

YOOX NET-A-PORTER GROUP

PRESS RELEASE

2 AUGUST 2017

YOOX NET-A-PORTER GROUP

First Half Results to 30 June 2017

OUTSTANDING ORGANIC NET REVENUE GROWTH OF 20.2% IN THE SECOND QUARTER

2Q 2017

- **Second-quarter net revenues** of Euro **519.3 million**, up **20.2%** on an **organic**¹ basis (+15.2% reported) compared with Euro 450.8 million in the second quarter of 2016
 - Excellent organic performance across all three business lines: Multi-brand In-Season net revenues up 19.5%; Multi-brand Off-Season net revenues up 21.5%, Gross Merchandise Value of Online Flagship Stores (GMV²) up 22.6%
 - Solid growth in all key markets: North America and Asia Pacific the fastest growing regions

1H 2017

- **First-half net revenues** of Euro **1.0 billion**, up **19.5%** on an **organic** basis (+15.3% reported) compared with Euro 897.0 million in the first half of 2016
 - **First-half adjusted EBITDA**³ of Euro **98.0 million**, **+28.1%** compared with Euro 76.5 million in the first half of 2016. EBITDA of Euro 91.4 million, **+29.5%** compared with Euro 70.6 million in the first half of 2016
 - **First-half adjusted net income**⁴ of Euro **38.0 million** compared with Euro 37.0 million in the first half of 2016 (after Euro 15.6 million of non-cash amortisation related to the Purchase Price Allocation ("PPA")⁵ net of its related tax effect and Euro 6.6 million of non-cash costs relating to incentive plans net of their related tax effects, net income at Euro 20.6 million in the first half of 2017 compared with Euro 18.8 million in the same period of previous year)
 - **Positive net financial position** of Euro **84.7 million** compared with Euro 104.7 million at 31 December 2016
 - **Key Performance Indicators:**
 - **394.1 million visits**, compared with 342.7 million in the first half of 2016
 - **4.5 million orders**, compared with 3.9 million in the first half of 2016
 - **Euro 345 AOV** (Average Order Value), compared with Euro 335 in the first half of 2016
 - **3.0 million active customers**, compared with 2.6 million in the first half of 2016
-
- **Successful launch** of the **first Online Flagship Store** on the **new front-end** platform
 - Signed new multi-year **global agreement** for the new **Ferrari Online Flagship Store**
 - **Mobile sales** now **exceed desktop**, accounting for more than 50% of net sales⁶

¹ Organic net revenue growth is calculated at constant exchange rates and at a comparable perimeter by including net revenues of all online stores active at the end of each period, which were also active at the beginning of the same period of the previous year. Reported growth is calculated at current exchange rates and at actual perimeter.

² Retail value of sales of all the Online Flagship Stores, including the JV online store sales, to final customers, net of returns and customer discounts. Set-up, design and maintenance fees for the Online Flagship Stores, accounted for within "Rest of the World and Not country related", are excluded.

³ Does not include the non-cash costs relating to existing share-based incentive plans.

⁴ Excludes both the non-cash costs relating to existing share-based incentive plans, net of their related tax effects, and the non-cash amortisation related to the Purchase Price Allocation arising from the merger of YOOX GROUP and NET-A-PORTER GROUP, net of its related tax effect.

⁵ The Purchase Price Allocation process relates to the allocation of the identifiable part of the goodwill arising from the merger of YOOX GROUP and NET-A-PORTER GROUP to intangibles assets.

⁶ Source: year-to-date net sales as of 31 July 2017

YOOX NET-A-PORTER GROUP

“In the first half we achieved outstanding results with revenues of over €1 billion thanks to organic growth of more than 20% in the second quarter.

This remarkable performance reflects our success in leveraging on strong company cultures to build one Group and one team. Thank you to the 4,315 talents who share the same ambition and collaborative spirit, bringing their best to our customers every day.

We just hit another important milestone in our integration plan, with the launch of the first Online Flagship Store on our new state-of-the-art technology. This enables us to deliver far greater personalisation through artificial intelligence and smart data.

Continuous innovation, backed by relentless execution, are what keeps YNAP the world’s leading online luxury fashion retailer.”

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

Milan, 2 August 2017 - The Board of Directors of YOOX NET-A-PORTER GROUP S.p.A. (MTA: YNAP), the world’s leading online luxury fashion retailer, has today examined and approved the half-year financial statements for the six months ended 30 June 2017, compared with the financials related to the same period of the previous year.

YOOX NET-A-PORTER GROUP’S PERFORMANCE IN THE FIRST HALF ENDED 30 JUNE 2017 AND THE RELATED COMPARATIVE PERIOD

Key Performance Indicators⁷

	1H 2017	1H 2016
Visits ⁸ (millions)	394.1	342.7
Orders (millions)	4.5	3.9
AOV ⁹ (Euro)	345	335
Active customers ¹⁰ (millions)	3.0	2.6

In the first half of 2017, YOOX NET-A-PORTER GROUP’s online stores attracted **394 million visits** compared with 343 million in the same period of 2016, which translated into **4.5 million orders**.

