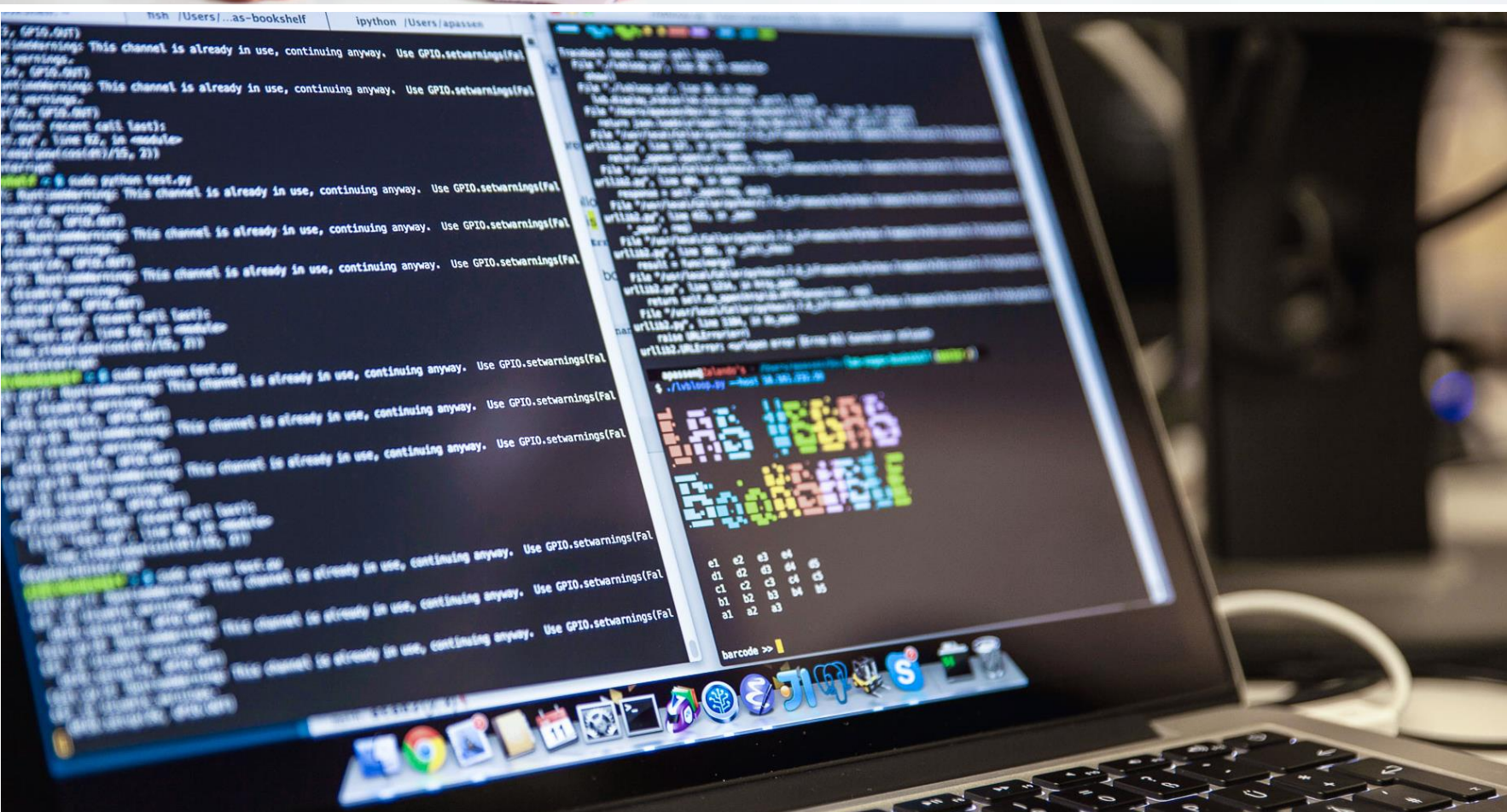




EUROPE'S LEADING ONLINE FASHION DESTINATION

Q3/2016
EARNINGS CALL



10-11-2016

DISCLAIMER

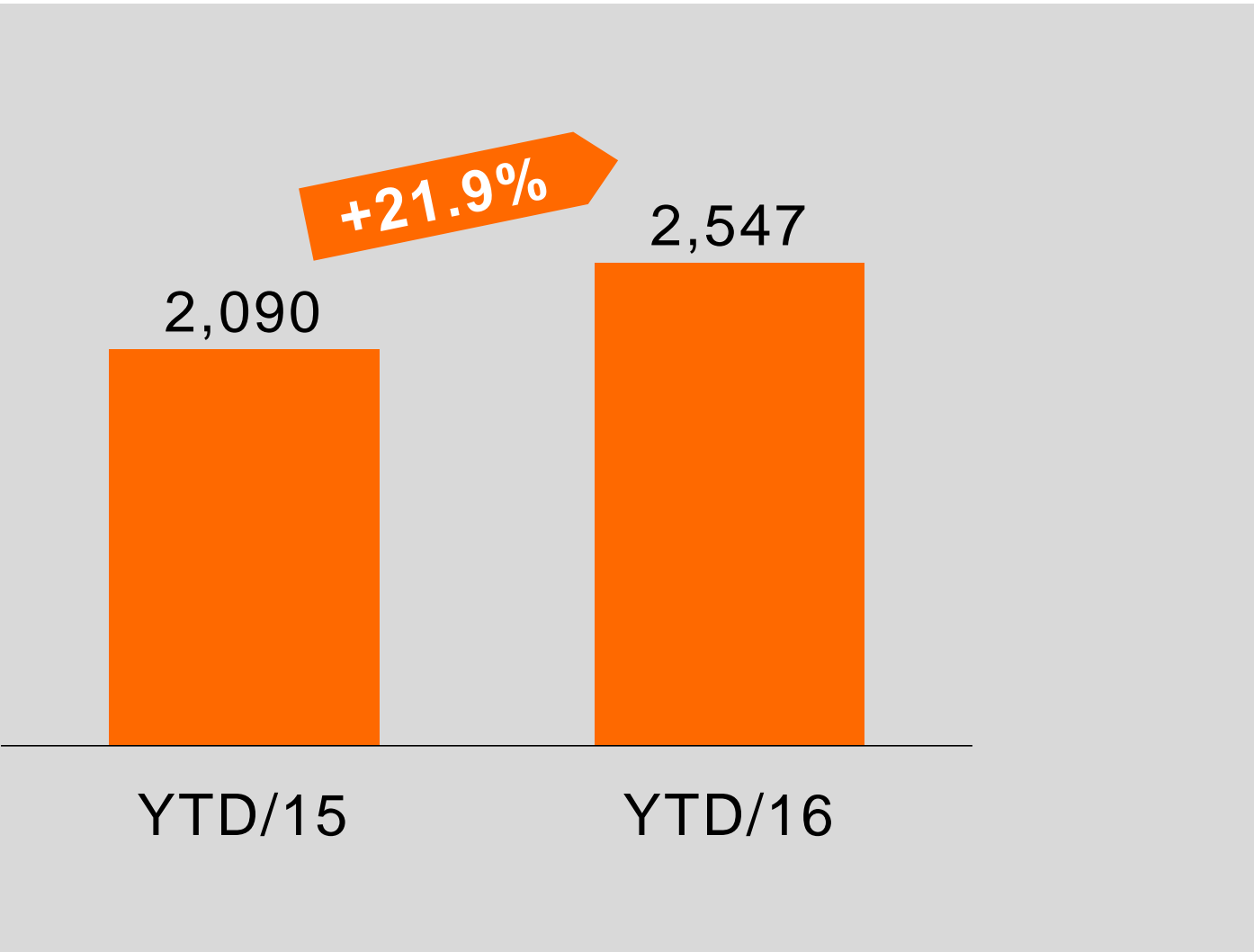
Certain statements in this communication may constitute forward looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made, and are subject to significant risks and uncertainties. You should not rely on these forward-looking statements as predictions of future events and we undertake no obligation to update or revise these statements. Our actual results may differ materially and adversely from any forward-looking statements discussed on this call due to a number of factors, including without limitation, risks from macroeconomic developments, external fraud, inefficient processes at fulfillment centers, inaccurate personnel and capacity forecasts for fulfillment centers, hazardous material / conditions in production with regard to private labels, lack of innovation capabilities, inadequate data security, lack of market knowledge, risk of strike and changes in competition levels.

