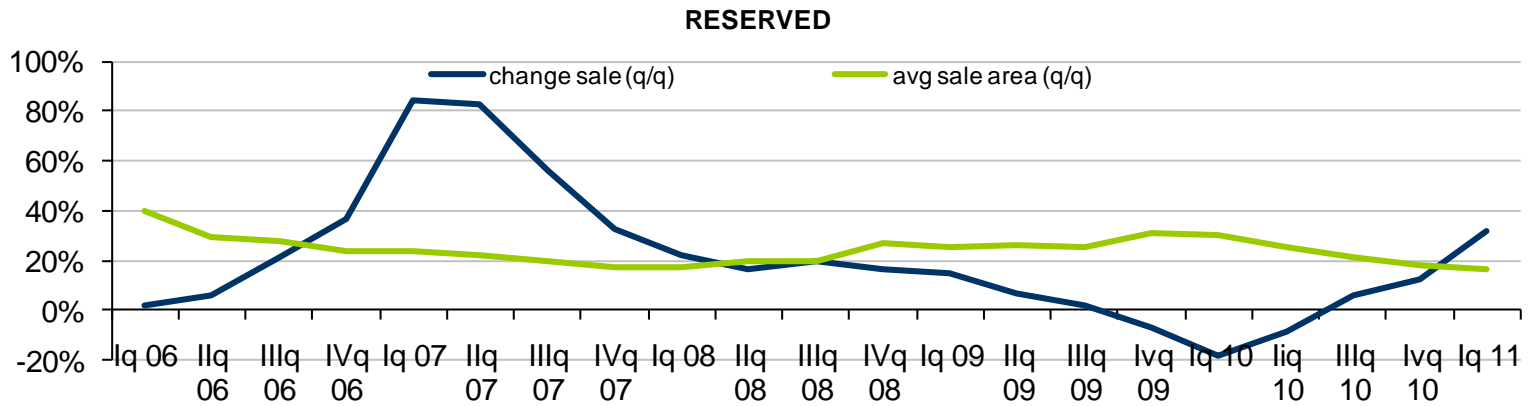
# Sales of CROPP brand abroad



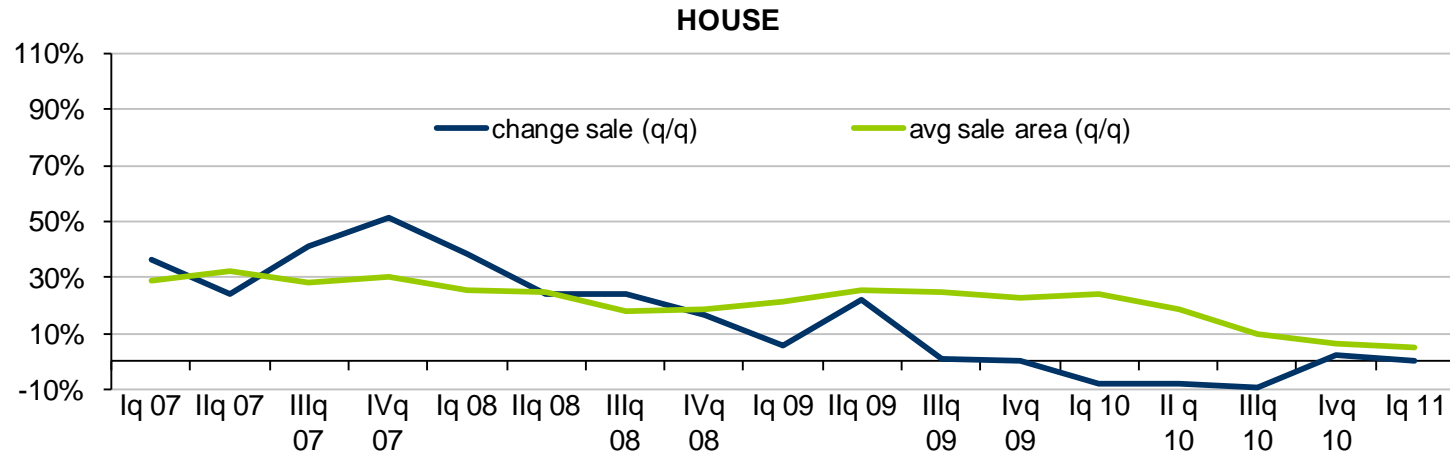
# Sales of HOUSE brand in Poland



# The improvement in efficiency



# The improvement in efficiency



# Consolidated Profit and Loss Account 1Q 2011

Item [mln PLN]	IQ 2011	IQ 2010	Change [%]
<b>Revenues</b>	500,5	424,5	<b>18%</b>
COGS	251,0	201,8	24%
<b>Gross profit on sale</b>	<b>249,6</b>	<b>222,7</b>	<b>12%</b>
<i>Gross profit margin</i>	<i>49,9%</i>	<i>52,5%</i>	<i>-2,6 pp</i>
<b>(SG&amp;A)</b>	<b>237,3</b>	<b>213,0</b>	<b>11%</b>
<b>EBITDA</b>	<b>34,4</b>	<b>31,5</b>	<b>9%</b>
<i>EBITDA margin</i>	<i>6,9%</i>	<i>7,4%</i>	<i>-0,5 pp</i>
<b>EBIT</b>	<b>10,8</b>	<b>8,5</b>	<b>27%</b>
<i>EBIT margin</i>	<i>2,2%</i>	<i>2,0%</i>	<i>0,2 pp</i>
<b>Net profit</b>	<b>14,1</b>	<b>-4,8</b>	<b>-394%</b>
<i>Net margin</i>	<i>2,8%</i>	<i>-1,1%</i>	<i>3,9 pp</i>

13

# Consolidated balance sheet

[mln PLN]	31 March 2011	31 December 2010	31 March 2010
<u>Long-term assets, of which:</u>	<u>707,6</u>	<u>712,6</u>	<u>748,6</u>
- <b>intangible fixed assets</b>	<b>271,7</b>	<b>272,2</b>	<b>272,9</b>
- <b>tangible assets</b>	<b>418,9</b>	<b>422,5</b>	<b>440,3</b>
<u>Current assets, of which:</u>	<u>650,5</u>	<u>716,4</u>	<u>587,4</u>
- <b>inventories</b>	<b>420,3</b>	<b>424,4</b>	<b>334,3</b>
- <b>short-term receivables</b>	<b>94,6</b>	<b>95,7</b>	<b>73,6</b>
- <b>cash and cash equivalents</b>	<b>94,4</b>	<b>166,0</b>	<b>147,4</b>
Total assets	1358,0	1 429,0	1 336,0
<u>Shareholders' equity, of which:</u>	<u>765,3</u>	<u>736,6</u>	<u>681,7</u>
- <b>share capital</b>	<b>3,5</b>	<b>3,5</b>	<b>3,5</b>
- <b>net profit</b>	<b>14,1</b>	<b>139,1</b>	<b>-4,8</b>
