

A photograph of a Prada storefront at night. The building is ornate with classical architectural details like arches and columns. The word "PRADA" is illuminated in gold letters above the entrance and on the columns. The store windows are lit up, showing colorful clothing displays. The overall scene is warm and elegant.

# PRADA Group

**Interim Results**  
**for the half year ended July 31<sup>st</sup>, 2012**

**September 24<sup>th</sup>, 2012**

# Results presentation

# Key messages

## 1st Half 2012

## 2nd Quarter 2012

### Turnover

- Net Revenues grew by 36.4% (+28% at constant rates) with Retail up 47% (37% at constant rate)
- Net Revenues grew by 28.5% (+20% at constant rates) with Retail up 46% (34% at constant rate)

### Same Store Sales Growth

- Continuous Retail improvement: Same Store Sales Growth +19%
- Continuous Retail improvement: Same Store Sales Growth +20%

### Operating Results

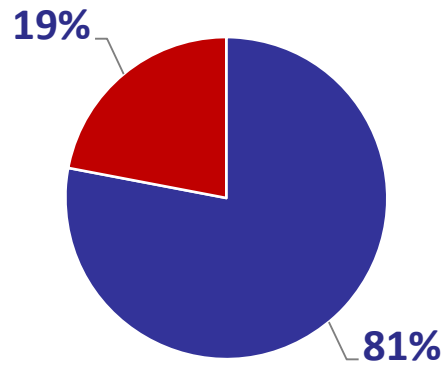
- Ebitda up to € 469 mn, 30% on Revenues, 49% above 2011
- Ebit reached € 395 mn, 26% on Revenues, compared to 22% of last year.
- Ebitda up to € 269 mn, 31% on Revenues, 33% above 2011
- Ebit reached € 230 mn, 27% on Revenues, compared to 26% of last year.

### Net Results

- Group Net Income raised to € 286 mn, 19% on Revenues, compared to € 180mn of 2011, 16% on Revenues
- Group Net Income raised to € 164 mn, 19% on Revenues, compared to € 122mn of 2011, 18% on Revenues

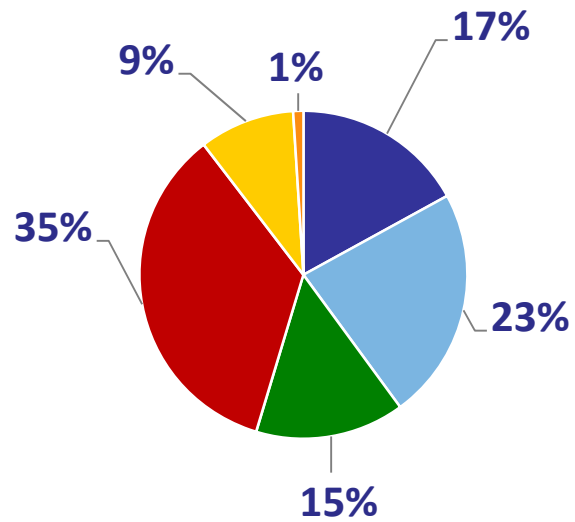
# The Group at a glance – 1st Half

**NET SALES BY CHANNEL**



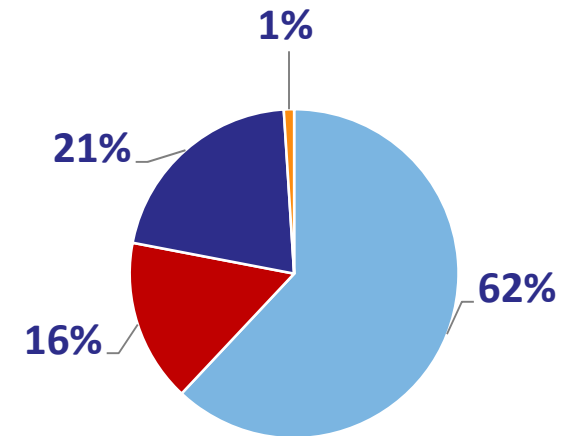
- Retail
- Wholesale

**NET SALES BY REGION**



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

**NET SALES BY PRODUCT**



- Leather Goods
- Ready to Wear
- Footwear
- Other

## Net Sales by Channel (€ mn) – 1st Half

	2011	Mix %	2012	Mix %	2012 vs 2011
<b>Retail</b>	835.4	75%	1,230.0	81%	+47%
<b>Wholesale</b>	282.0	25%	294.7	19%	+4%
<b>Total</b>	1,117.4	100%	1,524.7	100%	+36%

