9 November 2017

Burberry Group plc

Interim results for the six months ended 30 September 2017

Note: Burberry has also released a strategy announcement today, 9 November

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Burberry announces double-digit underlying profit growth in the first half delivering strong operational execution

£ million **Six months to 30 September**	**2017**	**2016**	***% change* *reported***	***underlying***
Revenue	1,263	1,159	9	4
Retail comparable store sales	*4%*	*0%*		
Adjusted operating profit	**185**	**144**	***28***	***17***
Adjusted operating profit margin	14.6%	12.5%		
Reported operating profit	**127**	**102**	***24***	
Adjusted Diluted EPS (pence)	**32.3**	**24.4**	***32***	
Diluted EPS (pence)	**21.4**	**16.2**	***32***	
Free cash flow	171	75		
Dividend (pence)	11.0	10.5	5	

Operational highlights

- Revenue +4% underlying, +9% reported with retail comp store sales +4%
- Adjusted operating margin up 210bps to 14.6% benefiting from phasing and a significant improvement in Beauty profitability
- Strong free cash flow £171m (H1 2017: £75m), cash conversion 117%
- £191m of share buyback completed; total of £350m to be completed in FY 2018
- Fashion and newness resonated well, with strength in rainwear and leather goods
- Conversion improved in all regions led by returning top spending customers
- Direct-to-consumer digital revenue grew in all regions led by growth of mobile
- Delivered £20m incremental cost savings; cumulative now £40m
    - Accelerated and expanded programme to deliver cumulative savings of £60m in FY 2018, £100m in FY 2019 and £120m annualised in FY 2020
- Burberry Business Services opened in October
- Beauty transitioned to strategic partnership with Coty on 2 October, as planned
- Third consecutive year of inclusion in the Dow Jones Sustainability Index

"I am pleased with our performance in the half with strong double-digit underlying profit growth. Consumers responded positively to fashion and newness, particularly in rainwear and leather goods. Digital revenue grew in all regions, led by mobile, while growth was strongest in our own stores in Asia Pacific. I look forward to building on our strong foundations as we implement our strategy to drive Burberry forward."
Marco Gobbetti, Chief Executive Officer

The financial information contained herein is unaudited.

All metrics and commentary in the Interim Management Report exclude adjusting items unless stated otherwise and certain financial data within this announcement have been rounded.

The following alternative performance measures are presented in this announcement: adjusted performance measures, underlying performance, comparable sales and free cash flow. The definitions of these alternative performance measures are set out in the Appendix on page 9.

Enquiries

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- There will be a presentation today at 9.30am (UK time) for investors and analysts at Horseferry House, Horseferry Road, London, SW1P 2AW
- The presentation can be viewed live on the Burberry website www.burberryplc.com and can also be accessed live via a listen only dial-in facility on +44 (0)20 3003 2666 (password: Burberry Interim Results). The supporting slides and an indexed replay will be available on the website later in the day
- Burberry will update on third quarter trading on 17 January 2018

Certain statements made in this announcement 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 announcement 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 announcement 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.

INTERIM REVIEW FOR THE SIX MONTHS TO 30 SEPTEMBER 2017

Financial highlights

- Revenue £1,263m, +4% underlying, +9% reported
  - Growth led by retail comparable store sales +4% (Q1: +4%; Q2 +5%) with strength in Asia Pacific as some markets improved in the second quarter

- Adjusted operating profit £185m, +17% underlying, +28% reported
  - Benefiting from phasing of costs between halves and a significant improvement in the profitability of Beauty year-on-year

- Reported operating profit £127m, + 24% reported after adjusting items principally relating to restructuring and the transition of Beauty to Coty

- Adjusted diluted EPS 32.3p, +32% supported by the repurchase of 15m shares in the last twelve months. Diluted reported EPS 21.4p, +32%

- Free cash flow of £171m (H1 2017: £75m). Net cash of £654m at September 2017 reflecting £123m of dividend and £191m of share buyback. £350m share buyback to be completed in FY 2018

- Interim dividend up 5% to 11.0p (H1 2017: 10.5p)

Summary income statement

£ million	Six months to 30 September 2017	2016	*% change reported*	*underlying*
Revenue	1,263	1,159	*9*	*4*
Cost of sales	(389)	(364)	*7*	
Gross profit	874	795	*10*	
Gross margin %	*69.2%*	*68.6%*		
Operating expenses*	(689)	(651)	*6*	
Opex as a % of sales	*54.6%*	*56.1%*		
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 taxation	**128**	**102**	***26***	
Taxation	(35)	(29)		
Non-controlling interest	-	(1)		
Attributable profit	93	72		
Adjusted profit before taxation	**188**	**146**	***28***	
Adjusted EPS (pence)~	**32.3**	**24.4**	***32***	
EPS (pence)~	**21.4**	**16.2**	***32***	
Weighted average number of ordinary shares (millions) ~	434.8	444.3		

* Excludes adjusting items. For details, please see page 6. ~ EPS is presented on a diluted basis

Revenue analysis

Revenue by channel

£ million	Six months to 30 September 2017	2016	% change *reported*	*underlying*
Retail	944	859	*10*	*5*
Retail comparable store sales	*4%*	*0%*		
Wholesale ex Beauty	233	217	*7*	*1*
Licensing	9	13	*-28*	*-30*
Revenue ex Beauty	**1,186**	**1,089**	***9***	***3***
Beauty wholesale	77	70	*10*	*5*
Group Revenue	**1,263**	**1,159**	***9***	***4***

Retail

- Retail sales +5% underlying; +10% reported
- Comparable sales +4% (Q1: +4%; Q2 +5%)
- Net new space contributed the balance, 1%

Comparable sales by region:

- Asia Pacific (c.90% retail): Mid-single digit percentage growth, with some markets improving in the second quarter
  - Mainland China delivered mid-teens percentage growth, with a broadly consistent performance across both quarters
  - Hong Kong continued to improve, returning to growth in the second quarter
  - Korea continued to decline, impacted by the macro environment

- EMEIA (c.70% retail): Mid-single digit percentage growth, with a slight deceleration in the UK in the second quarter as expected
  - Double-digit growth in the UK, with a slowdown in the second quarter as tourist spend slowed with the annualisation of the sterling weakness
  - In Continental Europe, Italy remained soft while France and Germany improved in the second quarter
  - The Middle East remained challenging, impacted by the macro environment

- Americas (c.70% retail): Slight decline in revenue, with a small improvement in performance in the second quarter
  - Both domestic and tourist spending remained negative

By product, fashion outperformed as customers responded positively to newness across all categories

- We saw a good response to innovations in rainwear such as the Car Coat and Tropical Gabardine
- Accessories growth was led by strength in bags and small leather goods

Direct-to-consumer digital revenue grew in all regions, reflecting strategic focus and investment. Traffic continues to shift to mobile, now representing c.40% of direct-to-consumer revenue, with growth led by Asia Pacific.

Wholesale

Excluding Beauty, wholesale revenue grew 1% underlying, in-line with expectations, with growth in Asia Pacific helped by phasing offsetting declines in the other regions.

Beauty delivered 5% growth reflecting confidence from our distribution partners in the strength of the brand ahead of the transition to a strategic partnership with Coty.

Total wholesale revenue grew 2% underlying and 8% reported.

Licensing

Licensing revenue was £4m lower year-on-year (down 30% underlying), primarily reflecting reduced revenues from Japan. Watches royalties also tapered ahead of the license expiring in December.

Operating profit analysis

Adjusted operating profit

£ million	Six months to 30 September 2017	2016	*% change* reported	*% change* underlying
Retail/wholesale	177	133	*33%*	*21%*
Licensing	8	11	*(29%)*	*(32%)*
Adjusted operating profit	**185**	**144**	***28%***	***17%***
Adjusted operating margin	*14.6%*	*12.5%*		

Adjusted operating profit grew 17% underlying benefiting from:

- The delivery of £20m incremental operating expense savings associated with our cost efficiency programme
- A significant improvement in Beauty profitability as marketing spend reduced ahead of the transfer to Coty and inventory charges reduced year-on-year
- The phasing of IT and marketing costs between the halves, which helped offset increases in other costs
- Positive regional mix as Asia Pacific outperformed

Including a £15m benefit from currency, adjusted operating profit grew 28% reported. The group's operating margin increased by 210bps to 14.6%, including a 50bps benefit from FX.

Adjusting operating items*

£ million	Six months to 30 September 2017	2016
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)
	(58)	(42)

*For additional detail on adjusting items see note 4 of Condensed Consolidated Interim Financial Statements

Costs associated with the transfer of Beauty operations
Due to the timing of the completion of the transfer of Beauty operations to Coty on 2 October 2017, a charge of £28m has been recognised at the half year. The full year charge is expected to be insignificant, as around £30m of the total Coty upfront payment, to be recorded in the second half, is considered to relate to the transfer of the Beauty operations.

Restructuring costs
Restructuring costs of £33m were incurred (H1 2017 £13m), relating to our cost and efficiency programme. In FY 2018, we now expect restructuring costs to be £75m and the associated cost savings to be £60m.

Burberry Middle East (BME) deferred consideration
The £3m credit principally reflects foreign exchange rate movements on the deferred consideration for the BME transaction.

Taxation
The effective rate of tax on adjusted profit for FY 2018 is estimated to be about 25.0% (FY 2017: 25.8%); this is the rate applied in the half (H1 2017: 25.0%). Tax on adjusting items has been recognised at the prevailing rates as appropriate. The resulting tax rate on H1 2018 reported profit is 27.5% (H1 2017: 28.3%).

Cash flow
Cash generated from operating activities in the half was strong at £270m (H1 2017: £182m). The year-on-year increase reflects growth from adjusted operating profit and a cash inflow from working capital.

Inventory was down c.£130m year-on-year. Fashion inventory was down 11% underlying reflecting continued tight management and Beauty inventory (£31m) was reclassified as "held for sale" ahead of its transfer to Coty on 2 October.

Cash conversion was strong at 117% and free cashflow was £171m (H1 2017: £75m) including:

- Capital expenditure of £53m (H1 2017: £43m) and we now expect FY 2018 spend of £130m
- Tax paid of £50m (H1 2017: £65m) principally benefiting from timing differences

Net cash at 30 September 2017 was £654m, compared to £529m at 30 September 2016 and £809m at 31 March 2017. During the half, £314m was returned to shareholders, with dividends of £123m and share buyback of £191m (£350m share buyback to be completed in FY 2018).

Outlook

FY 2018

Adjusted operating profit: Marginal upgrade to our expectations for FY 2018 adjusted operating profit at constant exchange rates

- Now expect to deliver £60m of cumulative cost savings in the full year
- In the second half phasing benefits reverse and investments in customer facing activities increase, in line with our strategy announced separately today (9 November)
- Mindful of the tougher comparative revenue base in the second half

At 31 October effective rates, the expected impact of year-on-year exchange rate movements on FY 2018 reported adjusted operating profit is around £20m adverse compared to our previous guidance for £25m adverse at 30 June effective rates.

Retail: In FY 2018, Burberry remains focused on productivity from its current store footprint therefore no material contribution from net new space is expected.

Wholesale: Underlying wholesale excluding Beauty revenue in H2 2018 is expected to be down by a mid-single digit percentage year-on-year (H2 2017: £226m).

Licensing: Underlying licensing revenue for FY 2018 is still expected to be up c.20% year-on-year including the impact of Beauty.

One-off restructuring charges:

£m year ended March	2017	2018F	2019F
Original guidance	20	40	-
Change to guidance	1	35	15
Revised guidance	21*	75	15
Cumulative cost savings	20	60	100

** Reported*

The revised guidance for total one-off restructuring charges of around £110m reflects the accelerated delivery of the FY 2018 cost savings to £60m, the improved cost saving target of annualised benefits of £120m by FY 2020 and costs relating to the strategy announced today.

Capex: c.£130m below our previous expectation for £140m

Tax rate: c.25.0%

FY 2019 and FY 2020

For further guidance beyond FY 2018, please see strategy announcement also published today (9 November).

APPENDIX

Exchange rates

£1=	Forecast effective rates for FY 2018: 31 October 2017	Forecast effective rates for FY 2018: 30 June 2017	Actual Average exchange rates: H1 2018	Actual Average exchange rates: H1 2017	Actual Average exchange rates: 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 Won	1,477	1,482	1,464	1,565	1,487

Retail/wholesale revenue by destination

	Six months to 30 September		*% change*	
£ million	2017	2016	*reported*	*underlying*
Asia Pacific	461	410	*12*	*7*
EMEIA	501	456	*10*	*5*
Americas	292	280	*4*	*-2*
	1,254	1,146	*9*	*4*

Retail/wholesale revenue by product division

	Six months to 30 September		*% change*	
£ million	2017	2016	*reported*	*underlying*
Accessories	467	426	*10*	*4*
Womens	353	324	*9*	*4*
Mens	297	271	*10*	*4*
Childrens	55	49	*13*	*8*
Beauty	82	76	*8*	*3*
	1,254	1,146	*9*	*4*

Adjusted operating profit

	Retail/wholesale Six months to 30 September		Licensing Six months to 30 September		Group Six months to 30 September	
£ 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)
Adjusted operating profit	**177**	**133**	**8**	**11**	**185**	**144**
Operating expenses as % sales	*54.9%*	*56.6%*	*15.2%*	*14.1%*	*54.6%*	*56.1%*
Adjusted operating margin (%)	*14.1%*	*11.7%*	*84.8%*	*85.9%*	*14.6%*	*12.5%*

Profit before tax reconciliation				
	Six months to 30 September		*% change*	
£ million	2017	2016	*reported*	*underlying*
Adjusted profit before tax	**188**	**146**	*28*	*18*
Adjusting items*				
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)		
BME finance expense	(2)	(1)		
China put option liability finance (charge)	-	(1)		
Profit before tax	**128**	**102**	*26*	

*For additional detail on adjusting items see note 4 of Condensed Consolidated Interim Financial Statements

Store portfolio					
	Directly-operated stores				
	Stores	Concessions	Outlets	Total	*Franchise stores*
At 31 March 2017	209	200	60	469	*48*
Additions	2	4	-	6	-
Closures	(6)	(6)	(2)	(14)	-
At 30 September 2017	205	198	58	461	*48*
Store portfolio by region					
	Directly-operated stores				
At 30 September 2017	Stores	Concessions	Outlets	Total	*Franchise stores*
Asia Pacific	62	134	16	212	*7*
EMEIA	70	56	21	147	*41*
Americas	73	8	21	102	-
Total	205	198	58	461	*48*

Alternative performance measures

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

Underlying performance is presented in this announcement 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.

Free cash flow is defined as net cash generated from operating activities, £224m (H1 2017: £118m), less capital expenditure plus cash inflows from disposal of fixed assets, £53m (H1 2017: £43m). FY 2017 free cash flow £171m (H1 2017: £75m).

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

Related parties
Related party disclosures are given in note 16 of the Condensed Consolidated Interim Financial Statements.

Principal Risks
The Group carried out a formal process throughout the period to identify, evaluate and manage significant risks faced by the Group. In the view of the directors, the principal risks and uncertainties affecting the Group for the remaining six months of the financial year comprise those set out on pages 60 to 65 of the Annual Report for the year ended 31 March 2017 (a copy of which is available at the Group's website at www.burberryplc.com), with the exception of the risks related to Brexit and some small changes to three of the other risks as set out below:

New risk;

Adverse impact on the Group's financial results, operations and people due to the uncertainty surrounding the timing and outcome of the Brexit negotiations. The various Brexit scenarios could impact the group's financial position, supply chain and people. Specific examples include giving rise to additional customs duty from the cessation of existing free trade agreements, uncertainty over the rights of EU nationals, exchange and interest rate volatility impacting Group's revenues, margins, profits and cash flow.

Amended and increased risks;

Inability of the organisation to successfully deliver the top line growth and change agenda. Risks to the optimisation of future revenue growth include customers not engaging with our product, inability of the business to deliver the efficiency agenda and the scale and pace of change required. Successful delivery of the strategic agenda requires the Group to enhance capabilities and achieve the desired culture and organisational alignment to successfully execute the strategy.

The Group operates in a wide range of markets which are subject to changing economic, regulatory, social and political developments that are beyond the Group's control. Potential risks faced in these markets include: changes in law or regulation for example proposed US tax reform and increased operational costs due to country-specific processes driven by the operating or regulatory environment and potential civil unrest or seizure of assets or staff. In emerging markets further risks to the safety of our people or business associate practices that are inconsistent with the Group's ethical standards and the UK regulatory environment may also exist.

Amended and decreased risk;

Uncertainty in the outlook for the luxury sector. Changes and events in the external market or environment could impact the Group's performance and the delivery of its strategies.

CONDENSED GROUP INCOME STATEMENT – UNAUDITED

	Note	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Audited Year to 31 March 2017 £m
Revenue	3	**1,263.4**	1,158.5	2,766.0
Cost of sales		**(389.4)**	(363.5)	(832.9)
Gross profit		**874.0**	795.0	1,933.1
Net operating expenses		**(747.5)**	(692.6)	(1,538.8)
Operating profit		**126.5**	102.4	394.3
Financing				
Finance income		**3.6**	2.6	5.5
Finance expense		**(0.8)**	(0.9)	(1.8)
Other financing charge		**(1.0)**	(2.1)	(3.2)
Net finance income/(charge)		**1.8**	(0.4)	0.5
Profit before taxation		**128.3**	102.0	394.8
Taxation	5	**(35.3)**	(28.9)	(107.1)
Profit for the period		**93.0**	73.1	287.7
Attributable to:				
Owners of the Company		**92.9**	72.0	286.8
Non-controlling interest		**0.1**	1.1	0.9
Profit for the period		**93.0**	73.1	287.7
Earnings per share				
– basic	6	**21.5p**	16.3p	65.3p
– diluted	6	**21.4p**	16.2p	64.9p
		£m	£m	£m
Reconciliation of adjusted profit before taxation:				
Profit before taxation		**128.3**	102.0	394.8
Adjusting items:				
– adjusting operating items	4	**58.3**	42.1	64.4
– adjusting financing items	4	**1.0**	2.1	3.2
Adjusted profit before taxation - non-GAAP measure		**187.6**	146.2	462.4
Adjusted earnings per share - non-GAAP measure				
– basic	6	**32.6p**	24.6p	77.9p
– diluted	6	**32.3p**	24.4p	77.4p
Dividends per share				
– Proposed interim (not recognised as a liability at 30 September)	7	**11.0p**	10.5p	10.5p
– Final (not recognised as a liability at 31 March)	7	–	–	28.4p

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Audited Year to 31 March 2017 £m
Profit for the period	**93.0**	73.1	287.7
Other comprehensive income[1]:			
Cash flow hedges	**(4.3)**	9.8	4.7
Net investment hedges	**3.8**	(3.2)	(2.3)
Foreign currency translation differences	**(40.4)**	90.4	103.1
Tax on other comprehensive income:			
Cash flow hedges	**0.8**	(1.9)	(1.0)
Net investment hedges	**(0.7)**	0.6	0.5
Foreign currency translation differences	**2.3**	(3.8)	(5.4)
Other comprehensive income for the period, net of tax	**(38.5)**	91.9	99.6
Total comprehensive income for the period	**54.5**	165.0	387.3
Total comprehensive income attributable to:			
Owners of the Company	**54.7**	162.3	384.6
Non-controlling interest	**(0.2)**	2.7	2.7
	54.5	165.0	387.3

[1] All items included in other comprehensive income may subsequently be reclassified to profit and loss in a future period.

CONDENSED GROUP BALANCE SHEET – UNAUDITED

	Note	As at 30 September 2017 £m	As at 30 September 2016 £m	Audited As at 31 March 2017 £m
ASSETS				
Non-current assets				
Intangible assets	8	**171.1**	176.3	170.1
Property, plant and equipment	9	**347.9**	424.8	399.6
Investment properties		**2.6**	2.6	2.6
Deferred tax assets		**129.2**	140.5	125.0
Trade and other receivables	10	**69.9**	80.1	76.4
Derivative financial assets		**0.4**	0.3	1.1
		721.1	824.6	774.8
Current assets				
Inventories		**445.1**	573.5	505.3
Trade and other receivables	10	**277.1**	264.2	275.6
Derivative financial assets		**9.0**	13.2	5.0
Income tax receivables		**3.6**	3.0	9.2
Cash and cash equivalents		**677.2**	568.4	843.5
		1,412.0	1,422.3	1,638.6
Assets classified as held for sale	11	**35.7**	–	–
Total assets		**2,168.8**	2,246.9	2,413.4
LIABILITIES				
Non-current liabilities				
Trade and other payables	12	**(100.3)**	(102.1)	(101.9)
Deferred tax liabilities		**(0.5)**	(1.7)	(0.4)
Derivative financial liabilities		**(0.1)**	(0.1)	–
Retirement benefit obligations		**(0.9)**	(0.8)	(0.9)
Provisions for other liabilities and charges	13	**(61.1)**	(43.7)	(47.3)
		(162.9)	(148.4)	(150.5)
Current liabilities				
Bank overdrafts and borrowings	14	**(22.9)**	(39.3)	(34.3)
Derivative financial liabilities		**(2.7)**	(7.3)	(3.5)
Trade and other payables	12	**(477.8)**	(479.1)	(459.1)
Provisions for other liabilities and charges	13	**(30.9)**	(13.2)	(18.1)
Income tax liabilities		**(33.6)**	(48.8)	(50.1)
		(567.9)	(587.7)	(565.1)
Total liabilities		**(730.8)**	(736.1)	(715.6)
Net assets		**1,438.0**	1,510.8	1,697.8
EQUITY				
Capital and reserves attributable to owners of the Company				
Ordinary share capital	15	**0.2**	0.2	0.2
Share premium account		**212.9**	210.4	211.4
Capital reserve		**41.1**	41.1	41.1
Hedging reserve		**9.6**	13.4	10.0
Foreign currency translation reserve		**223.0**	249.9	260.8
Retained earnings		**946.1**	990.4	1,169.0
Equity attributable to owners of the Company		**1,432.9**	1,505.4	1,692.5
Non-controlling interests in equity		**5.1**	5.4	5.3
Total equity		**1,438.0**	1,510.8	1,697.8

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Note	Attributable to owners of the Company: Ordinary share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
Balance as at 1 April 2016		0.2	209.8	214.1	1,140.9	1,565.0	55.9	1,620.9
Profit for the period		–	–	–	72.0	72.0	1.1	73.1
Other comprehensive income:								
Cash flow hedges – gains deferred in equity		–	–	9.6	–	9.6	–	9.6
Cash flow hedges – losses transferred to income		–	–	0.2	–	0.2	–	0.2
Net investment hedge		–	–	(3.2)	–	(3.2)	–	(3.2)
Foreign currency translation differences		–	–	88.8	–	88.8	1.6	90.4
Tax on other comprehensive income		–	–	(5.1)	–	(5.1)	–	(5.1)
Total comprehensive income for the period		–	–	90.3	72.0	162.3	2.7	165.0
Transactions with owners:								
Employee share incentive schemes								
– value of share options granted		–	–	–	5.3	5.3	–	5.3
– value of share options transferred to liabilities		–	–	–	(0.3)	(0.3)	–	(0.3)
– tax on share options granted		–	–	–	(1.0)	(1.0)	–	(1.0)
– exercise of share options		–	0.6	–	–	0.6	–	0.6
Purchase of own shares								
– share buy-back		–	–	–	(100.5)	(100.5)	–	(100.5)
– held by ESOP trusts		–	–	–	(13.3)	(13.3)	–	(13.3)
Expiry of put option over non-controlling interest	19	–	–	–	51.0	51.0	–	51.0
Acquisition of additional interest in subsidiary from non-controlling interest	19	–	–	–	(45.1)	(45.1)	(53.2)	(98.3)
Dividend paid in the period		–	–	–	(118.6)	(118.6)	–	(118.6)
Balance as at 30 September 2016		0.2	210.4	304.4	990.4	1,505.4	5.4	1,510.8
Balance as at 1 April 2017		**0.2**	**211.4**	**311.9**	**1,169.0**	**1,692.5**	**5.3**	**1,697.8**
Profit for the period		–	–	–	92.9	92.9	0.1	93.0
Other comprehensive income:								
Cash flow hedges – gains deferred in equity		–	–	0.2	–	0.2	–	0.2
Cash flow hedges – gains transferred to income		–	–	(4.5)	–	(4.5)	–	(4.5)
Net investment hedge		–	–	3.8	–	3.8	–	3.8
Foreign currency translation differences		–	–	(40.1)	–	(40.1)	(0.3)	(40.4)
Tax on other comprehensive income		–	–	2.4	–	2.4	–	2.4
Total comprehensive income for the period		–	–	(38.2)	92.9	54.7	(0.2)	54.5
Transactions with owners:								
Employee share incentive schemes								
– value of share options granted		–	–	–	9.0	9.0	–	9.0
– value of share options transferred to liabilities		–	–	–	(0.9)	(0.9)	–	(0.9)
– tax on share options granted		–	–	–	0.1	0.1	–	0.1
– exercise of share options		–	1.5	–	–	1.5	–	1.5
Purchase of own shares								
– share buy-back		–	–	–	(201.0)	(201.0)	–	(201.0)
Dividend paid in the period		–	–	–	(123.0)	(123.0)	–	(123.0)
Balance as at 30 September 2017		**0.2**	**212.9**	**273.7**	**946.1**	**1,432.9**	**5.1**	**1,438.0**

CONDENSED GROUP STATEMENT OF CASH FLOWS – UNAUDITED

	Note	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Audited Year to 31 March 2017 £m
Cash flows from operating activities				
Operating profit		**126.5**	102.4	394.3
Depreciation		**52.9**	58.3	121.3
Amortisation		**13.8**	18.6	30.2
Net impairment of intangible assets	8	–	18.6	33.0
Net impairment of property, plant and equipment	9	**8.1**	10.8	15.9
Loss on disposal of property, plant and equipment and intangible assets		–	1.7	3.5
Write-down of assets held for sale		**10.9**	–	–
(Gain)/loss on derivative instruments		**(4.5)**	6.3	5.6
Charge in respect of employee share incentive schemes		**9.0**	5.3	13.1
Decrease/(increase) in inventories		**12.7**	(60.9)	8.4
Decrease in receivables		**0.6**	24.6	19.7
Increase/(decrease) in payables and provisions		**40.4**	(3.8)	43.6
Cash generated from operating activities		**270.4**	181.9	688.6
Interest received		**3.4**	2.4	5.2
Interest paid		**(0.7)**	(0.8)	(1.5)
Taxation paid		**(49.5)**	(65.2)	(131.6)
Net cash generated from operating activities		**223.6**	118.3	560.7
Cash flows from investing activities				
Purchase of property, plant and equipment		**(34.4)**	(28.5)	(71.3)
Purchase of intangible assets		**(18.3)**	(14.7)	(32.8)
Proceeds from sale of property, plant and equipment		–	–	8.5
Net cash outflow from investing activities		**(52.7)**	(43.2)	(95.6)
Cash flows from financing activities				
Dividends paid in the year		**(123.0)**	(118.6)	(164.4)
Dividends paid to non-controlling interest		–	–	(0.1)
Payment to acquire additional interest in subsidiary from non-controlling interest	19	–	(68.8)	(68.8)
Issue of ordinary share capital		**1.5**	0.6	1.6
Purchase of own shares by ESOP trusts		–	(11.3)	(13.3)
Purchase of shares through share buy-back		**(190.7)**	(32.4)	(97.2)
Net cash outflow from financing activities		**(312.2)**	(230.5)	(342.2)
Net (decrease)/increase in cash and cash equivalents		**(141.3)**	(155.4)	122.9
Effect of exchange rate changes		**(13.6)**	24.2	26.0
Cash and cash equivalents at beginning of period		**809.2**	660.3	660.3
Cash and cash equivalents at end of period		**654.3**	529.1	809.2

ANALYSIS OF NET CASH – UNAUDITED

	Note	As at 30 September 2017 £m	As at 30 September 2016 £m	Audited As at 31 March 2017 £m
Cash and cash equivalents as per the Balance Sheet		**677.2**	568.4	843.5
Bank overdrafts	14	**(22.9)**	(39.3)	(34.3)
Net cash		**654.3**	529.1	809.2

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Corporate information

Burberry Group plc and its subsidiaries (the Group) is a global luxury goods manufacturer, retailer and wholesaler. The Group also licenses third parties to manufacture and distribute products using the 'Burberry' trade marks. All of the companies which comprise the Group are controlled by Burberry Group plc (the Company) directly or indirectly.

2. Accounting policies and basis of preparation

Basis of preparation

The financial information contained in this report is unaudited. The Condensed Group Income Statement, Condensed Group Statement of Comprehensive Income, Condensed Group Statement of Changes in Equity and Condensed Group Statement of Cash Flows for the interim period ended 30 September 2017, and the Condensed Group Balance Sheet as at 30 September 2017 and related notes have been reviewed by the auditors and their report to the Companyis set out on page 28. These condensed consolidated interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2017 were approved by the Board of Directors on 17 May 2017 and have been filed with the Registrar of Companies. The report of the auditors on the statutory accounts for the year ended 31 March 2017 was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under Section 498 of the Companies Act 2006.

These condensed consolidated interim financial statements for the six months to 30 September 2017 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. This report should be read in conjunction with the Group's financial statements for the year ended 31 March 2017, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

The directors have made enquiries and reviewed the Group's updated forecasts and projections. These include the assumptions around the Group's products and markets, expenditure commitments, expected cashflows and borrowing facilities. Taking into account reasonable possible changes in trading performance, and after making enquiries, the directors consider it appropriate to continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the six months to 30 September 2017.

Accounting policies

Accounting policies and presentation are consistent with those applied in the Group's financial statements for the year ended 31 March 2017, as set out on pages 132 to 140 of those financial statements, with the exception of taxation.

Taxes on income in the interim periods are accrued using the expected tax rate that would be applicable to total annual earnings.

Key sources of estimation and judgement

The preparation of the condensed consolidated interim financial statements requires that management make certain judgements, estimates and assumptions that affect the reported revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The key sources of estimation and uncertainty and the assumptions applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in the Group's financial statements for the year ended 31 March 2017, as set out on pages 131 and 132 of those financial statements, with the exception of taxation, as described above.

Adjusted profit before taxation and adjusting items

In order to provide additional consideration of the underlying performance of the Group's ongoing business, the Group's results include a presentation of Adjusted profit before taxation ('adjusted PBT'). Adjusted PBT is defined as profit before taxation and before adjusting items. Adjusting items are those items which, in the opinion of the directors, should be excluded in order to provide a consistent and comparable view of the underlying performance of the Group's ongoing business. Generally, this will include those items that are largely one-off and material in nature as well as income or expenses relating to acquisitions or disposals of businesses or other transactions of a similar nature, including the impact of changes in fair value of expected future payments or receipts relating to these transactions. Adjusting items are identified and presented on a consistent basis each year and a reconciliation of adjusted PBT to profit before tax is included in the financial statements. Adjusting items and their related tax impacts are added back/deducted from profit attributable to owners of the Company to arrive at adjusted earnings per share. Refer to note 4 for further details of adjusting items.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. Segmental analysis

The Chief Operating Decision Maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the reports used by the Board. The Board considers the Group's business through its two channels to market, being retail/wholesale and licensing.

Retail/wholesale revenues are generated by the sale of luxury goods through Burberry mainline stores, concessions, outlets and digital commerce as well as Burberry franchisees, prestige department stores globally and multi-brand specialty accounts. The flow of global product between retail and wholesale channels and across our regions is monitored and optimised at a corporate level and implemented via the Group's inventory hubs situated in Asia, Europe and the USA.

Licensing revenues are generated through the receipt of royalties from global licensees of eyewear, timepieces, and from licences relating to the use of non-Burberry trade marks in Japan.

The Board assesses channel performance based on a measure of adjusted operating profit. This measurement basis excludes the effects of adjusting items. The measure of earnings for each operating segment that is reviewed by the Board includes an allocation of corporate and central costs. Interest income and charges are not included in the result for each operating segment that is reviewed by the Board.

	Retail / Wholesale		Licensing		Total	
	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m
Retail	**943.9**	859.0	–	–	**943.9**	859.0
Wholesale	**310.3**	286.7	–	–	**310.3**	286.7
Licensing	–	–	**10.1**	13.9	**10.1**	13.9
Total segment revenue	**1,254.2**	1,145.7	**10.1**	13.9	**1,264.3**	1,159.6
Inter-segment revenue[1]	–	–	**(0.9)**	(1.1)	**(0.9)**	(1.1)
Revenue from external customers	**1,254.2**	1,145.7	**9.2**	12.8	**1,263.4**	1,158.5
Adjusted operating profit	**177.0**	133.5	**7.8**	11.0	**184.8**	144.5
Adjusting items[2]					**(59.3)**	(44.2)
Finance income					**3.6**	2.6
Finance expense					**(0.8)**	(0.9)
Profit before taxation					**128.3**	102.0

Year to 31 March 2017	Retail / Wholesale	Licensing	Total
	£m	£m	£m
Retail	2,127.2	–	2,127.2
Wholesale	613.9	–	613.9
Licensing	–	27.1	27.1
Total segment revenue	2,741.1	27.1	2,768.2
Inter-segment revenue[1]	–	(2.2)	(2.2)
Revenue from external customers	2,741.1	24.9	2,766.0
Adjusted operating profit	437.0	21.7	458.7
Adjusting items[2]			(67.6)
Finance income			5.5
Finance expense			(1.8)
Profit before taxation			394.8

[1] Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties.

[2] Refer to note 4 for details of adjusting items.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. Segmental analysis (continued)

Revenue by destination	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Asia Pacific	**461.2**	409.9	1,069.0
EMEIA[1]	**500.7**	455.6	991.2
Americas	**292.3**	280.2	680.9
Retail/Wholesale	**1,254.2**	1,145.7	2,741.1
Licensing	**9.2**	12.8	24.9
Total	**1,263.4**	1,158.5	2,766.0

[1] EMEIA comprises Europe, Middle East, India and Africa.

Due to the seasonal nature of the business, Group revenue is usually expected to be higher in the second half of the year than in the first half. While some of the Group's operating costs are also higher in the second half of the year, such as contingent rentals and some employee costs, most of the operating costs are phased more evenly across the year. As a result, adjusted operating profit is usually expected to be higher in the second half of the year.

4. Adjusting items

	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Adjusting operating items			
Restructuring costs	**32.9**	12.8	20.8
Disposal of Beauty operations	**26.5**	–	–
Costs relating to the transfer of the Beauty operations	**1.8**	–	14.5
Charge relating to the fragrance and beauty licence intangible	–	26.1	26.1
Revaluation of deferred consideration liability	**(2.9)**	3.2	3.0
Total adjusting operating items	**58.3**	42.1	64.4
Adjusting financing items			
Finance charge on deferred consideration liability	**1.0**	1.1	2.2
Put option liability finance charge	–	1.0	1.0
Total adjusting financing items	**1.0**	2.1	3.2

Restructuring costs

Restructuring costs of £32.9m (six months to 30 September 2016: £12.8m; year to 31 March 2017: £20.8m) were incurred in the period, arising as a result of the Group's cost efficiency programme announced in May 2016. These costs are presented as an adjusting item as they are considered material and one-off in nature, being part of a restructuring programme running from May 2016 to March 2019. The most significant elements of these restructuring costs relate to onerous lease obligations for property, redundancies, and consultancy costs supporting organisational design and development of strategic growth and productivity initiatives, with the remainder relating to legal advice and project assurance. £9.5m of restructuring costs were settled in the period (30 September 2016: £9.3m; 31 March 2017 £16.7m) with £27.5m being accrued at 30 September 2017. A related tax credit of £6.3m (30 September 2016: £2.6m; 31 March 2017: £4.2m) has also been recognised in the period.

Disposal of Beauty operations

On 3 April 2017, Burberry entered into two agreements with Coty Geneva SARL Versoix (Coty) to grant Coty a licence to sell its fragrance and beauty products and to transfer Burberry's Beauty operations to Coty. The agreements completed on 2 October 2017. In the six months to 30 September 2017, Burberry incurred liabilities of £26.5m relating to the transfer of the beauty operations to Coty. These costs related to a write down of inventory from net book value to its selling value to Coty, provisions for the costs of certain related contract terminations and employee redundancy. These costs are recorded in disposal of Beauty operations. None of these costs were paid in the period. A related tax credit of £5.0m has been recognised in the period. Refer to note 21 for further details of this transaction. These costs are presented as adjusting items in accordance with the Group accounting policy as they arise in relation to the disposal of a business.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. Adjusting items (continued)

Other costs relating to the transfer of the Beauty operations

In addition to the costs arising directly from the transfer of the Beauty operations, costs of £1.8m relating to the Beauty transaction were incurred in the six months to 30 September 2017 (six months to 30 September 2016: £nil; year to 31 March 2017: £14.5m). Payments of £3.5m were made in the period (30 September 2016: £nil; 31 March 2017: £nil). A related tax credit of £0.3m (30 September 2016: £nil; 31 March 2017: £2.9m) has also been recognised in the period.

Items relating to the deferred consideration liability

On 22 April 2016, the Group entered into an agreement to transfer the economic right to the non-controlling interest in Burberry Middle East LLC to the Group in consideration of contingent payments to be made to the minority shareholder based on an agreed percentage of the future revenue of Burberry Middle East LLC and its subsidiaries, Burberry Al Kuwait General Trading Textiles and Accessories Company WLL and Burberry Qatar WLL, over the period 2016 to 2023, together with fixed payments of AED 120.0m (£22.6m), relating to profits of Burberry Middle East LLC up to 31 March 2016, to be paid over the period 2016 to 2019. A liability for the present value of the fixed and contingent deferred consideration of AED 236.0m (£44.6m) was recognised at this point. Refer to note 12 for further details of the deferred consideration liability.

A credit of £2.9m in relation to the revaluation of this balance has been recognised in operating expenses for the six months to 30 September 2017 (six months to 30 September 2016: charge of £3.2m; year to 31 March 2017: charge of £3.0m). A financing charge of £1.0m in relation to the unwinding of the discount on the non-current portion of the deferred consideration liability has also been recognised for the six months to 30 September 2017 (six months to 30 September 2016: charge of £1.1m; year to 31 March 2017: charge of £2.2m). These movements are unrealised. No deferred consideration was settled in the period (six months to 30 September 2016: £15.1m; year to 31 March 2017: £15.1m).

No tax has been recognised on either of these items, as the future payments are not considered to be deductible for tax purposes. These items are presented as adjusting items in accordance with the Group accounting policy, as they arise from changes in the value of the liability for expected future payments relating to the purchase of a non-controlling interest in the Group.

Adjusting items relating to the year to 31 March 2017

Charge relating to the fragrance and beauty licence intangible asset

During the year ended 31 March 2013, an intangible asset of £70.9m was recognised on the Balance Sheet, relating to the present value of the anticipated incremental income to be earned by the Group as a result of selling Beauty products through retail and wholesale channels rather than under licence, following the termination of the existing licence relationship with Interparfums SA. This asset was being amortised on a straight-line basis over the period 1 April 2013 to 31 December 2017.

During the six months to 30 September 2016, amortisation expense of £7.5m was recognised in relation to the fragrance and beauty licence intangible. At 30 September 2016, management carried out an impairment assessment of the carrying value of this asset based on a value-in-use calculation using latest estimates for cost and revenue projections. As a result of a reduction in projected revenue over the remaining life to 31 December 2017, compared to previous estimates, management concluded that the book value of the asset was not supported by its value-in-use. An impairment charge of £18.6m was recognised at 30 September 2016, to write the remaining balance of the intangible asset down to £nil.

The total charge in relation to the fragrance and beauty intangible for the six months to 30 September 2016 and the year to 31 March 2017 was £26.1m. This was presented as an adjusting item, which is consistent with the treatment of the cost recognised on termination of the licence relationship in the year to 31 March 2013. A related tax credit of £5.1m was also recognised.

Put option liability finance charge

The financing charge for the six months to 30 September 2016 of £1.0m (year to 31 March 2017: charge of £1.0m) relates to unrealised fair value movements, including the unwinding of the discount on the put option liability over the non-controlling interest in Burberry (Shanghai) Trading Co., Ltd. No tax was recognised on this item, as the value of the option on exercise is not considered to be deductible for tax purposes. This item has been presented as an adjusting item in accordance with the Group accounting policy as it arises from changes in the value of the liability for expected future payments relating to the purchase of a non-controlling interest in the Group. The liability was released upon expiration of the put option at 1 August 2016, therefore there is no charge for the six months to 30 September 2017.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. Taxation

The tax charge for the six months to 30 September 2017 has been calculated based on an estimated effective underlying rate of tax on adjusted profit before taxation for the full year of 25.0% (30 September 2016: 25.0%; year to 31 March 2017: 25.8%). Tax on adjusting items has been recognised at the prevailing tax rates as appropriate. The resulting effective tax rate on reported profit before taxation is 27.5% (six months to 30 September 2016: 28.3%; year to 31 March 2017: 27.1%).

Total taxation recognised in the Condensed Group Income Statement comprises:

	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Tax on adjusted profit before taxation	**46.9**	36.6	119.3
Tax on adjusting items (note 4)	**(11.6)**	(7.7)	(12.2)
Total taxation charge	**35.3**	28.9	107.1

6. Earnings per share

The calculation of basic earnings per share is based on profit or loss attributable to equity holders of the Company for the period divided by the weighted average number of ordinary shares in issue during the period. Basic and diluted earnings per share based on adjusted profit before taxation are also disclosed to indicate the underlying profitability of the Group.

	Six months to 30 September 2017 £m	Six months to 30 September 2016 £m	Year to 31 March 2017 £m
Attributable profit for the period before adjusting items[1]	**140.6**	108.5	342.2
Effect of adjusting items[1] (after taxation)	**(47.7)**	(36.5)	(55.4)
Attributable profit for the period	**92.9**	72.0	286.8

[1] Refer to note 4 for the details of adjusting items.

The weighted average number of ordinary shares represents the weighted average number of Burberry Group plc ordinary shares in issue throughout the period, excluding ordinary shares held in the Group's employee share option plan trusts (ESOP trusts) and own shares purchased by the Company as part of a share buy-back programme.

Diluted earnings per share is based on the weighted average number of ordinary shares in issue during the period. In addition, account is taken of any options and awards made under the employee share incentive schemes, which will have a dilutive effect when exercised.

	Six months to 30 September 2017 Millions	Six months to 30 September 2016 Millions	Year to 31 March 2017 Millions
Weighted average number of ordinary shares in issue during the period	**431.5**	441.5	439.1
Dilutive effect of the share incentive schemes	**3.3**	2.8	3.1
Diluted weighted average number of ordinary shares in issue during the period	**434.8**	444.3	442.2

7. Dividends

The interim dividend of 11.0p (2016: 10.5p) per share has been approved by the Board of Directors after 30 September 2017. Accordingly, this dividend has not been recognised as a liability at the period end.

The interim dividend will be paid on 2 February 2018 to Shareholders on the Register at the close of business on 22 December 2017.

A dividend of 28.4p (2016: 26.8p) per share was paid during the period ended 30 September 2017 in relation to the year ended 31 March 2017.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. Intangible assets

Goodwill at 30 September 2017 is £94.1m (2016: £97.8m). There were no additions to goodwill in the period.

In the period there were additions to other intangible assets of £20.5m (2016: £14.9m) and disposals with a net book value of £nil (2016: £0.8m).

Capital commitments contracted but not provided for by the Group amounted to £3.8m (2016: £3.4m).

Impairment testing

Assets that have an indefinite useful economic life are not subject to amortisation and are tested annually for impairment.

Goodwill is the only intangible asset category with an indefinite useful economic life included within total intangible assets at 30 September 2017. Management has performed a review for indicators of impairment as at 30 September 2017. The annual impairment test will be performed at 31 March 2018.

The impairment charge for intangible assets for the six months to 30 September 2017 is £nil (2016: £18.6m).

9. Property, plant and equipment

In the period there were additions to property, plant and equipment of £30.0m (2016: £31.9m), impairments of £8.1m (2016: £10.8m) and disposals with a net book value of £nil (2016: £0.9m).

Capital commitments contracted but not provided for by the Group amounted to £17.8m (2016: £14.6m).

Impairment testing

For the six months to 30 September 2017, a net impairment charge of £7.0m (2016: £10.8m) was recorded against property, plant and equipment as a result of a review of impairment of retail store assets. The impairment charge relates to 15 retail cash generating units (2016: 10 retail cash generating units) for which the total recoverable amount at the balance sheet date is £2.4m (2016: £2.8m).

Where indicators of impairment were identified, the impairment review compared the value-in-use of the assets to the carrying values at 30 September 2017. The pre-tax cash flow projections were based on financial plans of expected revenues and costs of each retail cash generating unit, approved by management, and extrapolated beyond the budget year to the lease exit dates using growth rates and inflation rates appropriate to each store's location. The pre-tax discount rates used in these calculations were between 11.2% and 16.9% (2016: between 11.4% and 19.7%) based on the Group's weighted average cost of capital adjusted for country-specific tax rates and risks. Where the value-in-use was negative, onerous lease provisions were assessed in relation to the future contracted minimum lease payments. Potential alternative uses for property, such as subletting of leasehold or sale of freehold, were considered in estimating both the value for impairment charges and onerous lease provisions.

The remaining impairment of £1.1m relates to the assets held for sale as part of the disposal of the Beauty operations to Coty.

10. Trade and other receivables

	As at 30 September 2017 £m	As at 30 September 2016 £m	As at 31 March 2017 £m
Non-current			
Deposits and other receivables	**41.6**	48.1	44.9
Other non-financial receivables	**3.5**	3.6	3.7
Prepayments	**24.8**	28.4	27.8
Total non-current trade and other receivables	**69.9**	80.1	76.4
Current			
Trade receivables	**199.1**	181.4	201.3
Provision for doubtful debts	**(10.4)**	(9.1)	(9.5)
Net trade receivables	**188.7**	172.3	191.8
Other financial receivables	**20.2**	16.6	22.3
Other non-financial receivables	**17.9**	24.0	20.4
Prepayments	**47.1**	48.5	38.1
Accrued income	**3.2**	2.8	3.0
Total current trade and other receivables	**277.1**	264.2	275.6
Total trade and other receivables	**347.0**	344.3	352.0

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11. Assets held for sale

The assets related to the Beauty operations being transferred to Coty (part of the retail/wholesale segment) have been presented as held for sale effective 30 September 2017 given the agreement to transfer Beauty operations to Coty. There are no liabilities associated with the Beauty operations being transferred to Coty. Assets were remeasured to the lower of their carrying value and their fair value less costs to sell at the date of the held for sale classification. The major classes of assets classified as held for sale as at 30 September 2017 are as follows:

	As at 30 September 2017 £m
Property, plant and equipment	4.4
Inventory	31.3
Assets classified as held for sale	35.7

Refer to note 21 for further details of the transfer of Beauty operations.

12. Trade and other payables

	As at 30 September 2017 £m	As at 30 September 2016 £m	As at 31 March 2017 £m
Non-current			
Other payables	**2.2**	2.4	2.5
Deferred income and non-financial accruals	**75.3**	70.5	75.6
Deferred consideration	**22.8**	29.2	23.8
Total non-current trade and other payables	**100.3**	102.1	101.9
Current			
Trade payables	**174.5**	176.1	172.3
Other taxes and social security costs	**64.1**	49.6	58.7
Other payables[1]	**16.8**	76.2	8.2
Accruals	**190.0**	151.1	186.9
Deferred income and non-financial accruals	**22.4**	21.5	22.1
Deferred consideration	**10.0**	4.6	10.9
Total current trade and other payables	**477.8**	479.1	459.1
Total trade and other payables	**578.1**	581.2	561.0

[1] Includes £13.6m (2016: £66.7m) relating to the cost of shares not yet purchased, under an agreement entered into by the Company to purchase its own shares, together with anticipated stamp duty arising. Refer to note 15 for further details.

Deferred consideration

Following the purchase of the economic right to the non-controlling interest in Burberry Middle East LLC on 22 April 2016, the Group has recognised a liability in relation to the deferred consideration for this transaction. The deferred consideration consists of fixed payments to be paid over the period 2016 to 2019, and contingent payments calculated as an agreed percentage of the future revenue of Burberry Middle East LLC and its subsidiaries, over the period 2016 to 2023.

The fair value of the deferred consideration relating to the remaining fixed payments of AED 39.3m (£8.0m), (2016: AED 39.3m, £8.2m) has been derived via a present value calculation discounted at an appropriate risk free rate applicable to Burberry Middle East LLC.

The fair value of the deferred consideration relating to the contingent payments has been estimated using a present value calculation, incorporating observable and non-observable inputs. The inputs applied in arriving at the value of this component of the deferred consideration are an estimate of the future revenue of Burberry Middle East LLC and its subsidiaries from 2016 to 2023 and an appropriate risk adjusted discount rate for Burberry Middle East LLC.

The carrying value of the deferred consideration relating to contingent payments is dependent on assumptions applied in determining these inputs, and is subject to change in the event that there is a change in any of those assumptions. The valuation is updated at every reporting period or more often if a significant change to any input is observed.

A 10% increase/decrease in the estimate of future revenues of Burberry Middle East and its subsidiaries would result in a £1.8m increase/decrease in the carrying value of the deferred consideration relating to contingent payments at 30 September 2017 and a corresponding £1.8m decrease/increase in the profit before taxation for the period ended 30 September 2017.

13. Provisions for other liabilities and charges

	Property obligations £m	Other costs £m	Total £m
As at 1 April 2017	57.7	7.7	65.4
Effect of foreign exchange rate changes	(3.2)	–	(3.2)
Created during the period	22.8	13.2	36.0
Utilised during the period	(2.9)	(0.3)	(3.2)
Released during the period	(0.4)	(2.6)	(3.0)
As at 30 September 2017	**74.0**	**18.0**	**92.0**
As at 30 September 2016	55.0	1.9	56.9

	As at 30 September 2017 £m	As at 30 September 2016 £m	As at 31 March 2017 £m
Analysis of total provisions:			
Non-current	**61.1**	43.7	47.3
Current	**30.9**	13.2	18.1
Total	**92.0**	56.9	65.4

Within property obligations are amounts of £45.8m (2016: £27.1m) relating to onerous lease obligations.

New property obligations created in the period include amounts relating to retail stores as a result of impairment reviews and amounts relating to non-retail property considered to be surplus to requirements as a result of the Group's restructuring programme. Refer to note 4 for further details regarding restructuring charges.

Other provisions created in the period primarily relate to provisions for contract terminations in relation to the transfer of Beauty operations to Coty. Refer to note 4 for further details.

14. Bank overdrafts and borrowings

Included within bank overdrafts is £20.1m (2016: £34.6m) representing balances on cash pooling arrangements in the Group. The Group has a number of committed and uncommitted arrangements agreed with third parties. At 30 September 2017, the Group held bank overdrafts of £2.8m (2016: £4.7m) excluding balances on cash pooling arrangements.

On 25 November 2014, the Group entered into a £300m multi-currency revolving credit facility with a syndicate of third party banks. At 30 September 2017, no amounts were drawn (2016: £nil). The facility matures in November 2021.

15. Share capital and other reserves

Allotted, called up and fully paid share capital	Number of shares million	Share capital £m
As at 1 April 2016	445.0	0.2
Allotted on exercise of options during the period	0.1	–
As at 30 September 2016	445.1	0.2
As at 1 April 2017	445.2	0.2
Cancellation of treasury shares	(6.8)	–
Allotted on exercise of options during the period	0.1	–
As at 30 September 2017	438.5	0.2

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15. Share capital and other reserves (continued)

Other reserves

Own shares purchased by the Company, as part of a share buy-back programme, are classified as treasury shares and their cost offset against retained earnings. When treasury shares are cancelled, a transfer is made from retained earnings to the capital redemption reserve, equivalent to the nominal value of the shares purchased and subsequently cancelled. The cost of shares purchased by employee share ownership trusts (ESOP trusts) are offset against retained earnings.

As at 30 September 2017 the amount held against retained earnings was £187.4m (2016: £33.8m) including stamp duty of £0.9m (2016: £0.2m) in relation to treasury shares and £36.0m (2016: £48.3m) in relation to shares purchased by ESOP trusts. As at 30 September 2017, the Company held 10.7m (2016: 2.5m) treasury shares, with a market value of £188.3m (2016: £35.0m) and ESOP trusts held 2.8m (2016: 3.7m) shares in the Company, with a market value of £48.9m (2016: £51.5m). In the six months to 30 September 2017 the Burberry Group plc ESOP trust waived its entitlement to dividends of £0.8m (2016: £0.7m).

During the period, the Company entered into agreements to purchase £200.0m of its own shares as part of a share buy-back programme (2016: £100.0m). In the period, £13.6m (2016: £66.7m) relating to the cost of shares not yet purchased under these agreements has been charged to retained earnings, with the payment obligation recognised in other payables (refer to note 12).

16. Related party disclosures

The Group's significant related parties are disclosed in the Annual Report for the year ended 31 March 2017. There were no material changes to these related parties in the period, other than changes to the composition of the Board. Other than total compensation in respect of key management, no material related party transactions have taken place during the first six months of the current financial year.

17. Foreign currency

The results of overseas subsidiaries are translated into the Group's presentation currency of Sterling each month at the weighted average exchange rate for the period according to the phasing of the Group's trading results. The weighted average exchange rate is used, as it is considered to approximate the actual exchange rates on the dates of the transactions. The assets and liabilities of such undertakings are translated at period end exchange rates. Differences arising on the retranslation of the opening net investment in subsidiary companies, and on the translation of their results, are taken directly to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The principal exchange rates used were as follows:

	Average		
	Six months to 30 September 2017	Six months to 30 September 2016	Year to 31 March 2017
Euro	**1.14**	1.22	1.19
US Dollar	**1.29**	1.37	1.30
Chinese Yuan Renminbi	**8.75**	9.08	8.73
Hong Kong Dollar	**10.09**	10.65	10.11
Korean Won	**1,464**	1,565	1,487

	Closing		
	As at 30 September 2017	As at 30 September 2016	As at 31 March 2017
Euro	**1.13**	1.16	1.17
US Dollar	**1.34**	1.30	1.25
Chinese Yuan Renminbi	**8.92**	8.69	8.62
Hong Kong Dollar	**10.47**	10.09	9.74
Korean Won	**1,534**	1,429	1,402

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

18. Fair value disclosures for financial instruments

The Group's principal financial instruments comprise derivatives, cash and short-term deposits, external borrowings (including overdrafts), trade and other receivables, and trade and other payables arising directly from operations.

The Group classifies its instruments into the following categories:

Financial instrument category	Classification	Measurement	Fair value measurement hierarchy (2)
Cash and cash equivalents	Loans and receivables	Amortised cost	N/A
Trade and other receivables	Loans and receivables	Amortised cost	N/A
Trade and other payables	Other financial liabilities	Amortised cost	N/A
Borrowings	Other financial liabilities	Amortised cost	N/A
Deferred consideration	Other financial liabilities	Fair value through profit and loss	2/3
Forward foreign exchange contracts[1]	Derivative instrument	Fair value through profit and loss	2
Equity swap contracts	Derivative instrument	Fair value through profit and loss	2

[1] Cash flow hedge accounting and net investment hedge accounting is applied to the extent that it is achievable.

[2] The fair value measurement hierarchy is only applicable for financial instruments measured at fair value.

The fair value of the Group's financial assets and liabilities held at amortised cost approximate their carrying amount due to the short maturity of these instruments with the exception of £12.3m (2016: £12.7m) held in non-current other receivables relating to an interest-free loan provided to a landlord in Korea. At 30 September 2017, the discounted fair value of the loan is £14.4m (2016: £16.5m).

The measurements for financial instruments carried at fair value are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: includes unobservable inputs for the asset or liability.

Observable inputs are those which are developed using market data, such as publicly available information about actual events or transactions. The Group has an established framework with respect to measurement of fair values, including Level 3 fair values. The Group regularly reviews any significant inputs which are not derived from observable market data and considers, where available, relevant third party information, to support the conclusion that such valuations meet the requirements of IFRS. The classification level in the fair value hierarchy is also considered periodically. Significant valuation issues are reported to the Audit Committee.

The fair value of forward foreign exchange contracts and equity swap contracts is based on a comparison of the contractual and market rates and, in the case of forward foreign exchange contracts after discounting using the appropriate yield curve, as at the balance sheet date. All Level 2 fair value measurements are calculated using inputs which are based on observable market data.

The fair value of the fixed payment component of deferred consideration is considered to be a Level 2 measurement and is derived using a present value calculation of the remaining fixed payments, discounted using an appropriate risk-free rate. The fair value of the contingent payment component of deferred consideration is considered to be a Level 3 measurement and is derived using a present value calculation, incorporating observable and non-observable inputs. This valuation technique has been adopted as it most closely mirrors the contractual arrangement. Refer to note 4 for further details on deferred consideration.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

19. Transactions with non-controlling interests

The Group did not enter into any transactions with non-controlling interests in the period. During the six months to 30 September 2016, the Group entered into two transactions with non-controlling interests.

Burberry Middle East LLC

On 22 April 2016, the Group entered into an agreement to transfer the economic right to the non-controlling interest in Burberry Middle East LLC to the Group in consideration of contingent payments to be made to the minority shareholder based on an agreed percentage of the future revenue, together with fixed payments.

The present value of the fixed and contingent deferred consideration in total, at the date of the transaction was estimated to be AED 236.0m (£44.6m). Non-controlling interests with a book value of £25.5m were transferred to retained earnings.

Burberry (Shanghai) Trading Co., Ltd

On 1 August 2016, the Group acquired the remaining 15% economic interest in its business in China, which was held by Sparkle Roll Holdings Ltd, a non-Group company, for consideration of CNY 470.9m (£53.7m), through the exercise of a call option held by the Group. Non-controlling interests with a book value of £27.7m were transferred to retained earnings.

The Group had also granted a put option over the same 15% economic interest to Sparkle Roll Holdings Ltd which was exercisable after 1 September 2020. Upon exercise of the call option by the Group, the put option expired and as a result, the value of the liability at the date of exercise, being £51.0m, was transferred directly to retained earnings.

20. Contingent liabilities

In a number of jurisdictions, the Group is subject to claims against it and to tax audits. These typically relate to valued added taxes, sales taxes, customs duties, corporate taxes, transfer pricing, payroll taxes, various contractual claims and other matters. Where appropriate, the estimated cost of known obligations have been provided in these financial statements in accordance with the Group's accounting policies but these matters are inherently difficult to quantify. While changes to the amounts that may be payable could be material to the results or cash flows of the Group in the period in which they are recognised the Group does not currently expect the outcome of these contingent liabilities to have a material effect on the Group's financial condition.

