

YOOX GROUP



Consolidated interim financial statements at March 31, 2011

YOOX S.p.A.

Via Nannetti, 1 – 40069 Zola Predosa (BO)

Share capital: Euro 526,827.60 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
AT MARCH 31, 2011**



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MANAGEMENT AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman and Chief Executive Officer
Federico Marchetti

Directors

Raffaello Napoleone¹
Mark Evans
Catherine Gérardin^{1 2 3}
Massimo Giaconia^{1 2 3}
Elserino Pio²
Stefano Valerio³

BOARD OF STATUTORY AUDITORS

Standing Auditors
Filippo Tonolo – Chairman
David Reali
Luca Sifo

Alternate Auditors
Nicola Bottecchia
Edmondo Maria Granata

INDEPENDENT AUDITORS

KPMG S.p.A.

SUPERVISORY BOARD LEG. DEC. 231/01

Rossella Sciolti – Chairwoman
Gerardo Diamanti
Pietro Tagliati

DIRECTOR IN CHARGE OF ACCOUNTING AND CORPORATE RECORDS

Francesco Guidotti

INTERNAL CONTROL MANAGER

Pietro Tagliati

¹ Member of the Internal Control Committee.

² Member of the Remuneration Committee.

³ Member of the Directors Appointment Committee.



DIRECTORS' REPORT



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DIRECTORS' REPORT

INTRODUCTION

The first quarter of 2011 closed with a significant increase in Group billing, both for its Multi-brand and Mono-brand business lines. Financial resources were mainly used for procurement and investments to deal with future growth.

In the Mono-brand business line, two Online Stores were launched in March 2011, *y-3store.com* followed by the launch of the Online Store *brunellocucinelli.com*, both mainly active in Europe, the U.S. and Japan, bringing the Group's number of operational Online Stores to 25.

Since February 2011, the Online Store *diesel.com* launched in the Japanese market, both for desktops and mobiles (Keitai), and in March 2011 the Marni Online Store, *marni.cn*, launched in the Chinese market, the second Online Store after *emporioarmani.cn* to be "Powered by YOOX Group" in that Country.

Also, in January the Jil Sander Navy line went on sale in the *jilsander.com* Online Store, and in February the Just Cavalli line went on in the *robertocavalli.com* Online Store.

Lastly, collaborations with several Strategic Partners were reinforced in the first months of 2011: in March 2011, Valentino S.p.A. and YOOX S.p.A. renewed their collaboration agreement for the management of the *valentino.com* Online Store in Europe, the U.S. and Japan for a further 5 years, until February 28, 2016.

In May also, Marni International SA, Marni Srl and YOOX SpA renewed for another five years, until August 31, 2016, the collaboration agreement for the management of the *Online Store* *marni.com* in Europe, the United States, China and Japan.

For the Multi-brand business line, which recorded sustained rates of growth in the first quarter, numerous collaborations were announced, including, on February 23, 2011 the presentation by Vogue Italia and *thecorner.com* of "The Vogue Talents Corner" at Palazzo Morando (Milan), an innovative scouting project with the aim of promoting the creativity of the emerging talents on the international fashion stage through e-commerce. A showcase event featuring 14 young designers, chosen by Vogue Italia, Vogue US, Vogue China, Vogue Paris and Vogue UK was created. The clothing and accessories of the 2011 Spring/Summer collection, designed by talented young people, can be purchased at *thecorner.com* in an area devoted to the project.

This year, *thecorner.com* will also be the internet retailer of the prestigious "CFDA / Vogue Fashion Fund (CVFF)" initiative, promoted by the Council of Fashion Designers of America and Vogue America, aimed at rewarding talented American designers.

The Group plans to continue its present strategy of steady growth on a global scale with the objective of expanding internationally, both by strengthening the markets in which the Group operates and by seizing new opportunities to expand its geographical reach. At the end of 2010 the Group launched in the Chinese market with the opening of the first Online Store for the Mono-brand business line, with the second store being added in the first months of 2011.

Penetrating the North American market continues, recording sustained rates of growth; even the Japanese market continues to grow in spite of the earthquake and tsunami in March 2011, which has not affected the Group's operating capability.

In April and May 2011, with the aim of supporting global growth and making their products available to an increasing number of potential clients, the Group opened in new geographic markets, taking the number of countries served to over 100.

As seen from the important events after the period end, in order to oversee the Asia-Pacific area countries with a more localised approach, a branch was set up in Hong Kong, 100% controlled by YOOX S.p.A. and with an office and local logistics centre. The logistics hub will be equipped with a digital production studio later on to provide photographic services and the cataloguing of locally procured products. China and Japan, on the other hand, continue to be served by their respective local logistics centres.

The Group intends to pursue strong growth in future years, supporting the global development of its Mono-brand partners, *yoox.com* and *thecorner.com*, and continuing to improve the service offered to its customers.

With this in mind, YOOX has launched an important project relating to the automation of the central logistics platform, which will also involve an increase in operational efficiency levels and a consequent improvement in expected profitability.

The new automated techno-logistics platform, designed ad hoc for the specific requirements of the e-commerce fashion sector within the current Logistics Centre structure (Bologna), will be capable of supporting the Group's forecast growth until 2016 thanks to the considerable increase in the capability for moving and storing products, thereby avoiding onerous transfer costs.



The unique nature of this project, which puts YOOX, once again, at the forefront of its sector, is that it combines the use of the most modern automation systems with RFid (Radio Frequency Identification) technology. The project has been developed within an eco-sustainable framework, in line with Group policies. All the containers used in the plant are made from recycled material and are 100% recyclable. The technology used allows a considerable energy saving compared with traditional processes.

In January 2011, BSL Geodis, an SNCF Group company, one of the foremost global suppliers of logistics services in Europe, became YOOX's partner in developing this project.

The installation works at the new plant are continuing regularly and according to schedule, with completion expected by the end of summer 2011.

In the first quarter, important technical solutions were released, including the mobile solution (Keitai) for diesel.com with a strong localisation sensitive to the commercial themes of Diesel Japan. As confirmation of the consolidation and constant updating of technological platforms, the solution for developing the web-applications for Group online shops was launched during the first quarter. In the month of April, in fact, the web-application of thecorner.com was launched for the iPhone and Android, the first Group application to incorporate a fast checkout system on the mobile channel.

The presentation and navigation structure for thecorner.com website was also revised, in order to improve iPad platform use.

Multi-brand business line

The Group's Multi-brand operations break down into two Online Stores owned by the Company:

- (i) yoox.com, which to date generates the majority of the revenues of the Multi-brand business line;
- (ii) thecorner.com, which was opened in the first half of 2008.

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 and thecorner.com.

As an Online Store, yoox.com has been operational since June 2000, and offers a vast array of fashion and design 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 offers collections made exclusively for sale through yoox.com from major designers, as well as vintage garments, special editions from fashionable designers and an original selection of design objects.

thecorner.com is an Online Store launched in February 2008 to market the current season's collections of established brands and exclusive and/or artisan brands, characterised by relatively limited distribution, most of which are being made available online for the first time. The products sold on thecorner.com carry prices in line with those found in the traditional channel for the same clothing and accessories.

Initially, thecorner.com offered men's clothing only; in September 2009 it launched a women's collection.

thecorner.com is a virtual space containing mini-shops dedicated to each brand ("shops-in-shop"), designed to recreate the style, the atmosphere and the 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. In the first quarter of 2011, the Multi-brand business line generated a monthly average of about 5.3 million unique visitors⁴.

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. Products available in the Online Stores are sold and invoiced directly to end customers by YOOX.

The Group offers its services as a key Strategic Partner for major fashion companies boasting internationally-renowned brands. Thanks to its years of experience of managing yoox.com, YOOX Group is able to manage the

⁴ 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.

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.

In the first quarter of 2011, the Mono-brand business line generated a monthly average of about 4.3 million unique visitors.