- Retail improvement (+37% at constant rates) is driven by:
  - +19% “Same Store Sales Growth” on top of +22% of first half 2011
  - New store openings contribution (69 net openings between July’11 and July’12)
  
- Wholesale development is a result of delayed deliveries from 2011 to 2012 compensated by the effect of our selective approach in the second quarter as shown in the next page

## Net Sales by Channel (€ mn) – 2nd Quarter

	<b>2011</b>	<i>Mix %</i>	<b>2012</b>	<i>Mix %</i>	<b>2012 vs 2011</b>
<b>Retail</b>	<b>453.1</b>	<b>69%</b>	<b>660.3</b>	<b>78%</b>	<b>+46%</b>
<b>Wholesale</b>	<b>208.8</b>	<b>31%</b>	<b>191.1</b>	<b>22%</b>	<b>-8%</b>
<b>Total</b>	<b>661.9</b>	<b>100%</b>	<b>851.4</b>	<b>100%</b>	<b>+29%</b>

- Retail improvement (+34% at constant rates) is driven by:
  - “Same Store Sales Growth” : +20%
  - New store openings : 69 net openings between July’11 and July’12

## Net Sales by Brand (€ mn) – 1st Half

	<b>2011</b>	<i>Mix %</i>	<b>2012</b>	<i>Mix %</i>	<b>2012 vs 2011</b>
<b>Prada</b>	<b>878.4</b>	<b>79%</b>	<b>1,233.4</b>	<b>81%</b>	<b>+40%</b>
<b>Miu Miu</b>	<b>198.9</b>	<b>18%</b>	<b>246.0</b>	<b>16%</b>	<b>+24%</b>
<b>Church's</b>	<b>27.0</b>	<b>2%</b>	<b>31.0</b>	<b>2%</b>	<b>+15%</b>
<b>Car Shoe</b>	<b>9.7</b>	<b>1%</b>	<b>11.3</b>	<b>1%</b>	<b>+17%</b>
<b>Others</b>	<b>3.4</b>	<b>-</b>	<b>2.9</b>	<b>-</b>	<b>-15%</b>
<b>Total</b>	<b>1,117.4</b>	<b>100%</b>	<b>1,524.7</b>	<b>100%</b>	<b>+36%</b>

- Double digit growth for all Brands, particularly for Prada

## Net Sales by Brand (€ mn) – 2nd Quarter

	<b>2011</b>	<i>Mix %</i>	<b>2012</b>	<i>Mix %</i>	<b>2012 vs 2011</b>
<b>Prada</b>	<b>525.0</b>	<b>79%</b>	<b>691.9</b>	<b>81%</b>	<b>+32%</b>
<b>Miu Miu</b>	<b>116.8</b>	<b>18%</b>	<b>138.6</b>	<b>16%</b>	<b>+19%</b>
<b>Church's</b>	<b>13.3</b>	<b>2%</b>	<b>14.7</b>	<b>2%</b>	<b>+10%</b>
<b>Car Shoe</b>	<b>5.3</b>	<b>1%</b>	<b>5.0</b>	<b>1%</b>	<b>-5%</b>
<b>Others</b>	<b>1.4</b>	<b>-</b>	<b>1.1</b>	<b>-</b>	<b>-19%</b>
<b>Total</b>	<b>661.9</b>	<b>100%</b>	<b>851.4</b>	<b>100%</b>	<b>+29%</b>



