YOOX GROUP

Consolidated interim financial statements at June 30, 2013

YOOX S.p.A.
Via Nannetti, 1 – 40069 Zola Predosa (BO)
Share capital: Euro 574,451.80 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 JUNE 30, 2013

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MANAGEMENT AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman and Chief Executive Officer
Federico Marchetti

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

BOARD OF STATUTORY AUDITORS

Standing Auditors
Filippo Tonolo – Chairman
David Reali
Patrizia Arienti

Alternate Auditors
Edmondo Maria Granata
Salvatore Tarsia

INDEPENDENT AUDITORS

KPMG S.p.A.

SUPERVISORY BODY Decree Law 231/01

Rossella Sciolti – Chairwoman
Gerardo Diamanti
Riccardo Greghi

DIRECTOR IN CHARGE OF PREPARING CORPORATE ACCOUNTING DOCUMENTS

Francesco Guidotti

INTERNAL CONTROL MANAGER

Riccardo Greghi

1 Member of the Internal Control Committee.
2 Member of the Remuneration Committee.
3 Member of the Directors' Appointments Committee.

DIRECTORS' INTERIM REPORT

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DIRECTORS' REPORT

INTRODUCTION

The first half of 2013 recorded a continued increase in sales for the Group, both in the Multi-brand and Mono-brand business lines, recording solid performances in all the main reference markets, particularly in Italy and North America.
The number of active customers increased from 871 thousand to over one million, the number of unique visitors per month was 12.5 million and the number of orders has increased to 1,261 thousand, with an Average Order Value (AOV) at Euro 216.
All six Online Stores of the brands included in the joint venture set up in August 2012 between Kering and YOOX were successfully launched by June 30, 2013, thus reaching the first important milestone of the joint venture.

One of the most significant events was the launch of the missoni.com Online Store on March 26, 2013, primarily in Europe, North America and Japan, while bikkembergs.com was also extended to the Japanese market on February 12, 2013.
On May 7, 2013, Giorgio Armani S.p.A. and YOOX S.p.A. signed an agreement for the ideation and the development of the creative concept for the new release of armani.com, which will be launched in the third quarter of 2013. Specifically, YOOX won a pitch against competition from major global web agencies. Thanks to its in-house team, YOOX's offering to the major fashion and luxury brands is therefore enhanced by a proposal that combines creative excellence with best e-commerce practice.
On May 7, 2013, OTB S.p.A., a holding company of many leading brands in the fashion and luxury sector founded and chaired by Renzo Rosso and YOOX S.p.A. signed an agreement which further strengthens the strategic partnership established in 2002. This agreement is in line with YOOX's dynamic profit-driven Mono-brand portfolio management and ever-increasing focus on the high-end fashion and luxury segment.
In particular, the agreement provides for the extension of the collaboration currently in progress at the global level for the management of maisonmartinmargiela.com for a further two years, and under the same conditions. The current contract will thus extend to seven years, expiring on December 31, 2017, surpassing the already long maturities of collaboration for the management of marni.com and justcavalli.com at a global level, planned for August 31, 2016 and February 28, 2017, respectively.
As far as the Diesel brand is concerned, the partnership for managing the diesel.com Online Store was renewed for a further six years. The two groups will continue to focus on operations in Europe and Japan and the Online Store will be potentially extended to China. The groups have jointly decided to discontinue, at the end of 2013, US operations, which accounted for approximately 2% of YOOX Group's net revenues in 2012 with an average order value significantly lower than the average for the Mono-brand business line in the country.
The dodo.it Online Store was launched on May 8, 2013, active primarily in Europe and North America.
On June 10, 2013, VF International S.a g.l., VF Italia S.r.l. and YOOX S.p.A. renewed their collaboration agreement for the management of the napapijri.com "Powered by YOOX Group" Online Store, active primarily in Europe and the US, for a further five years, or until June 30, 2018.
Lastly, during the period YOOX signed agreements for the ideation and the development of the creative concept of the new releases of brunellocucinelli.com and moschino.com, which will be released in the third quarter of 2013, and of stoneisland.com, already launched in July 2013.
As reported in the significant events after the end of the period, during the first quarter of 2014 the kartell.com Online Store will be launched in Europe, following a six-year agreement signed on July 30, 2013 between Kartell S.p.A. and YOOX S.p.A. Also, on July 10, 2013, Moschino S.p.A. and YOOX S.p.A., in anticipation of the planned expiry in February 2014, renewed their collaboration agreement for the management of the moschino.com "Powered by YOOX Group" Online Store primarily active in Europe, the US and Japan for a further five years up to June 30, 2018. Lastly, on July 30, 2013, Emilio Pucci S.p.A. (part of the LVMH group) and YOOX S.p.A. renewed their collaboration agreement for the management of the emiliopucci.com "Powered by YOOX Group" Online Store, active primarily in Europe, the US and Japan, for a further five years, or until September 30, 2018.

From January 2013, the zeishouse.com Online Store, previously operational in Europe with the Bikkembergs brand and several other minor brands, owned and under licence, was deactivated. The agreement with FGF Industry S.p.A. for the management of the cpcompany.com Online Store in Europe, the US and Japan will not be renewed after it expires on February 28, 2013.

The first half of 2013 saw continued investment in the Operations, with the successful completion of the automation project of the Bologna logistics centre at the end of February 2013. Additionally, the new

photographic studios dedicated to automated yoox.com and shoescribe.com were inaugurated, as well as the new logistics space dedicated to hanging garments.
The Group also continued to invest in the innovation and consolidation of multi-channel technology with the aim of anticipating the trends of a channel such as the mobile channel, which is expanding enormously.
Investments also continued in developing cross-channel functionality, with applications to be launched by early 2014, with the aim of integrating the customer experience in the physical world and the virtual world.

Multi-brand business line

The Group's Multi-brand operation breaks down into three Online Stores owned by the Company:

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

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

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

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

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

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

shoescribe.com is a Multi-brand Online Store launched in March 2012 devoted entirely to women's footwear. shoescribe.com offers a unique all-round shopping experience in the world of shoes, ranging from the editorial component to the care of shoes after purchase. The concept of the store is actually based on the combination of three key elements: e-commerce, exclusive shoe-related services and editorial content. The range consists of an original and very carefully chosen selection from big names to recherché brands, as well as a selection of products inspired by shoes. For those who are passionate about shoes, shoescribe.com offers several services with added value, including a system for organising your shoes in your wardrobe, which comes with every package, and a network of trusted shoemakers for repairs. In addition, via an annual subscription, "shoescribers" can access the most exclusive services, ranging from complimentary shoe repair to free shipping all year round.

In the first half of 2013, the Multi-brand business line generated a monthly average of about 6.0 million unique visitors[4].

The Group has designed and promoted web campaigns courtesy of which the Multi-brand business line has reached a figure in the first half of 2013 of approximately 40,000 websites in more than 50 countries; about 172 million newsletters were sent out to registered users translated into the languages managed by the Group.

[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.

Mono-brand business line

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

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

In the first half of 2013, the Mono-brand business line generated a monthly average of about 6.4 million unique visitors.

At June 30, 2013, there were 36 operating Online Stores. Specifically:

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

- emporiorarmani.com, the Online Store of the Emporio Armani brand, operational in the US since August 2007; its operations were expanded mainly to major markets in Europe in June 2008, to Japan in July 2009 and to China in November 2010;

- diesel.com, the Online Store of the Diesel, Diesel Black Gold and 55 DSL brands, operational mainly in Europe and the United States since November 2007, and in Japan since February 2011;

- stoneisland.com, the Online Store of the Stone Island brand, operational since March 2008 mostly in the main European markets, the US and Japan;

- valentino.com, the Online Store of the Valentino and the Red Valentino brands, operational since April 2008 in the US and as of March 2009 in the main European markets and Japan;

- emiliopucci.com, the Online Store of the Emilio Pucci brand, operational since November 2008, mostly in the main European markets, the US and Japan;

- moschino.com, the Online Store of Moschino, Love Moschino and MoschinoCheapAndChic brands, active since February 2009 mainly in Europe and the US;

- bally.com, the Online Store of the Bally brand, operational since February 2009, mainly in Europe and the US and operational in China since May 2011;

- dsquared2.com, the Online Store of the Dsquared2 brand operational since September 2009, active mainly in Europe, the US and Japan;

- jilsander.com, the Online Store of the Jil Sander and Jil Sander Navy brands, operational since September 2009 mainly in Europe, the US and Japan; it was extended to include the Jil Sander Navy brand in January 2011;

- robertocavalli.com, the Online Store of the Roberto Cavalli and Just Cavalli brands, operational since November 2009 mainly in Europe, the US and Japan; it was extended to include the Just Cavalli brand in February 2011;

- coccinelle.com, the Online Store of the Coccinelle brand, operational since February 2010, mainly in Europe, the US and Japan;

- giuseppezanottidesign.com, the Online Store of the Giuseppe Zanotti brand, operational since February 2010, mainly in Europe, the US and Japan;

- napapijri.com, the Online Store of the Napapijri brand, operational since March 2010, mainly in Europe and the US;

- albertaferretti.com, the Online Store of the Alberta Ferretti and Philosophy by Alberta Ferretti brand, active since March 2010 mainly in Europe, the US and Japan;
- maisonmarinmargiela.com, the Online Store of the Maison Martin Margiela brand, operational since October 2010, mainly in Europe, the US and Japan;
- zegna.com, the Online Store of the Ermenegildo Zegna, Zegna Sport and Z Zegna brands, operational since December 2010, mainly in Europe, the US and Japan; it was extended to include the Z Zegna brand in September 2011;
- y-3store.com, the Online Store of the Y3 brand, operational since March 2011, mainly in Europe, the US and Japan and, from November 2011, in China;
- brunellocucinelli.com, the Online Store of the Brunello Cucinelli brand, operational since March 2011, mainly in Europe, the US and Japan;
- bikkembergs.com, the Online Store of the Dirk Bikkembergs Sport Couture and Bikkembergs brands, operational since June 2011, mainly in Europe, from October 2011, in the US and from February 2013 in Japan;
- dolcegabbana.com, the Online Store of the Dolce & Gabbana brand, operational since July 2011 in Europe, the US and Japan and, from August 2011, in China;
- moncler.com, the Online Store of the Moncler brand, operational since September 2011, mainly in Europe and the US and, from September 2012, in China;
- armani.com, the Online Store of the Giorgio Armani, Armani Collezioni, Armani Junior, EA7, Emporio Armani and Armani Jeans brands, operational since October 2011 mainly in Europe, the US, Japan and China;
- trussardi.com, the Online Store of the Trussardi 1911 brand operational since December 2011 mainly in Europe, the US and Japan; from October 2012 it was also extended to the Tru Trussardi and Trussardi Jeans brands;
- barbarabui.com, the Online Store of the Barbara Bui brand, operational since February 2012, mainly in Europe, the US and Japan;
- pringlescotland.com, the Online Store of the Pringle of Scotland brand, operational since March 2012, mainly in Europe, the US and Japan;
- pomellato.com, the Online Store of the Pomellato brand, operational since May 2012 mainly in Europe, the US and Japan;
- alexanderwang.com, the Online Store of the Alexander Wang and T by Alexander Wang brands, operational since May 2012 in the Asia-Pacific area countries, including China, Hong Kong and Japan and since November 2012 in Europe;
- missoni.com, the Online Store of the Missoni brand, operational since March 2013 mainly in Europe, North America and Japan;
- dodo.it, the Online Store of the Dodo brand, operational since May 2013 and mainly active in Europe and North America;
- sergiorossi.com, the Online Store of the Sergio Rossi brand managed by the joint venture between Kering and YOOX Group active since September 2012 in the main European markets, the US and Japan;
- bottegaveneta.com, the Online Store of the Bottega Veneta brand managed by the joint venture between Kering and YOOX Group launched at the end of 2012 in several European markets, the US and Japan;
- stellamccartney.com, the Online Store of the Stella McCartney brand, managed by the joint venture between Kering and YOOX Group launched at the end of 2012 in 100 countries including Europe, the US and Japan;

- alexandermcqueen.com, the Online Store of the Alexander McQueen brand, managed by the joint venture between Kering and YOOX Group, operational since May 2013 mainly in Europe, the US and Japan;

- balenciaga.com, the Online Store of the Balenciaga brand, managed by the joint venture between Kering and YOOX Group, operational since May 2013 mainly in Europe, the US and Japan;

- ysl.com, the Online Store of the Yves Saint Laurent brand, managed by the joint venture between Kering and YOOX Group, operational since June 2013 mainly in Europe, the US and Japan.

REVENUES AND PROFITABILITY

Methodology note

This Directors' Report contains information relating to the revenues and profitability of the YOOX Group as at June 30, 2013.
Unless otherwise indicated, all amounts are expressed in thousands of Euro. The comparisons in this document have been made with regard to the corresponding period of the previous financial year or the information as of December 31, 2012. For reasons of clarity, it should be pointed out that the percentage differences and variations for the different amounts recorded have been calculated at the precise values. It should also be noted that possible differences that may be found in some tables are due to rounding off amounts expressed in thousands of Euro. The Parent Company YOOX S.p.A. is referred to with its full name or simply as the Company; the Group reporting directly to it appears as YOOX Group or simply as the Group; when notes refer to subsidiaries, full company names are used.
All subsidiaries of YOOX S.p.A. operate in the Group's business segment, or in any event, perform activities that are consistent with those of the Group. YOOX S.p.A. manages its subsidiaries with reference to the geographical operating area. Thus, for more precise information on geographical areas, please refer to the information by business segment, and in general, to information provided in the consolidated financial statements in terms of comments on the main events that occurred in relation to subsidiaries.

Accounting standards

The consolidated interim financial statements at June 30, 2013 have been compiled in accordance with Article 154-*ter*, paragraph 5 of Legislative Decree 58/98 (Consolidated Finance Act, or TUF) and as amended and supplemented, and in compliance with Article 2.2.3 of the Stock Exchange Regulations.

The accounting standards, the consolidation standards and evaluation criteria used in preparing the consolidated interim financial statements are consistent and comply with the standards used to draw up the Annual Report at December 31, 2012 which is available on the website www.yooxgroup.com in the "Investor Relations" section.

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

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

Reclassified consolidated income statement

Reclassified consolidated income statement for the second quarter of 2013:

Thousand Euro	Q2 2013	Q2 2012	Change	
Consolidated net revenues	97,044	81,929	15,115	18.4%
Cost of goods sold	(57,682)	(52,792)	(4,890)	9.3%
Gross Profit[5]	**39,361**	**29,136**	**10,225**	**35.1%**
% of consolidated net revenues	40.6%	35.6%		
Fulfilment costs	(9,649)	(7,544)	(2,105)	27.9%
Sales and marketing costs	(11,872)	(10,000)	(1,871)	18.7%
EBITDA Pre Corporate Costs[6]	**17,841**	**11,592**	**6,249**	**53.9%**
% of consolidated net revenues	18.4%	14.1%		
General expenses	(8,981)	(6,649)	(2,332)	35.1%
Other income and expenses	(1,328)	(501)	(828)	>100%
EBITDA[7]	**7,532**	**4,443**	**3,089**	**69.5%**
% of consolidated net revenues	7.8%	5.4%		
Depreciation and amortisation	(4,650)	(3,038)	(1,611)	53.0%
Non-recurring expenses	-	-	-	-
Operating profit	**2,882**	**1,404**	**1,477**	**>100%**
% of consolidated net revenues	3.0%	1.7%		
Result of equity investments	(294)	-	(294)	-
Financial income	(54)	132	(186)	<100%
Financial expenses	(735)	84	(819)	<100%
Profit before tax	**1,799**	**1,620**	**179**	**11.1%**
% of consolidated net revenues	1.9%	2.0%		
Taxes	(651)	(682)	31	-4.5%
Consolidated net income for the period	**1,148**	**938**	**210**	**22.4%**
% of consolidated net revenues	1.2%	1.1%		
EBITDA excluding incentive plan costs[8]	**8,428**	**5,230**	**3,198**	**61.1%**
% of consolidated net revenues	8.7%	6.4%		
Net income excluding incentive plan costs[9]	**1,833**	**1,540**	**293**	**19.1%**
% of consolidated net revenues	1.9%	1.9%		

In the second quarter of 2013, the Group's consolidated net revenues stood at Euro 97,044 thousand, an increase of 18.4% compared with Euro 81,929 thousand for the second quarter of 2012 (+21.9% at constant exchange rates).
EBITDA stood at Euro 7,532 thousand in the second quarter of 2013, an increase of 69.5% compared with Euro 4,443 thousand in the second quarter of 2012, with a margin of 7.8% compared to 5.4% for the same period of the previous year. EBITDA excluding incentive plan costs stood at Euro 8,428 thousand, with a margin on net revenues of 8.7%. The Consolidated net income was Euro 1,148 thousand, compared with Euro 938 thousand in the second quarter of 2012. Excluding non-cash costs relating to incentive plans and their related tax effect, Net income excluding incentive plans stood at Euro 1,833 thousand compared with Euro 1,540 thousand for the second quarter of 2012.

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

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

7 EBITDA is profit before amortisation and depreciation of property, plant and equipment and intangible assets, non-recurring expenses, the result of investments, financial income and expenses and income taxes. Since EBITDA is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union, its calculation might not be standard. Group management uses EBITDA to monitor and measure the Group's performance. Management believes that EBITDA is an important measure of operating performance in that it is not affected by the various criteria used to calculate taxes, the amount and characteristics of invested capital and the related amortisation and depreciation methods. The criterion used by the Group to calculate EBITDA might not be consistent with that adopted by other groups, and accordingly, the resulting figure may not be comparable with those calculated by such groups.

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

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

Reclassified consolidated income statement for the first half of 2013:

Thousand Euro	June 30, 2013	June 30, 2012	Change	
Consolidated net revenues	207,448	172,896	34,552	20.0%
Cost of goods sold	(130,828)	(112,897)	(17,931)	15.9%
Gross Profit	**76,620**	**59,998**	**16,621**	**27.7%**
% of consolidated net revenues	36.9%	34.7%		
Fulfilment costs	(19,633)	(16,290)	(3,343)	20.5%
Sales and marketing costs	(23,551)	(19,779)	(3,772)	19.1%
EBITDA Pre Corporate Costs	**33,435**	**23,930**	**9,506**	**39.7%**
% of consolidated net revenues	16.1%	13.8%		
General expenses	(18,079)	(13,287)	(4,792)	36.1%
Other income and expenses	(1,784)	(858)	(926)	>100%
EBITDA	**13,572**	**9,784**	**3,787**	**38.7%**
% of consolidated net revenues	6.5%	5.7%		
Depreciation and amortisation	(8,822)	(5,596)	(3,226)	57.6%
Non-recurring expenses	-	-	-	-
Operating profit	**4,749**	**4,188**	**562**	**13.4%**
% of consolidated net revenues	2.3%	2.4%		
Result of equity investments	(594)	-	(594)	-
Financial income	761	914	(153)	-16.8%
Financial expenses	(1,463)	(1,443)	(20)	1.4%
Profit before tax	**3,454**	**3,659**	**(205)**	**-5.6%**
% of consolidated net revenues	1.7%	2.1%		
Taxes	(1,248)	(1,489)	241	-16.2%
Consolidated net income for the period	**2,206**	**2,170**	**36**	**1.7%**
% of consolidated net revenues	1.1%	1.3%		
EBITDA excluding incentive plan costs	**16,452**	**11,618**	**4,835**	**41.6%**
% of consolidated net revenues	7.9%	6.7%		
Consolidated net income for the period excluding incentive plan costs	**4,407**	**3,571**	**836**	**23.4%**
% of consolidated net revenues	2.1%	2.1%		

In the first half of 2013, YOOX Group posted consolidated net revenues, net of returns and customer discounts, of Euro 207,448 thousand, up 20.0% from Euro 172,896 thousand at June 30, 2012 (+22.8% at constant exchange rates).

EBITDA stood at Euro 13,572 thousand at June 30, 2013, compared with Euro 9,784 thousand at June 30, 2012. The percentage of EBITDA on net revenues went from 5.7% in the first half of 2012 to 6.5% in the first half of 2013. Excluding the notional charges relating to the incentive plans, equal to Euro 2,881 thousand, EBITDA excluding incentive plan costs stood at Euro 16,452 thousand (+41.6% compared with the same period in 2012), with a margin on sales of 7.9%[10]. This performance reflects the significant improvement in gross profit that more than offsets the higher costs incurred by the Group for its own growth and, in particular, for the expansion of the Bologna logistics spaces and of the Milan, Bologna and New York offices.

