PRADA spa
(Stock Code: 1913)

ANNOUNCEMENT OF THE CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED OCTOBER 31, 2012

- Group's net revenues were Euro 2,339.3 million, recording an increase of 35.2% compared with the nine months ended October 31, 2011
- Retail net sales were Euro 1,917.6 million, up by 43.3% compared with the nine months ended October 31, 2011
- the number of Directly Operated Stores (DOS) reached 428
- Retail Same Store Sales Growth was 18% compared with the nine months ended October 31, 2011
- EBITDA was Euro 727.9 million, up by 49.6% compared with the nine months ended October 31, 2011 and representing a margin of 31.1% on net revenues
- Group's net income amounted Euro 408.6 million, up by 49.6% compared to Euro 273.2 million for the nine months ended October 31, 2011
- Net financial position as at October 31, 2012, was positive and amounted to Euro 210.6 million
- Net operating cash flow for the nine months ended October 31, 2012, was Euro 535.6 million

Consolidated results for the nine months ended October 31, 2012

The Board of Directors (the "Board") of PRADA S.p.A. (the "Company" or "PRADA spa") is pleased to announce the unaudited Consolidated results of the Company and its subsidiaries (collectively, the "Group") for the nine months ended October 31, 2012, together with the unaudited comparative figures for the nine months ended October 31, 2011.

Key financial information

Key information from the Income statement (amounts in thousands of Euro)	nine months ended October 31 2011 unaudited	twelve months ended January 31, 2012 audited	nine months ended October 31 2012 unaudited	% change vs October 31 2011
Net revenues	1,730,379	2,555,606	2,339,322	35.2%
EBITDA	486,507	759,252	727,873	49.6%
EBIT	392,317	628,935	612,464	56.1%
Income before tax	374,458	602,908	608,170	62.4%
Net income of the Group	273,165	431,929	408,552	49.6%
Average headcount (persons)	7,880	8,067	9,243	17.3%
Earnings per share	0.108	0.170	0.160	48.1%
EBITDA %	28.1%	29.7%	31.1%	
EBIT %	22.7%	24.6%	26.2%	

Key information from the Statement of financial position (amounts in thousands of Euro)	as at October 31 2011 unaudited	as at January 31, 2012 audited	as at October 31 2012 unaudited	change vs January 2012
Net operating working capital	376,357	357,648	332,749	(24,899)
Net invested capital	1,754,647	1,817,327	1,923,534	106,207
Net financial position surplus/(deficit)	(109,233)	13,640	210,569	196,929
Group shareholders' equity	1,639,144	1,822,743	2,121,976	299,233
Capital expenditure	178,100	278,856	202,987	-
Net operating cash flows	292,966	479,954	535,627	-

Highlights for the nine months ended October 31, 2012

For the nine months ended October 31, 2012, the PRADA Group reported a solid business expansion together with an important increase in profitability ratios thanks to the constant focus on its main objectives and the strong momentum of its brands. The results were even more appreciable since achieved in a particularly challenging global economic environment.

Net revenues for the nine months ended October 31, 2012, amounted to Euro 2,339.3 million, up by 35.2% compared to Euro 1,730.4 million recorded in the same period of 2011 (+27.3% at constant exchange rates). The Same Stores Sale Growth (SSSG) was +18%, a remarkable performance that confirmed the success of the Group's retail strategies.

The EBITDA achieved for the nine months ended October 31, 2012, totaled Euro 727.9 million, an increase of 49.6% compared to Euro 486.5 million posted in the same period of 2011. As a percentage on net revenues the

EBITDA climbed up to 31.1% improving further the results already gained in the first half of 2012 when its contribution was 30.3%.

The EBIT margin improved as well and, totaling Euro 612.5 million for the nine months ended October 31, 2012, posted an increase of +56.1% over Euro 392.3 million of the same period of 2011, while profitability on net revenues increased up to 26.2% (+22.7% in the same period of last year).

For the nine months ended October 31, 2012, the Group's net income amounted to Euro 408.6 million (17.5% on net revenues), showing an increase of 49.6% over Euro 273.2 million posted in the same period of last year.

The results of operations allowed the Group to continue to fund the committing investments program, to pay dividends for total cash out of Euro 131 million and to strengthen further the positive net financial position which, at the reporting date, stood at Euro 210.6 million.

Consolidated income statement for the nine months ended October 31, 2012

(amounts in thousands of Euro)	Note	nine months ended October 31 2012 unaudited	% on Net revenues	nine months ended October 31 2011 unaudited	% on Net revenues
Net revenues	3	2,339,322	100.0%	1,730,379	100.0%
Cost of goods sold		(654,877)	-28.0%	(494,730)	-28.6%
Gross margin		1,684,445	72.0%	1,235,649	71.4%
Operating expenses	4	(1,071,981)	-45.8%	(843,332)	-48.7%
EBIT		612,464	26.2%	392,317	22.7%
Interest and other financial income/(expenses), net	5	(4,294)	-0.2%	(17,859)	-1.0%
Income before taxes		608,170	26.0%	374,458	21.6%
Taxation	6	(194,104)	-8.3%	(98,469)	-5.7%
Net income from continuing operations		414,066	17.7%	275,989	15.9%
Net income for the period		414,066	17.7%	275,989	15.9%
Net income – Non-controlling interests		5,514	0.2%	2,824	0.2%
Net income – Group		408,552	17.5%	273,165	15.8%
Depreciation, amortization and impairment		115,409	4.9%	94,190	5.4%
EBITDA		727,873	31.1%	486,507	28.1%
Basic and diluted earnings per share (in Euro per share)	7	0.160		0.108	

