

PRESS RELEASE

**PRADA GROUP APPROVES ITS INTERIM REPORT AT JULY 31, 2012:
FURTHER REVENUES AND PROFIT GROWTH**

CONSOLIDATED NET REVENUES of € 1,547.4 million, +36.4%

EBITDA of € 469.4 million, +49%

EBIT of € 394.9 million, +55.8%

NET INCOME of € 286.4 million, +59.5%

Milan, September 24, 2012 - The Prada SpA Board of Directors today examined and approved the interim report for the six months ended July 31, 2012 which shows positive results, in line with the trend of growth now enjoyed by the Group for a number of reporting periods.

CONSOLIDATED NET REVENUES totaled € 1,547.4 million, a 36% increase (+28% at constant exchange rates) on the € 1,134.3 million reported in the first half of 2011.

EBITDA amounted to € 469.4 million - reaching 30% of consolidated net revenues - and increased by 49% compared to the first half of 2011.

EBIT stood at € 394.9 million - or 25% of consolidated net revenues - with a 55% increase on the first half of 2011.

NET INCOME increased by 59% from € 179.5 million in the first half of 2011 to € 286.4, 18.5% on net revenues.

Cash flows generated enabled the Group to finance its capital investment during the period, pay dividends of € 126 million to shareholders and improve the Group's Net Financial Position which was positive by € 82.5 million at the end of July 2012.

Analysis of revenues

Distribution channels

In line with the strategy pursued by the Group for several years now, revenue growth was again driven by the retail channel which, thanks to the opening of new stores and organic growth, achieved a further increase of 47% (+37% at constant exchange rates), reaching 80.7% of consolidated sales.

Same Store Sales Growth, SSSG (at constant exchange rates) of 19% was particularly significant and in line with the first quarter. This was all the more impressive considering the strong growth already achieved in the first half of 2011.

The wholesale channel, broadly in line with the first half of 2011, generated net revenues of € 294.7 million, with an increase of 4% (+1% at constant exchange rates).

Royalties

The licensing business also recorded a strong 34% increase in royalties, mainly following the launch of the new Prada by LG version 3.0 cell phone which, with almost 500,000 units sold, confirms that Prada remains a point of reference for innovation and design.

Brands

All of the Group's brands performed well, especially Prada which enjoyed 40% growth. Strong growth was also achieved by Miu Miu, +23%, Car Shoe, +16% and Church's + 15%.

Markets

Growth was achieved across all markets with stand-out performances recorded in Asia Pacific - where a 44% revenue increase was recorded (+31% at constant exchange rates) - and Europe where, notwithstanding the weak economic situation, rising tourist numbers led to a 31% revenue increase for the six-month period. Positive results were also achieved in the Americas with +30% (+18% at constant exchange rates) and Japan with + 34% (+19% at constant exchange rates).

Products

Leather goods once again recorded the highest rate of growth, +52% and now represent 61% of consolidated sales. Clothing and footwear recorded increases of 17% and 14%, respectively; their significant contribution of € 564 million to sales for the six-month period reflects client appreciation of the Group's stylistic excellence.

Investment

The international expansion of the retail network continues both in mature markets, where the Group's direct presence is not yet complete, and in emerging markets, where the Group brands are either absent or underrepresented.

During the period, investment in retail network expansion represented 74% of total capital expenditure that was € 122.7 million.

The 28 new stores opened during the period included stores in new markets such as Morocco, Brazil, Mexico and Ukraine.

At July 31, 2012, the retail network comprised a total of 414 DOS, including 263 Prada stores, 102 Miu Miu, 43 Church's and 6 Car Shoe.

Patrizio Bertelli, Chief Executive Officer of Prada Spa commented “*The Prada Group has again achieved extremely satisfying results in the first six months of 2012. Our growth rates are among the highest in the sector and have been achieved in a very tough economic environment. The market continues to reward Prada's unwavering commitment to style and dedication to quality. We are aware of the negative market trend but, counting on the strength of our brands and our ability to pursue our objectives, we look forward with confidence to the near future without altering our strategy based on achieving our long-term growth targets.*”

PRADA spa

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Gruppo PRADA

The PRADA Group -HKSE Code: 1913 - is one of the world leaders in the luxury goods sector where it operates with the Prada, Miu Miu, Church's and Car Shoe brands in the design, production and distribution of luxury handbags, leather goods, footwear, apparel and accessories. The Group also operates, under licensing agreements, in the eyewear, fragrances and mobile telephone sectors. Its products are sold in 70 countries worldwide through a network that included 414 directly operated stores (DOS) at July 31, 2012 and a select network of luxury department stores, independent retailers and franchise stores.