12 November 2015

Burberry Group plc

Interim results for the six months ended 30 September 2015

Burberry delivers robust performance amidst challenging environment for luxury. Adjusted retail/wholesale profit up 5% underlying.

Highlights for the six months to 30 September 2015

- Robust financial performance in a challenging environment for luxury
  - Revenue £1,105m, unchanged year-on-year
  - Adjusted retail/wholesale profit up 5% underlying (up 4% at reported FX)
    - As planned, licensing profit down 13% underlying, as Japanese licences expire (down 21% at reported FX)
    - Resulting in adjusted profit before tax of £153m, up 3% underlying
  - Reported PBT £155m (2014: £142m), up 9%
  - Net cash of £459m at September 2015 (2014: £307m)
  - Interim dividend up 5% to 10.2p

- Further building brand and business momentum
  - Over 11m views of our festive film across social platforms within first 48 hours
  - Combining our three labels to reduce complexity for customers and our business
  - Increasing our capacity to manufacture trench coats in Yorkshire, England
  - Making good progress in transforming Japanese operations
  - Expanding global distribution of Beauty in store and online with key partners
  - Comparable sales since the start of Q3 have improved relative to Q2

Christopher Bailey, Chief Creative and Chief Executive Officer, commented:

“This robust performance reflects decisive action as the external environment became more challenging in key markets over the period. We enter the second half mindful of this backdrop, but confident in our strongest-ever festive plans and emphasis on productivity and efficiency.

Beyond these immediate priorities, we remain focused on building Burberry for long-term, sustainable growth and value creation. In an evolving luxury environment, we see compelling opportunities by channel, region and product, underpinned by the strength and distinctiveness of our authentic British brand.”

All metrics and commentary in the Group Financial Highlights and Interim Management Report exclude adjusting items unless stated otherwise.

Adjusting items are:
- A charge of £7.5m in reported operating expenses being the amortisation of the fragrance and beauty licence intangible asset (H1 2014: £7.5m)
- Put option liability finance income of £9.3m in the reported net finance income relating to the third party 15% economic interest in the Chinese business (H1 2014: a charge of £3.0m)

Details of adjusting items are contained in Note 4 of the Condensed Consolidated Interim Financial Statements.

Underlying performance is presented in this announcement as, in the opinion of the Directors, it provides additional understanding of the ongoing performance of the Group. Underlying performance is calculated before adjusting items and removes the effect of changes in exchange rates, compared to the prior period. This takes into account both the impact of the movement in exchange rates on the translation of overseas subsidiaries' results and also on foreign currency procurement and sales through the Group's UK supply chain.

Certain financial data within this announcement have been rounded.

Enquiries

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- There will be a presentation today at 9.30am (UK time) at Horseferry House, Horseferry Road, London, SW1P 2AW
- The presentation can be viewed live on the Burberry website www.burberryplc.com and can also be accessed live via a listen only dial-in facility on +44 (0)20 3003 2666 (password: Burberry investor call)
- The supporting slides and an indexed replay will be available on the website later in the day
- Burberry will update on third quarter trading on 14 January 2016

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. Nothing in this announcement should be construed as a profit forecast. 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.

Burberry is listed on the London Stock Exchange (BRBY.L) and is a constituent of the FTSE 100 index. ADR symbol OTC:BURBY.

GROUP FINANCIAL HIGHLIGHTS

Total revenue £1,105m, unchanged year-on-year

Retail/wholesale revenue £1,078m, up 1% underlying; **adjusted retail/wholesale operating profit £130m,** up 5% underlying, including around a £30m reduction in performance-related pay

Licensing profit of £22m, down 13% underlying, reflecting the planned expiry of Japanese licences

Resulting in adjusted profit before tax of £153m, up 3% underlying, unchanged at reported FX (exchange rate impact £3m). Reported profit before tax £155m (H1 2014: £142m)

Adjusted diluted EPS up 2% to 26.0p (H1 2014: 25.4p), with 23% effective tax rate. Reported diluted EPS up 14% reflecting movement in adjusting items

Interim dividend up 5% to 10.2p (H1 2014: 9.7p), as we move towards our target dividend payout ratio of around 50% (based on adjusted diluted EPS) in FY 2016

Net cash of £459m at 30 September 2015 (2014: £307m); £80m capital expenditure in first half; inventory down 2% at constant exchange rates year-on-year

	Six months to 30 September		*% change*	
£ million	2015	2014	*reported FX*	*underlying*
Revenue	1,104.5	1,100.0	*0*	*0*
Cost of sales	(337.9)	(344.8)	*2*	
Gross margin	766.6	755.2	*2*	
Operating expenses*	(614.9)	(603.0)	*(2)*	
Adjusted operating profit	**151.7**	**152.2**	***0***	***2***
Net finance credit*	1.2	0.1	-	-
Adjusted profit before taxation	**152.9**	**152.3**	***0***	***3***
Adjusting items	1.8	(10.5)		
Profit before taxation	**154.7**	**141.8**	***9***	
Taxation	(33.7)	(33.4)		
Non-controlling interest	(1.5)	(3.9)		
Attributable profit	119.5	104.5		
Adjusted EPS (pence)˜	**26.0**	**25.4**	***2***	
EPS (pence)˜	26.7	23.4	*14*	
Weighted average number of ordinary shares (millions) ˜	447.2	447.2		

Adjusted measures exclude adjusting items
* Excludes adjusting items. For detail, please see page 2
˜ EPS is presented on a diluted basis

INTERIM MANAGEMENT REPORT

Burberry delivered a robust financial performance in the first half, against a background of a challenging environment for luxury, amplified by our geographic mix.

- Retail/wholesale revenue increased 1% underlying, with adjusted operating profit up 5% underlying, including accelerated actions to control discretionary costs and a reduction in performance-related pay.
- As planned, licensing profit was down 13% underlying, as the Japanese licences expired and we took direct control in the market.
- As a result, total group revenue was unchanged year-on-year, while adjusted profit before tax was up 3% underlying.

In response to this challenging environment, and ahead of our key festive period, we have further strengthened initiatives online and offline

- Product – fast tracking best sellers and optimising our iconic products including heritage trench coats, scarves and cashmere.
- Customer service – using our analytical tools to drive more personalised service.
- Marketing – using data to reallocate our marketing spend more tactically, while protecting investment behind the brand, especially around the new festive campaign.

Since the start of the third quarter, comparable sales, although volatile, have improved overall relative to the second quarter. Ahead of the key festive period, we continue to assume mid single-digit percentage growth in comparable sales in the second half, but the external environment remains challenging and uncertain.

We have also sharpened focus on our strategic agenda to enhance productivity and efficiency, with initiatives underway across retail, product and processes

- Tight management of costs - including hiring, travel and expenses and other discretionary spend, saving about £20m against plan in the full year.
- The move to one label from three – providing a more consistent brand experience for customers, while reducing internal complexity.
- Upgrading our core IT platform – to deliver operational efficiencies over time.

We also continue to invest in long-term opportunities

- UK manufacturing – where we plan to invest over £50m in the coming years in a new trench coat manufacturing and weaving facility in Yorkshire, England.
- By market – building our retail operation in Japan and repositioning the brand in the United States.
- By product – where we are underpenetrated in Beauty and leather goods in particular.

Core strategies
During the half, we have made further progress under each of our six core strategies.

Inspire with the brand

Through a co-ordinated programme of events, we have further reinforced our distinctive British heritage with luxury customers. We celebrated store openings around the world from Los Angeles to Tokyo and Seoul. The latter two events showcased to customers for the first time in store the skills of hand stitching on our heritage trench coat and monogramming for scarves and bags. This is a new format for store events emphasising craftsmanship and personalisation.

Digital innovation and partnerships drove awareness and engagement. As part of the Spring/Summer 2016 womenswear show, we partnered with Snapchat to preview the collection the evening before to the platform's 100 million users, with content viewed over 200 million times. We also partnered with LINE, the largest messaging app in Japan, to livestream the show and to celebrate the launch of Burberry Beauty, offering their users the opportunity to purchase a selection of exclusive beauty products directly on the new LINE Pay platform. We also opened an account on Kakao, the largest messaging app in Korea, to share our brand content with their users. As British music features prominently in all our events, we were the first brand to curate a dedicated channel on Apple Music. Burberry now has about 38m followers across its social media platforms globally, up over 30% on last year.

We continued to focus on better understanding and connecting with our customers. We capture data in about 85% of transactions and now have over ten million customers in our database. Our Customer Value Management (CVM) programme, which uses this data, is now live in 380 stores globally. It enables more targeted, relevant and personalised contact with our most important customers, driving increased conversion and spend. In addition, we are using data and analytics to further refine our marketing effectiveness in terms of timing, mix and level of investment, reallocating marketing spend to specific customer groups and products as appropriate.

Realise product potential

We continued to develop our outerwear offer. Building on the success of the focused heritage trench coat assortment, fully launched in September last year, we have added two new colours, parade red and navy, from this September. We have also seen early pleasing results from a new collection of lightweight cashmere trench coats in 14 colours for the autumn season.

