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(Translation from the Italian original which remains the definitive version)

REPORT OF THE AUDITORS ON THE CAPITAL INCREASE WITH THE EXCLUSION OF SUBSCRIPTION RIGHTS PURSUANT TO ARTICLE 2441.4, SECOND SENTENCE OF THE ITALIAN CIVIL CODE AND ARTICLE 158.3 OF LEGISLATIVE DECREE NO. 58/98

To the shareholders of
YOOX S.p.A.

1 SCOPE AND NATURE OF THE ENGAGEMENT

In the context of the proposal for a capital increase against contribution with the exclusion of subscription rights pursuant to article 2441.4, second sentence of the Italian Civil Code detailed below, YOOX S.p.A. provided us with the directors' report approved by the board of directors on 7 March 2012 that sets out their report on the "Proposal for a capital increase against contribution in one or more instalments, for a maximum amount of €20,044.23 to be recognised as equity, with the exclusion of subscription rights pursuant to article 2441.4, second sentence of the Italian Civil Code, with subscription reserved for the beneficiaries of the Stock Option Plan ..." (the "Report"). The Report describes and explains the transaction.

According to the Report, the directors will submit the proposal for "a capital increase against contribution in one or more instalments, for a maximum amount of €20,044.23 to be recognised as equity, with the exclusion of subscription rights pursuant to article 2441.4, second sentence of the Italian Civil Code, through the issuing of a maximum of 2,004,423 new ordinary shares of YOOX S.p.A. ..., with no indication of par value, having the same characteristics as the outstanding shares to the shareholders of YOOX S.p.A. (the "Company" or "YOOX") for their approval.

The Report specifies that the capital increase, as proposed above to the shareholders, is intended to service an incentive and loyalty plan (the "Stock Option Plan") reserved for the executive directors of the Company. Accordingly, its purpose is "to create the necessary shares to service the Stock Option Plan ..., to be implemented by the free granting of options (the "Options") to be used to subscribe newly-issued YOOX ordinary shares". To this end, in their Report, the directors have provided that:

- "The Options will be granted free of charge to the beneficiaries whom the Board of Directors or its delegated bodies will identify within the scope of the category of recipients indicated in the Stock Option Plan ...";

- “the Stock Option Plan concerns a maximum of 2,004,423 Options, valid for the subscription of a maximum of 2,004,423 YOOX ordinary shares, at a ratio of 1 ordinary share for every 1 Option granted and exercised under the terms and in the manner established in the Stock Option Plan”.

Based on the information and documentation the Company provided us with (in particular, the information memorandum prepared pursuant to article 84-*bis* of Consob (the Italian Commission for Listed Companies and the Stock Exchange) Regulation no. 11971/1999 and report pursuant to article 114-*bis* of Legislative decree no. 58/1998), the beneficiaries can exercise the Options, “also in more than one tranche, on the basis of a third per year provided that,, the objectives established by the Company’s Board of Directors on a year-to-year basis are achieved, ...”. The capital increase, i.e., its subscription following the exercise of the Options, will be carried out after the Options are granted. Moreover, based on available documentation, the 2012-2015 Stock Option Plan will have a term of three years and the deadline for the subscription of the capital increase servicing it is 31 December 2017.

Therefore, in connection with the above-mentioned proposal for a capital increase of a maximum amount of €20,044.23, the directors will also propose to the shareholders the following:

- that the issue price of the newly-issued shares should be determined on the basis of “a price - naturally not less than the par value of the issue – equal to the weighted average of the official prices recorded by YOOX ordinary shares on the electronic stock market (*Mercato Telematico Azionario*) organised and managed by Borsa Italiana S.p.A. in the 30 (thirty) trading days prior to the date of granting of the Options ...”;
- to confer the fullest powers upon the Board of Directors for the implementation of the capital increase described above, setting the deadline for its subscription at 31 December 2017.

Moreover, based on the Report:

- “The subscribed and paid-up share capital of YOOX is €553,459.40, divided into 55,345,940 ordinary shares”;
- “If fully subscribed, the capital increase to service the Stock Option Plan will equal approximately 3% of the Company’s fully diluted share capital, meaning the share capital issued and subscribed in the event of full implementation of the capital increases already decided and intended to service existing stock option plans, taking account of the options already granted and potentially capable of being granted to the relevant beneficiaries”.