The **Average Order Value (AOV)** excluding VAT also increased to **Euro 345**, compared with Euro 335 in the first half of 2016.

Finally, **active customers** were **3.0 million** at 30 June 2017, compared with 2.6 million at 30 June 2016.

⁷ Key performance indicators refer to the proprietary multi-brand online stores - NET-A-PORTER, MR PORTER, YOOX, THE OUTNET as well as THECORNER and SHOESCRIBE (discontinued on 31 August 2016) - and the Online Flagship Stores “Powered by YOOX NET-A-PORTER GROUP”. Key performance indicators related to the joint venture with Kering are excluded.

⁸ Source: Adobe Analytics for NET-A-PORTER, MR PORTER and THE OUTNET; Google Analytics Premium for YOOX, THECORNER, SHOESCRIBE and the Online Flagship Stores “Powered by YOOX NET-A-PORTER GROUP”.

⁹ Average Order Value, or AOV, indicates the average value of all orders placed, excluding VAT.

¹⁰ Active customer is defined as a customer who placed at least one order during the 12 preceding months. The figure reported is calculated as the sum of the active customers of each online store for the reporting period.

YOOX NET-A-PORTER GROUP

Consolidated Net Revenues

In the **second quarter** of 2017, YOOX NET-A-PORTER GROUP recorded **consolidated net revenues**, net of returns and customer discounts, of Euro **519.3 million, up 20.2%** on an **organic** basis (+15.2% reported) from net revenues of Euro 450.8 million in the second quarter of 2016. This result was achieved thanks to the outstanding organic growth registered by all three business lines.

This performance resulted in **first-half** net revenues of Euro **1.0 billion, up 19.5%** on an **organic** basis (+15.3% reported) from net revenues of Euro 897.0 million in the first half of 2016.

Consolidated Net Revenues by Business Line

€ million	2Q 2017	%	2Q 2016	%	REPORTED	CHANGE % CONSTANT	ORGANIC ¹
Multi-brand In-Season	286.3	55.1%	252.4	56.0%	+13.4%	+15.8%	+19.5%
Multi-brand Off-Season	189.5	36.5%	156.1	34.6%	+21.4%	+21.5%	+21.5%
Online Flagship Stores	43.5	8.4%	42.3	9.4%	+2.9%	+3.0%	+22.6%*
Total YOOX NET-A-PORTER-GROUP	519.3	100.0%	450.8	100.0%	+15.2%	+16.5%	+20.2%

€ million	1H 2017	%	1H 2016	%	REPORTED	CHANGE % CONSTANT	ORGANIC ¹
Multi-brand In-Season	552.9	53.5%	490.1	54.6%	+12.8%	+15.3%	+19.8%
Multi-brand Off-Season	381.7	36.9%	318.3	35.5%	+19.9%	+18.8%	+18.8%
Online Flagship Stores	99.5	9.6%	88.7	9.9%	+12.2%	+12.3%	+23.9%*
Total YOOX NET-A-PORTER-GROUP	1,034.1	100.0%	897.0	100.0%	+15.3%	+16.3%	+19.5%

* Relates to Gross Merchandise Value (GMV²) growth at constant exchange rates and at a comparable perimeter

Multi-brand In-Season

In the **second quarter** of 2017, the **Multi-brand In-Season** business line, which includes [NET-A-PORTER](#) and [MR PORTER](#), confirmed the **solid growth** achieved over the previous three quarters: second-quarter consolidated net revenues totaled Euro **286.3 million, up 19.5%** on an **organic**¹¹ basis, with strong results achieved by both online stores.

Including the performance of THECORNER and SHOESCRIBE - which were discontinued on 31 August 2016 - the In-Season business line grew 15.8% at constant exchange rates (+13.4% reported) from net revenues of Euro 252.4 million in the second quarter of 2016.

This quarterly performance contributed to **first-half** net revenues of Euro **552.9 million, up 19.8%** on an **organic** basis (+12.8% reported) from net revenues of Euro 490.1 million in the first half of 2016.

The second quarter saw the launch of important new exclusive capsule collections on both NET-A-PORTER and MR PORTER, as well as strong momentum in the Fine Jewellery and Watches category.

Specifically, NET-A-PORTER unveiled a new **exclusive capsule** collection from **Chloé** while MR PORTER launched the **MR PORTER X GUCCI** collection and a **unique men's capsule collection** designed by **Tod's**, encompassing ready-to-wear, footwear and accessories.

¹¹ Organic net revenue growth for the In-Season business line is calculated at constant exchange rates and by excluding THE CORNER and SHOESCRIBE (discontinued on 31 August 2016) from the second quarter and the first half of 2016. Reported growth is calculated at current exchange rates and at actual perimeter.

YOOX NET-A-PORTER GROUP

The Fine Jewellery and Watches category had a solid performance, thanks to strong customer traction especially in the US. New prestige brands debuted in the second quarter. **Piaget** was launched on NET-A-PORTER while **Cartier** chose NET-A-PORTER as its **exclusive launch partner** for the new **Panthère** de Cartier watch collection.

In the second quarter, **MR PORTER**, now among the **top 10 Men's Fashion apps on the global App store**, launched **new content functionalities** for its native app.

