YOOX GROUP

Consolidated interim financial statements at March 31, 2015

YOOX S.p.A.
Via Nannetti, 1 – 40069 Zola Predosa (BO)
Share capital: Euro 620,992.32 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 31 MARCH 2015

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MANAGEMENT AND CONTROL BODIES

BOARD OF DIRECTORS

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Chairman
Raffaello Napoleone[2]

Directors
Robert Kunze-Concewitz[3 5 6]
Stefano Valerio[3 4]
Catherine Gérardin Vautrin[2 3 5]
Laura Zoni[4]
Alessandro Foti[2 4 5]

BOARD OF STATUTORY AUDITORS

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Giovanni Naccarato
Patrizia Arienti

Alternate Auditors
Andrea Bonechi
Nicoletta Maria Colombo

INDEPENDENT AUDITORS

KPMG S.p.A.

SUPERVISORY BODY LEGISLATIVE DECREE 231/01

Rossella Sciolti – Chairwoman
Riccardo Greghi
Isabella Pedroni

DIRECTOR IN CHARGE OF PREPARING CORPORATE ACCOUNTING DOCUMENTS

Enrico Cavatorta

HEAD OF INTERNAL AUDIT

Riccardo Greghi

1 Executive director in charge of the Internal Control and Risk Management System.
2 Member of the Control and Risk Committee.
3 Member of the Remuneration Committee.
4 Member of the Directors' Appointments Committee.
5 Member of the Committee for Related-Party Transactions.
6 Lead Independent Director.

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DIRECTORS' INTERIM REPORT

INTRODUCTION

The first quarter of 2015 showed a continued increase in sales for the Group, both in the Multi-brand and Mono-brand business lines, recording improved performances in all the main reference markets. The number of active customers, the number of unique visitors, the number of orders and the average order value also improved. Please see the key indicators table below for further details.

One of the most significant events was the launch, in February, of the Lanvin online store in Europe, the United States and Japan, later extended to China in March. Also in February, the new release of marni.com "Powered by YOOX Group" was launched. The creative concept was developed by the YOOX creative agency.
The Brioni online store was extended to the Chinese market on 5 February 2015.
On 11 February 2015, the partnership with Aeffe Retail S.p.A. for the management of the albertaferretti.com online stores in Europe, the United States and Japan was renewed for a further 5 years until 17 March 2020.
In addition, before they expired naturally, the contracts with Staff International S.p.A. (OTB Group) within the scope of the partnership for the management of the Maison Martin Margiela and Just Cavalli Mono-brand online stores were renewed until 31 December 2020 in all the markets in which they operate.

As pointed out in the significant events after the end of the reporting period, on 24 April 2015, the YOOX S.p.A. Board of Directors, in line with the announcement already made to the market on 31 March 2015, approved the draft merger between YOOX S.p.A. and THE NET-A-PORTER GROUP Limited and decided on the exchange ratio as 1 newly issued YOOX share for every Largenta Italia S.p.A. share, the non-operational company controlled by Richemont which, with effect from the merger, will indirectly control THE NET-A-PORTER GROUP Limited and will be incorporated into YOOX S.p.A..
The merger seeks to integrate two highly complementary companies, with significant potential for synergies in terms of customer segments covered, geographical exposure and mix of skills, with the aim of creating a global group leader in the online luxury fashion segment.
For further information, please refer to the press releases, issued on 31 March and 24 April 2015, available on the Company's website.

In line with the logistics strategy that involves the openings of specialist stores by goods category based on the Groups' growth requirements (so-called "Lego strategy"), in January 2015 the new semi-automated space dedicated to footwear at the Interporto logistics hub (Bologna) was inaugurated.

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 include clothing, footwear and fashion accessories drawn from the collections of well-known brands for the corresponding season of the previous year at discounted 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 throughout the year.

In the first quarter of 2015, the Multi-brand business line generated a monthly average of about 8.9 million unique visitors[7].

The Group has designed and promoted *web* campaigns courtesy of which the Multi-brand business line has reached a figure in the first quarter of 2015, of approximately 40 thousand websites in more than 50 countries; about 85 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 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 the 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 Kering luxury brands.

In the first quarter of 2015, the Mono-brand business line generated a monthly average of about 9.9 million unique visitors.

As at 31 March 2015, there were 38 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;

- emporioarmani.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 China in November 2010;

- diesel.com, the online store of the Diesel, Diesel Black Gold and 55 DSL brands, operational mainly in Europe 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;

[7] 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.

- valentino.com, the online store of the Valentino brand, operational since April 2008 in the US, since March 2009 in the main European markets and Japan, and since November 2014 in China;
- 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, the US and Japan;
- dsquared2.com, the online store of the Dsquared2 brand, operational since September 2009, mainly in Europe, the US, Japan and China;
- 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; the Jil Sander Navy brand has been extended since January 2011;
- robertocavalli.com, the online store of the Roberto Cavalli and Just Cavalli brands, operational since November 2009 mainly in Europe, the US and Japan; the Just Cavalli brand has been extended since February 2011;
- 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, and since October 2010 in Japan;
- 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;
- maisonmargiela.com, the online store of the Maison 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; the extension to the Z Zegna brand took place in September 2011;
- y-3store.com, the online store of the Y3 brand, operational since March 2011, mainly in Europe, the US and Japan 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, Japan, extended in China in April 2014;
- bikkembergs.com, the online store of the Dirk Bikkembergs Sport Couture and Bikkembergs brands, operational since June 2011, mainly in Europe, the US and 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 China, from September 2014, in Japan;
- 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, Japan and in Europe, and since July 2014 in the US;
- 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, in North America, and since the end of 2014, in Japan;
- kartell.com, the online store of the Kartell brand operational since May 2014 in Europe;
- redvalentino.com, the online store of the Red Valentino brand, operational since November 2014 mainly in the US, Europe and Japan;
- lanvin.com, the online store of the Lanvin brand, operational since February 2015 in Europe, the US and the major Asia-Pacific area countries, later extended to the Chinese market in March 2015;
- 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 and extended to the Chinese market in June 2014;
- 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 Europe, the US and Japan and extended to the Chinese market in January 2014;
- 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 and extended to the Chinese market in January 2014;
- 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 and extended to the Chinese market in May 2014;
- 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;
- brioni.com, the online store of the Brioni brand, managed by the joint venture between Kering and YOOX Group, operational since November 2013 mainly in Europe, the US and Japan, extended to the Chinese market in February 2015.

REVENUE AND PROFITABILITY

Methodology note

This Directors' Report contains information relating to the revenues and profitability of the YOOX Group as at 31 March 2015.
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 in relation to 31 December 2014. 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 parent company YOOX S.p.A. is referred to with its full name or simply as the Company; the Group reporting directly to it is hereinafter referred to as YOOX Group or simply as the Group; when notes refer to subsidiaries, full company names are used.

All subsidiaries of YOOX S.p.A. operate in the Group's business sector, or in any event, perform activities that are consistent with those of the Group. YOOX S.p.A. manages its subsidiaries with reference to the geographical operating area. Thus, for more precise information on geographical areas, please refer to the information by business segment, and in general, to information provided in the condensed consolidated interim financial statements in terms of comments on the main events that occurred in relation to subsidiaries.

Accounting standards

The consolidated interim financial statements at 31 March 2015 have been prepared in conformity with the requirements of Article 154-*ter*, paragraph 5 of Legislative Decree 58/98 of the TUF (Consolidated Finance Act) – and later amendments and supplements – and in conformity with Article 2.2.3 of the Stock Exchange Regulations. They comprise the Directors' Interim Report on Operations and the condensed consolidated interim financial statements at 31/3/2015, prepared applying IAS 34 - Interim financial statements for the purpose of inclusion in the Prospectus relating to the merger transaction described previously.
The condensed consolidated interim financial statements in the consolidated interim report at 31 March 2015 conform to IAS/IFRS international accounting standards and are submitted voluntarily for limited auditing to KPMG SpA.
Note that the level of information contained therein is considered to be of an extraordinary nature and cannot be repeated in the same way in interim reports for future year ends.
The accounting standards, the consolidation standards and evaluation criteria used in preparing the consolidated interim report are consistent with the standards used to draw up the consolidated financial statement at 31 December 2014; they are posted on the website www.yooxgroup.com under 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 profit and loss statements for the Group, presented in the following pages of the current Directors' Interim Report on Operations, have been reclassified in a way deemed by management to be useful for reporting interim indicators of profitability such as gross profit, EBITDA Pre Corporate Costs, EBITDA, EBITDA without incentive plans and operating profit. Some of the above interim profitability indicators are not recognised as accounting measures under the IFRS endorsed by the European Union, and their calculation may not be standard. Group management uses these indicators to monitor and measure the Group's performance. Management believes that these indicators are an important measure of operating performance in that they are not affected by the various criteria used to calculate taxes, the amount and characteristics of invested capital and the related amortisation and depreciation methods. The criterion used by the Group to calculate these indicators might not be consistent with that adopted by other groups or companies, and accordingly, the resulting figures may not be comparable.

Reclassified consolidated income statement

Reclassified consolidated income statement for the first quarter of 2015:

Thousand Euro	31 March 2015	31 March 2014	Change	
Consolidated net revenue	147,234	126,514	20,720	16.4%
Cost of goods sold	(96,008)	(84,096)	(11,913)	14.2%
Gross Profit[8]	**51,226**	**42,419**	**8,808**	**20.8%**
% of consolidated net revenue	34.8%	33.5%		
Fulfilment costs	(13,203)	(11,146)	(2,057)	18.5%
Sales and marketing costs	(17,585)	(13,576)	(4,009)	29.5%
EBITDA Pre Corporate Costs[9]	**20,438**	**17,697**	**2,741**	**15.5%**
% of consolidated net revenue	13.9%	14.0%		
General expenses	(11,256)	(9,072)	(2,184)	24.1%
Other income and expenses	(1,113)	(534)	(579)	>100%
EBITDA[10]	**8,068**	**8,091**	**(22)**	**-0.3%**
% of consolidated net revenue	5.5%	6.4%		
Depreciation and amortisation	(7,209)	(5,725)	(1,484)	25.9%
Non-recurring expenses	(1,590)	-	(1,590)	-
Operating result	**(730)**	**2,365**	**(3,096)**	**-130.9%**
% of consolidated net revenue	-0.5%	1.9%		
Result of Equity Investments	86	(243)	329	-135.4%
Financial income	5,308	214	5,094	>100%
Financial expenses	(2,710)	(871)	(1,839)	>100%
Profit before tax	**1,954**	**1,465**	**489**	**33.3%**
% of consolidated net revenue	1.3%	1.2%		
Taxes	(763)	(549)	(214)	39.0%
Consolidated net income for the period	**1,191**	**916**	**275**	**30.0%**
% of consolidated net revenue	0.8%	0.7%		
EBITDA excluding incentive plan costs[11]	**9,083**	**8,998**	**85**	**0.9%**
% of consolidated net revenue	6.2%	7.1%		
Adjusted net income[12]	**2,977**	**1,610**	**1,368**	**85.0%**
% of consolidated net revenue	2.0%	1.3%		

In the first quarter of 2015, the Group posted consolidated net revenues, net of returns and customer discounts, of Euro 147,234 thousand, up 16.4% from Euro 126,514 thousand at 31 March 2014 (+13.6% at constant exchange rates).

EBITDA stood at Euro 8,068 thousand at 31 March 2015 compared with Euro 8,091 thousand at 31 March 2014. This performance reflects the greater impact of operating costs, which more than offset the improvement in gross profit. The percentage of EBITDA on net revenues went from 6.4% in the first quarter of 2014 to 5.5% in the first quarter of 2015. Excluding the non-cash costs relating to the Incentive Plans, equal to Euro 1,014 thousand, EBITDA excluding Incentive Plan Costs stood at Euro 9,083 thousand (+0.9% compared with the same period in 2014), with a margin on sales of 6.2%[13].

8 Gross profit is profit before fulfilment costs, sales and marketing costs, general expenses, other operating income and expenses, depreciation and amortisation, 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 figures may not be comparable.

9 EBITDA Pre Corporate Costs (or Operating Profit by business line) is defined as earnings before general expenses, other income and expenses, depreciation and amortisation, 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 sector operating result shown in the consolidated financial statements.

10 EBITDA is profit before depreciation and amortisation, 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.

11 The EBITDA excluding the Incentive Plans costs is defined as the EBITDA gross of costs relating to the Stock Option Plans and Company Incentive Plans, described in the condensed consolidated interim financial statements. For more details, refer to Annex 1 of this Report, which describes the impact of these costs on the reclassified consolidated income statement.

12 The adjusted Net Result excludes non-cash costs relating to existing Incentive Plans, non-recurring expenses relating to the merger transaction with THE NET-A-PORTER GROUP Limited as well as related tax effects.

13 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'.

Non-recurring expenses are due to the merger transaction with THE NET-A-PORTER GROUP Limited and mainly include expenses for legal, tax accounting, financial and strategic services, as well as other general expenses connected with the transaction, pertaining to the period.
Consolidated net income stood at Euro 1,191 thousand compared with Euro 916 thousand at 31 March 2014 (+30.0% compared with the same period in 2014). This improvement is mainly due to a significant increase in exchange rate earnings and a positive result from investments relating to the joint venture with Kering. These effects more than offset the increase in non-recurring amortisation and depreciation and expenses. Excluding these non-recurring expenses and non-cash costs relating to incentive plans and their related tax effect, adjusted Net income stood at Euro 2,977 thousand compared with Euro 1,610 thousand for the first quarter of 2014 (+85.0% compared with the same period in 2014).

The table below shows several key indicators[14] relating to the Group's activities.

	31 March 2015	31 March 2014
Number of Monthly Unique Visitors[15] (millions)	18.8	14.8
Number of orders (thousands)	984	842
AOV[16] (Euro)	198	194
Number of active customers[17](thousands)	1,300	1,135

In the first quarter of 2015 the Group recorded an average of 18.8 million unique visitors per month, compared with 14.8 million as at 31 March 2014, and numbers of orders equal to 984 thousand, equivalent to one order processed every 8 seconds[18], compared with 842 thousand in the first quarter of 2014.
The average order value (AOV) stood at Euro 198 (excluding VAT) compared with Euro 194 (excluding VAT) in the same period of the previous year.
There was also an increase in the number of active customers, which stood at 1,300 thousand as at 31 March 2015, compared with 1,135 thousand as at 31 March 2014.

Analysis of net revenues and operating profit by *business line*

Below is key operating information by business line with a breakdown of the Group's net revenues and operating profit by business line.
Since the management reporting system used by management to assess corporate performance does not allocate certain accounting aggregates to business lines (depreciation and amortisation, non-monetary revenue and expenses, general expenses, other non-recurring income and expenses, 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, with a reconciliation of entries with the Group's income statement, see the condensed consolidated interim financial statements as at 31 March 2015.

