YOOX GROUP

Consolidated interim financial statements at September 30, 2013

YOOX S.p.A.
Via Nannetti, 1 – 40069 Zola Predosa (BO)
Share capital: Euro 579,373.60 fully paid up on the date of approval of this document
P.I./C.F. and Bologna Company Register No.: 02050461207

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2013

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MANAGEMENT AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman and Chief Executive Officer
Federico Marchetti[1]

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

BOARD OF STATUTORY AUDITORS

Standing Auditors
Filippo Tonolo – Chairman
David Reali
Patrizia Arienti

Alternate Auditors
Edmondo Maria Granata
Salvatore Tarsia

INDEPENDENT AUDITORS

KPMG S.p.A.

SUPERVISORY BOARD DECREE-LAW 231/01

Rossella Sciolti – Chairwoman
Gerardo Diamanti
Riccardo Greghi

DIRECTOR RESPONSIBLE FOR PREPARING CORPORATE ACCOUNTING DOCUMENTS

Francesco Guidotti

INTERNAL CONTROL MANAGER

Riccardo Greghi

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

DIRECTORS' INTERIM REPORT

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DIRECTORS' INTERIM REPORT

INTRODUCTION

The first nine months 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 North America and Italy.

One of the most significant events was the launch of the missoni.com online store on 26 March 2013, primarily in Europe, North America and Japan, while bikkembergs.com was also extended to the Japanese market on 12 February 2013.
Specifically, YOOX was awarded a contract which involved major international 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 7 May 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 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 31 December 2017, surpassing the already long maturities of collaboration for the management of marni.com and justcavalli.com at a global level, planned for 31 August 2016 and 28 February 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, diesel.com 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 8 May 2013, active primarily in Europe and North America.
On 10 June 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 30 June 2018.
On 10 July 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 30 June 2018.
On 30 July 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 30 September 2018.
In mid-September 2013 the new releases of the Moschino and Brunello Cucinelli online stores, developed on the YOOX creative concept, were launched.
During the first quarter of 2014 the kartell.com online store will be launched in Europe, following upon a six-year agreement signed on 30 July 2013 between Kartell S.p.A. and YOOX S.p.A..
As illustrated in the significant events after the end of the period, on 22 October 2013 the new release of armani.com was launched for which YOOX also designed and developed the creative concept.

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 28 February 2013.

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 nine months of 2013, the multi-brand business line generated a monthly average of about 6.1 million unique visitors[5].

The Group has designed and promoted web campaigns courtesy of which the multi-brand business line has reached a figure, in the first nine months of 2013, of approximately 40 thousand websites in more than 50 countries; about 271 million newsletters were sent out to registered users translated into the languages managed by the Group.

Mono-brand business line

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

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

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

[5] 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.

As at 30 September 2013, there were 36 operating online stores.

REVENUE AND PROFITABILITY

Methodology note

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

Accounting standards

The Consolidated Interim Financial Statements as at 30 September 2013 have been compiled in accordance with Article 154-*ter*, paragraph 5 of Legislative Decree 58/98 – T.U.F. – and later modifications and additions, and in compliance with Article 2.2.3 of the Stock Exchange Regulations.

The accounting standards, the consolidation standards and evaluation criteria used in preparing the consolidated interim financial statements are consistent and comply with the standards used to draw up the Annual Report as at 31 December 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 third quarter of 2013:

Thousand Euro	Q3 2013	Q3 2012	Change	
Consolidated net revenues	111,835	93,221	18,613	20.0%
Cost of goods sold	(72,493)	(60,878)	(11,614)	19.1%
Gross Profit[6]	**39,342**	**32,343**	**6,999**	**21.6%**
% of consolidated net revenues	35.2%	34.7%		
Fulfillment costs	(9,446)	(8,635)	(810)	9.4%
Sales and marketing costs	(12,782)	(10,128)	(2,654)	26.2%
EBITDA Pre Corporate Costs[7]	**17,114**	**13,579**	**3,535**	**26.0%**
% of consolidated net revenues	15.3%	14.6%		
General expenses	(8,452)	(7,156)	(1,296)	18.1%
Other income and expenses	(732)	(336)	(396)	>100%
EBITDA[8]	**7,930**	**6,087**	**1,843**	**30.3%**
% of consolidated net revenues	7.1%	6.5%		
Depreciation and amortisation	(4,661)	(3,243)	(1,418)	43.7%
Non-recurring expenses	-	-	-	-
Operating profit	**3,269**	**2,844**	**425**	**14.9%**
% of consolidated net revenues	2.9%	3.1%		
Result of equity investments	(168)	-	(168)	-
Financial income	201	614	(413)	-67.2%
Financial expenses	(1,165)	(1,120)	(45)	4.0%
Profit before tax	**2,138**	**2,339**	**(201)**	**-8.6%**
% of consolidated net revenues	1.9%	2.5%		
Taxes	(816)	(1,104)	288	-26.1%
Consolidated net income for the period	**1,321**	**1,235**	**87**	**7.0%**
% of consolidated net revenues	1.2%	1.3%		
EBITDA excluding incentive plan costs[9]	**8,810**	**7,141**	**1,669**	**23.4%**
% of consolidated net revenues	7.9%	7.7%		
Net income excluding incentive plan costs[10]	**1,955**	**2,039**	**(84)**	**-4.1%**
% of consolidated net revenues	1.7%	2.2%		

In the third quarter of 2013, the Group's consolidated net revenues stood at Euro 111,835 thousand, an increase of 20.0% compared with Euro 93,221 thousand for the third quarter of 2012 (+25.3% at constant exchange rates).

EBITDA stood at Euro 7,930 thousand in the third quarter of 2013, an increase of 30.3% compared with Euro 6,087 thousand in the third quarter of 2012, with a margin of 7.1% compared to 6.5% for the same period of the previous year. This result reflects the increase in gross profit and the strong operating leverage on logistics costs, which benefited from the considerable improvement in operational efficiency attributable to the automation of the techno-logistics platform.

EBITDA excluding incentive plan costs stood at Euro 8,810 thousand, with a margin on net revenues of 7.9%. Consolidated net income stood at Euro 1,321 thousand compared with Euro 1,235 thousand for the third quarter of 2012. This result was affected by an increase in depreciation and amortisation relating to investments in the automation of the global techno-logistics platform and increased financial expenses due to greater exchange

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

7 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.

8 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.

9 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.

10 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.

rate losses and interest expenses. Excluding non-cash costs relating to incentive plans and their related tax effect, Net income excluding incentive plans stood at Euro 1,955 thousand compared with Euro 2,039 thousand as at 30 September 2012.

