OUR VISION

FIRMLY ESTABLISH OUR POSITION IN LUXURY FASHION, INSPIRING CUSTOMERS WITH OUR UNIQUE BRITISH ATTITUDE
**BRITISH LUXURY BRAND**
- Authentic British heritage
- Made in England
- Founded in 1856 by Thomas Burberry

**FTSE 100 MEMBER**
- Ordinary shares traded in London
- ADR programme

**OVER 10,000 EMPLOYEES WORLDWIDE**

**SUSTAINABILITY AGENDA**
- Dow Jones sustainability Index member
- Principal Partner Living wage foundation
- Five year responsibility agenda

**FY 2017**
- £2.8bn revenues
- £462m adj. PBT
BURBERRY IS AN ICONIC BRAND

ONE OF THE MOST VALUABLE LUXURY BRANDS IN THE WORLD

BRAND VALUE

Source: Interbrand Best Global Brands 2017 Rankings

STRENGTH ACROSS MULTIPLE CATEGORIES
WE HAVE AN EXTENSIVE, LUXURY DISTRIBUTION FOOTPRINT

AMERICAS

EMEIA

ASIA PACIFIC

461 DIRECTLY OPERATED STORES *

* Burberry also has 48 franchise stores
Note: Asia Pacific concessions include some mall stores
As of 31 October 2017
WE ARE THE DIGITAL INNOVATOR IN THE INDUSTRY

- Burberry launches "Buy Now" button
- In China, Burberry tests instant orders on WeChat
- First to live streams fashion show
- First luxury brand with global reach (Burberry.com in 44 countries, 11 languages)
- Launch of in-store iPads
- 2014

Source: Vogue, Mashable, TheVerge.com, digiday.com, elleuk.com, risnews.com, thedrum.com
The "new luxury norm"

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.

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

Source: Burberry, Bain & Company Luxury Goods Worldwide Market Study, October 2017
In this environment, we must sharpen our brand positioning.
THE PATH TO ACHIEVE OUR VISION

RENEW THE PRODUCT

EVOLVE THE COMMUNICATION

TRANSFORM THE EXPERIENCE
OUR PRODUCT STRATEGY

INCREASE FASHION CONTENT

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

TRANSFORM LEATHER GOODS

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

CONTINUOUS ENGAGEMENT

Multiple curated deliveries, with a direct to consumer approach

WARDROBE THE CUSTOMER

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

REBALANCE OUR PRICE ARCHITECTURE

Maintain competitive prices, and offer a breadth of price points injecting creativity across the entire range
TAKING SHARE IN THE LEATHER GOODS MARKET

INDUSTRY-LEADING DESIGN TEAM

EVOLVE THE CHARACTER OF THE BURBERRY HANDBAG

INCREASE PROMINENCE AND SPACE DEDICATED TO LEATHER GOODS IN STORES
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
REVOLUTIONISE OUR CONTENT ACROSS TOUCHPOINTS

THINK DIFFERENTLY ABOUT ALL CONTENT
• From campaigns to what we publish across all digital channels and our own site

UPDATE OUR CREATIVE LANGUAGE
• It will be bold, dynamic, real, compelling – and the change is underway

ENSURE EVERYTHING IS NOT JUST RELEVANT FOR SOCIAL, BUT MADE FOR SOCIAL
• It’s now the first access point to any brand
WE WILL LEVERAGE OUR DIGITAL REACH TO CONVEY OUR NEW BRAND ENERGY

Source: Burberry social media listening data, Q2 2017
TRANSFORM THE CUSTOMER EXPERIENCE

**MAINLINE**
- Rejuvenation of our mainline stores
- New store concept
- Instore experience

**DIGITAL**
- Curation
- Content
- Personalisation
- Omnichannel
- 3rd Party players

**WHOLESALE**
- Image-driving accounts
- Special product collaborations
- Increase our accessories presence
- Grow travel retail