<u>Long-term payables, of which:</u>	<u>262,5</u>	<u>281,2</u>	<u>343,7</u>
- <b>bank credits and loans</b>	<b>153,3</b>	<b>156,1</b>	<b>224,2</b>
- <b>bonds</b>	<b>105,6</b>	<b>121,5</b>	<b>115,5</b>
<u>Short-term payables, of which:</u>	<u>330,2</u>	<u>411,2</u>	<u>310,6</u>
- <b>deliveries and services liabilities</b>	<b>228,7</b>	<b>312,7</b>	<b>222,9</b>
- <b>bank credits and loans</b>	<b>92,9</b>	<b>86,6</b>	<b>76,9</b>
Total liabilities & equity	1358,0	1 429,0	1 336,0

# There is a room for further growth

Area ['000 sq.m.]	31.12.2009	31.12.2010	31.12.2011
<b>Reserved</b>	<b>176,5</b>	<b>198,4</b>	<b>218,5</b>
<b>Poland</b>	<b>106,6</b>	<b>124,3</b>	<b>137,2</b>
<b>UE</b>	<b>41,7</b>	<b>41,6</b>	<b>39,4</b>
<b>Russia and Ukraine</b>	<b>28,2</b>	<b>32,5</b>	<b>41,9</b>
<b>CROPP</b>	<b>50,1</b>	<b>56,1</b>	<b>61,1</b>
<b>Poland</b>	<b>34,3</b>	<b>38,2</b>	<b>40,8</b>
<b>abroad</b>	<b>15,8</b>	<b>17,9</b>	<b>20,3</b>
<b>ESOTIQ</b>	<b>6,7</b>	<b>7,1</b>	<b>0</b>
<b>Poland</b>	<b>6,3</b>	<b>7,0</b>	<b>0</b>
<b>abroad</b>	<b>0,3</b>	<b>0,1</b>	<b>0</b>
<b>House</b>	<b>43,3</b>	<b>48,2</b>	<b>54,7</b>
<b>Poland</b>	<b>37,4</b>	<b>39,5</b>	<b>43,4</b>
<b>abroad</b>	<b>6,0</b>	<b>8,8</b>	<b>11,3</b>
<b>Mohito</b>	<b>9,4</b>	<b>10,1</b>	<b>11,0</b>
<b>Poland</b>	<b>9,4</b>	<b>10,1</b>	<b>11,0</b>
<b>abroad</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sales</b>	<b>2,2</b>	<b>2,7</b>	<b>3,6</b>
<b>TOTAL</b>	<b>288,2</b>	<b>322,7</b>	<b>349,0</b>

- The increase in the surface of stores in 2011 is estimated at 26 thousand m<sup>2</sup>

- The value of investments in network development will reach 60 PLN m

15

Excluding seasonal shops

RESERVED



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