Operating information by business line as at 31 March 2015 is as follows:

	Multi-brand		**Mono-brand**		**Group total**	
Thousand Euro	*31 March 2015*	*31 March 2014*	*31 March 2015*	*31 March 2014*	*31 March 2015*	*31 March 2014*
Consolidated net segment revenue	105,217	91,095	42,018	35,420	**147,234**	**126,514**
% of consolidated net Group revenue	71.5%	72.0%	28.5%	28.0%	**100.0%**	**100.0%**
% change	*15.5%*		*18.6%*		***16.4%***	
Business line operating profit	12,376	10,915	8,061	6,782	**20,438**	**17,697**
% of consolidated net sector revenue	11.8%	12.0%	19.2%	19.1%	**13.9%**	**14.0%**
% change	*13.4%*		*18.9%*		***15.5%***	

[14] The indicators refer to yoox.com thecorner.com, shoescribe.com and to the mono-brand online stores "Powered by YOOX Group". The indicators related to the joint venture with Kering are excluded.
[15] 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. Source: SiteCatalyst for yoox.com; Google Analytics for thecorner.com, shoescribe.com and Mono-brand "Powered by YOOX Group" online stores.
[16] Average Order Value or AOV refers to the average value of each purchase order, excluding VAT.
[18] Calculated by dividing the overall total of seconds relating to the first quarter of 2015 by the number of orders processed at Group level in the same period of time.

In the first quarter of 2015, the Group's consolidated net revenue, net of returns from sales and discounts given to customers, was equal to Euro 147,234 thousand, a growth of 16.4% over the figure of Euro 126,514 thousand for the first quarter of 2014, with a contribution from both business lines.
The sector operating result (or EBITDA Pre Corporate Costs) was Euro 20,438 thousand, an increase of 15.5% compared with Euro 17,697 thousand for the first three months of 2014, with a margin of 13.9% compared with 14.0% for the first quarter of 2014.

Multi-brand business line
The Multi-brand business line, which includes the activities of yoox.com, thecorner.com and shoescribe.com online stores, recorded consolidated net revenues of Euro 105,217 thousand, a 15.5% growth compared with the Euro 91,095 thousand for the first quarter of 2014. This performance reflects the good results of all three online stores. Overall, in the first quarter of 2015, the Multi-Brand business line accounted for 71.5% of the Group's consolidated net revenue.
The operating result of the Multi-brand sector stood at Euro 12,376 thousand, an increase of 13.4% compared with Euro 10,915 thousand in the first quarter of 2014, with a margin of 11.8% compared with 12.0% in the first quarter of 2014. This performance, on the one side, reflects an improvement in gross profit due mainly to the positive performance of all currencies against the Euro except for the rouble and, on the other side, a greater impact of fulfilment and sales and marketing costs. The latter effect is due to the increase in costs of overseas branches through currency increases in value, as well as the increase in logistics costs for the new areas dedicated to footwear and, as anticipated, greater investments in marketing to support the expanding buying campaigns for yoox.com.

Mono-brand business line
The Mono-brand business line includes the design, set-up and management of the online stores of some of the leading global luxury fashion brands. This line of business recorded consolidated net revenue equal to Euro 42,018 thousand, with an 18.6% increase compared with the Euro 35,420 thousand as at 31 March 2014, while the growth in net revenue at retail value[19] stood at 27.4%.
The results of this business line, featuring significant exposure in the United States, has benefited from the strong appreciation of the dollar against the Euro, the solid performance of the joint venture with Kering and most of the Mono-brand portfolio.
Overall, as at 31 March 2015, the Mono-brand business line accounted for 28.5% of the Group's consolidated net revenue with 38 online stores.
The Mono-brand sector operating result was Euro 8,061 thousand, an increase of 18.9% compared with Euro 6,782 thousand for the first three months of 2014, with a margin of 19.2% compared with 19.1% for the first quarter of 2014. This performance reflects the operating leverage on business expenses, which offset the lower revenues from Mono-brand online store set-up and maintenance activities.

Analysis of consolidated net revenue by geographical area

Below is a breakdown of the Group's consolidated net revenue by geographical area as at 31 March 2015.

Thousand Euro	31 March 2015		31 March 2014		Change	
Italy	22,123	15.0%	19,973	15.8%	2,149	10.8%
Europe (excluding Italy)	67,055	45.5%	62,190	49.2%	4,865	7.8%
North America	35,595	24.2%	24,884	19.7%	10,711	43.0%
Japan	11,335	7.7%	10,702	8.5%	633	5.9%
Other countries	9,988	6.8%	6,578	5.2%	3,411	51.9%
Not country related	1,139	0.8%	2,187	1.7%	(1,048)	-47.9%
Total YOOX Group	**147,234**	**100.0%**	**126,514**	**100.0%**	**20,720**	**16.4%**

In the course of the first quarter of 2015, the Group recorded growth in all the main benchmark markets.

The performance of North America, the Group's main market, was excellent, posting net revenues of Euro 35,595 thousand, growth of 43.0% (+17.6% at constant exchange rates). This result, on the one side, reflects the good organic performance of the US and, on the other side, the positive performance of the Euro/dollar exchange rate.
Net revenues for Italy stood at Euro 22,123 thousand, an increase of 10.8% in spite of the challenging comparison with the same period in the previous year (+20% at 31 March 2014).

[19] Revenues at retail value for all Mono-brand online stores including the online stores of the Joint Venture with Kering net of returns and discounts granted to customers. These revenues exclude the set-up, design and maintenance fees of Mono-brand online stores recorded under "Not country related" revenues.

The results for Europe (Italy excluded) were also positive, with sales growing by 7.8% at current exchange rates and up 15.5% at constant exchange rates, in spite of the performance of Russia which was affected by a strategy of significant price increases that the Group implemented in the period to offset the strong depreciation of the rouble partly protecting profitability. Based on the average rouble/Euro exchange rate for April 2015, it is likely that there will be a reduction in the negative exchange rate effect in the second quarter of 2015.

Japan posted net revenues up by 5.9% (+0.9% at constant exchange rates) compared with the first quarter of 2014.

Lastly, the excellent performance of the Other Countries continued, increasing by 51.9% in the first quarter of 2015 (+30.2% at constant exchange rates) thanks to the excellent results of yoox.com in China and Hong Kong. China continued to benefit from the expansion of the range following the introduction, in the beginning of 2014, of the complementary logistics set-up as well as the excellent performance of the new native app launched in October 2014, which already accounted for 40% of all sales from smart phones and tablets in the first quarter of 2015.

The “Not country related” item (-47.9% compared with 31 March 2014) includes the set-up and maintenance fees 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 9,763 thousand in the first quarter of 2015, comprising Euro 8,994 thousand in intangible assets and Euro 769 thousand in property, plant and equipment. Increases in intangible assets were mainly for investments in multi-year development projects valued at Euro 5,431 thousand.
The new semi-automated logistics centre dedicated to footwear at the Interporto was inaugurated in January 2015.
During the period, the release of cross-channel functionalities for several Mono-brand partners continued, and in May 2015 “Click & Exchange” was introduced, a new service that allows users to buy from online stores Powered by YOOX Group and exchange the products directly in-store.
With a view to increasing the conversion rate of yoox.com, a new text-based search system was introduced aimed at further simplifying browsing within a very extensive catalogue, thereby speeding up the purchasing process.
In order to improve the positioning of yoox.com in Google search results, measures have been taken to optimise the site, both on desktop and mobile devices, which have led to a considerable increase in visits and orders generated by organic traffic.

FINANCIAL MANAGEMENT

Consolidated statement of financial position

The tables below contain the figures taken from the Group's reclassified consolidated statements of financial position as at 31 March 2015 and the Group's consolidated statement of cash flows for the same period.

Reclassified consolidated statement of financial position as at 31 March 2015:

Thousand Euro	Balance at 31 March 2015	Balance at 31 Dec 2014	% Change
Net working capital[20]	55,298	45,317	22.0%
Non-current assets	87,184	82,427	5.8%
Non-current liabilities (excluding financial liabilities)	(345)	(450)	-23.4%
Net Invested Capital[21]	**142,137**	**127,294**	**11.7%**
Shareholders' Equity	162,413	158,294	2.6%
Net Debt / (Net Financial Position)[22]	(20,276)	(31,000)	-34.6%
Total sources of financing	**142,137**	**127,294**	**11.7%**

The net working capital went from Euro 45,317 thousand at 31 December 2014 to Euro 55,298 thousand at 31 March 2015. This change is mainly due to the increase in warehouse inventories, necessary to meet the future growth of the Multi-brand business line.

Reclassified consolidated statement of cash flows as at 31 March 2015:

Thousand Euro	31 March 2015	31 March 2014	% Change
Cash flow generated by (used in) operational activities	565	1,630	-65.4%
Cash flow generated by (used in) investing activities	(11,490)	(10,635)	8.0%
Sub-Total	**(10,925)**	**(9,005)**	**21.3%**
Cash flow generated by (used in) financing activities	44,141	(5,107)	>100%
Total cash flow for the period	**33,216**	**(14,112)**	**>100%**

In the first quarter of 2015, the cash flow generated by operating activities was Euro 565 thousand. The cash flow generated by the increased financial debt was partly used to support Group investments of Euro 11,490 due mainly to investments in technology.

[20] 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.

[21] 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.

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

Debt/Consolidated net financial position

The table below gives details of the YOOX Group's net financial position as at 31 March 2015.

Thousand Euro	Balance at 31 March 2015	Balance at 31 Dec 2014	% Change
Cash and cash equivalents	151,244	118,028	28.1%
Other current financial assets	12,028	9,957	20.8%
Bank loans and other current financial payables	(24,770)	(30,759)	-19.5%
Other current financial liabilities	(1,154)	(155)	>100%
Short-term net financial position	**137,348**	**97,071**	**41.5%**
Medium/long-term financial liabilities	(117,072)	(66,072)	77.2%
(Debt)/Consolidated net financial position	**20,276**	**31,000**	**-34.6%**

In accordance with the Group's organisational structure, treasury operations are centralised at the Parent Company, 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.

During the year, the Group tackled its financial requirement thanks to the generation of cash flow and recourse to lines of credit to finance investments and working capital purchasing campaigns.
To guarantee adequate financial flexibility for future years, in the first quarter of 2015 the Company renegotiated their lines of credit with the major banks and at 31 March 2015 they had a total of Euro 168 million available expiring on average in between 4 and 5 years, of which approximately Euro 35 million was not utilised. The annual cost on the nominal value of the total of lines of credit was equal to an average spread of approximately 160 bps + the Euribor benchmark rate.

Cash and cash equivalents totalled Euro 151,244 thousand as at 31 March 2015, 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 31 March 2015, financial liabilities stood at Euro 141,842 thousand and were mainly made up of medium/long-term loans entered into for funding the investment in the techno-logistics platform. Specifically, the loans include one issued by Banca Nazionale del Lavoro for Euro 14,000 thousand (of which Euro 6,500 thousand is short-term), one issued by Banca Sella for Euro 4,167 thousand (of which Euro 1,667 is short-term), one issued by the EIB for Euro 45,000 thousand (of which Euro 8,837 is short-term), and one issued by Unicredit and Mediocredito, respectively, for Euro 30,000 thousand and Euro 40,000 thousand to be repaid in the long-term. Remaining financial liabilities refer to financial leasing agreements totalling Euro 2,587 thousand (of which Euro 1,722 thousand is short-term) dedicated to investments in technology, and two finance agreements with De Lage Landen for a total of Euro 631 thousand (of which Euro 587 thousand is short-term), short-term IFI financial payables (Factoring) for a total of Euro 5,211 thousand, in addition to the instalments on the above-mentioned loans (Euro 246 thousand).

Other current financial liabilities as at 31 March 2015, of Euro 1,154 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 (Euro 109 thousand) and the exchange rate risk deriving mainly from sales in Japanese Yen (Euro 363 thousand) and sales in US Dollars (Euro 682 thousand).

Other current financial assets as at 31 March 2015, equal to Euro 12,028 thousand, refer mainly to financial receivables due to the Group from "acquirers" who manage authorisation for cards belonging to national/international credit or debit card companies used for online sales, and logistics operators who are asked for cash for payments on delivery (Euro 10,162 thousand). The remaining part is due to financial deferrals recorded at the end of the period (Euro 1,626 thousand) and financial receivables from associates (Euro 240 thousand).

INFORMATION CONCERNING MEASURES TO PROTECT PRIVACY

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 regulatory references on personal data protection, developed under both Italian, community and international scope, and uses the most advanced technological systems for purchasing.
In addition, in order to safeguard the confidentiality, integrity and availability of information about 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 aims to guarantee a high level of security through the introduction of a formal Information risk analysis process based on internationally recognised methods. 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 cyclical approach aimed at continual improvement, in order to guarantee a high level of efficiency and ensure that the Company continues to meet the security challenges facing all modern information systems.

TAX MATTERS

The Group incurred a greater tax burden in absolute terms than at 31 March 2014. Current taxes rose from Euro 982 thousand to Euro 1,423 thousand.
IRAP taxes fell for the Parent from Euro 30 thousand at 31 March 2014 to Euro 18 thousand at 31 March 2015.
IRES taxes for the Parent at 31 March 2015 amounted to Euro 130 thousand.
Taxes for Group overseas companies for the period to 31 March 2015 amounted to approximately Euro 1,274 thousand.

The Group also recorded deferred taxes of Euro 661 thousand as at 31 March 2015.

The tax liability as at 31 March 2015 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

At 31 March 2015 there are no changes since 31 December 2014 in the Company’s legal disputes either as plaintiff or defendant.

With reference to existing disputes as of 31 March 2015, we note that no probable liabilities have emerged for which provision has to be set aside.

HUMAN RESOURCES

At 31 March 2015 the Group employed 929 people, an increase of 23% compared with 31 March 2014. The breakdown of the headcount is given below[23]:

No.	31 March 2015	31 March 2014	Change
Managers	32	28	4
Junior managers	73	55	18
Employees and trainees	736	582	154
Abroad	88	88	-
Total headcount	**929**	**753**	**176**

Around 91% of the headcount is employees who are located in the three Italian offices, with the remaining 9% of them being located in Group offices abroad.

Compared with 31 December 2014, the Group headcount grew by 44 employees, equal to a 5% increase.

CORPORATE GOVERNANCE

The YOOX S.p.A. Parent Company's corporate governance model is described in detail in the Report on corporate governance and shareholder structure as at 31 December 2014, which should be referred to.
The significant corporate governance events in the first quarter 2015 that have taken place as at the date of this document are listed below.

Allocation of shares following the exercise of Stock Options

On 23 March 2015, 59,800 YOOX S.p.A. ordinary shares were granted following the exercise of 1,150 options relating to the 2007-2012 Stock Option Plan at a strike price of Euro 59.17 for each option.