We launched the Scarf Bar initiative both online and in store in September 2015, asserting our ownership of cashmere scarves. The Scarf Bar offers over 30 colours across both signature and lightweight cashmere fabrications, both solid and check, all available for monogramming online. The launch has been supported by new presentations in store and online and a dedicated marketing strategy, including customer emails with an image of their own personalised scarf. In the run-up to the key gifting period, in-store training and service initiatives have been introduced focusing on the provenance and craftsmanship of this product.

We expanded our Beauty distribution with Sephora globally and with Shiseido in Japan. Burberry make-up launched digitally on Sephora.com in August and was subsequently rolled out to an initial 34 Sephora stores, including their Champs Elysees, Paris flagship, with plans to expand the distribution over the next year. As the first phase of our new distribution partnership with Shiseido in Japan, the My Burberry fragrance was launched in June. This was followed by the opening of the first two Burberry Beauty Box counters in department stores in Tokyo and Osaka. These counters, based on the standalone Beauty Box store concept, offer make-up, fragrance and gifting items. Shiseido will continue to open additional counters in Japan, supporting the development of both Beauty and our brand in this market.

Optimise channels

Burberry opened 13 mainline stores and closed nine during the first half. Openings included stores in the flagship markets of Dubai, London, New York, Seoul and Tokyo. For the full year, we plan to open about 15-20 mainline stores and close a similar number. Capital expenditure is planned at around £180m for FY 2016.

Burberry.com remains at the heart of our digital strategy and we continue to invest to ensure we are responding to the evolving needs of our customers. Launched last year, our improved mobile functionality has supported the tripling of penetration of mobile sales year-on-year. During the first half, we have improved the tablet platform, refined checkout and payment tools and are now testing the single pool of inventory model in the UK and US following successful implementation in China.

To complement burberry.com, we continue to partner with third parties, providing a brand appropriate experience to those luxury consumers who want to research and buy online, but on other platforms. Revenue from third party digital partners in the half was up by a double-digit percentage. In the first half, we also built brand rooms on over 15 different platforms for both fashion and beauty, with existing wholesale partners as well as pure digital and social commerce players.

Unlock market opportunity

Our geographic mix amplified the impact on our revenue of the challenging external environment for the Chinese luxury consumer. Looking at our Chinese customers, about half of their spend was in mainland China, about 20% in the rest of Asia Pacific (the majority in Hong Kong), 25% in EMEIA and 5% in the Americas. We continued to see growth globally from Chinese customers in the half, although this softened in the second quarter both in mainland China and when travelling. Our Japanese business, which only currently accounts for around 2% of global retail/wholesale revenue (well below luxury peers) did benefit from Chinese spend. Within EMEIA, we saw strong double-digit percentage growth from travelling Chinese customers in continental Europe, but there was more muted growth in the UK (over one-third of the region's retail revenue), given the relative strength of sterling against the euro.

With the expiry of the Burberry licences in June, we continued to intensify our efforts in Japan. During the half, we expanded our retail footprint, with the opening of our sixth free-standing store in Shinjuku, Tokyo and a further six department store concessions, bringing the total to 19. We also assumed operation of ten childrenswear concessions. Our retail operations, serving a predominantly domestic customer base, continued to post strong results in the half, with comparable sales growth well in excess of 50%, albeit off a small base.

Our investment in emerging markets with long-term growth potential continued. During the half, we moved to direct operation in Russia and Bahrain, opening two mainline stores in Moscow and one in Bahrain and closing the franchise stores in these markets. A second franchise store was opened in both South Africa and Panama.

Pursue operational excellence

Burberry plans to develop a new state-of-the-art manufacturing and weaving facility in Yorkshire, England. The initial investment will be over £50m, with work on the new site due to begin in 2016 with a current completion date of 2019. The new facility, which will bring all manufacturing employees together under one roof, will offer increased capacity for trench coat production, more sustainable and efficient ways of manufacturing and the potential to produce other outerwear categories at the site.

To reduce complexity for our customers and internally, we are unifying our Prorsum, London and Brit collections under a new single Burberry label. The transition will be introduced into stores worldwide by the end of 2016. This move will offer customers a more consistent and intuitive experience across our existing collections, while reducing internal complexity across product and processes.

During the half, we completed the first steps in upgrading our core IT systems, by migrating our physical data centre to SAP's cloud-based service and then transferring applications on to their new database technology (HANA). The benefits of this will be real time, faster in-database processing, enabling better, more responsive decision-making throughout the business. This is the initial phase of a multi-stage programme which will support our future growth ambitions and deliver operational efficiencies as we implement it over the coming years.

Build our culture

Burberry was included for the first time in the 2015 Dow Jones Sustainability Index, being recognised as one of the top performing companies globally in our sector for corporate sustainability. Our inclusion reflects the focus, importance and integrated approach that we place on our commitment to drive positive environmental and social change globally.

We believe that it is important to be a socially responsible business. During our summer "Engage" programme, our employees dedicated more than 5,000 hours to making a difference in our communities, inspiring young people, supporting families in need and helping with community revitalisation projects in 80 cities around the world.

Revenue analysis

Revenue by channel

£ million	Six months to 30 September 2015	2014	% change reported FX	underlying
Retail	773.6	748.1	*3*	*2*
Wholesale	304.8	317.2	*(4)*	*(3)*
Licensing	26.1	34.7	*(25)*	*(18)*
Revenue	**1,104.5**	**1,100.0**	***0***	***0***

Retail

70% of revenue; with 218 mainline stores, 218 concessions within department stores, digital commerce and 57 outlets

- Retail sales up 2% underlying; up 3% at reported FX
- Comparable sales increased by 1% (Q1: up 6%; Q2: down 4%)
- New space contributed the balance of growth at 1%
- Digital outperformed

In the second quarter, demand from luxury consumers, particularly Chinese customers, was affected by a more challenging external environment. For Burberry, the impact was amplified by our geographic mix. Comparable sales increased by 6% in the first quarter and declined by 4% in the second quarter, with a slowdown in all regions. This reflected a decline in the number of transactions partly offset by an increase in average selling price. Digital continued to outperform in the half, although it too slowed in the second quarter, reflecting softer demand from domestic consumers, digital's primary customer base.

In mainline retail, the performance of apparel and accessories, and fashion and replenishment, was similar throughout the half. Apparel slowed more than accessories in the second quarter, with weakness from outerwear excluding rainwear in particular. Sales of heritage trench coats and cashmere scarves were strong, as were ponchos and dresses. Within large leather goods, we saw good performance from the Banner bag, an evolution of our iconic tote, and from smaller versions of many of our key shapes.

Asia Pacific

With retail accounting for about 85% of revenue in the region, Asia Pacific delivered a mid single-digit percentage comparable sales decline in the half. This was impacted by a further year-on-year deceleration in Hong Kong in the second quarter compared to the first, as footfall continued to decline. Mainland China comparable sales decreased slightly in the half, in the context of weakening consumer sentiment in the market in the second quarter. Japan saw comparable sales growth well in excess of 50%, albeit off a small base.

Excluding Hong Kong and Macau, comparable sales in the first half were broadly unchanged year-on-year.

During the first half, we opened a net ten mainline stores and concessions (24 openings and 14 closures), as we build our retail footprint in Japan and continue to evolve the store network in both China (a net three closures resulting in a total of 65 stores) and South Korea (with five closures and three openings), including our first free-standing store in Seoul.

Europe, Middle East, India and Africa (EMEIA)
Retail accounted for over 65% of EMEIA's revenue. The region delivered double-digit percentage comparable sales growth in the half, although growth moderated in the second quarter. With the travelling luxury customer generating about 60% of the region's revenue, we saw comparable sales growth in the first half in Italy, France and Spain in excess of 20%. This significantly outperformed the UK (over one-third of EMEIA's retail revenue), given sterling's relative strength against the euro.

During the first half, we opened eight and closed nine mainline stores and concessions, with the closures mainly smaller stores outside flagship markets. We continued to build our presence in under-penetrated markets, with four mainline store openings in the Middle East and two in Russia. We also expanded our Regent Street flagship store with an exclusive area - Thomas's - dedicated to gifting and dining.

Americas
With retail accounting for over 60% of sales, the Americas delivered low single-digit percentage comparable growth in the first half. Our directly-operated businesses in Canada, Brazil and Mexico (over 15% of Americas' retail revenue) delivered double-digit percentage comparable sales growth in the period. The United States slowed in the second quarter, primarily reflecting uneven demand from both the domestic and tourist consumer.

New York was the focus of store investment during the half, with the re-opening of the expanded and refurbished store on Spring Street, Soho, an additional store in lower Manhattan and the closure of a Brit store.

Wholesale

28% of revenue; generated from sales of apparel and accessories to department stores, multi-brand specialty accounts, franchise stores and travel retail; as well as beauty to around 80 distributors worldwide

- Wholesale revenue down 3% underlying; down 4% at reported FX, broadly consistent with guidance
- Apparel and accessories down by a mid single-digit percentage underlying, partly reflecting further account rationalisation and a move in certain markets to retail
- Beauty up by a low single-digit percentage underlying
- At 30 September 2015, Burberry had 60 franchise stores globally

The regional comments below are for apparel and accessories and exclude beauty.

Asia Pacific
Wholesale revenue in Asia Pacific saw a double-digit percentage underlying sales decline in the first half, largely reflecting falling demand from travel retail customers, particularly in Hong Kong, Macau and Korea. As part of the transition in Japan, we also completed our exit from existing wholesale accounts in this market.

