

ESPRIT

FY06/07 FINAL RESULTS



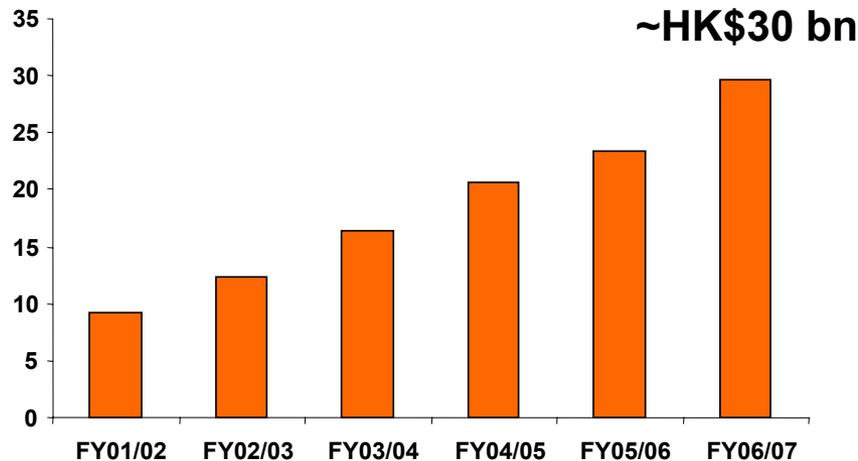
Forward-looking statements

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.

Our Mission... G R O W T H

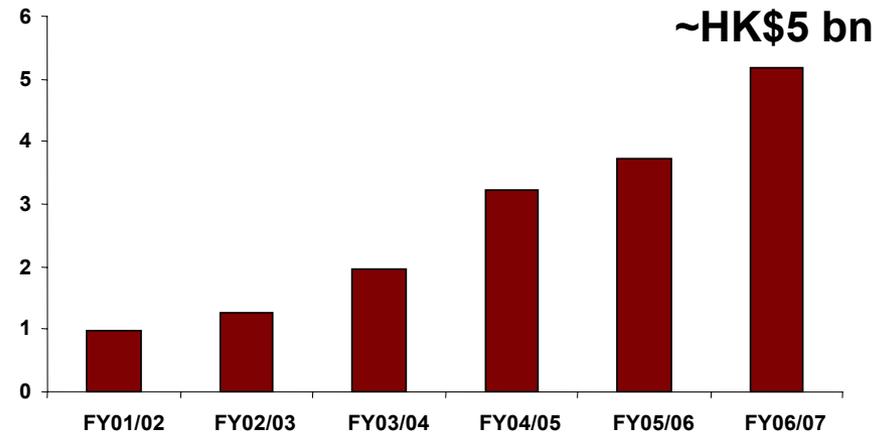
Turnover

5 year CAGR 26%



Net Profit

5 year CAGR 39%



“**New Growth Stock**”

...*Börse Aktuell August 2007*

Record Turnover and Profits

FY06/07 Highlights

	HK \$mn	yoy growth
Turnover	29,640	▲ 26.9%
Operating Profit	6,259	▲ 31.4%
Net Profit	5,180	▲ 38.6%
Basic EPS	HK\$ 4.22	▲ 36.6%

