

A photograph of a Prada Group storefront at night. The building features ornate, classical architectural details with arched windows and columns. The word "PRADA" is displayed in gold lettering above each of the four main window displays. The interior of the stores is visible through the glass, showing mannequins and clothing. The scene is illuminated by warm, golden light from the store windows and street lamps.

# PRADA Group

PRADA

PRADA

PRADA

PRADA

## Interim Results

for the nine months ended October 31<sup>st</sup>, 2012

December 6<sup>th</sup>, 2012

# Results presentation

# Key messages

## 9 months

## 3rd Quarter

### Turnover

- Net Revenues grew by 35.2% (+27% at constant rates) with Retail up to 43% (+34% at constant rates)
- Net Revenues grew by 32.9% (+25% at constant rates) with Retail up to 37% (28% at constant rate)

### Same Store Sales Growth

- Continuous Retail improvement: Same Store Sales Growth +18%
- Continuous Retail improvement: Same Store Sales Growth +14%

### Operating Results

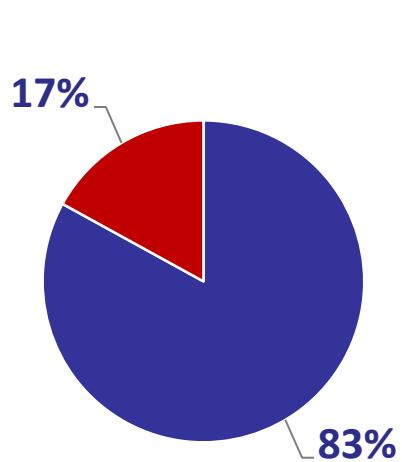
- Ebitda up to € 728 mn, 31% on Revenues, 50% above 2011
- Ebit reached € 612 mn, 26% on Revenues, compared to 23% of last year
- Ebitda up to € 259 mn, 33% on Revenues, 51% above 2011
- Ebit reached € 218 mn, 28% on Revenues, compared to 23% of last year

### Net Results

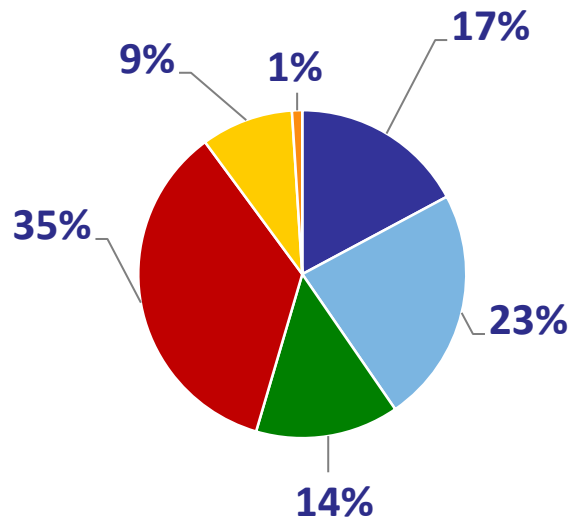
- Group Net Income raised to € 409 mn, 18% on Revenues, compared to € 273mn of 2011, 16% on Revenues
- Group Net Income raised to € 122 mn, 15% on Revenues, compared to € 94mn of 2011, 16% on Revenues

