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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 YEAR ENDED JANUARY 31, 2013

FINANCIAL HIGHLIGHTS

- Group's net revenues were Euro 3,297.2 million, recording an increase of 29.0% compared with the year ended January 31, 2012
- Retail net sales were Euro 2,664.2 million, up by 35.6% compared with the year ended January 31, 2012
- the number of Directly Operated Stores (DOS) reached 461
- Retail Same Store Sales Growth (SSSG) was 14% compared with the year ended January 31, 2012
- EBITDA was Euro 1,052.5 million (representing a margin of 31.9% on net revenues)
- Group's net income amounted Euro 625.7 million, an increase of 44.9% compared to Euro 431.9 million for the year ended January 31, 2012
- Positive net financial position at Euro 312.6 million as at January 31, 2013
- Net operating cash flow for the year ended January 31, 2013, was Euro 759.3 million

Consolidated results for the year ended January 31, 2013

The Board of Directors (the "Board") of PRADA S.p.A. (the "Company", or "PRADA spa") is pleased to announce the audited Consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended January 31, 2013, together with the audited comparative figures for the year ended January 31, 2012. 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, 2013, and January 31, 2012, have been audited by Deloitte & Touche spa.

Scope of work of Messrs. Deloitte & Touche spa

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended January 31, 2013, as set out in this preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte & Touche spa, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte & Touche spa in this respect did not constitute an assurance engagement in accordance with Auditing Standards issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange and consequently no assurance has been expressed by Messrs. Deloitte & Touche spa on the preliminary announcement.

Key financial information

Key information on income statement (amounts in thousands of Euro)	twelve months ended January 31 2011 audited	twelve months ended January 31 2012 audited	twelve months ended January 31 2013 audited	% change on January 31 2012
Net revenues	2,046,651	2,555,606	3,297,219	29.0%
EBITDA	535,930	759,252	1,052,469	38.6%
EBIT	418,387	628,935	889,781	41.5%
Income before tax	388,229	602,908	883,616	46.6%
Net income of the Group	250,819	431,929	625,681	44.9%
Average headcount (persons)	7,199	8,067	9,427	16.9%
Earnings per share	0.10	0.17	0.24	41.2%
EBITDA %	26.2%	29.7%	31.9%	
EBIT %	20.4%	24.6%	27.0%	

Key information on Statement of financial position (amounts in thousands of Euro)	as at January 31 2011 audited	as at January 31 2012 audited	as at January 31 2013 audited	change on January 31 2012
Net operating working capital	320,759	357,648	317,714	(39,934)
Net invested capital	1,585,559	1,817,327	2,017,844	200,517
Net financial position surplus/(deficit)	(375,421)	13,640	312,648	299,008
Group shareholders' equity	1,204,350	1,822,743	2,320,022	497,279
Capital expenditure	206,860	278,856	351,129	72,273
Net operating cash flows	367,712	479,954	759,272	279,318

Highlights for the year ended January 31, 2013

During the year 2012 the PRADA Group consolidated its position at the head of the worldwide luxury goods market. Despite the challenging global economic environment, with some major concerns in Europe, the Group has made further important progress along its path of growth leveraging on the strength of its brands and on a relentless commitment to innovation and quality. The actions undertaken in the course of 2012 have always been consistent with the long-term business expansion strategy implemented in recent years. The Group went on investing massive resources in strengthening the retail channel while maintaining a unique and powerful brand image: many new DOS were unveiled in 2012, including the first ever stores in Brazil, Mexico, Morocco, Kuwait and Ukraine and prestigious sponsorships and projects in fields other than Prada's core business successfully took place. At the same time, the Group strove tightly to control unit margins over the supply chain so as to benefit from economies of scale resulting from the expansion without compromising the Group's reputation for craftsmanship and quality cultivated throughout its hundred-year long history. These strategies delivered significant revenue growth and improved operating results for the twelve months ended January 31, 2013.

The Group's net revenue for the twelve months ended January 31, 2013, totaled Euro 3,297.2 million, 29% more than in 2011, one of the highest growth rates in the industry. The boost in sales, coupled with a further improvement in profitability, was mainly achieved thanks to the performance of the retail channel. In fact, the Group's EBITDA for the twelve months ended January 31, 2013, totaled Euro 1,052.5 million, 38.6% up on 2011, while reaching a record high of 31.9% as a percentage of net revenues. The Group's net profit was Euro 625.7 million, up by 44.9% compared to 2011 and standing at 19% of net revenues.

The capital expenditure incurred during the year amounted to Euro 351.1 million and was mainly focused on the enlargement and renovation of the DOS network. The investment program led to the opening of 78 new DOS, most of them completed in the second half of the year.

Free cash flows of the year enabled the Group to accumulate total of cash and cash equivalents of some Euro 572 million and a positive net financial position of Euro 312.6 million at January 31, 2013.

At January 31, 2013, the Group operated 461 DOS worldwide, employed more than 10,000 people and had a market capitalization of some Euro 17 billion based on the Hong Kong Stock exchange share price at the reporting date.

Consolidated income statement for the year ended January 31, 2013

(amounts in thousands of Euro)	Note	twelve months ended January 31 2013 audited	%	twelve months ended January 31 2012 audited	%
Net revenues	3	3,297,219	100.0%	2,555,606	100.0%
Cost of goods sold		(920,678)	-27.9%	(727,581)	-28.5%
Gross margin		2,376,541	72.1%	1,828,025	71.5%
Operating expenses	4	(1,486,760)	-45.1%	(1,199,090)	-46.9%
EBIT		889,781	27.0%	628,935	24.6%
Interest and other financial income/(expenses), net	5	(7,131)	-0.2%	(26,027)	-1.0%
Dividends received from third parties	5	966	-	-	-
Income before taxes		883,616	26.8%	602,908	23.6%
Taxation	6	(250,339)	-7.6%	(166,483)	-6.5%
Net income from continuing operations		633,277	19.2%	436,425	17.1%
Net income for the period		633,277	19.2%	436,425	17.1%
Net income – Non-controlling interests		7,596	0.2%	4,496	0.2%
Net income – Group		625,681	19.0%	431,929	16.9%
Depreciation, amortization and impairment		162,688	4.9%	130,317	5.1%
EBITDA		1,052,469	31.9%	759,252	29.7%
Basic and diluted earnings per share (in Euro per share)	7	0.245		0.170	