Europe, Middle East, India and Africa
EMEIA remains the group's largest wholesale region at about 45% of the total. It declined by a mid single-digit percentage as planned, with double-digit percentage growth from new and existing accounts more than offset by continuing account rationalisation and the impact of Russia and Bahrain moving to direct operation.

Americas
The Americas, which accounts for about 35% of group wholesale revenue, delivered low single-digit percentage growth, benefiting from some re-phasing of deliveries into the first half from the second half of this year. Underlying demand was subdued, reflecting a more difficult external environment for department store customers in the United States.

Beauty
In Beauty, wholesale revenue grew by a low single-digit percentage underlying compared to last year, which included the product sell-in ahead of the My Burberry fragrance launch in September 2014. During the first half, we introduced product extensions including Brit Splash and My Burberry eau de toilette, maintaining the momentum behind our pillar fragrances. External sell-out data shows Burberry outperforming the total fragrance market in key regions since the start of the calendar year.

Licensing
2% of revenue; of which about 60% is from Japan, with the balance from global product licences and European wholesale childrenswear

- Licensing revenue decreased by 18% underlying; down 25% at reported FX
- Consistent with full year guidance

Reflecting the impact of the planned expiry of the Japanese licences and the transition payments, royalty income from Japan was £17m at constant exchange rates, down about 40% on the first half last year. In the second half, royalty income from Japan is expected to decline, as guided, to about £10m (from £25m in H2 2014/15), reflecting the licence transition payment and income from the new licence for Black and Blue labels (now branded Crestbridge).

During the half, in eyewear, we launched the "Gabardine" and the first men's only "Sartorial" collections, both at a more elevated positioning and delivering positive results. Growth from our global product licences included a phasing benefit.

Operating profit analysis

Adjusted operating profit

£ million	Six months to 30 September 2015	2014	% change reported FX	underlying
Retail/wholesale	129.7	124.3	*4*	*5*
Licensing	22.0	27.9	*(21)*	*(13)*
Adjusted operating profit	**151.7**	**152.2**	***0***	***2***
Adjusted operating margin	*13.7%*	*13.8%*		

Adjusted operating profit increased by 2% underlying in the first half, reflecting 5% underlying growth from retail/wholesale and the planned decline from Japanese licensing. At reported FX, adjusted operating profit was unchanged year-on-year at £151.7m, with a slight adverse impact from exchange rates of £3.5m.

Adjusted retail/wholesale operating profit

£ million	Six months to 30 September 2015	2014	% change reported FX
Revenue	1,078.4	1,065.3	*1*
Cost of sales	(337.9)	(344.8)	*2*
Gross margin	740.5	720.5	*3*
Gross margin	*68.7%*	*67.7%*	
Operating expenses	(610.8)	(596.2)	*(2)*
Adjusted operating profit	**129.7**	**124.3**	***4***
Operating expenses as a % of sales	*56.7%*	*56.0%*	
Adjusted operating margin	*12.0%*	*11.7%*	

Retail/wholesale adjusted operating profit increased by 5% underlying, up 4% at reported FX after a £1.1m adverse impact from exchange rate movements.

Gross margin was 68.7% (up 100 basis points) primarily reflecting

- A one-off inventory charge relating to a previous fragrance launch in the first half of last year which did not repeat this year
- Positive channel mix being offset by negative geographic mix
- A marginally positive FX impact.

Operating expenses of £611m include a benefit of about £30m from a reduced performance-related pay charge compared to the prior year. Excluding this

- The majority of the increase in expenses came from net new space
- Investment in marketing and technology was increased
- While general inflation and a small adverse FX impact were offset by lower variable costs and tight management of discretionary costs.

The operating expenses to sales ratio was 56.7%, up 70 basis points compared to the prior year.

Licensing operating profit

£ million	Six months to 30 September 2015	2014	*% change reported FX*
Revenue	26.1	34.7	*(25)*
Cost of sales	-	-	-
Gross margin	26.1	34.7	*(25)*
Gross margin	*100%*	*100%*	
Operating expenses	(4.1)	(6.8)	*40*
Operating profit	**22.0**	**27.9**	***(21)***
Operating margin	*84.3%*	*80.4%*	

Licensing revenue decreased by 18% underlying, down 25% at reported FX including an adverse exchange rate impact of £2.4m. With lower operating expenses, licensing profit was £22.0m, down 13% underlying (down 21% at reported FX).

Adjusting items

£ million	Six months to 30 September 2015	2014
Amortisation of fragrance and beauty licence intangible	(7.5)	(7.5)
China put option liability finance income/(charge)	9.3	(3.0)
	1.8	(10.5)

The charge of £7.5m relates to the amortisation of the fragrance and beauty licence intangible asset of £70.9m, which was recognised in FY 2013. This is being amortised on a straight line basis over the period 1 April 2013 to 31 December 2017. The China put option liability finance income relates to fair value movements, including the discount unwind, on the put option liability over the non-controlling interest in the acquired Chinese business. The income of £9.3m in the first half, compared to a £3.0m charge in the first half last year, largely reflects lower long-term growth forecasts for the business in China.

Taxation
The effective rate of tax on adjusted profit for FY 2016 is estimated to be 23.0% (FY 2015: 23.4%). This 23.0% is the rate applied in H1 2015 (H1 2014: 23.0%). Tax on adjusting items has been recognised as appropriate. The resulting effective tax rate on H1 2015 reported profit is 21.8% (H1 2014: 23.6%).

Cash
Net cash at 30 September 2015 was £459m, compared to £307m at 30 September 2014 and £552m at 31 March 2015. Major outflows in the first half included £112m on dividends, £80m on capital expenditure and £57m on working capital, much of which was seasonal. Inventory at 30 September 2015 was £478m (September 2014: £483m), down 2% at constant exchange rates, benefiting from our investment in planning teams and technology.

Outlook
Retail: In FY 2016, net new space is expected to contribute low single-digit percentage growth to total retail revenue.

Wholesale: Burberry expects total wholesale revenue at constant exchange rates in the six months to 31 March 2016 to be broadly unchanged on the same period last year (H2 2014/15: £331m).

- In apparel and accessories, an underlying mid single-digit percentage decline reflects cautious ordering by wholesale customers globally, as well as the re-phasing of orders in the Americas into the first half from the second half of this year.
- Double-digit percentage underlying growth is expected in Beauty in the second half, driven by sales to distributors of our new male fragrance, Mr Burberry, offset by some destocking.

Retail/wholesale profit: In FY 2016, if exchange rates* remain at current levels, our latest expectation is that there will be no material benefit to FY 2016 reported retail/wholesale profit compared to FY 2015 rates. This compares to an expected benefit of about £10m at the time of the First Half Trading Update based on 30 September 2015 effective rates.

Licensing: Total licensing revenue for FY 2016 is planned to be down by about 40% at constant exchange rates (FY 2015: £68m), due to the expiry of the Japan Burberry licences. For FY 2016, we continue to expect double-digit percentage growth from the global product licences and about £25m revenue from Japan. At current exchange rates*, the impact of the movement in the sterling/yen rate on reported licensing revenue in FY 2016 is not expected to be material.

Capital expenditure: Spend of around £180m is still planned for FY 2016.

* See Appendix

APPENDIX

Exchange rates

£1=	Full year effective rates for FY 2016: 31 October 2015	30 September 2015	8 July 2015	Average exchange rates: H1 2015	H1 2014
Euro	1.39	1.37	1.39	1.39	1.24
US Dollar	1.54	1.52	1.53	1.54	1.68
Chinese Yuan Renminbi	9.71	9.62	9.52	9.62	10.38
Hong Kong Dollar	11.96	11.82	11.90	11.94	12.98
Korean Won	1,755	1,772	1,727	1,743	1,721
Yen~	177	176	177	175	157

~ For licensing revenue, taking into account the current hedged positions

Retail/wholesale revenue by destination

£ million	Six months to 30 September 2015	2014	% change reported FX	underlying
Asia Pacific	377.3	384.8	*(2)*	*(6)*
EMEIA	415.7	410.4	*1*	*8*
Americas	285.4	270.1	*6*	*0*
	1,078.4	1,065.3	*1*	*1*

Retail/wholesale revenue by product division

£ million	Six months to 30 September 2015	2014	% change reported FX	underlying
Accessories	393.1	387.1	*2*	*2*
Womens	315.6	316.0	*0*	*0*
Mens	247.5	247.2	*0*	*(1)*
Childrens	40.3	36.5	*10*	*8*
Beauty	81.9	78.5	*4*	*4*
	1,078.4	1,065.3	*1*	*1*

Store portfolio

	Directly-operated stores				
	Stores	Concessions	Outlets	Total	*Franchise stores*
At 31 March 2015	214	213	57	484	*67*
Additions	13	20	0	33	*3*
Closures	(9)	(15)	0	(24)	*(10)*
At 30 September 2015	218	218	57	493	*60*

Store portfolio by region

	Directly-operated stores				
At 30 September 2015	Stores	Concessions	Outlets	Total	*Franchise stores*
Asia Pacific	65	151	13	229	*8*
EMEIA	75	59	24	158	*45*
Americas	78	8	20	106	*7*
Total	218	218	57	493	*60*

Related parties

Related party disclosures are given in note 15 of the Condensed Consolidated Interim Financial Statements.

