

YOOX GROUP



Consolidated interim financial statements at September 30, 2011

YOOX S.p.A.

Via Nannetti, 1 – 40069 Zola Predosa (BO)

Share capital: Euro 530,637.12 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 SEPTEMBER 30, 2011**



CONTENTS

Management and Control Bodies	5
Interim Directors' Report.....	7
Consolidated financial statements at September 30, 2011 YOOX Group.....	29
Declaration pursuant to Article 154- <i>bis</i> paragraph 2 of Legislative Decree 58/1998	47



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.



INTERIM DIRECTORS' REPORT



CONTENTS

INTRODUCTION	11
Multi-brand business line.....	13
Mono-brand business line	13
REVENUE AND PROFITABILITY	15
Methodology note.....	15
Accounting policies.....	15
Reclassified consolidated income statement	17
Analysis of net revenue and operating profit by business line	19
Consolidated net revenue by geographical area.....	20
INVESTMENTS	21
FINANCIAL MANAGEMENT	22
Consolidated statement of financial position	22
Debt/Consolidated net financial position	23
HUMAN RESOURCES	23
CORPORATE GOVERNANCE.....	24
SUBSEQUENT EVENTS.....	26
BUSINESS OUTLOOK.....	27
ANNEXES TO THE DIRECTORS' REPORT.....	28



DIRECTORS' REPORT

INTRODUCTION

The first nine months of 2011 recorded significant growth in Group billing, for both the Multi-brand business line and the Mono-brand business line, despite the fact that the depreciation of the dollar partly affected growth in North America, which, at constant exchange rates, has been the Group's major market to date. In keeping with the Group's strategy, financial resources were mainly used for procurement and investments, principally for the techno-logistics platform and technology innovations, to deal with future growth.

At September 30, 2011, five Online Stores were launched for the **Mono-brand** business line, bringing the Group's number of operational stores to 28. In March the y-3store.com and brunellocucinelli.com stores were both launched in Europe, the U.S. and Japan, and in June 2011 bikkembergs.com was launched in Europe. In July 2011 the Dolce & Gabbana Online Store was launched following an agreement between Dolce & Gabbana Industria S.p.A. and YOOX S.p.A. signed on July 12, 2011. dolcegabbanastore.com "Powered by YOOX Group", previously mainly active in Europe, the U.S. and Japan, was extended to China on August 8, 2011. Lastly, in September 2011 the moncler.com Online Store was launched in Europe and the U.S. following an agreement between Industries S.p.A. and YOOX S.p.A. signed in May 2011.

As seen in the "Subsequent Events" section, on October 6, 2011 the new Online Store armani.com "Powered by YOOX Group" was launched following an agreement signed by Giorgio Armani S.p.A. and YOOX S.p.A. on June 30, 2011. The agreement has a term of five years, expiring on August 31, 2016. armani.com, optimised for the iPhone, iPad and Android, is mainly active in Europe, the U.S. and Japan and, since October 20, in China, with the Giorgio Armani, Armani Collezioni, Armani Junior, EA7, Emporio Armani and Armani Jeans brands.

Agreements were signed on September 30, 2011 for the launch of another two new Online Stores: the trussardi.com Online Store will be launched in December 2011 following an agreement signed on August 29, 2011 by TRS Evolution S.p.A. and YOOX S.p.A. trussardi.com will operate mainly in Europe, the U.S. and Japan through the Trussardi 1911 brand. The Online Store barbarabui.com will be launched during the first quarter of 2012 in Europe, the U.S. and Japan following an agreement signed on August 29, 2011 by Barbara Bui S.A. and YOOX S.p.A.

Several partnerships were also extended in the first months of 2011: in addition to those previously mentioned, 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, Marni International S.A., Marni S.r.l. and YOOX S.p.A. extended their collaboration agreement for the management of the marni.com Online Store in Europe, the U.S., China and Japan for a further 5 years, until August 31, 2016.

Numerous Online Stores were extended to new markets and new lines during the nine-month period: in February 2011 the Online Store diesel.com expanded into the Japanese market, for both desktops and mobiles (Keitai), and the Marni Online Store, the Bally Online Store and the D&G brand Online Store dandgstore.com expanded into the Chinese market in March, May and August respectively, bringing the number of Online Stores "Powered by YOOX Group" at September 30, 2011 in China to five. As seen in the "Subsequent Events" section, the Online Store bikkembergs.com was extended to the U.S. in October 2011.

In January 2011 the Jil Sander Navy line was activated within the jilsander.com Online Store, in February the Just Cavalli line was activated within the robertocavalli.com Online Store and in September the Z Zegna line was activated within the zegna.com Online Store.

With regard to the Multi-brand business line, which continues to enjoy sustained growth, on September 26, 2011, following its entry into China through the Mono-brand business line at the end of 2010, the YOOX Group launched its multi-brand store thecorner.com.cn with a selection of important luxury and cutting-edge designer brands dedicated to the Chinese market. In addition to providing a premium service that is fully localised, the corner.com.cn offers several services specially designed for this market, such as the butler service, which offers customers the possibility of trying on the garment when it is delivered and, if necessary, giving it back immediately to the courier to be returned.

Also, following on from the recent success of yoox.com in Russia and based on the huge potential for development in this market, on October 21, 2011 thecorner.com was also launched in Russia with a localisation strategy aimed at offering customers an extremely high-level customised service. thecorner.com is available entirely in Russian, with dedicated customer care in Russian.



As seen in the “Subsequent Events” section, in order to take advantage of the opportunities offered by a promising market such as South Korea, which already claims very high internet penetration rates as well as a high propensity towards online purchases, on November 3, 2011 the Group launched the localised version of yoox.com in this market, which is served by the Hong Kong logistics hub. The new online store is entirely in Korean. The number of official languages of the Group has therefore now increased to ten.

The Group plans to continue its present strategy of balanced growth on a global scale with the objective of **expanding internationally**, both by strengthening the markets in which it operates and by seizing new opportunities to expand its geographical reach. At the end of 2010 the Group entered China with the opening of the first Online Store for the Mono-brand business line, followed by another four stores in 2011 and then the launch of thecorner.com.cn for the Multi-brand business line.

Penetration in the North American market continues, recording sustained rates of growth and partly affected by the depreciation of the dollar; the Japanese market is also continuing to grow in spite of the earthquake and tsunami in March 2011, which did not affect the Group’s operating capacity.

Also, in April and May 2011, the Group expanded into new geographic markets, bringing the number of countries served to over 100, and set up a branch in Hong Kong in order to oversee the Asia-Pacific area countries with a more localised approach. This branch is wholly owned by YOOX S.p.A. and has a local office and 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.

As seen already, the localisation strategy in promising markets continues, such as yoox.com in South Korea and thecorner.com in Russia.

The Group intends to continue this 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 these aims in mind, YOOX has launched an important project relating to the **automation** of its **techno-logistics platform** and in January 2011, BSL Geodis, a subsidiary of SNCF Group, one of the foremost global suppliers of logistics services in Europe, became YOOX’s partner in this project.

In mid August 2011, ahead of expectations, YOOX Group completed the automation project of the new global techno-logistics platform, which became fully operational at the end of September 2011.

The new automated techno-logistics platform, designed ad hoc for the specific requirements of the e-commerce fashion sector within the current Interporto logistics centre structures (Bologna), will be capable of supporting the Group’s forecast growth until 2016 thanks to the considerable increase in the capacity for moving and storing products, and will also involve an increase in operational efficiency levels.

The unique feature 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 the traditional process.

From November 7, 2011, under the scope of the eco-sustainable framework in line with Group policies in recent years, yoox.com will make deliveries throughout the world using the **ecobox**, the new packaging made entirely from recycled materials which are 100% recyclable with a view to environmental, social and economic sustainability.

