

PRADA

MILANO

DAL 1913

Investor & Analyst Day

Milan, April 2nd, 2014

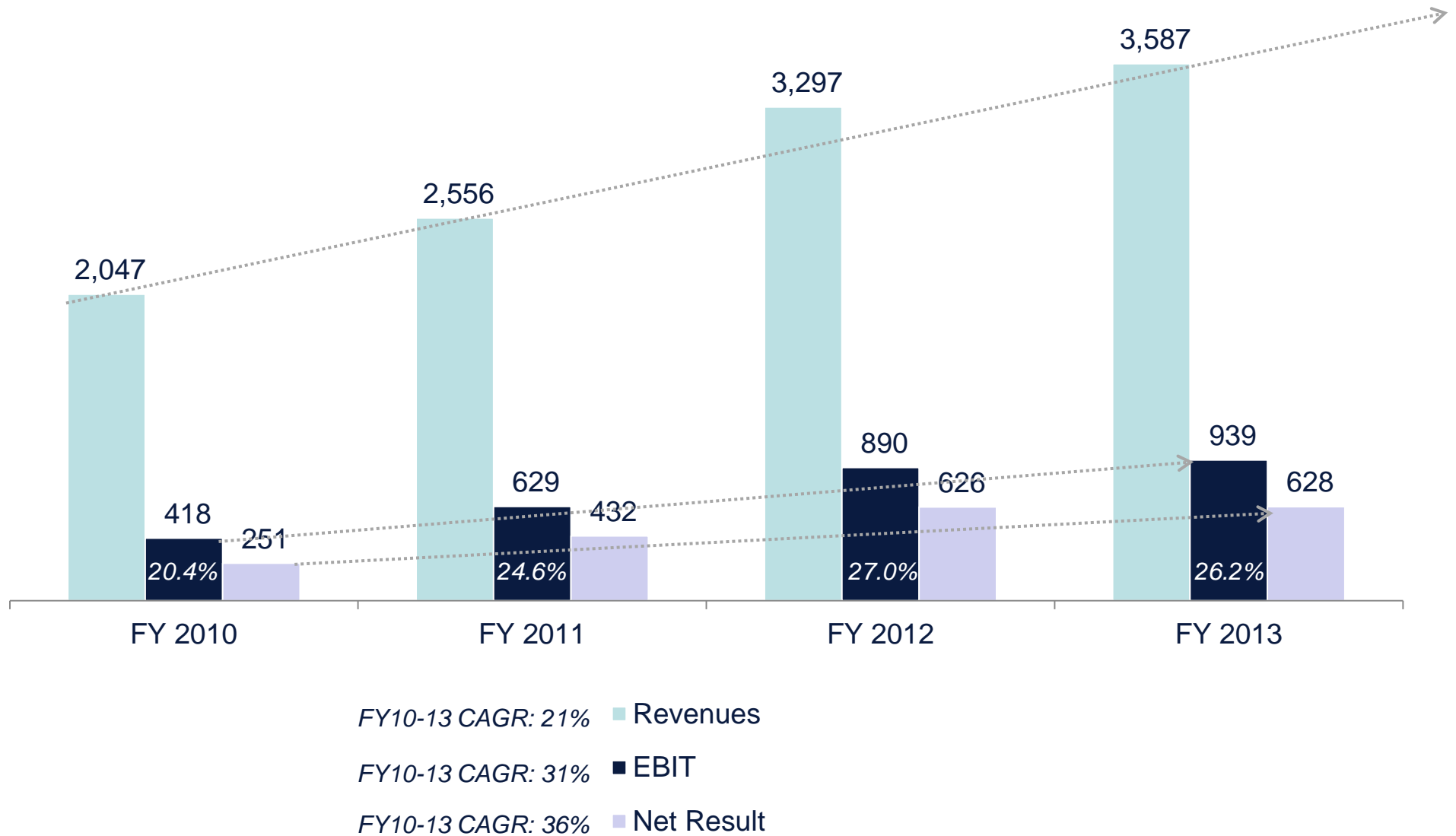
Speakers

- **Patrizio Bertelli** - *CEO and Co-founder*
- **Donatello Galli** - *Group CFO*
- **Alessandra Cozzani** - *Group Investor Relations Director*
- **Lorenzo Panerai** - *Leather Goods Industrial Division Director*
- **Giulio Brini** - *Prada Retail Director*
- **Maria Cristina Lomanto** - *Miu Miu Retail Director*
- **Stephen Etheridge** - *CEO of Church & Co Ltd*
- **Stefano Rastrelli** - *Group HR Director*

Full Year 2013 Results

Donatello Galli
Group CFO

Impressive last 3 years' growth and potential for further growth

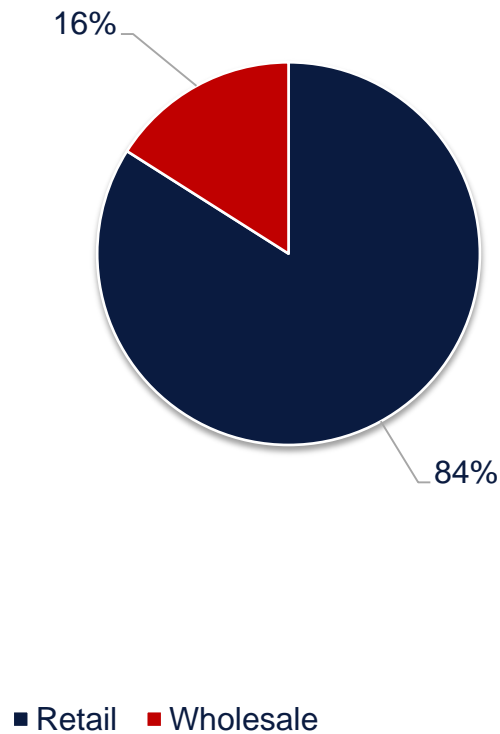


Key Messages

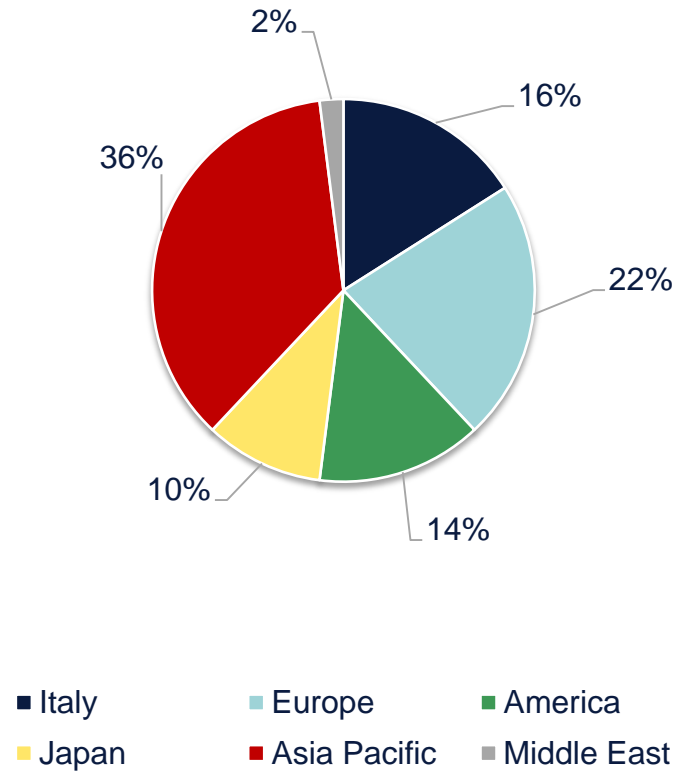
	12 months	4th quarter
TURNOVER	<ul style="list-style-type: none"> Net Revenues grew by 9% (+13% at constant rates) with Retail up 12% (+18% at constant rates) 	<ul style="list-style-type: none"> Net Revenues grew by 6% (+11% at constant rates) with Retail up 9% (+15% at constant rates)
SAME STORE SALES GROWTH	<ul style="list-style-type: none"> Same Store Sales Growth +7% 	<ul style="list-style-type: none"> Same Store Sales Growth, in line with the rest of the year
OPERATING RESULTS	<ul style="list-style-type: none"> EBITDA up to €1,143 mn, 32% on Revenues, unchanged from 2012 EBIT up to €939 mn, 26% on Revenues, compared to 27% in 2012 	<ul style="list-style-type: none"> EBITDA up to €322 mn, 32% on Revenues, compared to 34% in 2012 EBIT up to €261 mn, 26% on Revenues, compared to 29% in 2012
NET RESULTS	<ul style="list-style-type: none"> Group Net Income to €628 mn, 18% on Revenues, compared to €626 mn of 2012, 19% on Revenues 	<ul style="list-style-type: none"> Group Net Income to €187 mn, 18% on Revenues, compared to €217 mn of 2012, 23% on Revenues
EARNINGS PER SHARE AND DIVIDENDS	<ul style="list-style-type: none"> €0.25 €11 cents proposal dividends per share (+22% compared to 2012) 	

The Group at a glance – Full Year

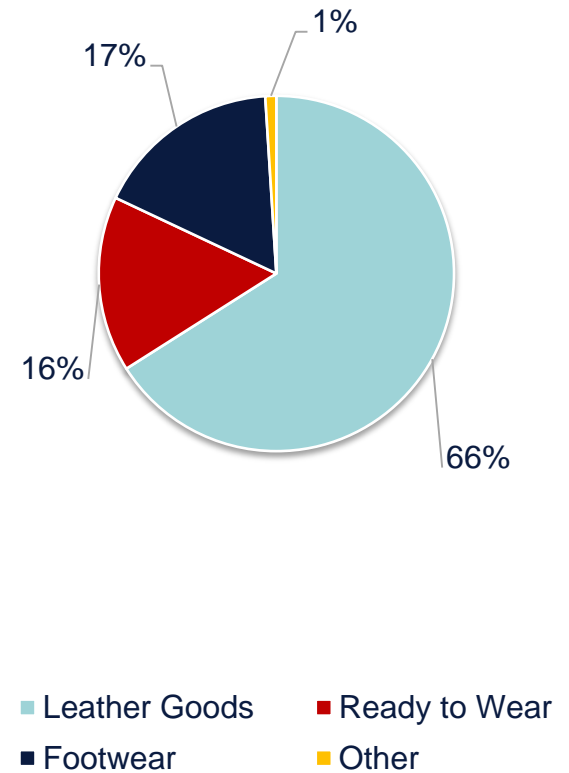
Net Sales By Channel



Net Sales By Region



Net Sales By Product



Net Sales by Channel (€ mn) – Full Year

	2012	Mix %	2013	Mix %	% ch. as reported	% ch. same FX
Retail	2,664.2	82%	2,996.6	84%	+12%	+18%
Wholesale	592.2	18%	551.6	16%	-7%	-6%
Total	3,256.4	100%	3,548.2	100%	+9%	+13%

- Retail (+18% at constant rates) is driven by:
 - + 7% “Same Store Sales Growth”, steady across all quarters
 - +11% new space contribution (79 net openings since February 1, 2013)
- Wholesale trend:
 - Negative trend in Europe due to persistent selective strategy and soft domestic demand in no-tourist areas
 - Americas recorded a negative trend following the conversion of 21 corners
 - Positive trend in Far East (mainly DFS)

Net Sales by Brand (€ mn) – Full Year

	2012	Mix %	2013	Mix %	% ch. as reported	% ch. same FX
Prada	2,649.5	81%	2,943.6	83%	+11%	+16%
Miu Miu	512.8	16%	519.1	15%	+1%	+6%
Church's	68.4	2%	68.6	2%	-	+3%
Car Shoe	19.7	1%	13.4	-	-32%	-31%
Others	6.0	-	3.4	-	-43%	-43%
Total	3,256.4	100%	3,548.2	100%	+9%	+13%

- Excellent performance for Prada (+16% at constant rates); 20% organic growth in the Retail Channel, one of the best performances in the sector
- Growth of Miu Miu and Church's (respectively 6% and 3% at constant rates), 10% Miu Miu organic growth in the Retail Channel

Net Sales by Geography (€ mn) – Full Year

<i>Note(*)</i> : PRC, HK, Macau <i>Note(**)</i> : Japan and Hawaii	2012	Mix %	2013	Mix %	% ch. as reported	% ch. same FX
Italy	528.3	16%	552.9	16%	+5%	+5%
Europe	739.6	23%	776.5	22%	+5%	+7%
Americas	440.0	14%	488.0	14%	+11%	+15%
Far East	1,160.2	36%	1,292.8	36%	+11%	+14%
Greater China(*)	735.6	23%	826.0	23%	+12%	+15%
Japan (**)	337.3	10%	340.8	10%	+1%	+24%
Middle East	44.8	1%	91.1	3%	+103%	+111%
Others	6.1	-	6.1	-	-	-
Total	3,256.4	100%	3,548.2	100%	+9%	+13%

- Europe (Italy included): trend in line with the rest of the year; retail double-digit up, wholesale high single-digit contraction
- Americas: acceleration in retail with strong double-digit growth (+36% at constant rates), wholesale double-digit contraction
- Far East: Greater China grew in line with the trend of the region, Mainland China up 20% (at constant exchange rates) with a constant trend across the four quarters
- Japan: very strong performance across the period with an acceleration in Q4

Net Sales by Product (€ mn) – Full Year

	2012	Mix %	2013	Mix %	% ch. as reported	% ch. same FX
Leather Goods	2,038.0	63%	2,332.5	66%	+14%	+20%
Footwear	625.4	19%	594.6	17%	-5%	-2%
Ready to Wear	563.3	17%	581.6	16%	+3%	+7%
Others	29.7	1%	39.5	1%	+33%	+38%
Total	3,256.4	100%	3,548.2	100%	+9%	+13%

