YOOX GROUP

Consolidated interim financial statements at September 30, 2014

YOOX S.p.A.
Via Nannetti, 1 – 40069 Zola Predosa (BO)
Share capital: Euro 597,048.40 fully paid up on the date of approval of this document
P.I./C.F. and Bologna Company Register No.: 02050461207

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2014

CONTENTS

Management and Control Bodies 5
Directors' Interim Report 7
Consolidated financial statements at 30 September 2014, YOOX Group 31
Declaration pursuant to Article 154-*bis*, paragraph 2 of Legislative Decree 58/1998 49

MANAGEMENT AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman and Chief Executive Officer
Federico Marchetti[1]

Directors
Stefano Valerio[3]
Mark Evans
Catherine Gérardin-Vautrin[3,4]
Elserino Piol[1,2]
Massimo Giaconia[1,2,3]
Raffaello Napoleone[1]

BOARD OF STATUTORY AUDITORS

Standing Auditors
Filippo Tonolo – Chairman
David Reali
Patrizia Arienti

Alternate Auditors
Edmondo Maria Granata
Salvatore Tarsia

INDEPENDENT AUDITORS

KPMG S.p.A.

SUPERVISORY BOARD DECREE-LAW 231/01

Rossella Sciolti – Chairwoman
Riccardo Greghi
Isabella Pedroni[5]

DIRECTOR RESPONSIBLE FOR PREPARING CORPORATE ACCOUNTING DOCUMENTS

Francesco Guidotti

INTERNAL CONTROL MANAGER

Riccardo Greghi

1 Director in charge of the Internal Control and Risk Management System.
2 Member of the Internal Control Committee.
3 Member of the Compensation Committee.
4 Member of the Directors' Appointments Committee.
5 Appointed on 5 November 2014.

DIRECTORS' INTERIM REPORT

CONTENTS

INTRODUCTION 11
Multi-brand business line 12
Mono-brand business line 13
REVENUE AND PROFITABILITY 13
Methodology note 13
Accounting standards 14
Reclassified consolidated income statement 15
Analysis of net revenues and operating profit by business line 17
Consolidated net revenues by geographical area 18
INVESTMENTS 19
FINANCIAL MANAGEMENT 20
Consolidated statement of financial position 20
Debt/consolidated net financial position 21
HUMAN RESOURCES 22
CORPORATE GOVERNANCE 22
SUBSEQUENT EVENTS 27
BUSINESS OUTLOOK 28
ANNEXES TO THE DIRECTORS' REPORT 29

DIRECTORS' REPORT

INTRODUCTION

In the first nine months of 2014 the Group's sales continued to grow, both for the Multi-brand and the Mono-brand business lines, recording growth in all the main reference markets. The number of active customers, the number of unique visitors, the number of orders and the average order value also improved. Please see the below key indicators table for further details.

One of the most significant events was the extension of the online stores of Stella McCartney and Alexander McQueen to China in January 2014. February 2014 saw the launch of Burberry on thecorner.com, with the Burberry Prorsum and Burberry London lines, and on shoescribe.com with the Burberry Prorsum, Burberry London and Burberry Brit brands.
The Missoni Home line was activated on 20 March 2014 on missoni.com in all countries where the online store is operational, while on 6 May 2014, earlier than the original date scheduled in the contract, Dsquared2 S.p.A. and YOOX S.p.A. renewed their collaboration agreement for the management of the dsquared2.com online store in Europe, the United States, Japan and China for a further 5 years, until 30 April 2019.
In April and May 2014, the online stores of Brunello Cucinelli and Balenciaga, respectively, were extended to China.
On 15 May 2014 kartell.com "Powered by YOOX Group", which was created and produced by the Group's creative agency, was extended to Europe, while at the end of June 2014 the online store of Sergio Rossi was extended to China.
On 13 June 2014 Alexander Wang Inc., the New York brand of the eponymous stylist and YOOX S.p.A. signed an agreement for the management of the Alexander Wang and T by Alexander Wang brand online stores in the United States, a country in which alexanderwang.com already has a considerably large e-commerce business.
The existing collaboration between YOOX and Alexander Wang for Europe and Asia, which has become a global partnership, was also extended until 31 December 2017. From 1 July 2014 alexanderwang.com "Powered by YOOX Group" was also activated in the United States.
In July the agreement with Jil Sander Italia S.p.A. (Onward Luxury Group) for the management of jilsander.com "Powered by YOOX Group" was renewed for a further 5 years until 29 September 2019.
In September the Moncler.com online store was extended to Japan.
As highlighted in the significant events after the end of the year, on 4 November 2014, Jeanne Lanvin S.A. and YOOX S.p.A. finalised a five-year agreement for the management of the Lanvin online stores in Europe, the United States and the main countries in the Asia-Pacific area.

YOOX Group will devise and produce the graphic concept for the next release of fendi.com for FENDI (LVMH Group) which is scheduled to go live in 2015. For the first time, the YOOX in-house creative agency will take care of the creative and graphic context of a website outside of its Mono-brand portfolio, after having been awarded the contract for which several of the major international web agencies were bidding for.

The Group's in-house creative agency will also design and produce the creative concept of the new release of marni.com "Powered by YOOX Group", following an agreement signed by Marni S.p.A. and YOOX S.p.A. on 22 July 2014.

At the beginning of the year, the YOOX Group joined the Altagamma Foundation as a partner. Since 1992 this organisation has gathered together high-end Italian companies whose brands are internationally famous. YOOX becoming a member, as the only and unique digital brand among the luxury brands is a testament to how the integration dynamics between the digital world and the traditional retail channel have become increasingly more fundamental for business strategies in the segment.

In line with the strategy of extending its in-season offering in the Multi-brand business line, yoox.com launched sunglasses, online at the beginning of the summer, and sportswear which was introduced in Europe from September 2014.
The introduction of these two new categories, suggested by the in-depth knowledge of the taste and behaviour of customers, will allow yoox.com to extend its audience further and offer loyal customers a more extensive selection.
Sportswear and sunglasses have a progressive and increasingly strong convergence between functionality and trend in common, making them perfectly complementary for yoox.com customers who are lovers of fashion and style.

An enormous market ($255 billion of sales globally and online penetration of 7% in 2013[6], compared with 4.5% of luxury goods[7]), growth prospects of more than 12% compared with clothing[8], the presence of specialist online retailers mainly in performance sportswear and no multi-brand luxury e-tailers with a significant offering make fashion sportswear a great opportunity.
The sunglasses market[9] is equally attractive worth approximately $20 billion globally in 2013, and specifically the luxury sunglasses market which, with growth prospects 19% higher than other accessories[10] excluding footwear, is destined to drive the future growth of the entire market and have a still relatively low online penetration due, in the main, to the limited internet distribution.
In the second half of September, yoox.com launched the area dedicated to fashion and lifestyle sports clothing with numerous exclusive collaborations with renowned designers and brands such as Adidas by Stella McCartney, Adidas by Porsche Design, BWGH for Puma, some of the most well-known global brands like Nike, Under Armour, Oakley, Patagonia, Puma, Reebok, The North Face, as well as recherce brands like Drop of Mindfulness, Lucas Hugh and NO KA 'OI. The brand portfolio, already containing a vast array at the time of the launch, will continue to be constantly enriched.
With the aim of enhancing the range offered by yoox.com with new categories and bolstering it for existing and successful categories, the area of the website dedicated to Pop up Stores has been developed and its visibility increased. This involves shops-in-shops which offer lifestyle brands exposure to a high-quality traffic and a very customised e-commerce solution at global level in rapid time and with limited investment thanks to the powerful platform and high number of visitors of yoox.com.

Multi-brand business line

The Group's multi-brand operation breaks down into three online stores owned by the Company:

(i) yoox.com, which to date generates the majority of the revenue of the Multi-brand business line;

(ii) thecorner.com, which was opened in the first half of 2008;

(iii) shoescribe.com, launched in March 2012.

The Group has based growth on yoox.com, and on the technological, operational and commercial expertise it has acquired over the years, it has subsequently developed the Mono-brand business line, thecorner.com and from the first quarter of 2012, shoescribe.com.

As an online store, **yoox.com** has been operational since June 2000, and offers a vast array of fashion, design and art products. The majority of products offered on yoox.com are clothing, footwear and fashion accessories drawn from the collections of well-known brands for the corresponding season of the previous year at reduced prices. To complete its select offerings, yoox.com also offers exclusive collections (made exclusively for sale through yoox.com) from major designers, eco-friendly fashion items and vintage garments, together with special editions from fashionable designers and an original selection of design objects.

thecorner.com is a luxury online boutique launched in February 2008, for the sale of current season collections, which range from the most prestigious well-known brands to cutting-edge designers, many of whom are making their online debut. The products sold on thecorner.com carry prices in line with those found in the traditional channel for the same clothing and accessories.
At its start, thecorner.com offered men's clothing only, and in September 2009 it launched a women's collection.
thecorner.com is a virtual space containing mini-shops dedicated to each brand, designed to recreate the style, atmosphere and world of ideas evoked by the brand. Customers can browse for clothes, shoes and accessories while immersed in exclusive multimedia content and images from advertising campaigns and fashion shows.

shoescribe.com is a multi-brand online store launched in March 2012 devoted entirely to women's footwear. shoescribe.com offers a unique all-round shopping experience in the world of shoes, ranging from the editorial component to the care of shoes after purchase. The concept of the store is actually based on the combination of three key elements: e-commerce, exclusive shoe-related services and editorial content. The range consists of an original and very carefully chosen selection from big names to *recherché* brands, as well as a selection of products inspired by shoes. For those who are passionate about shoes, shoescribe.com offers several services

[6] Historical and prospective data for the Sportswear category published by Euromonitor - "Apparel and Footwear", Euromonitor, March 2014.
[7] Source: Altagamma 2013 Worldwide Markets Monitor", Bain & Company - Altagamma, Foundation 28 October 2013.
[8] Historical and prospective data for the Apparel category published by Euromonitor - "Apparel and Footwear", Euromonitor, March 2014.
[9] Historical and prospective data for the Sunglasses category published by Euromonitor - "Apparel and Footwear", Euromonitor, March 2014.
[10] Other accessories excluding footwear include the Apparel accessories, Designer Clothing Accessories, Luxury accessories, Luxury Small Leather Goods, Luxury Bags and Other Luxury Accessories categories. Calculations based on prospective data published by Euromonitor: "Apparel and Footwear", Euromonitor, March 2014 (for the Apparel accessories category); "Luxury Goods", Euromonitor, September 2013 (for the remaining categories).

with added value, including a system for organising your shoes in your wardrobe, which comes with every package, and a network of trusted shoemakers for repairs. In addition, via an annual subscription, “shoescribers” can access the most exclusive services, ranging from complimentary shoe repair to free shipping all year round.

In the first nine months of 2014, the Multi-brand business line generated a monthly average of about 7.3 million unique visitors[11].

The Group has designed and promoted web campaigns courtesy of which the Multi-brand business line has reached a figure, in the first six months of 2014, of approximately 40 thousand websites in more than 50 countries; about 280 million newsletters were sent out to registered users translated into the languages managed by the Group.

Mono-brand business line

Since 2006 the Group has operated in the Mono-brand business line, which involves the design, setting up and exclusive management of mono-brand online stores for some of the world’s leading fashion brands, which it works closely together with.

The Group offers its services as a key Strategic Partner for major fashion companies boasting internationally renowned brands. Thanks to its many years of experience, the Group is able to manage the entire online shopping process for these companies. All online stores display the wording “Powered by YOOX Group”, which is considered recognition of the guarantee of service quality offered by YOOX. The Group offers its partners consulting and web marketing investment management services, both when new online stores are launched and when they are operational.
The Group is also a partner of Kering (former PPR Group), with which it set up a joint venture dedicated to the management of the mono-brand online stores of the various luxury Kering brands.

