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BRBY.L - Burberry Group PLC Q1 Trading Update Conference Call

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Fraser Ramzan *Nomura - Analyst*

Peter Farren *Bryan Garnier & Co - Analyst*

Melanie Flouquet *JPMorgan - Analyst*

Peter Testa *One Investments - Analyst*

PRESENTATION

Operator

Good day and welcome to the Burberry first quarter trading update conference call.

Today's conference is being recorded. At this time I would like to turn the conference over to Stacey Cartwright, EVP/Chief Financial Officer; please go ahead.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Good morning, everyone, and welcome to Burberry's first quarter trading update call.

With me this morning is Fay Dodds, our Investor Relations Director. As usual, I'll provide a brief summary of our performance and then we will be happy to take your questions.

With 11% revenue growth, we've delivered a robust first quarter, continuing to invest for growth and clean up legacy issues to build long term brand equity.

As we talked about earlier this year, the external environment has been challenging and the trading pattern uneven. But, in Retail, we delivered 14% total growth with 6% comps, that's up against 15% comps in the same period a year ago; average selling prices increased again; Burberry Prorsum in London increased their penetration; and replenishment remains at around half of our business.

By region the UK, France, Germany and Greater China outperformed, while Italy and Korea remain the weaker markets. And our business in mainland China delivered mid-teens comp growth, as we anniversaried self-help measures from last year.

So turning to Wholesale, revenue increased by 9% underlying, helped by earlier deliveries in Europe. This performance is consistent with our expectation of mid-single digit growth for the half as a whole, as we rationalize distribution in the US and Europe, while pursuing growth opportunities in emerging markets, Asia travel retail and key US department store doors.

And finally on Licensing, revenue was down 5% at constant FX and 2% reported, the main factor here being the termination of certain Japanese non-apparel licenses in June last year. We continue to expect full-year licensing to be broadly unchanged year on year, with good growth from global product licenses.

The performance was once again driven by the consistent execution of our five key strategies.

So under leverage the franchise, we continue to clean up legacy issues be it in the supply chain, wholesale, licenses and this year products. Here we're rationalizing certain opening price point programs in core outerwear and large leather goods, in line with the elevation of the brand.

Under non-apparel, we remain excited about the potential for men's accessories, up by over 50% in mainline retail in the quarter.

Under Retail-led growth we've opened six mainline stores and closed two, and especially look forward to the opening of the major larger format stores in London, Chicago and Hong Kong later this year.

Our plans to open 12% to 14% more space this year are unchanged, and as we said at the prelims in May, as we move a higher proportion of our space away from small highly productive stores towards the larger format stores, these larger stores will naturally have lower sales densities. So we're expecting that the 12% to 14% space growth contributes around 8% to 9% to revenue growth.

In under-penetrated markets, we're continuing to invest in high potential markets, opening our fourth directly operated store in Brazil, in Sao Paulo, while the first Burberry store has opened in Jordan in partnership with the franchisee.

And, finally, under operational excellence we continue to invest in IT, people and processes to improve assortment planning, inventory management and drive efficiencies.

So in conclusion, with the challenging external environment, globally and by region, we remain responsive as we always are, managing gross margin and operating expenses dynamically to drive profitability, while also doing what's best for the brand long term. And this approach underpinned our robust performance in the first quarter.

So with that, Fay and I will now be pleased to take your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Anna Frogner, Morgan Stanley.

Anna Frogner - *Morgan Stanley - Analyst*

I was wondering if you could give us an indication of what you're seeing in terms of the domestic European consumer?

And also, whether you could give us an indication of the level of the margin dilution that you're expecting for the first half?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Okay, in terms of the domestic euro consumer, clearly, we've had nice strong performance from Europe in this last quarter, but I would point it more to the travelling luxury consumer, not to the domestic euro European consumer.

I don't think we're in a position to give you any quantitative numbers there, you'll know our CRM activities are in the very early stages, but fair to assume that the growth is certainly not coming from the domestic consumer.

Then in terms of margin, all we've simply guided to is the fact that with the shift in the business model, we're expecting margins to be down in the first half, but obviously in line with our consistent guidance that overall we're expecting retail wholesale operating margin to be modestly up in the full year as a whole, and that remains unchanged.

Anna Frogner - *Morgan Stanley - Analyst*

Okay, thank you.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Thanks, Anna.

Operator

Thomas Chauvet, Citi.

Thomas Chauvet - *Citi - Analyst*

Three questions. The first one you're talking about a more challenging external environment, but in Q1 your ASP is up, London, Prorsum; leather goods are still outperforming. How do you think about the rest of the year in terms of demand patterns? And have you, in recent weeks, reviewed any of your investment plans?

My second question is on the space disruption in Q1. If we take Regent Street, Chicago and the outlet closures, how much selling space does that represent in percentage terms?

And finally, there seems to be a 6 percentage points currency impact or negative impact at least in Europe in Q1. What is that, please?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Okay, well, I'll pick up on the more challenging macro and what that means for demand. We haven't got any better crystal ball than you have as to what's going to happen in all of the different geographic markets. All we would say is this is the beauty of a global brand and the fact that we have the diversification that we do.

I think your -- we do believe that brand momentum remains strong. As you rightly say, the average selling prices is up. We believe in major markets that we continue to perform at least in line with our peers, if not outperform, from all of the data that we receive.

And in terms of investment plans, certainly in terms of new stores, our plans remain unchanged. You know we have a high IRR hurdle rate, 25%. We apply quite stringent sensitivities to those, to the appraisals that come through to our investment account for approval and the vast majority of projects well exceed the 25% IRR. So we continue to believe that it's right to invest for the future for the long-term health of the brand with the majority of our investment continuing to go into the big flagship markets, which have obviously the higher penetration of the traveling luxury consumer.

In terms of any other investment plans, if you're talking about cost management, the business remains dynamic. We have monthly reviews with all of the regions, product divisions, the functional areas and we adopt this pay as you go approach. And everybody knows that if sales outperform we can invest a bit more and if sales come in a bit lower in certain regions, then we'll reign back in and that continues to be the case.

Fay Dodds - *Burberry Group plc - Director of IR*

In terms of space disruption, I haven't actually added it up for you but, clearly, we've got Regent Street and Chicago which aren't in the comps, they'll come in to the comps during -- they'll come into new space during the second half.

Don't forget, we've also got some new openings such as Sao Paolo and Faubourg, Saint-Honore in Paris, which aren't in comps. And then we've got some refurbs and extensions in cities like Barcelona and Rome as well. So one of the things that Stacey highlighted was the disruption to our real estate portfolio as we upgrade our portfolio and that's, clearly, having an impact on both comp and the space contribution.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

And then I think the final thing was just on currency and clearly remember, for us, we've got the competing pressures if you like, for what moves one way on the euro. For us, you've got the opposite, almost equal and opposite move on the dollar as you go through the year and the dollar-associated currencies. And so, clearly, in this first quarter you've got slightly more of an impact. I think, for example, the dollar rate, for us, the average for the quarter, $1.63 last year, $1.58 this year and the euro EUR1.13 going to EUR1.23.

Thomas Chauvet - *Citi - Analyst*

Thank you.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

[Does that help]? Okay.

Operator

Sophie Dargnies, HSBC.

Sophie Dargnies - *HSBC - Analyst*

I have three questions please. On the US can you give us a bit more detail, because the underlying growth is plus 2%, so I suppose that the rationalization has some impact? Is it possible to have the figures without the rationalization and can you also comment a bit on the local consumers there?

My second question will be on the profit before tax for the year. Can you give us the consensus you have?

And third on Interparfums, you said that nothing is -- you're still on discussion. The deadline is at the end of this month, so can you give us a comment?

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Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Okay. All right, so I'll take each of those in turn. The first one was the US plus 2%. Remember when you look at a quarter's number of one of the regions it's always distorted by Wholesale not just Retail and, clearly, the timing of wholesale shipments.