Consolidated income statement for the three months ended October 31, 2012

(amounts in thousands of Euro)	Note	three months ended October 31 2012 unaudited	%	three months ended October 31 2011 unaudited	%
Net revenues	3	791,949	100.0%	596,097	100.0%
Cost of goods sold		(214,006)	-27.0%	(165,631)	-27.8%
Gross margin		577,943	73.0%	430,466	72.2%
Operating expenses		(360,362)	-45.5%	(291,528)	-48.9%
EBIT		217,581	27.5%	138,938	23.3%
Interest and other financial income/(expenses), net		(1,383)	-0.2%	(6,258)	-1.0%
Income before taxes		216,198	27.3%	132,680	22.3%
Taxation		(91,349)	-11.5%	(37,892)	-6.4%
Net income from continuing operations		124,849	15.8%	94,788	15.9%
Net income for the period		124,849	15.8%	94,788	15.9%
Net income – Non-controlling interests		2,707	0.3%	1,155	0.2%
Net income – Group		122,142	15.4%	93,633	15.7%
Depreciation, amortization and impairment		40,919	5.2%	32,564	5.5%
EBITDA		258,500	32.6%	171,502	28.8%

Consolidated statement of financial position

(amounts in thousands of Euro)	Note	as at October 31 2012 unaudited	as at January 31 2012 audited
Assets			
Current assets			
Cash and cash equivalents		511,066	362,284
Trade receivables, net	9	254,631	266,404
Inventories	8	365,422	374,782
Derivative financial instruments - current		3,936	894
Receivables and prepayments from parent company and other related parties	10	19,776	12,864
Other current assets	12	118,862	100,275
Total current assets		1,273,693	1,117,503
Non-current assets			
Property, plant and equipment	11	785,022	713,870
Intangible assets	11	884,847	863,526
Associated undertakings		23,706	15,631
Deferred tax assets	18	187,320	175,736
Other non-current assets	13	62,080	57,302
Derivative financial instruments non-current		489	-
Total non-current assets		1,943,464	1,826,065
Total Assets		3,217,157	2,943,568
Liabilities and Shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans		232,053	165,485
Payables to parent company and other related parties	14	5,110	4,361
Trade payables	15	287,304	283,538
Current tax liabilities		130,377	117,770
Derivative financial instruments - current		4,495	15,200
Obligations under finance leases - current		710	1,453
Other current liabilities	16	115,017	128,777
Total current liabilities		775,066	716,584
Non-current liabilities			
Long-term financial payables		66,768	178,442
Obligations under finance leases non-current		564	1,100
Post-employment benefits		43,017	35,898
Provision for contingencies and commitments	17	62,372	56,921
Deferred tax liabilities	18	49,150	47,665
Other non-current liabilities		85,286	75,656
Derivative financial instruments non-current		831	335
Total non-current liabilities		307,988	396,017
Total Liabilities		1,083,054	1,112,601
Share capital		255,882	255,882
Other reserves		1,463,939	1,152,171
Translation reserve		(6,397)	(17,239)
Net profit for the period		408,552	431,929
Total Shareholders' equity – Group		2,121,976	1,822,743
Shareholders' equity – Non-controlling interests		12,127	8,224
Total Liabilities and Shareholders' equity		3,217,157	2,943,568

Net current assets		498,627	400,919
Total assets less current liabilities		2,442,091	2,226,984

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

(amounts in thousands of Euro)	Number of Shares	Share Capital	Share premium reserve	Translation reserve	Cash flow hedge reserve	Actuarial gains/ (losses) reserve	Available for sale reserve	Other reserves	Net profit	Equity attributable to owners of the Group	Non-controlling interests	Total Equity
Balance at January 31, 2011 audited	250,000,000	250,000	209,298	(40,012)	3,464	(948)	-	531,729	250,819	1,204,350	5,788	1,210,138
Allocation of 2010 net profit	-	-	-	-	-	-	-	250,819	(250,819)	-	-	-
Conversion of shares from Euro 1.0 to Euro 0.1 each	2,500,000,000	-	-	-	-	-	-	-	-	-	-	-
Issue of new shares	58,824,000	5,882	200,749	-	-	-	-	-	-	206,631	-	206,631
Dividends	-	-	-	-	-	-	-	(35,000)	-	(35,000)	(3,886)	(38,886)
Capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	-	1,412	1,412
Comprehensive income for the year	-	-	-	22,773	(7,637)	(244)	(58)	-	431,929	446,762	4,910	451,672
Balance at January 31, 2012 audited	2,558,824,000	255,882	410,047	(17,239)	(4,173)	(1,192)	(58)	747,548	431,929	1,822,743	8,224	1,830,967
Allocation of 2011 net profit	-	-	-	-	-	-	-	431,929	(431,929)	-	-	-
Dividends	-	-	-	-	-	-	-	(127,941)	-	(127,941)	(2,645)	(130,586)
Capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	-	1,168	1,168
Comprehensive income for the period	-	-	-	10,842	3,060	(1,336)	6,056	-	408,552	427,174	5,380	432,554
Balance at October 31, 2012 unaudited	2,558,824,000	255,882	410,047	(6,397)	(1,113)	(2,528)	5,998	1,051,536	408,552	2,121,976	12,127	2,134,103

Under Italian law, the Company is required to allocate a portion of its net profit to non-distributable reserves and to provide additional information on the distribution of earnings for the period.

