



March 17, 2013

To: Burberry Employees
From: Angela Ahrendts, CEO of Burberry
Re: Value Proposition of Burberry

Founded in 1856, Burberry is an iconic British luxury brand that is recognized all around the globe. As a leading fashion brand, Burberry is committed to cultivating an exceptional work environment in which its employees thrive, emphasizing the importance of giving back to the global community, and leveraging the brand's proven strategies and talented team to assure sustainable, profitable growth.

Our People

At Burberry we believe that that in order to be a great brand, we must also be a great company. We recognize that our employees are our greatest asset and constantly strive to attract the best talent worldwide. We recruit individuals who have strong creative talents, entrepreneurial spirits, and a passion for the brand.

We have distinguished Burberry by creating a warm and welcoming environment that is exhibited in our corporate culture and customers can experience when visiting any of our stores, Burberry strives to create a culturally diverse workforce of talented, innovative individuals from a variety of backgrounds. We are a global employer, with our Head Office based in London, and opportunities throughout Europe, Asia and the Americas. We have employed individuals from over 100 countries, across all continents.

Burberry supports the success and wellbeing of its employees through career development programs and competitive benefits. We offer international networking opportunities, global strategy offsites, and access to senior executives and leadership training workshops. We recently established a Retail Exchange Program that enables high achieving sales associates from different countries to swap roles and locations, enhancing cultural understanding and consistency throughout Burberry stores. Our innovative wellbeing program gives associates benefits ranging from additional annual leave, free lunch, daily fruit bowls, and health and sporting activities. Employees are also offered health care, a pension and a considerable discount on all Burberry products.

Giving Back



Giving back is an integral part of our culture and we are dedicated to maintaining our corporate social responsibilities that are reflected through the Burberry Foundation.

Established in 2008, the Burberry Foundation is a philanthropic organization dedicated to supporting young people in realizing their dreams and potential through the power of creativity. Generous donations from Burberry employees and customers allow the Foundation to help young people gain confidence, build connections in their communities, and grasp opportunities to succeed.

The Burberry Foundation accomplishes its goal of empowering young people through granting financial support to innovative programs and partnering with charitable organizations that work with young people. The foundation invests in select charities in cities and regions where the majority of Burberry employees live. Employees are encouraged to volunteer with our charity partners and make donations.

This past year Burberry donated 1% of Group profits before tax to charitable causes, the majority to the Burberry Foundation. Since 2008 the foundation has supported 21 charity partners in 12 global cities. The foundation also makes in-kind donations such as the annual Christmas Coat Donation, giving 3,000 Burberry coats to underprivileged children worldwide.

Core Strategies

Great brands have a distinctive set of attributes that create a uniform experience across all platforms. While still maintaining the brands quintessentially British heritage that is beloved across all generations, ages and genders, our strategies are aimed to evolve the brand through digital luxury positioning, staying current with the times and customer expectations, while proving that tradition doesn't preclude innovation but can actually drive it. Through the successful integration of target markets and the creation of digital platforms, 2011/2012 proved to be a record year for Burberry.

During the year we enhanced Burberry.com by incorporating interactive digital platforms such as Burberry Bespoke, where users can design and purchase customized trench coats, and through evolving the runway show experience, where customer's can now connect through live Twitter and Instagram feeds while watching the show on motion-reactive, 360 degree technology. We



doubled our Facebook fans and YouTube views, while tripling our Twitter followers.

We intensified non-apparel, with a focus on men's accessories, by elevating and expanding assortments in this category, making men's non-apparel Burberry's fastest growing business in 2011/2012. We further capitalized on non-apparel with the successful launch of the new Burberry Body Women's fragrance.

Retail expansion was accelerated with the opening of 48 mainline stores and concessions in flagship cities worldwide. Retail investment increased by 60 percent in the year, with approximately half concentrated in these markets.

As a result of these activities, the year 2011/2012 delivered record financial results. Total revenue increased by 24 percent at £1,857m. Operating profit increased by 25 percent to £377m with retail/wholesale operating profit growing 31 percent on a 25 percent revenue gain—achieving a historical high of 16.4 percent retail/wholesale operating margin. The after-tax return on capital remained strong at 37 percent. EPS increased from £48.09 to £61.06. We ended the year with £338m of cash.

Burberry is well positioned and will continue to pursue excellence in all areas for years to come. I want to thank our employees for making Burberry one of the top luxury brands to work for and evolving Burberry into the most digitally advanced fashion brand in the world.

For more information please visit www.burberry.com

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