With the aim of consolidating the Group’s multi-channel strategy, the **technology** team have been focusing in the first nine months of 2011 on implementing new technical solutions for the development of web applications for the Group’s online stores. The web application for the corner.com was launched in April for iPhone and Android, the first Group application to incorporate a fast-checkout system on the mobile channel. This was followed in later months by the release of a web app for several Mono-brand Online Stores and on May 9, 2011 the new native application for yoox.com was launched for Android. The mobile solution (Keitai) launched in February for diesel.com with localisation sensitive to the commercial issues of Diesel Japan was also important. Attention has been concentrated on the new rapidly growing channels such as tablets, specifically the iPad, guaranteeing full compatibility with all new Mono-brand Online Stores launched in the period, as well as work having been done to ensure the compatibility of the existing major stores. The presentation and navigation structure of thecorner.com has also been revised in order to improve its use on the iPad platform.

Release 9.5 of yoox.com was launched in June 2011 to celebrate the eleventh birthday of yoox.com, further reinforcing the integration of yoox.com and social networks. New functions were introduced in MYOOX, the area dedicated to registered users, which allow users to share their favourite products and styles with their Facebook friends, in order to improve the purchasing experience on the website and attract potential new customers.

In September 2011, to celebrate the launch of thecorner.com in China, Release 4.0 of thecorner.com was launched globally. As well as revised graphics, Release 4.0 offers improved usability of the entire website and has made the content easier to 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 its growth on yoox.com, and on the basis of 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 handcrafted brands, characterised by relatively limited distribution, and 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 the offering of thecorner.com exclusively included the menswear collection, which was extended to the womenswear collection in September 2009. From September 2011 the corner.com also expanded into China.

thecorner.com is a virtual space containing mini-stores dedicated to each brand, 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 nine months of 2011, the Multi-brand business line generated a monthly average of about 5.0 million unique visitors⁴.

The Group has designed and promoted web campaigns courtesy of which the Multi-brand business line has reached, in the first nine months of 2011, approximately 40 thousand websites in more than 50 countries; about 135 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, with which it works together closely. 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, 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 a recognition of the guarantee of high-quality service offered by YOOX.

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.

In the first nine months of 2011, the Mono-brand business line generated a monthly average of about 4.4 million unique visitors.

At September 30, 2011, there were 28 operating Online Stores, three of them set up in 2006-2007, seven in 2008, six in 2009, seven in 2010 and five in the first nine months of 2011. Specifically:

- marni.com, the Online Store of the Marni brand, operational since September 2006 and mostly active in Europe, the U.S. and Japan and operational in China since March 2011;

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.



- emporiarmani.com, the Online Store of the Emporio Armani brand, operational in the U.S. since August 2007; its operations were expanded mainly to major markets in Europe in June 2008, and to Japan in July 2009 and China in November 2010;
- diesel.com, the Online Store of the Diesel and Diesel Black Gold brands, operational mainly in Europe and in the U.S. 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 U.S. and Japan;
- stoneisland.com, the Online Store of the Stone Island brand, operational since March 2008 mostly in the main European markets, the U.S. and Japan;
- valentino.com, the Online Store of the Valentino and Red Valentino brands, operational since April 2008 in the U.S. 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 U.S.;
- costumenational.com, the Online Store of the Costume National and 'C'N'C' Costume national brands, operational since September 2008, mainly in Europe, the U.S. and Japan; it was extended to include 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 U.S.;
- emiliopucci.com, the Online Store of the Emilio Pucci brand, operational since November 2008, mostly in the main European markets, the U.S. and Japan;
- moschino.com, the Online Store of the Moschino, Love Moschino and MoschinoCheapAndChic brands, active since February 2009 mainly in Europe and the U.S.;
- bally.com, the Online Store of the Bally brand, operational since February 2009, mainly in Europe and the U.S., and operational in China since May 2011;
- dandgstore.com, the Online Store of the D&G brand, operational since June 2009 mainly in Europe, the U.S. and Japan and operational in China since August 2011;
- dsquared2.com, the Online Store of the Dsquared2 brand, operational since September 2009, mainly in Europe, the U.S. and Japan;
- jilsander.com, the Online Store of Jil Sander and Jil Sander Navy, operational since September 2009 mainly in Europe, the U.S. and Japan; it was extended to include the Jil Sander Navy brand in January 2011;
- robertocavalli.com, the Online Store of Roberto Cavalli and Just Cavalli, operational since November 2009 mainly in Europe, the U.S. and Japan; it was extended to the Just Cavalli brand in February 2011;
- coccinelle.com, the Online Store of the Coccinelle brand, operational since February 2010, mainly in Europe, the U.S. and Japan;
- giuseppezanottidesign.com, the Online Store of the Giuseppe Zanotti brand, operational since February 2010, mainly in Europe, the U.S. and Japan;
- napapijri.com, the Online Store of the Napapijri brand, operational since March 2010, mainly in Europe and the U.S.;
- albertaferretti.com, the Online Store of the Alberta Ferretti and Philosophy by Alberta Ferretti brands, active since March 2010 mainly in Europe, the U.S. and Japan;
- zeishouse.com, the Online Store of Zeis Excelsa S.p.A. for the sale of the Merrell, Cult, Bikkembergs, Docksteps, Harley-Davidson Footwear, Samsonite Footwear, Sebago and Virtus Palestre footwear brands, operational since September 2010 in Europe;

- maisonmartinmargiela.com, the Online Store of the Maison Martin Margiela brand, operational since October 2010, mainly in Europe, the U.S. and Japan;
- zegna.com, the Online Store of the Ermenegildo Zegna, Zegna Sport and Z Zegna brands, operational since December 2010 mainly in Europe, the U.S. and Japan; the extension to include the Z Zegna brand took place in September 2011;
- 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 U.S. and Japan;
- bikkembergs.com, the Online Store of the Dirk Bikkembergs Sport Couture and Bikkembergs brands, operational since June 2011, mainly in Europe and, since October 2011, in the U.S.;
- dolcegabbana.com, the Online Store of the Dolce & Gabbana brand, operational since July 2011 mainly in Europe, the U.S. and Japan and, since August 2011, in China.
- moncler.com, the Online Store of the Moncler brand, operational since September 2011, mainly in Europe and the U.S.

As seen in the “Subsequent Events” section, the Online Store armani.com was also launched in October 2011 in Europe, the U.S., Japan and China and the Online Store bikkembergs.com was extended in October 2011 to the U.S.

As at September 30, 2011 an agreement has also been signed for the Online Store trussardi.com, which will be launched during the fourth quarter of 2011, and an agreement has been signed for the Online Store barbarbui.com, which will be launched in the first quarter of 2012. Both stores will be operational in Europe, the U.S. and Japan.

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

REVENUE AND PROFITABILITY

Methodology note

This Directors’ Report contains information relating to the consolidated revenue and profitability of the YOOX Group as at September 30, 2011.

Unless otherwise indicated, all amounts are expressed in thousands of Euro. The comparisons in the Consolidated Interim Report on Operations as at September 30, 2011 have been made with regard to the corresponding period of the previous financial year and/or the information as at December 31, 2010. For reasons of clarity, it should be pointed out that the percentage differences and variations for the different items indicated 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 their geographical operating area. Thus, for more precise information on geographical areas, please refer to the information by business sector, and in general, to information provided in the consolidated financial statements as at September 30, 2011 in terms of comments on the main events that occurred in relation to subsidiaries.

Accounting policies

The Consolidated Interim Report on Operations for the YOOX Group at September 30, 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 article 2.2.3 of the Stock Exchange Regulations.