Summarized statement of consolidated cash flows

(amounts in thousands of Euro)	nine months ended October 31 2012 unaudited	nine months ended October 31 2011 unaudited
Net cash flows from operating activities	535,627	292,966
Cash flows generated/(utilized) by investing activities	(213,438)	(187,836)
Cash flows generated/(utilized) by financing activities	(168,263)	96,266
Change in cash and cash equivalents, net of bank overdrafts	153,926	201,396

Statement of consolidated comprehensive income

(amounts in thousands of Euro)	nine months ended October 31, 2012 unaudited	twelve months ended January 31 2012 audited
Consolidated Net income for the period	414,066	436,425
Translation reserve adjustment	10,709	23,204
Tax impact		-
Translation reserve adjustment, net of tax impact	10,709	23,204
Change in Cash flow hedge reserve	4,203	(10,432)
Tax impact	(1,143)	2,795
Change in Cash Flow Hedge reserve, net of tax impact	3,060	(7,637)
Change in Actuarial gains/(losses) reserve	(1,843)	(705)
Tax impact	507	443
Change in Actuarial reserve, net of tax impact	(1,336)	(262)
Change in Available for sale reserve	8,075	(77)
Tax impact	(2,019)	19
Change in Available for sale reserve, net of tax impact	6,056	(58)
Comprehensive Consolidated Net income for the period	432,554	451,672
Comprehensive Non-Controlling Interests Net income for the period	5,380	4,910
Comprehensive Group Net income for the period	427,174	446,762

Notes to the consolidated results for the nine months ended October 31, 2012

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) and is one of the world leaders in the luxury goods sector where it operates with the Prada, Miu Miu, Church's and Car Shoe brands in the design, production and distribution of luxury handbags, leather goods, footwear, apparel and accessories. The Group also operates, under licensing agreements, in the eyewear, fragrances and mobile telephone sectors. Its products are sold in 70 countries worldwide through a network that included 428 Directly Operated Stores (DOS) at October 31, 2012, and a selected network of luxury department stores, independent retailers and franchise stores.

The Company is a joint-stock company, registered and domiciled in Italy. Its registered office is in Via Fogazzaro 28, Milan, Italy.

2. Basis of preparation

The Notes to the consolidated results for the nine months ended October 31, 2012, refer to the Group of companies controlled by PRADA spa (the "Company"), holding company of the PRADA Group (the "Group") and are based on the consolidated results of the Group. Such consolidated results for the nine months ended October 31, 2012, were prepared on a consistent basis with respect to the Interim condensed consolidated financial statements of the Group for the six months ended July 31, 2012, which, in turns, were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and as adopted by the European Union.

At the time these consolidated results for the nine months ended October 31, 2012, were prepared 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 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").

3. Net revenues analysis

Net revenues for the nine months period ended October 31, 2012

(amounts in thousands of Euro)	nine months ended October 31 2012 unaudited		nine months ended October 31 2011 unaudited		% change
Net sales by geographical area					
Italy	385,065	16.7%	318,221	18.6%	21.0%
Europe	536,490	23.2%	372,589	21.8%	44.0%
Americas	328,983	14.3%	257,643	15.1%	27.7%
Asia Pacific	814,694	35.3%	579,737	34.0%	40.5%
Japan	213,672	9.3%	168,921	9.9%	26.5%
Other countries	29,099	1.2%	9,465	0.6%	207.4%
Total	2,308,003	100.0%	1,706,576	100.0%	35.2%
Net sales by brand					
Prada	1,876,603	81.3%	1,346,098	78.9%	39.4%
Miu Miu	360,664	15.6%	297,345	17.4%	21.3%
Church's	50,137	2.2%	43,602	2.6%	15.0%
Car Shoe	15,134	0.7%	14,007	0.8%	8.0%
Other	5,465	0.2%	5,524	0.3%	-1.1%
Total	2,308,003	100.0%	1,706,576	100.0%	35.2%
Net sales by product line					
Clothing	387,929	16.8%	337,721	19.8%	14.9%
Leather goods	1,444,217	62.6%	959,530	56.2%	50.5%
Footwear	450,344	19.5%	391,376	22.9%	15.1%
Other	25,513	1.1%	17,949	1.1%	42.1%
Total	2,308,003	100.0%	1,706,576	100.0%	35.2%
Net sales by distribution channel					
DOS	1,917,552	83.1%	1,338,022	78.4%	43.3%
Independent customers and franchises	390,451	16.9%	368,554	21.6%	5.9%
Total	2,308,003	100.0%	1,706,576	100.0%	35.2%
Net sales	2,308,003	98.7%	1,706,576	98.6%	35.2%
Royalties	31,319	1.3%	23,803	1.4%	31.6%
Total net revenues	2,339,322	100.0%	1,730,379	100.0%	35.2%

Net revenues for the three months period ended October 31, 2012

(amounts in thousands of Euro)	three months ended October 31 2012 unaudited		three months ended October 31 2011 unaudited		% change
Net sales by geographical area					
Italy	125,739	16.1%	104,776	17.8%	20.0%
Europe	187,798	24.0%	121,925	20.7%	54.0%
Americas	104,281	13.3%	85,790	14.6%	21.6%
Asia Pacific	282,224	36.0%	211,743	35.9%	33.3%
Japan	69,798	8.9%	61,728	10.5%	13.1%
Other countries	13,476	1.7%	3,211	0.5%	319.7%
Total	783,316	100.0%	589,173	100.0%	33.0%
Net sales by brand					
Prada	643,170	82.1%	467,714	79.4%	37.5%
Miu Miu	114,693	14.6%	98,474	16.7%	16.5%
Church's	19,127	2.4%	16,599	2.8%	15.2%
Car Shoe	3,791	0.5%	4,296	0.7%	-11.8%
Other	2,535	0.4%	2,090	0.4%	21.3%
Total	783,316	100.0%	589,173	100.0%	33.0%
Net sales by product line					
Clothing	139,252	17.8%	125,350	21.3%	11.1%
Leather goods	501,156	64.0%	341,873	58.0%	46.6%
Footwear	135,054	17.2%	116,328	19.7%	16.1%
Other	7,854	1.0%	5,622	1.0%	39.7%
Total	783,316	100.0%	589,173	100.0%	33.0%
Net sales by distribution channel					
DOS	687,586	87.8%	502,650	85.3%	36.8%
Independent customers and franchises	95,730	12.2%	86,523	14.7%	10.6%
Total	783,316	100.0%	589,173	100.0%	33.0%
Net sales	783,316	98.9%	589,173	98.8%	33.0%
Royalties	8,633	1.1%	6,924	1.2%	24.7%
Total net revenues	791,949	100.0%	596,097	100.0%	32.9%

