INFORMATION TO SHAREHOLDERS ON THE PROPOSAL TO MERGE LARGENTA ITALIA S.P.A. INTO YOOX S.P.A.

prepared for the Extraordinary Shareholders' Meeting of YOOX S.p.A., convened for 21 July 2015, single call

3 July 2015

CONTENTS

INTRODUCTION

This document (the "**Information Note**") was prepared by the Board of Directors of YOOX S.p.A. (hereinafter "**YOOX Group**" or "**YOOX**" or the "**Transferee**" or the "**Issuer**" or the "**Company**"), and approved by said company at its meeting on 2 July 2015, to provide Shareholders with more information to assist them in voting on the proposal for the merger by incorporation of Largenta Italia S.p.A. (hereinafter "**Largenta Italia"** or the "**Transferor**") into YOOX Group (the "**Merger**").

The Board of Directors of YOOX assessed whether it was appropriate to prepare this Information Note, taking into account the Issuer's decision, adopted by resolution of the Board of Directors of YOOX on 23 January 2013, to exercise its right to "opt out", pursuant to Article 70, para. 8, of the Consob regulation, as a result of which the Company is no longer required to prepare and publish an Information Note for, among others, merger deals. This therefore includes this Merger, which the Issuer's shareholders are required to resolve on at their meeting on 21 July 2015.

This Information Note provides additional general and detailed information on the Merger, as well as information about (i) the main risks relating to the Transferee and the group to which it belongs following the Merger, the sectors in which they will operate, and the main risks associated with the Merger, (ii) the pro-forma balance-sheet and income-statement figures of YOOX at 31 December 2014, drawn up to reflect the effects of the Merger, (iii) the historical balance-sheet and income-statement figures of the companies involved in the Merger, (iii) the activities carried out by the companies involved in the Merger, (iv) the shareholding structure, corporate governance and employees, transactions with related parties, legal proceedings, disputes and significant agreements of the Issuer and the group to which it belongs, at 31 December 2014 and up to the date of this Information Note.

This Information Note must therefore be read jointly with the Report of the Board of Directors of YOOX on the Merger Plan, drafted by the Directors, pursuant to Article 2501-*quinquies* of the Italian Civil Code, Article 125-*ter* of Legislative Decree 58/98, as subsequently amended and supplemented (the "**TUF"**), and Article 70 of Consob Regulation 11971/1999, as subsequently amended and supplemented (the "**Consob Regulation**"), dated 24 April 2015 and updated on 17 June 2015 (the "**Report**").

Attached to this Report is the Merger Plan drafted pursuant to Article 2501-*ter* of the Italian Civil Code and the applicable provisions required for issuers of shares admitted for trading on the regulated markets, approved by the corporate bodies of YOOX and Largenta Italia on 23 and 24 April 2015 respectively and registered with the applicable Companies Registers of Bologna and Milan on 16 June 2015, pursuant to Article 2501-*ter* of the Italian Civil Code (the "**Merger Plan**").

The Report and the Merger Plan are both included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004.

The Report and the Merger Plan were made available on 19 June 2015 at the Issuer's Registered Office, on the Company's website www.yooxgroup.com (Section Governance / Shareholders' Meeting), and on the authorised storage mechanism "*eMarket storage*", which can be consulted at www.emarketstorage.com.

DEFINITIONS

A list of the main definitions used in this Information Note is provided below. Except where otherwise stated, these definitions have the meaning indicated below. For the definitions shown below, the singular form also includes the plural and vice versa, where the context so requires. Other definitions used in this Information Note have the meaning attributed to them in the text.

Merger Agreement	The agreement signed on 31 March 2015 between YOOX, of the first part, and Compagnie Financière Richemont S.A. and Richemont Holdings (UK) Limited, of the second part, relating to the merger by incorporation of Largenta Italia into YOOX.
Amendment Agreement	The agreement signed on 24 April 2015 between YOOX, of the first part, and Compagnie Financière Richemont S.A. and Richemont Holdings (UK) Limited, of the second part, amending the Merger Agreement.
Affiliate	Indicates, in relation to any party (physical or legal person, entity, company, association, etc.), any other party that is, directly or indirectly, the parent company, controlled by, or subject to joint control, within the meaning of "control" as defined in the International Accounting Standards.
Annual Report 2014	Set of documents including the "*2014 Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of the TUF*" of YOOX S.p.A., the "*2014 Directors' Report*" of YOOX S.p.A., the "*2014 Consolidated Financial Statements of the Yoox Group*", and the "*2014 Annual Financial Statements of YOOX S.p.A.*", included by reference in this Information Note, pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004, and available on the Issuer's website (www.yooxgroup.com) (Section Governance / Shareholders' Meeting).
Borsa Italiana	Borsa Italiana S.p.A., with registered office at Piazza degli Affari, 6, Milan.
B Shares	YOOX shares without voting rights, and bearing the features and rights provided for in the Bylaws of YOOX which will come into force on the effective date of the Merger, which will be issued by the Issuer to the Merger and assigned to Largenta Italia. To this regard, please refer to Section 1.3 and Chapter 4 of the Report.
Common Expert	Baker Tilly Revisa S.p.A. appointed by the Court of Bologna pursuant to and in accordance with Article 2501-sexies of the Italian Civil Code as a joint expert for the purposes of issuing an opinion on the fairness of the exchange ratio.
Consob Regulation	Has the meaning defined in the Introduction to this

	Information Note.
Corporate Governance Code	The Corporate Governance Code of listed companies in effect at the Date of the Information Note (as defined below).
Date of the Information Note	The date of publication of the Information Note, i.e. 3 July 2015.
Exchange Ratio	The exchange ratio related to the Merger, as determined by the Boards of Directors of YOOX and Largenta Italy, equal to No. 1 (one) share of Largenta Italy every No. 1 (one) YOOX newly-issued shares, as described in the Chapter 3 of the Report.
Group or YOOX Group	The group headed by YOOX.
IFRS or IAS or International Accounting Principles	All the International Financial Reporting Standards (IFRS), all the International Accounting Standards (IAS), and all the interpretations of the International Financial Reporting Interpretations Committee (IFRC), previously known as the Standing Interpretations Committee (SIC).
Largenta Italia	Largenta Italia S.p.A. (formerly Deal S.r.l.) with registered office at Via Cesare Cantù, 1, Milan, and tax code and registration number in the Milan Companies Register 08867720966.
Largenta UK	Largenta Limited, a private limited company, under English and Welsh law, with registered office at 15 Hill Street, London, W1J 5QT, and company registration number 07192057.
Merger	Has the meaning defined in the Introduction to this Information Note.
Merger Plan	Has the meaning defined in the Introduction to this Information Note.
MTA	The *Mercato Telematico Azionario* organised and managed by Borsa Italiana.
NAP Group	The group headed by The Net-A-Porter Group Limited.
THE NET-A-PORTER GROUP *or* NAP	The Net-A-Porter Group Limited, a company under English law indirectly controlled by Compagnie Financière Richemont S.A., including via Richemont Holdings (UK) Limited, operating in the same sector as YOOX.
Related Parties	The parties included in the IAS 24 definition.
Report	Has the meaning defined in the Introduction to this Information Note.
Shareholders' Agreement	The agreement signed on 31 March 2015 between YOOX, of the first part, and Compagnie Financière Richemont S.A. and Richemont Holdings (UK) Limited, of the second part, containing the major shareholders' agreements pursuant to

	Article 122 of the TUF, which will govern the principles relating to certain aspects of the corporate governance of YOOX (post-Merger), the rules applicable to the shares that RH will hold in YOOX (post-Merger), and the related transfer of same.
Subsidiaries of THE NET-A-PORTER GROUP	Refers collectively to Net-A-Porter International Limited, The Net-A-Porter Group LLC, The Net-A-Porter Group Asia Pacific Limited, New King Group Limited, Shouke Limited, The Net-A-Porter Group China Limited.
RH	Richemont Holdings UK Limited, a private company limited by shares, governed by English and Welsh law, with registered office at 15 Hill Street, London, W1J 5QT, and share capital of GBP 353,671,534. Its registration number is 02841548, and it is wholly owned by Richemont.
Richemont	Compagnie Financière Richemont SA, a société anonyme (limited company) governed by Swiss law, with registered office at 50 chemin de la Chênaie, Bellevue, Geneva, CP30 1293, Switzerland, and share capital of CHF 574,200,000 (fully paid up), registered with the Geneva Companies Register under CHE-106.325.524.
TUF	Has the meaning defined in the Introduction to this Information Note.
YOOX or **YOOX Group** or **Issuer** or **Transferee** or **Company**	Has the meaning defined in the Introduction to this Information Note.

GLOSSARY

A list of the main technical terms used in this Information Note is provided below. Except where otherwise stated, these terms have the meaning indicated below. For the technical terms shown below, the singular form also includes the plural and vice versa, where the context so requires. Other technical terms used in this Information Note have the meaning attributed to them in the text.

brand	A name, logo, design or combination of distinctive elements that identifies the products or services of one or more sellers, and aims to distinguish them from other products of the same type.
brand lovers	Costumers who are sensitive and loyal to a brand.
brand partners	The entity with which the Issuer has a working relationship relating to the design, implementation and management of their respective *monobrand online stores*.
commercial partner	A party with whom the Issuer has a business relationship regarding the supply of products and their subsequent marketing on the Issuer's online stores yoox.com and thecorner.com.
concept	Means the creative, conceptual and design guidelines as a whole related to the procedures for implementing websites or sections of them, applications for mobile devices, communication campaigns or advertising, etc.
merchandising	The set of activities and actions aimed at promoting the sale of a particular product line or an individual product that has been added to the range.
monobrand	The business line that includes the design, set-up and management of the online stores of some of the leading fashion brands.
multibrand	The business line that includes the activities relating to the online stores yoox.com, thecorner.com and shoescribe.com.
online flagship store	Mono-brand online stores of numerous global fashion and luxury brands designed and jointly managed by YOOX Group
online store	A website specifically designed and developed for the online sale of products (e-commerce)
retailing	Retail selling.
visual merchandising	Managing the presentation of products on the website.
web marketing	The set of marketing activities carried out on the internet.

1. Risk factors

1.1 Risk factors associated with the activities of the Transferee, and the group to which it belongs, following the Merger

1.1.1 Foreign exchange, interest rate and credit risks

The group resulting from the Merger (the "**New Group**") will operate in several countries, and it will continue to carry out a significant part of its business in international markets. The New Group will prepare its own consolidated financial statements in its functional currency (that is, the euro), while the separate financial statements of each subsidiary will be prepared using their own individual functional currencies. As a result of this, fluctuations in exchange rates between the functional currencies used by the New Group's foreign subsidiaries and the functional currency adopted by the Company will affect the economic and financial conditions under which the New Group operates. As such, the New Group's revenues and profits will be subject to foreign exchange risk, which could have a significant effect on its business, results and financial situation of the New Group.

YOOX Group's companies are principally exposed to the US dollar, the Russian rouble, the Japanese yen and the UK pound. The New Group's companies will also be exposed, although to a lesser degree, to the Chinese Renminbi, the Hong Kong dollar, the Australian dollar, the Korean won and the Canadian dollar.

At present, foreign exchange risk is concentrated within YOOX (as parent company), which has forward exchange contracts outstanding with leading banks. For further information, please refer to the Annual Report 2014, pp. 152 *et seq.* included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004 and available on the Issuer's website (www.yooxgroup.com) (Section Governance / Shareholders' Meeting).

The exposure to interest rate risk arises from the need to finance the New Group's operations, particularly the interim working capital requirements and capital investments, and to invest cash and cash equivalents. Interest rate risk is related to the uncertainty surrounding fluctuations in variable interest rates. Specifically, a rate rise could result in a higher financial expense on floating-rate debt and, therefore, lower available cash flows for servicing the debt.

YOOX Group currently has loans and credit lines that are indexed to the Euribor, meaning that they are exposed to interest rate risk. In order to hedge against this risk, YOOX Group has entered into an interest rate swap agreement pertaining to the sole outstanding medium-long-term loan. For further information, please refer to YOOX Group's Annual Report 2014, pg. 155 included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004 and available on the Issuer's website (www.yooxgroup.com) (Section Governance / Shareholders' Meeting). For the purpose of full disclosure, note that, pursuant to the Merger Agreement, at closing (i.e. at the signing of the Merger Deed), Largenta, Largenta UK, THE NET-A-PORTER GROUP and the subsidiaries of THE NET-A-PORTER GROUP will have no financial debt towards third parties being debt free. For further information, please see Section 3.4.2 of the Report.

The aforementioned hedging policies could be adequate and, sufficient to minimise any losses resulting from exchange rate and interest rate fluctuations, even for the New Group. Should this situation arise, it could adversely affect the business, operating results and financial position of the New Group.

With regard to credit access risk, YOOX has access to credit lines with favourable terms. Should conditions on the financial markets and in the global economy change, the Group may be forced to secure additional financing under less favourable conditions, resulting in a higher financial expense.

1.1.2 Risks associated with the inability to maintain financial, managerial and control processes

YOOX Group continually monitors and updates its system of internal controls on financial reporting. In support of the aim of implementing uniform systems across the New Group, the accounting, procurement and fixed capital and investment management systems will be extended to other business areas. If deemed appropriate, YOOX Group will continue to modify the design and documentation of the internal control processes and the procedures for the new systems in order to simplify and automate many of its own processes. The Group's management believes that the implementation of these systems will continue to improve and enhance the internal controls on financial reporting at the New Group level. The potential failing to maintain adequate financial and managerial processes, and/or adequate controls, may have negative repercussions on the New Group's reputation.

1.1.3 Risks associated with relations with strategic and commercial partners

YOOX Group's business and strategy is based on, inter alia, close working relationships with strategic partners as regards the management of its online mono-brand stores. The Company acknowledges that should the above-mentioned relationships with strategic partners terminate or new ones fail to materialise, for whatever reason, this may adversely affect the New Group's business and financial situation.

In addition, the New Group will engage in relationships with several commercial partners with regard to the multi-brand business; most of these are long-standing relationships involving either YOOX Group or THE NET-A-PORTER GROUP. However, the possibility remains that, should relationships with several commercial partners terminate for whatever reason, or should said partners reduce their supply of products, or the supply of products at less favourable conditions, the New Group may not be able to ensure sufficient procurement to meet current or future customer demand for products.

Moreover, should the New Group be unable to extend existing working relationships or establish new ones in order to ensure increased procurement of products meeting its own quality standards, this could adversely affect the development of its business and therefore its business and financial situation.

1.1.4 Risks associated with the need for liquidity

The Company aims to maintain appropriate levels of liquidity and available funds to sustain the growth of the New Group's business and to ensure the timely fulfilment of its related obligations. In particular, owing to the dynamic nature of its business, the New Group will favour the use of both committed (where lenders cannot request repayment before a predetermined date) and revolving (where the New Group has the option of repaying individual drawdowns, thus rebuilding its available cash) credit lines.

The New Group's ability to meet its payments and to refinance, as well as to fund working capital, capital expenditure and research and development, will depend on its financial results and its ability to generate sufficient readily available cash. To a certain extent, this depends on economic, financial and market conditions, applicable laws.

For further information, please refer to the regulations, competition and other factors, many of which are beyond the New Group's control in Annual Report 2014, pg. 156 included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004 and available on the Issuer's website (www.yooxgroup.com) (Section Governance / Shareholders' Meeting).

1.1.5 Risks associated with the departure of key managers

The success of the New Group will depend largely on the ability of its senior managers and other members of the management team to effectively manage the Group and its individual areas of business. In particular, CEO Federico Marchetti is crucial to the execution of future strategies and the integration between the YOOX Group and THE NET-A-PORTER GROUP. Should the New Group lose the services of the CEO, Federico Marchetti or other key managers or key members of staff, this could be detrimental to its business prospects, results and/or financial position.

Should the New Group be unable to find, in due time, suitable replacements for these people or to attract, retain and incentivise senior managers, other key members of staff or new skilled workers (an element which could influence the growth of the New Group and the increase of its market share), this may reflect negatively in in its financial position and operating results.

1.1.6 Risks associated with logistics centre operations

In order to sell its products worldwide, the New Group will use logistics centres based in Italy, the UK, the US, Hong Kong, China and Japan.

These centres are exposed to normal operating risks, examples of which include: equipment damage; fire and flooding; prolonged power cuts; insufficient workforce or work stoppages; revocation of permits and licences; natural disasters; and major product supply interruptions.

Any interruption to activity at these logistics centres, whether caused by one of the events mentioned above or by something else, may negatively affect the New Group's results. Despite the YOOX Group and THE NET-A-PORTER GROUP having taken out various insurance policies for damage resulting from employee accidents, fire, theft and damage to products, plants and electronic equipment at the logistics centres, the occurrence of unknown events capable of impacting the New Group's logistics activities cannot be ruled out and may adversely affect the New Group's business and financial situation.

1.1.7 Risks associated with the Issuer's reliance on third-party services

Some logistics and distribution services are entrusted to specialist third-party operators with which YOOX Group’s companies and THE NET-A-PORTER GROUP have entered into supply agreements. The termination of or failure to renew one or more of these agreements, that is renewing or entering into new contracts at conditions less favourable for the New Group, for whatever reason, may adversely affect the New Group's business, results and financial situation.

Additionally, in the case where third party operators were not able to deliver ordered products within the scheduled times or, more generally, to fulfil the contractual obligations or the applicable laws, this could adversely affect the new Group’s financial position and operating results.

1.1.8 Risks associated with the different tax regimes in the countries in which the New Group will operate

The companies involved in the Merger are resident for tax purposes (or otherwisw subject to taxation) in various jurisdictions. In complying with the local tax laws and regulations and determining their respective tax liabilities, the companies involved in the Merger rely on their respective interpretation of those laws and regulations having sought professional tax advice when considered appropriate.

Any changes to tax laws and regulations in these countries, any changes in the interpretation thereof or challenges to companies’ interpretation thereof could potentially expose the New Group to negative tax consequences, including the imposition of historic tax liabilities not currently provided for, together with any interest or penalties found to be due. If significant, the impact of such changes could potentially have negative effects on the economics, equity and financial conditions of the companies involved in the Merger and/or the New Group, after the Merger.

1.1.9 Risks associated with the general economic climate

The crisis that has mainly affected the EU's peripheral countries and the ensuing deterioration in macroeconomic conditions has resulted in stricter criteria on consumer credit access and lower household spending in certain countries where YOOX Group operates. In the Eurozone, in particular, the sovereign debt crisis has increased the uncertainties in recent years over the economic stability and the entire Economic and Monetary Union. In the last few years Greece, Ireland and Portugal have asked for financial support from European authorities and the International Monetary Fund (IMF) and they have undertaken ambitious structural reform programmes. Concerns over whether other countries will be affected by the increase in financing costs and hence need financial support or whether some might exit the European Monetary Union, have increased. Furthermore, the recent uncertainties over Greece’s ability to find a long term solution for its financing needs and its possible exit from the Eurozone, with serious negative repercussions on creditor countries and on the economy and the markets in general, have reignited concerns over a potential economic stagnation in Europe.

Should these concerns over the stability and the entire Economic Monetary Union and the current recession and weak economy continue in one or more of the markets in which YOOX Group currently operates and in which the New Group will operate, this may adversely affect the New Group's outlook as well as its equity, business and financial conditions.

1.1.10 Risks associated with the distribution of dividends

At the Date of the Information Note, YOOX has no dividend policies.

Any future dividend distribution and the actual amount will depend on the future earnings of the Issuer, on cash flows, on working capital needs, on investments and on other factors, including compliance with the minimum legal reserve.

In light of the above, is therefore not possible to guarantee that the Transferee will, even in the case of positive earnings, distribute dividends nor adopt a specific dividend policy.

1.2 Risk factors associated with the execution of the transaction and/or connected to the Merger process.

1.2.1 Risks associated with the opposition of creditors pursuant to Article 2503 of the Italian Civil Code

Pursuant to Article 2503 of the Italian Civil Code, the Merger can only be enacted 60 days after the last of the registrations required under Article 2502-*bis* of the Italian Civil Code, except where there is consent from the creditors of the respective companies involved in the Merger before the registration required by Article 2501-*ter*, Paragraph 3 of the Italian Civil Code, or creditors who have not given their consent have been paid, or the corresponding sums have been deposited with a bank, except where the Joint Expert, under his own responsibility, attests in the report on the fairness of the Exchange Ratio referred to in Article 2501-*sexies* of the Italian Civil Code, pursuant to paragraph 6 of said Article, that the assets and liabilities and cash flows of the companies involved in the Merger preclude the need for guarantees in favour of the aforementioned creditors. If none of the aforementioned exceptions apply, such creditors may oppose execution of the Merger within said 60-day deadline.

In addition, even if the creditors have opposed the Merger, the competent Court, if it deems the threat of damage to the creditors to be unfounded or if the debtor company has provided suitable guarantees, may order the Merger to go ahead despite the opposition, pursuant to Article 2503 of the Italian Civil Code.

Possible creditor oppositions could result in delays in executing and completing the Merger and/or result in YOOX paying creditors in advance or paying higher amounts than that estimated.

1.2.2 Risks associated with the conditions for completion of the Merger

Based on the provisions of the Merger Agreement, the execution of the Merger Deed is conditional upon the completion of the Contribution and on the satisfaction of the following conditions precedent:

a) obtaining the necessary authorisations of the antitrust authorities in Austria, Germany, Japan, the UK, Ukraine and the US by 31 December 2015[1];

b) approval of the Merger by the YOOX Shareholders' Meeting by 22 October 2015, with the majority required by Article 49, Paragraph 1, letter 3(g) of the Consob Regulation for the purposes of the exemption specified therein from the obligation to launch a mandatory tender offer for purchase of all of the ordinary shares of YOOX pursuant to and in accordance with Article 49, Paragraph 3;

c) the absence of any objections to the Merger being raised by the creditors of YOOX pursuant to Article 2503 of the Italian Civil Code, or if such objections have been lodged, the fact that they are no longer pending by 31 December 2015 (this condition applies only to, and can therefore be waived only by, Richemont); and

d) admission to listing YOOX ordinary shares on the MTA issued to service the Merger exchange, by 31 December 2015.

Ensuring that all the required conditions are met may significantly delay, or prevent, completion of the Merger. Any delay in completing the Merger may make it impossible for YOOX to achieve all or some of the benefits expected had the Merger been completed on schedule. In addition, there is no guarantee that the conditions required to complete the Merger will be met or renounced, or that the Merger will be completed.

If one or more of the conditions are not met or renounced, Richemont, RH or YOOX may decide not to proceed with it.

1.2.3 Risks associated with the valuation methods used to determine the Exchange Ratio

Having examined the valuations performed by its financial adviser, the YOOX Board of Directors approved the Exchange Ratio for the Merger, which is deemed to be the appropriate ratio for expressing the two companies' relative weighting in the Merger, at. 1 newly issued YOOX share for each Largenta Italia share. No cash payments will be made.

For this purpose, the corporate economic values used by the YOOX Board of Directors arose from a comparison of the outcomes obtained by applying the different valuation methods adopted by the Board (Discounted Cash Flow method and Market Multiples method) in order to determine the value of the economic capital of the companies participating to the Merger, the negotiation dynamics between the counterparties and other qualitative and quantitative elements, such as YOOX's considerable track record of profitability and the essential homogeneity of the development prospects of the two companies (for more information, please see the Report and the report on the fairness of the exchange ratio pursuant to Articles 2501-*bis* and 2501-*sexies* of the Italian Civil Code, published by Baker Tilly Revisa S.p.A. in its capacity as the Joint Expert on 18 June 2015).

[1] Please note that at the Date of the Information Note, the US and German antitrust authorities have granted their authorisations.

In order to estimate the economic value of the companies involved in the Merger and, therefore, to subsequently determine the Exchange Ratio, YOOX used generally accepted valuation principles, particularly those most widely used for mergers in Italy and globally, and favoured the principle of uniform valuation criteria, applied in accordance with the characteristic and comparable elements of the individual companies involved in the valuation process, and the nature of the transaction.

The valuations carried out in order to determine the Exchange Ratio highlighted the typical problems inherent in this type of analysis, such as the uncertainties surrounding the use of provisional income statements and statements of financial position, the dissimilarity of the equivalent figures for the companies involved in the transaction due to different referent currencies and accounting standards, the difficulties and limitations of the market multiples method and those inherent in the discounted cash flow method that were used as the main valuation methods, considering the fact that the discounted cash flow method is based on estimates of future cash flows which, since they are based on companies' economic forecasts and on market forecasts, are uncertain by their very nature.

It should be noted that no mechanism for adjusting this ratio before the effective date of the Merger is foreseen. It is possible that, although the Exchange Ratio remains fair based on the methods used, the market value of the shares of the Transferee to be allocated in exchange upon completion of the Merger could be higher or lower than their market value on the date on which the ratio was set.

1.2.4 Risks associated with preparing pro forma accounts

This Information Note presents the pro-forma consolidated data of the income statement, the statement of comprehensive income, the statement of financial position and the statement of cash flows of YOOX and its subsidiaries for the financial year ended on 31 December 2014 (the "**YOOX Pro-Forma Consolidated Statements**" or the "**Pro-Forma Data**"), prepared on the basis of YOOX Group consolidated financial statements as of 31 December 2014.

According to valuation criteria consistent with the historic data, and in compliance with the reference legislation represented by the International Financial Reporting Standards (IFRS) adopted by the European Union, this Pro-Forma Data has been prepared in order to simulate the economic, equity and financial effects of the Merger on the economic trend and consolidated equity and financial position of YOOX Group, as though said operation had already taken effect, for the purpose of the income statement, the statement of comprehensive income and the statement of cash flows at the start of fiscal year 2014 (1 January 2014) and, for equity purposes, as at 31 December 2014.

Please note, however, that the information given in YOOX Group Pro-Forma Consolidated Statements represent, as above mentioned, a simulation supplied for information only of the possible effects that may ensue from the Merger, on YOOX Group equity-financial and economic position.

More specifically, the YOOX Group Pro-Forma Consolidated Statements entailed a rectification of final data to retroactively reflect the effects of the Merger; as a consequence, despite compliance with the general criteria widely accepted and the use of reasonable assumptions, intrinsic limits remain as are connected with the very nature of pro-forma data, insofar as the representations are based on assumptions. They should therefore not be considered representative of results that would have been obtained had the operations considered in the preparation of the pro-forma data really taken place as at the reference date.

The pro-forma data reproduce a hypothetical situation and do not, therefore, intend to in any way depict the current or prospective equity and economic position of the YOOX Group.

Please also note that the historic and pro-forma data is stated in thousands of Euros on the basis of the draft financial data presented in the YOOX Group consolidated financial statements as at 31 December 2014.

Moreover, Largenta UK and THE NET-A-PORTER GROUP, are two English companies that prepared their respective statutory financial statements with reference to the financial year closing on 31 March 2015. More specifically, Largenta UK prepares its separate financial statements in compliance with the International Financial Reporting Standards ("**IFRS**") adopted by the European Union, whereas THE NET-A-PORTER GROUP prepares both the separate and consolidated financial statements of the NAP Group in compliance with the UK Accounting Standards. Purely for the purpose of preparing the YOOX Pro-Forma Consolidated Statements, the directors of Largenta UK have prepared the consolidated accounting position of the Largenta UK Group for the twelve-month period that closed on 31 December 2014. This consolidated accounting position was prepared in pounds sterling and, with the exception of the comparative data and the disclosure, in application of the UK Accounting Standards.

The historic economic, equity and financial data of the Largenta UK Group as at 31 December 2014 expressed in pounds sterling, as mentioned, has been converted into euros for inclusion in the YOOX Pro-Forma Consolidated Statements and stated according to the layout used for the preparation of these YOOX Pro-Forma Consolidated Statements. The conversion of this data to IFRS did not have any significant effect.

In view of the different purpose of the pro-forma data with respect to the data given in historic financial statements, and, as regards the latter, the conversion and re-statement of the data of the group headed by Largenta UK, in accordance with the terms specified above, and the different method by which the effects of the Merger are calculated with reference to the pro-forma consolidated statement of financial position and the pro-forma consolidated income statement, these pro-forma statements must be read and interpreted separately from the historic data, without any attempt being made to create accounting connections between them.

The pro-forma data is in no way intended to represent a forecast of future results and it must not, therefore, be used in this sense: the pro-forma data does not reflect prospective data insofar as it is prepared in such a way as to represent only the most significant effects that can be isolated and objectively measured of the Merger, and the connected financial and economic transactions, without any consideration of the potential effects deriving from managerial choices and operative decisions as may be made as a consequence of the Merger. For more information in this regard, please refer to Chapter 5 below in this Information Note.

1.2.5 Risks relating to forecasts and estimates

The valuation process carried out for the purpose of the Merger has involve estimates and forecasts relating, amongst others, to the business, the results of the business and the related risk factors of YOOX, Largenta Italia and the respective groups, also upon completion of the Merger and the business lines through which these companies operate.

These estimates and forecasts are based on YOOX and Largenta Italia data that, although currently considered reasonable, may prove to be incorrect in the future. A great many factors could result in differences in the effective development, the results or performance of the group resulting from the Merger with respect to that explicitly or implicitly expressed in terms of estimates and forecasts.

Merely by way of example, such factors include:

- changes in economic, business or legal conditions in general;
- changes and volatility in interest rates and share performance;
- changes in government policies and regulations;
- changes in the competitive context of the companies involved in the Merger;
- capacity to realise cost synergies and revenues and to improve productivity;
- factors that are presently unknown to the companies involved in the Merger.

The effective onset of one or more risks or any error in the underlying hypotheses prepared by the companies involved in the Merger may give rise to results that differ substantially to those assumed in the estimates and forecasts contained in the valuation process carried out for the purpose of the Merger.

1.2.6 Risks associated with the integration process and with failing to achieve the forecasted synergies related to the Merger

The integration of two independent groups, with companies based in different legal jurisdictions, is a complex and time-consuming process. As such, in addition to day-to-day operations, the New Group will need to focus also on the related managerial issues and to invest resources to integrate the businesses and technical/logistical platforms of YOOX and THE NET-A-PORTER GROUP. Any potential complication that may arise during the integration process could interrupt the business of one or both companies, perhaps for prolonged periods, and, should said process be implemented inefficiently, could prevent realisation of all or some of the predicted benefits of the Merger.

If the New Group is unable to successfully integrate the businesses of YOOX and THE NET-A-PORTER or to achieve the forecasted synergies related to the Merger, the Company's results and assets and liabilities could be significantly affected. Moreover, the full integration of these companies may result in major unforeseen problems, unexpected costs and liabilities, reactions from competitors and the loss of customers, and it may divert management's attention away from the day-to-day running of the business or cause the step down of top managers or key employees as well as bring about a reduction in the YOOX share price.

The integration of the businesses of YOOX and THE NET-A-PORTER presents, among others, the following potential managerial problem areas:

- managing a significantly larger company;
- coordinating geographically separate organisations;
- possibly diverting the attention of managers and resources away from other strategic opportunities and operational aspects;
- retaining existing customers and attracting new ones;
- motivating employees and retaining key managers and other members of staff;
- integrating business cultures, that could result difficult to achieve;
- the possibility that the assumptions underlying the merger forecasts turn out to be inaccurate;
- consolidating administrative and corporate infrastructure;
- integrating technological and logistical platforms;
- possible problems with the IT and communications systems, or with other types of system;
- unforeseen changes to applicable laws and regulations;
- managing tax and inefficiency costs relating to the integration; and
- unforeseen delays and expenditure relating to the Merger.

Many of these factors are beyond the control of YOOX and the New Group, and each of these may result in higher costs, lower revenues, a drain on management's time and energy, and a significant detrimental effect on the New Group's business, outlook and financial situation. In addition, even if the businesses of YOOX and THE NET-A-PORTER GROUP are integrated successfully, the New Group might not enjoy all the expected benefits of the Merger, such as lower costs and more opportunities for sales and growth. These benefits may not be achieved at all or within the expected time frames. Consequently, there is no guarantee that the integration process will achieve the expected benefits of the Merger.

1.2.7 Risks associated with the interests of the directors and in relation to the Merger

Under the Shareholders' Agreement, Richemont, *inter alia*, has agreed that it is in the parties' interest – in order to preserve the independence of the management of the Transferee and the combined assets of the Transferee and the Transferor – for the current CEO of the Issuer (Federico Marchetti) to be reappointed until the YOOX Ordinary Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2017 (the "**First Period**"), maintaining the current managerial powers across the whole of the Issuer’s business (post-Merger).

To this end, the Shareholders' Agreement specifies, *inter alia*, that upon expiry of the First Period, and provided Federico Marchetti is still in office at such time, RH shall undertake to carry out (and Richemont shall undertake to ensure that RH carries out) the following: (i) to vote in favour of the appointment of Federico Marchetti as a director of the Issuer for a further three years and, therefore, to vote in favour of the list of candidates submitted by the Issuer's Board of Directors that includes Federico Marchetti, under the terms and conditions set forth in the Shareholders' Agreement; and (ii) to exercise the powers attributable to RH as shareholder of the Issuer to support the appointment of Federico Marchetti to the position of the Issuer's CEO for a further period of three years under terms and conditions no worse than those for the First Period.

In addition, pursuant to the Shareholders' Agreement, the parties, to the extent each is concerned, will do everything necessary to implement the provided incentive plans (for a description of these, please see the introduction to the Report, "the Plans") as soon as possible after the effective date of the Merger and in accordance with the principles of the Shareholders' Agreement. Among other things, these principles specify that a number of shares amounting to up to 5% of the Transferee's share capital, post-merger (calculated on a fully diluted basis) shall be allocated to service these plans, and of these a portion is to be allocated to Federico Marchetti when the related rights are allocated. For further information related to "the Plans" and to the Shareholders' Agreement, please see the introduction to the Report and the Shareholders' Agreement essential information, available on the Issuer's website (www.yooxgroup.com) (Section Governance / Documents, Rules and Procedure).

