

A photograph of a Prada Group storefront at night. The building is ornate with classical architectural details like arches and columns. The word "PRADA" is illuminated in gold letters above each of the four main entrance arches. The store windows are brightly lit, showing various fashion items. The overall scene is a high-quality, professional photograph used as a background for a financial report.

# PRADA Group

## 1<sup>st</sup> Quarter Results

for the three months ended April 30<sup>th</sup>, 2012

June 7<sup>th</sup>, 2012

**Results presentation**  
**Donatello Galli**  
**Alessandra Cozzani**

# Key messages

## 1<sup>st</sup> Quarter 2012

### Turnover

Net Revenues grew by 48% (+42% at constant rates) with Retail up 49% (42% at constant rates)

### Same Store Sales Growth (\*)

Continuous Retail improvement:  
Same Store Sales Growth +19%

### Operating Results

EBITDA climbed to € 200 mn, 29,1% on revenues, 77% above 2011. EBIT reached € 165 mn, 24% on revenues, more than the double compared to 2011

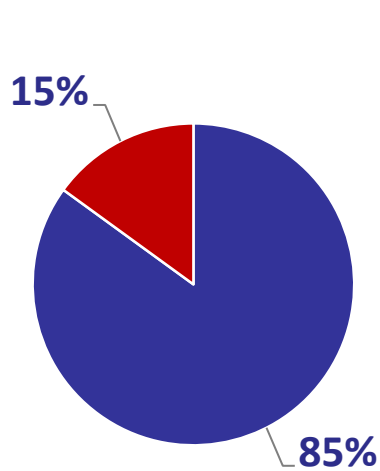
### Net Results

Group Net Income raised to € 122 mn, 17,7% on revenues, compared to € 58 mn of 2011, 12,4% on revenues

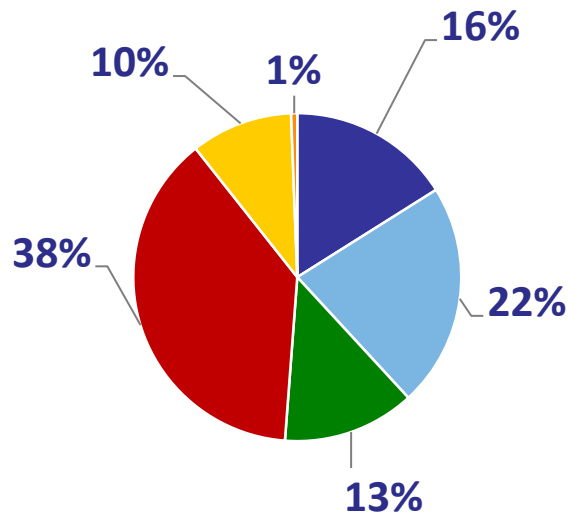
*Note(\*)*: the expression “Same Store Sales Growth” (SSSG) replaces the expression “Like-for-Like” even if no changes occurred into the calculation criteria. The formula still compares same operating stores at constant exchange rates

# The Group at a glance – 3 months

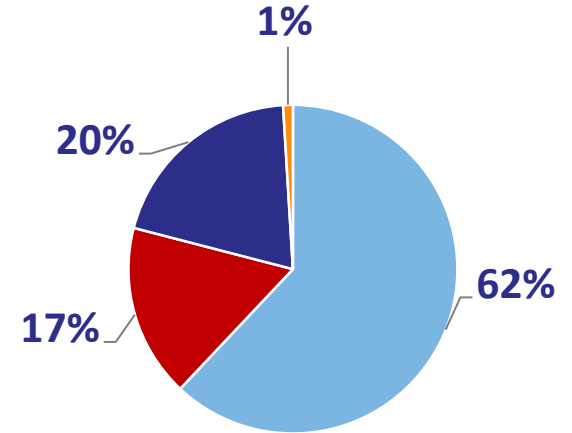
## NET SALES BY CHANNEL



## NET SALES BY REGION



## NET SALES BY PRODUCT



- Retail
- Wholesale

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

- Leather Goods
- Ready to Wear
- Footwear
- Other

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

	2011	Mix %	2012	Mix %	2012 vs 2011
Retail	382.3	84%	569.7	85%	+49%
Wholesale	73.2	16%	103.6	15%	+42%
Total	455.5	100%	673.3	100%	+48%

- Retail improvement (+42% at constant rates) is driven by “Same Store Sales Growth” increase: +19% and new store openings (+65 stores opened between Apr11 and Apr12)
- Wholesale strong development has been positively impacted by delayed deliveries from 2011 to 2012 as previously communicated.