In the first nine months of 2014, the Mono-brand business line generated a monthly average of about 6.5 million unique visitors.

As at 30 September 2014, there were 36 operating online stores.

REVENUE AND PROFITABILITY

Methodology note

This Directors’ Report contains information relating to the revenues and profitability of the YOOX Group as at 30 September 2014.
Unless otherwise indicated, all amounts are expressed in thousands of Euro. The comparisons in this document have been made with regard to the corresponding period of the previous financial year or the information as at 31 December 2013. For reasons of clarity, it should be pointed out that the percentage differences and changes in the different amounts recorded have been calculated using precise values. It should also be noted that possible differences that may be found in some tables are due to rounding off amounts expressed in thousands of Euro. The Parent Company YOOX S.p.A. is referred to with its full name or simply as the Company; the Group reporting directly to it appears as YOOX Group or simply as the Group; when notes refer to subsidiaries, full company names are used.
All subsidiaries of YOOX S.p.A. operate in the Group’s business segment, or in any event, perform activities that are consistent with those of the Group. YOOX S.p.A. manages its subsidiaries with reference to the geographical operating area. Thus, for more precise information on geographical areas, please refer to the information by business segment, and in general, to information provided in the consolidated financial statements in terms of comments on the main events that occurred in relation to subsidiaries.

[11] Monthly unique visitor is defined as a visitor who opened at least one browser session to visit the online store over the month. The figure reported is calculated as the average of monthly unique visitors for the period concerned.

Accounting standards

The Consolidated Interim Financial Statements as at 30 September 2014 have been compiled in accordance with Article 154-*ter*, paragraph 5 of Legislative Decree 58/98 – T.U.F. – and later modifications and additions, and in compliance with Article 2.2.3. of the Stock Exchange Regulations.

The accounting standards, the consolidation standards and evaluation criteria used in preparing the consolidated interim financial statements are consistent and comply with the standards used to draw up the Annual Report as at 31 December 2013 which is available on the website www.yooxgroup.com in the “Investor Relations” section.

The accounting standards used by the Parent Company and by the Group are consistent with those of the International Financial Reporting Standards endorsed by the European Union and the application of Legislative Decree 38/2005 and other CONSOB rules and regulations governing financial statements. These financial statements were prepared on a cost basis (with the exception of derivative financial instruments, held-for-sale financial assets and available-for-sale financial instruments, which are stated at their current value) and on the assumption that the business is a going concern.

The income statements for the Group, presented in the following pages of this Directors’ Interim Report for the half-year period, have been reclassified in a way deemed by management to be useful for reporting interim indicators of profitability such as gross profit, EBITDA Pre Corporate Costs, EBITDA, EBITDA excluding incentive plan costs and operating profit. Some of the above interim profitability indicators are not recognised as accounting measures under the IFRS endorsed by the European Union, and their calculation may not be standard. Group management uses these indicators to monitor and measure the Group’s performance. Management believes that these indicators are an important measure of operating performance in that they are 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 these indicators might not be consistent with that adopted by other groups or companies, and accordingly, the resulting figures may not be comparable.

Reclassified consolidated income statement

Reclassified consolidated income statement for the third quarter of 2014:

Thousand Euro	Q3 2014	Q3 2013	Change	
Consolidated net revenues	128,278	111,835	16,444	14.7%
Cost of goods sold	(85,091)	(72,493)	(12,598)	17.4%
Gross Profit[12]	**43,187**	**39,342**	**3,845**	**9.8%**
% of consolidated net revenues	33.7%	35.2%		
Fulfillment costs	(11,413)	(9,446)	(1,967)	20.8%
Sales and marketing costs	(13,061)	(12,782)	(279)	2.2%
EBITDA Pre Corporate Costs[13]	**18,714**	**17,114**	**1,599**	**9.3%**
% of consolidated net revenues	14.6%	15.3%		
General expenses	(9,065)	(8,452)	(612)	7.2%
Other income and expenses	(377)	(732)	355	-48.6%
EBITDA[14]	**9,272**	**7,930**	**1,342**	**16.9%**
% of consolidated net revenues	7.2%	7.1%		
Depreciation and amortisation	(6,229)	(4,661)	(1,568)	33.7%
Non-recurring expenses	-	-	-	-
Operating profit	**3,043**	**3,269**	**(226)**	**-6.9%**
% of consolidated net revenues	2.4%	2.9%		
Result of equity investments	(82)	(168)	86	-51.4%
Financial income	1,752	201	1,551	>100%
Financial expenses	(1,360)	(1,165)	(196)	16.8%
Profit before tax	**3,353**	**2,138**	**1,215**	**56.8%**
% of consolidated net revenues	2.6%	1.9%		
Taxes	(1,336)	(816)	(519)	63.6%
Consolidated net income for the period	**2,017**	**1,321**	**696**	**52.7%**
% of consolidated net revenues	1.6%	1.2%		
EBITDA excluding incentive plan costs[15]	**9,383**	**8,810**	**573**	**6.5%**
% of consolidated net revenues	7.3%	7.9%		
Net income excluding incentive plan costs[16]	**2,102**	**1,994**	**108**	**5.4%**
% of consolidated net revenues	1.6%	1.8%		

In the third quarter of 2014, the Group's consolidated net revenues stood at Euro 128,278 thousand, an increase of 14.7% compared with Euro 111,835 thousand for the third quarter of 2013 (+16.3% at constant exchange rates).

EBITDA stood at Euro 9,272 thousand in the third quarter of 2014, an increase of 16.9% compared with Euro 7,930 thousand in the third quarter of 2013, with a margin of 7.2% compared to 7.1% for the same period of the previous year thanks to the greater efficiency of investments in sales and marketing, the operating leverage on general expenses and lower notional expenses relating to the Incentive Plans.

EBITDA excluding Incentive Plans stood at 9,383 thousand, a 6.5% increase compared with the figure of Euro 8,810 thousand for the third quarter of 2013 with a margin of 7.3% on net revenues compared with 7.9% in the same period in the previous year. Consolidated net revenues were Euro 2,017 thousand compared with Euro

[12] Gross profit is profit before fulfillment costs, sales and marketing costs, general expenses, other operating income and expenses, amortisation and depreciation of property, plant and equipment and intangible assets, non-recurring expenses, the results of investments, financial income and expenses and income taxes. Since gross profit is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union, its calculation might not be standard, and the measurement criterion adopted by the Group might not be consistent with that adopted by other groups, and accordingly, the resulting figure may not be comparable with those calculated by such groups.

[13] EBITDA Pre Corporate Costs (or Operating Profit by business line) is defined as earnings before general expenses, other income and expenses, amortisation and depreciation of property, plant and equipment and intangible assets, non-recurring expenses, the result of investments, financial income and expenses and income taxes. Since EBITDA Pre Corporate Costs is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union, its calculation might not be standard, and the measurement criterion adopted by the Group might not be consistent with that used by other groups. EBITDA Pre corporate costs correspond to the segment operating result shown in the consolidated financial statements.

[14] EBITDA is profit before amortisation and depreciation of property, plant and equipment and intangible assets, non-recurring expenses, the result of investments, financial income and expenses and income taxes. Since EBITDA is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union, its calculation might not be standard. Group management uses EBITDA to monitor and measure the Group's performance. Management believes that EBITDA is an important measure 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 EBITDA might not be consistent with that adopted by other groups, and accordingly, the resulting figure may not be comparable with those calculated by such groups.

[15] EBITDA excluding incentive plans costs is defined as the EBITDA gross of costs relating to stock option plans and Company incentive plans, described in the consolidated accounts. For more details, refer to Annex 1 of this Report, which describes the impact of these costs on the reclassified consolidated income statement.

[16] Net income excluding incentive plans is defined as the consolidated net income for the period gross of implicit costs relating to stock option plans and the Company incentive plan and related tax effects.

1,321 thousand in the third quarter of 2013. This growth reflects an improved result from investments and financial income related to exchange rate gains, which more than offset the increased tax burden. Excluding notional expenses relating to the incentive plans and the related tax effect, the Net result excluding Incentive plans stood at Euro 2,102 thousand compared with Euro 1,994 thousand in the third quarter of 2013.

Reclassified consolidated income statement for the first nine months of 2014:

Thousand Euro	30 September 2014	30 September 2013	Change	
Consolidated net revenues	366,267	319,282	46,985	14.7%
Cost of goods sold	(236,856)	(203,321)	(33,535)	16.5%
Gross Profit	**129,411**	**115,962**	**13,450**	**11.6%**
% of consolidated net revenues	35.3%	36.3%		
Fulfilment costs	(33,356)	(29,079)	(4,276)	14.7%
Sales and marketing costs	(39,113)	(36,333)	(2,780)	7.7%
EBITDA Pre Corporate Costs	**56,942**	**50,549**	**6,393**	**12.6%**
% of consolidated net revenues	15.5%	15.8%		
General expenses	(27,854)	(26,532)	(1,322)	5.0%
Other income and expenses	(1,939)	(2,516)	577	-22.9%
EBITDA	**27,149**	**21,502**	**5,647**	**26.3%**
% of consolidated net revenues	7.4%	6.7%		
Depreciation and amortisation	(17,890)	(13,483)	(4,407)	32.7%
Non-recurring expenses	-	-	-	-
Operating profit	**9,259**	**8,018**	**1,241**	**15.5%**
% of consolidated net revenues	2.5%	2.5%		
Result of equity investments	(595)	(761)	166	-21.8%
Financial income	2,057	962	1,095	>100%
Financial expenses	(2,950)	(2,627)	(323)	12.3%
Profit before tax	**7,771**	**5,592**	**2,178**	**39.0%**
% of consolidated net revenues	2.1%	1.8%		
Taxes	(3,197)	(2,064)	(1,133)	54.9%
Consolidated net income for the period	**4,573**	**3,528**	**1,046**	**29.6%**
% of consolidated net revenues	1.2%	1.1%		
EBITDA excluding incentive plan costs	**28,075**	**25,262**	**2,812**	**11.1%**
% of consolidated net revenues	7.7%	7.9%		
Consolidated net income for the period excluding incentive plan costs	**5,281**	**6,401**	**(1,120)**	**-17.5%**
% of consolidated net revenues	1.4%	2.0%		

In the first nine months of 2014 YOOX Group consolidated net revenue, net of returns on sales and discounts to customers, stood at Euro 366,267 thousand, a 14.7% increase compared with Euro 319,282 thousand as at 30 September 2013 (+17.9% at constant exchange rates).

EBITDA was Euro 27,149 thousand as at 30 September 2014 compared with Euro 21,502 thousand as at 30 September 2013. The percentage of EBITDA on net revenues went from 6.7% in the first nine months of 2013 to 7.4% in the first nine months of 2014, thanks to the strong operating leverage and lower notional expenses relating to existing Incentive Plans. Excluding the non-cash costs relating to the Incentive Plans, equal to Euro 926 thousand, EBITDA excluding Incentive Plan Costs stood at Euro 28,075 thousand (+11.1% compared with the same period in 2013), with a margin on sales of 7.7%.[17]

The Consolidated net result is equal to Euro 4,573 thousand compared to Euro 3,528 thousand as at 30 September 2013 and reflects a better result from investments, lower financial expenses thanks to exchange rate gains in the third quarter and an increased effect of the tax burden. Excluding notional expenses relating to the incentive plans and the related tax effect, the Net result excluding Incentive plans stood at Euro 5,281 thousand compared with Euro 6,401 thousand in the first nine months of 2013.

