



**fy05/06**  
**interim results**  
ESPRIT HOLDINGS LIMITED



# forward-looking statements

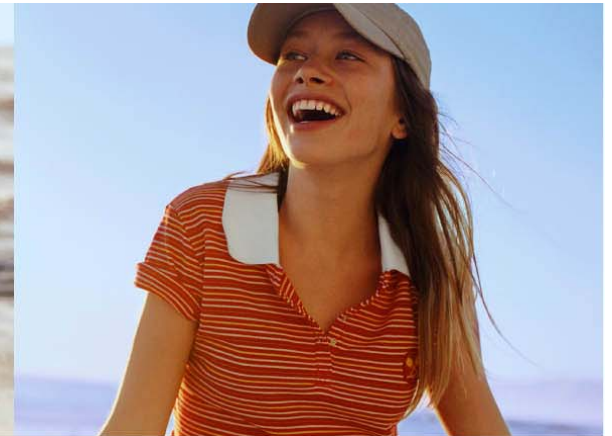
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This presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Esprit. These forward-looking statements represent Esprit's expectations or beliefs 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.

# 05/06 interim highlights

(~ 5% drop in Euro vs HK\$ translation rate included)

HK\$ mn	6 months ended dec. 31, 05	yoy growth
Turnover	11,826	13.1%
Operating Profit	2,409	13.6%
Net Profit	1,873	15.7%



# KPI in-line with esprit's targets & global peers

(~ HK\$70 mn share option expense for half year included)

	Esprit's targets	6 months ended dec. 31, 05	H&M * (12 months to nov. 30, 05)	Inditex ** (9 months to oct. 31, 05)
Turnover growth (in local currency)	~ 20%	18.0%	13.0%	20.0%
Operating Profit Margin	~ 20%	20.4% ↑ 0.1%pt #	21.5%	15.5%
Net Profit Margin	~ 15%	15.8% ↑ 0.3%pt #	15.1%	11.2%

# From restated margins for 1H FY04/05 with option expense (IFRS 2)

\* H&M company website

\*\* Inditex company website

# maintain growth and return with healthy balance sheet

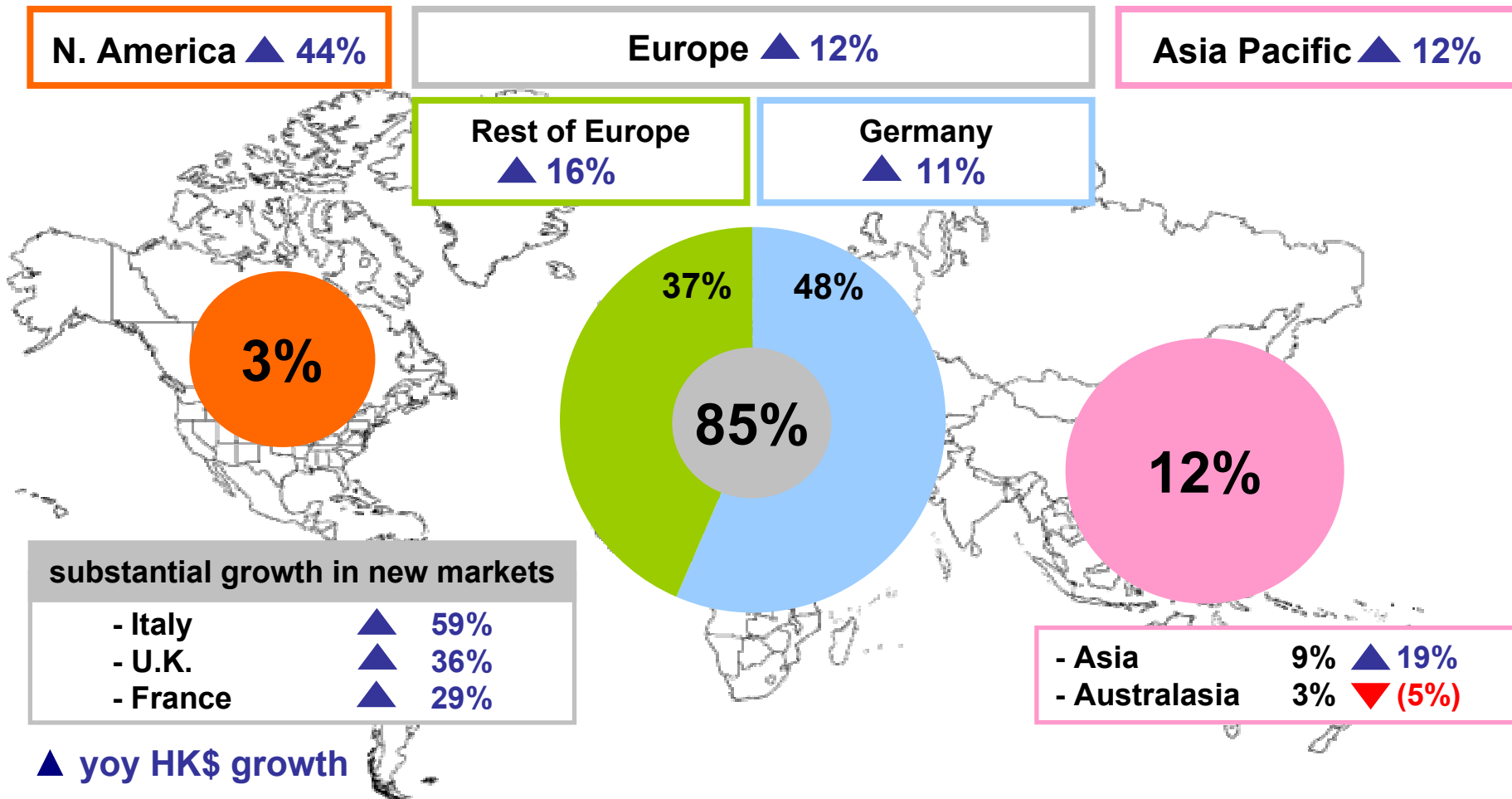
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- **net cash as of Dec 31, 2005** **HK\$1.5 bn**
- **interim dividend** **HK\$0.5 / share**
  - ex-dividend date** **March 24, 2006**
  - payment date** **April 7, 2006**