Principal risks

The Group carried out a formal process throughout the period to identify, evaluate and manage significant risks faced by the Group. In the view of the directors, the principal risks and uncertainties affecting the Group for the remaining six months of the financial year comprise those set out on pages 56 to 59 of the Annual Report for the year ended 31 March 2015 (a copy of which is available at the Group's website at www.burberryplc.com) and which are summarised below.

These principal risks and uncertainties have remained unchanged subject to the following:

- The sustained economic slowdown has continued and, in particular, the external environment has become more challenging for the luxury sector affecting consumer demand, particularly in relation to Chinese consumers.
- The Burberry brand licence with Sanyo Shokai and Mitsui & Company in Japan expired in June 2015, whereupon the royalty income under this licence has ceased.

Summary of principal risks set out in the Annual Report

Dependence on IT systems and operational infrastructure

The Group's operations depend on IT systems and operational infrastructure in order to trade efficiently. Increasingly, technology is also being used to stream major events and to communicate through social media. A failure in these systems, or a denial of service, could have a significant impact on the Group's operations and reputation, and potentially result in the loss of sensitive information.

Sustained economic slowdown
The Group's performance remains strong; however, the sustained economic slowdown has or could: (i) reduce consumer wealth leading to a reduction in demand; (ii) impact the financial stability of suppliers and their ability to secure finance which could disrupt the Group's supply chain or lead to an increase in bad debts; and (iii) impact the financial stability and recovery of banks and other financial institutions, all of which would impact sales and profitability.

Dependence on consumers from the Asia region
The Group's revenues are increasingly dependent on consumers from the Asia region. A significant proportion of the Group's sales are to Asian consumers globally. Consequently, any change to consumer tastes or the economic, regulatory, social and/or political environment in Asia could adversely impact Asian consumers' disposable income, confidence and travel which could impact the Group's revenue and profits.

Major incidents
Major incidents such as natural catastrophes, global pandemics or terrorist attacks affecting one or more of the Group's key locations could significantly impact its operations. A major incident at a key location could significantly impact business operations, with the impact clearly varying depending on the location and its nature. The impact of the loss of a distribution hub would clearly differ from a global pandemic, but both would impact revenues and profits.

Volatility in foreign exchange rates
The Group operates on a global basis and earns revenues, incurs costs and makes investments in a number of currencies. The Group's financial results are reported in Sterling. The majority of reported revenues are earned in non-sterling currencies, with a significant proportion of costs in Sterling. Therefore the Sterling value of reported revenues, profits and cash flows may be reduced as a result of currency exchange rate movements.

Non-compliance with ethical and environmental standards
A failure by the Group or associated third parties to act in accordance with ethical and environmental standards could result in penalties, adverse press coverage and reputational damage with a resulting drop in sales and profit.

Non-compliance with legislation and regulation
The Group's operations are subject to a broad spectrum of regulatory requirements in the various jurisdictions in which the Group operates. The pace of change and the consistency of application of legislation can vary significantly across these jurisdictions, particularly in an environment where public sector debt is often high and tax revenues are falling. Failure to comply with these requirements could leave the Group open to civil and/or criminal legal challenge, significant penalties and reputational damage.

Over-reliance on key vendors.
The Group relies on a small number of vendors in key product categories, and for specialist digital and IT services. Failure of one of these businesses to deliver products or services would have a significant impact on business operations.

Loss of key management or the inability to attract and retain key employees
The loss of key individuals or the inability to recruit and retain individuals with the relevant talent and experience would disrupt the operation of the business and adversely impact the Group's ability to deliver its strategies.

Stability of emerging markets
The Group operates in a number of emerging markets which are typically more volatile than developed markets, and are subject to changing economic, regulatory, social and political developments that are beyond the Group's control. Infrastructure and services also tend to be less developed. This could result in the seizure of assets or staff, related party business practice that is inconsistent with the Group's ethical standards and the UK regulatory environment, and increased operational costs due to country specific processes driven by the regulatory environment.

Significant growth and pace of change
The significant growth and pace of change within the business puts pressure on both internal and external resources. Failure to effectively manage the pace of change will inevitably adversely impact the Group's operations and return on investment.

Reliance upon the Group's licensed business in Japan and other key licensed product categories
A substantial proportion of Group profits is reliant upon its licensed business in Japan and other key licensed product categories. The licence with Sanyo Shokai and Mitsui & Company in Japan expires in 2015, whereupon the royalty income under the licence will cease. The Group expects licensees to maintain operational and financial control over their businesses. Should licensees fail to manage their operations effectively or be affected by a major incident, the royalty income may decline, directly impacting Group profits.

Unauthorised use of the Group's trademarks and other proprietary rights
Trademarks and other intellectual property (IP) rights are fundamentally important to the Group's reputation, success and competitive position. Unauthorised use of these, as well as the distribution of counterfeit products, damages the Burberry brand image and profits.

CONDENSED GROUP INCOME STATEMENT – UNAUDITED

	Note	Six months to 30 September 2015 £m	Six months to 30 September 2014 £m	Audited Year to 31 March 2015 £m
Revenue	3	**1,104.5**	1,100.0	2,523.2
Cost of sales		**(337.9)**	(344.8)	(757.7)
Gross profit		**766.6**	755.2	1,765.5
Net operating expenses		**(622.4)**	(610.5)	(1,325.2)
Operating profit		**144.2**	144.7	440.3
Financing				
Finance income		**2.6**	1.9	4.4
Finance expense		**(1.4)**	(1.8)	(3.8)
Other financing income/(charges)		**9.3**	(3.0)	3.7
Net finance income/(charge)		**10.5**	(2.9)	4.3
Profit before taxation		**154.7**	141.8	444.6
Taxation	5	**(33.7)**	(33.4)	(103.5)
Profit for the period		**121.0**	108.4	341.1
Attributable to:				
Owners of the Company		**119.5**	104.5	336.3
Non-controlling interest		**1.5**	3.9	4.8
Profit for the period		**121.0**	108.4	341.1
Earnings per share				
– basic	6	**27.1p**	23.8p	76.4p
– diluted	6	**26.7p**	23.4p	75.1p
		£m	£m	£m
Reconciliation of adjusted profit before taxation:				
Profit before taxation		**154.7**	141.8	444.6
Adjusting items:				
– amortisation of the fragrance and beauty licence intangible in operating expenses	4	**7.5**	7.5	14.9
– put option liability finance (income)/charge	4	**(9.3)**	3.0	(3.7)
Adjusted profit before taxation - non-GAAP measure		**152.9**	152.3	455.8
Adjusted earnings per share - non-GAAP measure				
– basic	6	**26.3p**	25.8p	78.3p
– diluted	6	**26.0p**	25.4p	76.9p
Dividends per share				
– Proposed interim (not recognised as a liability at 30 September)	7	**10.20p**	9.70p	9.70p
– Final (not recognised as a liability at 31 March)	7	**–**	–	25.50p

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

	Six months to 30 September 2015 £m	Six months to 30 September 2014 £m	Audited Year to 31 March 2015 £m
Profit for the period	**121.0**	108.4	341.1
Other comprehensive income(1):			
– cash flow hedges	**3.7**	(5.2)	(7.4)
– foreign currency translation differences	**(31.8)**	11.9	52.0
Tax on other comprehensive income:			
– cash flow hedges	**(0.7)**	1.1	1.5
– foreign currency translation differences	**0.8**	(1.0)	(4.4)
Other comprehensive (expense)/income for the period, net of tax	**(28.0)**	6.8	41.7
Total comprehensive income for the period	**93.0**	115.2	382.8
Total comprehensive income attributable to:			
Owners of the Company	**92.9**	109.9	372.5
Non-controlling interest	**0.1**	5.3	10.3
	93.0	115.2	382.8

(1) All items included in other comprehensive income may subsequently be reclassified to profit and loss in a future period.

CONDENSED GROUP BALANCE SHEET – UNAUDITED

	Note	As at 30 September 2015 £m	As at 30 September 2014 £m	Audited As at 31 March 2015 £m
ASSETS				
Non-current assets				
Intangible assets	8	**186.3**	196.4	193.5
Property, plant and equipment	9	**451.8**	405.7	436.5
Investment properties		**2.3**	2.5	2.2
Deferred tax assets		**146.5**	126.6	145.0
Trade and other receivables	10	**65.7**	45.0	60.5
Derivative financial assets		**0.3**	0.3	1.5
		852.9	776.5	839.2
Current assets				
Inventories		**478.4**	482.7	436.6
Trade and other receivables	10	**256.1**	265.6	260.3
Derivative financial assets		**2.2**	5.3	8.4
Income tax receivables		**8.8**	8.6	11.3
Cash and cash equivalents		**520.6**	361.8	617.4
		1,266.1	1,124.0	1,334.0
Total assets		**2,119.0**	1,900.5	2,173.2
LIABILITIES				
Non-current liabilities				
Trade and other payables	11	**(111.8)**	(113.7)	(117.1)
Deferred tax liabilities		**(0.8)**	(1.2)	(0.9)
Derivative financial liabilities		**(0.1)**	(0.3)	–
Retirement benefit obligations		**(0.7)**	(0.6)	(0.7)
Provisions for other liabilities and charges	12	**(22.5)**	(17.6)	(22.2)
		(135.9)	(133.4)	(140.9)
Current liabilities				
Bank overdrafts and borrowings	13	**(61.8)**	(54.9)	(65.2)
Derivative financial liabilities		**(3.0)**	(6.6)	(12.5)
Trade and other payables	11	**(407.9)**	(413.5)	(406.0)
Provisions for other liabilities and charges	12	**(9.7)**	(10.0)	(10.3)
Income tax liabilities		**(70.8)**	(52.4)	(86.8)
		(553.2)	(537.4)	(580.8)
Total liabilities		**(689.1)**	(670.8)	(721.7)
Net assets		**1,429.9**	1,229.7	1,451.5
EQUITY				
Capital and reserves attributable to owners of the Company				
Ordinary share capital	14	**0.2**	0.2	0.2
Share premium account		**208.5**	206.6	207.6
Capital reserve		**45.8**	40.0	45.3
Hedging reserve		**2.6**	1.5	(0.3)
Foreign currency translation reserve		**117.7**	114.7	147.3
Retained earnings		**1,004.4**	819.2	1,000.8
Equity attributable to owners of the Company		**1,379.2**	1,182.2	1,400.9
Non-controlling interests in equity		**50.7**	47.5	50.6
Total equity		**1,429.9**	1,229.7	1,451.5