The accounting standards, the consolidation standards and the evaluation criteria used in preparing the Consolidated Interim Report on Operations at September 30, 2011 for the Group are consistent with the standards used to draw up the Annual Report 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 this Interim Directors’ Report, 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 third quarter of 2011:

Thousand Euro	3Q 2011	3Q 2010	Change	
Consolidated net revenues	73,191	54,200	18,991	35.0%
Cost of goods sold	(48,332)	(34,197)	(14,135)	41.3%
Gross Profit⁵	24,859	20,003	4,856	24.3%
% of consolidated net revenues	34.0%	36.9%		
Fulfillment costs	(7,961)	(5,459)	(2,502)	45.8%
Sales and marketing costs	(7,468)	(6,385)	(1,083)	17.0%
EBITDA Pre Corporate Costs⁶	9,430	8,159	1,271	15.6%
% of consolidated net revenues	12.9%	15.1%		
General expenses	(4,887)	(5,000)	113	-2.3%
Other income and expenses	(616)	(162)	(454)	>100%
EBITDA⁷	3,928	2,997	931	31.1%
% of consolidated net revenues	5.4%	5.5%		
Depreciation and amortisation	(2,089)	(820)	(1,269)	>100%
Non-recurring expenses	-	-	-	-
Operating profit	1,838	2,177	(339)	-15.6%
% of consolidated net revenues	2.5%	4.0%		
Financial Income ⁸	(214)	(168)	(45)	26.9%
Financial expenses	(10)	(356)	346	-97.1%
Profit before tax	1,614	1,653	(38)	-2.3%
% of consolidated net revenues	2.2%	3.0%		
Taxes	(899)	(961)	62	-6.4%
Consolidated net income for the period	715	692	24	3.4%
% of consolidated net revenues	1.0%	1.3%		
EBITDA excluding Incentive Plan Costs⁹	4,883	4,324	559	12.9%
% of consolidated net revenues	6.7%	8.0%		

An increase of 35.0% in consolidated net revenues was recorded in the third quarter of 2011 compared with the third quarter of the previous year, with the variation in exchange rates having a negative effect on sales (+37.8% at constant exchange rates). Profitability, measured in terms of EBITDA (earnings before interest, taxes, depreciation and amortisation), was Euro 3,928 thousand, recording growth of 31.1% compared to the third quarter of 2010. EBITDA excluding Incentive Plans stood at Euro 4,883 thousand, equal to profitability of 6.7%. Consolidated net revenue for the third quarter of 2011 was Euro 715 thousand, with a profit margin of 1.0%, in line with the previous year. This result is affected by an increase in depreciation and amortisation due, in the main, to the automation of the techno-logistics platform, as well as investments in innovation and technological consolidation, the modernisation of the Group offices and the start-up activities in China.

⁵ Gross profit is profit before fulfilment costs, sales and marketing costs, general expenses, other operating profit and expenses, depreciation and amortization, non-recurring expenses, financial income and expenses and income taxes. Since gross profit is not recognized 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 net profit before general expenses, other operating profit and expenses, depreciation and amortization, non-recurring expenses, financial income and expenses and income taxes. Since EBITDA Pre Corporate Costs is not recognized 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 correspond to the sector operating result.

⁷ EBITDA is profit before depreciation and amortization, non-recurring expenses, financial income and expenses and income taxes. Since EBITDA is not recognized 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 amortization 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 Following the valuation of the balance sheet items in currencies other than the Euro, the profit on the exchange rates not realised in the period decreased compared with the previous quarter.

⁹ The EBITDA excluding the Incentive Plans is defined as the EBITDA gross 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.



Reclassified consolidated income statement for the first nine months of 2011:

Thousand Euro	Period to September 30, 2011	Period to September 30, 2010	Change	
Consolidated net revenues	204,428	150,754	53,674	35.6%
Cost of goods sold	(130,493)	(93,643)	(36,850)	39.4%
Gross Profit	73,935	57,111	16,824	29.5%
% of consolidated net revenues	36.2%	37.9%		
Fulfillment costs	(22,337)	(15,462)	(6,875)	44.5%
Sales and marketing costs	(22,128)	(17,794)	(4,334)	24.4%
EBITDA Pre Corporate Costs	29,470	23,855	5,615	23.5%
% of consolidated net revenues	14.4%	15.8%		
General & Administrative expenses	(16,903)	(13,623)	(3,280)	24.1%
Other income and expenses	(755)	(401)	(353)	88.0%
EBITDA	11,813	9,831	1,982	20.2%
% of consolidated net revenues	5.8%	6.5%		
Depreciation and amortisation	(4,853)	(2,346)	(2,507)	>100%
Non-recurring expenses	-	-	-	-
Operating profit	6,960	7,485	(525)	-7.0%
% of consolidated net revenues	3.4%	5.0%		
Financial income	336	674	(339)	-50.2%
Financial expenses	(752)	(895)	143	-16.0%
Profit before tax	6,544	7,265	(720)	-9.9%
% of consolidated net revenues	3.2%	4.8%		
Taxes	(2,913)	(3,234)	321	-9.9%
Consolidated net income for the period	3,631	4,031	(400)	-9.9%
% of consolidated net revenues	1.8%	2.7%		
EBITDA excluding Incentive Plan Costs	14,963	12,478	2,485	19.9%
% of consolidated net revenues	7.3%	8.3%		

Consolidated net revenue, net of returns and customer discounts, increased by 35.6% in the first nine months of 2011 versus the same period of the previous year. Sales were negatively affected by the overall impact of foreign exchange fluctuations with respect to sales in U.S. dollars, Japanese yen and British pounds. If average exchange rates for 2010 were applied to consolidated net revenue for the same period in 2011, the Group's revenue growth would be 37.3%.

In the light of an increase in revenues of 35.6%, profitability measured in terms of EBITDA (earnings before interest, taxes, depreciation and amortisation) went from Euro 9,831 thousand in 2010 to Euro 11,813 thousand in 2011, equal to 5.8% of the consolidated revenue.

The Group's profitability is affected by the notional charges relating to the Incentive Plans, equal to Euro 3,150 thousand, compared with Euro 2,647 thousand for the first nine months of 2010. Net of this effect, EBITDA excluding the Incentive Plans stands at Euro 14,963 thousand, equal to a margin of 7.3%, compared with Euro 12,478 thousand at September 30, 2010. Note that in the nine months the Group's profitability was affected by the start-up costs of operations in China, sustained from the fourth quarter of 2010 onwards.

Consolidated net income was Euro 3,631 thousand, with profitability of 1.8% of the consolidated turnover. This result is affected by the increased depreciation and amortisation costs relating to the techno-logistics platform automation project, investments in innovation and in technological consolidation, 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 is also affected by increased financial expenses resulting from unfavourable exchange rates, in particular the depreciation of the dollar, and to a lesser extent, the partial use of the credit line dedicated to the techno-logistics automation project, as well as the decrease in financial income due to a decreased use of cash.

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

	September 30, 2011	September 30, 2010
Number of Monthly Unique Visitors ¹⁰ (millions)	9.4	8.1
Number of orders (thousands)	1,481	1,115
AOV ¹¹ (Euro)	174	174
Number of Active Customers ¹² (thousands)	746	576

In the first nine months of 2011, the Group recorded a monthly average of 9.4 million Unique Visitors, compared with 8.1 million in 2010. The Multi-brand visitors for the first nine months of 2011 were broadly in line with the corresponding period in 2010, because the Group, as already partly seen during the course of 2010, is focusing its activities on channels with high conversion rates with a view to improving and selecting traffic likely to generate sales.

The number of orders went from 1,115 thousand for the first nine months of 2010 to 1,481 thousand in 2011, an increase of 32.8%, equal to one order processed every 16 seconds¹³, with the average order value (AOV) equal to Euro 174 (excluding VAT)¹⁴. In the period more than 99% of tracked orders were dispatched within the scheduled delivery times requested by the customer.

The number of active customers totalled 746 thousand, rising by 29.6%, compared to 576 thousand at September 30, 2010.

Analysis of net revenue 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 nine months of 2010 and 2011 is provided below.

