

**To: DG Competition, Unit A2 – Antitrust and Mergers Policy and Scrutiny
European Commission
Directorate-General for Competition
Antitrust Registry
Ref: HT.1171 – stakeholder input
1049 Brussels
BELGIUM**

Date: 28 September 2009

Dear Sir/Madam

Subject matter: COMPETITION RULES APPLICABLE TO VERTICAL AGREEMENTS

NET-A-PORTER welcomes the opportunity to submit this letter in response to the European Commission's invitation to comment on the draft Vertical Agreement Block Exemption Regulation and the draft Guidelines on Vertical Restraints (the "draft Guidelines").

NET-A-PORTER.COM is the world's premier online luxury fashion retailer: <http://www.net-a-porter.com>. Our award-winning website (see **Annex 1**), presented in the style of a fashion magazine with editorial updated every week, offers a wide range of lines from over 200 luxury brands such as Chloé, Miu Miu, Fendi and Christian Louboutin.

NET-A-PORTER's proposition is based on convenience (customers can search from home or office, 24 hours a day, by designer, size, colour or item), expertise, brand and product range, geographic coverage, stock levels in different sizes and express delivery and free returns.

NET-A-PORTER currently attracts two million unique monthly visitors and 17,500 shoppers each month across the world, of which 9,600 are EEA residents. Its 2008 sales exceeded €100 million. NET-A-PORTER employs more than 400 people. This level of success and growth in less than 10 years has only been possible by providing both customers and suppliers with a service that they greatly value. We attach typical customer quotes at **Annex 2**. NET-A-PORTER has pursued a strategy of collaboration with luxury brand owners ("LBOs"). LBOs have also been extremely satisfied with their increasing sales through NET-A-PORTER and the way in which we have strengthened and supported their brands, as demonstrated by the quotes attached at **Annex 3**. Today, NET-A-PORTER qualifies as a major customer for many LBOs. Sample press comments are attached at **Annex 4**.

NET-A-PORTER understands fully the need for LBOs to maintain brand image. We have invested heavily in our own brand image since our launch. To this end, we ensure that we stock only authentic items by buying directly from LBOs or their accredited agents and we have a commercial strategy of not undercutting the prices of our brick and mortar competitors.

NET-A-PORTER endorses the principle of selective distribution for luxury brands. It is appropriate that LBOs set objective qualitative criteria for retailers in order to protect their luxury brand image, including whether they wish to sell through physical outlets. NET-A-PORTER encourages the Commission to ensure that the final Guidelines afford LBOs the flexibility to develop distribution systems appropriate to the circumstances of their various different luxury products and the various luxury markets in which they operate. NET-A-PORTER looks forward to its strong relationships with current LBO suppliers continuing, and expanding to many new LBOs, in the years to come.

Yours faithfully

A handwritten signature in purple ink that reads "Natalie Massenet". The signature is fluid and cursive, with a large initial 'N' and a long horizontal stroke at the end.

Natalie Massenet

Founder & Chairman

NET-A-PORTER.COM

Annex 1

Awards and Accolades

2009

- Luxuria Awards '**Luxury retailer of the year**'
- Natalie Massenet –MBE for '**services to the fashion industry**'
- Glamour Magazine one of the '**UK's top places for women to work**'
- The Sunday Times one of the '**Top 100 Best Companies to Work for**'
- Cosmopolitan's Online Fashion Awards '**Best for Designer Clothing**'

2008

- Time Magazine one of '**50 Best Websites**'
- Footwear News Achievement Awards '**E-Tailer of the Year**'
- Growing Business Awards '**Customer Excellence**'
- Drapers Awards '**E-tailer of the Year**'
- Real Business '**Hot 100**'
- LinkShare Golden Link Award '**International Advertiser of the Year**'
- Natalie Massenet - Fashion Night of The Stars '**Corporate Leadership Award**'
- Walpole Awards for Excellence '**Luxury Brand Online**'
- Natalie Massenet – CNBC European Business Leaders Awards 2008 '**Entrepreneur of the Year**'
- Media Momentum Awards 50 fastest growing digital media companies '**Best Execution**'
- Cosmopolitan's Online Fashion Awards '**Best for Designer Clothing**'

