

BURBERRY

PRELIMINARY RESULTS
FOR THE YEAR ENDED
31 MARCH 2010

FINANCIAL REVIEW

—

GROWING MENSWEAR

—

STRATEGIC UPDATE

**RETAIL-LED GROWTH
UNDER-PENETRATED MARKETS**

—

QUESTIONS

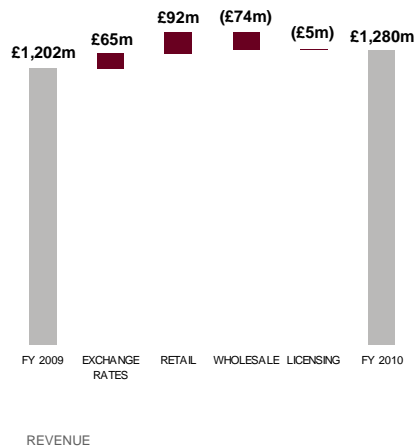
INTRODUCTION

- **RECORD PROFITS**
 - Adjusted PBT of £215m, up 23%
 - Inventory down 36%
 - £262m cash at year end
 - Dividend up 17%
- **CONSISTENT EXECUTION OF STRATEGIES IN 2009/10**
 - Digital initiatives
 - Runway show back to London
 - Burberry Brit relabelling
 - Purified brand
 - Cost efficiency programme
- **REASSERT GROWTH AGENDA IN 2010/11**
 - Real estate
 - Start-up regions
 - Digital initiatives
 - Product and corporate initiatives
- **WHILE FURTHER CORRECTING LEGACY ISSUES**



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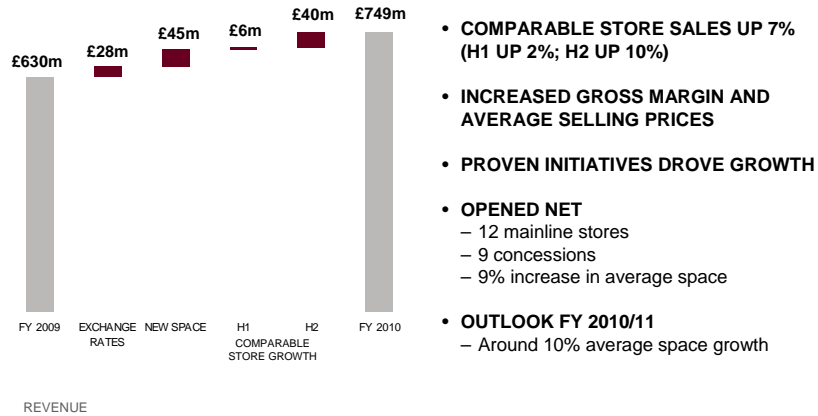
TOTAL REVENUE UP 7%



- **TOTAL REVENUE UP 1% UNDERLYING**
 - H1 down 5%
 - H2 up 6%
- **RETAIL**
 - 58% of sales
 - 15% underlying growth
- **WHOLESALE**
 - 34% of sales
 - 15% underlying decline
- **LICENSING**
 - 8% of sales
 - 6% underlying decline, as guided

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RETAIL REVENUE UP 15%*



- **COMPARABLE STORE SALES UP 7%**
(H1 UP 2%; H2 UP 10%)
- **INCREASED GROSS MARGIN AND AVERAGE SELLING PRICES**
- **PROVEN INITIATIVES DROVE GROWTH**
- **OPENED NET**
 - 12 mainline stores
 - 9 concessions
 - 9% increase in average space
- **OUTLOOK FY 2010/11**
 - Around 10% average space growth

* UNDERLYING

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EMBRACING DIGITAL

- **SOCIAL MEDIA DRIVING AWARENESS AND REACH**
- **INNOVATION AROUND RUNWAY SHOWS**
- **E-COMMERCE SALES UP 60%**

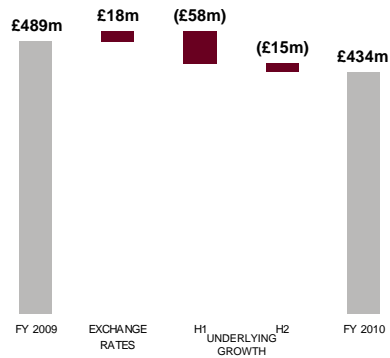


THE VISION OF CATWALK TO CONSUMER VIA CYBERSPACE HAS BECOME A REALITY AND THIS SHOW MAY HERALD A NEW 21ST CENTURY USE OF THE RUNWAY

