PRADA spa
(Stock Code: 1913)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED JULY 31, 2016

- Retail net sales were Euro 1,276.6 million, -17.8% compared with the six months ended July 31, 2015 (-15.9% at constant exchange rates)
- Wholesales net sales were Euro 252.7 million, +1.5% compared with the six months ended July 31, 2015 (+2.9% at constant exchange rates)
- Royalties were Euro 24.9 million, +7.9% compared with the six months ended July 31, 2015
- EBIT was Euro 213.7 million, or 13.8% on net revenues
- Group's net income was Euro 141.9 million, or 9.1% on net revenues
- Net Operating cash flow were Euro 266.7 million
- Net financial position standing negative at Euro 251.7 million as at July 31, 2016

Consolidated results for the six months ended July 31, 2016

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 six months ended July 31, 2016, together with the unaudited comparative figures for the same six months period ended July 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, were audited by Deloitte & Touche S.p.A.

Key financial information

Key economic figures (amounts in thousands of Euro)	six months ended July 31 2016 (unaudited)	twelve months ended January 31 2016 (audited)	six months ended July 31 2015 (unaudited)	change % six months 2016 vs six months 2015
Net revenues	1,554,172	3,547,771	1,824,433	-14.8%
EBITDA	329,991	802,758	440,054	-25.0%
EBITDA %	21.2%	22.6%	24.1%	-
EBIT	213,701	502,893	293,214	-27.1%
EBIT %	13.8%	14.2%	16.1%	-
Net income of the Group	141,923	330,888	188,593	-24.7%
Earnings per share (Euro)	0.055	0.129	0.074	-25.7%
Capital expenditure	108,085	336,895	176,235	-
Net operating cash flows	266,728	368,465	63,374	n/a
Average number of employees	12,228	12,414	12,365	-1.1%

Key statement of financial position indicators (amounts in thousands of Euro)	July 31 2016 (unaudited)	January 31 2016 (audited)	July 31 2015 (unaudited)	change Jul 2016 vs Jan 2016
Net operating working capital	674,446	665,156	747,574	9,290
Net invested capital	3,166,777	3,212,172	3,238,133	(45,395)
Net financial position surplus/(deficit)	(251,727)	(114,795)	(259,749)	(136,932)
Group shareholders' equity	2,894,984	3,080,340	2,960,909	(185,356)

Highlights for the six months ended July 31, 2016

The net revenues for the first six months of fiscal year 2016 amounted to Euro 1,554.2 million, down by 14.8% compared to the same period of last year. The decrease was entirely attributable to a sales decline in the retail channel as the wholesales and royalties were positive.

In the six-month period, management undertook several initiatives to assist the retail performance in the context of an uncertain economy that did not show any significant improvement with respect to the previous year. So, leveraging its craftsmanship, manufacturing capacity and unique stylistic identity, the Group launched new collections in all product categories for all brands. These include, among others, the new iconic Prada Cahier, Prada Pionnère and Miu Miu Dahlia handbags, as well as several one-of-a-kind editions created to celebrate seasonal festivities, retail events and business partnerships. Despite good results in new products, sales were down almost everywhere, but, again, the most significant declines were in the leather goods division, especially in the Far East.

The Group combined its commitment to product design with effective advertising campaigns and communication activities, and directed its efforts toward additional enhancement of the customer experience. To this end the Group started to relocate or expand some of its most important shops, such as the Prada stores on Canton Road in Hong Kong and at Plaza 66 in Shanghai, and began to roll-out new retail concepts. At the same time, new stores were opened only in areas deemed strategic, such as Zurich and Moscow, and such openings were counterbalanced with selected store closings in secondary cities or where expiring leases could be not be renewed under conditions deemed in line with the market. As in the previous year, all these initiatives were accompanied by a continuous review of corporate processes and savings to limit the pressure on operating margins.

At the end of the six-month period the results of the cost containment actions allowed the Group, despite the sales contraction, to achieve an EBIT margin of 13.8%, compared to 16.1% for the same period of last year. The Group's net income was Euro 141.9 million, or 9.1% as a percentage of net revenues, whereas it was 10.3% for the same six-month period of 2015.

The net operating working capital at July 31, 2016 is Euro 674.4 million, practically unchanged from the Euro 665.2 million of January 31, 2016. The Group succeeded in optimizing the management of this item thanks to better retail planning and operations, thus benefiting the Group's net financial debt, which after the dividend payment of Euro 281.5 million in June 2016 stood at Euro 251.7 million at July 31, 2016.

Consolidated Statement of Profit or Loss for the six months ended July 31, 2016

(amounts in thousands of Euro)	Note	six months ended July 31 2016 (unaudited)	% on Net revenues	six months ended July 31 2015 (unaudited)	% on Net revenues
Net revenues	3	1,554,172	100.0%	1,824,433	100.0%
Cost of goods sold		(432,231)	-27.8%	(498,520)	-27.3%
Gross margin		1,121,941	72.2%	1,325,913	72.7%
Operating expenses	4	(908,240)	-58.4%	(1,032,699)	-56.6%
EBIT		213,701	13.8%	293,214	16.1%
Interest and other financial income/(expenses), net	5	(6,756)	-0.4%	(9,073)	-0.5%
Dividends from investments		558	0.0%	1,562	0.1%
Income before taxes		207,503	13.4%	285,703	15.7%
Taxation	6	(62,206)	-4.1%	(94,139)	-5.2%
Net income for the period		145,297	9.3%	191,564	10.5%
Net income – Non-controlling interests		3,374	0.2%	2,971	0.2%
Net income – Group		141,923	9.1%	188,593	10.3%
Depreciation, amortization and impairment		116,290	7.5%	146,840	8.0%
EBITDA		329,991	21.2%	440,054	24.1%
Basic and diluted earnings per share (in Euro per share)	7	0.055		0.074	