2007

- Natalie Massenet - The Wall Street Journal's '**One of 10 women to watch in Europe**'
- Natalie Massenet - Grazia Awards for Women in Business '**Outstanding Contribution to Fashion**'
- Sunday Times Tech Track 100 one of '**Britain's fastest growing private technology companies**'

2006

- Natalie Massenet -The Wall Street Journal's '**One of 50 women to watch in Europe**'
- The Guardian '**Top 5 Coolest Places to Work**'
- In Style Shopping Awards '**Best Online Shop**'
- Sunday Times Fast Track '**Hot 100**'

2005

- Natalie Massenet - Harper's Bazaar & Chanel '**Entrepreneur of the Year**'
- Natalie Massenet - Harpers Bazaar '**Top 30 Most Influential Women in the UK**'
- Real Business one of '**50 to watch**'

2004

- The Luxury Briefing '**Excellence Award**'
- The British Fashion Council '**Best Shop**'
- The UK Fashion Export Award for '**Best E-tailer**'

Annex 2

A sample of customer quotes

(A) High profile customer quotes featured in the national press and publications:

"I love this for its editorial as much as for the shopping, it's like an online magazine"

Linda Bennett, designer and founder of LK Bennett, The Daily Telegraph 12.03.08

"Favorite site? NET-A-PORTER.COM. I shop online late, after everything's settled and the homework is done"

Rachel Roy, designer, Harpers Bazaar USA 2007

"My favourite website for clothes and accessories is NET-A-PORTER.COM. The items arrive so quickly, are so beautifully wrapped, and the company has a fantastic returns policy"

Victoria Beckham, You Magazine 29.05.07

"NET-A-PORTER: Natalie Massenet, its founder, is a legend. She has revolutionised the way women shop for luxury fashion online. I dread to think how much I spend on here ensuring that I am fashion-worthy each season".

Anya Hindmarch, The Daily Telegraph 12.03.08

"NET-A-PORTER, has a great range of accessories, and I shop there for presents"

Giles Deacon, Fashion Designer, Grazia UK May 2007

"I love NET-A-PORTER.COM – it always has amazing things that are sold out in the shops"

Melissa Odabash, Red Magazine July 2007

(B) A sample of customer feedback received in the past 5 years

"I am completely satisfied in a point that I never go shopping outside...Thank you for your service again."

"I thought it was a brilliant service, great when you are too busy to get to the shops."

"Easy peasey...lovely beautiful happy shopping experience!"

"Wonderful service in every respect."

"Thank you for a great shopping experience each time!"

"Other fashionistas told me how efficient it was - it is all true - loved it!"

"My first online shopping experience was with net-a-porter. I loved the experience.... Net-a-porter is my first stop for shopping, even if the same product is available where i live, i would rather purchase it from net-a-porter."

"I love this for its editorial as much as for the shopping, it's like an online magazine"

(C) A sample of customer feedback sent to NET-A-PORTER in response to a "Top spending" segment conducted in Spring 2009

"It just is so much easier for me than flogging round hundreds of shops. Also the whole process is very easy and slick"

"Very good. I like the fact that certain items are offered that are not available in stores"

"Your support team are excellent in advising or saving items for my convenience"

"I think your offering is extremely good, although I must admit to sitting close to the computer on new arrival days, just in case I miss that 'must have' pair of Christian Louboutins! Delivery and collections are by far the best of any other internet fashion site I have ordered from, and Net-a-Porter is my favourite fashion site!"

"I love shopping at net-a-porter, because you don't have to trawl the shops, you can try it all on at home with shoes and accessories you already have and the returns procedure is easy and efficient. Can't get better than that!"

"You offer the best designers in the privacy of one's own home."

"Actually, I like it most to shop on net-a-porter because there is no trouble with parking, unfriendly staff or anything. When I log in you know me by name, your newsletter tells me which arrivals suit my preferred labels and without any stress things will be in my house the next day or so."

"I honestly think that Net-a-porter gives the best service ever, I lived in the best cities for shopping, LA, NYC and Paris, yet I always shopped from net-a-porter."

"I love that I can find online brands I can't find here, in the Netherlands. The details of the clothing are very precise, it's easy to shop, to send back if it doesn't fit."