The above proposal will be submitted to the shareholders during their extraordinary meeting called for 24 April 2012 (first call), 26 April 2012 (second call) and 27 April 2012 (third call).

As disclosed in the Report, article 2441.4, second sentence of the Italian Civil Code “stipulates that the issue price of the shares must equal their market value and that this must be confirmed in a specific report prepared by the independent auditors in charge of the audit of the Company’s financial statements”.

Accordingly, in relation to that proposal for a capital increase, we have been requested to issue the report of the auditors provided for by article 2441.4, second sentence of the Italian Civil Code and article 158 of Legislative decree no. 58 of 24 February 1998.

Pursuant to article 2441.4, second sentence of the Italian Civil Code (and article 158.3 of Legislative decree no. 58 of 24 February 1998), we will express later on our conclusion, in these specific circumstances, on the fairness of the criterion to determine an issue price of the shares that equals their market value when the Board of Directors will grant the Options to the relevant beneficiaries. The criterion will be proposed to the shareholders during their extraordinary meeting.

2 NATURE AND SCOPE OF THIS REPORT

As already mentioned, under article 2441.4, second sentence of the Italian Civil Code, the issue price of the shares issued as part of a capital increase with the exclusion of subscription rights to the extent of 10% of a company’s existing share capital, should correspond to the share’s market value, which should be confirmed in a specific report prepared by the independent auditors in charge of the legally-required audit.

With respect to the legal requirement for consistency of the issue price with the share’s market value, in the case under analysis, the Board of Directors has decided to propose to the shareholders a criterion on which basis it will determine the issue price when it will carry out the capital increase, the deadline of which is 31 December 2017, rather than proposing an exact and “definitive” issue price.

The proposed criterion makes reference to “a price - naturally not less than the par value of the issue - equal to the weighted average of the official prices recorded by YOOX ordinary shares on the electronic stock market (*Mercato Telematico Azionario*) organised and managed by Borsa Italiana S.p.A. in the 30 (thirty) trading days prior to the date of granting of the Options”. The directors have specifically described the criterion in their report that they approved on 7 March 2012.

Considering the peculiarity and characteristics of the transaction described above, as reported by the directors and set out later on, for the informational purposes of the shareholders whose subscription rights have been excluded from the proposed capital increase under examination, we express our conclusion solely on the fairness of the criterion proposed by the directors to determine the issue price of the shares that equals their market value when the Board of Directors will grant the Options to the relevant beneficiaries.

This report describes the criterion identified by the directors to determine the issue price of the new shares and any valuation difficulties they may have encountered. It also sets

out our considerations about the fairness, in the circumstances, of that criterion in terms of its reasonableness and non-arbitrariness, for the calculation of an issue price of the shares that equals their fair value when the Board of Directors will grant the Options, as specified in paragraph 1.

The scope of our engagement did not include a valuation of the company's economic value, which we did not perform.

3 DOCUMENTATION USED

We obtained the documentation and information deemed useful for the scope of our engagement from the Company or its advisors.

We analysed such documentation, specifically:

- the directors' report to the shareholders at their ordinary and extraordinary meetings (ordinary: 24 and 27 April 2012 - first and second call, respectively; extraordinary: 24, 26 and 27 April 2012 - first, second and third call, respectively), which includes:
 - a report on the "Proposal for a capital increase against contribution in one or more instalments, for a maximum amount of €20,044.23 to be recognised as equity, with the exclusion of subscription rights pursuant to article 2441.4, second sentence of the Italian Civil Code, with subscription reserved for the beneficiaries of the Stock Option Plan ..." (the "Report");
 - a report pursuant to article 114-bis of Legislative decree no. 58/1998 on the "Stock Option Plan relating to YOOX S.p.A. ordinary shares, reserved for executive directors of the Company ...";
- the minutes of the meeting of 7 March 2012, during which the directors approved their report to the shareholders at their ordinary and extraordinary meetings detailed above;
- "Information memorandum on the Stock Option Plan relating to YOOX S.p.A. shares submitted to the shareholders for approval", drawn up in accordance with article 84-bis of the Consob Regulation endorsed with Resolution no. 11971 of 14 May 1999, as subsequently amended and integrated;
- market price trends of the Company's share over the six months before the date of this report and other market information, such as share volatility and average daily trades (source: Bloomberg);
- the company's current articles of association, for the purposes of this engagement;
- additional accounting, non-accounting and statistical documentation deemed to be useful for the purposes of preparing this report;
- YOOX S.p.A.'s separate and consolidated financial statements as at and for the year ended 31 December 2011 and condensed interim consolidated financial statements

as at and for the six months ended 30 June 2011, accompanied by the related reports thereon issued by us.