Number of stores

	October 31 2012		January 31 2012		October 31 2011	
	DOS	franchises	DOS	franchises	DOS	franchises
Prada	270	19	245	20	230	19
Miu Miu	108	6	94	6	89	5
Church's	44	-	43	-	41	-
Car Shoe	6	-	6	-	5	-
Total	428	25	388	26	365	24

	October 31 2012		January 31 2012		October 31 2011	
	DOS	franchises	DOS	franchises	DOS	franchises
Italy	48	5	44	5	42	5
Europe	129	6	115	6	107	6
Americas	56	-	47	1	40	-
Asia Pacific	120	14	115	14	110	13
Japan	66	-	65	-	64	-
Middle East	6	-	2	-	2	-
Africa	3	-	-	-	-	-
Total	428	25	388	26	365	24

4. Operating expenses

(amounts in thousands of Euro)	nine months ended October 31 2012 unaudited	% on net revenues	nine months ended October 31 2011 unaudited	% on net revenues
Product design and development costs	78,725	3.4%	72,946	4.2%
Advertising and communications costs	110,352	4.7%	90,544	5.2%
Selling costs	748,108	32.0%	556,592	32.2%
General and administrative costs	134,796	5.7%	123,250	7.1%
Total	1,071,981	45.8%	843,332	48.7%

5. Interest and other financial expenses, net

(amounts in thousands of Euro)	nine months ended October 31 2012 unaudited	nine months ended October 31 2011 unaudited
Interests expenses on borrowings	(9,408)	(13,078)
Interest income	3,553	1,394
Exchange gains /(losses) – realized	5,737	(2,628)
Exchange gains/(losses) – unrealized	(659)	(603)
Other financial income/(expenses)	(3,517)	(2,944)
Total	(4,294)	(17,859)

6. Taxation

(amounts in thousands of Euro)	nine months ended October 31 2012 unaudited	nine months ended October 31 2011 unaudited
Current taxation	205,300	117,305
Deferred taxation	(11,196)	(18,836)
Income taxes	194,104	98,469

On October 19, 2012, the Italian tax authority declined the request filed by PRADA spa not to apply the Italian CFC rule to its Dutch sub-holding company PRADA Far East bv. The Company did not share the position of the Italian tax authority so started to prepare all the necessary documentation in order to make opposition against the decision taken by the Italian tax authority before the Italian tax Court and to request to the Italian tax authority the refund of the amount paid. In fact, at the end of October, the Company, on the basis of the opinion received by its advisors and with the aim to reduce the risk of additional penalties, decided to pay about Euro 42 million. The amount, included under the current taxation for the nine months ended October 31, 2012, followed the *"ravvedimento operoso"* procedure and represented the taxes due in Italy on the taxable income of PRADA Far East bv at the level of PRADA spa for 2010 and 2011 tax years (plus interests and penalties).

Given the above scenario at the reporting date, the Company deemed appropriate to recognize through the income statements the amount paid.

7. Earnings and dividends per share

Earnings per share

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

	nine months ended October 31 2012 unaudited	nine months ended October 31 2011 unaudited
Group's net income in Euro	408,552,227	273,164,791
Weighted average number of ordinary shares in issue	2,558,824,000	2,528,011,429
Earnings per share in Euro, calculated on weighted average number of shares	0.160	0.108

On May 26, 2011, a Shareholders' Meeting of PRADA spa resolved to change the par value of the Company's shares from Euro 1 to Euro 0.1 each. In accordance with IAS 33, the number of shares in issue in 2011 was retrospectively adjusted for the purposes of the calculation of earnings per share.

Dividends per share

During the period ended October 31, 2012, the Company distributed dividends for Euro 127,941,200, as approved by the Annual General Meeting held on May 22, 2012, to approve the financial statements for the year ended January 31, 2012. The payment of the dividends and the related Italian withholding tax payable, 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 finalized by October 31, 2012.

The Company may distribute dividends subject to the approval of the shareholders in an ordinary shareholders' meeting.

No dividends have been declared or paid by the Company in respect of the nine months ended October 31, 2012.

During the year ended January 31, 2012, the Company distributed dividends for Euro 35 million as approved by the Shareholders' Meeting held on March 28, 2011, to approve the financial statements for the year ended January 31, 2011. Some Euro 32.5 million of the dividend liability arising was offset against receivables due from parent company PRADA Holding bv while the remaining amount was paid in April 2011.

8. Inventories

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
Raw materials	87,294	66,575
Work in progress	23,782	17,187
Finished products	327,471	360,379
Allowance for obsolete and slow moving inventories	(73,125)	(69,359)
Total	365,422	374,782

The increase in raw materials was in line with the needs of the production cycles typical of this time of the year, while the healthy level of the finished products was achieved as a result of a strategy to operate in a difficult global economic environment while preserving margins.

9. Trade receivables, net

Trade receivables are detailed as follows:

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
Trade receivables from third parties	242,570	259,258
Trade receivables from related parties	24,286	18,827
Allowance for bad and doubtful debts	(12,225)	(11,681)
Total	**254,631**	**266,404**

The decrease in trade receivables was mainly due to the F/W 2012 Prada and Miu Miu collections wholesale deliveries that were cashed at the reporting date.