At March 31, 2011, there were 25 operating Online Stores, 3 of them set up in 2006-2007, 7 in 2008, 6 in 2009, 7 in 2010 and 2 in the first quarter of 2011. Specifically:

- marni.com, the Online Store of the Marni brand operational since September 2006, active mainly in Europe, the US and Japan and operational in China since March 2011;
- emporiorarmani.com, the Online Store of the Emporio Armani and Armani Jeans brand, operational in the US since August 2007; its operations were expanded mainly to major markets in Europe in June 2008, to Japan in July 2009 and China in November 2010;
- diesel.com, the Online Store of the Diesel and Diesel Black Gold brand, operational mainly in Europe and the United States since November 2007, and in Japan since February 2011;
- cpcompany.com, the Online Store of the CP Company brand, operational since February 2008 mostly in the main European markets, the US and Japan;
- stoneisland.com, the Online Store of the Stone Island brand, operational since March 2008 mostly in the main European markets, the US and Japan;
- valentino.com, the Online Store of the Valentino and the Red Valentino brands, operational since April 2008 in the US and as of March 2009 in the main European markets and Japan;
- misssixty.com, the Online Store of the Miss Sixty brand, operational since September 2008, mainly in Europe and the US;
- costumenational.com, the Online Store of the Costume National and ‘C’N’C’ Costume National brands, operational since September 2008, mainly in Europe, the US and Japan; this was extended to the ‘C’N’C’ Costume National brand in September 2010;
- energie.it, the Online Store of the Energie brand, operational since October 2008, mainly in Europe and the US;
- emiliopucci.com, the Online Store of the Emilio Pucci brand, operational since November 2008, mostly in the main European markets, the US and Japan;
- moschino.com, the Online Store of Moschino, Love Moschino and MoschinoCheapAndChic brands, active since February 2009 mainly in Europe and the US;
- bally.com, the Online Store of the Bally brand, operational since February 2009, mainly in Europe and the US and operational in China since May 2011;
- dolcegabanna.com, the Online Store of the D&G brand, operational since June 2009, mainly in Europe, the US and Japan;
- dsquared2.com, the Online Store of the Dsquared2 brand, operational since September 2009, mainly in Europe, the US and Japan;
- jilsander.com, the Online Store of Jil Sander and Jil Sander Navy brands, operational since September 2009 mainly in Europe, the US and Japan; the Jil Sander Navy brand has been extended since January 2011;
- robertocavalli.com, the Online Store of the Roberto Cavalli and Just Cavalli brands, operational since November 2009 mainly in Europe, the US and Japan; the Just Cavalli brand has been extended since February 2011;
- coccinelle.com, the Online Store of the Coccinelle brand, operational since February 2010, mainly in Europe, the US and Japan;



- giuseppezanottidesign.com, the Online Store of the Giuseppe Zanotti brand, operational since February 2010, mainly in Europe, the US and Japan;
- napapijri.com, the Online Store of the Napapijri brand, operational since March 2010, mainly in Europe and the US;
- albertaferretti.com, the Online Store of the Alberta Ferretti and Philosophy by Alberta Ferretti brand, active since March 2010 mainly in Europe, the US and Japan;
- zeishouse.com, the Online Store of Zeis Excelsa S.p.A for the sale of Merrell, Cult, Bikkembergs, Docksteps, Harley-Davidson Footwear, Samsonite Footwear, Sebago and Virtus Palestre footwear brands, operational since September 2010 in Europe;
- maisonmarinmargiela.com, the Online Store of the Maison Martin Margiela brand, operational since October 2010, mainly in Europe, the US and Japan;
- zegna.com, the Online Store of the Ermenegildo Zegna and Zegna Sport brands, operational since December 2010 mainly in Europe, the US and Japan;
- y-3store.com, the Online Store of the Y3 brand, operational since March 2011, mainly in Europe, the US and Japan;
- brunellocucinelli.com, the Online Store of the Brunello Cucinelli brand, operational since March 2011, mainly in Europe, the US and Japan.

In the first quarter of 2010, an agreement was also signed to extend the bally.com Online Store, launched in May 2011, to the Chinese market.

As seen from the events following the end of the period, agreements were also signed for the bikkembergs.com and moncler.com Online Stores, and the marni.com contract was renewed.

In addition, negotiations are in progress with several other renowned fashion brands that plan to offer their collections on the internet.

Furthermore, the Group offers its partners consulting and web marketing investment management services, both when new Online Stores are launched and when they are operational.

REVENUE AND PROFITABILITY

Methodology note

This Directors' Report contains information relating to the consolidated revenue and profitability of the YOOX Group as at March 31, 2011.

Unless otherwise indicated, all amounts are expressed in thousands of Euros. The comparisons between this report and the consolidated financial statements have been made with regard to the corresponding period of the previous fiscal year and/or the information as at December 31, 2010. For reasons of clarity, it should be stated that the variation and deviation percentages for the various items listed have been calculated at their 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 sector, 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.

Accounting policies

The interim Financial Report for the YOOX Group at March 31, 2011, has been compiled in accordance with article 154-ter, paragraph 2 of Legislative Decree 58/98 – T.U.F. – and later modifications and additions, and in compliance with art. 2.2.3 of the Stock Exchange Regulations.

The accounting standards, consolidation standards and evaluation criteria used in preparing the consolidated interim financial statements at March 31, 2011 for the YOOX Group are consistent with the standards used to draw up the consolidated financial statement at December 31, 2010; they are posted on the website www.yooxgroup.com under the heading “Investor Relations”.

The accounting policies used 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 profit and loss statements for the Group, presented in the following pages of the current 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 without incentive plans 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 first quarter of 2011:

Thousand Euro	March 31, 2011	March 31, 2010	Change	
Consolidated net revenues	69,691	50,285	19,406	38.6%
Cost of goods sold	(44,738)	(31,593)	(13,146)	41.6%
Gross Profit⁵	24,953	18,693	6,260	33.5%
% of consolidated net revenues	35.8%	37.2%		
Fulfillment Costs	(7,073)	(4,957)	(2,115)	42.7%
Sales and marketing costs	(7,473)	(5,564)	(1,909)	34.3%
EBITDA Pre Corporate Costs⁶	10,407	8,171	2,236	27.4%
% of consolidated net revenues	14.9%	16.2%		
General & Administrative expenses	(5,872)	(3,975)	(1,897)	47.7%
Other income and expenses	(244)	(290)	46	-15.8%
EBITDA⁷	4,291	3,906	385	9.9%
% of consolidated net revenues	6.2%	7.8%		
Depreciation and amortisation	(1,464)	(692)	(772)	>100%
Non-recurring expenses	-	-	-	-
Operating profit	2,827	3,215	(387)	-12.1%
% of consolidated net revenues	4.1%	6.4%		
Financial income	576	415	162	39.0%
Financial expenses	(753)	(218)	(536)	>100%
Profit before tax	2,650	3,412	(762)	-22.3%
% of consolidated net revenues	3.8%	6.8%		
Taxes	(993)	(1,434)	441	-30.7%
Consolidated net income for the period	1,657	1,978	(321)	-16.2%
% of consolidated net revenues	2.4%	3.9%		
EBITDA excluding Incentive Plan Costs⁸	5,553	4,187	1,365	32.6%
% of consolidated net revenues	8.0%	8.3%		

Consolidated net revenue, net of returns and customer discounts, increased by 38.6% in the first quarter of 2011 versus the first quarter of the previous year. Sales were positively affected by the impact of foreign exchange fluctuations with respect to sales in US dollars, Japanese yen and English pounds. If average exchange rates for the 2010 were applied to consolidated net revenue for the same period in 2011, the Group's revenue growth would be 37.0%.

In the light of an increase in revenues of 38.6%, earnings performance profitability measured in terms of EBITDA (gross operating income) went from Euro 3,906 thousand in 2010 to Euro 4,291 thousand in 2011, equal to 6.2% of the consolidated revenue.

The Group's earnings performance profitability depends on the increased incidence of figurative expenses related to the incentive plans, and amounting to Euro 1,261 thousand compared to Euro 281 thousand in the first quarter of 2010. Excluding this effect, the EBITDA excluding the incentive plans was Euro 5,553 thousand, equal to an earnings performance profitability of 8.0% of the consolidated turnover, compared to 8.3% at March 31, 2010. Please note that in the quarter in question the Group's profitability is affected by the start-up costs of operations in China.

Consolidated net income was Euro 1,657 thousand, with earnings performance profitability of 2.4% of the consolidated turnover. This result is affected by the increased depreciation and amortisation costs relating to

⁵ Gross profit is profit before fulfillment costs, sales and marketing costs, general expenses, other operating income and expenses, depreciation and amortisation, non-recurring expenses, 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 figures may not be comparable.