IHT, FEBRUARY 2010

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WHOLESALE DOWN 15%*



REVENUE

* UNDERLYING

- **IMPROVED PERFORMANCE IN H2 (H1 DOWN 23%; H2 DOWN 6%)**

- **IMPACTED BY OWN ACTIONS**

- Closing Thomas Burberry
- Closing high margin European specialty accounts
- Global collection up mid-single digits in H2

- **INVESTMENT IN SUPPLY CHAIN FACILITATES OUTPERFORMANCE**

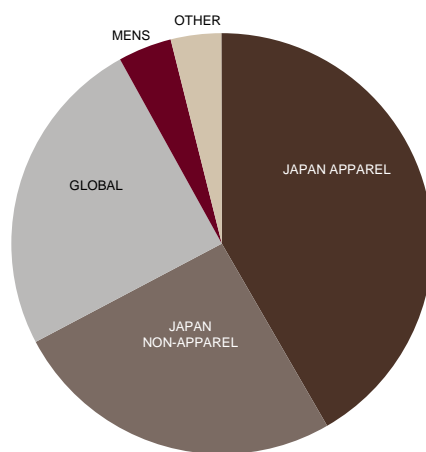
- In-season orders increase
- Cancellations decrease

- **OUTLOOK H1 2010/11**

- Up high teens underlying excluding Spain
- Up around 10% underlying including Spain

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LICENSING DOWN 6%*



FY2009/10 REVENUE

* UNDERLYING

- **LICENSING UP 18% REPORTED**

- Benefit from hedged Yen rate at ¥154:£1 (2009: ¥213:£1)

- **TWO-THIRDS OF ROYALTY INCOME FROM JAPAN**

- Weak department store sales
- Apparel licence amended
- Exited leather goods licence

- **GLOBAL LICENCES BROADLY FLAT**

- **MENSWEAR**

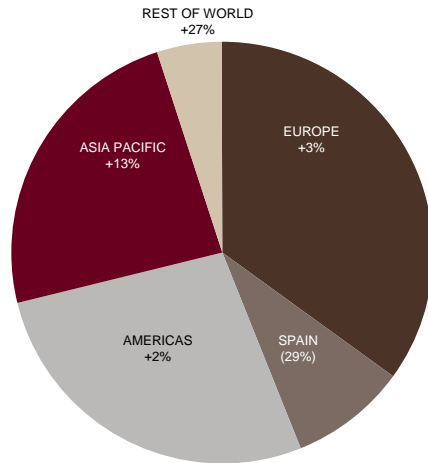
- Further non-renewals

- **OUTLOOK FY 2010/11**

- Underlying decline of 5-10%
- Marginal benefit from Yen hedge rate

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REVENUE BY REGION

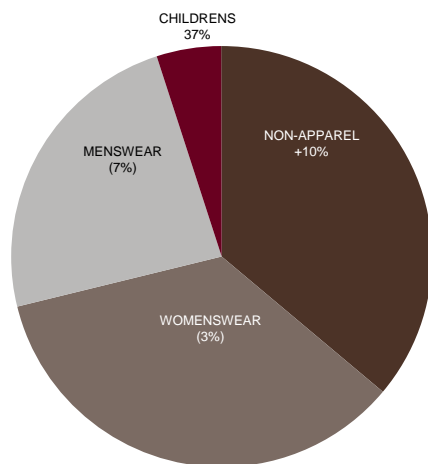


FY 2009/10 RETAIL/WHOLESALE REVENUE
% growth on an underlying basis

- **SPAIN 9% OF SALES**
 - Restructuring underway
- **ASIA PACIFIC 24% OF SALES**
 - Hong Kong and Korea strong
 - China franchise performed well
- **EUROPE 35% OF SALES**
 - UK retail strong
 - Reduced wholesale accounts by about one-third in last two years
- **AMERICAS 27% OF SALES**
 - H2 comp store sales recovered
 - Americas wholesale under-penetrated, only 7% of group sales

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REVENUE BY PRODUCT CATEGORY



FY 2009/10 RETAIL/WHOLESALE REVENUE
% growth on an underlying basis

- **NON-APPAREL 36% OF SALES**
 - Now largest product category
- **WOMENS AND MENS APPAREL**
 - Grew in retail
 - Impacted by wholesale destocking
 - Outerwear about half of sales
 - Positive reaction to Burberry London/Brit segmentation
- **CHILDRENSWEAR 5% OF SALES**
 - Strengthened team
 - Relocated to London
 - Goal is 10% of sales