Finally, with the representation letter issued on 2 April 2012, YOOX management specifically and expressly confirmed that, to the best of its knowledge, no significant changes have taken place with respect to the data and information used by us to carry out our engagement.

4 VALUATION METHODS ADOPTED BY THE DIRECTORS TO DETERMINE THE ISSUE PRICE

As already mentioned, as part of the capital increase under analysis, the Board of Directors will propose the shareholders approve a criterion to determine the issue price of the new shares, on which basis it will determine the issue price when it will carry out the capital increase, rather than proposing the approval of an exact and definitive issue price.

4.1 *The criterion identified by the directors to determine the issue price*

As part of the transaction described above, the directors held that the requirements of article 2441.4, second sentence of the Italian Civil Code are complied with by identifying a criterion to determine an issue price of the shares that equals their market value when the Options are granted.

In this case, the Board of Directors held it appropriate to identify the issue price as the price equal to the weighted average of the official prices recorded by YOOX ordinary shares in the thirty trading days prior to the date of granting of the Options.

In the Report, the Board of Directors states that it considers this “to be an adequate criterion for ensuring that the issue price of the ordinary shares equals their market value, since it allows reference to be made to a sufficiently long period of time to eliminate any occurrences of volatility that may affect the financial markets, thus reflecting the value attributed to the Company’s shares by the market”.

The Report states that the criterion adopted “is an appropriate criterion for arriving at a fair valuation of the shares, and therefore also of the Company, in the context of share-based incentive schemes”.

Therefore, in this case, the Board of Directors held it appropriate to take into account the weighted average of the official prices recorded during a period of time that makes reference to the date of granting of the Options.

5 VALUATION DIFFICULTIES ENCOUNTERED BY THE BOARD OF DIRECTORS

The Report does not set out any difficulties encountered by the Board of Directors in connection with the identification of the criterion it proposes and set out in paragraph 4.

6 PROCEDURES PERFORMED

We carried out our engagement mainly by performing the following procedures:

- critical reading of the report on the proposal for a capital increase with the exclusion of subscription rights pursuant to article 2441.4, second sentence of the Italian Civil Code;
- analysis, for the purpose of this engagement, of the Company's current articles of association;
- analysis, for the purpose of this engagement, of the minutes of the Board of Directors' meeting held on 7 March 2012 relating to the approval of:
 - the proposal for the adoption of a Stock Option Plan relating to YOOX S.p.A. ordinary shares, reserved for executive directors of the Company;
 - the proposal for a capital increase against contribution in one or more instalments, for a maximum amount of €20,044.23 to be recognised as equity, with the exclusion of subscription rights pursuant to article 2441.4, second sentence of the Italian Civil Code, with subscription reserved for the beneficiaries of the Stock Option Plan;
- analysis, for the purpose of this engagement, of the information memorandum on the Stock Option Plan drawn up in accordance with article 84-bis of the Consob Regulation endorsed with Resolution no. 11971 of 14 May 1999, as subsequently amended and integrated;
- analysis, for the purpose of this engagement, of the report drawn up pursuant to article 114-bis of Legislative decree no. 58/1998 on the Stock Option Plan;
- critical analysis of the criterion adopted by the directors to determine the share issue price to check, in the circumstances, its fairness, reasonableness and non-arbitrariness;
- analysis of the elements necessary to check that the criterion is technically suitable, in the circumstances, in terms of reasonableness and non-arbitrariness, for determining an issue price of the shares that equals their market value when the Options are granted;
- check of the reasons given by the Board of Directors for the adoption of that criterion for completeness and consistency;
- analysis of the market price trends of the Company's share over the thirty days before the date of this report and other information, such as, without limitation, the reference timeframe, relevance of the price considered, type of average used, float characteristics, share volatility and average daily trades;

- sensitivity analysis of the market price trends of the Company's share over the six months before the date of the Report, covering also other periods prior to the date of the Report;
- receipt of the representation letter signed by the Company's legal representatives about the valuation elements made available to us and confirming that, to the best of their knowledge, no significant changes have taken place with respect to the data and information used by us to carry out our engagement at the date of this report.