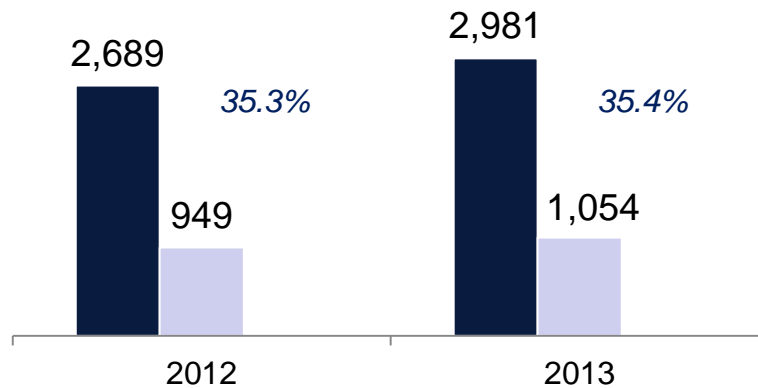
- Leather Goods momentum remains very strong
- Footwear negatively impacted by Wholesale, partially compensated by a positive trend in the Retail channel
- RTW:
 - Double Digit up (at constant exchange rates) in the Retail channel
 - Double Digit negative in Wholesale
- Good performance of Miu Miu in Ready to Wear and Footwear

Group Profit and Loss – Full Year

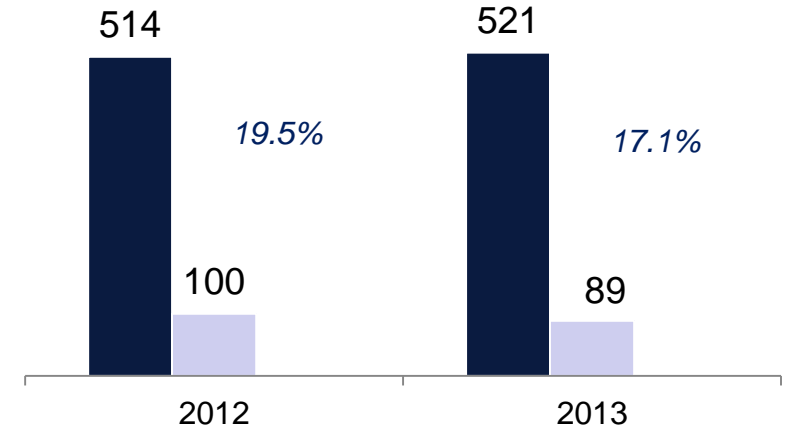
€ mn	Jan 2014	%	Change 2014 vs 2103	Jan 2013	%
Net Sales	3,548.2	98.9%		3,256.4	98.8%
Royalties	39.1	1.1%		40.8	1.2%
Net Revenues	3,587.3	100.0%	8,8%	3,297.2	100.0%
COGS	(938.7)	26.2%		(920.7)	27.9%
Gross Profit	2,648.6	73.8%	11,4%	2,376.5	72.1%
Product Development	(129.8)	3.6%		(111.4)	3.4%
Advertising & Promotion	(172.0)	4.8%		(150.6)	4.6%
Selling	(1,212.1)	33.8%		(1,040.1)	31.5%
G&A	(195.6)	5.5%		(184.7)	5.6%
EBIT	939.2	26.2%	5,6%	889.8	27.0%
Net Financial Income / (Expenses)	(16.3)	0.5%		(6.2)	0.2%
Income Taxes	(285.1)	7.9%		(250.3)	7.6%
Minority Income	(10.0)	0.3%		(7.6)	0.2%
Group Net Income	627.8	17.5%	0,3%	625.7	19.0%
D&A	203.9	5.7%		162.7	4.9%
EBITDA	1,143.2	31.9%	8,6%	1,052.5	31.9%

EBITDA by Brand (€ mn) – Full Year

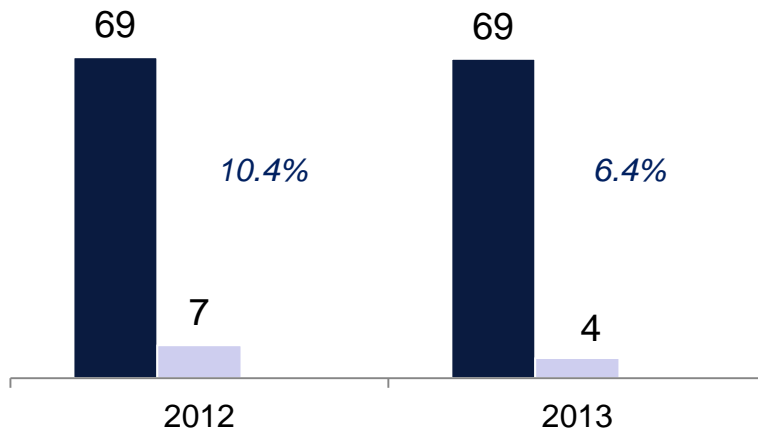
Prada



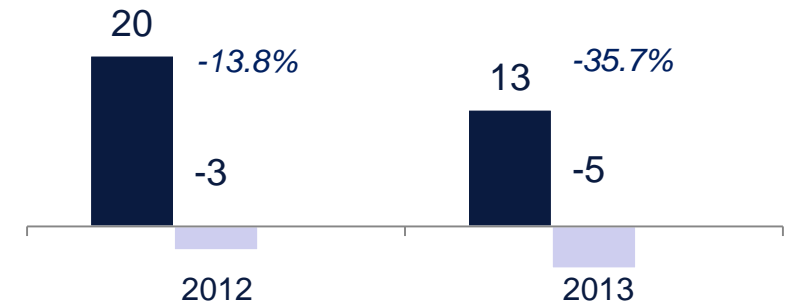
Miu Miu



Church's



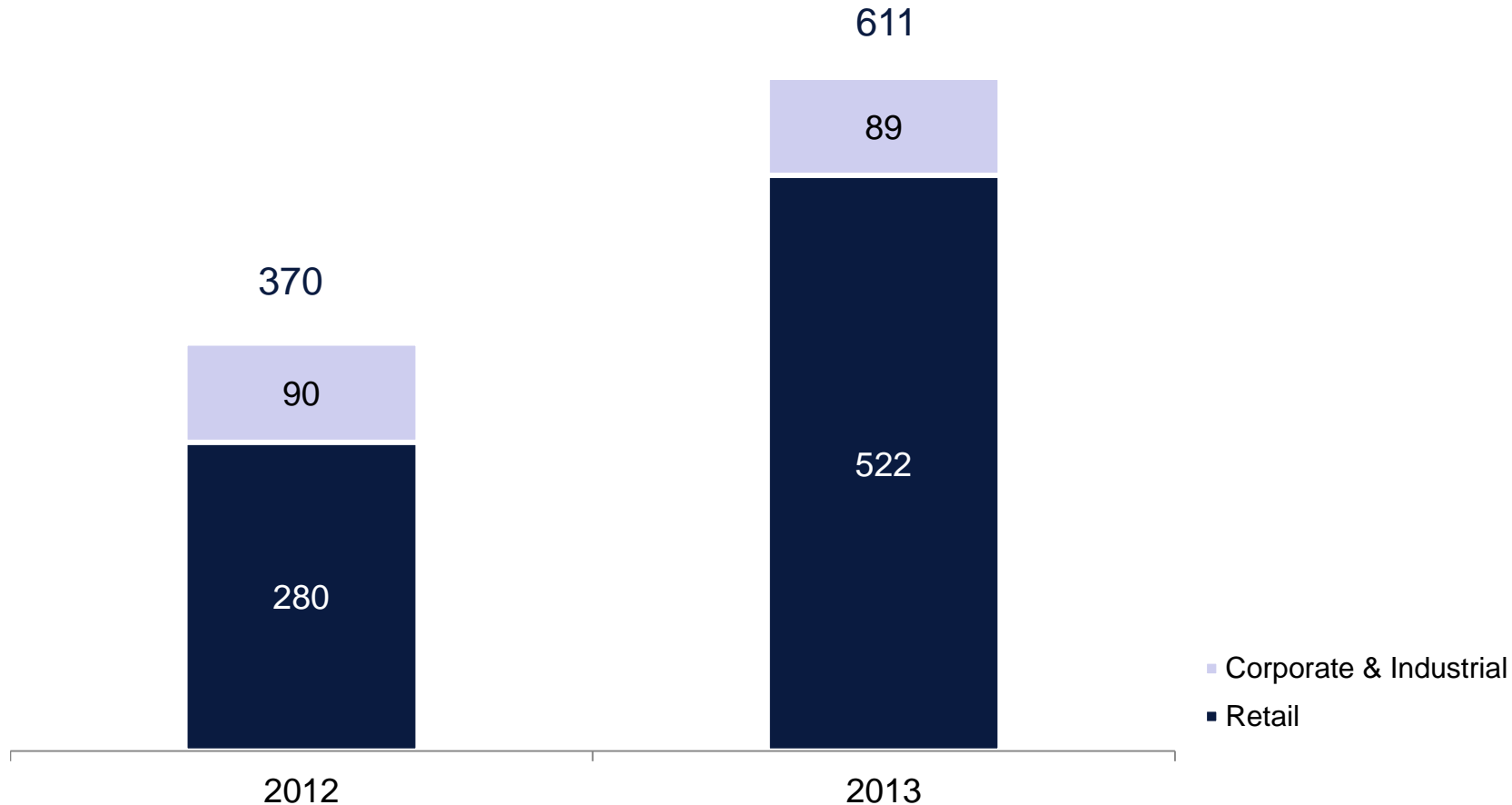
Car Shoe



■ Net Revenues ■ EBITDA

Capex (€ mn) - Full Year

- Capex driven by Retail development
- Retail includes new openings, refurbishments and relocations, and the real estate acquisition of the store in Old Bond Street, London



Key figures (€ mn)

	January 2014	January 2013	January 2012
Net Financial Position	295.9	312.6	13.7
Net Operating Working Capital	409.8	317.7	357.7
<i>NOWC on Net Revenues</i>	<i>11.4%</i>	<i>9.6%</i>	<i>14.0%</i>
Capital Employed (average)	2,211.70	1,917.6	1,701.40
Free Cash Flow (before dividend payment)	221.1	427.6	222.8
Dividends Cash Out	230.3	127.9	2