Consolidated net income stands at Euro 2,206 thousand, compared with Euro 2,170 thousand at June 30, 2012, following increased amortisation and depreciation of Euro 3,226 thousand (+57.6% compared with the first quarter of 2012), primarily attributable to greater investments in the techno-logistics platform. Financial costs of Euro 702 thousand, primarily resulting from an exchange rate loss and greater interest expenses, and negative investment income also influenced the net income. Excluding non-cash costs relating to incentive plans and their related tax effect, Net income excluding incentive plans stood at Euro 4,407 thousand compared with Euro 3,571 thousand for the first half of 2012.

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

The table below shows several key indicators[11] relating to the Group's activities.

	June 30, 2013	June 30, 2012
Number of unique visitors per month[12] (millions)	12.5	12.5
Number of orders (thousands)	1,261	1,073
AOV[13] (Euro)	216	203
Number of active customers[14] (thousands)	1,004	871

In the first half of 2013 the Group recorded an average of 12.5 million unique visitors per month, in line with June 30, 2012, and a number of orders equal to 1,261 thousand, equivalent to one order processed every 12 seconds[15], compared with 1,073 thousand in the first half of 2012.
The average order value (AOV) rose significantly to Euro 216 (excluding VAT), compared with Euro 203 for the same period in the previous year.
At June 30, 2013, the number of active customers also increased markedly, rising by 15.2% to 1,004 thousand, from 871 thousand in the first half of 2012.

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 is provided below.
Since the management reporting system used by management to assess corporate performance does not allocate certain accounting aggregates to business lines (amortisation and depreciation, non-monetary revenue and expenses, general expenses, other non-recurring income and expenses, the result of investments, financial income and expenses and taxes), these items remain the purview of the Corporate area since they are not related to the specific operating activities of the business lines. Thus, the business line's operating profit coincides with EBITDA Pre Corporate Costs in terms of the entries included and previously reported in this total.
For additional details on operating information by business line at June 30, 2013, with a reconciliation of entries with the Group's income statement, see the consolidated financial statements.

Operating information by business line at June 30, 2013 is as follows:

	Multi-brand		Mono-brand		Group total	
Thousand Euro	*June 30, 2013*	*June 30, 2012*	*June 30, 2013*	*June 30, 2012*	*June 30, 2013*	*June 30, 2012*
Consolidated net segment revenues	148,786	120,572	58,662	52,323	**207,448**	**172,896**
% of consolidated net Group revenues	71.7%	69.7%	28.3%	30.3%	**100.0%**	**100.0%**
% change	*23.4%*		*12.1%*		***20.0%***	
Business line operating profit	21,952	14,415	11,484	9,514	**33,435**	**23,930**
% of consolidated net segment revenues	14.8%	12.0%	19.6%	18.2%	**16.1%**	**13.8%**
% change	*52.3%*		*20.7%*		***39.7%***	

In the first half of 2013, the Group's consolidated net revenues, net of returns from sales and discounts given to customers, was equal to Euro 207,448 thousand, a growth of 20.0% over the figure of Euro 172,896 thousand for the first half of 2012, with a contribution from both business lines.
Business line operating profit (or EBITDA Pre Corporate Costs) was Euro 33,435 thousand, an increase of 39.7% compared with Euro 23,930 thousand in the first six months of 2012, with a margin of 16.1%, compared with 13.8% for the first half of 2012, an increase caused by the strong growth in gross profit.

Multi-brand business line
The Multi-brand business line, which includes the activities of the Online Stores yoox.com, thecorner.com and shoescribe.com, recorded consolidated net revenues of Euro 148,786 thousand, a 23.4% increase compared with Euro 120,572 thousand in the first half of 2012. The excellent performance of yoox.com, which continued to benefit from the innovations contained in the new release, contributed to this growth. Also positive was the result

[11] The indicators refer to yoox.com, thecorner.com, shoescribe.com and to the Mono-brand "Powered by YOOX Group" Online Stores. The indicators related to the joint venture with Kering are excluded.
[12] Source: SiteCatalyst for yoox.com; Google Analytics for thecorner.com, shoescribe.com and Mono-brand "Powered by YOOX Group" Online Stores.
[13] Average Order Value or AOV refers to the average value of each purchase order, excluding VAT.
[14] An Active Customer is defined as a customer who placed at least one order during the 12 preceding months.
[15] Calculated by dividing the overall total of seconds relating to the first half of 2012 by the number of orders processed at Group level in the same period of time.

of thecorner.com, with the introduction of ever-increasing brand positioning in the luxury segment, and shoescribe.com, which is emerging as a destination in the women's footwear segment.
Overall, in the first half of 2013, the Multi-Brand business line accounted for 71.7% of the Group's consolidated net revenues.
Operating profit for the Multi-brand segment stands at Euro 21,952 thousand, an increase of 52.3% compared with Euro 14,415 thousand for the first half of 2012, with a margin of 14.8%, compared with 12.0% in the first half of 2012. This result is due to the excellent performance in the second quarter of the year. The second quarter performance benefited from the significant improvement in the gross profit of yoox.com, attributable to the optimisation at global level of the pricing, marketing and promotional strategies undertaken during the period, as well as the better conversion rate of the new release.

Mono-brand business line
The Mono-brand business line includes the set-up and management of the Online Stores of some of the leading global luxury fashion brands. This business line posted consolidated net revenues of Euro 58,662 thousand, up 12.1% from Euro 52,323 thousand at June 30, 2012.
In particular, in the first half of 2012 the Group benefited from the greater contribution from the web marketing, web design, set-up and maintenance activities of the Online Stores: excluding these effects, traditionally more volatile, growth in the first half of 2013 was 13.8%. This performance was achieved despite the closure of five Online Stores, which accounted for approximately 1.5% of the Group's net revenues in 2011, with an AOV approximately 37% lower than the average recorded in the Mono-brand business line, and also reflects the decision to concentrate new openings and new releases of Online Stores starting from May.
Overall, at June 30, 2013, the Mono-brand business line accounted for 28.3% of the Group's consolidated net revenues with 36 Online Stores.
Operating profit for the Mono-brand segment stands at Euro 11,484 thousand, an increase of 20.7% compared with Euro 9,514 thousand for the first six months of 2012, with a margin of 19.6%, an improvement on the 18.2% recorded in the first half of 2012, thanks to the positive contribution from the joint venture with Kering, and attesting to the validity of the profitability-oriented dynamic management strategy for the Mono-brand portfolio.

Consolidated net revenues by geographical area

Below is a breakdown of the Group's consolidated net revenues by geographical area at June 30, 2013.

Thousand Euro	June 30, 2013		June 30, 2012		Change	
Italy	31,481	15.2%	27,468	15.9%	4,013	14.6%
Europe (excluding Italy)	99,069	47.8%	82,566	47.8%	16,503	20.0%
North America	46,081	22.2%	37,361	21.6%	8,720	23.3%
Japan	17,383	8.4%	14,712	8.5%	2,671	18.2%
Other countries	9,961	4.8%	6,111	3.5%	3,850	63.0%
Not country-related	3,472	1.7%	4,678	2.7%	(1,206)	-25.8%
Total YOOX Group	**207,448**	**100.0%**	**172,896**	**100.0%**	**34,552**	**20.0%**

In the course of the first half of 2013, the Group recorded solid performance in all the main benchmark markets, particularly in Italy and North America.

North America proved to be the Group's primary market, with sales of Euro 46,081 thousand, corresponding to 22.2% of consolidated net revenues, a growth of 23.3% compared to the first six months of 2012 (+24.9% at constant exchange rates). The second quarter of 2013 saw significant acceleration in performance: net revenues thus grew 30.8% compared with the same period in the previous year (+33.2% at constant exchange rates).

For the third consecutive quarter, Italy recorded excellent performance, driven by increasing customer confidence in YOOX and sales through smartphones and tablets. Net revenues in the second quarter grew 18.5% from 2012; in the first half of 2013 there were then increases of 14.6% compared with the same period in 2012.

Positive results were also recorded for the rest of Europe, with growth of 20.0% recorded in the first six months of 2013. The main countries that contributed to the Group's revenue in Europe in the first half of 2013 were France, Germany, the UK and Russia, which all reported growth compared with the same period of the previous year.

During the first half of the year, Japan recorded a 43.5% growth in net revenue at constant rates of exchange compared with the same period in the previous year. At current rates of exchange, the result (+18.2%) was influenced by the strong decline in the yen in the period. Lastly, other countries reported positive performance (+63.0% compared with the first half of 2012), driven by China.

The “Not country-related” item (-25.8% compared with June 30, 2012) includes the set-up and maintenance activities for the Online Stores, for the media partnership projects in the Multi-brand business line, for web marketing and web design services in the Mono-brand business line, and for other services offered to Mono-brand partners.

INVESTMENTS

The Group made investments totalling Euro 20,260 thousand in the first half of 2013, comprising Euro 8,611 thousand in intangible assets and Euro 11,650 thousand in property, plant and equipment. Increases in intangible assets were mainly for investments in multi-year development projects valued at Euro 8,021 thousand.
In particular, the first half of 2013 saw continued investment in the Operations, with the successful completion of the automation of the Bologna logistics centre at the end of February 2013. Additionally, the new photographic studios dedicated to automated yoox.com and shoescribe.com were inaugurated, as well as the new logistics space dedicated to hanging garments.
Investment in Technology also continued. In particular, the project for the creation of a secondary data centre in Amsterdam with the goal to ensure backup of the existing infrastructure and to improve its overall efficiency was completed in the second quarter.
The Group also continued to invest in the innovation and consolidation of multi-channel technology with the aim of anticipating the trends of a channel such as the mobile channel which is expanding enormously. Of particular note was the launch of the new bottegaveneta.com release, which, thanks to responsive design, is able to automatically adapt to different devices. Furthermore, investments continued in developing cross-channel functionality, with applications to be launched by early 2014, aimed at integrating the customer experience in the physical world and the virtual world.
Among the most significant projects of the Technology team, a new cart was created for thecorner.com and several Mono-brand Online Stores, able to retrieve purchases not yet completed and to follow the customer on all his devices, with the aim of increasing the conversion rate. Numerous technological improvements were also made to yoox.com, mainly aimed at improving the overall performance of the site. Lastly, the shoescribe.com app has been localised into German, Japanese, Spanish, Russian and French.

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 June 30, 2013 and the Group's consolidated statement of cash flows for the same period.

Reclassified consolidated statement of financial position at June 30, 2013:

Thousand Euro	Balance at June 30, 2013	Balance at Dec 31, 2012	% Change
Net working capital[16]	33,461	32,061	4.4%
Non-current assets	68,085	55,472	22.7%
Non-current liabilities (excluding financial liabilities)	(289)	(340)	-15.1%
Net invested capital[17]	**101,257**	**87,193**	**16.1%**
Shareholders' equity	107,695	101,762	5.8%
Net debt/(Net financial position)[18]	(6,438)	(14,569)	-55.8%
Total sources of financing	**101,257**	**87,193**	**16.1%**

Net working capital rose from Euro 32,061 thousand at December 31, 2012 to Euro 33,461 thousand at June 30, 2013. This change is mainly due to the habitual increase in inventory, necessary to meet the future growth of the Multi-brand business line.

Reclassified consolidated statement of cash flows at June 30, 2013:

Thousand Euro	June 30, 2013	June 30, 2012	% Change
Cash flow generated by (used in) operating activities	11,683	3,486	>100%
Cash flow generated by (used in) investing activities	(22,386)	(9,836)	>100%
Sub-Total	**(10,704)**	**(6,350)**	**68.6%**
Cash flow generated by (used in) financing activities	(2,014)	5,115	>100%
Total cash flow for the period	**(12,718)**	**(1,235)**	**>100%**

The cash flow generated by operating activities in the first half of 2013, at Euro 11,683 thousand, was used to support Group investments, mainly related to the techno-logistics platform and investments in technology.

16 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.

17 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.

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

Debt/Consolidated net financial position

The table below gives details of the YOOX Group's net financial position at June 30, 2013.

Thousand Euro	Balance at June 30, 2013	Balance at Dec 31, 2012	% Change
Cash and cash equivalents	23,057	35,775	-35.6%
Other current financial assets	7,904	6,490	21.8%
Bank loans and other current financial payables	(10,223)	(12,007)	-14.9%
Other current financial liabilities	(976)	(591)	65.3%
Short-term net financial position	**19,762**	**29,667**	**-33.4%**
Medium/long-term financial liabilities	(13,324)	(15,099)	-11.8%
(Debt)/Consolidated net financial position	**6,438**	**14,569**	**-55.8%**

In accordance with the Group's organisational structure, treasury operations are centralised at the Parent Company, YOOX S.p.A., which manages all the major 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 23,057 thousand as of June 30, 2013, 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 June 30, 2013, financial liabilities stand at Euro 23,547 thousand and are mainly made up of medium-/long-term loans agreed for funding the investment in the techno-logistics platform. Specifically, the loans include one supplied by Banca Nazionale del Lavoro for Euro 11,000 thousand (of which Euro 4,000 thousand is short-term), one medium-/long-term loan supplied by Banca Sella for Euro 5,000 thousand and one short-term loan by UniCredit for Euro 5,000 thousand. Remaining financial liabilities refer to financial leasing agreements totalling Euro 2,267 thousand (of which Euro 1,040 thousand is short term) dedicated to investments in technology, and a finance agreement with De Lage Landen for a total of Euro 225 thousand (of which Euro 126 thousand is short term).

Other current financial liabilities at June 30, 2013 of Euro 976 thousand, include the negative fair value of transactions in derivatives (accounted for according to IAS 39 using the Cash flow hedge method) set up to hedge the interest rate risk in relation to the financing in place.

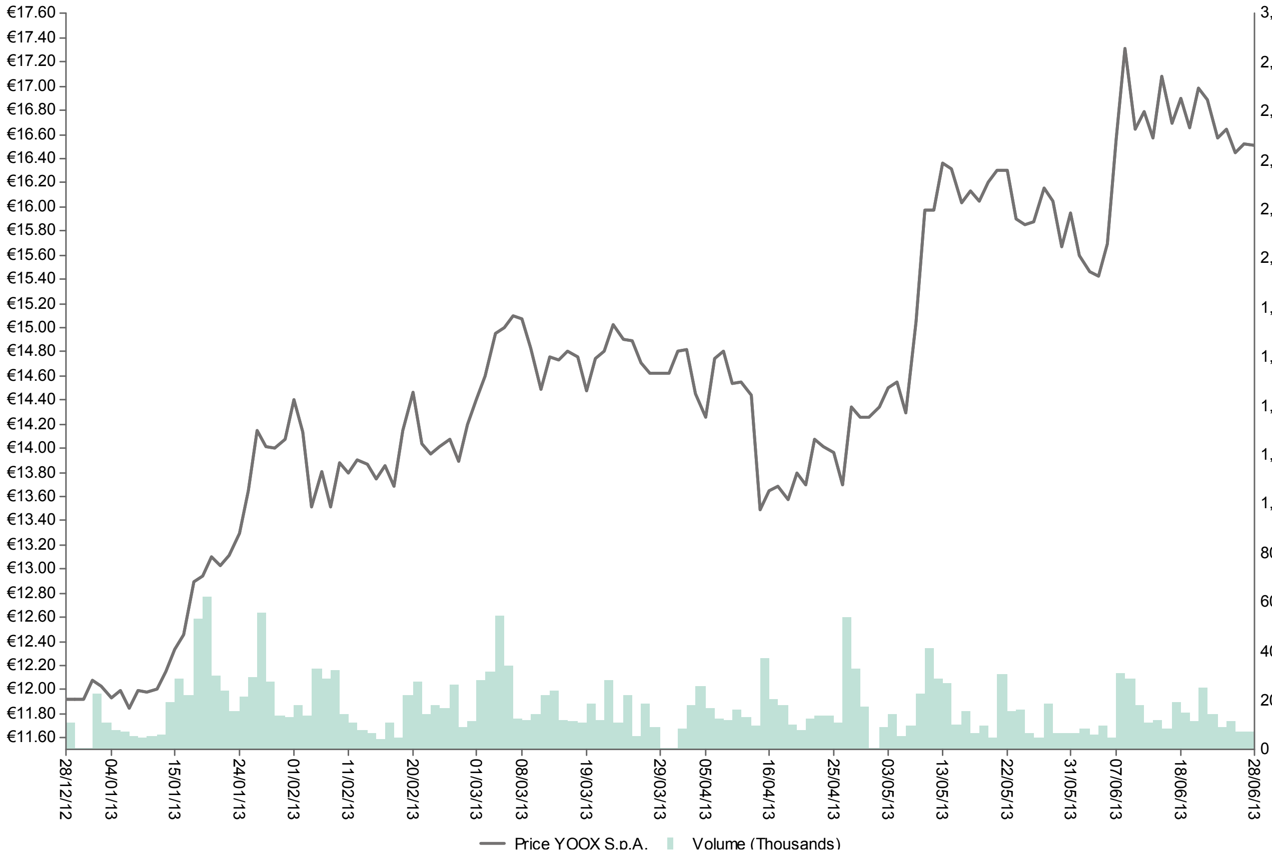
Other current financial assets at June 30, 2013, equal to Euro 7,904 thousand, are mainly those due to the Group from acquirers who manage authorisation for cards belonging to national/international credit or debit card companies used for online sales, and logistics operators who are asked for cash for payments on delivery. The remaining part is attributable to the positive fair value, of transactions in derivatives (accounted for according to IAS 39 using the Cash flow hedge method) set up to hedge the interest rate risk from sales in US dollars and Japanese yen.

INFORMATION FOR INVESTORS

The Global Offering of shares of YOOX S.p.A. (ISIN no IT0003540470) was successfully completed in December 2009. Since December 3, 2009, the Company stock has been listed on the STAR segment of Borsa Italiana and since September 20, 2010 the YOOX stock has also been part of the FTSE Italia Mid Cap index, comprising the top 60 shares for capitalisation and liquidity, outside of the FTSE MIB index.

At June 28, 2013, the last day of trading of the first half of the year, the YOOX stock closed at Euro 16.51, corresponding to a market capitalisation of Euro 949.1 million.
Between the time of the listing and June 28, 2013, the YOOX stock has registered positive performance at 284.0% over the flotation price (Euro 4.3), while in the six months to June 28, 2013, the stock recorded an increase of 38.5% over its closing price at December 28, 2012 (the last day of trading in 2012).

Performance of YOOX stock in the first half of 2013



Source: Factset

In the reference period, YOOX stock performance was better than the Borsa Italiana FTSE MIB, the FTSE Italia STAR and the FTSE Italia Mid Cap; specifically, the stock recorded performances of 24.5% and 24.1% better than the FTSE Italia STAR and FTSE Italia Mid Cap indices, which respectively gained 14.0% and 14.4%.

YOOX stock performance compared with the main Italian Stock Exchange indices in the first half of 2013

Source: Factset

The table below summarises key stock and stock exchange data for the first half of 2013.

Stock and stock exchange data	June 30, 2013
Closing price at 6/28/2013 (Euro)	16.510
Maximum closing price in the first half of 2013 (Euro) – 6/10/2013	17.310
Minimum closing price in the first half of 2013 (Euro) – 1/8/2013	11.850
Market capitalisation at 6/28/2013 (Euro million)	949.131

Source: Borsa Italiana

Stock analyst coverage

Stock analyst coverage at July 31, 2013 includes 12 financial analysts. In addition to the global coordinators for the IPO, Goldman Sachs International and Mediobanca, the stock analyst coverage includes Equita, Intermonte, Gruppo24Ore, Bank of America Merrill Lynch, Deutsche Bank, Citi, Kepler Cheuvreux, N+1 Singer, Exane BNP Paribas and DSF Markets, the last two of which started coverage in July 2013.
Fidentiis has been added to these, monitoring the stock since the beginning of 2012, but with no rating indication.

Shareholder structure

At June 30, 2013, the issued share capital totalled Euro 574,882.36, corresponding to a total of 57,488,236 shares with no nominal value pursuant to Article 2346 of the Italian Civil Code.

At June 30, 2013, as far as we are aware, according to the Shareholder Register, plus the notifications received pursuant to Article 120 of the TUF and other information available, holders of significant stakes in YOOX S.p.A. share capital were:

Shareholders	June 30, 2013
Balderton Capital I L.P.	7.602%
Federico Marchetti	6.947%
OppenheimerFunds, Inc.	6.187%
Federated Equity Management Company of Pennsylvania	4.809%
Red Circle Investments S.r.l.	4.604%
Red Circle S.r.l. Unipersonale	4.074%
Aviva Investors Global Services Limited	3.384%
Capital Research and Management Company	2.855%
Wasatch Advisors Inc.	2.850%
Caledonia (Private) Investments Pty Limited	2.195%
JPMorgan Asset Management	2.023%

Investor Relations

The Group places a particular emphasis on developing its relationships with analysts, shareholders and institutional investors.
During the first half of the year the Group's activities were divided between participation in large conferences and the organisation of numerous roadshows in some of the main financial centres in Europe and the United States. The Group has also organised the first Capital Market Days at the Zola Predosa (Bologna) headquarters and its own Interporto (Bologna) logistics hub, attended by over 40 analysts and investors.
Financial communication since the listing has taken place according to the rules stipulated by Borsa Italiana on price-sensitive press releases, in keeping with the Group's wish to provide timely, transparent information to support its relations with the financial community.