Consolidated income statement for the three months ended January 31, 2013

(amounts in thousands of Euro)	Note	three months ended January 31 2013 unaudited	%	three months ended January 31 2012 unaudited	%
Net revenues	3	957,897	100.0%	825,228	100.0%
Cost of goods sold		(265,801)	-27.7%	(232,852)	-28.2%
Gross margin		692,096	72.3%	592,376	71.8%
Operating expenses		(414,779)	-43.3%	(355,758)	-43.1%
EBIT		277,317	29.0%	236,618	28.7%
Interest and other financial income/(expenses), net		(2,837)	-0.3%	(8,167)	-1.0%
Dividends received from third parties		966	0.1%	-	-
Income before taxes		275,446	28.8%	228,451	27.7%
Taxation		(56,234)	-5.9%	(68,015)	-8.2%
Net income from continuing operations		219,212	22.9%	160,436	19.4%
Net income for the period		219,212	22.9%	160,436	19.4%
Net income – Non-controlling interests		2,083	0.2%	1,672	0.2%
Net income – Group		217,129	22.7%	158,764	19.2%
Depreciation, amortization and impairment		47,279	4.9%	36,127	4.4%
EBITDA		324,596	33.9%	272,745	33.1%

Consolidated statement of financial position

(amounts in thousands of Euro)	Note	as at January 31 2013 audited	as at January 31 2012 audited
Assets			
Current assets			
Cash and cash equivalents		571,746	362,284
Trade receivables, net	9	304,525	266,404
Inventories, net	8	343,802	374,782
Derivative financial instruments - current		43,060	894
Receivables and advance payments from parent company and other related parties	10	19,493	12,864
Other current assets	12	104,823	100,275
Total current assets		1,387,449	1,117,503
Non-current assets			
Property, plant and equipment	11	857,299	713,870
Intangible assets	11	878,750	863,526
Associated undertakings		23,024	15,631
Deferred tax assets		176,057	175,736
Other non-current assets	13	61,682	57,302
Derivative financial instruments - non current		1,018	-
Total non-current assets		1,997,830	1,826,065
Total Assets		3,385,279	2,943,568
Liabilities and Shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans		175,570	165,485
Payables to parent company and other related parties	14	5,599	4,361
Trade payables	15	330,613	283,538
Current tax liabilities		97,148	117,770
Derivative financial instruments - current		912	15,200
Obligations under finance leases - current		575	1,453
Other current liabilities	16	131,645	128,777
Total current liabilities		742,062	716,584
Non-current liabilities			
Long-term financial payables		78,830	178,442
Obligations under finance leases non-current		518	1,100
Post-employment benefits		45,538	35,898
Provisions for risks and charges	17	46,914	56,921
Deferred tax liabilities		55,636	47,665
Other non-current liabilities		84,905	75,656
Derivative financial instruments non-current		384	335
Total non-current liabilities		312,725	396,017
Total Liabilities		1,054,787	1,112,601
Share capital		255,882	255,882
Other reserves		1,480,747	1,152,171
Translation reserve		(42,288)	(17,239)
Net profit for the period		625,681	431,929
Shareholders' Equity – Group		2,320,022	1,822,743
Shareholders' Equity – Non-controlling interests		10,470	8,224
Total Liabilities and Shareholders' Equity		3,385,279	2,943,568
Net current assets		645,387	400,919
Total assets less current liabilities		2,643,217	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 gain (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 (not recycled to P&L)	-	-	-	-	-	(244)	-	-	-	(244)	(18)	(262)
Comprehensive income for the year (recycled to P&L)	-	-	-	22,773	(7,637)	-	(58)	-	431,929	447,006	4,928	451,934
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	1,822,744	8,224	1,830,968
Allocation of 2011 net profit	-	-	-	-	-	-	-	431,929	(431,929)	-	-	-
Dividends	-	-	-	-	-	-	-	(127,941)	-	(127,941)	(5,576)	(133,517)
Capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	-	1,166	1,166
Comprehensive income for the year (recycled to P&L)	-	-	-	(25,049)	24,321	-	5,544	-	625,681	630,497	6,656	637,153
Comprehensive income for the year (not recycled to P&L)	-	-	-	-	-	(5,278)	-	-	-	(5,278)	-	(5,278)
Balance at January 31, 2013 (audited)	2,558,824,000	255,882	410,047	(42,288)	20,148	(6,470)	5,486	1,051,536	625,681	2,320,022	10,470	2,330,492

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)	twelve months ended January 31 2013 audited	twelve months ended January 31 2012 audited
Net cash flows from operating activities	759,272	479,954
Cash flows generated (utilized) by investing activities	(331,645)	(257,147)
Cash flows generated (utilized) by financing activities	(197,965)	40,410
Change in cash and cash equivalents, net of bank overdrafts	229,662	263,217

Statement of consolidated comprehensive income

(amounts in thousands of Euro)	twelve months ended January 31 2013 audited	twelve months ended January 31 2012 audited
Net income for the period – Consolidated	633,277	436,425
A) Items recycled to P&L:		
Change in Translation reserve	(25,989)	23,204
Tax impact	-	-
Change in Translation reserve less tax impact	(25,989)	23,204
Change in Cash Flow Hedge reserve	33,530	(10,432)
Tax impact	(9,209)	2,795
Change in Cash Flow Hedge reserve less tax impact	24,321	(7,637)
Change in Fair Value reserve	7,391	(77)
Tax impact	(1,847)	19
Change in Fair Value reserve less tax impact	5,544	(58)
B) Item not recycled to P&L		
Change in Actuarial reserve	(6,369)	(705)
Tax impact	1,091	443
Change in Actuarial reserve less tax impact	(5,278)	(262)
Consolidated comprehensive income for the period	631,875	451,672
Comprehensive income for the period – Non-controlling Interests	6,656	4,910
Comprehensive income for the period – Group	625,219	446,762

Notes to the consolidated results for the year ended January 31, 2013

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 461 Directly Operated Stores (DOS) at January 31, 2013, 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 Consolidated financial statements of the PRADA Group as at January 31, 2013, including the "Consolidated statement of financial position", the "Consolidated income statement for the year ended January 31, 2013", the "Statement of consolidated comprehensive income", the "Summarized statement of consolidated cash flows", the "Statement of changes in consolidated shareholders' equity" and the "Notes to the consolidated results for the year ended January 31, 2013" have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as endorsed by the European Union.

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

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

The contents of this Announcement on the consolidated results for the year ended January 31, 2013, are included in the 2012 Annual Report of PRADA spa.

