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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)

Continuing Connected Transactions: Supplemental Agreements to Consultancy Agreements

On April 5, 2013 (European time), PRADA S.p.A. (the “**Company**”) entered into supplemental agreements to the Consultancy Agreements (as defined below) with each of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli (the “**Supplemental Agreements**”).

Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli are the Chairperson and Chief Executive Officer, respectively, as well as Executive Directors and substantial shareholders, as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), of the Company. As such, they are connected persons (as defined in the Listing Rules) and the Supplemental Agreements constitute continuing connected transactions of the Company under the Listing Rules.

Since the relevant applicable percentage ratios for each of the Supplemental Agreements (together with the relevant Consultancy Agreement) exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Supplemental Agreements (together with the Consultancy Agreements) are subject to the reporting and announcement requirements but are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated April 27, 2012 (the “**Previous Announcement**”) in relation to the renewal of the consultancy agreements with each of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli, as strategic consultants of the Company for further three-year terms ending on January 31, 2015 (the “**Consultancy Agreements**”). Unless otherwise defined below, capitalised terms used in this announcement shall have the same meaning as those used in the Previous Announcement.

The Supplemental Agreements

On April 5, 2013 (European time), the Company entered into Supplemental Agreements with each of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli.

Pursuant to the Supplemental Agreements, the parties have agreed to amend the Consultancy Agreements to include a variable incentive component in the consideration to be paid conditional upon the further renewal of the Consultancy Agreement upon its expiry. This is aimed at strengthening the consultancy relationship between each of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli and the Company.

Under each of the Supplemental Agreements, the consideration comprises the following additional component:

“**Variable Fee**”: a variable component depending on, amongst other factors, the Company’s profitability and share price for each of the years ending January 31, 2014 and 2015, which will be paid conditional upon further renewal of the Consultancy Agreement upon its expiry.

Save as disclosed above, all other terms and conditions of the Consultancy Agreements remain unchanged.

Revised Annual Caps under the Supplemental Agreements

(a) *Supplemental Agreement with Ms. Miuccia Prada Bianchi*

As disclosed in the Previous Announcement, the annual caps for the remuneration payable to Ms. Miuccia Prada Bianchi under the Consultancy Agreement for the year ended January 31, 2013 was Euro 9,700,000 and for each of the two years ending January 31, 2014 and 2015 will be Euro 9,700,000 and Euro 10,700,000 respectively.

The revised annual caps for the remuneration payable to Ms. Miuccia Prada Bianchi, or accruable by the Company in accordance with applicable accounting rules, under the Supplemental Agreement for each of the two years ending January 31, 2014 and 2015 will be Euro 16,000,000 and Euro 17,000,000, respectively. The revised annual caps under the Supplemental Agreement with Ms. Miuccia Prada Bianchi have been determined based on the Company’s reasonable estimates of the factors that may affect the Variable Fee.

(b) *Supplemental Agreement with Mr. Patrizio Bertelli*

As disclosed in the Previous Announcement, the annual caps for the remuneration payable to Mr. Patrizio Bertelli under the Consultancy Agreement for the year ended January 31, 2013 was Euro 10,000,000 and for each of the two years ending January 31, 2014 and 2015 will be Euro 10,000,000 and Euro 11,000,000 respectively.

The revised annual caps for the remuneration payable to Mr. Patrizio Bertelli, or accruable by the Company in accordance with applicable accounting rules, under the Supplemental Agreement for each of the two years ending January 31, 2014 and 2015 will be Euro 16,000,000 and Euro 17,000,000, respectively. The revised annual caps under the Supplemental Agreement with Mr. Patrizio Bertelli have been determined based on the Company's reasonable estimates of the factors that may affect the Variable Fee.

General description of the principal business activities carried out by the parties involved in the Continuing Connected Transaction

The Company and its subsidiaries (the “**Group**”) form one of the world's most prestigious fashion luxury goods groups and the Company is the worldwide exclusive licensee of the design, development, manufacture, advertising, promotion and distribution of the PRADA and MIU MIU trademarks.

Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli are the Chairperson and Chief Executive Officer, respectively, as well as Executive Directors and substantial shareholders (as defined in the Listing Rules) of the Company.

Reasons for and benefits of the transaction

As disclosed in the Previous Announcement, the Directors (including the Independent Non-executive Directors) of the Company are of the view that the involvement of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli as strategic consultants for the Company has been, and will remain, a key factor to the Group's success taking into account: (i) the strategic role of and contributions made by Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli in respect of the Group's business and operations in the past and on an on-going basis; (ii) the importance of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli's experience and expertise as strategic consultants to building the Group's financial performance and track record; and that (iii) it would be in the best interests of the Company and its shareholders to have in place measures to ensure continuity

and stability with respect to the consultancy services that Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli provide to the Company.

The Variable Fee has been added under the Supplemental Agreement to reflect the terms of a long term incentive plan recently implemented by the Group. The plan aims to provide further incentive for key managers in the Group to remain within the Group and to play a key role in achieving the challenging future objectives and goals of the Company and the Group, which are essential to the Company and the Group's success. Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli are key persons of the Group who are included in the long term incentive plan.

The Directors (including the Independent Non-executive Directors) consider that the Supplemental Agreements have been entered into in the ordinary course of business of the Group and that the Supplemental Agreements were negotiated on an arm's length basis, on normal commercial terms, which are fair and reasonable, and in the interests of the Group and the Company's shareholders as a whole.

Listing Rules implications

Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli are the Chairperson and Chief Executive Officer, respectively, Executive Directors and substantial shareholders (as defined in the Listing Rules) of the Company. As such, they are connected persons (as defined in the Listing Rules) of the Company and the Supplemental Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli have material interests in the above transactions and have abstained from voting on the board resolution approving such transactions.

Since the relevant applicable percentage ratios for each of the Supplemental Agreements (together with the relevant Consultancy Agreements) exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Supplemental Agreements (together with the Consultancy Agreements) are subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Milan, Italy, April 5, 2013

By Order of the Board
PRADA S.p.A.
Mr. Carlo Mazzi
Deputy Chairman

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.