Since the management reporting system used by management to assess corporate performance does not allocate depreciation and amortisation, non-monetary revenue and expenses, general expenses, other non-recurring income and expenses, financial income and expenses and taxes to business lines, 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 September 30, 2011, with a reconciliation of entries with the Group's income statement, see the consolidated financial statements as at September 30, 2011.

Operating information by business line at September 30, 2011 is as follows:

Thousand Euro	Multi-brand		Mono-brand		Group total	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Consolidated net segment revenue	152,445	116,033	51,983	34,720	204,428	150,754
% of consolidated net Group revenue	74.6%	77.0%	25.4%	23.0%	100.0%	100.0%
<i>% change</i>	31.4%		49.7%		35.6%	
Operating profit for the sector	20,502	18,297	8,968	5,558	29,470	23,855
% of consolidated net segment revenue	13.4%	15.8%	17.3%	16.0%	14.4%	15.8%
<i>% change</i>	12.1%		61.3%		23.5%	

In the first nine months of 2011, YOOX's consolidated net revenues, net of returns and discounts given to customers, was equal to Euro 204,428 thousand, an increase of 35.6% over September 30, 2010, with a contribution from both business lines.

The sector operating profit (or EBITDA Pre Corporate Costs) stood at Euro 29,470 thousand in the first nine months of 2011, an increase of 23.5% and equal to profitability of 14.4%.

¹⁰ Source: Site Catalyst for yoox.com and Google Analytics for thecorner.com and Online Stores.

¹¹ Average Order Value or AOV indicates the average value of each purchase order, excluding VAT.

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

¹³ Calculated by dividing the overall total relating to the first 9 months of 2011 by the number of orders processed at Group level in the same period of time.

¹⁴ The average order value (AOV) at constant exchange rates would have been Euro 177.



Multi-brand business line

The Multi-brand business line, which includes the activities of the online stores yoox.com and thecorner.com, recorded consolidated net revenues of Euro 152,445 thousand, an increase of 31.4% compared with September 30, 2010.

This growth is due to both the brilliant performance of thecorner.com, which continues to record better results than those forecast, and the sustained growth of yoox.com.

Overall, at September 30, 2011, the Multi-Brand business line accounted for 74.6% of the Group's consolidated net revenues.

The growth in revenues is reflected in the 12.1% increase in the sector operating profit, with a margin of 13.4%, affected, in the first nine months of 2011, by the unfavourable Euro/dollar exchange rate. This result is also due, in the third quarter of 2011, to the higher proportion of total sales, compared with 2010, accounted for by the 2011 Spring/Summer collection of yoox.com on total sales. This is attributable to the record hot temperatures in September, the month in which the Spring/Summer collection features strong promotional campaigns.

Mono-brand business line

The Mono-brand business line recorded consolidated net revenues of Euro 51,983 thousand, an increase of 49.7% compared with September 30, 2010.

The growth is attributable to both the good performance of the 23 Online Stores already operational at December 31, 2010, and the five new Online Stores launched in the period, y-3store.com, brunelloclucinelli.com, bikkembergs.com, dolcegabbanastore.com and moncler.com, as well as the extension of the Marni, Bally, D&G and Dolce & Gabbana Online Stores in China and of Diesel in Japan.

Overall, at September 30, 2011, the Mono-Brand business line accounted for 25.4% of the Group's consolidated net revenues and numbered 28 Online Stores.

The sector operating profit increased to 61.3%, with a margin of 17.3%. The increased profitability compared with the first nine months of 2010 is mainly due to the increased contribution of revenues for the set-up and maintenance activities of the Online Stores.

Consolidated net revenue by geographical area

The Group's consolidated net revenue by geographical area for the first nine months of 2010 and 2011 is given below.

Thousand Euro	September 30, 2011		September 30, 2010		Change	
Italy	41,773	20.4%	35,150	23.3%	6,623	18.8%
Europe (excluding Italy)	101,396	49.6%	73,396	48.7%	28,001	38.2%
North America	40,222	19.7%	29,258	19.4%	10,964	37.5%
Japan	13,794	6.7%	9,610	6.4%	4,184	43.5%
Other countries	3,816	1.9%	1,372	0.9%	2,444	178.1%
Not country related	3,427	1.7%	1,968	1.3%	1,460	74.2%
Total YOOX Group	204,428	100.0%	150,754	100.0%	53,674	35.6%

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

The performance in North America is also positive, with growth of 37.5% compared with the first nine months of 2010, in spite of the unfavourable impact of exchange rates. In the third quarter of 2011, for the first time in the YOOX Group's history, North America became the major market of the Group, contributing 20.4% of consolidated net revenues. At constant exchange rates, North America would still have been in first place in the first nine months of 2011, with 20.8% of net revenues and a growth of 47.1%.

Specifically, the Italian market increased by 18.8% compared with the previous year, with a turnover of Euro 41,773 thousand, while the rest of Europe posted growth of 38.2%. The major countries that contributed to the Group revenues in Europe in the first nine months of 2011 were France, Germany and the UK, all showing growth over the first nine months of 2010, and Russia, which is benefitting from the localisation strategy implemented during the third quarter of 2010.



The performance in Japan was also strong, notching up growth of 43.5% compared with the first nine months of 2010 (+38.1% at constant exchange rates) in spite of the earthquake and the tsunami that struck the country at the end of the first quarter.

The Other Countries also recorded sustained growth, equal to 178.1% compared with the first nine months of 2010.

Lastly, the growth of the “Not country related” item (+74.2% compared with the first nine months of 2010) comprised the set-up and maintenance activities for the Online Stores, media partnership projects in the Multi-brand business line, web marketing and web design services in the Mono-brand business line, and other services offered by Yagency.

INVESTMENTS

The Group made investments totalling Euro 18,430 thousand in the first nine months of 2011, comprising Euro 6,096 thousand in intangible assets and Euro 12,334 thousand in property, plant and equipment.

Increases in intangible assets were mainly for investments in multi-year development projects valued at Euro 5,426 thousand. These investments have been made by YOOX S.p.A. for specific projects aimed at the ongoing 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 techno-logistical 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 September 30, 2011 and the Group's consolidated statement of cash flows for the same period.

Reclassified consolidated statement of financial position at September 30, 2011:

Thousand Euro	Balance at September 30, 2011	Balance at Dec. 31, 2010	% Change
Net Working capital ¹⁵	40,305	24,781	62.6%
Non-current assets	34,788	21,487	61.9%
Non-current Liabilities (excluding financial liabilities)	(540)	(397)	35.9%
Net invested capital¹⁶	74,553	45,871	62.5%
Shareholders' Equity	75,197	68,697	9.5%
Debt/(Net Financial Position) ¹⁷	(644)	(22,826)	-97.2%
Total Sources of Financing	74,553	45,871	62.5%

Reclassified consolidated statement of cash flows at September 30, 2011:

Thousand Euro	September 30, 2011	September 30, 2010	% Change
Cash flow generated by (absorbed in) operating activities	(4,187)	(8,971)	-53.3%
Cash flow generated by (absorbed in) investing activities	(16,313)	(5,116)	>100%
Sub-Total	(20,500)	(14,087)	45.5%
Cash flow generated by (used in) financing activities	8,853	(9,789)	>100%
Total Cash Flow for the period	(11,647)	(23,876)	-51.2%

The net capital invested by the Group went from Euro 45,871 thousand at December 31, 2010 to Euro 74,553 thousand at September 30, 2011, an increase of 62.5%. 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 644 thousand at the end of the period).

The cash flow absorbed by operating activities (Euro 4,187 thousand) is mainly linked to the increase in warehouse inventories (equal to Euro 14,859 thousand) necessary to sustain the growth in Multi-brand business line expected sales¹⁸. Financial resources, in line with Company forecasts, have been absorbed by investment activities to the tune of Euro 16,313 thousand, used mainly for investments in technology and investments linked to the new highly automated techno-logistics platform.