3. Operating segment

Net revenues analysis

Net revenues for the year ended January 31, 2013

(amounts in thousands of Euro)	twelve months ended January 31 2013 audited		twelve months ended January 31 2012 audited		% change
Net sales by geographical area					
Italy	528,302	16.2%	445,611	17.6%	18.6%
Europe	739,634	22.7%	540,131	21.4%	36.9%
Americas	484,103	14.9%	392,677	15.6%	23.3%
Asia Pacific	1,160,166	35.6%	872,992	34.6%	32.9%
Japan	293,245	9.0%	256,693	10.2%	14.2%
Other countries	50,978	1.6%	15,226	0.6%	234.8%
Total	3,256,428	100.0%	2,523,330	100.0%	29.1%
Net sales by brand					
Prada	2,649,559	81.4%	1,999,345	79.2%	32.5%
Miu Miu	512,762	15.7%	441,054	17.5%	16.3%
Church's	68,447	2.1%	59,224	2.3%	15.6%
Car Shoe	19,660	0.6%	17,039	0.7%	15.4%
Other	6,000	0.2%	6,668	0.3%	-10.0%
Total	3,256,428	100.0%	2,523,330	100.0%	29.1%
Net sales by product line					
Clothing	563,322	17.3%	512,585	20.3%	9.9%
Leather goods	2,036,005	62.5%	1,426,537	56.5%	42.7%
Footwear	625,390	19.2%	560,108	22.2%	11.7%
Other	31,711	1.0%	24,100	1.0%	31.6%
Total	3,256,428	100.0%	2,523,330	100.0%	29.1%
Net sales by distribution channel					
DOS	2,664,238	81.8%	1,964,499	77.9%	35.6%
Independent customers and franchises	592,190	18.2%	558,831	22.1%	6.0%
Total	3,256,428	100.0%	2,523,330	100.0%	29.1%
Net sales	3,256,428	98.8%	2,523,330	98.7%	29.1%
Royalties	40,791	1.2%	32,276	1.3%	26.4%
Total net revenues	3,297,219	100.0%	2,555,606	100.0%	29.0%

Prada brand sales

(amounts in thousands of Euro)	twelve months ended January 31 2013 audited		twelve months ended January 31 2012 audited		% change
Net sales by geographical area					
Italy	414,119	15.6%	349,852	17.5%	18.4%
Europe	589,780	22.3%	411,552	20.6%	43.3%
Americas	422,646	16.0%	334,469	16.7%	26.4%
Asia Pacific	969,864	36.6%	710,157	35.5%	36.6%
Japan	210,161	7.9%	181,720	9.1%	15.7%
Other countries	42,989	1.6%	11,595	0.6%	270.8%
Total	2,649,559	100.0%	1,999,345	100.0%	32.5%
Net sales by product line					
Clothing	467,161	17.6%	434,461	21.7%	7.5%
Leather goods	1,710,274	64.6%	1,141,097	57.1%	49.9%
Footwear	444,462	16.8%	402,348	20.1%	10.5%
Other	27,662	1.0%	21,439	1.1%	29.0%
Total	2,649,559	100.0%	1,999,345	100.0%	32.5%
Net sales by distribution channel					
DOS	2,189,977	82.7%	1,562,233	78.1%	40.2%
Independent customers and franchises	459,582	17.3%	437,112	21.9%	5.1%
Total	2,649,559	100.0%	1,999,345	100.0%	32.5%
Net sales	2,649,559	98.5%	1,999,345	98.5%	32.5%
Royalties	39,453	1.5%	31,341	1.5%	25.9%
Total net revenues	2,689,012	100.0%	2,030,686	100.0%	32.4%

Miu Miu brand sales

(amounts in thousands of Euro)	twelve months ended January 31 2013 audited		twelve months ended January 31 2012 audited		% change
Net sales by geographical area					
Italy	84,252	16.4%	67,103	15.2%	25.6%
Europe	100,519	19.6%	86,178	19.5%	16.6%
Americas	57,963	11.3%	54,915	12.5%	5.6%
Asia Pacific	181,996	35.5%	155,841	35.3%	16.8%
Japan	80,904	15.8%	73,918	16.8%	9.5%
Other countries	7,128	1.4%	3,099	0.7%	130.0%
Total	512,762	100.0%	441,054	100.0%	16.3%
Net sales by product line					
Clothing	95,091	18.5%	77,251	17.5%	23.1%
Leather goods	321,713	62.8%	282,033	64.0%	14.1%
Footwear	91,908	17.9%	79,109	17.9%	16.2%
Other	4,050	0.8%	2,661	0.6%	52.2%
Total	512,762	100.0%	441,054	100.0%	16.3%
Net sales by distribution channel					
DOS	421,067	82.1%	354,227	80.3%	18.9%
Independent customers and franchises	91,695	17.9%	86,827	19.7%	5.6%
Total	512,762	100.0%	441,054	100.0%	16.3%
Net sales	512,762	99.8%	441,054	99.8%	16.3%
Royalties	1,248	0.2%	828	0.2%	50.7%
Total net revenues	514,010	100.0%	441,882	100.0%	16.3%

Church's brand sales

(amounts in thousands of Euro)	twelve months ended January 31 2013 audited		twelve months ended January 31 2012 audited		% change
Net sales by geographical area					
Italy	16,550	24.2%	16,509	27.9%	0.2%
Europe	40,884	59.7%	34,271	57.9%	19.3%
Americas	2,842	4.1%	2,402	4.0%	18.3%
Asia Pacific	5,663	8.3%	4,789	8.1%	18.3%
Japan	2,180	3.2%	1,052	1.8%	107.2%
Other countries	328	0.5%	201	0.3%	63.2%
Total	68,447	100.0%	59,224	100.0%	15.6%
Net sales by product line					
Clothing	967	1.4%	762	1.3%	26.9%
Leather goods	2,047	3.0%	1,702	2.9%	20.3%
Footwear	65,433	95.6%	56,760	95.8%	15.3%
Total	68,447	100.0%	59,224	100.0%	15.6%
Net sales by distribution channel					
DOS	42,881	62.6%	38,346	64.7%	11.8%
Independent customers and franchises	25,566	37.4%	20,878	35.3%	22.5%
Total	68,447	100.0%	59,224	100.0%	15.6%
Net sales	68,447	99.9%	59,224	99.8%	15.6%
Royalties	90	0.1%	107	0.2%	-15.9%
Total net revenues	68,537	100.0%	59,331	100.0%	15.5%

Car Shoe brand sales

(amounts in thousands of Euro)	twelve months ended January 31 2013 audited		twelve months ended January 31 2012 audited		% change
Net sales by geographical area					
Italy	10,937	55.7%	10,294	60.4%	6.2%
Europe	4,900	24.9%	3,383	19.9%	44.8%
Americas	651	3.3%	857	5.0%	-24.0%
Asia Pacific	2,638	13.4%	2,174	12.8%	21.3%
Other countries	534	2.7%	331	1.9%	61.3%
Total	19,660	100.0%	17,039	100.0%	15.4%
Net sales by product line					
Leather goods	1,948	9.9%	1,658	9.7%	17.5%
Footwear	17,712	90.1%	15,381	90.3%	15.2%
Total	19,660	100.0%	17,039	100.0%	15.4%
Net sales by distribution channel					
DOS	8,595	43.7%	7,747	45.5%	10.9%
Independent customers and franchises	11,065	56.3%	9,292	54.5%	19.1%
Total	19,660	100.0%	17,039	100.0%	15.4%
Net sales	19,660	100.0%	17,039	100.0%	15.4%
Total net revenues	19,660	100.0%	17,039	100.0%	15.4%

Geographical information

The following table reports the carrying value of most of the Group's non-current assets by geographical area, as requested by IFRS 8 for entities, like the PRADA Group, that have a single reportable segment.