Consolidated statement of financial position

(amounts in thousands of Euro)	Note	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Assets			
Current assets			
Cash and cash equivalents		675,423	680,601
Trade receivables, net	9	314,340	254,183
Inventories	8	625,482	692,672
Derivative financial instruments – current		11,423	11,682
Receivables from, and advance payments to, related parties - current	10	17,793	19,629
Other current assets	12	211,616	229,671
Total current assets		1,856,077	1,888,438
Non-current assets			
Property, plant and equipment	11	1,505,147	1,517,779
Intangible assets	11	918,685	932,238
Associated undertakings		16,689	17,354
Deferred tax assets		272,505	280,572
Other non-current assets	13	116,650	113,954
Derivative financial instruments - non current		204	721
Receivables from, and advance payments to, related parties – non-current	10	3,762	5,499
Total non-current assets		2,833,642	2,868,117
Total Assets		4,689,719	4,756,555
Liabilities and Shareholders' Equity			
Current liabilities			
Bank overdrafts and short-term loans		334,523	270,112
Payables to related parties - current	14	6,319	5,244
Trade payables	15	265,376	281,699
Tax payables		70,396	80,744
Derivative financial instruments - current		25,153	11,095
Obligations under finance leases - current		218	654
Other current liabilities	16	127,263	142,271
Total current liabilities		829,248	791,819
Non-current liabilities			
Long-term financial payables		586,735	520,475
Post-employment benefits		64,287	69,405
Provision for risks and charges	17	70,037	69,233
Deferred tax liabilities		33,754	36,882
Other non-current liabilities		174,344	161,317
Derivative financial instruments non-current		16,264	10,047
Total non-current liabilities		945,421	867,359
Total Liabilities		1,774,669	1,659,178
Share capital		255,882	255,882
Total other reserves		2,386,277	2,355,023
Translation reserve		110,902	138,547
Net income for the year		141,923	330,888
Equity attributable to owners of Group		2,894,984	3,080,340
Equity attributable to Non-controlling interests		20,066	17,037
Total Equity		2,915,050	3,097,377
Total Liabilities and Total Equity		4,689,719	4,756,555
Net current assets		1,026,829	1,096,619
Total assets less current liabilities		3,860,471	3,964,736

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**	**Transla-tion Reserve**	Share premium reserve	Cash flow hedge reserve	Actuarial Reserve	Fair Value Available for sale Reserve	Other reserves	**Total Other Reserves**	**Net income**	**Equity attributa-ble to owners of Group**	**Non-control-ling interests**	**Total Equity**
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)**
Transactions with non-controlling interests	-	-	-	-	-	-	-	**(719)**	**(719)**	-	**(719)**	**(39)**	**(758)**
Capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	**409**	**409**
Comprehensive income for the six months (recyclable to P&L)	-	-	**39,974**	-	**16,044**	-	**(3,571)**	-	**12,473**	**188,593**	**241,040**	**2,923**	**243,963**
Comprehensive income for the six months (not recyclable to P&L)	-	-	-	-	-	**1,322**	-	-	**1,322**	-	**1,322**	-	**1,322**
Balance at July 31, 2015 (unaudited)	2,558,824,000	**255,882**	**170,970**	410,047	(19,279)	(12,159)	7,544	1,959,311	**2,345,464**	**188,593**	**2,960,909**	**17,475**	**2,978,384**
Transactions with non-controlling interests	-	-	-	-	-	-	-	(7)	**(7)**	-	**(7)**	-	**(7)**
Comprehensive income for the six months (recyclable to P&L)	-	-	**(32,423)**	-	**12,179**	-	**(6,611)**	-	**5,568**	**142,295**	**115,440**	(444)	**114,996**
Comprehensive income for the six months (not recyclable to P&L)	-	-	-	-	-	**3,998**	-	-	**3,998**	-	**3,998**	6	**4,004**
Balance at January 31, 2016 (audited)	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**
Allocation of 2015 net income	-	-	-	-	-	-	-	330,888	330,888	(330,888)	-	-	-
Dividends	-	-	-	-	-	-	-	(281,471)	(281,471)	-	**(281,471)**	**(369)**	**(281,840)**
Transactions with non-controlling interests	-	-	-	-	-	-	-	**(1,283)**	**(1,283)**	-	**(1,283)**	**(249)**	**(1,532)**
Capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	**109**	**109**
Comprehensive income for the six months (recyclable to P&L)	-	-	**(27,645)**	-	**(14,130)**	-	**(486)**	-	**(14,616)**	**141,923**	**99,662**	**3,538**	**103,200**
Comprehensive income for the six months (not recyclable to P&L)	-	-	-	-	-	**(2,264)**	-	-	**(2,264)**	-	**(2,264)**	-	**(2,264)**
Balance at July 31, 2016 (unaudited)	2,558,824,000	**255,882**	**110,902**	410,047	(21,230)	(10,425)	447	2,007,438	**2,386,277**	**141,923**	**2,894,984**	**20,066**	**2,915,050**

Condensed statement of consolidated cash flows

(amounts in thousands of Euro)	six months ended July 31 2016 (unaudited)	six months ended July 31 2015 (unaudited)
Net cash flows from operating activities	**266,728**	**63,374**
Cash flows generated/(utilized) by investing activities	**(114,675)**	**(235,889)**
Cash flows generated/(utilized) by financing activities	**(156,243)**	**1,902**
Change in cash and cash equivalents, net of bank overdrafts	**(4,190)**	**(170,613)**

