

YOOX NET-A-PORTER GROUP

PRESS RELEASE

3 MAY 2017

YOOX NET-A-PORTER GROUP

Trading Statement for the first quarter to 31 March 2017

ORGANIC NET REVENUE GROWTH OF 19.1% DRIVEN BY STRONG IN-SEASON PERFORMANCE

- **First-quarter net revenues** of Euro 515 million, up 19.1% on an **organic**¹ basis (+15.4% reported) compared with net revenues of Euro 446 million in the first quarter of 2016
 - Strong organic performance across all business lines: Multi-brand In-Season net revenues accelerating to 20.0%, Multi-brand Off-Season net revenues up 16.2%, Gross Merchandise Value of Online Flagship Stores (GMV²) up 28.0%
 - Positive growth in all key markets, with North America and Asia Pacific the fastest growing regions and Italy back to double-digit growth
- **Key Performance Indicators:**
 - **200 million visits**, compared with 178 million in the first quarter of 2016
 - **2.2 million orders**, compared with 2.0 million in the first quarter of 2016
 - **Euro 343 AOV** (Average Order Value), compared with Euro 324 in the first quarter of 2016
 - **3.0 million active customers**, compared with 2.5 million in the first quarter of 2016
- YNAP and VALENTINO partnered to unveil a **new omni-channel business model - NEXT ERA**

€ million	1Q 2017	%	1Q 2016	%	REPORTED	CHANGE % CONSTANT	ORGANIC ¹
Multi-brand In-Season	266.7	51.8%	237.6	53.3%	+12.2%	+14.8%	+20.0%
Multi-brand Off-Season	192.1	37.3%	162.1	36.3%	+18.5%	+16.2%	+16.2%
Online Flagship Stores	56.0	10.9%	46.4	10.4%	+20.6%	+20.9%	+28.0%*
Total YOOX NET-A-PORTER-GROUP	514.8	100.0%	446.2	100.0%	+15.4%	+16.0%	+19.1%

* Relates to Gross Merchandise Value (GMV²) growth at constant exchange rates and at a comparable perimeter

€ million	1Q 2017	%	1Q 2016	%	REPORTED	CHANGE % CONSTANT
Italy	31.3	6.1%	28.3	6.3%	+10.9%	+11.0%
UK	66.7	13.0%	65.0	14.6%	+2.5%	+14.3%
Europe (excl. Italy and the UK)	134.5	26.1%	120.9	27.1%	+11.2%	+7.9%
North America	161.3	31.3%	133.0	29.8%	+21.2%	+17.6%
APAC	91.1	17.7%	69.2	15.5%	+31.5%	+33.0%
Rest of the World + Not country related	29.9	5.8%	29.7	6.7%	+0.7%	+9.9%
Total YOOX NET-A-PORTER-GROUP	514.8	100.0%	446.2	100.0%	+15.4%	+16.0%

¹ Organic net revenue growth is calculated at constant exchange rates and at a comparable perimeter by including net revenues of all online stores active at the end of each period, which were also active at the beginning of the same period of the previous year. Reported growth is calculated at current exchange rates and at actual perimeter.

² Retail value of sales of all the online flagship stores, including the JV online store sales, to final customers, net of returns and customer discounts. Set-up, design and maintenance fees for the online flagship stores, accounted for within "Rest of the World and Not country related", are excluded.

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“The first quarter saw strong revenue growth combined with a number of strategic initiatives which put us on track for our ambitious short and medium-term targets.

In particular, YOOX NET-A-PORTER unveiled the NEXT ERA business model which will allow luxury brands to embrace the revolution in online retailing by leveraging YNAP’s innovative omni-channel retail technology and expertise. NEXT ERA will launch with Valentino and will drive a superior experience for customers and brand partners.

With numerous exclusive launches, capsule collections and innovative campaigns, including Alaïa, Cartier, Gucci, and Tiffany among others, YNAP is proud to reinforce its position as the leading online retail partner for the most prestigious brands in Luxury Fashion and jewellery and watches.”

