

YOOX NET-A-PORTER GROUP

PRESS RELEASE

28 November 2016

YOOX NET-A-PORTER GROUP and Mohamed Alabbar partner in Ground-Breaking Tie Up to Create the Leading Online Luxury Retailer in the Middle East

JOINT VENTURE TO ACCELERATE GROWTH IN ONE OF THE WORLD'S FASTEST GROWING LUXURY MARKETS

INTEGRATES YNAP'S WORLD-CLASS BRANDS AND TECHNO-LOGISTICS PLATFORM WITH MOHAMED ALABBAR'S UNRIVALLED LOCAL LUXURY EXPERTISE

YOOX NET-A-PORTER GROUP S.p.A. (MTA: YNAP), the world's leading online luxury fashion retailer, is delighted to announce a joint venture with **Symphony Investments**, an entity controlled by Mohamed Alabbar, to create **the Middle East's undisputed leader** for **online luxury retail**, in a partnership that will draw on the region's **enormous growth potential**.

The partnership will see **Mohamed Alabbar** focus his entire online **luxury retail activity** in the **region exclusively through the new joint venture**.

YNAP will hold a **60% stake** in the joint venture ("JV"), which will be **fully consolidated** in YNAP's accounts, while Symphony Investments will own the remaining 40%.

The JV will manage all of the Group's existing **multi-brand online stores in the region** – [NET-A-PORTER](#), [MR PORTER](#), [YOOX](#) and [THE OUTNET](#) – as well as, in agreement with the brands, **select** existing and future **Online Flagship Stores** "Powered by YOOX NET-A-PORTER GROUP" that have significant business potential in the Middle East.

The new company will operate in the **Gulf Cooperation Council** countries ("GCC") – the United Arab Emirates, Saudi Arabia, Kuwait, Qatar, Bahrain and Oman. The JV may expand to other countries in the Middle East and North Africa in the future.

To provide Middle Eastern luxury customers with a fully localised offer, the JV will establish **on-the-ground operations**, which will allow YNAP to capture the region's significant growth potential. In particular, the JV's localisation strategy will include:

YOOX NET-A-PORTER GROUP

- the establishment of a **Dubai-based entity** to bring the company closer to its customers: a local office with dedicated sales & marketing, customer care and PR teams will provide Middle Eastern customers with a highly tailored offering that will set a new standard of customer service in the region and further drive brand awareness;
- the opening of a new **distribution centre** in Dubai powered by YNAP's omni-stock techno-logistics platform to guarantee the **highest level of service**, including premier same-day delivery;
- the development of a **localised offering** ranging from Arabic-language customer care and content, as well as local currency and payment methods.

The JV will open the local office and distribution centre in Dubai by end of 2017. [YOOX](#) and [THE OUTNET](#) will debut in 2018, while [NET-A-PORTER](#) and [MR PORTER](#) will launch in 2019, followed by select Online Flagship Stores.

“The Middle East is one of the fastest growing global centres for luxury retail. The region also has a significant population of over 200 million young people who are tech-savvy and influence luxury retail decisions. With this joint venture to be based in Dubai, a global business & leisure hub, we are pioneering a never-before online luxury retail experience that integrates luxury with techno-logistics. It will redefine the retail sector, and create a brand-new way to access the world's high-end brands brought by YNAP. A ground-breaking initiative, the JV will serve as go-to online destination for luxury retail and set new industry benchmarks in customer service, speed of delivery and diversity of choice”

- said Mohamed Alabbar, Chairman of Symphony Investments

“We are thrilled by the potential of the Middle East market: combining YNAP and Mohamed Alabbar's strengths, we look forward to giving shoppers in the region access to a fantastic luxury assortment with our unparalleled service and content. We were delighted to welcome Mohamed Alabbar as a strategic investor earlier this year and together we are now embarking on a major expansion in the region.”

- said Federico Marchetti, Chief Executive Officer of YOOX NET-A-PORTER GROUP

This partnership will combine the unique experience and expertise of both parties.

YNAP will contribute its **burgeoning business in the region**, as well as its strong **existing brand recognition** and a **high-value customer base**. It will also provide long-standing **expertise** as the world's leading online luxury retailer, plus a **world-class techno-logistics platform** that is tailored to luxury fashion.

Symphony Investments will bring its **unique experience** of **luxury retail** in the **Middle East** along with its unmatched **knowledge** of **luxury consumer trends** and its **extensive network** in the region.