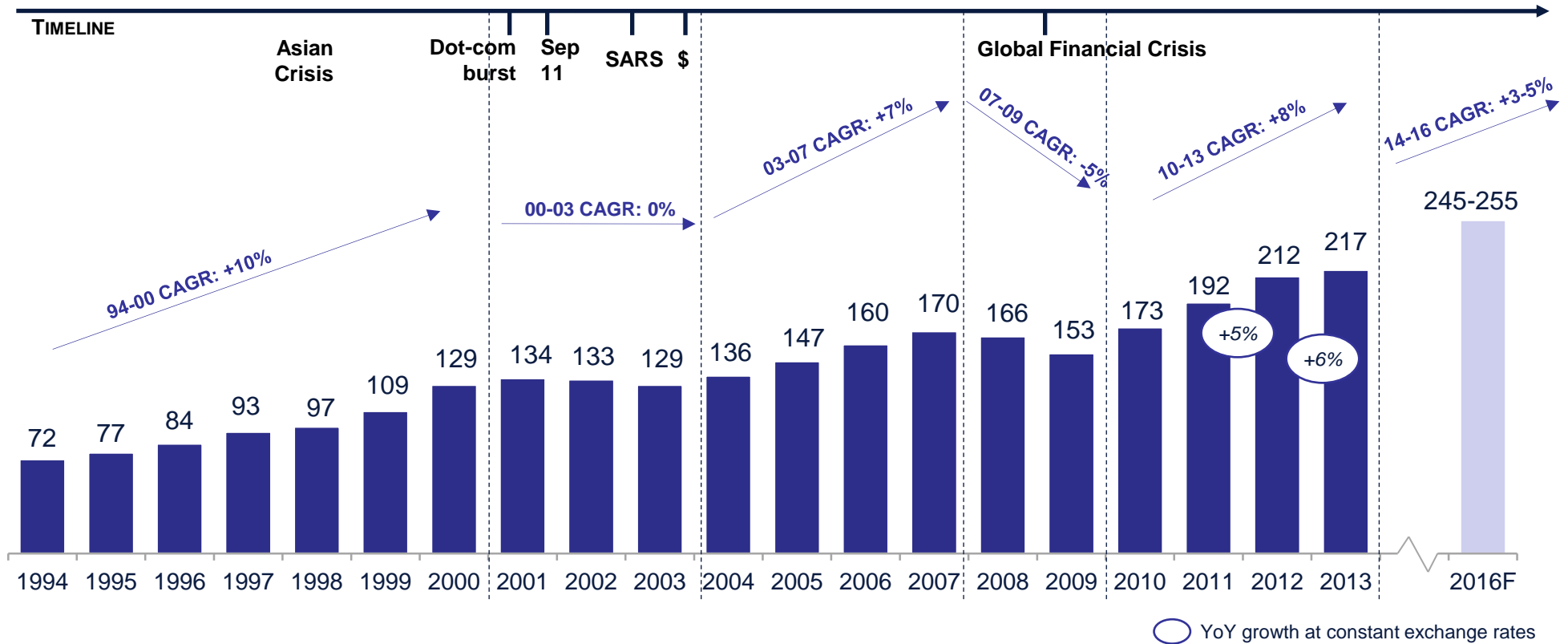
The Luxury Market

Alessandra Cozzani

Group Investor Relations Director

Luxury Market: fast and steady growing global luxury goods market

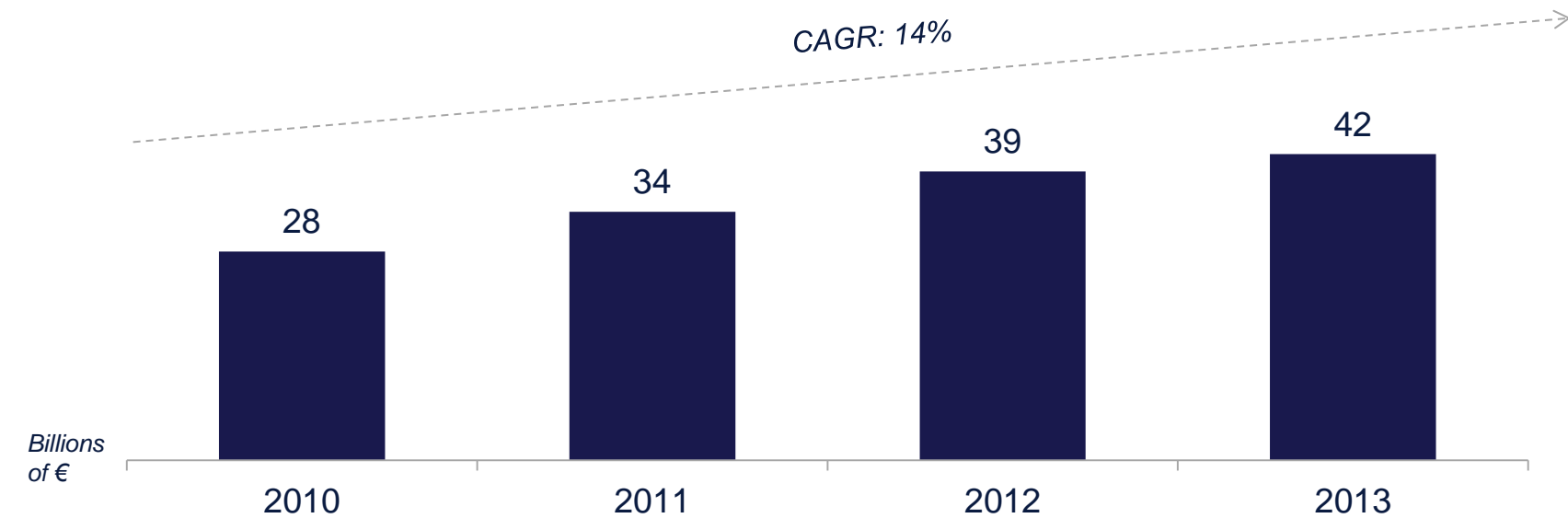
Luxury Goods Market size (1994-2016F) (€bn)



- Market has almost tripled since 1994
- Long growth period broken by short macroeconomic-driven downturn
- We believe that the long term growth drivers remain strong despite possible short term volatility

Source: Altagamma Worldwide Market Monitor

Luxury Market, we are among a group of outperforming power brands



SALES GROWTH

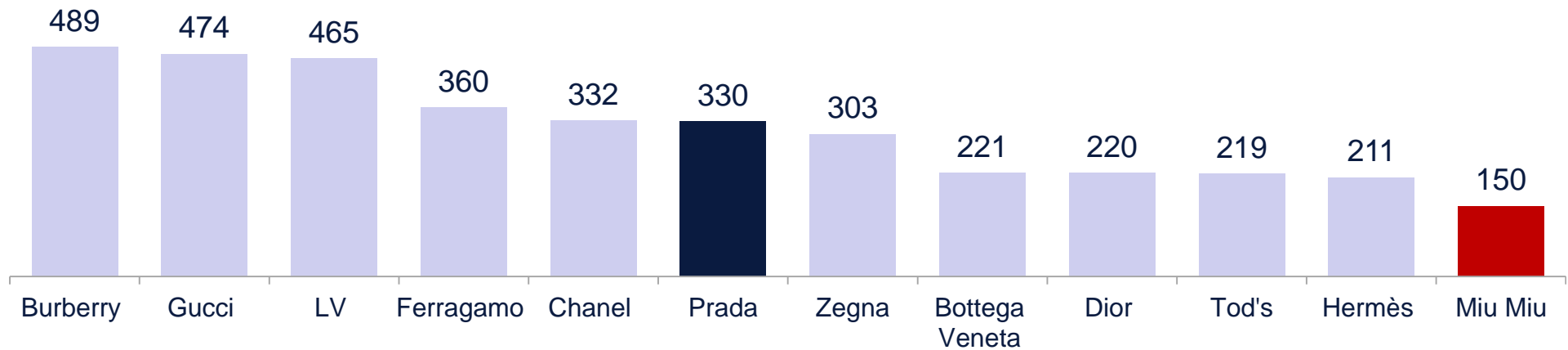
Global Luxury Sector	11%	10%	2%	CAGR +8%
Global Sub-sector	19%	16%	6%	CAGR +14%
PRADA Group	25%	29%	9%	CAGR +21%

Source: PAMBIANCO Strategie di Impresa research. Cluster composed by European Luxury Companies with a turnover exceeding 250 mln € of sales: Armani, Brunello Cucinelli, Burberry, Chanel, Chloé, Dior Couture, Dolce & Gabbana, Ferragamo, Hermès, Kering luxury division, LVMH Fashion & Leather division, Moncler, Prada, Tod's, Valentino, Versace, Zegna

Luxury Market, we are among a group of outperforming power brands

- The global personal Luxury Goods market is highly fragmented and is characterised by the presence of a few large global players, and a large number of smaller independent players
- Prada Group operates within the Luxury Goods market alongside other global power brands (about 20 European Soft Luxury Brands including Louis Vuitton, Gucci, Hermès, Chanel, Burberry etc.)
- With their strong brands, overall scale, global retail network and a popularity among tourists, these companies benefited from being in the sweetspot in 2013. This trend should continue in 2014 and beyond
- Prada outperformed this sub-sector in 2013, growing by 9% compared to the group average of 6%

Luxury Market: PRADA Group has room to grow



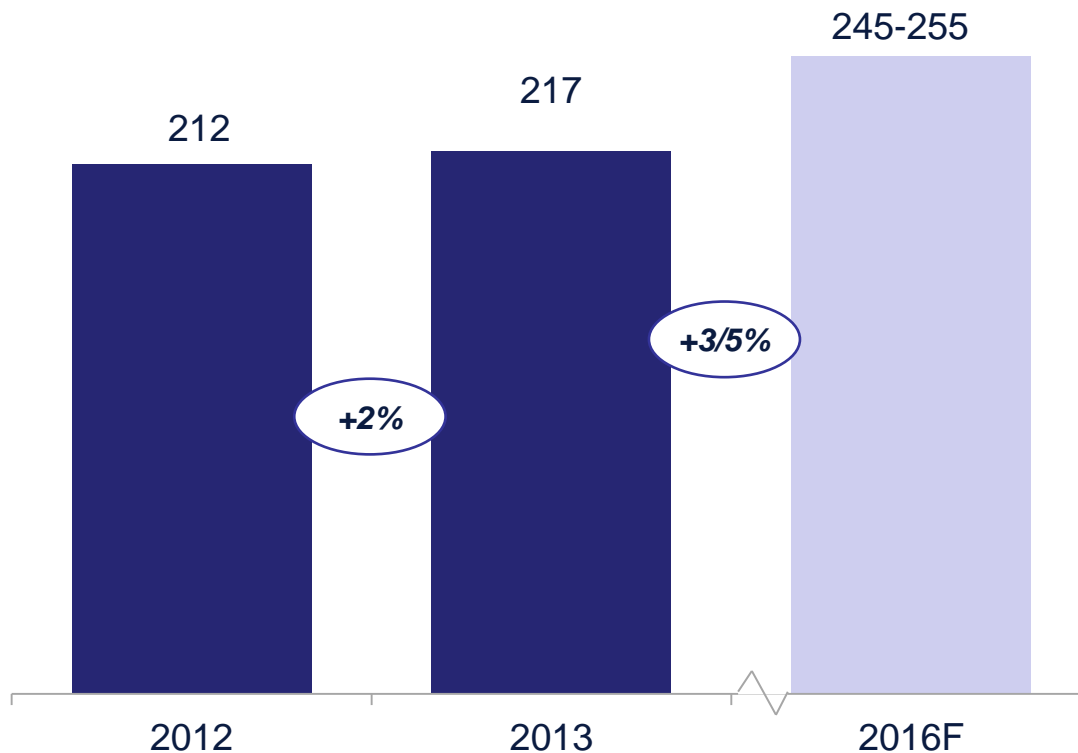
Source: Pambianco Strategie d'Impresa

Luxury Market: preparing the next wave of industry growth

Worldwide Luxury Goods Market

(€bn)

CAGR 2013-2016: 3/5%



Trend

- China becoming a mature market with Chinese consumers becoming more sophisticated
- New emerging markets ensuring enlarging consumer base
- Steady positive performance of US market
- Japan difficult to forecast due to exchange rate fluctuations, after the recent strong recovery of luxury consumption
- Cyclical demand impacting Europe

Source: Altagamma Worldwide Market Monitor

Building for the Next Three Years

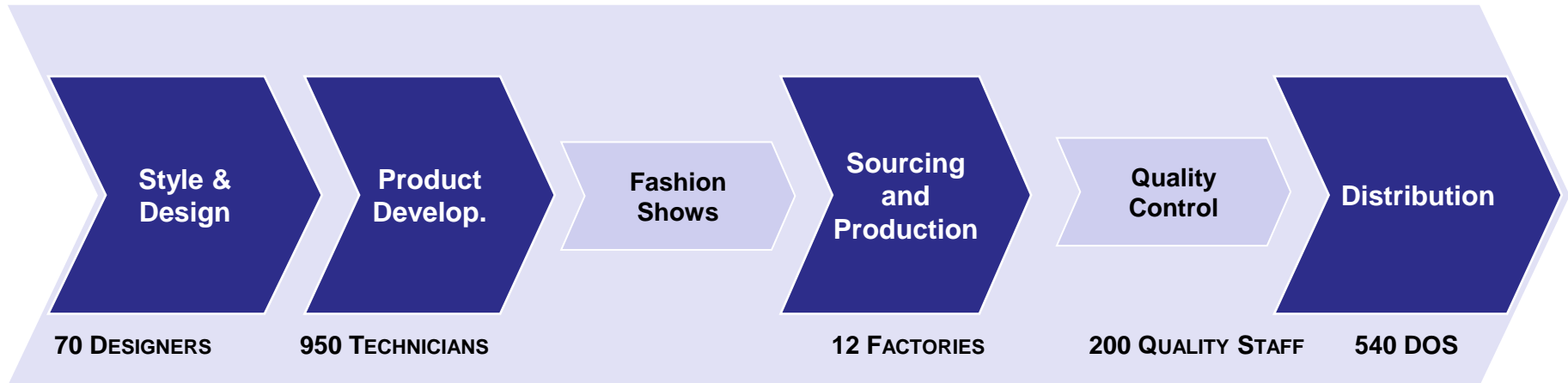
Value Chain

Lorenzo Panerai

Leather Goods Industrial Division Director

Value Chain: investing in innovation and quality

Know-how and full control of the entire value chain gives Prada a competitive advantage



- Ensures the highest quality
- Enables us to be innovative, fast and flexible
- Gives us a granular understanding of COGS

Value Chain: continue to invest in our «Made in Italy» know-how

- Invest on Italian manufacturing skills
- Reinforce our industrial know-how
- Increase our in-house industrial capacity
- Potential for upstream vertical integration

... while maintaining the level of Gross Margin already reached

Value Chain: new industrial HQ in Tuscany, (33,000 m²) Italian Industrial Architectural Design, G. Canali



Value Chain: new industrial HQ ... core of our manufacturing excellence

- To emphasise the Italian craftsmanship of our brands
- The technological heart of the Group
- Headquarter of a New Prada Technical Academy for high-end products (starting in 2015)

Students: approx. 60 per year

Value Chain: control of 11 production facilities in Italy and 1 in the UK gives us an advantage



ITALY: staff 2,550

1 Headquarter

Leather Goods:

4 production facilities

Footwear

3 production facilities

Ready To Wear

4 production facilities

UNITED KINGDOM: staff 350

Church's Footwear

1 production facility

Value Chain: investing in know-how

New industrial and logistic facilities

80,000 m²

4 Industrial Plants

700 Staff

Leather Goods - 2nd half 2015

Footwear - 2nd half 2015

Ready to Wear - 2nd half 2014

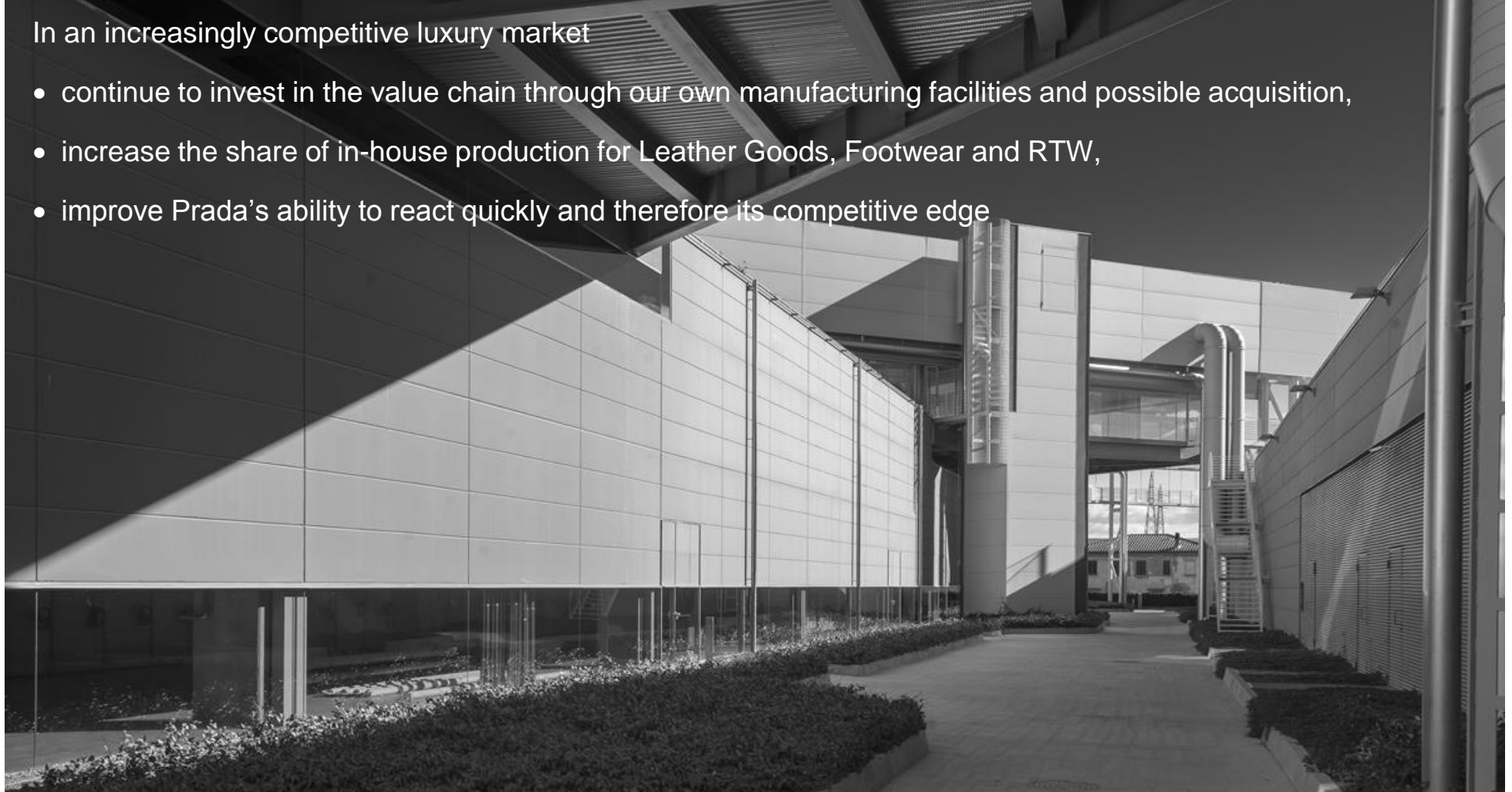
Logistic Hub - 1st half 2015



Value Chain: our investments in quality and innovation will increase our competitive edge

In an increasingly competitive luxury market

- continue to invest in the value chain through our own manufacturing facilities and possible acquisition,
- increase the share of in-house production for Leather Goods, Footwear and RTW,
- improve Prada's ability to react quickly and therefore its competitive edge



Building for the Next Three Years

Prada

Giulio Brini

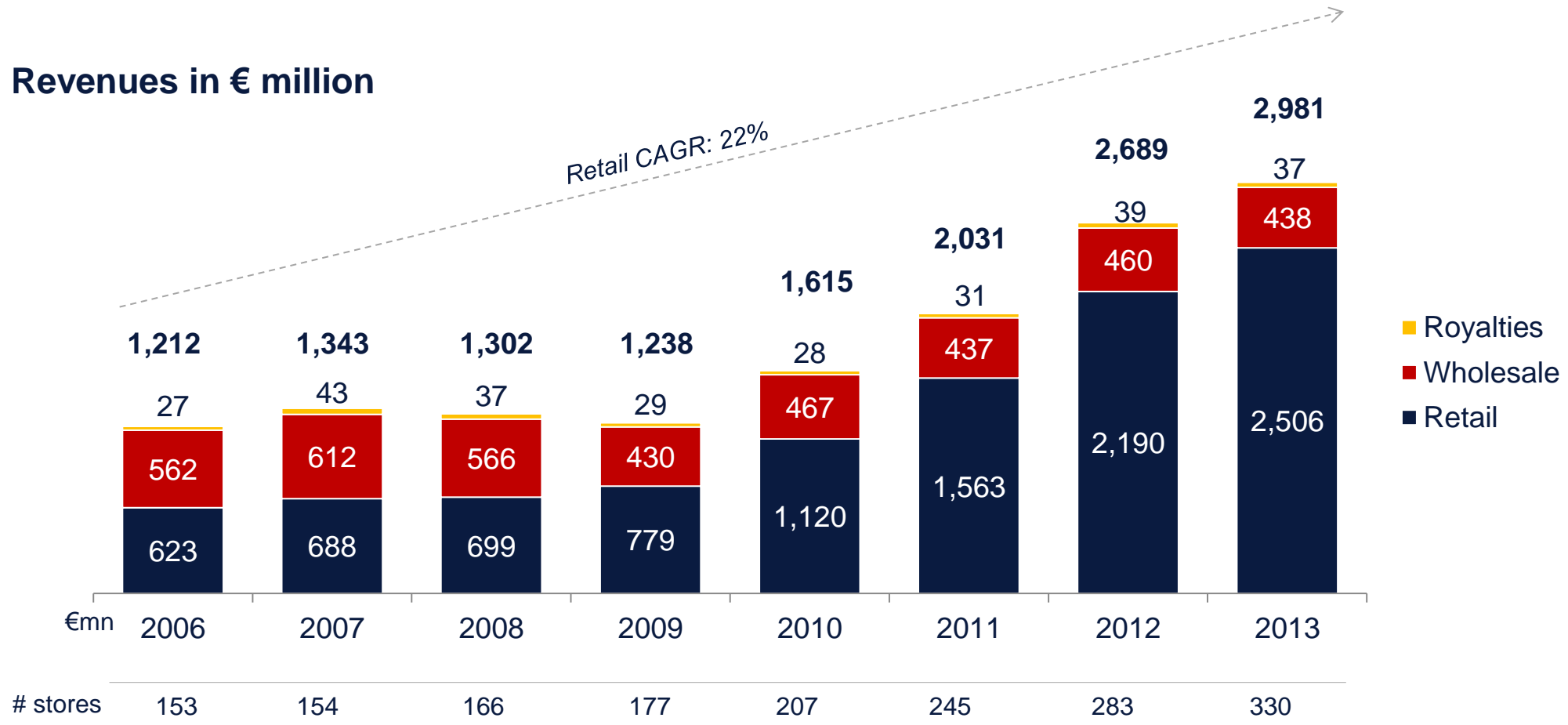
Prada Retail Director



Milan, Woman Store in Galleria Vittorio Emanuele II

Prada: an impressive growth through the last 7 years, doubling the size in the last 3 years

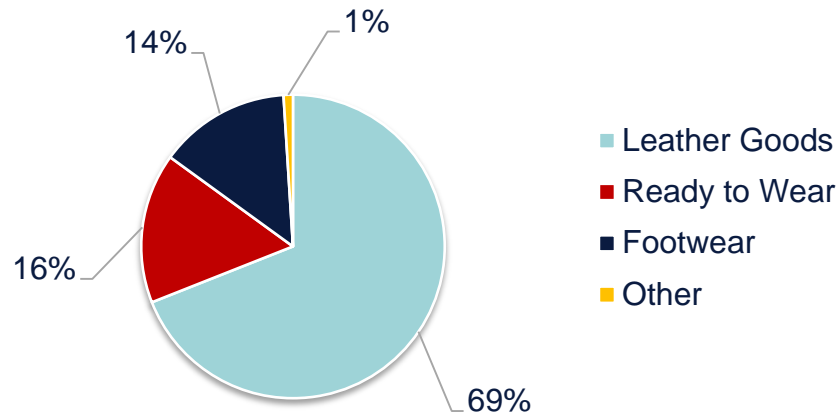
Revenues in € million



Note: Data as at 31 Jan 2014

Prada: key strengths and growth drivers

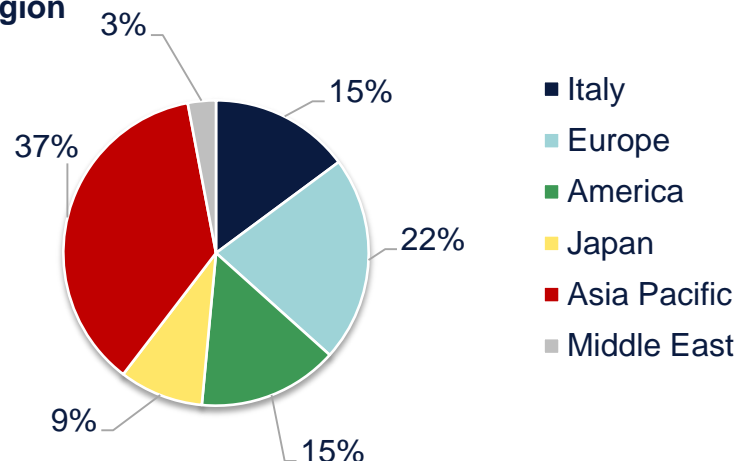
Net Sales By Product



Key Strengths

- Century-long history and tradition
- One of the most iconic luxury brands thanks to its combination of innovation, quality and time to market
- Strong control of the entire value chain
- Powerful retail network

Net Sales By Region



Key Growth Drivers

- Opening men-dedicated stores
- Further DOS expansion
- Sustaining positive like-for-like growth

Note: Data as at 31 Jan 2014

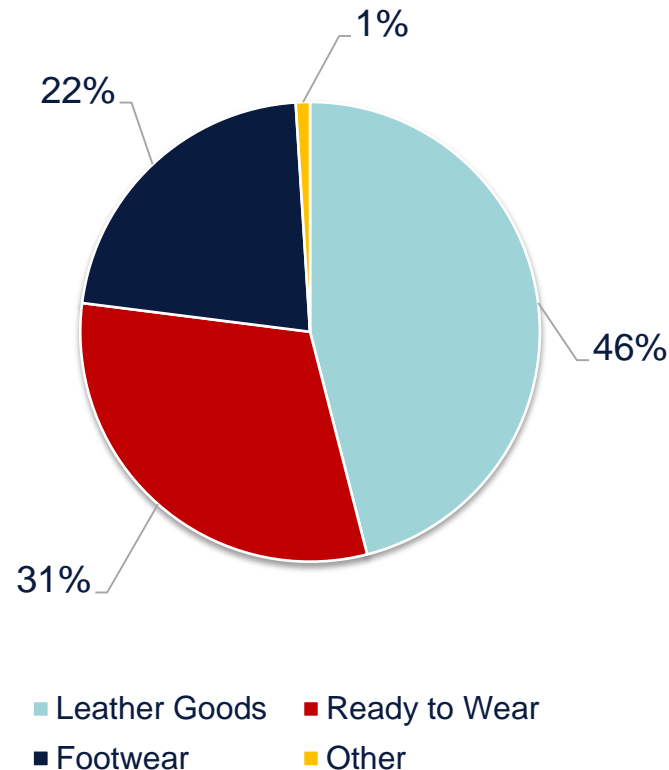
Prada: 50 new men-dedicated stores



Milan, Man Store in Galleria Vittorio Emanuele II

Prada: 50 new men-dedicated stores

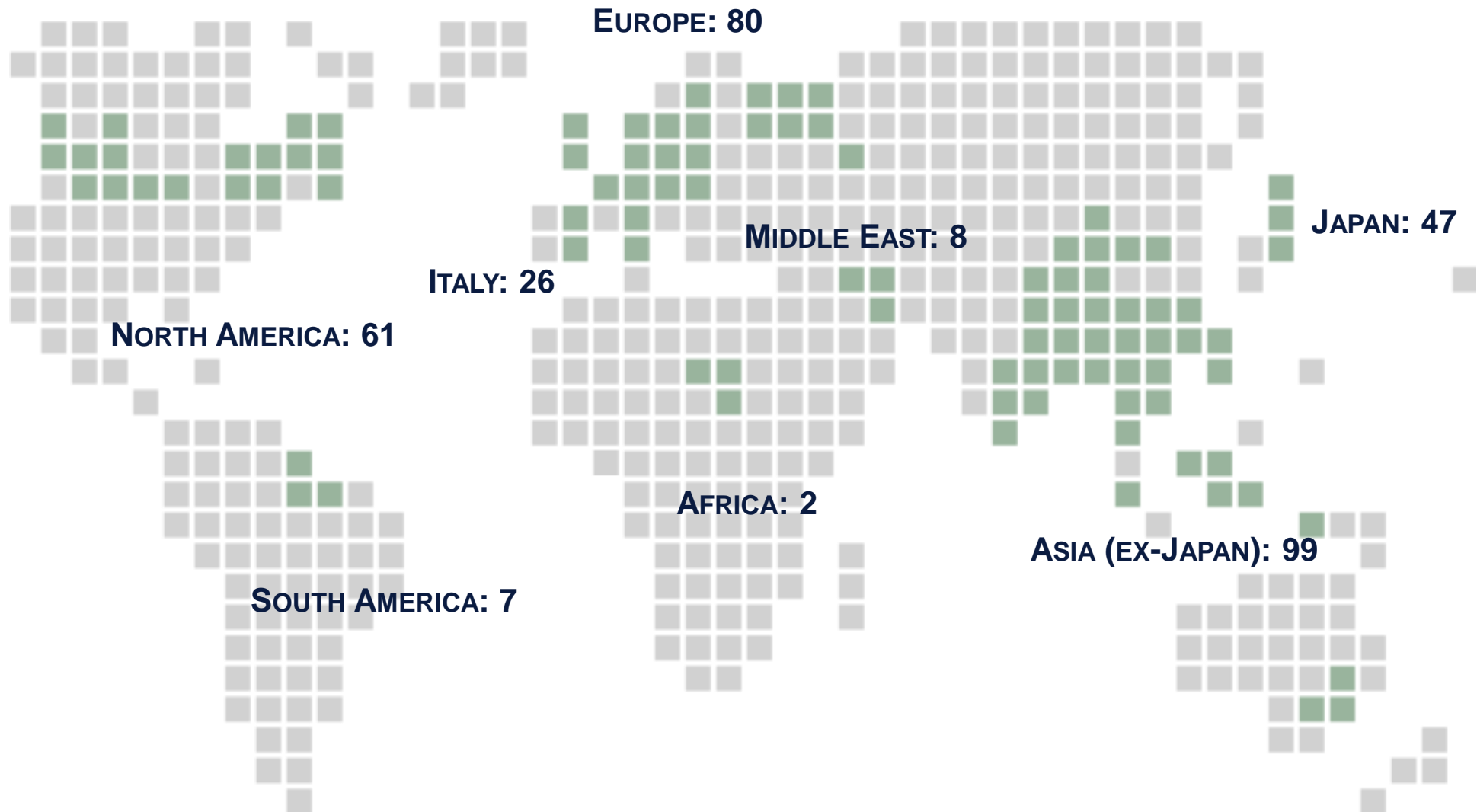
Net Sales By Product



- Positive market trends in the global luxury men's market segment
- Prada's offer for men is appealing to a diversified customer base
 - Fashion
 - Luxury Lifestyle
 - Formal, with a Prada twist
- Currently, merchandise for men is sold in ~220 stores, of which 30 are dedicated to men only
- In 2013, Prada's men's sales reached ~€800m, representing 25% of total brand's sales, with strong momentum and growth potential
 - Targeting strong growth for the medium term