Statement of consolidated comprehensive income

(amounts in thousands of Euro)	six months ended July 31 2016 (unaudited)	twelve months ended January 31 2016 (audited)	six months ended July 31 2015 (unaudited)
Net income for the period – Consolidated	**145,297**	**333,338**	**191,564**
A) Items recyclable to P&L:			
Change in Translation reserve	(27,480)	7,580	39,927
Tax impact	-	-	-
Change in Translation reserve less tax impact	(27,480)	7,580	39,927
Change in Cash Flow Hedge reserve	(18,080)	38,907	21,734
Tax impact	3,950	(10,684)	(5,690)
Change in Cash Flow Hedge reserve less tax impact	(14,130)	28,223	16,044
Change in Fair Value reserve	(648)	(13,576)	(4,761)
Tax impact	162	3,394	1,190
Change in Fair Value reserve less tax impact	(486)	(10,182)	(3,571)
B) Item not recyclable to P&L:			
Change in Actuarial reserve	(2,409)	6,526	1,823
Tax impact	145	(1,200)	(501)
Change in Actuarial reserve less tax impact	(2,264)	5,326	1,322
Consolidated comprehensive income for the period	**100,937**	**364,285**	**245,286**
Comprehensive income for the period – Non-controlling Interests	3,538	2,485	2,923
Comprehensive income for the period – Group	**97,399**	**361,800**	**242,363**

Notes to the consolidated results for the six months ended July 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, and, starting from 2014, in the food & beverage business through the historical Milanese patisserie Marchesi 1824. Its products are sold in 70 countries worldwide through a network that included 622 Directly Operated Stores (DOS) at July 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 financial information for the six months ended July 31, 2016, 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 unaudited Interim condensed consolidated financial statements. Such Interim results for the six months ended July 31, 2016, were prepared on a consistent basis compared to the Consolidated financial statements of the Group for the twelve months ended January 31, 2016, 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, 2016

The following amendments to IFRS have been endorsed by the European Union and are applicable to the PRADA Group effective from February 1, 2016. These changes did not have any significant impact on the figures reported in this Announcement:

- Amendment to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization";
- Amendment to "IFRS 11 Accounting for Acquisitions of Interests in Joint Operations";
- Disclosure Initiative: Amendments to "IAS 1 Presentation of Financial Statements";
- Annual Improvements to IFRSs (2012–2014 Cycle);

– Amendments to “IAS 27 Separate Financial Statements”.

Change in accounting estimates

In the six-month period, in accordance with the aforementioned applicable accounting standards, the Directors revised the estimated useful lives of some depreciable assets, mainly for the retail area, as shown below:

	retail area	
category of depreciable asset	**useful life used until Jan. 31, 2016**	**useful life used from Feb. 1, 2016**
Improvements to leased retail premises	shorter of lease term and 10 years	lease term (*)
Furniture and fixtures in leased premises	5 – 10 years	lease term (*)
Store-lease acquisition	shorter of lease term and 10 years	lease term (*)

(*) the lease term includes the renewal period when the exercise of the option is deemed reasonable

The Prada Group has amassed experience in the development and management of retail premises under its long-term expansion plan and continuous improvements in practices and processes. The experience and information accumulated over the years led management to consider the 10-year limit as no longer representative of the useful life of improvements made to retail premises. In fact, the average life of a store exceeds ten years and the benefits from improvements made to retail space and from the furniture and fixtures installed there, especially when a new store is opened, continue to flow to the Group until the store is closed down.

February 1, 2016 has been conventionally identified as the date on which the aforementioned accounting estimates were changed. The extension of the useful lives affected profit or loss by reducing the depreciation and amortization charges by Euro 27.3 million for the six months ended July 31, 2016: Euro 1.2 million at a cost of goods sold level and Euro 26.1 million at an operating expenses level.

3. Net revenues analysis

Net revenues for the six months ended July 31, 2016

(amounts in thousands of Euro)	six months ended July 31 2016 (unaudited)		six months ended July 31 2015 (unaudited)		% change
Net sales of directly operated stores (DOS)	1,276,588	82.1%	1,552,393	85.1%	-17.8%
Sales to independent customers and franchisees	252,679	16.3%	248,963	13.6%	1.5%
Royalties	24,905	1.6%	23,077	1.3%	7.9%
Net revenues, total	**1,554,172**	**100.0%**	**1,824,433**	**100.0%**	**-14.8%**

Net sales of Directly Operated Stores (DOS)

(amounts in thousands of Euro)	six months ended July 31 2016 (unaudited)		six months ended July 31 2015 (unaudited)		% change
Net sales of directly operated stores (*DOS*) by geographical area					
Italy	158,485	12.4%	200,675	12.9%	-21.0%
Europe	271,034	21.2%	340,955	22.0%	-20.5%
Americas	168,496	13.2%	203,813	13.1%	-17.3%
Asia Pacific	434,984	34.1%	557,643	35.9%	-22.0%
Japan	189,736	14.9%	194,222	12.5%	-2.3%
Middle East	52,820	4.1%	53,418	3.5%	-1.1%
Other countries	1,033	0.1%	1,667	0.1%	-38.0%
Total	1,276,588	100.0%	1,552,393	100.0%	-17.8%
Net sales of directly operated stores (*DOS*) by brand					
Prada	1,028,497	80.6%	1,262,180	81.3%	-18.5%
Miu Miu	217,498	17.0%	257,926	16.6%	-15.7%
Church's	25,073	2.0%	25,777	1.7%	-2.7%
Other	5,520	0.4%	6,510	0.4%	-15.2%
Total	1,276,588	100.0%	1,552,393	100.0%	-17.8%
Net sales of directly operated stores (*DOS*) by product line					
Clothing	223,271	17.5%	248,927	16.0%	-10.3%
Leather goods	776,789	60.8%	997,078	64.2%	-22.1%
Footwear	247,585	19.4%	272,890	17.6%	-9.3%
Other	28,943	2.3%	33,498	2.2%	-13.6%
Total	1,276,588	100.0%	1,552,393	100.0%	-17.8%