(amounts in thousands of Euro)	January 31 2013	January 31 2012
Italy	484,945	416,542
Europe	842,289	814,240
Americas	185,688	160,539
Japan	93,156	119,355
Asia Pacific	175,674	124,527
Other countries	34,852	10,938
Total	1,816,604	1,646,141

The total amount of Euro 1,816.6 million (Euro 1,646.1 million at January 31, 2012) relates to the Group's non-current assets excluding, as requested by IFRS 8, those relating to financial instruments, deferred tax assets and surplus arising from a pension benefit scheme.

Net revenues analysis for the three months ended January 31, 2013

(amounts in thousands of Euro)	three months ended January 31 2013 unaudited		three months ended January 31 2012 unaudited		% change
Net sales by geographical area					
Italy	143,237	15.1%	127,390	15.6%	12.4%
Europe	203,144	21.4%	167,542	20.5%	21.2%
Americas	155,120	16.4%	135,034	16.5%	14.9%
Asia Pacific	345,472	36.4%	293,255	35.9%	17.8%
Japan	79,573	8.4%	87,772	10.8%	-9.3%
Other countries	21,879	2.3%	5,761	0.7%	279.8%
Total	948,425	100.0%	816,754	100.0%	16.1%
Net sales by brand					
Prada	772,956	81.5%	653,247	80.0%	18.3%
Miu Miu	152,098	16.0%	143,709	17.6%	5.8%
Church's	18,310	1.9%	15,622	1.9%	17.2%
Car Shoe	4,525	0.5%	3,032	0.4%	49.2%
Other	536	0.1%	1,144	0.1%	-53.1%
Total	948,425	100.0%	816,754	100.0%	16.1%
Net sales by product line					
Clothing	175,393	18.5%	174,864	21.4%	0.3%
Leather goods	591,788	62.4%	467,007	57.2%	26.7%
Footwear	175,046	18.5%	168,732	20.7%	3.7%
Other	6,198	0.6%	6,151	0.7%	0.8%
Total	948,425	100.0%	816,754	100.0%	16.1%
Net sales by distribution channel					
DOS	746,686	78.7%	626,477	76.7%	19.2%
Independent customers and franchises	201,739	21.3%	190,277	23.3%	6.0%
Total	948,425	100.0%	816,754	100.0%	16.1%
Net sales	948,425	99.0%	816,754	99.0%	16.1%
Royalties	9,472	1.0%	8,474	1.0%	11.8%
Total net revenues	957,897	100.0%	825,228	100.0%	16.1%

Number of stores

	as at January 31, 2013		as at January 31, 2012	
	Owned	Franchises	Owned	Franchises
Prada	283	20	245	20
Miu Miu	126	5	94	6
Church's	45	-	43	-
Car Shoe	7	-	6	-
Total	461	25	388	26

	as at January 31, 2013		as at January 31, 2012	
	Owned	Franchises	Owned	Franchises
Italy	48	5	44	5
Europe	137	6	115	6
Americas	66	-	47	1
Asia Pacific	130	14	115	14
Japan	66	-	65	-
Middle East	11	-	2	-
Africa	3	-	-	-
Total	461	25	388	26

4. Operating Expenses

(amounts in thousands of Euro)	twelve months ended January 31 2013 audited	% of net revenues	twelve months ended January 31 2012 audited	% of net revenues
Product design and development costs	111,370	3.4%	103,120	4.0%
Advertising and communications costs	150,574	4.6%	129,184	5.1%
Selling costs	1,040,133	31.5%	802,770	31.4%
General and administrative costs	184,683	5.6%	164,016	6.4%
Total	1,486,760	45.1%	1,199,090	46.9%

5. Interest and other financial expenses, net

(amounts in thousands of Euro)	twelve months ended January 31 2013 audited	twelve months ended January 31 2012 audited
Interests expenses on borrowings	(12,956)	(16,843)
Interest income	4,804	2,689
Exchange gains / (losses) – realized	1,550	(1,158)
Exchange gains/ (losses) – unrealized	4,314	(6,116)
Other financial income / (expenses)	(4,843)	(4,599)
Dividends received from third parties	966	-
Total	(6,165)	(26,027)

6. Taxation

(amounts in thousands of Euro)	twelve months ended January 31 2013 audited	twelve months ended January 31 2012 audited
Current taxation	258,613	194,805
Deferred taxation	(8,274)	(28,322)
Income taxes	250,339	166,483

The increase in income taxes in absolute terms is essentially due to growth of the Group business in general. As a percentage of profit before taxation, the tax burden increased from 27.6% to 28.3%, essentially because of the extraordinary Euro 42 million tax charge regarding the rejection by the Italian Tax Authorities of PRADA spa's request not to apply the Italian Controlled Foreign Companies rules (CFC) to its Dutch sub-holding company PRADA Far East bv.

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.

	twelve months ended January 31 2013 audited	twelve months ended January 31 2012 audited
Group's net income in Euro	625,681,459	431,928,921
Weighted average number of ordinary shares in issue	2,558,824,000	2,535,777,885
Earnings per share in Euro, calculated on weighted average number of shares	0.245	0.170

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

The PRADA spa Board of Directors recommended, for the twelve months ended January 31, 2013, a final dividend of Euro 230.3 million (or 9.0 Euro/cents per share). For the year ended January 31, 2012, the final dividend of Euro 127.9 million (or 5 Euro/cents per share) recommended by the Board of Directors on March 29, 2012, was approved by the Annual General Meeting held on May 22, 2012.

During the period ended January 31, 2013, the Company distributed dividends of 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 completed by January 31, 2013.

During the year ended January 31, 2012, 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 parent company PRADA Holding bv while the remaining amount was paid in April 2011.

8. Inventories, net

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Raw materials	79,559	66,575
Work in progress	24,620	17,187
Finished products	314,244	360,379
Allowance for obsolete and slow moving inventories	(74,621)	(69,359)
Total	343,802	374,782

The containment in finished products was achieved thanks to measures aimed at further improving the sell-through retail ratio so as to react better to market changes and reduce risks.

Materials being worked upon by third parties are included in raw materials. Work in progress includes materials at the production stage with PRADA spa, Church & Co ltd and third party sub-contractors.

