

YOOX GROUP

**THE
NET-A-PORTER
GROUP**

INFORMATIVE DOCUMENT

drawn up in accordance with Article 57, paragraph 1, of the Regulation adopted under CONSOB Resolution no. 11971 of 14 May 1999, as subsequently amended, relating to

THE MERGER BY ABSORPTION OF

LARGENTA ITALIA S.P.A.

into

YOOX S.P.A.

(WHICH WILL ASSUME THE NAME OF “YOOX NET-A-PORTER GROUP S.P.A.” OR, IN ITS ABBREVIATED FORM, “YNAP S.P.A.”)

NOTICE

In order to make a proper assessment of the investment in the Company's (post-Merger) shares, investors are invited to gauge the specific risk factors relating to the Company and the Group formed by the Merger, the activities and business sector of the Company and Group formed by the Merger, and the financial instruments issued to service the Merger (deriving from the integration of YOOX GROUP and the Largenta Italia group, which includes NAP Group) (see Section 2 of the Document). Some of the specific risk factors that should, *inter alia*, be considered by investors in order to properly assess the investment are detailed below, with specific reference to the operative business entity represented by NAP GROUP.

Investors' attention is drawn to the fact that the NAP Group (fully controlled by the Transferor via Largenta UK) reported substantially negative operating and net profitability for the fiscal year ending 30 March 2013 (EUR -30,379 thousand and EUR -24,533 thousand respectively, as shown on the consolidated financial statements as of 30 March 2013, converted into euro) and for the fiscal year ending 29 March 2014 (EUR -11,490 thousand and EUR -15,361 thousand, as shown on the consolidated financial statements as of 29 March 2014, converted into euro). This operating performance was mainly due to the revenue volume, procurement policies and the impact of incentive plan costs. In the fiscal year ending 31 March 2015, the NAP Group reported positive operating income of EUR 19,077 thousand and positive net income of EUR 2,270 thousand (as shown on the consolidated financial statements as of 31 March 2015, converted into euro), thanks to the increase in net sales revenues (which more than offset the associated increase in operating costs) and the lower general expenses as a result of reduced incentive plan costs.

However, although the result was positive for the fiscal year ending 31 March 2015, it cannot be ruled out that, given the negative results of the preceding years and the uncertainties plaguing the markets in which the NAP Group operates, the NAP Group could report a decline in revenues in the future, and that such a situation could adversely affect the NAP Group's financial results and, consequently, compromise the achievement of the expected benefits of the business merger between the YOOX Group and the NAP Group (see Paragraph 2.2.1 of the Document).

The investor's attention should also be drawn to the fact that the Document (i) does not contain historical financial information about the group headed by the Transferor, since, *inter alia*, Largenta UK has taken advantage of the exemption, pursuant to Section 401 of the Companies Act 2006 (for parent companies that are not part of the European Economic Area, or "EEA") from the obligation to draft consolidated financial statements (subsidiaries were included in the consolidated financial statements of the ultimate parent company, Compagnie Financière Richemont S.A., a company governed by Swiss law); and (ii) does not contain historical financial information about the NAP Group that is comparable with that of the YOOX Group as THE NET-A-PORTER GROUP Limited, a company governed by English law, whose financial years close on 31 March, that prepares its annual and consolidated financial statements in sterling and in accordance with UK accounting principles.

Although the Document contains not only the NAP Group's historical data but also the same figures reclassified according to the YOOX Group's classification criteria (see, for information purposes only, the "*Notes on the main income statement and balance sheet items for 2013-2015 of THE NET-A-PORTER GROUP Limited*" in Section 5.6.3 of the Document), clearly the process of reclassifying this data into the formats used by the YOOX Group has limitations – quite apart from the fact that it has not been audited – arising mainly from the level of detail of the information available relating to the different cost centre structures used.

Investors' attention is therefore drawn to: (i) the limited suitability of the NAP Group's historical financial information for providing the same information about the group's contribution to the prospects of the new merged group's ability to achieve income growth as the YOOX Group's historical data; and (ii) the limited suitability of the overall set of historical financial information reported in the Document for providing guidance on the New Group's earnings prospects.

Note, lastly, that the Document contains pro-forma financial information for the fiscal year ending 31

December 2014 and for the first half of 2015 in order to simulate the potential effects of the Merger on the YOOX Group's financial, economic and capital position as if such transaction had taken place in the above-mentioned periods. To this end, in view of the above-mentioned particular features of the historical data of Largenta UK and the NAP Group, certain initial activities had to be undertaken to enable the pro-forma figures of the YOOX Group to be calculated. These were: (i) the conversion of the historical data of the Transferor's subsidiaries from UK accounting principles to IFRS; and (ii) the re-statement of these figures according to the financial statement formats used by YOOX (see Sections 5.6.2 and 5.6.3 of the Document). To do this, assumptions over and above those traditionally used for preparing proforma statements had to be formulated.

As a result, investors must pay close attention to the fact that the pro-forma figures, by their very nature (i.e. figures based on assumptions), are not to be considered representative of the results that would have been obtained if the Merger had actually taken place at the reference date.

Lastly, the following should be noted with regard to the calculation of the Exchange Ratio for the Merger. Mediobanca – Banca di Credito Finanziario S.p.A., by pointing out in its fairness opinion issued in favour of the YOOX Board of Directors, *inter alia*, that the historical and prospective financial and economic information of the NAP Group differed from that of the Issuer in terms of the fiscal year-end date, accounting principles and accounting currency, which therefore need to be standardised and re-stated by the business consultant engaged by YOOX to make it comparable with the Company's figures, emphasises the fact that no formal comfort letter was included.

Without prejudice to the fact that on 18 June 2015, Baker Tilly Revisa S.p.A., as Single Joint Expert appointed by the Court of Bologna, pursuant to Article 2501-*sexies* of the Italian Civil Code, to prepare a report on the suitability of the Share Exchange Ratio, and given the above-mentioned limitations, issued the “*Auditing company's report on the share exchange ratio pursuant to Article 2501-sexies of the Civil Code*” without any observations, and that the Issuer is not aware of any information or circumstances likely to have a material impact on the items underlying the valuations used to calculate the Exchange Ratio or that would suggest that the Exchange Ratio is not valid in light of the accounts of YOOX and THE NET-A-PORTER GROUP after the date on which it was calculated, it cannot be ruled out that the partially inconsistent historical data of the NAP Group and the YOOX Group could increase the normal uncertainty surrounding the use of pro-forma financial and economic figures (see Section 2.3.3 of the Document).

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INTRODUCTION

This document (the “**Document**”) covers the merger by absorption (the “**Merger**”) of Largentia Italia S.p.A. (formerly Deal S.r.l.) (“**Largentia Italia**” or the “**Transferor**”) into YOOX S.p.A. (“**YOOX**” or the “**Transferee**” or the “**Issuer**” or the “**Company**”).

This Document provides and integrates the information contained in “*The Board of Directors Report on the Planned Merger by Absorption of Largentia Italia S.p.A. in YOOX S.p.A.*” (the “**Report**”). In order to provide information which CONSOB deems equivalent to that in a listing prospectus, this Document was prepared and published by YOOX pursuant to Article 57, paragraph 1, letter d), of CONSOB Regulation no. 11971/1999, as subsequently amended and supplemented (the “**Issuers Regulation**”) for the purpose of listing on the Mercato Telematico Azionario, which is organised and managed by Borsa Italiana S.p.A., the newly issued ordinary shares of YOOX, which will be allocated to the shareholders of Largentia Italia in order to service the Merger.

Pursuant to Article 11 of EC Directive 2003/71 and Article 28 of EC Regulation 809/2004, the present Document incorporates by reference the Report, drafted by the Board of Directors of YOOX in accordance with Article 2501-*quinquies* of the Italian Civil Code, Article 125-*ter* of Legislative Decree no. 58/1998, as subsequently amended and supplemented (the “**TUF**”) and Article 70 of the Issuers Regulation, available at YOOX’s registered office, on the Issuer’s Internet site (www.yooxgroup.com under Governance / Shareholders’ Meeting), and on the authorised storage mechanism, “*eMarket storage*”, which can be found at www.emarketstorage.com.

Moreover, 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, paragraph 8, of the Issuers Regulation, as a result of which the Company is no longer required to prepare and publish an Information Document for, among others, merger deals, including this Merger, the Company prepared and published on 3 July 2015 an Information Note (entitled “*Information to Shareholders on the Proposal to Merge Largentia Italia S.p.A. into YOOX S.p.A. prepared for the Extraordinary Shareholders’ Meeting convened for 21 July 2015*”), containing additional useful information on the Merger to assist shareholders in informing their vote prior to the Issuer’s Meeting (a description of which can be found *below*). which convened on 21 July 2015 to resolve on the Merger. This Information Note is available at YOOX’s registered office, on the Issuer’s website (www.yooxgroup.com under Governance / Shareholders’ Meeting) and on the authorised storage mechanism, “*eMarket storage*”, which can be found at www.emarketstorage.com.

On 2 October 2015, CONSOB issued its judgement on equivalence regarding the Document pursuant to Article 57, paragraph 1, of the Issuers Regulation and authorised its publication.

THE MERGER

The Merger is structured as a merger by absorption into YOOX pursuant to and in accordance with Article 2501-*ter* and et. seq. of the Italian Civil Code, of Largentia Italia, a non-trading company that was recently established and which, as explained *below*, on the effective date of the Merger will indirectly control THE NET-A-PORTER-GROUP Limited (“**THE NET-A-PORTER-GROUP**” or “**NAP**”), which is a private non listed company operating in the e-commerce industry where the Issuer also operates.

The Merger is part of a plan to combine the businesses of YOOX and THE NET-A-PORTER-GROUP to bring about the integration of two highly complementary companies with significant synergy potential from the standpoint of product and market offerings and the geographic areas served. The

strategic objective is to create one of the leading global groups in the online luxury fashion segment on the basis of arrangements outlined in the merger agreement (the “Merger Agreement”) signed on 31 March 2015 between YOOX, of the first part, and Compagnie Financière Richemont S.A. (“**Richemont**”) and Richemont Holdings UK Limited (“**RH**”), of the second part, (YOOX, Richemont and RH, hereinafter referred to as the “**Parties**”).

The integration of these businesses envisages in particular:

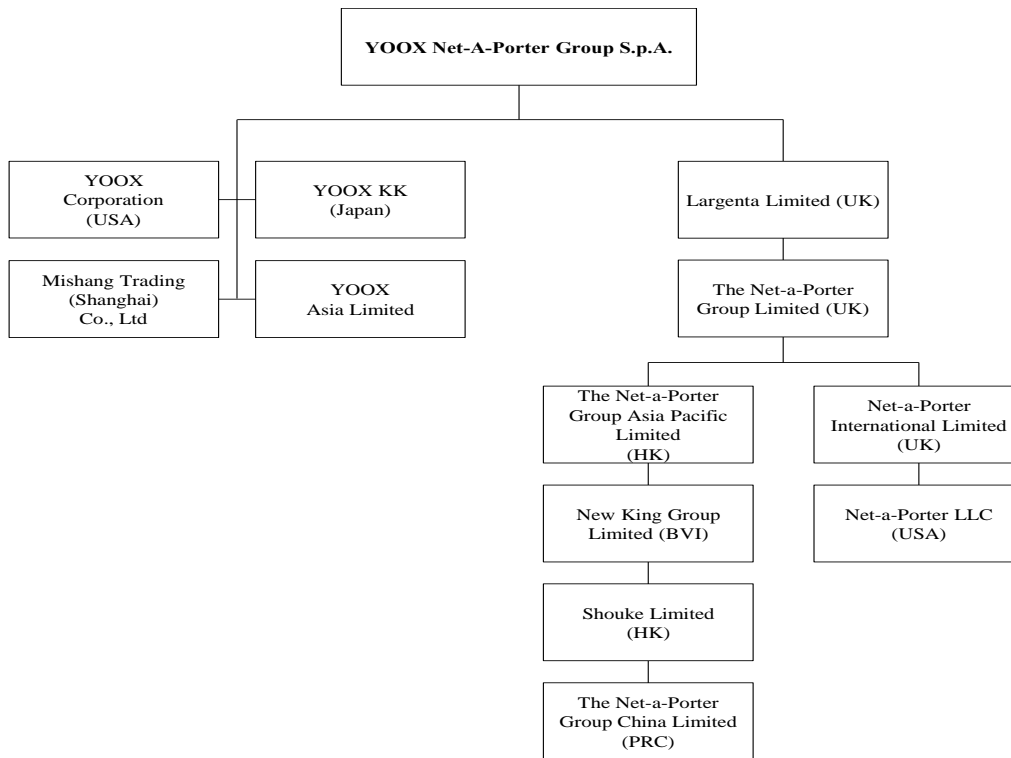
- (i) the contribution in kind by RH to Largenta Italia of the shares representing the entire share capital of Largenta Limited (“**Largenta UK**”), a company incorporated under English law controlled by RH, which on the date of the Merger deed (the “**Merger Deed**”) held shares representing the entire share capital of THE NET-A-PORTER-GROUP (the “**Contribution**”); and
- (ii) the Merger, to be carried out with effect following the effective date of the Contribution, with the resulting cancellation of shares and dissolution of the Transferor, and the Transferee taking over legal ownership of all the Transferor’s assets and liabilities including the indirect controlling interest in THE NET-A-PORTER-GROUP through its equity investment in Largenta UK.

In line with the provisions of the Merger Agreement, on 25 September 2015, RH – as the conferring entity and sole shareholder of Largenta UK – and Largenta Italia, entered into a Contribution deed, which was implemented through the execution of the non-divisible (“*inscindibile*”) share capital increase of Largenta Italia approved by resolution of the shareholders meeting of Largenta Italian on 23 April 2015 to be allocated to the Contribution, of maximum EUR 909,000,000, comprising EUR 605,955.97 as nominal amount and EUR 908,394,044.03 allocated to premium reserve. Consequently, as at the Document Date, Largenta UK is entirely controlled by Largenta Italia.

On 28 September 2015 YOOX and Largenta Italia entered into the Merger Deed, which will be effective at 00:01 AM on 5 October 2015 or at 00:01 AM on the third day of trading on the stock exchange after the issuance of CONSOB judgement of equivalence over the Document pursuant to Article 57, paragraph 1, if the issuance of such judgement occurs on or after 5 October 2015. The tax and accounting effects will start from the same date.

Below is the structure of the YOOX Group that will result following the Merger (the “**New Group**”) ⁽¹⁾.

⁽¹⁾ The chart does not include non-trading companies forming part of the NAP Group.



Among other things, the Merger Plan stipulates the following Exchange Ratio (the “**Exchange Ratio**”)

1 (one) newly issued YOOX share for every 1 (one) Largenta Italia share

and was approved by the YOOX Board of Directors on 24 April 2015, also on the basis of the conclusions reached in the fairness opinion issued for the Board of Directors and for the independent directors, respectively, by Mediobanca - Banca di Credito Finanziario S.p.A. and Banca IMI S.p.A. The Merger Plan was approved by the Largenta Italia Board of Directors at its 23 April 2015 meeting. The fairness opinion can be found in Annexes “1.1.3(A)” and “1.1.3(B)” of the Report. For more information regarding the Exchange Ratio, as well as the criteria and methods used in its determination, please refer to Section 3.7 of this Document and Section 3 of the Report.

As set out in the Merger Plan, YOOX will implement the Merger through a capital increase of EUR 655,995.97, entailing the issue of a total of 65,599,597 shares with no nominal value, of which 20,693,964 are YOOX ordinary shares (“**New Ordinary Shares**”) and 44,905,633 are YOOX non-voting shares (“**B Shares**”) (as described *below*), which will be assigned to RH as the sole shareholder of Largenta Italia on the effective date of the Merger. For more information regarding the assignment of the Transferee’s shares, please see Section 3.8 of this Document and Section 4 of the Report. For more information on the New Ordinary Shares, please refer to Chapter 13 of this Document. (Par. 4 of the directors report)

On 18 June 2015 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 an expert for the purposes of issuing an opinion on the fairness of the Exchange Ratio, issued the “*Report of the independent auditor on the share exchange ratio pursuant to Article 2501-*sexies* of the Italian Civil Code*” without comment. This opinion is available at YOOX’s registered office, on the Issuer’s website (www.yooxgroup.com under Governance / Shareholders’ Meeting) and on the authorised storage mechanism, “*eMarket storage*”, which can be found on the website, www.emarketstorage.com.

As the reference balance sheet for the Merger, YOOX used the draft financial statements for the year

ending 31 December 2014, approved by the Board of Directors on 25 February 2015, and subsequently approved at the Shareholders' Meeting held on 30 April 2015. The Transferor used the financial statements of Deal S.r.l. (now Largentia Italia S.p.A.) on 10 April 2015, approved by the Largentia Italia Board of Directors on 23 April 2015, in accordance with the provisions of Article 2501-*quater* of the Italian Civil Code.

On 21 July 2015 the YOOX Extraordinary Shareholder Meeting approved the Merger Plan and the new text of the Issuer's company Bylaws which will enter into force on the effective date of the Merger, attached to the Merger Plan as Annex "A1" (the "**New Bylaws**"), in which it is stipulated that, among other things, the Transferor shall assume the name "YOOX Net-A-Porter Group S.p.A." or the abbreviation "YNAP S.p.A." and that its registered office will be transferred to the municipality of Milan. For more information regarding the New Bylaws, please refer to Section 7.2.1 in this Document and to Section 1.3 in the Report. On the same day, the Merger Plan was also approved by the Largentia Italia Extraordinary Shareholders' Meeting.

The minutes of these meetings were entered into the Milan and Bologna Company Registers on 27 and 29 July 2015, respectively. Pursuant to Article 2503 of the Italian Civil Code, the period in which YOOX creditors may raise objections to the Merger begins on the last entry date. In view of the fact that the law provides for a 30-day holiday period in August, the deadline for raising objections will extend to 28 October 2015.

With regard to the implementation of the Merger, the Transferee and Transferor intended to invoke Article 2503, paragraph 1, of the Italian Civil Code in order to sign the Merger Deed before the above-mentioned legal deadline for objections raised by creditors expires. For more information in this regard, please see Section 3.1 of this Document.

For information on the Merger, its purpose and objectives and the primary legal aspects, please see Sections 3.3 and 3.4 of this Document and Section 1 of the Report.

B SHARES

As set forth in the New Bylaws (Article 5), B Shares are governed in particular by the following:

- (i) B Shares have no voting rights at Ordinary or Extraordinary Shareholders' Meetings, however holders of B Shares shall be entitled to any other administrative and property rights incorporated in ordinary shares of YOOX as well as rights reserved under current, applicable regulatory provisions for holders of special shares;
- (ii) All holders of B shares may freely dispose of their shares with the exception of 1 B share, which, for a period of 5 years from the effective date of the Merger, must continue to be held by the holder of B shares or by parties related to that holder (pursuant to IAS, IFRS);
- (iii) If B Shares are transferred to an entity other than a related party (as defined by IAS and IFRS) of Richemont, the B Shares transferred will automatically be converted at a ratio of 1:1 (the "**Conversion Ratio**") to YOOX ordinary shares;
- (iv) All holders of B Shares shall have the right at any time to convert all or a part of the B Shares held, at the Conversion Ratio, provided, however, that the total number of ordinary shares held after the conversion by the shareholder making such request (included in the calculation of ordinary shares held by the parent company, subsidiaries and companies subject to joint control

on the basis of the concept of control specified in IAS and IFRS in effect from time to time, hereinafter the "**Affiliates**") does not exceed 25% of the share capital of YOOX represented by ordinary shares with voting rights;

- (v) In the event of the promotion of a tender offer or exchange offer involving at least 60% of the Issuer's ordinary shares, each holder of B Shares shall have the right to convert all or a portion of B Shares held at the Conversion Ratio for the sole purpose of transferring the ordinary shares resulting from the conversion to the offerer; however, in this instance, the validity of the conversion is subject to the final validity of the offer itself, and applies solely to the shares provided to comply with the offer and actually transferred to the offerer.

Moreover, in compliance with the provisions of the Merger Agreement, the New Bylaws (Article 14) provide for a mechanism to limit the rights of RH (and its related parties as defined in IAS and IFRS), which will be allocated B Shares as part of the Merger share exchange, to appoint members of the Board of Directors of YOOX in such a way that these entities may not appoint more than two members of the Issuer's Board of Directors. In order for this mechanism to function, the New Bylaws stipulate that RH (or its related parties pursuant to IAS and IFRS) must undertake to retain at least one B Share for a period of five years, equal to the maximum length provided by the applicable law from the effective date of the Merger (which is the same date the New Bylaws enter into effect).

DELEGATION OF POWER TO INCREASE CAPITAL AND ADD NEW MEMBERS TO THE ISSUER'S BOARD OF DIRECTORS

In compliance with the provisions of the Merger Agreement, the YOOX Shareholders' Meeting held on 21 July 2015 also voted:

- (i) to grant to the Board of Directors of the Issuer a Delegation of power, pursuant to Article 2443 of the Italian Civil Code, to increase the share capital on one or more occasions, via payment in cash in one or more tranches, up to a maximum of EUR 200,000 thousand to be exercised within three years of the effective date of the Merger, for a total number of shares that does not exceed 10% of the post-Merger share capital of YOOX (the "**Delegation**"). The capital increase may be: (a) offered as an option to shareholders; or (b) reserved for strategic and/or business partners of YOOX; or (c) reserved for qualified investors pursuant to Article 34-ter, paragraph 1, of the Issuers Regulation; or (d) through a combination of these three alternatives; and
- (ii) to increase the number of members of YOOX's Board of Directors from seven to ten, and to appoint Natalie Massenet, Richard Lepeu and Gary Saage as additional members of the management body; all the appointments are subject to the effectiveness of the Merger and to the effective date of same. Please note that Natalie Massenet did not accept the appointment as Chairman of the Company.

For more information on the Delegation and YOOX's Board of Directors, please refer to Section 3.1 and Section 7.2.2.1 of this Document, respectively.

Additional provisions set out by the Merger Agreement

The Merger Agreement, as amended by the agreement signed by the Parties on 24 April 2015 (the "**Amendment Agreement**"), specifies that a subsequent Ordinary Shareholders' Meeting of YOOX (to be held within 45 days of the effective date of the Merger) must stipulate a new revision of the number of members of the Board of Directors in order to provide the Company (until approval by the Company's Ordinary Shareholders' Meeting that will approve the separate financial statements of YOOX at 31 December 2017) with an administrative body consisting of twelve to fourteen directors,

with the appointment of a minimum of two and maximum of four additional directors who meet the requirements of independence specified in Article 148, paragraph 3 of the TUF. YOOX (through its Board of Directors, which will draft the proposal to be submitted to the Shareholders' Meeting, will determine the number and identity of these members, and Richemont may provide non-binding comments on YOOX's choices.

Lastly, the Merger Agreement specified that: (i) for a period of three years from the effective date of the Merger and until the YOOX Ordinary Shareholders' Meeting approves the separate financial statements at 31 December 2017 (the "**First Period**"), Natalie Massenet would have held the position of Chairman of the Board of Directors of the Issuer; and (ii) Natalie Massenet would have signed an employment contract governed by English law with THE NET-A-PORTER-GROUP to reflect the different role to be assigned to Natalie Massenet in addition to her right to benefit from the aforementioned incentive Plans (as defined *below*).

Please note that Natalie Massenet did not accept the appointment as Chairman and as a result she will not become a member of the Board of Directors of the Company after the Merger (for more information, please refer to Section 7, paragraph 7.2.2.1 of this Document and to the press release issued on 2 September 2015.

SHAREHOLDERS' AGREEMENTS

At the same time as the signing of the Merger Agreement, YOOX, on the one side, and RH, on the other side, also entered into an agreement containing relevant Shareholders' Agreements pursuant to Article 122 of the TUF intended to govern principles relating to certain corporate governance aspects of YOOX (post-Merger), the rules applying to the equity investments that RH will hold in YOOX (post-Merger) and the relative transfer (the "**Shareholders' Agreement**"). On the same date, Richemont and YOOX Chief Executive Officer, Federico Marchetti, entered into an agreement (the "**Lock-up Agreement**"), under which the latter assumed the obligation, for the lesser period of time between (x) a period of three years from the effective date of the Merger and (y) his term as Chief Executive Officer, not to dispose of any newly issued YOOX shares that he subscribed in relation to any future capital increase of YOOX (including capital increases to service the Delegation) and in the implementation of any new incentive/stock option plan. Furthermore, according to the Lock-up Agreement, for a period of three years from the effective date of the Merger, RH shall not, directly or indirectly, transfer or in any way dispose of YOOX shares (ordinary shares and B Shares) that represent: (i) 25% of YOOX's issued share capital (post-Merger) including at least one B Share; and (ii) 25% of YOOX newly issued shares (including, for the avoidance of any doubt, both ordinary shares and B Shares) issued for implementing the capital increase passed by resolution of YOOX extraordinary shareholders meeting held on 21 July 2015 and subscribed by RH. These restrictions do not limit RH's right to accept (under the terms and conditions specified in the (post-Merger) bylaws) a tender offer or an exchange offer made to all YOOX shareholders or shareholders representing at least 60% of YOOX share capital.

The Shareholders' Agreement and the Lock-up Agreement will come into effect on the effective date of the Merger.

For additional information on the Lock-up Agreement, please refer to the key information prepared and published pursuant to Article 122 of the TUF and Article 130 of the Issuers Regulation which is available on the Issuer's website (www.yooxgroup.com).

Below is a description of the stipulations contained in the Shareholders' Agreement. For a complete description, please see also Section 7, paragraph 7.1.4 of this Document, as well as the key information prepared and published pursuant to Article 122 of the TUF and Article 130 of the Issuers Regulation which is available on the Issuer's website (www.yooxgroup.com).

Confirmation and reappointment of the Chief Executive Officer. In order to preserve the independent management of the Transferee and the combined business activities of the Transferor and the Transferee, Richemont has agreed that it is in the Parties' interests for the Issuer's current Chief Executive Officer Federico Marchetti, to be reappointed for the First Period (i.e. for a period of three years from the effective date of the Merger and until the YOOX Ordinary Shareholders' Meeting approves the separate financial statements at 31 December 2017) and to maintain the current delegated powers for all the Issuer's business (post-Merger).

To this end, the Shareholders' Agreement specifies that upon the expiration of the First Period, and provided Federico Marchetti is in office upon the expiration of this First Period, RH must undertake to carry out (and Richemont must 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.

Directors Appointments Committee. Members of YOOX' Directors Appointments Committee will include at least one director designated by Richemont. Richard Lepeu will be the first member of the Directors Appointments Committee designated by Richemont.

Share capital increase. If the capital increase authorised by the Delegation is not offered as an option to YOOX shareholders, the exercise of the Delegation by the YOOX Board of Directors will require and will be subject to the favourable vote of one director designated by Richemont.

Incentive plan. Each of the Parties, for matters falling within their purview, will do everything necessary to bring about the implementation of the new share-based incentive plans to be approved by the relevant bodies of the Transferee (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 shares amounting to up to 5% of the Transferee's share capital (calculated on a fully diluted basis) shall be used to service these Plans, and of these, a portion is to be allocated to Federico Marchetti when the related rights are allocated.

Lock-up. For a period of three years from the effective date of the Merger, RH may not directly or indirectly transfer or in any way dispose of YOOX shares (ordinary shares and B Shares) that represent: (i) 25% of YOOX's total share capital including at least one B Share; and (ii) 25% of YOOX shares (including ordinary shares and B Shares) issued following the capital increase carried out under the Delegation and subscribed by RH.

These restrictions do not limit RH's right to accept (under the terms and conditions specified in the New Bylaws) a tender offer or exchange offer made to all YOOX shareholders or shareholders representing at least 60% of YOOX's capital.

Standstill

Neither Richemont nor any of its Affiliates shall, without the prior written consent of YOOX, and for a period of three years from the effective date of the Merger, acquire shares or other interest in shares or other securities of YOOX (including any options or derivatives related to YOOX shares), with the exception of the right to subscribe any newly issued YOOX shares to be issued as a result of the exercise of the Delegation by the Board of Directors, or any later capital increase of YOOX.

The above may not prevent Richemont or any of its Affiliates from converting any B Share into an ordinary YOOX share, provided that the overall percentage of shares with voting 8 rights held by Richemont and its Affiliates does not as a result exceed 25% of YOOX voting share capital.

These restrictions shall not prevent Richemont or any of its Affiliates from launching a tender offer for YOOX shares or from acquiring additional YOOX shares where a third party unconnected with Richemont makes general a tender offer over YOOX shares or announces a binding irrevocable intention to make such an offer.

Undertaking not to sign shareholders' agreements

For a period of three years from the effective date of the Merger, Richemont and RH have undertaken not to enter into any other shareholders' agreement relevant under Article 122 TUF.

DEFINITIONS

A list of the main definitions used in this Document 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 Document have the meaning attributed to them in the text.

| | |
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| Merger Agreement | The agreement signed on 31 March 2015 between YOOX, of the first part, and Richemont and RH, of the second part, relating to the merger by absorption of Largentia Italia into YOOX. |
| Lock-up Agreement | The Lock-up Agreement signed by Federico Marchetti and Richemont on 31 March 2015. |
| Amendment Agreement | The agreement signed on 24 April 2015 between YOOX, of the first part, and Richemont and RH, 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, controlled by, or subject to joint control, within the meaning of "control" as defined in the International Accounting Standards. |
| Shares | All Ordinary Shares and New Ordinary Shares. |
| Ordinary Shares | YOOX ordinary shares with no nominal value listed for trading on the MTA as of the Document Date. |
| Borsa Italiana | Borsa Italiana S.p.A., with registered office at Piazza degli Affari, 6, Milan. |
| Code of Conduct | The Code of Conduct of listed companies in effect as of the Document Date. |
| Contribution | The contribution in kind by RH to Largentia Italia of the shares representing the entire share capital of Largentia UK – a company controlled by RH holding shares representing the entire share capital of THE NET-A-PORTER-GROUP – executed on 25 September 2015 via an increase of Largentia Italia's capital passed by resolution of the Company's Shareholders' Meeting on 23 April 2015. This inconvertible (" <i>inscindibile</i> ") share capital increase will be allocated to the Contribution up to a maximum of EUR 909,000 thousand, of which EUR 605,955.97 is the nominal amount and with a share premium of EUR 908,394,044.03. |
| CONSOB | The public authority responsible for regulating the Italian financial markets. Its registered office is located at via G. B. Martini, no. 3, Rome, Italy. |
| Companies controlled by THE NET-A-PORTER GROUP | 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. |
| Document Date | The date of approval of this Document, or 2 October 2015. |

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| Delegation | The delegation of power that YOOX's Extraordinary Shareholders' Meeting on 21 July 2015 granted to the Board of Directors pursuant to Article 2443 of the Italian Civil Code to increase the share capital on one or more occasions up to a maximum of EUR 200,000 thousand which must be exercised within three years of the effective date of the Merger. |
| EC Directive 2003/71 or Prospectus Directive | EC Directive 2003/71 of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending EC Directive 2001/73 of the European Parliament and of the Council of 24 November 2010. |
| Single Joint Expert | Baker Tilly Revisa S.p.A., which was appointed by the Court of Bologna pursuant to and in accordance with Article 2501- <i>sexies</i> of the Italian Civil Code as an expert for the purpose of issuing an opinion on the fairness of the Exchange Ratio. |
| Group or YOOX Group | The group which is headed by YOOX, as defined herein . |
| Largenta UK Group | The group which is headed by Largenta UK, as defined <i>below</i> . |
| NAP Group | The Group headed by THE NET-A-PORTER GROUP company. |
| 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 Reporting Interpretations Committee (IFRC), previously known as the Standing Interpretations Committee (SIC). |
| KPMG or the Independent Auditor | KPMG S.p.A. with registered office at via Vittor Pisani no. 25, Milan, Italy, entered in the Register of Statutory Auditors in compliance with Legislative Decree no. 39 of 27 January 2010, and recorded in the special register of auditing companies pursuant to Article 161 of the TUF and which was previously administered by CONSOB. |
| 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. |
| Largenta Italia | Largenta Italia S.p.A. (formerly Deal S.r.l.) – renamed following the resolution to convert the company into a company limited by shares and to change its name, adopted by the Shareholders' Meeting on 23 April 2015 and registered with the Milan Company Register on 27 April 2015 – with registered office in Milan, at Via Benigno Crespi 26, and share capital of EUR 50,000.00 fully subscribed and paid up, tax code and record number in the Milan Company Register no. 08867720966. |
| MTA | The Mercato Telematico Azionario (electronic stock exchange) organised and managed by Borsa Italiana. |
| New Ordinary Shares or New Shares | YOOX's (post-merger) ordinary shares resulting from the share capital increase passed by a resolution of the Extraordinary Shareholders' Meeting on 21 July 2015. These shares have no nominal value, will be assigned to the shareholders of Largenta Italia according to the Exchange Ratio resulting from the Merger Plan and will be listed for trading on the MTA. |

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| New Group or YNAP | YOOX Group which will result following the Merger. |
| Related Parties | The parties included in the IAS 24 definition. |
| Shareholders' Agreement | The agreement signed on 31 March 2015 between YOOX, of the first part, and Richemont and RH, 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. |
| Plans | The new share-based incentive plans provided for under the Shareholders' Agreement to be approved by the relevant bodies of the Transferee as soon as possible after the effective date of the Merger. |
| Merger Plan | The Merger Plan drawn up for the Merger in accordance with Article 2401-ter of the Italian Civil Code and the applicable provisions required for issuers of shares admitted for trading on the regulated markets and which is attached to the Report (see "Annex 1.1.3"). |
| Annual Report of 31 December 2014 or Annual Report | Set of documents including YOOX's " <i>Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of the TUF</i> " for the fiscal year 2014, YOOX's 2014 " <i>Directors' Report on Operations</i> ", the " <i>Consolidated Financial Statements of the YOOX Group</i> " for 2014, and the " <i>Annual Financial Statements of YOOX S.p.A.</i> ", for 2014 incorporated into this Document by reference, pursuant to Article 11 of EC Directive 2003/71 and Article 28 of EC Regulation 809/2004, and available on the Issuer's website at www.yooxgroup.com / Governance / Shareholders' Meeting . |
| EC Regulation 809/2004 | EC Commission Regulation no. 809/2004 of 29 April 2004 implementing EC Directive 2003/71 of the European Parliament and of the Council regarding the information contained in prospectuses, the format for prospectuses, information included by reference, the publication of such prospectuses and the dissemination of advertisements as subsequently amended by the last Delegated Regulation (EU) no. 486 of 30 March 2012, and Delegated Regulation (EU) no. 862 of 4 June 2012. |
| Interim report | The set of documents includes the YOOX " <i>Directors' Interim Report on Operations</i> " for the first half of 2015 and the " <i>YOOX Group Condensed Financial Statements for the Period ended 30 June 2015</i> ", which were approved by the Board of Directors on 30 July 2015 and incorporated by reference in this Document pursuant to Article 11 of EC Directive 2003/71 and Article 28 of EC Regulation no. 809/2004 and which are available on the Issuer's website at www.yooxgroup.com / Investor Relations / Results centre / Financial and Interim Reports . |
| 2014 Remuneration Report | The " <i>2014 Remuneration Report pursuant to Article 123-ter of the TUF</i> " incorporates by reference this Document pursuant to Article 11 of EC Directive 2003/71 and Article 28 of EC Directive no. 809/2004 and is available on the Issuer's website at www.yooxgroup.com / Governance / Shareholders' Meeting . |

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| 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 thousand (fully paid up), registered with the Geneva Companies Register under CHE-106.325.524. |
| Bylaws or Company Bylaws | The bylaws of YOOX in force on the Document Date. |
| YOOX | YOOX S.p.A., with registered office at Via Nannetti, 1, Zola Predosa, Bologna, Italy, share capital of EUR 621.343,32 that is fully subscribed and paid up, tax code and record number in the Bologna Company Register 02050461207, and admitted to listing on the MTA. |

GLOSSARY

A list of the main technical terms used in this Document 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 Document have the meaning attributed to them in the text.

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| <i>brand</i> | 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. |
| <i>brand lovers</i> | Customers who are sensitive and loyal to a particular brand. |
| <i>brand partner</i> | A party with whom the Issuer has a working relationship in regard to the design, set-up and management of the relevant online mono-brand store. |
| <i>concept</i> | The combination of creative, conceptual and design guidelines used in the processes for creating websites or website sections, applications for mobile devices, communication or advertising campaigns, etc. |
| <i>EBITDA Pre Corporate Costs or Operating Profit by business line</i> | EBITDA Pre Corporate Costs (or Operating Profit by business line) is defined as earnings before general and administrative expenses, other income and expenses, depreciation and amortisation, non-recurring expenses, income/loss from investment in associates, financial income and expenses and income taxes. Since EBITDA Pre Corporate Costs is not recognised as an accounting measure under Italian GAAP or the IFRS endorsed by the European Union, its calculation might not be standard, and the measurement criterion adopted by the Group might not be consistent with that used by other groups. Accordingly, the resulting figures may not be comparable. EBITDA Pre Corporate Costs corresponds to the operating profit by business line reported in the Group's consolidated financial statements |
| <i>merchandising</i> | 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. |
| <i>mono-brand</i> | The business line that includes the design, set-up and management of the online stores of some of the leading fashion brands. |
| <i>multi-brand</i> | Individual online boutiques offering a wide range of fashion and luxury brands. The multi-brand business lines for the YOOX Group include online stores yoox.com, thecorner.com and shoescribe.com, while THE NET-A-PORTER GROUP's online shops include NET-A-PORTER.COM, THE OUTNET.COM and MRPORTER.COM. |
| <i>off-season</i> | Products from previous seasons. |
| <i>in-season</i> | Seasonal products which are in style from time to time. |
| <i>online flagship store</i> | Online mono-brand stores of numerous global fashion and luxury brands designed, developed and jointly managed by the YOOX Group. |

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| <i>online store</i> | A website specifically designed and developed for the online sale of products (e-commerce). |
| <i>commercial partner</i> | A party with whom the Issuer and THE NET-A-PORTER GROUP have a business relationship regarding the supply of products and their subsequent marketing in their online stores. |
| <i>strategic partner or business partner</i> | An investor, natural or legal person, operating in a similar or different sector from that of the Issuer, whose profile, experience and reputation may contribute to the further development of the New Group in terms of strategic vision and the strengthening and consolidation of business relations, acquisition of know-how, technological potential, expansion of markets served, etc. |
| <i>retail margin</i> | The difference between the price at which a retail company sells products to its end clients and the costs incurred by the company in order to buy these products. |
| <i>retailing</i> | Retail selling. |
| <i>sell-through</i> | In percentage terms and with reference to a specific period of time, the ratio comparing the amount and/or value of the products sold versus the amount and/or total value of the products for sale within that period of time. |
| <i>visual merchandising</i> | Managing the presentation of online products on the website. |
| <i>web marketing</i> | The set of marketing activities carried out on the internet. |

INCORPORATION OF INFORMATION BY REFERENCE

Pursuant to Article 11 of the Prospectus Directive and Article 28 of CE Regulation no. 809/2004 and in compliance with the information contained in CONSOB Communication no. DIE/1303777 of 3 May 2013, including the guidelines for drafting documents to be submitted for a judgement of equivalence pursuant to Articles 34-ter and 57 of the Issuers Regulation, the present Document also incorporates by reference the information and data contained in the following documents:

- the Merger Report drawn up by the YOOX Board of Directors pursuant to Article 2501-quinquies of the Italian Civil Code, Article 125-ter of the TUF and Article 70 of the Issuers Regulation, including all related annexes and the Merger Plan with its annexes (represented by the New Bylaws and the post-Merger bylaws, excluding the clause on the delegation of power, and Largenta Italia’s pro-forma balance sheet as at 10 April 2015), the fairness opinion from Mediobanca – Banca di Credito Finanziario S.p.A. and the fairness opinion from Banca IMI S.p.A.
- The set of documents including YOOX’s 2014 “*Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of the TUF*”, YOOX’s 2014 “*Directors’ Report on Operations*”, the 2014 “*YOOX Group Consolidated Financial Statements*” and the “*YOOX S.p.A. Financial Statements*”; and
- The set of documents including YOOX’s “*Directors’ Interim Report on Operations*” for the first half of 2015 and the “*YOOX Group Condensed Consolidated Interim Financial Statements as at 30 June 2015*”;
- 2014 Remuneration Report pursuant to Article 123-ter of the TUF.

These documents are available to the public at the registered office of YOOX S.p.A. at Via Nannetti no. 1, Zola Predosa (Bologna), Italy, and on the Issuer’s website, www.yooxgroup.com, as well as on the authorised storage mechanism, “*eMarket storage*”, which can be found at www.emarketstorage.com.

1. ASSUMPTION OF RESPONSIBILITY AND INDEPENDENT AUDITORS

1.1 Responsibility for this Document

YOOX S.p.A., with registered office at Via Nannetti, 1, Zola Predosa, Bologna, Italy, and Largenta Italia S.p.A., with registered office at Via Benigno Crespi 26, Milan, Italy, each of the Parties, for matters falling within their purview, assumes the responsibility for the veracity and completeness of the information and data contained in this Document.

1.2 Statement of responsibility

YOOX S.p.A. hereby declares that, for matters falling within its purview, and having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Largenta Italia S.p.A. hereby declares that, for matters falling within its purview, and having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The document is consistent with the version submitted to CONSOB on 2 October 2015, following the issuance of the judgement of equivalence in a note dated 2 October 2015, protocol no. 0076395/15.

1.3 Legal auditors of the Issuer

The Ordinary Shareholders' Meeting on 8 September 2009 appointed KPMG S.p.A. as independent auditor for fiscal years 2009 to 2017, pursuant to Article 13 et. seq. of Legislative Decree no. 39 of 27 January 2010. ("KPMG" or the "**Independent Auditor**"), with registered office at via Vittor Pisani no. 25, Milan, Italy, entered in the Register of Statutory Auditors in compliance with the Legislative Decree cited above and recorded in the special register of auditing companies (previously administered by CONSOB), pursuant to Article 161 of the TUF.

This appointment encompasses conducting a full audit of YOOX's consolidated and separate financial statements for fiscal years 2009 to 2017, and a limited audit of its condensed interim financial statements for 2009 to 2017, and verifying that accounts are properly kept and that the results of operations are fairly represented in YOOX's accounting records for fiscal years 2009 to 2017.

KPMG has:

- (a) audited YOOX's consolidated and separate financial statements for the fiscal years ending 31 December 2012, 2013 and 2014;
- (b) performed a limited audit for the first half that ended 30 June 2015;
- (c) examined YOOX's pro-forma consolidated financial position for the fiscal year ending 31 December 2014, and for the first half ending 30 June 2015, evaluating the appropriateness of basic assumptions, the correctness of the methodology used and the accuracy of the valuation criteria and the accounting principles used.

2. RISK FACTORS

2.1 Risk factors associated with the activities of the Transferee, of the Transferor, and the group resulting from the Merger

2.1.1 Risks associated with the negative earnings performance of the NAP Group for fiscal years 2013 and 2014

For the fiscal years ending 30 March 2013 and 29 March 2014 the NAP Group recorded net operating losses of EUR -30,379 thousand and EUR -24,533 thousand, respectively (as reported in the consolidated financial statements at 30 March 2013 converted into Euro), and equal to Euro -11,490 thousand and Euro -15,361 thousand, respectively (as reported in the consolidated financial statements at 29 March 2014 converted into Euro). This operating performance was mainly due to low revenues at the time and the resulting higher proportion of cost of goods sold.

For the fiscal year ended 31 March 2015, the NAP Group reported a positive operating profit of Eur 19,077 thousand and a positive net income of Eur 2,270 thousand (as reported in the consolidated financial statements at 31 March 2015 converted into Euro), that given the increase in net revenues more than offset the corresponding rise in operating costs. The improvement registered in the year under review is primarily attributable to an increase sales at full price, to a greater efficiency of operating costs as well as an overall improvement in business conditions with the leading fashion brands. The lower incidence of general expenses due to a reduction in the costs of the incentive plans also contributed to obtaining this result.

Despite reporting its first profits for the fiscal year ending on 31 March 2015, given the previous negative earnings trend, and the relative uncertain macroeconomic environment which also extends to the local level for individual markets in which the NAP Group operates, the future economic performance of the NAP Group may be influenced by lower revenues, which will negatively impact the NAP Group's business and financial position and therefore that of the New Group.

For more information on the NAP Group's earnings performance, please see Section 5, paragraph 5.5.3.

2.1.2 Risks associated with relations with commercial partners

YOOX's operations consist of managing two business lines:

- the multi-brand business line consists of the sale and distribution mainly of clothing, accessories and/or shoes from the major fashion and luxury brands through three online stores owned by the Issuer (yoox.com, thecorner.com, shoescribe.com);
- the mono-brand business line, which is dedicated to the design, production and management of mono-brand online stores for numerous global fashion and luxury brands.

For additional information on the YOOX Group's post-Merger business, please see Section 3, paragraph 3.6 of this Document.

Multi-brand business line

The multi-brand business line accounted for some 72.8% and 72.7% of the YOOX Group's net revenue for fiscal year 2014 and the first half of 2015, respectively. The impact as a percentage of pro-forma net revenue of this business line on the New Group would have been approximately 30% and 26.1% for the respective periods. The sector operating profit (or EBITDA pre-corporate costs) as a percentage contribution to the YOOX Group's net revenue for this business line was roughly 15.5% and 14.1% for

fiscal year 2014 and for the first six months of 2015, respectively. With reference to THE NET-A-PORTER GROUP and for the same periods mentioned above, its multi-brand business line represented more than 99% of total net revenues.

Due to the nature of the business conducted, YOOX and THE NET-A-PORTER GROUP have numerous long-standing relationships with various fashion and luxury brands. However, it cannot be ruled out that in future the ability of YOOX and the New Group to procure a sufficient amount of products with respect to the demand of their clients could be negatively influenced by:

- i. the termination, for whatever reason, of relationships with several business partners, whether fashion and design companies and their licensees, stores or multi-brand chain stores;
- ii. a reduction in the supply of products by the partners mentioned above, particularly with regard to end-of-season products;
- iii. product supply at less favourable conditions;
- iv. the failure to renew existing working relationships or the failure to develop new ones in order to guarantee the increased procurement of products which meet its own quality and selection standards.

The New Group remains subject to inventory risk for products acquired for the multi-brand business line, and thus may be subject to a significant devaluation in its warehouse inventory if it exceeds actual demand.

All of the above could negatively impact the development of YOOX's business and that of the New Group and consequently have a detrimental effect on the New Group's financial position.

Mono-brand business line

YOOX's mono-brand business line accounted for approximately 27.2% and 27.3% of the YOOX Group's net revenue for fiscal year 2014 and the first half of 2015, respectively. As a percentage of pro-forma net revenue for the New Group, YOOX's mono-brand business line would have been approximately 11.2% and 9.8% for the respective periods. The profitability of this business line, determined by the sector operating profit (or EBITDA pre-corporate costs) as a percentage contribution to the YOOX Group's net revenue for this business line was roughly 20.7% and 19.6% for fiscal year 2014 and for the first six months of 2015, respectively.

This business line offers a complete range of global e-commerce services to the major fashion and luxury brands. Currently, YOOX has 38 active agreements with an average duration of five years.

These business partners would be able to terminate their contracts for any of the follow reasons:

- (a) inability of YOOX to provide the requisite level of service (Service Level Agreements (SLAs));
- (b) limited to a very small number of contracts, the inability of online stores to achieve a specific performance objective previously established amongst the parties;
- (c) limited to a very small number of contracts, YOOX's change of control as defined in Article 93 of Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.

The YOOX Group mono-brand contracts that will expire on 31 December 2016 represent 4.7% and 3.9% of the New Group's pro-forma net revenue for fiscal year 2014 and the first six months of 2015, respectively.

For the sake of completeness, we wish to point out that the NAP Group offers logistics, shipping and support services to clients and handles online payments for a single brand (Jimmy Choo). The turnover generated by these services represents less than 1% of THE NET-A-PORTER GROUP's total net revenue in both fiscal year 2014 and the first half of 2015.

The Company cannot rule out the possibility that the failure to renew or the early termination of existing contracts, the inability of the YOOX Group and the New Group to develop new relationships, or the renewal of contracts at less favourable conditions may negatively impact the business of the YOOX Group and the New Group, and thus be detrimental to their financial position.

The Issuer believes that the Merger does not include assumptions permitting withdrawal rights by business partners pursuant to the cooperation contracts (including the joint venture with Kering) with YOOX as of the Date of the Document. For additional information on the joint venture between YOOX and Kering, please see Section 10, paragraph 10.1 of this Document.

For more information in this regard, please see Section 3, paragraph 3.6 of this Document.

2.1.3 *Foreign exchange, interest rate and credit risks*

a) Risks associated with foreign exchange fluctuations

The YOOX Group operates in several countries and prepares its own consolidated financial statements in its functional currency (the euro), while the separate financial statements of each subsidiary is prepared using their own individual functional currencies. As a result of this, fluctuations in exchange rates between the functional currencies used by the YOOX Group's foreign subsidiaries and the functional currency adopted by the Company will affect the economic and financial conditions of the YOOX Group. As such, the YOOX Group's revenues and profits will be subject to foreign exchange risk, which could have a significant effect on the business, results and financial situation of the YOOX Group.

The YOOX Group is principally exposed towards the US dollar, the Russian rouble, the Japanese yen and the UK pound. The YOOX Group generates revenue in currencies other than the euro, expressed in USD (28.0% at 30 June 2015 and 24.8% at 31 December 2014 and 24.9% at 31 December 2013 and 23.5% at 31 December 2012), RUB (7.6% at 30 June 2015 and 9.1% at 31 December 2014, 2.5% at 31 December 2013 and 0% at 31 December 2012) JPY (7.0% at 30 June 2015 and 7.0% at 31 December 2014 and 7.6% at 31 December 2013 and 8.3% at 31 December 2012) and in GBP (6.8% at 30 June 2015 and 6.7% at 31 December 2014 and 6.5% at 31 December 2013 and 6.3% at 31 December 2012).

Currency transaction risks were hedged by forward contracts arranged with the leading domestic and international banks used by YOOX on a daily basis.

These contracts are only to cover expected cash flows denominated in US dollars for an amount equal to Euro 32,174 thousand at 30 June 2015, and in Japanese yen for an amount equal to Euro 3,649 thousand at 30 June 2015. It was not considered necessary to hedge exposure to the UK pound and Chinese renminbi since the amount involved was not significant. In the first half of 2015 and for fiscal years 2014, 2013, 2012 the Group did not enter into derivative contracts of speculative nature.

Based on the pro-forma data for the New Group at 30 June 2015 and at 31 December 2014, the Group would have been primarily exposed to the US dollar and the GB pound following the Merger. The impact as a percentage of revenue in USD and GBP on total revenue generated would have been 32.9% at 30 June 2015 (29.6% at 31 December 2014) and 37.9% at 30 June 2015 (36.9% at 31 December 2014), respectively. In addition to this, the New Group would also have been exposed, although to a

marginal degree, to the Chinese renminbi, the Hong Kong dollar, the Australian dollar, the Korean won and the Canadian dollar.

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 (the euro), while the separate financial statements of each subsidiary will be prepared using their own individual functional currencies, and in particular, the balance sheet of THE NET-A-PORTER GROUP will continue to be prepared in its own functional currency (the UK pound). 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 the business, results and financial situation of the New Group. The New Group's companies will also be exposed, although to a marginal degree, to the Chinese renminbi, the Hong Kong dollar, the Australian dollar, the Korean won and the Canadian dollar.

b) Risks associated with interest rate fluctuations

The exposure to interest rate risk arises from the need to finance the operations of the YOOX Group and the New Group, 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. In particular, a rate rise could result in higher financing costs on floating-rate debt, requiring a larger cash flow for servicing the debt, which would in turn result in less available cash flow.

Currently the YOOX Group has loans and credit lines totalling EUR 174,242 thousand as of 30 June 2015 (EUR 162,460 thousand as of 31 December 2014), of which EUR 133,187 thousand is indexed to the Euribor (EUR 117,129 thousand as of 31 December 2014). In 2012 and 2013 as well, the YOOX Group's main source of funding was credit lines indexed to the Euribor in the amount of EUR 101,823 thousand at 31 December 2013 (versus a total of EUR 102,446 thousand) and EUR 39,484 thousand at 31 December 2012 (versus a total of EUR 39,848 thousand).

As a result of being indexed to the Euribor, these loans and credit lines are exposed to interest rate risk. Due to this risk, the YOOX Group has entered into interest rate swap derivative contracts to hedge existing medium to long-term loans with Unicredit, for the remaining EUR 30,000 thousand, Banca Sella for the remaining EUR 3,750 thousand and BNL for the remaining EUR 3,000 thousand. Interest expenses on loans for the first half of 2015 amounted to EUR 882 thousand, and EUR 1,312 thousand in 2014. For further information, please see the YOOX Group's consolidated financial statements for the year ending 31 December 2014, page 155 of the 2014 Annual Report and the Condensed Consolidated Interim Financial Statements as at 30 June 2015 for the YOOX Group, and page 72 of the Interim Financial Report for the first half incorporated by reference in the Document pursuant to Article 11 of the Prospectus Directive and Article 28 of Regulation (EC) n. 809/2004. For a breakdown of the YOOX Group's main financing, please refer to Section 10, paragraph 10.2 of this Document.

The aforementioned hedging policies of the YOOX Group may not be appropriate or sufficient to minimise any losses resulting from exchange rate and interest rate fluctuations. Should such a situation arise, it could be detrimental to the YOOX Group's business, operating results and financial position.

c) Credit risk

In addition to the above with regard to outstanding loans for the YOOX Group and the credit lines to which the Group have access, it should be noted that if the conditions of the financial markets and the

global economy should change, YOOX and the New Group may be to seek additional financing in less favorable market conditions, which imply higher borrowing costs.

For the purpose of full disclosure, note that, pursuant to the Merger Agreement, the date of signing of the Deed of Merger (which occurred on September 28, 2015), Largenta Italia, Largenta UK, THE NET-A-PORTER GROUP and the subsidiaries of THE NET-A-PORTER GROUP are free of debt to third parties. For more information, please refer to Section 3.1 in this Document and to Section 3.4.2 in the Report.

2.1.4 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 YOOX Group's business and ensure the timely fulfilment of its related obligations. In particular, owing to the dynamic nature of its business, the YOOX Group will favour the use of committed credit lines (93% of all credit lines were committed as of 30 June 2015 and 95% as of 31 December 2014) in which lenders cannot request repayment before a predetermined date.

After the Merger, YOOX will continue to favour committed 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 and regulations, competition and other factors, many of which are beyond the New Group's control.

YOOX's Extraordinary Shareholders' Meeting on 21 July 2015, inter alia, granted to the Board of Directors pursuant to Article 2443 of the Italian Civil Code a Delegation of power to increase the share capital on one or more occasions up to a maximum of EUR 200,000 thousand to be exercised within three years, with the maximum number of new YOOX shares to be issued equal to 10% of the post-Merger capital, which could be offered, (a) to YOOX shareholders as options; or (b) to qualified investors with the exclusion of an option right (pursuant to Article 34-ter, paragraph 1, letter b) of the Issuers Regulation) or to YOOX's strategic and/or business partners, or (c) through a combination of these. For more information on the Delegation, please see the Introduction and Section 3, paragraph 3.1 of this Document as well as the Introduction and Section 1.3 of the Report.

The capital increase authorised by the Delegation will allow the New Group to seize opportunities for the entry into its capital of strategic and / or industrial and / or institutional investors with the aim of enriching the New Group's strategic vision, ensuring further support for the potential development of future strategic plans and consolidate relations with business partners of strategic relevance for the YOOX Group and New Group.

Moreover, it being understood that the Company believes that the YOOX Group and the New Group have a sufficient working capital to meet its liquidity requirements to date envisaged for the twelve months following the Date of the Document (for more information, please see Section 11 of the Document), the capital increase will allow greater financial flexibility for the New Group, supporting the investments that the New Group will identify following the Merger effectiveness and support in the medium to long period and in the context of integration initiatives between YOOX Group and the NAP Group, as well as any working capital requirements not currently envisaged that should manifest. It notes that, as of the Document Date, the Issuer's Board of Directors has not approved a business plan for the New Group.

2.1.5 Risks associated with the commercial credit and financial debt of the YOOX Group

In accordance with the Group's organisational structure, treasury operations are centralised at the Issuer (as the Parent Company), which manages the majority of lines of credit provided to the Group. In particular, the YOOX Group, given the dynamic nature of its business, makes use of both committed credit lines (i.e. repayment of which cannot be requested before a pre-set date) and revolving credit lines (i.e. which provide for the possibility of repaying the individual amounts which then re-establishes credit line availability).

As at 30 June 2015, the YOOX Group's financial liabilities stood at EUR 132,778 thousand (EUR 96,831 thousand as at 31 December 2014) and are mainly made up of medium to long-term loans taken out for funding the investment in the techno-logistics platform. The amount of credit granted and not used on this date was EUR 46,828 thousand. For more information in this regard, please see Section 10, paragraph 10.2 of this Document.

Below is a brief description of the YOOX Group's main financing agreements as of the Date of the Document. For more information, please refer to Section 10, paragraph 10.2 of this Document.

Unsecured loan contract signed by YOOX and Unicredit S.p.A. on 20 December 2013: in the amount of EUR 30,000 thousand indexed to the Euribor and divided into (i) one tranche of EUR 10,000 thousand for 72 months, available up to 12 months from the date of signing with half-yearly repayments in arrears, and (ii) one tranche of EUR 20,000 thousand available for 60 months in the form of a revolving loan facility. Within 12 months of the date of signing, the parties renegotiated the conditions of the loan agreement, increasing the overall amount to Euro 60,000 thousand, divided into (i) one tranche of Euro 30,000 thousand for 72 months, available until 31 March 2015, with half-yearly repayments in arrears, and (ii) one tranche of Euro 30,000 thousand, available for 60 months in the form of a revolving loan facility, and reducing the spread initially agreed for each of the tranches (from 2.50% to 1.50% for the first, and to 1.80% for the second). On 31 March 2015, the first tranche was issued in full.

YOOX and Mediocredito Italiano S.p.A. signed medium to long-term unsecured loan on 9 December 2013: indexed to the Euribor rate, for EUR 23,000 thousand, supplied on signing for 60 months with the first capital instalment due on 31 March 2015. Before the due date of the first instalment, the parties renegotiated some of the terms of the loan, increasing the amount to EUR 40,000 thousand (which had been issued in full as at the Date of the Document) and the reduction of the spread from 2.60% to 1.10% and the extension of the loan for a further 12 months.

YOOX and Banca Nazionale del Lavoro S.p.A. signed unsecured loan on 30 December 2013: indexed to the Euribor rate, for EUR 15,000 thousand divided into (i) one EUR 10,000 thousand tranche with a term of 60 months and available up to 12 months from the date of signing, with half-yearly repayments in arrears, and (ii) one EUR 5,000 thousand tranche with a term of 48 months, available as revolving credit for the entire duration of the loan. On 23 October 2014, before the loan was disbursed, the parties negotiated to reduce the spread with reference to each tranche (from 2.5% to 1.6% for the first tranche and from 2.5% to 1.8% for the second tranche). In December 2014, both tranches were disbursed in full.

Loan agreement between YOOX and the European Investment Bank signed on 11 September 2014: guaranteed by SACE, divided into two tranches of EUR 20,000 thousand and EUR 25,000 thousand, respectively, with a term of 60 months from the date of disbursement. On 11 December 2014, both tranches were disbursed in full.

These loan agreements stipulate, among other things, certain obligations and commitments in line with market practice, such as financial covenants (verified every six months on 30 June and 31 December of each financial year) prohibiting the borrower from pledging their assets as a guarantee (a so-called negative pledge) and covenants guaranteeing that creditors will have equal seniority with other creditors (known as *pari passu*). However, there are no provisions for a change of control and corporate

reorganisation, with the exception of the existing financing with BEI. In consideration of the changes to the Group structure and to the organisation of the companies that will be controlled by YOOX following the Merger, on 29 July 2015 BEI and YOOX signed an agreement, in accordance with which the clauses relating to the limits to the indebtedness of the subsidiaries and the negative pledges will be suspended for a period of 90 days from the date of the Merger. Moreover, as regards the financial covenants, we note that these parameters have been fully in compliance with the respective dates of verification for each period covered by the historical financial information contained in the Document (first half of 2015 and fiscal years 2014, 2013 and 2012).

However, it cannot be ruled out that in the future breaking the covenants and contractual obligations contained in the financial contracts may give rise to an early repayment requirement for the sums disbursed with the resultant negative effects on the financial and economic situation of the YOOX Group and the New Group.

For more information about the loan agreements, please see Section 10 Paragraph 10.2 of the Document.

For the purpose of full disclosure, pursuant to the Merger Agreement, at the date of signing of the Deed of Merger (which occurred on September 28, 2015), Largenta Italia, Largenta UK, THE NET-A-PORTER GROUP and its Subsidiaries of THE NET-A-PORTER GROUP are free of debt to third parties.

As regards commercial liabilities, on 30 June 2015, trade payables for the YOOX Group amounted to EUR 194.290 thousand, up 18.1% over 31 December 2014 (equal to EUR 164.466 thousand). The increase is linked to the rise in sales volumes, which, due to the Group's business model, necessitates the purchase of goods in advance of the selling season. As of 30 June 2015, the percentage of overdue trade payables was 14.4% and, based on the data available to the Issuer, at the Document Date there were no significant differences. Trade payables are all payables relating to purchases of goods and services from the YOOX Group's suppliers and are stated at their nominal value. All payables fall due within one year, so none are subject to discounting. The "Trade payables" item includes all amounts due to suppliers, both for the supply of finished products and raw materials and for the supply of intangible assets.

Even though there have never been significant problems with suppliers in the past, it cannot be ruled out that if there are delays, or repeated delays, in payments or if YOOX and/or the other New Group companies fail to pay the suppliers, that these circumstances may negatively impact the relations between these companies and their suppliers, with the resultant detrimental effects on the business of YOOX and the New Group.

2.1.6 Risks associated with logistics centre operations

At Document Date, the YOOX Group and THE NET-A-PORTER GROUP, in order to sell its products on a global scale, operate nine logistics centres (of which 5 belong to YOOX and 4 to THE NET-A-PORTER GROUP): 1 in Italy, 2 in the United Kingdom, 2 in the United States, 2 in Hong Kong, 1 in China and 1 in Japan (for more information, please see Chapter 3, Paragraph 3.6 of the Document).

As far as the Hong Kong logistics centre is concerned, following the merger, the New Group intends to consolidate the inventories of the respective online stores into one distribution centre with the main goal to save on lease costs. As for the other distribution centres, the New Group plans to optimise the logistics set-up of the inventories of the different online stores among the several warehouses of the Group, with the goal of maximizing the total storage capacity, enabling faster delivery to the final

customer for select online stores in certain markets, as well as achieving logistics and distribution cost savings.

It is possible that the operations described above may result in temporary disruptions to logistics activities with a consequent impact on customer satisfaction and the New Group's business performance, in other words, any delay in performing such activities could delay achieving the expected savings. The logistics centres are subject to normal operating risks including, but not limited to, equipment failure; fire and flooding; prolonged power cuts; insufficient workforce or work stoppages; revocation of permits and licences; natural disasters; and major product supply interruptions.

In this regard it should be noted that with reference to the time frame corresponding to the first half of 2015 and the previous three years (2014, 2013 and 2012) there have been two unpredictable natural events which have disrupted the operations of some logistics centres, effecting the results of the business, albeit negligibly. Specifically, on 30 October 2012, in the aftermath of Hurricane Sandy that hit the East Coast of the United States, the logistics centre of YOOX located in New Jersey suffered prolonged power cuts that caused an interruption to logistics activities resulting in delays in delivery. The logistics centre was restored to full working capacity on November 6, 2012. On 1 and 2 February 2012, an extraordinary snowfall that hit central Italy, and in particular the Bologna area where the logistics centre is located, resulted in an almost complete blockage of all roads in the area leading to delays in the shipment of orders to final customers. As for THE NET-A-PORTER GROUP, there has been no damage or disruption to logistics activities of particular importance in the reference period.

Any interruptions to these logistics centres, due both to the events mentioned above and to other events, could have a negative impact on the financial results of the New Group. Even though both YOOX and THE NET-A-PORTER GROUP have insurance cover for damage caused by staff accidents, as well as theft and fire damage to the products and systems and electronic equipment in the logistics centres, it is possible that unpredictable events, capable of impacting logistics activities of the New Group, may have a negative effect on the New Group and on its economic and financial position.

2.1.7 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 and THE NET-A-PORTER GROUP companies have entered into supply agreements. Among these contracts, the main ones have an average length of 3 to 5 years for the YOOX Group and 3 years for THE NET-A-PORTER GROUP.

In particular, the YOOX Group relies on third-party providers for logistics and distribution services (management of warehousing activities and shipping services) which amount to 97% of the total logistics and distribution costs at 30 June 2015 and for 97.7% at 31 December 2014. Given the nature of the services offered, the top three providers of these services accounted for 70.4% of the total logistics and distribution costs at 30 June 2015 (73.7% at 31 December 2014). Following the Merger, based on the New Group's pro-forma data at 30 June 2015 and 31 December 2014, and in consideration of the increased level of insourcing of activities by THE NET-A-PORTER GROUP, the percentage of logistics and distribution costs managed by the New Group's third-party providers would drop to 74.1% at 30 June 2015 (74.5% at 31 December 2014) and the percentage of the total logistics and distribution costs accounted for by the top three providers would be 53.5% at 30 June 2015.

The termination of or failure to renew one or more of these agreements, for whatever reason, or the renewal or conclusion of new contracts under less favourable conditions for the New Group may be detrimental to the New Group's business, results and financial situation.

Additionally, in the case where third-party providers are not able to deliver ordered products within the scheduled times or, more generally, to fully meet their contractual obligations or comply with applicable laws, this could adversely affect the New Group's financial position and operating results.

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

The companies involved in the Merger are fiscally domiciled (i.e. subject to taxation) in different jurisdictions. In particular, the YOOX Group generated 15.4% of revenues in Italy as of 30 June 2015 (versus 16.4% at 31 December 2014), 24.8% in North America (22% at 31 December 2014), 6.8% in the United Kingdom (6.7% at 31 December 2014) and 53% for the rest of the world (55% at 31 December 2014). THE NET-A-PORTER-GROUP generated 0.9% of revenues in Italy as of 30 June 2015 (versus 0.9% at 31 December 2014), 33.9% in North America (31.7% at 31 December 2014), 21.8% in the United Kingdom (22.2% at 31 December 2014) and 43.4% for the rest of the world (45.2% at 31 December 2014). 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 unforeseen tax owed, interest or penalties due. Where material, the impact of these modifications may be detrimental to the financial situation of the companies involved in the Merger and/or the New Group.

As of the Date of the Document, there are no existing tax disputes in connection with the YOOX Group or THE NET-A-PORTER-GROUP.

2.1.9 Risks associated with the departure of key managers

The success of the YOOX 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. Following the Merger, the competency of senior management and other management staff will likewise be a key factor for the effective management and development of business for the New Group. In particular, CEO Federico Marchetti is crucial to the execution of future strategies for the New Group and to the integration between the YOOX Group and NAP. Should the New Group lose the services of Mr Marchetti and/or other senior managers or key members of staff, this could be significantly 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 and/or to attract, retain and incentivise senior managers, other key members of staff or new skilled workers (a factor which could influence the New Group's ability to grow and increase its market share), this may reflect negatively on its financial position and operating results.

For more information, please see Section 3, paragraph 3.6 and Section 0 of this Document.

2.1.10 Risks associated with pending litigation

As of the Date of the Document, the Issuer is involved in several civil proceedings connected with its normal course of business. The Issuer does not believe that these proceedings will have any material impact on it and/or the Group, nor does it regard it as likely that it and/or the Group will incur expenses

in connection with these proceedings. Consequently the Issuer has decided against creating provisions for risks and expenses.

On the same date, THE NET-A-PORTER GROUP is involved in several civil proceedings as a result of the normal course of its business. THE NET-A-PORTER GROUP does not believe that these proceedings will have any material impact on it and/or the NAP Group, nor does THE NET-A-PORTER GROUP regard it as likely that it and/or the NAP Group will incur expenses in connection with these proceedings. Consequently the THE NET-A-PORTER GROUP has decided against creating provisions for risks and expenses.

However, it cannot be ruled out that in future the Issuer, THE NET-A-PORTER GROUP and/or other New Group companies could be obliged to make payments for which no provisions have been made, which could negatively impact, albeit negligibly, the business and financial position of the Issuer and the New Group. More generally, regardless of the validity of these claims, any legal proceedings or disputes brought against the Company and/or the New Group could result in losses, as well as damage to their image and reputation, which could negatively impact the business and financial position of the Issuer and the New Group.

For more information, please see Section 9 of this Document.

2.1.11 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 the YOOX Group operates. In the Eurozone, in particular, the sovereign debt crisis has increased uncertainty over the stability of the Economic and Monetary Union and the system as a whole in recent years. 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 have been on the rise over whether other countries will be affected by the increase in financing costs and hence be in need of financial support or whether some might exit the European Monetary Union. Furthermore, the recent tensions caused by the talks between Greece and the EU in their attempt to reach an agreement on a long-term solution for Greece's financing needs, with the resulting 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 of the Economic Monetary Union and the system as a whole persist, and should the general recessionary environment and weak economy continue in one or more of the markets in which the YOOX Group currently operates and the New Group will operate, this may be detrimental to the New Group's outlook as well as its business and financial situation. It should also be noted that the current slowdown in the Chinese economy could negatively affect the luxury sector, which could negatively impact the business and financial position of the Issuer and the New Group.

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

The YOOX Group continually monitors and updates its system of internal controls on financial reporting. The New Group will continue these activities of monitoring and updating also considering the integration of the companies involved in the Merger and so with the objective of implementing uniform systems across the New Group. If deemed appropriate, the 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 level of the New Group. Failing to maintain adequate financial and managerial processes and/or adequate controls may result in errors in the New Group's financial reporting, which may, in turn, harm its reputation.

For more information, please see the “Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of the TUF”, pages 8 *et seq.* of the 2014 Annual Report, incorporate by reference in the Document pursuant to Article 11 of the Prospectus Directive and Article 28 of Regulation (EC) n. 809/2004.

2.1.13 Risks associated with the distribution of dividends

As of the Date of the Document, YOOX has no defined policy for distributing dividends in place, nor are there any obligations in this regard to their distribution.

Any future dividend distribution and the actual amount will depend on the future earnings of the Issuer, on the financial situation, 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, it is therefore not possible to guarantee that the Transferee will in future, even in the case of positive earnings, distribute dividends or adopt a specific dividend policy.

For more information, please see Section 13, paragraph 13.5 of this Document.

2.1.14 Risks associated with conflicts of interest regarding Directors, Statutory Auditors and Managers with Strategic Responsibilities of the YOOX Group

As of the Date of the Document, as the Company is aware, some of the members of the Board of Directors and some Managers with Strategic Responsibilities of the Issuer own shares in YOOX; namely, Directors Federico Marchetti, Raffaello Napoleone and Stefano Valerio own 4,760,697, 14,555 and 114,200 YOOX ordinary shares, respectively and Federico Marchetti also holds 1,500,000 options in the 2012-2015 Stock Option Plan. Managers with Strategic Responsibilities Alberto Grignolo and Irene Boni hold: (i) 104,175 ordinary shares and 10,000 options in the 2012-2015 Stock Option Plan, and (ii) 20,148 YOOX ordinary shares, respectively. As of the Date of the Document Stefano Valerio is a partner at the d'Urso Gatti Pavesi Bianchi Studio Legale Associato, which is assisting YOOX with the Merger.