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STACEY CARTWRIGHT
EVP, CHIEF FINANCIAL OFFICER

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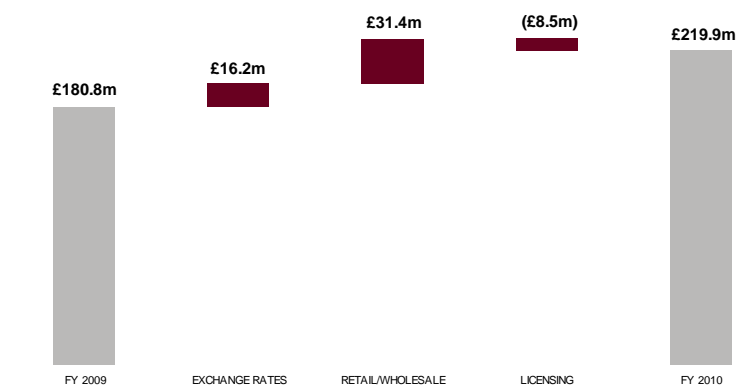
FINANCIAL HIGHLIGHTS

12 MONTHS TO 31 MARCH	2010 £M	2009 £M	CHANGE
REVENUE	1,280	1,202	7%
ADJUSTED PBT*	214.8	174.6	23%
REPORTED PBT	166.0	(16.1)	-
ADJUSTED DILUTED EPS*	35.1p	30.2p	16%
DIVIDEND PER SHARE	14.0p	12.0p	17%
NET CASH	262.0	7.6	-

* SEE APPENDIX FOR DEFINITION OF ADJUSTED

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ADJUSTED OPERATING PROFIT £220M



ADJUSTED OPERATING PROFIT*

* SEE APPENDIX FOR DEFINITION OF ADJUSTED

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LICENSING PROFIT

12 MONTHS TO 31 MARCH	2010 £M	2009 £M	CHANGE AT CONSTANT CURRENCY
REVENUE	97.5	82.6	(6%)
GROSS MARGIN AT 100%	97.5	82.6	(6%)
OPERATING EXPENSES	(15.3)	(11.9)	(31%)
OPERATING PROFIT	82.2	70.7	(12%)
<i>OPERATING MARGIN</i>	<i>84.3%</i>	<i>85.6%</i>	

2010 INCLUDES FX BENEFIT OF £19.7M IN REVENUE AND £0.3M IN OPEX

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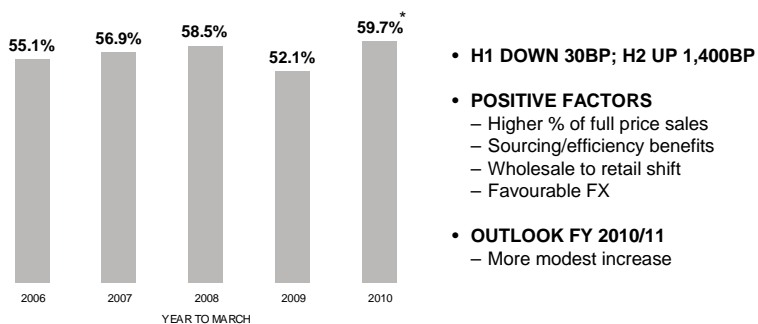
RETAIL/WHOLESALE PROFIT

12 MONTHS TO 31 MARCH	2010 £M	2009 £M	CHANGE
REVENUE	1,182.4	1,118.9	
GROSS MARGIN	706.5	583.2	
<i>AS % OF REVENUE</i>	<i>59.7%</i>	<i>52.1%</i>	<i>760bp</i>
OPERATING EXPENSES	(568.8)	(473.1)	
<i>AS % OF REVENUE</i>	<i>(48.1%)</i>	<i>(42.3%)</i>	<i>(580bp)</i>
ADJUSTED OPERATING PROFIT	137.7	110.1	
<i>AS % OF REVENUE</i>	<i>11.6%</i>	<i>9.8%</i>	<i>180bp</i>

EXCLUDING SPAIN, OPERATING MARGIN IN 2010 WAS 12.7%

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RETAIL/WHOLESALE GROSS MARGIN UP 760BP



