PRADA spa
(Stock Code: 1913)

ANNOUNCEMENT OF THE CONSOLIDATED RESULTS FOR THE YEAR ENDED JANUARY 31, 2016, AND CESSATION OF QUARTERLY FINANCIAL RESULTS PUBLICATION

- Net revenues were Euro 3,547.8 million, recording a decrease of 0.1% compared with the twelve months ended January 31, 2015 (-7.7% at constant exchange rates)
- Retail net sales were Euro 3,059.7 million, up by 2.6% compared with the twelve months ended January 31, 2015 (-5.3% at constant exchange rates)
- EBIT was Euro 502.9 million, representing a margin of 14.2% on net revenues
- Group's net income amounted to Euro 330.9 million, compared to Euro 450.7 million for the twelve months ended January 31, 2015
- Net financial position standing negative at Euro 114.8 million as at January 31, 2016

Consolidated results for the year ended January 31, 2016

The Board of Directors (the “Board”) of PRADA S.p.A. (the “Company”, or “PRADA spa”) announces the audited Consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended January 31, 2016, together with the audited comparative figures for the year ended January 31, 2015. 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, 2016, and January 31, 2015, were audited by Deloitte & Touche S.p.A.

Scope of work of Messrs. Deloitte & Touche spa

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended January 31, 2016, as set out in this preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte & Touche spa, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Deloitte & Touche spa in this respect did not constitute an assurance engagement in accordance with Auditing Standards issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange and consequently no assurance has been expressed by Messrs. Deloitte & Touche spa on the preliminary announcement.

Key financial information

Key information from the Statement of Profit or Loss (amounts in thousands of Euro)	twelve months ended Jan 31 2016 (audited)	twelve months ended Jan 31 2015 (audited)	twelve months ended Jan 31 2014 (audited)	% change vs Jan 31 2015
Net revenues	3,547,771	3,551,696	3,587,347	-0.1%
EBITDA	802,758	954,249	1,143,186	-15.9%
EBITDA %	22.6%	26.9%	31.9%	-
EBIT	502,893	701,551	939,237	-28.3%
EBIT %	14.2%	19.8%	26.2%	-
Income before tax	475,332	667,702	922,896	-28.8%
Net income of the Group	330,888	450,730	627,785	-26.6%
Earnings per share (Euro)	0.129	0.176	0.245	-26.6%
Capital expenditure	336,895	449,735	611,227	-
Net operating cash flows	368,465	483,597	769,436	-23.8%
Average number of employees	12,414	11,962	10,816	3.8%

Key information from the Statement of financial position (amounts in thousands of Euro)	as at Jan 31 2016 (audited)	as at Jan 31 2015 (audited)	as at Jan 31 2014 (audited)	change vs Jan 31 2015
Net operating working capital	665,156	563,409	409,774	101,747
Net invested capital	3,212,172	2,829,359	2,405,650	382,813
Net financial position surplus/(deficit)	(114,795)	188,788	295,890	(303,583)
Group shareholders' equity	3,080,340	3,000,737	2,687,554	79,603

Highlights for the year ended January 31, 2016

The economic environment became tougher for the international luxury goods market in 2015. Difficult times on Asian markets had a significant impact on sales performance throughout the region, especially in Hong Kong and Macao where reductions in local consumption and in the flow of tourism hit harder than elsewhere. At the same time, social and political tensions felt worldwide further contributed to a general decrease in willingness to consume and in tourist flows. Foreign exchange fluctuation also had a significant effect as the competitive advantage produced by the weaker Euro in the first half of the year decreased due to instability on financial markets over the summer period, reducing the flow of Chinese customers in particular.

A swift response to this complicated situation was needed and, bearing in mind its core commitment to research and innovation, the Group has implemented a series of measures designed to combat pressure on operating profit resulting from the lack of retail sales growth and the reduction in the wholesale. The main operating processes in the retail and production areas have been reviewed in order to make them more efficient and measures to improve the mix of products on sale have been identified. Prices have also been adjusted to take account of foreign exchange rate market trends and brand positioning. Last but not least, the range of corrective measures taken has included action to reduce costs. Nevertheless the Group continued to prefer long-term growth targets committing resources to activities and projects deemed essential to value creation. Accordingly, investment in industrial and retail structures has continued, even though priorities were adjusted during the year. Priority has also been given to initiatives designed to strengthen brand identity and develop relations with an ever more sophisticated customer base. In this regard, it is worth mentioning, in addition to the aforesaid sponsorships, directly organized events like the one held to celebrate the opening of the prestigious new freestanding Miu Miu store in Aoyama, Tokyo.

Market response to the Group's marketing initiatives and commercial decisions has been positive overall although there have been contrasting results in terms of distribution channel, product category and geographical area. Consolidated net revenues for the year amounted to Euro 3,547.8 million, broadly in line with 2014 at current exchange rates. The range of measures adopted by management in relation to business processes and the cost structure have helped limit the reduction in profitability and the reporting period has ended with Group's net income of Euro 330.9 million, 9.3% of net revenues; this is down on 2014 when Group's net income stood at Euro 450.7 million, or 12.7% of revenues.

Consolidated Statement of Profit or Loss for the year ended January 31, 2016

(amounts in thousands of Euro)	Note	twelve months ended January 31 2016 (audited)	% on Net revenues	twelve months ended January 31 2015 (audited)	% on Net revenues
Net revenues	3	3,547,771	100.0%	3,551,696	100.0%
Cost of goods sold		(980,206)	-27.6%	(1,001,117)	-28.2%
Gross margin		2,567,565	72.4%	2,550,579	71.8%
Operating expenses	4	(2,064,672)	-58.2%	(1,849,028)	-52.1%
EBIT		502,893	14.2%	701,551	19.8%
Interest and other financial income/(expenses), net	5	(29,872)	-0.9%	(34,304)	-1.0%
Dividends received from third parties		2,311	0.1%	455	-
Income before taxes		475,332	13.4%	667,702	18.8%
Taxation	6	(141,994)	-4.0%	(208,484)	-5.9%
Net income for the year		333,338	9.4%	459,218	12.9%
Net income – Non-controlling interests		2,450	0.1%	8,488	0.2%
Net income – Group		330,888	9.3%	450,730	12.7%
Depreciation, amortization and impairment		299,865	8.5%	252,698	7.1%
EBITDA		802,758	22.6%	954,249	26.9%
Basic and diluted earnings per share (in Euro per share)	7	0.129		0.176	

Consolidated Statement of Profit or Loss for the three months ended January 31, 2016 (unaudited)