## Net Sales by Geography (€ mn) – 1st Half

	2011	Mix %	2012	Mix %	% ch. as reported	% ch. same FX	Retail SSSG
Italy	213.4	19%	259.3	17%	+21%	+21%	+22%
Europe	250.7	22%	348.7	23%	+39%	+37%	+31%
America	171.9	15%	224.7	15%	+31%	+19%	+10%
Far East	368.0	33%	532.5	35%	+45%	+32%	+20%
Greater China(*)	222.8	20%	334.6	22%	+50%	+35%	+21%
Japan	107.2	10%	143.9	9%	+34%	+20%	+3%
Others	6.3	1%	15.6	1%	+150%	+136%	-
<b>Total</b>	<b>1,117.4</b>	<b>100%</b>	<b>1,524.7</b>	<b>100%</b>	<b>+36%</b>	<b>+28%</b>	<b>+19%</b>

Note(\*): PRC, HK, Macau

- All markets growing double digit
- Double digit Same Store Sales Growth in all markets excluding Japan
- Outstanding performance of Europe thanks to travellers

## Net Sales by Geography (€ mn) – 2nd Quarter

	2011	Mix %	2012	Mix %	% ch. as reported	% ch. same FX	Retail SSSG
Italy	141.8	21%	149.3	18%	+5%	+5%	+26%
Europe	156.3	24%	200.7	24%	+28%	+25%	+32%
America	107.4	16%	138.2	16%	+29%	+14%	+6%
Far East	196.0	30%	279.7	33%	+43%	+27%	+20%
Greater China(*)	117.6	18%	173.0	19%	+47%	+28%	+19%
Japan	56.3	8%	73.2	9%	+30%	+13%	+3%
Others	4.2	1%	10.3	1%	+146%	+130%	-
<b>Total</b>	<b>661.9</b>	<b>100%</b>	<b>851.4</b>	<b>100%</b>	<b>+29%</b>	<b>+19%</b>	<b>+20%</b>

Note(\*): PRC, HK, Macau

- All markets show a positive performance compared to last year
- Double digit Same Store Sales Growth in all markets excluding Japan and Usa
- Outstanding performance of Europe thanks to travellers

## Net Sales by Product (€ mn) – 1st Half

	<b>2011</b>	<i>Mix %</i>	<b>2012</b>	<i>Mix %</i>	<b>2012 vs 2011</b>
<b>Leather Goods</b>	<b>617.7</b>	<b>55%</b>	<b>943.1</b>	<b>62%</b>	<b>+53%</b>
<b>Footwear</b>	<b>275.0</b>	<b>25%</b>	<b>315.3</b>	<b>21%</b>	<b>+15%</b>
<b>Ready to Wear</b>	<b>212.4</b>	<b>19%</b>	<b>248.7</b>	<b>16%</b>	<b>+17%</b>
<b>Others</b>	<b>12.3</b>	<b>1%</b>	<b>17.7</b>	<b>1%</b>	<b>+43%</b>
<b>Total</b>	<b>1,117.4</b>	<b>100%</b>	<b>1,524.7</b>	<b>100%</b>	<b>+36%</b>