[17] For further details please see the paragraph below relating to the analysis by business line, ‘Analysis of net revenues and operating profit by business line’.

The table below shows several key indicators[18] relating to the Group's activities.

	30 September 2014	30 September 2013
Number of Monthly Unique Visitors [19] (millions)	14.1	12.5
Number of orders (thousands)	2,400	1,967
AOV[20] (Euro)	198	213
Number of Active Customers[21] (thousands)	1,201	1,030

In the first nine months of 2014 the Group recorded an average of 14.1 million unique visitors per month, compared with 12.5 million as at 30 September 2013, and numbers of orders equal to 2,400 thousand, equivalent to one order processed every 10 seconds[22], compared with 1,967 thousand in the first nine months of 2013.
The average order value (AOV) is equal to Euro 198 (excluding VAT) compared with Euro 213 (excluding VAT) in the same period in the previous year.
The number of active customers, equal to 1,201 thousand as at 30 September 2014, rose compared with the figure of 1,030 thousand as at 30 September 2013.

Analysis of net revenues and operating profit by business line

Key operating information by business line with a breakdown of the Group's net revenues and operating profit by business line is provided below.
Since the management reporting system used by management to assess corporate performance does not allocate certain accounting aggregates to business lines (amortisation and depreciation, non-monetary revenue and expenses, general expenses, other non-recurring income and expenses, the result of investments, financial income and expenses and taxes), these items remain the purview of the Corporate area since they are not related to the specific operating activities of the business lines. Thus, the business line's operating profit coincides with EBITDA Pre Corporate Costs in terms of the entries included and previously reported in this total.
For additional details on operating information by business line as at 30 September 2014, with a reconciliation of entries with the Group's income statement, see the consolidated financial statements.

Operating information by business line as at 30 September 2014 is as follows:

	Multi-brand		Mono-brand		Group total	
Thousand Euro	*30 Sept 2014*	*30 Sept 2013*	*30 Sept 2014*	*30 Sept 2013*	*30 Sept 2014*	*30 Sept 2013*
Consolidated net segment revenues	270,676	229,998	95,591	89,284	**366,267**	**319,282**
% of consolidated net Group revenues	73.9%	72.0%	26.1%	28.0%	**100.0%**	**100.0%**
% change	*17.7%*		*7.1%*		***14.7%***	
Segment operating profit	37,441	32,669	19,502	17,881	**56,942**	**50,549**
% of consolidated net segment revenues	13.8%	14.2%	20.4%	20.0%	**15.5%**	**15.8%**
% change	*14.6%*		*9.1%*		***12.6%***	

In the first nine months of 2014, the Group's consolidated net revenues, net of returns from sales and discounts given to customers, was equal to Euro 366,267 thousand, a growth of 14.7% over the figure of Euro 319,282 thousand for the first nine months of 2013, with a contribution from both business lines.
Business line operating profit (or EBITDA Pre Corporate Costs) was Euro 56,942 thousand, an increase of 12.6% compared with Euro 50,549 thousand in the first nine months of 2013, with a margin of 15.5%, compared with 15.8% for the first nine months of 2013. This result is due to the unfavourable impact of exchange rates at gross profit level, not entirely offset by the increased efficiency of investments in sales and marketing.

Multi-brand business line
The Multi-brand business line, which includes the activities of the online stores yoox.com, thecorner.com and shoescribe.com, recorded consolidated net revenues of Euro 270,676 thousand, a 17.7% increase compared with Euro 229,998 thousand in the first nine months of 2013 (+21.5% at constant exchange rates). This

[18] The indicators refer to yoox.com, thecorner.com, shoescribe.com and to the Mono-brand "Powered by YOOX Group" online stores. The indicators related to the joint venture with Kering are excluded.
[19] Source: SiteCatalyst for yoox.com; Google Analytics for thecorner.com, shoescribe.com and mono-brand "Powered by YOOX Group" online stores.
[20] Average Order Value, or AOV, excluding VAT indicates the average value of each purchase order.
[21] An Active Customer is defined as a customer who placed at least one order during the 12 preceding months.
[22] Calculated by dividing the overall total from the 1 January to the date of the document by the number of orders processed at Group level in the same period of time.

performance reflects very significant growth in the number of orders and a decreasing AOV mainly as a result of the effect of the depreciation of the major currencies against the Euro and a less favourable geographic and business line mix.
Overall, in the first nine months of 2014, the Multi-brand business line represented 73.9% of the Group's consolidated net revenues.
The operating result of the multi-brand sector stood at Euro 37,441 thousand, an increase of 14.6% compared with Euro 32,669 thousand in the first nine months of 2013, with a margin of 13.8% compared with 14.2% in the same period of the previous year. This result is attributable to a lower gross profit, partly offset by the operating leverage on fulfilment costs and sales and marketing. Specifically, the performance of the gross profit has suffered from the unfavourable exchange rates in the period as well as the greater impact, in the third quarter, of shipping costs through the lower AOV and more promotional policies supporting the Spring/Summer collection penalised by the unseasonable cold weather in the United States and some European countries.

Mono-brand business line
The Mono-brand business line includes all design, creation and management activities of the online stores of some of the leading global fashion and luxury brands. This business line recorded consolidated net revenues equal to Euro 95,591 thousand, with a 7.1% increase (+8.6% at constant exchange rates) compared with the Euro 89,284 thousand as at 30 September 2013, while the growth in net revenues at retail value[23] stood at 16.3%.
Overall, as at 30 September 2014, the Mono-brand business line accounted for 26.1% of the Group's consolidated net revenues with 38 online stores.
Operating profit for the mono-brand segment stands at Euro 19,502 thousand, an increase of 9.1% compared with Euro 17,881 thousand for the first nine months of 2013, with a margin of 20.4% compared to the 20.0% recorded in the first nine months of 2013. This result was mainly due to the improvement in gross profit, which benefited from the positive contribution of the joint venture with Kering and the effectiveness of the profitability-oriented dynamic management strategy for the mono-brand portfolio.

Consolidated net revenues by geographical area

Below is a breakdown of the Group's consolidated net revenues by geographical area as at 30 September 2014.

Thousand Euro	30 September 2014		30 September 2013		Change	
Italy	58,797	16.1%	47,502	14.9%	11,296	23.8%
Europe (excluding Italy)	174,510	47.6%	152,731	47.8%	21,779	14.3%
North America	78,199	21.4%	72,963	22.9%	5,236	7.2%
Japan	28,012	7.6%	25,724	8.1%	2,288	8.9%
Other countries	19,810	5.4%	15,440	4.8%	4,370	28.3%
Not country related	6,940	1.9%	4,924	1.5%	2,016	40.9%
Total YOOX Group	**366,267**	**100.0%**	**319,282**	**100.0%**	**46,985**	**14.7%**

In the first nine months of 2014, the Group recorded improved results in all the main reference markets.

The results posted by Italy were excellent, with net revenues of Euro 58,797 thousand, a 23.8% increase compared with the first nine months of 2013 and accelerating in the third quarter of the year (+25.5%) thanks to the continued devotion of customers to the YOOX brand and the increasing penetration of smart phones and tablets on sales, more than 19% higher than the rest of the world. This performance reconfirms YOOX's leadership position in the domestic market, a country that is extremely strategic for the Group as the major producer of luxury goods[24] in the world and therefore an enduring source of competitive advantage. For this reason the Group will continue to invest in Italy, where this year too another TV campaign was produced for yoox.com with 50% of slots at prime time. Launched at the beginning of the important fourth quarter, the results of the new advertisement have been excellent so far, with triple-digit growth in registered users compared with 2013 and a considerable increase in new customers and visits, driven by mobile devices.

A positive performance was recorded in the rest of Europe as well, with growth of 143% (+17.3% at constant exchange rates) in the first nine months of 2014. The main countries which contributed to the Group's sales in

[23] Revenues at retail value of all mono-brand online stores net of returns and discounts to customers. These revenues exclude the set-up, design and maintenance fees for mono-brand online stores recorded under "Not country related".
[24] Source: "Altagamma 2014 Worldwide Markets Monitor" Presentation, Bain Altagamma, Milan, 14 October 2014.

Europe were France, Germany, and the U.K., all with better figures than in the same period in the previous years, and Russia which month after month recorded growth rates which constantly improved.

Growth in North America stood at 7.2% (+10.2% at constant exchange rates). This performance reflects a smaller business scope and, in the third quarter, a very challenging comparison (+41.7% in the third quarter of 2013) and a decreasing AOV because of promotional policies supporting the Spring/Summer collection penalised by the unseasonably cold weather. Excluding the perimeter effect and at constant exchange rates, growth in North America would have stood at 19.8%[25] in the first nine months of the year.

Results in Japan were solid too, with growth of 19.2% at constant exchange rates (+8.9% at current exchange rates) compared with the first nine months of 2013, thanks to strong acceleration recorded in the third quarter of the year (+21.0% at constant exchange rates, +15.3% at current exchange rates).

Lastly, the excellent performance in the other countries continued, with growth of 28.3% (+31.5% at constant exchange rates) in the first nine months of 2014, with acceleration in the third quarter (+40.8% at current exchange rates, +42.8% at constant exchange rates) driven by China yoox.cn which benefited from the expansion of the range following the introduction, in February 2014 of the complementary logistics set up.

The “Not country related item” (+40.9% compared with 30 September 2013) includes the set-up and maintenance fees for the online stores, for media partnership projects in the Multi-brand business line, for web marketing and web design services in the Mono-brand business line and for other services offered to mono-brand partners.

INVESTMENTS

The Group made investments totalling Euro 25,514 thousand in the first nine months of 2014, comprising Euro 17,212 thousand in intangible assets and Euro 8,302 thousand in property, plant and equipment. Increases in intangible assets were mainly for investments in multi-year development projects valued at Euro 15,566 thousand.
In the third quarter the Group continued to expand its offering for the mobile channel with the release of new mobile websites for several mono-brand online stores and with the launch on 23 October of the new native application of yoox.com for smart phones on iOS and Android operating systems.
The new app, immediately localised in all of the 11 Group languages, is available for the first time in China too, allowing yoox.cn to take advantage of the enormous potential of this country. In effect, with a higher number of smart phone users than the United States already, the Chinese mobile market has grown more than 10 times over in the last 2 years and boasts a greater propensity to shopping from mobile devices, historically to be sought in the lower internet penetration from desktops.
The new app has been redesigned in accordance with criteria of immediacy and user friendliness to speed up browsing and purchasing on small screens and has introduced functions and contents aimed at improving user experience, increasing the conversion rate and the average receipt. The functions introduced include the possibility of logging in from the main social networks, the display, thanks to geolocalisation, of the most purchased products in your town and automatic credit card purchases through photo scanning.
Based on the evidence of the first weeks, the new native application has recorded excellent results in terms of increased traffic and sales compared to the previous version, as well as an increase in the browsing speed.
The implementation of new automated marketing functions on yoox.com continued, which during the fourth quarter will allow the automated sending of personalised newsletters in response to particular browsing behaviour by users, or specific actions, such as, for example, quitting their baskets.

The releases of several cross channel functions continued to allow mono-brand partners to offer their customers a fully integrated and consistent experience between physical and virtual stores “Powered by YOOX”: specifically, some brands can already offer customers in selected boutiques in the Europe and the U.S., the possibility of buying from the online catalogue using their iPad in store, collecting and delivering items purchased online in store, checking availability and booking clothing only available at physical points of sale through the website, as well as booking a tailoring appointment in the boutique online.
The new yoox.com was launched on desktops and mobiles on 10 July with a new visual identity and new user interface designed with user-friendliness in mind to simplify and therefore speed up site navigation and the purchasing process, with the ultimate goal of improving the conversion rate.

