PRADA S.p.A.

Via A. Fogazzaro n. 28, Milan, Italy
Registry of Companies of Milan, Italy: No. 10115350158
(Incorporated under the laws of Italy as a joint-stock company)
(Stock Code: 1913)

ANNOUNCEMENT OF THE CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED APRIL 30, 2012

- Group's net revenues were Euro 686.7 million, up by 47.9% compared with the three months ended April 30, 2011
- Retail net sales were Euro 569.7 million, up by 49.0% compared with the three months ended April 30, 2011
- the number of Directly Operated Stores (DOS) reached 395
- Retail Same Store Sales Growth was 19% compared with the three months ended April 30, 2011
- EBITDA was Euro 200.1 million (representing a margin of 29.1% on net revenues), up by 77.2% compared with the three months ended April 30, 2011
- Group's net income amounted Euro 121.7 million, up by 111.0% compared to Euro 57.7 million for the three months ended April 30, 2011
- Positive net financial position at Euro 122.4 million as at April 30, 2012
- Net operating cash flow for the three months ended April 30, 2012, was Euro 180.8 million

Consolidated results for the three months ended April 30, 2012

The Board of Directors (the "Board") of PRADA S.p.A. (the "Company") is pleased to announce the unaudited Consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended April 30, 2012, together with the comparative figures for the three months ended April 30, 2011.

Key financial information

Key Income statement information (amounts in thousands of Euro)	three months ended April 30 2011 unaudited	twelve months ended January 31, 2012 audited	three months ended April 30 2012 unaudited	% change on April 30 2011
Net revenues	464,292	2,555,606	686,734	47.9%
EBITDA	112,944	759,252	200,097	77.2%
EBIT	80,134	628,935	164,782	105.6%
Income before tax	78,078	602,908	166,242	112.9%
Net income of the Group	57,675	431,929	121,718	111.0%
Earning per share	0.02	0.17	0.05	104.3%
Average headcount (persons)	7,566	8,067	8,843	16.9%
EBITDA %	24.3%	29.7%	29.1%	
EBIT %	17.3%	24.6%	24.0%	

Key Statement of financial position information (amounts in thousands of Euro)	April 30 2011 unaudited	January 31 2012 audited	April 30 2012 unaudited	% change on January 31 2012
Non-current assets	1,583,477	1,826,065	1,849,455	1.3%
Net operating working capital	288,840	357,648	337,628	-5.6%
Net invested capital	1,589,760	1,817,327	1,839,229	1.2%
Net financial position third parties surplus/(deficit)	(375,827)	15,804	122,422	674.6%
Shareholders' equity – Group	1,209,324	1,822,743	1,948,993	6.9%
Capital expenditure of the period	45,176	278,856	55,250	
Net operating cash flows of the period	98,793	479,954	180,797	

Highlights for the three months ended April 30, 2012

In the three months ended April 30, 2012, PRADA Group recorded net revenues of Euro 686.7 million. The increase over Euro 464.3 million posted in the three months ended April 30, 2011, was 47.9%.

This remarkable performance was achieved thanks to the contribution of both the retail channel, which gained a 49% growth compared with the three months ended April 30, 2011, and the wholesale channel, which also scored a 41.5% increase. In terms of geography, all regions contributed to the excellent sales performance with double digit paces of increase.

EBITDA for the three months ended April 30, 2012, totaled Euro 200.1 million, a 77.2% increase over the same period of 2011. In terms of margin, EBITDA raised to 29.1% of net revenues from 24.3% recorded in the three months ended April 30, 2011, highlighting an important positive operation leverage.

Group's net income for the three months ended April 30, 2012, amounted to Euro 121.7 million, or 17.7% on net revenues, resulting in a 111% increase over the same period of 2011.

The strong free cash flows generated in the three months ended April 30, 2012, allowed the Group to strengthen further its positive net financial position which stood at Euro 122.4 million at the reporting date.

