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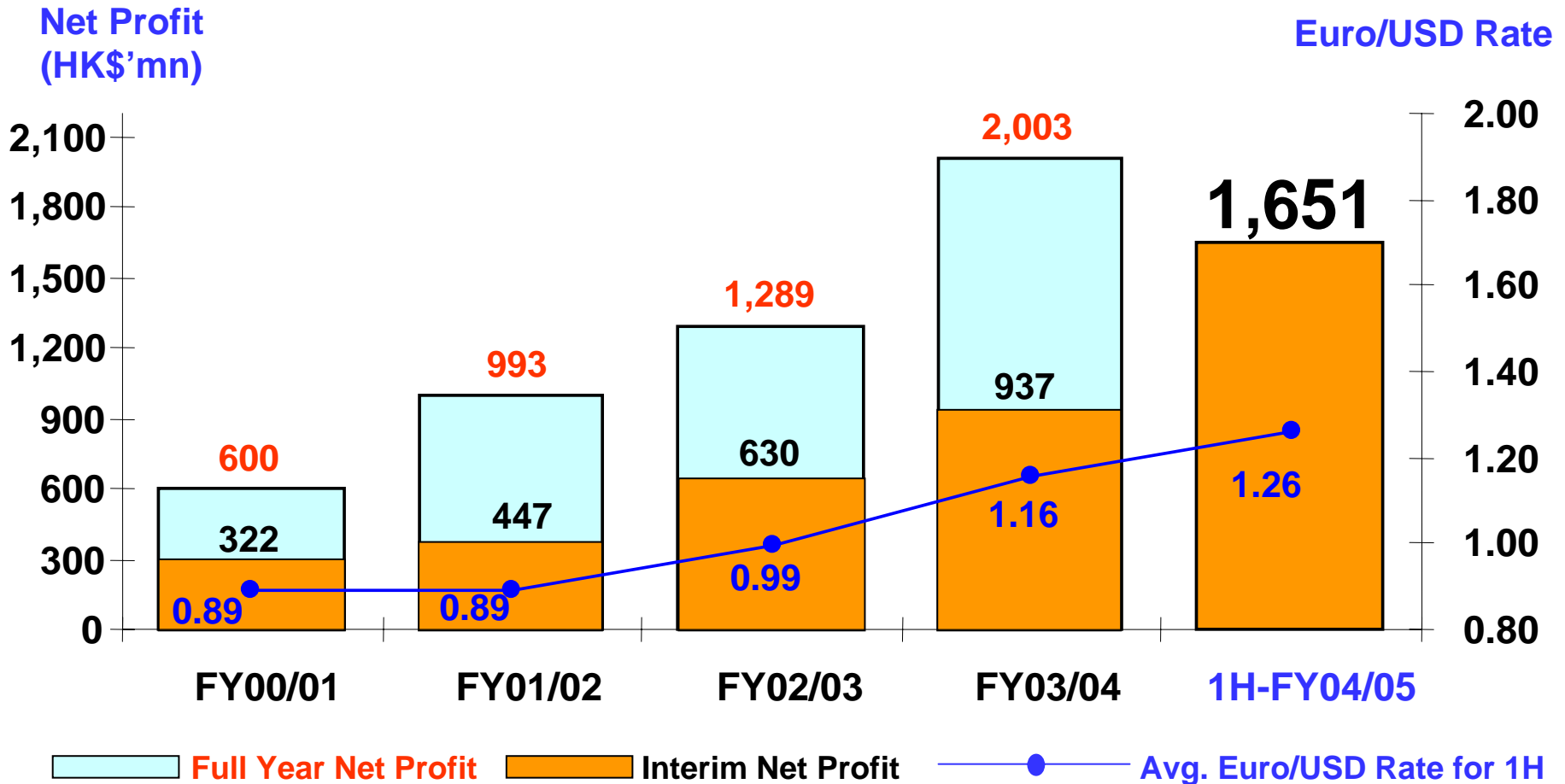
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FY04/05 Interim Results Presentation

