PRADA spa
(Stock Code: 1913)

ANNOUNCEMENT OF THE CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED OCTOBER 31, 2015

- Net revenues were Euro 2,582.5 million, an increase of 1.2% compared with the nine months ended October 31, 2014 (-7% at constant exchange rates)
- Retail net sales were Euro 2,253.5 million, up by 3.8% compared with the nine months ended October 31, 2014 (-4.9% at constant exchange rates)
- EBIT was Euro 373.9 million, representing a margin of 14.5% on net revenues
- Group's net income amounted to Euro 235.1 million
- Net financial position negative at Euro 197.8 million

Consolidated results for the nine months ended October 31, 2015

The Board of Directors (the "Board") of PRADA S.p.A. (the "Company", or "PRADA spa") announces the unaudited Consolidated results of the Company and its subsidiaries (collectively, the "Group") for the nine months ended October 31, 2015, together with the unaudited comparative figures for the same nine months period ended October 31, 2014. The following financial information has been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. The Consolidated results of the Group for the year ended January 31, 2015, were audited by Deloitte & Touche S.p.A.

Key financial information

Key information from the Income statement (amounts in thousands of Euro)	nine months ended Oct 31 2015 (unaudited)	twelve months ended Jan 31 2015 (audited)	nine months ended Oct 31 2014 (unaudited)	% change vs Oct 31 2014
Net revenues	2,582,544	3,551,696	2,552,023	1.2%
EBITDA	595,400	954,249	681,678	-12.7%
EBITDA %	23.1%	26.9%	26.7%	-
EBIT	373,889	701,551	496,433	-24.7%
EBIT %	14.5%	19.8%	19.5%	-
Income before tax	355,362	667,702	480,909	-26.1%
Net income of the Group	235,078	450,730	319,319	-26.4%
Earnings per share (Euro)	0.092	0.176	0.125	-26.4%
Capital expenditure	234,722	449,735	353,074	-
Net operating cash flows	200,804	483,597	364,322	-44.9%
Average number of employees	12,379	11,962	11,866	4.3%

Key information from the Statement of financial position (amounts in thousands of Euro)	as at Oct 31 2015 (unaudited)	as at Jan 31 2015 (audited)	as at Oct 31 2014 (unaudited)	change vs Jan 31 2015
Net operating working capital	732,291	563,409	528,177	168,882
Net invested capital	3,212,948	2,829,359	2,724,483	383,589
Net financial position surplus/(deficit)	(197,778)	188,788	90,388	(386,566)
Group shareholders' equity	2,997,517	3,000,737	2,797,832	(3,220)

Highlights for the nine months ended October 31, 2015

Net revenues of the PRADA Group for the nine months ended October 31, 2015, amounted to Euro 2,582.5 million, reporting an increase of 1.2% compared to the same period of 2014. The growth in sales was delivered by the retail channel, thanks also to the exchange rates trends. However, from July onwards the turmoil in financial markets partially mitigated such positive impact, particularly with reference to the tourist flows of Chinese customers. The management adopted further costs containments measures with the aim to preserve economic margins and these initiatives allowed to limit the dilution of the EBIT that, for the nine months under review, amounted to Euro 373.9 million, or 14.5% of net revenues. The decline in profitability compared to the 19.5% achieved in the same period last year was mainly due to the rising selling costs associated with the expansion of the retail network which were not absorbed by sales growth.

During the reporting period, the Group, with a long-term perspective, continued anyway to invest in its industrial operations and, more selectively, in the retail network with renewals, relocations and some additional openings. At the same time, the investments aimed at strengthening the brands image went on and, to this extent, it is worth mentioning the unveiling of the new museum and cultural center in Milan operated by the Prada Foundation and designed by Rem Koolhaas. The resonance of this project has been extremely wide all over the world and the location has become since the beginning a “must see” for all visitors to Milan.

In the nine months period, the net cash flow from operating activities amounted to Euro 200.8 million and was used, together with funds already available, to support the investment plan of the period and the payment of dividends. The net financial position at October 31, 2015, was negative and stood at Euro 197.8 million.

Consolidated income statement for the nine months ended October 31, 2015

(amounts in thousands of Euro)	Note	nine months ended October 31 2015 (unaudited)	% on Net revenues	nine months ended October 31 2014 (unaudited)	% on Net revenues
Net revenues	3	2,582,544	100.0%	2,552,023	100.0%
Cost of goods sold		(695,440)	-26.9%	(715,608)	-28.0%
Gross margin		1,887,104	73.1%	1,836,415	72.0%
Operating expenses	4	(1,513,215)	-58.6%	(1,339,982)	-52.5%
EBIT		373,889	14.5%	496,433	19.5%
Interest and other financial income/(expenses), net	5	(20,089)	-0.8%	(15,979)	-0.6%
Dividends received from third parties		1,562	0.1%	455	-
Income before taxes		355,362	13.8%	480,909	18.9%
Taxation	6	(117,139)	-4.6%	(154,712)	-6.1%
Net income for the period		238,223	9.2%	326,197	12.8%
Net income – Non-controlling interests		3,145	0.1%	6,878	0.3%
Net income – Group		235,078	9.1%	319,319	12.5%
Depreciation, amortization and impairment		221,511	8.6%	185,245	7.2%
EBITDA		595,400	23.1%	681,678	26.7%
Basic and diluted earnings per share (in Euro per share)	7	0.092		0.125	