PERSONAL DATA PROTECTION CODE

The Group places the utmost attention on guaranteeing the security of online transactions and customer data protection through the use of the highest quality security systems and standards. The Company operates in full compliance with regulations governing the handling of personal data and uses the most advanced technological and encryption systems for making purchases.
In addition, in order to safeguard the confidentiality, integrity and availability of information relating to customers, employees and partners, YOOX S.p.A. launched a project back in 2011 for the establishment of an SGSI (Sistema di Gestione della Sicurezza delle Informazioni – Information Security Management System) based on standard ISO/IEC 27001. This security framework is designed to guarantee a high level of security through the introduction of a formal Information Risk Analysis process based on an internationally recognised methodology. This risk analysis allows the Information Risk Committee, established within the framework, to assess the information risk trends on a quarterly basis and take the appropriate preventive actions.
The management system is designed to include and satisfy all regulatory requirements to which the Company is subject from an information perspective and, at the same time, to optimise efforts and share the technological solutions and techniques adopted.
The entire framework is based on a continuous improvement cyclical approach, which guarantees a high level of effectiveness and ensures that the challenges that modern information systems face relating to security of information are constantly dealt with.

TAX MATTERS

The Group has incurred a higher tax burden in absolute terms compared with the situation at June 30, 2012. Current taxes have increased from Euro 1,855 thousand to Euro 2,262 thousand.
IRAP tax liabilities for the Parent Company increased, going from Euro 172 thousand at June 30, 2012 to Euro 177 thousand at June 30, 2013. IRES tax liabilities at June 30, 2013 for the Parent Company stand at Euro 526 thousand.
Taxes for Group overseas companies for the period to June 30, 2013 amounted to approximately Euro 1,559 thousand.

The Group also recognised deferred tax assets totalling Euro 2,556 thousand and deferred tax liabilities of Euro 9 thousand. Deferred tax assets of Euro 1,548 thousand and deferred tax liabilities of Euro 15 thousand that were recognised in 2012 were also reversed.

The tax liability at June 30, 2013 was estimated based on the historical trend of the Group's tax rate, considered representative of the best estimate of the full-year tax rate.

LEGAL MATTERS

In the first half of 2013 the Group signed, among other things:

- an extension of the duration of two Online Stores already operational;
- an expansion of an Online Store already operating on other markets to cover the European market;
- an agreement for the ideation and the development of the creative concept for the new release of the Giorgio Armani Online Store;
- a lease for a real estate unit located in New York (USA) to be used for staff offices of the American subsidiary of the Group, YOOX Corporation.

At June 30, 2013 there are no changes since December 31, 2012 in the Company's legal disputes either as plaintiff or defendant:

- it is a defendant in two labour lawsuits before the Court of Bologna, brought against YOOX by former employees;
- it is a plaintiff in a civil case brought by YOOX against a former tax representative for Greece (before the competent Greek court) aimed at recovering amounts illegally withheld by the above party as well as in three court actions for recovery of credit against defaulting suppliers.

HUMAN RESOURCES

At June 30, 2013, the Group total headcount stood at 683 employees, a growth of 22% compared with June 30, 2012. The table below shows a breakdown of the headcount[19]:

No	June 30, 2013	June 30, 2012	Change
Managers	28	25	3
Junior managers	45	47	(2)
Employees and trainees	525	422	103
Abroad	85	64	21
Total headcount	**683**	**558**	**125**

Around 88% of the headcount refers to employees who are located in the three Italian offices, with the remaining 12% located in Group offices abroad.

Compared with December 31, 2012, the total staff of the Group grew by 89 resources, equal to a 15% increase.

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

CORPORATE GOVERNANCE

The corporate governance model of the Parent Company YOOX S.p.A. is described in detail in the Report on corporate governance and shareholder structure at December 31, 2012, which should be referred to.
The significant corporate governance events in 2013 that have taken place as at the date of this document are listed below.

Allocation of shares following the exercise of stock options

The table below contains the allocations in the first half of 2013 of YOOX S.p.A. ordinary shares following the exercising of stock options relating to the stock option plans and the strike prices.

Stock option plans	Grant date	Strike prices (in Euro)							Total options	Total post-split shares
		46.48	59.17	305.24	407.16	441.48	512.20	521.56		
2004 - 2006	16-Jan-13	307							307	15,964
2006 - 2008	16-Jan-13		25						25	1,300
Sub total		**307**	**25**						**332**	**17,264**
2007 - 2012	14-Feb-13		1,443						1,443	75,036
2009 - 2014	14-Feb-13			160				321	481	25,012
Sub total			**1,443**	**160**				**321**	**1,924**	**100,048**
2009 - 2014	22-Apr-13			160	130				290	15,080
Sub total				**160**	**130**				**290**	**15,080**
2009 - 2014	20-Jun-13			160		642	26		828	43,056
Sub total				**160**		**642**	**26**		**828**	**43,056**
Total		**307**	**1,468**	**480**	**130**	**642**	**26**	**321**	**3,374**	**175,448**

Given the above, the share capital issued by YOOX S.p.A. at June 30, 2013, is Euro 574,882.36, divided into 57,488,236 ordinary shares with no par value.

As stated in the subsequent events, on July 15, 2013, 378,352 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 prices (in Euro)							Total options	*Total post-split shares*
		15.91	46.48	59.17	106.50	277.68	512.20	578.24		
2001 - 2003		1,250	500		750				2,500	130,000
2006 - 2008	15-Jul-13			2,870					2,870	149,240
2009 - 2014						962	783	161	1,906	99,112
Total		**1,250**	**500**	**2,870**	**750**	**962**	**783**	**161**	**7,276**	**378,352**

Given the above, the share capital issued by YOOX S.p.A. at the time of writing is Euro 578,665.88, divided into 57,866,588 ordinary shares with no indication of par value.

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

In the first six months of 2013, the Company's Board of Directors did not approve grants under the 2009-2014 YOOX S.p.A. stock option plan.

In the first half of 2013, in particular on January 10, May 27 and June 3, 2013, the Company paid 25,434 ordinary shares relating to the Company incentive plan to 30 beneficiaries.

Stock grant plan

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

2012-2015 stock option plan and granting of options relating to the 2012-2015 stock option plan

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

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

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

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

For details of the 2012-2015 stock option plan, including the implementation terms and conditions, please see the information document produced pursuant to Article 84-*bis* of CONSOB Regulation 11971/1999, which can also be consulted on the Company's website www.yooxgroup.com under the section Corporate Governance – Company Documents.

On September 21, 2012, in order to execute the YOOX S.p.A. 2012-2015 stock option plan, the Company's Board of Directors approved the plan and, on the proposal of the Remuneration Committee, the allocation in favour of the CEO Federico Marchetti of 1,500,000 options valid for the subscription of 1,500,000 YOOX ordinary shares in the ratio of one new ordinary share for every one option exercised.

Board of Directors

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

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

At the end of the Meeting, the Board of Directors met and confirmed Federico Marchetti as Chairman and CEO of the Company and Stefano Valerio as Vice Chairman of the Company, allocating their powers.

The Board of Directors also adopted resolutions on the subject of corporate governance. For more details, refer to the Press Release issued on April 27, 2012, which is available on the Company's website www.yooxgroup.com, under the section "Investor Relations".

The Board of Directors also appointed:

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

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

Board of Statutory Auditors

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

- Filippo Tonolo (Chairman);
- David Reali (Standing Auditor);
- Patrizia Arienti (Standing Auditor);
- Edmondo Maria Granata (Alternate Auditor);
- Salvatore Tarsia (Alternate Auditor).

Approval of the separate financial statements at December 31, 2012

The Shareholders' Meeting of April 19, 2013 convened at a second call, in its ordinary session, approved the separate financial statements for the year ended December 31, 2012, resolving to carry forward YOOX S.p.A.'s entire net profit for the year.

Remuneration Report

On April 19, 2013, the Shareholders' Meeting approved, with a non-binding vote, Section I of the Remuneration Report produced pursuant to Article 123-*ter* of Legislative Decree 58/1998 and Article 84-*quater*, as well as in compliance with Annex 3A, Statements 7-*bis* and 7-*ter* of CONSOB Regulation 11971/1999.

Purchase and disposal of treasury shares

The Shareholders' Meeting on April 19, 2013 approved and authorised the purchase of treasury shares, under Articles 2357, 2357-*ter* of the Italian Civil Code and Article 132 of Legislative Decree 58/1998 and related implementing arrangements, following the revocation of the resolution approved by the Shareholders' Meeting of April 27, 2012 for the part not executed.
For more details, refer to the Press Release issued on that date which is available on the Company's website www.yooxgroup.com, under the section "Investor Relations".

At the time of writing the Company holds 105,228 treasury shares in its portfolio, equal to 0.182% of the share capital to date.

Amendments to the Company Articles of Association

On April 19, 2013, at an Extraordinary Shareholders' Meeting, the amendment of Articles 5, 7, 8, 14 and 26 of the Articles of Association was approved so that the Articles of Association would comply with regulatory provisions of Legislative Decree 184 of October 11, 2012 and of Legislative Decree 91 of June 18, 2012, as well as with the regulations relating to gender equality in the composition of corporate and control bodies introduced by Law 120 of July 12, 2011 and related implementation provisions.

Remuneration Committee

The Committee met on March 5, 2013 and issued its favourable opinion on the proposal to modify the conditions for exercising the YOOX S.p.A. 2009-2014 stock option plan and approved a modification of the Remuneration Policy.

Internal Control Committee

The Committee met on February 28, April 23, and July 25, 2013.

Approval and implementation of the 2013 Internal Audit Plan

In line with the activities carried out in previous financial years, and as a continuation thereof, with special reference to the subjects of compliance pursuant to Legislative Decree 231/01 and Law 262/05, the Internal Audit Manager drafted the 2013 Internal Audit Plan which, after being checked by the Director in charge of supervising the internal control function, was presented and approved on February 28, 2013 by the Control and Risk Committee. The Director in charge of supervising the internal audit function implemented the activities planned for therein following the time schedules and methods.
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

Allocation of shares following the exercise of stock options
After the end of the period, on July 15, 2013, 378,352 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 prices (in Euro)							Total options	*Total post-split shares*
		15.91	46.48	59.17	106.50	277.68	512.20	578.24		
2001 - 2003		1,250	500		750				2,500	130,000
2006 - 2008	15-Jul-13			2,870					2,870	149,240
2009 - 2014						962	783	161	1,906	99,112
Total		**1,250**	**500**	**2,870**	**750**	**962**	**783**	**161**	**7,276**	**378,352**

Given the above, the share capital issued by YOOX S.p.A. at the time of writing is Euro 578,665.88, divided into 57,866,588 ordinary shares with no indication of par value.

Mono-brand Online Store
During the first quarter of 2014 the **kartell.com Online Store will be launched** in Europe, following upon a **six-year** agreement signed on July 30, 2013 between Kartell S.p.A. and YOOX S.p.A..

Moschino contract renewal
On July 10, 2013, **Moschino** S.p.A. and YOOX S.p.A., in anticipation of the planned expiry in February 2014, **renewed** their collaboration agreement for the management of the moschino.com "Powered by YOOX Group" Online Store primarily active in Europe, the US and Japan **for a further five years** up to June 30, 2018.

Pucci contract renewal
On July 30, 2013, Emilio Pucci S.p.A. (part of the LVMH group) and YOOX S.p.A. renewed their collaboration agreement for the management of the emiliopucci.com "Powered by YOOX Group" Online Store, active primarily in Europe, the US and Japan, for a further five years, or until September 30, 2018.

BUSINESS OUTLOOK

Based on the positive results recorded in the first half of the year, on the good performance of the online retail market and on the proven validity and unique nature of the YOOX business model worldwide, it is reasonable to assume that the YOOX Group will record a growth in sales and profits in 2013.

It is likely that both business lines and all of the main markets in which the Group operates will contribute, in a more balanced manner, to this growth, particularly in Italy where YOOX, bolstered by the trend of the results achieved in the first two quarters of the year, aims to further consolidate its leadership.

The Multi-brand business line, in particular, will continue to grow at a sustained rate. The Mono-brand business line will benefit in the second half of the year from the full contribution of the joint venture with Kering as well as from the upgrade of the Online Stores of several long-time partners.

In the second part of 2013, investments in Operations and Technology will continue, if at a slower rate than in the first half of the year, with the aim of supporting the Group's future growth and ensuring that customers and partners receive excellent service.
Lastly, internal initiatives aimed at improving efficiency and carefully managing costs will also continue.

Zola Predosa (BO), July 31, 2013
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 second quarter of 2013:

Thousand Euro	Q2 2013	% Total	Q2 2012	% Total
Fulfilment costs	**(9,649)**		**(7,544)**	
of which incentive plans	*(121)*	*13.5%*	*(176)*	*22.3%*
Sales and marketing costs	**(11,872)**		**(10,000)**	
of which incentive plans	*(130)*	*14.5%*	*(256)*	*32.5%*
General expenses	**(8,981)**		**(6,649)**	
of which incentive plans	*(645)*	*72.0%*	*(355)*	*45.1%*
Incentive plans total	**(896)**	***100.0%***	**(787)**	***100.0%***

Impact of incentive plans in the first half of 2013:

Thousand Euro	June 30, 2013	% Total	June 30, 2012	% Total
Fulfilment costs	**(19,633)**		**(16,290)**	
of which incentive plans	*(235)*	*8.1%*	*(231)*	*12.6%*
Sales and marketing costs	**(23,551)**		**(19,779)**	
of which incentive plans	*(308)*	*10.7%*	*(573)*	*31.3%*
General expenses	**(18,079)**		**(13,287)**	
of which incentive plans	*(2,338)*	*81.2%*	*(1,029)*	*56.1%*
Incentive plans total	**(2,881)**	***100.0%***	**(1,833)**	***100.0%***

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2013
YOOX GROUP

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CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2013 PREPARED IN ACCORDANCE WITH IFRS (1)

Consolidated income statement

Thousand Euro:	Notes	June 30, 2013	June 30, 2012
Net revenues	9.1	207,448	172,896
Cost of goods sold	9.2	(130,828)	(112,897)
Fulfilment costs	9.3	(22,457)	(18,003)
Sales and marketing costs	9.4	(23,556)	(19,787)
General expenses	9.5	(24,074)	(17,163)
Other income and expenses	9.6	(1,784)	(858)
Non-recurring expenses	9.7	-	-
Operating profit	**9.8**	**4,749**	**4,188**
Result of equity investments	9.9	(594)	-
Financial income	9.10	761	914
Financial expenses	9.11	(1,463)	(1,443)
Profit before tax		**3,454**	**3,659**
Taxes	9.12	(1,248)	(1,489)
Consolidated net income for the period		**2,206**	**2,170**
of which:			
Attributable to owners of the Parent		2,206	2,170
Attributable to non-controlling interests		-	-
Basic earnings per share	9.13	0.04	0.04
Diluted earnings per share	9.13	0.04	0.04

(1) The financial statements, which were prepared in accordance with CONSOB Resolution 15519 of July 27, 2006 and CONSOB Communication DEM/6064293 of July 28, 2006, are annexed to the notes to the condensed consolidated interim financial statements at June 30, 2013.

Consolidated statement of comprehensive income

Thousand Euro:	Notes	June 30, 2013	June 30, 2012
Consolidated net income for the period		2,206	2,170
Other components of comprehensive income, net of tax effects			
Foreign currency translation differences for foreign operations	9.23	(299)	251
Profit/(loss) from cash flow hedges	9.23	(419)	(100)
Profit/(loss) from discounting benefits for employees	9.23	(46)	-
Total other comprehensive income		**(764)**	**151**
Total consolidated comprehensive net income for the period		**1,443**	**2,321**
of which:			
Attributable to owners of the Parent		1,443	2,321
Attributable to non-controlling interests		-	-

Consolidated statement of financial position

Thousand Euro:	Notes	June 30, 2013	December 31, 2012
Non-current assets			
Property, plant and equipment	9.14	36,649	29,023
Intangible assets with finite useful life	9.15	23,331	19,539
Equity interests in associate companies	9.16	59	59
Deferred tax assets	9.17	7,324	6,135
Other non-current financial assets	9.18	722	716
Total non-current assets		**68,085**	**55,472**
Current assets			
Inventories	9.19	154,620	138,216
Trade receivables	9.20	15,033	13,068
Other current assets	9.21	7,409	4,971
Cash and cash equivalents	9.22	23,057	35,775
Current financial assets	9.22	7,750	6,143
Total current assets		**207,869**	**198,173**
Total assets		**275,954**	**253,645**
Shareholders' Equity			
Share capital		575	573
Reserves		80,979	77,253
Retained earnings (losses carried forward)		23,935	13,752
Profit for the period		2,206	10,183
Group shareholders' equity	9.23 - 9.24	107,695	101,762
Equity attributable to non-controlling interests		-	-
Total consolidated equity		**107,695**	**101,762**
Non-current liabilities			
Medium-/long-term financial liabilities	9.25	13,324	15,099
Employee benefits	9.26	220	212
Provisions for risks and charges	9.28	-	-
Deferred tax liabilities	9.27	68	128
Total non-current liabilities		**13,613**	**15,439**
Bank loans and other current financial liabilities	9.25	10,223	12,007
Provisions for risks and charges	9.28	239	337
Trade payables	9.29	112,164	96,763
Tax liabilities	9.30	2,969	1,261
Other payables	9.31	29,052	26,077
Total current liabilities		**154,646**	**136,445**
Total consolidated equity and liabilities		**275,954**	**253,645**

Statement of changes in consolidated equity at June 30, 2013 – Note 9.24

Thousand Euro	*Share capital*	*Share premium reserve and other equity-related reserves*	*Legal reserve*	*Treasury shares purchase reserve*	*Cash flow hedging reserve*	*IAS 19 reserve*	*Stock option reserve*	*Translation reserve*	*Retained earnings or losses carried forward*	*Consolidated net income*	*Equity attributable to non-controlling interests*	*Equity attributable to non-controlling interests*	***Total***
December 31, 2012	**573**	**61,734**	**193**	**(1,136)**	**(177)**	**-**	**16,401**	**236**	**13,752**	**10,183**	**-**	**-**	**101,762**
Share capital increases	2	748	-	-	-	-	-	-	-	-	-	-	**750**
Increases in reserves for share-based payments	-	745	-	-	-	-	2,996	-	-	-	-	-	**3,741**
Total consolidated comprehensive income	-	-	-	-	(419)	(46)	-	(299)	-	2,206	-	-	**1,442**
Other changes	-	-	-	151	-	-	(151)	-	10,183	(10,183)	-	-	**-**
June 30, 2013	**575**	**63,227**	**193**	**(985)**	**(596)**	**(46)**	**19,246**	**(65)**	**23,935**	**2,206**	**-**	**-**	**107,695**

Statement of changes in consolidated equity at June 30, 2012 – Note 9.24

Thousand Euro	*Share capital*	*Share premium reserve and other equity-related reserves*	*Legal reserve*	*Treasury share acquisition*	*Stock option and hedging reserve*	*Translation reserve*	*Retained earnings or losses carried forward*	*Consolidated net income for the period*	*Equity attributable to non-controlling interests*	***Total***
December 31, 2011	531	57,328	193	(1,315)	11,101	963	3,754	10,000		**82,555**
Share capital increases	35	4,967	-	-	-	-	-	-		**5,002**
Increases in reserves for share-based payments	-	-	-	-	1,797	-	-	-		**1,797**
Total consolidated comprehensive income	-	-	-	-	(100)	251	-	2,170		**2,321**
Gains in previous years	-	-	-	-	-	-	10,000	(10,000)		**-**
June 30, 2012	**566**	**62,295**	**193**	**(1,315)**	**12,798**	**1,214**	**13,754**	**2,170**		**91,676**

Consolidated statement of cash flows

Thousand Euro:	*Notes*	*June 30, 2013*	*June 30, 2012*
Consolidated net income for the period	9.32	2,206	2,170
Adjustments for:			
Taxes for the period	9.32	1,248	1,489
Financial expenses	9.33	1,463	1,443
Financial income for the period	9.33	(761)	(914)
Share of earnings from associate companies	9.33	594	-
Depreciation, amortisation and impairment losses for the period	9.33	8,822	5,596
Fair value measurement of stock option plans	9.33	2,881	1,833
Unrealised effect of changes in foreign exchange rates	9.33	(299)	251
(Gains)/losses on sale of non-current assets	9.33	3	(2)
Provisions for employee benefits	9.33	66	4
Provisions for risks and charges	9.33	217	155
Payment of employee benefits	9.33	(58)	(3)
Use of provisions for risks and charges	9.33	(315)	(179)
Changes in inventories	9.34	(16,404)	(16,338)
Changes in trade receivables	9.34	(1,965)	(5,684)
Changes in trade payables	9.34	15,401	15,202
Changes in other current assets and liabilities	9.35	74	388
Cash flow from (used in) operating activities		**13,172**	**5,412**
Income tax paid	9.32	(788)	(1,398)
Interest and other financial expenses paid	9.33	(1,463)	(1,443)
Interest and other financial income received	9.33	761	914
NET CASH FROM (USED IN) OPERATING ACTIVITIES		**11,683**	**3,486**
Investing activities			
Acquisition of property, plant and equipment	9.36	(13,176)	(3,699)
Acquisition of intangible assets	9.37	(8,611)	(6,126)
Acquisition of investments	9.16	(594)	-
Acquisition of other non-current financial assets	9.39	(6)	(11)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**(22,386)**	**(9,836)**
Financing activities			
New short-term liabilities	9.42	3	-
Repayment of short-term liabilities	9.42	(1,956)	-
New medium-/long-term financial liabilities	9.41	-	587
Repayment of medium-/long-term financial liabilities	9.41	(64)	(106)
Increase in share capital and share premium reserve	9.40	1,495	5,002
Investments/disinvestments in other financial assets	9.43	(1,607)	(332)
Change due to difference between cash effect and shares under incentive plans	9.24	116	(36)
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**(2,014)**	**5,115**
TOTAL CASH FLOW FOR THE PERIOD		**(12,718)**	**(1,235)**
Cash and cash equivalents at the beginning of the period	9.22	35,775	22,743
Cash and cash equivalents at the end of the period	9.22	23,057	21,508
TOTAL CASH FLOW FOR THE PERIOD		**(12,718)**	**(1,235)**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2013

1. Group structure and activities

The YOOX Group (hereinafter "the Group") includes, in addition to the Parent YOOX S.p.A. (hereinafter "the Company" or "the Parent"), the companies YOOX Corporation and Y Services, which are subject to US law and which manage sales activities in North America, YOOX Japan, which is subject to Japanese law and which manages sales activities in Japan, Mishang Trading (Shanghai) Co. Ltd., which manages sales activities in China, and YOOX Asia Limited, which manages sales activities in the Asia-Pacific area.

