

Gdańsk, 27 April 2012

Dear

Krzysztof Fąferek

Member of the Supervisory Board of LPP S.A.

Invitation to the meeting of the Supervisory Board of LPP S.A.

Dear Sir!

We are pleased to announce that on 8 May 2012 at the registered office of LPP S.A. in Gdańsk at ul. Łąkowa 39/44 at 10:00, the meeting of the Supervisory Board of LPP S.A. will be held with the following agenda:

1. Opening of the meeting of the Supervisory Board, arriving at an agreement as to whether the meeting has been convened in a proper manner, drawing up the list of attendance.
2. Assessment of the Company's separate financial statement for the fiscal year 2011 and the Management Board's report on the Company's business in the fiscal year 2011 in terms of their compliance with the underlying accounts and documents as well as the actual state of affairs.
3. Assessment of the consolidated financial statement of LPP S.A. Capital Group for the fiscal year 2011 and the Management Board's report on the Company's business in the fiscal year 2011 in terms of their compliance with the underlying accounts and documents as well as the actual state of affairs.
4. Adoption of a resolution on the examination of the Management Board's proposed distribution of profit generated by the Company in the financial year 2011.
5. Adoption of a resolution regarding the comprehensive assessment of the Company's standing in 2011, including in particular (i) the assessment of the financial reporting process, (ii) the assessment of the internal control system, risk management system, (iii) the assessment of the performance of financial audit, (iv) the assessment of the independence of a chartered auditor carrying out the audit of the financial statement of the Company and LPP S.A. Capital Group and (v) the Supervisory Board's own assessment of its performance.
6. Adoption of the report on the performance by the Supervisory Board of the duties of the Audit Committee in 2011.
7. Adoption of a resolution on the approval of the Supervisory Board's report on its activity in 2011.

8. Consideration of the Management Board's request of 27.04.2012 for consideration and formulation of an opinion of the Supervisory Board on the matters to be considered at the General Meeting on 25 June 2012 and adoption of an appropriate resolution in this regard.
9. Adoption of a resolution to: (i) determine the total number of warrants to be issued in 2012 under the incentive scheme, (ii) determine the number of warrants to be issued in 2012 to eligible individuals under the incentive scheme.
10. Closing of the meeting.

Please find enclosed:

1. Separate financial statement of the Company for the fiscal year 2011;
2. Consolidated financial statement of LPP S.A. Capital Group for the fiscal year 2011,
3. The Management Board's report on the Company's business in the fiscal year 2011, and the Management Board's report on LPP S.A. Capital Group business in the fiscal year 2011,
4. Auditor's report and opinion on the financial statement for the fiscal year 2011,
5. Resolution of the Management Board on the convening of the Annual General Meeting on 25 June 2012,
6. Resolution of the Management Board on the distribution of profit generated by the Company in the fiscal year 2011.
7. Draft resolutions of the Supervisory Board:
 - a) on the assessment of the Company's financial statement and the Management Board's report for the fiscal year 2011,
 - b) on the assessment of the consolidated financial statement of the LPP S.A. Capital Group for the fiscal year 2011, and the Management Board's report on LPP S.A. Capital Group business in the fiscal year 2011,
 - c) on the examination of the Management Board's proposed distribution of the Company's profit earned in the fiscal year 2011,
 - d) on the adoption of the Supervisory Board's opinion on the matters to be considered by the Annual General Meeting on 25 June 2012,
 - e) on the comprehensive assessment of the Company's standing in 2011, including in particular (i) the assessment of the financial reporting process, (ii) the assessment of the internal control system, risk management system, (iii) the assessment of the performance of the financial audit, (iv) the assessment of the independence of a chartered auditor carrying out the audit of the financial statement of the Company

and LPP SA Capital Group and (v) the Supervisory Board's own assessment of its performance.

- f) on the adoption of the report on the performance by the Supervisory Board of the duties of the Audit Committee in 2011,
- g) on the adoption of a resolution on approval of the Supervisory Board's report on its activity in 2011,
- h) on: (i) the determination of the total number of warrants to be issued in 2012 under the incentive scheme, (ii) determination of the number of warrants to be issued in 2012 to eligible individuals under the incentive scheme.

Chairman of the Supervisory Board of LPP S.A.

Jerzy Lubianiec

**Resolution of the Supervisory Board of LPP S.A.
of 8 May 2012**

on the assessment of the Company's financial statement and the Management Board's report for the fiscal year 2011

"I. The Supervisory Board having reviewed:

1. the financial statement of LPP S.A. for the fiscal year 2011
2. the LPP S.A. Management Board's report on the Company's business in the fiscal year 2011,
3. the Management Board's proposed distribution of the Company's net profit generated in the fiscal year 2011, the auditor's opinion and report on the Company's financial statement for the fiscal year 2011,

states the following:

II. In the opinion of the Supervisory Board:

1. the Company's financial statement for the fiscal year 2011 is complete, accurate and contains data, which exhaustively present the Company's position;
2. the Management Board's report on the Company's business is complete, accurate and contains data, which exhaustively present the Company's position.

