



10th
listing anniversary
ESPRIT

ESPRIT HOLDINGS LIMITED
FY02/03 final results
September 18, 2003

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.

another year of double-digit top and bottom line growth

HK\$ mn	FY 02/03	YoY growth
turnover	12,381	▲ 34%
EBIT	1,721	▲ 31%
net profit	1,186	▲ 28%
shareholders' equity	4,238	▲ 32%
basic EPS (HK\$)	ONE	▲ 25%

strong cash flow and balance sheet

dividend payout ratio increased to 40%

HK\$	FY02/03	vs. FY01/02
net cash from operating activities	1.57 billion	▲ 243 mn
capital expenditure	333 mn	▼ 11 mn
net cash*	1.32 billion	▲ 1.17 billion
proposed final dividend (HK cents)	32.5	▲ 91%

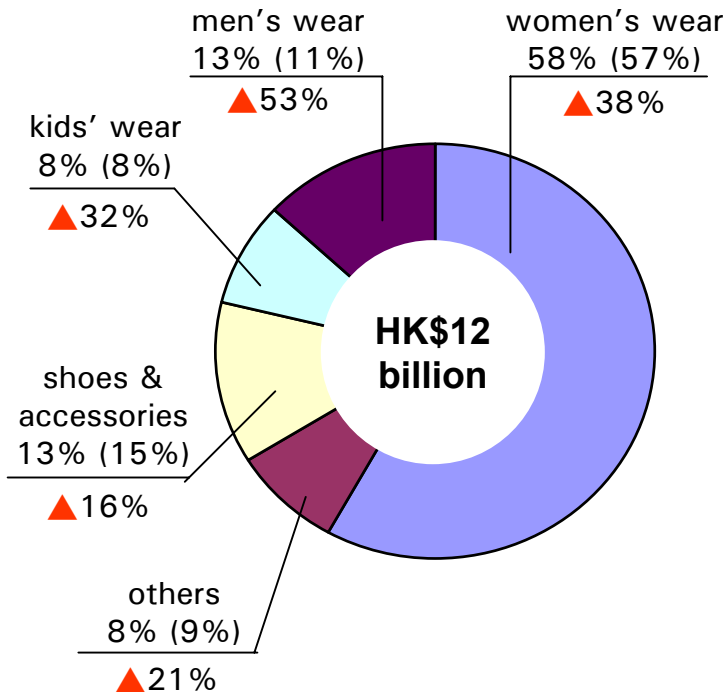
* cash & cash equivalents less long term bank loan which is payable in 2005



proposed special dividend of HK30 cents payable on
December 9, 2003



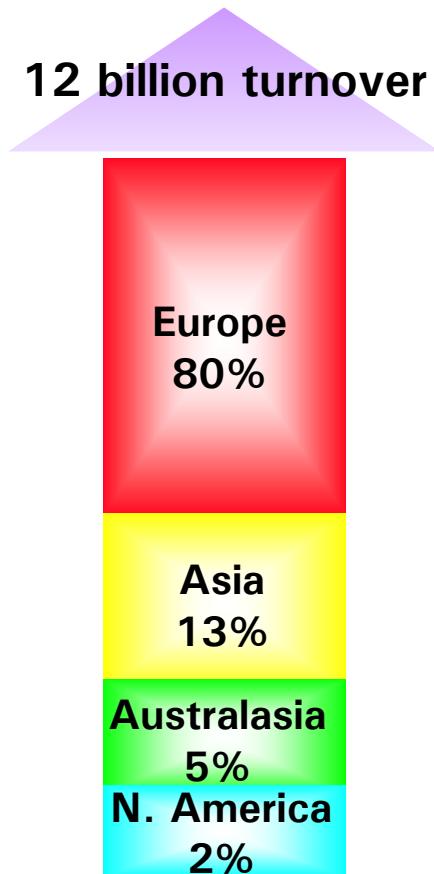
double-digit turnover growth across key product categories