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.

net profit HK\$ 1.65 billion ▲76% yoy
EPS HK\$1.38



net cash HK\$2 billion ▲HK\$260 mn[#]

Major Cash Outflow

(in HK\$'mn)

**6 months ended
Dec. 31, 2004**

capex

450

one-time purchase: HK headquarter & signage space

260

final & special dividend payment (FY03/04)

1,170

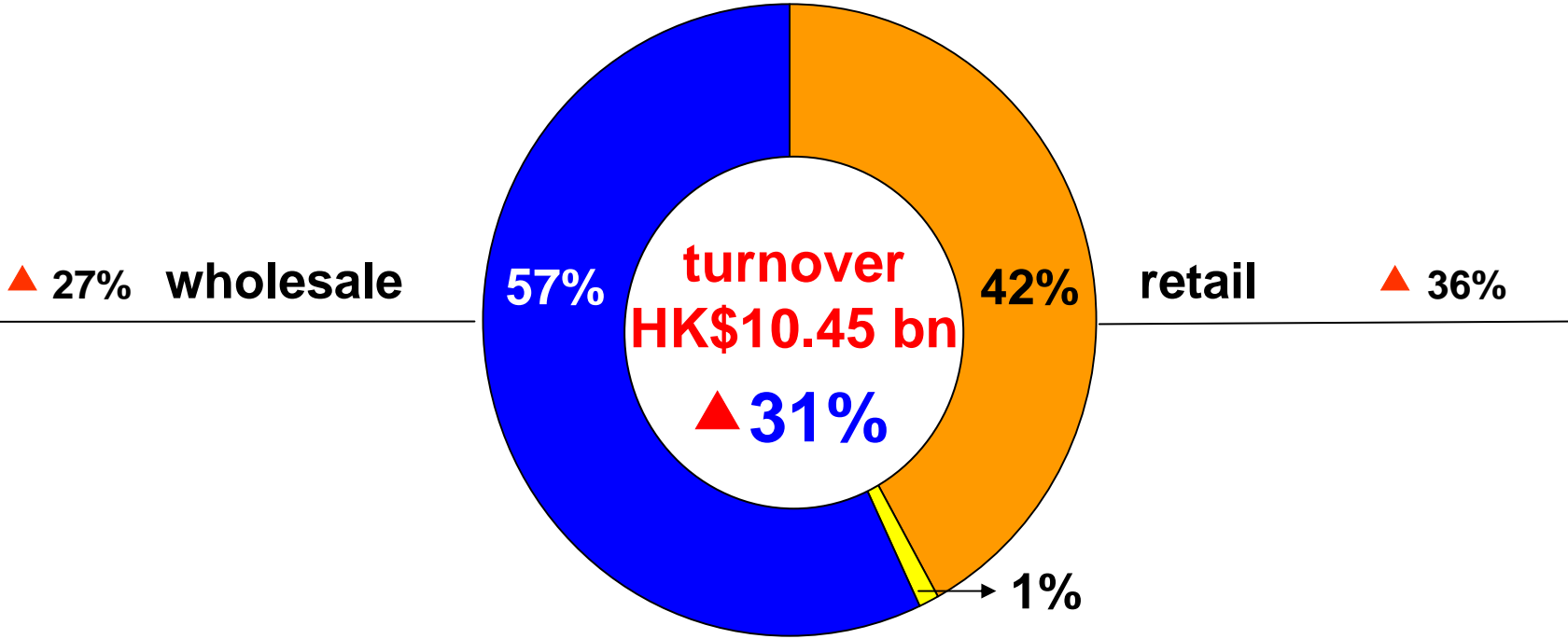
interim dividend HK\$0.45 per share

FY03/04: HK\$0.19

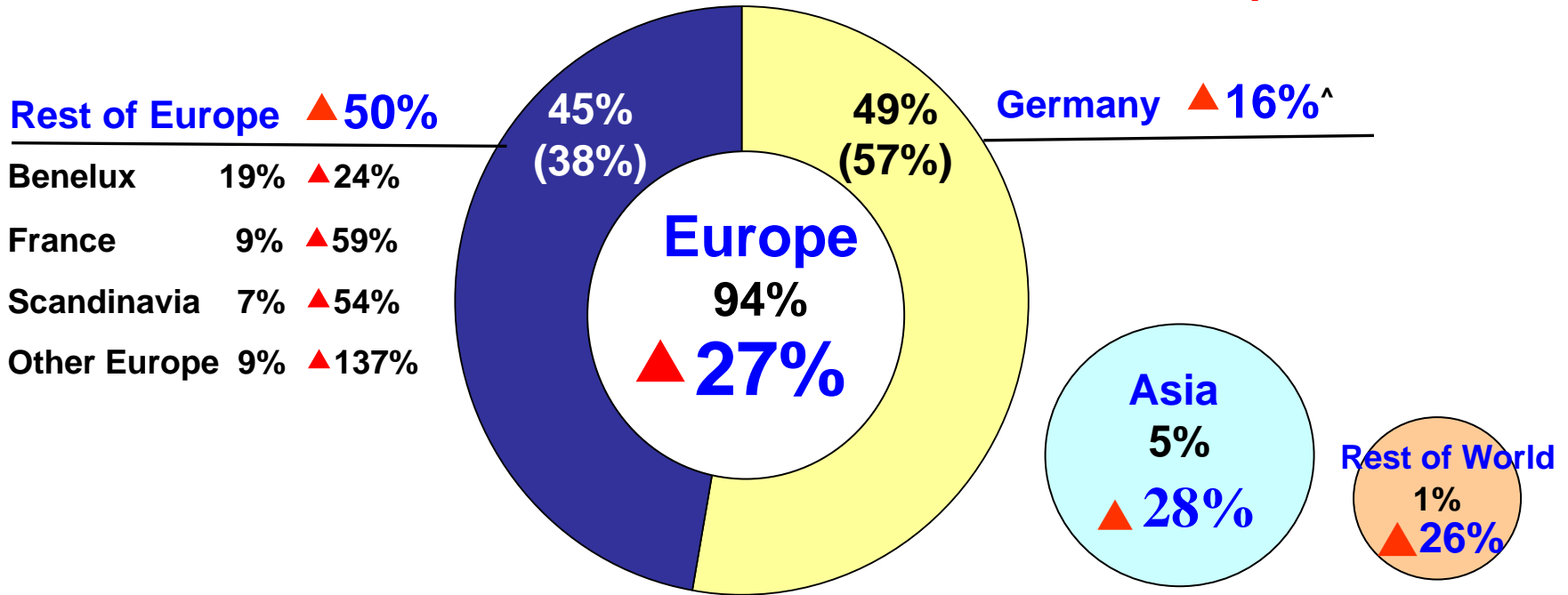
group turnover ▲31% to HK\$10.45 bn

growth across all continents

continents	% group turnover	yoy growth
Europe	85%	▲ 33%
Asia	9%	▲ 31%
Australasia	4%	▲ 3%
North America	2%	▲ 12%



