This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Esprit Holdings Limited (the “Company”) will be hosting an Investor Relations Day in Ratingen, Germany on Tuesday, 15 March 2016. Presentations by the senior management are scheduled to commence on Tuesday, 15 March 2016 at 5:15 pm Hong Kong time (10:15 am Central European time). As attendance is by invitation only, a LIVE webcast of the presentations together with the presentation materials will be available at www.espritholdings.com.

The presentations will address and provide an update on the Company’s strategic plan, including a detailed description of the development of the new Omnichannel Model. Additionally, the management team will discuss the dimension of its e-commerce business, the latest trading performance for the months of January and February 2016, as well as a broad outlook on key performance levers for coming years, including turnover development of the different channels and markets, gross profit margin and operating expenses, which are summarized in the slides below.
VERTICAL PRODUCTS – RETAIL PERFORMANCE

Retail Turnover (YoY change of comparable stores in LCY)

Introduction of first collections developed under the new Vertical Model (SS15)

-10.0%
-2.4%

Jul 14 - Jan 15
Feb - Jun 15
Jul - Dec 15
Jan - Feb 16

Women
Men
LFS
EDC

Continued positive comp sales in the first two months of 2H FY15/16

Comparisons with comparables / concessions / categories / shop
Exchangerate effects

RETAIL PERFORMANCE VS. GERMAN MARKET

Esprit vs. German apparel market differential of yoy change in LCY*

7% pts
6% pts
13% pts
12% pts
13% pts
+6% pts
+8% pts
X% pts

Feb '15
Mar '15
Apr '15
May '15
Jun '15
Jul '15
Aug '15
Sep '15
Oct '15
Nov '15
Dec '15
Jan '16
Feb '16

Continued growth vs German market in the first two months of 2H FY15/16

* Esprit comparable full/partial/brand mnths vs. comp & against comparable market data according to Tabitha. Group growth of the individual month.
**ESPRIT CHANNELS MIX**

Turnover in 1H of FY15/16

- **Wholesale**
  - -11.4% y-o-y growth LCY in 1H of FY15/16
  - Continued structural decline with limited impact of Vertical and Omnichannel models

- **Retail**
  - 45%

- **Online**
  - 32%

- **Licensing**
  - 1%

- **Retail + Online**
  - +6.0% y-o-y growth LCY in 1H of FY15/16
  - Changed trend due to positive impact of the Vertical model and Omnichannel initiatives

**WHOLESALE - OUTLOOK**

**KEY DRIVERS**

- Loss of unprofitable spaces (i.e. from partners with insufficient traffic and under financial pressure)
- Consequent concentration on partners with better locations and stronger operations and performance
- Progressive introduction of a vertical model for strategic franchise partners (e.g. concession model for PSS)
- Strengthening of wholesale performance with improved products and other benefits of our Vertical model (e.g. enlarged stock service and F2M offering)
- Strengthening with Omnichannel model (e.g. Esprit Friends and online incentive scheme)
- Potential growth by entering new markets through our wholesale channel (e.g. Canada)

**SHORT TERM**

- From double- to single-digit decline

**MEDIUM TERM**

- From stabilization to single-digit growth
WHOLESALE MODEL DEVELOPMENT

VERTICAL PSS MODEL
- Merchandise management and inventory risk taken by Esprit; two pilots:
  - “Concession PSS” (retail model)
  - “Vertical PSS” (wholesale model)

ENHANCED WHOLESALE MODEL
1. Enlarged product offering
   - Flash & Specials
   - Repeats & Fast-to-Market
2. Extended stock service (larger inventory risk taken by Esprit)
   - Increased offering of Flow Styles & NOOS
   - Blind Buys of Mainline products
   - Blind Buys of Repeats & Fast-to-Market products
3. Redefined reference terms & conditions (to incentivize vertical approach)
   - Mark-up, discounts, credit notes linked to sell-out performance
   - New returns models to maximize sell-through ratios
   - Increased trust limits
   - Introduction of e-incentive
   - Improved payment terms
4. Strengthened store operations support to wholesale POS

* Key Accounts represents TOP customers in Europe and APAC

RETAIL - OUTLOOK

KEY DRIVERS

RETAIL STORES
- Accelerated closure of heavy loss-making stores, both in Europe and APAC over the next 2-3 years (10%-15% of sqm)
- Continued improvement of productivity (sales per sqm) fueled by the development of our Vertical Model, Omnichannel Model and Brand Marketing campaigns
- Growth from new openings into existing (white spots) and new markets (e.g. Poland)

ESHOP
- Continued online growth fueled by further development of our Omnichannel Model
- Accelerated growth in APAC, mostly by aggressively growing our China online business
- Potential growth from new markets

SHORT TERM
- Flat or low single-digit decline depending on speed of store closures

MEDIUM TERM
- High single-digit to double-digit growth when combining productivity gains with expansion

SHORT & MEDIUM TERM
- High single-digit or double-digit growth
MARKETS - OUTLOOK

KEY DRIVERS

GERMANY & EUROPE
- Wholesale space stabilization within 2-3 years
  (Germany stabilizing at an earlier stage than Rest of Europe)
- Retail space stabilization within 1-2 years
- Space growth in both channels thereafter
- Similar retail productivity gains and growth of the eshop

APAC
- Wholesale space stabilization within 1 year
- Retail space reduction and relocation over the next 1-2 years
- Space growth in both channels thereafter
- Retail productivity gains in 1-2 years and very rapid growth of the eshop, especially in China

SHORT TERM
- Flat or single-digit decline depending on speed of store closures

MEDIUM TERM
- High single-digit to double-digit growth

SHORT TERM
- One-off high single-digit decline due to restructuring of retail and wholesale footprint

MEDIUM TERM
- Single-to double-digit growth through expansion and online

PROFITABILITY - OUTLOOK

- **Gross Profit**: Increase Group margin by around +1 percentage point over the next two years (assuming no further significant devaluation of the Euro vs the US dollar):
  - Improving margins in all product divisions with the full extension of the new Supply Chain Management model
  - Recovering usual margins in Asia and improving in Outlets
  - Growing the weight of Retail and Eshop vs Wholesale as a result of the expected development of each channel

- **OPEX**: Reduce OPEX by at least -1.0 HK$ billion over the next two years, excluding exchange rate impacts:
  - Closure of the heaviest loss-making stores and deep restructuring of the countries with negative bottom line contributions
  - Downsizing of wholesale organizations to adapt to channel development
  - Reducing all overhead costs in the affiliates and central headquarters
    - Streamlining internal processes and resources under new business model
    - Maximizing synergies between local and central structures
    - Enforcing ever more radical cost discipline across the organization
Following the Investor Relations Day, recording of the webcast will be available on the Company’s website at www.espritholdings.com from Wednesday, 16 March 2016 to Wednesday, 15 March 2017.

By Order of the Board
Florence Ng Wai Yin
Company Secretary

Hong Kong, 15 March 2016

As at the date of this announcement, the Board comprises (i) Mr Jose Manuel Martínez Gutiérrez (Group Chief Executive Officer) and Mr Thomas Tang Wing Yung (Group Chief Financial Officer) as Executive Directors; (ii) Mr Jürgen Alfred Rudolf Friedrich as Non-executive Director; and (iii) Dr Raymond Or Ching Fai (Chairman), Mr Paul Cheng Ming Fun (Deputy Chairman), Dr José María Castellano Ríos, Mr Alexander Reid Hamilton, Mr Carmelo Lee Ka Sze and Mr Norbert Adolf Platt as Independent Non-executive Directors.