The receipt of financial or other benefits as part of the Merger may influence the above referred persons to recommend that the Issuer's shareholders vote in favour of the Merger as well as related transactions.

1.2.8 Risks associated with dilution

In compliance with the provisions of the Merger Contract, the articles of association of the Incorporating company, which, if approved by the Extraordinary General Meeting of 21 July 2015 in the context of the Merger Deed approval, will be adopted by the Issuer with effect as from the date on which the Merger takes effect, envisages: (i) that in the event of the transfer of Shares B to a party other than a related party (in accordance with the IAS) of Richemont, the Shares B transferred will automatically be converted into ordinary shares of YOOX at a ratio of 1:1 (the "**Conversion Ratio**") and (ii) that each shareholder owning Shares B shall have the right to convert, at any time and at the Conversion Ratio, all or part of the Shares B held, as long as the total number of ordinary shares held after the conversion by the shareholder making the request (including ordinary shares held by Affiliates in the calculation) does not exceed 25% of the share capital of YOOX represented by ordinary shares with voting rights. For more information in this regard, please refer to Paragraph 1.3 of the Report.

Moreover, in accordance with the Shareholder Agreement, each of the parties, each insofar as they are concerned, shall do everything necessary to ensure the implementation of the new share-based incentive Plans, to be approved by the competent bodies of the Incorporating company as soon as possible after the Merger takes effect and in compliance with the provisions of the Shareholder Agreement. Said provisions include, amongst others, that a number of shares of up to 5% of the share capital of YOOX post-Merger (calculated on a fully diluted basis), shall be reserved for such Plans. For more information on the Plans and Shareholder Agreement, please refer to the Introduction to the Report and the essential information of said Shareholder Agreement, available on the Issuer's website www.yooxgroup.com, in the Section on Governance / Documents, Rules and Procedure.

Please note that the conversion of B Shares into ordinary shares of the Issuer, and any issue of ordinary shares of the Issuer for the Plans, shall entail an increase in the number of ordinary shares in issue. This will mean a dilution of the investment held by ordinary shareholders of the Issuer.

Finally, the Merger Agreement establishes that following the Merger, may be carried out a share capital increase, delegated to the Board of Directors in accordance with Article 2443 of the Italian Civil Code, for a maximum amount of EUR 200,000,000.00 and a maximum number of new issue YOOX shares equal to 10% of the share capital as resulting once the Merger has been completed; this may be offered (a) in option to YOOX shareholders; or (b) with the exclusion of option rights, to qualified investors (pursuant to Article 34-*ter*, paragraph 1, letter b) of the Issuers' Regulation) or to strategic and/or business partners of YOOX; or (c) through a combination of said alternatives (the "**Delegation**"). The proposed attribution to the Board of Directors of the Delegation is subject to approval by the Extraordinary General Meeting convened for 21 July 2015. If passed, the resolution will take effect as from the date on which the Merger takes effect, and its approval is not a condition for the effect of the Merger. For further information in this regard, please refer to the Introduction to the Report and to the "*Directors' Report prepared in accordance with Article 125-ter of the Consolidated Finance Law and Article 72 of the Issuers' Regulation*", included in the form of the reference made to it in this Information Note in accordance with Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No 809/2004, published on the Company's website (www.yooxgroup.com) (in the Section on Governance / Shareholders' Meeting), and deposited with the storage system referred to as "*eMarket Storage*".

1.3 Risk factors associated with the sectors in which the Transferee, and the group to which it belongs, will operate following the Merger

1.3.1 Risks associated with the functioning of information systems

YOOX Group and THE NET-A-PORTER GROUP operate in the e-commerce sector. This business is based on the use of information systems that are exposed to many operating risks. These risks include equipment and software programming faults, outages, work stoppages, third-party criminal activity and/or exceptional events such as natural disasters. Should they occur, the systems may not function correctly and YOOX Group and/or THE NET-A-PORTER GROUP may be forced to suspend or interrupt the provision of their services.

The performance of the activities of YOOX Group and the New Group also depends hugely on their ability to protect their information systems and technological equipment from damage caused by power cuts, telecommunications outages, viruses, cyber-attacks and other events that may prevent the normal course of business. There is no guarantee that the security measures adopted by the Group, and that will be adopted by the New Group in order to protect its systems and equipment, will be effective.

Should the aforementioned events take place or should there be slowdown or interruption to services, this could adversely affect the New Group's financial situation.

Moreover, YOOX Group and THE NET-A-PORTER GROUP has to manage personal data in the context of the services provided. Although IT systems of YOOX Group and THE NET-A-PORTER GROUP provides for instruments aim at protecting personal data, as required by the applicable laws, such data may be divulgated and dispatched without authorisation and deleted (totally or partially) because of, for example, interruption of the informative services, environmental events and/or illegal behaviour from third parties. The New Group, as management entity of the personal data, could be considered responsible, under privacy applicable laws, for damages depending on the above mentioned facts.

1.3.2 Risks associated with the growth of the e-commerce market

YOOX Group and THE NET-A-PORTER GROUP operate in the e-commerce sector. Over the years, this sector has seen a rise in business volumes owing to ever greater demand for and, therefore, sales of products.

The e-commerce sector relies hugely on the development of networks and tools for interconnection, the propensity of customers to make online purchases and the development of businesses such as web marketing.

If there is a change in the aforementioned trends, online sales may grow at a slower rate than in previous years, which could adversely affect the New Group's financial situation.

1.3.3 Risks associated with changes in customer preferences

The sector in which YOOX Group and THE NET-A-PORTER GROUP operate is correlated to changes in consumers' spending choices. This sector can be influenced, *inter alia*, by the economic context in the relevant countries, consumer spending power, uncertain economic and political outlooks, and changes in consumer habits. Should the New Group be unable to anticipate and/or react to changes in consumer preferences and social customs, there could be a significant negative effect on its competitive position as well as its financial situation.

1.3.4 Risks associated with the seasonal nature of the business

The market in which the YOOX Group and THE NET-A-PORTER GROUP operate is affected by seasonal factors typical of the retail industry. In particular, sales tend to be much higher in the second half of the year, which has a disproportional effect on margins.

Just like the New Group's product procurement cycle, these factors may affect the Group's net working capital and net financial debt.

1.3.5 Risks associated with the different political, regulatory and legislative conditions in the individual countries in which the Group operates

The YOOX Group and THE NET-A-PORTER GROUP operate in many countries around the world. Given the international nature of their business, they are naturally exposed to risks that affect all global players, including:

- exposure to the local economic and political conditions;
- implementation of restrictive import and/or export policies;
- being subject to several tax systems with different rules on transfer pricing, withholding tax and other taxes on transfers and other payments to or by subsidiaries;
- introduction of restrictive foreign investment and/or trade policies, as well as exchange rate control policies and related restrictions on the repatriation of capital;
- introduction of more restrictive laws and regulations (in particular with regard to online

activities and to protecting the consumer in online actitivies).

Should there be unfavourable developments with regard to these factors (which may differ according to the countries in which the New Group will operate), this may adversely affect the New Group's financial situation and results.

1.3.6 Risks associated with the high level of competition in the market

Most YOOX Group and THE NET-A-PORTER GROUP revenues are generated in the e-commerce sector, which is extremely competitive. YOOX Group and THE NET-A-PORTER GROUP compete against other international groups in the same sector, mainly in Europe and North America. These markets are extremely competitive in terms of the quality of products and services, innovation and pricing. In recent years, the sectors in which the Group operates have become much more competitive, particularly in terms of price and services. Should the New Group be unable to deal effectively with its external environment, this may adversely affect its business outlook, results and/or financial position.

1.3.7 Risks associated with technological development

E-commerce and the internet in general are characterised by rapid technological development and are affected by the resulting competitive pressure.

The New Group's success will depend, *inter alia*, on its ability to develop new technologies quickly and to upgrade its current technologies in order to react to technological advances and emerging trends in the sector it operates in.

Should the New Group be unable, for whatever reason, to adapt quickly to any technological change and/or introduction of new technologies, this may adversely affect its financial situation.

1.3.8 Risks associated with intellectual property rights

At the Date of the Information Note, YOOX Group and THE NET-A-PORTER GROUP own many national, EU and international trademarks and internet domains relating to products and services in the categories of interest, respectively, to YOOX Group and THE NET-A-PORTER GROUP. YOOX Group and NAP regularly protect their rights by filing trademark registration requests. Any such requests that have been submitted but not yet definitively approved may be rejected by the competent authorities such that the related exclusive rights are not secured and may, in any event, prove ineffective in preventing third-party forgery and unfair competition; moreover one or more of the above mentioned internet domains and/or trademarks could be challenged and claimed by third parties.

Even though YOOX Group and THE NET-A-PORTER GROUP believe they have adopted a system that adequately protects their intellectual property rights, the possibility remains that the New Group may find it hard to protect these rights or to obtain new intellectual property rights that may help to safeguard its business from competitors. These factors may adversely affect the New Group's business and financial situation.

2. THE MERGER

For information on the terms and conditions (including the exchange ratio) of the Merger Plan (consisting of the merger by incorporation of Largenta Italia into YOOX), which will be submitted for the approval of the Extraordinary Shareholders' Meeting of YOOX convened for 21 July 2015, in single call; a description of the legal profiles and effects of said transaction; and a description of the Company and the Group that will be formed as a result of the Merger, please see the Report, included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004, and the Merger Plan attached to the Report. This Report and Merger Plan are available at the Issuer's registered office, on the Company's website (www.yooxgroup.com) (Section Governance / Shareholders' Meeting) and on "*eMarket storage*", the authorised storage mechanism, which can be viewed at www.emarketstorage.com.

3. INFORMATION ON THE ACTIVITIES OF YOOX AND THE NET-A-PORTER GROUP

3.1 Description of YOOX Group's activities

As a supplement to the information provided in Section 1.2(a) of the Report on the Incorporating Company, the activities of YOOX and the Group are described below.

Founded in 2000, YOOX Group is the global internet retailing partner for leading fashion and luxury brands. It has established itself amongst the market leaders with the three multi-brand online stores yoox.com; the corner.com; and shoescribe.com as well as with the 38 mono-brand online flagship stores *Powered by YOOX Group*, eight of which are managed through the joint venture with the Kering Group. The Company has offices and operations in the United States, Europe, Japan, China and Hong Kong and delivers to more than 100 countries worldwide.

Ordinary shares of YOOX Group have been listed since 3 December 2009 on the MTA. On 23 December 2013, YOOX Group was included in the FTSE MIB index, the main Italian equities index, including Italy's 40 largest companies by capitalisation and liquidity.

Notwithstanding the global scale of its operations, YOOX Group is able to offer a local approach to business throughout the world, basing its offering on the requirements of its individual markets, and guaranteeing its customers a shopping experience and a level of service that is always in line with local needs.

YOOX Group's business is divided into:

- the multi-brand business line, which includes the Company's three online stores;
- the mono-brand business line, which is dedicated to the design and joint management of mono-brand online stores for numerous global fashion and luxury brands. It entails both the online flagship stores "Powered by YOOX Group" and the joint venture with Kering, established in August 2012.

The Group's multi-brand business line comprises three online stores owned by the Company:

- yoox.com, which, at the date of this Information Note, represents most of the multi-brand business line's revenues, is the world's leading online lifestyle store for fashion, design and art, founded in 2000. yoox.com offers a vast selection of clothing, footwear and fashion accessories from the collections of well-known fashion and luxury brands from the corresponding season of the previous year at reduced prices. To complete its select off-season offering, yoox.com also offers exclusive collections from prestigious designers made solely for sale through yoox.com, eco-friendly fashion, vintage garments, a unique assortment of design objects and collectable art works, in addition to a curated selection of sportswear, sunglasses and kidswear from the current season.
- thecorner.com is a luxury online boutique for men and women, 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. 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 and everything that surrounds it. The store concept is based on the combination of three key elements: e-commerce, editorial content and exclusive shoe-related services, including shoe care tips, printable labels, and premium stackable boxes for shoe closet organisation. The range consists of a wide and very carefully edited assortment from top designer names to hard-to-find brands, as well as a selection of products inspired by shoes such as books, jewellery and design items.

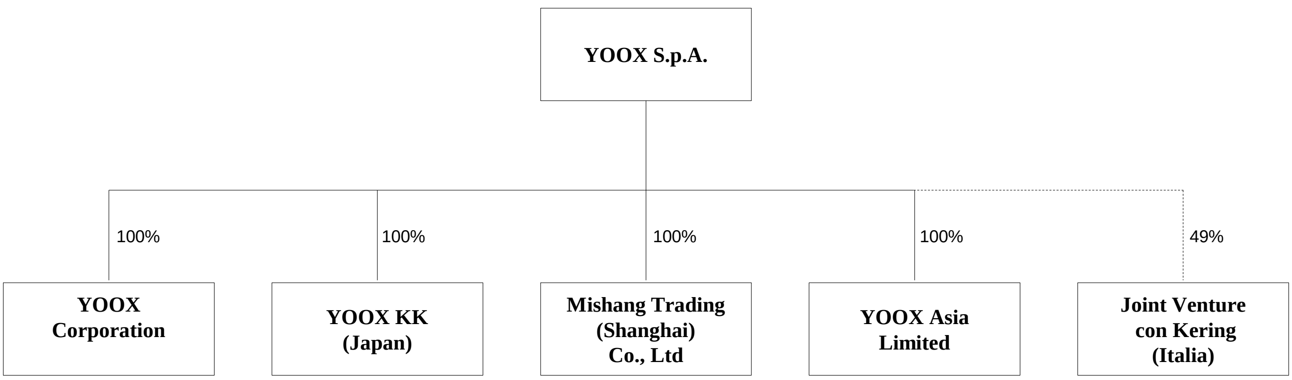
Since 2006, with its mono-brand business line, YOOX Group has been designing and managing the online stores of major fashion and luxury brands looking to offer the same collections on the Internet as in their shops. In 2012, YOOX Group created a joint venture with the Kering Group to manage the mono-brand online stores of numerous Kering Group's luxury brands.

YOOX Group acts as a key strategic partner for major luxury and fashion companies worldwide. Thanks to its years of experience, the Group designs and manages the mono-brand online stores of leading luxury and fashion brands. YOOX Group can offer its brand-partners a complete solution including the ideation and implementation of the creative concept, innovative interface design, a customised technological platform, global logistics, excellent customer care and international web marketing. Online stores display the wording "Powered by YOOX Group", which is considered recognition of the service quality guaranteed by YOOX Group.

At the time of the present document, there were 38 operating online stores, namely: marni.com; emporioarmani.com; diesel.com; stoneisland.com; valentino.com; emiliopucci.com; moschino.com; dsquared2.com; jilsander.com; robertocavalli.com; napapijri.com; albertaferretti.com; maisonmartinmargiela.com; zegna.com; y-3store.com; brunellocucinelli.com; bikkembergs.com; dolcegabbana.com; moncler.com; armani.com; trussardi.com; barbarabui.com; pringlescotland.com; pomellato.com; alexanderwang.com; missoni.com; dodo.it; kartell.com; redvalentino.com; lanvin.com; sergiorossi.com(*); bottegaveneta.com(*); stellamccartney.com(*); alexandermcqueen.com(*); balenciaga.com(*); ysl.com(*); brioni.com(*), mcq.com(*) ([2]).

3.1.1 Description of the group to which YOOX Group belongs

The following table shows the Group's structure at the Date of the Information Notice.



([2]) The online stores marked with an asterisk are included in the Joint Venture formed with the Kering Group.

3.2 Description of THE NET-A-PORTER GROUP's activities

Supplementary to Paragraph 1.2. B of the Report below is a description of the THE NET-A-PORTER GROUP's business (the indirect control over which – as stated in paragraph 1 – will be transferred to Largenta Italia through the Contribution, before the Merger enters into effect).

Founded in 2000 by Natalie Massenet, THE NET-A-PORTER GROUP is home to the world's leading style destinations. A multi-brand retailer, media and publishing group, the principal activity of the group is the online retailing of women's and men's designer branded, ready-to-wear fashion and accessories. Both directly and through its subsidiaries (the "NAP Group"), THE NET-A-PORTER GROUP offers a broad range of clothing, accessories, cosmetic products and jewellery from the most renown luxury brands with exclusive editorial content. Products are available through dedicated websites as well as through 12 different apps for smartphone and tablet.

The THE NET-A-PORTER GROUP, which communicate monthly to over 10.7 million visitors, mainly operates through three websites, each of which has specific differentiating features and can be visited through mobile site, desktop website and native app:

- NET-A-PORTER.COM is the world's premier online luxury fashion destination for women presented in the style of a fashion magazine and renowned for its edit of high end fashion and beauty products. The site sells more than 300 of the world's most coveted designer brands, including Saint Laurent, Isabel Marant, Alexander McQueen, Givenchy, Valentino, Dolce & Gabbana, Gucci and Stella McCartney, and over 150 specialist beauty brands.

  NET-A-PORTER offers express worldwide shipping to more than 170 countries (including same-day delivery to Manhattan, London and Hong Kong and next-day delivery to 80countries covering 85% of its customer base), a seamless shopping experience across mobile, tablet, desktop, email and telephone, luxurious packaging, easy returns and a multi-lingual customer care and personal shopping team that are available 24/7, 365 days. Since 2013, the contents of NET-A-PORTER.COM are available in four languages: English, French, German and Simplified Chinese;

- THE OUTNET.COM is an online outlet for previous season designer fashion, the sale price of which is reduced up to 75% of the original price. The articles comprised mainly of clothing and accessories are from more than 500 high-end fashion brands, with 90% of product bought directly from the brand themselves. THEOUTNET.COM focuses on partnering only with the best designer brands and speaking to a high-net-worth customer.

  Furthermore, in 2012, THE NET A PORTER GROUP launched its own private label Iris & Ink, offering on-trend products that are only available on THEOUTNET.COM. Each collection aims to offer "must have" articles and includes both stylish basics and original statement pieces.

- MR PORTER is entirely dedicated to male customers and offers products from over 300 leading designers including Loro Piana, Lanvin, Givenchy, Burberry, Polo Ralph

Lauren, Brioni, Church’s, Bremont and many others. In addition to a wide range of high-end clothing and accessories, the website offers a wide range of luxury leisure and sports products.

MRPORTER.COM is visited by 2.5 million users per month, with a monthly average of approximately 25 million pages visited.

In the financial year ending on 31 March 2015, THE NET-A-PORTER GROUP also launched NET-A-SPORTER, an area within the NET-A-PORTER.COM website which offers a wide range of sportswear and athletic accessories and THE NET SET (May 2015) a social shopping network combining social media, fashion and shopping communities in one place and allowing users to share their style, outfits as well as purchase their favorite items.

Distributing to worldwide clientele from three distribution centres managed fully in-house in London, New Jersey and Hong Kong (the latter since 2013) the Group provides 24/7 customer support in 23 languages.

THE NET-A-PORTER GROUP also operates in the media and publishing sector. In 2014 the Group launched the first ever shoppable magazine, PORTER. After six issues it has reached a circulation of 152,000 and distribution in over 25,000 points of sale internationally. Additional editorial content is created through:

- THE EDIT: a weekly digital magazine and app for women. THE EDIT which is available for free on NET-A-PORTER.COM, includes a fusion of fashion, beauty, travel and interview content in a uniquely shoppable, digital format providing direct links directly within the editorials to items on NET-A-PORTER.COM.
- THE JOURNAL: a weekly online magazine featuring expert style advice, inspirational personalities, aspirational objects and the other things that make your life so much more pleasurable, with over 75,000 readers each week. Products presented in the magazine can be purchased on the online store through links to the relevant pages of MRPORTER.COM
- THE MR PORTER Post: a printed newspaper, published bi-monthly, that is packed with style advice, news, views, first-class writing and interviews with the world’s innovators, with a circulation of 130,000.

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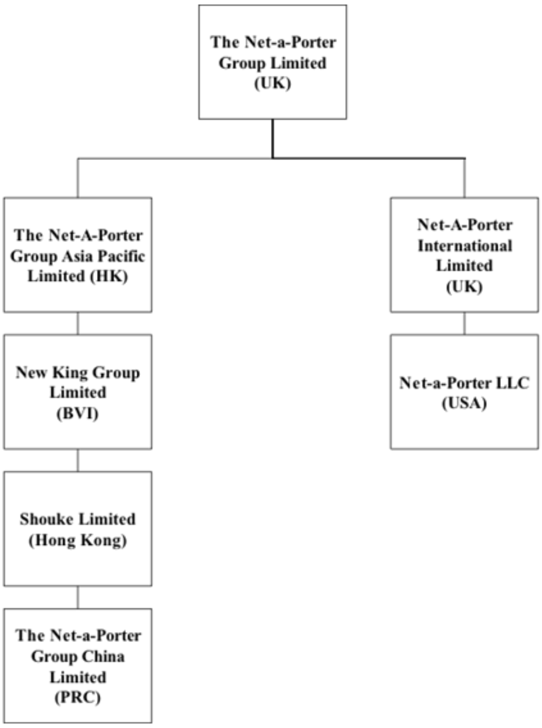
3.2.1 Description of the group to which THE NET-A-PORTER GROUP belongs

The following flow chart describes the structure of the THE NET-A-PORTER GROUP Group on the Date of the Information Notice.


The Net-a-Porter Group Limited (UK)
The Net-A-Porter Group Asia Pacific Limited (HK)
Net-A-Porter International Limited (UK)
New King Group Limited (BVI)
Net-a-Porter LLC (USA)
Shouke Limited (Hong Kong)
The Net-a-Porter Group China Limited (PRC)

4. PRO-FORMA FINANCIAL STATEMENTS OF YOOX GROUP

Introduction

This chapter contains the pro-forma consolidated statements of the income statement, the comprehensive income statement, the statement of financial position and the cash flow statement of YOOX and its subsidiaries for the financial year that ended 31 December 2014 (the "**YOOX Pro-Forma Consolidated Financial Statements**" or **"Pro-Forma Financial Statements**"), prepared using the YOOX Group consolidated financial statements as at 31 December 2014, in order to simulate, according to the evaluation criteria consistent with the historical data and in compliance with the International Financial Reporting Standards ("IFRS") adopted by the European Union, the economic capital and financial effects of the Merger on the economic performance and the consolidated financial position of the YOOX Group as if this transaction had virtually taken place, for the purpose of the income statement, the comprehensive income statement and the cash flow statement at the beginning of the 2014 financial year (1 January 2014) and, for capital purposes, as at 31 December 2014.

The YOOX Pro-Forma Consolidated Financial Statements have been prepared pursuant to Consob communication DEM/1052803 of 5 July 2001.

For information regarding the terms and conditions of the Merger, as provided for in the Merger Plan, in accordance with what was agreed in the Merger Agreement, please refer to the Report, incorporated by reference in this Informative Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004 and the Merger Plan attached to that Report. Please note that the Report and Merger Plan are available at the Issuer's registered office, on YOOX website, www.yooxgroup.com, (Governance Section / Shareholders' Meeting), and at the "*eMarket Storage*" mechanism for authorised storage, which can be consulted via the website www.emarketstorage.com.

4.1 YOOX Group Pro-Forma Consolidated Financial Statements as at 31 December 2014

(thousand Euros)

PRO-FORMA CONSOLIDATED INCOME STATEMENT	YOOX Group	Largenta Italia	Largenta UK Group	Aggregate	Pro-Forma Adjustments	Pro-forma YOOX NAP Group
Period 1/1/2014 – 31/12/2014						
Net revenues	524,340	-	747,934	1,272,274		1,272,274
Cost of goods sold	(336,793)	-	(436,683)	(773,476)		(773,476)
Fulfillment costs	(49,279)	-	(79,446)	(128,725)		(128,725)
Sales and marketing costs	(56,569)	-	(94,688)	(151,257)		(151,257)
General expenses	(55,959)	(1)	(133,750)	(189,710)	12,228	(177,482)
Other income and expenses	(2,486)	-	(42)	(2,528)		(2,528)
Operating profit	**23,254**	**(1)**	**3,325**	**26,578**	**12,228**	**38,806**
Income/Loss from investment in associates	(694)	-	-	(694)		(694)
Financial income	4,506	-	7,318	11,824	(944)	10,880
Financial expenses	(4,437)	-	(7,441)	(11,878)	5,178	(6,700)
Profit before tax	**22,629**	**(1)**	**3,202**	**25,830**	**16,462**	**42,292**
Taxes	(8,827)	-	(7,601)	(16,428)	(2,476)	(18,904)
Consolidated net income for the financial year	**13,802**	**(1)**	**(4,399)**	**9,402**	**13,986**	**23,388**

(thousand Euros)

PRO-FORMA CONSOLIDATED COMPREHENSIVE INCOME STATEMENT	**YOOX Group**	**Largenta Italia**	**Largenta UK Group**	**Aggregate**	**Pro-Forma Adjustments**	**Pro-Forma YOOX NAP Group**
Period 1/1/2014 – 31/12/2014						
Consolidated net income for the financial year	**13,802**	**(1)**	**(4,399)**	**9,402**	**13,986**	**23,388**
Other components of comprehensive income, net of tax effects						
Foreign currency translation differences for foreign operations	1,805	-	(72)	1,733	-	1,733
Profit/(loss) from cash flow hedges	26	-	-	26	-	26
Total other components of comprehensive income which will be (or could be) reclassified in the income statement	**1,831**	**-**	**(72)**	**1,759**	**-**	**1,759**
					-	-
Profit/(loss) from exchange rate gains and actuarial losses relating to employee benefits	(14)	-	-	(14)	-	(14)
Total other components of comprehensive income which will not be reclassified in the income statement	**(14)**	**-**	**-**	**(14)**	**-**	**(14)**
TOTAL CONSOLIDATED COMPREHENSIVE NET INCOME FOR THE PERIOD	**15,619**	**(1)**	**(4,471)**	**11,147**	**13,986**	**25,133**
of which:						
Attributable to owners of the Parent	15,619	**(1)**	(4,471)	11,147	13,986	25,133
Consolidated comprehensive net result attributable to non-controlling interests	-	**-**	-	-		

(thousand Euros)

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION	YOOX Group	Largenta Italia	Largenta UK Group	Aggregate	Pro-Forma Adjustments	Pro-Forma YOOX NAP Group
31/12/2014						
Property, plant and equipment	35,663	-	65,976	101,639	-	101,639
Intangible assets with finite useful life	35,685	2	20,723	56,410	-	56,410
Goodwill	-	-	302,592	302,592	728,427	1,031,019
Equity interests in associates	59	-	-	59	-	59
Deferred tax assets	10,021	-	9,154	19,175	5,531	24,706
Other non-current financial assets	999	-	1,495	2,494	-	2,494
Total non-current assets	**82,427**	**2**	**399,940**	**482,369**	**733,959**	**1,216,328**
Inventories	222,834	-	226,246	449,080	-	449,080
Trade receivables	14,732	-	4,719	19,451	-	19,451
Other current assets	7,510	-	12,439	19,949	-	19,949
Cash and cash equivalents	118,028	**47**	29,765	147,840	(29,280)	118,560
Financial assets which are not non-current assets	9,539	-	28,872	38,411	-	38,411
Total current assets	**372,644**	**47**	**302,041**	**674,732**	**(29,280)**	**645,452**
Total assets	**455,071**	**49**	**701,981**	**1,157,101**	**704,678**	**1,861,779**
Share capital	620	50	437,642	438,312	(437,036)	1,276
Reserves	107,315	-	82,975	190,290	1,108,893	1,299,182
Retained earnings and losses carried forward	36,556	-	(105,715)	(69,159)	105,714	36,555
Consolidated net profit for the year	13,802	(1)	(4,399)	9,402	4,399	13,801
Shareholders' equity of Parent Company shareholders	**158,294**	**49**	**410,503**	**568,846**	**781,969**	**1,350,814**
Shareholders' equity attributable to third parties	-	-	4,097	4,097	(4,097)	-
Total consolidated shareholders' equity	**158,294**	**49**	**414,600**	**572,943**	**777,872**	**1,350,814**
Medium/long-term financial liabilities	66,072	-	-	66,072	-	66,072
Liabilities for employee benefits	165	-	-	165	-	165
Provisions for risks and non-current charges	-	-	-	-	-	-
Deferred tax liabilities	285		-	285	-	285
Other payables		-	8,526	8,526	-	8,526
Total non-current liabilities	**66,522**	**-**	**8,526**	**75,048**	**-**	**75,048**
Bank loans and other current financial liabilities	30,759	-	54,425	85,184	(54,425)	30,760
Provisions for risks and current charges	482	-	-	482	-	482
Trade payables	164,466	-	114,265	278,731		278,731
Tax liabilities	320	-	13,540	13,860	(13,540)	320
Other payables	34,228	-	96,625	130,853	(5,229)	125,624
Total current liabilities	**230,255**	**-**	**278,856**	**509,111**	**(73,194)**	**435,917**
Total consolidated shareholders' equity and liabilities	**455,071**	**49**	**701,981**	**1,157,101**	**704,678**	**1,861,779**

(thousand Euros)

PRO-FORMA CONSOLIDATED CASH FLOW STATEMENT	YOOX Group	Largenta Italia	Largenta UK Group	Aggregate	Pro-Forma Adjustments	Pro-Forma YOOX NAP Group
Period 1/1/2014 – 31/12/2014						
Consolidated net profit for the year	**13,802**	**(1)**	**(4,399)**	**9,402**	**13,986**	**23,388**
Adjustments for:						
Taxes for the year	8,827	-	7,601	16,428	-	16,428
Financial expenses	4,437	-	7,441	11,878	-	11,878
Financial income	(4,506)	-	(7,318)	(11,824)	-	(11,824)
Share of earnings from associates	694	-	-	694	-	694
Amortization, depreciation and losses in value	25,576	-	21,296	46,872	-	46,872
Fair value measurement of stock option plans	1,236	-	18,997	20,233	-	20,233
Unrealised effect of changes in foreign exchange rates	1,805	-	(1,665)	140	-	140
Capital gains/(losses) on sale of non-current assets	39	-	41	80	-	80
Provision for employee benefits	25	-	-	25	-	25
Provisions for risks and charges	492	-	-	492	-	492
Payment of employee benefits	(70)	-	-	(70)	-	(70)
Use of provisions for risks and charges	(431)	-	-	(431)	-	(431)
Changes in inventories	(58,438)	-	(52,759)	(111,197)	-	(111,197)
Changes in trade receivables	(1,272)	-	(2,098)	(3,370)	-	(3,370)
Changes in trade payables	43,673	1	19,732	63,406	-	63,406
Changes in other current assets and liabilities	(794)	-	15,263	14,469	(16,356)	(1,886)
Cash flow from (used in) operating activities	**35,095**	**-**	**22,132**	**57,227**	**(2,370)**	**54,857**
Income tax paid	(11,112)	-	(3,699)	(14,811)	-	(14,811)
Interest and other financial expenses paid	(4,437)	-	(2,769)	(7,206)	(4,672)	(11,878)
Interest and other financial income collected	4,506	-	7,318	11,824	-	11,824
CASH FLOW GENERATED BY (USED IN) OPERATING ACTIVITIES	**24,052**	**-**	**22,982**	**47,034**	**(7,042)**	**39,992**
Investing activities				-	-	-
Expenditure for investments in property, plant and equipment	(14,560)	-	(19,399)	(33,959)	-	(33,959)
Expenditure for investments in intangible assets	(23,865)	-	(463)	(24,328)	-	(24,328)
Expenditure for investments in equity investments	(343)	-	-	(343)	-	(343)
Expenditure for investments in other non-current financial assets	(89)	-	(82)	(171)	-	(171)
Sale of fixed assets		-	27	27		27
CASH FLOW GENERATED BY (USED IN) INVESTING ACTIVITY	**(38,857)**	**-**	**(19,917)**	**(58,774)**	**-**	**(58,774)**
Financing activities				-	-	-
New short-term liabilities	18,894	-	20,182	39,076	(23,091)	15,985
Repayment of short-term liabilities	(7,189)	-	-	(7,189)	-	(7,189)
New medium/long-term financial liabilities	43,663	-	-	43,663	-	43,663
Repayment of medium/long-term financial liabilities	(1,793)	-	(18,924)	(20,717)	18,298	(2,419)
Treasury share acquisition	-		-	-	-	-
Payments for share capital increase and share premium reserves	21,775	-	-	21,775	20,516	42,291
Investments in financial assets	(797)	-	(6,405)	(7,202)	-	(7,202)
Variation through difference between cash effect and action of incentive plans	-	-	-	-	-	-
CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	**74,553**	**-**	**(5,147)**	**69,406**	**15,723**	**85,129**
TOTAL CASH FLOW FOR THE FINANCIAL PERIOD	**59,748**	**-**	**(2,082)**	**57,666**	**8,681**	**66,347**
Cash and cash equivalents at the beginning of the period	58,280	**47**	30,842	89,169	(28,648)	60,521
Cash and cash equivalents at the end of the period	118,028	**47**	28,760	146,835	(19,967)	126,868
TOTAL CASH FLOW FOR THE FINANCIAL PERIOD	**59,748**	**-**	**(2,082)**	**57,666**	**8,681**	**66,347**

4.2 Explanatory notes

4.2.1 Preparation of the report

The YOOX Pro-Forma Consolidated Financial Statements have been prepared based on:

- the income statement, the comprehensive income statement, the statement of financial position and the cash flow statement included in the YOOX Group consolidated financial statements as at 31 December 2014, prepared in compliance with the International Financial Reporting Standards ("IFRS") adopted by the European Union and subject to auditing by KPMG S.p.A. which issued its report, without reservations, on 18 March 2015;
- the income statement and statement of financial position included in the financial schedules of Largenta Italia (Deal S.r.l) as at 27 April 2015, the effective date of the conversion from limited liability company to joint-stock company approved by the Shareholders' Meeting of Deal S.r.l. on 23 April 2015, prepared by applying the measurement and evaluation criteria required by Italian accounting standards and not subject to audit;
- the income statement, the statement of financial position and the cash flow statement included in the consolidated financial schedules of Largenta Limited ("**Largenta UK**") and subsidiaries (the "**Largenta UK Group**") as at 31 December 2014 (the "**Consolidated Financial Schedules of Largenta UK 2014**"), prepared by the Largenta UK directors for the sole purpose of inclusion in the YOOX Pro-forma Consolidated Consolidated Financial Statements, in compliance with English accounting standards applicable to the preparation of financial statements and consolidated financial statements with the exception of the comparative data and information (the "**UK Accounting Standards**"), and subject to audit by PricewaterhouseCoopers LLP, which issued its report on 10 June 2015 for the exclusive use of the Largenta UK directors and for the sole purpose of the preparation of the YOOX Pro-Forma Consolidated Financial Statements.

