

BURBERRY

INTERIM RESULTS FOR
THE SIX MONTHS ENDED
30 SEPTEMBER 2017
AND
STRATEGIC UPDATE

A G E N D A

INTRODUCTION

INTERIM RESULTS

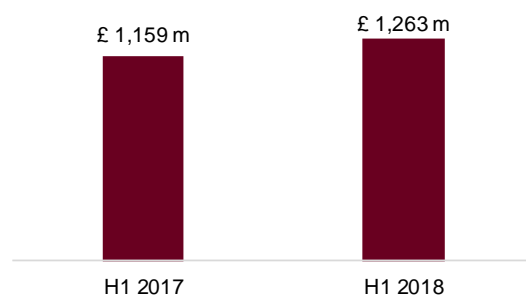
ESTABLISHING POSITION
FIRMLY IN LUXURY

OUR FINANCIAL
AMBITION

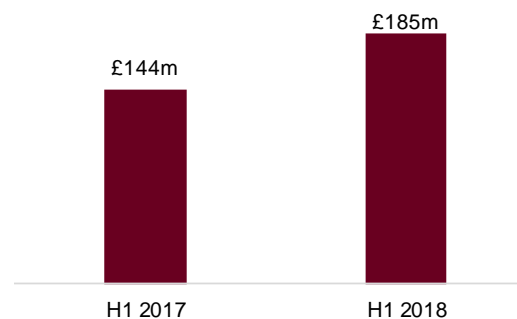
CLOSING REMARKS

H1 2018 FINANCIAL HIGHLIGHTS

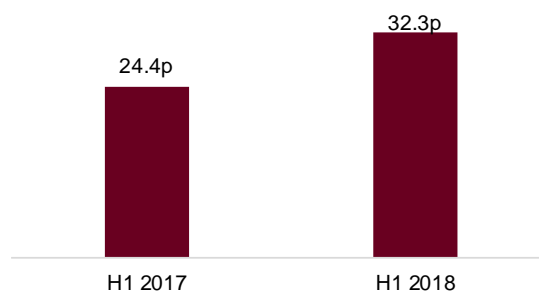
REVENUE +4%
UNDERLYING



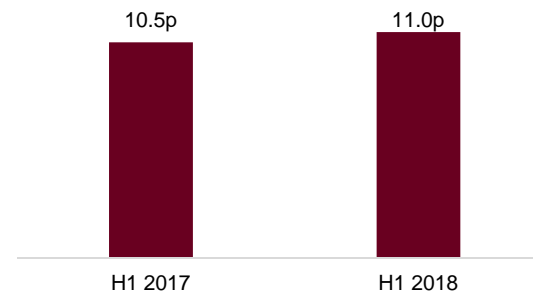
ADJ. OPERATING PROFIT
+17% UNDERLYING



ADJUSTED DILUTED
EPS +32%



INTERIM DIVIDEND
PER SHARE +5%



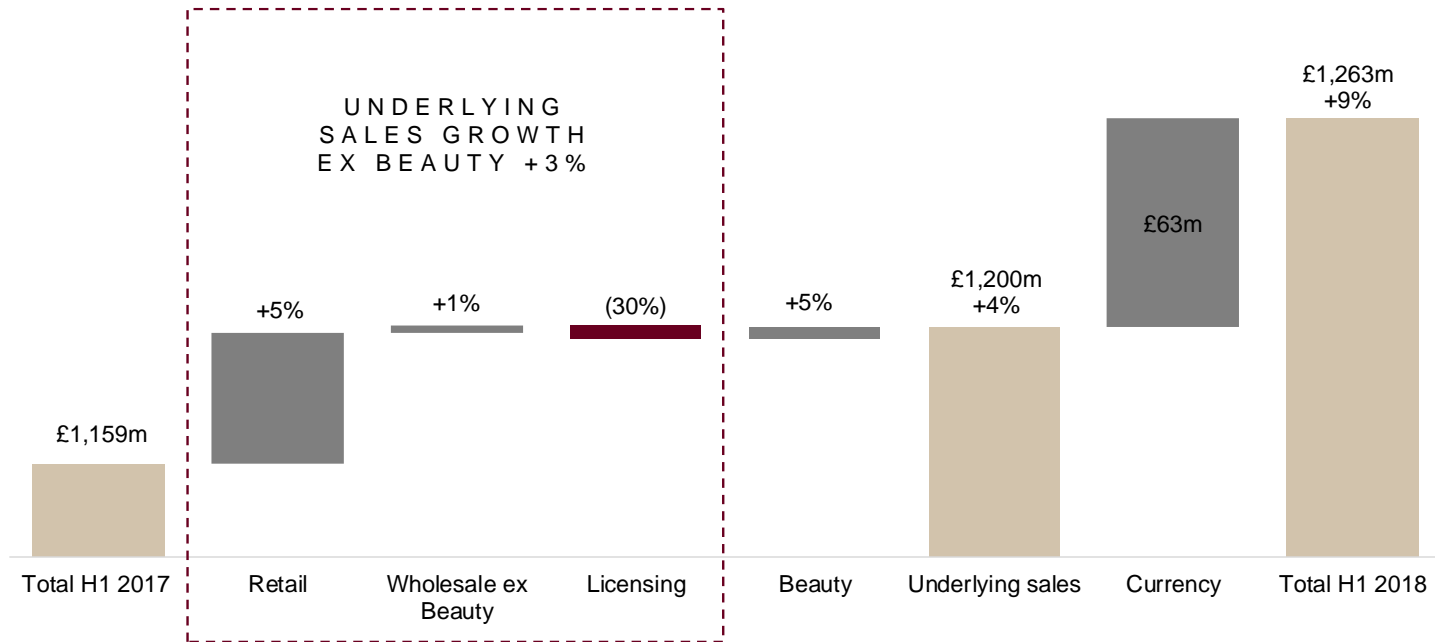
Reported performance measures are shown in the appendix to these slides

H1 2018 FINANCIAL HIGHLIGHTS

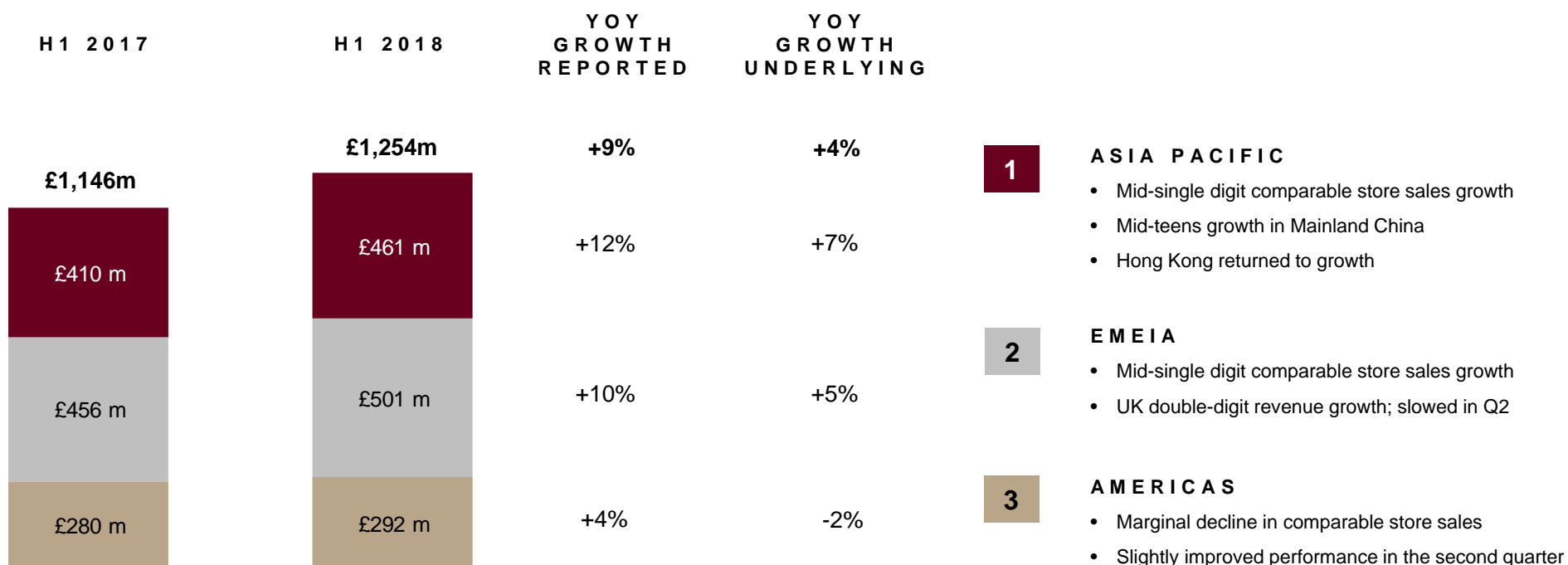
Six months to 30 September	2017 £m	2016 £m	----- Change -----	
			Reported FX	Underlying
Revenue	1,263	1,159	9%	4%
Adjusted operating profit	185	144	28%	17%
Adjusted operating margin	14.6%	12.5%		
Operating profit	127	102	24%	
Adjusted diluted EPS	32.3p	24.4p	32%	
Diluted EPS	21.4p	16.2p	32%	
Free cash flow*	171	75		
Net cash	654	529		
Dividend per share	11.0p	10.5p	5%	

GROUP REVENUE +4%, RETAIL +5%

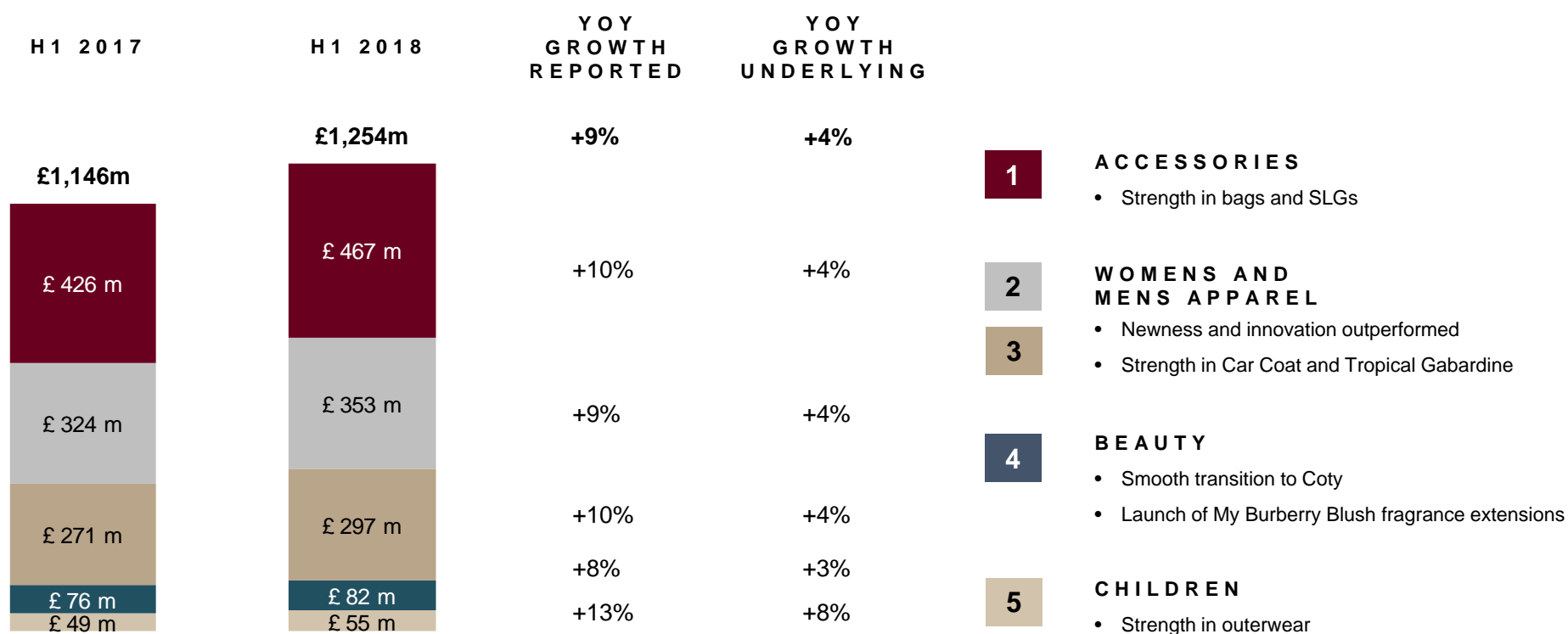
GROUP REVENUE BY CHANNEL



RETAIL/WHOLESALE REVENUE BY REGION



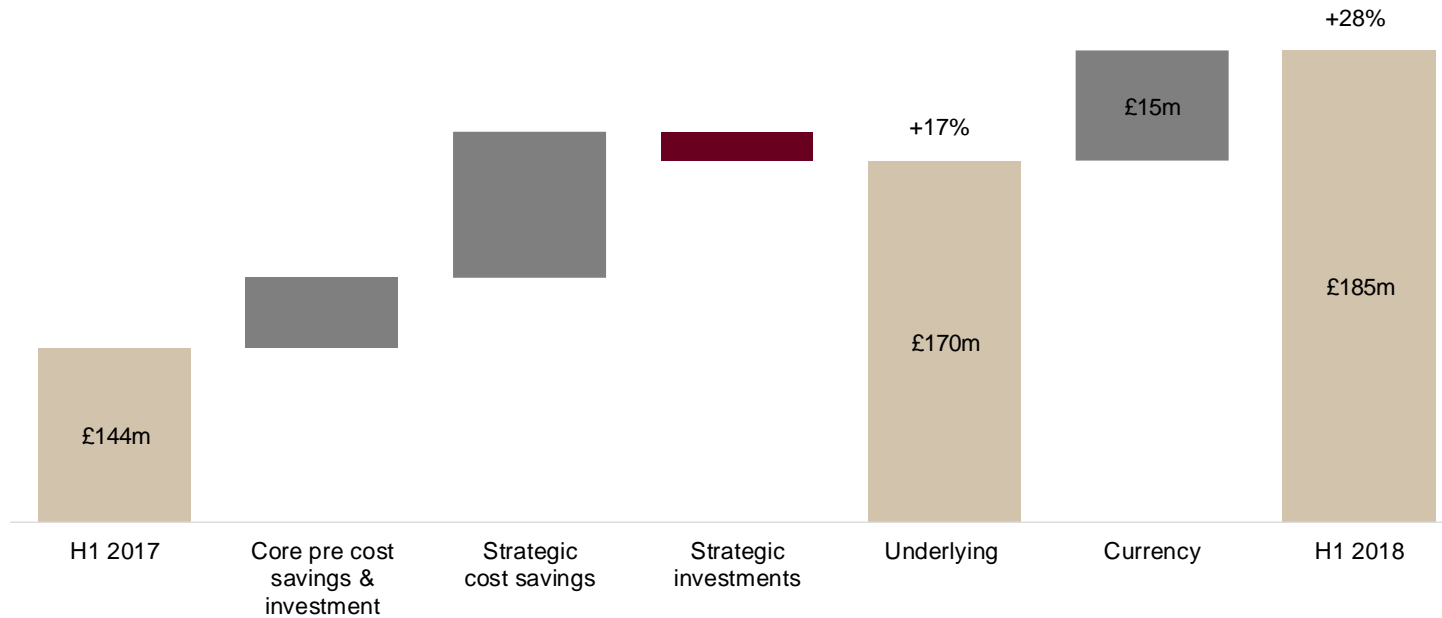
RETAIL/WHOLESALE REVENUE BY PRODUCT*



* Product commentary relates to mainline retail only other than for Beauty

ADJUSTED OPERATING PROFIT UP 17% UNDERLYING

ADJUSTED OPERATING PROFIT (£M)



