BURBERRY

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Interim Results

14th November 2006

John Peace

Chairman

First Half Review

Stacey Cartwright

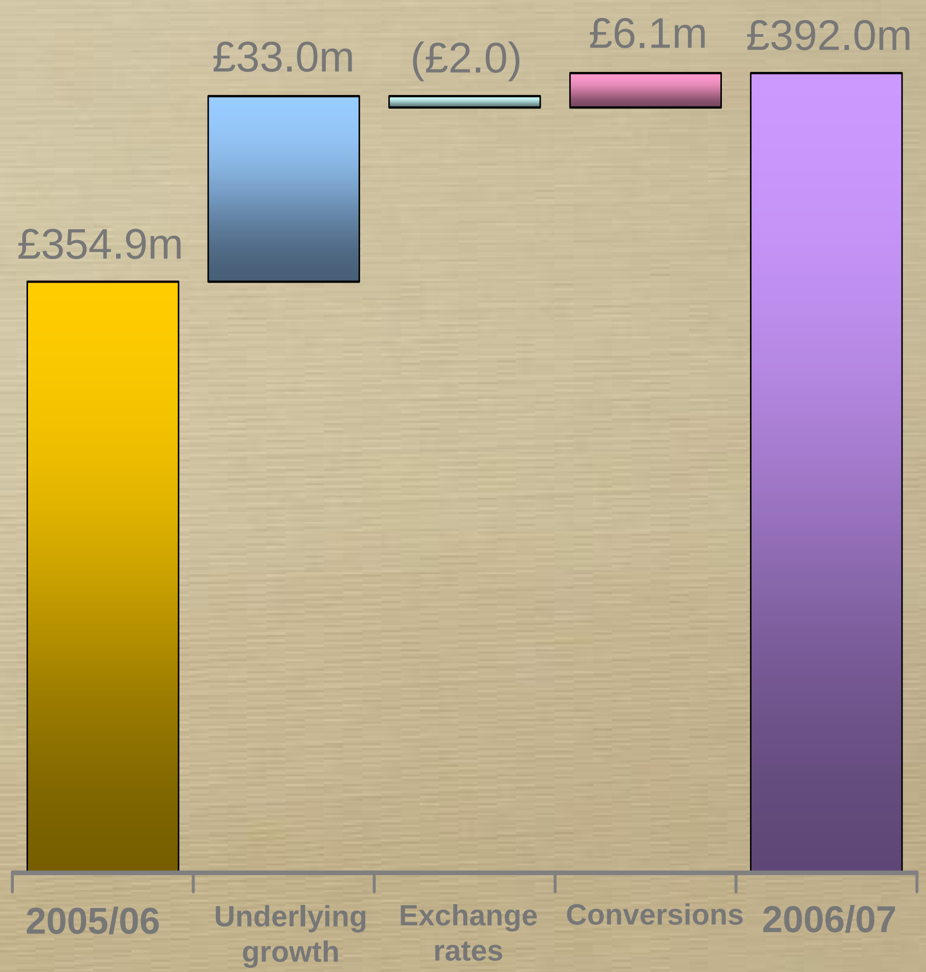
Chief Financial Officer

Financial Highlights
First Half Review

	2006/07 £m	2005/06 £m	Growth
Turnover	392.0	354.9	11%
Operating Profit before Atlas costs	84.2	78.8	7%
Atlas costs	9.6	3.0	-
Diluted EPS before Atlas costs	12.5	11.3	11%
Dividend per share	2.875	2.50	15%