III. The Supervisory Board recommends to the General Meeting adoption of a resolution approving the financial statement of LPP S.A. for the fiscal year 2011 and the Management Board's report on the Company's business in the fiscal year 2011."

**Resolution of the Supervisory Board of LPP S.A.
of 8 May 2012**

on the assessment of the consolidated financial statement of LPP S.A. Capital Group for the fiscal year 2011, and of the Management Board's report on LPP S.A. Capital Group business in the fiscal year 2011

"I. The Supervisory Board, having reviewed:

1. the consolidated financial statement of LPP S.A. Capital Group for the fiscal year 2011 finds that the report is complete, accurate and contains data, which exhaustively present the standing of LPP S.A. Capital Group,

2. the Management Board's report on LPP S.A. Capital Group business in the fiscal year 2011

states as follows:

III. In the opinion of the Supervisory Board:

1. the consolidated financial statement of LPP S.A. Capital Group for the fiscal year 2011 is complete, accurate and contains data, which exhaustively present the standing of LPP S.A. Capital Group;
2. the Management Board's report on LPP S.A. Capital Group business in the fiscal year 2011 is complete, accurate and contains data, which exhaustively present the standing of LPP S.A. Capital Group.

III. The Supervisory Board recommends that a resolution approving the consolidated financial statement of LPP S.A. Capital Group for the fiscal year 2011 and the Management Board's report on LPP S.A. Capital Group business in the fiscal year 2011 be adopted by the Annual General Meeting."

**Resolution of the Supervisory Board of LPP S.A.
of 8 May 2012**

on the examination of the Management Board's resolution on the distribution of profit generated by the Company in the financial year 2011.

"The Supervisory Board recommends that a resolution on the allocation of the Company's net profit earned in the fiscal year 2011 of PLN 234,991,255.33 (two hundred thirty four million nine hundred and ninety one thousand two hundred and fifty five zloty 33/100) and undistributed net income for the year 2010 in the amount of PLN 8,015.04 be adopted by the Annual General Meeting of LPP S.A., as proposed by the Management Board in the Management Board's resolution of 27 April 2012, namely:

- a) to use the Company's net profit in the amount of PLN 3,697,891.80 (three million six hundred ninety seven thousand eight hundred ninety one zloty 80/100) to cover losses from previous years,
- b) to distribute the amount of PLN 140,000,326.00 (one hundred forty million three hundred twenty six zloty) among the shareholders as a dividend,
- c) to exclude the amount of PLN 91,301,052.57 (ninety one million three hundred one thousand fifty two zloty 57/100) from distribution among the shareholders and transfer to the Company's reserve capital.

In addition, the Supervisory Board issues a positive opinion of the Management Board's request to establish the dividend record day on 5 September 2012 and the dividend payment date on 25 September 2012."

**Resolution of the Supervisory Board of LPP S.A.
of 8 May 2012**

on the adoption of the opinion of the Supervisory Board on the matters to be considered by the
Annual General Meeting on 25 June 2012

"OPINION

of the Supervisory Board of LPP S.A. on the matters to be considered by the Annual General Meeting
at its session on 25 June 2012

The Supervisory Board of LPP S.A., having reviewed the Management Board's request of 27 April 2012 for issuing the opinion by the Supervisory Board on the matters to be considered by the Annual General Meeting at its session on 25 June 2012, finds that the agenda of the Annual General Meeting convened on 25 June 2012 proposed by the Management Board in the resolution of 27 April 2012 is consistent with the Company's Articles of Association and its internal regulations and, therefore, the Supervisory Board declares that:

1. Points 1 to 4 of the proposed agenda are of a formal nature and are necessary for the proper organisation of the Annual General Meeting.
2. Point 5 of the proposed agenda results from the Company's applicable internal regulations, in particular from the By-Laws of the Annual General Meeting and the By-Laws of the Supervisory Board, and Corporate Governance adopted by the Company.
3. Point 6 of the proposed agenda - the Supervisory Board recommends that the resolution on the approval of the Management Board's report on the Company's business in the fiscal year 2011 and the Management Board's report on LPP S.A. Capital Group business in the fiscal year 2011 be adopted by the Annual General Meeting.
4. Point 7 of the proposed agenda - the Supervisory Board recommends that the resolution on the approval of the Supervisory Board's report on its activities in 2011 be adopted by the Annual General Meeting.
5. Point 8 of the proposed agenda - the Supervisory Board recommends that the resolution on the approval of the Company's financial statement for the fiscal year 2011 be adopted by the Annual General Meeting.
6. Point 9 of the proposed agenda - the Supervisory Board recommends that the resolution on the approval of the consolidated financial statement of LPP S.A. Capital Group for the fiscal year 2011 be adopted by the Annual General Meeting.
7. Point 10 of the proposed agenda - the Supervisory Board recommends that the resolution to discharge the members of the Management Board for due performance of their duties in the fiscal year 2011 be adopted by the Annual General Meeting.
8. Point 11 of the proposed agenda - the Supervisory Board recommends that the resolution to discharge the members of the Supervisory Board for due performance of their duties in the fiscal year 2011 be adopted by the Annual General Meeting.