- commented Federico Marchetti, Chief Executive Officer of YOOX NET-A-PORTER GROUP.

Milan, 3 May 2017 - The Board of Directors of YOOX NET-A-PORTER GROUP S.p.A. (MTA: YNAP), the world’s leading online luxury fashion retailer, has today examined the consolidated net revenues and the key performance indicators for the first quarter ended 31 March 2017, compared to the financials related to the same period of the previous year.

YOOX NET-A-PORTER GROUP’S TRADING STATEMENT FOR THE FIRST THREE MONTHS ENDED 31 MARCH 2017 AND THE RELATED COMPARATIVE PERIOD

Consolidated Net Revenues

In the first quarter of 2017, YOOX NET-A-PORTER GROUP recorded **consolidated net revenues**, net of returns and customer discounts, of Euro **514.8 million, up 19.1%** on an **organic** basis (+15.4% reported) from net revenues of Euro 446.2 million in the first quarter of 2016.

Consolidated Net Revenues by Business Line

Multi-brand In-Season

In the first quarter of 2017, the **Multi-brand In-Season** business line, which includes [NET-A-PORTER](#) and [MR PORTER](#), recorded consolidated net revenues of Euro **266.7 million, up 20.0%** on an **organic**³ basis. This marks an **acceleration** over the last quarter of 2016, with an excellent performance achieved by both online stores.

³ Organic net revenue growth for the In-Season business line is calculated at constant exchange rates and by excluding THE CORNER and SHOESCRIBE (discontinued on 31 August 2016) from the first quarter of 2016. Reported growth is calculated at current exchange rates and at actual perimeter.

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Including the performance of THECORNER and SHOESCRIBE - which were discontinued on 31 August 2016 - the In-Season business line grew 14.8% at constant exchange rates (+12.2% reported) from net revenues of Euro 237.6 million in the first quarter of 2016.

During the quarter, NET-A-PORTER and MR PORTER further enriched their unique portfolio of the world's most coveted and prestigious luxury fashion houses with new key brands and exclusive capsule collections. Specifically, **NET-A-PORTER** became the **exclusive** online retail **partner** for **Alaïa ready-to-wear**, while **MR PORTER** introduced **Stella McCartney's** first-ever menswear collection.

MR PORTER will also launch in May 2017 the new **MR PORTER X GUCCI exclusive capsule** collection designed under the creative direction of GUCCI's Alessandro Michele, building on the previous successful capsule collection exclusively designed for NET-A-PORTER in 2016.

The start of the year also saw **key additions** to the In-season **new Fine Jewellery and Watches category**. Specifically, **NET-A-PORTER** - the **only authorised online retail partner** for **Tiffany & Co. Jewellery** - extended the scope of their global collaboration to the Infinity collection and Tiffany & Co. Fine Watches, which launched in January. In addition, respectively in March and April, NET-A-PORTER became the **first global online retail partner** for the Italian luxury fine jewellery brand **Buccellati** and the Swiss luxury jewellery and watch brand **Piaget**: for both brands, this collaboration marks the first time the brands' collections are sold beyond their retail and e-commerce stores.

Other important milestones for the new Fine Jewellery and Watches category were achieved by NET-A-PORTER and MR PORTER entering their **first partnerships** with **Cartier** and **Montblanc**. Specifically, NET-A-PORTER became Cartier's **exclusive launch partner** for the newly reinstated **Panthère** de Cartier watch collection, available from yesterday via a dedicated pop-up shop, while **Montblanc's** first-ever **smartwatch** will be unveiled on MR PORTER in May.

Over the quarter, NET-A-PORTER and MR PORTER also continued to enhance their world-class luxury service. In particular, in line with their strategy to strengthen the on-the-ground presence of the Personal Shoppers and Client Relations teams in key geographies, the beginning of the year saw the introduction of a **new Personal Shopping team** in **Los Angeles**, as well as **intensified Client Relations activities** to increase awareness in the **Middle East** and in key target secondary cities in **Europe** and **Asia Pacific**.