[25] The growth rate is calculated excluding the contribution of diesel.com in the United States from the net revenues for the first nine months of 2013.

The new release has also been designed with a view to increasing the visibility of the sections of the site, such as the Pop-up Stores and emphasising some new categories at the same time improving the shopping experience through the introduction of specific search attributes such as, for example, for sunglasses, face shapes, materials and lens types.
With suggestions from our customers as the starting point, MYOOX, the area dedicated to registered users, has also been redesigned, guaranteeing greater interaction with social networks, contents customised according to user profiles and more information about the status of orders and returns, thereby cutting down on the need to contact customer care.

In July 2014 the Group launched a global partnership with WeChat, a leading application in social communications for Tencent Chinese smart phones. On the official yoox.com account users can interact in real time with customer care and YOOX stylists, and have access to shopping sections, contents and promotions reserved exclusively for them. Launched on yoox.com in the United States, Italy and China – where the existing account has been updated – the partnership will later be extended to other Group online stores.
In line with the YOOX strategy of offering its customer the best purchasing experience possible, in May 2014 the Korean Won was introduced on the Group platform bringing the number of currencies in which payment can be made to 8.

FINANCIAL MANAGEMENT

Consolidated statement of financial position

The tables below contain the figures taken from the Group's reclassified consolidated statement of financial position as at 30 September 2014 and the Group's consolidated statement of cash flows for the same period.

Reclassified consolidated statement of financial position as at 30 September 2014:

Thousand Euro	30 September 2014	31 December 2013	% Change
Net working capital[26]	50,984	28,304	80.1%
Non-current assets	80,816	71,224	13.5%
Non-current liabilities (excluding financial liabilities)	(182)	(363)	-49.9%
Net invested capital[27]	**131,618**	**99,165**	**32.7%**
Shareholders' Equity	134,752	119,663	12.6%
Net debt/(Net financial position)[28]	(3,134)	(20,498)	-84.7%
Total sources of financing	**131,618**	**99,165**	**32.7%**

Net working capital rose from Euro 28,304 thousand as at 31 December 2013 to Euro 50,984 thousand as at 30 September 2014. This change is mainly due to the seasonal nature of the business, where there is a physiological increase in working capital in the third quarter, in addition to the Christmas season stock on show and early deliveries of the yoox.com Spring/Summer season compared with September 2013.

[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 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 criterion applied by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained may not be comparable with that calculated by such groups.

[27] Net invested capital is the sum of 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 criterion applied by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained may not be comparable with that calculated by such groups.

[28] Net debt (or net financial position) is defined as the sum of cash and cash equivalents, other current financial assets, net of bank loans and borrowings and other financial payables due within one year and other current financial liabilities and medium and long-term 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 criterion applied by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained may not be comparable with that calculated by such groups. For details of the items that make up net financial debt/net financial position, see the table below in the section "Debt/Consolidated net financial position". "Other current financial assets" are not governed in detail in CESR's definition of net financial 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".

Reclassified consolidated statement of cash flows as at 30 September 2014:

Thousand Euro	30 September 2014	30 September 2013	% Change
Cash flow generated by (used in) operating activities	609	15,754	-96.1%
Cash flow generated by (used in) investing activities	(28,421)	(29,805)	-4.6%
Sub-Total	**(27,812)**	**(14,051)**	**97.9%**
Cash flow generated by (used in) financing activities	(184)	3,216	<100%
Total cash flow for the period	**(27,996)**	**(10,835)**	**>100%**

The cash flow generated by operating activity in the first nine months of 2014 is Euro 609 thousand and that absorbed by financial activity is Euro 184 thousand. The cash flow for the year was used exclusively to support Group investments, equal to Euro 28,421 thousand, mainly related to the techno-logistics platform and investments in technology.

Debt/Consolidated net financial position

The table below gives details of the YOOX Group's net financial position as at 30 September 2014.

Thousand Euro	30 September 2013	31 December 2012	% Change
Cash and cash equivalents	30,284	58,280	-48.0%
Other current financial assets	10,207	9,252	10.3%
Bank loans and other current financial liabilities	(13,048)	(12,904)	1.1%
Other current financial liabilities	(331)	(283)	16.9%
Short-term net financial position	**27,112**	**54,346**	**-50.1%**
Medium-/long-term financial liabilities	(23, 978)	(33,848)	-29.2%
(Debt)/Consolidated net financial position	**3,134**	**20,498**	**-84.7%**

In accordance with the Group's organisational structure, treasury operations are centralised at the Parent, YOOX S.p.A., which manages the main lines of credit provided to the Group. The Group's policy is to maintain an adequate margin of financial flexibility through available "committed" lines of credit, capable of supporting future development plans.

Cash and cash equivalents totalled Euro 30,284 thousand as at 30 September 2014, and are made up of cash, negotiable instruments and demand deposits or short-term deposits with banks, which are actually available and readily usable.

As at 30 September 2014, financial liabilities stand at Euro 37,026 thousand and are mainly made up of medium-/long-term loans agreed for funding the investment in the techno-logistics platform and for information platform developments. In particular, existing loans have been provided by Banca Nazionale del Lavoro for Euro 6,000 thousand (of which Euro 4,000 thousand is short-term), by Banca Sella for Euro 5,000 thousand (of which Euro 1,667 thousand is for short-term) and by Mediocredito for Euro 23,000 thousand (of which Euro 5,750 thousand is for short-term). Remaining financial liabilities refer to financial leasing agreements totalling Euro 2,580 thousand (of which Euro 1,312 thousand is short term) dedicated to investments in technology, and two finance agreements with De Lage Landen for a total of Euro 404 thousand (of which Euro 275 thousand is short term) in addition to instalments for interest expenses (Euro 42 thousand).

Other current financial liabilities as at 30 September 2014 of Euro 331 thousand, include the negative fair value of transactions in derivatives (accounted for according to IAS 39 using the Cash flow hedge method) set up to hedge the interest rate risk in relation to the financing in place.

Other current financial assets as at 30 September 2014, equal to Euro 10,207 thousand, are mainly those due to the Group from acquirers who manage authorisation for cards belonging to national/international credit or debit card companies used for online sales, and logistics operators who are asked for cash for payments on delivery (Euro 9,462 thousand). The remaining part is attributable for Euro 10 thousand, to the positive fair value, of transactions in derivatives (accounted for according to IAS 39 using the Cash flow hedge method) set up to hedge the interest rate risk from sales in Japanese Yen and for Euro 736 thousand to the loan to the associate company E_Lite S.p.A.

HUMAN RESOURCES

As at 30 September 2014, the Group total headcount stood at 834 employees, a growth of 20% compared with 30 September 2013. The table below shows a breakdown of the headcount[29]:

No	30 September 2014	30 September 2013	Change
Managers	33	29	4
Junior managers	60	56	4
Employees and trainees	655	524	131
Abroad	86	88	(2)
Total headcount	**834**	**697**	**137**

Around 90% of the headcount refers to employees who are located in the three Italian offices, with the remaining 10% located in Group offices abroad.

Compared with 31 December 2013, the total staff of the Group grew by 120 resources, equal to a 17% increase.

CORPORATE GOVERNANCE

The corporate governance model of the Parent Company YOOX S.p.A. is described in detail in the Report on corporate governance and shareholder structure as at 31 December 2013, which should be referred to.
The significant corporate governance events in 2014 that have taken place as at the date of this document are listed below.

Granting of shares following the exercise of Stock Options

The table below shows the YOOX S.p.A. ordinary shares that were granted following the exercise of the options relating to the Stock Option Plans and their strike prices for the first nine months of 2014.

[29] The headcount does not include the Chief Executive Officer of YOOX S.p.A., interns or consultants.

Stock Option Plans	Grant date	Strike prices (in Euro)														Options Total	Total post-split shares
		46.48	59.17	106.50	277.68	305.24	360.9	407.2	441.48	489.32	499.20	512.20	521.56	578.24	582.92		
2004-2006	16-Jan-14	318														318	16,536
2006-2008	16-Jan-14		850													850	44,200
2007-2012	16-Jan-14		577													577	30,004
2009-2014	16-Jan-14					125		70								195	10,140
Sub total		**318**	**1,427**			**125**		**70**								**1,940**	**100,880**
2009-2014	10-Feb-14					161		20								181	9,412
Sub total						**161**		**20**								**181**	**9,412**
2003-2005	03-Mar-14	2,346														2,346	121,992
2004-2006	03-Mar-14	1,450														1,450	75,400
2009-2014	03-Mar-14					2,075				642					321	3,038	157,976
Sub total		**3,796**				**2,075**				**642**					**321**	**6,834**	**355,368**
2009-2014	28-Apr-14						642	20								662	34,424
Sub total							**642**	**20**								**662**	**34,424**
2009-2014	09-May-14												1,424			1,424	74,048
Sub total													**1,424**			**1,424**	**74,048**
2009-2014	25-Jun-14					98		20			243					361	18,772
Sub total						**98**		**20**			**243**					**361**	**18,772**
2001-2003	07-Jul-14			2,000												2,000	104,000
2006-2008	07-Jul-14		250													250	13,000
2009-2014	07-Jul-14				193			150			1,097	3,304		391		5,135	267,020
Sub total			**250**	**2,000**	**193**			**150**			**1,097**	**3,304**		**391**		**7,385**	**384,020**
2006-2008	28-Aug-14		250													250	13,000
2009-2014	28-Aug-14				976			77	770							1,823	94,796
Sub total			**250**		**976**			**77**	**770**							**2,073**	**107,796**
2007-2012	09-Sep-14		1,550													1,550	80,600
2009-2014	09-Sep-14				2,245	870		80	924		262					4,381	227,812
Sub total			**1,550**		**2,245**	**870**		**80**	**924**		**262**					**5,931**	**308,412**
Total		**4,114**	**3,477**	**2,000**	**3,414**	**3,329**	**642**	**437**	**1,694**	**642**	**1,602**	**3,304**	**1,424**	**391**	**321**	**26,791**	**1,393,132**

Given the above, the share capital issued by YOOX S.p.A. as at 30 September 2014 is Euro 596,005.28, divided into 56,600,528 ordinary shares with no nominal value.

As illustrated in the significant events after the end of the period, on 8 October 2014, 104,312 YOOX S.p.A. ordinary shares were granted following the exercising of 2,006 options the breakdown of which is given in the table below:

Stock Option Plans	Strike prices (in Euro)					Options Total	Total post-split shares
	305.24	407.16	441.48	499.2 0	578.24		
2009-2014	363	20	258	1,008	357	2,006	104,312
Total	**363**	**20**	**258**	**1,008**	**357**	**2,006**	**104,312**

Given the above, the new share capital issued by YOOX S.p.A. is Euro 597,048.40, divided into 59,704,840 ordinary shares with no indication of nominal value.

Stock option and share granting relating to the YOOX S.p.A. 2009-2014 Company incentive and Stock Option Plan

During the first nine months of 2014, the Company's Board of Directors did not approve grants under the 2009-2014 YOOX S.p.A. Stock Option Plan.

In 2014, specifically on 14 January and 13 May, the Company paid 4,829 and 24,596 ordinary shares relating to the Company Incentive Plan to 27 beneficiaries.

Stock Grant Plan

On 27 April 2012 the Shareholders' Meeting, pursuant to Article 114-*bis* of Legislative Decree 58/1998, approved the establishment of a new incentive and loyalty plan known as the "Stock Grant Plan" for employees of YOOX S.p.A. and companies directly or indirectly controlled by it, to be implemented through the granting, free of charge, of a total of 550,000 YOOX S.p.A. ordinary shares, giving the Board of Directors the mandate to adopt the regulation. The details of the Stock Grant Plan can be consulted on the Company's website www.yooxgroup.com under the section Corporate Governance – Company Documents.

