BURBERRY
London, England

INTERIM RESULTS
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2016
<table>
<thead>
<tr>
<th>Financial Highlights</th>
<th>2016 £M</th>
<th>2015 £M</th>
<th>UNDERLYING</th>
<th>REPORTED FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,159</td>
<td>1,105</td>
<td>(4%)</td>
<td>5%</td>
</tr>
<tr>
<td>Adjusted PBT</td>
<td>146.2</td>
<td>152.9</td>
<td>(24%)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Adjusted Diluted EPS</td>
<td>24.4</td>
<td>26.0p</td>
<td>(6%)</td>
<td></td>
</tr>
<tr>
<td>Net cash</td>
<td>529</td>
<td>459</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend per share</td>
<td>10.5p</td>
<td>10.2p</td>
<td></td>
<td>3%</td>
</tr>
</tbody>
</table>
**Revenue Down 4% Underlying**

<table>
<thead>
<tr>
<th></th>
<th>H1 2015</th>
<th>Exchange Rates</th>
<th>Retail</th>
<th>Wholesale</th>
<th>Licensing</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (£m)</td>
<td>£1,105m</td>
<td></td>
<td>£99m</td>
<td>£13m</td>
<td>(£44m)</td>
<td>£1,159m</td>
</tr>
</tbody>
</table>

**Adjusted Operating Profit Down 24% Underlying**

<table>
<thead>
<tr>
<th></th>
<th>H1 2015</th>
<th>Exchange Rates</th>
<th>Retail/Wholesale</th>
<th>Licensing</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit (£m)</td>
<td>£151.7m</td>
<td></td>
<td>£29.3m</td>
<td>(£24.8m)</td>
<td>£144.5m</td>
</tr>
</tbody>
</table>
## RETAIL/WHOLESALE

### SIX MONTHS TO 30 SEPTEMBER

<table>
<thead>
<tr>
<th></th>
<th>2016 £M</th>
<th>2015 £M</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RETAIL/WHOLESALE REVENUE</strong></td>
<td>1,145.7</td>
<td>1,078.4</td>
<td>6%</td>
</tr>
<tr>
<td><strong>GROSS MARGIN</strong></td>
<td>782.2</td>
<td>740.5</td>
<td></td>
</tr>
<tr>
<td><strong>AS % OF REVENUE</strong></td>
<td>68.3%</td>
<td>68.7%</td>
<td>(40bp)</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td>(648.7)</td>
<td>(610.8)</td>
<td></td>
</tr>
<tr>
<td><strong>AS % OF REVENUE</strong></td>
<td>(56.6%)</td>
<td>(56.7%)</td>
<td>10bp</td>
</tr>
<tr>
<td><strong>ADJUSTED OPERATING PROFIT</strong></td>
<td>133.5</td>
<td>129.7</td>
<td>3%</td>
</tr>
<tr>
<td><strong>AS % OF REVENUE</strong></td>
<td>11.7%</td>
<td>12.0%</td>
<td>(30bp)</td>
</tr>
</tbody>
</table>

### RETAIL: 75% OF RETAIL/WHOLESALE REVENUE
- Up 2% underlying, up 11% at reported FX
- Comparable sales improved in second quarter (Q1: down 3%; Q2: up 2%)
  - Unchanged for the half
  - Digital grew in all regions

### WHOLESALE: 25% OF RETAIL/WHOLESALE REVENUE
- Down 14% underlying, down 6% at reported FX
- Actions to build and reinforce luxury brand positioning in US and Beauty

### GROSS MARGIN DOWN 40 BASIS POINTS TO 68.3%
- 70 bps positive impact from FX
- Apparel and accessories margin unchanged year-on-year
- Beauty negatively impacted by strategic actions

### OPERATING EXPENSES DOWN 1% UNDERLYING
- Ongoing tight cost control
- Initial £6m savings associated with our cost efficiency programme
- Offsetting underlying cost pressure and investment in growth initiatives
LICENSING

SIX MONTHS TO 30 SEPTEMBER

<table>
<thead>
<tr>
<th></th>
<th>2016 £M</th>
<th>2015 £M</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td>12.8</td>
<td>26.1</td>
</tr>
<tr>
<td>GROSS MARGIN AT 100%</td>
<td>12.8</td>
<td>26.1</td>
</tr>
<tr>
<td>OPERATING EXPENSES</td>
<td>(1.8)</td>
<td>(4.1)</td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td>11.0</td>
<td>22.0</td>
</tr>
<tr>
<td>OPERATING MARGIN</td>
<td>85.9%</td>
<td>84.3%</td>
</tr>
<tr>
<td>£/YEN RATE</td>
<td>176</td>
<td>175</td>
</tr>
</tbody>
</table>

2016 INCLUDES POSITIVE FX IMPACT OF £0.7M IN REVENUE AND GROSS MARGIN AND NIL IN OPEX

LICENSING

REVENUE
– 1% of group revenue
– Down 54% underlying, down 51% at reported FX
– Planned expiry of Japanese licences

