



ESPRIT

INTERIM REPORT FY 05|06

ESPRIT HOLDINGS LIMITED INTERIM REPORT FY 05|06



EXECUTIVE DIRECTORS

Michael YING Lee Yuen, Chairman
Heinz Jürgen KROGNER-KORNALIK, Deputy Chairman
John POON Cho Ming, Deputy Chairman
Thomas Johannes GROTE
Jerome Squire GRIFFITH

NON-EXECUTIVE DIRECTORS

Paul CHENG Ming Fun*
Jürgen Alfred Rudolf FRIEDRICH
Alexander Reid HAMILTON*
Simon LAI Sau Cheong
Raymond OR Ching Fai*

* independent non-executive directors

CORPORATE OFFICERS

Michael YING Lee Yuen
Heinz Jürgen KROGNER-KORNALIK, Group CEO
John POON Cho Ming, Group CFO
Thomas Johannes GROTE, President – Esprit brand
Jerome Squire GRIFFITH, President – Esprit North America

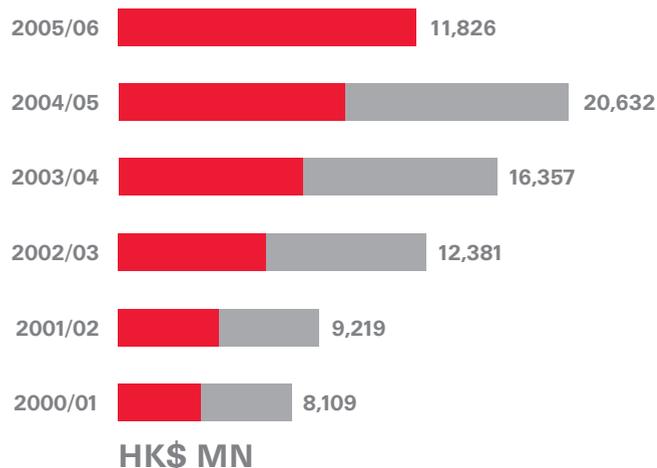
COMPANY SECRETARY

John POON Cho Ming

CONTENTS

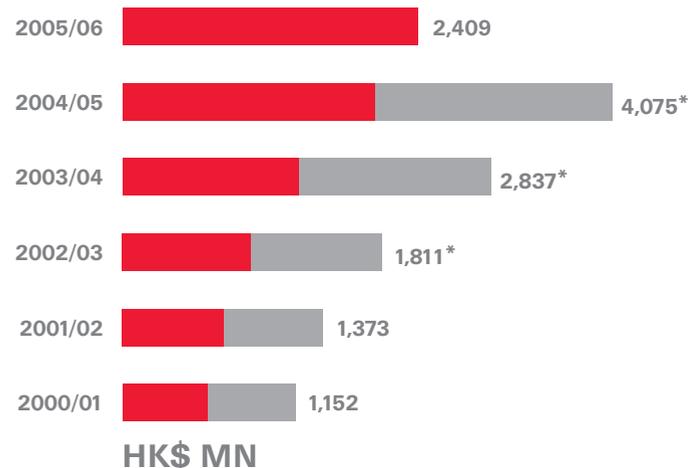
highlights of interim results fy05/06	2
financial review	4
operation review	8
prospects	20
independent review report	25
interim financial report	26
other information	37
information for investors	48

FY TURNOVER



■ 1st half ■ 2nd half

FY OPERATING PROFIT



■ 1st half ■ 2nd half

FINANCIAL HIGHLIGHTS

- Group turnover rose 13.1% to around HK\$11.8 billion
- Operating profit exceeded HK\$2.4 billion up 13.6%
- Net profit increased 15.7% to about HK\$1.9 billion
- Interim dividend: HK\$0.5 per share up 11.1%

* restated with employee share option expenses upon the first-time adoption of International Financial Reporting Standard 2 "Share-based Payment"

FOR THE 6 MONTHS ENDED DECEMBER 31

	net change	2005	2004 (As restated)
OPERATING RESULTS (HK\$ MN)			
Turnover	+13.1%	11,826	10,452
Earnings before interest and taxation (EBIT)	+13.6%	2,409	2,120*
Profit attributable to shareholders	+15.7%	1,873	1,619*
MARGINS/PROFITABILITY			
Gross profit margin	-2.2% pts	52.2%	54.4%
EBIT margin	+0.1% pt	20.4%	20.3%*
Net profit margin	+0.3% pt	15.8%	15.5%*
FINANCIAL POSITION (HK\$ MN)			
Net cash inflow from operating activities	+2.2%	1,896	1,855
Cash outflow for capital expenditure	-24.6%	520	690
Net cash	-23.3%	1,547	2,016
PER SHARE DATA (HK\$)			
Earnings per share – basic	+15.6%	1.56	1.35*
Dividend per share	+11.1%	0.50	0.45
SHARE INFORMATION[#]			
Number of shares in issue (mn)	+12	1,210	1,198
Market capitalization (HK\$ mn)	+18.5%	66,676	56,290

**“key performance targets
intact, despite difficult
operating environment”**

* restated with employee share option expenses upon the first-time adoption of International Financial Reporting Standard 2 “Share-based Payment”

as at December 31, 2005 and 2004



The Group continued to deliver double-digit percentage turnover and earnings growth for the six months ended December 31, 2005. This result was driven by diversified growth across key geographical regions, product segments and distribution channels.

Our financial achievement is attributable to our continual effort to provide excellent customer service through offering high quality of products at affordable price. Notwithstanding weakness of the Euro and an adverse operating environment in the first half of the financial year, we demonstrated that the Esprit brand offers high potential for continuous growth.

TURNOVER

During the six months ended December 31, 2005, the Group's turnover grew 18% in local currency terms. Due to an approximately 5% decline of the average daily Euro versus Hong Kong dollars exchange rate ("Euro/HKD translation rate") as compared to the same period last year, the Group's turnover translated into 13.1% growth in Hong Kong dollar terms of HK\$11,825.6 million.

OPERATING PROFIT (EBIT)

The Group's EBIT increased 13.6% to HK\$2,408.6 million, representing 20.4% of Group turnover. Profitability improvement due to economies of scale and stringent cost control was partially offset by the new share option expenses following the first year adoption of IFRS 2. Operating expenses, including the share option expense of HK\$70.4 million, decreased by 2.3% points to 31.8% of the Group's turnover or HK\$3,762.0 million, compared to 34.1% in the same period last year.

PROFIT BEFORE TAX

Net interest income was HK\$16.4 million, representing an increase of 36.0% over the same period of last year. Share of results of associates rose 7.3% to HK\$40.7 million, as compared to HK\$37.9 million in the same period last year, mainly driven by turnover growth of our China joint venture. Group earnings before tax were HK\$2,465.7 million, an increase of 13.6% over last year.

EFFECTIVE TAX RATE

The Group's effective tax rate for the six months ended December 31, 2005 decreased by 1.4% points to 24.0%. Total tax charge increased by 7.7% to HK\$592.8 million.

NET PROFIT

Higher turnover at stable profit margin drove net earnings up by 15.7% to HK\$1,872.9 million. Net profit margin increased to 15.8% as compared to 15.5% in the same period last year.

SEASONALITY OF BUSINESS

The Group's business is affected by seasonality trends. These trends are primarily attributable to seasonal shipments to customers in wholesale and key holiday sales periods, as well as to the retail pricing of seasonal products. Since sales and operating income may fluctuate in any reporting period, half year financials may not be extrapolated to provide a reliable forecast.



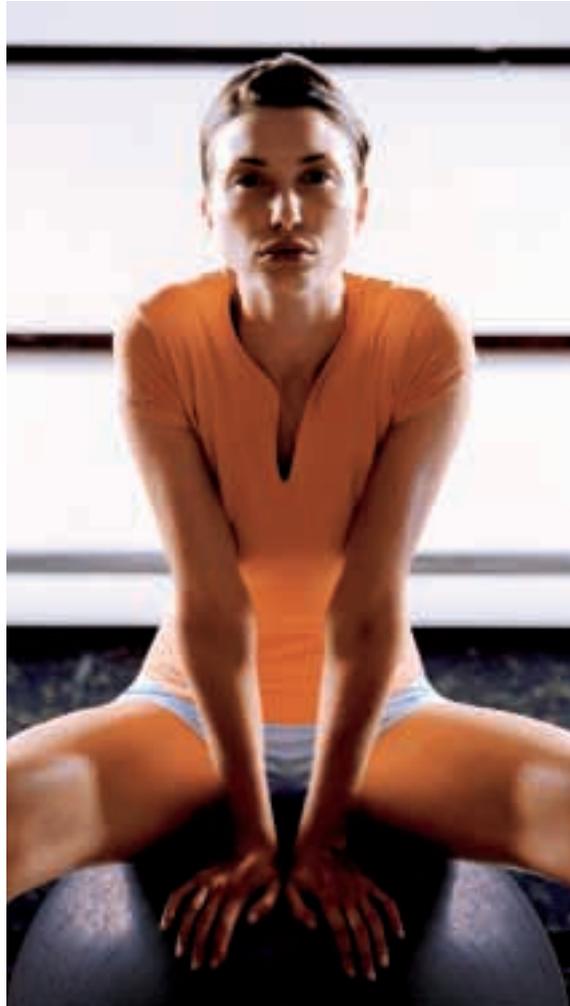
LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to enjoy stable net cash inflow from operating activities for the period of HK\$1,895.8 million as compared to HK\$1,854.8 million in the comparable period last year.

The Group invested HK\$520.5 million during the six months ended December 31, 2005 in capital expenditure and HK\$432.7 million was spent in the opening of new stores and refurbishment of old stores, as compared to HK\$361.9 million in the same period last year.

Notwithstanding that HK\$1,813.4 million was distributed to shareholders as dividend payment in December 2005, the Group ended the period with HK\$1,547.1 million of net cash (cash and cash equivalents).

As at December 31, 2005, the Group had no long-term bank borrowings and did not pledge any assets as security for overdraft and/or short-term revolving facility. Our debt to equity ratio, expressed as a percentage of interest bearing external borrowings over shareholders' funds of HK\$7,246.3 million, was 0%. The current ratio (current assets divided by current liabilities) decreased slightly to 1.8 from 2.0 for the same period of last year.



