PRADA Group

Annual Results
for the twelve months ended January 31\textsuperscript{st}, 2012

March 29\textsuperscript{th}, 2012
Agenda

Results Presentation
Retail Overview
# Key messages

<table>
<thead>
<tr>
<th>Turnover</th>
<th>12 Months</th>
<th>4th Quarter(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Revenues grew by 25% (+26% at constant rates) with Retail up 38% (39% at constant rates)</td>
<td>Net Revenues grew by 25% (+24% at constant rates) with Retail up 42% (41% at constant rates)</td>
</tr>
<tr>
<td>Like-for-like Sales</td>
<td>Like-for-like +23%, above 2010 achievements and in line with October YTD</td>
<td>Continuous Retail improvement: like-for-like +24%</td>
</tr>
<tr>
<td>Results</td>
<td>EBITDA up to € 759 mn, 29.7% on Revenues, 42% above 2010. Net Profit at € 432 mn, 16.9% on Revenues, 72% above 2010</td>
<td>EBITDA climbed to € 273 mn, 33.1% on Revenues</td>
</tr>
<tr>
<td>Retail openings</td>
<td>75 new openings at the end of 2011</td>
<td>24 new openings in the Quarter</td>
</tr>
<tr>
<td>Earning per Share and Dividends</td>
<td>€ 0.17, +70% vs 2010</td>
<td>€ 5 cents proposed dividends per share</td>
</tr>
</tbody>
</table>

*Note(*): unaudited*
The Group at a glance – Full year

**NET SALES BY CHANNEL**
- 78% Retail
- 22% Wholesale

**NET SALES BY REGION**
- 57% India
- 21% Europe
- 18% North America
- 10% Asia ex-Japan
- 1% Japan
- 1% Other Countries

**NET SALES BY PRODUCT**
- 22% Leather Goods
- 20% Ready to Wear
- 16% Footwear
- 10% Other
- 1% Other Countries
Retail improvement (+39% at constant rates) is mainly driven by like-for-like increase: +23%, above last year achievements and in line with October YTD results.

- Wholesale development slightly better than expectation.
- Selective approach to Wholesale distribution.
Net Sales by Channel (€ mn) – 4th Quarter(*)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>Mix %</th>
<th>2011</th>
<th>Mix %</th>
<th>2011 vs 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>440.7</td>
<td>67%</td>
<td>626.5</td>
<td>77%</td>
<td>+42%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>213.3</td>
<td>33%</td>
<td>190.3</td>
<td>23%</td>
<td>-11%</td>
</tr>
<tr>
<td>Total</td>
<td>653.9</td>
<td>100%</td>
<td>816.8</td>
<td>100%</td>
<td>+25%</td>
</tr>
</tbody>
</table>

- Retail improvement (+41% at constant rates) is mainly driven by like-for-like increase: +24% with improving trends compared to October YTD
- Wholesale development has been affected by delayed deliveries due to adverse weather condition and transportation strikes in the last two weeks of January

Note(*): unaudited
Quarterly evolution Retail Net Sales (same fx)

- **H1**: +37%
  - Like-for-Like growth: 22%
  - Openings growth: 15%
- **Q3**: +42%
  - Like-for-Like growth: 25%
  - Openings growth: 17%
- **Q4**: +41%
  - Like-for-Like growth: 24%
  - Openings growth: 17%
- **FY**: +39%
  - Like-for-Like growth: 23%
  - Openings growth: 16%
### Net Sales by Brand (€ mn) – Full year

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>Mix %</th>
<th>2011</th>
<th>Mix %</th>
<th>2011 vs 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prada</td>
<td>1,586.8</td>
<td>79%</td>
<td>1,999.3</td>
<td>79%</td>
<td>+26%</td>
</tr>
<tr>
<td>Miu Miu</td>
<td>353.0</td>
<td>17%</td>
<td>441.1</td>
<td>17%</td>
<td>+25%</td>
</tr>
<tr>
<td>Church’s</td>
<td>53.0</td>
<td>3%</td>
<td>59.2</td>
<td>2%</td>
<td>+12%</td>
</tr>
<tr>
<td>Car Shoe</td>
<td>17.9</td>
<td>1%</td>
<td>17.0</td>
<td>1%</td>
<td>-5%</td>
</tr>
<tr>
<td>Others</td>
<td>6.2</td>
<td>-</td>
<td>6.7</td>
<td>-</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,017.1</strong></td>
<td><strong>100%</strong></td>
<td><strong>2,523.3</strong></td>
<td><strong>100%</strong></td>
<td><strong>+25%</strong></td>
</tr>
</tbody>
</table>

