Annual Results Briefing
Financial Year Ended 30 June 2012

26 September 2012
Agenda

• Key Business Highlights

• Annual Financial Results Review

• Update on Transformation Plan 2014/15

• Q&A
Key business highlights
Transformation Plan is on track

- Good progress made in first year of Transformation Plan
- Especially on key product initiatives
- Improved EBIT (▲ 69.2%) and Net Profit (▲ 11.1x)
- Despite continued challenging macro economic environment
- Turnover impacted by exiting North America, closing down of unprofitable stores and rationalization of Wholesale channel
- Maintained Net Cash position (▲ 41.2% vs Dec '11)
- Transformation Plan is laying strong foundation for future growth
- Smooth CEO transition to ensure continuity
**EBIT and EBIT margin improved**

<table>
<thead>
<tr>
<th></th>
<th>FY 11/12</th>
<th>FY 10/11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>HK$1,171M</td>
<td>HK$692M</td>
<td>▲ 69.2%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>3.9%</td>
<td>2.0%</td>
<td>▲ 1.9% pts</td>
</tr>
</tbody>
</table>

**EBIT margin well above guidance**
### Increase in Net Profit

<table>
<thead>
<tr>
<th></th>
<th>FY 11/12</th>
<th>FY 10/11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>HK$873M</td>
<td>HK$79M</td>
<td>▲ 11.1x</td>
</tr>
<tr>
<td>Net Profit margin</td>
<td>2.9%</td>
<td>0.2%</td>
<td>▲ 2.7% pts</td>
</tr>
<tr>
<td>EPS</td>
<td>HK$0.68</td>
<td>HK$0.06</td>
<td>▲ 11.3x</td>
</tr>
</tbody>
</table>

*Net Profit increased as compared to last year*
# Net Cash in Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>As at 30 June 2012</th>
<th>As at 31 December 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash</td>
<td>HK$1,489M</td>
<td>HK$1,055M</td>
<td>▲ 41.2%</td>
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</tbody>
</table>

**Net Cash of HK$1.5B**
### Income Statement FY 11/12
For the year ended 30 June 2012

<table>
<thead>
<tr>
<th></th>
<th>FY 11/12</th>
<th>FY 10/11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>30,165</td>
<td>33,767</td>
<td>▼10.7%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>15,206</td>
<td>18,198</td>
<td>▼16.4%</td>
</tr>
<tr>
<td>OPEX</td>
<td>(14,035)</td>
<td>(17,506)</td>
<td>▼19.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,171</td>
<td>692</td>
<td>▲69.2%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>873</td>
<td>79</td>
<td>▲11.1x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 11/12</th>
<th>FY 10/11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit (in % of Turnover)</td>
<td>50.4%</td>
<td>53.9%</td>
<td>▼3.5% pts</td>
</tr>
<tr>
<td>EBIT</td>
<td>3.9%</td>
<td>2.0%</td>
<td>▲1.9% pts</td>
</tr>
<tr>
<td>Net Profit</td>
<td>2.9%</td>
<td>0.2%</td>
<td>▲2.7% pts</td>
</tr>
</tbody>
</table>
Turnover by region
China share grew from 7.9% to 8.6%

North America
3% (4%)
HK$928M

Europe
79% (79%)
HK$23,705M

Asia Pacific including China
8.6% (7.9%)
HK$2,587M

Asia Pacific
18% (17%)
HK$5,532M

Asia Pacific including China % to Group turnover (last year)/turnover in HK$
China is key pillar of Transformation Plan 2014/15

Key drivers

- Drive footprint expansion through optimized hybrid channel model
- Upgrade organization to ensure capabilities and drive growth
- China Design Hub to add local design influence to Asian stores
- Improve comp store growth with new leadership

Targets Transformation Plan

- Expand presence to ~400 cities from current 191
- Grow to ~1,900 POS from 1,013 as at 30 June 2012
- Maintain attractive profit levels
China expansion continues

- China now 8.6% of total group turnover (2011: 7.9%)
- New CEO joined February 2012
- Footprint expanded to 191 cities (2011: 185 cities)
Retail space expansion of 6.5%
Improving trend in WHS order intake is encouraging

Turnover by channel

Retail
- Encouraged by comp store sales improvement in second half
- Net retail space -8.8% due to:
  - Closure of North America Retail
  - Store closure program
- Expansion of 6.5% Retail space (after closures) in line with guidance