# double digit % top line growth

## % group turnover by geographic region



# improved esprit markets

## Hong Kong

- ~ 9% turnover growth
- profitable

## Taiwan

- ~ 9% turnover growth
- slight operating loss

## Canada

- ~ 30% turnover growth
- expanding wholesale and investing in retail
- slight operating loss

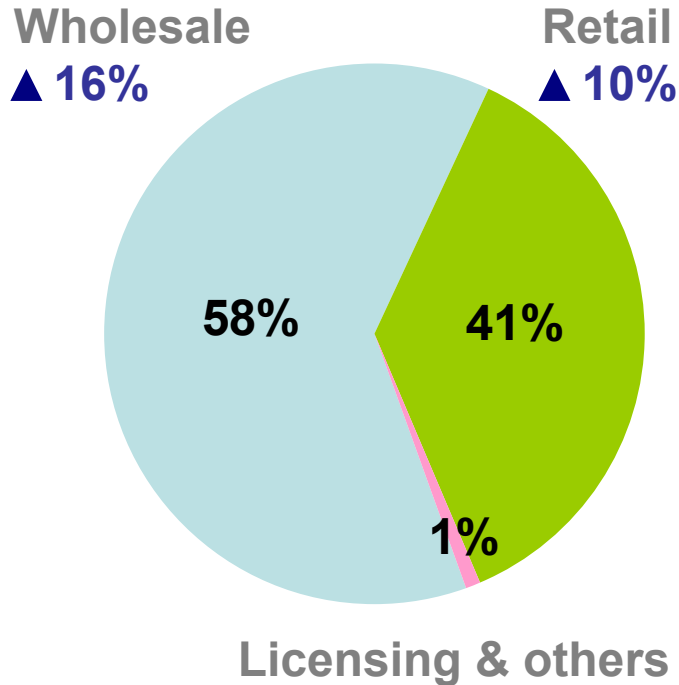
## U.K.

- over 35% turnover growth
- expanding wholesale and investing in retail
- slight operating loss

# new space and comp-store growth on track

as of December 31, 2005

## % group turnover by channel



Wholesale  
▲ 16%

Retail  
▲ 10%

Licensing & others

▲ yoy HK\$ growth

## wholesale

over 10,000 POS

- over 900 POS globally, primarily in Germany & France
- increase penetration in newer markets