2.1.15 Risks associated with judicial proceedings regarding Directors, Statutory Auditors and Managers with Strategic Responsibilities of the YOOX Group

With regard to judicial proceedings as of the Date of the Document, the Chief Financial Officer and Corporate Officer of YOOX, Enrico Cavatorta, was served a registered notice concerning criminal proceedings that are still pending as of the Date of this Document relating to the allegation of a “false tax declaration” regarding transfer pricing on behalf of a company at which he was a director. Vice-Chairman of the Board of Directors of the Company, Stefano Valerio, was given a criminal conviction, with a non-definitive sentence, and must pay a fine of the inconsequential amount of EUR 1,500 issued in 2013 by the competent judge following preliminary investigations related to a failure to pay social insurance and pension contributions on behalf of the Company in his capacity as liquidator. The criminal conviction was duly appealed on 29 April 2015 and as of the Date of the Document, the sentence is still pending. Finally, Statutory Auditor, Andrea Bonechi, was charged with the criminal offence of aiding and abetting in fraudulent bankruptcy during criminal proceedings regarding a company at which Mr Bonechi held the position of alternate auditor more than a year before the

bankruptcy and which are still pending as of the Date of the Document.

For more information, please see Section 7, paragraph 7.2.2.4 of this Document.

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

2.2.1 Risks associated with preparing pro-forma accounts

The following are presented in this Document:

- 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 ending on 31 December 2014 (the “**2014 Pro-Forma Data**”), prepared on the basis of YOOX Group consolidated financial statements as of 31 December 2014.
- 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 six months ending 30 June 2015 (the “**Pro-Forma Data at 30 June 2015**”), and in conjunction with 2014 Pro-Forma Data, the “**Pro-Forma Data**”, prepared on the basis of YOOX Group consolidated financial statements as of 30 June 2015.

Using valuation criteria consistent with the historical data, and in compliance with the relevant legislation represented by the International Financial Reporting Standards (“**IFRS**”) adopted by the European Union, these Pro-Forma Data have been prepared in order to simulate the economic and financial effects of the Merger on the financial performance, consolidated financial statements and financial position of the YOOX Group as if it had actually taken place: (i) 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, for 2014 Pro-Forma Data; and (ii) for the purpose of the income statement, the statement of comprehensive income and the statement of cash flows at the start of fiscal year 2015 (1 January 2015), for Pro-Forma Data as of 30 June 2015.

Please note, however, that the information contained in the YOOX Group Pro-Forma Consolidated Statements is, as mentioned above, a simulation of the possible effects on YOOX Group’s financial and economic position that could result from the Merger and has been provided for information purposes only.

More specifically, the YOOX Group Pro-Forma Consolidated Statements involved adjustments to the financial data to reflect retroactively the effects of the Merger. Consequently, despite compliance with the widely accepted general criteria and the use of reasonable assumptions, there remain intrinsic limits imposed by the very nature of pro-forma data, as the representations are based on assumptions. They should therefore not be considered representative of results which would have been obtained had the transactions considered in the preparation of the pro-forma data actually taken place as of the reference date. The pro-forma data depict a hypothetical situation and therefore should not be construed in any way as representing the current or future financial or economic position of the YOOX Group.

Please also note that the historical and pro-forma data are stated in thousands of euros on the basis of the financial data presented in the YOOX Group consolidated financial statements at 31 December 2014 and at 30 June 2015.

Moreover, Larenta UK and THE NET-A-PORTER GROUP are both companies incorporated under English law, and they prepared their respective statutory financial statements for the financial year which ended on 31 March 2015. More specifically, Larenta UK prepares its separate financial statements in compliance with the 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 UK accounting standards. The directors of Larenta UK prepared the consolidated financial statement for the Larenta UK Group for the twelve-month period that ended on 31 December 2014 solely for the purpose of preparing the YOOX Pro-Forma Consolidated Statements and the consolidated financial statement for Larenta UK for the six months ending 30 June 2015. This consolidated financial statement have been prepared in accordance with UK accounting standards in pounds sterling, with the exception of the comparative data and the disclosure.

The historical economic and financial data of the Larenta UK Group as of 31 December 2014 and 30 June 2015 expressed in pounds sterling has been converted into euros for inclusion in the YOOX Pro-Forma Consolidated Statements and stated according to the balance sheet layout used for the preparation of the YOOX Pro-Forma Consolidated Statements by the Directors of YOOX itself. The conversion of this data to IFRS had no significant effect.

In order to prepare YOOX's Pro-Forma Consolidated Projections at 31 December 2014 and 30 June 2015, pending completion of the process of allocating the purchase price to the assets, liabilities and the potential liabilities of the Larenta UK Group, the difference between the fair value of the new YOOX shares that will be issued to serve the Merger, as they are generally considered to represent the cost of the acquisition, and the Larenta UK Group's consolidated equity have been temporarily recorded under "Goodwill" on the respective reference dates, net of its own residual goodwill or the pro-forma adjustments that had an impact on consolidated equity. This difference amounted to EUR 1,669.7 million at 30 June 2015 and to EUR 1,031.0 million as of 31 December 2014. Although this difference could have been allocated to the Larenta UK Group's assets, liabilities and potential liabilities, it was not. The purchase price allocation will be carried out in compliance with the provisions of IFRS 3 - Business Combinations. Completing the valuation process required by IFRS 3 - Business Combinations once the Merger has been legally effected could entail a different measurement of the Larenta UK Group's assets and liabilities on the business combination date than the assumption made in the Pro-Forma Data, with the resultant economic impact, including the amortisation of any defined useful life assets that could be material.

Given the different aims of the pro-forma data and the data in historical financial statements, and, as regards the latter, the conversion and re-statement of the data of the group headed by Larenta UK in accordance with the terms specified above, and the different methods used to calculate the effects of the Merger on 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 historical data, without any attempt being made to create accounting connections between them.

The pro-forma data is in no way intended as a forecast of future results and therefore must not be used as such. The pro-forma figures do not reflect prospective figures since they are prepared in such a way as to represent solely those effects of the Merger and the related financial and economic transactions that may be isolated and objectively measured, without considering the potential effects in relation to changes in management policy and operating decisions subsequent to the Merger.

For more information in this regard, please see Section 0 of this Document.

2.2.2 Risks associated with forecasts and estimates for the Merger and the valuation methods used to determine the Exchange Ratio

The valuation process carried out for the purpose of the Merger involves estimates and forecasts related to, amongst others, the business, the business results and the related risk factors for YOOX, THE NET-A-PORTER GROUP and the respective groups, and, upon completion of the Merger, to the business lines through which these companies operate. By their very nature, these estimates and forecasts are based on data that, although currently considered reasonable, may prove to be incorrect in the future. Many factors could result in differences in the actual development, the results or performance of the New Group with respect to what is explicitly or implicitly expressed in terms of estimates and forecasts. The actual occurrence of one or more of these situations may give rise to results that differ substantially from those assumed in the valuation process carried out for the purpose of the Merger.

Having examined and agreed with 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 individual contribution of the equity value of the two companies involved in the Merger at the ratio of 1 newly issued YOOX share for each Largentia Italia share. No cash payments will be made.

For this purpose, the YOOX Board of Directors took into account the results of the valuation methods adopted (see *below*) in order to determine the value of the economic capital of the companies involved in the Merger, the negotiation dynamics and other qualitative and quantitative factors, such as YOOX's considerable track record of profitability and the substantial homogeneity of the development prospects of the two companies

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 Board of Directors of the Issuer applied (i) the Discounted Cash Flow method and (ii) an analysis of the Market Multiples.

Given that YOOX and THE NET-A-PORTER GROUP will be combined through the merger by absorption into the Issuer of Largentia Italia, having as its sole asset the indirect stake in THE NET-A-PORTER GROUP, and in the light of the corporate reorganisation that will be made necessary, YOOX's Board of Directors, in order to determine the Exchange Ratio between the YOOX shares and the shares of Largentia Italia, analysed – rather than the ratio of the value per share of the aforementioned companies, determined as a result on the basis of the share capital of Largentia Italia – the economic capital contribution made by YOOX and by NAP to the economic capital of the company resulting from the Merger.

To this end, the YOOX Board of Directors compared the economic capital values for the Issuer and for the THE NET-A-PORTER GROUP which resulted from the Discounted Cash Flow analysis. The value of YOOX's economic capital has been estimated on the basis of cash flows indicated in the Financial Guidelines 2015-2019 prepared by the Issuer's management in the context of the Merger; the corresponding value for THE NET-A-PORTER GROUP has been determined on the basis of the *Management Business Plan 2015-2020* prepared by THE NET-A-PORTER GROUP's management in the context of the Merger, reformulated by YOOX's management, with the assistance of a leading strategic consultancy firm, and without comparison to the management of THE NET-A-PORTER GROUP, in order to reflect more conservative assumptions, in terms of both growth and profitability, and in consideration of the estimates included in the *Financial Guidelines 2015-2019* prepared for YOOX. These revisions have been made with the aim of ensuring greater coherence and consistency of some assumptions at the basis of the business plan of the two companies. By way of illustration, in light of certain market dynamics identified by YOOX management, it was assumed, compared with the

figures originally included in the *Management Business Plan 2015-2020*, an increase in the cost of acquisition of new customers and more conservative assumptions on the retention rate of existing customers.

The market multiple analysis is based on a sample of companies operating in the e-commerce sector, including YOOX itself.

Given the similarities between YOOX and THE NET-A-PORTER GROUP in terms of reference markets, business models and economic and financial outlook, the Board of Directors has decided to use YOOX's market multiples for the valuation of THE NET-A-PORTER GROUP, since these were considered to be more significant than those of the other companies in the analysed sample. However, each of the companies taken into consideration, including YOOX, has its own particular characteristics, and none of the companies in the sample can be regarded as fully comparable to the company being valued.

Finally, to complete the valuation task and as a control method, YOOX's Board of Directors compared the implicit multiples of THE NET-A-PORTER GROUP, valuing the Company's economic capital on the basis of the YOOX price at 27 March 2015 and the Exchange Ratio, with those of a sample of companies active in the e-commerce sector.

The valuations carried out in order to determine the Exchange Ratio highlighted the typical limits and critical points inherent in this type of analysis, such as, in particular, the uncertainties surrounding the use of projected economic and financial data, the fact that THE NET-A-PORTER GROUP's forecast financial data were reformulated by YOOX's management with the support of a leading strategic consultancy firm, based on assumptions that do not necessarily reflect the opinions of the NAP GROUP, as well as the difficulties and limitations of the market multiples method and those inherent in the discounted cash flow method, considering that this method is based on estimates of future cash flows which, since they are based on forecast data, are by their very nature uncertain.

Also, the Fairness Opinion by Mediobanca – Banca di Credito Finanziario S.p.A. on behalf of YOOX's Board of Directors indicates that YOOX's economic and financial projections for the period 2015-2019 (in the *Financial Guidelines 2015-2019* cited above) were prepared by the Issuer's management but not approved by YOOX's Board of Directors, and the historical and projected economic and financial data for the THE NET-A-PORTER GROUP differ from those of the Issuer for the date at the close of the financial year, the accounting principles and the accounting currency, resulting in the need to standardise and restate this data and information by the industry consultant engaged by YOOX to render them comparable with those of the Company, but not accompanied by a formal comfort letter.

For more information on the Exchange Ratio and the methods of valuation used, as well as the limitations and critical points which arose in the determination of the Exchange Ratio, please see Section 3, paragraph 3.7 of this Document, Section 3.2 of the Report, the Fairness Opinion by Mediobanca – Banca di Credito Finanziario S.p.A. attached to 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, issued by Baker Tilly Revisa S.p.A. as Single Joint Expert on 18 June 2015.

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.

As of the Date of the Information Document, the Issuer was not aware of any facts or circumstances which would significantly impact the factors which form the basis of the valuations used to determine the Exchange Ratio or to suggest that the exchange ratio is not applicable in reference to the statements

of account of YOOX and THE NET-A-PORTER GROUP subsequent to the date of determination of the same.

2.2.3 Risks associated with the integration process and with failing to achieve the forecast Merger synergies

The merger of the businesses 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 on related managerial issues and to invest resources to integrate the businesses and technical/logistical platforms of YOOX and THE NET-A-PORTER GROUP. Any complications that may arise during the integration process could interrupt the business of one or both companies, perhaps for prolonged periods, and, should the integration process prove to be inefficient, could prevent the realisation of some or all of the predicted benefits of the Merger.

The New Group is expected to generate annual synergies of around EUR 60 million in terms of EBITDA and lower investments starting from the third financial year following the completion of the Merger, about half of which will result from revenues, and the remainder from cost savings and capital investments. Marketing and sales are expected to generate a little over half of the anticipated benefits, with the remainder coming from technology and logistics. For more information in this regard, please see Section 3, Paragraph 3.3 of this Document.

Integrating the businesses of YOOX and THE NET-A-PORTER Group and achieving the expected benefits presents numerous facets which could give rise to managerial and operational problems, including: managing a significantly larger company; coordinating geographically separate organisations; retaining existing customers and attracting new ones; integrating business cultures which could create friction; consolidating administrative and corporate infrastructure; integrating technological and logistical platforms as well as possible problems with the IT and communications systems, or with other types of systems; 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 (for additional information, please see Section 3, Paragraph 3.3).

The benefits expected by the New Group are based on a set of assumptions regarding the occurrence of future events and on actions that the New Group is considering taking, including hypothetical assumptions relating to future events and actions that will not necessarily happen, and which are characterised by inherent elements of subjectivity and uncertainty and, in particular, by the risk that forecast events and actions from which these stem may not occur, or may occur to extents or in time frames other than those forecast, while events and actions may occur that could not be foreseen at the time that the future synergies were estimated. 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.

If the New Group is unable to successfully integrate the businesses of YOOX and THE NET-A-PORTER GROUP or to achieve the forecast Merger synergies, the New Group's results and assets and liabilities could be significantly damaged. 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, as well as cause the possible exit of directors or key staff, all of which could potentially negatively impact the YOOX share price. The actual occurrence of one or more of these situations may therefore result in a significant variation between the expected and the actual value of the anticipated benefits.

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 or more opportunities for sales or growth, particularly given the macroeconomic backdrop and the fact that many of the individual future benefits depend on the implementation of a shared technological platform, a delay in which could therefore slow down the attainment of the expected synergies and potentially reduce their estimated value. Consequently, there is no guarantee that the integration process will achieve the expected benefits of the Merger.

As of the Date of the Document, the Issuer's Board of Directors has not approved a business plan for the New Group and this plan is scheduled to be drawn up by the end of fiscal year 2016.

For more information, please refer to Section 3, Paragraph 3.3 in this Document and to Section 1.4 in the Report.

2.2.4 Risks associated with stamp duty in force in the UK

Due to the Merger, YOOX will receive shares from Largenta UK, a company under English law, the transfer of shares from Largenta UK to YOOX could be subject to stamp duty in the UK - held by YOOX - at a rate of 0.5% of the value of the amount (i.e. The percentage of the value of shares issued by YOOX resulting from the Merger. Based on these estimates, the stamp duty (or SDRT) if owed will be EUR 9,518.50. However, this stamp duty is owed only if one of the following conditions applies: (i) an effective deed for the transfer - through a sale - of shares of a company incorporated in the United Kingdom has been entered into, or (ii) an agreement for the commitment to transfer shares of a UK company that provides for a cash or equivalent consideration has been entered into. Within the context of the Merger, the transfer of Largenta UK shares to the Transferee takes place by operation of law, which may not be deemed as a transfer or sale, and for this reason, is not subject to stamp duty (Stamp Duty Reserve Tax).

On 29 June 2015, YOOX filed a query with Her Majesty's Revenue and Customs ("HMRC"), requesting confirmation that SDRT does not apply to the transfer of Largenta UK shares to YOOX under the terms of the Merger. On 7 September 2015, HRMC replied confirming that the Merger is not subject to SDRT. However, HRMC's reply was an informal opinion, i.e. a non-binding written reply for the agency, rather than non-statutory clearance, i.e. a written confirmation that is binding for the same agency, as in the opinion of HRMC questions regarding the stamp duty may not be subjected to the latter type of reply. The Issuer believes that, although the response provided by HMRC does not have the value of non-statutory clearance, the same can be validly used as a prior condition in case of verification of the investigation.

For more information in this regard, please see Section 3, Paragraph 3.11 of this Document.

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

On 21 July 2015 the Extraordinary Shareholders' Meeting of YOOX and Largenta Italia resolved to approve the Merger Plan; on 27 July 2015, the minutes of the Largenta Italia Extraordinary Shareholders' Meeting were filed with the Milan Company Register, and on 29 July 2015, the minutes of the YOOX Extraordinary Shareholders' Meeting were filed with the Bologna Company Register. The period during which YOOX creditors may raise objections to the Merger begins on the last entry date, pursuant to Article 2503 of the Italian Civil Code. As the law in Italy provides for a 30-day holiday in August, the period thus expires on 28 October 2015.

Pursuant to Article 2503, paragraph 1 of the Italian Civil Code, at the date of signing of the Deed of Merger (occurred on 28 September 2015) YOOX gathered the consent for the Merger from the Company's major creditors and, with regard to the creditors which had not given their consent or which had not been paid by the Company on the date the Merger Deed was concluded, it deposited the relevant sums (which, unless there is opposition as described below, will remain in escrow until the deadline for raising objections has lapsed, i.e. 28 October 2015), in order to bring forward the signing of the Merger Deed before the legal deadline for creditors to lodge objections has expired. At the date of signing of the Deed of Merger, YOOX has obtained consent from the creditors for some EUR 178.587 thousand and, with reference to the Company's remaining loans on the entry date of the Merger Plan in the Company Register that had not been paid by the Company as of the signing date of the Merger Deed, YOOX deposited around EUR 11.558 thousand needed to guarantee these loans. With regard to Largenta Italia, on the date of signing the Merger Deed, there were no loans pending.

In view of the procedure for accelerating the Merger, which the Issuer made use of under the terms and procedures indicated above, if there is any opposition by the creditors who had not given their consent to the Merger, and who had not been paid by the Company at the date of the signing of the Deed of Merger (equal to Euro 11,558 thousand), the amounts of these loans will remain in escrow until a judgement is handed down by the Court concerning the opposition lodged, subject to the possibility that YOOX pays the loan(s) on the basis of which the opposition has been lodged. For more information in this regard, please see Section 0, Paragraph 3.1 of this Document.

2.2.6 For more information, please refer to Section 4, Paragraphs 4.1.2 and 4.2.2.3 in this Document and to Paragraph 1.1.2 of the Report. Risks associated with the interests of the directors 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 ending 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 must undertake to carry out (and Richemont must 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.

Pursuant to the Shareholders' Agreement, each of the Parties, for matters falling within their purview, will do everything necessary to bring about the implementation of the new incentive Plans in favour of the top management of the New Group 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 (calculated on a fully diluted basis) post-Merger 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 on these Plans and the Shareholders' Agreement, please refer to Section 7.3.2 of this Document and to the Introduction to the Report. All relevant information about the Shareholders' agreement is available on

the Issuer's website at www.yooxgroup.com under Governance / Documents, Rules and Procedure.

The receipt of financial or other benefits as part of the Merger may have influenced the aforesaid parties to recommend that the Issuer's shareholders vote in favour of the Merger and its related transactions.

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

2.3.1 Risks associated with the functioning of information systems

The YOOX Group and NAP Group are active in the e-commerce sector, a sector in which the New Group will operate after the Merger. This business is based on the use of information systems that are exposed to many operating risks. These risks include defective and malfunctioning software, equipment faults, outages, third-party criminal activity and/or exceptional events such as natural disasters. Should they occur, the systems may not function correctly and the YOOX Group and/or the NAP Group may be forced to suspend or interrupt the provision of its services.

In order to conduct business, both the YOOX Group and the NAP Group also greatly depend on their ability to protect their information systems and technological equipment from damage caused by power cuts, telecoms 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 YOOX Group and the NAP Group, and that will be adopted by the New Group following the Merger, in order to protect their systems and equipment, will be effective. Consequently, should the aforementioned events take place or should there be a slowdown in or interruption to the services they provide, this could be detrimental to the New Group's financial situation.

Moreover, in many cases the YOOX Group and the NAP GROUP have to manage personal data in the context of the services provided. Although the IT systems of the YOOX Group and THE NET-APORTER GROUP provide instruments for protecting personal data as required by the applicable laws, such data may be accessed, divulged and transmitted without authorisation and deleted (totally or partially) due to, for example, interruptions to IT services, other environmental issues and/or the illegal actions of third parties. Following the Merger, the New Group companies, as managers of personal data, could be considered responsible for the negative consequences resulting from the aforementioned facts under the currently applicable privacy laws.

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

The YOOX Group and the NAP GROUP operate in the e-commerce sector, as will the New Group in future. Over the years, this sector has seen a rise in business volumes owing to the ever greater demand for and, therefore, sale of products (between 2009 and 2014, in particular, the e-commerce of online luxury products reached a compound annual growth rate of 27%⁽²⁾).

In addition, the e-commerce sector relies heavily, according to management, on the development of networks and tools for online access, the propensity of customers to make online purchases and the development of businesses such as web marketing.

⁽²⁾ Source: McKinsey & Company, *Digital Luxury Experience - Digital inside: Get wired for the ultimate luxury experience*, July 2015.

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

2.3.3 Risks associated with changes in customer preferences

The sector in which the YOOX Group and NAP Group as well as the New Group operate is susceptible to changes in consumers' spending choices. This sector can be influenced, inter alia, by the economic climate 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 detrimental effect on its competitive position as well as its financial situation.

2.3.4 Risks associated with the seasonal nature of the business

The e-commerce market 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. At 30 June 2014, at 31 December 2014 and at 30 June 2015, the YOOX Group's operating profit - excluding incentive plan costs - was Eur 7,031 thousand, Eur 24,490 thousand and Eur 4,530 thousand, respectively.

The YOOX Group and the NAP Group are marked by the same seasonal trends, with sales concentrated at the end of the year and during the sales that are held twice a year (Q1 and Q3). Financing needs peak twice a year during April/May and October/November, at which times the merchandise for the next season is procured.

Consequently, following the Merger, these factors and the New Group's product procurement cycle may affect the Group's net working capital and net financial debt, in the periods indicated above.

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

The YOOX Group and the NAP Group operate in many Countries around the world. Given the international nature of their business, the YOOX Group and the NAP Group are naturally exposed to risks that affect all global players, including:

- exposure to the local economic and political climate;
- 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;
- with reference to working relations between YOOX and the other New Group companies and their staff, application of the mandatory regulations and guaranteed minimum conditions set out by local labour laws and welfare regulations where the work is performed;
- introduction of more restrictive laws and regulations (in particular with regard to online transactions and to protecting the consumer in online transactions).

Given that the New Group operates on vast geographic scales and in markets across the globe, it is also exposed to these risks.

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 be significantly detrimental to the New Group's financial situation and results.

For the purpose of completeness, please note that the highly complementary nature of the geographical coverage of YOOX and THE NET-A-PORTER GROUP will deliver an even more balanced geographical sales mix for the New Group after the Merger than the current geographical distribution of the YOOX Group. Despite this, with regard to the individual countries, the percentage of the New Group's exposure to the United Kingdom, the United States of America, Hong Kong and Australia will be greater on the whole, as opposed to YOOX's current geographical exposure (compared to a lower percentage of exposure to Italy, Europe and Japan). Therefore, it cannot be ruled out that the risk situations cited above might occur and/or remain in these countries, and if realised, they could have a negative impact on the New Group's business and financial position (for more information on the geographic distribution of the New group, please refer to Section 3, Paragraph 3.6.4 of this Document).

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

The YOOX Group and the NAP Group operate in the highly competitive e-commerce sector, which in recent years has seen a substantial increase in the number of competitors in the many different categories of merchandise and in various geographical markets ⁽³⁾.

Below is a possible breakdown based on the distribution strategies of online providers active in the clothing, shoe and accessories market segments in which the YOOX Group and the NAP Group operate:

- online retailers - just like the Issuer, they were born online and still maintain a strategy focussed exclusively on online channels;
- retailers or traditional distributors - online channels represent an extension of their traditional distribution model;
- fashion houses - decided to create an online presence directly through the management of their own online stores;
- e-commerce service providers.

Although the number of providers is relatively large, YOOX and THE NET-A-PORTER GROUP are positioned in an exclusive speciality niche market that primarily consists of the retail sale of clothing, accessories and shoes from the major fashion and luxury brands. As a result of the Merger, the New Group will have a substantially strengthened competitive positioning, enabling it to exploit the growth prospects of the online luxury market.

⁽³⁾ Source: Estimates based on Euromonitor International data, *Internet vs Store-based Shopping: the Global Move Towards Omnichannel Retailing*, August 2014; Euromonitor International, *Apparel and Footwear Internet Retailing's Strongest Players*, April 2014; Exane BNP Paribas, *The Digital Competitive Map: January 2015 - The Race is on!*, January 2015.

Even after the Merger the New Group will be operating in the same sector, and therefore in a highly competitive environment. Consequently, if the New Group is unable to deal effectively with its external environment by leveraging its own strengths, even greater competition and/or new providers entering the sector may be detrimental to the New Group's business outlook, results and/or financial position.

2.3.7 Risks associated with technological development

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

The success of both the YOOX Group and the NAP Group will also depend, inter alia, on its ability to develop new technologies quickly and efficiently and to upgrade its current technologies in order to respond to technological advances and emerging trends in the sector in which they operate.

Should the New Group be unable, for whatever reason, to adapt quickly to change and/or new technologies, this may be detrimental to its financial situation.

2.3.8 Risks associated with intellectual property rights

As at the Date of the Document, YOOX and the NAP Group own many national, EU and international trademarks and internet domains relating to products and services in the categories of interest, respectively, to the YOOX Group and the NAP Group, as well as other exclusive rights used to conduct their business. The YOOX Group and the NAP Group 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. In addition, one or more of these internet domains and/or brands could become the subject of a dispute by third parties.

Even though the YOOX Group and the NAP Group believe they have adopted systems that adequately protect their intellectual property rights and that as of the Date of the Document there are no significant disputes regarding the protection of intellectual property rights belonging to YOOX and the NAP Group, the possibility remains that these groups may find it hard to protect these rights or to obtain new intellectual property rights that may be useful in safeguarding their business from competitors.

After the Merger, the New Group may likewise be exposed to these same risks as mentioned above. These factors may be detrimental to the New Group's business and financial situation.

2.3.9 Risks associated with illegal activities related to the e-commerce sector and with the ineffectiveness of measures/policies set up by the Issuer to counter these activities

The YOOX Group offers different online methods of payments to its clients for product purchases to meet the various needs and preferences of its clients (including credit and debit cards, PayPal, Cash On Delivery and other payment methods specific to certain geographical areas). By their very nature, these forms of payment are exposed to the risk of fraud, albeit to varying degrees.

In order to combat the risk of fraud, the Issuer has developed a fraud control system which operates on two different levels. The first consists of an automatic filter for all orders which blocks those orders that appear suspicious, and the second is carried out directly by YOOX staff dedicated to the task of manually checking for further signs which determine the degree of risk. Thanks to this system, YOOX is able to adopt a cautious approach, enabling it to decline any orders that appear suspicious or which exceed the level of risk that is considered acceptable. In addition, all of these procedures are continually assessed and optimised following negative events that may occur with the specific aim of improving the level of prevention.

Despite the YOOX Group having adopted these control and prevention measures, and in consideration of the rapidly changing technology that is characteristic of the e-commerce sector, there are no guarantees that the systems that the Group uses are capable of eliminating these risks of fraud. For information on the evolution of technology in the e-commerce sector and on the risks connected with it, please see Section 2, paragraph 2.3.7 of this Document. For information about the usage of the IT systems on which the e-commerce activities are based and the related risks, please see Section 2, paragraph 2.3.1 of this Document.

2.4 Risk factors associated with the Issuer's financial instruments

2.4.1 Dilution risks associated with the issue of financial instruments by the Issuer

a) Dilution effects following the capital increase to service the Merger and the share exchange ratio

YOOX will implement the Merger through a capital increase of EUR 655,995.97, entailing the issue of a total of 65,599,597 shares with no nominal value, of which 20,693,964 are YOOX Ordinary Shares (representing 25% of the share capital of post-Merger YOOX shares with voting rights, calculated on the basis of the number of YOOX shares in circulation as of the Merger Plan date) and 44,905,633 are B Shares, which will be assigned to RH as the sole shareholder of Largentia Italia on the effective date of the Merger (for more information on the allocation of the Transferee's shares, please see Section 3, paragraph 3.8 of this Document and Section 4 of the Report).

Increasing the number of Ordinary Shares in circulation following the Merger will mean that holders of the Issuer's Ordinary Shares will experience a dilution of their investment, calculated on the basis of ordinary capital in circulation on the Date of the Document (EUR 621,169.93 or 62,116,993 Ordinary Shares), equal to 25%.

b) Dilution following the conversion of B shares into Ordinary shares

In accordance with the provisions of the Merger Agreement, the New Bylaws (Article 5) stipulate that:

- (i) If B shares are transferred to an entity other than a related party (as defined in IAS and IFRS) of Richemont, the B shares transferred will automatically be converted at a ratio of 1:1 into YOOX ordinary shares; and*
- (ii) All holders of B Shares shall have the right at any time to convert all or a part of the B Shares held, at the Conversion Ratio, provided, however, that the total number of ordinary shares held after the conversion by the shareholder making such request (including the calculation of ordinary shares held by the Affiliate) does not exceed 25% of the share capital of YOOX represented by ordinary shares with voting rights.*

The conversion of all B Shares into Ordinary Shares in accordance with the Conversion Ratio would mean that holders of the Issuer's Ordinary Shares would experience a further dilution of 35% of their investment in addition to the dilution effect resulting from the allocation of Ordinary Shares based on the Share Exchange Ratio. For more information on B Shares, please refer to the Introduction and to Paragraph 3.1 of this Document and to Paragraph 1.3 in the Report.

c) Dilution following the exercise of the Delegation to increase the share capital for a maximum amount of Eur 200,000,000

Finally, as part of the Merger, YOOX's Extraordinary Shareholders' Meeting on 21 July 2015 granted to the Board of Directors pursuant to Article 2443 of the Italian Civil Code a Delegation of power to

increase the share capital on one or more occasions up to a maximum of EUR 200,000 thousand to be exercised within three years, with the maximum number of new YOOX shares to be issued equal to 10% of the post-Merger capital, which could be offered, (a) to YOOX shareholders as options; or (b) to qualified investors with the exclusion of an option right (pursuant to Article 34-ter, paragraph 1, letter b) of the Issuers Regulation) or to YOOX's strategic and/or business partners, or (c) through a combination of these. For more information on the Delegation, please see the Introduction and Section 3, paragraph 3.1 of this Document as well as the Introduction and Section 1.3 of the Report.

Assuming that the number of Ordinary Shares held by RH under the terms of the Merger remains equivalent to 20,693,964 (i.e. that RH does not convert any B Shares), if the capital increase authorised by the Delegation of power is offered in full with the exclusion of an option right, and therefore through the issue of solely Ordinary Shares, fully exercising the Delegation of power would mean that holders of the Issuer's Ordinary Shares would experience a further dilution of 13% of their investment in addition to the dilution effect resulting from the allocation of Ordinary Shares based on the Share Exchange Ratio. If the capital increase authorised by the Delegation of power is offered in full as an option to shareholders, there would not be any dilution effect for the shareholders who should underwrite the rights pertaining to them, given that, pursuant to Article 5 of the New Bylaws, all resolutions to raise capital which provide for the fulfilment of the option right must establish that Ordinary Shares and B Shares are issued according to the ratio between the two categories of shares on the date the board resolves to increase the share capital.

d) *Dilution following the issuing of Ordinary shares to the service of incentive plans existing at the Date of the Document*

Please note that if Ordinary Shares are issued to service the existing incentive Plans as of the Date of the Document, this would mean that holders of the Issuer's Ordinary Shares would experience a further dilution of 4% of their investment in addition to the dilution effect resulting from the allocation of Ordinary Shares based on the Share Exchange Ratio. For further information on YOOX's existing share-based incentive plans as of the Date of the Document, please see Section 7, Paragraph 7.3.2.

e) *Dilution following the issuing of Ordinary shares to the service of new Plans to be approved in conformity with the Shareholders' Agreement*

Finally, pursuant to the Shareholders' Agreement, each of the Parties, for matters falling within their purview, will do everything necessary to bring about the implementation of the new Plans to be approved in accordance with the principles of the Shareholders' Agreement, which stipulates, among other things, that shares amounting to up to 5% of YOOX's post-Merger share capital (calculated on a fully diluted basis) shall be used to service these Plans. For further information on these Plans and the Shareholders' Agreement, please refer to Section 7.1.4 and 7.3.2 of this Document and to the Introduction to the Report. All relevant information about the Shareholders' agreement is available on the Issuer's website at www.yooxgroup.com under Governance / Documents, Rules and Procedure.

Assuming that the number of Ordinary Shares held by RH under the terms of the Merger remains equivalent to 20,693,964 (i.e. that RH does not convert any B Shares), and the Delegation of power is not exercised, the potential issue of Ordinary Shares up to the maximum percentage indicated above in order to service the Plans would mean that holders of the Issuer's Ordinary Shares would experience a further dilution of 7.7% of their investment in addition to the dilution effect resulting from the allocation of Ordinary Shares based on the Share Exchange Ratio.

2.4.2 *Risks associated with general problems relating to market liquidity and with a potentially volatile Issuer share price*

As of the Date of the Document, the Ordinary Shares are trading on the MTA. Once the Merger is completed and the New Ordinary Shares have been listed, holders of New Ordinary Shares will have the option of liquidating their investment by selling their stake on the market. However, there is no guarantee that a liquid market for the Shares will develop or continue to exist. Therefore the Shares may be subject to price fluctuations, including of a significant nature, or present common and general liquidity problems and sales requests may not receive adequate and timely bids.

In addition, once the Merger is concluded and the New Ordinary Shares have been listed, the market price of the Shares may fluctuate substantially relative to a number of factors, some of which are beyond the control of the Issuer, and therefore this price may not reflect the actual operating results of the Company and the New Group.

As of the Date of the Document, the YOOX shares have been included in the FTSE MIB index, the main benchmark for the Italian stock market which is comprised of 40 companies with the highest liquidity and capitalisation among those listed on this market. There is no guarantee that following the effective date of the Merger the Shares will be included in this index or, if included in this index, that they will remain following the quarterly reviews (in March, June, September and December of every year) of the composition of the index conducted by FTSE Russell. If the Shares fail to be included in this index, their liquidity and/or share price performance could be impacted.

For the purposes of completeness, please note that in accordance with the Lock-up Agreement, under which CEO Federico Marchetti assumed the obligation, for the lesser period of time between (x) a period of three years from the effective date of the Merger and (y) his term as Chief Executive Officer, not to dispose of any newly issued YOOX shares that he subscribed in relation to any future capital increase of YOOX (including capital increases to service the Delegation) and in the implementation of any new incentive plan. Furthermore, pursuant to the Shareholders' Agreement, for a period of three years from the effective date of the Merger, RH may not directly or indirectly transfer or in any way dispose of YOOX shares (ordinary shares and B Shares) that represent: (i) 25% of YOOX's total share capital including at least one B Share; and (ii) 25% of YOOX shares (including ordinary shares and B Shares) issued following the capital increase resolved by YOOX's Extraordinary Shareholders' Meeting on 21 July 2015 and subscribed by RH. These restrictions do not limit RH's right to accept – under the terms and conditions specified in the (post-Merger) YOOX Bylaws – a tender or exchange offer made to all YOOX shareholders or shareholders representing at least 60% of YOOX's capital. For more information on the Lock-up Agreement and the Shareholders' Agreement, please see the Introduction and Section 7, paragraph 7.2.2.7 of this Document, the Introduction and Section 9 of the Report, as well as the key information prepared and published pursuant to Article 122 of the TUF and Article 130 of the Issuers Regulation, available on the Issuer's website at www.yooxgroup.com under Governance / Documents, Rules and Procedure.

3. THE MERGER

3.1 Brief description of the terms and procedures of the Merger

For a description of the terms and procedures of the Merger, please refer to the Introduction to this Document as well as the Introduction and Section 1 of the Report. The information below supplements the information above.

Approval of the Merger Plan and the Merger

On 21 July 2015 the YOOX Extraordinary Shareholders Meeting - having acknowledged: (i) the Merger Plan; (ii) the Report; (iii) the statements of financial position for the Merger, pursuant to article 2501-*quater* of the Italian Civil Code, which consist, for YOOX, of the separate financial statements for the year ending 31 December 2014, and for Largentia Italia, of the statement of financial position at 10 April 2015; (iv) of the Report of the Single Joint Expert; and (v) of the proposed Delegation of powers - *inter alia*, resolved to approve the Merger Plan - together with all the attached documents - and thereby to approve the Merger, on the basis of and in accordance with the terms and procedures set out in the Merger Plan, and therefore through:

- (a) a capital increase for a nominal amount of EUR 655,995.97, with the issue of a total of 65,599,597 new shares with no nominal value, to be allocated to the shareholders of Largentia Italia based on the Exchange Ratio set out in the Merger Plan, namely a ratio of 1 (one) newly-issued YOOX share for every 1 (one) share of Largentia Italia, it being understood that:
 - this capital increase will be launched through the issue of New Ordinary Shares and/or B Shares, and more specifically through the issue of a minimum number of New Ordinary Shares of 20,693,964 up to a maximum number of 27,691,255, and a minimum number of B Shares of 37,908,342 up to a maximum number of 44,905,633 (it being understood that the total number of shares to be issued is equal to 65,599,597);
 - the shares to be assigned to the shareholders of Largentia Italia and RH will be divided in such a manner that they are assigned: (A) a number of New Ordinary Shares representing a maximum of 25% of the share capital with voting rights in YOOX, calculated on the basis of the number of outstanding YOOX shares as of the Merger Plan date; and (B) for any excess, B Shares, until the number of YOOX shares to be assigned thereto is met;
 - any shareholders in Largentia Italia other than RH shall be allocated only ordinary shares in exchange.
- (b) the adoption - on the effective date of the Merger - of the New Bylaws which stipulate in particular and among other things: (i) the company name to be changed to “YOOX Net-A-Porter Group S.p.A.” and, in its abbreviated form, “YNAP S.p.A.”; (ii) transfer of the registered office to the municipality of Milan, initially to Via Morimondo no. 17; (iii) division of the share capital into ordinary shares and B Shares, both with no nominal value, on the understanding that B Shares will be issued under the capital increase referred to in point (a) above, as described in more detail in the Merger Plan.

Taking into account that in order to service the Merger, there will be a total of 65,599,597 new YOOX shares issued and assigned to RH as the sole shareholder in Largentia Italia. These shares will then be divided as follows: 20,693,964 New Ordinary Shares and 44,905,633 B Shares.

With reference to B Shares, as set forth in the New Bylaws (Article 5), they are governed in particular by the following:

- (i) B Shares have no voting rights at Ordinary or Extraordinary Shareholders' Meetings, however holders of B Shares shall be entitled to any other administrative and property rights incorporated in ordinary shares of YOOX as well as rights reserved under current, applicable regulatory provisions for holders of special shares;
- (ii) All holders of B shares may freely dispose of their shares with the exception of 1 B share, which, for a period of 5 years from the effective date of the Merger, must continue to be held by the holder of B shares or by parties related to that holder (pursuant to IAS, IFRS);
- (iii) If B Shares are transferred to an entity other than a related party (as defined by IAS and IFRS) of Richemont, the B Shares transferred will automatically be converted at the Conversion Ratio of 1:1 into YOOX ordinary shares;
- (iv) Each holder of B Shares shall have the right at any time to convert all or a part of the B Shares held, at the Conversion Ratio, provided, however, that the total number of ordinary shares held after the conversion by the shareholder making such request (included in the calculation of ordinary shares held by the Affiliates) does not exceed 25% of the share capital of YOOX represented by ordinary shares with voting rights;
- (v) In the event of the promotion of a tender offer or exchange offer involving at least 60% of the Issuer's ordinary shares, each holder of B Shares shall have the right to convert all or a portion of B Shares held at the Conversion Ratio for the sole purpose of transferring the ordinary shares resulting from the conversion to the offerer; however, in this instance, the validity of the conversion is subject to the final validity of the offer itself, and applies solely to the shares provided to comply with the offer and actually transferred to the offerer.

Moreover, in compliance with the provisions of the Merger Agreement, the New Bylaws (Article 14) provide for a mechanism to limit the rights of RH (and its related parties as defined in IAS and IFRS), which will be allocated B Shares as part of the Merger share exchange, to appoint members of the Board of Directors of YOOX in such a way that these entities may not appoint more than two members of the Issuer's Board of Directors.

In this respect please refer to the Introduction of this Document.

With regard to the approval of the Merger Plan by YOOX Shareholders' Meeting, it is noted that according to the Merger Plan the Merger Deed was conditional upon, among other conditions, the YOOX Shareholders Meeting's approval of the Merger, with the majority required by Article 49, paragraph 1, letter 3(g), of the Issuers Regulation, in light of the potential impact of certain provisions of the Shareholders Agreement and in the Lock-up Agreement and of the possible involvement in the Merger of certain minority shareholders of Largenta UK and THE NET-A-PORTER GROUP (through a "roll over" mechanism in Largenta Italia of their respective shares owned in Largenta UK and THE NET-A-PORTER GROUP).

Please note that, in this respect, to the best of its knowledge, the Issuer, while considering that there is no obligation incumbent upon any of the parties involved in the Merger to launch a tender offer, pursuant to Articles 106, 109, 101-bis, paragraphs 4 and 4-bis, of the TUF and based on the provisions of the Shareholders' Agreement and the Lock-up Agreement, and despite the absence of any minority shareholders of Largenta Italia on the date of the Shareholders Meeting, YOOX deemed it appropriate to submit the Merger for approval with the majorities required by the above mentioned provision of the Issuers Regulation (the "whitewash" mechanism) not only in order to fulfil the provision of the Merger

Plan, but also to ensure the fullest possible protection and information for all YOOX shareholders. Document DateFor additional information on the Conditions Precedent as of the signing of the Merger Deed provided for in the Merger Agreement, please see Sections 4.1.2 and 4.2.2.3 of this Document ⁽⁴⁾.

Please note that the resolution of YOOX's Extraordinary Shareholders' Meeting to approve the Merger Plan was passed by 99.21% of the share capital present, which is equal to 62.937% of the share capital, and therefore satisfying the majority required by the provisions of Article 49 of the Issuers Regulation cited above.

Moreover, as of the date of the resolution of the Shareholders' Meeting to approve the Merger Plan: (i) there were no shareholders who held, including taken together, a majority interest, including a relative majority, of more than 10% of the share capital, as ascertained at the Meeting; and (ii) RH and Richemont did not possess any YOOX Ordinary Shares and therefore did not participate in this resolution; and it was therefore not necessary to offset the vote of certain shareholders attending the shareholders resolution. To the best of the Company's knowledge, these circumstances have not been altered as of the Document Date.

On 21 July 2015 the Largentia Italia Extraordinary Shareholders Meeting - having acknowledged: (i) the Merger Plan; (ii) the balance sheets pursuant to Article 2501-*quater* of the Italian Civil Code prepared by the companies involved in the Merger; (iii) the Single Joint Expert Report - resolved and approved the Merger Plan and therefore to proceed with the Merger under the terms and conditions set out therein.

On 27 July 2015 the minutes of the Extraordinary Shareholders' Meeting of Largentia Italia were filed with the Milan Company Register, and on 29 July 2015, the minutes of the YOOX Extraordinary Shareholders' Meeting were filed with the Bologna Company Register.

Please note that the period during which YOOX creditors may raise objections to the Merger begins on the last entry date, pursuant to Article 2503 of the Italian Civil Code. As the law in Italy provides for a 30-day holiday in August, the period thus expires on 28 October 2015. Pursuant to Article 2503, paragraph 1 of the Italian Civil Code, on the date of signing of the Merger Deed, which occurred on 28 September 2015, YOOX gathered consent for the Merger from the Company's major creditors and, with regard to the creditors which have not given their consent or which have not been paid by the Company on the above date of signing of the Merger Deed, it established the deposit of the relevant sums (which, unless there is opposition as described below, will remain in escrow until the deadline for raising objections has lapsed, i.e. 28 October 2015), in order to bring forward the signing of the Merger Deed before the legal deadline for creditors to lodge objections has expired. As of the Document DateMerger Deed, YOOX obtained consensus by the creditors for approximately EUR 178.587 thousands and, with reference to the Company's remaining loans as of the date that the Merger Plan was entered into the Company Register which had not been paid by the Company as of the signing of the Merger Deed, the amount of the deposit needed to guarantee these loans is estimated at around EUR 11.558thousands (please see Section 4.1.2 and 4.2.2.3

⁽⁴⁾ The above-mentioned provision of the Issuers Regulation, among the assumptions for exemption from the mandatory tender offer for all ordinary shares in relation to the Merger transaction, stipulates that: "*The acquisition does not entail the offer obligation provided for by Article 106 of the TUF if (...) g) it is the consequence of mergers or demergers approved by the shareholders' meeting of the company whose shares should otherwise form the subject of an offer and, without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Civil Code, without a vote against by a majority of the shareholders present at the meeting, other than the shareholder who acquires an equity interest above the relevant threshold and the shareholder or shareholders who hold, including in concert with each other, a majority interest, including a relative majority, provided this is greater than 10 per cent.*"

of this Document and Section 1.1.2 of the Report). As for Largenta Italia, please note that at the Merger Deed there were no unpaid creditors.

Delegation

In the Merger Agreement, the Parties, among other things, have specified that in order to provide new funds to the company resulting from the Merger to implement its business plan following the Merger, a capital increase delegated to the Board of Directors may be carried out pursuant to Article 2443 of the Italian Civil Code according to the main terms and conditions described below (the “**Delegation**”):

- (i) Maximum amount of EUR 200,000,000.00;
- (ii) Maximum number of newly issued YOOX shares equal to 10% of post-Merger share capital;
- (iii) Pursuant to the Authority, the capital increase may be offered:
 - (x) to YOOX shareholders by granting options; or
 - (y) to qualified investors as defined in Article 34-ter, paragraph 1, letter b) of the Issuers Regulation, with the exclusion of an option right pursuant to Article 2441, paragraph 5 of the Italian Civil Code; or
 - (z) to strategic and/or industrial partners of YOOX, with the exclusion of the option right specified in Article 2441, paragraph 5, of the Italian Civil Code; or
 - (k) or through a combination of any of the three alternatives set out in points (x), (y) and (z) above.

The capital increase executed according to the Delegation will allow the new group to take the opportunity of having new strategic and/or industrial and/or qualified investors participating in the group and enhancing the strategic vision of the New Group, support the potential development of future strategic projects and consolidate the business relations with the strategic business partners of both YOOX Group and the New Group.

With reference to the delegated capital increase, in all cases it shall be subject to the provisions of the Shareholders’ Agreement which requires the delegated capital increase to be conditional on a favourable vote by one director designated by Richemont, with the exclusion of an option right pursuant to (y) and (z). For further information on the Shareholders’ Agreement, please see the Introduction to this Document, 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 Issuers Regulation, available on the Issuer’s website at www.yooxgroup.com under Governance / Documents, Rules and Procedures.

The Delegation of power that YOOX’s Extraordinary Shareholders’ Meeting on 21 July 2015 granted to the Board of Directors pursuant to Article 2443 of the Italian Civil Code to increase the share capital on one or more occasions up to a maximum of EUR 200,000 thousand must be exercised within three years of the effective date of the Merger, in accordance with the following:

- (i) the maximum number of shares to be issued as part of the resolution or resolutions to increase the share capital may not exceed 10% of the number of shares resulting from the Merger;
- (ii) the resolution or resolutions to increase the share capital may allow an option right or may exclude it pursuant to Article 2441, paragraph 4, second indent of the Italian Civil Code or pursuant to Article 2441, paragraph 5, of the Italian Civil Code;

- (iii) the resolutions to increase the share capital (or related single tranches) which establish an option right must make provision for the issuance of ordinary shares and B Shares in the ratio existing between the two share classes at the time the Board of Directors approves the resolution to increase the share capital, such that the option rights of ordinary shares apply to ordinary shares and the option rights of B Shares apply to B Shares.
- (iv) the resolutions to increase the share capital (or individual tranches) which exclude voting rights (a) may establish that the newly-issued shares, which will in any case be ordinary, are offered to qualified investors, within the meaning of Article 34-ter paragraph 1, letter b) of the Issuers Regulation, or to strategic and/or industrial partners of YOOX, and (b) must establish the issue price of the shares (or the parameters for determining it when the shares are offered) in accordance with the procedures and criteria set out by the applicable rules in force;
- (v) the resolutions to increase the share capital must establish the portion of the share issue price to be recorded as capital and the portion, if any, of the share issue price to be recorded as a share premium.

For more information regarding the Delegation of power, please see the Introduction to this Document, the Introduction and Section 1.3 of the Report, as well as the “*Directors’ Report pursuant to Article 125-ter of the TUF and Article 72 of the Issuers Regulation, relating to the second item on the agenda of the Extraordinary Shareholders’ Meeting on 21 July 2015*” available on the Issuer’s website at www.yooxgroup.com under Governance / Shareholders’ Meeting and stored with the storage system “eMarket Storage”.

New members of the Board of Directors of the Issuer

For information on the resolutions passed by YOOX’s Extraordinary Shareholders’ Meeting on 21 July 2015, and more specifically on the change in the number of members on the Board of Directors and to the appointment of Directors Richard Lepeu, Gary Saage and Natalie Massenet (subject to the effectiveness of the Merger and as of the effective date of same), please see Section 0, paragraph 7.2.2.1 of this Document. Please note that Natalie Massenet did not accept the appointment as Director of the Company and as a result she will not become a member of the Board of Directors of the Company after the Merger (for more information, please refer to Section 7, paragraph 7.2.2.1 of this Document and to the press release of 2 September 2015).

3.2 Description of the companies participating in the Merger

Transferee

The Transferee is YOOX S.p.A., with registered office at Via Nannetti, 1, Zola Predosa, Bologna, Italy, tax code and record number in the Bologna Company Register 02050461207, and admitted to listing on the MTA.

On the Document Date, share capital of EUR 621,343.32 was fully subscribed and paid up, divided into 62,134,332 ordinary share.

For a description of the change to YOOX’s shareholding structure after the Merger, please see Section 0, paragraph 3.5.1 of this Document.

Transferor

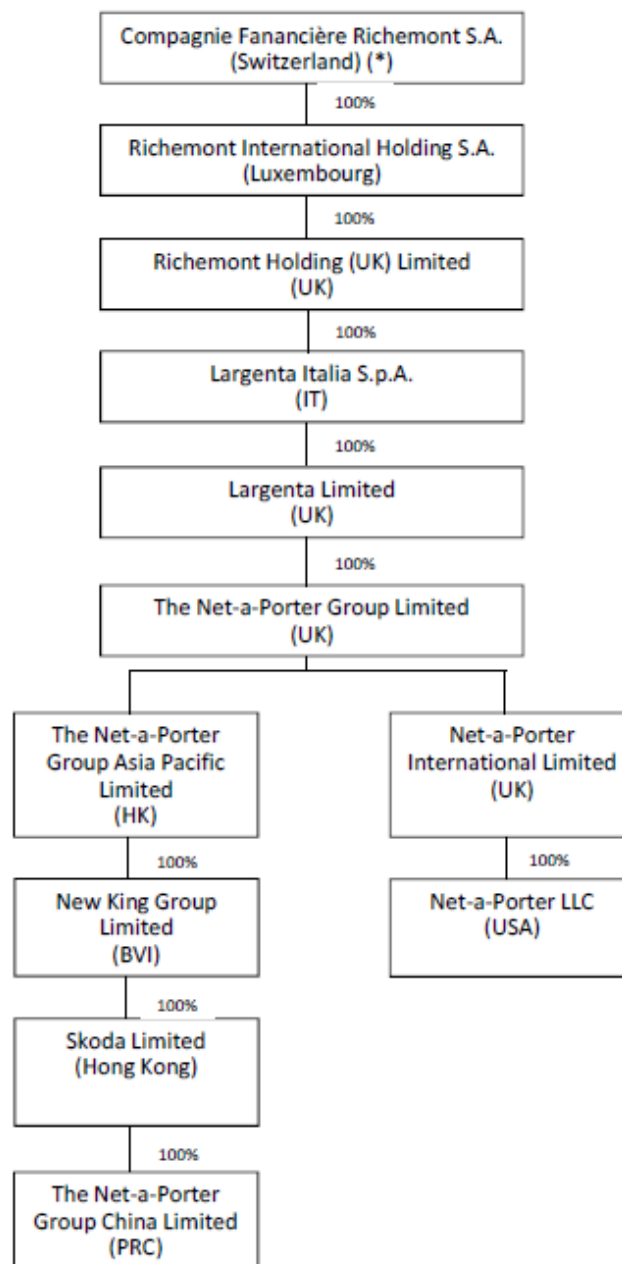
The Transferor is Largenta Italia S.p.A. (formerly Deal S.r.l.) and renamed following the resolution to

convert

the company into a company limited by shares and to change its name, adopted by the Shareholders' Meeting on 23 April 2015 and registered with the Milan Company Register on 27 April 2015, with registered office in Milan, at Via Benigno Crespi 26, tax code and record number in the Milan Company Register no. 08867720966.

On the Document Date Largenta Italia's share capital was EUR 50,000.00, fully subscribed and paid in, broken down into 3,608 ordinary shares with no par value. As of the Document Date, RH was the sole shareholder of Largenta Italia.

The following figure depicts the entities that directly or indirectly control Largenta Italia and the companies directly or indirectly controlled by it following the Contribution.



(*) Compagnie Financière Rupert is a partnership limited by shares governed by Swiss law and indirectly controlling RH (Richemont Holdings UK Limited), also through Richemont (Compagnie Financière Richemont S.A.) of which it holds of shares representing 50% of the voting capital.

As regards the Contribution, please note that, in line with the provisions of the Merger Agreement, on 25 September 2015, RH – as the transferee and sole shareholder of Largenta UK, and Largenta Italia entered into the Contribution deed implemented through an inscindible (*"inscindibile"*) capital increase for the execution of the Contribution approved by resolution of the Shareholders' Meeting of Largenta Italia on 23 April 2015 for a total amount of EUR 909,000 thousand through the issuing of 65,595,989 ordinary shares with no nominal value. Thus, following the execution of the Contribution, on the date of the Merger Deed (which was entered into on 28 September 2015), the share capital of Largenta Italia amounts to EUR 655,955.97, broken down into 65,599,597 ordinary shares with no nominal value and a share premium of EUR 908,394,044.03 (see the Introduction, Section 4, paragraph 4.1.2. and 4.2.2 of this Document and Section 1.1 of the Report for additional information).

For more information about the NAP Group, please refer to Section 3.6.3 of this Document.

3.3 Reasons for and purpose of the Merger

The aim of the Merger is to integrate two highly complementary companies with significant potential for achieving synergies in terms of customer segments covered, geographical exposure and skills mix, and thus create one of the leading groups in online luxury fashion at global level. As a result of the Merger, the New Group will have a substantially strengthened competitive positioning, enabling it to exploit the significant growth prospects of the online luxury market and enjoy greater operating efficiency and leverage. The Merger will also allow the Group to diversify its business portfolio, strengthen and consolidate its relationships with fashion brands, and improve its ability to attract talent.

The improved competitive positioning and the high complementarity of the business models of the two companies will allow the New Group to benefit from an improvement in its growth profile and long-term profitability due to the expected synergies and the increase in size of the Group, which in 2014 already had total net revenues of approximately EUR 1.3 billion and an adjusted EBITDA of approximately EUR 106 million. For more information on the pro-forma consolidated data at 31 December 2014, please see Section 0, paragraph **Error! Reference source not found.** of this Document.

The New Group is expected to generate annual synergies of around EUR 60 million starting from the third financial year following the completion of the Merger, about half of which will result from revenues, and the remainder from cost savings mainly and – as for the rest - from less capital investments. Marketing and sales are expected to generate a little over half of the anticipated benefits, with the remainder coming from technology and logistics.

In particular, the main synergies relating to revenues are expected from:

- (a) the enhancement of the platform resulting from the increased size of the New Group, the strengthening of its geographical presence and the enrichment of the available product offering thanks to the enlargement of the portfolio of online store assets. The new platform available to the New Group will allow a further strengthening of relationships with fashion and luxury brands, benefiting both the brand partners and the New Group;
- (b) the greater potential of the mono-brand business line, which will be able to take advantage of both the extension of its offer to THE NET-A-PORTER GROUP's main brands and the union of the distinctive skills of the two companies: the recognised publishing capacities, the integrated marketing platform and the luxury service for THE NET-A-PORTER GROUP's discerning clientele, together with the skills developed internally by YOOX's creative agency will help to significantly improve the level of the value-added services offered;
- (c) the development of a shared technological platform capable of connecting all the online stores and logistics centres of the New Group, thus creating a single virtual warehouse at global level. This

will allow the New Group – which in 2014 already had more than 2 million customers with high spending power and more than 24 million unique visitors per month ⁽⁵⁾ – to extend its offer to a wider global audience, with a consequent benefit in terms of higher sales and better sell-through and retail margin rates;

- (d) the possibility of improving the level and timings of localisation of the Group's portfolio of online stores, relying on the complementarity of the two companies' geographical presence and their respective knowledge of local markets. In particular, the New Group will benefit from the enhancement of YOOX's offer in the United Kingdom and Australia, as well as of THE NET-A-PORTER GROUP's offer in Italy, Japan and China.

The synergies in terms of costs are expected mainly from the areas of technology and logistics. The optimisation of the global logistics platform, together with a more efficient geographical localisation of ranges, bringing them closer to the customer, will bring benefits in terms of lower logistics and shipping costs. Economies of scale are also expected from the combined and optimised management of external suppliers for logistics and technological services, while additional benefits in terms of efficiency are expected from the sharing of the best practices of both companies along the entire value chain, without compromising the current levels of service quality.

Sales and marketing cost synergies are also expected to be derived from both economies of scale in the coordinated procurement of yoox.com and theoutnet.com and from greater efficiency in web marketing investments. An improvement in the New Group's retail margin is also expected, thanks to the scale and greater effectiveness of yoox.com as an off-season distribution channel that is further enhanced by theoutnet.com.

Finally, the expected synergies in terms of lower capital investment will derive mainly from the optimisation of the two companies' investments in research and development.

The integration of the businesses of YOOX and THE NET-A-PORTER GROUP and the attainment of expected benefits give rise to a number of factors which could create the following managerial problems, among others:

- 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;

⁽⁵⁾ The number of active customers of the New Group is calculated as the sum of the number of Active Customers of the two companies in the 2014 calendar year. An Active Customer is defined as a customer who placed at least one order during the 12 preceding months. The number of unique visitors of the New Group is calculated as the sum of the number of Active Customers of the two companies in the 2014 calendar year.

- 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.

3.4 Main legal framework of the Merger

The Merger will take place through the incorporation of Largentia Italia into YOOX, pursuant to Articles 2501-*ter* et seq. of the Civil Code. For information on the criteria to be used for determining the Exchange Ratio, and for details of the procedures for the allocation of the Transferee's shares, see paragraphs 3.7 and 3.8 of this Document. The Merger will result in the dissolution of the Transferor.

On 21 July 2015, the YOOX Shareholders' Meeting approved the New Bylaws within the context of the Merger. YOOX shareholders who did not vote in favour of the approval of the New Bylaws are not granted withdrawal rights because the decision does not constitute any of the particular cases under which withdrawal is permitted by law. For a description of the main changes to the existing Bylaws approved by the aforementioned Extraordinary Shareholders' Meeting of YOOX on 21 July 2015, see Paragraph 1.3 of the Report and Annex A1 of the Merger Plan annexed to the Report (Annex 1.1.3).

3.5 Significant effects of the Merger

3.5.1 Effects of the Merger on YOOX's ownership structure, the Issuer's share capital and the control structures

On the Document Date, share capital of EUR 621,343.32 was fully subscribed and paid up, divided into 62,134,332 ordinary share.

Given that as a result of the Merger, a total of 65,599,597 YOOX shares will be newly issued and allocated to RH in its capacity as the sole shareholder of Largentia Italia, including 20,693,964 New Ordinary Shares and 33,905,633 B Shares, the Issuer's post-Merger share capital will be Euro 1,277,339.29 divided into 82,828,296 ordinary share and 44,905,633 B Shares.

The table below shows the key players in YOOX's ownership structure following the Merger - i.e. YOOX shareholders with a stake equal to or greater than 2% of share capital with voting rights- (relevant for the purposes of Article 120 TUF): (i) referring to the YOOX share capital at the Document Date, equal to Euro 621,343.32 and comprising 62,134,332 ordinary share without par value; (ii) based on the Exchange Ratio of 1 (one) newly issued YOOX share for every 1 (one) Largentia Italia share; (iii) given that 100% of Largentia Italia's share capital is held by RH; and (iv) based on the shareholder register, official communications received by the Company and other information available to the Company as at the Document Date.

The following table illustrates the Company's ownership structure after the Merger and the shareholding percentages calculated based on both the share capital represented by ordinary share and the total share

capital (represented by ordinary share and B Shares).

| Post-Merger YOOX shareholders | | | | | |
|---|---|-------------------|---------------------------|------------------------------|--------------------------|
| Declaring Entity | Actual Shareholder | Ordinary Shares | % of voting share capital | Ordinary shares and B Shares | % of total share capital |
| Compagnie Financière Rupert (*) | Richemont Holding UK Limited | 20.693.964 | 24,98 | 65.599.597 | 51,36 |
| Federico Marchetti | Federico Marchetti | 4.260.697 | 5,14 | 4.260.697 | 3,34 |
| | Mavis S.r.l. | 500.000 | 0,60 | 500.000 | 0,39 |
| | <i>Total</i> | <i>4.760.697</i> | <i>5,75</i> | <i>4.760.697</i> | <i>3,73</i> |
| Renzo Rosso | Red Circle Investments S.r.l. | 3.238.967 | 3,91 | 3.238.967 | 2,54 |
| | Red Circle S.r.l. Unipersonale | 1.604.012 | 1,94 | 1.604.012 | 1,26 |
| | Renzo Rosso | 212.342 | 0,26 | 212.342 | 0,17 |
| | <i>Total</i> | <i>5.055.321</i> | <i>6,10</i> | <i>5.055.321</i> | <i>3,96</i> |
| Capital Research and Management Company | Capital Research and Management Company | 2.998.469 | 3,62 | 2.998.469 | 2,35 |
| OppenheimerFunds, Inc. | OppenheimerFunds, Inc. | 2.224.081 | 2,69 | 2.224.081 | 1,74 |
| Balderton Capital EU Holdings Limited | Balderton Capital EU Holdings Limited | 2.185.145 | 2,64 | 2.185.145 | 1,71 |
| Wasatch Advisors, Inc. | Wasatch Advisors, Inc. | 1.251.154 | 1,51 | 1.251.154 | 0,98 |
| Free float (**) | - | 43.659.465 | 52,71 | 43.659.465 | 34,18 |
| Total issued shares | - | 82.828.296 | 100,00 | 127.733.929 | 100,00 |

(*) Compagnie Financière Rupert is a partnership limited by shares governed by Swiss law and indirectly controlling RH (Richemont Holdings UK Limited), also through Richemont (Compagnie Financière Richemont S.A.) of which it holds of shares representing 50% of the voting capital and which it essentially controls in facts. In this respect, please see Section 3.2. of the Document.

(**) The free float data includes n. 17.339 ordinary treasury shares equal to 0,028% of the share capital owned by the Company on the Document Date.

The following table illustrates the ownership structure of the Company after the Merger, as it would be following the issue of all the shares in order to service the existing share-based incentive plans as of the Document Date (fully diluted), for the case all the options assigned based on such plans – which as of the Document date are still fully enforceable – are in fact exercised. Those options can be exercised within different dates, depending on the plan based on which they have been assigned (the last expiring

one being 3 September 2019). For additional information on the expiration dates of the incentive plans existing at the Document Date, please see Section 7.3.2 of the Document⁽⁶⁾.

| Post-Merger YOOX shareholders - fully diluted - | | | | | |
|---|---|-------------------|---------------------------|------------------------------|--------------------------|
| Declaring Entity | Actual Shareholder | Ordinary Shares | % of voting share capital | Ordinary shares and B Shares | % of total share capital |
| Compagnie Financière Rupert (*) | Richemont Holding UK Limited | 21.866.532 (1) | 25,00 | 65.599.597 | 49,99 |
| Federico Marchetti | Federico Marchetti (2) | 6.652.653 | 7,60 | 6.652.653 | 5,07 |
| | Mavis S.r.l. | 500.000 | 0,57 | 500.000 | 0,38 |
| | <i>Total</i> | <i>7.152.653</i> | <i>8,18</i> | <i>7.152.653</i> | <i>5,45</i> |
| Renzo Rosso | Red Circle Investments S.r.l. | 3.238.967 | 3,70 | 3.238.967 | 2,47 |
| | Red Circle S.r.l. Unipersonale | 1.604.012 | 1,83 | 1.604.012 | 1,22 |
| | Renzo Rosso | 212.342 | 0,24 | 212.342 | 0,16 |
| | <i>Total</i> | <i>5.055.321</i> | <i>5,78</i> | <i>5.055.321</i> | <i>3,85</i> |
| Capital Research and Management Company | Capital Research and Management Company | 2.998.469 | 3,43 | 2.998.469 | 2,29 |
| OppenheimerFunds, Inc. | OppenheimerFunds, Inc. | 2.224.081 | 2,54 | 2.224.081 | 1,69 |
| Balderton Capital EU Holdings Limited | Balderton Capital EU Holdings Limited | 2.185.145 | 2,50 | 2.185.145 | 1,67 |
| Wasatch Advisors, Inc. | Wasatch Advisors, Inc. | 1.251.154 | 1,43 | 1.251.154 | 0,95 |
| Free float (**) | - | 44.750.113 | 51,15 | 44.750.113 | 34,10 |
| Total issued shares | - | 87.483.468 | 100,00 | 131.216.533 | 100,00 |

(*) Compagnie Financière Rupert is a partnership limited by shares governed by Swiss law and indirectly controlling RH (Richemont Holdings UK Limited), also through Richemont (Compagnie Financière Richemont S.A.) of which it holds of shares representing 50% of the voting capital and which it essentially controls in facts. In this respect, please see Section 3.2.of the Document.

(**) The free float data includes (i) n. 17.339 ordinary treasury shares equal to 0,028% of the share capital owned by the Company on the Document Date and (ii) n. 1.090.648 Ordinary Shares deriving from the exercise of all the options assigned to YOOX

⁽⁶⁾ Please note that as of the Document Date, all the options allocated to the existing share-based incentive plans can be fully exercised.

management and other beneficiaries (with the only exclusion of Federico Marchetti) based on the incentive plans existing at the Document Date and entirely subject to exercise.

(1) The number of ordinary share indicated is calculated assuming that RH converts 1,172,568 B Shares to ordinary share (ratio of 1:1) in order to re-establish the maximum percentage of 25% of shares with voting rights as stipulated by the New Bylaws. Pursuant to Article 5 of the New Bylaws, all holders of B Shares shall have the right at any time to convert all or a part of the B Shares held, at the ratio of 1:1, provided, however, that the total number of ordinary shares held after the conversion by the shareholder making such request (including the calculation of ordinary shares held by the Affiliates) does not exceed 25% of the share capital of YOOX represented by ordinary shares with voting rights.

(2) The number of ordinary share indicated assumes the exercise of all the options allocated to Federico Marchetti as part of the existing share-based incentive plans as of the Document Date ordinary share, all of which are exercisable on the Document Date. Please note that Federico Marchetti, at the Document date, owns 1.500.000 option rights based on the Stock Option Plan 2012-2015 and of 17.153 option rights based on the Stock Option plan 2007-2012 corresponding to n. 2.391.956 Ordinary Shares of YOOX (please refer to Sections 7.2.2.5 and 7.3.2. of the Document).

For more information on the Exchange Ratio, the methods used to allocate the New Ordinary Shares and the option rights, see Paragraphs 3.7 and 3.8 and of this Document below, as well as Paragraphs 1.1.1 and 4 of the Report.

For information on the parties who, as at the Document Date, hold 2% or more of YOOX's ordinary voting capital (pursuant to Article 120 OF TUF), see Section 7, Paragraph 7.1 of the Document.

As at the Document Date, no shareholder exercises control over the Issuer as defined in Article 93 of the TUF, and the Issuer is not subject to management and coordination activities as defined by Art. 2497 et seq. of the Civil Code. Equally, following the Merger, no shareholder will exercise control over the Issuer as defined in Article 93 of the TUF, and the Issuer will not be subject to management and coordination activities as defined by Art. 2497 et seq. of the Civil Code.

3.5.2 Effects of the Merger on shareholder agreements

The Shareholders' Agreement and the Lock-up Agreement will come into effect on the effective date of the Merger. For information on the Shareholders' Agreement and the Lock-up Agreement, see the Introduction of this Document, Paragraphs 1 and 6.2 of the Report, and the essential information prepared and published pursuant to Article 122 of the TUF and Article 130 of the Issuer Regulations, available on the Issuer's website (www.yooxgroup.com) (Governance section, under Documents, Rules and Procedures).

3.6 Description of the business of the post-Merger YOOX Group

3.6.1 Important stages in the Issuer's development

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, thecorner.com and shoescribe.com, as well as 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 Issuer has offices and operations in Europe, the United States, Japan, China and Hong Kong, and delivers to more than 100 countries worldwide.

Ordinary shares of YOOX have been listed since 3 December 2009 on the MTA ("Mercato Telematico Italiano", the electronic stock market organised and managed by Borsa Italiana S.p.A.). On 23 December 2013, YOOX was included in the FTSE MIB index, the main Italian equity index consisting

of the shares of Italy's 40 largest companies by capitalisation and liquidity.

3.6.2 *Description of the Issuer's activities*

Notwithstanding the global scale of its operations, YOOX is able to offer, in the countries where it operates, a localised approach to business, matching its offering to its customers' tastes and habits in the different markets.

YOOX's business is based on:

- the multi-brand business line, which includes the Issuers' three proprietary online stores;
- the mono-brand business line, which is dedicated to the design, set-up and joint management of mono-brand online stores for some of the world's leading 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.

Multi-brand business line

YOOX's multi-brand business line consists of the sale and distribution of mainly clothing, accessories and/or shoes through three online stores owned by the Company:

- yoox.com, which, at the Date of this Document, represents the vast majority of the multi-brand business line's net revenues, is the world's leading online lifestyle store for fashion, design and art, founded in 2000. yoox.com offers a vast array of clothing, footwear and fashion accessories for men and women drawn from the collections of well-known fashion and luxury brands from the corresponding season of the previous year. To complete its off-season offering, yoox.com also offers exclusive collections made exclusively for sale through yoox.com from prestigious designers, 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 an online luxury boutique for men and women, launched in February 2008 to market the current season's collections, ranging from the most prestigious well-known brands to cutting-edge designers, many of whom are making their debut online. The prices of the products sold on thecorner.com are in line with those found in the traditional offline 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;
- shooscribe.com is the 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 selected 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.

The merchandise offer of the multi-brand business line is spread over two sales seasons, Fall / Winter and Spring / Summer, in line with the fashion industry standards, and the buying campaigns are structured so as to reach the Company's expected growth targets based on customer demand.

With respect to yoox.com, the business partners may be grossly classified in four categories:

- fashion companies and their licensees, representing the main source of procurement;
- multi-brand stores or chains of stores which form part of the official distribution chain of fashion companies, generally with a high level, from which YOOX buys a selection of products from the previous collection;
- qualified high-quality producers, from which YOOX directly orders exclusive products to be placed on sale on yoox.com, in order to complete its offering in certain product categories; and
- design companies.

The products offered are purchased by YOOX on the basis of stable economic conditions over the years. With specific reference to procurement from fashion companies, in some cases, in addition to the more standard forms of purchasing, the Group enters into supply agreements in consignment (most of which are based on the principles applicable to consignment contracts pursuant to article 1556 of the Italian Civil Code) which allows the brand to suggest the final selling price. As regards products sold by YOOX, the price to the final customer is determined based on the original wholesale purchase price, using a proprietary pricing model developed to maximise sell-through and margins, matching available product supply to demand for different merchandise and brand categories also applying the mark-up structures per country typically used by fashion brands.

As for thecorner.com and shooscribe.com, products are exclusively procured directly from fashion companies, through different types of contracts, including supply agreements and agreements on a consignment basis, most of which are based on the principles applicable to consignment contracts pursuant to article 1556 of the Italian Civil Code. Sales prices to the final customer are substantially in line with those applied in the traditional physical channel.