The continuous focus on **enhancing the mobile user experience** further drove sales from smartphones and tablets.

Overall, as at 30 June 2017, the Multi-brand In-Season business line accounted for **53.5%** of the Group's consolidated net revenues.

Multi-brand Off-Season

In the **second quarter** of 2017, the **Multi-brand Off-Season** business line, which includes [YOOX](#) and [THE OUTNET](#), registered an **acceleration** on the previous quarter (+16.2% in the first quarter of 2017): consolidated net revenues totaled Euro **189.5 million, up 21.5%** at constant exchange rates (+21.4% reported) from net revenues of Euro 156.1 million at 30 June 2016.

The **Off-Season** business line saw important brand additions on both YOOX and THE OUTNET.

YOOX reaffirmed its commitment to **promote and support emerging designers and young talents** with the launch of new exclusive collections for YOOX by the Italian top model **Bianca Balti** and the internationally recognised designers **Fausto Puglisi** and **Arthur Arbesser**.

THE OUTNET launched **Philosophy di Lorenzo Serafini** (part of Alberta Ferretti) and strengthened its **beachwear** offer with the introduction of **Stella McCartney, Roberto Cavalli, Just Cavalli, La Perla** and **Calvin Klein** collections as well as **Iris & Ink's first-ever beachwear capsule**.

Finally, to mark its **17th birthday** in June, YOOX successfully launched a **new global campaign** through an innovative and diversified media mix encompassing digital, social, radio and new advertising formats. The campaign was **extremely well received** by customers, delivering great results in terms of awareness and engagement.

Overall, as at 30 June 2017, the Multi-brand Off-Season business line accounted for **36.9%** of the Group's consolidated net revenues.

Online Flagship Stores

The Online Flagship Stores business line includes the design, set-up and management of the Online Flagship Stores of some of the leading global luxury fashion brands, including [armani.com](#) and [chloe.com](#).

In the **second quarter** of 2017, the gross merchandise value ("GMV"¹²) of this business line advanced by **22.6%** on an **organic**¹³ basis (+8.8% at current exchange rates and actual perimeter). After accounting for the negative net perimeter effect resulting from discontinuations, the Online Flagship Stores business line achieved consolidated net revenues of Euro **43.5 million, up 3.0%** at constant exchange rates (+2.9% reported) from net revenues of Euro 42.3 million in the second quarter of 2016.

This business line achieved a gross merchandise value ("GMV") growth of **23.9%** on an **organic** basis in the **first half** of 2017 (+16.6% at current exchange rates and actual perimeter) and consolidated net revenues of Euro **99.5 million, up 12.3%** at constant exchange rates (+12.2% reported) from net revenues of Euro 88.7 million in the same period of the previous year.

¹² Retail value of sales of all the Online Flagship Stores, including the JV online store sales to final customers, net of returns and customer discounts. Set-up, design and maintenance fees for the Online Flagship Stores, accounted for within "Rest of the World and Not country related", are excluded.

¹³ Gross merchandise value organic growth is calculated at constant exchange rates and at a comparable perimeter by including gross merchandise value of all Online Flagship Stores active at the end of each period, which were also active at the beginning of the same period of the previous year. Reported growth is calculated at current exchange rates and at actual perimeter.

YOOX NET-A-PORTER GROUP

On 20 June 2017, the new Online Flagship Store of Isabel Marant, isabelmarant.com, was launched in Europe, the United States and in the Asia-Pacific region, including China.

The **See By Chloé** line has been also added to chloe.com as an extension of the existing global partnership with Chloé.

Overall, as at 30 June 2017, the Online Flagship Stores business line accounted for **9.6%** of the Group's consolidated net revenues.

Consolidated Net Revenues by Geography

€ million	2Q 2017	%	2Q 2016	%	CHANGE %	
					REPORTED	CONSTANT
Italy	33.1	6.4%	29.2	6.5%	+13.2%	+13.2%
UK	71.8	13.8%	70.2	15.6%	+2.2%	+11.7%
Europe (excl. Italy and the UK)	132.4	25.5%	117.5	26.0%	+12.8%	+11.6%
North America	161.2	31.1%	135.1	30.0%	+19.3%	+17.0%
APAC	87.4	16.8%	68.2	15.1%	+28.2%	+30.8%
Rest of the World + Not country related	33.4	6.4%	30.7	6.8%	+9.0%	+16.3%
Total YOOX NET-A-PORTER-GROUP	519.3	100.0%	450.8	100.0%	+15.2%	+16.5%

€ million	1H 2017	%	1H 2016	%	CHANGE %	
					REPORTED	CONSTANT
Italy	64.4	6.2%	57.5	6.4%	+12.0%	+12.2%
UK	138.5	13.4%	135.2	15.1%	+2.4%	+13.0%
Europe (excl. Italy and the UK)	267.0	25.8%	238.4	26.6%	+12.0%	+9.7%
North America	322.5	31.2%	268.1	29.9%	+20.3%	+17.3%
APAC	178.5	17.3%	137.4	15.3%	+29.9%	+31.9%
Rest of the World + Not country related	63.3	6.1%	60.4	6.7%	+4.9%	+13.1%
Total YOOX NET-A-PORTER-GROUP	1,034.1	100.0%	897.0	100.0%	+15.3%	+16.3%

YOOX NET-A-PORTER GROUP recorded positive growth across all of its key markets over the period.