⁶ EBITDA Pre Corporate Costs is defined as profit before general expenses, other operating income and expenses, depreciation and amortisation, non-recurring expenses, 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. Accordingly, the resulting figures may not be comparable. EBITDA Pre corporate costs corresponds to the sector operating result.

⁷ EBITDA is profit before depreciation and amortisation, non-recurring expenses, 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.

⁸ The EBITDA excluding the Incentive Plans is defined as the EBITDA net of costs relating to the Stock Option Plans and Company Incentive Plans. For more details, refer to Annex 1 of this Report, which describes the impact of these costs on the reclassified consolidated income statement.



investments in innovation and in technological consolidation, and the techno-logistics platform automation project, as well as the opening of the new office in Milan, the expansion of the offices in Bologna and the start up of activities in China. This result has also been affected by the increased financial expenses resulting from the unfavourable performance of exchange rates, especially the depreciation of the dollar, but it has benefited from lower taxes.

The table below provides several key indicators on the Group's operations for the first quarter of 2010 and 2011.

	March 31, 2011	March 31, 2010
Number of Unique Visitors per month ⁹ (millions)	9.6	8.8
Number of orders (thousands)	526	381
AOV ¹⁰ (Euro)	169	169
Number of Active Customers ¹¹ (thousands)	664	514

In the first quarter of 2011, the Group recorded a monthly average of 9.6 million Unique Visitors compared with 8.8 million in 2010. The Multi-brand visitors for the 2011 quarter tend to be in line with the first quarter of 2010, because the Group, as already partly seen during the course of 2010, is directing its initiatives in high conversion rate channels with a view to improving and selecting qualified traffic to generate sales.

The number of orders went from 381 thousand for the first quarter of 2010 to 526 thousand in 2011, equal to 1 order processed every 15 seconds¹², with a growth of 38.2%, with the average order value (AOV) equal to Euro 169 (excluding VAT).

The number of active customers totalled 664 thousand, rising by 29.1% compared to 514 thousand at March 31, 2010.

Analysis of net revenues and operating profit by business line

Key operating information by business line with a breakdown of the Group's net revenue and operating profit by business line for the first quarters of 2010 and 2011 is provided below.

Since the management reporting system used by management to assess corporate performance does not allocate certain accounting aggregates to business lines (depreciation and amortisation, non-monetary revenue and expenses, general expenses, other non-recurring income and expenses, 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 at March 31, 2011, with a reconciliation of entries with the Group's income statement, see the consolidated financial statements.

Operating information by business line at March 31, 2011 is as follows:

Thousand Euro	Multi-brand		Mono-brand		Group total	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Consolidated net segment revenue	52,879	38,283	16,813	12,002	69,691	50,285
% of consolidated net Group revenue	75.9%	76.1%	24.1%	23.9%	100.0%	100.0%
<i>% change</i>	38.1%		40.1%		38.6%	
Segment operating profit	7,662	6,066	2,804	2,105	10,466	8,171
% of consolidated net sector revenue	14.5%	15.8%	16.7%	17.5%	15.0%	16.2%
<i>% change</i>	26.3%		33.2%		28.1%	

In the first quarter of 2011, YOOX's consolidated net revenues, net of returns from sales and discounts given to customers, was equal to Euro 69,691 thousand, a growth of 38.6% over March 31, 2010 with a contribution from both business lines.

⁹ Source: Site Catalyst for yoox.com and Google Analytics for thecorner.com and Online Stores.

¹⁰ Average Order Value or AOV, excluding VAT indicates the average value of each purchase order.

¹¹ An Active Customer is defined as a customer who placed at least one order during the 12 preceding months.

¹² Calculated by dividing the total number of seconds in the first quarter 2011 by the number of orders processed at Group level over the same period of time.



Multi-brand business line

The Multi-brand business line, which includes the activities on the Online Stores yoox.com and thecorner.com, recorded consolidated net revenues of Euro 52,879 thousand, an increase of 38.1% compared with March 31, 2010.

This growth is attributable to the brilliant performance of thecorner.com, which posted a better than expected result, due to the 2010-2011 Fall/Winter collection of yoox.com, which in the quarter in question, contributed to consolidated net revenues of the business line in excess of the previous year, thanks to the increased purchases made in the second half of 2010.

Overall, at March 31, 2011, the Multi-Brand business line accounted for 75.9% of the Group's consolidated net revenues.

The increase in sales is reflected in the 26.3% growth in the sector operating profit, with margins at 14.5%, partly affected by the greater weighting of the 2010-2011 Fall/Winter collection featuring promotional policies.

Mono-brand business line

The Mono-brand business line recorded consolidated net revenues of Euro 16,813 thousand, an increase of 40.1% compared with March 31, 2010.

This growth is due to both the good performance of the 23 Online Stores already operational before the quarter in question, and to the 2 new Online Stores launched in the first quarter of 2011, y-3store.com and brunellocucinelli.com, plus the addition on March 1, 2011, of the Marni Online Store in China.

Overall, at March 31, 2011, the Mono-Brand business line accounted for 24.1% of the Group's consolidated net revenues and numbers 25 Online Stores.

The sector operating profit increased by 33.2%, with a margin of 16.7% compared with 17.5% at March 31, 2010. The lower percentage impact on net revenues is mainly due to the lower contribution of revenues from Online Store activities.

The sector operating profit, as shown for the EBITDA, suffered in 2011 from the greater impact of the Incentive Plans' imputed charges.

Consolidated net revenues by geographical area

Below is a breakdown of the Group's consolidated net revenue by geographical area for the first quarter of 2010 and 2011.

Thousand Euro	March 31, 2011		March 31, 2010		Change	
Italy	14,738	21.1%	11,843	23.6%	2,895	24.4%
Europe (excluding Italy)	35,258	50.6%	24,735	49.2%	10,522	42.5%
North America	13,320	19.1%	9,480	18.9%	3,840	40.5%
Japan	4,501	6.5%	3,140	6.2%	1,361	43.4%
Other countries	1,062	1.5%	334	0.7%	728	217.9%
Not country related	812	1.2%	753	1.5%	60	7.9%
Total YOOX Group	69,691	100.0%	50,285	100.0%	19,406	38.6%

All the key markets in which the Group operates reported strong performances compared with the first quarter of 2010, confirming a balanced growth in turnover in the various geographic areas, with ever increasing international development.

More specifically, the Italian market remained the first country with a turnover of Euro 14.738 million, a growth of 24.4% compared with the previous year and the rest of Europe posted growth of 42.5%. The main countries other than Italy contributing to the Group's sales in Europe in the first quarter of 2011 were France, Germany and England, all with improved figures compared with the first quarter of 2010. Penetration in other European countries is continuing, with excellent growth, especially in Russia thanks to the localisation strategy implemented in the third quarter of 2010.

Performance in North America is also positive, with a growth of 40.5% compared with the first quarter of 2010 (+39.0% at constant exchange rates).



Japan recorded growth of 43.4% compared with the first quarter of 2010 (+28.6% at constant exchange rates) in spite of the earthquake and the tsunami that struck the country in March 2011, but which did not compromise the Group's operating capability.

Other countries also recorded strong growth, up 217.9% from first quarter 2010.

The "Not country related" item (+7.9% compared with the first quarter of 2010) includes the set-up and maintenance activities for the Online Stores, for the 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 by Yagency.

INVESTMENTS

The Group made investments totalling Euro 7,502 thousand in the first quarter of 2011, comprising Euro 2,005 thousand in intangible assets and Euro 5,497 thousand in tangible assets.

Increases in intangible assets were mainly for investments in multi-year development projects valued at Euro 1,720 thousand. These investments were made by YOOX S.p.A. for specific projects aimed at the on-going development of innovative solutions for the creation and management of *Online Stores*.

Other investments in intangible assets refer mainly to software, licences and other Group intangible activities.

Investments in intangible assets are mainly linked to investments in the highly automated technological platform, a project in which the Group has been investing since the fourth quarter of 2010.

There have also been investments in technological infrastructures as well as the renewal/completion of the Zola Predosa premises and the new offices in Milan.

FINANCIAL MANAGEMENT

Consolidated statement of financial position

The tables below contain the figures taken from the Group's reclassified consolidated statement of financial position at March 31, 2011 and the Group's consolidated statement of cash flows for the same period.

Reclassified consolidated statement of financial position at March 31, 2011.