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to owners of the Company						
	Ordinary share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
Balance as at 1 April 2014	0.2	204.8	150.3	810.1	1,165.4	42.6	1,208.0
Profit for the period	–	–	–	104.5	104.5	3.9	108.4
Other comprehensive income:							
Cash flow hedges – losses deferred in equity	–	–	(3.3)	–	(3.3)	–	(3.3)
Cash flow hedges – gains transferred to income	–	–	(1.9)	–	(1.9)	–	(1.9)
Foreign currency translation differences	–	–	10.5	–	10.5	1.4	11.9
Tax on other comprehensive income	–	–	0.1	–	0.1	–	0.1
Total comprehensive income for the period	–	–	5.4	104.5	109.9	5.3	115.2
Transfers between reserves	–	–	0.5	(0.5)	–	–	–
Transactions with owners:							
Employee share incentive scheme							
– value of share options granted	–	–	–	16.6	16.6	–	16.6
– value of share options transferred to liabilities	–	–	–	(0.8)	(0.8)	–	(0.8)
– tax on share options granted	–	–	–	3.6	3.6	–	3.6
– exercise of share options	–	1.8	–	–	1.8	–	1.8
Purchase of own shares by ESOP trusts	–	–	–	(12.2)	(12.2)	–	(12.2)
Dividend paid in the period	–	–	–	(102.1)	(102.1)	(0.4)	(102.5)
Balance as at 30 September 2014	**0.2**	**206.6**	**156.2**	**819.2**	**1,182.2**	**47.5**	**1,229.7**
Balance as at 1 April 2015	**0.2**	**207.6**	**192.3**	**1,000.8**	**1,400.9**	**50.6**	**1,451.5**
Profit for the period	–	–	–	119.5	119.5	1.5	121.0
Other comprehensive income:							
Cash flow hedges – gains deferred in equity	–	–	2.1	–	2.1	–	2.1
Cash flow hedges – losses transferred to income	–	–	1.6	–	1.6	–	1.6
Foreign currency translation differences	–	–	(30.4)	–	(30.4)	(1.4)	(31.8)
Tax on other comprehensive income	–	–	0.1	–	0.1	–	0.1
Total comprehensive income for the period	–	–	(26.6)	119.5	92.9	0.1	93.0
Transfers between reserves	–	–	0.4	(0.4)	–	–	–
Transactions with owners:							
Employee share incentive scheme							
– value of share options granted	–	–	–	3.3	3.3	–	3.3
– value of share options transferred to liabilities	–	–	–	(1.1)	(1.1)	–	(1.1)
– tax on share options granted	–	–	–	(5.2)	(5.2)	–	(5.2)
– exercise of share options	–	0.9	–	–	0.9	–	0.9
Dividend paid in the period	–	–	–	(112.5)	(112.5)	–	(112.5)
Balance as at 30 September 2015	**0.2**	**208.5**	**166.1**	**1,004.4**	**1,379.2**	**50.7**	**1,429.9**

CONDENSED GROUP STATEMENT OF CASH FLOWS – UNAUDITED

	Note	Six months to 30 September 2015 £m	Six months to 30 September 2014 £m	Audited Year to 31 March 2015 £m
Cash flows from operating activities				
Operating profit		**144.2**	144.7	440.3
Depreciation		**53.5**	50.0	104.0
Amortisation		**17.1**	16.2	34.6
Net impairment charges	9	**3.7**	0.8	4.1
Loss on disposal of property, plant and equipment and intangible assets		**0.6**	–	2.1
Losses/(Gains) on derivative instruments		**1.4**	(1.1)	(2.0)
Charges in respect of employee share incentive schemes		**3.3**	16.6	21.0
Proceeds/(Payment) from settlement of equity swap contracts		**0.3**	(0.2)	(0.2)
Increase in inventories		**(42.9)**	(62.1)	(15.1)
Increase in receivables		**(2.4)**	(33.7)	(43.8)
(Decrease)/Increase in payables		**(11.4)**	18.1	23.1
Cash generated from operating activities		**167.4**	149.3	568.1
Interest received		**2.7**	1.6	3.8
Interest paid		**(1.0)**	(1.5)	(2.6)
Taxation paid		**(56.4)**	(61.0)	(114.4)
Net cash generated from operating activities		**112.7**	88.4	454.9
Cash flows from investing activities				
Purchase of property, plant and equipment		**(67.2)**	(57.7)	(127.8)
Purchase of intangible assets		**(12.9)**	(15.3)	(27.9)
Proceeds from sale of property, plant and equipment		**0.5**	–	–
Proceeds from sale of intangible assets		**–**	–	1.3
Net cash outflow from investing activities		**(79.6)**	(73.0)	(154.4)
Cash flows from financing activities				
Dividends paid in the year		**(112.5)**	(102.1)	(144.9)
Dividends paid to non-controlling interest		**–**	(0.4)	(0.4)
Capital contributions by non-controlling interest		**–**	–	0.4
Payment to acquire additional interest in subsidiary from non-controlling interest		**–**	–	(3.4)
Issue of ordinary share capital		**0.9**	1.8	2.8
Purchase of own shares by ESOP trusts		**–**	(12.2)	(19.2)
Net cash outflow from financing activities		**(111.6)**	(112.9)	(164.7)
Net (decrease)/increase in cash and cash equivalents		**(78.5)**	(97.5)	135.8
Effect of exchange rate changes		**(14.9)**	1.9	13.9
Cash and cash equivalents at beginning of period		**552.2**	402.5	402.5
Cash and cash equivalents at end of period		**458.8**	306.9	552.2

ANALYSIS OF NET CASH – UNAUDITED

	Note	As at 30 September 2015 £m	As at 30 September 2014 £m	Audited As at 31 March 2015 £m
Cash and cash equivalents as per the Balance Sheet		**520.6**	361.8	617.4
Bank overdrafts	13	**(61.8)**	(54.9)	(65.2)
Net cash		**458.8**	306.9	552.2

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Corporate information

Burberry Group plc and its subsidiaries (the 'Group') is a global luxury goods manufacturer, wholesaler and retailer. The Group also licenses third parties to manufacture and distribute products using the 'Burberry' trade marks. All of the companies which comprise the Group are controlled by Burberry Group plc (the 'Company') directly or indirectly.

2. Accounting policies and basis of preparation

Basis of preparation

The financial information contained in this report is unaudited. The Condensed Group Income Statement, Condensed Group Statement of Comprehensive Income, Condensed Group Statement of Changes in Equity and Condensed Group Statement of Cash Flows for the interim period ended 30 September 2015, and the Condensed Group Balance Sheet as at 30 September 2015 and related notes have been reviewed by the auditors and their report to the Company is set out on page 33. These condensed consolidated interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2015 were approved by the Board of Directors on 19 May 2015 and have been filed with the Registrar of Companies. The report of the auditors on the statutory accounts for the year ended 31 March 2015 was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under Section 498 of the Companies Act 2006.

These condensed consolidated interim financial statements for the six months ended 30 September 2015 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. This report should be read in conjunction with the Group's financial statements for the year ended 31 March 2015, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

The directors have made enquiries and reviewed the Group's updated forecasts and projections. These include the assumptions around the Group's products and markets, expenditure commitments, expected cashflows and borrowing facilities. Taking into account reasonable possible changes in trading performance, and after making enquiries, the directors consider it appropriate to continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the six months ended 30 September 2015.

Accounting policies

Accounting policies and presentation are consistent with those applied in the Group's financial statements for the year ended 31 March 2015, as set out on pages 123 to 131 of those financial statements, with the exception of taxation.

Taxes on income in the interim periods are accrued using the expected tax rate that would be applicable to total annual earnings.

Key sources of estimation and judgement

The preparation of the condensed consolidated interim financial statements requires that management make certain judgements, estimates and assumptions that affect the reported revenues, expenses, assets and liabilities and the disclosure of certain contingent liabilities. The key sources of estimation and uncertainty and the assumptions applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in the Group's financial statements for the year ended 31 March 2015, as set out on pages 122 and 123 of those financial statements, with the exception of taxation, as described above.