Given the above, the share capital issued by YOOX S.p.A. as at 31 March 2015 is Euro 620,238.32, divided into 62,023,832 ordinary shares with no par value.

As stated in the important events after the end of the period, on 14 April 2015, 75,400 YOOX S.p.A. ordinary shares were granted, following the exercising of 1,450 options relating to the 2007-2012 Stock Option Plan at a strike price of Euro 59.17 for each option.

Given the above, the share capital issued by YOOX S.p.A. is Euro 620,992.32, divided into 62,099,232 ordinary shares with no indication of par value.

Stock option and share granting relating to the 2009-2014 Stock Option Plan

In the first three months of 2015, the Company's Board of Directors did not approve grants under the YOOX S.p.A. Stock Option Plan for 2009-2014.

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 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

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

the regulation. The details of the Stock Grant Plan can be consulted on the Company's website 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 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 exclusively for executive directors of YOOX S.p.A., to be implemented through the free granting of options valid for subscribing newly issued YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 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 1 newly issued ordinary share under the capital increase, has been established as Euro 9.60 or 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 of 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.

For details of the 2012-2015 Stock Option Plan, including the implementation terms and conditions, refer to the information document produced pursuant to Article 84-*bis* of Consob Regulation no. 11971/1999, which can also be consulted on the Company's website under the section Corporate Governance – Company Documents.

On 21 September 2012, the Board of Directors of the Company resolved to execute the YOOX S.p.A. 2012-2015 stock option plan, approved the plan regulations 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 1 new ordinary share for every 1 option exercised.

2014-2020 Stock Option Plan

On 17 April 2014, 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 2014 - 2020 Stock Option Plan exclusively for employees of YOOX S.p.A. and its companies, directly or indirectly controlled, to be implemented through the free granting of options valid for subscribing newly issued YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised). The Plan involves the granting of a maximum of 500,000 options which give the right to subscribe to the same number of new issue shares.
For details of the 2014 - 2020 Stock Option Plan, including the implementation terms and conditions, refer to the information document drawn up pursuant to Article 84-*bis* of Consob Regulation no. 11971/1999, which can also be consulted on the Company's website under the section Corporate Governance / Company Documents.

Board of Directors

The Board of the Issuer, in office at the date of this Report, comprises seven members appointed by the Ordinary Shareholders' Meeting held on 30 April 2015. The following persons were appointed as directors based on the two lists submitted:

- Federico Marchetti (Executive Director)
- Robert Kunze-Concewitz (Lead Independent Director)
- Stefano Valerio
- Raffaello Napoleone
- Laura Zoni
- Catherine Gérardin Vautrin
- Alessandro Foti

The Board will remain in office until the Shareholders' Meeting convened to approve the financial statements as at and for the year ending 31 December 2017.

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

Board of Statutory Auditors

On 30 April 2015, the Shareholders' Meeting appointed the Board of Statutory Auditors for the three-year period 2015-2017. It is composed of:

- Marco Maria Fumagalli (Chairman)
- Giovanni Naccarato (Standing Auditor)
- Patrizia Arienti (Standing Auditor)
- Andrea Bonechi (Alternate Auditor)
- Nicoletta Maria Colombo (Alternate Auditor)

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

Approval of the separate financial statements as at 31 December 2014

The Shareholders' Meeting of 30 April 2015, convened at a single call, in an ordinary session, approved the separate financial statements at and for the year ended 31 December 2014, resolving to carry forward YOOX S.p.A.'s entire net profit for the year.

Remuneration Report

On 30 April 2015 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

In their meeting of 30 April 2015, the Shareholders approved and authorised the purchase and disposal of treasury shares, in compliance with Articles 2357 and 2357-*ter* of the Italian Civil Code and Article 132 of Legislative Decree 58/1998 and related implementation provisions, following the revocation of the authorisation to purchase treasury shares approved by the Shareholders' Meeting of 17 April 2014 for the part not executed.
For more details, please see the Press Release issued on that date which is available on the Company website www.yooxgroup.com, under the section "Investor Relations".

At the time of writing, the Company holds 17,339 treasury shares in its portfolio equal to 0.028% of the share capital to date.

Directors' Appointments Committee

The Directors' Appointments Committee was originally established on 7 October 2009, to implement the Board resolution of 3 September 2009, and subject to the start of trading of ordinary shares on the MTA.

The current Directors' Appointment Committee was established through the Board resolution of 30 April 2015 and is composed of 3 non-executive directors, the majority of them independent, in the persons of:

- Alessandro Foti – independent director – Chairman;
- Laura Zoni – independent director;
- Stefano Valerio – non-executive director.

No meetings of the Directors' Appointments Committee were held during the period.

Remuneration Committee

The Remuneration Committee was originally established on 7 October 2009, in implementation of the Board of Director's resolution of 3 September 2009, and subject to the start of trading of ordinary shares on the MTA, pursuant to Article 2.2.3, paragraph 3, n) of the Stock Exchange Regulations, applicable to issuers in possession of STAR qualification and in conformity with the Code of Conduct.

The current Committee was established through the Board resolution of 30 April 2015 and is composed of 3 non-executive directors, all independent, in the persons of:

- Robert Kunze-Concewitz – independent director – Chairman;
- Catherine Gérardin Vautrin – independent director;
- Stefano Valerio – independent director.

During the period, the Remuneration Committee met on 11 May 2015.

Control and Risk Committee

The Control and Risk Committee was originally established on 7 October 2009, in implementation of the Board of Director's resolution of 3 September 2009, and subject to the start of trading of ordinary shares on the MTA, pursuant to Article 2.2.3, paragraph 3, o) of the Stock Exchange Regulations.

The current Committee was established through the Board resolution of 30 April 2015 and is composed of 3 non-executive directors, all independent, in the persons of:

- Alessandro Foti – independent director – Chairman;
- Catherine Gérardin Vautrin – independent director;
- Raffaello Napoleone – independent director.

During the period, the Control and Risk Committee met on 11 May 2015.

Committee for Related-Party Transactions

At a meeting on 10 November 2010, the Board of Directors also approved the establishment of its own internal "Committee for Related-Party Transactions" made up of independent directors with the committee responsible for all the functions set out in the Related Parties Procedure.

The Committee for Related-Party Transactions, appointed at the board meeting of 30 April 2015, is composed of:

- Catherine Gérardin Vautrin – independent director – Chairman;
- Robert Kunze-Concewitz – independent director;
- Alessandro Foti – independent director.

The Committee for Related-Party Transactions has not met yet during the period.

Supervisory Body pursuant to Legislative Decree 231/2001

The Supervisory Body, in office until the approval of the financial statements at 31 December 2017, was first appointed by the Board on 30 April 2015 and comprises three members, Rossella Sciolti, an external member, as Chairperson, Isabella Pedroni, an external member, and Riccardo Greghi, internal member and Internal Auditing Manager of the Issuer.

Director in charge of preparing corporate accounting documents

The Board of Directors of the Issuer, in office on 24 April 2015, appointed Enrico Cavatorta as Chief Financial and Corporate Officer with effect from 27 April 2015.

From 1 May 2015, pursuant to Article 154-*bis* of Legislative Decree 58/1998, the latter will also have the role of Director in charge of preparing the corporate accounting documents.

SUBSEQUENT EVENTS

On 14 April 2015, 75,400 YOOX S.p.A. ordinary shares were granted following the exercise of 1,450 options relating to the 2007-2012 Stock Option Plan at a strike price of Euro 59.17 for each option.

Given the above, the share capital issued by YOOX S.p.A. is Euro 620,992.32, divided into 62,099,232 ordinary shares with no indication of par value.

Mono-brand online stores

On 14 April 2015, a flagship online store was launched dedicated to McQ, the contemporary line of Alexander Mc Queen, in Europe, the United States and the main countries in the Asia-Pacific area, including China.
On 8 May 2015, Richemont International S.A. and YOOX S.p.A. signed a letter of intent aimed at finalising a five-year agreement for the global development and management of the Chloé and Alfred Dunhill online stores.

On 11 May 2015, KARL LAGERFIELD RETAIL BV and YOOX S.p.A. finalised a six-year agreement for the management of the KARL LAGERFIELD online stores in Europe, the United States and Japan.

Merger between YOOX Group and THE NET-A-PORTER GROUP
On 24 April 2015, the YOOX S.p.A. Board of Directors, in line with the announcement already made to the market on 31 March 2015, approved the merger between YOOX S.p.A. and THE NET-A-PORTER GROUP Limited and decided on the exchange ratio as 1 newly issued YOOX share for every Largenta Italia S.p.A. share, the non-operational company controlled by Richemont which, with effect from the merger, will indirectly control THE NET-A-PORTER GROUP Limited and be incorporated into YOOX S.p.A..
The merger seeks to integrate two highly complementary companies, with significant potential for synergies in terms of customer segments covered, geographical exposure and mix of skills, with the aim of creating a global group leader in the online luxury fashion segment.
For further information, please refer to the press releases, issued on 31 March and 24 April 2015, available on the Company's website.

OUTLOOK

Based on the proven validity of the YOOX business model throughout the world and the good prospects for the online retail market, it is reasonable to assume that the Group can achieve further growth of the business in 2015. Subject to approval by YOOX Shareholders' Meeting and the competent authorities, the completion of the merger with THE NET-A-PORTER GROUP Limited is expected to take place in the month of September 2015. Therefore, the activities carried out in preparation for the integration between the two groups are expected to take place in the next few months.
In this context, YOOX will incur charges of an extraordinary nature relating to the transaction, as well costs for the purposes of finalising the integration.

Zola Predosa (BO), 11 May 2015
For the Board of Directors

Chief Executive Officer
Federico Marchetti

ANNEXES TO REPORT ON OPERATING PERFORMANCE

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

Impact of incentive plans in the first quarter of 2015:

Thousand Euro	31 March 2015	% Total	31 March 2014	% Total
Fulfilment costs	**(13,203)**		**(11,146)**	
of which incentive plans	-	*0.0%*	*(54)*	*5.9%*
Sales and marketing costs	**(17,585)**		**(13,576)**	
of which incentive plans	-	*0.0%*	*(197)*	*21.8%*
General expenses	**(11,256)**		**(9,072)**	
of which incentive plans	*(1,014)*	*100.0%*	*(656)*	*72.3%*
Incentive plans total	**(1,014)**	***100.0%***	**(908)**	***100.0%***

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2015
YOOX GROUP

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CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2015 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (1)

Consolidated income statement

Thousand Euro:	Notes	31/03/2015	31/03/2014
Net revenue	9.1	147,234	126,514
Cost of goods sold	9.2	(96,008)	(84,096)
Fulfilment costs	9.3	(14,840)	(12,760)
Sales and marketing costs	9.4	(17,586)	(13,582)
General expenses	9.5	(16,827)	(13,177)
Other income and expenses	9.6	(1,113)	(534)
Non-recurring expenses	9.7	(1,590)	-
Operating result	**9.8**	**(730)**	**2,365**
Result of equity investments	9.9	86	(243)
Financial income	9.10	5,308	214
Financial expenses	9.11	(2,710)	(871)
Profit before tax		**1,954**	**1,465**
Taxes	9.12	(763)	(549)
Consolidated net income for the period		**1,191**	**916**
of which:			
Attributable to owners of the Parent		1,191	916
Attributable to non-controlling interests		-	-
Basic earnings per share	9.13	0.02	0.02
Diluted earnings per share	9.13	0.02	0.01

(1) The financial statements, which were prepared in accordance with CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006, are annexed to the notes to the consolidated interim financial statements at 31 March 2015.

Consolidated statement of comprehensive income

Thousand Euro:	Notes	31/03/2015	31/03/2014
Consolidated profit for the year		1,191	916
Other components of comprehensive income, net of tax effects			
Foreign currency translation differences for foreign operations	9.23	2,882	(1)
Profit/(loss) from cash flow hedges	9.23	(1,028)	(241)
Total other components of comprehensive income which will be (or could be) reclassified in the income statement		**1,854**	**(242)**
Net change in retained earnings and actuarial losses relating to employee benefits	9.23	(7)	(6)
Total other components of comprehensive income which will not be reclassified in the income statement		**(7)**	**(6)**
Total consolidated comprehensive net income for the period		**3,037**	**668**
of which:			
Attributable to owners of the Parent		3,037	668
Attributable to non-controlling interests		-	-

Consolidated statement of financial position

Thousand Euro:	Notes	31/03/2015	31/12/2014
Non-current assets			
Property, plant and equipment	9.14	34,100	35,663
Intangible assets with finite useful life	9.15	39,872	35,685
Equity interests in associates	9.16	59	59
Deferred tax assets	9.17	11,980	10,021
Other non-current financial assets	9.18	1,173	999
Total non-current assets		**87,184**	**82,427**
Current assets			
Inventories	9.19	245,078	222,834
Trade receivables	9.20	11,571	14,732
Other current assets	9.21	8,217	7,510
Cash and cash equivalents	9.22	151,244	118,028
Financial assets which are not non-current assets	9.22	12,028	9,539
Total current assets		**428,138**	**372,644**
Total assets		**515,322**	**455,071**
Shareholders' Equity			
Share capital		620	620
Reserves		110,244	107,315
Retained earnings and losses carried forward		50,358	36,556
Profit for the period		1,191	13,802
Group shareholders' equity	9.23 - 9.24	162,413	158,294
Equity attributable to non-controlling interests		-	-
Total consolidated equity		**162,413**	**158,294**
Non-current liabilities			
Medium/long-term financial liabilities	9.25	117,072	66,072
Employee benefits	9.26	175	165
Provisions for risks and charges	9.28	-	-
Deferred tax liabilities	9.27	170	285
Total non-current liabilities		**117,416**	**66,522**
Bank loans and other current financial liabilities	9.25	24,770	30,759
Provisions for risks and charges	9.28	381	482
Trade payables	9.29	181,156	164,466
Tax liabilities	9.30	843	320
Other payables	9.31	28,343	34,228
Total current liabilities		**235,493**	**230,255**
Total consolidated equity and liabilities		**515,322**	**455,071**

Statement of changes in consolidated equity as at 31/03/2015 – Paragraph 9.24

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*	***Total***
Total as at 31 December 2014	**620**	**85,999**	**193**	**(257)**	**192**	**(56)**	**20,623**	**624**	**36,556**	**13,802**	**-**	**158,294**
Share capital increases	1	67	-	-	-	-	-	-	-	-	-	**68**
Increases in reserves for share-based payments	-	-	-	-	-	-	1,014	-	-	-	-	**1,014**
Other changes	-	-	-	81	-	-	(81)	-	13,802	(13,802)	-	**-**
Total effects resulting from transactions with shareholders	**620**	**86,066**	**193**	**(176)**	**192**	**(56)**	**21,556**	**624**	**50,358**	**-**	**-**	**159,376**
Profit for the period	-	-	-	-	-	-	-	-	-	1,191	-	**1,191**
Other profits/losses for the comprehensive income statement	-	-	-	-	(1,028)	(7)	-	2,882	-	-	-	**1,847**
Total consolidated comprehensive income	**-**	**-**	**-**	**-**	**(1,028)**	**(7)**	**-**	**2,882**	**-**	**1,191**	**-**	**3,037**
Total as at 31 March 2015	**620**	**86,066**	**193**	**(176)**	**(837)**	**(64)**	**21,556**	**3,506**	**50,358**	**1,191**	**-**	**162,413**

