ESPRIT HOLDINGS LIMITED
FY04/05 Final Results

www.espritholdings.com
forward-looking statements

This presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Esprit. These forward-looking statements represent Esprit’s expectations or beliefs concerning future events and involving known and unknown risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied in such statements.
FY04/05 highlights

(in HK$ million, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>FY04/05</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>turnover</td>
<td>20,632</td>
<td>+ 26%</td>
</tr>
<tr>
<td>operating profit</td>
<td>4,202</td>
<td>+ 46%</td>
</tr>
<tr>
<td>net profit</td>
<td>3,338</td>
<td>+ 67%</td>
</tr>
<tr>
<td>basic EPS (HK$)</td>
<td>2.79</td>
<td>+ 66%</td>
</tr>
<tr>
<td>shareholders’ funds</td>
<td>7,039</td>
<td>+ 30%</td>
</tr>
<tr>
<td>ROE</td>
<td>53.6%</td>
<td>+ 11.9% pts</td>
</tr>
</tbody>
</table>
record high full year margins

EBIT margin

20.4%
▲ 2.8% pts

Net profit margin

16.2%
▲ 4.0% pts

≡ higher productivity & operating leverage

➢ wholesale EBIT margin 27.4% ▲ 3.1% pts

➢ retail EBIT margin 10.7% ▲ 2.9% pts

≡ top among global peers
turnover exceeded HK$20 billion ▲ 26% gradual diversification ex-Germany

FY04/05 turnover
FY03/04 turnover

Germany
Rest of Europe
Asia
Australasia
North America

<table>
<thead>
<tr>
<th>Region</th>
<th>FY04/05 turnover</th>
<th>FY03/04 turnover</th>
<th>% group turnover</th>
<th>yoy growth</th>
<th>contribution to group turnover growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td></td>
<td></td>
<td>48%</td>
<td>21%*</td>
<td>10.5%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td></td>
<td></td>
<td>37%</td>
<td>39%</td>
<td>13%</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
<td>9%</td>
<td>21%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Australasia</td>
<td></td>
<td></td>
<td>4%</td>
<td>6%</td>
<td>0.3%</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td></td>
<td>2%</td>
<td>16%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

*adjusted to exclude last year’s Germany wholesale sales to Switzerland
double digit growth across key product divisions

Turnover: HK$20.6 bn, up 26%

- Women's wear: 31%, up 31%
- Men's wear: 14%, up 31%
- Casual: 38%, up 26%
- EDC: 14%, up 37%
- Collection: 8%, up 47%
- Sports: 3%, up 42%
- Kids & EDC youth: 6%, up 17%
- Accessories: 5%, up 25%
- Shoes: 5%, up 14%
- Others: 7%, up 1%
HK$11.9 bn wholesale turnover ▲ 24% segment EBIT^ ▲ 40% to HK$3.3 bn

Wholesale turnover breakdown & yoy growth

Germany ▲ 16%*

Rest of Europe ▲ 35%

19% Benelux ▲ 18%
10% France ▲ 49%
7% Scandinavia ▲ 41%
10% Other Europe ▲ 57%

Net controlled selling space ▲ 106,000m²+ (▲ 31%) to 443,000m²+

Ex-Germany wholesale profitability enhanced with economies of scale

*adjusted to exclude last year’s Germany wholesale sales to Switzerland

^segment EBIT excluding inter-segment licensing expense/income
HK$8.5 bn retail turnover ▲ 31%
segment EBIT^ ▲ 79% to HK$917 mn

Retail turnover breakdown & yoy growth

- Germany ▲ 28%
- North America ▲ 50%
- Australasia ▲ 2%
- Asia ▲ 21%
- Rest of Europe ▲ 53%
- Benelux ▲ 27%
- France ▲ 45%
- Austria ▲ 60%
- Other Europe ▲ 147%

- net selling space ▲ 23,000m²+ (▲ 14%) to 193,000m²+
- group comp-store growth: 8.5%* ▲ 3.2% pts (FY03/04: 5.3%*)
- Hong Kong market returned to profitability

*in local currency terms
^segment EBIT excluding inter-segment licensing expense/income
strong cash flow from operations

net cash as of June 30, 2005  ~1.7

after accounting for:

  total capex  ~1.2
  dividends paid  ~1.7 (FY03/04 final & special, FY04/05 interim)

proposed total dividend ~HK$1.8 billion,
  (final: ~HK$0.66/share, special: ~HK$0.84/share)

payout ratio for the year ~70%
FY05/06 targets

- sales growth (local currency) ~20%
- net margin ~15%
- focus on improving retail profitability
1,400+ new wholesale POS

- new wholesale POS primarily in Germany, Benelux, France & Scandinavia
  - over 200 PSS, 500 SIS, 700 ID corners

- newer European markets:
  - U.K., Italy & Spain

- Asia initiatives:
  - India
  - duty free – Thailand, Philippines, Vietnam

- order booking to Dec. 2005 shows high teens % growth

partnership store in Germany
~17% net increase in retail selling space

- HK$900+ million capex for new store openings and renovations
- 110+ new stores planned totaling 40,000m²+
  
<table>
<thead>
<tr>
<th>Region</th>
<th>Stores</th>
<th>m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>~40</td>
<td>~25,000</td>
</tr>
<tr>
<td>Asia</td>
<td>~50</td>
<td>~4,000</td>
</tr>
<tr>
<td>N. America</td>
<td>~10</td>
<td>~6,000</td>
</tr>
<tr>
<td>Australasia</td>
<td>~10</td>
<td>~3,000</td>
</tr>
</tbody>
</table>

- 5%+ comp-store growth

retail store in Austria
questions

- sustainable growth in core markets?
- new developments in U.K. and North America?
- risk of China textile exports to EU?
- Euro and RMB impact on cost of goods?
ESPRIT is an international youthful lifestyle brand offering smart, affordable, luxury and bringing newness + style to Life.