

1BN) Burberry Cites Challenging Market as Revenue Trails Estimates

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By Andrew Roberts

July 11 (Bloomberg) -- Burberry Group Plc, the U.K.'s largest luxury-goods maker, reported fiscal first-quarter sales that trailed analysts' estimates as revenue from its licensing business fell in a "challenging" period.

Revenue rose 11 percent to 408 million pounds (\$633.9 million) in the three months ended June 30, the London-based company said today in a statement. The average of six estimates compiled by Bloomberg was 417.8 million pounds. Excluding currency shifts, sales climbed 11 percent.

Sales growth was driven by Burberry's own stores, which now account for about 70 percent of revenue. The 156-year-old company is spending on boutiques and digital technology to keep customers interested in its trench coats and other products amid Europe's debt crisis and slowing economic growth in China.

The period was affected by the closure of some licenses, revenue from which fell 5 percent, excluding currency swings.

Full-year licensing revenue is still expected to be "broadly unchanged," Burberry said.

The company will remain "responsive to the changing external environment," Chief Executive Officer Angela Ahrendts said in the statement.

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