

Zalando profitable in 2014 after strong Q4 2014

- **Group revenue growth at about 26 per cent in full-year 2014**
- **All-time high adjusted group EBIT margin for Q4 of 9.9 per cent**
- **First ever profitable annual adjusted group EBIT margin of 3.7 per cent**
- **Performance proves that business model can achieve significant margins**

Berlin, February 11, 2015 – Zalando SE, Europe’s leading online fashion platform, grew revenues in 2014 by about 26 per cent to EUR 2.2 billion (2013: EUR 1.8 billion), according to preliminary figures. In the fourth quarter of 2014, group revenues grew by about 21 per cent to EUR 666 million (Q4 2013: EUR 550 million). Zalando achieved an adjusted EBIT of EUR 66 million¹, corresponding to an adjusted EBIT margin of 9.9 per cent (Q4 2013: 2.4 per cent) in the fourth quarter of 2014, marking a new all-time high quarterly profit. This development was driven by improvements along several cost lines, most notably cost of sales and marketing. For the full-year 2014, Zalando achieved its first ever annual group profit with an adjusted EBIT of EUR 82 million¹, corresponding to an adjusted EBIT margin of 3.7 per cent (2013: -6.2 per cent).

“Our 2014 performance proves that Zalando’s business model is sustainable and can achieve significant margins. It’s a great accomplishment by the team and a tremendous success for the company,” said Rubin Ritter, Member of the Management Board. “Our focus in the coming years will be to make the right investments for continued long-term growth and value creation, and not to maximize our short-term margin.”

Zalando reconfirms its revenue guidance for 2015 with a growth target corridor of 20-25 per cent. Focus continues to be on delivering profitable growth; driven by investments in long-term growth, Zalando expects 2015 margins not to exceed the strong level achieved in 2014.

All figures reported herein are preliminary and unaudited. German ad hoc disclosure rules triggered this announcement of preliminary figures ahead of the earnings release date on March 5, 2015 when full financial figures and further information will be published.

¹ Adjusted to exclude equity-settled stock based compensation costs.

Table 1: Zalando Group – Revenues, EBIT and adjusted EBIT (EUR million, preliminary)

	FY 2014	FY 2013	Q4 2014	Q4 2013
Group revenues	2,214	1,762	666	550
Group EBIT	62	-114	61	12
Adjusted group EBIT¹	82	-109	66	13

¹ Adjusted to exclude equity-settled stock based compensation costs.

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 websites attract more than 100 million visits per month with 43% coming from mobile devices during the third quarter 2014, resulting in 14.1 million active customers by the end of the quarter.

Contact

Boris Radke
Head of Corporate Communications
Phone: +49 (0)30-209 68 1038
Email: Boris.Radke@zalando.de



Zalando SE

Registered at Amtsgericht Charlottenburg Berlin, HRB 158855 B
VAT-ID: DE 260543043 Tax Number: 29/560/00596
Management Board: Robert Gentz, David Schneider, Rubin Ritter
Chairperson of the Supervisory Board: Cristina Stenbeck