¹⁵ 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.

¹⁶ 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.

¹⁷ 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. 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 debt (or net financial position), see the table below in the section "Debt/Net financial position".

¹⁸ At September 30, 2011, 85.3% of the carrying amount of goods inventories (2011 Spring/Summer and 2011-2012 Fall/Winter), including the impairment allowance, consists of goods already for sale and goods purchased for sale in subsequent months (2012 Spring/Summer collection).



Debt/Consolidated net financial position

The table below gives details of the YOOX Group's net financial position at September 30, 2011.

Thousand Euro	Balance at September 30, 2011	Balance at December 31, 2010	% Change
Cash and cash equivalents	12,541	24,188	-48.2%
Other current financial assets	-	5,111	-100.0%
Bank loans and other current financial liabilities	(3,369)	(5,600)	-39.8%
Other current financial liabilities	(629)	(26)	>100%
Short-term net financial position	8,543	23,672	-63.9%
Medium-long term financial liabilities	(7,899)	(846)	>100%
Consolidated net financial position	644	22,826	-97.2%

In accordance with the Group's organisational structure, treasury operations are centralised at the Parent, 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 12,541 thousand as at September 30, 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.

At September 30, 2011, financial liabilities amounted to Euro 11,268 thousand and mainly comprised the partial use of the medium-long term credit line agreed with Banca Nazionale del Lavoro to finance the investment in the techno-logistics platform to the tune of Euro 6,938 thousand. The remaining financial liabilities refer to leasing agreements with the BNP Paribas Lease Group for a total of Euro 1,578 thousand (including a short-term portion of Euro 694 thousand) to finance investments in technology, the short-term use of a Hot Money credit line equal to Euro 2,521 thousand and the residual debt of the facilitated loan provided by Simest (Società Italiana per le Imprese all'Estero) worth Euro 231 thousand (including a short-term portion of Euro 154 thousand).

HUMAN RESOURCES

At September 30, 2011, the Group's total headcount stood at 469 employees, up by 31% compared with September 30, 2010; the table below shows a breakdown of the headcount¹⁹.

No.	September 30, 2011	September 30, 2010	Change
Managers	24	16	8
Junior managers	34	30	4
Employees and trainees	362	290	72
Abroad	49	22	27
Total staff	469	358	111

Around 90% of the staff is made up of employees who are located in one of the three Italian offices, with the remaining 10% located in Group offices abroad. The working environment is dynamic, young and competitive, with an average age of only 31 at September 30, 2011.

Compared with December 31, 2010, the total staff of the Group grew in the first nine months of 2011 by 97, an increase of 26%.

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

¹⁹ The headcount does not include the Chief Executive Officer of Yoox S.p.A., interns or contractors.



CORPORATE GOVERNANCE

The YOOX S.p.A. Parent Company's model of corporate governance is detailed in the Corporate Governance Report, while the ownership structure is set out in the Annual Report as at December 31, 2010, available on the Company website, www.yooxgroup.com, under the "Investor Relations" section, and can also be found on the Company website, www.yooxgroup.com, under the "Corporate Governance" section.

The significant corporate governance events that have taken place as at the date of the document are listed below.

Allocation of shares following the exercise of stock options

On January 17, January 28, February 14, March 14, April 14, May 13, July 14 and August 11, 2011, 104,000, 508,716, 104,000, 138,632, 63,856, 93,600, 195,780 and 10,400 YOOX S.p.A. ordinary shares, respectively, were granted following the exercise of the options relating to the Stock Option Plans at the strike prices described in the table below:

Stock Option Plans	Grant date	Strike price (in Euro)				Total options	Total post-split shares
		277,68	106,50	15,91	59,17		
2007-2012	January 17, 2011				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 total			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
2007-2012	April 14, 2011				1,228	1,228	63,856
2007-2012	May 13, 2011		1,800			1,800	93,600
2001-2003	July 14, 2011		1,250			1,250	65,000
2006-2008	July 14, 2011				2,315	2,315	120,380
2007-2012	July 14, 2011		200			200	10,400
Sub total			1,450		2,315	3,765	195,780
2009 -2014	August 11, 2011	200				200	10,400
Total		200	8,500	250	14,492	23,442	1,218,984

Pursuant to the above, as at September 30, 2011, the share capital issued by YOOX S.p.A. was Euro 529,825.40, divided into 52,982,540 ordinary shares with no indication of par value.

As stated in the "Subsequent Events" section, on October 14, 2011, 81,172 YOOX S.p.A. ordinary shares were granted, following the exercising of options relating to the Stock Option Plans at the strike prices listed in the table below:

Stock Option Plans	Grant date	Strike price (in Euro)		Total options	Total post-split shares	
		305,24	106,50			
2007-2012	October 14, 2011			1,400	1,400	72,800
2009-2014	October 14, 2011	161		161		8,372
Total		161		1,400	1,561	81,172

Pursuant to the above, the new share capital issued by YOOX S.p.A. at the time of writing is Euro 530,637.12, divided into 53,063,712 ordinary shares with no indication of par value.



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

On February 1, 2011, the condition precedent related to the granting, to 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, was met.

The Company's Board of Directors subsequently approved:

- on February 9, 2011, the granting to one beneficiary of 1,926 options valid for the subscription of 100,152 YOOX ordinary shares;
- on May 9, 2011, the granting to five beneficiaries of 4,338 options valid for the subscription of 225,576 YOOX ordinary shares;
- on September 20, 2011, the granting to two beneficiaries of 2,889 options valid for the subscription of 150,228 YOOX ordinary shares.

Also on May 9, 2011, the Board of Directors, under the scope of the YOOX S.p.A. 2009-2014 Company Incentive Plan, approved the granting of 53,721 YOOX ordinary shares, free of charge, to 35 employees, of which 3,481 later expired.

Treasury share acquisition

The Shareholders' Meeting on May 5, 2011, approved and authorised the purchase and disposal of treasury shares, in compliance with articles 2357 and 2357-ter of the Italian Civil Code and article 132 of Legislative Decree 58/1998 and related implementation provisions. For more details, refer to the Press Release issued on that date, which is available on the Company website, www.yooxgroup.com, under the section "Investor Relations".

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

- in the period from August 5, 2011 to August 8, 2011, 60,000 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.594572 per share after commission, for a total value of Euro 575,674.30;
- on September 6, 2011, 5,000 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.5095 per share after commission, for a total value of Euro 47,547.50;

At September 30, 2011 the Company holds 127,000 treasury shares in its portfolio, equal to 0.2397% of the share capital.

As seen in the "Subsequent Events" section, on October 4, 2011, under the scope of the treasury share purchase programme to service the YOOX S.p.A. 2009-2014 Incentive Plan, the Company bought 27,331 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.500947 per share after commission, for a total of Euro 259,670.39.

At the time of writing, the Company holds a total of 154,331 treasury shares, equal to 0.2908% of the current share capital.

Board of Directors: Director appointment

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

Approval of the Consolidated Financial Statements at December 31, 2010

The ordinary Shareholders' Meeting of May 5, 2011, at second convocation, approved the financial statements for the year ended December 31, 2010, resolving to carry forward YOOX S.p.A.'s entire net profit for the year.



Modifications to the Company's Articles of Association

On May 5, 2011, at an extraordinary Shareholders' Meeting, several modifications to the Company's Articles of Association were approved, to comply with Legislative Decree 27/2010 (shareholders' rights) and Legislative Decree 146/2009 (public purchase or exchange offers).

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

For more details, refer to the Press Release issued on that date, which is available on the Company website, www.yooxgroup.com, under the section "Investor Relations".

Remuneration Committee

The Committee met on February 1, March 9, May 9 and September 16, 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);
- proposal to reward employees under the 2009-2014 Incentive Plan.