FOREIGN EXCHANGE RISK MANAGEMENT

To minimize our foreign exchange exposure on sourcing costs for merchandise produced for Europe in Asia, suppliers in Asia were asked to quote and settle in Euros. In addition, the Group entered into foreign exchange forward contracts with major and reputable financial institutions to hedge foreign exchange risk. The notional amount of outstanding forward contracts amounted to HK\$688.1 million as at December 31, 2005, representing a decrease of HK\$12.0 million over the balance as at June 30, 2005.





REGIONS

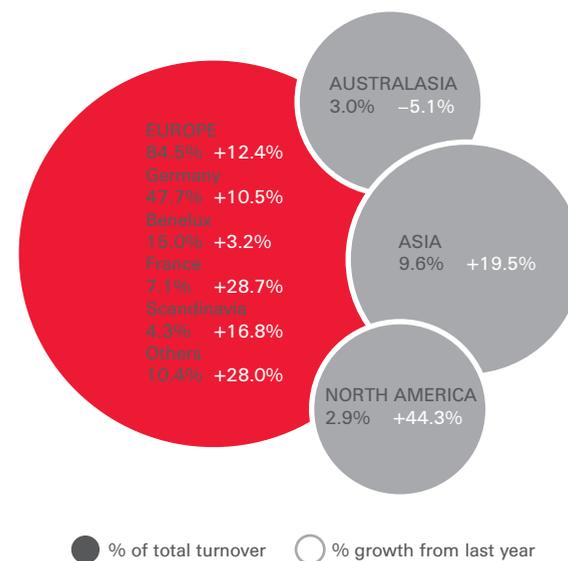
Europe, representing 84.5% of the Group's total turnover, grew by 12.4% to HK\$9,997.5 million. Germany continued to be Esprit's largest market, accounting for 47.7% of the Group's total turnover and reported a 10.5% turnover growth. Europe ex-Germany, representing 36.8% of Group's turnover, grew by 15.5%. Three European markets recorded substantial turnover growth. France grew by 28.7% to HK\$840.7 million, Switzerland increased by 22.3% to HK\$353.1 million, and Scandinavia rose by 16.8% to HK\$514.2 million. While Benelux did not perform to our expectations during the six months ended December 31, 2005, we consider this to be a temporary setback caused primarily by poor local product offerings. On the other hand, our newer European markets have shown encouraging turnover growth. For example, Italy achieved 58.6% growth and is already profitable while the U.K. market, despite having a slight operating loss, recorded a 36.4% growth.

Although contributions from other regions remain relatively less significant compared with those from Europe, they present attractive growth opportunities for Esprit over the long term. Overall sales in Asia grew by 19.5% to HK\$1,133.7 million, representing 9.6% of the Group's turnover, with Esprit brand's sales in Hong Kong and Taiwan both increasing by approximately 9%. All Asian markets were profitable except Taiwan which recorded a slight operating loss. Our focus on a better assortment of products should enable us to continue to rebuild customers' loyalty in Asia.

North America accounted for 2.9% of the Group's turnover, grew by 44.3%. The turnover growth was the result of the Group's commitment to continue to invest in this region through retail and wholesale expansion. Although both markets have not achieved breakeven, Canada recorded a turnover growth of 29.6% while the U.S. market achieved a turnover growth of 82.7%.

While Europe, Asia and North America have shown satisfactory growth rate, Australasia was the only region that recorded a negative turnover growth of 5.1% year-on-year, with a total turnover of HK\$357.9 million. We are in the process of realigning our product offering and management's focus in Australasia in order to bring its performance back on track.

GROUP TURNOVER BREAKDOWN BY REGIONS





PRODUCTS

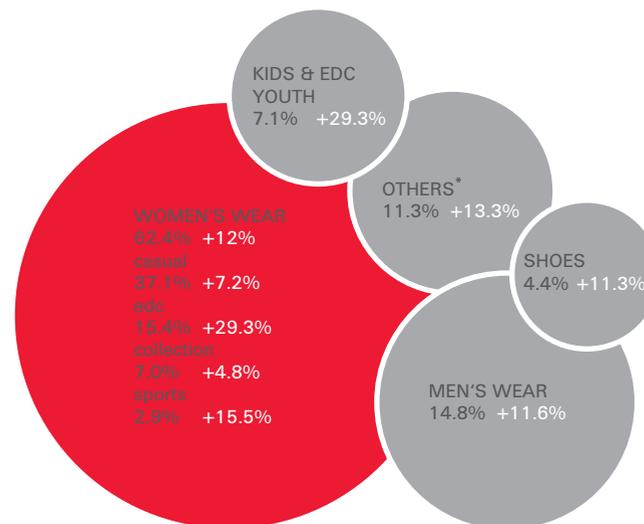
Our diversified product offering under 12 product divisions with most running at 12 collections a year has enabled us to cater to distinct target groups and to better serve the ever-changing taste of our customers.

Women's wear, which continued to dominate the Group's total turnover, accounted for 62.4% of the Group's turnover and grew by 12.0%. edc women saw the fastest growth among all product lines. It reported 29.3% year-on-year growth, contributing HK\$1,823.5 million or 15.4% of total sales. Women's casual and women's collection achieved a lower than expected growth rate, 7.2% and 4.8% respectively, mainly due to product offering issues which are being rectified. Women's sports, representing 2.9% of the Group's turnover, increased by 15.5%.

Among other product divisions, kids & edc youth saw the fastest growth. Like edc women, kids & edc youth also reported 29.3% growth, contributing HK\$843.5 million or 7.1% of total sales. Men's wear, contributing 14.8% of the Group's total sales, registered 11.6% growth to HK\$1,745.4 million.

Growth in the shoes and accessories divisions, each representing 4.4% and 5.1% of total turnover, continued to be robust and recorded 11.3% and 16.0% growth respectively. The Group sees huge growth potentials in these divisions and is placing more emphasis to distinguish the brand through the offering of Esprit accessories.

GROUP TURNOVER BREAKDOWN BY PRODUCT MIX



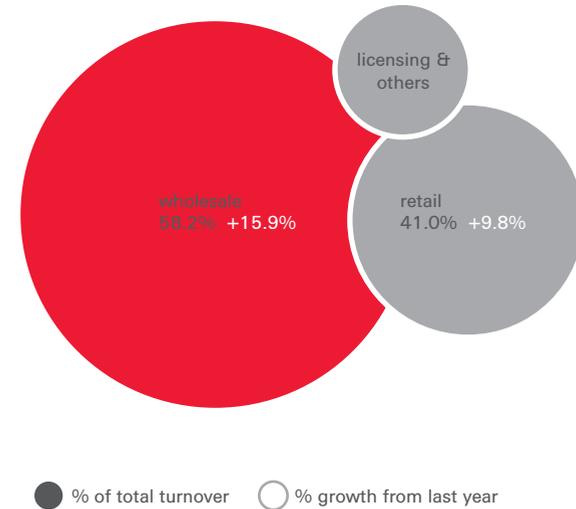
● % of total turnover ○ % growth from last year

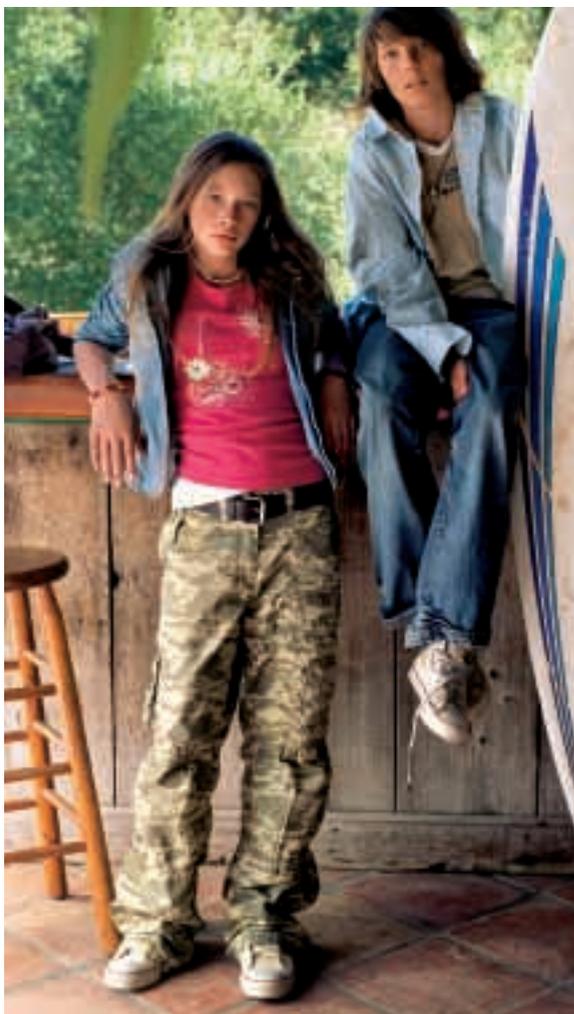
* Others include accessories, bodywear, Red Earth and others



GROUP TURNOVER BREAKDOWN BY DISTRIBUTION CHANNELS

“new space and comparable store growth on track... an increase of over 900 wholesale point-of-sales and about 24,000 m² of directly-managed retail space”





WHOLESALE

Wholesale turnover underpinned 58.2% of Esprit's total turnover. The Group's wholesale turnover increased by 15.9% to HK\$6,880.4 million during the six months ended December 31, 2005.

This increase was primarily driven by growth in the European region, where sales rose 14.9% to HK\$6,401.4 million and accounted for 93.0% of the Group's wholesale turnover. While our core wholesale market Germany, accounting for 47.2% of the Group's wholesale turnover, continued to deliver 12.4% turnover growth, the rest of Europe achieved 17.7% turnover growth and contributed to 45.9% of the Group's wholesale turnover. Countries that marked the highest year-on-year wholesale turnover growth in the Europe region were France, Switzerland and Scandinavia. Each grew 27.5%, 19.0% and 18.7%, accounting for 10.3%, 2.2% and 7.2% of the Group's wholesale turnover respectively.

Continuing efforts to develop our newer European markets including Italy, U.K. and Spain have demonstrated encouraging results. Number of point-of-sales in Italy, U.K. and Spain reached 234, 130 and 99 respectively with Spain only commenced operations in the second half of last financial year. Italy's turnover grew by 58.6% while U.K. achieved 30.4% year-on-year turnover growth.