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

	<b>2011</b>	<i>Mix %</i>	<b>2012</b>	<i>Mix %</i>	<b>2012 vs 2012</b>
<b>Prada</b>	<b>353.4</b>	<b>78%</b>	<b>541.5</b>	<b>80%</b>	<b>+53%</b>
<b>Miu Miu</b>	<b>82.1</b>	<b>18%</b>	<b>107.3</b>	<b>16%</b>	<b>+31%</b>
<b>Church's</b>	<b>13.7</b>	<b>3%</b>	<b>16.3</b>	<b>2%</b>	<b>+19%</b>
<b>Car Shoe</b>	<b>4.4</b>	<b>1%</b>	<b>6.3</b>	<b>1%</b>	<b>+44%</b>
<b>Others</b>	<b>2.0</b>	<b>-</b>	<b>1.8</b>	<b>-</b>	<b>-12%</b>
<b>Total</b>	<b>455.5</b>	<b>100%</b>	<b>673.3</b>	<b>100%</b>	<b>+48%</b>

- **Outstanding results for all Brands**



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

	2011	Mix %	2012	Mix %	% ch. as reported	% ch. same FX	Retail SSSG
Italy	71.6	16%	110.1	16%	+54%	+54%	+17%
Europe	94.4	21%	148.0	22%	+57%	+55%	+31%
America	64.5	14%	86.5	13%	+34%	+26%	+13%
Far East	172.0	38%	252.8	38%	+47%	+37%	+22%
Greater China(*)	105.2	23%	161.6	24%	+54%	+42%	+24%
Japan	50.9	11%	70.7	10%	+39%	+28%	+3%
Others	2.0	-	5.3	1%	-	-	-
<b>Total</b>	<b>455.5</b>	<b>100%</b>	<b>673.3</b>	<b>100%</b>	<b>+48%</b>	<b>+41%</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 Product (€ mn) – 1st Quarter

	<b>2011</b>	<b>Mix %</b>	<b>2012</b>	<b>Mix %</b>	<b>2012 vs 2011</b>
<b>Leather Goods</b>	<b>263.7</b>	<b>58%</b>	<b>417.3</b>	<b>62%</b>	<b>+58%</b>
<b>Footwear</b>	<b>98.8</b>	<b>22%</b>	<b>134.7</b>	<b>20%</b>	<b>+36%</b>
<b>Ready to Wear</b>	<b>87.8</b>	<b>19%</b>	<b>113.8</b>	<b>17%</b>	<b>+30%</b>
<b>Others</b>	<b>5.2</b>	<b>1%</b>	<b>7.5</b>	<b>1%</b>	<b>+43%</b>
<b>Total</b>	<b>455.5</b>	<b>100%</b>	<b>673.3</b>	<b>100%</b>	<b>+48%</b>