In addition to the conditions of the luxury market and the competitive environment, which may impact final consumer demand and affect trade policies and the pricing of the Group, the results of the multi-brand business line are also dependent on the ability of YOOX to procure products in quantities and of a quality that is in line with the expectations and standards of the Group.

The multi-brand business line accounted for approximately 72.8% and 72.7% of YOOX Group's consolidated net revenues, in 2014 and in the first half of 2015, respectively; yoox.com, in particular, represents the largest part of the consolidated net revenues of this business line. In 2014 and the first half of 2015 the profitability of the multi-brand business line, determined as the percentage of Operating profit in the sector (or EBITDA Pre Corporate Costs) on consolidated net revenues of the Group. YOOX was at approximately 15.5 % and 14.1%, respectively.

Mono-brand business line

Since 2006, with its mono-brand business line, YOOX offers complete e-commerce solutions, on a global level, to major fashion and luxury brands for their mono-brand online store management. In addition, in 2012, YOOX created a joint venture with the Kering Group to manage the online stores of the Group's numerous luxury brands.

YOOX Group acts as a key e-commerce partner for major luxury and fashion companies worldwide. Thanks to its years of experience, YOOX can offer its brand-partners a complete solution including the ideation and realisation of the creative concept for the site, the implementation of an innovative and customisable interface design, a technological platform, global logistics, excellent customer care, consultancy services and international web marketing. Online stores display the wording "Powered by YOOX Group", which is considered recognition of the service quality guaranteed by YOOX.

At the Date of the Document, there were 30 active online stores, in addition to the 8 stores developed through the joint venture with Kering, 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; maisonmargiela.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^(*)⁽⁷⁾.

On 8 May 2015, Richemont International S.A. and YOOX S.p.A. signed a letter of intent to the subsequent signing of a five-year global partnership for the set-up and management of online flagship stores for two of Richemont's proprietary brands: Chloé (chloe.com) and Alfred Dunhill (dunhill.com). In addition, on 11 May 2015 KARL LAGERFELD RETAIL BV and YOOX S.p.A. signed a six-year agreement for the set-up and management of the KARL LAGERFELD online flagship store in Europe, the United States and Japan.

Dealings with mono-brand partners are governed by long-term contracts, whereby YOOX provides brands with a full-range of e-commerce services relating to the set-up and management of online flagship stores, exclusively for the countries stipulated in the agreement. As at the Date of the Document, 31 contracts covered by the online mono-brand stores *Powered by YOOX Group* had been signed (for online stores managed through the Joint Venture with the Kering group, please see Section 10, Paragraph 10.1 of this Document).

As an integral part of all mono-brand agreements for the management of online stores *Powered by YOOX Group*, YOOX offers brands several basic services, and in particular:

- (i) the initial realisation of the online store and its graphical interface, as well as the continuous technological updating of the site and of the underlying infrastructure;
- (ii) all activities related to the final customer's transaction, i.e. the control of fraud to the receipt of the order and processing payments;
- (iii) warehouse logistics necessary for the execution of orders, or receipt of goods for sale, cataloging and labeling, product storage at YOOX distribution centres, "picking and packing" activities, shipping to the final customer and the management of returns;
- (iv) the management of products intended for sale for each brand based on the principles of the return contract pursuant to art. 1556 of the Civil Code (Consignment);
- (v) support to business management activities;
- (vi) customer service management.

⁽⁷⁾ The online stores marked with an asterisk are included in the Joint Venture formed with the Kering Group.

Moreover, YOOX offers its mono-brand partners a series of optional value-added services. The most significant in this regard include:

- (i) Photography and editing of products for the e-commerce catalogue;
- (ii) Management of web marketing services under agreements, provided in individual contracts, allowing for the investment of a portion of expected revenues from the online store web marketing activities aimed at creating traffic and therefore generating sales;
- (iii) support in planning and procurement where YOOX offers its expertise to support the commercial brand;
- (iv) creative design and development for the site interface: YOOX has established an internal creative agency that provides creative services to brands in both developing the graphic concept for the site and devising "ad hoc" communication projects;
- (v) consulting for the continuous improvement of the interface and usability of the site, both on the desktop and on mobile devices.

The flagship contract lasts an average of five years and generally includes the following economic conditions:

- an initial set-up fee to cover the initial investment supported by YOOX for the creation of the new site;
- in respect to the performance of essential services, the brand recognizes to YOOX a percentage of sales of the online store ("revenue share"). That fee is calculated per order and changes with the average receipt of the order and the geographic market of shipping per single order;
- for non-continuous activities for which an intervention by YOOX is required, the compensation should be calculated "on consumption";
- a payment, also known as cost-plus, based on the supply of value-added services.

In the mono-brand business line, products intended for the online catalogue and pricing policies are suggested by the individual brands, and the supply agreements are based on principles applicable to consignment contracts and consequently, until the actual sale to the final customer through the online store, the individual brand still owns the products, although they are physically stored at YOOX logistics centres.

The circumstances which may lead the early termination by business partners are:

- (i) failure to comply with a predefined level of service ("SLA or Service Level Agreements") by YOOX;
- (ii) limited to a very small number of contracts, the failure to reach specific targets related to the performance of the online stores previously determined between the parties;
- (iii) limited to a very small number of contracts, the change of control, as defined by art. 93 of Legislative Decree February 24, 1998, 58 as amended and supplemented.

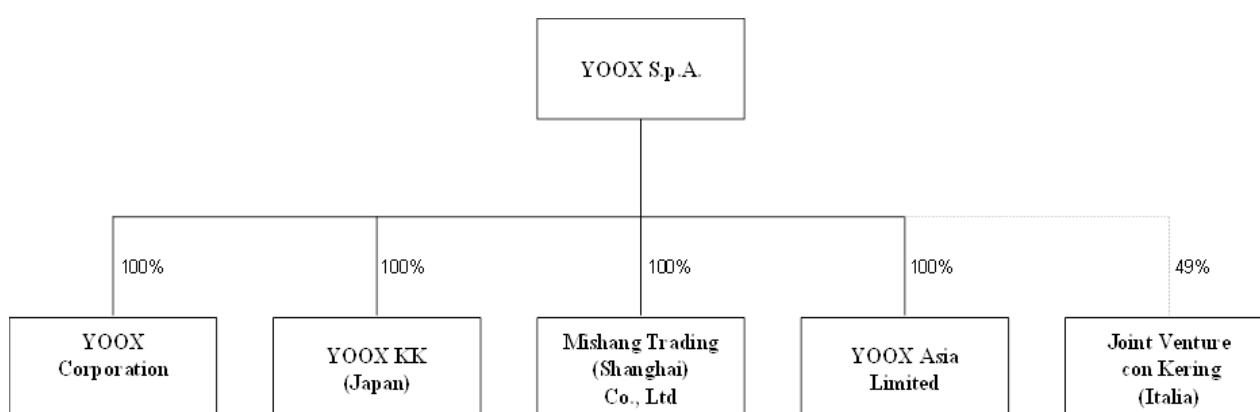
The large part of the existing contracts have clauses that provide for the right of early termination of the agreement in favor of YOOX in case of failure to meet certain levels of service by the brands that can

significantly affect the achievement of sales results.

In addition to the conditions of the luxury market that may impact the demand of final users, results of the mono-brand business line are also dependent on the renewal of agreements due to expire, the economic conditions for new contracts, and the ability of the Group to sign new collaborations.

In 2014 and the first half of 2015, the mono-brand business line accounted for, respectively, 27.2% and 27.3% of YOOX's consolidated net revenues, with profitability at 20.7% and 19.6% according to the ratio of EBITDA Pre Corporate Costs (or business operating result) to the Group's consolidated net revenues.

The table below shows the YOOX Group's structure at the Date of the Document.



3.6.3 Description of THE NET-A-PORTER GROUP

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 NET-A-PORTER GROUP (the "NAP Group") offers a broad range of clothing, accessories, cosmetic products and jewellery from the most renowned luxury brands with exclusive editorial content. Products are available through dedicated websites as well as through 12 different apps for smartphone and tablet.

THE NET-A-PORTER GROUP, which communicates 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 80 countries 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.

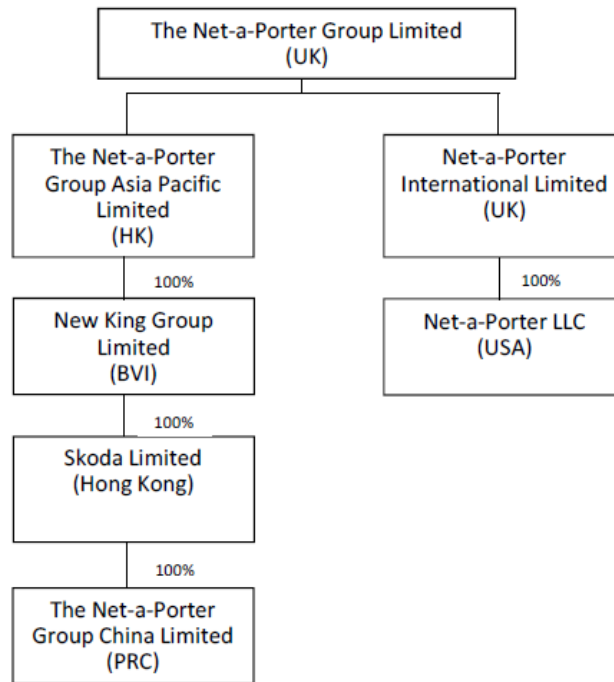
THE NET-A-PORTER GROUP also operates in the media and publishing sector. In 2014 the Group launched the first ever shoppable magazine, PORTER (available online and printed). After six issues it has reached a circulation of 152,000 and distribution in over 25,000 points of sale internationally. Additional 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.

In addition to luxury market conditions and the competitive environment, which may affect the demand of final consumers and influence the commercial and pricing policies of the NAP Group, the results of the multi-brand business line are also dependent on THE NET-A-PORTER GROUP’s ability to procure products in quantities and quality which are consistent with the Group’s expectations and standards.

The multi-brand online stores accounted for almost all of THE NET-A-PORTER GROUP's consolidated net revenues for both fiscal year 2014 and the first half of 2015, of which the majority is represented by NET-A-PORTER.COM and MRPORTER.COM, the two proprietary businesses dedicated to the sale of in-season collections. As at the Date of the Document, the NAP Group offers Jimmy Choo - the renowned luxury company for women's shoes - logistics, shipping, customer care and online payment services for the management of the brand's online store. Turnover generated by this activity represented less than 1% of THE NET-A-PORTER GROUP's total net revenues, in both fiscal year 2014 and in the first half of 2015.

The table below shows the NAP Group's structure at the Date of the Document. ⁽⁸⁾.



3.6.4 Description of the New Group and its activities

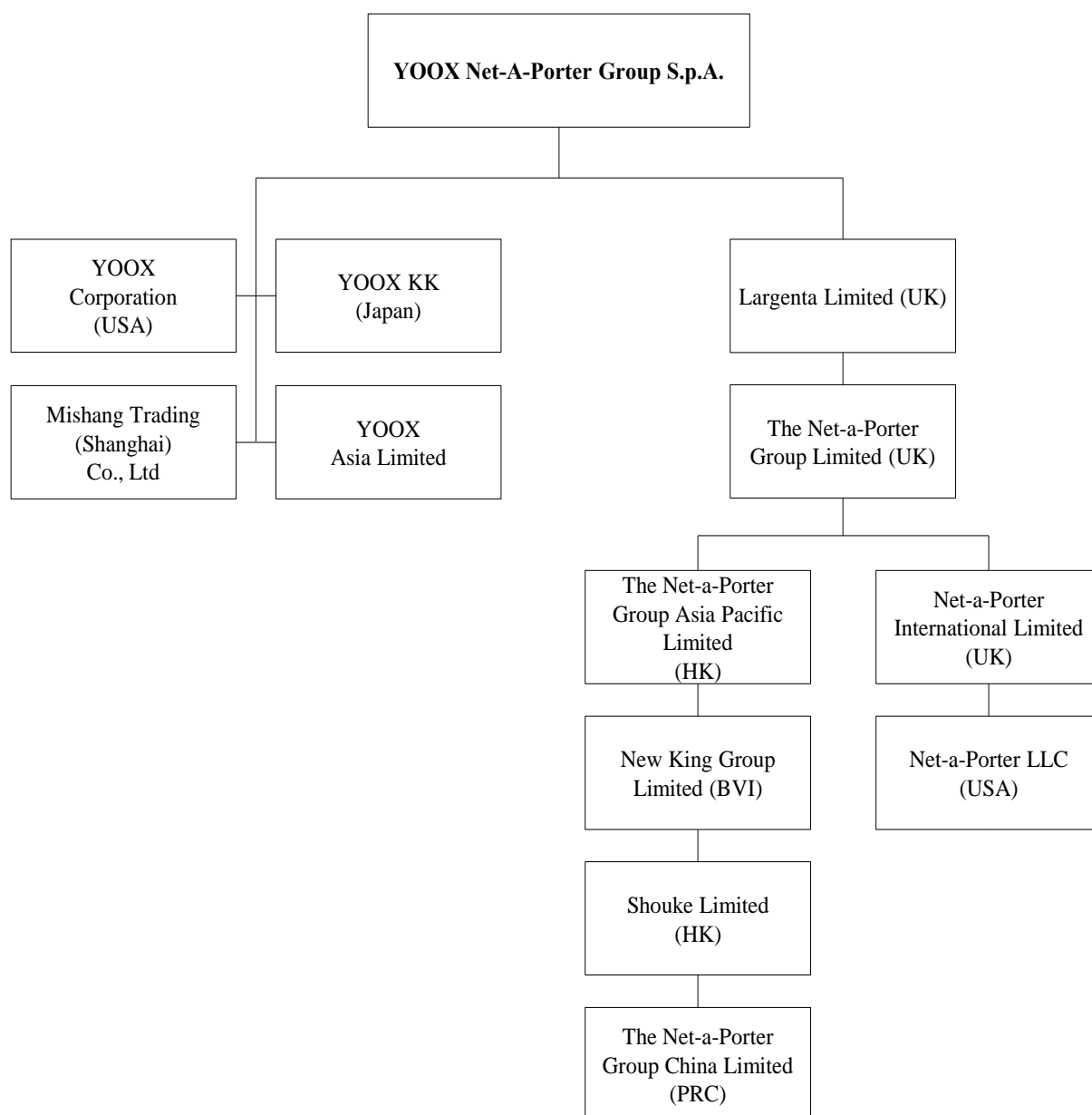
The Merger is part of the operation to combine the assets of YOOX and THE NET-A-PORTER GROUP, a company (as described below) that operates in the same sector as the Issuer, in order to integrate two highly complementary companies with significant potential for synergies. The strategic aim of the Merger is to create one of the leading groups in online luxury fashion worldwide.

As part of the integration between the two entities, as of the effective date of the Merger, the Issuer will be known as “YOOX Net-A-Porter Group S.p.A.”, or by the abbreviation, “YNAP S.p.A.”.

The chart below shows the structure of the new post-Merger group ⁽⁹⁾.

⁽⁸⁾ The chart does not include non-trading companies forming part of the NAP Group.

⁽⁹⁾ The chart does not include non-trading companies forming part of the NAP Group.

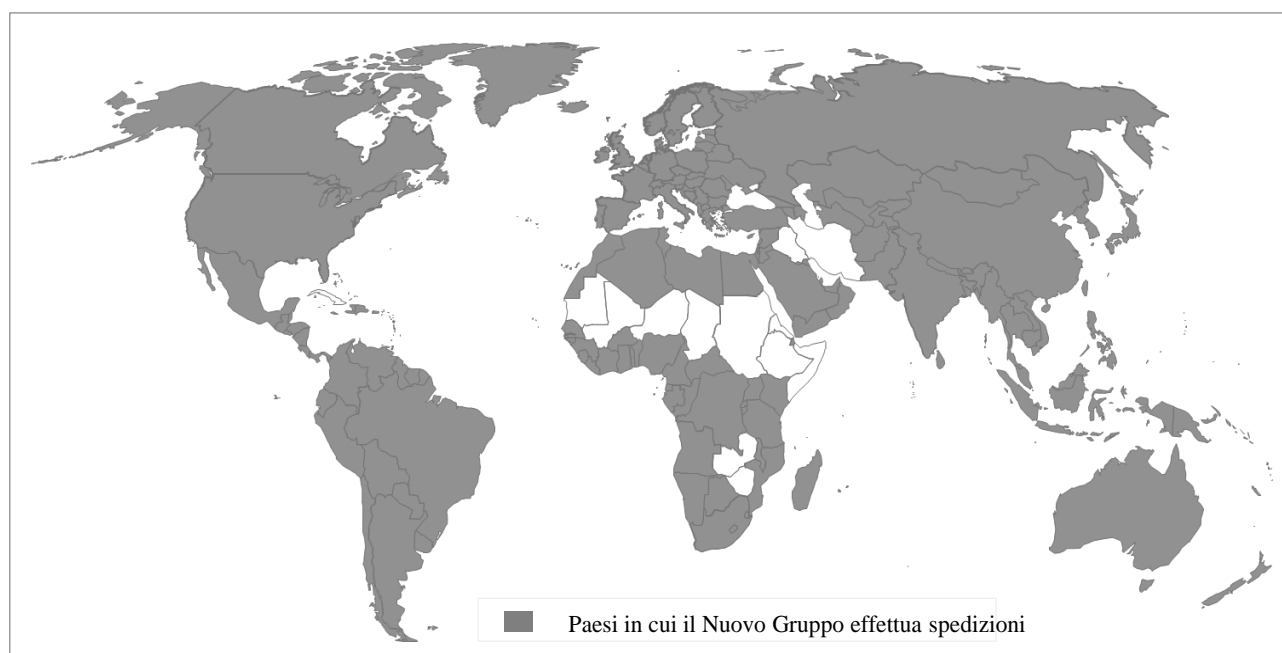


In the opinion of YOOX management, the post-Merger group will be significantly more competitive, enabling it to capitalise on the excellent growth prospects of the online luxury goods market and on luxury brands’ increasing appetite for the opportunities provided by the digital channel. The New Group will also benefit from a greater scale, which will boost leverage and operating efficiency. The Merger will also allow the Group to diversify its business portfolio, strengthen and consolidate its relationships with fashion brands, and improve its ability to attract talent.

In particular, the Merger combines two of the major players in the online luxury fashion sector, creating a leading independent e-commerce partner for the world’s most prestigious luxury brands. The New Group will be able to rely on a highly qualified and talented team with extensive knowledge of the online luxury fashion sector in Europe, the United States and Asia.

Owing to the complementary nature of YOOX and THE NET-A-PORTER GROUP’s geographical coverage, the New Group will be able to serve 180 developed and emerging countries across the globe, offering customers an even more localised service by using the two companies’ respective expertise and specific knowledge of each market, and benefiting from an even more balanced geographical sales mix.

The map below shows the countries in which the New Group will operate.



The New Group can count on long-standing commercial ties with many global luxury goods and fashion brands, built up over more than 15 years by both merging entities.

The New Group will continue to cover a broad range of clients with high spending power throughout the product life cycle by operating in three different segments of the online fashion sector:

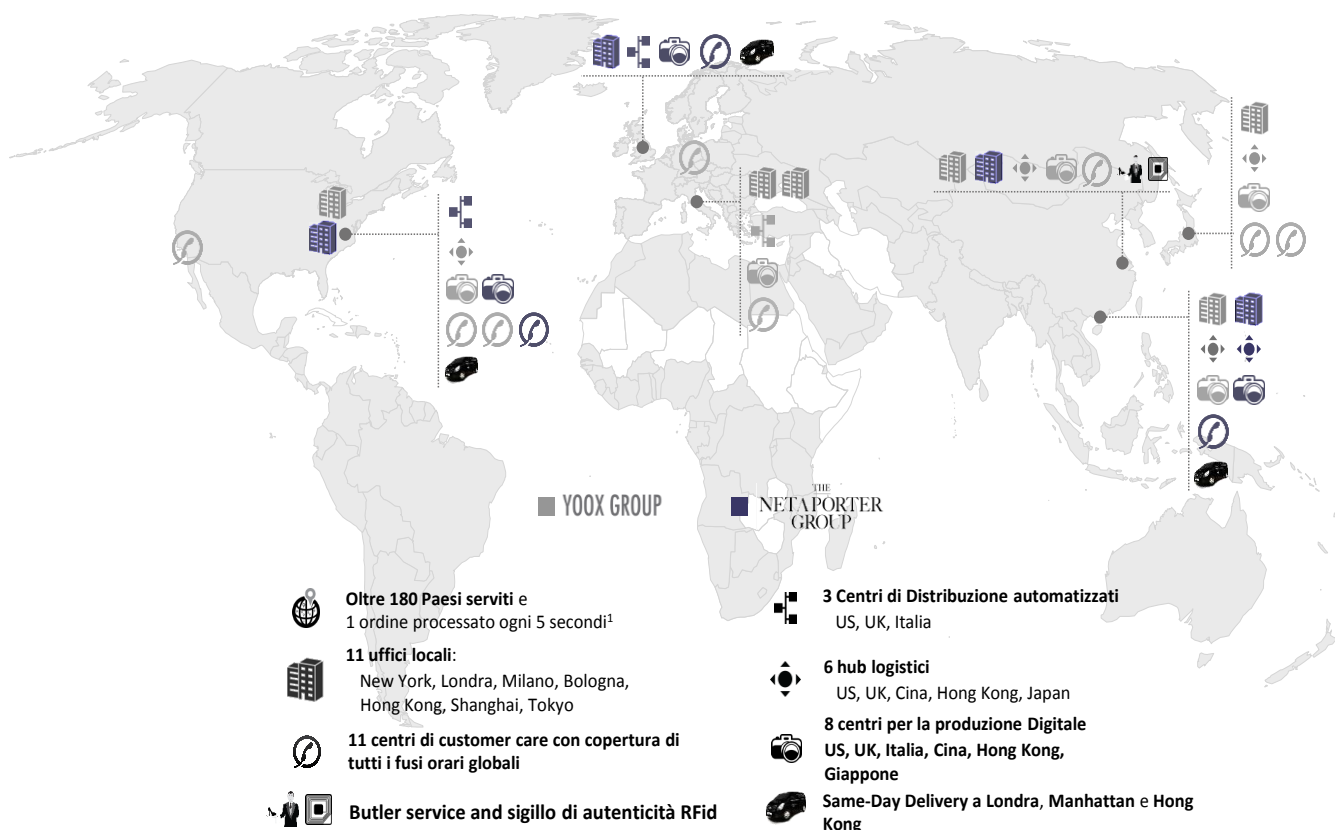
- in-season multi-brand with the proprietary online stores net-a-porter.com, mrporter.com, thecorner.com and shoscribe.com;
- off-season multi-brand with yoox.com and theounet.com;
- mono-brand with 38 online flagship stores “Powered by YOOX Group”.

The integration of the businesses of the merging companies will give the New Group a chance to strengthen and consolidate partnerships with luxury goods and fashion brands by providing a more extensive offering and a wider platform in terms of geographical coverage, customer segments, expertise and scale.

The New Group will be able to further develop the potential of the mono-brand business line by extending YOOX’s offering to certain brands available on the THE NET-A-PORTER GROUP online stores, and to develop and offer new services by making use of the publishing and social marketing expertise that is a trademark of the THE NET-A-PORTER GROUP’s luxury goods service.

For the purpose of selling its products globally, the New Group will have eight logistics centres located in Italy, the United Kingdom, the United States, Hong Kong, China and Japan. In addition, the Issuer intends over the next few years to develop a shared technology and logistics platform for YOOX and THE NET-A-PORTER GROUP that is able to connect all the online stores and logistics centres throughout the world, so that the New Group has single “virtual warehouse” that can be accessed from 180 countries.

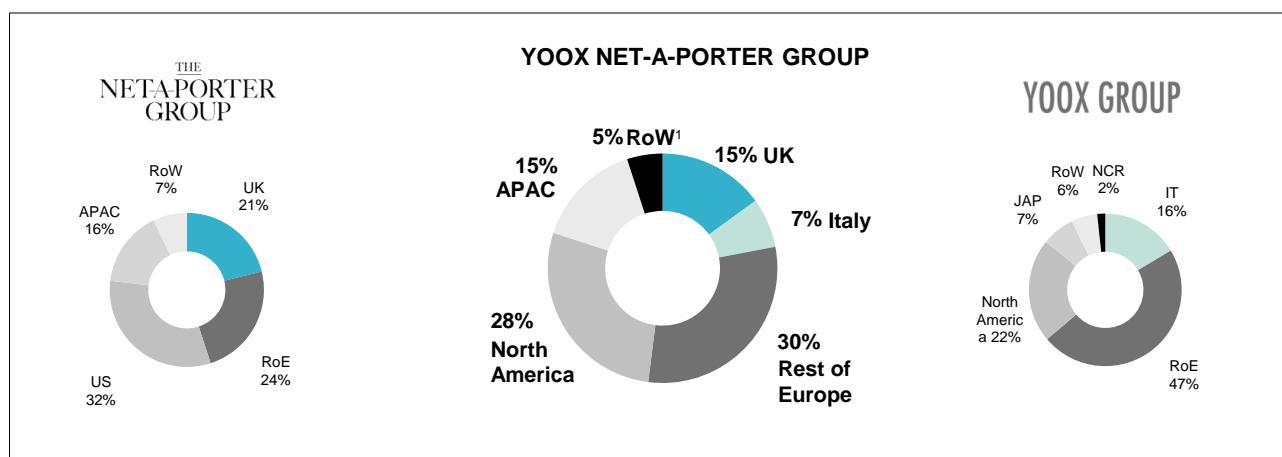
The map below shows the countries served by the New Group and the structures and facilities at its disposal.



1. Calcolato sugli ordini congiunti per l'anno solare 2014

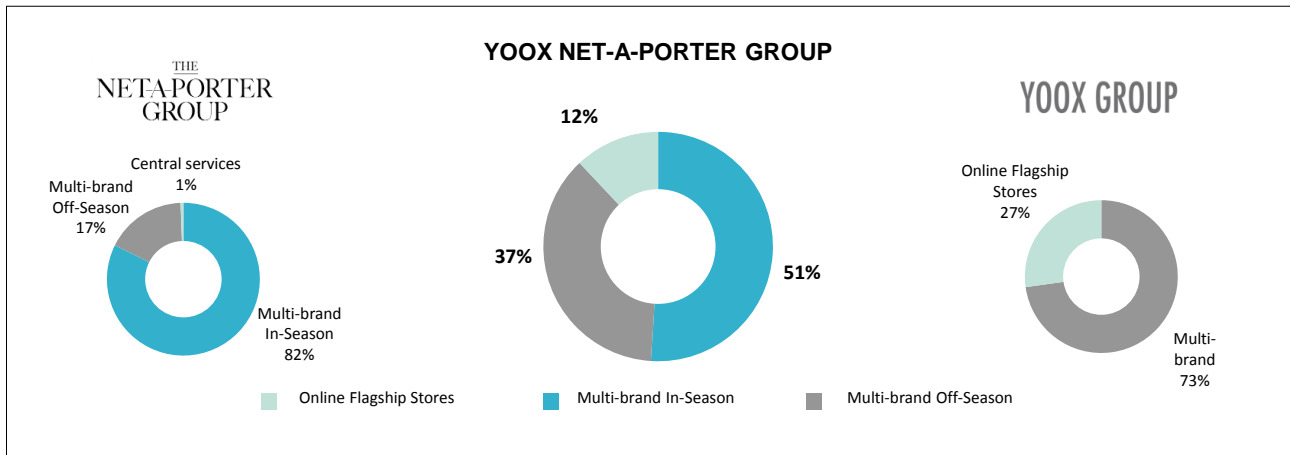
The graphics below show a breakdown of the New Group's revenue by geographical area and by business line.

Breakdown of the New Group's revenue by geographical area ⁽¹⁰⁾



Breakdown of the New Group's revenue by business line ⁽¹¹⁾

⁽¹⁰⁾ All data relate to the 2014 calendar year. The financial data relating to YOOX Net-A-Porter Group are calculated by adding together the corresponding data for the two companies (YOOX and THE NET-A-PORTER GROUP).



Competitive positioning in key markets

The YOOX Group and the NAP Group operate in the highly competitive e-commerce sector, which in recent years has seen a substantial increase in the number of competitors in the numerous categories of merchandise and in various geographical markets ⁽¹²⁾.

Below is a possible breakdown based on the distribution strategies of online providers active in the clothing, shoe and accessories market segments in which the YOOX Group and the NAP Group operate:

- online retailers - just like the Issuer, they were born online and still maintain a strategy focussed exclusively on online channels;
- retailers or traditional distributors - online channels represent an extension of their traditional distribution model;
- fashion houses - decided to create an online presence directly through the management of their own online stores;
- e-commerce service providers.

Although the number of providers is relatively large, YOOX and THE NET-A-PORTER GROUP are positioned in an exclusive speciality niche market that primarily consists of the retail sale of clothing, accessories and shoes from the major fashion and luxury brands. As a result of the Merger, the New Group will have a substantially strengthened competitive positioning, enabling it to exploit the growth prospects of the online luxury market.

⁽¹¹⁾ All data relate to the 2014 calendar year. The financial data relating to YOOX Net-A-Porter Group are calculated by adding together the corresponding data for the two companies. The geographical breakdown of THE NET-A-PORTER GROUP'S net revenue is believed to be proportional to the net merchandise revenue (which represents product sales on net-a-porter.com, mrporter.com and theoutnet.com net of returns and customer discounts. This figure does not include revenue from shipping, customs duties, advertising and white-label and other miscellaneous services).

⁽¹²⁾ Source: Estimates based on Euromonitor International data, Internet vs Store-based Shopping: the Global Move Towards Omnichannel Retailing, August 2014; Euromonitor International, Apparel and Footwear Internet Retailing's Strongest Players, April 2014; Exane BNP Paribas, The Digital Competitive Map: January 2015 - The Race is on!, January 2015.

Even after the Merger, the New Group will be operating in the same sector, and therefore in a highly competitive environment.

3.6.5 Sources of statements by the Issuer on the competitive positions of YOOX and the New Group

The information regarding the competitive position of YOOX and the New Group contained in Section 3 below were obtained from internal sources or reworkings of information obtained from databases referred to therein.

3.7 Criteria and methods used for determining the Exchange Ratio

3.7.1 Approach and valuation methods

For a merger between companies, the aim of YOOX's Board of Directors with regard to valuation is to estimate the relative values (rather than the absolute values) of the economic capital in order to determine the Exchange Ratio; these values should not be taken as a reference in any context other than the merger.

In accordance with established professional practice, the companies involved in the operation must be valued on the basis of homogeneous criteria, so that the results of the valuation analyses are fully comparable.

The relative values of YOOX and THE NET-A-PORTER GROUP have also been determined on the assumption that the business is a going concern and considering the companies as separate entities, i.e. on a "stand alone" basis, and therefore disregarding any consideration relating to expected synergies from the Merger or any control premiums.

Taking account of the purposes of the estimates, the criteria commonly used in valuation exercises, the characteristics of each company, YOOX's status as a listed company and THE NET-A-PORTER GROUP's status as an unlisted company, as well as the nature of the operation, the Board of Directors has applied the following valuation methods:

- The Discounted Cash Flow ("DCF") method;
- Analysis of market multiples.

Other methodologies that are commonly used by professionals, such as market price analysis and target price analysis of research analysts are not applicable in this case given THE NET-A-PORTER GROUP's status as a private company. In addition, the nature of the "merger of equals" of the transaction under review, and the specific qualities of the companies involved, limit the applicability of previous transaction multiples related to acquisitions with a transfer of control, and companies with limited comparability in business models.

In the light of the above and for the purposes of the analyses performed, YOOX's Board of Directors does not present absolute values for YOOX and THE NET-A-PORTER GROUP, but rather limits itself to stating only the contribution of economic capital made by each of the two companies to the company resulting from the Merger, or equivalently, the implicit equity interests of the shareholders of each of the two companies in the company resulting from the Merger.

3.7.2 Valuation difficulties and limits

The valuations made by YOOX's Board of Directors for determining the Exchange Ratio must be

considered in the light of certain difficulties and limits, which in the present case can be summarised as follows:

- valuation methodologies were applied using historical and projected operating and financial data prepared by YOOX and THE NET-A-PORTER GROUP. By their nature, the projected data are uncertain and indefinite;
- The financial data relating to THE NET-A-PORTER GROUP have aspects of significant non-uniformity with respect to the equivalent YOOX figures, with different functional currencies (EUR for YOOX, GBP for THE NET-A-PORTER GROUP), different reporting periods and dates (calendar year to 31 December for YOOX, 52 weeks to the end of March for THE NET-A-PORTER GROUP) and different accounting principles (IFRS for YOOX, UK GAAP for THE NET-A-PORTER GROUP). YOOX's Board of Directors made a series of assumptions in order to maximise the comparability of the data of the two companies, but the data do not necessarily reflect the financial results that THE NET-A-PORTER GROUP would have achieved if those results had been prepared according to the principles and conventions adopted by YOOX;
- THE NET-A-PORTER GROUP's operating and financial data for the calendar year ending in December 2014 are based on the company's management accounting records, which are not necessarily in line with established accounting standards and include a number of adjustments deemed necessary to maximise comparability with YOOX results, such as adjustments related to non-recurring costs tied to THE NET-A-PORTER GROUP's affiliation with the Richemont Group;
- THE NET-A-PORTER GROUP's forecast financial data were reformulated by YOOX's management with the support of a leading strategic consultancy firm, based on assumptions that do not necessarily reflect the opinions of THE NET-A-PORTER GROUP;
- THE NET-A-PORTER GROUP is not listed, and consequently there is no useful market valuation comparison to serve as a benchmark for the Exchange Ratio determined by YOOX's Board of Directors;
- The market multiple analysis is based on a sample of companies operating in the e-commerce sector, including YOOX itself. YOOX's Board of Directors considered that the Issuer, primarily, and the other companies in the sample, secondarily, represent the best possible reference benchmark for THE NET-A-PORTER GROUP from the point of view of comparability. However, each of the companies taken into consideration, including YOOX, has its own particular characteristics, and none of the companies in the sample can be regarded as fully comparable to the company being valued.

3.7.3 Description of the valuation methods

3.7.3.1 Discounted Cash Flow method

This valuation method was adopted in order to take account of the specific characteristics of both companies involved in the Merger in terms of profitability, growth, level of risk and asset structure.

Based on this criterion, the value of a company's economic capital is estimated as the sum of (i) of the present value of (i) of the present value of unlevered operating cash flow expected in the projection period, and (ii) a terminal value, net of (iii) net financial debt and third-party interests, as expressed by the following formula:

where:

$$W = \sum_{t=1}^n \frac{FC_t}{(1+WACC)^t} + \frac{VT}{(1+WACC)^n} - DF_{t0}$$

W = value of economic capital

FC_t = annual “unlevered” operating cash flow expected in the period t

VT = terminal value

DF = net financial position and third-party interests at time t=0

N = number of projection periods

WACC = weighted average cost of capital

Unlevered operating cash flows for the explicit projection period can be determined analytically as follows:

+ Earnings before interest and taxes (EBIT);

- Taxes on EBIT (net of non-monetary adjustments considered as part of the taxable amount in tax accounting);

+ Amortisation & depreciation / non-monetary costs;

- Fixed investments;

+/- Changes in net working capital.

The final value is a summary figure that represents the current value of unlevered cash flows forecast for the period following the explicit projection time horizon. It is determined on the basis of two main variables: the adjusted operating cash flow for the first year after the analytical forecast period, and the expected rate of growth of that flow in perpetuity. Cash flows for years subsequent to the analytical forecast period can also be estimated in summary fashion on the basis of differentiated growth rates applied for different periods to the adjusted flow. In this case, the final value is replaced by two components, distinguished by the use of different rates for growth in an initial period of limited duration and growth in perpetuity. This variant of the analysis, applied to the present case in its two-stage version, is commonly referred to as multi-stage DCF.

The weighted average cost of capital (WACC) used for discounting the expected cash flows and the terminal value is calculated as a weighted average of the cost of equity and debt by the following formula:

$$WACC = Kd (1-t) \frac{D}{D+E} + Ke \frac{E}{D+E}$$

where:

Kd = Cost of debt

Ke = Cost of equity

D = Debt

E = Equity

t = Tax rate

In particular, the cost of debt represents the long-term funding rate applicable to companies or economic activities of similar risk levels, net of tax effect. The cost of equity, on the other hand, reflects the investor's expected yield, taking into account the relative risk of the investment, calculated according to the Capital Asset Pricing Model by means of the following formula:

$$K_e = R_f + \beta(R_m - R_f)$$

where:

Kd = Cost of equity

Rf = expected rate of yield on risk-free investments

β = Coefficient that measures the correlation between the expected yields from the investment considered and the expected yields on the reference stock market

Rm = Expected average yield from equity investments on the reference stock market

(Rm - Rf) = Yield premium demanded by the reference stock market (Rm) with respect to risk-free investments (Rf)

In general, the WACC rate used for estimating the value of the economic capital of YOOX and THE NET-A-PORTER GROUP reflects assumptions consistent with the market benchmarks relating to the cost of equity (expected rate of yield on risk-free investments, Beta coefficient, yield premium demanded by the stock market), as well as with the capital structure of the assets under valuation (assumed to be debt-free for both companies).

3.7.3.2 Analysis of market multiples

The market multiples method assumes that the value of a company can be determined using information provided by the market in reference to companies with characteristics similar to those of the company under valuation.

The method derives the value of a company from the valuation attributed by the market to other companies having comparable characteristics and, in particular, by determining the ratio between the stock market value of comparable companies and certain financial data (for example EBITDA, revenues, cash flow) and then applying the multiples thus determined to the corresponding financial data of the company under valuation in order to determine its value.

The main steps in the application of this method are as follows: (i) definition of the reference sample of companies with comparable characteristics; (ii) selection of the appropriate multiples; (iii) calculation of multiples for the companies with comparable characteristics and identification of a range of values to apply to the company under valuation; and (iv) application of the multiples to the corresponding financial data of the company under valuation.

The calculation of multiples requires observation of the market value of the company, which may be the value of its economic capital or the Enterprise Value, and identification of a consistent financial figure.

In addition, appropriate adjustments should be made to the values and the important financial data in order to ensure that the multiples are calculated in a consistent manner with regard to all the companies in the reference sample, taking account, if necessary, of the differences in accounting principles, financial structure, etc.

3.7.4 *Application of the selected methods*

3.7.4.1 Introduction

The combination between YOOX and THE NET-A-PORTER GROUP will be effected through the merger by absorption into YOOX of Largentia Italia, having as its sole asset the indirect stake in THE NET-A-PORTER GROUP. In the light of the corporate reorganisation that will be made necessary, YOOX's Board of Directors, in order to determine the Exchange Ratio between the YOOX shares and the shares of Largentia Italia, analysed – rather than the ratio of the value per share of the aforementioned companies, determined as a result on the basis of the share capital of Largentia Italia – the economic capital contribution made by YOOX and by THE NET-A-PORTER GROUP (or equivalently, the implicit equity interests of the shareholders of the two companies) to the economic capital of the company resulting from the Merger.

Discounted Cash Flow method

YOOX's Board of Directors has compared the two companies' economic capital values resulting from the Discounted Cash Flow analysis. The value of YOOX's economic capital has been estimated on the basis of cash flows indicated in the Financial Guidelines 2015-2019 prepared by YOOX's management in the context of the Merger and not approved by YOOX's Board of Directors; the corresponding value for THE NET-A-PORTER GROUP has been determined on the basis of the *Management Business Plan 2015-2020* prepared by NAP's management in the context of the Merger, reformulated by YOOX's management, with the assistance of a leading strategic consultancy firm, without comparison to THE NET-A-PORTER GROUP management's figures, in order to reflect more conservative assumptions, in terms of both growth and profitability, and in consideration of the estimates included in the *Financial Guidelines 2015-2019* prepared for YOOX.

Given the comparability of the asset profiles of the two companies, YOOX's Board of Directors has decided to apply similar financial assumptions with regard to cash flow growth rates for estimating the terminal value.

The method has been applied by taking account also of sensitivity analyses in relation to the cost of capital and cash flow growth rates for estimating the terminal value; the result of the analysis in the baseline case considered is shown in the table below.

| Method | YOOX's contribution of Economic Capital to the company resulting from the Merger | THE NET-A-PORTER GROUP's contribution of Economic Capital to the company resulting from the Merger |
|---------------|---|---|
| DCF | 41% | 59% |

3.7.4.2 Analysis of market multiples

Given YOOX's status as a listed company and the similarities between the two companies in terms of

reference markets, business models and economic and financial outlook, YOOX's Board of Directors has decided to use YOOX's market multiples for the valuation of THE NET-A-PORTER GROUP, since these were considered to be more significant than those of the other companies in the analysed sample. Implicitly, given the use of equivalent multiples for the two companies, this choice is tantamount to comparing the economic capital value of the two companies on the basis of the relative contribution of certain economic metrics (such as, in this specific case, revenues, EBITDA and net profit) and then taking account, where necessary, of the reference net financial positions to determine the contribution on an Equity Value basis.

These multipliers were applied to the revenues, EBITDA and net profit of the two companies for 2014 and for the two subsequent financial years, and they were adjusted appropriately to maximise comparability. Where necessary, the economic capital of the two companies has been estimated by adjusting the Enterprise Value to take account, in the case of YOOX, of the reference net financial position (31 December 2014) and, in the case of THE NET-A-PORTER GROUP, of a net financial position of zero, in view of the agreement between the parties stipulating that THE NET-A-PORTER GROUP's existing financial debt should be extinguished prior to the Merger.

The table below shows the results of the analysis on 2014.

| Method | YOOX's contribution of Economic Capital to the company resulting from the Merger | The NET-A-PORTER GROUP's contribution of Economic Capital to the company resulting from the Merger |
|-------------------------------|---|---|
| Revenue multiples | 42% | 58% |
| Adjusted EBITDA multiples | 47% | 53% |
| Adjusted Net Profit multiples | 40% | 60% |

Market data source: Bloomberg, as at 27 March 2015

YOOX's Board of Directors also reviewed relative contributions of economic capital of YOOX and THE NET-A-PORTER GROUP to the company resulting from the Merger, including in the two following financial years based on preliminary forecasts. This comparison confirmed the results of the analysis performed on historical data, and even showed a growing contribution of THE NET-A-PORTER GROUP's economic capital to the company resulting from the Merger, thus providing additional reassurance to the indications resulting from the analysis performed on 2014 data.

YOOX's Board of Directors also observed that, on a historical basis, the relative contribution had only recently changed in THE NET-A-PORTER GROUP's favour, and that YOOX had meanwhile showed a better track record of profitability and lower volatility in its results. Finally, to complete the valuation task and as a control method, YOOX's Board of Directors compared the implicit multiples of THE NET-A-PORTER GROUP, valuing the company's economic capital on the basis of the YOOX price at 27 March 2015 and the proposed Exchange Ratio, with those of a sample of companies active in the e-commerce sector, namely Alibaba, Amazon, ASOS and Zalando. The comparison between the implicit multiples of THE NET-A-PORTER GROUP and those of the sample gave reassurance to YOOX's Board of Directors, since the company's implicit multiples are lower than those of the companies in the sample.

3.7.5 Determination of the Exchange Ratio

Taking account of the results arising from the application of the valuation methods, the business dynamic with the counterparty 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, YOOX's Board of Directors – taking account of the results of the fairness opinions issued to YOOX's Board of Directors and to the independent directors of YOOX, respectively, by Mediobanca – Banca di Credito Finanziario S.p.A. and Banca IMI S.p.A. - resolved to propose an Exchange Ratio corresponding to an economic capital contribution of 50% from YOOX to the fully diluted capital of the company resulting from the Merger. In the light of the post-reorganisation composition of the share capital of Largentia Italia, YOOX's Board of Directors therefore resolved to propose an Exchange Ratio of one newly issued YOOX share for each Largentia Italia share. YOOX's Board of Directors also resolved, in compliance with the other provisions of the Merger Agreement, to achieve the Exchange Ratio by issuing either ordinary shares or B Shares without distinction, in view of the equivalent capital and financial rights of the two share classes and the automatic convertibility of B Shares into ordinary shares in the event of any transfer to third parties.

3.8 Ratio and method of allocation of shares to the Transferor

The New Ordinary Shares and the B Shares will be allocated to Largentia Italia shareholders on the effective date of the Merger. For information on the decision taken by the YOOX Extraordinary Shareholders' Meeting on 21 July 2015, see Paragraph 3.1 of this Document above.

In accordance with the Merger Plan, the shares to be assigned to RH will be divided in such a manner that it is assigned (A) a number of ordinary shares representing, at the most, 25% of the YOOX share capital with voting rights, calculated on the basis of the number of YOOX shares outstanding at the date of the Merger Plan; and (B) B Shares for any excess, up to the number of YOOX shares to be assigned to the same.

Given that the Merger will involve all 65,599,597 newly issued YOOX shares with no nominal value being allocated to RH in its capacity as the sole shareholder of Largentia Italia, these shares will be split as follows: 20,693,964 New Ordinary Shares (representing 25% of the YOOX voting capital calculated based on the number of YOOX shares outstanding at the date of the Merger Plan) and 44,905,633 B Shares.

Following completion of the Merger, all the shares of Largentia Italia will be cancelled and exchanged with YOOX ordinary shares and B Shares, in accordance with the Exchange Ratio and the procedures for allocating shares described in this Paragraph. No liability will be borne by the Transferor's shareholders in respect of the share exchange.

3.9 Appraisal of the withdrawal right

YOOX shareholders who did not take part in the decision to approve the Merger Plan during the meeting held on 21 July 2015 do not have the right of withdrawal, as the resolutions adopted by said meeting do not constitute any of the events for which withdrawal is permitted by law (see Paragraph 3.4 of the Document above and Paragraph 8 of the Report).

3.10 Effective date of the Merger and application date of the transactions to the financial statements of the company resulting from the Merger

The Merger Deed, entered into by YOOX and Largentia Italia on 28 September 2015, establishes that the

Merger will take effect at 00:01 AM on 5 October 2015 or at 00:01 AM on the third day of trading on the stock exchange after the issuance of CONSOB judgement of equivalence over the Document pursuant to Article 57, paragraph 1, if the issuance of such judgement occurs on or after 5 October 2015. The tax and accounting effects will start from the same date.

3.11 Tax repercussions of the Merger

Direct taxes

For the purposes of direct taxation, the Merger is fiscally neutral and entails the universal succession of the Transferor in the fiscal position of the Transferee (Article 172 of Presidential Decree 917 of 22 December 1986, hereinafter the "TUIR"). The Merger does not generate the emergence of any positive or negative components of taxable income for the parties involved (Transferor, Transferee or shareholders).

In particular, the transfer of the assets of the Transferee (Largenta Italy) to the Transferor (YOOX) does not give place to the realisation of gains and losses, including those relating to inventories and the value of goodwill (article 172, paragraph 1, of TUIR).

In addition, in the determination of the income of the Transferor (YOOX), no account is taken of the surplus or deficit recognised in the financial statements, in the present case, due to the Exchange Ratio effect (Article 172 of the TUIR). With specific reference to parties who prepare their financial statements in accordance with international accounting standards (IAS adopters), Article 4 (2) (a) of the Ministerial Decree of 1 April 2009 stipulates that a "merger deficit" refers to the positive difference between the overall value of the acquired business assets, as recognised in the financial statements of the transferee, and the shareholders' equity of the acquired entity. Consequently, the higher values recognised among the assets and liabilities of the "*acquired*" company (including goodwill) will not be taxable.

The tax losses generated by the merging companies (including the Transferor) and the non-deductible interest expense subject to carrying forward pursuant to Article 96, paragraph 4 of the TUIR, generated during tax periods prior to the merger as well as (in the case of backdating) during the period between the beginning of the tax period in which the merger takes place and the effective date of the operation, can be deducted from the Transferor's income if the requirements set out in Article 172, paragraph 7, of the TUIR are satisfied and within the limits provided for therein.

With regard to the shareholders of the Transferee (Largenta Italia), pursuant to Article 172, paragraph 3, of the TUIR, the exchange of Largenta Italia shares for YOOX shares does not constitute a realisation or distribution of capital gains or losses, nor an obtaining of revenues.

Indirect taxes

Merger operations are excluded from the scope of application of VAT due to the lack of objective requisite; pursuant to Article 2, paragraph 3(f) of Presidential Decree 633 of 26 October 1972, "*the following are not regarded as disposals of assets: [...] f) changes of ownership of assets as a result of mergers*".

The Merger Deed is subject to registration tax at a fixed rate (EUR 200.00) pursuant to Article 4, letter b), of Part I of the Tariff annexed to Presidential Decree 131 of 26 April 1986.

Due to the Merger, YOOX will receive shares from Largenta UK, a company under English law, the transfer of shares from Largenta UK to YOOX could be subject to stamp duty in the UK - held by

YOOX - at a rate of 0.5% of the value of the amount (i.e. The percentage of the value of shares issued by YOOX resulting from the Merger. Based on these estimates, the stamp duty (or SDRT) if owed will be EUR 9,518.50. However, this stamp duty is owed only if one of the following conditions applies: (i) an effective deed for the transfer - through a sale - of shares of a company incorporated in the United Kingdom has been entered into, or (ii) an agreement for the commitment to transfer shares of a UK company that provides for a cash or equivalent consideration has been entered into. Within the context of the Merger, the transfer of Largenta UK shares to the Transferee takes place by operation of law, which may not be deemed as a transfer or sale, and for this reason, is not subject to stamp duty (Stamp Duty Reserve Tax).

On 29 June 2015, YOOX filed a query with Her Majesty's Revenue and Customs ("HMRC"), requesting confirmation that SDRT does not apply to the transfer of Largenta UK shares to YOOX under the terms of the Merger. On 7 September 2015, HRMC replied confirming that the Merger is not subject to SDRT. However, HRMC's reply was an informal opinion, i.e. a non-binding written reply for the agency, rather than non-statutory clearance, i.e. a written confirmation that is binding for the same agency, as in the opinion of HRMC questions regarding the stamp duty may not be subjected to the latter type of reply. The Issuer believes that, although the answer provided by the HMRC does not have the effect of a non-statutory clearance, it could still be referred to in the case of a preliminary assessment circumstance. .

** * * **

In order to complete the transaction, YOOX, Largenta UK and THE NET-A-PORTER GROUP estimated that they would incur costs of a total of EUR 20,164 thousand.

4 PRO-FORMA FINANCIAL STATEMENTS OF YOOX

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:

- fiscal year ended 31 December 2014 (the “**YOOX 2014 Pro-Forma Consolidated Financial Statements**” or “**2014 Pro-Forma Data**”), 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 fiscal year (1 January 2014) and, for capital purposes, as at 31 December 2014;
- the six-month period ended 30 June 2015 (the “**YOOX Pro-Forma Consolidated Financial Statements as at 30 June 2015**” or “**Pro-Forma Data as at 30 June 2015**”), prepared using the YOOX Group summary half-yearly consolidated financial statements, in order to simulate, according to the evaluation criteria consistent with the historical data and in compliance with the relevant regulations represented by 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 fiscal year 2015 (1 January 2015) and, for capital purposes, as at 30 June 2015.

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. 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.

The reports of the independent auditors, KPMG, for the examination of the preparation of the YOOX pro-forma consolidated data as at 31 December 2014 and as at 30 June 2015 included in this Chapter 4, containing the opinion expressed regarding the reasonableness of the basic assumptions for preparing the pro-forma data, the correct application of the methodology used and the correctness of the accounting principles used to prepare the data, are reported in this Chapter 4.

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) |
| Fulfilment 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 |
| Profit/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 profit for the fiscal 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 profit for the fiscal 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 PROFIT FOR THE FISCAL YEAR | 15,619 | (1) | (4,471) | 11,147 | 13,986 | 25,133 |
| <i>of which:</i> | | | | | | |
| Attributable to owners of the Group | 15,619 | (1) | (4,471) | 11,147 | 13,986 | 25,133 |
| Consolidated comprehensive net profit 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 income for the fiscal 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 income for the fiscal year | 13,802 | (1) | (4,399) | 9,402 | 13,986 | 23,388 |
| <i>Adjustments for:</i> | | | | | | |
| Taxes for the fiscal 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 |
| Amortisation, 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 |
| <i>Investing activities</i> | | | | | | |
| 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 ACTIVITIES | (38,857) | - | (19,917) | (58,774) | - | (58,774) |
| <i>Financing activities</i> | | | | | | |
| 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 FISCAL YEAR | 59,748 | - | (2,082) | 57,666 | 8,681 | 66,347 |
| Cash and cash equivalents at the beginning of the fiscal year | 58,280 | 47 | 30,842 | 89,169 | (28,648) | 60,521 |
| Cash and cash equivalents at the end of the fiscal year | 118,028 | 47 | 28,760 | 146,835 | (19,967) | 126,868 |
| TOTAL CASH FLOW FOR THE FISCAL YEAR | 59,748 | - | (2,082) | 57,666 | 8,681 | 66,347 |

4.1.1 Explanatory notes

4.1.1.1 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 which issued its report, without reservations or requests for information, 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 UK and 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 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. Please note that the document regarding the Largenta UK 2014 Consolidated Financial Statements do not present comparative data or the full information required by the relevant UK Accounting Principles since they are not required given the specific purposes for which they were prepared.

The merger operation provides for 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. For information regarding the assignment and execution of the same, please refer to the Document Introduction.

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 items “Goodwill” and “Other payables” in non-current liabilities not present in the statement of financial position used by YOOX for preparing its own previous separate and

consolidated financial statements, have 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.

4.1.1.2 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 fiscal 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 4.2.4.

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.

4.1.2 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

In accordance with the Merger Agreement, the signing of the Deed of Merger, as well as the completion of the Assignment, was conditional on the following conditions precedent, to the occurrence of which the Assignment itself was subject to conditions precedent:

- (a) obtaining the necessary authorisation from the antitrust authorities in Austria, Germany, Japan, the United Kingdom, Ukraine and the United States of America 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, 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.

In this regard, please note the following:

- (i) as regards condition precedent (a), the necessary authorisations were obtained from the relevant antitrust authorities in Austria, Germany, Japan, Ukraine, the United States of America and the United Kingdom, without application by the same of any restriction or condition to the issuance of the relevant authorisation;
- (ii) with reference to condition precedent (b), the YOOX Extraordinary Shareholders' Meeting of 21 July 2015 has approved the Merger Project and therefore the Merger with the majority required by Article 49, paragraph 1, letter (g) of the Issuers' Regulation and that therefore this condition has been fulfilled (for further information on this matter please refer to preceding Chapter 3, paragraph 3.1 of the Document); and
- (iii) with reference to condition precedent (c), the Parties deemed this condition fulfilled, taking into account the intention of the same to anticipate the signing of the Deed of Merger prior to the expiry of the statutory deadline for the opposition of creditors, pursuant to Article 2503, paragraph 1, of the Italian Civil Code. To this end, the Issuer provided for the collection of consent to the Merger from the main creditors of the Company and, with respect to credits for which there was no such consent or which have not been paid by the Company as at the date of

signing the Deed of Merger, activities were implemented for establishing the deposit of the relevant amounts. As at the date of signing the Deed of Merger (which took place on 28 September 2015), YOOX has obtained consents from creditors amounting to a total of approximately Euro 177,7 million and, as regards the Company's residual credits as at the date of registering the Merger Plan in the Business Register which have not been paid by the Company as at the date of signing the Deed of Merger, the escrow amount of such credits amounts to Euro 11,6 million;

(iv) the Parties renounced condition precedent (d).

For further information, please note that on 25 September 2015, RH and Largentia Italia signed the deed of Assignment and on 28 September 2015, YOOX and Largentia Italia signed the Deed of Merger. For further information on this matter, please refer to the Introduction to the Document.

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 Largentia 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 Largentia 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 Largentia Italia and YOOX, respectively, on 23 April 2015 and 24 April 2015 and by the YOOX and Largentia Italia Shareholders' Meetings on 21 July 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 Largentia 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 Largentia 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 Largentia 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 Largentia 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 amortisation 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) would 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 stock options on shares

Please note that an essential prerequisite of the Merger was that following the completion of the actual Merger, (i) YOOX would 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 would own 100% of the share capital of THE NET-A-PORTER GROUP.

Below is a summary of the main steps that led Largenta UK to hold, as at the Date of the Document, the entire share capital of THE NET-A-PORTER GROUP:

- as at the date of the Merger Plan, RH owned approximately 96% of the ordinary share capital of Largenta UK, and also had the unconditional right to the transfer of the entire remaining stake in the share capital of Largenta UK, amounting to approximately 4%. This right originated from the exercise – by RH – of the purchase options provided for and governed by Largenta UK's articles of association and a shareholders' agreement regarding other owners of ordinary shares. Pursuant to such provisions, RH, through exercising the options, had thus acquired the right to receive the aforementioned shares, on the successful completion of the required procedure from the aforementioned provisions for calculating the transfer price owed by RH.
- On 23 April 2015, the Largenta Italia Shareholders' Meeting approved a capital increase to service the Transfer of shares (and possibly, in the event that the procedure for exercising the options had not yet been completed at the date of the Assignment, of 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.
- On 11 September 2015, following the conclusion of the procedure provided for exercising the options, RH completed the purchase of the shares held by other Largenta UK shareholders, becoming the owner of 100% of the share capital of the aforementioned company.
- On 25 September 2015, RH and Largenta Italia signed the Deed of Assignment of shares representing the entire share capital of Largenta UK, performed on the same date on the basis of an assessment prepared in accordance with Article 2343-ter, second paragraph, section b) of the Italian Civil Code. As a result of the execution of the aforementioned Assignment and, as at the Date of the Document, the share capital of Largenta Italia amounted to Euro 655,955.97, divided into 65,599,597 shares, with no par value and Largenta UK is directly and wholly owned by Largenta Italia.
- As at the date of the Report, Largenta UK owned approximately 97% of the ordinary share capital of THE NET-A-PORTER GROUP and had exercised option rights on a remaining stake comprising category B shares it is entitled to by virtue of THE NET-A-PORTER GROUP articles of association. As a result, as at that date, Largenta UK owned the unconditional right to receive above-mentioned category B shares, once 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 had been completed.
- On 11 September 2015, following the completion of this procedure, Largenta UK became the owner of B share options. The purchase was made through the use of funds made available by RH, without obligation of refund by Largenta UK itself, in accordance with the provisions in the Merger Agreement.
- As at the date of the Report, RH had, 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, becoming owner as a result, pursuant to English law, of 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).
- The transfer of the aforementioned C shares was completed on 11 September 2015, therefore RH has become the owner of all issued and existing class C shares of THE NET-A-PORTER GROUP.

- On 24 September 2015, in execution of the provisions of the Merger Agreement, RH sold all ordinary class C shares to Largenta UK.
- Lastly, as at the date of the Report, the capital of THE NET-A-PORTER GROUP also included a minimum number of deferred shares, owned by two minority shareholders, and one “special share” owned by RH. These shares were repurchased by THE NET-A-PORTER GROUP itself, at a token price, on 24 September 2015.
- Therefore, as at the date of the Document, Largenta UK owns the entire share capital of THE NET-A-PORTER GROUP.

For the purpose of the YOOX Pro-Form Consolidated Financial Statements, as at the date of preparation of the date, it was assumed that at the time of the Merger, Largenta Italia owned 100% of the share capital of Largenta UK which, in turn, held 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 stock options.

Share-based incentive plans of the Merged Company

RH, Largenta UK and THE NET-A-PORTER GROUP had 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 fiscal 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 Larenta UK have exercised their respective call options on the shares of Larenta UK and THE NET-A-PORTER GROUP not in their possession. 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 2014. For further information regarding the purchase of the B Shares of THE NET-A-PORTER GROUP and the exercise of call options in this regard, please refer to the preceding paragraph “Options on shares of Larenta UK and THE NET-A-PORTER GROUP”.

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 Larenta 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.

For further information, please note that the share-based incentive plans in question failed on 31 March 2015. With regard to the new Plans to be approved in compliance with the Shareholders' Agreement, please refer to the Introduction of the Document.

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, mainly related to support in the fields of administration, finance, tax, law, intellectual property management and other business consulting, or the granting of loans between Richemont and/or its Affiliates, on the one side, and any between Larenta Italia, Larenta 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 Larenta Italia, Larenta 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 is settled by THE NET-A-PORTER GROUP if the debt is not 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, Larenta Italia, Larenta 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 2014:

- (a) 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 Larenta 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 Larenta 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 Larenta 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;
- (b) for financial purposes, the costs of services and financial expenses (for a total of Euro 14.0 million net of the related tax effect) that refer to the aforementioned agreements have been removed from the income statement for financial reasons without being replaced, as the related services previously carried out by Richemont shall be carried out after the transaction by the company structures already existing at the corporate level held by YOOX, without foreseeable further significant cost increases.

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

The YOOX 2014 Pro-Forma Consolidated Financial Statements include:

- historical data relating to the YOOX Group consolidated financial statements as at 31 December 2014;
- historical data relating to the Largentia Italia financial schedules as at 27 April 2015;
- historical data relating to the Largentia 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, Largentia Italia and the Largentia 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 (“**2014 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 Largentia 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 IN ACCORDANCE WITH LARGENTIA UK GROUP FINANCIAL STATEMENTS (GBP) | Largentia UK Group (GBP) | Largentia UK Group (EUR) | Notes | Largentia 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) | Fulfilment 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 income | 6,823 | 8,465 | | 3,325 | Operating income | | |
| Interest income and other income | 1,014 | 1,257 | 6 | 7,318 | Income/Loss from investment in associates | | |
| Interest payable and other expenses | (5,256) | (6,520) | 7 | (7,441) | Financial income | | |
| Profit before tax | 2,581 | 3,202 | | 3,202 | Financial expenses | | |
| Income taxes | (6,127) | (7,601) | | (7,601) | Profit before tax | | |
| Result for the fiscal year | (3,546) | (4,399) | | (4,399) | Taxes | | |
| | | | | | Consolidated net income for the fiscal year | | |
| <i>attributable to the Parent Company</i> | <i>(3,490)</i> | <i>(4,329)</i> | | <i>(4,329)</i> | | | |
| <i>attributable to Third Parties</i> | <i>(56)</i> | <i>(70)</i> | | <i>(70)</i> | | | |

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 “Fulfilment 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 “Fulfilment 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 Euro 6.5 million was classified entirely under the item “Financial expenses”.

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE LARGENTA UK GROUP FINANCIAL STATEMENTS (GBP) | | | | (thousand Euros/GBP) | |
|--|-------------------------|-------|--|---|--|
| Largenta UK Group (GBP) | Largenta UK Group (EUR) | Notes | 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) | |
| 31/12/2014 | | | | | |
| Fixed assets | | | | | |
| Intangible Fixed Assets | 236,884 | 1 | 65,976 | Property, plant and equipment | |
| Tangible Fixed Assets | 66,334 | 2 | 20,723 | Intangible assets with finite useful life | |
| | 303,218 | | 302,592 | Goodwill | |
| Current Assets | | | | | |
| Cash and cash equivalents | 377 | 3 | 9,154 | Equity interests in associates | |
| Warehouse | 176,223 | 4 | 1,495 | Deferred tax assets | |
| Receivables | 44,147 | 4 | 399,940 | Other non-current financial assets | |
| | 220,747 | | | Total non-current assets | |
| Payables: due within one year | (192,942) | 5 | 226,246 | Inventories | |
| Net current assets | 27,805 | | 4,719 | Trade receivables | |
| | | | 12,439 | Other current assets | |
| Total assets net of current liabilities | 331,023 | | 29,765 | Cash and cash equivalents | |
| | | | 28,872 | Financial assets which are not fixed assets | |
| Payables: due in more than one year | (8,092) | 6 | 302,041 | Total current assets | |
| Net assets | 322,931 | | 701,981 | Total assets | |
| Capital and reserves | | | | | |
| Share capital | 340,879 | 7 | 437,642 | Share capital | |
| Share premium reserve | 196 | 8 | 82,975 | Reserves | |
| Share-based incentive plan reserve | 64,645 | 8 | (105,715) | Retained earnings and losses reserve | |
| Other reserves | (85,980) | 9 | (4,399) | Consolidated net income for the fiscal year | |
| | 319,740 | | 410,503 | Shareholders' equity attributable to the Parent Company | |
| Minority interests shareholders' equity | 3,191 | | 4,097 | Shareholders' equity attributable to third parties | |
| Total shareholders' equity | 322,931 | | 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 Largentia 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.

Consolidated cash flow statement

| | | | (thousand Euros/GBP) | | |
|--|-------------------------|-------------------------|----------------------|--|---|
| CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH 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 CASH FLOW STATEMENT IN ACCORDANCE WITH THE YOOX GROUP FINANCIAL STATEMENTS (EUR) |
| Period 1/1/2014 – 31/12/2014 | | | | | |
| Operating income | 6,823 | 8,464 | 1 | (4,399) | Consolidated net income for the fiscal year |
| Amortisation and depreciation for tangible and intangible assets | 17,167 | 21,296 | | 7,601 | <i>Adjustments for:</i> Taxes for the fiscal year |
| Capital losses on sales | 33 | 41 | | 7,441 | Financial expenses during the fiscal year |
| Incentive plans costs | 15,314 | 18,997 | | (7,318) | Financial income during the fiscal year |
| (Increase) / decrease in inventories | (42,530) | (52,759) | | - | Share of earnings from associates |
| (Increase) / decrease in receivables | (8,779) | (10,890) | | 21,296 | Amortisation and impairment losses for the fiscal year |
| (Increase) / decrease in payables | 32,262 | 40,021 | | 18,997 | Fair value measurement of stock option plans |
| Net cash flow generated by (used in) operating activities | 20,290 | 25,170 | 2 | (1,665) | Unrealised effect of changes in foreign exchange rates |
| Remuneration from investments and financial services | | | | 41 | Capital gains/(losses) on sale of non-current assets |
| Interest income | 302 | 374 | | - | Provision for Employee benefits |
| Interest payable | (979) | (1,214) | | - | Provisions for risks and charges |
| Net cash flow generated by / (used in) remuneration from investments and financial services | 19,613 | 24,330 | | - | Payment of employee benefits |
| Taxes | (2,982) | (3,699) | | - | Use of provisions for risks and charges |
| Capital account costs: | | | | (52,759) | Changes in inventories |
| Revenues from the sale of tangible fixed assets | 22 | 27 | | (2,098) | Changes in trade receivables |
| Payments to purchase tangible and intangible fixed assets | (16,011) | (19,862) | | 19,732 | Changes in trade payables |
| Net cash flow generated by / (used) before management of liquidity and loans | 642 | 796 | | 15,263 | Changes in current assets and liabilities |
| Exchange rate losses | (1,243) | (1,542) | | 22,132 | Cash flow generated by / (used in) operating activities |
| Total cash generated / (used) | (601) | (746) | 3 | (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 |
| | | | | 20,182 | <i>Financing activities</i> 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 fiscal year |
| | | | | 30,842 | Cash and cash equivalents at the beginning of the fiscal year |
| | | | | 28,760 | Cash and cash equivalents at the end of the fiscal year |
| | | | | (2,082) | Total cash flow for the fiscal year |

Notes on the reclassifications made to the Consolidated cash flow statement

1 Result before operating income

The consolidated cash flow statement according to the Largenta UK Group's statements start with the "Operating income", 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.

4.1.4 Description of Pro-Forma adjustments as at 31 December 2014

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 fiscal year ending 31 December 2014.

(thousand Euros)

| PRO-FORMA ADJUSTMENTS OF THE CONSOLIDATED INCOME STATEMENT | Exercising of Options on NAP third parties 1 | Transfer and consolidation 2 | Assumption of payables for NAP B Shares 3 | Renunciation and assumption of other payables 4 | Operation accessory costs 5 | Share capital increase 6 | Total Adjustments Pro-Forma |
|--|---|---------------------------------|--|--|--------------------------------|-----------------------------|-----------------------------|
| Period 1/1/2014 – 31/12/2014 | | | | | | | |
| Net revenues | | | | | | | - |
| Cost of goods sold | | | | | | | - |
| Fulfilment costs | | | | | | | - |
| Sales and marketing costs | | | | | | | - |
| General expenses | | | | 12,228 | | | 12,228 |
| Other income and expenses | | | | | | | - |
| Operating income | - | - | - | 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 fiscal 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 fiscal 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 FISCAL YEAR | - | - | - | 13,986 | - | - | 13,986 |
| <i>of which:</i> | | | | | | | |
| Attributable to the group | - | - | - | 13,986 | - | - | 13,986 |
| Consolidated comprehensive net income attributable to non-controlling interests | - | - | - | - | - | - | - |

(thousand Euros)

| PRO-FORMA ADJUSTMENTS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION | Exercising of Options on NAP third parties 1 | Transfer and consolidation 2 | Assumption of payables for NAP B Shares 3 | Renunciation and assumption of other payables 4 | Operation accessory costs 5 | Share capital increase 6 | Total Adjustments Pro-Forma |
|---|---|---------------------------------|--|--|--------------------------------|-----------------------------|-----------------------------|
| 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 income for the fiscal 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 STATEMENT | CASH FLOW | 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 fiscal year | - | - | - | - | 13,986 | - | - | 13,986 |
| <i>Adjustments for:</i> | | | | | | | | |
| Taxes for the fiscal year | - | - | - | - | - | - | - | - |
| Financial expenses | - | - | - | - | - | - | - | - |
| Financial income | - | - | - | - | - | - | - | - |
| Share of earnings from associates | - | - | - | - | - | - | - | - |
| Amortisation, 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) |
| <i>Investing activities</i> | | | | | | | | |
| 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 ACTIVITIES | - | - | - | - | - | - | - | - |
| <i>Financing activities</i> | | | | | | | | |
| 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 FISCAL YEAR | - | - | - | - | 8,681 | - | - | 8,681 |
| Cash and cash equivalents at the beginning of the fiscal year | - | - | - | - | (28,648) | - | - | (28,648) |
| Cash and cash equivalents at the end of the fiscal year | - | - | - | - | (19,967) | - | - | (19,967) |
| TOTAL CASH FLOW FOR THE FISCAL YEAR | - | - | - | - | 8,681 | - | - | 8,681 |

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

1 *Exercising of stock 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 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 amortisation 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 million Euros | |
|---|-----------------------------|---------------|
| 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 |

4.1.5 Historical and Pro-Forma indicators per YOOX share

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

To provide more information, the data of the Largentia Italia Group were also provided, calculated by combining the Largentia 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 | Largentia Italia Group | | | Pro-Forma Adjustments | Largentia Italia Group + Pro-Forma Adjustments B+C+D | YOOX NAP Group 2014 Pro-Forma Data A+B+C+D |
| | | YOOX Group A | Largentia Italia B | Largentia UK Group C | | | |
| Data as 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 |
| <i>Total Group shareholders' equity per share (in Euros)</i> | | <i>2.41</i> | | | | | <i>10.30</i> |
| 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 |
| <i>EBITDA excluding incentive plan costs per share (1) (in Euros)</i> | | <i>0.76</i> | | | | | <i>0.81</i> |
| Consolidated net income for the fiscal year excluding incentive plan costs (2) | | 14,746 | (1) | 14,598 | 13,986 | 28,583 | 43,329 |
| <i>Consolidated net income for the fiscal year excluding incentive plan costs per share (2) (In Euros)</i> | | <i>0.22</i> | | | | | <i>0.33</i> |
| Cash flow for the period | | 59,748 | - | (2,082) | 8,681 | 6,599 | 66,347 |
| <i>Cash flow for the period per share (in Euros)</i> | | <i>0.91</i> | | | | | <i>0.51</i> |

(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 Largentia 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 Largentia UK Group to which the effect of pro-forma entries is added.

(2) The “Consolidated net income excluding Incentive plan costs” is defined as the consolidated net income 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 Largentia 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 excluding costs for Incentive plans 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.

Please see the notes with comments below.

- (i) The number of fully diluted shares attributable to YOOX Group refers to 31 December 2014 and is calculated as the sum of the number of shares net of the treasury shares and of the number of shares resulting from the exercise of options underlying the stock option plans existing as at 31 December 2014. 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 2015¹³, 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 4.4 with these values highlighted.