Consolidated Income Statement for the three months ended April 30, 2012

(amounts in thousands of Euro)	Note	three months ended April 30 2012 unaudited	%	three months ended April 30 2011 unaudited	%
Net revenues	3	686,734	100.0%	464,292	100.0%
Cost of goods sold		(190,308)	-27.7%	(123,096)	-26.5%
Gross margin		496,426	72.3%	341,196	73.5%
Operating expenses	4	(331,644)	-48.3%	(261,062)	-56.2%
EBIT		164,782	24.0%	80,134	17.3%
Interest and other financial income/(expenses), net	5	1,460	0.2%	(2,056)	-0.4%
Income before taxes		166,242	24.2%	78,078	16.8%
Taxation	6	(42,956)	-6.3%	(19,558)	-4.2%
Net income for the year from continuing operations		123,286	18.0%	58,520	12.6%
Net income for the year from discontinued operations		-	-	-	-
Net income for the year		123,286	18.0%	58,520	12.6%
Net income from continuing operations – Non-controlling interests		1,568	0.2%	845	0.2%
Net income – Non-controlling interests		1,568	0.2%	845	0.2%
Net income from continuing operations – Group		121,718	17.7%	57,675	12.4%
Net income - Group		121,718	17.7%	57,675	12.4%
Depreciation, amortization and impairment		35,315	5.1%	32,810	7.1%
EBITDA		200,097	29.1%	112,944	24.3%
Basic and diluted earnings per share (in Euro per share)	7	0.05		0.02	

Consolidated Statement of financial position for the three months ended April 30, 2012

(amounts in thousands of Euro)	Note	April 30 2012 unaudited	January 31 2012 audited
Assets			
Current assets			
Cash and cash equivalents		472,785	362,284
Trade receivables, net	9	233,087	266,404
Inventories	8	372,465	374,782
Derivative financial instruments - current		2,139	894
Receivables from and prepayments to parent company and related parties	10	15,557	12,864
Other current assets	12	113,981	100,275
Total current assets		1,210,014	1,117,503
Non-current assets			
Property, plant and equipment	11	733,577	713,870
Intangible assets	11	860,963	863,526
Associated undertakings		18,354	15,631
Deferred tax assets	18	178,287	175,736
Other non-current assets	13	58,274	57,302
Total non-current assets		1,849,455	1,826,065
Total Assets		3,059,469	2,943,568
Liabilities and Shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans		158,561	165,485
Payables to parent company and related parties	14	5,464	4,361
Trade payables	15	267,924	283,538
Current tax liabilities		143,774	117,770
Derivative financial instruments - current		6,993	15,200
Obligations under finance leases - current		1,193	1,453
Other current liabilities	16	101,888	128,777
Total current liabilities		685,797	716,584
Non-current liabilities			
Long-term financial payables		189,640	178,442
Obligations under finance leases non-current		969	1,100
Post-employment benefits		37,015	35,898
Provisions for contingencies and commitments	17	55,101	56,921
Deferred tax liabilities	18	50,253	47,665
Other non-current liabilities		81,390	75,656
Derivative financial instruments non-current		559	335
Total non-current liabilities		414,927	396,017
Total Liabilities		1,100,724	1,112,601
Share capital		255,882	255,882
Other reserves		1,588,246	1,152,171
Translation reserve		(16,853)	(17,239)
Net profit for the year		121,718	431,929
Total Shareholders' equity – Group		1,948,993	1,822,743
Shareholders' equity – Non-controlling interests		9,752	8,224
Total Liabilities and Shareholders' equity		3,059,469	2,943,568

Net current assets		524,217	400,919
Total assets less current liabilities		2,373,672	2,226,984

Statement of changes in the Group's 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	Other reserves	Net profit	Share-holders' Equity - Group
Balance at February 1, 2011	250,000,000	250,000	209,298	(40,012)	534,245	250,819	1,204,350
Allocation of 2010 net profit	-	-	-	-	250,819	(250,819)	-
Conversion of shares from Euro 1.0 to Euro 0.1	2,500,000,000	-	-	-	-	-	-
Issue of new shares	58,824,000	5,882	200,749	-	-	-	206,631
Dividends	-	-	-	-	(35,000)	-	(35,000)
Comprehensive income for the year	-	-	-	22,773	(7,940)	431,929	446,762
Balance at January 31, 2012	2,558,824,000	255,882	410,047	(17,239)	742,124	431,929	1,822,743
Allocation of 2011 net profit	-	-	-	-	431,929	(431,929)	-
Comprehensive income for the year	-	-	-	386	4,146	121,718	126,250
Balance at April 30, 2012	2,558,824,000	255,882	410,047	(16,853)	1,178,199	121,718	1,948,993

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.