**RESULTS HIGHLIGHTS AND
BUSINESS UPDATE**

ZALANDO WITH STRONG YTD/16 PERFORMANCE: STEADY GROWTH, INCREASED PROFITABILITY AND POSITIVE CASH FLOW

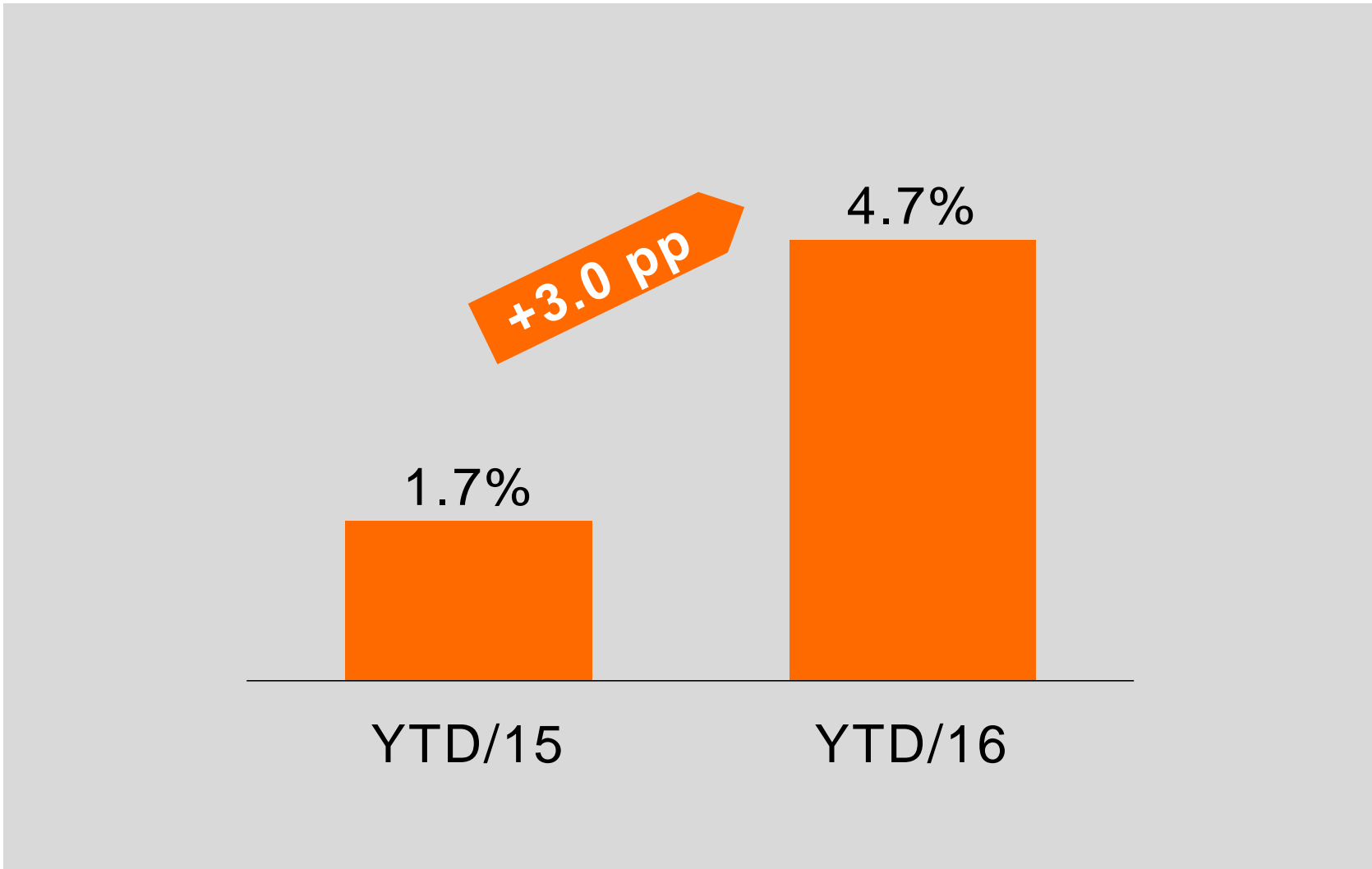
REVENUE GROWTH WITHIN TARGET CORRIDOR

In €m



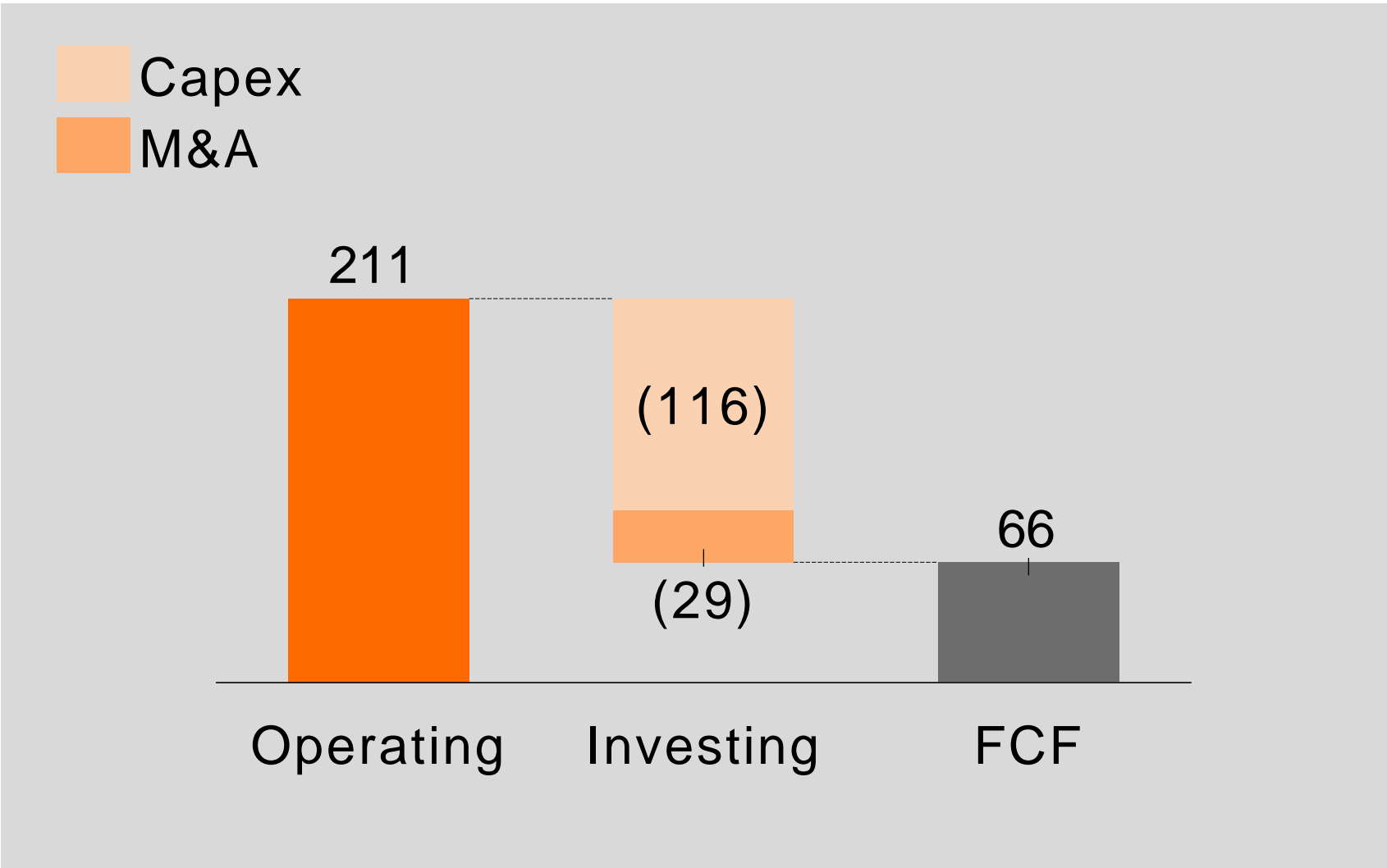
CLEAR YTD/16 PROFITABILITY DESPITE ONGOING INVESTMENTS

EBIT margin excl. SBC¹ in percent



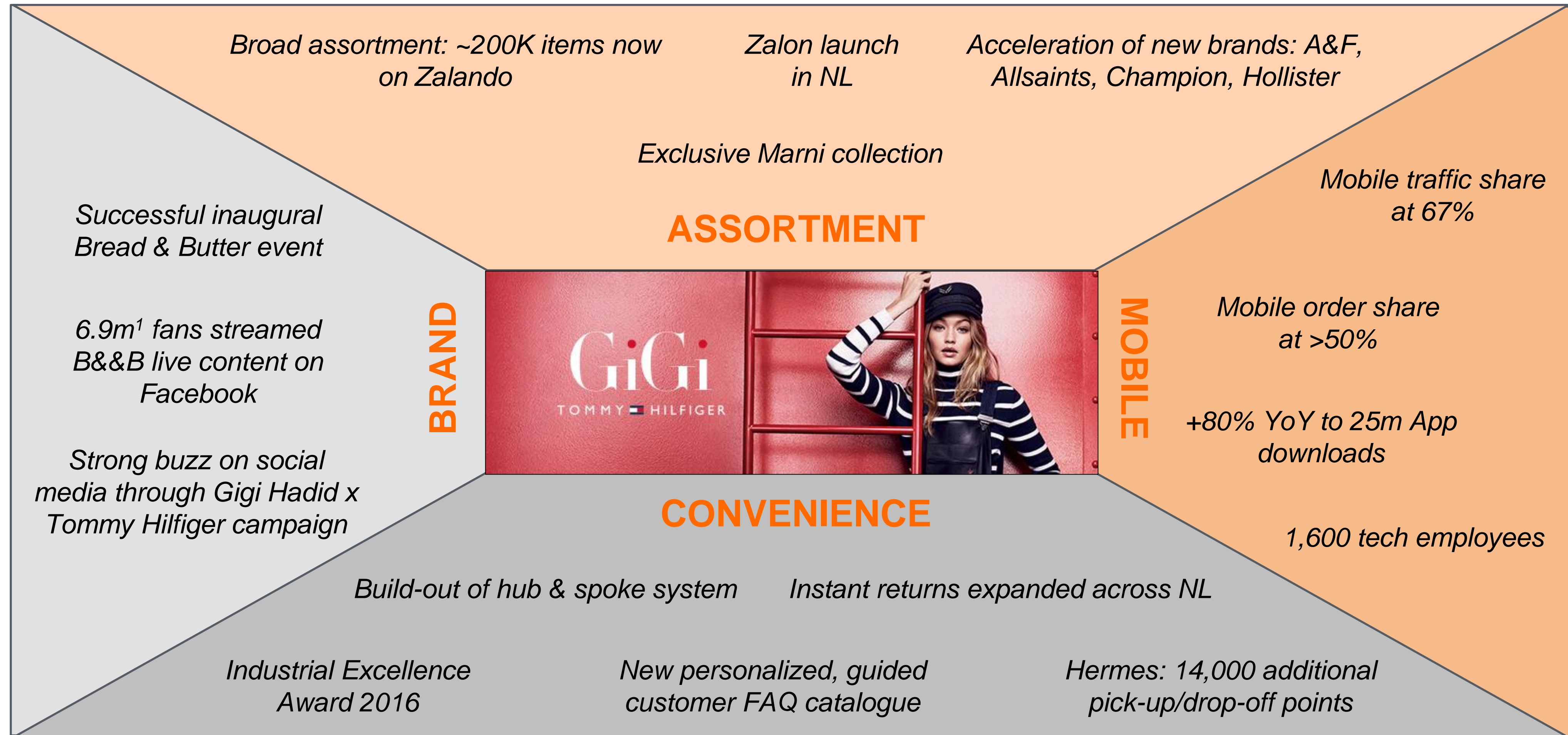
SOLID FREE CASH FLOW DESPITE SIGNIFICANT GROWTH CAPEX

In €m