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

(amounts in thousands of Euro)	Raw materials	Finished Products	Total
Balance at January 31, 2012 (audited)	29,754	39,605	69,359
Exchange differences	-	(21)	(21)
Increases	-	5,409	5,409
Uses	-	(126)	(126)
Balance at January 31, 2013 (audited)	29,754	44,867	74,621

9. Trade receivables, net

Trade receivables are detailed as follows:

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Trade receivables from third parties	286,390	259,063
Allowance for bad and doubtful debts	(11,547)	(11,681)
Trade receivables from related parties	29,682	19,022
Total	304,525	266,404

Trade receivables from third parties increased by Euro 27.3 million compared to January 31, 2012, and stood at Euro 286.4 million at January 31, 2013. Higher sales and royalties were the main reasons behind the increase.

Trade receivables from related parties included a total amount of Euro 28.4 million essentially arising from sales of finished products and royalties to companies owned by the main shareholder of PRADA Holding bv and operating the retail business under franchise agreements.

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

Movements during the period may be analyzed as follows:

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Opening balance	11,681	10,537
Exchange differences	(67)	198
Increases	805	2,369
Uses	(754)	(866)
Reversals	(118)	(557)
Closing balance	11,547	11,681

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

(amounts in thousands of Euro)	as at January 31, 2013 audited	Current	Overdue (days)				
			1 < 30	31 < 60	61 < 90	91 < 120	≥ 120
Trade receivables	316,072	263,079	27,328	7,708	5,852	1,607	10,498
Total	316,072	263,079	27,328	7,708	5,852	1,607	10,498

(amounts in thousands of Euro)	as at January 31, 2012 audited	Current	Overdue (days)				
			1 < 30	31 < 60	61 < 90	91 < 120	≥ 120
Trade receivables	278,085	226,300	18,991	12,096	5,031	2,167	13,500
Total	278,085	226,300	18,991	12,096	5,031	2,167	13,500

The following table contains a summary, by due date, of trade receivables less the allowance for doubtful accounts at the reporting date:

(amounts in thousands of Euro)	as at January 31 2013 audited	Current	Overdue (days)				
			1 < 30	31 < 60	61 < 90	91 < 120	≥ 120
Trade receivables less allowance for doubtful accounts	304,525	262,799	27,141	7,708	5,804	634	439
Total	304,525	262,799	27,141	7,708	5,804	634	439

(amounts in thousands of Euro)	as at January 31 2012 audited	Current	Overdue (days)				
			1 < 30	31 < 60	61 < 90	91 < 120	≥ 120
Trade receivables less allowance for doubtful accounts	266,404	225,313	18,944	12,056	4,864	2,044	3,183
Total	266,404	225,313	18,944	12,056	4,864	2,044	3,183

10. Receivables and advance payments from parent company and other related parties

Receivables and advance payments from parent companies and related parties are detailed below:

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Financial receivables – other related parties	1,413	1,410
Other receivables – PRADA Holding bv	249	654
Other receivables – other related parties	2,652	1,646
Other receivables – other comp. controlled by PRADA Holding bv	3	154
Advance payments – other related parties	15,176	9,000
Total	19,493	12,864

Advance payments includes Euro 12.3 million of advance payments made to Luna Rossa Challenge NZ ltd and Luna Rossa Challenge srl, in accordance with the contracts signed with subsidiary PRADA sa, for sponsorship of the Luna Rossa yacht in relation to its participation on the XXXIV edition of the America's Cup to be held in San Francisco, California, in 2013. The remaining Euro 2.9 million mainly consists of advances paid to Progetto Prada Arte srl for cultural initiatives to be undertaken the following year.

11. Capital expenditure

Changes in the net book value of "Property, plant and equipment" in the year ended January 31, 2013, 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	35,371	8,977	136,368	48,655	24,347	73,617	327,335
Depreciation	(5,977)	(7,087)	(84,272)	(25,324)	(6,932)	-	(129,592)
Disposals	(3)	(17)	(708)	(856)	(17,654)	(1)	(19,239)
Exchange differences	(898)	(23)	(18,247)	(3,497)	(351)	(5,448)	(28,464)
Other movements	3,334	122	37,770	3,252	1,223	(44,583)	1,118
Impairment	(3,331)	-	(2,192)	(304)	(1,202)	(700)	(7,729)
Balance at January 31, 2013 (audited)	211,580	17,448	373,043	110,310	39,413	105,505	857,299

Changes in the net book value of "Intangible assets" in the year ended January 31, 2013, 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	-	-	15,694	-	-	-	15,694
Additions	286	-	17,476	1,909	9	7,740	27,420
Amortization	(11,137)	-	(9,471)	(2,963)	(1,677)	-	(25,248)
Disposals	-	-	-	(81)	-	-	(81)
Exchange differences	(1,352)	(233)	(500)	(26)	-	(57)	(2,168)
Other movements	-	-	(110)	571	86	(819)	(272)
Impairment	-	-	-	-	(11)	(110)	(121)
Balance at January 31, 2013 (audited)	291,105	503,987	65,763	7,988	1,677	8,230	878,750

12. Other current assets

Other current assets are detailed as follows:

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
VAT	25,072	37,372
Income tax and other tax receivables	20,540	6,597
Other assets	16,731	15,337
Prepayments and accrued income	41,266	39,049
Deposits	1,214	1,920
Total	104,823	100,275

13. Other non-current assets

Other non-current assets are detailed as follows:

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Guarantee deposits	50,898	49,526
Deferred rental income	2,410	2,893
Other receivables	8,374	4,883
Total	61,682	57,302

14. Payables to parent company and other related parties

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

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Financial payables – other related parties	5,018	3,574
Other payables – PRADA Holding bv	120	-
Other payables – other related parties	458	528
Other payables – other companies controlled by PRADA Holding bv	3	259
Total	5,599	4,361

15. Trade payables

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Trade payables – third parties	323,894	279,236
Trade payables – related parties	6,719	4,302
Total	330,613	283,538

The increase in Trade payables was due to the growth of the business in general.

The following table summarizes trade payables by maturity date.

