

# BURBERRY

*London, England*

**Q1 TRADING UPDATE  
30 JUNE 2017**

## COMPARABLE RETAIL SALES BY REGION

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



## KEY STRATEGIC PILLARS

REVENUE DRIVERS			OPTIMISING EFFICIENCY	
Product Focus	Productive Space	E-commerce Leadership	Operational Excellence	Inspired People
				
<p>Mid teens growth in large leather goods</p> <ul style="list-style-type: none"> <li>- Tropical gabardine outperforming</li> <li>- Reduced SKUs further by &gt;10%</li> <li>- Strategic partnership with Coty on track to complete October 2017</li> </ul>	<p>Improved conversion in all regions</p> <ul style="list-style-type: none"> <li>- On-going strength from returning top customers</li> <li>- New POS system implemented in UK</li> </ul>	<p>Direct to consumer sales growth</p> <ul style="list-style-type: none"> <li>- Mobile now c. 40% of revenues</li> <li>- App launched in five countries</li> </ul>	<p>Burberry Business Services on schedule start being operational by October</p> <ul style="list-style-type: none"> <li>- On track to deliver £50m of cumulative cost savings in FY 2018</li> <li>- New product lifecycle management tool implemented</li> </ul>	<p>New responsibility strategy launched</p> <ul style="list-style-type: none"> <li>- New Burberry Materials Future Research Group launched</li> <li>- Further strengthened team with experienced hires</li> </ul>

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## FY 2018 SUMMARY OUTLOOK

SALES	Retail	Focus on existing store productivity, no net contribution from new space
	Wholesale	H1 wholesale 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
PROFIT	Adjusted PBT	Guidance maintained at constant FX rates
	FX	c. £25m* negative impact of FX on adjusted PBT (incremental £5m benefit vs previous guidance)

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

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**NEWEST PRODUCT RESONATING WELL IN  
INDUSTRY INCREASINGLY DRIVEN BY FASHION**

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**NEW TALENT COMPLEMENTING EXISTING TEAMS  
IN PRODUCT, REGIONS AND BROADER  
CAPABILITIES**

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**FOCUS ON BRAND, PRODUCTS AND EXECUTION OF  
PLANS TO CAPITALISE ON OPPORTUNITIES AHEAD**

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## **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.

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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.

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.

Certain financial data within this presentation have been rounded.

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## EXCHANGE RATES

£1=	--- Forecast effective rates for FY 2018 ---		Average exchange rates
	30 June 2017	28 April 2017	FY 2017
Euro	1.15	1.19	1.19
US Dollar	1.30	1.29	1.30
Chinese Yuan Renminbi	8.80	8.89	8.73
Hong Kong Dollar	10.12	10.02	10.11
Korean Won	1,482	1,458	1,487

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## 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

Megan Povey  
Investor Relations Coordinator  
megan.povey@burberry.com

Horseferry House  
Horseferry Road  
London  
SW1P 2AW  
Tel: +44 (0)20 3367 3524

[www.burberryplc.com](http://www.burberryplc.com)

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