

UNDERWRITING

HONG KONG UNDERWRITERS

Banca IMI S.p.A.
CLSA Limited
Goldman Sachs (Asia) L.L.C.
UniCredit Bank AG, Hong Kong Branch

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on June 10, 2011. As described in the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription on the terms and subject to the conditions of this prospectus and the Application Forms at the Offer Price. Subject to the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned herein, and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers for the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions of this prospectus and the Application Forms.

The Hong Kong Underwriting Agreement is conditional, among other things, upon and subject to the International Placing Agreement having been signed and becoming unconditional.

Grounds for Termination

The Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by written notice to our Company to terminate the Hong Kong Underwriting Agreement jointly with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (A) there shall develop, occur, exist or come into force:
- (1) any new law or regulation or any change or prospective change in existing laws or regulations or any change or prospective change in the interpretation or application thereof by any Governmental Authority in or affecting any of Italy, Hong Kong, the United States, the PRC, Japan or the United Kingdom (each, a “**Relevant Jurisdiction**”); or

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- (2) any change or any event or series of events likely to result in any change or development involving a prospective change, in local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions; or
- (3) any moratorium, suspension or restriction in or on trading in securities generally on the Hong Kong Stock Exchange, the New York Stock Exchange, the Tokyo Stock Exchange, the Italian Stock Exchange, the Shanghai Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or
- (4) any general moratorium on commercial banking activities in the Relevant Jurisdictions, declared by the relevant authorities, or any material disruption in commercial banking or foreign exchange trading or securities settlement or clearance services in those jurisdictions; or
- (5) a change or development involving a prospective change in taxation or exchange control or foreign investment regulations adversely affecting any of the Relevant Jurisdictions; or
- (6) the president or CEO of our Company (being Ms. Miuccia Prada and Mr. Patrizio Bertelli) vacating her or his office; or
- (7) a prohibition on our Company or the Selling Shareholders for whatever reason from allotting, selling or transferring (as the case may be) the Offer Shares pursuant to the terms of the Global Offering; or
- (8) an order or petition for the winding up of our Company or any material subsidiary or any composition or arrangement being made by our Company or any material subsidiary with its creditors or a scheme of arrangement entered into by our Company or any material subsidiary or any resolution for the winding-up of our Company or any material subsidiary or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of our Company or any material subsidiary or anything analogous thereto occurring in respect of our Company or any material subsidiary; or
- (9) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency, large scale outbreak of

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diseases or epidemics or pandemics, economic sanctions, strikes, lock-outs, fire, volcanic eruption, explosion, flooding, earthquake, civil disturbance, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in or affecting the Relevant Jurisdictions,

which, individually or in the aggregate, in the opinion of the Joint Global Coordinators has or will have or is likely to have a material adverse effect on the (1) business, results of operations, financial or trading position or prospects of our Group as a whole; or (2) has or will have or is likely to have a material adverse effect on the success of the Global Offering; or (3) makes or will make or is likely to make it inadvisable or inexpedient or impracticable for the Global Offering to proceed; or

- (B) there has come to the notice of the Joint Global Coordinators:
- (1) that any statement contained in the Hong Kong Public Offering documents, the formal notice and any announcements, advertisements or communications issued by our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was as at their respective dates or has become or been discovered to be untrue, incorrect, inaccurate or misleading in any material respect; or
 - (2) that any matter has arisen or has been discovered which, had it arisen or been discovered immediately before the date of this prospectus (or any supplement or amendment thereto) and not been disclosed in this prospectus (or, as the case may be, any supplement or amendment thereto), would constitute a material omission from this prospectus; or
 - (3) that there is an adverse change or is likely to be an adverse change in the business, results of operations, financial or trading position or prospects, of our Group as a whole, the effect of which is, in the opinion of the Joint Global Coordinators, so material and adverse as to make it inadvisable or inexpedient or impracticable to proceed with the Global Offering; or
 - (4) any of the representations, warranties or undertakings given by our Company or Prada Holding B.V. in the Hong Kong Underwriting Agreement or the International Placing Agreement is (or will be when repeated) untrue, inaccurate or misleading in any material respect; or
 - (5) a material breach of any of the obligations imposed upon our Company or Prada Holding B.V. under the Hong Kong Underwriting Agreement or the International Placing Agreement; or

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- (6) any event, act or omission which gives or is likely to give rise to any material liability of our Company or Prada Holding B.V. pursuant to the indemnities given by it under the Hong Kong Underwriting Agreement; or

(C) our Company withdraws this prospectus or the Global Offering.

Lock-up

Pursuant to Rule 10.07 of the Listing Rules, Prada Holding B.V. has undertaken to the Hong Kong Stock Exchange that it will not, without the prior written consent of the Hong Kong Stock Exchange or unless otherwise in compliance with applicable requirements of the Listing Rules:

- (a) in the period of six months commencing on the Listing Date (the “**First Six-month Period**”), dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our Shares in respect of which it is shown by this prospectus to be the beneficial owner (as defined in Rule 10.07(2) of the Listing Rules) (the “**Relevant Shares**”); or
- (b) during the period of six months commencing on the date on which the First Six-month Period expires (the “**Second Six-month Period**”), dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Parent Shares to such an extent that immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, he, she or it would cease to be a controlling shareholder (as defined in the Listing Rules) of us.