(amounts in thousands of Euro)	as at January 31 2013 audited	Current	Overdue 1 < 30	31 < 60	61 < 90	91 < 120	≥ 120
Trade payables	330,613	301,940	14,991	3,859	3,119	1,180	5,524
Total	330,613	301,940	14,991	3,859	3,119	1,180	5,524

(amounts in thousands of Euro)	as at January 31 2012 audited	Current	Overdue 1 < 30	31 < 60	61 < 90	91 < 120	≥ 120
Trade payables	283,538	251,483	17,392	5,507	2,553	2,131	4,472
Total	283,538	251,483	17,392	5,507	2,553	2,131	4,472

16. Other current liabilities

Other current liabilities are detailed as follows:

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Payables for capital expenditure	57,969	57,844
Accrued expenses and deferred income	9,810	12,944
Other payables	63,866	57,989
Total	131,645	128,777

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, 2012 (audited)	1,618	37,335	17,968	56,921
Exchange differences	(18)	(2,548)	(1,254)	(3,820)
Reversals	(88)	(7,532)	(4,937)	(12,557)
Uses	(822)	(197)	(2,048)	(3,067)
Increases	1,085	409	7,943	9,437
Balance at January 31, 2013 (audited)	1,775	27,467	17,672	46,914

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

Management Discussion and Analysis for the three months period ended January 31, 2013

Net revenues

In the three months ended January 31, 2013, consolidated net revenues amounted to Euro 957.9 million and recorded an increase of 16.1% (+13.7% at constant exchange rates) compared to Euro 825.2 million scored the same quarter of the 2011 financial year.

The business expansion was substantially achieved thanks to the retail channel that, posting net sales for Euro 746.7 million (+19.2% as reported, +16.8% at constant exchange rates and +5% on a Same Store Sales Growth (SSSG) basis over the same quarter of 2011), contributed 78.7% of total net sales in the three months ended January 31, 2013. The wholesale channel totaled Euro 201.7 million, 6% more than in three months ended January 31, 2012 (+3.6% at constant exchange rates).

A net of 33 new stores (36 openings, 3 closing) was opened in the last three months ended January 31, 2013, including 10 in the Far East area.

All markets, except for Japan, delivered double-digit growth rates. The Asia Pacific market, contributing 36.4% to the Group's net sales for the three months ended January 31, 2013, recorded revenues for Euro 345.5 million (+17.8% as reported and +12.5% at constant exchange rates over the three months ended January 31, 2012). In Europe the Group continued to post the excellent performances achieved all along 2012. In fact, net revenues in this region amounted to Euro 203.1 million in the three months ended January 31, 2013 (+21.2% as reported and +19.6% at constant exchange rates compared to the same period of 2011).

In terms of product mix, the Leather goods division drove the Group's business expansion with a +26.7% increase compared to the three months ended January 31, 2012 (+24% at constant exchange rates).

Net sales generated by the Prada brand amounted to Euro 773 million or 81.5% on net revenues, +18.3% more than in the three months ended January 31, 2013 (+15.8% at constant exchange rates).

Operating results

In the three months ended January 31, 2013, EBITDA totaled Euro 324.6 million, +19% compared to Euro 272.7 million posted in the same three months period of 2011. Profitability measured as a percentage on Net revenues increased further from 33.1% in the three months ended January 31, 2012 to 33.9%. Such increase in profitability was substantially achieved thanks to the improvement gained at the delivery margin level.

The Group's net result amounted to Euro 217.1 million and recorded a +36.8% increase compared to Euro 158.8 million posted the three months ended January 31, 2012. Due to some adjustments in tax assessments recognized at year end, the incidence on net revenues grew up to 22.7% from 19.2% achieved last year.

Management Discussion and Analysis for the twelve months period ended January 31, 2013

Net revenues

Consolidated net revenues for the year ended January 31, 2013, amounted to Euro 3,297.2 million, 29% higher than the Euro 2,555.6 million recorded in 2011. At constant exchange rates, there was a 22.9% increase.

Distribution channels

The retail channel delivered net sales of Euro 2,664.2 million for the twelve months ended January 31, 2013, an increase of 35.6% compared to 2011 (+28.6% at constant exchange rates). The progress in the channel was achieved thanks to double-digit Same Store Sales Growth (SSSG) which was robust throughout the year and measured 14% at year end, as well as to the additional 73 net new DOS opened in 2012 (78 openings and 5 closures). The contribution of the retail channel to the Group's net sales increased from 77.9% in the financial year 2011 to 81.8%.

The wholesale channel, mainly sustained by the Italian market, contributed the remaining 18.2% and generated net sales of Euro 592.2 million for the twelve months ended January 31, 2013, up by 6% compared to 2011 (+2.9% at constant exchange rates).

Markets

In 2012 all regions posted double-digit rates of growth.

The Asia Pacific market reported net sales of Euro 1,160.2 million, an increase of 32.9% (+22.7% at constant exchange rates) compared to the Euro 873 million posted in 2011. Its contribution to Group's net sales rose to 35.6% from 34.6% in 2011. The growth was achieved almost entirely by the retail network which, including the 15 new DOS opened during the year (16 openings and 1 closure), owned a total of 130 DOS in the region at January 31, 2013. The Greater China area (PRC, Hong Kong and Macau) was involved in the retail strengthening program with the opening of 12 DOS net (13 openings and 1 closure) in Hong Kong, Macau, Hangzhou, Taiyuan, Jinan, Chengdu, Nanjing, Beijing, Shenyang and Hefei. In 2012, the Greater China area generated net sales of Euro 735.6 million, 35% up on 2011 (+24% at constant exchange rates, +14% on a SSSG basis).

The European market recorded net sales of Euro 739.6 million, an increase of 36.9% compared to the Euro 540.1 million posted in 2011 (+34.3% at constant exchange rates and +26% on a SSSG basis). The Group's ability to attract travelers drove the performance of the retail channel which was excellent throughout the year and recorded 53.9% growth at year end (+50.4% at constant exchange rates). A total of 22 new DOS opened in 2012, including 9 in France and the largest store in Moscow in an impressive building at Stoleshnikov Pereylok. The strengthening of the retail network also involved the renovation of existing stores, leading to the unveiling of the refurbished Prada flagship store on Old Bond Street, London. The wholesale channel posted a slight 4.6% fall in net sales compared to the previous year (a reduction of 5.1% at constant exchange rates).

The Italian market posted net sales of Euro 528.3 million, an increase of 18.6% compared to 2011. The retail channel contributed most of the growth with a 27.5% increase in reported net sales and a 20% increase on a SSSG basis compared to 2011. The wholesale channel posted 5.7% growth.

The American market reported net sales of Euro 484.1 million, 23.3% up on the Euro 392.7 million generated in the previous year (+14.8% at constant exchange rates). Both the channels achieved double-digit rates of growth, but it was the DOS network that fueled the performance as it delivered net sales of 29.9% more than in 2011 (+21.1% at constant exchange rates and +3% on a SSSG basis). Some 19 new DOS were opened in the region during the year, including the first 5 stores ever in Brazil. The wholesale channel increased by 12% (+4.1% at constant exchange rates).

On the Japanese market, where the Group largely operates through the retail channel, net sales for 2012 totaled Euro 293.2 million, up by 14.2% compared to 2011 (+7.9% at constant exchange rates and -2% on a SSSG basis). The efforts made to sustain the vitality of this very sophisticated market led during the year to 5 openings, 4 closures and 11 relocations.