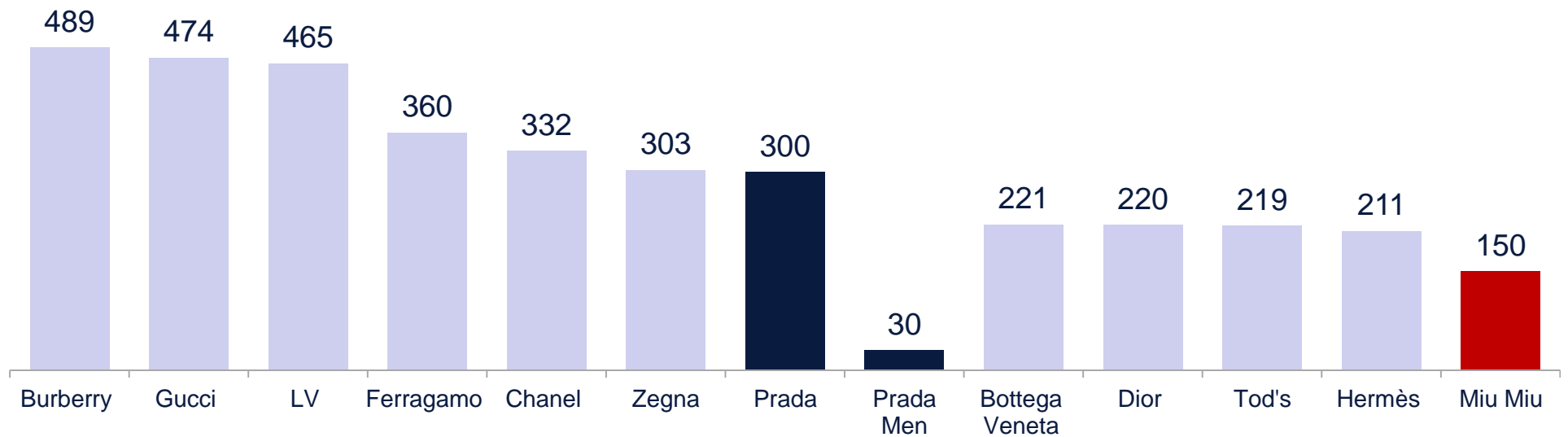
Note: Data as at 31 Jan 2014

Prada: 330 DOS at Jan 2014, still room to grow



Note: Data as at 31 Jan 2014

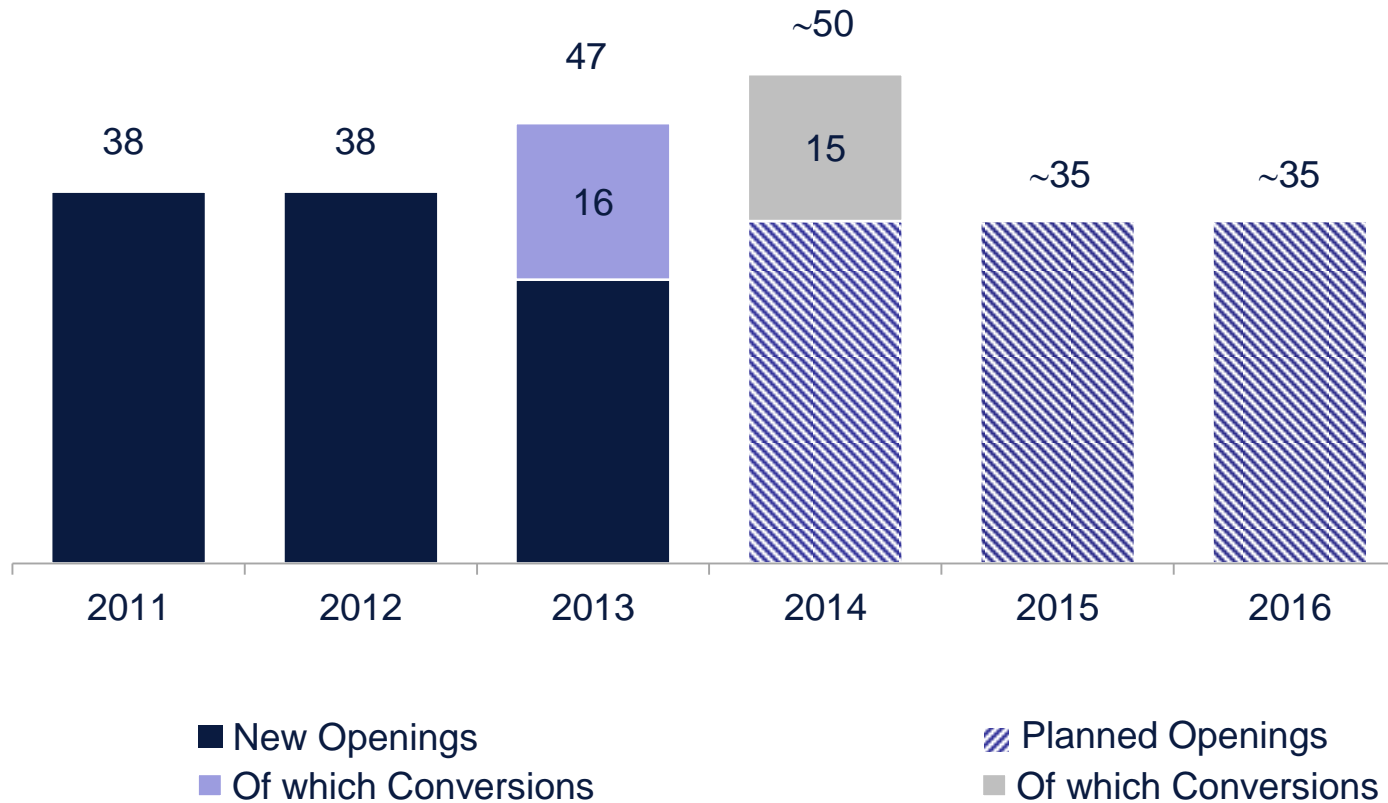
Prada: still room to grow



Source: Pambianco Strategie d'Impresa

Prada: opening ~120 new stores in 2014-2016

Of which 50 new men-dedicated stores



Note: Data as at 31 Jan 2014

Prada: sustaining positive like-for-like growth

- **Marketing initiatives for existing and new customers**
 - In-store events focused on special products
 - Strengthening of relationships with local customers
 - Improvement of staff training on new product introductions
- **Flash collections**
- **Ability to integrate price increases into higher value added products**

Building for the Next Three Years

Miu Miu

Maria Cristina Lomanto

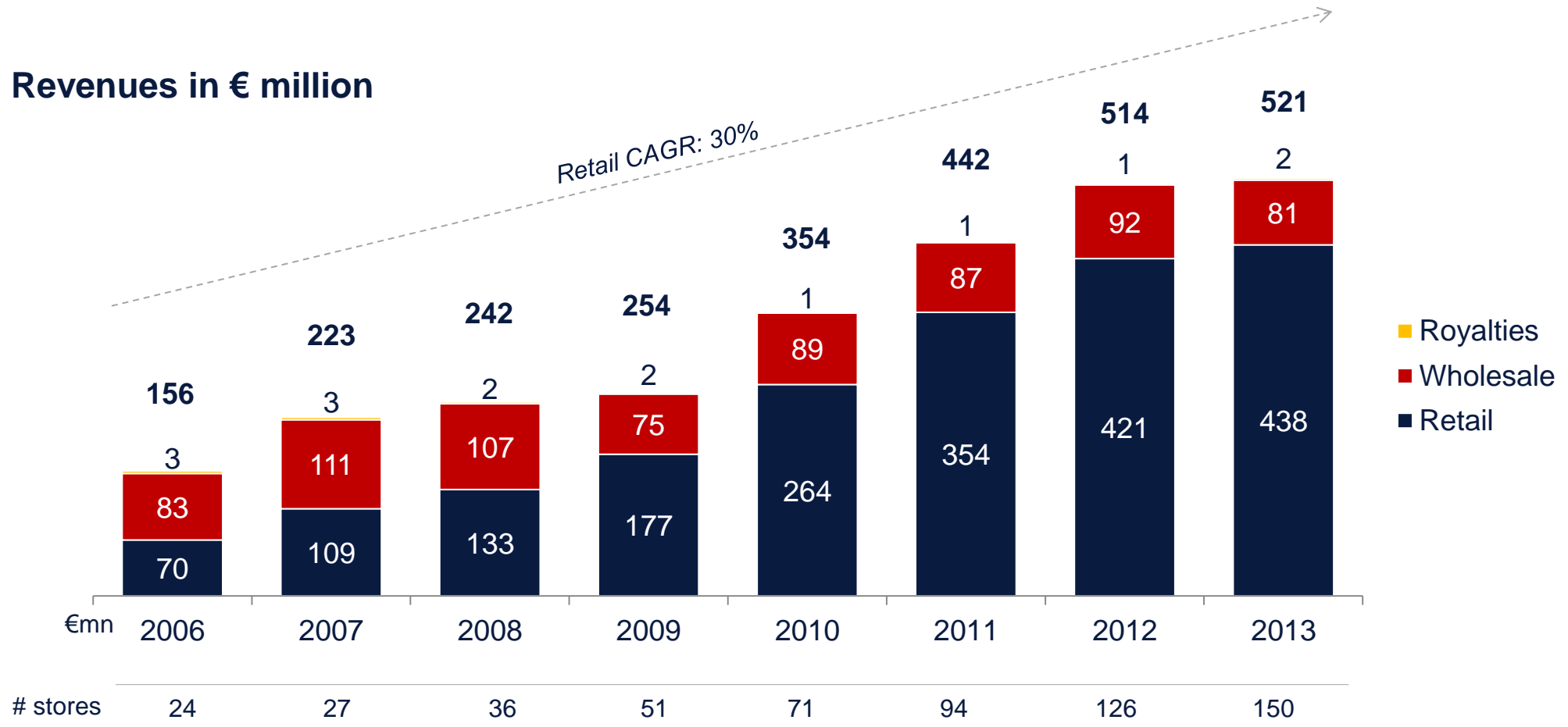
Miu Miu Retail Director



Miu Miu, Wien

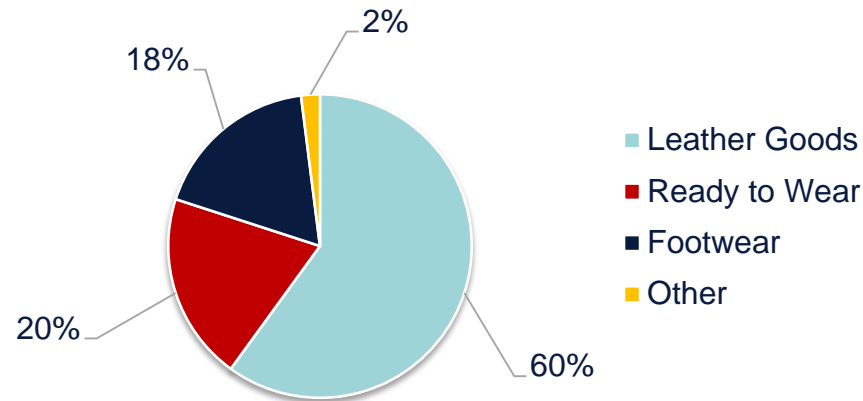
Miu Miu: store expansion paves the way for a strong future growth