Reclassified consolidated income statement for the first nine months of 2013:

Thousand Euro	30 September 2013	30 September 2012	Change	
Consolidated net revenues	319,282	266,117	53,165	20.0%
Cost of goods sold	(203,321)	(173,776)	(29,545)	17.0%
Gross Profit	**115,962**	**92,341**	**23,620**	**25.6%**
% of consolidated net revenues	36.3%	34.7%		
Fulfillment costs	(29,079)	(24,925)	(4,154)	16.7%
Sales and marketing costs	(36,333)	(29,907)	(6,426)	21.5%
EBITDA Pre Corporate Costs	**50,549**	**37,509**	**13,041**	**34.8%**
% of consolidated net revenues	15.8%	14.1%		
General expenses	(26,532)	(20,443)	(6,088)	29.8%
Other income and expenses	(2,516)	(1,194)	(1,322)	>100%
EBITDA	**21,502**	**15,872**	**5,630**	**35.5%**
% of consolidated net revenues	6.7%	6.0%		
Depreciation and amortisation	(13,483)	(8,839)	(4,644)	52.5%
Non-recurring expenses	-	-	-	-
Operating profit	**8,018**	**7,032**	**986**	**14.0%**
% of consolidated net revenues	2.5%	2.6%		
Result of equity investments	(761)	-	(761)	-
Financial income	962	1,528	(566)	-37.0%
Financial expenses	(2,627)	(2,563)	(65)	2.5%
Profit before tax	**5,592**	**5,998**	**(406)**	**-6.8%**
% of consolidated net revenues	1.8%	2.3%		
Taxes	(2,064)	(2,593)	529	-20.4%
Consolidated net income for the period	**3,528**	**3,405**	**123**	**3.6%**
% of consolidated net revenues	1.1%	1.3%		
EBITDA excluding incentive plan costs	**25,262**	**18,758**	**6,504**	**34.7%**
% of consolidated net revenues	7.9%	7.0%		
Consolidated net income for the period excluding incentive plan costs	**6,362**	**5,610**	**752**	**13.4%**
% of consolidated net revenues	2.0%	2.1%		

In the first nine months of 2013, YOOX Group posted consolidated net revenues, net of returns and customer discounts, of Euro 319,282 thousand, up 20.0% from Euro 266,117 thousand as at 30 September 2012 (+23.7% at constant exchange rates).
EBITDA stood at Euro 21,502 thousand as at 30 September 2013, compared with Euro 15,872 thousand as at 30 September 2012. The percentage of EBITDA on net revenues went from 6.0% in the first nine months of 2012 to 6.7% in the first nine months of 2013. Excluding the notional charges relating to the incentive plans, equal to Euro 3,761 thousand, EBITDA excluding incentive plan costs stood at Euro 25,262 thousand (+34.7% compared with the same period in 2012), with a margin on sales of 7.9%[11]. This performance reflects the improvement in gross profit that more than offset the higher costs incurred by the Group for its own growth mainly related to the increased rent for the new New York and Hong Kong offices and the expansion of the Milan and Bologna offices.
Consolidated net income stood at Euro 3,528 thousand compared with Euro 3,405 thousand as at 30 September 2012. This result was affected by an increase in depreciation and amortisation of Euro 4,644 thousand mainly relating to investments in the techno-logistics platform, negative investment income and increased financial expenses due to greater exchange rate losses and interest expenses. Excluding non-cash costs relating to incentive plans and their related tax effect, Net income excluding incentive plans stood at Euro 6,362 thousand compared with Euro 5,610 thousand for the first nine months of 2012.

[11] 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[12] relating to the Group's activities.

	30 September 2013	30 September 2012
Number of Monthly Unique Visitors [13] (millions)	12.5	12.3
Number of orders (thousands)	1,967	1,676
AOV[14] (Euro)	213	200
Number of Active Customers[15] (thousands)	1,030	911

In the first nine months of 2013 the Group recorded an average of 12.5 million unique visitors per month, compared with 12.3 million as at 30 September 2012, and numbers of orders equal to 1,967 thousand, equivalent to one order processed every 12 seconds[16], compared with 1,676 thousand in the first nine months of 2012.
The average order value (AOV) rose significantly to Euro 213 (excluding VAT), compared with Euro 200 for the same period in the previous year.
As at 30 September 2013, the number of active customers also increased markedly, rising by 13.1% to 1,030 thousand, from 911 thousand in the first nine months of 2012.

Analysis of net revenues and operating profit by business line

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

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

	Multi-brand		**Mono-brand**		**Group total**	
Thousand Euro	*30 Sept 2013*	*30 Sept 2012*	*30 Sept 2013*	*30 Sept 2012*	*30 Sept 2013*	*30 Sept 2012*
Consolidated net segment revenues	229,998	186,283	89,284	79,834	**319,282**	**266,117**
% of consolidated net Group revenues	72.0%	70.0%	28.0%	30.0%	**100.0%**	**100.0%**
% change	*23.5%*		*11,8%*		***20.0%***	
Segment operating profit	32,669	22,943	17,881	14,566	**50,549**	**37,509**
% of consolidated net segment revenues	14.2%	12.3%	20.0%	18.2%	**15.8%**	**14.1%**
% change	*42.4%*		*22.8%*		***34.8%***	

In the first nine months of 2013, the Group's consolidated net revenues, net of returns from sales and discounts given to customers, was equal to Euro 319,282 thousand, a growth of 20.0% over the figure of Euro 266,117 thousand for the first nine months of 2012, with a contribution from both business lines.
Business line operating profit (or EBITDA Pre Corporate Costs) was Euro 50,549 thousand, an increase of 34.8% compared with Euro 37,509 thousand in the first nine months of 2012, with a margin of 15.8%, compared with 14.1% for the first nine months of 2012, mainly due to the improvement in gross profit. In addition, the considerable improvement in operational efficiency recorded in the third quarter, related to the new highly automated techno-logistics platform made a reduction in the incidence of logistics costs possible in the first nine months of the year.

[12] 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.
[13] Source: SiteCatalyst for yoox.com; Google Analytics for thecorner.com, shoescribe.com and mono-brand "Powered by YOOX Group" online stores.
[14] Average Order Value, or AOV, excluding VAT indicates the average value of each purchase order.
[15] An Active Customer is defined as a customer who placed at least one order during the 12 preceding months.
[16] Calculated by dividing the overall total relating to the first nine months of 2013 by the number of orders processed at Group level in the same period of time.