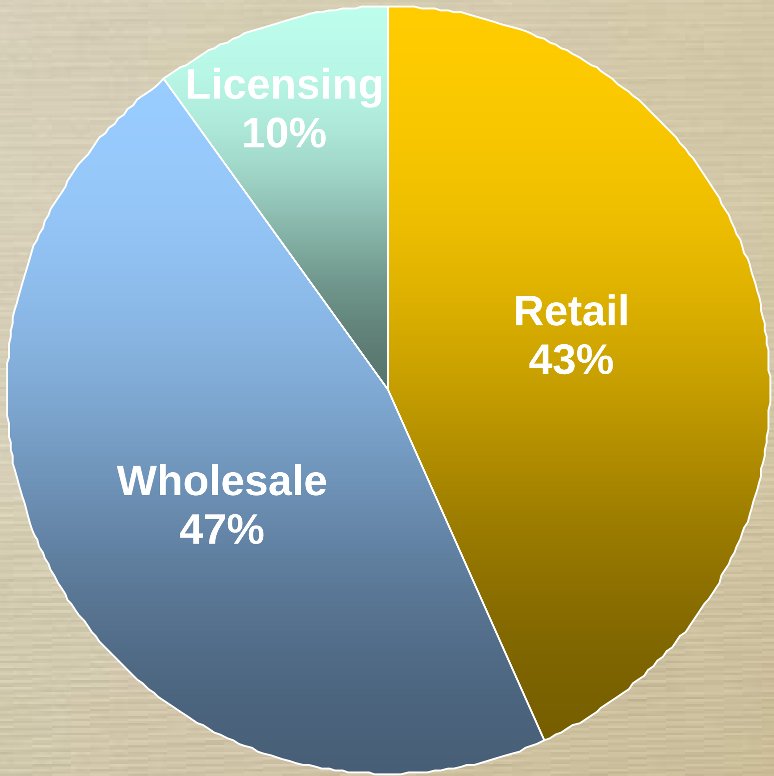
Turnover
First Half Review

- Growth
  - 11% reported
  - 10% underlying

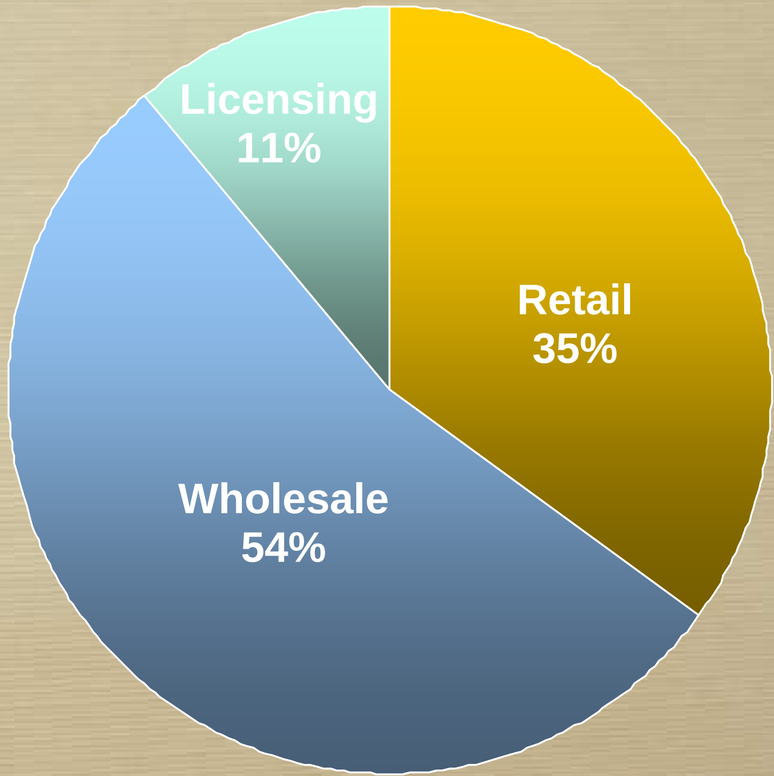


Revenue Channel Shift

First Half Review



2006/07

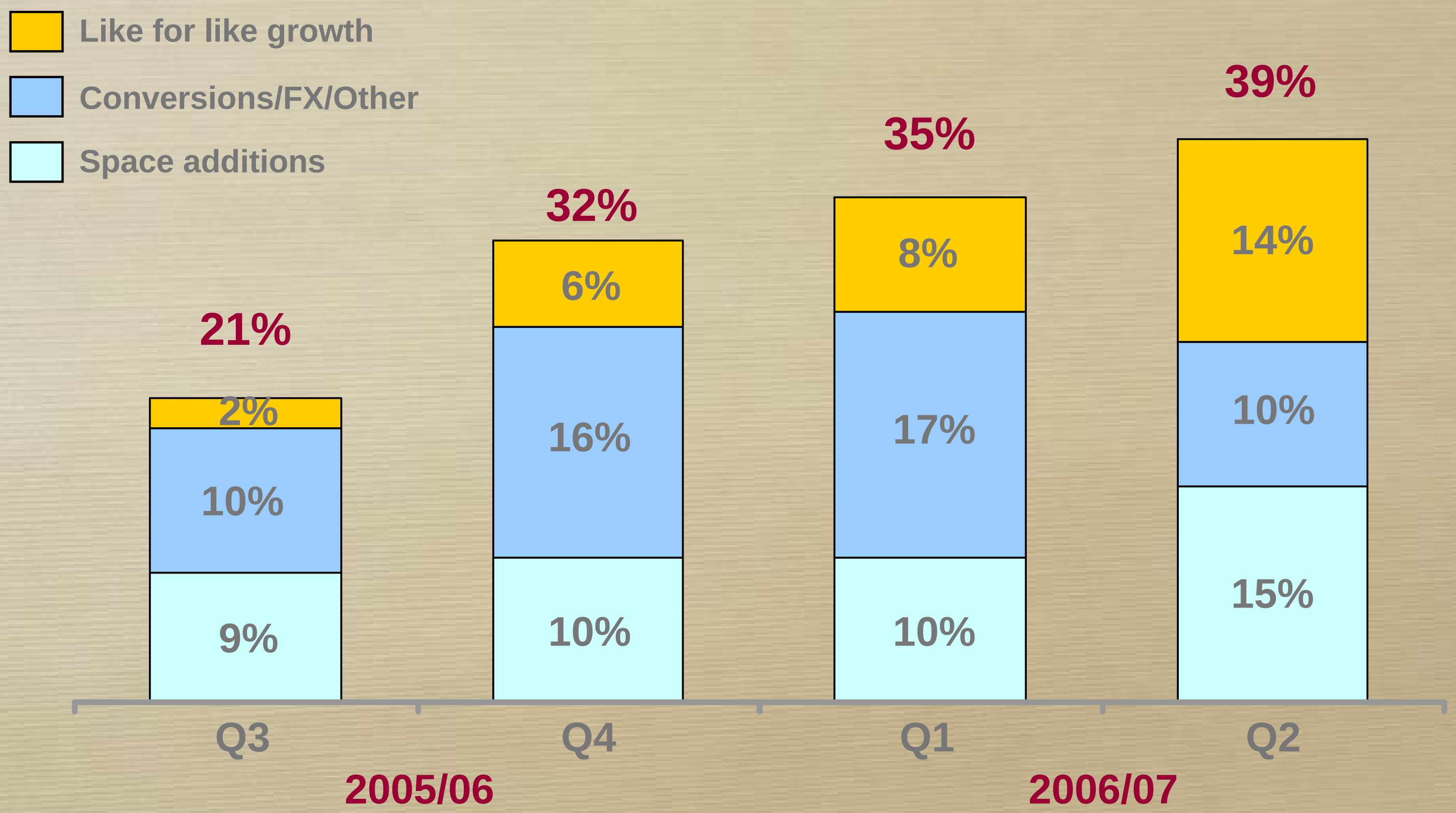


2005/06

Strong Existing Store Performance

First Half Review

Retail Revenue Growth Components



First Half Store Activity

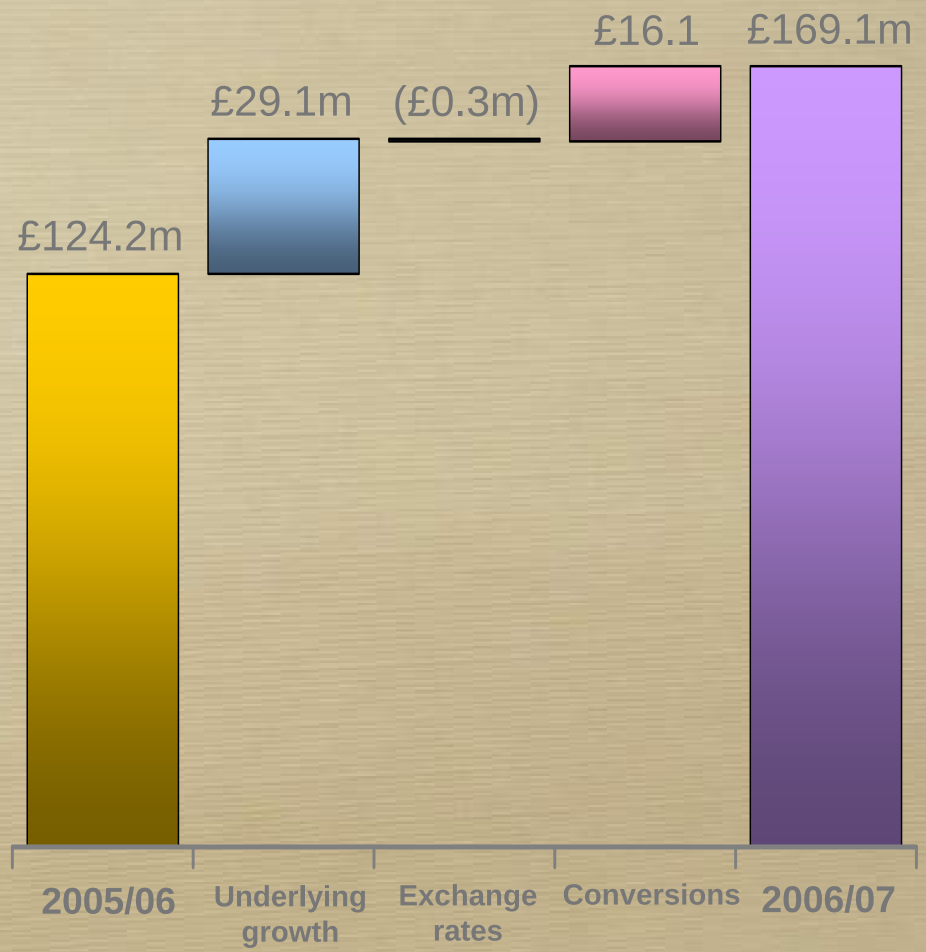
First Half Review

- 13 new openings
- 4 renovations
- 12% space growth
- Channel shift
  - Taiwan
  - Spain concessions

First Half	Second Half
Atlantic City	Topanga
Hackensack	Vienna
Northbrook	Seville
Kansas City	
Madrid	
Sydney	
2 outlets	2 outlets
5 concessions	5 concessions

