

**PRESS RELEASE**

**PRADA GROUP PRELIMINARY SALES FIGURES FOR FISCAL YEAR 2016  
ENDED JANUARY 31<sup>st</sup> 2017**

**2016 GROUP SALES AT EURO 3,184 MILLION**

**CLEAR IMPROVEMENT IN SECOND HALF OF YEAR**

**POSITIVE RESULTS IN JANUARY**

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**Improving trend evident in last months: the fiscal year ended with the month of January back to positive results**

**Europe and Asia are the most dynamic areas: from the third quarter China returned to growth, with a strong, accelerating trend**

**Recent product and marketing initiatives producing clear and satisfactory results**

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**Milan, February 13, 2017** - The Prada Group ended its 2016 fiscal year with consolidated revenues of Euro 3,184 million, down by 9% at constant exchange rates (-10% at current exchange rates), in line with market expectations.

Total Sales by Country:

- **Asia Pacific** (-12% at constant exchange rates) was very dynamic in the second half of the year: China resumed rapid growth in the third quarter and Hong Kong and Macau saw reduced level of sales contractions versus past years. Greater China reported higher sales in the last quarter of the year.
- **The European market** (-5% at constant exchange rates) was adversely affected for most of the year by the reduction of tourist flows, especially in Italy and France, although France showed clear signs of recovery in the fourth quarter. Particularly positive was the performance of Russia, with double-digit growth, and the U.K., which reversed the decline of the first six months to end the year with strong growth.

- **The American market** (-12% at constant exchange rates) continued to be affected by falling tourist flows in the U.S.A., as well as generally soft spending patterns since the first part of the year, whereas Mexico and Brazil had positive growth.
- After five years of consecutive growth, in 2016 sales declined in **Japan** (by 13% at constant exchange rates) essentially as a consequence of the reduced flow of tourists from China due in part to the yen appreciation.
- The **Middle East** presents a decrease by 10% at constant exchange rates compared to the prior fiscal year.

With respect to each **brand** and the various types of **products**, both **Prada** and **Miu Miu** showed improving trends.

The efforts of recent months to make the shopping experience more exclusive and immersive and to enrich the offer with highly creative and innovative products are already producing concrete results in the **Ready-to-Wear** segment, which saw improved results throughout the entire second half of the year, along with **Footwear** and **Leather Goods**, where we saw an excellent market response to the latest collections.

With respect to the **Retail Channel**, the Group's 620 Directly Operated Stores produced revenues of Euro 2,635 million in 2016, a decline of 13% at constant exchange rates and 14% at current exchange rates. However positive progress in sales trend were seen in the second half of the year, particularly in December 2016 and January 2017.

**Wholesale Channel** - initial encouraging results from the recent collaboration with leading electronic retailers ("e-tailers") are evident, in a segment where the Group has implemented an important business plan. Sales across the entire wholesale channel rose to Euro 504 million, up by 14% at constant exchange rates and 13% at current exchange rates.

**Licenses** – Licensed business grew by 3%; both eyewear and fragrances experienced positive trends, with royalties of Euro 45 million.

## **Patrizio Bertelli, CEO**

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*"As noted in my comments on the first six-month results, this past year we implemented a profound phase of business process rationalization - still underway - and identified important strategies to secure the Group's future growth.*

*This included revising our digital strategy with the creation of a highly skilled team with professional experience from the digital technology and new media industries. In the meantime we are strengthening the retail management structure with the aim of integrating online channels with traditional channels in a truly innovative dimension.*

*I am confident that this new global vision will enable our brands to fully express their strong potential, and generate sustainable growth: high-quality products, high level of creativity in both communications and customer relationships."*

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**PRADA Group**

The PRADA Group – HKSE Code 1913 – is a global leader in the luxury goods sector where it operates with the Prada, Miu Miu, Church's and Car Shoe brands in the production and distribution of luxury handbags, leather goods, footwear, apparel and accessories. Moreover, in 2014, Prada acquired 80% of Marchesi srl, owner of the historic Milanese patisserie founded in 1824. The Group also operates in the eyewear and fragrance industries under licensing agreements. As of January 31, 2017, products are sold in 70 countries worldwide through 620 directly operated stores and a selected network of luxury department stores, independent retailers and franchise stores.