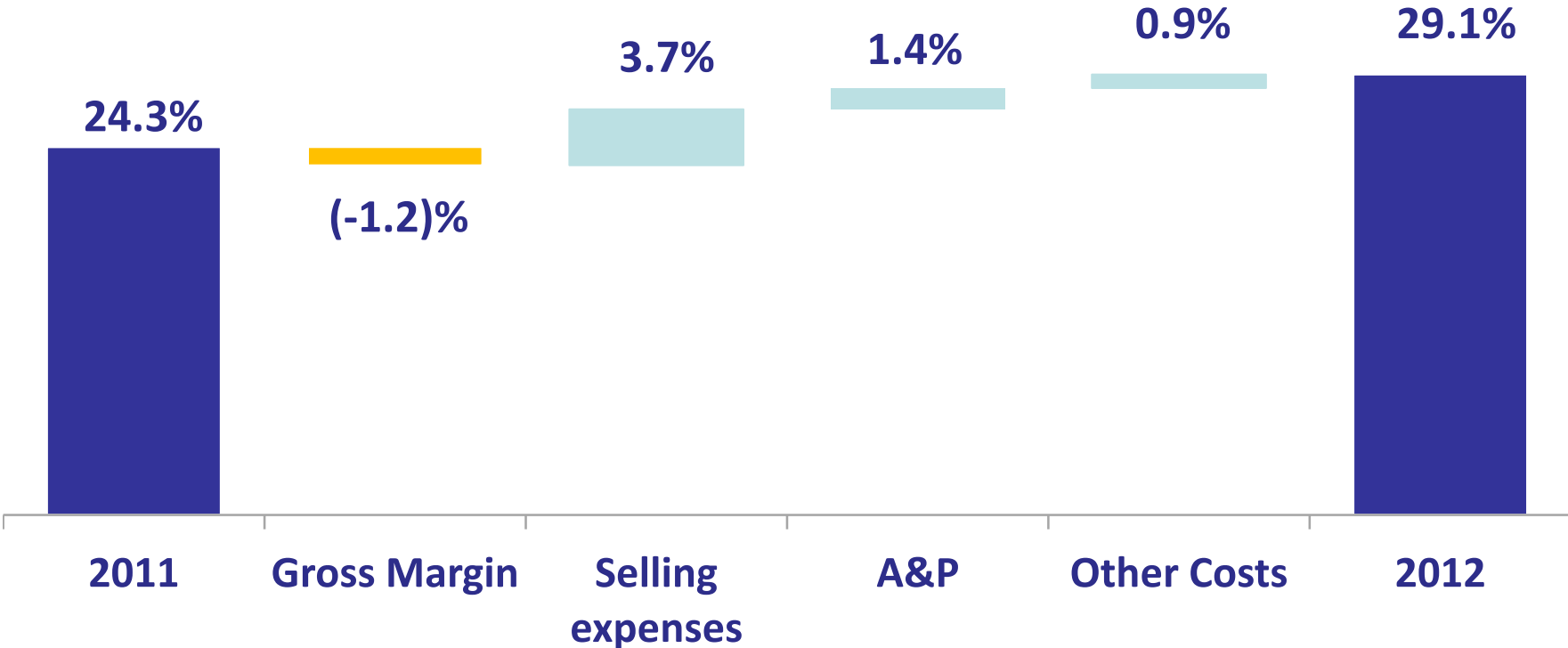
- Double digit growth for all product categories
- The increasing weight of Leather Goods mainly driven by travellers



# Group Profit and Loss – 1st Quarter

€ mn	1Q 2011	%	1Q 2012	%
Net Sales	455.5		673.3	
Royalties	8.8		13.5	
Net Revenues	464.3	100.0%	686.7	100.0%
COGS	(123.1)		(190.3)	
Gross Profit	341.2	73.5%	496.4	72.3%
Product Development	(21.4)		(25.4)	
Advertising & Promotion	(30.4)		(35.3)	
Selling	(171.3)		(228.1)	
G&A	(37.9)		(42.9)	
EBIT	80.1	17.3%	164.8	24.0%
Net Financial Expenses	(2.1)		1.5	
Income Taxes	(19.6)		(43.0)	
Minority Income	(0.8)		(1.6)	
Group Net Income	57.7	12.4%	121.7	17.7%
D&A	32.8		35.3	
EBITDA	112.9	24.3%	200.1	29.1%

