

FOR IMMEDIATE RELEASE



Esprit Final Results for year ended 30 June 2010

- Group turnover of HK\$33.7 billion and net profit of HK\$4,226 million
- Retail turnover grew 9.3% year-on-year and total retail space increased 23.1% year-on-year
- Continued strengthening of wholesale channel mix with franchise space increasing 6.3% year-on-year, excluding China
- Gross profit margin increased 2.6 percentage points to 54.7%
- Cash and bank balances increased to HK\$6.7 billion
- Detailed and actionable plan of the Six Strategic Initiatives ready for implementation
- Regular dividend payout ratio increased to 60% going forward
- Targeting to at least double China turnover in five years time

HONG KONG, 2 September 2010 – Esprit Holdings Limited (SEHK: 00330) today announced final results for the year ended 30 June 2010.

The Group recorded a turnover of HK\$33.7 billion with a gross profit of HK\$18.4 billion and net profit after tax of HK\$4.2 billion. Cash and bank balances increased to HK\$6.7 billion as at 30 June 2010. Basic earnings per share were HK\$3.35 for the year ended 30 June 2010.

“The Board of Directors has proposed to declare a final dividend of HK\$0.67 per share (2009: Final dividend of HK\$0.72) and increasing the regular dividend payout ratio from last year’s 40% to 60% going forward, as a testament of the Company’s commitment to share our success with shareholders,” remarked Mr. Heinz Krogner, Chairman of the Company.

Mr. Ronald Van der Vis, Group Chief Executive Officer, said “Our Six Strategic Initiatives program was launched during the year to strengthen our platform for growth and profitability by making our brand, products and stores more inspirational for our customers. Moreover, the initiatives focus on making our sourcing activities more efficient and our management and support functions more effective. I am pleased to see that we have made great progress, just six month after the kick-off. Thanks to the joint efforts of various teams within the Group, actionable growth plans are ready for implementation. We are well under way to create an even better and bigger Esprit.”

Mr. Fook Aun Chew, Group Chief Financial Officer, commented, “Despite the tough macro environment, the Group continued to achieve good results in delivering 9.3% retail turnover growth and an improvement in gross profit margin by 2.6 percentage points to 54.7% and expanding total selling space by 2.1% or 23,144 m² year-on-year (wholesale and retail channels combined). As a result of our continuous effort to improve working capital, the inventory and net trade debtors balances declined 18.1% and 21.4% year-on-year, respectively, and the cash flow from operating activities increased 2.7% year-on-year to HK\$5,412 million. The Group continued to maintain a strong balance sheet positions with cash and bank balances of HK\$6,748 million as at 30 June 2010.”

“The buyback of the remaining 51% equity interest in the China operations is a key milestone of the year. It will become Esprit’s new growth engine driving further expansion of the Group,” said Mr. Krogner. The Company is targeting to double the China turnover in five years time, expanding from an existing base of 169 cities to over 400 cities, increasing the number of point-of-sales and selling space by at least over 70% in China. EBIT margins are expected to improve from the low-teens to high-teens.

“Looking forward, although the economic conditions seem to be improving, the road to full recovery of consumer confidence is still distant and there remains the risk of further volatility in the global economy. However, I believe without a doubt that with our teams’ passion, adaptability and drive, the prospect of Esprit is only going one way – brighter and better,” concluded Mr. Van der Vis.

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ESPRIT HOLDINGS LIMITED
AUDITED CONSOLIDATED FINANCIAL DATA
(in HK\$ millions, except per share data)

	For the year ended 30 June 2010	For the year ended 30 June 2009
Turnover	33,734	34,485
Gross profit	18,436	17,962
Profit before taxation	5,474	5,977
Net profit	4,226	4,745
Cashflow from operating activities	5,412	5,272
Cash and bank balances	6,748	4,840
Bank loans	2,600	-
Final Dividend (per share)	HK\$0.67	HK\$0.72

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Esprit Holdings Limited (www.espritholdings.com) is a constituent stock of the Hang Seng Index, MSCI Hong Kong Index, FTSE All-World Index for Hong Kong, S&P/HKEx LargeCap Index and S&P Asia 50 Index. Its subsidiaries are engaged in the retail and wholesale distribution of quality lifestyle products designed under its globally recognized Esprit and edc brands. The Group operates over 1,100 directly managed retail stores worldwide and distribute through more than 12,000 controlled space wholesale point-of-sales internationally, occupying total selling space of over 1,100,000m² in more than 40 countries.

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