

VALENTINO AND YOOX NET-A-PORTER GROUP JOIN FORCES TO CREATE AN INNOVATIVE BLUEPRINT FOR THE NEXT ERA OF LUXURY RETAIL

UNPARALLELED OMNI-CHANNEL SERVICES FOR THE MOST DISCERNING LUXURY CUSTOMERS

Milan, 7 April 2017 – VALENTINO and YOOX NET-A-PORTER GROUP (YNAP) have partnered to create a new omni-channel business model – NEXT ERA – to elevate the customer experience by reinventing the relationship between luxury brands and online retailers.

NEXT ERA is built on YNAP's unique understanding of the evolving luxury consumer ecosystem. It is a new business model that has its foundations in the valentino.com Online Flagship Store (powered by YNAP, a long-term partnership formed in 2008). This next generation model will enable VALENTINO customers' unprecedented online access to its products by leveraging the inventory from VALENTINO boutiques and logistic centres as well as YNAP's global network of eight fulfilment centres across the globe, stretching from New York and Dubai to Milan and Shanghai. NEXT ERA will capitalize on YNAP's unique distribution channels, specifically designed for the luxury industry.

Through this all-encompassing platform, VALENTINO customers will gain access to an even more extensive product assortment, in-store mobile features (smooth checkout flow, full product information and availability of online inventory), and faster delivery, with an enhanced service available in major cities where orders can be fulfilled from VALENTINO boutiques.

NEXT ERA combines YNAP's state-of-the-art technology with a leading-edge Order Management System in partnership with IBM that offers VALENTINO a single view of its inventory and a comprehensive profile of its customer base.

Utilising the Group's unparalleled knowledge of online luxury customer behaviour, YNAP will create a fully revamped valentino.com, creating a superior retail experience with a mobile-centric interface, a new look and feel and new functionality powered by Artificial Intelligence such as on-site personalisation and contextual search, enabling customers to use natural language to interact with the digital store.

The scope of this initiative is broad-reaching. Beyond the apparent benefits to be enjoyed by VALENTINO customers, the model unlocks enormous service improvements to customers of both NET-A-PORTER and MR PORTER. By integrating the VALENTINO Online Flagship Store inventory with the one allocated to NET-A-PORTER and MR PORTER the circa 10 million unique visitors of the world's leading fashion e-commerce sites will have access to an unrivalled assortment of VALENTINO product with enhanced express delivery options around the world. Building on the strengths of NET-A-PORTER and MR PORTER, the VALENTINO collections will continue to be brought to life through award winning content, superior product photography and video and expert styling and will be delivered in the stores' hallmark packaging.

NEXT ERA is a pioneering initiative that has at its heart YOOX NET-A-PORTER GROUP's innovative, service-centric approach and its dedication to its ever-growing and highly discerning customer base and brand partners.

NEXT ERA will launch in early-2018 (see appendix).

BRIEFING NOTE FOR MEDIA

Definition of new functionalities

Integrated Inventory

Brands will have a unified view of their inventory across stores and warehouses, allowing them to manage their inventory more efficiently.

This also allows customers to see what is available in-store and online, from wherever they are browsing.

In the future, brand-owned and YNAP-purchased inventory could even be viewed across the same system, increasing the opportunities to sell full-price by selling inventory from either the brand or YNAP across each other's stores.

Mobile in store

Mobile in-store has a variety of functions:

- Smooth the checkout flow by carrying out full payment via mobile to avoid the friction and discomfort created by transacting with in-store staff
- If customers want to shop undisturbed, or the sales staff are occupied, help customers find the items they are looking for in the sizes they want and suggest items that might work for them via the mobile
- Alternatively, direct customers or sales staff to one another to maintain the personal touch associated with luxury

Pick up and return in store

They can then order online and pick up or return their items in store, giving them new ways to fulfil their orders as they see fit. When customers enter the shop the brand can create more opportunities for them to shop.

Fastest Fulfilment

Fast delivery is the ultimate in luxury service. Customers will receive their orders faster than ever before as the platform will automatically select the best fulfilment option to satisfy the customer's order.

Single Customer View

VALENTINO will gain a single view of its customers' interactions in-store and online, enabling them to continually optimise the experience, from product, store and site, to marketing and service.

Multi-Fulfilment

Give customers the option to fulfil their purchases however suits them. If a customer wants to return something they bought online in store, decides to buy a pair of swimming trunks to take to the beach that day, and also wants a pair of shoes that is only available in another country to be delivered to their city address in another country, the brand can fulfil the orders exactly as the customer wants.

BRIEFING NOTE FOR MEDIA

VALENTINO Online Flagship Store Merchandising Facts

1. When did our Online Flagship Store division first start to run valentino.com?
 - a. VALENTINO Online Flagship Store opened in 2008 with first season SS08 (spring summer 08)
2. Most expensive VALENTINO items sold
 - a. SS16 – Embroidered Rock Jacket 4,200 €
 - b. FW16 – Long dress in embroidered tulle 9,900 €

VALENTINO In-Season Merchandising Facts

1. When did we first stock VALENTINO on NET-A-PORTER and MR PORTER?
 - a. SS06 for NAP, FW12 for MR P
2. Most expensive VALENTINO item sold on NET-A-PORTER
 - a. SS16 – 14,500 €
 - b. CRSS17 – 5,000 €

YOOX NET-A-PORTER GROUP

VALENTINO

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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 groundbreaking 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 | LinkedIn: [YOOX NET-A-PORTER GROUP](https://www.linkedin.com/company/yoox-net-a-porter-group) | Twitter: [@YNAP](https://twitter.com/YNAP)

VALENTINO

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VALENTINO

The house of VALENTINO is nested in the heart of Rome, the Eternal City, and expresses a point of view on the contemporary world using history as a playground and the Atelier as a place that produces both beauty and thought.

The story began in 1959. 2016 marks a new beginning, under the Creative Direction of Pierpaolo Piccioli. A new set of values, that are both of the moment and faithful to its heritage, are created: grace and delicacy, both as an attitude and as a silhouette; a celebration of individuality; emotional beauty; the blending and merging of different languages.

Style is essential and impalpable.

The idea of contemporary humanism leads a creative quest that revolves around the personality of the wearer. Vision, products, retail spaces share the same traits: from the one-of-a-kind Haute Couture creations to women's and men's ready-to-wear and accessories, from eyewear to fragrances to the boutiques, Valentino is synonymous of elegance, pureness, craftsmanship, uniqueness.