2012-2015 Stock Option Plan and granting of options relating to the 2012-2015 Stock Option Plan

On 29 June 2012 the Shareholders' Meeting, in its ordinary session, approved, pursuant to Article 114-*bis* of Legislative Decree 58/1998, the establishment of a new incentive and loyalty scheme known as the "2012-2015 Stock Option Plan" for YOOX S.p.A. executive directors, to be implemented through the granting free of charge of options valid for subscribing new-issue YOOX S.p.A. ordinary shares (in the ratio of one ordinary share for every one option exercised) which had still not been allocated.

In its extraordinary session, the Shareholders' Meeting approved the divisible paid-in capital increase for a maximum amount of Euro 15,000.00 to be transferred to the share capital, with the exclusion of the option right pursuant to Article 2441, paragraph 4, point 2 of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the 2012-2015 Stock Option Plan above.

The strike price of each option, for the subscription of one newly issued ordinary share under the capital increase, will be established according to the average weighting of the official YOOX S.p.A. ordinary share price recorded on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A. in the thirty days trading prior to the option granting date.

The 2012-2015 Stock Option Plan includes the granting of a total of 1,500,000 YOOX ordinary shares equal to 2.3% of the Company's fully diluted share capital, which refers to the share capital issued and subscribed if the capital increases already approved and destined to service the existing stock option plans are carried out in full, taking into account options already granted and those which can potentially be granted to the related beneficiaries.

For details of the 2012-2015 Stock Option Plan, including the implementation terms and conditions, please see the information document produced pursuant to Article 84-*bis* of CONSOB Regulation 11971/1999, which can

also be consulted on the Company's website www.yooxgroup.com under the section Corporate Governance – Company Documents.
On 21 September 2012, in order to execute the YOOX S.p.A. 2012-2015 Stock Option Plan, the Company's Board of Directors approved the plan and, on the proposal of the Remuneration Committee, the allocation in favour of the CEO Federico Marchetti of 1,500,000 options valid for the subscription of 1,500,000 YOOX ordinary shares in the ratio of one new ordinary share for every one option exercised.

2014 - 2020 Stock Option Plan

On 17 April 2014, the Shareholders' Meeting approved, pursuant to Article 114-*bis* of Legislative Decree the establishment of a new incentive and loyalty scheme known as the 2014 - 2020 Stock Option Plan exclusively for employees of YOOX S.p.A. and its companies, directly or indirectly controlled, to be implemented through the free granting of options valid for subscribing new issue YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised).
For details of the 2014 - 2020 Stock Option Plan, including the implementation terms and conditions, refer to the information document produced pursuant to Article 84-*bis* of Consob Regulation no. 11971/1999, which can also be consulted on the Company's website under the section Corporate Governance / Company Documents.

Board of Directors

On 27 April 2012, the Shareholders' Meeting appointed the Board of Directors for the three-year period 2012-2014. It is composed of seven members:

- Federico Marchetti;
- Stefano Valerio;
- Catherine Gérardin-Vautrin (independent director);
- Mark Evans;
- Elserino Mario Piol (independent director);
- Massimo Giaconia (independent director);
- Raffaello Napoleone (independent director).

At the end of the Meeting, the Board of Directors met and confirmed Federico Marchetti as Chairman and CEO of the Company and Stefano Valerio as Vice Chairman of the Company, allocating their powers.
The Board of Directors also adopted resolutions on the subject of corporate governance. For more details, refer to the Press Release issued on 27 April 2012, which is available on the Company's website www.yooxgroup.com, under the section "Investor Relations".

The Board of Directors also appointed:

- the members of the Control and Risk Committee in the persons of Directors Massimo Giaconia (chairman), Elserino Mario Piol and Raffaello Napoleone;
- the members of the Compensation Committee in the persons of Directors Elserino Mario Piol (chairman), Catherine Gérardin-Vautrin and Massimo Giaconia;
- the members of the Directors' Appointments Committee in the persons of Directors Massimo Giaconia (chairman), Catherine Gérardin-Vautrin and Stefano Valerio;
- the members of the Committee for Related-Party Transactions in the persons of Directors Massimo Giaconia (chairman), Elserino Mario Piol and Raffaello Napoleone.

Lastly, the Board of Directors appointed Federico Marchetti as Executive Director with responsibility for the internal control and risk management system and the independent director Massimo Giaconia as Lead Independent Director.

Board of Statutory Auditors

On 27 April 2012, the Shareholders' Meeting appointed the Board of Statutory Auditors for the three-year period 2012-2014. It is composed of:

- Filippo Tonolo (Chairman);
- David Reali (Standing Auditor);
- Patrizia Arienti (Standing Auditor);

- Edmondo Maria Granata (Alternate Auditor);
- Salvatore Tarsia (Alternate Auditor).

Approval of the Consolidated Financial Statements as at 31 December 2013

The Shareholders' Meeting of 17 April 2014 convened at a first call, in its ordinary session, approved the separate financial statements for the year ended 31 December 2013, resolving to carry forward YOOX S.p.A.'s entire net profit for the year.

Remuneration Report

On 17 April 2014 the Shareholders' Meeting approved, with a non-binding vote, Section I of the Remuneration Report produced pursuant to Articles 123-*ter* of Legislative Decree 58/1998 and 84-*quater*, as well as in compliance with Annex 3rd, Statements 7-*bis* and 7-*ter* of Consob Regulation 11971/1999.

Purchase and disposal of treasury shares

The Shareholders' Meeting on 17 April 2014, approved and authorised the purchase of treasury shares, under Articles 2357, 2357-*ter* of the Italian Civil Code and Article 132 of Legislative Decree 58/1998 and related implementation provisions, following the revocation of the resolution approved by the Shareholders' Meeting of 27 April 2012 for the part not executed.
For more details, refer to the Press Release issued on this date, which is available on the Company's website www.yooxgroup.com, under the section "Investor Relations".

At the time of writing the Company holds 27,339 treasury shares in its portfolio, equal to 0.0465% of the share capital to date.

Compensation Committee

The Committee met on 5 March 2014 and issued its favourable opinion on the proposal to modify the conditions for exercising the YOOX S.p.A. 2009 – 2014 Stock Option Plan, approved a modification of the Remuneration Policy and the definition of the 2014 targets for the CEO.
The Committee also met on 17 April 2014 and gave its favourable opinion on the proposal to change the conditions for exercising the YOOX S.p.A. 2009 – 2014 Stock Option Plan and an agreement with a strategic management plan.

Internal Control Committee

The Committee met on 26 February, 29 April 2014 and 23 July 2014.

Approval and implementation of the 2014 Internal Audit Plan

On 5 March 2014, the Board of Directors expressed a positive opinion and approved the audit plan and the plan for resources necessary to carry out the activities, after the examination and positive evaluation of the Director appointed by the Internal Control System and Risk Management, the Control and Risk Committee and the Board of Statutory Auditors. It was formulated from a risk-based perspective, taking into account company targets and suggestions from management and supervisory and control bodies.
The following activities are managed by the Internal Audit function: operational assurance audits, regulatory assurance audits, internal controls consulting activities, consulting on risk management in certain key company areas.
The Head of the Internal Audit Function has implemented the activities in the timeframes and methods required, also with the help of external specialists and consultants. He reported on a quarterly basis to the Director in charge of the Internal Control System and Risk Management, to the Control and Risk Committee and to the Board of Statutory Auditors on the progress of activities, the outcomes of the activities carried out and on any proposed changes to the plan.

The relevant elements for the purpose of regulatory compliance pursuant to Legislative Decree 231/01 and Law 262/05 which emerged from the activities carried out were reported promptly, to the company Supervisory Authority and to the director in charge of preparing corporate accounting documents.
The evaluation of the Head of the Internal Audit Function on the Group Internal Control System and Risk Management, in the light of the information collected and with reference to the corporate areas subjected to operating and regulatory assurance activities, was that it was entirely suitable, adequate and functioning correctly.

SUBSEQUENT EVENTS

After the end of the period, on 8 October 2014, 104,312 YOOX S.p.A. ordinary shares were granted following the exercising of 2,006 options the breakdown of which is given in the table below:

Stock Option Plans	**Strike prices (in Euro)**					**Options Total**	**Total post-split shares**
	305.24	**407.16**	**441.48**	**499.2 0**	**578.24**		
2009-2014	363	20	258	1,008	357	2,006	104,312
Total	**363**	**20**	**258**	**1,008**	**357**	**2,006**	**104,312**

Given the above, the new share capital issued by YOOX S.p.A. is Euro 597,048.40, divided into 59,704,840 ordinary shares with no indication of nominal value.

Agreement with Lanvin
On 4 November 2014, Jeanne Lanvin S.A. and YOOX S.p.A. finalised a five-year agreement for the management of the Lanvin online stores in Europe, the United States and the main countries in the Asia-Pacific area.

New Red Valentino online store
The new global release of valentino.com was launched today. The graphic concept was designed by the YOOX creative agency in conjunction with Valentino. The new valentino.com combines experience with e-commerce in a single, integrated website. On the occasion of the launch the website was also localised in China in Chinese and with a local payment system to improve the purchasing experience of Chinese customers. The online store dedicated to the REDValentino brand was also activated at the same time.
This brings the number of Mono-brand online stores managed by the Group to 37.

New credit line
On 3 October 2014 YOOX obtained a new credit line from the European Investment Bank for Euro 45 million to fund part of the previously announced 2014-2015 investment plan in technological innovation which, thanks to very competitive economic conditions, will also allow a considerable reduction in the average cost of the loan. This agreement will fit into the Group strategy to optimise its financial structure and will be added to the lines of credit already available aimed at funding investments and working capital commmitments during purchasing campaigns.

BUSINESS OUTLOOK

Based on the proven validity of the YOOX business model globally, the results recorded in the first nine months of the year and the soundness of the commercial, marketing and technological initiatives carefully planned for the Christmas campaign, it is reasonable to assume that the Group will be able to achieve further growth in sales and profits in 2014 as well.

It is likely that both business lines and all the main markets in which the Group operates will contribute positively to this growth. Specifically, the last months of 2014 could benefit from an overall improvement in all the major currencies against the Euro, with the exception of the Rouble; the Mono-brand line could benefit from all the initiatives planned for the Christmas season.

The Group intends to continue investments in innovation and consolidation of the techno-logistics platform: specifically the Group intends to continue and develop its mobile offering and release cross-channel functionalities to strengthen the offering to mono-brand partners in order to enable them to offer their customers a fully integrated and consistent experience between the physical stores and the virtual stores “Powered by YOOX”.

Lastly, internal initiatives aimed at improving efficiency and carefully managing costs will also continue.

