

BURBERRY

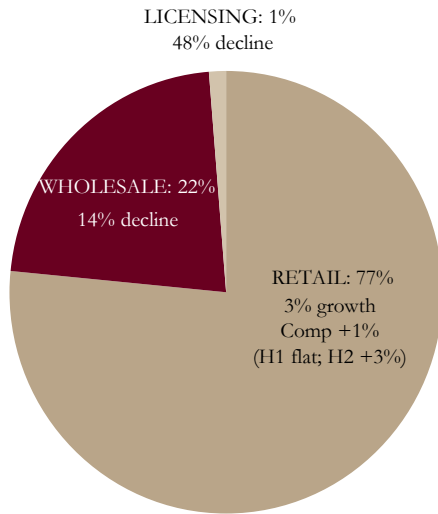
London, England

DRIVING GROWTH AND PRODUCTIVITY

- AUTHENTIC BRITISH HERITAGE ROOTED IN OUTERWEAR
- ONE GLOBAL BRAND
- DIVERSIFIED BUSINESS MODEL
- BROAD APPEAL ACROSS GENDERS AND GENERATIONS
- FOUNDATIONS LAID FOR THE FUTURE
- STRONG CASH GENERATION

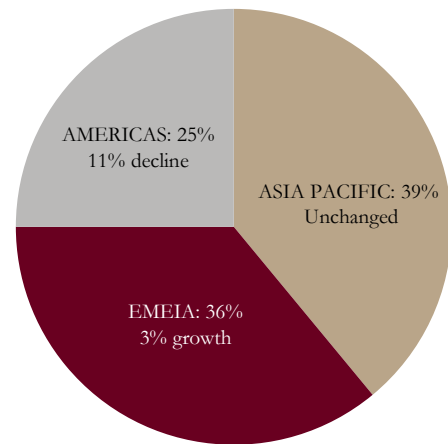


REVENUE BY CHANNEL



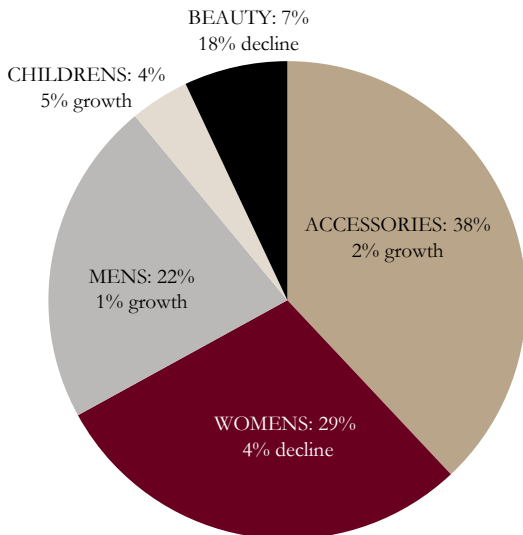
FY 2017 revenue £2,766m, down 2%

REVENUE BY REGION



FY 2017 retail/wholesale revenue £2,741m, down 2%

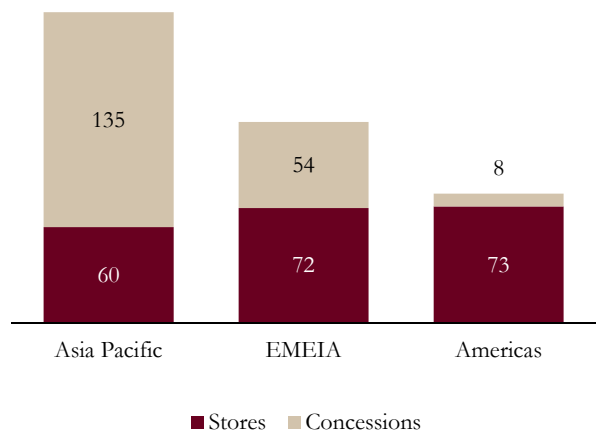
REVENUE BY PRODUCT DIVISION



FY 2017 retail/wholesale revenue £2,741m, down 2%






STORE PORTFOLIO – 30 JUNE 2017

461 DOS, 48 FRANCHISE STORES



Growth at constant exchange rates

KEY PILLARS

REVENUE DRIVERS			OPTIMISING EFFICIENCY	
Product Focus	Productive Space	E-commerce Leadership	Operational Excellence	Inspired People
				