- Outstanding results especially for Prada and Miu Miu
- Slight decrease for Car Shoe
## Net Sales by Brand (€ mn) – 4th Quarter(*)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>Mix %</th>
<th>2011</th>
<th>Mix %</th>
<th>2011 vs 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prada</td>
<td>518.5</td>
<td>79%</td>
<td>653.2</td>
<td>80%</td>
<td>+26%</td>
</tr>
<tr>
<td>Miu Miu</td>
<td>115.9</td>
<td>18%</td>
<td>143.7</td>
<td>18%</td>
<td>+24%</td>
</tr>
<tr>
<td>Church’s</td>
<td>14.2</td>
<td>2%</td>
<td>15.6</td>
<td>2%</td>
<td>+10%</td>
</tr>
<tr>
<td>Car Shoe</td>
<td>4.2</td>
<td>1%</td>
<td>3.0</td>
<td>-</td>
<td>-28%</td>
</tr>
<tr>
<td>Others</td>
<td>1.0</td>
<td>-</td>
<td>1.1</td>
<td>-</td>
<td>+11%</td>
</tr>
<tr>
<td>Total</td>
<td>653.9</td>
<td>100%</td>
<td>816.8</td>
<td>100%</td>
<td>+25%</td>
</tr>
</tbody>
</table>

- Double digit growth for Prada, Miu Miu and Church’s
- Car Shoe has been also affected by a different delivery schedule in line with Wholesalers expectations

**Note(*)**: unaudited
# Net Sales by Geography (€ mn) – Full year

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>Mix %</th>
<th>2011</th>
<th>Mix %</th>
<th>% ch. as reported</th>
<th>% ch. same FX</th>
<th>Retail like-for-like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>393.3</td>
<td>19%</td>
<td>445.6</td>
<td>18%</td>
<td>+13%</td>
<td>+13%</td>
<td>+28%</td>
</tr>
<tr>
<td>Europe</td>
<td>450.5</td>
<td>22%</td>
<td>540.1</td>
<td>21%</td>
<td>+20%</td>
<td>+21%</td>
<td>+19%</td>
</tr>
<tr>
<td>N. America</td>
<td>326.8</td>
<td>16%</td>
<td>392.7</td>
<td>16%</td>
<td>+20%</td>
<td>+26%</td>
<td>+16%</td>
</tr>
<tr>
<td>Far East</td>
<td>613.8</td>
<td>30%</td>
<td>873.0</td>
<td>35%</td>
<td>+42%</td>
<td>+45%</td>
<td>+33%</td>
</tr>
<tr>
<td>Greater China(*)</td>
<td>375.4</td>
<td>19%</td>
<td>544.8</td>
<td>22%</td>
<td>+45%</td>
<td>+50%</td>
<td>+40%</td>
</tr>
<tr>
<td>Japan</td>
<td>220.9</td>
<td>11%</td>
<td>256.7</td>
<td>10%</td>
<td>+16%</td>
<td>+12%</td>
<td>+1%</td>
</tr>
<tr>
<td>Others</td>
<td>11.8</td>
<td>1%</td>
<td>15.2</td>
<td>1%</td>
<td>+29%</td>
<td>+31%</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2,017.1</td>
<td>100%</td>
<td>2,523.3</td>
<td>100%</td>
<td>+25%</td>
<td>+27%</td>
<td>+23%</td>
</tr>
</tbody>
</table>