² Number of shares as at 31 March 2015 net of treasury shares amounting to 17,339, equal to 0.028% of the share capital and including the number of shares resulting from the exercise of all the options underlying the stock options plans in place.

4.1.6 Pro-Forma Data in reclassified YOOX statements as at 31 December 2014

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 A | Largenta Italia Group B | Pro-Forma Adjustments C | Largenta Italia Group + Pro-Forma Adjustments B+C | YOOX NAP Group Pro-forma 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) |
| Fulfilment 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 |
| <i>% of Net revenues</i> | <i>9.3%</i> | <i>3.3%</i> | | <i>4.9%</i> | <i>6.7%</i> |
| Depreciation and amortisation | (25,576) | (21,297) | | (21,297) | (46,873) |
| Operating income | 23,254 | 3,324 | 12,228 | 15,552 | 38,806 |
| <i>% of Net revenues</i> | <i>4.4%</i> | <i>0.4%</i> | | <i>2.1%</i> | <i>3.1%</i> |
| 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 fiscal year | 13,802 | (4,400) | 13,986 | 9,586 | 23,388 |
| <i>% of Net revenues</i> | <i>2.6%</i> | <i>-0.6%</i> | | <i>1.3%</i> | <i>1.8%</i> |
| EBITDA excluding incentive plan costs (1) | 50,065 | 43,618 | 12,228 | 55,846 | 105,911 |
| <i>% of Net revenues</i> | <i>9.5%</i> | <i>5.8%</i> | | <i>7.5%</i> | <i>8.3%</i> |
| Operating income excluding incentive plan costs (2) | 24,490 | 22,321 | 12,228 | 34,549 | 59,039 |
| <i>% of Net revenues</i> | <i>4.7%</i> | <i>3.0%</i> | | <i>4.6%</i> | <i>4.6%</i> |
| Consolidated net income for the fiscal year excluding incentive plan costs (3) | 14,746 | 14,597 | 13,986 | 28,583 | 43,329 |
| <i>% of Net revenues</i> | <i>2.8%</i> | <i>2.0%</i> | | <i>3.8%</i> | <i>3.4%</i> |

(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 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.

“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 STATEMENT OF FINANCIAL POSITION RECLASSIFIED | YOOX Group A | Largenta Italia Group B | Pro-Forma Adjustments C | YOOX NAP Group Pro-forma 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 fiscal 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), please 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 Income from investments | (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 |

4.2 Pro-forma consolidated financial statements for YOOX as at 30 June 2015

(thousand Euros)

| PRO-FORMA CONSOLIDATED INCOME STATEMENT | YOOX Group | Largenta Italia | Largenta UK Group | Aggregated | Pro-forma adjustments | YOOX NAP Group pro- forma |
|--|----------------|--------------------|----------------------|---------------|--------------------------|---------------------------------|
| Period 1/1/2015 – 30/06/2015 | | | | | | |
| Net revenues | 284,552 | - | 507,235 | 791,787 | | 791,787 |
| Cost of goods sold | (179,300) | - | (298,878) | (478,178) | | (478,178) |
| Fulfilment costs | (29,655) | - | (56,582) | (86,237) | | (86,237) |
| Sales and marketing costs | (34,567) | - | (57,668) | (92,235) | | (92,235) |
| General expenses | (35,006) | (2) | (67,841) | (102,848) | 2,680 | (100,168) |
| Other income and expenses | (2,508) | - | 21 | (2,487) | | (2,487) |
| Non-recurring expenses | (5,209) | - | (376) | (5,584) | 5,584 | - |
| Operating income | (1,693) | (2) | 25,912 | 24,217 | 8,264 | 32,481 |
| Result of equity investments | 94 | - | - | 94 | | 94 |
| Financial income | 6,425 | - | 3,553 | 9,978 | (121) | 9,857 |
| Financial expenses | (5,316) | - | (2,397) | (7,713) | 171 | (7,542) |
| Profit before tax | (491) | (2) | 27,068 | 26,575 | 8,314 | 34,889 |
| Taxes | 618 | - | (7,031) | (6,413) | (2,069) | (8,482) |
| Consolidated net income for the fiscal year | 127 | (2) | 20,038 | 20,162 | 6,245 | 26,407 |

(thousand euro)

| PRO-FORMA COMPREHENSIVE CONSOLIDATED INCOME STATEMENT | YOOX Group | Largenta Italia | Largenta UK Group | Aggregated | Pro-forma adjustments | YOOX NAP Group pro- forma |
|--|--------------|--------------------|----------------------|---------------|--------------------------|---------------------------------|
| Period 1/1/2015 – 30/06/2015 | | | | | | |
| Consolidated income for the fiscal year | 127 | (2) | 20,038 | 20,162 | 6,245 | 26,407 |
| Other components of comprehensive income, net of tax effects | | | | | | |
| Foreign currency translation differences | (935) | - | (304) | (1,239) | - | (1,239) |
| Net income/(loss) from cash flow hedge reserve | 250 | - | - | 250 | - | 250 |
| Total other components of comprehensive income which will be (or could be) reclassified in the income statement | (685) | - | (304) | (989) | - | (989) |
| Net change in retained earnings and actuarial losses relating to employee benefits | 5 | - | - | 5 | - | 5 |
| Total other components of comprehensive income which will not be reclassified in the income statement | 5 | - | - | 5 | - | 5 |
| TOTAL COMPREHENSIVE CONSOLIDATED INCOME FOR THE FISCAL YEAR | (553) | (2) | 19,734 | 19,179 | 6,245 | 25,425 |
| <i>of which:</i> | | | | | | |
| attributable to the group | (553) | (2) | 19,734 | 19,179 | 6,245 | 25,425 |
| attributable to non-controlling interests | | - | | | - | |

(thousand Euros)

| PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS | YOOX Group | Largenta Italia | Largenta UK Group | Aggregated | Pro-forma adjustments | YOOX NAP Group pro- forma |
|--|----------------|--------------------|----------------------|------------------|--------------------------|---------------------------------|
| 30/06/2015 | | | | | | |
| Property, plant and equipment | 38,272 | - | 75,093 | 113,365 | - | 113,365 |
| Intangible assets with finite useful life | 43,823 | 2 | 26,374 | 70,199 | - | 70,199 |
| Goodwill | - | - | 331,303 | 331,303 | 1,368,355 | 1,699,657 |
| Equity interests in associates | 59 | - | - | 59 | - | 59 |
| Deferred tax assets | 13,979 | - | 11,750 | 25,729 | 3,938 | 29,667 |
| Other non-current financial assets | 1,158 | - | 1,624 | 2,783 | - | 2,783 |
| Total non-current assets | 97,292 | 2 | 446,144 | 543,437 | 1,372,293 | 1,915,730 |
| Inventories | 273,957 | - | 252,516 | 526,473 | - | 526,473 |
| Trade receivables | 13,386 | - | 13,070 | 26,456 | - | 26,456 |
| Other current assets | 9,899 | - | 20,004 | 29,902 | - | 29,902 |
| Cash and cash equivalents | 103,269 | 47 | 31,236 | 134,552 | (31,236) | 103,315 |
| Current financial assets | 20,439 | - | 43,417 | 63,856 | - | 63,856 |
| Total current assets | 420,949 | 47 | 360,243 | 781,239 | (31,236) | 750,003 |
| Total assets | 518,241 | 48 | 806,387 | 1,324,676 | 1,341,057 | 2,665,733 |
| Share capital | 621 | 50 | 479,167 | 479,838 | (478,561) | 1,277 |
| Reserves | 107,807 | - | 95,180 | 202,988 | 1,797,224 | 2,000,212 |
| Reserves for profit/loss carried forward | 50,358 | - | (120,107) | (69,749) | 120,107 | 50,358 |
| Consolidated income for the fiscal year | 127 | (2) | 20,038 | 20,163 | (20,038) | 125 |
| Shareholders' equity attributable to owners of the Parent Company | 158,914 | 48 | 474,278 | 633,240 | 1,418,732 | 2,051,972 |
| Shareholders' equity attributable to third parties | - | - | 5,275 | 5,275 | (5,275) | - |
| Total consolidated shareholders' equity | 158,914 | 48 | 479,554 | 638,516 | 1,413,456 | 2,051,972 |
| Medium-/long-term financial liabilities | 110,731 | - | - | 110,731 | - | 110,731 |
| Employee benefits | 159 | - | - | 159 | - | 159 |
| Provisions for non-current risks and charges | - | - | - | - | - | - |
| Deferred tax liabilities | 359 | - | - | 359 | - | 359 |
| Other payables | - | - | 8,360 | 8,360 | - | 8,360 |
| Total non-current liabilities | 111,248 | - | 8,360 | 119,608 | - | 119,608 |
| Bank loans and other current financial liabilities | 22,047 | - | 58,176 | 80,223 | (58,176) | 22,047 |
| Provisions for current risks and charges | 286 | - | - | 286 | - | 286 |
| Trade payables | 194,290 | - | 148,271 | 342,561 | - | 342,561 |
| Tax liabilities | 535 | - | 374 | 909 | (374) | 535 |
| Other payables | 30,921 | - | 111,653 | 142,573 | (13,850) | 128,724 |
| Total current liabilities | 248,079 | - | 318,473 | 566,553 | (72,400) | 494,153 |
| Total consolidated shareholders' equity and liabilities | 518,241 | 48 | 806,387 | 1,324,676 | 1,341,057 | 2,665,733 |

(thousand Euros)

| PRO-FORMA CONSOLIDATED CASH FLOW STATEMENT | YOOX Group | Largenta Italia | Largenta UK Group | Aggregated | Pro-forma adjustments | YOOX NAP Group pro-forma |
|--|-----------------|-----------------|-------------------|-----------------|-----------------------|--------------------------|
| Period 1/1/2015 – 30/06/2015 | | | | | | |
| Consolidated income for the fiscal year | 127 | (2) | 20,038 | 20,162 | 6,245 | 26,407 |
| <i>Adjustments for:</i> | | | | | | |
| Taxes for the fiscal year | (618) | - | 7,031 | 6,413 | | 6,413 |
| Financial expenses | 5,316 | - | 2,397 | 7,713 | | 7,713 |
| Financial income | (6,425) | - | (3,553) | (9,978) | | (9,978) |
| Share of earnings from associates | (94) | - | - | (94) | | (94) |
| Depreciation, amortisation and impairment losses | 14,645 | - | 13,062 | 27,707 | | 27,707 |
| Fair value measurement of stock option plans | 1,014 | - | 5,228 | 6,242 | | 6,242 |
| Unrealised effect of changes in foreign exchange rates | (935) | - | 1,736 | 801 | | 801 |
| Losses/(gains) on sale of non-current assets | 58 | - | (21) | 38 | | 38 |
| Provision for employee benefit liabilities | 19 | - | - | 19 | | 19 |
| Provision for risks and charges | 286 | - | - | 286 | | 286 |
| Payment of employee benefits | (25) | - | - | (25) | | (25) |
| Use of provisions for risks and charges | (483) | - | - | (483) | | (483) |
| Change in inventories | (51,123) | - | (4,665) | (55,788) | | (55,788) |
| Change in trade receivables | 1,346 | - | (7,677) | (6,331) | | (6,331) |
| Change in trade payables | 29,824 | 2 | 25,123 | 54,949 | | 54,949 |
| Change in other current assets and liabilities | (5,440) | - | (21,072) | (26,512) | 6,055 | (20,457) |
| Cash flow from (used in) operating activities | (12,506) | - | 37,626 | 25,120 | 12,300 | 37,420 |
| Income tax paid | (3,051) | - | (3,164) | (6,215) | | (6,215) |
| Interest and other financial expenses paid | (5,316) | - | (2,397) | (7,713) | | (7,713) |
| Interest and other financial expenses received | 6,425 | - | 3,553 | 9,978 | | 9,978 |
| CASH FLOW FROM (USED IN) OPERATING ACTIVITIES | (14,449) | - | 35,619 | 21,170 | 12,300 | 33,470 |
| <i>Investing activities</i> | | | | | | |
| Acquisition of property, plant and equipment | (10,191) | - | (12,663) | (22,855) | | (22,855) |
| Acquisition of intangible assets | (18,200) | - | (8,811) | (27,011) | | (27,011) |
| Acquisition of investments | - | - | - | - | | - |
| Acquisition of other non-current financial assets | (160) | - | 12 | (148) | | (148) |
| Disposal of non-current assets | - | - | - | - | | - |
| CASH FLOW FROM (USED IN) INVESTING ACTIVITIES | (28,550) | - | (21,463) | (50,013) | | (50,013) |
| <i>Financing activities</i> | | | | | | |
| New short-term financial liabilities | 3,712 | - | 23,317 | 27,029 | | 27,029 |
| Repayment of short-term financial liabilities | (10,862) | - | (24,534) | (35,396) | (3,751) | (39,148) |
| New medium/long-term financial liabilities | 52,750 | - | - | 52,750 | | 52,750 |
| Repayment of medium/long-term financial liabilities | (6,618) | - | - | (6,618) | | (6,618) |
| Treasury share acquisition | - | - | - | - | | - |
| Payment for share capital increase and share premium reserve | 158 | - | - | 158 | (8,333) | (8,175) |
| Investments in financial assets | (10,900) | - | (11,468) | (22,368) | | (22,368) |
| Variation through difference between cash effect and action of incentive plans | - | - | - | - | | - |
| CASH FLOW FROM (USED IN) FINANCING ACTIVITIES | 28,240 | - | (12,685) | 15,555 | (12,085) | 3,470 |
| TOTAL CASH FLOW FOR THE FISCAL YEAR | (14,760) | - | 1,472 | (13,288) | 215 | (13,073) |
| Cash and cash equivalents at the beginning of the period | 118,028 | 47 | 29,765 | 147,840 | (29,281) | 118,559 |
| Cash and cash equivalents at the end of the period | 103,269 | 47 | 31,236 | 134,552 | (29,066) | 105,486 |
| TOTAL CASH FLOW FOR THE FISCAL YEAR | (14,760) | - | 1,472 | (13,288) | 215 | (13,073) |

4.2.1 Explanatory Notes

4.2.2.1 Basis of presentation

The YOOX pro-forma consolidated financial statements were prepared based on:

- Income statements, comprehensive income statement, balance sheet and cash flow statement included in the YOOX Group condensed consolidated half-year financial statements at 30 June 2015 prepared in accordance with the applicable international accounting standard for interim financial reporting (IAS-34) adopted by the European Union and subjected to limited audit by KPMG, which issued its unqualified report, without reservations or requests for information, on 31 July 2015;
- Income statements and balance sheet included in the financial statements of Largenta Italia (formerly Deal S.r.l.) at 30 June 2015 prepared by applying the measurement and valuation criteria provided for by Italian accounting standards and not subjected to limited audit;
- Income statements, balance sheet, and cash flow statement included in the consolidated financial statements of Largenta Limited (“**Largenta UK**”) and its subsidiaries (the “**Largenta UK Group**”) at 30 June 2015 (the “**Largenta UK Consolidated Financial Statements at 30 June 2015**”) prepared by the directors of Largenta UK for the sole purpose of their inclusion in the YOOX Pro-forma Consolidated Financial Statements at 30 June 2015 in accordance with British accounting standards applicable to the preparation of separate and consolidated financial statements with the exception of the comparative and prospectus data (“**UK Accounting Standards**”) and not subjected to limited audit. Please note that the document regarding the Largenta UK 2014 Consolidated Financial Statements does not present comparative data or the full information required by the relevant UK Accounting Principles since they are not required, given the specific purposes for which they were prepared.

The merger provides for the conferral by RH of 100% of the Largenta UK Group to Largenta Italia, a special purpose vehicle organised under Italian law and wholly owned by RH. For the purposes of the preparation of the YOOX Pro-Forma Consolidated Financial Statements both Largenta Italia data as well as Largenta UK Group data was considered. For information regarding the assignment and execution of the same, please refer to the Introduction of the Document.

Furthermore, Largenta UK, parent company of THE NET-A-PORTER GROUP, and THE NET-A-PORTER GROUP itself are two companies organised under British law that prepared their respective financial statements with reference to the financial period ending 31 March 2015. In particular, Largenta UK only prepares its separate financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, while THE NET-A-PORTER GROUP prepares both its separate financial statements and the NAP Group consolidated financial statements in accordance with UK Accounting Standards. For the sole purposes of preparing the present YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015, the directors of Largenta UK have prepared the mentioned Largenta UK Consolidated Financial Statements at 30 June 2015, consisting of the Consolidated Income Statement, Consolidated Balance Sheet and Consolidated Cash Flow Statement of Largenta UK at 30 June 2015, which includes the Largenta UK data and NAP Group data for the six-month period ending 30 June 2015. These consolidated financial statements were prepared in GBP and, with the exception of the comparative and prospectus data, by applying UK Accounting Standards. The remainder of this chapter presents a reconciliation between the above-mentioned data (UK Accounting Standards) with the data that is contained in the YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015 (IFRS).

The data included in the YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015 is presented in thousands of euro and by using the formats of income statements, the comprehensive

income statement, balance sheet and cash flow statement of the 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 euro. In particular, it should be noted that, in the balance sheet used in the YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015, items have been added for “Goodwill” and “Other liabilities” under non-current liabilities, which items are not present in the balance sheet used by YOOX for the purposes of preparing its own separate and consolidated financial statements in the past and in the cash flow statement the item “Disposal of non-current assets” has been added to reflect flows deriving from the sale of assets.

4.2.2.2 General principles adopted

As mentioned above, the YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015 were drafted with the aim of representing the effects of the Merger on the financial, capital and economic position of the YOOX Group as if that transaction had occurred in the period to which the pro-forma data presented refer according to the criteria and methods provided for by Consob Recommendation DEM/1052803 of 5 July 2001 and following the preparation methods provided for in the technical document attached to it.

In particular, the effects of the Merger have been reflected in the following way:

- In the balance sheet, pro-forma adjustments were made assuming that the Merger is completed on 30 June 2015;
- In the income statements, comprehensive income statement and cash flow statement, pro-forma adjustments were made assuming that the Merger is completed at the beginning of the period to which the income statements themselves as well as the comprehensive income statement and cash flow statement refer (1 January 2015).

As a result, considering the difference between the purposes of the pro-forma data and those of the separate and/or consolidated financial statements and in view of the fact that the effects are calculated using a different time reference point for representing the balance sheet, income statement and cash flow statement, the balance sheet, pro-forma income statement and pro-forma cash flow statement should be read and interpreted separately without seeking accounting matches or correlations between the documents. Furthermore, for the purposes of properly representing the pro-forma data the following must be kept in mind:

- The pro-forma adjustments have taken into consideration and have represented the economic, financial and capital effects of significant size that are directly connected with the transaction on which pro-forma data is needed;
- The pro-forma adjustments have been made are supported by independently verifiable objective evidence;
- The pro-forma adjustments have been determined using criteria homogeneous and uniform with the criteria used for the preparation of the YOOX Group condensed half-year consolidated financial statements at 30 June 2015 and applying the IFRS international accounting standards adopted by the European Union;
- The pro-forma adjustments have been determined, to the extent possible, by using methods and criteria substantially in line with those to be adopted when preparing the first financial statements subsequent to the Merger, in which the effects of the transaction will first be reflected;
- The main pro-forma adjustments have been described below in paragraph 4.2.4.

As mentioned earlier, the pro-forma data represent a simulation – provided for illustration purposes only – of the possible effects that might result from the Merger on the financial, capital and economic position of the YOOX Group. The pro-forma data involved an adjustment of the actual data to retroactively reflect the effects of the Merger under the assumptions described below. It follows that, despite adherence to the general criteria set forth above, limitations remain that are inherent to the very nature of pro-forma data, considering that representations based on assumptions are involved. Therefore, it is not to be deemed to represent the results that would have emerged if the transactions considered in preparing the pro-forma data had actually taken place on the date taken as reference. The pro-forma data depicts a hypothetical situation and therefore are not in any manner intended to portray an actual or forecast capital and economic position of the YOOX Group.

The pro-forma data are not at all intended to represent a prediction of future results and therefore they should not be used in such manner: the pro-forma data does not reflect prospective data as they have been prepared in such way as to only represent effects of the Merger that are of major significance, that can be isolated and are objectively measurable, along with the related financial and economic transactions, without regard to the potential effects of the management choices and operational decisions eventually adopted as a result of the Merger.

4.2.2 Assumptions considered in preparing the YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015

The main assumptions considered in the determination of the pro-forma adjustments are listed below.

Conditions precedent

In accordance with the Merger Agreement, execution of the Deed of Merger was conditioned not only upon completion of the Transfer but also upon fulfilment of the following conditions precedent, on the occurrence of which the Assignment itself was subject to conditions precedent:

- a) obtaining the necessary authorisations from the antitrust authorities in Austria, Germany, Japan, the United Kingdom, Ukraine and the United States of America by 31 December 2015;
- b) approval of the Merger by the Shareholders' Meeting of YOOX by 22 October 2015 by the majority required by Article 49, paragraph 1, letter (g), of the Issuers' Regulations for the purposes of the exemption provided for therein from the obligation to make a mandatory full public tender offer for the ordinary shares of YOOX pursuant to and for the purposes of paragraph 3 of that Article 49;
- c) the absence of any opposition raised against the Merger from the creditors of YOOX under Article 2503 of the Civil Code or, if such opposition is raised, the fact that it is no longer pending by 31 December 2015; and
- d) the admittance to listing on the MTA of the ordinary shares of YOOX issued in support of the exchange in the Merger, by 31 December 2015.

In this regard, please note the following:

- (i) as regards condition precedent (a), the necessary authorisations have been obtained from the appropriate antitrust authorities in Austria, Germany, Japan, Ukraine, the United States of America and the United Kingdom, without application by the same of any restriction or condition to the issuance of the relevant authorisation;

- (ii) as regards condition precedent (b), the Extraordinary Shareholders' Meeting of YOOX of 21 July 2015 approved the Merger Plan and the Merger as well by the majority required by article 49, paragraph 1, letter g) of the Issuers' Regulations and therefore this condition has been fulfilled (for further information on this matter, please refer to preceding Chapter 3, Paragraph 3.1 of the Document); and
- (iii) as regards condition precedent (c), the Parties deemed this condition fulfilled, taking into account the intention of the same to anticipate the signing of the Deed of Merger prior to the expiry of the statutory deadline for the opposition of creditors, pursuant to Article 2503, paragraph 1, of the Italian Civil Code. To this end, the Issuer provided for the collection of consent to the Merger from the main creditors of the Company and, with respect to credits for which there was no such consent or which have not been paid by the Company as at the date of signing the Deed of Merger, activities were implemented for establishing the deposit of the relevant amounts. As at the date of signing the Deed of Merger, YOOX has obtained consents from creditors amounting to a total of approximately Euro 177,7 million and, as regards the Company's residual credits as at the date of registering the Merger Plan in the Business Register which have not been paid by the Company as at the date of signing the Deed of Merger, the escrow amount of such credits amounts to Euro 11,6 million;
- (iv) the Parties renounced the condition precedent *under* (d).

For further information, please note that on 25 September 2015, RH and Largentia Italia signed the deed of Assignment and on 28 September 2015, YOOX and Largentia Italia signed the Deed of Merger. For further information on this matter, please refer to the Introduction to the Document.

For the purposes of the preparation of the YOOX Pro-Forma Consolidated Financial Statements it has been assumed that the conditions precedent referred to above have been fulfilled.

Business Combination

The Merger transaction is deemed a business combination and, for the purposes of the provisions of IFRS 3 – Business Combinations, YOOX has been identified as “acquirer” entity and Largentia UK as “acquired” entity.

For the purposes of the preparation of the YOOX Pro-Forma Consolidated Financial Statements the following assumptions have been made:

- The cost of the acquisition has been estimated at Euro 1,903.70 million, equivalent to the fair value of the 65,599,597 new shares of YOOX to be issued in support of the Merger as defined in the Merger Agreement. That value was determined by reference to the market value of the YOOX shares available on 30 June 2015 and depending on the Exchange Ratio (equivalent to 1 Largentia Italia share per each 1 YOOX newly issued share), as defined in the Merger Agreement and provided for in the Merger Plan approved by the Largentia Italia and YOOX Boards of Directors respectively on 23 April 2015 and 24 April 2015 as well as by the Shareholders' Meetings of YOOX and Largentia Italia on 21 July 2015;
- Expenses ancillary to the acquisition have been excluded from the calculation of the mentioned valuable consideration because they will be charged against the income statement of the respective periods of pertinence;
- Pending the completion of the process of allocating the acquisition carrying amounts to the assets, liabilities and potential liabilities of the Largentia UK Group, a preliminary entry has been posted in

the “Goodwill” item of a difference equivalent to Euro 1,699.7 million between the fair value of the new YOOX shares to be issued in support of the Merger, contractually deemed to represent the cost of the acquisition, and the consolidated shareholders’ equity of the Largenta UK Group at 30 June 2015 net of the residual goodwill thereof equivalent to Euro 331.3 million and of the pro-forma adjustments that have an impact on the consolidated shareholders’ equity, equivalent to Euro 55.7 million. Therefore, this difference has not been allocated to the assets, liabilities and potential liabilities of the Largenta UK Group to the extent that they can be allocated to such adjustments. This allocation (“Purchase Price Allocation”) will be carried out in accordance with the provisions of IFRS 3 – Business Combinations.

It should be noted that the completion of the appraisal process required by the mentioned IFRS 3 – Business Combinations, following upon the legal effectiveness of the Merger, could lead to a measurement of the assets and liabilities of the Largenta UK Group on the business combination date that differs from the assumptions adopted in the preparation of the Pro-Forma Data, with the consequent economic effects, among them a write-down of possible assets of finite useful life that could be significant. In this regard, it should be noted that, following upon the transaction of RH acquiring THE NET-A-PORTER GROUP carried out in 2010, RH itself then proceeded to allocate approximately 27% of the valuable consideration paid to intangible assets of finite useful life based on the term of the contracts.

Exchange Ratio

As a result of the Merger, the shareholders of Largenta Italia will receive in exchange, in the proportion of the respective shareholdings of such shareholders in Largenta Italia at the time when the merger takes effect, such number of YOOX shares as represents a holding of the share capital of YOOX (post-Merger), calculated on a fully diluted basis, equal to 50% of such capital, with the understanding that the shares to be conferred to RH (for the purposes of the present Pro-Forma Data, assumed to be the sole shareholder of Largenta Italia) will be distributed so that the latter will be attributed (i) such number of ordinary shares as represents a maximum of 25% of the YOOX share capital entitled to vote (calculated on the basis of the number of YOOX shares outstanding on the Merger Plan date) and (ii) for any eventual excess, and up to the level of the number of YOOX shares to be conferred to it itself, B shares. Eventual further shareholders of Largenta Italia (which have become such in the midst of the Merger process) would be conferred ordinary shares of the Issuer in the exchange.

For the purposes of the preparation of the YOOX Pro-Forma Consolidated Financial Statements it has been assumed that 65,599,597 new YOOX shares are issued in support of the Merger as determined in the Merger Agreement based on the Exchange Ratio (equivalent to 1 Largenta Italia share for each 1 newly issued YOOX share) as provided for in the Merger Plan, as well as that RH is the sole shareholder of Largenta Italia on the date of the Merger.

With reference to the Exchange Ratio, on 18 June 2015 Baker Tilly Revisa S.p.A., appointed by the Court of Bologna under and for the purposes of Article 2501-*sexies* of the Civil Code, issued an unqualified “Independent auditor's report on the share exchange ratio pursuant to Article 2501-*sexies* of the Civil Code”.

Options on the shares of Largenta UK and THE NET-A-PORTER GROUP

Please note that an essential prerequisite for the Merger was that, resulting from the completion of the Merger itself, (i) YOOX would own 100% of the share capital of Largenta UK, the assets of which essentially consist only of its stake in THE NET-A-PORTER GROUP and (ii) Largenta UK would hold 100% of the share capital of THE NET-A-PORTER GROUP.

Below is a summary of the main steps that led Largenta UK to hold, as at the Date of the Document, the entire share capital of THE NET-A-PORTER GROUP:

- as at the date of the Merger Plan, RH was the owner of approximately 96% of the ordinary share capital of Largenta UK and was also the holder of the unconditional right to the transfer of the entire remaining stake in the share capital of Largenta UK, amounting to approximately 4%. This right originates from the exercising – by RH – of the purchase options provided for and governed by the articles of association of Largenta UK and of a shareholders’ agreement with the other holders of ordinary shares. Pursuant to these provisions, RH, for the purposes of exercising the options, had therefore acquired the right to receive the aforementioned shares, on the successful completion of the procedure required by the aforementioned provisions, to calculate the transfer price of the same due from RH.
- On 23 April 2015, the Shareholders’ Meeting of Largenta Italia resolved to increase the capital in support of the Transfer of the shares (and possibly, in the event that procedure for exercising the options had not yet been completed at the date of the Assignment of rights to the transfer of 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 as capital and Euro 908,394,044.03 as premium, by the issuing of 65,595,989 ordinary shares without par value.
- On 11 September 2015, following the conclusion of the procedure provided for exercising the options, RH completed the purchase of the shares held by other Largenta UK shareholders, becoming the owner of 100% of the share capital of the aforementioned company.
- On 25 September 2015, RH and Largenta Italia signed the Deed of Assignment of shares representing the entire share capital of Largenta UK, performed on the same date, based on an assessment prepared in accordance with Article 2343-ter, second paragraph, section b) of the Italian Civil Code. As a result of the execution of the aforementioned Assignment and, as at the Date of the Document, the share capital of Largenta Italia amounted to Euro 655,955.97, divided into 65,599,597 shares, with no par value and Largenta UK is directly and entirely controlled by Largenta Italia.
- As at the date of the Report, Largenta UK owned approximately 97% of the ordinary share capital of THE NET-A-PORTER GROUP and had exercised the option rights on a residual stake consisting of Class B shares pertaining to the former by virtue of the articles of association of THE NET-A-PORTER GROUP. As a result, at that date, Largenta UK held the unconditional right to receive the aforementioned Class B shares, upon completion of the procedure for determining the pertinent transfer price due from Largenta UK in accordance with the provisions of the articles of association of THE NET-A-PORTER GROUP.
- On 11 September 2015, following the completion of this procedure, Largenta UK became the owner of B share options. The purchase was made through the use of funds made available by RH, without obligation of refund by Largenta UK itself, in accordance with the provisions in the Merger Agreement.
- As at the date of the Report, RH, in turn, had exercised the option rights on a residual stake equal to approximately 3% of the share capital of THE NET-A-PORTER GROUP (consisting of Class C shares) pertaining to the former by virtue of the articles of association of THE NET-A-PORTER GROUP, becoming, as a result the holder, under British law, of the so-called “beneficial ownership” of the shares representing the mentioned 3% of the ordinary share capital of THE NET-A-PORTER GROUP (and therefore holds the unconditional right to obtain transfer of such shares to it).

- The transfer of the aforementioned C shares was completed on 11 September 2015, therefore RH has become the owner of all issued and existing class C shares of THE NET-A-PORTER GROUP.
- On 24 September 2015, in execution of the provisions of the Merger Agreement, RH sold all ordinary class C shares to Largenta UK.
- Lastly, as at the date of the Report, the capital of THE NET-A-PORTER GROUP also included a minimal number of “deferred shares”, held by two minority shareholders, and one “special share” owned by RH. These shares were repurchased by THE NET-A-PORTER GROUP itself at a nominal price, on 24 September 2015.
- Therefore, as at the date of the Document, Largenta UK owns the entire share capital of THE NET-A-PORTER GROUP.

For the purposes of the YOOX Pro-Forma Consolidated Financial Statements, as at the date of the preparation of the same, it has been assumed that, at the time of the Merger, Largenta Italia owned 100% of the share capital of Largenta UK, which in turn held 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, due to the exercise of the options mentioned above.

Stock-based incentive plans of the Merged Company

RH, Largenta UK and THE NET-A-PORTER GROUP had implemented, with the management of THE NET-A-PORTER GROUP, stock-based incentive plans expiring in March 2015 that give the holder the right to a financial benefit depending on growth in the value of THE NET-A-PORTER GROUP above a specified minimum value. These shares (“**B Shares**”) include a put option that entitles the holder to sell the entire block of shares held (but not a portion) by a certain date at their fair value on the date of sale. RH and Largenta UK, respectively, with reference to the shares of Largenta UK and of THE NET-A-PORTER GROUP, hold equivalent call option rights for the purchase of and resulting payment for such shares at the same price agreed to between the parties.

In particular, in the Largenta UK Consolidated Financial Statements at 30 June 2015, the stock-based incentive plan relating to:

- B Shares of THE NET-A-PORTER GROUP is characterised as a transaction with stock-based payment settled in cash, and therefore the related cost for the period, equal to Euro 0.6 million, relating only to the three-month period given the expiry of the aforementioned plans in March 2015, has been recognised on the income statement with the liabilities counter-entry (equal to Euro 23.2 million at 30 June 2015) given that the obligor of payment is Largenta UK. The estimation of the fair value of such instruments has been carried out by applying, to the value of the NAP Group, determined using the Discounted Cash Flow method, the percentage pertaining to the most recent multi-annual plan available that, in the preparation of the consolidated data at 30 June 2015, proves not to have undergone significant changes between the beginning and end of that financial period.
- B Shares of Largenta UK Group is characterised as a transaction with stock-based payment settled using instruments representing capital, and therefore the related cost for the period, equal to Euro 4.6 million, relating only to the three-month period given the expiry of the aforementioned plans in March 2015, has been recognised on the income statement with the counter-entry of a reserve for (equal to Euro 95.4 million at 30 June 2015) RH payment. The estimation of the fair value of such instruments has been carried out by applying, to the value of the NAP Group, determined using the Discounted Cash Flow method, the percentage pertaining to the most recent multi-annual plan available as of the date of the start of the incentive plan.

As regards the B Shares of THE NET-A-PORTER GROUP, the Merger Agreement provides that the price for the acquisition of these shares is to be paid by Largenta UK using funds made available by RH, without any obligation of reimbursement from Largenta UK itself.

RH and Largenta UK have exercised the respective call options on the shares of Largenta UK and THE NET-A-PORTER GROUP that are not in their possession. Any eventual effects and expenses deriving from such trading are deemed to be borne by RH and therefore they are not taken into account for the purposes of determining the Pro-Forma Data at 30 June 2015. For further information regarding the purchase of the B Shares of THE NET-A-PORTER GROUP and the exercise of call options in this regard, please refer to the preceding paragraph “Options on shares of Largenta UK and THE NET-A-PORTER GROUP”.

For the purposes of the preparation of the YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015, the aforementioned stock-based incentive plans have been deemed comparable to stock option plans and company incentive utilised by YOOX although attributable to financial instruments of a different technical form. With reference to the B Shares of THE NET-A-PORTER GROUP, it is assumed that, due to the effect of the aforementioned provision of the Merger Agreement, the entity to be the obligor of payment will be RH rather than Largenta UK and therefore the stock-based incentive plan is reclassified from a transaction with stock-based payment with cash settlement into a transaction with stock-based payment with settlement in equity instruments.

For further information, please note that the share-based incentive plans in question failed on 31 March 2015. With regard to the new Plans to be approved in compliance with the Shareholders' Agreement, please refer to the Introduction of the Document.

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

Among other things, the Merger Agreement provides a commitment by Richemont and RH to see to it that: (i) all contracts and agreements relating to the providing of services, mainly related to support in terms of administration, finance, tax, law, intellectual property management and other business consulting, or the granting of loans between Richemont and/or its Affiliates, on the one hand, and among Largenta Italia, Largenta UK, THE NET-A-PORTER GROUP and each of the Subsidiaries of THE NET-A-PORTER GROUP, on the other hand, are terminated before or on the date of making the Deed of Merger and (ii) any amount that can be claimed by or is due to Richemont or its Affiliates from Largenta Italia, Largenta UK, THE NET-A-PORTER GROUP and each of the Subsidiaries of THE NET-A-PORTER GROUP is waived by Richemont and/or any of its Affiliates or is settled by THE NET-A-PORTER GROUP in the case of resulting debt not settled by Richemont before or on the date of making the Deed of Merger, in any event with the exception of items arising within or regarding commercial relations.

The Merger Agreement also provides for a commitment by Richemont and RH to see to it that, by the date of making the Deed of Merger, Largenta Italia, Largenta UK, THE NET-A-PORTER GROUP and the Subsidiaries of THE NET-A-PORTER GROUP have no remaining financial debt to third parties and, without prejudice to that established earlier, have no remaining debt whatsoever for deferred payments in connection with any acquisition of companies on the part of THE NET-A-PORTER GROUP.

For the purposes of the preparation of the YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015 the following assumptions have been made:

- (a) with regard to the balance sheet:

- the extinction of the aforementioned liabilities to Richemont and/or its associates by means of a waiver by Richemont and RH with the consequent crediting to the shareholders' equity of the Largenta UK Group totalling Euro 6.7 million;
 - the extinction of the debt to the associated companies resulting from the tax consolidation relationship with the consequent crediting to the shareholders' equity of the Largenta UK Group totalling Euro 0.4 million;
 - the extinction of the liabilities for remaining debts for deferred payments in connection with any acquisition of companies on the part of THE NET-A-PORTER GROUP by means of assumption and waiver by Richemont and RH with the consequent crediting to the shareholders' equity of the Largenta UK Group totalling Euro 5.1 million;
 - the extinction of the liabilities for financial debts to third parties by the use of cash, totalling Euro 31.2 million and crediting Euro 20.2 million to shareholders' equity.
- (b) With regard to economic purposes, the costs for services and the finance expenses attributable to the aforementioned contracts (for an amount totalling Euro 2.2 million, net of the pertinent tax effect) have been eliminated from the income statement, without their replacement, as the related services previously carried out by Richemont shall be performed after the transaction by the company structures already existing at the corporate level held by YOOX and, at the moment, there are no foreseeable further significant cost increases.

4.2.3 *Content of the YOOX Pro-Forma Consolidated Financial Statements as at 30 June 2015*

The YOOX Pro-Forma Consolidated Financial Statements include:

- the historical data relating to the condensed half-year consolidated financial statements of the YOOX Group at 30 June 2015;
- the historical data relating to the half-year financial statements of Largenta Italia at 30 June 2015;
- the historical data relating to the half-year consolidated financial statements of the Largenta UK Group at 30 June 2015; these data are expressed in the functional currency of reference, represented by the British pound, converted from the British pound to the euro and reclassified in the financial statements used for the purposes of the preparation of the YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015 following the methods described below.
- aggregation of the data relating to the YOOX Group, to Largenta Italia and to the Largenta UK Group at 30 June 2015 (the “**Aggregate Data at June 30, 2015**”);
- pro-forma adjustments to reflect the Merger transaction following the methods set forth there (the “**Pro-Forma Adjustments at 30 June 2015**”);
- the YOOX Pro-Forma Consolidated Financial Statements at 30 June 2015 obtained by adding Pro-Forma Adjustments at 30 June 2015 to the Aggregate Data at June 30, 2015 (“**YOOX NAP Group Pro-Forma at 30 June 2015**”).

The historical data and pro-forma data are expressed in thousands of euro on the basis of the financial statements presented in the YOOX Group condensed half-year consolidated financial statements at 30 June 2015.

The historical income, capital and financial data of the Largenta UK Group at 30 June 2015 expressed in British pounds as put forward for the purposes of their inclusion in the Pro-Forma Data at 30 June 2015 have been converted into euro and presented following the financial statement formats used for the purposes of preparation of the YOOX Pro-Forma Consolidated Financial Statements. The conversion of such data under the IFRS has not had significant effects.

For the purposes of the conversion of the income statement data use has been made of the average exchange rate for the period from 1 January 2015 to 30 June 2015, equivalent to GBP 1 = EUR 0.732376, while for the purposes of the conversion of the balance sheet data at 30 June 2015 use has been made of the particular exchange rate at 30 June 2015, equivalent to GBP 1 = EUR 0.7114.

(thousand Euros/Sterling)

| CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH LARGENTA UK GROUP TABLES (GBP) | Largenta UK Group (GBP) | Largenta UK Group (EUR) | Notes | Largenta UK Group in accordance with YOOX Group tables (EUR) | CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH YOOX GROUP TABLES (EUR) |
|---|-------------------------|-------------------------|-------|--|--|
| Period 1/1/2015 – 30/06/2015 | | | | | |
| Revenue | 376,467 | 514,035 | 1 | 507,235 | Net revenues |
| Cost of goods sold | (207,662) | (283,546) | 2 | (298,878) | Cost of goods sold |
| Gross margin | 168,805 | 230,489 | | | |
| Distribution costs | (19,136) | (26,129) | 3 | (56,582) | Fulfilment costs |
| Overhead costs | (125,642) | (171,554) | 4 | (57,668) | Sales and marketing costs |
| Costs of stock-based incentive plans | (3,829) | (5,228) | 5 | (67,841) | General expenses |
| | | | | 21 | Other income and expenses |
| | | | | (376) | Non-recurring expenses |
| Profit from operations | 20,198 | 27,579 | | 25,912 | Operating income |
| Interest and other income | 0 | 0 | | - | Result of equity investments |
| Interest and other expenses | (373) | (509) | 6 | 3,553 | Financial income |
| Profit before tax | 19,825 | 27,069 | | (2,397) | Financial expenses |
| Taxes for the fiscal year | (5,149) | (7,031) | | 27,068 | Profit before tax |
| Profit for the fiscal year | 14,675 | 20,038 | | (7,031) | Taxes |
| | | | | 20,038 | Consolidated income for the fiscal year |
| <i>attributable to the Parent Company</i> | <i>14,223</i> | <i>19,420</i> | | | |
| <i>attributable to third parties</i> | <i>452</i> | <i>618</i> | | | |

Notes on reclassifications made to the Consolidated Income Statement

1. *Net revenues*

The amount of Euro 514.0 million was reclassified separately as follows:

- Euro 507.2 million into the item “Net revenues”
- Euro 6.8 million into the item “Sales and marketing costs” because attributable to chargebacks for “Non-US Duties”.

2. *Cost of goods sold*

The amount of Euro 283.5 million was reclassified separately as follows:

- Euro 272.7 million into the item “Cost of goods sold”;
- Euro 4.7 million into the item “Fulfilment costs” because mainly attributable to expenses involving the purchase of packaging and the repackaging of goods (“Dry cleaning” activities);
- Euro 6.0 million into the item “Sales and marketing costs” because attributable to advertising expenses, customs duties and sales tax;
- Euro 0.1 million into the item “Financial expenses” because attributable to foreign exchange gains.

3. *Distribution costs*

The amount of Euro 26.1 million has been classified in the item “Cost of goods sold” because mainly attributable to transport expenses on sales and on returns (shipping export cost, shipping returns cost, free export shipping) and to expenses related to staff employed in the so-called “Premier” transportation activities.

4. *Overhead costs*

The amount of Euro 171.6 million was classified as follows:

- Euro 62.6 million in the item "General expenses";
- Euro 51.9 million in the item "Fulfilment costs" because mainly attributable to personnel costs, expenses related to rentals, maintenance, utilities, stationery and amortisation;
- Euro 58.5 million in the item "Sales and marketing costs" because mainly attributable to expenses involving the magazine “Porter”, fees paid to credit card collection operators, personnel costs and marketing costs (affiliation);
- Euro 0.4 million in the item "Non-recurring expenses" because attributable to costs ancillary to the merger transaction;
- a negative Euro 3.6 million in the item "Financial income" because attributable to foreign exchange gains realised and not realised;
- Euro 1.8 million in the item "Financial expenses" because attributable to foreign exchange losses realised and not realised.

5. *Costs of stock-based compensation plans*

The amount of Euro 5.2 million was fully classified in the item “General expenses”.

6. *Interest and other expenses*

The amount of Euro 0.5 million was classified in the item “Financial expenses”.

| CONSOLIDATED BALANCE SHEET IN ACCORDANCE WITH LARGENTA UK GROUP TABLES (GBP) | Largenta UK Group (GBP) | Largenta UK Group (EUR) | Notes | Largenta UK Group in accordance with YOOX Group tables (EUR) | CONSOLIDATED BALANCE SHEET IN ACCORDANCE WITH YOOX GROUP TABLES (EUR) |
|---|-------------------------------|-------------------------------|-------|---|--|
| 30/06/2015 | | | | | |
| Non-current assets | | | | | |
| Intangible non-current assets | 236,566 | 332,536 | 1 | 75,093 | Property, plant and equipment |
| Tangible non-current assets | 71,306 | 100,233 | 2 | 26,374 | Intangible assets with finite useful life |
| | 307,872 | 432,770 | | 331,303 | Goodwill |
| | | | | - | Equity interests in associates |
| Current assets | | | | 11,750 | Deferred tax assets |
| Cash and cash equivalents | 28,401 | 39,923 | 3 | 1,624 | Other non-current financial assets |
| Inventory | 179,640 | 252,516 | | 446,144 | Total non-current assets |
| Receivables | 57,568 | 80,922 | 4 | | |
| | 265,609 | 373,361 | | 252,516 | Inventories |
| | | | | 13,070 | Trade receivables |
| Liabilities: due within one year | (224,883) | (316,113) | 5 | 20,004 | Other current assets |
| Net current assets | 40,726 | 57,248 | | 31,236 | Cash and cash equivalents |
| | | | | 43,417 | Current financial assets |
| Total assets net of current liabilities | 348,599 | 490,018 | | 360,243 | Total current assets |
| Liabilities: due beyond one year | (7,445) | (10,464) | 6 | | |
| Net assets | 341,154 | 479,554 | | 806,387 | Total assets |
| Capital and reserves | | | | | |
| Share capital | 340,879 | 479,166 | | 479,167 | Share capital |
| Share premium reserve | 196 | 275 | 7 | 95,180 | Reserves |
| Reserve for stock-based incentive plans | 67,956 | 95,524 | 8 | (120,107) | Reserves for profit/loss carried forward |
| Other reserves | (71,630) | (100,689) | 9 | 20,038 | Consolidated income for the fiscal year |
| | 337,401 | 474,278 | | 474,278 | Shareholders' equity attributable to owners of the Parent Company |
| Third-party shareholders' equity | 3,753 | 5,275 | | 5,275 | Shareholders' equity attributable to third parties |
| Total shareholders' equity | 341,154 | 479,554 | | 479,554 | Total consolidated shareholders' equity |
| | | | | - | Medium-/long-term financial liabilities |
| | | | | - | Employee benefits |
| | | | | - | Provisions for non-current risks and expenses |
| | | | | - | Deferred tax liabilities |
| | | | | 8,360 | Other liabilities |
| | | | | 8,360 | Total non-current liabilities |
| | | | | 58,176 | Bank loans and other current financial liabilities |
| | | | | - | Provisions for current risks and expenses |
| | | | | 148,271 | Trade liabilities |
| | | | | 374 | Tax liabilities |
| | | | | 111,653 | Other liabilities |
| | | | | 318,473 | Total current liabilities |
| | | | | 806,387 | Total consolidated shareholders' equity and liabilities |

Notes on reclassifications made to the Consolidated Balance Sheet

1. Intangible non-current assets

The amount of Euro 332.5 million was classified as follows:

- Euro 331.3 million in the item “Goodwill”
- Euro 1.2 million in the item “Intangible assets with finite useful life”.

2. Tangible non-current assets

The amount of Euro 100.2 million was classified as follows:

- Euro 25.1 million in the item “Intangible assets with finite useful life” because attributable to research and development costs;
- Euro 75.1 million into the item “Property, plant and equipment”.

3. *Cash and cash equivalents*

The amount of Euro 39.9 million represents the balance between the cash and cash equivalents and the current loans and bank debts of the Larenta UK Group and has been classified as follows:

- Euro 31.2 million in the item "Cash and cash equivalents";
- Euro 8.7 million in the item "Current financial assets" because involving the receivable from the acquirer Barclays.

4. *Receivables*

The amount of Euro 80.9 million was classified as follows:

- Euro 11.8 million in the item "Deferred tax assets";
- Euro 1.6 million in the item "Other non-current financial assets";
- Euro 19.8 million in the item "Other current assets";
- Euro 34.7 million in the item "Current financial assets" because attributable to receivables due from credit card collection operators.
- Euro 13.1 million in the item "Trade receivables".

5. *Liabilities with a term less than one year*

The amount of Euro 316.1 million was classified as follows:

- Euro 58.2 million in the item "Bank loans and other current financial liabilities" because attributable to the debt of a financial nature to RH;
- Euro 0.4 million into the item "Tax liabilities" because attributable to tax debts to the companies of the Richemont Group;
- Euro 148.3 million in the item "Trade liabilities";
- Euro 109.5 million in the item current "Other liabilities";
- a negative Euro 0.3 million in the item "Other current assets".

6. *Liabilities with a term greater than one year*

The amount of Euro 10.5 million was classified as follows:

- Euro 2.1 million in the item current "Other liabilities";

- Euro 8.4 million in the item non-current "Other liabilities";

7. Share premium

The amount of Euro 0.3 million was classified in the item "Reserves".

- *Reserve for stock-based incentive plans*

The amount of Euro 95.5 million was classified in the item "Reserves".

8. Other reserves

A negative amount of Euro 100.7 million was classified as follows:

- Euro 120.1 million in the item "Reserves for profit/loss carried forward";
- a positive Euro 20.0 million in the item "Consolidated profit for the period" because attributable to income for the first half of 2015;
- a negative Euro 0.6 million in the item "Reserves" because attributable to the conversion difference generated by the use of the particular exchange rate for the conversion from British pounds to the euro on 30 June 2015 for the balance sheet and by the use of the average exchange rate of the first half of 2015 for the conversion of the income statement data.

| CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH LARGENTA UK GROUP ACCOUNTS (pound sterling) | Largenta UK Group (pound sterling) | Largenta UK Group (euro) | Notes | Largenta UK Group according TO Yoox Group financial statements (euro) | CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH YOOX GROUP FINANCIAL STATEMENTS (euro) |
|--|------------------------------------|--------------------------|-------|---|--|
| Period 1.1.2015 – 30.6.2015 | | | | | |
| Operating income | 20,198 | 27,578 | 1 | 20,038 | Consolidated net income for the fiscal year |
| Amortisation and depreciation for tangible and intangible assets | 9,567 | 13,063 | | 7,031 | <i>Adjustments for:</i> Taxes for the fiscal year |
| Capital losses on sales | (15) | (21) | | 2,397 | Financial expenses |
| Incentive plans costs | 3,829 | 5,229 | | (3,553) | Financial income |
| (Increase) / decrease in inventories | (4,078) | (5,568) | | - | Share of earnings from associates |
| Increase) / decrease in receivables | (14,436) | (19,712) | | 13,062 | Depreciation, amortisation and impairment losses |
| (Increase) / decrease in liabilities | (5,679) | (7,754) | | 5,228 | Fair value measurement of stock option plans |
| Cash flow generated by / (used in) operational activities | 9,386 | 12,815 | 2 | 1,736 | Unrealised effect of changes in foreign exchange rates |
| | | | | (21) | Capital losses/(gains) on sale of non-current assets |
| Remuneration from investments and financial services | | | | - | Employee benefits |
| Interest income | | | | - | Provisions for risks and expenses |
| Interest expenses | (205) | (280) | | - | Payment of employee benefits |
| Net cash flow generated by / (used in) remuneration from investments and financial services | 9,181 | 12,535 | | - | Use of provisions for risks and expenses |
| Taxes | (2,317) | (3,164) | | (4,665) | Changes in inventories |
| Capital account costs | | | | (7,677) | Change in trade receivables |
| Revenues from the sale of tangible fixed assets | | | | 25,123 | Change in trade liabilities |
| Payments for investments in property, plant and equipment and intangible assets | (15,728) | (21,475) | | (21,072) | Changes in other current assets and liabilities |
| Net cash flow generated by / (used) before management of liquidity and loans | (8,864) | (12,104) | | 37,626 | Cash flow from / (used in) operating activities |
| Exchange rate losses | 272 | 370 | | (3,164) | Income tax paid |
| | | | | (2,397) | Interest and other financial expenses paid |
| Total cash generated / used | (8,592) | (11,734) | 3 | 3,553 | Interest and other financial income received |
| | | | | 35,619 | Cash flow generated by (used in) operating activities |
| | | | | (12,663) | Expenditure for investments in property, plant and equipment |
| | | | | (8,811) | Expenditure for investments in intangible assets |
| | | | | 12 | Expenditure for investments in equity investments |
| | | | | | Collection /(Expenditure) for investments in other non-current financial assets |

| CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH LARGENTA UK GROUP ACCOUNTS (pound sterling) | Largenta UK Group (pound sterling) | Largenta UK Group (euro) | Notes | Largenta UK Group according TO Yoox Group financial statements (euro) | CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH YOOX GROUP FINANCIAL STATEMENTS (euro) |
|---|--|--------------------------------|-------|--|--|
| | | | | - | Sale of fixed assets |
| | | | | (21,463) | Net cash from / (used in) investing activities |
| | | | | 23,317 | <i>Financing activities</i> |
| | | | | (24,534) | New short-term financial liabilities |
| | | | | - | Repayment of short-term financial liabilities |
| | | | | - | New medium/long-term financial liabilities |
| | | | | - | Repayment of medium/long-term financial liabilities |
| | | | | - | Treasury share acquisition |
| | | | | - | Payments for share capital increase and share premium reserves |
| | | | | (11,468) | Investments in other financial assets |
| | | | | - | Variation through difference between cash effect and action of incentive plans |
| | | | | (12,685) | Cash flow from / (used in) financing activities |
| | | | | 1,472 | Total cash flow for the fiscal year |
| | | | | 29,765 | Cash and cash equivalents at the beginning of the fiscal year |
| | | | | 31,236 | Cash and cash equivalents at the end of the fiscal year |
| | | | | 1,472 | Total cash flow for the fiscal year |

Notes on the reclassifications made to the consolidated cash flow statement

1. Result before operating income

The consolidated cash flow statement according to the Largenta UK Group statements start with the "Operating income," 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) operational activities

The difference of Euro 24.8 million between the "Net cash flow generated by / (used in) operating activities" equal to Euro 12.8 million in the Largenta UK Group statements and the "Cash flow generated by / (used in) operating activities" amounting to Euro 37.6 million in the YOOX statement, is due mainly to a different classification of trade receivables and liabilities and financial income and expenses. In particular, in the first half of 2015, the RH loan of approximately Euro 24.5 million was repaid. Largenta UK classifies this loan under "Net cash flow generated by / (used in) operating activities" while it was reclassified to the financial portion in the YOOX financial statements.

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 2015 with 30 June 2015.

4.2.4 Description of Pro-Forma adjustments as at 30 June 2015

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 30 June 2015.

| (thousand Euros) | | | | | | | |
|---|---|----------------------------------|--|---|------------------------------|---------------------------|-----------------------------------|
| PROFORMA ADJUSTMENTS TO 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 |
| | | | | | | | |
| Period 1.1.2015 – 30.6.2015 | | | | | | | |
| Net revenues | | | | - | - | | - |
| Cost of goods sold | | | | - | - | | - |
| Fulfilment costs | | | | - | - | | - |
| Sales and marketing costs | | | | - | - | | - |
| General expenses | | | | 2,680 | - | | 2,680 |
| Other income and expenses | | | | - | - | | - |
| Non-recurring expenses | | | | - | 5,584 | | 5,584 |
| Operating income | - | - | - | 2,680 | 5,584 | - | 8,264 |
| Result of equity investments | | | | - | - | | - |
| Financial income | | | | (121) | - | | (121) |
| Financial expenses | | | | 171 | - | | 171 |
| Profit before tax | - | - | - | 2,730 | 5,584 | - | 8,314 |
| Taxes | | | | (560) | (1,509) | | (2,069) |
| Consolidated net income for the fiscal year | - | - | - | 2,170 | 4,075 | - | 6,245 |

| (thousand Euros) | | | | | | | |
|--|---|----------------------------------|---|--|------------------------------|---------------------------|-----------------------------------|
| PROFORMA ADJUSTMENTS CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | 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 |
| | | | | | | | |
| Period 1.1.2015 – 30.6.2015 | | | | | | | |
| Consolidated net income for the fiscal year | - | - | - | 2,170 | 4,075 | - | 6,245 |
| 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 | - | - | - | - | - | - | - |
| Net change in retained earnings and actuarial losses relating to employee benefits | | | | | | | - |
| Total other components of comprehensive income which will not be reclassified in the income statement | - | - | - | 2,170 | 4,075 | - | 6,245 |
| TOTAL CONSOLIDATED COMPREHENSIVE NET INCOME FOR THE FISCAL YEAR | - | - | - | 2,170 | 4,075 | - | 6,245 |
| <i>of which:</i> | | | | | | | |
| Attributable to the group | - | - | - | 2,170 | 4,075 | - | 6,245 |
| | - | - | - | - | - | - | - |

(thousand Euros)

| PROFORMA ADJUSTMENTS CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | 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 1.1.2015 – 30.6.2015 | | | | | | | |
| Attributable to non-controlling interests | | | | | | | |
| | | | | | | | (thousand Euros) |

| PROFORMA ADJUSTMENTS 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 | |
| 30.06.2015 | | | | | | | |
| Property, plant and equipment | | | | | | | - |
| Intangible assets with finite useful life | | | | | | | - |
| Goodwill | | 429,446 | | | | 938,908 | 1,368,355 |
| Equity interests in associates | | | | | | | - |
| Deferred tax assets | | | | | 3,938 | | 3,938 |
| Other non-current financial assets | | | | | | | - |
| Total non-current assets | - | 429,446 | - | - | 3,938 | 938,908 | 1,372,293 |
| Inventories | | | | | | | - |
| Trade receivables | | | | | | | - |
| Other current assets | | | | | | | - |
| Cash and cash equivalents | | | | (31,236) | | | (31,236) |
| Current financial assets | | | | | | | - |
| Total current assets | - | - | - | (31,236) | - | - | (31,236) |
| Total assets | - | 429,446 | - | (31,236) | 3,938 | 938,908 | 1,341,057 |
| Share capital | | (478,561) | | | | - | (478,561) |
| Reserves | 5,275 | 807,938 | 23,276 | 32,468 | (10,642) | 938,908 | 1,797,224 |
| Retained earnings and losses carried forward | | 120,107 | | | | | 120,107 |
| Consolidated net income for the fiscal year | | (20,038) | | | | | (20,038) |
| Shareholders' equity of Parent Company shareholders | 5,275 | 429,446 | 23,276 | 32,468 | (10,642) | 938,908 | 1,418,732 |
| Shareholders' equity attributable to third parties | (5,275) | - | | | | | (5,275) |
| Total consolidated shareholders' equity | - | 429,446 | 23,276 | 32,468 | (10,642) | 938,908 | 1,413,456 |
| 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 | | | | (58,176) | | | (58,176) |
| Provisions for risks and charges | | | | | | | - |
| Trade payables | | | | | | | - |
| Tax liabilities | | | | (374) | | | (374) |
| Other payables | | | (23,276) | (5,154) | 14,580 | | (13,850) |
| Total current liabilities | - | - | (23,276) | (63,704) | 14,580 | - | (72,400) |
| Total consolidated shareholders' equity and liabilities | - | 429,446 | - | (31,236) | 3,938 | 938,908 | 1,341,057 |
| | | | | | | | (thousand Euros) |

| PROFORMA ADJUSTMENTS 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 1.1.2015 – 30.6.2015 | | | | | | | |
| Consolidated net income for the fiscal year | | | | 2,170 | 4,075 | | 6,245 |
| <i>Adjustments for:</i> | | | | | | | |
| Taxes for the fiscal year | | | | | | | |
| Financial expenses | | | | | | | |
| Financial income | | | | | | | |
| Share of earnings from associates | | | | | | | |
| Amortisation, depreciation and | | | | | | | |

(thousand Euros)

| PROFORMA ADJUSTMENTS 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 | |
| 30.06.2015 | | | | | | | |
| impairment | | | | | | | |
| Fair value measurement of stock option plans | | | | | | | |
| Unrealised effect of changes in foreign exchange rates | | | | | | | |
| Capital losses/(gains) 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 | | | | | | | |
| Change in trade receivables | | | | | | | |
| Change in trade payables | | | | | | | |
| Changes in other current assets and liabilities | | | (2,550) | 12,679 | (4,075) | | 6,055 |
| Cash flow from / (used in) operating activities | | | (2,550) | 14,850 | - | | 12,300 |
| Income tax paid | | | | | | | |
| Interest and other financial expenses paid | | | | | | | |
| Interest and other financial income received | | | | | | | |
| NET CASH FROM (USED IN) OPERATING ACTIVITIES | | | (2,550) | 14,850 | - | | 12,300 |
| <i>Investing activities</i> | | | | | | | |
| 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 | | | | | | | |
| NET CASH FROM / (USED IN) INVESTING ACTIVITIES | | | | | | | |
| <i>Financing activities</i> | | | | | | | |
| New short-term financial liabilities | | | | | | | |
| Repayment of short-term financial liabilities | | | | (3,751) | - | | (3,751) |
| New medium/long-term financial liabilities | | | | | | | |
| Repayment of medium/long-term financial liabilities | | | | | | | |
| Treasury share acquisition | | | | | | | |
| Payments for share capital increase and share premium reserves | | | 2,550 | (10,883) | - | | (8,333) |
| Investments in other financial assets | | | | | | | |
| Variation through difference between cash effect and action of incentive plans | | | | | | | |
| CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES | | | 2,550 | (14,634) | - | | (12,085) |
| TOTAL CASH FLOW FOR THE FISCAL YEAR | | | | 215 | - | | 215 |
| Cash and cash equivalents at the beginning of the fiscal year | | | | (29,281) | - | | (29,281) |
| Cash and cash equivalents at the end of the fiscal year | | | | (29,066) | - | | (29,066) |
| TOTAL CASH FLOW FOR THE FISCAL YEAR | | | | 215 | - | | 215 |

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

1. Exercising of Options on NAP 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 NET-A-PORTER GROUP share capital at the time of the operation as required by the Merger Agreement. This adjustment was made by restating 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 30 June 2015.

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 against 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 | |
|---|------------------------------|------------------|
| Amounts in Euros millions | 909.0 | A |
| Shareholders' equity of Largenta UK Group | 479.6 | B |
| Amount of Pro-Forma entry | 429.4 | C = A – B |
| Largenta UK Group pre-existing goodwill | 331.3 | D |
| Total Largenta Italia Group goodwill | 760.7 | C + D |

3. Assumption of liabilities 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 vary significantly between the beginning and end of the period.

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 reclassified from paying operations based on shares settled in cash to paying operations based on shares settled with capital instruments.

Cash flow statement

The adjustment reflects the effects on the cash flow statement entries of the restatements 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 liabilities

Income statement

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

Statement of financial position

The adjustment represents extinguishment through:

- the renunciation of non-commercial liabilities 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 liabilities to third parties.

The liabilities resulting from the tax consolidation relationship with other Richemont Group companies were reclassified under tax liabilities to the English tax authorities and extinguished through 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 extinguishment of non-commercial liabilities with the Richemont Group companies and other liabilities.

5. Ancillary transaction costs

Income statement

In order to complete the Merger, YOOX, Largenta UK and THE NET-A-PORTER GROUP have estimated to incur expenses for fees paid to the consultants who assisted them in carrying out the transaction, amounting to Euro 20,164 thousand.

The adjustment represents the reversal of the ancillary costs of Euro 4,075 for the merger which have already been incurred and recognised by YOOX, Largenta UK and THE NET-A-PORTER GROUP net of the relative tax effects.

Statement of financial position

This column shows the aforementioned expenses and related deferred tax assets for residual compensation to be paid to consultants who assisted YOOX, Largenta UK and THE NET-A-PORTER GROUP in completing the transaction, amounting to Euro 14,580 thousand and Euro 3,938 thousand, respectively.

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 assumptions made in the preparation of the Pro-Forma Data with consequent economic effects, including the amortisation 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 share capital of the Largenta Italy Group and the simultaneous issue of new YOOX shares in favour of the former shareholders of the Largenta Italy Group on the basis of the exchange ratio defined for the operation, namely one Largenta Italy share for each newly issued YOOX share.

As described above, pending completion of the process of allocating purchase values to the assets, liabilities and contingent liabilities of the Largenta UK Group, the “Goodwill” heading has initially been used for recognition of the difference of Euro 1,699.6 million between the fair value of the new YOOX shares that will be issued for the purposes of the Merger, conventionally considered to be representative of the cost of the acquisition, and the consolidated shareholders’ equity of the Largenta Italy Group at 30 June 2015, net of its own residual goodwill of Euro 760.7 million and the Pro-forma adjustments impacting consolidated shareholders’ equity, amounting to Euro 55.7 million. This difference has therefore not been allocated to the assets, liabilities and contingent liabilities of the Largenta UK Group, insofar as it is amenable to such allocation.

The table below provides a summary of the calculation of goodwill:

| | million Euros | |
|---|----------------|------------------|
| Total consideration | 1,903.6 | A |
| Shareholders’ equity of the Largenta Italy Group | 909.0 | B |
| Reversal of pre-existing goodwill in the Largenta Italy Group | (760.7) | C |
| Effect of Pro-Forma Adjustments on shareholders’ equity | 55.7 | D |
| Shareholders’ equity of the Largenta Italy Group with effect of Pro-Forma Adjustments and net of own goodwill | 204 | E = B + C + D |
| Merger deficit | 1,699.6 | F = A - E |
| Recognised Pro-Forma amount | 938.9 | F + C |

4.2.5 Historical and Pro-Forma indicators per YOOX share

Historical and pro-forma indicators for the financial year ended 30 June 2015

The table below shows the main indicators monitored by the YOOX Group in absolute terms and per share, determined on the basis of historical and pro-forma data, with reference to the financial year ended 30 June 2015.

For the sake of greater information, the data for the Largentia Italy Group has also been reported, determined by aggregating the data of Largentia Italy with that of the Largentia UK Group, to which the amounts of the Pro-Forma Corrections have been added, with the exception of the Shareholders' Equity heading, since this is not representative.

| PRO-FORMA INDICATORS | Notes | Largentia Italy Group | | | Pro-Forma Adjustments - YOOX Group | Pro-Forma Adjustments - Largentia Italy Group | Pro-Forma Adjustments | Largentia Italy Group + Pro-Forma Adjustments | Pro-Forma data - YOOX NAP Group Pro-Forma at 30 June 2015 |
|--|-------|-----------------------|-----------------|--------------------|------------------------------------|---|-----------------------|---|---|
| | | YOOX Group | Largentia Italy | Largentia UK Group | | | | | |
| | | A | B | C | | | | | |
| (thousand Euros) | | | | | | | | | |
| Data as at 30.06.2015 | | | | | | | | | |
| Number of fully diluted shares | (i) | 65,599,597 | | | | | | | 131,199,194 |
| Total Group shareholders' equity | | 158,914 | 48 | 479,554 | | | 1,413,456 | | 2,051,972 |
| <i>Total group shareholders' equity per share (€)</i> | | 2.42 | | | | | | | 15.64 |
| Data for the fiscal year from 1.1.2015 to 30.06.2015 | | | | | | | | | |
| EBITDA excluding incentive plan costs (1) | (ii) | 19,174 | (2) | 44,577 | - | 2,680 | 2,680 | 47,255 | 66,430 |
| <i>EBITDA excluding incentive plan costs per share (1) (€)</i> | | 0.29 | | | | | | | 0.51 |
| Consolidated net income for the year excluding incentive plan costs and non-recurring expenses (2) | | 4,396 | (2) | 25,564 | | 2,171 | 2,171 | 27,733 | 32,129 |
| <i>Consolidated net income for the fiscal year excluding incentive plan costs and non-recurring expenses per share (2) (€)</i> | | 0.07 | | | | | | | 0.24 |
| Cash flow for the fiscal year | | (14,760) | - | 1,472 | - | 215 | 215 | 1,687 | (13,073) |
| <i>Cash flow for the fiscal year per share (€)</i> | | (0.23) | | | | | | | (0.10) |

(1) EBITDA is defined as net income before depreciation and amortisation, non-recurring expenses, income/loss from investments in associates, financial income and expenses, and 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. The management of the YOOX Group uses EBITDA to monitor and measure the Group's performance. The management believes that EBITDA is an important measure of the YOOX Group's 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 therefore the resulting figure might not be comparable with those calculated by such groups.

"EBITDA excluding incentive plan costs" is defined as EBITDA gross of costs relating to Stock Option Plans and incentive plans as regards YOOX and to the share-based incentive plans used by the Largentia UK Group.

"EBITDA excluding incentive plan costs and with Pro-Forma Adjustments" is defined as EBITDA gross of costs relating to Stock Option Plans and incentive plans as regards YOOX and to the share-based incentive plans used by the Largentia UK Group, to which is added the effect of the pro-forma items.

(2) “Consolidated net income excluding incentive plan costs and non-recurring expenses” is defined as Consolidated net income for the period gross of implicit costs relating to Stock Option Plans and incentive plans as regards YOOX and to the share-based incentive plans used by the Largenta UK Group, and gross of non-recurring expenses, in both cases discounting the related tax effects. With particular reference to the Largenta UK Group, it is specified that the tax effect has not been taken into account, since incentive plan costs in the accounting situation at 31 December 2014 are not considered to be deductible.

“Consolidated net income excluding incentive plan costs and non-recurring expenses and with Pro-Forma Corrections” is defined as Consolidated net income for the period gross of implicit costs relating to Stock Option Plans and incentive plans as regards YOOX and to the share-based incentive plans used by the Largenta UK Group, and gross of non-recurring expenses, in both cases discounting the related tax effects, to which is added the effect of the pro-forma items.

The notes are given below.

- (i) The Pro-Forma number of fully diluted shares attributable to the YOOX NAP Group was determined as the sum of YOOX shares at 31 March 2015 ⁽¹⁴⁾, the date of the signing of the Merger Agreement, namely 65,599,597, to which were added the 65,599,597 newly issued YOOX shares to be offered on an exchange basis to the shareholders of Largenta Italy as defined in the Merger Agreement on the basis of the Exchange Ratio.
- (ii) The reported value represents EBITDA before the costs recognised in the income statement relating to stock option and incentive plans used by YOOX and to the share-based incentive plans used by the Largenta UK Group, as commented on earlier. Paragraph 4.2.6 below provides the income statement showing these figures.

⁽¹⁴⁾ Number of shares at 31 March 2015 net of treasury shares amounting to 17,339, equal to 0.028% of the share capital and including the number of shares arising from the exercise of all options underlying the existing stock option plans.

4.2.6 Formally presented YOOX reclassified Pro-Forma data at 30 June 2015

The Pro-Forma data at 30 June 2015 is set out below using the formal schemes for the reclassified income statement, statement of financial position and statement of cash flows.

The data shown in the column:

- “Largenta Italy Group” represents the aggregated data of Largenta Italia S.p.A. and the Largenta UK Group;
- “Largenta Italy Group + Pro-Forma Adjustments” represents the sum of the data reported in the column “Largenta Italy Group” and that reported in the column “Pro-Forma Adjustments”.
- “YOOX NAP Group Pro-Forma” represents the sum of the data reported in the column “YOOX Group” and that reported in the column “Largenta Italy Group + Pro-Forma Adjustments”.

