YOOX
NET-A-PORTER
GROUP

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2016

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GROUP

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YOOX NET-A-PORTER GROUP

Management and control bodies

BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER	FEDERICO MARCHETTI[1]
CHAIRMAN	RAFFAELLO NAPOLEONE[2]
DIRECTORS	STEFANO VALERIO[3 4]
	ROBERT KUNZE-CONCEWITZ[3 5 6]
	CATHERINE GÉRARDIN VAUTRIN[2 3 5]
	LAURA ZONI[4]
	ALESSANDRO FOTI[2 4 5]
	RICHARD LEPEU[7 4]
	GARY SAAGE[7]
	EVA CHEN[8]
	VITTORIO RADICE[8]

BOARD OF STATUTORY AUDITORS

STANDING AUDITORS	MARCO MARIA FUMAGALLI – Chairman
	GIOVANNI NACCARATO
	PATRIZIA ARIENTI
DEPUTY AUDITORS	ANDREA BONECHI
	NICOLETTA MARIA COLOMBO

INDEPENDENT AUDITOR

	KPMG S.p.A.

SUPERVISORY BODY

	ROSSELLA SCIOLTI – Chairwoman
	MATTEO JAMES MORONI[9]
	ISABELLA PEDRONI

DIRECTOR RESPONSIBLE FOR PREPARING THE FINANCIAL STATEMENTS

	ENRICO CAVATORTA

HEAD OF INTERNAL AUDIT

	MATTEO JAMES MORONI[9]

1 Executive Director in charge of the internal control and risk management system.
2 Member of the Control and Risk Committee.
3 Member of the Compensation Committee.
4 Member of the Directors' Appointments Committee.
5 Member of the Related-Party Transactions Committee
6 Lead Independent Director
7 Richard Lepeu and Gary Saage were appointed by the Shareholders' Meeting on 21 July 2015 with effect from the date of effect of the Merger (exchanged on 5 October 2015). Richard Lepeu was appointed member of the Directors' Appointments Committee by the Board of Directors on 11 November 2015.
8 Eva Chen and Vittorio Radice were appointed by the Shareholders' Meeting on 16 December 2015.
9 On 9 March 2016, the Board of Directors appointed Mr Matteo James Moroni as Head of the Internal Audit Department and internal member of the Supervisory Body. the Supervisory Body.

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DIRECTORS' INTERIM REPORT

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DIRECTOR'S REPORT

INTRODUCTION

During the course of 2016 the Groups' sales continued to grow, in all major benchmark markets and in all business lines in which it operates. The number of active customers, the number of unique visitors and the number of orders also all increased.

MULTI-BRAND IN-SEASON BUSINESS LINE

The Multi-brand in-season business of the Group involves four online stores:

- NET-A-PORTER.COM founded in June 2000, established itself as a leading global online destination in editorial content and luxury e-commerce. As an innovation pioneer, NET-A-PORTER.COM is recognised for its unparalleled editorial content and for a unique selection of fashion and beauty brands.

- MR PORTER.COM founded in February 2011, established itself as a global leader in male fashion, combining a unique product offer including the best men's brands of clothing, accessories, watches and beauty articles.

- THECORNER.COM founded in 2008, is a luxury online boutique dedicated to a unique and distinctive style, presenting an eclectic and selected assortment of the most prestigious brands of avant-garde stylists from all over the world, for men and women, through dedicated mini-stores.

- SHOESCRIBE.COM founded in 2012, is the online destination for women, fully dedicated to the world of footwear: a wide-ranging assortment, selected with attention to detail, ranging from top designers to sought-after brands, enriched by unique editorial content and exclusive services.

MULTI-BRAND END-OF-SEASON BUSINESS LINE

The Multi-brand end-of-season business of the Group involves two online stores:

- YOOX.COM, founded in 2000, is the global lifestyle leader online store of fashion, design and art. yoox.com offers an infinite selection of products, including an ample choice of clothing and hard-to-find accessories from major global designers, exclusive collection capsules, eco-friendly fashion offers, a unique assortment of design objects, original books and a desirable collection of attractive works of art.

- THE OUTNET.COM, founded in 2009, is the fashion outlet for style experts looking for products of the best designers at attractive prices.

ONLINE FLAGSHIP STORES BUSINESS LINE

YOOX NET-A-PORTER GROUP is also the strategic e-commerce partner of luxury fashion leader brands, through which the Group projects and manages the ONLINE FLAGSHIP STORES. Thanks to 15 years of experience in luxury e-commerce at an international level, YOOX NET-A-PORTER GROUP offers complete solutions to its partner brands. These solutions include the study and implementation of a creative concept, highly innovative design interface, a global technological and logistic platform, research and development, excellent customer care, international web marketing activity and strategic consulting in e-commerce activities.
The Group is also a partner of Kering (formerly PPR Group) with whom it set up a joint venture dedicated to the management of the ONLINE FLAGSHIP STORES of the various luxury brands of the French Group.

At 30 June 2016, the following ONLINE FLAGSHIP STORES were active. Specifically:

- marni.com, of the Marni brand operational since September 2006, active mainly in Europe, the US and Japan and operational in China since March 2011;
- emporioarmani.com, of the Emporio Armani brand, operational in the US since August 2007; its operations were expanded mainly to major markets in Europe in June 2008, to Japan in July 2009 and China in November 2010;
- diesel.com, of the Diesel, Diesel Black Gold and 55 DSL brands, operational mainly in Europe since November 2007, and in Japan since February 2011;
- stoneisland.com, of the Stone Island brand, operational since March 2008 mostly in the main European markets, the US and Japan;
- valentino.com, of the Valentino brand, operational since April 2008 in the US, since March 2009 in the main European markets and Japan and since November 2014 in China;
- emiliopucci.com, of the Emilio Pucci brand, operational since November 2008, mostly in the main European markets, the US and Japan;
- moschino.com, of the Moschino, Love Moschino and MoschinoCheapAndChic brands, active since February 2009 mainly in Europe, the US and Japan;
- dsquared2.com, of the Dsquared2 brand, operational since September 2009, mainly in Europe, the US, Japan and China;
- jilsander.com, of the Jil Sander and Jil Sander Navy brands, operational since September 2009 mainly in Europe, the US and Japan; the store expanded to include the Jil Sander Navy brand in January 2011;
- justcavalli.com, of the Just Cavalli brand, operational since February 2011 mainly in Europe, the US and Japan;
- napapijri.com, of the Napapijri brand, operational since March 2010, mainly in Europe and the US;
- albertaferretti.com, of the Alberta Ferretti and Philosophy by Alberta Ferretti brands, operational since March 2010 mainly in Europe, the US and Japan;
- maisonmargiela.com, of the Maison Margiela brand, operational since October 2010, mainly in Europe, the US and Japan;
- zegna.com, of the Ermenegildo Zegna, Zegna Sport and Z Zegna brands, operational since December 2010, mainly in Europe, the US and Japan; the extension to the Z Zegna brand took place in September 2011;
- brunellocucinelli.com, of the Brunello Cucinelli brand, operational since March 2011, mainly in Europe, the US, Japan and extended to China in April 2014;
- bikkembergs.com, of the Dirk Bikkembergs Sport Couture and Bikkembergs brands, operational since June 2011, mainly in Europe, the US and Japan;
- dolcegabbana.com, of the Dolce & Gabbana brand, operational since July 2011 in Europe, the US and Japan and, since August 2011 in China;
- moncler.com, of the Moncler brand, operational since September 2011 mainly in Europe, the US and China and since September 2014 in Japan;
- armani.com, of the Giorgio Armani, Armani Collezioni, Armani Junior, EA7, Emporio Armani and Armani Jeans brands, operational since October 2011 mainly in Europe, the US, Japan and China;

- trussardi.com, of the Trussardi 1911 brand operational since December 2011 mainly in Europe, the US and Japan; in October 2012 it was also extended to the Tru Trussardi and Trussardi Jeans brands;
- barbarabui.com, of the Barbara Bui brand, operational since February 2012, mainly in Europe, the US and Japan;
- pomellato.com, of the Pomellato brand, operational since May 2012 mainly in Europe, the US and Japan;
- alexanderwang.com, of the Alexander Wang and T by Alexander Wang brands, operational since May 2012 in Asia-Pacific area countries including China, Hong Kong and Japan and in Europe, and since July 2014 in the US;
- missoni.com, of the Missoni brand, operational since March 2013 mainly in Europe, North America and Japan;
- dodo.it, of the Dodo brand, operational since March 2013 mainly in Europe, North America and since the end of 2014 in Japan;
- kartell.com, of the Kartell brand operational since May 2014 in Europe;
- redvalentino.com, of the Red Valentino brand, operational since November 2014, mainly in the US, Europe and Japan and, since July 2015, it has extended to the Chinese market;
- lanvin.com, of the Lanvin brand, active since February 2015 in Europe, United States and the main countries of the Asia-Pacific region, later extended to the Chinese market in March 2015;
- karl.com of the Karl Lagerfeld branch, active since October 2015 in Europe, the US and Japan;
- dunhill.com, of the Alfred Dunhill brand, active since February 2016 mainly in Europe, the US and the countries of the Asia-Pacific region;
- chloe.com, of the Chloé brand, active since June 2016 mainly in Europe, the US, and the countries of the Asia-Pacific region;
- sergiorossi.com, of the Sergio Rossi brand, active since September 2012 in the main European markets, the US, Japan and extended to the Chinese market in June 2014;
- bottegaveneta.com, of the Bottega Veneta brand, managed by the joint venture between Kering and YOOX NET-A-PORTER GROUP and launched at the end of 2012 in several European markets, the US and Japan;
- stellamccartney.com, of the Stella McCartney brand, managed by the joint venture between Kering and YOOX NET-A-PORTER GROUP and started at the end of 2012 in Europe, the US and Japan and extended to the Chinese market in January 2014;
- alexandermcqueen.com, of the Alexander McQueen brand, managed by the joint venture between Kering and YOOX NET-A-PORTER GROUP and active since May 2013, mainly in Europe, the US and Japan and extended to the Chinese market in January 2014;
- balenciaga.com, of the Balenciaga brand, managed by the joint venture between Kering and YOOX NET-A-PORTER GROUP and active since May 2013, mainly in Europe, the US and Japan and extended to the Chinese market in May 2014;
- ysl.com, of the Saint Laurent brand, managed by the joint venture between Kering and YOOX NET-A-PORTER GROUP and operational since June 2013 mainly in Europe, the US and Japan;
- brioni.com, of the Brioni brand, managed by the joint venture between Kering and YOOX NET-A-PORTER GROUP and active since November 2013, mainly in Europe, the US and Japan and extended to the Chinese market in February 2015;

- mcq.com, the Alexander McQueen contemporary line, managed by the joint venture between Kering and YOOX NET-A-PORTER GROUP and active since April 2015 mainly in Europe, the US and the main countries of the Asia-Pacific region.

REVENUES AND PROFITABILITY

METHODOLOGY NOTE AND COMPARATIVE ANALYSIS OF INFORMATION WITH RESPECT TO THE PREVIOUS YEAR

This Directors' Report contains information relating to the revenues, profitability and financial position of the YOOX NET-A-PORTER Group as at 30 June 2016.

The comparative analysis of economic data as at 30 June 2016 with respect to that of the same period of the previous year substantially reflects the union between the YOOX GROUP and THE NET-A-PORTER GROUP finalised on 5 October 2015, which shows a relevant impact on all positions of the income statement.

To facilitate the comparative analysis, this Directors' Report contains information regarding earnings, profits and certain business indicators of the YOOX NET-A-PORTER GROUP at 30 June 2016, compared with the corresponding pro-forma data as at 30 June 2015.

The pro-forma data at 30 June 2015 was prepared combining historical data of the YOOX GROUP and THE NET-A-PORTER Group, and then performing corrections in order to simulate - according to valuation criteria consistent with the historical data, and, as appropriate, with the norm of reference represented by the International Financial Reporting Standards ("IFRS") adopted by the European Union - the economic effects of the merger on the economic performance of YOOX NET-A-PORTER GROUP as if this operation virtually took place at the beginning of 2015 (1 January). The pro-forma data as at 30 June 2015 is the same as the data contained in the Information Document regarding the merger by incorporation of Largenta Italia S.p.A. into YOOX S.p.A., published on 3 October 2015.

For more information on the predisposition criteria of the pro-forma data of the YOOX NET-A-PORTER GROUP as at 30 June 2015, please refer to the Annual Report as at 31 December 2015.

It should also be noted that possible differences that may be found in some tables are due to rounding off amounts expressed in thousands of Euro. The Parent Company YOOX NET-A-PORTER GROUP S.p.A. is referred to by its full name or simply as the Company; the Group reporting directly to it appears as YOOX NET-A-PORTER GROUP or simply as the Group; when notes refer to subsidiaries, full company names are used.
All subsidiaries of YOOX NET-A-PORTER GROUP S.p.A. operate in the Group's business sector, or in any event, perform activities that are consistent with those of the Group.

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

ACCOUNTING POLICIES

The Consolidated Interim Financial Statements as at 30 June 2016 have been compiled in accordance with article 154-*ter*, paragraph 5 of Legislative Decree 58/98 – T.U.F. – and later as amended and supplemented, and in compliance with article 2.2.3 of the Stock Exchange Regulations.

The accounting standards, consolidation standards and evaluation criteria used in preparing the Consolidated Interim Financial Statements are consistent and comply with the standards used to draw up the Annual Report at 31 December 2015, which is available on the website www.ynap.com in the "Investor Relations" section.

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

YOOX
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RECLASSIFIED PRO-FORMA CONSOLIDATED INCOME STATEMENT

The income statements for the Group, presented in the following pages of the current Directors' Report, have been reclassified in a way deemed by management to be useful for reporting interim indicators of profitability such as gross profit, EBITDA Pre Corporate Costs, EBITDA, EBITDA without incentive plans operating profit and net profit without incentive plans. Some of the above interim profitability indicators are not recognised as accounting measures under the IFRS endorsed by the European Union and their calculation may not be standard. Group management uses these indicators to monitor and measure the Group's performance. Management believes that these indicators are an important measure of operating performance in that they are not affected by the various criteria used to calculate taxes, the amount and characteristics of invested capital and the related amortisation and depreciation methods. The criterion used by the Group to calculate these indicators might not be consistent with that adopted by other groups or companies, and accordingly, the resulting figures may not be comparable.

Reclassified consolidated income statement for the first half of 2016 compared with the pro-forma reclassified consolidated income statement for the first half of 2015:

THOUSANDS OF EUROS	30 JUNE 2016	30 JUNE 2015	CHANGE	
CONSOLIDATED NET REVENUES	897,038	791,787	105,251	**13.3%**
FULFILMENT COSTS	(542,154)	(478,178)	(63,975)	13.4%
GROSS PROFIT[10]	**354,884**	**313,609**	**41,276**	**13.2%**
% of consolidated net revenues	39.6%	39.6%		
FULFILMENT COSTS	(88,501)	(78,938)	(9,563)	12.1%
SALES AND MARKETING COSTS	(106,037)	(92,233)	(13,803)	15.0%
EBITDA PRE CORPORATE COSTS[11]	**160,347**	**142,437**	**17,909**	**12.6%**
% of consolidated net revenues	17.9%	18.0%		
GENERAL EXPENSES	(81,035)	(73,520)	(7,515)	10.2%
INCENTIVE PLANS	(5,914)	(6,242)	328	-5.2%
OTHER INCOME AND EXPENSES	(2,795)	(2,488)	(307)	12.4%
EBITDA[12]	**70,603**	**60,188**	**10,415**	**17.3%**
% of consolidated net revenues	7.9%	7.6%		
DEPRECIATION AND AMORTISATION	(41,621)	(27,707)	(13,914)	50.2%
NON-RECURRING EXPENSES	0	0		
OPERATING PROFIT	**28,982**	**32,482**	**(3,500)**	**-10.8%**
% of consolidated net revenues	3.2%	4.1%		
RESULT OF EQUITY INVESTMENTS	239	94	146	>100%
FINANCIAL INCOME	12,929	9,857	3,072	31.2%
FINANCIAL EXPENSES	(13,952)	(7,542)	(6,409)	85.0%
PROFIT BEFORE TAX	**28,198**	**34,890**	**(6,692)**	**-19.2%**
% of consolidated net revenues	3.1%	4.4%		
TAXES	(9,363)	(8,482)	(881)	10.4%
CONSOLIDATED NET INCOME FOR THE YEAR	**18,835**	**26,407**	**(7,573)**	**-28.7%**
% of consolidated net revenues	2.1%	3.3%		
EBITDA EXCLUDING INCENTIVE PLAN COSTS[13]	**76,517**	**66,430**	**10,087**	**15.2%**
% of consolidated net revenues	8.5%	8.4%		
CONSOLIDATED NET INCOME EXCLUDING INCENTIVE PLANS AND PPA[14]	**37,027**	**32,129**	**4,898**	**15.2%**
% of consolidated net revenues	4.1%	4.1%		

[10] Gross profit is net income before fulfilment costs, sales and marketing costs, general 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 Gross Profit is not recognised as

In the first half of 2016 YOOX NET-A-PORTER GROUP recorded consolidated net revenues, excluding sales returns and discounts to customers, equal to Euro 897,038 thousand, an increase of 13.3% compared with the figure of Euro 791,787 thousand as at 30 June 2015.
EBITDA came in at Euro 70,603 thousand as at 30 June 2016, compared with Euro 60,188 thousand as at 30 June 2015. EBITDA as a percentage of net revenues was 7.9%, versus 7.6% for the first half of 2015: this performance reflects a gross profit and fulfilment costs that are broadly in line in the two reference periods, and operating leverage on general expenses, which more than offset the greater incidence of sales & marketing costs. Excluding the notional charges relating to the incentive plans, equal to Euro 5,914 thousand, EBITDA stood at Euro 76,517 thousand (+15.2% compared with the same period in 2015), with a margin on sales of 8.5% compared with 8.4% in the previous year.
Consolidated net income amounted to Euro 18,835 thousand, compared with Euro 26,407 thousand as at 30 June 2015, with the margin falling from 3.3% to 2.1% in the first half of 2016. This performance was affected by higher depreciation and amortisation, of which Euro 17,267 thousand related to intangible assets recognised following the definition of the Purchase Price Allocation, which rose from Euro 27,707 thousand in the first half of 2015 to Euro 41,621 thousand in the first half of 2016, and the net effect of financial management, which showed higher financial charges in the amount of 3,317 thousand compared with the same period of the previous year. Excluding the notional charges relating to the incentive plans, the related tax effect and the amortisation of intangible assets recognised following the Purchase Price Allocation process, net income excluding incentive plans and PPA was Euro 37,027 thousand, compared with Euro 32,129 thousand in the first half of 2015.

The table below shows several key indicators[15] relating to the Group's activities, compared with the related pro-forma indicators of the first half of 2015.

	30 JUNE 2016	30 JUNE 2015
NUMBER OF UNIQUE MONTHLY VISITORS[16] (MILLIONS)	28.0	26.1[17]
NUMBER OF ORDERS (THOUSANDS)	3,945	3,324
AOV[18] (EURO)	335	354
NUMBER OF ACTIVE CUSTOMERS[19] (THOUSANDS)	2,600	2,307

an accounting measure under 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, and accordingly, the resulting figure may not be comparable.

11 EBITDA Pre Corporate Costs is defined as profit before general 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 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, and accordingly, the resulting figure may not be comparable.

12 EBITDA is net income 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 the IFRS endorsed by the European Union, its calculation might not be standard. Group management uses EBITDA to monitor and measure the Group's performance. Management believes that EBITDA is an important measure of operating performance in that it is not affected by the various criteria used to calculate taxes, the amount and characteristics of invested capital and the related amortisation and depreciation methods. The criterion used by the Group to calculate EBITDA might not be consistent with that adopted by other groups, and accordingly, the resulting figure may not be comparable with those calculated by such groups.

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

14 Net income excluding Incentive Plans and PPA is defined as consolidated net income for the period before non-cash costs relating to the Stock Option Plans and Company Incentive Plans and before the amortisation of intangible assets recognised following the Purchase Price Allocation Process.

15 The business metrics refer to proprietary Multi-brand online stores, NET-A-PORTER.COM, MR PORTER.COM, THECORNER.COM, SHOESCRIBE.COM, YOOX.COM, THE OUTNET.COM and online flagship store "Powered by YOOX NET-A-PORTER GROUP". The business metrics related to the joint venture with Kering and the jimmychoo.com online store are excluded.

16 Monthly unique visitor is defined as a visitor who opened at least one browser session to visit the online store over the month. The figure reported is calculated as the average of monthly unique visitors in the period concerned. Source: Adobe Analytics for NET-A-PORTER.COM, MR PORTER.COM and THE OUTNET.COM; SiteCatalyst and Google Analytics for YOOX.COM in the first six months of 2015; Google Analytics for YOOX.com in the first six months of 2016, THECORNER.COM, SHOESCRIBE.COM and the Online Flagship Stores "Powered by YOOX NET-A-PORTER GROUP".

17 The number of unique monthly visitors in the first half of 2015 was amended, following the change in the source used for YOOX.COM from November 2015. Specifically, unique monthly visitor numbers for both periods are provided by Google Analytics, rather than by Google Analytics for visitors via the website and SiteCatalyst for visitors via mobile devices as happened previously.

18 Average Order Value or AOV, excluding VAT indicates the average value of each purchase order.

19 An Active Customer is defined as a customer who placed at least one order during the 12 preceding months.

In the first half of 2016 the Group recorded an average of 28.0 million Monthly Unique Visitors compared with 26.5 million in the previous year. The number of orders stood at 3,945 thousand, equal to one order processed every 4 seconds, compared with 3,324 thousand in the first half of 2015.
The average order value (AOV) stood at Euro 335 (excluding VAT) compared with Euro 354 (excluding VAT) in the same period of the previous year.
The number of active customers increased from 2,307 thousand in the first half of 2015 to 2,600 thousand in the first half of 2016.

ANALYSIS OF NET REVENUES BY BUSINESS LINE

Below are the Group's net revenues per business line, compared with the pro-forma net revenues of the first half of 2015:

THOUSANDS OF EUROS	30 JUNE 2016		30 JUNE 2015		CHANGE	
MULTI-BRAND IN-SEASON	490,070	54.6%	443,401	56.0%	46,669	10.5%
MULTI-BRAND END OF SEASON	318,252	35.5%	268,297	33.9%	49,956	18.6%
ONLINE FLAGSHIP STORES	88,716	9.9%	80,089	10.1%	8,626	10.8%
TOTAL YOOX NET-A-PORTER-GROUP	897,038	100.0%	791,787	100.0%	105,251	13.3%

In the first half of 2016, the Group's consolidated net revenues, net of returns from sales and discounts given to customers, were Euro 897,038 thousand, an increase of 13.3% over the figure of Euro 791,787 thousand for the first half of 2015, with a contribution from all business lines.

Multi-brand In-Season

The Multi-brand In-Season business line, which includes the activities of NET-A-PORTER, MR PORTER.COM, THECORNER.COM and SHOESCRIBE.COM online stores, recorded consolidated net revenues of Euro 490,070 thousand, a 10.5% increase compared with the Euro 443,401 thousand for the first half of 2015. This result was achieved despite the slowdown in growth recorded by THECORNER.COM and SHOESCRIBE.COM, due to the cut in marketing investment before the websites are closed in the third quarter.
The In-Season business line embarked on important partnerships with new prestigious brands: specifically PRADA made its début on NET-A-PORTER and MR PORTER in July 2016, NET-A-PORTER launched Tiffany & Co. in April 2016 and will welcome Moncler from August 2016, while MR PORTER saw the introduction of Ermenegildo Zegna in July 2016.
In addition, numerous new exclusive capsule collections were launched on NET-A-PORTER, including GUCCI for NET-A-PORTER - the limited edition designed for NET-A-PORTER in May 2016 - Dolce & Gabbana Portofino, Chloé Sun and Oscar de la Renta Caftan, all launched in the second quarter. MR PORTER also hosted numerous exclusive capsule collections, including Aspesi and Moncler Gamme Bleu.
Overall, at 30 June 2016, the Multi-Brand In-Season business line accounted for 54.6% of the Group's consolidated net revenues.'

