

ESPRIT ANNOUNCES RECORD TURNOVER AND PROFITS

FY06/07 Final Results

- Group turnover grew 27% to HK\$30 billion
- Net profit up 39% to HK\$5.2 billion
- Net profit margin improved by 1.5% points to 17.5%
- Net cash position increased to over HK\$5 billion
- Proposed full year dividend payout: 75% of EPS

Final dividend: HK\$1.00 per share

Special dividend: HK\$1.48 per share

HONG KONG, August 29, 2007 – **Esprit Holdings Limited** (SEHK: 330) today announced final results for the year ended June 30, 2007.

“Another year of remarkable results for FY06/07 again demonstrates our ability and commitment to deliver sustainable and profitable long-term growth,” said Mr Heinz Kroegner, Chairman and Group CEO.

“The Group continues to deliver double-digit percentage growth with overall margin improvement. Group’s operating profit margin and net profit margin improved by 0.7% point and 1.5% points to 21.1% and 17.5% respectively. The growth was driven by healthy growth from all product divisions as well as distribution channels. To share our success with shareholders, the board has recommended to increase the total full year dividend to approximately HK\$4 billion, representing 38% increase from last year,” Mr John Poon, Deputy Chairman and Group CFO commented.

The retail segment delivered a strong turnover growth rate of 32.2% and a 2.8% points EBIT margin improvement, primarily driven by comparable-store-sales growth of close to 20%; while the wholesale segment also recorded a solid turnover growth rate of 23.4%, a significant pick up from 17.1% in the first half of the financial year, with a net addition of approximately 1,600 controlled-space wholesale point-of-sales to around 13,000 worldwide.

While further penetration into core markets continued to show success in capturing market share, development in high growth markets also delivered encouraging results. Impressive turnover growth rates were recorded in Italy, Spain, the Middle East and India during the financial year.

“The Group believes that the impetus to long-term growth is international branding. This is being accomplished by opening flagship stores in metropolitan cities worldwide, participating in large scale promotional events, and expanding our footprint globally. For the new financial year, the Group has committed over HK\$1 billion to open over 100 directly managed retail stores as well as to renovate existing stores worldwide. Over 2,000 new controlled-space wholesale point-of-sales are in the pipe-line. In addition, through the partnership with MTV, edc will have its first multi-national promotional campaign covering Europe and Asia Pacific,” said Mr Thomas Grote, President of Esprit brand.

“Looking ahead, we have strategically positioned ourselves for another phase of significant growth. With a solid track record and a proven business model, the Group has full confidence in overcoming new challenges and continue the growth and profitability trend in the years to come,” concluded Mr. Krogner.

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

	Year ended 30 June 2007	Year-on-year Growth
Turnover	29,640	26.9%
Operating profit	6,259	31.4%
Profit attributable to Shareholders	5,180	38.6%
Basic EPS (HK\$)	4.22	36.6%
Operating profit margin	21.1%	0.7% point
Net profit margin	17.5%	1.5% points
Net cash	5,232	111.9%
Final and Special Dividend Per Share (HK\$)	2.48	37.0%

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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 brand and of cosmetic and body care products under its Red Earth brand. The Group operates over 600 directly managed retail stores worldwide and distribute through over 13,000 controlled-space wholesale point-of-sales internationally, occupying over 867,000 square meters of retail space in more than 40 countries.

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Issued by Esprit Holdings Limited. Full version of the final results announcement is available at www.espritholdings.com. For further details or enquiry, please contact Winnie Kwan at:

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