Further, pursuant to Rule 10.07 of the Listing Rules, Prada Holding B.V. has undertaken to the Hong Kong Stock Exchange that, during the First Six-month Period and the Second Six-month Period, it will:

- (a) if it pledges or charges any of our securities beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, immediately inform us of such pledge or charge together with the number of securities so pledged or charged; and
- (b) if it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities will be disposed of, immediately inform us of such indications.

Under the Hong Kong Underwriting Agreement, Prada Holding B.V. undertakes to each of the Joint Global Coordinators, the Hong Kong Underwriters and the Joint Sponsors that except for the sale and lending of Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option and

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Stock Borrowing Agreement), at any time during the period of 12 months after the Listing Date, Prada Holding B.V. will not without the prior written consent of the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) offer, sell, lend, assign, contract to sell, lend or assign, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, create an encumbrance over, or repurchase either directly or indirectly, conditionally or unconditionally, any of the share capital or any other securities of our Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive such share capital or any securities or any interest therein) whether now owned or hereinafter acquired, owned directly or indirectly by Prada Holding B.V. (including holding as a custodian) or with respect to which Prada Holding B.V. has beneficial ownership; or
- (b) enter into any swap, derivative, repurchase, lending, pledge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of such share capital or securities or interest therein; or
- (c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or
- (d) offer to or agree to enter into, or publicly disclose that our Company will or may enter into, any transaction described in paragraphs (a) or (b) above,

in each case, whether any of the transactions specified hereinabove is to be settled by delivery of Shares or such other securities of our Company or shares or other securities of such other member of our Group, as applicable, or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the period of 12 months after the Listing Date).

International Placing

In connection with the International Placing, it is expected that we and the Selling Shareholders will enter into the International Placing Agreement with the Joint Bookrunners and the International Underwriters. Under the International Placing Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Placing Shares being offered pursuant to the International Placing or procure purchasers for such International Placing Shares.

Prada Holding B.V. will grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf

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of the International Underwriters on or before July 15, 2011, being the last business day closest to the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering, to require Prada Holding B.V. to sell up to 63,489,000 additional Shares, representing, in aggregate, approximately 15% of the Initial Offer Shares, at the Offer Price, to cover over-allocations in the International Placing, if any.

Commission and Expenses

Under the terms and conditions of the Underwriting Agreements, the Underwriters will receive an overall gross commission up to 1.20% of the aggregate gross proceeds from the issue or sale of the Offer Shares, out of which they will pay any sub-underwriting commissions. The commission will be payable by us and the Selling Shareholders in proportion to the number of Offer Shares offered by us and each of the Selling Shareholders in the Global Offering, respectively (assuming the Over-allotment Option is not exercised). Any commission on the sale of additional Offer Shares pursuant to the exercise of the Over-allotment Option will be payable by Prada Holding B.V. In addition, the Company and the Selling Shareholders may pay, at their sole and absolute discretion, an incentive fee of up to 0.70% of the aggregate gross proceeds from the issue or sale of the Offer Shares under the Global Offering in proportion to the number of Offer Shares offered by us and each of the Selling Shareholders, respectively.

Assuming the Over-allotment Option is not exercised at all and based on an Offer Price of HK\$42.25, being the mid-point of our offer price range of HK\$36.50 to HK\$48.00 per Share, the fees and commissions in connection with the Hong Kong Public Offering and the International Placing, together with the Hong Kong Stock Exchange listing fees, SFC transaction levy, the Hong Kong Stock Exchange trading fee, legal and other professional fees, printing, and other expenses relating to the Global Offering, are estimated to amount to approximately HK\$332.8 million in aggregate of which an estimate of approximately HK\$46.4 million will be payable by us. Such fees and expenses (other than underwriting commissions, which will be payable by us and the Selling Shareholders as described above, and the SFC transaction levy and the Hong Kong Stock Exchange trading fee, which will be paid on a per Share basis) are payable by us in the same proportion that the number of New Shares bears to the total number of Offer Shares, and by Prada Holding B.V., in the same proportion that the aggregate number of Sale Shares bears to the total number of Offer Shares (assuming the Over-allotment Option is not exercised).

We and the Selling Shareholders have agreed to indemnify the Underwriters for certain losses which they may suffer, including losses incurred arising from their performance of their obligations under the Underwriting Agreements and any breach by us of the Underwriting Agreements.

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Underwriters' Interests in our Company

Save as disclosed in the sections headed "Our History and Corporate Structure" and "Substantial and Selling Shareholders" of this prospectus, none of the Underwriters is interested legally or beneficially in any shares of any of our members or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any of our members in the Global Offering.

INDEPENDENCE OF THE JOINT SPONSORS

Goldman Sachs (Asia) L.L.C. satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

CLSA Equity Capital Markets Limited and its affiliates, as significant global financial market participants, have current business relationships with our Company and our controlling shareholders including, amongst others, providing certain loan facilities to our Company and its controlling shareholders, which may be considered to affect CLSA Equity Capital Markets Limited's independence for the purposes of Rule 3A.07 of the Listing Rules. Accordingly, CLSA Equity Capital Markets Limited does not consider itself to be independent according to Rule 3A.07 of the Listing Rules.