Multi-brand End-of-Season

The Multi-brand end-of-season business line, including the activity of online stores YOOX.COM and THE OUTNET.COM, recorded net revenues of Euro 318,252 thousand, an increase of 18.6% compared with Euro 268,297 thousand in the same period of the previous year. This performance was achieved thanks to the excellent results of both online stores.
In June 2016, on the occasion of the 2016 UEFA European Championship, YOOX launched the second edition of the #YOOXSOCCERCOUTURE project, which reunited 10 exceptional designers, including Marni, Paul Smith and Dries Van Noten, to create a limited edition capsule collection "Made in Italy" exclusively for YOOX.
In addition, Golden Goose and the bags of Proenza Schouler made their début on THE OUTNET, in line with the strategy of the Brand aimed strengthening its range through activewear and a broader selection of footwear and bags.""
Overall, as at 30 June 2016, the Multi-brand End-of-Season accounted for 35.5% of the Group's consolidated net revenues.

Online Flagship Stores

The Online Flagship Stores business line includes the design, creation, set-up and management of the Online Flagship Stores of some of the leading global luxury fashion brands.
As at 30 June 2016, it registered net revenues of Euro 88,716 thousand, an increase of 10.8% versus Euro 80,089 thousand in the first half of 2015.

On 23 June 2016, the new Chloé online store was launched in Europe, the United States and Asia-Pacific, including China. Overall, as at 30 June 2016, the Mono-brand business accounted for 10.5% of the Group's consolidated net revenues.

CONSOLIDATED NET REVENUES BY GEOGRAPHICAL AREA

Below are the consolidated net revenues by geographical area as at 30 June 2016, compared with the consolidated pro-forma net revenues as at 30 June 2015:

THOUSANDS OF EUROS	30 JUNE 2016		30 JUNE 2015		CHANGE	
ITALY	57,470	6.4%	48,311	6.1%	9,159	19.0%
UNITED KINGDOM	135,245	15.1%	124,578	15.7%	10,667	8.6%
EUROPE (EXCLUDING ITALY AND THE UNITED KINGDOM)	238,410	26.6%	208,631	26.3%	29,779	14.3%
NORTH AMERICA	268,126	29.9%	238,432	30.1%	29,694	12.5%
ASIA-PACIFIC	137,420	15.3%	118,434	15.0%	18,985	16.0%
OTHER COUNTRIES AND REVENUE NOT-COUNTRY RELATED[20]	60,368	6.7%	53,400	6.7%	6,967	13.0%
TOTAL YOOX NET-A-PORTER-GROUP	**897,038**	**100%**	**791,787**	**100%**	**105,251**	**13.3%**

YOOX NET-A-POTER GROUP posted a sharp improvement in results in all main reference markets during the period.

Italy recorded net revenues of Euro 57,470 thousand, an increase of 19.0% versus Euro 48,311 thousand in the first half of 2015.

The results for the UK also registered growth, with revenues increasing by 8.6% to Euro 135,245 thousand in the first half of 2016, despite the slowdown recorded in the last two weeks of June, following the referendum that sanctioned the UK's withdrawal from the European Union.

Europe's performance (excluding Italy and the United Kingdom) was also positive, with an increase of 14.3% in the first half of 2016, thanks to sound organic growth in all major countries contributing to the Group's sales in the area - France, Germany, Spain and Russia.

North America recorded net revenues of Euro 268,126 thousand, an increase of 12.5% on the same period of the previous year.

Results in the Asia Pacific region were also solid, with growth of 16.0%, especially due to the excellent performances recorded in Japan and China.

Lastly, the total of Other Countries and Not-country related earnings posted growth of 13.0% in the first half, driven by the excellent performance of the Middle East.

INVESTMENTS

The Group made investments totalling Euro 48,130 thousand in the first half of 2016, comprising Euro 40,404 thousand in intangible assets and Euro 7,727 thousand in tangible assets. Increases in intangible assets mainly refer to investments in multi-year development projects valued at Euro 27,859 thousand.

Specifically, during the period, the Group worked on the implementation of the new Order Management System ("OMS") for the former YOOX GROUP, with the first goal reached in August with the migration of the first online store. The transition of all

[20] The item "Not country-related" includes the set-up and maintenance fees for the online flagship stores, for the media partnership and advertising projects and for other services offered to online flagship store partners.

the online stores of the former YOOX GROUP to the new OMS is proceeding in line with expectations and will be completed in the third quarter of the year.
The new OMS will significantly upgrade the order management capacity of the Group and strengthen the omni-channel offering, allowing the full integration of inventories between YNAP and the physical points of sale of brand partners.
The first half of 2016 also saw the launch of construction work for the new logistics centre for the In-season range, which will be developed in Italy and is expected to be fully operational in 2018.
Lastly, the Group continued to roll-out cross-channel functionality for a greater number of its Mono-brand partners and further upgraded its mobile offering.'

ANALYSIS OF GROSS PROFIT[21] BY BUSINESS LINE

EURO THOUSANDS	MULTI-BRAND IN SEASON		MULTI-BRAND END OF SEASON		ONLINE FLAGSHIP STORES	
	30 JUNE 2016	30 JUNE 2015	30 JUNE 2016	30 JUNE 2015	30 JUNE 2016	30 JUNE 2015
GROSS PROFIT	205,967	181,157	116,932	101,435	31,985	31,017
% OF NET REVENUES	42.0%	40.9%	36.7%	37.8%	36.1%	38.7%
% CHANGE	13.7%		15.3%		3.1%	

Multi-brand in-season business line
The Multi-brand in-season business line recorded a gross profit t 30 June 2016 of Euro 205,967 thousand, growth of 13.7% compared with Euro 181,157 thousand in the same period of the previous year, with the margin on net sales revenues going from 40.9% to 42.0% for the first half of 2016.
This result reflected the growth recorded by the online stores NET-A-PORTER.COM, MR PORTER.

Multi-brand end of season business line
The Multi-brand end of season business line recorded a gross profit at 30 June 2016 of Euro 116,932 thousand, growth of 15.3% compared with Euro 101,435 throusand for the same period in the previous year, with the margin for net sales revenues falling from 37.8% to 36.7% for the first half of 2016. This performance is entirely attributable to the unfavourable trend of exchange rates against the Euro, and specifically the British pound sterling and the Russian rouble.

Onlie Flagship Stores business line
The Online Flagship Stores business line recorded a gross profit in the first half of 2016 of Euro 31,985 thousand, up 3.1% compared with the same period in the previous year, with a margin of 36.1% compared with 38.7% for the first half of 2015. This result reflects an unfavourable mix of the online flagship stores.

[21] Gross profit is defined as the difference between net sales revenues and the fulfilment costs including shipping costs.

FINANCIAL MANAGEMENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The tables below contain the figures taken from the Group's reclassified consolidated statements of financial position as at 30 June 2016 and the Group's consolidated statement of cash flows for the same period.

Reclassified consolidated statement of financial position at 30 June 2016:

THOUSANDS OF EUROS	BALANCE AT 30 JUNE 2016	BALANCE AT 31 DEC 2015	% CHANGE
NET WORKING CAPITAL[22]	594	(23,821)	>100%
NON-CURRENT ASSETS	1,914,281	2,013,232	-4.9%
NON-CURRENT LIABILITIES (EXCLUDING FINANCIAL LIABILITIES)	(90,816)	(15,005)	>100%
NET INVESTED CAPITAL[23]	**1,824,059**	**1,974,406**	**-7.6%**
SHAREHOLDERS' EQUITY	1,962,875	2,036,490	-3.6%
NET DEBT / (FINANCIAL POSITION)[24]	(138,815)	(62,084)	>100%
TOTAL SOURCES OF FINANCING	**1,824,059**	**1,974,406**	**-7.6%**

The Group's net invested capital, which went from EUR 1,974,406 thousand at 31 December 2015 to EUR 1,824,059 thousand at 30 June 2016, was affected by the NET-A-PORTER Group's definition of purchase price allocation which led to deferred liabilities of EUR 74,132 thousand net of releases being recorded for the period. Shareholders' equity, which at 30 June 2016 stood at EUR 1,962,875 thousand fell by 3.6% (see paragraph 8.23 of the document for more detailed information). The net financial position improved, going from EUR 62,084 thousand as at 31 December 2015 to EUR 138,815 thousand as at 30 June 2016.

[22] 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 the IFRS accounting principles 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.

[23] 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 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.

[24] Net debt (or net financial position) is the sum of cash and cash equivalents, other current financial assets, net of bank loans and other financial liabilities falling due within one year, other current financial liabilities, and medium-long term financial liabilities. Net debt (or net financial position) is not recognised as an accounting measure under the IFRS accounting principles endorsed by the European Union. The measurement criterion adopted by the Company might not be consistent with that adopted by other groups, and accordingly, the balance obtained by the Company may not be comparable with those calculated by such groups. For details of the items that make up net debt (or net financial position), see the table below in the section Debt/Consolidated net financial position. "Other current financial assets" are not regulated in detail in the definition of net financial debt (or net financial position) of SECR; the Group integrates this definition by including in "other current financial assets" the credits held towards acquirers and logistic operators, who are required to collect payment upon delivery.

Change in pro-forma net financial position in the year ended 30 June 2016[25]:

THOUSANDS OF EUROS	30 JUNE 2016	30 JUNE 2015	% CHANGE
EBITDA EXCLUDING INCENTIVE PLANS	76,517	66,430	15.2%
FINANCIAL INCOME AND EXPENSES	(2,549)	2,408	>100%
TAX	(10,867)	(11,850)	-8.3%
CHANGE IN ORDINARY WORKING CAPITAL	(31,804)	(27,057)	17.5%
DISBURSEMENTS FOR INVESTMENTS IN FIXED ASSETS	(49,540)	(46,946)	5.5%
OTHER	6,142	(2,500)	>100%
FREE CASH FLOW	**(12,100)**	**(19,515)**	**-38.0%**
CHANGE RELATING TO MERGER OPERATION	-	(3,873)	-100.0%
CAPITAL INCREASE	100,000	0	>100%
EXERCISE OF INCENTIVE PLANS	-	158	-100.0%
EXCHANGE RATE CONVERSION DIFFERENCES[26]	(11,169)	-	-
CHANGE IN NET FINANCIAL POSITION	**76,731**	**(23,228)**	**>100%**

DEBT/CONSOLIDATED NET FINANCIAL POSITION

The table below gives details of the YNAP Group's net financial position as at 30 June 2016.

THOUSANDS OF EUROS	BALANCE AT 30 JUNE 2016	BALANCE AT 31 DEC 2015	CHG %
CASH AND CASH EQUIVALENTS	225,161	130,340	72.8%
OTHER CURRENT FINANCIAL ASSETS	70,777	63,057	12.2%
BANK LOANS AND OTHER CURRENT FINANCIAL LIABILITIES	(68,784)	(29,450)	>100%
OTHER CURRENT FINANCIAL LIABILITIES	(2,087)	(645)	>100%
SHORT-TERM NET FINANCIAL POSITION	**225,068**	**163,303**	**37.8%**
MEDIUM/-LONG-TERM FINANCIAL LIABILITIES	(86,253)	(101,219)	-14.8%
CONSOLIDATED NET FINANCIAL POSITION	**138,815**	**62,084**	**>100%**

The Group's policy is to maintain an adequate margin of financial flexibility through available "committed" lines of credit, capable of supporting future development plans.

The Group met its financial needs during the period by using lines of credit in order to finance investments and use equity at the time of acquisition campaigns and the integration of THE NET-A-PORTER Group.
To ensure adequate financial flexibility also in years to come, in the period ended 30 June 2016, the Company renegotiated its lines of credit with the major banks and as at 30 June 2016 had a total of Euro 266 million available expiring on average in between 4 and 5 years, of which approximately Euro 118 million was not utilised. The annual cost on the nominal value of the total of lines of credit was equal to an average spread of approximately 150 bps + the Euribor reference rate.

25 The change in ordinary working capital, fixed assets and the item "Other" were calculated by converting the values at 30 June 2016 using the exchange rates at 31 December 2015.
26 They refer to the difference resulting from the conversion of the ordinary working capital, investments and the item "Other" into Euros between the exchange rate at 30 June 2016 and that at 31 December 2015.

Cash and cash equivalents totalled Euro 225,161 thousand as at 30 June 2016, and are made up of cash, negotiable instruments and demand deposits or short-term deposits with banks, which are actually available and readily usable.

As at 30 June 2016, financial liabilities stood at Euro 155,037 thousand and were mainly made up of medium/long-term loans agreed for funding the investment in the techno-logistics platform and for managing the integration process under way. Specifically, loans were issued by Banca Nazionale del Lavoro, with Euro 6,250 thousand (of which Euro 2,500 thousand is short-term) allocated to manage the development of the techno-logistics platform and Euro 37,807 thousand (short-term) to manage cash flows relating to the integration with the THE NET-A-PORTER Group. The other loans were issued by Banca Sella, for Euro 2,083 thousand (of which Euro 1,667 thousand is short-term), the EIB for Euro 31,714 thousand (of which Euro 8,958 thousand is short-term), Unicredit for Euro 30,000 thousand (of which Euro 6,660 thousand is short-term), and Mediocredito for Euro 40,000 thousand (of which Euro 6,666 thousand is short-term). The remaining financial liabilities refer to financial leasing agreements totalling Euro 6,410 thousand (of which Euro 3,750 thousand is short-term) dedicated to investments in technology, a finance agreement with De Lage Landen for a total of Euro 43 thousand to be repaid in the short term, current IFI financial payables (Factoring) for a total of Euro 584 thousand, in addition to related accruals (Euro 148 thousand).

Other current financial liabilities at 30 June 2016, equal to Euro 2,087 thousand, are attributable to the negative fair value of operations in derivatives (accounted for in accordance with IAS 39 using the cash flow hedge method) carried out to hedge the interest rate risk in relation to financing agreements (Euro 703 thousand) and the negative fair value of operations in derivatives carried out to hedge the interest rate risk in relation to sales in Japanese yen (Euro 1,359 thousand) and in US dollars (Euro 24 thousand).

Other current financial assets as at 30 June 2016, equal to Euro 70,777 thousand, refer mainly to financial receivables due to the Group from acquirers who manage authorisations for cards belonging to national/international credit or debit card circuits used for online sales, and logistics operators who are asked for cash for payments on delivery (Euro 56,501 thousand), as well as an interest-bearing deposit with the BNL bank (Euro 10,253 thousand). The remaining part is attributable to the positive fair value of transactions in derivatives (accounted for according to IAS 39 using the Cash flow hedge method) set up to hedge the exchange rate risk deriving from sales in US dollars (Euro 226 thousand) and financial deferrals recognised at the end of the quarter (Euro 1,892 thousand).

INVESTMENTS OF YOOX NET-A-PORTER GROUP S.P.A.

In the first half of 2016 YOOX NET-A-PORTER GROUP S.p.A. made investments totalling Euro 48,131 thousand. Since nearly all the Group's investments were made by the Parent Company, see the Investments section for additional information.

INFORMATION FOR INVESTORS

The Group's shares were listed on the STAR segment of Borsa Italiana (ISIN Code IT0003540470) on 3 December 2009. The stock subsequently also joined the FTSE Italia Mid Cap index[27] and, since 23 December 2013, it has been included in the FTSE MIB - the main index of Borsa Italiana comprising the top 40 Italian companies by market capitalisation and liquidity.
As at the date of the document, the Group's shares are listed on the ordinary segment of the Mercato Telematico Azionario (MTA), the Italian screen-based trading system organised and managed by Borsa Italiana, following the decision of the Company's Board of Directors to request withdrawal from the STAR segment on 30 July 2015. This decision was prompted by the merger between YOOX GROUP and THE NET-A-PORTER GROUP, the Group's high stock market capitalisation, as well as the inclusion of the stock in the FTSE MIB from 2013.
Following the effectiveness of the merger on 5 October 2015, the newly issued shares of YOOX NET-A-PORTER GROUP – resulting from the transaction itself, as well as the ordinary shares already outstanding at that date, were admitted to listing on the MTA with the new ticker "YNAP" and were included in the FTSE MIB index.
On 30 June 2016, the last trading day of the first half-year, YOOX NET-A-PORTER GROUP stock closed at Euro 20.79, corresponding to a market capitalisation equal to Euro 2.8 billion.

[27] The FTSE Italia Mid Cap index includes the top 60 companies in terms of capitalisation and liquidity outside of the FTSE MIB index.

YOOX NET-A-PORTER GROUP STOCK PERFORMANCE IN THE FIRST HALF OF 2016

After closing 2015 with a share performance of +88%, among the top three best performing in the main FTSE MIB basket, in the first half of 2016, the YNAP stock priced in the general negative trend that affected the Italian stock market and the luxury sector (please refer to the graph overleaf for the performance of the reference indices for the e-commerce sector[28], luxury sector[29] and Italian luxury sector[30]). This performance was due to the highly uncertain macro-economic and political environment that marked the first half of 2016, which got off to a negative start owing to fears of a Chinese economic slowdown and the drop in oil prices to their lowest for more than 12 years, and ended with the victory of the Leave campaign in the UK's referendum on its future in the European Union.

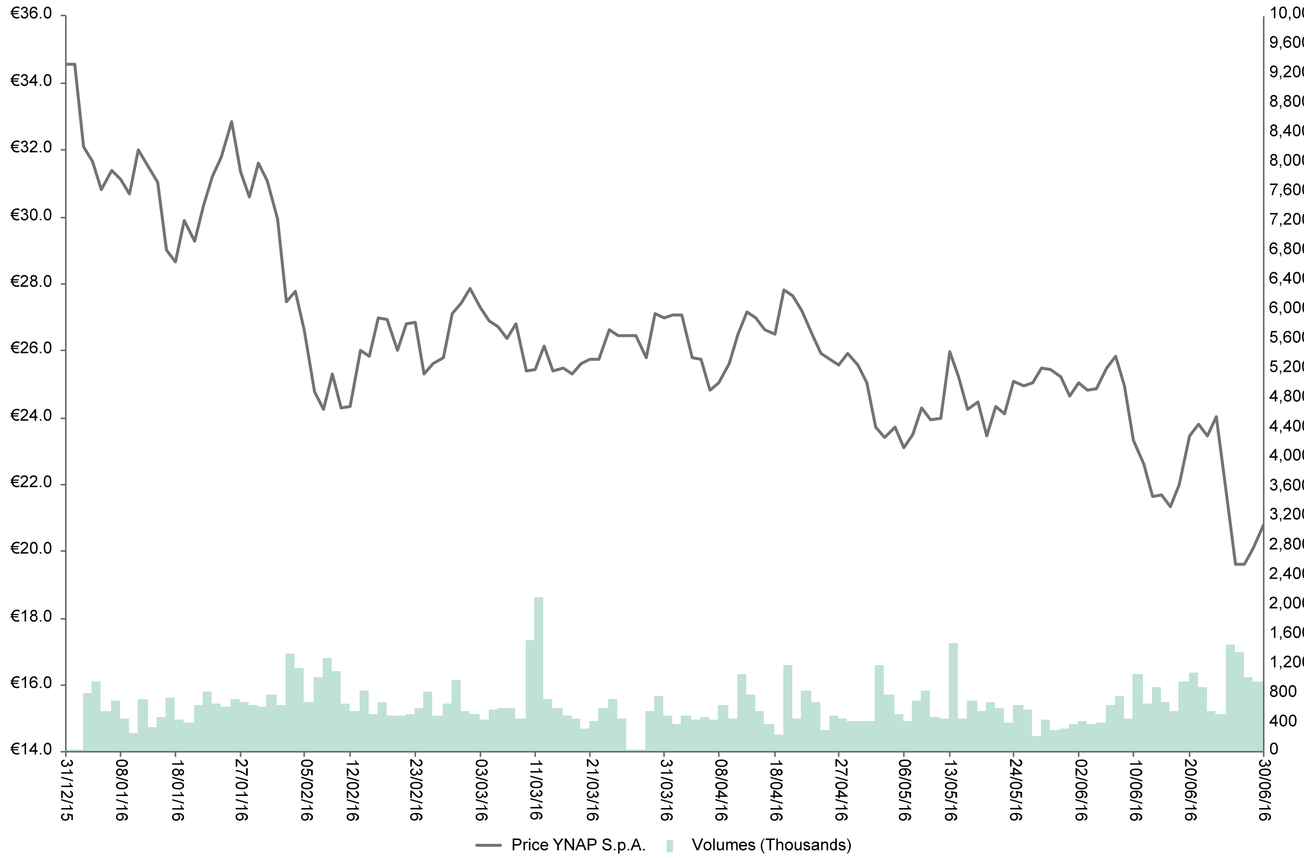
Between the time of the listing and 30 June 2016, the YOOX stock registered a positive performance of 383% over the flotation price (Euro 4.30), while in the 6 months to 30 June 2016, the stock recorded a decrease of 39.8% over its closing price at 30 December 2015 (the last day of trading in 2015).

From the end of the reference period (30 June 2016) to 5 August 2016, the stock registered growth of 32%, confirmation of the solidity of the Group's 2016-2020 strategic plan, presented at the beginning of July, as well as the results for the first half-year, both of which were positively received by the market.
As at 5 August 2016, the YOOX NET-A-PORTER GROUP stock closed at Euro 27.4, corresponding to a market capitalisation of Euro 3.7 billion.

Source: Factset

28 The e-commerce sector representative index includes Alibaba, Amazon, ASOS, boohoo.com, Blue Nile, eBay, Start Today and Zalando.
29 The representative index for the luxury sector includes Brunello Cucinelli, Compagnie Financière Richemont, Hermès, Kering, LVMH, Moncler, Prada, Salvatore Ferragamo and Tod's.
30 The representative index for the Italian luxury sector includes Brunello Cucinelli, Moncler, Prada, Salvatore Ferragamo and Tod's.

YOOX NET-A-PORTER GROUP STOCK PERFORMANCE COMPARED WITH THE MAIN INDICES OF REFERENCE IN THE FIRST HALF OF 2016



Source: Factset

The table below summarises key stock and stock exchange data for the first half of 2016.

STOCK AND STOCK EXCHANGE DATA	30 JUNE 2016
CLOSING PRICE AT 30/06/2016 IN EURO	20.79
MAXIMUM CLOSING PRICE FOR THE FIRST HALF OF 2016 IN EURO – 26/01/2016	32.86
MINIMUM CLOSING PRICE FOR THE FIRST HALF OF 2016 IN EURO – 27/06/2016	19.60
MARKET CAPITALISATION AS AT 30/06/2016 IN MILLIONS OF EURO	2,779.57

Source: Borsa Italiana

STOCK ANALYST COVERAGE

Stock analyst coverage as at 5 August 2016 includes Goldman Sachs International, Mediobanca, Equita, Intermonte, Gruppo24Ore, Bank of America Merrill Lynch, Deutsche Bank, Citi, Kepler Cheuvreux, Exane BNP Paribas, Banca IMI, JP Morgan, Fidentiis and Morgan Stanley, to which Banca Akros and Hammer Partners were added in 2016.

SHAREHOLDER STRUCTURE

As at 30 June 2016, the share capital issued totalled Euro 1,336,973.13, fully subscribed and paid in, represented by aggregate 133,697,313 shares with no nominal value pursuant to Article 2346 of the Civil Code, of which 88,791,680 ordinary shares, admitted to trading on the MTA and 44,905,633 B shares without voting rights and not listed.