Wholesale operations in Asia continued to see rapid development and recorded 32.4% turnover growth to HK\$389.3 million. Strong growth was seen particularly in China after the wholesale partner agreed to speed up local

expansion. Wholesale sales to China joint venture grew by 40% in the reporting period. In India, brand expansion is progressing smoothly. Four franchised stores have been opened in India in the first half and more openings are planned for the second half. Our wholesale development has also expanded into Korea where we have recently entered into a new distribution partnership.

As of December 31, 2005, the Group had over 10,000 wholesale point-of-sales. Contributing to the turnover growth was the addition of 925 new wholesale point-of-sales since the beginning of the financial year, comprising an increase in the number of partnership stores, shop-in-stores and identity corners by 92, 336 and 497 respectively.

KEY WHOLESALE DISTRIBUTION CHANNELS

	PARTNERSHIP STORES			SHOP-IN-STORES			IDENTITY CORNERS/OTHERS		
	no. of stores*	sales area sq.m	net change in sales area***	no. of stores*	sales area sq.m	net change in sales area***	no. of stores*	sales area sq.m	net change in sales area***
EUROPE	645	130,022	16%	2,986	126,856	11%	5,802	127,763	8%
GERMANY	217	49,677	18%	2,369	105,456	11%	3,401	74,301	8%
SCANDINAVIA	41	13,763	16%	74	3,099	-1%	701	11,839	18%
BELGIUM	53	12,044	11%	80	3,711	12%	420	10,012	-5%
THE NETHERLANDS	68	14,549	3%	7	214	no change	422	10,023	1%
FRANCE	119	14,053	35%	270	7,366	4%	264	6,893	20%
AUSTRIA	87	15,637	5%	45	2,095	-6%	121	2,677	51%
SWITZERLAND	36	6,185	30%	16	884	-28%	184	4,720	4%
U.K.	7	1,568	36%	37	1,917	99%	61	1,437	10%
ITALY	13	1,871	71%	8	457	41%	213	5,495	5%
SPAIN	4	675	no change	80	1,657	57%	15	366	103%
ASIA	213	39,667	12%	207	8,961	1%	638	58,183	6%
CHINA**	69	22,203	8%	15	380	6%	575	57,663	6%
MIDDLE EAST	40	6,479	21%	13	1,189	-15%	-	-	n.a.
THAILAND	28	3,212	21%	83	4,295	8%	21	289	7%
PHILIPPINES	14	1,352	no change	7	662	-11%	-	-	n.a.
INDONESIA	9	1,359	3%	10	586	21%	25	185	10%
KOREA	-	-	-100%	15	105	-75%	-	-	n.a.
DUBAI	13	602	24%	-	-	n.a.	-	-	n.a.
JAPAN	4	176	-20%	-	-	n.a.	-	-	n.a.
OTHERS	36	4,284	30%	64	1,744	15%	17	46	n.a.
NORTH AMERICA	-	-	-	34	-^Δ	n.a.^Δ	151	-^Δ	n.a.^Δ
CANADA	-	-	-	34	- ^Δ	n.a. ^Δ	151	- ^Δ	n.a. ^Δ
TOTAL	858	169,689	15%	3,227	135,817	10%	6,591	185,946	8%

* include Esprit & Red Earth stores/units

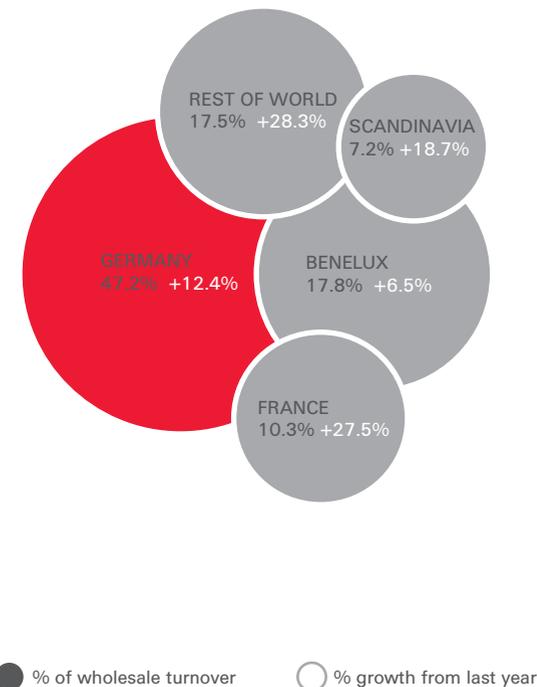
** managed by China joint venture or its franchise partners. Counters run in China are reclassified from shop-in-stores to identity corners effective FY0506. Opening balance of 344 stores (37,354 sq.m.) as of June 30, 2005 is reclassified from shop-in-stores to identity corners/others.

*** change from July 1, 2005

n.a. means not applicable

Δ sales area not available

GROUP WHOLESALE TURNOVER BREAKDOWN



RETAIL

We pursued our retail business expansion through choosing the right store locations and through better visual merchandising presentations that reflected our brand positioning. In addition, we continued to make improvements in service levels in terms of customer service, replenishments and sell-through.

Retail turnover increased 9.8% to HK\$4,848.8 million, partly driven by approximately 5% growth in comparable-store-sales. The growth was largely attributable to our diversified product lines which were complementary to the growth of our retail business.

Our biggest retail region, Europe, registered 8.7% increase in turnover and contributed 73.9% to the Group's retail turnover. This was the combined result of a 5.9% increase in comparable-store-sales and a more than 16,000 m² net addition in retail space.

Asian retail sales grew by 12.0% to HK\$681.7 million, helped by a 10.4% increase in comparable-store-sales. North America and Australasia, which together accounted for 12.1% of total retail turnover, recorded a 17.4% turnover increase to HK\$585.5 million. Australasia recorded a 10.7% decrease in comparable-store-sales while North America (Canada only) comparable-store-sales grew by 8.5%.

Our e*shop has performed well during the six months ended December 31, 2005. We believe that this store format offers a great alternative that enables us to connect to our customers. We have extended our e-commerce business to Netherlands, France and Belgium, bringing us closer to our existing and potential customers.

The Group opened 70 directly-managed retail stores and closed 31 bringing the total number of directly-managed stores worldwide to 670 since July 2005. Sales area increased by 13% to over 210,000 m².



RETAIL DISTRIBUTION CHANNELS

(AS AT DECEMBER 31, 2005)

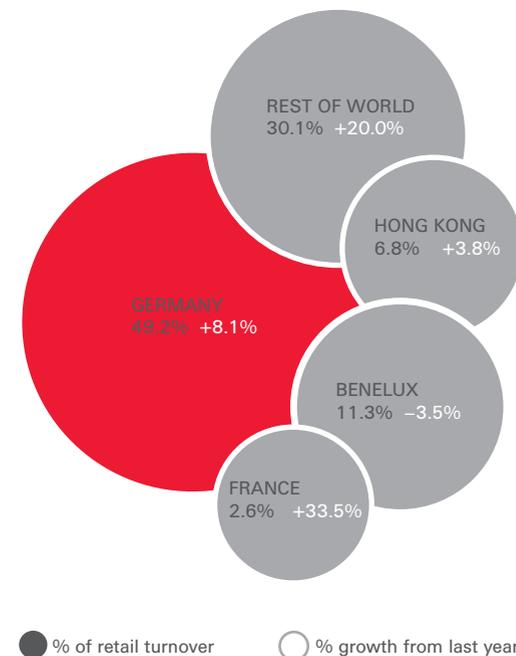
DIRECTLY MANAGED STORES

	no. of stores*	sales area sq.m.	net change in sales area**
EUROPE	234	137,001	14%
GERMANY	112	79,548	11%
BELGIUM	19	13,591	10%
THE NETHERLANDS	34	11,400	6%
AUSTRIA	8	8,351	26%
SWITZERLAND	29	8,831	20%
FRANCE	20	7,539	41%
U.K.	9	5,960	30%
DENMARK	2	1,281	no change
LUXEMBOURG	1	500	no change
ASIA	209	31,535	2%
HONG KONG (INCLUDES MACAU)	47	14,438	2%
TAIWAN	99	7,587	4%
SINGAPORE	35	5,560	-12%
MALAYSIA	28	3,950	25%
AUSTRALASIA	167	26,087	14%
NORTH AMERICA	60	23,004	21%
CANADA	46	16,432	8%
U.S.	14	6,572	76%
GROUP TOTAL	670	217,627	13%

* include Esprit & Red Earth stores/units, but exclude Salon

** change from July 1, 2005

GROUP RETAIL TURNOVER BREAKDOWN





LICENSING

Licensed products sold under the Esprit brand name continue to enhance our brand's penetration in various markets and contributed a third party's royalty income of HK\$58.1 million, representing an increase of 2.8% over the same period last year.

Licensing income generated by markets outside the U.S. grew by 27.5%. This growth is the result of our strategy of focusing on strong product categories and key licensees to maximize synergies. This increase was partly offset by a 36.5% decline in licensing income from third party licensees in the U.S. market.

While our core licensed product categories of timewear and eyewear continue to develop rapidly, the newer categories such as bed & bath, towels, cosmetics & fragrance, and umbrellas are gathering momentum and each of these categories of products have achieved strong double-digit growth. We have added new licensing contracts including furniture & carpets and soft toys for Europe during the six months ended December 31, 2005. As at December 31, 2005, our product licensees collectively offer 26 categories of Esprit licensed products to consumers worldwide.

KEY LICENSED PRODUCT CATEGORY

	EUROPE	ASIA	AUSTRALASIA	NORTH AMERICA
baby carriages	•		•	
baby furniture	•			
bath	•	•	•	
bed	•	•	•	•
belts				•
custom jewellery edc	•			
down	•	•	•	
eyewear	•	•	•	•
fragrance	•	•	•	•
glassware	•			
home	•	•		
jewelry	•	•	•	•
kids' accessories				•
kids' shoes			•	•
kids' wear				•
outerwear				•
school	•			
shoes			•	
sleepwear/daywear				•
socks & tights edc	•			
socks & tights Esprit	•	•	•	•
stationery	•			
swimwear				•
timewear	•	•	•	•
towels	•	•	•	
umbrellas	•	•	•	



OUTLOOK

Looking ahead into the second half of this financial year, we expect the current growth to continue. We will strive to improve women's casual and women's collection offerings to rejuvenate a stronger growth.