Consolidated income statement for the three months ended October 31, 2015

(amounts in thousands of Euro)	Note	three months ended Oct 31 2015 (unaudited)	% on Net revenues	three months ended Oct 31 2014 (unaudited)	% on Net revenues
Net revenues	3	758,111	100.0%	800,708	100.0%
Cost of goods sold		(196,920)	-26.0%	(221,893)	-27.7%
Gross margin		561,191	74.0%	578,815	72.3%
Operating expenses		(480,516)	-63.4%	(455,540)	-56.9%
EBIT		80,675	10.6%	123,275	15.4%
Interest and other financial income/(expenses), net		(11,017)	-1.5%	(6,486)	-0.8%
Income before taxes		69,658	9.2%	116,789	14.6%
Taxation		(23,000)	-3.0%	(41,637)	-5.2%
Net income for the period		46,658	6.2%	75,152	9.4%
Net income – Non-controlling interests		174	0.0%	679	0.1%
Net income – Group		46,484	6.1%	74,473	9.3%
Depreciation, amortization and impairment		74,671	9.8%	65,568	8.2%
EBITDA		155,346	20.5%	188,843	23.6%

Consolidated statement of financial position

(amounts in thousands of Euro)	Note	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Assets			
Current assets			
Cash and cash equivalents		527,248	708,966
Trade receivables, net	9	248,256	346,284
Inventories, net	8	795,674	654,545
Derivative financial instruments - current		9,295	6,287
Receivables from, and advance payments to, related parties - current	10	20,590	3,240
Other current assets	12	185,759	180,633
Total current assets		1,786,822	1,899,955
Non-current assets			
Property, plant and equipment	11	1,495,918	1,474,218
Intangible assets	11	938,095	943,304
Associated undertakings		23,552	30,529
Deferred tax assets		298,964	280,983
Other non-current assets	13	101,871	91,353
Derivative financial instruments non-current		1,050	1,106
Receivables from, and advance payments to, related parties – non-current	10	7,835	17,429
Total non-current assets		2,867,285	2,838,922
Total Assets		4,654,107	4,738,877
Liabilities and Shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans		305,886	263,335
Payables to related parties - current	14	3,083	3,083
Trade payables	15	311,639	437,420
Current tax liabilities		98,115	133,914
Derivative financial instruments - current		25,419	56,772
Obligations under finance leases - current		-	21
Other current liabilities	16	136,893	220,480
Total current liabilities		881,035	1,115,025
Non-current liabilities			
Long-term financial payables		417,448	255,203
Post-employment benefits		68,298	85,754
Provision for risks and charges	17	65,657	63,695
Deferred tax liabilities		39,097	41,634
Other non-current liabilities		157,150	128,752
Derivative financial instruments non-current		10,252	17,283
Payables to related parties – non-current	14	-	13,384
Total non-current liabilities		757,902	605,705
Total Liabilities		1,638,937	1,720,730
Share capital		255,882	255,882
Total other reserves		2,348,146	2,163,129
Translation reserve		158,411	130,996
Net profit for the period		235,078	450,730
Total Shareholders' equity – Group		2,997,517	3,000,737
Shareholders' equity – Non-controlling interests		17,653	17,410
Total Liabilities and Shareholders' equity		4,654,107	4,738,877

Net current assets		905,787	784,930
Total assets less current liabilities		3,773,072	3,623,852

Statement of changes in consolidated shareholders' equity (amounts in thousands of Euro, except for number of shares)

											Equity		
(amounts in thousands of Euro)	Number of Shares	**Share Capital**	**Translation Reserve**	Share premium reserve	Cash flow hedge reserve	Actuarial Reserve	Fair Value Available for sale Reserve	Other reserves	**Total Other Reserves**	**Net income for the period**	**Equity attributable to owners of Group**	**Non-controlling interests**	**Total Equity**
Balance at January 31, 2014 (audited)	2,558,824,000	**255,882**	**(49,438)**	410,047	3,699	(11,452)	4,108	1,446,923	**1,853,325**	**627,785**	**2,687,554**	**13,986**	**2,701,540**
Allocation of 2013 net income	-	**-**	**-**	-	-	-	-	627,785	**627,785**	**(627,785)**	**-**	-	**-**
Dividends	-	**-**	**-**	-	-	-	-	(281,471)	**(281,471)**	**-**	**(281,471)**	(6,763)	**(288,234)**
Acquisition of Marchesi Angelo srl	-	**-**	**-**	-	-	-	-	(2,462)	**(2,462)**	**-**	**(2,462)**	106	**(2,356)**
Capital injection in subsidiaries	-	**-**	**-**	-	-	-	-	-	**-**	**-**	**-**	1,773	**1,773**
Comprehensive income for the nine months (recyclable to P&L)	-	**-**	**78,366**	-	(11,204)	-	9,668	-	**(1,536)**	**319,319**	**396,149**	7,937	**404,086**
Comprehensive income for the nine months (not recyclable to P&L)	-	**-**	**-**	-	-	(1,938)	-	-	**(1,938)**	**-**	**(1,938)**	-	**(1,938)**
Balance at October 31, 2014 (unaudited)	2,558,824,000	**255,882**	**28,928**	**410,047**	**(7,505)**	**(13,390)**	**13,776**	**1,790,775**	**2,193,703**	**319,319**	**2,797,832**	**17,039**	**2,814,871**
Dividends	-	-	-	-	-	-	-	-	-	-	**-**	(2,615)	**(2,615)**
Acquisition of Marchesi Angelo srl	-	**-**	**-**	-	-	-	-	(4)	**(4)**	**-**	**(4)**	1	**(3)**
Capital injection in subsidiaries	-	**-**	**-**	-	-	-	-	-	**-**	**-**	**-**	352	**352**
Comprehensive income for the three months (recyclable to P&L)	-	**-**	**102,068**	-	(27,818)	-	(2,661)	-	**(30,479)**	**131,411**	**203,000**	2,636	**205,636**
Comprehensive income for the three months (not recyclable to P&L)	-	**-**	**-**	-	-	(91)	-	-	**(91)**	**-**	**(91)**	(3)	**(94)**
Balance at January 31, 2015 (audited)	2,558,824,000	**255,882**	**130,996**	410,047	(35,323)	(13,481)	11,115	1,790,771	**2,163,129**	**450,730**	**3,000,737**	**17,410**	**3,018,147**
Allocation of 2014 net income	-	**-**	**-**	-	-	-	-	450,730	**450,730**	**(450,730)**	**-**	-	**-**
Dividends	-	-	-	-	-	-	-	(281,471)	**(281,471)**	**-**	**(281,471)**	(3,228)	**(284,699)**
Capital injection in subsidiaries	-	**-**	**-**	-	-	-	-	-	**-**	**-**	**-**	409	**409**
Transactions with non-controlling interests	-	**-**	**-**	-	-	-	-	(723)	**(723)**	**-**	**(723)**	(39)	**(762)**
Comprehensive income for the nine months (recyclable to P&L)	-	**-**	**27,415**	-	20,694	-	(5,535)	-	**15,159**	**235,078**	**277,652**	3,101	**280,753**
Comprehensive income for the nine months (not recyclable to P&L)	-	**-**	**-**	-	-	1,322	-	-	**1,322**	**-**	**1,322**	-	**1,322**
Balance at October 31, 2015 (unaudited)	2,558,824,000	**255,882**	**158,411**	410,047	(14,629)	(12,159)	5,580	1,959,307	**2,348,146**	**235,078**	**2,997,517**	**17,653**	**3,015,170**