21. Events after the balance sheet date

On 3 April 2017, Burberry entered into agreements with Coty Geneva SARL Versoix (Coty) to grant Coty a licence for its fragrance and beauty products and to transfer Burberry's Beauty operations to Coty. Under these joint agreements, Coty will make an upfront payment to Burberry of £130m for the licence and related transfer of the Beauty operations. Coty will also pay Burberry additional consideration for assets transferring, being inventory and property, plant and equipment relating to the Beauty operations. Burberry will also receive further payments, relating to royalties, over the term of the licence.

The agreement completed on 2 October 2017. As at 30 September 2017, inventory of £31.3m and property plant and equipment of £4.4m has been recorded as assets held for sale, prior to its sale to Coty on 2 October.

In the six months to 30 September 2017, Burberry incurred costs of £26.5m relating to the transfer of the Beauty operations to Coty. These costs related to a write down of inventory from net book value to its selling value to Coty, provisions for the costs of certain related terminations and employee redundancy. These costs are recorded in disposal of Beauty operations. None of these costs were paid in the period (refer to note 4).

The directors have carried out an allocation of the upfront payment from Coty and estimate that approximately £100m relates to future licence income and approximately £30m relates to the transfer of the Beauty operations. These proceeds will be recognised as receivable on completion and hence have not been recognised as at 30 September 2017. It is not anticipated that the gain or loss on disposal will be significant for the full year to 31 March 2018 once all aspects of the transaction have been completed. The payment of approximately £100m relating to future licence income will be deferred on the balance sheet and recognised as revenue over the term of the licence.

The allocation of the upfront payment from Coty will be finalised in the year ending 31 March 2018. The final amounts received for assets transferred to Coty and amounts paid with respect to provisions raised in the period may be subject to further adjustment.

Associated costs of £1.8m relating to the Beauty transaction were incurred in the six months to 30 September 2017 (six months to 30 September 2016: £nil; year to 31 March 2017; £14.5m). Refer to note 4 for further details.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that the condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the Interim Management Report and condensed consolidated interim financial statements include a fair review of the information required by Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

– an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
– material related party transactions in the first six months of the financial year and any material changes in the related party transactions described in the last Annual Report.

The directors of Burberry Group plc are listed in the Burberry Group plc Annual Report for the year ended 31 March 2017, with the exception of Marco Gobbetti, who was appointed on 5 July 2017, Ron Frasch, who was appointed as a non-executive director on 1 September 2017, and Philip Bowman, who resigned on 31 October 2017.

A list of current directors is maintained on the Burberry Group plc website: www.burberryplc.com.

By order of the Board

Marco Gobbetti
Chief Executve Officer
8 November 2017

Julie Brown
Chief Operating and Chief Financial Officer
8 November 2017

INDEPENDENT REVIEW REPORT TO BURBERRY GROUP PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Burberry Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the interim report of Burberry Group plc for the six month period ended 30 September 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed Group balance sheet as at 30 September 2017;
- the condensed Group income statement and condensed Group statement of comprehensive income for the period then ended;
- the condensed Group statement of cash flows for the period then ended;
- the condensed Group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the condensed consolidated interim financial statements and the review

Our responsibilities and those of the directors

The interim report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
8 November 2017
London

INDEPENDENT REVIEW REPORT TO BURBERRY GROUP PLC

Notes:

(a) The maintenance and integrity of the Burberry Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SHAREHOLDER INFORMATION

General shareholder enquiries
Enquiries relating to shareholding, such as the transfer of shares, change of name or address, lost share certificates or dividend cheques, should be referred to the Company's Registrar, Equiniti, using the details below:

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: 0371 384 2839. Lines are open 8.30am to 5.30pm, Monday to Friday, excluding UK bank holidays.

Please dial +44 121 415 7047 if calling from outside the UK or see help.shareview.co.uk for additional information.

American Depositary Receipts
Burberry has a sponsored Level 1 American Depositary Receipt ('ADR') programme to enable US investors to purchase ADRs in US Dollars. Each ADR represents one Burberry ordinary share.
For queries relating to ADRs in Burberry, please use the following contact details:
BNY Mellon Shareowner Services
P.O. BOX 30170
College Station, TX 77842-3170
Telephone: Toll free within the US: +1 888 269 2377
Telephone: International: +1 201 680 6825
Email enquiries: shrrelations@cpushareownerservices.com
Website: www.mybnymdr.com

Dividends
An interim dividend of 11.0p per share will be paid on 2 February 2018 to shareholders on the register at the close of business on 22 December 2017.

The ADR local payment date will be approximately five business days after the proposed dividend payment date for ordinary shareholders.

Dividends can be paid by BACS directly into a UK bank account, with the tax voucher being sent to the shareholder's address. This is the easiest way for shareholders to receive dividend payments and avoids the risk of lost or out-of-date cheques. A dividend mandate form is available from Equiniti or at www.shareview.co.uk.

If you are a UK taxpayer, please note that you are eligible for a tax-free Dividend Allowance of £5,000. Any dividends received above this amount will be subject to taxation. Dividends paid on shares held within pensions and Individual Savings Accounts ('ISAs') will continue to be tax-free. Further information can be found at www.gov.uk/tax-on-dividends.

Dividends payable in foreign currencies
Equiniti are able to pay dividends to shareholder bank accounts in over 30 currencies worldwide through the Overseas Payment Service. An administrative fee will be deducted from each dividend payment. Further details can be obtained from Equiniti or online at www.shareview.co.uk.

Dividend Reinvestment Plan
The Company's Dividend Reinvestment Plan ('DRIP') enables shareholders to use their dividends to buy further Burberry shares. Full details of the DRIP can be obtained from Equiniti. If shareholders would like their interim dividend and future dividends to qualify for the DRIP, completed application forms must be returned to Equiniti by 12 January 2018.

Duplicate accounts
Shareholders who have more than one account due to inconsistency in account details may avoid duplicate mailings by contacting Equiniti and requesting the amalgamation of their share accounts.

Electronic Communication
Shareholders may at any time choose to receive all shareholder documentation in electronic form via the internet, rather than in paper format. Shareholders who decide to register for this option will receive an email each time a shareholder document is published on the internet. Shareholders who wish to receive documentation in electronic form should register online at www.shareview.co.uk.

Equiniti offers a range of shareholder information and services online at www.shareview.co.uk. A textphone facility for those with hearing difficulties is available by calling: 0371 384 2255. Lines are open 8.30am to 5.30pm, Monday to Friday, excluding UK bank holidays. Please call +44 121 415 7047 if calling from outside the UK.

Financial calendar

Interim results announcement	9 November 2017
Dividend record date	22 December 2017
Third quarter trading update	17 January 2018
Dividend payment date	2 February 2018
Preliminary results announcement	May 2018
Annual General Meeting	July 2018

Registered office
Burberry Group plc
Horseferry House
Horseferry Road
London
SW1P 2AW

Registered in England and Wales
Registered Number 03458224
www.burberryplc.com

SHAREHOLDER INFORMATION

Share dealing
Burberry Group plc shares can be traded through most banks, building societies or stock brokers. Equiniti offers a telephone and internet dealing service. Terms and conditions and details of the commission charges are available on request.

For telephone dealing please telephone 03456 037 037 between 8.00am and 4.30pm, Monday to Friday, and for internet dealing visit www.shareview.co.uk/dealing. Shareholders will need their reference number which can be found on their share certificate.

ShareGift
Shareholders with a small number of shares, the value of which makes it uneconomic to sell, may wish to consider donating their shares to charity through ShareGift, a donation scheme operated by The Orr Mackintosh Foundation. A ShareGift donation form can be obtained from Equiniti. Further information is available at www.sharegift.org or by telephone on 0207 930 3737.

Share price information
The latest Burberry Group plc share price is available on the Company's website at www.burberryplc.com.

Unauthorised brokers (boiler room scams)
Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. These are typically from overseas-based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. These operations are commonly known as boiler rooms.

If you receive any unsolicited investment advice, get the correct name of the person and organisation and check that they are properly authorised by the FCA before getting involved by visiting www.fca.org.uk/register.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme if things go wrong.

If you think you have been approached by an unauthorised firm you should contact the FCA consumer helpline on 0800 111 6768.

More detailed information can be found on the FCA website at www.fca.org.uk/consumers/protect-yourself/unauthorised-firms.

Website
This Interim Report and other information about Burberry Group plc, including share price information and details of results announcements, are available at www.burberryplc.com.