Wholesale orders booked to June 2006 showed an approximately 18% year-on-year increase in local currency. We target to expand our wholesale reach through opening over 500 shop-in-stores, partnership stores, and identity corners in core markets in the second half of the financial year. Partnership stores and controlled space development will remain our priority in wholesale development. Our ongoing efforts to enhance brand positioning are unremitting. These involve careful selection of our wholesale customers in order to increase quality of distribution, as well as tightened control over visual display quality within department stores. In addition, Spain, Italy, Middle East and India have emerged as attractive growth markets for Esprit.

On the retail front, we will continue to expand our retail network by adding new stores primarily in Europe. Around 40 stores are scheduled to be opened in the second half of the financial year, representing an increase of selling space by over 12,000 m². Our focus on an enhanced local assortment of products that encompasses quality and newness should enable us to drive traffic and conversion in our stores worldwide. In the U.S., with a revised product focus on women's casual and edc, we are awaiting market validation on product acceptance and are optimistic that the Esprit brand will gradually rebuild its brand relevance in that market.

In preparation for future growth, the Group has implemented certain organizational changes. Mr. Thomas Grote has been appointed President of the Esprit brand; while Mr. Jerome Griffith has been appointed President of Esprit North America. Australasia has been integrated into a newly created Asia Pacific region to strengthen our merchandise management and Headquarter support.

The Group aims to continue to improve the overall performance through focusing on profitability as well as market share expansion. We are further enhancing our global brand identity while maintaining our absolute commitment to quality worldwide.







INTERIM FINANCIAL REPORT FY 05|06

**INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF
ESPRIT HOLDINGS LIMITED**

(incorporated in Bermuda with limited liability)

We have reviewed the accompanying condensed consolidated interim balance sheet of Esprit Holdings Limited (the "Company") and its subsidiaries (together the "Group") as of December 31, 2005, and the related condensed consolidated interim statements of income, cash flows and changes in shareholders' equity for the six months then ended. This condensed consolidated interim financial information is the responsibility of the Company's directors. Our responsibility is to issue a report on this condensed consolidated interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the condensed consolidated interim financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information has not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, February 22, 2006

IR:FY0506

INTERIM FINANCIAL REPORT

for the six months ended December 31, 2005

The Board of Directors of Esprit Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated financial statements, along with selected explanatory notes, of the Company and its subsidiaries (the "Group") for the six months ended December 31, 2005 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	For the 6 months ended December 31,	
		2005 HK\$'000	2004 HK\$'000 As restated
Turnover	2	11,825,576	10,452,127
Cost of goods sold		(5,654,921)	(4,765,611)
Gross profit		6,170,655	5,686,516
Staff costs		(1,440,367)	(1,275,032)
Depreciation		(252,684)	(199,758)
Other operating costs		(2,068,961)	(2,092,009)
Operating profit	3	2,408,643	2,119,717
Interest income		17,424	13,249
Finance costs	4	(1,043)	(1,206)
Share of results of associates		40,716	37,939
Profit before taxation		2,465,740	2,169,699
Taxation	5	(592,775)	(550,360)
Profit attributable to shareholders		1,872,965	1,619,339
Interim dividend	6	607,139	538,985
Earnings per share			
– Basic	7	HK\$1.56	HK\$1.35
– Diluted	7	HK\$1.53	HK\$1.33

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	Unaudited December 31, 2005 HK\$'000	Audited June 30, 2005 HK\$'000
Non-current assets			
Intangible assets		1,997,911	2,009,028
Property, plant and equipment	8	2,274,981	2,052,993
Other investments		7,846	7,846
Investments in associates		224,107	181,781
Prepaid lease payments		182,120	184,419
Deferred tax assets		272,968	204,982
		4,959,933	4,641,049
Current assets			
Inventories		1,569,435	1,386,788
Debtors, deposits and prepayments	9	2,653,013	2,238,316
Amounts due from associates		52,961	39,033
Short-term bank deposits		542,328	124,688
Bank balances and cash		1,004,725	1,603,963
		5,822,462	5,392,788
Current liabilities			
Creditors and accrued charges	10	2,279,023	2,162,682
Taxation		934,704	501,714
		3,213,727	2,664,396
Net current assets		2,608,735	2,728,392
Total assets less current liabilities		7,568,668	7,369,441
Financed by:			
Share capital	11	121,010	119,943
Reserves		7,125,260	6,919,209
Shareholders' funds		7,246,270	7,039,152
Deferred tax liabilities		322,398	330,289
		7,568,668	7,369,441

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(UNAUDITED)

	For the 6 months ended	
	December 31, 2005 HK\$'000	2004 HK\$'000
Cash flows from operating activities		
Cash generated from operations	2,127,688	2,279,548
Interest paid	(1,043)	(1,186)
Interest element of finance lease payments	–	(20)
Hong Kong profits tax paid	(4,940)	(5,039)
Overseas tax paid	(225,890)	(418,530)
Net cash inflow from operating activities	1,895,815	1,854,773
Cash flows from investing activities		
Purchase of property, plant and equipment	(520,453)	(547,816)
Prepaid lease payments	–	(142,683)
Proceeds from disposal of property, plant and equipment	1,831	3,867
Dividend received from an associate	–	46,113
Interest received	17,424	13,282
Net cash used in investing activities	(501,198)	(627,237)
Cash flows from financing activities		
Net proceeds on issue of shares for cash	249,136	76,213
Repayment of obligations under finance leases	–	(1,010)
Dividends paid	(1,813,391)	(1,173,111)
Net cash used in financing activities	(1,564,255)	(1,097,908)
Net (decrease)/increase in cash and cash equivalents	(169,638)	129,628
Cash and cash equivalents at beginning of period	1,728,651	1,757,708
Effect of change in exchange rates	(11,960)	128,887
Cash and cash equivalents at end of period	1,547,053	2,016,223
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	1,004,725	1,878,734
Short-term bank deposits	542,328	137,489
	1,547,053	2,016,223

IR:FY0506

INTERIM FINANCIAL REPORT

for the six months ended December 31, 2005

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital HK\$'000	Share premium HK\$'000	Employee share-based compensation reserve HK\$'000	Contributed surplus HK\$'000	Translation reserve HK\$'000	Capital reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At July 1, 2004, as previously reported	119,340	1,309,157	–	6,602	305,727	–	3,674,131	5,414,957
Effect of adoption of IFRS 2 (Note 1)	–	–	47,608	–	–	–	(47,608)	–
At July 1, 2004, as restated	119,340	1,309,157	47,608	6,602	305,727	–	3,626,523	5,414,957
Exchange translation recognized directly in equity	–	–	–	–	436,151	–	–	436,151
Profit attributable to shareholders for the period, as restated	–	–	–	–	–	–	1,619,339	1,619,339
Total recognized income	–	–	–	–	436,151	–	1,619,339	2,055,490
2003/04 final and special dividends paid	–	–	–	–	–	–	(1,173,111)	(1,173,111)
Issues of shares	426	75,787	–	–	–	–	–	76,213
Employee share option compensation (Note 1)	–	–	32,121	–	–	–	–	32,121
At December 31, 2004, as restated	119,766	1,384,944	79,729	6,602	741,878	–	4,072,751	6,405,670

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital HK\$'000	Share premium HK\$'000	Employee share-based compensation reserve HK\$'000	Contributed surplus HK\$'000	Translation reserve HK\$'000	Capital reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At July 1, 2005, as previously reported	119,943	1,416,729	–	6,602	196,811	1,459	5,297,608	7,039,152
Effect of adoption of IFRS 2 (Note 1)	–	–	174,082	–	–	–	(174,082)	–
At July 1, 2005, as restated	119,943	1,416,729	174,082	6,602	196,811	1,459	5,123,526	7,039,152
Exchange translation recognized directly in equity	–	–	–	–	(171,992)	–	–	(171,992)
Profit attributable to shareholders for the period	–	–	–	–	–	–	1,872,965	1,872,965
Total recognized income	–	–	–	–	(171,992)	–	1,872,965	1,700,973
2004/05 final and special dividends paid	–	–	–	–	–	–	(1,813,391)	(1,813,391)
Issues of shares	1,067	248,069	–	–	–	–	–	249,136
Employee share option compensation (Note 1)	–	–	70,400	–	–	–	–	70,400
Transfer of reserve (Note 1)	–	40,736	(40,736)	–	–	–	–	–
At December 31, 2005	121,010	1,705,534	203,746	6,602	24,819	1,459	5,183,100	7,246,270

IR:FY0506

INTERIM FINANCIAL REPORT

for the six months ended December 31, 2005

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

These unaudited condensed consolidated financial statements ("interim financial report") are prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

This interim financial report should be read in conjunction with the annual financial statements for the year ended June 30, 2005. The accounting policies and methods of computation used in the preparation of this interim financial report are consistent with those used in the annual financial statements for the year ended June 30, 2005, except for the change in accounting policy made thereafter in adopting International Financial Reporting Standard ("IFRS") 2 "Share-based Payment", which is effective for the Group's annual accounting period commencing July 1, 2005.

In prior years, no employee benefit cost or obligation was recognized when employees (which term includes directors) were granted share options by the Group over shares in the Company. When the share options were exercised, equity was increased by the amount of the proceeds received. IFRS 2 requires the Group to measure the fair value of the share options at the date of grant and recognize the amount as an expense over the relevant period of service (normally the vesting period of the options). The fair value of the options granted is estimated by applying an option pricing model, taking into account a number of factors, including the exercise price of the option, the life of the option, the market price of the underlying shares, the expected volatility of the share price and the risk-free interest rate for the life of the option. Following the adoption of IFRS 2, the Group recognizes the fair value of share options granted to employees as an expense in the consolidated income statement and a corresponding increase in an employee share-based compensation reserve within equity. Pursuant to the transitional provisions of IFRS 2, expenses relating to share options granted after November 7, 2002 which were not vested on July 1, 2005 were charged retrospectively to the

consolidated income statements of the respective financial period. If an employee chooses to exercise the options, the employee share-based compensation reserve together with the exercise price paid by the employee are transferred to share capital and share premium. If the option lapses unexercised, the employee share-based compensation reserve is transferred directly to retained profits.