Condensed statement of consolidated cash flows

(amounts in thousands of Euro)	nine months ended October 31 2015 (unaudited)	nine months ended October 31 2014 (unaudited)
Net cash flows from operating activities	200,804	364,322
Cash flows generated/(utilized) by investing activities	(304,629)	(311,966)
Cash flows generated/(utilized) by financing activities	(84,504)	(128,915)
Change in cash and cash equivalents, net of bank overdrafts	(188,329)	(76,559)

Statement of consolidated comprehensive income

(amounts in thousands of Euro)	nine months ended October 31 2015 (unaudited)	twelve months ended January 31 2015 (audited)	nine months ended October 31 2014 (unaudited)
Net income for the period – Consolidated	238,223	459,218	326,197
A) Items recyclable to P&L:			
Change in Translation reserve	27,371	182,519	79,425
Tax impact	-	-	-
Change in Translation reserve less tax impact	27,371	182,519	79,425
Change in Cash Flow Hedge reserve	28,266	(52,817)	(15,092)
Tax impact	(7,572)	13,795	3,888
Change in Cash Flow Hedge reserve less tax impact	20,694	(39,022)	(11,204)
Change in Fair Value reserve	(7,380)	9,343	12,891
Tax impact	1,845	(2,336)	(3,223)
Change in Fair Value reserve less tax impact	(5,535)	7,007	9,668
B) Item not recyclable to P&L:			
Change in Actuarial reserve	1,823	(2,338)	(2,033)
Tax impact	(501)	306	95
Change in Actuarial reserve less tax impact	1,322	(2,032)	(1,938)
Consolidated comprehensive income for the period	282,075	607,690	402,148
Comprehensive income for the period – Non-controlling Interests	3,101	10,570	7,937
Comprehensive income for the period – Group	278,974	597,120	394,211

Notes to the consolidated results for the nine months ended October 31, 2015

1. Presentation of PRADA Group

PRADA spa (the “Company”), together with its subsidiaries (jointly the “Group”), is listed on the Hong Kong Stock Exchange (HKSE code: 1913). It is one of the world leaders in the luxury goods sector where it operates with the Prada, Miu Miu, Church’s and Car Shoe brands in the design, production and distribution of luxury handbags, leather goods, footwear, apparel and accessories. The Group also operates, under licensing agreements, in the eyewear and fragrances sectors. Its products are sold in 70 countries worldwide through a network that included 612 Directly Operated Stores (DOS) at October 31, 2015, and a selected network of luxury department stores, independent retailers and franchise stores. The Company is a joint-stock company, registered and domiciled in Italy. Its registered office is in Via Antonio Fogazzaro 28, Milan, Italy.

2. Basis of preparation

The financial information for the nine months ended October 31, 2015, included in this Announcement refers to the Group of companies controlled by PRADA spa, holding company of the PRADA Group (the "Group"), and is based on its relevant unaudited Consolidated financial statements. Such consolidated results for the nine months ended October 31, 2015, were prepared on a consistent basis compared to the Consolidated financial statements of the Group for the twelve months ended January 31, 2015, with the exception of the revised IFRS issued by the International Accounting Standard Board (“IASB”) below reported. IFRS also refer to all the International Accounting Standards (“IAS”) and all the interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”), previously named the Standing Interpretations Committee (“SIC”).

Amendments issued by the IASB, endorsed by the European Union and applicable to the PRADA Group from February 1, 2015

The following amendments to IFRS have been endorsed by the European Union and are applicable to the PRADA Group effective from February 1, 2015. These changes did not have any significant impact on the figures reported in this Announcement:

- Amendments to “IAS 19 Employee Benefits”;
- Amendments to “IFRS 1 First Time Adoption of IFRS”;
- Amendments to “IFRS 3 Business Combinations”;
- Amendments to “IFRS 13 Fair Value Measurement”;
- Amendments to “IAS 40 Investment Property”;
- Amendments to “IFRS 2 Share-based Payment”;
- Amendments to “IFRS 8 Operating Segments”;
- Amendments to “IAS 16 Property, Plant and Equipment”;
- Amendments to “IAS 24 Related Party Disclosure”;

– Amendments to “IAS 38 Intangible Assets”;

3. Net revenues analysis

Net revenues for the nine months ended October 31, 2015 (unaudited)