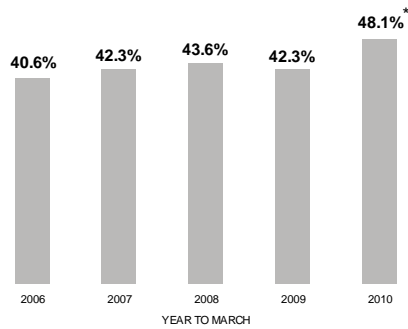
- **H1 DOWN 30BP; H2 UP 1,400BP**
- **POSITIVE FACTORS**
 - Higher % of full price sales
 - Sourcing/efficiency benefits
 - Wholesale to retail shift
 - Favourable FX
- **OUTLOOK FY 2010/11**
 - More modest increase

RETAIL/WHOLESALE GROSS MARGIN

* 61.0% EXCLUDING SPAIN

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RETAIL/WHOLESALE OPERATING EXPENSES/SALES UP 580BP



- **OPEX/SALES AT 48.1% AS GUIDED**
- **ABOUT £30M BENEFITS FROM COST EFFICIENCY PROGRAMME**
- **OFFSET BY**
 - Reinstatement of bonus/share scheme costs
 - Negative FX
 - Shift to retail
 - Continued investment
- **OUTLOOK FY 2010/11**
 - Around 50% of sales

RETAIL/WHOLESALE OPERATING EXPENSES/REVENUE

* 48.3% EXCLUDING SPAIN

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SPAIN RESTRUCTURING

- **RESTRUCTURING ANNOUNCED FEBRUARY 2010 TO MOVE SPAIN TO GLOBAL BUSINESS MODEL**
 - Global collection from SS11
 - Cease local collection after AW10
 - Close Barcelona facility with about 300 redundancies
- **RESTRUCTURING CHARGE OF EURO 50-70M**
 - P&L charge of £45m in 2009/10; c.£15m expected in 2010/11
 - Total cash spend of £6m in 2009/10; c.£30m expected in 2010/11
- **TRADING LOSSES**
 - Breakeven on affected sales of £95m in 2009/10
 - Loss of around £10m expected on sales of c.£50m in transition year 2010/11
 - Modest profit on lower sales in 2011/12

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INCOME STATEMENT

12 MONTHS TO 31 MARCH	2010 £M	2009 £M
ADJUSTED OPERATING PROFIT	219.9	180.8
NET FINANCE CHARGE	(5.1)	(6.2)
ADJUSTED PBT	214.8	174.6
EXCEPTIONAL ITEMS	(48.8)	(190.7)
TAXATION	(83.8)	11.0
MINORITY INTERESTS	(0.8)	(0.9)
ATTRIBUTABLE PROFIT/(LOSS)	81.4	(6.0)

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TAXATION

12 MONTHS TO 31 MARCH 2010	PBT £M	TAX (CHARGE)/ CREDIT £M	TAX RATE %
ADJUSTED	214.8	(58.8)	27.4%
EXCEPTIONAL ITEMS	(48.8)	14.6	
DEFERRED TAX WRITE-OFF	-	(39.6)	
REPORTED	166.0	(83.8)	

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CASH FLOW FROM OPERATIONS

12 MONTHS TO 31 MARCH	2010 £M	2009 £M
ADJUSTED OPERATING PROFIT	219.9	180.8
RESTRUCTURING SPEND	(26.7)	(15.8)
DEPRECIATION AND AMORTISATION	52.3	45.1
EMPLOYEE SHARE SCHEME COSTS	18.1	4.5
DECREASE IN INVENTORIES	80.3	48.8
DECREASE IN RECEIVABLES	49.4	2.1
INCREASE/(DECREASE) IN PAYABLES	33.9	(36.0)
CASH INFLOW FROM OPERATIONS	427.2	229.5

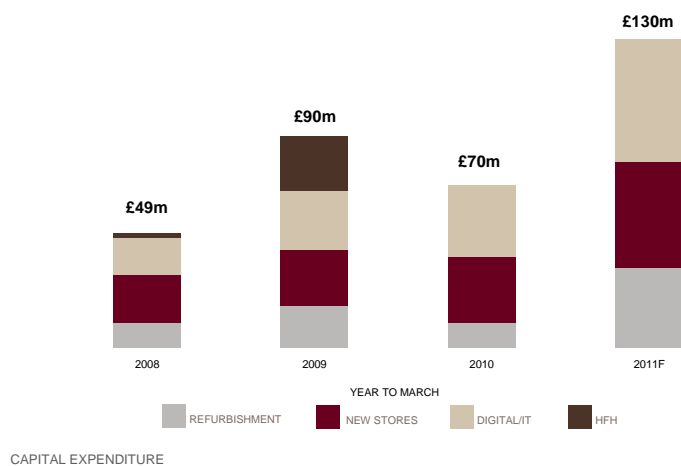
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FREE CASH FLOW