The effect of the adoption of IFRS 2 on the consolidated income statement for the period is as follows:

	For the 6 months ended December 31,	
	2005	2004
	HK\$'000	HK\$'000
Decrease in profit and earnings per share		
Profit attributable to shareholders	70,400	32,121
Earnings per share		
– basic and diluted (HK\$ per share)	0.06	0.03

The effect of the adoption of IFRS 2 on the equity as at December 31, 2005 and June 30, 2005 is as follows:

	December 31, 2005	June 30, 2005
	HK\$'000	HK\$'000
Increase/(decrease) in equity		
Employee share-based compensation reserve	203,746	174,082
Share premium	40,736	–
Retained profits	(244,482)	(174,082)

1. Basis of preparation (continued)

The Group did not early adopt the following amendments to IFRS and International Accounting Standards ("IAS") that have been issued in August and December 2005, which will be effective for annual accounting periods beginning on or after January 1, 2006. The adoption of such amendments will not result in substantial changes to the Group's accounting policies.

IFRS 4 (Amendment)	Insurance Contracts – Financial Guarantee Contracts
IAS 21 (Amendment)	The Effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Financial Guarantee Contracts

2. Turnover and segment information

The Group is principally engaged in the wholesale and retail distribution, licensing of quality fashion and life-style products under its own internationally known Esprit brand name, together with Red Earth cosmetics, skin and body care products.

	For the 6 months ended December 31,	
	2005	2004
	HK\$'000	HK\$'000
Turnover		
Sales of goods	11,729,206	10,354,551
Licensing and other income	96,370	97,576
	11,825,576	10,452,127

Primary reporting format – business segments

The Group's businesses are managed according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Inter-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. The Group has modified its current global internal management reporting to reflect its updated global brand development cost structure. Accordingly, the Group has revised the basis of business segment reporting. Global brand development costs are now fully reflected within the licensing segment to reflect the Esprit brand owners' initiative to develop the brand globally both in existing and prospective new markets. Prior year comparatives have been adjusted to conform with the current period presentation.

	For the 6 months ended December 31, 2005				
	Wholesale HK\$'000	Retail HK\$'000	Licensing and others HK\$'000	Eliminations HK\$'000	Group HK\$'000
Turnover	6,880,420	4,848,786	96,370	-	11,825,576
Inter-segment revenue	-	-	315,330	(315,330)	-
	6,880,420	4,848,786	411,700	(315,330)	11,825,576
Segment results	1,893,796	549,256	210,423	(137,918)	2,515,557
Unallocated net expenses					(106,914)
Interest income					17,424
Finance costs					(1,043)
Share of results of associates					40,716
					2,465,740
Profit before taxation					2,465,740
Segment EBIT					
– ex-inter-segment licensing expense/income (note)	2,008,346	592,659	52,470	(137,918)	2,515,557

IR:FY0506

INTERIM FINANCIAL REPORT

for the six months ended December 31, 2005

2. Turnover and segment information (continued)

For the 6 months ended December 31, 2004 (As restated)

	Wholesale HK\$'000	Retail HK\$'000	Licensing and others HK\$'000	Eliminations HK\$'000	Group HK\$'000
Turnover	5,938,913	4,415,638	97,576	–	10,452,127
Inter-segment revenue	–	–	251,556	(251,556)	–
	5,938,913	4,415,638	349,132	(251,556)	10,452,127
Segment results	1,418,835	646,763	201,145	(30,170)	2,236,573
Unallocated net expenses					(116,856)
Interest income					13,249
Finance costs					(1,206)
Share of results of associates					37,939
Profit before taxation					<u>2,169,699</u>
Segment EBIT					
– ex-inter-segment licensing expense/income (note)	1,533,453	684,085	49,205	(30,170)	2,236,573

note: Wholesale and retail segments pay intra-group licensing fees to the licensing segment. Should the wholesale and retail segments not be required to pay the intra-group licensing fees to the licensing segment, the segment EBIT (“earnings before interest and taxation, finance costs, share of results of associates and unallocated net income/expenses”) of the wholesale and retail segments would have been HK\$2,008,346,000 (2004: HK\$1,533,453,000) and HK\$592,659,000 (2004: HK\$684,085,000) respectively, representing wholesale EBIT margin (“segment EBIT/segment turnover”) of 29.2% (2004: 25.8%) and retail EBIT margin of 12.2% (2004: 15.5%).

Secondary reporting format – geographical segments

In determining the Group’s geographical segments, turnover is attributed to the segments based on the location of customers.

	For the 6 months ended December 31,	
	2005 HK\$'000	2004 HK\$'000
Turnover		
Europe	9,997,458	8,892,672
Asia	1,133,686	949,053
Australasia	357,935	377,141
North America and others	336,497	233,261
	11,825,576	10,452,127

3. Operating profit

	For the 6 months ended December 31,	
	2005	2004
	HK\$'000	HK\$'000
Operating profit is arrived at after crediting and charging the following:		
Crediting:		
Net exchange gains	57,416	27,003
Charging:		
Depreciation	252,684	199,758
Loss on disposal of property, plant and equipment	2,231	–
Provision for obsolete stocks and stock write-offs	62,998	56,849
Provision for doubtful debts	8,227	20,257

4. Finance costs

	For the 6 months ended December 31,	
	2005	2004
	HK\$'000	HK\$'000
Interest on bank loans and overdrafts wholly repayable within five years		
	1,043	1,186
Interest element of finance leases payments	–	20
	1,043	1,206

5. Taxation

	For the 6 months ended December 31,	
	2005	2004
	HK\$'000	HK\$'000
Current tax		
Hong Kong profits tax	2,300	1,200
Overseas taxation	669,112	667,053
Overprovision in prior year	–	(4,000)
	671,412	664,253
Deferred tax credit		
Current period	(78,637)	(113,893)
	592,775	550,360

Hong Kong profits tax is calculated at 17.5% (2004/2005: 17.5%) of the estimated assessable profit for the period, net of tax losses carried forward, if any.

Overseas (outside of Hong Kong) taxation has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group companies operate, net of tax losses carried forward, if any.

Share of associates' taxation for the six months ended December 31, 2005 of a net tax credit of HK\$1,291,000 (2004: a net tax charge of HK\$200,000) are included in the consolidated income statement as share of results of associates.

IR:FY0506

INTERIM FINANCIAL REPORT

for the six months ended December 31, 2005

6. Interim dividend

	For the 6 months ended December 31,	
	2005	2004
	HK\$'000	HK\$'000
Interim dividend declared of HK\$0.50 (2004/2005: HK\$0.45) per share	607,139	538,985

The amount for the 2005/2006 interim dividend is based on 1,214,278,434 shares (2004/2005: 1,197,745,434 shares) in issue on February 22, 2006.

7. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

	For the 6 months ended December 31,	
	2005	2004
		As restated
Profit attributable to shareholders (HK\$'000)	1,872,965	1,619,339
Weighted average number of ordinary shares in issue (thousands)	1,201,418	1,194,221
Basic earnings per share (HK\$ per share)	1.56	1.35

Diluted

Diluted earnings per share is calculated based on the profit attributable to shareholders, and the weighted average number of shares in issue during the period after adjusting for the number of dilutive potential ordinary shares granted under the Company's share option scheme.

	For the 6 months ended December 31,	
	2005	2004
		As restated
Profit attributable to shareholders (HK\$'000)	1,872,965	1,619,339
Weighted average number of ordinary shares in issue (thousands)	1,201,418	1,194,221
Adjustments for share options (thousands)	23,596	19,376
Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,225,014	1,213,597
Diluted earnings per share (HK\$ per share)	1.53	1.33

8. Property, plant and equipment

	HK\$'000
At July 1, 2005	2,052,993
Exchange translation	(38,772)
Additions	520,453
Disposals	(7,009)
Depreciation (note 3)	(252,684)
At December 31, 2005	2,274,981

During the period ended December 31, 2005, the Group incurred approximately HK\$432.7 million in expansion and renovation of retail shops in various locations and approximately HK\$33.3 million in office improvements and purchase of office equipment.

9. Debtors, deposits and prepayments

Debtors, deposits and prepayments included trade debtors and their aging analysis is as follows:

	December 31, 2005 HK\$'000	June 30, 2005 HK\$'000
0-30 days	1,660,025	1,341,249
31-60 days	72,134	69,204
61-90 days	59,662	61,304
Over 90 days	112,125	57,021
At December 31, 2005	1,903,946	1,528,778

The Group's retail sales to customers are mainly on cash basis. The Group also grants credit to most of its wholesale and franchise customers normally for a period of 30 days.

10. Creditors and accrued charges

Creditors and accrued charges included trade creditors and their aging analysis is as follows:

	December 31, 2005 HK\$'000	June 30, 2005 HK\$'000
0-30 days	728,347	863,871
31-60 days	21,662	25,265
61-90 days	11,534	18,107
Over 90 days	43,802	10,941
At December 31, 2005	805,345	918,184

11. Share capital

	December 31, 2005 HK\$'000	June 30, 2005 HK\$'000
Authorized 2,000,000,000 shares of HK\$0.10 each	200,000	200,000
	Number of shares of HK\$0.10 each '000	Nominal value HK\$'000
Issued and fully paid		
At July 1, 2005	1,199,425	119,943
Exercise of share options (note)	10,672	1,067
At December 31, 2005	1,210,097	121,010

note: During the period, 10,672,000 ordinary shares of HK\$0.10 were issued at a premium in the range of HK\$14.60 to HK\$42.58 each in relation to the share options exercised by Directors and employees under the share option scheme.

IR:FY0506

INTERIM FINANCIAL REPORT

for the six months ended December 31, 2005

12. Operating lease commitments

	December 31, 2005 HK\$'000	June 30, 2005 HK\$'000 As restated
--	----------------------------------	---

The total future minimum lease payments under non-cancelable operating leases are as follows:

Land and buildings		
– within one year	1,360,171	1,360,813
– in the second to fifth year inclusive	5,216,818	4,987,767
– after the fifth year	5,188,631	5,032,259
	11,765,620	11,380,839

Other equipment		
– within one year	15,109	18,466
– in the second to fifth year inclusive	11,506	14,153
– after the fifth year	342	178
	26,957	32,797
	11,792,577	11,413,636

The operating lease commitments as of June 30, 2005 presented in the annual report for the year ended June 30, 2005 were overstated primarily due to duplication of certain operating lease commitments. The comparative figures presented above have been restated.