As at 30 June 2016, as far as we are aware, according to the Shareholder Register, plus the notifications received pursuant to Article 120 of the TUF and other information available, holders of significant stakes in YOOX NET-A-PORTER GROUP S.p.A. share capital were:

SHAREHOLDERS	30 JUNE 2016
FEDERICO MARCHETTI	5.8%
RICHEMONT	23.3%
RENZO ROSSO	5.8%
ALABBAR ENTERPRISES	4.0%

Note: Percentages are calculated on the ordinary share capital, represented by 88,791,680 ordinary shares.

INVESTOR RELATIONS

The Group places a particular emphasis on developing its relationships with analysts, shareholders and institutional investors. During the first half of the year, the Group's activities were mainly divided between the organisation of road shows in some of the main financial centres in Europe and the United States. as well as the preparation of the first Capital Markets Day of the Group post-merger, held in London on 6 July 2016, during which the Group presented its new strategic plan for 2016-2020.
Financial communication continued to take place according to the rules stipulated by Borsa Italiana on price sensitive press releases, in keeping with the Group's wish to provide timely, transparent information to support its relations with the financial community.

INFORMATION CONCERNING MEASURES TO PROTECT PRIVACY

Following the creation of the new Group (YNAP), the requirements of protection of information assets inevitably increased in terms of complexity and variety. It is therefore necessary to pay attention to aspects not present or not considered so far in order to pursue common objectives with a mutual approach.
Moreover, the increased focus of institutions on an international level, determined also by arising disputes regarding confidentiality and protection of information on a global level, requires the adoption of a more structured and reactive internal vision. In view of this it was necessary to create an area dedicated to analysis and optimised application of compliance in the area of security of e-commerce transactions and protection of information, with special attention to the rights of users (both internal and external). This area adopted an approach aimed at adjustment of protection to the regulations of the most demanding countries.

YNAP pays the maximum attention to the security of online transactions and protection of its information assets by using the strictest security systems and standards and by an effective application of the norms in force. Regarding online transaction guarantees, the Group complies fully with the PCI-DSS international standard and uses the most advanced technological and encoding systems for purchasing. In terms of protection of personal data, the approach of localisation of protection of rights of end users determines a better experience focused on local perception. Moreover, in order to use big data more efficiently, the Group is planning to set up a Data Protection Committee, whose task will be to evaluate and approve the compliance of proposed projects.

Therefore, in order to protect the confidentiality, integrity and availability of information related to clients, employees and partners, the Group commits to the integration and execution of the project of establishing an Information Security Management System based on the ISO/IEC 27001 standard. This framework is meant to guarantee a high level of security by introducing a formal process of Information Risk Analysis based on an internationally recognised methodology and an approach by design. This risk analysis allows the Information Risk Committee, established within the framework, to assess the information risk trends on a quarterly basis and take the appropriate preventive actions.

The management system is designed to include and satisfy all regulatory requirements to which the Company is subject from an information perspective and, at the same time, to optimise efforts and share the technological solutions and techniques adopted.

The entire framework is based on a continuous improvement cyclical approach, which guarantees a high level of effectiveness and ensures that the challenges that modern information systems face relating to security of information are constantly dealt with.

HUMAN RESOURCES

The Group encourages the professional development and growth of its people, fully aware of how important they are to the success of the business. The management of people is central to valuing the potential of individuals and creating a harmonious work environment with growth as the goal.
The pursuit of company goals with a view to excellence is related to the ability to work with a team spirit with constant attention to professionalism, passion and motivation.
In a context featuring strong growth at an international level as well, the Group is adopting a series of principles for the management of human resources which features the development of relations directed at propriety and transparency, impartiality and honesty.
The Group is also committed to valuing differences and diversity in the management of human resources in the conviction that taking different points of view into consideration can create added value and contribute to the enrichment of relations, both from a professional and human point of view.

As at 30 June 2016, the Group total headcount stood at 3,964 employees, a net increase of 202 employees compared with 30 June 2015. The table below shows a breakdown of the headcount[31]:

N°	30 JUNE 2016	30 JUNE 2015	CHANGE
MANAGERS	33	31	2
JUNIOR MANAGERS	87	74	13
EMPLOYEES AND TRAINEES	869	763	106
ABROAD	2,975	2,894	81
TOTAL HEADCOUNT	**3,964**	**3,762**	**202**

The foreign headcount of the Group showed an increase compared with the same period in the previous year through the contribution of THE NET-A-PORTER Group.

CORPORATE GOVERNANCE

The YOOX NET-A-PORTER GROUP S.p.A. Parent Company corporate governance model is described in detail in the Report on corporate governance and shareholder structure as at 31 December 2015, which should be referred to.
The significant corporate governance events in the first half of 2016 that have taken place as at the date of this document are listed below.

STOCK GRANT PLAN

On 27 April 2012, the shareholders' meeting approved, pursuant to article 114-*bis* of Legislative Decree the establishment of an incentive and loyalty plan known as the Stock Grant Plan for employees of the Issuer and companies directly or indirectly

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

controlled by it, to be implemented by the granting, free of charge, of a total of 550 thousand ordinary shares in the Company, giving the Board of Directors the mandate to adopt the relative regulations. At the date of this Document, the Stock Grant Plan had not been implemented.

For more information on the Stock Grant Plan and the relative characteristics, refer to the prospectus produced pursuant to article 84-*bis* of the Issuers' Regulation, which can also be consulted on the Company's website www.ynap.com (Corporate Governance / Company Documents Section).

2015-2025 STOCK OPTION PLAN AND GRANTING OF OPTIONS RELATING TO THE 2015-2025 STOCK OPTION PLAN

On 16 December 2015, the extraordinary shareholders' meeting approved, pursuant to article 114-*bis* of Legislative Decree 58/1998, the implementation of a new incentive and loyalty plan, the "2015 - 2025 Stock Option Plan"(the "**Plan**"), reserved for directors, as well as YNAP's managers and employees and companies directly or indirectly controlled by YNAP. The Plan will be implemented through the granting free of charge of up to 6,906,133 options, valid for subscription to an equal number of newly issued ordinary YNAP shares (in the ratio of one ordinary share for each option exercised) deriving from a paid-in capital increase excluding option rights, pursuant to article 2441, paragraphs 5 and 6 of the Civil Code. On the same day, the Company's Board of Directors approved the Regulation governing the 2015-2025 Stock Option Plan.

At the same session, the Meeting also approved the share capital increase to service the Plan for up to the nominal amount of Euro 69,061.33 by means of payment and in tranches, pursuant to article 2441 paragraphs 5 and 6 of the Italian Civil Code, with exclusion of option rights, by issuing 6,906,133 new ordinary shares of YNAP with no par value, with the same characteristics as the outstanding ones, with regular dividends, after the revocation of the capital increase decision of the Ordinary Meeting of the Company of 17 April 2014, and the corresponding amendment of article 5 of the Company by-laws.

The issue price of the new shares was set at the strike price of the options granted by the Plan, with the attribution of Euro 0.01 for each share issued to the capital. The maximum number of newly issued ordinary shares servicing the Plan corresponds to a percentage of 5.0% of the fully diluted total capital of the Company (the share capital issued and paid-up in case of full exercising of the stock options assigned in the existing stock option plans of the Company and including the capital increase decided upon by the shareholders' meeting).

On 12 April 2016, executing a mandate granted by the Board of Directors on 9 March 2016, the Chief Executive Officer assigned 670,000 options to 39 beneficiaries valid for the subscription of 670,000 YNAP ordinary shares (in the ratio of 1 new ordinary share for every 1 option exercised).
In accordance with the provisions of the Plan, the subscription price of each share is equal to Euro 25.983, corresponding to the arithmetic mean of official prices registered for ordinary shares of YNAP on the Electronic Stock Exchange, on days the market is open for trading of Options in the period between the Assignment Date (11 April 2016) and the date of the assigning of the Options (12 March 2016) of the previous calendar month.

Subsequently, on 29 June 2016, on the proposal of the Compensation Committee, the Board of Directors assigned a further 90,000 options valid for the subscription of 90,000 YNAP ordinary shares (in the ratio of 1 new ordinary share for every 1 option exercised).
In accordance with the provisions of the Plan, the subscription price of each share is equal to Euro 23.614, corresponding to the arithmetic mean of official prices registered for ordinary shares of YNAP on the Electronic Stock Exchange, on days the market is open for trading of Options in the period between the Assignment Date (28 June 2016) and the date of the assigning of the Options (29 May 2016) of the previous calendar month.

Overall, at 30 June 2016 – and as of the date of this Report, in execution of the Regulation of the 2015-2025 Stock Option Plan – 6,543,147 options, valid for the subscription of 6,543,147 YNAP ordinary shares (in the ratio of 1 new ordinary share for every 1 option exercised), had been assigned, with 202,000 options having expired.

For more information regarding the main characteristics of the Plan please refer to the Board of Directors Report and Information Document issued pursuant to article 84-*bis* of the Consob Regulation 11971/1999 (as supplemented on 24 November 2015 and updated on 9 March 2016), available at the registered office and on the Company's Internet site www.ynap.com (Governance Section - Meeting of Shareholders).

APPLICATION OF THE DISCLOSURE OBLIGATION SIMPLIFICATION SCHEME IN COMPLIANCE WITH CONSOB RESOLUTION 18079 OF 20 JANUARY 2012

Pursuant to article 3 of the Consob Resolution 18079 of 20 January 2012, the Company decided to join the opt-out regime described in article 70, paragraph 8, and 71, paragraph 1-*bis*, of the Consob Regulation 11971/99 (as later amended and supplemented), taking advantage of the possibility of exemption from the obligation of the publication of the information documents described in Annex 3B to the aforementioned Consob Regulation on the occasion of significant merger, demerger, capital increase operations through the contribution of assets in kind, acquisitions and transfers.

BOARD OF DIRECTORS

The Issuer's Board in office at the date of this Report comprises 11 (eleven) members:

- 7 (seven) members were appointed by the ordinary shareholders' meeting held of 30 April 2015 based on the lists presented (six members taken from list no. 1 submitted by the outgoing Board of Directors and the remaining members taken from list no. 2 submitted by a group of institutional investors), in conformity with the provisions of the by-laws in force at that date. The following persons were appointed as Directors based on the two lists presented:

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

    Directors Richard Lepeu and Gary Saage were appointed by the ordinary meeting held on 21 July 2015 with effect from the Effective Date of the Merger; and

- 2 (two) further independent directors Eva Chen and Vittorio Radice were appointed by the ordinary meeting held on 16 December 2015.

The Board will remain in office until the date of the shareholders' meeting called for the approval of the financial statements as at 31 December 2017.

BOARD OF STATUTORY AUDITORS

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

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

- Nicoletta Maria Colombo (Alternate Auditor)

SHARE CAPITAL INCREASE

On 18 April 2016, the Company and Alabbar Enterprises S.à r.l. ("**Alabbar Enterprises**") signed a subscription agreement governing the commitment of Alabbar Enterprises to invest in the Company's share capital, through the subscription and payment for newly-issued ordinary shares as part of the Company's capital increase to be reserved for subscription by Alabbar Enterprises. Based on this agreement, Alabbar Enterprises also adhered to lock-up commitments. For more information on the shareholders' agreements described above, see the key information drawn up and published pursuant to article 122 of the TUF and article 130 of the Issuers' Regulation and available on the Company website.

On 22 April 2016, in partial execution of the resolution of the extraordinary shareholders' meeting of 21 July 2015, Alabbar Enterprises S.à.r.l., a company owned by Mohamed Alabbar, signed an agreement for a capital increase with exclusion of option rights pursuant to article 2441, paragraph 4, second part of the Civil Code, through the issue of 3,751,428 ordinary shares at a price of Euro 28.00 per share corresponding to a premium of 5.7% versus the closing price on 18 April 2016, for a total amount of Euro 100 million (including share premium).

As a result of this, the share capital issued by YNAP S.p.A. at 30 June 2016 is equal to Euro 1,336,973.13 represented by 133,697,313 shares with no par value, including 88,791,680 ordinary shares and 44,905,633 B Shares without voting rights.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

The ordinary Shareholders' Meeting, convened at a single call on 27 April 2016, approved the separate financial statements for the year ended 31 December 2015, resolving to cover the loss for the year through the partial use of the "Retained earnings and losses reserve" in the amount of Euro 11,350,537.07.

REMUNERATION REPORT

The shareholders' meeting of 27 April 2016 approved, with a non-binding vote, Section I of the Remuneration Report prepared pursuant to article 123-*ter* of Legislative Decree 58/1998 and 84-*quater* of Consob Regulation 11971/1999, as well as in accordance with Annex 3A, Tables 7-*bis* and 7-*ter* of the same Regulation.

PURCHASE AND DISPOSAL OF TREASURY SHARES

At their meeting of 27 April 2016, the shareholders approved the authorisation of the purchase and disposal of treasury shares, in compliance with articles 2357 and 2357-*ter* of the Italian Civil Code and article 132 of Legislative Decree 58/1998 and related implementation provisions, revoking the resolution to purchase treasury shares approved by the shareholders' meeting of 30 April 2015.
As at the date of this document, the Company holds 17,339 treasury shares in its portfolio, equal to 0.020% of its current ordinary share capital.

DIRECTORS' APPOINTMENTS COMMITTEE

The current Directors' Appointments Committee was formed by the Board decision of 30 April 2015 and then integrated by the decision of the Board of Directors of 11 November 2015. It is composed of three non-executive directors, two of whom, including the Chairman, are independent, namely:

- Alessandro Foti – Independent Director – Chairman;

- Richard Lepeu – Non-Executive Director;

- Laura Zoni – Independent Director.

COMPENSATION COMMITTEE

The current Compensation Committee was established by the Board resolution of 30 April 2015 and comprises three Non-executive directors, the majority of whom are independent, namely:

- Robert Kunze-Concewitz – Independent Director - Chairman;
- Catherine Gérardin – Independent Director;
- Raffaello Napoleone – Non-Executive Director appointed by the Board of Directors on 29 June 2016.

CONTROL AND RISK COMMITTEE

The current Control and Risk Committee was established by the Board resolution of 30 April 2015 and comprises three Non-executive directors, all of whom are independent, namely:

- Alessandro Foti – Independent Director – Chairman;
- Catherine Gérardin – Independent Director;
- Raffaello Napoleone – Independent Director.

COMMITTEE FOR RELATED-PARTY TRANSACTIONS

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

- Catherine Gérardin Vautrin – Independent Director – Chairwoman;
- Robert Kunze-Concewitz – Independent Director;
- Alessandro Foti – Independent Director.

SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE 231/2001

The Supervisory Body, in office until the approval of the financial statements as at 31 December 2017, was first appointed by the Board on 30 April 2015 and comprises three members: Rossella Sciolti, an external member, as Chairperson, Isabella Pedroni, an external member, and Matteo James Moroni (nominated by the Board of Directors on 9 March 2016 as a replacement for Filippo Tonolo), an internal member and the Internal Audit Manager of the Issuer.

DIRECTOR RESPONSIBLE FOR PREPARING THE FINANCIAL STATEMENTS

The Issuer's Board of Directors in office on 24 April 2015 appointed Enrico Cavatorta as Chief Financial and Corporate Officer effective as of 27 April 2015.

As of 1 May 2015, he was also assigned the role of Director responsible for preparing the financial statements, pursuant to article 154-*bis* of Legislative Decree 58/1998.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On 12 July 2016, the existing partnership with Armani was extended through the launch of the AIX Armani Exchange brand in North America.

BUSINESS OUTLOOK

Based on the Group's leadership position in luxury e-commerce, the results achieved in the first half of the year and the good prospects for the online retail market, YOOX NET-A-PORTER GROUP expects to achieve further growth in revenues and improvements in adjusted EBITDA margins in 2016.
It is also reasonable to expect this result to contribute positively to all the Groups' lines of business and major geographical markets.
The Company confirms its expectations to achieve position net synergies at EBITDA level in 2016 and is reviewing its guidance of investments in capital contributions at EUR 140 million, compared with the previous figure of 150 million, mainly as a result of the devaluation of the British pound sterling against the Euro.
Investments in capital contributions for 2016 will be mainly intended to lay the foundations for the development of a shared global techno-logistics platform and to expand the logistics capacity in Italy, in order to support the Group's future growth and continue to offers its customers and brand partners an excellent service.''

ANNEXES TO REPORT ON OPERATING PERFORMANCE

ANNEX 1: INCENTIVE PLANS AND IMPACT ON THE PRO-FORMA RECLASSIFIED CONSOLIDATED INCOME STATEMENT

Impact of incentive plans in the first half of 2016:

THOUSANDS OF EUROS	30 JUNE 2016	*% TOTAL*	30 JUNE 2015	*% TOTAL*
FULFILMENT COSTS	(88,518)		(78,938)	
of which incentive plans	*(17)*	*0.3%*	-	*0.0%*
SALES AND MARKETING COSTS	(106,790)		(92,233)	
of which incentive plans	*(754)*	*12.7%*	-	*0.0%*
GENERAL EXPENSES	(86,178)		(79,761)	
of which incentive plans	*(5,143)*	*87.0%*	*(6,242)*	*100.0%*
INCENTIVE PLANS TOTAL	(5,914)	*100.0%*	(6,242)	*100.0%*

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2016 YNAP GROUP

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CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (1)

CONSOLIDATED INCOME STATEMENT

THOUSANDS OF EUROS	NOTES	30/06/2016	30/06/2015
COST OF GOODS SOLD	8.1	897,038	284,552
FULFILMENT COSTS	8.2	(542,154)	(179,300)
FULFILMENT COSTS	8.3	(94,591)	(29,655)
SALES AND MARKETING COSTS	8.4	(106,792)	(34,567)
GENERAL EXPENSES	8.5	(121,725)	(35,006)
OTHER INCOME AND EXPENSES	8.6	(2,795)	(2,508)
NON-RECURRING EXPENSES	8.7	-	(5,209)
OPERATING PROFIT	8.8	28,982	(1,693)
RESULT OF EQUITY INVESTMENTS	8.9	239	94
FINANCIAL INCOME	8.10	12,929	6,425
FINANCIAL EXPENSES	8.10	(13,952)	(5,316)
PROFIT BEFORE TAX		28,198	(491)
TAXES	8.11	(9,363)	618
CONSOLIDATED NET INCOME FOR THE PERIOD		18,835	127
OF WHICH:			
ATTRIBUTABLE TO OWNERS OF THE PARENT		18,835	127
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS			-
BASIC EARNINGS PER SHARE	8.12	0.14	0.00
DILUTED EARNINGS PER SHARE	8.12	0.14	0.00

(1) The financial statements, which were prepared in accordance with CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006, are annexed to the notes to the condensed consolidated interim financial statements at 30 June 2016.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTES	30/06/2016	30/06/2015
THOUSANDS OF EUROS			
CONSOLIDATED NET INCOME FOR THE PERIOD		18,835	127
OTHER COMPONENTS OF COMPREHENSIVE INCOME, NET OF TAX EFFECTS			
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	8.23	(198,182)	(935)
PROFIT/(LOSS) FROM CASH FLOW HEDGES	8.23	426	250
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME WHICH WILL BE (OR COULD BE) RECLASSIFIED IN THE INCOME STATEMENT		(197,757)	(685)
NET CHANGE IN RETAINED EARNINGS AND ACTUARIAL LOSSES RELATING TO EMPLOYEE BENEFITS	8.23	(11)	5
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME WHICH WILL NOT BE RECLASSIFIED IN THE INCOME STATEMENT		(11)	5
TOTAL CONSOLIDATED COMPREHENSIVE NET INCOME FOR THE PERIOD		(178,933)	(553)
OF WHICH:			
ATTRIBUTABLE TO OWNERS OF THE PARENT		(178,933)	(553)
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		-	-

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

THOUSANDS OF EUROS	NOTES	30/06/2016	31/12/2015
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	8.13	102,624	111,246
INTANGIBLE ASSETS WITH FINITE USEFUL LIFE	8.14	462,713	66,036
GOODWILL	8.15	1,276,003	1,776,445
EQUITY INTERESTS IN ASSOCIATES	8.16	569	329
DEFERRED TAX ASSETS	8.17	69,510	56,075
OTHER NON-CURRENT FINANCIAL ASSETS	8.18	2,862	3,100
TOTAL NON-CURRENT ASSETS		1,914,281	2,013,232
CURRENT ASSETS			
INVENTORIES	8.19	530,666	531,585
TRADE RECEIVABLES	8.20	23,911	31,292
OTHER CURRENT ASSETS	8.21	34,454	34,790
CASH AND CASH EQUIVALENTS	8.22	225,161	130,340
CURRENT FINANCIAL ASSETS	8.22	68,646	62,954
TOTAL CURRENT ASSETS		882,838	790,962
TOTAL ASSETS		2,797,119	2,804,194
SHAREHOLDERS' EQUITY			
SHARE CAPITAL		1,337	1,301
RESERVES		1,875,803	1,968,222
LOSSES CARRIED FORWARD		66,900	50,358
CONSOLIDATED NET INCOME FOR THE PERIOD		18,835	16,609
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	8.23	1,962,875	2,036,490
EQUITY ATTRIBUTABLE TO THIRD PARTIES		-	-
TOTAL CONSOLIDATED EQUITY		1,962,875	2,036,490
NON-CURRENT LIABILITIES			
MEDIUM/-LONG-TERM FINANCIAL LIABILITIES	8.25	86,253	101,219
EMPLOYEE BENEFITS	8.26	157	154
PROVISIONS FOR RISKS AND NON-CURRENT CHARGES	8.28	-	-
DEFERRED TAX LIABILITIES	8.27	82,919	6,924
OTHER MEDIUM/LONG-TERM PAYABLES	8.31	7,740	7,926
TOTAL NON-CURRENT LIABILITIES		177,069	116,223
BANK LOANS AND OTHER CURRENT FINANCIAL LIABILITIES	8.25	68,784	29,450
PROVISIONS FOR RISKS AND CHARGES	8.28	77,081	90,188
TRADE PAYABLES	8.29	362,230	353,259
TAX LIABILITIES	8.30	41,616	29,683
OTHER PAYABLES	8.31	107,466	148,899
TOTAL CURRENT LIABILITIES		657,176	651,480
TOTAL CONSOLIDATED EQUITY AND LIABILITIES		2,797,119	2,804,194

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS AT 30 JUNE 2016

THOUSANDS OF EUROS	*SHARE CAPITAL*	*SHARE PREMIUM RESERVE AND OTHER EQUITY-RELATED RESERVES*	*LEGAL RESERVE*	*TREASURY SHARE ACQUISITION RESERVE*	*CASH FLOW HEDGE RESERVE*	*IAS 19 RESERVE*	*STOCK OPTION RESERVE*	*TRANSLATION RESERVE*	*RETAINED EARNINGS OR LOSSES CARRIED FORWARD*	*CONSOLIDATED NET INCOME*	*SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS*	*TOTAL*
TOTAL 31 DECEMBER 2015	1,301	1,941,658	193	(162)	(393)	(47)	21,982	4,991	50,358	16,609	-	2,036,490
SHARE CAPITAL INCREASES	36	99,964	-	-	-	-	-	-	-	-	-	100,000
INCREASES IN RESERVES FOR SHARE-BASED PAYMENTS	-	-	-	-	-	-	5,945	-	-	-	-	5,945
OTHER CHANGES	-	(628)	67	-	-	-	-	-	16,542	(16,609)	-	(628)
TOTAL EFFECTS RESULTING FROM TRANSACTIONS WITH SHAREHOLDERS	1,337	2,040,994	260	(162)	(393)	(47)	27,927	4,991	66,900	-	-	2,141,807
NET INCOME FOR THE PERIOD	-	-	-	-	-	-	-	-	-	18,835	-	18,835
OTHER PROFITS/LOSSES FOR THE COMPREHENSIVE INCOME STATEMENT	-	-	-	-	426	(11)	-	(198,182)	-	-	-	(197,768)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	-	-	-	-	426	(11)	-	(198,182)	-	18,835	-	(178,932)
TOTAL 30 JUNE 2016	1,337	2,040,995	260	(162)	33	(58)	27,927	(193,191)	66,900	18,835	-	1,962,875