(1) Excluding equity-settled stock based compensation costs ("SBC") of €14.3m in YTD/16.

OUR CUSTOMER PROPOSITION KEEPS EVOLVING...



...WITH BREAD & BUTTER BEING THE ULTIMATE FASHION EVENT IN Q3/16...



20K visitors attended the sold-out event over three days



50% from Berlin, 23% from DACH, 27% from the rest of Europe



>800m media impressions in total



All brands exceeded the social media reach of 300K via Zalando channels



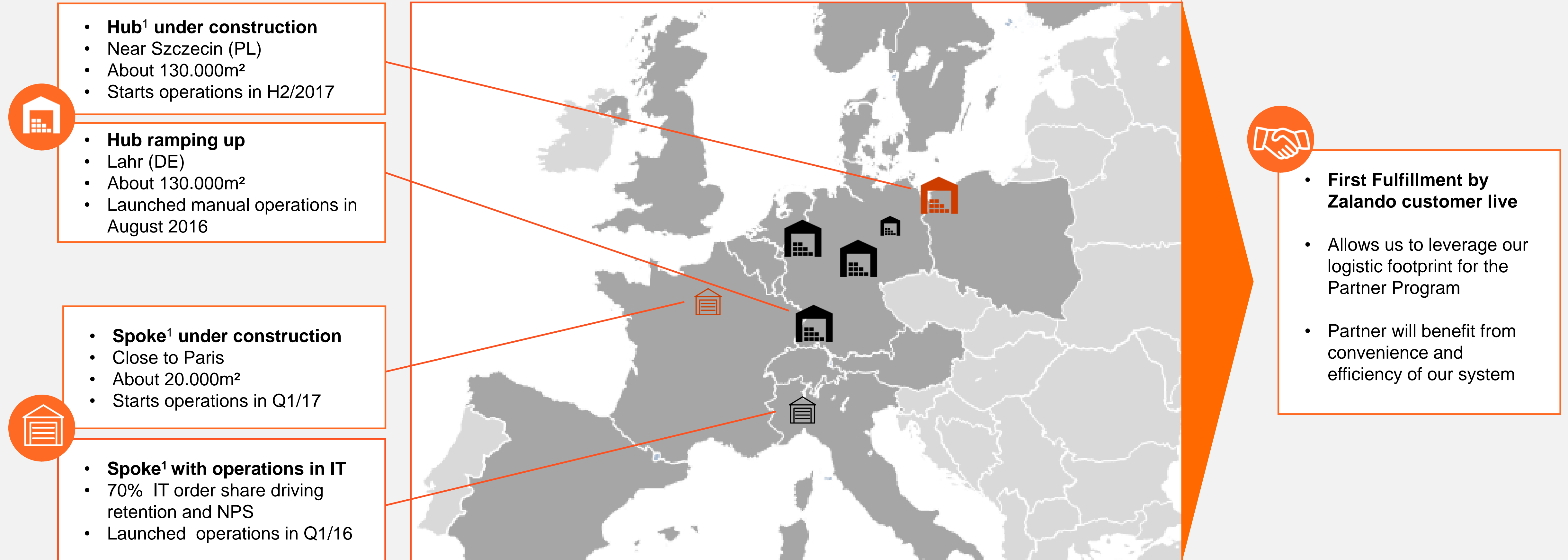
6.9m¹ fans streamed B&B live content on Facebook