# The Group at a glance - 9 months

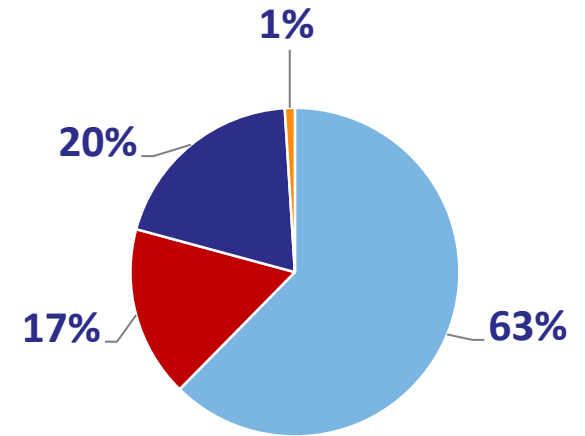
## NET SALES BY CHANNEL



## NET SALES BY REGION



## NET SALES BY PRODUCT



- Retail
- Wholesale

- Italy
- Europe
- America
- Asia ex-Japan
- Japan
- Other Countries

- Leather Goods
- Ready to Wear
- Footwear
- Other

# Net Sales by Channel (€ mn) - 9 months

	2011	Mix %	2012	Mix %	2012 vs 2011
<b>Retail</b>	<b>1,338.0</b>	<b>78%</b>	<b>1,917.6</b>	<b>83%</b>	<b>+43%</b>
<b>Wholesale</b>	<b>368.6</b>	<b>22%</b>	<b>390.4</b>	<b>17%</b>	<b>+6%</b>
<b>Total</b>	<b>1,706.6</b>	<b>100%</b>	<b>2,308.0</b>	<b>100%</b>	<b>+35%</b>

- Retail improvement (+34% at constant rates) is driven by:
  - +18% “Same Store Sales Growth” on top of +23% last year
  - New store openings contribution (63 net openings between Oct’11 and Oct’12)

# Net Sales by Channel (€ mn) - 3rd Quarter

	<b>2011</b>	<b>Mix %</b>	<b>2012</b>	<b>Mix %</b>	<b>2012 vs 2011</b>
<b>Retail</b>	<b>502.7</b>	<b>85%</b>	<b>687.6</b>	<b>88%</b>	<b>+37%</b>
<b>Wholesale</b>	<b>86.5</b>	<b>15%</b>	<b>95.7</b>	<b>12%</b>	<b>+11%</b>
<b>Total</b>	<b>589.2</b>	<b>100%</b>	<b>783.3</b>	<b>100%</b>	<b>+33%</b>

- Retail improvement (+28% at constant rates) is driven by:
  - “Same Store Sales Growth” : +14% on top of 25% last year
  - New store openings : 63 net openings between Oct’11 and Oct’12

# Net Sales by Brand (€ mn) - 9 months

	<b>2011</b>	<i>Mix %</i>	<b>2012</b>	<i>Mix %</i>	<b>2012 vs 2011</b>
<b>Prada</b>	<b>1,346.1</b>	<b>79%</b>	<b>1,876.6</b>	<b>81%</b>	<b>+39%</b>
<b>Miu Miu</b>	<b>297.4</b>	<b>17%</b>	<b>360.7</b>	<b>16%</b>	<b>+21%</b>
<b>Church's</b>	<b>43.6</b>	<b>3%</b>	<b>50.1</b>	<b>2%</b>	<b>+15%</b>
<b>Car Shoe</b>	<b>14.0</b>	<b>1%</b>	<b>15.1</b>	<b>1%</b>	<b>+8%</b>
<b>Others</b>	<b>5.5</b>	<b>-</b>	<b>5.5</b>	<b>-</b>	<b>-1%</b>
<b>Total</b>	<b>1,706.6</b>	<b>100%</b>	<b>2,308.0</b>	<b>100%</b>	<b>+35%</b>

# Net Sales by Brand (€ mn) - 3rd Quarter

	<b>2011</b>	<b>Mix %</b>	<b>2012</b>	<b>Mix %</b>	<b>2012 vs 2011</b>
<b>Prada</b>	<b>467.7</b>	<b>79%</b>	<b>643.2</b>	<b>82%</b>	<b>+38%</b>
<b>Miu Miu</b>	<b>98.5</b>	<b>17%</b>	<b>114.7</b>	<b>15%</b>	<b>+17%</b>
<b>Church's</b>	<b>16.6</b>	<b>3%</b>	<b>19.1</b>	<b>2%</b>	<b>+15%</b>
<b>Car Shoe</b>	<b>4.3</b>	<b>1%</b>	<b>3.8</b>	<b>1%</b>	<b>-12%</b>
<b>Others</b>	<b>2.1</b>	<b>-</b>	<b>2.5</b>	<b>-</b>	<b>+21%</b>
<b>Total</b>	<b>589.2</b>	<b>100%</b>	<b>783.3</b>	<b>100%</b>	<b>+33%</b>