Statement of consolidated comprehensive income

(amounts in thousands of Euro)	three months ended April 30 2012 unaudited	three months ended April 30 2011 unaudited
Net income for the period – Consolidated	123,286	58,520
Change in Translation reserve	345	(29,023)
Tax impact	-	-
Change in Translation reserve less tax impact	345	(29,023)
Change in Cash Flow Hedge reserve	2,897	15,212
Tax impact	(793)	(4,121)
Change in Cash Flow Hedge reserve less tax impact	2,104	11,091
Change in Fair Value reserve	2,723	-
Tax impact	(681)	-
Change in Fair Value reserve less tax impact	2,042	-
Consolidated comprehensive net income for the period	127,777	40,588
Comprehensive net income for the period – Non-controlling interests	1,527	613
Comprehensive net income for the period - Group	126,250	39,975

Net invested capital

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

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Non-current assets	1,849,455	1,826,065
Current assets excluding items of financial position	735,818	753,809
Current liabilities excluding items of financial position	521,726	546,072
Net working capital	214,092	207,737
Long-term liabilities, including deferred taxation	132,202	123,656
Post-employment benefits	37,015	35,898
Provisions for risks	55,101	56,921
Net invested capital	1,839,229	1,817,327
Shareholders' equity – Group	1,948,993	1,822,743
Shareholders' equity – Non controlling interests	9,752	8,224
Total consolidated shareholders' equity	1,958,745	1,830,967
Long term financial payables	190,609	179,542
Short term financial payables, net of cash and cash equivalents	(310,125)	(193,182)
Net financial position deficit/(surplus)	(119,516)	(13,640)
Shareholders' equity and net financial position	1,839,229	1,817,327

Net Operating Working Capital

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Trade receivables, net	233,087	266,404
Inventories, net	372,465	374,782
Trade payables	(267,924)	(283,538)
Total	337,628	357,648

Net financial position

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Long term debt	(189,640)	(178,442)
Obligations under finance leases	(969)	(1,100)
Long term financial payables	(190,609)	(179,542)
Short term financial payables and bank overdrafts	(158,561)	(165,485)
Financial payables to related parties	(4,317)	(3,574)
Financial receivables from related parties	1,411	1,410
Obligations under finance leases	(1,193)	(1,453)
Payables to other shareholders	-	-
Cash and cash equivalents	472,785	362,284
Short term net financial receivables/(payables), net of cash and cash equivalents	310,125	193,182
Net financial position surplus/(deficit)	119,516	13,640
Net financial position surplus/(deficit), third parties (i.e. excluding receivables and payables with related parties)	122,422	15,804
EBITDA/ net financial charges ratio	n.a.	29.17

Summarized Statement of consolidated cash flows

(amounts in thousands of Euro)	three months ended April 30 2012 unaudited	three months ended April 30 2011 unaudited
Net cash flows from operating activities	180,797	98,793
Cash flows generated (utilized) by investing activities	(76,507)	(61,368)
Cash flows generated (utilized) by financing activities	15,634	(32,714)
Change in cash and cash equivalents, net of bank overdrafts	119,924	4,711

Notes to the consolidated results for the three months ended April 30, 2012

1. Presentation of PRADA Group

PRADA Group is a world leader in the design, production and distribution of luxury handbags, leather goods, footwear, apparel, accessories, eyewear, fragrances. Through its Directly-Operated–Stores network (DOS) and a select number of wholesalers, the Group operates on all major international markets.