(amounts in thousands of Euro)	Note	three months ended Jan 31 2016 (unaudited)	% on Net revenues	three months ended Jan 31 2015 (unaudited)	% on Net revenues
Net revenues	3	965,227	100.0%	999,672	100.0%
Cost of goods sold		(284,766)	-29.5%	(285,509)	-28.6%
Gross margin		680,461	70.5%	714,163	71.4%
Operating expenses		(551,456)	-57.1%	(509,045)	-50.9%
EBIT		129,005	13.4%	205,118	20.5%
Interest and other financial income/(expenses), net		(9,783)	-1.0%	(18,326)	-1.8%
Dividends received from third parties		749	0.1%	-	-
Income before taxes		119,971	12.5%	186,792	18.7%
Taxation		(24,855)	-2.6%	(53,771)	-5.4%
Net income for the period		95,116	9.9%	133,021	13.3%
Net income – Non-controlling interests		(695)	-0.1%	1,610	0.2%
Net income – Group		95,811	9.8%	131,411	13.1%
Depreciation, amortization and impairment		78,354	8.1%	67,453	6.7%
EBITDA		207,359	21.5%	272,571	27.3%

Consolidated statement of financial position

(amounts in thousands of Euro)	Note	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Assets			
Current assets			
Cash and cash equivalents		680,601	708,966
Trade receivables, net	9	254,183	346,284
Inventories, net	8	692,672	654,545
Derivative financial instruments - current		11,682	6,287
Receivables from, and advance payments to, related parties - current	10	19,629	3,240
Other current assets	12	229,671	180,633
Total current assets		1,888,438	1,899,955
Non-current assets			
Property, plant and equipment	11	1,517,779	1,474,218
Intangible assets	11	932,238	943,304
Associated undertakings		17,354	30,529
Deferred tax assets		280,572	280,983
Other non-current assets	13	113,954	91,353
Derivative financial instruments non-current		721	1,106
Receivables from, and advance payments to, related parties – non-current	10	5,499	17,429
Total non-current assets		2,868,117	2,838,922
Total Assets		4,756,555	4,738,877
Liabilities and Shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans		270,112	263,335
Payables to related parties - current	14	5,244	3,083
Trade payables	15	281,699	437,420
Tax payables		80,744	133,914
Derivative financial instruments - current		11,095	56,772
Obligations under finance leases - current		654	21
Other current liabilities	16	142,271	220,480
Total current liabilities		791,819	1,115,025
Non-current liabilities			
Long-term financial payables		520,475	255,203
Post-employment benefits		69,405	85,754
Provision for risks and charges	17	69,233	63,695
Deferred tax liabilities		36,882	41,634
Other non-current liabilities		161,317	128,752
Derivative financial instruments non-current		10,047	17,283
Payables to related parties – non-current	14	-	13,384
Total non-current liabilities		867,359	605,705
Total Liabilities		1,659,178	1,720,730
Share capital		255,882	255,882
Total other reserves		2,355,023	2,163,129
Translation reserve		138,547	130,996
Net income for the year		330,888	450,730
Equity attributable to owners of Group		3,080,340	3,000,737
Equity attributable to Non-controlling interests		17,037	17,410
Total Equity		3,097,377	3,018,147
Total Liabilities and Total Equity		4,756,555	4,738,877
Net current assets		1,096,619	784,930
Total assets less current liabilities		3,964,736	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 year**	**Equity of the Group**	**Non-controlling interests**	**Total Equity**
Balance at January 31, 2014	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)**	(9,378)	**(290,849)**
Acquisition of Marchesi Angelo srl	-	**-**	**-**	-	-	-	-	(2,466)	**(2,466)**	**-**	**(2,466)**	107	**(2,359)**
Capital injection in subsidiaries	-	**-**	**-**	-	-	-	-	-	**-**	**-**	**-**	2,125	**2,125**
Comprehensive income for the year (recycled to P&L)	-	**-**	**180,434**	-	(39,022)	-	7,007	-	**(32,015)**	**450,730**	**599,149**	10,573	**609,722**
Comprehensive income for the year (not recycled to P&L)	-	**-**	**-**	-	-	(2,029)	-	-	**(2,029)**	**-**	**(2,029)**	(3)	**(2,032)**
Balance at January 31, 2015	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)**
Share capital increase	-	-	-	-	-	-	-	-	-	-	-	**409**	**409**
Transactions with Non-controlling shareholders	-	-	-	-	-	-	-	**(726)**	**(726)**	-	**(726)**	**(39)**	**(765)**
Comprehensive income for the year (recycled to P&L)	-	-	**7,551**	-	**28,223**	-	**(10,182)**	-	**18,041**	**330,888**	**356,480**	**2,479**	**358,959**
Comprehensive income for the year (not recycled to P&L)	-	-	-	-	-	**5,320**	-	-	**5,320**	-	**5,320**	6	**5,326**
Balance at January 31, 2016	2,558,824,000	**255,882**	**138,547**	410,047	(7,100)	**(8,161)**	933	1,959,304	**2,355,023**	**330,888**	**3,080,340**	**17,037**	**3,097,377**

Condensed statement of consolidated cash flows

(amounts in thousands of Euro)	twelve months ended January 31 2016 (audited)	twelve months ended January 31 2015 (audited)
Net cash flows from operating activities	368,465	483,597
Cash flows generated/(utilized) by investing activities	(392,125)	(368,870)
Cash flows generated/(utilized) by financing activities	(9,777)	(57,027)
Change in cash and cash equivalents, net of bank overdrafts	(33,437)	57,700

Statement of consolidated comprehensive income

(amounts in thousands of Euro)	twelve months ended January 31 2016 (audited)	twelve months ended January 31 2015 (audited)
Net income for the period – Consolidated	333,338	459,218
A) Items recyclable to P&L:		
Change in Translation reserve	7,580	182,519
Tax impact	-	-
Change in Translation reserve less tax impact	7,580	182,519
Change in Cash Flow Hedge reserve	38,907	(52,817)
Tax impact	(10,684)	13,795
Change in Cash Flow Hedge reserve less tax impact	28,223	(39,022)
Change in Fair Value reserve	(13,576)	9,343
Tax impact	3,394	(2,336)
Change in Fair Value reserve less tax impact	(10,182)	7,007
B) Item not recyclable to P&L:		
Change in Actuarial reserve	6,526	(2,338)
Tax impact	(1,200)	306
Change in Actuarial reserve less tax impact	5,326	(2,032)
Consolidated comprehensive income for the period	364,285	607,690
Comprehensive income for the period – Non-controlling Interests	2,485	10,570
Comprehensive income for the period – Group	361,800	597,120

Notes to the consolidated results for the year ended January 31, 2016

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 specific licensing agreements, in the eyewear and fragrances. Its products are sold in 70 countries worldwide through a network that included 618 Directly Operated Stores (DOS) at January 31, 2016, and a select 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 Fogazzaro 28, Milan, Italy.