*Note(*)*: PRC, HK, Macau

- All markets growing double digit with Far East, and among this Greater China, increasing its share on total
- Very positive results in Japan despite the Tsunami
- Double digit like-for-like growth in all markets excluding Japan
### Net Sales by Geography (€ mn) – 4th Quarter(*)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>Mix %</th>
<th>2011</th>
<th>Mix %</th>
<th>% ch. as reported</th>
<th>% ch. same FX</th>
<th>Retail like-for-like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>126.7</td>
<td>19%</td>
<td>127.4</td>
<td>16%</td>
<td>+1%</td>
<td>+1%</td>
<td>+25%</td>
</tr>
<tr>
<td>Europe</td>
<td>146.9</td>
<td>22%</td>
<td>167.5</td>
<td>21%</td>
<td>+14%</td>
<td>+14%</td>
<td>+24%</td>
</tr>
<tr>
<td>N. America</td>
<td>109.8</td>
<td>17%</td>
<td>135.0</td>
<td>17%</td>
<td>+23%</td>
<td>+24%</td>
<td>+19%</td>
</tr>
<tr>
<td>Far East</td>
<td>195.9</td>
<td>30%</td>
<td>293.3</td>
<td>36%</td>
<td>+50%</td>
<td>+48%</td>
<td>+32%</td>
</tr>
<tr>
<td>Greater China(**)</td>
<td>122.8</td>
<td>19%</td>
<td>185.5</td>
<td>23%</td>
<td>+51%</td>
<td>+52%</td>
<td>+39%</td>
</tr>
<tr>
<td>Japan</td>
<td>70.3</td>
<td>11%</td>
<td>87.8</td>
<td>11%</td>
<td>+25%</td>
<td>+17%</td>
<td>+4%</td>
</tr>
<tr>
<td>Others</td>
<td>4.3</td>
<td>-</td>
<td>5.8</td>
<td>1%</td>
<td>+35%</td>
<td>+37%</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>653.9</td>
<td>100%</td>
<td>816.8</td>
<td>100%</td>
<td>+25%</td>
<td>+24%</td>
<td>+24%</td>
</tr>
</tbody>
</table>

Notes: (*)unaudited  
(**): PRC, HK, Macau

- All markets growing double digit excluding Italy affected by Wholesale (Retail +46%)
- Double digit like-for-like growth in all markets excluding Japan because of the Tsunami
## Net Sales by Product (€ mn) – Full year

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>Mix %</th>
<th>2011</th>
<th>Mix %</th>
<th>2011 vs 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leather Goods</td>
<td>1,013.9</td>
<td>50%</td>
<td>1,426.5</td>
<td>57%</td>
<td>+41%</td>
</tr>
<tr>
<td>Footwear</td>
<td>503.1</td>
<td>25%</td>
<td>560.1</td>
<td>22%</td>
<td>+11%</td>
</tr>
<tr>
<td>Ready to Wear</td>
<td>483.6</td>
<td>24%</td>
<td>512.6</td>
<td>20%</td>
<td>+6%</td>
</tr>
<tr>
<td>Others</td>
<td>16.5</td>
<td>1%</td>
<td>24.1</td>
<td>1%</td>
<td>+46%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,017.1</td>
<td>100%</td>
<td>2,523.3</td>
<td>100%</td>
<td>+25%</td>
</tr>
</tbody>
</table>

- The increasing weight of Leather Goods driven by channel and geographical mix
- Ready to Wear growth in line with Budget
### Net Sales by Product (€ mn) – 4th Quarter (*)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>Mix %</th>
<th>2011</th>
<th>Mix %</th>
<th>2011 vs 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leather Goods</td>
<td>333.8</td>
<td>51%</td>
<td>466.9</td>
<td>57%</td>
<td>+39%</td>
</tr>
<tr>
<td>Footwear</td>
<td>159.7</td>
<td>24%</td>
<td>168.7</td>
<td>21%</td>
<td>+6%</td>
</tr>
<tr>
<td>Ready to Wear</td>
<td>156.1</td>
<td>24%</td>
<td>174.9</td>
<td>21%</td>
<td>+12%</td>
</tr>
<tr>
<td>Others</td>
<td>4.3</td>
<td>1%</td>
<td>6.2</td>
<td>1%</td>
<td>+85%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>653.9</td>
<td>100%</td>
<td>816.8</td>
<td>100%</td>
<td>+25%</td>
</tr>
</tbody>
</table>

- The increasing weight of Leather Goods driven by channel and geographical mix
- Footwear and Ready to Wear show a more moderate increase, mainly due to Wholesale