<p>One label</p> <p>Simplified offer, reduced SKUs</p> <p>Strategic approach to bags up mid teens</p> <p>Tropical Gabardine outperforming</p> <p>Focusing on newness Feb runway +25% vs Sept</p> <p>Strategic partnership with Coty</p>	<p>Improved conversion in all regions</p> <p>Net promoter score feedback</p> <p>Expanded BPC by 50% in FY 2017, BPC client ATV double the global average</p> <p>c100 stores in single pool</p> <p>New POS system implemented in UK</p>	<p>Launched redesigned website in FY 2017</p> <p>Mobile c40% of revenues</p> <p>Third party collaborations</p> <p>App launched in 5 countries</p>	<p>Burberry Business Services on schedule</p> <p>On track to deliver £50m cumulative cost savings</p> <p>New product lifecycle management tool implemented</p>	<p>Redesigned our operating model</p> <p>Strengthened teams with experienced hires</p> <p>New responsibility strategy launched</p>

REVENUE DRIVERS

Sales (by category)	Traffic	Operating margin	Performance management
Full price sell through	Conversion	Inventory run	Development
	Retention	Savings targets	Spans and layers
	Net promoter score		

Revenue and adjusted profit before tax growth

Improve return on invested capital



FINANCIAL REVIEW

Q1 PERFORMANCE

Retail sales £478m, +3% underlying and +13% reported growth

Comp sales growth +4%

Mid single-digit percentage growth in Asia Pacific

- Mainland China delivered mid-teens percentage growth
- Hong Kong continued to improve
- Korea remained challenging impacted by the macro environment

High single-digit percentage growth in EMEIA

- Continued strength in the UK but decelerated towards the end of the quarter
- Weakness in some areas of Continental Europe such as Italy
- The Middle East remained challenging impacted by the macro environment

Low single-digit percentage decline in the Americas

- Conversion in the US improved, partially mitigating the negative footfall trends
- Relative strength of the USD



FINANCIAL HIGHLIGHTS FY 2017

12 MONTHS TO 31 MARCH	2017 £M	2016 £M	UNDERLYING CHANGE*
REVENUE	2,766	2,515	(2%)
ADJUSTED PBT	462	421	(21%)
ADJUSTED DILUTED EPS	77.4p	69.9p	
NET CASH	809	660	
DIVIDEND PER SHARE	38.9p	37.0p	

* Underlying growth at constant exchange rates

FY 2018 OUTLOOK

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

Wholesale: H1 wholesale excl. Beauty, expected to be broadly flat year-on-year. H2 wholesale expected to decline year-on-year

Licensing: Up 20% underlying including new Beauty licence from H2

Adjusted PBT: Guidance maintained at constant FX rates. c. £25m* negative impact of FX on adjusted PBT

Tax rate: Effective tax rate of 25% down 80bps

Capital expenditure: c. £140m

Cash: Strong cash generation to be deployed in line with capital allocation framework (see page 5)

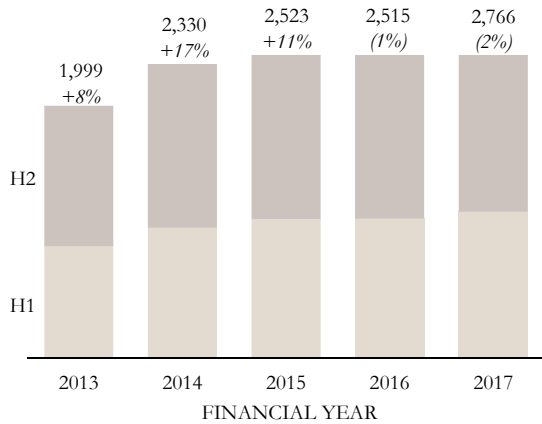
Cost savings: Cumulative cost savings of c. £50m and invest c. £20m

One-off costs: c. £40m of costs are expected relating to restructuring. Cash costs of c. £30m relating to the transfer of Beauty to Coty

* Effective rates as at 30 June 2017, taking into account the current hedged positions

