PRADA

MILANO

DAL 1913

Interim Financial Report 2015

PRADA spa

(Hong Kong Stock code: 1913)

Interim Financial Report 2015

Index

Patrizio Bertelli

Miuccia Prada

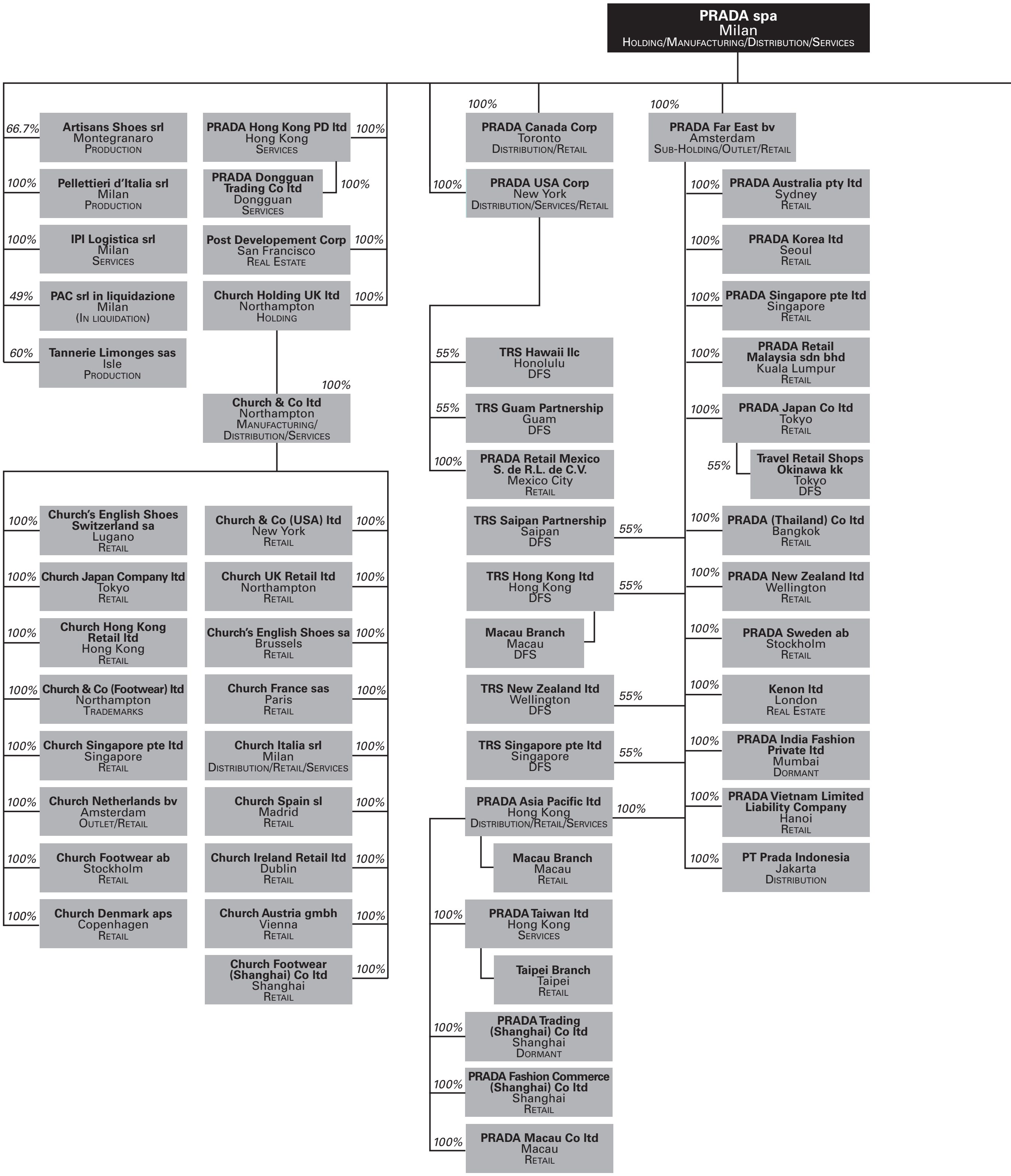
The PRADA Group

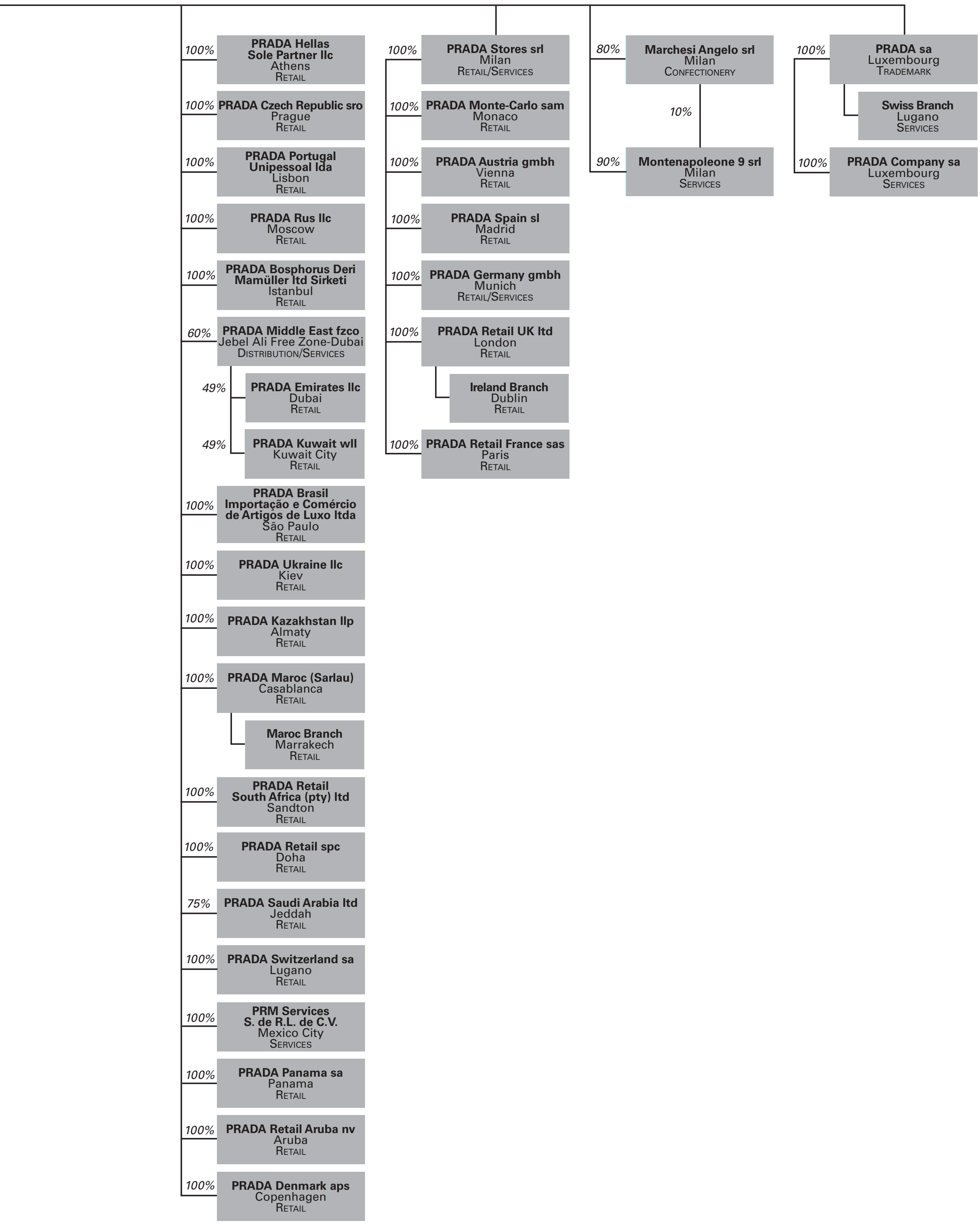
Corporate Information

Registered office	Via A. Fogazzaro, 28 20135 Milan, Italy
Head Office	Via A. Fogazzaro, 28 20135 Milan, Italy
Place of business in Hong Kong registered under Part 16 of the Hong Kong Companies Ordinance	36/F, Gloucester Tower The Landmark, 11 Pedder Street Central, Hong Kong
Company website	www.pradagroup.com
Hong Kong Stock Exchange Identification Number	1913
Board of Directors	Carlo Mazzi (Chairman) Miuccia Prada Bianchi (Chief Executive Officer) Patrizio Bertelli (Chief Executive Officer) Donatello Galli (Executive Director) Alessandra Cozzani (Executive Director) Gaetano Micciché (Non-Executive Director) Gian Franco Oliviero Mattei (Independent Non-Executive Director) Giancarlo Forestieri (Independent Non-Executive Director) Sing Cheong Liu (Independent Non-Executive Director)
Audit Committee	Gian Franco Oliviero Mattei (Chairman) Giancarlo Forestieri Sing Cheong Liu
Remuneration Committee	Gian Franco Oliviero Mattei (Chairman) Carlo Mazzi Giancarlo Forestieri
Nomination Committee	Gian Franco Oliviero Mattei (Chairman) Carlo Mazzi Sing Cheong Liu
Board of Statutory Auditors	Antonino Parisi (Chairman) Roberto Spada (Standing member) David Terracina (Standing member)

Supervisory Board (Leg. Decr. 231/2001)	David Terracina (Chairman) Gian Franco Oliviero Mattei Franco Bertoli
Main Shareholder	PRADA Holding S.p.A. Via A. Fogazzaro, 28 20135 Milan, Italy
Joint Company Secretaries	Patrizia Albano Via A. Fogazzaro, 28 20135 Milan, Italy Ying-Kwai Yuen (Fellow member, HKICS) 36/F, Gloucester Tower The Landmark, 11 Pedder Street Central, Hong Kong
Authorized Representatives in Hong Kong	Carlo Mazzi Via A. Fogazzaro, 28 20135 Milan, Italy Ying-Kwai Yuen (Fellow member, HKICS) 36/F, Gloucester Tower The Landmark, 11 Pedder Street Central, Hong Kong
Alternate Authorized Representative to Carlo Mazzi in Hong Kong	Sing Cheong Liu House 7 Severn Hill 4 Severn Road The Peak Hong Kong
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Auditor	Deloitte & Touche S.p.A. Via Tortona, 25 20144 Milan, Italy

PRADA Group Structure




100% PRADA Hellas Sole Partner llc Athens Retail
100% PRADA Czech Republic sro Prague Retail
100% PRADA Portugal Unipessoal lda Lisbon Retail
100% PRADA Rus llc Moscow Retail
100% PRADA Bosphorus Deri Mamüller ltd Sirketi Istanbul Retail
60% PRADA Middle East fzco Jebel Ali Free Zone-Dubai Distribution/Services
49% PRADA Emirates llc Dubai Retail
49% PRADA Kuwait wll Kuwait City Retail
100% PRADA Brasil Importação e Comércio de Artigos de Luxo ltda São Paulo Retail
100% PRADA Ukraine llc Kiev Retail
100% PRADA Kazakhstan llp Almaty Retail
100% PRADA Maroc (Sarlau) Casablanca Retail
Maroc Branch Marrakech Retail
100% PRADA Retail South Africa (pty) ltd Sandton Retail
100% PRADA Retail spc Doha Retail
75% PRADA Saudi Arabia ltd Jeddah Retail
100% PRADA Switzerland sa Lugano Retail
100% PRM Services S. de R.L. de C.V. Mexico City Services
100% PRADA Panama sa Panama Retail
100% PRADA Retail Aruba nv Aruba Retail
100% PRADA Denmark aps Copenhagen Retail
100% PRADA Stores srl Milan Retail/Services
100% PRADA Monte-Carlo sam Monaco Retail
100% PRADA Austria gmbh Vienna Retail
100% PRADA Spain sl Madrid Retail
100% PRADA Germany gmbh Munich Retail/Services
100% PRADA Retail UK ltd London Retail
Ireland Branch Dublin Retail
100% PRADA Retail France sas Paris Retail
80% Marchesi Angelo srl Milan Confectionery
10%
90% Montenapoleone 9 srl Milan Services
100% PRADA sa Luxembourg Trademark
Swiss Branch Lugano Services
100% PRADA Company sa Luxembourg Services

Financial Review

The Financial review of the Board of Directors refers to the Group of companies controlled by PRADA spa (the "Company"), operating holding company of the PRADA Group (the "Group"), and is based on the unaudited Interim condensed consolidated financial statements of the Group for the six months ended July 31, 2015, prepared in accordance with "IAS 34 Interim Financial Reporting" and the IFRS as adopted by the European Union. This Financial review must be read together with the 2015 unaudited Interim condensed consolidated financial statements.

Consolidated income statement

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	%	six months ended July 31 2014 (unaudited)	%
Retail	1,552,393	85.1%	1,442,161	82.3%
Wholesale	248,963	13.6%	288,739	16.5%
Royalties	23,077	1.3%	20,415	1.2%
Net revenues	1,824,433	100.0%	1,751,315	100.0%
Cost of goods sold	(498,520)	-27.3%	(493,715)	-28.2%
Gross margin	1,325,913	72.7%	1,257,600	71.8%
Operating expenses	(1,032,699)	-56.6%	(884,442)	-50.5%
EBIT	293,214	16.1%	373,158	21.3%
Interest and other financial expenses, net	(9,073)	-0.5%	(9,492)	-0.5%
Dividends from investments	1,562	0.1%	455	-
Income before taxation	285,703	15.7%	364,121	20.8%
Taxation	(94,139)	-5.2%	(113,075)	-6.5%
Net income for the period	191,564	10.5%	251,046	14.3%
Net income - non-controlling interests	2,971	0.2%	6,198	0.3%
Net income - Group	188,593	10.3%	244,848	14.0%
Depreciation, amortization and impairment	146,840	8.0%	119,677	6.8%
EBITDA	440,054	24.1%	492,835	28.1%
Basic and diluted earnings per share (in Euro per share)	0.074		0.096	

Key financial information

Key economic figures (amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	twelve months ended January 31 2015 (audited)	six months ended July 31 2014 (unaudited)	change % six months 2015 vs six months 2014
Net revenues	1,824,433	3,551,696	1,751,315	4.2%
EBITDA	440,054	954,249	492,835	-10.7%
EBITDA %	24.1%	26.9%	28.1%	-
EBIT	293,214	701,551	373,158	-21.4%
EBIT %	16.1%	19.8%	21.3%	-
Net income of the Group	188,593	450,730	244,848	-23.0%
Earnings per share (Euro)	0.074	0.176	0.096	-23.0%
Capital expenditure	176,235	449,735	289,616	-
Net operating cash flows	63,374	483,597	209,186	-69,7%
Average number of employees	12,365	11,962	11,824	-

Key financial figures (amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)	July 31 2014 (unaudited)	change July 2015 vs January 2015
Net operating working capital	747,574	563,409	510,217	184,165
Net invested capital	3,238,133	2,829,359	2,683,766	408,774
Net financial position	(259,749)	188,788	(1,366)	(448,537)
Group shareholders' equity	2,960,909	3,000,737	2,666,923	(39,828)

Financial highlights for the first half of 2015

Net revenues for the first six months of fiscal year 2015 amounted to Euro 1,824.4 million, up by 4.2% compared to the same period of last year at current exchange rates and down by 5.9% at constant exchange rates. The increase of 7.6% achieved by the retail channel was consistent all along the six months and drove the consolidated growth as the wholesale business declined. Sales expansion, essentially driven by the footwear and clothing divisions, benefited also from the persistent weakness of the Euro, which fostered the flow of tourists in the Eurozone and led to an increase in the value of sales made outside the Eurozone. At the same time, results suffered from the ongoing slowdowns in the Asia Pacific region. In particular, the contractions recorded in Hong Kong and Macau had a significant impact on performances for the period, both in terms of sales and margins.

EBIT for the six months ended July 31, 2015, amounted to Euro 293.2 million, or 16.1% on net revenues, down by 21.4% compared to the Euro 373.2 million achieved in the first six months of 2014 when the incidence on net revenues was 21.3%. During the first half of 2015 the management carried on with the actions commenced at the end of 2014, focusing on improving the industrial and operative processes; these actions resulted in a visible improvement in profitability compared to the first quarter of 2015 limiting further pressure on margins. At the same time, despite major part of the retail network expansion plan is done, the Group made further investments in the DOS structure to complete the project with some improvement and renovation, while further increasing the Group's capacity and control over the supply chain. Cost containment actions have been carried at all levels, including advertising and promotion expenses. Nevertheless, some important initiatives were put in place to promote and strengthen the identity of the brands so, besides advertising campaigns and retail events, Prada continued to support the unique initiatives that distinguish the Group for its ability to interact with worlds other than fashion, namely art and culture. Among the most significant projects supported in the period, it is worth mentioning the unveiling of the new Milan headquarters of the Prada Foundation, an art museum built on an overall surface of 19,000 m^2 and designed by OMA, the architectural firm led by Rem Koolhaas. The resonance of this project has been extremely wide all over the world and the location has been since the beginning a "must see" for all visitors in Milan.

At July 31, 2015, the Net financial debt of the Group is Euro 259.7 million, from a net positive position of Euro 188.8 million recorded at January 31, 2015. The reduction was attributable, first, to payment of dividends to PRADA spa shareholders and, second, to the use of cash to support the investment plan for the period and finance increases in net operating working capital.

Net sales analysis

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	%	six months ended July 31 2014 (unaudited)	%	% change
Net sales by geographical area					
Italy	286,210	15.9%	286,808	16.6%	-0.2%
Europe	379,178	21.0%	361,539	20.9%	4.9%
Americas	264,912	14.7%	233,452	13.5%	13.5%
Asia Pacific	610,266	33.9%	619,221	35.8%	-1.4%
Japan	195,902	10.9%	175,262	10.1%	11.8%
Middle East	61,379	3.4%	51,930	3.0%	18.2%
Other countries	3,509	0.2%	2,688	0.1%	30.5%
Total	1,801,356	100.0%	1,730,900	100.0%	4.1%
Net sales by brand					
Prada	1,461,493	81.2%	1,431,114	82.7%	2.1%
Miu Miu	293,919	16.3%	256,031	14.8%	14.8%
Church's	38,379	2.1%	35,560	2.0%	7.9%
Car Shoe	5,514	0.3%	6,516	0.4%	-15.4%
Other	2,051	0.1%	1,679	0.1%	22.2%
Total	1,801,356	100.0%	1,730,900	100.0%	4.1%
Net sales by product line					
Clothing	288,229	16.0%	275,779	15.9%	4.5%
Leather goods	1,107,761	61.5%	1,110,715	64.2%	-0.3%
Footwear	370,415	20.6%	314,423	18.2%	17.8%
Other	34,951	1.9%	29,983	1.7%	16.6%
Total	1,801,356	100.0%	1,730,900	100.0%	4.1%
Net sales by distribution channel					
DOS	1,552,393	86.2%	1,442,161	83.3%	7.6%
Independent customers and franchises	248,963	13.8%	288,739	16.7%	-13.8%
Total	1,801,356	100.0%	1,730,900	100.0%	4.1%
Net sales	1,801,356	98.7%	1,730,900	98.8%	4.1%
Royalties	23,077	1.3%	20,415	1.2%	13.0%
Total net revenues	1,824,433	100.0%	1,751,315	100.0%	4.2%

Sales channels

In the six months ended July 31, 2015, retail sales amounted to Euro 1,552.4 million, up by 7.6% compared to Euro 1,442.2 million achieved for the same period of last year. At constant exchange rates there was a 3.3% decrease. The overall improvement in performance was driven only by the favorable exchange rate trends and by new openings. In the first six months of 2015, the number of Directly Operated Stores (DOS) rose from 594 at January 31, 2015, to 605 at July 31, 2015 (20 openings and 9 closures).

The wholesale channel generated total net sales of Euro 249 million, down by 13.8% compared to Euro 288.7 million for the six months ended July 31, 2014. The decrease was determined by the ongoing selective strategy as well as by a significant slow-down in the duty-free channel in South Korea, following a decline of tourist flows impacted, above all, by the MERS outburst.

Markets

In Asia Pacific, net sales amounted to Euro 610.3 million, down by 1.4% compared to Euro 619.2 million reported for the same period of 2014 (-17.5% at constant exchange rates). The performance was significantly penalized by Hong Kong and Macau which failed to show any signs of recovery throughout the six month period at industry level. The Greater China recorded net sales for Euro 384.5 million, down by 1.2% as reported and down by 19.3% at constant exchange rates. In the period the Group opened its first store in Hanoi, Vietnam.

Net sales generated in Europe totaled Euro 379.2 million, up by 4.9% as reported and up by 2.5% at constant exchange rates. The growth was entirely delivered by the retail channel. In the first six months of 2015 just one DOS was opened. Net sales in the wholesale channel were down compared to the corresponding period of prior year, also at current exchange rates, as a result of the Group's ongoing highly selective policy in the region and the impact of the conversion program in Switzerland.

The Italian market contributed Euro 286.2 million to consolidated net sales, basically the same amount compared to the same six month period of last year when net sales totaled Euro 286.8 million. The positive performance achieved by the stores directly operated by the Group (+14.9%) was counterbalanced by a significant reduction recorded in the wholesale channel. The only opening in the first half of 2015 was the Prada store in Galleria Vittorio Emanuele II, Milan which became a DOS after a period when it was operated under a franchise agreement by a related party.

Net sales on the American market totaled Euro 264.9 million, up by 13.5% compared to Euro 233.5 million for the same period of 2014. At constant exchange rates, net sales fell by 6.1%. As reported, the retail channel achieved double-digit growth, while at constant exchange rates it decreased, also because of the impacts of a strong US Dollar. Wholesale business grew single-digit as reported, but decreased double-digit at constant exchange rates. In the period, the Group opened its first Prada store in Panama City.

In Japan net sales totaled Euro 195.9 million, 11.8% up on Euro 175.3 million reported for the same period of 2014 (4.9% up at constant exchange rates), despite the very unfavorable comparison base of the first two months, when 2014 results largely benefitted from anticipated purchases ahead of a VAT increase that came into force from April 2014.

The Middle East generated net sales of Euro 61.4 million, up by 18.2% compared to Euro 51.9 million for the six months ended July 31, 2014. At constant exchange rates net sales were down by 2%. It is worth highlighting the positive performance of the Miu Miu brand which also grew at constant exchange rates. In the period, the Group opened its first Miu Miu store in Jeddah, Saudi Arabia.

Products

In the six months ended July 31, 2015, leather goods generated net sales of Euro 1,107.8 million which were down by 0.3% compared to Euro 1,110.7 million for the same period of 2014. At constant exchange rates, the reduction was equal to 10%.

Net sales in the ready-to-wear department amounted to Euro 288.2 million, up by 4.5% as reported and down by 5.3% at constant exchange rates, with a significative impact of the reduced wholesale business. This product category was weak in all regions except Japan, where there was double-digit sales growth.

The footwear division continued its growth in all regions and, despite being hit by the wholesale business reduction, posted net sales of Euro 370.4 million, showing an increase of 17.8% compared to Euro 314.4 million reported for the same six month period in prior year. At constant exchange rates there was a 5.8% growth.

Brands

The Prada brand generated net sales of Euro 1,461.5 million recording an increase of 2.1% compared to Euro 1,431.1 million reported for the same period of 2014. At constant exchange rates there was a 7.9% decrease, essentially determined by the performances of the leather goods division and especially in Asia Pacific. In terms of channels the retail grew, although mainly thanks to better exchange rates, while the wholesale declined double-digit both as reported and at constant exchange rates.

In the six months ended July 31, 2015, the Miu Miu brand contributed net sales of Euro 293.9 million, a 14.8% increase as reported and a 3.3% increase at constant exchange rates compared to Euro 256 million for the same period of last year. All regions recorded sales growth at constant exchange rates with the sole exception of Asia Pacific. In absolute terms, the growth was driven by the retail channel with leather goods and footwear both performing well.

In the period under analysis the Church's brand recorded net sales of Euro 38.4 million, a 7.9% increase compared to Euro 35.6 million for the same period of last year. At constant exchange rates the increase became a slight decrease of 0.8% due to the UK Pound movements. The retail channel achieved growth at constant exchange rates and also on a SSSG basis thanks to the good performances recorded mainly in Europe. The wholesale business decreased following the selective policy applied to some independent accounts and the DOS expansion in Europe.

Royalties

In the six months ended July 31, 2015, licensing agreements generated royalties income of Euro 23.1 million, 13% more than the Euro 20.4 million reported for the same period of prior year. This encouraging performance reaffirms the global appeal of the brands and regarded both the eyewear and fragrance businesses. In addition, it was achieved without the benefit of the launch of the first Miu Miu fragrance, distribution of which commenced in August 2015.

Number of stores

	July 31, 2015		January 31, 2015		July 31, 2014	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Prada	372	27	362	27	342	27
Miu Miu	174	10	169	8	162	7
Church's	54	-	55	-	54	-
Car Shoe	5	-	8	-	8	-
Total	605	37	594	35	566	34

	July 31, 2015		January 31, 2015		July 31, 2014	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Italy	52	5	51	6	52	6
Europe	167	-	167	3	159	4
Americas	113	-	110	-	100	-
Asia Pacific	181	27	175	22	164	21
Japan	72	-	70	-	71	-
Middle East	18	5	17	4	17	3
Africa	2	-	4	-	3	-
Total	605	37	594	35	566	34

Operating and financial results

Gross margin for the six months ended July 31, 2015, amounted to Euro 1,325.9 million, or 72.7% on net revenues. The improvement compared to the 71.8% gross margin reported for the previous period was due, despite a less favorable product and geographical mix, to improvements on industrial costs as well as to the positive impact of exchange rates.

EBITDA for the six months amounted to Euro 440.1 million, or 24.1% on net revenues, down from Euro 492.8 million for the first six months of 2014, or 28.1% on net revenues. The dilution in profitability was caused by the negative operational leverage, especially at selling expenses level and in advertising and communication expenses, mainly for a concentration of spending in the early months of the current year. The dilution was recorded at the EBIT level also as a result of the increased level of depreciation and amortization charges. At the end of the six months the EBIT totaled Euro 293.2 million, or 16.1% on net revenues, down by 21.4% compared to the Euro 373.2 million achieved in the previous six month period when the incidence on net revenues was 21.3%.

Net financial expenses amounted to Euro 7.5 million, showing overall a decrease compared to the expense of Euro 9 million recorded in the same period of prior year. In addition to higher interest on bank borrowings during the period – because of higher average financial debt – there were lower exchange financial losses and higher dividends from financial investments.

Analysis of the statement of financial position

Net invested capital

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

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)	July 31 2014 (unaudited)
Non-current assets (deferred tax assets excluded)	2,614,885	2,557,198	2,427,553
Trade receivables, net	347,493	346,284	373,848
Inventories, net	778,907	654,545	539,042
Trade payables	(378,826)	(437,420)	(402,673)
Net operating working capital	747,574	563,409	510,217
Other current assets (excluding items of financial position)	208,926	190,149	157,567
Other current liabilities (excluding items of financial position)	(291,241)	(411,878)	(336,490)
Other current assets/(liabilities), net	(82,315)	(221,729)	(178,923)
Provision for risks	(67,859)	(63,695)	(56,229)
Post-employment benefits	(65,904)	(85,754)	(68,760)
Other long-term liabilities	(164,043)	(159,419)	(122,584)
Deferred taxation, net	255,795	239,349	172,492
Other non-current assets/(liabilities)	(42,011)	(69,519)	(75,081)
Net invested capital	3,238,133	2,829,359	2,683,766
Shareholder's equity – Group	(2,960,909)	(3,000,737)	(2,666,923)
Shareholder's equity – Non-controlling interests	(17,475)	(17,410)	(15,477)
Total consolidated shareholders' equity	(2,978,384)	(3,018,147)	(2,682,400)
Long-term financial payables	(428,088)	(254,462)	(265,972)
Short-term financial, net surplus/(deficit)	168,339	443,250	264,606
Net financial position surplus/(deficit)	(259,749)	188,788	(1,366)
Shareholders' equity and net financial position	(3,238,133)	(2,829,359)	(2,683,766)
Debt to Equity ratio	0.09	n.a.	0.0005

At July 31, 2015, Net invested capital amounts to Euro 3,238.1 million, an increase of Euro 408.8 million compared to the figure of Euro 2,829.4 million reported at January 31, 2015.

Non-current assets (deferred tax assets excluded) increased from Euro 2,557.2 million at January 31, 2015, to Euro 2,614.9 million at July 31, 2015. The increase of Euro 57.7 million was driven by capital expenditure for the period amounting to Euro 176.2 million, of which Euro 113.2 million for the expansion and improvement of the retail network, Euro 25.3 million for the strengthening of the industrial facilities and processes and Euro 37.7 million for the corporate area. Intangible assets recognized at July 31, 2015, include goodwill of Euro 514.1 million in respect of which management did not identify any indicators of impairment. In accordance with the requirements of "IAS 36 Impairment of assets", mandatory impairment tests will be performed at year end.

Net operating working capital increased from Euro 563.4 million at January 31, 2015, to Euro 747.6 million. The Euro 184.2 million increase was mainly due to the higher level of inventories as a result of both a different approach to replenishment and shipping which started in the last few months of 2014 and new openings (39 since July 31, 2014), as well as to a decrease of trade payables following a different phasing of the procurement strategy of raw materials which was anticipated compared to the past. Finished products and raw materials in inventory at period end are stated net of obsolescence and slow moving provision of Euro 64.1 million in order to adjust the cost to the estimated realizable value.

Other current liabilities, net, decreased from Euro 221.7 million at January 31, 2015, to Euro 82.3 million, following settlement of payables for investments in tangible and intangible assets and expiry of hedging derivative contracts which had a negative fair value at January 31, 2015.

Other non-current liabilities, net, amount to Euro 42 million. They decreased by Euro 27.5 million compared to the figure at January 31, 2015, as a result of higher level of deferred tax assets recognized on temporary differences between the tax values and the amounts reported in the consolidated financial statements for finished products, as well as because of payment of some Euro 23 million of long-term employee benefits.

The Group's net equity at July 31, 2015, amounts to Euro 2,960.9 million. During the year, dividends of Euro 281.5 million were distributed to shareholders of PRADA spa, as approved by the Annual General Meeting held on May 26, 2015, with reference to the financial statements for the year ended January 31, 2015.

Net financial position

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)	July 31 2014 (unaudited)
Long-term debt	(428,829)	(255,203)	(265,965)
Obligations under finance leases – non-current	-	-	(7)
Long-term financial receivables due from related parties	741	741	-
Long-term financial payables	(428,088)	(254,462)	(265,972)
Short-term financial payables and bank overdrafts	(379,153)	(263,335)	(242,061)
Payables to parent company and related parties	(2,444)	(2,371)	(3,498)
Receivables from parent company and related parties	-	11	11
Obligations under finance leases	(7)	(21)	(437)
Cash and cash equivalents	549,943	708,966	510,591
Short-term financial (payables)/receivables, net of cash and cash equivalents	168,339	443,250	264,606
Net financial surplus/(deficit)	(259,749)	188,788	(1,366)
Net financial surplus/(deficit), excluding receivables/(payables) with related parties	(258,046)	190,407	(1,366)
NFP/EBITDA ratio	0.288	n.a.	0.001

At July 31, 2015, the Net financial position of the Group is negative and stands at Euro 259.7 million. There was an overall decrease of Euro 450 million compared to the figure at January 31, 2015, as a result of the use of cash flows generated by operating activities, together with existing cash, to finance the investment plan (Euro 235.9 million) and to pay dividends to the shareholders of PRADA spa (Euro 281.5 million) and to the non-controlling shareholders of the Group' subsidiaries (Euro 9.4 million). It should be noted that, following some supply chain processes reengineering, purchases of raw materials were brought forward compared to previous standard for incoming fall/winter deliveries and had a significant impact in terms of cash consumption as the net operating working capital increased from Euro 563.4 million at January 31, 2015, to Euro 747.6 million at July 31, 2015.

In terms of maturity of bank borrowings, the Group managed to improve its financial flexibility, while also taking advantage of the favorable conditions on the credit market. It did so by signing during the six month period new long-term facilities in Euro and Japanese Yen for a total amount of approximately Euro 80 million. The total amount of available and unused credit lines amount to Euro 295.1 million at July 31, 2015.

Risk factors

Risk factors regarding the international luxury goods market

Risks regarding the general state of the economy and the Group's international operations

The performance of the luxury goods market greatly depends on general economic conditions. Therefore, the Group's profitability and operating performance are exposed to global macroeconomic risk factors as a consequence of its operations on an international scale.

The current international economic environment could have a negative impact on demand for the Group's products and reduce access to credit, causing financial problems for customers and other parties with which the Group operates. Overall, these factors could have a negative impact on the business, results, cash flows and the financial condition of the Group.

A significant portion of the Group's sales is made to customers who purchase goods during trips abroad. Consequently, unfavorable economic conditions (e.g. the global financial crisis of 2008 and 2009), global political developments (e.g. the war in Iraq in the spring of 2003), other social or geopolitical factors resulting in unrest, instability, disorder, civil war or military conflict, natural disasters like fires, flooding and earthquakes, or other events (e.g. the events of September 11, 2001, in the United States or travel advice issued by the World Health Organization in response to Severe Acute Respiratory Syndrome, "SARS") which lead to changes in the flow of travelers or a reduction in the volume of travel have in the past and could in future have a negative impact on the Group's business and results.

Risks regarding the protection of intellectual property rights

The Group believes that its trademarks and other intellectual property rights are fundamental to its success and market position. Consequently, the Group's business is strongly dependent on its ability to protect and defend its trademarks and other intellectual property rights.

The Group is constantly committed to the international registration and protection of its trademarks and other intellectual property. It maintains that its trademarks and other intellectual property rights are adequately protected on major markets by registration applications, existing registrations and other legal safeguards.

Risks regarding brand image and recognition

The success of the Group on the international luxury goods market is linked to the image and distinctiveness of its brands. These features depend on many factors, like the style and design of products, the quality of materials and production techniques used, the image and location of the Group's directly operated stores, the careful selection of licensees for certain product categories and the communications activities in terms of public relations, advertising, marketing and Group profile in general.

Preservation of the image and prestige acquired by the Group's brands in the fashion and luxury goods industry is an objective that the Prada Group pursues by closely monitoring each step of the process, both inside and outside the company, in order to guarantee uncompromised quality. It also engages in a constant search for innovation in terms of style, product and communications in order to ensure that its message is always consistent with the strong identity of the brands.

Risks regarding ability to anticipate trends and react to changing customer preferences

The Group's success depends on its ability to create and drive market and product trends while anticipating changes in customer preferences and in the dynamics of the luxury goods market.

The Group pursues its objective of driving the luxury goods market by stimulating consumer markets and setting trends thanks to the creative efforts of its Design and Product Development department. This area of the business includes around 1,000 persons divided between design – where creativity is boosted by a strong mix of nationalities, cultures and talents – and development – where craft skills combined with tried and tested industrial processes ensure that the Group continues to compete in order to keep up with consumer trends and emerging lifestyles.

Risk factors specific to Prada Group

Risks regarding exchange rate fluctuations

The Group has a vast international presence and is, therefore, exposed to the foreign exchange risk which can negatively impact revenue, costs, margins and profit. In order to hedge the foreign exchange risk, the Group enters into hedging derivatives designed to guarantee the Euro (or other operating currency) amount of identified future cash flows. These future cash flows mainly regard the collection of trade and financial receivables and the settlement of trade payables. They are mainly concentrated in PRADA spa, Group holding company and worldwide distributor of Prada and Miu Miu brand products.

Exchange rate risk management is described in more detail in the Notes to the Interim condensed consolidated financial statements.

Risks regarding interest rate fluctuations

The interest rate risk is the risk that cash outflows might vary as a result of interest rate fluctuation. In order to hedge this risk, which is mainly concentrated in the parent company PRADA spa, the Group uses interest rate swaps and collars. These instruments convert variable rate loans into fixed rate loans or loans at rates within a negotiated range of rates.

Interest rate risk management is described in more detail in the Notes to the Interim condensed consolidated financial statements.

Risks regarding the importance of key personnel

The Group's results depend both on the contribution of certain key figures who have played an essential role in the development of the Group and who have great experience of the fashion and luxury goods industry and on Prada's ability to attract and retain personnel who are highly capable in terms of the design, marketing and merchandising of products.

The Group believes it has a management structure capable of guaranteeing the ongoing success of the business and has recently implemented a long-term incentive plan in order to retain key figures so that they will continue to fulfil roles essential to achievement of the challenging objectives that the Group constantly sets itself.

Risks regarding the implementation of strategy

The Group's ability to increase revenues and improve profitability depends on the successful implementation of its strategy for each brand. As already stated, this strategy is mainly based on continued support and development of retail channel performance and on expansion on an international scale.

The Group sustains the operating performance and results of the retail channel by constantly checking and, if necessary, redesigning and integrating the main business processes, also through localized marketing initiatives that reassert the distinctive strengths of the Group brands: their strong identity, the close control over the entire value chain, the overseeing capacity to combine innovation and quality in a short period of time and a network of stores positioned on the most prestigious shopping streets and the most important international department stores. In order to ensure the success of each new DOS, the Group carefully assesses market conditions and consumer trends in the new DOS location. In particular, when entering into new countries, the Group dedicates significant resources to ensuring that sales managers and personnel convey an image consistent with the identity of the Group brands and a level of service in keeping with the quality of the products. The utmost attention is also paid to the design and fitting out of the stores themselves so that brand identify is properly represented.

Risks regarding the outsourcing of manufacturing activities

The Group designs, checks and produces in-house most of its prototypes and samples while outsourcing production of most of its accessories and products to third parties with the right experience and skills.

The Group has implemented a rigorous inspection and quality control process for all outsourced production. Prada contractually requires its outsourcers to comply with rules and regulations on brand ownership and other intellectual property rights, with all the provisions of laws and national collective agreements on labor and social security rules and with laws and regulations on health and safety in the workplace. It also requires them to read the Prada Group Code of Ethics and make an undertaking to respect the principles set out in it.

Credit risk

Credit risk is defined as the risk that a counterparty in a transaction causes a financial loss for another entity through failure to fulfill its obligations. The maximum risk to which an entity is potentially exposed is represented by all financial assets recorded in the financial statements. The Group essentially believes that its credit risk mainly regards trade receivables generated in the wholesale channel and cash and cash equivalents. The Group manages the credit risk and reduces its negative effects through its commercial and financial strategy.

On the trade receivables side, credit risk management is performed by controlling and monitoring the reliability and solvency of customers. At the same time, the fact that the total receivables balance is not highly concentrated on individual customers, the fact that net sales are evenly spread geographically and the ongoing strategy of selective reduction of the wholesale customer base (for reasons including the prevention of parallel distribution) have led to a reduced credit risk.

On the cash and cash equivalents side, the risk of default substantially relates to bank deposits which is the method most widely used by the Group, also considering its low-risk policy, to invest the surplus funds generated by operations. The default risk is mitigated by the allocation of the available funds among different bank deposits in terms of countries, currencies and banks as well as by the term profile of such investments which is always short-term. The residual significant portion of cash and cash equivalents is made up of bank accounts and cash. The Group maintains that there is no significant risk on these kinds of liquid assets as their use is strictly connected with the business operations and corporate processes and, as a result, the number of parties involved is highly fragmented.

Liquidity risk

The liquidity risk relates to the difficulty the Group may have in fulfilling its obligations with regard to financial liabilities. The Directors are responsible for managing the liquidity risk while the Corporate Finance department, reporting to the CFO, is responsible for managing financial resources as well as possible. The Directors believe that the funds and lines of credit currently available, in addition to those that will be generated by operating and financing activities, will allow the Group to meet its needs resulting from investing activities, working capital management, repayment of loans as they fall due and dividend payments as planned.

Legal and regulatory risks

The Prada Group operates in a complex regulatory environment and is exposed to legal risks and risks regarding compliance with applicable laws, including:

– the risks associated with the failure to comply with the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong or with other laws or regulations in force in Hong Kong and applicable to the Company following its listing on the Stock Exchange of Hong Kong Limited;

– the risks associated with the failure to comply with the laws and regulations applicable to the Company following the listing of the Notes issued on August 2013 on the Irish Stock Exchange;

– the risks associated with health and safety at work in compliance with Italian Legislative Decree 81/08 and equivalent regulations in other countries;

– possible legal sanctions for wrongful acts pursuant to Law 231/2001, as subsequently amended;

– the risks associated with antitrust rules in the areas where the Group operates;

– the possibility of events that adversely affect the reliability of financial reporting and the safeguarding of Group assets;

– changes in international tax rules applicable in the various countries where the Group operates that could expose the Group to the risk of non-compliance;

– possible industrial compliance risks regarding the conformity of the finished goods distributed and the raw materials and consumables used with Italian and international laws and regulations.

By involving all of its various divisions and using external specialist advisors when necessary, the Group ensures that its processes and procedures are updated to comply with changes in rules and regulations, reducing the risk of non-compliance to an acceptable level. As well as by Divisional Managers and by audit activities, monitoring activities are also carried out by specific entities and committees such as the Supervisory Board, the Internal Control Committee and the Industrial Compliance Committee.

Risks regarding personal data processing

Data is processed using information systems subject to a governance model which ensures that:

- data is adequately protected against the risk of unauthorized access and disclosure (including means for protecting personal privacy and proprietary information), improper information modification or destruction (including accidental loss) and utilization inconsistent with assigned duties;
- data is processed in accordance with applicable laws and regulations.

Information on relationships and transactions with related parties

Information on the Group's relationships and transactions with related parties is provided in the Notes to the Interim condensed consolidated financial statements, insofar as required by IFRS, and in the Corporate Governance section, insofar as required by the Hong Kong Stock Exchange Rules.

Non-IFRS measures

The Group uses certain financial measures ("non-IFRS measures") to measure its operating performance and to help the reader to understand and analyze its statement of financial position. Although they are used by Group management, these measures are not universally or legally defined and are not regulated by IFRS based on which the consolidated financial statements are prepared. As other companies operating in the luxury goods segment might utilize the same measures, but based on different calculation criteria, it is worth noting the fact that said non-IFRS measures should always be read together with the related notes and may not be suitable for a direct comparison between different companies.

In this Interim Financial Report, the Prada Group has used the following non-IFRS measures:

EBITDA: Earnings Before Interests, Taxation, Depreciation and Amortization, i.e. "Consolidated net income for the period" adjusted to exclude "Interest and other financial income/(expense) and dividends from investments", "Taxes on income" and "Depreciation, amortization and impairment".

EBIT: Earnings Before Interest and Taxation, i.e. "Consolidated net income for the period" adjusted to exclude "Interest and other financial income/(expense) and dividends from investments" and "Taxes on income".

SSSG: Same Store Sales Growth, i.e. same store sales growth comparing constant exchange rate results of all DOS operational for more than a year and utilizing the effective number of days of operations for each DOS in the previous year (i.e. only the number of days in which the DOS were open in both reporting periods).

Net financial position: Short-term and long-term financial payables towards third parties, towards related parties and under finance leases less Cash and cash equivalents, short-term and long-term financial receivables from third parties and related parties.

Free cash flows: net cash flows generated by operating activities less cash flows utilized in investing activities.

Effective tax rate: ratio between taxation and result before taxation.

The following table shows the calculation of EBITDA and EBIT.

(amounts in thousands of Euro)	six months ended July 31 2015	twelve months ended January 31 2015	six months ended July 31 2014
Consolidated net income for the period	**191,564**	**459,218**	**251,046**
Taxes on income	**94,139**	**208,484**	**113,075**
Interest and other financial income/(expense) and dividends from investments	**7,511**	**33,849**	**9,037**
EBIT (Earnings Before Interest and Taxation)	**293,214**	**701,551**	**373,158**
Depreciation, amortization and impairment	**146,840**	**252,698**	**119,677**
EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortization)	**440,054**	**954,249**	**492,835**

Outlook for second half of 2015

The global economic environment is still volatile and recent instability in Asia has not helped ease the situation so visibility will probably remain low for the time being.

Given this challenging environment, management has continued to perform the wide-ranging review of critical processes that began in the previous year, focusing on supply chain management (planning, procurement, manufacturing and logistics organization, product development), the product offering and pricing structure. This ongoing process is aimed at streamlining operations and reducing costs but also at adapting our business to immediate and long-term market challenges. Moreover, from a shorter term perspective, action has been taken to cut discretionary expenditure. Some initial positive effects of these measures are already visible in the last quarter.

Management remains committed and confident that, thanks to the work that has been done so far and all the efforts that are being made in relation to industrial, marketing and retail activities, the Group will be in a position to face the current and future evolution of the international markets while also leveraging global awareness of the brands, coupled with the broad international footprint guaranteed by direct retail network expansion.

Milan (Italy), September 15, 2015

Corporate Governance

Corporate governance practices

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

Compliance with the Code

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company's corporate governance practices have complied with the code provisions set out in the Code throughout the six months from February 1, 2015, to July 31, 2015 (the "Reviewed Period").

The Board

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

As resolved at the shareholders' general meeting of the Company on May 26, 2015 (the "AGM"), the following persons were re-elected as members of the Board and Mr. Carlo Mazzi was elected as the Chairman of the Board for a term of three financial years, ending on the date of the shareholders' meeting called to approve the financial statements for the last year of the Board's office, and the other executive roles were conferred at the first Board meeting thereafter in accordance with Italian law and the by-laws of the Company (the "By-laws"):

Mr. Carlo Mazzi as executive director and Chairman of the Board;

Ms. Miuccia Prada Bianchi as executive director and Chief Executive Officer;

Mr. Patrizio Bertelli as executive director and Chief Executive Officer;

Mr. Donatello Galli as executive director and Chief Financial Officer;

Ms. Alessandra Cozzani as executive director;

Mr. Gaetano Micciché as non-executive director;

Mr. Gian Franco Oliviero Mattei as independent non-executive director;

Mr. Giancarlo Forestieri as independent non-executive director; and

Mr. Sing Cheong Liu as independent non-executive director.

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee. Each Committee is chaired by an independent non-executive director. The written terms of reference of each Committee are of no less than exacting terms than those set out in the Code and are available on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In addition, the Board has established a Supervisory Body under the Italian Legislative Decree 231 of June 8, 2001 (the "Decree").

Audit Committee

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules of which at least one member possesses appropriate professional qualifications in accounting or related financial management expertise to discharge the responsibility of the Audit Committee. The Audit Committee consists of three independent non-executive directors, namely, Mr. Gian Franco Oliviero Mattei (Chairman), Mr. Giancarlo Forestieri and Mr. Sing Cheong Liu. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the activities of the Company's financial reporting process and internal control and risk management systems, to oversee the external audit process and the internal audit process and to perform other duties and responsibilities as are assigned to the Audit Committee by the Board. The Audit Committee held four meetings on February 26, 2015, March 26, 2015, June 12, 2015 and September 15, 2015, with an attendance rate of 100% to review with the senior management, the Group's internal and external auditors and the board of statutory auditors the audit plan for the year 2015, the auditing and internal controls activities, the Group's continuing connected transactions for 2014, the update on risk assessment and the financial reporting matters (including the annual results for the year 2014 and the first quarterly results and interim results for the year 2015, before recommending them to the Board for approval).

Remuneration Committee

The Company has established a Remuneration Committee in compliance with the Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management and the establishment of a formal and transparent procedure for developing policy on such remuneration. The recommendations of the Remuneration Committee are then put forward to the Board for consideration and adoption, where appropriate. The Remuneration Committee consists of two independent non-executive directors, Mr. Gian Franco Oliviero Mattei (Chairman) and Mr. Giancarlo Forestieri, and one executive director, Mr. Carlo Mazzi. The Remuneration Committee held two meetings on March 17, 2015 and May 26, 2015 with an attendance rate of 100% to recommend certain updates to the long term incentive plan, the proposed allocation of the aggregate basic remuneration of the Board to the directors (subject to the aggregate basic remuneration being approved by the shareholders at the general meeting on May 26, 2015) and the additional remuneration of the directors vested with special authorities (that is to the executive directors and members of the Board's committees).

Nomination Committee

The Company has established a Nomination Committee in compliance with the Code. The primary duties of the Nomination Committee are to make recommendations to the Board on the structure, size and composition of the Board itself, on the selection of new Directors and on the succession plans for Directors. The Nomination Committee also assesses the independence of independent non-executive directors. The recommendation of the Nomination Committee are then put forward to the Board for consideration and adoption, where appropriate. The Nomination Committee consists of two independent non-executive directors, Mr. Gian Franco Oliviero Mattei (Chairman) and Mr. Sing Cheong Liu, and one executive director, Mr. Carlo Mazzi. The Nomination Committee held a meeting on March 26, 2015, with an attendance rate of 100% to perform the annual review of the independence of independent non-executive directors and to recommend the re-election of all the directors of the Company at its shareholders' general meeting held on May 26, 2015.

Supervisory Body

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

Board of Statutory Auditors

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

As resolved at the shareholders general meeting of the Company on May 26, 2015, the following persons were elected/re-elected as members of the board of statutory auditors or alternate statutory auditors of the Company (as the case may be) for a term of three financial years, ending on the date of the shareholders' meeting called to approve the financial statements for the last year of the board of statutory auditors' office:

Mr. Antonino Parisi as statutory auditor and Chairman of the board of statutory auditors;

Mr. Roberto Spada as statutory auditor;

Mr. David Terracina as statutory auditor;

Ms. Stefania Bettoni as alternate statutory auditor; and

Mr. Cristiano Proserpio as alternate statutory auditor.

Dividends

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

On March 27, 2015, the Board of the Company recommended the payment of a final dividend for the financial year 2014 of Euro/cents 11 per share in the capital of the Company, representing a total dividend of Euro 281,470,640. The Shareholders approved this dividend at the shareholders' general meeting of the Company held on May 26, 2015. The dividend was paid on June 15, 2015.

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

Change in Information of Directors Pursuant to Listing Rule 13.51B(1)

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of Director since the Company's 2014 Annual Report is set out below:

Name of Director	Change
Miuccia PRADA BIANCHI	Director's fee and emolument to be received for the executive role as Chief Executive Officer for each of the financial years 2015 (starting from the AGM date), 2016 and 2017: Euro 12,000,000 plus a variable incentive component depending on the Group's profitability
Patrizio BERTELLI	Director's fee and emolument to be received for the executive role as Chief Executive Officer for each of the financial years 2015 (starting from the AGM date), 2016 and 2017: Euro 12,000,000 plus a variable incentive component depending on the Group's profitability
Donatello GALLI	Director's fee for each of the financial years 2015 (starting from the AGM date), 2016 and 2017: Euro 50,000
Alessandra COZZANI	Director's fee for each of the financial years 2015 (starting from the AGM date), 2016 and 2017: Euro 50,000
Gaetano MICCICHE'	Director's fee for each of the financial years 2015 (starting from the AGM date), 2016 and 2017: Euro 50,000 Appointed as Vice-Chairman of Banca IMI since July 2015 Ceased to be a board member of Pirelli & C. S.p.A. since August 2015
Gian Franco Oliviero MATTEI	Director's fee for each of the financial years 2015 (starting from the AGM date), 2016 and 2017: Euro 50,000
Giancarlo FORESTIERI	Director's fee for each of the financial years 2015 (starting from the AGM date), 2016 and 2017: Euro 50,000
Sing Cheong LIU	Director's fee for each of the financial years 2015 (starting from the AGM date), 2016 and 2017: Euro 50,000 Ceased to be a member of the Hong Kong Institute of Surveyors since 2015

Directors' Securities Transactions

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

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

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

Directors' interests and short positions in securities

As at July 31, 2015, the Directors of the Company and their associates held the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

(a) Long positions in shares and underlying shares of the Company

Name of Director	Number of Shares	Nature of Interest	Approximate Percentage of Issued Capital
Ms. Miuccia Prada Bianchi	2,046,470,760 (Notes 1 and 2)	Interest of Controlled corporation	80%
Mr. Patrizio Bertelli	2,046,470,760 (Notes 1 and 3)	Interest of Controlled corporation	80%

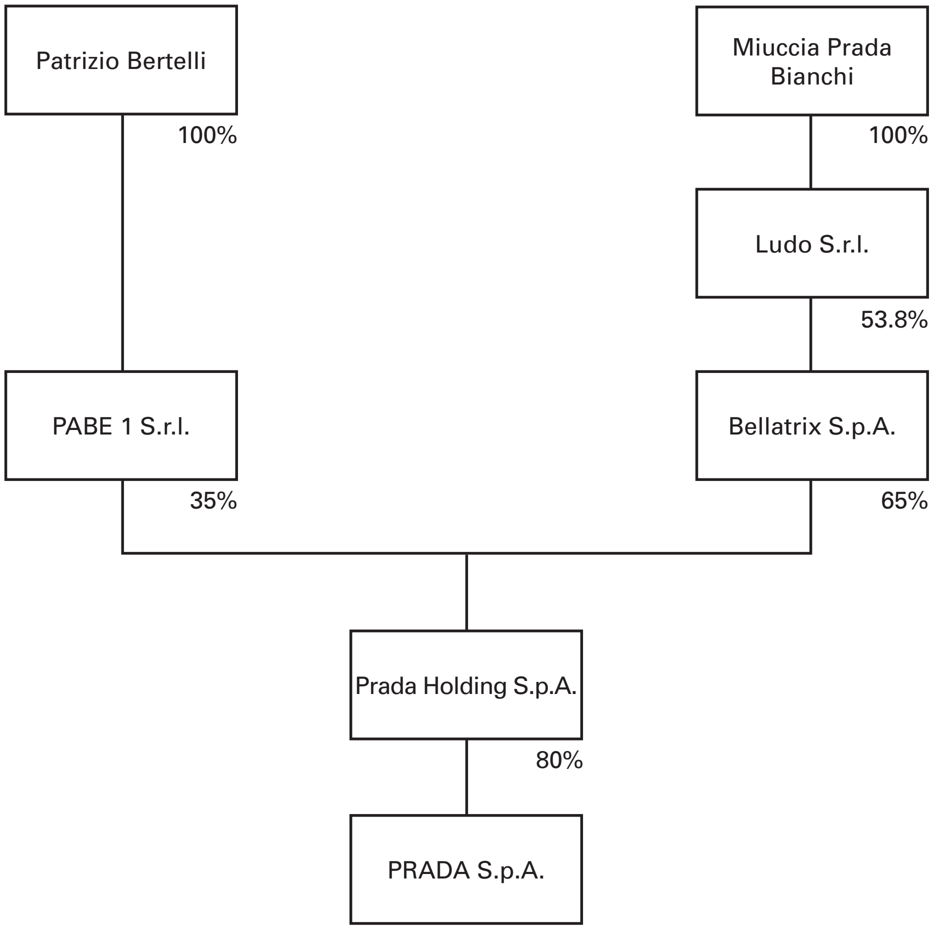
Notes:

1. Prada Holding S.p.A. owns approximately 80% of the issued capital in the Company and is therefore the holding company of the Company.

2. Ms. Miuccia Prada Bianchi, owns indirectly through Ludo S.r.l. 53.8% (comprised of 438,460 ordinary shares and 100,000 preference shares) of the capital in Bellatrix S.p.A., which in turn owns 65% (comprised of 1,650 ordinary shares and 300 preference shares) of the capital in Prada Holding S.p.A.. Ms. Miuccia Prada Bianchi is therefore deemed under the SFO to be interested in all the shares registered in the name of Prada Holding S.p.A.. Ms. Miuccia Prada Bianchi is also a director of Prada Holding S.p.A., Bellatrix S.p.A. and Ludo S.r.l..

3. Mr. Patrizio Bertelli owns, indirectly through PABE 1 S.r.l. 35% (comprised of 750 ordinary shares and 300 preference shares) of the capital in Prada Holding S.p.A.. Mr. Patrizio Bertelli is therefore deemed under the SFO to be interested in all the shares registered in the name of Prada Holding S.p.A.. Mr. Patrizio Bertelli is also a director of PABE 1 S.r.l.

The deemed interests of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli in the shares of the Company as at July 31, 2015, are summarized in the following chart:



(b) Long positions in shares and underlying shares of associated corporations

Name of Director	Name of associated corporations	Class of shares	Number of shares	Nature of Interests	Approximate percentage of Interests
Ms. Miuccia Prada Bianchi	Prada Holding S.p.A.	Ordinary Shares	1,650	Controlled Corporation	68.75%
	Prada Holding S.p.A.	Preference Shares	300	As above	50%
	Prapar Corporation	Common Shares	50	As above	100%
	EXHL Italia S.r.l.	Participation Quotas (Euro)	15,000	As above	100%
	MFH Munich Fashion Holding GmbH	Registered Share	1	As above	100%
	PAC S.r.l. (in liquidation)	Participation Quotas (Euro)	30,600	As above	100%
	Bellatrix S.p.A.	Ordinary Shares	438,460	As above	49.83%
	Bellatrix S.p.A.	Preference Shares	100,000	As above	83.34%
	Ludo S.r.l.	Ordinary Shares	100,311	Beneficial Owner	100%
	PRA 1 S.r.l.	Participation Quotas (Euro)	10,000	Controlled Corporation	100%
	C.I.D. – Cosmetics International Distribution Corp.	Common Share	1	As above	100%
	Fratelli Prada S.p.A.	Ordinary Shares	734,754	As above	73.48%
	KMF Investments S.r.l.	Participation Quotas (Euro)	10,000	As above	100%
	Maestrale Holding S.r.l.	Ordinary Shares	10,200	As above	100%
Mr. Patrizio Bertelli	Prada Holding S.p.A.	Ordinary Shares	750	Controlled corporation	31.25%
	Prada Holding S.p.A.	Preference Shares	300	As above	50%
	Prapar Corporation	Common Shares	50	As above	100%
	EXHL Italia S.r.l.	Participation Quotas (Euro)	15,000	As above	100%
	MFH Munich Fashion Holding GmbH	Registered Share	1	As above	100%
	PAC S.r.l. (in liquidation)	Participation Quotas (Euro)	30,600	As above	100%
	C.I.D. – Cosmetics International Distribution Corp.	Common Share	1	As above	100%
	Maestrale Holding S.r.l.	Ordinary Shares	10,200	As above	100%

Save as disclosed above, as at July 31, 2015, none of the Directors of the Company or their associates held any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial shareholders' interests and short positions in securities

As at July 31, 2015, other than the interests of the Directors of the Company as disclosed above, the following persons held interests in the shares or underlying shares of the Company which fall to be disclosed to the Company under Section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of issued capital
Prada Holding S.p.A.	Legal and beneficial owner	2,046,470,760	80%
Bellatrix S.p.A.	Interest of controlled corporation	2,046,470,760	80%
Ludo S.r.l.	Interest of controlled corporation	2,046,470,760	80%
PABE 1 S.r.l.	Interest of controlled corporation	2,046,470,760	80%
Harris Associates L.P.	Investment manager	153,855,902	6.01%
OppenheimerFunds, Inc.	Investment manager	153,708,010	6.01%

Note:
Prada Holding S.p.A. owns approximately 80% of the issued capital in the Company. As Ludo S.r.l. owns 53.8% of Bellatrix S.p.A. which in turn owns 65% of Prada Holding S.p.A. and PABE 1 S.r.l. owns 35% of Prada Holding S.p.A., Bellatrix S.p.A., Ludo S.r.l. and PABE 1 S.r.l. are all deemed to be interested in the 2,046,470,760 shares held by Prada Holding S.p.A..

Save as disclosed above, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company as at July 31, 2015.

Interim condensed consolidated financial statements

Consolidated statement of financial position

(amounts in thousands of Euro)	Note	July 31 2015 (unaudited)	January 31 2015 (audited)
Assets			
Current assets			
Cash and cash equivalents	6	549,943	708,966
Trade receivables, net	7	347,493	346,284
Inventories, net	8	778,907	654,545
Derivative financial instruments – current	9	8,025	6,287
Receivables from, and advance payments to, related parties, current	10	7,843	3,240
Other current assets	11	193,057	180,633
Total current assets		1,885,268	1,899,955
Non-current assets			
Property, plant and equipment	12	1,520,168	1,474,218
Intangible assets	13	946,936	943,304
Associated undertakings	14	25,769	30,529
Deferred tax assets	32	296,606	280,983
Other non-current assets	15	101,580	91,353
Derivative financial instruments - non current	9	1,408	1,106
Receivables from, and advance payments to, related parties, non-current	10	19,765	17,429
Total non-current assets		2,912,232	2,838,922
Total Assets		4,797,500	4,738,877
Liabilities and Shareholders' Equity			
Current liabilities			
Bank overdrafts and short-term loans	16	379,153	263,335
Payables to related parties – current	17	3,124	3,083
Trade payables	18	378,826	437,420
Tax payables	19	105,510	133,914
Derivative financial instruments - current	9	37,627	56,772
Obligations under finance leases - current		7	21
Other current liabilities	20	147,423	220,480
Total current liabilities		1,051,670	1,115,025
Non-current liabilities			
Long-term financial payables	21	428,829	255,203
Post-employment benefits	22	65,904	85,754
Provision for risks and charges	23	67,859	63,695
Deferred tax liabilities	32	40,811	41,634
Other non-current liabilities	24	153,539	128,752
Derivative financial instruments non-current	9	10,504	17,283
Payables to related parties – non-current	17	-	13,384
Total non-current liabilities		767,446	605,705
Total Liabilities		1,819,116	1,720,730
Share capital		255,882	255,882
Other reserves		2,345,464	2,163,129
Translation reserve		170,970	130,996
Net income for the period		188,593	450,730
Total Shareholders' Equity – Group	25	2,960,909	3,000,737
Shareholders' Equity – Non-controlling interests	26	17,475	17,410
Total Liabilities and Shareholders' Equity		4,797,500	4,738,877
Net current assets		833,598	784,930
Total assets less current liabilities		3,745,830	3,623,852

Consolidated income statement

(amounts in thousands of Euro)	Note	six months ended July 31 2015 (unaudited)	%	six months ended July 31 2014 (unaudited)	%
Net revenues	27	1,824,433	100.0%	1,751,315	100.0%
Cost of goods sold	28	(498,520)	-27.3%	(493,715)	-28.2%
Gross margin		1,325,913	72.7%	1,257,600	71.8%
Operating expenses	29	(1,032,699)	-56.6%	(884,442)	-50.5%
EBIT		293,214	16.1%	373,158	21.3%
Interest and other financial income/(expenses), net	30	(9,073)	-0.5%	(9,492)	-0.5%
Dividends from investments	31	1,562	0.1%	455	-
Income before taxation		285,703	15.7%	364,121	20.8%
Taxation	32	(94,139)	-5.2%	(113,075)	-6.5%
Net income for the period		191,564	10.5%	251,046	14.3%
Net income – Non-controlling interests	26	2,971	0.2%	6,198	0.3%
Net income – Group		188,593	10.3%	244,848	14.0%
Basic and diluted earnings per share (in Euro per share)	33	0.074		0.096	

Consolidated statement of cash flows

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Income before taxation	285,703	364,121
Income Statement adjustments		
Depreciation and amortization	145,802	118,367
Impairment of property, plant and equipment and intangible assets	1,037	1,310
Non-monetary financial (income)/expenses	(1,985)	14,844
Other non-monetary charges	3,380	(2,481)
Balance Sheet changes		
Other non-current assets and liabilities	(44,342)	(14,981)
Trade receivables, net	(654)	(63,655)
Inventories, net	(119,316)	(82,308)
Trade payables	(61,319)	54,490
Other current assets and liabilities	(17,705)	(13,470)
Cash flows from operating activities	190,601	376,236
Interest paid, net – third parties	(6,869)	(6,106)
Taxes paid	(120,358)	(160,944)
Net cash flows from operating activities	63,374	209,186
Purchases of property, plant and equipment and intangible assets	(239,496)	(220,423)
Disposals of property, plant and equipment and intangible assets	2,806	-
Proceeds of investments held for sale	1,562	454
Transaction with non-controlling interests	(761)	(7,701)
Net cash flows utilized by investing activities	(235,889)	(227,670)
Dividends paid to shareholders of PRADA spa	(281,471)	(281,471)
Dividends paid to non-controlling shareholders	(3,229)	(6,763)
Repayment of loans to related companies	-	(659)
Repayment of loans by related companies	-	2,000
New loans to related companies	-	-
Repayment of short term portion of long term borrowings - third parties	(21,376)	(23,379)
Arrangement of long-term borrowings – third parties	192,346	76,480
Change in short-term borrowings – third parties	115,223	169,364
Share capital increases by non-controlling shareholders of subsidiaries	409	1,589
Cash flows generated/(utilized) by financing activities	1,902	(62,839)
Change in cash and cash equivalents, net of bank overdrafts	(170,613)	(81,323)
Foreign exchange differences	11,653	9,048
Opening cash and cash equivalents, net of bank overdraft	708,873	568,299
Closing cash and cash equivalents, net of bank overdraft	549,913	496,024
Cash and cash equivalents	549,943	510,591
Bank overdraft	(30)	(14,567)
Closing cash and cash equivalents, net of bank overdraft	549,913	496,024

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	Translation Reserve	Share premium reserve	Cash flow hedge reserve	Actuarial Reserve	Fair Value Available for sale Reserve	Other reserves	Total Other Reserves	Net income	Equity: Equity attributable to owners of Group	Equity: Non-controlling interests	Equity: Total Equity
Balance at January 31, 2014 (audited)	2,558,824,000	255,882	(49,438)	410,047	3,699	(11,452)	4,108	1,446,923	1,853,325	627,785	2,687,554	13,986	2,701,540
Allocation of 2013 net income	-	-	-	-	-	-	-	627,785	627,785	(627,785)	-	-	-
Dividends	-	-	-	-	-	-	-	(281,471)	(281,471)	-	(281,471)	(6,763)	(288,234)
Acquisition of Marchesi Angelo srl	-	-	-	-	-	-	-	(2,459)	(2,459)	-	(2,459)	107	(2,352)
Capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	1,589	1,589
Comprehensive income for the six months (recyclable to P&L)	-	-	22,693	-	(6,844)	-	4,531	-	(2,313)	244,848	265,228	6,558	271,786
Comprehensive income for the six months (not recyclable to P&L)	-	-	-	-	-	(1,929)	-	-	(1,929)	-	(1,929)	-	(1,929)
Balance at July 31, 2014 (unaudited)	2,558,824,000	255,882	(26,745)	410,047	(3,145)	(13,381)	8,639	1,790,778	2,192,938	244,848	2,666,923	15,477	2,682,400
Acquisition of Marchesi Angelo srl	-	-	-	-	-	-	-	(7)	(7)	-	(7)	-	(7)
Dividends	-	-	-	-	-	-	-	-	-	-	-	(2,615)	(2,615)
Capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	536	536
Comprehensive income for the six months (recyclable to P&L)	-	-	157,741	-	(32,178)	-	2,476	-	(29,702)	205,882	333,921	4,015	337,936
Comprehensive income for the six months (not recyclable to P&L)	-	-	-	-	-	(100)	-	-	(100)	-	(100)	(3)	(103)
Balance at January 31, 2015 (audited)	2,558,824,000	255,882	130,996	410,047	(35,323)	(13,481)	11,115	1,790,771	2,163,129	450,730	3,000,737	17,410	3,018,147
Allocation of 2014 net income	-	-	-	-	-	-	-	450,730	450,730	(450,730)	-	-	-
Dividends	-	-	-	-	-	-	-	(281,471)	(281,471)	-	(281,471)	(3,228)	(284,699)
Transactions with non-controlling interests	-	-	-	-	-	-	-	(719)	(719)	-	(719)	(39)	(758)
Capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	409	409
Comprehensive income for the six months (recyclable to P&L)	-	-	39,974	-	16,044	-	(3,571)	-	12,473	188,593	241,040	2,923	243,963
Comprehensive income for the six months (not recyclable to P&L)	-	-	-	-	-	1,322	-	-	1,322	-	1,322	-	1,322
Balance at July 31, 2015 (unaudited)	2,558,824,000	255,882	170,970	410,047	(19,279)	(12,159)	7,544	1,959,311	2,345,464	188,593	2,960,909	17,475	2,978,384

Statement of consolidated comprehensive income

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	twelve months ended January 31 2015 (audited)	six months ended July 31 2014 (unaudited)
Net income for the period – Consolidated	191,564	459,218	251,046
A) Items recyclable to P&L:			
Change in Translation reserve	39,927	182,519	23,053
Tax impact	-	-	-
Change in Translation reserve less tax impact	39,927	182,519	23,053
Change in Cash Flow Hedge reserve	21,734	(52,817)	(9,279)
Tax impact	(5,690)	13,795	2,435
Change in Cash Flow Hedge reserve less tax impact	16,044	(39,022)	(6,844)
Change in Fair Value reserve	(4,761)	9,343	6,041
Tax impact	1,190	(2,336)	(1,510)
Change in Fair Value reserve less tax impact	(3,571)	7,007	4,531
B) Item not recyclable to P&L:			
Change in Actuarial reserve	1,823	(2,338)	(2,033)
Tax impact	(501)	306	104
Change in Actuarial reserve less tax impact	1,322	(2,032)	(1,929)
Consolidated comprehensive income for the period	245,286	607,690	269,857
Comprehensive income for the period – Non-controlling Interests	2,923	10,570	6,558
Comprehensive income for the period – Group	242,363	597,120	263,299

The accounting policies and the notes constitute an integral part of the Interim condensed consolidated financial statements.

Notes to the Interim condensed consolidated financial statements

1. General information

PRADA spa (the "Company"), together with its subsidiaries (jointly the "Group"), is listed on the Hong Kong Stock Exchange (HKSE code: 1913). It is one of the world leaders in the luxury goods sector where it operates with the Prada, Miu Miu, Church's and Car Shoe brands in the design, production and distribution of luxury handbags, leather goods, footwear, apparel and accessories. Moreover, in 2014, Prada acquired the 80% of Angelo Marchesi srl, owners of the historic Milanese pastry shop founded in 1824. The Group operates, under licensing agreements, in the eyewear and fragrances sectors. Its products are sold in 70 countries worldwide through a network that includes 605 Directly Operated Stores (DOS) at July 31, 2015, 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. At the date of these unaudited Interim condensed consolidated financial statements, 80% of the share capital is owned by PRADA Holding spa, a company domiciled in Italy, while the remaining shares were floating on the Main Board of the Hong Kong Stock Exchange.

The Interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors of PRADA spa on September 15, 2015.

2. Basis of preparation

The 2015 Interim condensed consolidated financial statements of the PRADA Group for the six months ended July 31, 2015, including the "Consolidated statement of financial position", the "Consolidated income statement", the "Statement of consolidated comprehensive income", the "Consolidated statement of cash flows", the "Statement of changes in consolidated shareholders' equity" and the "Notes to the Interim condensed consolidated financial statements" have been prepared in accordance with "IAS 34 Interim Financial Reporting" as endorsed by the European Union.

The Interim condensed consolidated financial statements should be read together with the Consolidated financial statements of the PRADA Group for the twelve months ended January 31, 2015, that were 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 Group has prepared the Interim condensed consolidated statement of financial position presenting separately current and non-current assets and liabilities. All the details needed for an accurate and complete information are provided in the relevant Notes. The consolidated income statement is classified by destination. The cash flow information is provided in the Consolidated statement of cash flows which has been prepared under the indirect method.

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

3. Amendments to IFRS

New standards and amendments issued by the IASB, endorsed by the European Union and applicable to the Prada Group from February 1, 2015

The following new IFRS and amendments to existing IFRS have been endorsed by the European Union and are applicable to the Prada Group effective from February 1, 2015. These changes do not have any significant impact to the Group as of the date of these consolidated financial statements:

- Annual improvements to IFRS (2011–2013 Cycle). Such improvements impacted:
  - "IFRS 1 First-time Adoption of IFRS", clarifying the meaning of "effective IFRS";
  - "IFRS 3 Business Combinations", clarifying that the IFRS does not apply to the accounting for the formation of a joint arrangement;
  - "IFRS 13 Fair Value Measurement", clarifying the application of the IFRS to financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk;
  - "IAS 40 Investment Property", clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

- Amendments to "IAS 19 Employee Benefits". IASB has amended the requirements in IAS 19 for contributions from employees or third parties that are linked to a service. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. If the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of IAS 19 for the gross benefit (i.e. either using the plan's contribution formula or on a straight-line basis). An entity shall apply those amendments for annual periods beginning on or after July 1, 2014, retrospectively in accordance with "IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors". Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact.

- Annual improvements to IFRS (2010–2012 Cycle). Such improvements, effective for annual periods beginning on or after July 1, 2014, impacted:
  - "IFRS 2 Share-based Payment", amending the definition of vesting condition;
  - "IFRS 3 Business Combinations", amending the accounting for contingent consideration in a business combination;
  - "IFRS 8 Operating Segments", requesting more disclosure when aggregating operating segments and requiring the reconciliation of the total of the reportable segments' assets to the entity's assets;
  - "IFRS 13 Fair Value Measurement", clarifying the impact of the standard on the measurement of short-term receivables and payables;
  - "IAS 16 Property, Plant and Equipment", amending the revaluation method;
  - "IAS 24 Related Party Disclosure", amending the definition of key management personnel;
  - "IAS 38 Intangible Assets", amending the revaluation method.

New standards and amendments issued by the IASB, endorsed by the European Union, but not yet applicable to the Prada Group as effective from annual periods beginning on or after January 1, 2016

None.

New standards and amendments issued by the IASB, but not yet endorsed by the European Union

- "IFRS 9 Financial instruments". This Standard will replace "IAS 39 Financial Instruments: Recognition and Measurement" in its entirety. An entity shall apply this Standard for annual periods beginning on or after January 1, 2018, with earlier application permitted. Such replacement project has been divided into three main phases, namely the measurement of financial assets and financial liabilities, the impairment methodology and the hedge accounting.

- "IFRS 14 Regulatory Deferral Accounts". This Standard, effective for annual periods beginning on or after January 1, 2016, permits an entity that adopts IFRS to continue to use, in its first and subsequent IFRS financial statements, its previous GAAP accounting policies for the recognition, measurement, impairment and de-recognition of regulatory deferral account balances without specifically considering the requirements of paragraph 11 of IAS 8. This new IFRS describes regulatory deferral account balances as amounts of expense or income that would not be recognized as assets or liabilities in accordance with other Standards, but that qualify to be deferred in accordance with this Standard because the amount is included, or is expected to be included, by the rate regulator in establishing the price that an entity can charge to customers for rate-regulated goods or services.

- "IFRS 15 Revenue from contracts with Customers". The core principle of IFRS 15, effective for annual periods beginning on or after January 1, 2017 (earlier application is permitted), is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should recognize revenue in accordance with that core principle by applying the following steps: identify the contract, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when the entity satisfies a performance obligation.

- Amendment to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization". The IASB amended "IAS 16 Property, Plant and Equipment" and "IAS 38 Intangible assets" clarifying that, even though the selection of an amortisation methodology involves the use of judgement, a revenue-based method is not considered to be an appropriate manifestation of consumption for depreciating an asset. An entity shall apply those amendments prospectively for annual periods beginning on or after January 1, 2016.

- Amendment to "IFRS 11 Accounting for Acquisitions of Interests in Joint Operations". This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in "IFRS 3 Business Combinations", to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in "IFRS 11 Joint Arrangements". In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. An entity shall apply that amendment in annual periods beginning on or after January 1, 2016.

- Amendments to IFRS 10, IFRS 12 and IAS 28. "IFRS 10 Consolidated Financial

Statements" has been amended to confirm that the exemption from preparing consolidated financial statements set out in paragraph 4(a) of IFRS 10 is available to a parent entity that is a subsidiary of an investment entity. This because an investment entity may measure all of its subsidiaries at fair value through profit or loss in accordance with paragraph 31 of IFRS 10. Those amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted, providing disclosure.

- Disclosure Initiative: Amendments to "IAS 1 Presentation of Financial Statements". This project is part of the IASB's overall disclosure initiative and it considers proposals such as:
  - adding an explanation in IAS 1 similar to more recent standards explaining that too much detail can obscure useful information;
  - clarifying that materiality applies to the whole financial statements and that information which is not material need not be presented in the primary financial statements or disclosed in the notes;
  - clarifying that some disclosures specified in standards are simply not important enough to justify separate disclosure for a particular entity;
  - making it clear that preparers should exercise professional judgment in presenting their financial reports;
  - remove the perception of a "normal order of presentation" of financial statements, making it easier for entities to provide more contextual information;
  - reducing restrictions on how accounting policies should be presented, allowing important accounting policies to be given greater prominence in financial reports;
  - adding additional explanations with examples of how IAS 1 requirements are designed to shape financial statements instead of specifying precise terms that must be used, including whether subtotals of IFRS numbers such as earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA) should be acknowledged in IAS 1;
  - adding a requirement that entities disclose and explain their net debt reconciliation.

The amendment will be applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

- Annual Improvements to IFRSs (2012–2014 Cycle). Such improvements, effective for annual periods beginning on or after January 1, 2016, impacted:
  - "IFRS 5 Non-current Assets Held for Sale and Discontinued Operations", changing the methods of disposal.
  - "IFRS 7 Financial Instruments: Disclosures", applying disclosure requirements to a servicing contract.
  - "IAS 19 Employee Benefits", clarifying the discount rate to be used for actuarial assumption.
  - "IAS 34 Interim Financial Reporting".

- Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The amendments address a conflict between the requirements of "IAS 28 Investments in Associates and Joint Ventures" and "IFRS 10 Consolidated Financial Statements" and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.

- Amendments to "IAS 27 Separate Financial Statements". The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.

As at the date these Consolidated financial statements were prepared, the European Union has not completed yet the endorsement of the new standards and amendments as described above.

4. Acquisitions and incorporation of companies

On February 1, 2015, Space USA Corp was incorporated into PRADA USA Corp and Space HK ltd was amalgamated with PRADA Asia Pacific ltd.

On March 31, 2015, the company PCS sas changed its corporate name into Tannerie Limoges sas.

On April 22, 2015, the company Montenapoleone 9 srl was incorporated by PRADA spa and Marchesi Angelo srl, 90% and 10% respectively, in order to develop the business activities of the Marchesi brand.

On May 19, 2015, PRADA spa established PRADA Denmark aps with the aim to develop commercial activities in Denmark.

On May 19, 2015, the company Car Shoe UK limited was liquidated.

On June 5, 2015, the deregistration of Car Shoe Hong Kong ltd was completed.

5. Operating segments

"IFRS 8 Operating Segments" requires that detailed information be provided for each operating segment that makes up the business. An operating segment is intended as a business division whose operating results are regularly reviewed by top management so that they can make decisions about the resources to be allocated to the segment and assess its performance.

The Group's matrix-based organizational structure - whereby responsibility is assigned cross-functionally in relation to brands, products, distribution channels and geographical areas, together with the complementary nature of the production processes of the various brands and the many relationships between the different business segments – means that operating segments that meet the IFRS 8 definition cannot be identified, as top management is only provided with income statement results on a Group-wide level. For this reason, the business has been considered as a single operating segment as this better represents the specific characteristics of the Prada Group business model.

Detailed information on net revenues by brand, geographical area, product and distribution channel, as well as non-current assets by geographical area are provided below. Information on net revenues is also reported in the Financial review where it is accompanied by further comments.

Net sales analysis

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	%	six months ended July 31 2014 (unaudited)	%	% change
Net sales by geographical area					
Italy	286,210	15.9%	286,808	16.6%	-0.2%
Europe	379,178	21.0%	361,539	20.9%	4.9%
Americas	264,912	14.7%	233,452	13.5%	13.5%
Asia Pacific	610,266	33.9%	619,221	35.8%	-1.4%
Japan	195,902	10.9%	175,262	10.1%	11.8%
Middle East	61,379	3.4%	51,930	3.0%	18.2%
Other countries	3,509	0.2%	2,688	0.1%	30.5%
Total	1,801,356	100.0%	1,730,900	100.0%	4.1%
Net sales by brand					
Prada	1,461,493	81.2%	1,431,114	82.7%	2.1%
Miu Miu	293,919	16.3%	256,031	14.8%	14.8%
Church's	38,379	2.1%	35,560	2.0%	7.9%
Car Shoe	5,514	0.3%	6,516	0.4%	-15.4%
Other	2,051	0.1%	1,679	0.1%	22.2%
Total	1,801,356	100.0%	1,730,900	100.0%	4.1%
Net sales by product line					
Clothing	288,229	16.0%	275,779	15.9%	4.5%
Leather goods	1,107,761	61.5%	1,110,715	64.2%	-0.3%
Footwear	370,415	20.6%	314,423	18.2%	17.8%
Other	34,951	1.9%	29,983	1.7%	16.6%
Total	1,801,356	100.0%	1,730,900	100.0%	4.1%
Net sales by distribution channel					
DOS	1,552,393	86.2%	1,442,161	83.3%	7.6%
Independent customers and franchises	248,963	13.8%	288,739	16.7%	-13.8%
Total	1,801,356	100.0%	1,730,900	100.0%	4.1%
Net sales	1,801,356	98.7%	1,730,900	98.8%	4.1%
Royalties	23,077	1.3%	20,415	1.2%	13.0%
Total net revenues	1,824,433	100.0%	1,751,315	100.0%	4.2%

Geographical information

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

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Italy	795,184	745,492
Europe	1,166,323	1,141,285
Americas	221,772	220,495
Asia Pacific	294,926	299,947
Japan	95,931	108,707
Middle East	31,888	32,474
Other countries	5,511	5,919
Total	2,611,535	2,554,319

The total amount of Euro 2,611.5 million (Euro 2,554 million at January 31, 2015) 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.

6. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Cash on hand	37,907	44,470
Bank deposit accounts	328,191	415,481
Bank current accounts	183,845	249,015
Total	549,943	708,966

At July 31, 2015, bank current accounts and deposit accounts generated interest income of between 0% and 3.10% per annum (between 0% and 3.25% at January 31, 2015).

Bank deposit accounts and bank current accounts

Bank deposit accounts are broken down by currency as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Euro	20,000	-
US Dollar	38,060	37,366
Korean Won	3,883	44,924
Hong Kong Dollar	257,721	319,387
Other currencies	8,527	13,804
Total bank deposit accounts	328,191	415,481

The Group seeks to mitigate the default risk on bank deposit accounts by allocating available funds to several accounts that differ in terms of currency, country and bank; these investments are always short-term in nature.

Bank current accounts are broken down by currency as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Euro	66,783	127,917
US Dollar	57,467	51,074
Korean Won	962	3,924
Hong Kong Dollar	4,409	5,465
GB Pound	4,709	5,420
Other currencies	49,515	55,215
Total bank current accounts	183,845	249,015

The Group maintains that there is no significant risk regarding bank current accounts as their use is strictly connected with the business operations and corporate processes and, as a result, the number of parties involved is fragmented.

7. Trade receivables, net

Trade receivables are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Trade receivables – third parties	322,342	317,147
Allowance for bad and doubtful debts	(7,907)	(7,784)
Trade receivables – related parties	33,058	36,921
Total	347,493	346,284

Trade receivables from related parties are made up of receivables due from Fratelli Prada spa, a retail company owned by the majority shareholders of parent company PRADA Holding spa, for Euro 24.6 million (Euro 29.3 million at January 31, 2015) and relating to the sale of finished products, services recharges and royalties as provided by the franchising agreement signed with the said related party. A complete breakdown of trade receivables from related parties is provided in Note 36.

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

Movements during the period were as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Opening balance (audited)	7,784	10,432
Change in scope of consolidation	-	17
Exchange differences	104	463
Increases	112	109
Uses	(58)	(3,173)
Reversals	(35)	(64)
Closing balance (unaudited)	7,907	7,784

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

(amounts in thousands of Euro)	July 31 2015 (unaudited)	Current	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables	355,400	279,619	28,608	13,528	9,721	2,296	21,628
Total	355,400	279,619	28,608	13,528	9,721	2,296	21,628

(amounts in thousands of Euro)	January 31 2015 (audited)	Current	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables	354,068	283,878	28,279	11,202	10,029	3,840	16,840
Total	354,068	283,878	28,279	11,202	10,029	3,840	16,840

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

(amounts in thousands of Euro)	July 31 2015 (unaudited)	Current	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables less allowance for doubtful accounts	347,493	278,822	28,608	13,528	9,721	2,296	14,518
Total	347,493	278,822	28,608	13,528	9,721	2,296	14,518

(amounts in thousands of Euro)	January 31 2015 (audited)	Current	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables less allowance for doubtful accounts	346,284	283,137	28,279	11,202	10,029	3,840	9,797
Total	346,284	283,137	28,279	11,202	10,029	3,840	9,797

At the reporting date, the expected loss on doubtful receivables was fully covered by the allowance for doubtful receivables.

8. Inventories, net

Inventories are analyzed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Raw materials	128,806	106,843
Work in progress	31,176	40,786
Finished products	683,060	571,115
Allowance for obsolete and slow moving inventories	(64,135)	(64,199)
Total	778,907	654,545

The increase in inventories was generally due to the different approach to replenishment and shipping which started in the last few months of 2014 and to the additional 11 DOS (net) since January 31, 2015.

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

(amounts in thousands of Euro)	Raw materials	Finished Products	Total
Balance at January 31, 2015 (audited)	26,798	37,401	64,199
Exchange differences	6	6	12
Utilization	-	(76)	(76)
Balance at July 31, 2015 (unaudited)	26,804	37,331	64,135

The allowance for obsolete and slow moving inventories has been adjusted to bring the value of inventories into line with estimated realizable amount.

9. Derivative financial instruments: assets and liabilities

Derivative financial instruments: assets and liabilities, current portion and non-current portion.

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Financial assets regarding derivative instruments – current	8,025	6,287
Financial assets regarding derivative instruments – non-current	1,408	1,106
Financial liabilities regarding derivative instruments – current	(37,627)	(56,772)
Financial liabilities regarding derivative instruments – non-current	(10,504)	(17,283)
Net carrying amount – current and non-current	(38,698)	(66,662)

The net carrying amount of derivative financial instruments, current and non-current taken together, consists of the following:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)	IFRS7 Category
Forward contracts	9,250	7,355	Level II
Options	31	38	Level II
Interest rate swaps	152	-	Level II
Positive fair value	9,433	7,393	
Forward contracts	(17,182)	(26,901)	Level II
Options	(22,357)	(34,287)	Level II
Interest rate swaps	(8,592)	(12,867)	Level II
Negative fair value	(48,131)	(74,055)	
Net carrying amount – current and non-current	(38,698)	(66,662)	

All of the above derivative instruments are qualified as Level II of the fair value hierarchy proposed by IFRS 7. The Group has not entered into any derivative contracts that may be qualified as Level I or III.

The fair values of derivatives arranged to hedge interest rate risks (IRS) and of derivatives arranged to hedge exchange rate risks (forward contracts and options) have been determined utilizing one of the valuation platforms in most widespread use on the financial market and are based on the interest rate curves and on spot and forward exchange rates at the reporting date.

The Group entered into the financial derivative contracts in the course of its risk management activities in order to hedge financial risks connected with exchange and interest rate fluctuations.

Foreign exchange rate transactions

The cash flows resulting from the Group's international activities are exposed to exchange rate volatility. In order to hedge this risk, the Group enters into options and forward sale and purchase agreements so as to guarantee the value in Euro (or in other currencies of the various subsidiaries) of identified cash flows. Expected future cash flows mainly regard the collection of trade receivables, settlement of trade payables and financial cash flows. The most important currencies in terms of hedged amounts are: Hong Kong Dollar, US Dollar, Japanese Yen, GB Pound, Korean Won, Swiss Franc and Chinese Renminbi.

At the reporting date, the notional amounts of the derivative contracts designated as foreign exchange risk hedges (as translated at the European Central Bank exchange rate at July 31, 2015) are as stated below.

Contracts in place at July 31, 2015, to hedge projected future trade cash flows.

(amounts in thousands of Euro)	Options	Forward sale contracts (*)	Forward purchase contracts (*)	July 31 2015 (unaudited)
Currency				
Hong Kong Dollar	94,670	5,954	-	100,624
US Dollar	77,961	-	-	77,961
Chinese Renminbi	49,631	22,354	(16,593)	55,392
Japanese Yen	4,988	64,163	-	69,151
GB Pound	25,067	26,701	(4,616)	47,152
Korean Won	-	41,026	-	41,026
Swiss Franc	-	10,118	(284)	9,834
Other currencies	6,577	42,609	(27,549)	21,637
Total	258,894	212,925	(49,042)	422,777

(*) Positive figures represent forward sales, negative figures represent forward purchases of currency.

Contracts in place at July 31, 2015, to hedge projected future financial cash flows.

(amounts in thousands of Euro)	Options	Forward sale contracts (*)	Forward purchase contracts (*)	July 31 2015 (unaudited)
Currency				
Swiss Franc	-	64,080	(11,074)	53,005
Brazilian Real	-	23,476	-	23,476
GB Pound	-	17,043	(1,619)	15,424
Japanese Yen	-	26,698	(8,802)	17,896
US Dollar	-	3,647	(57,901)	(54,254)
Other	-	15,145	(4,488)	10,658
Total	-	150,089	(83,884)	66,205

(*) Positive figures represent forward sales, negative figures represent forward purchases of currency.

All of the contracts in place at July 31, 2015, are due to mature within 12 months, except for several forward contracts to hedge future financial cash flows which mature after July 31, 2016, and whose notional net amount is Euro 78.3 million (forward sale contracts of Euro 79.9 million and forward purchase contracts of Euro 1.6 million).

Contracts in place at January 31, 2015, to hedge projected future trade cash flows.

(amounts in thousands of Euro)	Options	Forward sale contracts (*)	Forward purchase contracts (*)	January 31 2015 (audited)
Currency				
Hong Kong Dollar	182,117	28,661	-	210,778
US Dollar	197,258	-	(59,651)	137,607
Chinese Renminbi	99,237	33,692	(24,349)	108,580
Japanese Yen	22,017	91,824	(5,493)	108,348
GB Pound	55,252	38,610	(11,290)	82,572
Korean Won	-	71,430	-	71,430
Swiss Franc	-	18,283	(8,063)	10,220
Other currencies	17,749	72,756	(24,533)	65,972
Total	573,630	355,256	(133,379)	795,507

(*) Positive figures represent forward sales, negative figures represent forward purchases of currency

Contracts in place as at January 31, 2015, to hedge projected future financial cash flows.

(amounts in thousands of Euro)	Options	Forward sale contracts (*)	Forward purchase contracts (*)	January 31 2015 (audited)
Currency				
Swiss Franc	-	66,979	(15,082)	51,897
Brazilian Real	-	25,138	-	25,138
GB Pound	-	22,633	(1,518)	21,115
Japanese Yen	-	18,335	-	18,335
US Dollar	-	3,538	(56,172)	(52,634)
Other	-	10,934	-	10,934
Total	-	147,557	(72,772)	74,785

(*) Positive figures represent forward sales, negative figures represent forward purchases of currency

The contracts in place at January 31, 2015, expired during the six month period, except for forward sale contracts and options with maturity date after July 31, 2015, and totaling a notional net amount of Euro 466.6 million (forward sale contracts of Euro 282.7 million, forward purchase contract of Euro 75 million and option contract of Euro 258.9 million).

All contracts in place at the reporting date were entered into with leading financial institutions and the Group does not expect them to default.

Interest rate transactions

The Group enters into Interest Rate Swaps agreements (IRS) in order to hedge the risk of interest rate fluctuations in relation to several bank loans. The key features of the IRS agreements in place as at July 31, 2015, and January 31, 2015, are summarized as follows:

	Interest Rate Swap (IRS) Agreement					Hedged loan			
Contract	Currency	Notional amount	Interest rate	Maturity date	fair value July 31 2015 (unaudited)	Currency	Lending institution	Amount	Expiry
					(amounts in thousands of Euro)				
IRS	Euro/000	55,000	1.457%	23/05/2030	(2,160)	Euro/000	Intesa-Sanpaolo	55,000	05/2030
IRS	Euro/000	60,000	0.105%	09/03/2019	64	Euro/000	Unicredit	60,000	03/2019
IRS	GBP/000	59,400	2.828%	31/01/2029	(5,921)	GBP/000	Unicredit	59,400	01/2029
IRS	Yen/000	1,000,000	1.875%	31/03/2017	(93)	Yen/000	Mizuho	1,000,000	03/2017
IRS	Yen/000	3,000,000	1.369%	30/03/2020	(330)	Yen/000	Mizuho	3,000,000	03/2020
Total					(8,440)				

	Interest Rate Swap (IRS) Agreement					Hedged loan			
Contract	Currency	Notional amount	Interest rate	Maturity date	fair value January 31 2015 (audited)	Currency	Lending institution	Amount	Expiry
					(amounts in thousands of Euro)				
IRS	Euro/000	600	2.210%	01/07/2015	(6)	Euro/000	MPS	600	07/2015
IRS	Euro/000	55,000	1.457%	23/05/2030	(2,959)	Euro/000	Intesa-Sanpaolo	55,000	05/2030
IRS	GBP/000	60,000	2.828%	31/01/2029	(9,764)	GBP/000	Unicredit	60,000	01/2029
IRS	Yen/000	1,250,000	1.875%	31/03/2017	(138)	Yen/000	Mizuho	1,250,000	03/2017
Total					(12,867)				

The IRS agreements convert the variable interest rates applying to a series of loans into fixed interest rates. These agreements have been arranged with leading financial institutions and the Group does not expect them to default.

Movements on the cash flow hedge reserve included in Group shareholders' equity, before tax effects, since February 1, 2014, may be analyzed as follows:

(amounts in thousands of Euro)	
Balance at January 31, 2014 (audited)	5,155
Change in the translation reserve	32
Change in fair value, recognized in Equity	(78,233)
Change in fair value, charged to Income Statement	25,416
Balance at January 31, 2015 (audited)	(47,630)
Change in the translation reserve	1
Change in fair value, recognized in Equity	(14,605)
Change in fair value, charged to Income Statement	36,339
Balance at July 31, 2015 (unaudited)	(25,895)

Changes in the reserve that are charged to the Income Statement are recorded under Interest and other financial income/(expense), net or as operating income and expenses depending on the nature of the underlying.

10. Receivables from, and advance payments to, related parties, current and non-current

Receivables from and advances to parent company and other related parties are detailed below:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Financial receivables	-	11
Other receivables and advance payments	7,843	3,229
Receivables from, and advance payments to, related parties - current	7,843	3,240

The increase in the caption mainly relates to advance payments made in fulfillment of obligations under a consulting agreement signed with PRADA spa.

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Prepaid sponsorship	17,641	12,379
Deferred rental income – long-term	1,383	4,309
Loans	741	741
Receivables from, and advance payments to, related parties – non-current	19,765	17,429

Prepaid sponsorship refers to the amount paid to Luna Rossa Challenge srl in respect of the arrangements in force at July 31, 2015. Deferred rental income – long-term was recognized in application of "IAS 17 Leases" which requires rental income to be recognized on a constant basis.

Further information on related party transactions is provided in Note 36.

11. Other current assets

Other current assets are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
VAT	62,749	56,934
Income tax and other tax receivables	34,607	53,307
Other assets	29,380	11,454
Prepayments and accrued income	63,398	54,642
Deposits	2,923	4,296
Total	193,057	180,633

Other assets

Other assets are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Advertising contributions under license agreements	8,074	916
Advances to suppliers	7,554	2,351
Incentives for retail investments	7,257	3,950
Advances to employees	719	849
Other receivables	5,776	3,388
Total	29,380	11,454

Prepayments and accrued income

Prepayments and accrued income are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Rental charges	19,108	18,741
Insurance	3,494	2,380
Design costs	14,938	14,629
Fashion shows and advances on advertising campaigns	8,970	3,752
Consulting	3,493	3,922
Amortized costs on loans	1,154	1,286
Other	12,241	9,932
Total	63,398	54,642

Prepaid design costs mainly include costs incurred for the conception and realization of collections that will generate revenue after July 31, 2015.

Deposits

Deposits mainly include guarantee deposits paid under commercial lease agreements.

12. Property, plant and equipment

Changes in the historical cost of Property, plant and equipment in the period ended July 31, 2015, and in prior year are as follows:

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improve-ments	Furniture & fittings	Other tangibles	Assets under construction	Total historical cost
Balance at January 31, 2014 (audited)	440,557	122,395	950,401	315,112	129,490	109,358	2,067,313
Change in scope of consolidation	-	185	-	100	101	-	386
Additions	78,474	9,189	109,969	47,027	9,733	129,570	383,962
Disposals	(1,418)	(580)	(1,096)	(2,707)	(766)	(1,655)	(8,222)
Exchange differences	20,655	777	106,797	27,952	2,788	7,900	166,869
Other movements	1,646	121	22,729	6,389	257	(32,016)	(874)
Impairment	-	(1)	(16,058)	(8,547)	(752)	(291)	(25,649)
Balance at January 31, 2015 (audited)	539,914	132,086	1,172,742	385,326	140,851	212,866	2,583,785
Change in scope of consolidation	-	-	-	-	-	-	-
Additions	32,044	5,519	45,766	10,815	2,051	58,011	154,206
Disposals	-	(212)	(2,898)	(1,052)	(202)	(76)	(4,440)
Exchange differences	15,641	627	15,590	3,889	308	842	36,897
Other movements	57,811	2,631	47,981	8,401	227	(117,358)	(307)
Impairment	-	(41)	(8,707)	(3,406)	(444)	-	(12,598)
Balance at July 31, 2015 (unaudited)	645,410	140,610	1,270,474	403,973	142,791	154,285	2,757,543

Changes in accumulated depreciation of Property, plant and equipment during the period ended July 31, 2015, and in prior year are as follows:

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improvements	Furniture & fittings	Other tangibles	Total accum. depreciation
Balance at January 31, 2014 (audited)	49,880	102,116	463,174	161,684	60,267	837,121
Change in scope of consolidation	-	143	-	80	78	301
Depreciation	9,483	8,525	146,006	39,451	9,997	213,462
Disposals	(745)	(549)	(632)	(2,161)	(664)	(4,751)
Exchange differences	3,356	703	65,433	14,474	1,608	85,574
Other movements	-	(27)	(478)	23	(21)	(503)
Impairment	-	(1)	(14,063)	(6,886)	(687)	(21,637)
Balance at January 31, 2015 (audited)	61,974	110,910	659,440	206,665	70,578	1,109,567
Change in scope of consolidation	-	-	-	-	-	-
Depreciation	5,302	4,934	86,269	24,755	5,292	126,552
Disposals	-	(135)	(495)	(827)	(176)	(1,633)
Exchange differences	1,055	572	10,700	2,318	253	14,898
Other movements	1	(1)	87	(188)	5	(96)
Impairment	-	22	(8,573)	(2,951)	(411)	(11,913)
Balance at July 31, 2015 (unaudited)	68,332	116,302	747,428	229,772	75,541	1,237,375

Changes in the net book value of Property, plant and equipment in period ended July 31, 2015, and in prior year are as follows:

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improve-ments	Furniture & fittings	Other tangibles	Assets under construction	Total net book value
Balance at January 31, 2014 (audited)	390,677	20,279	487,227	153,428	69,223	109,358	1,230,192
Change in scope of consolidation	-	42	-	19	24	-	85
Additions	78,473	9,189	109,969	47,027	9,733	129,570	383,961
Depreciation	(9,483)	(8,525)	(146,006)	(39,452)	(9,997)	-	(213,463)
Disposals	(672)	(31)	(465)	(546)	(103)	(1,655)	(3,472)
Exchange differences	17,299	74	41,365	13,478	1,180	7,900	81,296
Other movements	1,646	148	23,207	6,367	277	(32,016)	(371)
Impairment	-	-	(1,995)	(1,660)	(64)	(291)	(4,010)
Balance at January 31, 2015 (audited)	477,940	21,176	513,302	178,661	70,273	212,866	1,474,218
Change in scope of consolidation	-	-	-	-	-	-	-
Additions	32,044	5,519	45,766	10,815	2,051	58,011	154,206
Depreciation	(5,302)	(4,934)	(86,269)	(24,755)	(5,292)	-	(126,552)
Disposals	-	(77)	(2,403)	(224)	(26)	(76)	(2,806)
Exchange differences	14,586	56	4,889	1,571	55	842	21,999
Other movements	57,811	2,631	47,893	8,588	222	(117,357)	(212)
Impairment	-	(63)	(134)	(455)	(33)	-	(685)
Balance at July 31, 2015 (unaudited)	577,079	24,308	523,044	174,201	67,250	154,286	1,520,168

Additions to land and buildings include the expenses incurred to complete the realization of the new Milan headquarters of the Prada Foundation, an art museum built on an overall surface of 19,000 m^2 and designed by OMA, the architectural firm led by Rem Koolhaas. The remainder consists of facilities purchased to improve manufacturing activities.

Additions to Production plant and machinery mainly relate to purchases of equipment for use in manufacturing processes.

The increases in leasehold improvements, furniture and fixture and Assets under construction were mostly explained by the Group's strategy of retail network expansion and renovation. Total capital expenditure in the retail channel for the six months ended July 31, 2015, is summarized as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Stores opened during the year	89,411	155,576
of which stores already opened during the year	*77,368*	*102,493*
of which stores opening soon	*12,043*	*53,083*
Purchases, refurbishment and relocation of existing stores	23,778	105,367
Total retail capital expenditure	113,189	260,943

The impairment adjustments recorded for the six months ended July 31, 2015, essentially relate to several projects for the relocation and renewal of retail premises. At July 31, 2015, all of the Group's land outside Hong Kong was owned on a freehold basis.

13. Intangible assets

Changes in the historical cost of Intangible assets in the period ended July 31, 2015, and in prior year are as follows:

(amounts in thousands of Euro)	Trademarks	Goodwill	Store Lease Acquisitions	Software	Development costs and other intangible assets	Assets in progress	Total historical cost
Balance at January 31, 2014 (audited)	394,685	534,470	180,455	74,245	64,884	5,343	1,254,082
Change in scope of consolidation	-	7,975	22,065	2	1	-	30,043
Additions	494	-	14,677	3,164	177	17,133	35,645
Disposals	-	(711)	-	(21)	(52)	(1)	(785)
Exchange differences	7,425	2,650	9,043	763	2	57	19,940
Other movements	-	670	1,829	629	-	(3,678)	(550)
Impairment	-	-	(256)	(7)	-	(41)	(304)
Balance at January 31, 2015 (audited)	402,604	545,054	227,813	78,775	65,012	18,813	1,338,071
Change in scope of consolidation	-	-	-	-	-	-	-
Additions	153	257	251	1,094	96	20,175	22,026
Disposals	-	-	(2,486)	-	-	-	(2,486)
Exchange differences	5,795	2,068	(619)	113	-	(30)	7,327
Other movements	-	40	15,372	1,335	-	(16,996)	(249)
Impairment	-	(516)	(273)	(157)	(326)	-	(1,272)
Balance at July 31, 2015 (unaudited)	408,552	546,903	240,058	81,160	64,782	21,962	1,363,417

Changes in the accumulated amortization of Intangible assets during the period ended July 31, 2015, and in prior year are as follows:

(amounts in thousands of Euro)	Trademarks	Goodwill	Store Lease Acquisitions	Software	Development costs and other intangible assets	Total accumulated amortization
Balance at January 31, 2014 (audited)	111,772	30,097	101,461	63,608	45,855	352,793
Change in scope of consolidation	-	-	-	-	-	-
Amortization	11,097	1	17,950	3,655	2,481	35,184
Disposals	-	(711)	-	(15)	(52)	(778)
Exchange differences	2,503	1,782	2,727	707	2	7,721
Other movements	-	671	(561)	(1)	1	110
Impairment	-	-	(256)	(7)	-	(263)
Balance at January 31, 2015 (audited)	125,372	31,840	121,321	67,947	48,287	394,767
Change in scope of consolidation	-	-	-	-	-	-
Amortization	5,790	-	10,487	1,968	1,006	19,251
Disposals	-	-	(558)	-	-	(558)
Exchange differences	2,027	1,391	272	148	-	3,838
Other movements	-	49	53	-	-	102
Impairment	-	(436)	-	(157)	(326)	(919)
Balance at July 31, 2015 (unaudited)	133,189	32,844	131,575	69,906	48,967	416,481

Changes in the net book value of Intangible assets during the period ended July 31, 2015, and in prior year are as follows:

(amounts in thousands of Euro)	Trademarks	Goodwill	Store Lease Acquisitions	Software	Development costs and other intangible assets	Assets in progress	Total net book value
Balance at January 31, 2014 (audited)	282,913	504,373	78,994	10,637	19,029	5,343	901,289
Change in scope of consolidation	-	7,975	22,065	2	1	-	30,043
Additions	494	-	14,677	3,166	177	17,133	35,647
Amortization	(11,097)	(1)	(17,950)	(3,655)	(2,482)	-	(35,185)
Disposals	-	-	-	(7)	-	(1)	(8)
Exchange differences	4,922	867	6,316	57	-	57	12,219
Other movements	-	-	2,390	628	-	(3,678)	(660)
Impairment	-	-	-	-	-	(41)	(41)
Balance at January 31, 2015 (audited)	277,232	513,214	106,492	10,828	16,725	18,813	943,304
Change in scope of consolidation	-	-	-	-	-	-	-
Additions	153	257	251	1,094	96	20,175	22,026
Amortization	(5,790)	-	(10,486)	(1,968)	(1,006)	-	(19,250)
Disposals	-	-	(1,928)	-	-	-	(1,928)
Exchange differences	3,768	677	(892)	(35)	-	(30)	3,488
Other movements	-	(8)	15,317	1,335	-	(16,996)	(352)
Impairment	-	(80)	(272)	-	-	-	(352)
Balance at July 31, 2015 (unaudited)	275,363	514,060	108,482	11,254	15,815	21,962	946,936

The net book value of Trademarks is broken down as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Miu Miu	157,046	159,811
Church's	104,048	102,502
Luna Rossa	3,678	4,169
Car Shoe	5,147	5,237
Prada	3,905	3,985
Other	1,539	1,528
Total	275,363	277,232

No impairment losses were recorded in relation to the Group's trademarks for the six months ended July 31, 2015. Trademark registration costs are included in Other.

Total capital expenditure on Property, plant and equipment and Intangible assets for the six months ended July 31, 2015, was Euro 176.2 million.

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Retail	113,189	260,943
Production and logistics	25,314	58,927
Corporate	37,732	129,865
Total	176,235	449,735

Impairment test

As required by "IAS 36 Impairment of assets", goodwill with an indefinite useful life is not amortized. Instead, it is tested for impairment at least once a year. As at July 31, 2015, Goodwill amounted to Euro 514.1 million, detailed by Cash Generating Unit (CGU) as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Italy Wholesale	78,355	78,355
Asia Pacific and Japan Retail	311,936	311,936
Italy Retail	25,850	25,850
Germany and Austria Retail	5,064	5,064
United Kingdom Retail	9,300	9,300
Spain Retail	1,400	1,400
France and Monte Carlo Retail	11,700	11,700
North America Retail and Wholesale	48,000	48,000
Production division	3,660	3,492
Church's	10,820	10,142
Marchesi Angelo	7,975	7,975
Total	514,060	513,214

No evidence emerged during the period under review to suggest any indication of impairment. However, as value in use is measured based on estimates, the Group cannot guarantee that the value of goodwill or other intangible assets will not be impaired in future.

14. Associated undertakings

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Investment in associated undertaking	1,738	1,738
Investment available for sale	24,015	28,777
Other investments	16	14
Total	25,769	30,529

Investment in associated undertaking regards a 49% interest in Pac srl (in liquidation), an unlisted company based in Italy, which has been measured under the equity method.

Investment available for sale regards the 4.88% stake in the share capital of Sitoy Group Holdings ltd, a company listed on Hong Kong Stock Exchange that operates on the Asian market in the production of leather bags and other products. In accordance with "IAS 39 Financial instruments: measurement and impairment", the investment was initially recognized at cost and subsequently restated at fair value in line with the official quoted share price on the Hong Kong Stock Exchange as at July 31, 2015 (Level I of the fair value hierarchy per "IFRS 7 Financial Instruments: Disclosures"). Changes to fair value compared to January 31, 2015 – negative by Euro 4.8 million – have been recognized in a specific equity reserve, net of the taxation effect (Euro 1.2 million). In 2015, the Group collected net dividends from Sitoy Group Holdings totaling HKD 13.4 million (Euro 1.6 million).

15. Other non-current assets

Other non-current assets are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Guarantee deposits	73,144	70,004
Deferred rental income	13,625	9,056
Pension fund surplus	2,683	2,515
Other long-term assets	12,128	9,778
Total	101,580	91,353

Guarantee deposits are analyzed below by nature and maturity:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Nature:		
Stores	69,735	66,568
Offices	2,184	2,175
Warehouses	182	182
Other	1,043	1,079
Total	73,144	70,004

(amounts in thousands of Euro)	July 31 2015 (unaudited)
Maturity:	
By 31.07.2017	11,597
By 31.07.2018	9,747
By 31.07.2019	14,599
By 31.07.2020	16,447
After 31.07.2020	20,754
Total	73,144

At July 31, 2015, pension fund surplus amounted to Euro 2.7 million and represents the actuarial valuation of the post employment pension plans the Group has in the United Kingdom, as also indicated in Note 22.

16. Bank overdraft and short-term loans

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Bank overdrafts and commercial lines of credit	30	93
Short-term bank loans	337,122	221,639
Current portion of long term loans	42,487	42,074
Deferred costs on loans	(486)	(471)
Total	379,153	263,335

The increase in Short-term bank loans was mainly due to the almost full drawdown of the revolving line of credit of Euro 315 million, arranged by PRADA spa on December 1, 2015, with a pool of banks (drawn for Euro 150 million at January 31, 2015). At the same time, during the six months, the Group reimbursed Short-term banks loans in Japanese Yen and Renminbi for a total amount of some Euro 50 million.

The Euro 315 million pool loan is subject to compliance with several covenants determined based on the PRADA spa Consolidated financial statements. Specifically, the ratio between total net bank borrowing and EBITDA must not exceed 3 and the ratio between EBITDA and total net interest expenses must exceed 4. The covenants were respected at July 31, 2015.

Short-term bank loans at July 31, 2015, also include committed lines of credit of PRADA Japan co ltd which are subject to a series of covenants based on the financial statements of PRADA Japan that were fully respected at July 31, 2015.

The Current portion of long-term loan includes the mortgage loan provided by Cassa di Risparmio Parma e Piacenza to PRADA spa in 2008 and reported for Euro 2.6 million at July 31, 2015 (Euro 5.2 million at January 31, 2015). Security for this loan consists of a mortgage on a real estate property in Tuscany used by the Group for leather goods division logistics activities.

The Current portion of long-term bank loans at January 31, 2015, included Euro 0.6 million related to a secured loan arranged by PRADA spa with the Monte dei Paschi di Siena Group in 2008 which was reimbursed during the six month period.

Short-term bank loans and the current portion of long-term borrowings by currency are analyzed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Euro	321,987	157,883
Japanese Yen	43,038	73,571
Chinese Renminbi	5,573	24,477
Other currencies	9,011	7,782
Total	379,609	263,713

The Group generally borrows at variable rates of interest and manages the risk of interest rate fluctuation by entering into hedging agreements as described in Note 9.

Considering hedges in place at the reporting date, some 41% of the current portion of medium/long term loans consisted of fixed rate loans (15% at January 31, 2015) with variable rate loans making up the remaining 59% (85% at January 31, 2015).

Bank borrowings are stated net of amortized costs incurred to arrange the loans (Euro 0.5 million short-term and Euro 1.5 million medium/long term).

17. Payables to related parties – current and non-current

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

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Financial payables	2,444	2,371
Other payables	680	712
Payables to related parties - current	3,124	3,083

Financial payables towards other related parties, totaling Euro 2.4 million at July 31, 2015, include an interest-free loan provided by Al Tayer, the non-controlling shareholder of PRADA Middle East fzco, according to the number of shares held by it in said company. Details of payables to the parent company and other related parties are provided in Note 36.

The non-current portion of payables to parent company and other related parties is detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Other payables –related companies	-	13,384
Payables to related parties – non-current	-	13,384

As a result of transactions with Non-controlling shareholders of a Group's subsidiary during the six months ended July 31, 2015, Fin-reta srl is no longer a related party but a third party. Consequently, the payables in question are now reported under "Other non-current liabilities".

18. Trade payables

Trade payables are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Trade payables – third parties	355,383	410,977
Trade payables – related parties	23,443	26,443
Total	378,826	437,420

The reduction in trade payables followed a different phasing of the procurement strategy of raw materials which was anticipated compared to the past. A complete breakdown of trade payables to related parties is provided in Note 36.

The following table summarizes trade payables by maturity date:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	Current	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade payables	378,826	331,478	24,621	8,080	3,718	2,253	8,676
Total	378,826	331,478	24,621	8,080	3,718	2,253	8,676

(amounts in thousands of Euro)	January 31 2015 (audited)	Current	Overdue (days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade payables	437,420	392,284	21,893	10,967	1,936	1,424	8,916
Total	437,420	392,284	21,893	10,967	1,936	1,424	8,916

19. Tax payables

Tax payables are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Current income taxes	68,953	97,007
VAT and other taxes	36,557	36,907
Total	105,510	133,914

Net of current income tax receivables (Euro 34.6 million – Note 11), current income tax payables total Euro 34.3 million at July 31, 2015 (Euro 43.7 million at January 31, 2015).

20. Other current liabilities

Other current liabilities are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Payables for capital expenditure	58,313	128,346
Accrued expenses and deferred income	17,632	17,354
Other payables	71,478	74,780
Total	147,423	220,480

Payables for capital expenditure include liabilities for capital expenditure for Property, plant and equipment and Intangible assets. The decrease compared to January 31, 2015, is due to the payment of Euro 55 million for the purchase of the property in Milan used as the Company's headquarter.

Other payables are detailed as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Short term benefits for employees and other personnel	55,693	60,332
Customer advances	6,743	4,725
Returns from customers	7,042	7,813
Other	2,000	1,910
Total	71,478	74,780

21. Long-term financial payables

Long-term financial payables are analyzed below:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Long-term bank borrowings	300,374	126,671
Bonds	130,000	130,000
Deferred costs on loans	(1,545)	(1,468)
Total	428,829	255,203

During the period, in order to give itself more financial flexibility, the Group took advantage of the favorable conditions on the credit market and arranged the following new long-term bank borrowings:

- Euro 40 million with Intesa-Sanpaolo and Euro 60 million with Unicredit; these loans are subject to compliance with several covenants based on the PRADA spa Consolidated financial statements. The covenants were respected at July 31, 2015.
- Bilateral loans for a total amount of Japanese Yen 5 billion with several Japanese banks, as detailed in the table below.

In addition during the six months the Group made the drawdown of the Euro 55 million long-term loan arranged with Intesa-Sanpaolo Group by PRADA spa on June 23, 2014, and secured by a mortgage on the property in Milan used as the Company's headquarter. The loan is repayable in equal installments from November 2015.

The Group generally borrows at variable rates of interest and manages the risk of interest rate fluctuation by entering into hedging agreements as described in Note 9.

At July 31, 2015, some 83% of long-term loans consisted of fixed rate loans (83% at January 31, 2015) with variable rate loans making up the remaining 17% (17% at January 31, 2015).

Details of long-term borrowings at July 31, 2015, are provided below:

Borrower	amount in thousands of Euro	Loan currency	Lender	Expiry date	Interest rate (1)
PRADA spa	130,000	Euro	Bonds	08/2018	2.750%
PRADA spa	60,000	Euro	Unicredit	03/2019	0.755%
PRADA spa	51,333	Euro	Intesa SanPaolo	05/2030	2.737%
PRADA spa	40,000	Euro	Intesa SanPaolo	02/2019	0.608%
PRADA Middle East FZCO	1,411	US Dollar	ENBD	09/2016	3.184%
PRADA Japan Co. Ltd	3,667	Japanese Yen	Mizuho Bank	03/2017	1.875%
PRADA Japan Co. Ltd	2,934	Japanese Yen	Sumitomo Mitsui Trust	08/2016	0.638%
PRADA Japan Co. Ltd	7,041	Japanese Yen	Syndicate loan	07/2018	1.057%
PRADA Japan Co. Ltd	19,802	Japanese Yen	Syndicate loan	01/2018	1.057%
PRADA Japan Co. Ltd	17,603	Japanese Yen	Mizuho Bank	03/2020	1.360%
PRADA Japan Co. Ltd	5,868	Japanese Yen	MUFG	03/2020	0.810%
PRADA Japan Co. Ltd	2,934	Japanese Yen	Sumitomo Mitsui Trust	03/2020	1.180%
PRADA Japan Co. Ltd	2,494	Japanese Yen	SMBC	03/2018	0.455%
Kenon Ltd	82,446	GB Pound	Unicredit	01/2029	4.477%
Church & Co. ltd	2,841	GB Pound	HSBC	05/2018	2.064%
Total	430,374				

(1) the interest rates include, where applicable, the effect of any interest rate risk hedging transactions

The loan from Sumitomo Mitsui Trust Bank is subject to compliance with a number of parameters based on the statutory financial statements of PRADA Japan co ltd – the parameters were respected in full at July 31, 2015.

The Bonds reported for a net amount of Euro 129 million (nominal amount of Euro 130 million as adjusted by Euro 1 million following application of the amortized cost method). Their fair value, as determined based on the official listed price on the Irish Stock Exchange at July 31, 2015, is Euro 136 million.

All bank borrowing is analyzed by security profile as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Secured	141,972	85,685
Unsecured	668,041	434,792
Total	810,013	520,477

Other than PRADA spa, no Group company had issued any debt securities at July 31, 2015.

22. Post-employment benefits

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Post-employment benefits	44,150	45,638
Other long term employee benefits	21,754	40,116
Total liabilities for long term benefits	65,904	85,754
Post-employment benefit (pension plan surplus)	2,683	2,515
Net liabilities for long term benefits	63,221	83,239

Liabilities and assets for post-employment benefits reported at July 31, 2015, totaled a net amount of Euro 63.2 million (Euro 83.2 million at January 31, 2015) and all were qualified as defined benefit plans. The pension plan surplus relates to Group companies operating in the United Kingdom. It amounts to Euro 2.7 million at July 31, 2015, against Euro 2.5 million at January 31, 2015. This item is included in Other non-current assets, Note 11.

The post-employment benefits totaling Euro 44.2 million includes Euro 24.2 million (Euro 26.3 million at January 31, 2015) of liabilities recorded in the financial statements of Italian companies and Euro 19.9 million reported by non-Italian companies (Euro 19.4 million at January 31, 2015). The Italian liabilities for post-employment benefits regard the *"Trattamento di Fine Rapporto"* (hereinafter "TFR", i.e. staff leaving indemnity), a deferred employee benefit that must be paid by Italian businesses and is linked to length of working life and remuneration received. The present value of the liability as reported was determined projecting the benefit, accruing under Italian law at the reporting date, to the future date when the employment relationship will be terminated and discounting it at the reporting date using the actuarial "Projected Unit Credit Method (PUCM)".

The following table shows movements on liabilities for post-employment benefits in the year ended July 31, 2015.

(amounts in thousands of Euro)	Defined Benefit Plans in Italy (TFR)	Defined Benefit Plans abroad (including Japan)	Pension Funds UK	Other long-term employee benefits	Total
Balance at January 31, 2015 (audited)	26,265	19,373	(2,515)	40,116	83,239
Current service cost	770	1,140	-	4,563	6,473
Interest expenses (income)	14	-	-	44	58
Actuarial (gains)/losses	(1,822)	-	-	343	(1,479)
Benefits paid	(1,073)	(15)	-	(23,388)	(24,476)
Contributions	-	-	-	-	-
Exchange differences	-	(452)	(168)	76	(544)
Other movements	-	(50)	-	-	(50)
Balance at July 31, 2015 (unaudited)	24,154	19,996	(2,683)	21,754	63,221

The current service cost and the interest expense/(income) were recognized through income statement. For the Other long-term employee benefits only, actuarial differences were also recognized through the income statement. The TFR liability was determined based on an independent appraisal by Federica Zappari, an Italian registered actuary (no 1134) of *Ordine Nazionale degli Attuari*. The technical part of the computation was based on an historical analysis of the data. For the demographic assumptions, variables such as the likelihood of death, early retirement and resignation, dismissal, expiry of employment contract, advance payment on leaving indemnities and supplementary pension schemes were considered.

The pension plans relates to subsidiaries operating in the United Kingdom which provide pension services for their employees. As at July 31, 2015, these pension plans had a fair value of Euro 2.7 million (net surplus of Euro 2.5 million as at January 31, 2015).

Other long-term employee benefits

Other long-term employee benefits come under the IAS 19 category "Other long-term employee benefits" and relate to long-term retention and performance plans recognized in favor of Group employees. As at July 31, 2015, their actuarial valuation, obtained using the Projected Unit Cost Method, was Euro 21.8 million (Euro 40.1 million as at January 31, 2015), as determined based on an independent actuarial appraisal. The decrease in 2015 regards the payments of Euro 23.4 million.

23. Provisions for risks and charges

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, 2015 (audited)	1,876	25,537	36,282	63,695
Exchange differences	14	2	654	670
Reclassifications	-	-	-	-
Reversals	(120)	-	(237)	(357)
Utilized	(8)	-	(682)	(690)
Increases	151	91	4,299	4,541
Balance at July 31, 2015 (unaudited)	1,913	25,630	40,316	67,859

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 is reasonable considering the liabilities that might arise. During the six months ended July 31, 2015, there were no significant developments regarding litigation ongoing at January 31, 2015. Moreover, no new contingencies requiring significant adjustment to the provisions for risks and charges reported at July 31, 2015, emerged.

24. Other non-current liabilities

Other non-current liabilities amount to Euro 153.5 million (Euro 128.8 million as at January 31, 2015). They mainly regarded liabilities to be recognized on a straight-line basis in relation to commercial lease costs.

25. Shareholders' equity - Group

The Group's shareholders' equity is as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Share Capital	255,882	255,882
Share premium reserve	410,047	410,047
Other reserves	1,959,311	1,790,771
Actuarial reserve	(12,159)	(13,481)
Fair value reserve	7,544	11,115
Cash flow hedge reserve	(19,279)	(35,323)
Translation reserve	170,970	130,996
Net income for the period	188,593	450,730
Total	2,960,909	3,000,737

Share capital

At July 31, 2015, 80% of the share capital of PRADA spa was held by PRADA Holding spa while the remainder was floating on the Main Board of the Hong Kong Stock Exchange.

Share premium reserve

The share premium reserve of Euro 410 million is unchanged compared to January 31, 2015.

Translation reserve

Movements on this reserve relate to the translation of foreign currency financial statements of consolidated companies. The reserve passed from Euro 131 million at January 31, 2015, to Euro 171 million at July 31, 2015. The main reason for this change (Euro 40 million) lies in the constant strengthening of the Hong Kong Dollar, the GB Pound and the US Dollar which have gained 3%, 6.3% and 3%, respectively, against the Euro compared to the opening exchange rates.

Other reserves

At July 31, 2015, other reserves amounted to Euro 1,959.3 million (Euro 1,790.8 million at January 31, 2015). They increased by Euro 168.5 million compared to January 31, 2015, due to allocation of net income for the previous year (Euro 450.7 million), net of the distribution of dividends to PRADA spa shareholders (Euro 281.5 million).

Net income for the period

The Group's net income for the six months ended July 31, 2015, amounted to Euro 188.6 million (Euro 450.7 million for the twelve months ended January 31, 2015).

Capital gains tax in Italy

Capital gains realized on disposals of shares in the Company may be subject to tax in Italy. Further details of Italian capital gains taxation are provided in the Tax Booklet available on the Company's website www.pradagroup.com.

26. Shareholders' equity – Non-controlling interests

The following table shows movements on the Shareholders' equity of Non-controlling interests during the periods ended July 31, 2015, and January 31, 2015.

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Opening balance	17,410	13,986
Translation differences	(47)	2,085
Dividends	(3,229)	(9,378)
Net income for the period	2,971	8,488
Actuarial reserve	-	(3)
Capital injection in subsidiaries by non-controlling shareholders	409	2,125
Acquisition of Marchesi Angelo srl	-	107
Transaction with minority interests	(39)	-
Closing balance	17,475	17,410

27. Net revenues

Consolidated net revenues are mainly generated by sales of products and are stated net of returns and discounts.

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Net sales	1,801,356	1,730,900
Royalties	23,077	20,415
Total	1,824,433	1,751,315

A breakdown of net sales by brand, distribution channel, geographical area and product, as well as details on royalties, are provided in the Financial review.

28. Cost of goods sold

Cost of goods sold is analyzed as follows:

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Purchases of raw materials and production costs	510,894	476,558
Logistics costs, duties and insurance	100,628	95,641
Change in inventories	(113,002)	(78,484)
Total	498,520	493,715

The cost of goods sold decreased as a percentage of net revenues as it went down from 28.2% in the first six months of 2014 to 27.3%. The efficiency was due, despite a less favorable product and geographical mix, to improvements on industrial costs as well as to the positive impact of exchange rates.

29. Operating expenses

Operating expenses are analyzed as follows:

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	% of net revenues	six months ended July 31 2014 (unaudited)	% of net revenues
Product design and development costs	69,308	3.8%	69,686	4.0%
Advertising and communications costs	98,534	5.4%	76,535	4.4%
Selling costs	751,977	41.2%	639,366	36.5%
General and administrative costs	112,880	6.2%	98,855	5.6%
Total	1,032,699	56.6%	884,442	50.5%

Advertising and communications costs increased from Euro 76.5 million in the first six months of the 2014 year to Euro 98.5 million, essentially following the higher spending in the current period for media, events and sponsorships. There was a concentration of this spending in the first quarter of 2015 where many promotional initiatives were programmed. In the six month period, the Group confirmed its commitment to support innovative and worldwide resonant projects aimed at promoting image and long-term value, such as the initiatives of the Prada Foundation, the third party entity that operates the art museum in Milan unveiled on May 9, 2015.

Selling costs increased from Euro 639.4 million in the first six months of the 2014 to Euro 752 million. The expansion of the retail network, combined with the increases generated by the weakness of the Euro, raised the total amount of the expenses for this corporate area, which means rent, depreciation and labor costs.

The general and administrative costs increased from Euro 98.9 million to Euro 112.9 million, essentially because of the aforementioned movements in the currencies and some one-off expenses incurred in the first three months of the year to carry out the reorganization of some business processes.

As required by "IAS 1 Presentation of financial statements", the following table shows the depreciation, amortization and impairment costs, labor costs and rental costs included in operating expenses.

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Depreciation, amortization and impairment	139,796	113,878
Labor cost	301,518	265,077
Variable rent	180,735	148,198
Fixed rent	145,296	123,822
Total	767,345	650,975

30. Interest and other financial income/(expense), net

Interest and other financial income/(expenses), net are analyzed as follows:

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Interest expenses on borrowings	(7,592)	(6,020)
Interest expenses IAS 19	(58)	(101)
Interest income	1,548	1,713
Exchange gains / (losses) – realized	3,930	3,031
Exchange gains/ (losses) – unrealized	(5,360)	(6,707)
Other financial income / (expenses)	(1,541)	(1,408)
Total	(9,073)	(9,492)

Interest expenses on borrowings have increased compared to 2014 because of the higher level of borrowings on average. Exchange losses, net mainly refer to the fluctuation of the Euro currency against the US Dollar, the HK Dollar and the Swiss Franc in relation to monetary financial assets and liabilities outstanding at the reporting date.

31. Dividends from investments

As at July 31, 2015, the Group held a 4.88% interest (unchanged on prior year) in Sitoy Group Holdings ltd, a company listed on Hong Kong Stock Exchange (HK: 1023).

In 2015, the dividends collected from said company amounted to Euro 1,562 thousand (Euro 455 thousand in 2014).

32. Income taxes

Income taxes are analyzed as follows:

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Current taxation	114,514	123,157
Deferred taxation	(20,375)	(10,082)
Income taxes	94,139	113,075

In absolute terms, the tax burden for the period is lower than July 31, 2014 (down from Euro 113.1 million to Euro 94.1 million), but the relevant tax rate went up from 31.1% to 32.9% essentially following a different mix of the taxable income in terms of geography.

Movements on net deferred tax assets and deferred tax liabilities are shown in the following table:

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	twelve months ended January 31 2015 (audited)
Opening balance	239,349	158,574
Exchange differences	2,380	21,549
Deferred taxes on derivative instruments recorded in equity (cash flow hedges)	(5,690)	13,795
Deferred taxes on post-employment benefits recorded in equity (reserve for actuarial differences)	(501)	306
Other movements	(118)	897
Deferred taxes for the period in income statement	20,375	44,228
Closing balance	255,795	239,349

The following table shows deferred tax assets and liabilities classified by nature:

(amounts in thousands of Euro)	July 31, 2015 (unaudited)		January 31, 2015 (audited)	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Inventories	152,922	-	137,815	-
Receivables and other assets	485	1,603	506	1,541
Useful life of non-current assets	61,294	13,264	54,478	13,248
Deferred taxes due to acquisitions	-	22,097	-	21,787
Provision for risks / accrued expenses	49,182	2,679	47,627	2,436
Non-deductible / taxable charges/income	10,080	482	10,896	1,795
Tax loss carryforwards	4,732	-	5,411	-
Derivative financial instruments	6,903	-	12,577	-
Long term employee benefits	8,883	544	10,041	507
Other	2,125	142	1,632	320
Total	296,606	40,811	280,983	41,634

33. Earnings and Dividends per share

Earnings per share

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

	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Group's net income in Euro	188,593,497	244,847,587
Weighted average number of ordinary shares in issue	2,558,824,000	2,558,824,000
Earnings per share in Euro, calculated on weighted average number of shares	0.074	0.096

Dividends per share

During the six months ended July 31, 2015, the Company distributed dividends of Euro 281,470,640, as approved by the Shareholders' Meeting held on May 26, 2015, to approve the financial statements for the year ended January 31, 2015.

The payment of the dividends and the related Italian withholding tax liability (Euro 14.6 million), arising from the application of the Italian ordinary withholding tax rate to the whole amount of dividends paid to beneficial owners of the Company shares held through the Hong Kong Central Clearing and Settlement System, was completed by July 31, 2015.

34. Additional information

The average headcount by functional area is as follows:

(number of employees)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Production	2,067	1,987
Product design and development	1,045	950
Advertising and Communications	120	115
Selling	8,110	7,785
General and administrative services	1,023	987
Total	12,365	11,824

Employee remuneration

Employee remuneration by functional area is as follows:

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Production	51,837	49,158
Product design and development	36,170	34,882
Advertising and Communications	7,190	5,940
Selling	210,402	181,036
General and administrative services	47,756	43,219
Total	353,355	314,235

Employee remuneration by nature is as follows:

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Wages and salaries	267,357	238,205
Post-employment benefits	16,840	13,121
Social contributions	55,056	52,390
Other	14,102	10,519
Total	353,355	314,235

Distributable reserves of parent company PRADA spa

(amounts in thousands of Euro)	Amount at July 31, 2015 (unaudited)	Possible utilization	Amount distributable	Summary of utilization in the last three years	
				Coverage of losses	Distribution of dividends
Share capital	255,882				
Share premium reserve	410,047	A, B, C	410,047		
Legal reserve	51,176	B			
Other reserves	182,899	A, B, C	182,899		
Retained earnings	454,951	A, B, C	419,411	-	639,706
Cash flow hedge reserve	(15,024)				
Distributable amount			1,012,356		

A share capital increase
B coverage of losses
C distributable to shareholders

Pursuant to Article 2431 of the Italian Civil Code, the share premium reserve is fully distributable as the legal reserve reached an amount equal to 20% of share capital.

The retained earnings are non-distributable for an amount equal to Euro 20,516 thousand following the application of Art. 7 of Legislative Decree 38/2005 and for Euro 15,024 thousand being the coverage of the negative value of the Cash flow hedge reserve.

Exchange rates

The exchange rates against the Euro used to consolidate statements of financial position and income statements prepared in other currencies as at July 31, 2015.

Currency	Average rate	Average rate in prior six month period	Closing rate	Opening rate
US Dollar	1.106	1.369	1.097	1.131
Canadian Dollar	1.379	1.497	1.431	1.432
GB Pound	0.723	0.816	0.704	0.751
Swiss Franc	1.049	1.219	1.057	1.047
Australian Dollar	1.433	1.483	1.514	1.454
Korean Won	1,225.970	1,426.771	1,287.410	1,246.540
Japanese Yen	133.887	139.755	136.340	133.080
Hong Kong Dollar	8.574	10.618	8.503	8.764
Singapore Dollar	1.497	1.720	1.508	1.529
Thai Bath	36.721	44.391	38.571	37.055
Taiwan Dollar	34.395	41.302	34.604	35.582
Russian Ruble	62.702	48.158	66.860	79.925
Czech Koruna	27.371	27.438	27.031	27.797
Macau Pataca	8.830	10.936	8.758	9.027
Chinese Renminbi	6.877	8.475	6.810	7.064
New Zealand Dollar	1.527	1.601	1.677	1.557
Malaysian Ringgit	4.065	4.446	4.202	4.110
Turkish Lira	2.905	2.942	3.049	2.758
Brazilian Real	3.385	3.113	3.697	3.011
Mexican Peso	16.959	17.909	17.747	16.838
UAE Dirham	4.061	5.029	4.028	4.152
Ukrainian Hryvna	24.806	14.895	23.676	18.283
Moroccan Dirham	10.802	11.239	10.779	10.837
Kuwait Dinar	0.332	0.386	0.332	0.334
Danish Kronor	7.460	7.462	7.462	7.444
Swedish Kronor	9.333	9.018	9.462	9.361
Kazakhstani Tenge	205.404	248.369	205.180	209.180
Qatari Riyal	4.027	4.986	4.029	4.127
Indian Rupee	69.762	82.770	70.338	70.113
Saudi Arabian Riyal	4.147	5.135	4.113	4.252
South African Rand	13.342	14.618	13.921	13.103
Vietnamese Dong	23,831.722	28,900.580	23,702.000	24,308.000
Indonesian Rupiah	14,485.430	15,947.160	14,866.290	14,342.800

35. Remuneration of Board of Directors

Remuneration of the PRADA spa Board of Directors for the six months ended July 31, 2015

(amounts in thousands of Euro)	Directors' fees	Remuneration and other benefits	Bonuses and other incentives	Benefits in kind	Pension, healthcare and TFR contributions	Total
Carlo Mazzi	510	-	-	42	2	554
Miuccia Prada Bianchi	4,352	2,675	-	-	-	7,027
Patrizio Bertelli	4,352	1,500	1,250		-	7,102
Donatello Galli	22	203	125	20	88	458
Alessandra Cozzani	22	95	56	6	42	221
Gaetano Micciché	22	-	-	-	-	22
Gian Franco Oliviero Mattei	75	-	-	-	-	75
Giancarlo Forestieri	32	-	-	-	5	37
Sing Cheong Liu	32	-	-	-	6	38
Total	9,419	4,473	1,431	68	143	15,534

Remuneration of the PRADA spa Board of Directors for the six months ended July 31, 2014

(amounts in thousands of Euro)	Directors' fees	Remuneration and other benefits	Bonuses and other incentives (*)	Benefits in kind	Pension, healthcare and TFR contributions	Total
Carlo Mazzi	510	-	-	42	11	563
Miuccia Prada Bianchi	500	5,350	585	-	-	6,435
Patrizio Bertelli	500	3,000	2,623	-	-	6,123
Donatello Galli	20	208	76	20	106	430
Alessandra Cozzani	20	86	37	7	52	202
Gaetano Micciché	20	-	-	-	-	20
Gian Franco Oliviero Mattei	80	-	-	-	-	80
Giancarlo Forestieri	30	-	-	-	4	34
Sing Cheong Liu	30	-	-	-	6	36
Total	1,710	8,644	3,321	69	179	13,923

(*) Bonuses and other incentives includes Other long-term benefits in favor of Patrizio Bertelli and Miuccia Prada Bianchi for an amount of Euro 623 thousand and Euro 585 thousand respectively. As required by IAS 19, the amounts shown reflect the effects of an actuarial valuation. Further information on Other long-term benefits is provided in Note 22.

36. Related party transactions

The Group enters into transactions with parties that can be qualified as related according to "IAS 24 Related Party Disclosures". These transactions mainly refer to the sale and purchase of goods, supply of services, the granting and receipt of loans as well as sponsorship, lease and franchise agreements. These transactions take place on an arm's length basis.

The following tables show details of related party transactions for each item in the Statement of financial position and in the Income statement. They show amounts relating to each related party and the total amount relating to each line item.

Statement of financial position amounts at July 31, 2015 (unaudited)

(amounts in thousands of Euro)	Trade receivables	Receivables from and advances to related parties – current	Receivables from and advances to related parties – non current	Trade payables	Payables to related parties – currentt	Payables to related parties – non currentt
EXHL Italia Srl	3	11	-	-	-	-
STICHTING Prada	681	25	-	38	-	-
Progetto Prada Arte srl	473	91	742	652	169	-
Progetto Prada Arte srl (Galleria) (*) (**)	1,097	-	1,383	-	-	-
HMP Srl	8	-	-	-	-	-
Al Tayer Group LLC	-	-	-	6	-	-
Al Tayer Insignia LLC	-	-	-	133	2,444	-
Danzas LLC - UAE	-	-	-	-	155	-
DFS Hawaii	-	-	-	767	-	-
DFS New Zealand Limited	-	-	-	18	-	-
DFS Venture Singapore (Pte) Limited	-	-	-	29	33	-
Luna Rossa Challenge 2013 NZ LTD	1,294	-	-	-	-	-
Luna Rossa Challenge 2013 Srl	49	-	17,640	-	-	-
Al Tayer Motors	-	-	-	1	-	-
Chora Srl	-	5,848	-	3,756	-	-
DFS Cotai limitada	30	-	-	931	-	-
Al Tayer Trends	14	-	-	-	-	-
Al Sanam Rent a Car LLC	-	-	-	2	-	-
Peschiera Immobiliare srl	-	80	-	-	-	-
Premiata Srl	58	-	-	1,293	-	-
La Mazza Srl	197	-	-	644	-	-
Stichting Prada	341	-	-	-	-	-
Friuli 64 srl	-	-	-	107	-	-
SPELM SA	-	-	-	(79)	-	-
Rubaiyat Modern Lux. Prod. Ltd	3,805	-	-	-	-	-
Conceria Superior spa	1	-	-	11,325	-	-
PRADA HOLDING spa (Main Shareholder)	292	63	-	-	-	-
F.lli Prada srl (franchising)	24,632	1,587	-	3,800	323	-
PRA 1 Srl	-	92	-	43	-	-
Isarcodue Srl	-	30	-	-	-	-
Perseo Srl	83	-	-	-	-	-
Other	-	16	-	(23)	-	-
Members of the Board of Directors of PRADA spa	-	-	-	2,320	-	-
Relative of a Director of PRADA spa	-	-	-	227	-	-
Total at July 31, 2015 (unaudited)	33,058	7,843	19,765	25,990	3,124	-

(*)The non-current receivable of Euro 1,383 thousand recognized in relation to Progeto Prada Arte srl represents deferred rental income upon application of "IAS 17 Leases" to the temporary business partnership between PRADA spa and Progeto Prada Arte srl.
(**)The receivable of Euro 1,097 thousand represents the portion of rental expenses for use of the premises in Galleria Vittorio Emanuele II, Milan, by Progeto Prada Arte srl in compliance with temporary business partnership between PRADA spa and Progeto Prada Arte srl.

Statement of financial position amounts at January 31, 2015 (audited)

(amounts in thousands of Euro)	Trade receivables	Receivables from and advances to parent companies and related parties – current	Receivables from and advances to parent companies and related parties – non current	Trade payables	Payables to parent companies and related parties – current	Payables to parent companies and related parties – non current
PRADA Holding spa	160	5	-	1	-	-
Other payables – other companies controlled by PRADA Holding spa	-	-	-	-	-	-
EXHL Italia srl	-	-	-	-	-	-
Other related parties	36,761	3,235	17,429	26,442	3,083	13,384
DFS Hawaii	-	-	-	707	-	-
DFS Venture Singapore pte ltd	-	-	-	57	-	-
DFS Cotai limitada	89	-	-	1,478	-	-
DFS New Zealand ltd	-	-	-	49	-	-
F.lli Prada srl (franchising)	29,291	-	-	2,639	322	-
F.lli Prada spa (Galleria) (*) (***)	912	-	3,174	-	-	-
Al Tayer Travels	-	-	-	51	-	-
Al Tayer Insignia llc	-	-	-	88	2,371	-
Al Tayer Logistics	-	-	-	-	-	-
Al Tayer Motors	-	-	-	1	-	-
Al Tayer Trends	13	-	-	-	-	-
Danzas llc UAE	-	-	-	27	112	-
Rubaiyat Modern Lux Prod ltd	2,342	-	-	-	-	-
Luna Rossa Challenge 2013 NZ ltd	1,294	-	-	-	-	-
Luna Rossa Challenge 2013 srl	721	11	12,379	154	21	-
Aati Contracs	-	-	-	-	-	-
Stiching Fondazione Prada	526	25	-	36	32	-
Stiching Prada	354	-	-	-	-	-
Progetto Prada Arte srl	355	88	741	1,784	211	-
Progetto Prada Arte srl (Galleria) (**) (****)	566	-	1,135	-	-	-
HMP srl	8	-	-	-	-	-
PRA 1 srl	-	90	-	75	-	-
Premiata srl	182	-	-	2,211	-	-
Friuli 64 srl	-	-	-	151	-	-
SPELM sa	-	-	-	183	-	-
La Mazza srl	105	-	-	867	-	-
Conceria Superior spa	1	-	-	12,418	-	-
Peschiera Immobiliare srl	-	82	-	-	-	-
Chora srl	-	2,924	-	3,233	-	-
FinReta srl	-	-	-	190	-	13,384
Pelletteria Reta srl	-	15	-	38	13	-
Other	2	-	-	5	1	-
Members of the Board of Directors of PRADA spa	-	-	-	143	-	-
Relative of a Director of PRADA spa	-	-	-	432	-	-
Total at January 31, 2015 (audited)	36,921	3,240	17,429	27,018	3,083	13,384

(*)The non-current receivable of Euro 3,174 thousand recognized in relation to Fratelli Prada spa represents deferred rental income upon application of "IAS 17 Leases" to the business management agreement between PRADA spa and Fratelli Prada spa.
(**)The non-current receivable of Euro 1,135 thousand recognized in relation to Progeto Prada Arte srl represents deferred rental income upon application of "IAS 17 Leases" to the temporary business partnership between PRADA spa and Progeto Prada Arte srl.
(***)The receivable of Euro 912 thousand represents the business management fee due by Fratelli Prada spa to PRADA spa for the conduct of retail business in the premises in Galleria Vittorio Emanuele II, Milan, under the business management agreement between Fratelli Prada spa and PRADA spa.
(****)The receivable of Euro 566 thousand represents the portion of rental expenses for use of the premises in Galleria Vittorio Emanuele II, Milan, by Progeto Prada Arte srl in compliance with temporary business partnership between PRADA spa and Progeto Prada Arte srl.

Income statement for the six months ended July 31, 2015 (unaudited)

(amounts in thousands of Euro)	Net revenues	Cost of goods sold	General, admin. & selling costs (income)	Royalties income	Interest income	Interest expense
EXHL Italia Srl	-	-	(3)	-	-	-
STICHTING Prada	16	-	857	-	-	-
Progetto Prada Arte srl	-	260	273	-	9	-
Progetto Prada Arte srl (Galleria) (*)			(756)			
HMP Srl	-	-	13	-	-	-
Al Tayer Group LLC	-	-	31	-	-	-
Al Tayer Insignia LLC	-	-	242	-	-	-
Danzas LLC - UAE	-	642	83	-	-	-
Al Tayer Travels	-	-	45	-	-	-
DFS Hawaii	(2)	-	2,141	-	-	-
DFS New Zealand Limited	-	-	153	-	-	-
DFS Venture Singapore (Pte) Limited	-	-	172	-	-	-
DFS Cotai limitada	-	-	3,528	-	-	-
Luna Rossa Challenge 2013 Srl	13	-	6,693	-	-	-
Al Tayer Motors	-	-	3	-	-	-
Chora Srl	-	-	1,499	-	-	-
Al Sanam Rent a Car LLC	-	-	5	-	-	-
Peschiera Immobiliare Srl	-	-	251	-	-	-
Premiata Srl	-	1,914	1	-	-	-
La Mazza Srl	-	903	8	-	-	-
Fin_Reta srl	-	125	-	-	-	-
Pelletteria Reta Srl	-	53	1	-	-	-
Friuli 64 Srl	-	-	371	-	-	-
SPELM SA	-	-	238	-	-	-
Gran Caffè snc	-	4	4	-	-	-
Rubaiyat Modern Lux. Prod. Ltd	165	-	(858)	165	-	-
Conceria Superior spa	-	18,543	76	-	-	-
PRADA HOLDING spa (Main Shareholder)	-	-	(199)	-	-	-
F.lli Prada spa (franchising)	14,244	94	(717)	406	-	-
F.lli Prada spa (Galleria) (**)			1,200			
PRA 1 Srl	-	-	558	-	-	-
Isarcodue Srl	-	(30)	-	-	-	-
PABE-RE LLC.	-	-	745	-	-	-
Perseo Srl	-	(68)	-	-	-	-
Relative of Director of PRADA spa	-	-	427	-	-	-
Total at July 31, 2015 (unaudited)	14,436	22,440	17,085	571	9	-

(*) This amount includes non-monetary income in the form of deferred rental income of Euro 249 thousand recognized in relation to Progetto Prada Arte srl in application of "IAS 17 Leases" to the temporary business partnership contract between PRADA spa and Progetto Prada Arte srl.
(**) This amount includes non-monetary expense in the form of derecognition of deferred rental income of Euro 1,587 thousand recognized in relation to Fratelli Prada spa in application of "IAS 17 Leases" to the temporary business partnership contract between PRADA spa and Fratelli Prada spa.

Income statement for the six months ended July 31, 2014 (unaudited)

(amounts in thousands of Euro)	Net sales	Cost of goods sold	General, admin. & selling costs (income)	Royalties income	Interest income	Interest expense
PRADA Holding bv	-	-	(57)	-	-	-
Other companies controlled by PRADA Holding bv	-	-	(3)	-	-	-
EXHL Italia	-	-	(3)	-	-	-
Other related parties	16,793	4,847	16,510	522	3	70
F.lli Prada spa (Franchising)	16,792	2	(1,045)	522	-	-
F.lli Prada spa (Galleria) (*)	-	-	(2,329)	-	-	-
Danzas llc	-	667	96	-	-	-
DFS Hawaii	-	-	2,213	-	-	-
DFS New Zealand ltd	-	-	244	-	-	-
DFS Cotai limitada	-	-	4,333	-	-	-
DFS Venture Singapore pte ltd	-	-	164	-	-	-
Al Tayer Travels	-	5	214	-	-	-
Al Tayer Group llc	-	-	13	-	-	-
Al Tayer Insignia llc	-	38	128	-	-	-
Al Tayer Motors	-	-	2	-	-	-
Al Sanam Rent a Car llc	-	-	2	-	-	-
Secva srl (****)	-	-	1,493	-	-	2
Luna Rossa Challenge 2013 NZ ltd	-	-	6	-	-	-
Luna Rossa Challenge 2013 srl	-	(8)	5,482	-	3	-
HMP srl	-	-	20	-	-	-
Stiching Fondazione Prada	-	-	2,417	-	-	-
Progetto Prada Arte srl (Sponsorship)	1	(15)	3,601	-	-	-
Progetto Prada Arte srl (Galleria) (**)	-		(758)			
Peschiera Immobiliare srl	-	-	248	-	-	-
Premiata srl	-	2,783	-	-	-	-
La Mazza srl	-	1,014	2	-	-	-
Gipafin sarl	-	-	(18)	-	-	-
PRADA Arte bv	-	-	(3)	-	-	-
PRA 1 Srl	-	-	388	-	-	-
FinReta srl (***)	-	248	-		-	68
Pelletteria Reta srl	-	111	-	-	-	-
Friuli 64 srl	-	-	360	-	-	-
Spelm sa	-	-	34	-	-	-
Gran Cafè snc	-	2	1	-	-	-
Rubaiyat Modern Lux. Prod. ltd	-	-	(795)	-	-	-
Other	-	-	(3)	-	-	-
Relative of a Director of PRADA spa	-	-	295	-	-	-
Total at July 31, 2014 (unaudited)	16,793	4,847	16,745	522	3	70

(*) This amount contains non-monetary income in the form of deferred rental income of Euro 1,169 thousand recognized in relation to Fratelli Prada spa in application of "IAS 17 Leases" to the business management agreement between PRADA spa and Fratelli Prada spa.
(**) This amount includes non-monetary income in the form of deferred rental income of Euro 249 thousand recognized in relation to Progetto Prada Arte srl in application of "IAS 17 Leases" to the temporary business partnership contract between PRADA spa and Progetto Prada Arte srl.
(***) The interest expense represents the expense for the six months as calculated with the effective interest rate applied to the discounted long-term liability agreed to establish the right of usufruct.
(****) The interest expense represents the expense for the six months resulting from discounting of the liability for deferred fees due after more than a year.

The above tables report information on transactions with related parties in accordance with "IAS 24 Related Party Disclosures". As stated below, some of these transactions fall within the application of the Hong Kong Stock Exchange Listing Rules.

The transactions with related party "PABE-RE LLC" refer to transaction between PABE-RE LLC and Prada Japan in relation to the the lease of the Aoyama Building in Tokyo. The transactions reported for the six months ended July 31, 2015, fall within the scope of application of Chapter 14A of the Listing Rules as they were qualified as continuing connected transactions subject to reporting and disclosure but exempted from independent shareholders' approval requirements. As requested by the Listing Rules, comprehensive disclosure of these continuing connected transactions is contained in the PRADA spa Announcement dated July 15, 2015.

The transactions with related party "Fratelli Prada spa – franchising" refer to transactions between the Prada Group and Fratelli Prada spa in relation to the franchising agreement regarding the Prada stores in Milan. The transactions reported for the six months ended July 31, 2015, fall within the scope of application of Chapter 14A of the Listing Rules as they were qualified as continuing connected transactions subject to reporting and disclosure but exempted from independent shareholders' approval requirements. As requested by the Listing Rules, comprehensive disclosure of these continuing connected transactions is contained in the PRADA spa Announcement dated January 29, 2014.

The transactions with related party "Fratelli Prada spa – Galleria" refer to the transactions between the Prada Group and Fratelli Prada spa in relation to the business management agreement over the use by the latter of part of the Galleria Vittorio Emanuele property in Milan to conduct retail business. These transactions refer to the period going from February 1, 2015, to April 1, 2015, following the termination agreement signed by the parties on March 31, 2015, those content was reported in the PRADA spa Announcement dated April 2, 2015.

The transactions with related party "Progetto Prada Arte srl - Galleria" refer to the transactions between the Prada Group and Progetto Prada Arte srl in relation to the temporary business partnership agreement regarding the use by the latter of part of the Galleria Vittorio Emanuele property in Milan to carry out cultural activities. The transactions reported for the six months ended July 31, 2015, fall within the scope of application of Chapter 14A of the Listing Rules as they were qualified as continuing connected transactions subject to reporting and disclosure but exempted from independent shareholders' approval requirements. As requested by the Listing Rules, comprehensive disclosure of these continuing connected transactions was included in the PRADA spa Announcement dated January 29, 2013.

The transactions with related party Luna Rossa Challenge 2013 srl reported for the six months ended July 31, 2015, fall within the scope of application of Chapter 14A of the Listing Rules as they were qualified as continuing connected transactions subject to reporting and announcement but exempted from the independent shareholders' approval requirement. As requested by the Listing Rules, comprehensive disclosure of these connected transactions was included in the PRADA spa Announcement dated February 27, 2014.

Unlike the "non-exempt continuing connected transactions" and the "non-exempt connected transactions" as reported in Note 35, no other transaction reported in the unaudited Interim condensed consolidated financial statements falls under the definition of "connected transaction" or "continuing connected transaction" provided by Chapter 14A of the Listing Rules or, if it does fall under the definition of "connected transaction" or "continuing connected transaction" in terms of said Chapter 14A, is exempted from reporting, disclosure and independent shareholders' approval requirements again under Chapter 14A.

37. Commitments

Operating leases

At July 31, 2015, and January 31, 2015, operating lease commitments by maturity date are as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Within a year	423,210	406,528
After between one year and five years	1,244,228	1,228,000
After more than five years	1,002,488	850,197
Total	2,669,926	2,484,725

Operating lease commitments for the 2015 reporting period included Euro 2,589 million regarding lease agreements for retail premises (Euro 2,398 million for 2014). The increase in operating lease commitments is mainly due to increases in countries that use currencies other than the Euro.

The amounts recorded in the income statement in relation to lease agreements are as follows:

(amounts in thousands of Euro)	six months ended July 31 2015 (unaudited)	six months ended July 31 2014 (unaudited)
Fixed minimum lease expenses	146,511	125,136
Variable lease expenses	180,735	148,198
Total	327,246	273,334

Some Group companies are required to pay lease charges based on a fixed percentage of net sales.

At July 31, 2015, and January 31, 2015, future rental income under current operating leases for properties owned by the Group was analyzed by maturity as follows:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Within a year	9,548	13,471
After between one year and five years	34,004	50,277
After more than five years	26,577	95,427
Total	70,129	159,175

The decrease from Euro 159.2 million to Euro 70.1 million is essentially retaled to the termination agreement in respect of the Fratelli Prada Business Management Agreement signed on March 31, 2015.

Finance leases

Property, plant and equipment includes the following assets held under finance leases:

(amounts in thousands of Euro)	July 31 2015 (unaudited)	January 31 2015 (audited)
Land and buildings	-	-
Furniture and fittings	-	-
Other tangibles	40	23
Accumulated depreciation	(17)	(21)
Total	23	2

Other commitments

At July 31, 2015, the Group did not have significant binding purchase commitments.

Comparative income statement and statement of financial position information

(amounts in thousands of Euro)	January 31 2015	January 31 2014	January 31 2013	January 31 2012	January 31 2011
Net revenues	3,551,696	3,587,347	3,297,219	2,555,606	2,046,651
Gross margin	2,550,579	2,648,649	2,376,541	1,828,025	1,387,888
Operating income (EBIT)	701,551	939,237	889,781	628,935	418,387
Group net income	450,730	627,785	625,681	431,929	250,819
Total assets	4,738,877	3,888,292	3,385,279	2,943,568	2,366,015
Total liabilities	1,720,730	1,186,752	1,054,787	1,112,601	1,155,877
Total Group shareholders' equity	3,000,737	2,687,554	2,320,022	1,822,743	1,204,350

38. Consolidated companies

Entity	Local currency	Share capital (000s of local currency)	% interest	Registered office	Date of incorporation/ establishment	Main business
Italy						
PRADA spa	EUR	255,882		Milan, Italy		Production/Distribution/ Group Holding company
Artisans Shoes srl (*)	EUR	1,000	66.70	Montegranaro, Italy	09/02/1977	Production
IPI Logistica srl (*)	EUR	600	100.00	Milan, Italy	26/01/1999	Service company
PRADA Stores srl (*)	EUR	520	100.00	Milan, Italy	11/04/2001	Retail/sub holding company
Church Italia srl	EUR	51	100.00	Milan, Italy	31/01/1992	Distribution/Retail
Pellettieri d'Italia srl (*)	EUR	100	100.00	Milan, Italy	10/07/2013	Production
Marchesi Angelo srl (*)	EUR	23	80.00	Milan, Italy	10/07/2013	Confectionery
Montenapoleone 9 srl (*)	EUR	250	98.00	Milan, Italy	22/04/2015	Confectionery

Entity	Local currency	Share capital (000s of local currency)	% interest	Registered office	Date of incorporation/ establishment	Main business
Europe						
PRADA Retail UK ltd	GBP	5,000	100.00	London, UK	07/01/1997	Retail
PRADA Germany gmbh	EUR	215	100.00	Munich, Germany	20/03/1995	Retail
PRADA Austria gmbh	EUR	40	100.00	Vienna, Austria	14/03/1996	Retail
PRADA Spain sa	EUR	240	100.00	Madrid, Spain	14/05/1986	Retail
PRADA Retail France sas	EUR	4,000	100.00	Paris, France	10/10/1984	Retail
PRADA Hellas Single Partner Limited Liability Company (*)	EUR	2,850	100.00	Athens, Greece	19/12/2007	Retail
PRADA Monte-Carlo sam	EUR	150	100.00	Monte-Carlo, Monaco	25/05/1999	Retail
PRADA sa (*)	EUR	31	100.00	Luxembourg	29/07/1994	Service company/ Trademark owner
PRADA Company sa	EUR	3,204	100.00	Luxembourg	12/04/1999	Service company
PRADA Far East bv (*)	EUR	20	100.00	Amsterdam, Netherlands	27/03/2000	Sub-holding company / Service company / Retail
Church Denmark aps	DKK	50	100.00	Copenhagen, Denmark	13/03/2014	Retail
Church Holding UK plc (*)	GBP	78,126	100.00	Northampton, UK	22/07/1999	Sub-holding company
Church France sas	EUR	241	100.00	Paris, France	01/06/1955	Retail
Church UK Retail ltd	GBP	1,021	100.00	Northampton, UK	16/07/1987	Retail
Church's English Shoes Switzerland sa	CHF	100	100.00	Lugano, Switzerland	29/12/2000	Retail
Church & Co. ltd	GBP	2,811	100.00	Northampton, UK	16/01/1926	Sub-holding company/ Production and Distribution
Church & Co. (Footwear) ltd	GBP	44	100.00	Northampton, UK	06/03/1954	Trademark owner
Church English Shoes sa	EUR	75	100.00	Brussels, Belgium	25/02/1963	Retail
PRADA Czech Republic sro (*)	CZK	2,500	100.00	Prague, Czech Rep.	25/06/2008	Retail
PRADA Portugal. Unipessoal lda (*)	EUR	5	100.00	Lisbon, Portugal	07/08/2008	Retail
PRADA Rus llc (*)	RUR	250	100.00	Moscow, Russia	07/11/2008	Retail
Church Spain sl	EUR	3	100.00	Madrid, Spain	06/05/2009	Retail
PRADA Bosphorus Deri Mamuller Ticaret Limited Sirketi (*)	TRY	41,000	100.00	Istanbul, Turkey	26/02/2009	Retail
PRADA Ukraine llc (*)	UAH	30,000	100.00	Kiev, Ukraine	14/10/2011	Retail
Church Netherlands bv	EUR	18	100.00	Amsterdam, Netherlands	07/07/2011	Retail
Church Ireland Retail ltd	EUR	50	100.00	Dublin, Ireland	20/11/2011	Retail
Church Austria gmbh	EUR	35	100.00	Vienna, Austria	17/01/2012	Retail
Prada Sweden AB	SEK	500	100.00	Stockholm, Sweden	18/12/2012	Retail
Church Footwear AB	SEK	100	100.00	Stockholm, Sweden	18/12/2012	Retail
Prada Switzerland sa (*)	CHF	24,000	100.00	Geneva, Switzerland	28/09/2012	Retail
Prada Kazakhstan llp (*)	KZT	500,000	100.00	Almaty, Kazakhstan	24/06/2013	Retail
Kenon Limited	GBP	84,000	100.00	London, UK	07/02/2013	Real estate company
Tannerie Limoges S.A.S (*)	EUR	1,200	60.00	Isle, France	19/08/2014	Production
Prada Denmark Aps (*)	DKK	50	100.00	Copenhagen, Denmark	19/05/2015	Retail

Entity	Local currency	Share capital (000s of local currency)	% interest	Registered office	Date of incorporation/ establishment	Main business
Americas						
PRADA USA Corp. (*)	USD	152,211	100.00	New York, U.S.A	25/10/1993	Services / Distribution/ Retail
TRS Hawaii llc	USD	400	55.00	Honolulu, U.S.A.	17/11/1999	Duty-free stores
PRADA Canada Corp. (*)	CAD	300	100.00	Toronto, Canada	01/05/1998	Distribution/Retail
Church & Co. (USA) ltd	USD	85	100.00	New York, U.S.A.	08/09/1930	Retail
Post Development corp (*)	USD	45,138	100.00	New York, U.S.A.	18/02/1997	Real estate company
PRADA Retail Mexico, S. de R.L. de C.V. (*)	MXN	142,058	100.00	Mexico City, Mexico	12/07/2011	Retail
PRADA Brasil Importação e Comércio de Artigos de Luxo Ltda. (*)	BRL	87,000	100.00	Sao Paulo, Brazil	12/04/2011	Retail
PRM Services S. de R.L. de C.V. (*)	MXN	7,203	100.00	Mexico City, Mexico	27/02/2014	Services
PRADA Panama sa (*)	PAB	30	100.00	Panama, Rep. di Panama	15/09/2014	Retail
PRADA Retail Aruba (*)	USD	2,012	100.00	Oranjestad, Aruba	25/09/2014	Retail
Asia-Pacific and Japan						
PRADA Asia Pacific ltd	HKD	3,000	100.00	Hong Kong	12/09/1997	Retail /Distribution/ Services
PRADA Taiwan ltd	TWD	3,800	100.00	Hong Kong	16/09/1993	Retail
PRADA Retail Malaysia Sdn. Bnd.	MYR	1,000	100.00	Kuala Lumpur, Malaysia	23/01/2002	Retail
TRS Hong Kong	HKD	500	55.00	Hong Kong	23/02/2001	Duty-free stores
PRADA Singapore Pte ltd	SGD	1,000	100.00	Singapore	31/10/1992	Retail
TRS Singapore	SGD	500	55.00	Singapore	08/08/2002	Duty-free stores
PRADA Korea ltd	KRW	8,125,000	100.00	Seoul, Korea	27/11/1995	Retail
PRADA (Thailand) co ltd	THB	372,000	100.00	Bangkok, Thailand	19/06/1997	Retail
PRADA Japan co ltd	JPY	1,200,000	100.00	Tokyo, Japan	01/03/1991	Retail
TRS Guam Partnership	USD	1,095	55.00	Guam	01/07/1999	Duty-free stores
TRS Saipan Partnership	USD	1,405	55.00	Saipan	01/07/1999	Duty-free stores
TRS New Zealand ltd	NZD	100	55.00	Wellington, New Zealand	04/11/1999	Duty-free stores
PRADA Australia Pty ltd	AUD	10,500	100.00	Sydney, Australia	21/04/1997	Retail
PRADA Trading (Shanghai) co ltd	RMB	1,653	100.00	Shanghai, China	09/02/2004	Retail
TRS Okinawa KK	JPY	10,000	55.00	Tokyo, Japan	21/01/2005	Duty-free stores
PRADA Fashion Commerce (Shanghai) co ltd	RMB	474,950	100.00	Shanghai, China	31/10/2005	Retail
Church Japan co ltd	JPY	31,525	100.00	Tokyo, Japan	17/04/1992	Retail
Church Hong Kong Retail ltd	HKD	1,000	100.00	Hong Kong	04/06/2004	Retail
Church Singapore Pte. ltd	SGD	500	100.00	Singapore	18/08/2009	Retail
PRADA Hong Kong P.D. ltd (*)	HKD	11.000	100.00	Hong Kong	15/12/2011	Service company
Prada Dongguan Trading Co., Ltd	RMB	8,500	100.00	Dongguan, China	28/11/2012	Service company
Church Footwear (Shanghai) Co., Ltd	RMB	21.900	100.00	Shanghai, China	05/12/2012	Retail
Prada New Zealand ltd	NZD	3,500	100.00	Wellington, New Zealand	05/07/2013	Retail
PRADA India Fashion Private ltd	INR	100	100.00	Mumbai, India	30/09/2013	Retail
PRADA Vietnam Limited Liability Company	VND	10,641,570	100.00	Hanoi City, Vietnam	09/09/2014	Retail
PRADA Indonesia	IDR	3,023,844	100.00	Jakarta, Indonesia	15/10/2014	Distribution
PRADA Macau Co ltd	MOP	25	100.00	Macau	22/01/2015	Retail

Entity	Local currency	Share capital (000s of local currency)	% interest	Registered office	Date of incorporation/ establishment	Main business
Middle East						
PRADA Middle East fzco (*)	AED	18,000	60.00	Jebel Ali Free Zone, Dubai	25/05/2011	Distribution/Services
PRADA Emirates llc (**)	AED	300	49.00	Dubai	04/08/2011	Retail
Prada Kuwait wll (**)	KWD	50	49.00	Kuwait city	18/09/2012	Retail
Prada Retail SPC (*)	QAR	15,000	100.00	Doha	03/02/2013	Retail
Prada Saudi Arabia ltd (*)	AED	26,666	75.00	Jeddah	02/07/2014	Retail
Other countries						
PRADA Maroc sarlau (*)	MAD	95,000	100.00	Casablanca, Morocco	11/11/2011	Retail
PRADA Retail South Africa pty (*)	ZAR	50,000	100.00	Sandton, South Africa	06/09/2014	Retail

(*) Company owned directly by PRADA spa
(**) Company consolidated based on definition of control per IFRS 10

Companies not included in scope of consolidation:

Company	Percentage direct interest as at July 31, 2015	Percentage direct interest as at January 31, 2015	Note	Consolidation method
PAC srl (in liquidation)	49.00	49.00	Associate	Equity method

39. Information on Non-Controlling Interests

Financial information on the Non-Controlling Interests in the Group is provided below, in accordance with IFRS 12. The values below reported are before the consolidation adjustments.

Financial statements for the period ended July 31, 2015:

Subsidiary (amounts in thousands)	ownership	local currency	total assets	total net equity	net revenues (six months)	net result of the period (six months)	dividends not distributed to non-controlling interests
Artisans Shoes srl	67.00	EUR	30,250	7,541	31,329	608	1,018
TRS Hawaii llc	55.00	USD	9,149	4,945	8,469	(49)	-
TRS Hong Kong	55.00	HKD	1,000	830	-	(58)	22,500
TRS Singapore	55.00	SGD	2,918	2,140	1,958	323	-
TRS Guam Partnership	55.00	USD	7,282	5,066	5,730	(700)	-
TRS Saipan Partnership	55.00	USD	2,819	2,024	3,072	382	-
TRS New Zealand ltd	55.00	NZD	2,447	1,944	1,674	285	-
TRS Okinawa KK	55.00	JPY	800,475	510,322	845,190	126,705	-
TRS Hong Kong Branch in Macau	55.00	MOP	108,171	42,814	187,314	30,002	-
PRADA Emirates llc (*)	49.00	AED	184,805	6,609	117,432	(13,042)	-
PRADA Middle East fzco	60.00	AED	334,617	144,377	155,616	29,339	-
Prada Kuwait wll (*)	49.00	KWD	6,973	77	4,816	(6)	-
Prada Saudi Arabia	75.00	AED	40,826	21,004	966	(2,429)	-
Marchesi Angelo srl	80.00	EUR	869	408	858	(336)	-
Tannerie Limoges S.A.S (*)	60.00	EUR	3,336	27	-	(746)	-
Montenapoleone 9 srl (*)	98.00	EUR	250	250	-	-	-

(*) Company consolidated based on definition of control per IFRS 10

Financial statements for the year ended January 31, 2015:

Subsidiary (amounts in thousands)	ownership	local currency	total assets	total net equity	net revenues (twelve months)	net result of the period (twelve months)	dividends not distributed to non-controlling interests
Artisans Shoes srl	67.00	EUR	36,868	9,990	75,439	3,064	510
Pellettieri d'Italia srl	60.00	EUR	490	(926)	-	(1,021)	-
TRS Hawaii llc	55.00	USD	8,748	4,994	20,514	1,073	-
TRS Hong Kong	55.00	HKD	1,067	889	-	(168)	63,000
TRS Singapore	55.00	SGD	2,795	1,818	3,929	535	900
TRS Guam Partnership	55.00	USD	7,448	5,766	16,070	1,000	1,375
TRS Saipan Partnership	55.00	USD	2,440	1,643	7,315	1,211	450
TRS New Zealand ltd	55.00	NZD	2,299	1,659	5,291	905	585
TRS Okinawa KK	55.00	JPY	713,380	383,617	1,491,121	178,948	90,000
TRS Hong Kong Branch in Macau	55.00	MOP	144,425	64,312	555,432	125,399	-
PRADA Emirates llc (*)	49.00	AED	189,768	19,652	258,920	(2,253)	-
PRADA Middle East fzco	60.00	AED	282,303	115,039	268,481	33,639	-
Prada Kuwait wll (*)	49.00	KWD	6,523	83	8,633	57	-
Prada Saudi Arabia	75.00	AED	27,100	23,433	-	(2,233)	-
Marchesi Angelo srl	80.00	EUR	1,601	744	2,479	212	-
Tannerie Limoges S.A.S (*)	60.00	EUR	1,402	774	-	(426)	-

(*) Company consolidated based on definition of control per IFRS 10

At the date of these consolidated financial statements, there were no significant restrictions on the Group's ability to access or utilize its assets and settle its liabilities.

40. Events after the reporting period

Nothing to report.