13. Capital commitments

	December 31, 2005 HK\$'000	June 30, 2005 HK\$'000
Contracted but not provided for	215,959	89,822
Authorized but not contracted for	232,002	468,010
	447,961	557,832

14. Derivative financial instruments

At the balance sheet date, the total notional amount of outstanding forward foreign exchange contracts to which the Group has committed are as follows:

	December 31, 2005 HK\$'000	June 30, 2005 HK\$'000
Forward foreign exchange contracts	688,121	700,079

At December 31, 2005, the fair value of the foreign currency forward contracts is estimated to be approximately HK\$133,000 (June 30, 2005: HK\$34,251,000). These amounts are based on market values of equivalent instruments at the balance sheet date and are included in creditors and accrued charges (June 30, 2005: debtors, deposit and prepayments).

15. Related party transactions

In the ordinary course of business, the Group entered into transactions with related companies. Details relating to these related party transactions are as follows:

	For the 6 months ended December 31,	
	2005 HK\$'000	2004 HK\$'000
Transactions with associates		
Sales of finished goods	268,060	191,528
Royalty received	10,443	9,352
Commission received	733	2,081

DIRECTORS' PROFILE*Executive Directors*

Michael YING Lee Yuen, aged 56, is and has been Chairman of the Board since 1993. Mr. Ying has over 30 years of experience in the apparel industry. He is primarily responsible for the overall corporate direction and strategy of the Group.

Heinz Jürgen KROGNER-KORNALIK, aged 64, is Deputy Chairman and Chief Executive Officer of the Group. He has been with the Group since January 1995. He possesses a degree in business administration and industrial engineering. He was a consultant with Kurt Salmon Associates in a variety of areas, including production, organization, marketing, strategy and brand positioning, as well as with several textile firms, always in executive positions, before joining the Group.

John POON Cho Ming, aged 51, is Deputy Chairman, Group Chief Financial Officer and Company Secretary since joining the Group in December 1999. Mr. Poon is primarily responsible for managing the Group's financial and legal functions, including strategic planning and corporate finance, investor relations, accounting and tax, treasury management as well as company secretarial affairs. Mr. Poon is a qualified solicitor in Hong Kong, England and Wales, and a barrister and solicitor in Alberta, Canada. He graduated from University of Alberta, Canada with a Bachelor of Arts Degree in Economics and a Bachelor of Laws Degree. He is a council member of the Hong Kong Institute of Certified Public Accountants.

Thomas Johannes GROTE, aged 42, is currently the President of the Esprit brand. Mr. Grote is responsible for all operational matters in relation to the Esprit brand, including wholesale, retail and licensing business. He completed business college in 1983 and then worked in a German textile printing company for six years. He joined the Group in 1990 as key account manager of the accessories division and was later promoted to sales manager. He left the Group in 1992 and returned to the Group in June 1996.

Jerome Squire GRIFFITH, aged 48, is currently the President of Esprit North America. Mr. Griffith is bringing to this challenge four years' experience at Global Business Headquarters Ratingen, Germany where he was responsible for the global retail market. Before joining the Group in 2002, he held senior positions in major retail companies in the United States and Europe. He received his Bachelor of Science Degree in Marketing from Pennsylvania State University.

Non-Executive Directors

Paul CHENG Ming Fun, aged 69, was appointed an Independent Non-executive Director of the Company in November 2002. Mr. Cheng was a former member of the Hong Kong Legislative Council as well as Chairman of Inchcape Pacific Limited, N M Rothschild & Sons (Hong Kong) Ltd., the Hong Kong General Chamber of Commerce, and the American Chamber of Commerce in Hong Kong. He is currently a Steward of the Hong Kong Jockey Club and Chairman of The Link Management Limited. He is also a member of the Council of The Chinese University of Hong Kong.

Jürgen Alfred Rudolf FRIEDRICH, aged 67, founded Esprit's European operations in 1976 and was appointed a Non-executive Director in 1997. He has over 32 years of experience in the apparel distribution and marketing business and is currently retired in the United States.

Alexander Reid HAMILTON, aged 64, has been an Independent Non-executive Director of the Company since August 1995. He is also a Director of CITIC Pacific Limited, China Cosco Holdings Company Limited, Shangri-La Asia Limited and a number of other Hong Kong companies. He was a partner of Price Waterhouse with whom he practised for 16 years.

Simon LAI Sau Cheong, aged 45, was appointed an Independent Non-executive Director of the Company in November 1999 and was re-designated as Non-executive Director in 2004. He is admitted to practise as a solicitor in Hong Kong, England and Wales and New South Wales, Australia. Mr. Lai is a partner of the law firm of Deacons and has over 20 years' experience of legal practice.

Raymond OR Ching Fai, aged 56, was appointed an Independent Non-executive Director of the Company in 1996. He is the Vice Chairman and Chief Executive of Hang Seng Bank Limited, executive director of The Hongkong and Shanghai Banking Corporation Limited, Chairman of Hang Seng Life Limited, and a director of Cathay Pacific Airways Limited, Hutchison Whampoa Limited and 2009 East Asian Games (Hong Kong) Limited.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2005, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("SEHK") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules"), were as follows:

(1) Shares of the Company

Name of directors	Capacity	Beneficial interest in shares	Beneficial interest in unlisted underlying shares (Note 4)	Total number of shares	Approximate percentage of aggregate interests to total issued share capital
Michael YING Lee Yuen	Interest of a controlled corporation (Note 1)	191,208,352	0	191,208,352	15.80%
Heinz Jürgen KROGNER-KORNALIK	Beneficial owner	0	5,800,000	5,800,000	0.48%
John POON Cho Ming	Beneficial owner	1,270,000	3,480,000	4,750,000	0.39%
Thomas Johannes GROTE	Beneficial owner	0	4,000,000	4,000,000	0.33%
Jerome Squire GRIFFITH	Beneficial owner	0	3,780,000	3,780,000	0.31%
Jürgen Alfred Rudolf FRIEDRICH	Beneficial owner	79,251,176	0	81,302,077	6.72%
	Interest of a controlled corporation (Note 2)	2,000,000	0		
	Interest of spouse (Note 3)	50,901	0		

Notes:

- The shares were held by Great View International Limited, the entire issued share capital of which was owned by Mr. Michael YING Lee Yuen as of December 31, 2005. Such shares were subsequently transferred to a private trust set up by Mr. Ying on January 9, 2006.
- The shares were held by JAF Foundation of which Mr. Jürgen Alfred Rudolf FRIEDRICH controls 100% share interest.
- The shares were held by Mrs. Anke Beck FRIEDRICH, spouse of Mr. Jürgen Alfred Rudolf FRIEDRICH.
- The interests of Directors and chief executives of the Company in the underlying shares of equity derivatives in respect of options granted to them pursuant to the share option scheme adopted by the Company are detailed in the "Share Options" section below.
- All interests disclosed above represent long position in the shares and underlying shares of the Company.

(2) Share options of the Company

The interests of the Directors and the chief executives of the Company in the share options of the Company are detailed in the "Share Options" below.

As at December 31, 2005, save as disclosed above, none of the Directors, chief executive of the Company or their associates had any interests or short position (within the meaning of Part XV of the SFO), whether beneficial or non-beneficial, in the shares, underlying shares or debentures of the Company or any of its associated corporations which are recorded in the register required to be kept by the Company under Section 352 of the SFO or which are notified to the Company and the SEHK pursuant to the Model Code.

SHARE OPTIONS *CONTINUED*

	Exercise Price				Number of Share Options						Exercise Price				Number of Share Options				
	Date of Grant (mm/dd/yyyy)	per share (HK\$)	Vesting Date (mm/dd/yyyy)	Exercise Period (mm/dd/yyyy)	As at				As at 12/31/2005		Date of Grant (mm/dd/yyyy)	per share (HK\$)	Vesting Date (mm/dd/yyyy)	Exercise Period (mm/dd/yyyy)	As at				As at 12/31/2005
					07/01/2005	Granted	Exercised	Lapsed							07/01/2005	Granted	Exercised	Lapsed	
Thomas Johannes GROTE	11/26/2002	14.60	11/26/2003	11/26/2003 - 11/25/2008	320,000	-	-	-	320,000	Jerome Squire GRIFFITH	11/26/2002	14.60	11/26/2003	11/26/2003 - 11/25/2008	100,000	-	-	-	100,000
			11/26/2004	11/26/2004 - 11/25/2008	320,000	-	-	-	320,000				11/26/2004	11/26/2004 - 11/25/2008	320,000	-	-	-	320,000
			11/26/2005	11/26/2005 - 11/25/2008	320,000	-	-	-	320,000				11/26/2005	11/26/2005 - 11/25/2008	320,000	-	-	-	320,000
			11/26/2006	11/26/2006 - 11/25/2008	320,000	-	-	-	320,000				11/26/2006	11/26/2006 - 11/25/2008	320,000	-	-	-	320,000
			11/26/2007	11/26/2007 - 11/25/2008	320,000	-	-	-	320,000				11/26/2007	11/26/2007 - 11/25/2008	320,000	-	-	-	320,000
	11/26/2003	24.20	11/26/2004	11/26/2004 - 11/25/2009	240,000	-	-	-	240,000		11/26/2003	24.20	11/26/2004	11/26/2004 - 11/25/2009	240,000	-	-	-	240,000
			11/26/2005	11/26/2005 - 11/25/2009	240,000	-	-	-	240,000				11/26/2005	11/26/2005 - 11/25/2009	240,000	-	-	-	240,000
			11/26/2006	11/26/2006 - 11/25/2009	240,000	-	-	-	240,000				11/26/2006	11/26/2006 - 11/25/2009	240,000	-	-	-	240,000
			11/26/2007	11/26/2007 - 11/25/2009	240,000	-	-	-	240,000				11/26/2007	11/26/2007 - 11/25/2009	240,000	-	-	-	240,000
			11/26/2008	11/26/2008 - 11/25/2009	240,000	-	-	-	240,000				11/26/2008	11/26/2008 - 11/25/2009	240,000	-	-	-	240,000
	11/27/2004	42.58	11/27/2005	11/27/2005 - 11/26/2010	240,000	-	-	-	240,000		11/27/2004	42.58	11/27/2005	11/27/2005 - 11/26/2010	240,000	-	-	-	240,000
			11/27/2006	11/27/2006 - 11/26/2010	240,000	-	-	-	240,000				11/27/2006	11/27/2006 - 11/26/2010	240,000	-	-	-	240,000
			11/27/2007	11/27/2007 - 11/26/2010	240,000	-	-	-	240,000				11/27/2007	11/27/2007 - 11/26/2010	240,000	-	-	-	240,000
			11/27/2008	11/27/2008 - 11/26/2010	240,000	-	-	-	240,000				11/27/2008	11/27/2008 - 11/26/2010	240,000	-	-	-	240,000
			11/27/2009	11/27/2009 - 11/26/2010	240,000	-	-	-	240,000				11/27/2009	11/27/2009 - 11/26/2010	240,000	-	-	-	240,000
					4,000,000	-	-	-	4,000,000						3,780,000	-	-	-	3,780,000