	POS
- Italy	234
- UK	130
- Spain	99

## retail

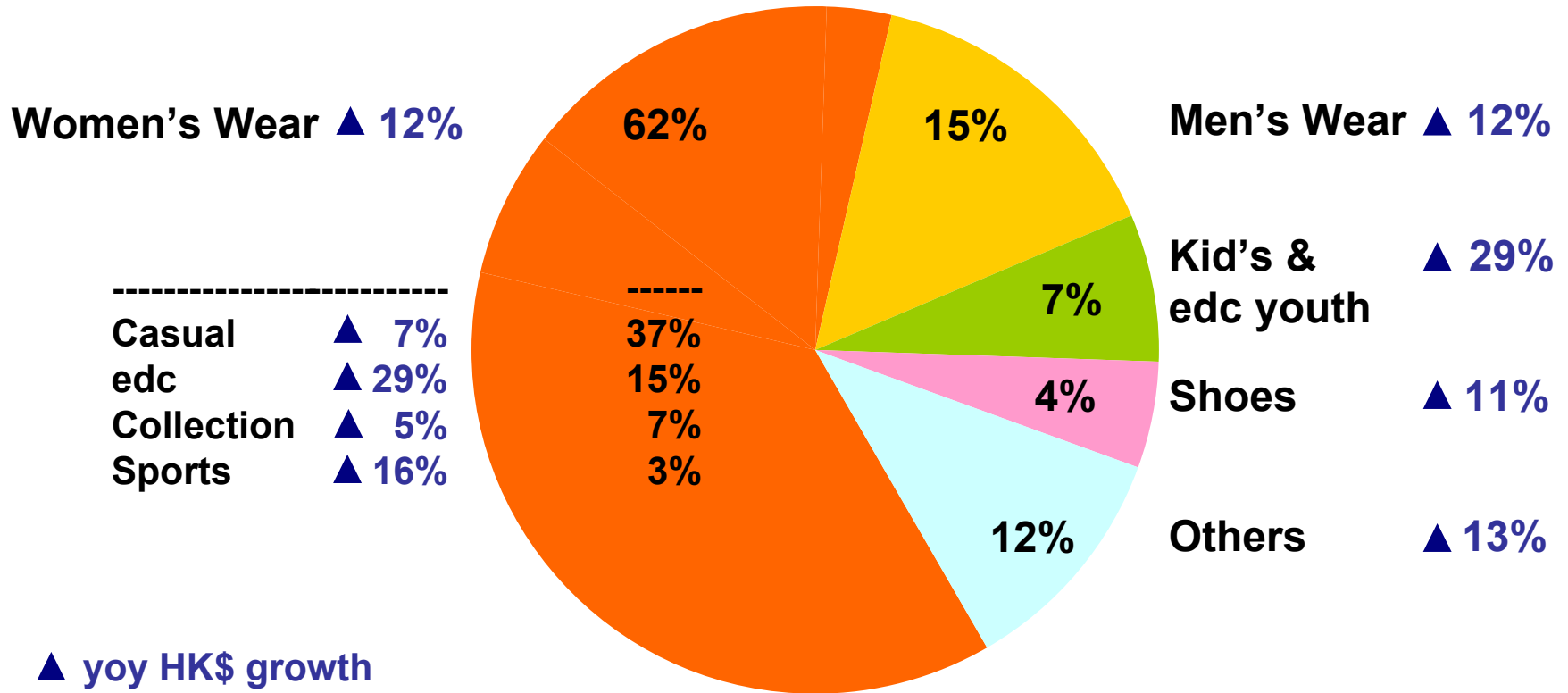
670 stores and over 210,000m<sup>2</sup>

- net space ▲ 24,000 m<sup>2</sup> up by 13%
  - Group comp-store-growth ~ 5%
- |                       |        |
|-----------------------|--------|
| - Europe              | ~ 6%   |
| - N. America (Canada) | ~ 9%   |
| - Asia                | ~ 10%  |
| - Australasia         | ~ -11% |



# growth by product segment

## % group turnover by product



Others include Accessories (5%), Bodywear (3%), Red Earth (1%), and others (3%),

# 2<sup>nd</sup> half outlook

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## Global

- focus on better women's casual and collection offering
- wholesale order booking to June 2006 shows around 18% LCY growth
- over 500 new shop-in-store, partnership store & id corner in core markets
- ~ 40 new retail stores totaling over 12,000m<sup>2</sup>

## Asia Pacific

- integrate Australasia into Asia Pacific region with better merchandise management and Headquarter support
- further expand wholesale business in Middle East, India, and Korea

## North America

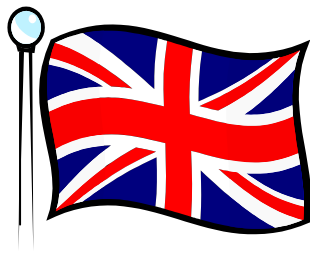
- concentrate on women's casual and edc offering
- awaiting market validation on product acceptance
- Jerome Griffith as President of Esprit N.A. to refine market strategy

# brand expansion to continue

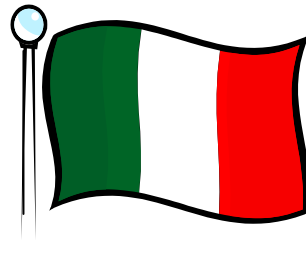


- further growth across all product divisions in core markets
- focus on high potential markets

fy 06/07



UK



Italy



Spain

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# Q&A

**ESPRIT**

is an international  
youthful

**lifestyle brand**

offering

**smart, affordable,**

**luxury**

and bringing

**newness + style**

to **Life.**