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

## Net Sales by Product (€ mn) – 2nd Quarter

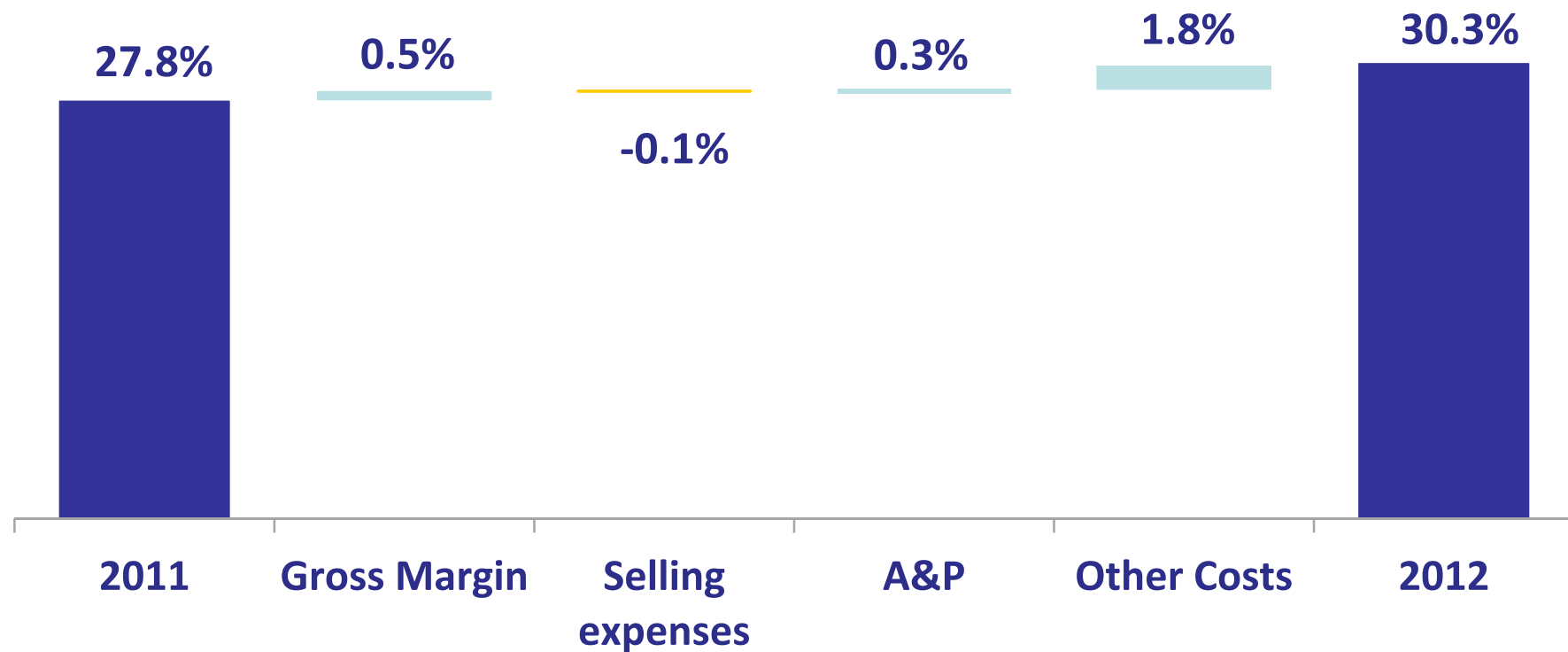
	<b>2011</b>	<i>Mix %</i>	<b>2012</b>	<i>Mix %</i>	<b>2012 vs 2011</b>
<b>Leather Goods</b>	<b>354.0</b>	<b>53%</b>	<b>525.8</b>	<b>62%</b>	<b>+49%</b>
<b>Footwear</b>	<b>176.3</b>	<b>27%</b>	<b>180.6</b>	<b>21%</b>	<b>+2%</b>
<b>Ready to Wear</b>	<b>124.6</b>	<b>19%</b>	<b>134.9</b>	<b>16%</b>	<b>+8%</b>
<b>Others</b>	<b>7.1</b>	<b>1%</b>	<b>10.2</b>	<b>1%</b>	<b>+44%</b>
<b>Total</b>	<b>661.9</b>	<b>100%</b>	<b>851.4</b>	<b>100%</b>	<b>+29%</b>

- Double digit growth for Leather Goods

# Group Profit and Loss – 1st Half

€ mn	1H2011	%	1H 2012	%
Net Sales	1,117.4		1,524.7	
Royalties	16.9		22.7	
Net Revenues	1,134.3	100.0%	1,547.4	100.0%
COGS	(329.1)		(440.9)	
Gross Profit	805.2	71.0%	1,106.5	71.5%
Product Development	(51.5)		(56.2)	
Advertising & Promotion	(53.9)		(68.3)	
Selling	(357.2)		(488.9)	
G&A	(89.3)		(98.2)	
EBIT	253.4	22.3%	394.9	25.5%
Net Financial Expenses	(11.6)		(2.9)	
Income Taxes	(60.6)		(102.8)	
Consolidated Net income	181.2	16.0%	289.2	18.7%
Non-controlling interest Net income	(1.7)		(2.8)	
Group Net income	179.5	15.8%	286.4	18.5%
D&A	61.6		74.5	
EBITDA	315.0	27.8%	469.4	30.3%