"Personal shopping team is excellent / great service provided / NAP is my no1 source for shopping."

"I think the whole experience is great. I am heavily reliant on it as it so easy to use, inspiring, great for ideas and great service and luxurious packaging. Everything is always unworn and brand new without dirt on etc which can happen even in the high end shops."

(D) A sample of customer feedback sent to NET-A-PORTER in Spring/Summer 2009

"I wanted to write and tell you about my first experience of using NET-A-PORTER.COM. I was more than a little wary about ordering high-value items on-line and without being able to try them on, however after my first experience with net-a-porter I will not hesitate to order from you again in the future. I recently ordered a pair of Stella McCartney espadrilles. I found your website exceptionally easy to navigate, and the multiple high-quality photos of each item, from every angle imaginable, helped me to decide on what to order. The returns process was clearly outlined, which gave me the comfort factor I needed to order without trying on in a shop. The checkout process was quick and painless. The shoes were delivered promptly and were beautifully packaged, although unfortunately they did not fit and had to be returned. Your returns process is without a doubt the best I have experienced in my on-line shopping history. The process is simple, slick and professionally managed by both net-a-porter and your courier company DHL. My request for an RMA number was actioned within hours, and when I called DHL to arrange a collection date, the package was collected within hours of my call. Congratulations on what has been an exceptionally positive experience for me in terms of customer service. I really am very impressed and will continue to shop with you in the future."

"I wondered if you could pass on my thanks to a member of your staff named Leyla who was incredibly helpful when I placed my first order yesterday. I had some questions about the exact colour of a bag. Leyla went to the store room and then called me back and very helpfully answered all of my questions. It was probably the best customer service I have ever received. I have emailed you so that her excellent standard of customer care is drawn to the attention of her employers!"

"I just ordered three dresses from NET-A-PORTER.COM and also spoke to one of the fashion consultants. I have to tell you the reason for my email is because I like to work with companies that I shop with and the service was impeccable. I specialize in luxury recruiting both at retail and wholesale. I am excited to go on the website and check it for daily updates - you guys do a great job."

"I am writing to praise your website and service in general. I have bought from you quite a few times and each time I have been extremely pleased. Your site consistently offers a gorgeous range of lovely, high quality clothes. Every item I have bought from you has exceeded my expectations - anything I have returned has been due to the color just not happening to suit me or the item being too short. The photos on the site are excellent and give a good idea of what the items looks like, as well as offering styling ideas. Recently I was particularly pleased with your waiting list service. I missed the boat buying a blazer which was very popular, but I was put on your waiting list and informed when one came in, which I am now happily wearing! Finally, I find the returns service very convenient - it is great not having to go to the post office!"

Annex 3

Brand Supplier/Designer quotes

"NET-A-PORTER is the biggest store in the world now. It is open every day in every country and I am so happy to be a part of it." "Natalie and all the team at NET-A-PORTER are amazing; it's how they bring the outfit to the customer - its luxury." "NET-A-PORTER is best place I can try my new ideas and sell my clothes"

Roland Mouret, NET-APP launch, 14.07.09

"I think with the internet, we can see now with NET-A-PORTER the success and how the brand has got spread out through NET-A-PORTER - it's amazing! I always remember the first time when they came and now how important it is."

Vanessa Bruno, Editorial interview, 2009

"I thank you for bringing the teams together and your ongoing partnership. We share your goal of reaching £[CONFIDENTIAL] million in retail sales together. I look forward to reviewing your plans to get there with you soon so that we can monitor this together."

Josh Schulman, CHIEF EXECUTIVE OFFICER, JIMMY CHOO July 2009

"I am very pleased to be on Net-a-Porter this season, it feels perfect that part of the Autumn Winter 2009 collection be the first online. With today's customer being more confident and demanding than ever, I think the internet holds a unique retail environment, ideal for the female contemporary consumer."

Marios Schwab, provided for the press release, June 09

"We launched my first exclusive dress for Net-a-Porter, an embroidered silk sheath done in citron and cream. I was glad to hear that the shipment had just arrived from New York, and that many dresses sold in the hours after it went live."