OPERATING PROFIT
– Down £11m year-on-year
– Reflecting lower revenue and costs
## INCOME STATEMENT

### SIX MONTHS TO 30 SEPTEMBER

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADJUSTED OPERATING PROFIT</strong></td>
<td>144.5</td>
<td>151.7</td>
</tr>
<tr>
<td><strong>NET FINANCE CREDIT</strong></td>
<td>1.7</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>ADJUSTED PROFIT BEFORE TAX</strong></td>
<td>146.2</td>
<td>152.9</td>
</tr>
<tr>
<td><strong>ADJUSTING ITEMS</strong></td>
<td>(44.2)</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>PROFIT BEFORE TAX</strong></td>
<td>102.0</td>
<td>154.7</td>
</tr>
<tr>
<td><strong>TAX</strong></td>
<td>(28.9)</td>
<td>(33.7)</td>
</tr>
<tr>
<td><strong>NON-CONTROLLING INTEREST</strong></td>
<td>(1.1)</td>
<td>(1.5)</td>
</tr>
<tr>
<td><strong>ATTRIBUTABLE PROFIT</strong></td>
<td>72.0</td>
<td>119.5</td>
</tr>
</tbody>
</table>

### ADJUSTING ITEMS OF £44.2M

- Primarily reflecting strategic actions

### EFFECTIVE TAX RATE OF c.25.0% ON ADJUSTED PBT FOR FY 2017 (FY 2016: 24.7%)

### NON-CONTROLLING INTEREST OF £1.1M

- Primarily reflects profit in China pre August 2016

### INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FRAGRANCE AND BEAUTY</strong></td>
<td>(26.1)</td>
<td>(7.5)</td>
</tr>
<tr>
<td><strong>LICENCE INTANGIBLE CHARGES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RESTRUCTURING COSTS</strong></td>
<td>(12.8)</td>
<td>-</td>
</tr>
<tr>
<td><strong>CHINA PUT OPTION LIABILITY</strong></td>
<td>(1.0)</td>
<td>9.3</td>
</tr>
<tr>
<td><strong>FINANCE (CHARGE)/INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BME DEFERRED CONSIDERATION CHARGES</strong></td>
<td>(4.3)</td>
<td>-</td>
</tr>
<tr>
<td><strong>ADJUSTING ITEMS</strong></td>
<td>(44.2)</td>
<td>1.8</td>
</tr>
</tbody>
</table>
# CASH INFLOW FROM OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>2016 £M</th>
<th>2015 £M</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADJUSTED OPERATING PROFIT</td>
<td>144.5</td>
<td>151.7</td>
</tr>
<tr>
<td>RESTRUCTURING SPEND</td>
<td>(9.3)</td>
<td>-</td>
</tr>
<tr>
<td>DEPRECIATION AND AMORTISATION</td>
<td>69.4</td>
<td>63.1</td>
</tr>
<tr>
<td>EMPLOYEE SHARE SCHEME COSTS</td>
<td>5.3</td>
<td>3.3</td>
</tr>
<tr>
<td>(INCREASE) IN INVENTORIES</td>
<td>(60.9)</td>
<td>(42.9)</td>
</tr>
<tr>
<td>DECREASE/(INCREASE) IN RECEIVABLES</td>
<td>24.6</td>
<td>(2.1)</td>
</tr>
<tr>
<td>(DECREASE) IN PAYABLES</td>
<td>(10.6)</td>
<td>(8.1)</td>
</tr>
<tr>
<td>OTHER</td>
<td>18.9</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>CASH INFLOW FROM OPERATIONS</strong></td>
<td><strong>181.9</strong></td>
<td><strong>167.4</strong></td>
</tr>
</tbody>
</table>
**Movement in Net Cash**

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Inflow from Operations</td>
<td>181.9</td>
<td>167.4</td>
</tr>
<tr>
<td>Payments for NCI</td>
<td>(68.8)</td>
<td>-</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>(43.2)</td>
<td>(80.1)</td>
</tr>
<tr>
<td>Net Interest</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Tax Paid</td>
<td>(85.2)</td>
<td>(56.4)</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>6.3</td>
<td>33.1</td>
</tr>
<tr>
<td>Dividends</td>
<td>(118.6)</td>
<td>(112.5)</td>
</tr>
<tr>
<td>Share Buyback</td>
<td>(32.4)</td>
<td>-</td>
</tr>
<tr>
<td>ESOP Trust Purchases/Other</td>
<td>(10.7)</td>
<td>0.9</td>
</tr>
<tr>
<td>Exchange Difference</td>
<td>24.2</td>
<td>(14.9)</td>
</tr>
<tr>
<td>Movement in Net Cash</td>
<td>(131.2)</td>
<td>(93.4)</td>
</tr>
<tr>
<td>Net Cash at 31 March</td>
<td>660.3</td>
<td>552.2</td>
</tr>
<tr>
<td>Net Cash at 30 September</td>
<td>529.1</td>
<td>458.8</td>
</tr>
</tbody>
</table>
FY 2017 OUTLOOK