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS AT 30 JUNE 2015

THOUSANDS OF EUROS	*SHARE CAPITAL*	*SHARE PREMIUM RESERVE AND OTHER EQUITY-RELATED RESERVES*	*LEGAL RESERVE*	*TREASURY SHARE ACQUISITION RESERVE*	*CASH FLOW HEDGE RESERVE*	*IAS 19 RESERVE*	*STOCK OPTION RESERVE*	*TRANSLATION RESERVE*	*RETAINED EARNINGS OR LOSSES CARRIED FORWARD*	*CONSOLIDATED NET INCOME*	*SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS*	**TOTAL**
TOTAL 31 DECEMBER 2014	**620**	**85,999**	**193**	**(257)**	**192**	**(56)**	**20,623**	**624**	**36,556**	**13,802**	**-**	**158,294**
SHARE CAPITAL INCREASES	1	152	-	-	-	-	-	-	-	-	-	**153**
INCREASES IN RESERVES FOR SHARE-BASED PAYMENTS	-	-	-	-	-	-	1,014	-	-	-	-	**1,014**
OTHER CHANGES	-	4	-	95	-	-	(95)	-	13,802	(13,802)	-	**4**
TOTAL EFFECTS RESULTING FROM TRANSACTIONS WITH SHAREHOLDERS	**621**	**86,155**	**193**	**(162)**	**192**	**(56)**	**21,542**	**624**	**50,358**	**-**	**-**	**159,465**
NET INCOME FOR THE PERIOD	-	-	-	-	-	-	-	-	-	127	-	**127**
OTHER PROFITS/LOSSES FOR THE COMPREHENSIVE INCOME STATEMENT	-	-	-	-	250	5	-	(935)	-	-	-	**(680)**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**250**	**5**	**-**	**(935)**	**-**	**127**	**-**	**(553)**
TOTAL 30 JUNE 2015	**621**	**86,155**	**193**	**(162)**	**442**	**(52)**	**21,542**	**(311)**	**50,358**	**127**	**-**	**158,914**

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CONSOLIDATED STATEMENT OF CASH FLOWS

THOUSANDS OF EUROS	NOTES	30/06/2016	30/06/2015
CONSOLIDATED NET INCOME FOR THE PERIOD	8.32	18,835	127
ADJUSTMENTS FOR:			
TAXES FOR THE PERIOD	8.32	9,363	(618)
FINANCIAL EXPENSES DURING THE PERIOD	8.33	13,952	5,316
FINANCIAL INCOME DURING THE PERIOD	8.33	(12,929)	(6,425)
SHARE OF EARNINGS FROM ASSOCIATES	8.33	(239)	(94)
AMORTISATION AND IMPAIRMENT LOSSES FOR THE PERIOD	8.33	41,621	14,645
FAIR VALUE MEASUREMENT OF STOCK OPTION PLANS	8.33	5,945	1,014
UNREALISED EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES	8.33	(9,264)	(935)
LOSSES/(GAINS) ON SALE OF NON-CURRENT ASSETS	8.33	101	58
PROVISIONS FOR EMPLOYEE BENEFITS	8.33	17	19
PROVISIONS FOR RISKS AND CHARGES	8.33	562	286
PAYMENT OF EMPLOYEE BENEFITS	8.33	(15)	(25)
USE OF PROVISIONS FOR RISKS AND CHARGES	8.33	(13,669)	(483)
CHANGES IN INVENTORIES	8.34	919	(51,123)
CHANGES IN TRADE RECEIVABLES	8.34	7,381	1,346
CHANGES IN TRADE PAYABLES	8.34	8,970	29,824
CHANGES IN OTHER CURRENT ASSETS AND LIABILITIES	8.35	(40,742)	(5,440)
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES		30,808	(12,506)
INCOME TAX PAID	8.32	(5,748)	(3,051)
INTEREST AND OTHER FINANCIAL EXPENSES PAID	8.33	(13,952)	(5,316)
INTEREST AND OTHER FINANCIAL INCOME RECEIVED	8.33	12,929	6,425
CASH FROM (USED IN) OPERATING ACTIVITIES		24,037	(14,449)
INVESTING ACTIVITIES			
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	8.36	(4,934)	(10,191)
ACQUISITION OF INTANGIBLE ASSETS	8.37	(40,404)	(18,200)
ACQUISITION OF EQUITY INVESTMENTS	8.38	-	0
ACQUISITION OF OTHER NON-CURRENT FINANCIAL ASSETS	8.39	237	(160)
ACQUISITION OF SUBSIDIARIES, NET OF CASH AND CASH EQUIVALENTS		-	-
CASH FROM (USED IN) INVESTING ACTIVITIES		(45,101)	(28,550)
FINANCING ACTIVITIES			
NEW SHORT-TERM LIABILITIES	8.42	37,866	3,712
REPAYMENT OF SHORT-TERM LIABILITIES	8.42	(9,717)	(10,862)
NEW MEDIUM-/LONG-TERM FINANCIAL LIABILITIES	8.41	-	52,750
REPAYMENT OF MEDIUM-/LONG-TERM FINANCIAL LIABILITIES	8.41	(6,573)	(6,618)
PAYMENT FOR SHARE CAPITAL INCREASE AND SHARE PREMIUM RESERVE	8.40	100,000	158
INVESTMENTS IN FINANCIAL ASSETS		(5,691)	(10,900)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		115,885	28,240
TOTAL CASH FLOW FOR THE PERIOD		94,821	(14,760)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8.22	130,340	118,028
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8.22	225,161	103,269
TOTAL CASH FLOW FOR THE PERIOD		94,821	(14,760)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

1. GENERAL INFORMATION ABOUT THE GROUP

YOOX NET-A-PORTER GROUP S.p.A. (hereinafter the "Company" or the "Parent Company") is a joint stock company with its registered office at 17, Via Morimondo, Milan, Italy.

Following the merger on 5 October described below between YOOX S.p.A. and Largenta Italia S.p.A., the indirect parent of THE NET-A-PORTER GROUP, the YOOX NET-A-PORTER GROUP (hereinafter the "Group"), in addition to the Parent Company, comprises the UK group The Net-a-Porter Group Ltd, the US firms YOOX Corporation and NAP LLC to manage sales in North America, the Japanese company YOOX Japan to manage sales in Japan, Mishang Trading (Shanghai) Co. Ltd and e NAP Group China Ltd. to manage sales in China, YOOX Asia Limited and NAP Group Asia Pacific Ltd to manage sales in Asia Pacific, and the holding companies Largenta Ltd, NAP International Ltd, and Shouke Ltd.

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

2. STATEMENT OF COMPLIANCE WITH IFRS AND GENERAL CRITERIA USED TO PREPARE THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements, drawn up in accordance with IAS 34 – Interim financial statements, were prepared using the same accounting standards as were used to prepare the consolidated financial statements as at 31 December 2015, please refer to it for further details.

The comparative figures reported in the presentation of the statement of financial position and the statement of cash flows are those provided for by IAS 34 (31 December 2015 for the statement of financial position and 30 June 2015 for the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows). The figures for the first half of 2016 and the first half year of 2015 are reported in presenting the income statement, the Group having adopted the half year as the intermediate reference period.

These condensed consolidated interim financial statements, drawn up in compliance with IAS 34 and in accordance with the provisions of article 154-*ter* of Legislative Decree 58 of 24 February 1998 (TUF) as amended, do not include all the information required for the annual financial statements, and should be read together with the consolidated financial statements as at 31 December 2015. Specifically, the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows are in an extended format and are those that have been adopted for the consolidated financial statements as at 31 December 2015. The explanatory notes below, on the other hand, are summarised and therefore do not include all the information required for annual financial statements. In line with the requirements of IAS 34, in order to avoid duplicating information which has already been published, the notes refer only to those components of the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows which, owing to their composition, amount, nature or infrequency, are essential for understanding the financial position, operations and assets of the Group.
The condensed consolidated interim financial statements as at 30 June 2016 consist of the income statement, statement of comprehensive income, statement of financial position, statement of changes in shareholders' equity and statement of cash flows, in addition to these explanatory notes. In presenting these statements, comparative data have been presented as required by IAS 34, supplemented as noted above.

CONSOLIDATED FINANCIAL STATEMENTS

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

As indicated above, the condensed consolidated interim financial statements as at 30 June 2016 were drawn up in accordance with the IFRS endorsed by the European Union, and comprise the following:

Income statement

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

Statement of comprehensive income

The statement of comprehensive income presents, in a single statement, the components of profit (loss) for the year and income and expenses recognised directly in shareholders' equity for transactions not involving shareholders.

Statement of financial position

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

Statement of changes in shareholders' equity

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

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

Statement of cash flows

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

The condensed consolidated interim financial statement shows a comparison with the previous year's figures. Where necessary in the case of changes to accounting standards or measurement or classification criteria, the comparative data are restated and reclassified to provide uniform and consistent information.

3. ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

These condensed consolidated interim financial statements have been drawn up in accordance with IASB (International Accounting Standards Board) IFRS (International Financial Reporting Standards) and are endorsed by the European Union. "IFRS" also refers to the International Accounting Standards ("IAS") currently in force, in addition to all the interpretation documents issued by the International Financial Reporting Interpretations Committee ("IFRIC") previously known as the Standing Interpretations Committee ("SIC").

3.1 CHANGES TO ACCOUNTING STANDARDS, NEW ACCOUNTING STANDARDS, CHANGES TO ESTIMATES AND RECLASSIFICATIONS

The IASB published no amendments or new accounting standards during the first half of 2016.

AMENDMENTS AND REVISED ACCOUNTING STANDARDS APPLIED BY THE GROUP FOR THE FIRST TIME

The following changes came into force on 1 January 2016:

Amendments to IAS 1 – Disclosure initiative (applicable for accounting periods beginning on or after 1 January 2016).
The amendment provides clarifications on the elements of disclosure that may be perceived as impediments to the clear and intelligible preparation of the financial statements.

Amendments to IAS 27 – Equity method in separate financial statements (applicable for accounting periods beginning on or after 1 January 2016).
The amendment introduces the option of using the equity method in the separate financial statements of an entity to value shareholdings in subsidiaries, joint ventures and associates. Consequently, following the introduction of the amendment, an entity may record these shareholdings in its own separate financial statements using the cost method, or as set out in IFRS 9 or using the equity method.

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

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

AMENDMENTS AND INTERPRETATIONS THAT CAME INTO EFFECT FROM 1 JANUARY 2015 BUT THAT ARE NOT RELEVANT FOR THE GROUP

Amendments to IAS 11 – Accounting for acquisitions of interests in joint operations (applicable for accounting periods beginning on or after 1 January 2016).
The amendment provides clarifications regarding the accounting for acquisitions of interests in a joint venture whose activities constitute a business as defined by IFRS 3. The amendment requires the application of the principles reported in IFRS 3 in these cases.

Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation (applicable for accounting periods beginning on or after 1 January 2016).
Amendments to IAS 16 establish that depreciation criteria based on revenue are not appropriate, as, according to the amendment, revenue generated by an activity that include the use of the asset being depreciated reflect factors other than the consumption of the asset's economic benefits alone.
The amendments to IAS 38 introduce a rebuttable presumption according to which a revenue-based amortisation method is generally considered inappropriate for the same reasons established by the changes introduced to IAS 16. In the case of intangible assets, this presumption may however be overcome, but only in limited and specific circumstances.

NEW ACCOUNTING PRINCIPLES AND AMENDMENTS NOT APPLICABLE IN 2015 AND NOT ADOPTED IN ADVANCE

The IASB has not published any amendments or interpretations relevant for drawing up the Condensed consolidated interim financial statements as at 30 June 2016.

3.2 BASIS OF PREPARATION

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

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

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

The accounting standards adopted for the preparation of the consolidated financial statements and notes at 30 June 2016 were applied in the same way for all periods presented for comparison.

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

The accounting standards used to prepare the condensed consolidated financial statements, as well as the recognition and measurement criteria and the consolidation principles applied, comply with those adopted for the consolidated financial statements as at 31 December 2015 with the exception of the new principles adopted.

3.3 CRITERIA FOR CONSOLIDATION

The Group's consolidated financial statements comprise the Parent Company's financial statements and those of the subsidiaries in which the Parent Company directly or indirectly holds the majority of voting rights and over which it exercises control, or from which it can make gains owing to its capacity to dictate financial and operating policy.

The financial statements of the consolidated subsidiaries are prepared using the same time frame of reference and the same accounting principles as the Parent Company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group takes control until this control ceases to exist. If the Group loses control of a subsidiary, the consolidated financial statements include the result of said subsidiary in proportion to the period in which the Group still had control. Any share of equity and reserves attributable to non-controlling interests in the subsidiaries and the share of the consolidated subsidiaries' profit or loss for the year attributable to non-controlling interests are recorded separately in the consolidated statement of financial position and income statement. Changes in equity interests in subsidiaries which do not result in loss of control or increase the controlling stake are recorded among changes in equity.

A list of fully consolidated companies is provided in Note 5 of these notes to the consolidated financial statements.

Equity interests in associates and joint ventures

Associates are those companies in which the Group has a considerable influence, but not control of their management or the power to decide financial and operating policies and gain benefit from the activity of these companies. Associates tend to be those companies in which the Group directly or indirectly holds 20%-50% of share capital or voting rights, including potential voting rights that can be exercised or converted.
Associates are accounted for using the equity method and initially recognised at cost. If the Group's share of the associates' losses should exceed the carrying amount of the equity investment in said associate, the value of the investment is written off and the share of additional losses is recorded in the appropriate provisions insofar as the Group is obliged to cover its associates' losses or fulfil obligations on its behalf. Unrealised profits and losses arising from transactions with associates are eliminated based on the equity interest held.

Transactions eliminated on consolidation

Transactions between Group companies are eliminated in full. Unrealised profits and losses from transactions with subsidiaries are also eliminated in full. Any portions of shareholders' equity and profit/ (loss) attributable to non-controlling interests are determined according to voting rights held, excluding potential voting rights. Any positive differences resulting from the elimination of investments against the amount of shareholders' equity booked at the date of initial consolidation are posted as maximum amounts under assets, liabilities and contingent liabilities, with the remainder posted to goodwill. Any negative differences resulting from elimination of investments against the amount of shareholders' equity booked at the date of the initial consolidation are posted as minimum amounts under assets and liabilities, with the remainder entered in the income statement.

3.4 USE OF ESTIMATES

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

For a more detailed description of the most important evaluation methods used for the Group, please refer to the indications given in the Annual Report as at 31 December 2015.

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

4. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2016

The interim financial statements as at 30 June 2016 was approved by the Board of Directors on 4 August 2016.

5. SCOPE OF CONSOLIDATION

The condensed consolidated half-year financial statements at 30 June 2016 include the financial statements of the Parent Company YOOX NET-A-PORTER GROUP S.p.A. and of the subsidiaries. A parent is deemed to have control when it is exposed to variable returns resulting from the equity investment and it has the power to influence the returns of the investee company or the right to manage the core business of said company. Subsidiaries of immaterial size and those where the actual exercising of voting rights is subject to major long-term restrictions are excluded from the scope of consolidation and valued at cost.

The scope of consolidation as at 30 June 2016 therefore comprises the following subsidiaries of YOOX NET-A-PORTER GROUP S.p.A.:

COMPANY	*REGISTERED OFFICES*	*SHARE CAPITAL AS AT 30 JUNE 2016 (THOUSAND EURO)*	*PERCENTAGE HELD AS AT 30 JUNE 2016*	
			DIRECT	*INDIRECT*
THE PARENT COMPANY, YOOX NET-A-PORTER GROUP S.P.A.	17 VIA MORIMONDO – 20143 MILAN – MI, ITALY			-
LARGENTA LIMITED	15 HILL STREET, LONDON - UK	497,236	100%	
NET-A-PORTER GROUP LTD	THE VILLAGE OFFICES, WESTFIELD, ARIEL WAY, LONDON – UK	48,403		100%
NAP INTERNATIONAL LTD	THE VILLAGE OFFICES, WESTFIELD, ARIEL WAY, LONDON - UK	32,188		100%
NAP LLC	100, FIFTH AVENUE, 11TH FLOOR, NEW YORK - US	40,531		100%
NAP GROUP ASIA PACIFIC LTD	28 HENNESSY ROAD, LEVEL 27, WAN CHI - HONG KONG	23,219		100%
SHOUKE LTD	28 HENNESSY ROAD, LEVEL 27, WAN CHI - HONG KONG	1,218		100%
NAP GROUP CHINA LTD	SUITES B2, B3, C1, C3, 31ST FLOOR, 789 ZHAOJIABANG ROAD XUHUI DISTRICT, SHANGAY – CINA	5,455		100%
YOOX CORPORATION	100 FIFTH AVENUE, 12TH FLOOR, NEW YORK, NY, 10011	410	100%	
YOOX JAPAN	4F OAK OMOTESANDO, 3-6-1 KITA-AOYAMA, MINATO-KU TOKYO 107-0061	75	100%	
MISHANG TRADING (SHANGHAI) CO. LTD	FLOOR 6, DONGLONG BUILDING NO.223 XIKANG ROAD, JING-'AN DISTRICT 200040 SHANGHAI	6,000	100%	
YOOX ASIA LIMITED	UNIT 2702 27/F THE CENTRIUM, 60 WYNDHAM STREET CENTRAL, HONG KONG (CN)	91	100%	

As at the date of this report, the following companies were also part of the YOOX NET-A-PORTER Group: Mister Porter Limited (UK), MR Porter Limited (UK), MR Porter Apothecary Limited (UK), New King Group Ltd. (BVI) and THEOUTNET Limited. At the closing date, these were immaterial non-operating companies.

Note that the scope of consolidation as at 30 June 2016 has not changed since 31 December 2015.

The following exchange rates were used convert the financial statements and account balances in currencies other than the Euro as at 30 June 2016, 31 December 2015 and 30 June 2015 (source: www.bancaditalia.it):

	EXCHANGE RATE AT 30/06/2016	AVERAGE EXCHANGE RATE FOR THE HALF-YEAR UNDER REVIEW
USD	1.1102	1.1159
YEN	114.05	124.41
CNY	7.3755	7.2964
HKD	8.6135	8.6684
GBP	0.8265	0.7788
RUB	71.52	78.297
AUD	1.4929	1.5220
CAD	1.4384	1.4844
KRW	1,278.5	1,318.9

	EXCHANGE RATE AT 31/12/2015	AVERAGE EXCHANGE RATE FOR 2015
USD	1.0887	1.1095
YEN	131.07	134.31
CNY	7.0608	6.9733
HKD	8.4376	8.6014
GBP	0.7340	0.7259
RUB	80.674	68.072
AUD	1.4897	1.4777
CAD	1.5116	1.4186
KRW	1,280.8	1,256.5

	EXCHANGE RATE AT 30/06/2015	AVERAGE EXCHANGE RATE FOR THE HALF-YEAR UNDER REVIEW
USD	1.1189	1.1158
YEN	137.01	134.20
CNY	6.9366	6.9408
HKD	8.6740	8.6517
GBP	0.7114	0.7323
RUB	62.355	64.641
AUD	1.455	1.4261
CAD	1.3839	1.3774
KRW	1,251.3	1,227.3

The foreign currencies are reported against Euro units.

6. REPORTING BY BUSINESS LINE

Following the recent acquisition of THE NET-A-PORTER GROUP, the current reporting system used by senior management to assess business performance does not make provision for allocation to the business lines of relevant operating costs, depreciation and amortisation, and non-monetary revenue and costs; as such, the information presented relates only to net sales revenue for the Multi-brand in-season (including the activities of online stores net-a-porter.com, mrporter.com, thecorner.com and shoescribe.com), Multi-brand end-of-season (including the activities of online stores yoox.com and the outnet.com) and online flagship stores (including the design, planning, creation and management activities for the online stores and some of the leading fashion brands) business lines, consistent with the aforementioned reporting system.

7. INFORMATION BY GEOGRAPHICAL AREA

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

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015
ITALY	57,470	43,884
UNITED KINGDOM	135,245	19,378
EUROPE (EXCLUDING ITALY AND UNITED KINGDOM)	238,410	107,836
NORTH AMERICA	268,126	70,483
ASIA PACIFIC COUNTRIES	137,420	37,666
OTHER COUNTRIES AND NOT COUNTRY-RELATED REVENUES	60,368	5,305
TOTAL	**897,038**	**284,552**

The "Other countries and not country-related revenues" item comprises the set-up and maintenance activities for the online stores, media partnership projects in the Multi-brand business line, web marketing and web design services, and other web marketing services offered for online stores.

The table showing revenues by geographical area complies with the Group control model: only sales to online customers are allocated by country in the actual control model.

In 2015 and 2016, no single third-party customer contributed more than 10% of the Group's revenues.

8. NOTES TO THE INCOME STATEMET, THE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS

CONSOLIDATED INCOME STATEMENT

8.1 NET REVENUES

The Group's net revenues from sales and the provision of services at 30 June 2016 and 30 June 2015 break down as follows:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
NET REVENUES FROM SALES	867,124	274,797	592,327
NET REVENUES FROM THE PROVISION OF SERVICES	29,914	9,755	20,159
TOTAL	**897,038**	**284,552**	**612,486**

Net revenues from sales increased going from Euro 284,552 thousand in the first half of 2015 to Euro 897,038 thousand in the first half of 2016, an increase of over 100%. Net revenues from sales include all revenues for the sale of goods, expressed net of discounts provided to customers and returns.
The increase in the item is attributable to the consolidation of THE NET-A-PORTER Group. An analysis of pro-forma revenues can be found in the directors' report and the note on segment reporting.

Revenues from the provision of services rose by 207% from Euro 9,755 thousand in the first half of 2015 to Euro 29,914 thousand in the first half of 2015, mainly including:

- the recharging of transport services for sales, net of any discounts, to the end customer (in certain countries the customer also pays for return shipments) and net of refunds made if the customer returns the goods sold;
- revenues from the set-up fees charged to create the online stores and fees charged to Strategic Partners in the Mono-brand business line for maintaining the online stores;
- revenues generated from the sale of media partnership projects and web marketing services.

8.2 COST OF GOODS SOLD

The cost of goods sold amounted to Euro 542,154 thousand (60.4% of net revenues) for the period ending at 30 June 2016, compared with Euro 179,300 thousand (63.0% of net revenues) for the period ending at 30 June 2015, an increase of Euro 362,853 thousand. The cost of goods sold includes costs deriving from the acquisition of goods for resale as well as costs for services and other costs.

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

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
CHANGE IN INVENTORIES OF GOODS	27,493	42,931	(15,438)
PURCHASE OF GOODS	(500,560)	(197,600)	(302,960)
COST OF SERVICES	(52,003)	(22,737)	(29,266)
OTHER COSTS	(17,084)	(1,895)	(15,189)
TOTAL	**(542,154)**	**(179,300)**	**(362,853)**

The increase in the cost of goods sold in the first half of 2016 was attributable mainly to the consolidation of the NET-A-PORTER Group.

Costs for the purchase of goods rose from Euro 197,600 thousand in the first half of 2015 to Euro 500,560 thousand in the first half of 2016, an increase of more than 100%. This cost comprises the cost of procuring goods for resale, and its absolute value is directly correlated to sales performance.