10. Receivables and prepayments from parent companies and other related parties

Receivables and prepayments from parent companies and other related parties are detailed below:

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
Financial receivables – other related parties	3,292	1,410
Other receivables – PRADA Holding bv	265	654
Other receivables – other related parties	1,586	1,646
Other receivables – other comp. controlled by PRADA Holding bv	4	154
Prepayments – other related parties	14,629	9,000
Total	**19,776**	**12,864**

The Prepayments – other related parties included Euro 11.2 million of advance payments made to Luna Rossa Challenge NZ ltd and Luna Rossa Challenge srl, in accordance with the contracts signed for sponsorship of the Luna Rossa yacht in relation to its participation in the XXXIV edition of the America's Cup. The remaining Euro 3.4 million essentially consisted of advances paid to Progetto Prada Arte srl and Stichting Fondazione Prada for cultural initiatives to be undertaken after the reporting period.

11. Capital expenditure

Changes in the net book value of Property, plant and equipment in the period ended October 31, 2012, are as follows:

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improve-ments	Furniture & fittings	Other tangible	Assets under construction	Total net book value
Balance at January 31, 2011 (audited)	145,602	15,042	220,112	72,109	24,695	59,157	536,717
Additions	40,806	7,030	110,797	29,329	18,825	51,820	258,607
Depreciation	(5,055)	(6,635)	(62,899)	(18,691)	(5,850)	-	(99,130)
Disposals	-	(4)	(61)	(183)	(63)	(15)	(326)
Exchange differences	1,443	28	14,637	2,405	325	3,501	22,339
Other movements	288	15	24,011	3,885	2,091	(30,627)	(337)
Impairment	-	-	(2,273)	(470)	(41)	(1,216)	(4,000)
Balance at January 31, 2012 (audited)	183,084	15,476	304,324	88,384	39,982	82,620	713,870
Additions	12,793	5,168	76,397	27,662	6,165	52,984	181,169
Depreciation	(4,471)	(5,228)	(62,313)	(18,490)	(5,021)	-	(95,523)
Disposals	(3)	(17)	(505)	(340)	(12,950)	(1)	(13,816)
Exchange differences	823	32	437	332	39	(462)	1,201
Other movements	3,333	123	31,908	2,392	1,310	(39,338)	(272)
Impairment	-	-	(799)	(263)	(16)	(529)	(1,607)
Balance at October 31, 2012 (unaudited)	195,559	15,554	349,449	99,677	29,509	95,274	785,022

Changes in the net book value of Intangible assets in the period ended October 31, 2012 are as follows:

(amounts in thousands of Euro)	Trade-marks	Goodwill	Store Lease Acquisitions	Software	Development costs	Assets in progress	Total net book value
Balance at January 31, 2011 (audited)	**312,460**	**503,946**	**36,087**	**6,385**	**7,869**	**2,372**	**869,119**
Change in scope of consolidation	-	-	-	-	-	-	-
Additions	166	-	14,393	4,178	128	1,384	20,249
Amortization	(11,025)	-	(8,354)	(3,067)	(4,726)	-	(27,172)
Disposals	-	-	-	(4)	(1)	-	(5)
Exchange differences	1,707	274	358	16	-	12	2,367
Other movements	-	-	190	1,071	-	(2,278)	(1,017)
Impairment	-	-	-	(1)	-	(14)	(15)
Balance at January 31, 2012 (audited)	**303,308**	**504,220**	**42,674**	**8,578**	**3,270**	**1,476**	**863,526**
Change in scope of consolidation	-	-	-	-	-	15,685	15,685
Additions	201	-	16,046	897	-	4,674	21,818
Amortization	(8,347)	-	(6,375)	(2,217)	(1,237)	-	(18,176)
Disposals	-	-	-	(81)	-	-	(81)
Exchange differences	2,033	324	207	(17)	-	12	2,559
Other movements	-	-	(83)	365	-	(664)	(382)
Impairment	-	-	-	-	-	(102)	(102)
Balance at October 31, 2012 (unaudited)	**297,195**	**504,544**	**52,469**	**7,525**	**2,033**	**21,081**	**884,847**

The disposals of Other tangible assets essentially related to the sale of works of art to related parties as disclosed by the Company's announcement dated June 28, 2012.

The change in scope of consolidation related to the purchase of two companies owing strategic rental agreements in Switzerland.

12. Other current assets

Other current assets are detailed as follows:

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
VAT	27,987	37,372
Income tax and other tax receivables	9,944	6,597
Other assets	30,985	15,337
Prepayments and accrued income	47,144	39,049
Deposits	2,802	1,920
Total	118,862	100,275

13. Other non-current assets

Other non-current assets are detailed as follows:

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
Guarantee deposits	54,002	49,526
Deferred rental income	2,368	2,893
Other receivables	5,710	4,883
Total	62,080	57,302

14. Payables to parent companies and other related parties

Payables to parent companies and other related parties are detailed as follows:

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
Financial payables – other related parties	3,694	3,574
Other payables – PRADA Holding bv	115	-
Other payables – other related parties	1,299	528
Other payables – other companies controlled by PRADA Holding bv	2	259
Total	5,110	4,361

15. Trade payables

Trade payables are detailed as follows:

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
Trade payables – third parties	282,867	280,808
Trade payables – related parties	4,437	2,730
Total	287,304	283,538

16. Other current liabilities

Other current liabilities are detailed as follows:

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
Payables for capital expenditure	36,998	57,844
Accrued expenses and deferred income	14,964	12,944
Other payables	63,055	57,989
Total	115,017	128,777

17. Provisions for contingencies and commitments

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, 2012 (audited)	1,618	37,335	17,968	56,921
Exchange differences	4	(394)	11	(379)
Reversals	(6)	(104)	(38)	(148)
Uses	(720)	(146)	(1,596)	(2,462)
Increases	4	939	7,497	8,440
Balance at October 31, 2012 (unaudited)	900	37,630	23,842	62,372

During the nine months the Group recognized provisions for reinstatement costs for an amount of Euro 7.5 million. Other than these commitments, there were no significant developments in outstanding litigations at January 31, 2012, or any new controversies occurred during the period so as to considerably adjust the estimates made to account for Provisions for risks and charges at January 31, 2012.