Positive double-digit growth was confirmed in the **UK** in the **second quarter** of 2017, with strong performance of the In-Season business line. Net revenues in the UK totaled **Euro 71.8 million, up 11.7%** at constant exchange rates (+2.2% reported, penalised by the depreciation of the Euro / Sterling exchange rate compared to the same period of the previous year) from Euro 70.2 million in the same quarter of 2016.

This result translated into **first-half** net revenues of **Euro 138.5 million, up 13.0%** at constant exchange rates (+2.4% reported) from Euro 135.2 million in the same period of 2016.

North America, the Group's number 1 market, continued the strong momentum already achieved at the beginning of the year, posting **second-quarter** net revenues of **Euro 161.2 million, up 17.0%** at constant exchange rates (+19.3% reported) from Euro 135.1 million in the same quarter of 2016. In the **first half** of 2017, net revenues increased by **17.3%** at constant exchange rates (+20.3% reported) to **Euro 322.5 million**.

YOOX NET-A-PORTER GROUP

Italy posted a solid performance driven by YOOX, with net revenues of **Euro 33.1 million** in the **second quarter**, up **13.2%** at constant and reported exchange rates, despite the challenging comparison base. This result contributed to **first-half** net revenues increasing by **12.2%** at constant exchange rates (+12.0% reported) to **Euro 64.4 million**.

The **second quarter** of 2017 saw net revenues in **Europe** (excluding Italy and the UK) back to double-digit growth to **Euro 132.4 million**, up **11.6%** at constant exchange rates (+12.8% reported). This resulted in net revenue growth of **9.7%** at constant exchange rates in the **first half** of 2017 (+12.0% reported).

Asia Pacific delivered another strong quarter, with **second-quarter** net revenues of **Euro 87.4 million**, up **30.8%** at constant exchange rates (+28.2% reported), mainly driven by Hong Kong and China. This result translated into **first-half** net revenues of **Euro 178.5 million**, up **31.9%** at constant exchange rates (+29.9% reported).

Finally, **Rest of the World** and **Not country related** recorded net revenues of **Euro 33.4 million** in the **second quarter** and **Euro 63.3 million** in the **first half** of 2017, up respectively **16.3%** and **13.1%** at constant exchange rates (+9.0% and +4.9% reported).

Profitability by Business Line

€ million	MULTI-BRAND IN-SEASON		MULTI-BRAND OFF-SEASON		ONLINE FLAGSHIP STORES	
	1H 2017	1H 2016	1H 2017	1H 2016	1H 2017	1H 2016
Gross profit ¹⁴	234.4	206.0	144.0	116.9	36.1	32.0
% of business line net revenues	42.4%	42.0%	37.7%	36.7%	36.3%	36.1%
% change	13.8%		23.2%		12.9%	

Gross profit in the Multi-brand In-Season business line came in at **Euro 234.4 million** in the first half of 2017, up **13.8%** from Euro 206.0 million in the same period of the previous year, with margin increasing to 42.4% compared with 42.0% in the first half of 2016.

Gross profit in the Multi-brand Off-Season business line was **Euro 144.0 million** in the first half of 2017, up **23.2%** from Euro 116.9 million in the same period of the previous year, with margin increasing to 37.7% compared to 36.7% in the first half of 2016. This result mainly reflects more effective pricing and markdown policies as well as currency tailwinds.

Gross profit in the Online Flagship Stores business line totaled **Euro 36.1 million** in the first half of 2017, up **12.9%** from Euro 32.0 million in the same period of the previous year, with a margin of 36.3% compared to 36.1% in the first half of 2016.

EBITDA

In the **first half** of 2017, **adjusted EBITDA** came in at **Euro 98.0 million**, up **28.1%** from Euro 76.5 million in the same period of the previous year. The adjusted EBITDA margin improved to **9.5%**, compared with 8.5% in the first half of 2016. This result is mainly attributable to the increase of the gross margin, coupled with the operating leverage on general expenses, both partly supported by the positive exchange rate effect on profitability from the US Dollar and the Russian Rouble.

After Euro 6.6 million of non-cash costs relating to share-based incentive plans, EBITDA amounted to Euro 91.4 million compared with Euro 70.6 million in the first half of 2016, with a margin at 8.8% in the first half of 2017, up from 7.9% in the same period of the previous year.

¹⁴ Gross profit is defined as net revenues less cost of goods sold ("COGS"), which includes shipping costs.

YOOX NET-A-PORTER GROUP

Net Income

In the **first half** of 2017, **adjusted net income** amounted to **Euro 38.0 million** compared with Euro 37.0 million in the same period of the previous year, with a margin at **3.7%** compared with 4.1% in the previous year. This performance reflected the margin enhancement achieved at the EBITDA level, which was offset by greater incidence of ordinary depreciation and amortisation attributable to higher capital expenditures as well as an increase in net financial expenses mainly due to unrealised exchange rate losses.