# Net Sales by Geography (€ mn) - 9 months

	2011	Mix %	2012	Mix %	% ch. as reported	% ch. same FX	Retail SSSG
Italy	318.2	19%	385.1	17%	+21%	+21%	+21%
Europe	372.6	22%	536.5	23%	+44%	+41%	+32%
America	257.6	15%	329.0	14%	+28%	+16%	+6%
Far East	579.7	34%	814.7	35%	+41%	+28%	+18%
Greater China(*)	359.3	22%	516.1	21%	+44%	+29%	+18%
Japan	168.9	10%	213.7	9%	+27%	+15%	+1%
Others	9.6	1%	29.0	1%	-	-	-
<b>Total</b>	<b>1,706.6</b>	<b>100%</b>	<b>2,308.0</b>	<b>100%</b>	<b>+35%</b>	<b>+27%</b>	<b>+18%</b>

Note(\*): PRC, HK, Macau

- Double digit organic growth in all markets
- Outstanding performance of Europe thanks to travellers

# Net Sales by Geography (€ mn) - 3rd Quarter

	2011	Mix %	2012	Mix %	% ch. as reported	% ch. same FX	Retail SSSG
Italy	104.8	18%	125.7	16%	+20%	+20%	+20%
Europe	121.9	21%	187.8	24%	+54%	+50%	+32%
America	85.8	15%	104.3	13%	+22%	+11%	0%
Far East	211.7	36%	282.2	36%	+33%	+21%	+13%
Greater China(*)	136.6	23%	181.5	23%	+33%	+20%	+13%
Japan	61.7	11%	69.8	9%	+13%	+5%	-3%
Others	3.3	1%	13.5	2%	-	-	-
<b>Total</b>	<b>589.2</b>	<b>100%</b>	<b>783.3</b>	<b>100%</b>	<b>+33%</b>	<b>+25%</b>	<b>+14%</b>

Note(\*): PRC, HK, Macau

# Net Sales by Product (€ mn) - 9 months

	<b>2011</b>	<b>Mix %</b>	<b>2012</b>	<b>Mix %</b>	<b>2012 vs 2011</b>
<b>Leather Goods</b>	<b>959.5</b>	<b>56%</b>	<b>1,444.2</b>	<b>63%</b>	<b>+51%</b>
<b>Footwear</b>	<b>391.4</b>	<b>23%</b>	<b>450.3</b>	<b>20%</b>	<b>+15%</b>
<b>Ready to Wear</b>	<b>337.7</b>	<b>20%</b>	<b>387.9</b>	<b>17%</b>	<b>+15%</b>
<b>Others</b>	<b>18.0</b>	<b>1%</b>	<b>25.6</b>	<b>1%</b>	<b>+42%</b>
<b>Total</b>	<b>1,706.6</b>	<b>100%</b>	<b>2,308.0</b>	<b>100%</b>	<b>+35%</b>

- Double digit growth for all product categories
- The increasing weight of Leather Goods mainly driven by travellers and Asian customers

# Net Sales by Product (€ mn) - 3rd Quarter

	<b>2011</b>	<b>Mix %</b>	<b>2012</b>	<b>Mix %</b>	<b>2012 vs 2011</b>
<b>Leather Goods</b>	<b>341.9</b>	<b>58%</b>	<b>501.2</b>	<b>64%</b>	<b>+47%</b>
<b>Footwear</b>	<b>116.3</b>	<b>20%</b>	<b>135.0</b>	<b>17%</b>	<b>+16%</b>
<b>Ready to Wear</b>	<b>125.4</b>	<b>21%</b>	<b>139.3</b>	<b>18%</b>	<b>+11%</b>
<b>Others</b>	<b>5.6</b>	<b>1%</b>	<b>7.8</b>	<b>1%</b>	<b>+40%</b>
<b>Total</b>	<b>589.2</b>	<b>100%</b>	<b>783.3</b>	<b>100%</b>	<b>+33%</b>

# Group Profit and Loss – 9 months

€ mn	Oct 2011	%	Oct 2012	%
Net Sales	1,706.6		2,308.0	
Royalties	23.8		31.3	
Net Revenues	1,730.4	100.0%	2,339.3	100.0%
COGS	(494.8)		(654.9)	
Gross Profit	1,235.6	71.4%	1,684.4	72.0%
Product Development	(72.9)		(78.7)	
Advertising & Promotion	(90.5)		(110.4)	
Selling	(556.6)		(748.1)	
G&A	(123.3)		(134.7)	
EBIT	392.3	22.7%	612.5	26.2%
Net Financial Expenses	(17.8)		(4.3)	
Income Taxes	(98.5)		(194.1)	
Consolidated Net income	276.0	15.9%	414.1	17.7%
Non-controlling interest Net income	(2.8)		(5.5)	
Group Net income	273.2	15.8%	408.6	17.5%
D&A	94.2		115.4	
EBITDA	486.5	28.1%	727.9	31.1%