Thousand Euro	Balance at March 31, 2011	Balance at December 31, 2010	% Change
Net Working capital ¹³	33,197	24,781	34.0%
Non-Current Assets	27,348	21,487	27.3%
Non-Current Liabilities (excluding financial liabilities)	(432)	(397)	8.8%
Net invested capital¹⁴	60,112	45,871	31.0%
Shareholders' Equity	71,370	68,697	3.9%
Net Debt / (Net Financial Position) ¹⁵	(11,258)	(22,826)	-50.7%
Total Sources of Financing	60,112	45,871	31.0%

Reclassified consolidated statement of cash flows at March 31, 2011:

Thousand Euro	March 31, 2011	March 31, 2010	% Change
Cash flow generated by (used in) operating activities	(5,938)	(841)	>100%
Cash flow generated by (used in) investing activities	(6,176)	(1,226)	>100%
Sub-Total	(12,114)	(2,067)	>100%
Cash flow generated by (used in) financing activities	216	(22,515)	>100%
Total Cash Flow for the period	(11,898)	(24,582)	-51.6%

The net capital invested by the Group went from Euro 45,871 thousand at December 31, 2010 to Euro 60,112 thousand at March 31, 2011, an increase of 31.0%. The Group's growth policies led to an increase in net working capital and non-current assets that are reflected in the net financial position (equal to Euro 11,258 thousand at the end of the period).

The cash flow absorbed by operating activities (Euro 5,938 thousand) is mainly linked to the increase in warehouse inventories (equal to Euro 5,019 thousand) necessary to sustain the growth in Multi-brand business line expected sales¹⁶. Financial resources, in line with Company forecasts, have been absorbed by investment activities to the tune of Euro 6,176 thousand, used mainly for investments in technology and investments linked to the new highly automated techno-logistics platform in the course of being implemented.

¹³ 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 measurement criterion adopted by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained by the Company may not be comparable with those calculated by such groups.

¹⁴ 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 measurement criterion adopted by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained by the Company may not be comparable with those calculated by such groups.

¹⁵ Net debt (or net financial position) is the sum of cash and cash equivalents, other current financial assets, net of bank loans and borrowings and other financial payables falling due within one year, other current financial liabilities and non-current financial liabilities. Net debt (or net financial position) is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union. The measurement criterion adopted by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained by the Company may not be comparable with those calculated by such groups. For details of the items that make up net debt (or net financial position), see the table below in the section "Debt/Net financial position".

¹⁶ The 88.1% of the value of goods inventories gross of the write-down fund, at 31 March 2011, refers to goods currently on sale (relating to the two 2010-2011 Fall/Winter and 2011 Spring/Summer collections) and to goods purchased and destined for sale in the subsequent months (2011-2012 Fall/Winter collection).



Debt/Consolidated net financial position

The table below gives details of the YOOX Group's net financial position at March 31, 2011.

Thousand Euro	Balance at March 31, 2011	Balance at December 31, 2010	% Change
Cash and cash equivalents	12,290	24,188	-49.2%
Other current financial assets	363	5,111	-92.9%
Bank loans and other current financial payables	(644)	(5,600)	-88.5%
Other current financial liabilities	(2)	(26)	-94.2%
Short-term net financial position	12,007	23,672	-49.3%
Medium-long term financial liabilities	(749)	(846)	-11.5%
Consolidated net financial position	11,258	22,826	-50.7%

In accordance with the Group's organisational structure, treasury operations are centralised at the Parent Company, YOOX S.p.A., which manages all 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 12,290 thousand at March 31, 2011, and are made up of cash, negotiable instruments and demand deposits or short-term deposits with banks, which are actually available and readily usable. Other current financial assets, equal to Euro 363 thousand, are mainly made up of the fair value of exchange rate risk hedging sales contracts.

At March 31, 2011, financial liabilities amounted to Euro 1,393 thousand and are mainly made up of financial leasing agreements with BNP Paribas Lease Group for a total of Euro 1,053 thousand (of which Euro 459 thousand is short-term) to finance investments in technology and the residual financing concessional loan provided by Simest (Società Italiana per le Imprese all'Estero) of Euro 309 thousand (of which Euro 154 thousand is short-term).

HUMAN RESOURCES

At March 31, 2011, the Group total headcount stood at 408 employees, a growth of 92 employees compared with March 31, 2010, and an increase of 29% in percentage terms.

The table below shows a breakdown of the headcount as of March 31, 2011 compared with that of March 31, 2010¹⁷.

N°	March 31, 2011	March 31, 2010	Change
Managers	19	15	4
Junior managers	29	20	9
Employees and trainees	323	262	61
Abroad	37	19	18
Total headcount	408	316	92

Around 91% of the headcount is employees who are located in the three Italian offices, with 9% of them being located in offices abroad. The working environment is dynamic, young and competitive with an average age of just 32 at December 31, 2010.

The Group headcount increased by 36 employees in the first three months of 2011 compared to December 31, 2010.

On April 6, 2011, an agreement was signed to renew the Collective Bargaining Agreement which expired on December 31, 2010.

¹⁷ The headcount does not include the Chief Executive Officer of Yoox S.p.A., interns or consultants.



CORPORATE GOVERNANCE

Allocation of shares following the exercise of stock options

On January 17, 2011, February 28, 2011, February 14, 2011 and March 14, 2011, 104,000, 508,716, 104,000 and 138,632 YOOX S.p.A. ordinary shares, respectively, were allocated following the exercise of the options relating to the stock option plan and at the strike prices described in the table below:

Stock Option Plans	Grant date	Strike price (in Euro)			Option total	Total post-split shares
		106.50	15.91	59.17		
2007 - 2012	January 17, 2010			2,000	2,000	104,000
2001 - 2003	January 28, 2011	4,750	250		5,000	260,000
2003 - 2005	January 28, 2011	500			500	26,000
2006 - 2008	January 28, 2011			4,283	4,283	222,716
Sub tot		5,250	250	4,283	9,783	508,716
2007 - 2012	February 14, 2011			2,000	2,000	104,000
2007 - 2012	March 14, 2011			2,666	2,666	138,632
Total		5,250	250	10,949	16,449	855,348

Given the above, prior to March 31, 2011, the share capital issued by YOOX S.p.A. was Euro 526,189.04, divided into 52,618,904 ordinary shares with no indication of par value.

As stated in the important events after the end of the period, on April 14, 2011, 63,856 YOOX S.p.A. ordinary shares were granted, following the exercising of options relating to the 2007-2012 *Stock Option Plan* at a strike price of Euro 59.17 for each option.

Given the above, the new share capital issued by YOOX S.p.A. at the time of writing is Euro 526,827.60, divided into 52,682,760 ordinary shares with no indication of par value.

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

On February 1, 2011, the prior conditions correlating to the granting in favour of one beneficiary, of 963 options valid for the subscription of 50,076 YOOX ordinary shares, relating to the YOOX S.p.A. 2009-2014 Stock Option Plan were verified.

Later, on February 9, 2011, the Board of Directors approved the granting, to one beneficiary, of 1,926 options valid for the subscription of 100,152 YOOX ordinary shares, relating to the YOOX S.p.A. 2009-2014 Stock Option Plan.

Treasury shares purchase resolution

The Shareholders' Meeting on May 5, 2011, approved and authorised the purchase of treasury shares, under Articles 2357, 2357-ter c.c. and Article 132 of Legislative Decree. 58/1998 and related implementation provisions. For more details, please refer to the Press Release issued on that date available on the Company's website, www.yooxgroup.com in the Investor Relations section.

At the document date, the Company holds 62,000 treasury shares in its portfolio equal to 0.12% of the share capital.

Board of Directors

As stated in the important events after the end of the period, on May 5, 2011, the Shareholders' Meeting appointed Raffaello Napoleone (already nominated for co-opting on July 1, 2010) as a Director, proposed by Essegi S.r.l.



Amendments to the Company's Articles of Association

On May 5, at an extraordinary Shareholders' Meeting, several amendments to the Company's Articles of Association were approved, in order to comply with Legislative Decree no. 27/2010 (shareholders' rights) and Legislative Decree no. 146/2009 (public purchase or exchange offers).