Internal Control Committee

The Committee met on March 4, May 4 and July 28, 2011.

Approval and implementation of the 2011 Internal Audit Plan

In line with the activities carried out in previous financial years, and as a continuation thereof, with reference in particular to the subjects of compliance pursuant to Legislative Decree 231/01 and Law 262/05, the Internal Control Manager drafted the 2011 Internal Audit Plan, which was presented and approved on March 3, 2011 by the Director in charge of supervising the internal control function, and on March 4, 2011 was shared with the Internal Control Committee; the Internal Control Manager is implementing its contents according to the deadlines and methods set out.

The continuity of the activities already carried out, those being carried out and those that will be necessary in the future, and will be promptly shared, should be representative of the YOOX S.p.A. Internal Control System's suitability, effectiveness and efficiency.

SUBSEQUENT EVENTS

Treasury share acquisition

On October 4, 2011, under the scope of the treasury share purchase programme to service the YOOX S.p.A. 2009-2014 Incentive Plan, the Company bought 27,331 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.500947 per share after commission, for a total of Euro 259,670.39.

At the time of writing, the Company holds a total of 154,331 treasury shares, equal to 0.2908% of the current share capital.

Launch of the armani.com Online Store

On October 6, 2011 the new armani.com Online Store was launched, operational mainly in Europe, the U.S. and Japan, and from October 20 also in China, with the Giorgio Armani, Armani Collezioni, Armani Junior, EA7, Emporio Armani and Armani Jeans brands.



Extension of bikkembergs.com to the U.S.

The bikkembergs.com Online Store was extended to the U.S. market on October 13, 2011.

Allocation of shares following the exercise of stock options

On October 14, 2011, a total of 81,172 YOOX S.p.A. ordinary shares were granted following the exercise in September 2011 of options relating to the Stock Option Plans at the strike prices described in the table below:

Stock Option Plans	Grant date	Strike price (in Euro)		Total options	Total post-split shares
		305.24	106.50		
2007-2012	October 14, 2011			1,400	72,800
2009-2014	October 14, 2011	161		161	8,372
Total		161		1,400	81,172

Pursuant to the above, the new share capital issued by YOOX S.p.A. at the time of writing is Euro 530,637.12, divided into 53,063,712 ordinary shares with no indication of par value.

thecorner.com Russia

On October 21, 2011, the Group launched the localised version of thecorner.com in Russia, with a localisation strategy aimed offering its customers an extremely high-level customised service. thecorner.com is entirely in Russian and has a dedicated customer care department in Russian.

yoox.com South Korea

On November 3, 2011, the Group launched the localised version of yoox.com in South Korea, which is served by the Hong Kong logistics hub. The new online store is entirely in Korean.

BUSINESS OUTLOOK

In the light of the positive performance of the online retail market and the demand for luxury goods, it can reasonably be assumed that the Group will continue to increase its revenues in the fourth quarter in line with market forecasts.

We can expect a contribution to this growth from both the Multi-brand business line, which will benefit from recent openings in new markets, and the Mono-brand business line, thanks to new Online Stores launched in the first nine months of the year.

The Company is closely monitoring the purchasing habits of its customers, which at the moment do not seem to be affected by the feared macroeconomic downturn, with demand remaining strong not only in the U.S. and Asia, but in Europe and Italy as well. However, the record temperatures enjoyed in September meant that the yoox.com Spring/Summer collection accounted for a greater proportion of total sales than in the previous year, with a negative influence on the Multi-brand business line margins, as a result of strong promotional policies.

Furthermore, the new global techno-logistics platform, which became fully operational at the end of September, will be capable of supporting the Group's future growth and will increase operational efficiency, and thus deliver an improvement in expected margins over the coming years. In line with expectations, the Group is therefore confirming its investment policy, linked to both the techno-logistics platform automation project and the innovation and consolidation of the Group's multi-channel technology.

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

Chairman of the Board of Directors
Federico Marchetti



ANNEXES TO THE DIRECTORS' REPORT

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

Impact of Incentive Plans in the third quarter of 2011:

Thousand Euro	3Q 2011	% Total	3Q 2010	% Total
Fulfillment costs	(7,961)		(5,459)	
<i>of which Incentive Plans</i>	(87)	9.1%	(71)	5.4%
Sales and marketing costs	(7,468)		(6,385)	
<i>of which Incentive Plans</i>	(375)	39.2%	(419)	31.6%
General expenses	(4,887)		(5,000)	
<i>of which Incentive Plans</i>	(494)	51.7%	(837)	63.0%
Incentive Plans total	(956)	100.0%	(1,327)	100.0%

Impact of Incentive Plans in the first nine months of 2011:

Thousand Euro	September 30, 2011	% Total	September 30, 2010	% Total
Fulfillment costs	(22,337)		(15,462)	
<i>of which Incentive Plans</i>	(179)	5.7%	(102)	3.8%
Sales and marketing costs	(22,128)		(17,794)	
<i>of which Incentive Plans</i>	(1,046)	33.2%	(764)	28.9%
General expenses	(16,903)		(13,623)	
<i>of which Incentive Plans</i>	(1,925)	61.1%	(1,781)	67.3%
Incentive Plans total	(3,150)	100.0%	(2,647)	100.0%

**CONSOLIDATED FINANCIAL STATEMENTS AT
SEPTEMBER 30, 2011
YOOX GROUP**



CONTENTS

Consolidated financial statements at September 30, 2011 prepared in compliance with International Accounting Principles (IFRS)	33
Consolidated income statement	33
Consolidated statement of comprehensive income	34
Consolidated statement of financial position	35
Statement of changes in consolidated equity at September 30, 2010 and September 30, 2011	36
Consolidated statement of cash flows	37
Approval of consolidated interim financial statements at September 30, 2011	38
Scope of consolidation	38
Information by operating segment (business line)	39
Information by geographical area	41
Basic and diluted earnings per share	42
Stock Option and Incentive Plans	43



CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2011 PREPARED IN COMPLIANCE WITH INTERNATIONAL ACCOUNTING PRINCIPLES (IFRS)

Consolidated income statement

Thousand Euro	30/09/2011	30/09/2010
Net revenues	204,428	150,754
Cost of goods sold	(130,493)	(93,643)
Fulfillment costs	(23,733)	(15,806)
Sales and marketing costs	(22,152)	(17,817)
General expenses	(20,335)	(15,601)
Other income and expenses	(755)	(401)
Non-recurring expenses	-	-
Operating profit	6,960	7,485
Financial income	336	674
Financial expenses	(752)	(895)
Profit before tax	6,544	7,265
Taxes	(2,913)	(3,234)
Consolidated profit for the period	3,631	4,031
of which:		
Attributable to the Group (owners of the Parent)	3,631	4,031
Attributable to non-controlling interests	-	-
Basic earnings per share	0.0691	0.0789
Diluted earnings per share	0.0676	0.0766



Consolidated statement of comprehensive income

Thousand Euro	30/09/2011	30/09/2010
Consolidated profit for the period	3,631	4,031
Other components of comprehensive income, net of tax effects		
Foreign currency translation differences for foreign operations	227	182
Profit/(loss) from cash flow hedges	(629)	-
Total other comprehensive income	(402)	182
Total consolidated comprehensive income for the period	3,229	4,213
of which:		
Attributable to owners of the Parent	3,229	4,213
Attributable to non-controlling interests	-	-