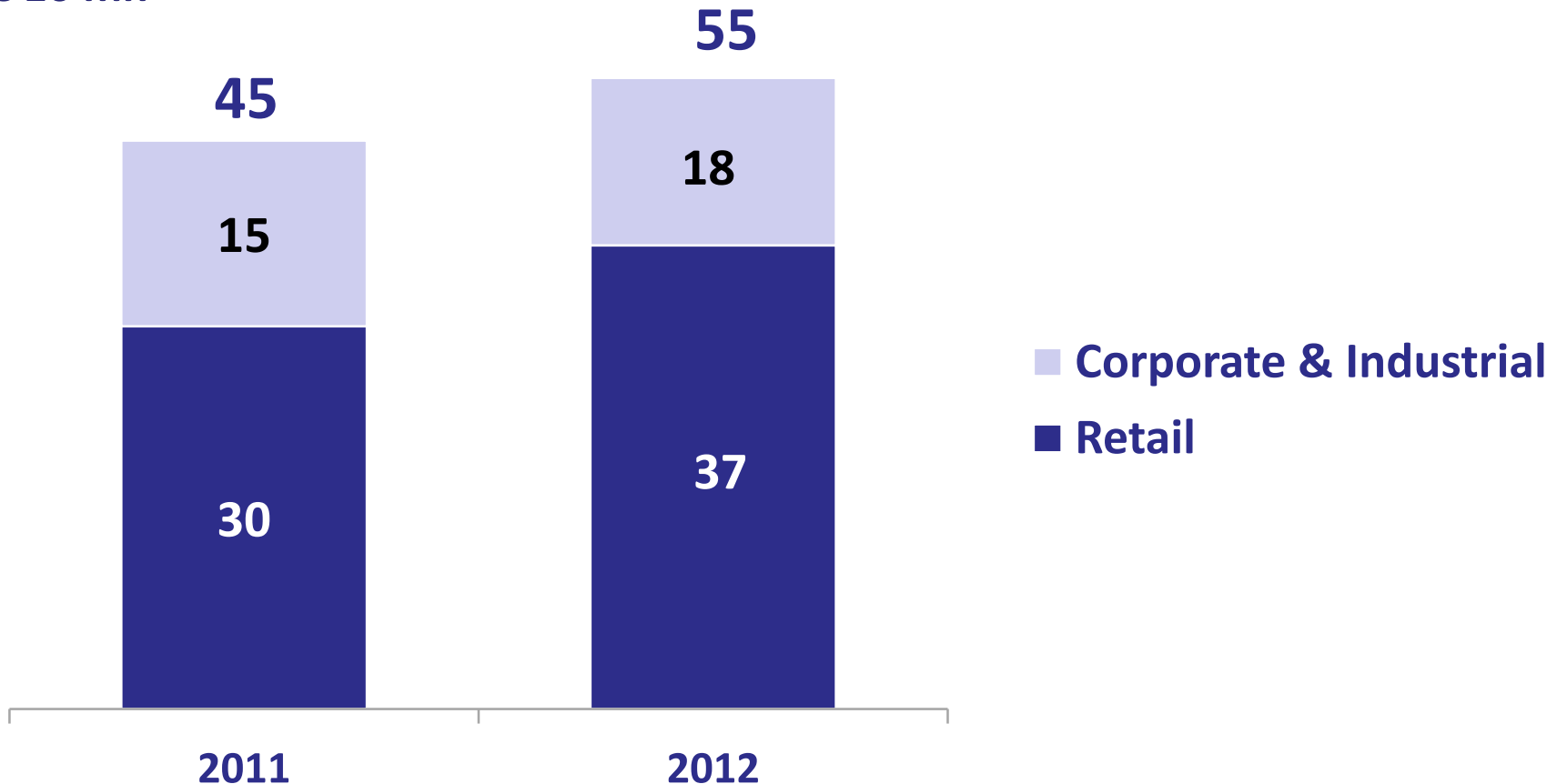
# EBITDA Development – 1st Quarter



▪ The decrease in Gross Margin has been more than compensated by the positive scale effect across all the P&L lines