>120m impressions generated by user-generated content on Instagram and Twitter



...AND THE OPERATIONAL BACKBONE OF THE PLATFORM TAKING SHAPE

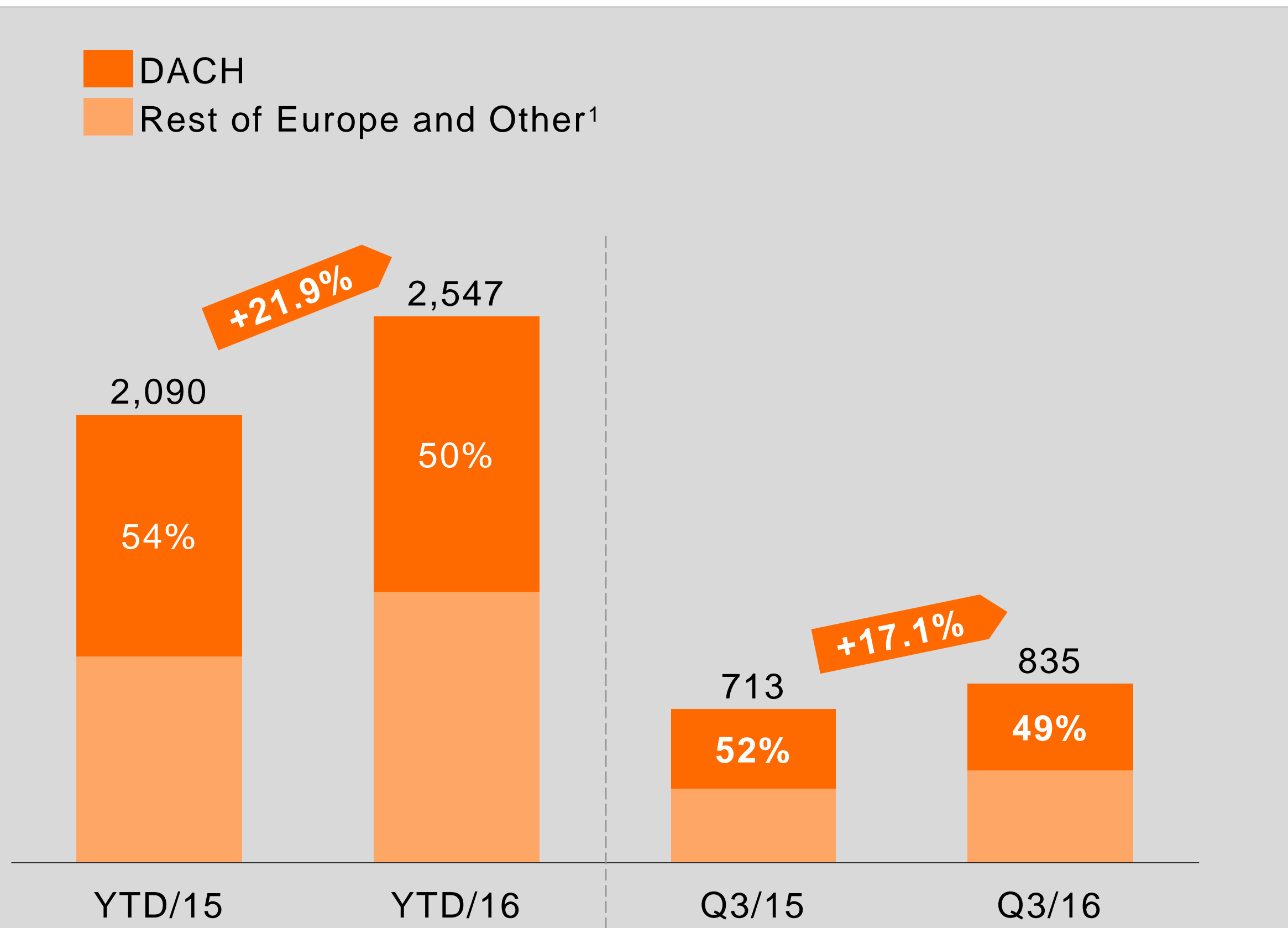


FINANCIAL UPDATE Q3/2016

REVENUE GROWTH ABOVE MARKET, GAINING MARKET SHARE

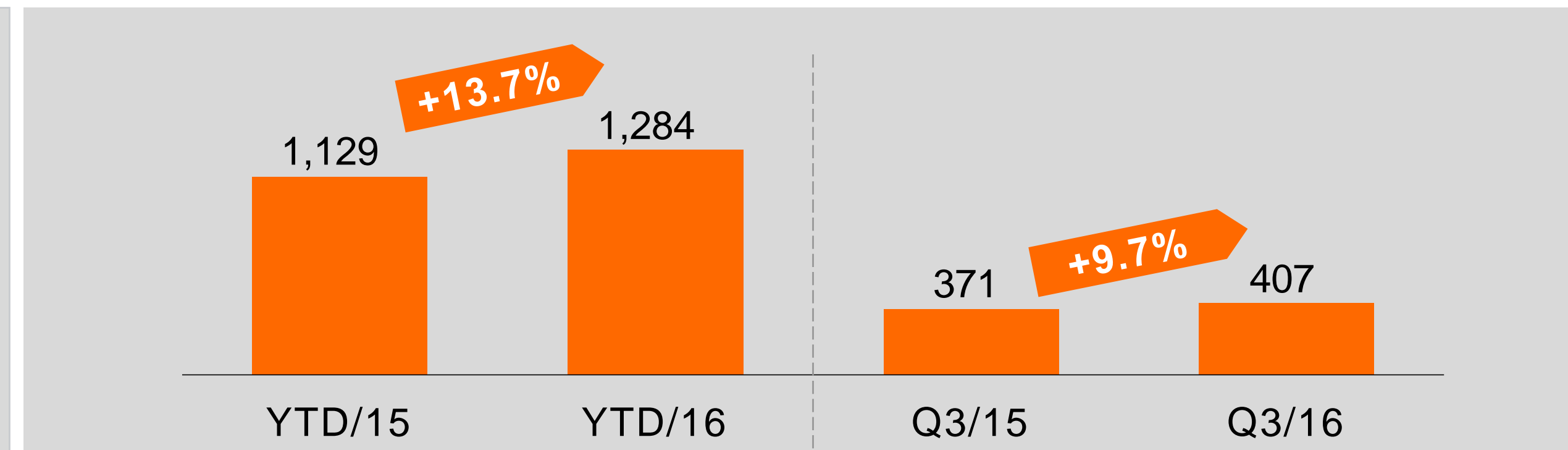
GROUP REVENUE

In €m



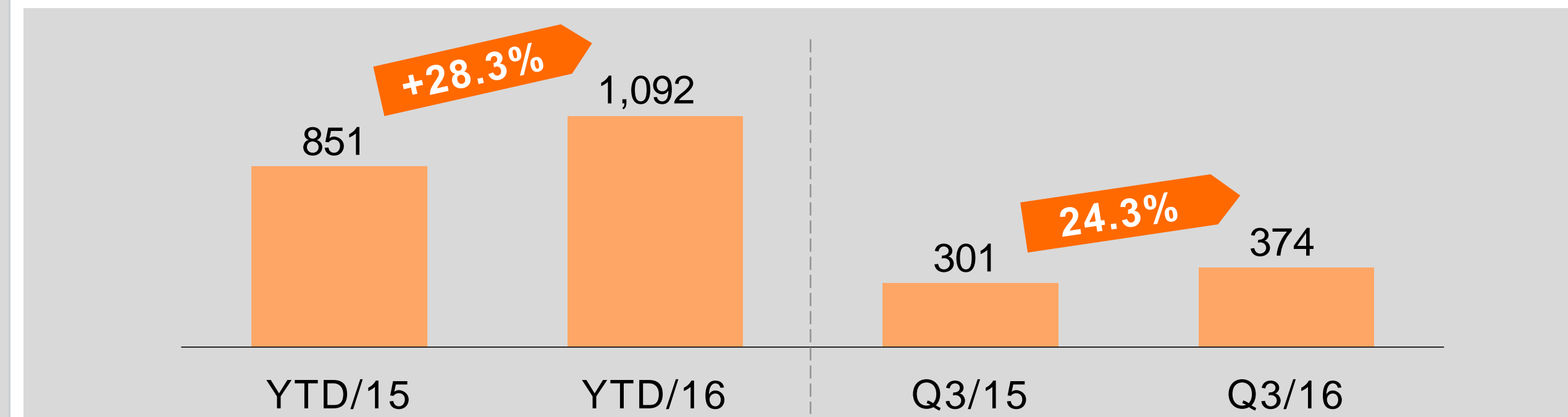
DACH REVENUE

In €m



REST OF EUROPE REVENUE

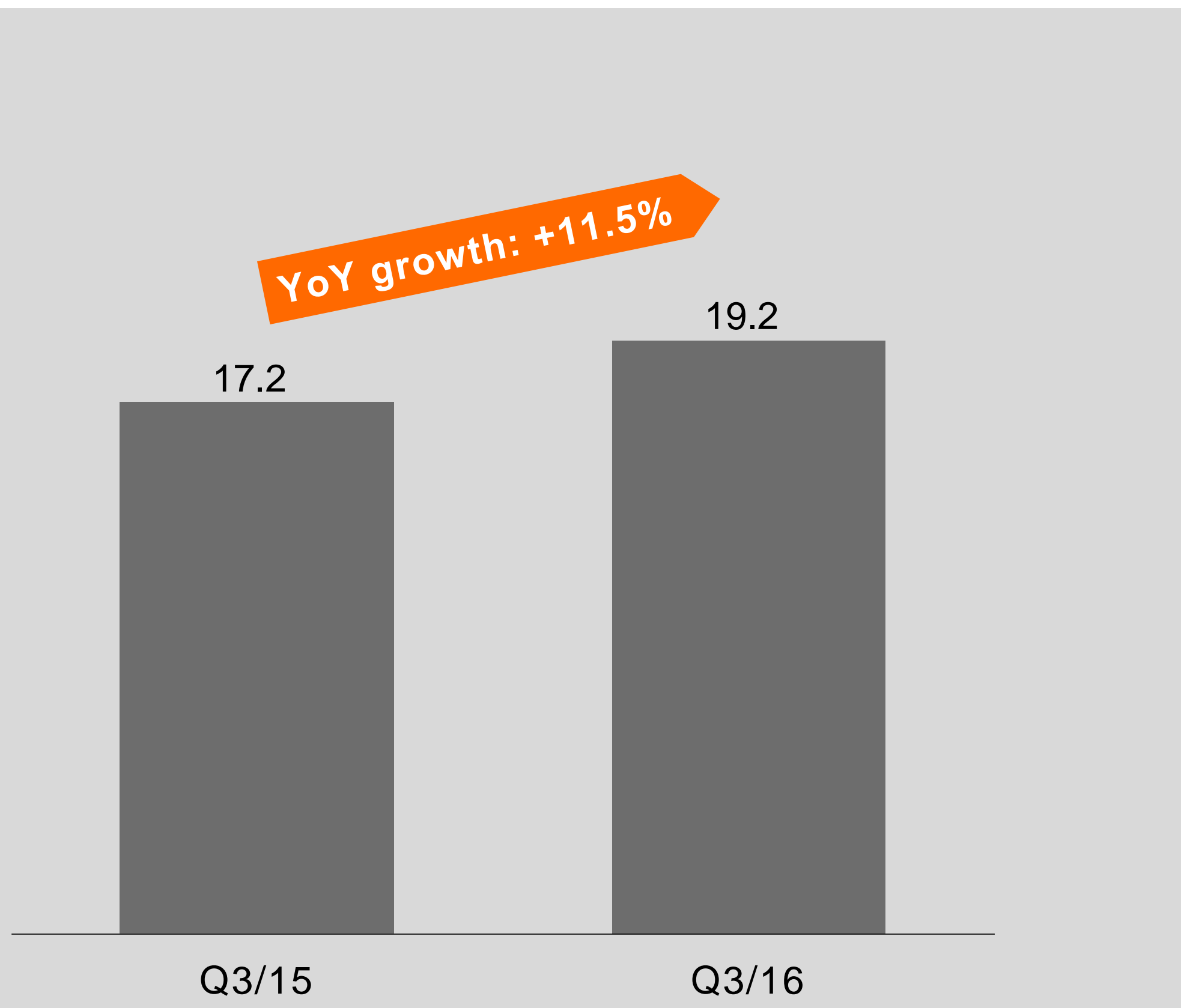
In €m



STRONG AND WELL BALANCED CUSTOMER KPIS

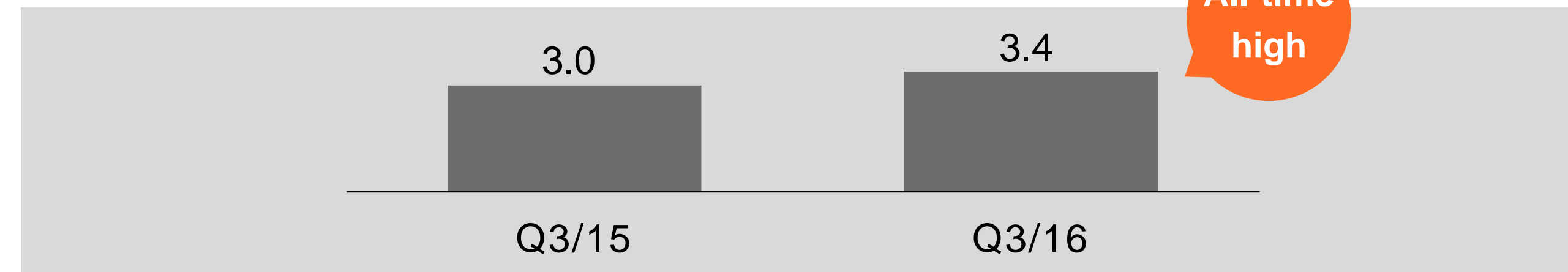
ACTIVE CUSTOMERS

In #m

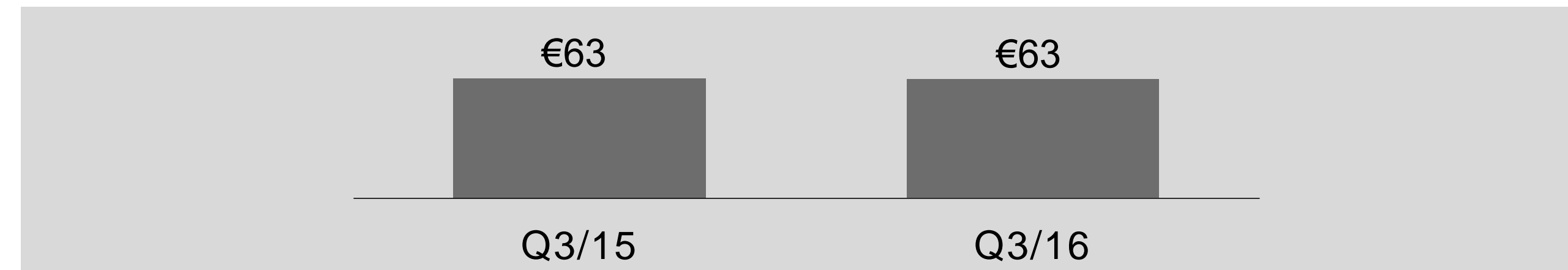