Wholesale
- Net controlled Wholesale space -7% impacted by active rationalization
- Turnover negatively impacted by support measures such as discounts & returns
- Order intake turned positive Season 2 for existing accounts

Licensing & others
1% (1%)/HK$243M

Retail
59% (56%)/HK$17,806M

Wholesale
40% (43%)/HK$12,116M
Successfully divested loss-making North America operations

- Successful closure of 97 stores
- Headcount reduced by ~1,600
- New York headquarters closed down

Divestment successfully completed within time-frame and provisions
### Store closure program 80% completed

<table>
<thead>
<tr>
<th>Countries</th>
<th>Store closures</th>
<th>Achieved or signed closings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>24</td>
<td>17</td>
</tr>
<tr>
<td>Austria</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Belgium</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>France</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>UK</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Singapore</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Australia</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Spain</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Denmark</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Sweden</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>64</strong></td>
</tr>
</tbody>
</table>

- 44 stores were closed in FY11/12
- Closure procedures and costs incurred within time frame and provisions
Gross margin impacted by sourcing cost inflation and Transformation Plan initiatives

Gross profit margin

<table>
<thead>
<tr>
<th></th>
<th>1H</th>
<th>FY</th>
<th>2H</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10/11</td>
<td>55.6%</td>
<td>53.9%</td>
<td>52.0%</td>
</tr>
<tr>
<td>FY11/12</td>
<td>50.8%</td>
<td>50.4%</td>
<td>49.9%</td>
</tr>
</tbody>
</table>

Main drivers

- Investment into higher valued products
- Price points maintained to preserve price-value perception
- Wholesale support measures, e.g. discounts, returns and refurbishment
- Sourcing cost inflation materializing
- Higher discounts as a result of unfavorable weather conditions
Operating expenses well under control

<table>
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<tr>
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<th>FY 10/11</th>
<th>Change</th>
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<tbody>
<tr>
<td>OPEX(^1)</td>
<td>HK$14,731M</td>
<td>HK$15,077M</td>
<td>▼ 2.3%</td>
</tr>
</tbody>
</table>

1. Excluding provisions for store closures, impairment of property, plant and equipment and divestment of North America
Improvement in EBIT margin

EBIT margin

Main drivers

- Tightened cost control led to significant savings in major cost items
- Net effect of HK$468M for closure of North America operations
- Despite higher marketing spent as part of Transformation Plan (HK$1,577M, up HK$593M yoy)
Working capital improved
Inventory -13.7%; Net trade debtors -14.4%

Inventory balance

<table>
<thead>
<tr>
<th>Date</th>
<th>HK$M</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Dec 11</td>
<td>4,162</td>
<td>-13.7%</td>
</tr>
<tr>
<td>30 June 12</td>
<td>3,593</td>
<td></td>
</tr>
</tbody>
</table>

Net trade debtors balance

<table>
<thead>
<tr>
<th>Date</th>
<th>HK$M</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Dec 11</td>
<td>2,899</td>
<td>-14.4%</td>
</tr>
<tr>
<td>30 June 12</td>
<td>2,481</td>
<td></td>
</tr>
</tbody>
</table>

Cover ratio before provision

- 43.5% to 44.1%
### Net cash of HK$1.5B

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<th>As at 30 June 2012</th>
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<tbody>
<tr>
<td>Cash and bank balances</td>
<td>HK$3,171M</td>
<td>HK$3,408M</td>
<td>▼ 7.0%</td>
</tr>
<tr>
<td>Bank loans</td>
<td>HK$1,682M</td>
<td>HK$2,353M</td>
<td>▼ 28.5%</td>
</tr>
<tr>
<td>Net cash</td>
<td>HK$1,489M</td>
<td>HK$1,055M</td>
<td>▲ 41.2%</td>
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**Increase in Net Cash**
<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic EPS (HK$)</td>
<td>0.68</td>
</tr>
<tr>
<td>Dividend payout ratio</td>
<td>60%</td>
</tr>
<tr>
<td>Proposed final dividend per share (HK$)</td>
<td>0.15</td>
</tr>
<tr>
<td>Add: Interim dividend per share paid (HK$)</td>
<td>0.26</td>
</tr>
<tr>
<td><strong>Total dividend per share (HK$) for FY 11/12</strong></td>
<td><strong>0.41</strong></td>
</tr>
</tbody>
</table>
UPDATE ON TRANSFORMATION PLAN 2014/15
EVERYTHING WE DO, WE DO FOR HER
ESPRIT WILL BE AN INSPIRING FASHION BRAND, WITH A CLEAR IDENTITY AND SUSTAINABLE PROFITABILITY
Transformation Plan 2014/15