Consolidated statement of financial position

Thousand Euro	30/09/2011	31/12/2010
Non-current assets		
Property, plant and equipment	18,322	8,395
Intangible assets with finite useful life	10,780	7,129
Deferred tax assets	5,049	5,456
Other non-current financial assets	637	507
Total non-current assets	34,788	21,487
Current assets		
Inventories	91,170	76,311
Trade receivables	10,352	9,384
Other current assets	12,010	7,318
Cash and cash equivalents	12,541	24,188
Financial current assets	-	5,082
Total current assets	126,073	122,283
Total assets	160,861	143,770
Equity		
Share capital	530	518
Reserves	67,284	64,426
Losses carried forward	3,752	(5,364)
Consolidated profit for the period/year	3,631	9,117
Equity attributable to the Group (owners of the Parent)	75,197	68,697
Equity attributable to non-controlling interests	-	-
Total consolidated equity	75,197	68,697
Non-current liabilities		
Medium-long term financial liabilities	7,898	846
Employee benefits	218	213
Provisions for risks and charges	42	116
Deferred tax liabilities	280	69
Total non-current liabilities	8,438	1,244
Bank loans and other current financial liabilities	3,369	5,600
Provisions for risks and charges	696	877
Trade payables	56,931	48,943
Tax liabilities	484	2,441
Other payables	15,746	15,968
Total current liabilities	77,226	73,829
Total consolidated equity and liabilities	160,861	143,770



Statement of changes in consolidated equity at September 30, 2011

Thousand Euro	Share capital	Share premium reserve and other equity-related reserves	Legal reserve	Reserve for purchase of treasury shares	Stock Option and cash flow hedge reserve	Translation reserve	Retained earnings or losses carried forward	Consolidated profit for the period	Equity attributable to non-controlling interests	Total
December 31, 2010	518	56,325	193	(362)	7,957	313	(5,365)	9,117	-	68,697
Share capital increases	12	806	-	-	-	-	-	-	-	818
Increases in reserves for share-based payments	-	-	-	-	3,073	-	-	-	-	3,073
Total consolidated comprehensive income	-	-	-	-	(629)	227	-	3,631	-	3,229
Other changes	-	3	-	(622)	-	-	9,117	(9,117)	-	(619)
September 30, 2011	530	57,134	193	(984)	10,401	540	3,752	3,631	-	75,197

Statement of changes in consolidated equity at September 30, 2010

Thousand Euro	Share capital	Share premium reserve and other equity-related reserves	Legal reserve	Reserve for purchase of treasury shares	Stock Option and cash flow hedge reserve	Translation reserve	Retained earnings or losses carried forward	Consolidated profit for the period	Equity attributable to non-controlling interests	Total
December 31, 2009	504	54,542	193	-	4,229	(27)	(9,462)	4,098	-	54,077
Share capital increases	12	848	-	-	-	-	-	-	-	860
Increases in reserves for share-based payments	-	-	-	-	2,629	-	-	-	-	2,629
Total consolidated comprehensive income	-	-	-	-	-	182	-	4,031	-	4,213
Other changes	-	-	-	(362)	-	-	4,100	(4,098)	-	(360)
September 30, 2010	516	55,392	193	(362)	6,858	155	(5,362)	4,031	-	61,420



Consolidated statement of cash flows

Thousand Euro	30/09/2011	30/09/2010
Consolidated profit for the period	3,631	4,031
<i>Adjustments for:</i>		
Taxes for the period	2,913	3,234
Financial expenses for the period	752	895
Financial income for the period	(336)	(674)
Depreciation, amortisation and impairment losses for the period	4,853	2,346
Fair value measurement of Stock Option Plans	3,150	2,647
Unrealised effect of changes in foreign exchange rates	227	182
(Gains)/losses on sale of non-current assets	(2)	-
Employee benefits	14	28
Provisions for risks and charges	212	398
Payment of employee benefits	(9)	(40)
Use of provisions for risks and charges	(467)	(276)
Changes in inventories	(14,859)	(19,051)
Changes in trade receivables	(968)	(739)
Changes in trade payables	6,287	11,771
Changes in other current assets and liabilities	(4,918)	(6,864)
Cash flow generated from (used in) operating activities	480	(2,112)
Income tax paid	(4,251)	(6,638)
Interest and other financial expenses paid	(752)	(895)
Interest and other financial income received	336	674
CASH FLOW GENERATED FROM (USED IN) OPERATING ACTIVITIES	(4,187)	(8,971)
<i>Investing activities</i>		
Acquisition of property, plant and equipment	(10,087)	(1,027)
Acquisition of intangible assets	(6,096)	(4,038)
Acquisition of other non-current financial assets	(130)	(51)
CASH FLOW GENERATED FROM (USED IN) INVESTING ACTIVITIES	(16,313)	(5,116)
<i>Financing activities</i>		
Increase in current financial liabilities	-	-
Repayment of current liabilities	(2,509)	(2)
Increase in medium-long term financial liabilities	6,783	-
Repayment of medium-long term financial liabilities	-	(155)
Treasury share acquisition	(622)	(362)
Increase in share capital and share premium reserve	818	860
Investments/disinvestments in other financial current assets	5,082	(10,115)
Variation through difference between cash effect and action of Incentive Plans	(70)	(15)
Changes in the hedging reserve	(629)	-
CASH FLOW GENERATED FROM (USED IN) FINANCING ACTIVITIES	8,853	(9,789)
TOTAL CASH FLOW FOR THE PERIOD	(11,647)	(23,876)
Cash and cash equivalents at the beginning of the period	24,188	35,007
Cash and cash equivalents at the end of the period	12,541	11,131
TOTAL CASH FLOW FOR THE PERIOD	(11,647)	(23,876)



APPROVAL OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT SEPTEMBER 30, 2011

The consolidated interim report on operations at September 30, 2011 was approved by the Board of Directors on November 9, 2011.

SCOPE OF CONSOLIDATION

The scope of consolidation as at September 30, 2011 comprises the following subsidiaries of YOOX S.p.A.:

- YOOX Corporation, formed in 2002 to manage sales activities in North America;
- YOOX Japan, formed in 2004 to manage sales activities in Japan;
- Y Services, formed in 2007 to manage the U.S. sales of the Online Stores for the following brands: Diesel, Marni, D&G, Dolce & Gabbana and Moncler;
- 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.

At September 30, 2011, the scope of consolidation included the following companies:

<i>Company</i>	<i>Registered offices</i>	<i>Share capital at September 30, 2011 (Thousand Euro)</i>	<i>Percentage held at September 30, 2011</i>
YOOX	Via Nannetti, 1– 40069 Zola Predosa – Bologna, Italy	530	-
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	2-15-18, Aobadai, Meguro-ku, 153-0042, Tokyo, Japan	75	100%
Mishang Trading (Shanghai) Co.	Floor 6, Donglong Building No.223 Xikang Road, Jing'an District 200050 SHANGHAI	2,000	100%
YOOX Asia	16 FL WESTERN PLAZA, 3 SAN ON STREET, TUEN MUN, N.T, 230, HONG KONG, CN	91	100%

The scope of consolidation underwent changes compared with December 31, 2010 due to the establishment, in the second quarter of 2011, of YOOX Asia Limited in order to manage sales in the Asia-Pacific area, and compared with September 30, 2010 due to the incorporation under Chinese law of Mishang Trading (Shanghai) Co. Ltd., which involved the opening of an office in Shanghai and a local logistics centre. The logistics hub will subsequently be equipped with digital production studios to provide photographic services and catalogue locally procured products.



The exchange rates used for converting the financial statements and account balances into currencies other than the Euro at September 30, 2011, December 31, 2010 and September 30, 2010 are as follows (source: www.uic.it):

	Exchange rate at September 30, 2011	Average exchange rate for the first 9 months of 2011
USD	1.3503	1.4065
YEN	103.79	113.19
CNY	8.6207	9.1378
HKD	10.5213	10.9518
GBP	0.8667	0.8714

	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 September 30, 2010	Average exchange rate for the first 9 months of 2010
USD	1.3648	1.3145
YEN	113.68	117.66
GBP	0.85995	0.8573

These foreign currency exchange rates are against the Euro.