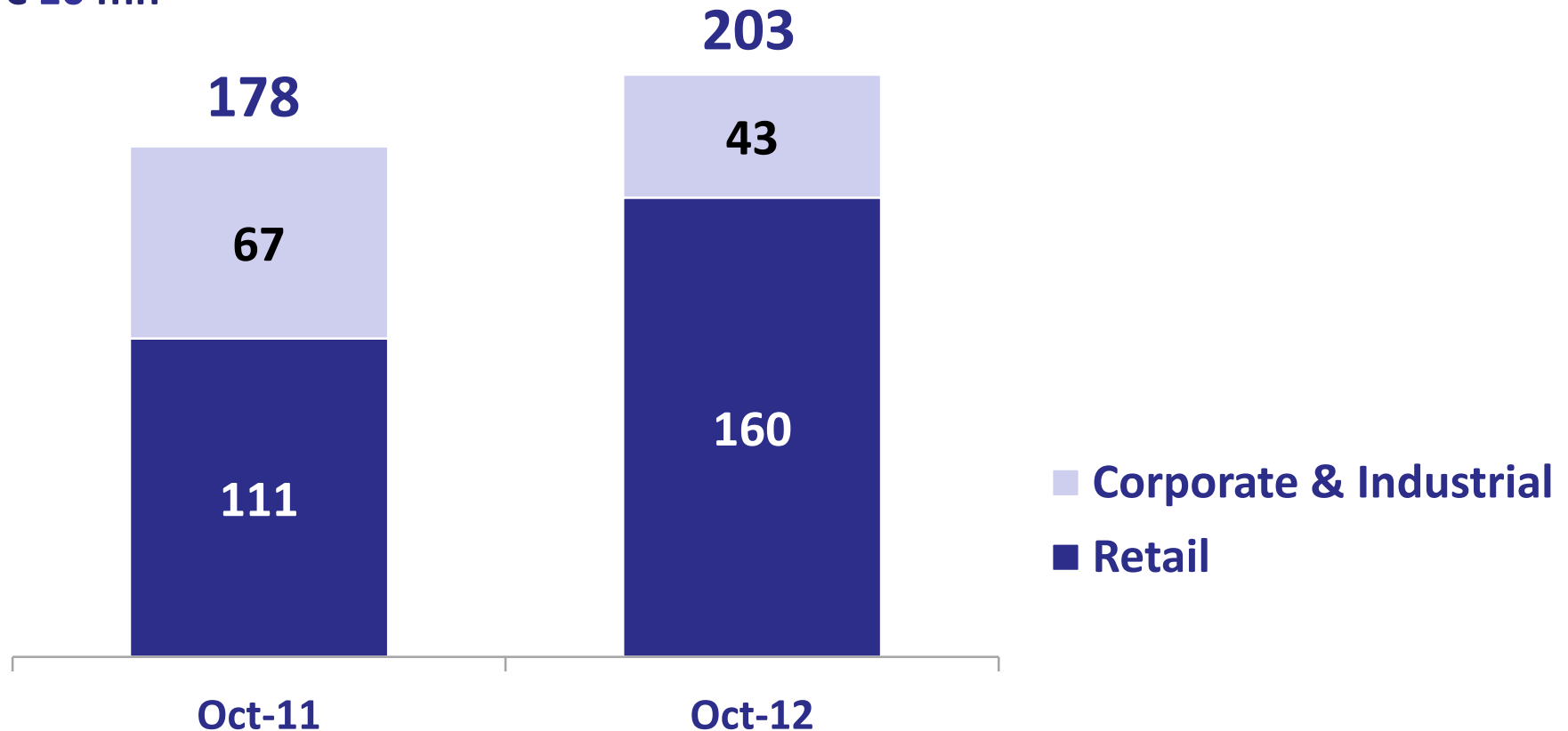
# EBITDA Development – 9 months



- EBITDA benefited from a gross margin increase and from a positive scale effect

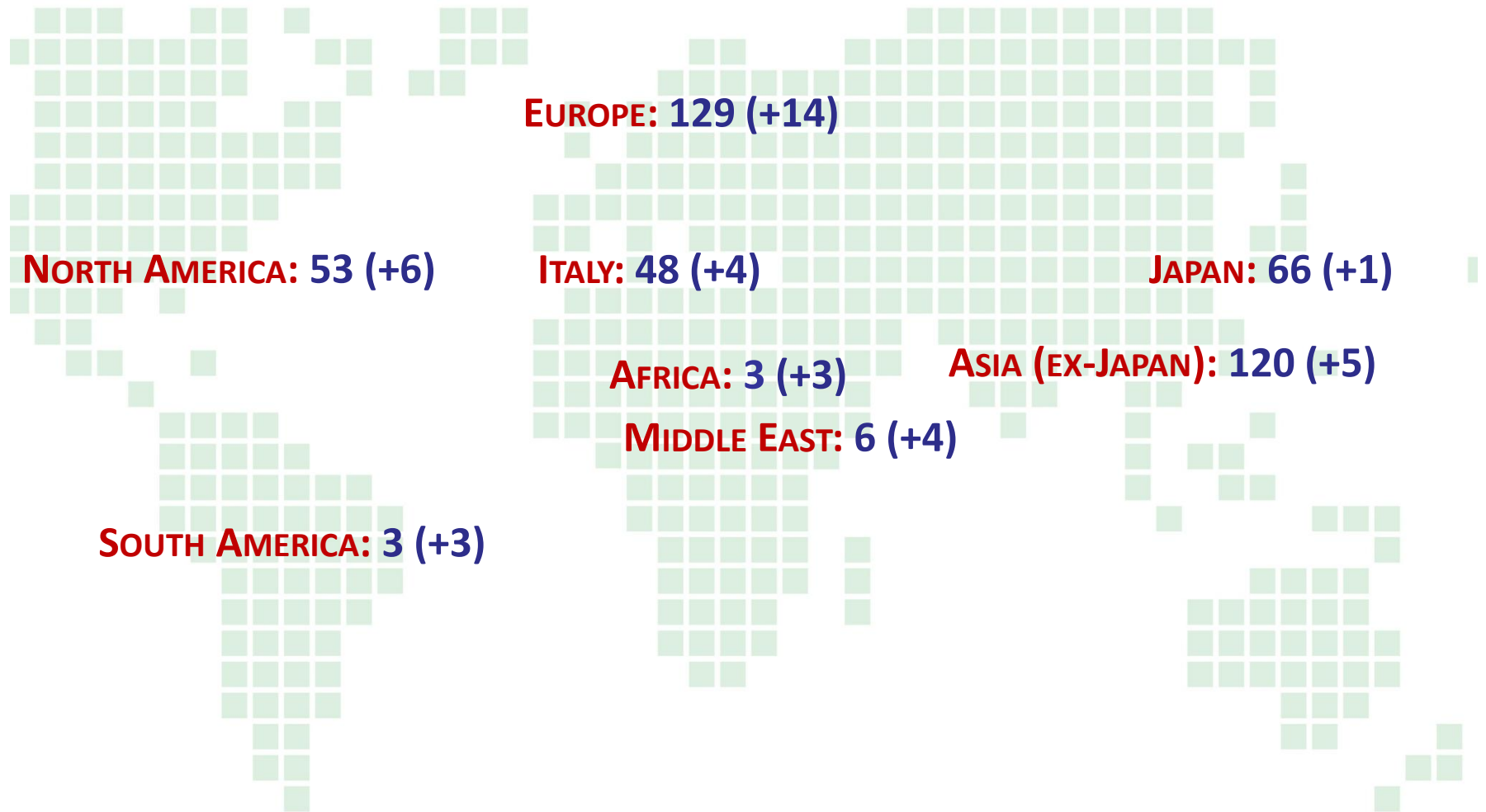
# Capex (€ mn) - 9 months

- Capex driven by Retail development
- Retail includes new openings, refurbishments and relocations
- Corporate & Industrial includes the acquisition of industrial facilities for approx. € 10 mn