The Company is a joint-stock company, incorporated 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 three months ended April 30, 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 at April 30, 2012. The financial information at April 30, 2012 was prepared on a consistent basis with respect to the Consolidated financial statements of the PRADA Group at January 31, 2012 while the financial information at April 30, 2011 was prepared on a consistent basis with respect to the Consolidated financial statements of the PRADA Group at January 31, 2011. Both Consolidated financial statements at January 31, 2011 and at January 31, 2012 were prepared in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standard Board ("IASB") as adopted by the European Union, applicable at the time such statements were prepared.

No significant changes occurred between the IFRS applicable to the PRADA for the periods under comparison.

The IFRS adopted by the European Union are similar, as applicable to the PRADA Group, to 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").

The Group has prepared the Consolidated statement of financial position classifying separately current and non-current assets and liabilities.

The Consolidated income statement is presented by destination.

The Consolidated financial statements have been prepared on a going concern basis and are presented in Euro, which is the functional currency of the Company.

3. Net revenues analysis

Net revenues analysis for the three months period ended April 30, 2012

(amounts in thousands of Euro)	three months ended April 30 2012 unaudited		three months ended April 30 2011 unaudited		% change
Net sales by geographical area					
Italy	110,065	16.3%	71,633	15.7%	53.7%
Europe	148,018	22.0%	94,370	20.7%	56.8%
Americas	86,460	12.8%	64,485	14.2%	34.1%
Asia Pacific	252,772	37.6%	172,022	37.8%	46.9%
Japan	70,664	10.5%	50,933	11.2%	38.7%
Other countries	5,298	0.8%	2,060	0.4%	157.2%
Total	673,277	100.0%	455,503	100.0%	47.8%
Net sales by brand					
Prada	541,539	80.4%	353,379	77.6%	53.2%
Miu Miu	107,338	15.9%	82,054	18.0%	30.8%
Church's	16,304	2.4%	13,663	3.0%	19.3%
Car shoe	6,301	0.9%	4,378	1.0%	43.9%
Other	1,795	0.4%	2,029	0.4%	-11.5%
Total	673,277	100.0%	455,503	100.0%	47.8%
Net sales by product line					
Clothing	113,837	16.9%	87,769	19.3%	29.7%
Leather goods	417,256	62.0%	263,698	57.9%	58.2%
Footwear	134,694	20.0%	98,788	21.7%	36.3%
Other	7,490	1.1%	5,248	1.1%	42.7%
Total	673,277	100.0%	455,503	100.0%	47.8%
Net sales by distribution channel					
DOS	569,652	84.6%	382,271	83.9%	49.0%
Independent customers, franchises and related parties	103,625	15.4%	73,232	16.1%	41.5%
Total	673,277	100.0%	455,503	100.0%	47.8%
Net sales	673,277	98.0%	455,503	98.1%	47.8%
Royalties	13,457	2.0%	8,789	1.9%	53.1%
Total net revenues	686,734	100.0%	464,292	100.0%	47.9%

Number of stores

	April 30 2012		January 31 2012		April 30 2011	
	DOS	franchises	DOS	franchises	DOS	franchises
Prada	251	19	245	20	212	25
Miu Miu	95	6	94	6	77	6
Church's	43	-	43	-	36	-
Car Shoe	6	-	6	-	5	-
Total	395	25	388	26	330	31

	April 30 2012		January 31 2012		April 30 2011	
	DOS	franchises	DOS	franchises	DOS	franchises
Italy	45	5	44	5	38	5
Europe	119	6	115	6	90	13
Americas	49	-	47	1	39	-
Asia Pacific	116	14	115	14	105	13
Japan	64	-	65	-	58	-
Middle East	2	-	2	-	-	-
Total	395	25	388	26	330	31

4. Operating expenses

(amounts in thousands of Euro)	three months ended April 30 2012 unaudited	% on net revenues	three months ended April 30 2011 unaudited	% on net revenues
Product design and development costs	25,366	3.7%	21,416	4.6%
Advertising and communications costs	35,290	5.1%	30,367	6.5%
Selling costs	228,105	33.2%	171,331	36.9%
General and administrative costs	42,883	6.2%	37,948	8.2%
Total	331,644	48.3%	261,062	56.2%