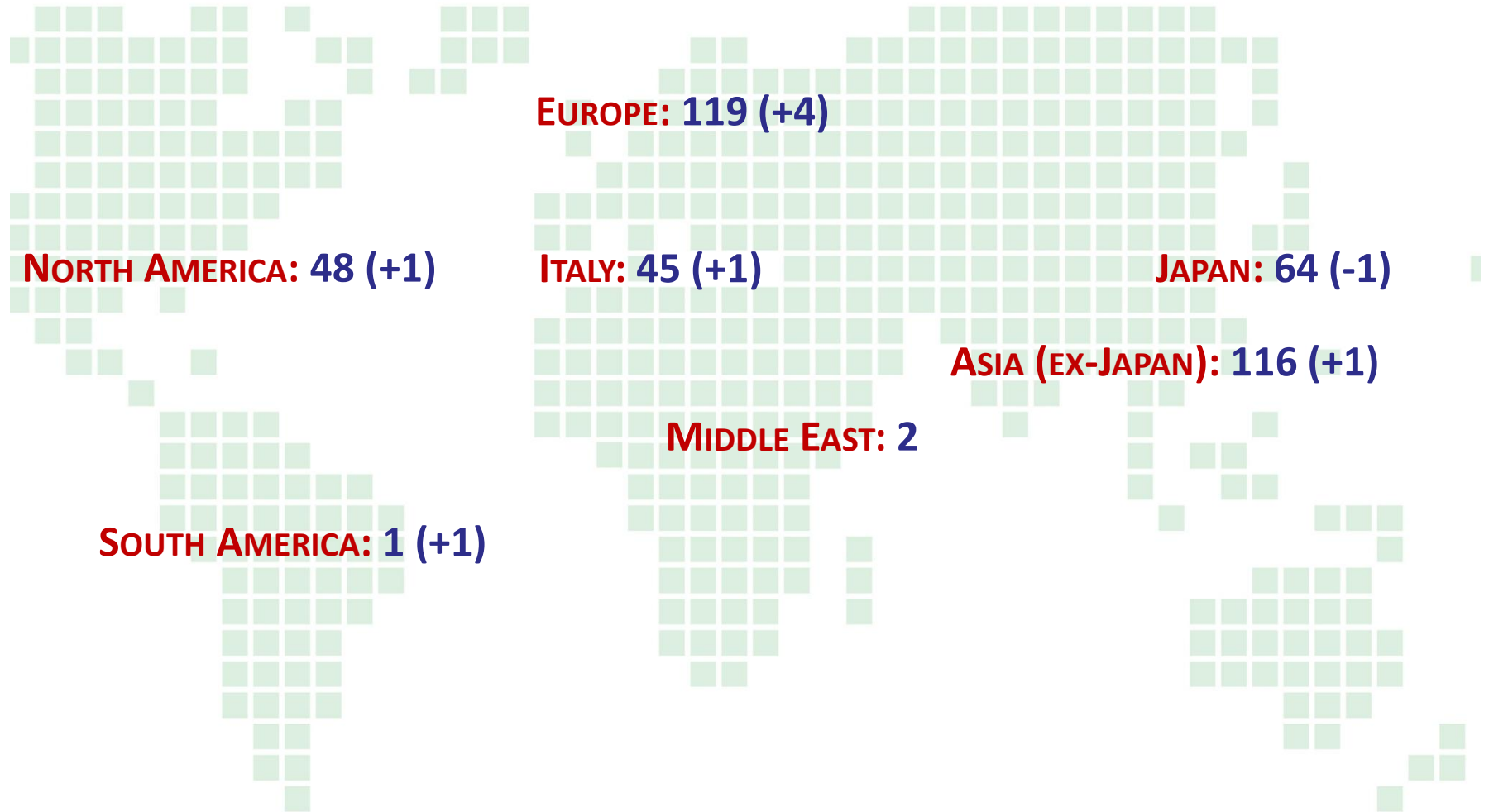
# Capex (€ mn) – 1st Quarter

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

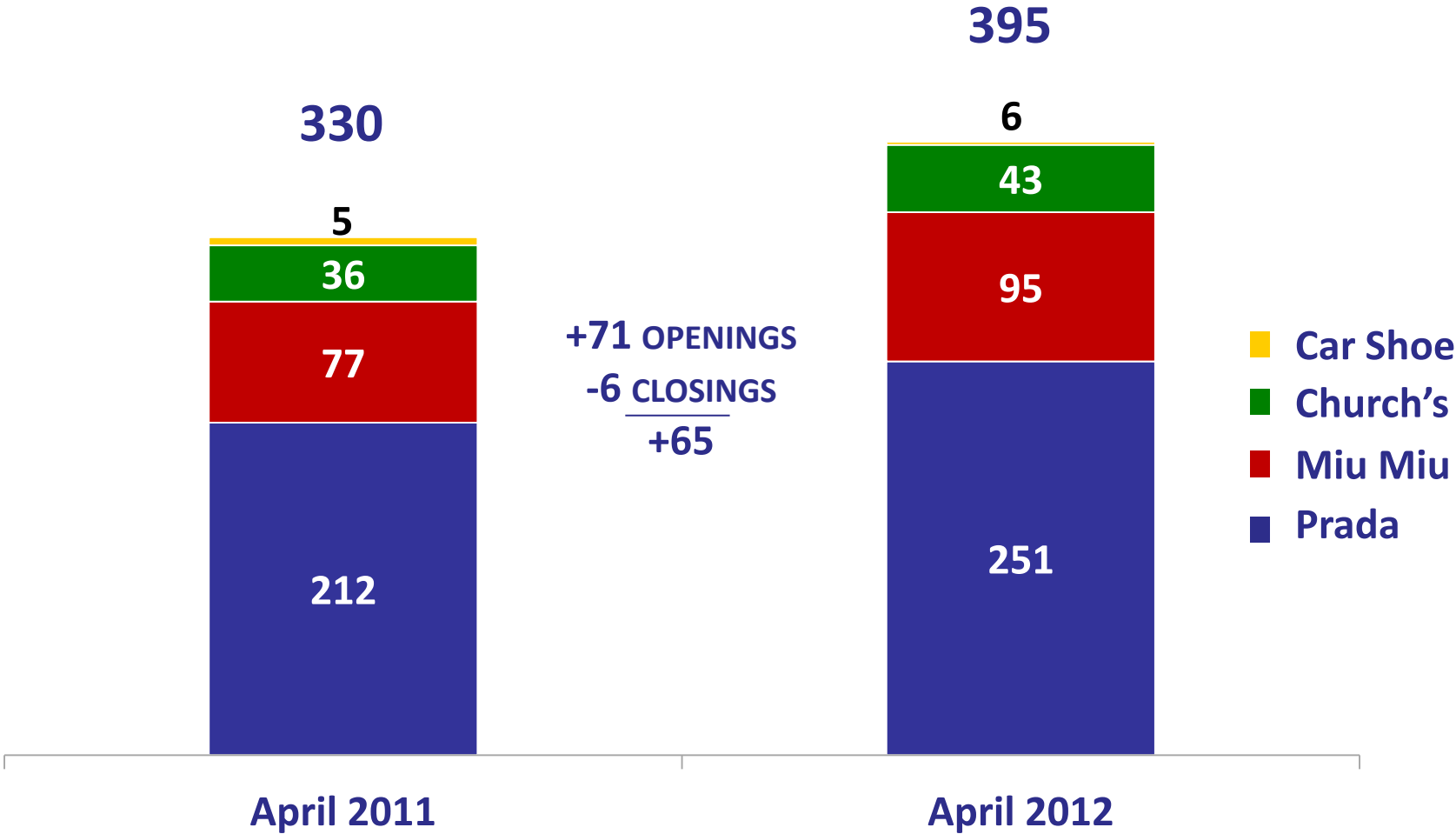


# Retail overview

395 DOS at April 2012 with 8 openings and 1 closing



# DOS Network Development



# Key figures (€ mn)

	<b>April 2011</b>	<b>January 2012</b>	<b>April 2012</b>
<b>Net Financial Position</b>	<b>(375.8)</b>	<b>15.8</b>	<b>122.4</b>
<b>Net Operating Working Capital</b>	<b>288.8</b>	<b>357.6</b>	<b>337.6</b>
<b><i>NOWC on Net Revenues</i></b>	<b><i>13.5%</i></b>	<b><i>14.0%</i></b>	<b><i>12.2%</i></b>
<b>Capital Employed (average)</b>	<b>1,509</b>	<b>1,701</b>	<b>1,714</b>
<b><i>ROCE</i></b>	<b><i>30.4%</i></b>	<b><i>37.0%</i></b>	<b><i>41.6%</i></b>

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

- Strong Cash Flow from Operation contributed together with working capital decrease to boost liquidity generation