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 229,998 thousand, a 23.5% increase compared with Euro 186,283 thousand in the first nine months of 2012. The excellent performance of yoox.com, which continues to demonstrate an improving conversion rate, contributed to this increase. The results of thecorner.com and shoescribe.com were also positive. They benefited from the expansion of the range with important new brands such as Lanvin, Bottega Veneta and Chloé and which, from September 2013, have also been the main retail partners of ShopBazaar.com in the United States.
Overall, in the first nine months of 2013, the multi-brand business line accounted for 72.0% of the Group's consolidated net revenues.
Operating profit for the multi-brand segment stands at Euro 32,669 thousand, an increase of 42.4% compared with Euro 22,943 thousand for the first nine months of 2012, with a margin of 14.2%, compared with 12.3% in the first nine months of 2012 which mainly benefited from the significant improvement in gross profit due to the optimisation at global level of promotional, pricing and marketing strategies undertaken in the period.

Mono-brand business line
The mono-brand business line includes all design, creation and management activities of the online stores of some of the leading global fashion and luxury brands and the activities of the joint venture with Kering (former PPR Group) dedicated to the management of the mono-brand online stores of the various Kering luxury brands.
This business line posted consolidated net revenues of Euro 89,284 thousand, up 11.8% from Euro 79,834 thousand as at 30 September 2012.
This result was achieved in spite of a smaller number of online stores[17] "Powered by YOOX Group" and although all six Kering online stores contributed to revenue of the mono-brand business line this was only from July 2013 and only with regard to the YOOX revenue share.
Overall, as at 30 September 2013, the mono-brand business line accounted for 28.0% of the Group's consolidated net revenues with 36 online stores.
Operating profit for the mono-brand segment stands at Euro 17,881 thousand, an increase of 22.8% compared with Euro 14,566 thousand for the first nine months of 2012, with a margin of 20.0%, an improvement on the 18.2% recorded in the first nine months of 2012. This result was partly due to the improvement in gross profit, which benefited from the positive contribution of the joint venture with Kering and the effectiveness of the profitability-oriented dynamic management strategy for the mono-brand portfolio.

Consolidated net revenues by geographical area

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

Thousand Euro	30 September 2013		30 September 2012		Change	
Italy	47,502	14.9%	41,264	15.5%	6,238	15.1%
Europe (excluding Italy)	152,731	47.8%	128,114	48.1%	24,617	19.2%
North America	72,963	22.9%	56,332	21.2%	16,631	29.5%
Japan	25,724	8.1%	23,003	8.6%	2,721	11.8%
Other countries	15,440	4.8%	10,213	3.8%	5,227	51.2%
Not country related	4,924	1.5%	7,192	2.7%	(2,268)	-31.5%
Total YOOX Group	**319,282**	**100.0%**	**266,117**	**100.0%**	**53,165**	**20.0%**

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

North America, the Group's number one market with sales of Euro 72,963 thousand, corresponding to 22.9% of consolidated net revenues, recorded growth of 29.5% (+33.2% at constant exchange rates) compared with the same period in 2012. Performance in the third quarter was excellent, a sharp upturn compared with the first six months of the year with net revenues increasing by 41.7% compared with the same period in the previous year (+49.4% at constant exchange rates).

Performance in Italy was excellent for four consecutive quarters, driven by sales through smart phones and tablets and by increasing customer confidence in YOOX. In the first nine months of 2013 the domestic market recorded growth of 15.1% compared with the first nine months of 2012, with net revenues of Euro 47,502

[17] As far as this is concerned, note the closure, at the end of 2012, of 5 online stores representing 1.5% of net revenues of the Group with an AOV of 37% less than the average of the mono-brand business line.

thousand. Specifically, growth in the third quarter was up 16.1% over the same period in 2012, with sales of Euro 16,021 thousand.

Solid results were also recorded for the rest of Europe, with growth of 19.2% recorded in the first nine months of 2013. The main countries that contributed to the Group's revenue in Europe in the first nine months of the year were France, Germany, the UK and Russia, which all reported improved results compared to the same period of the previous year.

Japan also recorded growth in the first nine months of the year (+11.8%) in spite of the strong depreciation of the Yen in that period; at constant exchange rates growth in Japan stood at 40.2% compared with the first nine months of 2012.

Lastly, the Other Countries also recorded a positive performance (+51.2% compared with the first nine months of 2012).

The "Not country related" item (-31.5% compared with 30 September 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 26,535 thousand in the first nine months of 2013, comprising Euro 13,609 thousand in intangible assets and Euro 12,926 thousand in property, plant and equipment. Increases in intangible assets were mainly for investments in multi-year development projects valued at Euro 12,240 thousand.
Investments in technology innovation continued, with the objective of guaranteeing a cutting-edge platform capable of taking full advantage of all the opportunities arising from the development of consumer preferences and behaviour. In regard to this, YOOX has believed in and invested in the mobile platform since 2006 and the Group is the leader in mobile commerce, as demonstrated by the recent Internet Retailer classification (2014 Mobile 500 Guide) which puts YOOX in the top ten e-tailers worldwide and in 23rd place among all retailers.
The release of mobile sites for several Group mono-brand online stores took place in the period and in October 2013 the first yoox.com mobile site was launched in China.
Investments also continued in the technology platform for the release of cross-channel functionality to allow Group mono-brand partners to offer their customers a fully integrated and consistent experience between the physical and virtual stores.
The rouble was introduced in October 2013, bringing the number of Group currencies to six and the new release of thecorner.com was launched which, in addition to revised graphics, entirely conceived and developed by YOOX, provided a considerably improved user experience.
Lastly, new functions were also released on yoox.com with a view to continuous improvement of the overall performance of the website and the goal of increasing the conversion rate: specifically, a new checkout process with a persistent basket capable of following the customer on all their devices. The yoox.com attribute navigation project, which allows customers to carry out advanced searches for new categories such as materials, shapes, patterns, occasions and trends was completed.

FINANCIAL MANAGEMENT

Consolidated statement of financial position

The tables below contain the figures taken from the Group's reclassified consolidated statement of financial position as at 30 September 2013 and the Group's consolidated statement of cash flows for the same period.