Statement of changes in consolidated equity as at 31/03/2014 – Paragraph 9.24

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*	***Total***
Total as at 31 December 2013	**582**	**64,262**	**193**	**(538)**	**165**	**(42)**	**19,667**	**(1,181)**	**23,935**	**12,620**	**-**	**119,663**
Share capital increases	5	1,637	-	-	-	-	-	-	-	-	-	**1,642**
Increases in reserves for share-based payments	-	-	-	-	-	-	908	-	-	-	-	**908**
Other changes	-	-	-	46	-	-	(46)	-	12,620	(12,620)	-	**-**
Total effects resulting from transactions with shareholders	**587**	**65,899**	**193**	**(492)**	**165**	**(42)**	**20,529**	**(1,181)**	**36,556**	**-**	**-**	**122,213**
Profit for the period	-	-	-	-	-	-	-	-	-	916	-	**916**
Other profits/losses for the comprehensive income statement	-	-	-	-	(241)	(6)	-	(1)	-	-	-	**(248)**
Total consolidated comprehensive income	**-**	**-**	**-**	**-**	**(241)**	**(6)**	**-**	**(1)**	**-**	**916**	**-**	**668**
Total as at 31 March 2014	**587**	**65,899**	**193**	**(492)**	**(76)**	**(48)**	**20,529**	**(1,182)**	**36,556**	**916**	**-**	**122,882**

Consolidated statement of cash flows

Thousand Euro:	Notes	31/03/2015	31/03/2014
Consolidated net income for the period	9.32	1,191	916
Adjustments for:			
Taxes for the period	9.32	763	549
Financial expenses for the period	9.33	2,710	871
Financial income for the period	9.33	(5,308)	(214)
Share of earnings from associates	9.33	(86)	243
Depreciation, amortisation and impairment losses for the period	9.33	7,209	5,725
Fair value measurement of Stock Option plans	9.33	1,014	908
Unrealised effect of changes in foreign exchange rates	9.33	2,882	(1)
(Gains)/losses on sale of non-current assets	9.33	-	-
Provision for employee benefits	9.33	12	1
Provisions for risks and charges	9.33	381	366
Payment of employee benefits	9.33	(2)	(24)
Use of provisions for risks and charges	9.33	(482)	(416)
Changes in inventories	9.34	(22,244)	(1,469)
Changes in trade receivables	9.34	3,161	4,738
Changes in trade payables	9.34	16,690	(395)
Changes in other current assets and liabilities	9.35	(7,609)	(8,567)
Cash flow from (used in) operating activities		**281**	**3,231**
Income tax paid	9.32	(2,315)	(944)
Interest and other financial expenses paid	9.33	(2,710)	(871)
Interest and other financial income received	9.33	5,308	214
NET CASH FROM (USED IN) OPERATING ACTIVITIES		**565**	**1,630**
Investing activities			
Acquisition of property, plant and equipment	9.36	(2,074)	(4,828)
Acquisition of intangible assets	9.37	(9,241)	(5,811)
Acquisition of equity investments	9.16	-	-
Acquisition of other non-current financial assets	9.39	(175)	4
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**(11,490)**	**(10,635)**
Financing activities			
New short-term liabilities	9.42	5,285	424
Repayment of short-term liabilities	9.42	(10,970)	(7,095)
New medium/long-term financial liabilities	9.41	52,750	-
Repayment of medium/long-term financial liabilities	9.41	(503)	(459)
Increase in share capital and share premium reserve	9.40	68	1,642
Investments/disinvestments in other financial assets	9.43	(2,489)	381
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**44,141**	**(5,107)**
TOTAL CASH FLOW FOR THE PERIOD		**33,216**	**(14,112)**
Cash and cash equivalents at the beginning of the period	9.22	118,028	58,280
Cash and cash equivalents at the end of the period	9.22	151,244	44,168
TOTAL CASH FLOW FOR THE PERIOD		**33,216**	**(14,112)**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2015

1. Group structure and activities

YOOX Group (hereinafter “the Group”) includes, as well as the Parent YOOX S.p.A. (hereinafter “the Company” or “the Parent “), the companies YOOX Corporation, which is subject to US law and which manages sales activities in the US, and 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 statements, were prepared using the same accounting standards as were used to prepare the consolidated financial statements as at 31 December 2014, to which reference is made for further details.

The condensed consolidated interim financial statements at 31 March 2015 are subject to a voluntary limited audit carried out by KPMG SpA who were appointed for the task specifically because this document will be included in the Prospectus relating to the merger transaction between YOOX SpA and THE NET-A-PORTER GROUP Limited, approved by the Board of Directors on 24 April 2015.

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 (31 December 2014 for the statement of financial position and 31 March 2014 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 quarter of 2015 and the first quarter of 2014 are reported in presenting the income statement, the Group having adopted the quarter as the intermediate reference period.

These condensed consolidated interim financial statements have been drawn up in accordance with IASB (International Accounting Standards Board) IFRS (International Financial Reporting Standards) and are 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, prepared applying IAS 34 and in conformity to the provisions of Article 154-*ter* of Legislative Decree 58 of 24 February 1998 (Consolidated Finance Act) 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 as at 31 December 2014. In particular, please note that 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 were prepared in long form and were adopted for the consolidated financial statements at 31 December 2014. Conversely, the explanatory notes found below are in abridged form 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, amount, nature or infrequency, are essential for understanding the financial position, operations and assets of the Group.
The condensed consolidated interim financial statements as at 31 March 2015 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 27 July 2006 and Communication DEM6064293 of 28 July 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 as at 31 March 2015 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 Company.

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 shareholders' equity

The statement of changes in shareholders' 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 Company 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 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 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 condensed consolidated interim 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 31 March 2015 were applied in the same way for all periods presented for comparison.

The accounting standards are applied evenly to all Group companies. Financial transactions are recognised according to the trade date.

The accounting standards used to prepare the interim consolidated financial statements, as well as the recognition and measurement criteria and the consolidation principles applied, comply with those adopted for the condensed consolidated interim financial statements as at 31 December 2014 with the exception of the new principles adopted.

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 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 quarterly 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 as at 31 December 2014.

It should also be pointed out that these evaluation processes, especially the more complex ones, such as determining any losses for non-current assets, are usually only conducted in full during the compiling of the annual financial statement, 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 condensed consolidated interim financial statements as at 31 March 2015

The condensed consolidated interim financial statements included in the interim consolidated financial statements as at 31 March 2015 were approved by the Board of Directors on 11 May 2015.

5. Scope of consolidation

The scope of consolidation as of 31 March 2015 comprises the following subsidiaries of YOOX S.p.A.:

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

As at 31 March 2015, the scope of consolidation includes the following companies:

Company	*Registered offices*	*Share capital at 31 March 2015 (Thousand Euro)*	*Percentage held as at 31 March 2015*
YOOX	Via Nannetti,1– 40069 Zola Predosa – Bologna, Italy	620	-
YOOX Corporation	15 East North Dover, Delaware 19901, United States of America	372	100%
YOOX Japan	4F Oak Omotesando, 3-6-1 Kita-aoyama, Minato-ku Tokyo 107-0061	75	100%
Mishang Trading (Shanghai) Co. Ltd	Floor 6, Donglong Building No.223 Xikang Road, Jing-'an District 200050 SHANGHAI	6,000	100%
YOOX Asia Limited	Unit 2702 27/F The Centrium, 60 Wyndham Street Central, Hong Kong (CN)	91	100%

The scope of consolidation at 31 March 2015 has not changed since 31 December 2014.

The exchange rates used for converting the financial statements and account balances into currencies other than the Euro as at 31 March 2015, 31 December 2014 and 31 March 2014 are the following ones (source www.bancaditalia.it):

	Exchange rate as at 31/03/2015	**Average exchange rate during the reference period**
USD	1.0759	1.1261
YEN	128.95	134.12
CNY	6.6710	7.0231
HKD	8.3422	8.7339
GBP	0.7273	0.7434
RUB	62.440	70.961

	Exchange rate as at 31/12/2014	**Average exchange rate for 2014**
USD	1.2141	1.3285
YEN	145.23	140.31
CNY	7.5358	8.1857
HKD	9.4170	10.302
GBP	0.7789	0.8061
RUB	72.337	50.952

	Exchange rate as at 31/03/2014	**Average exchange rate for the first three months of 2014**
USD	1.3788	1.3696
YEN	142.42	140.80
CNY	8.5754	8.3576
HKD	10.697	10.629
GBP	0.8282	0.8279
RUB	48.780	48.043

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 2015.

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

From 1 January 2015 the following interpretation came into force:

IFRIC 21 – Levies

The IASB issued IFRIC 21 – *Levies*, an interpretation of IAS 37 – *Potential provisions, liabilities and assets*. The interpretation provides clarifications on the recognition of liabilities for the payment of levies other than income taxes.

The initial application of the interpretation has not had any significant impact on the consolidated financial statements of the Group.

The possible adoption of this interpretation in the comparable accounting periods would not have involved differences on the financial statement balances.

Amendments and interpretations that came into effect from 01 January 2015 but that are not relevant for the Group

The IASB has not published any amendments or interpretations that came into effect from 1 January 2015 that are not relevant for the Group.

New accounting standards and amendments not applicable in 2015 and not adopted in advance

The IASB has not published significant amendments and interpretations for the preparation of the condensed consolidated interim financial statements as at 31 March 2015.

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 (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 business lines 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 revenues earned from transactions with third parties, since no revenue is generated from transactions with other segments. Segment costs comprise the direct costs charged by third parties in relation to the operating activities of the segment or directly attributable to the segment. No costs are incurred in relation to other operating segments.

Since the management reporting system used by senior management to evaluate business performance does not envisage the allocation of amortisation, depreciation and non-monetary income and expenses to the operating segments, the information presented herein 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 as at 31 March 2015 with a reconciliation of entries with the Group's income statement, is presented below:

Description	*Multi-brand*		*Mono-brand*		*Corporate*		*Group total*	
	March 2015	*March 2014*	*March 2015*	*March 2014*	*March 2015*	*March 2014*	*March 2015*	*March 2014*
Business line net revenue	**105,217**	**91,095**	**42,018**	**35,420**			**147,234**	**126,514**
Business line operating profit								
	12,376	**10,915**	**8,061**	**6,782**			**20,438**	**17,697**
Reconciliation with Group results:								
General expenses					(16,827)	(13,117)	**(16,827)**	**(13,117)**
Other depreciation and amortisation not attributable to business lines					(1,638)	(1,620)	**(1,638)**	**(1,620)**
Other income and expenses					(1,113)	(534)	**(1,113)**	**(534)**
Non-recurring expenses					(1,590)	-	**(1,590)**	
Other items								
Group operating profit/(loss)	**12,376**	**10,915**	**8,061**	**6,782**	**(21,168)**	**(15,331)**	**(730)**	**2,365**
Result of equity investments					86	(243)	**86**	**(243)**
Financial income					5,308	214	**5,308**	**214**
Financial expenses					(2,710)	(871)	**(2,710)**	**(871)**
Profit before tax							**1,954**	**1,465**
Taxes					(763)	(549)	**(763)**	**(549)**
Profit for the period							**1,191**	**916**

8. Information by geographical area

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

Description	*31 March 2015*	*31 March 2014*
Italy	22,123	19,973
Europe (excluding Italy)	67,055	62,190
North America	35,595	24,884
Japan	11,335	10,702
Other countries	9,988	6,578
Not country related	1,139	2,187
Total	**147,234**	**126,514**

The “Not country related” item 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.

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

In the first three months of 2015 and in 2014, revenue generated from transactions with the largest third-party customer did not exceed 10% of the Group’s total revenue.

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 as at 31 March 2015 and as at 31 March 2014 break down as follows:

Description	*31 March 2015*	*31 March 2014*	*Change*
Net revenues from sales	141,888	120,855	21,033
Net revenues from the provision of services	5,346	5,659	(312)
Total	**147,234**	**126,514**	**20,720**

Total net revenues increased going from Euro 126,514 thousand in the first quarter of 2014 to Euro 147,234 thousand in the first quarter of 2015, an increase of 16.4%. 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 quarter of 2015 is mainly due to the upward trend in sales volumes.

For further details on the breakdown of revenues 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 is reported net of sales returns, amounting to Euro 56,466 thousand in the first quarter of 2015, or 29.0% of gross revenues for the first quarter of 2015 (revenues from the sale of goods before customer returns in the first quarter of 2015) and Euro 45,724 thousand in the first quarter of 2014, or 28.0% of gross revenues in the first quarter of 2014 (revenues from the sale of goods before customer returns in the first quarter of 2014). 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 5.5% from Euro 5,659 thousand in the first quarter of 2014 to Euro 5,346 thousand in the first quarter of 2015, 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;

- revenues 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 from the sale of media partnership projects and web marketing services.

9.2 Cost of goods sold

The cost of goods sold amounts to Euro 96,008 thousand (65.2% of net revenues) for the period ended 31 March 2015, compared with Euro 84,096 thousand (66.5% of net revenues) for the period ended 31 March 2014. The item includes costs deriving from the purchase of goods for sale, the cost of services and other costs.

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

Description	*31 March 2015*	*31 March 2014*	*Change*
Change in inventories of goods	14,544	434	14,111
Purchase of goods	(98,139)	(73,580)	(24,559)
Cost of services	(11,835)	(10,378)	(1,457)
Other costs	(579)	(571)	(8)
Total	**(96,008)**	**(84,096)**	**(11,913)**

The cost of goods purchased totalled Euro 73,580 thousand in the first quarter of 2014 compared with Euro 98,139 thousand in the first quarter of 2015. The cost of goods purchased includes costs for the procurement of goods for resale, the absolute value of which directly correlates to volumes sold.

Service costs increased by 14.0%, from Euro 10,378 thousand in the first quarter of 2014 to Euro 11,835 thousand in the first quarter of 2015. This item includes expenses relating to transportation costs for sales and returns. 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 1.4%, from Euro 571 thousand in the first quarter of 2014 to Euro 579 thousand in the first quarter of 2015. 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 14,840 thousand (10.1% of net revenues) for the period ended 31 March 2015, compared with Euro 12,760 thousand (10.1% of net revenues) in the first quarter of 2014, an increase of Euro 2,080 thousand.