Zola Predosa (BO), 5 November 2014
For the Board of Directors

Chairman of the Board of Directors
Federico Marchetti

ANNEXES TO THE INTERIM REPORT

Annex 1: Incentive plans and impact on the reclassified consolidated income statement

Impact of incentive plans in the third quarter of 2014:

Thousand Euro	Q3 2014	% Total	Q3 2013	% Total
Fulfillment costs	**(11,413)**		**(9,446)**	
of which incentive plans	-	*0.0%*	*(130)*	*14.8%*
Sales and marketing costs	**(13,061)**		**(12,782)**	
of which incentive plans	-	*0.0%*	*(191)*	*21.7%*
General expenses	**(9,065)**		**(8,452)**	
of which incentive plans	*(110)*	*100.0%*	*(559)*	*63.5%*
Incentive plans total	**(110)**	***100.0%***	**(880)**	***100.0%***

Impact of incentive plans in the first nine months of 2014:

Thousand Euro	30 September 2014	% Total	30 September 2013	% Total
Fulfillment costs	**(33,356)**		**(29,079)**	
of which incentive plans	*(97)*	*10.5%*	*(365)*	*9.7%*
Sales and marketing costs	**(39,113)**		**(36,333)**	
of which incentive plans	*(4)*	*0.4%*	*(499)*	*13.3%*
General expenses	**(27,854)**		**(26,532)**	
of which incentive plans	*(824)*	*89.1%*	*(2,897)*	*77.0%*
Incentive plans total	**(926)**	***100.0%***	**(3,761)**	***100.0%***

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2014 YOOX GROUP

CONTENTS

Consolidated financial statements as at 30 September 2014 prepared in compliance with International Accounting Principles (IFRS)........35
Consolidated income statement........35
Consolidated statement of comprehensive income........36
Consolidated statement of financial position........37
Statement of changes in consolidated shareholders' equity as at 30 September 2013 and 30 September 2014........38
Consolidated statement of cash flows........39
Approval of consolidated interim financial statements as at 30 September 2014........40
Scope of consolidation........40
Information by business line........41
Information by geographical area........43
Basic and diluted earnings per share........43
Stock option and incentive plans........44

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2014 PREPARED IN COMPLIANCE WITH INTERNATIONAL ACCOUNTING PRINCIPLES (IFRS)

Consolidated Income Statement

Thousand Euro	30 September 2014	30 September 2013
Net revenues	366,267	319,282
Cost of goods sold	(236,856)	(203,321)
Fulfillment costs	(38,535)	(33,342)
Sales and marketing costs	(39,118)	(36,340)
General expenses	(40,560)	(35,745)
Other income and expenses	(1,939)	(2,516)
Operating profit	**9,259**	**8,018**
Result of equity investments	(595)	(761)
Financial income	2,057	962
Financial expenses	(2,950)	(2,627)
Profit before tax	**7,771**	**5,592**
Taxes	(3,197)	(2,064)
Consolidated net income for the period	**4,573**	**3,528**
of which:		
Attributable to owners of the Parent	4,573	3,528
Attributable to third parties	-	-
Basic earnings per share (in Euro)	0.07	0.06
Diluted earnings per share (in Euro)	0.07	0.06

Consolidated statement of comprehensive income

Thousand Euro	Notes	30 September 2014	30 September 2013
Consolidated net income for the year		4,573	3,528
Other components of comprehensive income, net of tax effects			
Foreign currency translation differences for foreign operations		1,493	(801)
Profit/(loss) from cash flow hedges		(397)	208
Total other components of comprehensive income which will be (or could be) reclassified in the income statement		**1,096**	**(593)**
Net change in retained earnings and actuarial losses relating to employee benefits		(10)	(44)
Total other components of comprehensive income which will be reclassified in the income statement		**(10)**	**(44)**
Total consolidated comprehensive net income for the year		**5,659**	**2,891**
of which:			
Attributable to owners of the Parent		5,659	2,891
Attributable to third parties		-	-

Consolidated statement of financial position

Thousand Euro	30 September 2014	31 December 2013
Non-current assets		
Property, plant and equipment	35,799	34,890
Intangible assets with finite useful life	33,800	27,093
Equity interests in associate companies	59	59
Deferred tax assets	10,173	8,272
Other non-current financial assets	985	910
Total non-current assets	**80,816**	**71,224**
Current assets		
Inventories	196,272	164,396
Trade receivables	12,265	13,460
Other current assets	6,727	4,070
Cash and cash equivalents	30,284	58,280
Financial assets which are not non-current assets	10,198	8,742
Total current assets	**255,746**	**248,949**
Total assets	**336,562**	**320,173**
Shareholders' Equity		
Share capital	596	582
Reserves	93,104	82,525
Retained earnings (losses carried forward)	36,479	23,935
Consolidated net income for the period	4,573	12,620
Equity attributable to equity holders of the Parent	134,752	119,663
Equity attributable to third parties	-	-
Total consolidated shareholders' equity	**134,752**	**119,663**
Non-current liabilities		
Medium-/long-term financial liabilities	23,978	33,848
Employee benefits	171	210
Provisions for risks and charges	-	-
Deferred tax liabilities	11	153
Total non-current liabilities	**24,160**	**34,211**
Bank loans and other current financial liabilities	13,048	12,904
Provisions for risks and charges	303	422
Trade payables	138,939	120,792
Tax liabilities	42	989
Other payables	25,316	31,193
Total current liabilities	**177,649**	**166,300**
Total consolidated shareholders' equity and liabilities	**336,562**	**320,173**

Statement of changes in consolidated shareholders' equity as at 30 September 2014

Thousand Euro	*Share capital*	*Share premium reserve and other equity-related reserves*	*Legal reserve*	*Treasury share acquisition reserve*	*Cash flow hedge reserve*	*IAS 19 reserve*	*Stock option reserve*	*Translation reserve*	*Retained earnings or losses carried forward*	*Consolidated net income*	*Shareholders' Equity attributable to non-controlling interests*	*Shareholders' Equity attributable to non-controlling interests*	***Total***
Total 31 December 2013	**582**	**64,262**	**193**	**(538)**	**165**	**(42)**	**19,667**	**(1,181)**	**23,935**	**12,620**	**-**	**-**	**119,663**
Share capital increases	14	7,680	-	-	-	-	-	-	-	-	-	-	**7,694**
Increases in reserves for share-based payments	-	811	-	-	-	-	926	-	-	-	-	-	**1,737**
Other changes	-	-	-	280	-	-	(280)	77	12,543	(12,620)	-	-	**-**
Total effects resulting from transactions with shareholders	**596**	**72,753**	**193**	**(258)**	**165**	**(42)**	**20,313**	**(1,104)**	**36,478**	**-**	**-**	**-**	**129,094**
Profit for the period	-	-	-	-	-	-	-	-	-	4,573	-	-	**4,573**
Other profits/losses for the comprehensive income statement	-	-	-	-	(397)	(10)	-	1,493	-	-	-	-	**1,085**
Total consolidated comprehensive income	**-**	**-**	**-**	**-**	**(397)**	**(10)**	**-**	**1,493**	**-**	**4,573**	**-**	**-**	**5,659**
Total 30 September 2014	**596**	**72,753**	**193**	**(258)**	**(232)**	**(52)**	**20,313**	**389**	**36,478**	**4,573**	**-**	**-**	**134,752**

Statement of changes in consolidated shareholders' equity as at 30 September 2013

Thousand Euro	*Share capital*	*Share premium reserve and other equity-related reserves*	*Legal reserve*	*Treasury share acquisition reserve*	*Cash flow hedge reserve*	*IAS 19 reserve*	*Stock option reserve*	*Translation reserve*	*Retained earnings or losses carried forward*	*Consolidated net income*	*Shareholders Equity attributable to non-controlling interests*	*Shareholders Equity attributable to non-controlling interests*	***Total***
Total 31 December 2012	**573**	**61,734**	**193**	**(1,136)**	**(177)**	**-**	**16,401**	**236**	**13,752**	**10,183**	**-**	**-**	**101,762**
Share capital increases	6	2,125	-	-	-	-	-	-	-	-	-	-	**2,130**
Increases in reserves for share-based payments	-	-	-	-	-	-	3,929	-	-	-	-	-	**3,929**
Other changes	-	-	-	597	-	-	(597)	-	10,183	(10,183)	-	-	**-**
Total effects resulting from transactions with shareholders	**579**	**63,859**	**193**	**(539)**	**(177)**	**-**	**19,733**	**236**	**23,935**	**-**	**-**	**-**	**107,819**
Profit for the period	-	-	-	-	-	-	-	-	-	3,528	-	-	**3,528**
Other profits/losses for the comprehensive income statement	-	-	-	-	208	(44)	-	(801)	-	-	-	-	**(637)**
Total consolidated comprehensive income	**-**	**-**	**-**	**-**	**208**	**(44)**	**-**	**(801)**	**-**	**3,528**	**-**	**-**	**2,890**
Total 30 September 2013	**579**	**63,859**	**193**	**(539)**	**32**	**(44)**	**19,733**	**(565)**	**23,935**	**3,528**	**-**	**-**	**110,710**

Consolidated statement of cash flows

Thousand Euro	30 September 2014	30 September 2013
Consolidated net income for the period	4,573	3,528
Adjustments for:		
Taxes for the period	3,197	2,064
Financial expenses	2,950	2,627
Financial income	(2,057)	(962)
Share of profit for associates	595	761
Depreciation, amortisation and impairment losses	17,890	13,483
Fair value measurement of stock options	926	3,761
Unrealised effect of changes in foreign exchange rates	1,493	(801)
(Gains)/losses on sale of non-current assets	5	3
Provisions of employee benefits	19	65
Provisions for risks and charges	289	279
Payment of employee benefits	(58)	(66)
Use of provisions for risks and charges	(408)	(336)
Changes in inventories	(31,876)	(13,701)
Changes in trade receivables	1,195	3,527
Changes in trade payables	18,147	13,332
Changes in other current assets and liabilities	(9,193)	(6,395)
Cash flow from (used in) operating activities	**7,689**	**21,169**
Income tax paid	(6,187)	(3,750)
Interest and other financial expenses paid	(2,950)	(2,627)
Interest and other financial income received	2,057	962
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**609**	**15,754**
Investing activities		
Acquisition of property, plant and equipment	(10,791)	(15,428)
Acquisition of intangible assets	(17,212)	(13,609)
Acquisition of stakes in associate companies	(343)	(761)
Acquisition of other non-current financial assets	(75)	(7)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(28,421)**	**(29,805)**
Financing activities		
New short-term liabilities	1,262	4,169
Repayment of short-term liabilities	(7,119)	(1,952)
New medium-/long-term financial liabilities	-	338
Repayment of medium-/long-term financial liabilities	(1,376)	(97)
Increase in share capital and share premium reserve	8,504	2,131
Investments/disinvestments in other financial assets	(1,456)	(1,542)
Variation through difference between cash flow effect and action of incentive plans	-	169
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(184)**	**3,216**
TOTAL CASH FLOW FOR THE PERIOD	**(27,996)**	**(10,835)**
Cash and cash equivalents at the beginning of the period	58,280	35,775
Cash and cash equivalents at the end of the period	30,284	24,940
TOTAL CASH FLOW FOR THE PERIOD	**(27,996)**	**(10,835)**

APPROVAL OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2014

The consolidated interim financial statements as at 30 September 2014 were approved by the Board of Directors on 5 November 2014.

SCOPE OF CONSOLIDATION

The scope of consolidation as at 30 September 2014 comprises the following subsidiaries of YOOX S.p.A.:

- YOOX Corporation, formed in 2002 to manage sales activities in America;
- YOOX Japan, formed in 2004 to manage sales activities in Japan;
- Mishang Trading (Shanghai) Co. Ltd. established in the fourth quarter of 2010 to manage sales in China;
- YOOX Asia Limited established in the second quarter of 2011 to manage sales in the Asia-Pacific area.