INFORMATION BY OPERATING SEGMENT (BUSINESS LINE)

The business lines in which the Group operates 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 business lines generate revenue from the core 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 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 leading designers, as well as vintage garments, special editions from on-trend 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.
When it was first launched, 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-stores dedicated to each brand, 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.



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 its 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 business lines according to the operating results generated by their 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 condensed interim consolidated financial statements.

Income statement figures for each operating segment at September 30, 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>September 2011</i>	<i>September 2010</i>	<i>September 2011</i>	<i>September 2010</i>	<i>September 2011</i>	<i>September 2010</i>	<i>September 2011</i>	<i>September 2010</i>
Segment net revenues	152,445	116,033	51,983	34,720			204,428	150,754
Segment operating profit	20,502	18,297	8,968	5,558			29,470	23,855
Reconciliation with Group results:								
General expenses					(20,335)	(15,601)	(20,335)	(15,601)
Other depreciation and amortisation not attributable to operating segments					(1,420)	(367)	(1,420)	(367)
Other income and expenses					(755)	(401)	(755)	(401)
Non-recurring expenses					-	-	-	-
Other items								
Group operating profit/(loss)	20,502	18,297	8,968	5,558	(22,510)	(16,370)	6,960	7,485
Financial income					336	674	336	674
Financial expenses					(752)	(895)	(752)	(895)
Profit before tax							6,544	7,265
Taxes					(2,913)	(3,234)	(2,913)	(3,234)
Profit for the year							3,631	4,031

INFORMATION BY GEOGRAPHICAL AREA

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

<i>Description</i>	<i>September 30, 2011</i>	<i>September 30, 2010</i>
Italy	41,773	35,150
Europe (excluding Italy)	101,396	73,396
North America	40,222	29,258
Japan	13,794	9,610
Other countries	3,816	1,372
Not country related	3,427	1,968
Total	204,428	150,754

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 and web marketing and web design services in the Mono-brand business line, as well as 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 nine months of 2011 and in 2010, revenue generated from transactions with a single 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 ²⁰	September 30, 2011	September 30, 2010
Basic earnings	3,631	4,031
Average number of ordinary shares	52,850,365	51,069,891
Basic EPS	0.0691	0.0789

Calculation of diluted EPS ²¹	September 30, 2011	September 30, 2010
Basic earnings	3,631	4,031
Average number of ordinary shares	52,850,365	51,069,891
Average number of shares granted without consideration	1,145,340	1,548,443
Total	53,725,705	52,618,334
Diluted EPS	0.0676	0.0766

The average number of shares granted without consideration at September 30, 2011 and September 30, 2010 and used to calculate diluted EPS relates to the shares granted under existing stock option plans, which, as stated in IFRS 2, can be converted on the basis of conditions accrued in the respective years.

²⁰ The profit in the table is expressed in thousands of Euro, the average number of shares is expressed in share units and the EPS is expressed in Euro.

²¹ See note number 21.



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, contractors, consultants and directors of the Company and its subsidiaries, at September 30, 2011 the Board of Directors had granted the following options, outlined in the table below:

Stock Option Plans	Granted (a)	Expired (b)	Exercised (c)	Total granted, not expired or not exercised (d = a-b-c)	Granted, not accrued	Granted, accrued, not exercisable	Granted, accrued and exercisable
2001 – 2003	80,575	31,560	39,174	9,841	4,591	0	5,250
2003 – 2005	36,760	3,000	11,247	22,513	21,513	0	1,000
2004 – 2006	32,319	12,650	4,938	14,731	12,231	0	2,500
2006 – 2008	31,303	200	11,998	19,105	14,703	0	4,402
2007 – 2012	102,600	3,650	22,066	76,884	73,334	2,100	1,450
2009 – 2014	72,003	4,812	361	66,830	47,845	0	18,985
Total	355,560	55,872	89,784	209,904	174,217	2,100	33,587

At September 30, 2011, 19,594 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.

	Prezzi d'esercizio												Options Total	Share Total
	€ 15.91	€ 46.48	€ 59.17	€ 106.50	€ 131.78	€ 277.68	€ 305.24	€ 360.88	€ 407.16	€ 489.32	€ 521.56	€ 578.24		
2001-2003	1,250	5,091	0	3,500	0	0	0	0	0	0	0	0	9,841	511,732
2003-2005	0	20,673	0	1,840	0	0	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	0	0	14,731	766,012
2006-2008	0	0	19,105	0	0	0	0	0	0	0	0	0	19,105	993,460
2007-2012	0	0	73,334	3,550	0	0	0	0	0	0	0	0	76,884	3,997,968
2009-2014	0	0	0	0	0	42,118	12,841	963	1,755	1,926	2,889	4,338	66,830	3,475,160
Grand Total	1,250	36,295	92,439	11,390	1,700	42,118	12,841	963	1,755	1,926	2,889	4,338	209,904	10,915,008

It should be pointed out that:

- on February 9, 2011, the Board of Directors of the Parent 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.
- on May 9, 2011, the Board of Directors of the Parent granted 4,338 options valid for the subscription of 225,576 shares at a subscription price per share of Euro 11.12, 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.
- on September 20, 2011, the Board of Directors of the Parent granted 2,889 options valid for the subscription of 150,228 shares at a subscription price per share of Euro 10.03, 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.

Granting of shares

On July 1, 2010, the Board of Directors of the Parent approved the 2009-2014 Incentive Plan, as approved by the Shareholders' Meeting on September 8, 2009.

A treasury share purchase programme was set up for this purpose in order to comply with the decision of the Shareholders' Meeting on October 7, 2009 and the Board of Directors on July 1, 2010. The share purchase programme was aimed at acquiring sufficient shares to service the 2009-2014 Incentive Plan for employees of the Parent Company and its subsidiaries.

Specifically, on May 5, 2011, the YOOX S.p.A. Shareholders' Meeting granted authorisation to buy and sell treasury shares, pursuant to articles 2357 and 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 YOOX S.p.A. Shareholders' Meeting resolution of May 5, 2011, the programme refers to the purchase of YOOX S.p.A. ordinary shares, with no indication of 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 Plan, the Company bought:

- in the period from July 2, 2010 to July 7, 2010, 62,000 YOOX S.p.A. ordinary shares, at an average unit price of Euro 5.836485 per share after commission, for a total value of Euro 361,862.06;
- in the period from August 5, 2011 to August 8, 2011, 60,000 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.594572 per share after commission, for a total value of Euro 575,674.30;
- on September 6, 2011, 5,000 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.5095 per share after commission, for a total value of Euro 47,547.50;

At September 30, 2011 the Company holds 127,000 treasury shares in its portfolio, equal to 0.2397% of the share capital.

At September 30, 2011, there are 54 Group beneficiaries of the 2009-2014 Incentive Plan, for a total of 166,044 shares.

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 Plan 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 Plan 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 Plan 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, 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 Plan 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 Plan 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 Plan 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 Euro 1.1379 for each share up to 4,784,000 new shares and Euro 2.0481 for each share up to 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, 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 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 option 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 implementation of the share-split as resolved at the same meeting) for a total nominal amount of Euro 47,320, to be allocated to 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, the capital increase will proceed according to the subscriptions received by that date.

Implementation 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, contractors, consultants and directors of the Company and its subsidiaries, the following options were approved as of September 30, 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, as subsequently amended by the Extraordinary Shareholders' Meeting of July 12, 2007 (2006-2008 Plan)
- 104,319 options, corresponding to 5,424,588 shares, by the Extraordinary Shareholders' Meeting of May 16, 2007 (2007-2012 Plan)²²;
- 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), November 9, 2011
For the Board of Directors

Chairman of the Board of Directors
Federico Marchetti

²² 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-BIS, PARAGRAPH 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 September 30, 2011 of the YOOX Group corresponds to the entries made in accounting documents, ledgers and records.

Zola Predosa (BO), November 9, 2011

The Director in charge of preparing corporate accounting documents
Francesco Guidotti