The founder of Symphony Investments, Mohamed Alabbar, is also the Chairman of Emaar Properties and Emaar Malls, and is world renowned for successfully developing and managing The Dubai Mall, the world's largest retail destination.

Symphony Investments will make a significant cash contribution to the JV, to be phased over the first three years of the venture, which will support YNAP's expansion in the Middle East and the related investments.

YOOX NET-A-PORTER GROUP

The JV further strengthens an existing relationship that was forged when Alabbar invested in YNAP through subscription for a €100 million capital increase in April 2016.

Symphony Investments, along with its affiliates, operates and invests in businesses in the Middle East, Southeast Asia and Africa across a variety of sectors including luxury fashion, retail, e-commerce, mining, and real estate, among others.

Mohamed Alabbar is now leading the digital transformation in the Middle East with the launch of [Noon.com](https://noon.com) which aims to be a generalist ecommerce platform that will include payments and logistics enablers.

He also led two investor groups in buying a combined 16.45% stake in Dubai-based global logistics provider Aramex.

The Middle East region accounted for **3%** of **global luxury consumption** in 2015¹ and is expected to significantly **outpace the growth** of the **global personal luxury** goods market over the next five years². The region boasts one of the highest GDP per capita worldwide², a particularly high concentration of high-net-worth individuals (“HNWIs”) and a promising e-commerce landscape, driven by a young and mobile-friendly population, growing internet penetration and public investments in IT, e-services and telecoms infrastructure.

The joint venture will have an **indefinite duration**; however, the agreement allows Symphony Investments to exit the JV after a few years of operations. In addition, the agreement envisages that YNAP will have the right to exercise a call option on Alabbar’s stake during pre-defined time periods.

YOOX NET-A-PORTER will appoint the **majority** of the JV’s Board of Directors and will nominate the **Chief Executive Officer** and the **Finance Manager**. The **Chairman** of the board will be appointed by **Symphony Investments**.

¹ *Worldwide Luxury Markets Monitor*, Bain & Company & Fondazione Altagamma, October 2015 Update

² YOOX NET-A-PORTER GROUP’s calculations based on Euromonitor Passport estimates for the luxury personal goods markets in the Middle East and Africa region, January 2016

YOOX NET-A-PORTER GROUP

YOOX NET-A-PORTER GROUP

Analyst/Investor contacts

Silvia Scagnelli
Corporate Development & Investor Relations Director
T +39 02 83112811
investor.relations@ynap.com

Media contacts

Finsbury
Edward Simpkins, James
Thompson, Benita Barretto
T: +44 (0) 207 251 3801
ynap@finsbury.com

Image Building
Giuliana Paoletti, Simona Raffaelli
T +39 02 89011300
ynap@imagebuilding.it

YOOX NET-A-PORTER GROUP

YOOX NET-A-PORTER GROUP is the world's leading online luxury fashion retailer. The Group is a Global company with Anglo-Italian roots, the result of a game-changing merger, which in October 2015, brought together YOOX GROUP and THE NET - A-PORTER GROUP; the two companies had revolutionized the luxury fashion industry since their birth in 2000.

YOOX NET-A-PORTER GROUP is a unique business with an unrivalled offering including multi-brand in-season online stores [NET-A-PORTER](#) and [MR PORTER](#), and multi-brand off-season online stores [YOOX](#) and [THE OUTNET](#), as well as numerous ONLINE FLAGSHIP STORES, all "Powered by YNAP". Through a joint venture established in 2012, YOOX NET -A-PORTER GROUP has partnered with Kering to manage the [ONLINE FLAGSHIP STORES](#) of several of the French group's luxury brands. Uniquely positioned in the high growth online luxury sector, YOOX NET-A-PORTER GROUP has an unrivalled client base of more than 2.5 million high-spending customers, 27 million monthly unique visitors worldwide and combined 2015 net revenues of €1.7 billion. The Group has offices and operations in the United States, Europe, Japan, China and Hong Kong and delivers to more than 180 countries around the world. YOOX NET-A-PORTER GROUP is listed on the Milan Stock Exchange as YNAP. For further information: www.ynap.com.

SYMPHONY INVESTMENTS

Media contact

ASDA'A Burson-Marsteller
Kelly Home
T: +971 4 4507 600
kelly.home@bm.com