Net sales to independent customers and franchisees

(amounts in thousands of Euro)	six months ended July 31 2016 (unaudited)		six months ended July 31 2015 (unaudited)		% change
Net Sales to independent customers and franchisees by brand					
Prada	205,100	81.2%	199,313	80.0%	2.9%
Miu Miu	31,654	12.5%	35,992	14.5%	-12.1%
Church's	14,673	5.8%	12,602	5.1%	16.4%
Other	1,252	0.5%	1,056	0.4%	18.6%
Total	252,679	100.0%	248,963	100.0%	1.5%

Number of stores

	as at July 31 2016		as at January 31 2016		as at July 31 2015	
	DOS	franchises	DOS	franchises	DOS	franchises
Prada	388	23	386	26	372	27
Miu Miu	173	8	173	10	174	10
Church's	54	-	52	-	54	-
Car Shoe	5	-	5	-	5	-
Marchesi	2	-	2	-	1	-
Total	622	31	618	36	606	37

	as at July 31 2016		as at January 31 2016		as at July 31 2015	
	DOS	franchises	DOS	franchises	DOS	franchises
Italy	53	4	54	5	53	5
Europe	171	-	167	-	167	-
Americas	115	-	117	-	113	-
Asia Pacific	184	22	183	26	181	27
Japan	77	-	74	-	72	-
Middle East	20	5	21	5	18	5
Africa	2	-	2	-	2	-
Total	622	31	618	36	606	37

4. Operating expenses

(amounts in thousands of Euro)	six months ended July 31 2016 (unaudited)	% on net revenues	six months ended July 31 2015 (unaudited)	% on net revenues
Product design and development costs	64,484	4.1%	69,308	3.8%
Advertising and communications costs	76,594	4.9%	98,534	5.4%
Selling costs	682,026	43.9%	751,977	41.2%
General and administrative costs	85,136	5.5%	112,880	6.2%
Total Operating expenses	908,240	58.4%	1,032,699	56.6%

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

(amounts in thousands of Euro)	six months ended July 31 2016 (unaudited)	six months ended July 31 2015 (unaudited)
Interest expenses on borrowings	(7,722)	(7,592)
Interest expenses IAS 19	(89)	(58)
Interest income	2,008	1,548
Exchange gains / (losses) – realized	2,943	3,930
Exchange gains/ (losses) – unrealized	(2,615)	(5,360)
Other financial income / (expenses)	(1,281)	(1,541)
Total	(6,756)	(9,073)

6. Taxation

(amounts in thousands of Euro)	six months ended July 31 2016 (unaudited)	six months ended July 31 2015 (unaudited)
Current taxation	49,047	114,514
Deferred taxation	13,159	(20,375)
Income taxes	62,206	94,139

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.

	six months ended July 31 2016 (unaudited)	six months ended July 31 2015 (unaudited)
Group net income in Euro	141,923,268	188,593,497
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	0.055	0.074

Dividend per share

During the six months ended July 31, 2016, the Company distributed dividends of Euro 281,470,640, as approved by the Shareholders' Meeting held on May 24, 2016, to approve the financial statements for the year ended January 31, 2016.

The payment of the dividends and the related Italian withholding tax liability (Euro 14.6 million), arising from the application of the Italian ordinary withholding tax rate to the whole amount of dividends paid to beneficial owners of the Company shares held through the Hong Kong Central Clearing and Settlement System, was completed by July 31, 2016.

8. Inventories, net

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Raw materials	105,065	107,782
Work in progress	21,242	20,925
Finished products	549,307	614,423
Allowance for obsolete and slow moving inventories	(50,132)	(50,458)
Total	625,482	692,672

The reduction in finished products amounting to Euro 64.8 million represents the result of actions undertaken to gradually lowering the level of inventories.

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, 2016 (audited)	26,757	23,701	50,458
Exchange differences	(5)	(10)	(15)
Increases	-	173	173
Utilization	-	(484)	(484)
Balance at July 31, 2016 (unaudited)	26,752	23,380	50,132

9. Trade receivables, net

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Trade receivables – third parties	292,552	235,718
Allowance for bad and doubtful debts	(6,604)	(6,546)
Trade receivables – related parties	28,392	25,011
Total	314,340	254,183

Trade receivables increased by Euro 60.2 million, in line with the seasonal trend and the positive performance of the wholesale channel occurred in the last months of the period.

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.

Movements of the allowance for doubtful debts during the period were as follows:

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Opening balance	6,546	7,784
Exchange differences	(59)	(47)
Increases	206	418
Utilized	(49)	(1,321)
Reversals	(40)	(288)
Closing balance (unaudited)	6,604	6,546

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 July 31, 2016 (unaudited)	Not overdue	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 < 120	≥ 120
Trade receivables	320,944	267,527	18,696	5,903	6,308	7,352	15,158
Total	320,944	267,527	18,696	5,903	6,308	7,352	15,158

(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

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

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	Not overdue	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 < 120	≥ 120
Trade receivables less allowance for doubtful accounts	314,340	267,021	18,679	5,903	6,308	7,352	9,077
Total	314,340	267,021	18,679	5,903	6,308	7,352	9,077

(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

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 July 31 2016 (unaudited)	as at January 31 2016 (audited)
Prepaid sponsorship	11,686	13,626
Other receivables and advances	6,107	6,003
Receivables from and advances to related parties - current	17,793	19,629

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

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Prepaid sponsorship	2,946	3,164
Deferred rental income – long-term	816	1,632
Loans	-	703
Receivables from and advances to related parties – non-current	3,762	5,499

11. Capital expenditure

Changes in the net book value of Property, plant and equipment in the period ended July 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 historical cost
Balance at January 31, 2016 (audited)	639,831	28,691	478,717	187,687	86,109	96,744	1,517,779
Change in consolidation area	92	597	(0)	28	0	1	718
Additions	3,344	3,552	44,993	8,631	3,828	36,055	100,403
Depreciation	(8,747)	(3,751)	(59,986)	(17,763)	(6,731)	-	(96,978)
Disposals	(1,316)	(57)	(103)	(256)	(46)	(27)	(1,805)
Exchange differences	(17,054)	(95)	6,041	(1,090)	224	76	(11,898)
Other movements	8,129	1,429	28,649	4,756	740	(43,190)	513
Impairment	-	-	(2,719)	(608)	(29)	(229)	(3,585)
Balance at July 31, 2016 (unaudited)	624,279	30,366	495,592	181,385	84,095	89,430	1,505,147

