PRESS RELEASE

PRADA SPA APPROVES GROUP RESULTS TO JULY 31, 2015

REVENUE GROWTH OF 4.2% AT CURRENT EXCHANGE RATES COMPARED TO FIRST HALF OF 2014. DIFFICULTY ON ASIA-PACIFIC MARKET MORE THAN COMPENSATED FOR BY GROWTH ON MARKETS IN EUROPE, AMERICAS, MIDDLE EAST AND JAPAN

IN LINE WITH SELECTIVE STRATEGY ADOPTED, RETAIL NETWORK SALES HAVE INCREASED MORE THAN WHOLESALE CHANNEL SALES.

THANKS TO INCISIVE MEASURES TO IMPROVE BUSINESS PROCESSES, EBITDA FOR THE SECOND QUARTER HAS REACHED 27.8%, SIGNIFICANTLY IMPROVED ON THE FIRST QUARTER (19.6%), TAKING EBITDA MARGIN FOR THE FIRST HALF OF THE YEAR TO 24.1%.

THE EBIT TREND IS EVEN MORE POSITIVE: 20.3% IN THE SECOND QUARTER AGAINST 11.0% IN THE FIRST QUARTER AND 16.1% ON CONSOLIDATED NET REVENUES FOR THE FIRST HALF OF THE YEAR AS A WHOLE.

NET PROFIT FOR THE FIRST HALF OF THE YEAR AMOUNTED TO € 188.6 M OF WHICH € 58.7 M GENERATED IN THE FIRST QUARTER AND € 129.9 M IN THE SECOND QUARTER.

Milan, September 15, 2015 – The Prada SpA Board of Directors today reviewed and approved the Consolidated Interim Report for the six months ended July 31, 2015, together with the results for the second quarter of the year.

Consolidated net revenues for the six months ended July 31, 2015 amounted to Euro 1,824.4 million, with a 4.2% increase, at current exchange rates, on the corresponding period in 2014. The increase is entirely attributable to the retail channel, as a result of the selective strategy pursued by the Group with the aim of further enhancing the activities of its Directly Operated Stores.

Consequently, **wholesale** channel sales for the period ended July 31, 2015 decreased to stand at Euro 249 million (-13.8% at current exchange rates), in line with the ongoing rationalization of the network of wholesale partners.

Meanwhile, the sales of the Group's **retail network** have grown by 7.6% at current exchange rates to stand at Euro 1,552.4 million. On top of the positive exchange rate effect, the 605 Directly Operated Stores (DOS) also benefited from general improvement in sales performance.

<u>Retail channel by geographical area and by brand</u>

The **European market** has continued to grow with revenues for the first six months of the year up at both current exchange rates (+12.4%) and constant exchange rates (+10.8%) thanks to a steady flow of tourists together with a recovery in consumption by domestic customers.

The **Japanese market** has also performed extremely well with growth at both current exchange rates (+11.7%) and constant exchange rates (+4.9%); double digit rates of growth were achieved throughout the second quarter.

Meanwhile, the **Asia Pacific** market shows the same negative trend as in the first quarter of the year, offset by a positive exchange rate effect. Hong Kong and Macau remain the markets which mainly affected the weak performance in this geographical area.

At current exchange rates, sales increased in the **Americas** and in the **Middle East** (both by 15%); in the Middle East, performance improved significantly in real terms in the second quarter.

Moving on to the retail channel by brand, **Prada** has recorded a 5.4% increase at current exchange rates, entirely attributable to the exchange rate effect, and has been impacted by the negative economic situation in the Asian market. Meanwhile, **Miu Miu** continues to grow with revenues up at both current exchange rates (+18.7%) and constant exchange rates (+6%) and an acceleration achieved in the second quarter of the year. **Church's** has also achieved sales growth (+18.6% at current exchange rates) with the volumes trend also remaining largely positive. Finally, **Car Shoe** has performed broadly in line with prior year.

Margins for the period benefited from the initial effects of the broad review of main business processes aimed at increasing efficiency. This is confirmed by the significant improvement in EBITDA and EBIT in the second quarter compared to the first three months of the year.

EBITDA for the first half of the year amounted to Euro 440.1 million or 24.1% of consolidated net revenues, while **EBIT** stood at Euro 293.2 million or 16.1% of consolidated net revenues.

Net Profit was Euro 188.6 million or 10.3% of consolidated net revenues.

Patrizio Bertelli, Chief Executive Officer of Prada Spa, commented: *"The luxury goods market is undergoing a period of significant change which must be met with a far-reaching, long-term strategy. Our commitment remains centered on creative dynamics and the spirit of innovation, so that we can constantly increase the levels of excellence of our products. In operational terms, we will continue with our thorough review of business processes in order to make them more efficient.*

The Group's primary objective remains the creation of value in the long-term for shareholders, our customers and employees."

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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. Moreover, in 2014, Prada acquires the 80% of Angelo Marchesi srl, owners of the historic Milanese pastry shop founded in 1824. The Group operates, under licensing agreements, in the eyewear and fragrance sectors. Its products are sold in 70 countries worldwide through a network that included 605 directly operated stores (DOS) at July 31, 2015 and a select network of luxury department stores, independent retailers and franchise stores.