18. Deferred tax assets and liabilities

Deferred tax assets and liabilities are detailed by nature as follows:

(amounts in thousands of Euro)	October 31 2012 unaudited		January 31 2012 audited	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Inventories	81,519	-	86,126	-
Receivables and other assets	491	1,577	1,103	1,575
Useful life of non-current assets	55,834	13,021	58,695	14,032
Deferred taxes due to acquisitions	-	28,281	-	28,556
Provision for risks / accrued expenses	30,790	2,562	12,928	267
Non deductible / taxable charges / income	3,617	480	3,566	535
Tax loss carried forward	6,605	-	4,788	-
Derivative financial instruments	410	-	1,552	-
Long term employee benefits	7,410	2,042	6,674	2,015
Other	644	1,187	304	685
Total	187,320	49,150	175,736	47,665

Management Discussion and Analysis for the three months period ended October 31, 2012

Net revenues

In the three months period ended October 31, 2012, the Group's net revenues amounted to Euro 791.9 million, up 32.9% (+25.2% at constant exchange rates) on Euro 596.1 million achieved in the same quarter of 2011.

The Group's business expansion was substantially achieved thanks to the growth of the retail channel (+36.8% as reported, +28.4% at constant exchange rates and +14% SSSG) as it contributed 87.8% to the total of net sales recorded in the third quarter of 2012 (85.3% in the same three months period of 2011). A total of 14 new stores opened from August 1, 2012, among which the Group's first ever store in Kuwait City.

In the third quarter 2012 the wholesale channel posted net sales of Euro 95.7 million, achieving an increase of 10.6% over the same period of last year (+6.8% at constant exchange rates).

All markets delivered remarkable performances. In Europe, where the Group's brands continued to attract travelers, the Group managed to maintain the impressive growth registered along the entire 2012: the SSSG of the third quarter 2012, compared to the same period of last year, was 32%. At the same time, the Asia Pacific market continued to be the pillar of the progress in revenues, representing the highest share of geographical mix with Euro 282.2 million net sales posted in the third quarter of 2012 (+33.3% rise as reported and +21.1% at constant exchange rates).

In terms of product mix, the Leather goods division drove the growth with a +46.6% increase compared to the three months ended October 31, 2011 (+37.7% at constant exchange rates). All the other products categories achieved double digit paces of growth.

The Prada brand, contributing 82.1% to total Group's net sales of the third quarter 2012, or Euro 643.2 million, reported an increase of +37.5% over the same quarter of 2011 (+29.4% at constant exchange rates).

Miu Miu, contributing 14.6%, or Euro 114.7 million, grew 16.5% compared to the same three months of last year (+9.8% at constant exchange rates). The development of this brand is not comparable to Prada since Miu Miu still has a less extended international footprint and critical mass, two important elements in the current market conditions.

Operating results

The EBITDA for the three months period ended October 31, 2012, amounted to Euro 258.5 million and recorded an increase of 50.7% compared to Euro 171.5 million achieved in the same quarter of 2011. Profitability went from 28.8% to 32.6% mainly because of the higher contribution of the retail channel (87.8% compared to last year's 85.3% as already mentioned), the positive impact of exchange rates fluctuations and the leverage effect on the operating expenses.

The Group's net result totaled Euro 122.1 million and recorded a 30.4% growth over Euro 93.6 million of the same three months period of 2011. The incidence on net revenues slightly decreased from 15.7% to 15.4% due to the extraordinary tax burden resulting from the payment of some Euro 42 million occurred in October 2012 and explained under the Notes to the consolidated results, paragraph 6 "Taxation".

Management Discussion and Analysis for the nine months ended October 31, 2012

Net revenues

For the nine months ended October 31, 2012, the Group's net revenues amounted to Euro 2,339.3 million, a progress of 35.2% on Euro 1,730.4 million posted in the nine months ended October 31, 2011 (+27.3% at constant exchange rates).

Distribution channels

The retail channel recorded net sales of Euro 1,917.6 million, an increase of +43.3% compared to Euro 1,338.0 million posted in the same period of 2011 (+34.1% at constant exchange rates). The contribution to total net sales rose from 78.4% in the nine months ended October 31, 2011, to 83.1%.

The growth measured at the SSSG level was +18% and proved the strategy focused on retail to be a proper way to pursue the expansion of the business notwithstanding the difficult global economic environment.

Since the beginning of the year a net of 40 new shops (42 openings, 2 closures) opened and, at October 31, 2012, the total number of DOS was 428. The retail network expansion program included the first stores ever in South and Central America (Sao Paolo, Brazil, and Mexico City, Mexico), in Africa (Casablanca, Morocco), Ukraine (Kiev) and Kuwait. However, the most of the new openings involved areas that still represented underpenetrated markets such as Northern America and some European countries.

Contributing for the remaining 16.9% of total net sales, the wholesale business, mainly sustained by the Italian market, scored a 5.9% growth rate compared to the same period of 2011.

Markets

In the nine months ended October 31, 2012, all the geographical areas contributed to the Group's expansion in a balanced way, as all of them achieved double digit paces of growth higher than 20%.

Asia Pacific was the market that contributed the most to the boost in Group's revenues. Net sales in this area amounted to Euro 814.7 million, +40.5% compared to Euro 579.7 million recorded in the same period of last year (+27.9% at constant exchange rates). The growth was almost entirely achieved through the DOS network that, counting 120 shops at the end of the period, posted net sales for Euro 771.5 million, a +42.4% increase over the same period of 2011 (+18% SSSG and +29.3% at constant exchange rates). The

Greater China area (China, Hong Kong and Macau) contributed SSSG of +18% and posted net sales of Euro 516.1 million, an increase of 43.6% compared to Euro 359.3 million recorded for the nine months ended October 31, 2011.