Changes in the net book value of Intangible assets in the period ended July 31, 2016, are as follows:

(amounts in thousands of Euro)	Trade-marks	Goodwill	Store Lease Acquisitions	Software	Development costs and other intangibles	Assets in progress	Total Net carrying amount
Balance at January 31, 2016 (audited)	265,238	513,218	97,510	15,037	14,987	26,248	932,238
Change in consolidation area	-	2,375	-	-	2	-	2,377
Additions	87	263	-	1,009	13	3,215	4,587
Amortization	(5,593)	(13)	(6,158)	(2,933)	(1,028)	-	(15,725)
Disposals	-	-	-	-	-	-	-
Exchange differences	(5,012)	(945)	1,125	28	-	38	(4,766)
Other movements	-	-	548	6,560	-	(7,132)	(24)
Impairment	-	-	-	(2)	-	-	(2)
Balance at July 31, 2016 (unaudited)	254,720	514,898	93,025	19,699	13,974	22,369	918,685

12. Other current assets

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
VAT	44,091	59,917
Income tax and other tax receivables	78,227	100,838
Other assets	24,211	12,242
Prepayments	59,511	51,863
Deposits	5,576	4,811
Total	211,616	229,671

13. Other non-current assets

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Guarantee deposits	73,984	73,974
Deferred rental income	16,877	13,716
Pension fund surplus	7,041	7,778
Other long-term assets	18,748	18,486
Total	116,650	113,954

14. Payables to related parties - current

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Financial payables	5,674	4,858
Other payables	645	386
Payables to related parties - current	6,319	5,244

Financial payables to related parties regard two interest-free loans from the non-controlling shareholders of the Group's subsidiaries in the Middle East.

15. Trade payables

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Trade payables – third parties	253,663	266,701
Trade payables – related parties	11,713	14,998
Total	265,376	281,699

Trade payables decreased by Euro 16.3 million, consistently primarily with seasonal manufacturing trends and efficiencies achieved following the revision of industrial and logistic processes.

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

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	Not overdue	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 < 120	≥ 120
Trade payables	265,376	235,764	13,386	5,684	1,000	1,322	8,220
Total	265,376	235,764	13,386	5,684	1,000	1,322	8,220

(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

16. Other current liabilities

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Payables for capital expenditure	34,246	54,132
Accrued expenses and deferred income	17,050	16,379
Other payables	75,967	71,760
Total	127,263	142,271

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, 2016 (audited)	2,041	22,846	44,346	69,233
Exchange differences	(16)	(2)	147	129
Reversals	(81)	-	-	(81)
Utilized	(225)	(79)	(970)	(1,274)
Increases	25	74	1,931	2,030
Balance at July 31, 2016 (unaudited)	1,744	22,839	45,454	70,037

Provisions represent the Directors' best estimate of maximum contingent liabilities at the reporting date. In the Directors' opinion and based on the information available to them as supported by the opinions of independent experts, the total amount provided for risks and charges is reasonable considering the liabilities that might arise. During the six months ended July 31, 2016, there were no significant developments regarding litigation ongoing at January 31, 2016. Moreover, no new contingencies requiring significant adjustment to the provisions for risks and charges reported at July 31, 2016, emerged.

Management Discussion and Analysis for the six months ended July 31, 2016 (unaudited)

Net sales (retail channel)

Retail sales for the six months ended July 31, 2016 were Euro 1,276.6 million, down by 17.8% from the same period of 2015. At constant exchange rates, the decrease was 15.9%. The number of Directly Operated Stores ("DOS") increased from 618 at January 31, 2016 to 622 at July 31, 2016. Eighteen stores were opened in the six-month period, including at priority locations like Zurich and the GUM department store in Moscow. Fourteen stores that were no longer deemed strategic were closed down in the period.

Markets (retail channel)

The Far East market generated net sales of Euro 435 million, a decrease of 22% (-18% at constant exchange rates) compared to the first six-month of 2015. Hong Kong and Macau continued to weigh heavily on the region's contraction, although other areas, including Mainland China, also had lower sales compared to the same period of the previous year. Overall, the Greater China region generated retail sales of Euro 278.7 million, down by 24.4% at current exchange rates and by 21% at constant exchange rates.

Net sales in Europe were Euro 271 million, a decrease of 20.5% at current exchange rates and 16.3% at constant exchange rates. The reduction of traveler flows, resulting mainly from the publicized tragic events, had a significant impact on the sales performance in the region, while local consumption proved to be more resilient. The only exceptions in Europe were the double-digit growth rates in local currency in Russia and the positive signs in the UK which benefitted from the weak pound after the Brexit.

In Italy, the retail channel generated net sales of Euro 158.5 million, down by 21% from the first six months of 2015. The reasons for this performance were largely the same as those regarding Europe.

Net sales from the American market totaled Euro 168.5 million, down by 17.3% (-14.8% at constant exchange rates). The decrease in sales was caused by the decline in tourist flows as well as moderate sales with domestic customers. However, sales growth was achieved in Brazil and Mexico.

Japan had net sales of Euro 189.7 million, down by 2.3% from the same period of last year (-9.4% at constant exchange rates). The strong appreciation of the Japanese yen since the start of the year adversely affected the flow of tourists from China. The decline in Japan was marginally offset by sales growth in Hawaii.

Net sales in the Middle East region fell by 1.1% at current exchange rates (+0.2% at constant exchange rates). Sales were sustained by local consumption as the region continued to suffer from low tourist flows.

