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PRADA S.p.A.

*Via A. Fogazzaro n. 28, Milan, Italy
Registry of Companies of Milan, Italy: No. 10115350158
(Incorporated under the laws of Italy as a joint-stock company)
(Stock Code: 1913)*

Financial Transactions Tax – Publication of a Third Ministerial Decree on the FTT

Reference is made to the Announcements published by PRADA S.p.A (the “**Company**”) dated February 21st, 2013, March 4th, 2013, June 24th, 2013 and July 26th, 2013 (the “**Previous Announcements**”) in relation to the new financial transactions tax (the “**FTT**”).

Unless otherwise defined below, capitalized terms used in this Announcement shall have the same meaning as those used in the Previous Announcements.

On September 16th, 2013 (European time), the Italian Ministry of Economy and Finance - after the first Ministerial Decree published on February 28th, 2013 (hereinafter, also the “**First Ministerial Decree**”) and the second Ministerial Decree published on June 21st, 2013 - issued a further Ministerial Decree regarding the implementation of the Italian financial transaction tax (hereinafter, also the “**Third Ministerial Decree**”), published on the Italian Official Bulletin n. 221 of September 20th, 2013.

The Third Ministerial Decree provides amendments to the First Ministerial Decree the content of which was already disclosed by the Company in the Announcement dated March 4th, 2013 (please make reference to the Memorandum attached to such Announcement – the “**FTT Memorandum**”).

It must be preliminary noted that this Announcement – in line with the Previous Announcements and with the FTT Memorandum – focuses only on the main provisions applicable to transfer of shares, other participating financial instruments and securities representing equity investment as qualified under paragraph 2(C)(i) of the FTT Memorandum.

Transfer of the bare ownership

The Third Ministerial Decree clarifies that FTT applies also to the transfer of the bare ownership of shares, other participating financial instruments and securities representing equity investment as qualified under paragraph 2(C)(i) of the FTT Memorandum. The Third Ministerial Decree therefore acknowledges the non-application of the FTT to the transfer of the usufruct.

Securities representing equity investments

The Third Ministerial Decree states that FTT applies also to the transfer of securities representing equity investments (i.e. not only shares and participating financial instruments) resulting from the conversion, the exchange or the refund of bonds, as qualified under paragraph 2(C)(i) of the FTT Memorandum.

Entry into force

The amendments described above entered into force on October 5th, 2013.

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This document is provided for information purposes only and is not intended to be, nor should it be construed as, legal or tax advice.

The Company recommends that all investors should consult their professional advisors in order to understand the taxation consequences of purchasing, holding, disposing of or dealing in Prada's shares and to take all measures necessary in order to comply with applicable Italian laws and regulations (including FTT Law).

For and on behalf of
PRADA S.p.A.
Mr. Carlo Mazzi
Deputy Chairman

Milan, Italy, October 7, 2013

As at the date of this announcement, the Company's executive directors are Ms. Miuccia PRADA BIANCHI, Mr. Patrizio BERTELLI, Mr. Carlo MAZZI and Mr. Donatello GALLI; the Company's non-executive directors are Mr. Marco SALOMONI and Mr. Gaetano MICCICHÈ and the Company's independent non-executive directors are Mr. Gian Franco Oliviero MATTEI, Mr. Giancarlo FORESTIERI and Mr. Sing Cheong LIU.