After Euro 15.6 million of non-cash amortisation related to the Purchase Price Allocation ("PPA")¹⁵ arising from the merger, net of its related tax effect, and Euro 6.6 million of non-cash costs relating to share-based incentive plans, net of their related tax effects, net income stood at Euro 20.6 million in the first half of 2017, up 9.3% compared with Euro 18.8 million in the first half of 2016, with a margin of 2.0%.

Net Working Capital

In the **first half** of 2017, **ordinary net working capital** amounted to **Euro 125.7 million** compared with Euro 119.5 million at 31 December 2016.

Investments

In the **first half** of 2017, the Group continued to enhance its existing technology and operational capabilities while investing in the convergence to one shared global techno-logistics platform: **capital expenditure** amounted to **Euro 80.2 million**, compared with Euro 48.1 million in the same period of the previous year, primarily devoted to technology.

YOOX NET-A-PORTER GROUP continued with the roll-out of **existing omni-channel functionalities** to more of the Group's Online Flagship Stores partners, while further investing in its **mobile proposition**. As a testament of its successful mobile strategy, **mobile sales exceeded desktop revenues**, accounting for **over 50%** of year-to-date sales in July¹⁶.

In the second quarter, a **brand-new** version of **YOOX native app** was released for **iOS** and **Android**, with good results achieved in terms of higher conversion rate and effectiveness of text search capabilities.

R&D investments also continued in the first half of 2017. In particular, with the aim of **accelerating innovation** and delivering **best-in-class technologies** including Artificial Intelligence capabilities, the Group opened a **new Tech Hub** in London, where YNAP's UK tech teams are based.

Finally, over the course of the period, the Group invested to **strengthen its operations**, with the capacity expansion at the Interporto pole in Bologna and the set-up of the In-Season logistics hub in Milan. A **new internally-engineered automated equipment** was also developed to further **improve the digital production** output of YOOX.

Net Financial Position

As at 30 June 2017, the Group's **net financial position** was **positive** at **Euro 84.7 million**, compared with 104.7 million at 31 December 2016. Cash absorption in the first half of 2017 was mainly due to capital expenditures for the development of the shared global techno-logistics platform, partially counterbalanced by Euro 20.1 million related

¹⁵ The Purchase Price Allocation process relates to the allocation of the identifiable part of the goodwill arising from the merger of YOOX GROUP and NET-A-PORTER GROUP to intangibles assets.

¹⁶ Source: year-to-date net sales as of 31 July 2017

YOOX NET-A-PORTER GROUP

to the first equity contribution by Symphony, the entity controlled by Mohamed Alabbar's family, for the joint venture in the Middle East.

SIGNIFICANT EVENTS AFTER 30 JUNE 2017

Online Flagship Stores

In July 2017, YOOX NET-A-PORTER GROUP S.p.A. and Ferrari S.p.A. ("Ferrari") signed a **multi-year global agreement** for the set-up and management of the new Ferrari Online Flagship Store, which already has a well-established customer base and a sizable e-commerce business. The launch is planned in the first quarter of 2018.

Integration Update

In July, the Group **successfully** delivered another important integration milestone, with the **launch** of the **first Online Flagship Store** on the **new front-end platform**. This achievement further enriches the Group's platform capabilities with sophisticated business tools, including precision marketing and merchandising, while allowing enhanced site personalization and full independence of usage by internal and external business stakeholders.

INCENTIVE PLANS

2015 - 2025 Stock Option Plan

In the first half of 2017, in accordance with the Regulations for the YOOX NET-A-PORTER GROUP S.p.A. 2015 - 2025 Stock Option Plan, 682,000 options were granted to 40 beneficiaries, valid for the subscription of 682,000 ordinary YNAP shares.

For further information, please refer to the press releases previously issued and the Informative Documents prepared pursuant to art. 84-bis of the Consob Issuer Regulation filed at the Company's registered office and also available on the Company's website at www.ynap.com.

Exercise of stock options

In the second quarter of 2017, a total of 74,984 ordinary shares were issued following the exercise of a total of 1,442 options relating to existing Stock Option Plans.

Moreover, after 30 June 2017, a total of 82,004 ordinary shares were issued following the exercise of a total of 1,577 options relating to existing Stock Option Plans.

As a result of the above, the new share capital at today's date is equal to Euro 1,339,762.93 represented by an overall amount of 133,976,293 shares with no indication of par value, divided into 91,070,155 ordinary shares and 42,906,138 B Shares.

YOOX NET-A-PORTER GROUP

FY 2017 BUSINESS OUTLOOK

YOOX NET-A-PORTER GROUP expects to grow net revenues in line with its 5-Year Plan and achieve an improvement in the adjusted EBITDA margin in 2017: as a leader in the three luxury e-commerce segments in which it operates, the Group is uniquely positioned to support the efforts of the whole luxury industry to harness the potential of digital.

In particular, the Multi-brand In-Season business line is anticipated to continue enriching its unique brand portfolio with new prestige brands and exclusive capsule collections, including further key developments for the Fine Jewellery and Watches category and the MR PORTER private label. In addition, this business line will further enhance its content offering and improve its luxurious service with a specific focus on its higher-value customer base.