5. Interest and other financial expenses, net

(amounts in thousands of Euro)	three months ended April 30 2012 unaudited	three months ended April 30 2011 unaudited
Interests expenses on borrowings	(2,498)	(4,217)
Interest income	1,155	266
Exchange gains /(losses) – realized	3,318	1,321
Exchange gains/(losses) – unrealized	411	1,413
Other financial income/(expenses)	(926)	(839)
Total	1,460	(2,056)

6. Taxation

(amounts in thousands of Euro)	three months ended April 30 2012 unaudited	three months ended April 30 2011 unaudited
Current taxation	45,730	19,432
Deferred taxation	(2,774)	126
Income taxes	42,956	19,558

7. Dividends and earnings per share

Dividends per share

After the reporting period, the Annual General Meeting held in Hong Kong on May 22, 2012, approved the payment for the year ended January 31, 2012, of a final dividend of Euro 5/cents per share for a total amount of Euro 127.9 million.

During the period ended April 31, 2011, the Company distributed dividends of 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 the parent company PRADA Holding bv while the remaining amount was paid in April 2011.

Earnings per share

(amounts in thousands of Euro)	three months ended April 30 2012 unaudited	three months ended April 30 2011 unaudited
Group net income in Euro	121,718,180	57,675,234
Weighted average number of ordinary shares in issue	2,558,824,000	2,500,000,000
Earnings per share in Euro, calculated on weighted average number of shares	0.05	0.02

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. For the purposes of calculation the earnings per share in accordance with IAS33 the number of shares in issue in 2010 was retrospectively adjusted.

8. Inventories

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Raw materials	81,635	66,575
Work in progress	21,163	17,187
Finished products	340,283	360,379
Allowance for obsolete and slow moving inventories	(70,616)	(69,359)
Total	372,465	374,782

Inventories were almost unchanged compared to January 31, 2012. The increase of raw materials is in line with the needs of the production cycles typical of this time of the year.

9. Trade receivables, net

Trade receivables are detailed as follows:

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Trade receivables – third parties	225,857	259,258
Trade receivables – related parties	18,832	18,827
Allowance for bad and doubtful debts	(11,602)	(11,681)
Total	233,087	266,404

The decrease in trade receivables is mainly due to the collection of the wholesale deliveries.

10. Receivables from and prepayments to parent company and related parties

Receivables from parent companies and related companies are detailed below:

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Financial receivables – other related parties	1,411	1,410
Other receivables – PRADA Holding bv	692	654
Other receivables – other related parties	1,445	1,646
Other receivables – other companies controlled by PRADA Holding bv	157	154
Prepayments – other related companies	11,852	9,000
Total	15,557	12,864

11. Capital expenditure

Changes in the net book value of Property, plant and equipment in the period ended April 30, 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, 2012 (audited)	183,084	15,476	304,324	88,384	39,982	82,620	713,870
Additions	10,375	1,474	17,639	5,099	887	18,210	53,684
Depreciation	(1,460)	(1,702)	(18,804)	(5,560)	(1,613)	-	(29,139)
Disposals	(4)	-	-	(3)	(3)	-	(10)
Exchange differences	55	24	(3,125)	(179)	(43)	(679)	(3,947)
Other movements	2,544	-	20,089	3,368	167	(26,848)	(680)
Impairment	-	-	(57)	(120)	-	(24)	(201)
Balance at April 30, 2012 (unaudited)	194,594	15,272	320,066	90,989	39,377	73,279	733,577

Changes in the net book value of Intangible assets in the period ended April 30, 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, 2012 (audited)	303,308	504,220	42,674	8,578	3,270	1,476	863,526
Additions	51	-	-	346	-	1,169	1,566
Amortization	(2,743)	-	(2,014)	(755)	(462)	-	(5,974)
Disposals	-	-	-	-	-	-	-
Exchange differences	1,552	249	100	(15)	-	-	1,886
Other movements	-	-	(28)	79	-	(92)	(41)
Impairment	-	-	-	-	-	-	-
Balance at April 30, 2012 (unaudited)	302,168	504,469	40,732	8,233	2,808	2,553	860,963

12. Other current assets

Other current assets are detailed as follows:

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
VAT	35,887	37,372
Income tax and other tax receivables	5,151	6,597
Other assets	20,802	15,337
Prepayments and accrued income	49,071	39,049
Deposits	3,070	1,920
Total	113,981	100,275

13. Other non-current assets

Other non-current assets are detailed as follows:

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Guarantee deposits	50,684	49,526
Deferred rental income	2,573	2,893
Other receivables	5,017	4,883
Total	58,274	57,302

14. Payables to parent companies and related parties

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

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Financial payables – other related parties	4,317	3,574
Other payables – PRADA Holding bv	8	-
Other payables – other related parties	883	528
Other payables – other companies controlled by PRADA Holding bv	256	259
Total	5,464	4,361

15. Trade payables

Trade payables are detailed as follows:

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Trade payables – third parties	264,939	280,808
Trade payables – related parties	2,985	2,730
Total	267,924	283,538

16. Other current liabilities

Other current liabilities are detailed as follows:

(amounts in thousands of Euro)	April 30 2012 unaudited	January 31 2012 audited
Payables for capital expenditure	31,022	57,844
Accrued expenses and deferred income	14,048	12,944
Other payables	56,818	57,989
Total	101,888	128,777

17. Provisions for contingencies and commitments

Movements on 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	-	(681)	(313)	(994)
Reversals	-	(181)	-	(181)
Uses	(520)	(43)	(507)	(1,070)
Increases	-	355	70	425
Balance at April 30, 2012 (unaudited)	1,098	36,785	17,218	55,101

Provisions for risks and charges represent the Directors' best estimate of maximum contingent liabilities. No significant events have occurred since January 31, 2012, that resulted in changes in estimates.

18. Deferred tax assets and liabilities

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

(amounts in thousands of Euro)	April 30 2012 unaudited		January 31 2012 audited	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Inventories	81,648	-	86,126	-
Receivables and other assets	545	1,590	1,103	1,575
Useful life of non-current assets	63,511	14,314	58,695	14,032
Deferred taxes due to acquisitions	-	28,690	-	28,556
Provision for risks / accrued expenses	14,155	1,988	12,928	267
Non deductible / taxable charges / income	4,213	783	3,566	535
Tax loss carried forward	6,802	-	4,788	-
Derivative financial instruments	759	-	1,552	-
Long term employee benefits	6,498	2,046	6,674	2,015
Other	156	842	304	685
Total	178,287	50,253	175,736	47,665

Management Discussion and Analysis for the three months ended April 30, 2012

Net revenues

Group's net revenues for the three months ended April 30, 2012, totaled Euro 686.7 million, a rise of 47.9% over Euro 464.3 million recorded in the three months ended April 30, 2011. At constant exchange rates revenues increased by 41.5%.

Distribution channels

In the first quarter of 2012 Group's net sales generated by the retail channel amounted to Euro 569.7 million performing an increase of 49% compared to the first quarter of 2011. At constant exchange rate the increase was 41.7% while at Same Store Sales Growth (SSSG)[1] was 19%.

A net of 65 shops have been opened since April 30, 2011, out of which 7 (8 openings and 1 closing) in the first three months of 2012. Among these it is worth mentioning the opening of Prada Stoleshnikov in Moscow, the largest ever operating in terms of square meters in Russia, and the first 2 stores in South and Central America, one in Sao Paolo, Brazil, and one in Mexico City. Furthermore, the unveil of the restored Prada flagship store in Old Bond street in London, that was not counted among new openings, represented an important sign of the Group's strategy of preserving the appeal and glamour of its retail chain.

Wholesale channel achieved an increase of 41.5% over the three months ended April 30, 2011, totaling net sales for Euro 103.6 million. At constant exchange rate the growth was 39.4%. This channel partially benefited from a shift in deliveries occurred at the end of the last financial year, when particular adverse weather conditions and an unexpected strike in transportation in Italy caused some shipment delays.