The sales growth in other countries was essentially attributable to the Middle East region where, since mid-2011, the Group has embarked upon a DOS expansion program which led to the opening of 9 new stores in 2012 in Abu Dhabi, Kuwait city and Dubai, including the impressive free standing store in the Mall of Emirates, key contributor to the 2012 performance. Overall, the Middle East area delivered Euro 44.8 million in 2012 compared to some Euro 11.1 million in 2011, while the whole other countries area delivered Euro 51 million of net sales in 2012 compared to Euro 15.2 million in 2011.

Products

All product categories achieved positive performances. Leather goods led the way with Euro 2,036 million of net sales generated in 2012 compared to Euro 1,426.5 million in 2011 (+42.7% as reported and +35.5% at constant exchange rates). The Leather goods performance, underpinned by strong growth in the Far East region, was double digit growth for all brands, all channels and all other regions. This product category now contributes almost two thirds of the Group's net sales. Footwear delivered net sales of Euro 625.4 million in 2012, up by 11.7% compared to 2011 (+7.2% at constant exchange rates), with the sales generated on a more balanced geographical split. Net sales of ready to wear products were worst hit by the selective strategy regarding wholesale accounts but still managed to achieve 9.9% growth (+4.9% at constant exchange rates).

Brands

The net sales generated by the Prada brand totaled Euro 2,649.6 million in 2012, an increase of 32.5% compared to 2011 (+26.1% at constant exchange rates). This brand, representing 81% of the Group's net sales in 2012, has largely benefited from the expansion strategy realized in recent years drawing on outstanding brand awareness.

Miu Miu net sales totaled Euro 512.8 million in 2012, 16.3% up on 2011 (+10.7% at constant exchange rates). During the year, the Group continued to sustain the brand with the opening of 32 new DOS all around the world: 8 in Europe, 8 in Asia Pacific, 7 in the Americas, 3 in Japan, 3 in the Middle East, 2 in Italy and 1 in Africa. The Group's objective through this strategy of expansion was to achieve immediate revenue growth, as in 2012 and recent years, while also increasing the brand's critical mass so as to improve further in future years the returns resulting from the high growth potential of the brand.

The Church's brand again achieved steady double figure growth. In 2012, its net sales totaled Euro 68.4 million, up by 15.6% compared to 2011 (+10.7% at constant exchange rates). In Europe, Church's main market, net sales increased by 19.3% (+13.2% at constant exchange rates).

The Car Shoe brand generated net sales of Euro 19.7 million in 2012, up by 15.4% compared to 2011 (+13.8% at constant exchange rates). A new DOS was opened in Dubai during the year, taking the retail network to a total of 7 DOS at January 31, 2013.

Royalties

Income from royalty agreements contributed net revenues of Euro 40.8 million, up by 26.4% compared to Euro 32.3 million in 2011. The launch of the Prada phone by LG 3.0 in 2012 contributed most to the increase, while fragrances performed best in terms of rate of growth thanks to the launch of Luna Rossa perfume and the strength of the Prada Candy great success.

Operating results

Gross margin for the year was Euro 2,376.5 million, up by 30% compared to the Euro 1,828 million reported for 2011. Compared to net sales, the higher rate of growth was achieved thanks to a more favorable sales mix in terms of channel, geographical area and product category as well as a positive exchange rate effect.

Operating costs increased from Euro 1,199.1 million in 2011 to Euro 1,486.8 million. As a percentage of net revenues they decreased from 46.9% in 2011 to 45.1% (45.4% at constant exchange rates).

Product design and development costs increased slightly compared to 2011 but fell as a percentage of net revenues as most of the costs of this corporate area are fixed.

Advertising and communications costs raised from Euro 129.2 million to Euro 150.6 million while falling from 5.1% of net revenues in 2011 to 4.6%. The increase in absolute terms was mainly attributable to higher purchases of media space as well as to new sponsorships. In fact, during the year the Group started to sponsor the Luna Rossa yacht that raced the 2012 America's Cup World series taking part in regattas in Naples, Venice, San Francisco and Newport.

Selling costs increased from Euro 802.8 million in 2011 to Euro 1,040.1 million in 2012 mainly as a result of the ongoing enlargement and renovation of the DOS network. As a percentage of net revenues, they remained almost unchanged (from 31.4% in 2011 to 31.5%).

General and administrative expenses increased from Euro 164 million in 2011 to Euro 184.7 million essentially because of business expansion which led to higher overhead expenses. As a percentage of net revenues they decreased from 6.4% to 5.6%.

EBITDA was Euro 1,052.5 million for the twelve months ended January 31, 2013, 38.6% up on the Euro 759.3 million achieved in 2011. The Group draw on its revenue growth to increase profitability notwithstanding more retail operating and overhead expenses and higher media and sponsorship spending.

EBIT improved further as a result of smaller increases in depreciation, amortization and impairment adjustments. In fact, it stood at Euro 889.8 million, 41.5% higher than the Euro 628.9 million reported for 2011.

The tax charge for the year, represented as a percentage of profit before taxation, was 28.3% against 27.6% last year. The 2012 tax rate was affected by an extraordinary tax charge paid in October 2012, amounting to some Euro 42 million and related to the years 2010 and 2011. Despite this extraordinary tax charge, equal to Euro 42 million, the profits generated by operating activities were enough to lead to an improvement in the Group's net income in 2012 that raised Euro 625.7 million (Euro 431.9 million in 2011) or 19% of net revenues (16.9% in 2011). Consequently, earnings per share have increased from Euro 0.17 to Euro 0.24.

Net invested capital

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

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Non-current assets (excluding deferred tax assets)	1,821,773	1,650,329
Trade receivables, net	304,525	266,404
Inventories, net	343,802	374,782
Trade payables	(330,613)	(283,538)
Net operating working capital	317,714	357,648
Other current assets (excluding financial position items)	165,962	112,623
Other current liabilities (excluding financial position items)	(230,285)	(262,534)
Other current assets/(liabilities), net	(64,323)	(149,911)
Provisions for risks	(46,914)	(56,921)
Post-employment benefits	(45,538)	(35,898)
Other long-term liabilities	(85,289)	(75,991)
Deferred taxation, net	120,421	128,071
Other non-current assets/(liabilities), net	(57,320)	(40,739)
Net invested capital	2,017,844	1,817,327
Shareholders' equity – Group	(2,320,022)	(1,822,743)
Shareholders' equity – Non Controlling Interests	(10,470)	(8,224)
Total consolidated Shareholders' equity	(2,330,492)	(1,830,967)
Long term financial payables	(79,348)	(179,542)
Short term financial , net surplus/(deficit)	391,996	193,182
Net financial position surplus/(deficit)	312,648	13,640
Shareholders' equity and Net financial position	(2,017,844)	(1,817,327)

At January 31, 2013, Net invested capital stood at Euro 2,017.8 million. It had a similar breakdown at all three reporting dates analyzed with Non-current assets always making the greatest contribution to the net total. For the twelve months ended January 31, 2013, the increase was again largely attributable to the change in Non-current assets, essentially because of capital expenditure incurred during the year. The reduction in the Net operating working capital, Euro 40 million, was entirely offset by the positive change in the fair value of derivative financial instruments included in other current assets for Euro 42.2 million and in other current liabilities for Euro 14.3 million.

