

11 October 2012

Burberry Group plc

Fragrance and beauty to be directly operated

In order to capitalise on the significant opportunities available for the brand in fragrance and beauty, Burberry announces that it will directly operate these product categories following the end of its existing licence relationship with Interparfums SA.

Fragrance and beauty will be run as Burberry's fifth product division alongside accessories and womens, mens and childrens apparel. Burberry already leads all product design, packaging and marketing activities for fragrance and beauty. It will now take control of the relationship with sourcing, logistics and distribution partners worldwide, supported by Burberry's existing IT, planning and central infrastructure and supplemented by a number of key senior hires with extensive functional expertise in these categories. To facilitate the transition, the licence relationship with Interparfums has been extended until 31 March 2013. Burberry will commence direct operations from 1 April 2013.

Angela Ahrendts, Chief Executive Officer, commented:

"Directly operating fragrance and beauty is in line with our strategy of taking greater control over our brand. There are significant opportunities to accelerate the growth of this business over time, leveraging our infrastructure and that of existing key suppliers and distributors.

We are very excited about fragrance and beauty becoming an important fifth product division for Burberry, as we more closely align it with our core business and brand positioning."

Further details, including financial information, will be provided with Burberry's interim results on 7 November 2012. As previously announced, Burberry will pay Euro181m in cash (exclusive of any receivables, inventories and other tangible assets) to Interparfums on 31 December 2012 for the ending of the licence relationship.

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Notes to editors

- Burberry is a global luxury brand with a distinctive British heritage, core outerwear and large leather goods base and some of the most recognised icons in the world.
- Burberry designs and sources apparel and accessories, selling through a diversified network of retail (including digital), wholesale and licensing channels worldwide.
- Burberry has five strategic themes to underpin its growth: leverage the franchise; intensify non-apparel; accelerate retail-led growth; invest in under-penetrated markets; and pursue operational excellence.
- At 30 September 2012, Burberry globally had 198 retail stores, 215 concessions, 49 outlets and 62 franchise stores.
- Burberry, which is headquartered in London, was founded in 1856. It is listed on the London Stock Exchange (BRBY.L) and is a constituent of the FTSE 100 index.
- BURBERRY, the Equestrian Knight Device and the Burberry Check are trademarks belonging to Burberry which are registered and enforced worldwide.