Markets

European market achieved the best performance reaching a 56.8% increase compared to the three months ended April 30, 2011, and contributing 22% to Group's net sales with Euro 148.0 million. At constant exchange rate the increase was 55%. Retail channel, boosted by travellers, scored a 61.7% increase thanks to the brilliant 31% SSSG and thanks to 29 new Directly Operated Stores (DOS) opened since April 30, 2011. Wholesale also performed well, increasing by 40.7% over the three months ended April 30, 2011.

Italy, totaling Euro 110.1 million, performed similarly with an overall 53.7% brilliant net sales expansion compared to the three months ended April 30, 2011. Retail channel increased by 48.7%, with a 17% SSSG and a net of 7 new DOS since April 30, 2011. Deliveries to independent customers, partially benefitting from the shipment delay occurred at the end of the 2011 year,

[1] The expression "Same Store Sales Growth" replaces the expression "Like-For-Like" even if no changes occurred into the calculation criteria. The formula still compares same operating stores at constant exchange rates.

increased by 62.5%.

The Asia Pacific market confirmed the remarkable trends highlighted in recent years posting a 46.9% increase compared to the three months ended April 30, 2011. In this first quarter the region contributed with Euro 252.8 million, or 37.6% to Group's net sales. At constant exchange rates the increase was 37.1% while 22% was the SSSG. A net of 11 new DOS have been opened since April 30, 2011 in this market. The Greater China growth (PRC, Hong Kong and Macau) was in line with the entire region performance scoring a 24% SSSG compared to the three months ended April 30, 2011 (53.7% the increase as reported and 42.1% at constant exchange rates). Net sales in the area were Euro 161.6 million in the three months ended April 30, 2012.

Net sales in Americas were Euro 86.5 million, a 34.1% increase over the same period of last year. At constant exchange rate the growth was 26.1%. Net sales generated by DOS network gained a 39.2% increase which took benefit from a 13% SSSG and a net of 10 new DOS opened since April 30, 2011. Net sales to department stores increased by 17.1% and by 10.6% at constant exchange rates over the same period of 2011.

In Japan net sales totaled Euro 70.7 million recording an excellent 38.7% growth. A net of new 6 DOS and a 3% SSSG contributed to sales expansion in the region. At constant exchange rates, net sales raised by 27.7% compared to the three months period ended April 30, 2011.

The Other countries net sales boosted thanks to the Middle East region, where in 2011 the Group opened its first two stores in Dubai, United Arab Emirates. In the three months ended April 30, 2012, net sales were Euro 5.3 million recording an increase of 157.2% over the same period of 2011 (149.8% at constant exchange rates).

Products

In the three months ended April 30, 2012, all products were generating growth supported by Group's distinctive and renowned innovation and style content.

Leather goods, totaling Euro 417.3 million, showed once again the highest pace of growth contributing 62% of Group net sales for the three months ended April 30, 2012.

Footwear recorded a 36.3% increase compared to the three months ended April 30, 2011, reaching Euro 134.7 million.

Ready-to-wear, despite a dilution in terms of weight on Group's net sales, posted a remarkable 29.7% increase over the same period of 2011.

Brands

Compared to the three months ended April 30, 2011, Prada brand achieved the strongest growth among the Group's brands (53.2% as reported and 46.4% at constant exchange rates), posting net sales for Euro 541.5 million in the three months ended April 30, 2012. Being the brand contributing 80.4% of consolidated net sales in the first quarter of 2012, and covering all markets and product mixes, its performances resulted even better than those already highlighted at Group's level.

Miu Miu net sales totaled Euro 107.3 million in the three months ended April 30, 2012, recording an increase of 30.8% (24.6% at constant exchange rates) compared to the three months period ended April 30, 2011. All markets, channels and product categories achieved a double digit pace of growth.

Church's brand also achieved good performances compared to the three months period ended April 30, 2011, mainly thanks to the wholesale channel.

Car Shoe net sales increased by 43.9% over the same period of 2011. Like Church's the wholesale channel delivered the development.

Royalties

The licensed products business contributed net revenues of Euro 13.5 million (Euro 8.8 million in the three months ended April 30, 2011). The increased royalties' income (53.1%) was mainly due to the new licensing agreement signed with LG Electronics for the sale of a new mobile phone. Building on the partnership's previous successes, the premium handset combines high-end technology with a design embodying superior style.