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

The following table shows the breakdown of fulfilment costs:

Description	*31 March 2015*	*31 March 2014*	*Change*
Service costs and other costs	(11,434)	(9,447)	(1,987)
Personnel expenses	(1,769)	(1,699)	(70)
Depreciation and amortisation	(1,637)	(1,614)	(23)
Total	**(14,840)**	**(12,760)**	**(2,080)**

Service costs and other costs increased by 21.0%, from Euro 9,447 thousand in the first quarter of 2014 to Euro 11,434 thousand in the first quarter of 2015. They mainly comprise service costs for handling and packaging goods and costs relating to outsourced production processes.

Staffing costs have risen by 4.1% going from Euro 1,699 thousand in the first quarter of 2014 to Euro 1,769 thousand in the first quarter of 2015. This has been due both to the increase in the number of employees involved in this area, which has gone from 155 persons at 31 March 2014 to 190 persons at 31 March 2015, with 26 persons at 31 March 2014 based at offices abroad and 29 persons at 31 March 2015 and an increase in costs relating to Stock Option plans and company incentive plan which went from Euro 54 thousand in the first quarter of 2014 to Euro 0 thousand in the first quarter of 2015. It should be noted that in addition to the cost of employees, the staffing costs also include resources such as interns, associates and consultants which come under personnel expenses.

9.4 Sales and marketing costs

The cost for business expenses came to Euro 17,586 thousand (11.9% of net revenues) for the quarter ending 31 March 2015 compared with Euro 13,582 thousand (10.7% of net revenues) for the quarter ending 31 March 2014, an increase of 29.5%

These expenses relate to departments operating in sales. A portion of the costs are for personnel working in sales and marketing. The item also contains web marketing costs, 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 on purchases relating to the import and export of goods sold.

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

Description	*31 March 2015*	*31 March 2014*	*Change*
Cost of services	(12,464)	(9,308)	(3,156)
Personnel expenses	(4,163)	(3,467)	(696)
Depreciation and amortisation	(1)	(6)	5
Other costs	(958)	(801)	(157)
Total	**(17,586)**	**(13,582)**	**(4,005)**

The cost of services rose by 33.9% from Euro 9,308 thousand in the first quarter of 2014 to Euro 12,464 thousand in the first quarter of 2015. The main components of service costs incurred in the first quarter of 2015 are mainly:

- web marketing costs of Euro 6,368 thousand (Euro 4,187 thousand in the first quarter of 2014). These costs relate to the purchasing of online advertising, the negotiation and implementation of marketing agreements and the development of new partnerships and 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 related methods of payment to intermediaries for payment collection services of Euro 2,533 thousand (Euro 2,298 thousand in the first quarter of 2014);

- import and export duties totalling Euro 3,563 thousand (Euro 2,842 thousand in the first quarter of 2014).

Staffing costs have risen by 20.1% going from Euro 3,467 thousand in the first quarter of 2014 to Euro 4,163 thousand in the first quarter of 2015. This has been due both to the increase in the number of employees involved in this area, which has gone from 236 persons at 31 March 2014 to 303 persons at 31 March 2015, with 38 persons at 31 March 2014 based at offices abroad and 42 persons at 31 March 2015 and an increase in costs relating to Stock Option plans and company incentive plans which went from Euro 197 thousand in the quarter of 2014 to Euro 0 thousand in the first quarter of 2015. It should be noted that in addition to the cost of employees, the staffing costs also include resources such as interns, associates and consultants which come under personnel expenses.

Other costs increased by 19.7%, from Euro 801 thousand in the first quarter of 2014 to Euro 958 thousand in the first quarter of 2015. This item mainly comprises costs incurred for fraud relating to online sales, which increased by 19.1% going from Euro 352 thousand in the first quarter of 2014 to Euro 419 thousand in the first quarter of 2015.

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 and technological services.

General expenses were up 27.7% in the first quarter of 2015 at Euro 16,827 thousand, compared with Euro 13,177 thousand in the first quarter of 2014.

General expenses can be broken down as follows:

Description	*31 March 2015*	*31 March 2014*	*Change*
Cost of services	(6,525)	(4,885)	(1,640)
Personnel expenses	(4,731)	(4,187)	(544)
Depreciation and amortisation	(5,571)	(4,105)	(1,466)
Total	**(16,827)**	**(13,177)**	**(3,650)**

The cost of services rose by 27.7% from Euro 13,177 thousand in the first quarter of 2014 to Euro 16,827 thousand in the first quarter of 2015.
Staffing costs have increased by 13.0% going from Euro 4,187 thousand in the first quarter of 2014 to Euro 4,731 thousand in the first quarter of 2015. This has been due partly to the increase in the number of employees involved in this area, which has gone from 362 persons at 31 March 2014 to 436 persons at 31 March 2015, with 24 persons at 31 March 2014 based at offices abroad and 17 persons at 31 March 2015 and partly to the increase in costs relating to Stock Option plans and company incentive plans which went from Euro 656 thousand in the quarter of 2014 to Euro 1,014 thousand in the first quarter of 2015. It should be noted that in addition to the cost of employees, the staffing costs also include resources such as interns, associates and consultants which come under personnel expenses.

Depreciation and amortisation increased by 35.7%, from Euro 4,105 thousand in the first quarter of 2014 to Euro 5,571 thousand in the first quarter of 2015.

9.6 Other income and expenses

Other income and expenses came to a total of Euro 1,113 thousand for the period ending as at 31 March 2015 over Euro 534 thousand for the period ending 31 March 2014, an increase of Euro 579 thousand.

Other income and expenses can be broken down as follows:

Description	*31 March 2015*	*31 March 2014*	*Change*
Extraordinary income/liabilities	(339)	13	(351)
Theft and losses	(228)	(131)	(97)
Other tax charges	(37)	(79)	42
Other income and expenses	(360)	(212)	(148)
Provisions for sundry risks	(123)	(135)	12
Reimbursements	(28)	9	(36)
Total	**(1,113)**	**(534)**	**(579)**

Extraordinary income/liabilities showed a negative balance of Euro 339 thousand (positive by Euro 13 thousand in the first quarter of 2014). The item includes income and expenses derived from routine management activities.

Theft and losses relates to the theft and losses of goods destined for final customers that have already occurred at the closing date of the period.
Other financial expenses went from Euro 79 thousand in the first quarter of 2014 to Euro 37 thousand in the first quarter of 2015.

Provisions for sundry risks in the first quarter of 2015 relate to the estimated charge incurred due to theft and loss of goods not identified as missing at the closing date of the condensed quarterly consolidated financial statements.

9.7 Non-recurring expenses

Non-recurring expenses equal to Euro 1,590 thousand at 31 March 2015 are due to the merger transaction with THE NET-A-PORTER GROUP Limited and mainly include expenses for consulting, legal, tax, accounting, financial and strategic services, as well as general expenses connected with the transaction.

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	*31 March 2015*	*31 March 2014*	*Change*
Net revenues	147,234	126,514	20,720
Changes in inventories	12,544	434	14,111
Purchase of goods	(98,139)	(73,580)	(24,559)
Services	(42,258)	(34,019)	(8,239)
Personnel expenses	(10,663)	(9,353)	(1,310)
Amortisations and depreciations	(7,209)	(5,725)	(1,484)
Other costs and revenues	(4,240)	(1,905)	(2,334)
Total	**(730)**	**2,365**	**(3,096)**

Operating profit went from Euro 2,365 thousand as at 31 March 2014 to negative Euro 730 thousand as at 31 March 2015, representing 1.9% of net revenues in the first quarter of 2014 and was negative 0.5% in the first quarter of 2015.

Personnel expenses include all employment related expenses, such as merit pay rises, promotions, cost-of-living adjustments, variable remuneration for 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 and payables to staff.

As at 31 March 2015, the Group headcount was 23% higher than in the same period of the previous year.
The table below shows a breakdown of the headcount as at 31 March 2015 compared with that as at 31 March 2014[24].

No.	*31 March 2015*	*31 March 2014*	*Change*
Managers	32	28	4
Junior managers	73	55	18
Employees and trainees	736	582	154
Abroad	88	88	0
Total headcount	**929**	**753**	**176**

9.9 Result of equity investments

The result of equity investments as at 31 March 2015 is equal to Euro 86 thousand and relates to the profit for the first quarter of 2015 for the share of the investment in the associate company. For more information, refer to paragraph *9.16*.

9.10 Financial income

Financial income went from Euro 214 thousand in the first quarter of 2014 to Euro 5,308 thousand in the first quarter of 2015.

[24] 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 income:

Description	*31 March 2015*	*31 March 2014*	*Change*
Exchange rate gains	5,152	114	5,039
Other financial income	3	2	1
Interest income on current account	147	92	55
Interest income to associate	5	7	(2)
Total	**5,308**	**214**	**5,094**

Exchange rate gains went from Euro 114 thousand in the first quarter of 2014 to Euro 5,152 thousand in the first quarter of 2015. They mainly relate to the conversion of items to US dollars, Japanese yen and Chinese renminbi and are closely connected to the ordinary sale and purchase of goods.

9.11 Financial expenses

Financial expenses went from Euro 871 thousand in the first quarter of 2014 to Euro 2,710 thousand in the first quarter of 2015.

The following table shows the breakdown of financial expenses:

Description	*31 March 2015*	*31 March 2014*	*Change*
Exchange rate losses	(1,893)	(417)	(1,475)
Other financial expenses	(406)	(131)	(275)
Interest expenses	(412)	(324)	(88)
Total	**(2,710)**	**(871)**	**(1,839)**

Exchange rate losses totalled Euro 417 thousand in the first quarter of 2014 and Euro 1,893 thousand in the first quarter of 2015. They mainly relate to the conversion of items to US dollars, Japanese yen and Chinese renminbi and are closely connected to the ordinary sale and purchase of goods.

9.12 Tax

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

Description	*31 March 2015*	*31 March 2014*	*Change*
Current corporate income tax – Parent Company (1)	(130)	(88)	(43)
Current regional income tax – Parent Company (2)	(18)	(30)	11
Current income tax - foreign companies	(1,274)	(864)	(410)
Deferred taxes	661	433	228
Total taxes	**(763)**	**(549)**	**(214)**

(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 incurred a greater tax burden in absolute terms than at 31 March 2014. Current taxes rose from Euro 982 thousand to Euro 1,422 thousand.

The tax liability as at 31 March 2015 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	**31 March 2015**	**31 March 2014**
Basic earnings	1,191	916
Average number of ordinary shares	61,969,348	58,408,257
Basic EPS	**0.02**	**0.02**

Calculation of diluted EPS	**31 March 2015**	**31 March 2014**
Basic earnings	1,191	916
Average number of ordinary shares	61,969,348	58,408,257
Average number of shares granted without consideration	2,520,994	4,721,814
Total	64,490,342	63,130,071
Diluted EPS	**0.02**	**0.01**

The average number of shares granted without consideration as at 31 March 2015 and 31 March 2014 and used to calculate diluted EPS relates to the granting of 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 per share (Diluted EPS) given in the table above, the repurchase of 162,000 treasury shares which took place between 2 July 2010 and 7 November 2011 has been taken into account. Treasury shares repurchased were deducted in the calculation of the average number of outstanding ordinary shares net of 31,338 shares, 4,801 shares, 20,255 shares, 378 shares, 48,464 shares, 4,829 shares and 24,596 shares relating to the Company Incentive Plan, granted respectively on 6 August 2012, 10 January 2013, 27 May 2013, 3 March 2013, 1 August 2013, 14 January 2014 and 13 May 2014 to 46 beneficiaries and 10,000 shares granted on 16 January 2015.

Statement of financial position

9.14 Property, plant and equipment

As at 31 March 2015 property, plant and equipment totalled Euro 34,100 thousand. The following is a summary of changes therein in the first quarter of 2015:

Description	Historical cost as at 31/12/2014	Increases	Decreases	Historical cost as at 31/03/2015	Acc. amortisation as at 31/12/2014	Amort.	Utilisation	Acc. amortisation as at 31/03/2015	Net carrying amount as at 31/12/2014	Net carrying amount as at 31/03/2015
Plant and equipment	**38,451**	**57**	**.**	**38,507**	**(15,725)**	**(1,301)**	**-**	**(17,026)**	**22,726**	**21,482**
Buildings	**8,277**	**184**	**-**	**8,461**	**(4,932)**	**(325)**	**-**	**(5,257)**	**3,345**	**3,204**
Leasehold improvements	8,277	184	-	8,461	(4,932)	(325)	-	(5,257)	3,345	3,204
Industrial and commercial equipment	**3,702**	**111**	**(8)**	**3,805**	**(1,874)**	**(121)**	**8**	**(1,987)**	**1,828**	**1,819**
Other assets	**15,865**	**418**	**-**	**16,283**	**(8,101)**	**(586)**	**-**	**(8,687)**	**7,764**	**7,595**
Furniture and furnishings	2,177	35	-	2,212	(1,510)	(49)	-	(1,558)	668	654
Electronic equipment	13,565	383	-	13,948	(6,474)	(536)	-	(7,010)	7,091	6,937
Other Tangible Assets	122	-	-	122	(118)	(1)	-	(119)	4	3
Assets under construction and payments on account	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
General Total	**66,295**	**769**	**(8)**	**67,056**	**(30,632)**	**(2,333)**	**8**	**(32,957)**	**35,663**	**34,100**

Investments in intangible assets equal to Euro 769 thousand are related, in the main, to investments in electronic equipment for Euro 383 thousand and in equipment for Euro 111 thousand.

The decrease in the category “Leasehold improvements” equal to Euro 141 thousand is due essentially to the combined effect of permanent rebuilding works on buildings rented for offices in which the Group operates and to depreciation and amortisation for the period.

Depreciation in the period totalled Euro 2,333 thousand.

Note that as at 31 March 2015 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 quarter of 2015. 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 39,872 thousand as at 31 March 2015.
The following is a summary of changes in intangible assets with finite useful life in the first quarter of 2015:

Description	Historical cost as at 31/12/2014	Increases	Decreases	Historical cost as at 31/03/2015	Acc. amortisation as at 31/12/2014	Amort.	Acc. amortisation as at 31/03/2015	Net carrying amount as at 31/12/2014	Net carrying amount as at 31/03/2015
Development costs	**68,882**	**-**	**-**	**68,882**	**(35,370)**	**(4,269)**	**(39,638)**	**33,512**	**29,243**
Software and licences	**8,781**	**1,721**	**-**	**10,502**	**(6,801)**	**(511)**	**(7,312)**	**1,980**	**3,191**
Brands and other rights	**378**	**-**	**-**	**378**	**(227)**	**(8)**	**(235)**	**151**	**143**
Trademarks and patents	378	-	-	378	(227)	(8)	(235)	151	143
Assets under development	**-**	**7,273**	**-**	**7,273**	**-**	**-**	**-**	**-**	**7,273**
Other	**1,962**	**-**	**-**	**1,962**	**(1,918)**	**(21)**	**(1,939)**	**44**	**23**
Other intangible assets	1,962	-	-	1,962	(1,918)	(21)	(1,939)	44	23
General Total	**80,003**	**8,994**	**-**	**88,997**	**(44,317)**	**(4,808)**	**(49,125)**	**35,685**	**39,872**

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

Development costs

During the first quarter of 2105 Development costs increased by Euro 5,431 thousand (recorded at 31 March 2015 as capitalisation in progress) due entirely to multi-year investment projects made by the Group. 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. The development projects have been classified based on the various interventions carried out: e-commerce functional development, development of productivity, security and performance support tools.
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 increase of Euro 1,211 thousand for this item is due to the combined effect of the capitalisation of multi-year expenses mainly relating to the purchase of software licences for the creation of online store infrastructures and depreciation for the period. Note the presence in the first quarter of 2015 of Euro 1842 thousand for software and licences recorded as capitalisation in progress.