Retail Revenue
First Half Review

- Growth
  - 36% reported
  - 23% underlying
- 12% space increase
- 11% like for like
- 13% conversion



Wholesale Performance
First Half Review

- Growth constrained
- Performance varied by market

March Market 2006

Spain
First Half Review

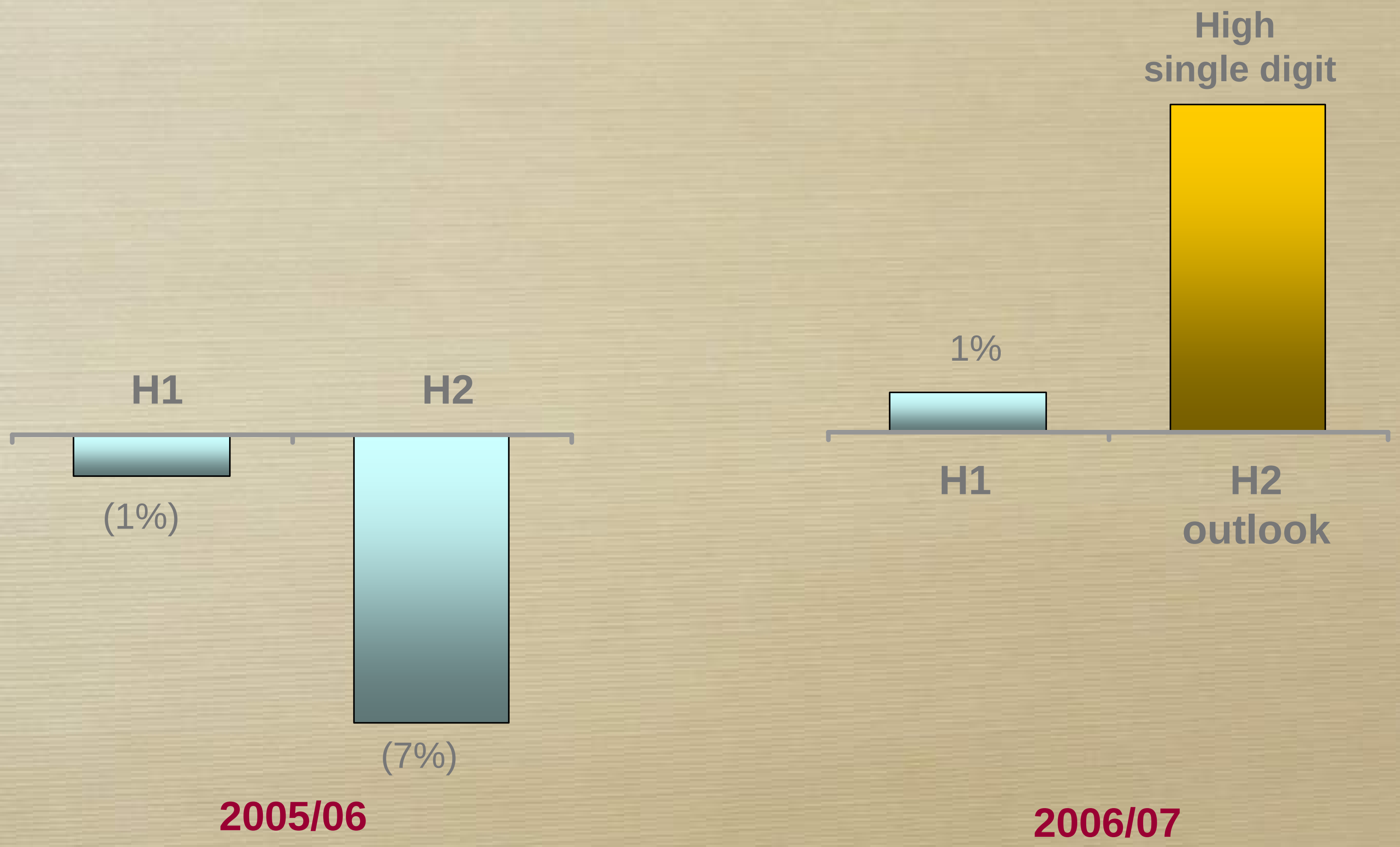
- Channel challenge
- Concessions development
- New stores
  - Madrid 1st half
  - Seville 2nd half
- Seasonal channel shift