Adjusted profit before taxation and adjusting items

In order to provide additional consideration of the underlying performance of the Group's on-going business, the Group's results include a presentation of Adjusted Profit before Taxation ('adjusted PBT'). Adjusted PBT is defined as profit before taxation and before adjusting items. Adjusting items are those items which, in the opinion of the directors, should be excluded in order to provide a consistent and comparable view of the underlying performance of the Group's on-going business. Generally this will include those items that are largely one-off and material in nature and any fair value movements on options held over equity interests held for non-speculative purposes. Adjusting items are identified and presented on a consistent basis each year and a reconciliation of adjusted PBT to profit before tax is included in the financial statements. Adjusting items and their related tax impacts are added back/deducted from profit attributable to owners of the Company to arrive at adjusted earnings per share.

3. Segmental analysis

The Chief Operating Decision Maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the reports used by the Board.

The Board considers the Group's business through its two channels to market, being retail/wholesale and licensing.

Retail/wholesale revenues are generated by the sale of luxury goods through Burberry mainline stores, concessions, outlets and digital commerce as well as Burberry franchisees, department stores globally and multi-brand specialty accounts. The flow of global product between retail and wholesale channels and across our regions is monitored and optimised at a corporate level and implemented via the Group's inventory hubs situated in Asia, Europe and the USA.

Licensing revenues are generated through the receipt of royalties from the Group's partners in Japan and global licensees of eyewear, watches and European childrenswear.

The Board assesses channel performance based on a measure of adjusted operating profit. This measurement basis excludes the effects of adjusting items. The measure of earnings for each operating segment that is reviewed by the Board includes an allocation of corporate and central costs. Finance income and charges are not included in the result for each operating segment that is reviewed by the Board.

	Retail / Wholesale		Licensing		Total	
	Six months to 30 September 2015 £m	Six months to 30 September 2014 £m	Six months to 30 September 2015 £m	Six months to 30 September 2014 £m	Six months to 30 September 2015 £m	Six months to 30 September 2014 £m
Retail	**773.6**	748.1	–	–	**773.6**	748.1
Wholesale	**304.8**	317.2	–	–	**304.8**	317.2
Licensing	**–**	–	**27.2**	35.8	**27.2**	35.8
Total segment revenue	**1,078.4**	1,065.3	**27.2**	35.8	**1,105.6**	1,101.1
Inter-segment revenue(1)	**–**	–	**(1.1)**	(1.1)	**(1.1)**	(1.1)
Revenue from external customers	**1,078.4**	1,065.3	**26.1**	34.7	**1,104.5**	1,100.0
Adjusted operating profit	**129.7**	124.3	**22.0**	27.9	**151.7**	152.2
Adjusting items(2)					**1.8**	(10.5)
Finance income					**2.6**	1.9
Finance expense					**(1.4)**	(1.8)
Profit before taxation					**154.7**	141.8

Year to 31 March 2015	Retail / Wholesale	Licensing	Total
	£m	£m	£m
Retail	1,807.4	–	1,807.4
Wholesale	648.1	–	648.1
Licensing	–	70.1	70.1
Total segment revenue	2,455.5	70.1	2,525.6
Inter-segment revenue(1)	–	(2.4)	(2.4)
Revenue from external customers	2,455.5	67.7	2,523.2
Adjusted operating profit	399.2	56.0	455.2
Adjusting items(2)			(11.2)
Finance income			4.4
Finance expense			(3.8)
Profit before taxation			444.6

(1) Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties.

(2) Refer to Condensed Group Income Statement for details of adjusting items.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. Segmental analysis (continued)

Revenue by destination	Six months to 30 September 2015 £m	Six months to 30 September 2014 £m	Year to 31 March 2015 £m
Asia Pacific	**377.3**	384.8	938.1
EMEIA[1]	**415.7**	410.4	869.0
Americas	**285.4**	270.1	648.4
Retail/Wholesale	**1,078.4**	1,065.3	2,455.5
Licensing	**26.1**	34.7	67.7
Total	**1,104.5**	1,100.0	2,523.2

(1) EMEIA comprises Europe, Middle East, India and Africa.

Due to the seasonal nature of the business, Group revenue is usually expected to be higher in the second half of the year than in the first half. While some of the Group's operating costs are also higher in the second half of the year, such as contingent rentals and some employee costs, most of the operating costs are phased more evenly across the year. As a result, operating profit is usually expected to be higher in the second half of the year.

4. Adjusting items

Amortisation of the fragrance and beauty licence intangible asset

During the year ended 31 March 2013, an intangible asset of £70.9m was recognised on the Balance Sheet, relating to the present value of the anticipated incremental income to be earned by the Group as a result of selling Beauty products through retail and wholesale channels rather than under licence, following the termination of the existing licence relationship with Interparfums SA. This asset is amortised on a straight line basis over the period 1 April 2013 to 31 December 2017. The amortisation is presented as an adjusting item, which is consistent with the treatment of the cost recognised on termination of the licence relationship in the year ended 31 March 2013. The amortisation expense recognised for the six months ended 30 September 2015 was £7.5m (six months ended 30 September 2014: £7.5m; year ended 31 March 2015: £14.9m). A related tax credit of £1.5m (30 September 2014: £1.6m; 31 March 2015: £3.1m) has also been recognised in the current period.

Put option liability finance income/charge

The financing income of £9.3m for the six months ended 30 September 2015 relates to unrealised fair value movements including the unwinding of the discount on the put option liability over the non-controlling interest in Burberry (Shanghai) Trading Co., Ltd (six months ended 30 September 2014: charge of £3.0m; year ended 31 March 2015: income of £3.7m). No tax has been recognised on this item, as the value of the option on exercise is not considered to be deductible for tax purposes.

5. Taxation

The tax charge for the six months ended 30 September 2015 has been calculated based on an estimated effective underlying rate of tax on adjusted profit before taxation for the full year of 23.0% (30 September 2014: 23.0%; year ended 31 March 2015: 23.4%). Tax on adjusting items has been recognised at the prevailing tax rates as appropriate. The resulting effective tax rate on reported profit before taxation is 21.8% (30 September 2014: 23.6%; 31 March 2015: 23.3%).

Total taxation recognised in the Condensed Group Income Statement comprises:

	Six months to 30 September 2015 £m	Six months to 30 September 2014 £m	Year to 31 March 2015 £m
Tax on adjusted profit before taxation	**35.2**	35.0	106.6
Tax on adjusting items (note 4)	**(1.5)**	(1.6)	(3.1)
Total taxation charge	**33.7**	33.4	103.5

6. Earnings per share

The calculation of basic earnings per share is based on profit attributable to equity holders of the Company for the period divided by the weighted average number of ordinary shares in issue during the period. Basic and diluted earnings per share based on adjusted profit before taxation are also disclosed to indicate the underlying profitability of the Group.

	Six months to 30 September 2015 £m	Six months to 30 September 2014 £m	Year to 31 March 2015 £m
Attributable profit for the period before adjusting items(1)	**116.2**	113.4	344.4
Effect of adjusting items(1) (after taxation)	**3.3**	(8.9)	(8.1)
Attributable profit for the period	**119.5**	104.5	336.3

(1) Refer to Condensed Group Income Statement for the details of adjusting items.

The weighted average number of ordinary shares represents the weighted average number of Burberry Group plc ordinary shares in issue throughout the period, excluding ordinary shares held in the Group's employee share option plan trusts ('ESOP trusts').

Diluted earnings per share is based on the weighted average number of ordinary shares in issue during the period. In addition, account is taken of any options and awards made under the employee share incentive schemes, which will have a dilutive effect when exercised.

	Six months to 30 September 2015 Millions	Six months to 30 September 2014 Millions	Year to 31 March 2015 Millions
Weighted average number of ordinary shares in issue during the period	**441.6**	439.6	440.0
Dilutive effect of the share incentive schemes	**5.6**	7.6	7.8
Diluted weighted average number of ordinary shares in issue during the period	**447.2**	447.2	447.8

7. Dividends

The interim dividend of 10.20p (2014: 9.70p) per share has been approved by the Board of Directors after 30 September 2015. Accordingly, this dividend has not been recognised as a liability at the period end.

The interim dividend will be paid on 22 January 2016 to Shareholders on the Register at the close of business on 29 December 2015.

A dividend of 25.50p (2014: 23.20p) per share was paid during the period ended 30 September 2015 in relation to the year ended 31 March 2015.

8. Intangible assets

Goodwill at 30 September 2015 is £84.1m (2014: £83.0m).

In the period there were additions to other intangible assets of £15.0m (2014: £16.1m) and disposals with a net book value of £nil (2014: £1.4m).

Capital commitments contracted but not provided for by the Group amounted to £0.8m (2014: £3.4m).

Impairment testing

Assets that have an indefinite useful economic life are not subject to amortisation and are tested annually for impairment.

Goodwill is the only intangible asset category with an indefinite useful economic life included within total intangible assets at 30 September 2015. Management has performed a review for indicators of impairment as at 30 September 2015. There is no indication that the goodwill may be impaired. The annual impairment test will be performed at 31 March 2016.

9. Property, plant and equipment

In the period there were additions to property, plant and equipment of £79.8m (2014: £55.2m) and disposals with a net book value of £0.6m (2014: £nil).