Depreciation in the period totalled Euro 4,808 thousand.

9.16 Investments in associated companies

The non-current item as at 31 March 2015 stood at Euro 59 thousand.

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	Change
Investments in associated companies	59	59	-
Total	**59**	**59**	**-**

The share of the profit of the group investment accounted for using the net equity method as at 31 March 2015 is equal to Euro 86 thousand and was applied in adjustment through a fund to hedge future losses for losses recorded pre-2014.

9.17 Deferred tax assets

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	Change
Deferred tax assets	11,980	10,021	1,959
Total	**11,980**	**10,021**	**1,959**

Deferred tax assets rose by 19.55% from Euro 10,021 thousand as at 31 December 2014 to Euro 11,980 thousand as at 31 March 2015.

9.18 Other non-current financial assets

Other non-current financial assets totalled Euro 1,173 thousand as at 31 March 2015 (Euro 999 thousand as at 31 December 2014). These largely relate to rental contracts and contracts for the supply of electricity and gas, and to the existing relationships with Paymentech relating to retentions to guarantee the repayments due for returns made against sales. Other non-current financial assets are due to be repaid in more than 5 years' time.

9.19 Inventories

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	Change
Inventories	245,078	222,834	22,244
Total	**245,078**	**222,834**	**22,244**

Inventories as at 31 March 2015 and 31 December 2014 break down as follows:

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	Change
Inventories of raw materials, consumables and supplies	1,479	1,372	107
Total	**1,479**	**1,372**	**107**
Finished products and goods	253,304	228,239	25,065
Provision for obsolete finished products and goods	(9,706)	(6,778)	(2,928)
Total	**243,598**	**221,461**	**22,137**
Total net inventories	**245,078**	**222,834**	**22,244**

Inventories rose by 9.98% from Euro 222,834 thousand as at 31 December 2014 to Euro 245,078 thousand as at 31 March 2015, and relate to goods that have been purchased for subsequent resale online.

The increase is inherently only partly the result of growth in volumes during the first quarter of 2015. The Group's business model involves purchasing goods in advance, before the selling 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 as at 31 March 2015 is as follows:

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	Change
Due from customers	7,739	6,753	986
Other trade receivables	3,958	8,104	(4,147)
Allowance for impairment	(126)	(126)	-
Total	**11,571**	**14,732**	**(3,161)**

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, among other things, services in progress which refer to set-up fees incurred by the Group in relation to strategic partners for the design and implementation activities the Group carries out for online stores.

The Allowance for impairment was not used during the course of the quarter. 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 as at 31/03/2015	Balance as at 31/12/2014	Change
Other current assets	8,217	7,510	707
Total	**8,217**	**7,510**	**707**

The following is a breakdown of other current assets as at 31 March 2015:

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	Change
Other receivables	1,768	590	1,178
Allowance for impairment – receivables from others	(221)	(221)	-
Advances to suppliers	64	153	(89)
Travel and payroll advances to employees	3	8	(6)
Prepayments and accrued income	3,776	4,390	(614)
Tax receivables	2,827	2,589	238
Total	**8,217**	**7,510**	**707**

“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 increase as at 31 March 2015 compared with 31 December 2014 is due to the combined effect of the greater amount of tax credits, the greater receivables for advance payments to suppliers for goods and the lower value of suspended services which will be manifest in economic terms in later periods.

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

The “Prepayments” item mainly comprises costs relating to future years recognised financially in the first quarter of 2015.
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 indirect tax and VAT receivables.

9.22 Cash and cash equivalents and financial current assets

The breakdown of the item Cash and cash equivalents as at 31 March 2015 is as follows:

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	Change
Bank and postal accounts	151,234	118,017	33,217
Cash and cash equivalents on hand	10	11	(1)
Total	**151,244**	**118,028**	**33,216**

The following is a breakdown of current financial assets as at 31 March 2015:

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	Change
Due from acquirers	10,162	8,855	1,306
Due from associate companies	240	42	198
Financial Deferrals	1,626	642	984
Total	**12,028**	**9,539**	**2,489**

Cash and cash equivalents totalled Euro 151,244 thousand as at 31 March 2015, 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 12,028 thousand, relate to receivables from acquirers, receivables with regard to the associate E_lite and the share of financial expenses relating to subsequent periods.

9.23 Shareholders' Equity attributable to owners of the Parent

The breakdown of changes in equity as at 31 March 2015 is presented in a separate table.

The share capital of Euro 620,238 at 31 March 2015 (Euro 619,640 as at 31 December 2014) increased over the course of the first quarter of 2015 following the exercise of the stock options on the part of the beneficiaries in question. In this regard, note that as at 23 March 2015, 59,800 ordinary shares were granted following the exercising of 1150 options relating to the 2007-2012 plan with an overall effect of Euro 598.

The reserves are composed as follows:

- the share premium reserve was Euro 86,066 thousand as at 31 March 2015 (Euro 85,999 thousand as at 31 December 2014); this reserve increased over the course of the first quarter of 2015 following the exercise of the stock options on the part of the beneficiaries in question. In this regard, note that as at 23 March 2015, 59,800 ordinary shares were granted following the exercising of 1,150 options relating to the 2007-2012 plan with an overall effect of Euro 67 thousand.

- legal reserve, which totalled Euro 193 thousand as at 31 March 2015 (Euro 193 thousand as at 31 December 2014), consists of accruals of 5% of Parent Company profits every year. This reserve did not increase in the first quarter of 2015 since it had reached the limit imposed by Article 2430 of the Italian Civil Code as at 31 December 2010 and which remains as at 31 March 2015;

- translation reserve, which had a positive balance of Euro 3,506 thousand at 31 March 2015 (compared with Euro 624 thousand at 31 December 2014), reflects exchange rate differences arising from the translation of financial statements denominated in foreign currency. The change as at 31 March 2015 was positive by Euro 2,882 thousand;

- reserve for future increases in share capital, which was fully paid up as at 31 March 2015 (and at 31 December 2014) includes liabilities to individuals who had paid to exercise stock options as at 31 March 2015, but to whom the Company had not made the corresponding ordinary shares available by the end of the year;

- the purchase of treasury shares, for which the balance is negative by Euro 176 thousand, is accounted for as a direct decrease in net equity in compliance with the provisions of IAS 32;

- other reserves, equal to Euro 20,655 thousand as at 31 March 2015 (Euro 20,759 thousand as at 31 December 2014) include the fair value evaluation of the stock options equal to Euro 21,556 as at 31 March 2015 (Euro 20,623 as at 31 December 2014), the Cash Flow Hedge reserve equal to a negative value of Euro 837 thousand (positive by Euro 192 thousand as at 31 December 2014) and the reserve for actuarial profits and losses from the *TFR* evaluation negative by Euro 64 thousand (negative by Euro 56 thousand as at 31 December 2014);

- retained earnings (losses carried forward) amount to a loss carried forward of Euro 50,358 thousand as at 31 March 2015 (Euro 36,556 thousand as at 31 December 2014), an increase of Euro 13,802 thousand due to the allocation of profit for 2014.

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 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, 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, as at 31 March 2015 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 lapsed or not exercised (d = a-b-c)*	*Granted, not vested*	*Granted, vested, not exercisable*	*Granted, vested and exercisable*
2001 – 2003	80,575	31,560	49,015	0	0	0	0
2003 – 2005	36,760	3,000	32,760	1,000	0	0	1,000
2004 – 2006	32,319	12,650	19,169	500	0	0	500
2006 – 2008	31,303	200	25,115	5,988	0	0	5,988
2007 – 2012	102,600	3,650	66,186	32,764	0	0	32,764
2009 – 2014	94,448	24,599	69,849	0	0	0	0
Total	**378,005**	**75,659**	**262,094**	**40,252**	**0**	**0**	**40,252**

As at 31 March 2015, 16,936 options equal to 880,672 shares could be assigned.

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

	Strike prices in Euro		**Options Total**	**Share Total**
	59.17	**106.50**		
2003-2005		1,000	1,000	52,000
2004-2006		500	500	26,000
2006-2008	5,988		5,988	311,376
2007-2012	31,664	1,100	32,764	1,703,728
Totale	**37,652**	**2,600**	**40,252**	**2,093,104**

During the first quarter of 2015, the Board of Directors of the Company did not resolve to grant YOOX S.p.A. stock options.

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

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

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

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

	Strike prices		
	€9.60	**Options Total**	**Share Total**
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 approved the 2009-2014 Incentive Plan in compliance with the approval of the Shareholders' Meeting on 8 September 2009.

For this purpose, the Company started a programme to buy back its own shares, implementing the decisions taken by the Shareholders' Meeting on 7 October 2009 and by the Board of Directors on 1 July 2010. The programme to buy treasury shares is aimed at creating the provision of shares necessary for servicing the 2009-2014 Incentive Plan for employees of the Parent and its subsidiaries.

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

Under the scope of the treasury shares purchase program to service the YOOX S.p.A. 2009-2014 Incentive Plan, 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 after 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 after 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 after 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 after 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 after commission, for a total value of Euro 71,138.08.

In their meeting of 30 April 2015, the Shareholders approved and authorised the purchase and disposal of treasury shares, in compliance with Articles 2357 and 2357-*ter* of the Italian Civil Code and Article 132 of Legislative Decree 58/1998 and related implementation provisions, following the revocation of the authorisation to purchase treasury shares approved by the Shareholders' Meeting of 17 April 2014 for the part not executed.
For more details, please see the Press Release issued on that date which is available on the Company website www.yooxgroup.com, under the section "Investor Relations".

At the time of writing, the Company holds 17,339 treasury shares in its portfolio equal to 0.028% of the share capital to date.

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

Note that on 29 March 2012, the YOOX S.p.A. Shareholders' Meeting took place at first call, with both ordinary and extraordinary sessions. The Shareholders' Meeting, in 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 exclusively for executive directors of YOOX S.p.A., to be implemented through the free granting of options valid for subscribing newly issued YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 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 1 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.

On 17 April 2014, 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 2014 - 2020 Stock Option Plan exclusively for employees of YOOX S.p.A. and its companies, directly or indirectly controlled, to be implemented through the free granting of options valid for subscribing newly issued YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised).
In extraordinary session, the Shareholders' Meeting approved the capital increase through payment in cash in one or more tranches, of a maximum amount of Euro 5,000.00 attributable to the capital, increased by any premium, with the exclusion of option rights pursuant to Article 2441, paragraph 8 of the Italian Civil Code, to be reserved exclusively for subscription by employees of YOOX S.p.A. and subsidiary companies as beneficiaries of the above Stock Option Plan.
The strike price of each option, for the subscription of 1 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 2014 – 2020 Stock Option Plan involves the granting of a total of 500,000 YOOX ordinary shares, equal to approximately 0.81% of the current share capital of the Company (equal to Euro 620,992.32 and represented by 62,099,232 ordinary shares with no nominal value).

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

On 27 April 2012, the Shareholders' Meeting approved, pursuant to Article 114-*bis* of Legislative Decree 58/1998, 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.

On 29 March 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 exclusively for executive directors of YOOX S.p.A., to be implemented through the free granting of options valid for subscribing newly issued YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised).
The 2012-2015 stock option plan includes the allocation of a total of 1,500,000 YOOX ordinary shares.

On 21 September 2014, 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 1 new ordinary share for every 1 option exercised).

On 17 April 2014, 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 2014 - 2020 Stock Option Plan exclusively for employees of YOOX S.p.A. and its companies, directly or indirectly controlled, to be implemented through the free granting of options valid for subscribing newly issued YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised).

The 2014-2020 Stock Option Plan includes the allocation of a total of 500,000 ordinary shares.

9.25 Non-current financial payables – bank loans and other borrowings

Bank loans and other financial liabilities stood at Euro 141,842 thousand, an increase of Euro 45,011 thousand compared with 31 December 2014 (Euro 96,831 thousand).

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	Change
Medium/long-term financial liabilities	117,072	66,072	51,000
Bank loans and other current financial liabilities	24,770	30,759	(5,989)
Total	**141,842**	**96,831**	**45,011**

The following table shows the breakdown of debt as at 31 March 2015:

Lending institution	Remaining amount	Nature of facility	Rate	Short-term portion	Medium-long-term portion
BNL - BNP Paribas Group	14,000		Euribor + %miscellaneous	6,500	7,500
Banca Sella	4,167		Euribor + 2.3%	1,667	2,500
Mediocredito	40,000		Euribor + 1.1%	-	40,000
EIB	45,000		Euribor + %miscellaneous	8,837	36,163
UniCredit	30,000		Euribor + 1.5%	-	30,000
De Lage Landen	631		Fixed	587	43
FACTOR (IFITALIA)	5,211		Euribor + %miscellaneous	5,211	-
Financial leases	2,588		Euribor + %miscellaneous	1,722	866
Accrued liabilities	*246*			*246*	-
Total	**141,842**			**24,770**	**117,072**

The summarised details of loan agreements and lines of credit stipulated in 2015 are given below:

<u>UNICREDIT loan</u>
On 20 December 2013, an unsecured loan was signed for Euro 30,000 thousand with Unicredit S.p.A., divided into one tranche of Euro 10,000 thousand for a period of 72 months, which can be supplied up to 12 months from the date of signing with half-yearly repayment in arrears, and one tranche of Euro 20,000 thousand for 60 months in the form of revolving credit.
Before the expiry of the 12 months from the signing date, the conditions of the loan agreement will be renegotiated, increasing the total amount to Euro 60,000 thousand divided into one tranche of Euro 30,000 thousand for a period of 72 months, which can be supplied up until 31 March 2015, with half-yearly repayment in arrears, and one tranche of Euro 30,000 thousand for 60 months in the form of revolving credit. The spread was also reduced through the new agreement from 2.50% to 1.50% for the term loan, and to 1.80% for the revolving loan. Euro 30,000 thousand was supplied on 31 March 2015 for the term loan.