Reclassified consolidated statement of financial position as at 30 September 2013:

Thousand Euro	30 September 2013	31 December 2012	% Change
Net working capital[18]	35,560	32,061	10.9%
Non-current assets	69,902	55,472	26.0%
Non-current liabilities (excluding financial liabilities)	(349)	(340)	2.6%
Net invested capital[19]	**105,113**	**87,193**	**20.6%**
Shareholders' Equity	110,710	101,762	8.8%
Net debt/(Net financial position)[20]	(5,597)	(14,569)	-61.6%
Total sources of financing	**105,113**	**87,193**	**20.6%**

Net working capital rose from Euro 32,061 thousand as at 31 December 2012 to Euro 35,560 thousand as at 30 September 2013. This change is mainly due to the physiological increase in inventory, necessary to meet the future growth of the multi-brand business line.

Reclassified consolidated statement of cash flows as at 30 September 2013:

Thousand Euro	30 September 2013	30 September 2012	% Change
Cash flow generated by (used in) operating activities	15,754	8,603	83.1%
Cash flow generated by (used in) investing activities	(29,805)	(13,903)	>100%
Sub-Total	**(14,051)**	**(5,300)**	**>100%**
Cash flow generated by (used in) financing activities	3,216	4,256	-24.4%
Total cash flow for the period	**(10,835)**	**(1,044)**	**>100%**

The cash flow generated by operating activity in the first nine months of 2013 stood at Euro 15,754 thousand and that generated by financial activity stood at Euro 3,216 thousand. They were used to support Group investments, equal to Euro 29,805 thousand, mainly related to the techno-logistics platform and investments in technology.

[18] Net working capital is current assets, net of current liabilities, with the exception of cash and cash equivalents, bank loans and borrowings and other financial payables due within one year and financial assets and liabilities included under other current assets and liabilities. Net working capital is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union. The criterion applied by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained may not be comparable with that calculated by such groups.

[19] Net invested capital is the sum of working capital, non-current assets and non-current liabilities, net of non-current financial liabilities. Net invested capital is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union. The criterion applied by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained may not be comparable with that calculated by such groups.

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

Debt/Consolidated net financial position

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

Thousand Euro	30 September 2013	31 December 2012	% Change
Cash and cash equivalents	24,940	35,775	-30.3%
Other current financial assets	8,090	6,490	24.7%
Bank loans and other current financial liabilities	(14,445)	(12,007)	20.3%
Other current financial liabilities	(362)	(591)	-38.6%
Short-term net financial position	**18,223**	**29,667**	**-38.6%**
Medium-/long-term financial liabilities	(12,625)	(15,099)	-16.4%
(Debt)/Consolidated net financial position	**5,597**	**14,569**	**-61.6%**

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 24,940 thousand as at 30 September 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.

As at 30 September 2013, financial liabilities stand at Euro 27,070 thousand and are mainly made up of medium-/long-term loans agreed for funding the investment in the techno-logistics platform. In particular, existing loans have been provided by Banca Nazionale del Lavoro for Euro 10,000 thousand (of which Euro 4,000 thousand is short-term), by Banca Sella for Euro 5,000 thousand medium and long-term, by Unicredit for Euro 5,000 thousand short-term and a further two bullet loans from Unicredit and Banca Popolare dell'Emilia Romagna each for Euro 2,000 thousand. Remaining financial liabilities refer to financial leasing agreements totalling Euro 2,313 thousand (of which Euro 1,089 thousand is short term) dedicated to investments in technology, and two finance agreements with De Lage Landen for a total of Euro 694 thousand (of which Euro 290 thousand is short term).

Other current financial liabilities as at 30 September 2013 of Euro 362 thousand, include the negative fair value of transactions in derivatives (accounted for according to IAS 39 using the Cash flow hedge method) set up to hedge the interest rate risk in relation to the financing in place.

Other current financial assets as at 30 September 2013, equal to Euro 8,090 thousand, are mainly, for Euro 6,765 thousand, 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 for Euro 405 thousand and the loan granted to the associate company for Euro 919 thousand.

HUMAN RESOURCES

As at 30 September 2013, the Group total headcount stood at 697 employees, a growth of 22% compared with 30 September 2012. The table below shows a breakdown of the headcount[21]:

No	30 September 2013	30 September 2012	Change
Managers	29	25	4
Junior managers	56	50	6
Employees and trainees	524	434	90
Abroad	88	64	24
Total headcount	**697**	**573**	**124**

Around 87% of the headcount refers to employees who are located in the three Italian offices, with the remaining 13% located in Group offices abroad.

Compared with 31 December 2012, the total staff of the Group grew by 103 resources, equal to a 17% increase.

CORPORATE GOVERNANCE

The corporate governance model of the Parent Company YOOX S.p.A. is described in detail in the Report on corporate governance and shareholder structure as at 31 December 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.

Granting of shares following the exercise of stock options

The table below shows the YOOX S.p.A. ordinary shares that were granted following the exercise of the options relating to the stock option plans and their strike prices for the first nine months of 2013.

		Strike prices (in Euro)													
Stock option plans	Grant date	15.91	46.48	59.17	106.50	131.78	277.68	305.24	407.16	441.48	512.20	521.56	578.24	Total Options	Total post-split shares
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**
2001-2003	15-Jul-13	1,250	500		750									2,500	130,000
2006-2008	15-Jul-13			2,870										2,870	149,240
2009-2014	15-Jul-13						962				783		161	1,906	99,112
Sub total		**1,250**	**500**	**2,870**	**750**		**962**				**783**		**161**	**7,276**	**378,352**
2009-2014	02-Aug-13								50		12		321	383	19,916
Sub total									**50**		**12**		**321**	**383**	**19,916**
2004-2006	20-Sep-13					200								200	10,400
2007-2012	20-Sep-13			672										672	34,944
2009-2014	20-Sep-13								50		56			106	5,512
Sub total				**672**		**200**			**50**		**56**			**978**	**50,856**
Total		**1,250**	**807**	**5,010**	**750**	**200**	**962**	**480**	**230**	**642**	**877**	**321**	**482**	**12,011**	**624,572**

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

Given the above, the share capital issued by YOOX S.p.A. as at 30 September 2013 is Euro 579,373.60, divided into 57,937,360 ordinary shares with no nominal value.

As illustrated in the significant events after the end of the period, on 1 October 2013, 90,012 YOOX S.p.A. ordinary shares were granted following the exercising of 1,731 options relating to the 2009-2014 stock option plan.

Given the above, the share capital issued by YOOX S.p.A. at the time of writing is Euro 580,273.72, divided into 58,027,372 ordinary shares with no indication of nominal value.

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

In the first nine 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 nine months of 2013, specifically on 10 January, 27 May, 3 June and 1 August 2013, the Company paid over 73,898 ordinary shares to 43 beneficiaries under the company incentive plan.