As at 30 September 2014, the scope of consolidation included the following companies:

Company	*Registered Office*	*Share capital as at 30 September 2014 (Thousand Euro)*	*Percentage held as at 30 September 2014*
YOOX	Via Nannetti, 1 – 40069 Zola Predosa – Bologna, Italy	596	-
YOOX Corporation	15 East North Dover, Delaware 19901, United States of America	372	100%
Y Services	Delaware, 1220 Market St. Ste 806, Wilmington 19801, United States of America	125	100%
YOOX Japan	4F Oak Omotesando, 3-6-1 Kita-aoyama, Minato-ku Tokyo 107-0061	75	100%
Mishang Trading (Shanghai) Co. Ltd	Floor 6, Donglong Building No 223 Xikang Road, Jing’an District 200050 SHANGHAI	6,000	100%
YOOX Asia Limited	Unit 2702 27/F The Centrium, 60 Wyndham Street Central, Hong Kong (CN)	91	100%

The scope of consolidation as at 30 September 2014 showed changes compared to 31 December 2013; on 31 October 2013, the merger by incorporation of YOOX Corporation and Y Services Ltd. was approved by the Shareholders’ Meetings. From 1 January 2014, Y Services Ltd. was incorporated into YOOX Corporation.

The exchange rates used for converting the financial statements and account balances into currencies other than the Euro as at 30 September 2014, 31 December 2013 and 30 September 2013 are as follows (*source* www.bancaditalia.it):

	Exchange rate as at 30 September 2014	Average exchange rate for the first nine months of 2014
USD	1.2583	1.3549
YEN	138.11	139.49
CNY	7.7262	8.3544
HKD	9.7740	10.507
GBP	0.7773	0.8118
RUB	49.765	48.015

	Exchange rate as at 31 December 2013	Average exchange rate for 2013
USD	1.3791	1.3281
YEN	144.72	129.66
CNY	8.3491	8.1646
HKD	10.693	10.302
GBP	0.8337	0.8493
RUB	45.325	42.337

	Exchange rate as at 30 September 2013	Average exchange rate for the first nine months of 2013
USD	1.3505	1.3171
YEN	131.78	127.38
CNY	8.2645	8.1226
HKD	10.472	10.218
GBP	0.8361	0.8511
RUB	43.824	41682

The foreign currencies are reported against Euro units.

INFORMATION BY BUSINESS LINE

The Group's operating segments were determined on the basis of the reporting information used by senior management when making strategic decisions. This reporting information, which also reflects the Group's current organisational structure, is based on the various products and services provided and was produced using the accounting standards described above (IAS/IFRS).

The operating segments generate revenue from the specific production and sales activities described below:

1. Multi-brand, which includes activities relating to the multi-brand online stores yoox.com, thecorner.com and from March 2012 shoescribe.com, described in the Directors' Report;
2. Mono-brand, comprising the design, creation and management, on an exclusive basis, of the online stores of some of the leading global fashion brands. The Group is therefore the strategic partner for these brands in this specific sales channel. The goods available in the online stores are sold and invoiced directly to end customers by YOOX.

The Group also has a Corporate and Central Services Area that directs and coordinates the Group's activities. This Area also plays a key role in facilitating the operational integration of the various Areas and in supporting the activities directly associated with the operating segments. The Area in question includes senior management and administrative, finance and control functions, legal affairs, general services, human resources, public relations, technology, investor relations and internal audit.

The Group evaluates the performance of its operating segments based on operating profit, concurrent with the profit or loss on ordinary activities.

Revenues from the segments presented are those directly achieved or attributable to the sector and resulting from characteristic activity. They exclusively include revenues from transactions with third parties as there are no revenues from transactions with other sectors. Sector costs are the expenses from Sector operations incurred through third parties or directly attributable to them, as there are no costs incurred from other operating segments.

Since the management reporting system used by senior management to assess corporate performance does not include the allocation of the value of amortisation and depreciation and non-monetary revenues and expenses, the information submitted is consistent with the aforesaid reporting system.

In addition, in the running of the Group, general expenses, other non-recurring income and expenses, the result of investments, financial income and expenses and taxes remain the responsibility of Corporate area since they are not related to the specific operating activities of the business lines and are reported in the "Corporate" column.

All the income components presented are assessed using the same accounting criteria adopted for preparing the Group's consolidated financial statements as at 31 December 2013.

Operating information by business line as at 30 September 2014, with a reconciliation of entries with the Group's income statement is as follows:

Description	***Multi-brand***		***Mono-brand***		***Corporate***		***Group total***	
	Sept-14	***Sept-13***	***Sept-14***	***Sept-13***	***Sept-14***	***Sept-13***	***Sept-14***	***Sept-13***
Net segment revenues	**270,676**	**229,998**	**95,591**	**89,284**			**366,267**	**319,282**
Segment operating profit	**37,441**	**32,669**	**19,502**	**17,881**			**56,942**	**50,549**
Reconciliation with Group results:								
General expenses					(40,560)	(35,745)	**(40,560)**	**(35,745)**
Other amortisation and depreciation not attributed to the business lines					(5,184)	(4,270)	**(5,184)**	**(4,270)**
Other income and expenses					(1,939)	(2,516)	**(1,939)**	**(2,516)**
Non-recurring expenses					-	-	**-**	**-**
Other items								
Group operating profit	**37,441**	**32,669**	**19,502**	**17,881**	**(47,683)**	**(42,531)**	**9,259**	**8,018**
Result of equity investments					(595)	(761)	**(595)**	**(761)**
Financial income					2,057	962	**2,057**	**962**
Financial expenses					(2,950)	(2,627)	**(2,950)**	**(2,627)**
Profit before tax							**7,771**	**5,592**
Taxes					(3,197)	(2,064)	**(3,197)**	**(2,064)**
Profit for the year							**4,573**	**3,528**

INFORMATION BY GEOGRAPHICAL AREA

Revenues from third party customers achieved by the Group break down as follows:

Description	*30 September 2014*	*30 September 2013*
Italy	58,797	47,502
Europe (excluding Italy)	174,510	152,731
North America	78,199	72,963
Japan	28,012	25,724
Other countries	19,810	15,440
Not country related	6,940	4,924
Total	**366,267**	**319,282**

The “Not country related” item comprised the set-up and maintenance activities for the online stores, media partnership projects in the multi-brand business line as well as web marketing and web design services in the mono-brand business line, and other services offered to mono-brand partners.
The table for revenues by geographic area conforms to the Group control model: in the actual control model only sales to online customers are allocated by country.

In the first nine months of 2014 and 2013 no revenues were obtained from a single third party customer for a value of more than 10% of the Group’s revenues.

BASIC AND DILUTED EARNINGS PER SHARE

The table below contains the basic earnings per share (Basic EPS) and diluted earnings per share (Diluted EPS) reported in the consolidated income statement table.

Calculation of basic EPS	**30 September 2014**	**30 September 2013**
Basic earnings which can be allocated	4,573	3,528
Basic average number of ordinary shares	58,808,821	57,551,332
Basic EPS	**0.0778**	**0.0613**

Calculation of diluted EPS	**30 September 2014**	**30 September 2013**
Basic earnings which can be granted	4,573	3,528
Basic average number of ordinary shares	58,808,821	57,551,332
Average number of shares granted without consideration	4,376,452	5,108,029
Total	63,185,273	62,659,362
Diluted EPS	**0.0724**	**0.0563**

The average number of shares granted without consideration as at 30 September 2014 and 30 September 2013 used to calculate the diluted EPS relates to the shares granted as part of existing stock option plans which, as stated in IFRS 2, can be converted on the basis of vesting conditions in the respective financial years.

In the calculation of the basic earnings per share (Basic EPS) and the diluted earnings per share (Diluted EPS) described above, the repurchase of treasury shares, which took place on 2 July 2010 and on 7 November 2011, involving a total of 162,000 shares, was taken into account. Treasury shares repurchased were deducted in the calculation of the average number of outstanding ordinary shares net of 31,338 shares, 4,801 shares, 20,255 shares, 378 shares, 48,464 shares, 4,829 shares and 24,596 shares relating to the Company Incentive Plan, granted respectively on 6 August 2012, 10 January 2013, 27 May 2013, 3 June 2013, 1 August 2013, 14 January 2014 and 13 May 2014 to 46 beneficiaries.

STOCK OPTION AND INCENTIVE PLANS

Granting of stock options

Following approval of the share-split at the Extraordinary Shareholders' Meeting of the Parent Company on 8 September 2009, beneficiaries of stock option plans exercising their options will be entitled to 52 ordinary shares of the Company for every option exercised, with the exception of the 2012 – 2015 stock option plan, in which the ratio is 1 share for each option exercised.

With reference to the following stock option and company incentive plans for employees, partners, consultants and directors of the company and subsidiaries, as at 30 September 2014, the Board of Directors granted the following option rights as detailed in the table below:

Stock option plans	*Granted (a)*	*Lapsed (b)*	*Exercised (c)*	*Total granted not lapsed or not exercised (d = a-b-c)*	*Granted not vested*	*Granted vested not exercised*	*Granted vested and exercised*
2001 – 2003	80,575	31,560	49,015	0	0	0	0
2003 – 2005	36,760	3,000	32,760	1,000	0	0	1,000
2004 – 2006	32,319	12,650	19,169	500	0	0	500
2006 – 2008	31,303	200	25,115	5,988	0	0	5,988
2007 – 2012	102,600	3,650	65036	33,914	0	0	33,914
2009 – 2014	94,448	23,530	26403	44,515	0	0	44,515
Total	**378,005**	**74,590**	**217,498**	**85,917**	**0**	**0**	**85,917**

As at 30 September 2014, 15,867 options equal to 825,084 shares could be assigned.

The table below shows the exact prices for the options assigned that have not expired or been exercised.

	Strike prices in Euro									
	59.17	**106.50**	**277.68**	**305.24**	**407.16**	**499.20**	**512.20**	**578.24**	**Options Total**	**Shares Total**
2003-2005	0	1,000	0	0	0	0	0	0	1,000	52,000
2004-2006	0	500	0	0	0	0	0	0	500	26,000
2006-2008	5,988	0	0	0	0	0	0	0	5,988	311,376
2007-2012	32,814	1,100	0	0	0	0	0	0	33,914	1,763,528
2009-2014	0	0	34,693	4,039	598	2,456	1,926	803	44,515	2,314,780
Total	**38,802**	**2,600**	**34,693**	**4,039**	**598**	**2,456**	**1,926**	**803**	**85,917**	**4,467,684**

During the first nine months of 2014, the Board of Directors of the Company did not resolve to grant YOOX S.p.A. stock options.

With reference to the 2012-2015 Stock Option Plan, approved by the Shareholders' Meeting on 29 June 2012, on 21 September 2012 the Company's Board of Directors approved the Plan and, the proposal of the Remuneration Committee for granting the CEO Federico Marchetti 1,500,000 options valid for the subscription of 1,500,000 YOOX ordinary shares (in the ratio of 1 new ordinary share for every 1 option exercised) at a subscription price for each single share of Euro 9.60, corresponding to the weighted average of the prices recorded for YOOX ordinary shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 30 (thirty) days trading on the stock exchange prior to the option grant date.

The following option rights have been granted by the Board of Directors with the breakdown given in the table below:

Stock Option Plan	Granted (a)	Expired (b)	Exercised (c)	Total granted, not expired or not exercised (d = a-b-c)	Granted not vested	Granted vested not exercised	Granted vested and exercisable
2012 – 2015	1,500,000	0	0	1,500.000	500,000	0	1,000,000
Total	**1,500,000**	**0**	**0**	**1,500.000**	**500,000**	**0**	**1,000,000**

The table below illustrates the exact strike prices of the options granted not lapsed or not exercised.

	Strike prices		
	€ 9.60	**Total options**	**Total shares**
2012-2015	1,500,000	1,500,000	1,500,000
Total	**1,500,000**	**1,500,000**	**1,500,000**

Granting of shares

On 1 July 2010 the Board of Directors of the Parent Company approved the 2009-2014 Incentive plan regulations in compliance with the resolution of the Ordinary Shareholders' Meeting on 8 September 2009.