Jason Wu, 30th Style.com March 09

"I am so thrilled with the sell out at NET-A-PORTER.COM on launch day - it's our first season together so I am very pleased with the reaction from their customers!"

Christopher Kane, Vogue.com 13th February 2009

"NET-A-PORTER.COM is brilliant on so many levels. It's the focused buying, the incredible brands, the high volume orders, and it exposes us to global markets that we may not be able to access through stores."

Richard Nicoll, Vogue.co.uk, 27.11.08

“To have the opportunity to bring a McQueen show presentation straight to potential customers with an option to buy immediately is a first for us and as such a truly exciting venture. We have enjoyed a strong relationship with NET-A-PORTER for many years and welcome the chance to work in such a unique way with them.”

Alexander McQueen, Gucci Group, provided for the special project press release, September 08, Featured in www.costume.dk 30.09.08

“NET-A-PORTER is the biggest line we have. Natalie Massenet has done amazing things for our profile”

Marcus Wilmont of Aminaka Wilmont, Sunday Times Style, 09.03.08

“It is a marketing-based initiative, whereby I am using a vehicle like NET-A-PORTER, whose consumer base is global. This gives us a great platform to get brand awareness increased in markets where it is possibly not as high as it already is in the U.S.” “When I think of NET-A-PORTER, I don’t necessarily only think of it strictly as a distribution channel, the format is really unique. There is the retail association with elements of editorial content. The way it is presented is fantastic.”

Bonnie Takhar, President and CEO of Halston, WWD 29.01.08

“This is exactly what my company 19RM set out to do from the start – work with partners to break the mould of the fashion industry with out of the box thinking. From the moment Net-a-porter bought the entire collection I wanted to do something special with them and this has exceeded all of my expectations.”

Roland Mouret, provided for the special project press release, November 2007

“The most important thing about NET-A-PORTER is that it gives me stockists everywhere in the world”

Todd Lynn, The NZ herald.com 16 July 2007

“NET-A-PORTER is the luxury global fashion website”

Diane Von Furstenberg, FTBC behind the scenes Style.com 2007

“The benefits for our brand include fashion expertise for the consumer, excellent product offerings, high quality customer service and an entertaining and informative venue for the customer to shop. In addition, the people at NET-A-PORTER are fantastic to work with, highly knowledgeable and very professional. Since the inception of NET-A-PORTER, the Internet has become equal to traditional retailing in nearly every way. The Internet provides great product in an efficient manner and has proven to be an extremely viable shopping venue for all types of customers.”

Sallie Scriptor, VP OF SALES, MARC JACOBS, 2006

“The client base of NET-A-PORTER spans the globe. For Narciso Rodriguez, a relatively young company with selective distribution, this gives us the opportunity to reach customers that are out of the boundaries of our current distribution. It seems apparent, in the short life of this Internet retailer; they have built a strong and loyal customer. This customer is consistent because of the selection that is unique to NET-A-PORTER.”

Kathy Kalesti, COMMERCIAL DIRECTOR, NARCISO RODRIGUEZ, 2006

“Working with NET-A-PORTER has been a very positive experience for Michael Kors. The team clearly understands luxury product and knows how to merchandise it for their customer base. We are very proud to be a part of their portfolio.”

Brigitte Kleine, PRESIDENT, MICHAEL KORS, 2006

Annex 4

Selected Press Quotes

"Redefining the standard for online service"

Luxurysociety.com September 09

"The ultimate luxury e-tailing pioneer"

Business of Fashion, June 09

"NET-A-PORTER at the top of its game is becoming the benchmark for luxury ecommerce retailers around the world."

The Business of Fashion, November 08

"NET-A-PORTER, the biggest luxury boutique in the world!"

Numero, October 08

"NET-A-PORTER.COM, still the sleekest stop for online shopping"

Sunday Times Style, April 08

'NET-A-PORTER is the leader of the online retail pack'

Elle India, December 07

"The Stylish e-tailer has a mix of old-world service, lavish packaging and new world technology"

The Telegraph Luxury Supplement, November 07

"NET-A-PORTER is the luxury global fashion website"

Style.com, October 07

"Where women can have whatever they want overnight with the click of a mouse"

W Magazine October 07

"The world's first truly global luxury fashion retailer"

Sunday Times Business, April 07