AVERAGE ORDER PER ACTIVE CUSTOMER

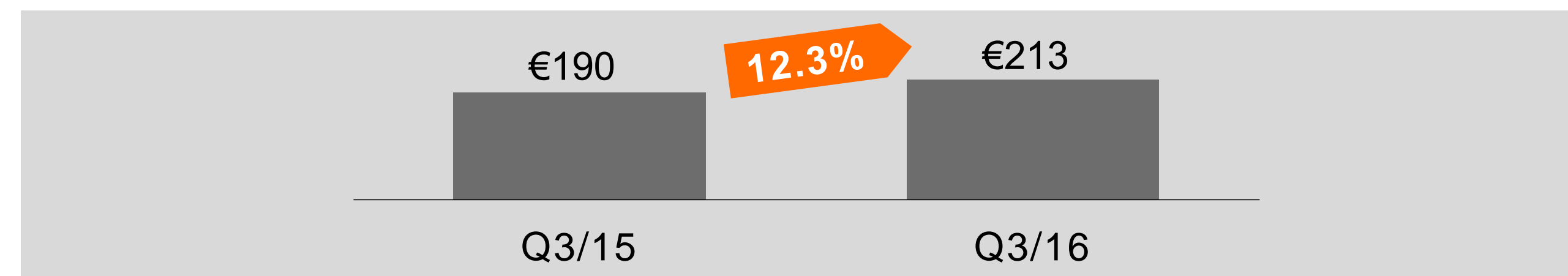
LTM in #



AVERAGE BASKET SIZE AFTER RETURNS¹



GMV PER ACTIVE CUSTOMER²

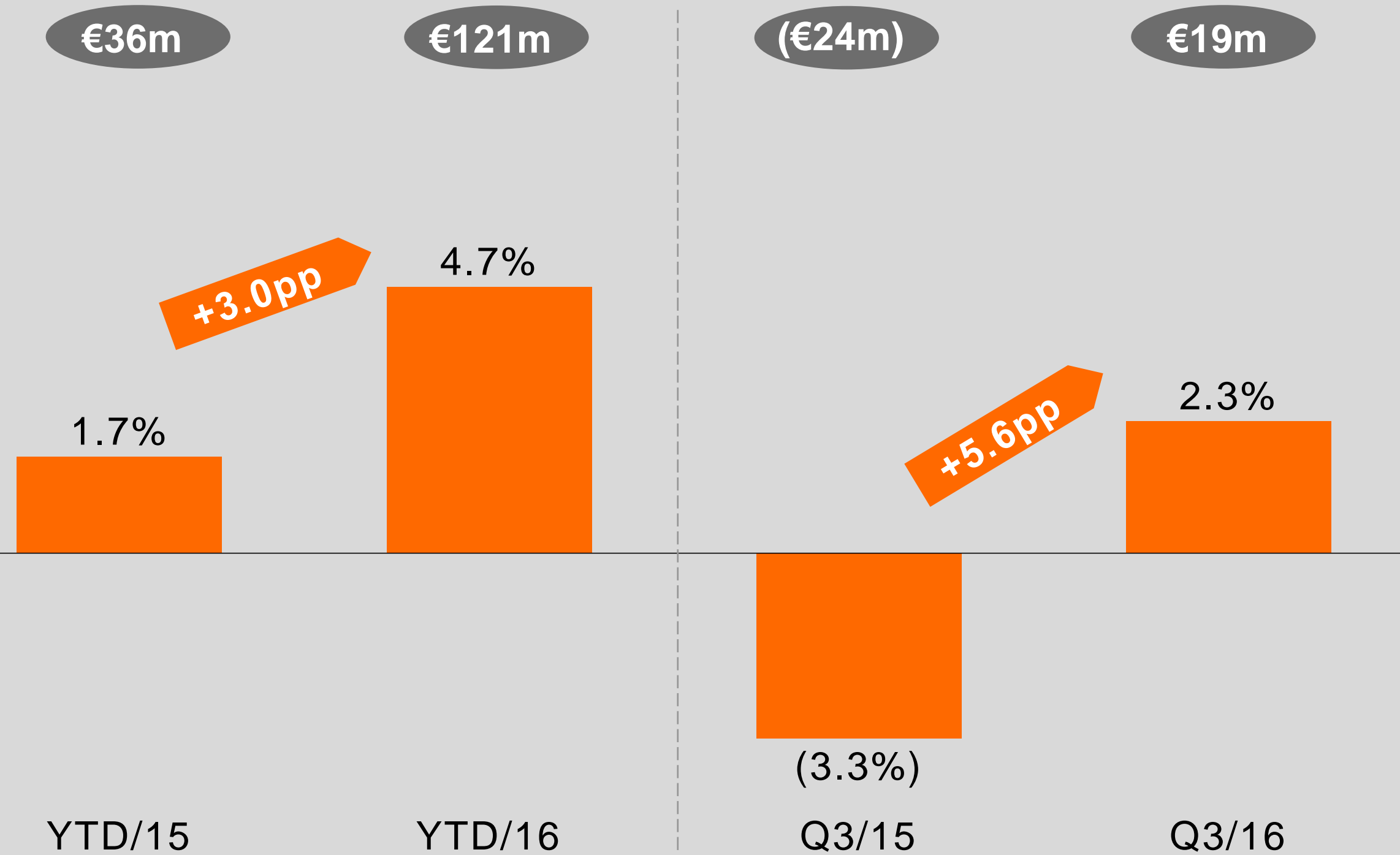


10 (1) Defined as the transactional revenue (incl. VAT and transactional volume of Partner Program) after cancellations or returns divided by the number of orders.
 (2) GMV (gross merchandise volume) per active customer = average orders per active customer (LTM in #) x average basket size after returns (in €).

CLEAR GROUP PROFITABILITY IN Q3/16

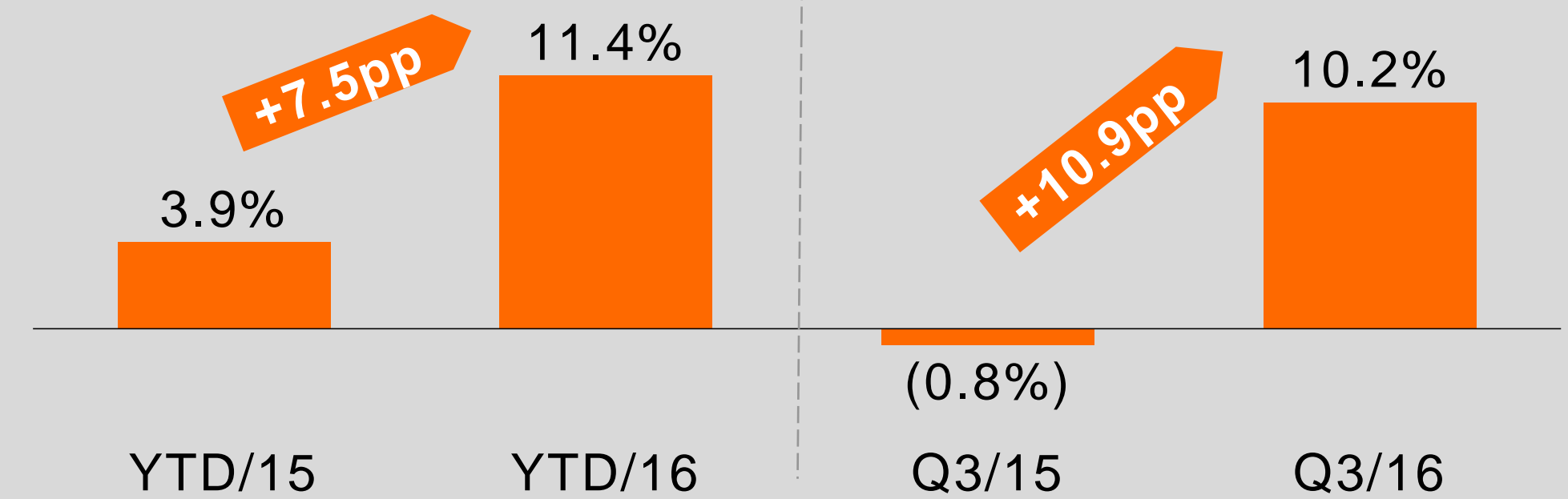
GROUP EBIT PROFITABILITY

EBIT margin (excl. SBC¹)