Products (retail channel)

Footwear generated net sales of Euro 247.6 million in the retail channel, a decrease of 9.3% at current exchange rates (-6.4% at constant exchange rates). The performance of this product division was affected by a general contraction in all regions except the Middle East, where the market delivered double-digit growth.

The clothing division produced net sales of Euro 223.3 million, a 10.3% decrease at current exchange rates (-7.8% at constant exchange rates). Sales were down in all geographical areas except Japan and the Middle East.

Net sales of leather goods were Euro 776.8 million, down by 22.1% compared to the same six-month period of last year (-20.7% at constant exchange rates). Negative trends were reported for all regions.

Brands (retail channel)

The Prada brand generated retail sales of Euro 1,028.5 million, an 18.5% decrease at current exchange rates (-16.6% at constant exchange rates). Sales fell in all regions; the Far East accounted for most of the decline, although sales in Japan were down just slightly.

Miu Miu generated net sales of Euro 217.5 million, a 15.7% decrease at current exchange rates (-14.2% at constant exchange rates). The Middle East region had double-digit growth for the brand, but sales fell in all other geographical areas compared to the same six-month period of 2015.

Net sales of the Church's brand were Euro 25.1 million through its DOS network, a 2.7% decrease compared to the same six-month period of 2015 (+1.5% at constant exchange rates). The brand achieved organic sales growth in Europe and Italy, its two main markets.

The "other" brand category consists largely of the Marchesi 1824 patisserie products, whose growth is benefitting from the expansion plan implemented in the second half of 2015, and the Car Shoe brand, which experienced a double-digit sales decline for the six-month period.

Net sales to independent customers and franchisees

The performance of the Prada brand in the first six months of 2016 reflected the high-standing accounts selected by the Group pursuant to the long-term, thorough rationalization process undertaken. The increase for the period was essentially attributable to new partnerships forged with leading electronic retailers ("e-tailers").

The performance of the Miu Miu brand in this channel was affected by an adverse trend for leather goods, while shoes and clothing sales were up compared to the six months ended July 31, 2015.

The double-digit growth for the Church's brand compared to the previous period was even higher at constant exchange rates (+27.6%), and positive almost everywhere.

Royalties

In the six months ended July 31, 2016, licensing agreements generated royalty income of Euro 24.9 million, up by 7.9% from the same six-month period of 2015. The increase was largely due to the new Miu Miu fragrance, which was launched gradually from July 2015.

Operating results

During the six-month period, management expanded the initiatives introduced last year with the result of limiting the pressure of the sales decline on the operating margin.

In the period the Directors revised the useful lives of certain depreciable tangible and intangible assets to better represent their use in the Group's processes, mainly in the retail area. As explained above the relevant impact on profit or loss was a Euro 27.3 million reduction of depreciation and amortization for the six-month period ended July 31, 2016: Euro 1.2 million at a cost of goods sold level and Euro 26.1 million at an operating expenses level.

The gross margin for the six months ended July 31, 2016 was Euro 1,121.9 million, or 72.2% of net revenues, fairly in line with that of the previous period.

Operating expenses for the six months ended July 31, 2016 amounted to Euro 908.2 million, a decrease of Euro 124.5 million compared to the same period of 2015. As a percentage of net revenues, operating expenses rose from 56.6% in 2015 to 58.4% in the current period.

Selling costs decreased due to lower variable labor and lease costs, but also as a result of measures adopted to run the retail operations more efficiently. Notwithstanding such decrease, the incidence of selling costs on net revenues grew from 41.2% to 43.9% compared to the previous six-month period.

Advertising and communications as a percentage on net revenues fell from 5.4% to 4.9% in relation to a Euro 21.9 million decrease in their amount. The main differences emerged from a concentration of special events in the first half of 2015 and a different phasing of the media spending in the current year.

General and administrative costs decreased by Euro 27.7 million as a result of various initiatives on discretionary expenditure items, like consultancies and general services; their incidence on net revenues fell from 6.2% for the six months ended July 31, 2015 to 5.5% for the same period of 2016.

EBITDA for the six months ended July 31, 2016 was Euro 330 million, corresponding to 21.2% of net revenues, a dilution of 290 basis points compared to the same period of last year. The EBIT for the six-month period was Euro 213.7 million, or 13.8% of net revenues, compared to 16.1% for the same period of last year. The EBIT trend was from 6% on net revenues in the first three-month period of 2016 to 19% in the second three-month period.

Net income

The finance costs of the period were in line with those of the previous period, since the increase in the average gross bank debt was counterbalanced by lower borrowing rates, also thanks to the refinancing activities undertaken.

The tax rate was 30%, compared to 32.9% for the same six-month period of last year. The decrease is attributable primarily to favorable tax laws enacted in Italy and other countries, although the geographical composition of the sources of taxable income was less advantageous.

The Group's net income for the six months amounted to Euro 141.9 million, or 9.1% of net revenues, compared to Euro 188.6 million or 10.3% for the same six-month period of 2015.

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 July 31 2016 (unaudited)	as at January 31 2016 (audited)
Non-current assets (excluding deferred tax assets)	2,561,138	2,586,841
Trade receivables, net	314,340	254,183
Inventories, net	625,482	692,672
Trade payables	(265,376)	(281,699)
Net operating working capital	674,446	665,156
Other current assets (excluding items of financial position)	240,832	260,983
Other current liabilities (excluding items of financial position)	(223,457)	(234,496)
Other current assets/(liabilities), net	17,375	26,487
Provision for risks	(70,037)	(69,233)
Post-employment benefits	(64,287)	(69,405)
Other long-term liabilities	(190,609)	(171,364)
Deferred taxation, net	238,751	243,690
Other non-current assets/(liabilities)	(86,182)	(66,312)
Net invested capital	3,166,777	3,212,172
Shareholder's equity – Group	(2,894,984)	(3,080,340)
Shareholder's equity – Non-controlling interests	(20,066)	(17,037)
Total Consolidated shareholders' equity	(2,915,050)	(3,097,377)
Long term financial payables	(586,735)	(519,772)
Short term financial, net surplus/(deficit)	335,008	404,977
Net financial position surplus/(deficit)	(251,727)	(114,795)
Shareholders' equity and net financial position	(3,166,777)	(3,212,172)
Net Debt to Consolidated equity ratio	8.6%	3.7%

At July 31, 2016, the Group maintains a solid balance-sheet structure, based on net invested capital of Euro 3,166.8 million, financed by net debt of Euro 251.7 million and the Group shareholder's equity of Euro 2,895 million.

