

16 Jan 2008 18:04 GMT =**DJ UPDATE: Prada IPO Set For For Mid-June '08 - Source**

(Adds analyst comment, background and company comment.)

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ROME (Dow Jones)--Prada SpA's initial public offering, one of the most anticipated in the global fashion industry, is currently scheduled for mid-June, despite signs U.S. economic turmoil is spreading to Europe's luxury goods sector, a person close to the matter said Wednesday.

"The current timetable has the listing set in the second half of June," the person said.

Prada, which is 95%-owned by designer Miuccia Prada and her husband and Prada's Chief Executive, Patrizio Bertelli, said in December that market conditions will be a factor in the IPO's timing, but the company aimed to list its shares in 2008. When contacted, Prada said it had nothing to add to what was previously stated.

Mediobanca (MB.MI) has been tapped as its financial advisor, while Goldman Sachs (GS), Banca IMI of Intesa Sanpaolo (ISP.MI) and UBM of UniCredit (UC.MI) are the global coordinators.

Shares of publicly traded luxury-goods makers have fallen in the past six months due to worries about weak consumer spending. Bulgari SpA (BUL.MI) and Tod's SpA (TOD.MI) have lost 35.5% and 42.3% respectively in the past six months. Milan's S&PMib index has shed 13.4%.

"Retail stocks are not a safe haven in this shaky market climate," said Milan-based asset manager Giovanni Colonna at Meliorbanca.

Last week, Luxottica Group (LUX), which makes eyewear for Prada, among others, warned of a slowdown in U.S. holiday spending. During the past year, stock listings on the Milan exchange by other fashion groups have also fallen. Fashion group Aeffe SpA (AEF.MI), which owns the Alberta Ferretti brand, has plunged 54% since its July IPO, closing at EUR1.89 Wednesday. Jeweler Casa Damiani SpA (DMN.MI), has lost 31% since opening day in August. Shares closed at EUR2.66.

Home to the Miu Miu and Church's brands, Prada opened its capital to outside investors a year ago, selling a 5% stake to Intesa Sanpaolo for EUR100 million, valuing the entire company at EUR2 billion.

In 2006, the company's revenue rose 7.1% to EUR1.43 billion from EUR1.33 billion in 2005.

Prada has attempted to list its shares and reconsidered several times during the past seven

years. Observers say Prada is more prepared this time, having paid off its debts by selling unprofitable brands like Jil Sander and Helmut Lang and having strengthened its management team. In 2006, the company's revenue rose 7.1% to EUR1.43 billion from EUR1.33 billion in 2005. "Prada probably won't get the same valuation they were expecting if the market's view of the luxury industry continues to deteriorate," said Imran Amed an advisor to luxury goods companies and producer of Web site [www.businessoffashion.net](http://www.businessoffashion.net).

Analysts predict companies like Prada and Salvatore Ferragamo SpA, also planning an IPO in 2008, will be under increasing pressure to prove to investors they can extract organic growth during tough times.