2. Basis of preparation

The Consolidated financial statements of the PRADA Group as at January 31, 2016, including the "Consolidated statement of financial position", the "Consolidated Statement of Profit or Loss", the "Statement of Consolidated comprehensive income", the "Summarized statement of consolidated cash flows ", the "Statement of changes in consolidated shareholders' equity" and the "Notes to the consolidated financial statements" have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") as endorsed by the European Union.

At the date of presentation of these Consolidated financial statements, there were no differences between IFRS as endorsed by the European Union and applicable to the PRADA Group and those issued by the IASB.

IFRS also refers to all International Accounting Standards ("IASs") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously called the Standing Interpretations Committee ("SIC").

The contents of this Announcement on the consolidated results for the year ended January 31, 2016, are included in the 2015 Annual Report of PRADA spa.

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 year ended January 31, 2016 (audited)

(amounts in thousands of Euro)	twelve months ended January 31 2016 (audited)		twelve months ended January 31 2015 (audited)		% change
Net sales of directly operated stores (DOS)	3,059,732	86.3%	2,980,891	83.9%	2.6%
Sales to independent customers and franchisees	444,612	12.5%	532,545	15.0%	-16.5%
Royalties	43,427	1.2%	38,260	1.1%	13.5%
Net revenues, total	3,547,771	100.0%	3,551,696	100.0%	-0.1%

Net sales of directly operated stores (DOS)

(amounts in thousands of Euro)	twelve months ended January 31 2016 (audited)		twelve months ended January 31 2015 (audited)		% change
Net sales of DOS by geographical area					
Italy	392,796	12.8%	354,759	11.9%	10.7%
Europe	665,784	21.8%	644,819	21.6%	3.3%
Americas	410,751	13.4%	391,177	13.1%	5.0%
Asia Pacific	1,080,012	35.3%	1,130,205	37.9%	-4.4%
Japan	403,721	13.2%	364,825	12.2%	10.7%
Middle East	103,521	3.4%	92,881	3.1%	11.5%
Other countries	3,147	0.1%	2,225	0.1%	41.4%
Total	3,059,732	100.0%	2,980,891	100.0%	2.6%
Net sales of DOS by brand					
Prada	2,487,593	81.3%	2,463,155	82.6%	1.0%
Miu Miu	501,667	16.4%	454,968	15.3%	10.3%
Church's	56,194	1.8%	49,012	1.6%	14.7%
Other	14,278	0.5%	13,756	0.5%	3.8%
Total	3,059,732	100.0%	2,980,891	100.0%	2.6%
Net sales of DOS by product line					
Clothing	541,627	17.7%	512,271	17.2%	5.7%
Leather goods	1,919,872	62.7%	1,965,630	65.9%	-2.3%
Footwear	537,498	17.6%	448,696	15.1%	19.8%
Other	60,735	2.0%	54,294	1.8%	11.9%
Total	3,059,732	100.0%	2,980,891	100.0%	2.6%

Net sales to independent customers and franchisees

(amounts in thousands of Euro)	twelve months ended January 31 2016 (audited)		twelve months ended January 31 2015 (audited)		% change
Net Sales to independent customers and franchisees by brand					
Prada	353,463	79.5%	432,282	81.2%	-18.2%
Miu Miu	62,648	14.1%	71,802	13.5%	-12.7%
Church's	26,262	5.9%	25,029	4.7%	4.9%
Other	2,239	0.5%	3,432	0.6%	-34.8%
Total	444,612	100.0%	532,545	100.0%	-16.5%

Net revenues for the three months ended January 31, 2016 (unaudited)

(amounts in thousands of Euro)	three months ended January 31 2016 (unaudited)		three months ended January 31 2015 (unaudited)		% change
Net sales of directly operated stores (DOS)	806,267	83.5%	809,216	81.0%	-0.4%
Sales to independent customers and franchisees	149,065	15.4%	181,059	18.1%	-17.7%
Royalties	9,895	1.1%	9,397	0.9%	5.3%
Net revenues, total	965,227	100.0%	999,672	100.0%	-3.4%

Net sales of directly operated stores (DOS) for the three months ended January 31, 2016

(amounts in thousands of Euro)	three months ended January 31 2016 (unaudited)		three months ended January 31 2015 (unaudited)		% change
Net sales of directly operated stores (DOS) by geographical area					
Italy	87,674	10.9%	84,271	10.4%	4.0%
Europe	155,000	19.2%	164,344	20.3%	-5.7%
Americas	117,034	14.5%	120,544	14.9%	-2.9%
Asia Pacific	295,587	36.7%	305,681	37.8%	-3.3%
Japan	119,970	14.9%	107,744	13.3%	11.3%
Middle East	30,141	3.7%	25,980	3.2%	16.0%
Other countries	861	0.1%	652	0.1%	32.3%
Total	806,267	100.0%	809,216	100.0%	-0.4%
Net sales of directly operated stores (DOS) by brand					
Prada	651,105	80.8%	663,714	82.0%	-1.9%
Miu Miu	133,343	16.5%	125,392	15.5%	6.3%
Church's	16,929	2.1%	15,615	1.9%	8.4%
Other	4,890	0.6%	4,495	0.6%	8.8%
Total	806,267	100.0%	809,216	100.0%	-0.4%
Net sales of directly operated stores (DOS) by product line					
Clothing	161,892	20.1%	153,104	18.9%	5.7%
Leather goods	493,674	61.2%	518,944	64.1%	-4.9%
Footwear	137,772	17.1%	125,495	15.5%	9.8%
Other	12,929	1.6%	11,673	1.5%	10.8%
Total	806,267	100.0%	809,216	100.0%	-0.4%

Net sales to independent customers and franchisees for the three months ended January 31, 2016

(amounts in thousands of Euro)	three months ended January 31 2016 (unaudited)		three months ended January 31 2015 (unaudited)		% change
Net Sales to independent customers and franchisees by brand					
Prada	124,183	83.3%	148,819	82.2%	-16.6%
Miu Miu	19,287	12.9%	27,880	15.4%	-30.8%
Church's	5,045	3.4%	3,505	1.9%	43.9%
Other	550	0.4%	855	0.5%	-35.7%
Total	149,065	100.0%	181,059	100.0%	-17.7%