The YOOX Group is active in electronic commerce and offers commercial services relating to clothing and fashion accessories, and more generally to anything that accessorises the person or the home, during free time, when relaxing or during leisure activities.

Information on individual operating segments pursuant to IFRS 8 is presented in Note 7.

2. Statement of compliance with IAS/IFRS and general criteria used to prepare the condensed consolidated interim financial statements

These condensed consolidated interim financial statements, drawn up in accordance with IAS 34 – Interim Financial Reporting, were prepared using the same accounting standards as those used to prepare the consolidated financial statements at December 31, 2012, which should be referred to for further details.

The comparative figures reported in the presentation of the statement of financial position and the statement of cash flows are those provided for by IAS 34 (December 31, 2012 for the statement of financial position and June 30, 2012 for the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows). The figures for the first half of 2013 and the first half of 2012 are reported in the presentation of the income statement, the Group having adopted the half-year as the interim reference period.

These condensed consolidated interim financial statements have been compiled in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. "IFRS" also refers to the International Accounting Standards ("IAS") currently in force, in addition to all the interpretation documents issued by the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").
These condensed consolidated interim financial statements, drawn up in compliance with IAS 34 and in accordance with the provisions of Article 154-*ter* of Legislative Decree 58 of February 24, 1998 (TUF) and later amendments, do not include all the information required for the annual financial statements and should be read together with the consolidated financial statements at December 31, 2012. Specifically, the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows are in an extended format and are those that have been adopted for the consolidated financial statements at December 31, 2012. The explanatory notes below, on the other hand, are summarised and therefore do not include all the information required for annual financial statements. In line with the requirements of IAS 34, in order to avoid duplicating information which has already been published, the notes refer only to those components of the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows which, owing to their composition or changes, in terms of amount, nature or unusualness, are essential for understanding the financial position, operations and assets of the Group.
The condensed consolidated interim financial statements at June 30, 2013 consist of the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows, in addition to these explanatory notes. In presenting these statements, comparative data have been presented as required by IAS 34, supplemented as noted above.

2.1 Consolidated financial statements

In accordance with CONSOB Resolution 15519 of July 27, 2006 and Communication DEM/6064293 of July 28, 2006 relating to financial statements, specific income statements, statements of financial position and statements of cash flows have been included showing significant relationships with related parties in order to improve readability.

As indicated above, the condensed consolidated interim financial statements at June 30, 2013 were drawn up in accordance with the IFRS endorsed by the European Union, and comprise the following:

Income statement

The income statement is classified by function, which is considered to provide more meaningful information than classification by nature, since it is more consistent with the reporting system used by management when evaluating the performance of the business.

Statement of comprehensive income

The statement of comprehensive income presents, in a single statement, the constituent components of profit (loss) for the period and income and expenses recognised directly in equity for transactions not involving owners of the Parent.

Statement of financial position

The statement of financial position presents current and non-current assets and current and non-current liabilities separately. For each item under assets and liabilities, a description is provided in the notes of the amounts expected to be settled or recovered within or after the 12-month period following the reporting date.

Statement of changes in equity

The statement of changes in equity reports the profit or loss for the year or the period, including each item of revenue or cost, income or expense which, as required by IAS/IFRS and their interpretations, is recognised directly in equity, and the total of these items; total comprehensive profit or loss for the year or period, with separate presentation of the portion pertaining to owners of the Parent and any portion pertaining to non-controlling interests; the effect on each item of equity of changes to accounting standards and corrections of errors as required by the accounting treatment set out in IAS 8; and the balance of profit or loss carried forward at the start of the period and at the date of the financial statements, together with the changes during the period.

The notes to the condensed consolidated interim financial statements also present the amounts deriving from transactions with owners of the Parent and a reconciliation between the carrying amount of each share class, the share premium reserve and other reserves at the start and end of the period, showing each change separately.

Statement of cash flows

The statement of cash flows presents the cash flows from operating, investing and financing activities. Operating cash flows are presented using the indirect method, whereby profit or loss for the year or for the period is adjusted for non-monetary transactions, for all deferrals or provisions relating to previous or future operating receipts or payments and for revenue items relating to cash flows from investing or financing activity.

3. Accounting standards and measurement criteria

3.1 Basis of preparation

The condensed consolidated interim financial statements are presented in Euro and balances in the financial statements and in the notes to the financial statements are expressed in thousands of Euro, unless specifically indicated otherwise.

For reasons of clarity, it should be noted that the percentage differences and changes in the various items indicated have been calculated using precise values. It should also be noted that possible differences that may be found in some tables are due to rounding off amounts expressed in thousands of Euro.

The consolidated financial statements were prepared on a historical cost basis (with the exception of derivative financial instruments, which are measured at fair value) and on the assumption that the business is a going concern. Despite the difficult macroeconomic environment in which it is operating, the Group believes that there are no significant uncertainties over business continuity (as defined under IAS 1.25), particularly given the strength of the Group's financial situation.

The accounting standards adopted for the preparation of the consolidated financial statements and notes at June 30, 2013 were applied in the same way for all periods presented for comparison.

The accounting standards are applied in the same way across all Group companies. Financial transactions are recognised according to the trade date.

The accounting standards used to prepare the condensed consolidated interim financial statements, as well as the recognition and measurement criteria and the consolidation principles applied, comply with those adopted for the consolidated financial statements at December 31, 2012.

3.2 Use of estimates

In order to prepare the condensed consolidated interim financial statements, the management is required to use estimates and assumptions which affect the carrying amounts of the revenues, costs, assets and liabilities reported in the financial statements and the information regarding contingent assets and liabilities at the reporting date for the condensed consolidated interim financial statements. If, in the future, these estimates and assumptions, which are based on the management's best evaluation, should differ from actual circumstances, they will be altered appropriately during the period in which the circumstances change and the effects of any changes will be immediately recognised in the income statement.

For a more detailed description of the most important evaluation methods used for the Group, refer to the chapter on the "Use of estimates" in the consolidated financial statements at December 31, 2012.

It should also be pointed out that these evaluation processes, especially the more complex ones, such as determining any impairment losses for non-current assets, are usually conducted in full only during the compiling of the annual financial statements, when all the required information is available, except in cases where there are impairment indicators that require an immediate evaluation of any losses.

4. Approval of the interim financial statements at June 30, 2013

The interim financial statements at June 30, 2013 were approved by the Board of Directors on July 31, 2013.

5. Scope of consolidation

The scope of consolidation as of June 30, 2013, 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 US sales of the Online Stores for the following brands: Diesel, Marni, Dolce & Gabbana, Zegna 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 June 30, 2013, the scope of consolidation included the following companies:

Company	*Registered offices*	*Share capital at June 30, 2013 (Thousand Euro)*	*Percentage held at June 30, 2013*
YOOX	Via Nannetti, 1– 40069 Zola Predosa – Bologna, Italy	575	-
YOOX Corporation	15 East North Dover, Delaware 19901, United States of America	248	100%
Y Services	1220 Market Street, Ste. 806, Wilmington, Delaware 19801, USA	125	100%
YOOX Japan	Cour Abi, 102, 2-5-18 Aobadai Meguro-Ku Tokyo, 153-0042 Japan	75	100%
Mishang Trading (Shanghai) Co. Ltd	Floor 6, Donglong Building No 223 Xikang Road, Jing'an District 200050 SHANGHAI	6,000	100%
YOOX Asia Limited	Unit 2702 27/F The Centrium, 60 Wyndham Street Central, Hong Kong (CN)	91	100%

The scope of consolidation has not changed since either December 31, 2012 or June 30, 2012.

The exchange rates used for converting the financial statements and account balances into currencies other than the Euro at June 30, 2013, December 31, 2012 and June 30, 2012 are as follows (source www.uic.it):

	Exchange rate at June 30, 2013	**Average exchange rate for the half-year under review**
USD	1.3080	1.3134
JPY	129.39	125.46
CNY	8.0280	8.1285
HKD	10.148	10.190
GBP	0.8572	0.8508

	Exchange rate at December 31, 2012	**Average exchange rate for 2012**
USD	1.3194	1.2848
JPY	113.61	102.49
CNY	8.2207	8.1052
HKD	10.226	9.9663
GBP	0.8161	0.8108

	Exchange rate at June 30, 2012	**Average exchange rate for the half-year under review**
USD	1.2590	1.2965
JPY	100.13	103.31
CNY	8.0011	8.1901
HKD	9.7658	10.0619
GBP	0.8068	0.8225

The foreign currencies are reported against Euro units.

6. Changes to accounting standards, new accounting standards, changes to estimates and reclassifications

The IASB published no amendments or new accounting standards during the first half of 2013.

Amendments and revised accounting standards applied by the Group for the first time

IAS 19 – *Employee Benefits*

- The new principle, adopted by the European Union and applicable from January 1, 2013 (with early adoption possible as of January 1, 2012) eliminates the option of deferring recognition of actuarial gains and losses using the corridor method, requiring disclosure in the statement of financial position and income statement of the entire fund deficit or surplus, and separate recognition in the income statement of cost items linked to employment and net financial expenses, as well as the recognition of actuarial gains and losses deriving from the remeasurement each year of assets and liabilities under other comprehensive income. In addition, the return on assets recognised in net financial expenses must be calculated based on the discount rate of the liabilities and not on the expected return on these. Finally, the amendment requires new information to be included in the notes to the financial statements. The adoption of the standard is not expected to have any material impact.

IFRS 7 – *Financial instruments: supplementary information*

- The amendment introduced revisions on the offsetting of financial assets and liabilities.

IAS 12 – *Income Taxes*

- The amendment introduced changes concerning the recovery of assets underlying deferred taxes.

IFRS 13 – *Fair Value Measurement*

On May 12, 2011, the IASB published IFRS 13 *Fair Value Measurement*, in which the Board has:

- clarified the definition of fair value;
- established a single reference framework for the measurement of fair value;
- provided clarifications and operating guidelines for determining fair value (including in illiquid or inactive market situations).

The entity must therefore provide information that allows the recipients of the financial statements to understand the evaluation methods and the inputs used to measure the fair value of an asset or a liability.

Amendments and interpretations that came into effect from January 1, 2013 but that are not relevant for the Group

The principles involved and the related modifications are listed below.

IFRS 1 – *First-time Adoption of International Financial Reporting Standards*:

- the amendment introduced an exemption for anyone adopting the international accounting standards for the first time from providing information about changes in accounting standards in the year of adoption;
- the amendment provided clarification about the use of fair value in replacement of cost.

New accounting principles and amendments not applicable in 2013 and not adopted in advance

The principles involved and the related modifications are listed below.

IFRS 10 – *Consolidation* and IFRS 12 – *Disclosure of Interests in Other Entities*

In May 2011 the Board:

- revised the definition of control and the related application guide so that all entities apply the same control model; and
- improved the information provided about consolidated and non-consolidated entities.

The Board has provided the full guidelines for establishing in which circumstances a special purpose vehicle or an entity in which the majority of voting rights (even potential ones) is not held should or should not be consolidated.
To sum up, control is held where it can be demonstrated that the investor has the power to decide about the assets of the business it has invested in (investee), is exposed to the variable nature of the returns of the business, and therefore has the ability to use its own power to affect the returns. On May 12, 2011 the IASB published IFRS 12 – *Disclosure of Interests in Other Entities*, along with IFRS 10 – *Consolidated Financial Statements.*

IFRS 11 – *Joint Arrangements*

The Board has improved:

- the accounting of the joint venture agreements by defining a principle-based approach in which the entity records the contractual rights and obligations of the agreement in its financial statements; and
- the information supplied to provide investors with a better understanding of the nature and the financial effects of the transaction that has taken place.

The IASB has separated the joint arrangements into three categories: joint operations, joint assets and joint ventures. To establish which category a joint arrangement comes under, the substance of the agreement needs to be considered beyond the structure. In joint operations and joint assets, the investor contractually acquires a right to a given asset (or to a share of an asset) and/or assumes a given liability (or a share of a liability), while in joint ventures, the investor acquires the right to obtain a share of the results produced by the group of assets and liabilities controlled jointly by all the ventures. The contracting party in a joint operation or a joint asset records the assets (or a share of the assets) that it acquires, the liabilities (or a share of the liabilities) that it takes on as a result of the contract and the related costs and revenues (or a share of the related costs and revenues) directly in its financial statements, while the contracting party in a joint venture records its share of the investment in the joint venture in its consolidated financial statements, applying the equity method, and therefore the proportional consolidation of joint ventures is no longer permitted. It is assumed that a business that is subject to joint control is a joint venture, unless the circumstances (i.e. the contractual rights and obligations) prove otherwise.

IAS 27 – *Consolidated and Separate Financial Statements*:

- the principle has been amended in the light of the introduction of IFRS 10. The amendment establishes that it is not compulsory to draw up separate financial statements, but if they are produced they come under the scope of this standard. The amendment involves: the accounting of equity investments in subsidiaries, associate companies and joint ventures at cost or in compliance with IFRS 9, the payment of dividends, reorganisations within the Group structure and information to be presented.

IAS 32 – *Offsetting Financial Assets and Financial Liabilities*

The Board has improved:

- certain amendments to the standard concerned to clarify the application of certain IAS 32 criteria for the offsetting of financial assets and liabilities.

7. Segment reporting (business lines)

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

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

1. Multi-brand, which includes activities relating to the Multi-brand Online Stores yoox.com, thecorner.com and, from March 2012, shoescribe.com, described in the Directors’ Report;

2. Mono-brand, comprising the design, creation and management, on an exclusive basis, of the Online Stores of some of the leading global fashion brands. The Group is therefore the strategic partner for these brands in this specific sales channel. The goods available in the Online Stores are sold and invoiced directly to end customers by YOOX.

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

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

The segment revenues shown are those directly generated by or attributable to the segment and derive from its core activity. They include solely the revenue earned from transactions with third parties, since no revenue is generated from transactions with other segments. Segment costs comprise the 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 revenue 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 consolidated interim financial statements.

Income statement figures for each operating segment at June 30, 2013, with a reconciliation of entries with the Group's income statement, are presented below:

Description	*Multi-brand*		*Mono-brand*		*Corporate*		*Group total*	
	June 2013	*June 2012*	*June 2013*	*June 2012*	*June 2013*	*June 2012*	*June 2013*	*June 2012*
Segment net revenues	**148,786**	**120,572**	**58,662**	**52,323**	**-**	**-**	**207,448**	**172,896**
Segment operating profit	**21,952**	**14,415**	**11,484**	**9,514**	**-**	**-**	**33,435**	**23,930**
Reconciliation with Group results:								
General expenses	-	-	-	-	(24,074)	(17,163)	**(24,074)**	**(17,163)**
Other depreciation and amortisation not attributable to business lines	-	-	-	-	(2,828)	(1,721)	**(2,828)**	**(1,721)**
Other income and expenses	-	-	-	-	(1,784)	(858)	**(1,784)**	**(858)**
Non-recurring expenses	-	-	-	-	-	-	**-**	**-**
Other items	-	-	-	-	-	-	**-**	**-**
Group operating profit/(loss)	**21,952**	**14,415**	**11,484**	**9,514**	**(28,686)**	**(19,742)**	**4,749**	**4,188**
Result of equity investments	-	-	-	-	(594)	-	**(594)**	**-**
Financial income	-	-	-	-	761	914	**761**	**914**
Financial expenses	-	-	-	-	(1,463)	(1,443)	**(1,463)**	**(1,443)**
Profit before tax	**-**	**-**	**-**	**-**	**-**	**-**	**3,454**	**3,659**
Taxes	-	-	-	-	(1,248)	(1,489)	**(1,248)**	**(1,489)**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**2,206**	**2,170**

8. Information by geographical area

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

Description	*June 30, 2013*	*June 30, 2012*
Italy	31,481	27,468
Europe (excluding Italy)	99,069	82,566
North America	46,081	37,361
Japan	17,383	14,712
Other countries	9,961	6,111
Not country-related	3,472	4,678
Total	**207,448**	**172,896**

The "Not country-related" item comprises the fees for the set-up and maintenance of 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 to Mono-brand partners.

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 six months of 2013 and of 2012, revenue generated from transactions with the largest third-party customer did not exceed 10% of the Group's total revenues.

9. Notes to the statement of financial position, income statement and statement of cash flows

Income statement

9.1 Net revenues

The Group's total net revenues at June 30, 2013 and at June 30, 2012 break down as follows:

Description	*June 30, 2013*	*June 30, 2012*	*Change*
Net revenues from sales	198,348	163,285	35,063
Net revenues from the provision of services	9,100	9,611	(511)
Total	**207,448**	**172,896**	**34,552**

Total net revenues increased, going from Euro 172,896 thousand in the first half of 2012 to Euro 207,448 thousand in the first half of 2013, an increase of 20%. Total net revenues from sales include all revenues arising from the sale of goods, net of customer discounts and returns, and revenues from the provision of services.

The rise in net revenues from sales in the first half of 2013 is mainly due to the upward trend in sales volumes.

For further details on the breakdown of revenue by geographical area and by operating segment, please see Note 7, Segment reporting, and Note 8, Information by geographical area.

Revenues from the sale of goods are reported net of sales returns, amounting to Euro 76,834 thousand in the first half of 2013, or 28.1% of gross revenues for the first half of 2013 (revenues from the sale of goods before customer returns in the first half of 2013) and Euro 55,734 thousand in the first half of 2012, or 25.4% of gross revenues in the first half of 2012 (revenues from the sale of goods before customer returns in the first half of 2012). Returns are an inherent part of the Group's business activities, as a result of the protection afforded to consumers under distance-selling – and specifically e-commerce – regulations in force in the countries where the Group operates.

Net revenues from the provision of services rose by 5.3% from Euro 9,611 thousand in the first half of 2012 to Euro 9,100 thousand in the first half of 2013, mainly including:

- the recharging of transport services for sales to the end customer (in certain countries the customer also pays for return shipments), net of refunds made if the customer returns the goods sold;
- revenue from the set-up fees charged to create the Online Stores and fees charged to Strategic Partners in the Mono-brand business line for assistance in maintaining the Online Stores;
- revenues generated by 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 to Mono-brand partners.

9.2 Cost of goods sold

The cost of goods sold came to Euro 130,828 thousand (equal to 63.1% of net revenues) for the period ended at June 30, 2013, compared with Euro 112,897 thousand (equal to 65.3% of net revenues) for the first half of 2012. The item cost of goods sold includes both costs incurred in purchasing goods destined for sale and the cost of services and other costs.