() represents FY2001/02 sales mix by products

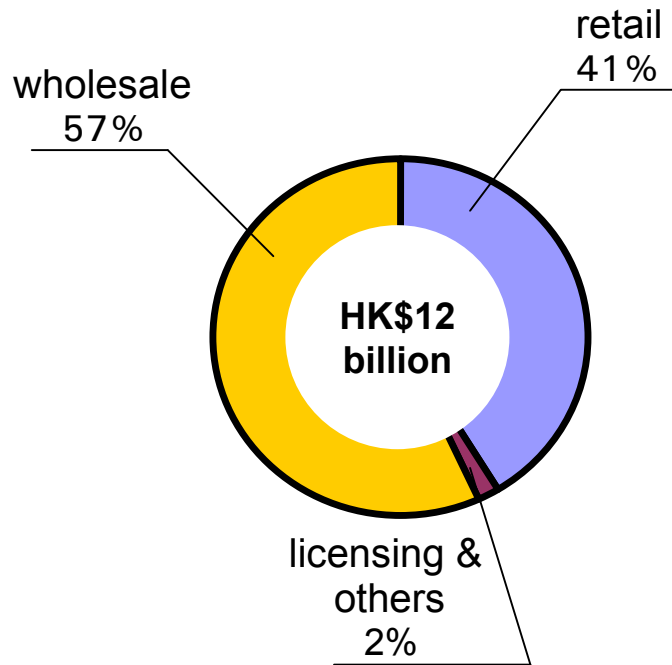
- better sourcing coupled with Euro strength enhanced price-quality correlation
- alignment of local management team to execute global product strategy
- through 12 collections-year & injection order → better market-driven products at the right time → healthy sales

sales growth in all continents



FY02/03 (HK\$ mn)	turnover (rounded)	YoY growth
Europe	9,800	43%
Asia	1,600	1%
Australasia	600	12%
North America	300	58%

all business segments – profitable with over 30% sales growth



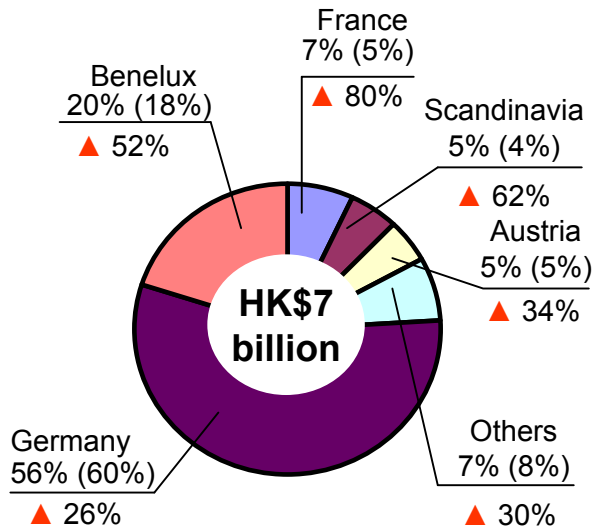
(excluding inter-segment revenue)

HK\$ mn	turnover* (rounded)	YoY	EBIT*
wholesale	7,100	35%	964
retail	5,100	33%	2 **
sourcing	740	37%	567
licensing & others	460	36%	234

* before elimination of inter-segment transactions

** after charges and provisions for retail space restructuring

wholesale – significant growth in European markets



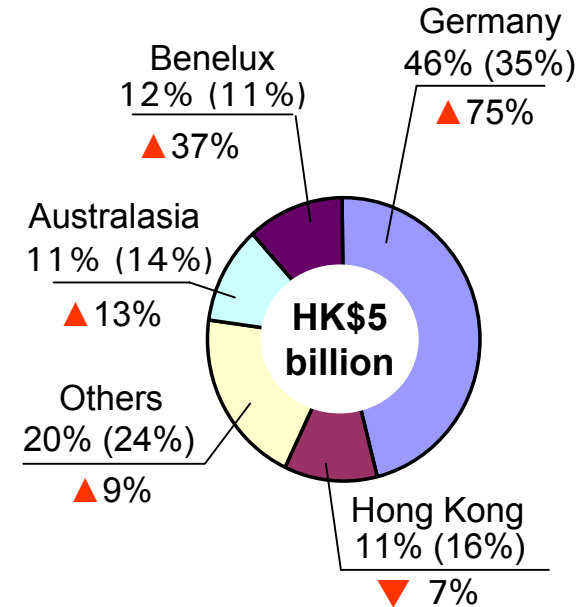
() represents FY2001/02 sales mix by market