(amounts in thousands of Euro)	nine months ended October 31 2015 (unaudited)		nine months ended October 31 2014 (unaudited)		% change
Net sales by geographical area					
Italy	406,399	15.9%	402,817	16.0%	0.9%
Europe	557,395	21.9%	544,141	21.6%	2.4%
Americas	365,396	14.3%	336,459	13.3%	8.6%
Asia Pacific	845,550	33.2%	902,855	35.8%	-6.3%
Japan	286,335	11.2%	259,306	10.3%	10.4%
Middle East	83,442	3.3%	74,017	2.9%	12.7%
Other countries	4,495	0.2%	3,565	0.1%	26.1%
Total	2,549,012	100.0%	2,523,160	100.0%	1.0%
Net sales by brand					
Prada	2,065,767	81.0%	2,082,904	82.5%	-0.8%
Miu Miu	411,686	16.2%	373,498	14.8%	10.2%
Church's	60,481	2.4%	54,921	2.2%	10.1%
Car Shoe	7,420	0.3%	9,138	0.4%	-18.8%
Other	3,658	0.1%	2,699	0.1%	35.5%
Total	2,549,012	100.0%	2,523,160	100.0%	1.0%
Net sales by product line					
Clothing	422,633	16.6%	412,500	16.4%	2.5%
Leather goods	1,553,300	60.9%	1,614,761	64.0%	-3.8%
Footwear	523,194	20.5%	451,979	17.9%	15.8%
Other	49,885	2.0%	43,920	1.7%	13.6%
Total	2,549,012	100.0%	2,523,160	100.0%	1.0%
Net sales by distribution channel					
DOS	2,253,465	88.4%	2,171,675	86.1%	3.8%
Independent customers and franchises	295,547	11.6%	351,485	13.9%	-15.9%
Total	2,549,012	100.0%	2,523,160	100.0%	1.0%
Net sales	2,549,012	98.7%	2,523,160	98.9%	1.0%
Royalties	33,532	1.3%	28,863	1.1%	16.2%
Total net revenues	2,582,544	100.0%	2,552,023	100.0%	1.2%

Net revenues for the three months ended October 31, 2015 (unaudited)

(amounts in thousands of Euro)	three months ended October 31 2015 (unaudited)		three months ended October 31 2014 (unaudited)		% change
Net sales by geographical area					
Italy	120,189	16.1%	116,009	14.6%	3.6%
Europe	178,217	23.8%	182,602	23.0%	-2.4%
Americas	100,484	13.4%	103,007	13.0%	-2.4%
Asia Pacific	235,284	31.5%	283,634	35.8%	-17.0%
Japan	90,433	12.1%	84,044	10.6%	7.6%
Middle East	22,063	3.0%	22,087	2.8%	-0.1%
Other countries	985	0.1%	877	0.1%	12.3%
Total	747,655	100.0%	792,260	100.0%	-5.6%
Net sales by brand					
Prada	604,274	80.8%	651,790	82.3%	-7.3%
Miu Miu	117,767	15.8%	117,467	14.8%	0.3%
Church's	22,102	3.0%	19,361	2.5%	14.2%
Car Shoe	1,906	0.3%	2,622	0.3%	-27.3%
Other	1,606	0.2%	1,020	0.1%	57.5%
Total	747,655	100.0%	792,260	100.0%	-5.6%
Net sales by product line					
Clothing	134,404	18.0%	136,721	17.3%	-1.7%
Leather goods	445,539	59.6%	504,046	63.6%	-11.6%
Footwear	152,779	20.4%	137,556	17.4%	11.1%
Other	14,933	2.0%	13,937	1.7%	7.1%
Total	747,655	100.0%	792,260	100.0%	-5.6%
Net sales by distribution channel					
DOS	701,072	93.8%	729,514	92.1%	-3.9%
Independent customers and franchises	46,583	6.2%	62,746	7.9%	-25.8%
Total	747,655	100.0%	792,260	100.0%	-5.6%
Net sales	747,655	98.6%	792,260	98.9%	-5.6%
Royalties	10,457	1.4%	8,448	1.1%	23.8%
Total net revenues	758,112	100.0%	800,708	100.0%	-5.3%

Number of stores

	as at October 31 2015		as at January 31 2015		as at October 31 2014	
	DOS	franchises	DOS	franchises	DOS	franchises
Prada	380	29	362	27	350	26
Miu Miu	173	11	169	8	167	7
Church's	54	-	55	-	55	-
Car Shoe	5	-	8	-	8	-
Total	612	40	594	35	580	33

	as at October 31 2015		as at January 31 2015		as at October 31 2014	
	DOS	franchises	DOS	franchises	DOS	franchises
Italy	52	5	51	6	52	6
Europe	168	-	167	3	164	3
Americas	114	-	110	-	104	-
Asia Pacific	184	27	175	22	170	21
Japan	73	-	70	-	70	-
Middle East	19	8	17	4	17	3
Africa	2	-	4	-	3	-
Total	612	40	594	35	580	33

4. Operational expenses

(amounts in thousands of Euro)	nine months ended October 31 2015 (unaudited)	% on net revenues	nine months ended October 31 2014 (unaudited)	% on net revenues
Product design and development costs	95,942	3.7%	96,172	3.8%
Advertising and communication costs	144,911	5.6%	120,295	4.7%
Selling costs	1,110,476	43.0%	971,608	38.0%
General and administrative costs	161,886	6.3%	151,907	6.0%
Total	1,513,215	58.6%	1,339,982	52.5%

5. Interest and other financial income/(expenses), net

(amounts in thousands of Euro)	nine months ended October 31 2015 (unaudited)	nine months ended October 31 2014 (unaudited)
Interests expenses on borrowings	(10,824)	(9,206)
Interest expenses others	(73)	(121)
Interest income	2,237	2,394
Exchange gains /(losses) – realized	1,613	2,816
Exchange gains/(losses) – unrealized	(9,440)	(9,499)
Other financial income/(expenses)	(3,602)	(2,363)
Total	(20,089)	(15,979)