The following table shows a breakdown of the cost of goods sold by nature:

Description	*June 30, 2013*	*June 30, 2012*	*Change*
Change in inventories of goods	16,259	15,910	349
Purchase of goods	(129,634)	(114,171)	(15,463)
Cost of services	(16,104)	(13,456)	(2,648)
Other costs	(1,349)	(1,180)	(169)
Total	**(130,828)**	**(112,897)**	**(17,931)**

The cost of purchasing goods went from Euro 114,171 thousand in the first half of 2012 to Euro 129,634 thousand in the first half of 2013. It comprises the procurement costs of goods destined for resale and its absolute value is directly correlated with the performance of volumes sold.

Service costs increased by 19.7%, from Euro 13,456 thousand in the first half of 2012 to Euro 16,104 thousand in the first half of 2013. A portion of the transportation costs is invoiced directly to the end customer and recognised as revenue from the provision of services, net of refunds on customer returns.

Other costs increased by 14.4%, from Euro 1,180 thousand in the first half of 2012 to Euro 1,349 thousand in the first half of 2013. These costs mainly comprise transportation costs for purchases and the internal personnel costs and external supplier costs incurred to set up and maintain the websites of Mono-brand Strategic Partners.

9.3 Fulfilment costs

Fulfilment costs came in at Euro 22,457 thousand (10.8% of net revenues) for the period ended June 30, 2013, compared with Euro 18,003 thousand (8.7% of net revenues) in the first six months of 2012, an increase of Euro 4,454 thousand.

This cost comprises operational expenses incurred from digital production, cataloguing and quality control of goods, from warehouse logistics, and from customer services, including call centre services and customer care.

The following table shows the breakdown of fulfilment costs:

Description	*June 30, 2013*	*June 30, 2012*	*Change*
Service costs and other costs	(16,291)	(13,138)	(3,153)
Personnel expenses	(3,342)	(3,152)	(190)
Depreciation and amortisation	(2,823)	(1,713)	(1,111)
Total	**(22,457)**	**(18,003)**	**(4,454)**

The cost of services and other costs rose by 24%, from Euro 13,138 thousand in the first half of 2012 to Euro 16,291 thousand in the first half of 2013. These were mainly in relation to handling, packaging costs and costs related to outsourced production processes.

Personnel expenses went from Euro 3,152 thousand in the first half of 2012 to Euro 3,342 thousand in the first half of 2013, an increase of 6% due both to an increase in the number of staff employed in this division, which went from 115 at June 30, 2012 to 140 at June 30, 2013, of whom 24 members of staff at June 30, 2013 were located in offices overseas (up from 17 at June 30, 2012), and to the increase in the cost of stock option plans and the Company incentive plan, which went from Euro 231 thousand in the first half of 2012 to Euro 235 thousand in the first half of 2013. It should be noted that, in addition to the cost of employees, personnel expenses also include cost of interns, partners and consultants coming under personnel expenses.

9.4 Sales and marketing costs

Sales and marketing costs came to Euro 23,556 thousand (11.4% of net revenues) for the half-year ending June 30, 2013, compared with Euro 19,787 thousand (9.5% of net revenues) for the half-year ending June 30, 2012, an increase of 19%.

These expenses relate to departments operating in sales. A portion of the costs is for personnel working in sales and marketing. The item also includes web marketing costs (including costs for online affiliation activities, i.e. sales commission paid to commercial intermediaries, and for consultancy services for the creation and development of advertising campaigns and procurement). Sales and marketing expenditure also includes costs for charges on credit card transactions and other methods of payment made to intermediaries for payment collection services, as well as expenses relating to customs duties levied on the import and export of goods sold.

The following table shows the breakdown of sales and marketing costs:

Description	*June 30, 2013*	*June 30, 2012*	*Change*
Cost of services	(15,782)	(12,491)	(3,292)
Personnel expenses	(6,401)	(6,244)	(157)
Depreciation and amortisation	(5)	(8)	4
Other costs	(1,367)	(1,044)	(324)
Total	**(23,556)**	**(19,787)**	**(3,768)**

The cost of services rose by 26.4%, from Euro 12,491 thousand in the first half of 2012 to Euro 15,782 thousand in the first half of 2013. The main components of service costs incurred in the first half of 2013 mainly included the following:

- web marketing costs of Euro 4,135 thousand (Euro 4,142 thousand in the first half of 2012). These costs relate to the purchasing of online advertising, the negotiation and implementation of marketing agreements and the development of new partnerships, as well as the commercial and technical management of existing partnerships, mainly for the Multi-brand business line;

- costs incurred for commissions on credit card transactions and other means of payment to intermediaries for payment collection services of Euro 3,570 thousand (Euro 2,741 thousand in the first half of 2012);

- import and export duties totalling Euro 5,756 thousand (Euro 3,881 thousand in the first half of 2012).

Personnel costs rose by 2.5%, from Euro 6,244 thousand in the first half of 2012 to Euro 6,401 thousand in the first half of 2013. The number of staff employed in this division rose from 200 at June 30, 2012 to 223 at June 30, 2013, including 37 located in offices overseas at June 30, 2013 (up from 30 at June 30, 2012), while the personnel cost related to stock option and Company incentive plans dropped from Euro 573 thousand in the first half of 2012 to Euro 308 thousand in the first half of 2013. It should be noted that in addition to the cost of employees, personnel expenses also include the cost of interns, associates and consultants classified as personnel expenses.

Other costs increased by 31%, from Euro 1,044 thousand in the first half of 2012 to Euro 1,367 thousand in the first half of 2013. This item mainly comprises costs incurred for fraud relating to online sales, which increased by 35.4% from Euro 387 thousand in the first half of 2012 to Euro 524 thousand in the first half of 2013.

9.5 General expenses

General expenses include all the overhead costs of the Group's various offices pertaining to personnel management, administration, finance and control, communications and image, general management, general services, investor relations, internal audit and technological services.

General expenses were up 40.3% in the first half of 2013 at Euro 24,074 thousand, compared with Euro 17,163 thousand in the first half of 2012.

General expenses can be broken down as follows:

Description	*June 30, 2013*	*June 30, 2012*	*Change*
Cost of services	(9,224)	(7,170)	(2,054)
Personnel expenses	(8,855)	(6,117)	(2,738)
Depreciation and amortisation	(5,995)	(3,875)	(2,119)
Total	**(24,074)**	**(17,163)**	**(6,911)**

The cost of services rose by 28.7%, from Euro 7,170 thousand in the first half of 2012 to Euro 9,224 thousand in the first half of 2013.
Personnel costs rose by 44.8%, from Euro 6,117 thousand in the first half of 2012 to Euro 8,855 thousand in the first half of 2013. The number of staff employed in these divisions rose from 243 at June 30, 2012 to 320 at June 30, 2013, including 24 located in offices overseas at June 30, 2013 (up from 17 at June 30, 2012), while the personnel cost included in this item related to stock option and Company incentive plans rose from Euro 1,029 thousand in the first half of 2012 to Euro 2,338 thousand in the first half of 2013. It should be noted that in

addition to the cost of employees, personnel expenses also include the cost of interns, partners and consultants classified as personnel expenses.

Depreciation and amortisation increased by 54.7%, from Euro 3,875 thousand in the first half of 2012 to Euro 5,995 thousand in the first half of 2013.

9.6 Other income and expenses

Other income and expenses came to a total of Euro 1,784 thousand for the period ending June 30, 2013, compared with Euro 858 thousand for the period ending June 30, 2012, an increase of Euro 926 thousand.

Other income and expenses can be broken down as follows:

Description	*June 30, 2013*	*June 30, 2012*	*Change*
Extraordinary income/liabilities	(1,224)	(503)	(721)
Theft and loss	(493)	(275)	(218)
Other tax charges	(67)	(89)	23
Other income and expenses	49	33	16
Provisions for sundry risks	(77)	(51)	(25)
Reimbursements	27	27	-
Total	**(1,784)**	**(858)**	**(926)**

Extraordinary liabilities showed a negative balance of Euro 1,224 thousand (Euro 503 thousand in the first half of 2012). This item includes charges and income from ordinary management activities.

Theft and loss relates to the theft and loss of goods destined for end customers that have already occurred at the closing date of the period.
Other financial expenses went from Euro 89 thousand in the first half of 2012 to Euro 67 thousand in the first half of 2013.

Provisions for sundry risks in the first half of 2013 relate to the estimated expense incurred due to theft and loss of goods not yet identified as missing at the closing date of the condensed consolidated interim financial statements.

9.7 Non-recurring expenses

No non-recurring expenses were incurred in the first half of 2013 or the first half of 2012.

9.8 Operating profit

As required by IAS 1, the following is a breakdown of costs by nature used to determine the operating margin.

Description	*June 30, 2013*	*June 30, 2012*	*Change*
Net revenues	207,448	172,896	34,552
Changes in inventories	16,259	15,910	349
Purchase of goods	(129,634)	(114,171)	(15,463)
Services	(57,401)	(46,255)	(11,147)
Personnel expenses	(18,599)	(15,514)	(3,085)
Amortisation, depreciation and impairment losses	(8,822)	(5,596)	(3,226)
Other costs and revenues	(4,501)	(3,082)	(1,419)
Total	**4,749**	**4,188**	**562**

Operating profit went from Euro 4,188 thousand at June 30, 2012 to Euro 4,749 thousand at June 30, 2013, representing 2.4% of net revenues in the first half of 2012 and 2.3% in the first half of 2013.

Personnel expenses include all employment-related expenses, such as merit pay rises, promotions, cost-of-living adjustments, variable remuneration for the first half of 2013, unused leave and accruals to legal reserves required under collective agreements, as well as related social security contributions and the contributions to the post-employment benefits for Parent employees. These costs also include the fair value of stock options and the Company incentive plan for employees, between the allocation and vesting dates, with a direct matching entry in equity. It should be noted that in addition to the cost of employees, personnel expenses also include the inherent costs of individuals such as interns, associates and consultants coming under personnel expenses and the remuneration for the Group's Chief Executive Officer.

At June 30, 2013, the Group's headcount was 22% higher than in the same period of the previous year, corresponding to a net increase of 125 employees. The table below shows a breakdown of the headcount as at June 30, 2013 compared with that of June 30, 2012[20].

No	**June 30, 2013**	**June 30, 2012**	**Change**
Managers	28	25	3
Junior managers	45	47	(2)
Employees and trainees	525	422	103
Abroad	85	64	21
Total headcount	**683**	**558**	**125**

9.9 Result of equity investments

At June 30, 2013, equity investments produced a loss of Euro 594 thousand related to the loss applicable to the first half of 2013 for the portion of the equity investment in an associate company. For more information, refer to Note 9.16.

9.10 Financial income

Financial income went from Euro 914 thousand in the first half of 2012 to Euro 761 thousand in the first half of 2013.

The following table shows the breakdown of financial income:

Description	***June 30, 2013***	***June 30, 2012***	***Change***
Exchange rate gains	703	767	(64)
Other financial income	7	48	(42)
Interest income on current account	45	99	(54)
Interest income from associate company	7	-	7
Total	**761**	**914**	**(153)**

Realised and unrealised exchange rate gains rose from Euro 767 thousand in the first half of 2012 to Euro 703 thousand in the first half of 2013. They mainly relate to the conversion of items denominated in US dollars, Japanese yen and Chinese renminbi and are closely connected to the ordinary sale and purchase of goods.

Other financial income went from Euro 48 thousand in the first half of 2012 to Euro 7 thousand in the first half of 2013.

9.11 Financial expenses

Financial expenses rose from Euro 1,443 thousand in the first half of 2012 to Euro 1,463 thousand in the first half of 2013.

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

The following table shows the breakdown of financial expenses:

Description	*June 30, 2013*	*June 30, 2012*	*Change*
Exchange rate losses	(879)	(1,081)	202
Other financial expenses	(199)	(169)	(30)
Interest expenses	(385)	(193)	(192)
Total	**(1,463)**	**(1,443)**	**(20)**

Exchange rate losses dropped from Euro 1,081 thousand in the first half of 2012 to Euro 879 thousand in the first half of 2013. They mainly relate to the conversion of items denominated in US dollars, Japanese yen and Chinese renminbi and are closely connected to the ordinary sale and purchase of goods.

Other financial expenses rose from Euro 169 thousand in the first half of 2012 to Euro 199 thousand in the first half of 2013.

9.12 Tax

Income tax for the period can be broken down as follows:

Description	*June 30, 2013*	*June 30, 2012*	*Change*
Current corporate income tax - Parent (1)	(526)	(161)	(365)
Current regional income tax - Parent (2)	(177)	(172)	(5)
Current income tax - foreign companies	(1,559)	(1,522)	(37)
Deferred taxes	1,014	366	648
Total taxes	**(1,248)**	**(1,489)**	**241**

(1) IRES: Imposta sul Reddito delle Società (Corporate or Company Tax)
(2) IRAP: Imposta Regionale sulle Attività Produttive (Regional Tax on Production Activities)

The Group has incurred a lower tax burden in absolute terms compared with the situation at June 30, 2012. Current taxes have increased from Euro 1,855 thousand to Euro 2,262 thousand.

IRAP taxes rose by 3% for the Parent (IRAP was Euro 177 thousand at June 30, 2013 compared to Euro 172 thousand at June 30, 2012). IRES taxes for the Parent, at Euro 526 thousand, showed an increase equal to Euro 365 thousand which was exclusively attributable to the increase in taxable income.

Current taxes for Group overseas companies for the period to June 30, 2013 amounted to approximately Euro 1,559 thousand. The tax liability at June 30, 2013 was estimated based on the historical trend of the Group's tax rate, considered representative of the best estimate of the full-year tax rate.

9.13 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	**June 30, 2013**	**June 30, 2012**
Basic earnings	2,206	2,170
Average number of basic ordinary shares	57,412,378	55,001,772
Basic EPS	**0.04**	**0.04**

Calculation of diluted EPS	**June 30, 2013**	**June 30, 2012**
Basic earnings	2,206	2,170
Average number of basic ordinary shares	57,412,378	55,001,772
Average number of shares granted without consideration	4,597,841	5,284,727
Total	62,010,219	60,286,498
Diluted EPS	**0.04**	**0.04**

The average number of shares granted without consideration at June 30, 2013 and June 30, 2012 and used to calculate diluted EPS relates to the effect of granting shares under existing stock option plans which, as stated in IFRS 2, can be converted on the basis of vesting conditions in the respective years.

In calculating the basic earnings per share (basic EPS) and the diluted earnings per share (diluted EPS) given in the table above, the repurchase of 162,000 treasury shares which took place between July 2, 2010 and November 7, 2011 was taken into account. Treasury shares repurchased led to a decrease in the calculation of the average number of outstanding ordinary shares net of the 31,338 shares, 4,801 shares, 20,255 shares and 378 shares granted on August 6, 2012, January 10, 2013, May 27, 2013 and June 3, 2013 respectively, to 45 beneficiaries related to the Company incentive plan.

Statement of financial position

9.14 Property, plant and equipment

At June 30, 2013 property, plant and equipment totalled Euro 36,649 thousand. The following is a summary of changes therein in the first half of 2013:

Description	Historical cost at December 31, 2012	Increases	Decreases	Historical cost at June 30, 2013	Acc. depreciation at December 31, 2012	Deprec.	Utilisation	Acc. depreciation at June 30, 2013	Net carrying amount at December 31, 2012	Net carrying amount at June 30, 2013
Plant and equipment	**22,978**	**9,681**	**-**	**32,659**	**(5,667)**	**(2,316)**	**-**	**(7,983)**	**17,311**	**24,676**
Buildings	**4,697**	**2,101**	**-**	**6,798**	**(2,346)**	**(581)**	**-**	**(2,927)**	**2,351**	**3,871**
Leasehold improvements	4,697	2,101	-	6,798	(2,346)	(581)	-	(2,927)	2,351	3,871
Industrial & commercial equipment	**2,676**	**163**	**(4)**	**2,835**	**(1,354)**	**(159)**	**4**	**(1,509)**	**1,322**	**1,326**
Other assets	**10,544**	**1,978**	**(34)**	**12,488**	**(4,985)**	**(945)**	**11**	**(5,919)**	**5,559**	**6,569**
Furniture and furnishings	1,642	158	(18)	1,782	(1,028)	(120)	11	(1,137)	614	645
Electronic equipment	8,759	1,820	(16)	10,563	(3,837)	(821)	-	(4,658)	4,922	5,905
Other tangible assets	142	-	-	142	(120)	(4)	-	(124)	22	18
Assets under construction and payments on account	**2,480**	**207**	**(2,480)**	**207**	**-**	**-**	**-**	**-**	**2,480**	**207**
General total	**43,375**	**14,130**	**(2,518)**	**54,987**	**(14,352)**	**(4,001)**	**15**	**(18,338)**	**29,023**	**36,649**

The overall increase in tangible assets, equal to Euro 7,626 thousand, is 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.

The increase in the category “Leasehold improvements”, equal to Euro 1,520 thousand, is due essentially to permanent rebuilding works on buildings rented for offices in which the Group operates, particularly with regard to the refurbishment/completion of the Zola Predosa offices and the new offices in Milan.

The significant decrease in assets under construction and payments on account for a net sum of Euro 2,273 thousand, is due to the proper asset allocation of investments, as noted above, in the techno-logistics platform, which was still under construction at December 31, 2012.

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

Depreciation in the period totalled Euro 4,001 thousand.

Note that at June 30, 2013 there were no liens or mortgages on YOOX Group tangible assets.

Moreover, no impairment losses or revaluations were carried out on items of property, plant and equipment in the first half of 2013. In the period under review, no borrowing costs were ascribed to asset entries in the statement of financial position.

9.15 Intangible assets with finite useful life

Intangible assets amounted to Euro 23,331 thousand at June 30, 2013.
The following is a summary of changes in intangible assets with a finite useful life in the first half of 2013:

Description	Historical cost at December 31, 2012	Increases	Decreases	Historical cost at June 30, 2013	Acc. amortisation at December 31, 2012	Amort.	Acc. amortisation at June 30, 2013	Net carrying amount at December 31, 2012	Net carrying amount at June 30, 2013
Development costs	**29,787**	**-**	**-**	**29,787**	**(12,439)**	**(4,200)**	**(16,639)**	**17,348**	**13,148**
Software and licences	**5,531**	**519**	**-**	**6,050**	**(3,782)**	**(532)**	**(4,314)**	**1,749**	**1,736**
Brands and other rights	**376**	**1**	**-**	**377**	**(158)**	**(17)**	**(175)**	**218**	**202**
Trademarks and patents	376	1	-	377	(158)	(17)	(175)	218	202
Assets under development	**58**	**8,061**	**(58)**	**8,061**	**-**	**-**	**-**	**58**	**8,061**
Other	**1,839**	**88**	**-**	**1,927**	**(1,673)**	**(72)**	**(1,744)**	**166**	**184**
Other intangible assets	1,839	88	-	1,927	(1,673)	(72)	(1,744)	166	184
General total	**37,592**	**8,669**	**(58)**	**46,203**	**(18,052)**	**(4,821)**	**(22,873)**	**19,539**	**23,331**

The principal changes in these items during the period are described below.

Development costs

During the first half of 2013, the item “Development costs” increased by Euro 3,861 thousand (Euro 8,061 as capitalisation of work in progress) due entirely to considerable investments made by the Group in long-term development projects. These are costs incurred by YOOX S.p.A. for specific projects aimed at the ongoing development of innovative solutions for the creation and management of Online Stores. Development projects have been classified according to the area in which the various initiatives take place: development of e-commerce functions and development of tools to support productivity, security and performance.
These costs relate both to internal personnel costs and to the costs of services provided by third parties. In line with the strategy defined in previous years, the number of development projects outsourced to external suppliers increased significantly. Expenses for research-related activities, which are carried out with a view to obtaining new scientific or technical knowledge and discoveries, are recognised in the income statement at the time they are incurred.

Software and licences

The decrease of Euro 13 thousand in this item is due to the combined effect of the capitalisation of long-term expenses, primarily related to obtaining software licences to be used for the creation of the infrastructure of Online Stores, and amortisation for the period.

Brands and other rights

The value of this item at June 30, 2013 stood at Euro 202 thousand, a decrease of Euro 16 thousand during the period in question.

It mainly comprises expenses incurred by the Parent Company in acquiring and registering national and international trademarks.

Amortisation in the period totalled Euro 4,821 thousand.

9.16 Investments in associate companies

The non-current item at June 30, 2013 stood at Euro 59 thousand.

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Investments in associate company	59	59	-
Total	**59**	**59**	**-**

The portion of the loss in the Group investment recorded using the equity method at June 30, 2013 is equal to Euro 594 thousand, and was covered through a provision for covering future losses.