INCOME STATEMENT

Six months to 30 September	2017 £m	2016 £m	----- Change -----	
			Reported FX	Underlying
Revenue	1,263	1,159	9%	4%
Cost of goods sold	(389)	(364)		
Gross profit	874	795	10%	
Gross margin	69.2%	68.6%	+60bps	
Operating expenses	(689)	(651)	6%	
Operating expenses as % sales	54.6%	56.1%	(150bps)	
Adjusted operating profit	185	144	28%	17%
Adjusted operating margin	14.6%	12.5%	+210bps	

COST SAVING DELIVERY BY MAJOR LEVER



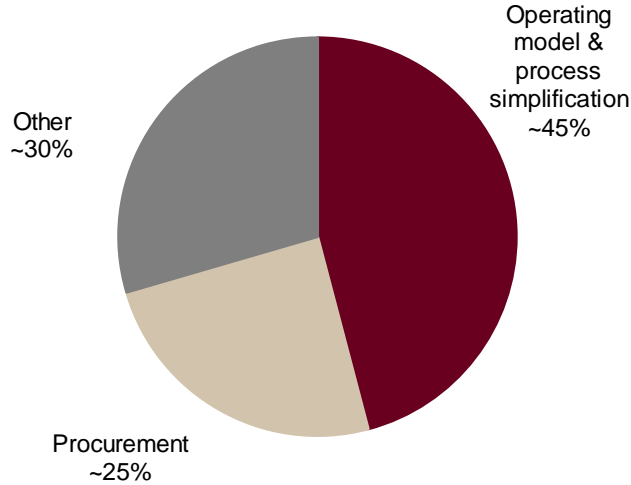
Announced in May 2016
 Committed to savings of at least £100m annualised by FY 2019
 Simplification of operating model begins
 Procurement savings start

Simplification of operating model
 Procurement savings build
 Burberry Business Services operational from October and scope expanded

ACCELERATED DELIVERY TO CUMULATIVE OF £60M IN FY 2018 AND £100M IN FY 2019

EXPANDED SCOPE TO TARGET £120M ANNUALISED SAVINGS IN FY 2020

SPLIT OF £120M COST SAVINGS BY CATEGORY (%)



INCOME STATEMENT

Six months to 30 September	2017 £m	2016 £m	----- Change -----	
			Reported FX	Underlying
Adjusted operating profit	185	144	28%	17%
Adjusted operating margin	14.6%	12.5%		
Adjusting operating items	(58)	(42)		
Operating profit	127	102	24%	
Net finance credit	3	2		
Adjusting financing items	(2)	(2)		
Profit before tax	128	102	26%	
Tax	(35)*	(29)*		
Non-controlling interest	-	(1)		
Attributable profit	93	72		
Diluted number of shares- million	434.8	444.3		
Adjusted diluted EPS	32.3p	24.4p	32%	
Reported diluted EPS	21.4p	16.2p	32%	

*25% effective tax rate on adjusted profit before tax in both halves

ADJUSTING OPERATING ITEMS

Six months to 30 September	2017 £m	2016 £m
Beauty licence intangible charges	-	(26)
Costs relating to the transfer of Beauty operations	(28)*	-
Restructuring costs	(33)	(13)
BME deferred consideration income/(charge)	3	(3)
Adjusting Items	(58)	(42)

*Note this cost is expected to be broadly offset in the second half of the year

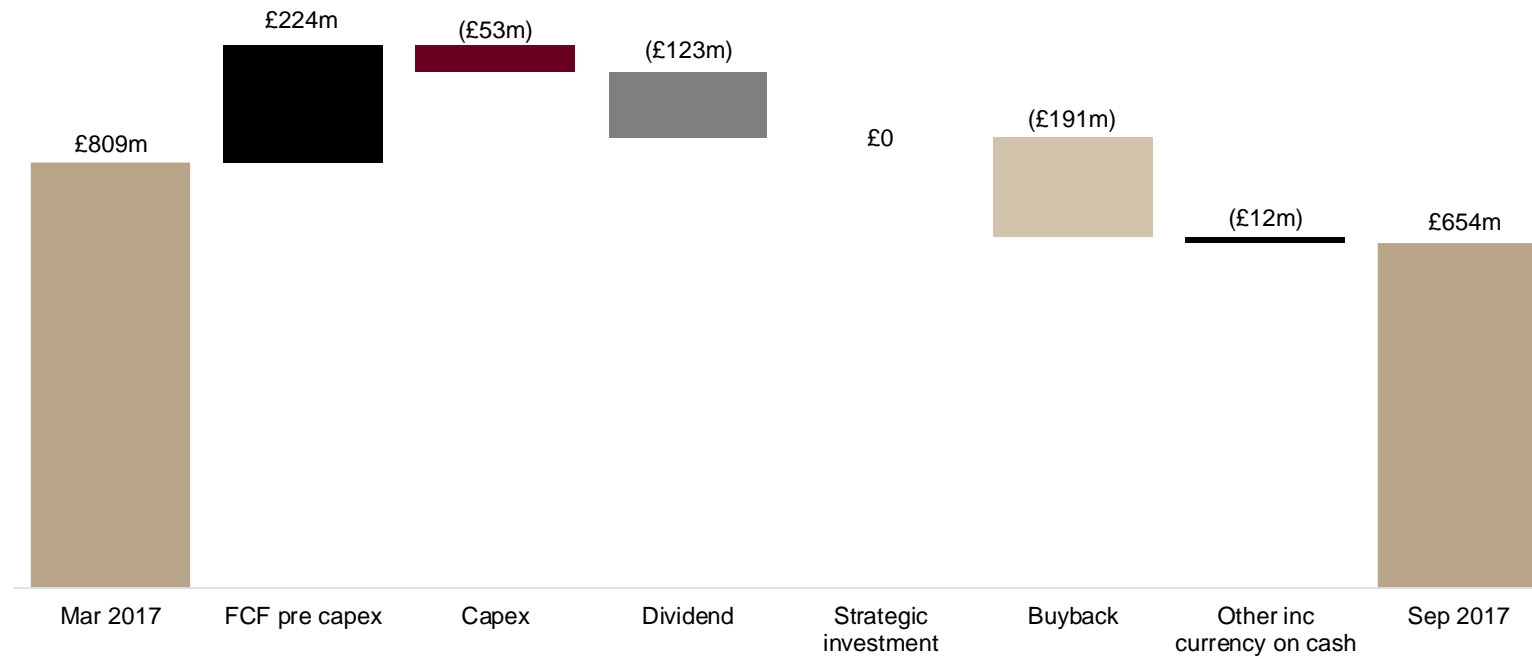
FREE CASH FLOW

Six months to 30 September	2017 £m	2016 £m
Adjusted operating profit	185	144
Depreciation and amortisation*	66	69
Employee share scheme costs	9	5
Decrease/(Increase) in inventories	13	(61)
Decrease in receivables	1	25
Increase/(Decrease) in payables	3	(11)
Other	(7)	11
Cash inflow from operations	270	182
Capex	(53)	(43)
Interest	3	1
Free cash flow pre tax	220	140
Tax	(49)	(65)
Free cash flow**	171	75

*Excludes adjusting items

**Free cash flow is defined as net cash generated from operating activities less capital expenditure plus cash inflows from disposal of fixed assets

MOVEMENT IN NET CASH



* Lease adjusted net debt (£0.6bn at 30 September 2017) is defined as five times minimum lease payments, adjusted for charges and utilisation of onerous lease provisions, less cash

FY 2018 OUTLOOK

SALES

RETAIL

Focus on existing store productivity, no net contribution from new space

WHOLESALE

H2 underlying expected to decline by a mid-single digit % (H2 2017: £226m)

LICENSING

+20% underlying including new Beauty licence from H2

PROFIT

ADJUSTED OPERATING PROFIT

Marginal upgrade to our expectations at constant exchange rates*

CUMULATIVE COSTS SAVINGS

Now £60m, increased from £50m

ONE-OFF COSTS

Now £75m, increased from £40m

TAX RATE

Effective tax rate of c.25% (down 80bps year-on-year)

FX

£20m* negative impact of FX on adjusted operating profit vs FY 2017

CASH

CAPEX

£130m, below previous guidance of £140m

SHARE BUYBACK

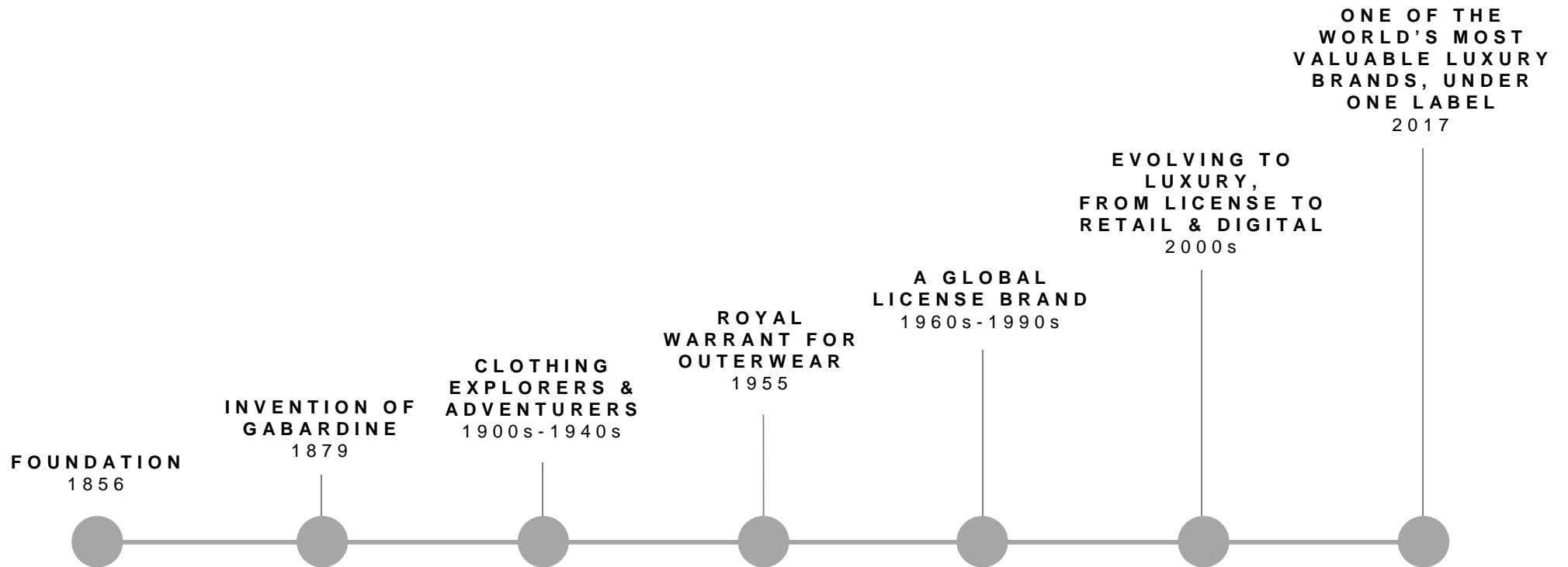
£350m shares to be purchased in FY

* Effective rates as at 31 October 2017, taking into account the current hedged positions