*Note (*): unaudited*
## Group Profit and Loss – Full Year

<table>
<thead>
<tr>
<th>€ mn</th>
<th>FY 2010</th>
<th>%</th>
<th>FY 2011</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>2,017.1</td>
<td></td>
<td>2,523.3</td>
<td></td>
</tr>
<tr>
<td><strong>Royalties</strong></td>
<td>29.6</td>
<td></td>
<td>32.3</td>
<td></td>
</tr>
<tr>
<td><strong>Net Revenues</strong></td>
<td>2,046.7</td>
<td>100.0%</td>
<td>2,555.6</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>COGS</strong></td>
<td>(658.8)</td>
<td></td>
<td>(727.6)</td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>1,387.9</td>
<td>67.8%</td>
<td>1,828.0</td>
<td>71.5%</td>
</tr>
<tr>
<td><strong>Product Development</strong></td>
<td>(97.2)</td>
<td></td>
<td>(103.1)</td>
<td></td>
</tr>
<tr>
<td><strong>Advertising &amp; Promotion</strong></td>
<td>(85.1)</td>
<td></td>
<td>(129.2)</td>
<td></td>
</tr>
<tr>
<td><strong>Selling</strong></td>
<td>(642.5)</td>
<td></td>
<td>(802.9)</td>
<td></td>
</tr>
<tr>
<td><strong>G&amp;A</strong></td>
<td>(144.7)</td>
<td></td>
<td>(163.9)</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>418.4</td>
<td>20.4%</td>
<td>628.9</td>
<td>24.6%</td>
</tr>
<tr>
<td><strong>Net Financial Expenses</strong></td>
<td>(30.1)</td>
<td></td>
<td>(26.0)</td>
<td></td>
</tr>
<tr>
<td><strong>Income Taxes</strong></td>
<td>(134.7)</td>
<td></td>
<td>(166.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Minority Income</strong></td>
<td>(2.7)</td>
<td></td>
<td>(4.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Group Net Income</strong></td>
<td>250.8</td>
<td>12.3%</td>
<td>431.9</td>
<td>16.9%</td>
</tr>
<tr>
<td><strong>D&amp;A</strong></td>
<td>117.5</td>
<td></td>
<td>130.3</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>535.9</td>
<td>26.2%</td>
<td>759.3</td>
<td>29.7%</td>
</tr>
</tbody>
</table>
Gross Margin Development – Full year

- Shift towards Retail
- Change in Markdown policy
- Shift towards more favourable geographical and product mix
- Scale effect

<table>
<thead>
<tr>
<th>Year</th>
<th>Channel Mix</th>
<th>Markdowns</th>
<th>Scale effect</th>
<th>Others, FX</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>67.8%</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>71.5%</td>
</tr>
</tbody>
</table>
EBITDA Development – Full year

- 2011 EBITDA margin benefited from the gross margin improvement and positive scale effect partially offset by increasing communication expenses.
EBITDA by Brand (€ mn) – Full year

**Prada**
- 2010: €1,615, EBITDA: €454 (28.1%)
- 2011: €2,031, EBITDA: €657 (32.4%)

**Miu Miu**
- 2010: €355, EBITDA: €77 (21.8%)
- 2011: €442, EBITDA: €98 (22.1%)

**Church’s**
- 2010: €53, EBITDA: €7 (12.7%)
- 2011: €59, EBITDA: €8 (13.3%)

**Car Shoe**
- 2010: €18
- 2011: €17

Net Revenues
EBITDA
Capex Driven by DOS Openings (€ mn) – Full year

- Retail includes new openings, refurbishments and relocations
- Corporate & Industrial includes the buy-back of industrial facilities for approx. € 36 mn

2010

- Retail: 154
- Corporate & Industrial: 53

2011

- Retail: 191
- Corporate & Industrial: 88
DOS Network Development

Jan-11

- Prada: 207
- Church’s: 71
- Miu Miu: 5
- Car Shoe: 36

Jan-12

- Prada: 245
- Church’s: 94
- Miu Miu: 43
- Car Shoe: 6

+75 OPENINGS
-6 CLOSINGS
+69

2011 Annual Results: Results Presentation – March 29\textsuperscript{th}, 2012
Main Balance Sheet items (€ mn)

<table>
<thead>
<tr>
<th></th>
<th>January 2011</th>
<th>January 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Financial Position</td>
<td>408.6</td>
<td>(15.8)</td>
</tr>
<tr>
<td>Net Operating Working Capital</td>
<td>320.8</td>
<td>357.6</td>
</tr>
<tr>
<td>NOWC on Net Revenues</td>
<td>15.7%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Capital Employed (average)</td>
<td>1,538</td>
<td>1,701</td>
</tr>
<tr>
<td>ROCE</td>
<td>27.2%</td>
<td>37.0%</td>
</tr>
</tbody>
</table>
### NFP evolution (€ mn)

- **Strong Cash Flow from Operation contributed, on top of IPO proceeds, to sharp debt decrease**

<table>
<thead>
<tr>
<th></th>
<th>NFP Jan-11</th>
<th>Net Income</th>
<th>Operating Working Capital</th>
<th>D&amp;A</th>
<th>Capex</th>
<th>Dividends paid</th>
<th>Share Capital</th>
<th>Others</th>
<th>(16) NFP Jan-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Positive change</strong></td>
<td>409</td>
<td>436</td>
<td>37</td>
<td>130</td>
<td>257</td>
<td>6</td>
<td>205</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td><strong>Negative change</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Positive change
- Negative change
Retail Overview