The European market performance, fuelled by travelers' flows, was brilliant and constant all along the nine months period of 2012. The area scored net sales for Euro 536.5 million and significant growth rates: +44% as reported, +40.9% at constant exchange rates and +32% SSSG compared to previous year. Focusing on the retail business, results were even more valuable: +63% with total net sales amounting to Euro 432.5 million (Euro 265.3 million recorded in the nine months ended October 31, 2011). New openings in the area were 14 from the beginning of the 2012 financial period and, at the reporting date, the total number of DOS was 129.

The Italian market, totaling Euro 385.1 million, posted a +21% increase over the same period of last year. The retail channel grew by +31.7% compared to the nine months ended October 31, 2011, while the SSSG rate was +21%. A total of 4 new DOS opened in 2012. The wholesale business scored a +4.9%. As already mentioned in previous financial results, this channel partially benefitted from a shift in deliveries occurred at the end of the last financial year.

Net sales in the American market were Euro 329 million, +27.7% compared to Euro 257.6 million posted in the same period of 2011 (+16.3% at constant exchange rates). The retail channel generated a cumulated +34.7% increase over the nine months ended October 31, 2011, while the SSSG rate was +6%. In the area the Group counted 53 DOS at the reporting date and new openings occurred in these nine months period were 6. Also the wholesale business delivered a double digit growth compared to the nine months ended October 31, 2011, with a +14.2% increase as reported and a +4.3% at constant exchange rates.

In the nine months ended October 31, 2012, the Japanese market generated total net sales for Euro 213.7 million, posting an increase of 26.5% over the same period of 2011 (+14.6% at constant exchange rates and +1% SSSG). The number of DOS at the end of the period was 66 (2 openings and 1 closure from the beginning of the year).

Thanks to the Middle East region, where the Group recently accelerated its DOS expansion program (2 stores opened at the end of 2011 and 4 stores opened this year), the Other countries net sales boosted to Euro 29.1 million and recorded an increase of 207.4% compared to the same period of 2011 (+188.4% at constant exchange rates).

Products

The Leather goods remained the top-selling product category and its contribution to Group's net sales was 62.6% (56.2% in the same period of last year) with Euro 1,444.2 million recorded in the nine months ended October 31, 2012, 50.5% higher than Euro 959.5 million reported in the same period of last years (+41.1% at constant exchange rates). Results were mainly achieved thanks to travelers and to the appreciation of this product category in the Asia Pacific market where the increase recorded in the area for this segment was very strong. Noteworthy was also the performance of the Leather goods in Europe.

The Footwear product category generated net sales of Euro 450.3 million in the nine months ended October 31, 2012, up by 15.1% over Euro 391.4 million recorded in the same period of 2011 (+9.4% at constant exchange rates). The European region, first market for this category, and Japan contributed the most to the growth.

The Ready-to-wear, propelled by the European market, delivered net sales of Euro 387.9 million, an increase of +14.9% compared to the same period of last year (+8.3% at constant exchange rates).

Brands

In the nine months ended October 31, 2012, the Prada brand scored the highest growth rate (+39.4% as reported and 31.1% at constant exchange rates). Net sales amounted to Euro 1,876.6 million and the brand's contribution to Group's net sales rose up to 81.3% (78.9% in the same period of 2011). The success was achieved in both distribution channels, in all geographical markets and in all product divisions. The number of DOS opened from the beginning of the financial period was 25 (27 openings, 2 closures).

Miu Miu net sales amounted to Euro 360.7 million and posted a +21.3% increase compared to the nine months ended October 31, 2011 (+13.8% at constant exchange rates). All geographical areas managed to achieve double digit paces of growth and the Asia Pacific region was contributing the most to the brand' sales expansion representing 34.8% of Miu Miu net sales with an increase of 22.2% compared to the same period of last year (+11.4% at constant exchange rates). At the reporting date, Miu Miu counted 108 DOS among which 14 new stores opened from February 1, 2012.

The Church's brand scored a double digit growth of 15% compared to the nine months ended October 31, 2011 (+9.5% at constant exchange rates). Europe, which is the main market for the brand, scored a +21.6% rise with net sales totaling Euro 29.6 million compared to the same period of 2011 (+14.4% at constant exchange rates).

Car Shoe net sales increased by 8% over the same period of last year. Retail and wholesale channels delivered +12.3% and +5% respectively.

Royalties

The licensed products business contributed net revenues of Euro 31.3 million (Euro 23.8 million in the nine months ended October 31, 2011). The increase of 31.6% was mainly due to higher sales of eyewear and to royalties earned under the licensing agreement with LG for the sale of the new PRADA Phone by LG 3.0.

Operating results

For the nine months ended October 31, 2012, the EBITDA amounted to Euro 727.9 million, recording an increase of 49.6% compared to Euro 486.5 million reported for the same period of 2011. In terms of profitability, EBITDA margin increased its contribution on net revenues from 28.1% to 31.1%. This result was achieved thanks to the leverage effect earned on the operating expenses and to the improvement at gross margin level, which in turns benefitted from the change in the channel mix and from the positive impact of exchange rates fluctuations.

The Group’s operating expenses for the nine months ended October 31, 2012, totaled Euro 1,072.0 million and represented 45.8% on net revenues while their incidence was up to 48.7% in the same period of 2011. All of the operating expenses increased in absolute terms because of the expansion of the operations, but none went up as a percentage on net revenues. In particular, General and administrative decreased from 7.1% in the nine months ended October 31, 2011, to 5.8%.

In the nine months ended October 31, 2012, EBIT improved as well standing at Euro 612.5 million, more than 56.1% compared to Euro 392.3 million recorded in the nine months ended October 31, 2011. EBIT margin went from 22.7% to 26.2% on Group’s net revenues.