Madrid

Wholesale Lagging Indicator

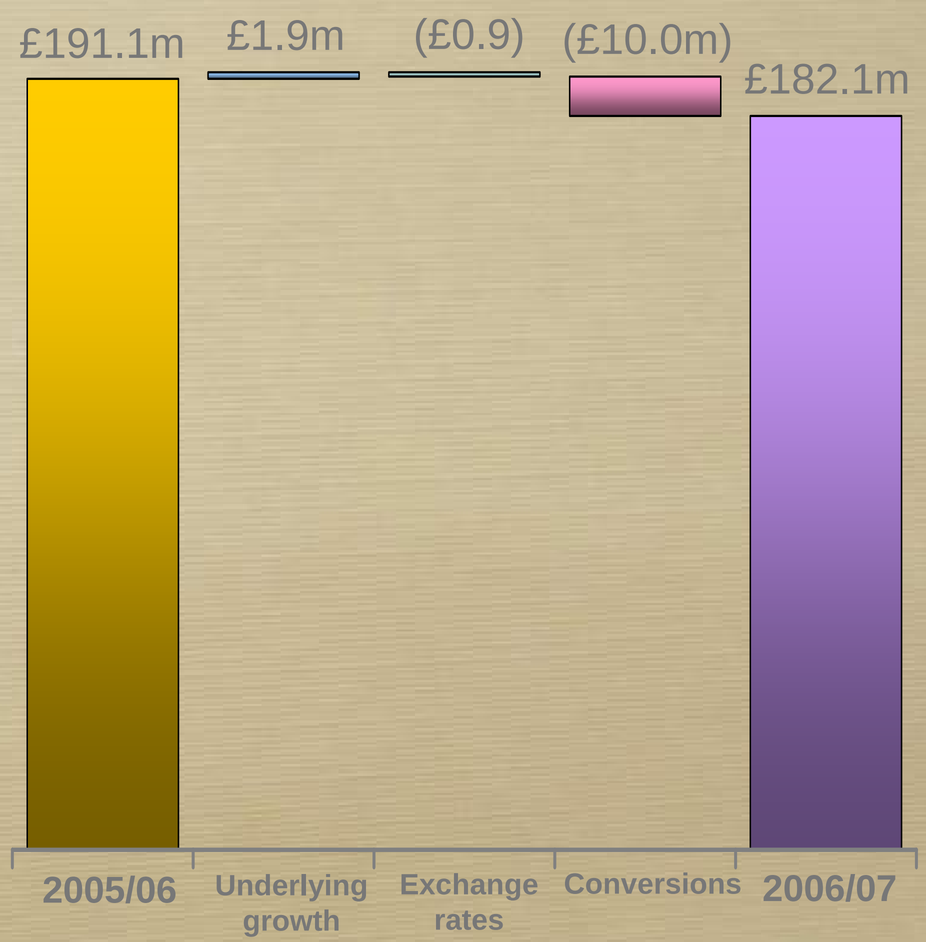
First Half Review

Underlying Wholesale Revenue Growth



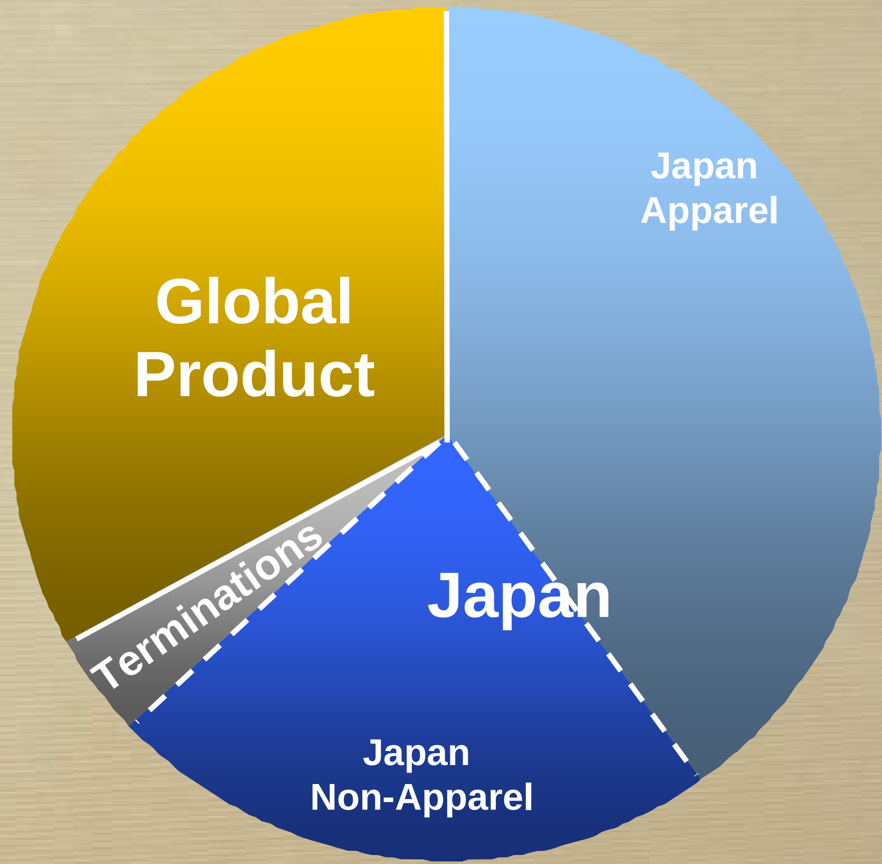
Wholesale Revenue
First Half Review

- Growth
  - down 5% reported
  - up 1% underlying



Licensing Revenue
First Half Review

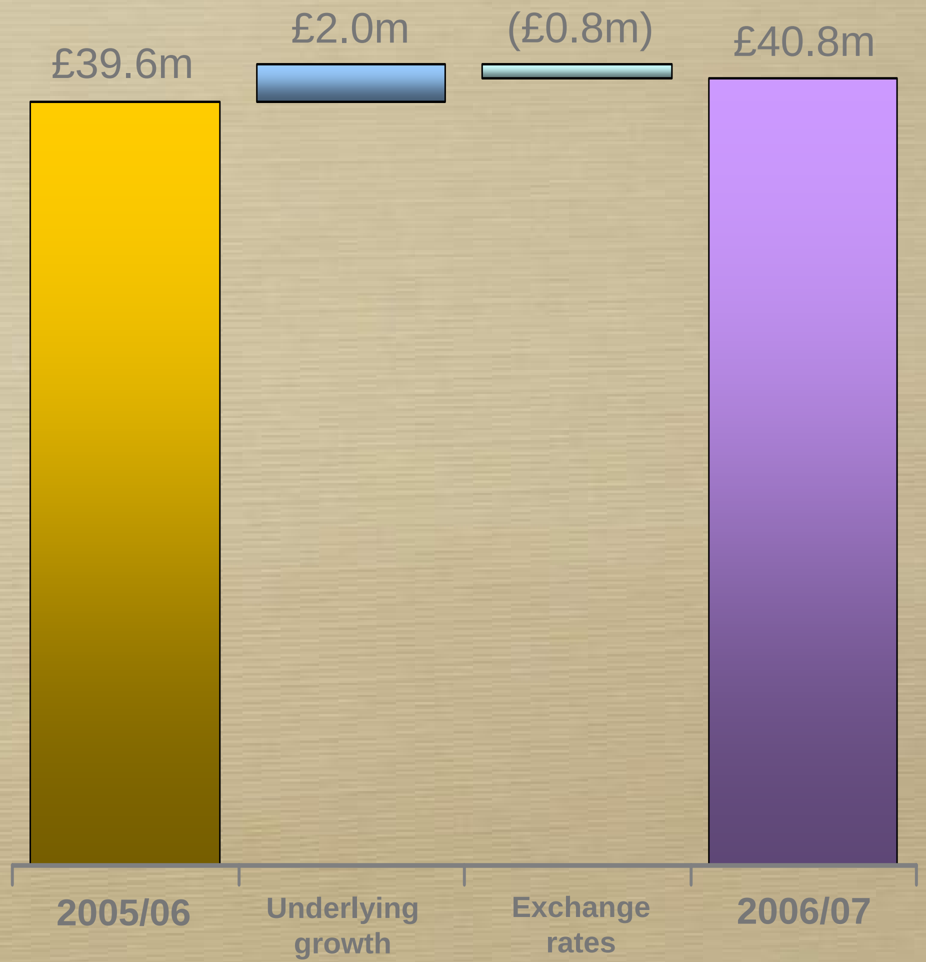
- Japan
  - Ongoing gains offset by terminations
- Global Product
  - Strong performance
  - Fragrance launches