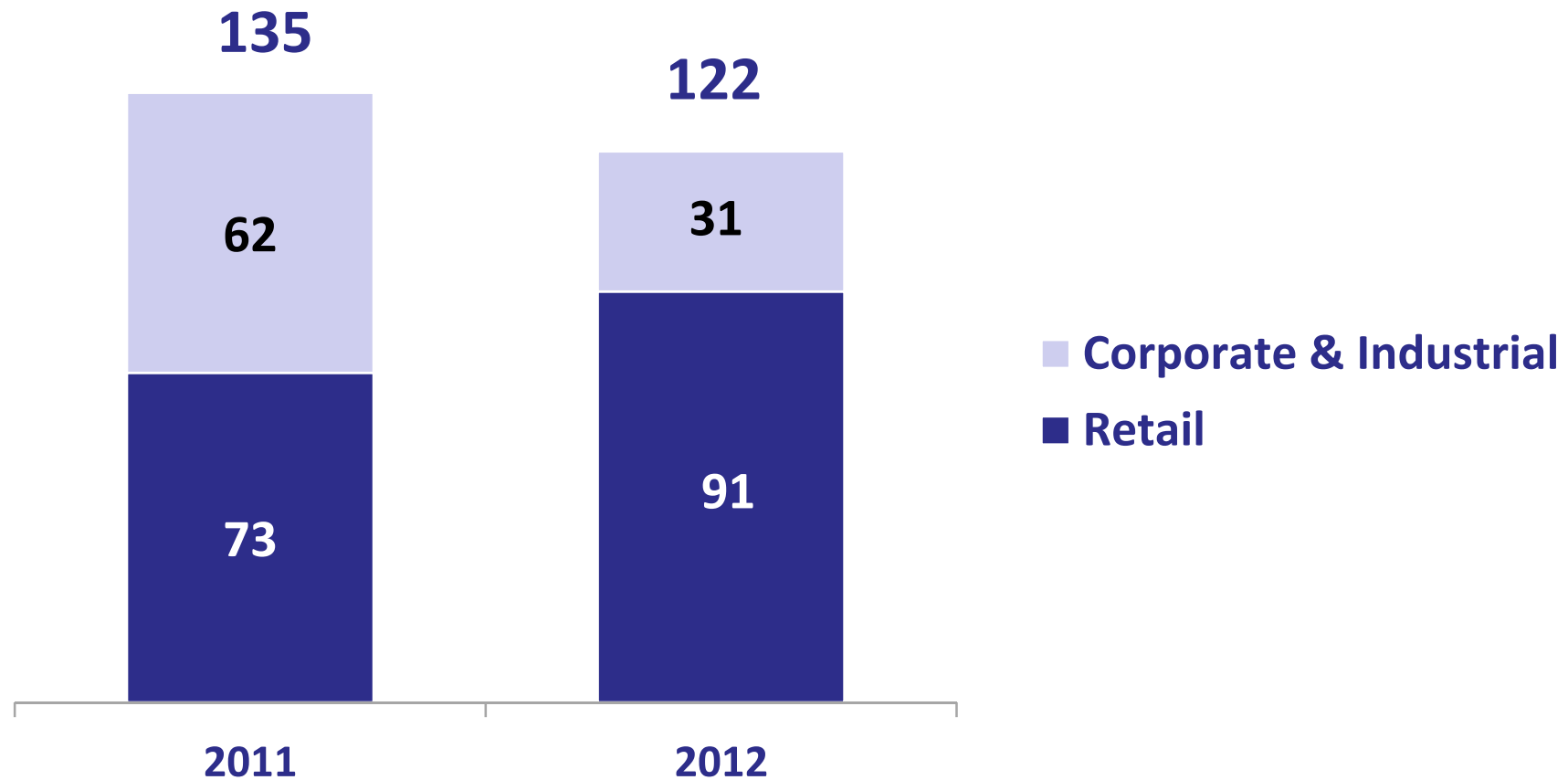
## EBITDA Development – 1st Half



- 2012 First half EBITDA benefited from a gross margin increase and from a positive scale effect