9.17 Deferred tax assets

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Deferred tax assets	7,324	6,135	1,189
Total	**7,324**	**6,135**	**1,189**

Deferred tax assets rose by 19.38%, from Euro 6,135 thousand at December 31, 2012 to Euro 7,324 thousand at June 30, 2013.

9.18 Other non-current financial assets

Other non-current financial assets totalled Euro 722 thousand at June 30, 2013 (Euro 716 thousand at December 31, 2012). These largely relate to rental contracts and contracts for the supply of electricity and gas, and to the existing relationships with Paymentech relating to reserves to guarantee the repayments due for returns made against sales. Other non-current financial assets are due to be repaid in more than five years' time.

9.19 Inventories

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Inventories	154,620	138,216	16,404
Total	**154,620**	**138,216**	**16,404**

Inventories at June 30, 2013 and December 31, 2012 break down as follows:

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Inventories of raw materials, auxiliary materials and consumables	1,185	1,331	(146)
Total	**1,185**	**1,331**	**(146)**
Finished products and goods	160,366	142,516	17,851
Provision for obsolete finished products and goods	(6,932)	(5,632)	(1,300)
Total	**153,435**	**136,884**	**16,551**
Total net inventories	**154,620**	**138,216**	**16,404**

Inventories rose by 11.87% from Euro 138,216 thousand at December 31, 2012 to Euro 154,620 thousand at June 30, 2013, and relate to inventories of goods that have been purchased for subsequent resale online.

The increase that can be observed is only partly connected to the growth in volumes in the first half of 2013. The Group's business model makes provision for the early procurement of the goods in relation to the sales season.

Goods from previous collections and/or obsolete goods are written down with a provision for obsolete finished products and goods, calculated using the estimated realisable value of the goods.

The reserve for obsolete finished products and goods has a carrying amount deemed appropriate for the actual quantities of obsolete or slow-moving goods on hand.

9.20 Trade receivables

The breakdown of trade receivables at June 30, 2013 is as follows:

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Due from customers	11,311	8,153	3,157
Other trade receivables	3,772	4,965	(1,193)
Allowance for impairment	(50)	(50)	-
Total	**15,033**	**13,068**	**1,965**

The receivables due from customers are fully recoverable within 12 months and relate to trade receivables for the sale of goods to individuals.

Other trade receivables mainly relate to receivables from Online Stores, chiefly for the provision of services. This item includes services in progress which refer to set-up fees due to the Group from the strategic partners on behalf of which it designs and creates Online Stores.

The Allowance for impairment was used during the course of the half-year. There was no need to make an allocation to the allowance for impairment.

Pursuant to IFRS 7, Note 10 provides information on the maximum credit risk classed according to due dates, gross of the allowance for impairment.

9.21 Other current assets

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Other current assets	7,409	4,971	2,438
Total	**7,409**	**4,971**	**2,438**

The following is a breakdown of other current assets at June 30, 2013:

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Other receivables	3,693	743	2,951
Allowance for impairment – receivables from others	(221)	(221)	-
Advances to suppliers	3	2	1
Travel and payroll advances to employees	(6)	1,085	(1,091)
Prepayments and accrued income	1,739	2,140	(401)
Tax receivables	2,201	1,223	978
Total	**7,409**	**4,971**	**2,347**

“Other receivables” includes:

- mainly credit notes received from suppliers for which the latter must still refund money to the Company and from advance payments to the supplier for the purchase of goods for which the corresponding goods have not yet been received (e.g.: payments on order, prepayments);
- Euro 216 thousand in receivables for sums paid to the Parent’s tax representative in Greece and fully impaired.

The significant increase at June 30, 2013 compared with December 31, 2012 is due to the combined effect of the greater amount of advances and the greater value of suspended services which will be manifest in economic terms in later periods.

“Allowance for impairment – receivables from others”, as previously mentioned, relates to the loan to the Greek tax representative, which is deemed unrecoverable.

The item “Receivables due from acquirers” reflects customer payments already collected by Italian and foreign acquirers but not yet paid to the Group at June 30, 2013.

The “Prepayments” item mainly comprises costs relating to future periods but incurred in the first half of 2013.
It mainly includes software licence fees, insurance costs and rental costs.

Tax receivables, which are fully recoverable by the end of the following year, mainly comprise VAT receivables.

9.22 Cash and cash equivalents and current financial assets

The breakdown of the item “Cash and cash equivalents” at June 30, 2013 is as follows:

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Bank and postal accounts	23,047	35,766	(12,720)
Cash and cash equivalents on hand	10	9	1
Total	**23,057**	**35,775**	**(12,718)**

The following is a breakdown of current financial assets at June 30, 2013:

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Financial receivables due from acquirers	7,198	6,019	1,179
Due from associate companies	552	124	428
Total	**7,750**	**6,143**	**1,607**

Cash and cash equivalents totalled Euro 23,057 thousand as of June 30, 2013, and are made up of cash, negotiable instruments and demand deposits or short-term deposits with banks, which are actually available and readily usable.

Current financial assets, equal to Euro 7,750 thousand, relate to receivables from acquirers and receivables from the associate E_lite.

9.23 Equity attributable to owners of the Parent

The breakdown of changes in equity at June 30, 2013 is presented in a separate table.

The share capital of Euro 575 thousand at June 30, 2013 (Euro 573 thousand at December 31, 2012) increased over the course of the first half of 2013 following the exercise of stock options by recipients. In this regard, on January 16, 2013, 17,264 ordinary shares were granted following the exercise of 332 options related to the 2004-2006 and 2006-2008 plans; on February 14, 2013 100,048 ordinary shares were granted following the exercise of 1,924 options related to the 2007-2012 and 2009-2014 plans; on April 22, 2013 15,080 ordinary shares were granted following the exercise of 290 options related to the 2009-2014 plan; on June 20, 2013 43,056 ordinary shares were granted following the exercise of 828 options related to the 2009-2014 plan for a total effect equal to Euro 2 thousand.

The reserves are composed as follows:

- the share premium reserve was Euro 62,482 thousand at June 30, 2013 (Euro 61,719 thousand at December 31, 2012); this reserve increased over the course of the first half of 2013 following the exercise of stock options by recipients. In this regard, on January 16, 2013, 17,264 ordinary shares were granted following the exercise of 332 options related to the 2004-2006 and 2006-2008 plans; on February 14, 2013 100,048 ordinary shares were granted following the exercise of 1,924 options related to the 2007-2012 and 2009-2014 plans; on April 22, 2013 15,080 ordinary shares were granted following the exercise of 290 options related to the 2009-2014 plan; on June 20, 2013 43,056 ordinary shares were granted following the exercise of 828 options related to the 2009-2014 plan for a total effect equal to Euro 763 thousand.

- legal reserve, which totalled Euro 193 thousand at June 30, 2013 (Euro 193 thousand at December 31, 2012), consists of accruals of 5% of Parent profits every year. This reserve did not increase in 2013 since it had reached the limit imposed by Article 2430 of the Italian Civil Code at December 31, 2010 and which remains at December 31, 2013;

- the translation reserve, which had a negative balance of Euro 65 thousand at June 30, 2013 (compared with Euro 234 thousand at December 31, 2012), reflects exchange rate differences arising from the translation of financial statements denominated in foreign currency. The change at June 30, 2013 was a negative figure of Euro 299 thousand;

- the reserve for future increases in share capital which amounted to Euro 745 thousand at June 30, 2013 (Euro 16 thousand at December 31, 2012), includes liabilities to individuals who had paid to exercise stock options at June 30, 2013, but to whom the Company had not made the corresponding ordinary shares available by the end of the year;

- the purchase of treasury shares, with a negative balance of Euro 985 thousand, is recorded as a direct decrease in net equity in compliance with the provisions of IAS 32. A treasury share purchase plan was launched to implement the resolution approved by the Shareholders' Meeting on October 7, 2009 and by the Board of Directors on July 1, 2010. The treasury share purchase plan is aimed at acquiring the necessary shares to service the 2009-2014 incentive plan for employees of the Parent and its subsidiaries.

- other reserves, equal to Euro 18,605 thousand at June 30, 2013 (Euro 16,225 thousand at December 31, 2012) include the fair value reserve for stock options, which totalled Euro 19,246 at June 30, 2013 (Euro 16,401 thousand at December 31, 2012), the cash flow hedging reserve, equal to a negative figure of Euro 596 thousand (Euro 177 thousand at December 31, 2012) and the reserve for actuarial gains and losses from the valuation of post-employment benefits totalling a negative figure of Euro 46 thousand;

- retained earnings amounted to Euro 23,935 thousand at June 30, 2013 (Euro 13,752 thousand at December 31, 2012), an increase of Euro 10,183 thousand due to the allocation of profit for 2012.

9.24 Stock option plans and Company incentive plans

Granting of stock options

Following approval of the share-split at the Extraordinary Shareholders' Meeting of the Parent 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, except for the 2012-2015 stock option plan which provides for the ratio of one share for every option exercised.

With reference to the stock option plans and Company incentive plans reserved for employees, associates, consultants and directors of the Company and its subsidiaries, at June 30, 2013 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 vested*	*Granted, vested, not exercisable*	*Granted, vested and exercisable*
2001 – 2003	80,575	31,560	47,015	2,000	0	0	2,000
2003 – 2005	36,760	3,000	30,414	3,346	0	0	3,346
2004 – 2006	32,319	12,650	17,201	2,468	0	0	2,468
2006 – 2008	31,303	200	23,765	7,338	0	0	7,338
2007 – 2012	102,600	3,650	59,064	39,886	0	0	39,886
2009 – 2014	94,448	11,100	3,726	79,622	25,950	0	53,672
Total	**378,005**	**62,160**	**181,185**	**134,660**	**25,950**	**0**	**108,710**

At June 30, 2013, 3,437 options may be granted under the above plans.

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

	Strike prices in Euro																
	46.48	**59.17**	**106.50**	**131.78**	**277.68**	**305.24**	**360.88**	**407.16**	**441.48**	**489.32**	**499.20**	**512.20**	**521.56**	**578.24**	**582.92**	**Total options**	**Total shares**
2001-2003	0	0	2,000	0	0	0	0	0	0	0	0	0	0	0	0	2,000	104,000
2003-2005	2,346	0	1,000	0	0	0	0	0	0	0	0	0	0	0	0	3,346	173,992
2004-2006	1,768	0	500	200	0	0	0	0	0	0	0	0	0	0	0	2,468	128,336
2006-2008	0	7,338	0	0	0	0	0	0	0	0	0	0	0	0	0	7,338	381,576
2007-2012	0	38,786	1,100	0	0	0	0	0	0	0	0	0	0	0	0	39,886	2,074,072
2009-2014	0	0	0	0	40,073	11,074	963	1,365	3,848	1,926	9,576	6,301	1,926	2,249	321	79,622	4,140,344
Total	**4,114**	**46,124**	**4,600**	**200**	**40,073**	**11,074**	**963**	**1,365**	**3,848**	**1,926**	**9,576**	**6,301**	**1,926**	**2,249**	**321**	**134,660**	**7,002,320**

With reference to the 2012-2015 stock option plan, approved by the Shareholders' Meeting on June 29, 2012, the Board of Directors granted the following option rights as in the table below:

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

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

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

Granting of shares

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

A 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 for the 2009-2014 incentive plan for employees of the Parent Company and its subsidiaries.

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

Under the scope of the treasury shares purchase programme to service the YOOX S.p.A. 2009-2014 incentive 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, including commissions, 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, including commissions, 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, including commissions, for a total value of Euro 47,547.50;
- on October 4, 2011, 27,331 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.500947 per share, including commissions, for a total value of Euro 259,670.39;
- on November 17, 2011, 7,669 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.276056 per share, including commissions, for a total value of Euro 71,138.08.

At June 30, 2013 the Company holds 105,228 treasury shares in its portfolio, equal to 0.1830% of share capital, following the payment to 45 beneficiaries of 56,772 ordinary shares. Specifically, on August 6, 2012 31,338 ordinary shares were granted, 4,801 ordinary shares were granted on January 10, 2013, 20,255 ordinary shares on May 27, 2013 and 378 ordinary shares on June 3, 2013 related to the Company incentive plan.

At June 30, 2013, 19 of the 62 employees who were granted options lost this right, as they resigned. This led to the forfeiture of 60,916 ordinary 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 plans via the issue of up to 1,116,076 shares with an implicit unit price of Euro 0.01, a premium of Euro 0.2960 on each new share and standard dividend rights. Pursuant to Article 2439, paragraph 2 of the Italian Civil Code, the deadline for subscription was set at January 31, 2015, with the provision that, if the capital increase is not fully subscribed by this date, the share capital shall be deemed to have been increased by an amount equal to the subscriptions received.

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

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

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

At a meeting on September 3, 2009, the Board of Directors took full advantage of the powers conferred by the Extraordinary Shareholders' Meeting of December 2, 2005 and subsequently amended by resolution of the Extraordinary Shareholders' Meeting of July 12, 2007, pursuant to Article 2443 of the Italian Civil Code, increasing the share capital to service the stock option plans via the issue of up to 1,627,756 new shares with an implicit unit price of Euro 0.01, a premium of Euro 1.1279 on each new share and the same dividend rights as the other shares outstanding at the time of their subscription. Pursuant to Article 2439, paragraph 2 of the Italian Civil Code, the deadline for subscription was set at September 3, 2019, with the provision that, if the capital increase is not fully subscribed by this date, the share capital shall be deemed to have been increased by an amount equal to the subscriptions received.

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

On June 29, 2012, the YOOX S.p.A. Shareholders' Meeting took place at first call, in both ordinary and extraordinary sessions.
In its ordinary session, the Shareholders' Meeting approved, pursuant to Article 114-*bis* of Legislative Decree 58/1998, the establishment of a new incentive and loyalty scheme known as the "2012-2015 stock option plan" for YOOX S.p.A. executive directors, to be implemented through the free granting of options valid for subscribing new-issue YOOX S.p.A. ordinary shares (in the ratio of one ordinary share for every one option exercised).
In its extraordinary session, the Shareholders' Meeting approved the paid capital increase in one or more tranches for a maximum amount of Euro 15,000.00, to be allocated to capital, with the exclusion of the option right pursuant to Article 2441, paragraph 4, section 2 of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the 2012-2015 stock option plan above.
The strike price of each option, for the subscription of one new-issue ordinary share under the capital increase, will be established according to the weighted average of the official YOOX S.p.A. ordinary share prices recorded on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the thirty trading days prior to the option grant date.

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

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

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

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

9.25 Medium-/long-term financial liabilities – bank loans and other current financial payables

Bank loans and other financial liabilities stood at Euro 23,547 thousand, a decrease of Euro 3,559 thousand compared with December 31, 2012 (Euro 27,106 thousand).

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Medium-/long-term financial liabilities	13,324	15,099	(1,775)
Bank loans and other current financial liabilities	10,223	12,007	(1,785)
Total	**23,547**	**27,106**	**(3,559)**

The following table shows the breakdown of debt as at June 30, 2013:

Lending institution	Remaining amount	Nature of facility	Rate	Short-term portion	Medium-/long-term portion
BNL - BNP Paribas Group	11,000		Euribor + 1.00%	4,000	7,000
Banca Sella	5,000		Euribor + 2.3%	-	5,000
UniCredit	5,000		Euribor + 2.2%	5,000	-
DLL	225		Fixed	126	99
Financial leases	2,267			1,040	1,227
Accrued liabilities	*56*			*56*	-
Total	**23,547**			**10,223**	**13,324**

Commitments of a financial nature (covenants)

The Company, including for the purposes of Article 1461 of the Italian Civil Code, recognises the essential nature of complying with the financial parameters applicable to the consolidated financial statements in the name of YOOX S.p.A., and realises that the "Bank" can terminate the contract if the financial situation recorded in the consolidated financial statements does not comply with these parameters, or even with only one of them.

Below are the financial parameters for the loan agreed with Banca Nazionale del Lavoro:

1) the ratio between the Net Financial Position and the EBITDA excluding incentive plan costs must not be more than 2.5 times the total loan repayment;
2) the ratio between the Net Financial Position and the Shareholders' Equity must not be more than once the total loan repayment.

YOOX S.p.A. will notify the "Bank" of the above financial parameters on a half-yearly basis at June 30, and December 31, every year until the due date.
If even one of the above parameters is not complied with, YOOX S.p.A., without prejudice to the right of the "Bank" to terminate the contract, undertakes to agree the necessary capital, financial and management operations with the "Bank", within 30 working days of the request, to ensure that the parameters in question come under the set terms, or, alternatively, to repay the loan in advance at the due date of the period of interest in progress.

In relation to the above-mentioned financing agreed with Banca Nazionale del Lavoro, it should be noted that at June 30, 2013 and December 31, 2012, the above-mentioned financial parameters were complied with by the Group.

In addition, it should be noted that at June 30, 2013, the stand-by revolving credit line granted by a pool of banks on March 16, 2008 due on June 15, 2013 (Euro 1,875 thousand at December 31, 2012) has been properly retired.

As far as the terms of the contract in force until December 31, 2009 are concerned, please refer to the notes to the consolidated financial statements at December 31, 2010 and 2011.

We note that in 2012, because of a new loan granted by UniCredit Corporate & Investment Banking ("the Bank"), YOOX S.p.A. has made a commitment, for the entire duration of the loan and until it is totally extinguished, to set up management instruments and take appropriate measures to ensure compliance with the following financial statement indices/parameters with reference to the Group's consolidated financial statements, starting from the financial statements for the year ended December 31, 2011:

1) net financial debt/EBITDA < 2.5;
2) net financial debt/shareholders' equity < 1.0.

The financial covenants will be calculated on an annual basis, on the basis of the consolidated financial statements (certified by a major independent auditor). Failure to comply will be grounds for requiring the borrower to make accelerated payments.

If substantial changes or exemptions are granted in relation to the loan documents, including changes or exemptions involving financial covenants, YOOX S.p.A. will be obliged to pay the Bank a waiver fee, equal to 0.20% of the maximum total agreed amount of the loan.

At June 30, 2013 financing with other credit institutions is not governed by compliance with parameters of a financial and commercial nature.

Net financial position

The table below gives a breakdown of net financial position at June 30, 2013:

Description	Balance at June 30, 2013	Balance at December 31, 2012	Change
Cash and cash equivalents	23,057	35,775	(12,718)
Current financial assets	7,750	6,143	1,607
Other current financial assets	154	347	(193)
Bank loans and current financial payables	(10,223)	(12,007)	1,784
Other current financial liabilities	(976)	(591)	(385)
Net short-term financial position	**19,762**	**29,667**	**(9,905)**
Medium-/long-term financial liabilities	(13,324)	(15,099)	1,775
Net financial position [21]	**6,438**	**14,569**	**(8,130)**

In 2013 the Group's net financial position deteriorated by Euro 8,130 thousand from Euro 14,569 thousand at December 31, 2012 to Euro 6,438 thousand at June 30, 2013.

In accordance with the Group's organisational structure, treasury operations are centralised at the Parent, YOOX S.p.A., which manages the majority of 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 23,057 thousand as of June 30, 2013, 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 June 30, 2013, financial liabilities stand at Euro 23,547 thousand and are mainly used to finance investments in the techno-logistical platform and in technology. For more details, refer to Note 9.25 Financial payables.

Other financial assets and liabilities include the fair value of transactions in derivatives (accounted for according to IAS 39 using the cash flow hedge method) set up to hedge the interest rate risk in relation to the financing in place and the exchange rate risk arising mainly from sales in US dollars and Japanese yen.

9.26 Employee benefits

This item refers exclusively to the post-employment benefits recorded by the Parent in accordance with current legislation. Changes in defined benefit plans for employees in the first half of 2013 are summarised below:

Description	Balance at January 1, 2012	Provis.	IAS 19 *(actuar. gains/losses)*	Utilisation	Restatement December 31, 2012	Balance at December 31, 2012	Provis.	IAS 19 *(actuar. gains/losses)*	Utilisation	Balance at June 30, 2013
Employee benefits	213	15	74	(16)	286	212	3	63	(58)	220

[21] Net financial 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 medium-/long-term financial payables. Net financial debt (or net financial position) is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union. The measurement criterion adopted by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained by the Company may not be comparable with those calculated by such groups. For details of the items that make up net financial debt (or net financial position), see the table above in the section "Net financial position". "Other current financial assets" are not governed by the definition of net financial debt (or net financial position) of the CESR. The Group believes this definition should be integrated including claims vs. acquirer and logistics operators from whom cash on delivery is required under "Other current financial assets".

Note that for a proper understanding of the new measurement according to the revised IAS 19, we have simulated the impact from its application at December 31, 2012 (Euro 286 thousand).

