

Burberry sees UK sales sparkle on Brexit-hit pound

LONDON - Luxury fashion giant Burberry, famed for its designer handbags and trenchcoats, said Tuesday that British sales have soared since the Brexit vote as tourists took advantage of the plunging pound.



Burberry sales rallied by almost a third in the three months to September 30 from a year earlier, as slumping sterling made it cheaper for overseas shoppers to dash to London to buy luxury goods | © [Giuseppe Cacace](#)

Sales rallied by almost a third in the three months to 30 September from a year earlier, as slumping sterling made it cheaper for overseas shoppers to dash to London to buy luxury goods.

"Improved performance from the travelling luxury customer in the second quarter was most significant in the UK... given sterling's depreciation," it said in a trading update.

However, major markets in continental Europe remained weak on falling tourist expenditure. The pound has been pummelled since Britain's June 23 EU exit referendum, hitting 31-year lows against the dollar and 7.5-year troughs versus the euro.

Shoppers from China and the United States have since flocked to Britain for high-end goods, the London-listed group added Tuesday. The news helped Burberry post a 2.0-percent increase in comparable sales in the second quarter of its financial year, rebounding from a 3.0-percent decline in the previous three months.

And in another Brexit boost, Burberry forecast that further falls in the pound since September would add as much as

£125m (\$152m, 138m euros) to its annual profits for the year to March 2017. That was greater than its July forecast for a £90m uplift.

Sales however slid in the first half at the company's Asia Pacific and Americas divisions. The wholesale unit also faced a disappointing performance. That sent Burberry's share price tumbling by as much as ten percent in earlier deals on Tuesday. The stock finished 7.21 percent lower at 1,403 pence.

"Sterling's fall against global currencies makes a trip to a UK store a more attractive option for overseas luxury shoppers," noted analyst George Salmon at stockbroker Hargreaves Lansdown.

He added: "However, the external environment remains challenging. Hong Kong and Macau continue to hold back growth in Asia Pacific... with demand in the Americas described as uneven."

Source: AFP

For more, visit: <https://www.bizcommunity.com>