

ZALANDO CONTINUES WITH PROFITABLE GROWTH

- **Q1 revenues at EUR 796 million, adjusted EBIT margin of 2.5%**
 - **Strong growth coupled with strategic investments**
 - **Acquires e-commerce specialty software provider Tradebyte**
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BERLIN, MAY 12, 2016 // Zalando SE, Europe's leading online platform for fashion, had a good start into the year and remained on its profitable high-growth path. In the first quarter of 2016, Zalando continued to push forward with strategic investments into its customer proposition as well as the platform enablers operations and technology. With the successful acquisition of Tradebyte, an e-commerce specialty software provider, Zalando will further expand its successful partner program.

"We are pushing ahead on multiple fronts, delivering on our long-term platform strategy and growth plan," said Rubin Ritter, member of the Management Board. "At the same time, our core business is developing strongly and we continue to win market share."

The focus on customer proposition, including the build-out of Zalando's fulfillment footprint, continues to improve customer satisfaction, which has hit another all-time high in the first quarter. The first international satellite warehouse in Stradella, Italy, has cut lead times for Italian orders by as much as 1.5 days. The construction of the new Lahr warehouse is on track, with manual operations to commence in autumn.

As part of its platform strategy, Zalando further expanded its partner program, which enables selected brands to directly sell on the Zalando platform. By the end of the first quarter, Zalando had enrolled more than 150 partners, including brands like Adidas and Superdry. To strengthen its ability to digitalize this partner stock and connect it to retail channels, Zalando has acquired Tradebyte Software GmbH in May 2016. Tradebyte is among the leading European providers of marketplace supply-side integration solutions for retailers and brands, especially in the fashion and lifestyle sectors.

Strong growth in the active customer base to 18.4 million and increasing customer satisfaction saw revenues increase by 23.7% to EUR 796 million, at the upper end of the growth corridor, despite Easter falling in the first quarter. Zalando posted an adjusted EBIT of EUR 20 million, corresponding to a margin of 2.5%.

Zalando reiterates its full-year guidance of revenue growth at the upper end of the 20-25% growth corridor and an adjusted EBIT margin of 3-4.5%. The company aims for roughly neutral working capital at year-end, and about EUR 200 million in capital expenditure in 2016, excluding M&A.

Zalando's first-quarter report is available [online](#); details can also be found in the [earnings presentation](#). Zalando will report figures for the second quarter on August 11, 2016, and publish a trading update prior to that. The publication date of the trading update will be announced on the [Zalando Investor Relations website](#) ahead of time.

Zalando group – Revenue and adjusted EBIT (EUR million)

	Q1 2016	Q1 2015	FY 2015
Group revenue	796.1	643.6	2,958.2
% growth	23.7%	28.5%	33.6%
DACH ¹	405.8	347.1	1,580.1
% growth	16.9%	22.3%	28.0%
Rest of Europe ²	334.5	265.0	1,211.6
% growth	26.3%	37.1%	40.5%
Other ³	55.8	31.5	166.5
% growth	76.9%	33.9%	41.8%
Adjusted group EBIT⁴	20.2	29.1	107.5
Adjusted group EBIT margin	2.5%	4.5%	3.6%
DACH ^{1 4}	39.3	32.4	101.9
% margin	9.7%	9.3%	6.4%
Rest of Europe ^{2 4}	(17.0)	(4.7)	(3.3)
% margin	(5.1%)	(1.8%)	(0.3%)
Other ^{3 4}	(2.1)	1.4	8.9
% margin	(3.7%)	4.5%	5.3%

¹. DACH segment is comprised of Germany, Austria and Switzerland.

². Rest of Europe segment includes all other countries in which Zalando presently operates.

³. The segment Other includes Zalando Lounge, as well as two outlet stores in Berlin and Frankfurt and others.

⁴. Adjusted to exclude equity-settled stock based compensation costs.

Zalando group – Key performance indicators

	Q1 2016	Q1 2015	FY 2015
Site visits (m) ⁵	479.5	392.8	1,656.4
Mobile visit share (% of site visits) ⁶	62.3%	52.6%	57.1%
Active customers (m) ⁷	18.4	15.4	17.9
Number of orders (m) ⁸	15.6	12.0	55.3
Average order per active customer	3.2	2.8	3.1
Average basket size (EUR) ⁹	66.5	68.0	67.8
App downloads (m)	19	9	16
Headcount	10,268	8,309	9,987

⁵ Site visits defined as the number of series of page requests from the same uniquely identified client at Zalando, including website, m.site and apps in the measurement period. A visit is considered ended when no requests have been recorded in more than 30 minutes.

⁶ Mobile is defined as tablets, mobile sites and apps.

⁷ Active customers defined as the number of customers placing at least one order in the last twelve months in the measurement period irrespective of cancellations or returns.

⁸ Number of orders defined as the number of customer orders placed in the measurement period irrespective of cancellations or returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period or have been cancelled.

⁹ Average basket size defined as the transactional revenue (incl. VAT and transactional volume of Partner Program) after cancellations or returns divided by the number of orders.

NOTES TO EDITORS

ABOUT ZALANDO

Zalando (<https://corporate.zalando.com>) is Europe's leading online fashion platform for women, men and children. We offer our customers a one-stop, convenient shopping experience with an extensive selection of fashion articles including shoes, apparel and accessories, with free delivery and returns. Our assortment of over 1,500 international brands ranges from popular global brands, fast fashion and local brands, and is complemented by our private label products. Our localized offering addresses the distinct preferences of our customers in each of the 15 European markets we serve: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland, Poland and the United Kingdom. Our logistics network with three centrally located fulfillment centers in Germany allows us to efficiently serve our customers throughout Europe. We believe that our integration of fashion, operations and online technology give us the capability to deliver a compelling value proposition to both our customers and fashion brand partners. Zalando's shops attract about 160 million visits per month. In the first quarter of 2016, around 62 per cent of traffic came from mobile devices, resulting in 18.4 million active customers by the end of the quarter.

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