SHARE OPTIONS *CONTINUED*

	Exercise Price				Number of Share Options						Exercise Price				Number of Share Options				
	Date of Grant (mm/dd/yyyy)	per share (HK\$)	Vesting Date (mm/dd/yyyy)	Exercise Period (mm/dd/yyyy)	As at				As at 12/31/2005		Date of Grant (mm/dd/yyyy)	per share (HK\$)	Vesting Date (mm/dd/yyyy)	Exercise Period (mm/dd/yyyy)	As at				
					07/01/2005	Granted	Exercised	Lapsed							07/01/2005	Granted	Exercised	Lapsed	12/31/2005
<i>Employees & Consultants</i>	11/26/2002	14.60	11/26/2003	11/26/2003 - 11/25/2008	1,100,000	-	276,000	-	824,000	<i>Employees & Consultants (continued)</i>	11/27/2004	42.58	11/27/2005	11/27/2005 - 11/26/2010	4,187,000	-	1,272,000	210,000	2,705,000
			11/26/2004	11/26/2004 - 11/25/2008	1,580,000	-	536,000	-	1,044,000				11/27/2006	11/27/2006 - 11/26/2010	4,187,000	-	-	300,000	3,887,000
			11/26/2005	11/26/2005 - 11/25/2008	3,216,000	-	1,532,000	-	1,684,000				11/27/2007	11/27/2007 - 11/26/2010	4,187,000	-	-	300,000	3,887,000
			11/26/2006	11/26/2006 - 11/25/2008	3,216,000	-	-	120,000	3,096,000				11/27/2008	11/27/2008 - 11/26/2010	4,187,000	-	-	300,000	3,887,000
			11/26/2007	11/26/2007 - 11/25/2008	3,216,000	-	-	120,000	3,096,000				11/27/2009	11/27/2009 - 11/26/2010	4,187,000	-	-	300,000	3,887,000
	11/26/2003	24.20	11/26/2004	11/26/2004 - 11/25/2009	1,495,000	-	582,000	-	913,000		12/23/2004	47.10	12/23/2005	12/23/2005 - 12/22/2010	90,000	-	-	-	90,000
			11/26/2005	11/26/2005 - 11/25/2009	2,992,000	-	1,074,000	120,000	1,798,000				12/23/2006	12/23/2006 - 12/22/2010	90,000	-	-	-	90,000
			11/26/2006	11/26/2006 - 11/25/2009	2,992,000	-	-	210,000	2,782,000				12/23/2007	12/23/2007 - 12/22/2010	90,000	-	-	-	90,000
			11/26/2007	11/26/2007 - 11/25/2009	2,992,000	-	-	210,000	2,782,000				12/23/2008	12/23/2008 - 12/22/2010	90,000	-	-	-	90,000
			11/26/2008	11/26/2008 - 11/25/2009	2,992,000	-	-	210,000	2,782,000				12/23/2009	12/23/2009 - 12/22/2010	90,000	-	-	-	90,000
	12/23/2003	24.45	12/23/2004	12/23/2004 - 12/22/2009	-	-	-	-	-		01/21/2005	45.60	01/21/2006	01/21/2006 - 01/20/2011	80,000	-	-	-	80,000
			12/23/2005	12/23/2005 - 12/22/2009	120,000	-	-	-	120,000				01/21/2007	01/21/2007 - 01/20/2011	80,000	-	-	-	80,000
			12/23/2006	12/23/2006 - 12/22/2009	120,000	-	-	-	120,000				01/21/2008	01/21/2008 - 01/20/2011	80,000	-	-	-	80,000
12/23/2007			12/23/2007 - 12/22/2009	120,000	-	-	-	120,000	01/21/2009	01/21/2009 - 01/20/2011			80,000	-	-	-	80,000		
12/23/2008			12/23/2008 - 12/22/2009	120,000	-	-	-	120,000	01/21/2010	01/21/2010 - 01/20/2011			80,000	-	-	-	80,000		

SHARE OPTIONS *CONTINUED*

	Exercise Price		Vesting Date (mm/dd/yyyy)	Exercise Period (mm/dd/yyyy)	Number of Share Options				
	Date of Grant (mm/dd/yyyy)	per share (HK\$)			As at 07/01/2005		As at 12/31/2005		
					Granted	Exercised	Lapsed		
<i>Employees & Consultants (continued)</i>	11/28/2005	55.11	11/28/2006	11/28/2006 - 11/27/2011	-	1,140,000	-	-	1,140,000
			11/28/2007	11/28/2007 - 11/27/2011	-	1,140,000	-	-	1,140,000
			11/28/2008	11/28/2008 - 11/27/2011	-	1,140,000	-	-	1,140,000
			11/28/2009	11/28/2009 - 11/27/2011	-	1,140,000	-	-	1,140,000
	11/28/2010	11/28/2010 - 11/27/2011	-	1,140,000	-	-	1,140,000		
	12/02/2005	56.20	12/02/2006	12/02/2006 - 12/01/2011	-	520,000	-	-	520,000
			12/02/2007	12/02/2007 - 12/01/2011	-	520,000	-	-	520,000
			12/02/2008	12/02/2008 - 12/01/2011	-	520,000	-	-	520,000
			12/02/2009	12/02/2009 - 12/01/2011	-	520,000	-	-	520,000
			12/02/2010	12/02/2010 - 12/01/2011	-	520,000	-	-	520,000
	12/23/2005	56.50	12/23/2006	12/23/2006 - 12/22/2011	-	90,000	-	-	90,000
			12/23/2007	12/23/2007 - 12/22/2011	-	90,000	-	-	90,000
			12/23/2008	12/23/2008 - 12/22/2011	-	90,000	-	-	90,000
			12/23/2009	12/23/2009 - 12/22/2011	-	90,000	-	-	90,000
			12/23/2010	12/23/2010 - 12/22/2011	-	90,000	-	-	90,000
	In aggregate				48,056,000	8,750,000	5,272,000	2,400,000	49,134,000
TOTAL				70,516,000	8,750,000	10,672,000	2,400,000	66,194,000	

Notes:

1. The closing price of the shares of the Company immediately before the options granted on November 28, 2005, December 2, 2005 and December 23, 2005 were HK\$56.95, HK\$54.95 and HK\$56.45 respectively.
2. The weighted average closing price of the shares immediately before the date of exercise by Mr. Heinz Jürgen KROGNER-KORNALIK was HK\$56.95.
3. The weighted average closing price of the shares immediately before the date of exercise by Mr. John POON Cho Ming was HK\$56.95.
4. The weighted average closing price of the shares immediately before the dates of exercise by the employees and consultants was HK\$56.53.
5. No share options were cancelled under the 2001 Share Option Scheme during the interim period under review.

Save as disclosed above, at no time during the period under review was the Company or its subsidiaries a party to any arrangement to enable the Directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at December 31, 2005, the following shareholders (other than the Directors and chief executive of the Company whose interests and short positions in the shares and underlying shares of the Company as set out above) had interests or short positions in the shares and underlying shares of the Company ("Shares") which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholders	Capacity	Number of Shares	Approximate percentage of aggregate interests to total issued share capital
Great View International Limited	Beneficial owner (Note 1)	191,208,352	15.80%
JPMorgan Chase & Co.	Interest of controlled corporations (Notes 2 to 4)	156,432,305	12.93%
The Capital Group Companies, Inc	Interest of controlled corporation (Notes 5 and 6)	86,209,600	7.12%
State Street Corporation	Interest of controlled corporation (Notes 7 and 8)	72,364,679	5.98%

Notes:

- Such interests have also been included as corporate interests of Mr. Michael YING Lee Yuen as disclosed under the "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" section above. Such shares were subsequently transferred to a private trust set up by Mr. Ying on January 9, 2006.
- The Shares held by JPMorgan Chase & Co. were held in the following capacities:

No. of Shares	Capacity
1,325,000	Beneficial Owner
92,656,293	Investment Manager
62,451,012	Custodian corporation/approved lending agent

- Details of the interest in the 156,432,305 Shares held by JPMorgan Chase & Co. were as follows:

Name	Direct (D)/ Indirect (I) Interests in the Shares of the Company	Aggregate Long Position in Shares	Approximate Percentage of Aggregate Interests to Total Issued Share Capital
JPMorgan Chase Bank, N.A.	D	67,802,142	5.603%
JPMorgan Chase Bank, N.A.	I	1,610,643	0.133%
J.P. Morgan International Inc.	I	1,610,643	0.133%
Bank One International Holdings Corporation	I	1,610,643	0.133%
J.P. Morgan International Finance Limited	I	1,610,643	0.133%
J.P. Morgan Overseas Capital Corporation	I	1,610,643	0.133%
J.P. Morgan Whitefriars Inc.	D	1,325,000	0.109%
J.P. Morgan International Bank Limited	D	285,643	0.024%
JPMorgan Asset Management Holdings Inc.	I	86,955,020	7.186%
JPMorgan Asset Management (Canada) Inc.	D	3,450,500	0.285%
J.P. Morgan Investment Management Inc.	D	10,921,383	0.903%
JPMorgan Asset Management International Limited	I	16,007,000	1.323%
JPMorgan Asset Management Holdings (UK) Limited	I	16,007,000	1.323%
JPMorgan Asset Management (UK) Limited	D	11,582,000	0.957%
JPMorgan Asset Management Holdings (Luxembourg) S.a.r.l.	I	80,500	0.007%
JPMorgan Asset Management Societa Di Gestione del Risparmio SpA	D	80,500	0.007%
J.P. Morgan Investment Management Limited	I	4,344,500	0.359%
JPMorgan Asset Management (London) Limited	D	4,344,500	0.359%
JPMorgan Asset Management (Asia) Inc.	I	56,576,137	4.675%
JF International Management Inc.	D	310,500	0.026%
JF Asset Management (Singapore) Limited - Co Reg #:197601586K	D	977,000	0.081%
J.P. Morgan Fleming Asset Management (Japan) Limited	D	2,914,500	0.241%
JF Asset Management Limited	D	50,727,637	4.192%
JF Asset Management Limited	I	1,646,500	0.136%
JF Funds Limited	I	1,646,500	0.136%
JF Asset Management (Taiwan) Limited	D	1,646,500	0.136%
J.P. Morgan Capital Financing Limited	I	64,500	0.005%
Robert Fleming Holdings Limited	I	64,500	0.005%
Robert Fleming (Luxembourg) (Joint Ventures) Sarl	I	64,500	0.005%
JPMorgan Asset Management (Europe) S.a.r.l	D	64,500	0.005%

Explanatory Notes:

All the following interests were deemed to be held by the relevant company under SFO. JPMorgan Chase & Co. was deemed to be interested in an aggregate of 156,432,305 Shares held or deemed to be held by: (i) JPMorgan Chase Bank, N.A. (69,412,785 Shares), (ii) JPMorgan Asset Management Holdings Inc. (86,955,020 Shares) and (iii) J.P. Morgan Capital Financing Limited (64,500 Shares), all wholly-owned by JPMorgan Chase & Co.