The merger operation will take place through the transfer by RH of 100% of the Largenta UK Group in Largenta Italia, a special-purpose vehicle under Italian law fully-owned by RH. The data from both Largenta Italia and the Largenta UK Group were considered for the purpose of preparing the YOOX Pro-Forma Consolidated Financial Statements.

In addition, Largenta UK, the parent company of THE NET-A-PORTER GROUP and THE NET-A-PORTER GROUP itself, are two companies under English law which have prepared the respective separate financial statements with reference to the year ending 31 March 2015. Specifically, Largenta UK only prepares its financial statements in compliance with the International Financial Reporting Standards ("**IFRS**") adopted by the European Union, while THE NET-A-PORTER GROUP prepares both the financial statements and the consolidated financial statements of the NAP Group in compliance with UK accounting standards. For the sole purpose of preparing these YOOX Pro-Forma Consolidated Financial Statements, the directors of Largenta UK have prepared the above-mentioned Largenta UK 2014 Consolidated Financial Schedules, composed of the Largenta UK 2014 Consolidated Income Statement, Consolidated Statement of Financial Position, Consolidated Cash Flow Statement, which includes the data of Largenta UK and the NAP Group for the twelve month period ending 31 December 2014. This consolidated financial schedule has been prepared in sterling and, with the exception of the comparative and information data, by applying UK accounting standards. Later on, this chapter contains the reconciliation of the above-mentioned data (UK accounting standards) with the data included in the YOOX Pro-Forma Consolidated Financial Statements (IFRS).

The figures in the YOOX Pro-Forma Consolidated Financial Statements are reported in thousands of Euros and using the income statement, the comprehensive income statement, the statement of financial position and the cash flow statement of YOOX Group. It should be noted that possible differences that may be found in some tables are due to rounding off amounts expressed in thousands of Euros. Specifically, note that in the statement of financial position used in the YOOX Pro-Forma Consolidated Financial Statements, the item "Goodwill", not present in the statement of financial position used by YOOX for preparing its own previous separate and consolidated financial statements, has been added, and in the financial schedule the item "sale of fixed assets" was added to reflect the flows resulting from the sale of assets.

4.2.2 General principles used

As mentioned above, the YOOX Pro-Forma Consolidated Financial Statements are prepared with the aim of representing the effects of the merger operation on the YOOX Group's financial and equity position as if this transaction had taken place in the period to which the Pro-forma data presented refers, in accordance with the criteria and methods required by Consob recommendation DEM/1052803 of 5 July 2001 and in accordance with the preparation methods required by the technical document attached.

Specifically, the effects of the Merger are reflected in the following way:

- in the statement of financial position, the pro-forma adjustments have been made assuming that the Merger was completed on 31 December 2014;
- in the income statement, the comprehensive income statement and the cash flow statement, the pro-forma adjustments were made assuming that the Merger was completed at the beginning of the financial year to which the actual income statement, comprehensive income statement and cash flow statement refer (1 January 2014);

As a result, taking into consideration the different aims of the pro-forma data compared with those from financial statements and/or consolidated financial statements, and with regard to the fact that the effects are calculated with a different time reference for representing the statement of financial position, the income statement and the cash flows, the statement of financial position, the pro-forma income statement and the pro-forma cash flow statement should be read and interpreted separately without looking for accounting connections or correlations between the documents. The following must also be taken into account for a correct representation of the pro-forma data:

- the pro-forma adjustments have taken into consideration and represent the significant capital, economic and financial effects, which are directly related to the operation for which the pro-forma data are required;
- the pro-forma adjustments made are supported by objective, independently verifiable evidence;
- the pro-forma adjustments have been determined using standard criteria consistent with those used for preparing the YOOX Group consolidated financial statements as at 31 December 2014 and by applying the IFRS accounting standards adopted by the European Union;
- the pro-forma adjustments have been calculated, where possible, using methods and criteria that are essentially consistent with those which will be adopted during the preparation of the first financial statements following the Merger, in which the effects of the transaction will be reflected;
- the main pro-forma adjustments have been described in paragraph 4.2.5.

The pro-forma data, as previously indicated, represent a simulation, provided for illustration purposes only, of the possible effects that could result from the Merger on the YOOX Group's financial and equity position. The pro-forma data involved the adjustment of the actual figures to retroactively reflect the effects of the Merger operation in accordance with the theories described below. As a result, in spite of the compliance of the general criteria stated previously, intrinsic limits of the actual nature of the pro-forma data persist because representations based on assumptions are involved. Therefore they should not be deemed representative of the results that will be achieved if the operations considered in the preparation of the pro-forma data actually took place at the date taken as a reference. The pro-forma data reproduce a hypothetical situation and therefore do not intend to in any way depict the current or prospective equity and financial position of YOOX Group.

The pro-forma data do not, in any way, intend to represent a forecast of future results and should therefore not be used for this purpose: the pro-forma data do not reflect prospective data in that they are only prepared to represent the most significant effects of the Merger, which can be isolated and objectively measured and the associated financial and economic transactions, without taking into account the potential effects resulting from any management decisions and operational choices taken as a result of the Merger.

4.2.3 Theories considered for the preparation of the YOOX Pro-Forma Consolidated Financial Statements as at 31 December 2014

The main assumptions taken into consideration in determining the pro-forma adjustments are listed below.

Conditions precedent

Based on the requirements of the Merger Agreement, the signing of the Deed of Merger, as well as the completion of the Transfer, is conditional on the following conditions precedent:

a) obtaining the necessary authorisation from the antitrust authorities in Austria, Japan, the United Kingdom and Ukraine by 31 December 2015;

b) the approval of the Merger by the YOOX Shareholders' Meeting by 22 October 2015, with the majority required by Article 49, paragraph 1, no. 3, letter (g) of the Issuers' Regulation, for the purpose of the exemption required by the need to promote an obligatory and full public cash and stock tender offering on YOOX ordinary shares, pursuant to paragraph 3 of Article 49;

c) the absence of opposition to the Merger by YOOX creditors, pursuant to Article 2503 of the Italian Civil Code or, where there is opposition, the fact that this opposition ceases to remain unresolved by 31 December 2015; and

d) the admission to listing on the MTA of YOOX ordinary shares issued to service the Merger exchange, by 31 December 2015.

Moreover, the condition in point *(c)* is in the exclusive interest of Richemont and can therefore be unilaterally turned down by it.

The assumption of the above-mentioned conditions precedent occurring was used for the purpose of preparing the YOOX Pro-Forma Consolidated Financial Statements.

Business Combination

The Merger operation takes the form of a business combination and pursuant to the requirements of IFRS 3 - Business Combinations; YOOX was identified as the "acquiring" party and Largenta UK as the “acquired” party.

The following assumptions were made for the purpose of preparing the YOOX Pro-Forma Consolidated Financial Statements:

- the purchase cost was estimated at Euro 1,207.0 million equal to the fair value of the 65,599,597 new YOOX shares that will be issued to service the Merger as defined in the Merger Agreement. This value was determined with reference to the Stock

Exchange value of YOOX shares available as at 31 December 2014 and based on the Exchange Ratio (equal to 1 share of Largenta Italia for every 1 newly issued share of YOOX) defined in the Merger Agreement and provided for by the Merger Plan approved by the Boards of Directors of Largenta Italia and YOOX, respectively, on 23 April 2015 and 24 April 2015;

- the ancillary costs at the purchase have been excluded from the calculation of the above-mentioned amount because they will be charged to the income statement for the respective periods involved;
- during the completion of the process for allocating the purchase values of the assets, liabilities and potential liabilities of the Largenta UK Group, the difference, equal to Euro 1,031.0 million, between the fair value of the new YOOX shares, which will be issued to service the Merger conventionally considered as representative of the purchase cost and the consolidated shareholders' equity of the Largenta UK Group at 31 December 2014 was initially recorded under "Goodwill", net of residual goodwill equal to Euro 302.5 million and pro-forma adjustments, which had an impact of Euro 64.0 million on the consolidated shareholders' equity. This difference was therefore not allocated to the assets, liabilities and potential liabilities of the Largenta UK Group in as far as it can be allocated. This “Purchase Price Allocation” will be calculated in line with the provisions of IFRS 3 - Business Combinations.

Note that the completion of the evaluation process required by the above-mentioned IFRS 3 - Business Combinations, following the legal effectiveness of the Merger, could involve measuring the assets and liabilities of the Largenta UK Group, at the date of the business combination that is different from the theories adopted in the preparation of the Pro-Forma Data with consequent economic effects, including the amortization and depreciation of any assets with a finite useful life, which could be significant. In this regard, note that following the transaction to purchase THE NET-A-PORTER GROUP by RH in 2010, RH later allocated intangible assets with a finite useful life of approximately 27% of the amount paid based on the length of the agreements.

Exchange Ratio

As a result of the Merger, Largenta Italia shareholders will receive a number of YOOX shares in exchange – in proportion to the respective shareholding held by shareholders themselves in Largenta Italia at the time of effectiveness of the Merger - representing a stake in the (post-Merger) share capital of YOOX, calculated on a fully diluted basis, equal to 50% of said capital, with it remaining understood that the shares which will be assigned to RH (for the purposes of this Pro-Forma Data assumed to be the sole shareholder of Largenta Italia) will be distributed in such a way that it will receive *(i)* a number of ordinary shares representing a maximum of 25% of the share capital of YOOX with voting rights (calculated based on the number of outstanding YOOX shares at the date of the Merger Plan); and *(ii)* for any excess, and up to the number of YOOX shares to be assigned to the same, B Shares. Any other Largenta Italia shareholders (who have become shareholders while waiting for the Merger process) will only be issued ordinary shares of the Issuer in exchange.

For the purpose of preparing the YOOX Pro-Forma Consolidated Financial Statements, the issuing of 65,599,597 new YOOX shares to service the Merger as defined in the Merger Agreement based on an Exchange Ratio (equal to 1 Largenta Italia share for every 1 newly issued YOOX share) according to the applicable provisions in the Merger Plan, was assumed and also that the sole shareholder of Largenta Italia on the Merger date is RH.

With regard to the Exchange Ratio, on 18 June 2015, the “Report of the independent auditors on the share exchange ratio pursuant to Article 2510-*sexies* of the Italian civil code” was issued by Baker Tilly Revisa S.p.A., appointed by the Court of Bologna pursuant to and for the purposes of Article 2501-*sexies* of the Italian civil code, without reservations.

Largenta UK and THE NET-A-PORTER GROUP share options

An essential prerequisite of the Merger is that following the completion of the actual Merger, *(i)* YOOX will own 100% of the share capital of Largenta UK, whose capital essentially only consists of its stake in THE NET-A-PORTER GROUP and *(ii)* Largenta UK will own 100% of the share capital of THE NET-A-PORTER GROUP.

More specifically, at the date of the Merger Plan:

- RH owns approximately 96% of the ordinary share capital of Largenta UK, and also has the unconditional right for the entire remaining stake in the share capital of Largenta UK to be transferred to it. This right stems from the fact that RH, based on the provisions of Largenta UK's articles of association and a shareholders' agreement regarding the latter signed with other owners of ordinary shares, exercised the purchase options for the entire remaining stake in the share capital of Largenta UK and, as a result, will receive the related shares when the procedure is completed, from the contractual and company documentation, for calculating the transfer price owed by RH. According to English law, the exercising of the above-mentioned options rights gives RH so-called beneficial ownership of the shares with option rights (and therefore the unconditional right to transfer these shares to them), so that, if - at the date planned for the execution of the Transfer - the process of calculating the price and transferring these shares has not yet been completed, RH will transfer the shares it owns to Largenta Italia, as well as the above-mentioned rights (but not the obligation to pay for the shares, which will still pertain to RH), which - as a result of the Merger of Largenta Italia into YOOX - will become part of the capital of YOOX.

- On 23 April 2015, the Largenta Italia Shareholders' Meeting approved a capital increase to service the Transfer of shares (and possibly rights to transfer shares) representing 100% of the share capital of Largenta UK, for a total of Euro 909,000,000.00, of which Euro 605,955.97 is by way of capital and Euro 908,394,044.03 is the premium, through the issuing of 65,595,989 ordinary shares with no par value. Pursuant to the Merger Agreement, the Transfer will take place based on a valuation made pursuant to Article 2343-*ter*, paragraph two, letter b) of the Italian Civil Code and the Transfer deed will be signed (and the Transfer made), at least five working days prior to the signing of the Deed of Merger, so that on said signing date, the share capital of Largenta Italia will amount to Euro 655,955.97, divided in 65,599,597 shares, with no par value.

- As at the date of the Report Largenta UK owns approximately 97% of the ordinary share capital of THE NET-A-PORTER GROUP and has exercised option rights on a remaining stake comprising category B shares it is entitled to by virtue of the THE NET-A-PORTER GROUP articles of association. As a result, pursuant to English law, Largenta UK has the so-called beneficial ownership of the above-mentioned category B shares (and therefore the unconditional right to transfer these shares to itself). This transfer will take place at the outcome of the procedure for calculating the transfer price owed by Largenta UK according to the provisions of the articles of association of THE NET-A-PORTER GROUP. Based on the provisions of the Merger Agreement, this price will be paid by Largenta UK by means of funds made available, without the need for repayment to Largenta UK by RH.

- As at the date of the Report RH has, in turn, exercised option rights on the remaining stake equal to approximately 3% of the share capital of THE NET-A-PORTER GROUP (comprising category C shares) which it is entitled to by virtue of the articles of association of THE NET-A-PORTER GROUP. As a result, pursuant to English law RH has the so-called beneficial ownership of the shares representing the above-mentioned 3% of the ordinary share capital of THE NET-A-PORTER GROUP (and therefore the unconditional right to transfer these shares to itself). This transfer will take place at the outcome of the procedure for calculating the transfer price according to the provisions of the articles of association of THE NET-A-PORTER GROUP. The Merger Agreement requires the beneficial ownership of these category C ordinary shares to be transferred to Largenta UK (at no expense to the latter) before the completion of the Transfer, with RH being responsible, in any event, for the associated costs.
- The capital of THE NET-A-PORTER GROUP also includes a minimum number of deferred shares, owned by two minority shareholders, which will be transferred to Largenta or repurchased by THE NET-A-PORTER GROUP, at a token price, by the effective date of the Merger.
- The capital of THE NET-A-PORTER GROUP also includes a special share owned by RH, which will be transferred to Largenta UK, at a token price, after the completion of the process for calculating the price of the THE NET-A-PORTER GROUP shares for exercising the purchase options by RH and the transfer of the shares with options to RH or Largenta UK, as appropriate.

In the course of the Merger process and the Transfer, it is possible- even if not probable- that some of the minority shareholders of Largenta UK and THE NET-A-PORTER GROUP will ask to take part in the Merger operation. In this case, Largenta UK or RH, depending on the circumstances, intends to renounce the option exercised and allow these shareholders to give rise to a roll-over transaction, which involves: *(i)* being limited to THE NET-A-PORTER GROUP shareholders who take part in the operation, the transfer to Largenta UK of the above-mentioned THE NET-A-PORTER GROUP shares, based on subscribing the new issue shares; (ii) the transfer to Largenta Italia of the new issue Largenta UK shares or those owned by current Largenta UK shareholders, other than RH, who participate in the Merger operation, on subscribing new Largenta Italia shares. This operation will have no impact on the Exchange Ratio because it will exclusively involve the change in the ratio between Largenta UK shares and Largenta Italia shares under the scope of the Transfer. In the context of the roll over, moreover, it may be necessary to make changes to the articles of association of THE NET-A-PORTER GROUP and Largenta UK, in order to convert part of the outstanding Largenta Italia shares into shares with no voting rights, without prejudice, in any event, to the Exchange Ratio given previously. Where necessary, for the purpose of this roll over and the consequent share conversions, the resolution to increase the share capital of Largenta Italia to service the Transfer will be integrated and amended as necessary.

For the purpose of preparing the YOOX Pro-Form Consolidated Financial Statements, it is assumed that at the time of the Merger, Largenta Italia owns 100% of the share capital of Largenta UK which, in turn, owns 100% of the share capital of THE NET-A-PORTER GROUP without any effect on the shareholders' equity of the Largenta Group at 31 December 2014 as a result of exercising the above-mentioned options.

Share-based incentive plans

RH, Largenta UK and THE NET-A-PORTER GROUP have share-based incentive plans with the management of THE NET-A-PORTER GROUP which mature in March 2015, giving the owner the right to economic benefits depending on the growth in the value of THE NET-A-PORTER GROUP above a defined minimum level. These shares (B Shares) include a put option which will give the owner the right to sell the entire parcel of shares held (but not part of it) within a certain date at their fair value at the date of the sale. With regard respectively to the shares of Largenta UK and THE NET-A-PORTER GROUP, RH and Largenta UK own the equivalent call option rights, for the purchase and consequent payment of these shares at the same price agreed between the parties.

Specifically, in the 2014 Largenta UK Consolidated Financial Schedules, the share-based incentive plan which refers to the:

- B Shares of THE NET-A-PORTER GROUP, has been qualified as a transaction with payment based on shares regulated by cash and consequently the related cost for 2014 amounting to Euro 2.1 million has been recorded in the income statement with a matching entry under payables (equal to Euro 20.7 million at 31 December 2014) because the party obliged to make the payment is Largenta UK. The estimate of the fair value of these instruments was made by applying the percentage due to the value of the NAP Group calculated using the discounted cash flow method of the most recent multi-year plan available which, in the preparation of the consolidated data as at 31 December 2014, did not suffer significant variations between the beginning and end of the actual financial year.

- B Shares of Largenta UK, has been qualified as a transaction with payment based on shares regulated by representative capital instruments and consequently the related cost for 2014 amounting to Euro 16.9 million has been recorded in the income statement offset by a shareholders' equity reserve (equal to Euro 80.7 million at 31 December 2014) because the party obliged to make the payment is RH. The estimate of the fair value of these instruments was made by applying the percentage due to the value of the NAP Group calculated using the discounted cash flow method of the multi-year plan available at the start date of the incentive plan.

With regard to THE NET-A-PORTER GROUP B shares, the Merger Agreement requires the purchase price of these shares to be paid by Largenta UK by means of funds made available, without the need for repayment to Largenta UK by RH.

RH and Largenta UK have exercised their respective call options on the shares of Largenta UK and THE NET-A-PORTER GROUP not in their possession and, at the moment, negotiations are taking place aimed at defining a price which allows the transfer of the shares. Any effects and expenses resulting from these negotiations are considered to be the responsibility of RH and, consequently, they were not considered for the purpose of determining the Pro-Forma Data.

For the purpose of preparing the YOOX Pro-Forma Consolidated Financial Statements, it has been deemed that the above share-based incentive plans can be integrated with the stock option plans and company incentive schemes used by YOOX, although they refer to financial instruments with a different technical structure. With regard to the B Shares of THE NET-A-PORTER GROUP, it has been assumed that as a result of the above-mentioned requirement of the Merger Agreement, the party obliged to make the payment will be RH, rather than Largenta UK and, as a result, the share-based incentive plan was requalified from a transaction with payment based on shares regulated by cash to a transaction with payment based on shares regulated by capital instruments.

Non-commercial relations with the Richemont Group and extinction of debts

The Merger Agreement requires, among other things, the commitment of Richemont and RH ensures that (i) all the contracts and agreements involving the provision of services or the postponement of loans between Richemont and/or its Affiliates, on the one side, and any between Largenta Italia, Largenta UK, THE NET-A-PORTER GROUP and each of Subsidiaries of THE NET-A-PORTER GROUP, on the other side, cease prior to or on the date on which the Merger Act is concluded; and (ii) any amount that can be claimed by or is due to Richemont and its associates from Largenta Italia, Largenta UK, THE NET-A-PORTER GROUP and each of Subsidiaries of THE NET-A-PORTER GROUP is renounced by Richemont and/or any of its Affiliates or settled by THE NET-A-PORTER GROUP if the resulting debt is settled by Richemont prior to or on the date on which the Merger Act is concluded, in any event with the exception of the entries under or with regard to commercial relations.

The Merger Agreement also provides for the commitment of Richemont and RH to ensure that on the date that the Merger Act is concluded, Largenta Italia, Largenta UK, THE NET-A-PORTER GROUP and the Subsidiaries of THE NET-A-PORTER GROUP have no residual financial payables due to third parties and, without prejudice to the above, have no residual debt for deferred payments with regard to any company acquisition by THE NET-A-PORTER GROUP.

The following assumptions were made for the purpose of preparing the YOOX Pro-Forma Consolidated Financial Statements:

- for capital purposes:
  - the extinction of the above-mentioned liabilities to Richemont and/or its associates through the surrendering by Richemont and RH with the consequent crediting of a total of Euro 25.1 million to the shareholders' equity of the Largenta UK Group;
  - the settlement of the payables due to associate companies resulting from the tax consolidation ratio resulting in credit to shareholders' equity of the Largenta UK Group for a total of Euro 13.5 million;
  - the extinction of the liabilities for residual payables for deferred payments in relation to any company purchase by THE NET-A-PORTER GROUP through assumption and the surrendering by Richemont and RH with a consequent crediting of a total of Euro 4.7 million to the shareholders' equity of Largenta UK Group;
  - the extinction of the liabilities for financial payables due to third parties through the use of cash and cash equivalents for a total of Euro 29.3 million;

- the costs of services and financial expenses that refer to the above-mentioned agreements have been removed from the income statement for financial reasons and not replaced for a total of Euro 14.0 million net of the related tax effect.

4.2.4 Contents of the YOOX Pro-Forma Consolidated Financial Statements as at 31 December 2014

The YOOX Pro-Forma Consolidated Financial Statements include:

- historical data relating to the YOOX Group consolidated financial statement as at 31 December 2014;
- historical data relating to the Largenta Italia financial schedules as at 27 April 2015;
- historical data relating to the Largenta UK Group consolidated financial schedules as at 31 December 2014. These data were prepared in the reference functional currency, namely GBP, converted from GBP to Euro and restated in the statements used to prepare the YOOX Pro-Forma Consolidated Financial Statements in accordance with the methods described below;
- the aggregation of the data relating to YOOX Group, Largenta Italia and the Largenta UK Group as at 31 December 2014 (the "**2014 Aggregate Data**");
- the pro-forma adjustments, according to the methods stated, to reflect the Merger transaction (the "**2014 Pro-Forma Adjustments**");
- the YOOX Pro-Forma Consolidated Financial Statements as at 31 December 2014, obtained by adding the 2014 Pro-Forma adjustments to the 2014 Aggregate Data ("**Pro-forma YOOX Group, NAP**").

The historical and pro-forma data are stated in thousands of Euros based on the financial statements presented in the YOOX Group consolidated financial statements as at 31 December 2014.

The historical economic, capital and financial data of Largenta UK Group as at 31 December 2014 expressed in GBP, as disclosed earlier for the purpose of their inclusion in the Pro-Form Data, have been converted into Euro and stated in accordance with the financial statements used for preparing these YOOX Pro-Forma Consolidated Financial Statements. The conversion of these data in IFRS did not involve significant effects.

In order to convert the economic data for 2014, the average exchange rate of the financial period from 1 January 2014 to 31 December 2014 (GBP 1 = Euro 0.80612) was adopted while in order to convert the capital data at 31 December 2014, the exchange rate at 31 December 2014 (GBP 1 = Euro 0.7789) was used.

(thousand Euros/GBP)

CONSOLIDATED INCOME STATEMENT ACCORDING TO LARGENTA UK GROUP FINANCIAL STATEMENTS (GBP)	**Largenta UK Group (GBP)**	**Largenta UK Group (EUR)**	**Notes**	**Largenta UK Group in accordance with the YOOX Group financial statements (EUR)**	**CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH THE YOOX GROUP FINANCIAL STATEMENTS (EUR)**
Period 1/1/2014 – 31/12/2014					
Revenue	611,044	758,006	1	747,934	Net revenues
Cost of sales	(334,716)	(415,218)	2	(436,683)	Cost of goods sold
Gross margin	**276,328**	**342,788**			
				(79,446)	Fulfillment costs
Shipping costs	(30,744)	(38,138)	3	(94,688)	Sales and marketing costs
Administrative costs	(223,447)	(277,188)	4	(133,750)	General expenses
Share-based incentive plan costs	(15,314)	(18,997)	5		
				(42)	Other income and expenses
Operating results	**6,823**	**8,465**		**3,325**	**Operating earnings**
					Income/Loss from investment in associates
Interest income and other income	1,014	1,257	6	7,318	Financial income
Interest payable and other expenses	(5,256)	(6,520)	7	(7,441)	Financial expenses
Profit before tax	**2,581**	**3,202**		**3,202**	**Profit before tax**
Income taxes	(6,127)	(7,601)		(7,601)	Taxes
Result for the financial year	**(3,546)**	**(4,399)**		**(4,399)**	**Consolidated net income for the financial year**
attributable to the Parent Company	*(3,490)*	*(4,329)*		*(4,329)*	
attributable to Third Parties	*(56)*	*(70)*		*(70)*	

Notes commenting on the reclassifications made to the Consolidated Income Statement

1 Net revenues

The amount of Euro 758.0 million was reclassified separately as follows:

- Euro 747.9 million under the item "Net revenues"
- Euro 10.1 million under the item "Commercial expenses" because it refers to recharging for "*Non-US Duties*".

2 Cost of goods sold

The amount of Euro 415.2 million was reclassified separately as follows:

- Euro 398.5 million under the item "Cost of goods sold";
- Euro 6.9 million under the item "Fulfillment costs" because they refer, in the main, to the cost of buying packaging and the reconditioning of goods (dry cleaning);
- Euro 10.1 million under the item "Commercial expenses" because they refer to advertising, costs, excise duty and sales tax;
- Euro 0.6 million, negative, under the item "Financial income", because it refers to realised and unrealised income on exchange rates.
- Euro 0.3 million under the item "Financial expenses" because it refers to exchange rate difference realised;

3 Shipping costs

The amount of Euro 38.1 million was classified under the item "Cost of goods sold" because it refers, in the main, to transportation expenses on sales and returns (shipping export costs, shipping returns costs, free export shipping) and to expenses relating to in-house personnel employed in "*Premier*" shipping activities.

4 Administrative costs

The amount of Euro 277.2 million was classified as follows:

- Euro 114.9 million under the item "General expenses";
- Euro 72.5 million under the item "Fulfillment costs", because it refers, in the main, to personnel expenses, costs relating to rental, maintenance, utilities, stationery and amortisation and depreciation;
- Euro 94.6 million under the item "Commercial expenses" because they refer, in the main, to the magazine "Porter", fees paid to collection agencies by credit card, personnel expenses and marketing costs (affiliation);
- Euro 5.2 million, negative, under the item "Financial income", because it refers to realised and unrealised income on exchange rates.
- Euro 0.4 million, negative, under the item "Financial income", because it refers to realised and unrealised income on exchange rates.

5 Share-based remuneration plan costs

The amount equal to Euro 19.0 million was classified entirely under the item "General expenses".

6 Interest income and other income

The amount of Euro 1.3 million was classified as follows:

- Euro 1.6 million under the item "Financial income";
- Euro 0.3 million, negative, under the item "Financial expenses", because it refers to interest payable and franchise fees.

7 Interest payable and other expenses

The amount of to Euro 6.5 million was classified entirely under the item "Financial expenses".

(thousand Euros/GBP)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE LARGENTA UK GROUP FINANCIAL STATEMENTS (GBP)	Largenta UK Group (GBP)	Largenta UK Group (EUR)	Notes
31/12/2014			
Fixed assets			
Intangible Fixed Assets	236,884	304,127	1
Tangible Fixed Assets	66,334	85,164	2
	303,218	**389,291**	
Current Assets			
Cash and cash equivalents	377	484	3
Warehouse	176,223	226,246	
Receivables	44,147	56,679	4
	220,747	**283,409**	
Payables: due within a year	(192,942)	(247,711)	5
Net current assets	**27,805**	**35,698**	
Total assets net of current liabilities	**331,023**	**424,989**	
Payables: due in more than one year	(8,092)	(10,389)	6
Net assets	**322,931**	**414,600**	
Capital and reserves			
Share capital	340,879	437,642	
Share premium reserve	196	252	7
Share-based incentive plan reserve	64,645	82,995	8
Other reserves	(85,980)	(110,386)	9
	319,740	**410,503**	
Minority interests shareholders' equity	3,191	4,097	
Total shareholders' equity	**322,931**	**414,600**	

Largenta UK Group in accordance with the YOOX Group financial statements (EUR)	CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE YOOX GROUP FINANCIAL STATEMENTS (EUR)
65,976	Property, plant and equipment
20,723	Intangible assets with finite useful life
302,592	Goodwill
-	Equity interests in associates
9,154	Deferred tax assets
1,495	Other non-current financial assets
399,940	**Total non-current assets**
226,246	Inventories
4,719	Trade receivables
12,439	Other current assets
29,765	Cash and cash equivalents
28,872	Financial assets which are not fixed assets
302,041	**Total current assets**
701,981	**Total assets**
437,642	Share capital
82,975	Reserves
(105,715)	Retained earnings and losses reserve
(4,399)	Consolidated net profit for the year
410,503	**Shareholders' equity attributable to the Parent**
4,097	Shareholders' equity attributable to third parties
414,600	**Total consolidated shareholders' equity**
0	Medium/long-term financial liabilities
-	Liabilities for employee benefits
-	Provisions for risks and non-current charges
	Deferred tax liabilities
8,526	Other payables
8,526	**Total non-current liabilities**
54,425	Bank loans and other current financial liabilities
-	Provisions for risks and current charges
114,265	Trade payables
13,540	Tax liabilities
96,625	Other payables
278,856	**Total current liabilities**
701,981	**Total consolidated shareholders' equity and liabilities**

Notes commenting on the reclassifications made to the Consolidated statement of financial position

1 Intangible Fixed Assets

The amount of Euro 304.1 million was classified as follows:

- Euro 302.6 million under the item "Goodwill"
- Euro 1.5 million under the item "Intangible assets with a finite useful life".

2 Tangible Fixed Assets

The amount of Euro 85.2 million was classified as follows:

- Euro 19.2 million under the item “Intangible assets with a finite useful life” because they refer to costs for research and development;
- Euro 66.0 million under the item “Property, plant and equipment”.

3 Cash and cash equivalents

The amount equal to Euro 0.5 million represents the balance between cash and cash equivalents and the current bank payables and loans of Largenta UK Group and was classified as follows:

- Euro 29.3 million, negative, under the item "Banks and other current financial payables";
- Euro 29.8 million under the item “Cash and cash equivalents”.

4 Receivables

The amount of Euro 56.7 million was classified as follows:

- Euro 9.2 million under the item “Deferred tax assets”;
- Euro 1.5 million under the item “Other non-current financial assets”;
- Euro 12.4 million under the item “Other current assets”;
- Euro 28.9 million under the item “Financial assets which are not fixed assets" because they refer to receivables due from credit card collection agencies;
- Euro 4.7 million under the item “Trade receivables”.

5 Payables due in less than one year

The amount of Euro 247.7 million was classified as follows:

- Euro 25.2 million under the item “Banks and other current financial payables” because they refer to the financial payable with regard to RH;
- Euro 10.4 million under the item “Tax payables” because it refers to tax payables due to Richemont Group companies;
- Euro 114.3 million under the item “Trade payables”;
- Euro 94.7 million under the item “Other payables”.
- Euro 3.1 million under the item “Tax payables” because it refers to tax payables due to RH;

6 Payables due in more than one year

The amount of Euro 10.4 million was classified as follows:

- Euro 1.9 million under the item current “Other payables”;
- Euro 8.5 million under the item non-current “Other payables”.

7 Share premium

The amount equal to Euro 0.3 million was classified entirely under the item "Reserves".

8 Share-based incentive plan reserve

The amount equal to Euro 83.0 million was classified entirely under the item "Reserves".

9 Other reserves

The negative amount of Euro 110.3 million was classified as follows:

- Euro 105.8 million under the item “Retained earnings and losses reserve”;
- Euro 4.4 million under the item “Consolidated net result for the year” referring to the result for 2014;
- Euro 0.1 million under the item “Reserves" referring to the conversion difference generated by the use of the conversion exchange rate from GBP to Euro at 31 December 2014 for the statement of financial position and the use of the average exchange rate for 2014 for conversion of the income statement data.