NET-A-PORTER and MR PORTER will see the launch of **innovative personal shopping services** dedicated to their higher-value customer base in select cities, beginning September 2017. Specifically, a new **"You try, we wait"** service will be available through personal shoppers, allowing customers to receive and try their order at home, and hand anything they wish to return directly to the Group's dedicated same-day delivery fleet. One-on-one at-home shopping consultations, **"NET-A-PORTER at home"** and **"MR PORTER at home"**, will also be available upon request through personal shoppers, following which customers will receive a curated selection of products they will choose from.

NET-A-PORTER and MR PORTER customers are now also able to easily share their favourite products with friends and personal shoppers **via iMessage** thanks to a **new innovative** feature designed for their **iOS native apps**.

Finally, **PORTER**, the Group's bimonthly fully shoppable global print fashion magazine launched in February 2014, continued to post **excellent results** in terms of rising paid **subscriptions** and **customer satisfaction**, confirming its effectiveness in increasing engagement with the NET-A-PORTER customer.

Overall, as at 31 March 2017, the Multi-brand In-Season business line accounted for **51.8%** of the Group's consolidated net revenues.

Multi-brand Off-Season

In the first quarter of 2017, the **Multi-brand Off-Season** business line, which includes [YOOX](#) and [THE OUTNET](#), recorded consolidated net revenues of Euro **192.1 million**, **up 16.2%** at constant exchange rates (+18.5% reported) from net revenues of Euro 162.1 million at 31 March 2016.

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YOOX and THE OUTNET further enriched their brand assortment. In particular, YOOX launched the **Seletti shop-in-shop**, while THE OUTNET introduced **Altuzarra** and **Tabitha Simmons**.

In addition, in line with the strategy of enriching its product offering, in January 2017 **THE OUTNET** launched **The Activewear Boutique**, a dedicated section of the online store for high-performance separates, accessories and footwear.

In April 2017, on the occasion of Earth Day, **YOOX** extended its commitment to promoting responsible practices in fashion by further **strengthening** its **focus** on **YOOXYGEN** - YOOX's socially and environmentally responsible destination launched in 2009 - thanks to a strategic partnership with The New School's Parsons School of Design in New York.

Finally, YOOX introduced in **Italy, UK, Germany** and **Benelux** the opportunity for customers, which was already available in France and Spain, to collect and return orders through **thousands of pick-up and drop-off points**, thus significantly extending the pick-up and returns time windows available for them.

Overall, as at 31 March 2017, the Multi-brand Off-Season business line accounted for **37.3%** of the Group's consolidated net revenues.

Online Flagship Stores

The Online Flagship Stores business line includes the design, set-up and management of the Online Flagship Stores of some of the leading global luxury fashion brands, ranging from armani.com to chloe.com.

In the first quarter of 2017, this business line achieved consolidated net revenues of **Euro 56.0 million, up 20.9%** at constant exchange rates (+20.6% reported) from net revenues of Euro 46.4 million in the same period of the previous year.

Gross merchandise value ("**GMV**"⁴) advanced by **28.0%** on an **organic**⁵ basis (+23.9% reported), with **outstanding performance** of both the **joint venture with Kering** and of the rest of the **mono-brand portfolio**.

Over the quarter, the existing partnership between **Armani** and YOOX NET-A-PORTER GROUP for the **A|X Armani Exchange** brand - previously active only in North America - was extended to **UK** and will launch in other key European countries by the end of the year.

Finally, the Group continued to work for the roll-out of **existing omni-channel functionalities** to more of the Group's online flagship store partners during 2017, as well as for the launch of its **new omni-channel business model - NEXT ERA** - that will reinvent the relationship between luxury brands and online retailers.