For the purposes of proper reporting pursuant to the revised IAS 19, we have summarised below the impact of its application on net income, consolidated comprehensive income and equity:

Effect	Consolidated net income for the Group	Consolidated comprehensive income for the Group	Consolidated equity for the Group
December 31, 2012	10,183	10,161	101,762
Revised IAS 19	-	*(54)*	*(54)*
Dec. 31, 2012 restated	**10,183**	**10,107**	**101,708**

The main technical, demographic and economic parameters used in the actuarial calculation of the liability for employee benefits as at June 30, 2013 are summarised below:

Actuarial assumptions used for the calculations	
Annual probability of death in service	SIM and SIF demographic tables for 2002
Annual probability of death other than by death in service	5%
Probability of requests for advances of benefits	3.30%
Retirement age suitably modified taking into consideration latest legislative provisions.	
Actualisation rate	3.03% corresponding to the rate of return of Eurozone corporate bonds with AA rating and maturity of 10 years or more (iBoxx € Corporates AA 10+)
Maximum % of accrued staff post-employment benefits in advance	70%
Annual increase in the cost of living	2%

9.27 Deferred tax liabilities

Deferred tax liabilities declined by 46.5% from Euro 128 thousand at December 31, 2012 to Euro 68 thousand at June 30, 2013.

The amount of deferred tax liabilities was estimated based on the historical trend of the Group’s tax rate, considered representative of the best estimate of the full-year tax rate.

9.28 Provisions for current and non-current risks and charges

This item reflects provisions for estimated current liabilities at June 30, 2013, the timing and extent of which cannot be determined. The following table shows the breakdown of the item and changes in the first half of 2013:

Description	*Balance at December 31, 2012*	Increases	Adjustments	Utilisation	*Balance at June 30, 2013*
Provision for theft and loss	117	79	-	(122)	74
Provision for fraud	220	138		(193)	165
Total provisions for current risks and charges	**337**	**217**	**-**	**(315)**	**238**
Total provisions for non-current risks and charges	**-**	**-**	**-**	**-**	**-**
Total provisions for risks and charges	**337**	**217**	**-**	**(315)**	**238**

During the first half of the year, Euro 122 thousand was used from the provision for theft and loss. A further accrual of Euro 79 thousand was considered sufficient following a new estimate.

During the first half of the year, Euro 193 thousand was used from the provision for fraud. A subsequent accrual of Euro 138 thousand to cover fraud linked with online sales paid for by credit card is considered adequate in line with the new estimate. This fraud coverage provision was calculated taking into account the historical incidence of the value of fraud in relation to the value of sales.

9.29 Trade payables

The following table shows a breakdown of trade payables at June 30, 2012:

Description	Balance at June 30, 2013	Balance at December 31, 2012	*Change*
Payables due to suppliers	75,550	76,486	(936)
Credit notes to be received from suppliers	(2,880)	(2,782)	(98)
Invoices to be received from suppliers	39,453	23,055	16,398
Payables due to credit card operators	41	4	37
Total	**112,164**	**96,763**	**15,401**

Trade payables went from Euro 96,763 thousand at December 31, 2012 to Euro 112,164 thousand at June 30, 2013, an increase of 15.91%.

Trade payables are all payables relating to purchases of goods and services from the Group's suppliers. Payables are recorded at their nominal value. Since all payables fall due within one year, none are subject to discounting. The "Trade payables" item includes all amounts due to suppliers, both for the supply of finished products and raw materials, and for the supply of intangible assets.

9.30 Tax payables

Current tax payables relate exclusively to the current income tax liability of the Parent and its foreign subsidiaries.

It increased during the course of the half-year by Euro 1,708 thousand, going from Euro 1,261 thousand at December 31, 2012 to Euro 2,969 thousand at June 30, 2013, due to the increase in the taxable income base.

9.31 Other payables

The following table shows a breakdown of other payables at June 30:

Description	Balance at June 30, 2013	Balance at December 31, 2012	*Change*
Payables due to social security institutions	2,031	1,854	177
Credit notes to be issued to customers	5,173	7,191	(2,019)
Payables due to directors	291	458	(167)
Payables due to employees	3,211	2,200	1,012
Payables due to tax representatives	4,020	5,073	(1,053)
Other payables	13,247	8,643	4,604
Accrued expenses and deferred income	1,078	657	421
Total	**29,052**	**26,077**	**2,975**

The item "Payables due to social security institutions" reflects contributions payable to social security institutions, mainly on the amounts recognised to employees at the end of the reporting period.

The item "Payables due to tax representatives" reflects indirect tax liabilities. Sales carried out in European countries during 2010 and 2009 exceeded the threshold set in Article 41, paragraph 1, letter b) of Decree-Law 331/93, which requires payment of VAT in the destination country for goods sold. In order to comply with this requirement, the Company has opened VAT accounts in these countries.

Other payables include credit notes to be issued to customers against certain payables for returns on sales made in the first half of 2013.

Consolidated statement of cash flows

9.32 Profit for the period, taxes for the period, depreciation and amortisation, income taxes paid

Details of profit for the period, taxes for the period, depreciation and amortisation and other non-monetary income statement items are provided in Notes 9.11, 9.10, 9.9, 9.5, 9.4 and 9.3 respectively, to which reference is made.

In relation to the income tax charge in the first half of 2013 of Euro 1,248 thousand (Euro 1,489 thousand in the first half of 2012), tax payments amounting to Euro 798 thousand were made (Euro 1,398 thousand in the first half of 2012) relating to tax outstanding for the previous year and payments on account, calculated according to the respective tax regulations in force in the various countries in which the Group operates.

9.33 Other net non-monetary income and expenses

Other net non-monetary income and expenses include non-monetary items on the income statement apart from income tax, depreciation and amortisation and provisions classified as a direct deduction from asset items (allowance for impairment and provisions for obsolescence). This includes provisions for defined benefit plans for employees (TFR), the measurement at fair value of stock option plans and the Company incentive plan, provisions for risks and charges, capital gains and capital losses, unrealised foreign exchange fluctuations and recognised interest income and expenses. In relation to these last items, interest received and interest paid are presented separately.

9.34 Change in trade receivables, inventories and trade payables

This item reports the use or generation of cash relative to net working capital, i.e. changes in trade receivables, inventories and trade payables. Changes in trade payables refer exclusively to supplies of raw materials, goods and services, excluding the change in payables to suppliers of investments, which are reported in the section of the statement of cash flows pertaining to cash generated by or used in investing activities.

9.35 Change in other current assets and liabilities

This item reflects the change in all other current assets and liabilities, net of the effects of recognising non-monetary income and expenses, i.e. the change in the balances with a direct effect on the use or generation of cash.

9.36 Investments in property, plant and equipment

Cash flow for investments in property, plant and equipment reflects both expenditure to replace plants and expenditure on new plants. The amount reported also includes the change in investment payables, net of related funding.

9.37 Investments in other intangible assets

Cash flow for investments in other intangible assets relates to investments in licences and software and the capitalisation of development costs (for a breakdown of these, see Note 9.14). Capitalisations are classified among cash flow from/used in investing activities since they involve a cash outflow associated with the internal costs incurred (mainly personnel expenses). These outflows were broadly in line with costs capitalised during the year.

9.38 Acquisition of stakes in associate companies

The cash flow used by investing activities includes the payment of share capital equal to Euro 59 thousand, equal to 49% of the equity. In addition, at June 30, 2013 the loss of the associate company for the year was covered by an amount equal to Euro 594 thousand, posting a fund for future losses.

9.39 Investments in other non-current financial assets

Other non-current financial assets totalled Euro 722 thousand at June 30, 2013 (Euro 716 thousand at December 31, 2012). These largely relate to rental contracts and contracts for the supply of electricity and gas, and to the existing relationships with Paymentech relating to reserves to guarantee the repayments due for returns made against sales. Other non-current financial assets are due to be repaid in more than five years' time.

9.40 Increases in share capital and share premium reserve

For information on total receipts for increases in share capital and the share premium reserve, see Note 9.23 (Equity attributable to owners of the Parent).

9.41 Arrangement and repayment of medium-/long-term financial liabilities

Arrangement of other medium-/long-term financial payables relates to loans from banks and other lenders, as described in Note 9.25.

9.42 Arrangement and repayment of short-term financial payables

The change in short-term bank exposure is included in the change in short-term financial payables, since these are forms of short-term borrowing, as described in Note 9.23.

9.43 Investments in financial assets

No investments in financial assets were made during the first half of 2013.

10. Disclosure of financial risks

During the first half of 2013, the nature and structure of the risk exposure detailed below and the associated policies applied by the Group did not change substantially from the previous year.

Market risk

Market risk arises from the probability of changes in the fair value of the future cash flows deriving from a financial instrument due to fluctuations in market prices.

In the consolidated financial statements and notes at June 30, 2013, market risk takes the form of exchange rate risk and interest rate risk.

Financial risk deriving from currency fluctuations

The Euro is the functional currency of the Group and is used in the presentation of its financial information.

The YOOX Group operates internationally, and the sale of goods in countries whose currency is not the Euro exposes the Group to currency risk, in terms of both transactions and translation. Group policy is to concentrate all currency risk within the Parent, YOOX S.p.A. Since the YOOX Group is essentially an exporter, the main risk exposure consists of depreciation of foreign currencies against the Euro. The Group is principally exposed towards the US dollar, the Japanese yen, the UK pound and Chinese renminbi.

Currency transaction risks were hedged in the first half of 2013 by forward contracts arranged with the leading domestic and international banks used by YOOX on a daily basis. Outstanding contracts and those negotiated during the half-year period hedge only expected cash flows denominated in US dollars, for the equivalent of Euro 22,779 thousand at June 30, 2013, and in Japanese yen, for the equivalent of Euro 6,747 thousand. It was not considered necessary to hedge exposure to the UK pound and the Chinese renminbi, since the amount involved was not significant. No speculative derivative contracts were arranged in the first half of 2013 and in the preceding periods.

The subsidiaries and fully consolidated companies of the Parent YOOX S.p.A. are located in countries that do not belong to the European Monetary Union: United States, Japan, People's Republic of China and Hong Kong. Since, as mentioned above, the Group's functional currency is the Euro, the income statements of these companies are translated into Euro at the average exchange rate for the period. Holding revenue and profits constant in their local currencies, changes in the exchange rates concerned may have an effect on the Euro amount of their revenue, costs and financial results.

The Euro value of assets and liabilities of consolidated companies whose accounting currency is not the Euro may vary depending on exchange rate movements. In accordance with IFRS, the effects of these changes are recognised directly in equity, under the item “Translation reserve”.

Financial risk deriving from interest rate fluctuations

Interest rate risk arises when a change in interest rates adversely affects performance for the year.
Funding and credit lines available to the YOOX Group are indexed at the Euribor, and therefore the Group is exposed to an increase in interest rates. The YOOX Group felt it advisable to manage the interest rate risk through recourse to interest rate swap derivatives covering medium-/long-term funding only agreed for financing the new techno-logistics platform.
Passive interest on funding for the first half of 2013 came to Euro 385 thousand, an increase compared with the first half of 2012 (Euro 193 thousand) following greater use of credit lines. The interest cost of the majority of the Group's bank borrowing is roughly equal to Euribor plus a spread of about +1.50%, in line with the previous year.

Liquidity risk

The Group aims to maintain appropriate levels of liquidity and available funds to sustain the growth of the business and ensure the timely fulfilment of its obligations. YOOX has preferred to adopt a flexible approach, adapted to the dynamic nature of the business in which it operates, through recourse to credit lines which are committed on the one hand, i.e. they do not provide for the possibility of the lenders asking for repayment before a preset date, and on the other hand are revolving, meaning the Group has the possibility of repaying individual drawdowns, thereby rebuilding their availability.

Net financial position at June 30, 2013 was positive at Euro 6,438 thousand.

Credit risk with financial counterparties

The YOOX Group has obtained lines of credit from leading Italian and international lenders of high credit standing.

Credit risk with commercial counterparties

Given the nature of the Group's business, management of credit risk deriving from commercial operations is entrusted to the customer care department for online receivables generated by the individual stores and to the finance department for all other receivables.

Credit risk related to doubtful accounts subject to legal action or to overdue accounts is monitored centrally on a daily basis and reported each month.

For information on the Group's exposure to and measurement of the above-mentioned financial risks, please refer to the information contained in the consolidated financial statements at December 31, 2012, in respect of which no significant variations have occurred at the present date.

Hedge accounting – cash flow hedging

The Group performs prospective and retrospective tests of the effectiveness of the derivative financial instruments recorded, using the rules of hedge accounting.

Effectiveness is ensured if the ratio of the change in the fair value of the hedging instrument to the change in the fair value of the hedged instrument falls within the range of 80%-125%.

Fair value

The Group uses established assessment techniques, widely used in the market, to calculate the fair value of financial instruments when there is no regulated market for them. These techniques determine the carrying amount that the instruments would have had at the reference date in an arm's-length transaction between knowledgeable and independent parties.

Financial assets and liabilities measured at amortised cost

The following are measured on an amortised cost basis: held-to-maturity assets, trade receivables and payables, time deposits, loans and other liabilities and assets measured at amortised cost (such as other receivables and payables).

Pursuant to IFRS 7, the fair value of these items is re-measured by calculating the present value of the contractually expected flows of principal and interest, with reference to the yield curve for government securities at the measurement date.

Investments in repurchase agreements, mentioned previously, come under financial assets valued at amortised cost.

The carrying amount of trade payables and receivables represents a reasonable approximation of their fair value.

The carrying amount of trade payables and receivables represents a reasonable approximation of their fair value.

Financial assets and liabilities measured at fair value

Hierarchical levels of fair value measurement

IFRS 7 requires that the carrying amounts of financial instruments entered in the statement of financial position at fair value are classified according to a hierarchy of levels reflecting the input used in the fair value calculation. The levels are:

Level 1 – assets or liabilities measured using quoted prices in active markets;

Level 2 – inputs different from quoted prices as above, that are based on directly observable (prices) or indirectly observable (price-derived) market data;

Level 3 – inputs not based on observable market data.

Financial instruments measured at fair value at June 30, 2013 are calculated using the Level 2 method. In 2013 there were no changes between levels.

Categories of financial assets and liabilities

The following tables present the carrying amounts of the financial assets and liabilities reported in the statement of financial position, classified according to IAS 39 and compared with the corresponding fair values:

Financial statement items at June 30, 2013	Loans and receivables	Financial assets at fair value in the income statement		Available-for-sale financial assets	Financial assets held to maturity	Hedging financial assets	Total carrying amount	Total fair value
		Financial assets designated at fair value on initial recognition	Financial assets held for trading					
Other non-current financial assets	722	-	-	-	-	-	722	722
Trade receivables	15,033	-	-	-	-	-	15,033	15,033
Other current assets	7,255	-	-	-	-	154	7,409	7,409
Cash and cash equivalents	23,057	-	-	-	-	-	23,057	23,057
Medium-/long-term financial liabilities	(13,324)	-	-	-	-	-	(13,324)	(13,324)
Bank loans and other current financial liabilities	(10,223)	-	-	-	-	-	(10,223)	(10,223)
Other current financial liabilities	(28,076)	-	-	-	-	(976)	(29,052)	(29,052)
TOTAL	**(5,556)**	**-**	**-**	**-**	**-**	**(822)**	**(6,378)**	**(6,378)**

Statement of financial position items at December 31, 2012	Loans and receivables	Financial assets at fair value in the income statement		Available-for-sale financial assets	Financial assets held to maturity	Hedging financial assets	Total carrying amount	Total fair value
		Financial assets designated at fair value on initial recognition	Financial assets held for trading					
Other non-current financial assets	716	-	-	-	-	-	716	716
Trade receivables	13,068	-	-	-	-	-	13,068	13,068
Other current assets	4,624	-	-	-	-	347	4,971	4,971
Cash and cash equivalents	35,775	-	-	-	-	-	35,775	35,775
Medium-/long-term financial liabilities	(12,007)	-	-	-	-	-	(12,007)	(12,007)
Bank loans and other current financial liabilities	(15,099)	-	-	-	-	-	(15,099)	(15,099)
Other current financial liabilities	(25,486)	-	-	-	-	(591)	(26,077)	(26,077)
TOTAL	**1,591**	**-**	**-**	**-**	**-**	**(244)**	**1,347**	**1,347**

Financial derivative instruments outstanding at year end

The following table shows transactions outstanding as at June 30, 2013 and December 31, 2012 and the related fair values:

	Nature of hedged risk	Notional value		Fair value derivatives		Current financial assets		Other financial payables	
FINANCIAL INSTRUMENT		**June 30, 2013**	**December 31, 2012**	**June 30, 2013**	**December 31, 2012**	**June 30, 2013**	**December 31, 2012**	**June 30, 2013**	**December 31, 2012**
Hedging									
Forward sales	currencies	29,526	6,486	(443)	347	154	347	(597)	-
IRS	rate	14,020	15,660	(379)	(591)	-	-	(379)	(591)
Total		**43,546**	**22,146**	**(822)**	**(244)**	**154**	**347**	**(976)**	**(591)**

11. Information pursuant to IAS 24 on management remuneration and on related parties

Related-party transactions, as defined under IAS 24 and by CONSOB Regulation 1722 of March 12, 2010, at June 30, 2013 and at June 30, 2012 were restricted to commercial, administrative and financial services relationships with subsidiaries and other related parties. The transactions form part of normal business operations, within the usual scope of activity of each of the interested parties, and are carried out under normal market conditions.

In this sense, a party is related to an entity if:

(a) directly or indirectly through one or more intermediaries, the party:

- (i) controls the entity, is controlled by it or is subject to joint control (including controlling or controlled entities and associate companies);
- (ii) holds an equity investment in the entity to such an extent that it exerts significant influence over the entity; or
- (iii) jointly controls the entity;

(b) the party is an associate company (according to the definition set out in IAS 28 – *Investments in Associates*) of the entity;

(c) the party is a joint venture in which the entity has a shareholding (see IAS 31 – *Investments in Joint Ventures*);

(d) the party is one of the managers with strategic responsibilities at the entity or its controlling company;

(e) the party is a close family member of one of the subjects included in points (a) or (d);

(f) the party is a controlled entity, jointly controlled or subject to the significant influence of one of the subjects set forth in points (d) or (e) or these subjects hold, directly or indirectly, a significant share of the voting rights; or

(g) the party is a pension fund for employees of the entity or any other entity related to it.

A related-party transaction is a transfer of resources, services or obligations between related parties, regardless of the fact that a consideration is agreed on.

11.1 Intra-Group transactions

In order to provide more information on the extent of relationships within the Group, the following tables present transactions taking place between Group companies and cancelled out in the consolidated financial statements at June 30, 2013 and June 30, 2012.

The main relationships between the Parent and Group companies are chiefly commercial in nature and can be summarised as follows:

1. the Parent supplies the Group companies with products for sale on the US and Japanese Online Stores;

2. the Parent provides the Group companies with website maintenance, support services and updates.

3. the Parent provides the Group companies with administrative, financial and legal services.

4. the Parent provides the Group companies with customer service support (via a customer care service located at the Italian head office that interfaces with Japanese and US customers using dedicated staff);

5. consulting and support services in the areas of fashion, marketing, advertising and professional training provided by the Parent to subsidiaries.

None of the relationships between the Group companies or between the Group companies and related parties are considered to be atypical or unusual, and form part of the Group’s ordinary business operations. The transactions were carried out under normal market (i.e. arm’s-length) conditions.

The following tables show the relationships in terms of receivables and payables between the Parent YOOX S.p.A. and Group subsidiaries at June 30, 2013, at December 31, 2012 and at June 30, 2012. Receivables from and payables to subsidiaries are expressed in USD, JPY, CNY and HKD and translated to Euro at the exchange rate in effect at the end of the period. Revenue and costs are expressed in USD, JPY, CNY and HKD and translated to Euro at the average exchange rate for the reference period.