6. Taxation

(amounts in thousands of Euro)	nine months ended October 31 2015 (unaudited)	nine months ended October 31 2014 (unaudited)
Current taxation	144,594	182,699
Deferred taxation	(27,455)	(27,987)
Income taxes	117,139	154,712

7. Earnings and dividends per share

Earnings per share

Earnings per share are calculated by dividing the net income of the period attributable to Group's shareholders by the weighted average number of ordinary shares in issue.

	nine months ended October 31 2015 (unaudited)	nine months ended October 31 2014 (unaudited)
Group net income in Euro	235,077,888	319,319,389
Weighted average number of ordinary shares in issue	2,558,824,000	2,558,824,000
Earnings per share in Euro, calculated on weighted average number of shares	0.092	0.125

Dividend per share

During the nine months ended October 31, 2015, the Company distributed dividends of Euro 281,470,640, as approved by the Shareholders' Meeting held on May 26, 2015, to approve the financial statements for the year ended January 31, 2015.

8. Inventories, net

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Raw materials	127,736	106,843
Work in progress	32,824	40,786
Finished products	699,204	571,115
Allowance for obsolete and slow moving inventories	(64,090)	(64,199)
Total	795,674	654,545

The increase in inventories was mainly attributable to a higher level of the stock of finished products due to the different approach to replenishment which started in the last few months of 2014, to the 18 DOS openings from January 31, 2015, and to the volume of sales that in the last months of 2015 was lower than expected.

Movements on the allowance for obsolete and slow moving inventories are analyzed as follows:

(amounts in thousands of Euro)	Raw materials	Finished Products	Total
Balance at January 31, 2015 (audited)	26,798	37,401	64,199
Exchange differences	4	3	7
Additions	-	33	33
Utilization	-	(149)	(149)
Balance at October 31, 2015 (unaudited)	26,802	37,288	64,090

9. Trade receivables, net

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Trade receivables from third parties	225,814	317,147
Allowance for bad and doubtful debts	(7,213)	(7,784)
Trade receivables from related parties	29,655	36,921
Total	248,256	346,284

The reduction in trade receivables from third parties is mainly due to seasonality of the wholesale business in terms of shipping and collection.

10. Receivables from, and advance payments to, related parties - current and non-current

Receivables from, and advance payments to, related parties current are detailed as follows:

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Financial receivables	-	11
Prepaid sponsorship	13,629	5
Other receivables and advance payments	6,961	3,224
Receivables from, and advance payments to, related parties - current	20,590	3,240

Receivables from, and advance payments to, related parties non-current are detailed as follows:

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Prepaid sponsorship	5,586	12,379
Deferred rental income – long-term	1,508	4,309
Loans	741	741
Receivables from, and advance payments to, related parties – non-current	7,835	17,429

11. Capital expenditure

Changes in the net book value of Property, plant and equipment in the period ended October 31, 2015, are as follows:

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improve-ments	Furniture & fittings	Other tangibles	Assets under construction	Total net book value
Balance at January 31, 2015 (audited)	477,940	21,176	513,302	178,661	70,273	212,866	1,474,218
Additions	47,222	12,600	69,395	21,434	3,703	55,033	209,387
Depreciation	(11,202)	(7,514)	(127,376)	(36,291)	(7,905)	(4)	(190,292)
Disposals	(53)	(94)	(2,436)	(617)	(44)	(88)	(3,332)
Exchange differences	10,196	40	(477)	(804)	(93)	199	9,061
Other movements	118,912	2,178	47,052	9,145	199	(177,999)	(513)
Impairment	-	(64)	(1,938)	(574)	(35)	-	(2,611)
Balance at October 31, 2015 (unaudited)	643,015	28,322	497,522	170,954	66,098	90,007	1,495,918

Changes in the net book value of Intangible assets in the period ended October 31, 2015, are as follows:

(amounts in thousands of Euro)	Trade-marks	Goodwill	Store Lease Acquisitions	Software	Development costs and other intangible assets	Assets in progress	Total net book value
Balance at January 31, 2015 (audited)	277,232	513,214	106,492	10,828	16,725	18,813	943,304
Additions	231	297	694	1,493	63	22,557	25,335
Amortization	(8,659)	-	(14,994)	(2,928)	(1,499)	-	(28,080)
Disposals	-	-	(1,928)	(96)	-	-	(2,024)
Exchange differences	2,594	465	(2,543)	(70)	-	(57)	389
Other movements	-	-	15,746	1,336	(11)	(17,371)	(300)
Impairment	-	(120)	(409)	-	-	-	(529)
Balance at October 31, 2015 (unaudited)	271,398	513,856	103,058	10,563	15,278	23,942	938,095

12. Other current assets

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
VAT	65,247	56,934
Income tax and other tax receivables	27,144	53,307
Other assets	27,228	11,454
Prepayments and accrued income	62,696	54,642
Deposits	3,444	4,296
Total	185,759	180,633

13. Other non-current assets

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Guarantee deposits	73,966	70,004
Deferred rental income	12,836	9,056
Pension fund surplus	2,630	2,515
Other long-term assets	12,439	9,778
Total	101,871	91,353

14. Payables to related parties - current and non-current

The current portion of payables to related parties is detailed as follows:

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Financial payables	2,433	2,371
Other payables	650	712
Payables to related parties – current	3,083	3,083

The non-current portion of payables to related parties is detailed as follows:

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Other payables – other related parties	-	13,384
Payables to related parties – non-current	-	13,384

As a result of transactions with Non-controlling shareholders of a Group's subsidiary during the nine months ended October 31, 2015, Fin-reta srl is no longer a related party but a third party. Consequently, the payables in question are now reported under "Other non-current liabilities".