12 MONTHS TO 31 MARCH	2010 £M	2009 £M
CASH INFLOW FROM OPERATIONS	427.2	229.5
CAPITAL EXPENDITURE	(69.9)	(89.9)
ACQUISITION/JV PAYMENTS	5.4	(0.3)
NET INTEREST PAID	(5.0)	(5.9)
TAX PAID	(51.3)	(26.3)
OTHER NON-CASH ITEMS	(1.6)	12.6
FREE CASH FLOW	304.8	119.7

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CAPITAL EXPENDITURE



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TOTAL CASH FLOW

12 MONTHS TO 31 MARCH	2010 £M	2009 £M
FREE CASH FLOW	304.8	119.7
DIVIDENDS	(52.5)	(51.7)
OTHER CASH	(3.3)	0.5
EXCHANGE DIFFERENCE	5.4	3.3
TOTAL CASH FLOW	254.4	71.8
NET CASH AT 31 MARCH	262.0	7.6

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OUTLOOK

RETAIL	FY 2010/11 average space growth – Up around 10%
WHOLESALE	H1 2010/11 at constant currency – Up high teens percentage excluding Spain – Up around 10% including Spain
LICENSING	FY 2010/11 at constant currency – Down between 5-10% – Marginal benefit from Yen hedge rate
CAPITAL EXPENDITURE	Around £130m
UNDERLYING TAX RATE	c.28%

BURBERRY

ANDREW MAAG

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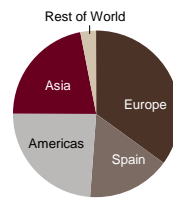
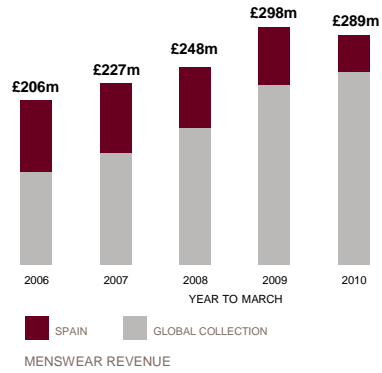
INTRODUCTION

- **FROM LICENSED BUSINESS TO FULLY INTEGRATED TEAM**
- **BUILDING ON OUR MENSWEAR HERITAGE**
- **DRIVEN BY EXECUTION OF PROVEN GROUP WIDE STRATEGIES AND INITIATIVES**

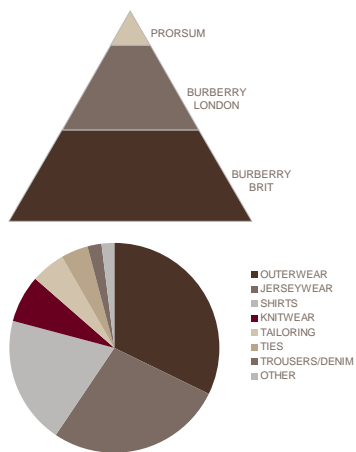


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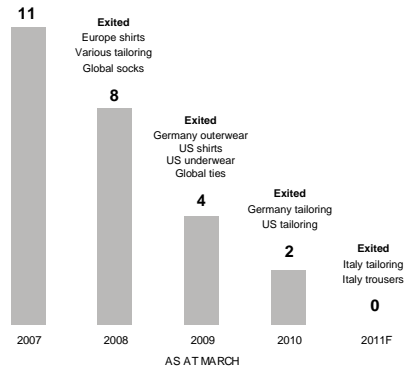
MENSWEAR A KEY GROWTH INITIATIVE



MENSWEAR PRODUCT MIX



EXITING MENSWEAR LICENCES



NUMBER OF MENSWEAR LICENCES

- **HISTORICALLY**
 - 11 licences
 - Outerwear, tailoring and casual
 - Global and country specific
 - Confusing mix
 - Conflicting pricing
 - Inconsistent quality and distribution
- **TODAY A PURE COLLECTION**
 - Exited all licences
 - Repositioning as modern luxury
 - Unique strengths
 - Supported by focused corporate and marketing resources

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GROWING MENSWEAR



RYAN SEACREST



DANIEL CRAIG



ORLANDO BLOOM

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GROWING OUTERWEAR

- **OUTERWEAR OUR CORE**
- **UNDER-PENETRATED RELATIVE TO WOMENSWEAR**
 - Outerwear is 40% of mens retail sales
 - Outerwear is 60% of womens retail sales
- **DRIVE PENETRATION**
 - Strong branding platforms
 - Broadened offer
 - Product innovation
 - Marketing
- **ORDERS UP 20%***



* SS10 PLUS AW10 OVER PREVIOUS YEAR

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GROWING TAILORING

- **TAILORING UNDERPINS BURBERRY LONDON**
 - Modern luxury wear to work offer
 - Anchored by Burberry Beat check
- **PARTNER WITH WORLD CLASS VENDORS**
 - Originally Prorsum only
 - All suits made in Italy
- **SMALL BUT FAST GROWING**
 - Orders up nearly 50%*



* SS10 PLUS AW10 OVER PREVIOUS YEAR

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REPOSITIONING BURBERRY BRIT

- **TO BE TOP OF MIND FOR YOUNG LUXURY CUSTOMER**
 - Outerwear
 - Denim
 - Sport
- **APPLIED PROVEN STRATEGIES**
 - Elevated iconic check
- **DENIM IS KEY INITIATIVE**
 - Invested in infrastructure
 - Currently c.5% of Burberry Brit sales
 - Goal is 15%
- **BURBERRY SPORT GROWING STRONGLY**
 - Leverage media spend on fragrance launch



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APPLYING OPERATIONAL EXCELLENCE

- **REBUILT ORGANISATION**
 - Integrated team of specialists
- **APPLIED GROUP WIDE INITIATIVES**
 - SAP data
 - Global buy
 - Improved delivery capabilities
 - Improved processes to satisfy in-season orders



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BUILD ON MENSWEAR HERITAGE

—

PURIFIED MENSWEAR OFFER

—

GROWTH OPPORTUNITIES

**OUTERWEAR, TAILORING,
DENIM, SPORT**

—

SCOPE TO DOUBLE SALES OVER TIME

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BURBERRY

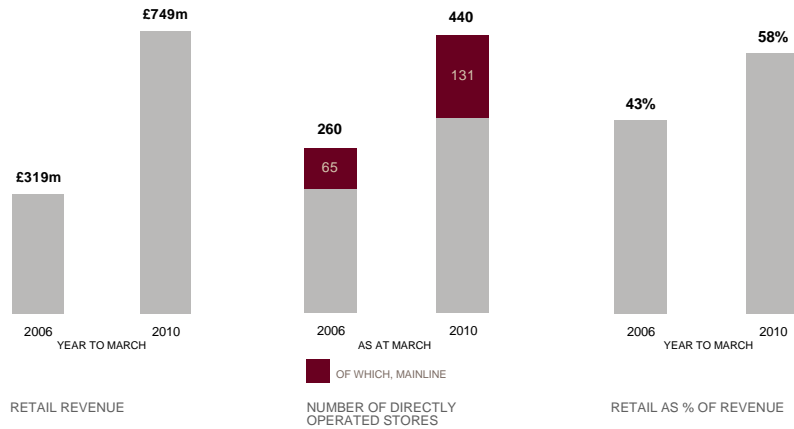
ANGELA AHRENDTS
—
CHIEF EXECUTIVE OFFICER

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LEVERAGING THE FRANCHISE
—
**INTENSIFYING NON-APPAREL
DEVELOPMENT**
—
**ACCELERATING RETAIL-LED
GROWTH**
—
**INVESTING IN
UNDER-PENETRATED MARKETS**
—
**PURSUING OPERATIONAL
EXCELLENCE**

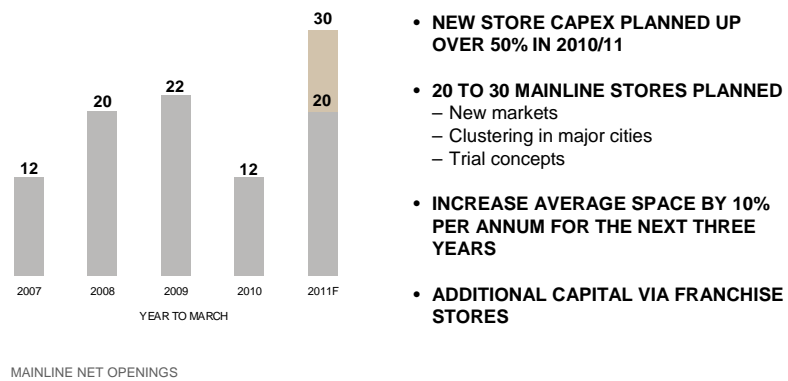
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ACCELERATING RETAIL-LED GROWTH



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ADDING NEW SPACE



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ADDING NEW SPACE



ION ORCHARD, SINGAPORE



BURBERRY BRIT, 444 MADISON AVENUE



OMOTESANDO, TOKYO



CHILDRENSWEAR, DUBAI

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IMPROVING SALES PRODUCTIVITY

- **BURBERRY EXPERIENCE**
 - Near 10% improvement in customer experience
 - Developing client services team to look after VIP customers globally
- **INCREASED FREQUENCY OF NEW PRODUCTS TO STORES**
 - April Showers designed in January; in store three months later
 - 10-15% contribution to sales
- **ACCELERATE STORE RENOVATIONS**
 - About half of portfolio in latest concept
 - Trebling refurbishment spend in 2010/11 to catch up



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INVESTING IN UNDER-PENETRATED MARKETS

- **SOUTH AND CENTRAL AMERICA**
 - Six people in HQ
 - First store opened in Brasilia
 - About four more planned in 2010/11
- **INDIA**
 - Nine people in HQ
 - Three stores currently
 - Mumbai opening shortly
 - Increase investment in marketing across all media
- **JAPAN NON-APPAREL JV**
 - Over 30 people in HQ
 - Two stores and nine concessions today
 - Up to 10 more planned in 2010/11
 - Stopped domestic premium handbag licence
- **£5M INCREASE IN START-UP LOSSES PLANNED IN 2010/11**



BRASILIA



MUMBAI

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RECORD PROFITS

—

NET CASH OF £262M

—

DIVIDEND UP 17%

—

**REASSERT GROWTH AGENDA IN
2010/2011**

—

ACCELERATE INVESTMENT

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BURBERRY

APPENDIX

ADJUSTED PROFIT

“Adjusted” refers to profitability measures (pre and post tax) calculated excluding:

1. Restructuring costs of £48.8m in 2010 (2009: £54.9m) relating to the Spanish restructuring and the Group’s cost efficiency programme.
2. Impairment charges of £129.6m in 2009 relating to Spanish goodwill (£116.2m) and stores (£13.4m).
3. Credit of £1.7m in 2009 representing negative goodwill on the formation of the Burberry Middle East joint venture.
4. Impact of deferred tax write-off in 2010 (£39.6m, comprising £27.3m of prior years’ assets and £12.3m of 2009/10 tax losses not recognised) and one-off tax credits in 2009 (£32.6m).
5. Net charge of £7.9m in 2009 relating to the relocation of global headquarters.

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

Certain statements made in this presentation are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements.

This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Burberry Group plc shares. Past performance is not a guide to future performance and persons needing advice should consult an independent financial adviser.

RESTATEMENT OF 2009/10 TO EXCLUDE SPAIN

FULL YEAR TO 31 MARCH 2010	AS REPORTED £M	SPAIN*	EXCLUDING SPAIN £M
RETAIL/WHOLESALE			
REVENUE	1,182.4	94.8	1,087.6
COST OF SALES	(475.9)	(52.0)	(423.9)
GROSS MARGIN	706.5	42.8	663.7
<i>AS % OF REVENUE</i>	59.7%	45.1%	61.0%
OPERATING EXPENSES	(568.8)	(42.8)	(526.0)
<i>AS % OF REVENUE</i>	48.1%	45.1%	48.3%
ADJUSTED RETAIL/WHOLESALE OPERATING PROFIT	137.7	0.0	137.7
<i>ADJUSTED OPERATING MARGIN</i>	11.6%	-	12.7%
LICENSING PROFIT	82.2	0.0	82.2
ADJUSTED OPERATING PROFIT	219.9	0.0	219.9

* SPAIN REVENUE SPLIT £39M RETAIL, £56M WHOLESALE

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IR CONTACTS

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