Revenues in € million

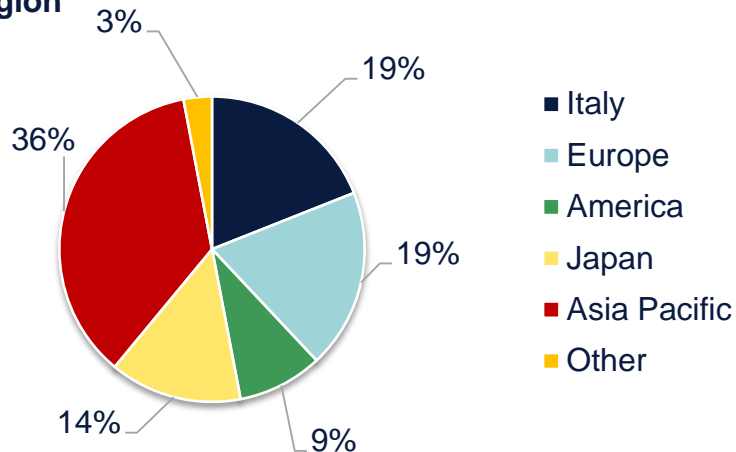


Miu Miu: key strengths and growth drivers

Net Sales By Product



Net Sales By Region



Key Strengths

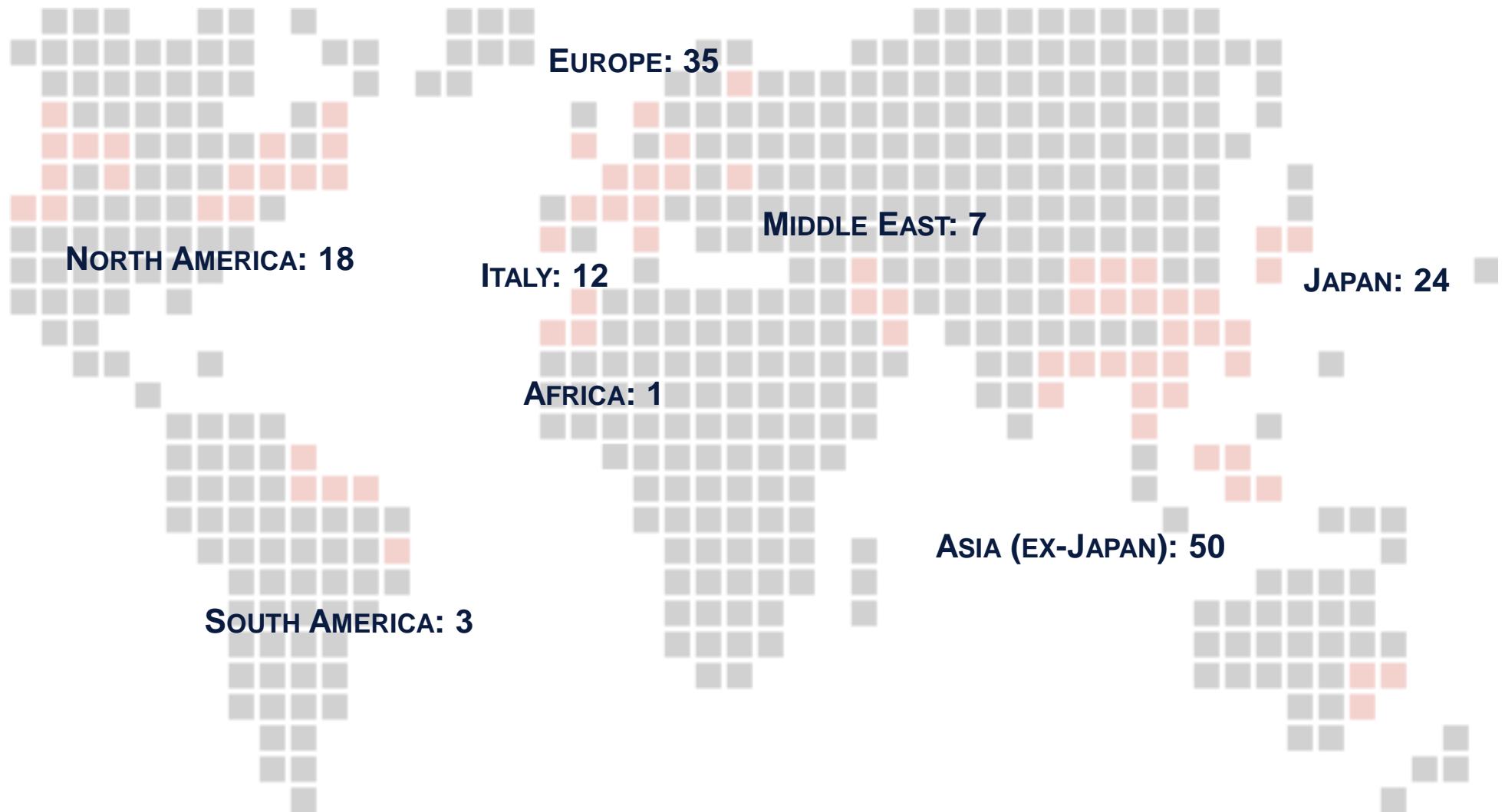
- Strong fashion identity
- Balanced product portfolio
- Balanced geographical exposure
- Prime store locations

Key growth drivers

- DOS expansion
- Sustaining a positive like-for-like growth
- Investment in communication and marketing
- New product category with fragrance launch in 2015

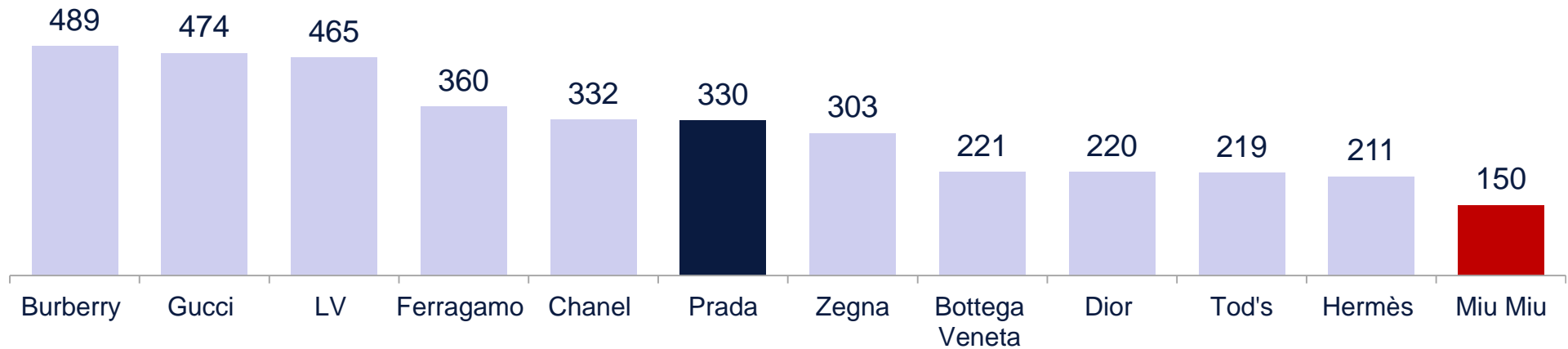
Note: Data as at 31 Jan 2014

Miu Miu: 150 DOS at Jan 2014, strong growth potential



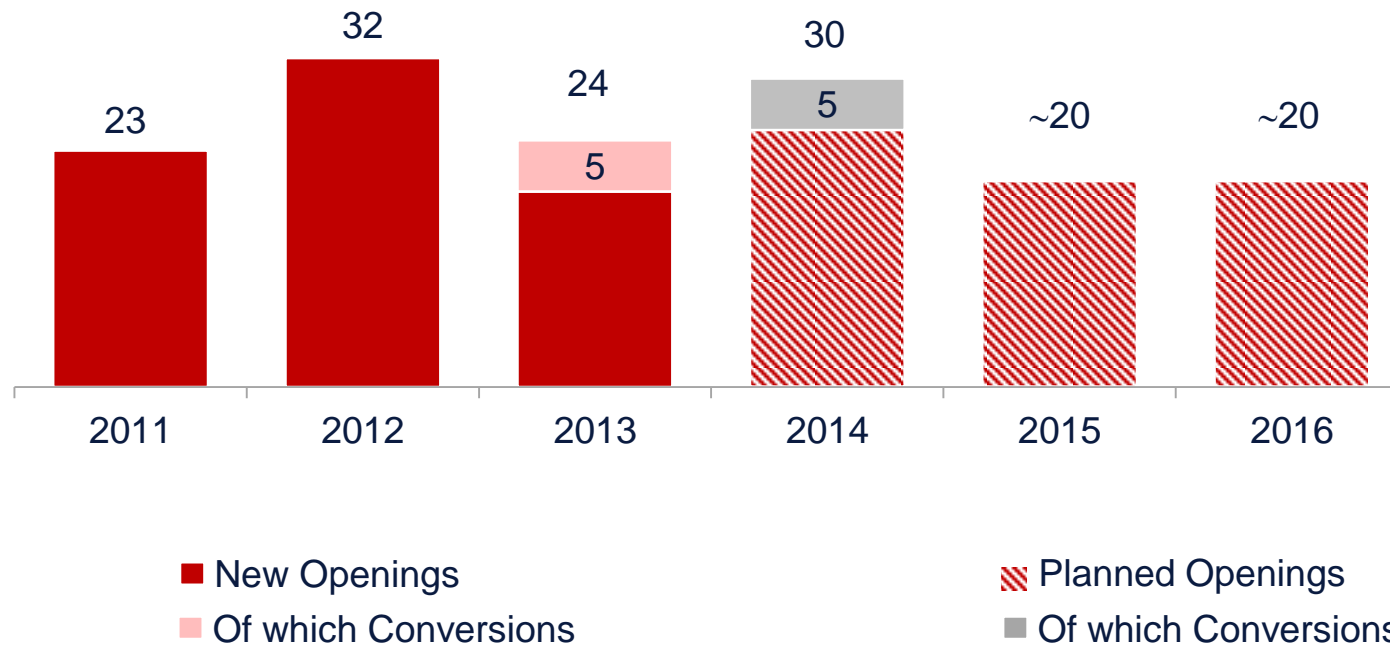
Note: Data as at 31 Jan 2014

Miu Miu: still fewer DOS than the main competitors



Source: Pambianco Strategie d'Impresa

Miu Miu: opening ~70 DOS in 2014-2016



Miu Miu: sustaining a positive like-for-like growth



Shanghai International APM

Miu Miu: investing in brand awareness



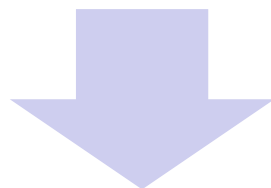
Fashion Show S/S 14

Miu Miu: launching new business

**Launch of the first Miu Miu fragrance
during the second half of 2015**

Miu Miu: key growth drivers

- Investment in communication to continue to build brand awareness
- Launch of the first Miu Miu fragrance (during the second half of 2015)
- Improving the productivity of existing stores
- Expansion of retail network



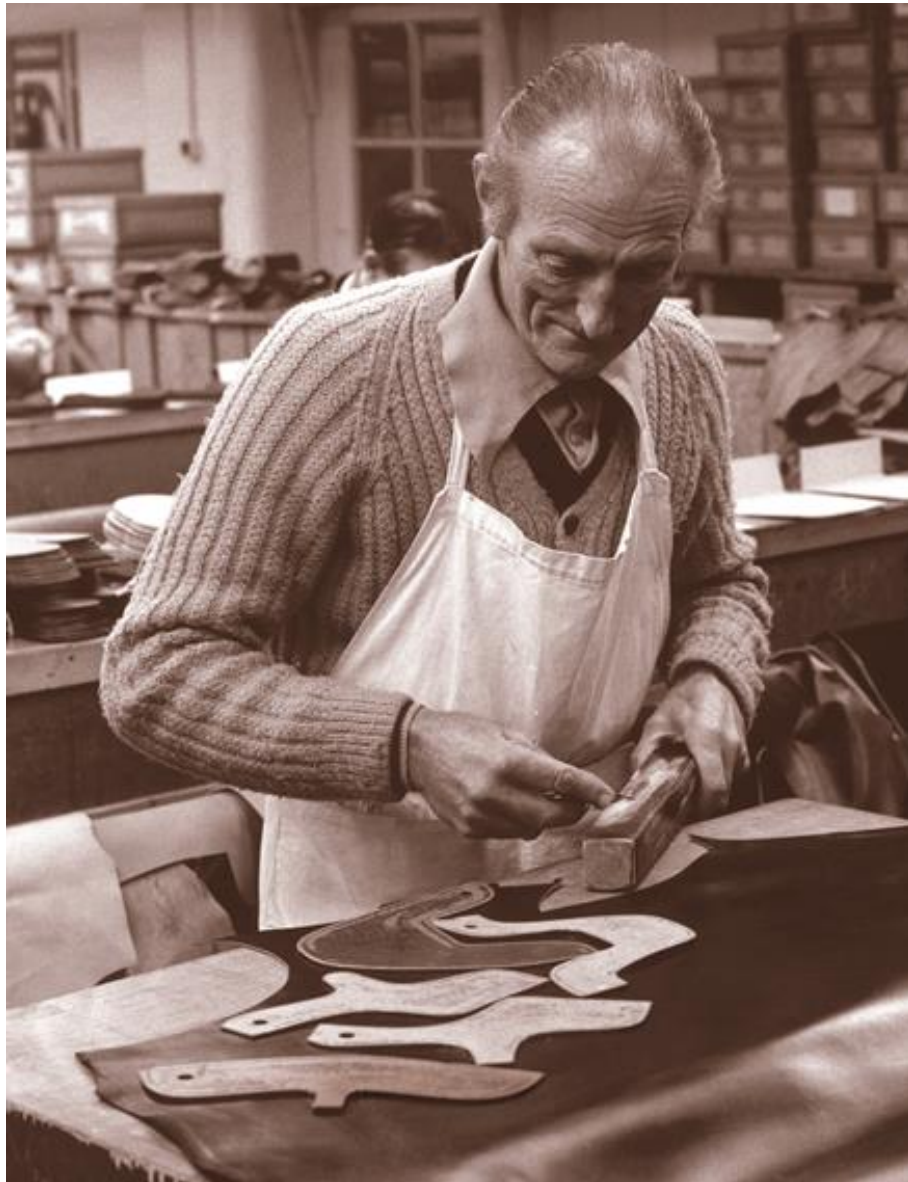
Miu Miu can reach sales of ~ €800 million in 2016 and will benefit from positive operating leverage from 2015 onwards