The Multi-brand Off-Season business line is expected to mainly benefit from the start of THE OUTNET's international localisation and further offering enrichment, including the debut of the YOOX private label. Finally, growth in the Online Flagship Stores business line is anticipated to benefit from the launch of isabelmarant.com as well as leverage significant advancements in its omni-channel proposition and relevant front-end platform upgrades. The Group plans to invest approximately Euro 160 to 170 million in 2017, primarily in technology to deliver important integration milestones such as the roll-out of the new front-end platform for THE OUTNET and select Online Flagship Stores and the completion of the omni-stock programme for the Off-Season business. By the end of the year, the Group will also open a new office and distribution centre in Dubai and complete the capacity expansion at the Interporto logistics pole in Bologna, while continuing the set-up of its In-Season logistics hub in Milan.

Pursuant to Article 154-bis, paragraph 2 of the Italian Consolidated Law on Finance, Enrico Cavatorta, the Director responsible for preparing the financial statements, certifies that the accounting information contained in this press release corresponds to documentary records and to accounting books and ledger entries.

YOOX NET-A-PORTER GROUP

CONFERENCE CALL

A conference call will take place today, Wednesday 2 August 2017, at 18:00 (CET), during which YOOX NET-A-PORTER GROUP's management will present 2017 first-half results. If you wish to take part in the conference call, please dial one of the following numbers:

- from Italy: +39 02 805 88 11
- from the UK: +44 121 281 8003
- from the US (local number): +1 718 705 8794
- from the US (toll-free number): 1 855 265 6959

The presentation may be downloaded before the start of the conference call from the Investor Relations section of the YOOX NET-A-PORTER GROUP website:

www.ynap.com/pages/investor-relations/results-centre/presentation/.

A recording of the conference call will be available from today, after the end of the call, until Friday 25 August 2017 on the following numbers:

- from Italy: +39 02 724 95
- from the UK: +44 121 281 8005
- from the US (local number): +1 718 705 8797

Access code: 827#

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.

In 2016, YOOX NET-A-PORTER GROUP joined forces with Symphony, an entity controlled by Mohamed Alabbar's family, to establish a ground-breaking joint venture to create the Middle East's undisputed leader for online luxury retail.

Uniquely positioned in the high growth online luxury sector, YOOX NET-A-PORTER GROUP has an unrivalled client base of more than 2.9 million high-spending customers, 29 million monthly unique visitors worldwide and combined 2016 net revenues of €1.9 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.

YOOX NET-A-PORTER GROUP

ANNEX 1 – YOOX NET-A-PORTER GROUP RECLASSIFIED CONSOLIDATED ADJUSTED INCOME STATEMENT

€ million	1H 2017	1H 2016	CHANGE %
Consolidated net revenues	1,034.1	897.0	15.3%
Cost of goods sold	(619.6)	(542.2)	14.3%
Gross profit¹⁷	414.5	354.9	16.8%
<i>% of consolidated net revenues</i>	40.1%	39.6%	
Fulfillment costs Excl. IPC	(99.9)	(88.5)	12.9%
Sales and marketing costs Excl. IPC	(124.4)	(106.0)	17.3%
General & administrative expenses Excl. IPC	(87.5)	(81.0)	8.0%
Other income and expenses	(4.6)	(2.8)	66.0%
Adjusted EBITDA¹⁸	98.0	76.5	28.1%
<i>% of consolidated net revenues</i>	9.5%	8.5%	
Ordinary depreciation and amortisation	(36.5)	(24.4)	(49.9)%
Non-recurring items	-	-	-
Adjusted operating profit¹⁹	61.5	52.2	17.9%
<i>% of consolidated net revenues</i>	5.9%	5.8%	
Income/Loss from investment in associates	0.0	0.2	(83.7)%
Financial income	7.9	12.9	(38.8)%
Financial expenses	(17.9)	(14.0)	28.2%
Adjusted profit before tax²⁰	51.6	51.4	0.3%
<i>% of consolidated net revenues</i>	5.0%	5.7%	
Taxes	(13.5)	(14.4)	(5.8)%
Adjusted net income²¹	38.0	37.0	2.7%
<i>% of consolidated net revenues</i>	3.7%	4.1%	

¹⁷ Gross profit is earnings before fulfillment costs, sales and marketing costs, general and administrative expenses, non-cash costs relating to existing share-based incentive plans (IPC), other operating income and expenses, ordinary depreciation and amortisation, non-recurring expenses, income/loss from investment in associates, financial income and expenses and income taxes. Since gross profit is not recognised as an accounting measure under the IFRS endorsed by the European Union, its calculation might not be standard. The criterion adopted by the Group to calculate gross profit might not be consistent with that adopted by other groups. Accordingly, the resulting figures may not be comparable.