(thousand Euros/GBP)

CONSOLIDATED CASH FLOW STATEMENT ACCORDING TO LARGENTA UK GROUP FINANCIAL STATEMENTS (GBP)	Largenta UK Group (GBP)	Largenta UK Group (EUR)	Notes
Period 1/1/2014 – 31/12/2014			
Operating results	**6,823**	**8,464**	1
Amortization and depreciation for tangible and intangible assets	17,167	21,296	
Capital losses on sales	33	41	
Incentive plans costs	15,314	18,997	
(Increase) / decrease in inventories	(42,530)	(52,759)	
(Increase) / decrease in receivables	(8,779)	(10,890)	
(Increase) / decrease in payables	32,262	40,021	
Net cash flow generated by (used in) operating activities	**20,290**	**25,170**	2
Remuneration from investments and financial services			
Interest income	302	374	
Interest payable	(979)	(1,214)	
Net cash flow generated by / (used in) remuneration from investments and financial services	**19,613**	**24,330**	
Taxes	(2,982)	(3,699)	
Capital account costs:			
Revenues from the sale of tangible fixed assets	22	27	
Payments to purchase tangible and intangible fixed assets	(16,011)	(19,862)	
Net cash flow generated by / (used) before management of liquidity and loans	**642**	**796**	
Exchange rate losses	(1,243)	(1,542)	
Total cash generated / (used)	**(601)**	**(746)**	3

Largenta UK Group in accordance with the YOOX Group financial statements (EUR)	CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH THE YOOX GROUP FINANCIAL STATEMENTS (EUR)
(4,399)	**Consolidated net profit for the year**
	Adjustments for:
7,601	Taxes for the year
7,441	Financial expenses during the year
(7,318)	Financial income during the year
-	Share of earnings from associates
21,296	Depreciation, amortization and impairment losses
18,997	Fair value measurement of stock option plans
(1,665)	Unrealised effect of changes in foreign exchange rates
41	Capital gains/(losses) on sale of non-current assets
-	Provision for Employee benefits
-	Provisions for risks and charges
-	Payment of employee benefits
-	Use of provisions for risks and charges
(52,759)	Changes in inventories
(2,098)	Changes in trade receivables
19,732	Changes in trade payables
15,263	Changes in current assets and liabilities
22,132	**Cash flow generated by / (used in) operating activities**
(3,699)	Income tax paid
(2,769)	Interest and other financial expenses paid
7,318	Interest and other financial income received
22,982	**Cash flow generated by (used in) operating activities**
(19,399)	Expenditure for investments in property, plant and equipment
(463)	Expenditure for investments in intangible assets
-	Expenditure for investments in equity investments
(82)	Expenditure for investments in other non-current financial assets
27	Sale of fixed assets
(19,917)	**Cash flow generated by / (used in) investing activities**
	Financing activities
20,182	New short-term liabilities
-	Repayment of short-term liabilities
-	New medium/long-term financial liabilities
(18,924)	Repayment of medium/long-term financial liabilities
-	Treasury share acquisition
-	Payments for share capital increase and share premium reserves
(6,405)	Investments in financial assets
-	Variation through difference between cash effect and action of incentive plans
(5,147)	**Cash flow generated by / (used in) financing activities**
(2,082)	**Total cash flow for the period**
30,842	Cash and cash equivalents at the beginning of the period
28,760	Cash and cash equivalents at the end of the period
(2,082)	**Total cash flow for the period**

Notes on the reclassifications made to the Consolidated cash flow statement

1 Result before operating results

The consolidated cash flow statement according to the Largenta UK Group's statements start with the "Operating results", while the consolidated cash flow statement according to the YOOX statements start from the "Consolidated net result for the period".

2 Net cash flow generated by (used in) operating activities

The difference of Euro 2.2 million between the "Net cash flow generated by / (used in) operating activities" equal to Euro 25.2 million in the Largenta UK Group statements and the “Cash flow generated by / (used in) operating activities” amounting to Euro 23.0 million in the YOOX statement, is due mainly to a different classification of trade receivables and payables and financial income and expenses.

3 Total cash generated / (used)

The consolidated cash flow statement according to the Largenta UK Group statements reconciles the net financial position at the beginning and end of the period, while the consolidated cash flow statement according to the YOOX statements reconciles the balance of cash and cash equivalents at 1 January 2014 with 31 December 2014.

4.2.5 *Description of Pro-Forma adjustments*

The statements below indicate the pro-forma adjustments made with reference to the pro-forma consolidated income statement, the comprehensive income statement, the statement of financial position and the cash flow statement for the financial year ending 31 December 2014.

(thousand Euros)

PRO-FORMA ADJUSTMENTS OF THE CONSOLIDATED INCOME STATEMENT	**Exercising of Options on NAP third parties**	**Transfer and consolidation**	**Assumption of payables for NAP B Shares**	**Renunciation and assumption of other payables**	**Operation accessory costs**	**Share capital increase**	**Total Adjustments Pro-Forma**
	1	2	3	4	5	6	
Period 1/1/2014 – 31/12/2014							
Net revenues							-
Cost of goods sold							-
Fulfillment costs							-
Sales and marketing costs							-
General expenses				12,228			12,228
Other income and expenses							
Operating result	**-**	**-**	**-**	**12,228**	**-**	**-**	**12,228**
Income/Loss from investment in associates							
Financial income				(944)			(944)
Financial expenses				5,178			5,178
Profit before tax	**-**	**-**	**-**	**16,462**	**-**	**-**	**16,462**
Taxes				(2,476)			(2,476)
Consolidated net income for the financial year	**-**	**-**	**-**	**13,986**	**-**	**-**	**13,986**

(thousand Euros)

PRO-FORMA ADJUSTMENTS OF THE CONSOLIDATED COMPREHENSIVE INCOME STATEMENT	Exercising of Options on NAP third parties	Transfer and consolidation	Assumption of payables for NAP B Shares	Renunciation and assumption of other payables	Operation accessory costs	Share capital increase	Total Adjustments Pro-Forma
	1	2	3	4	5	6	
Period 1/1/2014 – 31/12/2014							
Consolidated net income for the financial year	-	-	-	**13,986**	-	-	**13,986**
							-
Other components of comprehensive income, net of tax effects							-
Foreign currency translation differences for foreign operations							-
Profit/(loss) from cash flow hedges							-
Total other components of comprehensive income which will be (or could be) reclassified in the income statement	-	-	-	-	-	-	-
							-
Profit/(loss) from exchange rate gains and actuarial losses relating to employee benefits							-
Total other components of comprehensive income which will not be reclassified in the income statement	**-**	**-**	**-**	**13,986**	**-**	**-**	**13,986**
							-
TOTAL CONSOLIDATED COMPREHENSIVE NET INCOME FOR THE PERIOD	**-**	**-**	**-**	**13,986**	**-**	**-**	**13,986**
of which:							
Attributable to the group	-	-	-	**13,986**	-	-	**13,986**
Consolidated comprehensive net result attributable to non-controlling interests	-	-	-	-	-	-	-

(thousand Euros)

PRO-FORMA ADJUSTMENTS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Exercising of Options on NAP third parties	Transfer and consolidation	Assumption of payables for NAP B Shares	Renunciation and assumption of other payables	Operation accessory costs	Share capital increase	Total Adjustments Pro-Forma
	1	2	3	4	5	6	
31/12/2014							
Property, plant and equipment							
Intangible assets with finite useful life							
Goodwill		494,399				234,028	728,427
Equity interests in associates							
Deferred tax assets					5,531		5,531
Other non-current financial assets							
Total non-current assets	**-**	**494,399**	**-**	**-**	**5,531**	**234,028**	**733,959**
Inventories							
Trade receivables							
Other current assets							
Cash and cash equivalents				(29,280)			(29,280)
Financial assets which are not non-current assets							
Total current assets	-	-	-	**(29,280)**	**-**	**-**	**(29,280)**
Total assets	**-**	**494,399**	**-**	**(29,280)**	**5,531**	**234,028**	**704,678**
Share capital		(437,036)				-	(437,036)
Reserves	4,097	821,322	20,726	43,352	(14,633)	234,028	1,108,893
Retained earnings and losses carried forward		105,714					105,714
Consolidated net profit for the year		4,399					4,399
Shareholders' equity of Parent Company shareholders	**4,097**	**494,399**	**20,726**	**43,352**	**(14,633)**	**234,028**	**781,969**
Shareholders' equity attributable to third parties	(4,097)						(4,097)
Total consolidated shareholders' equity	**-**	**494,399**	**20,726**	**43,352**	**(14,633)**	**234,028**	**777,872**
Medium/long-term financial liabilities							
Liabilities for employee benefits							
Provisions for risks and non-current charges							
Deferred tax liabilities							
Total non-current liabilities	**-**	**-**	**-**		**-**	**-**	
Bank loans and other current financial liabilities				(54,425)			(54,425)
Provisions for risks and current charges							
Trade payables							
Tax liabilities				(13,540)			(13,540)
Other payables			(20,726)	(4,668)	20,164		(5,229)
Total current liabilities	**-**	**-**	**(20,726)**	**(72,632)**	**20,164**	**-**	**(73,194)**
Total consolidated shareholders' equity and liabilities	**-**	**494,399**	**-**	**(29,280)**	**5,531**	**234,028**	**704,678**

(thousand Euros)

PRO-FORMA ADJUSTMENTS OF THE CONSOLIDATED CASH FLOW STATEMENT	Exercising of Options on NAP third parties	Transfer and consolidation	Assumption of payables for NAP B Shares	Renunciation and assumption of other payables	Operation accessory costs	Share capital increase	Total Adjustments Pro-Forma
	1	2	3	4	5	6	
Period 1/1/2014 – 31/12/2014							
Consolidated net income for the financial year	**-**	**-**	**-**	**13,986**	**-**	**-**	**13,986**
Adjustments for:							-
Taxes for the financial year							-
Financial expenses							-
Financial income							-
Share of earnings from associates							-
Amortization, depreciation and losses in value							-
Fair value measurement of stock option plans							-
Unrealised effect of changes in foreign exchange rates							-
Capital gains/(losses) on sale of non-current assets							-
Provision for employee benefits							-
Provisions for risks and charges							-
Payment of employee benefits							-
Use of provisions for risks and charges							-
Changes in inventories							-
Changes in trade receivables							-
Changes in trade payables							-
Changes in other current assets and liabilities			(3,353)	(13,003)			(16,356)
Cash flow from (used in) operating activities	**-**		**(3,353)**	**983**	**-**	**-**	**(2,370)**
Income tax paid							-
Interest and other financial expenses paid				(4,672)			(4,672)
Interest and other financial expenses collected							-
CASH FLOW GENERATED BY (USED IN) OPERATING ACTIVITIES	**-**	**-**	**(3,353)**	**(3,689)**	**-**	**-**	**(7,042)**
Investing activities							-
Expenditure for investments in property, plant and equipment							-
Expenditure for investments in intangible assets							-
Expenditure for investments in equity investments							-
Expenditure for investments in other non-current financial assets							-
Sale of fixed assets							
CASH FLOW GENERATED BY (USED IN) INVESTING ACTIVITY	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financing activities							-
New short-term liabilities				(23,091)			(23,091)
Repayment of short-term liabilities							-
New medium/long-term financial liabilities							-
Repayment of medium/long-term financial liabilities				18,298			18,298
Treasury share acquisition							-
Payments for share capital increase and share premium reserves			3,353	17,163			20,516
Investments in financial assets							-
Variation through difference between cash effect and action of incentive plans							-
CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	**-**	**-**	**3,353**	**12,370**	**-**	**-**	**15,723**
TOTAL CASH FLOW FOR THE FINANCIAL YEAR	**-**	**-**	**-**	**8,681**	**-**	**-**	**8,681**
Cash and cash equivalents at the beginning of the period				(28,648)			(28,648)
Cash and cash equivalents at the end of the period				(19,967)			(19,967)
TOTAL CASH FLOW FOR THE FINANCIAL YEAR	**-**	**-**	**-**	**8,681**	**-**	**-**	**8,681**

Please see below for the notes on the above-mentioned adjustments.

1 Exercising of options over THE NET-A-PORTER GROUP minority shareholders

Statement of financial position

The adjustment represents the effect of the exercising of call options to buy THE NET-A-PORTER GROUP shares in the possession of minority shareholders so that Largenta UK owns 100% of the THE NET-A-PORTER GROUP share capital at the time of the operation as required by the Merger Agreement. This adjustment was made by reclassifying the book value of the Shareholders' equity attributable to minority interests to the Shareholders' equity of the shareholders of the Parent without effects on the total consolidated net shareholders' equity as at 31 December 2014.

2 Transfer and Consolidation

Statement of financial position

The adjustment refers to:

- the transfer of 100% of Largenta UK shares to Largenta Italia by RH for a value of Euro 909 million according to the expert valuation pursuant to Article 2343-*ter*, paragraph two, letter b) of the Italian Civil Code and
- the subsequent consolidation of the Largenta UK Group into Largenta Italia with the measurement of the goodwill.

The table below summarises the calculation of the goodwill:

	amounts in Euros millions	
Transfer value	909.0	A
Shareholders' equity of Largenta UK Group	414.6	B
Amount of Pro-Forma entry	**494.4**	**C = A – B**
Largenta UK Group pre-existing goodwill	302.6	D
Total Largenta Italia Group goodwill	**797.0**	**C & D**

3 Assumption of payables for THE NET-A-PORTER GROUP B Shares

Income Statement

There were no pro-forma economic effects measured following the requalification mentioned below in consideration of the fact that the fair value of these instruments, measured using the methods described previously, did not suffer significant variations between the beginning and end of 2014.

Statement of financial position

The adjustment refers to the share-based incentive plans related to the B Shares of THE NET-A-PORTER GROUP which, following the identification of RH as the party obliged to make the payment rather than Largenta UK, were requalified from paying operations based on shares regulated by cash to paying operations based on shares regulated by capital instruments.

Cash flow statement

The adjustment reflects the effects on the cash flow statement entries of the reclassifications made in the statement of financial position without effects on the cash flow for the period as it merely involved a reclassification.

4 Renunciation and assumption of other payables

Income Statement

The adjustment represents the reversal of costs included in the item "General expenses" as a result of the interruption in non-commercial relations between Largenta UK Group companies and Richemont Group companies, as well as interest payable on financial payables which became due.

The adjustment also includes the reversal of the economic effects recorded with reference to the payable for deferred payments and goodwill relating to the purchase of Shouke, a subsidiary of THE NET-A-PORTER GROUP.

Statement of financial position

The adjustment represents the extinction through:

- the renunciation of non-commercial payables to Richemont Group companies,
- the assumption and subsequent renunciation of a payable for deferred payments relating to the purchase of Shouke by RH,
- the use of cash for financial payables to third parties.

The payables resulting from the tax consolidation relationship with other Richemont Group companies were reclassified under tax payables to the English tax authorities and extinguished through their renunciation by the HR Group and associates.

Cash flow statement

The adjustment represents the effect on cash flows of the interruption of relations and the extinction of non-commercial payables with the Richemont Group companies and other payables.

5 Operation accessory costs

Statement of financial position

In order to complete the operation, YOOX, Largenta UK and THE NET-A-PORTER GROUP have estimated that the costs will be a total of Euro 20,164 thousand.

This column contains the above-mentioned accessory costs relating to the Merger operation and related payments made to consultants who have assisted YOOX, Largenta UK and THE NET-A-PORTER GROUP in the implementation of the operation net of tax effects.

No pro-forma economic effects were measured in relation to the accessory costs of the operation given that they are one-off expenses.

6 Share capital increase

Income Statement

Note that the completion of the evaluation process required by IFRS 3 - Business Combinations, following the legal effectiveness of the Merger, could involve measuring the assets, liabilities and potential liabilities of the Largenta UK Group, at the date of the business combination that is different from the theories adopted in the preparation of the Pro-Forma Data with consequent economic effects, including the amortization and depreciation of any assets with a finite useful life, which could be significant and which have not been measured for the purpose of this document.

Statement of financial position

The adjustment represents the cancellation of the Largenta Italia Group share capital and simultaneous issuing of new YOOX shares in favour of the former shareholders of the Largenta Italia Group based on the Exchange Ratio defined for the operation of 1 Largenta Italia share for every 1 new-issue YOOX share.

As previously described, while awaiting the completion of the process for allocating the purchase values of the assets, liabilities and potential liabilities of the Largenta UK Group, the difference, equal to Euro 1,031.0 million, between the fair value of the new YOOX shares, which will be issued to service the Merger conventionally considered as representative of the purchase cost and the consolidated shareholders' equity of the Largenta Italia Group at 31 December 2014 was initially recorded under “Goodwill”, net of residual goodwill equal to Euro 797.0 million and Pro-forma adjustments which had an impact of Euro 64.0 million on the consolidated shareholders' equity. This difference was not therefore allocated to the assets, liabilities and potential liabilities of the Largenta UK Group in as far as it can be allocated.

The table below summarises the calculation of the goodwill:

	amounts in Euros millions	
Overall fees	1,207.0	A
Shareholders' equity of Largenta Italia Group	909.0	B
Largenta Italia Group pre-existing goodwill reversal	(797.0)	C
Effect of Pro-Forma adjustments on Shareholders' equity	64.0	D
Largenta Italia Group Shareholders' equity with effect of Pro-Forma Adjustments and net of goodwill	176.0	E = B + C + D
Merger deficit	**1,031.0**	**F = A - E**
Amount of Pro-Forma entry	**234.0**	**F + C**

4.3 Historical and Pro-Forma indicators per YOOX share

Historical and Pro-Forma indicators for the financial year ending 31 December 2014

The table below contains the main indicators monitored by the YOOX Group in absolute values and per share, calculated on the basis of historical data and pro-forma data, with reference to the financial year ending 31 December 2014.

To provide more information, the data of the Largenta Italia Group were also provided, calculated by combining the Largenta Italia data with the Largent UK Group data to which the Pro-forma adjustment amounts were added, except for the item Shareholders' equity as it was not representative.

(thousand Euros)

PRO-FORMA INDICATORS	Notes	YOOX Group	Largenta Italia Group		Pro-Forma Adjustments	Largenta Italia Group + Pro-Forma Adjustments	Pro-Forma Data YOOX NAP Group
			Largenta Italia	Largenta UK Group			
		A	B	C	D	B+C+D	A+B+C+D
Data at 31/12/2014							
Number of shares	(i)	65,645,185					131,199,194
Total Group shareholders' equity		158,294	49	414,600	777,872		1,350,814
Total Group shareholders' equity per share (in Euros)		*2.41*					*10.30*
Data for the period from 1/1/2014 to 31/12/2014							
EBITDA excluding incentive plan costs (1)	(ii)	50,065	(1)	43,619	12,228	55,846	105,911
EBITDA excluding incentive plan costs per share (1) (in Euros)		*0.76*					*0.81*
Consolidated net income for the financial year excluding incentive plan costs (2)		14,746	(1)	14,598	13,986	28,583	43,329
Consolidated net income for the financial year excluding incentive plan costs per share (2) (In Euros)		*0.22*					*0.33*
Cash flow for the period		59,748	-	(2,082)	8,681	6,599	66,347
Cash flow for the period per share (in Euros)		*0.91*					*0.51*

(1) EBITDA is earnings before depreciation and amortisation, non-recurring expenses, income/loss from investment in associates, 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. YOOX Group management uses EBITDA to monitor and measure the Group's performance. Management believes that EBITDA is an important indicator 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 YOOX 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.

"EBITDA excluding incentive plan costs" is defined as EBIDTA before the costs relating to Stock Option Plans and company incentive schemes as far as YOOX is concerned and the share-based incentive plans used by the Largenta UK Group.

"EBITDA excluding incentive plan costs and with Pro-Forma Adjustments" is defined as EBIDTA before the costs relating to Stock Option Plans and company Incentive Plans as far as YOOX is concerned and the share-based incentive plans used by the Largenta UK Group to which the effect of pro-forma entries is added.

(2) The "Consolidated net profit excluding Incentive plan costs" is defined as the consolidated net profit for the period before the non-cash costs relating to the Stock Option plans and company Incentive Plans as far as YOOX is concerned and the share-based incentive plans used by the Largenta UK Group and related tax effects. With special reference to the Largenta UK Group, note that the tax effect has not been considered because it was considered that the costs of the company incentive schemes in the financial schedules at 31 December 2014 could not be deducted.

The "Consolidated net profit excluding costs for Incentive plans and with Pro-Forma Adjustments" is defined as the Consolidated net profit for the period before non-cash costs relating to the Stock Option Plans and company Incentive Plans as far as YOOX is concerned and the share-based incentive plans used by the Largenta UK Group and related tax effects to which the effect of pro-forma entries is added.

Please see the notes with comments below:

i. The number of fully diluted shares which refer to the Pro-Forma YOOX NAP Group has been calculated as the sum of YOOX shares at 31 March 2015 ([3]), the date of the signing of the Merger Agreement, equal to 65,599,597 plus the 65,599,597 YOOX newly issued shares to be offered in exchange to Largenta Italia shareholders as defined in the Merger Agreement based on the Exchange Ratio.

ii. The value given represents EBITDA before costs recognised in the income statement which refer to the stock option plans and company incentive schemes used by YOOX and the share-based incentive plans used by the Largenta UK Group commented on previously. The income statement is given below in paragraph 1.4 with these values highlighted.

([3]) Number of shares at 31 March 2015 net of treasury shares equal to 17,339 and including the number of shares resulting from the exercising of all options underlying the existing stock option plans.

4.4 Pro-Forma Data in reclassified YOOX statements

The Pro-Forma Data as at 31 December 2014 presented using the reclassified income statement, statement of financial position and cash flow statement are given below.

The data in the column:

- "Largenta Italia Group" represents the aggregation of the Largenta Italia S.p.A. and Largenta UK Group data;
- "Largenta Italia Group + Pro-forma adjustments" represents the sum of the data in the "Largenta Italia Group" column and the data in the "Pro-forma adjustments" column;
- "Pro-forma YOOX NAP Group represents the sum of the data in the "YOOX Group" column and the data in the "Largenta Italia Group + Pro-forma adjustments" column.

					(thousand Euros)
PRO-FORMA CONSOLIDATED INCOME STATEMENT RECLASSIFIED	**YOOX Group**	**Largenta Italia Group**	**Pro-Forma Adjustments**	**Largenta Italia Group + Pro-Forma Adjustments**	**YOOX NAP Group Pro-forma**
	A	B	C	B+C	A+B+C
Period 1/1/2014 – 31/12/2014					
Net revenues	524,340	747,934		747,934	1,272,274
Cost of goods sold	(336,793)	(436,683)		(436,683)	(773,476)
Fulfillment costs	(42,221)	(74,357)		(74,357)	(116,578)
Sales and marketing costs	(56,558)	(94,688)		(94,688)	(151,246)
General expenses	(36,216)	(98,546)	12,228	(86,318)	(122,534)
Other income and expenses	(2,486)	(42)		(42)	(2,528)
Incentive plans costs	(1,236)	(18,997)		(18,997)	(20,233)
EBITDA (1)	**48,830**	**24,621**	**12,228**	**36,849**	**85,679**
% of Net revenues	*9.3%*	*3.3%*		*4.9%*	*6.7%*
Depreciation and amortisation	(25,576)	(21,297)		(21,297)	(46,873)
Operating profit	**23,254**	**3,324**	**12,228**	**15,552**	**38,806**
% of Net revenues	*4.4%*	*0.4%*		*2.1%*	*3.1%*
Income/Loss from investment in associates	(694)	-		-	(694)
Financial income	4,506	7,318	(944)	6,374	10,880
Financial expenses	(4,437)	(7,441)	5,178	(2,263)	(6,700)
Profit before tax	**22,629**	**3,201**	**16,462**	**19,663**	**42,292**
Taxes	(8,827)	(7,601)	(2,476)	(10,077)	(18,904)
Consolidated net income for the financial year	**13,802**	**(4,400)**	**13,986**	**9,586**	**23,388**
% of Net revenues	*2.6%*	*-0.6%*		*1.3%*	*1.8%*
EBITDA excluding incentive plan costs (1)	***50,065***	***43,618***	***12,228***	***55,846***	***105,911***
% of Net revenues	*9.5%*	*5.8%*		*7.5%*	*8.3%*
Operating profit excluding incentive plan costs (2)	***24,490***	***22,321***	***12,228***	***34,549***	***59,039***
% of Net revenues	*4.7%*	*3.0%*		*4.6%*	*4.6%*
Consolidated net income for the period excluding incentive plan costs (3)	***14,746***	***14,597***	***13,986***	***28,583***	***43,329***
% of Net revenues	*2.8%*	*2.0%*		*3.8%*	*3.4%*

(1) EBITDA is earnings before depreciation and amortisation, non-recurring expenses, income/loss from investment in associates, 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. YOOX Group management uses EBITDA to monitor and measure the Group's performance. Management believes that EBITDA is an important indicator 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 YOOX 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.

"EBITDA excluding incentive plan costs" is defined as EBIDTA before the costs relating to Stock Option Plans and company Incentive Plans as far as YOOX is concerned and the share-based incentive plans used by the Largenta UK Group.

"EBITDA excluding incentive plan costs and with Pro-Forma Adjustments" is defined as EBITDA before the costs relating to Stock Option Plans and company Incentive Plans as far as YOOX is concerned and the share-based incentive plans used by the Largenta UK Group to which the effect of pro-forma entries is added.

(2) The “Operating profit excluding incentive plan costs” is defined as the consolidated operating profit for the period before non-cash costs relating to the Stock Option Plans and company Incentive Plans as far as YOOX is concerned and the share-based incentive plans used by the Largenta UK Group and related tax effects.

(3) The "Consolidated net income for the period excluding incentive plan costs" is defined as the Consolidated net income for the period before non-cash costs relating to the Stock Option Plans and company Incentive Plans as far as YOOX is concerned and the share-based incentive plans used by the Largenta UK Group and related tax effects. With special reference to the Largenta UK Group, note that the tax effect has not been considered because it was considered that the costs of the company incentive schemes in the financial schedules at 31 December 2014 could not be deducted.

The "Consolidated net income for the period excluding incentive plan costs and with Pro-Forma Adjustments" is defined as the Consolidated net income for the period before non-cash costs relating to the Stock Option Plans and company Incentive Plans as far as YOOX is concerned and the share-based incentive plans used by the Largenta UK Group and related tax effects to which the effect of pro-forma entries is added.

(thousand Euros)

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION RECLASSIFIED	YOOX Group	Largenta Italia Group	Pro-Forma Adjustments	YOOX NAP Group Pro-forma
	A	B	C	A+B+C
31/12/2014				
Inventories	222,834	226,246		449,080
Trade receivables	14,732	4,719		19,451
Other current assets (excluding other current financial assets)	7,092	12,439		19,531
Trade payables	(164,466)	(114,266)		(278,731)
Other payables	(34,073)	(96,626)	5,229	(125,468)
Current taxes payable	(803)	(13,540)	13,540	(803)
Net Working capital (1)	**45,317**	**18,973**	**18,769**	**83,059**
Property, plant and equipment	35,663	65,976		101,639
Intangible assets with finite useful life	35,685	20,725		56,411
Goodwill		302,592	728,428	1,031,019
Deferred tax assets	10,021	9,154	5,531	24,707
Other non-current financial assets	1,058	1,495		2,553
Non-current assets	**82,427**	**399,942**	**733,959**	**1,216,328**
Liabilities for employee benefits	(165)			(165)
Provisions for risks and non-current charges	-			
Deferred tax liabilities	(285)			(285)
Other medium/long-term payables		(8,525)		(8,525)
Non-current liabilities	**(450)**	**(8,525)**		**(8,975)**
Net invested capital (2)	**127,294**	**410,390**	**752,728**	**1,290,412**
Share capital	620	437,692	(437,036)	1,276
Reserves	107,315	82,974	1,108,893	1,299,335
Retained earnings and losses carried forward	36,556	(105,715)	105,715	36,556
Consolidated net income for the financial year	13,802	(4,399)	4,399	13,648
Equity attributable to third parties	-	4,097	(4,097)	
Shareholders' equity	**158,294**	**414,649**	**777,872**	**1,350,814**
Cash and cash equivalents	(118,028)	(29,812)	29,281	(118,559)
Financial assets which are not non-current assets	(9,957)	(28,872)		(38,829)
Bank loans and other current financial liabilities	30,759	54,425	(54,425)	30,759
Other current financial liabilities	155			155
Medium/long-term financial liabilities	66,072			66,072
Net financial position	**(31,000)**	**(4,259)**	**(25,144)**	**(60,402)**
Total sources of funding	**127,294**	**410,390**	**752,728**	**1,290,412**

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

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

(3) "Net financial position" (or net financial debt) is defined as the sum of cash and cash equivalents, other current financial assets, net of bank loans and borrowings and other financial payables falling due within one year, other current financial liabilities and non-current financial liabilities. Net financial position (or net financial debt) is not recognized as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union. The criterion applied by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained may not be comparable with 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".

Please note that with reference to the reclassified pro-forma consolidated statement of financial position, the data of the Largenta Italia Group + Pro-Forma Adjustments have not been recorded as they are not representative.

(thousand Euros)

RECLASSIFIED PRO-FORMA STATEMENT OF CHANGE OF CONSOLIDATED NET FINANCIAL POSITION	YOOX Group	Largenta Italia Group	Pro-Forma Adjustments	Largenta Italia Group + Pro-Forma Adjustments	YOOX NAP Group Pro-forma
	A	B	C	B+C	A+B+C
Period 1/1/2014 – 31/12/2014					
EBITDA excluding incentive plan costs	**50,065**	**43,618**	**12,228**	**55,846**	**105,911**
Net financial income/(expenses) and Associates	(625)	(123)	4,234	4,111	3,486
Taxes	(8,827)	(7,601)	(2,476)	(10,077)	(18,904)
Change in net working capital	(17,013)	(7,247)	(16,354)	(23,601)	(40,614)
Capital Expenditure	(34,932)	(19,862)	-	(19,862)	(54,794)
Other	96	(5,544)	15,210	9,666	9,762
Free cash flow	**(11,236)**	**3,241**	**12,842**	**16,083**	**4,847**
Non-recurring costs/revenues					
Proceeds from stock option exercise and other share-based incentive plans	21,738	-	-	-	21,738
Change in net financial position	**10,502**	**3,241**	**12,842**	**16,083**	**26,585**

4.5 Independent Auditors Report on the Pro-Forma financial statements

The report of the Independent Auditors KPMG S.p.A. regarding the examination of the YOOX pro-forma consolidated financial statements containing the opinion expressed regarding the reasonableness of the basic theory for the preparation of the pro-forma data, the correct application of the methodology used, as well as the correctness of the accounting principles adopted for the preparation of same is attached to this Note under Annex "A".

5. FINANCIAL FIGURES OF YOOX, LARGENTA ITALIA, LARGENTA UK AND THE NET-A-PORTER GROUP

Introduction

The paragraphs below contain the main financial data (statements of financial position and cash flows) of the YOOX Group, Largenta Italia, Largenta UK and THE NET-A-PORTER GROUP (the "**Companies Participating in the Merger**").

These data have been extracted from the financial statements of the Companies Participating in the Merger, prepared in accordance with the following methods and principles:

- **YOOX**: the surviving company, issuer of shares traded on the MTA, prepares the consolidated financial statements of the YOOX Group in conformity with the international IAS/IFRS accounting standards issued by the IASB (International Accounting Standard Board), endorsed by the European Union, and their interpretation by official bodies.

- **Largenta Italia** (formerly Deal S.r.l.): the non-operational, recently established acquired company, which, at the date the deed of Merger is signed, following the contribution in kind by RH of Largenta UK, will indirectly control the THE NET-A-PORTER GROUP, does not have any historical data, prepares a statement of financial position at 27 April 2015 in conformity with the regulations in Articles 2423 *et.seq.* of the Italian Civil Code, interpreted and supplemented by the accounting standards issued by the Organismo Italiano di Contabilità (the "**OIC Accounting Standards**").

- **Largenta Limited**: a company wholly-owned by Largenta Italia, not listed on the stock exchange, owns 100% of the share capital of THE NET-A-PORTER GROUP, prepares the separate financial statements for the year end at 31 March in conformity with the international IAS/IFRS accounting standards issued by the IASB (International Accounting Standard Board), endorsed by the European Union, and their interpretation by official bodies.

- **Net-A-Porter Group Limited**: a company wholly-owned by Largenta UK, not listed on the stock exchange, prepares the THE NET-A-PORTER GROUP consolidated financial statements for the year end 31 March (until the year end at the end of March 2014 the retail calendar was used) in conformity with the English regulations applying UK accounting standards.

In the light of the above, it is deemed helpful to also give the consolidated financial data of YOOX in this document in order to facilitate the analysis of the Largenta Italia, Largenta UK and THE NET-A-PORTER GROUP consolidated data.

It should also be stressed that YOOX is the issuer of shares traded on the MTA and, therefore, its financial data are subject to the obligations of publication, at the expense of listed issuers. Taking this into consideration, in order to make this document easier to read and more effective, it only contains the consolidated statements of the income statement, comprehensive income statement, statement of financial position and cash flow statement of the YOOX Group, while as far as the respective notes and comments are concerned, it was deemed advisable to refer to the consolidated financial statements published on the YOOX website (*www.yooxgroup.com – "Investor relations – Results centre"* section).