wholesale turnover ▲27% to HK\$5.94 bn



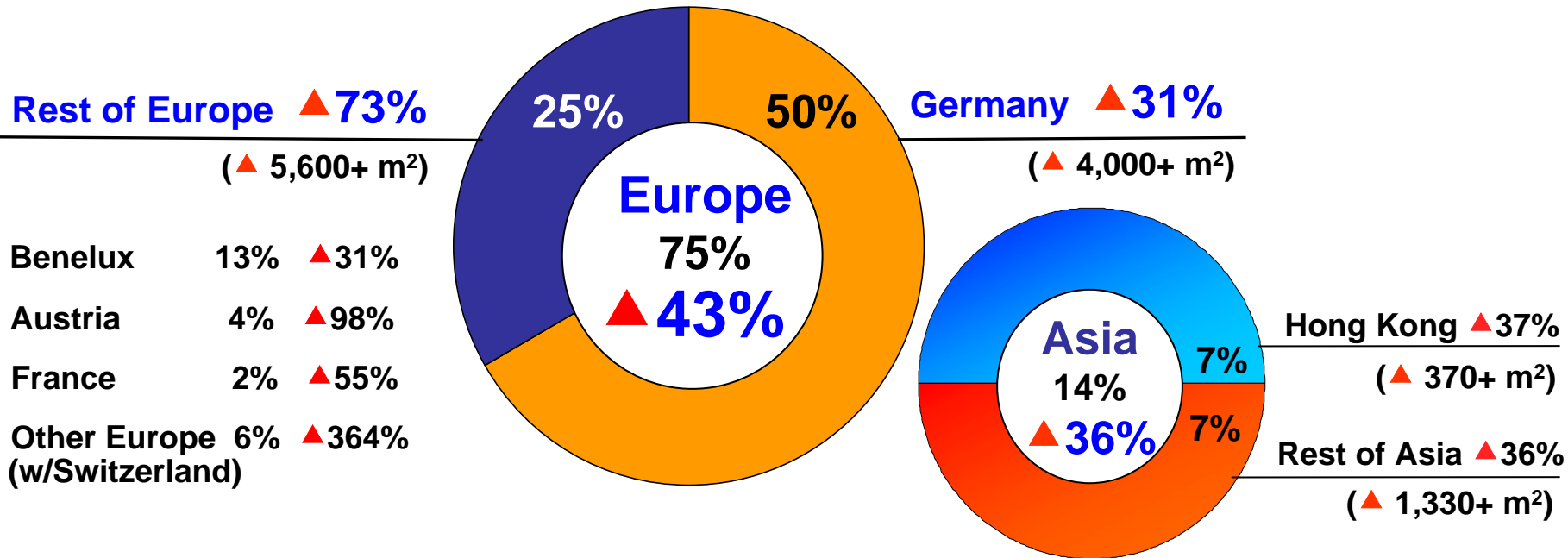
- net controlled selling space worldwide ▲55,000m²+ (▲17%) to 391,000m²+
- solid growth outside Germany
- new wholesale initiatives in Asia
 - strong turnover growth in Thailand & Saudi Arabia

EBIT ▲50% to HK\$1.42 bn

[^]excluded wholesale turnover to Switzerland in prior year

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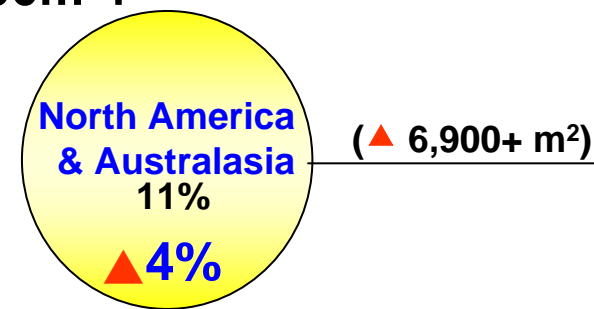
retail turnover ▲36% to HK\$4.42 bn



➤ net selling space ▲19,000m²+ (▲11%) to 189,000m²+

➤ improved productivity

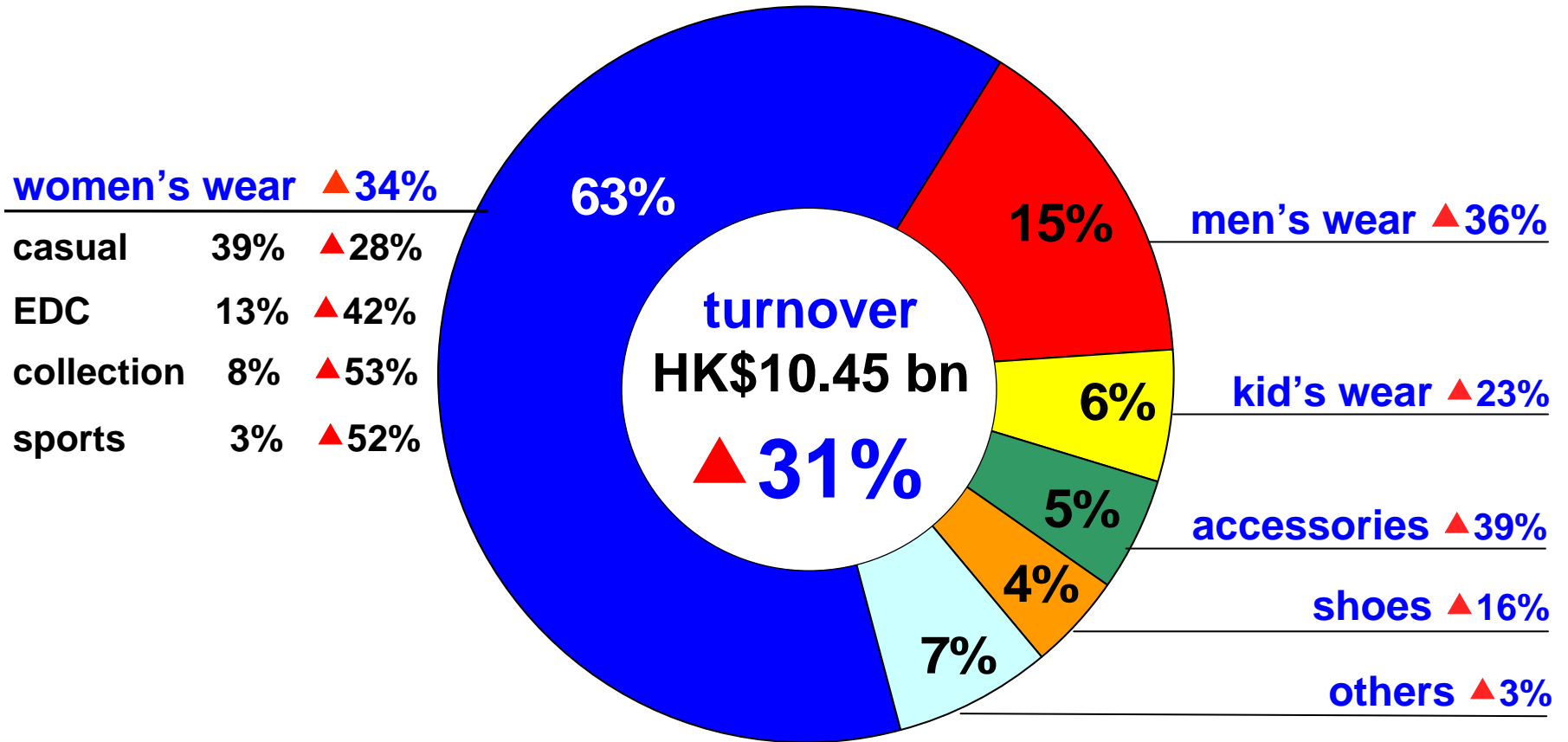
- group comp-store sales ▲9%*+
- net sales/m² ▲7%*
- EBIT/m² ▲21%*



