

PRESS RELEASE

**PRADA APPROVES RESULTS FOR
THE NINE MONTHS ENDED OCTOBER 31, 2013
THE GROUP AGAIN ACHIEVES SOLID GROWTH**

Consolidated net revenues of € 2,576.1 million, + 10.1%

EBITDA of € 821 million, + 12.8%

EBIT of € 677.8 million, + 10.7%

Group Net Income of € 440.9 million, + 7.9%

Positive Net Financial Position of € 303.5 million

Milan, December 20, 2013 – The Prada SpA Board of Directors, which met today, has examined and approved the Interim Consolidated Report for the nine months ended October 31, 2013.

CONSOLIDATED NET REVENUES totaled Euro 2,576.1 million, up by 10.1% on the Euro 2,339.3 million reported for the first nine months of 2012. At constant exchange rates, the rate of growth would have been 14.3%.

EBITDA amounted to Euro 821 million and increased by 12.8% on the same period in 2012, representing 31.9% of consolidated net revenues.

EBIT amounts to € 677.8 million, 26.3% of consolidated net revenues and up by 10.7% on the first nine months of 2012.

NET INCOME has increased by 7.9% to Euro 440.9 million and represents 17.1% of consolidated net revenues.

The net financial position is positive by Euro 303.5 million after financing capex for the period of Euro 416 million and distributing dividends of Euro 230 million to shareholders.

Distribution channels

Sales by **directly operated stores** (516 DOS at October 31, 2013) totaled € 2,182 million with a 13.8% increase compared to the first nine months of 2012 (+18.7% at

constant exchange rates). Meanwhile, **wholesale channel** sales decreased by 6.5% (-5.5% at constant exchange rates), in line with the selective strategy adopted in relation to independent retailers.

Markets

Sustained growth was achieved in all geographical areas:

- **Asia Pacific** growth slowed down slightly in the third quarter but continued to be strong at 14.4% (+16.7 at constant exchange rates); a significant contribution was made by DOSs in Greater China.

- the **American market** recorded another excellent performance this quarter with growth of 13.5% (+17.5% at constant exchange rates), almost entirely thanks to the retail channel which continues to accelerate.

- the **European market** held up well with 5.2% growth (+6.5% at constant exchange rates), though there were contrasting trends in the two distribution channels: sales through the retail network recorded double digit growth, largely thanks to the flow of travelers/tourists, while the wholesale channel recorded a drop in revenues.

- **Japan** continues its expansionary phase and revenues grew by 18.6% at constant exchange rates though the ongoing weakening of the Yen meant that Euro equivalent revenues actually fell by 2.9%.

- the contribution made by the **Middle East** to Group sales grew strongly: at October 31, 2013, there were some 16 DSOs in this area and they generated revenues of Euro 65 million.

Brands

The **Prada** brand achieved double digit growth of +12.7% (+16.8% at constant exchange rates). Revenue growth was also achieved by **Miu Miu**, +2% (+7.1% at constant exchange rates) and **Church's**, +2.2% (+5.6% at constant exchange rates). Meanwhile, **Car Shoe** revenues fell, largely because of the decline of the wholesale channel.

Investment

Capex for the period totaled Euro 416 million including the purchase of retail properties in London and St Petersburg. It was mainly invested in the opening of new stores and the expansion and renovation of existing ones.

Patrizio Bertelli, Chief Executive Officer of Prada Spa commented: “ *In a quarter again affected by unfavorable foreign exchange trends and a general slowdown in consumption, the Prada Group continued to grow also through retail network expansion, while maintaining the high levels of profitability already achieved. We are satisfied with these results which encourage us to continue along a path of long-term growth, based on a balanced presence in all markets and on the undisputed stylistic leadership of our brands.*”

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PRADA Group

The PRADA Group –HKSE Code: 1913 – is one of the world leaders in the luxury goods sector where it operates with the Prada, Miu Miu, Church’s and Car Shoe brands in the design, production and distribution of luxury handbags, leather goods, footwear, apparel and accessories. The Group also operates, under licensing agreements, in the eyewear, fragrances and mobile telephone sectors. Its products are sold in 70 countries worldwide through 516 directly operated stores (DOS) at October 31, 2013 and a select network of luxury department stores, independent retailers and franchise stores.