A programme of purchasing treasury shares was launched for this purpose to execute the resolution of the Shareholders' Meeting of 7 October 2009 and the Board of Directors Meeting of 1 July 2010. The treasury share purchase plan is aimed at creating the share provision necessary to service the 2009-2014 Incentive plan for employees of the Parent Company and its subsidiaries.

Specifically, on 5 May 2011 the YOOX S.p.A. Ordinary Shareholders' Meeting granted authorisation for the purchase and disposal of treasury shares, pursuant to Articles 2357, 2357-*ter* of the Italian Civil Code and Article 132 of Legislative Decree 58/1998 and related implementation provisions.

Specifically and in compliance with the resolution of the YOOX S.p.A. Ordinary Shareholders' Meeting of 5 May 2011, the programme refers to purchases of YOOX S.p.A. ordinary shares, with no par value, up to a maximum amount of 250,000 ordinary shares, for a total maximum value of Euro 3,000,000.

Under the scope of the treasury shares purchase programme to service the YOOX S.p.A. 2009-2014 Incentive scheme, the Company bought:

- In the period from 2 July 2010 to 7 July 2010, 62,000 YOOX S.p.A. ordinary shares, at an average unit price of Euro 5.836485 per share including commission, for a total value of Euro 361,862.06;
- In the period from 5 August 2011 to 8 August 2011, 60,000 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.594572 per share including commission, for a total value of Euro 575,674.30;
- On 6 September 2011, 5,000 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.5095 per share including commission, for a total value of Euro 47,547.50;
- On 4 October 2011, 27,331 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.500947 per share including commission, for a total value of Euro 259,670.39;
- On 17 November 2011, 7,669 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.276056 per share including commission, for a total value of Euro 71,138.08.

On 17 April 2014 the Shareholders' Meeting approved the authorisation to purchase treasury shares, pursuant to Articles 2357, 2357-*ter* of the Italian Civil Code and Article 132 of Legislative Decree 58/1998 and related implementation provisions, following the revocation of the resolution approved by the Shareholders' Meeting of 19 April 2013 for the part not executed.
The purpose of the authorisation to buy and sell treasury shares is to allow the Board of Directors to possibly use the treasury shares for the purposes envisaged in market practice relating to the purchase of treasury shares to create a bank of shares allowed by Consob pursuant to art. 180, paragraph 1, c) of Legislative Decree 16839 of 19 March 2009, and therefore (i) for the possible use of shares as payment in extraordinary transactions, including share swaps with other parties as part of transactions in the Company's interest, or (ii) for the use of the purchased treasury shares to service stock option and share-based plans dedicated to directors, employees and consultants of the Company or its subsidiaries, as well as programs to grant shares free-of-

charge to individual beneficiaries under these plans. Authorisation to buy and sell treasury shares was also granted for the purpose of lending treasury shares to the Specialist operator, so that it can meet its contractual obligations to the Company in the settlement of transactions carried out on ordinary YOOX shares, under the terms and conditions laid down in the applicable provisions.
Authorisation was granted for the purchase of ordinary YOOX shares in one or more tranches, without nominal value, up to a maximum number that, taking into account the ordinary YOOX shares held at any time by the Company and its subsidiaries, does not in total exceed 10% of the share capital (and therefore less than the maximum limit established by the applicable legislation, of 20% of the share capital, pursuant to article 2357, para. 3 of the Italian Civil Code).
In this regard, the Board of Directors was granted a mandate to identify the respective amount of shares to purchase, in relation to each of the purposes set out above, before the launch of each individual purchase programme within the maximum limit indicated above under the terms and conditions set out in art. 144-*bis*, para. 1b) of Consob Regulation 11971/1999, as amended. These purchases must be made at a price that does not exceed the highest price between the price of the latest independent transaction and the highest independent offer price on the market where the purchase takes place, while the unit price must not, in any case, be more than 15% lower or higher than the official price recorded by the YOOX share on the trading day preceding each purchase transaction.
The Shareholders' meeting also authorised the Board of Directors, pursuant to art. 2357-*ter* of the Italian Civil Code, to make use of the treasury shares purchased on the basis of this resolution or in the Company portfolio, at any time, in full or in part, and on one or more occasions, through the sale of said shares on- or off-market, and if necessary, through the sale of real and/or personal rights, including, for example, the loan of shares.
The authorisation for such purchases was granted for a period of 18 months from the date of the resolution.
The authorisation for the use of treasury shares was granted without time limits.

As at 30 September 2014 the company held 27,339 treasury shares in its portfolio equal to 0.0459% of the share capital following the payment to 46 beneficiaries of a total of 134,661 ordinary shares. Specifically, 31,338 ordinary shares were granted on 6 August 2012, 4,801 ordinary shares on 10 January 2013, 20,255 ordinary shares on 27 May 2013, 378 ordinary shares on 3 June 2013, 48,464 ordinary shares on 1 August 2013 ordinary shares on 14 January 2014, 4,829 ordinary shares on 13 May 2014 and 24,596 ordinary shares relating to the company incentive plan.

As at 30 September 2014, 19 of the 62 recipients lost their rights as they had resigned. This involved the lapse of 60,916 ordinary shares.

Capital increases to service company stock option and incentive plans

Note that on 29 June 2012, the YOOX S.p.A. Ordinary and Extraordinary Shareholders' Meeting was convened in a single session. The Shareholders' Meeting, in its ordinary session, pursuant to Article 114-*bis* of Legislative Decree 58/1998, approved the establishment of a new incentive and loyalty scheme known as the "2012 - 2015 stock option plan" for YOOX S.p.A. executive directors, to be implemented through the granting free of charge of options valid for subscribing new-issue YOOX S.p.A. ordinary shares (in the ratio of one ordinary share for every one option exercised).
In its extraordinary session, the Shareholders' Meeting approved the divisible paid-in capital increase for a maximum amount of Euro 15,000.00 to be transferred to the share capital, with the exclusion of the option right pursuant to Article 2441, paragraph 4, point 2 of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the 2012-2015 stock option plan above.
The strike price of each option, for the subscription of one newly issued ordinary share under the capital increase, was established according to the average weighting of the official YOOX S.p.A. ordinary share price recorded on the *Mercato Telematico Azionario*, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A. in the thirty days trading prior to the option granting date.

On 17 April 2014, the Shareholders' Meeting approved, pursuant to Article 114-*bis* of Legislative Decree the establishment of a new incentive and loyalty scheme known as the 2014 - 2020 Stock Option Plan exclusively for employees of YOOX S.p.A. and its companies, directly or indirectly controlled, to be implemented through the free granting of options valid for subscribing new issue YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised).
In extraordinary session, the Shareholders' Meeting approved the capital increase through payment in cash in one or more tranches, of a maximum amount of Euro 5,000.00 attributable to the capital, increased by any premium, with the exclusion of option rights pursuant to Article 2441, paragraph 8 of the Italian Civil Code, to be reserved exclusively for subscription by employees of YOOX S.p.A. and subsidiary companies as beneficiaries of the above Stock Option Plan.

The strike price of each option, for the subscription of 1 new issue ordinary share under the capital increase, will be established according to the average weighting of the official YOOX S.p.A. ordinary share price recorded on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the thirty days trading prior to the option allocation date.
The 2014 – 2020 Stock Option Plan involves the granting of a total of 500,000 YOOX ordinary shares, equal to approximately 0.84% of the current share capital of the Company (equal to Euro 596,005.28 and represented by 59,600,528 ordinary shares with no par value).

Establishment of and amendments to the company stock option and incentive plans

On 27 April 2012 the Shareholders' Meeting, pursuant to Article 114-*bis* of Legislative Decree 58/1998, approved the establishment of a new incentive and loyalty plan known as the stock grant plan for employees of YOOX S.p.A. and companies directly or indirectly controlled by it, to be implemented through the granting, free of charge, of a total of 550,000 YOOX S.p.A. ordinary shares, giving the Board of Directors the mandate to adopt the regulation.

On 29 June 2012, the YOOX S.p.A. Shareholders' Meeting, pursuant to Article 114-*bis* of Legislative Decree 58/1998, approved the establishment of a new incentive and loyalty scheme known as the "2012-2015 stock option plan" for YOOX S.p.A. executive directors, to be implemented through the granting free of charge of options valid for subscribing new-issue YOOX S.p.A. ordinary shares (in the ratio of one ordinary share for every one option exercised).
The 2012-2015 stock option plan involves the granting of a total of 1,500,000 YOOX ordinary shares.

On 21 September, the Company's Board of Directors approved the plan and, on the proposal of the Remuneration Committee, the allocation in favour of the CEO Federico Marchetti of 1,500,000 options valid for the subscription of 1,500,000 YOOX ordinary shares in the ratio of one new ordinary share for every one option exercised.

On 17 April 2014, the Shareholders' Meeting, pursuant to Article 114-*bis* of Legislative Decree 58/1998, approved the establishment of a new incentive and loyalty scheme known as the 2014 - 2020 Stock Option Plan exclusively for employees of YOOX S.p.A. and its companies, directly or indirectly controlled, to be implemented through the free granting of options valid for subscribing new issue YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised).
The 2014-2020 Stock Option Plan includes the allocation of a total of 500,000 ordinary shares.

Significant events after 30 September 2014

After the end of the period, on 8 October 2014, 104,312 YOOX S.p.A. ordinary shares were granted following the exercising of 2,006 options the breakdown of which is given in the table below:

Stock Option Plans	Strike prices (in Euro)					Options Total	Total post-split shares
	305.24	407.16	441.48	499.2 0	578.24		
2009-2014	363	20	258	1,008	357	2,006	104,312
Total	**363**	**20**	**258**	**1,008**	**357**	**2,006**	**104,312**

Given the above, the new share capital issued by YOOX S.p.A. is Euro 597,048.40, divided into 59,704,840 ordinary shares with no indication of nominal value.

Agreement with Lanvin
On 4 November 2014, Jeanne Lanvin S.A. and YOOX S.p.A. finalised a five-year agreement for the management of the Lanvin online stores in Europe, the United States and the main countries in the Asia-Pacific area.

New Red Valentino online store
The new global release of valentino.com was launched today. The graphic concept was designed by the YOOX creative agency in conjunction with Valentino. The new valentino.com combines experience with e-commerce in a single, integrated website. On the occasion of the launch the website was also localised in China in Chinese and with a local payment system to improve the purchasing experience of Chinese customers. The online store dedicated to the REDValentino brand was also activated at the same time.
This brings the number of Mono-brand online stores managed by the Group to 37.

New credit line

On 3 October 2014 YOOX obtained a new credit line from the European Investment Bank for Euro 45 million to fund part of the previously announced 2014-2015 investment plan in technological innovation which, thanks to very competitive economic conditions, will also allow a considerable reduction in the average cost of the loan. This agreement will fit into the Group strategy to optimise its financial structure and will be added to the lines of credit already available aimed at funding investments and working capital commmitments during purchasing campaigns.

Zola Predosa (BO), 5 November 2014
For the Board of Directors

Chairman of the Board of Directors
Federico Marchetti

DECLARATION PURSUANT TO ARTICLE 154-*BIS*, PARAGRAPH 2 OF LEGISLATIVE DECREE 58/1998

The undersigned Francesco Guidotti, Director in charge or preparing corporate accounting documents for YOOX S.p.A., declares in conformity with the provisions of paragraph two of Article 154-*bis* of the Consolidated Finance Law that the interim financial statements of the YOOX Group as at 30 September 2014 correspond to documented records, accounting books and ledgers

Zola Predosa (BO), 5 November 2014

Director responsible for preparing corporate accounting documents
Francesco Guidotti