Stock grant plan

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

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

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

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

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

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

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

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

Board of Directors

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

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

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

The Board of Directors also appointed:

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

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

Board of Statutory Auditors

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

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

Approval of the Consolidated Financial Statements as at 31 December 2012

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

Remuneration Report

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

Purchase and disposal of treasury shares

The Shareholders' Meeting on 19 April 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 implementation provisions, following the revocation of the resolution approved by the Shareholders' Meeting of 27 April 2012 for the part not executed.
For more details, refer to the Press Release issued on this date, which is available on the Company's website www.yooxgroup.com, under the section "Investor Relations".

At the time of writing the Company holds 56,764 treasury shares in its portfolio, equal to 0.098% of the share capital to date.

Amendments to the Company Articles of Association

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

Compensation Committee

The Committee met on 5 March 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.

Committee for Related-Party Transactions

The Committee met on 5 March 2013.

Control and Risk Committee

The Committee has a consulting and advisory role in relation to the Board of Directors on the subject of internal control and risk management and with regard to the approval of periodic financial reports. In 2013 the Committee met on 28 February, 23 April and 25 July.

Implementation of the 2013 Internal Audit Plan

The head of the internal audit department is implementing the plan for 2013 in accordance with the agreed times and methods, consistent with his mandate and with the audit plan, both approved by the Board of Directors.
The head of the internal audit department reports quarterly on the results of operations to the Board of Directors, and also through the Control and Risk Committee, to the Board of Statutory Auditors and to the Chairman and Director responsible for the internal control and risk management system, also guaranteeing the coordination of the various corporate structures involved in the Group internal control and risk management system.

SUBSEQUENT EVENTS

Granting of shares following the exercise of stock options
After the end of the period, on 1 October 2013, 90,012 YOOX S.p.A. ordinary shares were granted following the exercising of 1,731 options relating to the 2009-2014 stock option plan.

Given the above, the share capital issued by YOOX S.p.A. at the time of writing is Euro 580,273.72, divided into 58,027,372 ordinary shares with no indication of nominal value.

Launch of the new armani.com
On 22 October 2013 the new release of armani.com was launched, for which YOOX also designed and developed the creative concept.

BUSINESS OUTLOOK

Based on the solid results achieved in the first nine months, the proven validity of the business model as well as the good prospects of the online market for luxury goods, it is reasonable to assume that the YOOX Group will see further growth in revenues and profits in 2013.
It is expected that in the last months of the year all the Group's main markets and both business lines will make a positive contribution to this growth.
In line with forecasts, investments in the innovation and consolidation of the platform will continue, although this will be at a slower rate than in the first nine months. Specifically, there are plans for the release of cross-channel functionality which will further strengthen the offering to mono-brand partners so that they can offer their customers a fully integrated and consistent experience between the physical stores and virtual stores.
Lastly, internal initiatives aimed at improving efficiency and carefully managing costs will also continue.

Zola Predosa (BO), 6 November 2013
For the Board of Directors

Chairman of the Board of Directors
Federico Marchetti

ANNEXES TO THE INTERIM REPORT

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

Impact of incentive plans in the third quarter of 2013:

Thousand Euro	Q3 2013	% Total	Q3 2012	% Total
Fulfillment costs	**(9.,446)**		**(8,635)**	
of which incentive plans	*(130)*	*14.8%*	*(106)*	*10.1%*
Sales and marketing costs	**(12,782)**		**(10,128)**	
of which incentive plans	*(191)*	*21.7%*	*(191)*	*18.1%*
General expenses	**(8,452)**		**(7,156)**	
of which incentive plans	*(559)*	*63.5%*	*(756)*	*71.8%*
Incentive plans total	**(880)**	***100.0%***	**(1,054)**	***100.0%***

Impact of incentive plans in the first nine months of 2013:

Thousand Euro	30 September 2013	% Total	30 September 2012	% Total
Fulfillment costs	**(29,079)**		**(24,925)**	
of which incentive plans	*(365)*	*9.7%*	*(337)*	*11.7%*
Sales and marketing costs	**(36,333)**		**(29,907)**	
of which incentive plans	*(499)*	*13.3%*	*(764)*	*26.5%*
General expenses	**(26,532)**		**(20,443)**	
of which incentive plans	*(2,897)*	*77.0%*	*(1,785)*	*61.8%*
Incentive plans total	**(3,761)**	***100.0%***	**(2,887)**	***100.0%***

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2013 YOOX GROUP

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CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2013 PREPARED IN COMPLIANCE WITH INTERNATIONAL ACCOUNTING PRINCIPLES (IFRS)

Consolidated Income Statement

Thousand Euro	30 September 2013	30 September 2012
Net revenues	319,282	266,117
Cost of goods sold	(203,321)	(173,776)
Fulfillment costs	(33,342)	(27,818)
Sales and marketing costs	(36,340)	(29,920)
General expenses	(35,745)	(26,378)
Other income and expenses	(2,516)	(1,194)
Operating profit	**8,018**	**7,032**
Result of equity investments	(761)	-
Financial income	962	1,528
Financial expenses	(2,627)	(2,563)
Profit before tax	**5,592**	**5,998**
Taxes	(2,064)	(2,593)
Consolidated net income for the period	**3,528**	**3,405**
of which:		
Attributable to owners of the Parent	3,528	3,405
Attributable to third parties	-	-
Basic earnings per share (in Euro)	0.06	0.06
Diluted earnings per share (in Euro)	0.06	0.06

Consolidated statement of comprehensive income

Thousand Euro	30 September 2013	30 September 2012
Consolidated net income for the period	3,528	3,405
Other components of comprehensive income, net of tax effects		
Foreign currency translation differences for foreign operations	(801)	(92)
Profit/(loss) from cash flow hedges	208	434
Profit/(loss) from discounting benefits for employees	(44)	-
Total other comprehensive income	**(637)**	**342**
Total consolidated comprehensive net income for the period	**2,891**	**3,747**
of which:		
Consolidated comprehensive net income attributable to owners of the Parent	2,891	3,747
Attributable to third parties	-	-