<u>MEDIOCREDITO loan</u>
On 9 December 2013, an unsecured loan was signed with Mediocredito in the form of a term loan for Euro 23,000 thousand, supplied on signing and lasting for 60 months with the first capital instalment due on 31 March 2015. Before the due date of the first instalment, the terms of the loan were renegotiated, increasing the amount to Euro 40,000 thousand. Other effects of the renegotiation have been the reduction of the spread from 2.60% to 1.10%, and the extension of the original due date of the loan for a further 12 months.

Commitments of a financial nature (*Covenants*)

The Company, also for the purposes of Article 1461 of the Italian Civil Code, recognises the essential nature of complying with the financial parameters, as payment in the consolidated financial statements in the name of YOOX S.p.A., accepting 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 loans agreed with Banca Nazionale del Lavoro, Unicredit and Mediocredito:

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

The financial parameter applicable to the loan agreed with the European Investment Bank is also reported:

1) the ratio between the Net Financial Position and the EBITDA excluding the incentive plans should not be more than 2.0 times the total loan repayment;
2) the ratio between the Net Financial Position and the Shareholders' Equity should not be more than 0.8 times the total loan repayment.

YOOX S.p.A. will notify the "Banks" of the above financial parameters on a half-yearly frequency as at 30 June and 31 December every year until the due date.
If even only one of the above parameters is not complied with, YOOX S.p.A. notwithstanding the right of the "Bank" to terminate the contract, undertakes to agree the financial and management operations, with the same "Bank" within 30 working days of the actual 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, it should be noted that at 31 March 2015, as at 31 December 2014, the above-mentioned financial parameters were complied with by the Group.

As at 31 March 2015, 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 as at 31 March 2015:

Description	Balance as at 31/03/15	Balance as at 31/12/14	Change
Cash and cash equivalents	151,244	118,028	33,216
Current financial assets	12,028	9,539	2,489
Other current financial assets	-	419	(419)
Bank loans and other current financial payables	(24,770)	(30,759)	5,989
Other current financial liabilities	(1,154)	(155)	(999)
Net short-term financial position	**137,348**	**97,071**	**40,276**
Medium/long-term financial liabilities	(117,072)	(66,072)	(51,000)
Net financial position[25]	**20,276**	**31,000**	**(10,724)**

During 2015 the Group's net financial position worsened by Euro 10,724 thousand, going from Euro 31,000 thousand at 31 December 2014 to Euro 20,276 thousand at 31 March 2015.

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

9.26 Employee benefits

This item refers exclusively to the post-employment benefits recorded by the Parent Company in accordance with current legislation. Changes in defined benefit plans for employees in the first quarter of 2015 are summarised below:

Description	**Balance as at 31 December 2014**	**Provisions**	**Utilisation**	**Balance as at 31 March 2015**
Employee benefits	165	12	2	175
Total	**165**	**12**	**2**	**175**

The main technical, demographic and economic parameters used in the actuarial calculation of the liability for employee benefits as of 31 March 2015 are summarised below:

Actuarial assumptions used for the calculations	
Mortality tables	ISTAT SIM and SIF tables for 2013
Annual turnover rate	5.30%
Probability of requests for TFR advances	13.28%
Actualisation rate	080% (iBoxx Corporates AA € 7-10)
Inflation rate	1.50%
% advance request	70.00%
Pay nominal growth rate	1.50%

9.27 Deferred tax liabilities

Deferred tax liabilities fell by 40.4% from Euro 285 thousand as at 31 December 2014 to Euro 170 thousand as at 31 March 2015.

The deferred tax liability 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 as at 31 March 2015, the timing and extent of which cannot be determined. The following table shows the breakdown of the item and changes in the first quarter of 2015:

Description	***Balance as at 31 December 2014***	**Increases**	**Adjustments**	**Utilisation**	***Balance as at 31 March 2015***
Provision for theft and loss	178	143	-	(178)	143
Provision for fraud	304	238		(304)	238
Total provisions for current risks and charges	**482**	**381**	**-**	**(482)**	**381**
Total provisions for non-current risks and charges	**-**	**-**	**-**	**-**	**-**
Total provisions for risks and charges	**482**	**381**	**-**	**(482)**	**381**

During the first quarter of the year, Euro 178 thousand was used from the provision for theft and loss. A further accrual of Euro 143 thousand was considered sufficient following a new estimate.

During the first quarter of the year, Euro 304 thousand was used from the provision for fraud. A subsequent accrual of Euro 238 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 as at 31 March 2015:

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	*Change*
Due to suppliers	137,334	124,956	12,378
Credit notes to be received from suppliers	(3,781)	(3,628)	(153)
Invoices to be received from suppliers	47,561	43,101	4,460
Due to credit card operators	42	37	5
Total	**181,156**	**164,466**	**16,690**

Trade payables went from Euro 164,466 thousand as at 31 December 2014 to Euro 181,156 thousand as at 31 March 2015, an increase of 10.1%.

Trade payables are all payables relating to the purchase of goods and services from Group 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 liabilities

Current tax payables relate exclusively to the current income tax liability of the overseas companies.

Tax liabilities rose in the quarter by Euro 523 thousand, from Euro 320 thousand at 31 December 2014 to Euro 843 thousand at 31 March 2015.

9.31 Other payables

The following table shows a breakdown of payables as at 31 March:

Description	Balance as at 31/03/2015	Balance as at 31/12/2014	*Change*
Due to social security institutions	2,101	2,792	(691)
Credit notes to be issued to customers	7,256	10,462	(3,206)
Due to directors	134	18	116
Due to employees	4,050	3,994	56
Due to tax representatives	5,685	7,695	(2,010)
Other payables	7,954	9,037	(1,083)
Accrued expenses and deferred income	1,163	230	932
Total	**28,343**	**34,228**	**(5,885)**

The item “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 “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 the credit notes to be issued to customers against certain payables for returns on sales made in the first quarter of 2015.

Consolidated statement of cash flows

9.32 Net income for the period, taxes for the period, depreciation and amortization, income taxes paid

Details of profit for the period, taxes for the period, depreciation and amortization 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.

In relation to the tax charge in the first quarter of 2015 of Euro 763 thousand (Euro 549 thousand in the first quarter of 2014), tax payments amounting to Euro 2,315 thousand were made (Euro 944 thousand in the first quarter of 2014) 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 amortization 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 and company incentive plans, 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 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 Acquisition of property, plant and equipment

Cash flow from the acquisition of 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 Acquisition of other intangible assets

Cash flow for acquisition of 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 associates

No cash flow from investment is due to payments in the form of loans to hedge future losses.

9.39 Acquisition of other non-current financial assets

Other non-current financial assets totalled Euro 1,173 thousand as at 31 March 2015 (Euro 999 thousand as at 31 December 2014). These largely relate to rental contracts and contracts for the supply of electricity and gas, and to the existing relationships with Paymentech relating to retentions to guarantee the repayments due for returns made against sales. Other non-current financial assets are due to be repaid in more than 5 years' time.

9.40 Increase in share capital and share premium reserve

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

9.41 Arrangement and repayment of non-current financial liabilities

Arrangement of other non-current 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

As far as investments and sales of financial assets are concerned, please see note 9.22.

10. Disclosure of financial risks

During the first quarter of 2015, 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 as at 31 March 2015, market risk takes the form of currency 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 a 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 quarter of 2015 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 quarter are used only to hedge receivables denominated in US dollars, for the equivalent of Euro 43,690 thousand as of 31 March 2015, and in Japanese yen, for the equivalent of Euro 6,058 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 quarter of 2015 and in the preceding period.

The subsidiaries and consolidated companies of the Parent Company 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, therefore the Group is exposed to an increase in interest rates. The YOOX Group deemed it advisable to manage the interest rate risk through recourse to interest rate swaps covering medium/long-term funding agreed for financing the new techno-logistics platform.
Passive interest on funding for the first quarter of 2015 came to Euro 412 thousand, an increase compared with the first quarter of 2014 (Euro 324 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, suitable to the dynamic nature of the business in which it operates, through recourse to credit lines which are committed on one side, in other words they do not include the possibility of the lenders asking for repayment before a pre-set date, and on the other side are revolving, in other words the Group has the possibility of repaying the individual uses rebuilding their availability.

Net financial position as at 31 March 2015 was positive at Euro 20,276 thousand.

Credit risk with financial counterparties

The YOOX Group has obtained lines of credit from leading Italian and international banks 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 manager 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 and measurement of the above-mentioned financial risks, please refer to the information contained in the consolidated financial statements as at 31 December 2014, 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

They are valued at the amortised cost: 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 as at 31 March 2015 are calculated using the Level 2 method. In 2015 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:

Statement of financial position items as at 31/03/2015	Loans and receivables	Financial assets at fair value through profit or loss		Held-for-sale financial assets	Held-to-maturity investments	Hedging financial assets	Total carrying amount	Total fair value
		Financial assets designated at fair value on initial recognition	Held-for-trading financial assets					
Other non-current financial assets	1,173	-	-	-	-	-	1,173	1,173
Trade receivables	11,571	-	-	-	-	-	11,571	11,571
Other current assets	8,210	-	-	-	-	-	8,210	8,210
Cash and cash equivalents	151,244	-	-	-	-	-	151,244	151,244
Medium/long-term financial liabilities	(117,072)	-	-	-	-	-	(117,072)	(117,072)
Bank loans and other current financial liabilities	(24,770)	-	-	-	-	-	(24,770)	(24,770)
Other current liabilities	(27,189)	-	-	-	-	(1,154)	(28,343)	(28,343)
TOTAL	**3,167**	**-**	**-**	**-**	**-**	**(1,154)**	**2,013**	**2,013**

Statement of financial position items as at 31/12/2014	Loans and receivables	Financial assets at fair value through profit or loss		Held-for-sale financial assets	Held to maturity investments	Hedging financial assets	Total carrying amount	Total *fair value*
		Financial assets designated at fair value on initial recognition	Held-for-trading financial assets					
Other non-current financial assets	999	-	-	-	-	-	999	999
Trade receivables	14,732	-	-	-	-	-	14,732	14,732
Other current assets	7,091	-	-	-	-	419	7,510	7,510
Cash and cash equivalents	118,028	-	-	-	-	-	118,028	118,028
Medium/long-term financial liabilities	(66,072)	-	-	-	-	-	(66,072)	(66,072)
Bank loans and other current financial liabilities	(30,759)	-	-	-	-	-	(30,759)	(30,759)
Other current liabilities	(34,073)	-	-	-	-	(155)	(34,228)	(34,228)
TOTAL	**9,946**	**-**	**-**	**-**	**-**	**264**	**10,210**	**10,210**

Financial derivative instruments outstanding at year end

The following table shows transactions outstanding as of 31 March 2015 and 31 December 2014 and the related fair values.

	Nature of hedged risk	Notional Value		Fair value derivatives		Current financial assets		Other Financial Payables	
FINANCIAL INSTRUMENT		**31 March 15**	**31 Dec 14**	**31 March 15**	**31 Dec 14**	**31 March 15**	**31 Dec 14**	**31 March 15**	**31 Dec 14**
Hedging									
Forward sales	currencies	49,749	8,683	(1,045)	419	-	419	(1,045)	-
IRS	rate	7,447	23,253	(109)	(155)	-	-	(109)	(155)
Total		**57,195**	**31,936**	**(1,154)**	**264**	**-**	**419**	**(1,154)**	**(155)**

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

Transactions with related parties, as defined under IAS 24 and by Consob Regulation No. 1722 of 12 March 2010, as at 31 March 2015 as well as at 31 December 2014 and as at 31 March 2014 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 parties concerned, 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 associated companies);
- (ii) has significant influence over the entity; or
- (iii) jointly controls the entity;

(b) the party is an associated 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.

An operation with an affiliated party is a transfer of resources, services or obligations between affiliated parties, regardless of the fact that an amount 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 financial statements as at 31 March 2015 and 31 March 2014.

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

1. the Parent Company 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 Company 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. the Parent provides the Group companies with advice and support in the areas of fashion, marketing, advertising and professional training.

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 tables below illustrate the relationships in terms of receivables and payables between the YOOX S.p.A. Parent and Group companies as at 31 March 2015, 31 December 2014 and 31 March 2014. Receivables from and payables to subsidiaries are expressed in USD, JPY, CNY HKD and translated to Euro at the exchange rate in effect at end of the reporting 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.

31 March 2015

(Thousand Euro)	Trade receivables	Financial receivables	Trade payables	Financial payables	Revenue	Costs
YOOX SpA	43,351	4,529	128	2,798	33,961	37
YOOX Corporation	119	-	26,267	1,396	30	21,054
YOOX Japan	6	780	4,150	-	4	7,277
YOOX Mishang Trading (Shanghai)	-	-	8,282	3,134	-	2,119
YOOX Asia Ltd	-	2,018	4,646	-	3	3,512
Total subsidiaries	**43,475**	**7,327**	**43,475**	**7,327**	**33,999**	**33,999**

31 December 2014

(Thousand Euro)	Trade receivables	Financial receivables	Trade payables	Financial payables	Revenue	Costs
YOOX SpA	39,745	3,975	26	2,478	121,443	83
YOOX Corporation	23	-	24,347	1,240	33	82,214
YOOX Japan	-	692	4,815	-	18	25,121
YOOX Mishang Trading (Shanghai)	2	-	6,940	2,735	16	3,771
YOOX Asia Ltd	1	1,786	3,642	-	15	10,337
Total subsidiaries	**39,771**	**6,453**	**39,771**	**6,453**	**121,526**	**121,526**

31 March 2014

(Thousand Euro)	Trade receivables	Financial receivables	Trade payables	Financial payables	Revenue	Costs
YOOX SpA	21,095	4,330	61	2,279	25,110	7
YOOX Corporation	16	-	9,715	1,089	3	15,538
YOOX Japan	42	703	3,802	-	1	7,126
YOOX Mishang Trading (Shangaii)	-	-	4,639	3,241	-	501
YOOX Asia Ltd	3	1,576	2,940	-	3	1,945
Total subsidiaries	**21,157**	**6,608**	**21,157**	**6,608**	**25,117**	**25,117**

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

Senior management 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 Co-General Manager.

The gross annual remuneration of the above persons, inclusive of all forms of remuneration (including gross pay, bonuses and fringe benefits) 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:

31 March 2015

Description	Current benefits	Long-term benefits	Stock option plans and Company incentive plans
Directors	387	192	1,014
Statutory Auditors	18	-	-
Management personnel with strategic responsibilities	202	11	-
Total	**607**	**203**	**1,014**

31 December 2014

Description	Current benefits	Long-term benefits	Stock option plans and Company incentive plans
Directors	1,539	-	1,009
Statutory Auditors	76	-	-
Management personnel with strategic responsibilities	776	44	121
Total	**2,391**	**44**	**1,130**

31 March 2014

Description	Current benefits	Long-term benefits	Stock option plans and Company incentive plans
Directors	393	127	479
Statutory Auditors	18		
Management personnel with strategic responsibilities	225	10	83
Total	**636**	**137**	**562**

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 Transactions with other related parties

The following tables list the main financial and commercial relationships between the companies of the Group and related parties other than Group companies, as at 31 March 2015, 31 December 2014 as well as 31 March 2014, 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.