EBIT ▲53% to HK\$580 mn

*after elimination of currency impact
()change in net selling space

better products  **more sales**

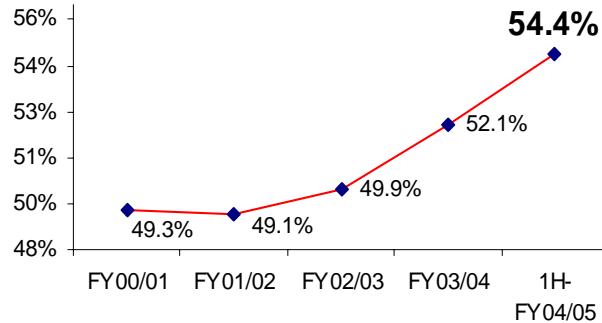


good quality & fair price

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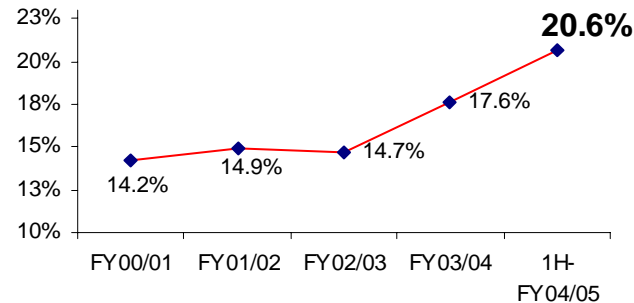
record high margins

Gross Margin



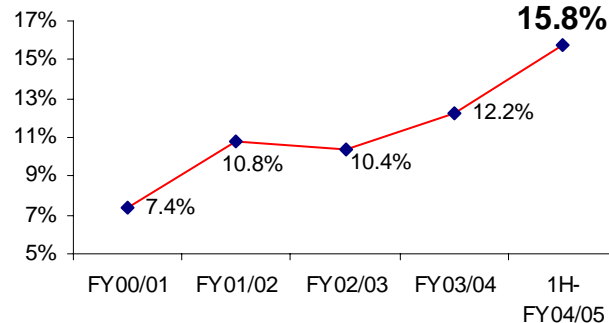
- better merchandize offerings with more full-price sales
- tighter control on cost of goods
- Euro impact (up 8.8% yoy) on half of the goods produced for Europe in Asia