First Half Licensing Revenue
£40.8 million

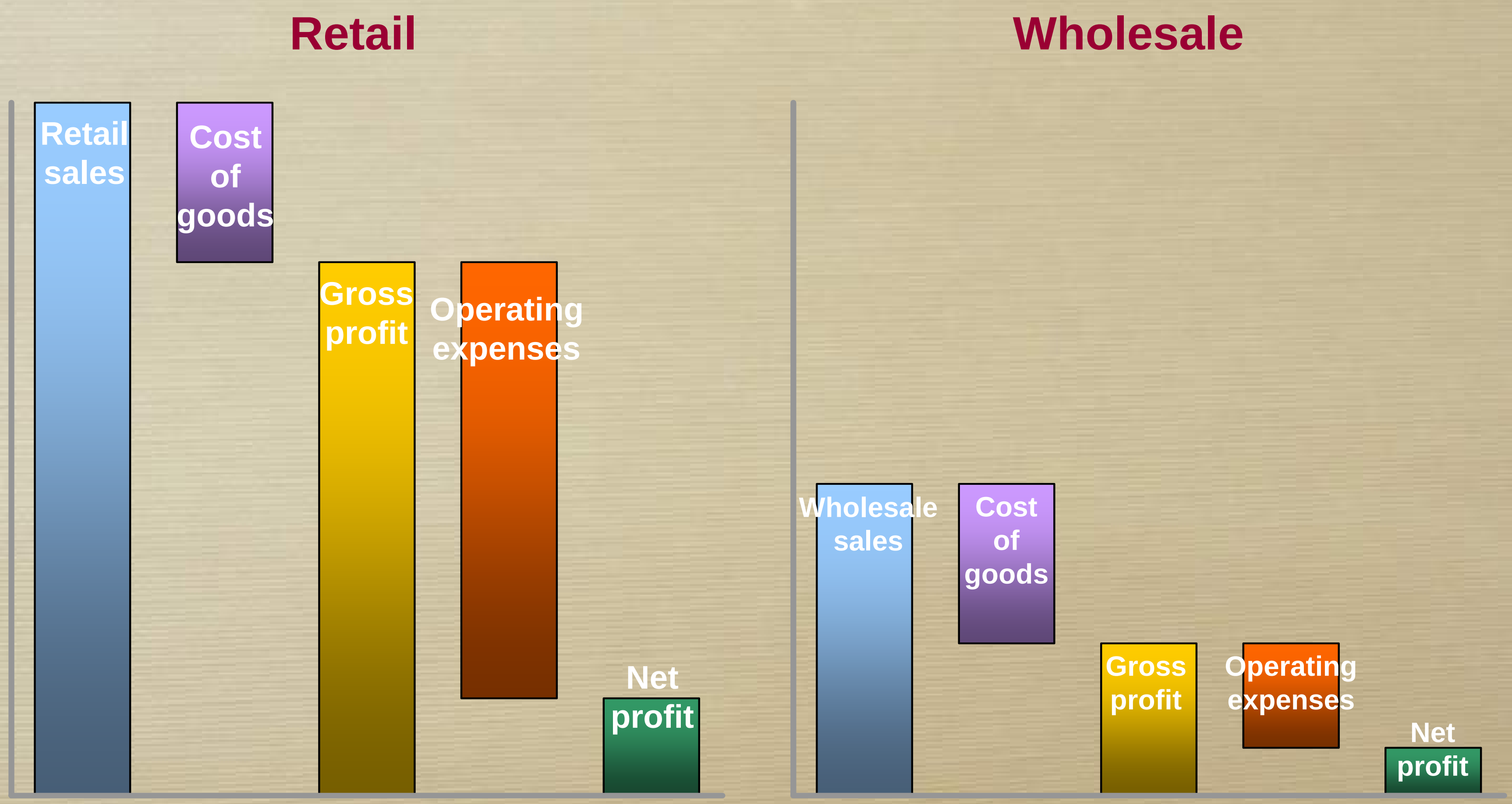
Licensing Revenue
First Half Review

- Growth
  - 3% reported
  - 5% underlying



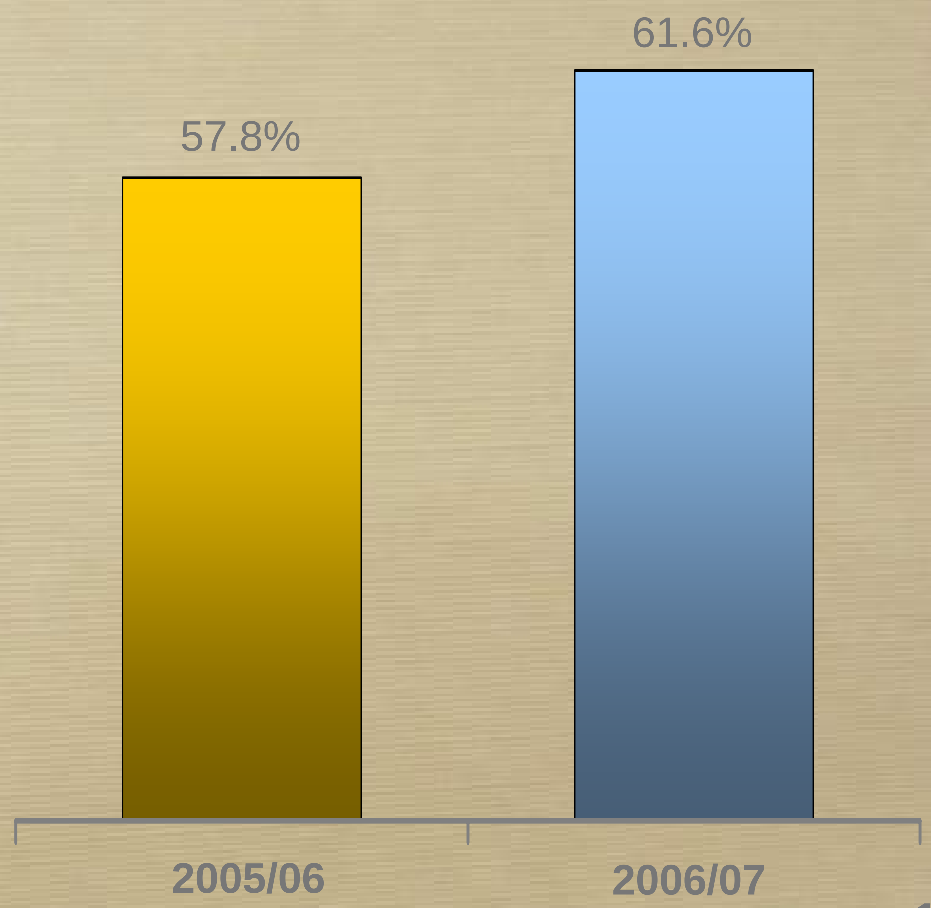
Illustrative Impact of Channel Shift

First Half Review



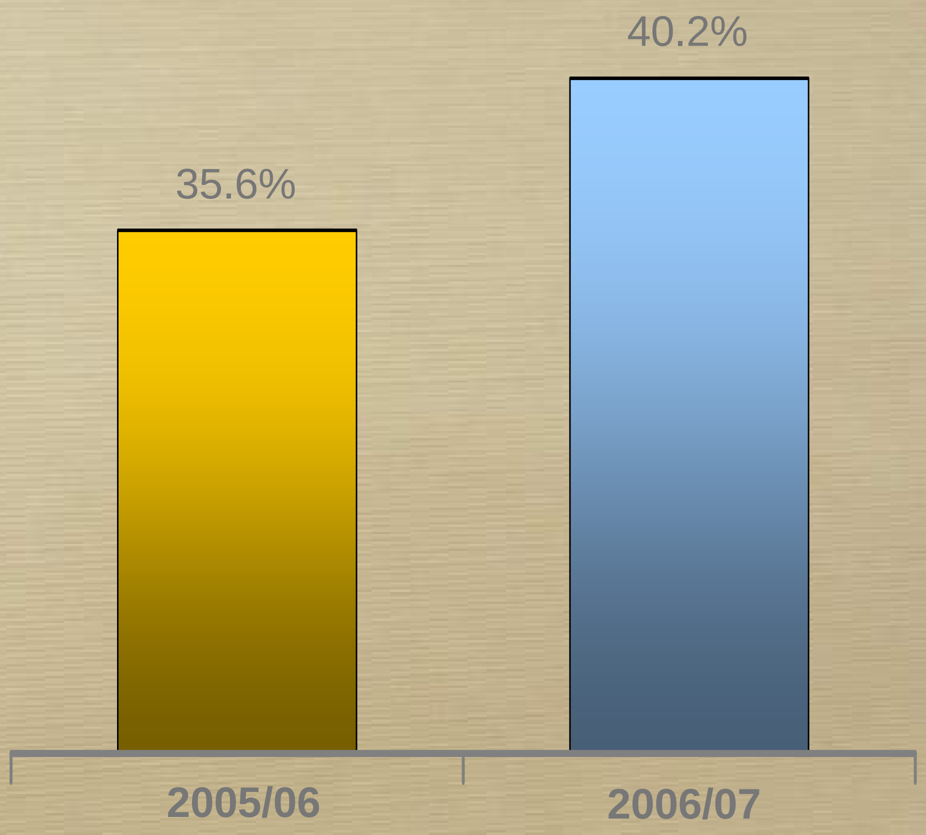
Gross Profit Margin
First Half Review

- Retail mix
- Reduced markdowns



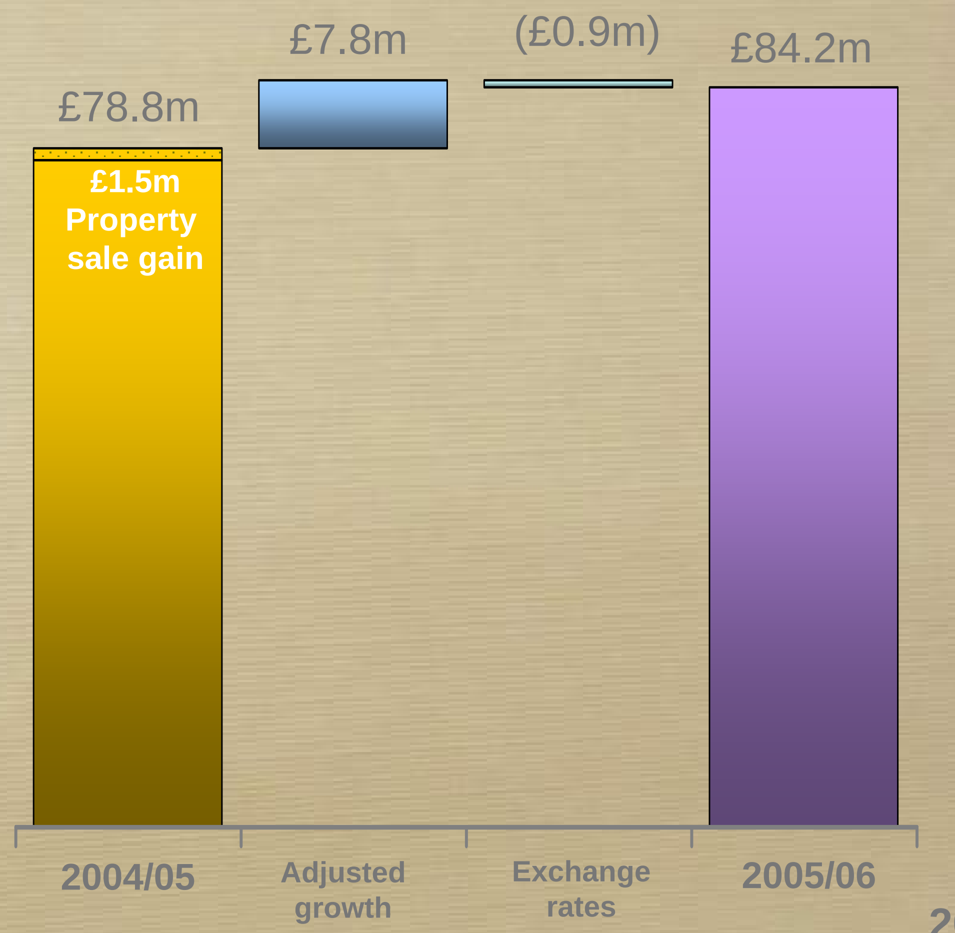
Operating Expenses before Atlas Costs
First Half Review

- Channel mix
- Growth infrastructure



EBIT before Atlas Costs
First Half Review

- Growth:
  - 7% reported
  - 10% adjusted



EBIT Margin
First Half Review

	First Half		Year
	2006/07	2005/06	2005/06
Pre-Atlas Costs			
Retail and Wholesale	**14.0%**	**14.3%**	**14.5%**
Licence	85.8%	85.4%	85.6%
Total	21.5%	22.2%	22.3%
Post Atlas Costs			
Total	19.0%	21.4%	20.8%

Cash Flow from Operations
First Half Review

	2006/07 £m	2005/06 £m
EBIT	84.2	78.8
Project Atlas costs	(9.6)	(3.0)
Depreciation and similar charges	13.1	11.3
Increase in stocks	(10.3)	(9.1)
Increase in debtors	(44.3)	(36.5)
Decrease in creditors	(3.3)	(18.7)
Other	4.8	2.9
Cash inflow from operations	34.6	25.7

Total Cash Flow

First Half Review

	2006/07 £m	2005/06 £m
Cash inflow from operations	34.6	25.7
Net interest	(0.7)	1.7
Capex	(14.5)	(15.0)
Property sale proceeds	-	3.0
Net acquisition related	(1.5)	(3.8)
Tax paid	(20.3)	(18.1)