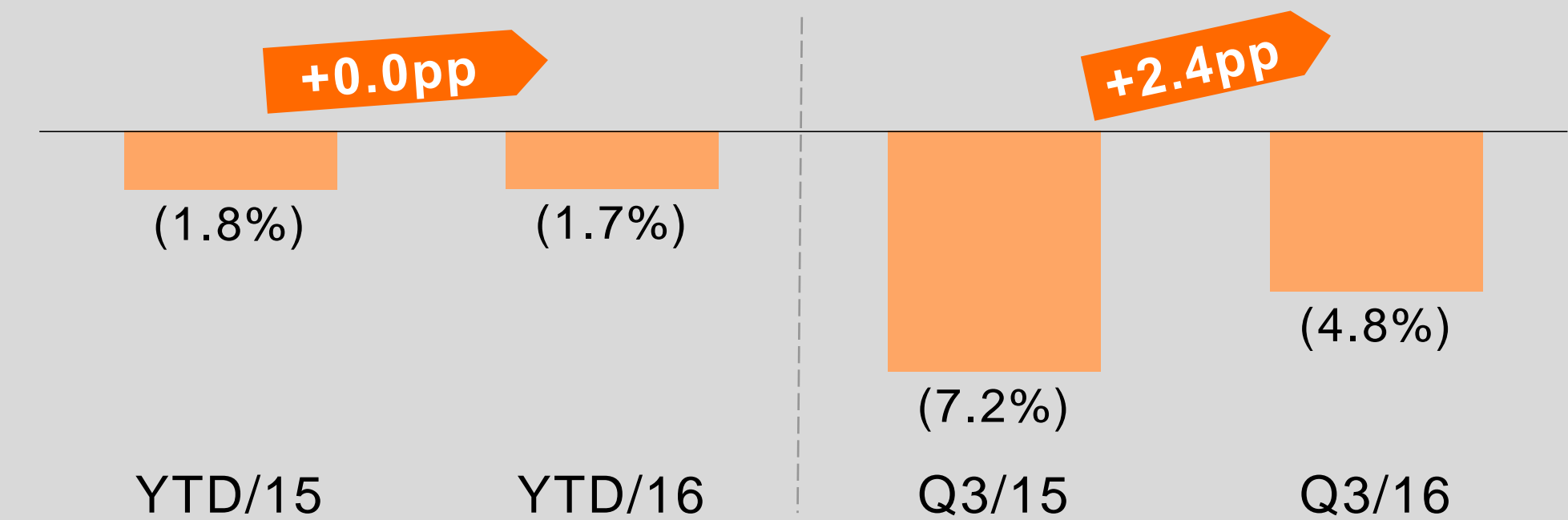
DACH EBIT

EBIT margin (excl. SBC¹)



REST OF EUROPE EBIT

EBIT margin (excl. SBC¹)



FAVORABLE DEVELOPMENT IN OPEX DRIVES EBIT MARGIN

COSTS AND MARGINS

excl. SBC¹ in percent of revenue

	YTD 16			Q3		
	2015	2016	Delta	2015	2016	Delta
COST OF SALES	(55.2%)	(56.2%)	1.0%	(59.4%)	(58.6%)	(0.8%)
GROSS PROFIT	44.8%	43.8%	(1.0%)	40.6%	41.4%	0.8%
FULFILLMENT COSTS	(26.8%)	(23.7%)	(3.1%)	(27.1%)	(24.0%)	(3.1%)
MARKETING COSTS	(12.0%)	(10.2%)	(1.8%)	(12.3%)	(9.5%)	(2.8%)
ADMINISTRATIVE EXPENSES & OTHER	(4.3%)	(5.1%)	0.8%	(4.5%)	(5.6%)	1.1%
EBIT	1.7%	4.7%	3.0%	(3.3%)	2.3%	5.6%

FOCUS ON OPERATIONAL CAPITAL EFFICIENCY

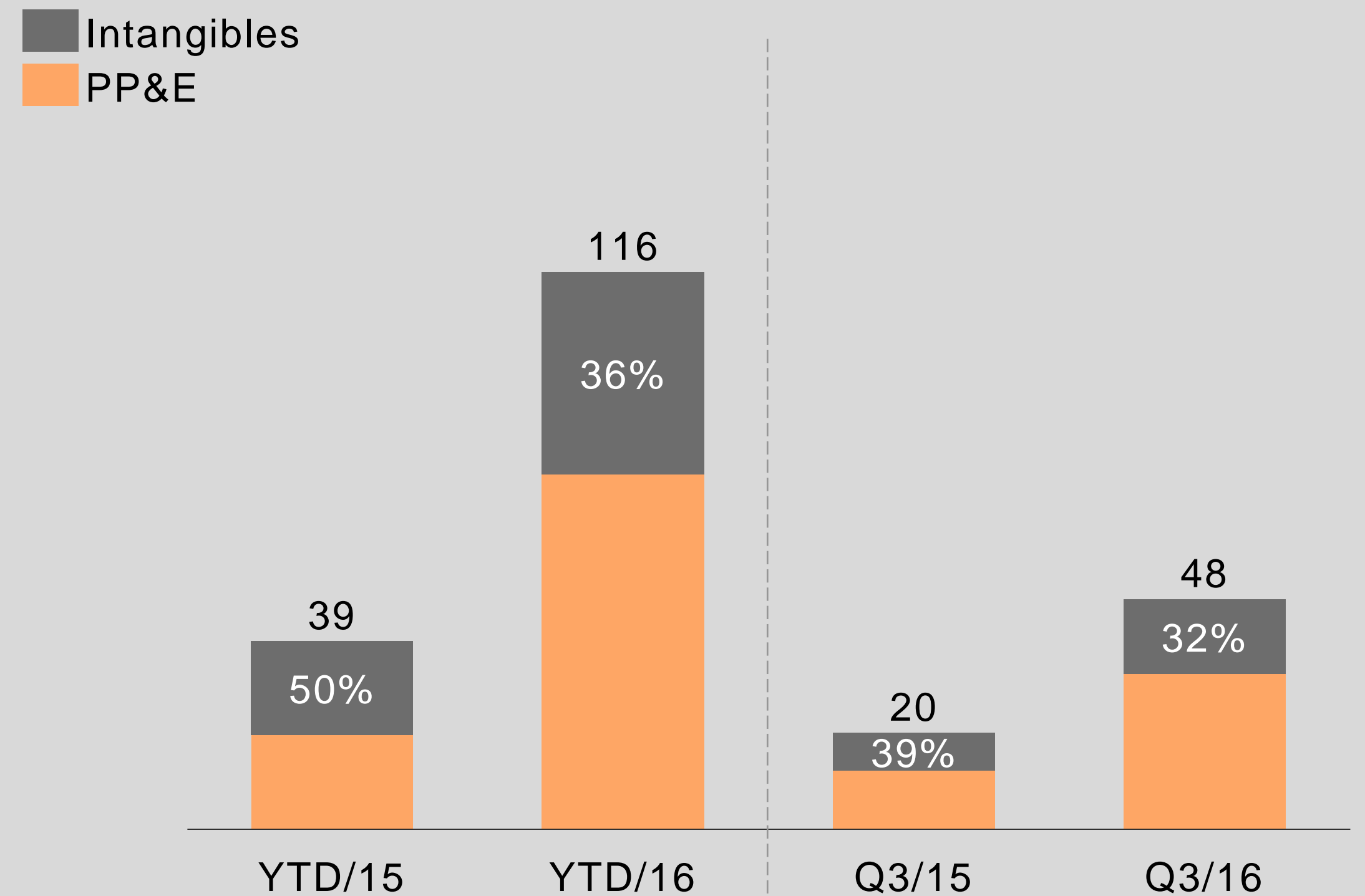
NET WORKING CAPITAL (END OF Q3)

