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 involve 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.
into our second decade of growth

<table>
<thead>
<tr>
<th></th>
<th>For six months ended Dec 31, 2003</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>8,006</td>
<td>▲ 32%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>1,372</td>
<td>▲ 52%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>886</td>
<td>▲ 53%</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>HK$0.74</td>
<td>▲ 51.8%*</td>
</tr>
</tbody>
</table>

Interim Dividend: HK$0.19 ▲ 1.5 times

* Compared with restated EPS after adoption of HKSSAP 12 (Revised) “Income Taxes”
**strong cash flow from operations**

**(HK$ million)**

<table>
<thead>
<tr>
<th></th>
<th>1H FY03/04</th>
<th>vs. 1H FY02/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>cash flow from operations</td>
<td>$1,331</td>
<td>▲ 53.7%</td>
</tr>
<tr>
<td>major cash outlays</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- capital expenditures</td>
<td>$321</td>
<td></td>
</tr>
<tr>
<td>- acquisition of Swiss operation</td>
<td>$180</td>
<td></td>
</tr>
<tr>
<td>- FY02/03 final and special dividend payment</td>
<td>$745</td>
<td></td>
</tr>
</tbody>
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</thead>
<tbody>
<tr>
<td>total cash and cash equivalents</td>
<td>$2,522</td>
<td>▲ $425</td>
</tr>
<tr>
<td>net cash*</td>
<td>$1,672</td>
<td>▲ $352</td>
</tr>
</tbody>
</table>

* cash and cash equivalents less long-term bank loan
40% growth in core market & product divisions

Europe 84% ▲42%

N. America & others 3% ▲47%
Australasia 4% ▲23%
Asia 9% ▼19%

women’s wear 61% ▲40%

kids’ wear 7% ▲11%
shoes & accessories 10% ▲2%
others 8% ▲36%

turnover HK$8.0 billion ▲32%

40% growth in core market & product divisions
highest growth countries and product divisions

significant growth outside Germany

- France: HK$6.1 billion, 4% growth
- Scandinavia: HK$6.1 billion, 3% growth
- Benelux: HK$6.1 billion, 16% growth
- Germany: HK$8.0 billion, 53% growth
- Others: HK$8.0 billion, 26% growth

1H FY02/03 vs 1H FY03/04:
- 5% growth
- 4% growth
- 17% growth

women’s Sports, edc and Collection

- ESPRIT: HK$8.0 billion, 2% growth
- Sports: HK$8.0 billion, 81% growth
- edc: HK$8.0 billion, 67% growth
- Collection: HK$8.0 billion, 57% growth
- Casual: HK$8.0 billion, 29% growth
- Others: HK$8.0 billion, 40% growth

1H FY02/03 vs 1H FY03/04:
- 4% growth
- 10% growth
- 5% growth

France, Benelux, Germany, Others, Significant growth outside Germany, ESPRIT, Sports, edc, Collection, Casual, Others, 53%, 41%, 42%, 39%, 72%, 62%, 44%, 39%, 12%, 44%, 39%, 29%.
margin expansion & new targets

New Targets

- Gross Margin 50.6% ▲ 0.7% pt
- EBITDA Margin 19.8% ▲ 1.9% pts
- Net Margin 11.1% ▲ 1.6% pts

+ more full-price sales
+ euro appreciation
- costs associated with improvement in product quality

+ economies of scale
  personnel costs ▼ 1.0% pt
  occupancy costs ▼ 0.9% pt
+ loss reduction in underperforming markets

- loss reduction in underperforming markets

49-52%
17-20%
double-digit
wholesale - operating profit up 62% yoy
planting seeds in other continents

- operating margin increased by 2%pts to over 16%
- added over 750* shop-in-stores and 60* partnership stores
- France achieved remarkable 78% sales growth – controlled space added last year started to contribute
- developing wholesale business in Canada, U.K. and Asia

France 8% ▲78%
Benelux 20% ▲42%
others 16% ▲32%

wholesale
HK$4.7 billion ▲37%

Germany 56% ▲33%

<table>
<thead>
<tr>
<th></th>
<th>vs June 30, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>shop-in-stores</td>
<td>2,400</td>
</tr>
<tr>
<td>stand-alone partnership stores</td>
<td>480</td>
</tr>
<tr>
<td>identity corners</td>
<td>3,900</td>
</tr>
<tr>
<td>over</td>
<td>95,600m²</td>
</tr>
<tr>
<td>totaling over</td>
<td>78,800m²</td>
</tr>
<tr>
<td>total</td>
<td>82,600m²</td>
</tr>
</tbody>
</table>

* above figures exclude selling space managed by China joint venture or its franchise partners
* comparing to June 30, 2003
retail – operating profit up 146% yoy

- operating margin restored to over 10%
- Europe turnover grew 48%
- Asia turnover down 25.7% due to restructuring
- group’s comp-store-sale up 5.3% with 15.6% growth in Europe
- e*shop in Europe achieved HK$190 mn sales up 126% y-o-y

### Capital Expenditure for Retail

<table>
<thead>
<tr>
<th></th>
<th>HK$207 mn</th>
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</thead>
<tbody>
<tr>
<td>vs June 30, 2003</td>
<td>HK$207 mn</td>
</tr>
<tr>
<td>stores</td>
<td>▼ 3 net</td>
</tr>
<tr>
<td>sales area (m²)</td>
<td>▲ 10,500 net</td>
</tr>
<tr>
<td>totaling over</td>
<td>560</td>
</tr>
<tr>
<td></td>
<td>162,600</td>
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</tbody>
</table>
looking into the second half… and beyond
confident in maintaining double-digit top & bottom growth

- Europe wholesale order booking till May 2004 shows double-digit growth
- contribution from newly acquired Swiss and Italian operations starting Jan 2004
- on track to halve total losses from Hong Kong, Taiwan, U.K. and Canada retail
- further wholesale & retail expansion in 2HFY03/04 in Europe:
  - over 100 shop-in-stores and 60 partnership stores
  - around 10,000m² of retail space
other updates

- formed 3 member remuneration and nomination committees with 2 independent non-executive directors on each committee
- awarded as the 3rd Best in Corporate Governance in Hong Kong by *The Asset* in December 2003

**Good Corporate Governance**

- around 24 million options granted in 1H FY03/04 at approximately HK$24
- 52.7 million options outstanding
- approximately 5 million vested options remain exercisable
- orderly disposal of option shares

**Share Options**
favorable valuation vs global peers

- High brand equity
- Quality management
- Good corporate governance
- Dynamic business model

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<thead>
<tr>
<th></th>
<th>ESPRIT</th>
<th>H&amp;M</th>
<th>Inditex</th>
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</thead>
<tbody>
<tr>
<td>Est. PEG*</td>
<td>0.81</td>
<td>1.20</td>
<td>1.31</td>
</tr>
<tr>
<td>LT EPS Growth (%)#</td>
<td>26.97</td>
<td>17.72</td>
<td>15.51</td>
</tr>
</tbody>
</table>

# IBES long term EPS growth estimates as at 4:49 p.m., Feb 10, 2004
* Bloomberg data as at 4:49 p.m., Feb 10, 2004