Building for the Next Three Years Church's

Stephen Etheridge
CEO of Church & Co Ltd



Church's Factory



- Established in 1873, represents luxury, high-quality footwear with a deep heritage of manufacturing
- The world's largest manufacturer of «Goodyear welted shoes»
- Strong industrial know-how: 100% in-house production
- Acquisition of a larger building next to our existing factory
- Total staff 650

Church's Factory

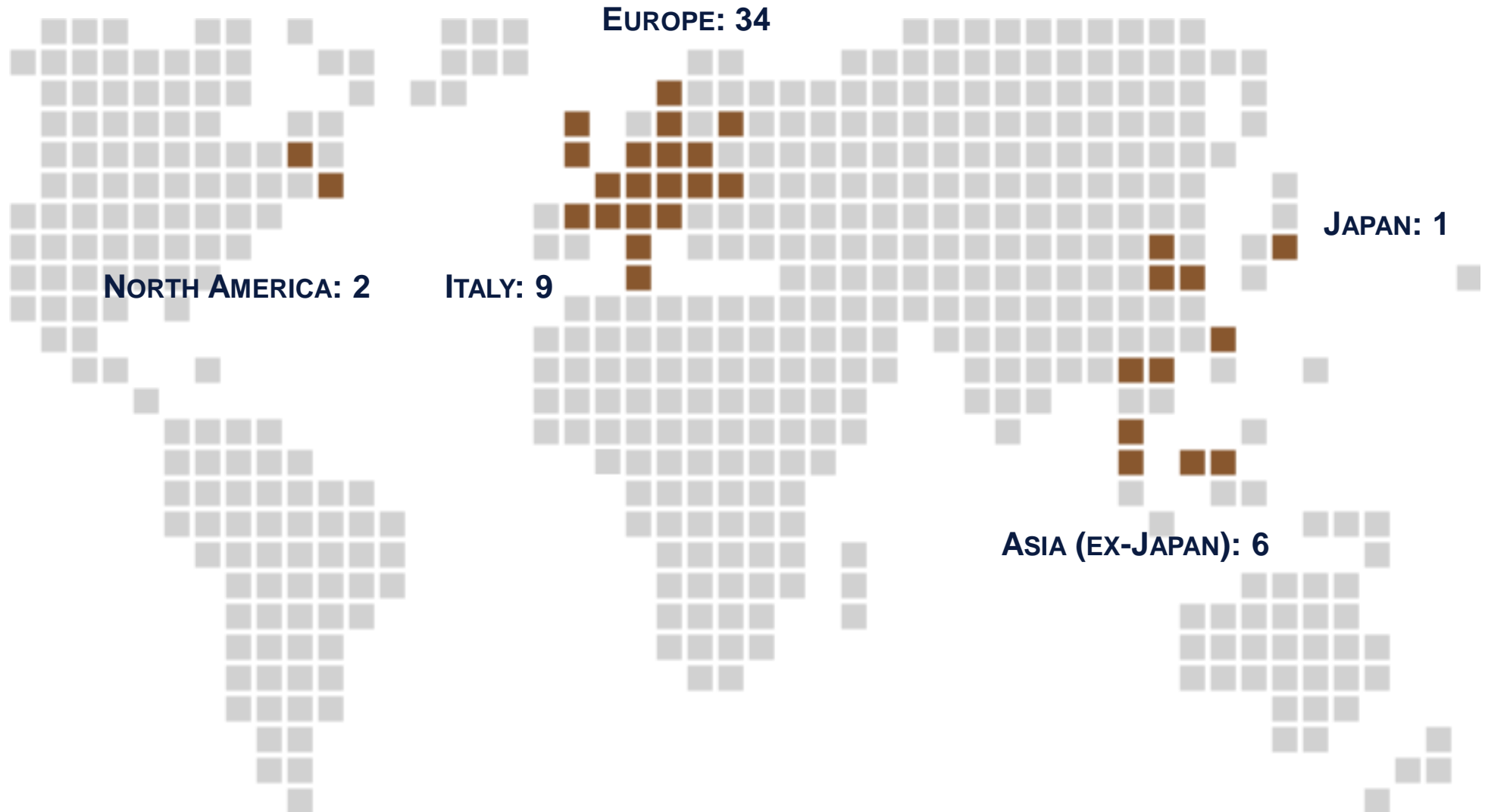


— Existing Premises

— New Area

Church's: 52 DOS at Jan 2014

Presence in top retail locations



Note: Data as at 31 Jan 2014

Church's: development plans



- Investments in organisation with the opening of new headquarters in London
- Development of the product range, Ready to Wear and Accessories, all made in England
- Opening in London the new flagship concept within second half 2015
- We are targeting sales of ~€250 million in five years

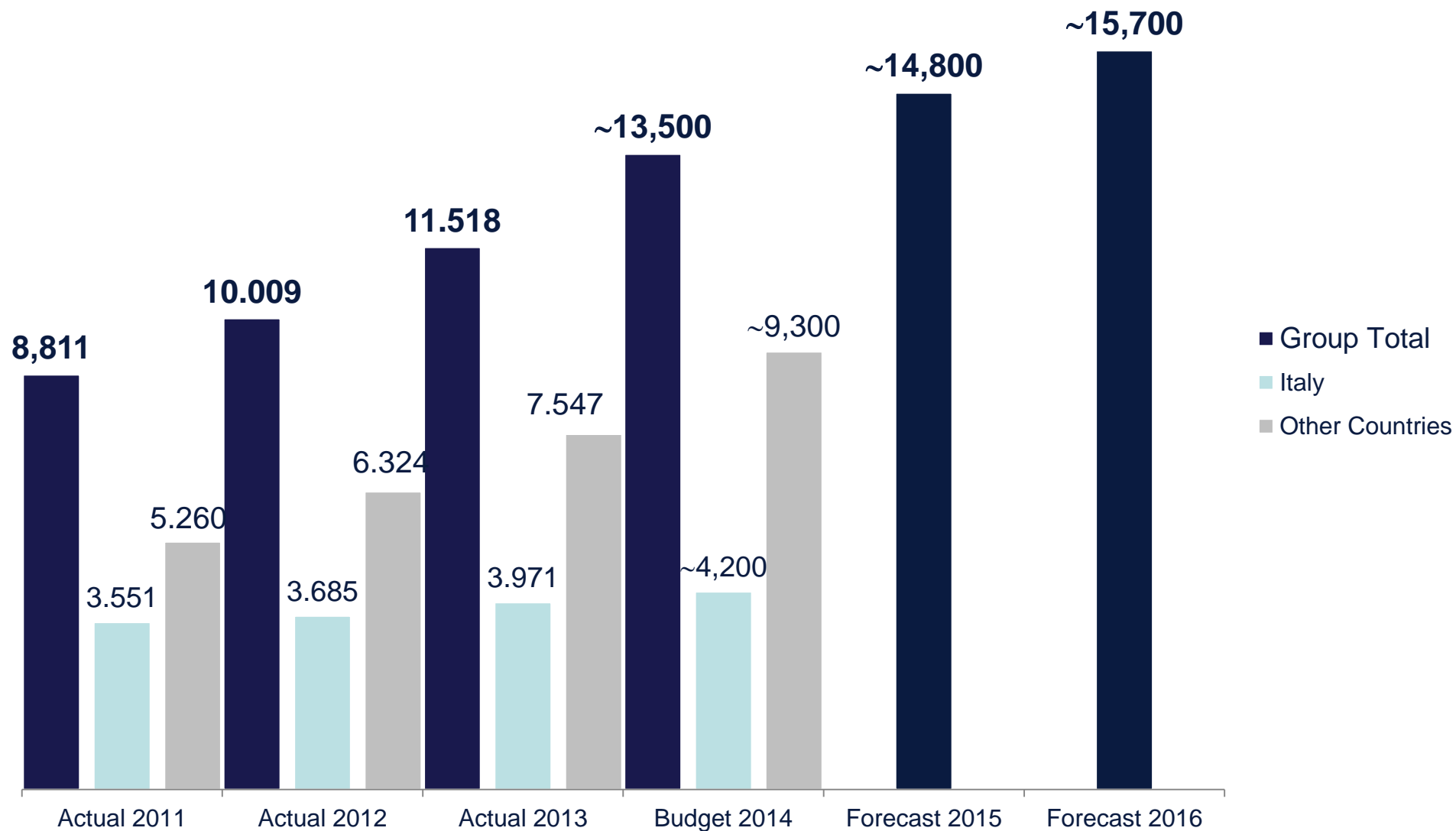
Building for the Next Three Years

Human Resources

Stefano Rastrelli

Group HR Director

Headcount trend 2011-2016



Headcount trend 2011-2014

Group Total	Actual 2011	Actual 2012	Actual 2013	Budget 2014	Δ 2013 vs 2011
Industrial	2,679	2,748	2,926	~3,200	9.2%
Corporate	903	972	1,093	~1,200	21.0%
Retail	5,229	6,289	7,499	~9,100	43.4%
Total	8,811	10,009	11,518	~13,500	30.7%

Δ 2014 vs 2011: **+53.2%**

Investing in human capital

Group competencies development

- Attracting talents
- Preserving technical know-how
- Consolidating and expanding retail store expertise

Motivation and rewarding

- Management review and career growth
- Rewarding and retention plans – 350 key people

Preserving technical know-how

Prada Technical Academy

- Target: 60 students per year, aged 16-21
- Location: Tuscany
- Training duration: 12 months



Consolidating and expanding retail store expertise

Induction

Target:
New Employees

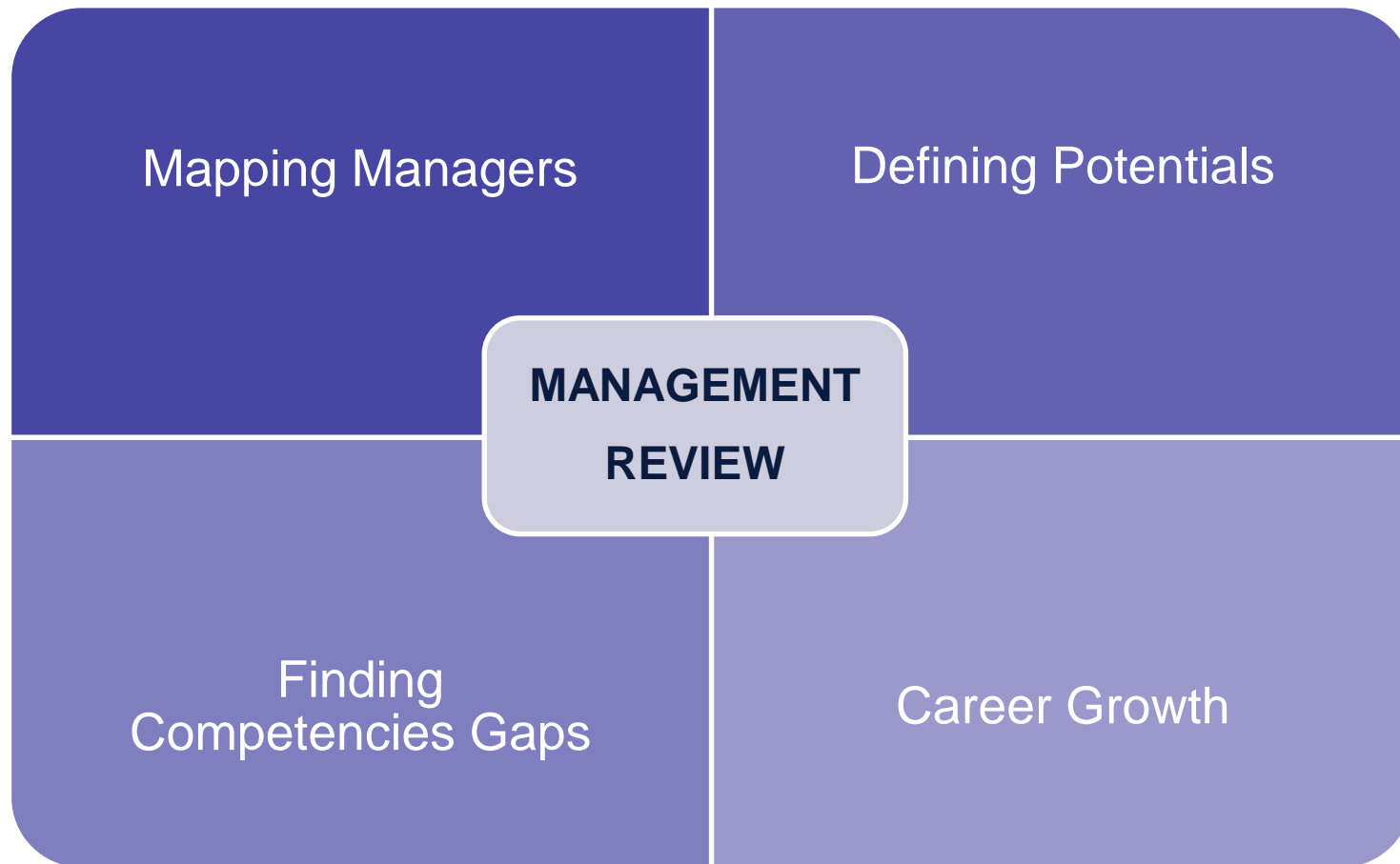
Unique Customer Experience

Target:
Sales Staff

People Management

Target:
Managerial Staff

Management review and career growth



Final remarks

Patrizio Bertelli
CEO and Co-founder



Car Shoe: development plans



- New emphasis on the heritage collection (original driving shoes)
- Development of the current range highlighting women's collection
- Wholesale distribution expansion with major department stores and key selected accounts
- Retail network development