The Euro 25.7 million decrease in non-current assets, consisting primarily of tangible and intangible assets, was due mainly to the Euro 116.3 million depreciation of the period, net of capital expenditures of Euro 108.1 million. These investments regarded mainly the retail network (Euro 70.3 million), as the Group undertook numerous projects to expand, relocate and renew the concepts of stores in order to further enhance the customer experience. The number of stores rose from 618 at January 31, 2016 to 622 at the reporting date. Other investments totaling Euro 37.8 million were incurred in the period for the industrial and corporate areas.

At July 31, 2016, the net working capital amounts to Euro 674.4 million, fairly in line with January 31, 2016:

- Trade receivables increased by Euro 60.2 million, in line with the seasonal trend and the positive performance of the wholesale channel in the latter months of the period;
- Trade payables decreased by Euro 16.3 million, consistently with seasonal manufacturing trends and efficiencies achieved following the revision of some industrial and logistic processes;
- Inventory decreased overall by Euro 67.2 million, benefitting from the significant reduction of finished products (Euro 64.8 million); this achievement reflects the target to gradually reduce inventory, still in progress at the end of the period.

The other current assets (net) do not show a material departure from the balance at January 31, 2016. The Euro 5.2 million decrease was mainly attributable to tax liabilities accrued in the period and fair value changes in derivative contracts; such changes were partially offset by the settlement of payables for capital expenditures and payments of short-term benefits to employees.

The other non-current liabilities (net) increased from Euro 66.3 million at January 31, 2016 to Euro 86.2 million at July 31, 2016. The difference was attributable to increases in long-term deferred rent liabilities and fair value changes in derivative contracts expiring after twelve months.

At July 31, 2016, the Group shareholder's equity amounts to Euro 2,895 million. The Euro 185.3 million decrease from the Euro 3,080.3 million of January 31, 2016 was due largely to the Euro 281.5 million dividend payment to PRADA spa shareholders in June 2016, net of the Euro 141.9 million Group’s net income of the six-month period and changes in IFRSs equity reserves.

Net financial position surplus/(deficit)

(amounts in thousands of Euro)	as at July 31 2016 (unaudited)	as at January 31 2016 (audited)
Bonds	(130,000)	(130,000)
Bank borrowing – non-current	(456,735)	(390,475)
Finance lease obligations – non-current	-	-
Total financial payables – non-current	**(586,735)**	**(520,475)**
Financial payables and bank overdrafts - current	(334,523)	(270,112)
Payables to parent company and related parties	(5,674)	(4,858)
Finance lease obligations – current	(218)	(654)
Total financial payables – current	**(340,415)**	**(275,624)**
Total financial payables	**(927,150)**	**(796,099)**
Financial receivables from related parties – non-current	**-**	**703**
Cash and cash equivalents	675,423	680,601
Total financial receivables and cash and cash equivalents - current	**675,423**	**680,601**
Total financial receivables and cash and cash equivalents	**675,423**	**681,304**
Net financial surplus/(deficit), total	**(251,727)**	**(114,795)**
Net financial surplus/(deficit) excluding related party balances	**(246,053)**	**(110,640)**
NFP/EBITDA ratio	**-36.2%**	**-14.3%**

At July 31, 2016, the Group's net financial debt is Euro 251.7 million. During the six-month period, net cash flows from operating activities amounting to Euro 266.7 million were used, together with new credit lines, to finance capital expenditures (Euro 114.7 million the cash out of the period) and to pay dividends to PRADA spa shareholders (Euro 281.5 million).

In the first six months of 2016 the Group, in keeping with the financial strategies adopted in the previous year, signed new medium/long-term loan agreements for a total value of Euro 120 million. These loans, thanks to favorable credit market conditions, allowed the Group to further reduce the average bank borrowing rate and simultaneously extend its loan maturities. The new loans are secured by financial covenants in line with those for existing loans and relating to the ratio of EBITDA to net financial position and EBITDA to net finance costs. All the ratios were fully respected at July 31, 2016.

The total amount of unused credit lines at July 31, 2016 is Euro 472.5 million.

Events after the reporting date

Nothing to mention.

Outlook

The Prada Group has begun a phase of profound transformation that will enable it to respond quickly to the challenges and opportunities of a rapidly evolving market. Management sees 2016 as a turning point from where the Group will return to growth by focusing on the values that made Prada the iconic company it is today: quality, innovation and ability to lead and interpret trends.

The Group's business and marketing strategies are redefining the products by focusing fully on the needs of individual markets and strategic price points for the Group's brands, while promoting the collections by stepping up the digital communications.

The Group is also rationalizing its retail network and optimizing the spaces within the stores. This process will be accompanied by the roll-out of the new store concept - as seen in the recent restyling of Prada stores in Shanghai, Plaza 66, and GUM stores in Moscow - redesigned to guarantee a more exclusive shopping experience for increasingly sophisticated and demanding international customers.

The Group is confident that all the actions underway will enable it to pave the way for the growth in the future.

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 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").

Corporate governance practices adopted by the Company during the six months ended July 31, 2016 (the "Reviewed Period"), are in line with those practices set out in the Company's 2015 Annual Report and the Code.