Consolidated shareholders' equity rose from Euro 1,831 million to Euro 2,330.5 million at January 31, 2013. The increase generated by the Group's net income for the twelve months ended January 31, 2013, Euro 625.7 million, was partially offset by the dividends of Euro 127.9 million distributed to the PRADA spa shareholders (as approved by the Annual General Meeting on May 22, 2012 on the financial statements for the year ended January 31, 2012) and by the dividends of Euro 5.6 million paid to Non-controlling interests. Other changes resulting from translation differences and changes in fair value equity reserves accounted for the rest of the increase.

Net financial position

(amounts in thousands of Euro)	as at January 31 2013 audited	as at January 31 2012 audited
Long term debt	(78,830)	(178,442)
Obligations under finance leases	(518)	(1,100)
Long term financial payables	(79,348)	(179,542)
Bank overdraft and short term loans	(175,570)	(165,485)
Payables to related parties	(5,018)	(3,574)
Receivables from related parties	1,413	1,410
Obligations under finance leases	(575)	(1,453)
Cash and cash equivalents	571,746	362,284
Short term net financial surplus/(deficit)	391,996	193,182
Net financial position surplus/(deficit)	312,648	13,640
Net financial position surplus/(deficit), excluding receivables/(payables) with parent company and other related parties	316,253	15,804
NFP/EBITDA	n.a.	n.a

The Group's net financial position turned into a net financial surplus during the previous year thanks both to the capital injection resulting from the listing of 58,824,000 PRADA spa shares on the Main Board of the Hong Kong Stock exchange and to the results of operations. At January 31, 2013, the Group net financial surplus improved further to Euro 312.6 million. In fact, cash flows from operations generated during the year 2012 (Euro 759.3 million) allowed the Group to fund its capital expenditure program (Euro 331.6 million), to pay dividends to PRADA spa shareholders (Euro 127.9 million), to pay dividends to Non-controlling interests (Euro 5.6 million) and to take the net financial surplus from Euro 13.6 million at January 31, 2012, to Euro 312.6 million at the reporting date.

Analysis of Capital expenditure

The increase in Property, plant and equipment and Intangible assets was mainly driven by the capital expenditure incurred during the year, as allocated as follows: Euro 265.4 million in the retail area, Euro 42.8 million in the production and logistics area and Euro 46.6 million in the corporate area.

Outlook for 2013

The Group remains confident that the strategy which has been coherently deployed in recent years with regard to brand positioning and retail expansion will again be a key success factor for the forthcoming fiscal year, even in a general economic environment that remains challenging.

Corporate governance practices

The Company is committed to maintaining a high standard of corporate governance practices and fulfilling its commitment to effective corporate governance. The corporate governance model adopted by the Company consists of a set of rules and standards with the aim of 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").

Full details on the Company's corporate governance practices are set out in the Company's 2012 Annual Report.

Audit Committee

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules where at least one member possesses appropriate professional qualifications in accounting or related financial management expertise to discharge the responsibility of the Audit Committee. The membership of the Audit Committee consists of three Independent Non-Executive Directors, namely, Mr. Gian Franco Oliviero Mattei (Chairman), Mr. Giancarlo Forestieri and Mr. Sing Cheong Liu. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness 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 carried out by the internal audit department of the Company and to perform other duties and responsibilities as are assigned to the Audit Committee by the Board.

The Audit Committee has held a meeting on April 3, 2013, to review the annual results for the year ended January 31, 2013 before recommending it to the Board for approval.

Compliance with the Code

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company's corporate governance practices have complied with the code provisions set out in the Code on Corporate Governance Practices formerly contained in Appendix 14 of the Listing Rules during the period from February 1 to March 31, 2012, and the Code during the period from April 1, 2012, to January 31, 2013 (the period from February 1, 2012, to January 31, 2013, both days inclusive is referred to as 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 (the "Model Code") contained in Appendix 10 of the Listing Rules. Specific written acknowledgments have been obtained from each Director to confirm compliance with the Model Code throughout the Reviewed Period. There was no incident of non-compliance during the Reviewed Period.

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

Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reviewed Period.

Shareholders' general meeting

The Shareholders' general meeting of the Company will be held on Thursday, May 23, 2013.

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

Final dividend

The Board recommends for the twelve month period ended January 31, 2013, a final dividend of Euro 230.3 million (or 9.0 Euro/cents per share).The payments shall be made in Euro to the shareholders recorded in the section of the Company's shareholders register held at the Company's registered office in Milan (Italy) and in Hong Kong dollars to the shareholders recorded in the section of the Company's shareholders register held in Hong Kong. The relevant exchange rate will be the opening buying T/T rate of Hong Kong dollars to Euros as announced by the Hong Kong Association of Banks (*www.hkab.org.hk*) on the day of approval of the final dividend by the shareholders.

Subject to the shareholders' approving the recommended final dividend, such dividend will be payable on or about Thursday, June 20, 2013.

Closure of register of shareholders

The shareholders registered on the Company's shareholders register on Thursday, May 23, 2013, will be allowed to attend and vote at the Shareholders' general meeting of the Company. In order to qualify for attending and voting at the Shareholders' general meeting of the Company, all transfers accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or with the Company's registered office in Milan (Italy), Via Antonio Fogazzaro, 28, if the transfer concerns shares registered in the section of the Company's shareholders register kept by the Company itself, not later than 4:30 p.m. on Monday, May 20, 2013. The shareholders register of the Company will be closed from Tuesday May 21, 2013 to Thursday May 23, 2013, both days inclusive, during which no share transfer can be registered.

The final dividend will be paid to shareholders recorded on the Company's shareholders register on Friday, May 31, 2013. In order to qualify for the payment of the proposed final dividend, all transfers accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or with the Company's registered office in Milan (Italy), Via Antonio Fogazzaro, 28, if the transfer concerns shares registered in the section of the Company's shareholders register kept by the Company itself, not later than 4:30 p.m. on Wednesday, May 29, 2013. The shareholders register of the Company will be closed from Thursday, May 30, 2013, to Friday, May 31, 2013, both days inclusive, during which no share transfer can be registered.

Publication of Annual Results Announcement and Annual Report

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

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

Milan (Italy), April 5, 2013

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.