Marchesi: development plans



- Historical Milanese pastry shop founded in 1824, Marchesi represents a symbol of Milanese excellence, renowned for one of the best “panettone” in Milan
- The acquisition seeks to promote and assure the strategic strengthening of the brand within a series of future development projects
 - Milan, new Prada spaces in the Galleria Vittorio Emanuele II on the mezzanine and in the Montenapoleone area
 - Internationally, in our Epicenter Stores

Our pillars of growth and guidance

OUR PILLARS OF GROWTH	2014 GUIDANCE	2015/16 GUIDANCE
<ul style="list-style-type: none">• Prada Men's Business and further development of DOS network• Miu Miu's growth• Positive SSSG• Investment in Communication	<ul style="list-style-type: none">• High single digit top line growth• 80 openings• Low single digit SSSG• Slightly improve the level of GM• EBIT margins in line with FY 2013	<ul style="list-style-type: none">• Low teens top line growth• 55 new DOS (p.a.)• Mid single digit SSSG• Maintain the level of GM reached• Improving EBIT margin

Appendices

Net Sales by Channel (€ mn) – 4th Quarter ^(*)

	2012	Mix %	2013	Mix %	% ch. as reported	% ch. same FX
Retail	746.7	77%	814.6	81%	+9%	+15%
Wholesale	201.7	21%	186.4	19%	-8%	-6%
Total	948.4	100%	1,001.0	100%	+6%	+11%

Note^(*): unaudited

Net Sales by Brand (€ mn) – 4th Quarter ^(*)

	2012	Mix %	2013	Mix %	% ch. as reported	% ch. same FX
Prada	773.0	81%	829.2	83%	+7%	+13%
Miu Miu	152.1	16%	151.2	15%	-1%	+5%
Church's	18.3	2%	17.3	2%	-5%	-3%
Car Shoe	4.5	1%	2.5	-	-45%	-44%
Others	0.5	-	0.8	-	+52%	+52%
Total	948.4	100%	1,001.0	100%	+6%	+11%

Note^(*): unaudited

Net Sales by Geography (€ mn) – 4th Quarter ^(*)

<i>Note(*)</i> : PRC, HK, Macau <i>Note(**)</i> : Japan and Hawaii	2012	Mix %	2013	Mix %	% ch. as reported	% ch. same FX
Italy	143.2	15%	154.3	15%	+8%	+8%
Europe	203.1	22%	204.5	21%	+1%	+3%
Americas	144.3	15%	152.3	15%	+6%	+11%
Far East	345.5	37%	360.8	36%	+4%	+9%
Greater China(*)	219.5	23%	233.4	23%	+6%	+10%
Japan(**)	90.4	10%	101.0	10%	+12%	+37%
Middle East	18.5	2%	26.1	3%	+26%	+32%
Others	3.4	-	2.0	-	+3%	+4%
Total	948.4	100%	1,001.0	100%	+6%	+11%

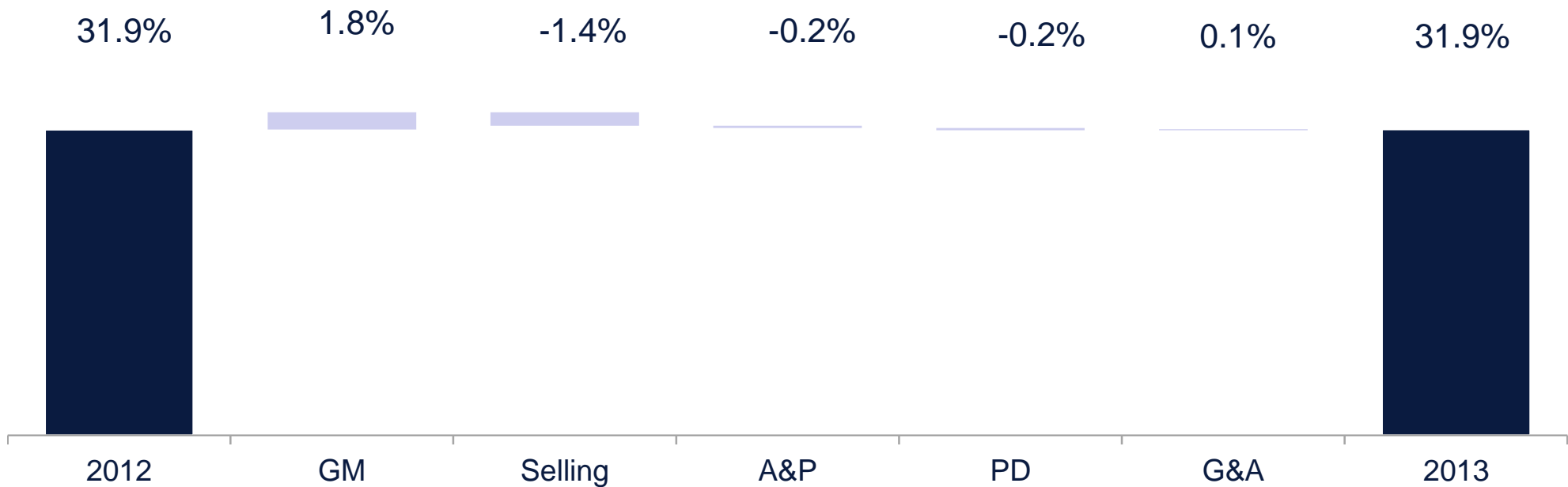
***Note(*)*: unaudited**

Net Sales by Product (€ mn) – 4th Quarter ^(*)

	2012	Mix %	2013	Mix %	% ch. as reported	% ch. same FX
Leather Goods	593.8	63%	621.7	62%	+5%	+11%
Footwear	175.0	18%	179.2	18%	+2%	+6%
Ready to Wear	175.4	18%	191.3	19%	+9%	+14%
Others	4.2	-	8.8	1%	+111%	+121%
Total	948.4	100%	1,001.0	100%	+6%	+11%

Note^(*): unaudited

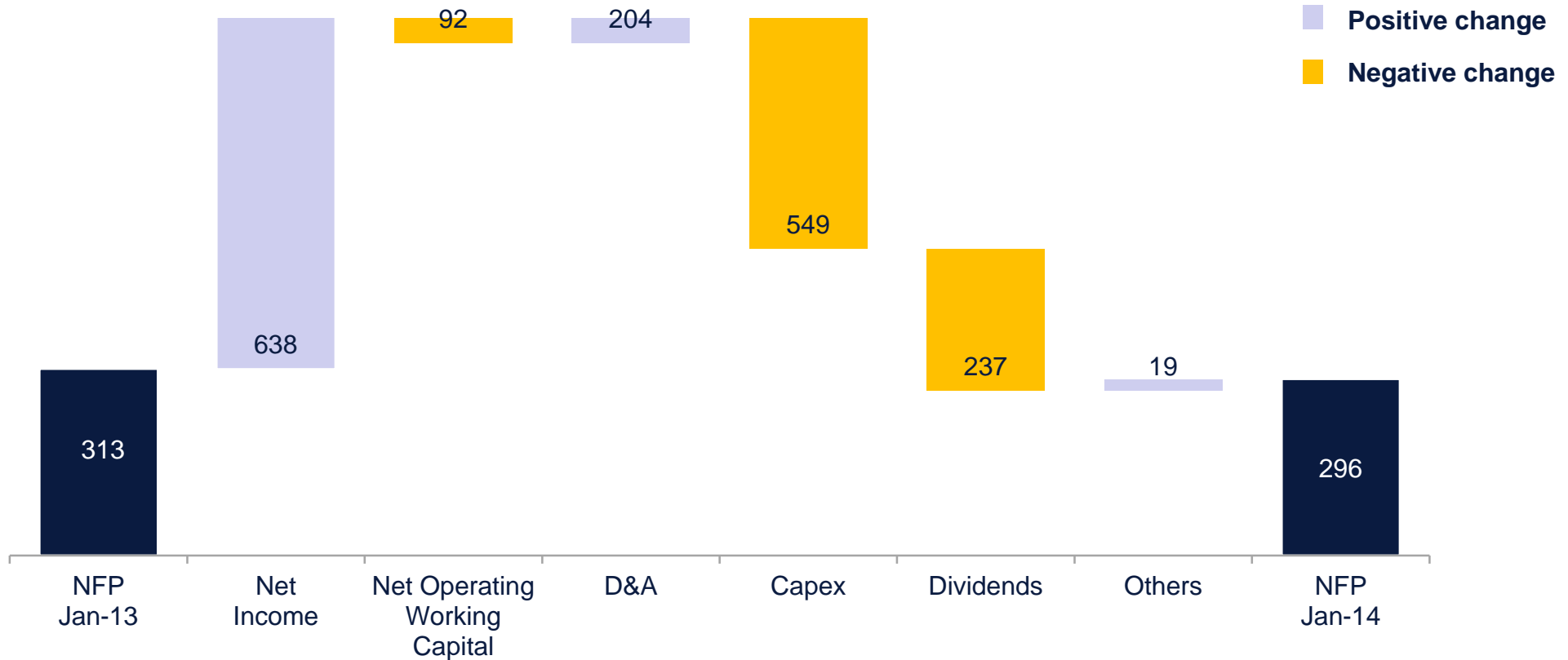
EBITDA Development – Full Year (*)



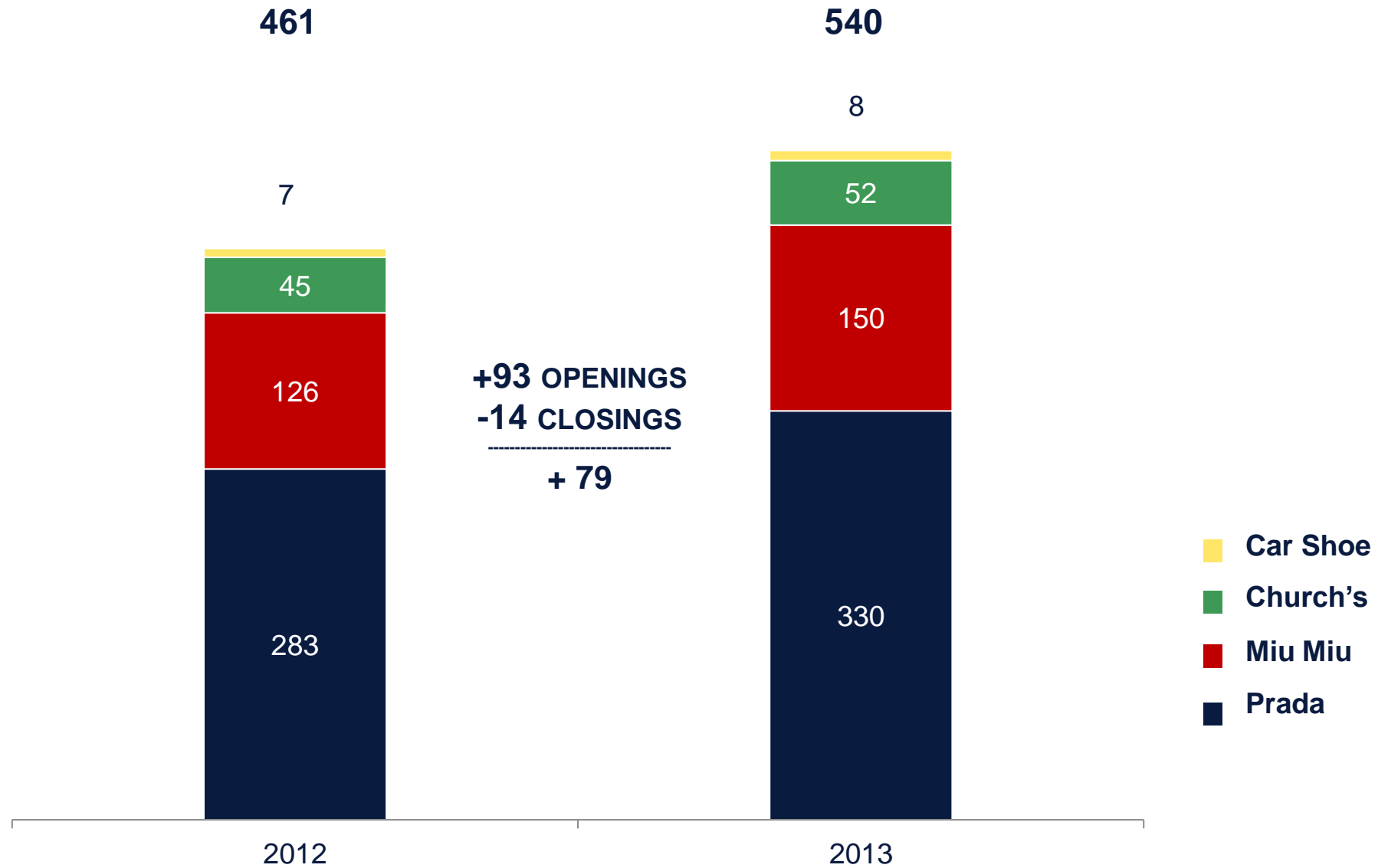
Note(): percentages not comparable with Group Profit and Loss slide that is at EBIT structure, i.e. without D&A*

Net Financial Surplus/(Deficit) (€ mn)

- Change in Net financial position



DOS Network Development



Retail Strategy: Well Balanced Store Network

540 DOS at Jan 2014

