

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in Burberry Group plc, please send this document, together with the accompanying form of proxy, as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom you made the sale or transfer for transmission to the purchaser or transferee.

Morgan Stanley & Co. International Limited is acting exclusively for Burberry Group plc and no-one else in connection with the proposal described in this document and will not be responsible to any person other than Burberry Group plc for providing the protections afforded to clients of Morgan Stanley & Co. International Limited or for providing advice in relation to the proposal or any other matter described in this document.

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# BURBERRY GROUP PLC

RECOMMENDED PROPOSAL TO AUTHORISE THE COMPANY  
TO REPURCHASE SHARES FROM GUS PLC  
IN CONJUNCTION WITH ON-MARKET REPURCHASES

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Notice of the Extraordinary General Meeting of Burberry Group plc to be held at the Sofitel St James Hotel, 6 Waterloo Place, London SW1Y 4AN on Monday 20 December 2004 at 10.00 a.m. is set out at the end of this document.

A form of proxy for use in relation to the EGM is enclosed with this document. To be valid, the enclosed form of proxy must be completed and returned in accordance with its printed instructions, so as to be received by the Company's Registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL, no later than 10.00 a.m. on Saturday, 18 December 2004.

## DEFINITIONS

“Agreement”	means the agreement with GUS, which will authorise the Company to make Off-market Repurchases, on the terms set out in section 3 of the letter from the Senior Independent Non-Executive Director and in section 4 of the Additional Information section of this document
“Associate”	means in relation to GUS, which is a substantial shareholder in the Company: <ul style="list-style-type: none"><li>(i) any other company which is a subsidiary undertaking or parent undertaking or fellow undertaking of the parent undertaking of GUS Holdings;</li><li>(ii) any company whose directors are accustomed to act in accordance with GUS’ directions or instructions; and</li><li>(iii) any company in the capital of which GUS, and any other company under (i) or (ii) taken together is (or would on the fulfilment of a condition or the occurrence of a contingency be) directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the fulfilment of the condition or the occurrence of the contingency be) able:<ul style="list-style-type: none"><li>– to exercise or control the exercise of 30 per cent. or more of the votes able to be cast at general meetings on all, or substantially all, matters; or</li><li>– to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters</li></ul></li></ul>
“Companies Act”	means the Companies Act 1985 (as amended)
“Company”	means Burberry Group plc, registered in England and Wales (No. 3458224) of 18-22 Haymarket, London SW1Y 4DQ
“Directors” or “Board”	means the board of directors of the Company
“Extraordinary General Meeting” or “EGM”	means the extraordinary general meeting of the Company convened for 10.00 a.m. on Monday, 20 December 2004, notice of which is attached to this document
“Group”	means the Company and its subsidiaries and subsidiary undertakings
“GUS”	means GUS plc, registered in England and Wales (No. 146575) of One Stanhope Gate, London W1K 1AF
“GUS Directors”	means John Peace (Chairman) and David Tyler who are directors of the Company appointed by GUS to the Board and hence not considered independent for the purposes of this Proposal to Shareholders
“GUS Group”	means GUS and its subsidiaries and subsidiary undertakings (other than the Group)
“GUS Holdings”	means GUS Holdings Limited, registered in England and Wales (No. 03496850), a wholly-owned subsidiary of GUS
“Independent Directors”	means all of the Directors other than the GUS Directors
“Instructed Broker(s)”	means the broker(s) appointed by the Company to make repurchases of Shares on the London Stock Exchange on its behalf as described in section 2 of the letter from the Senior Independent Non-Executive Director
“Listing Rules”	means the listing rules made by the Competent Authority under Part VI of the Financial Services and Markets Act 2000
“London Stock Exchange”	means the London Stock Exchange plc
“Off-market Repurchase(s)”	means one or more repurchases of Shares from GUS following and made on the same trading day as one or more On-market Repurchases and in the amount which will maintain the GUS Group’s holding in the Company at the percentage held immediately before the On-market Repurchases on that trading day
“On-market Repurchase(s)”	means one or more repurchases of Shares from Shareholders on the Main Market of the London Stock Exchange pursuant to the authority given in accordance with section 166 of the Companies Act at the annual general meeting of the Company held on 20 July 2004 to repurchase up to 50,069,116 Shares (at a price not more than 5% above the average of the market values of those Shares for the 5 business days before the purchase is made), through its Instructed Brokers, excluding Shares repurchased and held in treasury by the Company for the purposes of its employees’ share schemes as defined in section 743 of the Companies Act
“Proposal”	means the proposed entry into the Agreement by the Company and GUS
“Resolution”	means the Shareholder resolution to approve the Proposal set out in the notice of EGM attached to this document
“Shareholder”	means a registered holder of Shares
“Share Repurchase Programme”	means the programme consisting of On-market Repurchases and Off-market Repurchases allowing the repurchase of a combined total of up to 50,069,116 Shares and continuing until the 2005 annual general meeting of the Company
“Shares”	means ordinary shares (of which there are 503,389,186 in issue at the date of this document) of 0.05p each in the capital of the Company
“UKLA”	means the United Kingdom Listing Authority, a division of the Financial Services Authority

