

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# **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 February 27, 2014 (European time), the Company entered into a sponsorship agreement with Progetto Prada Arte S.r.l..

Progetto Prada Arte S.r.l. is a company indirectly controlled by Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli, who are the Chief Executive Officers, Executive Directors and substantial shareholders (as defined in the Listing Rules) of the Company. Therefore, Progetto Prada Arte S.r.l. is a connected person (as defined in the Listing Rules) of the Company. As such, 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 with Progetto Prada Arte S.r.l. (aggregated with the Previous Sponsorship Agreement (as defined below)) is more than 0.1% but less than 5%, the sponsorship agreement with Progetto Prada Arte S.r.l. (together with the Previous 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.

## **Introduction**

Reference is made to the announcement of PRADA S.p.A. (the “**Company**” and, together with its subsidiaries, the “**Group**”) dated June 28, 2013 in relation to the sponsorship agreement entered into between the Company’s wholly owned subsidiary, Prada S.A. (“**Prada SA**”), and a connected person of the Company, Progetto Prada Arte S.r.l. (“**PPA**”), on June 27, 2013 for arranging various art exhibitions (the “**Previous Sponsorship Agreement**”).

The Board of Directors of the Company is pleased to announce that on February 27, 2014 (European time), the Company entered into a new sponsorship agreement with PPA for the organization and promotion of artistic and cultural activities (the “**Sponsorship Agreement**”).

## **Principal terms of the Sponsorship Agreement**

Date: February 27, 2014;

Grantor: the Company;

Grantee: PPA;

Total maximum amount of the sponsorship: Euro 7.94 million (equal to approximately HK\$84.56 million) (the “**Sponsorship**”), determined on the basis of the budget agreed with the Company for the activities to be undertaken by PPA. The Sponsorship will be paid in full by the Company by January 31, 2015.

The Sponsorship is granted, for amongst other things, arranging various artistic exhibitions and cultural activities including the exhibition entitled “Art or Sound”, curated by Germano Celant and the publishing of the exhibition catalogue, and the continuation of the restoration works of the Baroque palace of *Ca’ Corner della Regina* in Venice, Italy (“**Sponsored Events**”).

In consideration of the Sponsorship, the PRADA trademark shall be exhibited at the Sponsored Events and cultural venues associated with PPA.

The Company and, in general, the Group shall also have the right to use images of the Sponsored Events as agreed with PPA.

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

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, MIU MIU, LUNA ROSSA and CAR SHOE trademarks. Prada SA has granted the Company the right to make sponsorship contributions to entities worldwide 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 Chief Executive Officers, 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 in entering into the Sponsorship Agreement the Company and the Group will benefit from an increased visibility of the PRADA trademark, through improved public awareness of contemporary art and by having the PRADA trademark associated with contemporary art. The Directors of the Company strongly believe that the activities and projects undertaken by PPA will generate remarkable public attention and interest as a consequence of their cultural importance and artistic value and there is huge benefit in being associated and having a 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 Company and the Group and that the Sponsorship Agreement was entered into 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**

PPA is a company indirectly controlled by Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli, who are the Chief Executive Officers, 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. They did not vote at any meeting of the Company to approve the Sponsorship Agreement.

The sponsorship amount payable by the Company under the Sponsorship Agreement (aggregated with the Previous 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**  
*Chairperson*

Milan, Italy, February 27, 2014

*As at the date of this announcement, the Company's executive directors are Mr. Carlo MAZZI, Ms. Miuccia PRADA BIANCHI, Mr. Patrizio BERTELLI, 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.*