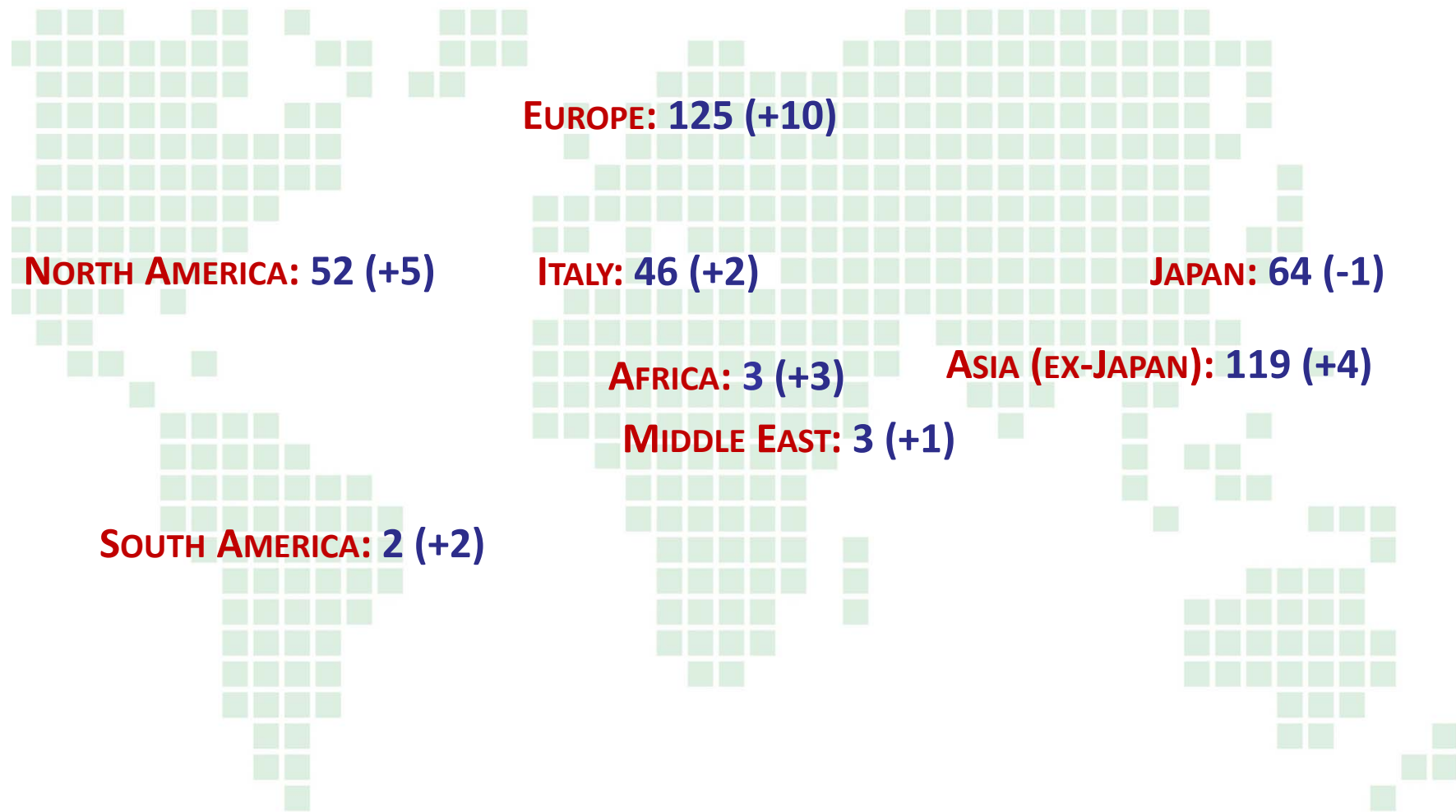
# Capex (€ mn) – 1st Half

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



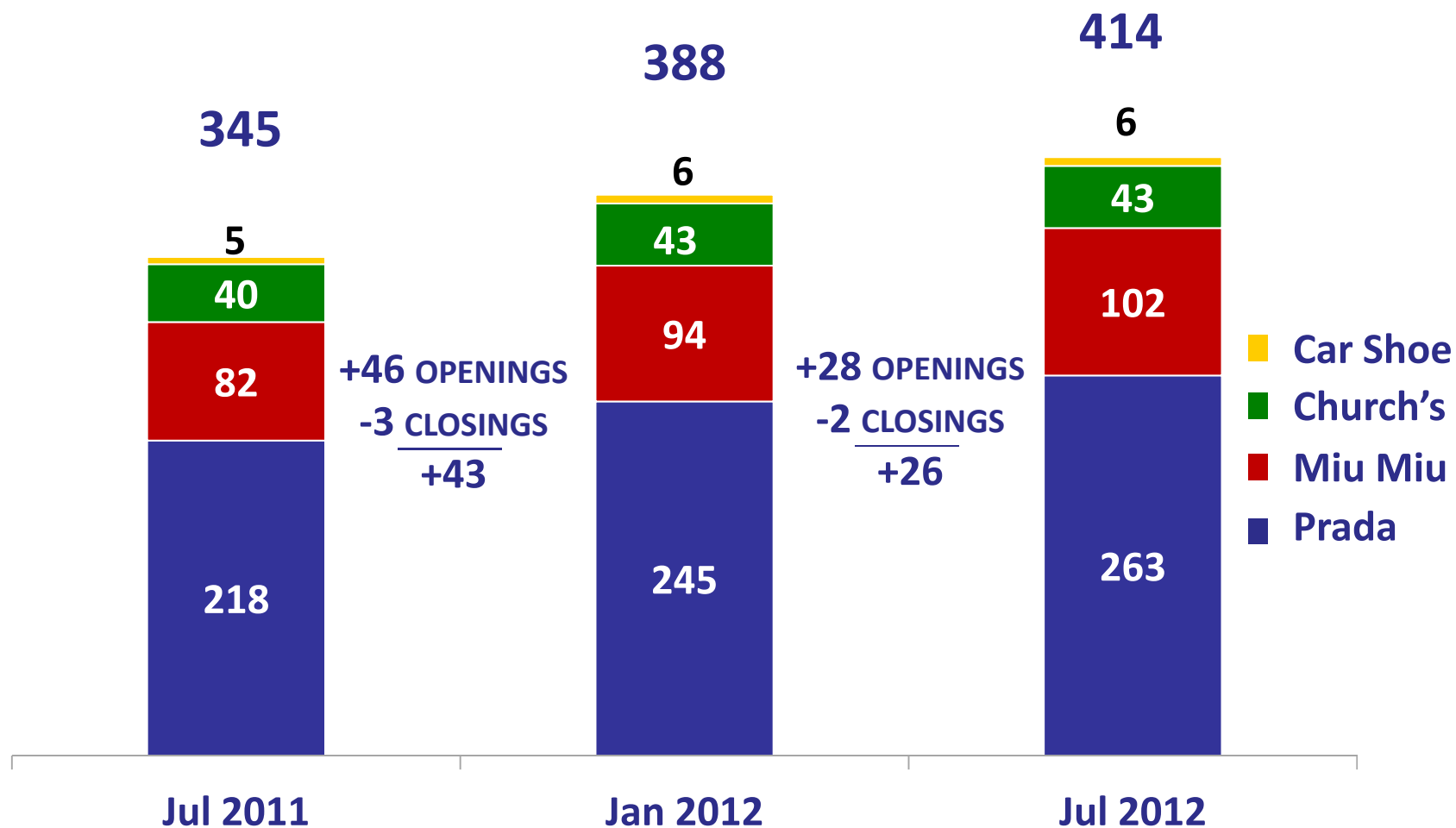
# Retail overview

414 DOS at July 2012 with 28 openings and 2 closings





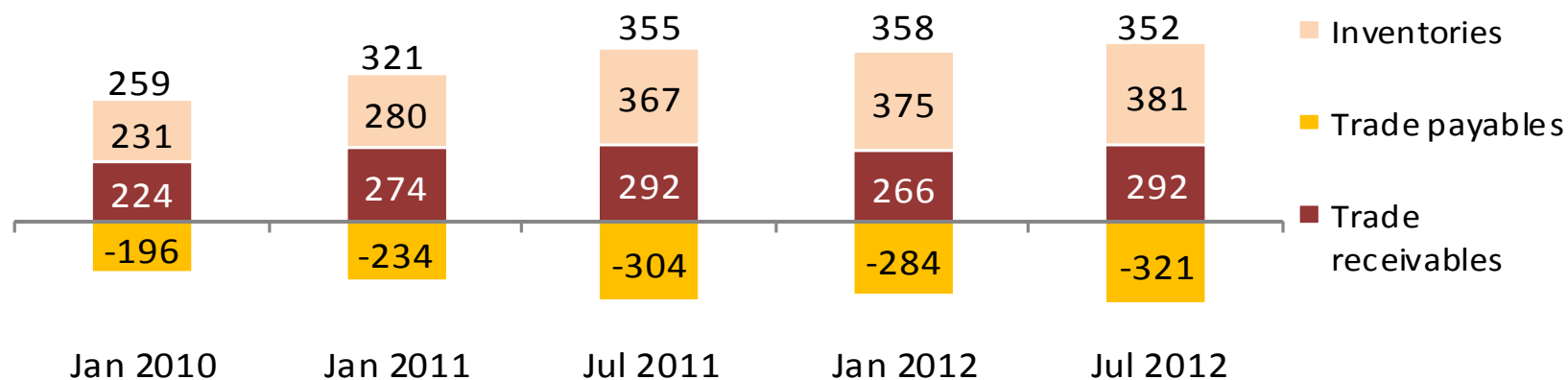