Capital commitments contracted but not provided for by the Group amounted to £16.3m (2014: £36.9m).

9. Property, plant and equipment (continued)

Impairment testing

For the six months ended 30 September 2015, a net impairment charge of £3.7m (2014: £0.8m) was identified. The impairment charge relates to 17 retail cash generating units (2014: 16 cash generating units) for which the total recoverable amount at the balance sheet date is £8.3m (2014: £4.7m).

Where indicators of impairment were identified, the impairment review compared the value-in-use of the assets to the carrying values at 30 September 2015. The pre-tax cash flow projections were based on financial plans of expected revenues and costs of each retail cash generating unit, approved by management, and extrapolated beyond the financial year to the lease exit dates using growth rates and inflation rates appropriate to each store's location. The pre-tax discount rates used in these calculations are based on the Group's weighted average cost of capital adjusted for country-specific tax rates and risks.

10. Trade and other receivables

	As at 30 September 2015 £m	As at 30 September 2014 £m	As at 31 March 2015 £m
Non-current			
Deposits and other receivables	**37.1**	32.5	39.6
Other non-financial receivables	**3.1**	–	2.7
Prepayments	**25.5**	12.5	18.2
Total non-current trade and other receivables	**65.7**	45.0	60.5
Current			
Trade receivables	**177.1**	184.4	193.6
Provision for doubtful debts	**(4.1)**	(6.2)	(4.6)
Net trade receivables	**173.0**	178.2	189.0
Other financial receivables	**20.6**	29.8	16.3
Other non-financial receivables	**20.6**	19.6	23.9
Prepayments	**39.6**	35.5	28.1
Accrued income	**2.3**	2.5	3.0
Total current trade and other receivables	**256.1**	265.6	260.3
Total trade and other receivables	**321.8**	310.6	320.8

11. Trade and other payables

	As at 30 September 2015 £m	As at 30 September 2014 £m	As at 31 March 2015 £m
Non-current			
Put option liability over non-controlling interest	**44.0**	55.8	54.4
Other payables	**3.5**	3.6	3.7
Deferred income and non-financial accruals	**64.3**	54.3	59.0
Total non-current trade and other payables	**111.8**	113.7	117.1
Current			
Trade payables	**168.8**	177.1	159.8
Other taxes and social security costs	**53.6**	68.7	61.0
Other payables	**14.5**	7.1	4.5
Accruals	**153.1**	148.1	164.0
Deferred income and non-financial accruals	**17.9**	12.5	16.7
Total current trade and other payables	**407.9**	413.5	406.0
Total trade and other payables	**519.7**	527.2	523.1

11. Trade and other payables (continued)

Put option liability over non-controlling interest

Following the acquisition of the Burberry retail and distribution business in China, Sparkle Roll Holdings Limited, a non-Group company, retains a 15% economic interest in the Group's business in China. Put and call options exist over this interest stake which are exercisable after 1 September 2015 in the case of the call option, and after 1 September 2020 in the case of the put option. The net present value of the put option payment has been recognised as a non-current financial liability under IAS 39. The present value of any payment under the call option would be different should Burberry decide to exercise the call option.

The value of the put option liability is £44.0m at the period end (30 September 2014: £55.8m; 31 March 2015: £54.4m). The movement in the liability for the period includes a decrease of £9.3m relating to unrealised fair value movements, as described in note 4, combined with the impact of translation of the put liability to the Group's presentational currency.

The fair value of the put option liability has been derived using a present value calculation, incorporating observable and non-observable inputs (Level 3 – refer to note 17 for details of the fair value hierarchy classification for financial instruments). This valuation technique has been adopted as it most closely mirrors the contractual arrangement. The key inputs applied in arriving at the value of the put option liability are the future performance of the Group's business in China; the average historical Burberry Group plc multiple; and the risk adjusted discount rate for China, taking into account the risk free rate in China. The future performance of the business is estimated by using management's business plans together with long-term observable growth forecasts.

The carrying value of the put option liability is dependent on assumptions applied in determining these key inputs, and is subject to change in the event that there is a change in any of those assumptions. The valuation is updated at every reporting period or more often if a significant change to any input is observed.

A 10% increase/decrease in the future performance of the Group's business in China at the put option exercise date would result in a £4.4m increase/decrease in the carrying value of the put option liability at 30 September 2015 (30 September 2014: £5.6m; 31 March 2015: £5.4m), and a corresponding £4.4m loss/gain in the profit before taxation for the period ended 30 September 2015 (30 September 2014: £5.6m; 31 March 2015: £5.4m).

A 1% increase/decrease in the risk adjusted discount rate for China would result in a £2.1m decrease/£2.2m increase in the carrying value of the put option liability at 30 September 2015 (30 September 2014: £3.0m decrease/£3.1m increase; 31 March 2015: £2.9m decrease/£3.0m increase), and a corresponding £2.1m gain/£2.2m loss in the profit before taxation for the period ended 30 September 2015 (30 September 2014: £3.0m gain/£3.1m loss; 31 March 2015: £2.9m gain/£3.0m loss).

Ultimately, the put option liability is subject to a contractual cap of £200m. The undiscounted value of the put option liability at 30 September 2015 is £83.2m (30 September 2014: £114.3m, 31 March 2015: £109.0m).

12. Provisions for other liabilities and charges

	Property obligations £m	Restructuring costs £m	Other costs £m	Total £m
As at 1 April 2015	29.4	0.8	2.3	32.5
Effect of foreign exchange rate changes	(0.6)	–	–	(0.6)
Created during the period	7.4	–	0.7	8.1
Discount unwind	0.1	–	–	0.1
Utilised during the period	(4.4)	(0.2)	(0.2)	(4.8)
Released during the period	(2.4)	(0.6)	(0.1)	(3.1)
As at 30 September 2015	**29.5**	**–**	**2.7**	**32.2**
As at 30 September 2014	24.5	1.2	1.9	27.6

	As at 30 September 2015 £m	As at 30 September 2014 £m	As at 31 March 2015 £m
Analysis of total provisions:			
Non-current	**22.5**	17.6	22.2
Current	**9.7**	10.0	10.3
Total	**32.2**	27.6	32.5

13. Bank overdrafts and borrowings

Included within bank overdrafts is £57.2m (2014: £52.1m) representing balances on cash pooling arrangements in the Group. The Group has a number of committed and uncommitted arrangements agreed with third parties. At 30 September 2015, the Group held bank overdrafts of £4.6m (2014: £2.8m) excluding balances on cash pooling arrangements.

On 25 November 2014, the Group entered a £300m multi-currency revolving credit facility with a syndicate of third party banks. This replaced the previous facility which would have matured on 30 June 2016. At 30 September 2015, there were £nil outstanding drawings. The facility matures in November 2019. The agreement contains two options which allow the Group to extend for an additional one year which are exercisable in 2015 and 2016, at the consent of the syndicate.

Since the period end, the Group has exercised the first option, extending the maturity of the facility to November 2020. Consent to extend was received from all members of the syndicate.

14. Share capital and other reserves

Allotted, called up and fully paid share capital	Number of shares million	Share capital £m
As at 1 April 2014	443.6	0.2
Allotted on exercise of options during the period	0.6	–
As at 30 September 2014	444.2	0.2
As at 1 April 2015	444.7	0.2
Allotted on exercise of options during the period	0.2	–
As at 30 September 2015	444.9	0.2

Other reserves

The cost of own shares held by the Group has been offset against retained earnings, as the amounts paid reduce the profits available for distribution by the Company. As at 30 September 2015 the amount held against this reserve was £32.7m (2014: £52.0m). As at 30 September 2015, ESOP trusts held 2.4m shares (2014: 3.8m) in the Company, with a market value of £32.8m (2014: £57.8m). In the six months ended 30 September 2015 the Burberry Group plc ESOP trust waived its entitlement to dividends of £1.0m (2014: £0.9m).

15. Related party disclosures

The Group's significant related parties are disclosed in the Annual Report for the year ended 31 March 2015. There were no material changes to these related parties in the period. Other than total compensation in respect of key management, no material related party transactions have taken place during the first six months of the current financial year.

16. Foreign currency

The results of overseas subsidiaries are translated into the Group's presentation currency of Sterling each month at the weighted average exchange rate for the period according to the phasing of the Group's trading results. The weighted average exchange rate is used, as it is considered to approximate the actual exchange rates on the dates of the transactions. The assets and liabilities of such undertakings are translated at period end exchange rates. Differences arising on the retranslation of the opening net investment in subsidiary companies, and on the translation of their results, are taken directly to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

16. Foreign currency (continued)

The principal exchange rates used were as follows:

	Average		
	Six months to 30 September 2015	Six months to 30 September 2014	Year to 31 March 2015
Euro	**1.39**	1.24	1.28
US Dollar	**1.54**	1.68	1.60
Chinese Yuan Renminbi	**9.62**	10.38	9.94
Hong Kong Dollar	**11.94**	12.98	12.42
Korean Won	**1,743**	1,721	1,709

	Closing		
	As at 30 September 2015	As at 30 September 2014	As at 31 March 2015
Euro	**1.35**	1.28	1.38
US Dollar	**1.51**	1.62	1.48
Chinese Yuan Renminbi	**9.61**	9.96	9.21
Hong Kong Dollar	**11.72**	12.59	11.51
Korean Won	**1,793**	1,715	1,646

The average exchange rate achieved by the Group on its Yen royalty income, taking into account its use of Yen forward exchange contracts on a monthly basis approximately twelve months in advance of royalty receipts, was Yen 174.7: £1 in the six months ended 30 September 2015 (six months ended 30 September 2014: Yen 157.3: £1; year ended 31 March 2015: Yen 164.2: £1).