RETAIL
Low single-digit % growth in retail revenue from net new space

WHOLESALE
Down mid-teens % at constant FX in H2. Trends in both fashion and Beauty similar to H1

RETAIL/WHOLESALE PROFIT
If exchange rates remain at current levels*, c. £125m benefit to reported profit compared to FY 2016 rates

LICENSING
Down about £20m at constant FX

UNDERLYING TAX RATE
c.25%

CAPITAL EXPENDITURE
c.£130m

* SEE APPENDIX
CHRISTOPHER BAILEY
—
CHIEF CREATIVE AND CHIEF EXECUTIVE OFFICER

**FIVE KEY STRATEGIES**
**PROGRESS IN THE HALF**

<table>
<thead>
<tr>
<th>PRODUCT FOCUS</th>
<th>PRODUCTIVE SPACE</th>
<th>E-COMMERCE LEADERSHIP</th>
<th>OPERATIONAL EXCELLENCE</th>
<th>INSPIRED PEOPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Building a strategic approach to key categories</td>
<td>• Increasing investment in training</td>
<td>• Launched redesigned website</td>
<td>• Increasing efficiency of spend</td>
<td>• Simplifying the organisation</td>
</tr>
<tr>
<td>• Reducing assortments</td>
<td>• Completing roll out of one label strategy</td>
<td>• Developing best-in-class e-commerce leadership</td>
<td>• Simplifying processes</td>
<td>• Developing our talent</td>
</tr>
<tr>
<td>• Greater visibility of fashion and newness</td>
<td>• Implementing a new store profiling model</td>
<td>• Developing best-in-class relationships and driving innovation with partners online</td>
<td>• Implementing new technology solutions</td>
<td>• Building employee engagement</td>
</tr>
<tr>
<td>• Introducing end-to-end category management</td>
<td>• Rolling out net-promoter score</td>
<td>• Establishing Transformation Management Office</td>
<td></td>
<td>• Committed to sustainability</td>
</tr>
</tbody>
</table>

**From product breadth to product focus**
**From new space to productive space**
**From digital prowess to e-commerce leadership**
**Focusing on efficiency and investing appropriately**
**Implementing new ways of working, while committed to unique culture and values**

*Ambitious growth and productivity agenda to:*
- Outperform luxury sector growth, with outperformance accelerating over time
- Deliver at least £150m annualised cost savings by FY 2019
Certain statements made in this presentation 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 presentation 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 presentation 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.

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ADJUSTED MEASURES

All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise.

Adjusting items are:
• A £26.1m charge in reported operating expenses relating to the fragrance and beauty licence intangible asset (H1 2015/16: £7.5m)
• A £12.8m charge in reported operating expenses relating to restructuring costs arising from the Group’s cost and efficiency programme
• A £4.3m charge (£3.2m in reported operating expenses and £1.1m in the reported net finance charge) relating to the deferred consideration on the purchase of the non-controlling interest in Burberry Middle East
• A £4.3m charge (£3.2m in reported operating expenses and £1.1m in the reported net finance charge) relating to the deferred consideration on the purchase of the non-controlling interest in Burberry Middle East
• Put option liability finance charge of £1.0m in reported net finance charge relating to the third party 15% economic interest in the Chinese business (H1 2015/16: income of £9.3m)

Underlying performance is presented in this presentation 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.

Comparable sales is the year-on-year change in sales from stores trading over equivalent time periods and measured at constant foreign exchange rates. It also includes online sales.

Certain financial data within this presentation have been rounded.
### Exchange Rates

**FORECAST FULL YEAR AVERAGE RATES FOR FY 2016/17**

<table>
<thead>
<tr>
<th>CURRENCY</th>
<th>31 October 2016</th>
<th>30 September 2016</th>
<th>FY 2015/16</th>
<th>H1 2016/17</th>
<th>H1 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>EURO</td>
<td>1.16</td>
<td>1.19</td>
<td>1.36</td>
<td>1.22</td>
<td>1.39</td>
</tr>
<tr>
<td>US DOLLAR</td>
<td>1.29</td>
<td>1.33</td>
<td>1.50</td>
<td>1.37</td>
<td>1.54</td>
</tr>
<tr>
<td>CHINESE YUAN RENMINBI</td>
<td>8.54</td>
<td>8.85</td>
<td>9.57</td>
<td>9.08</td>
<td>9.62</td>
</tr>
<tr>
<td>HONG KONG DOLLAR</td>
<td>9.98</td>
<td>10.34</td>
<td>11.67</td>
<td>10.65</td>
<td>11.94</td>
</tr>
<tr>
<td>KOREAN WON</td>
<td>1,448</td>
<td>1,483</td>
<td>1,740</td>
<td>1,565</td>
<td>1,743</td>
</tr>
<tr>
<td>YEN*</td>
<td>154</td>
<td>157</td>
<td>177</td>
<td>176</td>
<td>175</td>
</tr>
</tbody>
</table>

*For Licensing revenue, taking into account the current hedged positions.

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