Cash outflow before financing	(2.4)	(6.5)

Capital Management
First Half Review

- Cash neutral target
- Repurchases
  - £38m during first half
  - £288m since January 2005

Second Half Outlook
First Half Review

- Retail: 14% space growth
  - 13% for financial year
- Wholesale: high single digit increase underlying
- Licensing broadly flat underlying
- Capex: approximately £40-45 million for 2006/07
- Currency impact

Atlas Update
First Half Review

- On plan
  - 2 deployments completed
  - UK to be fully converted Spring/Summer 2007
  - Tactical Global Sales and Stock Analytics
- No change to financials
  - £50m programme
  - £20m pa P/L benefits for 2007/08 onwards

Strategy Update

Angela Ahrendts

Chief Executive Officer

Key Strategies

- Leverage the franchise
- Non-apparel development
- Retail-led growth
- Invest in underpenetrated markets
- Operational excellence

Excellent Foundation

Brand

- Among world's most recognised brands
- Reference point for British luxury
- Runway provides outstanding fashion credentials
- Appeal across gender and generations

Positioning

- Modern classic aesthetic
- Strong casual orientation
- Leading opening price point luxury brand

Product

- Global appeal of check icon
- Multi-category competency
- Outerwear authority

Team

- Seasoned senior management team
- Strong regional organisation
- Responsive, entrepreneurial, pro-active culture