Consolidated statement of financial position

Thousand Euro	30 September 2013	31 December 2012
Non-current assets		
Property, plant and equipment	35,778	29,023
Intangible assets with finite useful life	25,838	19,539
Equity interests in associate companies	59	59
Deferred tax assets	7,504	6,135
Other non-current financial assets	723	716
Total non-current assets	**69,902**	**55,472**
Current assets		
Inventories	151,916	138,216
Trade receivables	9,541	13,068
Other current assets	7,856	4,971
Cash and cash equivalents	24,940	35,775
Financial assets which are not non-current assets	7,685	6,143
Total current assets	**201,939**	**198,173**
Total assets	**271,840**	**253,645**
Shareholders' Equity		
Share capital	579	573
Reserves	82,668	77,253
Retained earnings (losses carried forward)	23,935	13,752
Consolidated net income for the period	3,528	10,183
Equity attributable to equity holders of the Parent	110,710	101,762
Equity attributable to third parties	-	-
Total consolidated shareholders' equity	**110,710**	**101,762**
Non-current liabilities		
Medium-/long-term financial liabilities	12,625	15,099
Employee benefits	212	212
Provisions for risks and charges	-	-
Deferred tax liabilities	137	128
Total non-current liabilities	**12,974**	**15,439**
Bank loans and other current financial liabilities	14,445	12,007
Provisions for risks and charges	280	337
Trade payables	110,094	96,763
Tax liabilities	935	1,261
Other payables	22,402	26,077
Total current liabilities	**148,156**	**136,445**
Total consolidated shareholders' equity and liabilities	**271,840**	**253,645**

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

Thousand Euro	*Share capital*	*Share premium reserve and other equity-related reserves*	*Legal reserve*	*Treasury share acquisition reserve*	*Cash flow hedge reserve*	*IAS 19 reserve*	*Stock option reserve*	*Translation reserve*	*Retained earnings or losses carried forward*	*Consolidated net income*	*Shareholders' Equity attributable to non-controlling interests*	*Shareholders' Equity attributable to non-controlling interests*	***Total***
31 December 2012	**573**	**61,734**	**193**	**(1,136)**	**(177)**	**-**	**16,401**	**236**	**13,752**	**10,183**	**-**	**-**	**101,762**
Share capital increases	6	2,125	-	-	-	-	-	-	-	-	-	-	**2,130**
Increases in reserves for share-based payments	-	-	-	-	-	-	3,929	-	-	-	-	-	**3,929**
Total consolidated comprehensive income	-	-	-	-	208	(44)	-	(801)	-	3,528	-	-	**2,890**
Other changes	-	-	-	597	-	-	(597)	-	10,183	(10,183)	-	-	**-**
30 September 2013	**579**	**63,859**	**193**	**(539)**	**32**	**(44)**	**19,733**	**(567)**	**23,935**	**3,528**	**-**	**-**	**110,710**

Statement of changes in consolidated shareholders' equity as at 30 September 2012

Thousand Euro	*Share capital*	*Share premium reserve and other equity-related reserves*	*Legal reserve*	*Treasury share acquisition reserve*	*Stock option reserve and cash flow hedge*	*Translation reserve*	*Retained earnings or losses carried forward*	*Consolidated net income*	*Third-party equity*	***Total***
31 December 2011	531	57,328	193	(1,315)	11,101	963	3,754	10,000	-	**82,555**
Share capital increases	40	4,962	-	-	-	-	-	-	-	**5,002**
Increases in reserves for share-based payments	-	-	-	-	2,844	-	-	-	-	**2,844**
Total consolidated comprehensive income	-	-	-	-	434	(92)	-	3,405	-	**3,747**
Other changes	-	-	-	-	-	-	10,000	(10,000)	-	**-**
30 September 2012	**571**	**62,290**	**193**	**(1,315)**	**14,380**	**871**	**13,754**	**3,405**	**-**	**94,149**

Consolidated statement of cash flows

Thousand Euro	30 September 2013	30 September 2012
Consolidated net income for the period	3,528	3,405
Adjustments for:		
Taxes for the period	2,064	2,593
Financial expenses	2,627	2,563
Financial income	(962)	(1,528)
Share of profit for associates	761	-
Depreciation, amortisation and impairment losses	13,483	8,839
Fair value measurement of stock options	3,761	2,887
Unrealised effect of changes in foreign exchange rates	(801)	(92)
(Gains)/losses on sale of non-current assets	3	(1)
Provisions of employee benefits	65	6
Provisions for risks and charges	279	195
Payment of employee benefits	(66)	(7)
Use of provisions for risks and charges	(336)	(185)
Changes in inventories	(13,701)	(21,062)
Changes in trade receivables	3,527	(2,493)
Changes in trade payables	13,332	19,200
Changes in other current assets and liabilities	(6,395)	(1,989)
Cash flow from (used in) operating activities	**21,169**	**12,330**
Income tax paid	(3,750)	(2,693)
Interest and other financial expenses paid	(2,627)	(2,563)
Interest and other financial income received	962	1,528
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**15,754**	**8,603**
Investing activities		
Acquisition of property, plant and equipment	(15,428)	(3,140)
Acquisition of intangible assets	(13,609)	(10,682)
Acquisition of stakes in associate companies	(761)	(59)
Acquisition of other non-current financial assets	(7)	(22)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(29,805)**	**(13,903)**
Financing activities		
New short-term liabilities	4,169	-
Repayment of short-term liabilities	(1,952)	-
New medium-/long-term financial liabilities	338	588
Repayment of medium-/long-term financial liabilities	(97)	(213)
Increase in share capital and share premium reserve	2,131	5,002
Investments/disinvestments in other financial assets	(1,542)	(1,079)
Variation through difference between cash flow effect and action of incentive plans	169	(42)
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**3,216**	**4,256**
TOTAL CASH FLOW FOR THE PERIOD	**(10,835)**	**(1,044)**
Cash and cash equivalents at the beginning of the period	35,775	22,743
Cash and cash equivalents at the end of the period	24,940	21,699
TOTAL CASH FLOW FOR THE PERIOD	**(10,835)**	**(1,044)**

APPROVAL OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2013

The consolidated interim financial statements as at 30 September 2013 were approved by the Board of Directors on 6 November 2013.

SCOPE OF CONSOLIDATION

The scope of consolidation as at 30 June 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.

As at 30 September 2013, the scope of consolidation included the following companies:

Company	***Registered Office***	***Share capital as at 30 September 2013 (Thousand Euro)***	***Percentage held as at 30 September 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	Delaware, 1220 Market St. Ste 806, Wilmington 19801, United States of America	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 31 December 2012 or 30 September 2012.

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

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

	Exchange rate as at 31 December 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 as at 30 September 2012	Average exchange rate for the first nine months of 2012
USD	1.2930	1.2808
JPY	100.37	101.61
CNY	8.1261	8.1058
HKD	10.026	9.9381
GBP	0.7981	0.8120

The foreign currencies are reported against Euro units.