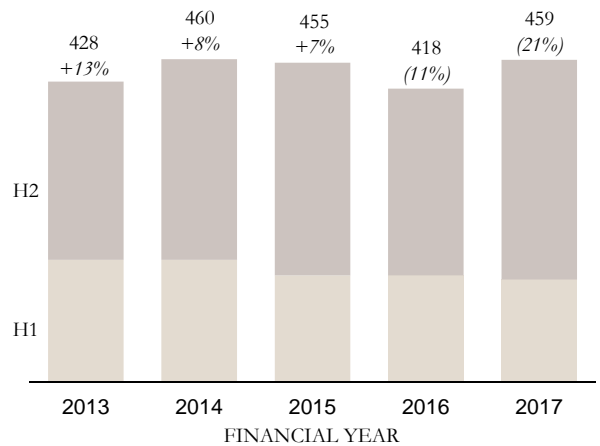
FINANCIAL PERFORMANCE

REVENUE £M

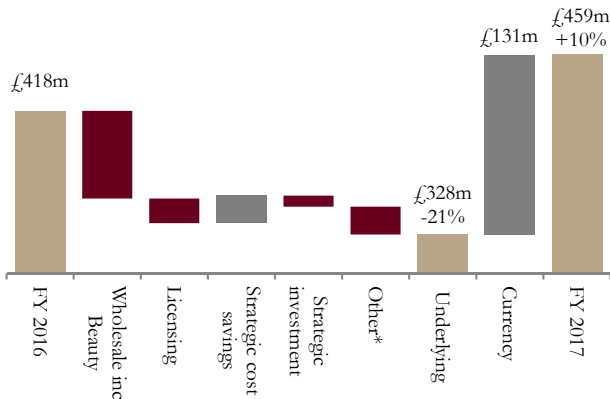


Underlying growth at constant exchange rates

ADJUSTED OPERATING PROFIT £M



ADJUSTED OPERATING PROFIT



OPERATING PROFIT

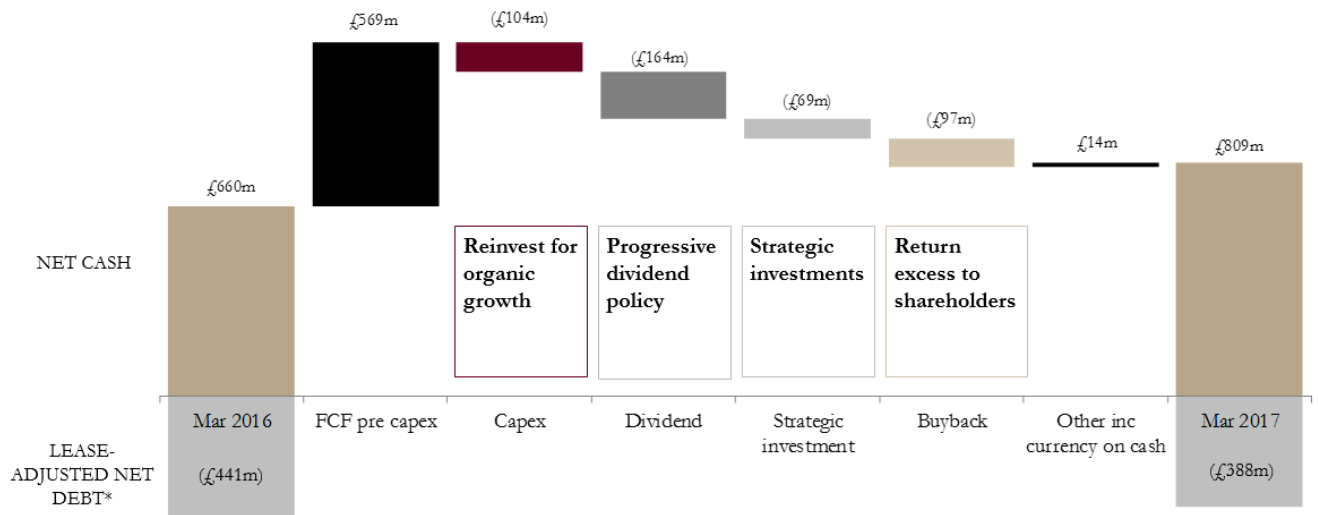
Adjusted operating profit -21% underlying

- Actions taken in Beauty, wholesale and licensing
- Delivery of cost savings
- Tight management of spend mitigating underlying opex inflation
- Investment in growth drivers

Adjusting items of £68m, primarily Beauty & restructuring

* Other includes the year-on-year movement in PRP, store impairments, other gross margin and opex changes

CAPITAL ALLOCATION FRAMEWORK APPLIED TO FY 2017



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

USEFUL INFORMATION

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CALENDAR

Interim results 10 November 2017
Q3 trading update January 2018

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All metrics and commentary in this presentation exclude adjusting items unless stated otherwise. Details of adjusting items are contained in Note 4 of the Condensed Consolidated Interim Financial Statements.

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.

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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