Number of stores

	as at January 31 2016		as at January 31 2015	
	DOS	franchises	DOS	franchises
Prada	386	26	362	27
Miu Miu	173	10	169	8
Church’s	52	-	55	-
Car Shoe	5	-	8	-
Marchesi	2	-	-	-
Total	618	36	594	35

	as at January 31 2016		as at January 31 2015	
	DOS	franchises	DOS	franchises
Italy	54	5	51	6
Europe	167	-	167	3
Americas	117	-	110	-
Asia Pacific	183	26	175	22
Japan	74	-	70	-
Middle East	21	5	17	4
Africa	2	-	4	-
Total	618	36	594	35

4. Operating expenses

(amounts in thousands of Euro)	twelve months ended January 31 2016 (audited)	% on net revenues	twelve months ended January 31 2015 (audited)	% on net revenues
Product design and development costs	134,272	3.8%	132,583	3.7%
Advertising and communication costs	191,695	5.4%	170,562	4.8%
Selling costs	1,517,443	42.8%	1,340,832	37.8%
General and administrative costs	221,262	6.2%	205,051	5.8%
Total	2,064,672	58.2%	1,849,028	52.1%

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

(amounts in thousands of Euro)	twelve months ended January 31 2016 (audited)	twelve months ended January 31 2015 (audited)
Interests expenses on borrowings	(14,779)	(12,891)
Interest expenses others	(44)	(400)
Interest income	3,816	3,314
Exchange gains /(losses) – realized	3,221	8,854
Exchange gains/(losses) – unrealized	(17,489)	(30,045)
Other financial income/(expenses)	(4,597)	(3,136)
Total	(29,872)	(34,304)

6. Taxation

(amounts in thousands of Euro)	twelve months ended January 31 2016 (audited)	twelve months ended January 31 2015 (audited)
Current taxation	158,157	252,712
Deferred taxation	(16,163)	(44,228)
Income taxes	141,994	208,484

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.

	twelve months ended January 31 2016 (audited)	twelve months ended January 31 2015 (audited)
Group net income in Euro	330,888,425	450,730,284
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	0.129	0.176

Dividend per share

The Board of Directors of PRADA spa has proposed a final dividend of Euro 281,470,640 (or Euro 11 cents per share) for the twelve months ended January 31, 2016.

During the year ended January 31, 2016, 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. Payment of the dividends and the related Italian withholding tax liability (Euro 11.3 million), arising from the application of the Italian ordinary withholding tax rate to the full amount of dividends paid to beneficial owners of the Company shares held through the Hong Kong Central Clearing and Settlement System, was completed by January 31, 2016.

8. Inventories, net

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Raw materials	107,782	106,843
Work in progress	20,925	40,786
Finished products	614,423	571,115
Allowance for obsolete and slow moving inventories	(50,458)	(64,199)
Total	692,672	654,545

The increase in finished products relates to the different approach to replenishment which started in the last few months of 2014, as well as to the lower than expected volume of sales.

Materials being worked upon by third parties are included in raw materials. Work in progress includes materials at the production stage with PRADA spa, other production companies included in the scope of consolidation and third party sub-contractors.

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	26,798	37,401	64,199
Exchange differences	1	(4)	(3)
Increases	-	108	108
Utilization	(42)	(13,804)	(13,846)
Balance at January 31, 2016	26,757	23,701	50,458

9. Trade receivables, net

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Trade receivables from third parties	235,718	317,147
Allowance for bad and doubtful debts	(6,546)	(7,784)
Trade receivables from related parties	25,011	36,921
Total	254,183	346,284

The decrease in trade receivables from third parties is due to a reduction in sales to independent customers and third party franchisees.

Trade receivables from related parties mainly refer to the sale of finished products to Fratelli Prada spa, a related company and franchisee of the Prada Group. During the year, Prada spa took over management of the Prada store in Galleria Vittorio Emanuele II, Milan from Fratelli Prada Spa.

The allowance for doubtful debts was determined on a specific basis considering all information available at the date the financial statements were prepared. It is revised periodically to bring receivables as close as possible to their fair value.

Movements during the period were as follows:

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Opening balance	7,784	10,432
Change in scope of consolidation	-	17
Exchange differences	(47)	463
Increases	418	109
Utilized	(1,321)	(3,173)
Reversals	(288)	(64)
Closing balance	6,546	7,784

The following table contains a summary of total receivables by due date before the allowance for doubtful debts:

(amounts in thousands of Euro)	as at January 31, 2016 (audited)	Not overdue	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 < 120	≥ 120
Trade receivables	260,729	217,808	17,077	6,848	5,257	3,400	10,339
Total	260,729	217,808	17,077	6,848	5,257	3,400	10,339

(amounts in thousands of Euro)	as at January 31, 2015 (audited)	Not overdue	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 < 120	≥ 120
Trade receivables	354,068	283,878	28,279	11,202	10,029	3,840	16,840
Total	354,068	283,878	28,279	11,202	10,029	3,840	16,840

The following table contains a summary of trade receivables by due date after the allowance for doubtful accounts:

(amounts in thousands of Euro)	as at January 31 2016 (audited)	Not overdue	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 < 120	≥ 120
Trade receivables less allowance for doubtful accounts	254,183	217,327	17,077	6,848	5,257	3,400	4,274
Total	254,183	217,327	17,077	6,848	5,257	3,400	4,274

(amounts in thousands of Euro)	as at January 31 2015 (audited)	Not overdue	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 < 120	≥ 120
Trade receivables less allowance for doubtful accounts	346,284	283,137	28,279	11,202	10,029	3,840	9,797
Total	346,284	283,137	28,279	11,202	10,029	3,840	9,797

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 January 31 2016 (audited)	as at January 31 2015 (audited)
Financial receivables	-	11
Prepaid sponsorship	13,626	-
Other receivables and advance payments	6,003	3,229
Receivables from, and advance payments to, related parties - current	19,629	3,240

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

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Prepaid sponsorship	3,164	12,379
Deferred rental income – long-term	1,632	4,309
Loans	703	741
Receivables from, and advance payments to, related parties – non-current	5,499	17,429

11. Capital expenditure

Changes in the net book value of Property, plant and equipment in the period ended January 31, 2016, 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	60,349	15,709	97,555	53,271	8,145	68,472	303,501
Depreciation	(15,798)	(10,199)	(168,866)	(46,978)	(11,522)	-	(253,363)
Disposals	1	(79)	(2,565)	(519)	(102)	(89)	(3,353)
Exchange differences	(2,585)	(21)	(5,286)	(3,147)	(244)	(1,127)	(12,410)
Other movements	119,924	2,168	50,580	9,069	19,635	(183,210)	18,166
Impairment	-	(63)	(6,003)	(2,670)	(76)	(168)	(8,980)
Balance at January 31, 2016 (audited)	639,831	28,691	478,717	187,687	86,109	96,744	1,517,779