Company management provided us with a draft of some of the documents necessary to carry out our engagement before they had been approved by the Board of Directors on 7 March 2012. Therefore, we also carried out our procedures on those draft documents. We have nonetheless checked their definitive versions subsequently approved by the Board of Directors.

7 COMMENTS ON THE FAIRNESS OF THE METHODS USED BY THE DIRECTORS TO DETERMINE THE SHARE ISSUE PRICE

The directors' decision to propose that the shareholders approve a criterion to determine the issue price rather than proposing an exact issue price is in line with the relevant market practice and theory.

Moreover, in these circumstances, the directors' reference to the market price of the YOOX shares is consistent with the requirement of identifying an issue price of the shares that equals their market value when the Options are granted, as the Company is listed on a regulated market.

Specifically, the directors' decision to use the weighted average of the official prices of YOOX ordinary shares recorded in the thirty trading days prior to, in this case, the date of granting of the Options, which limits the risks arising from significant short-term fluctuations in market prices, is in line with general practice for incentive plans that have characteristics similar to YOOX's.

8 SPECIFIC LIMITATIONS AND OTHER SIGNIFICANT ISSUES THAT AROSE DURING THE ENGAGEMENT

The main difficulties and limitations encountered during our engagement are as follows:

- the provisions set out in article 2441.4, second sentence, of the Italian Civil Code have been implemented in Italian legislation only recently. Therefore, the related theory available is currently limited and the concepts of "market value" and that the issue price "equals" it are still open to interpretation;
- the Board of Directors' proposal for a capital increase sets out the maximum number of shares to be issued, but it does not establish their issue price. Rather, it presents a criterion according to which the issue price of the newly-issued shares should be determined on the basis of a price - naturally not less than the par value of the issue -

equal to the weighted average of the official prices recorded by YOOX ordinary shares on the electronic stock market (*Mercato Telematico Azionario*) organised and managed by Borsa Italiana S.p.A. in the thirty trading days prior to the date of granting of the Options. Therefore, our engagement did not entail checking that the issue price of the shares equalled their market value. We only assessed the fairness, in the circumstances, of the criterion proposed by the directors in terms of its reasonableness and non-arbitrariness, for the calculation of an issue price of the shares that equals their fair value when the Board of Directors will grant the Options;

- stock exchange prices fluctuate in line with financial market performances and, hence, may vary significantly especially in the short term, due to uncertainties in the national and international general economic climate. Moreover, price trends may be affected by speculation or external extraordinary and unforeseeable factors, unrelated to the individual companies' financial outlook. During the period under examination, the YOOX share did not perform irregularly. However, given that the share issue price will be determined after the date of this report, the occurrence of unforeseeable events affecting it may not be excluded;
- the Board of Directors has not applied another method to check the market price method, since, according to the general practice in the case of similar capital increases servicing stock option plans, the market price method is usually considered suitable to determine a company's value, including taking into account its growth potential, as it is not affected by subjective factors, as it is the output of a market valuation.

Moreover, we draw your attention to the following important matters:

- the criterion identified by the directors makes reference to a future, definite and limited interval, which is specifically referred to in their Report. This may have an impact on the determination of the market price and, therefore, the issue price of the shares, arising from the market's use of that information;
- there are no restrictions on the transfer of the shares acquired following the exercise of the Options;
- the directors have also stated that, if necessary to enable the beneficiaries of the Stock Option Plan to exercise their rights, they will request that the relevant corporate bodies implement any procedures necessary for amending the option exercise method and terms in the event of mergers and demergers, capital decreases due to losses or cancellation of shares, or other events;
- as set out in the Report, the Board of Directors will be responsible for granting the Options provided for by the Plan in accordance with the method to be approved by the shareholders. Given that the criterion to determine the issue price of the new shares adopted by the Board of Directors refers to the Option grant date and is linked to future market trends, the issue price resulting from its application will equal the market value of the shares when the Options provided for by the Stock Option Plan

will be granted and, hence, updated at a date that is prior to that of the capital increase.

9 CONCLUSIONS

That being said, based on the documentation examined and the procedures detailed above, considering the nature and scope of our engagement described herein and subject to that reported in paragraph 8, we believe that the application method for the criterion identified by article 2441.4, second sentence of the Italian Civil Code to determine an issue price of the share that equals their market value when the Board of Directors will grant the Options to the beneficiaries of the Stock Option Plan is fair, reasonable in the circumstances and is not arbitrary.

Bologna, 2 April 2012

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit