

11 July 2012

Burberry Group plc

First Quarter Trading Update and Interim Management Statement

Highlights

- Total revenue £408m, up 11% underlying
- Retail revenue £280m, up 14% underlying
 - 6% comparable store sales growth
 - Led by UK, France, Germany and Greater China
- Wholesale revenue £102m, up 9% underlying
 - Benefiting from earlier deliveries
 - Consistent with mid single-digit % underlying growth expected in H1
 - Including planned rationalisation in US and Europe
- Licensing revenue £26m, down 5% underlying
 - Q1 impacted by phasing of licence terminations
 - Full year still expected to be broadly unchanged year-on-year
- Further strategic and operational progress
 - Continued elevation of core outerwear and large leather goods
 - Strong growth in men's tailoring and accessories
 - Six mainline stores opened
 - Including fourth store in Brazil and Russell Street in Hong Kong
 - Investment in flagship markets continues
 - Key openings later this year in London, Milan, Chicago, Hong Kong and Shanghai

Angela Ahrendts, Chief Executive Officer, commented:

“With continued brand momentum, Burberry has delivered a robust first quarter. Revenue was up 11% against a more challenging external environment. Sales in retail, now about 70% of the business, increased by 14%, with initiatives to elevate brand equity balanced by improved store productivity and new space.

Building on our balanced business model and strong operational foundation, we continue to invest in our retail, digital and marketing strategies to drive long-term sustainable growth, while remaining responsive to the changing external environment.”

Underlying change is calculated at constant exchange rates. Certain financial data within this announcement have been rounded.

Revenue by channel of distribution

£ million	Three months to 30 June		% change	
	2012	2011	reported FX	underlying
Retail	280	245	14	14
Wholesale	102	95	8	9
Licensing	26	27	(2)	(5)
Total revenue	408	367	11	11

Retail/wholesale revenue by region

£ million	Three months to 30 June		% change	
	2012	2011	reported FX	underlying
Asia Pacific	146	121	20	18
Europe	118	107	10	16
Americas*	91	88	4	2
Rest of World	27	24	9	9
Total	382	340	12	12

* Americas revenue growth impacted by planned rationalisation of wholesale distribution

Retail

Retail sales in the first quarter increased by 14% at constant and reported FX. Within this, comparable store sales growth was 6%, with the balance from new space.

In mainline, there was a further increase in average selling prices, driven by product innovation, a higher penetration of Burberry Prorsum and London and rationalisation of opening price point products in core outerwear and accessories. Men's tailoring and non-apparel again performed strongly, as did new merchandising strategies in soft accessories.

Within the comparable store sales growth, there was strong mainline growth in the UK, France, Germany and Greater China, while Italy and Korea remained weaker markets. Mainland China delivered double-digit comparable growth, with particular strength in Beijing. Two large flagships in London and Chicago are due to reopen later this year.

During the first quarter, Burberry opened six mainline stores including the fourth store in Brazil (JK Iguatemi mall in São Paulo) and Russell Street in Hong Kong, and closed two. In the year to 31 March 2013, a 12-14% increase in average retail selling space is planned, with a shift from smaller to larger format stores.

Wholesale

Wholesale revenue in the first quarter increased by 9% on an underlying basis (up 8% at reported FX), with some re-phasing of deliveries, mainly in Europe, into the first quarter from the second quarter.

This performance is consistent with guidance of a mid single-digit percentage increase in underlying wholesale revenue for the six months to 30 September 2012. Further rationalisation of the brand's distribution in both Europe and the United States is planned in this period. Double-digit percentage growth is expected in key US department store doors and Emerging Markets franchise partners.

Licensing

Total licensing revenue in the first quarter decreased by 5% on an underlying basis (down 2% at reported FX). Global product licences again delivered double-digit growth. Japanese apparel royalty income was broadly unchanged while Japanese non-apparel income was down, largely reflecting the termination of certain licences in June 2011. In the year to 31 March 2013, Burberry continues to expect licensing revenue at constant and reported exchange rates to be broadly unchanged year-on-year.

Discussions continue between Burberry and Interparfums regarding the potential establishment of a new operating model for the Burberry fragrance and beauty business.

Financial position

Except for the trading activities described above, there has been no significant change to the financial position of the company.

Enquiries

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There will be a conference call for investors and analysts to discuss this update today at 9am (UK time). The conference call can be accessed live on the Burberry website (www.burberryplc.com), with a replay available later.

Burberry will release its First Half Trading Update for the six months to 30 September 2012 on 11 October 2012. It will announce its Interim Results for the six months to 30 September 2012 on 7 November 2012.

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. 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.

Notes to editors

- Burberry is a global luxury brand with a distinctive British heritage, core outerwear and large leather goods base and some of the most recognised icons in the world.
- Burberry designs and sources apparel and accessories, selling through a diversified network of retail (including digital), wholesale and licensing channels worldwide.
- Burberry has five strategic themes to underpin its growth: leverage the franchise; intensify non-apparel; accelerate retail-led growth; invest in under-penetrated markets; and pursue operational excellence.
- At 30 June 2012, Burberry globally had 196 retail stores, 207 concessions, 48 outlets and 58 franchise stores.
- Burberry, which is headquartered in London, was founded in 1856. It is listed on the London Stock Exchange (BRBY.L) and is a constituent of the FTSE 100 index.
- BURBERRY, the Equestrian Knight Device and the Burberry Check are trademarks belonging to Burberry which are registered and enforced worldwide.