Changes in the net book value of Intangible assets in the period ended January 31, 2016, 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	376	337	693	6,834	71	25,083	33,394
Amortization	(11,528)	-	(19,272)	(3,998)	(2,016)	-	(36,814)
Disposals	-	-	(1,928)	(97)	-	-	(2,025)
Exchange differences	(842)	(173)	(3,564)	(78)	-	(65)	(4,722)
Other movements	-	-	15,634	1,551	207	(17,583)	(191)
Impairment	-	(160)	(545)	(3)	-	-	(708)
Balance at January 31, 2016 (audited)	265,238	513,218	97,510	15,037	14,987	26,248	932,238

12. Other current assets

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
VAT	59,917	56,934
Income tax and other tax receivables	100,838	53,307
Other assets	12,242	11,454
Prepayments	51,863	54,642
Deposits	4,811	4,296
Total	229,671	180,633

13. Other non-current assets

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Guarantee deposits	73,974	70,004
Deferred rental income	13,716	9,056
Pension fund surplus	7,778	2,515
Other long-term assets	18,486	9,778
Total	113,954	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 January 31 2016 (audited)	as at January 31 2015 (audited)
Financial payables	4,858	2,371
Other payables	386	712
Payables to related parties – current	5,244	3,083

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

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Other payables – other related parties	-	13,384
Payables to related parties – non-current	-	13,384

Following the transaction with the non-controlling interests of subsidiary Pellettieri D'Italia in the first half of 2015, Fin-reta srl is no longer a related party but a third party. Consequently, the related payables have been reclassified to "Other non-current liabilities".

15. Trade payables

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Trade payables – third parties	266,701	410,402
Trade payables – related parties	14,998	27,018
Total	281,699	437,420

The decrease in trade payables is mainly due to the different manufacturing planning adopted at the end of the year.

The following table contains a summary of trade payables by due date:

(amounts in thousands of Euro)	as at January 31 2016 (audited)	Not overdue	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 < 120	≥ 120
Trade payables	281,699	246,525	16,418	10,190	1,912	670	5,984
Total	281,699	246,525	16,418	10,190	1,912	670	5,984

(amounts in thousands of Euro)	as at January 31 2015 (audited)	Not overdue	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 < 120	≥ 120
Trade payables	437,420	392,284	21,893	10,967	1,936	1,424	8,916
Total	437,420	392,284	21,893	10,967	1,936	1,424	8,916

16. Other current liabilities

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Payables for capital expenditure	54,132	128,346
Accrued expenses and deferred income	16,379	17,354
Other payables	71,760	74,780
Total	142,271	220,480

The decrease in payables for capital expenditure is mainly explained by settlement of the final balance of Euro 55 million due for the purchase of the Milan property used as the Group headquarters.

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	Other Provisions	Total
Balance at January 31, 2015 (audited)	1,876	25,537	36,282	63,695
Exchange differences	(1)	2	(165)	(164)
Reclassifications	70	(70)	-	-
Reversals	(101)	(264)	(228)	(593)
Utilized	(247)	(2,613)	(3,324)	(6,184)
Increases	444	254	11,781	12,479
Balance at January 31, 2016 (audited)	2,041	22,846	44,346	69,233

Provisions for risks and charges represent the Directors' best estimate of maximum contingent liabilities. In the Directors' opinion and based on the information available to them, as supported by the opinions of independent experts at the reporting date, the total amount provided for risks and charges is reasonable considering the contingent liabilities that could arise.

Management Discussion and Analysis for the three months ended January 31, 2016 (unaudited)

Net revenues for the three months ended January 31, 2016, totaled Euro 965.2 million, 3.4% less than for the same period in fiscal year 2014. In more detail, net sales of finished products totaled Euro 955.3 million, a 3.5% decrease with contrasting performances in the two distribution channels, while royalties income increased by 5.3% thanks to higher sales of eyewear and fragrances.

Sales to independent customers and franchisees reported a decrease, as already highlighted in the previous quarters, because of the selective strategy adopted. Overall, the wholesale channel recorded a 17.7% decrease in revenues compared to the three months ended January 31, 2015.

The retail channel, with net sales of Euro 806.3 million, remains in line with the final quarter of 2014 albeit with contrasting trends in the various geographical areas: growth in Japan, Italy and the Middle East were compensated by reductions in other regions. The three months in question were affected by ongoing weakness on Asian markets but also by uncertainty on the European market in the wake of the tragic events in Paris.

Gross margin for the final quarter of fiscal year 2015 stood at 70.5%, slightly down on 71.4% for the final quarter of fiscal year 2014.

EBIT margin for the quarter also decreased compared to the same period in prior year: from 20.5% of net sales to 13.4%. The profitability of the period was impacted by non-recurring expenses such as indemnities and onerous leases for an amount equal to some Euro 9 million.

The Group’s net income represented 9.8% of net sales against 13.1% in the final quarter of prior year.

Management Discussion and Analysis for the year ended January 31, 2016

Retail channel net sales

Retail sales for the twelve months ended January 31, 2016, amounted to Euro 3,059.7 million, 2.6% up on 2014 at current exchange rates but 5.3% down at constant exchange rates. The number of Directly Operated Stores (DOS) increased from 594 at January 31, 2015, to 618 at January 31, 2016.

Markets

The Asia Pacific market generated net sales of Euro 1,080 million, remaining the PRADA Group's leading market. However, net sales fell by 4.4% at current exchange rates and by 16.1% at constant exchange rates compared to 2014. Sales in the region were greatly affected by the downturn recorded in Hong Kong and Macao. The Greater China area benefited from growth at current exchange rates on the Chinese domestic market and ended the period with net sales of Euro 705.8 million, down by 8.3% at current exchange rates and by 22% at constant exchange rates.

Net sales in Europe totaled Euro 665.8 million, increasing by 3.3% at current exchange rates and by 1.8% at constant exchange rates. The flow of travelers from Asia Pacific and the United States, attracted in part by the weak Euro, sustained net sales in 2015, especially in the first half of the fiscal year.

In Italy, the retail channel generated net sales of Euro 392.8 million, up by 10.7% on 2014. The growth was mainly driven by the flow of travelers and achieved almost entirely with the same store basis, as just one more DOS was added during the year.

Net sales on the American market totaled Euro 410.8 million with a 5% increase at current exchange rates and an 8.7% decrease at constant exchange rates. The drop in sales at constant exchange rates was determined by the performance of the US market as the other countries in this commercial area i.e. Canada, Brazil and Mexico also achieved growth in real terms.

