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Burberry Group plc

Burberry announces joint venture in Middle East

Burberry Group plc, the global luxury company, is pleased to announce the formation of a joint venture covering parts of the Middle East with its longstanding franchisee, The Jashanmal Group.

The joint venture has created a new company, Burberry Middle East LLC ("Burberry Middle East"), headquartered in Dubai. Burberry Middle East will manage all Burberry retail and wholesale distribution within the United Arab Emirates markets including Dubai and Abu Dhabi, as well as Qatar, Oman and Kuwait under a fifteen year agreement.

Angela Ahrendts, Chief Executive Officer of Burberry, said:

"Jashanmal has been a wonderful trusted partner in the Middle East and has built a very successful Burberry business for over 10 years. We are excited by this new joint venture with them, giving us the opportunity for an even stronger collaboration in this high growth, under-penetrated market. Jashanmal has proven expertise having operated significant retail, wholesale and distribution businesses in the Middle East for many years."

Gangu Batra, Group President of Jashanmal, said:

"Burberry is an iconic brand with a unique heritage in the luxury sector. We have worked very well together in the past and are delighted to develop our partnership further through this important joint venture. Burberry is one of the best known and most popular brands in the region and we see significant opportunities ahead."

The joint venture will enable Burberry and Jashanmal to capitalise more quickly on opportunities in parts of the Middle East while increasing investment in this proven region. Year-to-date comparable store sales in these countries have increased by over 40%, demonstrating the growth potential of the market.

The first Burberry store in the Middle East opened in 1997 in Dubai under a franchise agreement with Jashanmal. There are currently eight stores in the joint venture, with a further four planned for the current financial year. Of these, two will be dedicated childrenswear stores, a product category which is a key growth area for Burberry.

Burberry Middle East has recently opened its largest store in The Dubai Mall. This flagship store carries both Burberry Prorsum and Burberry London Collection ready-to-wear and accessories. It is the first time that Burberry Prorsum menswear has been available in the Middle East.

Notes

About Burberry Middle East LLC

- Burberry Middle East is incorporated in the United Arab Emirates and its trading license was issued on 28 August 2008. A majority of the directors of the company have been appointed by Burberry. The gross assets of the retail and wholesale operations of Burberry Middle East are £7 million.
- Burberry Middle East stores are located in Dubai (Burjuman, City Centre Mall, Mall of the Emirates, The Dubai Mall); Kuwait (Arraya Center, Marina Mall); Abu Dhabi (Marina Mall) and Qatar (Villagio Mall).

About Burberry

- Burberry is a global luxury brand with a distinctive British heritage.
- Burberry designs and sources apparel and accessories, selling through a diversified network of retail, wholesale and licensing channels worldwide.
- Burberry has five strategic themes to underpin its growth: leverage the franchise; intensify non-apparel development; accelerate retail-led growth; invest in under-penetrated markets; and pursue operational excellence.
- At 30 September 2008, Burberry had 102 retail stores globally, with 250 concessions, 44 outlets and 84 stores operated under franchise.
- Burberry, which is headquartered in London, was founded in 1856 and is listed on the London Stock Exchange (BRBY.L).

About Jashanmal National LLC

- Jashanmal opened its first store in 1919 and built operations in Kuwait, Bahrain, Dubai and Abu Dhabi over the following decades.
- Its retail division operates a chain of seven department stores and various international franchises. In 1964, Jashanmal's wholesale division was created. This division is responsible for the distribution of a number of major international brands to 2,500 retailers in the United Arab Emirates, 500 in Kuwait and over 100 retailers in Bahrain.
- Jashanmal has experience across luxury and premium fashion, perfume and cosmetics brands, as well as a range of consumer goods in the Middle East.

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