in percent of annualized revenue



CAPITAL EXPENDITURE¹

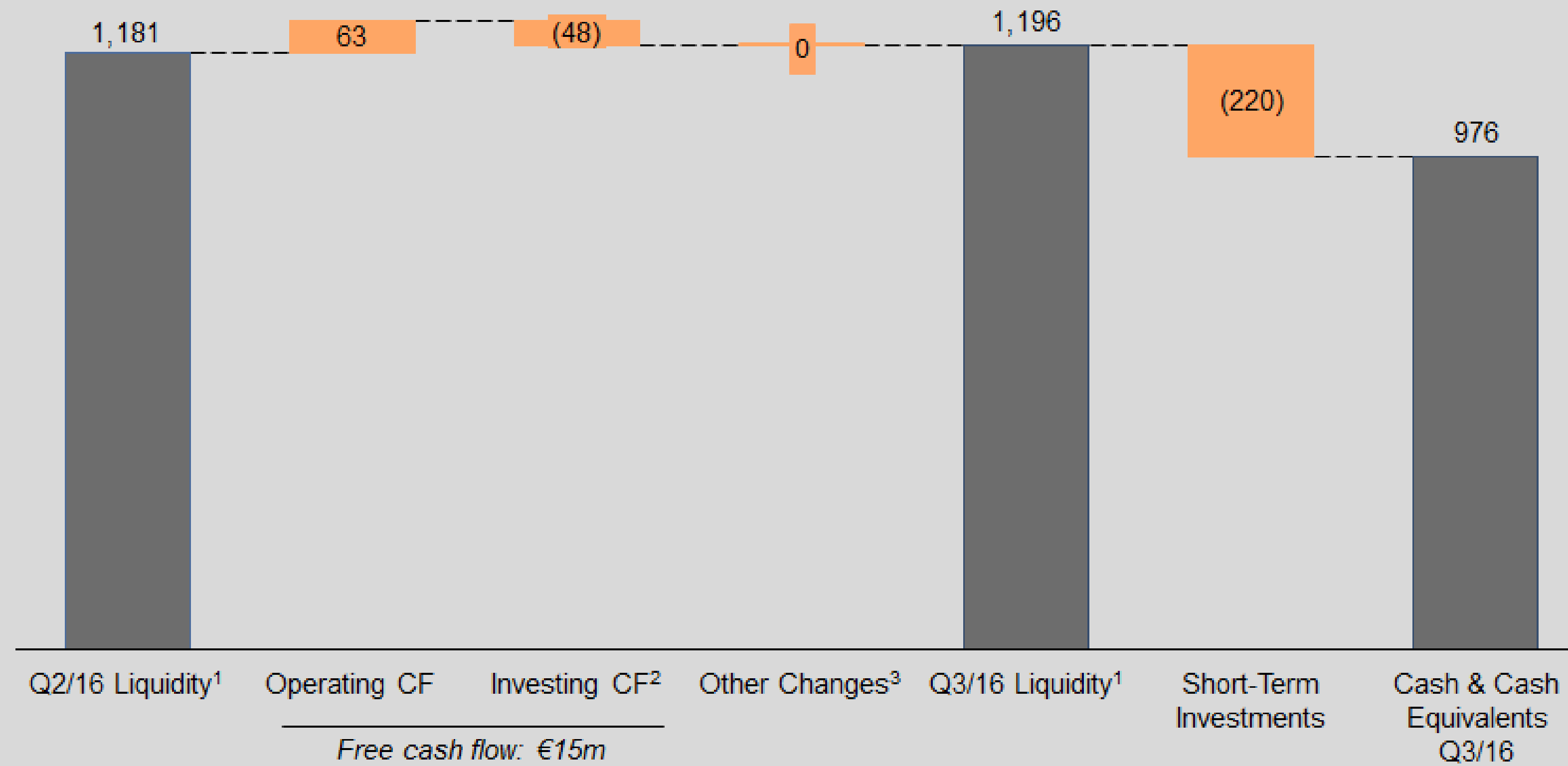
in €m



LIQUIDITY REMAINS STABLE

CASH FLOW DEVELOPMENT (Q3/16)

In €m



(1) Q2/16 and Q3/16 liquidity include investments into short-term deposits with maturity of more than 3 and less than 12 months of €145m and €220m, respectively.
 (2) Includes investments in fixed, intangible assets and payments for acquisitions.
 (3) Includes financing cash flow (-€0.2m) and effect of exchange rate on cash and cash equivalents (€0.5m).

OUTLOOK

OUTLOOK FOR FY2016 WITH RAISED MARGIN GUIDANCE

Revenue growth towards the higher end of target corridor of 20 - 25%

Adj. EBIT¹ margin: 5.0 - 6.0%

Slightly negative working capital at year-end and ~€200m capex²



ISSUED SHARE CAPITAL

SHARE INFORMATION

As of 30-Sep-2016

Type of Shares	Ordinary bearer shares with no-par value (<i>Stückaktien</i>)
Stock Exchange	Frankfurt Stock Exchange
Market Segment	Regulated Market (<i>Prime Standard</i>)
Index Listings	MDAX (2.6% share ¹)
Total Number of Shares Outstanding	247,250,258
Issued Share Capital	€247,250,258

SHARE STOCK OPTION PROGRAMS

As of 30-Sep-2016

Program	# Options outstanding	Strike price
Various	95,370	1.00
SOP 2011	2,543,200	5.65
SOP 2013	9,817,500	15.63
SOP 2014 – Tranche pre IPO	5,200,209	17.72
SOP2014 – Tranche Mar 2015	644,145	22.79
SOP 2014 – Tranche May 2015	371,800	25.03
SOP 2014 – Tranche Aug 2015	193,500	29.92
SOP 2014 – Tranche Nov 2015	58,900	30.48
SOP 2014 – Tranche Mar 2016	342,450	31.60
Total	19,267,074	

EMPLOYEE INCENTIVE PLAN²

As of 30-Sep-2016

Program	# Options outstanding	Strike price
EIP 2016 – Tranche Jul 2016	114,574	1.00
EIP 2016 – Tranche Jul 2016 ³	587,726	27.10
EIP 2016 – Tranche Jul 2016 ⁴	348,281	32.52
Total	1,050,581	

(1) Average Oct-2016.

(2) The AGM of 31-May-16 authorized the Management Board to grant options under the Employee Incentive Plan.

(3) Assuming the exercise price equals the closing price of 30-Sep-2016 of €37.15, this translates into the issuance of 158,995 shares upon exercise.

(4) Assuming the exercise price equals the closing price of 30-Sep-2016 of €37.15, this translates into the issuance of 43,406 shares upon exercise.

INCOME STATEMENT

€m	FY/14	FY/15	Q3/15	Q3/16	YTD/16
Revenue	2,214.0	2,958.2	713.1	834.8	2,547.4
<i>% growth</i>	25.7%	33.6%	42.2%	17.1%	21.9%
Cost of Sales	(1,255.3)	(1,624.0)	(424.7)	(490.6)	(1,436.4)
Gross Profit	958.7	1,334.1	288.4	344.3	1,111.0
<i>% margin</i>	43.3%	45.1%	40.4%	41.2%	43.6%
Selling and Distribution Costs	(793.8)	(1,118.9)	(282.9)	(283.1)	(870.2)
Administrative Expenses	(109.1)	(129.0)	(34.2)	(48.7)	(138.2)
Other Operating Income	12.2	10.2	1.5	1.3	6.3
Other Operating Expenses	(5.8)	(7.0)	(0.7)	(1.1)	(2.5)
EBIT	62.1	89.6	(27.8)	12.7	106.4
<i>% margin</i>	2.8%	3.0%	(3.9%)	1.5%	4.2%
Net Financial Result	(4.5)	(3.0)	(6.3)	(3.3)	(7.8)
EBT	57.7	86.6	(34.1)	9.4	98.5
<i>% margin</i>	2.6%	2.9%	4.8%	1.1%	3.9%
Income and Other Tax	(10.5)	34.9	5.6	(4.4)	(38.0)
Net Income	47.2	121.5	(28.5)	5.0	60.5
<i>% margin</i>	2.1%	4.1%	(4.0%)	0.6%	2.4%
Depreciation & Amortization	25.8	34.2	8.7	11.1	30.4
EBITDA	88.0	123.8	19.1	23.8	136.8
<i>% margin</i>	4.0%	4.2%	(2.7%)	2.9%	5.4%
Share Based Compensation (SBC)	19.8	17.9	4.3	6.8	14.3
Adj. EBIT (adj. for SBC)	82.0	107.5	(23.5)	19.5	120.7
<i>% margin</i>	3.7%	3.6%	(3.3%)	2.3%	4.7%
Adj. EBITDA (adj. for SBC)	107.8	141.7	(14.8)	30.6	151.1
<i>% margin</i>	4.9%	4.8%	(2.1%)	3.7%	5.9%

SHARE BASED COMPENSATION

€m	FY/14	FY/15	Q3/15	Q3/16	YTD/16
Per Income Statement Line Item					
Cost of Sales	4.4	4.5	1.1	1.7	3.6
Selling and Distribution Costs	9.6	9.0	2.2	3.4	7.2
Administrative Expenses	5.8	4.5	1.1	1.7	3.6
Share Based Compensation	19.8	17.9	4.3	6.8	14.3
As % of revenue	FY/14	FY/15	Q2/15	Q2/16	YTD/16
Per Income Statement Line Item					
Cost of Sales	0.2%	0.2%	0.2%	0.2%	0.1%
Selling and Distribution Costs	0.4%	0.3%	0.3%	0.4%	0.3%
Administrative Expenses	0.3%	0.2%	0.2%	0.2%	0.1%
Share Based Compensation	0.9%	0.6%	0.6%	0.8%	0.6%