MARCO GOBBETTI

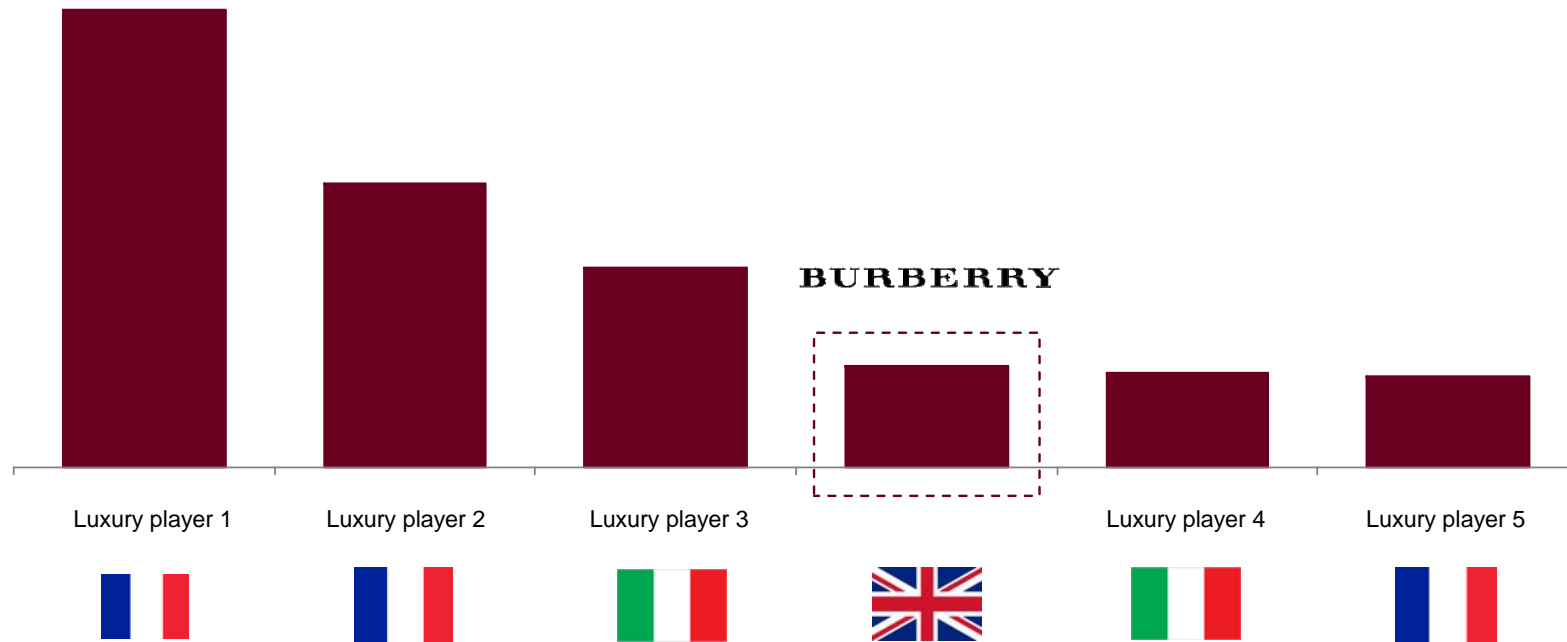
CHIEF EXECUTIVE OFFICER

BURBERRY: AN EXTRAORDINARY JOURNEY



TODAY, WE ARE ONE OF THE MOST VALUABLE LUXURY BRANDS IN THE WORLD

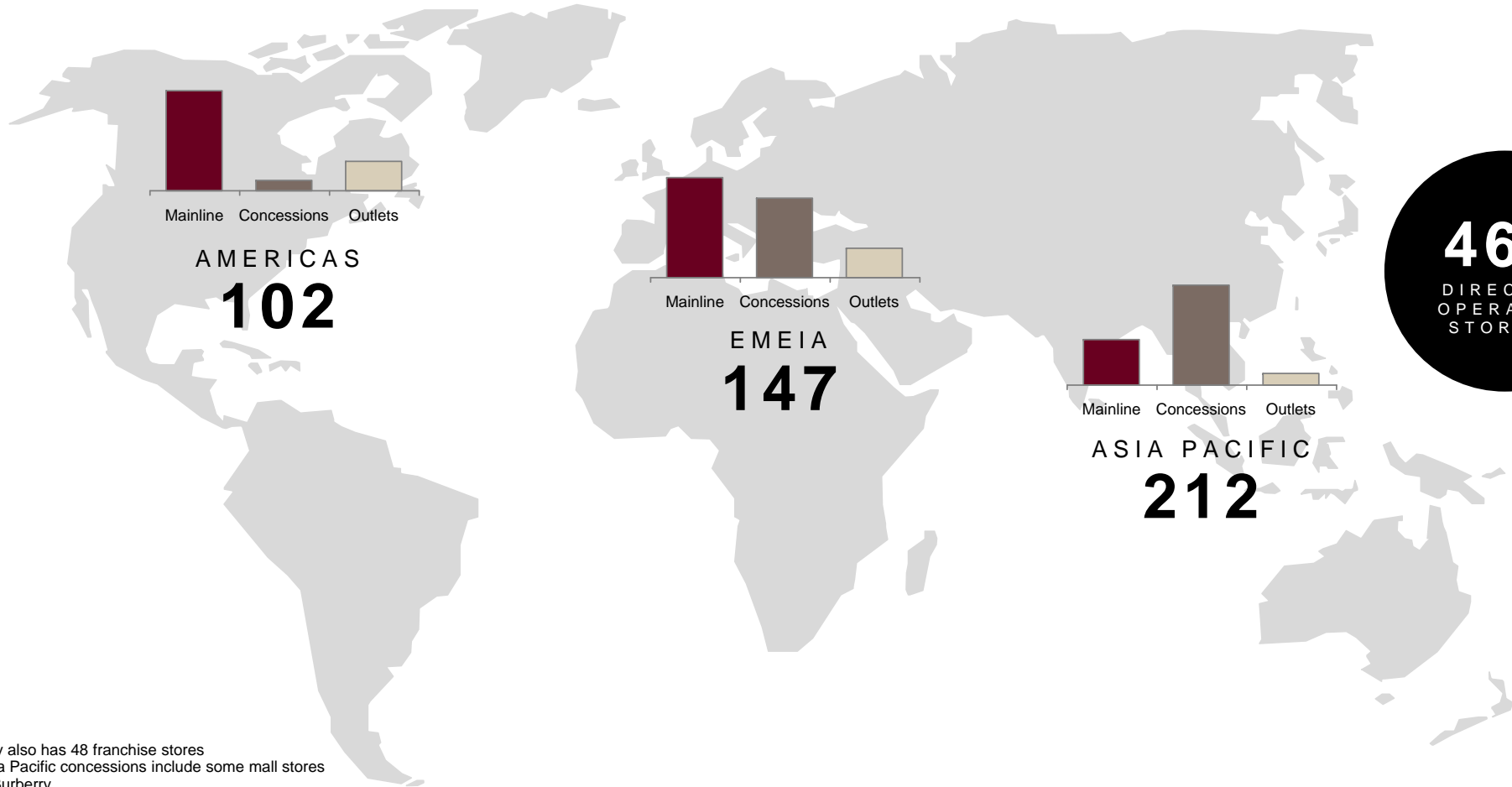
BRAND VALUE



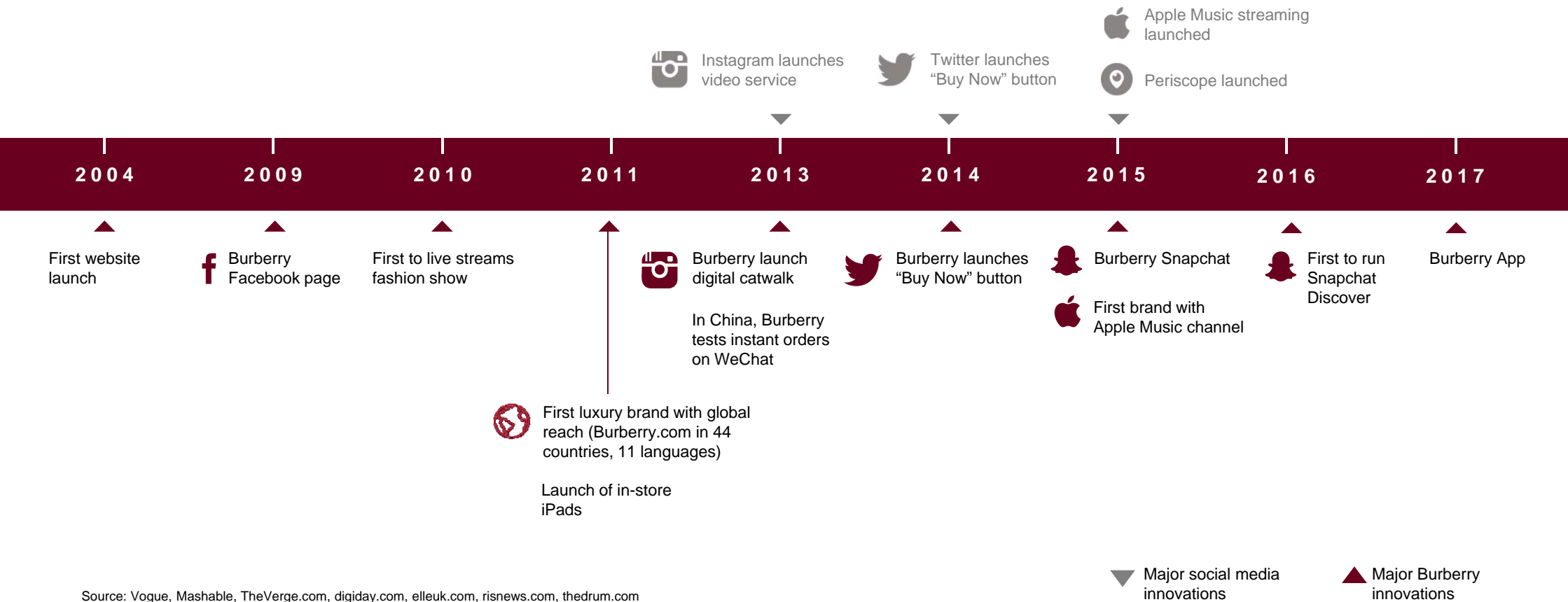
WE HAVE STRENGTH ACROSS MULTIPLE CATEGORIES



WE HAVE AN EXTENSIVE, LUXURY DISTRIBUTION FOOTPRINT

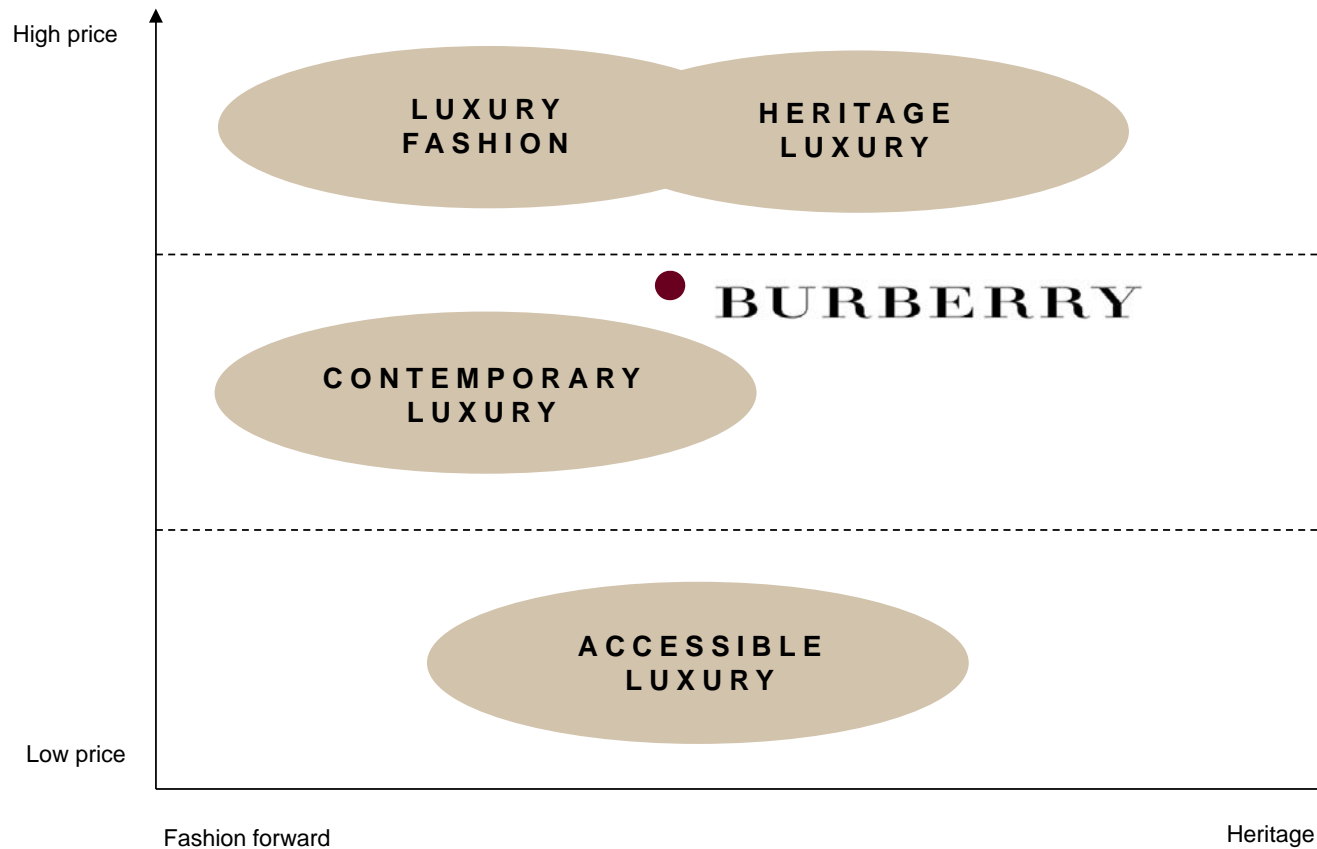


WE ARE THE DIGITAL INNOVATOR IN THE INDUSTRY



Source: Vogue, Mashable, TheVerge.com, digiday.com, elleuk.com, risnews.com, thedrum.com

IN TERMS OF BRAND, BURBERRY OCCUPIES A MIDDLE POSITION

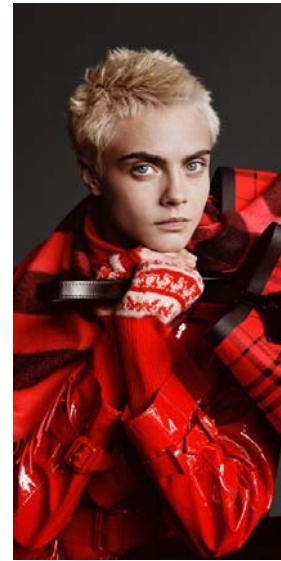


WE HAVE ELEMENTS OF BOTH HERITAGE AND FASHION...

HERITAGE



FASHION



... AND OUR OFFER IS A COMBINATION OF DIFFERENT PRICE POINTS

**BASICS PRICED
BELOW LUXURY PLAYERS**



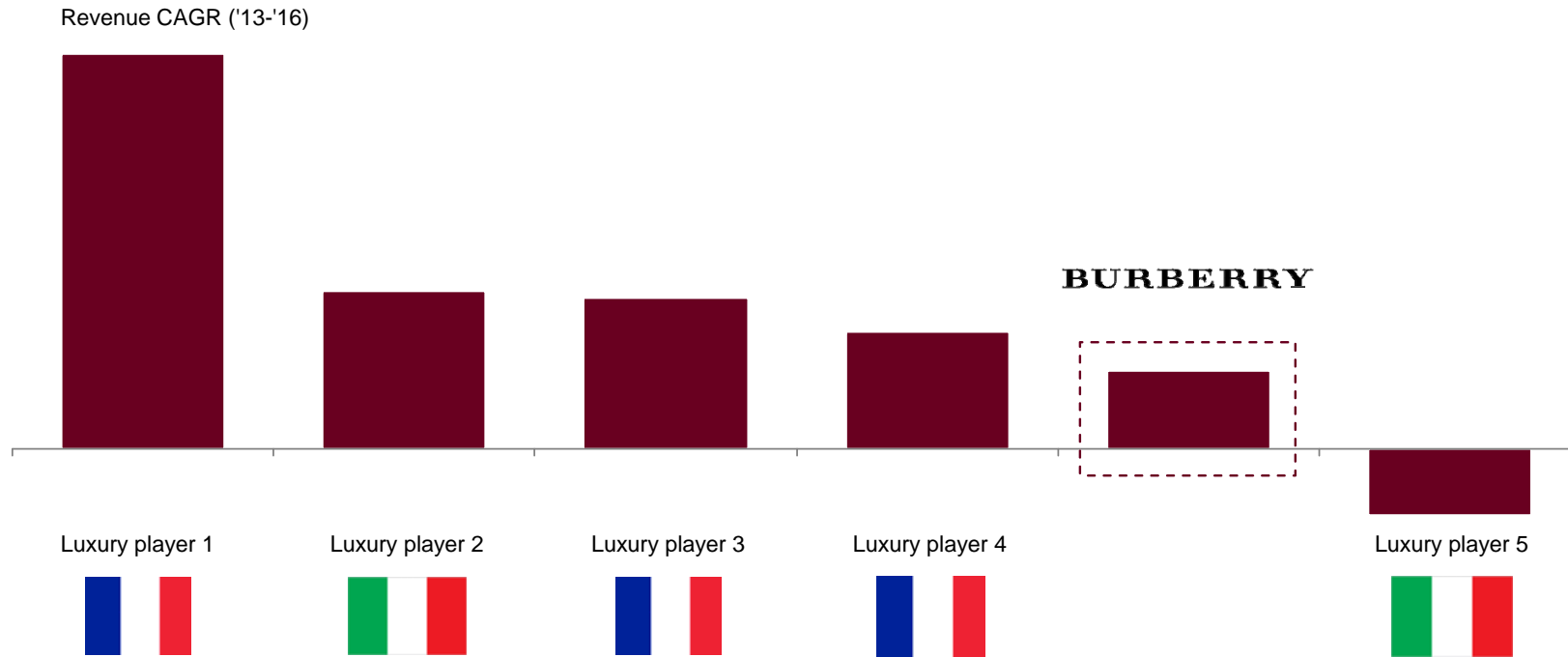
**vs. luxury players
at 150-200**

**CERTAIN ITEMS PRICED
ALONGSIDE LUXURY PLAYERS**



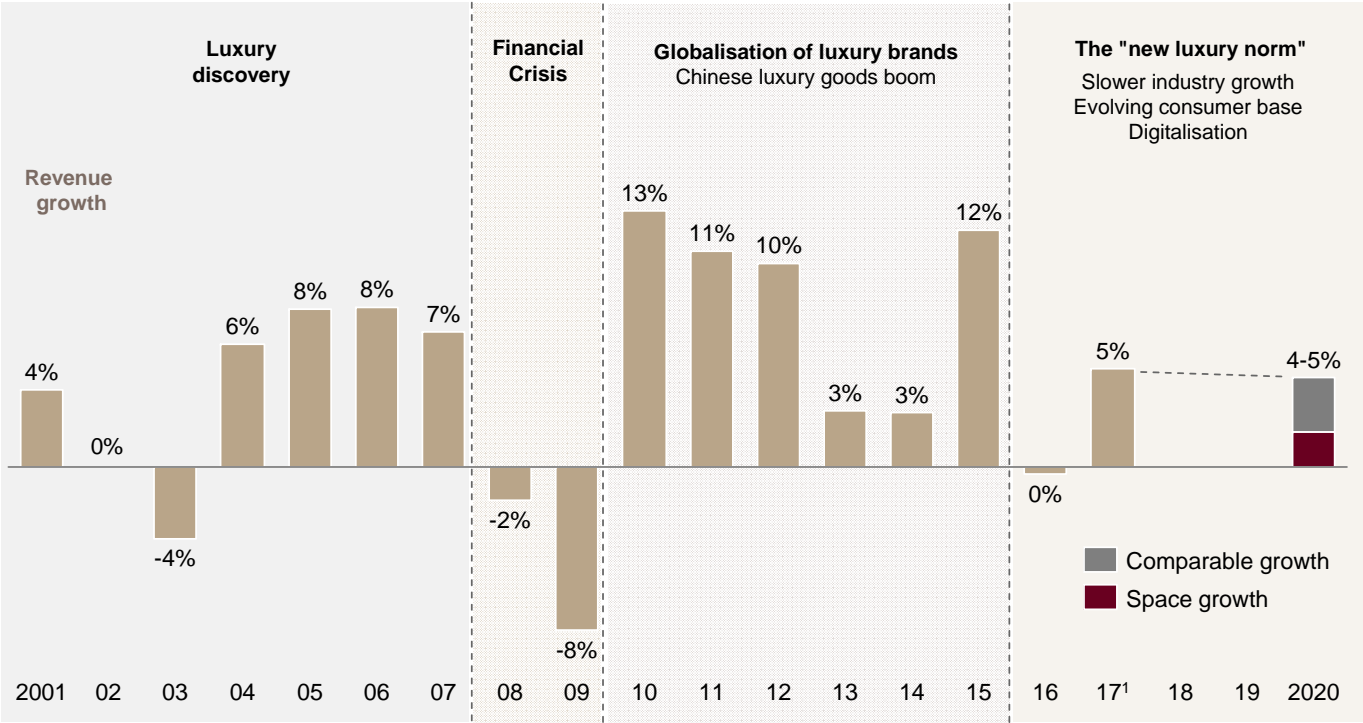
**vs. luxury players
at 100-110**

RECENTLY, BURBERRY'S GROWTH HAS SLOWED



Source: Company annual reports

NOW OUR SECTOR IS CHANGING



Luxury industry growth is expected to be 4-5% in the medium-term

Future growth will be driven by

- Comp vs. space
- Volume vs. price
- Digital

Industry economics are evolving, with growth becoming more expensive than in the past

1. 16/17 growth is +5% based on current exchange rate, but +6% with constant exchange rate
 Source: Bain luxury goods worldwide market study, October 2017

LUXURY CUSTOMERS ARE ALSO CHANGING

FROM ...