Conversely, this document illustrates the main financial data of Largenta UK and THE NET-A-PORTER GROUP accompanied by summary explanatory notes, as these companies are not subject to the same methods as listed companies which have to publish financial data. These data and information have been extracted from the respective financial statements prepared for the purpose of English regulations applying UK accounting standards for THE NET-A-PORTER GROUP and international IAS/IFRS accounting standards for Largenta Limited and using GPB as the functional currency. For the purpose of inclusion in this chapter, the figures in the statement of financial position were converted into Euro at the exchange rate at the end of the period and as far as the income statement and cash flow statement were concerned, the average exchange rate for the period was used. Any conversion differences have been highlighted under the dedicated item “Translation reserve”. The statement of financial position of Largenta Italia before the transfer was also included for completeness.

Unless otherwise indicated, all amounts are expressed in thousands of Euro.

The table below contains a financial data index included in this document:

- Paragraph 5.1: YOOX Group statement of financial position;

- Paragraph 5.2.1: Largenta Italia (formerly Deal S.r.l.) statement of financial position;

- Paragraph 5.2.2: Largenta UK statement of financial position and explanatory notes;

- Paragraph 5.2.3: THE NET-A-PORTER GROUP statement of financial position and explanatory notes.

5.1 Consolidated balance sheet of YOOX Group for the years ended 31 December 2014, 2013 and 2012.

See below for the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, and the consolidated cash flow statement for the years ended at 31 December 2014, 2013 and 2012.

The financial statements at 31 December 2014, 31 December 2013 and 31 December 2012 have been audited by KPMG S.p.A., which issued its reports without reservations on 18 March 2015, 14 March 2014 and 13 March 2013.

For more details, see the following documents here included pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) no. 809/2004 as a reference and available to the public at the YOOX S.p.A. registered office at Zola Predosa, via Nannetti, 1 (BO), and on its website *www.yooxgroup.com – "Investor relations – Results centre" section:*

i. The YOOX Group annual financial report for 2014, specifically the following sections of the consolidated financial statement subject to a full audit and the related annexes:
   - Consolidated income statement: page 101;
   - Consolidated comprehensive income statement: page 102;
   - Consolidated balance sheet: page 103;
   - Consolidated statement of cash flows: page 105;

ii. The YOOX Group annual financial report for 2013, specifically the following sections of the consolidated financial statement subject to a full audit and the related annexes:
   -
   - Consolidated income statement: page 97;
   - Consolidated comprehensive income statement: page 98;
   - Consolidated balance sheet: page 99;
   - Consolidated statement of cash flows: page 101;

iii. The YOOX Group annual financial report for 2012, specifically the following sections of the consolidated financial statement subject to a full audit and the related annexes:
   - Consolidated income statement: page 93;
   - Consolidated comprehensive income statement: page 94;
   - Consolidated balance sheet: page 95;
   - Consolidated statement of cash flows: page 97;

Consolidated income statement

(Amounts in thousand euro)	31/12/2014 Consolidated	31/12/2013 Consolidated	31/12/2012 Consolidated
Net revenues	524,340	455,590	375,924
Cost of goods sold	(336,793)	(284,786)	(238,506)
Fulfillment costs	(49,279)	(43,711)	(36,679)
Sales and marketing costs	(56,569)	(50,495)	(42,124)
General expenses	(55,959)	(49,824)	(38,256)
Other income and expenses	(2,486)	(2,865)	(1,448)
Non-recurring costs	-	-	-
Operating profit	23,254	23,909	18,911
Result of equity investments	(694)	(639)	(366)
Financial income	4,506	1,367	1,557
Finance expenses	(4,437)	(4,479)	(3,538)
Profit/(loss) on ordinary activities before taxation	22,629	20,158	16,564
Taxation	(8,827)	(7,537)	(6,381)
Consolidated net income for the period	13,802	12,621	10,183

Consolidated comprehensive income statement

(Amounts in thousand euro)	31/12/2014 Consolidated	31/12/2013 Consolidated	31/12/2012 Consolidated
Consolidated net profit for the year	13,802	12,620	10,183
Other components of comprehensive income, net of tax effects	1,805	(1,415)	(729)
Foreign currency translation differences for foreign operations	26	342	706
Profit/(loss) from cash flow hedges	1,831	(1,073)	(23)
Total other components of comprehensive income which will be (or could be) reclassified in the income statement			
	(14)	(42)	-
Profit/(loss) from exchange rate gains and actuarial losses relating to employee benefits	(14)	(42)	-
Total other components of comprehensive income which will not be reclassified in the income statement			
	15,619	11,505	10,161
TOTAL CONSOLIDATED COMPREHENSIVE NET INCOME FOR THE PERIOD			
of which:			
Attributable to the group	15,619	11,505	10,161
Consolidated comprehensive net result attributable to non-controlling interests	-	-	-

Consolidated balance sheet

(Amounts in thousand euro)	31/12/2014 Consolidated	31/12/2013 Consolidated	31/12/2012 Consolidated
Property, plant and equipment	35,663	34,890	29,023
Intangible assets with finite useful life	35,685	27,093	19,539
Goodwill	-	-	-
Equity interests in associates	59	59	59
Deferred tax assets	10,021	8,272	6,135
Other non-current financial assets	999	910	716
Total non-current assets	82,427	71,224	55,472
Inventories	222,834	164,396	138,216
Trade receivables	14,732	13,460	13,068
Other current assets	7,510	4,070	4,971
Cash at bank and in hand	118,028	58,280	35,775
Financial assets which are not non-current assets	9,539	8,742	6,143
Total current assets	372,643	248,948	198,173
Total assets	455,070	320,172	253,645
Called up share capital	620	582	573
Reserves	107,315	82,525	77,253
Retained earnings and losses carried forward	36,556	23,935	13,752
Consolidated net profit for the year	13,802	12,620	10,183
Equity attributable to equity holders of the Parent	158,294	119,662	101,762
Equity attributable to third parties	-	-	-
Total consolidated shareholders' equity	158,293	119,662	101,762
Medium/long-term financial liabilities	66,072	33,848	15,099
Liabilities for employee benefits	165	210	212
Provisions for risks and non-current charges	-	-	-
Deferred tax liabilities	285	153	128
Total non-current liabilities	66,522	34,211	15,439
Bank loans and other current financial liabilities	30,759	12,904	12,007
Provisions for risks and current charges	482	422	337
Trade payables	164,466	120,792	96,763
Tax liabilities	320	989	1,261
Other payables	34,228	31,193	26,077
Total current liabilities	230,255	166,300	136,445
Total consolidated shareholders' equity and liabilities	455,071	320,173	253,645

Consolidated Cash Flow Statement

(Amounts in thousand euro)	31/12/2014 Consolidated	31/12/2013 Consolidated	31/12/2012 Consolidated
Consolidated net profit for the year	13,802	12,620	10,183
Adjustments for:			
Taxation for the year	8,827	7,537	6,381
Finance expenses	4,437	4,479	3,538
Financial income	(4,506)	(1,367)	(1,557)
Share of earnings from associates	694	639	366
Amortization, depreciation and losses in value	25,576	19,153	13,174
Fair value measurement of stock option plans	1,236	3,695	4,610
Unrealised effect of changes in foreign exchange rates	1,805	(1,415)	(729)
Capital gains/(losses) on sale of non-current assets	39	11	(2)
Provision for employee benefits	25	65	15
Provisions for risks and charges	492	415	287
Payment of employee benefits	(70)	(68)	(16)
Use of provisions for risks and charges	(431)	(330)	(149)
Changes in inventories	(58,438)	(26,181)	(36,354)
Changes in trade receivables	(1,272)	(392)	(4,824)
Changes in trade payables	43,673	24,030	33,969
Changes in other current assets and liabilities	(794)	6,460	6,787
Cash flow from (used in) operating activities	35,095	49,351	35,680
Income tax paid	(11,112)	(9,921)	(6,720)
Interest and other financial expenses paid	(4,437)	(4,479)	(3,538)
Interest and other financial income collected	4,506	1,367	1,557
CASH FLOW GENERATED BY (USED IN) OPERATING ACTIVITIES	24,052	36,319	26,979
Investing activities			
Expenditure for investments in property, plant and equipment	(14,560)	(18,013)	(4,625)
Expenditure for investments in intangible assets	(23,865)	(18,386)	(14,582)
Expenditure for investments in equity investments	(343)	(735)	(425)
Expenditure for investments in other non-current financial assets	(89)	(194)	(106)
CASH FLOW GENERATED BY (USED IN) INVESTING ACTIVITY	(38,857)	(37,328)	(19,738)
Financing activities			
New short-term liabilities	18,894	2,738	2,038
Repayment of short-term liabilities	(7,189)	(2,001)	-
New medium/long-term financial liabilities	43,663	23,251	163
Repayment of medium/long-term financial liabilities	(1,793)	(580)	(155)
Treasury share acquisition	-	-	-
Payments for share capital increase and share premium reserves	21,775	2,536	4,433
Investments in financial assets	(797)	(2,600)	(676)
Variation through difference between cash effect and action of incentive plans	-	169	(12)
CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	74,553	23,513	5,792
TOTAL CASH FLOW FOR THE PERIOD	59,748	22,505	13,033
Cash at bank and in hand at the beginning of the period	58,280	35,775	22,743
Cash at bank and in hand at the end of the period	118,028	58,280	35,775
TOTAL CASH FLOW FOR THE PERIOD	59,748	22,505	13,033

5.2 Largenta Italia S.p.A. (formerly DEAL S.r.l.) statement of financial position at 27 April 2015.

Below is the statement of financial position of Largenta Italia at 27 April 2015, the effective date of the transformation of the company from limited liability company to limited company, prepared in conformity with the standards in Articles 2423 *et.seq.* of the Italian civil code, interpreted and supplemented by the accounting principles issued by the Organismo Italiano di Contabilità (the OIC Accounting Standards) and not subject to audit.

Income Statement

(Amounts in thousand euro)	27/04/2015
Value of production	
Total value of production	-
Costs of production	
For services	1
Amortisation, depreciation and write-downs:	
Depreciation of intangible assets	0
Total amortisation and depreciation and write-downs	0
Misc. operating expenses	0
Total costs of production	1
Difference between value and costs of production	(1)
Extraordinary income and expenses	
Other income	0
Total extraordinary entries	0
Profit/(loss) on ordinary activities before taxation	(1)
PROFIT (LOSS) FOR THE PERIOD	(1)

Balance sheet

(Amounts in thousand euro)	27/04/2015
Intangible assets	
Gross amount	2
Depreciation and amortisation	0
Total intangible assets	2
Total fixed assets	2
Debtors	
Due within the next financial year	0
Total receivables	0
Cash	47
Cash	47
Total circulating assets	47
TOTAL ASSETS	49
Shareholders' equity	
Called up share capital	50
Profit and loss account, clearly indicated	
Misc. other reserves	(0)
Total other reserves	(0)
Profit (loss) for the year	(1)
Total shareholders’ funds	49
TOTAL LIABILITIES	49

5.3 Statement of financial position of Largenta UK for the years ended 31 March 2015, 2014 and 2013.

See below for the consolidated profit and loss account, the statement of financial position, and the cash flow statement for the years ended at 31 March 2015, 2014 and 2013.

The financial statements at 31 March 2015, 2014 and 2013 have been audited by PricewaterhouseCoopers LLP, which issued its reports without reservations on 13 May 2015, 30 June 2014 and 09 July 2013, respectively.

<u>Consolidated profit and loss account</u>

Consolidated profit and loss account	31/03/2015 £'000	31/03/2014 £'000	31/03/2013 £'000	31/03/2015 €'000	31/03/2014 €'000	31/03/2013 €'000
Continuing operations						
Revenue	-	-	-	-	-	-
Administration expenses	(17)	(15)	(17)	(22)	(18)	(21)
Operating loss before taxation	(17)	(15)	(17)	(22)	(18)	(21)
Taxation	4	4	3	5	5	4
Loss for the year	(13)	(11)	(14)	(17)	(13)	(17)
Total comprehensive income for the year	(13)	(11)	(14)	(17)	(13)	(17)

<u>Statement of Financial Position</u>

- Statement of Financial Position	31/03/2015 £'000	31/03/2014 £'000	31/03/2013 £'000	31/03/2015 €'000	31/03/2014 €'000	31/03/2013 €'000
Assets						
Non-current assets						
Investment in subsidiary undertaking	356,248	354,589	352,980	489,823	428,144	417,431
Current assets						
Trade and other receivables	4	4	4	5	5	5
Cash at bank and in hand	148	160	177	203	193	209
	152	164	181	209	198	214
Liabilities						
Current liabilities						
Short term incentive liability	(16,558) -		-	(22,766)	- -	
Trade and other payables	(12)	(11)	(17)	(16)	(13)	(20)
Net current assets	(16,418)	153	164	(22,574)	185	194
Total assets less current liabilities	339,830	354,742	353,144	467,249	428,329	417,625
Non-current liabilities						
Long term incentive liability	-	(14,899)	(13,290)	-	(17,990)	(15,717)
Net assets	339,830	339,843	339,854	467,249	410,339	401,909
Shareholders' equity						
Called up share capital	340,880	340,880	340,880	468,692	411,591	403,122
Share premium	196	196	196	269	237	232
Retained earnings	(1,246)	(1,233)	(1,222)	(1,713)	(1,489)	(1,445)
Total shareholders' funds	339,830	339,843	339,854	467,249	410,339	401,909

<u>Statement of Cash Flows</u>

Statement of Cash Flows	31/03/2015 £'000	31/03/2014 £'000	31/03/2013 £'000	31/03/2015 €'000	31/03/2014 €'000	31/03/2013 €'000
Cash used in operating activities	(12)	(17)	(13)	10	(16)	(19)
Net decrease in cash and equivalents	(12)	(17)	(13)	10	(16)	(19)
Cash at bank and in hand at 1 April	160	177	190	193	209	228
Cash at bank and in hand at 31 March	148	160	177	203	193	209

Statement of Cash Flows	31/03/2015	31/03/2014	31/03/2013	31/03/2015	31/03/2014	31/03/2013
	£'000	£'000	£'000	€'000	€'000	€'000

1.3.1 Statement of financial position of Largenta UK for the year ended 31 March 2015

Summary of significant accounting policies

These financial statements have been prepared on the going concern basis under the accounting policies set out below, which have been applied consistently and in accordance with applicable accounting standards.

Basis of preparation

These financial statements of Largenta UK have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations, (together "**IFRS**") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Except for the changes below the policies set out in this note have been consistently applied to the years presented.

In the period, Largenta UK adopted the amendments to IAS 32 *Offsetting financial assets and liabilities.* These amendments provide clarification with regard to the requirements of offsetting, specifically on the significance of a right which can currently be legally exercised for offsetting amounts measured for accounting purposes and the fact that the entries will be adjusted net, in other words realising the asset and at the same time extinguishing the liability. Since Largenta UK does not carry out any significant offsetting, the amendments did not have any impact on the information and the figures in these financial statements.

Largenta UK has also adopted the amendments regarding information required by IAS 36 *Impairment of assets,* according to which the obligation to indicate the recoverable value of a cash generating unit (CGU), to which goodwill or other intangible assets with a finite useful life have been allocated when the CGU is not subject to impairment no longer exits. These amendments also introduce further obligations with regard to information on the recoverable value of a fixed asset or a CGU when they are recorded at fair value, net of sales costs.

Largenta UK has also adopted IFRIC 21 Levies, regarding the accounting of a liability related to the payment of a levy if this liability comes under the scope of the application of IAS 37 *Provisions, contingent liabilities and contingent assets*. The interpretation refers to the identification of the binding fact which gives rise to a liability relating to the payment of a levy or when the related payable should be recorded. Largenta UK is not subject to tax liabilities, as a result the adoption of this interpretation has not created significant effects on the financial statements for 2015 and previous periods.

Investment in subsidiary

The Investment in subsidiary is stated at cost less, where appropriate, provisions for impairment.

Exemption from preparing consolidated financial statements

Largenta UK is not required to prepare consolidated financial statements due to the exemption available under section 401 of the Companies Act 2006.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective Interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that Largenta UK will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Consolidated profit and loss account.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade payables

Payables are initially measured at fair value and subsequently measured at amortised cost.

Called up share capital

Shares issued by Largenta UK are classified as equity attributable to the Company's shareholders.

Taxation

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using taxation rates that are applicable to the taxable income.

Deferred tax assets and liabilities

Deferred taxation is recognised using the balance sheet liability method for all temporary differences, unless specifically exempt, at tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred taxation asset represents the amount of tax on profit/(loss) on ordinary activities recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

A deferred taxation liability represents the amount of tax on profit/(loss) on ordinary activities payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable income nor accounting profit.

Deferred taxes are recorded in the comprehensive income statement, with the exception of those relating to entries credited or debited directly to shareholders' equity and which therefore, are recorded directly in shareholders' equity.

Incentive plans

Largenta UK recognises a liability and an expense for incentive plans when contractually obliged or where there is a past practice that has created a constructive obligation.

Changes to Accounting Policies and Disclosures

Certain new accounting standards issued by IASB and new interpretations issued by IFRIC are not yet effective for the year ended 31 March 2015 and have not been applied in preparing these financial statements. These standards and interpretations are not expected to have a material impact on financial statements of Largenta UK.

New standards and interpretations not yet adopted

Certain new accounting standards and amendments, issued by the IASB and interpretations issued by IFRIC are not yet effective and have not been applied in preparing these consolidated financial statements. Those which may be relevant to Largenta UK are set out below.

IFRS 9 Financial Instruments, issued in November 2009, introduces new requirements for the classification and measurement if financial assets. IFRS 9, amended in October 2010, introduces additional changes relating to financial liabilities. Adoption of these standards is not expected to have a significant impact on the financial position of Largenta UK. There is not expected to be a significant impact on the financial position of the Company from the adoption of these accounting practices. IFRS 9, amended in November 2013, introduces new general requirements regarding hedging instruments. This principle applies to the financial years 12 months after 1 January 2018. Largenta UK has not yet assessed the overall impact of IFRS 9.

See below for the notes commenting on the financial statements for the year end 31 March 2015.

<u>Notes commenting on the comprehensive income statement</u>

Impairment of investments in subsidiaries

No impairment has been recognised in the year ended 31 March 2015 (2014: none). The value of the subsidiary company is determined by the discounted present value of future cash flows, using a weighted average cost of capital and growth rates as determined at Group level. Impairment will occur when the value in use is less than the current carrying amount of the investment.

Auditor's remuneration

Auditor's remuneration to PricewaterhouseCoopers CI LLP for the year was £6,712 (2014: £6,580).

Directors' emoluments and interests

None of the Directors who held office during the year received any emoluments in respect of their services to Largenta UK. The Directors consider there are no other key management personnel.

Employee information

There were no employees during the year (2014: None).

<u>Notes on the statement of financial position</u>

Investment in subsidiary undertaking	31/03/2015	31/03/2014
	£'000	£'000
Cost		
At 1 April	354,589	352,980
Recognition of NAP "B" incentive liability	1,659	1,609
At 31 March	356,248	354,589
Provision for impairment		
At 1 April	-	-
At 31 March	-	-
Carrying value		
At 31 March	356,248	354,589

Investment in subsidiary undertaking	31/03/2015	31/03/2014
	€'000	€'000
Cost		
At 1 April	428,144	417,431
Recognition of NAP "B" incentive liability	2,281	1,943
Translation reserve	59,397	8,770
At 31 March	489,823	428,144
Provision for impairment		
At 1 April	-	-
At 31 March	-	-
Carrying value		
At 31 March	489,823	428,144

At 31 March 2015 the Company's principal immediate subsidiary undertaking was:

Subsidiary undertaking	**Place of incorporation**	**Percentage holding of ordinary share capital**	**Nature of business**
The Net-A-Porter Group Limited	England and Wales	97%	Online fashion retailer

The financial statements contain information about Largenta UK as an individual company and do not contain consolidated financial information as the parent of a group. Largenta UK has taken advantage of the exemption under Section 401 of the Companies Act 2006 (for non-EEA parents) from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent, Compagnie Financière Richemont S.A., a company incorporated in Switzerland.

Provision for liabilities and charges

During the year ended 31 March 2011, “B” shares of THE NET-A-PORTER GROUP were sold to the senior executive team of THE NET-A-PORTER GROUP. The awards entitle the holders to an economic interest in the growth of THE NET-A-PORTER GROUP above a threshold value. The shares carry a put right entitling the holders to sell all, but not some, of their 'B' shares on 31 March 2015 at the fair market value at the date of exercise (less the threshold value). There is an equivalent call right for Richemont to acquire the “B” shares at the same price.

The shares have been valued using a discounted cash flow model, based on management forecasts and projections beyond the forecast period.

Largenta UK, named as counterparty to the put and call option arrangements, has recognised a liability in relation to the economic entitlement due to the relevant shareholders.

Provisions for risks and charges	Long term incentive liability	Long term incentive liability
	£’000	€’000
At 31 March 2013	13,290	15,717
Net change for the year	1,609	2,273
At 31 March 2014	14,899	17,990
Net change for the year	1,659	(17,990)
Reclassified to current	(16,558)	(22,766)
At 31 March 2015	-	-

Liabilities for risks and charges	Short term incentive liability	Short term incentive liability
	£’000	€’000
At 31 March 2014	-	-
Reclassified from long-term liabiity	16,558	22,766
At 31 March 2015	16,558	22,766

In a letter dated 27 March 2015, the Parent, Richemont Holdings (UK) Limited, confirmed its intention to offer Largenta UK a loan, at conditions at least the same as those usually applied to inter-group loans within the Richemont Group, aimed at pyaing the debt relating to B share options.

Called up share capital	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	£’000	£’000	€’000	€’000
Issued:				
340,878,827 ordinary shares with a nominal value of £1.00	340,879	340,879	468,691	411,590
1,000 B shares with a nominal value of £1.00	1	1	1	1
	340,880	340,880	468,692	411,591
Subscribed, called up and paid up:				
340,878,827 ordinary shares with a nominal value of £1.00	340,879	340,879	468,691	411,590
1,000 B shares with a nominal value of £1.00	1	1	1	1
	340,880	340,880	468,692	411,591

“B” shares are non-voting shares. An executive of THE NET-A-PORTER GROUP acquired the “B” shares, which carry an economic entitlement equivalent to an agreed percentage increase in the equity value of THE NET-A-PORTER GROUP over the period to 31 March 2015. This is achieved through two separate put and call option arrangements. The arrangements give Richemont the right to acquire, and the shareholder the right to sell all, but not part, of the own "B" shares on 1 April 2015.

Equity

Equity	Called up share capital	Share premium	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 1 April 2013	340,880	196	(1,222)	339,854
Profit/(loss) for the financial period	-	-	(11)	(11)
At 1 April 2014	340,880	196	(1,233)	339,843
Profit/(loss) for the financial period	-	-	(13)	(13)
At 31 March 2015	340,880	196	(1,246)	339,830

Equity	Called up share capital	Share premium	Profit and loss account	Total
	€'000	€'000	€'000	€'000
At 1 April 2013	403,122	232	(1,445)	401,909
Profit/(loss) for the financial period	-	-	(13)	(13)
Translation reserve	8,469	5	(31)	8,444
At 1 April 2014	411,591	237	(1,489)	410,339
Profit/(loss) for the financial period	-	-	(17)	(17)
Translation reserve	57,101	33	(208)	56,926
At 31 March 2015	468,692	269	(1,713)	467,249

Share premium

Share premium arose from the issuance of 1,000 "B" shares of £1.00 each at a premium of £ 195.65 per share.

Related party transactions

Key management compensation and other related party transactions are disclosed in the previous note "Directors' emoluments and interests". The Directors do not consider there to be any other members of key management. Largenta UK has not entered into any other related party transactions as defined by IAS 24.

Ultimate controlling party

Largenta UK is a wholly owned subsidiary of Richemont Holdings (UK) Limited (registered in England and Wales) The Directors regard Compagnie Financière Richemont S.A., a listed company incorporated in Switzerland, to be the ultimate controlling party Copies of the financial statements of Compagnie Financière Richemont S.A. are available from its registered office at 50 Chemin de la Chênaie, 1293 Bellevue, Geneva, Switzerland.

5.3.1 Statement of financial position of Largenta UK for the year ended 31 March 2014

<u>Summary of significant accounting policies</u>

These financial statements have been prepared on the going concern basis under the accounting policies set out below, which have been applied consistently and in accordance with applicable accounting standards.

Basis of preparation

The Company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations, (together "IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Except for the changes below the policies set out in this note have been consistently applied to the years presented.

Largenta UK adopted the amendments to IFRS 7 *Additional Information – Offsetting financial assets and liabilities*, IAS 1 *Presentation of Financial Statements* and the new IFRS 13 *Fair Value Measurement,* from 1 April 2013.

The amendments to IFRS 7 *Additional Information – Offsetting financial assets and liabilities* requires evidence to be given of the compensation of financial assets and liabilities and the right to offsetting within an existing offsetting framework agreement or similar agreement.

The amendments to IAS 1 *Presentation of Financial Statements* requires the items to be grouped together within the comprehensive income statement. The items, which it is believed can be reclassified under the income statement in the future should, currently, be presented separately from the items which are not planned to be reclassified in future years.

The amendments listed above only had an impact on the presentation and did not have an effect on the financial situation and financial results of Largenta UK. IFRS 13 *Fair Value Measurement,* introduces an unequivocal definition of fair value and provides a guide for determining fair value and common information for all items measured at fair value if required or permitted by other IFRSs. The application of IFRS 13 has not had a perceptible impact on the calculation of the fair values made by Largenta UK. Largenta UK has presented the information as required by the principle.

The preparation of the financial statements in conformity with IFRS accounting standards requires the use of estimates and assumptions which have an effect on the values of assets and liabilities presented at the date of the financial statement and on the values of costs and revenues presented during the reference period. In spite of these estimates being based on the best knowledge of management with regard to values, events and actions, the actual results, in the last analysis, could differ from these estimates.

Investment in subsidiary

The Investment in subsidiary is stated at cost less, where appropriate, provisions for impairment.

Exemption from preparing consolidated financial statements

Largenta UK is not required to prepare consolidated financial statements due to the exemption available under section 401 of the Companies Act 2006.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective Interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that Largenta UK will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Consolidated profit and loss account.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade payables

Payables are initially measured at fair value and subsequently measured at amortised cost.

Called up share capital

Shares issued by Largenta UK are classified as equity attributable to the Company's shareholders.

Taxation

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using taxation rates that are applicable to the taxable income.

Deferred taxation is recognised in the Consolidated profit and loss account except when it relates to items credited or charged directly to equity, in which case it is recognised in equity.

Deferred tax assets and liabilities

Deferred taxation is recognised using the balance sheet liability method for all temporary differences, unless specifically exempt, at tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred taxation asset represents the amount of tax on profit/(loss) on ordinary activities recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

A deferred taxation liability represents the amount of tax on profit/(loss) on ordinary activities payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable income nor accounting profit.

Incentive plans

Largenta UK recognises a liability and an expense for incentive plans when contractually obliged or where there is a past practice that has created a constructive obligation.

Changes to Accounting Policies and Disclosures

Certain new accounting standards issued by IASB and new interpretations issued by IFRIC are not yet effective for the year ended 31 March 2014 and have not been applied in preparing these financial statements. These standards arid interpretations are not expected to have a material impact on the financial statements of Largenta UK.

New standards and interpretations not yet adopted

Certain new accounting standards and amendments, issued by the IASB and interpretations issued by IFRIC are not yet effective and have not been applied in preparing these consolidated financial statements. Those which may be relevant to Largenta UK are set out below.

IFRS 9 Financial Instruments, issued in November 2009, introduces new requirements for the classification and measurement if financial assets. IFRS 9, amended in October 2010, introduces additional changes relating to financial liabilities. Adoption of these standards is not expected to have a significant impact on the financial position of Largenta UK.

There are no other new principles or amendments which could have a significant impact on Largenta UK.

See below for the notes commenting on the financial statements for the year end 31 March 2014.

<u>Notes on the comprehensive income statement</u>

Impairment of investments in subsidiaries

No impairment has been recognised in the year ended 31 March 2014 (2013: none). The value of the subsidiary company is determined by the discounted present value of future cash flows, using a weighted average cost of capital and growth rates as determined at Group level. Impairment will occur when the value in use is less than the current carrying amount of the investment.

Auditor's remuneration

Auditor's remuneration to PricewaterhouseCoopers CI LLP for the year was £ 6,580 (2013: £ 6,390).

Directors' emoluments and interests

None of the Directors who held office during the year received any emoluments in respect of their services to Largenta UK. The Directors consider there are no other key management personnel.

Employee information

There were no employees during the year (2013: None).

Notes on the statement of financial position

Investment in subsidiary undertaking	31/03/2014	31/03/2013
	£'000	£'000
Cost		
At 1 April	352,980	351,741
Recognition of NAP "B" incentive liability	1,609	1,239
At 31 March	354,589	352,980
Provision for impairment		
At 1 April	-	-
At 31 March	-	-
Carrying value		
At 31 March	354,589	352,980

Equity investments in subsidiaries	31/03/2014	31/03/2013
	€'000	€'000
Cost		
At 1 April	417,431	421,802
Recognition of NAP "B" incentive liability	1,943	1,465
Translation reserve	8,770	(5,837)
At 31 March	428,144	417,431
Provision for impairment		
At 1 April	-	-
At 31 March	-	-
Carrying value		
At 31 March	428,144	417,431

At 31 March 2014 the principal immediate subsidiary undertaking of Largenta UK was:

Subsidiary undertaking	**Place of incorporation**	**Percentage holding of ordinary share capital**	**Nature of business**
The Net-A-Porter Group Limited	England and Wales	97%	Online fashion retailer

The financial statements contain information about Largenta Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006 (for non-EEA parents) from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent, Compagnie Financière Richemont S.A., a company incorporated in Switzerland.

Provision for liabilities and charges

During the year ended 31 March 2011, "B" shares of The Net-a-Porter Group Limited (THE NET-A-PORTER GROUP) were sold to the senior executive team of THE NET-A-PORTER GROUP. The awards entitle the holders to an economic interest in the growth of THE NET-A-PORTER GROUP above a threshold value. The shares carry a put right entitling the holders to sell all, but not some, of their "B" shares on 31 March 2015 at the fair market value at the date of exercise (less the threshold value). There is an equivalent call right for Richemont to acquire the "B" shares at the same price.

The shares have been valued using a discounted cash flow model, based on management forecasts and projections beyond the forecast period.

Largenta UK, named as counterparty to the put and call option arrangements, has recognised a liability in relation to the economic entitlement due to the relevant shareholders.

Provision for liabilities and charges	Long term incentive liability	Long term incentive liability
	£'000	€'000
At 1 April 2012	12,051	14,451
Net amount provided in the year	1,239	1,265
At 31 March 2013	13,290	15,717
Net amount provided in the year	1,609	2,274
At 31 March 2014	14,899	17,990

Called up share capital	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	£'000	£'000	€'000	€'000
Authorised:				
340,878,827 ordinary shares of £1 each	340,879	340,879	411,590	403,121
1,000 B shares of £1 each	1	1	1	1
	340,880	340,880	411,591	403,122
Allotted, called up and fully paid:				
340,878,827 ordinary shares of £1.00 each	340,879	340,879	411,590	403,121
1,000 B shares of £1.00 each	1	1	1	1
	340,880	340,880	411,591	403,122

"B" shares are non-voting shares. An executive of The Net-A-Porter Group Limited acquired the "B" shares, which carry an economic entitlement equivalent to an agreed percentage increase in the equity value of The Net-A-Porter Group Limited over the period to 31 March 2015. This is achieved through two separate put and call option arrangements. The arrangements give Richemont the right to acquire, and the shareholder the right to sell all, but not part, of the own "B" shares on 1 April 2015.

Equity

Equity	Called up share capital	Share premium	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 1 April 2012	340,880	196	(1,208)	339,868
Profit/(loss) for the financial period	-	-	(14)	(14)
At 1 April 2013	340,880	196	(1,222)	339,854
Profit/(loss) for the financial period	-	-	(11)	(11)
At 31 March 2014	340,880	196	(1,233)	339,843

Equity	Called up share capital	Share premium	Profit and loss account	Total
	€'000	€'000	€'000	€'000
At 1 April 2012	408,778	235	(1,449)	407,564
Profit/(loss) for the financial period	-	-	(17)	(17)
Translation reserve	(5,656)	(3)	21	(5,639)
At 1 April 2013	403,122	232	(1,445)	401,909
Profit/(loss) for the financial period	-	-	(13)	(13)
Translation reserve	8,469	5	(31)	8,444
At 31 March 2014	411,591	237	(1,489)	410,339

Share premium

Share premium arose from the issuance of 1,000 "B" shares of £ 1.00 each at a premium of £ 195.65 per share.

Related party transactions

Key management compensation and other related party transactions are disclosed in the previos note "Directors' emoluments and interests". The Directors do not consider there to be any other members of key management. Largenta UK has not entered into any other related party transactions as defined by IAS 24.

Ultimate controlling party

Largenta UK is a wholly owned subsidiary of Richemont Holdings (UK) Limited (registered in England and Wales) The Directors regard Compagnie Financière Richemont S.A., a listed company incorporated in Switzerland, to be the ultimate controlling party. Copies of the financial statements of Compagnie Financière Richemont S.A. are available from its registered office at 50 Chemin de la Chênaie, 1293 Bellevue, Geneva, Switzerland.

5.3.2 Statement of financial position of Largenta UK for the year ended 31 March 2013

<u>Summary of significant accounting policies</u>

These financial statements have been prepared on the going concern basis under the accounting policies set out below, which have been applied consistently and in accordance with applicable accounting standards.

Basis of preparation

Largenta UK financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations, (together "IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of the financial statements in conformity with IFRS accounting standards requires the use of estimates and assumptions which have an effect on the values presented at the date of the financial statement relating to assets and liabilities and on the values of costs and revenues presented during the reference period. In spite of these estimates being based on the best knowledge of management with regard to values, events and actions, the actual results, in the last analysis, could differ from these estimates.