¹⁸ Adjusted EBITDA is earnings before ordinary depreciation and amortisation, non-recurring expenses, income/loss from investment in associates, financial income and expenses and income taxes and excludes non-cash costs relating to existing share-based incentive plans (IPC). Since adjusted EBITDA is not recognised as an accounting measure under the IFRS endorsed by the European Union, its calculation might not be standard. Group management uses adjusted EBITDA to monitor and measure the Group's performance. The management believes that adjusted EBITDA is an important indicator of operating performance in that it is not affected by the various criteria used to calculate taxes, the amount and characteristics of invested capital and the related amortisation and depreciation methods. The criterion adopted by the Group to calculate adjusted EBITDA might not be consistent with that used by other groups. Accordingly, the resulting figures may not be comparable.

¹⁹ Adjusted operating profit is earnings before income/loss from investment in associates, financial income and expenses and income taxes and excludes non-cash costs relating to existing share-based incentive plans (IPC) and the non-cash amortisation related to the Purchase Price Allocation ("PPA") arising from the merger. Since adjusted operating profit is not recognised as an accounting measure under the IFRS endorsed by the European Union, its calculation might not be standard. The criterion adopted by the Group to calculate adjusted operating profit might not be consistent with that used by other groups. Accordingly, the resulting figures may not be comparable.

²⁰ Adjusted profit before tax is earnings before income taxes and excludes non-cash costs relating to existing share-based incentive plans (IPC) and the non-cash amortisation related to the Purchase Price Allocation ("PPA") arising from the merger. Since adjusted profit before tax is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union, its calculation might not be standard. The criterion adopted by the Group to calculate adjusted profit before tax might not be consistent with that used by other groups. Accordingly, the resulting figures may not be comparable.

²¹ Adjusted Net Income is defined as the earnings of the period before the non-cash costs relating to existing share-based incentive plans (IPC), net of their related tax effects, and before the non-cash amortisation related to the Purchase Price Allocation ("PPA") arising from the merger, net of its related tax effect.

YOOX NET-A-PORTER GROUP

ANNEX 2 – YOOX NET-A-PORTER GROUP RECLASSIFIED CONSOLIDATED REPORTED INCOME STATEMENT

€ million	1H 2017	1H 2016	CHANGE %
Consolidated net revenues	1,034.1	897.0	15.3%
Cost of goods sold	(619.6)	(542.2)	14.3%
Gross profit²²	414.5	354.9	16.8%
<i>% of consolidated net revenues</i>	40.1%	39.6%	
Fulfillment costs Excl. IPC	(99.9)	(88.5)	12.9%
Sales and marketing costs Excl. IPC	(124.4)	(106.0)	17.3%
General & administrative expenses Excl. IPC	(87.5)	(81.0)	8.0%
Incentive plan costs ("IPC") ²³	(6.6)	(5.9)	10.8%
Other income and expenses	(4.6)	(2.8)	66.0%
Reported EBITDA²⁴	91.4	70.6	29.5%
<i>% of consolidated net revenues</i>	8.8%	7.9%	
Ordinary depreciation and amortisation	(36.5)	(24.4)	49.9%
PPA-related amortisation ²⁵	(15.6)	(17.3)	(9.5)%
Non-recurring items	-	-	-
Reported operating profit	39.3	29.0	35.6%
<i>% of consolidated net revenues</i>	3.8%	3.2%	
Income/Loss from investment in associates	0.0	0.2	(83.7)%
Financial income	7.9	12.9	(38.8)%
Financial expenses	(17.9)	(14.0)	28.2%
Reported profit before tax	29.4	28.2	4.2%
<i>% of consolidated net revenues</i>	2.8%	3.1%	
Taxes	(8.8)	(9.4)	(6.1)%
Reported net income	20.6	18.8	9.3%
<i>% of consolidated net revenues</i>	2.0%	2.1%	

²² See footnote no. 17.

²³ Incentive plan costs relate to non-cash costs relating to existing share-based incentive plans.

²⁴ Reported EBITDA is earnings before ordinary depreciation and amortisation, non-recurring expenses, income/loss from investment in associates, financial income and expenses and income taxes. Since reported EBITDA is not recognised as an accounting measure under the IFRS endorsed by the European Union, its calculation might not be standard. Group management uses reported EBITDA to monitor and measure the Group's performance. The management believes that reported EBITDA is an important indicator of operating performance in that it is not affected by the various criteria used to calculate taxes, the amount and characteristics of invested capital and the related amortisation and depreciation methods. The criterion used by the Group to calculate reported EBITDA might not be consistent with that adopted by other groups. Accordingly, the resulting figures may not be comparable between groups.

²⁵ The Purchase Price Allocation process relates to the allocation of the identifiable part of the goodwill arising from the merger of YOOX GROUP and NET-A-PORTER GROUP to intangibles assets.