**OUTLETS**
- Right-size our network, in line with our positioning
THESE EFFORTS WILL IMPROVE OUR RETAIL PRODUCTIVITY

SALES DENSITY
£ per sq metre

Burberry FY 2017
Burberry Opportunity
Luxury Leather Goods average 2017

NOTE: NOT TO SCALE
DIGITAL WILL CONTINUE TO LEAD INNOVATION AND DRIVE GROWTH

**CURATION**

Highly curated product assortment and merchandising

**CONTENT**

An editorialised website and meaningful social content

**PERSONALISATION**

Customised, relevant and dynamic customer journeys

**OMNICHANNEL**

Give customers flexibility in how they want to pay for and receive product

**3RD PARTIES**

Strengthen our digital partnerships
... U P G R A D E A N D R E D U C E O U R
E X P O S U R E T O N O N - L U X U R Y A C C O U N T S

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

Outlet vs. mainline stores proportion

- Outlet
- Mainline

Luxury players

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

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

Operating expenses reduce as a % of sales (CER)

- Regional
- Marketing
- Other

Mar-18F Medium term

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

<table>
<thead>
<tr>
<th>Operating Model Simplification</th>
<th>Procurement Savings</th>
<th>Burberry Business Services</th>
<th>Information and Technology</th>
<th>Process Simplification</th>
<th>Inventory Management Efficiencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cumulative cost savings from FY 2016</strong></td>
<td>FY 2017: £20m</td>
<td>FY 2018: £60m</td>
<td>FY 2019: £100m</td>
<td>FY 2020: £120m*</td>
<td></td>
</tr>
</tbody>
</table>

*Annualised savings
COST SAVING DELIVERY BY MAJOR LEVER

FY 2017 £20M SAVINGS
- Announced in May 2016
- Committed to savings of at least £100m annualised by FY 2019
- Simplification of operating model begins
- Procurement savings start

H1 2018 £20M SAVINGS
- 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 (%)
- Operating model & process simplification ~45%
- Procurement ~25%
- Other ~30%
THIS STRATEGY WILL BE UNDERPINNED BY OUR PEOPLE ...
CAPITAL ALLOCATION FRAMEWORK

- REINVEST FOR ORGANIC GROWTH
- PROGRESSIVE DIVIDEND POLICY
- STRATEGIC INVESTMENTS
- RETURN EXCESS TO SHAREHOLDERS

MAINTAIN STRONG BALANCE SHEET WITH SOLID INVESTMENT GRADE CREDIT METRICS
Delivering sustainable long-term value

Cash

Significant cash generation over the plan

Dividend

Progressive policy with the dividend at least in line with the prior year

ROIC

ROIC significantly ahead of WACC
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
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
O U R  F I N A N C I A L  P L A N *
(A T  C O N S T A N T  E X C H A N G E  R A T E S)

F Y  2 0 1 9 & 2 0 2 0

R E V E N U E
• Sales broadly stable year-on-year
• Rationalise non-luxury distribution

A M B I T I O N
• High-single digit top-line growth

O P E R A T I N G  M A R G I N
• Adjusted operating margin broadly stable YoY, even during period of investment in the brand
• £120m annualised cost savings by FY 2020

• Meaningful operating margin expansion

C A S H
• Capex of £150-£160m

• Capex builds to £190m-£210m

Strong free cash conversion and application of capital allocation framework including progressive dividend and shareholder distributions

*Guidance assumes constant exchange rates and a stable economic environment
## H1 2018 Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>2017 £m</th>
<th>2016 £m</th>
<th>Reporting FX</th>
<th>Underlying</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,263</td>
<td>1,159</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>185</td>
<td>144</td>
<td>28%</td>
<td>17%</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td>14.6%</td>
<td>12.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>127</td>
<td>102</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Adjusted diluted EPS</td>
<td>32.3p</td>
<td>24.4p</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>21.4p</td>
<td>16.2p</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>Free cash flow*</td>
<td>171</td>
<td>75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash</td>
<td>654</td>
<td>529</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend per share</td>
<td>11.0p</td>
<td>10.5p</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>
**FY 2018 Outlook**

### 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

### Sales

#### Adjusted Operating Profit
- No change to our expectations at constant exchange rates*

#### Cumulative Costs Savings
- £60m

#### One-Off Costs
- £75m operational and £10-15m one-off tax adverse charge

#### 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

### Profit

### Cash

#### Capex
- £130m

#### Share Buyback
- £350m shares to be purchased in FY

*Effective rates as at 31 December 2017, taking into account the current hedged positions*
APPENDIX
Q3 REVIEW