The financial statements have been prepared using the historical cost method, with the exception of the revaluation of investments available for sale.

Investment in subsidiary

The Investment in subsidiary is stated at cost less, where appropriate, provisions for impairment.

Exemption from preparing consolidated financial statements

Largenta UK is not required to prepare consolidated financial statements due to the exemption available under Section 401 of the Companies Act 2006.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective Interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Consolidated profit and loss account.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade payables

Payables are initially measured at fair value and subsequently measured at amortised cost.

Called up share capital

Shares issued by Largenta UK are classified as equity attributable to the shareholders of Largenta UK.

Taxation

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using taxation rates that are applicable to the taxable income.

Deferred taxes are recorded in the comprehensive income statement, with the exception of those relating to entries credited or debited directly to shareholders' equity and which therefore, are recorded directly in shareholders' equity.

Deferred tax assets and liabilities

Deferred taxation is recognised using the balance sheet liability method for all temporary differences, unless specifically exempt, at tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred taxation asset represents the amount of tax on profit/(loss) on ordinary activities recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

A deferred taxation liability represents the amount of tax on profit/(loss) on ordinary activities payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable income nor accounting profit.

Incentive plans

Largenta UK recognises a liability and an expense for incentive plans when contractually obliged or where there is a past practice that has created a constructive obligation.

Changes to Accounting Policies and Disclosures

Certain new accounting standards issued by IASB and new interpretations issued by IFRIC are not yet effective for the year ended 31 March 2013 and have not been applied in preparing these financial statements. These standards and interpretations are not expected to have a material impact on the financial statements of Largenta UK.

See below for the notes commenting on the financial statements for the year end 31 March 2013.

<u>Notes on the income statement</u>

Impairment of investments in subsidiaries

No impairment has been recognised in the year ended 31 March 2013. The value of the subsidiary company is determined by the discounted present value of future cash flows, using a weighted average cost of capital and growth rates as determined at group level. Impairment will occur when the value in use is less than the current carrying amount of the investment.

Auditor's remuneration

Auditor's remuneration to PricewaterhouseCoopers CI LLP for the year was £6,390 (2012: £6,300).

Directors' emoluments and interests

None of the Directors who held office during the year received any emoluments in respect of their services to Largenta UK. The Directors consider there are no other key management personnel.

Employee information

There were no employees during the year (2012: None).

Notes on the statement of financial position

Investment in subsidiary undertaking

Investment in subsidiary undertaking	31/03/2013	31/03/2012
	£'000	£'000
Cost		
At 1 April	351,741	347,433
Recognition of NAP "B" incentive liability	1,239	4,308
At 31 March	352,980	351,741
Provision for impairment		
At 1 April	-	-
At 31 March	-	-
Carrying value		
At 31 March	352,980	351,741

Investment in subsidiary undertaking	31/03/2013	31/03/2012
	€'000	€'000
Cost		
At 1 April	421,802	393,157
Recognition of NAP "B" incentive liability	1,465	5,166
Translation reserve	(5,836)	23,479
At 31 March	417,431	421,802
Provision for impairment		
At 1 April	-	-
At 31 March	-	-
Carrying value		
At 31 March	417,431	421,802

At 31 March 2013 principal immediate subsidiary undertaking of Largenta UK was:

Subsidiary undertaking	Place of incorporation	Percentage holding of ordinary share capital	Nature of business
The Net-A-Porter Group Limited	England and Wales	97%	Online fashion retailer

The financial statements contain information about Largenta UK as an individual company and do not contain consolidated financial information as the parent of a group. Largenta UK has taken advantage of the exemption under Section 401 of the Companies Act 2006 (for non-EEA parents) from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent, Compagnie Financière Richemont S.A., a company incorporated in Switzerland.

Provision for liabilities and charges

During the year ended 31 March 2011, "B" shares of THE NET-A-PORTER GROUP were sold to the senior executive team of THE NET-A-PORTER GROUP. The awards entitle the holders to an economic interest in the growth of THE NET-A-PORTER GROUP above a threshold value. The shares carry a put right entitling the holders to sell all, but not some, of their 'B' shares on 31 March 2015 at the fair market value at the date of exercise (less the threshold value). There is an equivalent call right for Richemont to acquire the "B" shares at the same price.

The shares have been valued using a discounted cash flow model, based on management forecasts and projections beyond the forecast period.

Largenta UK, named as counterparty to the put and call option arrangements, has recognised a liability in relation to the economic entitlement due to the relevant shareholders.

Provision for liabilities and charges	Long term incentive liability £'000	Long term incentive liability €'000
At 1 April 2011	7,743	8,762
Net change for the year	4,308	5,689
At 31 March 2012	12,051	14,451
Net change for the year	1,239	1,265
At 31 March 2013	13,290	15,717

Called up share capital

Called up share capital	31/03/2013 £'000	31/03/2012 £'000	31/03/2013 €'000	31/03/2012 €'000
Authorised:				
340,878,827 ordinary shares of £1.00 each	340,879	340,879	403,121	408,777
1,000 B shares of £1.00 each	1	1	1	1
	340,880	340,880	403,122	408,778
Allotted, called up and fully paid:				
340,878,827 ordinary shares of £1.00 each	340,879	340,879	403,121	408,777
1,000 B shares of £1.00 each	1	1	1	1
	340,880	340,880	403,122	408,778

Called up share capital	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	£'000	£'000	€'000	€'000

"B" shares are non-voting shares. An executive of THE NET-A-PORTER GROUP acquired the "B" shares, which carry an economic entitlement equivalent to an agreed percentage increase in the equity value of THE NET-A-PORTER GROUP over the period to 31 March 2015. This is achieved through two separate put and call option arrangements. The arrangements give Richemont the right to acquire, and the shareholder the right to sell all, but not part, of the own "B" shares on 1 April 2015.

Equity

Equity	Called up share capital	Share premium	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 1 April 2011	340,880	196	(1,196)	339,880
Profit/(loss) for the financial period	-	-	(12)	(12)
At 1 April 2012	340,880	196	(1,208)	339,868
Profit/(loss) for the financial period	-	-	(14)	(14)
At 31 March 2013	340,880	196	(1,222)	339,854

Shareholders' equity	Called up share capital	Share premium	Profit and loss account	Total
	€'000	€'000	€'000	€'000
At 1 April 2011	385,742	222	(1,353)	384,610
Profit/(loss) for the financial period	-	-	(14)	(14)
Translation reserve	23,036	13	(81)	22,968
At 1 April 2012	408,778	235	(1,449)	407,564
Profit/(loss) for the financial period	-	-	(17)	(17)
Translation reserve	(5,656)	(3)	21	(5,639)
At 31 March 2013	403,122	232	(1,445)	401,909

Share premium

Share premium arose from the issuance of 1,000 "B" shares of £1.00 each at a premium of £195.65 per share.

Related party transactions

Key management compensation and other related party transactions are disclosed in the previos note "Directors' emoluments and interests". The Directors do not consider there to be any other members of key management. Largenta UK has not entered into any other related party transactions as defined by IAS 24.

Following the division of the Richemont units which took place in October 2008, some directors who held options which were not due yet on old CFR units were granted options on company shares listed in the United Kingdom and in Luxembourg. These options are fully hedged by shares held in listed companies. The liability for the options and shares measured at fair value and the effects are recorded in the income statement of the entity granting the options, Richemont Employee Benefits Ltd, a company established in Jersey. The total value of the liability for the options was Euro 33 million and was recorded in the consolidated balance sheet of Compagnie Financière Richemont S.A.

Ultimate controlling party

Largenta UK is a wholly owned subsidiary of Richemont Holdings (UK) Limited (registered in England and Wales) The Directors regard Compagnie Financière Richemont S.A., a listed company incorporated in Switzerland, to be the ultimate controlling party Copies of the financial statements of Compagnie Financière Richemont S.A. are available from its registered office at 50 Chemin de la Chênaie, 1293 Bellevue, Geneva, Switzerland.

5.4 Consolidated balance sheet of Net-A-Porter Group Limited for the years ended 31 March 2015, 29 March 2014 and 30 March 2013

See below for the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, and the consolidated cash flow statement for the years ended at 31 March 2015, 29 March 2014 and 30 March 2013.

The consolidated financial statements at 31 March 2015, 29 March 2014 and 30 March 2013 have been audited by PricewaterhouseCoopers LLP, which issued its reports without reservations on 28 May 2015, 30 June 2014 and 16 July 2013, respectively.

Consolidated profit and loss account

Consolidated profit and loss account	31/03/2015 £'000	29/03/2014 £'000	30/03/2013 Restated £'000	30/03/2013 £'000	31/03/2015 €'000	29/03/2014 €'000	30/03/2013 Restated €'000	30/03/2013 €'000
Turnover	654,061	532,699	434,676	434,676	832,766	631,456	533,563	533,563
Cost of goods sold	(357,836)	(297,903)	(236,382)	(236,382)	(455,605)	(353,131)	(290,158)	(290,158)
Gross profit	296,225	234,796	198,294	198,294	377,161	278,325	243,405	243,405
Distribution costs	(33,382)	(25,488)	(21,430)	(21,430)	(42,503)	(30,213)	(26,305)	(26,305)
Administrative costs	(229,147)	(200,288)	(168,781)	(170,353)	(291,755)	(237,419)	(207,178)	(209,108)
Share based payment charge	(18,713)	(18,713)	(18,426)	(31,260)	(23,826)	(22,182)	(22,618)	(38,372)
Operating profit/(loss)	14,983	(9,693)	(10,343)	(24,749)	19,077	(11,490)	(12,696)	(30,379)
Interest receivable and similar income	3	1,047	337	337	4	1,241	414	414
Interest payable and similar charges	(3,966)	(1,345)	(374)	(374)	(5,050)	(1,594)	(459)	(459)
Other financial income/(expenses)	-		-	1,572	-	-	-	1,930
Profit/(loss) on ordinary activities before taxation	11,020	(9,991)	(10,380)	(23,214)	14,031	(11,843)	(12,741)	(28,495)
Tax on profit/(loss) on ordinary activities	(9,237)	(2,968)	(8,970)	3,228	(11,761)	(3,518)	(11,011)	3,962
Profit/(loss) for the financial period	1,783	(12,959)	(19,350)	(19,986)	2,270	(15,361)	(23,752)	(24,533)

Consolidated statement of total recognised gains and losses

Consolidated statement of total recognised gains and losses	31/03/2015 £'000	29/03/2014 £'000	30/03/2013 Restated £'000	30/03/2013 £'000	31/03/2015 €'000	29/03/2014 €'000	30/03/2013 Restated €'000	30/03/2013 €'000
Profit/(loss) for the financial period	1,783	(12,959)	(19,350)	(19,986)	2,270	(15,361)	(23,752)	(24,533)
Currency translation difference on foreign currency net investments	(406)	120	(164)	(163)	(517)	142	(201)	(200)
Total recognised gains/(losses) in the period	1,377	(12,839)	(19,514)	(20,149)	1,753	(15,219)	(23,953)	(24,733)

Consolidated balance sheet

Consolidated balance sheet	31/03/201 5	29/03/201 4	30/03/201 3 Restated	30/03/201 3	31/03/201 5	29/03/201 4	30/03/201 3 Restated	30/03/201 3
	£’000	£’000	£’000	£’000	€’000	€’000	€’000	€’000
Fixed assets								
Intangible assets	4,167	8,012	8,344	8,344	5,729	9,686	9,868	9,868
Tangible assets	70,118	63,717	62,262	62,262	96,409	77,027	73,631	73,631
	74,285	71,729	70,606	70,606	102,138	86,713	83,498	83,498
Current Assets					-			
Stocks	174,893	129,776	108,241	108,241	240,469	156,886	128,005	128,005
Debtors	52,017	37,137	26,224	35,646	71,521	44,895	31,012	42,155
Cash at bank and in hand	3,384	-	-	-	4,653	-	-	-
	230,294	166,913	134,465	143,887	316,642	201,781	159,017	170,160
Creditors: amounts falling due within one year	(187,566)	(138,275)	(94,657)	(91,880)	(257,894)	(167,160)	(111,941)	(108,657)
Net current assets	42,728	28,638	39,808	52,007	58,749	34,620	47,077	61,503
Total assets less current liabilities	117,013	100,367	110,414	122,613	160,887	121,333	130,575	145,001
Creditors: amounts falling due after more than one year	(7,787)	(11,231)	(27,152)	(27,152)	(10,707)	(13,577)	(32,110)	(32,110)
Net assets	109,226	89,136	83,262	95,461	150,180	107,756	98,465	112,891
Capital and reserves					-			
Called up share capital	6	6	6	6	8	7	7	7
Share premium account	12,736	12,736	12,736	12,736	17,511	15,397	15,061	15,061
Share-based payment reserve	92,219	73,506	54,793	91,687	126,796	88,861	64,798	108,428
Profit and loss account	4,265	2,888	15,727	(8,968)	5,864	3,491	18,599	(10,605)
Total shareholders’ funds	109,226	89,136	83,262	95,461	150,180	107,756	98,465	112,891

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement	31/03/201 5	29/03/201 4	30/03/201 3 Restated	30/03/201 3	31/03/201 5	29/03/201 4	30/03/201 3 Restated	30/03/201 3
	£’000	£’000	£’000	£’000	€’000	€’000	€’000	€’000
Net cash inflow from operating activities	40,971	13,962	18,556	18,556	52,165	16,550	22,777	22,777
Returns on investments and servicing of finance								
Interest received	2	1	392	392	3	1	481	481
Interest paid	(200)	(664)	(671)	(671)	(255)	(787)	(824)	(824)
Net cash outflow from returns on investments and servicing of finance	(198)	(663)	(279)	(279)	(252)	(786)	(342)	(342)
Taxation	(3,873)	(3,479)	-	-	(4,931)	(4,124)	-	-
Capital expenditure								
Payments to acquire tangible and intangible fixed assets	(18,610)	(19,846)	(30,177)	(30,177)	(23,695)	(23,525)	(37,042)	(37,042)
Proceeds from sale of tangible and intangible fixed assets	56	-	-	-	71	-	-	-
Net cash inflow/(outflow)	18,346	(10,026)	(11,900)	(11,900)	23,359	(11,885)	(14,607)	(14,607)
Management of liquidity and loans								
Loans received from other group entities	-	-	15,000	15,000	-	-	18,412	18,412
	-	-	15,000	15,000	-	-	18,412	18,412
Foreign exchange loss	(267)				(340)			
Total increase/(decrease) in cash	18,079	(10,026)	3,100	3,100	23,019	(11,885)	3,805	3,805

5.4.1 Statement of financial position of The Net-A-Porter Group Limited year ended 31 March 2015

<u>Accounting policies</u>

These financial statements have been prepared on the going concern basis under the accounting policies set out below, which have been applied consistently and in accordance with applicable accounting standards.

The directors have prepared the financial statements of the parent company and the consolidated financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice - (United Kingdom Accounting Standards) and other regulations in force.

Change in the year end date

In previous periods, the company's accounting year lasted 52 weeks and ended on the Saturday closest to 31 March. For the period in question, the year end was changed to the end of the calendar month, Tuesday 31 March. The period therefore compriess 367 days instead of 364 as in the previous period.

Basis of preparation

The consolidated financial statements of the group include the financial statements of the company and its subsidiaries. The financial statements have been prepared using the historical cost method and in accordance with the accounting principles in force in the United Kingdom and with the Companies Act 2006.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings with regard to related parties. The elimination of group transactions occurs on consolidation.

The group financial statements for the period consolidate the financial statements of THE NET-A-PORTER GROUP and all its subsidiary undertakings (together, the THE NET-A-PORTER GROUP Group) drawn up for the year ended om 31 March 2015. No profit and loss account is presented for THE NET-A-PORTER GROUP as permitted by Section 408 of the Companies Act 2006. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

Turnover

Turnover represents the invoiced value of goods sold including delivery receipts, and excluding discounts, VAT, and other sales related taxes and duties. Revenue is recognised when goods are received by the customer.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Intangible assets

Intangible assets include goodwill arising on acquisition of a subsidiary; the cost of acquisition of internet domain names and customer email addresses; lease key money and media content. Goodwill is regarded as having an indefinite useful economic life and is not amortised, subject to a review for indicators of impairment at each period end. Lease key money is amortised on a straight line basis over the lease term. Other intangible assets are capitalised and are amortised over two and one half to five years to match the benefits received by the group.

Tangible fixed assets and depreciation

Tangible fixed assets are recorded at cost, net of depreciation and amortisation and any write-down provision. The cost includes the historical purchase cost of the fixed asset and the accessory costs which brought the asset to the conditions necessary for its intended use. Amortisation and depreciation is carried out on all tangible assets, with shares calculated in such a way as to zero the historical cost, net of the estimated residual value of each fixed asset throughout its expected useful life, as follows:

Leasehold improvements	Over period of the lease, straight line
Computer equipment, including website development costs	40% straight-line
Fixtures, fittings and equipment	25-40% straight-line
Motor vehicles	33.3% straight-line
Plant and machinery	The shorter of 8.33% straight-line or the life of the warehouse lease to which it relates

Website development costs and amortisation

Software development work undertaken by external consultants and the group's employees is capitalised to the extent that it creates an enduring asset, and where there are reasonable grounds for supposing that economic benefits in excess of the amounts capitalised would be generated. Developed software is amortised on a 40% straight line basis. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated, the costs of developing and design are charged to the profit and loss account as incurred. Website development costs and amortisation are included in computer equipment note.

Stocks

Stocks, which primarily consists of merchandise held for resale, is stated at the lower of cost and net realisable value taking into account any provisions for slow moving, obsolete or defective stock. Cost includes all direct costs incurred in bringing the goods to their present location and condition.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet. Contributions made are held in separate, trustee administered funds.

The group does not operate defined benefit pension schemes.

Share-based payment

The group operates an equity-settled, shared-based compensation plan. The fair value at grant date of the estimated amount payable, determined on a discounted cash flow model, taking into account the terms and conditions of the issued instrument, is expensed on a straight-line basis over the five year period to maturity, and includes a similar charge attributable to the direct parent company. At each balance sheet date, the company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to reserves.

Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Investments are translated into sterling at the rates of exchange ruling at the balance sheet date, with exchange differences taken to the statement of total recognised gains and losses.

The results of overseas operations are translated at the average rates of exchange during the period and the balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of net assets and results of overseas operations are reported in the statement of total recognised gains and losses.

All other exchange differences are included in the consolidated profit and loss account.

Going concern

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and consolidated financial statements.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated profit and loss account on a straight line basis over the period of the lease.

See below for the notes commenting on the consolidated financial statements for the year ended 31 March 2015.

Notes on the consolidated profit and loss account

Turnover

The total turnover of the group for the period has been derived from its principal activities. Sales are generated from customers based worldwide.

Turnover by geographical area	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
North America	204,087	160,224	259,848	189,928
UK	143,755	115,647	183,032	137,087
Europe	147,379	128,124	187,646	151,877
Asia and Pacific	108,592	87,768	138,262	104,039
Rest of the World	50,248	40,936	63,977	48,525
	654,061	532,699	832,766	631,456

Operating profit/loss

Operating profit/loss	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Operating profit/loss is stated after charging:				
Depreciation of owned tangible assets	17,475	15,048	22,250	17,838
Depreciation of owned intangible assets	337	332	429	394
Operating lease rentals - land and buildings	6,708	6,374	8,541	7,556
Shared services recharge from indirect parent company	12,262	7,683	15,612	9,107
Gain on disposals	12	17	15	20
Foreign exchange losses/(gains)	(10,087)	5,743	(12,843)	6,808
Auditors' remuneration			-	-
Audit of the financial statements - parent entity	97	100	124	119
Audit of the financial statements - subsidiaries	165	179	210	212
Other services	-	-	-	-

Directors' remuneration

Directors' remuneration	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Aggregate emoluments	1,818	2,728	2,315	3,234

The highest paid director received total salary, bonus and benefits of £ 1,361,000 (2014: £ 1,511,000). Two directors (2014: 2) have interests in the new "B" shares of the company or its immediate parent. During the period, no directors (2014: none) received any cash benefit from the new "B" shares.

Number of employees

The average monthly number of employees (including directors) during the period was:

Number of employees	31/03/2015	29/03/2014

Administration and Distribution	2.408	2.313

Employee costs (including directors' emoluments)

Employee costs	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Wages and salaries	92,452	81,106	117,712	96,142
Social security costs	9,011	8,634	11,473	10,235
Other pension costs	1,681	1,242	2,140	1,472
Share based payment charge	18,713	18,713	23,826	22,182
	121,857	109,695	155,151	130,031

Interest

Interest	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Interest receivable and similar income				
Finance income	3	1,046	4	1,240
Bank and other interest	-	1	-	1
	3	1,047	4	1,241
Interest payable and similar charges				
Finance expenses	(3,156)	(681)	(4,018)	(807)
Bank and other interest	(810)	(664)	(1,031)	(787)
	(3,966)	(1,345)	(5,050)	(1,594)

Finance expense includes an adjustment in the financial period arising from a re-estimation of the valuation of the deferred consideration.

Tax on losses on ordinary activities

Taxation	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Analysis of charge for the period				
UK/US corporation tax on losses in the period	13,540	6,853	17,239	8,123
Adjustment in respect of previous period	(170)	(1,110)	(216)	(1,316)
Total current tax	13,370	5,743	17,023	6,808
Deferred tax credit - origination and reversal of timing differences	(4,167)	(3,229)	(5,306)	(3,828)
Impact of change in tax rate on opening deferred tax balance	(94)	48	(120)	57
Deferred tax debit - adjustment in respect of previous period	128	406	163	481
Tax on losses on ordinary activities	9,237	2,968	11,761	3,518

The tax assessed for the year is higher (2014: higher) than the standard rate of corporation tax in the UK (21%). The differences are explained below:

Taxation	31/03/2015	29/03/2014	31/03/2015	29/03/2014

	£'000	£'000	€'000	€'000
Factors affecting the tax charge for the period				
Profit/Loss on ordinary activities before taxation	11,020	(9,991)	14,031	(11,843)
Profit/Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax at 21% (2014: 23%)	2,314	(2,298)	2,946	(2,724)
Effects of:				
Expenses not deductible for tax purposes	4,652	4,500	5,923	5,334
Capital allowances less than (in excess of) depreciation for period	3,023	2,415	3,849	2,863
Other timing differences	75	490	95	581
Short term timing differences	458	14	583	17
Difference in foreign tax rates	2,824	1,814	3,596	2,150
Adjustment in respect of previous period	(170)	(1,110)	(216)	(1,316)
Brought forward losses (utilised) / carried forward	194	(82)	247	(97)
Tax charge for the period	13,370	5,743	17,023	6,808

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting period are taxed changes at an effective rate of 21%.

Notes on the Consolidated balance sheet

Intangible assets

Intangible assets	Media Conte nt	Goodwill	Lease Key Money	Domain and Customer Email Addresses	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 29 March 2014	1,045	6,962	841	629	9,477
Additions	-	-	-	258	258
At 31 March 2015	1,045	6,962	841	887	9,735
Accumulated amortisation					-
At 29 March 2014	784	-	131	550	1,465
Consideration adjustrment	-	3,766	-	-	3,766
Charge for the period	209	-	66	62	337
At 31 March 2015	993	3,766	197	612	5,568
Net book value					-
At 31 March 2015	52	3,196	644	275	4,167
At 29 March 2014	261	6,962	710	79	8,012

Intangible assets	Media Content	Goodwill	Lease Key Money	Domain and Customer Email Addresses	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 29 March 2014	1,263	8,416	1,017	760	11,457
Additions	-	-	-	355	355
Translation reserve	174	1,156	140	104	1,574
At 31 March 2015	1,437	9,572	1,156	1,220	13,385
Accumulated amortisation					
At 29 March 2014	948	-	158	665	1,771
Consideration adjustrment	-	5,178	-	-	5,178
Charge for the period	266	-	84	79	429
Translation reserve	151	-	28	98	278
At 31 March 2015	1,365	5,178	271	841	7,656
Net book value					
At 31 March 2015	71	4,394	885	378	5,729
At 29 March 2014	316	8,416	858	96	9,686

Goodwill arising on business combinations relates to the acquisition of Shouke Limited, being the difference between the consideration and the fair value of net assets acquired. An adjustment was made during the period due to a new estimate of the valuation of the deferred consideration.

Tangible assets

Tangible assets	Leasehold improve-ments £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Plant and Machinery £'000	Motor vehicles £'000	Total £'000
Cost						
At 29 March 2014	35,352	35,884	5,567	18,800	670	96,273
Additions	3,736	13,784	790	2,618	92	21,020
Disposals	(10)	(2,433)	(312)	-	(91)	(2,846)
Currency translation	2,429	302	642	1,134	87	4,594
At 31 March 2015	41,507	47,537	6,687	22,552	758	119,041
Accumulated depreciation						-
At 29 March 2014	7,916	19,022	3,050	2,063	505	32,556
Charge for the period	3,843	10,447	1,301	1,781	103	17,475
Disposals	(8)	(2,420)	(279)	-	(71)	(2,778)
Currency translation	682	186	583	161	58	1,670
At 31 March 2015	12,433	27,235	4,655	4,005	595	48,923
Net book value						-
At 31 March 2015	29,074	20,302	2,032	18,547	163	70,118
At 29 March 2014	27,436	16,862	2,517	16,737	165	63,717

Tangible assets	Leasehold improve-ments €'000	Computer equipment €'000	Fixtures, fittings and equipment €'000	Plant and Machinery €'000	Motor vehicles €'000	Total €'000
Cost						
At 29 March 2014	42,737	43,380	6,730	22,727	810	116,384
Additions	5,137	18,952	1,086	3,600	126	28,901
Disposals	(14)	(3,345)	(429)	-	(125)	(3,913)
Currency translation	3,340	415	883	1,559	120	6,317
At 31 March 2015	57,070	65,361	9,194	31,008	1,042	163,675
Accumulated depreciation						
At 29 March 2014	9,570	22,996	3,687	2,494	610	39,357
Charge for the period	4,893	13,301	1,656	2,268	131	22,250
Disposals	(11)	(3,327)	(384)	-	(98)	(3,820)
Currency translation	2,643	4,477	1,440	745	174	9,480
At 31 March 2015	17,095	37,447	6,400	5,507	818	67,267
Net book value						
At 31 March 2015	39,975	27,914	2,794	25,501	224	96,409
At 29 March 2014	33,167	20,384	3,043	20,233	199	77,027

Investment in subsidiaries

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Stocks

Stocks	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Goods for resale	168,914	126,803	232,248	153,292
Goods in transit	5,979	2,973	8,221	3,594
	174,893	129,776	240,469	156,886

Debtors

Debtors	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Trade debtors	27,218	26,331	37,423	31,831
Amounts owed by group undertakings	-	-	-	-
Corporate tax payable	3,772	3,772	5,186	4,560
Prepayments and accrued income	11,434	5,810	15,721	7,024
Deferred tax asset	9,593	4,996	13,190	6,040
	52,017	40,909	71,521	49,455

Debtors (continued)	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Deferred tax reconciliation				
Brought forward	4,996	2,593	6,869	3,135
Accelerated capital allowances	4,167	1,463	5,729	1,769
Other timing differences	430	940	591	1,136
Total deferred tax	9,593	4,996	13,190	6,040

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the deferred tax asset has been recognised in these financial statements.

Debtors: amounts falling due after more than one year

The interest rate charged on intercompany amounts owed by group undertakings is 6.13% p.a. Interest is payable yearly. No security is held for non-trading amounts owed by group undertakings.

Creditors: amounts falling due within one year

Amounts falling due within one year	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Bank loans and overdrafts	-	14,695	-	17,765
Trade creditors	61,895	38,921	85,102	47,051
Amounts owed to group undertakings	42,671	21,634	58,670	26,153
Corporate tax payable	3,927	7,925	5,399	9,581
Other taxation and social security	5,433	5,300	7,470	6,407
Accruals and deferred income	73,640	53,572	101,251	64,763
	187,566	142,047	257,894	171,720

No security is held for the bank overdraft facility.

The interest rate payable on the intercompany loan from Richemont Holdings (UK) Ltd is 2.1% p.a. Interest is payable yearly, and no security is held for this facility. The loan is repayable at the company's option.

Creditors: amounts falling due after more than one year

Amounts falling due after more than one year	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Accruals and deferred income	7,787	11,231	10,707	13,577
	7,787	11,231	10,707	13,577

Pension costs

The group has a stakeholder defined contribution pension scheme. During the period the group contributed to 1,896 employees' personal pension plans. The assets of all schemes are held separately from those of the group in independently administered funds. The pension cost of £1,681,000 represents contributions payable by the group to the employees' funds. Amounts unpaid at the year-end amount to £231,000.

Called up share capital

Called up share capital	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£	£	€	€
Allotted and paid up				
588,213 (2014: 588,213) Ordinary A shares of £0.01 each	5,882	5,882	8,087	7,111
18,181 (2014: 18,181) Ordinary C shares of £0.01 each	182	182	250	220
3,525 (2014: 3,713) B shares of £0.01 each	35	37	48	45
364 (2014: 176) deferred B shares of £0.01 each	4	2	5	2
1 (2014: 1) Special share of £1.00	1	1	1	1
	6,104	6,104	8,393	7,379

Share-based payment

"B" shares entitle the holders to an economic interest in the growth of the group above a threshold value. The shares carry put rights entitling the holders to sell all, but not some, of their "B" shares on 31 March 2015 at the fair market value at the date of sale (less the threshold value). There are equivalent call rights for Largenta Limited, a subsidiary of Compagnie Financière Richemont S.A., to acquire the "B" shares at the same price. No put or call rights were exercised or lapsed in the period ([4]).

The fair value at grant date of the shares was determined using a discounted cash flow model, based on approved management forecasts for a five year period and projections for a further five year period. The weighted average cost of capital applicable was 11%. The calculated fair

([4]) Please note that, in addition to what is reported in The Net-A-Porter financial statements as at the date of this document, the call and put option rights have been exercised.

value is spread over the 5 years from the date of issue of the “B” shares in April 2010 to the date of the put and call rights in March 2015.

The charge recognised in the profit and loss account, before social security and taxes for equity settled share based payment transactions was £18,713,000 (2014: £18,713,000), with a corresponding entry recognised in share-based payment reserves. The fair value includes an amount relating to “B” shares in the immediate parent company held by a senior Executive as the services provided by this Executive are to THE NET-A-PORTER GROUP. The shares are treated as equity-settled in the company's financial statements as the obligation for the settlement in 2015 lies with other group companies.

Statement of movements in reserves

Statement of movements in reserves	**Share premium**	**Restated share-based payment reserve**	**Profit and loss account**
	£’000	**£’000**	**£’000**
Balance at 29 March 2014	12,736	73,506	2,888
Profit/(loss) for the financial period	-	-	1,783
Share-based payment credit for the period	-	18,713	-
Translation reserve	-	-	(406)
Balance at 31 March 2015	**12,736**	**92,219**	**4,265**

Statement of movements in reserves	**Share premium**	**Restated share-based payment reserve**	**Profit and loss account**
	€’000	**€’000**	**€’000**
Balance at 29 March 2014	15,397	88,861	3,491
Profit/(loss) for the financial period	-	-	2,270
Share-based payment credit for the period	-	25,729	-
Translation reserve	2,115	12,206	103
Balance at 31 March 2015	**17,511**	**126,796**	**5,806**

Reconciliation of movements in group shareholders' funds

Reconciliation of movements in group shareholders' funds	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£’000	£’000	€’000	€’000
Profit/(loss) for the financial period	1,783	(12,959)	2,270	(15,361)
Share-based payment charge for the period	18,713	18,713	23,826	22,182
			16,328	2,470
Exchange differences	(406)	120		
			42,424	9,291
Net addition/(decrease) to shareholders' funds	20,090	5,874		
Opening shareholders’ funds	89,136	83,262	107,756	98,465
Closing shareholders’ funds	109,226	89,136	150,180	107,756

Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

Land and buildings	31/03/2015	29/03/2014	31/03/2015	29/03/2014
	£'000	£'000	€'000	€'000
Expiry date				
Within one year	-	-	-	-
Between two and five years	2,794	2,137	3,842	2,583
After five years	5,519	4,623	7,588	5,589
	8,313	6,760	11,430	8,172

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

Contingent liabilities

The group has contingent liabilities in the form of guarantees for rents and rent deposits to the value of £1,489,000, provided by its bankers.

Related party transactions

Transactions undertaken in the normal course of business with Compagnie Financière Richemont S.A and its subsidiaries during the period ended 31 March 2015 comprise purchases of goods amounting to £12,190,000 (2014: £ 9,087,000), charges for management and other services of £ 12,262,000 (2014: £ 7,683,000), and charges for the utilisation of corporate tax group relief of £9,948,000 (2014: £ 2,485,000). Accounts payable in respect of these transactions owed by THE NET-A-PORTER GROUP at 31 March 2015 amounted to £ 39,004,000 (2014: £ 21,634,000), inclusive of the £ 15,000,000 loan.

Events subsequent to reporting period

On 31 March 2015, the ultimate parent, Compagnie Financière Richemont S.A., announced it had signed a binding and conditional merger agreement of the operations of THE NET-A-PORTER GROUP with YOOX through an all-share transaction. The agreement is conditional on the approval of the YOOX shareholders at the shareholders' meeting scheduled for June 2015. The transaction is expected to be completed in September 2015, following the approval of the shareholders and the regulatory authorities ([5]).

