

Prada profit trails estimates

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Prada SpA, the Italian maker of US\$2,950 (RM9,743) leather handbags, said profit stagnated last year as the strength of the euro and softening demand in Europe and Asia weighed on revenue growth.

Net income in the year through January rose 0.3% to 627.8 million euros (RM2.8 billion), Milan-based Prada said today in a statement. Analysts predicted 656.3 million euros, according to the average of 28 estimates compiled by Bloomberg.

Exchange-rate volatility and a difficult economy in Europe created an unfavorable business climate, chief executive officer Patrizio Bertelli said in February 2014. Still, the CEO said at the time he remained confident of further progress this year for Prada, which gets more than half its revenue outside Europe.

The euro's strength "does not help exports," Prada said today. "The group will balance its attempts to achieve growth and development with careful management of its operations in order to ensure that the results achieved to date are built upon in future."

Revenue climbed 8.8% to 3.59 billion euros last year, slowing in the fourth quarter, Prada reported in February 2014.

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