RETAIL SALES £719M, +1% UNDERLYING
- Comparable store sales +2%
  - Mainland China annualising start of Chinese consumer rebound
  - UK annualising exceptional growth in prior year
  - AUR headwind

OPERATIONAL PROGRESS
- Fashion outperformed
- Preparing for new leather goods offer
- Positive results from expanded outfit offer
- Creative partnerships across events, social and other media
- Piloted new in-store sales associate tool
- Commenced engagement with wholesale partners
- Exclusive capsule for NET-A-PORTER
- Burberry Business Services recruitment ahead of plan
- Launched global employee engagement programme
### Foreign Exchange Rates

<table>
<thead>
<tr>
<th></th>
<th>Spot rates 31 Dec 2017</th>
<th>Forecast effective FY 2018 rates</th>
<th>Average FY 2017 rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1=</td>
<td></td>
<td>31 Dec 2017</td>
<td>31 Oct 2017</td>
</tr>
<tr>
<td>Euro</td>
<td>1.13</td>
<td>1.13</td>
<td>1.14</td>
</tr>
<tr>
<td>US Dollar</td>
<td>1.34</td>
<td>1.31</td>
<td>1.31</td>
</tr>
<tr>
<td>Chinese Yuan Renminbi</td>
<td>8.79</td>
<td>8.77</td>
<td>8.77</td>
</tr>
<tr>
<td>Hong Kong Dollar</td>
<td>10.47</td>
<td>10.26</td>
<td>10.23</td>
</tr>
<tr>
<td>Korean Won</td>
<td>1,441</td>
<td>1,460</td>
<td>1,477</td>
</tr>
</tbody>
</table>

**This is a simplified view of Burberry’s FX exposures to help with analyst modelling**

**Other includes HKD, USD, EUR and CNY in opex**
## ONE-OFF CHARGES & US TAX LEGISLATION

### One off restructuring charges

<table>
<thead>
<tr>
<th>£m year ended March</th>
<th>2017</th>
<th>2018F</th>
<th>2019F</th>
</tr>
</thead>
<tbody>
<tr>
<td>One off restructuring charges</td>
<td>21*</td>
<td>75</td>
<td>15</td>
</tr>
</tbody>
</table>

### Impact of US tax legislation

- Burberry notes the recently enacted Tax Cuts and Jobs Act ("the Act"), which came into effect on 1 January 2018. While work is ongoing and we will provide more detailed information with the publication of our FY 2018 Annual Results, our preliminary impact assessment is noted here.

- The measures included in the Act, subject to any further specific guidance on interpretation being released, are likely to give rise to an initial one-off and non-cash tax charge in the range £10m–£15m in FY 2018 resulting from the revaluation of the Group's aggregate US Deferred Tax Assets and Deferred Tax Liabilities, following the reduction in the US federal rate of corporate income tax. This will not impact adjusted EPS.

- From 2018 the impact of the headline federal rate reduction is likely to be very marginally positive. Based on this preliminary assessment, our guidance for this year’s effective tax rate on adjusted profit at 25% and for a 200-300bp reduction in the group effective tax rate by FY 2020 remains unchanged.
American Depositary Receipt Programme

Burberry has an American Depositary Receipt (ADR) programme that trades on the Over-The-Counter ('OTC') market in the US.

An ADR is a receipt that is issued by a depositary bank representing ownership of a company's underlying ordinary shares. ADRs are quoted in US dollars and trade just like any other US security. The company has a sponsored Level 1 ADR programme for which The Bank of New York Mellon acts as Depositary.

Ratio: 1 ADR = 1 ordinary share

Exchange: OTC

Symbol: BURBY

CUSIP: 12082W204

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.
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.

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

Charlotte Cowley
VP, Investor Relations
charlotte.cowley@burberry.com

Annabel Gleeson
Senior Investor Relations Manager
annabel.gleeson@burberry.com

Bryony Dimmer
Investor Relations Manager
bryony.dimmer@burberry.com

Laura O’Neill
Investor Relations Coordinator
laura.oneill@burberry.com

REPORTING CALENDAR

Preliminary results 16 May 2018

Horseferry House
Horseferry Road
London
SW1P 2AW
Tel: +44 (0)20 3367 3524
investor.relations@burberry.com