June 30, 2013

(Thousand Euro)

	Trade receivables	Financial receivables	Trade payables	Financial payables	Revenues	Costs
YOOX S.p.A.	17,402	5,270	573	4,745	44,213	13
YOOX Corporation	242	-	8,186	3,471	-	28,634
Y Services	101	2,319	948	-	7	846
YOOX Japan	89	775	3,418	-	1	11,152
YOOX Mishang Trading (Shanghai)	45	-	4,049	1,799	-	760
YOOX Asia Ltd	48	1,652	751	-	6	2,820
Total subsidiaries	**17,926**	**10,015**	**17,926**	**10,015**	**44,226**	**44,226**

December 31, 2012

(Thousand Euro)

	Trade receivables	Financial receivables	Trade payables	Financial payables	Revenues	Costs
YOOX S.p.A.	16,740	5,513	24	5,572	74,122	332
YOOX Corporation	21	-	7,389	3,809	17	45,132
Y Services Ltd	-	2,292	626	-	18	1,883
YOOX Japan	54	1,762	4,336	-	60	19,947
YOOX Mishang Trading (Shanghai)	-	-	3,184	1,704	290	2,719
YOOX Asia Ltd	-	1,518	1,257	-	2	4,497
Total subsidiaries	**16,816**	**11,085**	**16,816**	**11,085**	**74,509**	**74,509**

June 30, 2012

(Thousand Euro)

	Trade receivables	Financial receivables	Trade payables	Financial payables	Revenues	Costs
YOOX S.p.A.	7,495	4,449	13	3,574	30,612	290
YOOX Corporation	3	-	4,209	3,574	-	18,267
Y Services	-	3,574	742	-	-	888
YOOX Japan	44	-	737	-	22	8,691
YOOX Mishang Trading (Shanghai)	-	-	1,552	875	290	1,003
YOOX Asia Ltd	10	-	301	-	-	1,785
Total subsidiaries	**7,552**	**8,023**	**7,552**	**8,023**	**30,924**	**30,924**

11.2 Remuneration of senior managers and other key persons within the Group

Senior managers and key persons with strategic responsibility for management, planning and administration in the Group are identified, as well as executive directors and non-executive directors and also the Chief Financial Officer, General Manager and Chief Operating Officer.

The gross annual remuneration of the above persons, inclusive of all forms of remuneration (including gross pay, bonuses, fringe benefits, etc.) as well as bonuses accrued but not paid out that are subject to the achievement of long-term objectives, are reported in the following table together with the fees of the members of the Board of Statutory Auditors:

June 30, 2013

Description	Current benefits	Long-term benefits	Stock option plans and Company incentive plans
Directors	749	181	2,020
Statutory Auditors	37	-	-
Managers with strategic responsibilities	460	22	262
Total	**1,246**	**203**	**2,282**

December 31, 2012

Description	Current benefits	Long-term benefits	Stock option plans and Company incentive plans
Directors	1,427	369	2,610
Statutory Auditors	77	-	-
Managers with strategic responsibilities	651	42	357
Total	**2,155**	**411**	**2,967**

June 30, 2012

Description	Current benefits	Long-term benefits	*Stock option plans and Company incentive plans*
Directors	812		605
Statutory Auditors	36		
Managers with strategic responsibilities	363	20	239
Total	**1,211**	**20**	**844**

Finally, no close family members of any of the natural persons indicated above are related parties of the Issuer and/or the companies of the Group, as defined in IAS 24.

11.3 Other related-party transactions

The following tables list the main financial and commercial relationships between the companies of the Group and related parties other than Group companies, at June 30, 2013, at December 31, 2012 and at June 30, 2012, excluding intra-Group relationships, which are described above. Commercial transactions with these entities are carried out under normal market conditions, and all transactions are carried out in the interests of the Group.

June 30, 2013

Description	**Trade receivables**	**Financial receivables**	**Trade payables**	**Financial payables**	**Revenues**	**Costs**
D'Urso Gatti e Bianchi Studio Legale Associato	-	-	326	-	-	398
Tarter Krinsky and Drogin LLP	-	-	10	-	-	54
Hari K. Samaroo, P.C.	-	-	-	-	-	7
KK TPI	-	-	-	-	-	9
Bizmatica Sistemi S.p.A.	-	-	75	-	-	112
Nagamine Accounting Office	-	-	1	-	-	16
E_Lite	510	551	1,693	654	3,066	7,092
Total other related parties	**510**	**551**	**2,106**	**654**	**3,066**	**7,688**

December 31, 2012

Description	**Trade receivables**	**Financial receivables**	**Trade payables**	**Financial payables**	**Revenues**	**Costs**
D'Urso Gatti e Bianchi Studio Legale Associato	-	-	355	-	-	741
Tarter Krinsky and Drogin LLP	-	-	25	-	-	117
Hari K. Samaroo, P.C.	-	-	-	-	-	-
KK TPI	-	-	20	-	-	101
Bizmatica Sistemi S.p.A.	-	-	74	-	-	167
Nagamine Accounting Office	-	-	8	-	-	30
E_Lite	339	127	233	-	1,026	1,593
Total other related parties	**339**	**127**	**715**	**-**	**1,026**	**2,750**

June 30, 2012

Description	***Trade receivables***	**Financial receivables**	***Trade payables***	**Financial payables**	***Revenues***	***Costs***
D'Urso Gatti e Bianchi Studio Legale Associato	-	-	162	-	-	209
Tarter Krinsky and Drogin LLP	-	-	21	-	-	72
Hari K. Samaroo, P.C.	-	-	-	-	-	1
KK TPI	-	-	13	-	-	42
Bizmatica Sistemi S.p.A.	-	-	65	-	-	56
Nagamine Accounting Office	-	-	-	-	-	8
Total other related parties	**-**	**-**	**261**	**-**	**-**	**388**

The above entities are regarded as related parties of the Group for the following reasons:

- D'Urso Gatti e Bianchi Studio Legale Associato, since a partner of that law firm is a director of the Parent;
- Tarter Krinsky and Drogin LLP, since a partner in that legal firm is a member of the Board of Directors of one of the Group's companies (YOOX Corporation);
- Hari K. Samaroo P.C., since the owner of that law firm is the legal representative/Chairman of Y Services;
- KK TPI and Nagamine Accounting Office, since the owner of both these consultancy firms is a member of the Board of Directors of a Group company (YOOX Japan);
- Bizmatica Sistemi S.p.A. since the chairman of that company is the son of a member of the Board of Directors of the Group (YOOX S.p.A.).
- E_lite as a 49% subsidiary.

None of the transactions that took place with related parties in 2013 and 2012 were significant (except as mentioned above), atypical and/or unusual.

12. Commitments

Commitments and guarantees

Description (in thousand Euro)	Balance at June 30, 2013	Balance at December 31, 2012
Third-party assets held by the Group	132,006	76,910
Sureties given to others	4,298	2,812
Commitments under hedging contracts (nominal value)	43,546	22,146

The warehouses of Group companies hold goods worth Euro 132,006 thousand received on a sale-or-return basis from YOOX's partners. The increase by comparison with the previous year reflects the opening of new Online Stores in the first half of 2013, as well as an increase in procurement on a sale-or-return basis during the first half of 2013 in the Multi-brand segment.

The sureties, all given by the Parent, relate to the following contracts:

- The contract agreed by the Parent with SINV, with effect from November 2, 2010, for a period of six years, for the rental of office premises in Via Morimondo 17, Milan. The surety amounts to Euro 192,500 and will expire on January 31, 2017;
- The contract concluded with Diesel to guarantee payments by the subsidiary Y Services amounting to USD 1,152,250 (Euro 1,507,143) with effect from February 8, 2012 and expiring on December 31, 2012;
- the contract agreed by the Company with Despina S.p.A. to guarantee compliance with obligations under a rental contract with effect from June 20, 2013, for a period of six years, relating to office premises at Via Nannetti 1 in Zola Predosa. The amount of the surety is Euro 47,500, and it expires on March 31, 2019;
- The contract agreed by the Company with New Winds Group to guarantee compliance with obligations under a rental contract for office premises in Madrid, with effect from August 1, 2008. The surety amounts to Euro 19,909 and expires on August 31, 2013;
- The contract agreed by the Company with MM. Kerr and MM. Naret to guarantee compliance with obligations under a rental contract for office premises in Paris, with effect from August 1, 2008. The surety amounts to Euro 52,000 and expires on July 31, 2014;
- The contract agreed by the Company with Oslavia, with effect from July 1, 2008 for a period of six years, for the rental of office premises in Via Lombardini, Milan. The surety amounts to Euro 19,200 and expires on July 31, 2014;
- The contract concluded by the Company following the repayment of the Global Collect guarantee deposit of Euro 1,200,000, after BNP Paribas issued a bank guarantee for the same amount, expiring on April 30, 2013;
- The contract agreed with Logistica Bentivoglio S.r.l. with effect from December 28, 2010 and expiring on December 31, 2017 to guarantee compliance with obligations under the rental agreement for the warehouse at the Bentivoglio Blocco 9.5 Interporto for Euro 564,052;
- The surety agreed for Arangino Giovanni to guarantee the costs of restoring the external wall of the building in Via Lombardini, Milan, for a sum of Euro 4,000, with effect from August 19, 2010 and expiring on July 31, 2014.
- The contract agreed by the Company with Despina S.p.A. to guarantee compliance with obligations under a rental contract with effect from April 14, 2010, for a period of six years, relating to office premises at Via Nannetti 1 in Zola Predosa. The amount of the surety is Euro 58,500, expiring on February 1, 2016.
- The contract agreed with SBLC Callison LLC, with effect from January 8, 2013 and expiring on March 15, 2014, to guarantee compliance with obligations under the rental agreement for the New York offices for USD 227,753, equivalent to Euro 297,901 at June 30, 2013;

– The contract agreed with Geodis Logistic S.p.A. with effect from January 1, 2013 and expiring on January 30, 2019 to guarantee compliance with obligations under the rental agreement for the warehouse and offices located at Interporto for Euro 103,621;

– The contract agreed with Struttura System S.r.l., with effect from February 11, 2013 and expiring on February 15, 2014 to guarantee compliance with obligations assumed for the work in the warehouse located at Interporto for Euro 221,850;

– The contract agreed by the Company with Angel Guerra to guarantee compliance with obligations under a rental contract for office premises in Madrid, with effect from May 21, 2013. The surety amounts to Euro 10,200 and expires on April 30, 2016.

The hedging contracts relate to:

- Forward sales set up by the Parent to cover the currency risk connected to intra-Group sales in US dollars and Japanese yen. The nominal amount of these commitments, translated to Euro at the exchange rate in effect at the reporting date, is Euro 6,486 thousand.
- Interest rate swaps signed by the Parent to hedge the interest rate risk related to the medium-/long-term loan agreed for financing the new techno-logistics platform. The nominal amount of commitments at the reporting date is Euro 15,660 thousand.

13. Non-recurring events and significant transactions

The YOOX Group did not engage in any significant non-recurring transactions during the first half of 2013.

14. Positions or transactions resulting from atypical and/or unusual operations

There were no positions or transactions resulting from atypical and/or unusual operations during the first half of 2013.

15. Subsequent events

Allocation of shares following the exercise of stock options
After the end of the period, on July 15, 2013, 378,352 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 prices (in Euro)**							**Total options**	***Total post-split shares***
		15.91	**46.48**	**59.17**	**106.50**	**277.68**	**512.20**	**578.24**		
2001 - 2003		1,250	500		750				2,500	130,000
2006 - 2008	15-Jul-13			2,870					2,870	149,240
2009 - 2014						962	783	161	1,906	99,112
Total		**1,250**	**500**	**2,870**	**750**	**962**	**783**	**161**	**7,276**	**378,352**

Given the above, the share capital issued by YOOX S.p.A. at the time of writing is Euro 578,665.88, divided into 57,866,588 ordinary shares with no indication of par value.

Mono-brand Online Store
During the first quarter of 2014 the **kartell.com Online Store will be launched** in Europe, following upon a **six-year** agreement signed on July 30, 2013 between Kartell S.p.A. and YOOX S.p.A..

Moschino contract renewal
On July 10, 2013, **Moschino** S.p.A. and YOOX S.p.A., in anticipation of the planned expiry in February 2014, **renewed** their collaboration agreement for the management of the moschino.com “Powered by YOOX Group” Online Store primarily active in Europe, the US and Japan for a **further five years** up to June 30, 2018.

Pucci contract renewal

On July 30, 2013, Emilio Pucci S.p.A. (part of the LVMH group) and YOOX S.p.A. renewed their collaboration agreement for the management of the emiliopucci.com “Powered by YOOX Group” Online Store, active primarily in Europe, the US and Japan, for a further five years, or until September 30, 2018.

Zola Predosa (BO), July 31, 2013
For the Board of Directors

Chairman of the Board of Directors
Federico Marchetti

Annex 1

Consolidated income statement at June 30, 2013 prepared in accordance with CONSOB Resolution 15519 of July 27, 2006 and CONSOB Communication DEM/6064293 of July 28, 2006 (in thousands of Euro).

	June 30, 2013			June 30, 2012		
Consolidated income statement	**Balances**	**of which with related parties**	**% Weighting**	**Balances**	**of which with related parties**	**% Weighting**
Thousand Euro:						
Net revenue	207,448	2,281	1.10%	172,896		
Cost of goods sold	(130,828)			(112,897)		
Fulfilment costs	(22,457)	(262)	1.17%	(18,003)		
Sales and marketing costs	(23,556)	(204)	0.87%	(19,787)	(227)	1.26%
General expenses	(24,074)	(3,292)	13.68%	(17,163)	(303)	1.53%
Other income and expenses	(1,784)			(858)	(1,933)	11.26%
Non-recurring expenses	-			-		
Operating profit	**4,749**			**4,188**		
Result of equity investments	(594)			-		
Financial income	761	7	0.87%	914		
Financial expenses	(1,463)			(1,443)		
Profit before tax	**3,454**			**3,659**		
Taxes	(1,248)			(1,489)		
Consolidated net income for the period	**2,206**			**2,170**		
Basic earnings per share	0.04			0.04		
Diluted earnings per share	0.04			0.04		

Annex 2

Consolidated statement of financial position at June 30, 2013, prepared in accordance with CONSOB Resolution 15519 of July 27, 2006 and CONSOB Communication DEM/6064293 of July 28, 2006 (in thousands of Euro).

	June 30, 2013			December 31, 2012		
Consolidated statement of financial position	**Balances**	**of which with related parties**	**% Weighting**	**Balances**	**of which with related parties**	**% Weighting**
Amounts in thousands of Euro and percentage weighting on individual items						
Non-current assets						
Property, plant and equipment	36,649			29,023		
Intangible assets with finite useful life	23,331			19,539		
Equity interests in associate companies	59			59		
Deferred tax assets	7,324			6,135		
Other non-current financial assets	722			716		
Total non-current assets	**68,085**			**55,472**		
Current assets						
Inventories	154,620			138,216		
Trade receivables	15,033	510	3.3%	13,068	339	2.5%
Other current assets	7,409			4,971		
Cash and cash equivalents	23,057			35,775		
Current financial assets	7,750	561	7%	6,143	127	2.0%
Total current assets	**207,869**			**198,173**		
Total assets	**275,954**			**253,645**		

Consolidated statement of financial position	June 30, 2013 Balances	June 30, 2013 of which with related parties	June 30, 2013 % Weighting	December 31, 2012 Balances	December 31, 2012 of which with related parties	December 31, 2012 % Weighting
Shareholders' Equity						
Share capital	575			573		
Reserves	80,979			77,253		
Retained earnings (losses carried forward)	23,935			13,752		
Consolidated profit for the period/year	2,206			10,183		
Equity attributable to owners of the Parent	107,695			101,762		
Equity attributable to non-controlling interests	-			-		
Total consolidated equity	**107,695**			**101,762**		
Non-current liabilities						
Medium-/long-term financial liabilities	13,324			15,099		
Employee benefits	220			212		
Provisions for risks and charges	-			-		
Deferred tax liabilities	68			128		
Total non-current liabilities	**13,613**			**15,439**		
Bank loans and other current financial liabilities	10,223			12,007		
Provisions for risks and charges	239			337		
Trade payables	112,164	2,106	1.9%	96,763	715	0.7%
Tax liabilities	2,969			1,261		
Other payables	29,052	654	2.3%	26,077		
Total current liabilities	**154,646**			**136,445**		
Total consolidated equity and liabilities	**275,954**			**253,645**		

Annex 3

Consolidated statement of cash flows at June 30, 2013, prepared in accordance with CONSOB Resolution 15519 of July 27, 2006 and CONSOB Communication DEM/6064293 of July 28, 2006 (in thousands of Euro).

	June 30, 2013			June 30, 2012		
Consolidated statement of cash flows	**Balances**	**of which with related parties**	**% Weighting**	**Balances**	**of which with related parties**	**% Weighting**
Amounts in thousands of Euro and percentage weighting on individual items						
Consolidated net income for the period	2,206			2,170		
Adjustments for:						
Taxes for the period	1,248			1,489		
Financial expenses	1,463			1,443		
Financial income for the period	(761)			(914)		
Share of earnings from associate companies	594			-		
Depreciation, amortisation and impairment losses for the period	8,822			5,596		
Fair value measurement of stock option plans	2,881			1,833		
Unrealised effect of changes in foreign exchange rates	(299)			251		
(Gains)/losses on sale of non-current assets	3			(2)	-	
Provisions of employee benefits	66			4		
Provisions for risks and charges	217			155		
Payment of employee benefits	(58)			(3)		
Use of provisions for risks and charges	(315)			(179)		
Changes in inventories	(16,404)			(16,338)		
Changes in trade receivables	(1,965)	170	8.66%	(5,684)		
Changes in trade payables	15,401	1,391	9%	15,202	189	1.24%
Changes in other current assets and liabilities	74	94	>100%	388		
Cash flow from (used in) operating activities	**13,172**			**5,412**		
Income tax paid	(788)			(1,398)		
Interest and other financial expenses paid	(1,463)			(1,443)		
Interest and other financial income received	761			914		
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**11,683**			**3,486**		

Consolidated statement of cash flows	June 30, 2013 Balances	of which with related parties	% Weighting	June 30, 2012 Balances	of which with related parties	% Weighting
Investing activities						
Acquisition of property, plant and equipment	(13,176)			(3,699)		
Acquisition of intangible assets	(8,611)			(6,126)		
Acquisition of stakes in associate companies	(594)			-		
Acquisition of other non-current financial assets	(6)			(11)		
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(22,386)**			**(9,836)**		
Financing activities						
New short-term liabilities	3			-		
Repayment of short-term liabilities	(1,956)			-		
New medium-/long-term financial liabilities	-			587		
Repayment of medium-/long-term financial liabilities	(64)			(106)		
Increase in share capital and share premium reserve	1,495			5,002		
Investments in other financial assets	(1,607)			(332)		
Change due to difference between cash effect and shares under incentive plans	116			(36)		
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(2,014)**			**5,115**		
TOTAL CASH FLOW FOR THE PERIOD	**(12,718)**			**(1,235)**		
Cash and cash equivalents at the beginning of the period	35,775			22,743		
Cash and cash equivalents at the end of the period	23,057			21,508		
TOTAL CASH FLOW FOR THE PERIOD	**(12,718)**			**(1,235)**		

Certification of the condensed consolidated interim financial statements pursuant to Article 81-*ter* of CONSOB Regulation 11971 of May 14, 1999, as amended

Certification of the condensed consolidated interim financial statements pursuant to Article 81-*ter* of CONSOB Regulation 11971 of May 14, 1999, as amended

1. The undersigned, Federico Marchetti, as Chief Executive Officer, and Francesco Guidotti, as Director in charge of preparing corporate accounting documents of YOOX S.p.A. hereby certify, with due regard for the provisions of Article 154-bis (3 and 4) of Legislative Decree No. 58 of February 24, 1998:
   - the adequacy, with respect to the Company's characteristics and
   - the effective application of the administrative and accounting procedures for the compilation of the condensed interim financial statements, during the period from January 1, 2013 to June 30, 2013.

2. No significant aspects have emerged in this regard.

3. We also bear witness to the fact that:

3.1 The consolidated interim financial statements:

a) were prepared in accordance with International Financial Reporting Standards endorsed by the European Union pursuant to EC Parliament and Council Regulation No. 1606/2002 of July 19, 2002;

b) correspond to entries made in accounting ledgers and records;

c) are suitable for providing a true and fair view of the financial position and results of operations of the issuer and all companies included in consolidation;

3.2 The Interim Directors' Report includes a reliable analysis of the references to important events which have occurred during the first six months of the fiscal year and their influence on the condensed consolidated interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the fiscal year.
The Interim Director's Report also includes a reliable analysis of disclosure of related-party transactions.

Zola Predosa (BO), July 31, 2013

Chief Executive Officer	Director in charge of preparing corporate accounting documents
Federico Marchetti	Francesco Guidotti

Independent auditors' report on the limited audit of the condensed consolidated interim financial statements

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

Auditors' report on review of condensed consolidated interim financial statements

To the shareholders of
YOOX S.p.A.

1 We have reviewed the condensed consolidated interim financial statements of the YOOX Group as at and for the six months ended 30 June 2013, comprising the income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes thereto. The parent's directors are responsible for the preparation of these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information about the captions of the condensed consolidated interim financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed consolidated interim financial statements. The review excluded such audit procedures as tests of controls and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed consolidated interim financial statements.

With regard to the corresponding figures included in the condensed consolidated interim financial statements, reference should be made to our reports on the annual consolidated and condensed consolidated interim financial statements of the previous year dated 13 March 2013 and 3 August 2012, respectively.

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the YOOX Group as at and for the six months ended 30 June 2013 have not been prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Bologna, 2 August 2013

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit