Burberry Group plc

First Half Trading Update

Highlights for the six months to 30 September 2013

- Total revenue £1,031m, up 14% underlying
- Retail revenue £694m, up 17% underlying
  - 13% comparable store sales growth
    - Double-digit in Asia Pacific and EMEIA; high single-digit in Americas
    - Online continued to outperform in all regions
  - Outerwear and large leather goods drove half of mainline growth
- Wholesale revenue, excluding Beauty, £244m, down 7% underlying
  - H1 marginally ahead of guidance reflecting strong brand momentum globally
  - H2 expect mid to high single-digit % underlying increase excluding Beauty
- Beauty wholesale revenue £51m
  - Managed through complex transition period in H1
  - Successful launch of Brit Rhythm for Men in September
  - Full year revenue still expected at about £140m
    - Supported by additional marketing investment for Brit pillar fragrances
- Licensing revenue £42m, up 2% underlying excluding fragrance last year
  - Consistent with full year guidance
- Further strategic and operational progress
  - Digital collaboration with technology leaders
    - Burberry Kisses with Google
    - Spring/Summer 2014 runway show filmed on iPhone 5s
  - Opened 14 mainline stores, biased to high potential markets
  - Innovation in travel tailoring to drive mens London

Angela Ahrendts, Chief Executive Officer, commented:

“We are pleased with our first half performance, particularly in retail, with revenue up 17% driven by both online and offline. During the first six months of ownership, our supply chain execution in Beauty continued to improve and we are delighted with the early response to Brit Rhythm for Men, our first ever direct fragrance launch.

As we look forward to the second half, we expect the external environment will remain uncertain and currencies volatile. Our team is united in focusing on delivering a compelling brand message and exceptional product and service to our customers over the all-important festive periods, while continuing the momentum around Beauty.”

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

<table>
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<tr>
<th></th>
<th>Six months to 30 September</th>
<th>% change</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>£ million</td>
<td>2013</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>694</td>
</tr>
<tr>
<td>Wholesale*</td>
<td></td>
<td>295</td>
</tr>
<tr>
<td>Licensing#</td>
<td></td>
<td>42</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,031</td>
</tr>
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* H1 2013 wholesale revenue includes £51m of Beauty sales. Excluding Beauty, wholesale revenue in H1 2013 declined 7% underlying (down 4% at reported FX)

# H1 2012 licensing revenue includes £11m from the terminated fragrance licence relationship. Excluding this, licensing revenue in H1 2013 increased by 2% underlying (up 1% at reported FX)

## Retail/wholesale revenue by destination

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<tr>
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<th>Six months to 30 September</th>
<th>% growth</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>£ million</td>
<td>2013*</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td></td>
<td>354</td>
</tr>
<tr>
<td>EMEIA#</td>
<td></td>
<td>387</td>
</tr>
<tr>
<td>Americas</td>
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<td>248</td>
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<tr>
<td></td>
<td></td>
<td>989</td>
</tr>
</tbody>
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* Includes first time contribution of Beauty wholesale revenue, predominantly in Americas and EMEIA

# From 1 April 2013, Europe and Rest of World integrated to form Europe, Middle East, India and Africa (EMEIA)

## Retail/wholesale revenue by product division

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<thead>
<tr>
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<th>Six months to 30 September</th>
<th>% growth</th>
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<tbody>
<tr>
<td></td>
<td>£ million</td>
<td>2013</td>
</tr>
<tr>
<td>Accessories*</td>
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<td>361</td>
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<tr>
<td>Womens</td>
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<tr>
<td>Mens</td>
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<tr>
<td>Childrens</td>
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<tr>
<td>Beauty#</td>
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<td>54</td>
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<tr>
<td></td>
<td></td>
<td>989</td>
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</tbody>
</table>

* H1 2012 accessories revenue restated to exclude Beauty retail sales (£2m)

# H1 2013 Beauty revenue is £51m of wholesale revenue and £3m in retail. H1 2012 revenue retail only (£2m)

In the first half, total revenue increased by 14% underlying, with retail growth of 17%, wholesale down 7% and licensing up 2% (both adjusted for Beauty). Adjusted PBT for the six months to 30 September 2013 is now expected to be around the level of the prior year, better than previous guidance of down year-on-year. The recent appreciation of sterling, if it persists, will impact the translation of second half revenue and profit.
Retail
Retail sales in the first half increased by 20% at reported FX and 17% at constant FX. Of this 17%, comparable store sales growth was 13% (in both the first and second quarters), with the balance from new space.

By region in the first half, there was double-digit comparable store sales growth in Asia Pacific and EMEIA and high single-digit growth in the Americas. Mainland China delivered high single-digit comparable growth in the second quarter. In part reflecting more Chinese travelling luxury customers, the rest of Asia accelerated through the half and European flagship markets saw a higher proportion of tourist transactions. Footfall remained soft offline but grew online, while conversion improved in both. Sales via iPads in store and “order on line, collect in store” both performed strongly as consumer behaviour continued to evolve.

In mainline, outerwear and large leather goods again drove about half of the growth and mens tailoring continued to outperform, all driving average selling price. Mens accessories also grew strongly.

During the first half, Burberry opened 14 mainline stores and closed eight. Store openings included a net two in China and one additional store in each of Brazil, Mexico and India as the group continued to invest in high potential markets.

Wholesale
Excluding Beauty, wholesale revenue at £244m declined by 7% underlying (down 4% at reported FX). This was marginally ahead of guidance of down about 10% underlying, as brand performance at key wholesale partners globally was better than originally expected. Underlying revenue in EMEIA and Asia Pacific was down in the half, while the Americas was broadly unchanged.

Following the termination of the licence relationship, Burberry began directly operating fragrance and beauty from 1 April 2013. During this complex transition period, Beauty wholesale revenue was £51m. As supply chain execution improved during the half, deliveries were heavily weighted to the second quarter. Nearly half of the revenue came from our new distribution partner, predominantly in the United States and Europe.

In September, Brit Rhythm for Men, Burberry’s first fragrance under direct ownership, launched successfully across all channels including social media, in retail and with key department store partners.

Licensing
In the six months to 30 September 2012, licensing revenue, excluding £11m royalty income from fragrance and beauty, was £42m. Revenue in the first half of the current year grew from this level by 2% underlying (up 1% at reported FX). As planned, royalty income from Japan was largely unchanged, with double-digit percentage growth from the two remaining global product licences (watches and eyewear).
Outlook

Retail: Net new openings are still planned to contribute low to mid single-digit percentage growth to retail revenue in FY 2014.

Wholesale: Excluding Beauty, Burberry expects underlying wholesale revenue to increase by a mid to high single-digit percentage in the six months to 31 March 2014 (2013: £220m). The Americas, Asia travel retail and emerging market franchisees are planned to deliver good growth, with continuing account rationalisation in Europe.

For FY 2014, Burberry still expects Beauty to deliver wholesale revenue of about £140m, driven more by product launches than originally planned. This will be supported by additional marketing investment as we establish our Beauty business in this transition year.

Licensing: In FY 2013, licensing revenue, excluding £27m royalty income from fragrance and beauty, was £82m. In FY 2014, Burberry still expects growth from this level to be slightly positive at constant FX.

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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 corporate website (www.burberryplc.com), with a replay available later. Burberry will announce its Interim Results for the six months to 30 September 2013 on 14 November 2013.

Certain statements made in this announcement 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. Burberry Group plc undertakes no obligation to update these forward-looking statements, and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this document. All persons, wherever located, should consult any additional disclosures that Burberry Group plc may make in any regulatory announcements or documents which it publishes. All persons, wherever located, should take note of these disclosures. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Burberry Group plc shares, in the UK, or in the US, or under the US Securities Act 1933 or in any other jurisdiction.
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, accessories and beauty, 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 accessories; accelerate retail-led growth; invest in under-penetrated markets; and pursue operational excellence.

- At 30 September 2013, Burberry globally had 212 retail stores, 215 concessions, 52 outlets and 66 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. ADR symbol OTC:BURBY.

- BURBERRY, the Equestrian Knight Device and the Burberry Check are trademarks belonging to Burberry which are registered and enforced worldwide.