Within the US number on the Wholesale side, for the half as a whole, because we don't like to focus on the quarter, we're still saying that we will have a nice underlying double-digit growth out of US Wholesale. Clearly, there is rationalization going on with the ceasing of certain distribution, particularly some of the off-price product there.

As far as the Retail is concerned, Retail impacted by the fact that we're up against quite historic high comps in the US, comping at about 25% this time last year. The US is also the market that I would call out as having the highest penetration of the opening price point product that we've been rationalizing during the course of this quarter. And they're also higher in terms of outlook penetration and, clearly, we've got less inventory to float at the outlooks, that's impacting them. So whilst the core remains strong, clearly you've had those negative impacts within the numbers.

And in terms of the local domestic consumer, I think the macro outlook is pretty uncertain, the data points are mixed and, of course, you've got an election later this year. So I think it is a more challenging market perhaps.

And in terms of PBT consensus, there's quite a wide range out there coming into today. I think the lowest at GBP403 million, highest at GBP476 million. The only that we're saying is that we would expect the outliers at the very top of the range there to come more in line with the core consensus, which coming in today is about GBP440 million.

And then I think the final question was on Interparfums, I'm afraid there's nothing more to update you on. You're absolutely right, there is a deadline at the end of July in terms of the exercise of the option, should we choose to do that, but discussions continue with Interparfums, so.

Sophie Dargnies - *HSBC - Analyst*

Thank you very much.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Thanks, Sophie.

Operator

Warwick Okines, Deutsche Bank.

Warwick Okines - *Deutsche Bank - Analyst*

Three quick questions please. Firstly, just as a follow-up, can I just make sure that I understood this correctly; the reopening of Regent Street and Chicago is going -- is included in the 12% to 14% space growth you've guided to?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

It Is. Yes, it's new space, yes.

Warwick Okines - *Deutsche Bank - Analyst*

Okay. And you've commented specifically on Mainland China, I was wondering if you could just comment on Hong Kong, how you think the environment is there?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Yes, in terms of Hong Kong we still saw double-digit growth out of that market in this last quarter. Clearly, a lot of other players have been calling out the reductions, the softening when it comes to gift giving, and I don't think we're any different to that. I'm not sure what else to say about the market really.

Fay Dodds - *Burberry Group plc - Director of IR*

No, it's quite a difficult market to read because again, you know we're up against very strong comps in April and May, because of the distortion to travel flows within Asia post the Japanese earthquake. So it's, again, this uneven trading pattern is showing itself in Hong Kong.

Warwick Okines - *Deutsche Bank - Analyst*

Okay, and just finally going around the regions, the rest of world group, I know it's a small quarter and what have you, but that growth rates has slowed quite considerably from last year, is there anything that drove that in particular?

Fay Dodds - *Burberry Group plc - Director of IR*

Yes, again it's the phasing of Wholesale, because you're looking quarter on quarter, and then the main driver of the Retail comp growth is the Middle East. And Dubai I think as you know has remained fairly volatile. Within those numbers India is still strong for us, but it's relatively small.

Warwick Okines - *Deutsche Bank - Analyst*

Great, thanks very much.

Operator

William Hutchings, Goldman Sachs.

William Hutchings - *Goldman Sachs - Analyst*

Just two questions just so I'm absolutely clear in terms of the phasing; I know this must be quite boring to go through, but just so that we understand this. The impact of what you're doing in the US in terms of rationalization, should we expect that to continue for the next two or three quarters, because we understood that you started to implement that in the back of -- in the back end of last year?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Second half of last year, so pretty much through it by the end of the first half this year.

William Hutchings - *Goldman Sachs - Analyst*

Okay, so you'll be running on a normal comp base in the second half?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

On the Wholesale distribution yes.

William Hutchings - *Goldman Sachs - Analyst*

And the same one, sorry, everyone, if you've been through this already, I know, but in the China business as well you obviously have the uplift of being able to take on your previous franchise run stores and improve the like-for-likes.

Now, could you just give us a little bit more color? They were activities that improved the productivity of the stores. Are we now again at a point where you're just seeing that -- double-digit or mid-teens same store sales in China is reflective of just sell out, it's nothing that you're doing separately?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Clearly, we talked about the fact that when we acquired the business back in September 2010 there were some early wins in terms of merchandizing, the focus at the Asia team on making sure we had the inventory from a logistics point of view, in the right place at the right time. And we've been putting in place the sales and service training program, which obviously it doesn't happen overnight. And then, of course, the latest was putting SAP in last November. So although we've been anniversarying some of the self-help there's still some parts to come.

Interestingly, you called out the difference between the stores that we acquired from the franchisee and then by implication the stores that we've opened since.

I will tell you within that mid-teens number that we've had the strongest performance from the stores that we have opened, which are obviously more in line with the vision for the brand in that market place. So these are the larger footprint stores, more like 4,000 square foot plus, with bigger stores still to come in markets like Shanghai in particular.

And we've been closing the 2,000 square feet stores that we acquired from the franchisee as we've been evolving the portfolio, but the performance from our openings has been strongly into 20%-plus in terms of comps for this last quarter, whereas the comps out of the acquired stores have been more high single digit.

So I think that shows the power and the strength of the brand and, obviously, augers well for the quite aggressive store opening and closure program that we have over these next two years to three years to refresh that, that whole portfolio and expand our reach in China.

William Hutchings - *Goldman Sachs - Analyst*

That's very helpful. Thank you very much, Stacey.

Operator

Annabel Gleeson, Redburn Partners.

Annabel Gleeson - *Redburn Partners - Analyst*

Two questions, the first one is can you quantify how much your proactive decision to de-emphasize the Nova brand has impacted sales?

And also, given your comments on elevating the brand, how should we be thinking about gross margin?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Okay, in terms of quantifying the actions that we've taken on rationalizing the opening price point programs and that's obviously core outerwear as well as the large leather goods. Order of magnitude it's a couple of percentage points off comp, both before obviously whatever assumptions you want to make on substitution, but certainly for like-for-like products it's a couple of percentage points off comp.

And then in terms of elevating the brand, you remember we continue to pull levers elsewhere in gross margin, so as we elevate the brand and we push into new product categories you're not necessarily driving for the same gross margin but we've got other levers that we're pulling, which is helping us to keep nudging up gross margin. Like how we're fairing on replenishment as a proportion of the mix, how we're driving that and, clearly, what we can do with higher full price sell through in our main line stores rather than what goes to outlets, as well as obviously underlying pricing.

Fay Dodds - *Burberry Group plc - Director of IR*

But let's just go back to the point that as you sell more Prorsum in London, although you might make a lower gross margin percentage you make higher gross pounds in pounds.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

But this is all part of lots of moving parts in there and, clearly, one of the things that we factor in when we talk about modestly improving net operating margin year after year.

Annabel Gleeson - *Redburn Partners - Analyst*

Perfect, thank you very much.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Thanks, Annabel

Operator

(Operator Instructions). John Guy, Berenberg Bank.

John Guy - *Berenberg Bank - Analyst*

Just a follow-up on Annabel's question around the de-emphasis. Within that 2% does that also include putting less stock through the outlets or would you say that there is an additional impact to be had as you de-emphasize the outlet stock?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

All we're simply saying is that for what happened in the quarter, for product that would have gone through all the mainline stores, that cost us a couple of percentage points on margin but, clearly, that's before any view on substitutions; so no impact on outlets.

John Guy - *Berenberg Bank - Analyst*

Okay great, thanks very much.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Thanks, John.

Operator

Fraser Ramzan, Nomura.

Fraser Ramzan - *Nomura - Analyst*

Just a question around inventory and your ability to flex your commitment as a business, obviously replenishments are a much higher proportion of sales than it was and you've also invested in your supply chain. But as you look forward in terms of your commitment over the coming months, how flexible can you be and how -- can you respond on your non-replenishment product to whatever the market environment may look like?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Well, I think probably as, hopefully, we indicated even at the prelims, we are procuring much more tightly for higher full price sell through to start with. So if that gives you any comfort we are adopting the stance internally of tight procurement and chasing if we need rather than building inventories for sales levels that may or may not come through. So we are being very prudent in the current environment.

Fay Dodds - *Burberry Group plc - Director of IR*

And you know that is the benefit of having SAP now throughout the business and having invested in the planning team.

Fraser Ramzan - *Nomura - Analyst*

Yes, so on replenishment product, I'm really -- I'm not quite sure how to ask the question, how flexible can you be, what's the variance either from chasing down fashion in season or on replenishment in season?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Yes, we're not as sophisticated on replenishment by any stretch of the imagination versus what we'd like, because it's still very clunky and manual albeit we're using the SAP output, but the actual replenishment modeling is done off system. And the replenishment model will come later this year.

But nonetheless clearly what you have the flexibility to do with replenishment product is to take the next slug of inventory that you've got coming in from suppliers and say great, I'm not going to take that in in October, I'll take it in November, and you start to push deliveries out and it's product that would never be marked down. So I think we feel quite comfortable. Although it's not as sophisticated as it could be, we've got our arms around it.

Fraser Ramzan - *Nomura - Analyst*

Thank you very much, thank you.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Thanks, Fraser.

Operator

Peter Farren, Bryan Garnier.

Peter Farren - *Bryan Garnier & Co - Analyst*

Just one follow-up question on China please, can you tell us how many of your ex-franchisee stores are left versus the kind of stores you're opening please?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

So we've got 66 stores today.

Fay Dodds - *Burberry Group plc - Director of IR*

And I'd say probably about 40, I'll have to (inaudible).

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Yes, two-thirds are ex-franchisee and one-third are new, approximately.

Peter Farren - *Bryan Garnier & Co - Analyst*

Okay, thank you.

Operator

Melanie Flouquet, JPMorgan.

Melanie Flouquet - *JPMorgan - Analyst*

I have three questions actually. The first question is on Asia, I notice that mainland China actually, like-for-likes on (inaudible) de-accelerating, but still a pretty good performance. But Asia in total is decelerating quite remarkably in this quarter, so I was wonder whether you can make comments on any one-offs that could have impacted this or whether you know some of the markets, other than Mainland China, have actually seen the market acceleration this quarter? That's my first question.

The second one is just with 18% growth versus 32%, I think, in the last quarter --

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Stacey Cartwright - *Burberry Group plc - EVP & CFO*

What was that, we didn't catch your second question?

Melanie Flouquet - *JPMorgan - Analyst*

The first question is on Asia, ex-China.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

The second one you said?

Melanie Flouquet - *JPMorgan - Analyst*

The second one is on space growth, the space growth was 8% in Q1 and you are pointing to a lot of store openings coming later in the year, should we expect a re-acceleration of this 8%? Or is the fact that they are flagship still pointing to 8% for the rest of the year?

And my last question is on like-for-like, given that the rationalization of the Nova bag and the outerwear entry price points is continuing throughout the year, should we expect a re-acceleration of these like-for-likes of this impact? Or at least the impact will it be sailing up or will it accelerate through the year? Thanks a lot.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Okay, so I'll go backwards I think. So in terms of the like-for-likes and the impact of the rationalization of the opening price points on large leather goods and outerwear, that will obviously continue for the balance of the year. In pounds millions terms, it's a little bit more in Q2 and Q3 than it was in Q1 and a little less so in Q4, but not markedly so. So that's helpful for you to be able to do the math around that.

In terms of the space of 8% in Q1 I think we're consistent with what we said back at the prelims, that if we're adding 12% to 14% space growth for the year as a whole, we'd expect that to convert into 8% to 9% sales growth off the back of the larger format stores.

And then in terms of color around Asia like-for-like, clearly you've got China we talked about being mid-teens; Hong Kong is still into double-digit; Korea is the weakest market and pulling the numbers down, and that's number three in terms of size. Taiwan was mathematically weak in the quarter, but bear in mind that we've opened the Taipei 101 flagship in the quarter, so clearly that's impacting comps because of this magnificent new flagship.

Melanie Flouquet - *JPMorgan - Analyst*

But no worsening of the situation in any market in Q1 you would single out?

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Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Korea is broadly in line, maybe a tad worse, but not hugely. And as I said, Taiwan a one-off really in terms of it being impacted by the flagship.

Melanie Flouquet - *JPMorgan - Analyst*

Thanks a lot, that's very clear.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Thanks, Melanie.

Operator

Peter Testa, One Investments.

Peter Testa - *One Investments - Analyst*

Just a couple of questions to clarify a few things please. One is just on the like-for-like, which is bit less than people had expected. Could you just give some sort of sense as to where you've seen the slowdown versus previous quarter like-for-like, and to what extent this space changes, for example the pulling out of London and Chicago have affected that number? I was just a bit confused by the answer there.

The second question was just on Wholesale. You talked about, in particular, the US being negatively impacted by phasing and rationalization of base. Other areas are positively impacted by phasing. Is that a large offset to the total number as a positive in Europe, for example, because of the earlier deliveries?

And then the last question is, you mentioned on costs that you're remaining responsive to the environment. Given what you've seen so far, are you taking any particular actions on costs, or is the movement in the environment not substantial enough to change your plans at this point?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Okay, I'll take in reverse order, so I'll take costs and then let Fay pick up the other two.

So on the cost piece, this is no different to what we always do, which is that we have monthly reviews with all of our teams on product divisions, the regions, the functional areas, and we're constantly re-evaluating every month what we need to pull in and what we can afford to let out. So we've been calling out for a little while now that, with the team being as dynamic and responsive as they need to be, this is how we're making sure that we're staying on track with overall consensus for the year.

Peter Testa - *One Investments - Analyst*

So just to clarify that point, I understood that's how you run your business. I was more wondering whether, based upon what you've seen, are you actually doing very much right now or not?

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Well the teams are constantly in action looking at how to drive out efficiencies and manage their costs that much more tightly. So, yes, we are in action, but we've been in action for a while and will continue to be in action on that.

Peter Testa - *One Investments - Analyst*

Okay.

Fay Dodds - *Burberry Group plc - Director of IR*

In terms of Wholesale, we always say to investors, please look at the first half, because I'm neutral whether we ship it on June 27 or July 5.

In terms of where we're seeing the growth in the half, we've pointed to the US; we've pointed to travel retail; we've pointed to emerging markets. And Europe, because of the rationalization of the specialty accounts, is broadly flat for the half. Within the quarter, yes, the deliveries were phased more into the first quarter in Europe, that's probably the main phasing impact. But always, please, look at that half number.

Peter Testa - *One Investments - Analyst*

Of course, I'm just trying to be clear on that, okay. And on the like-for-like, just to help us understand what's slowing down because it sounded like, for example, China's still really the same. Even Korea which has been weak is broadly the same, and I couldn't quite follow where the change had been.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Well, remember, Peter, China was 20% and we're now calling out that it's mid-teens, so that's the first thing to bear in mind. We've called out that, obviously we've got -- in the US market they're up against particularly strong comps this time last year, and they are the region most impacted by the rationalization of the opening price point products, and the higher percentage historically of outlet business in that market. So the US is marginally positive rather than anything else at this point.

Fay Dodds - *Burberry Group plc - Director of IR*

But conversely, Europe has held up very well in the quarter, helped by the travelling luxury consumer.

Peter Testa - *One Investments - Analyst*

Great, okay; that's very helpful. Thank you.

Operator

We have no further questions at this point of time.

Stacey Cartwright - *Burberry Group plc - EVP & CFO*

Well, thank you very much, everybody, for your attention.

In summary, with 11% revenue growth we delivered a robust first quarter with continued strong brand momentum. As we've talked about earlier this year, the external environment was more challenging and the trading pattern uneven, but we remained true to our strategies; investing for growth while dealing with legacy issues, essentially to build long term brand equity.

So thank you very much. We look forward to speaking with you on October 11, which will be when we publish our first half trading update. Thanks very much.

Operator

That will conclude today's conference call. Thank you for your participation, ladies and gentlemen. You may now disconnect.