Compliance with the Code

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company's corporate governance practices have complied with the code provisions set out in the Code throughout the Reviewed Period.

The Board

The Board of Directors of the Company (the "Board") is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Company and the Group.

As resolved at the shareholders' general meeting of the Company on May 24, 2016, each of Mr. Stefano Simontacchi and Mr. Maurizio Cereda was elected as non-executive director of the Company - to fill the casual vacancies caused by the resignations of Mr. Donatello Galli and Mr. Gaetano Micciché respectively - for a term expiring at the same time as the other current Directors (i.e. on the date of the shareholders' general meeting to be called to approve the financial statements of the Company for the year ending January 31, 2018).

The Board has established the following committees with written terms of reference, which are of no less exacting terms than those set out in the Code:

1. Audit Committee
2. Remuneration Committee
3. Nomination Committee

Audit Committee

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules of which at least one member possesses appropriate professional qualifications in accounting or related financial management expertise to discharge the responsibility of the Audit Committee. 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. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the activities of the Company's financial reporting process and internal control and risk management systems, to oversee the external audit process and the internal audit process and to perform other duties and responsibilities as are assigned to the Audit Committee by the Board. The Audit Committee held three meetings on April 8, 2016, June 30, 2016 and August 26, 2016, with an attendance rate of 100% to review with the senior management, the Group's internal and external auditors and the board of statutory auditors the audit plan for the year 2016, the auditing and internal controls activities, the Group's continuing connected transactions for 2015, the update on risk assessment and the financial reporting matters (including the annual results for the year 2015 and the interim results for the year 2016, before recommending them to the Board for approval), and to recommend the appointment of the external auditor of the Company for the three financial years ending January 31, 2019.

Remuneration Committee

The Company has established a Remuneration Committee in compliance with the Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management and the establishment of a formal and transparent procedure for developing policy on such remuneration. The recommendations of the Remuneration Committee are then put forward to the Board for consideration and adoption, where appropriate. The Remuneration Committee consists of two independent non-executive directors, Mr. Gian Franco Oliviero Mattei (Chairman) and Mr. Giancarlo Forestieri, and one executive director, Mr. Carlo Mazzi. The Remuneration Committee held three meetings on April 7, 2016, May 24, 2016, and June 29, 2016, with an attendance rate of 100% to review and recommend certain updates to the long term incentive plan for executives and Directors and to review the management by objectives plan for the Company's executives.

Nomination Committee

The Company has established a Nomination Committee in compliance with the Code. The primary duties of the Nomination Committee are to make recommendations to the Board on the structure, size and composition of the Board itself, on the selection of new Directors and on the succession plans for Directors. The Nomination Committee also assesses the independence of independent non-executive directors. The recommendations of the Nomination Committee are then put forward to the Board for consideration and adoption, where appropriate. The Nomination Committee consists of two independent non-executive directors, Mr. Gian Franco Oliviero Mattei (Chairman) and Mr. Sing Cheong Liu, and one executive director, Mr. Carlo

Mazzi. The Nomination Committee held three meetings on February 19, 2016, April 8, 2016, and May 4, 2016, with an attendance rate of 100% to perform the annual review of the independence of independent non-executive directors, to acknowledge the resignations of an executive director (who was also the Chief Financial Officer) and a non-executive director and to recommend the appointment of new directors of the Company and the appointment of the Chief Financial Officer.

Supervisory Body

In compliance with the Italian Legislative Decree 231 of June 8, 2001 (the "Decree"), the Company has established a supervisory body whose primary duty is to ensure the functioning, effectiveness and enforcement of the Company's Model of Organization, adopted by the Company pursuant to the Decree. The supervisory body consists of three members appointed by the Board selected among qualified and experienced individuals, including independent non-executive directors, qualified auditors, executives or external individuals. The supervisory body consists of Mr. David Terracina (Chairman), Mr. Gian Franco Oliviero Mattei and Mr. Paolo De Paoli, who replaced Mr. Franco Bertoli on June 30, 2016.

Board of Statutory Auditors

Under Italian law, the Company is required to have a board of statutory auditors, appointed by the shareholders for a term of three financial year, with the authority to supervise the Company on its compliance with the law and the By-laws, compliance with the principles of proper management and, in particular, on the adequacy of the organizational, administrative and accounting structure adopted by the Company and on its functioning.

The board of statutory auditors of the Company consists of Mr. Antonino Parisi (chairman), Mr. Roberto Spada and Mr. David Terracina. The alternate statutory auditors are Ms. Stefania Bettoni and Mr. Cristiano Proserpio.

Dividends

The Company may distribute dividends subject to the approval of the shareholders in a general shareholders' meeting.

On April 8, 2016, the Board of the Company recommended the payment of a final dividend for the financial year 2015 of Euro/cents 11 per share in the capital of the Company, representing a total dividend of Euro 281,470,640. The Shareholders approved this dividend at the shareholders' general meeting of the Company held on May 24, 2016. The dividend was paid on June 13, 2016.

No dividends have been declared or paid by the Company in respect of the Reviewed Period.

Directors' Securities Transactions

The Company has adopted written procedures governing Directors' securities transactions on terms no less exacting than the standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written procedures. Specific written confirmations have been obtained from each Director to confirm his/her compliance with the required standard set out in the Model Code and the Company's relevant procedures regarding directors' securities transactions for the Reviewed Period. There was no incident of non-compliance during the Reviewed Period.

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.

Publication of Interim Results Announcement and Interim Report

The interim results announcement of the Company is published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.pradagroup.com. The interim report will be available on the same websites and dispatched to the shareholders of the Company in due course.

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

Milan (Italy), August 26, 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. Stefano SIMONTACCHI and Mr. Maurizio CEREDA and the Company's independent non-executive directors are Mr. Gian Franco Oliviero MATTEI, Mr. Giancarlo FORESTIERI and Mr. Sing Cheong LIU.