The Japanese commercial area was also boosted by a strong flow of tourists and ended the 2015 fiscal year with net sales of Euro 403.7 million, a 10.7% increase on prior year (+3.9% at constant exchange rates).

The Middle East region reported an increase of 11.5% at current exchange rates and a decrease of 5% at constant exchange rates. The entire region suffered from lower tourist flows.

Products

Footwear recorded net sales of Euro 537.5 million in the retail channel, with growth of 19.8% at current exchange rates and 10.6% at constant exchange rates. This product line achieved sales growth at constant exchange rates in all geographical areas.

The clothing division recorded net sales totaling Euro 541.6 million with a 5.7% increase at current exchange rates and a 2.5% decrease at constant exchange rates. Sales growth was achieved in all geographical areas at current exchange rates but only in Japan and Europe at constant exchange rates.

Leather goods recorded net sales of Euro 1,919.9 million, down by 2.3% on the figure of Euro 1,965.6 million for the twelve months ended January 31, 2015. At constant exchange rates, sales of this product line decreased by 9.8%. The sales performance of leather goods was affected by difficult economic conditions in the Asia Pacific region.

Brands

The Prada brand generated net sales of Euro 2,487.6 million in the retail channel, reporting a 1% increase at current exchange rates. Footwear and clothing product lines achieved growth, while leather goods recorded a reduction, especially in Asia Pacific. At constant exchange rates, Prada brand net sales decreased by 6.7%. During the twelve months under review 29 new DOS were opened while 5 were closed.

Miu Miu recorded net sales of Euro 501.7 million, reporting a 10.3% increase at current exchange rates. The brand achieved growth in all geographical areas. In terms of product category, clothing sales remained broadly in line with prior year while sales of leather goods and, especially, footwear increased. At constant exchange rates, Miu Miu recorded net sales growth of 1.3%. During the twelve months under review, 11 new DOS were opened while 7 were closed.

The Church's brand recorded consolidated net sales of Euro 56.2 million through its DOS network, a 14.7% increase compared to 2014. The sales increase was achieved primarily on the European market where there was a steady rate of growth throughout the year. Three DOS were closed during the twelve months under review.

Other brands mainly includes net sales of the Car Shoe brand, whose performance for the year was affected by the closure of 3 DOS, as well as the net sales of Marchesi 1824 patisserie products whose impact in absolute terms is still immaterial to the Group, although it is growing.

Net sales to independent customers and franchisees

For the Prada and Miu Miu brands deliveries to independent customers and franchisees reported a reduction in net sales in 2015, mainly as a result of the ongoing selective strategy in Italy and Europe and, to a lesser extent, the contraction in the South Korean market in relation to the MERS crisis.

In contrast, the Church's brand reported net sales growth thanks to advances in Japan, Europe and Italy, even though a decrease was recorded in Asia Pacific.

Royalties

In the twelve months ended January 31, 2016, licensing agreements generated royalties income of Euro 43.4 million, 13.5% more than in 2014. The increase was due to higher sales of eyewear and fragrances, also thanks to the launch of the first Miu Miu fragrance in August.

Operating results

During the period in response to constant but unforeseeable changes to the economic environment which slowed down sales in some regions, management identified a range of measures designed to limit pressure on operating profit. Consequently, specific measures were adopted in order to make retail and industrial processes more efficient, contain discretionary costs and postpone certain capital expenditure projects.

Gross margin was Euro 2,567.6 million for the twelve months ended January 31, 2016, or 72.4% of net sales. The increase in gross margin percentage from 71.8% in prior year was achieved thanks to effects of industrial efficiencies and price adjustments made to balance the spreads among countries. Favorable foreign currency trends had a further positive impact.

Operating expenses increased as a percentage of net revenues essentially because of retail network expansion had a lack of sales growth. In fact, selling costs increased from Euro 1,340.8 million to Euro 1,517.4 million, or from 37.8% to 42.8% of net revenues in relation to the fixed costs included in this caption (labor costs, rents and depreciation).

As part of advertising and communication, which remain essential activities to sustain revenues, the Group favored initiatives aimed at strengthening brand identity e.g. sponsorships, institutional events and special projects and at supporting the relationships with customers, also through increasingly sophisticated use of the digital channel. In this regard, it is worth highlighting the Digital Retail project launched towards the end of the year and aimed at increasing the customer involvement through direct and personalized interactions.

Product design and development costs, totaling Euro 134.3 million or 3.8% of net sales, were in line with prior year.

General and administrative costs were also subject to cost containment measures although they were, at the same time, affected by certain non-recurring expenses such as indemnities and onerous leases.

EBITDA for 2015 amounted to Euro 802.8 million, or 22.6% of net sales (compared to 26.9% in 2014), while EBIT totaled Euro 502.9 million, or 14.2% of net sales (compared to 19.8% in 2014). The decrease in EBIT compared to prior year was also due to the higher incidence of depreciation and amortization.

EBITDA by brand

twelve months ended January 31 2016 (amounts in thousands of Euro)	Group	Prada	Miu Miu	Church's	Other
Net sales	3,504,344	2,841,056	564,315	82,456	16,517
Royalties	43,427	37,436	5,984	7	-
Net revenues	3,547,771	2,878,492	570,299	82,463	16,517
EBITDA	802,758	797,453	11,621	3,567	(9,883)
EBITDA %	22.6%	27.7%	2.0%	4.3%	-

twelve months ended January 31 2015 (amounts in thousands of Euro)	Group	Prada	Miu Miu	Church's	Other
Net sales	3,513,436	2,895,437	526,770	74,041	17,188
Royalties	38,260	34,868	3,378	14	-
Net revenues	3,551,696	2,930,305	530,148	74,055	17,188
EBITDA	954,249	922,644	35,130	4,605	(8,130)
EBITDA %	26.9%	31.5%	6.6%	6.2%	-

The dilution in EBITDA for the PRADA brand is explained by the higher incidence of operating expenses as the brand's gross margin improved compared to prior year thanks to measures taken at Group level in relation to industrial processes and pricing strategies. At the same time retail network expansion, with an increase in typical costs (rent and personnel costs), was not accompanied by sufficient sales growth and EBITDA fell as a result, although it remained among the highest in the industry.

The profitability of the Miu Miu brand continued to be under pressure as a result of investments made in order to improve the visibility of the brand through a global distribution network and support the image with effective communications. Although Miu Miu achieved sustained revenue growth in 2015, it did not fully absorb the higher level of operating costs.

The Church's brand achieved significant sales growth, especially in the retail channel where growth on prior year was also achieved on a same store basis and at constant exchange rates. Nonetheless, the brand was less profitable mainly because of non-recurring operating expenses due to re-organization of the commercial area.