Please note that the financial results of the Largenta Italia Group as at 30 June 2015 benefit from the failure on 31 March 2015 of the share-based incentive plans, the cost of which for the first quarter of 2015 amounted to approximately Euro 5,228 thousand.

| (thousand Euros) | | | | | | | |
|--|----------------|----------------------|------------------------------------|------------------------------------|--|--|--------------------------|
| RECLASSIFIED PRO-FORMA CONSOLIDATED INCOME STATEMENT | YOOX Group | Largenta Italy Group | Pro-Forma Adjustments - YOOX Group | YOOX Group + Pro-Forma Adjustments | Pro-Forma Adjustments - Largenta Italy | Largenta Italy Group + Pro-Forma Adjustments | YOOX NAP Group Pro-Forma |
| | A | B | C | D=A+C | E | F=B+E | G=F+D |
| Period 1.1.2015 – 30.06.2015 | | | | | | | |
| Net revenues | 284,552 | 507,235 | | 284,552 | | 507,235 | 791,787 |
| Cost of goods sold | (179,300) | (298,878) | | (179,300) | | (298,878) | (478,178) |
| Fulfilment costs | (26,285) | (52,653) | | (26,285) | | (52,653) | (78,938) |
| Sales and marketing costs | (34,565) | (57,668) | | (34,565) | | (57,668) | (92,233) |
| General expenses | (22,719) | (53,481) | | (22,719) | 2,680 | (50,801) | (73,520) |
| Other income and expenses | (2,508) | 21 | | (2,508) | | 21 | (2,488) |
| Incentive plan costs | (1,014) | (5,228) | | (1,014) | | (5,228) | (6,242) |
| EBITDA (1) | 18,160 | 39,348 | | 18,160 | 2,680 | 42,028 | 60,188 |
| <i>% of Net revenues</i> | <i>6.4%</i> | <i>7.8%</i> | | <i>6.4%</i> | | <i>8.3%</i> | <i>7.6%</i> |
| Depreciation and amortisation | (14,645) | (13,062) | | (14,645) | | (13,062) | (27,707) |
| Non-recurring expenses | (5,209) | (376) | 5,209 | - | 376 | - | - |
| Operating income | (1,693) | 25,910 | 5,209 | 3,516 | 3,056 | 28,966 | 32,482 |
| <i>% of Net revenues</i> | <i>-0.6%</i> | <i>5.1%</i> | | <i>1.2%</i> | | <i>5.7%</i> | <i>4.1%</i> |
| Income from equity investments | 94 | - | | 94 | | - | 94 |
| Financial income | 6,425 | 3,553 | | 6,425 | (121) | 3,432 | 9,857 |
| Financial expenses | (5,316) | (2,397) | | (5,316) | 171 | (2,226) | (7,542) |
| Profit before tax | (491) | 27,066 | 5,209 | 4,718 | 3,106 | 30,172 | 34,890 |
| Taxes | 618 | (7,031) | (1,432) | (814) | (637) | (7,668) | (8,482) |
| Consolidated income for the fiscal year | 127 | 20,035 | 3,777 | 3,904 | 2,469 | 22,505 | 26,407 |
| <i>% of Net revenues</i> | <i>-0.0%</i> | <i>3.9%</i> | | <i>1.0%</i> | | <i>4.4%</i> | <i>3.3%</i> |
| EBITDA excluding incentive plan costs (1) | 19,174 | 44,575 | - | 19,174 | 2,680 | 47,255 | 66,430 |
| <i>% of Net revenues</i> | <i>6.7%</i> | <i>8.8%</i> | | <i>6.7%</i> | | <i>9.3%</i> | <i>8.4%</i> |
| Operating income excluding incentive plan costs and non-recurring expenses (2) | 4,530 | 31,514 | | 4,530 | 2,680 | 34,194 | 38,724 |
| <i>% of Net revenues</i> | <i>1.6%</i> | <i>6.2%</i> | | <i>1.6%</i> | | <i>6.7%</i> | <i>4.9%</i> |
| Consolidated net income for the fiscal year excluding incentive plan costs and non-recurring expenses (3) | 4,396 | 25,562 | | 4,396 | 2,171 | 27,733 | 32,129 |
| <i>% of Net revenues</i> | <i>1.5%</i> | <i>5.0%</i> | | <i>1.5%</i> | | <i>5.5%</i> | <i>4.1%</i> |

(1) EBITDA is defined as net income before depreciation and amortisation, non-recurring expenses, income/loss

from investments in associates, financial income and expenses, and 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. The management of the YOOX Group uses EBITDA to monitor and measure the Group's performance. The management believes that EBITDA is an important measure of the YOOX Group's 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 therefore the resulting figure might not be comparable with those calculated by such groups.

"EBITDA excluding incentive plan costs" is defined as EBITDA gross of costs relating to Stock Option Plans and incentive plans as regards YOOX and to the share-based incentive plans used by the Larenta UK Group.

"EBITDA excluding incentive plan costs and with Pro-Forma Adjustments" is defined as EBITDA gross of costs relating to Stock Option Plans and incentive plans as regards YOOX and to the share-based incentive plans used by the Larenta UK Group, to which is added the effect of the pro-forma items.

- (2) "Operating profit excluding incentive plan costs and non-recurring expenses" is defined as Consolidated operating profit for the period gross of implicit costs relating to Stock Option Plans and incentive plans as regards YOOX and to the share-based incentive plans used by the Larenta UK Group, and gross of non-recurring expenses.
- (3) "Consolidated net income excluding incentive plan costs and non-recurring expenses" is defined as Consolidated net income for the period gross of implicit costs relating to Stock Option Plans and incentive plans as regards YOOX and to the share-based incentive plans used by the Larenta UK Group, and gross of non-recurring expenses, in both cases discounting the related tax effects. With particular reference to the Larenta UK Group, it is specified that the tax effect has not been taken into account, since incentive plan costs in the accounting situation at 31 December 2014 are not considered to be deductible.

"Consolidated net income excluding incentive plan costs and non-recurring expenses and with Pro-Forma Corrections" is defined as Consolidated net income for the period gross of implicit costs relating to Stock Option Plans and incentive plans as regards YOOX and to the share-based incentive plans used by the Larenta UK Group, and gross of non-recurring expenses, in both cases discounting the related tax effects, to which is added the effect of the pro-forma items.

(thousand Euros)

| RECLASSIFIED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION | YOOX Group | Largenta Italy Group | Pro-Forma Adjustments | YOOX NAP Group Pro-Forma |
|---|----------------|----------------------------|--------------------------|--------------------------------|
| | A | B | C | A+B+C |
| 30.06.2015 | | | | |
| Inventories | 273,957 | 252,516 | | 526,473 |
| Trade receivables | 13,386 | 13,070 | | 26,456 |
| Other current assets (excluding other current financial assets) | 9,214 | 20,004 | | 29,217 |
| Trade liabilities | (194,290) | (148,271) | | (342,561) |
| Other liabilities | (30,845) | (111,653) | 13,850 | (128,648) |
| Current tax liabilities | (821) | (374) | 374 | (821) |
| Networking capital (1) | 70,601 | 25,292 | 14,224 | 110,116 |
| Property, plant and equipment | 38,272 | 75,093 | | 113,365 |
| Intangible assets with finite useful life | 43,823 | 26,375 | | 70,199 |
| Goodwill | - | 331,303 | 1,368,355 | 1,699,657 |
| Deferred tax assets | 13,979 | 11,750 | 3,938 | 29,667 |
| Other non-current financial assets | 1,217 | 1,624 | | 2,842 |
| Non-current assets | 97,292 | 446,144 | 1,372,293 | 1,915,730 |
| Employee benefits | (159) | - | | (159) |
| Provisions for risks and expenses | - | - | | - |
| Deferred tax liabilities | (359) | - | | (359) |
| Other medium-/long-term financial liabilities | - | (8,360) | | (8,360) |
| Non-current liabilities | (517) | (8,360) | | (8,877) |
| Net invested capital (2) | 167,375 | 463,078 | 1,386,517 | 2,016,970 |
| Share capital | 621 | 479,217 | (478,561) | 1,277 |
| Reserves | 107,807 | 95,180 | 1,797,224 | 2,000,212 |
| Losses carried forward | 50,358 | (120,107) | 120,107 | 50,358 |
| Consolidated income for the fiscal year | 127 | 20,036 | (20,038) | 125 |
| Equity attributable to third parties | - | 5,275 | (5,275) | - |
| Equity | 158,914 | 479,602 | 1,413,456 | 2,051,972 |
| Cash and cash equivalents | (103,269) | (31,283) | 31,236 | (103,315) |
| Current financial assets | (21,124) | (43,417) | | (64,541) |
| Bank loans and other current financial liabilities | 22,123 | 58,176 | (58,176) | 22,123 |
| Other current financial liabilities | - | - | | - |
| Medium-/long-term financial liabilities | 110,731 | - | | 110,731 |
| Net Financial Position | 8,461 | (16,525) | (26,940) | (35,003) |
| Total sources of financing | 167,375 | 463,078 | 1,386,517 | 2,016,970 |

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

With reference to the reclassified pro-forma consolidated statement of financial position, it was not considered appropriate to provide the Largenta Italy Group + Pro-Forma Adjustments data, since this is not representative.

(thousand Euros)

| RECLASSIFIED PRO-FORMA CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | YOOX Group | Largenta Italy Group | Pro-Forma Adjustments | Largenta Italy Group + Pro-Forma Adjustments | YOOX NAP Group Pro-forma |
|--|-----------------|----------------------------|--------------------------|---|--------------------------------|
| | A | B | C | B+C | A+B+C |
| Period 1.1.2015 – 30.6.2015 | | | | | |
| EBITDA excluding incentive plan costs (1) | 19,174 | 44,575 | 2,680 | 47,255 | 66,430 |
| Net financial income/(expense) and income/loss from investments in associates | 1,202 | 1,156 | 50 | 1,206 | 2,408 |
| Taxes | (2,702) | (8,588) | (560) | (9,148) | (11,850) |
| Changes in net working capital | (25,284) | (6,318) | 4,545 | (1,773) | (27,057) |
| Investments (Capital Expenditure) | (25,483) | (21,463) | | (21,463) | (46,946) |
| Other | (2,954) | 3,202 | (2,749) | 453 | (2,500) |
| Free cash flow | (36,046) | 12,564 | 3,966 | 16,531 | (19,515) |
| Non-recurring costs/revenues | (3,573) | (299) | | (299) | (3,873) |
| Inflows from the exercising of Stock Options and other share-based incentive plans | 158 | | | | 158 |
| Change in Net Financial Position | (39,461) | 12,266 | 3,966 | 16,232 | (23,229) |

4.3 Independent auditors' reports on the Pro-Forma financial statement data at 31 December 2014 and 30 June 2015

The reports of the independent auditors, KPMG, concerning the examination of the YOOX pro-forma consolidated data as at 31 December 2014 and 30 June 2015 included in this Chapter 4, containing the opinion expressed in relation to the reasonableness of the assumptions underlying the preparation of the pro-forma data, the correct application of the methodology used and the correctness of the accounting principles used for the preparation of the said data, are given below.



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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 section 4 of the Information memorandum prepared pursuant to article 57.1.d) of the “Regulation implementing Legislative decree no. 58 of 24 February 1998 concerning issuer regulation” endorsed by Consob (the Italian Commission for listed companies and the stock exchange) with resolution no. 11971 of 14 May 1999, as subsequently amended and integrated (the “Document”). The Document was prepared in connection with the contribution of Largentia Limited (“Largentia UK”), the parent of the NET-A-Porter Limited Group (the “NAP Group”), to the newco Largentia Italia S.p.A. (“Largentia Italy”) and the subsequent merger of the latter into YOOX S.p.A. (the “Merger”), with the consequent creation of the YOOX Net-A-Porter Group (the “YNAP Group”, or the “Group”).

The above-mentioned pro forma consolidated financial statements are derived from the historical data related to:

- 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 Largentia Italy as at and for the period ended 27 April 2015, prepared under Italian GAAP;
- the consolidated financial statements of Largentia UK and its subsidiaries (the “Largentia UK Group”) as at and for the year ended 31 December 2014, prepared by Largentia UK’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.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Cooperative (“KPMG International”), entità di diritto svizzero.

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Pescara Roma Torino Treviso
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20124 Milano MI ITALIA



We have examined the financial statements of Largentia Italy as at and for the period ended 27 April 2015 for the purposes of preparing this report on the YOOX pro forma consolidated financial statements.

PricewaterhouseCoopers LLP audited the consolidated financial statements of the Largentia 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 Largentia UK'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 Document.

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 YOOX 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 YOOX 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 YOOX 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 YOOX pro forma consolidated financial statements are correct.

Bologna, 28 August 2015

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit



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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 six months ended
30 June 2015**

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 six months ended 30 June 2015 (the “YOOX pro forma consolidated financial statements”), which are included in section 4 of the Information memorandum prepared pursuant to article 57.1.d) of the “Regulation implementing Legislative decree no. 58 of 24 February 1998 concerning issuer regulation” endorsed by Consob (the Italian Commission for listed companies and the stock exchange) with resolution no. 11971 of 14 May 1999, as subsequently amended and integrated (the “Document”). The Document was prepared in connection with the contribution of Largentia Limited (“Largentia UK”), the parent of the NET-A-Porter Limited Group (the “NAP Group”), to the newco Largentia Italia S.p.A. (“Largentia Italy”) and the subsequent merger of the latter into YOOX S.p.A. (the “Merger”), with the consequent creation of the YOOX Net-A-Porter Group (the “YNAP Group”, or the “Group”).

The above-mentioned pro forma consolidated financial statements are derived from the historical data related to:

- the condensed interim consolidated financial statements of the YOOX Group as at and for the six months ended 30 June 2015, prepared under the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) endorsed by the European Union;
- the interim financial statements of Largentia Italy as at and for the six months ended 30 June 2015, prepared under Italian GAAP;
- the interim consolidated financial statements of Largentia UK and its subsidiaries (the “Largentia UK Group”) as at and for the six months ended 30 June 2015, prepared by Largentia UK’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 reviewed the condensed interim consolidated financial statements of the YOOX Group as at and for the six months ended 30 June 2015, with respect to which reference should be made to our report dated 31 July 2015.

We reviewed the interim financial statements of Largenta Italy and the interim consolidated financial statements of the Largenta UK Group as at and for the six months ended 30 June 2015 for the purposes of preparing this report on the YOOX pro forma consolidated financial statements.

The review consisted primarily of the collection of information about the captions of the condensed interim consolidated financial statements and interim and interim consolidated financial statements mentioned above and the analysis of the accounting policies applied through discussions with company directors and analytical procedures applied to the financial data. The review excluded such audit procedures as tests of controls and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. As a consequence, we did not express an audit opinion on the above-mentioned condensed interim consolidated financial statements of the YOOX Group, interim financial statements of Largenta Italy or interim consolidated financial statements of the Largenta UK Group.

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 Document.

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 30 June 2015 and, with respect only to its effects on profit or loss, as if it had occurred on 1 January 2015. Had the Merger actually occurred on such dates, the outcome may not necessarily have been that presented.

The YOOX 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 YOOX 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 Based on our examination, nothing has come to our attention that causes us to believe that the basic assumptions that YOOX S.p.A. has adopted in the preparation of the YOOX pro forma consolidated financial statements to retroactively reflect the effects of the Merger referred to in paragraph 1 are not reasonable, the methodology used to prepare them has not been correctly applied for the disclosure purposes described above and that the accounting policies applied to prepare the above YOOX pro forma consolidated financial statements are not correct.

Bologna, 28 August 2015

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit

5 BALANCE SHEET OF YOOX GROUP, 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 IAS/IFRS international 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 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 UK*: 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 Sterling, 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.
- *THE NET-A-PORTER GROUP Limited*: a company wholly-owned by Largenta UK, not listed on the stock exchange, prepares THE NET-A-PORTER GROUP consolidated financial statements for the year end 31 March in compliance with the English regulations applying UK accounting standards.

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, incorporated into this Document by reference to Article 11 of the Prospectus Directive and Article 28 of (EC) Regulation no. 809/2004, 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 in relation to the publication of their 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 GBP 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: Largenta Italia (formerly Deal S.r.l.) statement of financial position;
- Paragraph 5.3: Largenta UK statement of financial position and explanatory notes;
- Paragraph 5.5: THE NET-A-PORTER GROUP statement of financial position and explanatory notes.

5.1 Consolidated financial statements of YOOX Group for the half-years ended 30 June 2015, 30 June 2014 and for fiscal years ended 31 December 2014, 2013 and 2012

Please 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 half-years ended 30 June 2015, 30 June 2014 and for fiscal years ended at 31 December 2014, 2013 and 2012.

The condensed interim consolidated financial statements as at 30 June 2015 were subject to a limited audit by KPMG S.p.A., which issued its report without reservations and/or requests for information, on 31 July 2015, attached to the Document.

The condensed interim consolidated financial statements as at 30 June 2014 were subjected to limited audit by KPMG S.p.A., which issued its report without reservations and/or requests for information on 4 August 2014, attached to the Document.

The financial statements as 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 and/or requests for information respectively on 18 March 2015, 14 March 2014 and 13 March 2013, attached to the Document.

For further details, please see the following documents here included pursuant to Article 11 of Directive 2003/71/EC and Article 28 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 interim report for the first half of 2015, specifically the following sections of the condensed interim consolidated financial statements subjected to limited audit of its related appendices:
 - consolidated income statement: page 39;
 - consolidated comprehensive income statement: page 40;
 - consolidated statement of financial position: page 41;
 - consolidated statement of cash flows: page 43.
- (ii) the YOOX Group annual financial report for 2014, specifically the following sections of the consolidated financial statements 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.
- (iii) the YOOX Group interim report for the first half of 2014, especially the following sections of the condensed consolidated half-year financial statements, subjected to limited audit, and its appendices:
 - consolidated income statement: page 39;
 - consolidated comprehensive income statement: page 40;

- consolidated statement of financial position: page 41;
 - consolidated statement of cash flows: page 43.
- (iv) the YOOX Group annual financial report for 2013, specifically the following sections of the consolidated financial statements 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.
- (v) the YOOX Group annual financial report for 2012, specifically the following sections of the consolidated financial statements 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 Euros) | 30/06/2015 | 31/12/2014 | 30.06.2014 | 31/12/2013 | 31/12/2012 |
|--|--------------|--------------|--------------|--------------|--------------|
| | Consolidated | Consolidated | Consolidated | Consolidated | Consolidated |
| | 6 months | 12 months | 6 months | 12 months | 12 months |
| Net revenues | 284,552 | 524,340 | 237,989 | 455,590 | 375,924 |
| Cost of goods sold | (179,300) | (336,793) | (151,765) | (284,786) | (238,506) |
| Fulfilment costs | (29,655) | (49,279) | (25,232) | (43,711) | (36,679) |
| Sales and marketing costs | (34,567) | (56,569) | (26,055) | (50,495) | (42,124) |
| General expenses | (35,006) | (55,959) | (27,158) | (49,824) | (38,256) |
| Other income and expenses | (2,508) | (2,486) | (1,563) | (2,865) | (1,448) |
| Non-recurring costs | (5,209) | - | - | - | - |
| Operating profit | (1,693) | 23,254 | 6,216 | 23,909 | 18,911 |
| Income from equity investments | 94 | (694) | (514) | (639) | (366) |
| Financial income | 6,425 | 4,506 | 305 | 1,367 | 1,557 |
| Finance expenses | (5,316) | (4,437) | (1,590) | (4,479) | (3,538) |
| Profit/(loss) on ordinary activities before taxation | (491) | 22,629 | 4,417 | 20,158 | 16,564 |
| Taxation | 618 | (8,827) | (1,861) | (7,537) | (6,381) |
| Consolidated net income for the fiscal year | 127 | 13,802 | 2,556 | 12,621 | 10,183 |

Consolidated comprehensive income statement

| (Amounts in thousand Euros) | 30/06/2015 | 31/12/2014 | 30.06.2014 | 31/12/2013 | 31/12/2012 |
|---|--------------|--------------|--------------|--------------|--------------|
| | Consolidated | Consolidated | Consolidated | Consolidated | Consolidated |
| | 6 months | 12 months | 6 months | 12 months | 12 months |
| Consolidated net income for the fiscal year | 127 | 13,802 | 2,556 | 12,620 | 10,183 |
| Other components of comprehensive income, net of tax effects | (935) | 1,805 | 256 | (1,415) | (729) |
| Foreign currency translation differences for foreign operations | 250 | 26 | (422) | 342 | 706 |
| Profit/(loss) from cash flow hedges | (685) | 1,831 | (166) | (1,073) | (23) |
| Total other components of comprehensive income which will be (or could be) reclassified in the income statement | 5 | (14) | (6) | (42) | - |
| Profit/(loss) from exchange rate gains and actuarial losses relating to employee benefits | 5 | (14) | (6) | (42) | - |
| Total other components of comprehensive income which will not be reclassified in the income statement | (553) | 15,619 | 2,384 | 11,505 | 10,161 |
| TOTAL CONSOLIDATED COMPREHENSIVE NET INCOME FOR THE FISCAL YEAR | | | | | |
| <i>of which:</i> | | | | | |
| Attributable to the group | (553) | 15,619 | 2,384 | 11,505 | 10,161 |
| Consolidated comprehensive net result attributable to non-controlling interests | | - | - | - | - |

Consolidated balance sheet

| (Amounts in thousand Euros) | 30/06/2015 Consolidated | 31/12/2014 Consolidated | 30.06.2014 Consolidated | 31/12/2013 Consolidated | 31/12/2012 Consolidated |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Property, plant and equipment | 38,272 | 35,663 | 35,728 | 34,890 | 29,023 |
| Intangible assets with finite useful life | 43,823 | 35,685 | 31,820 | 27,093 | 19,539 |
| Goodwill | - | - | - | - | - |
| Equity interests in associates | 59 | 59 | 59 | 59 | 59 |
| Deferred tax assets | 13,979 | 10,021 | 9,408 | 8,272 | 6,135 |
| Other non-current financial assets | 1,158 | 999 | 922 | 910 | 716 |
| Total non-current assets | 97,292 | 82,427 | 77,937 | 71,224 | 55,472 |
| Inventories | 273,957 | 222,834 | 186,293 | 164,396 | 138,216 |
| Trade receivables | 13,386 | 14,732 | 8,750 | 13,460 | 13,068 |
| Other current assets | 9,899 | 7,510 | 5,300 | 4,070 | 4,971 |
| Cash at bank and in hand | 103,269 | 118,028 | 33,788 | 58,280 | 35,775 |
| Financial assets which are not non-current assets | 20,439 | 9,539 | 8,808 | 8,742 | 6,143 |
| Total current assets | 420,949 | 372,643 | 242,939 | 248,948 | 198,173 |
| Total assets | 518,241 | 455,070 | 320,876 | 320,172 | 253,645 |
| Share capital | 621 | 620 | 588 | 582 | 573 |
| Reserves | 107,807 | 107,315 | 87,989 | 82,525 | 77,253 |
| Retained earnings and losses carried forward | 50,358 | 36,556 | 36,556 | 23,935 | 13,752 |
| Consolidated net income for the fiscal year | 127 | 13,802 | 2,556 | 12,620 | 10,183 |
| Equity attributable to equity holders of the Parent Company | 158,914 | 158,294 | 127,689 | 119,662 | 101,762 |
| Equity attributable to third parties | - | - | - | - | - |
| Total consolidated shareholders' equity | 158,914 | 158,293 | 127,689 | 119,662 | 101,762 |
| Medium/long-term financial liabilities | 110,731 | 66,072 | 27,661 | 33,848 | 15,099 |
| Liabilities for employee benefits | 159 | 165 | 168 | 210 | 212 |
| Provisions for risks and non-current charges | - | - | - | - | - |
| Deferred tax liabilities | 359 | 285 | 34 | 153 | 128 |
| Total non-current liabilities | 111,248 | 66,522 | 27,863 | 34,211 | 15,439 |
| Bank loans and other current financial liabilities | 22,047 | 30,759 | 9,517 | 12,904 | 12,007 |
| Provisions for risks and current charges | 286 | 482 | 329 | 422 | 337 |
| Trade payables | 194,290 | 164,466 | 128,601 | 120,792 | 96,763 |
| Tax liabilities | 535 | 320 | 1,777 | 989 | 1,261 |
| Other payables | 30,921 | 34,228 | 25,100 | 31,193 | 26,077 |
| Total current liabilities | 248,079 | 230,255 | 165,324 | 166,300 | 136,445 |
| Total consolidated shareholders' equity and liabilities | 518,241 | 455,071 | 320,876 | 320,173 | 253,645 |

Consolidated cash flow statement

| (Amounts in thousand Euros) | 30/06/2015 Consolidated 6 months | 31/12/2014 Consolidated 12 months | 30.06.2014 Consolidated 6 months | 31/12/2013 Consolidated 12 months | 31/12/2012 Consolidated 12 months |
|--|--|---|--|---|---|
| Consolidated net income for the fiscal year | 127 | 13,802 | 2,556 | 12,620 | 10,183 |
| <i>Adjustments for:</i> | | | | | |
| Taxation for the fiscal year | (618) | 8,827 | 1,861 | 7,537 | 6,381 |
| Finance expenses | 5,316 | 4,437 | 1,590 | 4,479 | 3,538 |
| Financial income | (6,425) | (4,506) | (305) | (1,367) | (1,557) |
| Share of earnings from associates | (94) | 694 | 514 | 639 | 366 |
| Amortisation, depreciation and losses in value | 14,645 | 25,576 | 11,661 | 19,153 | 13,174 |
| Fair value measurement of stock option plans | 1,014 | 1,236 | 815 | 3,695 | 4,610 |
| Unrealised effect of changes in foreign exchange rates | (935) | 1,805 | 256 | (1,415) | (729) |
| Capital gains/(losses) on sale of non-current assets | 58 | 39 | 2 | 11 | (2) |
| Provision for employee benefits | 19 | 25 | 12 | 65 | 15 |
| Provisions for risks and charges | 286 | 492 | 323 | 415 | 287 |
| Payment of employee benefits | (25) | (70) | (53) | (68) | (16) |
| Use of provisions for risks and charges | (483) | (431) | (416) | (330) | (149) |
| Changes in inventories | (51,123) | (58,438) | (21,896) | (26,181) | (36,354) |
| Changes in trade receivables | 1,346 | (1,272) | 4,710 | (392) | (4,824) |
| Changes in trade payables | 29,824 | 43,673 | 7,809 | 24,030 | 33,969 |
| Changes in other current assets and liabilities | (5,440) | (794) | (7,945) | 6,460 | 6,787 |
| Cash flow from (used in) operating activities | (12,506) | 35,095 | 1,493 | 49,351 | 35,680 |
| Income tax paid | (3,051) | (11,112) | (2,328) | (9,921) | (6,720) |
| Interest and other financial expenses paid | (5,316) | (4,437) | (1,590) | (4,479) | (3,538) |
| Interest and other financial income collected | 6,425 | 4,506 | 305 | 1,367 | 1,557 |
| CASH FLOW GENERATED BY (USED IN) OPERATING ACTIVITIES | (14,449) | 24,052 | (2,120) | 36,319 | 26,979 |
| <i>Investing activities</i> | | | | | |
| Expenditure for investments in property, plant and equipment | (10,191) | (14,560) | (7,985) | (18,013) | (4,625) |
| Expenditure for investments in intangible assets | (18,200) | (23,865) | (11,634) | (18,386) | (14,582) |
| Expenditure for investments in equity investments | - | (343) | (343) | (735) | (425) |
| Expenditure for investments in other non-current financial assets | (160) | (89) | (12) | (194) | (106) |
| CASH FLOW GENERATED BY (USED IN) INVESTING ACTIVITIES | (28,550) | (38,857) | (19,974) | (37,328) | (19,738) |
| <i>Financing activities</i> | | | | | |
| New short-term liabilities | 3,712 | 18,894 | 843 | 2,738 | 2,038 |
| Repayment of short-term liabilities | (10,862) | (7,189) | (7,086) | (2,001) | - |
| New medium/long-term financial liabilities | 52,750 | 43,663 | - | 23,251 | 163 |
| Repayment of medium/long-term financial liabilities | (6,618) | (1,793) | (917) | (580) | (155) |
| Treasury share acquisition | - | - | - | - | - |
| Payments for share capital increase and share premium reserves | 158 | 21,775 | 4,827 | 2,536 | 4,433 |
| Investments in financial assets | (10,900) | (797) | (65) | (2,600) | (676) |
| Variation through difference between cash effect and action of incentive plans | - | - | - | 169 | (12) |
| CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES | 28,240 | 74,553 | (2,398) | 23,513 | 5,792 |
| TOTAL CASH FLOW FOR THE FISCAL YEAR | (14,760) | 59,748 | (24,492) | 22,505 | 13,033 |
| Cash at bank and in hand at the beginning of the fiscal year | 118,028 | 58,280 | 58,280 | 35,775 | 22,743 |
| Cash at bank and in hand at the end of the fiscal year | 103,269 | 118,028 | 33,788 | 58,280 | 35,775 |
| TOTAL CASH FLOW FOR THE FISCAL YEAR | (14,760) | 59,748 | (24,492) | 22,505 | 13,033 |

Notes to the main economic and financial items for the first half of 2015, for the first half of 2014 and for the three-year period 2014-2012

Main income statement and financial items as at 30 June 2015

Revenues

In the first half of 2014, the Group posted consolidated net revenues, net of returns and customer discounts, of Euro 237,989 thousand, up 14.7% from Euro 207,448 thousand as at 30 June 2013 (+18.7% at constant exchange rates). The increase is due to the positive trend in sales volumes and mainly to net revenues from the sale of goods in both the multi-brand and mono-brand business lines for total of Euro 228,110 thousand (198,348 as at 30 June 2013), while revenues from services remained largely unchanged.

Operating income (EBIT)

Operating income went from Euro 4,749 thousand as at 30 June 2013 to Euro 6,216 thousand as at 30 June 2014, with an impact on net revenues that increased from 2.3% in the first half of 2013 to 2.6% in the first half of 2014.

Net income

Consolidated net income stood at Euro 2,556 thousand compared with Euro 2,206 thousand as at 30 June 2013.

Excluding non-recurring fees and costs recognised in relation to the incentive plans, net of related tax effects, Net Income amounted to Euro 3,179 thousand compared with Euro 4,407 thousand in the first half of 2013.

Cash Flow

In the first half of 2014, the cash flow used amounted to Euro 24,492 thousand.

Specifically, the cash flow used by operating activities amounted to Euro 2,120. In the same period, Euro 19,974 was used to support the Group's investments, mainly attributable to the techno-logistics platform and investments in technology.

Main income statement and financial items as at 30 June 2015

Revenues

In the first half of 2015, YOOX Group posted consolidated net revenues, net of returns and customer discounts amounting to Euro 284,552 thousand, up 19.6% compared with Euro 237,989 thousand as at 30 June 2014 (+14.8% at constant exchange rates). The increase is due to the positive trend in sales volumes and mainly to net revenues from the sale of goods in both the multi-brand and mono-brand businesses for a total of Euro 274,797 thousand (228,110 as at 30 June 2014), while revenues from the provision of services remained substantially unchanged.

Operating income (EBIT)

Operating income went from Euro 6,216 thousand as at 30 June 2014 to Euro -1,693 thousand as at 30 June 2015, with an impact on net revenues which went from 2.6% in the first half of 2014 to -0.6% in the first half of 2015. This result was negatively affected by non-recurring expenses relating to the transaction on the merger amounting to Euro 5,209 thousand, in the absence of which it would have amounted to Euro 3,516 thousand.

Net income

Consolidated net income stood at Euro 127 thousand, compared with Euro 2,556 thousand as at 30 June 2014.

Excluding non-recurring expenses and costs recognised in relation to the incentive plans, net of related tax effects, the Net Income amounted to Euro 4,396 thousand compared with Euro 3,179 thousand in the first half of 2014. This performance benefited from a positive outcome of the joint venture with Kering and higher profits from foreign exchange due in the first quarter of the year.

Cash Flow

In the first half of 2015, cash flow amounted to Euro 14,760 thousand.

Specifically, cash flow used by operating activities amounted to Euro 14,449. In the same period, Euro 28,550 was used to support the Group's investments, mainly attributable to the techno-logistics platform and investments in technology. The cash flow generated by financing activities reveals an increase of Euro 30,638 thousand compared with the previous fiscal year.

Main income statement and financial items as at 31 December 2014

Revenues

In 2014, the increase in sales for the Group continued, both in the Multi-brand and Mono-brand business lines, recording improved performances in all of the main reference markets. The number of active customers, the number of unique visitors and the number of orders also increased.

This resulted in the achievement of consolidated net revenues, net of returns and customer discounts, amounting to Euro 524,340 thousand, up 15.1% compared with Euro 455,590 thousand as at 31 December 2013 (+17.7% at constant exchange rates).

EBIT

Operating income decreased from Euro 23,909 thousand in fiscal year 2013 to Euro 23,254 thousand in fiscal year 2014, with an impact on net revenues decreasing from 5.2% in 2013 to 4.4% in 2014.

Net income

Consolidated net income amounted to Euro 13,802 thousand, compared with Euro 12,620 thousand as at 31 December 2013 and was achieved despite the increase in depreciation and amortisation due to higher investments in technological innovation made over the past three years and the greater incidence of the tax burden and benefits of unrealised foreign exchange gains in the fourth quarter of the year.

Cash Flow

The cash flow generated during the fiscal year amounted to Euro 59,748 thousand.

The cash flow generated from operating activities, amounting to Euro 24,052 thousand reinvested to finance the Group's investments, amounting to Euro 38,857 thousand, attributable mainly to the techno-logistics platform and investments in technology, contributed to the generation of the cash flow. The cash flow generated by financing activities reveals an increase of Euro 51,039 thousand compared with the previous fiscal year.

Main income statement and financial items as at 31 December 2013

Revenues

2013 closed with a sustained increase in sales for the Group, both in the Multi-brand and Mono-brand business lines, recording positive performances in all of the main reference markets.

In fiscal year 2013, YOOX Group achieved consolidated net revenues, net of sales returns and discounts granted to customers, amounting to Euro 455,590 thousand, up 21.2%, compared with Euro 375,924 thousand in 2012. Specifically, in the fourth quarter, net revenues in Italy increased by 31.3%, doubling the growth recorded in the first nine months of the year (+15.1%), while the rest of Europe achieved a 26.8% growth in revenues, with outstanding performance in the United Kingdom.

EBIT

Operating income increased from Euro 18,911 thousand in fiscal year 2012 to Euro 23,909 thousand in fiscal year 2013, with an impact on net revenues increasing from 5.0% in 2012 to 5.2% in 2013.

Net income

Consolidated net income stood at Euro 12,620 thousand, compared with Euro 10,183 thousand as at 31 December 2012.

This growth reflects the good performance achieved in terms of EBITDA and the lower incidence of the tax burden, which more than offset the increase in depreciation and amortisation by Euro 5,979.

Cash Flow

The cash flow generated during the fiscal year amounted to Euro 22,505 thousand.

The cash flow generated from operating activities, amounting to Euro 36,319 thousand reinvested to finance the Group's investments, amounting to Euro 37,328 thousand, attributable mainly to the techno-logistics platform and investments in technology, contributed to the generation of the cash flow. Financing activities grew by Euro 23,514 thousand over the previous fiscal year.

Main income statement and financial items as at 31 December 2012

Revenues

Fiscal year 2012 also closed with a sustained increase in sales for the Group, compared with the previous fiscal year, both in the Multi-brand and Mono-brand business lines, recording positive performances in all of the main reference markets.

This resulted in the achievement of consolidated net revenues, net of returns and customer discounts, amounting to Euro 375,924 thousand, up 29.1% compared with Euro 291,188 thousand in 2011.

EBIT

Operating income increased from Euro 16,423 thousand in fiscal year 2011 to Euro 18,911 thousand in fiscal year 2012, with an impact on net revenues decreasing from 5.6% in 2011 to 5.0% in 2012.

Net income

Consolidated net income amounted to Euro 10,183 thousand, compared with Euro 10,000 thousand in 2011, despite the increase in depreciation and amortisation by Euro 5,515 thousand (+72.0% compared with 2011), mainly attributable to investments in innovation and technology and in the automation of the central techno-logistics platform, fully operational since the end of September 2011. The net income was also affected by higher financial expenses amounting to Euro 3,538 thousand (Euro 1,209 thousand in 2011) – attributable to higher foreign exchange losses and payable interests related to the use of the line of credit to finance the logistics automation project – as well as a negative result from investments.

Cash Flow

The cash flow generated during the fiscal year amounted to Euro 13,033 thousand.

The cash flow generated from operating activities, amounting to Euro 26,979 thousand, only partially

reinvested to finance the Group's investments, amounting to Euro 19,738 thousand, attributable mainly to the techno-logistics platform and investments in technology, contributed predominantly to the generation of the cash flow.

5.2 Largenta Italia S.p.A. (formerly Deal S.r.l.) financial statements as 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

| | |
|--|-----|
| <i>Value of production</i> | |
| Total value of production | - |
| <i>Costs of production</i> | |
| 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) |
| <i>Extraordinary income and expenses</i> | |
| Other income | 0 |
| Total extraordinary entries | 0 |
| Profit/(loss) on ordinary activities before taxation | (1) |
| PROFIT (LOSS) FOR THE FISCAL YEAR | (1) |

Balance sheet

(Amounts in thousand Euros)

27/04/2015

| | |
|--|-----|
| <i>Intangible assets</i> | |
| Gross amount | 2 |
| Depreciation and amortisation | 0 |
| Total intangible assets | 2 |
| Total fixed assets | 2 |
| <i>Debtors</i> | |
| Due within the next fiscal year | 0 |
| Total receivables | 0 |
| Cash | 47 |
| Cash | 47 |
| Total circulating assets | 47 |
| TOTAL ASSETS | 49 |
| <i>Shareholders' equity</i> | |
| Share capital | 50 |
| Profit and loss account, clearly indicated | |
| Misc. other reserves | (0) |
| Total other reserves | (0) |
| Profit (loss) for the fiscal year | (1) |
| Total shareholders' funds | 49 |
| TOTAL LIABILITIES | 49 |

5.3 Financial statements 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 31 March 2015, 2014 and 2013.

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

Consolidated profit and loss account

| Consolidated profit and loss account | 31/03/2015 | 31/03/2014 | 31/03/2013 | 31/03/2015 | 31/03/2014 | 31/03/2013 |
|--|------------|------------|------------|------------|------------|------------|
| | £'000 | £'000 | £'000 | €'000 | €'000 | €'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 fiscal year | (13) | (11) | (14) | (17) | (13) | (17) |
| Total comprehensive income for the fiscal year | (13) | (11) | (14) | (17) | (13) | (17) |

Statement of Financial Position

| Statement of Financial Position | 31/03/2015 | 31/03/2014 | 31/03/2013 | 31/03/2015 | 31/03/2014 | 31/03/2013 |
|---------------------------------------|------------|------------|------------|------------|------------|------------|
| | £'000 | £'000 | £'000 | €'000 | €'000 | €'000 |
| Assets | | | | | | |
| Non-current assets | | | | | | |
| Investment in subsidiaries | 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 | | | | | | |
| 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 |

Statement of Cash Flows

| 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 |
| 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 |

5.3.1 *Financial statements 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, (jointly “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 fiscal year, 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 exists. 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 subsidiaries

The Investment in subsidiaries 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 comprehensive 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.

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 of 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 fiscal 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 ended 31 March 2015.

Notes commenting on the comprehensive income statement

Impairment of investments in subsidiaries

No impairment has been recognised in the year ended 31 March 2015 (2014: £ 0). 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).

Notes on the statement of financial position

| Investment in subsidiaries | 31/03/2015 | 31/03/2014 |
|---|------------|------------|
| | £'000 | £'000 |
| Cost | | |
| At 1 April | 354,589 | 352,980 |
| Recognition of THE NET-A-PORTER GROUP "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 subsidiaries | 31/03/2015 | 31/03/2014 |
|----------------------------|------------|------------|
| | €'000 | €'000 |
| Cost | | |
| At 1 April | 428,144 | 417,431 |

| Investment in subsidiaries | 31/03/2015 €'000 | 31/03/2014 €'000 |
|---|---------------------|---------------------|
| Recognition of THE NET-A-PORTER GROUP "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 was:

| Subsidiary | 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 £'000 | Long term incentive liability €'000 |
|----------------------------------|--|--|
| At 31 March 2013 | 13,290 | 15,717 |
| Net change for the fiscal year | 1,609 | 2,273 |
| At 31 March 2014 | 14,899 | 17,990 |
| Net change for the fiscal 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 liability | 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 Larenta UK a loan, at conditions at least the same as those usually applied to inter-group loans within the Richemont Group, aimed at paying the debt relating to B share options.

| 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.

Shareholders' Equity

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

| Shareholders' Equity | Share capital €'000 | Share premium €'000 | Profit and loss account €'000 | Total €'000 |
|-----------------------------------|------------------------|------------------------|-------------------------------------|----------------|
| At 1 April 2013 | 403,122 | 232 | (1,445) | 401,909 |
| Profit/(loss) for the fiscal year | - | - | (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 fiscal year | - | - | (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. Largentia UK has not entered into any other related party transactions as defined by IAS 24.

Ultimate controlling party

Largentia UK, as at the date of the historical information, 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 *Financial statements of Largentia UK for the year ended 31 March 2014*

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

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.

Largentia 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* require 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 Largentia 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 Largentia UK. Largentia 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 subsidiaries

The Investment in subsidiaries 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 comprehensive 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.

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 comprehensive 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 and 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 of 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.

Notes on the comprehensive income statement

Impairment of investments in subsidiaries

No impairment has been recognised in the year ended 31 March 2014 (2013: £ 0). 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 subsidiaries | 31/03/2014 £'000 | 31/03/2013 £'000 |
|---|---------------------|---------------------|
| Cost | | |
| At 1 April | 352,980 | 351,741 |
| Recognition of THE NET-A-PORTER GROUP "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 €'000 | 31/03/2013 €'000 |
| Cost | | |
| At 1 April | 417,431 | 421,802 |
| Recognition of THE NET-A-PORTER GROUP "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 of Largenta UK was:

| Subsidiary | 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 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 2012 | | 12,051 | | 14,451 |
| Net amount provided in the fiscal year | | 1,239 | | 1,265 |
| At 31 March 2013 | | 13,290 | | 15,717 |
| Net amount provided in the fiscal year | | 1,609 | | 2,274 |
| At 31 March 2014 | | 14,899 | | 17,990 |

| Share capital | 31/03/2014 £'000 | 31/03/2013 £'000 | 31/03/2014 €'000 | 31/03/2013 €'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.

Shareholders' equity

| Shareholders' equity | Share capital £'000 | Share premium £'000 | Profit and loss account £'000 | Total £'000 |
|-----------------------------------|------------------------|------------------------|-------------------------------------|----------------|
| At 1 April 2012 | 340,880 | 196 | (1,208) | 339,868 |
| Profit/(loss) for the fiscal year | - | - | (14) | (14) |
| At 1 April 2013 | 340,880 | 196 | (1,222) | 339,854 |
| Profit/(loss) for the fiscal year | - | - | (11) | (11) |
| At 31 March 2014 | 340,880 | 196 | (1,233) | 339,843 |

| Shareholders' equity | Share capital €'000 | Share premium €'000 | Profit and loss account €'000 | Total €'000 |
|-----------------------------------|------------------------|---------------------------|-------------------------------------|----------------|
| At 1 April 2012 | 408,778 | 235 | (1,449) | 407,564 |
| Profit/(loss) for the fiscal year | - | - | (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 fiscal year | - | - | (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 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, as at the date of the historical information, 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.

5.3.3 *Financial statements of Largenta UK for the year ended 31 March 2013*

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

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 subsidiaries

The Investment in subsidiaries 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.

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.

Notes on the income statement

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 fiscal year in question (2012: None).

Notes on the statement of financial position

Investment in subsidiaries

| Investment in subsidiaries | 31/03/2013 £'000 | 31/03/2012 £'000 |
|---|---------------------|---------------------|
| Cost | | |
| At 1 April | 351,741 | 347,433 |
| Recognition of THE NET-A-PORTER GROUP "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 subsidiaries | 31/03/2013 €'000 | 31/03/2012 €'000 |
|---|---------------------|---------------------|
| Cost | | |
| At 1 April | 421,802 | 393,157 |
| Recognition of THE NET-A-PORTER GROUP "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 the main direct subsidiary 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 subsidiaries 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 fiscal year | 4,308 | 5,689 |
| At 31 March 2012 | 12,051 | 14,451 |
| Net change for the fiscal year | 1,239 | 1,265 |
| At 31 March 2013 | 13,290 | 15,717 |

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 |

“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.

Shareholders' equity

| Shareholders' equity | Share capital £'000 | Share premium £'000 | Profit and loss account £'000 | Total £'000 |
|-----------------------------------|---------------------------|---------------------------|--|----------------|
| At 1 April 2011 | 340,880 | 196 | (1,196) | 339,880 |
| Profit/(loss) for the fiscal year | - | - | (12) | (12) |
| At 1 April 2012 | 340,880 | 196 | (1,208) | 339,868 |
| Profit/(loss) for the fiscal year | - | - | (14) | (14) |
| At 31 March 2013 | 340,880 | 196 | (1,222) | 339,854 |

| Shareholders' equity | Share capital €'000 | Share premium €'000 | Profit and loss account €'000 | Total €'000 |
|-----------------------------------|---------------------------|---------------------------|--|----------------|
| At 1 April 2011 | 385,742 | 222 | (1,353) | 384,610 |
| Profit/(loss) for the fiscal year | - | - | (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 fiscal year | - | - | (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 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.

Following the division of the Richemont units which took place in October 2008, some directors who held stock options which were not due yet on old CFR units were granted stock options on company shares listed in the United Kingdom and in Luxembourg. These stock options are fully hedged by shares held in listed companies. The liability for the stock 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 stock options was Euro 33 million and was recorded in the consolidated balance sheet of Compagnie Financière Richemont S.A.

Ultimate controlling party

Largenta UK, as at the date of the historical information, 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 financial statements of THE 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 and/or requests for information on 28 May 2015, 30 June 2014 and 16 July 2013, respectively.

Consolidated profit and loss account

| Consolidated profit and loss account | 31/03/201 | 29/03/201 | 30/03/201 | | 31/03/201 | 29/03/201 | 30/03/201 | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 5 | 4 | 3 | 30/03/201 | 5 | 4 | 3 | 30/03/201 |
| | £'000 | £'000 | Restated | £'000 | £'000 | £'000 | Restated | £'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 fiscal year | 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 | 31/03/201 | 29/03/201 | 30/03/201 | | 31/03/201 | 29/03/201 | 30/03/201 | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 5 | 4 | 3 | 30/03/201 | 5 | 4 | 3 | 30/03/201 |
| | £'000 | £'000 | Restated | £'000 | £'000 | £'000 | Restated | £'000 |
| Profit/(loss) for the fiscal year | 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 fiscal year | 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 | 29/03/201 | 30/03/201 | | 31/03/201 | 29/03/201 | 30/03/201 | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 5 | 4 | 3 | 30/03/201 | 5 | 4 | 3 | 30/03/201 |
| | £'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 | | | | | | | | |
| 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 | 29/03/201 | 30/03/201 | | 31/03/201 | 29/03/201 | 30/03/201 | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 5 | 4 | 3 | 30/03/201 | 5 | 4 | 3 | 30/03/201 |
| | £'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 *Financial statements of THE NET-A-PORTER GROUP Limited for the year ended 31 March 2015*

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.

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 comprises 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 subsidiaries 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 subsidiaries (the NAP Group) drawn up for the year ended on 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 subsidiaries

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, share-based compensation plan. The fair value at the 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 stock 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 company | 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 |

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

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 fiscal year | | | | |
| UK/US corporation tax on losses in the fiscal year | 13,540 | 6,853 | 17,239 | 8,123 |
| Adjustment in respect of previous fiscal year | (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 fiscal year | 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 fiscal year | | | | |
| 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: | | | | |

| Taxation | 31/03/2015 | 29/03/2014 | 31/03/2015 | 29/03/2014 |
|--|------------|------------|------------|------------|
| | £'000 | £'000 | €'000 | €'000 |
| Expenses not deductible for tax purposes | 4,652 | 4,500 | 5,923 | 5,334 |
| Capital allowances less than (in excess of) depreciation for the fiscal year | 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 fiscal year | (170) | (1,110) | (216) | (1,316) |
| Brought forward losses (utilised) / carried forward | 194 | (82) | 247 | (97) |
| Tax charge for the fiscal year | 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 Content | 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 adjustment | - | 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 adjustment | - | 5,178 | - | - | 5,178 |
| Charge for the fiscal year | 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 improvements £'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 fiscal year | 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 improvements €'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 fiscal year | 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 £'000 | 29/03/2014 £'000 | 31/03/2015 €'000 | 29/03/2014 €'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.

Paid-up share capital

| 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 compensation plan

“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 Largentia 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 ⁽¹⁵⁾.

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 (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 |
|------------------------------------|---------------|--------------------------------------|-------------------------|
| <hr/> | | | |

⁽⁵⁾ Please note that, in addition to what is reported in THE NET-A-PORTER GROUP financial statements as at the date of this document, the call and put option rights have been exercised.

| | £'000 | £'000 | £'000 |
|-----------------------------------|---------------|---------------|--------------|
| Balance at 29 March 2014 | 12,736 | 73,506 | 2,888 |
| Profit/(loss) for the fiscal year | - | - | 1,783 |
| Share-based compensation plan | - | 18,713 | - |
| Translation reserve | - | - | (406) |
| Balance at 31 March 2015 | 12,736 | 92,219 | 4,265 |

| Statement of movements in reserves | Share premium €'000 | Restated share- based payment reserve €'000 | Profit and loss account €'000 |
|------------------------------------|------------------------|--|-------------------------------------|
| Balance at 29 March 2014 | 15,397 | 88,861 | 3,491 |
| Profit/(loss) for the fiscal year | - | - | 2,270 |
| Share-based compensation plan | - | 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 | 31/03/201 | | 31/03/201 | |
|--|------------|---------------------|------------|---------------------|
| | 5 £'000 | 29/03/2014 £'000 | 5 €'000 | 29/03/2014 €'000 |
| Profit/(loss) for the financial period | 1,783 | (12,959) | 2,270 | (15,361) |
| Share-based payment charge for the fiscal year | 18,713 | 18,713 | 23,826 | 22,182 |
| Exchange differences | (406) | 120 | 16,328 | 2,470 |
| | | | 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 | |
|----------------------------|------------|-------|------------|-------|
| | £'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⁽¹⁶⁾.

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 |
| 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 company 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.

⁽⁴⁾ It is specified that, in addition to what is reported in THE NET-A-PORTER GROUP Limited financial statements, the YOOX Shareholders' Meeting held on 21 July 2015 approved the Merger transaction and the transaction is currently expected to be completed in October.

5.4.2 *Financial statements of The Net-A-Porter Group Limited for the 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 subsidiaries. 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 subsidiaries (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 subsidiaries

Investments in subsidiaries 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 compensation plan

The group operates an equity-settled, share-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 stock 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 company | 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 | 29/03/2014 | 30/03/2013 |
|--|------------|-------------------|------------|-------------------|
| | £'000 | Restated £'000 | €'000 | Restated €'000 |
| Analysis of charge for the fiscal year | | | | |
| UK/US corporation tax on losses in the fiscal year | 6,853 | 4,218 | 8,123 | 5,178 |
| Adjustment in respect of previous fiscal year | (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 fiscal year | 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 | 29/03/2014 | 30/03/2013 |
|--|------------|-------------------|------------|-------------------|
| | £'000 | Restated £'000 | €'000 | Restated €'000 |
| Factors affecting the tax charge for the fiscal year | | | | |
| 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 the fiscal year | 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 fiscal year | (1,110) | 2,802 | (1,316) | 3,439 |
| Brought forward losses (utilised) / carried forward | (82) | 1,491 | (97) | 1,830 |
| Tax charge for the fiscal year | 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.

Notes on the Consolidated balance sheet

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 | Goodwill | Lease Key | Domain and | Total |
|--------------------------|---------|----------|-----------|------------|--------|
| | Content | | Money | Customer | |
| | €'000 | €'000 | €'000 | Email | €'000 |
| | | | | Addresses | |
| 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 | Computer | Fixtures, | Plant and | Motor | Total |
|------------------------------|--------------|-----------|--------------|-----------|-------|---------|
| | improvements | | fittings and | | | |
| | £'000 | equipment | equipment | £'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 | Computer | Fixtures, | Plant and | Motor | Total |
|------------------------------|--------------|-----------|--------------|-----------|-------|---------|
| | improvements | | fittings and | | | |
| | €'000 | equipment | equipment | €'000 | €'000 | €'000 |
| | | €'000 | €'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 | 30/03/2013 | 29/03/2014 | 30/03/2013 |
|------------------|------------|------------|------------|------------|
| | £'000 | £'000 | €'000 | €'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 | 30/03/2013 | 29/03/2014 | 30/03/2013 |
|------------------------------------|------------|-------------------|------------|-------------------|
| | £'000 | Restated £'000 | €'000 | 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 | 30/03/2013 | 29/03/2014 | 30/03/2013 |
|--------------------------------|------------|-------------------|------------|-------------------|
| | £'000 | Restated £'000 | €'000 | Restated €'000 |
| Deferred tax reconciliation | | | | |
| 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 | 29/03/2014 | 30/03/2013 |
|-------------------------------------|------------|-------------------|------------|-------------------|
| | £'000 | Restated £'000 | €'000 | Restated €'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 companies | - | 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 |

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).

Paid-up share capital

| 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 compensation plan

"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.¹⁷

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 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 fiscal year | - | - | (12,959) |
| Share-based compensation plan | - | 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 fiscal year | - | - | (15,361) |
| Share-based compensation plan | - | 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 | 29/03/201 | 30/03/2013 | 29/03/201 | 30/03/2013 |
|--|-----------|------------|-----------|------------|
| | 4 | Restated | 4 | Restated |
| | £'000 | £'000 | €'000 | €'000 |
| | | | | |

⁽⁵⁾ Please note that, in addition to what is reported in THE NET-A-PORTER GROUP financial statements as at the date of this document, the call and put option rights have been exercised.

| | 29/03/201 | 30/03/2013 | 29/03/201 | 30/03/2013 |
|--|-----------|------------|-----------|------------|
| | 4 | Restated | 4 | Restated |
| | £'000 | £'000 | €'000 | €'000 |
| Reconciliation of movements in group shareholders' funds | | | | |
| Profit/(loss) for the financial year | (12,959) | (19,350) | (15,361) | (23,752) |
| Share-based payment charge for the fiscal year | 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:

| | 29/03/2014 | 30/03/2013 | 29/03/2014 | 30/03/2013 |
|----------------------------|------------|------------|------------|------------|
| | £'000 | £'000 | €'000 | €'000 |
| Land and buildings | | | | |
| 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: £5,757,000), 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 company 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 NET-A-PORTER GROUP Secretary at the registered office of THE NET-A-PORTER GROUP Limited: 1 The Village Offices, Westfield, Ariel Way, London W12 7GF.

5.4.3 Consolidated financial statements of The Net-A-Porter Group Limited for the year ended 30 March 2013

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.

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 (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 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 compensation plan

The group operates an equity-settled, share-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 stock 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.

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 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 company | 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 |

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 compensation plan | 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 |

| Interest | 30/03/2013 £'000 | 31/03/2012 £'000 | 30/03/2013 €'000 | 31/03/2012 €'000 |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Interest payable and similar charges | 337 | 24 | 414 | 28 |
| 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 £'000 | 31/03/2012 £'000 | 30/03/2013 €'000 | 31/03/2012 €'000 |
|--|---------------------|---------------------|---------------------|---------------------|
| Analysis of charge for the fiscal year | | | | |
| UK/US corporation tax on losses in the fiscal year | 1,594 | - | 1,957 | - |
| Adjustment in respect of previous fiscal year | - | (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 fiscal year | 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 £'000 | 31/03/2012 £'000 | 30/03/2013 €'000 | 31/03/2012 €'000 |
|--|---------------------|---------------------|---------------------|---------------------|
| Factors affecting the tax charge for the fiscal year | | | | |
| 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 the fiscal year | 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 fiscal year | - | (31) | - | (36) |
| Brought forward losses (utilised) / carried forward | 3,200 | 6,690 | 3,928 | 7,753 |
| Tax charge for the fiscal year | 1,594 | (7,622) | 1,957 | (8,833) |

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the company's profits for this accounting period are taxed 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.

Notes on the Consolidated balance sheet

Intangible assets

| Intangible assets | Media Content £'000 | Goodwill £'000 | Lease Key Money £'000 | Domain and Customer Email Addresses £'000 | Total £'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 fiscal year | 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 €'000 | Goodwill €'000 | Lease Key Money €'000 | Domain and Customer Email Addresses €'000 | Total €'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 fiscal year | 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 improvements £'000 | Computer equipment £'000 | Fixtures, fittings and equipment £'000 | Plant and Machinery £'000 | Motor vehicles £'000 | Total £'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 fiscal year | 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 improvements €'000 | Computer equipment €'000 | Fixtures, fittings and equipment €'000 | Plant and Machinery €'000 | Motor vehicles €'000 | Total €'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 fiscal year | 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 £'000 | 31/03/2012 £'000 | 30/03/2013 €'000 | 31/03/2012 €'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 £'000 | 31/03/2012 £'000 | 30/03/2013 €'000 | 31/03/2012 €'000 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Trade debtors | 15,358 | 10,607 | 18,162 | 12,720 |
| 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)

| Debtors (continued) | 30/03/2013 £'000 | 31/03/2012 £'000 | 30/03/2013 €'000 | 31/03/2012 €'000 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| Deferred tax reconciliation | | | | |
| Brought forward | 4,476 | 4,677 | 5,293 | 5,609 |
| Accelerated capital allowances | 8 | (1,870) | 9 | (2,242) |

| Debtors (continued) | 30/03/2013 | 31/03/2012 | 30/03/2013 | 31/03/2012 |
|--------------------------|------------|------------|------------|------------|
| | £'000 | £'000 | €'000 | €'000 |
| 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 companies | 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).

Paid-up share capital

| 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 compensation plan

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 ⁽¹⁸⁾.

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%.

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 |

⁽¹⁰⁾ Please note that, in addition to what is reported in the NET-A-PORTER GROUP financial statements as at the date of this document, the call and put option rights have been exercised.

| Statement of movements in reserves | Share premium £'000 | Restated share- based payment reserve £'000 | Profit and loss account £'000 |
|------------------------------------|------------------------|--|-------------------------------------|
| Profit/(loss) for the fiscal year | - | - | (19,986) |
| Share-based compensation plan | - | 31,260 | - |
| Translation reserve | - | - | (163) |
| Balance at 30 March 2013 | 12,736 | 91,687 | (8,968) |

| Statement of movements in reserves | Share premium account €'000 | Restated share- based payment reserve €'000 | Profit and loss account €'000 |
|------------------------------------|-----------------------------------|--|-------------------------------------|
| Balance at 31 March 2012 | 15,273 | 72,463 | 13,408 |
| Profit/(loss) for the fiscal year | - | - | (24,533) |
| Share-based compensation plan | - | 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 | 30/03/201 | | 30/03/201 | |
|--|------------|---------------------|------------|---------------------|
| | 3 £'000 | 31/03/2012 £'000 | 3 €'000 | 31/03/2012 €'000 |
| Profit/(loss) for the fiscal year | (19,986) | (15,791) | (23,752) | (18,300) |
| Share-based compensation plan | 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 | | 30/03/2013 | |
|----------------------------|------------|-------|------------|-------|
| | £'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), guaranteed by banks.

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 company 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 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.

5.5 Reclassified financial statements of Largenta Italia S.p.A. (formerly Deal S.r.l.), Largenta UK and THE NET-A-PORTER GROUP

For a better understanding of the historic figures of the companies participating in the Merger, Largenta Italia S.p.A., Largenta UK and THE NET-A-PORTER GROUP Limited, we provide below the income statement, statement of comprehensive income, statement of financial position and cash flow report of the aforesaid companies reclassified based on the statements reported in the consolidated financial statements of YOOX Group. The reclassification process consisted in the restatement of the income statement, balance sheet and financial statements by the companies participating in the Merger, applying the principles of presentation used by the Issuer in the preparation of their statements. Notes commenting on the main reclassifications have also been included. This reclassified financial information and related notes have not been examined by any independent auditors. Finally, it is noted, as specified above, that:

- the data relating to Largenta Italia was derived from a statement of financial position as at 27 April 2015, prepared in accordance with the regulations contained in Articles 2323 *et seq.* of the Italian Civil Code, interpreted and integrated by the accounting standards issued by the Organismo Italiano di Contabilità;

- the data relating to Largentia UK was derived from the separate financial statements prepared in accordance with the IAS/IFRS international accounting standards issued by the IASB (International Accounting Standard Board), approved by the European Union, and in accordance with their interpretation by the official bodies;
- the data relating to the NAP Group was derived from the consolidated financial statements prepared in accordance with English law by applying UK accounting standards.

5.5.1 Statements reclassified by Largentia Italia S.p.A. as at 27 April 2015

Income statement

(thousand Euros)

| INCOME STATEMENT IN ACCORDANCE WITH THE LARGENTA ITALIA SCHEMES (euro) | Largentia Italia (euro) | Notes | Largentia Italia in accordance with the schemes of YOOX Group (euro) | INCOME STATEMENT IN ACCORDANCE WITH THE SCHEMES OF YOOX GROUP (euro) |
|---|----------------------------|-------|--|--|
| Period 01/01/2015 – 29/04/2015 | | | | |
| Value of production | | | | Net revenues |
| Total revenue | | | | Cost of goods sold |
| Production costs | | | | |
| For services | 1 | | | |
| Amortisations and depreciation: | | | | |
| Amortisation of intangible assets | - | | (1) | Fulfilment costs |
| Provisions for amortisation and depreciation | - | | | Sales and marketing costs |
| Various operating costs | | | | General expenses |
| Total cost of production | 1 | | | |
| Difference between revenue and cost of production | (1) | | (1) | Other income and expenses |
| | | | | Operating income |
| Extraordinary revenue and expenses | | | | |
| Other income | - | | | Result of equity investments |
| Total extraordinary items | | | | Financial income |
| Profit before tax | (1) | | (1) | Borrowing costs |
| | | | | Profit before tax |
| PROFIT (LOSS) FOR THE fiscal year | (1) | | (1) | Taxes |
| | | | | Profit for the fiscal year |

Statement of assets and liabilities

(thousand Euros)

| STATEMENT OF FINANCIAL POSITION ACCORDING IN ACCORDANCE WITH SCHEMES OF LARGENTA ITALIA (euro) | Largenta Italia (euro) | Notes | Largenta Italia in accordance with the schemes of YOOX Group (euro) | STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE SCHEMES OF YOOX GROUP (euro) |
|--|---------------------------|-------|---|---|
| 27/04/2015 | | | | |
| Intangible fixed assets | | | | |
| Gross value | 2 | | | Property, plant and equipment |
| Depreciation | - | 1 | 2 | Intangible assets with finite useful life |
| Total intangible fixed assets | 2 | | | Goodwill |
| Total fixed assets | 2 | | | Equity interests in subsidiary companies |
| Receivables | | | | Equity interests in associates |
| Payable within the next fiscal year | - | | | Deferred tax assets |
| Total receivables | - | | 2 | Other non-current financial assets |
| | | | | Total non-current assets |
| | | | | Inventories |
| | | | | Trade receivables |
| Cash and cash equivalents | 47 | 2 | | Other current assets |
| Total working capital | 47 | | | |
| TOTAL ASSETS | 49 | | | |
| | | | 47 | Cash and cash equivalents |
| Shareholders' equity | | | | Tax credits |
| Capital | 50 | | 49 | Fin. assets not comprising fixed assets |
| Other reserves, separately indicated | | | | Total current assets |
| Various other reserves | - | | | |
| Total other reserves | - | | | |
| Profit (loss) for the fiscal year | (1) | | | |
| Total shareholders' equity | 49 | | | |
| TOTAL LIABILITIES | 49 | | 49 | Total assets |
| | | | 50 | Share capital |
| | | | | Reserves |
| | | | (1) | Reserves for profits and losses carried forward |
| | | | 49 | Profit for the fiscal year |
| | | | | Equity attributable to owners of the Parent Company |
| | | | 49 | Equity attributable to third parties |
| | | | | Total shareholders' equity |
| | | | | Medium-/long-term financial liabilities |
| | | | | Employee benefits |
| | | | | Provisions for risks and expenses |
| | | | | Deferred tax liabilities |
| | | | | Other liabilities |
| | | | | Total non-current liabilities |
| | | | | Bank loans and other current financial liabilities |
| | | | | Provisions for risks and expenses |
| | | | | Trade liabilities |
| | | | | Tax liabilities |
| | | | | Other liabilities |
| | | | 49 | Total current liabilities |
| | | | | Total shareholders' equity and liabilities |

Notes to the reclassifications applied to the statement of financial position

1. Intangible fixed assets

The amount of Euro 2,000 was classified entirely under the item Intangible assets with finite useful life.

2. Cash and cash equivalents

The amount of Euro 47,000 was classified entirely under the item Cash and cash equivalents.

5.5.2 *Largenta UK reclassified statements for the periods to 31 March 2015, 2014 and 2013*

5.5.2.1 Largenta UK reclassified statements for the period to 31 March 2015

Statement of comprehensive income

(thousand Euros/sterling)

| STATEMENT OF COMPREHENSIVE INCOME ACCORDING TO THE LARGENTA UK SCHEMES (sterling) | Largenta Uk (sterling) | Largenta Uk (euro) | Notes | Largenta Italia according to the schemes of YOOX Group (euro) | STATEMENT OF COMPREHENSIVE INCOME ACCORDING TO THE SCHEMES OF YOOX GROUP (euro) |
|---|---------------------------|-----------------------|-------|---|---|
| Period 01/04/2015 – 31/03/2015 | | | | | |
| Characteristic operations | | | | | |
| Revenues | - | - | | - | Net revenues |
| Administrative costs | (17) | (22) | 1 | - | Cost of goods sold |
| | | | | - | Fulfilment costs |
| | | | | - | Sales and marketing costs |
| | | | | (22) | General expenses |
| | | | | - | Other income and expenses |
| | | | | (22) | Operating income |
| | | | | - | Result of equity investments |
| | | | | - | Financial income |
| | | | | - | Borrowing costs |
| Pre-tax profit | (17) | (22) | | (22) | Profit before tax |
| Taxes | 4 | 5 | | 5 | Taxes |
| Profit for the fiscal year | (13) | (17) | | (17) | Profit for the fiscal year |
| Profit for the fiscal year | (13) | (17) | | | |

Notes to the reclassifications applied to the statement of comprehensive income

Administrative costs

The amount of Euro 0.02 million was classified entirely under the General Expenditure item.

Statement of financial position

(thousand Euros/sterling)

| STATEMENT OF FINANCIAL POSITION ACCORDING TO THE SCHEMES OF LARGENTA UK (sterling) | Largenta UK (sterling) | Largenta UK (euro) | Notes | Largenta UK according to the schemes of YOOX Group (euro) | STATEMENT OF FINANCIAL POSITION ACCORDING TO THE SCHEMES OF YOOX GROUP (euro) |
|---|---------------------------|-----------------------|-------|---|---|
| 31/03/2015 | | | | | |
| Assets | | | | | |
| Non-current assets | | | | | |
| Equity interests in subsidiary companies | 356,248 | 489,823 | 1 | 489,823 | Property, plant and equipment Intangible assets with finite useful life |
| | <u>356,248</u> | <u>489,823</u> | | | Equity interests in subsidiary companies |
| Current assets | | | | | |
| Trade and miscellaneous receivables | 4 | 5 | 2 | | Investments in associated companies |
| Cash and cash equivalents | 148 | 203 | 3 | <u>489,823</u> | Deferred tax assets Other non-current financial assets |
| | <u>152</u> | <u>209</u> | | | Total non-current assets |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Short-term liabilities for incentive plans | (16,558) | (22,766) | 4 | | Net inventories Trade receivables |
| Trade and miscellaneous liabilities | (12) | (16) | 5 | 203 | Other current assets |
| | <u>(16,418)</u> | <u>(22,574)</u> | | 5 | Cash and cash equivalents Tax credits |
| Net working assets | | | | | |
| | <u>(16,418)</u> | <u>(22,574)</u> | | <u>209</u> | Fin. assets not comprising fixed assets |
| Total assets minus current liabilities | | | | | |
| | <u>339,830</u> | <u>467,249</u> | | <u>490,032</u> | Total current assets |
| Non-current liabilities | | | | | |
| Long-term liabilities for incentive plans | - | - | | | Total assets |
| | <u>-</u> | <u>-</u> | | | |
| Total net assets | | | | | |
| | <u>339,830</u> | <u>467,249</u> | | <u>490,032</u> | |
| Shareholders' equity | | | | | |
| Share capital | 340,880 | 468,692 | | 468,692 | Share capital |
| Share premium reserves | 196 | 269 | 6 | 269 | Reserves |
| Other reserves | (1,246) | (1,713) | 7 | (1,696) | Reserves for profits and losses carried forward |
| | <u>(1,246)</u> | <u>(1,713)</u> | | <u>(17)</u> | Profit for the fiscal year |
| Total shareholders' equity | | | | | |
| | <u>339,830</u> | <u>467,249</u> | | <u>467,249</u> | Total shareholders' equity |
| Medium-/long-term financial liabilities | | | | | |
| | - | - | | - | Employee benefits |
| Provisions for risks and expenses | | | | | |
| | - | - | | - | Deferred tax liabilities |
| Total non-current liabilities | | | | | |
| | <u>-</u> | <u>-</u> | | <u>-</u> | Total non-current liabilities |
| Bank loans and other current financial liabilities | | | | | |
| | - | - | | - | Provisions for risks and expenses |
| Trade liabilities | | | | | |
| | - | - | | 16 | Trade liabilities |
| Tax liabilities | | | | | |
| | - | - | | - | Tax liabilities |
| Other liabilities | | | | | |
| | - | - | | 22,766 | Other liabilities |
| Total current liabilities | | | | | |
| | <u>22,766</u> | <u>22,766</u> | | <u>22,783</u> | Total current liabilities |
| Total shareholders' equity and liabilities | | | | | |
| | <u>339,830</u> | <u>467,249</u> | | <u>490,032</u> | Total shareholders' equity and liabilities |

Notes to the reclassifications applied to the statement of financial position

1. Equity interests in subsidiary companies

The amount of Euro 489.8 million was classified entirely under the item Equity interests in subsidiaries, as it relates to the investment held in THE NET-A-PORTER GROUP Limited.

2. Trade and miscellaneous receivables

The amount of Euro 0.005 million was classified entirely under the item Tax liabilities as it relates to the amounts payable through fiscal consolidation.

3. Cash and cash equivalents

The amount of Euro 0.2 million was classified entirely under the Cash and cash equivalents item.

4. *Short-term liabilities for incentive plans*

The amount of Euro 22.8 million was classified entirely under the Other current liabilities item.

5. *Trade and miscellaneous liabilities*

The amount of Euro 0.02 million was classified entirely under the item Trade liabilities as it relates primarily to provisions made at the end of the period for invoices not yet received.

6. *Share premium reserves*

The amount of Euro 0.3 million was classified entirely under the item Reserves.

7. *Other reserves*

The amount of Euro 1.7 million, reported as a negative amount, was classified as follows:

- Euro 1.7 million, under the item Reserves for profits and losses carried forward;
- Euro 0.02 million under the item Net income for the period.