TRADITIONAL
LUXURY

EXCLUSIVE
PRICE POINTS

LISTENING TO
BRAND STORIES

BEING PART
OF THE ELITE

STATUS

BRAND
LOYALTY



TO ...

CASUALISATION,
FASHION AND FUN

CREATIVITY ACROSS
ALL CATEGORIES

LIVING BRAND STORY
AND EXPERIENCES

INDIVIDUAL
SELF-EXPRESSION

SHARED VALUES

SWITCHING ACCORDING
TO RELEVANCE

TODAY'S CONSUMERS WANT FASHION AND NEWNESS



"People are not easily impressed anymore. Now, even in China, consumers look at their wardrobe and they have everything, so they say: 'Okay, if I get anything new, it must be for a good reason.'" - **Angelica Cheung**¹

1. Editor of Vogue, China

Source: Burberry, Business of Fashion

THEY ARE ALSO POLARISING BETWEEN LUXURY AND MASS BRANDS...

FROM ...



**MID-MARKET BRANDS
DOMINATING IN 1980S**

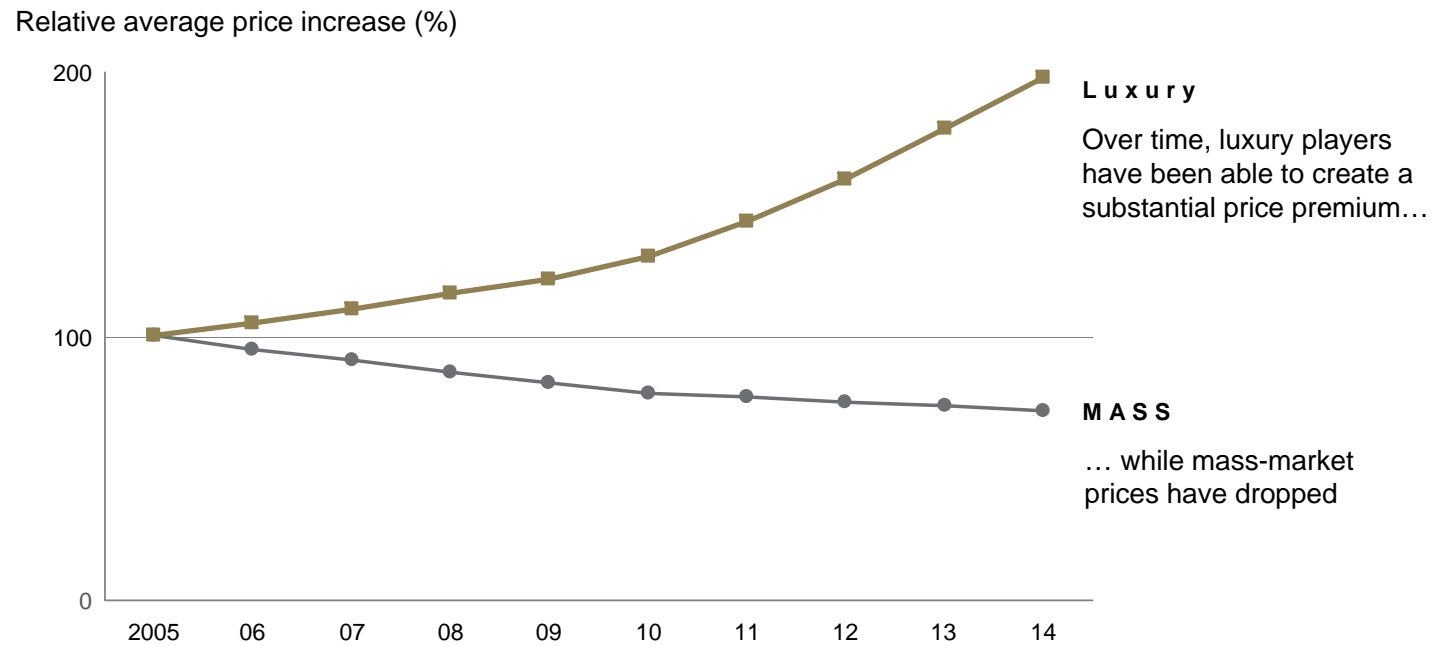
TO ...



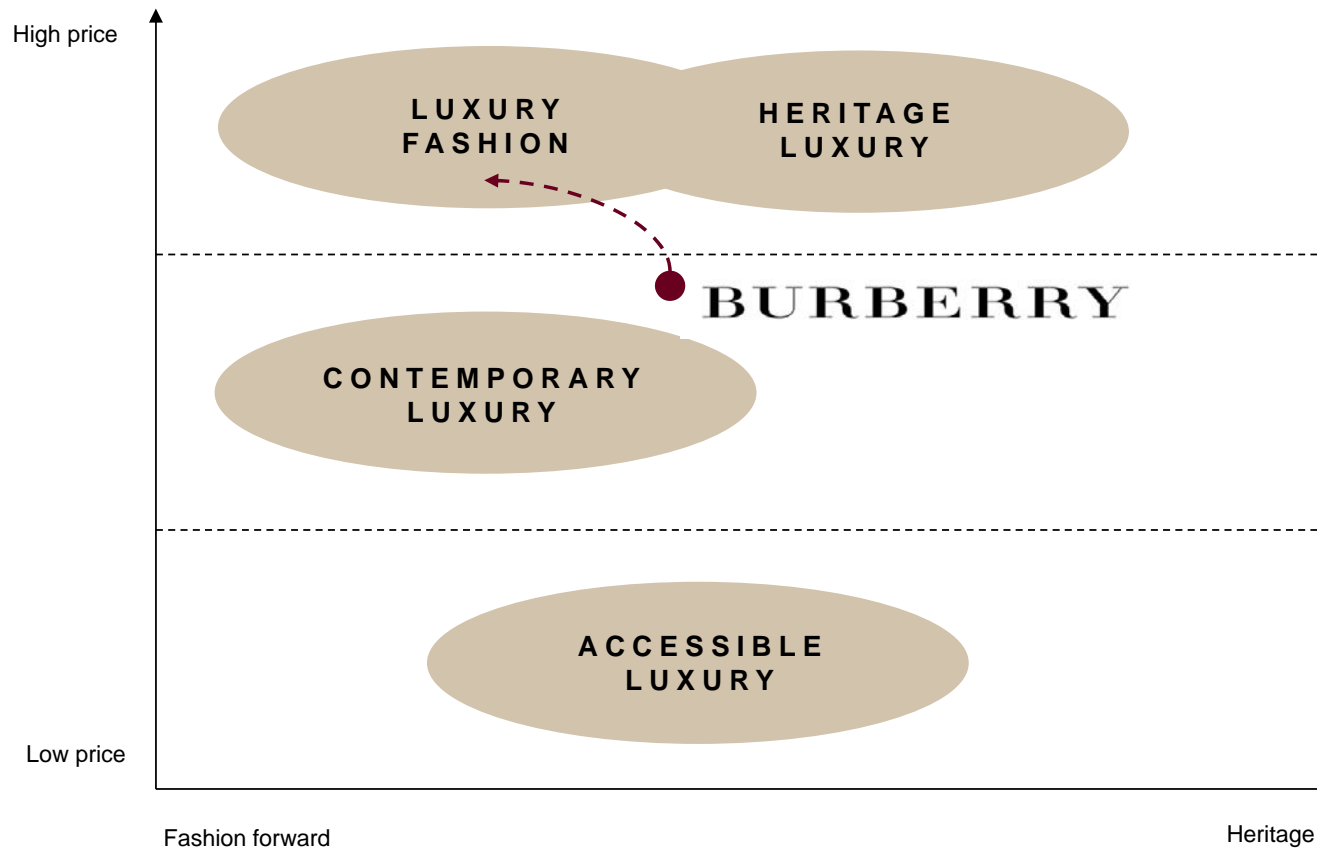
**TODAY'S CONSUMER MIXES FUNCTIONAL
OUTFITS FROM MASS BRANDS ...**

... WITH LUXURY HANDBAGS & SHOES

... AND PRICES ARE MOVING ACCORDINGLY



IN THIS ENVIRONMENT, WE MUST SHARPEN OUR BRAND POSITIONING



OUR VISION

**FIRMLY ESTABLISH OUR
POSITION IN LUXURY FASHION,
INSPIRING CUSTOMERS WITH
OUR UNIQUE BRITISH ATTITUDE**

BRAND SPIRIT

WE ARE CREATIVE, INNOVATIVE
AND OUTWARD LOOKING

WE HAVE A HISTORY OF
EXPLORATION AND ADVENTURE

WE ARE DIGITAL PIONEERS

WE CELEBRATE DIVERSITY AND
CHALLENGE RECEIVED WISDOMS

WE ARE 161 YEARS OLD,
BUT HAVE A YOUNG CHARACTER

WE WILL ARTICULATE THIS SPIRIT FOR TOMORROW,
CELEBRATING OUR SENSE OF ADVENTURE,
DARING CREATIVITY AND BRITISH ATTITUDE

THE PATH TO ACHIEVE OUR VISION

RENEW
THE PRODUCT



EVOLVE THE
COMMUNICATION



TRANSFORM
THE EXPERIENCE



OUR PRODUCT STRATEGY



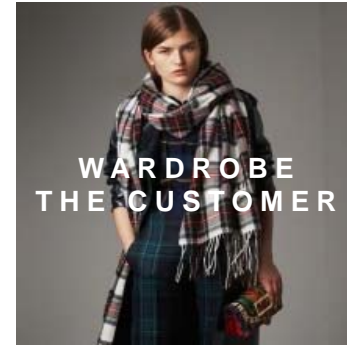
Re-invigorate our products with a constant infusion of newness and excitement



Signal significant change in design and relevance to win the luxury consumer



Multiple curated deliveries, with a direct to consumer approach



Shift from items to outfitting; drive UPT and frequency of purchase



Maintain competitive prices, and offer a breadth of price points injecting creativity across the entire range

