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**Selected preliminary consolidated financial data of LPP Capital Group for the second quarter and first half of 2017**

The Management Board of LPP SA hereby announces selected preliminary consolidated financial data of LPP SA Capital Group:

1) for the second quarter of 2017:

- Sales revenues: PLN 1,705 million,
- Gross profit on sales: PLN 964 million,
- SG&A costs: PLN 742 million,
- Operating profit (EBIT): PLN 208 million,
- Net profit: PLN 173 million

2) for period from 01.01.2017 till 30.06.2017:

- Sales revenues: PLN 3,068 million,
- Gross profit on sales: PLN 1,585 million,
- SG&A costs: PLN 1,461 million,
- Operating profit (EBIT): PLN 99 million,
- Net profit: PLN 56 million

Selected balance sheet data as at 30.06.2017:

- Inventories: PLN 1,480 million (approx. PLN 1,617/m2)
- Loan liabilities: PLN 424 million
- Cash: PLN 436 million

The increase in sales revenue in the second quarter of 2017 was 13% compared with the same period last year, in the first half of 2017: 15%.

Sales in comparable stores (LFL) in local currencies in the second quarter of 2017 increased by 6.2%, and cumulatively for the first half of 2017 by 5.5%.

Trade margin in the second quarter was 56.5% and was higher by 6.6 pp year-on-year, and in the first half of 2017 was 51.7% - higher by 3.4 pp year-on-year.

Operating profit for the second quarter of 2017 amounted to PLN 208 million - higher by 140% year-on-year, in first half of 2017 amounted to PLN 99 million - higher by 340% year-on-year.

The balance of financial income and expenses in the second quarter of 2017 and in the first half of 2017 was negative and amounted to respectively: PLN 5 million and PLN 7 million.

In the second quarter of 2017 LPP Capital Group recorded a net profit of PLN 173 million, for period from 01.01.2017 till 30.06.2017 net profit of PLN 56 million.

The calculations of these data have been made according to the current knowledge of the Management Board.

Please also note that a detailed financial report will be published on 30th August 2017 after the verification of all data by the auditor.

Art. 17 paragraph 1 of the MAR – confidential information

Signatures: Przemysław Lutkiewicz – Vice President of the Management Board Jacek Kujawa - Vice President of the Management Board
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