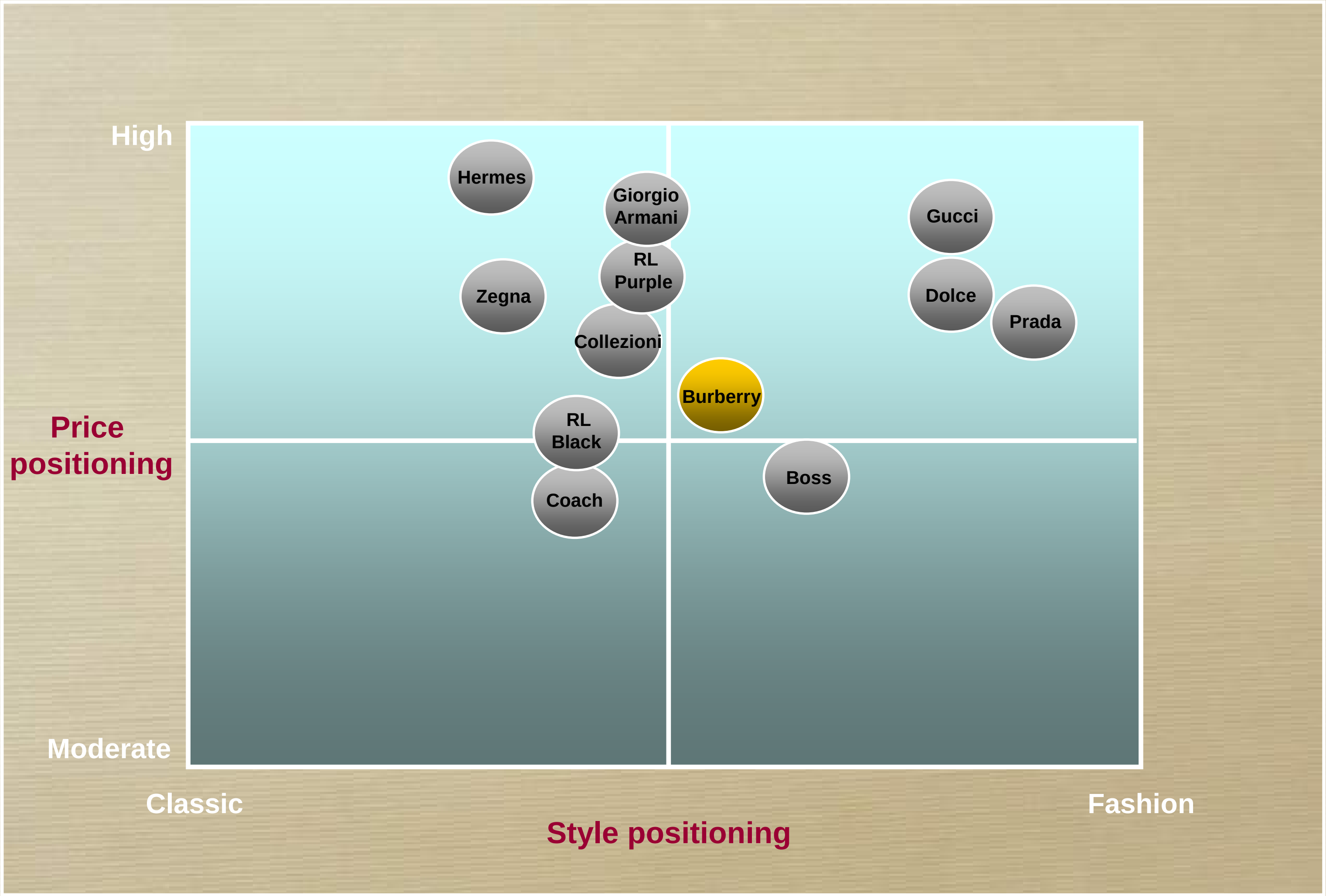
Overview

Leverage the Franchise

Front-end	Back-end	Organisation
Align brand values across categories	Rationalise assortments	Globally integrate key functions
Synchronise brand message	Consolidate and integrate supply chain	Consolidate regional operating structure
Capitalise on product opportunities	Initiate Spain integration	Leverage islands of expertise

Fully Capitalise on Positioning

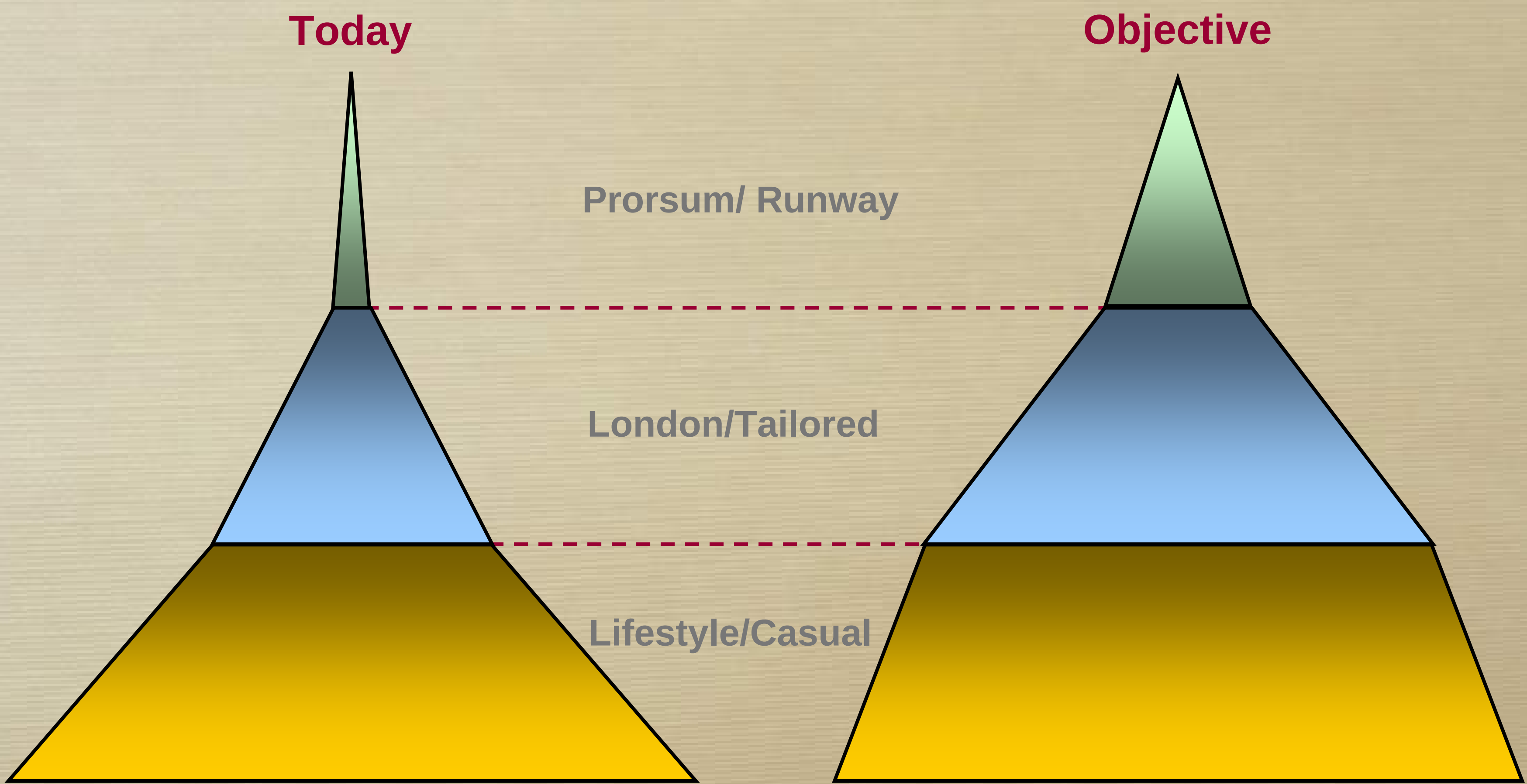
Leverage the Franchise



Capture Opportunity at Centre and Top

Leverage the Franchise

Product Portfolio



Outerwear
Leverage the Franchise

- The core of Burberry heritage
  - Functionality
  - Iconic, authentic
- Multi-generational, dual-gender appeal
- Destination category
  - With complementary products
    - Mufflers
    - Shoes/ boots
- Strength at all levels of the pyramid
  - Casual to formal
  - Classic to fashion
  - High AUR