Service costs increased by Euro 29,266 thousand, from Euro 22,737 thousand in the first half of 2015 to Euro 52,003 thousand in the first half of 2016. A portion of the transportation costs is invoiced directly to the end customer and recognised as revenue from the provision of services, net of refunds on customer returns.

Other costs increased by Euro 15,189 thousand, from Euro 1,895 thousand in the first half of 2015 to Euro 17,084 thousand in the first half of 2016. These costs mainly comprise transportation costs for purchases, and the internal personnel costs and external supplier costs incurred to set-up and maintain the websites of Mono-brand Strategic Partners.

8.3 FULFILMENT COSTS

Fulfilment costs came in at Euro 94,591 thousand (10.5% of net revenues) for the period ended 30 June 2016, compared with Euro 29,655 thousand (10.4% of net revenues) in the first six months of 2015, an increase of Euro 64,936 thousand.

This cost comprises operational expenses incurred from digital production, cataloguing and quality control, from warehouse logistics, and from the department that provides direct services to customers, referred to as customer services.

The following table shows the breakdown of fulfilment costs:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
SERVICE COSTS AND OTHER COSTS	(46,730)	(22,644)	(24,086)
PERSONNEL EXPENSES	(41,789)	(3,641)	(38,148)
DEPRECIATION AND AMORTISATION	(6,072)	(3,370)	(2,702)
TOTAL	**(94,591)**	**(29,655)**	**(64,936)**

The increase in fulfilment costs in the first half of 2016 was attributable mainly to the consolidation of THE NET-A-PORTER Group.

Service and other costs increased by Euro 24,086 thousand, from Euro 22,644 thousand in the first half of 2015 to Euro 46,730 thousand in the first half of 2016. They mainly comprise service costs for handling and packaging goods and costs relating to outsourced production processes.

Personnel expenses rose from Euro 3,641 thousand in the first half of 2015 to Euro 41,789 thousand in the first half of 2016, an increase if Euro 38,148 thousand, owing to the increase in the number of employees involved in this function. Personnel expenses include the cost of employees as well as costs equivalent to personnel expenses relating to interns, contractors and consultants.

8.4 SALES AND MARKETING COSTS

Sales and marketing costs amounted to Euro 106,792 thousand (11.9% of revenues) for the period ending at 30 June 2016, compared with Euro 34,567 thousand (12.1% of revenues) for the period ending at 30 June 2015, up Euro 72,225 thousand.

These expenses relate to departments operating in sales. A portion of the costs are for personnel working in sales and marketing. The item also contains web marketing costs, costs for charges on credit card transactions and other methods of payment made to intermediaries for payment collection services, as well as expenses relating to customs duties on purchases relating to the import and export of goods sold.

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

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
COST OF SERVICES	(76,955)	(23,738)	(53,217)
PERSONNEL EXPENSES	(26,205)	(9,085)	(17,120)
DEPRECIATION AND AMORTISATION	(1)	(2)	1
OTHER COSTS	(3,630)	(1,742)	(1,888)
TOTAL	**(106,792)**	**(34,567)**	**(72,225)**

The increase in sales and marketing costs in the first half of 2016 was attributable mainly to the consolidation of THE NET-A-PORTER Group.

The cost of services increased by Euro 53,217 thousand, from Euro 23,738 thousand in the first half of 2015 to Euro 76,955 thousand in the first half of 2016. The main components of the cost of services in 2016 were:

- web marketing costs of Euro 29,004 thousand (Euro 8,960 thousand in the first half of 2015). These costs relate to the purchasing of online advertising, the negotiation and implementation of marketing agreements and the development of new partnerships and the commercial and technical management of existing partnerships;

- expenses for credit card transactions of Euro 17,861 thousand (Euro 5,027 thousand in the first half of 2015);

- import and export duties totalling Euro 6,959 thousand (Euro 7,193 thousand in the first half of 2015).

Personnel expenses rose from Euro 9,085 thousand in the first half of 2015 to Euro 26,205 thousand in the first half of 2016, an increase of Euro 17,120 thousand, owing to the increase in the number of employees involved in this function. Personnel expenses include the cost of employees as well as costs equivalent to personnel expenses relating to interns, contractors and consultants.

Other costs increased by Euro 1,888 thousand, from Euro 1,742 thousand in the first half of 2015 to Euro 3,630 thousand in the first half of 2016. This item consists mainly of costs arising from fraud in online activities, which rose from Euro 868 thousand in the first half of 2015 to Euro 1,402 thousand in the first half of 2016.

8.5 GENERAL EXPENSES

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

Expenditure in this area totalled Euro 121,725 thousand (incidence equal to 13.5% of revenues) in the first half of 2016, compared with Euro 35,006 thousand (incidence equal to 12.3% of revenues) in the first half of 2015, an increase of Euro 73,514 thousand.

General expenses can be broken down as follows:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
COST OF SERVICES	(41,919)	(14,631)	(27,288)
PERSONNEL EXPENSES	(44,259)	(9,102)	(35,157)
DEPRECIATION AND AMORTISATION	(35,547)	(11,272)	(24,275)
TOTAL	**(121,725)**	**(35,006)**	**(86,719)**

The increase in general expenditure in the first half of 2016 was attributable mainly to the consolidation of THE NET-A-PORTER Group.

The cost of services increased by Euro 27,288 thousand, from Euro 14,361 thousand in the first half of 2015 to Euro 41,919 thousand in the first half of 2016.

Personnel expenses increased by Euro 35,157 thousand, from Euro 9,102 thousand in the first half of 2015 to Euro 44,259 thousand in the first half of 2016. Personnel expenses include the cost of employees as well as costs equivalent to personnel expenses relating to interns, contractors and consultants.

Depreciation and amortisation rose from Euro 11,272 thousand in the first half of 2015 to Euro 35,547 thousand in the first half of 2016, an increase of Euro 24,275 thousand.

8.6 OTHER INCOME AND EXPENSES

Other income and expenses came to a total negative figure of Euro 2,795 thousand for the period ending as at 30 June 2016, versus a negative figure of Euro 2,508 thousand for the period ending 30 June 2015, an increase of Euro 287 thousand.

Other income and expenses can be broken down as follows:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
EXTRAORDINARY INCOME/LIABILITIES	(1,712)	(1,821)	109
THEFT AND LOSSES	(663)	(581)	(82)
OTHER TAX LIABILITIES	(147)	(99)	(48)
OTHER INCOME AND EXPENSES	(41)	117	(158)
PROVISIONS FOR SUNDRY RISKS	(95)	(116)	21
REIMBURSEMENTS	(137)	(8)	(129)
TOTAL	(2,795)	(2,508)	(287)

Net extraordinary liabilities expenses decreased from Euro 1,821 thousand in the first half of 2015 to Euro 1,712 thousand in the first half of 2016. The item includes income and expenses derived from routine management activities.

Theft and losses relates to the theft and losses of goods destined for final customers that have already occurred at the end of the period.

Other tax liabilities increased by Euro 48 thousand, from Euro 99 thousand in the first half of 2015 to Euro 147 thousand in the first half of 2016.

Provisions for sundry risks in the first half of 2016 relate to the estimated charge incurred due to theft and loss of goods not identified as missing at the reporting date.

8.7 NON-RECURRING EXPENSES

Non-recurring expenses are associated with extraordinary transactions, which include primarily expenses for legal, tax, accounting, financial and strategic consulting services, as well as other general expenses connected with the relative extraordinary transactions. The item at 30 June 2016 was not supplied, while at 30 June 2015 it included the portion of costs pertaining to the integration of the NET-A-PORTER Group.

8.8 OPERATING PROFIT

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

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
NET REVENUES	897,038	284,552	612,486
CHANGE IN INVENTORIES OF GOODS	27,493	42,931	(15,438)
PURCHASE OF GOODS	(500,560)	(197,600)	(302,960)
SERVICES	(208,184)	(83,751)	(124,433)
PERSONNEL EXPENSES	(112,252)	(21,827)	(90,425)
AMORTISATION, DEPRECIATION AND WRITE-DOWNS	(41,621)	(9,436)	(32,185)
OTHER COSTS AND REVENUES	(32,932)	(11,354)	(21,578)
NON-RECURRING EXPENSES	0	(5,209)	5,209
OPERATING PROFIT	**28,982**	**(1,693)**	**30,676**

Operating profit went from Euro -1,693 thousand as at 30 June 2015 to Euro 28,982 thousand as at 30 June 2016, representing -0.6% of net revenues in the first half of 2015 and 3.2% in the first half of 2016.

Personnel expenses include all employment related expenses, such as merit pay rises, promotions, cost-of-living adjustments, variable remuneration for the half-year ended 30 June 2016, unused leave and accruals to legal reserves required under collective agreement, as well as related social security contributions and the contributions to the post-employment benefits for Parent employees. These costs also include the fair value of stock options and the company incentive plan for employees, between the allocation and vesting dates, with a direct matching entry in equity and payables to staff.

8.9 RESULT OF EQUITY INVESTMENTS

The result from equity investments at 30 June 2016 was Euro 239 thousand, and was the result of the evaluation of equity investments in the associate company E-LITE. For more information, refer to paragraph *8.16*.

8.10 FINANCIAL INCOME AND EXPENSE

Financial income rose from Euro 6,425 thousand in the first half of 2015 to Euro 12,929 thousand in the first half of 2016.

The following table shows the breakdown of financial income:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
EXCHANGE RATE GAINS	12,214	5,865	6,349
OTHER FINANCIAL INCOME	549	292	257
INTEREST INCOME ON CURRENT ACCOUNT	163	260	(97)
INTEREST INCOME TO ASSOCIATES	3	7	(4)
TOTAL	**12,929**	**6,425**	**6,504**

Exchange rate gains increased from Euro 5,865 thousand in the first half of 2015 to Euro 12,214 thousand in the first half of 2016. The increase in the item in the first half of 2016 was attributable mainly to the consolidation of THE NET-A-PORTER Group.

These gains arose mainly from the translation of items in US dollars and yen and are closely connected with the ordinary sales and purchase of goods.

Other financial income rose from Euro 292 thousand in the first half of 2015 to Euro 549 thousand in the first half of 2016, while interest income on current accounts fell from Euro 260 thousand in the first half of 2015 to Euro 163 thousand in the first half of 2016.

Financial expenses rose from Euro 5,316 thousand in the first half of 2015 to Euro 13,952 thousand in the first half of 2016.

The following table shows the breakdown of financial expenses:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
EXCHANGE RATE LOSSES	(12,026)	(3,607)	(8,419)
OTHER FINANCIAL EXPENSES	(592)	(827)	235
INTEREST EXPENSES	(1,333)	(882)	(451)
TOTAL	(13,952)	(5,316)	(8,636)

Realised and unrealised exchange rate losses totalled Euro 3,607 thousand in the first half of 2015 and Euro 12,026 thousand in the first half of 2016. They mainly relate to the conversion of items to US dollars and Japanese yen, and are strictly linked to the ordinary sale and purchase of goods.

Other financial expense fell from Euro 827 thousand in the first half of 2015 to Euro 592 thousand in the first half of 2016, and mainly relate to bank sureties issued to third parties on the Group's behalf. This item also includes premiums paid for exchange rate risk hedging agreements, as well as the recognition of their fair value.

Interest expense, of Euro 1,333 thousand at 30 June 2016, rose by Euro 451 thousand, attributable to the new loans taken out during the period.

8.11 TAXES

Income tax can be broken down as follows:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 30/06/2015	CHANGE
CURRENT CORPORATE INCOME TAX (IRES) - PARENT COMPANY (1)	(15,840)	(174)	(15,666)
CURRENT REGIONAL INCOME TAX (IRAP) - PARENT COMPANY (2)	-	(18)	18
CURRENT INCOME TAX - FOREIGN COMPANIES	(10,631)	(2,509)	(8,122)
DEFERRED TAXES	17,108	3,320	13,788
TOTAL TAXES	(9,363)	618	9,982

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

The Group incurred a greater tax burden in absolute terms than at 30 June 2015, owing to the change in the scope of consolidation. Current taxes rose from Euro 2,701 thousand to Euro 26,471 thousand.

8.12 BASIC AND DILUTED EARNINGS PER SHARE

The following table shows the calculation of the basic earnings per share (Basic EPS) and diluted earnings per share (Diluted EPS) reported in the consolidated income statement.

CALCULATION OF BASIC EPS	30 JUNE 2016	30 JUNE 2015
BASIC EARNINGS	18,835	127
AVERAGE NUMBER OF SHARES	131,558,381	62,029,563
BASIC EPS	0.14	0.00

CALCULATION OF DILUTED EPS	30 JUNE 2016	30 JUNE 2015
BASIC EARNINGS	18,835	127
AVERAGE NUMBER OF SHARES	131,558,381	62,029,563
AVERAGE NUMBER OF SHARES GRANTED WITHOUT CONSIDERATION	1,036,415	2,689,995
TOTAL	132,594,796	64,719,558
DILUTED EPS	0.14	0.00

The average number of shares granted without consideration as at 30 June 2016 and 30 June 2015 and used to calculate diluted EPS relates to the granting of shares under existing stock option plans which, as stated in IFRS 2, can be converted on the basis of vesting conditions in the respective years.

In calculating the basic earnings per share (Basic EPS) and the diluted earnings per share (Diluted EPS) given in the table above, the repurchase of 162,000 treasury shares which took place between 2 July 2010 and 7 November 2011 has been taken into account. Treasury shares repurchased were deducted in the calculation of the average number of outstanding ordinary shares net of 31,338 shares, 4,801 shares, 20,255 shares, 378 shares, 48,464 shares, 4,829 shares and 24,596 shares relating to the Company Incentive Plan, granted respectively on 6 August 2012, 10 January 2013, 27 May 2013, 3 June 2013, 1 August 2013, 14 January 2014 and 13 May 2014 to 46 beneficiaries and 10,000 shares granted on 16 January 2015.

STATEMENT OF FINANCIAL POSITION

8.13 PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2016, property, plant and equipment totalled Euro 102,624 thousand. The following is a summary of changes therein in the first half of 2016:

DESCRIPTION	HISTORICAL COST	INCREASES	DECREASES	HISTORICAL COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	AMORTISATION	UTILISATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	EXCHANGE DIFFERENCES FROM CONVERSION	EXCHANGE DIFFERENCES FROM CONVERSION	NET CARRYING AMOUNT	NET CARRYING AMOUNT
	AS AT 31/12/2015			AS AT 30/06/2016	AS AT 31/12/2015			AS AT 30/06/2016	AS AT 31/12/2015	AS AT 30/06/2016	AS AT 31/12/2015	AS AT 30/06/2016
PLANT AND EQUIPMENT	78,820	139	-	78,959	(29,161)	(2,601)	-	(31,763)	679	(1,884)	50,338	45,991
										-		
BUILDINGS	65,511	1,453	(101)	66,863	(27,710)	(3,514)	28	(31,196)	601	(2,275)	38,402	33,993
LEASEHOLD IMPROVEMENTS	65,511	1,453	(101)	66,863	(27,710)	(3,514)	28	(31,196)	601	(2,275)	38,402	33,993
INDUSTRIAL AND COMMERCIAL EQUIPMENT	4,893	222	(36)	5,079	(2,910)	(305)	36	(3,178)	27	(37)	2,010	1,891
										-		
OTHER ASSETS	54,888	5,288	(62)	60,115	(34,670)	(4,655)	52	(39,273)	277	994	20,495	20,125
FURNITURE AND FURNISHINGS	11,653	410	-	12,063	(8,831)	(688)	-	(9,518)	39	(216)	2,861	2,367
ELECTRONIC EQUIPMENT	41,793	4,844	(10)	46,626	(24,859)	(3,846)	1	(28,704)	232	(762)	17,165	17,392
OTHER TANGIBLE. ASSETS	1,442	35	(51)	1,426	(980)	(122)	51	(1,051)	6	(16)	468	365
										-		
ASSETS UNDER CONSTRUCTION AND PAYMENTS ON ACCOUNT	-	625	-	625	-	-	-	-	-	-	-	625
										-		
GENERAL TOTAL	204,113	7,726	(199)	211,641	(94,451)	(11,075)	116	(105,410)	1,584	(5,191)	111,246	102,624

Investments in tangible assets mainly related to: (i) investments in new servers, PCs and monitors, including those held under financial leases for Euro 4,844 thousand, (ii) investments in the upgrading of warehouses and company offices for Euro 1,453 thousand.

Amortisation in the period totalled Euro 11,075 thousand.

During the period, the Group submitted the assets identified in the Plant and Machinery category for appraisal, conducted by specialist consultants, this appraisal showed that the Group's plant, almost relating exclusively to the automated logistics platform, had a longer useful life than that estimated at the end of the previous year.
Consequently, during the period, the Group defined a new rate for the asset category, which was reduced from 15% to 9%.

As at 30 June 2016, there were no liens or mortgages on YNAP Group property, plant and equipment.

Moreover, no impairment losses or revaluations were carried out on items of property, plant and equipment in the first half of 2016. In the period under review, no financial expenses were ascribed to asset entries in the statement of financial position.

8.14 INTANGIBLE ASSETS WITH FINITE USEFUL LIFE

Intangible assets amounted to Euro 462,713 thousand as at 30 June 2016.

The following is a summary of changes in intangible assets with finite useful life in the first half of 2016:

DESCRIPTION	HISTORICAL COST	INCREASES	DECREASES	HISTORICAL COST	ACC. AMORTISATION	AMORTISATION	ACC. AMORTISATION	EXCHANGE DIFFERENCE FROM CONVERSION	NET CARRYING AMOUNT	NET CARRYING AMOUNT
	AS AT 31/12/2015			AS AT 30/06/2016	AS AT 31/12/2015		AS AT 30/06/2016		AS AT 31/12/2015	AS AT 30/06/2016
DEVELOPMENT COSTS	143,657	-	-	143,657	(88,126)	(9,989)	(98,115)	(1,447)	55,531	44,095
SOFTWARE AND LICENCES	21,870	6,069	(9)	27,930	(12,516)	(2,517)	(15,033)	(244)	9,354	12,653
BRANDS AND OTHER RIGHTS	3,020	-	-	3,020	(2,657)	(111)	(2,768)	(9)	362	243
TRADEMARKS AND PATENTS	3,020	-	-	3,020	(2,657)	(111)	(2,768)	(9)	362	243
ASSETS UNDER DEVELOPMENT	-	34,334	-	34,334	-	-	-	-	-	34,334
OTHER	3,101	386,931	-	390,032	(2,312)	(16,312)	(18,624)	(21)	789	371,387
BRAND	-	319,488	-	319,488	-	(10,651)	(10,651)	-	-	308,837
CUSTOMER LIST	-	67,443	-	67,443	-	(5,621)	(5,621)	-	-	61,822
OTHER INTANGIBLE ASSETS	3,101	-	-	3,101	(2,312)	(40)	(2,352)	(21)	789	728
GENERAL TOTAL	171,648	427,335	(9)	598,973	(105,611)	(28,929)	(134,540)	(1,721)	66,036	462,713

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

Development costs

In the first half of 2016, the Group made significant long-term investments in multi-year development projects for a total amount of Euro 34,334 thousand (assets under construction at 30 June). These are costs incurred by the Group for specific projects aimed at the ongoing development of innovative solutions for the creation and management of online stores. Development projects were classified according to the area in which the various initiatives take place: platform e-commerce functional development, management development of productivity and development of service security and continuity.
These costs relate both to internal personnel costs and to the costs of services provided by third parties. In line with the strategy defined in previous years, the number of development projects outsourced to external suppliers increased significantly. Expenses for research-related activities, which are carried out with a view to obtaining new scientific or technical knowledge and discoveries, are recognised in the income statement at the time they are incurred.

Note that during the period, the Group submitted the developments capitalised over previous years for appraisal, conducted by specialist consultants; this appraisal showed that the Group's developments, relating exclusively to the IT platform, had a longer useful life than that estimated at the end of the previous year.
Consequently, during the period, the Group defined a new rate for the asset category, which was reduced from 33% to 30%.

Software and licences

The increase of Euro 6,069 thousand includes expenditure with long-term benefits, principally relating to the acquisition of software licences to build the infrastructure of the online stores and in particular the development of the new Order Management Service System.

Amortisation of intangible assets with finite useful life totalled Euro 28,929 thousand during the period, of which Euro 16,272 thousand related to allocations of amounts on the brand and on the customer list acquired as part of the merger between YOOX GROUP and NET-A-PORTER GROUP.

8.15 *PURCHASE PRICE ALLOCATION* AND GOODWILL

Goodwill of Euro 1,276,003 thousand was due to the combined effect of the carrying value of the goodwill arising from the merger of Largenta Italia S.p.A., which took effect on 5 October 2015 for legal and accounting purposes, into YOOX NET-A-PORTER GROUP S.p.A. and the definition of the Purchase Price Allocation process.

As regards the accounting of the acquisition, on the basis of IFRS 3, the acquirer shall recognise, separately from goodwill, assets acquired, liabilities and contingent liabilities assumed and must ensure their classification or designation according to the contractual terms, the economic conditions, their operating or accounting principles and are pertinent conditions, existing as at the date of the acquisition. The acquirer must also assess and account for the acquiring activities and liabilities assumed at their respective fair value as at the date of acquisition.

VALUES IN THOUSAND EURO	31/12/2015	*FAIR VALUE ADJUSTMENTS*	EXCHANGE DIFFERENCE FROM CONVERSION	30/06/2016
PROPERTY, PLANT AND EQUIPMENT	72,663	-	(7,737)	64,926
INTANGIBLE ASSETS WITH FINITE USEFUL LIFE	12,416	-	(1,322)	11,094
DEFERRED TAX ASSETS	32,996	-	(3,514)	29,482
OTHER NON-CURRENT FINANCIAL ASSETS	1,920	-	(205)	1,715
INVENTORIES	225,209	-	(23,979)	201,230
TRADE RECEIVABLES	12,229	-	(1,302)	10,927
OTHER CURRENT ASSETS	32,937	-	(3,507)	29,430
CASH AND CASH EQUIVALENTS	6,168	-	(657)	5,511
CURRENT FINANCIAL ASSETS	23,678	-	(2,521)	21,157
DEFERRED TAX LIABILITIES	(6,237)	-	664	(5,373)
OTHER MEDIUM-/LONG-TERM PAYABLES	(7,956)	-	847	(7,109)
BANKS AND OTHER CURRENT LOANS	(6,216)	-	662	(5,554)
PROVISIONS FOR RISKS AND CHARGES	(89,478)	-	9,527	(79,951)
TRADE PAYABLES	(140,356)	-	14,944	(125,412)
TAX LIABILITIES	(25,222)	-	2,686	(22,536)
OTHER PAYABLES	(80,470)	-	10,294	(70,176)
TOTAL NET ASSETS ACQUIRED	64,279	-	(5,120)	59,161
TRANSFERRED PAYMENT	1,840,725	-	(196,019)	1,644,706
GOODWILL	1,776,445	-	(190,899)	1,585,546
PURCHASE PRICE ALLOCATIONS	-	-	-	(309,543)
GOODWILL RECOGNISED AS AT 30/06/2016	-	-	-	1,276,003

The IFRS 3 principle provides for an assessment period of one year during which it is possible to rectify, with retroactive effect from the date of acquisition, the provisional initial recognition of the acquisition activities and the liabilities assumed based on information that has become available during that time, concerning facts and circumstances existing as at the date of acquisition. The assessment period ended on 30 June 2016.

The valuations conducted by the management led to the allocation of goodwill originally recognised in the amount of Euro 1,776,445 thousand (Euro 1,585,546 thousand at 30 June 2016 as a result of the significant impact of exchange rate differences between the euro and the British pound) to intangible assets (net of the related tax effect) in the amount of Euro 309,543 thousand.