- (i) JPMorgan Chase Bank, N.A. directly held 67,802,142 Shares and was also deemed to be interested in the 1,610,643 Shares held by the following indirect subsidiaries held through J.P. Morgan International Finance Limited ("JPIF"), directly wholly-owned by Bank One International Holdings Corporation, directly wholly-owned by J.P. Morgan International Inc., directly wholly-owned by JPMorgan Chase Bank, N.A.:
 - (a) 1,325,000 Shares were held by J.P. Morgan Whitefriars Inc., wholly-owned by J.P. Morgan Overseas Capital Corporation, a wholly-owned subsidiary of JPIF; and
 - (b) 285,643 Shares were held by J.P. Morgan International Bank Limited, wholly-owned by J. P. Morgan Overseas Capital Corporation, a wholly-owned subsidiary of JPIF.
- (ii) JPMorgan Asset Management Holdings Inc. ("JPAMH") was deemed to be interested in an aggregate of 86,955,020 Shares held by the following subsidiaries:
 - (a) 3,450,500 Shares were held by JPMorgan Asset Management (Canada) Inc., directly wholly-owned by JPAMH;
 - (b) 10,921,383 Shares were held by J.P. Morgan Investment Management Inc., directly wholly-owned by JPAMH;
 - (c) 16,007,000 Shares were deemed to be held by JPMorgan Asset Management International Limited ("JPAM"), directly wholly-owned by JPAMH, through the following subsidiaries:
 - i. 11,582,000 Shares were held by JPMorgan Asset Management (UK) Limited, wholly-owned by JPMorgan Asset Management Holdings (UK) Limited, wholly-owned by JPAM;
 - ii. 80,500 Shares were held by JPMorgan Asset Management Societa Di Gestione del Risparmio SpA, 99.90% subsidiary of JPMorgan Asset Management Holdings (Luxembourg) S.a.r.l., wholly-owned by JPMorgan Asset Management Holdings (UK) Limited, wholly-owned by JPAM; and
 - iii. 4,344,500 Shares were held by JPMorgan Asset Management (London) Limited, wholly-owned by J.P. Morgan Investment Management Limited, wholly-owned by JPMorgan Asset Management Holdings (UK) Limited, wholly-owned by JPAM.

- (d) 56,576,137 Shares were deemed to be held by JPMorgan Asset Management (Asia) Inc. ("JPAsia"), directly wholly-owned by JPAMH, through the following subsidiaries:
 - i. 310,500 Shares were held by JF International Management Inc., wholly-owned by JPAsia;
 - ii. 977,000 Shares were held by JF Asset Management (Singapore) Limited – Co Reg #:197601586K, wholly-owned by JPAsia;
 - iii. 2,914,500 Shares were held by J.P. Morgan Fleming Asset Management (Japan) Limited, wholly-owned by JPAsia;
 - iv. 50,727,637 Shares were held by JF Asset Management Limited, wholly-owned by JPAsia; and
 - v. 1,646,500 Shares were held by JF Asset Management (Taiwan) Limited, 99.90% subsidiary of JF Funds Limited, wholly-owned by JF Asset Management Limited, wholly-owned by JPAsia.
 - (iii) J.P. Morgan Capital Financing Limited ("JPCF") was also deemed to be interested in 64,500 Shares held by the following subsidiary:
 - 64,500 Shares were held by JPMorgan Asset Management (Europe) S.a.r.l., 99.99% subsidiary of Robert Fleming (Luxembourg) (Joint Ventures) Sarl, wholly-owned by Robert Fleming Holdings Limited, wholly-owned subsidiary of JPCF.
4. All interests disclosed in Note 2 above represent long position in the Shares in which 62,451,012 Shares represented lending pool.

5. Details of the interest in the 86,209,600 Shares held by The Capital Group Companies, Inc. were as follows:

Name	Direct (D)/ Indirect (I) Interests in the Shares of the Company	Aggregate Long Position in Shares	Approximate Percentage of Aggregate Interests to Total Issued Share Capital
Capital Research and Management Company	D	82,611,500	6.827%
Capital Guardian Trust Company	D	2,485,100	0.205%
Capital International, Inc.	D	959,000	0.079%
Capital Group International, Inc.	I	3,598,100	0.297%
Capital International S.A.	D	154,000	0.013%

Explanatory Notes:

All the following interests were deemed to be held by the relevant company under SFO. The Capital Group Companies, Inc. was deemed to be interest in an aggregate of 86,209,600 Shares held or deemed to be held by the following subsidiaries:

- (i) 82,611,500 Shares were held by Capital Research and Management Company, wholly-owned by The Capital Group Companies, Inc.;
 - (ii) 2,485,100 Shares were held by Capital Guardian Trust Company, wholly-owned by Capital Group International, Inc., wholly-owned by The Capital Group Companies, Inc.;
 - (iii) 959,000 Shares were held by Capital International, Inc., wholly owned by Capital Group International, Inc., wholly-owned by The Capital Group Companies, Inc.;
 - (iv) 154,000 Shares were held by Capital International S.A., wholly-owned by Capital Group International, Inc., wholly-owned by The Capital Group Companies, Inc.
6. All interests disclosed in Note 5 above represent long positions in the Shares of the Company.
7. State Street Corporation was deemed to be interested in 72,364,679 Shares through its 100% interest in State Street Bank & Trust Company.
8. All interests disclosed in Note 7 above represent long positions in the Shares of the Company and all 72,364,679 Shares represent lending pool.

Save as aforesaid and as disclosed in the “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” section of this report, the Company has not been notified by any person who had interest or short position in the shares or underlying shares of the Company as at December 31, 2005 which are required to be notified to the Company pursuant to Part XV of the SFO or which are recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTERIM DIVIDEND

The Board of Directors has declared an interim dividend for the six months ended December 31, 2005 of HK\$0.50 per share (FY2004/2005: HK\$0.45). The dividend will be payable on or about Friday, April 7, 2006 to the shareholders whose names appear on the Registers of Members of the Company at close of business on Friday, March 31, 2006 ("Shareholders"). The relevant dividend warrants will be despatched to Shareholders on or about Thursday, April 6, 2006.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Tuesday, March 28, 2006 to Friday, March 31, 2006, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend mentioned above, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, March 27, 2006.

AUDIT COMMITTEE

The Audit Committee comprises four Non-executive Directors, three of whom are independent. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has also discussed auditing, internal controls and financial reporting matters including the review of the unaudited interim results for the six months ended December 31, 2005 with the management.

HUMAN RESOURCES

As at December 31, 2005, the Group employed over 8,500 staff (2004: 7,500), after converted to full-time positions terms, around the globe. Competitive remuneration packages that take into account business performance, market practices and competitive market conditions are offered to employees in compensation for their contribution. In addition, share options and discretionary bonuses are also granted based on the Group's and individual's performances. All employees around the world are connected through the Group's quarterly newsletters and global intranet.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's shares during the period under review.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended December 31, 2005, only with deviation from code provision A.4.1 of the Code in respect of specific term of appointment of non-executive directors.

Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election. However, non-executive Directors of the Company do not have a specific term of appointment.

To comply with the code provision A.4.1 of the Code, relevant amendment was made to Bye-law 87 of the Company's Bye-laws with the approval of shareholders to the effect that all Directors including Non-executive Directors of the Company are subject to retirement by rotation in the annual general meeting of the Company and each Director is effectively appointed under an average term of 3 years.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code.

The Company has made specific enquiry with all Directors and all of them confirmed that they have complied with the required standard set out in the Model Code for the six months ended December 31, 2005.

TERMS OF REFERENCE

The terms of reference of the Audit, Nomination and Remuneration Committees have been formulated with reference to the Code on Corporate Governance Practices (Appendix 14 of the Listing Rules) and have been posted on the Company's website (www.espritholdings.com).

By Order of the Board
Esprit Holdings Limited
John POON Cho Ming
Deputy Chairman

Hong Kong, February 22, 2006

FINANCIAL CALENDAR

Book close	March 28, 2006-March 31, 2006
Payment of interim dividend	on or about April 7, 2006
Financial year end	June 30, 2006

SHAREHOLDERS ENQUIRIES

For enquiries about share transfer and registration, please contact the Company's branch share registrar in Hong Kong:

Secretaries Limited
26/F., Tesbury Centre,
28 Queen's Road East, Wanchai, Hong Kong
Tel: (+852) 2980 1801
Fax: (+852) 2810 8185

For enquiries from investors and securities analysts, please contact:

Investor Relations Department
Esprit Holdings Limited
43/F, Enterprise Square Three,
39 Wang Chiu Road, Kowloon Bay,
Kowloon, Hong Kong
Tel: (+852) 2765 4232
Fax: (+852) 2764 1723
E-mail: esprit-ir@esprit.com

HONG KONG HEAD OFFICE

43/F, Enterprise Square Three,
39 Wang Chiu Road, Kowloon Bay,
Kowloon, Hong Kong
Tel: (+852) 2765 4321
Fax: (+852) 2362 5576

GLOBAL BUSINESS HEADQUARTER

Esprit-Allee,
40882 Ratingen, Germany
Tel: (+49) 2102 123 0
Fax: (+49) 2102 123 15100

SHARE LISTING

The shares of Esprit Holdings Limited are listed on
The Stock Exchange of Hong Kong Limited (stock code: 0330) and
the London Stock Exchange (ticker: EPT LI).

WEBSITE

www.espritholdings.com