NEXT ERA will be **unveiled with** the **VALENTINO** Online Flagship Store in **early 2018** and will allow Brands to offer faster enhanced delivery services and an unprecedented online product assortment ("**single view of inventory**") by leveraging Brands' inventory located in YNAP's global logistics network, as well as in their physical boutiques and logistics centres.

NEXT ERA will also allow Brands to have a comprehensive profile of their customer base and interactions in-store and online ("**single view of the customer**"), enabling them to continually optimise the experience, from product, store and site, to marketing and service. In addition, YNAP will allow **VALENTINO** to **integrate** its Online Flagship Store inventory with **NET-A-PORTER** and **MR PORTER**, thus allowing it to maximise full-price sales and sell-through, while offering In-Season customers an unrivalled **VALENTINO** assortment with enhanced express delivery options around the world.

⁴ Retail value of sales of all the online flagship stores, including the JV online store sales to final customers, net of returns and customer discounts. Set-up, design and maintenance fees for the online flagship stores, accounted for within "Rest of the World and Not country related", are excluded.

⁵ Gross merchandise value organic growth is calculated at constant exchange rates and at a comparable perimeter by including gross merchandise value of all Online Flagship Stores active at the end of each period, which were also active at the beginning of the same period of the previous year. Reported growth is calculated at current exchange rates and at actual perimeter.

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Overall, as at 31 March 2017, the Online Flagship Stores business line accounted for **10.9%** of the Group's consolidated net revenues.

Consolidated Net Revenues by Geography

YOOX NET-A-PORTER GROUP recorded positive growth across all of its key markets in the first quarter of 2017.

UK ended the first quarter of 2017 with net revenues of **Euro 66.7 million, up 14.3%** at constant exchange rates (+2.5% reported, penalised by the depreciation of the Euro / Sterling exchange rate compared to the same period of the previous year) from Euro 65.0 million in the same quarter of 2016.

North America, the Group's no. 1 market, posted first-quarter net revenues of **Euro 161.3 million, up 17.6%** at constant exchange rates (+21.2% reported) from Euro 133.0 million in the same quarter of 2016.

In the first quarter of 2017, **Italy** achieved net revenues of **Euro 31.3 million, up 11.0%** at constant exchange rates (+10.9% reported), with a significantly improved performance compared with the last quarter of 2016 driven by an acceleration in YOOX's growth.

First-quarter net revenues in **Europe** (excluding Italy and the UK) were **Euro 134.5 million, up 7.9%** at constant exchange rates (+11.2% reported). This result mainly reflects continued softer performance in Germany and France, which was also affected by the political uncertainty around the French elections.

Asia Pacific confirmed strong momentum, with first-quarter net revenues of **Euro 91.1 million, up 33.0%** at constant exchange rates (+31.5% reported), mainly driven by Hong Kong and China.

Finally, in the first quarter of 2017 **Rest of the World and Not country related** recorded net revenues of **Euro 29.9 million, up 9.9%** at constant exchange rates (+0.7% reported), reflecting excellent growth in the Middle East and lower Not country related revenues.

Key Performance Indicators⁶

	1Q 2017	1Q 2016
Visits ⁷ (millions)	200.3	178.1
Orders (millions)	2.2	2.0
AOV ⁸ (Euro)	343	324
Active customers ⁹ (millions)	3.0	2.5

In the first quarter of 2017, YOOX NET-A-PORTER GROUP's online stores attracted **200.3 million visits** compared with 178.1 million in the same period of 2016, which translated into **2.2 million orders**.

The **Average Order Value (AOV)** excluding VAT also increased to **Euro 343**, compared with Euro 324 in the first quarter of 2016. This positive AOV growth reflected the absence of THE CORNER and SHOESCRIBE following

⁶ Key performance indicators refer to the proprietary multi-brand online stores - NET-A-PORTER, MR PORTER, YOOX, THE OUTNET as well as THECORNER and SHOESCRIBE (discontinued on 31 August 2016) - and the Online Flagship Stores "Powered by YOOX NET-A-PORTER GROUP". Key performance indicators related to the joint venture with Kering and to the jimmychoo.com online flagship store are excluded.