17. Fair value disclosures for financial instruments

The Group classifies its instruments into the following categories:

Financial instrument category	Classification	Measurement	Fair value measurement hierarchy (2)
Cash and cash equivalents	Loans and receivables	Amortised cost	N/A
Trade and other receivables	Loans and receivables	Amortised cost	N/A
Trade and other payables	Other financial liabilities	Amortised cost	N/A
Borrowings	Other financial liabilities	Amortised cost	N/A
Put option over non-controlling interest	Derivative instrument	Fair value through profit and loss	3
Forward foreign exchange contracts(1)	Derivative instrument	Fair value through profit and loss	2
Equity swap contracts	Derivative instrument	Fair value through profit and loss	2
Onerous lease	Other financial liabilities	Amortised cost	N/A

(1) Hedge accounting is applied to cash flow hedges to the extent that it is achievable.

(2) The fair value measurement hierarchy is only applicable for financial instruments measured at fair value.

The fair value of the Group's financial assets and liabilities held at amortised cost approximate their carrying amount due to the short maturity of these instruments.

The measurements for financial instruments carried at fair value are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: includes unobservable inputs for the asset or liability.

17. Fair value disclosures for financial instruments (continued)

Observable inputs are those which are developed using market data, such as publicly available information about actual events or transactions.

The Group has an established framework with respect to measurement of fair values, including Level 3 fair values. The Group regularly reviews any significant inputs which are not derived from observable market data and considers, where available, relevant third party information, to support the conclusion that such valuations meet the requirements of IFRS. The classification level in the fair value hierarchy is also considered periodically. Significant valuation issues are reported to the Audit Committee.

The fair value of forward foreign exchange contracts and equity swap contracts is based on a comparison of the contractual and market rates and, in the case of forward foreign exchange contracts after discounting using the appropriate yield curve, as at the balance sheet date. All Level 2 fair value measurements are calculated using inputs which are based on observable market data.

Further information on the calculation of fair value of the put option over non-controlling interest is disclosed in note 11.

18. Contingent Liabilities

In a number of jurisdictions the Group is subject to tax audits and claims against it covering, inter alia, valued added taxes, sales taxes, customs duties, corporate taxes and payroll taxes. Included in these claims is a dispute with the Spanish tax authorities regarding the tax treatment of interest paid during the year ended 31 March 2005 arising in respect of debt that was put in place after the Group had taken specialist external advice. The Group is looking to resolve this dispute by all reasonable means. Where appropriate, the estimated cost of known obligations have been provided in these financial statements in accordance with the Group’s accounting policies but these matters are inherently difficult to quantify. While changes to the amounts that may be payable could be material to the results or cash flows of the Group in the period in which they are recognised the Group does not currently expect the outcome of these contingent liabilities to have a material effect on the Group’s financial condition.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors' confirm that the condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the Interim Management Report and condensed consolidated interim financial statements include a fair review of the information required by Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the financial year and any material changes in the related party transactions described in the last Annual Report.

The directors of Burberry Group plc are listed in the Burberry Group plc Annual Report for the year ended 31 March 2015.

A list of current directors is maintained on the Burberry Group plc website: www.burberryplc.com.

By order of the Board

Sir John Peace
Chairman
11 November 2015

Carol Fairweather
Chief Financial Officer
11 November 2015

INDEPENDENT REVIEW REPORT TO BURBERRY GROUP PLC

Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed the condensed consolidated interim financial statements, defined below, in the interim report of Burberry Group plc for the six months ended 30 September 2015. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed
The condensed consolidated interim financial statements, which are prepared by Burberry Group plc, comprise:

- Condensed Group Balance Sheet as at 30 September 2015;
- Condensed Group Income Statement and Statement of Comprehensive Income for the period then ended;
- Condensed Group Statement of Changes in Equity and Statement of Cash Flows for the period then ended;
- the analysis of net cash as at 30 September 2015; and
- the notes to the condensed consolidated interim financial statements.

As disclosed in note 2, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed consolidated interim financial statements included in the interim report have been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed consolidated financial statements involves
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Responsibilities for the condensed consolidated interim financial statements and the review

Our responsibilities and those of the directors
The interim report, including the condensed consolidated interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants

11 November 2015

London

INDEPENDENT REVIEW REPORT TO BURBERRY GROUP PLC

Notes:

(a) The maintenance and integrity of the Burberry Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SHAREHOLDER INFORMATION

General shareholder enquiries
Enquiries relating to shareholding, such as the transfer of shares, change of name or address, lost share certificates or dividend cheques, should be referred to the Company's Registrar, Equiniti, using the details below:

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: 0871 384 2839. Calls cost 8p per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday.

Please dial +44 121 415 7047 if calling from outside the UK or see help.shareview.co.uk for additional information.

American Depositary Receipts
Burberry has a sponsored Level 1 American Depositary Receipt (ADR) programme to enable US investors to purchase ADRs in US Dollars. Each ADR represents one Burberry ordinary share.

For queries relating to ADRs in Burberry, please use the following contact details:

BNY Mellon Shareowner Services
P.O. BOX 30170
College Station, TX 77842-3170

Telephone: Toll free within the US: +1 888 269 2377
Telephone: International: +1 201 680 6825

Email enquiries: shrrelations@cpushareownerservices.com
Website: www.mybnymdr.com

Dividends
The interim dividend of 10.20p per share will be paid on 22 January 2016 to shareholders on the register at the close of business on 29 December 2015.

Dividends can be paid by BACS directly into a UK bank account, with the tax voucher being sent to the shareholder's address. This is the easiest way for shareholders to receive dividend payments and avoids the risk of lost or out of date cheques, A dividend mandate form is available from Equiniti or at www.shareview.co.uk.

Dividends payable in foreign currencies
Equiniti are able to pay dividends to shareholder bank accounts in over 30 currencies worldwide through the Overseas Payment Service. An administrative fee will be deducted from each dividend payment. Further details can be obtained from Equiniti or online at www.shareview.co.uk.

Dividend Reinvestment Plan
The Company's Dividend Reinvestment Plan (DRIP) enables shareholders to use their dividends to buy further Burberry shares. Full details of the DRIP can be obtained from Equiniti. If shareholders would like their interim dividend and future dividends to qualify for the DRIP, completed application forms must be returned to Equiniti by 31 December 2015.

Duplicate accounts
Shareholders who have more than one account due to inconsistency in account details may avoid duplicate mailings by contacting Equiniti and requesting the amalgamation of their share accounts.

Electronic Communication
Shareholders may at any time choose to receive all shareholder documentation in electronic form via the internet, rather than in paper format. Shareholders who decide to register for this option will receive an email each time a shareholder document is published on the internet. Shareholders who wish to receive documentation in electronic form should register online at www.shareview.co.uk.

Equiniti offers a range of shareholder information and online at www.shareview.co.uk. A textphone facility for those with hearing difficulties is available by calling: 0871 384 2255. Calls cost 8p per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday. Please call +44 121 415 7028 if calling from outside the UK.

Financial calendar

Interim results announcement	12 November 2015
Dividend record date	29 December 2015
Third quarter trading update	14 January 2016
Dividend payment date	22 January 2016
Second half trading update	April 2016
Preliminary results announcement	May 2016
Annual General Meeting	July 2016

Registered office
Burberry Group plc
Horseferry House
Horseferry Road
London
SW1P 2AW

Registered in England and Wales
Registered Number 03458224
www.burberryplc.com

SHAREHOLDER INFORMATION

Share dealing
Burberry Group plc shares can be traded through most banks, building societies or stock brokers.

Equiniti offers a telephone and internet dealing service. Terms and conditions and details of the commission charges are available on request. For telephone dealing please telephone 08456 037 037 between 8.00am and 4.30pm, Monday to Friday, and for internet dealing visit www.shareview.co.uk/dealing. Shareholders will need their reference number which can be found on their share certificate.

ShareGift
Shareholders with a small number of shares, the value of which makes it uneconomic to sell, may wish to consider donating their shares to charity through ShareGift, a donation scheme operated by The Orr Mackintosh Foundation. A ShareGift donation form can be obtained from Equiniti. Further information is available at sharegift.org or by telephone on 0207 930 3737.

Share price information
The latest Burberry Group plc share price is available on the Company's website at www.burberryplc.com.

Unauthorised brokers (boiler room scams)
Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. These are typically from overseas-based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in USA or UK investments. These operations are commonly known as boiler rooms.

If you receive any unsolicited investment advice, get the correct name of the person and organisation and check that they are properly authorised by the FCA before getting involved by visiting www.fca.org.uk/register.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme if things go wrong.

If you think you have been approached by an unauthorised firm you should contact the FCA consumer helpline on 0800 111 6768.

More detailed information can be found on the FCA website at www.fca.org.uk/scams.

Website
This Interim Report and other information about Burberry Group plc, including share price information and details of results announcements, are available at www.burberryplc.com.