Brand

Product

Channels

Supply chain

ESPRIT
RE-ESTABLISHING ESPRIT AS AN INSPIRING FASHION BRAND
Successful media campaigns increase consideration
First year targets achieved

- Campaign seen as modern and stylish
- Delivers on fashion and femininity
- Consideration in Germany up from 50% to 58%
- China with exceptionally positive reaction to campaigns
  - Consideration up from 30% to 59%
  - Strong improvement in brand image:
    - Has latest trends (+17% pts)
    - Offers good quality for money (+14% pts)

ESPRIT
Esprit remains a very strong brand in core markets

Germany's favorite brands

1. Adidas
2. Audi
3. Esprit
4. BMW
5. Volkswagen

Esprit #1 in target segment

#1 in age group 30–44 years
#1 among German women

Source: Brandmeyer Markenberatung, issued in March 2012
SNEAK PREVIEW AW12 ...
SEPTEMBER/OCTOBER
I LOVE MY CITY

NOVEMBER
WELLNESS

DECEMBER
WRAP YOURSELF IN LUXURY
ESPRIT
AUTUMN/WINTER COLLECTION 2012
VISIT ESPRIT.COM
ESPRIT

AUTUMN/WINTER COLLECTION 2012

VISIT ESPRIT.COM
NOVEMBER

INTRODUCING WELLNESS ...
CHRISTMAS
WRAP YOURSELF IN LUXURY

ESPRIT
ESPRIT
WRAP YOURSELF IN LUXURY
As the days grow colder and the nights get longer, making yourself comfortable is just the most fabulous thing. You snuggle up in cozy clothes and indulge your skin with the touch of beautifully soft, sophisticated fabrics.

To create this blissful feeling of well-being, Esprit has created a new collection under the motto “WRAP YOURSELF IN LUXURY”, with love and passion down to the smallest detail. Fine cashmere, smooth satin, delicate lace, cozy wool and genuine Gosczyń wool bring a touch of luxury to your life, making each day a little more special. Fresh colour accents give the classic styles a casual feel. And as these clothes were designed to be your new all-time favourites, they are made of high-quality natural fabrics that you can enjoy for a long time.

One thing is for sure: This new Esprit collection will make you shine – even from within, because it is just wonderful to delight in a feeling of luxury. And it is even more wonderful to pass it on to others, too.

Wouldn’t this be perfect for Christmas?
Transformation Plan 2014/15

Brand
Product
Channels
Supply chain

ESPRIT
CREATING THE PERFECT WARDROBE

FASHIONABLE, FEMININE, VALUABLE

ESPRIT
New Trend division on 8-12 weeks lead time

- Complete new product line of fast fashion
- Team located in London
- First collection already in selected European stores since August 2012
- Sell-through more than double that of other collections
- Asia roll-out starting November 2012
- Men's Trend collection as of SS 2013
China Design Hub launched
Local design for mainland China

- China-for-China team in place
- Adapt global designs to suit China consumers (design, colour, fit etc.)
- Add specific styles for China collection
- China-for-China to grow to 15–20% of total styles
- In pilot stores since end of August 2012
- First capsules with promising results
Denim division established

- Denim destination in store driving category growth
- Denim experts recruited
- Improved fits and washings as of Fall/Winter 2012
- Creating Denim destinations in stores
  - Up to 30% denim revenue uplift
- Additional shop-in-shop opportunities for Wholesale
Transformation Plan 2014/15

Brand
Product
Channels
Supply chain

ESPRIT
CREATING AN INSPIRING SHOPPING EXPERIENCE
Successful Lighthouse Stores
Cologne

Cologne, November 2011

"This store is fantastic. It makes me feel at home!"