The merger deficit at 30 June 2016 and its Purchase Price Allocation is shown below:

MERGER DEFICIT	BRAND	CUSTOMER LIST	DEFERRED TAXES	GOODWILL 30/06/2016
1,585,546	(319,488)	(67,443)	77,386	(1,276,003)

BRAND

The brand falls under intangible assets relating to marketing identified by IFRS 3 as a potential intangible asset identified during purchase price allocation.
With reference to the acquisition of the The Net-A-Porter Group, it was considered appropriate to limit the analysis to a single brand, with “Net-A-Porter.com” considered an umbrella brand - this means that consumers associate its other brands to it, clearly identifying the “Net-A-Porter experience”.
For the initial valuation of the brand, both market methods and fundamental methods based on cash flows were used.
Following the allocation process, this intangible asset was recorded at 30 June 2016 in the amount of Euro 319,488 thousand with a definite useful life of 15 years.
In the first six months of 2016, the amortisation charge of the relevant asset (Euro 11,302 thousand, gross of taxes and Euro 9,042 thousand net of taxes) was posted to the income statement.

CUSTOMER LIST

Over the years, NAP has built up a significant portfolio of ongoing relations with clients worldwide, leveraging on the quality and variety of its offer, supported by editorial content, and a reliable and personalised service.
In light of the characteristics mentioned above relating to the use of the brand, the customer list was considered as a single asset, drawing on the contributions made from all currently operational websites.
Following the allocation process, this intangible asset was recorded at 30 June 2016 in the amount of Euro 67,443 thousand with a definite useful life of 6 years.
In the first six months of 2016, the amortisation charge of the relevant asset (Euro 5,965 thousand, gross of taxes and Euro 4,772 thousand net of taxes) was posted to the income statement.

OTHER CONSIDERATIONS

Note that goodwill is subjected on an annual basis, or more frequently if specific events or changes in circumstances indicate the possibility of a loss in value, to impairment tests, as set out by IAS 36 - Impairment of Assets.
The recoverability of amounts entered is checked through a comparison of the net carrying value of the individual cash generating units with the recoverable amount (value in use). This recoverable amount is represented by the present value of future cash flows, which are estimated will result from the continuous use of the assets relating to the cash generating unit and the terminal value attributable thereto.

The recoverability of goodwill is checked at least once a year (on 31 December) even in the absence of indicators of impairment. At 30 June 2016, the Group made a comparison between the actual trend and that set out in the strategic guidelines of the 2016 - 2020 five-year plan approved by the Board of Directors on 29 June 2016.
This analysis did not highlight any impairment indicators relating to goodwill and, therefore, the latter was not subject to impairment tests during the period. Given that the determination of the recoverable value is based on estimates, the Group cannot be sure that there will no impairment of goodwill in future periods.

8.16 INVESTMENTS IN ASSOCIATES

The non-current item as at 30 June 2016 stood at Euro 569 thousand.

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
INVESTMENTS IN ASSOCIATED COMPANIES	569	329	239
TOTAL	**569**	**329**	**239**

The change in the item at 30 June 2016 was due to the valuation of the associate at equity. The table below provides a summary of the operational data of the 49%-owned associate.

INVESTMENT	END OF PERIOD DATE	OWNERSHIP %	INVESTMENT	INVESTMENT PROFIT/LOSS	EQUITY	SHARE OF PROFIT (LOSS)
E_LITE S.P.A (ASSOCIATE)	30 JUNE	49%	569	483	1,160	237
TOTAL			569	483	1,160	237

8.17 DEFERRED TAX ASSETS

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
DEFERRED TAX ASSETS	69,510	56,075	13,435
TOTAL	69,510	56,075	13,435

Changes in deferred tax assets during the first half of 2016 are shown in the following table:

DESCRIPTION	BALANCE AS AT 31/12/2015	INCREASES	UTILISATION	EXCHANGE DIFFERENCE FROM CONVERSION	BALANCE AS AT 30/06/2016
DEFERRED TAX ASSETS	56,075	31,787	(16,063)	(2,289)	69,510
TOTAL	56,075	31,787	(16,063)	(2,289)	69,510

The deferred tax assets pertaining to the allowance for impairment, the provision for obsolete inventories and the provisions for risks and charges also include the amount pertaining to provisions made by foreign subsidiaries.

8.18 OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets at 30 June 2016 stood at a total of Euro 2,862 thousand (Euro 3,100 thousand at 31 December 2015), and are mainly related to guarantee deposits. Other non-current financial assets are due to be repaid in more than five years' time.

8.19 INVENTORIES

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
INVENTORIES	530,666	531,585	(919)
TOTAL	530,666	531,585	(919)

Inventories as at 30 June 2016 and 31 December 2015 break down as follows:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
INVENTORIES OF RAW MATERIALS, CONSUMABLES AND SUPPLIES	1,927	2,376	(449)
TOTAL	**1,927**	**2,376**	**(449)**
FINISHED PRODUCTS AND GOODS	603,759	621,347	(17,588)
PROVISION FOR OBSOLETE FINISHED PRODUCTS AND GOODS	(75,020)	(92,138)	17,118
TOTAL	**528,739**	**529,209**	**(470)**
TOTAL NET INVENTORIES	**530,666**	**531,585**	**(919)**

Inventories fell by 0.2% from Euro 531,585 thousand as at 31 December 2015 to Euro 530,666 thousand as at 30 June 2016, and relate to goods that have been purchased for subsequent resale online.

Goods from previous collections and/or obsolete goods are written down with a provision for obsolete inventories, calculated using the estimated realisable value of the goods. This estimate of realisable values also takes into account the expected effects of new sales policies.

The amount of the provision in the first half of 2016 for obsolete inventories and changes in the provision are shown below:

DESCRIPTION	BALANCE AS AT 31/12/2015	INCREASES	DECREASES	EXCHANGE DIFFERENCES FROM CONVERSION	BALANCE AS AT 30/06/2016
PROVISION FOR OBSOLETE INVENTORIES	(92,138)	(4,417)	15,773	5,762	(75,020)
TOTAL	**(92,138)**	**(4,417)**	**15,773**	**5,762**	**(75,020)**

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

8.20 TRADE RECEIVABLES

The breakdown of trade receivables at 30 June 2016 is as follows:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
DUE FROM CUSTOMERS	7,005	12,422	(5,417)
OTHER TRADE RECEIVABLES	17,041	19,004	(1,963)
ALLOWANCE FOR IMPAIRMENT	(134)	(134)	-
TOTAL	**23,911**	**31,292**	**(7,381)**

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

Other trade receivables mainly relate to receivables from Online Stores, chiefly for the provision of services. This item includes, among other things, services which refer to set-up fees incurred by the Group in relation to Strategic Partners for the design and implementation activities the Group carries out for Online Stores.

The table below shows changes in the allowance for impairment in 2016:

DESCRIPTION	BALANCE AS AT 31/12/2015	INCREASES	DECREASES	BALANCE AS AT 30/06/2016
ALLOWANCE FOR IMPAIRMENT	(134)	-	-	(134)
TOTAL	**(134)**	**-**	**-**	**(134)**

The allowance for impairment covers specific risks relating to unpaid receivables and other receivables not considered recoverable. At 30 June 2016, it was not deemed necessary to carry out further provisions with respect to 31 December 2015.

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

8.21 OTHER CURRENT ASSETS

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
OTHER CURRENT ASSETS	34,454	34,790	(336)
TOTAL	**34,454**	**34,790**	**(336)**

The following is a breakdown of other current assets as at 30 June 2016:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
OTHER RECEIVABLES	1,362	2,841	(1,479)
ALLOWANCE FOR IMPAIRMENT – RECEIVABLES FROM OTHERS	(221)	(221)	-
ADVANCES TO SUPPLIERS	28	142	(114)
ADVANCES TO EMPLOYEES	149	184	(35)
PREPAYMENTS AND ACCRUED INCOME	31,723	23,166	8,558
TAX RECEIVABLES	1,413	8,679	(7,266)
TOTAL	**34,454**	**34,790**	**(336)**

“Other receivables” includes:

Mainly credit notes received from suppliers for which the latter must still refund money to the Company and from advance payments to the supplier for the purchase of goods for which the corresponding invoices have not yet been received (e.g. payments on order, prepayments).

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

The “Accrued income” item mainly comprises costs relating to future years but incurred in the first half of 2016. It mainly involves software licence fees, insurance costs, leasing costs, accrued income for royalties paid for using brands and accrued income for professional consultations.

Tax receivables, which are fully recoverable by the end of the following year, comprise receivables for direct and indirect taxes.

8.22 CASH AND CASH EQUIVALENTS AND CURRENT FINANCIAL ASSETS

The breakdown of the item “Cash and cash equivalents” as at 30 June 2016 is as follows:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
BANK AND POSTAL ACCOUNTS	225,144	130,320	94,824
CASH AND CASH EQUIVALENTS ON HAND	18	20	(2)
TOTAL	**225,161**	**130,340**	**94,822**

The balance represents the cash and cash equivalents on hand at the end of the period deposited at major banks, readily available and free from liens.

The following is a breakdown of current financial assets at 30 June 2016:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
DUE FROM ACQUIRERS	56,501	51,394	5,107
INVESTMENTS	10,253	10,218	35
DUE FROM ASSOCIATE COMPANIES	-	240	(240)
PREPAYMENTS AND ACCRUALS	1,892	1,102	790
TOTAL	**68,646**	**62,954**	**5,692**

8.23 EQUITY

The breakdown of changes in equity as at 30 June 2016 is presented in a separate table.

The share capital at Euro 1,336,973.13 at 30 June 2016 (Euro 1,301,258.85 at 31 December 2015) increased over the first half of 2016 following the Euro 100 million reserved capital increase wholly subscribed by Alabbar Enterprises S.à.r.l. on 19 April 2016. The capital increase was conducted with exclusion of option rights pursuant to article 2441, paragraph 4, second part of the Civil Code, through the issue of 3,751,428 new ordinary shares at a price of Euro 28.00 per share corresponding to a premium of 5.7% versus the closing price on 18 April 2016, for a total amount of Euro 100 million (including share premium).

The reserves are composed as follows:

- share premium reserve of Euro 2,040,995 thousand as at 30 June 2016 (Euro 1,941,658 thousand as at 31 December 2015); this reserve increased during the first half of 2016 following the booking of the premium generated by the capital increase subscribed by Alabbar Enterprises S.à.r.l. in the amount of Euro 99,336 thousand.

- the legal reserve, which totalled Euro 260 thousand as at 30 June 2016 (Euro 193 thousand as at 31 December 2015), consists of accruals of 5% of Parent Company profits every year. Over the year, following the Board of Directors’ resolution, this was increased by Euro 67 thousand by the use of earnings carried forward by the Parent Company.

- the purchase of treasury shares, with a negative balance of Euro 162 thousand, is recorded under the direct decrease in net equity in compliance with the arrangements of IAS 32.

- the translation reserve, which had a negative balance of Euro 193,191 thousand as at 30 June 2016 (compared with a positive figure of Euro 4,991 thousand as at 31 December 2015), reflects exchange rate differences arising from the translation of financial statements denominated in foreign currency. The change versus 30 June 2016 was negative in the amount of Euro 198,182 thousand; this reserve was heavily impacted by fluctuations in the GBP, the currency in which the merger dated 5 October 2015 was conducted.

- other reserves, equal to Euro 27,901 thousand as at 30 June 2016 (Euro 21,542 thousand as at 31 December 2015) include the fair value measurement of the stock options, equal to Euro 27,927 thousand as at 30 June 2016 (Euro 21,983 thousand as at 31 December 2015), the cash flow hedge reserve, equal to a positive value of Euro 33 thousand (negative in the amount of Euro 393 thousand as at 31 December 2015), and the reserve for actuarial gains and losses from the measurement of post-employment benefits, negative in the amount of Euro 58 thousand (negative at Euro 47 thousand as at 31 December 2015).

- retained earnings (losses carried forward) of Euro 66,900 thousand as at 30 June 2016 (Euro 50,358 thousand as at 31 December 2015), increased by Euro 16,542 thousand due to the allocation of profit for 2015 (Euro 16,609 thousand) and their allocation to the legal reserve (Euro 67 thousand).

8.24 STOCK OPTION PLANS AND INCENTIVE PLANS

Granting of stock options

Following approval of the share-split at the extraordinary shareholders' meeting of the Parent Company on 8 September 2009, beneficiaries of Stock Option Plans exercising their options will be entitled to 52 ordinary shares of the Company for every option exercised, except for the 2012-2015 Stock Option Plan and the 2015-2025 Stock Option Plan, which provide for the ratio of one share for every option exercised.

With reference to the Stock Option Plans and company Incentive Plans reserved for employees, associates, consultants and directors of the Company and its subsidiaries, as at 30 June 2016 the Board of Directors had granted the following options, outlined in the table below:

STOCK OPTION PLANS	*GRANTED (A)*	*EXPIRED (B)*	*EXERCISED (C)*	*TOTAL GRANTED NOT LAPSED OR NOT EXERCISED (D = A-B-C)*	*GRANTED, NOT VESTED*	*GRANTED, VESTED, NOT EXERCISABLE*	*GRANTED, VESTED AND EXERCISABLE*
2001 – 2003	80,575	31,560	49,015	0	0	0	0
2003 – 2005	36,760	3,000	32,760	1,000	0	0	1,000
2004 – 2006	32,319	12,650	19,169	500	0	0	500
2006 – 2008	31,303	200	25,190	5,913	0	0	5,913
2007 – 2012	102,600	3,650	85,389	13,561	0	0	13,561
2009 – 2014	94,448	24,599	69,849	0	0	0	0
TOTAL	**378,005**	**75,659**	**281,372**	**20,974**	**0**	**0**	**20,974**

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

STRIKE PRICES IN EURO	**59.17**	**106.50**	*TOTAL OPTIONS*	*TOTAL SHARES*
2003-2005	0	1,000	1,000	52,000
2004-2006	0	500	500	26,000
2006-2008	5,913	0	5,913	307,476
2007-2012	13,061	500	13,561	705,172
TOTAL	**18,974**	**2,000**	**20,974**	**1,090,648**

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

Pursuant to a resolution of the Board of Directors passed on 25 February 2015, the intermediate vesting thresholds for the 2014 tranche of the "2012-2015 Stock Option Plan" were modified and, consequently, a total of 500 thousand options (corresponding to 500 thousand ordinary shares) became exercisable by the CEO.

The following option rights have been granted by the Board of Directors with the breakdown given in the table below, fully exercised as of the date of this document:

STOCK OPTION PLAN	GRANTED (A)	EXPIRED (B)	EXERCISED (C)	TOTAL GRANTED, NOT EXPIRED OR NOT EXERCISED (D = A-B-C)	GRANTED, NOT VESTED	GRANTED, VESTED, NOT EXERCISABLE	GRANTED, VESTED AND EXERCISABLE
2012 – 2015	1,500,000	0	1,500,000	0	0	0	0
TOTAL	1,500,000	0	1,500,000	0	0	0	0

With reference to the "2015-2025 Stock Option Plan" approved by the Extraordinary General Meeting on 16 December 2015, the Company's Board of Directors approved the Plan Regulations on the same date.

As at 30 June 2016, in relation to the 2015-2025 Stock Option Plan, the following option rights (in the ratio of 1 new ordinary share for every 1 option exercised) had been granted by the Board of Directors, on the proposal of the Compensation Committee, with the breakdown given in the table below:

STOCK OPTION PLAN	GRANTED (A)	EXPIRED (B)	EXERCISED (C)	TOTAL GRANTED, NOT EXPIRED OR NOT EXERCISED (D = A-B-C)	GRANTED, NOT VESTED	GRANTED, VESTED, NOT EXERCISABLE	GRANTED, VESTED AND EXERCISABLE
2015 – 2025	6,543,147	202,000	0	6,341,147	6,341,147	0	0
TOTAL	6,543,147	202,000	0	6,341,147	6,341,147	0	0

The table below shows the exact prices for the options assigned that have not expired or been exercised.
In accordance with the provisions of the Plan, the subscription price of each share corresponds to the arithmetic mean of official prices registered for ordinary shares of YNAP on the Electronic Stock Exchange, on days the market is open for trading in the period between the Option Grant Date and the date on which the Options are assigned in the previous calendar month.

STRIKE PRICE FOR THE PERIOD	€ 23.614	€ 25.983	€ 32.466	TOTAL OPTIONS	TOTAL SHARES
2015-2025	90,000	660,000	5,591,147	6,341,147	6,341,147
TOTAL	90,000	660,000	5,591,147	6,341,147	6,341,147

Granting of shares

On 1 July 2010, the Board of Directors of the Parent Company approved the 2009-2014 Incentive Plan Regulations in compliance with the approval of the shareholders' meeting on 8 September 2009.

To this end, a treasury share purchase plan was launched to implement the resolution approved by the shareholders' meeting on 7 October 2009 and by the Board of Directors on 1 July 2010. The treasury share purchase plan was aimed at creating the provision of shares necessary for servicing the 2009-2014 Incentive Plan for employees of the Parent and its subsidiaries.

Specifically, the Ordinary Shareholders' Meeting of YOOX S.p.A. on 5 May 2011 gave authorisation to buy and sell treasury shares, pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code and article 132 of Legislative Decree 58/1998, and related implementation provisions.

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

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

- in the period from 2 July 2010 to 7 July 2010, 62 thousand YOOX S.p.A. ordinary shares, at an average unit price of Euro 5.836485 per share after commission, for a total value of Euro 361,862.06;

- in the period from 5 August 2011 to 8 August 2011, 60 thousand YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.594572 per share after commission, for a total value of Euro 575,674.30;

- on 6 September 2011, 5,000 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.5095 per share after commission, for a total value of Euro 47,547.50;

- on 4 October 2011, 27,331 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.500947 per share after commission, for a total value of Euro 259,670.39;

- on 17 November 2011, 7,669 YOOX S.p.A. ordinary shares, at an average unit price of Euro 9.276056 per share after commission, for a total value of Euro 71,138.08.

At the document date, the "YOOX S.p.A. 2009- 2014 incentive plan" should be deemed completely executed.

At their meeting of 30 April 2015, the shareholders approved the authorisation of the purchase and disposal of treasury shares, in compliance with articles 2357 and 2357-*ter* of the Italian Civil Code and article 132 of Legislative Decree 58/1998 and related implementation provisions, revoking the resolution to purchase treasury shares approved by the shareholders' meeting of 17 April 2014 for the portion not executed.

For more details, please see the Press Release issued on that date which is available on the Company website www.ynap.com (investor Relations / Press Releases Section).

As at the date of this document, the Company holds 17,339 treasury shares in its portfolio, equal to 0.020% of its share capital.

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

On 29 June 2012, the ordinary shareholders' meeting of YOOX S.p.A.approved, pursuant to article 114-*bis* of Legislative Decree 58/1998, the establishment of a new incentive and loyalty scheme known as the 2012-2015 Stock Option Plan for YOOX S.p.A. executive directors, to be implemented through the free granting of options valid for subscribing new issue YOOX S.p.A. ordinary shares (in the ratio of 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 Euro 15 thousand, to be allocated to capital, with the exclusion of option rights pursuant to article 2441, paragraph 4, second period of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the aforementioned "2012-2015 Stock Option Plan".
This increase was implemented in full on 11 November 2015 following the exercise of all the options granted under the scope of this Plan.

It should also be noted that on 17 April 2014, the ordinary shareholders' meeting of YOOX S.p.A.approved, pursuant to article 114-*bis* of Legislative Decree 58/1998, the establishment of a new incentive and loyalty scheme known as the 2014-2015 Stock Option Plan for employees of YOOX S.p.A. and its direct or indirect subsidiaries, 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).

In extraordinary session, the same shareholders' meeting approved the capital increase through payment in cash in one or more tranches, of a maximum amount of Euro 5 thousand attributable to the capital, increased by any premium, with the exclusion of option rights pursuant to article 2441, paragraph 8 of the Italian Civil Code, to be reserved exclusively for subscription by employees of YOOX S.p.A. and subsidiary companies as beneficiaries of the above Stock Option Plan.

After viewing and approving the Explanatory Report of the Board of Directors, the Extraordinary General Meeting of 16 December 2015, taking into account the fact that the "2014-2020 Stock Option Plan" was not executed, decided to revoke both the resolution establishing it and the consequent share capital increase to service it, which should therefore be deemed ineffective.

On 16 December 2015, the extraordinary shareholders' meeting approved, pursuant to article 114-*bis* of Legislative Decree 58/1998, the establishment of a new incentive and loyalty scheme known as the 2015-2015 Stock Option Plan for directors, executives and employees of YNAP and its direct or indirect subsidiaries, to be implemented through the free granting of options valid for subscribing new issue YNAP ordinary shares (in the ratio of 1 ordinary share for every 1 option exercised).
On the same day, the shareholders' meeting approved the capital increase associated with the Plan, for a maximum nominal amount of Euro 69,061.33, pursuant to article 2441, paragraphs 5 and 6 of the Italian Civil Code, and therefore with the exclusion of option rights, by issuing a maximum of 6,906,133 new YNAP ordinary shares, with no indication of nominal value, with the same characteristics as those outstanding and with regular dividend rights.
The deadline for subscription to the capital increase has been set as 31 December 2025, with the provision that if the capital increase has not been fully subscribed by this deadline, the share capital shall, pursuant to article 2439, paragraph 2 of the Italian Civil Code, be deemed to be increased by an amount equal to the subscriptions received up to that moment and with effect from that moment, provided these resolutions have been filed with the Register of Companies.

Establishment of the Stock Option Plans and company Incentive Plans and subsequent changes

On 27 April 2012, the shareholders' meeting approved, pursuant to article 114-*bis* of Legislative Decree the establishment of an incentive and loyalty plan known as the Stock Grant Plan for employees of YOOX S.p.A. and the companies directly or indirectly controlled by it, to be implemented by the granting, free of charge, of a total of 550 thousand ordinary shares in YOOX S.p.A., giving the Board of Directors the mandate to adopt the relative regulations.
At the document date, the plan had not been implemented.

On 16 December 2015, the extraordinary shareholders' meeting approved, pursuant to article 114-*bis* of Legislative Decree 58/1998, the establishment of a new incentive and loyalty scheme known as the 2015-2015 Stock Option Plan for reserved for directors, executives and employees of YNAP and companies directly or indirectly controlled by it, to be implemented through the free granting of options valid for subscribing new issue YNAP ordinary shares.
The Plan provides for the issue of up to 6,906,133 new YNAP ordinary shares, with no indication of nominal value, with the same characteristics as those outstanding and with regular dividend rights.
On the same date, the Board of Directors also approved the Plan Regulation.

8.25 MEDIUM-LONG TERM FINANCIAL LIABILITIES – BANK LOANS AND OTHER CURRENT FINANCIAL PAYABLES

Bank loans and other financial liabilities stood at Euro 155,037 thousand, an increase of Euro 24,369 thousand compared with 31 December 2015 (Euro 130,668 thousand).