9. Point 12 of the proposed agenda - the Supervisory Board recommends that the resolution on excluding from distribution the Company's net profit generated in 2011 be adopted by the Annual General Meeting in accordance with the Management Board's request of 27 April 2012 as it serves the best interests of the Company's shareholders.
10. Point 13 of the proposed agenda - is of a formal nature and is necessary for the proper organisation of the Annual General Meeting."

**Resolution of the Supervisory Board of LPP S.A.
of 8 May 2012**

regarding the comprehensive assessment of the Company's standing in 2011, containing in particular (i) the assessment of the financial reporting process, (ii) the assessment of the internal control system, risk management system, (iii) the assessment of the performance of the financial audit, (iv) the assessment of the independence of a chartered auditor carrying out the audit of the financial statement of the Company and LPP S.A. Capital Group and (v) and own assessment of Supervisory Board operations.

"In 2010, the Company achieved very good results, both in relation to revenue and profits.

The Company opened new retail stores under Reserved, CroppTown, House and Mohito brands, significantly increasing the selling area of the retail stores managed by LPP S.A.

LPP subsidiaries opened additional Reserved, CroppTown and House retail stores in the countries where they operate, increasing the selling area.

The Supervisory Board finds that the overall Company's standing in 2011 was very good.

In 2011, the Company finalised the agreement for the sale of Esotiq brand.

In 2011, the Company began developing a new brand. According to the schedule adopted by the Company, the first stores offering a new clothing brand are to be opened on 1 March 2013.

The Supervisory Board believes that there are no premises that can provide a real threat to the Company's further operation.

The Supervisory Board examined the financial reporting process of LPP S.A. According to the assessment of the Supervisory Board, the financial reporting process of LPP S.A. is in compliance with legal requirements and meets the relevant functional needs.

The Supervisory Board examined the internal control and risk management systems at LPP S.A. According to the assessment of the Supervisory Board, the internal control and risk management systems operating at LPP S.A. meet the relevant functional needs.

The Supervisory Board took note of the results of checks carried out by the Company's internal auditor. The reports did not show any significant threats to the Company's operations.

The Supervisory Board examined the financial audit performance in LPP S.A. According to the assessment of the Supervisory Board, the financial audit carried out at LPP S.A. complied with legal requirements and the relevant functional needs.

The Supervisory Board assessed the independence of the auditor examining the financial statement of the Company and LPP S.A. Capital Group. According to the opinion of the Supervisory Board, the auditor examining the financial statement of the Company and LPP S.A. Capital Group meets the independence criteria described in the applicable provisions including in particular art. 56 of the Act of 7 May 2009 on certified auditors and their self-government, entities entitled to audit the financial reports and public supervision.

The Supervisory Board assessed its own performance. According to its own assessment, the Supervisory Board concludes that it has performed all the statutory and code-based obligations. In addition, the Supervisory Board analysed the Company's standing during its meetings and supported the Management Board's operations on an ongoing basis. Consequently, the Supervisory Board assessed positively its performance in the 2011.

The resolution of the Supervisory Board of LPP S.A. based in Gdańsk of 8 May 2011 on the adoption of the report on the performance by the Supervisory Board of LPP S.A. of the duties of the audit committee forms an Appendix to this resolution."

**Resolution of the Supervisory Board of LPP S.A.
of 8 May 2012**

on the adoption of the report on the performance by the Supervisory Board of the duties of the Audit Committee in 2011.

"The Supervisory Board of LPP S.A. based in Gdańsk decides to approve the report on the performance by the Supervisory Board of LPP S.A. of the duties of the Audit Committee as contained in the Appendix to this resolution.

Appendix: report on the performance by the Supervisory Board of the duties of the Audit Committee in 2011."

**Resolution of the Supervisory Board of LPP S.A.
of 8 May 2012**

on approval of the Supervisory Board's report on its activity in 2011.

"The Supervisory Board of LPP S.A. based in Gdańsk decides to approve the Supervisory Board's report on its activities in 2011 as contained in the Appendix to this resolution.

Appendix: the Supervisory Board's report on its activities in 2011."

**Resolution of the Supervisory Board of LPP S.A.
of 8 May 2012**

On (i) the determination the total number of warrants to be issued in 2012 under the incentive scheme, (ii) the determination the number of warrants to be issued in 2012 to eligible individuals under the incentive scheme.

"The Supervisory Board of LPP S.A. based in Gdańsk, acting pursuant to § 4.4 of resolution number 21 of the General Meeting of Shareholders of 27.06.2011, and pursuant to Section 4.1 of the Rules of the Incentive Scheme:

- (i) states that in total 17,819 warrants will be issued in 2012 under incentive scheme implemented at the Company,
- (ii) states that individuals eligible to participate in the incentive scheme in 2012 will receive the number of warrants indicated below:
 - a) Marek Piechocki - 3,662
 - b) Hubert Komorowski - 3,417
 - c) Piotr Dyka - 3,417
 - d) Jacek Kujawa - 2,441
 - e) Sławomir Łoboda - 2,441
 - f) Dariusz Pachla - 2,441