The main amendments approved give the Board of Directors the right to: (i) call an ordinary and extraordinary Shareholders' Meeting in one sitting; (ii) call the Budget Meeting within 180 days of the end of the financial year; (iii) designate a representative for the Shareholders for each Shareholders' Meeting giving notice in each notice of convocation. The Board of Directors has also been given the right, recognised in article 104, paragraph 1-ter of Legislative Decree 58/1998.

For more details, please refer to the important events following the end of the period and the Press Release issued on that date available on the Company's website, www.yooxgroup.com in the Investor Relations section.

Remuneration Committee

The Committee met on February 1, 2011 and March 9, 2011 and voted in favour of the following proposals:

- proposal to exercise options of the 2007-2012 Stock Option Plan;
- proposal to award a bonus to the Chief Executive Officer for 2011;
- proposal to award extraordinary remuneration to the Chairman/Chief Executive Officer;
- remuneration proposal for 2011 for managers with strategic responsibility;
- proposal to grant stock options (2009-2014 Stock Option Plan).

Internal Control Committee

The Committee met on March 4, 2011 and May 4, 2011.

Approval of the 2011 Internal Audit Plan

The Internal Control Manager has prepared the 2011 Internal Audit Plan consistent with the activities carried out during 2009 and 2010, and in continuation of them. The activities of the Internal Control Manager were presented and approved on March 3, 2011, by the Director with responsibility for overseeing the internal control functions and on March 4, 2011, this document was shared with the Internal Control Committee.

SUBSEQUENT EVENTS

Online Store contract for bikkembergs.com

On April 5, 2011, the contract was signed by Zeis Excelsa S.p.A. and YOOX S.p.A. for the Bikkembergs brand Online Store, which will be launched in the second half of 2011 in Europe and the US.

Allocation of shares following the exercise of stock options

On April 14, 2011, 63,856 YOOX S.p.A. ordinary shares were granted following the exercise of options relating to the 2007-2012 Stock Option Plan at a strike price of Euro 59,17 for each option.

Given the above, the new share capital issued by YOOX S.p.A. at the time of writing is Euro 526,827.60, divided into 52,682,760 ordinary shares with no indication of par value.

Extension of bally.com to China

The bally.com Online Store was extended into the Chinese market on May 4, 2011.

Approval of the Consolidated Financial Statements at December 31, 2010

On May 5, 2011, the Shareholders held a second meeting and approved the Consolidated Financial Statements at December 31, 2010, resolving to carry forward the YOOX S.p.A. financial year result in its entirety.

Board of Directors: Director appointment

On May 5, 2011, the Shareholders' Meeting appointed Raffaello Napoleone as a Director on the proposal of the shareholder, Essegi S.r.l. (he was previously co-opted to the board on July 1, 2010).



Treasury shares purchase resolution

The Shareholders' Meeting on May 5, 2011, approved and authorised the purchase and disposal of treasury shares, in compliance with Articles 2357, 2357-ter c.c. and Article 132 of Legislative Decree. 58/1998 and related implementation provisions.

Amendments to the Company's Articles of Association

On May 5, 2011, at an extraordinary Shareholders' Meeting, several amendments to the Company's Articles of Association were approved, in order to comply with Legislative Decree no. 27/2010 (shareholders' rights) and Legislative Decree no. 146/2009 (public purchase or exchange offers).

The main amendments approved give the Board of Directors the right to: (i) call an ordinary and extraordinary Shareholders' Meeting in one sitting; (ii) call the Budget Meeting within 180 days of the end of the financial year; (iii) designate a representative for the Shareholders for each Shareholders' Meeting, giving notice in each notice of convocation. The Board of Directors has also been given the right, recognised in Article 104, paragraph 1-ter of Legislative Decree 58.1998.

Moncler.com Online Store contract

On May 3, 2011, the contract was signed by Industries S.p.A. and YOOX S.p.A. for the Moncler brand Online Store, which will be launched in the third half of 2011 in Europe and the US.

Marni.com contract renewal

On May 6, 2011, Marni International, S.A., Miami S.r.l. and YOOX S.p.A. renewed their collaboration agreement for the management of the marni.com Online Store in Europe, the US, China and Japan for a further 5 years, until 31 August, 2016.

Hong Kong Subsidiary

A subsidiary was set up in Hong Kong – VF Asia Ltd. – 100% controlled by YOOX S.p.A. and with a local office and logistics centre. The logistics hub will be equipped, later on, with a digital production studio to provide photographic services and the cataloguing of locally procured products. China and Japan, on the other hand, continue to be served by their respective local logistics centres.

Extension to over 100 countries

In April and May, 2011, the Group opened 34 new geographic markets, taking the number of countries served to over 100.

BUSINESS OUTLOOK

In light of the positive performance of the online retail and luxury goods market and the results achieved by the Group in the first quarter, it can reasonably be assumed that the Group will continue to increase its net revenues and profitability during the remaining months of 2011. It is also likely that this growth will be supported by the contribution of both the Multi-brand business line and the Mono-brand business line, partly thanks to the new Online Stores that have already been opened in the early months of 2011 and those scheduled to be opened during the rest of the year. On top of this, there are the new business opportunities arising from the recent opening of a new branch in Hong Kong, the increase in the number of countries served and the entry into the Chinese market, where, from the second half of 2011, the Group's Multi-brand online boutique thecorner.com will operate alongside the Mono-brand business line, launched at the end of 2010.

In addition, based on the current sales figures for Japan following the earthquake in March, it is reasonable to assume that the results from this market will not have a negative impact on the Group's overall performance for the year.

Work is currently under way to implement the new automation system for the global operations and distribution platform, which will support the Group's future growth, increase operational efficiency and thus deliver an improvement in expected margins over the coming years.

The Group's investment policy built around implementing the new highly automated global operations and distribution platform and the development and strengthening of the Group's multi-channel technology platform is continuing in line with expectations.

Internal initiatives to improve efficiency and ensure tight cost control will also continue.

Zola Predosa (BO), May 9, 2011
For the Board of Directors

Chairman of the Board of Directors
Federico Marchetti



ANNEXES TO THE DIRECTORS' INTERIM REPORT

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

Impact of Incentive Plans in the first quarter of 2011:

Thousand Euro	March 31, 2011	% Total	March 31, 2010	% Total
Fulfillment Costs	(7,073)		(4,957)	
<i>of which Incentive Plans</i>	(38)	3.0%	(15)	5.4%
Sales and marketing costs	(7,473)		(5,564)	
<i>of which Incentive Plans</i>	(369)	29.2%	(105)	37.2%
General & Administrative expenses	(5,872)		(3,975)	
<i>of which Incentive Plans</i>	(855)	67.8%	(161)	57.4%
Incentive Plans total	(1,261)	100.0%	(281)	100.0%

**CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2011
YOOX GROUP**



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CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2011 PREPARED IN COMPLIANCE WITH INTERNATIONAL ACCOUNTING PRINCIPLES (IFRS)

Consolidated income statement

Thousand Euro	March 31, 2011	March 31, 2010
Net revenues	69,691	50,285
Cost of goods sold	(44,680)	(31,593)
Fulfillment costs	(7,455)	(5,054)
Sales and marketing costs	(7,481)	(5,571)
General expenses	(6,946)	(4,562)
Other income and expenses	(302)	(290)
Non-recurring expenses	-	-
Operating profit	2,827	3,215
Financial income	576	415
Financial expenses	(753)	(218)
Profit before tax	2,650	3,412
Taxes	(993)	(1,434)
Consolidated net income for the period	1,657	1,978
of which:		
Attributable to owners of the Parent Company	1,657	1,978
Attributable to Third Parties	-	-
Basic earnings per share	0.03	0.04
Diluted earnings per share	0.03	0.04



Consolidated statement of comprehensive income

Thousand Euro	<i>March 31, 2011</i>	<i>March 31, 2010</i>
Consolidated net income for the period	1,657	1,978
Other components of comprehensive income, net of tax effects		
Foreign currency translation differences for foreign operations	(454)	142
Total other comprehensive income	(454)	142
Total consolidated comprehensive income for the period	1,203	2,120
of which:		
Consolidated comprehensive income attributable to owners of the Parent Company	1,203	2,120
Attributable to Third Parties	-	-

Consolidated statement of financial position

Thousand Euro	March 31, 2011	Dec. 31, 2010
Non-current Assets		
Property, plant and equipment	13,212	8,395
Intangible assets with finite useful life	8,351	7,129
Deferred tax assets	5,223	5,456
Other non-current financial assets	562	507
Total non-current assets	27,348	21,487
Current assets		
Inventories	81,330	76,311
Trade Receivables	8,948	9,384
Other current assets	12,328	7,318
Cash and cash equivalents	12,290	24,188
Current financial assets	-	5,082
Total current assets	114,896	122,283
Total assets	142,244	143,770
Shareholders' Equity		
Share capital	526	518
Reserves	65,434	64,426
Losses carried forward	3,753	(5,364)
Consolidated profit for the period/year	1,657	9,117
Equity attributable to Parent Company	71,370	68,697
Equity attributable to Third Parties	-	-
Total consolidated equity	71,370	68,697
Non-current liabilities		
Medium-long term financial liabilities	749	846
Employee benefits	211	213
Provisions for risks and charges	42	116
Deferred tax liabilities	179	69
Total non-current liabilities	1,181	1,244
Bank loans and other current financial liabilities	644	5,600
Provisions for risks and charges	582	877
Trade payables	51,899	48,943
Tax liabilities	933	2,441
Other payables	15,635	15,968
Total current liabilities	69,693	73,829
Total consolidated equity and liabilities	142,244	143,770



Statement of changes in consolidated equity at March 31, 2010

Amounts Thousand Euro	Share capital	Share premium reserve and other equity-related reserves	Legal reserve	Treasury share acquisition	stock option reserve	Translation reserve	Retained earnings or losses carried forward	Consolidated profit (loss)	Third Party equity	Total
December 31, 2009	504	54,542	193	-	4,229	(27)	(9,462)	4,098	-	54,077
Share capital increases	6	85	-	-	-	-	-	-	-	91
Increases in reserves for share-based payments	-	-	-	-	281	-	-	-	-	281
Total consolidated comprehensive income	-	-	-	-	-	142	-	1,978	-	2,120
Other changes	-	-	-	-	-	-	4,098	(4,098)	-	-
March 31, 2010	510	54,627	193	-	4,510	115	(5,364)	1,978	-	56,569

Statement of changes in consolidated equity at March 31, 2011

Amounts Thousand Euro	Share capital	Share premium reserve and other equity-related reserves	Legal reserve	Treasury share acquisition	stock option reserve	Translation reserve	Retained earnings or losses carried forward	Consolidated profit (loss)	Third Party equity	Total
December 31, 2010	518	56,325	193	(362)	7,957	313	(5,364)	9,117	-	68,697
Share capital increases	8	207	-	-	-	-	-	-	-	215
Increases in reserves for share-based payments	-	-	-	-	1,255	-	-	-	-	1,255
Total consolidated comprehensive income	-	-	-	-	-	(454)	-	1,657	-	1,203
Other changes	-	-	-	-	-	-	9,117	(9,117)	-	-
March 31, 2011	526	56,532	193	(362)	9,212	(141)	3,753	1,657	-	71,370



Consolidated statement of cash flows

Thousand Euro

March 31, 2011 **March 31, 2010**

Consolidated net income for the period	1,657	1,978
<i>Adjustments for:</i>		
Taxes for the period	993	1,434
Financial expenses	753	218
Financial income	(576)	(415)
Depreciation, amortisation and impairment losses	1,464	692
Fair value measurement of stock options	1,261	281
Unrealised effect of changes in foreign exchange rates	(454)	142
Employee benefits	4	8
Provisions for risks and charges	75	287
Payment of employee benefits	(6)	(12)
Use of provisions for risks and charges	(444)	(204)
Changes in inventories	(5,019)	(1,520)
Changes in trade receivables	437	(703)
Changes in trade payables	1,597	7
Changes in other current assets and liabilities	(5,345)	(2,826)
Cash flow from (used in) operating activities	(3,603)	(633)
Income tax paid	(2,158)	(405)
Interest and other financial expenses paid	(753)	(218)
Interest and other financial income received	576	415
NET CASH FROM (USED IN) OPERATING ACTIVITIES	(5,938)	(841)
<i>Investing activities</i>		
Acquisition of property, plant and equipment	(4,117)	(324)
Acquisition of intangible assets	(2,005)	(873)
Acquisition of other non-current financial assets	(54)	(29)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	(6,176)	(1,226)
<i>Financing activities</i>		
Repayment of short-term liabilities	(4,997)	(1)
Repayment of medium-long term financial liabilities	(77)	(78)
Increase in share capital and share premium reserve	215	90
Investments/disinvestments in other financial assets	5,082	(22,525)
Variation through differences between cash effect and action of incentive plans	(7)	-
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	216	(22,515)
TOTAL CASH FLOW FOR THE PERIOD	(11,898)	(24,582)
Cash and cash equivalents at the beginning of the period	24,188	35,007
Cash and cash equivalents at the end of the period	12,290	10,425
TOTAL CASH FLOW FOR THE PERIOD	(11,898)	(24,582)



APPROVAL OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT MARCH 31, 2011

The consolidated interim financial statements at March 31, 2011 were approved by the Board of Directors on May 9, 2011.

SCOPE OF CONSOLIDATION

The scope of consolidation as at March 31, 2011 includes 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;
- Y Services, formed in 2007 to manage the US sales of the Online Stores for the following brands: Diesel, Marni and D&G;
- Mishang Trading (Shanghai) Co. Ltd. established in the fourth quarter of 2010 to manage sales in China.

At March 31, 2011 the scope of consolidation includes the following companies:

<i>Company</i>	<i>Registered offices</i>	<i>Share capital at March 31, 2011 (Thousand Euro)</i>	<i>Percentage held at March 31, 2011</i>
YOOX	Via Nannetti,1– 40069 Zola Predosa – Bologna, Italy	526	-
YOOX Corporation	15 East North Dover, Delaware 19901, United States of America	248	100%
Y Services	Delaware, 1220 Market St. Ste 806, Wilmington 19801, United States of America	125	100%
YOOX Japan	Grande Maison Daikanyama No. 1001 150 0022 Shibuya-ku, Tokyo, Japan	75	100%
Mishang Trading (Shanghai) Co. Ltd	Floor 6, Donglong Building No.223 Xikang Road, Jing'an District 200050 SHANGHAI	1,000	100%

The scope of consolidation has not been affected by changes compared with December 31, 2010. It has, however, undergone modifications compared with March 31, 2010 through the establishment of the Chinese Mishang Trading (Shanghai) Co. Ltd. 100% controlled by YOOX S.p.A. with a share capital of Euro 1,000 thousand, which involved the opening of offices in Shanghai, led by a country manager with a local team which is involved in activities of technology, buying and merchandising, communications and retail marketing, content management, web graphics and customer service. A logistics centre has also been opened, with offices in Shanghai, with digital production studios for cataloguing activities and the creation of photographic services.



The exchange rates used for converting the financial statements and account balances into currencies other than the Euro at March 31, 2011, December 31, 2010 and March 31, 2010 are the following ones (source www.uic.it):

	Exchange rate at March 31, 2011	Average exchange rate for the first 3 months of 2011
USD	1.4207	1.3680
YEN	117.61	112.57
CNY	9.3036	9.0028
GBP	0.8837	0.8539

	Exchange rate at December 31, 2010	Average exchange rate for 2010
USD	1.3362	1.3257
YEN	108.65	116.24
CNY	8.8220	8.9712
GBP	0.8608	0.8578

	Exchange rate at March 31, 2010	Average exchange rate for the first 3 months of 2010
USD	1.3479	1.3829
YEN	125.93	125.48
GBP	0.8898	0.8876

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 (IFRS).

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

1. Multi-brand, comprising the multi-brand online store activities of yoox.com and thecorner.com:
 - a. As an Online Store, yoox.com has been operational since June 2000, and sells and distributes a vast array of fashion and design 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 offers collections made exclusively for sale through yoox.com from major designers, as well as vintage garments, special editions from fashionable designers and an original selection of design objects;
 - b. thecorner.com is an Online Store launched in February 2008 to market the current season's collections of established brands and exclusive and/or handcrafted brands, characterised by relatively limited distribution, most of which are being made available online for the first time. The products sold on thecorner.com carry prices in line with those found in the traditional channel for the same clothing and accessories.
Initially, thecorner.com offered men's clothing only; in September 2009 it launched a women's collection. thecorner.com is a virtual space containing mini-shops dedicated to each brand ("shops-in-shops"), 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.



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 partners 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. This Area includes Group management and the administrative, finance and control, legal, general services, human resources, press office, technology, investor relations and internal audit functions.

The Group evaluates the performance of its operating segments according to their operating results, these being the results generated by ordinary operations.

The segment revenues shown are those directly generated by or attributable to the segment and derive from its core activity. They include solely the revenue earned from transactions with third parties, since no revenue is generated from transactions with other segments. Segment costs comprise the direct costs charged by Third Parties in relation to the operating activities of the segment or directly attributable to the segment. No costs are incurred in relation to other operating segments.

The operational reporting system used by senior management to evaluate business performance does not envisage the allocation of amortisation, depreciation and non-monetary income and expenses to the operating segments, and the information presented here is consistent with this reporting system.

General expenses and other non-recurring income and expenses, financial income and expenses and taxes incurred in Group operations remain the responsibility of the Corporate Area since they are not related to the operations of the segments, and are posted under "Corporate".

All the income components presented are measured using the same accounting criteria as those adopted to prepare the Group's consolidated financial statements.

Income statement figures for each operating segment at March 31, 2011, with a reconciliation of entries with the Group's income statement, are presented below:

<i>Description</i>	<i>Multi-brand</i>		<i>Mono-brand</i>		<i>Corporate</i>		<i>Group total</i>	
	<i>March 2011</i>	<i>March 2010</i>	<i>March 2011</i>	<i>March 2010</i>	<i>March 2011</i>	<i>March 2010</i>	<i>March 2011</i>	<i>March 2010</i>
Segment net revenues	52,879	38,283	16,813	12,002			69,691	50,285
Segment operating profit	7,662	6,066	2,804	2,105			10,466	8,171
Reconciliation with Group results:								
General expenses					(6,946)	(4,562)	(6,946)	(4,562)
Other depreciation and amortisation not attributable to operating segments					(390)	(104)	(390)	(104)
Other income and expenses					(303)	(290)	(303)	(290)
Non-recurring expenses					-	-	-	-
Other items								
Group operating profit/(loss)	7,662	6,066	2,804	2,105	(7,639)	(4,956)	2,827	3,215
Financial income					576	415	576	415
Financial expenses					(753)	(218)	(753)	(218)
Profit before tax							2,650	3,412
Taxes					(993)	(1,434)	(993)	(1,434)
Profit for the year							1,657	1,978

INFORMATION BY GEOGRAPHICAL AREA

Revenues generated by the Group from transactions with third-party customers break down as follows:

<i>Description</i>	<i>March 31, 2011</i>	<i>March 31, 2010</i>
Italy	14,738	11,843
Europe (excluding Italy)	35,258	24,735
North America	13,320	9,480
Japan	4,501	3,140
Other countries	1,062	334
Not country related	812	753
Total	69,691	50,285

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 by Yagency.

The table showing revenue by geographical area complies with the Group control model: only sales to online customers are allocated by country in the actual control model.

In the first three months of 2011 and in 2010, revenue generated from transactions with the largest third-party customer did not exceed 10% of the Group's total revenues.



BASIC AND DILUTED EARNINGS PER SHARE

The following table shows the calculation of the basic earnings per share (basic EPS) and diluted earnings per share (diluted EPS) reported in the consolidated income statement.

Calculation of basic EPS	March 31, 2011	March 31, 2010
Basic earnings	1.657	1,978
Average number of ordinary shares outstanding	52,220,310	50,860,187
Basic EPS	0.03	0.04

Calculation of diluted EPS	March 31, 2011	March 31, 2010
Basic earnings	1.657	1,978
Average number of ordinary shares outstanding	52.220.310	50,860,187
Average number of shares granted without consideration	950.795	1,583,696
Total	53.171.105	52,443,883
Diluted EPS	0.03	0.04

The average number of shares granted without consideration in March 31, 2011 and March 31, 2010 used to calculate the diluted EPS relates to the effect of granting shares 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 periods.

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 September 8, 2009, beneficiaries of stock option plans exercising their options will be entitled to 52 ordinary shares of the Company for every option exercised.

With reference to the stock option plans and company incentive plans involving a total of 16,914,664 shares reserved for employees, associates, consultants and directors of the Company and its subsidiaries, at March 31, 2011 the Board of Directors had granted the following options, outlined in the table below:

<i>stock option plans</i>	<i>Granted (a)</i>	<i>Expired (b)</i>	<i>Exercised (c)</i>	<i>Total granted, not expired or not exercised (d = a-b-c)</i>	<i>Granted, not vested</i>	<i>Granted, vested, not Granted, vested exercisable and exercisable</i>	
2001 – 2003	80,575	31,560	37,924	11,091	4,591	0	6,500
2003 – 2005	36,760	3,000	11,247	22,513	22,513	0	0
2004 – 2006	32,319	12,650	4,938	14,731	13,731	0	1,000
2006 – 2008	31,303	200	9,683	21,420	14,703	0	6,717
2007 – 2012	102,600	3,650	18,666	80,284	73,334	4,950	2,000
2009 – 2014	64,776	4,812	0	59,964	59,964	0	0
Total	348,333	55,872	82,458	210,003	188,836	4,950	16,217

At March 31, 2011, 26,821 options may be granted under the above plans.

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

Exercise Price¹⁸

	€ 15,91	€ 46,48	€ 59,17	€ 106,50	€ 131,78	€ 277,68	€ 305,24	€ 360,99	€ 406,64	€ 489,32	Option total	Share total
2001 – 2003	1,250	5,091	0	4,750	0	0	0	0	0	0	11,091	576,732
2003 – 2005	0	20,673	0	1,840	0	0	0	0	0	0	22,513	1,170,676
2004 – 2006	0	10,531	0	2,500	1,700	0	0	0	0	0	14,731	766,012
2006 – 2008	0	0	21,420	0	0	0	0	0	0	0	21,420	1,113,840
2007 – 2012	0	0	73,334	6,950	0	0	0	0	0	0	80,284	4,174,768
2009 – 2014	0	0	0	0	0	42,318	13,002	963	1,755	1,926	59,964	3,118,128
Total	1,250	36,295	94,754	16,040	1,700	42,318	13,002	963	1,755	1,926	210,003	10,920,156

It should be pointed out that:

- On February 9, 2011, the Board of Directors of the Parent Company granted 1,926 options valid for the subscription of 100,152 shares at a subscription price per share of Euro 9.41, which is calculated by taking the weighted average of the prices recorded by the shares on the Mercato Telematico Azionario (MTA), the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., during the 30 (thirty) trading days prior to the Grant Date.

¹⁸ The price indicated in the table is the exercise price of the options. It should be specified, that to deduce the exercise price of a single share it is necessary to divide by 52 when, as specified above, as a result of the decision on the share-split adopted by the Extraordinary Shareholders' Meeting of the Parent Company on September 8, 2009, those persons who have stock options under the plan exercise their relative option rights; they will have the right to obtain 52 ordinary company shares for all option rights exercised.



Granting of shares

On July 1, 2010, the Board of Directors of the Parent Company approved the 2009-2014 Incentive Plan in compliance with the approval of the Shareholders' Meeting on September 8, 2009.

On March 31, 2011, 26 Group employees are assignees.

A share purchase programme was set up for this purpose in order to comply with the decisions of the Meeting on October 7, 2009 and of the Board of Directors on July 1, 2010. The share purchase programme was aimed at acquiring sufficient shares for the 2009-2014 Incentive Plan for employees of the Parent Company and its subsidiaries. In particular and in compliance with the decision of the Board of Directors of July 1, 2010, the programme involves the purchase of YOOX S.p.A. ordinary shares, with no indication of the par value, up to a maximum of 312,000 ordinary shares, equal to 0.6107% of the share capital at the purchase date (period from July 2 to July 7, 2010).

At March 31, 2011, the Parent Company has purchased, through Mediobanca Banca di Credito Finanziaria S.p.A., in the period from July 2, 2010-July 7, 2010, a total of 62,000 YOOX S.p.A. ordinary shares, representing 0.1178% of the share capital at March 31, 2011, at an average price of Euro 5.836485 per share before fees, for a total of Euro 361,862.06.