JUDY COLLINSON

CHIEF MERCHANDISING OFFICER

A LUXURY FASHION BRAND

A NATURAL EVOLUTION

DESIGN AND MERCHANDISE
TO THE NEW LUXURY CLIENT

CONSIDER OUR
CURRENT CLIENT



THE NEW LUXURY CONSUMER

CONTINUE TO
EXCITE, CHALLENGE, ENTERTAIN

CELEBRATE OUR AESTHETIC

EACH COLLECTION WILL BE FASHION



OUR CURRENT CLIENTS

REFRESH STRONG BUSINESS
DRIVERS

ADD NOVELTY TO CORE CATEGORIES

REINVIGORATE BASICS

ENTICE WITH NEWNESS



PRODUCT DIRECTION

RTW AS THE PRIMARY
SIGNAL OF EVOLUTION

CONTINUE AND UPDATE
OUTERWEAR STRENGTH

INCREASE IMPORTANCE
OF RUNWAY DELIVERIES

ELEVATE LEATHER GOODS



TRANSFORM LEATHER GOODS

LEATHER GOODS TO
RENEW BRAND PERCEPTION

A SOLID ARCHITECTURE
OF HANDBAGS



HOW DO WE TAKE LEATHER GOODS MARKET SHARE

INDUSTRY-LEADING DESIGN TEAM

EVOLVE THE CHARACTER
OF THE BURBERRY HANDBAG

INCREASE PROMINENCE
AND SPACE DEDICATED TO
LEATHER GOODS IN STORES

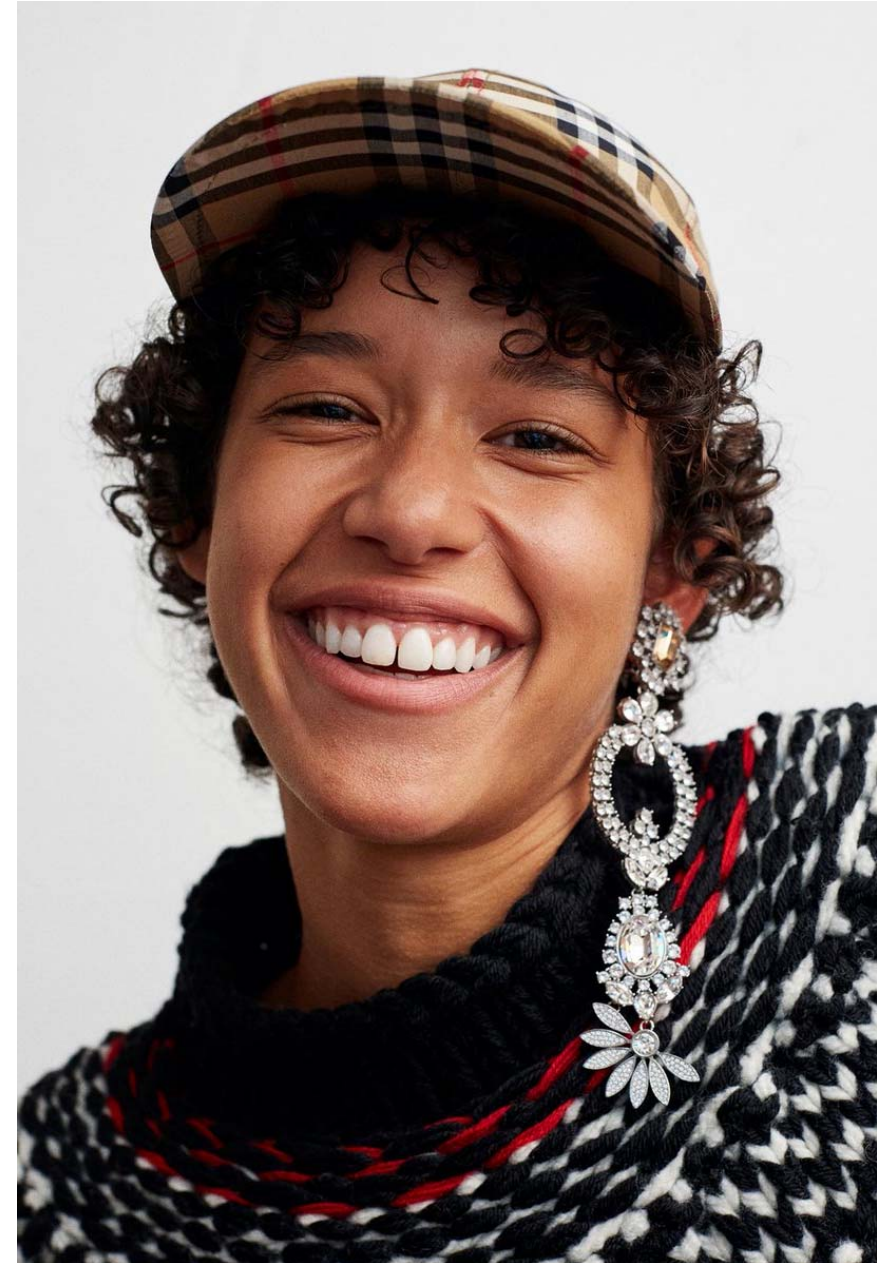


FULLY WARDROBE THE CUSTOMER

OUTFIT THE WHOLE CLIENT

EMPHASISE CROSS-SELLING

DISPLAY BY LOOK



BALANCE OUR PRICE ARCHITECTURE

COMPETITIVE PRICES

CONVEY PERCEPTIBLE VALUE

OFFER A BREADTH OF
PRICE POINTS



EXCITE WITH CUSTOMER CONVERTERS



CONTINUOUSLY ENGAGE OUR CUSTOMERS WITH NEWNESS

KNOWN FOR OUR DIRECT TO CONSUMER
APPROACH

CONSTANT ENGAGEMENT
THROUGH FRESH PRODUCT

REGULAR, CURATED DELIVERIES

EXCITE WITH CAPSULES
AND COLLABORATIONS

UNCONSTRAINED BY TRADITIONAL CALENDAR



OUR EVOLUTION HAS BEGUN

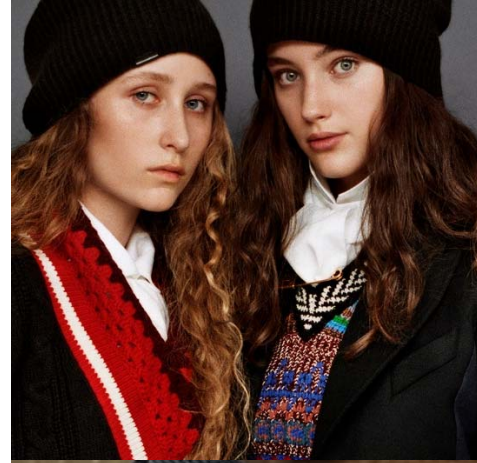
VINTAGE CHECK

TARTAN TREND

LAUNCH OF THE GIANT TOTE

EXCITEMENT IN KNITS

FUTURISTIC RAINWEAR



MARCO GOBBETTI

CHIEF EXECUTIVE OFFICER

THE PATH TO ACHIEVE OUR VISION

RENEW
THE PRODUCT



EVOLVE THE
COMMUNICATION



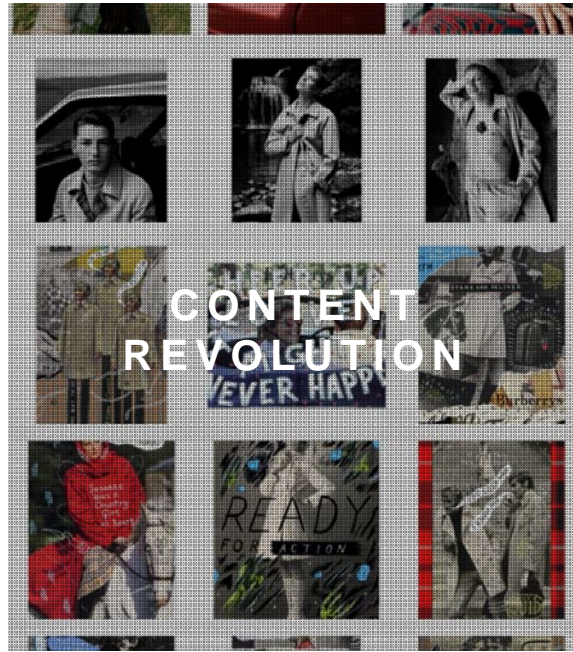
TRANSFORM
THE EXPERIENCE



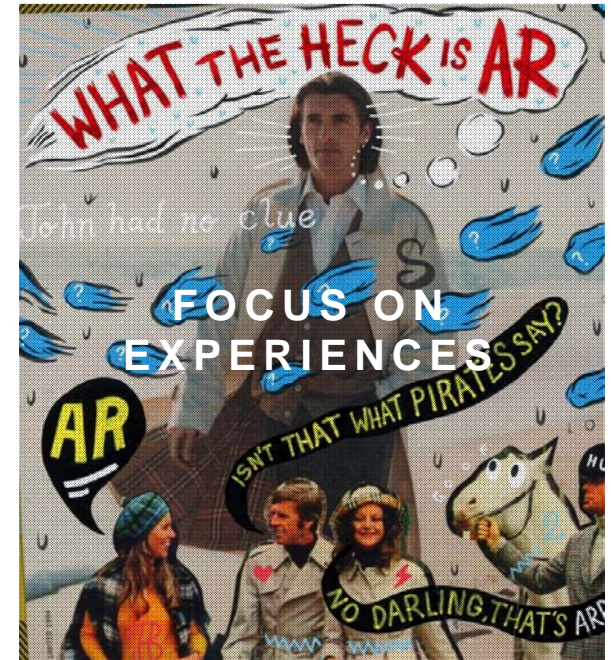
OUR COMMUNICATION STRATEGY



Product at the heart of
our communications



Reimagine our content, taking
a curated, edited approach



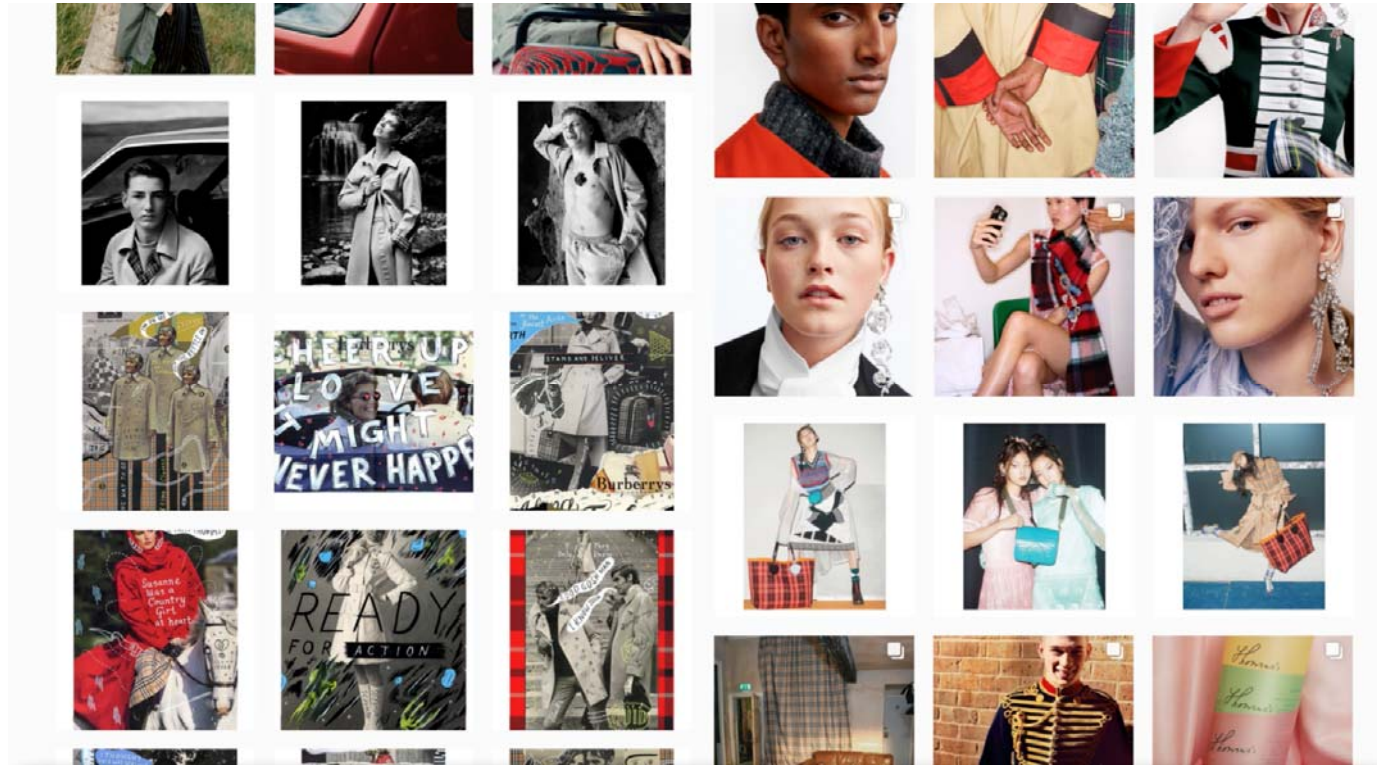
Invest in fewer, more meaningful
experiences including collaborations

PRODUCT FIRST



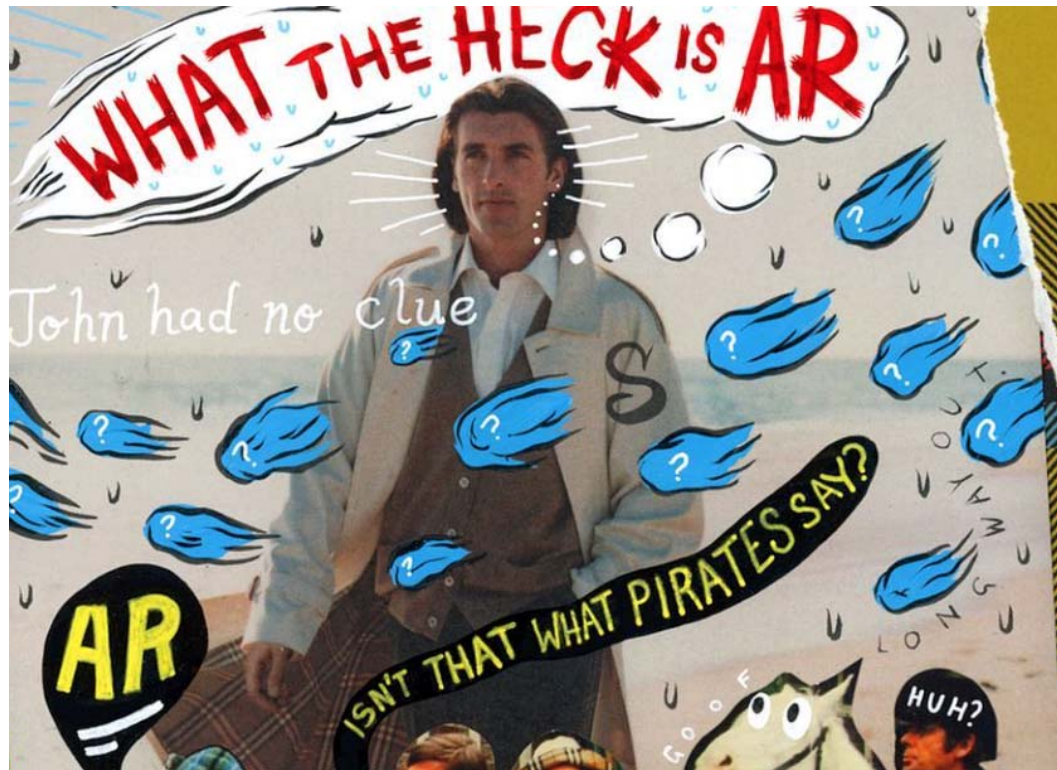
Ensure **product** is at the heart of all our communications

CONTENT REVOLUTION



Revolutionise our content across touchpoints including taking an **editorial approach** to inspire our customers

FOCUS ON EXPERIENCES



Invest in **meaningful experiences** and **collaborations** to help **shift the perception of influencers** and **attract new customers**

WE WILL LEVERAGE OUR DIGITAL REACH TO CONVEY OUR NEW BRAND ENERGY

50+M
FANS
GLOBALLY

15 Platforms
11 Languages



Facebook
17.3M



Instagram
10.3M



Twitter
10.3M



Google plus
5.3M



Line
4.1M



Sina Weibo
1.2M



Kakao
331k



LinkedIn
342k



YouTube
309k



WeChat
283k



Pinterest
210k



Tumblr
136k



Snapchat
84k



The Net Set
17k



Facebook
Messenger
26k

THE PATH TO ACHIEVE OUR VISION

RENEW
THE PRODUCT



EVOLVE THE
COMMUNICATION

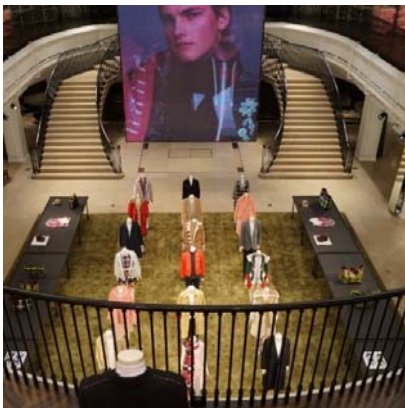


TRANSFORM
THE EXPERIENCE



OUR CUSTOMER EXPERIENCE STRATEGY

MAINLINE



DIGITAL



WHOLESALE



OUTLETS



FIRST, WE WILL FOCUS ON THE STORES THAT DRIVE BRAND PERCEPTION

- Priority for 17/18
- Priority for next 2 years



Source: Burberry

... UPGRADING THEM WITH A REFRESHED STORE CONCEPT



We have also planned to **refurbish the majority** of our direct stores network in the medium-term

Source: Burberry

WE WILL CONTINUE OUR JOURNEY TO TRANSFORM OUR IN-STORE EXPERIENCE

Accelerate existing initiatives ...

... and add new initiatives to reinforce our luxury fashion positioning

PEOPLE	<ul style="list-style-type: none">• Elevated recruitment standards	<ul style="list-style-type: none">• Re-defined role descriptions• Re-defined store manager and associate hiring criteria• New performance assessment criteria
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TRAINING	<ul style="list-style-type: none">• In-store training on styling and wardrobing• Mystery shopping	<ul style="list-style-type: none">• Reinforced collection training• New training modules, e.g., leather goods, selling fashion
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OUTREACH	<ul style="list-style-type: none">• Systematic clienteling• Focus on appointments	<ul style="list-style-type: none">• Elevated approach to clienteling• In-store coaching from store managers and BPC team
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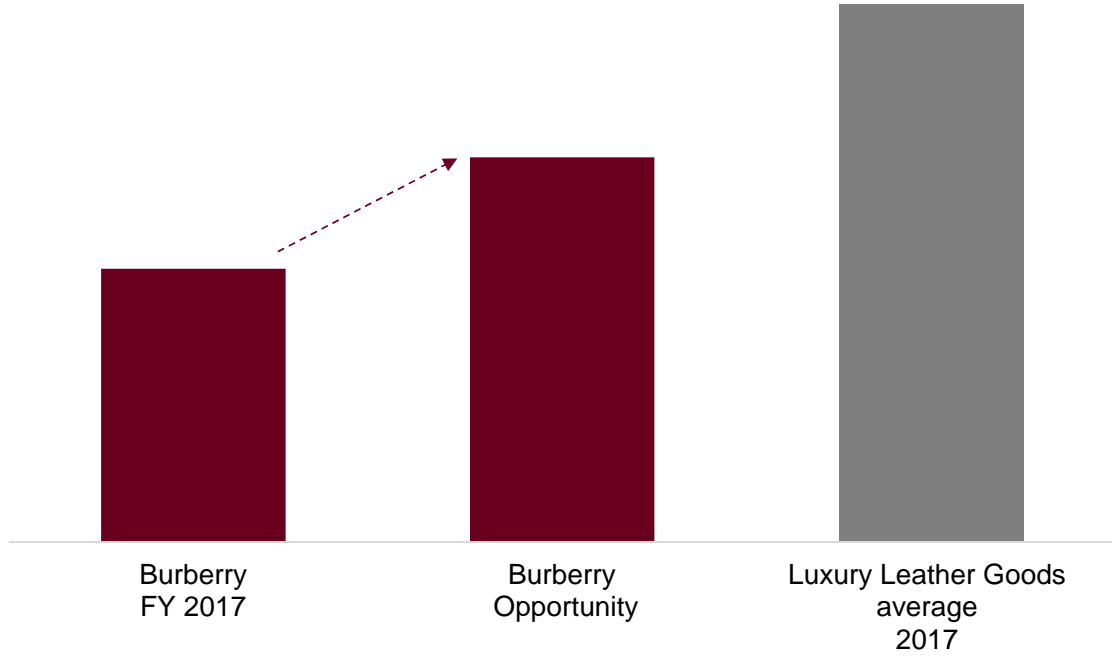
TOOLS	<ul style="list-style-type: none">• Improved digital sales associate tool	<ul style="list-style-type: none">• New, handheld in-store devices
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Source: Burberry