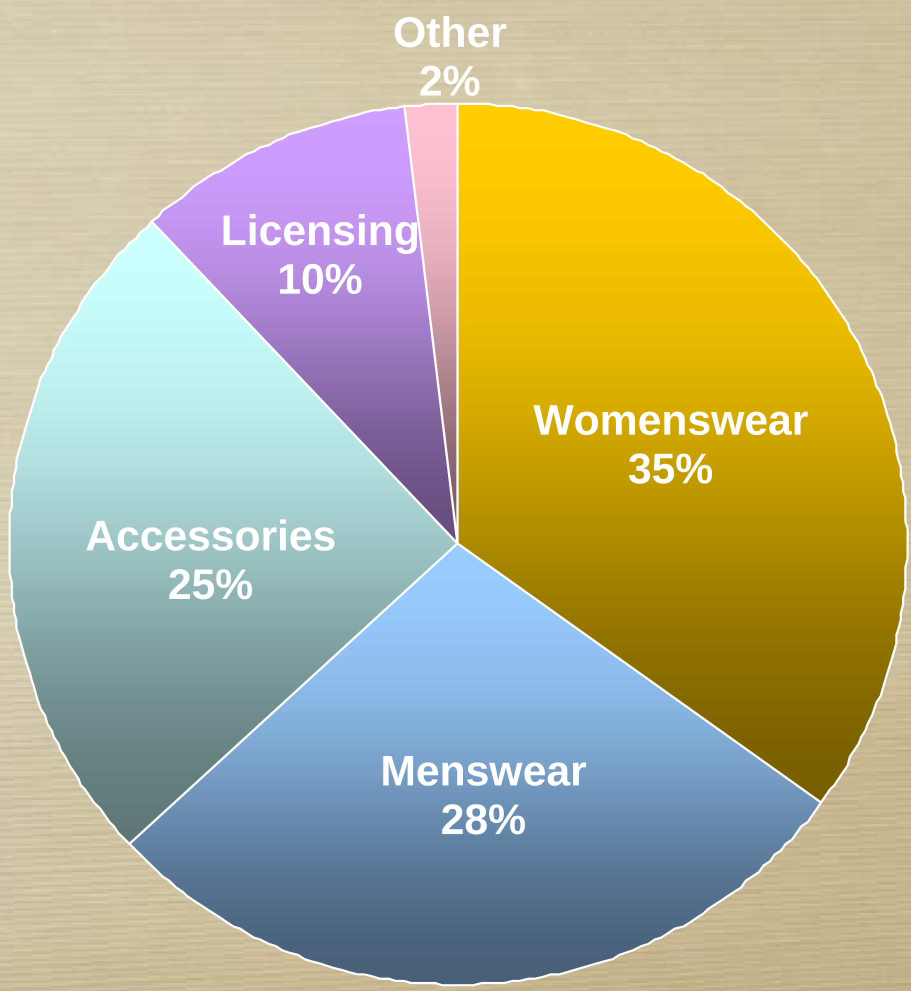
Organisation and Functional Components
Leverage the Franchise

- **Design**
- **Product development**
- **Functional integration**
- **Regional realignment**

Cross-category cohesion: Quilting

Current Product Mix

Non-Apparel Development



First Half 2006/07

Luxury Handbag Product Evolution
Non-Apparel Development

- Category of concentration
- AW06 development merger
- Icons Collection test

Icons Collection

Luxury Handbags Marketing Evolution

Non-Apparel Development

Runway

PR

Editorial

Advertising

Direct Mail/
Online

Retail

Non-Apparel Agenda

Non-Apparel Development

Product

- Concentrate on handbags, SLG, shoes
- Drive innovation and icon development

People

- Build capabilities in categories and functions
- Reallocate resources

Processes

- Strengthen supply chain
- Reallocate marketing, PR, selling resources
- Increase store capacity

Productivity
Retail-led Growth

- Key opportunity
- Drivers
  - Product synergies
  - Cross merchandising
  - Replenishment
  - Marketing synchronisation

UPT Drivers

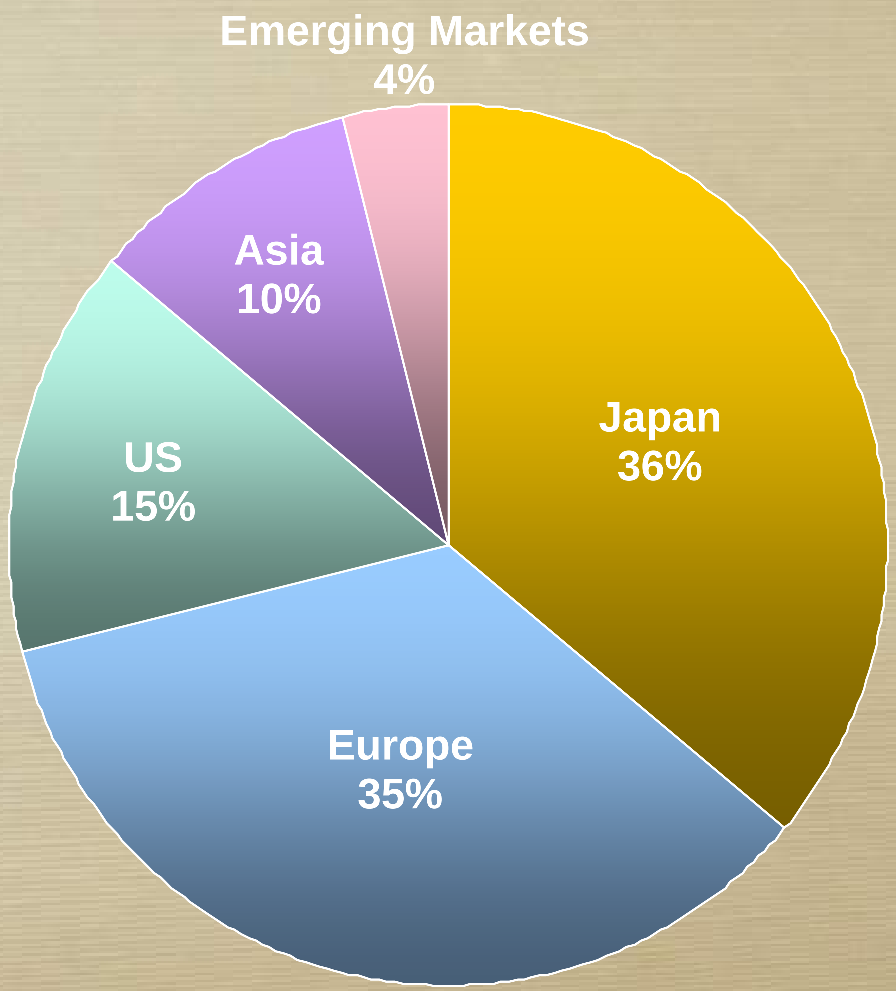
New Store Formats
Retail-led Growth

Store Expansion
Retail-led Growth

Store locations at September 2006*

* Includes franchise stores

Regional Emphasis
Underpenetrated Markets



2005/06 Brand Sales at Retail

Wholesale and Franchise Opportunities
Underpenetrated Markets

- Continuing importance of Wholesale
- Greater sophistication required to manage
- Franchise stores in emerging markets

Istanbul

UK Reinvestment
Underpenetrated Markets

- Renovations
- Expansions
- Concession conversion
- eCommerce
- New stores

Harrods

Atlas and Beyond
Operational Excellence

- **Design and merchandising**
  - **SKU reduction**
  - **Calendar**
- **Supply chain**
  - **Replenishment**
  - **Sourcing**

September Market 2006

Spain and Japan
Phase II

- Spain
  - Integrating retail
  - Testing international product
  - Integrating selected menswear
  - Opened Madrid
- Japan
  - Testing imported non-apparel
  - Studying accessories for long-term

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