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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)

Arrangements of Controlling Shareholder with the Italian Tax Authorities

PRADA S.p.A. (the “**Company**” and, together with its subsidiaries, the “**Prada Group**”) announces that Prada Holding B.V. (“**Prada Holding**”), its controlling shareholder (as defined under the Listing Rules) together with the other companies in the Company’s control chain, and the Company’s beneficial owners, have completed a voluntary disclosure process with the Italian Tax Authority. The main reason for undertaking this voluntary process was to ensure that Italy will become the core jurisdiction in the Company’s control chain.

This voluntary disclosure process follows close cooperation by the Prada Group with the Italian Tax Authority, which started in 2008 and involved first of all seeking a ruling on international transfer pricing standards to be applied in relation to transactions between the Prada Group entities.

None of the Prada Group entities is involved in this voluntary disclosure process.

The Company believes this is the first time in which the voluntary disclosure process has been used in Italy.

The main outcome of the voluntary disclosure process will be that Prada Holding, the Company’s direct controlling shareholder, together with all of the other companies in the Company’s control chain, which have been located in The Netherlands or Luxembourg, will be relocated to Italy in due course, subject to applicable law and regulatory approvals. This will also simplify the control structure of the Company.

At the same time, an agreement has been signed between Prada Holding and the Italian Tax Authority in relation to paying the amount of any tax that would otherwise have been payable by the companies in the Company's control chain for the last ten fiscal years if they had been located in Italy. The liability to pay this amount has been borne by Prada Holding and the arrangement does not have any financial impact on the Company or the other members of the Prada Group.

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Section 307B(1) of the Securities and Futures Ordinance

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

Milan, Italy, December 20, 2013

As at the date of this announcement, the Company's executive directors are Ms. Miuccia PRADA BIANCHI, Mr. Patrizio BERTELLI, Mr. Carlo MAZZI, Mr. Donatello GALLI and Ms. Alessandra COZZANI; the Company's non-executive director is 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.