15. Trade payables

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Trade payables – third parties	297,040	410,977
Trade payables – related parties	14,599	26,443
Total	311,639	437,420

16. Other current liabilities

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Payables for capital expenditure	43,068	128,346
Accrued expenses and deferred income	16,497	17,354
Other payables	77,328	74,780
Total	136,893	220,480

Payables for capital expenditure include liabilities for capital expenditure for Property, plant and equipment and Intangible assets. The decrease compared to January 31, 2015, was due to the payment of Euro 55 million for the purchase of the property in Milan used as the Company's headquarter.

17. Provisions for risks and charges

Movements in provisions for risks and charges are summarized as follows:

(amounts in thousands of Euro)	Provision for litigation	Provision for tax disputes	Provisions for other charges	Total
Balance at January 31, 2015 (audited)	1,876	25,537	36,282	63,695
Exchange differences	12	3	231	246
Other	-	-	-	-
Reversals	(87)	-	(761)	(848)
Uses	(46)	(1,908)	(778)	(2,732)
Increases	107	410	4,779	5,296
Balance at October 31, 2015 (unaudited)	1,862	24,042	39,753	65,657

During the nine months ended October 31, 2015, there were no significant developments regarding the litigations pending at January 31, 2015. However, it is worth noting the evolution of the position of PRADA spa to the enquiries of the Italian Tax Authority on the “CFC” (Controlled Foreign Companies) legislation. In October 2015, PRADA spa had a positive outcome related to CFC rulings which were submitted on June 2015 to the Italian Tax Authorities in order to obtain the non-application of the aforementioned legislation for the tax year 2014 with reference to the companies controlled by the Group and operating in "black list" countries. The positive outcome, which took effect from 2014 onwards - provided that significant changes in the structures of the companies involved will not occur - did not result in any change in the estimated tax burden of the period compared to the same nine months period of 2014 as the Directors considered reasonable not to include any liability in this regard.

As for the Dutch sub-holding company PRADA Far East bv, the CFC ruling for the non-application of the CFC legislation was not submitted for the tax year 2014 due to the absence of the legal regulatory requirements to qualify said sub-holding as a CFC company. As a result, the Consolidated income statement for the nine months ended October 31, 2015, does not contain any tax liability arising from the CFC regime for the above-mentioned subsidiary, while the nine months period under comparison included a charge of Euro 3 million.

Management Discussion and Analysis for the three months ended October 31, 2015

As already mentioned earlier, the third quarter results of 2015 were negatively impacted by the increased volatility recorded on some markets after summer.

In the three months ended October 31, 2015, net revenues amounted to Euro 758.1 million, 5.3% down compared to the same period of 2014. In absolute terms, the decline was recorded by the retail channel where all geographical areas, except for Italy and Japan, showed reductions compared to the same period of last year. In details, in markets such as Hong Kong and Macau the situation worsened with strong contractions of traffic and retail sales in general. In addition, the devaluation of the Renminbi recorded between August and September had a negative impact on the purchases made by the Chinese travelers.

Conversely, the gross margin of the three months period ended October 31, 2015, was 74%, showing an increase over the 72.3% recorded in the comparative period. The improvement was positively contributed by the exchange rates, the efficiencies achieved in the industrial processes and by the price adjustments implemented also to balance the spreads among countries. EBITDA for the period amounted to Euro 155.3 million, or 20.5% of net revenues (23.6% in the three months under comparison), while EBIT totaled Euro 80.7 million, or 10.6% of net revenues (15.4% in the three months under comparison).

Facing this further deterioration of the economic scenario, the management started new short-term actions in order to curb the overall level of operating costs, and, at the same time, continued to work on the product offer in order to support sales, leveraging on creativity and spirit of innovation.

Management Discussion and Analysis for the nine months ended October 31, 2015

Distribution channels

In the nine months ended October 31, 2015, retail sales amounted to Euro 2,253.5 million, showing an increase of 3.8% at current exchange rates and a reduction of 4.9% at constant exchange rates. The growth during the period was positively contributed by 32 net stores opening compared to October 31, 2014 (46 openings and 14 closures). By geographical area, results were affected by the exchange rate fluctuations since the weakening of the Euro currency encouraged, until the summer, the flows of tourists into the Eurozone and increased the counter value of the net sales generated in the various foreign currencies. Europe and Italy showed a growth, while Americas and Middle East showed a growth in sales only at current exchange rates. The Asia Pacific region was negative overall. The results in Japan were instead positive regardless of trend of the Japanese Yen, as retail sales also increased at constant exchange rates and DOS number (the Same Store Sales Growth rate was positive).

The wholesale channel generated net sales of Euro 295.5 million, down by 15.9% at current exchange rates and by 21.4% at constant exchange rates. The continued selective strategy on independent customers (the latter also responds to the need to limit the parallel market) significantly affected the performance of the period together with the crisis linked to MERS in South Korea.

Markets

In the nine months ended October 31, 2015, the Asia Pacific market generated net sales of Euro 845.6 million, down by 6.3% at current exchange rates and by 19.1% at constant exchange rates. Reductions in local consumptions as well as tourists flow from Mainland China significantly impacted the area, especially in Hong Kong and Macau where the decline in sales was more evident. The Greater China (Hong Kong, Macau and China) contributed net sales of Euro 536.2 million, down by 5.6% at current exchange rates and by 20.9% at constant exchange rates.

In Europe, net sales amounted to Euro 557.4 million, recording an increase of 2.4% at current exchange rates and an increase of 0.8% at constant exchange rates. The retail, thanks both to the existing stores (SSSG positive) and the new openings (net 4 more DOS compared to October 31, 2014), led the sales performance in the area. The growth recorded in the region was diluted by the contractions reported in Great Britain and in Switzerland, where the trend of the respective local currencies penalized visitors. The results for the wholesale channel were negative both at current and constant exchange rates for the above mentioned reasons.

