

15 July 2008

Burberry Group plc

First Quarter Trading Update and Interim Management Statement

Burberry Group plc, the global luxury company, today reports on trading for the three months to 30 June 2008.

First quarter highlights (on an underlying basis*)

- Total revenue increased by 22%
- Retail revenue up 14%, with comparable store sales growth of 4.5%
 - Strong comparable store growth in Americas, Europe and Asia offset by continued weakness in Spain
 - Good performances in non-apparel and outerwear
- Wholesale revenue up 43% in this small quarter
 - Improvements in supply chain facilitated earlier deliveries
 - Over 10% increase in revenue expected for first half, with North America up over 20%
- Licensing revenue increased by 3%

Commenting on this performance, Angela Ahrendts, Chief Executive Officer, said:

“I am pleased with Burberry’s start to the year in an increasingly challenging external environment. Our brand momentum is strong, driven by product innovation and a focused management team. This momentum, together with the diversity and balance we have across products, channels and regions, underpins our confidence for the future.”

There will be a conference call for investors and analysts to discuss this update today at 9am (UK time). The conference call can be accessed live on the Burberry website (www.burberryplc.com), with a replay available later today.

Burberry will release its First Half Trading Update for the six months to 30 September 2008 on 14 October 2008. It will announce its interim results for the six months to 30 September 2008 on 18 November 2008.

Underlying change is calculated at constant exchange rates. Certain financial data within this announcement have been rounded.

Revenue by origin of business

£ million	Three months to 30 June		% change <i>reported</i>
	2008	2007	
Europe*	87	63	38
Spain	18	18	3
Americas	52	41	27
Asia Pacific	54	45	19
Total	211	167	26

* Excluding Spain

Retail/wholesale revenue by destination

£ million	Three months to 30 June		% change	
	2008	2007	<i>reported</i>	<i>underlying</i>
Europe*	64	46	39	32
Spain	17	17	1	(14)
Americas	52	42	25	24
Asia Pacific	49	39	23	23
Rest of World	13	8	74	74
Total retail/wholesale	195	152	28	24

* Excluding Spain

Comments in this announcement refer to revenue by destination which better reflects the regional demand for Burberry products

Revenue by channel of distribution

£ million	Three months to 30 June		% change	
	2008	2007	<i>reported</i>	<i>underlying</i>
Retail	115	97	19	14
Wholesale	80	55	45	43
Licensing	16	15	5	3
Total	211	167	26	22

Total revenue

Total revenue in the first quarter increased by 22% on an underlying basis (26% reported). There was double-digit growth in both the retail and wholesale channels; in Europe, Americas, Asia Pacific and Emerging Markets; and in womenswear, menswear, non-apparel and childrenswear. This performance demonstrates the continued momentum of the brand, the impact of supply chain initiatives and the increased strength of Burberry's operations by channel, region and product. Spain remains a challenging market in which Burberry continues to implement a series of initiatives, as discussed at the time of the preliminary results.

Retail

Retail sales, which accounted for over half of total revenue in the period, grew by 14% on an underlying basis (19% reported). As a result of the excess stock in the business at the year-end, proportionally more inventory was sold year-on-year during the usual sale period, which continues into the second quarter. Non-apparel contributed most to retail growth. Product highlights included lightweight outerwear, shoes and other accessories including belts. Revenue also benefited from earlier Autumn/Winter 2008 receipts.

In the first quarter, when the competitive environment remained volatile, Burberry's comparable store sales increased by 4.5%, including Spain which was down double-digits. The Americas remained the best performing region, with particular strength in major cities such as New York, San Francisco and Chicago. Europe and Asia both showed positive comparable sales growth, led by countries including France, Germany and Korea.

During the quarter, Burberry opened mainline stores in Cannes and Budapest, as well as a net 14 concessions in Italy, Korea and Spain, including four new childrenswear corners. There was a 12% increase in average selling space year-on-year in the first quarter, with 12-13% expected for the year as a whole.

Wholesale

For the six months to 30 September 2008, based upon orders received to date, Burberry expects wholesale revenue to increase by over 10% year-on-year on an underlying basis. Spain is expected to show continued weakness (down double-digits) offset by good growth in all other regions, especially North America (up by over 20%) and Emerging Markets.

In what is a small quarter for wholesale, revenue in the first quarter increased by 43% on an underlying basis (45% reported), reflecting earlier shipments of Autumn/Winter 2008 merchandise. This was facilitated by continued improvement throughout Burberry's supply chain (sourcing, logistics and distribution). As a result of these earlier deliveries, all regions except Spain saw exceptional growth. The majority of first half wholesale merchandise will continue to be delivered in the second quarter of the year.

Sales to Emerging Markets doubled in the first quarter, largely reflecting earlier wholesale shipments, particularly to China. Comparable store sales growth in the franchise stores was very strong in the Middle East and Russia and a new store was opened in Baku, Azerbaijan.

Licensing

Total licensing revenue in the first quarter increased by 3% on an underlying basis (up 5% reported), benefiting from phasing differences year-on-year. Excluding these, Japanese volumes in apparel and non-apparel were marginally down in the quarter, offset by good growth in global licences, especially fragrances and timepieces. This performance is consistent with Burberry's expectation for the full financial year of broadly flat licensing revenue on an underlying basis.

Financial condition

Except for the trading activities described above, there has been no significant change to the financial condition of the company.

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The financial information contained in this Trading Update has not been audited. Certain statements made in this Trading Update are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements.

This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Burberry Group plc shares. Past performance is not a guide to future performance and persons needing advice should consult an independent financial adviser.

Notes to Editors

- 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 June 2008, Burberry had 97 retail stores globally, with 245 concessions, 41 outlets and 80 stores operated under franchise.
- Burberry was founded in 1856 and is listed on the London Stock Exchange (BRBY.L).