# DOS Network Development



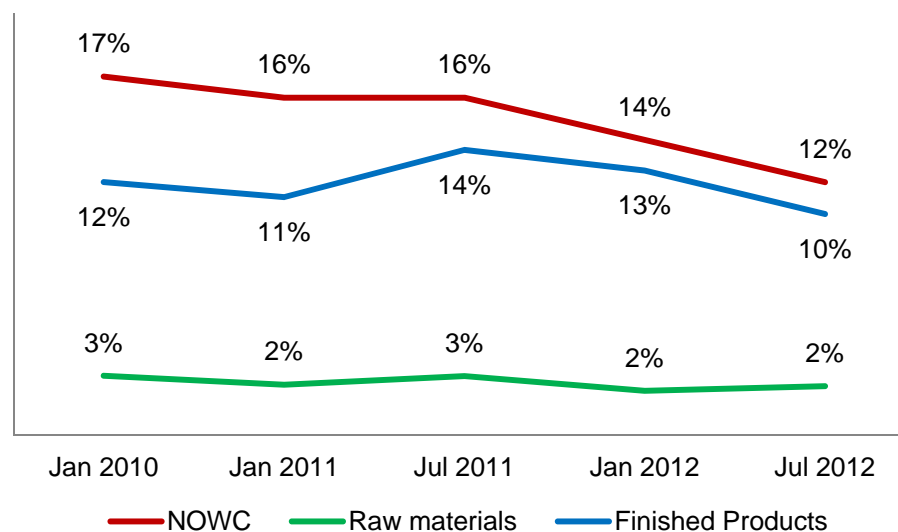
## Key figures (€ mn)

	July 2011	January 2012	July 2012
<b>Net Financial Position</b>	<b>(134.4)</b>	<b>13.6</b>	<b>82.5</b>
<b>Net Operating Working Capital</b>	<b>354.5</b>	<b>357.6</b>	<b>351.9</b>
<b><i>NOWC on Net Revenues</i></b>	<b>15.8%</b>	<b>14.0%</b>	<b>11.9%</b>
<b>Capital Employed (average)</b>	<b>1,619</b>	<b>1,701</b>	<b>1,813</b>
<b><i>ROCE</i></b>	<b>30.9%</b>	<b>37.0%</b>	<b>43%</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