Cash flow statement

(thousand Euros/sterling)

| CASH FLOW STATEMENT IN ACCORDANCE WITH TO THE LARGENTA UK SCHEMES (sterling) | Largenta UK (sterling) | Largenta UK (euro) | Notes | Largenta UK in accordance with the schemes of YOOX Group (euro) | CASH FLOW STATEMENT IN ACCORDANCE WITH THE SCHEMES OF YOOX GROUP (euro) |
|---|---------------------------|-----------------------|----------|---|---|
| Period 01/04/2015 – 31/03/2015 | | | | | |
| Cash generated (absorbed) by operations | (12) | 10 | 1 | (17) | Profit for the fiscal year |
| | | | | 5 | <i>Adjustments for:</i> |
| | | | | - | Taxes for the fiscal year |
| | | | | - | Financial expenses |
| | | | | - | Financial income |
| | | | | - | Divisions reported in the fiscal year |
| | | | | - | Share of earnings from associates |
| | | | | - | Depreciation, amortisation and impairment losses |
| | | | | - | Fair value measurement of stock option plans |
| | | | | 25 | Unrealised effect of changes in foreign exchange rates |
| | | | | - | Capital losses (gains) on sale of fixed assets |
| | | | | - | Employee benefits |
| | | | | - | Provisions for risks and expenses |
| | | | | - | Payment of employee benefits |
| | | | | - | Use of provisions for risks and expenses |
| | | | | - | Changes in inventories |
| | | | | - | Changes in trade receivables |
| | | | | 1 | Changes in trade liabilities |
| | | | | - | Changes in non-current assets and liabilities |
| | | | | - | Changes in other current assets and liabilities |
| | | | | 15 | Cash flow generated (absorbed) by operations |
| | | | | (5) | Income tax paid |
| | | | | - | Interest and other financial expenses paid |
| | | | | - | Interest and other financial income received |
| | | | | - | Dividends drawn |
| | | | 2 | 10 | Cash flow generated (absorbed) by operations |
| | | | | - | Acquisition of property, plant and equipment |
| | | | | - | Acquisition of intangible assets |
| | | | | - | Acquisition of stakes in subsidiaries |
| | | | | - | Acquisition of stakes in associates |
| | | | | - | Acquisition of other non-current financial assets |
| | | | | - | Cash flow generated (absorbed) by investments |
| | | | | - | <i>Financing activities</i> |
| | | | | - | New short-term liabilities |
| | | | | - | Repayment of short-term liabilities |
| | | | | - | New medium/long-term financial liabilities |
| | | | | - | Repayment of medium/long-term financial liabilities |
| | | | | - | Treasury share acquisition |
| | | | | - | Payments into share capital and share premium reserve |
| | | | | - | Investments in other financial assets |
| | | | | - | Variation through difference between cash effect and action of incentive plans |
| | | | | - | Cash flow generated (absorbed) by financing activities |
| Net cash and cash equivalents absorbed | (12) | 10 | | 10 | Total cash flow for the fiscal year |
| Cash and cash equivalents as at 1 April | 160 | 193 | | 193 | Cash and cash equivalents at the beginning of the fiscal year |
| Cash and cash equivalents as at 31 March | 148 | 203 | | 203 | Cash and cash equivalents at the end of the fiscal year |
| | | | | 10 | Total cash flow for the fiscal year |

5.6.2.2 Largenta UK reclassified statements for the period to 31 March 2014

Statement of comprehensive income

(thousand Euros/sterling)

| STATEMENT OF COMPREHENSIVE INCOME IN ACCORDANCE WITH THE LARGENTA UK SCHEMES (sterling) | Largenta UK (sterling) | Largenta UK (euro) | Notes | Largenta UK in accordance with the schemes of YOOX Group (euro) | INCOME STATEMENT FOR THE FISCAL YEAR IN ACCORDANCE WITH THE SCHEMES OF YOOX GROUP (euro) |
|---|---------------------------|-----------------------|-------|---|---|
| Period 01/04/2013 – 21/03/2014 | | | | | |
| Characteristic operations | | | | | |
| Revenues | - | - | | - | Net revenues |
| Administrative costs | (15) | (18) | 1 | - | Cost of goods sold |
| | | | | - | Fulfilment costs |
| | | | | - | Sales and marketing costs |
| | | | | (18) | General expenses |
| | | | | - | Other income and expenses |
| | | | | <u>(18)</u> | Operating profit |
| | | | | - | Result of equity investments |
| | | | | - | Financial income |
| | | | | - | Borrowing costs |
| Pre-tax profit | <u>(15)</u> | <u>(18)</u> | | <u>(18)</u> | Profit before tax |
| Taxes | 4 | 5 | | 5 | Taxes |
| Profit for the fiscal year | <u>(11)</u> | <u>(13)</u> | | <u>(13)</u> | Net income for the fiscal year |
| Gross profit for the fiscal year | (11) | (13) | | | |

Notes to the reclassifications applied to the statement of comprehensive income

Administrative costs

The amount of Euro 0.02 million was classified entirely under the General expenditure item.

Statement of financial position

(thousand Euros/sterling)

| STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE SCHEMES OF LARGENTA UK (sterling) | Largenta UK (sterling) | Largenta UK (euro) | Notes | Largenta UK in accordance with the schemes of YOOX Group (euro) | STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE SCHEMES OF YOOX GROUP (euro) |
|--|---------------------------|-----------------------|-------|---|---|
| 31/03/2014 | | | | | |
| Assets | | | | | |
| Non-current assets | | | | | |
| Equity interests in subsidiary companies | 354,589 | 428,144 | 1 | | Property, plant and equipment Intangible assets with finite useful life |
| | <u>354,589</u> | <u>428,144</u> | | 428,144 | Equity interests in subsidiary companies Investments in associated companies |
| Current assets | | | | | |
| Trade and miscellaneous receivables | 4 | 5 | 2 | | Deferred tax assets |
| Cash and cash equivalents | 160 | 193 | 3 | <u>428,144</u> | Other non-current financial assets |
| | <u>164</u> | <u>198</u> | | | Total non-current assets |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and miscellaneous liabilities | (11) | (13) | 4 | 193 | Other current assets |
| | | | | 5 | Cash and cash equivalents |
| Net working assets | 153 | 185 | | <u>198</u> | Tax credits |
| | | | | | Fin. assets not comprising fixed assets |
| Total assets minus current liabilities | 354,742 | 428,329 | | | Total current assets |
| Non-current liabilities | | | | | |
| Long-term liabilities for incentive plans | (14,899) | (17,990) | 5 | | |
| Total net assets | 339,843 | 410,339 | | 428,342 | Total assets |
| Shareholders' equity | | | | | |
| Share capital | 340,880 | 411,591 | | 411,591 | Share capital |
| Share premium reserves | 196 | 237 | 6 | 237 | Reserves |
| Other reserves | (1,233) | (1,489) | 7 | (1,476) | Reserves for profits and losses carried forward |
| | | | | (13) | Consolidated income for the fiscal year |
| Total shareholders' equity | 339,843 | 410,339 | | <u>410,339</u> | Total shareholders' equity |
| | | | | - | Medium-/long-term financial liabilities |
| | | | | - | Employee benefits |
| | | | | - | Provisions for risks and expenses |
| | | | | - | Deferred tax liabilities |
| | | | | 17,990 | Other liabilities |
| | | | | <u>17,990</u> | Total non-current liabilities |
| | | | | - | Bank loans and other current financial liabilities |
| | | | | - | Provisions for risks and expenses |
| | | | | 13 | Trade liabilities |
| | | | | - | Tax liabilities |
| | | | | - | Other liabilities |
| | | | | <u>13</u> | Total current liabilities |
| | | | | <u>428,342</u> | Total shareholders' equity and liabilities |

Notes to the reclassifications applied to the statement of financial position

1. Equity interests in subsidiary companies

The amount of Euro 428.1 million was classified entirely under the item Equity interests in subsidiaries, as it relates to the investment held in THE NET-A-PORTER GROUP Limited.

2. Trade and miscellaneous receivables

The amount of Euro 0.005 million was classified entirely under the item Tax liabilities as it relates to the amounts payable through fiscal consolidation.

3. Cash and cash equivalents

The amount of Euro 0.2 million was classified entirely under the item Cash and cash equivalents.

4. Trade and miscellaneous liabilities

The amount of Euro 0.01 million was classified entirely under the item Trade liabilities as it relates primarily to provisions made at the end of the period for invoices not yet received.

5. Long-term liabilities for incentive plans

The amount of Euro 18.0 million was classified entirely under the item Other non-current liabilities.

6. Share premium reserves

The amount of Euro 0.2 million was classified entirely under the item Reserves.

7. Other reserves

The amount of Euro 1.5 million, reported as a negative amount, was classified as follows:

- Euro 1.5 million, under the item Reserves for profits and losses carried forward;
- Euro 0.01 million under the item Net income for the period.

Cash flow statement

(thousand Euros/sterling)

| CASH FLOW STATEMENT IN ACCORDANCE WITH THE LARGENTA UK SCHEMES (sterling) | Largenta UK (sterling) | Largenta UK (euro) | Notes | Largenta UK in accordance with the schemes of YOOX Group (euro) | CASH FLOW STATEMENT IN ACCORDANCE WITH THE SCHEMES OF YOOX GROUP (euro) |
|--|---------------------------|-----------------------|-------|---|---|
| Period 01/04/2013 – 21/03/2014 | | | | | |
| Cash generated (absorbed) by operations | (17) | (16) | 1 | (13) | Net income for the fiscal year |
| | | | | | <i>Adjustments for:</i> |
| | | | | 5 | Taxes for the fiscal year |
| | | | | - | Financial expenses |
| | | | | - | Financial income |
| | | | | - | Divisions reported in the fiscal year |
| | | | | - | Share of earnings from associates |
| | | | | - | Depreciation, amortisation and impairment losses |
| | | | | - | Fair value measurement of stock option plans |
| | | | | 4 | Unrealised effect of changes in foreign exchange rates |
| | | | | - | Capital losses (gains) on sale of fixed assets |
| | | | | - | Employee benefits |
| | | | | - | Provisions for risks and expenses |
| | | | | - | Payment of employee benefits |
| | | | | - | Use of provisions for risks and expenses |
| | | | | - | Changes in inventories |
| | | | | - | Changes in trade receivables |
| | | | | (7) | Changes in trade liabilities |
| | | | | - | Changes in non-current assets and liabilities |
| | | | | - | Changes in other current assets and liabilities |
| | | | | (12) | Cash flow generated (absorbed) by operations |
| | | | | (5) | Income tax paid |
| | | | | - | Interest and other financial expenses paid |
| | | | | - | Interest and other financial income received |
| | | | | - | Dividends drawn |
| | | | 2 | (16) | Cash flow generated (absorbed) by operations |
| | | | | - | Acquisition of property, plant and equipment |
| | | | | - | Acquisition of intangible assets |
| | | | | - | Acquisition of stakes in subsidiaries |
| | | | | - | Acquisition of stakes in associates |
| | | | | - | Acquisition of other non-current financial assets |
| | | | | - | Cash flow generated (absorbed) by investments |
| | | | | | <i>Financing activities</i> |
| | | | | - | New short-term liabilities |
| | | | | - | Repayment of short-term liabilities |
| | | | | - | New medium/long-term financial liabilities |
| | | | | - | Repayment of medium/long-term financial liabilities |
| | | | | - | Treasury share acquisition |
| | | | | - | Payments into share capital and share premium reserve |
| | | | | - | Investments in other financial assets |
| | | | | - | Variation through difference between cash effect and action of incentive plans |
| | | | | - | Cash flow generated (absorbed) by financing activities |
| Net cash and cash equivalents absorbed | (17) | (16) | | (16) | Total cash flow for the fiscal year |
| Cash and cash equivalents as at 1 April | 177 | 209 | | 209 | Cash and cash equivalents at the beginning of the fiscal year |
| Cash and cash equivalents as at 31 March | 160 | 193 | | 193 | Cash and cash equivalents at the end of the fiscal year |
| | | | | (16) | Total cash flow for the fiscal year |

5.6.2.3 Largenta UK reclassified statements for the period to 31 March 2013

Statement of comprehensive income

(thousand Euros/sterling)

| STATEMENT OF COMPREHENSIVE INCOME IN ACCORDANCE WITH THE LARGENTA UK SCHEMES (sterling) | Largenta UK (sterling) | Largenta UK (euro) | Notes | Largenta UK in accordance with the schemes of YOOX Group (euro) | INCOME STATEMENT FOR THE PERIOD IN ACCORDANCE WITH THE SCHEMES OF YOOX GROUP (euro) |
|---|---------------------------|-----------------------|-------|---|--|
| Period 01/04/2012 – 21/03/2013 | | | | | |
| Characteristic operations | | | | | |
| Revenues | - | - | | - | Net revenues |
| Administrative costs | (17) | (21) | 1 | - | Cost of goods sold |
| | | | | - | Fulfilment costs |
| | | | | - | Sales and marketing costs |
| | | | | (21) | General expenses |
| | | | | - | Other income and expenses |
| | | | | (21) | Operating profit |
| | | | | - | Result of equity investments |
| | | | | - | Financial income |
| | | | | - | Borrowing costs |
| Pre-tax profit | (17) | (21) | | (21) | Profit before tax |
| Taxes | 3 | 4 | | 4 | Taxes |
| Profit for the fiscal year | (14) | (17) | | (17) | Net income for the fiscal year |
| Gross profit for the fiscal year | (14) | (17) | | | |

Notes to the reclassifications applied to the statement of comprehensive income

Administrative costs

The amount of Euro 0.02 million was classified entirely under the item General expenditure.

Statement of financial position

(thousand Euros/sterling)

| STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE SCHEMES OF LARGENTA UK (sterling) | LARGENTA UK (GBP/000) | LARGENTA UK (EUR/000) | Notes | LARGENTA UK in accordance with the schemes of YOOX Group (EUR/000) | STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE SCHEMES OF YOOX GROUP (euro) |
|--|-----------------------------|-----------------------------|-------|---|--|
| 31/03/2013 | | | | | |
| Assets | | | | | |
| Non-current assets | | | | | |
| Equity interests in subsidiary companies | 352,980 | 417,431 | 1 | | Property, plant and equipment Intangible assets with finite useful life |
| | 352,980 | 417,431 | | | |
| | | | | 417,431 | Equity interests in subsidiary companies Investments in associated companies Deferred tax assets Other non-current financial assets |
| Current assets | | | | | |
| Trade and miscellaneous receivables | 4 | 5 | 2 | | |
| Cash | 177 | 209 | 3 | | Other non-current financial assets |
| | 181 | 214 | | 417,431 | Total non-current assets |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and miscellaneous liabilities | (17) | (20) | 4 | 5 209 | Net inventories Trade receivables Other current assets Tax credits Cash and cash equivalents Current financial assets |
| Net working assets | 164 | 194 | | 214 | Total current assets |
| Total assets minus current liabilities | 353,144 | 417,625 | | | |
| Non-current liabilities | | | | | |
| Long-term liabilities for incentive plans | (13,290) | (15,717) | 5 | | |
| Total net assets | 339,854 | 401,909 | | 417,645 | Total assets |
| Shareholders' equity | | | | | |
| Share capital | 340,880 | 403,122 | | 403,122 | Share capital |
| Share premium reserves | 196 | 232 | 6 | 232 | Reserves |
| Other reserves | (1,222) | (1,445) | 7 | (1,428) (17) | Reserves for profits and losses carried forward Net income for the fiscal year |
| Total shareholders' equity | 339,854 | 401,909 | | 401,909 | Total shareholders' equity |
| | | | | | Medium-/long-term financial liabilities |
| | | | | | Employee benefits |
| | | | | | Provisions for risks and expenses |
| | | | | 15,717 | Deferred tax liabilities |
| | | | | 15,717 | Other liabilities |
| | | | | | Total non-current liabilities |
| | | | | 20 | Bank loans and other current financial liabilities |
| | | | | | Provisions for risks and expenses |
| | | | | 20 | Trade liabilities |
| | | | | 20 | Tax liabilities |
| | | | | | Other liabilities |
| | | | | 20 | Total current liabilities |
| | | | | 417,645 | Total shareholders' equity and liabilities |

Notes to the reclassifications applied to the statement of financial position

1. *Equity interests in subsidiary companies*

The amount of Euro 417.4 million was classified entirely under the item Equity interests in subsidiaries.

2. *Trade and miscellaneous receivables*

The amount of Euro 0.005 million was classified entirely under the item Tax Credits.

3. *Cash and cash equivalents*

The amount of Euro 0.2 million was classified entirely under the item Cash and cash equivalents.

4. *Trade and miscellaneous liabilities*

The amount of Euro 0.02 million was classified entirely under the item Trade liabilities.

5. *Long-term liabilities for incentive plans*

The amount of Euro 15.7 million was classified entirely under the item Other non-current liabilities.

6. *Share premium reserve*

The amount of Euro 0.2 million was classified entirely under the item Reserves.

7. *Other reserves*

The amount of Euro 1.4 million, reported as a negative amount, was classified as follows:

- Euro 1.4 million, under the item Reserves for profits and losses carried forward;
- Euro 0.02 million under the item Net income for the period.

Cash flow statement

(thousand Euros/sterling)

| CASH FLOW STATEMENT IN ACCORDANCE WITH THE SCHEMES OF LARGENTA UK (GBP) | LARGENTA UK (sterling) | LARGENTA UK (euro) | Notes | LARGENTA UK in accordance with the schemes of YOOX Group (euro) | CASH FLOW STATEMENT IN ACCORDANCE WITH THE SCHEMES OF YOOX GROUP (euro) |
|---|---------------------------|-----------------------|-------|---|---|
| Period 1/4/2012 – 31/03/2013 | | | | | |
| Cash generated (absorbed) by operations | (13) | (19) | 1 | (17) | Net income for the fiscal year |
| | | | | 4 | <i>Adjustments for:</i> |
| | | | | - | Taxes for the year |
| | | | | - | Financial expenses |
| | | | | - | Financial income |
| | | | | - | Divisions reported in the fiscal year |
| | | | | - | Share of earnings from associates |
| | | | | - | Depreciation, amortisation and impairment losses |
| | | | | - | Fair value measurement of stock option plans |
| | | | | (3) | Unrealised effect of changes in foreign exchange rates |
| | | | | - | Capital losses (gains) on sale of fixed assets |
| | | | | - | Employee benefits |
| | | | | - | Provisions for risks and expenses |
| | | | | - | Payment of employee benefits |
| | | | | - | Use of provisions for risks and expenses |
| | | | | - | Changes in inventories |
| | | | | - | Changes in trade receivables |
| | | | | - | Changes in trade liabilities |
| | | | | 1 | Changes in other current assets and liabilities |
| | | | | - | Changes in non-current assets and liabilities |
| | | | 2 | (15) | Cash flow generated (absorbed) by operations |
| | | | | (4) | Income tax paid |
| | | | | - | Interest and other financial expenses paid |
| | | | | - | Interest and other financial income received |
| | | | | - | Dividends drawn |
| | | | | (19) | Cash flow generated (absorbed) by operations |
| | | | | - | Acquisition of property, plant and equipment |
| | | | | - | Acquisition of intangible assets |
| | | | | - | Acquisition of stakes in subsidiaries |
| | | | | - | Acquisition of stakes in associates |
| | | | | - | Acquisition of other non-current financial assets |
| | | | | - | Cash flow generated (absorbed) by investments |
| | | | | - | <i>Financing activities</i> |
| | | | | - | New short-term liabilities |
| | | | | - | Repayment of short-term liabilities |
| | | | | - | New medium/long-term financial liabilities |
| | | | | - | Repayment of medium/long-term financial liabilities |
| | | | | - | Treasury share acquisition |
| | | | | - | Payments into share capital and share premium reserve |
| | | | | - | Investments in other financial assets |
| | | | | - | Variation through difference between cash effect and action of incentive plans |
| | | | | - | Cash flow generated (absorbed) by financing activities |
| | | | | (19) | Total cash flow for the fiscal year |
| Net cash and cash equivalents absorbed | (13) | (19) | | 228 | Cash and cash equivalents at the beginning of the fiscal year |
| Cash and cash equivalents as at 1 April | 190 | 228 | | 209 | Cash and cash equivalents at the end of the fiscal year |
| Cash and cash equivalents as at 31 March | 177 | 209 | | (19) | Total cash flow for the fiscal year |

5.5.3 *Reclassified financial statements for THE NET-A-PORTER GROUP as at 31 March 2015, 29 March 2014 and 30 March 2013*

5.5.3.1 Reclassified consolidated financial statements for THE NET-A-PORTER GROUP for the fiscal year ended 31 March 2015

| | | | | (thousand Euros/pounds sterling) | |
|---|-------------------------------------|--------------------------|-------|---|---|
| CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH THE NAP Group Limited STATEMENTS (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH THE YOOX GROUP STATEMENTS (Euro) |
| Period 29.03.2014-31.03.2015 | | | | | |
| Turnover | 654,061 | 832,766 | 1 | 821,634 | Net revenues |
| Cost of goods sold | (357,836) | (455,605) | 2 | (479,736) | Cost of goods sold |
| Gross margin | 296,225 | 377,161 | | | |
| Shipping costs | (33,382) | (42,503) | 3 | (88,597) | Fulfilment costs |
| Administrative costs | (229,147) | (291,755) | 4 | (101,715) | Sales and marketing costs |
| Share-based remuneration plan costs | (18,713) | (23,826) | 5 | (144,181) | General expenses |
| | | | | (16) | Other income and expenses |
| Operating income | 14,983 | 19,077 | | 7,389 | Operating income |
| Interest income and other income | 3 | 4 | 6 | - | Result of equity investments |
| Interest payable and other expenses | (3,966) | (5,050) | 7 | 13,644 | Financial income |
| Profit before tax | 11,020 | 14,031 | | (7,002) | Financial charges |
| Taxes for the fiscal year | (9,237) | (11,761) | | 14,031 | Result before taxes |
| Fiscal year results | 1,783 | 2,270 | | (11,761) | Taxes |
| | | | | 2,270 | Consolidated income for the fiscal year |
| Attributable to Parent Company | | | | | |
| Attributable to Minority Interests | | | | | |

Notes commenting on the reclassifications made to the Consolidated Income Statement

1 Turnover

The sum of Euro 832.8 million was classified as follows:

- Euro 821.6 million under the item “Net revenues”
- Euro 11.2 million under the item “Commercial expenses” because it refers to recharging for “Non-US Duties”.

2 Cost of goods sold

The sum of Euro 455.6 million was classified as follows:

- Euro 437.2 million under the item “Cost of goods sold”;
- Euro 7.8 million under the item “Fulfilment costs” because they refer mainly to the cost of buying packaging and the reconditioning of goods (dry cleaning);
- Euro 10.7 million under the item “Commercial expenses” because they refer to advertising, costs, excise duty and sales tax;

- Euro 0.5 million under the item “Financial expenses” because it refers to exchange rate differences realised and not;
- Euro 0.6 million under the item “Financial income” because it refers to exchange rate differences realised and not;

3 *Shipping costs*

The amount of Euro 42.5 million was classified under the item “Cost of goods sold” because it refers mainly to shipping expenses on sales and returns (shipping export costs, shipping returns costs, free export shipping) and to expenses for in-house personnel employed in “Premier” shipping activities.

4 *Administrative costs*

The sum of Euro 291.8 million was classified as follows:

- Euro 120.4 million under the item “General expenses”;
- Euro 80.8 million under the item “Fulfilment costs”, because these refer mainly to personnel expenses, costs for rents, maintenance, utilities, stationery and depreciation;
- Euro 102.2 million under the item “Commercial expenses” because they refer mainly to the magazine “Porter”, fees paid to collection agencies by credit card, personnel expenses and marketing costs (affiliation)
- Euro 13.1 million negative, under the item “Financial income”, because it refers to realised and unrealised income on exchange rates.
- Euro 1.5 million under the item “Financial expenses” because it refers to exchange rate differences realised and not;

5 *Share-based remuneration plan costs*

The sum of Euro 23.8 million was classified entirely under the item "General expenses".

6 *Interest income and other income*

The sum of Euro 0.004 million under the item “Financial income”;

7 *Interest payable and other expenses*

The sum of Euro 5.0 million was classified entirely under the item “Financial expenses”.

Consolidated comprehensive income statement

| | | | (Thousands of euros/pounds sterling) | | |
|--|---|--------------------------------|--------------------------------------|---|--|
| CONSOLIDATED COMPREHENSIVE INCOME STATEMENT IN ACCORDANCE WITH THE NAP Group Limited STATEMENTS (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED COMPREHENSIVE INCOME STATEMENT IN ACCORDANCE WITH THE YOOX GROUP STATEMENTS (Euro) |
| Period 30.03.2014-31.03.2015 | | | | | |
| Fiscal year results | 1,783 | 2,270 | | 2,270 | Consolidated net income for the year |
| Currency translation difference on foreign currency net investments | (406) | (517) | | | |
| Profit for the fiscal year | 1,377 | 1,753 | | | |
| | | | | | Other components of comprehensive income, net of tax effects |
| | | | | (517) | Foreign currency translation differences for foreign operations |
| | | | | | Profit/(loss) from cash flow hedges |
| | | | | 1,753 | Total other components of comprehensive income which will be (or could be) reclassified in the income statement |
| | | | | | - Net change in retained earnings and actuarial losses relating to employee benefits |
| | | | | | Total other components of comprehensive income which will not be reclassified in the income statement |
| | | | | 1,753 | TOTAL CONSOLIDATED COMPREHENSIVE NET INCOME FOR THE FISCAL YEAR |
| | | | | | <i>of which:</i> |
| | | | | 1,753 | Attributable to the Group |
| | | | | - | Attributable to minority interests |

Consolidated statement of financial position

(Thousand Euros/pounds sterling)

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE NAP Group Limited (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE YOOX GROUP (Euro) |
|---|---|-----------------------------|-------|---|--|
| 31.03.2015. | | | | | |
| Fixed Assets | | | | | |
| Intangible Fixed Assets | 4,167 | 5,729 | 1 | 73,564 | Property, plant and equipment |
| Tangible Fixed Assets | 70,118 | 96,409 | 2 | 24,179 | Intangible assets with finite useful life |
| | <u>74,285</u> | <u>102,138</u> | | 4,394 | Goodwill |
| | | | | - | Shareholding in associated firms |
| Current assets | | | | | |
| Cash and cash equivalents | 3,384 | 4,653 | 3 | 18,376 | Deferred Tax Assets |
| Inventories | 174,893 | 240,469 | | 1,683 | Other non-current financial assets |
| Receivables | 52,017 | 71,521 | 4 | <u>122,196</u> | Total non-current assets |
| | <u>230,294</u> | <u>316,642</u> | | 240,465 | Inventories |
| | | | | 5,288 | Trade receivables |
| Payables: due within a year | (187,566) | (257,894) | 5 | 13,991 | Other current assets |
| Net working capital | <u>42,728</u> | <u>58,749</u> | | 28,883 | Cash and cash equivalents |
| | | | | 32,181 | Current Financial assets |
| Total assets net of current liabilities | 117,013 | 160,887 | | <u>320,808</u> | Total current assets |
| | | | | | |
| Payables: due in more than one year | (7,787) | (10,707) | 6 | | |
| Net assets | <u>109,226</u> | <u>150,180</u> | | <u>443,004</u> | Total assets |
| Capital and Reserves | | | | | |
| Share Capital | 6 | 8 | | 8 | Share Capital |
| Share premium fund | 12,736 | 17,511 | 7 | 145,885 | Reserve |
| Share-based remuneration plan reserve | 92,219 | 126,796 | 8 | 2,017 | Losses carried forward |
| Other Reserves | 4,265 | 5,864 | 9 | 2,270 | Consolidated profit for the fiscal year |
| | <u>109,226</u> | <u>150,180</u> | | <u>150,180</u> | Shareholders' equity attributable to the Parent Company |
| Minority equity | - | - | | - | Shareholders' equity attributable to Minority Interests |
| Total net equity | <u>109,226</u> | <u>150,180</u> | | <u>150,180</u> | Consolidated Total |
| | | | | | |
| | | | | - | Medium- long-term financial liabilities |
| | | | | - | Employee benefits |
| | | | | - | Provisions for risks and charges |
| | | | | 8,664 | Deferred Tax Liabilities |
| | | | | <u>8,664</u> | Other payables |
| | | | | 52,098 | Total non-current liabilities |
| | | | | - | Bank loans and other current financial liabilities |
| | | | | - | Provisions for risks and charges |
| | | | | 128,255 | Accounts payable |
| | | | | 18,800 | Tax payables |
| | | | | 85,010 | Other payables |
| | | | | <u>284,162</u> | Total current liabilities |
| | | | | <u>443,004</u> | Total consolidated equity and liabilities |

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

1. Intangible Fixed Assets

The sum of Euro 5.7 million was classified as follows:

- Euro 4.4 million under the item “Goodwill”;
- Euro 1.3 million under the item “Intangible assets with a finite useful life”.

2. Tangible Fixed Assets

The sum of Euro 96.4 million was classified as follows:

- Euro 22.8 million under the item “Intangible assets with a finite useful life” because they refer to costs for research and development;
- Euro 73.6 million under the item “Property, plant and equipment”.

3. *Cash and cash equivalents*

The sum of Euro 4.7 million represents the balance between cash and cash equivalents and the current bank payables and loans of the NAP Group and was classified as follows:

- Euro 24.2 million, negative, under the item "Banks and other current financial payables";
- Euro 28.9 million under the item “Cash and cash equivalents”.

4. *Receivables*

The sum of Euro 71.5 million was classified as follows:

- Euro 18.4 million under the item “Deferred tax assets”;
- Euro 1.7 million under the item “Other non-current financial assets”;
- Euro 14.0 million under the item “Other current assets”;
- Euro 32.2 million under the item “Financial assets which are not fixed assets" because they refer to receivables due from credit card collection agencies;
- Euro 5.3 million under the item “Trade receivables”.

5. *Payables: due within a year*

The sum of Euro 257.9 million was classified as follows:

- Euro 27.9 million, under the item “Banks and other current financial payables”;
- Euro 128.3 million under the item “Trade payables”;
- Euro 82.9 million under the item “Other payables”;
- Euro 18.8 million under the item “Tax payables”.

6. *Payables: due in more than one year*

The sum of Euro 10.7 million was classified as follows:

- Euro 8.7 million under the item non-current “Other payables”;
- Euro 2.0 million under the item current “Other payables”.

7. *Share-based incentive plan reserve*

The sum of Euro 17.5 million was classified entirely under the item “Reserves”.

8. *Share-based remuneration plan reserve*

The sum of Euro 126.8 million was classified entirely under the item “Reserves”.

9. *Other Reserves*

The sum of Euro 5.9 million was classified as follows:

- Euro 2.0 million under the item “Retained earnings and losses reserve”;
- Euro 2.3 million under the item “Consolidated net result for the year” referring to the result for the year;
- Euro 1.6 million under the item “Reserves” referring to the “Foreign Currency Translation Reserve” and to the effect arising from the conversion of the income for the year at an average exchange rate.

Consolidated cash flow statement

| | | | | (thousand Euros/pounds sterling) | |
|--|-------------------------------------|--------------------------|-------|---|--|
| CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH THE NAP Group Limited STATEMENTS (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH THE YOOX GROUP STATEMENTS (Euro) |
| Period 30.03.2014-31.03.2015 | | | | | |
| Net cash flow generated by (used in) operating activities | 40,971 | 52,165 | 1 | 2,270 | Consolidated profit for the year |
| Remuneration from investments and financial services | - | - | | 11,761 | <i>Adjustments for:</i> Taxes for the fiscal year |
| Interest income | 2 | 3 | | 7,002 | Financial expenses |
| Interest payable | (200) | (255) | | (13,644) | Financial income |
| Net cash flow generated by / (used in) remuneration from investments and financial services | (198) | (252) | | 22,679 | Share of earnings from associates |
| Taxes | (3,873) | (4,931) | | 23,826 | Depreciation, amortisation and impairment losses |
| Contributions to capital accounts | | | | (517) | Fair value measurement of stock option plans |
| Payments to purchase tangible and intangible fixed assets | (18,610) | (23,695) | | 17 | Unrealised effect of changes in foreign exchange rates |
| Revenues from the sale of tangible fixed assets | 56 | 71 | | | Capital gains/(losses) on sale of non-current assets |
| Net cash flow generated by / (used) before management of liquidity and loans | 18,346 | 23,359 | | | Employee benefits |
| Management of liquidity and loans | | | | (57,440) | Provisions for risks and charges |
| Loans received from other group entities | - | - | | (1,231) | Payment of employee benefits |
| Foreign exchange profit/loss | (267) | (340) | | | Use of provisions for risks and charges |
| Total increase/(decrease) in cash | 18,079 | 23,019 | 2 | 37,811 | Changes in inventories |
| | | | | 4,309 | Changes in trade receivables |
| | | | | 36,843 | Changes in trade payables |
| | | | | (4,931) | Changes in other current assets and liabilities |
| | | | | (2,207) | Cash flow from (used in) operating activities |
| | | | | 13,644 | Income tax paid |
| | | | | 43,349 | Interest and other financial expenses paid |
| | | | | (10,232) | Interest and other financial income received |
| | | | | (13,462) | Cash flow generated by (used in) operating activities |
| | | | | - | Acquisition of property, plant and equipment |
| | | | | (168) | Acquisition of intangible assets |
| | | | | 70 | Acquisition of investments |
| | | | | (23,793) | Acquisition of other non-current financial assets |
| | | | | | Sale of fixed assets |
| | | | | - | Net cash from (used in) investing activities |
| | | | | (9,599) | <i>Financing activities</i> |
| | | | | - | New short-term liabilities |
| | | | | - | Repayment of short-term liabilities |
| | | | | - | New medium/long-term financial liabilities |
| | | | | - | Repayment of medium/long-term financial liabilities |
| | | | | - | Treasury share purchase |
| | | | | 122 | Payments for share capital increase and share premium reserves |
| | | | | - | Investments in financial assets |
| | | | | (9,477) | Variation through difference between cash effect and action of incentive plans |
| | | | | 10,079 | Cash flow generated by (used in) financial activities |
| | | | | 16,667 | Total cash flow for the fiscal year |
| | | | | 26,746 | Cash and cash equivalents at the beginning of the fiscal year |
| | | | | 10,079 | Cash and cash equivalents at the end of the fiscal year |
| | | | | | Total cash flow for the fiscal year |

5.6.3.2 Reclassified consolidated financial statements for THE NET-A-PORTER GROUP Limited for the financial year ended at 29 March 2014

Consolidated income statement

(thousand Euros/pounds sterling)

| CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH THE NAP Group Limited STATEMENTS (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH THE YOOX GROUP STATEMENTS (Euro) |
|---|-------------------------------------|--------------------------|-------|---|---|
| Period 31.03.2013-29.03.2014 | | | | | |
| Turnover | 532,699 | 631,456 | 1 | 622,684 | Net revenues |
| Cost of goods sold | (297,903) | (353,131) | 2 | (369,630) | Cost of goods sold |
| Gross margin | 234,796 | 278,325 | | | |
| | | | | (65,106) | Fulfilment costs |
| Shipping costs | (25,488) | (30,213) | 3 | (70,536) | Sales and marketing costs |
| Administrative costs | (200,288) | (237,419) | 4 | (122,506) | General expenses |
| Share-based remuneration plan costs | (18,713) | (22,182) | 5 | | |
| | | | | (20) | Other income and expenses |
| Operating income | (9,693) | (11,490) | | (5,114) | Operating income |
| | | | | - | Result of equity investments |
| Interest income and other income | 1,047 | 1,241 | 6 | 1,672 | Financial income |
| Interest payable and other expenses | (1,345) | (1,594) | 7 | (8,402) | Financial charges |
| Other financial earnings and (costs) | - | - | | | |
| Profit before tax | (9,991) | (11,843) | | (11,844) | Result before taxes |
| Taxes for the fiscal year | (2,968) | (3,518) | | (3,518) | Taxes |
| Fiscal year results | (12,959) | (15,361) | | (15,361) | Consolidated income for the fiscal year |

Notes commenting on the reclassifications made to the Consolidated Income Statement

1. Turnover

The sum of Euro 631.5 million was classified as follows:

- Euro 622.7 million under the item “Net revenues”
- Euro 8.8 million under the item “Commercial expenses” because it refers to recharging for “Non-US Duties”.

2. Cost of goods sold

The sum of Euro 353.1 million was classified as follows:

- Euro 339.4 million under the item “Cost of goods sold”;
- Euro 5.6 million under the item “Fulfilment costs” because they refer mainly to the cost of buying packaging and the reconditioning of goods (dry cleaning);
- Euro 8.5 million under the item “Commercial expenses” because they refer to advertising, costs, excise duty and sales tax;
- Euro 0.4 million negative, under the item “Financial income”, because it refers to realised and unrealised income on exchange rates.

3. Shipping costs

The amount of Euro 30.2 million was classified under the item “Cost of goods sold” because it refers mainly to shipping expenses on sales and returns (shipping export costs, shipping returns costs, free export shipping) and to expenses for in-house personnel employed in “Premier” shipping activities.

4. *Administrative costs*

The sum of Euro 237.4 million was classified as follows:

- Euro 100.3 million under the item “General expenses”;
- Euro 59.5 million under the item “Fulfilment costs”, because these refer mainly to personnel expenses, costs for rents, maintenance, utilities, stationery and depreciation;
- Euro 70.8 million under the item “Commercial expenses” because they refer mainly to the magazine “Porter”, fees paid to collection agencies by credit card, personnel expenses and marketing costs (affiliation);
- Euro 6.8 million under the item “Financial expenses” because it refers to exchange rate differences realised and not.

5. *Share-based remuneration plan costs*

The sum of Euro 22.2 million was classified entirely under the item “General expenses”.

6. *Interest income and other income*

The sum of Euro 1.2 million under the item “Financial income”;

7. *Interest payable and other expenses*

The sum of Euro 1.6 million was classified entirely under the item “Financial expenses”;

Consolidated statement of comprehensive income

| | | | (Thousand Euros/pounds sterling) | |
|--|---|-----------------------------|----------------------------------|--|
| CONSOLIDATED COMPREHENSIVE INCOME STATEMENT IN ACCORDANCE WITH THE NAP Group Limited STATEMENTS (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | CONSOLIDATED COMPREHENSIVE INCOME STATEMENT IN ACCORDANCE WITH THE YOOX GROUP STATEMENTS (Euro) |
| Period 31.03.2013-29.03.2014 | | | | |
| Fiscal year results | (12,959) | (15,361) | | (15,361) Consolidated income for the fiscal year |
| Currency translation difference on foreign currency net investments | 120 | 142 | | |
| Profit for the fiscal year | (12,839) | (15,219) | | |
| | | | | Other components of comprehensive income, net of tax effects |
| | | | | 142 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 |
| | | | | (15,219) |
| | | | | - Net change in retained earnings and actuarial losses relating to employee benefits |
| | | | | Total other components of comprehensive income which will not be reclassified in the income statement |
| | | | | - |
| | | | | TOTAL CONSOLIDATED COMPREHENSIVE NET INCOME FOR THE FISCAL YEAR |
| | | | | (15,219) |
| | | | | <i>of which:</i> |
| | | | | (15,219) Attributable to owners of the Parent Company |
| | | | | - Attributable to non-controlling interests |

Consolidated statement of financial position

(thousand Euros/pounds sterling)

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE NAP Group Limited (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE YOOX GROUP (Euro) |
|---|-------------------------------------|--------------------------|-------|---|---|
| 29.03.2014. | | | | | |
| Fixed Assets | | | | | |
| Intangible Fixed Assets | 8,012 | 9,686 | 1 | 60,972 | Property, plant and equipment |
| Tangible Fixed Assets | 63,717 | 77,027 | 2 | 17,323 | Intangible assets with finite useful life |
| | <u>71,729</u> | <u>86,713</u> | | 8,415 | Goodwill |
| | | | | - | Shareholding in associated firms |
| Current assets | | | | 6,040 | Deferred Tax Assets |
| Cash and cash equivalents | - | - | | 1,320 | Other non-current financial assets |
| Inventories | 129,776 | 156,886 | | <u>94,070</u> | Total non-current assets |
| Receivables | 37,137 | 44,895 | 3 | 156,886 | Inventories |
| | <u>166,913</u> | <u>201,781</u> | | 3,481 | Trade receivables |
| Payables: due within a year | (138,275) | (167,160) | 4 | 5,645 | Other current assets |
| Net working capital | <u>28,638</u> | <u>34,620</u> | | 15,825 | Cash and cash equivalents |
| | | | | 28,411 | Current Financial assets |
| Total assets net of current liabilities | <u>100,367</u> | <u>121,333</u> | | <u>210,248</u> | Total current assets |
| Payables: due in more than one year | (11,231) | (13,577) | 5 | - | Total assets |
| Net assets | <u>89,136</u> | <u>107,756</u> | | <u>304,318</u> | |
| Capital and Reserves | | | | | |
| Share Capital | 6 | 7 | | 7 | Share Capital |
| Share premium fund | 12,736 | 15,397 | 6 | 105,120 | Reserve |
| Share-based remuneration plan reserve | 73,506 | 88,861 | 7 | 17,990 | Losses carried forward |
| Other Reserves | 2,888 | 3,491 | 8 | (15,361) | Consolidated profit for the fiscal year |
| | <u>89,136</u> | <u>107,756</u> | | <u>107,756</u> | Shareholders' equity attributable to the Parent Company |
| Minority equity | - | - | | - | Shareholders' equity attributable to Minority Interests |
| Total net equity | <u>89,136</u> | <u>107,756</u> | | <u>107,756</u> | Consolidated Total |
| | | | | - | Medium- long-term financial liabilities |
| | | | | - | Employee benefits |
| | | | | - | Provisions for risks and charges |
| | | | | - | Deferred Tax Liabilities |
| | | | | 12,650 | Other payables |
| | | | | <u>12,650</u> | Total non-current liabilities |
| | | | | 54,920 | Bank loans and other current financial liabilities |
| | | | | - | Provisions for risks and charges |
| | | | | 69,937 | Accounts payable |
| | | | | - | Tax payables |
| | | | | 59,055 | Other payables |
| | | | | <u>183,912</u> | Total current liabilities |
| | | | | <u>304,318</u> | Total consolidated equity and liabilities |

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

1. Intangible Fixed Assets

The sum of Euro 9.7 million was classified as follows:

- Euro 8.4 million under the item “Goodwill”;
- Euro 1.3 million under the item “Intangible assets with a finite useful life”.

2. Tangible Fixed Assets

The sum of Euro 77.0 million was classified as follows:

- Euro 16.0 million under the item “Intangible assets with a finite useful life” because they refer to costs for research and development;
- Euro 61.0 million under the item “Property, plant and equipment”.

3. *Receivables*

The sum of Euro 44.9 million was classified as follows:

- Euro 6.0 million under the item “Deferred tax assets”;
- Euro 1.3 million under the item “Other non-current financial assets”;
- Euro 5.6 million under the item “Other current assets”;
- Euro 28.4 million under the item “Financial assets which are not fixed assets" because they refer to receivables due from credit card collection agencies;
- Euro 3.5 million under the item “Trade receivables”.

4. *Payables: due within a year*

The sum of Euro 167.2 million was classified as follows:

- Euro 54.9 million, under the item “Banks and other current financial payables”;
- Euro 69.9 million under the item “Trade payables”.
- Euro 58.2 million under the item “Other payables”.
- Euro 15.8 million under the item “Cash and cash equivalents”.

5. *Payables: due in more than one year*

The sum of Euro 13.6 million was classified as follows:

- Euro 0.9 million under the item current “Other payables”.
- Euro 12.7 million under the item non-current “Other payables”.

6. *Share premium fund*

The sum of Euro 15.4 million was classified entirely under the item “Reserves”.

7. *Share-based remuneration plan reserve*

The sum of Euro 88.8 million was classified entirely under the item “Reserves”.

8. *Other Reserves*

The sum of Euro 3.5 million was classified as follows:

- Euro 18.0 million under the item “Retained earnings and losses reserve”;
- Euro 15.4 million negative, under the item “Consolidated net result for the year” referring to the result for the year;
- Euro 0.9 million under the item “Reserves” referring to the “Foreign Currency Translation Reserve” and to the effect arising from the conversion of the income for the year at an average exchange rate.

Consolidated cash flow statement

(thousand Euros/pounds sterling)

| CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH THE NAP Group Limited STATEMENTS (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH THE YOOX GROUP STATEMENTS (Euro) |
|--|-------------------------------------|--------------------------|----------|---|--|
| Period 31.03.2013-29.03.2014 | | | | | |
| Net cash flow generated by (used in) operational activities | 13,962 | 16,550 | 1 | (15,361) | Consolidated profit for the fiscal year |
| Remuneration from investments and financial services | - | - | | 3,515 | <i>Adjustments for:</i> Taxes for the fiscal year |
| Interest income | 1 | 1 | | 8,402 | Financial expenses |
| Interest payable | (664) | (787) | | (1,672) | Financial income |
| | | | | - | Share of earnings from associates |
| Net cash flow generated by / (used in) remuneration from investments and financial services | (663) | (786) | | 18,231 | Depreciation, amortisation and impairment losses |
| Taxes | (3,479) | (4,124) | | 22,182 | Fair value measurement of stock option plans |
| Contributions to capital accounts | | | | 142 | Unrealised effect of changes in foreign exchange rates |
| Payments to purchase tangible and intangible fixed assets | (19,846) | (23,525) | | - | Capital gains/(losses) on sale of non-current assets |
| | | | | - | Employee benefits |
| | | | | - | Provisions for risks and charges |
| Net cash flow generated by / (used) before management of liquidity and loans | (10,026) | (11,885) | | - | Payment of employee benefits |
| | | | | - | Use of provisions for risks and charges |
| Management of liquidity and loans | | | | (25,434) | Changes in inventories |
| Loans received from other group entities | - | - | | (264) | Changes in trade receivables |
| | | | | 9,586 | Changes in trade payables |
| | | | | 10,421 | Changes in other current assets and liabilities |
| Total increase/(decrease) in cash | (10,026) | (11,885) | 2 | 29,749 | Cash flow from (used in) operating activities |
| | | | | (4,124) | Income tax paid |
| | | | | (8,402) | Interest and other financial expenses paid |
| | | | | 1,672 | Interest and other financial income received |
| | | | | 18,895 | Cash flow generated by (used in) operating activities |
| | | | | (12,376) | Acquisition of property, plant and equipment |
| | | | | (11,150) | Acquisition of intangible assets |
| | | | | - | Acquisition of investments |
| | | | | (116) | Acquisition of other non-current financial assets |
| | | | | - | Sale of fixed assets |
| | | | | (23,642) | Net cash from (used in) investing activities |
| | | | | 37,727 | <i>Financing activities</i> New short-term liabilities |
| | | | | - | Repayment of short-term liabilities |
| | | | | - | New medium/long-term financial liabilities |
| | | | | (17,781) | Repayment of medium/long-term financial liabilities |
| | | | | - | Treasury share purchase |
| | | | | - | Payments for share capital increase and share premium reserves |
| | | | | (9,652) | Investments in financial assets |
| | | | | - | Variation through difference between cash effect and action of incentive plans |
| | | | | 10,294 | Cash flow generated by (used in) financial activities |
| | | | | 5,548 | Total cash flow for the fiscal year |
| | | | | 9,969 | Cash and cash equivalents at the beginning of the fiscal year |
| | | | | 15,517 | Cash and cash equivalents at the end of the fiscal year |
| | | | | 5,548 | Total cash flow for the fiscal year |

Notes commenting on the reclassifications made to the consolidated cash flow statement

1. Net cash flow generated by (used in) operational activities

The difference of Euro 2.3 million between the “Net cash flow generated by (used in) operational activities” coming to Euro 16.6 million in the NAP Group Limited statements and the “Cash flow from (used in) operating activities” coming to Euro 18.9 million in the YOOX statements, is due mainly to a different classification of trade receivables and payables and financial income and expenses.

2. Total cash generated / (used)

The consolidated cash flow statement according to the NAP Group Limited 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 31 March 2013 with 29 March 2014.

5.6.3.3 Reclassified consolidated financial statements for THE NET-A-PORTER GROUP Limited for the financial year ended at 30 March 2013

Consolidated income statement

(thousand Euros/pounds sterling)

| CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH THE NAP Group Limited STATEMENTS (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH THE YOOX GROUP STATEMENTS (Euro) |
|---|-------------------------------------|--------------------------|-------|---|---|
| Period 01.04.2012-30.03.2013 | | | | | |
| Turnover | 434,676 | 533,563 | 1 | 528,004 | Net revenues |
| Cost of goods sold | (236,382) | (290,158) | 2 | (313,425) | Cost of goods sold |
| Gross margin | 198,294 | 243,405 | | | |
| Shipping costs | (21,430) | (26,305) | 3 | (58,756) | Fulfilment costs |
| Administrative costs | (170,353) | (209,108) | 4 | (60,258) | Sales and marketing costs |
| Share-based remuneration plan costs | (31,260) | (38,372) | 5 | (126,263) | General expenses |
| Operating income | (24,749) | (30,379) | | (5) | Other income and expenses |
| Interest income and other income | 337 | 414 | 6 | - | Operating income |
| Interest payable and other expenses | (374) | (459) | 7 | 2,667 | Result of equity investments |
| Other financial earnings and (costs) | 1,572 | 1,930 | 8 | (459) | Financial income |
| Profit before tax | (23,214) | (28,495) | | (28,495) | Financial charges |
| Taxes for the fiscal year | 3,228 | 3,962 | | 3,962 | Result before taxes |
| Fiscal year results | (19,986) | (24,533) | | (24,533) | Taxes |
| | | | | | Consolidated income for the fiscal year |

Notes commenting on the reclassifications made to the Consolidated Income Statement

1. *Turnover*

The sum of Euro 533.6 million was classified as follows:

- Euro 525.6 million under the item “Net revenues”
- Euro 8 million under the item “Commercial expenses” because it refers to recharging for “Non-US Duties”.

2. *Cost of goods sold*

The sum of Euro 290.2 million was classified as follows:

- Euro 5 million under the item “Fulfilment costs” because they refer mainly to the cost of buying packaging and the reconditioning of goods (dry cleaning);
- Euro 281.2 million under the item “Cost of goods sold”;
- Euro 6,7 million under the item “Commercial expenses” because they refer to advertising, costs, excise duty and sales tax;
- Euro 0.3 million negative, under the item “Financial income”, because it refers to realised and unrealised income on exchange rates;
- Euro 2.4 million negative, under the item “Net revenues” because it refers to “Gross Merchandise Revenues”.

3. *Shipping costs*

The amount of Euro 26.3 million was classified under the item "Cost of goods sold" because it refers mainly to shipping expenses on sales and returns (shipping export costs, shipping returns costs, free export shipping) and to expenses for in-house personnel employed in "Premier" shipping activities.

4. *Administrative costs*

The sum of Euro 209.1 million was classified as follows:

- Euro 87.9 million under the item "General expenses";
- Euro 53.8 million under the item "Fulfilment costs", because these refer mainly to personnel expenses, costs for rents, maintenance, utilities, stationery and depreciation;
- Euro 61.5 million under the item "Commercial expenses" because they refer mainly to the magazine "Porter", fees paid to collection agencies by credit card, personnel expenses and marketing costs (affiliation);
- Euro 5.9 million under the item "Cost of goods sold".

5. *Share-based remuneration plan costs*

The sum of Euro 38.4 million was classified entirely under the item "General expenses".

6. *Interest income and other income*

The sum of Euro 0.4 million was classified entirely under the item "Financial income".

7. *Interest payable and other expenses*

The sum of Euro 0.5 million was classified entirely under the item "Financial expenses".

8. *Other financial earnings and (costs)*

The sum of Euro 1.9 million was classified entirely under the item "Financial income".

Consolidated statement of comprehensive income

| | | | (thousand Euros/pounds sterling) | | |
|--|---|-----------------------------|----------------------------------|---|--|
| CONSOLIDATED COMPREHENSIVE INCOME STATEMENT IN ACCORDANCE WITH THE NAP Group Limited STATEMENTS (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED COMPREHENSIVE INCOME STATEMENT IN ACCORDANCE WITH THE YOOX GROUP STATEMENTS (Euro) |
| Period 01.04.2012-30.03.2013 | | | | | |
| Fiscal year results | (19,986) | (24,533) | | (24,533) | Consolidated income for the fiscal year |
| Currency translation difference on foreign currency net investments | 163 | 200 | | | |
| Profit for the fiscal year | (20,149) | (24,733) | | | |
| | | | | 200 | Other components of comprehensive income, net of tax effects |
| | | | | | Foreign currency translation differences for foreign operations |
| | | | | | Profit/(loss) from cash flow hedges |
| | | | | (24,733) | Total other components of comprehensive income which will be (or could be) reclassified in the income statement |
| | | | | | - Net change in retained earnings and actuarial losses relating to employee benefits |
| | | | | | Total other components of comprehensive income which will not be reclassified in the income statement |
| | | | | (24,733) | TOTAL CONSOLIDATED COMPREHENSIVE NET INCOME FOR THE PERIOD |
| | | | | | <i>of which:</i> |
| | | | | (24,733) | Attributable to owners of the Parent |
| | | | | - | Attributable to non-controlling interests |

Consolidated statement of financial position

(thousand Euros/pounds sterling)

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE NAP Group Limited (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH THE YOOX GROUP (Euro) |
|--|---|-----------------------------|-------|---|--|
| 30.03.2013. | | | | | |
| Fixed Assets | | | | | |
| Intangible Fixed Assets | 8,344 | 9,868 | 1 | 64,156 | Property, plant and equipment |
| Tangible Fixed Assets | 62,262 | 73,631 | 2 | 11,108 | Intangible assets with finite useful life |
| | 70,606 | 83,498 | | 8,233 | Goodwill |
| | | | | - | Shareholding in associated firms |
| Current assets | | | | 11,074 | Deferred Tax Assets |
| Cash and cash equivalents | - | - | | 1,175 | Other non-current financial assets |
| Inventories | 108,241 | 128,005 | | 95,746 | Total non-current assets |
| Receivables | 35,646 | 42,155 | 3 | 128,005 | Inventories |
| | 143,887 | 170,160 | | 3,457 | Trade receivables |
| | | | | 8,285 | Other current assets |
| Payables: due within a year | (91,880) | (108,657) | 4 | 9,946 | Cash and cash equivalents |
| Net working capital | 52,007 | 61,503 | | 18,163 | Current Financial assets |
| | | | | 167,856 | Total current assets |
| Total assets net of current liabilities | 122,613 | 145,001 | | 167,856 | |
| | | | | | |
| Payables: due in more than one year | (27,152) | (32,110) | 5 | 263,603 | Total assets |
| Net assets | 95,461 | 112,891 | | | |
| | | | | | |
| Capital and Reserves | | | | | |
| Share Capital | 6 | 7 | | 7 | Share Capital |
| Share premium fund | 12,736 | 15,061 | 6 | 124,674 | Reserve |
| Share-based remuneration plan reserve | 91,687 | 108,428 | 7 | 12,743 | Losses carried forward |
| Other Reserves | (8,968) | (10,605) | 8 | (24,535) | Consolidated income for the fiscal year |
| | 95,461 | 112,891 | | 112,889 | Shareholders' equity attributable to the Parent |
| | | | | | Shareholders' equity attributable to Minority Interests |
| Minority equity | - | - | | - | Consolidated Total |
| Total net equity | 95,461 | 112,891 | | 112,889 | |
| | | | | | |
| | | | | 17,739 | Medium- long-term financial liabilities |
| | | | | - | Employee benefits |
| | | | | - | Provisions for risks and charges |
| | | | | - | Deferred Tax Liabilities |
| | | | | - | Other payables |
| | | | | 12,202 | |
| | | | | 29,941 | Total non-current liabilities |
| | | | | 16,087 | Bank loans and other current financial liabilities |
| | | | | - | Provisions for risks and charges |
| | | | | 62,866 | Accounts payable |
| | | | | - | Tax payables |
| | | | | 41,820 | Other payables |
| | | | | 120,773 | Total current liabilities |
| | | | | 263,603 | Total consolidated equity and liabilities |

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

1. Intangible Fixed Assets

The sum of Euro 9.9 million was classified as follows:

- Euro 8.2 million under the item “Goodwill”;
- Euro 1.6 million under the item “Intangible assets with a finite useful life”.

2. Tangible Fixed Assets

The sum of Euro 73.6 million was classified as follows:

- Euro 9.5 million under the item “Intangible assets with a finite useful life” because they refer to costs for research and development;
- Euro 64.2 million under the item “Property, plant and equipment”.

3. *Receivables*

The sum of Euro 42.2 million was classified as follows:

- Euro 11.1 million under the item “Deferred tax assets”;
- Euro 1.2 million under the item “Other non-current financial assets”;
- Euro 8.3 million under the item “Other current assets”;
- Euro 18.2 million under the item “Financial assets which are not fixed assets" because they refer to receivables due from credit card collection agencies;
- Euro 3.4 million under the item “Trade receivables”.

4. *Payables due within a year*

The sum of Euro 108.7 million was classified as follows:

- Euro 16.1 million, under the item “Banks and other current financial payables”;
- Euro 62.9 million under the item “Trade payables”;
- Euro 39.6 million under the item “Other payables”;
- Euro 9.9 million under the item “Cash and cash equivalents”.

5. *Payables due in more than one year*

The sum of Euro 32.1 million was classified as follows:

- Euro 2.2 million under the item current “Other payables”;
- Euro 12.2 million under the item non-current “Other payables”;
- Euro 17.7 million, under the item “Banks and other non-current financial payables”.

6. *Share premium fund*

The sum of Euro 15.1 million was classified entirely under the item “Reserves”.

7. *Share-based remuneration plan reserve*

The sum of Euro 108.4 million was classified entirely under the item “Reserves”.

8. *Other Reserves*

The sum of Euro 10.6 million was classified as follows:

- Euro 12.7 million under the item “Retained earnings and losses reserve”;
- Euro 24.5 million negative, under the item “Consolidated net result for the year” referring to the result for the year;
- Euro 1.2 million under the item “Reserves” referring to the “Foreign Currency Translation Reserve” and to the effect arising from the conversion of the income for the year at an average exchange rate.

Consolidated cash flow statement

(thousand Euros/pounds sterling)

| CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH THE NAP Group Limited STATEMENTS (pounds sterling) | NAP Group Limited (pounds sterling) | NAP Group Limited (Euro) | Notes | NAP Group Limited IN ACCORDANCE WITH THE YOOX Group statements (Euro) | CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH THE YOOX GROUP STATEMENTS (Euro) |
|--|-------------------------------------|--------------------------|-------|---|--|
| Period 01.04.2012-30.03.2013 | | | | | |
| Net cash flow generated by (used in) operating activities | 18,556 | 22,777 | 1 | (24,532) | Consolidated income for the fiscal year |
| Remuneration from investments and financial services | - | - | | (3,963) | <i>Adjustments for:</i> Taxes for the fiscal year |
| Interest income | 392 | 481 | | 459 | Financial expenses |
| Interest payable | (671) | (824) | | (2,667) | Financial income |
| | | | | - | Share of earnings from associates |
| Net cash flow generated by / (used in) remuneration from investments and financial services | (279) | (342) | | 13,367 | Depreciation, amortisation and impairment losses |
| Taxes | - | - | | 38,372 | Fair value measurement of stock option plans |
| Contributions to capital accounts | | | | (200) | Unrealised effect of changes in foreign exchange rates |
| Payments to purchase tangible and intangible fixed assets | (30,177) | (37,042) | | - | Capital gains/(losses) on sale of non-current assets |
| | | | | - | Employee benefits |
| | | | | - | Provisions for risks and charges |
| Net cash flow generated by / (used) before management of liquidity and loans | (11,900) | (14,607) | | - | Payment of employee benefits |
| | | | | - | Use of provisions for risks and charges |
| Management of liquidity and loans | | | | (13,195) | Changes in inventories |
| Loans received from other group entities | 15,000 | 18,412 | | 5,943 | Changes in trade receivables |
| | | | | 1,769 | Changes in trade payables |
| | 15,000 | 18,412 | | 11,995 | Changes in other current assets and liabilities |
| Total increase/(decrease) in cash | 3,100 | 3,805 | 2 | 27,349 | Cash flow from (used in) operating activities |
| | | | | - | Income tax paid |
| | | | | (459) | Interest and other financial expenses paid |
| | | | | 851 | Interest and other financial income received |
| | | | | 27,741 | Cash flow generated by (used in) operating activities |
| | | | | (26,328) | Acquisition of property, plant and equipment |
| | | | | (10,714) | Acquisition of intangible assets |
| | | | | - | Acquisition of investments |
| | | | | (118) | Acquisition of other non-current financial assets |
| | | | | - | Sale of fixed assets |
| | | | | (37,160) | Net cash from (used in) investing activities |
| | | | | 438 | <i>Financing activities</i> New short-term liabilities |
| | | | | - | Repayment of short-term liabilities |
| | | | | 18,412 | New medium/long-term financial liabilities |
| | | | | - | Repayment of medium/long-term financial liabilities |
| | | | | - | Treasury share purchase |
| | | | | - | Payments for share capital increase and share premium reserves |
| | | | | (5,832) | Investments in financial assets |
| | | | | - | Variation through difference between cash effect and action of incentive plans |
| | | | | 13,018 | Cash flow generated by (used in) financial activities |
| | | | | 3,599 | Total cash flow for the fiscal year |
| | | | | 6,724 | Cash and cash equivalents at the beginning of the fiscal year |
| | | | | 10,323 | Cash and cash equivalents at the end of the fiscal year |
| | | | | 3,599 | Total cash flow for the fiscal year |

Notes commenting on the reclassifications made to the consolidated cash flow statement

1. Net cash flow generated by (used in) operational activities

The difference of Euro 4.5 million between the “Net cash flow generated by (used in) operational activities” coming to Euro 22.8 million in the NAP Group Limited statements and the “Cash flow from (used in) operating activities” coming to Euro 27.3 million in the YOOX statements, is due mainly to a different classification of trade receivables and payables and financial income and expenses.

2. Total cash generated / (used)

The consolidated cash flow statement according to the NAP Group Limited 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 April 2012 with 30 March 2013.

Notes commenting on the reclassifications made to the consolidated cash flow statement

1. Net cash flow generated by (used in) operational activities

The difference of Euro 8.9 million between the “Net cash flow generated by (used in) operational activities” coming to Euro 52.2 million in the NAP Group Limited statements and the “Cash flow from (used in) operating activities” coming to Euro 43.3 million in the YOOX statements, is due mainly to a different classification of trade receivables and payables and financial income and expenses.

2. Total cash generated / (used)

The consolidated cash flow statement according to the NAP Group Limited 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 30 March 2014 with 31 March 2015.

Notes commenting on the main economic and financial items for the three-year period 2015-2013 for THE NET-A-PORTER GROUP Limited

A summary of the main economic and financial amounts determined based on the reclassification of the historical financial statements according to the YOOX Group classification criteria is reported in this Paragraph. This reclassified financial information and related notes have not been examined by any independent auditors. The data was derived from the Consolidated Financial Statements of the parent company THE NET-A-PORTER GROUP prepared in accordance with the UK GAAP. Please note that:

- the data reported here refers to the NAP Group, as Largenta UK functions as a holding company and has no significant financial data;
- based on the information acquired for the purposes of preparing the pro-forma data as at 30 June 2015 and as at 31 December 2014 recorded in this document, no significant differences have emerged between the UK GAAP and the IFRS/IAS such as to significantly change the financial information, as shown below.

| Net-A-Porter Group | 31/03/2015 | 29/03/2014 | 30/03/2013 |
|-------------------------------|------------|------------|------------|
| | €'000 | €'000 | €'000 |
| Revenues | 821,634 | 622,684 | 528,004 |
| Operating performance results | 7,389 | (5,114) | (30,703) |
| Income for the fiscal year | 2,270 | (15,361) | (24,533) |
| Total cash generated (used) | 10,079 | 5,548 | 3,599 |

Main income statement and financial items as at 31 March 2015

Revenues

In fiscal year 2015, the NAP Group achieved consolidated net revenues (reclassified on the basis of the financial statements presented in the YOOX Group consolidated financial statements), net of sales returns and discounts granted to customers, amounting to Euro 821,634 thousand, up 32.0%, compared with Euro 622,684 thousand in 2014.

These revenues mainly came from the sale of online goods to individual customers located throughout the world. Specifically, sales for fiscal year 2015 were concentrated mainly in North America (approximately 31.2% of the total); followed by the UK, Europe and Asia Pacific.

Overall, the increase over that shown is attributable to the increased number of customers due to the launch of targeted marketing strategies, as well as to the increased focus on high-value customers. The increase in revenues is in line with the growth of the online luxury goods market.

Operating income (EBIT)

Operating income (reclassified based on the financial statements presented in the YOOX Group consolidated financial statements) increased from Euro -5,114 thousand in fiscal year 2014 to Euro 7,389 thousand in fiscal year 2015, with an impact on net revenues that went from -0.82% in 2014 to 0.90% in 2015.

This increase is mainly attributable to increased full price sales volumes, increased operating cost efficiency and an overall improvement of the conditions with the main fashion brands.

Net income

Consolidated net income as at 31 March 2015 amounted to Euro 2,270 thousand, compared with Euro -15,361 thousand in 2014, with an impact on net revenues that went from -2.5% in 2014 to +0.3% in 2015.

This increase is attributable to the increase in net sales revenues which more than offset the related increase in operating costs, as well as to an improvement in financial management.

Cash Flow

The cash flow generated during the fiscal year amounted to Euro 10,079 thousand.

Cash flow generated from operating activities, amounting to Euro 43,349 thousand (2015, in particular, has seen a significant increase in trade payables), contributed predominantly to the generation of the cash flow. This flow was used both to finance the Group's investments, amounting to Euro 23,694 thousand (in tangible and intangible assets), and to repay short-term debt outstanding amounting, to Euro 9,599 thousand.

Main income statement and financial items as at 29 March 2014

Revenues

In fiscal year 2014, the NAP Group achieved consolidated net revenues (reclassified on the basis of the financial statements presented in the YOOX Group consolidated financial statements), net of sales returns and discounts granted to customers, amounting to Euro 622,684 thousand, up 17.9%, compared with Euro 528,004 thousand in 2013.

Overall, the increase over that shown is attributable to the increased number of customers due to the launch of targeted marketing strategies, as well as to the increased focus on high-value customers.

EBIT

Operating income (reclassified based on the financial statements presented in the YOOX Group consolidated financial statements) increased from Euro -30,703 thousand in fiscal year 2013 to Euro -5,114 thousand in fiscal year 2014, with an impact on net revenues that went from -5.81% in 2013 to -0.82% in 2014.

The improvement in the operating income is mainly attributable to the increase in net sales revenues recorded in the period, which more than offset the related increase in operating costs, as well as to a lower incidence of general expenses due to a reduction in costs for share-based incentive plans.

Net income

Consolidated net income as at 29 March 2014 amounted to Euro -15,361 thousand, compared with Euro -24,533 thousand in 2014, with an impact on net revenues that went from -4.6% in 2013 to -2.5% in 2014.

The improvement is attributable to the increase in net sales revenues, which more than offset the related increase in operating costs, as well as to a lower incidence of general expenses due to a reduction in costs for share-based incentive plans.

Cash Flow

The cash flow generated during the fiscal year amounted to Euro 5,548 thousand.

The cash flow generated from operating activities, amounting to Euro 18,895 thousand, as well as the cash flow generated by the financing activities, which benefitted from raising new debt for Euro 37,727 thousand, contributed predominantly to the generation of the cash flow.

The cash flow thus generated was partially reinvested in both financial assets for Euro 9,652 thousand, both to finance the Group's investments, amounting to Euro 23,526 thousand (in tangible and intangible assets), and to repay long-term debt outstanding, amounting to Euro 17,781 thousand.

Main income statement and financial items as at 30 March 2013

Revenues

In fiscal year 2013, the NAP Group achieved consolidated net revenues (reclassified on the basis of the financial statements presented in the YOOX Group consolidated financial statements), net of sales returns and discounts granted to customers, amounting to Euro 528,004 thousand.

EBIT

Operating income (reclassified on the basis of the financial statements presented in the YOOX Group consolidated financial statements) as at 30 March 2013 amounted to Euro -30,703 thousand, with an impact on net revenues amounting to -5.81%.

The profitability for financial year 2013 was adversely affected by the 2012 procurement strategy, which saw many of the products from the first season depreciate, thus reducing margins in 2013.

Net income

Consolidated net income as at 30 March 2013 amounted to Euro -24,533 thousand, with an impact on net revenues equal to -4.6%.

Cash Flow

The cash flow generated in the fiscal year amounted to Euro 3,599 thousand.

The cash flow generated from operating activities, amounting to Euro 27,741 thousand, as well as the cash flow generated by the financing activities, which benefitted from raising new debt for Euro 18,412 thousand, contributed predominantly to the generation of the cash flow.

The flow thus generated was partially reinvested both in financing activities for Euro 5,832 thousand, and to finance the Group's investments, amounting to Euro 37,042 thousand (in intangible and tangible assets).

6. PROFIT FORECAST OR ESTIMATE

This Document contains no profit forecasts or estimates.

7. SHAREHOLDER STRUCTURE, CORPORATE GOVERNANCE AND EMPLOYEES

7.1 Major shareholders and control structures

7.1.1 Main shareholders

On the Document Date, share capital of EUR 621,343.32 was subscribed and paid up by the Issuer, and divided into 62,134,332 ordinary share.

At the Document Date, according to the records in the shareholder register, official communications received and other information available, the YOOX shareholders with voting rights corresponding to a stake of 2% or more in the ordinary share capital of YOOX (relevant for the purposes of Article 120 of TUF) are as follows:

| Declaring Entity | Actual Shareholder | Shares owned | % of capital (*) |
|---|--|------------------|------------------|
| Renzo Rosso | Red Circle Investments S.r.l. | 3.238.967 | 5,213 |
| | Red Circle S.r.l. Unipersonale | 1.604.012 | 2,582 |
| | Renzo Rosso | 212.342 | 0,342 |
| | <i>Totale</i> | <i>5.055.321</i> | <i>8,136</i> |
| Federico Marchetti | Federico Marchetti | 4.260.697 | 6,857 |
| | Mavis S.r.l. | 500.000 | 0,805 |
| | <i>Totale</i> | <i>4.760.697</i> | <i>7,662</i> |
| Capital Research and Management Company | Capital Research and Management Company | 2.998.469 | 4,826 |
| Oppenheimer Funds, Inc. | Oppenheimer Funds, Inc. | 2.224.081 | 3,579 |
| Balderton Capital I L.P. | Balderton Capital I L.P. | 2.185.145 | 3,517 |
| Wasatch Advisors, Inc. | Wasatch Advisors, Inc. | 1.251.154 | 2,014 |

(*) these amounts include n. 17.339 ordinary treasury shares equal to 0,028% of the share capital owned by the Company on the Document Date.

At the Document Date, only ordinary shares bear voting rights. For information on B Shares, see the Introduction and Chapter 0 of this Document, as well as the Introduction, Chapter 1, Paragraph 1.3 and Chapter 4 of the Report.

For a description of the change to YOOX's shareholding structure after the Merger, please see Section 0, paragraph 3.5.1 of this Document.

7.1.2 Control structure and management and coordination activities

As at the Document Date, no shareholder exercises control over the Issuer as defined in Article 93 of the TUF, and the Issuer is not subject to management and coordination activities as defined by Art. 2497 et seq. of the Civil Code.

For information on the control structures of YOOX following the Merger, see Chapter 0, Paragraph

3.5.1 of the Document.

7.1.3 Agreements that may result in a change to the Issuer's control structure

At the Document Date, there are no agreements in place that may result in a change to the Issuer's control structure.

For the purpose of full transparency, under the agreements contained in the Shareholders' Agreement, on completion of the Merger, none of the parties to the Agreement will have the power to exercise control over the Issuer pursuant to Article 93 of the TUF. The shareholders' agreements contained in the Lock-up Agreement are of no import with regard to the control of the Issuer.

For more information on the Shareholders' Agreement, see the Introduction and Section 7.1.4 of this Document, the Introduction and Paragraph 9 of the Report, and the essential information prepared and published pursuant to Article 122 of the TUF and Article 130 of the Issuer Regulations, available on the Issuer's website (www.yooxgroup.com) (Governance section, under Documents, Rules and Procedures).

For more information on the Lock-up Agreement, see the Introduction of this Document, the Introduction and Paragraph 9 of the Report, and the essential information prepared and published pursuant to Article 122 of the TUF and Article 130 of the Issuer Regulations, available on the Issuer's website (www.yooxgroup.com) (Governance section, under Documents, Rules and Procedures).

7.1.4 Shareholders' Agreement between YOOX, Richemont and RH of 31 March 2015

On 31 March 2015, in the context of the Merger Agreement, YOOX, of the first part, and Richemont and RH, of the second part, signed an agreement containing relevant shareholders' agreements, pursuant to Article 122 of the TUF, intended to govern the principles relating to: (i) certain aspects of YOOX's corporate governance (post-Merger), (ii) the rules applying to the equity investments that RH will hold in YOOX (post-Merger), and (iii) the relative transfer of the investments pursuant to (ii) (the Shareholders' Agreement). This agreement will go into effect from the effective date of the Merger.

Below is a description of the main terms.

Confirmation and reappointment of the Chief Executive Officer

In order to preserve the independent management of the Transferee and the combined business activities of the Transferor and the Transferee, Richemont has agreed that it is in the Parties' interests for the Issuer's current Chief Executive Officer Federico Marchetti to be reappointed for the First Period (i.e. for a period of three years from the effective date of the Merger and until the YOOX Ordinary Shareholders' Meeting approves the separate financial statements at 31 December 2017) and to maintain the current delegated powers for all the Issuer's business (post-Merger).

To this end, the Shareholders' Agreement specifies that upon the expiration of the First Period, and provided Federico Marchetti is in office upon the expiration of this First Period, RH must undertake to carry out (and Richemont must 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.