Overall Margins Improved

**Operating
Profit
Margin**

21.1%

▲ 0.7% pt

□ **Retail = 43% Group's turnover**

EBIT margin ▲ 2.8% pts to 15.1%

□ **Wholesale = 56% Group's turnover**

EBIT margin ▼ 1.7% pts to 26.4%

**Net Profit
Margin**

17.5%

▲ 1.5% pts

□ **One-time tax charge reversed ~HK\$170m**

Successful appeal in tax court

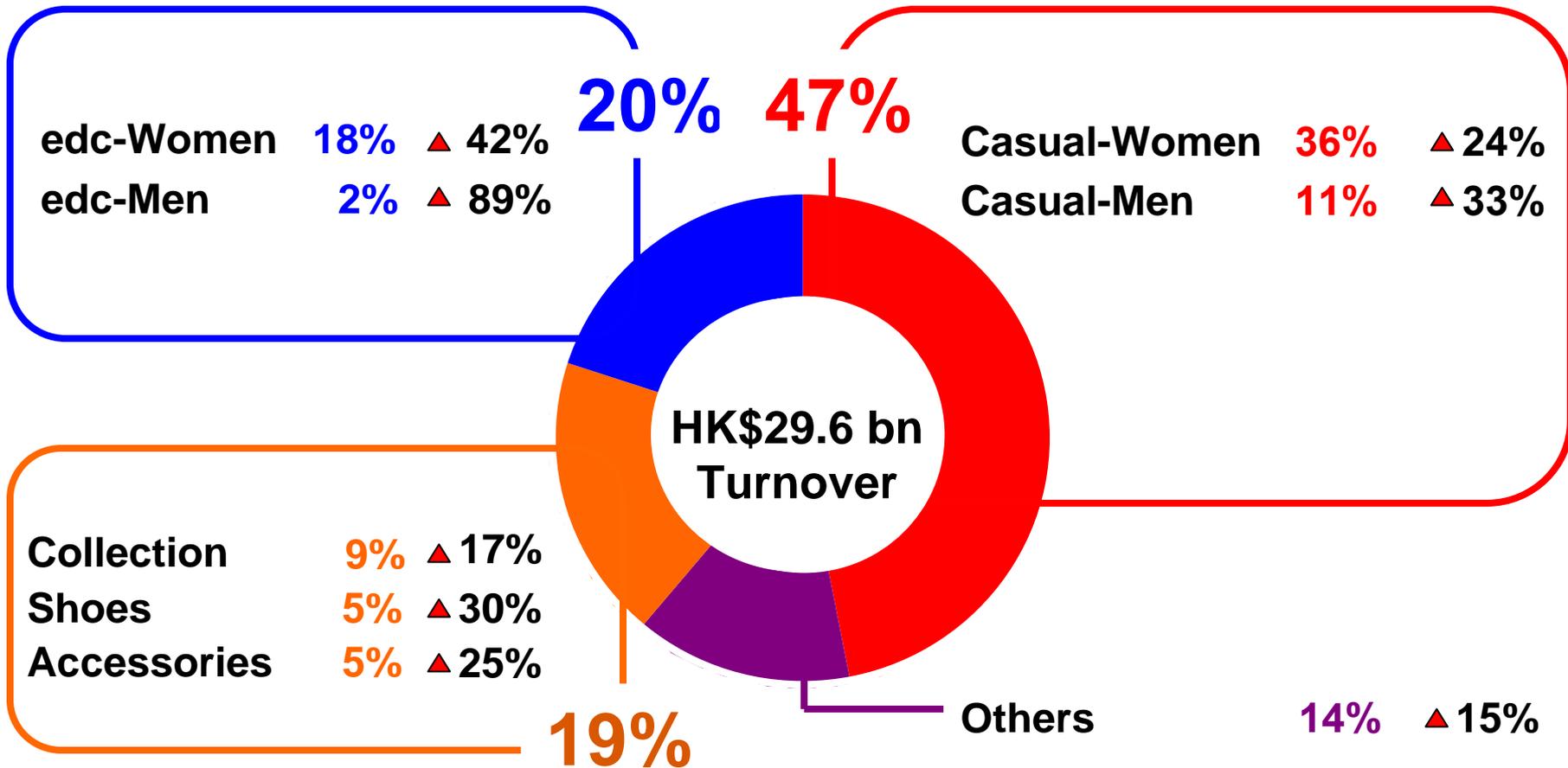
Sharing Our Success: Full year dividend ~HK\$4bn

	HK\$ bn	yoy growth
Free Cash Flow	5.3	▲ 103%
Net Cash	5.2	▲ 112%
ROE	49%	
ROA	35%	

Dividend	
	HK\$/share
Proposed	
Final	1.00
Special	1.48
Payable on Dec 7, 07	2.48
Interim – paid	0.70
Full year ▲ 38%	3.18

Full year payout ratio 75%: Regular 40% & Special 35%

Double-digit % Growth from All Key Product Divisions



Quality products at a fair price

▲ yoy HK\$ growth
 ■ ■ ■ ■ % of FY06/07 turnover

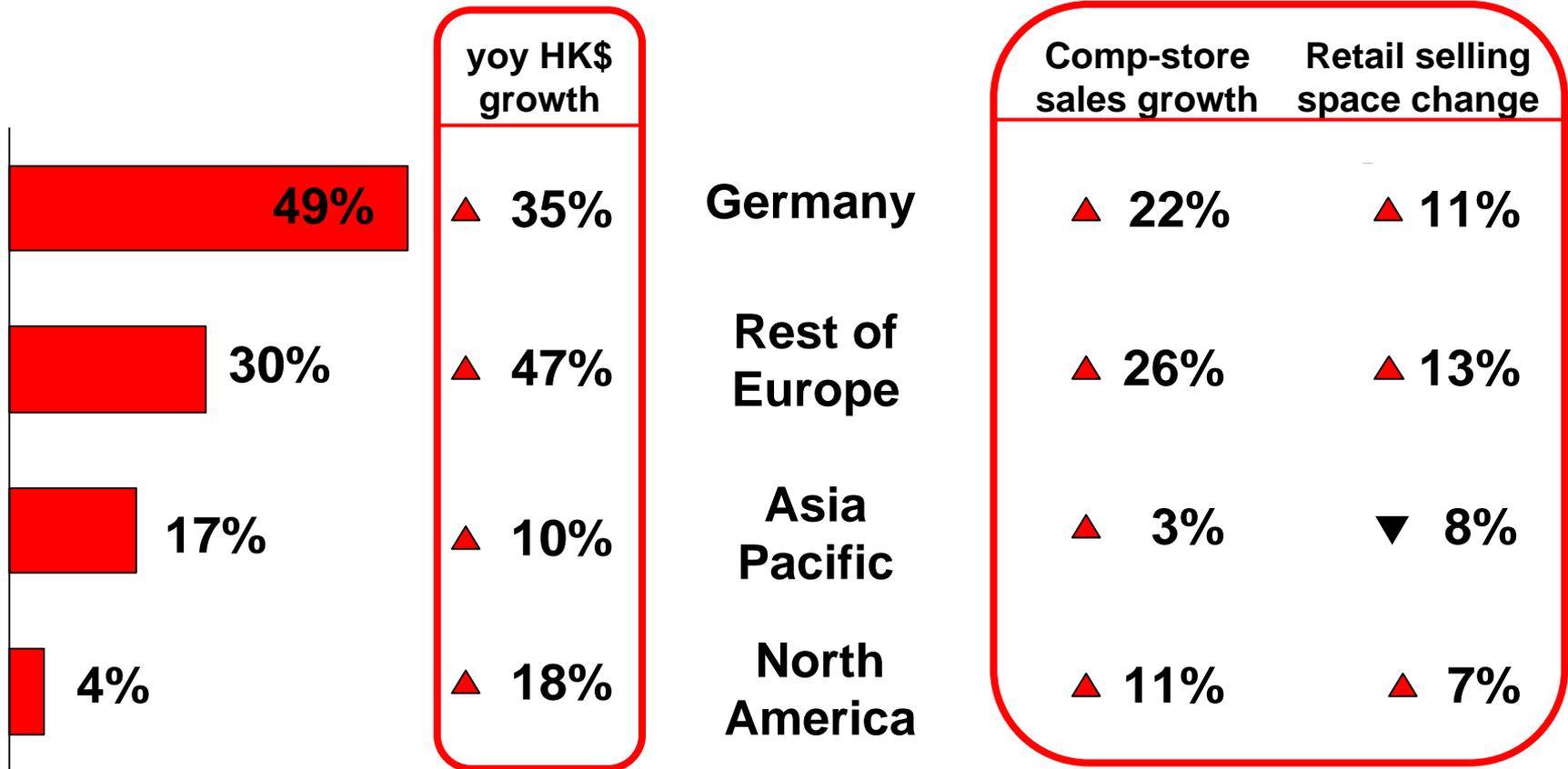
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Retail Turnover $\uparrow 32\%$