SEGMENTS

€m	FY/14	FY/15	Q3/15	Q3/16	YTD/16
Revenue	2,214.0	2,958.2	713.1	834.8	2,547.4
DACH	1,234.0	1,580.1	371.2	407.1	1,284.4
Rest of Europe	862.6	1,211.6	300.8	374.0	1,091.8
Other	117.4	166.5	41.1	53.7	171.3
As % of total	100.0%	100.0%	100.0%	100.0%	100.0%
DACH	55.7%	53.4%	52.1%	48.8%	50.4%
Rest of Europe	39.0%	41.0%	42.2%	44.8%	42.9%
Other	5.3%	5.6%	5.8%	6.4%	6.7%
EBIT	62.1	89.6	(27.8)	12.7	106.4
DACH	72.3	92.2	(5.1)	38.1	139.2
Rest of Europe	(18.6)	(10.2)	(23.4)	(20.8)	(24.9)
Other	8.4	7.5	0.6	(4.5)	(8.0)
% margin	2.8%	3.0%	(3.9%)	1.5%	4.2%
DACH	5.9%	5.8%	(1.4%)	9.3%	10.8%
Rest of Europe	(2.2%)	(0.8%)	(7.8%)	(5.6%)	(2.3%)
Other	7.2%	4.5%	1.6%	(8.5%)	(4.7%)
Adjusted EBIT	82.0	107.5	(23.5)	19.5	120.7
DACH	83.0	101.9	(2.8)	41.4	146.3
Rest of Europe	(11.6)	(3.3)	(21.7)	(17.9)	(19.0)
Other	10.5	8.9	1.0	(4.0)	(6.6)
% adjusted margin	3.7%	3.6%	(3.3%)	2.3%	4.7%
DACH	6.7%	6.4%	(0.8%)	10.2%	11.4%
Rest of Europe	(1.3%)	(0.3%)	(7.2%)	(4.8%)	(1.7%)
Other	9.0%	5.3%	2.5%	(7.4%)	(3.9%)

BALANCE SHEET

€m	Q3/15	Q3/15 (% of total assets)	Q3/16	Q3/16 (% of total assets)
Total Non-Current Assets	192.9	9.1%	364.7	14.7%
Thereof: Property, Plant and Equipment	119.8	5.7%	203.0	8.2%
Other Financial Assets	30.8	1.5%	39.6	1.6%
Non-Financial Assets	3.7	0.2%	3.3	0.1%
Other Non-Current Assets	38.6	1.8%	118.9	4.8%
Total Current Assets	1,919.6	90.9%	2,113.2	85.3%
Thereof: Inventories	590.4	27.9%	620.9	25.1%
Trade and Other Receivables	154.6	7.3%	167.4	6.8%
Other Assets ¹	249.8	11.8%	348.5	14.1%
Cash and Cash Equivalents ¹	924.9	43.8%	976.4	39.4%
Total Assets	2,112.6	100.0%	2,477.9	100.0%
Total Equity	1,164.8	55.1%	1,342.9	54.2%
Thereof: Issued Capital	246.8	11.7%	247.2	10.0%
Capital Reserves	1,134.4	53.7%	1,156.1	46.7%
Retained earnings	4.2	0.2%	(2.9)	(0.1%)
Accumulated Loss	(220.6)	(10.4%)	(57.5)	(2.3%)
Total Non-Current Liabilities	33.8	1.6%	30.5	1.2%
Thereof: Financial Liabilities	15.2	0.7%	12.0	0.5%
Other Non-Current Liabilities	18.6	0.9%	18.5	0.7%
Total Current Liabilities	914.0	43.3%	1,104.5	44.6%
Thereof: Trade Payables and Similar Obligations	758.2	35.9%	946.2	38.2%
Other Current Liabilities	155.8	7.4%	158.3	6.4%
Total Equity & Liabilities	2,112.6	100.0%	2,477.9	100.0%
Net Working Capital	(13.3)	(0.5%)	(157.9)	(4.7%)

CASH FLOW STATEMENT

€m	FY2014	FY2015	Q3/15	Q3/16	YTD/16
Net Income	47.2	121.5	(28.5)	5.0	60.5
Non-Cash Expenses from Share-Based Payments	19.8	17.9	4.3	6.8	14.3
Cash Settlement of Claims from Share-Based Payments	0.0	(2.3)	0.0	0.0	0.0
Depreciation	25.8	34.2	8.7	11.1	30.4
Income Taxes	10.5	(34.9)	(5.6)	4.4	38.0
Income Taxes Paid, Less Refunds	0.0	(0.0)	0.0	(4.6)	(29.2)
Change in Provisions	1.0	(0.5)	(0.0)	1.1	0.7
Other Non-Cash Income	(0.2)	(1.0)	1.8	0.3	(0.7)
Change in Inventories and Receivables	(68.7)	(154.2)	(145.2)	(178.6)	(142.8)
Change in Trade Liabilities	94.9	154.9	188.2	264.7	285.0
Change in Other Assets/Other Liabilities	44.6	(16.2)	(5.3)	(47.3)	(45.6)
Cash Flow from Operating Activities	174.9	119.4	18.3	63.0	210.7
Payments for Investments in Fixed and Intangible Assets	(51.1)	(60.0)	(19.9)	(47.7)	(115.9)
Payments for Acquisitions	0.0	(16.8)	(7.8)	0.0	(29.2)
Cash Paid for Investments in Term Deposits	0.0	(155.0)	(45.0)	(75.0)	(65.0)
Change in Restricted Cash	(0.8)	35.3	6.0	0.0	(0.0)
Cash Flow from Investing Activities	(51.9)	(196.5)	(63.5)	(122.7)	(210.0)
Payments Received from Capital Increases	510.1	6.4	0.2	0.6	1.1
Cash Received from Loans	3.9	0.0	0.0	0.0	0.0
Repurchase of treasury shares	0.0	(1.7)	0.0	0.0	0.0
Cash Repayments of Loans	(3.2)	(3.2)	(0.8)	(0.8)	(2.4)
Cash Flow from Financing Activities	510.8	1.5	(0.6)	(0.2)	(1.4)
Change in Cash & Cash Equivalents	633.8	(75.7)	(45.8)	(60.0)	(0.8)
Effects of Exchange Rate on Cash & Cash Equivalents	0.0	0.9	(2.9)	0.5	0.9

KPI DEVELOPMENT

	2014	Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	Q3/16
Site Visits (m) ¹	1,363.8	392.8	411.8	393.9	457.9	1,656.4	479.5	480.2	468.6
Mobile Visit Share (in % of Site Visits) ²	42.3%	52.6%	56.6%	58.8%	59.9%	57.1%	62.3%	64.7%	67.0%
Active Customers (m) ³	14.7	15.4	16.4	17.2	17.9	17.9	18.4	18.8	19.2
Number of Orders (m) ⁴	41.4	12.0	14.0	13.8	15.4	55.3	15.6	17.5	16.4
Average Order per Active Customer	2.82x	2.84x	2.89x	3.00x	3.08x	3.08x	3.20x	3.32x	3.39x
Average Basket Size (in €) ⁵	66.6	68.0	67.4	63.3	72.1	67.8	66.5	66.2	62.8
Fulfillment Cost Ratio (in % of revenue) ⁶	22%	25%	28%	27%	23%	26%	24%	23%	24%
Marketing Cost Ratio (in % of revenue) ⁷	13%	12%	12%	12%	11%	12%	10%	10%	10%

(1) 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.

(2) Mobile is defined as tablets, mobile site and apps.

(3) 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.

(4) 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.

(5) 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.

(6) Fulfillment Cost Ratio defined as fulfillment cost as a proportion of revenue in the measurement period. Fulfillment costs mainly include logistics, content creation, service and payment expenses, as well as allocated overhead costs. Fulfillment costs therefore comprises all selling and distribution costs, except for marketing costs. All numbers shown excluding equity-settled SBC costs.

(7) Marketing Cost Ratio defined as marketing cost as a proportion of revenue in the measurement period. Marketing cost mainly consists of advertising expenses including search engine marketing, television, online display and other marketing channels as well as allocated overhead cost. All numbers shown excluding equity-settled SBC costs.

FINANCIAL CALENDAR 2017

March 2017					May 2017					June 2017					August 2017					November 2017				
M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
		1	2	3	1	2	3	4	5				1	2		1	2	3	4			1	2	3
6	7	8	9	10	8	9	10	11	12	5	6	7	8	9	7	8	9	10	11	6	7	8	9	10
13	14	15	16	17	15	16	17	18	19	12	13	14	15	16	14	15	16	17	18	13	14	15	16	17
20	21	22	23	24	22	23	24	25	26	19	20	21	22	23	21	22	23	24	25	20	21	22	23	24
27	28	29	30	31	29	30	31			26	27	28	29	30	28	29	30	31		27	28	29	30	

Date	Action
Thursday + Friday, 17-18-Nov	Morgan Stanley European TMT Conference, Barcelona
Wednesday, 30-Nov	NDR, Paris
Jan-2017 ¹	Q4/2016 Trading Update
Wednesday, 1-Mar	Q4/2016 Results
Tuesday, 9-May	Q1/2017 Results
Wednesday, 31-May	Annual General Meeting 2017
Monday + Tuesday, 19-20 June	Capital Markets Day 2017 (Day 1: warehouse tour, Day 2: Berlin)
Thursday, 10-Aug	Q2/2017 Results
Tuesday, 7-Nov	Q3/2017 Results