⁷ Source: Adobe Analytics for NET-A-PORTER, MR PORTER and THE OUTNET; Google Analytics Premium for YOOX, THECORNER, SHOESCRIBE and the Online Flagship Stores "Powered by YOOX NET-A-PORTER GROUP".

⁸ Average Order Value, or AOV, indicates the average value of all orders placed, excluding VAT.

⁹ Active customer is defined as a customer who placed at least one order during the 12 preceding months. The figure reported is calculated as the sum of the active customers of each online store for the reporting period.

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their discontinuation in 2016, and was achieved despite the still unfavourable Euro / Sterling exchange rate. Finally, **active customers** reached **3.0 million** at 31 March 2017, compared with 2.5 million at 31 March 2016.

SIGNIFICANT EVENTS AFTER 31 MARCH 2017

Organisational Structure

YOOX NET-A-PORTER appointed **Alessandra Rossi** as **President, Off-Season**, with effect from April 2017. Alessandra is responsible for the strategic direction of the Off-Season business line, which includes YOOX and THE OUTNET, and reports into Federico Marchetti, Chief Executive Officer of YNAP.

Integration Update

In the first quarter of 2017, YOOX NET-A-PORTER GROUP **opened new photo studios** at the **Interporto** logistics pole in Bologna, while continuing to expand logistics capacity at Interporto in anticipation of THE OUTNET migration.

FY 2017 BUSINESS OUTLOOK

YOOX NET-A-PORTER GROUP expects to grow net revenues in line with its 5-Year Plan and achieve an improvement in the adjusted EBITDA margin in 2017: as a leader in the three luxury e-commerce segments in which it operates, the Group is uniquely positioned to support the efforts of the whole luxury industry to harness the potential of digital.

In particular, the Multi-brand In-Season business line is anticipated to further enrich its unique brand portfolio: specifically, it will see the launch of new prestige brands and exclusive capsule collections, further key developments for the new Fine Jewellery & Watches category and the launch of the MR PORTER private label. In addition, this business line will further enhance its content offering to drive engagement and improve its luxurious service with a specific focus on its higher-value customer base. The Multi-brand Off-Season business line is expected to mainly benefit from the start of THE OUTNET's international expansion, further brand and product offering enrichment, including the debut of the YOOX private label business, as well as continuous service enhancements. Finally, growth in the Online Flagship Stores business line is anticipated to leverage significant advancements in its omni-channel proposition and relevant front-end platform upgrades, including strengthened personalisation and precision marketing capabilities. In addition, this business line will make further progress on business development, including the launch of isabelmarant.com.

The Group plans to invest approximately Euro 160 to 170 million in 2017, primarily in technology. In particular, these investments will be dedicated to the roll-out of the new core e-commerce platform for THE OUTNET and select online flagship stores and the completion of the omni-stock programme for the Off-Season business, important milestones for the creation of a shared global techno-logistics platform. YOOX NET-A-PORTER GROUP will also make significant headway in the development of its operations: most notably, the opening of a new office and distribution centre in Dubai, new logistics spaces at the Interporto logistics pole in Bologna, as well as the set-up of the In-Season logistics hub in Milan with state-of-the-art automated Order Storage & Retrieval System.

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Pursuant to Article 154-bis, paragraph 2 of the Italian Consolidated Law on Finance, Enrico Cavatorta, the Director responsible for preparing the financial statements, certifies that the accounting information contained in this press release corresponds to documentary records and to accounting books and ledger entries.