In view of the imminent merger, an agreement was made with Compagnie Financière Richemont S.A. to end the existing inter-group loan of £ 15,000,000. The loan was repaid on 27 May 2015.

Subsidiaries

Subsidiaries	Percentage owned	Country of Incorporation	Date of Incorporation	Description
NET-A-PORTER INTERNATIONAL LIMITED	100%	UK	18/11/2005	Holding company
THE NET-A-PORTER GROUP LLC	100%	USA	27/12/2005	Online retailer
THE NET-A-PORTER GROUP ASIA PACIFIC LIMITED	100%	Hong Kong	29/06/2011	Online retailer
Shouke Limited	100%	Hong Kong	02/02/2010	Online retailer
THE NET-A-PORTER GROUP CHINA LIMITED	100%	China	04/01/2011	Online retailer

([5]) It is specified that, in addition to what is reported in The Net-A-Porter financial statements, the Assembly has been convened for 21 July 2015 and the transaction is expected to be completed in October/November.

New King Group	100%	British Virgin Islands	11/10/2011	Holding company

Controlling parties

As at 31 March 2015, the ultimate controlling party of THE NET-A-PORTER GROUP is Compagnie Financière Richemont S.A., incorporated in Switzerland, registered office: 50, chemin de la Chênaie, 1293 Bellevue, Geneva. The ultimate parent entity is the same as the ultimate controlling party. For the period ending 31 March 2015, THE NET-A-PORTER GROUP is the smallest group for which group financial statements are prepared and the largest group is Compagnie Financière Richemont S.A.

Copies of the annual report and consolidated financial statements are available from the Company Secretary at the registered office of THE NET-A-PORTER GROUP: 1 The Village Offices, Westfield, Ariel Way, London W12 7GF.

5.4.2 Statement of financial position of The Net-A-Porter Group Limited year ended 29 March 2014

Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the period and the preceding year.

The directors have prepared the financial statements of the parent company and the consolidated financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice - (United Kingdom Accounting Standards) and other regulations in force.

Basis of preparation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings. The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006. The prior period numbers have been restated to correct a fundamental error in the calculation of the share-based payment charge. The restatement affects the Profit and Loss Account, the Consolidated Balance Sheet.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings with regard to related parties. The elimination of group transactions occurs on consolidation.

The group financial statements for the period consolidate the financial statements of THE NET-A-PORTER GROUP and all its subsidiary undertakings (together, the NAP Group) drawn up for the 52 weeks to 29 March 2014. No profit and loss account is presented for THE NET-A-PORTER GROUP as permitted by Section 408 of the Companies Act 2006. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

Turnover

Turnover represents the invoiced value of goods sold including delivery receipts, and excluding discounts, VAT, and other sales related taxes and duties. Revenue is recognised when goods are received by the customer.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Intangible assets

Intangible assets include goodwill arising on acquisition of a subsidiary; the cost of acquisition of internet domain names and customer email addresses; lease key money and media content. Goodwill is regarded as having an indefinite useful economic life and is not amortised, subject to a review for indicators of impairment at each period end. Lease key money is amortised on a straight line basis over the lease term. Other intangible assets are capitalised and are amortised over two and one half to five years to match the benefits received by the group.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Over period of the lease, straight line
Computer equipment, including website development costs	40% straight-line
Fixtures, fittings and equipment	25-40% straight-line
Motor vehicles	33.3% straight-line
Plant and machinery	The shorter of 8.33% straight-line or the life of the warehouse lease to which it relates

Website development costs and amortisation

Software development work undertaken by external consultants and the group's employees is capitalised to the extent that it creates an enduring asset, and where there are reasonable grounds for supposing that economic benefits in excess of the amounts capitalised would be generated. Developed software is amortised on a 40% straight line basis. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated, the costs of developing and design are charged to the profit and loss account as incurred. Website development costs and amortisation are included in computer equipment note.

Stocks

Stocks, which primarily consists of merchandise held for resale, is stated at the lower of cost and net realisable value taking into account any provisions for slow moving, obsolete or defective stock. Cost includes all direct costs incurred in bringing the goods to their present location and condition.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet. Contributions made are held in separate, trustee administered funds.

The group does not operate defined benefit pension schemes.

Government grants

Government grants relating to tangible assets are treated as deferred income and released to the profit and loss account under 'other operating income' over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as received.

Share-based payment

The group operates an equity-settled, shared-based compensation plan. The fair value at grant date of the estimated amount payable, determined on a discounted cash flow model, taking into account the terms and conditions of the issued instrument, is expensed on a straight-line basis over the five year period to maturity, and includes a similar charge attributable to the direct parent company. At each balance sheet date, the company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to reserves.

Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Investments are translated into sterling at the rates of exchange ruling at the balance sheet date, with exchange differences taken to the statement of total recognised gains and losses.

The results of overseas operations are translated at the average rates of exchange during the period and the balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of net assets and results of overseas operations are reported in the statement of total recognised gains and losses.

All other exchange differences are included in the consolidated profit and loss account.

Going concern

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and consolidated financial statements.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated profit and loss account on a straight line basis over the period of the lease.

See below for the notes commenting on the consolidated financial statements for the year ending 29 March 2014.

Notes on the consolidated profit and loss account

Turnover

The total turnover of the group for the period has been derived from its principal activities. Sales are generated from customers based worldwide. Segmental information has not been provided as the directors believe that the disclosure of such information would be prejudicial to the interests of the NAP Group.

Operating profit/loss

Operating profit/loss	29/03/2014	30/03/2013	29/03/2014	30/03/2013
	£'000	£'000	€'000	€'000
Operating profit/loss is stated after charging:				
Depreciation of owned tangible assets	15,048	10,195	17,838	12,514
Depreciation of owned intangible assets	332	694	394	852
Operating lease rentals - land and buildings	6,374	6,478	7,556	7,952
Shared services recharge from indirect parent company	7,683	9,555	9,107	11,729
Foreign exchange losses/(gains)	5,743	(1,572)	6,808	(1,930)
Auditors' remuneration				
Audit of the financial statements - parent entity	100	92	119	113
Audit of the financial statements – subsidiaries	179	73	212	90
Other services	-	70	-	86

Directors' remuneration

Directors' remuneration	29/03/2014	30/03/2013	29/03/2014	30/03/2013
	£'000	£'000	€'000	€'000
Aggregate emoluments	2,728	2,047	3,234	2,513

The highest paid director received total salary, bonus and benefits of £ 1,511,000 (2013: £ 1,162,000). Two directors (2013: 2) have interests in the new "B" shares of the company or its immediate parent. During the period, no directors (2013: none) received any cash benefit from the new "B" shares.

Number of employees

The average monthly number of employees (including directors) during the period was:

Number of employees	29/03/2014	30/03/2013 Restated
Administration and Distribution	2,313	2,193

Employee costs (including directors' emoluments)

Employee costs	29/03/2014	30/03/2013 Restated	29/03/2014	30/03/2013 Restated
	£'000	£'000	€'000	€'000
Wages and salaries	81,106	71,424	96,142	87,673
Social security costs	8,634	6,625	10,235	8,132
Other pension costs	1,242	484	1,472	594
Share based payment charge	18,713	18,426	22,182	22,618
	109,695	96,959	130,031	119,017

Interest

Interest	29/03/2014	30/03/2013	29/03/2014	30/03/2013
	£'000	£'000	€'000	€'000
Interest receivable and similar income				
Finance income	1,046	40	1,240	49
Bank and other interest	1	297	1	365
	1,047	337	1,241	414
Interest payable and similar charges				
Bank and other interest	(1,345)	(374)	(1,594)	(459)

Tax on losses on ordinary activities

Taxation	29/03/2014	30/03/2013 Restated	29/03/2014	30/03/2013 Restated
	£'000	£'000	€'000	€'000
Analysis of charge for the period				
UK/US corporation tax on losses in the period	6,853	4,218	8,123	5,178
Adjustment in respect of previous period	(1,110)	2,802	(1,316)	3,439
Total current tax	5,743	7,020	6,808	8,617
Deferred tax credit - origination and reversal of timing differences	(3,229)	(1,518)	(3,828)	(1,863)
Impact of change in tax rate on opening deferred tax balance	48	32	57	39
Deferred tax debit - adjustment in respect of previous period	406	3,436	481	4,218
Tax on losses on ordinary activities	2,968	8,970	3,518	11,011

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK (23%). The differences are explained below:

Taxation	29/03/2014	30/03/2013 Restated	29/03/2014	30/03/2013 Restated
	£'000	£'000	€'000	€'000
Factors affecting the tax charge for the period				
Loss on ordinary activities before taxation	(9,991)	(10,380)	(11,843)	(12,741)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax at 21% (2014: 23%)	(2,298)	(2,491)	(2,724)	(3,058)
Effects of:				
Expenses not deductible for tax purposes	4,500	4,510	5,334	5,536
Capital allowances less than (in excess of) depreciation for period	2,415	(558)	2,863	(685)
Other timing differences	490	(5)	581	(6)
Short term timing differences	14	557	17	684
Difference in foreign tax rates	1,814	714	2,150	876
Adjustment in respect of previous period	(1,110)	2,802	(1,316)	3,439
Brought forward losses (utilised) / carried forward	(82)	1,491	(97)	1,830
Tax charge for the period	5,743	7,020	6,808	8,617

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 23%. Further changes to reduce the tax rate to 20% by 1 April 2015 were proposed.

<u>Notes on the Consolidated balance sheet</u>

Intangible assets

Intangible assets	Media Content	Goodwill	Lease Key Money	Domain and Customer Email Addresses	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 30 March 2013	1,045	6,962	841	911	9,759
Write down of asset	-	-	-	(282)	(282)
At 29 March 2014	1,045	6,962	841	629	9,477
Accumulated amortisation					
At 30 March 2013	575	-	65	775	1,415
Charge for the period	209	-	66	57	332
Write down of asset	-	-	-	(282)	(282)
At 29 March 2014	784	-	131	550	1,465
Net book value					
At 29 March 2014	261	6,962	710	79	8,012
At 30 March 2013	470	6,962	776	136	8,344

Intangible assets	Media Content	Goodwill	Lease Key Money	Domain and Customer Email Addresses	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 30 March 2013	1,236	8,233	995	1,077	11,541
Write down of asset				(341)	(341)
Translation reserve	27	183	22	24	257
At 29 March 2014	1,263	8,416	1,017	760	11,457
Accumulated amortisation					
At 30 March 2013	680	-	77	917	1,673
Charge for the period	248	-	78	68	394
Write down of asset	-	-	-	(341)	(341)
Translation reserve	20	-	3	22	45
At 29 March 2014	948	-	158	665	1,771
Net book value					
At 29 March 2014	316	8,416	858	96	9,686
At 30 March 2013	556	8,233	918	161	9,868

Goodwill arising on business combinations relates to the acquisition of Shouke Limited, being the difference between the consideration and the fair value of net assets acquired.

Tangible assets

Tangible assets	Leasehold improve-ments	Computer equipment	Fixtures, fittings and equipment	Plant and Machinery	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 30 March 2013	32,137	24,816	14,224	12,009	596	83,782
Additions	3,779	12,399	704	1,757	147	18,786
Transfers between categories	2,874	13	(8,709)	5,825	(3)	-
Currency translation	(1,792)	(172)	(253)	(791)	(18)	(3,026)
Disposals	(1,646)	(1,172)	(399)	-	(52)	(3,269)
At 29 March 2014	35,352	35,884	5,567	18,800	670	96,273
Accumulated depreciation						-
At 30 March 2013	5,540	11,930	2,328	1,316	406	21,520
Charge for the period	3,961	8,348	1,350	1,236	153	15,048
Disposals	(1,790)	(1,180)	(252)	-	(47)	(3,269)
Transfers between categories	348	(39)	124	(426)	(7)	-
Currency translation	(143)	(37)	(500)	(63)	-	(743)
At 29 March 2014	7,916	19,022	3,050	2,063	505	32,556
Net book value						-
At 29 March 2014	27,436	16,862	2,517	16,737	165	63,717

At 30 March 2013	26,597	12,886	11,896	10,693	190	62,262

Tangible assets	Leasehold improve-ments €'000	Computer equipment €'000	Fixtures, fittings and equipment €'000	Plant and Machinery €'000	Motor vehicles €'000	Total €'000
Cost						
At 30 March 2013	38,005	29,347	16,821	14,202	705	99,080
Additions	4,568	14,989	851	2,124	178	22,710
Transfers between categories	3,474	16	(10,528)	7,042	(4)	-
Currency translation	(2,166)	(208)	(306)	(956)	(22)	(3,658)
Disposals	(1,144)	(764)	(108)	316	(47)	(1,748)
At 29 March 2014	42,737	43,380	6,730	22,727	810	116,384
Accumulated depreciation						
At 30 March 2013	6,552	14,108	2,753	1,556	480	25,449
Charge for the period	4,695	9,896	1,600	1,465	181	17,838
Disposals	(2,164)	(1,426)	(305)	-	(57)	(3,952)
Transfers between categories	421	(47)	150	(515)	(8)	-
Currency translation	66	465	(511)	(12)	14	22
At 29 March 2014	9,570	22,996	3,687	2,494	610	39,357
Net book value						
At 29 March 2014	33,167	20,384	3,043	20,233	199	77,027
At 30 March 2013	31,453	15,239	14,068	12,645	225	73,631

Investment in subsidiaries

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Stocks

Stocks	29/03/2014 £'000	30/03/2013 £'000	29/03/2014 €'000	30/03/2013 €'000
Goods for resale	126,803	106,617	153,292	126,084
Goods in transit	2,973	1,624	3,594	1,921
	129,776	108,241	156,886	128,005

Debtors

Debtors	29/03/2014 £'000	30/03/2013 Restated £'000	29/03/2014 €'000	30/03/2013 Restated €'000
Trade debtors	23,538	15,358	28,455	18,162
Amounts owed by group undertakings	-	-	-	-
Prepayments and accrued income	8,603	8,273	10,400	9,784
Deferred tax asset	4,996	2,593	6,040	3,066
	37,137	26,224	44,895	31,012

Debtors (continued)	29/03/2014 £'000	30/03/2013 Restated £'000	29/03/2014 €'000	30/03/2013 Restated €'000
Deferred tax reconciliation				

Debtors (continued)	29/03/2014	30/03/2013 Restated	29/03/2014	30/03/2013 Restated
	£'000	£'000	€'000	€'000
Brought forward	2,593	4,476	3,135	5,293
Accelerated capital allowances	1,463	326	1,769	386
Other timing differences	940	(2,209)	1,136	(2,612)
Total deferred tax	4,996	2,593	6,040	3,066

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

Debtors: amounts falling due after more than one year

The interest rate charged on intercompany amounts owed by group undertakings is 6.13% p.a. Interest is payable yearly. No security is held for non-trading amounts owed by group undertakings.

Creditors: amounts falling due within one year

Amounts falling due within one year	29/03/2014	30/03/2013 Restated	29/03/2014	30/03/2013 Restated
	£'000	£'000	€'000	€'000
Bank loans and overdrafts	14,695	4,668	17,765	5,520
Trade creditors	38,921	32,455	47,051	38,381
Amounts owed to group undertakings	21,634	5,223	26,153	6,177
Corporate tax payable	4,153	2,776	5,021	3,283
Other taxation and social security	5,300	3,710	6,407	4,387
Accruals and deferred income	53,572	45,825	64,763	54,192
	138,275	94,657	167,160	111,941

No security is held for the bank overdraft facility.

Creditors: amounts falling due after more than one year

Amounts falling due after more than one year	29/03/2014	30/03/2013	29/03/2014	30/03/2013
	£'000	£'000	€'000	€'000
Accruals and deferred income	11,231	12,152	13,577	14,371
Amounts owed to parent entities	-	15,000	-	17,739
	11,231	27,152	13,577	32,110

The interest rate payable on the intercompany loan from Richemont Holdings (UK) Ltd is 2.4% p.a. Interest is payable yearly, and no security is held for this facility. The loan is repayable at the company's option.

Inter-group payables	29/03/2014	30/03/2013	29/03/2014	30/03/2013
	£'000	£'000	€'000	€'000
Maturity of amounts owed to other group entities:				
Within one year	15,000	-	18,133	-
More than one year, but within two years	-	15,000	-	17,739
	15,000	15,000	18,133	17,739

Inter-group payables	29/03/2014	30/03/2013	29/03/2014	30/03/2013
	£'000	£'000	€'000	€'000

Pension costs

The group has a stakeholder defined contribution pension scheme. During the period the group contributed to 780 employees' personal pension plans (2013: 159). The assets of all schemes are held separately from those of the group in independently administered funds. The pension cost charge of £ 741,000 (2013: £ 264,000) represents contributions payable by the group to the employees' funds. Amounts unpaid at the year-end amount to £ 166,000 (2013: £ 47,000).

Called up share capital

Called up share capital	29/03/2014	30/03/2013	29/03/2014	30/03/2013
	£	£	€	€
Allotted and paid up				
588,213 (2013: 588,213) Ordinary A shares of £0.01 each	5,882	5,882	7,111	6,956
18,181 (2013: 18,181) Ordinary C shares of £0.01 each	182	182	220	215
3,713 (2013: 3,713) B shares of £0.01 each	37	37	45	44
176 (2013: 176) deferred B shares of £0.01 each	2	2	2	2
1 (2013: 1) Special share of £1.00	1	1	1	1
	6,104	6,104	7,379	7,219

Share-based payment

"B" shares entitle the holders to an economic interest in the growth of the group above a threshold value. The shares carry put rights entitling the holders to sell all, but not some, of their "B" shares on 31 March 2015 at the fair market value at the date of sale (less the threshold value). There are equivalent call rights for Largenta UK, a subsidiary of Compagnie Financière Richemont S.A., to acquire the "B" shares at the same price. No put or call rights were exercised or lapsed in the period.[6]

The fair value at grant date of the shares was determined using a discounted cash flow model, based on approved management forecasts for a five year period and projections for a further five year period. The weighted average cost of capital applicable was 11%. The calculated fair value is spread over the 5 years from the date of issue of the "B" shares in April 2010 to the date of the put and call rights in March 2015.

The charge recognised in the profit and loss account, before social security and taxes for equity settled share based payment transactions was £18,713,000 (2013: £18,426,000), with a corresponding entry recognised in share-based payment reserves. The fair value includes an amount relating to "B" shares in the immediate parent company held by a senior Executive as the services provided by this Executive are to THE NET-A-PORTER GROUP. The shares are

([6]) Please note that, in addition to what is reported in the Net-A-Porter financial statements as at the date of this document, the call and put option rights have been exercised.

treated as equity-settled in the company's financial statements as the obligation for the settlement in 2015 lies with other NAP Group companies.

Statement of movements in reserves

Statement of movements in reserves	**Share premium**	**Restated share-based payment reserve Restated**	**Profit and loss account Restated**
	£'000	**£'000**	**£'000**
Balance at 30 March 2013	12,736	54,793	15,727
Profit/(loss) for the financial period	-	-	(12,959)
Share-based payment credit for the period	-	18,713	-
Translation reserve	-	-	120
Balance at 29 March 2014	**12,736**	**73,506**	**2,888**

Statement of movements in reserves	**Share premium**	**Restated share-based payment reserve Restated**	**Profit and loss account Restated**
	€'000	**€'000**	**€'000**
Balance at 30 March 2013	15,061	64,798	18,599
Profit/(loss) for the financial period	-	-	(15,361)
Share-based payment credit for the period	-	22,622	-
Translation reserve	335	1,441	254
Balance at 29 March 2014	**15,397**	**88,861**	**3,491**

Reconciliation of movements in group shareholders' funds

Reconciliation of movements in group shareholders' funds	29/03/2014 £'000	30/03/2013 Restated £'000	29/03/2014 €'000	30/03/2013 Restated €'000
Profit/(loss) for the financial period	(12,959)	(19,350)	(15,361)	(23,752)
Share-based payment charge for the period	18,713	18,426	22,182	22,618
Exchange differences	120	(164)	2,471	(1,552)
Net addition/(decrease) to shareholders' funds	5,874	(1,088)	9,291	(2,686)
Opening shareholders' funds	83,262	84,350	98,465	101,151
Closing shareholders' funds	89,136	83,262	107,756	98,465

Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

Land and buildings	29/03/2014	30/03/2013	29/03/2014	30/03/2013
	£'000	£'000	€'000	€'000
Expiry date				
Within one year	-	123	-	145
Between two and five years	2,137	1,660	2,583	1,963
After five years	4,623	4,726	5,589	5,589
	6,760	6,509	8,172	7,697

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

Contingent liabilities

The group has contingent liabilities in the form of guarantees for rents and rent deposits to the value of £ 843,000 (2013: £ 1,113,706), provided by its bankers.

Related party transactions

Transactions undertaken in the normal course of business with Compagnie Financière Richemont S.A and its subsidiaries during the 52 weeks ended 29 March 2014 comprise purchases of goods amounting to £9,087,000 (2013: £ ,757,000), and charges for management and other services of £ 7,683,000 (2013: £ 9,555,000). Accounts payable in respect of these transactions owed by THE NET-A-PORTER GROUP at 29 March 2014 amounted to £21,634,000 (2013: £ 20,223,000), inclusive of the £ 15,000,000 loan.

Subsidiaries

Subsidiaries	Percentage owned	Country of Incorporation	Date of Incorporation	Description
NET-A-PORTER INTERNATIONAL LIMITED	100%	UK	18/11/2005	Holding company
THE NET-A-PORTER GROUP LLC	100%	USA	27/12/2005	Online retailer
THE NET-A-PORTER GROUP ASIA PACIFIC LIMITED	100%	Hong Kong	29/06/2011	Online retailer
Shouke Limited	100%	Hong Kong	02/02/2010	Online retailer
THE NET-A-PORTER GROUP CHINA LIMITED	100%	China	04/01/2011	Online retailer
New King Group	100%	British Virgin Islands	11/10/2011	Holding company

Controlling parties

As at 29 March 2014, the ultimate controlling party of THE NET-A-PORTER GROUP is Compagnie Financière Richemont S.A., incorporated in Switzerland, registered office: 50, chemin de la Chênaie, 1293 Bellevue, Geneva. The ultimate parent entity is the same as the ultimate controlling party. For the period ending 29 March 2014, THE NET-A-PORTER GROUP is the smallest group for which group financial statements are prepared and the largest group is Compagnie Financière Richemont S.A.

Copies of the annual report and consolidated financial statements are available from the THE NET-A-PORTER GROUP Secretary at the registered office of THE NET-A-PORTER GROUP: 1 The Village Offices, Westfield, Ariel Way, London W12 7GF.

5.4.3 Consolidated balance sheet of The Net-A-Porter Group Limited year ended 30 March 2013

<u>Accounting policies</u>

The principal accounting policies are summarised below. They have been applied consistently throughout the period and the preceding year.

The directors have prepared the financial statements of the parent company and the consolidated financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice - (United Kingdom Accounting Standards) and other regulations in force.

Basis of preparation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings. The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006.

Basis of consolidation

The consolidated financial statements include the financial statements of THE NET-A-PORTER GROUP and all of its subsidiary undertakings with regard to related parties. The elimination of group transactions occurs on consolidation.

The group financial statements for the period consolidate the financial statements of THE NET-A-PORTER GROUP and all its subsidiary undertakings (together, the NAP Group) drawn up for the 52 weeks to 30 March 2013. No profit and loss account is presented for THE NET-A-PORTER GROUP as permitted by Section 408 of the Companies Act 2006. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

Turnover

Turnover represents the invoiced value of goods sold including delivery receipts, and excluding discounts, VAT, and other sales related taxes and duties. Revenue is recognised when goods are received by the customer.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Intangible assets

Intangible assets include goodwill arising on acquisition of a subsidiary; the cost of acquisition of internet domain names and customer email addresses; lease key money and media content. Goodwill is regarded as having an indefinite useful economic life and is not amortised, subject to a review for indicators of impairment at each period end. Lease key money is amortised on a straight line basis over the lease term. Other intangible assets are capitalised and are amortised over two and one half to five years to match the benefits received by the group.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Over period of the lease, straight line
Computer equipment, including website developme costs	40% straight-line
Fixtures, fittings and equipment	25-40% straight-line
Motor vehicles	33.3% straight-line
Plant and machinery	The shorter of 8.33% straight-line or the life of the warehouse lease to which it relates

Website development costs and amortisation

Software development work undertaken by external consultants and the group's employees is capitalised to the extent that it creates an enduring asset, and where there are reasonable grounds for supposing that economic benefits in excess of the amounts capitalised would be generated. Developed software is amortised on a 40% straight line basis. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated, the costs of developing and design are charged to the profit and loss account as incurred. Website development costs and amortisation are included in computer equipment note.

Stocks

Stocks, which primarily consists of merchandise held for resale, is stated at the lower of cost and net realisable value taking into account any provisions for slow moving, obsolete or defective stock. Cost includes all direct costs incurred in bringing the goods to their present location and condition.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet. Contributions made are held in separate, trustee administered funds.

The group does not operate defined benefit pension schemes.

Government grants

Government grants relating to tangible assets are treated as deferred income and released to the profit and loss account under 'other operating income' over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as received.

Share-based payment

The group operates an equity-settled, shared-based compensation plan. The fair value at grant date of the estimated amount payable, determined on a discounted cash flow model, taking into account the terms and conditions of the issued instrument, is expensed on a straight-line basis over the five year period to maturity, and includes a similar charge attributable to the direct parent company. At each balance sheet date, the company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to reserves.

Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Investments are translated into sterling at the rates of exchange ruling at the balance sheet date, with exchange differences taken to the statement of total recognised gains and losses.

The results of overseas operations are translated at the average rates of exchange during the period and the balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of net assets and results of overseas operations are reported in the statement of total recognised gains and losses.

All other exchange differences are included in the consolidated profit and loss account.

Going concern

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and consolidated financial statements.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated profit and loss account on a straight line basis over the period of the lease.

See below for the notes commenting on the consolidated financial statements for the year ending 30 March 2013.

<u>Notes on the consolidated profit and loss account</u>

Turnover

The total turnover of the group for the period has been derived from its principal activities. Sales are generated from customers based worldwide. Segmental information has not been provided as the directors believe that the disclosure of such information would be prejudicial to the interests of the group.

Operating profit/loss

Operating profit/loss	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Operating profit/loss is stated after charging:				
Depreciation of owned tangible assets	10,195	5,991	12,514	6,943
Depreciation of owned intangible assets	694	351	852	407
Operating lease rentals - land and buildings	6,478	4,391	7,952	5,089
Shared services recharge from indirect parent company	9,555	-	11,729	-
Auditors' remuneration				
Audit of the financial statements - parent entity	92	137	113	159
Audit of the financial statements - subsidiaries	73	-	90	-
Other services	70	-	86	-

Directors' remuneration

Directors' remuneration	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Aggregate emoluments	2,047	1,415	2,513	1,640

The highest paid director received total salary, bonus and benefits of £ 1,162,000 (2012: £ 870,000). Two directors (2012: 2) have interests in the new "B" shares of the company or its immediate parent. During the period, no directors (2012: none) received any cash benefit from the new "B" shares.

Number of employees

The average monthly number of employees (including directors) during the period was:

Number of employees	30/03/2013	31/03/2012
Administration and Distribution	2,193	1,551

Employee costs (including directors' emoluments)

Employee costs	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Wages and salaries	71,424	58,941	87,673	68,308
Social security costs	6,625	5,058	8,132	5,862
Other pension costs	484	308	594	357
Share based payment charge	31,260	29,361	38,372	34,027
	109,793	93,668	134,771	108,553

Interest

Interest	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Interest receivable and similar income				
Finance income	40	-	49	-
Bank and other interest	297	24	365	28
	337	24	414	28
Interest payable and similar charges				
Bank and other interest	(374)	(50)	(459)	(58)
Other financial items				
Foreign exchange gains	1,572	139	1,930	161

Tax on profit/losses on ordinary activities

Taxation	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Analysis of charge for the period				
UK/US corporation tax on losses in the period	1,594	-	1,957	-
Adjustment in respect of previous period	-	(7,622)	-	(8,833)
Total current tax	1,594	(7,622)	1,957	(8,833)
Deferred tax credit - origination and reversal of timing differences	(5,075)	(3,349)	(6,230)	(3,881)
Impact of change in tax rate on opening deferred tax balance	172	-	211	-
Deferred tax debit - adjustment in respect of previous period	81	(278)	99	(322)
Tax on profit/losses on ordinary activities	(3,228)	(11,249)	(3,962)	(13,037)

The tax assessed for the year is lower (2012: lower) than the standard rate of corporation tax in the UK (24%). The differences are explained below:

Taxation	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Factors affecting the tax charge for the period				
Loss on ordinary activities before taxation	(23,214)	(27,040)	(28,495)	(31,337)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax at 24% (2012: 26%)	(5,571)	(7,030)	(6,838)	(8,147)
Effects of:				
Expenses not deductible for tax purposes	1,196	273	1,468	316
Non-taxable income	-	(104)	-	(121)
Capital allowances less than (in excess of) depreciation for period	1,075	129	1,320	150
Other timing differences	423	73	519	85
Short term timing differences	557	(7,622)	684	(8,833)
Difference in foreign tax rates	714	-	876	-
Adjustment in respect of previous period	-	(31)	-	(36)
Brought forward losses (utilised) / carried forward	3,200	6,690	3,928	7,753
Tax charge for the period	1,594	(7,622)	1,957	(8,833)

The standard rate of corporation tax in the UK changed from 26% al 24% with effect from 1 April 2012. Accordingly, the company's profits for this accounting period are taxed changes at an effective rate of 24%. A further reduction to 23% effective from 1 April 2013 was substantively enacted by Parliament on 3 July 2012. Further changes are proposed to reduce the tax rate to 21% by 1 April 2014, and to 20% by 1 April 2015.

In the March 2013 UK Budget statement, legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014, and from 21% to 20% from 1 April 2015 was announced. This change had not been substantively enacted at the balance sheet date and is therefore not included in these financial statements.

If applied to the deferred tax balances at 30 March 2013, the 2% reduction in the main rate of corporation tax to 21% would decrease the net deferred tax asset at the balance sheet date by £672,000. A further reduction in the main rate of corporation tax to 20% would decrease the net deferred tax asset provided at the balance sheet date by £1,007,000.

<u>Notes on the Consolidated balance sheet</u>

Intangible assets

Intangible assets	Media Content	Goodwill	Lease Key Money	Domain and Customer Email Addresses	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 31 March 2012	1,045	6,621	-	884	8,550
Additions	-	-	841	27	868
Changes in currency exchange rates	-	341	-		341
At 30 March 2013	1,045	6,962	841	911	9,759
Accumulated amortisation					
At 31 March 2012	366	-	-	355	721
Charge for the period	209	-	65	420	694
At 30 March 2013	575	-	65	775	1,415
Net book value					
At 30 March 2013	470	6,962	776	136	8,344
At 31 March 2012	679	6,621	-	529	7,829

Intangible assets	Media Content	Goodwill	Lease Key Money	Domain and Customer Email Addresses	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 31 March 2012	1,253	7,940	-	1,060	10,253
Additions	-	-	995	32	1,026
Changes in currency exchange rates	(17)	293	-	(15)	261
At 30 March 2013	1,236	8,233	995	1,077	11,541
Accumulated amortisation					
At 31 March 2012	439	-	-	426	865
Charge for the period	257	-	80	516	852
Translation reserve	(15)	-	(3)	(25)	(43)
At 30 March 2013	680	-	77	917	1,673
Net book value					
At 30 March 2013	556	8,233	918	161	9,868
At 31 March 2012	814	7,940	-	634	9,388

Goodwill arising on business combinations relates to the acquisition of Shouke Limited, being the difference between the consideration and the fair value of net assets acquired.

Tangible assets

Tangible assets	Leasehold improve-ments	Computer equipment	Fixtures, fittings and equipment	Plant and Machinery	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 31 March 2012	34,426	13,889	4,411	-	565	53,291
Additions	9,513	12,052	10,122	-	28	31,715

Transfers between categories	(11,694)	(13)	(305)	12,009	3	-
Currency translation	(10)	(4)	(4)	-	-	(18)
Disposals	(98)	(1,108)	-	-	-	(1,206)
At 30 March 2013	32,137	24,816	14,224	12,009	596	83,782
Accumulated depreciation						-
At 31 March 2012	3,433	7,438	1,297	-	216	12,384
Charge for the period	3,418	5,563	1,031	-	183	10,195
Disposals	(98)	(1,108)	-	-	-	(1,206)
Transfers between categories	(1,316)	-	-	1,316	-	-
Currency translation	103	37	-	-	7	147
At 30 March 2013	5,540	11,930	2,328	1,316	406	21,520
Net book value						-
At 30 March 2013	26,597	12,886	11,896	10,693	190	62,262
At 31 March 2012	30,993	6,451	3,114	-	349	40,907

Tangible assets	Leasehold improve-ments	Computer equipment	Fixtures, fittings and equipment	Plant and Machinery	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost						
At 31 March 2012	41,283	16,655	5,290	-	678	63,906
Additions	11,250	14,253	11,970	-	33	37,506
Transfers between categories	(13,829)	(15)	(361)	14,202	4	-
Currency translation	(583)	(235)	(78)	-	(9)	(906)
Disposals	(116)	(1,310)	-	-	-	(1,426)
At 30 March 2013	38,005	29,347	16,821	14,202	705	99,080
Accumulated depreciation						
At 31 March 2012	4,117	8,920	1,555	-	259	14,851
Charge for the period	4,196	6,829	1,266	-	225	12,514
Disposals	(116)	(1,310)	-	-	-	(1,426)
Transfers between categories	(1,556)	-	-	1,556	-	-
Currency translation	(89)	(329)	(68)	-	(4)	(489)
At 30 March 2013	6,552	14,108	2,753	1,556	480	25,449
Net book value						
At 30 March 2013	31,453	15,239	14,068	12,645	225	73,631
At 31 March 2012	37,166	7,736	3,734	-	419	49,055

Investment in subsidiaries

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Stocks

Stocks	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Goods for resale	106,617	94,362	126,084	113,157
Goods in transit	1,624	1,135	1,921	1,361
	108,241	95,497	128,005	114,519

Debtors

Debtors	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Trade debtors	15,358	10,607	18,162	12,720

Debtors	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Amounts owed by group undertakings	-	3,543	-	4,249
Corporate tax payable	2,650	4,278	3,134	5,130
Prepayments and accrued income	8,273	8,493	9,784	10,185
Deferred tax asset	9,365	4,476	11,075	5,368
	35,646	31,397	42,155	37,651

Debtors (continued)	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Deferred tax reconciliation				
Brought forward	4,476	4,677	5,293	5,609
Accelerated capital allowances	8	(1,870)	9	(2,242)
Other timing differences	4,881	1,669	5,772	2,001
Total deferred tax	9,365	4,476	11,075	5,368

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

Debtors: amounts falling due after more than one year

The interest rate charged on intercompany amounts owed by group undertakings is 6.13% p.a. Interest is payable yearly. No security is held for non-trading amounts owed by NAP Group undertakings.