The Italian market achieved net sales of Euro 406.4 million, up by 0.9% over the same period of 2014. Retail channel sales reported a double-digit growth throughout the period especially thanks to the tourist flows favored by a weak Euro and despite the number of store networks remained the same from the comparable nine months. The only opening in the last twelve months was the Prada store in Galleria Vittorio Emanuele II in Milan (that became a DOS on April 1, 2015, after a period when it was operated under a franchise agreement by a related party). On the other hand, the selective strategy coupled with the poor performances in the secondary cities led to a double-digit percentage decline of the wholesale business.

Net sales in the American market amounted to Euro 365.4 million in the nine months ended October 31, 2015, reporting a growth of 8.6% at current exchange rates and a reduction of 7.8% at constant exchange rates. Retail and wholesale channels showed substantially the same trend compared to the comparable period. The strengthening of the US Dollar had a negative impact on travelers in the region. In the retail channel, it is worth noting the organic development of the Canadian market.

The Japanese area, also supported by tourist flows, showed the most significant and stable growth across the nine months, reporting net sales of Euro 286.4 million which were up by 10.4% at current exchange rates and up by 4.6% at constant exchange rates. The progress in Japan alone was even bigger because the overall results of this area were penalized by the decline of the flows of tourists in Hawaii (which belong to the commercial area of Japan) caused by the weakening of the Japanese Yen against the US dollar.

The Middle East generated net sales totaling Euro 83.4 million, up by 12.7% at current exchange rates and down by 4.8% at constant exchange rates. The entire region suffered from lower flows of tourists.

Products

Leather goods posted net sales of Euro 1,553.3 million, reporting a decline of 3.8% at current exchange rates and a decline of 11.6% at constant exchange rates compared to the same period of 2014. The contraction was mainly due to the Prada brand which was particularly affected by the suffering of the Asia Pacific and American markets.

Clothing recorded net sales of Euro 422.6 million, up by 2.5% compared to the results achieved in the same period of 2014. At constant exchange rates, the trend showed a decline of 5.6%, except for Japan where growth was achieved also at constant exchange rates.

The footwear division generated net sales of Euro 523.2 million, posting a 15.8% growth compared to the results achieved in the same period of 2014. The increase in sales was achieved also at constant exchange rates (+5.9%) and in all regions.

Brands

The Prada brand recorded net sales of Euro 2,065.8 million, down compared to the same period of last year: by 0.8% at current exchange rates and by 8.9% at constant exchange rates.

Miu Miu brand generated net sales of Euro 411.7 million, recording an increase of 10.2% at current exchange rates and of 0.9% at constant exchange rates. Sales growth was driven mainly by the positive sale performances by shoes and leather goods, but partially offset by the decline in the ready-to-wear division. From a geographical point of view, with the exception of Asia Pacific, sales from Miu Miu increased at constant exchange rates in all regions, and notably in Middle East.

In the nine months ended October 31, 2015, the Church's brand posted net sales of Euro 60.5 million, 10.1% up at current exchange rates and 1.7% up at constant exchange rates over the same period a year earlier. The commercial development was achieved thanks to the expansion of the retail channel which showed net sales growth also on a SSSG basis. This development was diluted by the contraction recorded by the wholesale in Europe.

The net sales recorded by the Car Shoe brand were penalized by the contraction of the wholesale and by the closure of the DOS operating in London, Hong Kong and Singapore.

Royalties

During the nine months ended October 31, 2015, the licensing business generated income amounting to Euro 33.5 million, which showed an increase of 16.2% over the same period of last year. The development has been achieved through both the eyewear and the fragrance businesses, thanks also to the launch of the first Miu Miu fragrance in August.

Operating results

Gross margin for the nine months ended October 31, 2015, amounted to Euro 1,887.1 million. As a percentage of net revenues, the gross margin increased from 72% to 73.1% following the favorable effect of the exchange rates, the improvements in industrial margins and the price adjustments implemented also to balance the spreads among countries. Nevertheless, the geographical and product mix of the nine months period were less favorable if compared to the same period last year.

Operating expenses increased overall from Euro 1,340 million to Euro 1,513.2 million, raising their incidence on net revenues from 52.5% to 58.6%. In absolute terms, the increase was attributable to the selling expenses, essentially following the enlargement of the retail structure. To a lesser extent, the increase in the activities of advertising and communication resulted in an increase in operating expenses because of the higher spending for media spaces, retail events and special projects. Other operating costs were almost unchanged in absolute terms compared to the period under comparison, thanks to the actions undertaken in the first months of the year and after the summer to improve the efficiency of operational processes and reduce discretionary expenses. Overall, the increased incidence of the operating expenses negatively impacted profitability with EBITDA that went from 26.7% to 23.1%, and EBIT, from 19.5% to 14.5%.

The financial charges impacted the income statement for Euro 18.5 million, slightly more than in the period under comparison. This was mainly due to interest expenses on borrowings following the higher average level of bank debt in the current period. Income taxes, although lower in absolute terms compared to the nine months ended October 31, 2014, showed a higher effective tax rate because of a different geographical distribution of the taxable income.

Net invested capital

The following table contains the Statement of financial position reclassified in order to provide a better picture of the composition of the Net invested capital.