31 March 2015

Description	Trade receivables	Financial receivables	Trade payables	Financial payables	Revenue	Costs
D'Urso Gatti e Bianchi Studio Legale Associato	-	-	199	-	-	196
Tarter Krinsky e Drogin LLP	-	-	86	-	-	50
Hari K. Samaroo, P.C.	-	-	-	-	-	-
KK TPI	-	-	-	-	-	-
Bizmatica Sistemi S.p.A.	-	-	9	-	-	3
Nagamine Accounting Office	-	-	4	-	-	4
E_Lite	276	240	3,348		3,661	
Total other related parties	**276**	**240**	**3,645**		**3,661**	**253**

31 December 2014

Description	Trade receivables	Financial receivables	Trade payables	Financial payables	Revenue	Costs
D'Urso Gatti e Bianchi Studio Legale Associato			28			488
Tarter Krinsky e Drogin LLP			85			236
Bizmatica Sistemi S.p.A.			119			276
Nagamine Accounting Office			1			15
E_Lite	72	42	4,473		12,207	-
Total other related parties	**72**	**42**	**4,706**		**12,207**	**1,015**

31 March 2014

Description	Trade receivables	Financial receivables	Trade payables	Financial payables	Revenue	Costs
D'Urso Gatti e Bianchi Studio Legale Associato	-	-	214	-	-	214
Tarter Krinsky e Drogin LLP	-	-	18	-	-	33
Hari K. Samaroo, P.C.	-	-	-	-	-	-
KK TPI	-	-	-	-	-	-
Bizmatica Sistemi S.p.A.	-	-	50	-	-	3
Nagamine Accounting Office	-	-	11	-	-	12
E_Lite	1,203	950	2,737		3,147	
Total other related parties	**1,203**	**950**	**3,030**		**3,147**	**262**

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

- Studio legale D'Urso Gatti e Associati, 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);
- 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 SpA since the Chairman of that company is the son of a member of the Board of Directors of the Group (YOOX SpA);
- E_lite because it is a 49% owned subsidiary.

None of the transactions that took place with related parties in 2015 and 2014 were significant (except as mentioned above), atypical and/or unusual.

12. Commitments

Commitments and guarantees

Description	Balance as at 31/03/2015	Balance as at 31/12/2014
Third-party assets held by the Group	153,295	136,069
Sureties given to others	2,786	2,468
Commitments under hedging contracts (nominal value)	57,195	31,936

The warehouses of Group companies hold goods worth Euro 153,295 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 2015, as well as an expansion of procurement on a sale-or-return basis in the Multi-brand business line.

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

- the contract agreed by the Parent Company with SINV, with effect from 2 November 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 31 January 2017;
- 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 1 August 2008. The surety amounts to Euro 52,000 and expires on 31 July 2015;
- the contract agreed by the Company with Oslavia, with effect from 19 September 2014 for a period of six years, for the rental of office premises in Via Lombardini, Milan. The surety amounts to Euro 20,934.15 and expires on 31 July 2015;
- 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 30 April 2015;
- the contract agreed with Logistica Bentivoglio S.r.l. with effect from 28 December 2010 and expiring on 31 December 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 contract agreed by the Company with Despina S.p.A. to guarantee compliance with obligations under a rental contract with effect from 12 February 2015 relating to office premises at Via Nannetti 1 in Zola Predosa. The surety amounts to Euro 400,000 and expires on 1 February 2016;
- the contract agreed with SBLC Callison LLC with effect from 8 January 2013 expiring on 15 March 2016 to guarantee the correct fulfilment of the obligations undertaken through the rental agreement of the New York offices for USD 227,753 equal to Euro 211,686 as at 31 March 2015;
- the contract agreed with Geodis Logistic S.p.A. with effect from 1 January 2013 and expiring on 30 January 2019 to guarantee compliance with obligations under the rental agreement for the warehouse and offices at the Interporto for Euro 103,621;
- 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 21 May 2013. The surety amounts to Euro 10,200 and expires on 30 April 2016;
- the contract agreed with Generali Italia Immobiliare, with effect from 25 July 2013 and expiring on 13 September 2019, for the rental of office space in Casalecchio di Reno in via del Lavoro. The amount of the surety is Euro 31,140.

The hedging contracts relate to:

- forward sales set up by the Parent to cover the currency risk connected to intra-Group sales in US Dollar and Japanese Yen. The nominal amount of these commitments, translated to Euro at the exchange rate in effect at the reporting date, is Euro 49,749 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 closing date of the Financial Statement is Euro 7,447 thousand.

13. Non-recurring events and significant transactions

Non-recurring significant transactions that took place during the first quarter of 2015 are solely related to the merger transaction with THE NET-A-PORTER GROUP Limited.

14. Positions or changes resulting from atypical or unusual transactions

With regard to non-recurring events and significant transactions, refer to the Directors' interim report on operations concerning the merger with THE NET-A-PORTER-GROUP Limited.

There were no atypical and/or unusual transactions in the quarter which, in terms of significance or relevance of nature of the counter-parties involved in the transaction, method of determining the transfer price or occurrence close to the end of the period, that could give rise to doubts with regard to the correctness and completeness of the information in this document, any conflict of interest, the protection of corporate capital and the safeguarding of minority shareholders.

15. Significant events after 31 March 2015

On 14 April 2015, 75,400 YOOX S.p.A. ordinary shares were granted following the exercise of 1,450 options relating to the 2007-2012 Stock Option Plan at a strike price of Euro 59.17 for each option.

Given the above, the share capital issued by YOOX S.p.A. is Euro 620,992.32, divided into 62,099,232 ordinary shares with no indication of nominal value.

Mono-brand online store

On 14 April 2015, a flagship online store was launched dedicated to McQ, the contemporary line of Alexander Mc Queen, in Europe, the United States and the main countries in the Asia-Pacific area, including China.
On 8 May 2015, Richemont International S.A. and YOOX S.p.A. signed a letter of intent aimed at finalising a five-year agreement for the global development and management of the Chloé and Alfred Dunhill online stores.

On 11 May 2015, KARL LAGERFIELD RETAIL BV and YOOX S.p.A. finalised a six-year agreement for the management of the KARL LAGERFIELD online stores in Europe, the United States and Japan.

Merger between YOOX Group and THE NET-A-PORTER GROUP

On 24 April 2015, the YOOX S.p.A. Board of Directors, in line with the announcement to the market on 31 March 2015, approved the merger between YOOX S.p.A. and The Net-A-Porter Group Limited. They decided on the exchange ratio as 1 newly issued YOOX share for every Largenta Italia S.p.A. share, a non-operational company controlled by Richemont which, with effect from the merger, will indirectly control THE NET-A-PORTER GROUP Limited and will be incorporated in YOOX S.p.A.
The merger seeks to integrate two highly complementary companies, with significant potential for synergies in terms of customer segments covered, geographical exposure and mix of skills, with the aim of creating a global group leader in the online luxury fashion segment.
For further information, please refer to the press releases, issued on 31 March and 24 April 2015, available on the Company's website.

Zola Predosa (BO), 11 May 2015
For the Board of Directors

Chief Executive Officer
Federico Marchetti

Annex 1

Consolidated income statement as at 31/03/2015 prepared in accordance with CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006 (in thousands of Euro).

	31 March 2015			31 March 2014		
Consolidated income statement	**Balances**	**of which with related parties**	**% Weighting**	**Balances**	**of which with related parties**	**% Weighting**
Thousand Euro:						
Net revenue	147,234	3,661	2.49%	126,514	3,147	2.49%
Cost of goods sold	(96,008)			(84,096)		
Fulfilment costs	(14,840)	-	-	(12,760)	(118)	0.92%
Sales and marketing costs	(17,586)	(74)	0.42%	(13,582)	(102)	0.75%
General expenses	(16,827)	(2,003)	11.90%	(13,177)	(1,378)	10.46%
Other income and expenses	(1,113)			(534)		
Non-recurring expenses	(1,590)			-		
Operating result	**(730)**			**2,365**		
Result of equity investments	86			(243)		
Financial income	5,308	5	0.10%	214	7	3.14%
Financial expenses	(2,710)			(871)		
Profit before tax	**1,954**			**1,465**		
Taxes	(763)			(549)		
Consolidated net income for the period	**1,191**			**916**		
Basic earnings per share	0.02			0.02		
Diluted earnings per share	0.02			0.01		

Annex 2

Consolidated statement of financial position as at 31/03/2015, prepared in accordance with CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006 (in thousands of Euro).

	31 March 2015			31 December 2014		
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	34,100			35,663		
Intangible assets with finite useful life	39,872			35,685		
Equity interests in associates	59			59		
Deferred tax assets	11,980			10,021		
Other non-current financial assets	1,173			999		
Total non-current assets	**87,184**			**82,427**		
Current assets						
Inventories	245,078			222,834		
Trade receivables	11,571	276	2.38%	14,732	72	0.5%
Other current assets	8,217			7,510		
Cash and cash equivalents	151,244			118,028		
Financial assets which are not non-current assets	12,028	240	2.00%	9,539	42	0.5%
Total current assets	**428,138**			**372,644**		
Total assets	**515,322**			**455,071**		

Consolidated statement of financial position	31 March 2015 Balances	of which with related parties	% Weighting	31 December 2014 Balances	of which with related parties	% Weighting
Shareholders' Equity						
Share capital	620			620		
Reserves	110,244			107,315		
Retained earnings and losses carried forward	50,358			36,556		
Consolidated profit for the year	1,191			13,802		
Equity attributable to equity holders of the Parent	162,413			158,294		
Equity attributable to third parties						
Total consolidated equity	**162,413**			**158,294**		
Non-current liabilities						
Medium/long-term financial liabilities	117,072			66,072		
Employee benefits	175			165		
Provisions for risks and charges	-			-		
Deferred tax liabilities	170			285		
Total non-current liabilities	**117,416**			**66,522**		
Bank loans and other current financial liabilities	24,770			30,759		
Provisions for risks and charges	381			482		
Trade payables	181,156	3,645	2.01%	164,466	4,706	2.9%
Tax liabilities	843			320		
Other payables	28,343	-	-	34,228		
Total current liabilities	**235,493**			**230,255**		
Total consolidated equity and liabilities	**515,322**			**455,071**		

Annex 3

Consolidated statement of cash flows for the year ended 31/03/2015, prepared in accordance with CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006 (in thousands of Euro).

	31 March 2015			31 March 2014		
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	1,191			916		
Adjustments for:						
Taxes for the period	763			549		
Financial expenses	2,710			871		
Financial income for the period	(5,308)			(214)		
Share of earnings from associates	(86)			243		
Depreciation, amortisation and impairment losses for the period	7,209			5,725		
Fair value measurement of *Stock Option* plans	1,014			908		
Unrealised effect of changes in foreign exchange rates	2,882			(1)		
(Gains)/losses on sale of non-current assets	-			-		
Provision for Employee benefits	12			1		
Provisions for risks and charges	381			366		
Payment of employee benefits	(2)			(24)		
Use of provisions for risks and charges	(483)			(416)		
Changes in inventories	(22,244)			(1,469)		
Changes in trade receivables	3,161	(204)	6.45%	4,738	(515)	-10.87%
Changes in trade payables	16,690	(1,061)	-6.36%	(395)	(1.458)	>100%
Changes in other current assets and liabilities	(7,609)	-	-	(8,567)	-	-
Cash flow from (used in) operating activities	**281**			**3,231**		
Income tax paid	(2,315)			(944)		
Interest and other financial expenses paid	(2,710)			(871)		
Interest and other financial income received	5,308			214		
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**565**			**1,630**		

Consolidated statement of cash flows	31 March 2015			31 March 2014		
	Balances	of which with related parties	% Weighting	Balances	of which with related parties	% Weighting
Investing activities						
Acquisition of property, plant and equipment	(2,074)			(4,828)		
Acquisition of intangible assets	(9,241)			(5,811)		
Acquisition of equity investments	-			-		
Acquisition of other non-current financial assets	(175)			4		
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(11,490)**			**(10,635)**		
Financing activities						
New short-term liabilities	5,285			424		
Repayment of short-term liabilities	(10,970)			(7,095)		
New medium/long-term financial liabilities	52,750			-		
Repayment of medium/long-term financial liabilities	(503)			(459)		
Increase in share capital and share premium reserve	68			1,642		
Investments in other financial assets	(2,489)	(198)	7.96%	381	(710)	>100%
Variation through difference between cash effect and action of incentive plans	-			116		
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**44,141**			**(5,107)**		
TOTAL CASH FLOW FOR THE PERIOD	**33,216**			**(14,112)**		
Cash and cash equivalents at the beginning of the period	118,028			58,280		
Cash and cash equivalents at the end of the period	151,244			44,168		
TOTAL CASH FLOW FOR THE PERIOD	**33,216**			**(14,112)**		

DECLARATION PURSUANT TO ART. 154-BIS PAR. 2 OF LEGISLATIVE DECREE NO. 58/1998

The undersigned Enrico Cavatorta, Director in charge of preparing the corporate accounting documents of YOOX S.p.A. hereby certifies, in accordance with Article 154-*bis* of the TUF that the consolidated interim financial statements at 31 March 2015 of the YOOX Group correspond to the entries made in accounting documents, ledgers and records.

Zola Predosa (BO), 11 May 2015

The Director in charge of preparing the corporate accounting documents
Enrico Cavatorta

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 interim consolidated financial statements

To the board of directors of
YOOX S.p.A.

Introduction

We have reviewed the condensed interim consolidated financial statements of the YOOX Group as at and for the three months ended 31 March 2015, comprising income statement, statement of comprehensive income, the statement of financial position, statement of changes in equity, statement of cash flows and notes thereto included in the Interim Financial Report at 31 March 2015. The parent's directors are responsible for the preparation of these condensed interim consolidated 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.

Scope of the work

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. As a consequence, we do not express an audit opinion on the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements present the figures of the prior year consolidated financial statements and the corresponding period of the previous year for comparative purposes. With regard to the figures of the prior year consolidated financial statements included in the condensed interim consolidated financial statements for comparative purposes, reference should be made to our report on the annual consolidated financial statements of the previous year dated 18 March 2015.

We have not reviewed the figures of the corresponding period of the previous year presented in the condensed interim consolidated financial statements for comparative purposes. Therefore, our conclusions set out herein do not extend to such data.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the YOOX Group as at and for the three

YOOX Group
Auditors' report on review of condensed interim consolidated financial statements
31 March 2015

months ended 31 March 2015 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, 13 May 2015

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit

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