

PRESS RELEASE

**PRADA SPA APPROVES THE GROUP'S FINANCIAL CONSOLIDATED RESULTS
FOR THE FIRST NINE MONTHS OF 2011:
REVENUES AND PROFITABILITY KEEP INCREASING**

CONSOLIDATED REVENUES at € 1,730.4 million, + 25%

EBITDA at € 486.5 million, + 47%

EBIT at € 392.3 million, +58%

NET PROFIT at € 273.2 million, +75%

Milan, 29 November 2011 - Today the Board of Directors of Prada Spa examined and approved the Consolidated Interim Management ended October 31, 2011.

During the first nine months of the year, the Company followed up its retail network development plan thus achieving excellent results both in terms of sales volumes and profitability, showing a sharp increase in trend during the third quarter compared to that already registered during the first six months of the year.

CONSOLIDATED REVENUES amounted to € 1,730.4 million, an increase of 25% (+28% at constant exchange rates) with respect to € 1,385.5 million of the first nine months of 2010.

EBITDA amounted to € 486.5 million, with an incidence of 28% on revenues and an increase of 47% compared to 2010.

EBIT amounted to € 392.3 million, 23% on revenues, and an increase of 58% compared to the same period of the previous year.

NET PROFIT marked a significant improvement, reaching € 273.2 million, an increase of 75% with respect to € 156.5 million in 2010.

Investments during the period, mainly dedicated to the expansion of the retail network, amounted to € 178.1 million, largely covered by operating cash flow.

The Group's Net Financial Position keeps decreasing; as of October 31, 2011, it was € 110.1 million.

Sales Analysis

The excellent performance of the Retail channel continues: on the October 31, 2011 sales of direct operated stores (DOS) amounted to € 1,338 million, an increase of 36% (+39% at constant exchange rates), also thanks to the significant contribution of existing stores, + 23% on a *like for like* basis.

The wholesale channel, consistent with the Group's distribution strategy, remained essentially in line with the first nine months of last year and amounted to € 368.6 million.

To be noted: the results which both channels achieved in the third quarter show an acceleration compared to the performance of the first six months of the year, scoring a total of +33% growth, with retail that registered + 39% (+ 42% at constant exchange rates) and wholesale +5% (+6% at constant exchange rates).

All the Group's brands contributed to this expansion, that was led by Prada and Miu Miu, which both increased in excess of 25%.

All geographical areas recorded growth rates in double figures, with Asia Pacific reconfirming itself as the principle market of the Group: on October 31, 2011, area revenues amounted to € 579.7 million, + 39% increase (+44% at constant exchange rates).

Europe also posted an excellent trend, up +21%; the United States increased by 19% (+27% at constant exchange rates), whilst in this period Japan grew by 12%, (+9% at constant exchange rates).

All product categories contributed to the Group's revenues, led by leather goods that grew by 41% and now account for over 56% of consolidated sales. Ready-to-wear and footwear also increased, by +3% and +14% respectively, which confirms the Group's continued ability to offer products matching quality and innovation and to keep performing as a benchmark for the whole industry.

Strategy and Development

In the third quarter of this financial year, the Group continued the expansion of its directly operated stores network, thus extending its operations both in high-growth luxury markets and in more established countries, where the retail network is still under-penetrated.

PRADA spa

During the first nine months, the Group opened 51 new stores, plus 5 more in the following weeks, thus increasing the retail network to 370 DOSs.

Patrizio Bertelli, Prada Spa CEO, commented: "*Once again during this quarter we achieved very strong results in terms of sales and profitability, which confirm the Group's ability to sustain high growth rates while improving operating margins.*

Whilst we will continue to closely monitor markets' behavior, we remain confident in the strength of our brands as well as in the luxury market's potential.

We will continue to pursue our objective of long-term growth through our strategy focused on the geographic expansion of directly managed shops and the high quality of our products".

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PRADA Group

The PRADA Group - HKSE Code: 1913 - is amongst the world's leaders in the luxury market, and it operates through its Prada, Miu Miu, Church's and Car Shoe brands in the production and marketing of high-quality bags, leather goods, footwear, ready-to-wear, and accessories. The Group is also active, through licensing agreements, in eyewear, fragrances and mobile phones. Its products are sold in 70 countries worldwide through 365 directly operated stores (DOSs) as of October 31st, 2011, and a select network of luxury department stores, multi-brand stores and franchisees.