INFORMATION BY BUSINESS LINE

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

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

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

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

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

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

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

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

All the income components presented are assessed using the same accounting criteria adopted for preparing the Group’s consolidated financial statements as at 31 December 2012.

Operating information by business line as at 30 September 2013, with a reconciliation of entries with the Group’s income statement is as follows:

Description	***Multi-brand***		***Mono-brand***		***Corporate***		***Group total***	
	Sept-13	***Sept-12***	***Sept-13***	***Sept-12***	***Sept-13***	***Sept-12***	***Sept-13***	***Sept-12***
Net segment revenues	**229,998**	**186,283**	**89,284**	**79,834**			**319,282**	**266,117**
Segment operating profit	**32,669**	**22,943**	**17,881**	**14,566**			**50,549**	**37,509**
Reconciliation with Group results:								
General expenses					(35,745)	(26,378)	**(35,745)**	**(26,378)**
Other amortisation and depreciation not attributed to the business lines					(4,270)	(2,905)	**(4,270)**	**(2,905)**
Other income and expenses					(2,516)	(1,194)	**(2,516)**	**(1,194)**
Non-recurring expenses					-	-	**-**	**-**
Other items								
Group operating profit	**32,669**	**22,943**	**17,881**	**14,566**	**(42,531)**	**(30,477)**	**8,018**	**7,032**
Result of equity investments					(761)	-	**(761)**	**-**
Financial income					962	1,528	**962**	**1,528**
Financial expenses					(2,627)	(2,563)	**(2,627)**	**(2,563)**
Profit before tax							**5,592**	**5,998**
Taxes					(2,064)	(2,593)	**(2,064)**	**(2,593)**
Profit for the year							**3,528**	**3,405**

INFORMATION BY GEOGRAPHICAL AREA

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

Description	*30 September 2013*	*30 September 2012*
Italy	47,502	41,264
Europe (excluding Italy)	152,731	128,114
North America	72,963	56,332
Japan	25,724	23,003
Other countries	15,440	10,213
Not country related	4,924	7,192
Total	**319,282**	**266,117**

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

In the first nine months of 2013 and 2012 no revenues were obtained from a single third party customer for a value of more than 10% of the Group’s revenues.

BASIC AND DILUTED EARNINGS PER SHARE

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

Calculation of basic EPS	**30 September 2013**	**30 September 2012**
Basic earnings which can be allocated	3,528	3,405
Basic average number of ordinary shares	57,551,332	55,599,739
Basic EPS	**0.0613**	**0.0612**

Calculation of diluted EPS	**30 September 2013**	**30 September 2012**
Basic earnings which can be granted	3,528	3,405
Basic average number of ordinary shares	57,551,332	55, 599,739
Average number of shares granted without consideration	5,108,029	4,887,744
Total	62,659,362	60,487,483
Diluted EPS	**0.0563**	**0.0563**

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

In the calculation of the basic earnings per share (Basic EPS) and the diluted earnings per share (Diluted EPS) described above, the repurchase of treasury shares, which took place on 2 July 2010 and on 7 November 2011, involving a total of 162,000 shares, was taken into account. Treasury shares repurchased were deducted in the calculation of the average number of outstanding ordinary shares net of 31,338 shares, 4,801 shares, 20,255 shares, 378 shares and 48,464 shares relating to the Company Incentive Plan, granted respectively on 6 August 2012, 10 January 2013, 27 May 2013, 3 June 2013 and 1 August 2013 to 45 beneficiaries.

STOCK OPTION AND INCENTIVE PLANS

Granting of stock options

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

With reference to the following stock option and company incentive plans for employees, partners, consultants and directors of the company and subsidiaries, as at 30 September 2013 the following option rights were granted by the Board of Directors as detailed in the table below:

Stock option plans	*Granted (a)*	*Lapsed (b)*	*Exercised (c)*	*Total granted not lapsed or not exercised (d = a-b-c)*	*Granted not vested*	*Granted vested not exercised*	*Granted vested and exercised*
2001 – 2003	80,575	31,560	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	17,401	2,268	0	0	2,268
2006 – 2008	31,303	200	23,765	7,338	0	0	7,338
2007 – 2012	102,600	3,650	59,736	39,214	0	0	39,214
2009 – 2014	94,448	12,097	6,908	75,443	24,953	2,680	47,810
Total	**378,005**	**63,157**	**185,239**	**129,609**	**24,953**	**2,680**	**101,976**

In the above-mentioned plans 4,434 options were granted as at 30 September 2013.

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

	Strike prices in Euro															
	46.48	**59.17**	**106.50**	**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	2,000	104,000
2003-2005	2,346	0	1,000	0	0	0	0	0	0	0	0	0	0	0	3,346	173,992
2004-2006	1,768	0	500	0	0	0	0	0	0	0	0	0	0	0	2,268	117,936
2006-2008	0	7,338	0	0	0	0	0	0	0	0	0	0	0	0	7,338	381,576
2007-2012	0	38,114	1,100	0	0	0	0	0	0	0	0	0	0	0	39,214	2,039,128
2009-2014	0	0	0	39,111	9,343	963	1,265	3,206	1,926	9,255	6,199	1,926	1,928	321	75,443	3,923,036
Total	**4,114**	**45,452**	**4,600**	**39,111**	**9,343**	**963**	**1,265**	**3,206**	**1,926**	**9,255**	**6,199**	**1,926**	**1,928**	**321**	**129,609**	**6,739,668**

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

Stock option plan	**Granted (a)**	**Lapsed (b)**	**Exercised (c)**	**Total granted not lapsed or not exercised (d = a-b-c)**	**Granted not vested**	**Granted vested not exercised**	**Granted vested and exercised**
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 illustrates the exact strike prices of the options granted not lapsed or not exercised.

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

Granting of shares

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

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

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

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

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

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

As at 30 September 2013 the company held 56,764 treasury shares in its portfolio equal to 0.0980% of the share capital following the payment to 45 beneficiaries of a total of 105,236 ordinary shares. Specifically, 31,338 ordinary shares were granted on 6 August 2012, 4,801 ordinary shares on 10 January 2013, 20,255 ordinary shares on 27 May 2013, 378 ordinary shares on 3 June 2013 and 48,464 ordinary shares on 1 August 2013 relating to the company incentive plan.

As at 30 September 2013, 19 of the 62 recipients lost their rights as they had resigned. This involved the lapse of 60,916 ordinary shares.