Directors Appointments Committee

Pursuant to the Shareholders' Agreement, members of YOOX' Directors Appointments Committee will include at least one director designated by Richemont. Richard Lepeu will be the first member of the Directors Appointments Committee designated by Richemont.

Share capital increase

The Shareholders' Agreement stipulates that if the capital increase authorised by the Delegation is not offered as an option to YOOX shareholders, the exercise of the Delegation by the YOOX Board of Directors will require and will be subject to the favourable vote of one director designated by Richemont.

Incentive plan

Pursuant to the Shareholders' Agreement, each of the Parties, for matters falling within their purview, will do everything necessary to bring about the implementation of the new share-based incentive plans to be approved by the relevant bodies of the Transferee (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 shares amounting to up to 5% of the Transferee's share capital (calculated on a fully diluted basis) shall be used to service these Plans, and of these, a portion is to be allocated to Federico Marchetti when the related rights are allocated.

Lock-up

The Shareholders' Agreement stipulates that for a period of three years from the effective date of the Merger, RH may not directly or indirectly transfer or in any way dispose of YOOX shares (ordinary shares and B Shares) that represent: (i) 25% of YOOX's total share capital including at least one B Share; and (ii) 25% of YOOX shares (including ordinary shares and B Shares) issued following the capital increase carried out under the Delegation and subscribed by RH.

These restrictions do not limit RH's right to accept (under the terms and conditions specified in the New Bylaws) a tender offer or exchange offer made to all YOOX shareholders or shareholders representing at least 60% of YOOX's capital.

Standstill

Neither Richemont nor any of its Affiliates may, without the prior written consent of YOOX, and for a period of three years following the effective date of the Merger, purchase shares or other financial instruments of YOOX (including options or derivatives related to YOOX shares), subject to the right to subscribe any newly issued YOOX shares to be issued as a result of the exercise of the Delegation by the Board of Directors, or any subsequent capital increase of YOOX.

The above may not prevent Richemont or any of its Affiliates from converting any B Share into a YOOX ordinary share, provided that the overall percentage of shares with voting rights held by Richemont and its Affiliates does not exceed 25% of YOOX's voting share capital.

These restrictions shall not prevent Richemont or any of its Affiliates from launching a competing tender offer for YOOX shares or from acquiring additional YOOX shares in the event a third party unconnected with Richemont makes a general tender offer involving YOOX shares or announces its binding irrevocable intention to make such an offer.

Undertaking not to sign shareholders' agreements

Under the Shareholders' Agreement, for a period of three years from the effective date of the Merger, Richemont and RH have undertaken not to enter into any other relevant shareholders' agreement pursuant to Article 122 of the TUF.

7.2 Corporate Governance

7.2.1 Company Bylaws

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

On 21 July 2015, the Extraordinary Shareholders' Meeting of YOOX, among other things, approved the Merger Plan and therefore the adoption, as of the effective date of the Merger, of the New Bylaws, which provide for, inter alia: (i) the company name to be changed to "YOOX Net-A-Porter Group S.p.A." and, in its abbreviated form, "YNAP S.p.A."; (ii) transfer of the registered office to the municipality of Milan, initially to Via Morimondo no. 17; (iii) division of the share capital into ordinary shares and B Shares, both with no nominal value, on the understanding that B Shares will be issued under the capital increase authorised by the same Shareholders' Meeting on 21 July 2015, as described in more detail in the Merger Plan. For more information on the main changes to the existing Bylaws approved by the aforementioned Extraordinary Shareholders' Meeting of YOOX on 21 July 2015, as part of the approval of the Merger Plan, see Chapter 1, Paragraph 1.3 of the Report and Annex A1 of the Merger Plan annexed to the Report Annex 1.1.3).

7.2.2 Administration, management and control bodies

7.2.2.1 Board of Directors

Pursuant to Article 14 of the Bylaws, YOOX is managed by a Board of Directors consisting of between five and 15 members, in compliance with the provisions on gender balance as set out in Article 147-ter, paragraph 1-ter of TUF.

The YOOX Board of Directors in office at the Document Date comprises seven members appointed by the Shareholders' Meeting on 30 April 2015 who will remain in office until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2017.

The members of the YOOX Board of Directors in office at the Document Date are shown in the table below.

| Name and surname | Position |
|--|---|
| Raffaello Napoleone (1) (2) (6) | Chairman of the Board of Directors |
| Federico Marchetti (2) | Chief Executive Officer |
| Stefano Valerio (2) (4) (5) | Vice-Chairman of the Board of Directors |
| Robert Kunze-Concewitz (1) (2) (5) | Director |
| Laura Zoni (1) (2) (4) | Director |
| Catherine Marie Yvonne Gérardine (1) (2) (5) (6) | Director |
| Alessandro Foti (1) (3) (4) (6) | Director |

- (1) Director meeting the independence requirements pursuant to Article 148, paragraph 3 of the TUF (as reference 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 advised by YOOX to the market in its communication of 30 April, note that the assessment criteria used were those set out in the Code of Conduct, except in the case of Raffaello Napoleone, for which 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.
- (4) Member of the Directors' Appointments Committee.
- (5) Member of the Remuneration Committee.
- (6) Member of the Control and Risk Committee.

The members of the Board of Directors are resident at the registered office of the Issuer for the purpose of their office.

As far as YOOX is aware, at the Document Date, the members of YOOX's Board of Directors are not related either to one another or to the members of the Board of Statutory Auditors or to the Managers with Strategic Responsibilities.

The directors currently in office and those appointed by the Extraordinary Shareholders' Meeting subject to the effectiveness of the Merger and as of the effective date of same, meet the integrity and professionalism requirements set forth in applicable legislation.

Below is a brief CV of each Director, showing the expertise and experience they have accrued in running companies.

Raffaello Napoleone was born in Rome on 30 October 1954. He graduated in Law from the University of Rome and studied Executive Management and Executive Marketing at Stanford University. From 1984 to 1986, he was General Secretary of Les Laboratoires Servier, France's leading private pharmaceuticals company. He entered the fashion sector in 1986 when he became Head of Human Resources at Salvatore Ferragamo S.p.A. Since 1989, he has been CEO of Pitti Immagine S.r.l., a non-profit company that since 1952 has organised trade fairs and marketing events aimed at promoting the Italian textiles and fashion industries worldwide (more recently, it has also promoted the wine and food and fragrance industries). Between 1990 and 1997, he was Operations Director of Ente Moda Italia S.r.l., which worked with Pitti Immagine to organise men's and children's fashion trade fairs. Mr Napoleone is still a member of the Ente Moda Italia S.r.l. Board of Directors. In 2000, he was appointed to the Steering Committee of Ente Cassa di Risparmio di Firenze, of which he is currently a partner, and between 2007 and 2010 he was a member of the Supervisory Board of Escada AG, a leading listed German women's fashion company. In May 2015, he was appointed Director of Alta Roma Società Consortile.

Federico Marchetti was born in Ravenna on 21 February 1969. He graduated in Economics and Commerce from Milan's Luigi Bocconi University and obtained an MBA from Columbia University. He began his career in 1994 as an investment banking analyst working in London and then Milan. In 1999, he worked with Bain & Co. as a consultant. He founded YOOX S.p.A. in 2000 and has been the Company's Chief Executive Officer ever since. In 2012, Mr Marchetti was awarded the prestigious Leonardo Award for Innovation by Italian President Giorgio Napolitano in recognition of the pioneering spirit of YOOX Group. In 2014, he was named Alumnus of the Year by Bocconi University for his entrepreneurial skills and innovative thinking.

Stefano Valerio was born in Maglie on 29 March 1970. He studied Law at the University of Milan and graduated with honours. In 1992, he entered the legal profession and is currently a partner at d'Urso Gatti Pavesi Bianchi Studio Legale Associato, focusing on corporate and financial market law. He has

written various articles and essays on corporate law. Mr Valerio has been a member of the YOOX Board of Directors since 2006.

Robert Kunze-Concewitz was born in Istanbul on 7 April 1967. He graduated from Hamilton College (USA) and obtained an MBA from Manchester Business School. He spent part of his career at Procter & Gamble, working for the first two years as FP&A Analyst. He then filled various senior global positions in marketing, eventually becoming Group Marketing Director in the Global Prestige Products division. In October 2005, he joined Campari as Group Marketing Director, implementing new marketing strategies for the group's international brands. In May 2007, he was named Group Chief Executive Officer. In September 2014, Mr Kunze-Concewitz was appointed as a director of Luigi Lavazza S.p.A.

Laura Zoni was born in Piacenza on 31 March 1965. She graduated from Milan's Luigi Bocconi University, where she also obtained a PhD in Business Economics. She began her academic career performing various research and teaching activities in the fields of administration and control and business and property finance, focusing particularly on performance evaluation and incentive schemes, innovation and control systems, changes in business administration and web technologies, and planning and control systems in business management. Ms Zoni has written many articles and essays, and she has been a visiting professor at several leading foreign institutions. She is currently Associate Professor of Planning and Control at the Università Cattolica del Sacro Cuore in Piacenza. She is also Senior Professor of Administration and Control and Business and Property Finance at the SDA Bocconi School of Management, and has served as a consultant on the design and implementation of control systems for mid-sized and large Italian and foreign companies.

Catherine Gérardin Vautrin was born in Versailles on 18 November 1959. She graduated from HEC Paris in 1983 and obtained a Master's in English and French Law from the Sorbonne in Paris and King's College London. She started her career in marketing as product manager for a textile company. She joined Louis Vuitton in Paris in 1992, where she was initially in charge of developing the image of Louis Vuitton stores around the world, subsequently becoming Director of Prêt-à-Porter, supporting the Artistic Director of the Marc Jacobs fashion house. Between 2000 and 2007, Ms Gérardin Vautrin was CEO and then Chairman of Emilio Pucci, overseeing the re-birth of the company. In 2008 and 2009, she was CEO of a start-up fashion company, and she worked as a consultant to the fashion and accessories sector in Milan until 2011. Between 2011 and 2014, she was Chairman and CEO of Cerruti (part of the Hong Kong Li & Fung group) in Paris, and since February 2015 she has been Chairman and CEO of French women's fashion brand Paule Ka. Ms Gérardin Vautrin has been a member of the YOOX Board of Directors since 2009.

Alessandro Foti was born in London on 26 March 1963. He graduated in Economic and Social Sciences from Milan's Luigi Bocconi University. Between 1986 and 1996, he worked at Mediobanca's Mergers and Acquisitions team as a consultant. From 1996 to 2002, he was Managing Director of Lehman Brothers International Europe in London, where he was initially in charge of Italian M&A before working in the European media and telecoms sector. Between 2002 and 2007, Mr Foti was Managing Director and Co-CEO, and then Vice-Chairman, of UBS Corporate Finance (Italy). In 2007 and 2008, he was General Manager and CEO of Euraleo, a 50/50 joint venture between Banca Leonardo and French listed group Eurazeo. During this time, he was also a director of Intercos and Sirti. Since 2009, he has worked as an independent financial adviser and has invested in new companies with significant growth potential. Between 2009 and 2012, he was Vice-Chairman of Ferretti S.p.A. Between 2009 and 2013, he was an independent director of Dada S.p.A. and Camfin S.p.A. as well as a member of various boards. From 2011 to January 2014, he was an independent director on Banca Popolare di Milano's Management Board and Chairman of Pro-Family S.p.A., a consumer credit company in the BPM group.

* * *

Please note that on 21 July 2015, YOOX's Extraordinary Shareholders' Meeting resolved (i) to redetermine the number of members of the Board of Directors of YOOX from 7 to 10, and for those members to remain in office until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2017; and (ii) to appoint as directors Richard Lepeu, Gary Saage and Natalie Massenet as additional members of the Board of Directors – all of the above subject to the effectiveness of the Merger and beginning from the effective date of the Merger. It must be noted that Natalie Massenet did not accept the appointment as Chairman of the Company, and that the Board of Directors did not provide for an assignment of executive powers to a new director, which have been granted to CEO Federico Marchetti.

Below is a brief CV of the people mentioned above.

Richard Lepeu was born in Paris on 1 April 1952. He has been a Board Member of Richemont since 2004 and its co-CEO since April 2013. Mr Lepeu graduated from the Institut d'Etudes Politiques de Paris and the Universite de Sciences Economiques de Paris X. He started his career at Cartier in 1979 and in 2001 he became COO of Richemont.

Gary Saage was born in New Jersey on 10 June 1960. He has been a Board Member and CFO of Richemont since 2010. Mr Saage graduated from Fairleigh Dickinson University, USA. He began his career at Cartier in the United States of America in 1988. From 1988 to 2006 he was COO of Richemont North America and Alfred Dunhill in London. At the Document Date, he is Chairman of Richemont North America and a Board Member at THE NET-A-PORTER GROUP and Peter Millar LLC.

The Merger Agreement, as amended by the Amendment Agreement, provides for a further YOOX ordinary Shareholders' Meeting – to be held within 45 days of the effective date of the Merger – to revise the number of members on the Board of Directors so that the Issuer has, until its ordinary Shareholders' Meeting approves the financial statements for the year ending 31 December 2017, a management body made up of between 12 and 14 Directors, appointing a minimum of two and a maximum of four additional Directors who meet the independence requirements 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 more information on the Merger Agreement and the Amendment Agreement, see the Introduction of this Document and the Introduction of the Report.

Please note that the New bylaws (Article 14) envisages a mechanism aimed at limiting RH (and its related parties, as defined by the IAS and IFRS), as owner of B Shares as a result of the execution of the Exchange Ratio, in his right to appoint YOOX Board members, such that RH and its related parties are unable to appoint more than two members of the Board of Directors

Powers of the Board of Directors

Pursuant to art. 19 of the Bylaws, the Board of Directors is vested with all the powers necessary to manage the Company, and to this end may pass resolutions or carry out measures that it deems necessary or useful to fulfil the corporate purpose, with the exception of matters reserved for the Shareholders' Meeting pursuant to the laws in force or the Company Bylaws. The Board of Directors is also responsible, in accordance with art. 2436 of the Civil Code, for adopting resolutions concerning: (i) "simplified" mergers or spin-offs pursuant to articles 2505, 2505-bis, 2506-ter, last paragraph of the Civil Code; (ii) establishment or closure of secondary offices; (iii) transfer of the Company headquarters within Italy; (iv) information about which Directors serve as legal representatives; (v) reduction of the share capital following withdrawal; and (vi) amendment of the Bylaws to comply with regulatory provisions; it is understood that these resolutions may also be taken by the Extraordinary Shareholders' Meeting.

The Board of Directors must ensure that the Chief Financial Officer has adequate resources and powers to carry out the duties entrusted to him by law and ensure compliance with administrative and accounting procedures.

The Board of Directors may - within the limits prescribed by law and according to the Bylaws - delegate its powers and authorities to the Executive Committee. It may also appoint one or more Chief Executive Officers to whom to delegate the above powers and authorities within the same limits. In addition, the Board of Directors may also set up one or more committees with a consulting, advisory or supervisory role, in accordance with the applicable laws and regulations.

The Board of Directors has the power to appoint one or more General Managers.

After consulting with the Board of Statutory Auditors, the Board of Directors appoints the Chief Financial Officer, within the meaning of Art. 154-*bis* of the TUF, and gives him sufficient resources and powers to perform the duties assigned to him.

Pursuant to Article 15 of the Bylaws, the Board of Directors shall – where the Shareholders’ Meeting has not already done so – elect the Chairman from among its members. It may also elect one or more Vice-Chairmen, who will remain in their respective posts for the duration of their directorship, which expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their tenure.

Positions held by the Directors

The table below shows the partnerships and companies, other than YOOX, at which each YOOX Director has been a member of the administration, management or control bodies or a partner at some point in the five years prior to the Document Date. The table also shows their respective statuses at said date.

| Name and surname | Company | Position held / shareholder status | Position status / shareholding at Document Date |
|----------------------------|--|---|--|
| Raffaello Napoleone | Pitti Immagine S.r.l. | Chief Executive Officer | Ongoing |
| | Fondazione Ente Cassa di Risparmio di Firenze | Partner and Director | Ongoing |
| | Alta Moda Società Consortile | Director | Ongoing |
| | Ente Moda Italia S.r.l. | Director | Ongoing |
| | Fiera Digitale S.r.l. | Chairman of the Board of Directors | Ongoing |
| | Associazione Ente per le arti applicate alla moda ed al costume – Polimoda | Director | Ongoing |
| | Fondazione Teatro della Pergola | Director | Ongoing |
| Federico Marchetti | - | - | - |
| Stefano Valerio | Dmail Group S.p.A. | Director | Terminated |

| Name and surname | Company | Position held / shareholder status | Position status / shareholding at Document Date |
|-----------------------------------|---|---|--|
| | Genus S.r.l. | Director | Terminated |
| | Sai Investimenti SGR S.p.A. | Director | Terminated |
| | Fillattice S.p.A. | Director | Terminated |
| | GPP S.p.A. | Director | Terminated |
| | Immobiliare Lombarda S.p.A. | Director | Terminated |
| | Sadi Servizi Industriali S.p.A. | Director | Terminated |
| | Sparco S.p.A. | Director | Terminated |
| | Fillattice S.p.A. in liquidation | Liquidator | Terminated |
| Robert Kunze-Concewitz | Davide Campari-Milano S.p.A. | Chief Executive Officer | Ongoing |
| | Luigi Lavazza S.p.A. | Director | Ongoing |
| Laura Zoni | - | - | - |
| Catherine Gérardin Vautrin | Paule Ka Holding | Chief Executive Officer | Ongoing |
| | Paule Ka | Chief Executive Officer | Ongoing |
| | Kalin | Chief Executive Officer | Ongoing |
| | Créations Paule Ka | Director | Ongoing |
| | Paule Ka UK | Director | Ongoing |
| | Paule Ka US | Chairman | Ongoing |
| | Paule Ka Germany | Executive Director | Ongoing |
| | Paule Ka Spain | Director | Ongoing |
| | Paule Ka Belgium | Director and Chairman of the Board of Directors | Ongoing |
| | Paule Ka Luxembourg | Director | Ongoing |
| | Cerrutti SAS | Chairman and Chief Executive Officer | Terminated |
| Alessandro Foti | Fondazione d'Amico per la Ricerca sulle Malattie Renali | Director | Ongoing |

| Name and surname | Company | Position held / shareholder status | Position status / shareholding at Document Date |
|-------------------------|-------------------------------------|--|--|
| | E-Novia S.r.l. | Director | Ongoing |
| | Ferretti S.p.A. | Vice-Chairman of the Board of Directors | Terminated |
| | Dada S.p.A. | Director | Terminated |
| | Camfin S.p.A. | Director | Terminated |
| | Banca Popolare di Milano S.C.a r.l. | Independent Director of the Management Board | Terminated |
| | Pro-Family S.p.A. | Chairman of the Board of Directors | Terminated |
| | Sir James Henderson School in Milan | Vice-Chairman of the Board of Directors | Terminated |

The table below shows the partnerships and companies, other than YOOX, at which each YOOX Director who will take office on the effective date of the Merger has been a member of the administration, management or control bodies or a partner at some point in the five years prior to the Document Date. The table also shows their respective statuses at said date.

| Name and surname | Company | Position held / shareholder status | Position status / shareholding at Document Date |
|-------------------------|-----------------------------------|---|--|
| Gary Saage | Compagnie Financière Richemont SA | Director CFO | Ongoing |
| Richard Lepeu | Compagnie Financière Richemont SA | Chief Executive Officer | Ongoing |

7.2.2.2 Board of Statutory Auditors

Pursuant to Article 26 of the Bylaws, the Board of Statutory Auditors consists of three Standing Auditors and two Alternate Auditors, and complies with the gender balance requirements set forth in Article 148, paragraph 1-*bis* of the TUF.

The YOOX Board of Statutory Auditors in office at the Document Date was appointed by the Shareholders' Meeting on 30 April 2015 and will remain in office until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2017.

The members of the YOOX Board of Statutory Auditors at the Document Date are shown in the table below.

| Name and surname | Position |
|-----------------------------|---|
| Marco Maria Fumagalli (1) | Chairman of the Board of Statutory Auditors |
| Giovanni Naccarato (2) | Standing Auditor |
| Patrizia Arienti (3) | Standing Auditor |
| Andrea Bonechi (2) | Alternate Auditor |
| Nicoletta Maria Colombo (1) | Alternate 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.

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.

All members of the Board of Statutory Auditors are domiciled at the registered office of the Issuer for the purpose of their office.

As far as YOOX is aware, at the Document Date, the members of YOOX's Board of Statutory Auditors are not related either to one another or to the members of the Board of Directors or to the Managers with Strategic Responsibilities.

The Statutory Auditors in office at the Document Date do not fall foul of any of the incompatibility scenarios set forth in applicable legislation, and they all meet the eligibility, integrity and professionalism requirements.

As far as the Issuer is aware, all the members of the Board of Statutory Auditors comply with the requirements of Article 144-terdecies of the Issuers' Regulation on the limit to the number of positions that can be held.

Below is a brief CV of the members of the Board of Statutory Auditors.

Marco Maria Fumagalli was born in Bergamo on 22 September 1961. He graduated with honours in Business and Economics from Milan's Università Cattolica del Sacro Cuore and has been on the official chartered accountants register since 1993 and the official auditors register since 1995. After gaining experience in several administrative and finance roles at multinational corporations, from 1993 to 2002 he was a manager of the Italian Securities and Exchange Commission (Consob) in charge of listed companies' filings supervision. From 2002 to 2015, he was Head of Capital Markets at Centrobanca S.p.A., and since 2002 he has lectured on financial market techniques at LIUC University. From 2006 to 2007, Mr Fumagalli was a member of the Technical Group of the Financial Marketplace Committee at the request of the Finance Ministry, and since 2010 he has been a member of Borsa Italiana's Advisory Board for SMEs. He works with entities and training institutions (such as Borsa Italiana, Assonime and Paradigma) on topics relating to the financial reporting of listed companies.

Giovanni Naccarato was born in Rome on 2 April 1972. He graduated with honours in Business and Economics from Rome's Sapienza University and obtained a doctorate in Business Economics from the

University of Foggia. He has been on the official chartered accountants register since 1996 and since 1998 has worked with Enrico Laghi, Professor of Business Economics at Sapienza University, consulting on company and business-unit valuations and providing advice on topics relating to separate and consolidated financial statements and to debt restructuring. He has also been appointed as an expert assessor and consultant in bankruptcy procedures.

Patrizia Arienti was born in Milan on 7 June 1960. She graduated in Business and Economics from Milan's Università Cattolica del Sacro Cuore and has been on the official chartered accountants register since 1988 and the official auditors register since 1995. She started working in the audit department at Deloitte & Touche S.p.A. in 1985. She has spent most of her professional life auditing the accounts of companies in the technology, media, communication and fashion industries. Ms Arienti has been a partner at Deloitte and Touche S.p.A. since 1995, a member of the Executive Committee since 2009 and a member of the Board of Directors, which she currently chairs, since 2011.

Andrea Bonechi was born in Pistoia on 6 February 1968. He graduated in Business and Economics from the University of Florence and has been on the official chartered accountants register since 1993, when he started consultancy work at Studio Michelotti, Bonechi e Associati in Pistoia, focusing in particular on extraordinary corporate and holding company transactions as well as on topics relating to crisis management and bankruptcy procedures. He has been an auditor since 1999. Mr Bonechi has also been a member of many local professional associations, as well as a director of holding companies of various municipal authorities with stakes in utility companies.

Nicoletta Maria Colombo was born in Rho on 23 September 1964. She graduated in Business and Economics from Milan's Bocconi University and has been on the official chartered accountants register since 1993 and the official auditors register since 1999. She has worked as a tax, administration, accounting, corporate and contractual consultant for various firms since 1992. In 2004, she founded TCFCT Studio Associato Consulenza Societaria e Tributaria, of which she is a partner.

Positions held by the Statutory Auditors

The table below shows the partnerships and companies, other than YOOX, at which each member of the Board of Statutory Auditors has been a member of the administration, management or control bodies or a partner at some point in the five years prior to the Document Date. The table also shows their respective statuses at said date.

| Name and surname | Company | Position held / shareholder status | Position status / shareholding at Document Date |
|-------------------------------|---|---|--|
| Marco Maria Fumagalli | Pama S.p.A. | Director | Ongoing |
| | Biocelli Center S.p.A. | Director | Ongoing |
| | Group – Gruppo Operazioni Underwriting S.r.l. | Director | Ongoing |
| | CB Invest S.p.A. | Director | Terminated |
| | Gatto Astucci S.p.A. | Director | Terminated |
| | Holdisa S.p.A. | Director | Terminated |
| | Manisa S.p.A. | Director | Terminated |
| | Montetitoli S.p.A. | Auditor | Terminated |
| | E.V.A. Efficienza Valore Analisi S.p.A. | Auditor | Terminated |
| Capital For Progress 1 S.p.A. | Chairman of the Board of Directors | Ongoing | |

| | | | |
|---------------------------|--|---|--------------------|
| | Leviathan S.r.l. | Sole Director | Ongoing |
| Giovanni Naccarato | Società Gestione Crediti Delta S.p.A. | Alternate Auditor | Terminated |
| | Raffineria di Milazzo S.C.P.A. | Alternate Auditor | Terminated |
| | Pirelli Tyre S.p.A. | Alternate Auditor | Terminated |
| | Driver Italia S.p.A. | Alternate Auditor | Terminated |
| | Driver Servizi Retail S.p.A. | Alternate Auditor | Terminated |
| | Servizi Aziendali Pirelli scpa | Auditor | Terminated |
| | Pirelli Servizi Amministrazione e Tesoreria S.p.A. | Auditor | Ongoing |
| | Pirelli Sistemi Informativi S.r.l. | Auditor Member of the Supervisory Body | Ongoing Ongoing |
| | Pirelli & C. Ambiente S.r.l. | Alternate Auditor | Terminated |
| | Voghera Energia Vendita S.p.A. in liquidation | Auditor | Ongoing |
| | ICQ Holding S.p.A. | Chairman of the Board of Statutory Auditors | Ongoing |
| | Fiorucci Food Service S.r.l. | Alternate Auditor | Ongoing |
| | Studio Laghi S.r.l. | Sole Director | Ongoing |
| | S.I.T. Sviluppo Imprese e Territorio S.p.A. | Alternate Auditor | Terminated |
| | ACEA Reti e Servizi Energetici S.p.A. | Alternate Auditor | Ongoing |
| | Coninet S.p.A. | Alternate Auditor | Ongoing |
| | Cesare Fiorucci S.p.A. | Alternate Auditor | Ongoing |
| | Banca Nazionale del Lavoro S.p.A. | Alternate Auditor | Ongoing |
| | Eur Power S.r.l. in liquidation | Alternate Auditor | Ongoing |
| | ACEA Produzione S.p.A. | Chairman of the Board of Statutory Auditors | Ongoing |
| | Nuova Manzoni S.r.l. in liquidation | Liquidator | Ongoing |
| | Onda Mobile Communication S.p.A. in liquidation | Chairman of the Board of Statutory Auditors | Ongoing |
| | Casa di Cura Privata di Lorenzo S.p.A. | Chairman of the Board of Statutory Auditors | Ongoing |
| | Equinox Two s.c.a. | Member of the Supervisory Board | Ongoing |
| | Centro Servizi Amministrativi Pirelli S.r.l. | Member of the Supervisory Body | Ongoing |
| | Agenzia Sviluppo Provincia di Roma s.c.a.r.l. | Chairman of the Board of Statutory Auditors | Ongoing |
| ACEA Energia S.p.A. | Auditor | Ongoing | |
| Patrizia Arienti | Deloitte & Touche S.p.A. | Chairman of the Board of Directors | Ongoing |

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|---|---|---|------------|
| | Sagecom S.r.l. | Standing Auditor | Terminated |
| Andrea Bonechi | Holding Arancione S.r.l. | Chairman of the Board of Directors | Ongoing |
| | Tiforma S.c.a.r.l. | Chairman of the Board of Statutory Auditors | Ongoing |
| | Europa Trust S.p.A. | Standing Auditor | Ongoing |
| | Hydrogen S.r.l. | Standing Auditor | Ongoing |
| | Geofor S.p.A. | Standing Auditor | Ongoing |
| | TV Libera S.p.A. | Standing Auditor | Ongoing |
| | Il Balzo Soc. Coop. Agricola in liquidation | Standing Auditor | Ongoing |
| | Masoni Industria Conciaria S.p.A. | Standing Auditor | Ongoing |
| | ATA Italia S.r.l. | Sole Auditor | Ongoing |
| | Cooperative Forestali Toscana Verde C.T.V. – società cooperativa agricola | Auditor | Ongoing |
| | CO&SO Pistoia Consorzio per la cooperazione e la solidarietà | Auditor | Ongoing |
| | Uemmetre S.p.A. in liquidation and subject to agreement with creditors | Liquidator | Ongoing |
| | Immobiliare Valentina di Azzolina Filippo & C. sas in liquidation | Liquidator | Ongoing |
| | Magazzini Industriali S.r.l. in liquidation | Liquidator | Ongoing |
| | Toscana Piante e Fiori scarl in liquidation | Liquidator | Ongoing |
| | Mila S.r.l. in liquidation | Liquidator | Ongoing |
| | I.G.D. S.p.A. | Alternate Auditor | Ongoing |
| | Italcementi S.p.A. | Alternate Auditor | Ongoing |
| | Coop Forestali Toscana Verde – C.T.V. – Soc.Coop Agr | Auditor | Ongoing |
| | CO&SO PISTOIA – Consorzio per la cooperazione e la solidarietà | Auditor | Ongoing |
| | Mia Fiduciaria S.p.A. | Director | Terminated |
| | Banca di Masiano Società Cooperativa | Chairman of the Board of Statutory Auditors | Terminated |
| | HBOX S.r.l. | Standing Auditor | Terminated |
| C.RE.S.C.CO. – TOSCANA – Regional consortium for the development of cooperation and employment – Cooperative company in liquidation | Chairman of the Board of Statutory Auditors | Terminated | |
| Publiservizi S.p.A. | Chairman and Chief Executive Officer | Terminated | |
| STEP S.r.l. | Sole Director | Terminated | |

| | | | |
|--|--|---|------------|
| | Centro di sperimentazione per il vivaismo CE.SPE. VI. S.r.l. | Alternate Auditor | Terminated |
| | Progefin S.p.A. | Alternate Auditor | Terminated |
| | CISPEL TOSCANA Tuscany regional association of companies and entities managing public services | Chairman of Board of Auditors | Terminated |
| | HBRAND S.p.A. | Standing Auditor | Terminated |
| | Pistoia Chamber of Commerce | Alternate Auditor | Terminated |
| | ANTER – Associazione Nazionale Tutela Energie Rinnovabili | Auditor | Terminated |
| Nicoletta Maria Colombo | I.D.C. S.r.l. in liquidation | Standing Auditor | Ongoing |
| | Trilogo S.p.A. | Alternate Auditor | Ongoing |
| | Montefarmaco OTC S.p.A. | Alternate Auditor | Ongoing |
| | Bizmatica S.p.A. | Chairman of the Board of Statutory Auditors | Ongoing |
| | Accademia S.G.R. S.p.A. | Alternate Auditor | Ongoing |
| | Meetinglab S.p.A. | Chairman of the Board of Statutory Auditors | Ongoing |
| | Nexia Italia S.r.l. | Sole Director | Ongoing |
| | Fenicia S.p.A. | Alternate Auditor | Ongoing |
| | Bizmatica Sistemi S.p.A. | Chairman of the Board of Statutory Auditors | Ongoing |
| | TTC S.r.l. | Sole Director | Ongoing |
| | Spinox S.p.A. | Standing Auditor | Ongoing |
| | Hammond Properties S.p.A. | Chairman of the Board of Statutory Auditors | Ongoing |
| | Pino Partecipazioni S.p.A. | Standing Auditor | Terminated |
| | Pino SGR S.p.A. | Standing Auditor | Terminated |
| | Charlottenburg S.r.l. in liquidation | Standing Auditor | Terminated |
| | Steel 2 S.r.l. | Standing Auditor | Terminated |
| | Un Tecnico S.r.l. in liquidation | Standing Auditor | Terminated |
| | Saliceto S.r.l. in liquidation | Liquidator | Terminated |
| | Pegaso S.r.l. in liquidation | Liquidator | Terminated |

7.2.2.3 Managers with strategic responsibilities

At the Document Date, the Managers with Strategic Responsibilities at YOOX are as follows.

| Name and surname | Position |
|------------------|--|
| Enrico Cavatorta | <i>Chief Financial and Corporate Officer</i> and director responsible for preparing the company's financial statements |
| Alberto Grignolo | <i>Chief Operating Officer</i> |
| Irene Boni | <i>PMI & Operational Excellence Director</i> |

Below is a brief CV of each Manager with Strategic Responsibilities, showing the expertise and experience they have accrued in running companies.

Enrico Cavatorta graduated in Business and Economics from Rome's LUISS Guido Carli University and began his professional career in 1985 at Procter & Gamble Italia, moving on to McKinsey & Company in 1993. From 1996, he worked at Piaggio Group, where he was first responsible for Strategic Planning and then took on the role of Group Controller. In 1999, he joined Luxottica as Chief Financial Officer, becoming General Manager – Corporate Functions in 2011, and co-Chief Executive Officer – Corporate Functions in 2014. During his 15 year tenure at Luxottica, he contributed to the group's significant growth and transformation. In April 2015, Mr. Cavatorta joined YOOX as Chief Financial and Corporate Officer, overseeing Administration, Finance and Control, Corporate Development and Investor Relations, Legal and Corporate Affairs, Risk Management and Compliance, as well as General Services.

Alberto Grignolo graduated in Business and Economics from Milan's Luigi Bocconi University and began his professional career at I.E.P. Bocconi as a micro/macroeconomic data analyst in the Clas Research Center Group. In 2000, he became the Budgetary Data Research Project Leader at Istituto Tagliacarne. Later that year, he joined YOOX S.p.A. in the role of Head of Data & Control and, in 2002, he took on the role of Head of Buying. In 2003, he was appointed VP Strategic Partners & Buying Office, in 2007 Commercial Director and, since 2011, Mr Grignolo has been General Manager responsible for all of the Group's commercial functions. In July 2015 Mr Grignolo was appointed Chief Operating Officer of YOOX, responsible for all the Group's Technology, Logistics, Marketing and Sales functions.

Irene Boni graduated in Political Economics from the Alma Mater Studiorum University of Bologna and obtained an MBA from Columbia University. Ms Boni started her professional career in the Marketing department at Procter & Gamble and, in 2005, joined McKinsey & Company as a strategic consultant across various sectors, including luxury and retail. In 2010, she joined YOOX S.p.A. in the Office of the CEO and, in 2012, she took on the role of New Business Director with the responsibility, among other activities, for the development of the launch strategy and technological and logistical set-up of shoescribe.com; she also led the development of the mobile channel, the implementation activities of the joint venture with Kering, as well as many other corporate organisation projects. Since July 2014, she has been Co-General Manager responsible for the Technology, Logistics, HR and Organisation functions. In July 2015, Ms Boni took the role of PMI & Operational Excellence Director to ensure focus on the integration process with THE NET-A-PORTER GROUP.

Positions held by managers with strategic responsibilities

The table below shows the partnerships and companies, other than YOOX, at which each Manager with Strategic Responsibilities has been a member of the administration, management or control bodies or a

partner at some point in the five years prior to the Document Date. The table also shows their respective statuses at said date.

| Name and surname | Company | Position held / shareholder status | Position status / shareholding at Document Date |
|------------------------------------|--|---|--|
| Enrico Cavatorta | Luxtottica S.p.A. | Chief Executive Officer | Terminated |
| | Arnette Optic Illusions Inc. | Director | Terminated |
| | Luxtottica Australia PTY Ltd. | Director | Terminated |
| | LuxtotticaFashion Brillen Vertriebs GBMH | Director | Terminated |
| | Luxtottica France SASU | Director | Terminated |
| | Luxtottica Gozluk Endustri VE Ticaret Anonim Sirketi | Director | Terminated |
| | Luxtottica Hellas AE | Director | Terminated |
| | Luxtottica Holland BV | Director | Terminated |
| | Luxtottica Italia S.r.l. | Director | Terminated |
| | Luxtottica Leasing S.r.l. | Director | Terminated |
| | Luxtottica Nederland BV | Director | Terminated |
| | Luxtottica Nordic AB | Director | Terminated |
| | Luxtottica Retail North America Inc. | Director | Terminated |
| | Luxtottica South Pacific Holdings PTY Limited | Director | Terminated |
| | Luxtottica South Pacific PTY Limited | Director | Terminated |
| | Luxtottica S.r.l. | Director | Terminated |
| | Luxtottica US Holding Corp. | Director | Terminated |
| | Luxtottica USA LLC | Director | Terminated |
| | Mirari Japan Co. Ltd. | Director | Terminated |
| | Oakley Inc. | Director | Terminated |
| | OPSM Group PTY Limited | Director | Terminated |
| | Salmoiraghi & Viganò S.p.A. | Director | Terminated |
| Sunglass Hut Australia PTY Limited | Director | Terminated | |
| The United States Shoe Corporation | Director | Terminated | |
| Alberto Grignolo | E_Lite S.p.A. (**) | Director | Ongoing |
| Irene Boni | - | - | - |

(**) Joint venture with Kering.

As far as YOOX is aware, as at the Document Date there are no family relationships between YOOX managers with strategic responsibilities or between them and members of the Board of Directors or of the Board of Statutory Auditors.

7.2.2.4 Legal and disciplinary procedures affecting members of the YOOX Board of Directors and Board of Statutory Auditors and YOOX Managers with Strategic Responsibilities

As far as YOOX is aware, no member of its current Board of Directors nor the additional members appointed by the Shareholders Meeting of 21 July 2015, subject to the effectiveness of the Merger and as of the effective date of same, or Board of Statutory Auditors, and none of its Managers with Strategic Responsibilities, has, in the last five years, been found guilty of fraud, been associated in the performance of their duties with bankruptcy, administration or liquidation procedures, or been the subject of official charges and/or fines imposed by public or regulatory authorities (including designated professional bodies), or been banned by a court from serving on the Issuer's administration, management or supervisory bodies or from performing managerial duties at any issuer, except for: (i) a non-definitive order by the competent preliminary inquiry judge in 2013 to pay a fine of EUR 1,500 in relation to the non-payment of pension and social security contributions by a company for which Stefano Valerio was acting as liquidator. An appeal was filed against the order on 29 April 2015, and the resulting judgment was pending at the Document Date; (ii) a notice of investigation issued to Enrico Cavatorta as part of criminal proceedings, still ongoing at the Document Date, relating to an alleged "fraudulent tax return" concerning transfer prices at a company at which Mr Cavatorta was a director; and (iii) a committal to stand trial for aiding and abetting fraudulent bankruptcy as part of criminal proceedings, still pending at the Document Date, regarding a company in which Andrea Bonechi served as an alternate auditor more than a year before the bankruptcy.

7.2.2.5 Conflicts of interest affecting members of the Board of Directors and Board of Statutory Auditors and Managers with Strategic Responsibilities

Conflicts of interest affecting members of the Board of Directors

As at the Document Date, based on the information available to the Company, the following members of the current Board of Directors hold direct or indirect stakes in YOOX:

| 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 | 7.662 |
| Stefano Valerio | Vice-Chairman of the Board of Directors | 114,200 | 0.184 |

(*) The percentages shown are subject to change as a result of the Merger and, in particular, the capital increase carried out as part of said Merger. For a description of how the Merger will affect YOOX's ownership structure and share capital, see Chapter 0, Paragraph 3.5.1 of this Document.

(**) At the Document Date, Mr Marchetti had 1,500,000 options pertaining to the 2012-2015 Stock Option Plan and 17.153 option rights based on the Stock Option plan 2007-2012 corresponding to n. 2.391.956 Ordinary Shares of YOOX (see Paragraph 7.3.2 of the Document).

As at the Document Date, YOOX's Vice-Chairman Stefano Valerio is a partner of Urso Gatti Pavesi

Bianchi Studio Legale Associatio, the law firm that is assisting YOOX in the Merger.

Notwithstanding the above, the Issuer hereby declares that, as at the Document Date, to the best of its knowledge, there are no ongoing or potential conflicts between the obligations of members of YOOX's management bodies towards the Issuer and their private interests and/or obligations to third parties. As at the Document Date, with the exception of the information provided in the table above, no member of the YOOX Board of Directors holds a stake in the capital of YOOX.

Conflicts of interest affecting members of the Board of Statutory Auditors

The Issuer hereby declares that, as at the Document Date, to the best of its knowledge, there are no ongoing or potential conflicts between the obligations of members of YOOX's supervisory bodies towards the Issuer and their private interests and/or obligations to third parties. As at the Document Date, no member of the Board of Statutory Auditors holds a stake in the capital of YOOX.

Conflicts of interest affecting Managers with Strategic Responsibilities

As at the Document Date, based on the information available to the Company, the following Managers with Strategic Responsibilities hold direct or indirect stakes in YOOX:

| Name and surname | Position held | No. of YOOX ordinary shares held (directly or indirectly) | % of voting share capital (*) |
|-------------------------|--|--|--------------------------------------|
| Alberto Grignolo (**) | <i>Chief Operating Officer</i> | 104,176 | 0.001 |
| Irene Boni | <i>PMI & Operational Excellence Director</i> | 20,148 | 0.0003 |

(*) The percentages shown are subject to change as a result of the Merger and, in particular, the capital increase carried out as part of said Merger. For a description of how the Merger will affect YOOX's ownership structure and share capital, see Chapter 0, Paragraph 3.5.1 of this Document.

(**) At the Document Date, Mr Grignolo had 10,000 options pertaining to the 2007-2012 Stock Option Plan (see Paragraph 7.3.2 of the Document).

Notwithstanding the above, the Issuer hereby declares that, as at the Document Date, to the best of its knowledge, there are no ongoing or potential conflicts between the obligations of YOOX's Managers with Strategic Responsibilities towards the Issuer and their private interests and/or obligations to third parties. As at the Document Date, with the exception of the information provided in the table above, none of the Managers with Strategic Responsibilities holds a stake in the capital of YOOX.

7.2.2.6 Agreements with the main shareholders, clients and suppliers of YOOX or other agreements following which the members of the Board of Directors and the Board of Statutory Auditors and the Managers with Strategic Responsibilities were appointed

Directors Richard Lapeu, Gary Saage and Natalie Massenet were appointed by the YOOX Shareholders' Meeting on 21 July 2015 (subject to the effectiveness of the Merger and as of the effective date of same) pursuant to the Merger Agreement and the Amendment Agreement. In this respect, please note that Natalie Massenet did not accept the appointment as Director of the Company. For more information on the Merger Agreement and the Amendment Agreement, see the Introduction of this Document and the Introduction of the Report.

Notwithstanding the above, as at the Document Date, the Issuer is not aware of any agreements or

understandings with the main shareholders, clients and suppliers of YOOX or other agreements following which the members of the Board of Directors and the Board of Statutory Auditors and the Managers with Strategic Responsibilities were appointed.

7.2.2.7 Restrictions pursuant to which the members of the Board of Directors and Board of Statutory Auditors and the Managers with Strategic Responsibilities have agreed to limit their rights to sell and transfer, for a certain period of time, financial instruments they hold in the Issuer

In accordance with the Lock-up Agreement, under which CEO Federico Marchetti assumed the obligation, for the shorter period of time among (x) a period of three years from the effective date of the Merger and (y) his term as Chief Executive Officer, not to dispose of any newly issued YOOX shares that he subscribed in relation to any future capital increase of YOOX (including capital increases to service the Delegation of power) and in the implementation of any new incentive plan. For more information on the Lock-up Agreement, see the Introduction of this Document, the Introduction and Paragraph 9 of the Report, and the essential information prepared and published pursuant to Article 122 of the TUF and Article 130 of the Issuer Regulations, available on the Issuer's website (www.yooxgroup.com) (Governance section, under Documents, Rules and Procedures).

Notwithstanding the above, as at the Document Date, the Issuer is not aware of any restrictions pursuant to which the members of the Board of Directors and Board of Statutory Auditors and the Managers with Strategic Responsibilities have agreed to limit their rights to sell and transfer, for a certain period of time, financial instruments they hold in the Issuer.

For information on the agreements relating to the appointment and re-election of CEO Federico Marchetti, please see the Introduction to this Document and to the Report, 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 Issuers Regulations, available on the Issuer's website at www.yooxgroup.com under Governance / Documents, Rules and Procedures.

7.2.3 Remuneration and benefits of members of the Board of Directors and Board of Statutory Auditors and Managers with Strategic Responsibilities

For information on the pay awarded in 2014 to members of the Board of Directors and Board of Statutory Auditors and to Managers with Strategic Responsibilities, see the 2014 Remuneration Report. Pursuant to the law, the first section of this report outlines the main points of the remuneration policy adopted by the Issuer at the suggestion of the Remuneration Committee (the "**Remuneration Policy**"), to which reference should be made.

In consideration of their contribution to the Merger and subject to the Merger's completion, the Company awarded to 16 of its staff and managers involved in the operation and to the CEO (the latter on the proposal of the Remuneration Committee) a bonus amounting to a total of EUR 1,160,000.

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 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 (such as the CEO), pursuant to Article 2389, no. 3 of the Civil Code, which is not included in the above amount, as well as remuneration for any specific positions held. The Meeting also voted to delegate responsibility to the Board of Directors for dividing the entire remuneration amount among its members in line with the criteria defined in the Remuneration Policy.

On 30 April 2015, the Issuer's Board of Directors decided to divide between the Directors in office the

total annual remuneration set for the members of the Board of Directors at EUR 680,000 by the above-mentioned Shareholders' 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) further 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; and (iii) further 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.

With regard to the total remuneration owing to the Board of Directors, on 21 July 2015 the Shareholders' Meeting that resolved, among other things, to increase the number of members of the Board of Directors from seven to ten and accordingly to appoint three directors - all subject to the completion of the Merger and as of the effective date of same - also resolved, as suggested by the Board of Directors, to keep unchanged the total remuneration of the Board of Directors determined by the Shareholders' Meeting of 30 April 2015, despite the increase in the number of Directors.

On 11 May 2015, having heard the proposal of the Remuneration Committee, determined its compliance with the current Remuneration Policy and received authorisation from the Board of Statutory Auditors, the Board of Directors voted to award CEO Federico Marchetti: (i) a fixed gross annual component of EUR 969,000; (ii) a variable component for each year in office of EUR 400,000; and (iii) a variable component of 200% of the fixed component for the entire term of his directorship. The following is also provided for in relation to the CEO and in line with the Company's Remuneration Policy: (i) an end-of-service payment; (ii) payment in the event of early termination or a change of control; (iii) a specific non-competition commitment; (iv) the option for the Company to request repayment of variable components of pay awarded on the basis of data that turn out to be manifestly erroneous (a claw-back provision).

On 30 April 2015, 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 Director Appointments Committee and the Related Parties Committee for the activities carried out connected to these roles. This sum is to be considered the final and maximum 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, further annual pay of EUR 4,000.

Lastly, the Board of Directors set the annual remuneration for members of the Supervisory Board 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 Supervisory Board, see Paragraph 7.2.4 below.

With regard to the Board of Statutory Auditors, the Shareholders' Meeting of 30 April 2015 voted to set the 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 reimbursement – in both cases – of expenses incurred in the performance of their duties.

In compliance with the Remuneration Policy, the Managers with Strategic Responsibilities are to receive a fixed component and a short-term variable component (MBO) based on the attainment of pre-established targets, and the Company has the option to pay them a medium-to-long-term variable component (this may comprise incentive plans based on financial instruments and/or monetary bonuses). For more information, see the 2014 Remuneration Report. Information on the remuneration to

be paid to Managers with Strategic Responsibilities for 2015 will be provided by the Issuer upon approval of the financial statements at 31 December 2015, pursuant to Article 84-*quater* of the Issuers Regulations.

** ** *

The following tables show the gross annual remuneration of the YOOX Group directors, auditors and managers with strategic responsibilities, inclusive of all forms of remuneration (including gross pay, bonuses and fringe benefits), as well as bonuses accrued but not paid out that are subject to the achievement of long-term objectives, as at 30 June 2015 and 31 December 2014, respectively:

30 June 2015

(Euro thousands)

| Description | Current benefits | Long-term benefits | Stock option plans and company incentive plans |
|--|-------------------------|---------------------------|---|
| Directors | 710 | 178 | 1,014 |
| Statutory Auditors | 36 | - | - |
| Managers with strategic responsibilities | 671 | 25 | 0 |
| Total | 1,417 | 203 | 1,014 |

31 December 2014

(Euro thousands)

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

7.2.4 Practices of the Board of Directors

YOOX 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.

The following supplements and updates the above-mentioned report.

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

- (a) 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;

- (b) 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;
- (c) 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
- (d) 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.

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 Lepou. For further information on the Shareholders' Agreement, please see the Introduction to this Document, 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 Issuers Regulations, available on the Issuer's website at www.yooxgroup.com under Governance / Documents, Rules and Procedures.

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

- (i) 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;
- (ii) 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;
- (iii) 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 Greggi 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;
- (iv) confirm Rossella Sciolti (as Chairman), Riccardo Greggi and Isabella Pedroni as members of the Supervisory Body, pursuant to Legislative Decree 231/2001, for the three-year period 2015-2017.

7.3 Employees

7.3.1 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 and 30 June 2015, please see, respectively, the Directors' Report, pp. 79 and 80 of the Annual Report 2014 and the Directors' Interim Report, p. 24 of the Interim

Financial Statements a June 30, 2015.

Except for (i) the appointment by the YOOX Board of Directors on 24 April 2015 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 (whose resignation took effect from the conclusion of the Shareholders' Meeting that approved the annual financial statements for the year ended 31 December 2014), and (ii) the arrival, in June 2015, of Alex Alexander as Chief Information Officer of the Company, from 31 December 2014 to the Date of this Document, there were no significant changes to the number of YOOX and Group employees, incorporated by reference in the Document pursuant to Article 11 of the prospectus Directive and of Article 28 of EC Regulation n.809/2004.

7.3.2 Stock option, stock grant and other incentive plans

Information on the stock option and stock grant plans approved for the three-year period 2015-2017 is provided below.

Stock Grant Plan

On 27 April 2012, the Shareholders' Meeting, pursuant to Article 114-*bis* of Legislative Decree 58/1998, approved the establishment of a new incentive and loyalty plan known as the Stock Grant Plan for employees of YOOX S.p.A. and companies directly or indirectly controlled by it, to be implemented through the allocation, free of charge, of a total of 550,000 YOOX S.p.A. ordinary shares, giving the Board of Directors the mandate to adopt the regulation. As at the Document Date, it has not been implemented.

For more information on the Stock Grant Plan, please see the information document produced pursuant to Article 84-*bis* of the CONSOB Issuers Regulation, which can be consulted on the Company website www.yooxgroup.com (Section Governance / Company Documents).

2012-2015 Stock Option Plan

On 29 June 2012, the Shareholders' Meeting approved, pursuant to Article 114-*bis* of Legislative Decree 58/1998, the establishment of an incentive and loyalty scheme known as the 2012-2015 Stock Option Plan exclusively for executive directors of YOOX S.p.A., to be implemented through the free granting of options valid for subscribing newly issued YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised). In its extraordinary session, the same Shareholders' Meeting approved the divisible paid-in capital increase for a maximum amount of EUR 15,000.00 to be transferred to the share capital, with the exclusion of the option right pursuant to Article 2441, paragraph 4, second period of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the 2012-2015 Stock Option Plan. The strike price of each option, for the subscription of 1 newly issued ordinary share under the capital increase, has been established as EUR 9.60 or according to the average weighting of the official YOOX S.p.A. ordinary share price recorded on the MTA in the thirty days of trading prior to the option allocation date. The 2012-2015 Stock Option Plan includes the allocation of a total of 1,500,000 YOOX ordinary shares. For details of the 2012-2015 Stock Option Plan, including the implementation terms and conditions, please refer to the information document produced pursuant to Article 84-*bis* of the CONSOB Issuers Regulation, which can be consulted on the Company website www.yooxgroup.com (Section Governance / Company Documents).

In execution of the plan, on 21 September 2012, the company's Board of Directors approved the respective regulation and, on the proposal of the Remuneration Committee, allocated in favour of the CEO Federico Marchetti 1,500,000 options valid for the subscription of

1,500,000 YOOX ordinary shares in the ratio of 1 new ordinary share for every 1 option exercised.

2014-2020 Stock Option Plan

On 17 April 2014, the Shareholders' Meeting approved, pursuant to Article 114-*bis* of Legislative Decree 58/1998, the establishment of an incentive and loyalty scheme known as the 2014-2020 Stock Option Plan exclusively for employees of YOOX S.p.A. and its companies, directly or indirectly controlled, to be implemented through the free granting of options valid for subscribing new issue YOOX S.p.A. ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised). The 2014-2020 Stock Option Plan involves the granting of a maximum of 500,000 options which give the right to subscribe to the same number of new issue shares.

For more information on the 2014-2020 Stock Option Plan, including the implementation terms and conditions, please refer to the information document produced pursuant to Article 84-*bis* of the CONSOB Issuers Regulation, which can be consulted on the Company website www.yooxgroup.com (Section Governance / Company Documents).

The Shareholders' Agreement provides for the adoption of new plans (referred to below) and the concurrent revocation of the 2014-2020 Stock Option Plan, which at the Document Date had not been implemented. For more information on the Shareholders' Agreement, please see below and the Introduction to this Document.

For the sake of completeness, a list is provided below of other stock option plans approved prior to the three-year period from 2012-2015 (as well as prior to the date on which YOOX ordinary shares started trading on the MTA, which took place on 3 December 2009), in effect at the Document Date and in favour of existing employees, consultants or directors of the Company or its subsidiaries, identified each time by the Issuer's Board of Directors.

- 2003 – 2005 Stock Option Plan;
- 2004 – 2006 Stock Option Plan;
- 2006 – 2008 Stock Option Plan;
- 2007 – 2012 Stock Option Plan.

The following table shows, for each of the above-mentioned plans, the number of options granted, exercisable and still to be exercised as at the Document Date, the corresponding number of YOOX ordinary shares to be issued in the exercise of those options and the respective conversion ratio.

| Stock option plan | No. of options granted, exercisable and still to be exercised as at the Document Date | No. of shares to be issued in the exercise of the options | Conversion ratio | Expiration Date |
|-----------------------------|--|--|-------------------------|------------------------|
| 2003-2005 Stock Option Plan | 1,000 | 52,000 | 1:52 | 31/07/2017 |
| 2004-2006 Stock Option Plan | 500 | 26,000 | 1:52 | 01/12/2018 |
| 2006-2008 Stock Option Plan | 5,913 | 307,476 | 1:52 | 03/09/2019 |
| 2007-2012 Stock Option Plan | 30,714 | 1,597,128 | 1:52 | 03/09/2019 |
| Total | 38,127 | 1,982,604 | 1:52 | |

| Stock option plan | No. of options granted, exercisable and still to be exercised as at the Document Date | No. of shares to be issued in the exercise of the options | Conversion ratio | Expiration Date |
|-----------------------------|--|--|-------------------------|------------------------|
| 2012-2015 Stock Option Plan | 1,500,000 | 1,500,000 | 1:1 | 31/12/2017 |

The above tables take into account the following allocations of ordinary shares (in the exercise of stock options) which took place after 30 June 2015:

- on 31 July 2015, 3,900 ordinary shares of YOOX were allocated following the exercise of 75 options relating to the 2006-2008 Stock Option Plan;
- on 5 August 2015, 31,200 ordinary shares of YOOX were allocated following the exercise of 600 options relating to the 2007-2012 Stock Option Plan.

For information on the Company's share capital and the number of YOOX ordinary shares as at the Document Date, please see Paragraph 7.1.1 above.

For more information on the existing and approved stock option and stock grant plans as well as other incentive plans as at the Document Date, please see the "Corporate Governance" section of the *Directors' Report*, on p. 84 of the Annual Report for the year ended 31 December 2014 and the 2014 Remuneration Report, as well as the "Corporate Governance" section of the *Directors' Interim Report*, pp 26 and 27 of the Interim Financial Report as at 30 June 2015, incorporated by reference in the Document pursuant to Article 11 of the prospectus Directive and of Article 28 of EC Regulation n.809/2004.

* * *

Pursuant to the Shareholders' Agreement, the parties, to the extent each is concerned, have undertaken to do everything necessary to implement the new share-based plans to be approved by the relevant bodies of the Transferee 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 YOOX's share capital (post-Merger) (calculated on a fully diluted basis) shall be reserved 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 on the Shareholders' Agreement, please see the Introduction to this Document, 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 Issuers Regulation, available on the Issuer's website at www.yooxgroup.com under Governance / Documents, Rules and Procedures.

7.3.3 Employee shareholding agreements

As at the Document Date, there were no employee shareholding agreements.

8. TRANSACTIONS WITH RELATED PARTIES

8.1 Transactions with Related Parties

During the course of the half-year ending 30 June 2015 and 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.

Intra-Group relationships

The following tables present the transactions taking place between Group companies and, as such, cancelled out in the financial statements as at 30 June 2015 and 31 December 2014.

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

- (i) YOOX supplies the YOOX Group companies with products for sale on the online stores in the US, Japan, China and the countries served by Hong Kong;
- (ii) the Issuer provides the YOOX Group companies with website maintenance, support services and updates;
- (iii) the Issuer provides the YOOX Group companies with administrative, financial and legal services;
- (iv) the Issuer provides the YOOX Group companies with customer service support (via a customer care service located at the Italian head office that interfaces with Japanese and US customers using dedicated staff);
- (v) consulting and support services in the area of fashion, marketing, advertising and professional training provided by the Issuer to subsidiaries.

All receivables and payables between YOOX and the other Group companies as at 30 June 2015 and 31 December 2014 respectively are reported in the tables below. Receivables and payables for the subsidiaries are expressed in USD, JPY, CNY, HKD and converted into EUR at the exchange rate in effect at the end of the period. Revenue and costs are expressed in USD, JPY, CNY and HKD and translated to EUR at the average exchange rate for the reference period.

30 June 2015

(Thousand Euro)

| | Financial payables | Financial payables | Financial payables | Financial payables | Revenue | Costs |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------|---------------|
| YOOX | 38,360 | 4,399 | 148 | 2,658 | 69,049 | 73 |
| YOOX Corporation | 142 | - | 20,919 | 1,343 | 56 | 44,669 |
| YOOX Japan | 3 | 731 | 4,576 | - | 8 | 13,376 |
| YOOX Mishang Trading (Shanghai) | - | - | 9,050 | 3,056 | 4 | 3,455 |
| YOOX Asia Ltd | 2 | 1,927 | 3,814 | - | 5 | 7,549 |
| Total subsidiaries | 38,507 | 7,058 | 38,507 | 7,058 | 69,121 | 69,121 |

31 December 2014

(Thousand Euro)

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

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

For information on the remuneration of Directors, Statutory Auditors and Managers with Strategic Responsibilities at the YOOX Group, see Section 7, paragraph 7.2.3 of this Document.

Transactions with other related parties

The following tables list the main financial and commercial relationships between the companies of the YOOX Group and related parties other than YOOX Group companies, as at 30 June 2015 and 31 December 2014, respectively, excluding intra-Group relationships (described above).

30 June 2015

| Description | Trade receivables | Financial receivables | Trade payables | Financial payables | Revenue | Costs |
|--|----------------------|--------------------------|-------------------|-----------------------|----------------|----------------|
| d'Urso Gatti Pavesi Bianchi Studio Legale Associato | - | - | 531 | - | - | 1,493 |
| Tarter Krinsky e Drogin LLP | - | - | 262 | - | - | 355 |
| Bizmatica Sistemi S.p.A. | - | - | 103 | - | - | 116 |
| Nagamine Accounting Office | - | - | 2 | - | - | 16 |
| E_Lite | 519 | 240 | 4,129 | - | 8,046 | - |
| Total other related parties | 519 | 240 | 5,026 | - | 8,046 | 1,980 |
| Half-year at 30.06.2015 | 13,386 | 20,439 | 194,290 | 132,778 | 284,552 | 286,245 |
| Incidence % | 3.88% | 1.17% | 2.59% | 0.00% | 2.83% | 0.69% |

31 December 2014

| Description | Trade receivables | Financial receivables | Trade payables | Financial payables | Revenue | Costs |
|---|-------------------|-----------------------|----------------|--------------------|----------------|----------------|
| d'Urso Gatti Pavesi Bianchi Studio Legale Associato | | | 28 | | | 488 |
| Tarter Krinsky e Drogin LLP | | | 85 | | | 236 |
| Bizmatica Sistemi S.p.A. | | | 119 | | | 276 |
| Nagamine Accounting Office | | | 1 | | | 15 |
| E_Lite | 72 | 42 | 4,473 | | 12,207 | - |
| Total other related parties | 72 | 42 | 4,706 | | 12,207 | 1,015 |
| Financial statements at 31.12.2014 | 14,732 | 9,539 | 164,466 | 96,831 | 524,340 | 501,086 |
| Incidence % | 0.49% | 0.44% | 2.86% | 0.00% | 2.33% | 0.20% |

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

- d'Urso Gatti Pavesi Bianchi because YOOX Vice-Chairman Stefano Valerio is a partner at said law firm;
- Tarter Krinsky and Drogin LLP because Giuliano Iannaccone is a partner at said law firm and a member of the Board of Directors of one of the Group's companies (YOOX Corporation);
- Nagamine Accounting Office because Jun Nagamine is the owner of said consultancy firm and a member of the Board of Directors of one of the Group's companies (YOOX Japan);
- Bizmatica Sistemi S.p.A. because Andrea Piol is chairman of said company and the son of Elserino Mario Piol, a member of the YOOX Board of Directors until 30 April 2015;
- E_lite because it is a 49% owned subsidiary.

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

For more information on the relationships with Related Parties, including intra-Group relationships and the remuneration of senior managers and other key persons within the YOOX Group, please see the consolidated interim financial statements as at 30 June 2015 (pp. 76 *et seq.* of the Interim Report), YOOX's consolidated financial statements for the year ended 31 December 2014 (pp. 155 *et seq.* of the Annual Report for the year ended 31 December 2014) and the 2014 Remuneration Report.

After 30 June 2015 and up to the Document Date, 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.

8.2 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, incorporated by reference in the Document pursuant to Article 11 of the prospectus Directive and of Article 28 of EC Regulation n.809/2004.

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.

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, see the previous Chapter 0 Paragraph 7.2.4 of this Document.

9. LEGAL AND ARBITRATION PROCEEDINGS AS AT THE DOCUMENT DATE, THE ISSUER IS INVOLVED (EITHER AS PLAINTIFF OR DEFENDANT) IN CIVIL PROCEEDINGS CONNECTED TO ITS NORMAL COURSE OF BUSINESS WHICH THE ISSUER DOES NOT CONSIDER TO BE SIGNIFICANT FOR IT AND/OR THE GROUP.

With regard to the YOOX Group, as at 31 December 2014 and 30 June 2015, there were no contingent liabilities requiring the constitution of a provision for risks.

After 30 June 2015 and up to the Document Date, there were no significant changes to the information about legal disputes (filed by or against the Company) involving YOOX and/or other Group companies.

At the Document Date, THE NET-A-PORTER GROUP is party (as both plaintiff and defendant) to civil proceedings related to the normal course of business. It does not believe these proceedings to be of material importance to the Group or to represent contingent liabilities requiring the constitution of a provision for risks.

10. MATERIAL CONTRACTS

After the close of the half-year ending on 30 June 2015 and up to the Date of the Document, neither the Issuer nor any YOOX Group company signed any significant contracts other than the contracts concluded in the normal course of business.

For information on significant contracts signed by the YOOX Group during the normal course of business following the close of the half-year ending on 30 June 2015, see Section 3, paragraph 3.6 of this Document and the “*Directors’ Interim Report*” on p. 11 *et seq.* of the Interim Financial Report as at 30 June 2015 incorporated by reference in this Document pursuant to Article 11 of EC Directive 2003/71 and Article 28 of EC Regulation no. 809/2004.

10.1 Joint venture between Kering S.A. and YOOX

On 2 August 2012, PPR S.A. (now Kering S.A. “**Kering**”) and YOOX signed a framework agreement for the creation of a joint venture aimed at the global development and management of the mono-brand online stores of many of the Kering Group’s luxury brands. The operational management of the e-commerce sites of Bottega Veneta, Saint Laurent, Alexander McQueen, Balenciaga and Sergio Rossi was awarded to the joint venture on its incorporation, while the operational management of the online stores of Stella McCartney and Brioni was awarded to the joint venture in November 2012 and November 2013, respectively. Starting from April 2015 the online flagship store dedicated to McQ was launched.

E_Lite S.p.A., a company controlled by Kering (51%) and YOOX (49%) (“**JVCo**”), was set up with the purpose, among other things, of selling the trademark products of the joint venture brands. Also on 2 August 2012, Kering, e_PPR Lux S.A. and YOOX entered into a shareholders’ agreement (the “**Pact**”), which, among other things, makes provision for: (i) the governance rules for JVCo and its subsidiaries; (ii) the regulations on the dissolution of the JV; and (iii) the additional obligations of YOOX and e_PPR Lux S.A. relating to the execution of the JV. Pursuant to the Pact, the parties undertook to retain their respective stakes in JVCo until 30 April 2020. After that date, Kering and YOOX will be entitled to exercise respective call and put options on YOOX’s stake in JVCo.

The JV is consolidated by Kering and pays YOOX - in return for services offered and business conducted - an amount determined on the basis of revenue-sharing agreements.

With regard to the sale of products, the parties have also entered into agreements that govern: (i) the supply of products from JVCo to YOOX for sale via stores to end clients in Europe and countries other than the United States, Japan and Asia-Pacific; and (ii) the provision by YOOX to JVCo of technological, commercial and logistical services. Similar agreements were subsequently entered into by the subsidiaries of YOOX and JVCo in Japan and the United States for the sale of products in those countries.

10.2 Financing contracts

In accordance with the Group’s organisational structure, treasury operations are centralised at the Issuer (as the Parent Company), which manages the majority of lines of credit provided to the Group. In particular, the YOOX Group, given the dynamic nature of its business, makes use of both committed credit lines (i.e. repayment of which cannot be requested before a preset date) and revolving credit lines (i.e. which provide for the possibility of repaying the individual uses rebuilding their availability).

As at 30 June 2015, the YOOX Group’s financial liabilities stood at EUR 132,778 thousand (EUR 96,831

as at 31 December 2014) and are mainly made up of medium-/long-term loans agreed for funding the investment in the techno-logistics platform. As at 30 June 2015, agreed but unused loans stood at EUR 46,828 thousand. For information on the composition of the YOOX Group's debt as at 30 June 2015 and 31 December 2014, please see the YOOX Group condensed consolidated interim financial statements as at 30 June 2015, pp. 66 *et seq.* of the Interim Financial Statements, and the consolidated financial statements of the YOOX Group for the year ended 31 December 2014, p. 146 of the 2014 Annual Report incorporated by reference in this Document pursuant to Article 11 of EC Directive 2003/71 and Article 28 of EC Regulation no. 809/2004.

Based on the Issuer's projections regarding the New Group, including for the purpose of the content of Section 11, paragraph 11.1 of this Document, the Company believes that the New Group will not require new bank loans and that it has sufficient working capital to meet its liquidity requirements for the 12 months following the Date of the Document. For more information, see Section 11 of this Document.

The summarised details of the Issuer's main existing loan agreements are given below.

UNICREDIT Loan

On 20 December 2013, YOOX and Unicredit S.p.A. signed an unsecured loan contract in the Issuer's favour of EUR 30,000, indexed to Euribor and divided into (i) one tranche of EUR 10,000 thousand for 72 months, available up to 12 months from the date of signing with half-yearly repayments in arrears, and (ii) one tranche of EUR 20,000 thousand available for 60 months in the form of a revolving loan facility.

Within 12 months of the date of signing, the parties renegotiated the conditions of the loan agreement, increasing the overall amount to EUR 60,000 thousand, divided into (i) one tranche of EUR 30,000 thousand for 72 months, available until 31 March 2015, with half-yearly repayments in arrears, and (ii) one tranche of EUR 30,000 thousand, available for 60 months in the form of a revolving loan facility, and reducing the spread initially agreed for each of the tranches (from 2.50% to 1.50% for the first, and to 1.80% for the second). On 31 March 2015, the first tranche was disbursed in full.

MEDIOCREBITO Loan

On 9 December 2013, YOOX and Mediocredito Italiano S.p.A. signed a medium-/long-term unsecured loan, indexed to Euribor, for EUR 23,000 thousand, supplied on signing for 60 months with the first capital instalment due on 31 March 2015.

Before the due date of the first instalment, the parties renegotiated some of the terms of the loan, increasing the amount to EUR 40,000 thousand (which had been disbursed in full as at the Date of the Document) and the reduction of the spread from 2.60% to 1.10% and the extension of the loan for a further 12 months.

BNL loan

On 30 December 2013, YOOX and Banca Nazionale del Lavoro S.p.A. entered into an agreement for an unsecured loan of EUR 15,000 thousand, indexed to Euribor and divided into (i) one tranche of Euro 10,000 thousand for 60 months, available up to 12 months from the date of signing with half-yearly repayments in arrears, and (ii) one tranche of EUR 5,000 thousand for 48 months, available in the form of a revolving loan facility over the entire duration of the loan. Prior to the disbursement of the loan, on 23 October 2014 the parties negotiated a reduction in the spread of each tranche (from 2.5% to 1.6% for the first tranche, and from 2.5% to 1.8% for the second tranche). Both tranches of the loan were disbursed in full in December 2014.

EIB loan

On 11 September 2014, YOOX and the European Investment Bank (EIB) entered into an agreement for a loan guaranteed by SACE (the Italian export credit agency) and divided into two tranches - one of EUR 20,000 thousand and the other of EUR 25,000 thousand - for a duration of 60 months from the date of disbursement. Both tranches of the loan were disbursed in full on 11 December 2014.

Covenant and contractual obligations

The loan agreements make provision for, among other things, certain obligations and commitments in line with standard market practice, including financial covenants, an undertaking not to pledge assets as a guarantee, with the exception of those already pledged on the date of the agreement or due by law (negative pledge clause) and an undertaking to ensure that the contractual obligations are not subordinated to other unsecured obligations (*pari passu* clause). However, there are no change of control or corporate reorganisation clauses, except for the EIB loan.

In view of the Merger and the resulting changes to the structure of the Group and the composition of YOOX's subsidiaries, on 29 July 2015 YOOX and EIB entered into an agreement pursuant to which the clauses featuring in the EIB loan agreement relating to subsidiary debt limits and negative pledges will not apply during the first 90 days after the signing of the Merger Deed.

The financial covenants on the loans taken out with BNL, UniCredit and Mediocredito Italiano are as follows:

- net financial position / EBITDA (excluding incentive schemes) ratio of not more than 2.5; and
- net financial position / equity of more than 1.

The financial covenants on the EIB loan are as follows:

- net financial position / EBITDA (excluding incentive schemes) ratio of not more than 2; and
- net financial position / equity of not more than 0.8.

These financial covenants will be checked on 30 June and 31 December of each year. They were met as at 31 December 2014 and 30 June 2015. In this regard it should be noted that these financial metrics are widely respected on the respective dates of verification for each period covered by the financial information contained in the Document (the first half of 2015 and 2014 financial years, 2013 and 2012).

For more information on the YOOX Group's current and medium- and long-term debt as at 30 June 2015 and 31 December 2014, see the YOOX Group condensed consolidated interim financial statements as at 30 June 2015, pp. 66 *et seq.* of the Interim Financial Statements, and the consolidated financial statements of the YOOX Group for the year ended 31 December 2014, pp. 146 *et seq.* of the 2014 Annual Report, respectively incorporated by reference in this Document pursuant to Article 11 of EC Directive 2003/71 and Article 28 of EC Regulation no. 809/2004.

DECLARATION ON WORKING CAPITAL, OWN FUNDS AND DEBT

11.1 Declaration on working capital

Pursuant to Regulation (EC) 809/2004 and the definition of working capital (difference between current assets and current liabilities) as “an issuer’s ability to access cash and other available liquid resources in order to meet its liabilities as they fall due”, as per the ESMA Recommendations 2013/319, at the Date of the Document, the Issuer believes that the YOOX Group and the New Group have sufficient working capital to meet their liquidity requirements for the 12 months following the Date of the Document.