YOOX NET-A-PORTER GROUP

ANNEX 3 - YOOX NET-A-PORTER GROUP RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	30 JUN 2017	31 DEC 2016	CHANGE %
Net working capital ²⁶	61.7	36.6	68.7%
Non-current assets	1,866.5	1,880.4	(0.7%)
Non-current liabilities (excluding financial liabilities)	(80.8)	(85.7)	(5.6%)
Net invested capital²⁷	1,847.3	1,831.3	0.9%
Shareholders' equity	1,932.1	1,936.0	(0.2%)
Net debt / (net financial position) ²⁸	(84.7)	(104.7)	(19.1%)
Total sources of financing	1,847.3	1,831.3	0.9%

ANNEX 4 - YOOX NET-A-PORTER GROUP RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	1H 2017	1H 2016
Adjusted EBITDA	98.0	76.5
Net Financial Income / (Expenses) & Associates	(5.6)	(2.5)
Taxes Paid	(16.5)	(10.9)
Change in Ordinary Working Capital	(6.2)	(23.2)
Capital Expenditure	(80.2)	(48.1)
Other ²⁹	(29.5)	(15.0)
Translation Adjustment ³⁰	4.3	-
Free Cash Flow (at constant FX)	(35.7)	(23.3)
Equity Contribution ³¹	20.1	-
Proceeds from Stock Option Exercise & Capital Increase	-	100.0
Translation Adjustment ³⁰	(4.3)	-
Change in Net Financial Position (at current FX)	(20.0)	76.7

²⁶ Net working capital is current assets, net of current liabilities, with the exception of cash and cash equivalents, bank loans and borrowings and other financial payables falling due within one year and financial assets and liabilities included under other current assets and liabilities. Net working capital is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union. The measurement criterion adopted by the Company might not be consistent with that adopted by other groups. Accordingly, the balance obtained by the Company may not be comparable with the figures obtained by other groups.

²⁷ Net invested capital is the sum of net working capital, non-current assets and non-current liabilities net of non-current financial liabilities. Net invested capital is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union. The measurement criterion adopted by the Company might not be consistent with that adopted by other groups. Accordingly, the balance obtained by the Company may not be comparable with the figures obtained by other groups.

²⁸ Net debt (or net financial position) is the sum of cash and cash equivalents, other current financial assets, net of bank loans and borrowings and other financial payables falling due within one year, other current financial liabilities and non-current financial liabilities. Net debt (or net financial position) is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union. The measurement criterion adopted by the Company might not be consistent with that adopted by other groups. Accordingly, the balance obtained by the Company may not be comparable with the figures obtained by other groups. Other current financial assets are not governed in detail in CESR's definition of net debt (or net financial position): the Group considers it appropriate to supplement this definition by including receivables from acquirers and logistics operators that have been requested to collect cash on delivery under "other current financial assets".

²⁹ Mainly refers to deferred tax assets / liabilities, exchange rate impact resulting from the consolidation of foreign subsidiaries, and other reserves.

³⁰ Translation Adjustments refer to the delta FX which arises from converting Ordinary Working Capital, Capital Expenditure and Other into Euro at the exchange rates as of 30 June 2017 and 31 Dec 2016.

³¹ Equity injection by Symphony, a company controlled by Mohamed Alabbar's family, into Middle East Joint Venture.

YOOX NET-A-PORTER GROUP

ANNEX 5 - EXCHANGE RATES

	1H 2017	PERIOD AVERAGE		2Q 2016	END OF PERIOD		
		1H 2016	2Q 2017		30/06/2017	31/03/2017	31/12/2016
EUR USD	1.083	1.116	1.102	1.129	1.141	1.069	1.054
<i>Apprec. / (Deprec.) vs. EUR</i>	3.0%		2.5%		(2.7%)	6.5%	3.3%
EUR GBP	0.861	0.779	0.861	0.787	0.879	0.856	0.856
<i>Apprec. / (Deprec.) vs. EUR</i>	(9.5%)		(8.6%)		(6.0%)	(7.5%)	(14.3%)
EUR JPY	121.780	124.414	122.584	121.949	127.750	119.550	123.400
<i>Apprec. / (Deprec.) vs. EUR</i>	2.2%		(0.5%)		(10.7%)	7.0%	6.2%
EUR CNY	7.445	7.296	7.560	7.379	7.739	7.364	7.320
<i>Apprec. / (Deprec.) vs. EUR</i>	(2.0%)		(2.4%)		(4.7%)	(0.2%)	(3.5%)
EUR RUB	62.806	78.297	63.103	74.335	67.545	60.313	64.300
<i>Apprec. / (Deprec.) vs. EUR</i>	24.7%		17.8%		5.9%	26.5%	25.5%
EUR HKD	8.420	8.668	8.583	8.764	8.907	8.307	8.175
<i>Apprec. / (Deprec.) vs. EUR</i>	3.0%		2.1%		(3.3%)	6.3%	3.2%
EUR KRW	1,236.330	1,318.916	1,245.809	1,313.744	1,304.560	1,194.540	1,269.360
<i>Apprec. / (Deprec.) vs. EUR</i>	6.7%		5.5%		(2.0%)	8.4%	0.9%
EUR AUD	1.436	1.522	1.469	1.515	1.485	1.398	1.460
<i>Apprec. / (Deprec.) vs. EUR</i>	6.0%		3.1%		0.5%	5.9%	2.1%
EUR CAD	1.445	1.484	1.482	1.455	1.479	1.427	1.419
<i>Apprec. / (Deprec.) vs. EUR</i>	2.7%		(1.8%)		(2.7%)	3.3%	6.5%