

*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)**

## **TERMINATION OF CONTINUING CONNECTED TRANSACTION**

Reference is made to the announcements of the Company (i) dated January 29, 2013 (the “**Previous Announcement**”), in relation to two continuing connected transactions, being the PPA Business Combination Agreement and the Fratelli Prada Business Management Agreement, and (ii) dated April 2, 2015, in relation to the termination of the Fratelli Prada Business Management Agreement. Unless otherwise defined below, capitalized terms used in this announcement shall have the same meaning as those used in the Previous Announcement.

On April 8, 2016, the Company entered into a termination agreement with Progetto Prada Arte S.r.l. (“**PPA**”) to terminate the PPA Business Combination Agreement (the “**Termination Agreement**”).

### **Termination Agreement in respect of the PPA Business Combination Agreement**

The PPA Business Combination Agreement was entered into by the Company and PPA on January 29, 2013, to satisfy the requirements imposed by the Municipality of Milan before the granting to the Company of the right to use the Galleria Property in Milan, Italy.

On April 8, 2016, the Company and PPA, a company indirectly controlled by Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli (both Chief Executive Officers, Executive Directors and substantial shareholders of the Company), entered into the Termination Agreement to terminate the PPA Business Combination Agreement, with effect from the same date. Neither party is required to pay any penalty or compensation to the other party in respect of the early termination of the PPA Business Combination Agreement.

Following the execution of the Termination Agreement, the Company will autonomously manage the whole Galleria Property and may from time to time grant to other entities, on a temporary basis, the right to use a portion of the Galleria Property to arrange exhibitions or organise other artistic and cultural events, in promoting and sponsoring the Prada brand image.

## **Parties**

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, MIU MIU and Car Shoe trademarks.

PPA is a company indirectly controlled by Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli, both Chief Executive Officers, Executive Directors and substantial shareholders (as defined in the Listing Rules) of the Company.

## **Reasons for entering into the Termination Agreement**

Due to the recent internal organisation of the Company aimed at associating the Prada brand with various cultural and artistic initiatives in further developing and extending the Group’s brand identity, the Company considers that the autonomous management of the whole Galleria Property would allow for a more streamlined planning of events and a more rational use of the area, which could directly be used by the Company itself or which could from time to time be granted to other entities, on a temporary basis, to arrange exhibitions or organise other artistic and cultural events. As the Galleria Property is an iconic landmark of great importance to the Group’s brand name and image, the Company - in agreement with PPA - formally asked the Municipality of Milan to fully replace PPA in the management of the entire Galleria Property. Having obtained the approval of the Municipality of Milan, the Company and PPA have mutually agreed to terminate the PPA Business Combination Agreement.

The Directors (including the Independent Non-executive Directors) are of the view that the autonomous management of the activities to be conducted in the Galleria Property by the Company will present a new opportunity for the Company which will generate higher exposure of the Prada brand and thereby increase brand awareness. The Galleria Property is a prominent part of Galleria Vittorio Emanuele II, the site where Mr. Mario Prada, the grandfather of Ms. Miuccia Prada Bianchi, first opened a Prada store. The Galleria Vittorio Emanuele II remains a key part of the commercial, financial, tourism and cultural centre of the city of Milan.

The Directors (including the Independent Non-executive Directors) consider that the Termination Agreement has been entered into in the ordinary course of business of the Group and that the Termination Agreement was negotiated on an arm’s length basis, on normal commercial terms or better, 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, both Chief Executive Officers, executive directors and substantial shareholders of the Company. As such, PPA is a connected person (as defined in the Listing Rules) of the Company and the PPA Business Combination Agreement constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. The termination of the PPA Business Combination Agreement pursuant to the Termination Agreement is subject to the announcement requirement under Chapter 14A of the Listing Rules.

Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli have material interests in the above transaction and are not permitted to vote under the Listing Rules. Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli attended the board meeting but did not vote on the relevant resolution.

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

Milan (Italy), April 8, 2016

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