

ESPRIT

fy08/09 interim results

ESPRIT



overview

Heinz Krogner, Chairman & Group CEO



financial summary

Ernst Vogel, Deputy CFO

financial highlights



in hk\$m	1h08/09	yoy change
turnover	\$19,064	+3%
gross profit	\$10,148	+2%
operating profit	\$3,411	-15%
net income	\$2,853	-13%
in hk\$m		dec08
net cash		\$3,848

gross margin holding up



% of total turnover	1h08/09	1h07/08	yoy change
gross margin	53.2%	53.5%	-0.3%pt

- sales is not driven by aggressive pricing strategy

operating profit margin temporarily suppressed

ESPRIT

% of total turnover	1h08/09	1h07/08	yoy change
operating profit margin	17.9%	21.7%	-3.8% pts

- productivity of channels dampened by financial turmoil
- shift in wholesale:retail turnover mix
- investment in future growth

net cash position: hk\$3,848m

ESPRIT

in hk\$m

net cash inflow from operating activities

dec08

\$2,527

capex

\$1,167

dividend payment

\$4,042

share repurchase

\$204

- returned more cash to shareholders
- invested more cash in future growth

maintain interim dividend payout ratio @ 35%

hk\$0.80/share to be paid on or about 8 apr 09

ESPRIT



performance summary

Thomas Grote, President – Esprit Brand

sales by region



in hk\$m	1h08/09	% of total turnover	yoy change
europa	\$16,236	85%	2%
asia pacific	\$2,333	12%	14%
north america & others	\$495	3%	3%

- encouraging growth in high potential markets

china Δ 35%

middle east Δ 33%

russia Δ 33%

Δ yoy turnover growth

sales by product division



in hk\$m	1h08/09	% of total turnover	yoy change
esprit casual	\$8,838	46%	2%
esprit collection	\$1,681	9%	6%
edc ^	\$4,582	24%	4%
others*	\$3,963	21%	3%

- localization in asia
- strengthening of mid to upper price point offerings

^ edc include edc kids, edc accessories, edc shoe and edc bodywear

* others include esprit accessories, shoes, kids, sports, bodywear, de corp. red earth, salon & licensed products

distribution – productivity dampened by challenging environment

ESPRIT

in hk\$m	1h08/09	yoy change
retail	\$8,791	+10%

+ comp-store growth 6%

+ ~11% net space growth

- prolonged new stores maturity

wholesale	\$10,150	-3%
-----------	----------	-----

+ ~7% net controlled-space growth

- franchisees cancelled openings due to credit crunch

- reduced order due to cautious buying & stringent credit control

branding

ESPRIT

CELEBRATION 68/08
ESPRIT



- planned net openings:
 - over 25 directly managed retail stores
 - over 500 wholesale controlled pos
- product initiatives:
 - increasing value of mid to upper price point offerings
- hope to maintain similar overall turnover growth to that of 1H08/09 (in local currency terms)

ESPRIT



outlook

Heinz Krogner, Chairman & Group CEO

thank you!

ESPRIT



q&a