388 DOS at Jan 2012 with 75 openings and 6 closing

- **Europe**: 115 (+27)
- **North America**: 47 (+8)
- **Italy**: 44 (+7)
- **JAPAN**: 65 (+9)
- **Asia (ex-Japan)**: 115 (+16)
- **Middle East**: 2 (+2)
2/3 of 2011 openings occurred in Europe and US that we don’t consider “mature markets” because of the increasing travellers flows which helped us enjoying double digits like-for-like growth in these markets.
Retail Overview

- In the last couple of years Retail sales to “travellers” increased by almost 10 p.p. up to almost half of our Retail business

- Most important “travellers” are
  - Chinese
  - Japanese
  - From other Far East countries
  - Russian
  - Brazilian
Retail Overview – Italy
7 news openings in 2011

- Selective openings in touristic cities
- 44 stores at the end of the year, more than 50% Prada
- Retail Revenue growth +45%, LFL +28%
2011 openings – Italy
Prada Forte dei Marmi
2011 openings – Italy
Prada Palermo
2011 openings – Italy
Prada Padova
2011 openings – Italy
Miu Miu Capri
Retail Overview – Europe
28 new openings in 2011

- 9 openings in Russia, of which 5 franchisee converted into Retail concessions
- 8 openings in UK, where we now have 39 stores (31 in London, of which 11 Church’s)
- 4 openings in France, where we now have 33 stores mainly in Paris
- 3 openings in Spain, where we now have 8 stores mainly in Madrid
- 3 openings in Germany, where we now have 13 stores
- Retail Revenue growth +43% (+44% same fx); LFL growth +19%
2011 openings – Europe
Prada Moscow Barvika
2011 openings – Europe
Prada Moscow Crocus
2011 openings – Europe
Miu Miu Moscow Crocus
2011 openings – Europe
Prada Moscow Stolesnikov
2011 openings – Europe
Miu Miu Moscow Stolesnikov
2011 openings – Europe
Miu Miu London Heathrow
2011 openings – Europe
Prada Paris Av. Montaigne
2011 openings – Europe
Miu Miu Barcelona
2011 openings – Europe
Prada Berlin
Retail Overview – North America
8 new openings in 2011

- Selective openings in important Malls in new cities

- 47 stores at the end of the year, of which 5 in Hawaii

- Retail Revenue growth +25% (+32% same fx); LFL growth +16%
2011 openings – USA
Prada Atlanta
2011 openings – USA
Miu Miu Short Hills
Retail Overview – Middle East

2 new openings in 2011

- First 2 openings in the Middle East, Dubai, in August 2011

- More stores to be opened in the next 2-3 years
2011 openings – Middle East
Prada Dubai Burjiman
2011 openings – Middle East
Miu Miu Dubai Burjiman
Retail Overview - Japan

12 new openings in 2011

- 12 openings and 3 closings with 9 additional stores

- 4 net openings for Prada, 47 stores at the end of the year

- 5 net openings for Miu Miu, 18 stores at the end of the year

- Retail Revenue growth +16% (+12% same fx);

  LFL growth +1%
2011 openings – Japan
Prada Osaka Umeda
2011 openings – Japan
Miu Miu Tokyo Ginza
2011 openings – Japan
Miu Miu Okinawa
Business perspective – Far East

18 new openings in 2011

- 8 openings and 1 closing in China, 25 stores at the end of the year
- 6 openings in Korea, 30 stores at the end of the year
- 115 stores at the end of the year in the region, out of which 48 in Greater China

- Retail Revenue growth +45% (+48% same fx); LFL growth +33%
- Greather China Revenue growth +45% (+50% same fx); LFL growth +40%
2011 openings – Far East
Prada China Shenyang
2011 openings – Far East
Prada China Guangzhou
2011 openings – Far East
Prada China Wenzhou
2011 openings – Far East
Prada China Harbin
2011 openings – Far East
Prada China Hangzhou
2011 openings – Far East
Miu Miu China Shenyang
2011 openings – Far East
Miu Miu China Guangzhou
Retail Overview

- After 75 openings in 2011, we confirm the strategy already communicated and the average 80 openings per year for 2012 and 2013

- As far as 2012, 50% of openings are planned in “fast growing markets” such as China, other Far East countries, Middle East, Brazil and Morocco

- Nearly 40% of 2012 openings are planned for Miu Miu