CONFERENCE CALL

A conference call will take place today, Wednesday 3 May 2017, at 18:00 (CET), during which YOOX NET-A-PORTER GROUP's management will present the Group's trading statement for the first quarter of 2017. If you wish to take part in the conference call, please dial one of the following numbers:

- from Italy: +39 02 805 88 11
- from the UK: +44 121 281 8003
- from the US (local number): +1 718 705 8794
- from the US (toll-free number): 1 855 265 6959

The presentation may be downloaded before the start of the conference call from the Investor Relations section of the YOOX NET-A-PORTER GROUP website:

www.ynap.com/pages/investor-relations/results-centre/presentation/.

A recording of the conference call will be available from today, after the end of the call, until Wednesday 17 May 2017 on the following numbers:

- from Italy: +39 02 724 95
- from the UK: +44 121 281 8005
- from the US (local number): +1 718 705 8797

Access code: 843#

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YOOX NET-A-PORTER GROUP

YOOX NET-A-PORTER GROUP is the world's leading online luxury fashion retailer. The Group is a Global company with Anglo-Italian roots, the result of a game-changing merger, which in October 2015, brought together YOOX GROUP and THE NET -A-PORTER GROUP; the two companies had revolutionized the luxury fashion industry since their birth in 2000.

YOOX NET-A-PORTER GROUP is a unique business with an unrivalled offering including multi-brand in-season online stores [NET-A-PORTER](#) and [MR PORTER](#), and multi-brand off-season online stores [YOOX](#) and [THE OUTNET](#), as well as numerous ONLINE FLAGSHIP STORES, all "Powered by YNAP". Through a joint venture established in 2012, YOOX NET -A-PORTER GROUP has partnered with Kering to manage the [ONLINE FLAGSHIP STORES](#) of several of the French group's luxury brands.

In 2016, YOOX NET-A-PORTER GROUP joined forces with Symphony, an entity controlled by Mohamed Alabbar's family, to establish a ground-breaking joint venture to create the Middle East's undisputed leader for online luxury retail.

Uniquely positioned in the high growth online luxury sector, YOOX NET-A-PORTER GROUP has an unrivalled client base of more than 2.9 million high-spending customers, 29 million monthly unique visitors worldwide and combined 2016 net revenues of €1.9 billion. The Group has offices and operations in the United States, Europe, Japan, China and Hong Kong and delivers to more than 180 countries around the world. YOOX NET-A-PORTER GROUP is listed on the Milan Stock Exchange as YNAP.

For further information: www.ynap.com.

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ANNEX 1 - EXCHANGE RATES

	PERIOD AVERAGE		END OF PERIOD	
	1Q 2017	1Q 2016	31/03/2017	31/12/2016
EUR USD	1.065	1.102	1.069	1.054
% yoy apprec. / (deprec.) vs. EUR	3.5%		6.5%	3.3%
EUR GBP	0.860	0.770	0.856	0.856
% yoy apprec. / (deprec.) vs. EUR	(10.4%)		(7.5%)	(14.3%)
EUR JPY	121.014	126.997	119.550	123.400
% yoy apprec. / (deprec.) vs. EUR	4.9%		7.0%	6.2%
EUR CNY	7.335	7.210	7.364	7.320
% yoy apprec. / (deprec.) vs. EUR	(1.7%)		(0.2%)	(3.5%)
EUR RUB	65.522	82.451	60.313	64.300
% yoy apprec. / (deprec.) vs. EUR	31.9%		26.5%	25.5%
EUR HKD	8.264	8.568	8.307	8.175
% yoy apprec. / (deprec.) vs. EUR	3.7%		6.3%	3.2%
EUR KRW	1,227.289	1,324.338	1,194.540	1,269.360
% yoy apprec. / (deprec.) vs. EUR	7.9%		8.4%	0.9%
EUR AUD	1.406	1.529	1.398	1.460
% yoy apprec. / (deprec.) vs. EUR	8.8%		5.9%	2.1%
EUR CAD	1.410	1.515	1.427	1.419
% yoy apprec. / (deprec.) vs. EUR	7.4%		3.3%	6.5%

Fine Comunicato n.1136-35

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