EBIT Margin



- wholesale EBIT 23.9%, ▲ 3.6% pts yoy
- retail EBIT 13.2%, ▲ 1.5% pts yoy

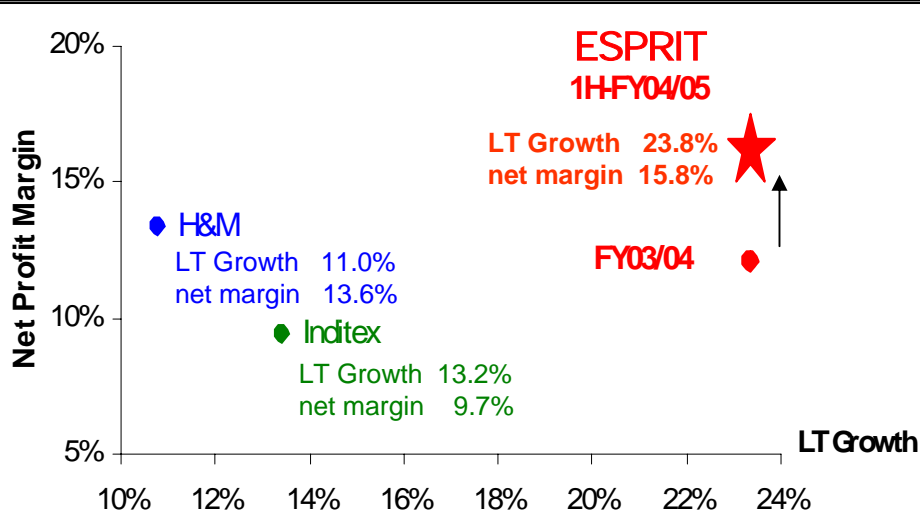
Net Margin



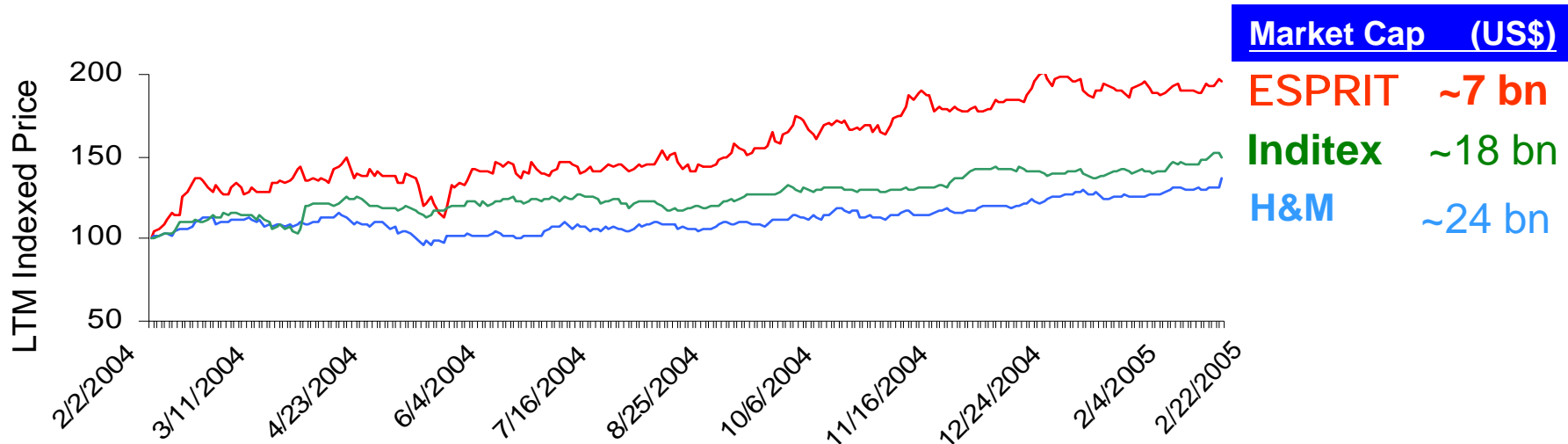
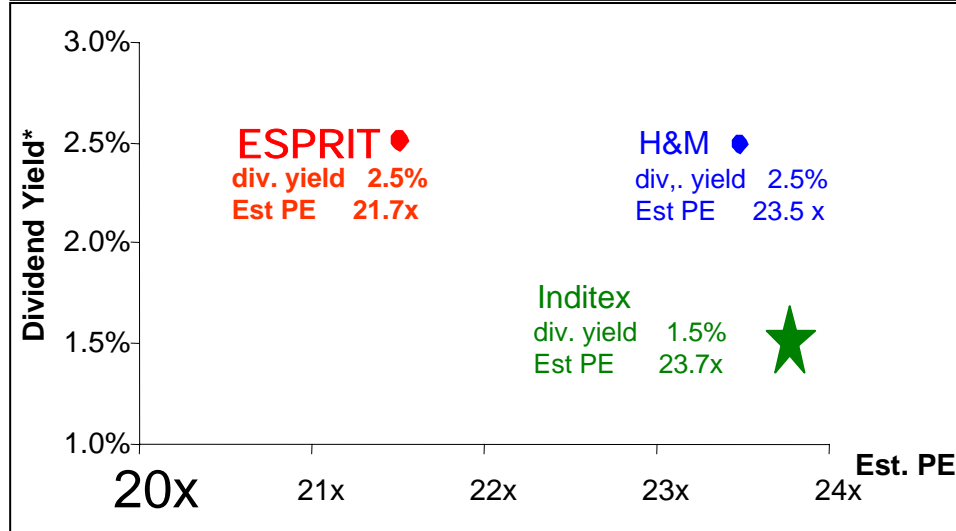
- group effective tax rate improved to 25%

ESPRIT vs. global peers

strong growth & high net margin



still trailing in valuation



*Bloomberg current dividend yield
Source: Bloomberg as at 20:10, Feb. 22, 2005

our equity story ...

11 yrs of consecutive growth & profitability

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SPRIT's
performance
indicators

indicators	targets
annual revenue growth	~ 20%
EBIT margin	~ 20%
net profit margin	~ 15%
Return On Equity	~ 35%
regular dividend payout ratio	~ 40%

~ represents around

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