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
MEDIUM/-LONG-TERM FINANCIAL LIABILITIES	86,253	101,219	(14,966)
BANK LOANS AND OTHER CURRENT FINANCIAL LIABILITIES	68,784	29,450	39,334
TOTAL	**155,037**	**130,668**	**24,369**

The following table shows the breakdown of debt as at 30 June 2016:

LENDING INSTITUTION	REMAINING AMOUNT	RATE	SHORT-TERM PORTION	MEDIUM-/LONG - TERM PORTION
BNL - BNP PARIBAS GROUP	44,057	EURIBOR + VARIOUS%	40,307	3,750
BANCA SELLA	2,083	EURIBOR + 2.3%	1,667	417
MEDIOCREDITO	40,000	EURIBOR + 1.1%	-	40,000
EIB	31,714	FIX (AVG 1.66%)	8,958	22,756
UNICREDIT	30,000	EURIBOR + 1.5%	6,660	23,340
DE LAGE LANDEN	43	FIXED	43	-
FACTOR (IFITALIA)	584	EURIBOR + VARIOUS%	584	-
FINANCIAL LEASES	6,408	FIXED	3,748	2,660
ACCRUED LIABILITIES	*148*		*148*	-
TOTAL	155,037		68,782	86,255

The summarised details of loan agreements and lines of credit stipulated in the first half of 2016 are given below:

BNL Loan
On 15 March 2016, a short-term credit line was taken out with Banca Nazionale del Lavoro (BNP Paribas Group) for a maximum amount of Euro 45,000,000.00 at an interest rate equal to EURIBOR 3 months plus a spread of 25 bps or 0.25%. A disbursement of Euro 37,807,183.36 was requested on 24 March 2016, and at the same time negotiated in British pounds (GBP 30,000,000.00), then transferred on the same date to the The Net-A-Porter Group Ltd in the form of an inter-company loan. The loan was backed by a cross currency swap in order to hedge the exchange rate risk on the GBP. Under the terms of the hedge, every quarter over the life of the operation, YNAP will pay BNL interest in GBP (at a variable rate of LIBOR GBP 3 months + 0.36%) on the notional amount of GBP 30,000,000.00, and will receive from BNL interest in Euro (at a variable rate of EURIBOR 3 months flat) on the notional of the initial amount in euro. Repayment of both the inter-company and bank loans is scheduled for 15 December 2016.

COMMITMENTS OF A FINANCIAL NATURE (COVENANTS)

The Company, including for the purposes of article 1461 of the Italian Civil Code, recognises the essential nature of complying with the financial parameters, in accordance with the consolidated financial statements in the name of YOOX NET-A-PORTER GROUP S.p.A., accepting that the “Bank” can terminate the contracts if the financial situation recorded in the consolidated financial statements does not comply with these parameters, or even with only one of them.

Below are the finance parameters for the loan agreed with Banca Nazionale del Lavoro, UniCredit and Mediocredito:

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

2) the ratio between the Net Financial Position and the Shareholders’ Equity should not be more than 1 times the total loan repayment.

The finance parameter for the loan taken out with the European Investment Bank is also provided:

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

2) the ratio between the Net Financial Position and the Shareholders’ Equity should not be more than 0.8 times the total loan repayment.

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

In relation to the aforementioned financing agreed, it should be noted that as at 30 June 2016, just as at 31 December 2015, the aforementioned financial parameters were complied with by the Group.

As at 30 June 2016, financing with other credit institutions is not governed by compliance with parameters of a financial and commercial nature.

Net financial position

The table below gives a breakdown of net financial position as at 30 June 2016:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
CASH AND CASH EQUIVALENTS	225,161	130,340	94,821
CURRENT FINANCIAL ASSETS	68,646	62,954	5,692
OTHER CURRENT FINANCIAL ASSETS	2,132	103	2,029
BANK LOANS AND OTHER CURRENT FINANCIAL LIABILITIES	(68,784)	(29,450)	(39,334)
OTHER CURRENT FINANCIAL LIABILITIES	(2,087)	(645)	(1,442)
CURRENT NET FINANCIAL POSITION	**225,068**	**163,302**	**61,766**
MEDIUM/-LONG-TERM FINANCIAL LIABILITIES	(86,253)	(101,219)	14,966
NET FINANCIAL POSITION[32]	**138,815**	**62,084**	**76,731**

During the first half of 2016, the Group's net financial improved by Euro 76,731 thousand, rising from Euro 62,084 thousand at 31 December 2015 to Euro 138,815 thousand at 30 June 2016.

8.26 EMPLOYEE BENEFITS

This item refers exclusively to the post-employment benefits recorded by the Parent Company in accordance with current legislation. Changes in defined benefit plans for employees in the first half of 2016 are summarised below:

DESCRIPTION	BALANCE AS AT 31 DECEMBER 2015	PROVISIONS	UTILISATION	BALANCE AS AT 30 JUNE 2016
EMPLOYEE BENEFITS	154	17	15	157
TOTAL	154	17	15	157

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

The main technical, demographic and economic parameters used in the actuarial calculation of employee benefits as at 30 June 2016 are summarised below:

ACTUARIAL ASSUMPTIONS USED FOR THE CALCULATIONS	
SURVIVAL TABLES	ISTAT SIM AND SIF TABLES FOR 2014
ANNUAL TURNOVER RATE	2.90%
PROBABILITY OF REQUESTS FOR ADVANCES	7.60%
ACTUALISATION RATE	1.05% (IBOXX CORPORATES AA € 10+)
INFLATION RATE	1.50%
% REQUESTS FOR ADVANCES	70.00%
NOMINAL REMUNERATION GROWTH RATE	1.50%

8.27 DEFERRED TAX LIABILITIES

The following tables show the breakdown of, and changes in, deferred tax liabilities as at 30 June 2016:

DESCRIPTION	BALANCE AS AT 31/12/2015	INCREASES	UTILISATION	EXCHANGE DIFFERENCE FROM CONVERSION	BALANCE AS AT 30/06/2016
DEFERRED TAX LIABILITIES	6,924	79,990	(3,827)	(168)	82,919
TOTAL	**6,924**	**79,990**	**(3,827)**	**(168)**	**82,919**

DESCRIPTION OF TAXABLE ITEM	BALANCE AS AT 30/06/2016	2016 TAX RATE	TAX RECORDED IN 2016
UNREALISED EXCHANGE RATE GAINS 2016	-	27.5%	-
POSITIVE FAIR VALUE (CFH) OF DERIVATIVES	972	27.5%	267
OTHER (NAP GROUP CONSOLIDATION)	42,600	20%	8,520
TAX EFFECT *PPA*	370,661	20%	74,132
TOTAL	**414,233**		**82,919**

8.28 PROVISIONS FOR CURRENT AND NON-CURRENT RISKS AND CHARGES

This item reflects provisions for estimated current liabilities as at 30 June 2016, the timing and extent of which cannot be determined. The following table shows the breakdown of the item and changes in the first half of 2016:

DESCRIPTION	BALANCE AS AT 31/12/2015	INCREASES	ADJUSTMENTS	UTILISATION	EXCHANGE DIFFERENCE FROM CONVERSION	BALANCE AS AT 30/06/2016
PROVISION FOR THEFT AND LOSS	260	106	-	(260)	-	260
PROVISION FOR FRAUD	1,777	231	-	(1,777)	-	231
COMPLIANCE RISK	77,300	-	-	-	(7,878)	69,069
OPERATIONAL RISK	10,851	225	-	(2,514)	(888)	7,449
TOTAL PROVISIONS FOR CURRENT RISKS AND CHARGES	90,188	562	-	(4,551)	(8,765)	77,081

During the period, Euro 260 thousand from the provision for theft and loss was used, and it was therefore deemed appropriate to proceed with a further accrual of Euro 106 thousand, following a new estimate.

Euro 1,777 thousand was utilised from the provision for fraud, and it was therefore deemed appropriate to proceed with a further accrual of Euro 231 thousand, to cover fraud committed via online sales paid for by credit card. This fraud coverage provision was calculated taking into account the historical incidence of the value of fraud in relation to the value of sales. The provision for operational risk was used in the amount of Euro 2,514 thousand with the risk closed.

8.29 TRADE PAYABLES

The following table shows a breakdown of trade payables as at 30 June 2016:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
DUE TO SUPPLIERS	272,837	269,031	3,806
CREDIT NOTES TO BE RECEIVED FROM SUPPLIERS	(2,139)	(6,013)	3,874
INVOICES TO BE RECEIVED FROM SUPPLIERS	89,337	88,030	1,307
DUE TO CREDIT CARD OPERATORS	2,194	2,211	(17)
TOTAL	362,230	353,259	8,971

In the first half of 2016, trade payables increased from Euro 353,259 thousand at 31 December 2015 to Euro 362,230 thousand at 30 June 2016.

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

8.30 TAX PAYABLES

Current tax liabilities relate exclusively to the current income tax liability, net of payments on account.

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
CURRENT INCOME TAX LIABILITY	41,616	29,683	11,933
TOTAL	**41,616**	**29,683**	**11,933**

During the first half of 2016, this figure increased by Euro 11,933 thousand, from Euro 29,683 thousand at 31 December 2015 to Euro 41,616 thousand at 30 June 2016.

8.31 OTHER PAYABLES

The following table shows a breakdown of other payables at 30 June 2016:

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015	CHANGE
DUE TO SOCIAL SECURITY INSTITUTIONS	3,635	3,560	75
CREDIT NOTES TO BE ISSUED TO CUSTOMERS	49,881	72,052	(22,171)
DUE TO DIRECTORS	505	711	(206)
DUE TO EMPLOYEES	21,437	24,107	(2,670)
DUE TO TAX REPRESENTATIVES	6,774	10,795	(4,021)
OTHER PAYABLES	19,767	26,660	(6,893)
ACCRUED EXPENSES AND DEFERRED INCOME	5,467	11,014	(5,547)
TOTAL	**107,466**	**148,899**	**(41,433)**

The item “Due to social security institutions” reflects contributions payable to social security institutions, mainly on the amounts recognised to employees at the close of the half year.

Credit notes to be issued to customers relate to certain payables for returns on sales made in the first half of 2016.

The item “Due to tax representatives” reflects indirect tax liabilities. Sales carried out in European countries in the first half of 2016 and 2015 exceeded the threshold set in article 41, paragraph 1, letter b) of Decree-Law 331/93, which requires payment of VAT in the destination country for goods sold. In order to comply with this requirement, the Company has opened VAT accounts in these countries.

Note that at 30 June 2016 the Group recognized other medium-/long-term payables in the amount of Euro 7,740 thousand due to the straight lining of operating leases held by THE NET-A-PORTER Group.

CONSOLIDATED STATEMENT OF CASH FLOWS

8.32 PROFIT FOR THE PERIOD, TAXES FOR THE PERIOD, INCOME TAXES PAID

Details of consolidated profit for the period, taxes for the period, depreciation and amortisation and other non-monetary income statement items are provided in Notes 8.3, 8.4, 8.5, 8.9, 8.10, 8.11, 8.12, 8.13 and 8.14.

In relation to the income tax in the first half of 2016 of Euro 9,363 thousand (negative at Euro 618 thousand in 2015), tax payments amounting to Euro 5,748 thousand were made (Euro 3,051 thousand in 2015) relating to tax outstanding for the previous year and payments on account, calculated in accordance with the respective tax regulations in force in the various countries where the Group operates.

8.33 OTHER NET NON-MONETARY INCOME AND EXPENSES

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

8.34 CHANGE IN TRADE RECEIVABLES, INVENTORIES AND TRADE PAYABLES

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

8.35 CHANGES IN OTHER CURRENT ASSETS AND LIABILITIES

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

8.36 ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND PROCEEDS FROM THE SALE OF PROPERTY, PLANT AND EQUIPMENT

Cash flow from the acquisition of property, plant and equipment reflects both expenditure to replace plants and expenditure on new plants. The amount reported also includes the change in investment payables.

8.37 ACQUISITIONS OF OTHER INTANGIBLE ASSETS

Cash flow for acquisition of other intangible assets relates to investments in licences and software and the capitalisation of development costs (for a breakdown of these, see Note *8.14*. Capitalisations are classified among cash flow from/used in investing activities since they involve a cash outflow associated with the internal costs incurred (mainly personnel expenses). These outflows were broadly in line with costs capitalised during the period.

8.38 ACQUISITION OF STAKES IN ASSOCIATES

No cash was used by the investment in the associate E_Lite.

8.39 ACQUISITION OF AND PROCEEDS FROM DISPOSALS OF OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets at 30 June 2016 changed by Euro 397 thousand compared with the same period of the previous year.

8.40 INCREASE IN SHARE CAPITAL AND SHARE PREMIUM RESERVE

For information on total receipts for increases in share capital and the share premium reserve, please see Note 8.23 "Equity attributable to owners of the Parent Company".

8.41 ARRANGEMENT AND REPAYMENT OF MEDIUM-/LONG-TERM FINANCIAL LIABILITIES

Repayments of other medium-/long-term financial liabilities relate to loans from banks and other lenders, as described in Note 8.25.

8.42 ARRANGEMENT AND REPAYMENT OF SHORT-TERM FINANCIAL PAYABLES

The change in short-term bank exposure is included in the change in short-term financial payables, since these are forms of short-term borrowing, as described in Note 8.25.

9. DISCLOSURE OF FINANCIAL RISKS

A. *Accounting classification and fair value*

The table below shows the carrying amount and fair value of each financial asset and liability, as well as the relative fair value hierarchy level.

30 JUNE 2016		CARRYING VALUE						FAIR VALUE			
THOUSANDS OF EUROS	NOTES	LOANS AND RECEIVABLES	FINANCIAL ASSETS AT FAIR VALUE RECORDED IN INCOME STATEMENT	FAIR VALUE - HEDGING INSTRUMENTS	FINANCIAL LIABILITIES AT FAIR VALUE RECORDED IN INCOME STATEMENT	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS											
OTHER NON-CURRENT FINANCIAL ASSETS		2,862	-	-	-	-	**2,862**	-	-	-	**-**
TRADE RECEIVABLES		23,911	-	-	-	-	**23,911**	-	-	-	**-**
OTHER CURRENT ASSETS		32,323	-	2,132	-	-	**34,454**	-	2,132	-	**2,132**
CASH AND CASH EQUIVALENTS		225,161	-	-	-	-	**225,161**	-	-	-	**-**
TOTAL FINANCIAL ASSETS		**284,257**	**-**	**2,132**	**-**	**-**	**286,389**	**-**	**2,132**	**-**	**2,132**
FINANCIAL LIABILITIES											
BANK OVERDRAFTS		-	-	-	-	(584)	**(584)**	-	-	-	**-**
GUARANTEED BANK LOANS		-	-	-	-	(148,046)	**(148,046)**	-	(148,046)	-	**(148,046)**
NON-GUARANTEED BANK LOANS		-	-	-	-	-	**-**	-	-	-	**-**
LIABILITIES FOR FINANCIAL LEASES		-	-	-	-	(6,408)	**(6,408)**	-	(6,408)	-	**(6,408)**
TRADE PAYABLES		-	-	-	-	(362,230)	**(362,230)**	-	-	-	**-**
OTHER LIABILITIES		-	-	(2,087)	-	(113,119)	**(115,206)**	-	(2,087)	-	**(2,087)**
TOTAL FINANCIAL LIABILITIES		**-**	**-**	**(2,087)**	**-**	**(630,387)**	**(632,474)**	**-**	**(156,541)**	**-**	**(156,541)**

31 DECEMBER 2015		CARRYING VALUE						FAIR VALUE			
THOUSANDS OF EUROS	NOTES	LOANS AND RECEIVABLES	FINANCIAL ASSETS AT FAIR VALUE RECORDED IN INCOME STATEMENT	FAIR VALUE - HEDGING INSTRUMENTS	FINANCIAL LIABILITIES AT FAIR VALUE RECORDED IN INCOME STATEMENT	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS											
OTHER NON-CURRENT FINANCIAL ASSETS		3,100	-	-	-	-	3,100	-	-	-	-
TRADE RECEIVABLES		31,292	-	-	-	-	31,292	-	-	-	-
OTHER CURRENT ASSETS		34,687	-	103	-	-	34,790	-	103	-	103
CASH AND CASH EQUIVALENTS		130,340	-	-	-	-	130,340	-	-	-	-
TOTAL FINANCIAL ASSETS		199,419	-	103	-	-	199,522	-	103	-	103
FINANCIAL LIABILITIES											
BANK OVERDRAFTS		-	-	-	-	(10,209)	(10,209)	-	-	-	-
GUARANTEED BANK LOANS		-	-	-	-	(117,846)	(117,846)	-	(117,846)	-	(117,846)
NON-GUARANTEED BANK LOANS		-	-	-	-	-	-	-	-	-	-
LIABILITIES FOR FINANCIAL LEASES		-	-	-	-	(2,613)	(2,613)	-	(2,613)	-	(2,613)
TRADE PAYABLES		-	-	-	-	(353,259)	(353,259)	-	-	-	-
OTHER LIABILITIES		-	-	(645)	-	(156,180)	(156,825)	-	(645)	-	(645)
TOTAL FINANCIAL LIABILITIES		-	-	(645)	-	(640,107)	(640,752)	-	(121,104)	-	(121,104)

B. Hierarchical levels of fair value measurement

In order to determine the fair value of financial instruments, the Group relies on measurement techniques based on observable market parameters (Mark to model), which are therefore included in level 2 of the fair value hierarchy identified in IFRS 13.

IFRS 13 identifies a hierarchy of measurement techniques based on three levels:

- Level 1: inputs are quoted prices in markets for identical assets or liabilities;
- Level 2: inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices);
- Level 3: inputs that are unobservable; used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability.

When it chooses its measurement techniques, the Group adheres to the following hierarchy:

a) use of prices found in markets, even if they are inactive, of identical instruments (Recent Transactions) or similar instruments (Comparable Approach);

b) use of measurement techniques based primarily on observable market parameters;

c) use of measurement techniques based primarily on unobservable market parameters.

The company has adopted procedures to assess the fair value of assets and liabilities using measurement techniques based on observable market parameters.

The Company determined the fair value of the derivatives in place at 30 June 2016 using generally accepted measurement techniques for instruments of the type used by the Group.

The models applied for the measurement of instruments require calculations through the Bloomberg info provider. The input data used in the models are primarily observable market parameters (Euro, Yen and Dollar interest rate curve and official exchange rates at the measurement date) acquired from the Bloomberg info provider.

In the first half of 2016, there were no transfers from Level 1 to Level 2 or vice versa.

C. Financial risk management

The Group is exposed to the following risks deriving from the use of financial instruments:

- Credit risk, in relation to normal commercial dealings with customers as well as financing activities;
- Liquidity risk, in relation to the availability of financial resources and access to the credit and financial instruments market;
- Market risk, in relation to fluctuations in interest rates and exchange rates between the Euro and the other currencies used by the Group.

The Group's risk management policies aim to identify and analyse the risks to which the Group is exposed, establish appropriate limits and controls and monitor risks and compliance with those limits. These policies and the relative systems are revised on a regular basis to reflect any changes in market conditions and Group activities.

CREDIT RISK

Credit risk is the risk that a customer or financial instrument counterparty may cause a financial loss by not meeting a contractual obligation, and derives primarily from the Group's trade receivables and debt securities.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. The existing receivables at the close of the period are chiefly due from customers, Group companies, other commercial counterparties and tax authorities. There are no significant overdue balances.

CREDIT RISK WITH COMMERCIAL COUNTERPARTIES

Due to the type of business carried out by the Group, credit risk exposure is limited as collections take place at the time of sale (payments by credit card) or upon delivery in the case of payment on delivery of the merchandise (COD).
Credit risk related to any problem accounts subject to legal action or to overdue accounts is monitored centrally on a daily basis and reported each month.

CREDIT RISK WITH FINANCIAL COUNTERPARTIES

In relation to the credit risk deriving from other financial assets other than trade receivables, theoretical credit risk for the Group arises from the breach of a counterparty with a maximum exposure that is equal to the carrying amount of the financial asset recognised in the financial statements, as well as the nominal value of guarantees given on third-party debt or commitments specified in paragraph 11 of the Notes. The Group has policies in place that limit the amount of credit exposure to the various banks.
The YOOX NET-A-PORTER Group has obtained lines of credit from leading Italian and international banks of high standing.
Insofar as the Group is aware, there are no potential losses deriving from the impossibility of financial counterparties to meet their contractual obligations of a significant or appreciable amount.

LIQUIDITY RISK

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

Net financial position as at 30 June 2016 was positive at Euro 138,815 thousand.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument could fluctuate as a result of changes in market prices, due to changes in exchange rates, interest rates or equity instrument prices. The objective of market risk management is to manage and control the Group's exposure to that risk within acceptable levels, while also optimising the return on investments.
For the YOOX NET-A-PORTER-GROUP, market risk arises in the form of currency and interest rate risk.

CURRENCY RISK

The Group is exposed to currency risk when sales, purchases and loans are expressed in a currency other than the functional currencies of each Group entity which are, primarily, the Euro, the UK pound and the US dollar. The Group is principally exposed towards the US dollar, the UK pound, the Japanese yen and, only to a marginal extent, the Chinese renminbi.
At all times, the Group covers the estimated exposure to changes in exchange rates with respect to expected sales. In 2016, this exposure is hedged using US dollar and Japanese yen forward sale agreements and collar options on US dollars and Japanese yen entered into with leading domestic and international credit institutions with which the Group works on a daily basis.
All currency forward sale agreements and collar options have a term of less than one year after year-end close.
The Group companies are located in countries not belonging to the European Monetary Union, in particular the UK, the United States, Japan, China and Hong Kong. Since the Group's functional currency is the Euro, the income statements of these companies are translated into Euro at the average exchange rate for the period. Holding revenue and profits constant in their

local currencies, changes in the exchange rates concerned may have an effect on the Euro amount of their revenue, costs and financial results. The Euro value of assets and liabilities of consolidated companies whose accounting currency is not the Euro may vary depending on exchange rate movements.

In accordance with IFRS, the effects of these changes are recognised directly in equity, under the item "Translation reserve".

INTEREST RATE RISK

Interest rate risk arises when a change in interest rates adversely affects performance for the year.
Funding and credit lines available to the YOOX NET-A-PORTER Group are indexed to the Euribor, and therefore the Group is exposed to an increase in interest rates. The YOOX Group felt it advisable to manage the interest rate risk through recourse to interest rate swaps covering medium-/long-term funding agreed for financing the new techno-logistics platform.

The interest cost of the majority of the Group's bank loans is roughly equal to Euribor plus a spread of about 1.50%, in line with the previous year.

HEDGE ACCOUNTING – CASH FLOW HEDGING

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

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

In 2016, the Group put cash flow hedges into place in relation to a highly likely planned transaction.

The financial instruments in place as at 30 June 2016 are forward contracts stated at fair value in the equity reserve, as set out in IFRS.

FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

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

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

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

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

10. INFORMATION PURSUANT TO IAS 24 ON MANAGEMENT REMUNERATION AND ON RELATED PARTIES

Transactions with related parties, as defined under IAS 24, at 30 June 2016, as well as at 31 December 2015 and 30 June 2015, were restricted to commercial, administrative and financial services relationships with subsidiaries and other related parties. The transactions form part of normal business operations, within the usual scope of activity of each of the interested parties, and are carried out under normal market conditions.

Below is a non-exhaustive list of definitions of the related parties of an entity (the "Entity") as indicated in IAS 24:

a) entities that directly or indirectly:

   (i) control the Entity, or

(ii) are controlled by the Entity, or
(iii) are subject to joint control with the Entity, or
(iv) have significant influence over the Entity; or
(v) have joint control over the Entity.

b) entities related to the Entity according to the definition set out in IAS 28 – Investments in Associates;

c) joint ventures in which the Entity has a shareholding;

d) managers with strategic responsibility for the Entity or its parent company, including the directors and statutory auditors of the Entity;

e) the close family members of any physical persons included in points a) to d) above;

f) entities controlled or jointly controlled by one of the persons described in points d) or e) above, or that are under the significant influence of these persons; i.e. entities in which the persons described in d) and e) hold, either directly or indirectly, a significant share of the voting rights;

g) pension funds for employees of the Entity or any other entity related to it.

10.1 INTRA-GROUP TRANSACTIONS

In order to provide more information on the extent of relationships within the Group, the following tables present transactions taking place between Group companies and cancelled out in the consolidated financial statements as at 30 June 2016, as well as at 31 December 2015 and 30 June 2015.

