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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)

CONNECTED TRANSACTION

Sponsorship Agreement with Progetto Prada Arte S.r.l.

The Board of Directors of PRADA S.p.A. is pleased to announce that on June 27, 2013 (European time), Prada S.A. (“**Prada SA**”), a wholly owned subsidiary of PRADA S.p.A. (the “**Company**”) entered into a sponsorship agreement with Progetto Prada Arte S.r.l. (“**PPA**”) (the “**Sponsorship Agreement**”).

PPA is a company indirectly controlled by Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli, who 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. As such, PPA is a connected person (as defined in the Listing Rules) of the Company and the Sponsorship Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the relevant applicable percentage ratio (as defined in the Listing Rules) in respect of the Sponsorship Agreement is more than 0.1% but less than 5%, the Sponsorship Agreement will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Introduction

On June 27, 2013 (European time), Prada SA, a wholly owned subsidiary of the Company entered into a Sponsorship Agreement with PPA.

Principal terms of the Sponsorship Agreement

Date: June 27, 2013;

Grantor: Prada SA, a wholly owned subsidiary of the Company;

Grantee: PPA;

Total maximum amount of the sponsorship: Euro 5.65 million (equal to approximately HK\$57.11 million) (the “**Sponsorship**”) determined on the basis of the budget set for the funds required for the activities to be undertaken by PPA and agreed with Prada S.A.. The Sponsorship will be fully paid by Prada SA by January 31, 2014.

Sponsorship is granted for the following activities of the Grantee: amongst others, arranging various art exhibitions including the exhibition entitled “When Attitudes Become Form”, curated by Germano Celant in dialogue with the German artist, Thomas Demand and the architect, Rem Koolhaas, taking place in Ca’ Corner della Regina in Venice, Italy.

General description of the principal business activities carried out by the parties involved in the 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, inter alia, the trademarks PRADA and MIU MIU.

Prada SA is the legal owner, inter alia, of the PRADA and MIU MIU trademarks, responsible for their management, development and protection. In addition, Prada SA grants sponsorship contributions to entities worldwide that are recognised in the fields of sport and art.

PPA is a company indirectly controlled by Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli, who 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. The principal business activity of PPA is to promote contemporary art, to publish books and catalogues related to contemporary art as well as to manage cultural and art events.

Reasons for and benefits of the transaction

The Directors of the Company are of the view that the Company would benefit indirectly from the Sponsorship Agreement through improved public awareness of contemporary art and by having the Company associated with contemporary art through that increased awareness. The Directors of the Company strongly believe that the activities and projects undertaken by PPA will generate remarkable public and critics' interest in their outstanding cultural importance and tremendous artistic value and there is huge benefit in being associated and having connection with such activities through providing sponsorship.

The Directors (including the Independent Non-executive Directors) consider that entering into the Sponsorship Agreement for promoting PRADA's brand name is in the ordinary course of business of the Group and that the Sponsorship Agreement was entered on 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

PPA is a company indirectly controlled by Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli, who are the Chairperson and Chief Executive Officer, respectively, Executive Directors and substantial shareholders (as defined in the Listing Rules) of the Company. As such, PPA is a connected person (as defined in the Listing Rules) of the Company and the Sponsorship Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli have material interests in the above transaction. Neither of them is a director of Prada SA. They did not vote at any meeting of Prada SA to approve the Sponsorship Agreement and did not vote on any resolution of the Company regarding the Sponsorship Agreement.

The sponsorship amount payable by Prada SA under the Sponsorship Agreement represents more than 0.1% but less than 5% of the applicable percentage ratio (as defined in the Listing Rules) for the Company.

Accordingly, the Sponsorship Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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

Milan, Italy, June 28, 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.