THESE EFFORTS WILL IMPROVE OUR RETAIL PRODUCTIVITY

SALES DENSITY
£ per sq metre



NOTE: NOT TO SCALE

Source: Burberry

DIGITAL

IN DIGITAL, WE WILL CONTINUE TO LEAD INNOVATION AND DRIVE GROWTH

CURATION



CONTENT



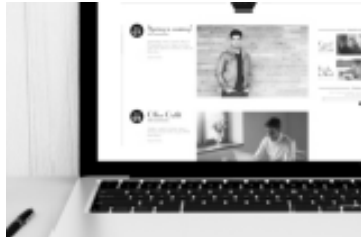
PERSONALISATION



OMNICHANNEL



3RD PARTIES



Source: Burberry

BURBERRY.COM WILL BE THE ULTIMATE CONTENT AND SHOPPING DESTINATION

CURATION



POWERFUL BRAND STORYTELLING



PRODUCT VIEWS ELEVATION

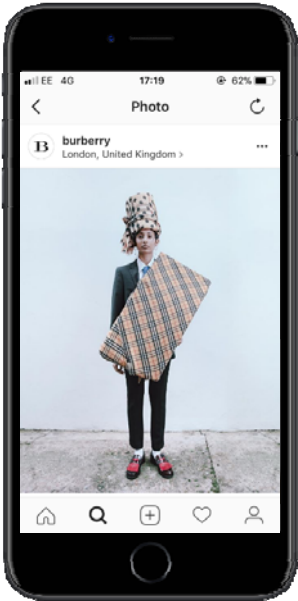


We will bring the **digital shopping** experience to life, expressing the brand POV through an **editorialised website** and **meaningful social content**

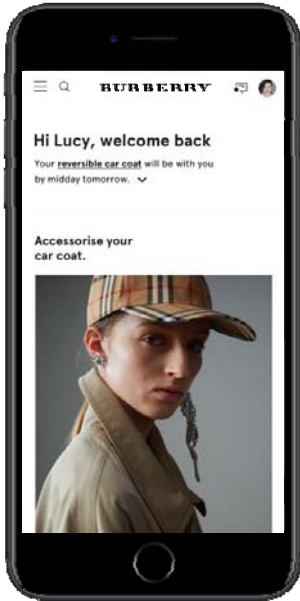
Source: Burberry

WE WILL INNOVATE IN PERSONALISATION

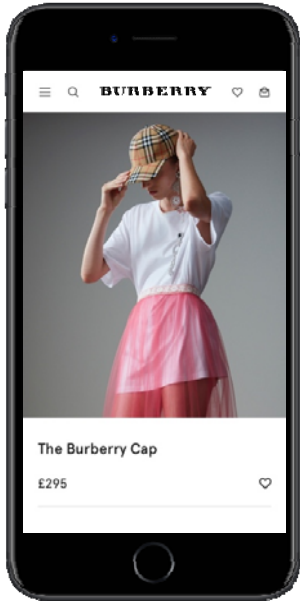
STORIES
FOR YOU



RECOMMENDED
FOR YOU



RESERVED
FOR YOU



We will engage our customer through **customised**, relevant and dynamic customer journeys, underpinned by our data and **analytics capability**

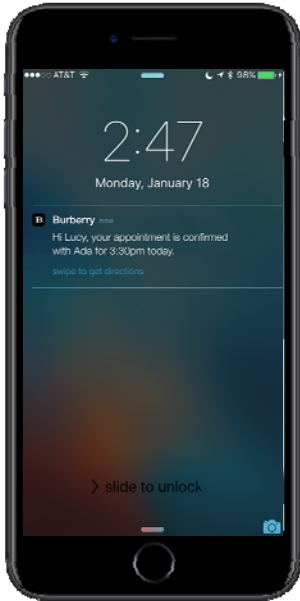
Source: Burberry

WE WILL OFFER A SEAMLESS OMNICHANNEL EXPERIENCE

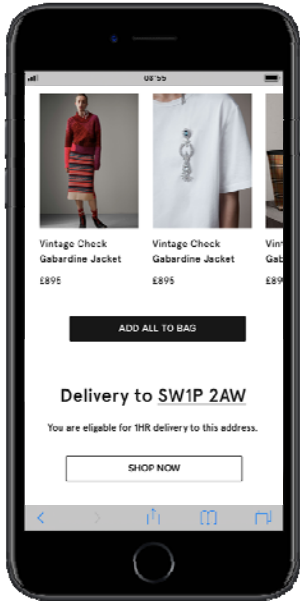
FLEXIBLE PAYMENT



ONLINE APPOINTMENT BOOKING



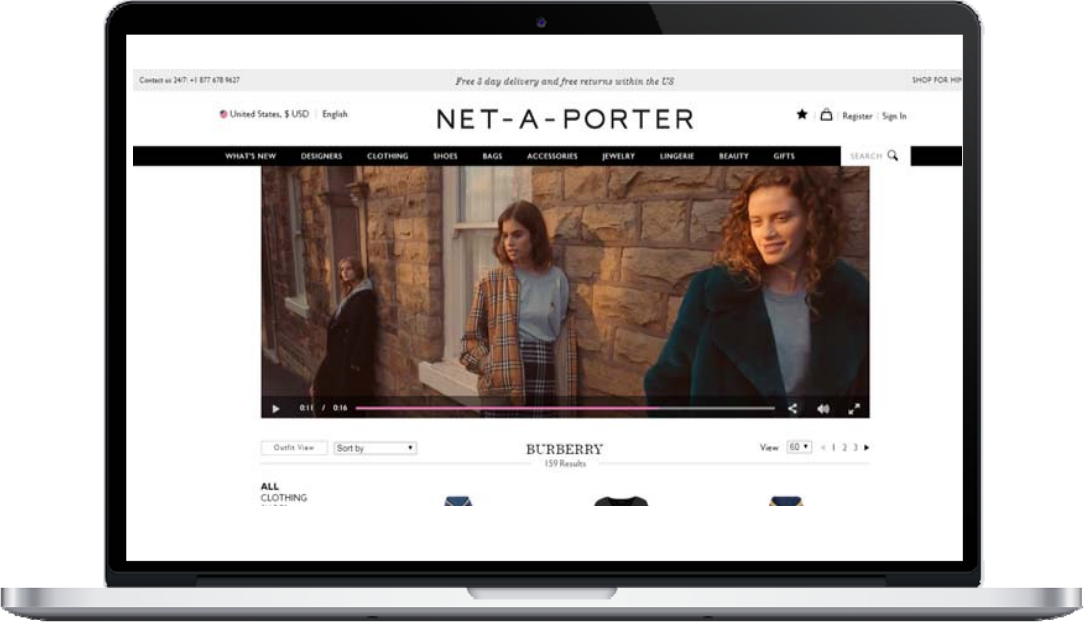
CONVENIENT/SLOTTED DELIVERY



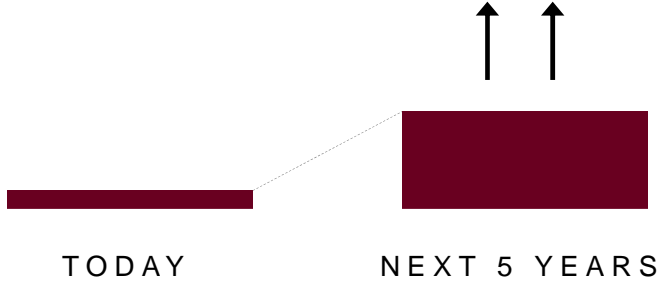
We will bring a moment of luxury to the buyer's doorstep, supported by **seamless, flexible transaction**

Source: Burberry

WE WILL STRENGTHEN OUR DIGITAL PARTNERSHIPS



SALES



IMPROVE
BRAND
CONSISTENCY

LEVERAGE
GROWTH OF
MAJOR 3rd
PARTY
PLAYERS

Source: Burberry

WHOLESALE

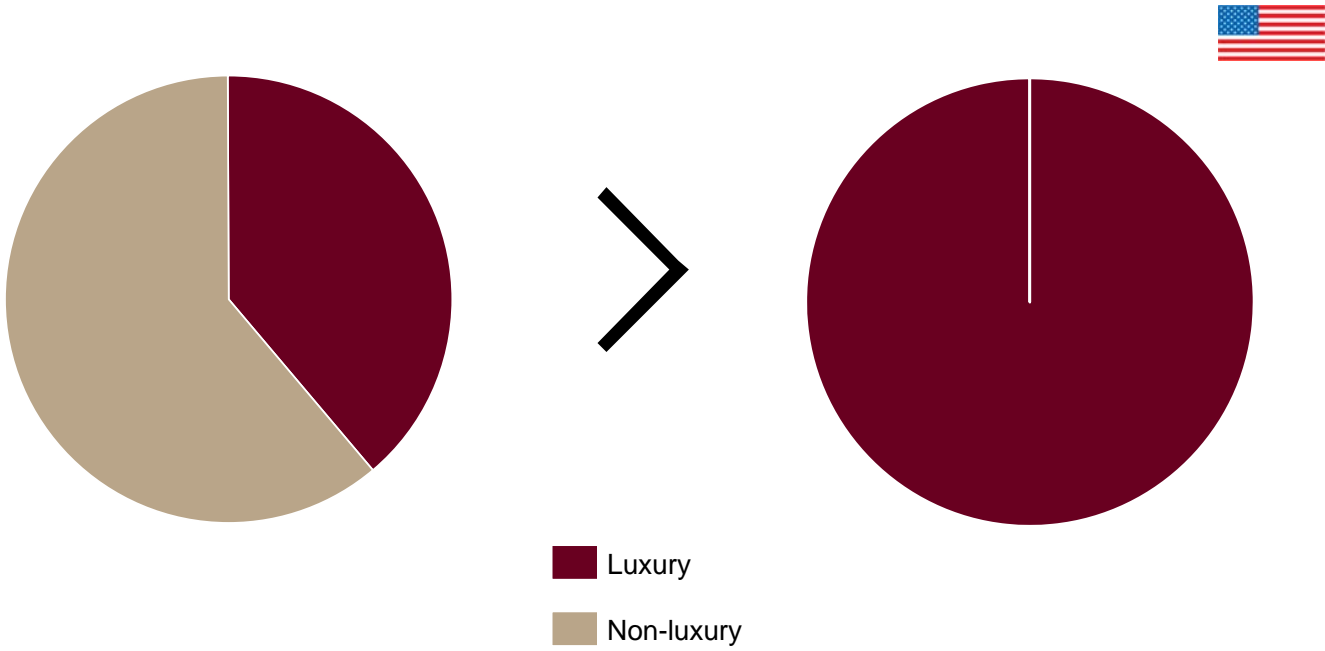
WE WILL GROW OUR BUSINESS WITH IMAGE-DRIVING WHOLESALE DOORS...



Source: Burberry

... UPGRADE AND REDUCE OUR EXPOSURE TO NON-LUXURY ACCOUNTS

US LUXURY VS. NON-LUXURY WHOLESALE
(SHARE OF WHOLESALE DOORS)



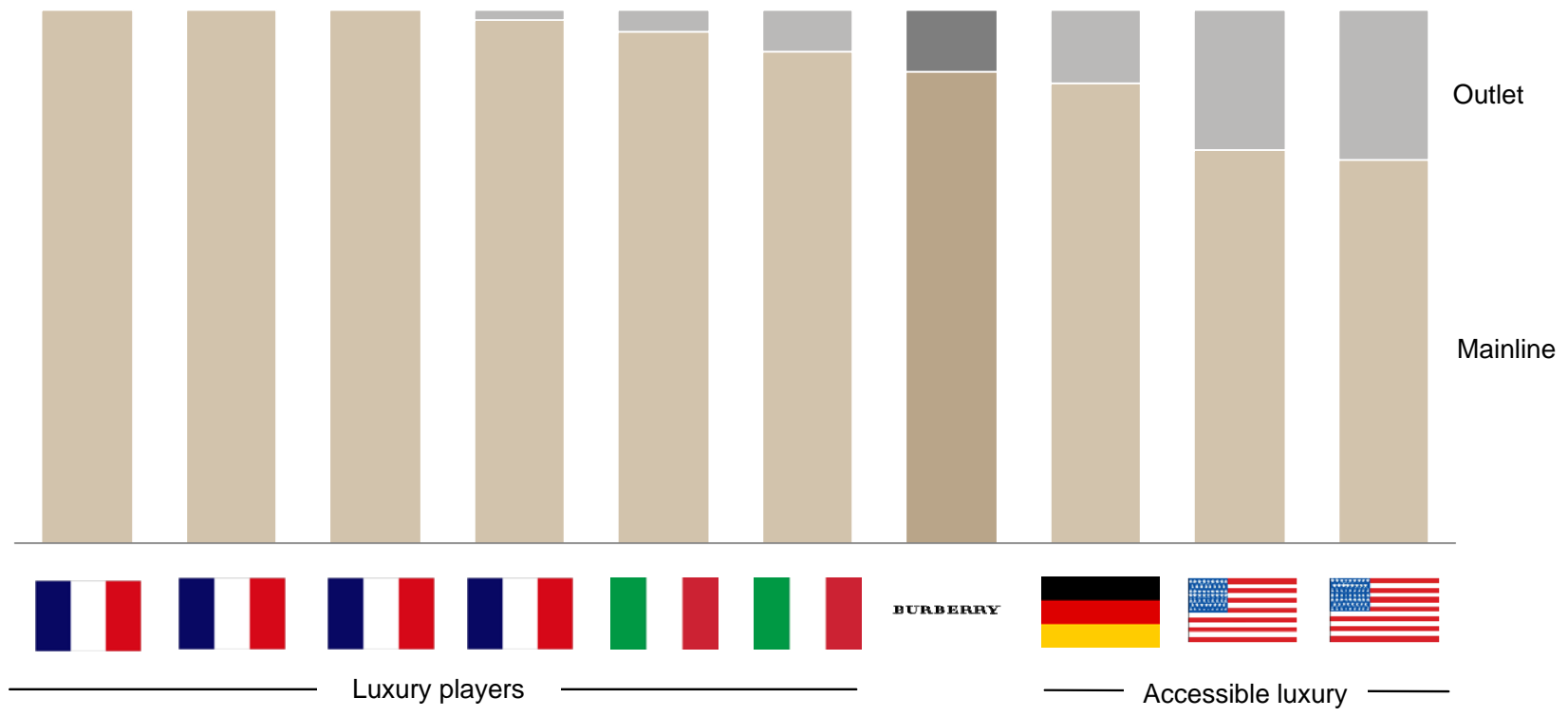
To strengthen the brand experience and ensure consistency, we will:

- **Upgrade** some doors to drive image
- **Reduce** exposure where necessary to reflect the new brand positioning

