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.
**First Half FY2001/2002 Financial Highlights**

<table>
<thead>
<tr>
<th>Category</th>
<th>YoY Growth</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>16%</td>
<td>HK$4.6 billion</td>
</tr>
<tr>
<td>EBITDA</td>
<td>23%</td>
<td>HK$806 million</td>
</tr>
<tr>
<td>Net Profit</td>
<td>41%</td>
<td>HK$385 million</td>
</tr>
<tr>
<td>EPS – Basic</td>
<td>38%</td>
<td>HK$33.7 cents</td>
</tr>
<tr>
<td>Interim Dividend</td>
<td>25%</td>
<td>HK$6 cents</td>
</tr>
<tr>
<td>Net Cash</td>
<td>406m*</td>
<td>HK$794 million</td>
</tr>
</tbody>
</table>

* Versus balance on June 30, 2001
Well into our 9th Consecutive Year of Turnover Growth

FY01/02 $4.6 billion
FY00/01
FY99/00
FY98/99
FY97/98
FY96/97
FY95/96
FY94/95
FY93/94

(HK$ in millions)

1H 2H
Turnover Growth Achieved in All Markets of Operation (except Taiwan)

Europe: 23% YoY
Asia Pacific: 4% YoY

Exchange impact eliminated
Growth in our Three Largest Segments

Germany (48% of Group turnover)
- Growth momentum continues
- Highest brand awareness among women’s wear brands*
- One of the best performing brands within department stores

Benelux (14% of Group turnover)
- Second highest growth area within the Group
- Uniform Euro pricing benefited consumers after inclusion of higher VAT in this region

Hong Kong (12% of Group turnover)
- Growth amidst the highly competitive operating environment
- More frequent promotions helped preserved market share in tough economic times

Sales growth are all YoY and in local currency terms
* Spiegel Study as published in TextilWirtschaft on November 8, 2001
HK$200 million Invested in our Global Retail Network

<table>
<thead>
<tr>
<th>Region</th>
<th>Directly Managed Stores</th>
<th>Franchised Shops</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales Footage (SQ FT)</td>
<td>% Change*</td>
</tr>
<tr>
<td>Europe</td>
<td>612,637</td>
<td>+13%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>892,315</td>
<td>+8%</td>
</tr>
<tr>
<td>China</td>
<td>163,766</td>
<td>+20%</td>
</tr>
</tbody>
</table>

* Versus June 30, 2001

# Exclude China joint venture
Parallel Growth Engines

- Wholesale (55% of sales): 20% YoY
- Retail (44% of sales): 13% YoY
Reduced Gross Margin

- Widening of gap between wholesale and retail by 2%
- Lowered costs of goods
- Global pricing pressures

Gross margin ↓ 1.1% Pts

47.9%
0.9% Pt Increase in EBITDA Margin YoY

Greater Economies of Scale & Effective Cost Control

* As percentage of turnover
Net Margin Enhanced by 22% YoY

- Additional HK$13 million for 6 months in trademarks amortization in compliance with new HKGAAP*
- Lower German corporate tax rate

8.3% of sales

1.5% Pts

* The 1H FY01/02 financials fully complied with all applicable new HK GAAPs
Latest Initiatives

- Injection program led to shorter order cycle, better merchandising and higher comp store sales
- Introduced ESPRIT Basic, providing consumers with more choices of products at lower price points
- Planted seeds for future growth in 3 markets
  - 2 U.K. stores, 4 Korea stores & 7 New Zealand stores
- Gained 100% ownership of Red Earth and launched in Europe (4 counters in Germany, 2 counters in U.K.)
China JV’s Growth Continues...

- Over 500 retail and franchise outlets, establishing our foothold as an international premium brand
- Registered over 32% in annual turnover growth in 2001
- Contribution to the Group’s net profit in the first six months of FY01/02* increased by 46% YoY
- Expect WTO entrance to accelerate economic growth and consumer spending, which will be supportive of China JV’s future growth

*Results for the first six months of 2001 are recorded in FY01/02 interim results
Sustaining Momentum Amidst Challenges

Challenges

- Tough macroeconomic conditions worldwide
- Poor consumer sentiments across Asia Pacific
- Increased competition

Expansion Targets

- Wholesale and retail expansion
- Geographical expansion
- Net margin expansion
Growth Drivers

- Continue to offer quality products and services at reasonable prices
- The injection program will be fully exploited throughout the Group, leading to more full price and higher comp store sales
- “Discretionary limit” program should further strengthen the European wholesale business and improve sales performance and efficiency
- Over HK$400 million capex on upgrade and expansion of retail network remains unchanged
- Plan to open 28 stores in China in 2002 and target to reach HK$1 billion in turnover by 2003
- Stringent cost controls and efforts to maximize Group’s tax efficiency continue
Our Goals

- Double-digit top line and bottom line annual growth
- EBITDA margin around 15-17%
- Continual net margin expansion
Remain Confident in Achieving Our Goals for the Full FY01/02

- European wholesale orders booked till April/May continue to show double-digit YoY growth
- Double-digit retail sales growth is maintainable with healthy comp store sales and additional square footage
- Expect marginal negative Euro translation impact
- Group effective tax rate should improve further in the long run
Company’s Free Float & Capital

- Increased free float to approximately 46% as of December 31, 2001
  - Jürgen Friedrich reduced his shareholding to below 10%
  - 2 disposals totaling approximately 2 million shares by Directors since July 2001
- 45.7 million employee stock options, expiring on or before November 2003, outstanding (approximately 4% of issued capital)
  - Orderly disposal of option shares will continue
- New 2001 share option scheme approved by shareholders at November 2001 AGM

1,145.8 million shares issued as of December 31, 2001
Relative Share Price Performance since January 2001

Global Peers

- ESPRIT: 69%
- A&F: 37%
- H&M: 21%
- Next: 16%
- Boss: 5%
- Gap: 47%

Increases / Decreases from January 1, 2001 to latest applicable dates (as of 19:30 on February 6 2002)
Also Outperformed the Hong Kong Indices

- Relative to Hang Seng Index: 138%
- Relative to MSCI Hong Kong Index: 119%
# Valuation Benchmark

<table>
<thead>
<tr>
<th></th>
<th>ESPRIT</th>
<th>H&amp;M</th>
<th>Inditex</th>
<th>Gap</th>
<th>A&amp;F</th>
<th>Next</th>
<th>Hugo Boss</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROE (%)</strong></td>
<td>30.53</td>
<td>23.02</td>
<td>25.17</td>
<td>34.00</td>
<td>43.10</td>
<td>28.49</td>
<td>41.27</td>
</tr>
<tr>
<td><strong>Est. P/E (x)</strong></td>
<td>17.15</td>
<td>32.56</td>
<td>41.41</td>
<td>97.05</td>
<td>15.60</td>
<td>16.30</td>
<td>13.06</td>
</tr>
<tr>
<td><strong>Est. PEG</strong></td>
<td>0.80</td>
<td>1.67</td>
<td>2.00</td>
<td>6.07</td>
<td>0.82</td>
<td>135.80</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>EV/EBITDA (x)</strong></td>
<td>8.66</td>
<td>25.50</td>
<td>N.A.</td>
<td>8.48</td>
<td>7.57</td>
<td>N.A.</td>
<td>8.26</td>
</tr>
</tbody>
</table>

As of 19:30 Hong Kong time on February 6, 2002

All data sources from Bloomberg

N.A. Not available