## CONTENTS

	Page
Letter from the Senior Independent Non-Executive Director	2
Additional Information	
1. GUS _____	5
2. Documents for Inspection _____	5
3. Major Interests in Shares _____	5
4. Terms of Proposed Agreement with GUS _____	6
5. Material Contracts _____	7
6. No Significant Changes _____	8
7. Adviser's Consent _____	8
Notice of Extraordinary General Meeting	9

### Expected Timetable of Events

Last time and date for receipt of proxies	10.00 a.m. on Saturday, 18 December 2004
Extraordinary General Meeting	10.00 a.m. on Monday, 20 December 2004

# BURBERRY GROUP PLC

Registered in England and Wales (No. 3458224)

Registered office:  
18-22 Haymarket,  
London SW1Y 4DQ

Directors:

John Peace (*Chairman*)  
Rose Marie Bravo (*Chief Executive*)  
Stacey Cartwright (*Chief Financial Officer*)  
Brian Blake (*Worldwide President and Chief Operating Officer*)  
Philip Bowman (*Senior Independent Non-Executive Director*)  
Guy Peyrelongue (*Non-Executive Director*)  
Caroline Marland (*Non-Executive Director*)  
David Tyler (*Non-Executive Director*)

To all Shareholders

26 November 2004

Dear Shareholder

## **PROPOSAL TO AUTHORISE THE COMPANY TO ENTER INTO AN AGREEMENT TO REPURCHASE ITS OWN SHARES FROM GUS PLC IN CONJUNCTION WITH ON-MARKET REPURCHASES**

The Company has conducted a review of its capital structure with the objective of ensuring an appropriate balance between capital efficiency and financial flexibility. Following this review and consideration of alternatives, on 16 November 2004 the Company announced its intention to commence an on and off market Share Repurchase Programme after obtaining the necessary Shareholder consent.

Based upon the Company's strong performance and cash flow generation since the initial public offering and its future prospects, the Board believes the Company is in a position both to return excess capital to Shareholders and to operate with a more efficient capital structure going forward. The Company will target a broadly cash-neutral position and currently aims to achieve this objective by March 2006. Based upon existing capital resources, operating trends and foreseeable capital requirements, the Board expects to repurchase approximately £250 million of Shares by that date. The Company also plans to maintain its progressive dividend policy, increasing the payout ratio to approximately 30 per cent. over time. Overall, this capitalisation strategy will enhance the Company's capital efficiency while providing adequate flexibility to fund growth opportunities.

In order to allow all Shareholders to participate in the programme, to maintain GUS' current ownership level and to minimise any impact on share trading liquidity, the Board is proposing to enter into an agreement which will allow the Company to repurchase Shares from GUS on an off-market basis alongside On-market Repurchases. Under the Agreement, the Company's On-market Repurchases will trigger corresponding repurchases from GUS, which will be completed on the same trading day and calibrated so as to maintain GUS' percentage ownership in the Company at the same level as it held prior to the corresponding On-market Repurchases (for reasons explained in section 1 below). The purchase price of the Shares repurchased from GUS would be equal to the average price of the On-market Repurchases made that same day. As GUS is considered to be a "related party" for the purposes of the Listing Rules (being a substantial Shareholder that owns 65.6 per cent. of the Company as at the date of this document), the Board is convening an Extraordinary General Meeting in order for the Shareholders to vote on whether the Company should be authorised to enter into the Agreement with GUS. I am writing to explain the reasons for the Proposal to enter into the Agreement.

### **1. Share Repurchase Programme**

The Company intends to implement the Share Repurchase Programme by way of both ongoing On-market Repurchases on the Main Market of the London Stock Exchange and Off-market Repurchases from GUS. The On-market Repurchases will be made pursuant to the existing general authority given by Shareholders at the Company's last annual general meeting held in July 2004. Off-market Repurchases from GUS will only take place following On-market Repurchases and will take place on the same trading day on a pro-rata basis as explained below. The Agreement for the Off-market Repurchases must be authorised by a special resolution of the Shareholders. The total number of Shares to be repurchased under the Share Repurchase Programme will not exceed 50,069,116 Shares, being slightly less than 10 per cent. of the Shares in issue as at the date of this letter. This was the limit set by the authority taken at this year's annual general meeting.

The Proposal will allow the Share Repurchase Programme to continue until the 2005 annual general meeting of the Company, at which time the Directors intend to seek to renew the authority to conduct On-market Repurchases and to obtain authority to renew the Agreement with GUS to conduct Off-market Repurchases. Shareholders will therefore have the opportunity to reconsider the Share Repurchase Programme at the 2005 annual general meeting.

The Board believes that the Company can operate effectively with less capital while maintaining the necessary degree of financial flexibility. Following consideration of the alternatives to enhance the Company's capital efficiency, including special dividends and tender offers, the Board has decided to undertake a Share Repurchase Programme. The Board assessed this and alternative return of capital mechanisms against a variety of measures and judged that a Share Repurchase Programme offered the best combination of simplicity, flexibility and cost effectiveness as well as allowing Shareholders to determine whether they wish to participate or not. In particular, the Board views the flexibility that the Company will have under a Share Repurchase Programme to match the pace of capital return with the strength of future cashflows from the business to be a material advantage over alternative mechanisms.

In order that the Share Repurchase Programme minimises any reduction in trading liquidity of the Company's Shares on the Main Market of the London Stock Exchange, the Board considers it important that the Company's largest Shareholder, GUS, participates in the programme on a pro-rata basis. Were GUS not to participate, any repurchase of Shares by the Company would increase GUS' percentage shareholding in the Company, and could have a significant negative impact on trading liquidity.

The Agreement with GUS proposed in this document is designed to ensure GUS' percentage shareholding in the Company does not change as a result of the Share Repurchase Programme. To achieve this, the Company will make Off-market Repurchases from GUS Holdings, a subsidiary of GUS and a shareholder of the Company, on each and every trading day on which the Company makes On-market Repurchases. In order to calculate the number of Shares to be repurchased from GUS Holdings, the Company will determine the number of Shares held by GUS Holdings on the relevant trading day immediately before the On-market Repurchases begin and the percentage of the Company's issued share capital that this holding represents. Once the On-market Repurchases for that trading day are complete, the Company will then determine the number of Shares that need to be repurchased from GUS Holdings in order to return the GUS Holdings' stake to the same percentage level as it held before the On-market Repurchases began on that trading day. This means that on any given day the proportion of Shares repurchased which are sourced from GUS Holdings may differ, depending on, for example, whether GUS Holdings has disposed of or acquired Shares independently of the Agreement or whether the Company has issued new Shares.

It is intended that during the Share Repurchase Programme, both On-market Repurchases and corresponding Off-market Repurchases will be made on a regular basis (which may be as frequent as daily), subject to favourable market conditions. The Board intends that the Share Repurchase Programme will continue until at least March 2006, subject to further Shareholder approval being obtained at the 2005 annual general meeting. Based upon existing capital resources, operating trends and foreseeable capital requirements, and subject to availability in the market, the Board expects to repurchase approximately £250 million of Shares by March 2006.

Announcements relating to the Share Repurchase Programme shall be notified to a Regulatory Information Service as soon as possible and in any event no later than 7.30 a.m. on the business day following the calendar day on which dealing occurred. The notification shall include the date of the purchase, the number of Shares purchased and the purchase price for each of the highest and lowest prices paid, where relevant.

The existing authority for On-market Repurchases allows the Company to repurchase up to (slightly less than) 10 per cent. of the Shares in issue as at the date of this document (or 50,069,116 Shares) during the term of the authority. The Board has determined that this limit will apply not just to Shares purchased in On-market Repurchases but to Shares purchased in both On-market Repurchases and Off-market Repurchases.

The Board considers the Proposal to be in the best interests of the Shareholders as a whole.

The two elements of the Share Repurchase Programme, namely On-market Repurchases from Shareholders other than GUS and Off-market Repurchases from GUS, are described in more detail below. No further authorisation is required for the On-market Repurchases, however the information in section 2 (On-market Repurchases) below is included for background.

## **2. On-market Repurchases**

At the annual general meeting of the Company held on Tuesday, 20 July 2004, the Shareholders passed a resolution enabling the Directors to complete On-market Repurchases (pursuant to section 166 of the Companies Act) of up to 50,069,116 Shares, being slightly less than 10 per cent. of the Company's issued ordinary share capital as at 21 May 2004.

The resolution authorised a minimum price per Share of 0.05p and a maximum price per Share of an amount equal to 105 per cent. of the average middle market quotations for a Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the relevant Share is purchased.

The authority expires on the earlier of the conclusion of the Company's next annual general meeting or 19 October 2005.

The Company will likely appoint a panel of brokers to make On-market Repurchases on its behalf with only one broker from the panel being instructed by the Company to act on any given day. The Instructed Broker will act on a "riskless principal" basis in accordance with instructions received from the Company in respect of the number of Shares to be purchased and the price to be paid. This means that the broker will fulfil the Company's order by purchasing Shares through the trading day and selling those Shares to the Company in one trade at the end of the day. The price of the end-of-day trade will be equal to the average price at which the broker has purchased Shares during that day in order to fulfil the Company's order. The Instructed Broker will be remunerated on a commission basis commensurate with normal market rates.

The Board now intends to repurchase Shares from Shareholders on the Main Market of the London Stock Exchange relying on this existing authority. The Company also intends that a similar general authority to make On-market Repurchases will be proposed and sought at subsequent general meetings of the Company in 2005 and thereafter.

### 3. Off-market Repurchases - Agreement with GUS

The Board proposes that the Company enters into an agreement with GUS to purchase Shares off-market in a series of transactions, each of which will follow relevant On-market Repurchases.

The terms of the proposed Agreement provide that:

- (a) when Shares are purchased in On-market Repurchases on any business day, GUS will procure GUS Holdings to sell to the Company and the Company will buy from GUS Holdings the number of Shares which will maintain the GUS Group's holding of Shares at the same percentage level held immediately before the On-market Repurchases on that business day; and
- (b) the purchase price for the Shares repurchased by the Company from GUS Holdings in each Off-market Repurchase will be the average price paid for the Shares purchased in the relevant On-market Repurchases on that business day.

Where Shares are purchased in On-market Repurchases on a given business day the provisions of the Agreement set out in (a) and (b) above will automatically be triggered and accordingly GUS Holdings shall have no discretion not to sell, and the Company shall have no discretion not to buy, the number of Shares which maintain the GUS Group's holding of Shares at the same percentage level as held immediately before the On-market Repurchases on that business day.

The Off-market Repurchases will be a direct sale of shares from GUS Holdings to the Company and will not be transacted through the Instructed Brokers. A detailed summary of the terms and conditions of the Agreement is set out in paragraph 4 of the Additional Information section of this document.

As Shares repurchased by the Company will be cancelled, the On-market Repurchases and Off-market Repurchases will result in a reduction of the issued ordinary share capital of the Company. An amount equivalent to the nominal value of any Shares repurchased will, in accordance with the Companies Act, be transferred from retained earnings to a capital redemption reserve. There will be no reduction in the Company's authorised share capital.

In the event that the Proposal is not approved by Shareholders, the Board will reassess the alternatives to enhance the Company's capital efficiency and may choose to return excess capital to Shareholders in a different manner.

### 4. Extraordinary General Meeting

An Extraordinary General Meeting of the Company has been convened to consider the Proposal. The notice of the EGM is set out at the end of this document. The meeting will be held at the Sofitel St James Hotel, 6 Waterloo Place, London SW1Y 4AN on Monday, 20 December 2004 at 10.00 a.m. At the EGM, a resolution will be proposed, as required by the Companies Act, to approve the proposed terms of the Agreement and, as GUS is a related party of the Company for the purposes of the Listing Rules, for the Company to enter into a related party transaction with GUS.

As required in these circumstances, GUS has undertaken to the Company that it will not vote, and will take all reasonable steps to ensure that its Associates abstain from voting, on the Resolution. Further, the directors of GUS (including John Peace and David Tyler) and members of the GUS Group will abstain from voting on the Resolution.

Shareholders will not be voting at the EGM to authorise On-market Repurchases (as no further authorisations for the On-market Repurchases are required). This document does not constitute an offer by the Company to purchase Shares and Shareholders will not, by virtue of their votes at the EGM, be agreeing to sell Shares.

### 5. Action to be taken

You will find enclosed a form of proxy for use by Shareholders in relation to the EGM.

Whether or not you propose to attend the EGM, you are urged to complete and return the form of proxy in accordance with its printed instructions as soon as possible. The completion and return of the form of proxy will not prevent you from attending and voting in person if you wish to do so. The form of proxy should be returned to the Company's Registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL so as to arrive no later than 10.00 a.m. on Saturday, 18 December 2004.

### 6. Recommendation and voting intentions

In addition to the undertakings not to vote on the Resolution referred to in paragraph 4 above, neither of the GUS Directors has voted at the Board meeting on the decision of the Board to put the Proposal to Shareholders as they have been nominated to the Board by GUS.

The Board considers that the Proposal is in the best interests of the Company and its Shareholders as a whole. Further, the Independent Directors consider that the Proposal is fair and reasonable so far as the Shareholders are concerned and the Independent Directors have been so advised by Morgan Stanley & Co. International Limited.

In providing advice to the Independent Directors, Morgan Stanley & Co. International Limited has taken into account the Independent Directors' commercial assessment of the Proposal.

**The Independent Directors unanimously recommend all Shareholders to vote in favour of the Resolution, as they intend to do in respect of their own beneficial holdings of Shares, amounting in aggregate to 94,522 Shares representing approximately 0.02 per cent. of the Company's existing issued ordinary share capital (excluding treasury shares).**

Yours faithfully



**Philip Bowman**  
Senior Independent Non-Executive Director  
Burberry Group plc

## ADDITIONAL INFORMATION

### 1. GUS

GUS Holdings, a wholly-owned subsidiary of GUS, holds 65.6 per cent. of the Shares and 1,600,000,000 redeemable preference shares (being 100 per cent. of the issued preference shares) in the Company as at the date of this document.

### 2. Documents for inspection

A copy of the proposed Agreement will be available for inspection by any Shareholder at the Company's registered office at 18-22 Haymarket, London SW1Y 4DQ, during normal business hours on any weekday (not Saturdays, Sundays and public holidays) from the date of this document up to and including the date of the EGM and also at the EGM.

Copies of the following documents will also be available for inspection at the above address from the date of this document during normal business hours on any weekday (not Saturdays, Sundays and public holidays) up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the material contract, the summary of which is set out in paragraph 5 below;
- (c) the consolidated audited accounts and interim accounts of the Group for each of the two financial years preceding the publication of this document, including all notes, reports or information required by the Companies Act; and
- (d) details of the Directors' service contracts.

### 3. Major Interests in Shares

In so far as it is known to the Company, the following persons (other than Directors) are directly or indirectly interested in 3 per cent. or more of the Company's Shares (excluding Shares held by the Company as treasury shares) as at the date of this document:

GUS Holdings Limited	65.6 per cent.
Janus Capital Management LLC	4.2 per cent.



#### 4. Terms of Proposed Agreement with GUS

Under the terms of the Agreement between the Company and GUS (to be entered into on or after the date of the EGM following approval from Shareholders), if the Company undertakes one or more On-market Repurchase(s) on any business day during the term of the Agreement, GUS agrees that at the end of that business day it will procure that GUS Holdings sells to the Company and the Company agrees to buy from GUS Holdings (GUS Holdings having no discretion not to sell and the Company having no discretion not to buy) the number of Shares necessary after giving effect to the On-market Repurchase(s) to retain GUS Group's shareholding at the "Specified Percentage" ("Sale Shares"). The Specified Percentage means, as at the date of the Agreement, the percentage of the issued ordinary share capital of the Company held by the GUS Group and at any other date shall mean such percentage of the issued ordinary share capital of the Company as equals the aggregate interest of the GUS Group in such share capital from time to time, disregarding the effect of the relevant On-market Repurchases.

The purchase price per Sale Share will be the average price of the Shares purchased from Shareholders in the relevant On-market Repurchases on the relevant business day, as contained in a repurchase notice to GUS.

Completion of each repurchase of Sale Shares shall be effected on the same business day as the relevant On-market Repurchases by GUS Holdings executing and delivering to the Company the stock transfer forms to transfer to the Company legal title to the Sale Shares together with the share certificate(s) representing the Sale Shares and the Company paying to GUS Holdings the aggregate amount owing for the Sale Shares as set out in the repurchase notice. The Sale Shares shall then be cancelled in accordance with sections 160(4) and 162(2) of the Companies Act.

GUS shall procure GUS Holdings to enter into a power of attorney in favour of the Instructed Brokers to enable the Instructed Brokers to complete, execute and deliver the stock transfer forms and to procure the issue of and deliver the share certificates on behalf of GUS Holdings and to take any other steps necessary to effect the sale and settlement of the Sale Shares.

The Company acknowledges that it cannot initiate an On-market Repurchase at any time when it would be prohibited from doing so by virtue of applicable law or the Listing Rules of the UKLA (unless the On-market Repurchase is completed pursuant to a contract agreed in advance with the Instructed Brokers and in a form approved by the UKLA). It therefore warrants to GUS that it shall only issue a repurchase notice to GUS in circumstances where it is permitted to do so. Therefore, GUS acknowledges that it is obliged to sell Sale Shares following the issue of and on the terms of the repurchase notice.

GUS undertakes that it shall not, and that it shall procure that each member of the GUS Group and each of its and their directors shall not, vote on any decision of the Board in relation to any On-market Repurchase.

The Agreement shall continue until midnight on the day of the 2005 annual general meeting of the Company. Either party may terminate the Agreement by one business day's written notice to the other party once Shares have been purchased by way of On-market Repurchases and Off-market Repurchases for an aggregated total consideration of £250 million.



## 5. Material Contracts

In addition to the proposed Agreement which will be a material contract once executed by the Company and is summarised in paragraph 4 above, the following is a summary of the principal contents (including particulars of dates, parties, terms and conditions and any consideration passing to or from the Company or any other member of the Group) of:

- (a) each material contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Group within the two years immediately preceding the publication of this document; and
- (b) any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

### ***Relationship Agreement***

On 11 July 2002, the Company entered into an agreement with GUS that regulates the on-going relationship between the Group and the GUS Group (the "Relationship Agreement"). The Relationship Agreement ensures that the Company carries on its business independently of GUS and any Associate of GUS and that all transactions and relationships between the Company and GUS are at arm's length. The rights and obligations of GUS under the Relationship Agreement depend on the percentage of issued voting share capital held by the GUS Group. The Relationship Agreement continues until the GUS Group ceases to hold at least 15 per cent. of the Company's issued ordinary share capital (the "Minimum Shareholding").