Source: Burberry

WE WILL RIGHT-SIZE OUR NETWORK, IN LINE WITH OUR POSITIONING

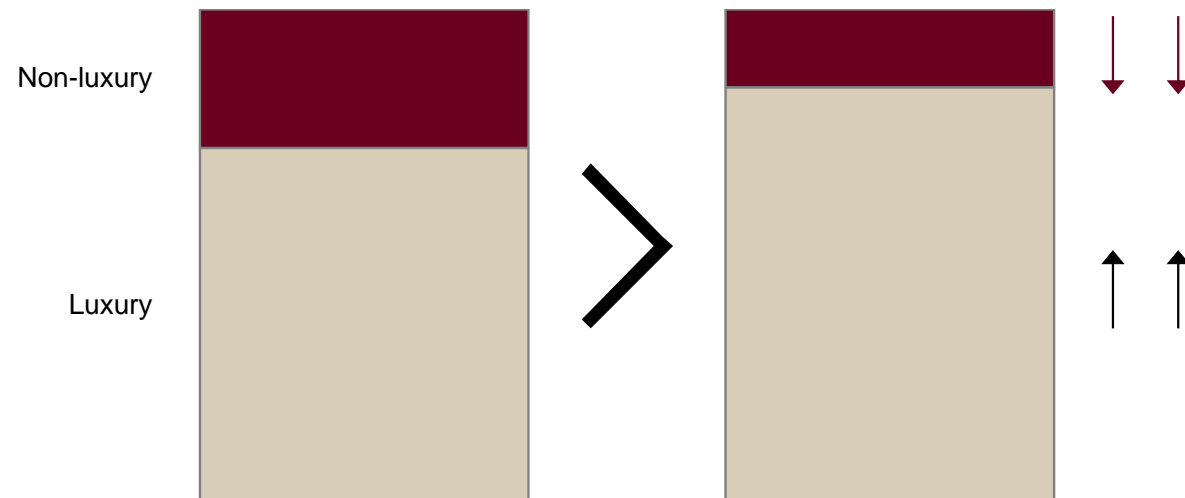
Outlet vs. mainline stores proportion



Source: Burberry

AS A RESULT, WE WILL BUILD A LUXURY NETWORK IN LINE WITH OUR BRAND

TOTAL GROUP SALES BY CHANNEL (%)



RECAP: THE PATH TO ACHIEVE OUR VISION

RENEW
THE PRODUCT



EVOLVE THE
COMMUNICATION



TRANSFORM
THE EXPERIENCE



THIS WILL BE A TWO-PHASED TRANSFORMATION JOURNEY

BUILD THE FOUNDATION

- Commence programme to re-energise the brand and establish our position in luxury, building on our productivity and efficiency agenda
- Rationalise and invest to align our distribution
- Manage creative transition

ACCELERATE AND GROW

- Complete full brand transformation, with a new creative vision
- Drive forward all elements of the strategy
- Accelerate growth

WE WILL EXERCISE FINANCIAL DISCIPLINE, ESPECIALLY DURING THE TRANSITIONARY YEARS

COST	Tight control of underlying costs
SAVINGS	Drive cost savings, simplification and efficiency
CAPEX	Clear priorities and expectation of return
PROFITS	Broadly stable operating profit through the transition period

JULIE BROWN

CHIEF OPERATING & FINANCIAL OFFICER

OUR FINANCIAL PLAN*

(AT CONSTANT EXCHANGE RATES)

	FY 2019 & 2020	AMBITION
REVENUE	<ul style="list-style-type: none">• Sales broadly stable year-on-year• Rationalise non-luxury distribution	<ul style="list-style-type: none">• High-single digit top-line growth
OPERATING MARGIN	<ul style="list-style-type: none">• Adjusted operating margin broadly stable YoY, even during period of investment in the brand• £120m annualised cost savings by FY 2020	<ul style="list-style-type: none">• Meaningful operating margin expansion
CASH	<ul style="list-style-type: none">• Capex of £150-£160m <p>Strong free cash conversion and application of capital allocation framework including progressive dividend and shareholder distributions</p>	<ul style="list-style-type: none">• Capex builds to £190m-£210m

*Guidance assumes constant exchange rates and a stable economic environment

OUR FRAMEWORK FOR VALUE CREATION



FINANCIAL AMBITION: REVENUE GROWTH

REVENUE GROWTH

RENEW
THE PRODUCT



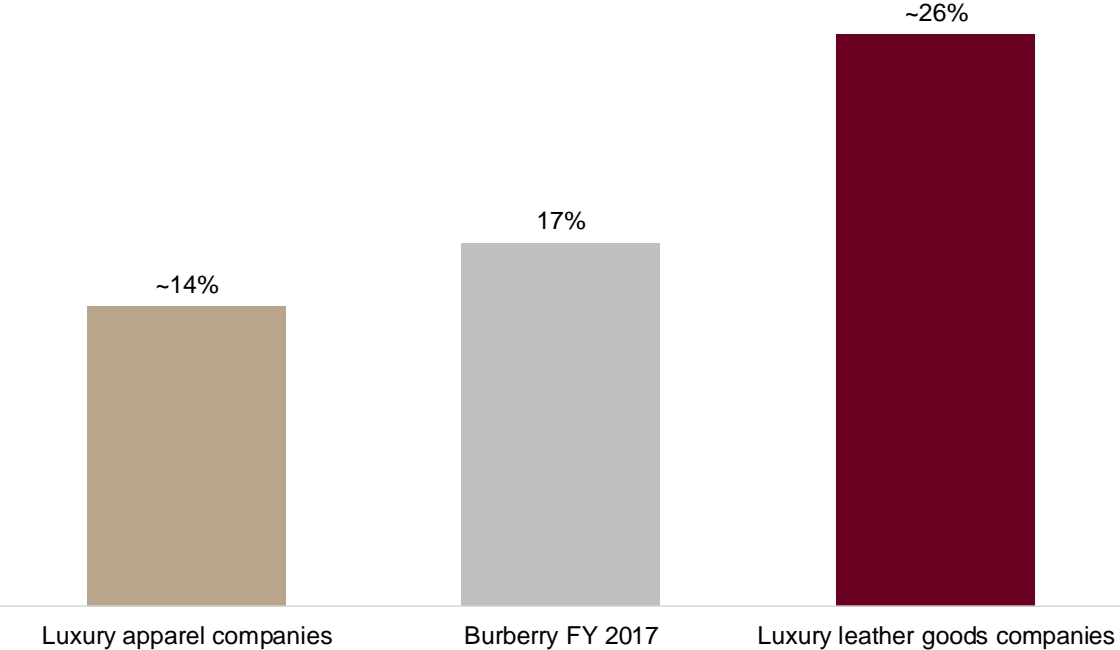
EVOLVE THE
COMMUNICATION



TRANSFORM
THE EXPERIENCE



GROUP OPERATING MARGIN POTENTIAL



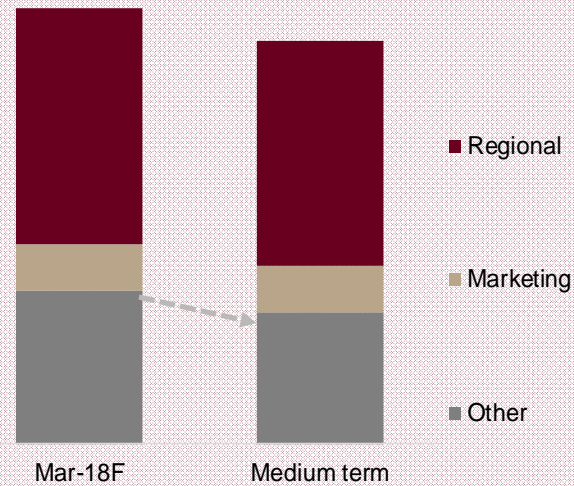
Source: Burberry, Company data at last financial year end.

ADJUSTED EPS GROWTH AHEAD OF REVENUE GROWTH

COST SAVINGS

- Operating cost savings support profitability
- Focused resource re-allocation from back to front office

Operating expenses reduce as a % of sales (CER)



OPERATING LEVERAGE

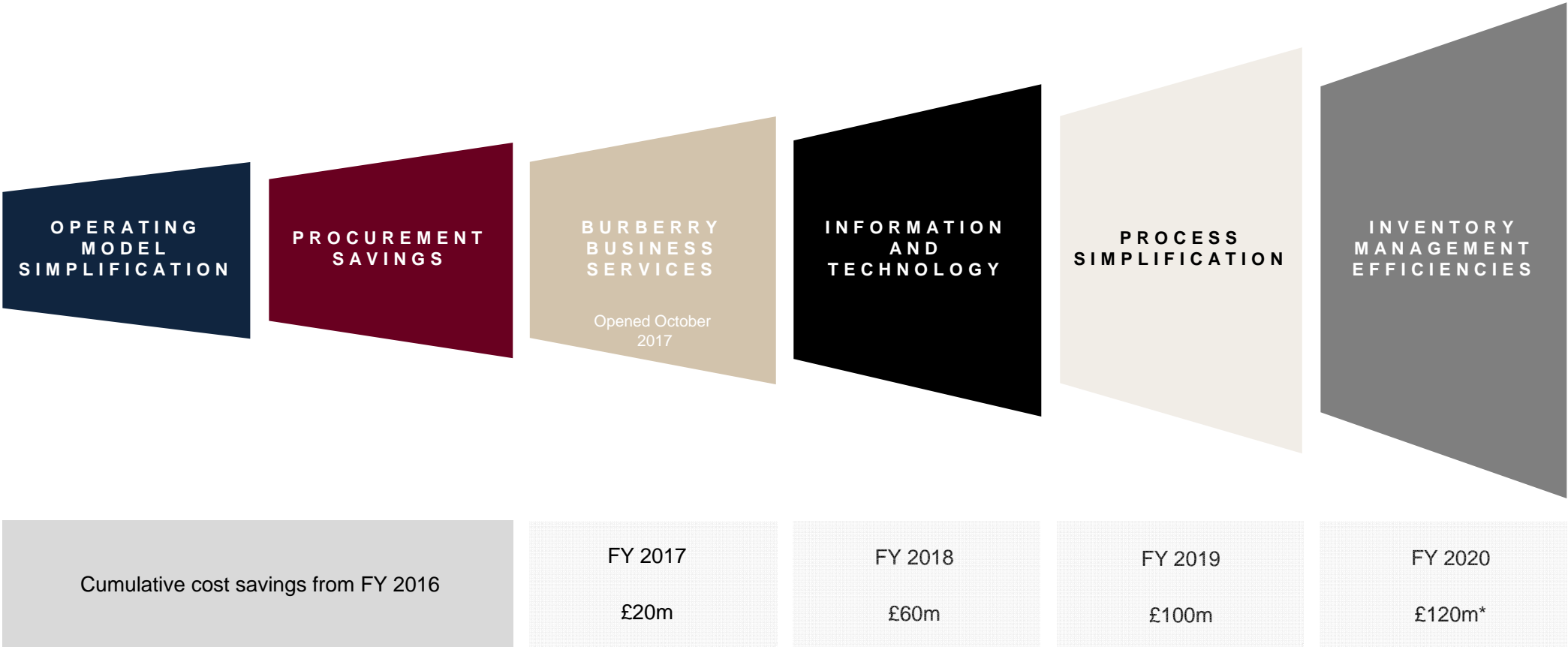
- Leverage the fixed and semi-fixed overhead cost components of our business

TAX RATE

- Improvement in adjusted tax rate* by 200-300 bps by FY 2020 from 26% in FY 2017

*Guidance assumes constant exchange rates, stable economic environment & current tax legislation

COST SAVINGS BY MAJOR LEVER



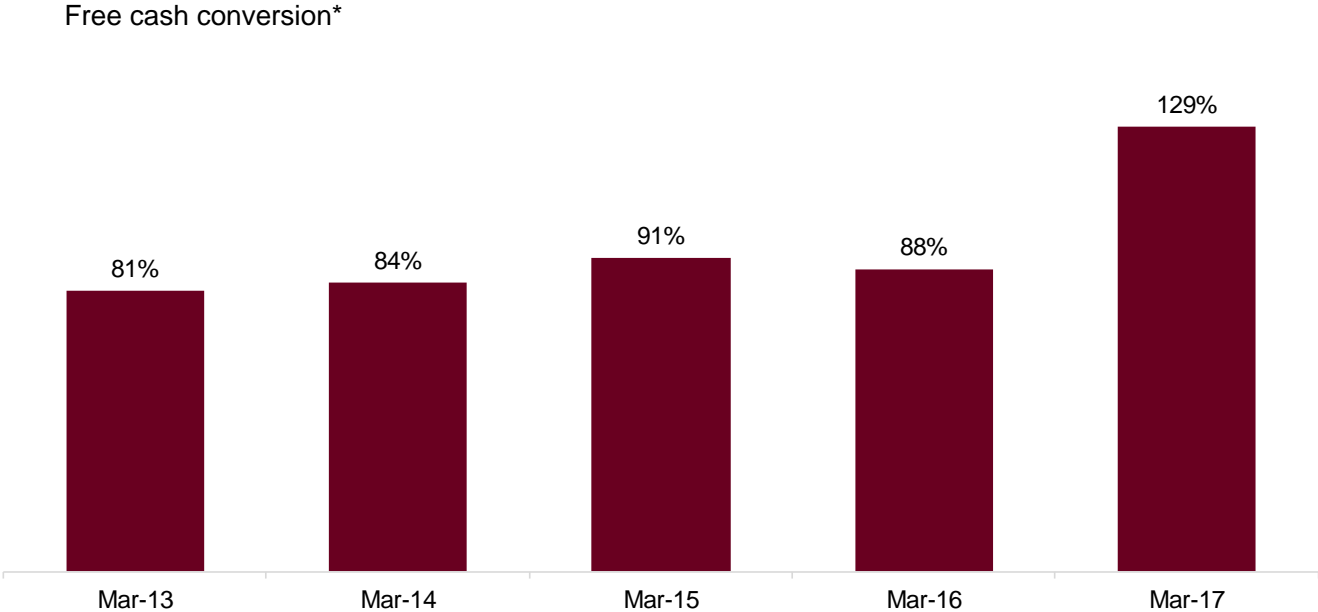
*Annualised savings

FINANCIAL AMBITION: CAPITAL EFFICIENCY

OUR FRAMEWORK FOR VALUE CREATION



HISTORY OF STRONG CASH CONVERSION

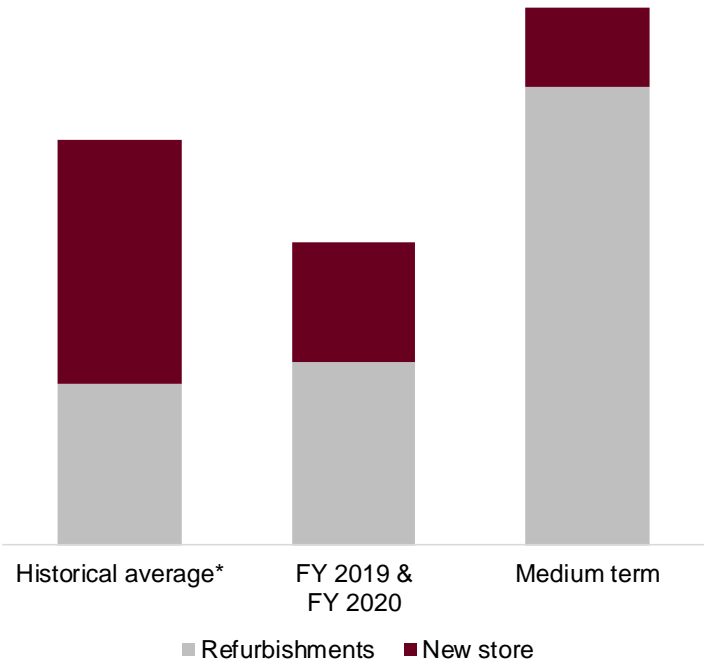


*Free cash conversion is defined as free cash flow pre tax/ adjusted profit before tax

*Free cash flow is defined as net cash generated from operating activities less capital expenditure plus cash inflows from disposal of fixed assets

CAPEX INVESTMENT INTO STORES

Retail capex analysis (£m)



TOTAL CAPEX (£M)

Historical average*	FY 2019 & 2020	Medium term
£150m	£150m-£160m	£190m-£210m

- 1** New store investment reduces as focus on driving existing store productivity
- 2** Investment to refurbish existing stores
- 3** Continue to invest in IT and digital