Retail Space $\uparrow 6\%$

HK\$12.8 billion

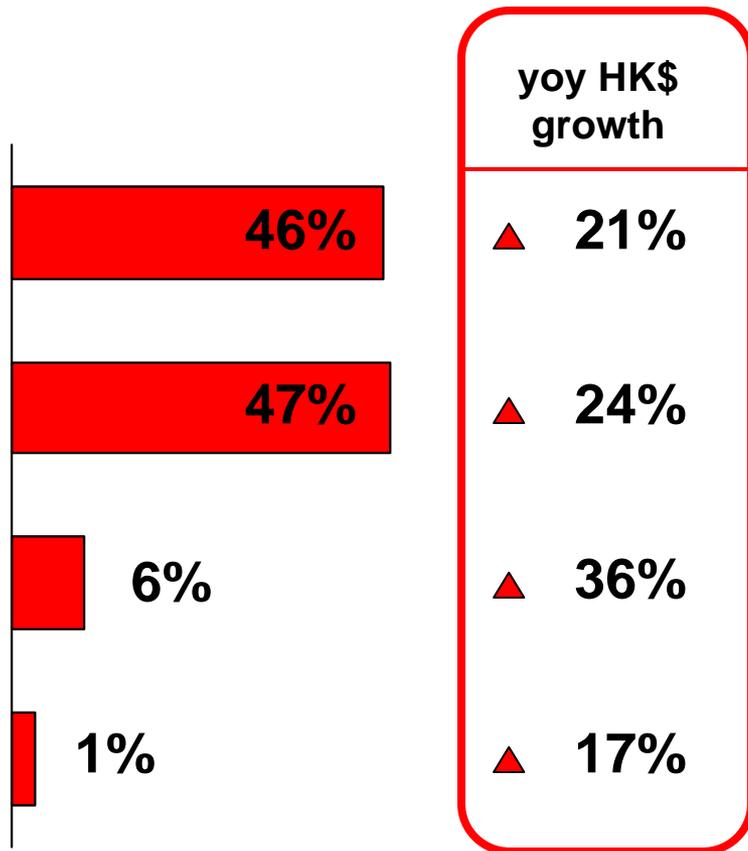
~238,000 m² Worldwide



Wholesale Turnover ▲23%

Controlled Space ▲20%

HK\$16.6 billion



~630,000 m² Worldwide

	Controlled space POS	yoy growth
Germany	7,372	▲ 881
Rest of Europe	4,187	▲ 471
Asia Pacific	1,311	▲ 257
North America	225	▲ 27

Growth and Profitability Trend

	FY04/05	FY05/06	FY06/07
Key Events	WTO - Quota Removal	Product issue	German VAT increase
Euro/USD Translation Rate	1.273	1.218	1.306
YoY LCY Turnover Growth	18.9%	18.2%	18.5%
YoY HKD Turnover Growth	26.1%	13.2%	26.9%
Operating Profit Margin	19.8%	20.4%	21.1%
Group Effective Tax Rate	23.0%	23.5%	20.8%
Net Profit Margin	15.6%	16.0%	17.5%

Product Initiatives



**Extension of
product portfolio**

de.corp
ESPRIT URBAN CASUAL

**Launching in
Spring 2008**

Retail Initiatives

Expansion Plan

- CAPEX over HK\$1 bn
- Adding over 100 retail stores
- Upgrade existing stores

Focus markets

- France
- U.K.
- Hong Kong
- Australia
- U.S.

Wholesale Initiatives

Expansion Plan

- ❑ Adding over 2,000 controlled space POS
- ❑ Wholesale orders to Dec 07
 - ▲ mid teens % yoy

Focus markets

- Spain
- Italy
- India
- Middle East

International Branding

Flagship stores to come

New York, Paris, Hong Kong, Sydney, Barcelona, Madrid ...

Promote edc brand

- ❑ MTV music awards
- ❑ Further roll out of standalone **edc** stores
in France, Austria, Hong Kong, India ...

youthful lifestyle brand ...

affordable luxury...

newness & style to life

Q & A

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