Operating results

EBITDA for the three months ended April 30, 2012, amounted to Euro 200.1 million, 77.2% more than the three months ended April 30, 2011, rising from 24.3% to 29.1% of net revenues. The increase in profitability was gained mainly thanks to the growth in revenues and leveraging on operating expenses, despite a dilution experienced at delivery margin level.

Operating expenses increased in absolute terms from Euro 261.1 million in the three months ended April 30, 2011, to Euro 331.6 million in the three months ended April 30, 2012, mainly as a consequence of the business expansion. However, their incidence on net revenues decreased from 56.2% to 48.3%.

In the three months ended April 30, 2012, EBIT also improved totaling Euro 164.8 million, more than 105.6% compared to Euro 80.1 million recorded in the three months ended April 30, 2011. EBIT margin went from 17.3% to 24% of Group's net revenues, as the increase in depreciation and amortization charges was less than that of net revenues.

Group's net income amounted to Euro 121.7 million in the three months ended April 30, 2012, recording an increase of 111% compared to the three months ended April 30, 2011.

Net Invested Capital

At April 30, 2012, Net invested capital stood at Euro 1,839.2 million. The increase of Euro 21.9 million was substantially due to the change in the non-current portion of assets where investments in tangible assets, made in relation to the retail network expansion program, contributed the most.

Group's net equity increased from Euro 1,822.7 million at January 31, 2012, to Euro 1,949 million at April 30, 2012, essentially for the net result of the three months period. However, it must be mentioned that the Annual General Meeting held in Hong Kong on May 22, 2012, which was after the reporting period, approved the payment for the year ended January 31, 2012, of a final dividend of Euro 5/cents per share for a total amount of Euro 127.9 million.

Analysis of Net Operating Working Capital

The decrease in Net operating working capital mainly arises from the decrease of the receivables that is in line with the seasonality of the wholesale.

Net Financial Position

The Group's Net financial position has seen a longstanding balance of net indebtedness transformed into a positive net financial position since January 31, 2012. As at April 30, 2012, the positive net financial position strengthened further to Euro 122.4 million, essentially because of the free cash flows generated in this three months period.

The increase in long term bank debt is mainly due to new fund raised in Japanese Yen.

The Directors believe that the positive net financial position has to be favorably considered taking into account the present situation of the financial markets.

Analysis of capital expenditure

The change in Property, plant and equipment and Intangible assets taken together is largely due to capital expenditure for the three months period (Euro 55.3 million) less depreciation, amortization and impairment (Euro 35.3 million) and the translation effect (Euro 2.1 million). The Group's capital expenditure for the three months period was allocated for Euro 36.8 million in the retail area, for Euro 13.4 million in the production and logistics (mainly for the acquisition of two facilities in Italy) and for Euro 5.1 million in the corporate area.

Outlook

The excellent results achieved in the first quarter of 2012 are a stimulus for the Group to continue in pursuing its strategy, focused on products' excellence and on a balanced worldwide expansion of the retail network.

Although we have seen these encouraging outcomes, we must consider - at the same time - the rising risks deriving from the uncertain international economic environment, in order to be ready to take any necessary actions to safeguard our assets and preserve our long term growth strategy.

We remain confident in the strengths of our brands and our execution capabilities and will focus on further reinforce our cash flows generation and financial flexibility.

Corporate governance practices

Audit Committee

The Audit Committee, which comprises three independent non-executive directors, on June 7, 2012, reviewed the unaudited consolidated results of the Company and its subsidiaries for the three months ended April 30, 2012.

Compliance with the Corporate Governance Code of the Listing Rules

The Board reviewed the Company's corporate governance practices and is satisfied that the Company complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the three months ended April 30, 2012.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended April 30, 2012.

Publication of Announcement on consolidated results for the three months ended April 30, 2012

This Quarterly Results Announcement is published on the Company's website at www.pradagroup.com and on the Hong Kong Exchanges and Clearing Limited's website at www.hkexnews.hk.

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

Milan (Italy), June 7, 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.