Share capital increases to service stock option plans and company incentive plans

At a meeting on January 31, 2005, the Board of Directors took full advantage of the powers conferred by the Extraordinary Shareholders' Meeting of March 22, 2000 and subsequent amendments, pursuant to Article 2443 of the Italian Civil Code, increasing the share capital to service the stock option plans via the issue of up to 1,116,076 shares with an implicit unit price of Euro 0.01, a premium of Euro 0.2960 on each new share and standard dividend rights. Pursuant to Article 2439, paragraph 2 of the Italian Civil Code, the deadline for subscription was set at January 31, 2015, with the provision that, if the capital increase is not fully subscribed by this date, the share capital shall be deemed to have been increased by an amount equal to the subscriptions received.

At the same meeting on January 31, 2005, the Board of Directors also took full advantage of the powers conferred by the Extraordinary Shareholders' Meeting of July 31, 2000 and subsequent amendments, pursuant to Article 2443 of the Italian Civil Code, increasing the share capital to service the stock option plans via the issue of up to 1,483,924 new shares with an implicit unit price of Euro 0.01, a premium of Euro 0.8839 on each new share and standard dividend rights. Pursuant to Article 2439, paragraph 2 of the Italian Civil Code, the deadline for subscription was set at January 31, 2015, with the provision that, if the capital increase is not fully subscribed by this date, the share capital shall be deemed to have been increased by an amount equal to the subscriptions received.

At a meeting on July 12, 2007, the Board of Directors took full advantage of the powers conferred by the Extraordinary Shareholders' Meeting of July 18, 2002 and subsequently amended by resolution of the Extraordinary Shareholders' Meeting of December 2, 2005, pursuant to Article 2443 of the Italian Civil Code, increasing the share capital to service the stock option plans via the issue of up to 1,755,520 new shares with an implicit unit price of Euro 0.01, a premium of Euro 0.8839 on each new share and standard dividend rights, reserved for the Company's employees and directors. Pursuant to Article 2439, paragraph 2 of the Italian Civil Code, the deadline for subscription was set at July 31, 2017, with the provision that, if the capital increase is not fully subscribed by this date, then the share capital shall be deemed to have been increased by an amount equal to the subscriptions received.

At a meeting on December 1, 2008, the Board of Directors took full advantage of the powers conferred by the Extraordinary Shareholders' Meeting of December 10, 2003 and subsequently amended by resolution of the Extraordinary Shareholders' Meeting of December 2, 2005, pursuant to Article 2443 of the Italian Civil Code, increasing the share capital to service the stock option plans via the issue of up to 1,022,788 new shares with an implicit unit price of Euro 0.01, a premium of Euro 0.8839 on each new share and standard dividend rights, reserved for the Company's employees and directors. Pursuant to Article 2439, paragraph 2 of the Italian Civil Code, the deadline for subscription was set at December 1, 2018, with the provision that, if the capital increase is not fully subscribed by this date, the share capital shall be deemed to have been increased by an amount equal to the subscriptions received.

At a meeting on September 3, 2009, the Board of Directors took full advantage of the powers conferred by the Extraordinary Shareholders' Meeting of December 2, 2005 and subsequently amended by resolution of the Extraordinary Shareholders' Meeting of July 12, 2007, pursuant to Article 2443 of the Italian Civil Code, increasing the share capital to service the stock option plans via the issue of up to 1,627,756 new shares with



an implicit unit price of Euro 0.01, a premium of Euro 1.1279 on each new share and the same dividend rights as the other shares outstanding at the time of their subscription. Pursuant to Article 2439, paragraph 2 of the Italian Civil Code, the deadline for subscription was set at September 3, 2019, with the provision that, if the capital increase is not fully subscribed by this date, the share capital shall be deemed to have been increased by an amount equal to the subscriptions received.

At the same meeting of September 3, 2009, the Board of Directors also took partial advantage of the power conferred by the Extraordinary Shareholders' Meeting of May 16, 2007, pursuant to Article 2443 of the Italian Civil Code, increasing the share capital - excluding voting rights pursuant to Article 2441, paragraphs 5 and 8 of the Italian Civil Code - to service the stock option plans via the issue of 5,176,600 new ordinary shares with the same characteristics as those outstanding and an implicit unit price of Euro 0.01. The price of the shares is set at Euro 1.1379 for each share for the 4,784,000 new shares, and Euro 2.0481 for each share for the 392,600 new shares.

Pursuant to Article 2439, paragraph 2 of the Italian Civil Code, the deadline for subscription was set at September 3, 2019, with the provision that, if the capital increase is not fully subscribed by this date, then the share capital shall be deemed to have been increased by an amount equal to the subscriptions received.

The Extraordinary Shareholders' Meeting of September 8, 2009 resolved on a share capital increase through payment in cash in one or more tranches, subject to the commencement of trading in shares of the Company on the STAR segment of the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A., excluding voting rights pursuant to Article 2441, paragraphs 5 and 8 of the Italian Civil Code, this being the increase to service the incentive plan approved at the Ordinary Shareholders' Meeting for directors, employees and consultants. The increase will take place via the issue of a total maximum number of 4,732,000 new ordinary shares (after implementing the share-split as resolved at the same meeting) for a total nominal amount of Euro 47,320 in capital and with a unit price of Euro 0.01. The new shares will carry the same dividend rights as the other shares outstanding at the time of their subscription. The issue prices of the shares will be calculated using the weighted average market price of shares of the Company in the 30 trading days before the options are granted, without prejudice to any minimum prices established by law or the unit price as determined above. If it is not fully subscribed by the deadline of December 31, 2014, then the capital increase will proceed according to the subscriptions received by that date.

Institution of the stock option plans and Company incentive plans and subsequent changes

With regard to stock option plans and company incentive plans involving a total of 17,162,652 shares reserved for the employees, collaborators, consultants and directors of the Company and its subsidiaries, the following options were approved as of March 31, 2011:

- 21,463 options, corresponding to 1,116,076 shares, by the Extraordinary Shareholders' Meeting of March 22, 2000, as subsequently amended by the Extraordinary Shareholders' Meetings of October 25, 2000, February 26, 2002 and May 7, 2003 (2001-2003 plan);
- 28,537 options, corresponding to 1,483,924 shares, by the Extraordinary Shareholders' Meeting of July 31, 2000, as subsequently amended by the Extraordinary Shareholders' Meetings of October 25, 2000, February 26, 2002 and May 7, 2003 (2001-2003 plan);
- 33,760 options, corresponding to 1,755,520 shares, by the Extraordinary Shareholders' Meeting of July 18, 2002, as subsequently amended by the Extraordinary Shareholders' Meeting of December 2, 2005 (2003-2005 plan);
- 19,669 options, corresponding to 1,022,788 shares, by the Extraordinary Shareholders' Meeting of December 10, 2003, as subsequently amended by the Extraordinary Shareholders' Meeting of December 2, 2005 (2004-2006 plan);
- 31,303 options, corresponding to 1,627,756 shares, by the Extraordinary Shareholders' Meeting of December 2, 2005 (2006-2008 plan);



- 104,319 options, corresponding to 5,424,588 shares, by the Extraordinary Shareholders' Meeting of May 16, 2007 (2007-2012 plan)¹⁹;
- 4,732,000 shares, of which up to 85,000 options (2009-2014 plan), by the Extraordinary Shareholders' Meeting of September 8, 2009, are valid for subscription for 4,420,000 shares and up to 312,000 shares may be granted (2009-2014 incentive plan).

Zola Predosa (BO) May 9, 2011
For the Board of Directors

Chairman of the Board of Directors
Federico Marchetti

¹⁹ The Board of Directors took partial advantage of the powers conferred pursuant to Article 2443 of the Italian Civil Code and increased the share capital to service the stock option plan by means of the issue of up to 5,176,600 new ordinary shares, which correspond to 99,550 options.



**DECLARATION PURSUANT TO ARTICLE 154 (ii) C.2 OF LEGISLATIVE
DECREE 58/1998**

The undersigned, Francesco Guidotti, the Director in charge of preparing the corporate accounting documents of YOOX S.p.A., hereby certifies in accordance with paragraph 2 of Article 154-bis of the Consolidated Finance Law that the consolidated interim financial statements at March 31, 2011 of the YOOX Group correspond to the entries made in accounting documents, ledgers and records.

Zola Predosa (BO), May 9, 2011

The Director in charge of preparing corporate accounting documents
Francesco Guidotti