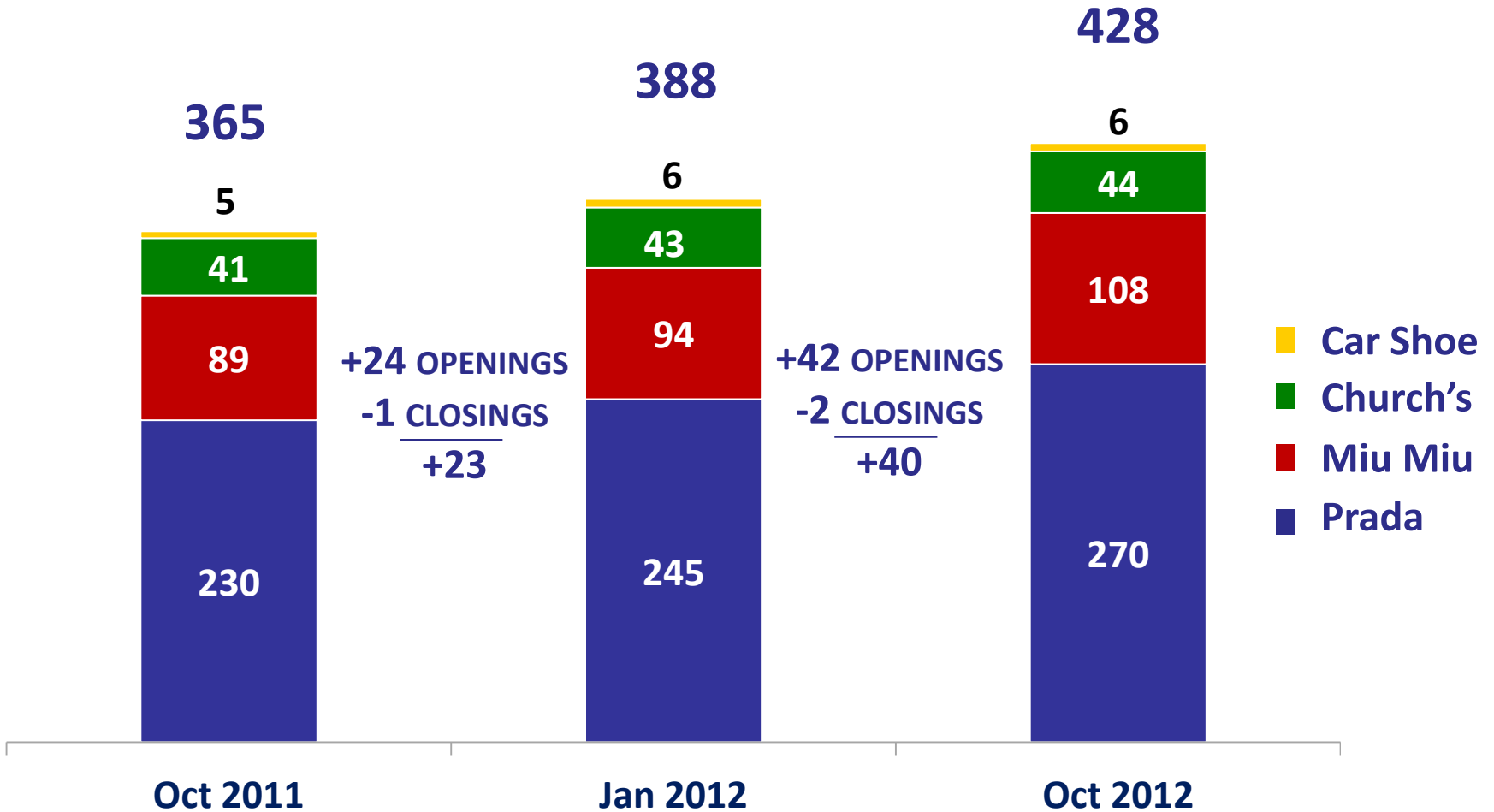
# Retail overview

428 DOS at October 2012 with 42 openings and 2 closings





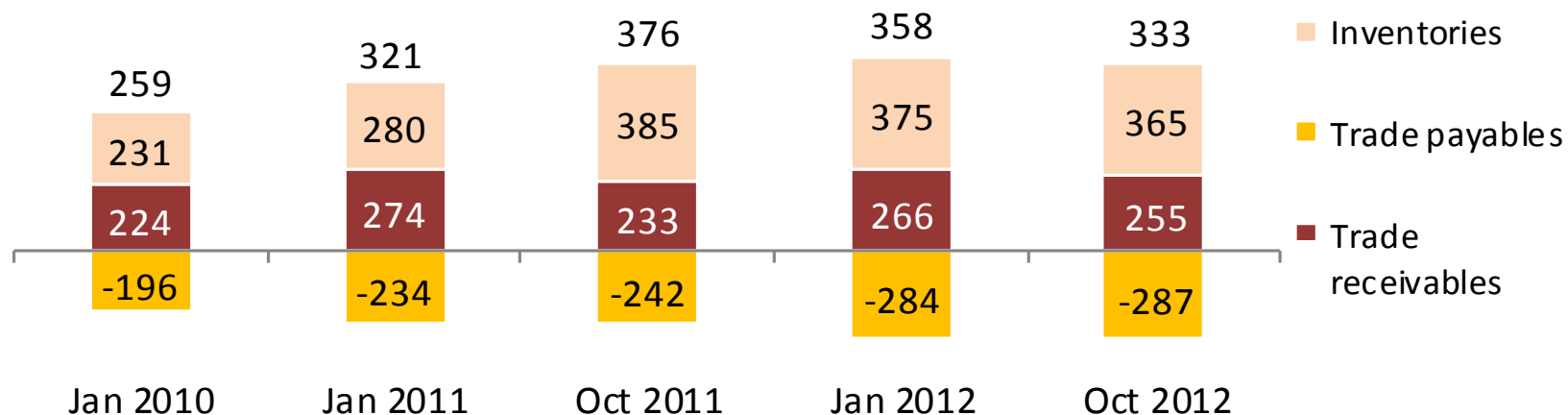
# DOS Network Development



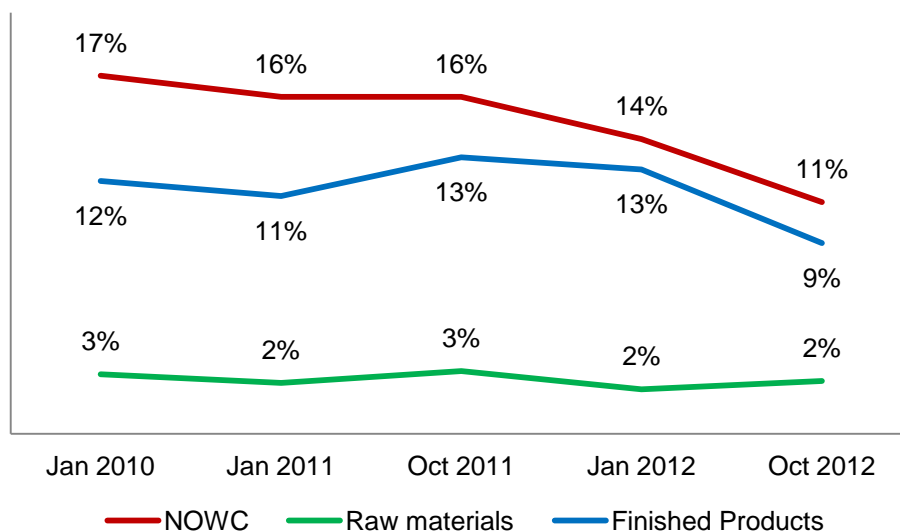
# Key figures (€ mn)

	October 2011	January 2012	October 2012
<b>Net Financial Position</b>	<b>(109.2)</b>	<b>13.6</b>	<b>210.6</b>
<b>Net Operating Working Capital</b>	<b>376.4</b>	<b>357.6</b>	<b>332.7</b>
<b><i>NOWC on Net Revenues</i></b>	<b><i>15.7%</i></b>	<b><i>14.0%</i></b>	<b><i>10.5%</i></b>
<b>Capital Employed (average)</b>	<b>1,659</b>	<b>1,701</b>	<b>1,839</b>
<b><i>ROCE</i></b>	<b><i>33.9%</i></b>	<b><i>37.0%</i></b>	<b><i>46.2%</i></b>

# Net Operating Working Capital



## % on NR – 12-month rolling



# Net financial surplus/(deficit) (€ mn)

- Strong Cash Flow from Operation contributed to boost liquidity generation