“This store invites you to stay longer and enjoy the atmosphere. The atrium is unique.”
"You get the impression the store tells a story... It's fabulous!"
Düsseldorf, June 2012

“I love how the clothes, shoes, books and accessories are organised – very inspirational for my own closet”
Creating an inspiring shopping experience

- 3 Lighthouse stores opened
  - Cologne Nov '11
  - Antwerp May '12
  - Düsseldorf June '12
- Commercial concept developed and rolled out in 12 key locations (including Hong Kong)
- Total 36,800 Retail sqm refurbished
- Total 43,000 Wholesale sqm refurbished
- Achieved refurbishment cost/sqm is 20% below transformation budget
Very positive consumer feedback from both existing and new customers

91% of consumers have a positive first impression when entering the store

"This store is fantastic. It is so cozy and inviting!"

87% of consumers like the new store experience

"The store feels much more personal. It is a clear improvement to before."

96% of customers intend to shop the same or more

"I was amazed that the product in this shop is actually the same as in the other Esprit shops. It looks so good!"
Refurbishment program with promising results

Traffic vs comp
+10%

APT vs comp
+6%

GM vs comp
+3.6% pts

Sales of refurbished franchise stores +12% pts vs comp
Wholesale support program with promising results

Expansion
- 80 new franchise stores opened in Europe

Refurbishment
- 43,000 sqm of Wholesale selling space in FY11/12, slightly ahead of target

Tactical support packages
- Negotiated with ~400 “Ambassador” accounts in Europe
- Strong uplift in Order Intake of negotiated accounts by more than 10% pts vs others
Transformation Plan 2014/15

Brand

Product

Channels

Supply chain

ESPRIT
Sourcing strategy on track
Central Buying organization established

• Central Buying function key in achieving targeted annual savings of HK$ 1 B in 2014/15

• Synergies and savings through consolidation of supplier portfolio
  ✓ Number of suppliers reduced by 21%
  ✓ Number of factories reduced by 29%
  ✓ Rejection rate reduced by 50%

• Expand own sourcing footprint to new markets
  ✓ China, Bangladesh, Indonesia and India (Oct 2012)
  ✓ Share of sourcing agents reduced by 28%
Go-live of DC Europe in July 2012 on schedule

Lower costs – better service

- 46,000 sqm floor space with throughput capability of 150-200m pieces per year
- Approximately €10M annual savings after full ramp-up
Transformation Plan 2014/15 on track
Good progress made in first year

BRAND

✓ Esprit remains a very strong brand in core markets
✓ Consideration rate up as a result of successful campaigns
✓ Improved brand image on fashion, femininity & value for money
✓ Successful launch of three "lighthouse" store concepts in line with brand direction

PRODUCTS

✓ Trend division launched with a lead time of 8-12 weeks
✓ China Design Hub launched to add local design influence
✓ Denim division established to drive category growth
✓ Re-investment of sourcing savings into higher valued products
Transformation Plan 2014/15 on track
Good progress made in first year

Channels

✓ Customers **highly appreciate** the new store concept
✓ **80 new franchise stores** opened in Europe
✓ Wholesale **support packages** for ‘Ambassador’ partners – driving positive order intake
✓ 43,000 sqm of Wholesale **selling space refurbished**
✓ Deliberate **rationalization** of un-profitable and brand diluting accounts

Supply Chain

✓ **Central buying organization** up and running
✓ Go-live of **new DC Europe** in July 2012
CELEBRATE
THE FIRST YEAR OF TRANSFORMATION

ESPRIT BRAND EVENT
COLOGNE, 4 SEPTEMBER 2012
Summary

✓ The Transformation Plan is on track. Building strong foundation.

✓ Experienced and committed management team on board.

✓ The Board of Directors continues to fully support the Plan.

✓ Smooth CEO transition to ensure continuity.
REMEMBER ME
APPENDIX
<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Dispatch of FY11/12 annual report</td>
<td>On or before 26 October 2012</td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>6 December 2012</td>
</tr>
<tr>
<td>Last day of trading on a “cum” basis</td>
<td>7 December 2012</td>
</tr>
<tr>
<td>Ex-dividend date</td>
<td>10 December 2012</td>
</tr>
<tr>
<td>Fixing of dividend reinvestment price</td>
<td>5-11 December 2012</td>
</tr>
<tr>
<td>Book close</td>
<td>12 – 14 December 2012</td>
</tr>
<tr>
<td>Dispatch of election form</td>
<td>20 December 2012</td>
</tr>
<tr>
<td>Election period</td>
<td>20 December 2012 – 9 January 2013</td>
</tr>
<tr>
<td>Dividend payment</td>
<td>22 January 2013</td>
</tr>
</tbody>
</table>