The tax charge of the nine months ended October 31, 2012, represented as a percentage on result before taxation, was 31.9%. Such tax rate included the effect of an extraordinary tax burden paid in October 2012 and related to the years 2010 and 2011.

Despite the above mentioned extraordinary tax charge, the profitability earned from operations in the nine months ended October 31, 2012, was enough to score an improvement in the Group’s net income (+49.6% compared to the nine months ended October 31, 2011), both in absolute terms (from Euro 273.2 million to Euro 408.6 million) and as a percentage on net revenues (from 15.8% to 17.5%).

Net invested capital

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

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
Non-current assets (excluding deferred tax assets)	1,756,144	1,650,329
Trade receivables, net	254,631	266,404
Inventories, net	365,422	374,782
Trade payables	(287,304)	(283,538)
Net operating working capital	332,749	357,648
Other current assets (excluding financial position items)	139,283	112,623
Other current liabilities (excluding financial position items)	(251,305)	(262,534)
Other current assets/(liabilities), net	(112,022)	(149,911)
Provisions for risks	(62,372)	(56,921)
Post-employment benefits	(43,017)	(35,898)
Other long-term liabilities	(86,118)	(75,991)
Deferred taxation, net	138,170	128,071
Other non-current assets/(liabilities), net	(53,337)	(40,739)
Net invested capital	1,923,534	1,817,327
Shareholders' equity – Group	(2,121,976)	(1,822,743)
Shareholders' equity – Non Controlling Interests	(12,127)	(8,224)
Total consolidated Shareholders' equity	(2,134,103)	(1,830,967)
Long term financial payables	(67,332)	(179,542)
Short term financial , net surplus/(deficit)	277,901	193,182
Net financial position surplus/(deficit)	210,569	13,640
Shareholders' equity and Net financial position	(1,923,534)	(1,817,327)

At October 31, 2012, Net invested capital stood at Euro 1,923.5 million, Euro 106.2 million higher than Euro 1,817.3 million reported at January 31, 2012. In the period, the disbursement for the capital expenditures to sustain the retail network expansion increased the value of the Net invested capital while the change in the net working capital and other reduced it to a lesser extent.

Despite Group's business expansion, the net working capital slightly decreased from Euro 357.6 million in January 31, 2012, to Euro 332.7 million at October 31, 2012. This healthy level was achieved mainly thanks to the containment of the finished products which was obtained following planned actions aimed at further improving the sell-through ratio so as to better react to market changes and reduce risks.

The Group's equity raised Euro 2,122 million at October 21, 2012 from Euro 1,822.7 million at January 31, 2012. The strengthening was achieved mainly thanks to the Group's net result for the nine months ended October 31, 2012 (Euro 408.6 million), net of the dividends paid to PRADA spa Shareholders (Euro 127.9 million) and of the dividends paid to Non-controlling Shareholders (Euro 2.6 million). Other changes in equity reserves occurred during the nine months ended October 31, 2012, risen further the amount of the Group's equity for Euro 18.6 million.

Net financial position surplus/(deficit)

(amounts in thousands of Euro)	as at October 31 2012 unaudited	as at January 31 2012 audited
Long-term debt	(66,768)	(178,442)
Obligations under finance leases	(564)	(1,100)
Long-term financial payables	(67,332)	(179,542)
Bank overdraft and short term loans	(232,053)	(165,485)
Payables to related parties	(3,694)	(3,574)
Receivables from related parties	3,292	1,410
Obligations under finance leases	(710)	(1,453)
Cash and cash equivalents	511,066	362,284
Short-term net financial surplus/(deficit)	277,901	193,182
Net financial position surplus/(deficit)	210,569	13,640

The results of operations allowed the Group to generate net cash flows for Euro 535.6 million that were used to fund the ongoing investments program for Euro 213.4 million, to pay dividends to PRADA spa shareholders for Euro 127.9 million, to pay dividends to Non-controlling interests for Euro 2.6 million and to further cumulate cash and cash equivalents to raise the net positive financial position to Euro 210.6 million at October 31, 2012.

Analysis of capital expenditure

The change in Property, plant and equipment and Intangible assets taken together is largely due to the capital expenditure for the nine months period ended October 31, 2012 (Euro 203 million), to the change in scope of consolidation for the purchase of two companies owing strategic rental agreements in Switzerland (Euro 15.7 million), less depreciation, amortization and impairment (Euro 115.4 million). The Group's capital expenditure for the nine months period was allocated for Euro 160.1 million in the retail area, for Euro 27.6 million in the production and logistics (mainly for the acquisition of two facilities in Italy) and for Euro 15.3 million in the corporate area.

Outlook

The Group remains confident that the strategies and the actions in place will continue to bring positive results even in the present still challenging global economic environment.

Corporate Governance Practices

Audit Committee

The Audit Committee, which comprises three independent non-executive directors, on December 4, 2012, has reviewed the unaudited consolidated results of the Company and its subsidiaries for the nine months ended October 31, 2012.

Compliance with the Corporate Governance Code of the Listing Rules

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the applicable code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the three months ended October 31, 2012.

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 three months ended October 31, 2012.

Publication of Announcement on consolidated results for the nine months ended October 31, 2012

This announcement on the consolidated results for the nine months ended October 31, 2012 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.

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

Milan (Italy), December 6, 2012

As at the date of this announcement, the Company's executive directors are Ms. Miuccia PRADA BIANCHI, Mr. Patrizio BERTELLI, Mr. Carlo MAZZI and Mr. Donatello GALLI; the Company's non-executive directors are Mr. Marco SALOMONI and Mr. Gaetano MICCICHÈ and the Company's independent non-executive directors are Mr. Gian Franco Oliviero MATTEI, Mr. Giancarlo FORESTIERI and Mr. Sing Cheong LIU.