For more information on financial resources, see Section 10, paragraph 10.2 of this Document, as well as YOOX Group’s consolidated financial statements at 31 December 2014 and condensed consolidated half-year financial statements at 30 June 2015.

11.2 Own funds and debt

The table below shows the consolidated own funds and debt at 30 June 2015 for the YOOX Group and the Largenta Italia Group, and of consolidated debt at 31 July 2015 with reference only to YOOX Group, prepared using the format provided for in ESMA Recommendations 2013/319.

The Largenta Italia Group consists of Largenta Italia, Largenta Limited and the companies belonging to the NET-A-PORTER GROUP.

| (Thousand Euro) | 30 June 2015 | | 31 July 2015 | |
|--|----------------|-----------------------|--------------------------|----------------|
| | YOOX Group | Largenta Italia Group | YOOX-NAP Group pro-forma | YOOX Group |
| Current financial debt - portion maturing within 12 months | | | | |
| Secured | 5,794 | - | 5,794 | 5,644 |
| Unsecured | 16,239 | 58,176 | 16,239 | 23,347 |
| Total current financial debt (A) | 22,123 | 58,176 | 22,123 | 28,991 |
| Non-current financial debt - portion maturing beyond 12 months | | | | |
| Secured | 17,587 | - | 17,587 | 17,545 |
| Unsecured | 93,144 | - | 93,144 | 92,211 |
| Total non-current financial debt (B) | 110,731 | - | 110,731 | 109,756 |
| Cash and cash equivalents (C) | (103,269) | (31,283) | (103,315) | (76,029) |
| Current financial assets other than fixed assets (D) | (21,124) | (43,417) | (64,541) | (19,771) |
| Total net financial debt (A+B+C+D) | 8,461 | (16,525) | (35,003) | 42,947 |
| Own funds | | | | |
| Share capital | 621 | 479,217 | 1,277 | |
| Reserves | 107,807 | 95,180 | 2,000,212 | |
| Retained earnings and losses carried forward | 50,358 | (120,107) | 50,358 | |
| Profit (loss) for the period | 127 | 20,036 | 125 | |
| Equity attributable to non-controlling interests | - | 5,275 | - | |
| Total own funds (E) | 158,914 | 479,602 | 2,051,972 | |
| Total own funds and net financial debt (A+B+C+D+E) | 167,375 | 463,078 | 2,016,970 | |

Based on the information available, the Issuer believes that with reference to the "Own funds" of YOOX Group and the Largenta Italia Group and to the "Financial assets other than fixed assets" of the Largenta Italia Group at 31 July 2015, there were no relevant changes with respect to the figures at 30 June 2015.

- (a) in order to enable the conclusion of the Merger Deed before the deadline for creditors to lodge objections (pursuant to Article 2503, paragraph 1 of the Civil Code), as at the date of the signing of the Deed of Merger, YOOX has received consent from creditors representing around EUR 178,587 thousand and, for the deposit amount securing the remaining receivables as at the date of registering the Merger Plan with the Companies Register that had not been repaid by the Company by the Merger Deed date, around EUR 11,558 thousand. With regard to Largenta Italia, on the Merger Deed signature date (occurred on 28 September 2015), there are no receivables outstanding;
- (b) As to the Group Largenta Italia, as of the date of signing the Deed of Merger, Largenta Italia, Largenta UK, THE NET-A-PORTER GROUP and the subsidiaries of THE NET-A-PORTER GROUP, in accordance with the provisions of the Merger Agreement, have no debt to financial third parties;
- (c) the figures in the “YOOX-NAP Group pro-forma” column are derived from the pro-forma financial information reported in Section 4 above, to which reference should be made for a description of the specific calculation methods used.

The increase of " Net Financial Debt " of the YOOX Group at July 31 2015 follows the normal evolution of the working capital of the Group and, in particular, of the stock, reflecting the procurement activities during the summer months to the expected sales in the winter season.

Lastly, based on the information available, there is no reason to suggest that the “Own Resources” of YOOX Group and Largenta Italia Group at 30 June 2015, “Net Financial Debt” of Largenta Italia Group at 30 June 2015 and the “Net Financial Debt” of YOOX Group at 31 July 2015 do not represent the financial position of the YOOX Group and the YOOX-NAP Group at the Document Date.

OUTLOOK FOR THE ISSUER AND THE YOOX GROUP

12.1 General operating outlook for YOOX and the YOOX Group after 30 June 2015

The first half of 2015 showed a continued increase in sales for the YOOX Group, in both the multi-brand and mono-brand business lines, generating improved results in all the main reference markets. For more information on the operational performance of YOOX and the YOOX Group during the half-year ended 30 June 2015, see the “*Interim Directors’ Report*” for the first half of 2015 on pp. 11 *et seq.* of the Interim Financial Report incorporated by reference in this Document pursuant to Article 11 of EC Directive 2003/71 and Article 28 of EC Regulation no. 809/2004.

Based on the proven validity of the YOOX business model throughout the world and the good prospects for the online retail market, it is reasonable to assume that the YOOX Group can achieve further growth of the business in 2015 (see the Interim Directors’ Report for the first half of 2015 on p. 30 of the Interim Financial Report). The Issuer hereby declares that, on the basis of available information, there have been no substantial negative changes to its outlook between 30 June 2015 and the Date of the Document, and that no significant trends occurred in sales, or in the evolution of cost trends related to the YOOX Group. Sales volumes are related both to the multi-brand business line and to the mono-brand business line and the business trend in general did not show relevant differences compared to the first half 2015; in particular, the sales volumes have collectively maintained a trend of growth in the region of 20% until the Date of the Document, in line with the figure reported in the first six months of 2015. Based on the figures available, the operational performance of the YOOX Group between the end of the last financial year and the Date of the Document is in line with the growth plan and the main targets identified by the Issuer.

Largenta Italia hereby declares that, on the basis of available information, there have been no substantial negative changes to the outlook for the NAP Group between 30 June 2015 and the Date of the Document, and that, the operating performance of the NAP Group has shown no significant deviations when compared to the first half of 2015. Based on the figures at its disposal, the operational performance of the NAP Group between the end of the last financial year and the Date of the Document is in line with the growth plan and the main targets identified by the NAP Group.

13. INFORMATION ON FINANCIAL INSTRUMENTS

This Chapter 0 contains information on the New Ordinary Shares to be listed on the MTA.

It does not contain any information on the B Shares, for which no requests to be listed will be filed. For information on B Shares, see the Introduction and Chapter 0 of this Document, as well as the Introduction, Paragraph 1.3 and Section 4 of the Report.

13.1 Description of the New Ordinary Shares

The financial instruments to be listed are the New Ordinary Shares of YOOX (post-Merger), which are without par value.

As part of the capital increase approved by the Shareholders' Meeting on 21 July 2015 for the purpose of the Merger, YOOX will issue a total of 65,599,597 shares, including 20,693,964 New Ordinary Shares to be allocated to RH in its capacity as the sole shareholder of Largentia Italia in accordance with the Exchange Ratio (see Paragraph 13.6 below).

The Shares have the ISIN code IT0003540470.

13.2 Legislation governing the issuance of the New Ordinary Shares

The New Ordinary Shares will be issued pursuant to Italian law.

13.3 Characteristics of the New Ordinary Shares

The New Ordinary Shares will be freely transferable registered shares without par value, with regular dividend rights and subject to the dematerialisation regime pursuant to Article 83-bis *et seq.* of the TUF and to the related implementing provisions. They will be included in the centralised management system operated by Monte Titoli.

13.4 Issue currency of the New Ordinary Shares

The issue currency of the New Ordinary Shares is the euro.

13.5 Description of the rights associated with the Shares, how they can be exercised and any limitations upon them

All the New Ordinary Shares will have the same characteristics and will entitle their holders to the same rights as the Issuer's Ordinary Shares in circulation on the issue date. The New Ordinary Shares will bear regular dividend rights.

Each Share awards the right to one vote in the Issuer's Ordinary and Extraordinary Shareholders' Meetings, as well as the other dividend and voting rights pursuant to the applicable laws and Bylaws.

In accordance with Article 29 of the Bylaws, the net profit shown in the accounts, minus the portion to be allocated to the legal reserve up to the limit prescribed by law, is allocated as decided by the Shareholders' Meeting. Specifically, on the proposal of the Board of Directors, the Shareholders' Meeting may vote on the formation and increase of other reserves. The Board of Directors may decide to distribute interim dividends according to the procedures and forms prescribed by law. The Extraordinary Shareholders' Meeting may vote on the allocation of earnings or reserves made up of earnings to employees of the Company or its subsidiaries through the issue, up to an amount equivalent

to such earnings, of ordinary shares without any restriction or special categories of shares to be assigned individually to employees, pursuant to Article 2349 of the Civil Code.

13.6 Resolutions, authorisations and approvals pursuant to which the New Ordinary Shares will be issued

The New Ordinary Shares will come from the capital increase approved by the YOOX Extraordinary Shareholders' Meeting on 21 July 2015 for the purpose of the Merger.

In particular, the said Shareholders' Meeting voted in favour of, among other things, a capital increase for a nominal amount of EUR 655,995.97, with the issue of a total of 65,599,597 new shares without par value, to be allocated to the shareholders of Largentia Italia based on the Exchange Ratio set out in the Merger Plan, namely a ratio of 1 (one) newly issued YOOX share for every 1 (one) share of Largentia Italia, it being understood that:

- (i) this capital increase will be launched through the issue of New Ordinary Shares and/or B Shares, and more specifically through the issue of a minimum number of New Ordinary Shares of 20,693,964 up to a maximum number of 27,691,255, and a minimum number of B Shares of 37,908,342 up to a maximum number of 44,905,633 (it being understood that the total number of shares to be issued is equal to 65,599,597);
- (ii) the shares to be assigned to the shareholders of Largentia Italia and RH will be divided in such a manner that they are assigned: (A) a number of New Ordinary Shares representing a maximum of 25% of the share capital with voting rights in YOOX, calculated on the basis of the number of outstanding YOOX shares as of the Merger Plan date; and (B) for any excess, B Shares, until the number of YOOX shares to be assigned thereto is met;
- (iii) any shareholders in Largentia Italia other than RH shall be allocated only ordinary shares in exchange.

Taking into account that in order to service the Merger all 65,599,597 newly issued YOOX shares will be assigned to RH in its capacity as the sole shareholder of Largentia Italia, these shares will then be divided as follows: 20,693,964 New Ordinary Shares and 44,905,633 B Shares.

For more information on the resolution of the Shareholders' Meeting held on 21 July 2015, see Section 0, Paragraph 3.1 of this Document.

For more information on B Shares, see the Introduction and Section 0 of this Document, as well as the Introduction, Section 1, Paragraph 1.3 and Section 4 of the Report.

For a description of the Exchange Ratio and the methods used to allocate the New Ordinary Shares and the B Shares, see Section 0, Paragraphs 3.7 and 3.8 of this Document.

13.7 Scheduled date for the issue of the New Ordinary Shares

The New Ordinary Shares will be issued starting from the effective date of the Merger pursuant to the resolution of the YOOX Extraordinary Shareholders' Meeting held on 21 July 2015 to vote on the Merger, among other things.

The New Ordinary Shares will be made available to the shareholders of Largentia Italia according to the procedures for the centralised management of dematerialised shares by Monte Titoli S.p.A. starting on the effective date of the Merger, if it is a trading day, or the first trading day thereafter.

13.8 Restrictions on the free transfer of the Shares

There are no restrictions on the free transfer of the Shares pursuant to the law and the Bylaws.

Please be aware, however, of the information that follows.

In accordance with the Lock-up Agreement, under which CEO Federico Marchetti assumed the obligation, for the shorter period of time among (x) a period of three years from the effective date of the Merger and (y) his term as Chief Executive Officer, not to dispose of any newly issued YOOX shares that he subscribed in relation to any future capital increase of YOOX (including capital increases to service the Delegation of power) and in the implementation of any new incentive plan.

Furthermore, pursuant to the Shareholders' Agreement, for a period of three years from the effective date of the Merger, RH has undertaken not to transfer or in any way dispose of, directly or indirectly, YOOX shares (ordinary shares and B Shares) that represent: (i) 25% of YOOX's total share capital including at least one B Share; and (ii) 25% of YOOX shares (including, for clarity's sake, ordinary shares and B Shares) issued following the capital increase resolved by YOOX's Extraordinary Shareholders' Meeting on 21 July 2015 and subscribed by RH. These restrictions do not limit RH's right to accept (under the terms and conditions specified in the (post-Merger) YOOX Bylaws - a tender or exchange offer made to all YOOX shareholders or shareholders representing at least 60% of YOOX's capital.

For more information on the Lock-up Agreement and the Shareholders' Agreement, see the Introduction of this Document, the Introduction and Section 9 of the Report, and the essential information prepared and published pursuant to Article 122 of the TUF and Article 130 of the Issuers Regulation, available on the Issuer's website (www.yooxgroup.com) (Governance section, under Documents, Rules and Procedures).

13.9 Rules on mandatory takeover bids and squeeze-outs in relation to the Shares

Since its shares are listed on the MTA, YOOX is subject to the rules on takeover bids and squeeze-outs set forth in the TUF and in the related implementing regulations, including the provisions on mandatory takeover bids (Article 105 *et seq.* of the TUF) and squeeze-outs (Article 108 of the TUF).

For the sake of full disclosure, pursuant to Article 5, paragraph 6 of the New Bylaws, in the event of the promotion of an initial purchase or exchange offer involving at least 60% (sixty per cent) of the Company's ordinary shares, each holder of B Shares, as an exception to the provisions in paragraphs 4 and 5 of the aforementioned Article 5 of the Bylaws, has the right to convert all or a portion of B Shares held at a ratio of 1:1 (and to announce its decision to convert) for the sole purpose of transferring the ordinary shares resulting from the conversion to the offerer; however, in this instance, the validity of the conversion is subject to the offer itself becoming effective and applies solely to the shares provided to comply with the offer and actually transferred to the offerer. Pursuant to paragraph 7 of the aforementioned Article 5, where shares are converted as provided in paragraph 6, the Board of Directors must take all the measures necessary to ensure (i) that the ordinary shares created by the conversion (A) are issued by the trading day preceding the date for paying the consideration for the initial tender or exchange offer, and (B) where applicable, are admitted to trading on the same regulated market to which the ordinary shares are admitted, at the time and in the manner stipulated by the applicable legislation and (ii) that the Bylaws are updated to reflect the conversion transacted.

13.10 Takeover bids made by third parties on the Issuer's Ordinary Shares during the last and current financial years

The Company's shares have never been the subject of a public purchase or exchange offer, nor has the Company made any public exchange offer on shares or units representing the capital of other companies or entities.

13.11 Tax regime

The information reported below summarises some aspects of the tax regime applicable to the purchase, holding and sale of Shares pursuant to the Italian tax legislation in force at the Document Date relating to specific investor categories. This legislation may be subject to change, and some amendments may apply retrospectively.

In particular, measures revising the rates of withholding and/or substitute taxes on capital income and other financial income could be introduced. If such legislative measures amending the existing regulations were to be approved, they could have an impact on the tax regime described in the paragraphs below.

In such an event, this section will be updated to reflect the changes, including where, as a result of such changes, the information in this section is no longer valid.

The following is not intended to be an exhaustive analysis of all the tax implications of the purchase, holding and sale of the Shares.

Investors should consult their advisors on the tax regime relating to the purchase, holding and sale of the Shares and check the nature and source of sums received as distributions on the Shares (dividends or reserves).

13.11.1 Definitions

For the purposes of this Section, the defined terms have the meaning shown below:

“Qualifying Holdings”: holdings in companies whose shares are traded on regulated markets, consisting of the ownership of shares (other than savings shares), rights or securities, by means of which the above-mentioned shares can be purchased, which represent, in total, more than 2% of the voting rights at a shareholders' meeting or over 5% of the share capital;

“Non-Qualifying Holdings”: holdings in companies whose securities are traded on regulated markets other than those for Qualifying Holdings;

“Sale of Qualifying Holdings”: the sale, for consideration, of shares (other than savings shares), rights or securities, by means of which shares may be acquired that, over a period of twelve months, exceed the limits for classification as a Qualifying Holding. The twelve-month period runs from the time that the securities and rights held represent a percentage of voting rights that exceeds the limits specified above. In determining the rights or securities by means of which shares may be acquired, account is taken of the percentages of voting rights or interests in capital that potentially relate to the holdings;

“Sale of Non-Qualifying Holdings”: the sale, for consideration, of shares (other than savings shares), rights or securities, by means of which shares may be purchased, other than the Sale of Qualifying Holdings.

13.11.2 Dividends received by resident parties

Dividends paid will be subject to the tax regime ordinarily applicable to dividends paid by companies that are resident in Italy for tax purposes. In particular, the following different dividend taxation methods will apply, depending on the type of recipient:

- (a) Natural persons resident in Italy for tax purposes who own holdings and do not carry out a business

Dividends paid to natural persons resident in Italy for tax purposes on Shares held that are not related to business operations and not included in the managed savings regime, comprising Non-Qualifying Holdings, entered into the centralised deposit system managed by Monte Titoli (such as the Shares included in this Offering) are subject to substitute income tax at a rate of 26%, with the right to claim compensation, pursuant to Article 27-ter, Presidential Decree 600, of 29 September 1973 ("**D.P.R. 600/1973**") and Article 3, Decree Law 66, of 24 April 2014, as converted by the Law of 23 June 2014 ("**D.L. 66/2014**"). Where substitute tax is applied, shareholders do not have to declare the dividends received in their annual tax return.

Substitute tax is applied by the resident depositaries at which the shares are held, and which belong to the centralised system managed by Monte Titoli; via a tax agent appointed in Italy; or by non-resident or foreign centralised depositary systems that belong to the Monte Titoli system.

These methods of taxation constitute the regime that is ordinarily applicable to shares of Italian companies traded on regulated Italian markets, such as the Company's Shares.

Dividends paid to natural persons resident in Italy for tax purposes on shares held that are not related to business operations, comprising Qualifying Holdings, are not subject to withholding tax or substitute tax provided that the beneficiaries state, at the time of receipt, that the profits relate to Qualifying Holdings. 49.72% of the amount of dividends received is included in the shareholder's total taxable income (this percentage applies to dividends formed of the profits generated by the company from the year after the one in progress at 31 December 2007), while 40% of the amount of dividends received contributes to the income formed of profits generated up to the year in progress at 31 December 2007. For this reason, starting with the resolutions to distribute dividends after the resolution regarding the profit generated in the year in progress at 31 December 2007, the dividends paid are considered, primarily, to be formed of profits generated by the company up to said year.

- (b) Natural persons resident in Italy for tax purposes who own Non-Qualifying Holdings that are not related to business operations and that fall within the managed savings regime

Dividends paid to natural persons resident in Italy for tax purposes on shares held that are not related to business operations, composed of Non-Qualifying Holdings, included in an asset management relationship with an authorised intermediary, and for which the individual has opted for the managed savings tax regime, pursuant to Article 7, Legislative Decree 461 of 21 November 1997 ("**Legislative Decree 461/1997**"), are not subject to any withholding tax or substitute tax. Such dividends are included in the total operating result for the year, subject to substitute tax at a rate of 26%.

- (c) Natural persons resident in Italy for tax purposes who own holdings related to business operations

Dividends paid to natural persons resident in Italy for tax purposes on shares relating to business operations are not subject to withholding tax or substitute tax provided that the beneficiaries state, at the time of receipt, that the profits received relate to holdings pertaining to business operations. 49.72% of

the amount of dividends received is included in the shareholder's total taxable income (this percentage applies to dividends formed of the profits generated by the company from the year after the one in progress at 31 December 2007), while 40% of the amount of dividends received is included in the income formed of profits generated up to the year in progress at 31 December 2007. For this reason, starting with the resolutions to distribute dividends after the resolution regarding the profit generated in the year in progress at 31, December 2007, the dividends paid are considered, primarily, to be formed of profits generated by the company up to said year.

(d) General partnerships, limited partnerships and similar companies, pursuant to Article 5 of the TUIR; companies and organisations pursuant to Article 73, paragraphs 1(a) and (b) of the TUIR, resident in Italy for tax purposes

Dividends received by general partnerships, limited partnerships and similar companies (excluding simple partnerships), pursuant to Article 5 of the TUIR, or by companies and organisations pursuant to Article 73, paragraphs 1(a) and (b) of the TUIR, including companies limited by shares, partnerships limited by shares, limited liability companies, cooperatives and mutual insurance companies, as well as European companies pursuant to EC regulation 2157/2001 and European cooperative companies pursuant to EC regulation 1435/2003, resident in the territory of the Member State, and public and private entities other than companies, as well as trusts, resident in the territory of the Member State, whose sole or primary object is the carrying out of commercial activity ("commercial bodies") are not subject to withholding tax or substitute tax in Italy, and are included in the shareholder's total taxable income, which is subject to tax according to the ordinary regulations, as per the following procedures:

- for distributions to parties subject to IRPEF tax (e.g. general partnerships or limited partnership), 49.72% of the amount received is included in the shareholder's total taxable income (this percentage applies to dividends formed of the profits generated by the company from the year after the one in progress at 31 December 2007), while 40% of the amount of dividends received contributes to the income formed of profits generated up to the year in progress at 31 December 2007. For this reason, starting with the resolutions to distribute dividends after the resolution regarding the profit generated in the year in progress at 31 December 2007, the dividends paid are considered, primarily, to be formed of profits generated by the company up to said year;
- for distributions to parties subject to IRES tax (e.g. companies limited by shares, limited liability companies and partnerships limited by shares), a maximum of 5% of the amount is included in the shareholder's total taxable income, or the whole amount if they relate to shares held for trading by parties applying IAS/IFRS.

For some types of company and under certain conditions, dividends are also included in the related net value of production, subject to regional tax on production (IRAP).

(e) Organisations pursuant to Article 73, paragraph 1(c) of the TUIR resident in Italy for tax purposes

Dividends received by organisations pursuant to Article 73, paragraph 1(c) of the TUIR, or by public and private bodies resident in Italy for tax purposes, other than companies, and trusts whose sole or primary object is not the carrying out of commercial activities, as well as collective investment undertakings (other than those pursuant to Article 73, paragraph 5-*quinquies* of the TUIR), resident in the territory of the Member State, are not subject to withholding tax or substitute tax in Italy; an amount limited to 77.74% of the total received is included in the total IRES-taxable income.

(f) Exempt parties resident in Italy

For shares entered into the centralised deposit system managed by Monte Titoli, such as the Shares issued by the Company, dividends received by parties resident in Italy which are exempt from corporate income tax (IRES) are subject to substitute tax at a rate of 26% applied by the resident party (belonging to the centralised deposit system managed by Monte Titoli at which the shares are deposited) or, via a tax agent in Italy appointed by the non-resident party (depository) which belongs to either the Monte Titoli system or a foreign centralised deposit system that belongs to the Monte Titoli system.

(g) Italian pension funds and UCITS (other than real estate UCITS)

Profits received by (a) Italian pension funds as indicated in Article 17 of Legislative Decree 252 of 5 December 2005 (“**Decree 252/2005**”) and (b) Italian collective investment undertakings (“UCITS”), other than real estate collective investment undertakings and investment companies with fixed capital that invest in real estate (“**Real Estate UCITS**”), are not subject to withholding tax or substitute tax. For pension funds, such profits are included according to the ordinary rules in the annual total operating result, subject to substitute tax at a rate of 20%. UCITS created in Italy and subject to supervision, or whose manager is subject to supervision (other than Real Estate UCITS), are exempt from income tax pursuant to Article 73, paragraph 5-*quinquies* of the TUIR. Profits received by the above-mentioned UCITS are not taxed, while any income of these investment undertakings received by investors as a redemption, refund or distribution in connection with the holding of units/shares is subject to 26% withholding tax pursuant to Article 26-*quinquies*, of Legislative Decree 600/1973.

With effect from the 2015 tax period, a tax credit equal to 9% of the net result achieved will be allocated to the types of supplementary pensions set out in Decree 252/2005, subject to substitute tax, pursuant to Article 17 of said decree; this is applied in each tax period, provided that an amount corresponding to the net result achieved subject to the above-mentioned substitute tax is invested in medium- or long-term financial assets, as defined by the Finance and Economy Ministry decree of 19 June 2015 and published in the Official Gazette on 30 July 2015. The tax credit, which is not included in the net result achieved and which, for the purposes of creating the pension benefits, increases the portion that corresponds to the income that has already been taxed, must be indicated in the annual income tax return relating to each tax period and may be used with effect from the tax period after that in which the above-mentioned investment was made, purely as an offsetting item, pursuant to Article 17 of Legislative Decree 241 of 9 July 1997, within the limits of allocation set out in Article 1, paragraph 94 of Law 190 of 23 December 2014. The limits set out in Article 1, paragraph 53 of Law 244 of 24 December 2007 and Article 34 of Law 388 of 23 December 2000 do not apply to the tax credit.

(h) Italian real estate collective investment undertakings

Pursuant to Decree Law 351 of 25 September 2001, as converted with amendments by Law 410 of 23 November 2001, and currently in force following the amendments, distributions of profits received by Italian real estate collective investment funds, established pursuant to Article 37 of the TUF or Article 14-*bis* of Law 86 of 25 January 1994, are not subject to withholding tax or substitute tax. Distributions relating to such funds are not subject to tax by virtue of these funds, which are not subject to income tax or regional production tax (IRAP) in Italy.

In some cases, income earned by an Italian non-institutional real estate collective investment fund could, in the interests of transparency, be charged to relevant non-institutional investors (and hence included in their taxable income in Italy) who have a holding of over 5% in the fund's capital.

Pursuant to Article 9 of Legislative Decree 44 of 4 March 2014, the same regulations apply to investment companies with fixed capital that invest in property, to the extent indicated by the statutory provisions.

(i) Parties not resident in Italy for tax purposes which own holdings through a permanent establishment in Italy

Distributions of profits received by parties not resident in Italy which own holdings through a permanent establishment in Italy to which the holding relates are not subject to any withholding tax or substitute tax in Italy. Five per cent of the amount is included in the permanent establishment's total taxable income in Italy, according to the ordinary rules. The whole amount is included if it relates to securities held for trading by parties applying IAS/IFRS.

For some types of permanent establishment, and under certain conditions, dividends are also included in the related net value of production, subject to regional tax on production (IRAP).

With regard to distributions in respect of a holding that does not relate to a permanent establishment in Italy owned by a non-resident recipient, please refer to the paragraph below.

(j) Parties not resident in Italy for tax purposes which do not own holdings through a permanent establishment in Italy

Dividends from shares or similar securities entered into the centralised deposit system managed by Monte Titoli (such as the Company's Shares) received by parties that are not resident in Italy for tax purposes, and which do not have a permanent establishment in the country to which the holding relates, are, as a general rule, subject to substitute tax of 26% pursuant to Article 27-ter of Presidential Decree 600/1973 and Article 3 of Decree Law 66/2014.

Such substitute tax is applied by the resident parties with which the shares are held, and which belong to the centralised system managed by Monte Titoli, or by a tax agent appointed in Italy or a non-resident or foreign centralised depository system that belongs to the Monte Titoli system.

Shareholders not resident in Italy for tax purposes which are subject to the above-mentioned substitute tax of 26% on dividends, other than savings shareholders, pension funds, pursuant to Article 27, paragraph 3 of Presidential Decree 600/1973, and companies and organisations set out in Article 27, paragraph 3-ter of Presidential Decree 600/1973, are entitled to a refund - via the submission of an application in accordance with the conditions and within the time limits required by law - of up to eleven twenty-sixths of the substitute tax to which they were subject in Italy, pursuant to Article 27-ter of Presidential Decree 600/1973, or of the tax that they can demonstrate they paid abroad on the same profits, subject to the production to the Italian tax authorities of the relevant certificate from the tax office in the foreign country.

As an alternative to the above-mentioned refund, parties resident in countries with which Italy has signed double-taxation agreements may ask for substitute tax to be applied to dividends at the (lower) rate as stipulated by the applicable agreement in force. In order to benefit from the reduced rate, the recipient of the dividends is required to use the approved template pursuant to the Italian Tax Authority's Regulation 2013/84404 of 10 July 2013.

To this end, the parties belonging to the centralised deposit system managed by Monte Titoli, with which the shares are deposited, must promptly obtain:

- a declaration by the non-resident party and actual beneficiary of the profits, showing such party's personal details, the existence of all conditions on which application of the tax agreement regime is dependent, and any information necessary for determining the rate applicable under the agreement;

- a statement from the competent tax authority of the country in which the actual beneficiary of the profits is resident, proving residence in such country within the meaning of the agreement. This statement is valid until 31 March of the year after its submission.

The Italian tax authorities have also agreed with the tax authorities of some foreign countries an appropriate set of forms designed to ensure an easier and more efficient refund or full or partial exemption of the withholding tax applicable in Italy. If the documents are not submitted to the depositary prior to the payment of dividends, substitute tax is applied at the rate of 26%. In this case, the actual beneficiary of the dividends may apply to the Italian financial administration for a refund of the difference between the substitute tax applied and the rate applicable under the agreement, using the appropriate refund claim form. This should be accompanied by the above-mentioned documents and submitted in accordance with the conditions and deadlines stipulated by law.

If the recipient parties and actual beneficiaries of the dividends are companies or organisations that are (i) resident for tax purposes in one of the Member States of the European Union or signatory countries of the Agreement on the European Economic Area and included in the list to be issued by a Finance and Economy Ministry Decree pursuant to Article 168-*bis* of the TUIR and (ii) subject to corporate income tax, such parties may benefit from the application of substitute tax on dividends at the lower rate of 1.375% of the relevant amount. Until such ministerial decree is issued, the Member States of the European Union or signatory countries of the Agreement on the European Economic Area which are eligible for tax to be applied at the above-mentioned rate of 1.375% are those on the list set out in Finance Ministry Decree of 4 September 1996, as subsequently amended. For the 1.375% rate of substitute tax to be applied, the non-resident, actual beneficiary parties must promptly make a specific application to the share depositary responsible for deducting the substitute tax, accompanied by the appropriate certification of residence and tax status issued by the competent authorities in the country of residence.

Substitute tax of 26% and the lower rate of 1.375% are also applied to dividends received as part of an asset management strategy, for which the individual has opted for the "managed savings" regime pursuant to Article 7 of Legislative Decree 461/1997.

If the recipient parties and actual beneficiaries of the dividends are pension funds created in one of the Member States of the European Union or one of the signatory countries of the Agreement on the European Economic Area and included in the list to be issued by a Finance and Economy Ministry Decree pursuant to Article 168-*bis* of the TUIR, such parties may benefit from the application of substitute tax on dividends at the lower rate of 11% of the relevant amount. Until such ministerial decree is issued, the Member States of the European Union and signatory countries of the Agreement on the European Economic Area that may have tax applied at the above-mentioned rate of 11% are those on the list set out in Finance Ministry Decree of 4 September 1996, as subsequently amended. For the 11% rate of substitute tax to be applied, the non-resident pension funds must promptly make a specific application to the share depositary responsible for deducting the substitute tax, accompanied by the appropriate documentation.

Pursuant to Article 27-*bis* of Presidential Decree 600/1973, approved in implementation of Directive 435/90/EEC of 23 July 1990, and recast in Directive 2011/96/EU of 30 November 2011, if the dividends are received by a company which (a) takes one of the forms stipulated in the attachment to said Directive 2011/96/EU, (b) is resident for tax purposes in one of the Member States of the European Union, but is not considered, within the meaning of a double-taxation agreement with a third country, resident outside the European Union, (c) subject, in its country of residence, to one of the taxes indicated in the attachment to said Directive, and does not benefit from any optional or exemption regimes other than those subject to time-related or geographical limits, and (d) holds a direct stake of no

less than 10% of the Company's share capital, for a continuous period of at least one year, such company is entitled to ask the Italian tax authorities for a refund of the substitute tax applied on the dividends it received. To do this, the non-resident company must produce (i) a certificate, issued by the tax authorities in the foreign country, which states that the non-resident company satisfies the requirements shown in (a), (b) and (c), and (ii) a declaration attesting to the existence of the requirement shown in (d). In addition, as clarified by the Italian tax authorities, on the occurrence of the above-mentioned conditions and, as an alternative, on the submission of a request for a refund after distribution of the dividend, provided that the minimum annual period for holding a stake in the Company has already elapsed at the time said dividend is distributed, the non-resident company may ask the share depositary acting as intermediary not to apply the substitute tax, submitting the same documentation as set out above to the intermediary in question. With regard to non-resident companies that are directly or indirectly controlled by one or more parties that are not resident in Member States of the European Community, the above-mentioned scheme for the refund or non-application of substitute tax may be invoked only on the condition that such companies demonstrate that they were not set up for the sole or primary purpose of the regime in question.

Dividends relating to international bodies or organisations that benefit from the tax exemption in Italy by virtue of legislation or international agreements implemented in Italy are not subject to substitute tax.

13.11.3 Distribution of reserves pursuant to Article 47, paragraph 5 of the TUIR

The information provided in this section summarises the tax regime applicable to the distribution by the Company – other than in the case of a reduction of excess capital, withdrawal, exclusion, redemption or liquidation – of capital reserves pursuant to Article 47, paragraph 5 of the TUIR or, *inter alia*, of reserves or other reserves created from issue share premiums, adjustment interest paid by new share subscribers, non-refundable or capital payments by shareholders, and tax-exempt currency revaluation balances (hereinafter also referred to as “Capital Reserves”).

(a) Natural persons resident in Italy for tax purposes who own holdings that do not relate to business operations

Regardless of the shareholders' resolution, sums received by natural persons who are physically resident in Italy, which represent a distribution of Capital Reserves, constitute profits for the recipients and, insofar as, on the part of the distributing company, operating income and earnings reserves exist (except for the portion allocated to deferred tax reserves). Sums classified as profits are subject, depending on whether or not they are Non-Qualifying Holdings, to the same regime as for dividends as described above. Sums received in the form of distributions of Capital Reserves, net of any amount classifiable as profits, as explained above, reduce the cost of the holding for tax purposes by an equal amount. It follows that, at the time of a subsequent sale, the taxable capital gain is calculated as the difference between the selling price and the cost of the holding for tax purposes, less an amount equal to the sums received in the form of distributions of Capital Reserves (net of any amount classifiable as profits). According to the interpretation of the tax authorities, the portion of sums received in the form of distributions of Capital Reserves that exceeds the tax cost of the holding, constitutes profits, which are subject to tax as described above for dividends. Specific rules could apply to holdings for which the natural person has opted for the "managed savings" regime pursuant to Article 7 of Legislative Decree 461/1997.

(b) Natural persons who own holdings relating to business operations, general partnerships, limited partnerships and similar companies, pursuant to Article 5 of the TUIR; companies and organisations pursuant to Article 73, paragraphs 1(a) and (b) of the TUIR, resident in Italy for tax purposes

Sums received by natural persons who own holdings related to business operations, general partnerships, limited partnerships and similar companies (excluding simple partnerships), pursuant to Article 5 of the TUIR, or by companies and organisations, pursuant to Article 73, paragraphs 1(a) and (b) of the TUIR, resident in Italy for tax purposes, which represent a distribution of Capital Reserves, constitute profits and, vis-à-vis the distribution company, insofar as they exist, operating income and earnings reserves (except for the portion allocated to deferred tax reserves). Sums classifiable as profits are subject to the same tax regime as that described above for dividends.

Sums received in the form of distributions of Capital Reserves, net of any amount classifiable as profits, reduce the cost of the holding for tax purposes by an equal amount. The portion of sums received in the form of distributions of Capital Reserves that exceeds the tax cost of the holding, constitutes capital gains. As such, these are subject to the tax regime explained in the section "Capital gains from the sale of shares" below.

(c) Italian pension funds and UCITS (such as investment funds and SICAVs) other than real estate UCITS

According to a systematic interpretation of the regulations, sums received by Italian pension funds, as specified in Article 17 of Decree 252, which represent distributions of Capital Reserves should be included in the total net operating results for the tax period in which the distribution was made, subject to substitute tax of 20%. Equally, the value of the holdings at the end of the same tax period must be included when calculating the annual operating results of the above-mentioned pension funds. Sums received in the form of distributions of Capital Reserves by UCITS created in Italy (other than real estate UCITS and UCITS resident in Italy, pursuant to Article 73, paragraph 1(c) of the TUIR, which do not meet the requirements of paragraph 5-*quinquies* of said Article) are not subject to any tax.

With effect from the 2015 tax period, a tax credit equal to 9% of the net result achieved will be allocated to the types of supplementary pensions set out in Legislative Decree 252/2005, subject to substitute tax, pursuant to Article 17 of said Decree; this will be applied in each tax period, provided that an amount corresponding to the net result achieved and subject to the above-mentioned substitute tax is invested in medium- or long-term financial assets, as defined by Finance and Economy Ministry decree of 19 June 2015 and published in the Official Gazette on 30 July 2015. The tax credit, which is not included in the net result achieved and which, for the purposes of creating the pension benefits, increases the portion that corresponds to the income that has already been taxed, must be indicated in the annual income tax return relating to each tax period and may be used with effect from the tax period after that in which the above-mentioned investment was made, purely as an offsetting item, pursuant to Article 17 of Legislative Decree 241 of 9 July 1997, within the limits of allocation set out in Article 1, paragraph 94 of Law 190 of 23 December 2014. The limits set out in Article 1, paragraph 53 of Law 244 of December 24, 2007 and Article 34 of Law 388 of 23 December 2000 do not apply to the tax credit.

(d) Parties not resident in Italy for tax purposes which do not own holdings through a permanent establishment in Italy

Sums received in the form of distributions of Capital Reserves by parties not resident in Italy for tax purposes (whether natural persons or limited companies) which do not have a permanent establishment in Italy, to which the holding relates, fall under the same regime as that described for natural persons resident in Italy for tax purposes. In the same way as for natural persons and limited companies resident in Italy for tax purposes, sums received in the form of distributions of Capital Reserves, net of any amount classifiable as profits, reduce the cost of the holding for tax purposes by an equal amount.

(e) Parties not resident in Italy for tax purposes which own holdings through a permanent establishment in Italy

Sums received in the form of distributions of Capital Reserves by non-resident parties which own holdings through a permanent establishment in Italy, to which the holding relates, are subject, by virtue of the permanent establishment, to the same tax regime as that stipulated for companies and organisations pursuant to Article 73, paragraph 1(a) and (b) of the TUIR, resident for tax purposes in Italy, as indicated in the Paragraph above (B(iv)).

With regard to distributions of Capital Reserves arising from a holding that does not relate to a permanent establishment in Italy, owned by a non-resident recipient, please refer to the Paragraph above (B(x)).

13.11.4 Capital gains from sale of shares

(a) Natural persons resident in Italy for tax purposes who own holdings that do not relate to the conduct of business

The tax regime applicable to capital gains other than those obtained in conducting business and which are realised by natural persons having their tax residence in Italy through the sale for consideration of holdings in companies, as well as of securities or rights through which the above-mentioned holdings may be obtained, depends on whether they derive from the sale of Qualifying Holdings or of Non-Qualifying Holdings.

Sale of Non-Qualifying Holdings

Capital gains, less related capital losses, realised on the sale of Non-Qualifying Holdings are subject to substitute tax on capital gains on shares levied at 26% according to one of the following methods of taxation:

- i.e. “*tax return regime*”: the tax return must show the capital gains and capital losses realised during the year. The 26% substitute tax is calculated on the capital gains less related capital losses and is paid within the deadlines provided for the payment of income taxes due on the balance shown on the tax return. Provided they are reported on the annual tax return for the tax period in which they are realised, excess capital losses may be deducted up to the amount of the related capital gains in subsequent tax periods, but not after the fourth such period. The tax return regime is obligatory if the party does not choose either of the two regimes indicated below;
- i.e. “*administered savings regime*”. This regime can be applied, provided that (i) the shares, rights or securities are deposited at resident banks or securities brokers or other resident intermediaries specified by appropriate ministerial decrees and (ii) the shareholder, by signed written communication sent to the intermediary, opts for application of the administered savings regime pursuant to Article 6 of Legislative Decree 461/1997. If the party opts for such regime, substitute tax of 26% is calculated and paid on each realised capital gain at the time of the individual sale by the intermediary holding the shares, rights or securities under custody or administration. Any capital losses in connection with the same relationship may be offset by deducting the amount of capital losses up to the amount of related capital gains realised in subsequent transactions executed in the same or subsequent tax periods, but not after the fourth such period. If the option is revoked or the custodial, administrative or depositary relationship ceases, any capital losses (shown on the appropriate certificate issued by the intermediary) may be deducted – but not after the fourth tax period subsequent to the period in which they were realised – from capital gains realised as part of another relationship under the administered savings regime which is registered

to the same parties as the original relationship or custodial deposit, or may be deducted when the annual tax return is made. Taxpayers who opt for the administered savings regime do not have to declare the above-mentioned capital gains and/or capital losses in their annual tax return;

- i.e. “*managed savings regime*”. The prerequisite for choosing this regime (pursuant to Article 7 of Legislative Decree 461/1997) is the engagement of an authorised intermediary as asset manager. Under this regime, substitute tax at 26% is applied by the intermediary at the end of each tax period on the increase in value of the managed assets accruing during the tax period, even if it is not received, less, *inter alia*, any income subject to withholding tax, exempt or otherwise non-taxable income, income that is included in the taxpayer’s total income and revenues from Italian undertakings for collective investment in transferable securities. Under the managed savings regime, capital gains from Non-Qualifying Holdings are included in the increase in managed assets during the tax period, which is subject to substitute tax at 26%. A loss realised from asset management during a tax period may be deducted from the results of the management in the following four tax periods, up to the entire amount available in each. If the management relationship is terminated, losses accrued from asset management (shown on an appropriate certificate issued by the manager) may be deducted – but not after the fourth tax period subsequent to that in which they accrued – from capital gains realised as part of another relationship to which the administered savings regime is applicable, or used (up to the amount available) for another relationship for which the managed savings regime was chosen, provided that the relationship or custodial deposit concerned is registered to the same parties as those to whom the original relationship or custodial deposit was registered; the losses may also be deducted by the same parties when making their annual tax return in accordance with the same rules applicable to excess capital losses as in the previous point in the sub-section “tax return regime”. Taxpayers who opt for the managed savings regime do not have to declare the capital gains and/or capital losses on their annual tax return.

Legislative Decree 66/2014 stipulates that capital losses, other losses and negative differentials pursuant to Article 67, paragraph 1, *c-bis*) to *c-quater*) of Presidential Decree 917/1986 shall be deducted from capital gains and the various other types of income specified in Article 67, paragraph 1, *c-bis*) to *c-quinquies*) of said decree and realised after 30 June 2014, as follows:

- at a rate of 48.08% if such income was realised up to 31 December 2011;
- at a rate of 76.92% if such income was realised from 1 January 2012 to 30 June 2014.

With regard to the individual portfolio management activities specified in Article 7 of Legislative Decree 461/1997, Legislative Decree 66/2014 stipulates that operating losses achieved as at 31 December 2011 and not offset as at 30 June 2014 may be deducted from the operating results achieved from 1 July 2014 at a rate of 48.08%; and operating losses realised between 1 January 2012 and 30 June 2014 that have not been offset as at 30 June 2014, at a rate of 76.92%.

Sale of Qualifying Holdings

Capital gains, less related capital losses, from the sale of Qualifying Holdings which were accrued other than in the conduct of commercial business by individuals having their tax residence in Italy are partially included in income subject to IRPEF tax and are taxable at a maximum rate of 49.72%.

Capital gains from the sale of Qualifying Holdings are exclusively taxed under the income tax return regime.

Capital losses are deducted from capital gains in the same amount and, if they exceed the capital gains

realised in a specific tax period, can be deducted up to the amount of capital gains realised in subsequent tax periods, but not after the fourth such period, provided they are reported on the annual tax return relating to the tax period in which they are realised.

(b) Natural persons who own holdings pertaining to business operations, general partnerships, limited partnerships and similar companies pursuant to Article 5 of the TUIR, with their tax residence in Italy

Capital gains realised in the conduct of business by natural persons resident for tax purposes in Italy, by general partnerships, limited partnerships and companies treated as such under Article 5 of Presidential Decree 917/1986, excluding non-commercial partnerships, through the sale for consideration of holdings are fully included in taxable business income, which is subject to taxation in Italy under the ordinary regime.

As clarified by the tax authorities, negative income amounts realised from the sale for consideration of holdings by natural persons in the conduct of business, general partnerships, limited partnerships and similar companies pursuant to Article 5 of the TUIR and which are resident in Italy for tax purposes are fully deductible from the seller's taxable income.

However, if the conditions specified in points (a), (b), (c) and (d) of the following paragraph are satisfied, capital gains are included in taxable business income at a rate of 49.72%.

Capital losses realised in relation to holdings that meet the requirements of points (a), (b), (c) and (d) of the following paragraph are partially deductible, in line with the provisions relating to the taxation of capital gains. The capital gains and losses relevant for tax purposes are determined by the tax basis of the holdings sold, less any write-downs made in prior tax periods.

(c) Companies and entities pursuant to Article 73, paragraph 1 (a) and (b) of the TUIR

Capital gains realised by the companies and entities referred to in Article 73, paragraph 1 (a) and (b) of the TUIR, including companies limited by shares, partnerships limited by shares, limited liability companies, cooperatives and mutual insurance companies, as well as European companies pursuant to EC regulation 2157/2001 and European cooperative companies pursuant to EC regulation 1435/2003 which are resident on Italian territory, and public and private entities other than companies, as well as trusts, which are resident in Italy and whose sole or primary object is the carrying out of commercial activity in Italy are fully included in taxable business income in the financial period in which they were realised or, for holdings owned for a period of not less than three years (one year for professional sports companies) or recorded as long-term investments in the last three financial statements, optionally, in equal instalments in that and the subsequent financial years, but not after the fourth such period.

However, pursuant to Article 87 of the TUIR (which sets out the *participation exemption* regime), capital gains realised on shares of companies and entities pursuant to Article 73 of the TUIR are not included in taxable income since 95% of their amount is exempt if the above-mentioned shares meet the following requirements:

- they are held continuously from the first day of the twelfth month preceding that in which the sale took place, with the shares most recently acquired being treated as first sold;
- they are classified as long-term investments in the first balance sheet closed during the period of ownership;
- the investee company's tax residence is in a country or territory stipulated in the Finance and

Economy Ministry Decree issued pursuant to Article 168-*bis* of the TUIR or, alternatively, it can be demonstrated, following the year in which a request for a ruling was made under Article 167, paragraph 5 (b) of the TUIR that, since the start of the period of ownership, the holdings did not achieve the effect of confining income to countries or territories other than those specified in said decree, as indicated in Article 168-*bis* of the TUIR (for this purpose, until said Finance and Economy Ministry Decree is issued, reference should be made to countries and territories which do not have preferential tax regimes);

- the investee company is engaged in a commercial business as defined by Article 55 of the TUIR; this requirement does not, however, apply to holdings in companies whose securities are traded on regulated markets.

The requirements indicated in points (c) and (d) must have been met continuously at the time the capital gains are realised, and at least from the start of the third tax period prior to that. Sales of shares belonging to the category “long-term investments” and the category “current assets” must be treated separately. If the above-mentioned requirements are met, capital losses realised on the sale of holdings are not deductible from business income.

The capital gains and losses relevant for tax purposes are calculated on the basis of the tax cost of the shares sold, less any write-downs made in prior tax periods.

Capital losses and negative differences between the proceeds and costs of shares that do not meet the exemption requirements are not taken into account up to the non-taxable amount of dividends, or interim payments thereof, received in the 36 months preceding their realisation/attainment. This provision: (i) applies to shares acquired in the 36 months preceding realisation/attainment, provided that the conditions indicated in the previous points (c) and (d) are met, but (ii) does not apply to parties that prepare their financial statements in accordance with international accounting standards pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council.

With regard to capital losses and negative differences between income and costs relating to shares deductible from business income, note that pursuant to Article 5-*quinquies*, paragraph 3, of Decree Law 203 of 30 September 2005, as converted with amendments by Law 248 of December 2, 2005, where the amount of such losses and/or negative differences totals more than EUR 50,000 and derives from transactions in shares traded on Italian or foreign regulated markets, including as a result of more than one transaction, must be reported by the taxpayer to the Italian Tax Authority. The details to be reported plus the deadlines and procedural specifics thereof, are contained in the Italian Tax Authority’s Order of 29 March 2007 (published in Official Gazette 86 of 13 April 2007).

Moreover, pursuant to Article 1, paragraph 4 of Decree Law 209 of 24 September 2002, as converted with amendments by Law 265 of 22 November 2002, capital losses and negative differences greater than EUR 5 million and deriving from sales of holdings classified as long-term investments, including as a result of more than one disposal, must be reported by the taxpayer to the Italian Tax Authority. This obligation does not apply to parties that prepare their financial statements in accordance with international accounting standards.

For some types of companies and under certain conditions, capital gains realised by said parties from the sale of shares are also included in the related net production value, which is subject to regional tax on production (IRAP).

(d) Entities pursuant to Article 73, paragraph 1(c) of the TUIR that are resident for tax purposes in Italy

Capital gains realised other than in the conduct of business by non-commercial resident entities, trusts whose sole or primary object is not the carrying out of commercial activities, and collective investment undertakings (other than those pursuant to Article 73, paragraph 5-*quinquies* of the TUIR) which are resident on Italian territory are not subject to taxation under the same rules as those for capital gains realised by natural persons who are resident for tax purposes in Italy on holdings not owned as part of a business.

(e) Italian pension funds and UCITS (other than real estate UCITS)

Capital gains realised on holdings of Italian pension funds pursuant to Legislative Decree 252/2005 are included in the annual operating result and are subject to substitute tax at a rate of 20%. However, capital gains realised on holdings of UCITS created in Italy (other than real estate UCITS and other UCITS resident in Italy as per Paragraph 1(c) of the TUIR which do not meet the requirements set by paragraph 5-*quinquies* of said Article) are not subject to any tax.

With effect from the 2015 tax period, a tax credit equal to 9% of the net result achieved will be allocated to the types of supplementary pensions set out in Legislative Decree 252/2005, subject to substitute tax, pursuant to Article 17 of said Decree; this will be applied in each tax period, provided that an amount corresponding to the net result achieved and subject to the above-mentioned substitute tax is invested in medium- or long-term financial assets, as defined by Finance and Economy Ministry Decree of 19 June 2015 and published in the Official Gazette on 30 July 2015. The tax credit, which is not included in the net result achieved and which, for the purposes of creating pension benefits, increases the portion that corresponds to the income that has already been taxed, must be shown in the annual income tax return for each tax period and may be used with effect from the tax period after that in which the above-mentioned investment was made, purely as an offsetting item, pursuant to Article 17 of Legislative Decree 241 of 9 July 1997, within the limits of allocation set out in Paragraph 94 of Law 190 of 23 December 2014. The limits set out in article 1, paragraph 53 of Law 244 of 24 December 2007 and article 34 of Law 388 of 23 December 2000 do not apply to the tax credit.

(f) Italian real estate collective investment undertakings

Pursuant to Decree Law 351/2001, in its current amended version, capital gains on holdings by Italian real estate collective investment funds established pursuant to Article 37 of the TUF or Article 14-*bis* of Law 86 of 25 January 1994 are not subject to tax vis-à-vis these funds, which are not subject to income tax or regional production tax (IRAP) in Italy. In some cases, income earned by an Italian non-institutional real estate collective investment fund could, in the interests of transparency, be charged to relevant non-institutional investors (and hence be included in their taxable income in Italy) who hold more than 5% of the fund's capital.

Pursuant to Article 9 of Legislative Decree 44 of 4 March 2014, the same regulations apply to investment companies with fixed capital that invest in property, to the extent indicated by the statutory provisions.

(g) Parties not resident in Italy for tax purposes which own holdings through a permanent establishment in Italy

With regard to non-resident parties with holdings in a permanent establishment in Italy, capital gains realised through the sale of the holdings are included in the income of the permanent establishment in accordance with the tax regime for capital gains realised by companies and entities pursuant to Article

73, paragraph 1 (a) and (b) of the TUIR which are resident for tax purposes in Italy, as described in (iii) above. If the holding does not relate to a permanent establishment in Italy of the non-resident party, please refer to the following section.

(h) Parties not resident in Italy for tax purposes which do not own holdings through a permanent establishment in Italy

Non-Qualifying Holdings

Capital gains which are realised by parties not resident for tax purposes in Italy and without a permanent establishment in Italy (through which the holdings are owned) and which derive from the sale for consideration of Non-Qualifying Holdings in Italian companies traded on regulated markets (such as the Company) are not subject to taxation in Italy, even if the holdings are owned there. For shareholders not resident in Italy for tax purposes to whom the administered savings regime applies or who have opted for the managed savings regime pursuant to Articles 6 and 7 of Legislative Decree 461/1997, exemption is subject to the submission of self-certification confirming that they are not resident for tax purposes in Italy.

Qualifying Holdings

Capital gains which are realised by parties not resident for tax purposes in Italy and without a permanent establishment in Italy (through which the holdings are owned) and which derive from the sale for consideration of Qualifying Holdings are included in the recipient's taxable income in Italy according to the same rules as those for natural persons who are resident in Italy and not involved in a business. Such capital gains are taxable only when the annual income tax return is made since they are not subject to either the administered savings regime or the managed savings regime. This is without prejudice, where applicable, to the provisions of more favourable international double-taxation agreements.

13.11.5 Fees for stock exchange contracts

Pursuant to Article 37 of Decree Law 248 of 31 December 2007, converted into law by Law 31 of 28 February 2008, the fee for stock exchange contracts pursuant to Royal Decree 3278 of 30 December 1923 has been abolished.

Following the abolishment of fees for stock exchange contracts, pursuant to prevailing legislation on the Document Date, trades in securities are subject to registration tax as follows: (i) public deeds and authenticated private contracts are subject to registration tax in a fixed amount of EUR 200; (ii) unauthenticated private contracts are subject to registration tax in a fixed amount of EUR 200, but only in the event of use ("*caso d'uso*") or when voluntarily registered.

13.11.6 Financial Transaction Tax

Equity securities and similar

Pursuant to Article 1, paragraph 491 of Law 228 of 24 December 2012 ("**Law 228/2012**"), transfers of ownership of shares issued by companies resident on Italian territory with a market capitalisation of EUR 500 million or higher (including, therefore, the Shares), other share-based financial instruments (issued by companies resident on Italian territory) which are traded or not traded in regulated markets and multilateral trading systems, as well as securities representing the above-mentioned instruments (regardless of the issuer's country of residence) which are traded or not traded in regulated markets and multilateral trading systems, are subject to financial transaction tax. Financial transaction tax does not apply if ownership is transferred by means of inheritance or a gift.

The amount of tax applied is:

- 0.10% of the value of transactions traded in regulated markets or multilateral trading systems (including the purchase of shares, share-based financial instruments and securities representing the above-mentioned securities via a financial intermediary acting between the parties to the transaction buying the above-mentioned instruments in a regulated market or multilateral trading system, provided that the buy and sell trades are for the same price, total quantity and settlement date);
- 0.20% of the value of transactions executed outside regulated markets or multilateral trading systems.

If the shares, share-based financial instruments and securities representing the above-mentioned instruments are transferred pursuant to the settlement of a derivative contract or securitised derivatives (which provides for physical delivery of the share or financial instrument), the percentage to be applied remains 0.20% (whether the trade is executed on or off regulated markets).

The tax is payable by the parties to whom ownership of the shares, share-based instruments and securities representing the above-mentioned instruments, issued by Italian companies, is transferred and regardless of the country in which the trades are executed or the country of residence of the counterparties.

Some exemptions and exclusions with regard to the tax are provided for.

Law 228/2012 contains specific provisions for derivative financial instruments and high-frequency trades.

13.11.7 Inheritance and gift tax

Transfers of holdings or securities due to inheritance on death, gifts or free of charge are generally covered by prevailing Italian tax law on inheritance and gifts. The creation of restrictions on intended use is also subject to tax.

For parties resident in Italy, inheritance and gift tax generally apply to all property and rights transferred, where in existence (apart from a few exceptions). For parties not resident in Italy, inheritance and gift tax apply exclusively to all property and rights in existence on Italian territory. Shares in companies whose registered office, administrative office or principal object is in Italy are always deemed to be in existence on Italian territory.

Inheritance tax

Pursuant to Article 2, paragraph 48 of Decree Law 262 of 3 October 2006 ("**Decree Law 262/2006**"), as converted with amendments by Law 286 of 24 November 2006, transfers of property and rights *causa mortis* are subject to inheritance tax, which is applied to the total net value of the property at the following rates:

- for property and rights transferred to a spouse and lineal relatives, the rate is 4%, with an exemption of EUR 1 million for each beneficiary;
- (ii) for property and rights transferred to other relatives up to the fourth degree of kinship and lineal descendants, as well as to collateral descendants up to the third degree of kinship, the rate is 6% (with an exemption of EUR 100,000 for each beneficiary, for brothers and sisters only);

(iii) for property and rights transferred to other parties, the rate is 8% (with no exemptions).

If the beneficiary has a handicap deemed to be serious within the meaning of Law 104 of 5 February 1992, the inheritance tax applies only to that portion of the share or bequest in excess of EUR 1.5 million.

Gift tax

Pursuant to Article 2, paragraph 49 of Decree Law 262/2006, with regard to gifts and deeds which transfer property and rights free of charge and for the creation of restrictions on the intended use of property, gift tax is determined by applying the following rates to the total value of the property and rights, less charges with which the beneficiary is encumbered, or, if the gift is made to more than one party jointly or if one and the same deed includes multiple acts of disposition in favour of various parties, to the value of the attributable shares of property or rights:

- for gifts or free-of-charge transfers to a spouse or lineal relatives, the rate of gift tax is 4%, with an exemption of EUR 1 million for each beneficiary;
- for gifts or free-of-charge transfers to other relatives up to the fourth degree of kinship and to lineal descendants, as well as to collateral descendants up to the third degree of kinship, the rate of gift tax is 6% (with an exemption of EUR 100,000 for each beneficiary, for brothers and sisters only);
- for gifts or free-of-charge transfers to other parties, the rate of gift tax is 8% (with no exemptions).

If the beneficiary has a handicap deemed to be serious within the meaning of Law 104 of 5 February 1992, the gift tax applies only to that portion of the value in excess of EUR 1.5 million.

13.11.8 Stamp duty on periodic communications to clients about financial products

Article 13, paragraphs 2-*bis* and 2-*ter* of Part I of the Tariff, as attached to Presidential Decree 642 of 26 October 1972, and related notes 3-*bis* and 3-*ter* set out the rules for proportional stamp duty, which is generally applicable (except for some exclusions/exemptions) to periodic communications sent by Italian financial intermediaries to their clients.

With regard to communications about financial products, including shares, Article 13, paragraphs 2-*bis* and 2-*ter*, of Part I of the Tariff, as attached to Presidential Decree 642 of 1972, provides, where applicable, for proportional stamp duty at a rate of 2 ‰ per annum. There is no minimum threshold. For entities that are not natural persons, the maximum amount is EUR 14,000 per annum. Periodic communications to clients are deemed in all cases to be sent at least once a year, and include communications which the Italian financial intermediary is not required to draft or send. In such case, the duty must be applied as at 31 December of each year and, in any event, at the end of the client relationship.

The rate of duty is applied to the market value of the financial instruments or, if no market value is available, to the nominal or redemption value, as specified in the communication to clients. The duty applies to financial instruments held with Italian intermediaries by both resident and non-resident investors.

Communications that are not subject to proportional stamp duty include statements and communications sent by Italian financial intermediaries to entities that are not clients, as defined in the Bank of Italy's resolution of 20 June 2012; these communications are subject to fixed stamp duty of EUR 2 per copy, pursuant to Article 13, paragraph 1 of Part 1 of the Tariff, as attached to Presidential Decree 642 of 26

October 1972. Furthermore, proportional stamp duty does not apply to communications received from pension funds and health funds.

13.11.9 Stamp duty on financial assets held abroad

Natural persons resident in Italy who hold financial products abroad are generally required to pay duty on the products' value (“**Ivafe**”, Italian duty on the value of financial assets held abroad). The duty also applies to capital or equity that is held abroad directly by entities resident in Italy.

The duty, which is calculated on the value of financial products proportionately to the percentage and period of ownership, is applied at a rate of 2%. The value of the financial products is generally calculated at the market value at the end of each calendar year in the place in which said products are held, using the foreign intermediary's documentation as reference. If the products are no longer held at 31 December, the market value of the financial products used is that at the end of the ownership period. The value used for financial products traded on regulated markets is the trading value.

A tax credit equal to the amount of any capital tax paid in the country in which the financial products are held is deducted, up to its total amount, from the amount due. In no circumstances may the credit exceed the tax owed in Italy. No tax credit applies if a double taxation agreement exists with the country in which the financial product is held (also with regard to property tax) which provides for taxation solely in the country of residence of the owner of the asset. In such cases, applications for reimbursement of any property taxes paid in the foreign country can generally be made to the tax authority of the country in which said tax was applied, without prejudice to contractual provisions.

Information about financial products held in foreign countries is given in section RW of the annual income tax return (see Paragraph J).

13.11.10 Fiscal monitoring obligations

Natural persons, non-commercial entities and limited partnerships and similar companies pursuant to Article 5 of the TUIR which are resident in Italy and which, in the tax period, hold investments in foreign countries or foreign financial assets that might generate income that is taxable in Italy must declare this in the annual income tax return. The disclosure obligations also apply to entities referred to in the preceding point which, although they do not directly hold foreign investments and foreign financial assets, are beneficial owners of the investment pursuant to Article 1, paragraph 2(u) and to the technical appendix to Legislative Decree 231 of 21 November 2007.

DOCUMENTS AVAILABLE TO THE PUBLIC

The following documents are available for as long as this Document is valid from YOOX's registered office, at Via Nannetti 1, Zola Predosa (BO), and on the Issuer's website, at www.yooxgroup.com:

- this Document;
- the Issuer's Bylaws;
- the post-Merger bylaws of the Transferee (*Merger Plan, Annex A1*);
- the Merger Report drawn up by the YOOX Board of Directors pursuant to Article 2501-*quinquies* of the Italian Civil Code, Article 125-*ter* of the TUF and Article 70 of the Issuers Regulation, including all related annexes and the Merger Plan with its annexes (represented by the New Bylaws and the post-Merger bylaws, excluding the clause on the Delegation of power, and Largenta Italia's pro-forma balance sheet as at 10 April 2015), the fairness opinion from Mediobanca – Banca di Credito Finanziario S.p.A. and the fairness opinion from Banca IMI S.p.A.
- the report drawn up by the Directors pursuant to Article 125-*ter* of the TUF on the first point on the agenda of the Ordinary Shareholders' Meeting of 21 July 2015;
- the report drawn up by the Directors pursuant to Article 125-*ter* of the TUF and Article 72 of the Issuers Regulation on the second point on the agenda of the Extraordinary Shareholders' Meeting of 21 July 2015;
- the report on the fairness of the exchange ratio pursuant to Articles 2501-*bis* and 2501-*sexies* of the Civil Code, published by Baker Tilly Revisa S.p.A. in its capacity as the Single Joint Expert on 18 June 2015;
- the “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 21 July 2015;
- the set of documents including YOOX's 2014 “*Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of the TUF*”, YOOX's 2014 “*Directors' Report on Operations*”, the 2014 “*YOOX Group Consolidated Financial Statements*” and the “*YOOX S.p.A. Financial Statements*”; and
- the set of documents including YOOX's “*Directors' Interim Report on Operations*” for the first half of 2015 and the “*YOOX Group Condensed Consolidated Interim Financial Statements as at 30 June 2015*”;
- the 2014 Remuneration Report pursuant to Article 123-*ter* of the TUF;
- the minutes of the YOOX Extraordinary Shareholders' Meeting of 21 July 2015;
- the minutes of the YOOX Ordinary Shareholders' Meeting of 21 July 2015;
- the Key Information from the Shareholders' Agreement, drafted and published pursuant to Article 122 of the TUF and Article 130 of the Issuers Regulation;
- the Key Information from the Lock-up Agreement, drafted and published pursuant to Article 122 of the TUF and Article 130 of the Issuer Regulations.

ANNEXES

The following are annexed to this Document:

- the Independent Auditors' Report on the Condensed Consolidated Interim Financial Statements;
- the Independent Auditors' Report on YOOX's Consolidated Financial Statements for the year ended 31 December 2014;
- the Independent Auditors' Report on YOOX's Consolidated Financial Statements for the year ended 31 December 2013; and
- the Independent Auditors' Report on YOOX's Consolidated Financial Statements for the year ended 31 December 2012.



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Relazione di revisione contabile limitata sul bilancio consolidato semestrale abbreviato

Agli Azionisti della
YOOX S.p.A.

Introduzione

Abbiamo svolto la revisione contabile limitata dell'allegato bilancio consolidato semestrale abbreviato, costituito dai prospetti del conto economico, del conto economico complessivo, della situazione patrimoniale-finanziaria e dei movimenti del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative, del Gruppo YOOX al 30 giugno 2015. Gli amministratori sono responsabili per la redazione del bilancio consolidato semestrale abbreviato in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea. E' nostra la responsabilità di esprimere una conclusione sul bilancio consolidato semestrale abbreviato sulla base della revisione contabile limitata svolta.

Portata della revisione contabile limitata

Il nostro lavoro è stato svolto secondo i criteri per la revisione contabile limitata raccomandati dalla Consob con Delibera n. 10867 del 31 luglio 1997. La revisione contabile limitata del bilancio consolidato semestrale abbreviato consiste nell'effettuare colloqui, prevalentemente con il personale della società responsabile degli aspetti finanziari e contabili, analisi di bilancio ed altre procedure di revisione contabile limitata. La portata di una revisione contabile limitata è sostanzialmente inferiore rispetto a quella di una revisione contabile completa svolta in conformità ai principi di revisione internazionali (ISA Italia) e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti significativi che potrebbero essere identificati con lo svolgimento di una revisione contabile completa. Pertanto, non esprimiamo un giudizio sul bilancio consolidato semestrale abbreviato.

Conclusioni

Sulla base della revisione contabile limitata svolta, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il bilancio consolidato semestrale abbreviato del Gruppo YOOX al 30 giugno 2015 non sia stato redatto, in tutti gli aspetti significativi, in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea.

Bologna, 31 luglio 2015

KPMG S.p.A.


Gianluca Geminiani
Socio

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Relazione della società di revisione ai sensi degli artt. 14 e 16 del D.Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della
YOOX S.p.A.

- 1 Abbiamo svolto la revisione contabile del bilancio consolidato, costituito dal conto economico, dal conto economico complessivo, dalla situazione patrimoniale-finanziaria, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative, del Gruppo YOOX chiuso al 31 dicembre 2014. La responsabilità della redazione del bilancio in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05, compete agli amministratori della YOOX S.p.A.. E' nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile.
- 2 Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla Consob. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio consolidato sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

Per il giudizio relativo al bilancio consolidato dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione da noi emessa in data 14 marzo 2014.
- 3 A nostro giudizio, il bilancio consolidato del Gruppo YOOX al 31 dicembre 2014 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico ed i flussi di cassa del Gruppo YOOX per l'esercizio chiuso a tale data.
- 4 La responsabilità della redazione della relazione sulla gestione e della relazione sul governo societario e gli assetti proprietari in conformità a quanto previsto dalle norme di legge e dai regolamenti compete agli amministratori della YOOX S.p.A.. E' di nostra competenza l'espressione del giudizio sulla coerenza della relazione sulla gestione e delle informazioni di cui al comma 1, lettere c), d), f), l), m) e al comma 2, lettera b), dell'art. 123-bis del D.Lgs. 58/98, presentate nella relazione sul governo societario e gli assetti

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proprietari, con il bilancio, come richiesto dalla legge. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione n. 001 emanato dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandato dalla Consob. A nostro giudizio la relazione sulla gestione e le informazioni di cui al comma 1, lettere c), d), f), l), m) e al comma 2, lettera b), dell'art. 123-bis del D.Lgs. 58/98 presentate nella relazione sul governo societario e gli assetti proprietari sono coerenti con il bilancio consolidato del Gruppo YOOX al 31 dicembre 2014.

Bologna, 18 marzo 2015

KPMG S.p.A.

Massimo Tamburini
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Relazione della società di revisione ai sensi degli artt. 14 e 16 del D.Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della
YOOX S.p.A.

- 1 Abbiamo svolto la revisione contabile del bilancio consolidato, costituito dal conto economico, dal conto economico complessivo, dalla situazione patrimoniale-finanziaria, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative, del Gruppo YOOX chiuso al 31 dicembre 2013. La responsabilità della redazione del bilancio in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05, compete agli amministratori della YOOX S.p.A.. E' nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile.
- 2 Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla Consob. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio consolidato sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

Per il giudizio relativo al bilancio consolidato dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione da noi emessa in data 13 marzo 2013.
- 3 A nostro giudizio, il bilancio consolidato del Gruppo YOOX al 31 dicembre 2013 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico ed i flussi di cassa del Gruppo YOOX per l'esercizio chiuso a tale data.
- 4 La responsabilità della redazione della relazione sulla gestione e della relazione sul governo societario e gli assetti proprietari in conformità a quanto previsto dalle norme di legge e dai regolamenti compete agli amministratori della YOOX S.p.A.. E' di nostra competenza l'espressione del giudizio sulla coerenza della relazione sulla gestione e delle informazioni di cui al comma 1, lettere c), d), f), l), m) e al comma 2, lettera b), dell'art. 123-bis del D.Lgs. 58/98, presentate nella relazione sul governo societario e gli assetti

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proprietari, con il bilancio, come richiesto dalla legge. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione n. 001 emanato dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandato dalla Consob. A nostro giudizio la relazione sulla gestione e le informazioni di cui al comma 1, lettere c), d), f), l), m) e al comma 2, lettera b), dell'art. 123-bis del D.Lgs. 58/98 presentate nella relazione sul governo societario e gli assetti proprietari sono coerenti con il bilancio consolidato del Gruppo YOOX al 31 dicembre 2013.

Bologna, 14 marzo 2014

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Revisione e organizzazione contabile
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Relazione della società di revisione ai sensi degli artt. 14 e 16 del D.Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della
YOOX S.p.A.

- 1 Abbiamo svolto la revisione contabile del bilancio consolidato, costituito dal conto economico, dal conto economico complessivo, dalla situazione patrimoniale-finanziaria, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative, del Gruppo YOOX chiuso al 31 dicembre 2012. La responsabilità della redazione del bilancio in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05, compete agli amministratori della YOOX S.p.A.. E' nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile.
- 2 Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla Consob. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio consolidato sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

Per il giudizio relativo al bilancio consolidato dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione da noi emessa in data 13 marzo 2012.
- 3 A nostro giudizio, il bilancio consolidato del Gruppo YOOX al 31 dicembre 2012 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/05; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico ed i flussi di cassa del Gruppo YOOX per l'esercizio chiuso a tale data.
- 4 La responsabilità della redazione della relazione sulla gestione e della relazione sul governo societario e gli assetti proprietari in conformità a quanto previsto dalle norme di legge e dai regolamenti compete agli amministratori della YOOX S.p.A.. E' di nostra competenza l'espressione del giudizio sulla coerenza della relazione sulla gestione e delle informazioni di cui al comma 1, lettere c), d), f), l), m) e al comma 2, lettera b), dell'art. 123-bis del D.Lgs. 58/98, presentate nella relazione sul governo societario e gli assetti

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Cooperative ("KPMG International"), entità di diritto svizzero.

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Catania Como Firenze Genova
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proprietari, con il bilancio, come richiesto dalla legge. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione n. 001 emanato dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandato dalla Consob. A nostro giudizio la relazione sulla gestione e le informazioni di cui al comma 1, lettere c), d), f), l), m) e al comma 2, lettera b), dell'art. 123-bis del D.Lgs. 58/98 presentate nella relazione sul governo societario e gli assetti proprietari sono coerenti con il bilancio consolidato del Gruppo YOOX al 31 dicembre 2012.

Bologna, 13 marzo 2013

KPMG S.p.A.



Gianluca Geminiani
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