Net invested capital

The following table contains the statement of financial position, as reclassified in order to provide a better picture of the composition of Net Invested Capital.

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Non-current assets (excluding deferred tax assets)	2,586,841	2,557,198
Trade receivables, net	254,183	346,284
Inventories, net	692,672	654,545
Trade payables	(281,699)	(437,420)
Net operating working capital	665,156	563,409
Other current assets (excluding financial position items)	260,983	190,149
Other current liabilities (excluding financial position items)	(234,496)	(411,878)
Other current assets/(liabilities), net	26,487	(221,729)
Provisions for risks	(69,233)	(63,695)
Post-employment benefits	(69,405)	(85,754)
Other long-term liabilities	(171,364)	(159,419)
Deferred taxation, net	243,690	239,349
Other non-current assets/(liabilities), net	(66,312)	(69,519)
Net invested capital	3,212,172	2,829,359
Shareholders' equity – Group	(3,080,340)	(3,000,737)
Shareholders' equity – Non-Controlling Interests	(17,037)	(17,410)
Total consolidated Shareholders' equity	(3,097,377)	(3,018,147)
Long term financial payables	(519,772)	(254,462)
Short term financial , net surplus/(deficit)	404,977	443,250
Net financial position surplus/(deficit)	(114,795)	188,788
Shareholders' equity and Net financial position	(3,212,172)	(2,829,359)
Debt to Equity ratio	3.6%	n.a.

At January 31, 2016, the Group had a solid balance sheet structure, founded on net invested capital of Euro 3,212.2 million and financed by net debt of Euro 114.8 million and Group shareholders' equity of Euro 3,080.3 million.

At January 31, 2016, net non-current assets, excluding deferred tax assets, amounted to Euro 2,586.8 million, pretty much in line with January 31, 2015, as capital expenditure for the year of Euro 336.9 million was almost equal to depreciation and amortization charges. Capital expenditure included Euro 175 million of investments in the retail network for both the final stage of the expansion strategy and renewal and relocation projects, Euro 57.9 million to strengthen production facilities and Euro 104 million in the corporate area. Intangible assets at January 31, 2016, included goodwill mainly relating to the distribution channels with a total value of Euro 513.2 million. The impairment test performed in accordance with IFRS at the reporting date did not identify any impairment of value.

At January 31, 2016, net operating working capital stood at Euro 665.2 million, an increase of Euro 101.7 million compared to January 31, 2015, because of the higher level of inventories and lower trade payables, overall. The increase in finished products related to the different approach to replenishment which started in the last few months of 2014, as well as to the lower than expected volume of sales. At the same time, different manufacturing scheduling led to a reduction in trade payables at the end of the year.

At January 31, 2016, other current liabilities were equal to other current assets, eliminating the deficit of Euro 221.7 million recorded at January 31, 2015. This was mainly due to the settlement of capital expenditure payables, the lower tax liability and the closure of derivative contracts.

The change in other non-current liabilities, net, was not significant as the increase in non-monetary liabilities relating to rental contracts has been offset by a decrease in long-term benefits in favor of key employees and collaborators due to payments made during the year.

Group shareholders' equity amounted to Euro 3,080.3 million at January 31, 2016. During the year, dividends of Euro 281.5 million were distributed to the PRADA spa shareholders (as approved by the Annual General Meeting on May 26, 2015).

Net financial position surplus/(deficit)

(amounts in thousands of Euro)	as at January 31 2016 (audited)	as at January 31 2015 (audited)
Bonds	(130,000)	(130,000)
Bank borrowing – non-current	(390,475)	(125,203)
Finance lease obligations – non-current	-	-
Total financial payables – non-current	**(520,475)**	**(255,203)**
Financial payables and bank overdrafts - current	(270,112)	(263,335)
Payables to parent company and related parties	(4,858)	(2,371)
Finance lease obligations – current	(654)	(21)
Total financial payables – current	**(275,624)**	**(265,727)**
Total financial payables	**(796,099)**	**(520,930)**
Financial receivables from related parties – non-current	**703**	**741**
Financial receivables from related parties – current	-	11
Cash and cash equivalents	680,601	708,966
Total financial receivables and cash and cash equivalents - current	**680,601**	**708,977**
Total financial receivables and cash and cash equivalents	**681,304**	**709,718**
Net financial surplus/(deficit), total	**(114,795)**	**188,788**
Net financial surplus/(deficit) excluding related party balances	**(110,640)**	**190,407**
NFP/EBITDA ratio	**-14.3%**	**n/a**

At January 31, 2016, the Group's net financial position showed a cash deficit of Euro 114.8 million. Operating cash flows for the twelve months then ended amounted to Euro 368.5 million and were entirely employed, together with some new bank debt, to finance capital expenditure (Euro 390 million) and to pay dividends to the shareholders of PRADA spa (Euro 281.5 million) and to the non-controlling shareholders of the subsidiaries (Euro 3.2 million).

During 2015, in order to increase its financial flexibility while taking advantage of favorable conditions available on the credit market, the Group arranged new medium/long-term bank loans totaling around Euro 320 million and repaid debt of around Euro 45 million as it fell due. As a result, total bank borrowing increased by Euro 275.2 million in absolute terms but its structure in terms of original currency and interest rate also changed: the incidence of Euro borrowing increased from 55% of total at January 31, 2015, to 73% while fixed rate borrowing – also considering amounts hedged via derivatives – rose from 42% to 46%. Some of the borrowing requires compliance with covenants which were fully respected at the reporting date and mainly regard solvency ratios.

Cash and cash equivalents include bank current accounts used for operational purposes and short-term deposits used to employ cash on a low-risk basis; these cash and cash equivalents generally belong to Group's subsidiaries rather than to PRADA spa which, together with PRADA Japan co ltd, carries most of the consolidated bank debt.

Events after the reporting date

As reported in the Announcement published by the Company on February 19, 2016, Director Donatello Galli resigned from the role of Executive Director and CFO with effect from the same day. The Board of Directors then appointed Alessandra Cozzani – already an Executive Director – as the new CFO. On April 8, 2016, the Board also approved the appointment of Mr. Stefano Simontacchi as Non-Executive Director of the Company with effect from the same day, to fill the casual vacancy caused by Mr. Galli's resignation.

