



The image of Burberry continues to be reinforced through distinctive advertising campaigns in leading publications worldwide

**Burberry** continued to strengthen its position as an international luxury brand, with profits up by 30%.

### **Burberry**

Burberry sustained its financial momentum with an 18% increase in revenues and a 30% increase in profits. This strong performance was delivered despite the events of September 11, which affected sales in many luxury goods companies.

Investment continued in initiatives to leverage the brand's potential. By enhancing its store portfolio, expanding product ranges, increasing control of distribution channels and strengthening its management team, Burberry established a solid platform for future growth.

The Burberry menswear, womenswear and accessories collections are showcased in 69 directly-operated stores and concessions, as well as via leading retailers worldwide. Six new stores were opened during the year, including locations in Beverly Hills, California and SoHo, New York. Autumn 2002 will see the opening of flagship stores on 57th Street in New York, as well as in Barcelona, Spain and Knightsbridge, London. The design of these stores, as well as that of the new shop-in-shop programme that is being rolled out to wholesale customers worldwide, is an evolution of the concept created for Burberry's first flagship store on New Bond Street in London, which opened in August 2000.

The Burberry Prorsum collections were showcased on the catwalks in Milan during the respective men's and women's fashion weeks, while the Burberry London collections were presented during London Fashion Week. The accessories range has continued its expansion, with sales of this high-margin classification up by 28%. The year also saw the launch of product extensions based on Burberry Touch fragrance, with the debut of a bath and body line and Burberry Baby Touch for children.

Burberry took steps to increase its control of the value chain with the acquisition of the operations of its distributors in Hong Kong, Singapore and Australia, as well as a separate agreement to acquire its distribution channel in Korea. As a result, Burberry will now have taken direct control of distribution in all key international markets, with the exception of Japan. In Japan, the licensing arrangements renegotiated in 2000 made a significant contribution to overall profit.

Burberry's management team was further strengthened by the appointment of Thomas O'Neill to the newly created post of President Worldwide.



**Burberry has 69 directly-operated stores and concessions, including this new SoHo location in New York City**



**Expansion of the Burberry accessories collections resulted in a 28% increase in sales during the year**

**The new Burberry store in Dusseldorf, modelled on the first flagship store in London's New Bond Street**