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Non-current assets (excluding deferred tax assets)	2,567,580	2,557,198
Trade receivables, net	248,256	346,284
Inventories, net	795,674	654,545
Trade payables	(311,639)	(437,420)
Net operating working capital	732,291	563,409
Other current assets (excluding financial position items)	215,644	190,149
Other current liabilities (excluding financial position items)	(261,078)	(411,878)
Other current assets/(liabilities), net	(45,434)	(221,729)
Provisions for risks	(65,657)	(63,695)
Post-employment benefits	(68,298)	(85,754)
Other long-term liabilities	(167,401)	(159,419)
Deferred taxation, net	259,867	239,349
Other non-current assets/(liabilities), net	(41,489)	(69,519)
Net invested capital	3,212,948	2,829,359
Shareholders' equity – Group	(2,997,517)	(3,000,737)
Shareholders' equity – Non Controlling Interests	(17,653)	(17,410)
Total consolidated Shareholders' equity	(3,015,170)	(3,018,147)
Long term financial payables	(416,707)	(254,462)
Short term financial , net surplus/(deficit)	218,929	443,250
Net financial position surplus/(deficit)	(197,778)	188,788
Shareholders' equity and Net of positive financial position	(3,212,948)	(2,829,359)
Debt to Equity ratio	0.07	n.a.

At October 31, 2015, Net invested capital stand at Euro 3,212.9 million, an increase of Euro 383.6 million compared to the figure reported at January 31, 2015.

The non-current assets, excluding deferred tax assets, amounts to Euro 2,567.6 million at October 31, 2015, and the change compared to Euro 2,557.1 million at January 31, 2015, is negligible as the investments for the period, amounting to Euro 234.7 million, were almost equal to the depreciation and amortization charges. The capital expenditure were allocated to the retail area for Euro 144.2 million, to the corporate area for Euro 52.9 million and to the industrial and logistics area for Euro 37.6 million. Retail investments for the period were supported in order to strengthen further the retail network through 29 new openings and 27 projects dedicated to renewals, expansions and relocations of existing stores.

The net operating working capital at October 31, 2015, amounts to Euro 732.3 million, up by Euro 168.9 million from the figure of Euro 563.4 million reported at January 31, 2015. The increase was mainly attributable to a higher level of the stock of finished products due to the different approach to replenishment which started in the last few months of 2014, to the 18 DOS openings from January 31, 2015, and to the volume of sales in the last months of 2015 which were lower than expected.

Other current liabilities, net, decreased from Euro 221.7 million at January 31, 2015, to Euro 45.4 million, mainly as a result of the payment of debts for investments and the closure of derivative financial contracts.

The decrease in other non-current liabilities, net, which are equal to Euro 41.5 million as at October 31, 2015, and were Euro 69.5 million as at January 31, 2015, was mainly generated by the payment of a first *tranche* of long-term benefits plans to key employees, as well as by higher temporary differences between the tax value and the value in the Consolidated financial statements of the inventory of finished goods.

The Group shareholders' equity at October 31, 2015, is almost unchanged compared to the figure of Euro 3,000.7 million reported at January 31, 2015. The income for the nine months period and the positive change in the translation reserve due to the revaluation of net assets denominated in currencies other than the Euro were offset by the distribution of dividends to the shareholders of PRADA spa for Euro 281.5 million.

Net financial position surplus/(deficit)

(amounts in thousands of Euro)	as at October 31 2015 (unaudited)	as at January 31 2015 (audited)
Long-term debt	(417,448)	(255,203)
Long-term financial receivables due from related parties	741	741
Long-term financial payables	(416,707)	(254,462)
Bank overdraft and short-term loans	(305,886)	(263,335)
Payables to related parties	(2,433)	(2,371)
Receivables from related parties	-	11
Obligations under finance leases	-	(21)
Cash and cash equivalents	527,248	708,966
Short-term net financial surplus/(deficit)	218,929	443,250
Net financial position surplus/(deficit)	(197,778)	188,788

At October 31, 2015, the Group's net financial position is negative and equal to Euro 197.8 million. The cash flows from operating activities, net, amounted to Euro 200.8 million and, together with the use of existing funds, was used to support the investments for the period (Euro 304.6 million), pay dividends to the shareholders of PRADA spa (Euro 281.5 million) and absorb the increase in the net operating working capital (Euro 168.9 million). It is also worth highlighting that the Group, in order to improve its financial flexibility, while also taking advantage of the favorable conditions on the credit market, signed in the period new medium/long-term facilities in Euro and Japanese yen for a total amount of approximately Euro 190 million.

Outlook

Over the last few months there was a general worsening of the macroeconomic environment: in particular, continuing volatility on financial markets and rising fears on the social and political landscape have made consumers less willing to spend and decreased tourist flows in some countries. Against this background and also in light of the far-reaching changes underway in the luxury goods segment, the Group is further stepping up all its commercial and product-related initiatives to strengthen relations with its increasingly sophisticated and demanding customer base. At the same time, further cost containment measures were implemented following a review of all business processes.

Stylistic continuity, one of the Group's core strengths, together with a flexible organization capable of adapting to market changes, will be key features of the Group's strategy in the near future. This will allow the Group to react to evolution in demand through design and creative decisions always in line with the tradition and positioning of its brands. To this extent, the management is reviewing the organization in order to streamline processes and further strengthen it with new key personnel. In the medium-term, the Group remains optimistic about the outlook for the segment and confident that the undoubted stylistic leadership of its brands and its positioning - with global coverage already secured by its extensive retail network - will be key factors in facing up successfully to future challenges.

Corporate governance practices

Audit Committee

The Audit Committee, which comprises three independent non-executive directors, on December 15, 2015, has reviewed the unaudited consolidated results of the Company and its subsidiaries for the nine months ended October 31, 2015.

Compliance with the Corporate Governance Code of the Listing Rules

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the applicable code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the nine months ended October 31, 2015.

Purchase, Sale, or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended October 31, 2015.

Publication of Announcement on Consolidated results for the nine months ended October 31, 2015

This announcement on the consolidated results for the nine months ended October 31, 2015, is published on the Company's website at www.pradagroup.com and on the Hong Kong Stock Exchanges' website at www.hkexnews.hk.

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

Milan (Italy), December 15, 2015

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.