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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)*

### **MERGER BY INCORPORATION OF PRADA FAR EAST II S.R.L. INTO PRADA S.P.A.**

This announcement is made by PRADA S.p.A. (the “**Company**”, and together with its subsidiaries, the “**Prada Group**”) on a voluntary basis to inform the shareholders of the Company of its rights with respect to the Merger (as defined below).

The Company is pleased to announce that on April 12, 2017, the Board of Directors of the Company approved the plan of merger by incorporation (the “**Merger Plan**”) of PRADA Far East II S.r.l. (“**Prada Far East II**”), a wholly owned subsidiary of the Company, into the Company (the “**Merger**”).

The above corporate reorganization is aimed at rationalizing and simplifying the Prada Group structure.

The Merger will be effected with the cancellation of the Company’s 100% interest in the share capital of Prada Far East II and there will be no increase in the share capital of the Company.

The Merger Plan, a copy of which is attached to this Announcement, was deposited on the day of this Announcement with the Milan Company Register, as provided for by Art. 2501-ter of the Italian Civil Code.

Pursuant to paragraph 3 of Art. 2505 of the Italian Civil Code, shareholders of the Company representing at least 5 per cent of the share capital have the right to request that the approval of the Merger be resolved upon at a meeting of the shareholders’ of the Company in compliance with paragraph 1 of Art. 2502 of the Italian Civil Code.

Shareholders who may want to exercise this right shall address their request within eight (8) days from the date of deposit of the Merger Plan with the Milan Company Register, i.e. the day of this Announcement, by registered mail with receipt to PRADA S.p.A. - Corporate Affairs Department, Via A. Fogazzaro n. 28, Milan 20135, Italy including the proper document certifying the title of the shares (documentation to be sent in advance to the email: corporateaffairs@pradagroup.com).

## **General information on the Company and Prada Far East II**

The Prada Group is one of the world's most prestigious fashion luxury goods group where it operates with the Prada, Miu Miu, Church's and Car Shoe brands in the design, development, manufacture, advertising, promotion and distribution of luxury handbags, leather goods, footwear, apparel and accessories and, through license agreements, eyewear and fragrances.

Prada Far East II is a sub-holding company owning the participation of the Prada Group in the retail subsidiaries of the Far East area.

By Order of the Board

**PRADA S.p.A.**

**Mr. Carlo Mazzi**

*Chairman*

Milan (Italy), May 5, 2017

*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. Stefano SIMONTACCHI and Mr. Maurizio CEREDA and the Company's independent non-executive directors are Mr. Gian Franco Oliviero MATTEI, Mr. Giancarlo FORESTIERI and Mr. Sing Cheong LIU.*

**PRADA S.p.A.**

Registered Office at Via Antonio Fogazzaro 28, Milan  
Share Capital Euro 255,882,400.00 entirely paid up  
Registered with the Business Register of Milan  
Taxpayer's code no.10115350158  
R.E.A. (Economic Administrative Register) 1343952 MI

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**PRADA FAR EAST II S.r.l.**

Registered Office at Via Antonio Fogazzaro n. 28, Milan  
Share Capital Euro 10,010.00 entirely paid up  
Registered with the Business Register of Milan  
Taxpayer's code no. 09880370961  
R.E.A. (Economic Administrative Register) 2119101 MI

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**PLAN OF MERGER BY INCORPORATION**

**OF PRADA FAR EAST II S.r.l.**

**INTO PRADA S.p.A.**

**pursuant to art. 2501 ter of the Italian Civil Code**

Pursuant to articles 2501 ter and 2505 of the Italian Civil Code, the Boards of Directors of PRADA S.p.A. (*merging company*) and the Sole Director of PRADA FAR EAST II S.r.l. with sole shareholder (*merged company*) have prepared and approved the following plan of merger by incorporation of PRADA FAR EAST II S.r.l. into PRADA S.p.A., based on the assumption already implemented and that will be maintained until the completion of the merger procedure, that the entire share capital of the *merged company* is owned by the *merging company* and - as a consequence - the share capital of the *merging company* is not expected to be increased.

The merger will be performed through the cancellation, without swap ratio, of the stake in the *merged company*.

Pursuant to art. 2505 of the Italian Civil Code, the provisions of art. 2501 ter, first paragraph, nn. 3, 4 and 5 and art. 2501 quater and 2501 sexies of the Italian Civil Code shall not apply to this plan of merger.

**1) Companies involved in the merger**

*Merging company:*

- PRADA S.p.A, with registered office in Milan, Via A. Fogazzaro n. 28, share capital: Euro 255,882,400.00 entirely paid up, registered with the Business Register of Milan, taxpayer's code number 10115350158, with ordinary shares listed on the Main Board of the Stock Exchange of Hong Kong Limited.

*Merged company:*

- PRADA FAR EAST II S.r.l., sole shareholder company, with registered office in Milan, Via A. Fogazzaro n. 28, share capital of Euro 10,010.00 entirely paid up, registered with the Business Register of Milan, taxpayer's code no. 09880370961.

**2) Memorandum of association or by-laws of the merging company resulting from the merger**

No amendment will be made to the by-laws of the *merging company* following this merger.

**3) Exchange ratio**

**4) Procedures for the allotment of shares or quotas granted in exchange**

**5) Starting date of dividend entitlement for shares granted in exchange**

With reference to the foregoing, pursuant to article 2505 of the Italian Civil Code, these elements shall not be applicable.

**6) Date from which the operations of the merged company are recognized in the financial statements of the merging company**

The merger will take effect for legal purposes from the date of the last registration of the merger deed in the Business Register of Milan as required by art. 2504 bis of the Italian Civil Code or from a later date which may be expressly stated in the merger deed pursuant to art. 2504 bis, second paragraph of the Italian Civil Code.

The operations of the merged company will be recorded in the financial statements of the *merging company* starting from the first day of the year in which the merger takes effect for legal purposes; this will also be the starting date for tax purposes,

pursuant to art. 172 of T.U.I.R (Consolidated Law on Income Tax).

**7) Special treatment for particular categories of shareholders and owners of securities other than shares/participation quota**

No special treatment is envisaged following the merger for any particular categories of shareholders and owners of securities other than shares/participation quota of the companies involved in the merger.

**8) Particular advantages for directors**

The directors of the companies involved in the merger will not be granted with any particular advantage.

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The merger will be resolved based on the balance sheet of the companies involved in the merger as at January 31, 2017 and, in particular, their respective draft financial statements for 2016, prepared in accordance with art. 2501 quarter of the Italian Civil Code by the respective administrative bodies of the companies taking part in the merger.

Please note that the *merging company* has incurred no debt to take over control of the *merged company*, thus the provisions of art. 2501 bis of the Italian Civil Code shall not be applicable to this merger.

Milan, 12 April 2017

**Merging Company**

PRADA S.p.A.  
The Chairman  
Carlo Mazzi

**Merged Company**

PRADA FAR EAST II S.r.l.  
The Sole Director  
Alessandra Cozzani