*Historical average refers to FY 2013 – FY 2017 inclusive

FINANCIAL AMBITION: CAPITAL EFFICIENCY

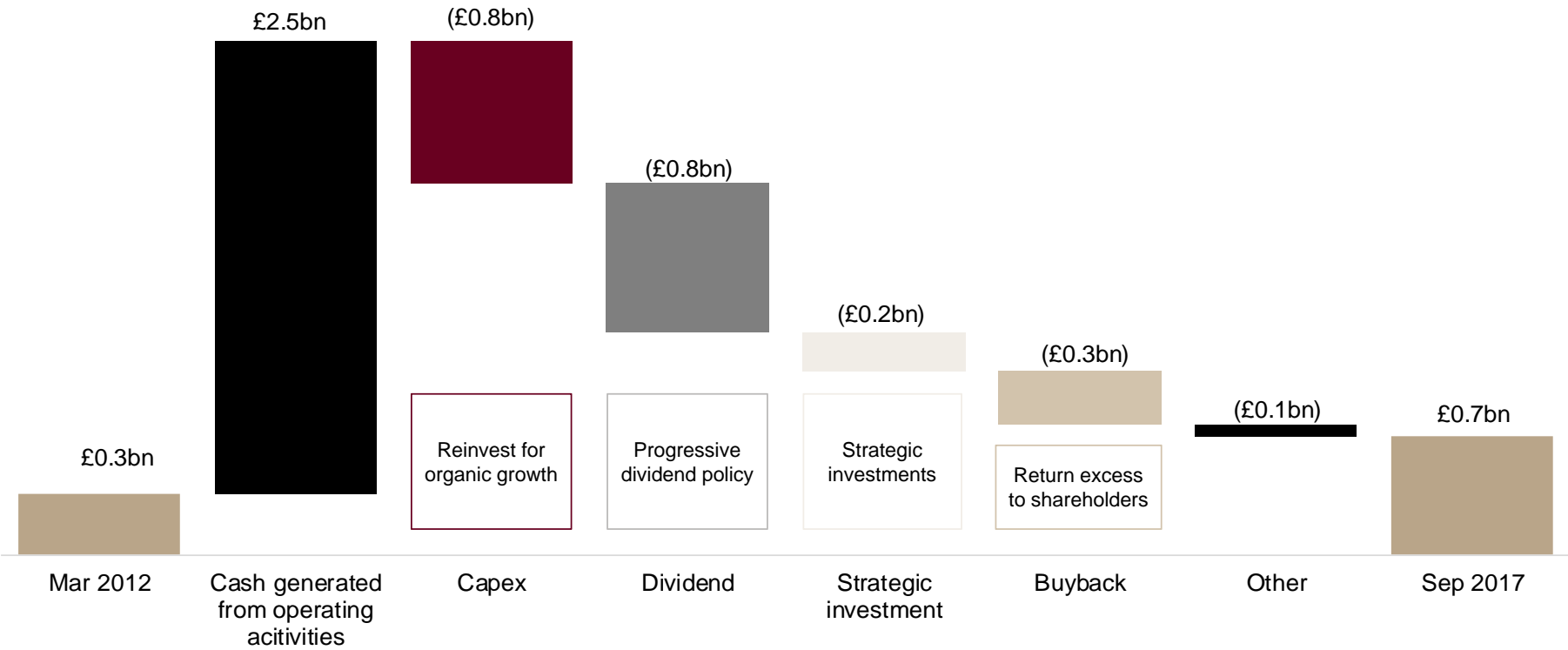
CAPITAL ALLOCATION FRAMEWORK



MAINTAIN STRONG BALANCE SHEET WITH SOLID
INVESTMENT GRADE CREDIT METRICS

> £1BN RETURNED TO SHAREHOLDERS OVER THE PAST FIVE YEARS

Movement in net cash



DELIVERING SUSTAINABLE LONG-TERM VALUE

<p>CASH</p>	<p>SIGNIFICANT CASH GENERATION OVER THE PLAN</p>
<p>DIVIDEND</p>	<p>PROGRESSIVE POLICY WITH THE DIVIDEND AT LEAST IN LINE WITH THE PRIOR YEAR</p>
<p>ROIC</p>	<p>ROIC SIGNIFICANTLY AHEAD OF WACC</p>

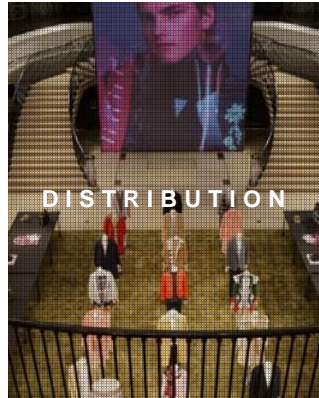
MARCO GOBBETTI

CHIEF EXECUTIVE OFFICER

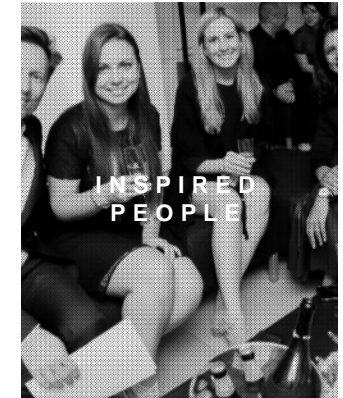
OUR STRATEGY

Firmly establish our position in luxury fashion,
inspiring customers with our unique British attitude

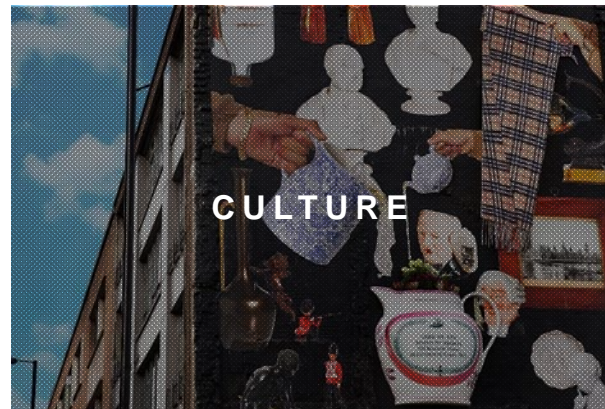
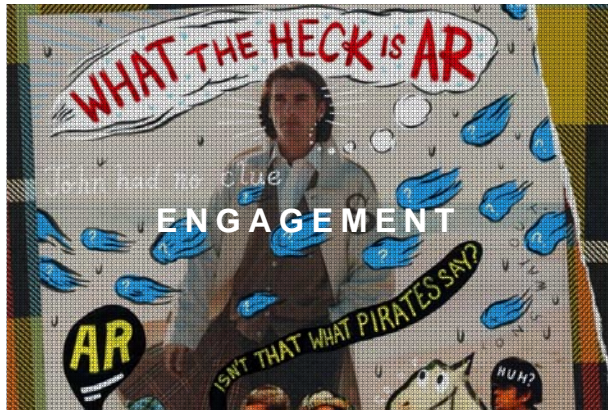
REVENUE DRIVERS TO REIGNITE THE BRAND



STRATEGY ENABLERS



THIS STRATEGY WILL BE UNDERPINNED BY OUR PEOPLE ...



... AND LED BY AN EXCEPTIONAL TEAM

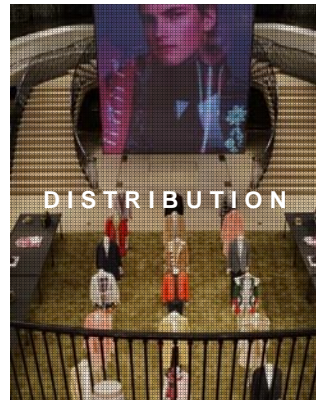
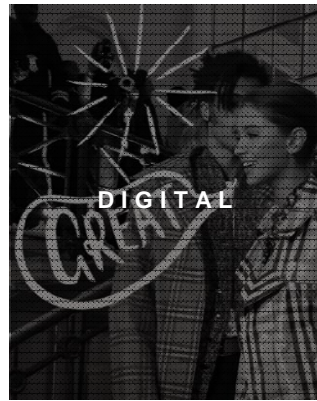
Team has a balance of in-depth experience from Burberry, the luxury industry and FTSE100/multinational companies



Leading **merchandising** and **design** talent from **top luxury houses**



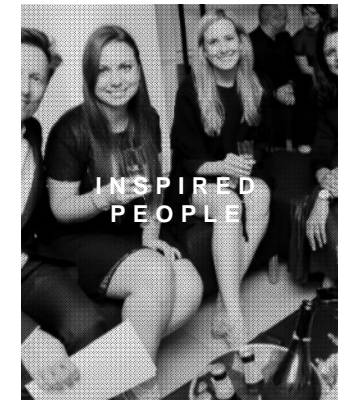
Leadership with substantial experience in **luxury** and **digital**, and long-standing **Burberry track record**



Deep **regional knowledge** and **retail capabilities**



Significant leadership experience across **major multinational businesses** and **FTSE100 companies**



WHAT WE WILL ACHIEVE

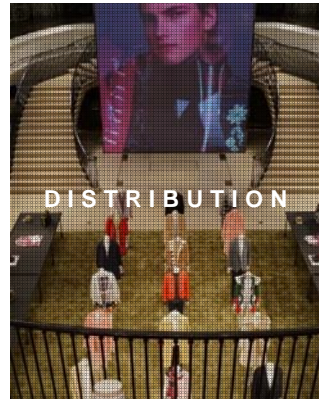
One of the world's **most valuable** and **desirable luxury brands**



A luxury fashion house



An inspiration for luxury consumers



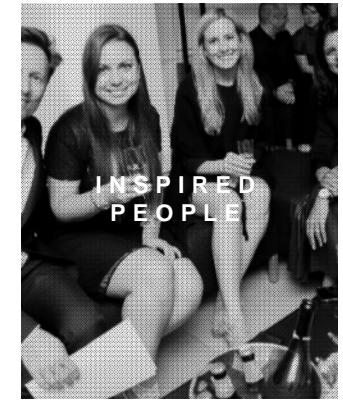
A luxury network



Unrivalled in digital innovation



An agile company



A highly engaged global team

Firmly established in **luxury** – the most valuable and enduring segment of the industry - creating sustainable **value** for all stakeholders

APPENDIX

DISCLAIMER

The financial information contained in this presentation is unaudited.

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.

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

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ALTERNATIVE PERFORMANCE MEASURES

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

The definition of adjusting items is included in note 4 of the Condensed Consolidated Interim Financial Statements.

H1 2018 adjusting operating items are:

- £33m restructuring costs relating to the cost efficiency programme
- £28m costs associated with the transfer of Beauty operations
- £3m Burberry Middle East changes in deferred consideration

H1 2018 Adjusting finance items are £2m reflecting Burberry Middle East deferred consideration financing charges

Underlying performance is presented in this document 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 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.

Free cash flow is defined as net cash generated from operating activities less capital expenditure plus cash inflows from disposal of fixed assets. Cash conversion is defined as free cash flow pre tax/ adjusted profit before tax

Lease adjusted net debt is defined as five times minimum lease payments, adjusted for charges and utilisation of onerous lease provisions, less cash.

Certain financial data within this presentation have been rounded.

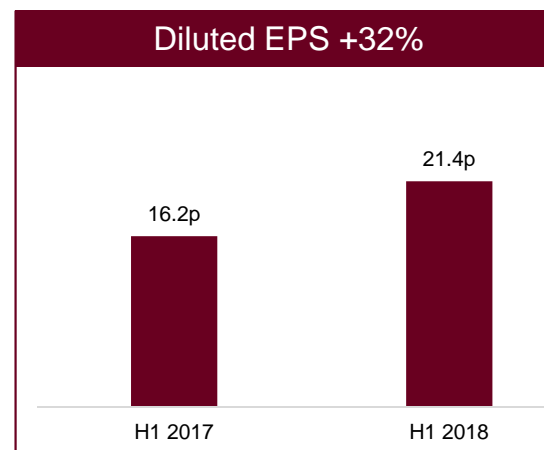
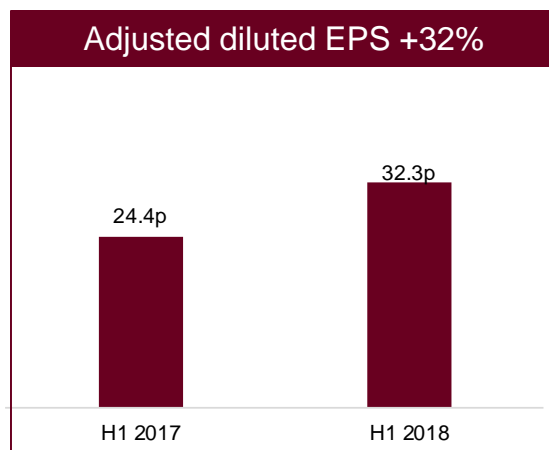
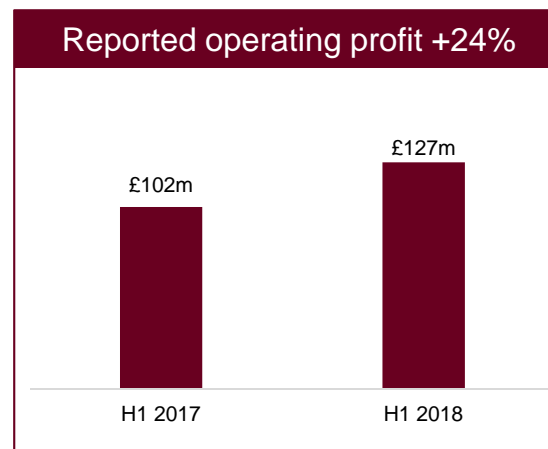
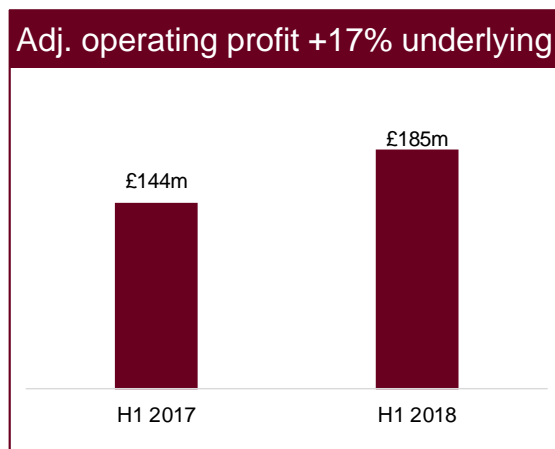
FOREIGN EXCHANGE RATES

£1=	Forecast effective rates for FY 2018		----- Actual Average exchange rates -----		
	31 October 2017	30 June 2017	H1 2018	H1 2017	FY 2017
Euro	1.14	1.15	1.14	1.22	1.19
US Dollar	1.31	1.30	1.29	1.37	1.30
Chinese Yuan Renminbi	8.77	8.80	8.75	9.08	8.73
Hong Kong Dollar	10.23	10.12	10.09	10.65	10.11
Korean Wong	1,477	1,482	1,464	1,565	1,487

OPERATING PROFIT BY SEGMENT

Six months to 30 September	Retail/wholesale		Licensing		Group	
£ million	2017	2016	2017	2016	2017	2016
Revenue	1,254	1,146	9	13	1,263	1,159
Cost of sales	(389)	(364)	-	-	(389)	(364)
Gross profit	865	782	9	13	874	795
Gross margin (%)	69.0%	68.3%	100%	100%	69.2%	68.6%
Operating expenses	(688)	(649)	(1)	(2)	(689)	(651)
Operating expenses as a % of sales	54.9%	56.6%	15.2%	14.1%	54.6%	56.1%
Adjusted operating profit	177	133	8	11	185	144
Adjusted operating margin (%)	14.1%	11.7%	84.8%	85.9%	14.6%	12.5%

REPORTED FINANCIAL MEASURES



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