Creditors: amounts falling due within one year

Creditors: amounts falling due within one year	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Bank loans and overdrafts	4,668	7,768	5,520	9,315
Trade creditors	32,455	29,303	38,381	35,140
Amounts owed to group undertakings	5,223	1,008	6,177	1,209
Other taxation and social security	3,710	2,309	4,387	2,769
Accruals and deferred income	45,824	38,468	54,191	46,130
	91,880	78,856	108,657	94,563

No security is held for the bank overdraft facility.

Creditors: amounts falling due after more than one year

Creditors: amounts falling due after more than one year	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Accruals and deferred income	12,152	12,424	14,371	14,899
Amounts owed to parent entities	15,000	-	17,739	-
	27,152	12,424	32,110	14,899

The interest rate payable on the intercompany loan from Richemont Holdings (UK) Ltd is 2.4% p.a. Interest is payable yearly, and no security is held for this facility. The loan should be repaid by September 2014 or before this deadline, depending on the requirements of the company.

Inter-group payables	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Maturity of amounts owed to other group entities:				
Within one year	-	-	-	-
More than one year, but within two years	15,000	-	17,739	-
More than two years, but within five years	-	-	-	-
More than five years	-	-	-	-
	15,000	-	17,739	-

Pension costs

The group has a stakeholder defined contribution pension scheme. During the period the group contributed to 159 employees' personal pension plans (2012: 119). The assets of all schemes are held separately from those of the group in independently administered funds. The pension cost of £ 264,000 (2012: £ 185,000) represents contributions payable by the group to the employees' funds. Amounts unpaid at the year-end amount to £ 47,000 (2012: £ 37,000).

Called up share capital

Called up share capital	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£	£	€	€
Allotted and paid up				
588,213 (2012: 588,213) Ordinary A shares of £0.01 each	5,882	5,882	6,956	7,054
18,181 (2012: 18,181) Ordinary C shares of £0.01 each	182	182	215	218
3,713 (2012: 3,539) B shares of £0.01 each	37	35	44	42
176) (2012 zero) deferred B shares of £0.01 each	2	-	2	-
1 (2012: 1) Special share of £1.00	1	1	1	1
	6,104	6,100	7,219	7,315

Share-based payment

During the period, a further 350 "B" shares were sold to new members of management, and 176 "B" shares matured and were converted into deferred "B" shares. “B” shares entitle the holders to an economic interest in the growth of the group above a threshold value. The shares carry put rights entitling the holders to sell all, but not some, of their “B” shares on 31 March 2015 at the fair market value at the date of sale (less the threshold value). Richemont S.A., a subsidiary of Compagnie Financière Richemont S.A., holds call option rights for the purchase of "B" shares at the same price. No put or call rights were exercised or lapsed in the period ([7]).

The fair value at grant date of the shares was determined using a discounted cash flow model, based on approved management forecasts for a five year period and projections for a further five year period. The weighted average cost of capital applicable was 10.6%.

([7]) Please note that, in addition to what is reported in the Net-A-Porter financial statements as at the date of this document, the call and put option rights have been exercised.

The charge recognised in the profit and loss account, before social security and taxes for equity settled share based payment transactions was £31,260,000 (2012: £29,361,000), with the recording of an entry corresponding to the statement of financial position in the "Reserve for the share based incentive plan”. The fair value includes an amount relating to “B” shares in the immediate parent company held by a senior Executive as the services provided by this Executive are to THE NET-A-PORTER GROUP. The shares are treated as equity-settled in the company's financial statements as the obligation for the settlement in 2015 lies with other group companies.

Statement of movements in reserves

Statement of movements in reserves	Share premium	Restated share-based payment reserve	Profit and loss account
	£’000	£’000	£’000
Balance at 31 March 2012	12,736	60,427	11,181
Profit/(loss) for the financial period	-	-	(19,986)
Share-based payment credit for the period	-	31,260	-
Translation reserve	-	-	(163)
Balance at 30 March 2013	12,736	91,687	(8,968)

Statement of movements in reserves	Share premium account	Restated share-based payment reserve	Profit and loss account
	€’000	€’000	€’000
Balance at 31 March 2012	15,273	72,463	13,408
Profit/(loss) for the financial period	-	-	(24,533)
Share-based payment credit for the period	-	36,968	-
Translation reserve	(211)	(1,003)	519
Balance at 30 March 2013	15,061	108,428	(10,605)

Reconciliation of movements in group shareholders' funds

Reconciliation of movements in group shareholders' funds	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£’000	£’000	€’000	€’000
Profit/(loss) for the financial period	(19,986)	(15,791)	(23,752)	(18,300)
Share-based payment charge for the period	31,260	29,361	22,618	34,027
Exchange differences	(163)	23	2,874	5,156
Net addition/(decrease) to shareholders' funds	11,111	13,593	11,740	20,882
Opening shareholders’ funds	84,350	70,757	101,151	80,269
Closing shareholders’ funds	95,461	84,350	112,891	101,151

Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

Land and buildings	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£’000	£’000	€’000	€’000

Land and buildings	30/03/2013	31/03/2012	30/03/2013	31/03/2012
	£'000	£'000	€'000	€'000
Expiry date				
Within one year	123	-	145	-
Between two and five years	1,660	822	1,963	986
After five years	4,726	3,672	5,589	4,403
	6,509	4,494	7,697	5,389

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

Contingent liabilities

The group has contingent liabilities in the form of guarantees for rents and rent deposits to the value of £1,113,706 (2012: £1,059,000), garantite da istituti di credito.

Related party transactions

Transactions undertaken in the normal course of business with Compagnie Financière Richemont S.A and its subsidiaries during the 52 weeks ended 30 March 2013 comprise purchases of goods amounting to £ 5,757,000 (2012: £ 5,763,000) and charges for management and other services of £ 9,555,000 (2012: £0). Accounts payable in respect of these transactions owed by THE NET-A-PORTER GROUP at 30 March 2013 amounted to £ 20,223,000 (2012: £ 1,008,000), inclusive of the £ 15,000,000 loan. At 30 March 2013, the Company had not receivables due from Compagnie Financière Richemont S.A. and its subsidiaries (2012: £ 3,543,000).

Subsidiaries

Subsidiaries	Percentage owned	Country of Incorporation	Date of Incorporation	Description
NET-A-PORTER INTERNATIONAL LIMITED	100%	UK	18/11/2005	Holding company
THE NET-A-PORTER GROUP LLC	100%	USA	27/12/2005	Online retailer
THE NET-A-PORTER GROUP ASIA PACIFIC LIMITED	100%	Hong Kong	29/06/2011	Online retailer
Shouke Limited	100%	Hong Kong	02/02/2010	Online retailer
THE NET-A-PORTER GROUP CHINA LIMITED	100%	China	04/01/2011	Online retailer
New King Group	100%	British Virgin Islands	11/10/2011	Holding company

Controlling parties

As at 30 March 2013, the ultimate controlling party of THE NET-A-PORTER GROUP is Compagnie Financière Richemont S.A., incorporated in Switzerland, registered office: 50, chemin de la Chênaie, 1293 Bellevue, Geneva. The ultimate parent entity is the same as the ultimate controlling party. For the period ending 30 March 2013, THE NET-A-PORTER GROUP is the smallest group for which group financial statements are prepared and the largest group is Compagnie Financière Richemont S.A.

Copies of the annual report and consolidated financial statements are available from the THE NET-A-PORTER GROUP Secretary at the registered office of THE NET-A-PORTER GROUP: 1 The Village Offices, Westfield, Ariel Way, London W12 7GF.

6. SHAREHOLDER STRUCTURE, CORPORATE GOVERNANCE AND EMPLOYEES

6.1 Major shareholders and control structures

For information on the parties which, at the Date of the Information Note, according to the records in the shareholders' register, official communications received and other information available, hold YOOX shares with voting rights corresponding to a stake of 2% or more in the ordinary share capital of YOOX, please see Section 1, Paragraph 1.2, at Annex A of the Report.

For information on the share capital of the Transferee and own shares held by the Issuer on the Date of the Information Note, please refer to Section 1, Paragraph 1.2, at Annex A of the Report.

Control structure

For information on YOOX's shareholding structure at the Date of the Information Note and following the Merger, please see Section 6, Paragraph 6.1 of the Report.

Management and coordination

The Issuer is not subject to management and coordination pursuant to Articles 2497 *et seq.* of the Italian Civil Code.

6.2 Corporate governance

6.2.1 Company Bylaws

The Issuer's Bylaws in force at the Date of the Information Note are available on YOOX's website (www.yooxgroup.com) (Section Governance / Bylaws and Articles of Incorporation).

Subject to the approval of the YOOX Extraordinary Shareholders' Meeting convened for 21 July 2015, single call, to approve the Merger Plan, a new text for the Transferee's Bylaws will be adopted, and will enter into force from the effective date of the Merger.

For a description of the main changes to the text of the existing Bylaws, which will be submitted to the above-mentioned YOOX Extraordinary Shareholders' Meeting to be held on 21 July 2015 to approve the Merger Plan, please refer to Section 1, Paragraph 1.3, of the Report.

The whole text of the Transferee's Bylaws, which will be submitted to the YOOX Extraordinary Shareholders' Meeting for approval, is available on the Issuer's website (www.yooxgroup.com) (Section Governance /Shareholders' Meeting).

6.2.2 Corporate bodies, management and control

Board of Directors

The YOOX Board of Directors in office at the Date of the Information Note was appointed by the Ordinary Shareholders' Meeting on 30 April 2015 and comprises:

Name and surname	Position
Raffaello Napoleone (1) (2)	Chairman of the Board of Directors
Federico Marchetti (2)	Chief Executive Officer
Stefano Valerio (2)	Vice-Chairman of the Board of Directors
Robert Kunze-Concewitz (1) (2)	Director
Laura Zoni (1) (2)	Director
Catherine Marie Yvonne Gerardin (1) (2)	Director
Alessandro Foti (1) (3)	Director

(1) Director meeting the independence requirements, pursuant to Article 148, paragraph 3, of the TUF (as referenced by Article 147-*ter*, paragraph 4, of the TUF), and Article 3 of the Corporate Governance Code, as verified by the Issuer's Board of Directors at its meeting on 30 April 2015. In this regard, as YOOX advised the market in its communication of 30 April, the assessment criteria used were those set out in the Corporate Governance Code, except in the case of Raffaello Napoleone, for whom the criterion set out at Article 3.C.1(e) of said code was not applied.

(2) Director drawn from list 1 submitted by the YOOX Board of Directors pursuant to Article 14, paragraph 2, of the Bylaws in force.

(3) Director drawn from list 2 submitted by a group of institutional investors.

The mandate of the directors thereby appointed will expire on the date of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2017.

For the CVs of each director, as well as information relating to the main limited companies or partnerships in which the members of the Issuer's Board of Directors hold positions on the corporate, management or supervisory bodies, please see the Issuer's website, (www.yooxgroup.com) (Section Governance / Shareholders' Meeting).

Board of Statutory Auditors

The YOOX Group Board of Statutory Auditors in office at the Date of the Information Note was appointed by the Shareholders' Meeting on 30 April 2015 and comprises:

Name and surname	Position
Marco Maria Fumagalli (1)	Chairman of the Board of Statutory Auditors
Giovanni Noccarato (2)	Statutory Auditor
Patrizia Arienti (3)	Statutory Auditor

Andrea Bonechi (2)	Deputy Auditor
Nicoletta Maria Colombo (1)	Deputy Auditor

(1) Drawn from list 1 submitted by the shareholders Kondo S.r.l., Sinv Holding S.p.A. and Ventilò S.r.l., which received the second highest number of votes.

(2) Drawn from list 2 submitted by a group of institutional investors, which received the majority of the votes.

(3) Appointed by majority vote pursuant to Article 26 of the Bylaws.

The mandate of the auditors thereby appointed will expire on the date of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2017. At its meeting of 30 April 2015, the Issuer's Board of Directors, having taken note of the statements by the Standing Auditors and the information at its disposal, verified that the Standing Auditors met the independence requirements *pursuant to* Article 148, paragraph 3 of the TUF and Article 3 of the Corporate Governance Code; the assessment criteria used were those set out in the Corporate Governance Code.

For the CVs of each Auditor, as well as information relating to the main limited companies or partnerships in which the members of the Issuer's Board of Statutory Auditors hold positions on the corporate, management or supervisory bodies, please see the Issuer's website, www.yooxgroup.com (Section Governance / Shareholders' Meeting).

Managers with strategic responsibilities

At the Date of the Information Note, the managers with strategic responsibilities at YOOX Group are as follows.

Name and surname	**Position**
Enrico Cavatorta	Chief Financial and Corporate Officer and director responsible for preparing the company's financial statements
Alberto Grignolo	General Manager
Irene Boni	Co-General Manager

For the CVs of each manager with strategic responsibilities please see the Issuer's website (www.yooxgroup.com) (Section Governance /Management)

YOOX Group shares held directly or indirectly by members of the Board of Directors and the YOOX Board of Statutory Auditors and YOOX Group managers with strategic responsibilities

The table below provides information on YOOX Group shares held , either directly or indirectly, by members of the YOOX Group Board of Directors, Board of Statutory Auditors and managers with strategic responsibilities as at the Date of the Information Note.

Name and surname	**Position held**	**No. of YOOX ordinary shares held (directly or indirectly)**	**% of voting share capital**
Raffaello Napoleone	Chairman of the Board of Directors	14,555	0,023
Federico Marchetti	Chief Executive Officer	4,760,697	7.666
Stefano Valerio	Vice-Chairman of the Board of Directors	114,200	0,184

Statutory audit of the financial statements

The Ordinary Shareholders' Meeting on 8 September 2009 appointed KPMG S.p.A to carry out the statutory audit of YOOX Group's financial statements for the years 2009-2017**.**

6.2.3 Remuneration and benefits

For information on compensation paid in 2014 to members of the Board of Directors and the Board of Statutory Auditors, and YOOX managers with strategic responsibilities, as well as information on the remuneration policy adopted by the Issuer, please see the "*2014 Remuneration Report pursuant to Article 123-ter of the TUF*", included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004. The report is available on the Issuer's website (www.yooxgroup.com) (Section Governance / Compensation Reports).

The Ordinary Shareholders' Meeting on 30 April 2015 voted to set the total annual remuneration to be paid to the YOOX Board of Directors at EUR 680,000.00 for the duration of the mandate, plus reimbursement of expenses incurred by its members in the performance of their duties, without prejudice, however, to the remuneration paid to Directors with specific roles, pursuant to Article 2389, paragraph 3 of the Italian Civil Code, which is not included in the above amount, as well as remuneration for any specific positions held. The Board of Directors is delegated responsibility for dividing the entire remuneration amount among its members in line with the criteria defined in the remuneration policy adopted by the Company.

In its meeting of 30 April 2015, the Issuer's Board of Directors decided to divide between the Directors in office the total annual remuneration set for the Directors by the above-mentioned meeting of 30 April 2015 as follows: (i) annual remuneration of EUR 25,000 for each Director, in addition to the reimbursement of expenses incurred in the performance of his/her role as Director; (ii) additional annual remuneration of EUR 15,000 for the Chairman of the Board of Directors, in addition to the reimbursement of expenses incurred in the performance of this role; (iii) addition annual remuneration of EUR 5,000 for the Vice-Chairman, in addition to the reimbursement of expenses incurred in the performance of this role, without prejudice to any remuneration for specific tasks performed.

The Board of Directors also decided to grant an annual emolument of EUR 6,000 to each member of the Control and Risk Committee, the Remuneration Committee, the Appointments Committee and the Related Parties Committee for the activities carried out connected to these roles. This sum is to be considered the total amount, irrespective of the number of internal committees of the Board of Directors of which the Director is a member. The Board also voted to grant each member of the Control and Risk Committee, in addition to the above remuneration, a further remuneration of EUR 4,000.

Lastly, the Board of Directors set the annual remuneration for members of the Board of Statutory Auditors at EUR 20,000, plus additional annual remuneration of EUR 5,000 for the Chairman of the Supervisory Board.

For further information on the above-mentioned committees and the Board of Statutory Auditors, please see paragraph 6.2.4 below.

The Shareholders' Meeting of 30 April 2015 also voted to set the Statutory Auditors' remuneration for the entire duration of their mandate. Annual remuneration for the Chairman of the Board of Statutory Auditors was set at EUR 30,000, and annual remuneration for each Standing Auditor at EUR 20,000, plus– in both cases – reimbursement of expenses incurred in the performance of their duties.

6.2.4 Practices of the Board of Directors

YOOX Group adheres to the Corporate Governance Code. For information relating to YOOX Group's corporate governance system, please see "*Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of the TUF"*, on page 7 *et seq*. of the Annual Report 2014, included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004 and available on the Issuer's website (www.yooxgroup.com) (Section Governance /Shareholders' Meeting).

The following supplements and updates the above-mentioned report.

On 30 April 2015, the YOOX Group Board of Directors appointed:

(i) as members of the Control and Risk Committee, Directors Alessandro Foti (Independent Director) as Chairman, Catherine Marie Yvonne Gérardin (Independent Director) and Raffaello Napoleone (Independent Director), all Directors with adequate knowledge and experience in the area of accounting and finance or risk management. The Board of Directors also agreed to grant this Committee the consultative and advisory role provided for in article 7 of the Corporate Governance Code;

(ii) as members of the Remuneration Committee, Directors Robert Kunze-Concewitz (Independent Director) as Chairman, Catherine Marie Yvonne Gérardin (Independent Director) and Stefano Valerio, all Directors with adequate knowledge and experience in finance or remuneration policies. The Board of Directors also agreed to grant this Committee the consultative and advisory role provided for in Article 6 of the Corporate Governance Code;

(iii) as members of the Appointments Committee, Directors Alessandro Foti (Independent Director) as Chairman, Laura Zoni (Independent Director) and Stefano Valerio. The Board of Directors also agreed to grant this Committee the consultative and advisory role provided for in Article 5 of the Corporate Governance Code; and

(iv) as members of the Related Parties Committee, Directors Catherine Marie Yvonne Gérardin as Chairman, Robert Kunze-Concewitz and Alessandro Foti, all of whom are Independent Directors.

On 30 April 2015, the Board of Directors also agreed to:

- appoint the Chief Executive Officer, Federico Marchetti, as Executive Director responsible for the internal control and risk management system, pursuant to Article 7.P.3 of the Corporate Governance Code;
- appoint the Independent Director Robert Kunze-Concewitz as *Lead Independent Director* pursuant to Articles 2.C.3 and 2.C.4 of the Corporate Governance Code;
- on the proposal of Chief Executive Office Federico Marchetti in his role as Executive Director responsible for the internal control and risk management system, and subject to the favourable opinion of the Control and Risk Committee, and after consulting the Board of Statutory Auditors, confirm Riccardo Greghi as Internal Audit Manager, pursuant to Article 7.C.1 of the Corporate Governance Code, assigning him the responsibilities set out for this role in Article 7 of the Corporate Governance Code;
- confirm Rossella Sciolti (as Chairman), Riccardo Greghi and Isabella Pedroni as members of the surveillance body, pursuant to the Italian Legislative Decree 231/2001, for the three-year period 2015-2107.

6.2.5 Information relating to the Transferee after the merger

In accordance with the Merger Plan, as of the effective date of the Merger, the Issuer will take on the new company name "**YOOX Net-A-Porter Group S.p.A**.", abbreviated to "**YNAP S.p.A.**"; on the same date, the Issuer's registered office will move to the municipality of Milan. For further information on the proposals to amend the text of the Bylaws, please see the previous paragraph 5.2.1 of this Information Note and Section 1, paragraph 1.3 of the Report.

In accordance with the provisions of the Merger Agreement, as amended and supplemented by the Amendment Agreement, proposals will also be presented at the Shareholders' Meeting convened for 21 July 2015, single call, to pass resolutions relating to the Merger, namely to revise the number of members of the YOOX Board of Directors to 10 members and to appoint three additional YOOX Directors: Natalie Massenet (as Chairman of the Board of Directors), Richard Lepeu and Gary Saage, all with effect from the effective date of the Merger and until approval by the Issuer's ordinary Shareholders' Meeting of the financial statements for the year ending 31 December 2017 (the "**First Period**"**).** The resolution passed by the Shareholders' Meeting relating to this proposal will come into effect, if approved, on the effective date of the Merger.

For further information on the proposal to revise the number of members on the Board of Directors and to appoint three additional members, please see the *Directors' report, pursuant to Article 125-ter of the TUF*, included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004, published on the Company's website (www.yooxgroup.com) (Section Governance / Shareholders' Meeting) and filed in the "*eMarket Storage*" storage system.

For information on the CVs of Natalie Massenet, Richard Lepeu and Gary Saage please see the Issuer's website, (www.yooxgroup.com) (Section Governance / Shareholders' Meeting).

Short CVs for Natalie Massenet, Richard Lepeu and Gary Saage are provided below.

Richard Lepeu obtained degrees at the Institut d'Etudes Politiques de Paris and at the Universite de Sciences Economiques de Paris X. He started his career at Cartier in 1979 and became the COO of Richemont in 2001.

Gary Saage has been a member of the Richemont Board of Directors since 2010. Mr. Saage received a degree at Fairleigh Dickinson University in the US. He began his career at Cartier in the US in 1988. From 1988 to 2006 he was COO of Richemont North America and Alfred Dunhill in London. At present, he is still chairman of Richemont North America and a member of the Board of Directors of THE NET-A-PORTER GROUP and Peter Millar LLC.

Natalie Massenet is the executive Chairman and founder of THE NET-A-PORTER GROUP. She received a degree in English literature at the University of California, Los Angeles. She founded THE NET-A-PORTER GROUP in 2000. She has also been chairman of the British Fashion Council since 2013, and in 2009 became an MBE (Member of the British Empire) for services rendered in the fashion sector.

The Merger Agreement, as amended by the Amendment Agreement, also provides for a further YOOX ordinary Shareholders' Meeting – to be held no later that 45 days after the Merger is effective – to revise the number of members on the Board of Directors so that the Issuer has, until the end of the First Period, a management body consisting of 12 to 14 Directors, through the appointment of a minimum of 2 and a a of 4 additional Directors fulfilling the requirements to be considered independent pursuant to Article 148, paragraph 3 of the TUF. This will ensure that at least half of the members of the Board of Directors are Independent Directors. For further information, please see the Directors' report, pursuant to Article 125-*ter* of the TUF, included by reference in this Information Note, pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004, published on the Company's website (www.yooxgroup.com), (Section Governance / Shareholders' Meeting) and filed in the "*eMarket Storage*" storage system.

Regarding the internal committees of the Board of Directors, at least one member of the YOOX Appointments Committee (post-Merger), pursuant to the Shareholders' Agreement, will be appointed by Richemont. The first member appointed by Richemont will be Mr Richard Lepeu. For further information on the Shareholders' Agreement, please see the Introduction to this Information Note, as well as the key information in the Shareholders' Agreement itself, prepared and published pursuant to Article 122 of the TUF and Article 130 of the Consob Regulation, available on the Issuer's website (www.yooxgroup.com) (Section Governance / Documents, Rules and Procedures).

6.3 Employees

6.3.1 Number of employees

For information regarding the number of employees of the YOOX Group and the breakdown of Group employees as at 31 December 2014, please see the Directors' Report, pp. 79 and 80 of the Annual Report 2014, included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004 and available on the Issuer's website (www.yooxgroup.com) (Governance section/Shareholders' Meeting).

Except for the appointment of Mr Enrico Cavatorta as Chief Financial and Corporate Officer, with effect from 27 April 2015, against the resignation of Mr Francesco Guidotti from the office of Chief Financial Officer of the Issuer and the entrance in Collection, in June 2015, Alex Alexander as Chief Information Officer of the Company, from 31 December 2014 to the Date of this Information Note, there were no significant changes to the number of YOOX and Group employees. To this regard, please refer to press releases issued by the Company on 13 and 24 April 2015.

6.3.2 Stock option, stock grant and other incentive plans

For information on the existing and approved stock option plans, stock grant plans and other incentive plans as at the Date of the Information Note, please see the "Corporate Governance" section of the Directors' Report, on p. 84 of the Annual Report 2014 and the *2014* "*2014 Remuneration Report pursuant to Article 123-ter of the TUF*" included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004. The report is available on the Issuer's website (www.yooxgroup.com) (Section Governance / Shareholders' Meeting). On this topic, please also see the information documents prepared and published by the Issuer pursuant to the law and regulations, available on the Issuer's website (www.yooxgroup.com) (Section Corporate Governance / Compensation Reports).

6.3.3 Employee shareholding agreements

As at the Date of the Information Note, there were no employee shareholding agreements.

7. TRANSACTIONS WITH RELATED PARTIES

7.1 Transactions with Related Parties

In 2014, YOOX maintained a number of relationships with Related Parties. These were limited to commercial, administrative and financial services relationships with subsidiaries and other Related Parties. Such transactions form part of normal business operations, within the usual sphere of activity of each of the parties involved, and are carried out under normal market conditions.

For further information on the relationships with Related Parties, including intra-Group relationships, please see YOOX's consolidated financial statements for the year ended 31 December 2014 (pp. 155 *et seq*. of the Annual Report 2014).

After 31 December 2014 and up to the Date of this Information Note, no significant transactions were carried out with any Related Parties other than those with which YOOX has ongoing and/or ordinary relationships mentioned above, nor were there any significant changes to the individuals or entities identified as Related Parties.

7.2 Related Parties Procedures

On 10 November 2010, after noting the positive opinion of the Control and Risk Committee appointed for this purpose, the Issuer's Board of Directors unanimously approved the procedure for transactions with related parties (the "**Related Parties Procedure**") adopted pursuant to the Related Parties Regulation, which was adopted with Consob resolution 17221 of 12 March 2010, as subsequently amended and supplemented. The Board of Directors assessed and approved this procedure on 5 March 2014.

For further information on the Related Parties Procedure, please see the "*2014 Report on corporate governance and ownership structure pursuant to Article 123-bis of the TUF*", p. 8 et seq. of the Annual Report 2014 included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004 and available on the Issuer's website (www.yooxgroup.com) (Section Governance / Shareholders' Meeting).

The Related Parties Procedure is available on the Issuer's website (www.yooxgroup.com) (Section Governance / Documents, Rules and Procedures).

For information on the Related Parties Committee, please see Section 5, paragraph 5.2.4 of this Information Note above.

8. LEGAL AND ARBITRATION PROCEEDINGS

For information on ongoing legal disputes (filed by or against the Company) involving YOOX and/or other Group companies as at 31 December 2014, please see the "Legal matters" section of the *Directors' Report*, on pp. 78 and 79 of the Annual Report 2014, included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004 and available on the Issuer's website (www.yooxgroup.com) (Section Governance / Shareholders' Meeting.

After 31 December 2014 and up to the Date of this Information Note, there were no significant changes to the information about legal disputes (filed by or against the Company) involving YOOX and/or other Group companies.

9. SIGNIFICANT CONTRACTS

For information on significant contracts signed by the YOOX Group after the close of the 2014 financial year, please see the "Subsequent events" section of the Directors' Report on p. 90 of the Annual Report 2014, included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004 and available on the Issuer's website (www.yooxgroup.com) (Section Governance /Shareholders' Meeting).

After the close of the 2014 financial year and up to the Date of this Information Note, neither the Issuer nor any YOOX Group company signed any significant contracts other than the contracts concluded in the normal course of business mentioned above.

10. INFORMATION ON FINANCIAL INSTRUMENTS TO BE ALLOCATED

For information on YOOX Group shares which will be issued by the Transferee to service the Merger and allocated to the shareholders of Largenta Italia, please see Section 1, paragraph 1.3 at Section 4 and Section 5 of the report, included by reference in this Information Note pursuant to Article 11 of Directive 2003/71/EC and Article 29 of Regulation (EC) No. 809/2004, available at the Issuer's registered office, on the Company's website, (www.yooxgroup.com) (Section Governance / Shareholders' Meeting) and on "*eMarket storage*", the authorised storage mechanism, which can be viewed on the website www.emarketstorage.com.

***

Milan, 3 July 2015

For the Board of Directors

Chief Executive Officer

Federico Marchetti

APPENDIX A

Report by the auditor KPMG S.p.A. on YOOX's Pro-Forma Consolidated Financial Statements

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

Examination report on the pro forma consolidated income statement, pro forma consolidated statement of comprehensive income, pro forma consolidated statement of financial position and pro forma consolidated statement of cash flows as at and for the year ended 31 December 2014

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

1 We have examined the pro forma consolidated income statement, pro forma consolidated statement of comprehensive income, pro forma consolidated statement of financial position and pro forma consolidated statement of cash flows, accompanied by the related notes, of YOOX S.p.A. and its subsidiaries (the "YOOX Group") as at and for the year ended 31 December 2014 (the "YOOX pro forma consolidated financial statements"), which are included in the Informative Note that supplements the report of the parent's directors drawn up pursuant to article 2501-quinquies of the Italian Civil Code, article 125-ter of the Consolidated Finance Act and article 70.2 of the Issuer regulation (the "Directors' report") for the purposes of the business combination between The Net-A-Porter Group Limited (the "NAP Group") and YOOX S.p.A. (the "Merger").

These pro forma consolidated financial statements are derived from the historical data included in:

- the consolidated financial statements of the YOOX Group as at and for the year ended 31 December 2014, prepared under the International Financial Reporting Standards endorsed by the European Union;
- the financial statements of Largenta Italia S.p.A. (the transferee of the NAP Group) as at and for the period ended 27 April 2015, prepared under Italian GAAP;
- the consolidated financial statements of Largenta Limited (the NAP Group's parent) and its subsidiaries (the "Largenta UK Group") as at and for the year ended 31 December 2014, prepared by Largenta Limited's directors solely for their inclusion in the YOOX pro forma consolidated financial statements under UK GAAP, excluding the corresponding figures and disclosures,

and the pro forma adjustments thereto which we have examined.

We audited the consolidated financial statements of the YOOX Group as at and for the year ended 31 December 2014, with respect to which reference should be made to our report dated 18 March 2015.

We have examined the financial statements of Largenta Italia S.p.A. as at and for the period ended 27 April 2015 to the extent we deemed necessary for the preparation of this report on the 2014 pro forma consolidated financial statements.

PricewaterhouseCoopers LLP audited the consolidated financial statements of the Largenta UK Group as at and for the year ended 31 December 2014 and issued its report thereon dated 10 June 2015 for the exclusive use of Largenta Limited's directors and for the sole purpose of the preparation of the YOOX pro forma consolidated financial statements.

The YOOX pro forma consolidated financial statements have been prepared on the basis of the assumptions described in the notes to retroactively reflect the effects of the Merger.

2 The YOOX pro forma consolidated financial statements have been prepared for inclusion in the Informative Note that supplements the Directors' report.

The YOOX pro forma consolidated financial statements have been prepared to reflect, in accordance with accounting policies that are consistent with the historical data and compliant with the relevant legislation, the effects of the Merger on the YOOX Group's financial performance and financial position, as if it had occurred on 31 December 2014 and, with respect only to its effects on profit or loss, as if it had occurred on 1 January 2014. Had the Merger actually occurred on such dates, the outcome may not necessarily have been that presented.

The 2014 pro forma consolidated financial statements are the responsibility of YOOX S.p.A.'s directors. We are responsible for expressing an opinion on the reasonableness of the assumptions adopted by the directors in the preparation of the 2014 pro forma consolidated financial statements and the correctness of the methodology used to prepare them. Furthermore, we are responsible for expressing an opinion on the correctness of the accounting policies applied.

3 We conducted our examination in accordance with the standards recommended by Consob in Recommendation no. DEM/1061609 of 9 August 2001, which regulates the examination of pro forma financial information. We have carried out all the procedures which we have deemed to be necessary for the purposes of our engagement.

4 In our opinion, the basic assumptions that YOOX S.p.A. has adopted in the preparation of the 2014 pro forma consolidated financial statements to retroactively reflect the effects of the Merger referred to in paragraph 1 are reasonable and the methodology used to prepare them has been correctly applied for the disclosure purposes described above. Furthermore, we believe that the accounting policies applied to prepare the above 2014 pro forma consolidated financial statements are correct.

Bologna, 3 July 2015

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit