

Burberry says sales boosted by shoppers in emerging economies

LONDON, UK: British luxury clothing and handbag maker Burberry said on Wednesday that sales rose in its first quarter, boosted by strong growth in the Asia Pacific region and in the Americas.

It also reported keen demand for its spring/summer fashion collection, and said it was targeting particularly shoppers in high-growth markets such as China.

Retail sales grew by 18.0% to £339m (\$505m, €394m) in the three months to the end of June, compared with performance a year earlier, Burberry said in a trading update.

Comparable sales, at stores open at least a year, advanced 13%.

The London-listed firm, famous for its trademark red, camel and black check design, achieved double-digit comparable sales growth in Asia Pacific and the Americas.

It said it turned in high single-digit growth in Europe, Middle East, India and Africa.

Burberry added that it would seek to focus on "high growth" markets like China, but also repeated its guidance for falling first-half profits amid uncertain global economic conditions.

"We are pleased with our first quarter retail performance. Spring/Summer 2013 was a standout season," said Chief Executive Angela Ahrendts.

She added: "Looking forward, the macro outlook remains uncertain and we will continue to focus our investment on profitable high growth opportunities by channel, region and product categories."

Investors welcomed the earnings update, sending Burberry's share price to the top of London's FTSE 100 index of top companies.

Burberry shares rallied 3.70% to 1,493.35 pence on the FTSE 100, which was 0.32% lower in late morning deals.

"The more cautious tone has not held back Burberry (shares) ... with the board continuing to emphasise the opportunity they see for sales growth in the Far East," noted analyst Matt Basi at traders CMC Markets UK.

Source: AFP, via I-Net Bridge

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