- Germany, our largest wholesale market, grew 26%
- successfully diversified into Benelux, France & Scandinavia, each achieved over 50% sales growth
- continued to win the confidence of wholesale partners:
 - ❑ consistent profitability offered by **ESPRIT** products
 - ❑ cross-selling our progressively diversified product lines, e.g. men's wear grew by 56%
- country distributors, such as China & Switzerland delivered promising performances

	over	totaling over
shop-in-stores in department stores	1,700	78,000 m ²
stand-alone partnership stores	400	64,000 m ²
identity corners in multi-label stores	3,300	68,000 m ²
China point-of-sales	600	53,000 m ²

retail – 33% turnover growth amid challenging environment

- comparable-store-sales up 6.9%*, with growth in Europe in excess of 14%*
- European stores opened last year started to contribute -- Group's net sales per sq-m improved by 9%*
- operating profit remained flat after charges and provisions for retail space restructuring in H.K., U.K. & Canada
- improved inventory turnover and reduced mark-downs through better merchandising, demand driven pricing and inventory management



() represents FY2001/02 sales mix by market

*in local currency terms

capital expenditure	HK\$ 230 mn	
sales area (m ²)	▲ 11,000 net	(▲ 8%) → 152,000

licensing activities compliment brand penetration worldwide



- since global unification of the brand, we have committed additional resources to grow the licensing business
- more than 20 product license partners offering merchandises spanning over 20 categories such as eyewear, jewelry, timewear and footwear
- our U.S. market was the main growth driver with 5 new U.S. licenses granted between May 2002 and June 2003



enhanced profitability

net margin 9.6%

gross profit margin
49.9%
(▲ 0.8% pt)

- + more full-price sales and appreciation of Euro
- offset by price point adjustment or improvement in product quality while keeping price stable

EBITDA margin
17%
(▼ 0.3% pt)

- + economies of scale and decrease of 0.4% pt in building expenses as a percentage of sales
- offset by charges and provisions for retail space restructuring primarily in Hong Kong, U.K. and Canada

effective tax rate
33.8%
(▼ 2.7% pts*)

- + ongoing effort in implementing yield enhancement and tax efficiency strategy worldwide
- balanced by increase in trademark amortization as well as additional tax on acquired minority interest in Esprit International

* excluding one-time tax benefit in FY01/02

FY03/04 targets

double-digit
top and bottom line
growth

- further leverage on the success of our European operations
- halve the losses in H.K., U.K. and Canada retail
- deepen market penetration in North America

focus on the ESPRIT brand & products

The ESPRIT logo is displayed in white text on a red rectangular background. The logo consists of three horizontal lines above the word "ESPRIT".

ESPRIT

- global image campaign commenced in September 2003
- strengthen brand dominance in continental Europe
- In the U.S., ESPRIT brand recognition elevated to position 35 in 2003 according to WWD June 2003 edition (2001: position 52)

A yellow rectangular box containing the word "Products" in bold black text.

Products

- getting the **right product** to the **right location** at the **right time**
- enhanced the breadth and quality of global offerings to cater to needs of our markets
- created new position of Director of International Products
- facilitate successful product licensees to enter other markets
- product re-launch in September 2003 in Hong Kong

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ESPRIT

focus on our global distribution channels

Europe

- signed up 500 shop-in-stores, 100 partnership stores & planned to add around 24,000 m². of directly managed retail stores in FY03/04
- accelerate retail and wholesale development in U.K.

North America

- expand wholesale distribution to independent and chain stores in the U.S.
- open 5 retail stores in the U.S. by the end of 2004
- launch e-shop in the U.S. in 2H2004
- launch of wholesale in Canada targeted for FY2003/04

Asia

- restructure retail space and improve store displays & layouts
- stepping up efforts to grow wholesale business
- China JV recovering from SARS impact and set for further growth

Australasia

- focus on comparable store growth and strengthen brand penetration in New Zealand

fuel for our growth engine

capital expenditure for FY03/04: ~ HK\$600mn

- new openings and upgrade of existing shops primarily located in Europe (~ HK\$400 mn)
- global unification – IT systems mainly for merchandise planning and retail management (~ HK\$90 mn)
- new showrooms and global business headquarter in Ratingen, Germany due to open in October 2003 (~ HK\$100 mn)

our corporate governance

➤ Board participation

- ❑ the Board & Audit Committee conducted quarterly review of group performance

➤ improved speed and transparency of disclosure through proactive investor relations & enhanced IR website

➤ outsourced internal audit function working well

- ❑ KPMG has submitted first audit report

➤ no material impact to share price arising out of disposal of option shares or secondary shares by major shareholders

- ❑ continue orderly disposal of option shares

10th
listing anniversary
ESPRIT

1993



separate ownership of the **ESPRIT** brand in Asia, Europe and the U.S.



2003

global unification of the **ESPRIT** brand

awards-winning company including over 10 corporate governance related awards

index stock:

- MSCI Hong Kong Index (2000)
- Hang Seng Index (2002)
- FTSE All-World Index for Hong Kong (2003)
- S&P/HKEx LargeCap Index (2003)

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enhancement of shareholder value for a decade

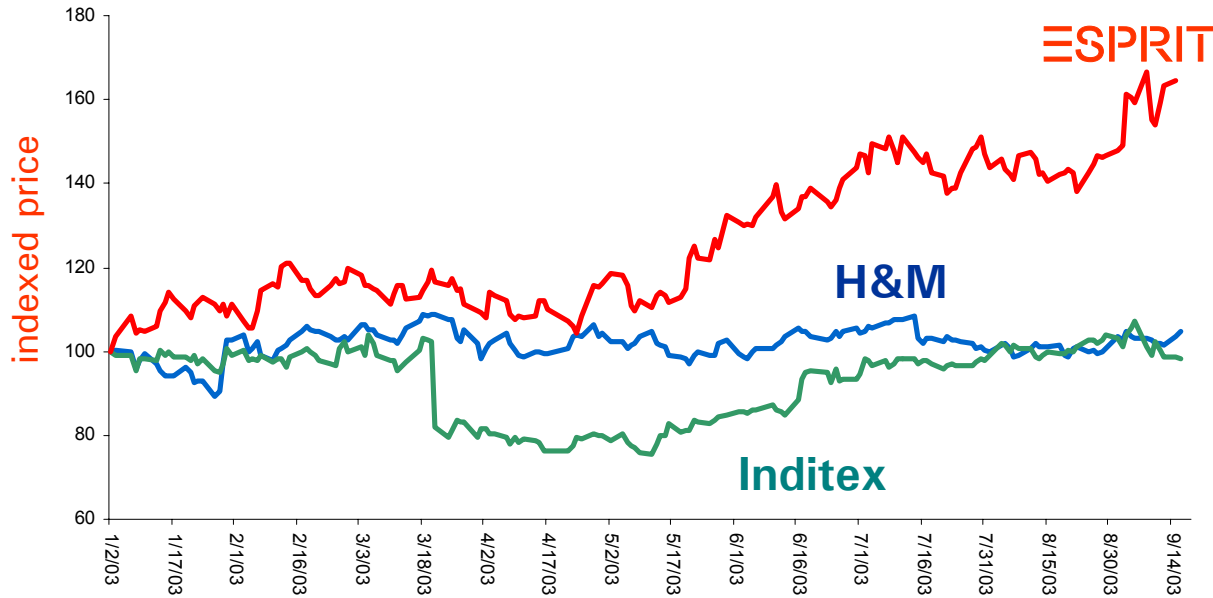


HK\$ mn	FY 92/93	FY02/03	multiple
market cap.*	1,463	25,933	18 times
IPO/share price** (HK\$)	1.95	21.80	11 times
turnover	770	12,381	16 times
net profit	79	1,186	15 times
shareholders' equity	164	4,238	26 times

*market capitalization at IPO and at market close on Sep 17, 2003

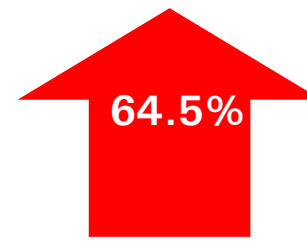
**share price at IPO and at market close on Sep 17, 2003

share price performance vs. global peers

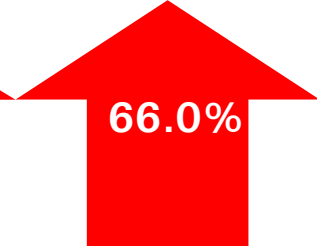


Share Price
HK\$21.80
(Sep 17, 03)

Market Cap
HK\$ 25.93 bn
(Sep 17, 03)



HK\$13.25
(Jan 2, 03)



HK\$ 15.62 bn
(Jan 2, 03)



www.espritholdings.com