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

1. supply of products to the subsidiaries intended for sale on the US, Japanese, Asia Pacific and Chinese online stores;
2. maintenance, support and update services for the subsidiaries' websites;
3. administrative, financial and legal services provided for the subsidiaries;
4. customer service support services provided for the subsidiaries;
5. consulting and support services in the area of fashion, marketing, advertising and professional training provided for the subsidiaries.

The relationships between the Group companies and related parties are not considered to be atypical or unusual, and form part of the Group's ordinary business operations. The transactions were carried out under normal market (i.e. arm's-length) conditions.
The following tables show the relationships in terms of receivables and payables between Group companies at 30 June 2016, 31 December 2015 and 30 June 2015. Receivables from and payables to subsidiaries are expressed in USD, JPY, CNY, HKD and GBP, and translated into euro at the exchange rate in effect at year-end. Revenue and costs are expressed in USD, JPY, CNY, HKD and GBP and translated into euro at the average exchange rate for the year in question.

30 June 2016

	TRADE RECEIVABLES	FINANCIAL RECEIVABLES	TRADE PAYABLES	FINANCIAL LIABILITIES	REVENUE	COSTS
YNAP GROUP S.P.A.	30,680	40,149	205	2,838	73,555	1,534
YOOX CORPORATION	276	-	10,939	-	274	42,894
YOOX JAPAN	52	881	4,711	-	51	17,170
MISHANG TRADING (SHANGHAI)	4	-	13,262	3,655	5	3,669
YOOX ASIA LTD	-	1,957	2,771	-	9	10,484
LARGENTA LIMITED (UK)	-	-	-	-	-	-
THE NET-A-PORTER GROUP LIMITED (UK)	134,129	3,715	-	118,562	54,616	31,675
NET-A-PORTER INTERNATIONAL LIMITED (UK)	-	-	-	3,715	-	-
THE NET-A-PORTER GROUP LLC (USA)	576	59,547	91,409	-	28,391	43,052
THE NET-A-PORTER GAP (HK)	11	25,424	42,286	-	4,623	12,037
SHOUKE LTD (HK)	-	-	-	2,903	-	-
THE NET-A-PORTER GROUP CHINA (PRC)	597	-	742	-	991	-
TOTAL SUBSIDIARIES	**166,325**	**131,673**	**166,325**	**131,673**	**162,515**	**162,515**

31 December 2015

	TRADE RECEIVABLES	FINANCIAL RECEIVABLES	TRADE PAYABLES	FINANCIAL LIABILITIES	REVENUE	COSTS
YNAP GROUP S.P.A.	36,293	1,990	105	2,754	147,670	154
YOOX CORPORATION	81	-	14,385	-	113	93,186
YOOX JAPAN	17	767	7,835	-	22	29,639
MISHANG TRADING (SHANGHAI)	-	-	9,581	1,991	7	7,269
YOOX ASIA LTD	5	1,988	4,490	-	12	17,576
LARGENTA LIMITED (UK)	-	-	-	-	-	-
THE NET-A-PORTER GROUP LIMITED (UK)	15,171	88,387	56,738	-	8,962	54
NET-A-PORTER INTERNATIONAL LIMITED (UK)	-	12	-	3,858	-	59
THE NET-A-PORTER GROUP LLC (USA)	56,726	595	-	81,892	20	5,826
THE NET-A-PORTER GAP (HK)	-	-	15,151	2,649	49	3,642
THE NET-A-PORTER GROUP CHINA (PRC)	-	-	-	595	550	-
TOTAL SUBSIDIARIES	**108,285**	**93,739**	**108,285**	**93,739**	**157,405**	**157,405**

30 June 2015

	TRADE RECEIVABLES	FINANCIAL RECEIVABLES	TRADE PAYABLES	FINANCIAL LIABILITIES	REVENUE	COSTS
YNAP GROUP S.P.A.	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
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**

10.2 REMUNERATION OF SENIOR MANAGERS AND OTHER KEY PERSONS WITHIN THE GROUP

The senior management and key persons with strategic responsibility for management, planning and administration in the Group are, in addition to executive and non-executive directors, the Chief Financial & Corporate Officer, the Chief Operating Officer and the PMI & Operational Excellence Director.

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

30 June 2016

DESCRIPTION	SHORT-TERM BENEFITS	LONG-TERM BENEFITS	STOCK OPTION PLANS AND COMPANY INCENTIVE PLANS
DIRECTORS	1,102	400	3,129
STATUTORY AUDITORS	35		
MANAGEMENT PERSONNEL WITH STRATEGIC RESPONSIBILITIES	715	32	522
TOTAL	**1,852**	**432**	**3,652**

31 December 2015

DESCRIPTION	SHORT-TERM BENEFITS	LONG-TERM BENEFITS	STOCK OPTION PLANS AND COMPANY INCENTIVE PLANS
DIRECTORS	2,793	800	1,261
STATUTORY AUDITORS	71	-	-
MANAGEMENT PERSONNEL WITH STRATEGIC RESPONSIBILITIES	1,547	58	37
TOTAL	**4,411**	**858**	**1,298**

30 June 2015

DESCRIPTION	SHORT-TERM BENEFITS	LONG-TERM BENEFITS	STOCK OPTION PLANS AND COMPANY INCENTIVE PLANS
DIRECTORS	710	178	1,014
STATUTORY AUDITORS	36	-	-
MANAGEMENT PERSONNEL WITH STRATEGIC RESPONSIBILITIES	671	25	0
TOTAL	**1,417**	**203**	**1,014**

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

10.3 TRANSACTIONS WITH OTHER RELATED PARTIES

The following tables list the main financial and commercial relationships between the companies of the Group and related parties other than Group companies, as at 30 June 2016, 31 December 2015 and 30 June 2015, excluding intra-Group relationships, which are described above. Commercial transactions with these entities are carried out under normal market conditions, and all transactions are carried out in the interests of the Group.

30 June 2016

DESCRIPTION	TRADE RECEIVABLES	FINANCIAL RECEIVABLES	TRADE PAYABLES	FINANCIAL LIABILITIES	REVENUE	COSTS
STUDIO LEGALE ASSOCIATO D'URSO GATTI E BIANCHI	-	-	675	-	-	931
BIZMATICA SISTEMI S.P.A.	-	-	102	-	-	102
JC ACCOUNTING KK (FORMERLY KK TPI)	-	-	19	-	-	47
NAGAMINE ACCOUNTING	-	-	2	-	-	23
TARTER KRINSKY E DROGIN LLP	-	-	48	-	-	99
RICHEMONT INTERNATIONAL SA	-	-	-	-	-	-
RICHEMONT NORTH AMERICA INC	-	-	1,189	-	1,420	2,053
PITER MILLAR INC	-	-	-	-	17	-
AZZEDINE ALAIA SAS	-	-	769	-	723	988
ALFRED DUNHILL LIMITED	4	-	198	-	469	285
CHOE' INTERNATIONAL SAS	-	-	4,041	-	1,463	1,365
MONTBLANC NORTH AMERICA LLC	-	-	34	-	33	28
MONTBLANC SIMPLO GMBH	-	-	119	-	46	58
E_LITE	759	-	5,244	-	9,658	-
TOTAL RELATED PARTIES	**763**	**-**	**12,440**	**-**	**13,829**	**5,979**

31 December 2015

DESCRIPTION	TRADE RECEIVABLES	FINANCIAL RECEIVABLES	TRADE PAYABLES	FINANCIAL LIABILITIES	REVENUE	COSTS
STUDIO LEGALE ASSOCIATO D'URSO GATTI E BIANCHI	-	-	25	-	-	3,913
BIZMATICA SISTEMI S.P.A.	-	-	190	-	-	297
JC ACCOUNTING KK (FORMERLY KK TPI)	-	-	15	-	-	79
NAGAMINE ACCOUNTING	-	-	4	-	-	21
TARTER KRINSKY E DROGIN LLP	-	-	59	-	-	477
RICHEMONT INTERNATIONAL SA	-	-	-	-	-	73
RICHEMONT NORTH AMERICA INC	-	-	1,735	-	1,018	1,236
PITER MILLAR INC	-	-	-	-	9	-
AZZEDINE ALAIA SAS	-	-	444	-	456	487
ALFRED DUNHILL LIMITED	90	-	97	-	259	40
CHOE' INTERNATIONAL SAS	-	-	1,576	-	1,349	1,632
MONTBLANC NORTH AMERICA LLC	79	-	-	-	40	85
MONTBLANC SIMPLO GMBH	-	-	107	-	93	38
E_LITE	72	240	9,216	-	16,271	-
TOTAL RELATED PARTIES	**241**	**240**	**13,468**	**-**	**19,495**	**8,378**

30 June 2015

DESCRIPTION	TRADE RECEIVABLES	FINANCIAL RECEIVABLES	TRADE PAYABLES	FINANCIAL LIABILITIES	REVENUE	COSTS
STUDIO LEGALE ASSOCIATO D'URSO GATTI E BIANCHI	-	-	531	-	-	1,493
TARTER KRINSKY E DROGIN LLP	-	-	262	-	-	355
BIZMATICA SISTEMI SPA	-	-	103	-	-	116
NAGAMINE ACCOUNTING OFFICE	-	-	2	-	-	16
E_LITE	519	240	4,129	-	8,046	-
TOTAL RELATED PARTIES	**519**	**240**	**5,026**	**-**	**8,046**	**1,980**

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

- Studio Legale D'Urso Gatti e Associati: a partner in the law firm is a director of the Parent;
- Tarter Krinsky and Drogin LLP: a partner in the law firm is a member of the Board of Directors of one of the Group's companies (YOOX Corporation);
- KK TPI and Nagamine Accounting Office: the owner of both consultancy firms is a member of the Board of Directors of a Group company (YOOX Japan);
- Bizmatica Sistemi S.p.A.: the chairman of the company is the son of a member of the Board of Directors of a Group company (YOOX S.p.A.);

- E_lite: it is a 49% owned subsidiary.

- Richemont International SA as a company belonging to the Richemont Group.

- Alfred Dunhill Limited, Chloè International S.A.S., Azzedine Alaia S.A.S., Montblanc North America LLC, Montblanc Simplo Gmbh, Peter Millar Inc., Richemont North America Inc. as suppliers of brand goods belonging to the Richemont Group.

None of the transactions that took place with related parties in the period ended 30 June 2016 and in the year 2015 was significant (except as mentioned above), atypical and/or unusual.

11. OTHER INFORMATION

COMMITMENTS AND GUARANTEES

DESCRIPTION	BALANCE AS AT 30/06/2016	BALANCE AS AT 31/12/2015
THIRD-PARTY ASSETS HELD BY THE GROUP	188,128	157,480
SURETIES GIVEN TO OTHERS	7,237	7,418
COMMITMENTS UNDER HEDGING CONTRACTS (NOMINAL VALUE)	156,141	102,944

The companies' warehouses hold goods worth Euro 188,128 thousand received on a sale-or-return basis from YNAP's partners. The decrease compared with the previous fiscal year was due exclusively to the increase in sales in the last quarter of the mono-brand online stores that store goods at our warehouses.

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

- the contract agreed by the Parent Company with SINV, with effect from 12 May 2015, for a period of nine months, which may be renewed at the end of the contract, for the rental of office premises in Milan. The surety amounts to Euro 357 thousand and will expire on 1 January 2019;

- the contract agreed by the Company with Oslavia, with effect from 19 September 2014 for a period of six years, for the rental of office premises in Via Lombardini, Milan. The surety amounts to Euro 21 thousand and expires on 31 July 2016;

- the contract concluded by the Company following the repayment of the Global Collect guarantee deposit of Euro 1,200 thousand, after UniCredit issued a bank guarantee for the same amount, expiring on 30 June 2016;

- the contract agreed with Logistica Bentivoglio S.r.l. with effect from 28 December 2010 and expiring on 31 December 2017 to guarantee compliance with obligations under the rental agreement for the warehouse at the Bentivoglio Blocco 9.5 Interporto for Euro 564 thousand;

- the contract agreed by the Company with Despina S.p.A. to guarantee compliance with obligations under a rental contract with effect from 12 February 2015, relating to office premises at Via Nannetti 1 in Zola Predosa. The amount of the surety is Euro 400 thousand expiring on 1 February 2017;

- the contract agreed with Geodis Logistic S.p.A. with effect from 13 February 2013 and expiring on 30 January 2019 to guarantee compliance with obligations under the rental agreement for the warehouse and offices at the Interporto for Euro 104 thousand;

- the contract agreed with Generali Italia Immobiliare, with effect from 25 July 2013 and expiring on 13 September 2019, for the rental of office space in Casalecchio di Reno in via del Lavoro. The amount of the surety is Euro 31 thousand.

- Guarantee line with HSBC on the company warehouses of The Net-A-Porter Group Asia Pacific Ltd group for Euro 2,745 thousand, starting September 2015 and expiring in September 2021.

- Bank guarantee with HSBC from The Net-A-Porter Group Limited on overdraft of Euro 1,815 thousand.

The hedging contracts relate to:

- forward sales set up by the Parent to cover the currency risk connected to intra-Group sales in US dollars and Japanese yen. The nominal amount of these commitments, translated to Euro at the exchange rate in effect at the reporting date, is Euro 46,250 thousand;

- interest rate swaps signed by the Parent to hedge the interest rate risk related to the medium-/long-term loan agreed for financing the new techno-logistics platform. The nominal amount of commitments at the reporting date is Euro 109,891 thousand.

12. SIGNIFICANT EVENTS AFTER 30 JUNE 2016

On 12 July 2016, the AIX Armani Exchange brand of the Armani online store was extended to the North American market.

YOOX
NET-A-PORTER
GROUP

ANNEX 1

Consolidated income statement as at 30/06/2016 prepared in accordance with Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006 (in thousands of Euro).

	30 JUNE 2016			30 JUNE 2015		
CONSOLIDATED INCOME STATEMENT	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING
AMOUNTS IN THOUSANDS OF EURO AND PERCENTAGE WEIGHTING ON INDIVIDUAL ITEMS:						
COST OF GOODS SOLD	897,038	13,829	1.5%	284,552	8,046	2.8%
FULFILMENT COSTS	(542,154)	(4,777)	0.9%	(179,300)		
FULFILMENT COSTS	(94,591)			(29,655)	(181)	0.6%
SALES AND MARKETING COSTS	(106,792)	(169)	0.2%	(34,567)	(188)	0.1%
GENERAL EXPENSES	(121,725)	(6,968)	5.7%	(35,006)	(4,245)	12.1%
OTHER INCOME AND EXPENSES	(2,795)			(2,508)		
NON-RECURRING EXPENSES	-			(5,209)		
OPERATING PROFIT	28,982			(1,693)		
RESULT OF EQUITY INVESTMENTS	239			94		
FINANCIAL INCOME	12,929			6,425	2	0.03%
FINANCIAL EXPENSES	(13,952)			(5,316)		
PROFIT BEFORE TAX	28,198			(491)		
TAXES	(9,363)			618		
CONSOLIDATED NET INCOME FOR THE YEAR	18,835			127		
OF WHICH:						
ATTRIBUTABLE TO OWNERS OF THE PARENT	18,835			127		
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-			-		

ANNEX 2

Consolidated statement of financial position as at 30/06/2016, prepared in accordance with Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006 (in thousands of Euro).

	30 JUNE 2016			31 DECEMBER 2015		
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING
AMOUNTS IN THOUSANDS OF EURO AND PERCENTAGE WEIGHTING ON INDIVIDUAL ITEMS						
NON-CURRENT ASSETS						
PROPERTY, PLANT AND EQUIPMENT	102,624			111,246		
INTANGIBLE ASSETS WITH FINITE USEFUL LIFE	462,713			66,036		
GOODWILL	1,276,003			1,776,445		
EQUITY INTERESTS IN ASSOCIATES	569			329		
DEFERRED TAX ASSETS	69,510			56,075		
OTHER NON-CURRENT FINANCIAL ASSETS	2,862			3,100		
TOTAL NON-CURRENT ASSETS	**1,914,281**			**2,013,232**		
CURRENT ASSETS						
INVENTORIES	530,666			531,585		
TRADE RECEIVABLES	23,911	763	3.2%	31,292	241	0.8%
OTHER CURRENT ASSETS	34,454			34,790		
CASH AND CASH EQUIVALENTS	225,161			130,340		
CURRENT FINANCIAL ASSETS	68,646			62,954	240	0.4%
TOTAL CURRENT ASSETS	**882,838**			**790,962**		
TOTAL ASSETS	**2,797,119**			**2,804,194**		
SHAREHOLDERS' EQUITY						
SHARE CAPITAL	1,337			1,301		
RESERVES	1,875,803			1,968,222		
LOSSES CARRIED FORWARD	66,900			50,358		
CONSOLIDATED NET INCOME FOR THE PERIOD	18,835			16,609		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1,962,875			2,036,490		
EQUITY ATTRIBUTABLE TO THIRD PARTIES						

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	30 JUNE 2016			31 DECEMBER 2015		
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING
TOTAL CONSOLIDATED EQUITY	1,962,875			2,036,490		
NON-CURRENT LIABILITIES						
MEDIUM/-LONG-TERM FINANCIAL LIABILITIES	86,235			101,219		
EMPLOYEE BENEFITS	157			154		
PROVISIONS FOR RISKS AND NON-CURRENT CHARGES	-			-		
DEFERRED TAX LIABILITIES	82,919			6,924		
OTHER MEDIUM-/LONG-TERM PAYABLES	7,740			7,926		
TOTAL NON-CURRENT LIABILITIES	177,069			116,223		
BANK LOANS AND OTHER CURRENT FINANCIAL LIABILITIES	68,784			29,450		
PROVISIONS FOR RISKS AND CHARGES	77,081			90,188		
TRADE PAYABLES	362,230	12,440	3.4%	353,259	13,468	3.8%
TAX LIABILITIES	41,616			29,683		
OTHER PAYABLES	107,466			148,899		
TOTAL CURRENT LIABILITIES	657,176			651,480		
TOTAL CONSOLIDATED EQUITY AND LIABILITIES	2,797,119			2,804,194		

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ANNEX 3

Consolidated statement of cash flows for the year ended 30/06/2016, prepared in accordance with Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006 (in thousands of Euro).

	30 JUNE 2016			30 JUNE 2015		
CONSOLIDATED STATEMENT OF CASH FLOWS	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING
AMOUNTS IN THOUSANDS OF EURO AND PERCENTAGE WEIGHTING ON INDIVIDUAL ITEMS						
CONSOLIDATED NET INCOME FOR THE PERIOD	18,835			127		
ADJUSTMENTS FOR:						
TAXES FOR THE PERIOD	9,363			(618)		
FINANCIAL EXPENSES DURING THE PERIOD	13,952			5,316		
FINANCIAL INCOME DURING THE PERIOD	(12,929)	(3)	0.02%	(6,425)	(2)	0.03%
SHARE OF EARNINGS FROM ASSOCIATES	(239)			(94)		
AMORTISATION AND IMPAIRMENT LOSSES FOR THE PERIOD	41,621			14,645		
FAIR VALUE ADJUSTMENT OF STOCK OPTION PLANS	5,945			1,014		
UNREALISED EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES	(9,264)			(935)		
LOSSES/(GAINS) ON SALE OF NON-CURRENT ASSETS	101			58		
PROVISIONS FOR EMPLOYEE BENEFITS	17			19		
PROVISIONS FOR RISKS AND CHARGES	562			286		
PAYMENT OF EMPLOYEE BENEFITS	(15)			(25)		
USE OF PROVISIONS FOR RISKS AND CHARGES	(13,669)			(483)		
CHANGES IN INVENTORIES	919			(51,123)		
CHANGES IN TRADE RECEIVABLES	7,381	522	7.1%	1,346	(447)	33.2%
CHANGES IN TRADE PAYABLES	8,970	(1,028)	-11.5%	29,824	320	1.1%
CHANGES IN OTHER CURRENT ASSETS AND LIABILITIES	(40,742)			(5440)		
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**30,808**			**(12,506)**		
INCOME TAX PAID	(5,748)			(3,051)		
INTEREST AND OTHER FINANCIAL EXPENSES PAID	(13,952)			(5,316)		
INTEREST AND OTHER FINANCIAL INCOME RECEIVED	12,929			6,425		
CASH FROM (USED IN) OPERATING ACTIVITIES	**24,037**			**(14,449)**		
INVESTING ACTIVITIES						
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(4,934)			(10,191)		
ACQUISITION OF INTANGIBLE ASSETS	(40,404)			(18,200)		

	30 JUNE 2016			30 JUNE 2015		
CONSOLIDATED STATEMENT OF CASH FLOWS	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING	BALANCE	OF WHICH WITH RELATED PARTIES	% WEIGHTING
ACQUISITION OF EQUITY INVESTMENTS	-			-		
ACQUISITION OF OTHER NON-CURRENT FINANCIAL ASSETS	237			(160)		
ACQUISITION OF SUBSIDIARIES NET OF CASH AND CASH EQUIVALENTS ACQUIRED	-			-		
CASH FROM (USED IN) INVESTING ACTIVITIES	(45,101)			(28,550)		
FINANCING ACTIVITIES						
NEW SHORT-TERM LIABILITIES	37,866			3,712		
REPAYMENT OF SHORT-TERM LIABILITIES	(9,717)			(10,862)		
NEW MEDIUM-/LONG-TERM FINANCIAL LIABILITIES	-			52,750		
REPAYMENT OF MEDIUM-/LONG-TERM FINANCIAL LIABILITIES	(6,573)			(6,618)		
TREASURY SHARES ACQUISITION	-			-		
INCREASE IN SHARE CAPITAL AND SHARE PREMIUM RESERVE	100,000			158		
INVESTMENTS IN FINANCIAL ASSETS	(5,691)			(10,900)		
CHANGE DUE TO DIFFERENCE BETWEEN CASH AND EQUITY EFFECT OF INCENTIVE PLANS	-			-		
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	115,885			28,240		
TOTAL CASH FLOW FOR THE PERIOD	94,821			(14,760)		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	130,340			118,028		
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	225,161			103,269		
TOTAL CASH FLOW FOR THE PERIOD	94,821			(14,760)		

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

CERTIFICATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS PERSUANT TO ARTICLE 81-*TER* OF CONSOB REGULATION No. 11971 OF 14 MAY 1999, AS AMENDED

1. The undersigned, Federico Marchetti, as Chief Executive Officer, and Enrico Cavatorta, as Director in charge of preparing corporate accounting documents of YOOX NET-A-PORTER GROUP S.p.A. hereby certify, with due regard for the provisions of Article 154-*bis* (3 and 4) of Legislative Decree No. 58 of 24 February 1998:
    - the adequacy, with respect to the Company's characteristics and
    - the effective application of the administrative and accounting procedures for the compilation of the condensed interim financial statements, during the period from 1 January 2016 to 30 June 2016.

2. No significant aspects have emerged in this regard.

3. We also bear witness to the fact that:

3.1 The consolidated interim financial statements:

a) were prepared in accordance with International Financial Reporting Standards endorsed by the European Union pursuant to EC Parliament and Council Regulation No. 1606/2002 of 19 July 2002;
b) correspond to entries made in accounting ledgers and records;
c) are suitable for providing a true and fair view of the financial position and results of operations of the issuer and all companies included in consolidation;

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

The Interim Director's Report also includes a reliable analysis of disclosure of related-party transactions.

Milan (MI), 04 August 2016

Chief Executive Officer	Director in charge of preparing corporate accounting documents
[Signed on the original]	[Signed on the original]
Federico Marchetti	Enrico Cavatorta

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

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

Report on review of condensed interim consolidated financial statements

To the Shareholders of
YOOX NET-A-PORTER GROUP S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of YOOX NET-A-PORTER GROUP (the "group") comprising the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes thereto, as at and for the six months ended 30 June 2016. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of YOOX NET-A-PORTER GROUP as at and for the six months ended 30 June 2016 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Bologna, 5 August 2016

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit

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