Outlook for 2016

Throughout 2015, the luxury goods market had to deal with an economic environment characterized by volatile financial markets and by heightening geopolitical tension in many world regions. These conditions are still present and 2016 is again set to be affected by instability which makes any short-term forecasts uncertain. Bearing this in mind and in order to ensure the Group achieves satisfactory profit levels, management has implemented a thorough review of all operating processes. The results, in terms of greater efficiency and productivity, will already be apparent in the months to come. The Group will pay particular attention to new forms and methods of communications designed to develop a relationship between its brands and an ever larger audience, maintaining a permanent dialogue involving all of the various parts of the Prada universe. At the same time, the Group will continue to work towards providing a sound base for sustainable long-term growth with investments tailored to make the most of the distinctive features that make its brands unique: excellent product quality with contemporary and innovative stylistic content and capacity to interpret the desires of an ever more sophisticated and demanding customers.

Corporate governance practices

The Company is committed to maintaining a high standard of corporate governance practices as part of its commitment to effective corporate governance. The corporate governance model adopted by the Company consists of a set of rules and standards aimed toward establishing efficient and transparent operations within the Company and its subsidiaries (the "Group"), to protect the rights of the Company's shareholders and to enhance shareholder value. The corporate governance model adopted by the Company is in compliance with the applicable regulations in Italy, as well as the principles of the Corporate Governance Code (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").Full details on the Company's corporate governance practices are set out in the Company's 2015 Annual Report.

Audit Committee

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules where at least one member possesses appropriate professional qualifications in accounting or possesses related financial management expertise to discharge the responsibility of the Audit Committee. The membership of the Audit Committee consists of three Independent Non-Executive Directors, namely, Mr. Gian Franco Oliviero Mattei (Chairman), Mr. Giancarlo Forestieri and Mr. Sing Cheong Liu.

During the year ended January 31, 2016 (the "Reviewed Period"), the Audit Committee held eight meetings (with an attendance rate of 87.5%) mainly to review with senior management, the Group's internal and external auditor and the board of statutory auditors, significant internal and external audit findings and financial matters as required under the Committee's terms of reference. The Audit Committee's review covers the audit plans as well as the findings of both the internal and external auditors, internal controls, risk assessment, annual review of the continuing connected transaction of the Group, tax updates and financial reporting matters ((including the annual results for the year ended January 31, 2015, the first quarter results as of April 30, 2015, the interim financial results as of July 31, 2015 and third quarter results as of October 31, 2015, before recommending them to the Board for approval).The Audit Committee also held a meeting on April 8, 2016, to review the annual results for the year ended January 31, 2016, before recommending it to the Board for approval.

Compliance with the Code

The Board has reviewed the Company's corporate governance practices and is satisfied that such practices have complied with the code provisions set out in the Code, for the entire Reviewed Period (i.e. the year ended January 31, 2016).

Directors' securities transactions

The Company has adopted written procedures governing Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"). Specific written acknowledgments have been obtained from each Director to confirm his/her compliance with required standard set out in the Model Code and the Company's relevant procedures regarding directors' securities transactions for the duration of the Reviewed Period. There were no incidents of non-compliance during the Reviewed Period.

The Company has also adopted written procedures governing securities transactions carried out by the relevant employees who are likely to possess inside information in relation to the Company and its securities. The terms of these procedures are no less exacting than the standard set out in the Model Code.

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 Reviewed Period.

Shareholders' general meeting

The Shareholders' general meeting of the Company will be held on (Tuesday, May 24), 2016 (the "AGM").

Notice of the AGM will be published on the Company's website at *www.pradagroup.com* and on the Hong Kong Exchanges and Clearing Limited's website at *www.hkexnews.hk* and dispatched to the shareholders of the Company in due course.

Final dividend

The Board recommends, for the twelve month period ended January 31, 2016, a final dividend of Euro 281,470,640 (or 11 Euro/cents per share).The payments shall be made:

(i) in Euro to the shareholders recorded in the section of the Company's shareholders register kept by the Company at its registered office in Milan (Italy), and

(ii) in Hong Kong dollars to the shareholders recorded in the section of the Company's shareholders register kept in Hong Kong. The relevant exchange rate will be the opening buying T/T rate of Hong Kong dollars to Euros as announced by the Hong Kong Association of

Banks (www.hkab.org.hk) on the day the final dividend is approved by the shareholders.

Subject to the shareholders' approval of the payment of the final dividend at the forthcoming shareholders' general meeting of the Company to be held on Tuesday, May 24, 2016, such dividend will be paid on Monday, June 13, 2016.

Book Closure and Record Dates

For determining shareholders' right to attend and vote at the AGM:

Latest time to lodge transfer documents with the Company's Hong Kong Share Registrar or the Company in Milan *(Note 1)*	May 19, 2016 - 4:30 pm HK time/10:30 am CET time
Book closure (both sections) *(Note 2)*	From May 20 to 24, 2016 (both days inclusive)
Record date	May 24, 2016

For determining shareholders' entitlement to the payment of the proposed final dividend:

Latest time to lodge transfer documents with the Company's Hong Kong Share Registrar or the Company in Milan *(Note 1)*	May 30, 2016 - 4:30 pm HK time/10:30 am CET time
Book closure (both sections) *(Note 2)*	May 31, 2016
Record Date	May 31, 2016
Dispatch date of dividend warrants	June 13, 2016

Notes:

1. *All transfers accompanied by the relevant share certificate(s) must be lodged with:*
   - *(i) the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited whose address is at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, if the transfer concerns shares registered in the section of the Company's shareholders register kept by the Company's Hong Kong share registrar itself; or*
   - *(ii) the Company's registered office at Via Antonio Fogazzaro no. 28, Milan 20135, Italy, if the transfer concerns shares registered in the section of the Company's shareholders register kept by the Company itself.*
2. *No transfer of shares will be registered on the book closure date.*

Publication of Annual Results Announcement and Annual Report

This Annual Results Announcement is published on the Company's website at www.pradagroup.com and on the Hong Kong Exchanges and Clearing Limited's website at www.hkexnews.hk. The Company's 2015 Annual Report will be published on the same websites and dispatched to shareholders of the Company in due course.

Cessation of Quarterly Financial Results Publication

The Board of the Company hereby announces that, following recent changes in the Italian laws and practices, the Company will no longer announce and publish the quarterly consolidated financial results of the Group for each of the first three-month and nine-month periods of any financial year, including the current one.

In the past, the Company had resolved to announce and publish the quarterly financial results (the "Quarterly Reporting") in order to voluntarily comply with the laws and practices of quarterly results disclosure at that time applicable to companies listed in Italy, although such laws and practices were not strictly speaking applicable to the Company (which is not listed in Italy).
The relevant Italian law on this matter has recently changed to the effect that companies listed in Italy are no longer required to publish their quarterly results.

In light of the above and having considered the fact that the Company will continue to fulfill its disclosure obligations in compliance with the Listing Rules by publishing the Group's annual and half-year financial results, the Board is of the view that the Quarterly Reporting could be discontinued with immediate effect.

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