Capital increases to service company stock option and incentive plans

The Board of Directors met on 31 January 2005 and made full use of its power pursuant to Article 2443 of the Italian Civil Code conferred by the Extraordinary Shareholders' Meeting of 22 March 2000 and subsequent amendments, increasing the share capital to service the stock option plans, through the issue of a maximum of 1,116,076 shares, with an implicit accounting par value of Euro 0.01, with a premium of Euro 0.2960 for each new share, with standard dividend rights. Pursuant to Article 2439, paragraph two of the Italian Civil code, the deadline for subscription is set at 31 January 2015, with the provision that if the capital increase has not been fully placed by this deadline, the capital will be deemed to be increased by an amount equal to the subscriptions received up to that moment.

At the same meeting on 31 January 2005, the Board of Directors also made full use of its power pursuant to Article 2443 of the Italian Civil Code conferred by the Extraordinary Shareholders' Meeting of 31 July 2000 and subsequent amendments, increasing the share capital to service the stock option plans, through the issue of a maximum of 1,483,924 new shares, with an implicit accounting par value of Euro 0.01, with a premium of Euro 0.8839 for each new share, with standard dividend rights. Pursuant to Article 2439, paragraph two of the Italian Civil code, the deadline for subscription is set at 31 January 2015, with the provision that if the capital increase has not been fully placed by this deadline, the capital will be deemed to be increased by an amount equal to the subscriptions received up to that moment.

The Board of Directors met on 12 July 2007 and made full use of its power pursuant to Article 2443 of the Italian Civil Code conferred by the Extraordinary Shareholders' Meeting of 18 July 2002 and amended through the resolution of the Extraordinary Shareholders' Meeting on 2 December 2005, increasing the share capital to service the stock option plans, through the issue of a maximum of 1,755,520 new shares, with an implicit accounting par value of Euro 0.01, with a premium of Euro 0.8839 for each new share, with standard dividend rights, destined for Company employees or directors. Pursuant to Article 2439, paragraph two of the Italian Civil code, the deadline for subscription is set at 31 July 2017, with the provision that if the capital increase has not been fully placed by this deadline, the capital will be deemed to be increased by an amount equal to the subscriptions received up to that moment.

The Board of Directors met on 1 December 2008 and made full use of its power pursuant to Article 2443 of the Italian Civil Code conferred by the Extraordinary Shareholders' Meeting of 10 December 2003 and amended through the resolution of the Extraordinary Shareholders' Meeting on 2 December 2005, increasing the share capital to service the stock option plans, through the issue of a maximum of 1,022,788 new shares, with an implicit accounting par value of Euro 0.01, with a premium of Euro 0.8839 for each new share, with standard dividend rights, destined for Company employees or directors. Pursuant to Article 2439, paragraph two of the Italian Civil code, the deadline for subscription is set at 1 December 2018, with the provision that if the capital increase has not been fully placed by this deadline, the capital will be deemed to be increased by an amount equal to the subscriptions received up to that moment.

The Board of Directors met on 3 September 2009 and made full use of its power pursuant to Article 2443 of the Italian Civil Code conferred by the Extraordinary Shareholders' Meeting of 2 December 2005 and amended through the resolution of the Extraordinary Shareholders' Meeting of 12 July 2007, increasing the share capital to service the stock option plans, through the issue of a maximum of 1,627,756 new shares, with an implicit accounting par value of Euro 0.01, with a premium of Euro 1.1279, with identical dividend rights to those of the other outstanding shares at the time of their subscription. Pursuant to Article 2439, paragraph two of the Italian Civil code, the deadline for subscription is set at 3 September 2019, with the provision that if the capital increase has not been fully placed by this deadline, the capital will be deemed to be increased by an amount equal to the subscriptions received up to that moment.

At the same meeting on 3 September 2009, the Board of Directors also partly used its power, conferred pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of 16 May 2007, increasing the share capital, with the exception of the option right pursuant to Article 2441, paragraphs five and eight of the Italian Civil Code to service the stock option plans, through the issue of a maximum of 5,176,600 new ordinary shares with the same characteristics as the outstanding ones, an implicit accounting par value of Euro 0.01 for each share. The price of the shares was set at Euro 1.1379 for each share for the 4,784,000 new shares and Euro 2.0481 for each share for the 392,600 new shares.
Pursuant to Article 2439, paragraph two of the Italian Civil Code, the subscription deadline was set as 3 September 2019, with the provision that if the increase has not been entirely placed by this deadline, the share capital will be deemed to be increased by an amount equal to the subscriptions received until that moment.

The Extraordinary Shareholders' Meeting on 8 September 2009 approved an increase through the payment in one or more tranches, subject to the start of trading of Company shares on the *Mercato Telematico Azionario* STAR segment, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., of the share capital with exclusion of option rights pursuant to Article 2441, paragraphs five and eight of the Italian Civil Code, with the increase destined to implement the incentive plan approved by the same meeting in ordinary session for directors, employees and consultants; the execution of the increase will take place through the issue of a maximum total number of 4,732,000 new ordinary shares (following the share split approved by the same meeting), and therefore a total nominal amount of Euro 47,320 to be allocated to capital, being the implicit accounting par value of Euro 0.01; the new-issue shares will have identical dividend rights to the other outstanding shares at the time of their subscription. The share issue price will be calculated taking the weighted average of the prices recorded by Company shares on the market in the thirty trading days prior to the date of granting the options, without prejudice to the minimum price established by law and also the accounting par value determined above. Where not entirely implemented by the deadline of 31 December 2014, the capital increase will remain within the limits of the subscriptions received by that date.

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

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

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

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

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

Significant events after 30 September 2013

Granting of shares following the exercise of stock options
After the end of the period, on 1 October 2013, 90,012 YOOX S.p.A. ordinary shares were granted following the exercising of 1,731 options relating to the 2009-2014 stock option plan.

Given the above, the share capital issued by YOOX S.p.A. at the time of writing is Euro 580,273.72, divided into 58,027,372 ordinary shares with no indication of nominal value.

Launch of the new armani.com
On 22 October 2013 the new release of armani.com was launched, for which YOOX also designed and developed the creative concept.

Zola Predosa (BO), 6 November 2013
For the Board of Directors

Chairman of the Board of Directors
Federico Marchetti

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

The undersigned Francesco Guidotti, Director in charge or preparing corporate accounting documents for YOOX S.p.A., declares in conformity with the provisions of paragraph two of Article 154-*bis* of the Consolidated Finance Law that the interim financial statements of the YOOX Group as at 30 September 2013 correspond to documented records, accounting books and ledgers

Zola Predosa (BO), 6 November 2013

Director responsible for preparing corporate accounting documents
Francesco Guidotti