#### *Minimum Shareholding*

If the GUS Group holds the Minimum Shareholding then GUS has agreed to procure, so far as it reasonably can, that:

- the Company's independence in accordance with the Listing Rules is maintained and that the majority of the Non-Executive Directors on the Board are otherwise unconnected with and independent of both the GUS Group and the Company;
- two-thirds of the Company's Executive Directors are independent of the GUS Group, except for their executive directorships with the Company; and
- all transactions and relationships between the Company and the GUS Group are and will be conducted at arm's length.

Also:

- GUS is entitled to nominate one of the Directors;
- the Directors shall not be entitled to vote at meetings of the Board on matters in which they have a conflict of interest as a result of being directors or officers of any member of the GUS Group (other than their directorships or officerships with the Company and any members of the Group); and
- the Company has agreed to provide certain legal and regulatory information to GUS.

### *Controlling Shareholding*

For so long as the GUS Group holds 30 per cent. or more of the Company's issued ordinary share capital, in addition to the terms described above that apply where the GUS Group holds the Minimum Shareholding:

- GUS can appoint up to one-third of the Directors;
- the Company will provide GUS with information at specified times, including management accounts, board minutes and press releases; and
- GUS agrees not to take any action (or omit to take any action) which could prejudice the Company's listing on the Official List of the UKLA and the Main Market of the London Stock Exchange.

### *Majority Shareholding*

For so long as the GUS Group holds 50 per cent. or more of the Company's issued ordinary share capital, in addition to the terms described above that apply where the GUS Group holds the Controlling Shareholding:

- GUS has the right to appoint the chairman of the Board; and
- the Company will provide GUS with the Company's business plan within eight business days after the approval of the plan by the Board.

### **6. No Significant Changes**

There has not been any significant change in the financial or trading position of the Group which has occurred since the end of the last financial period for which unaudited interim financial statements were prepared, i.e. 30 September 2004.

### **7. Adviser's Consent**

Morgan Stanley, as adviser to the Independent Directors, has given and has not withdrawn its written consent to the inclusion of the reference to its name in the form and context in which it is included.

# BURBERRY GROUP PLC

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at the Sofitel St James Hotel, 6 Waterloo Place, London SW1Y 4AN on Monday, 20 December 2004 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

THAT, the Company be generally and unconditionally authorised for the purposes of section 165 of the Companies Act 1985 and Chapter 11 of the Listing Rules of the United Kingdom Listing Authority to enter into an agreement with GUS plc, a copy of which was tabled by the chairman of the meeting, pursuant to which the Company shall repurchase ordinary shares of 0.05p each in the capital of the Company from GUS plc (which number of ordinary shares repurchased, when aggregated with on-market repurchases during the term of the agreement, shall not exceed 50,069,116, being slightly less than 10 per cent. of the ordinary shares in issue as at the date of the circular to shareholders giving notice of the extraordinary general meeting at which this resolution is proposed) in accordance with the terms and conditions of the agreement, provided that this authority shall expire at midnight on the day of the 2005 annual general meeting of the Company, and that the Board be authorised to execute all documents and to do all things the Board considers necessary or desirable in connection with that agreement (except that no variations or material amendments will be made to the agreement).

By order of the Board

Michael Mahony  
*General Counsel and Secretary*  
26 November 2004

Registered office:  
18-22 Haymarket  
London SW1Y 4DQ

Notes:

1. A Shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote in his/her place. A proxy need not be a Shareholder of the Company.
2. To be valid, a form appointing a proxy, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notially or in some other way approved by the Directors), must be lodged with the Company's Registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL, not less than 48 hours before the time of the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. The completion and return of a proxy form will not preclude Shareholders entitled to attend and vote at the meeting (or at any adjournment thereof) from doing so in person if they wish.
3. The Company specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, that only those persons entered on the Register of Members of the Company at 6.00 p.m. on Saturday, 18 December 2004 shall be entitled to attend and vote at the meeting in respect of the number of Shares registered in their name at that time. Changes to entries on the Register after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.

