



ESPRIT HOLDINGS LIMITED
Morgan Stanley Asia Pacific Summit
November 2, 2004
Singapore

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 involving 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.

unique business model

key advantages

wholesale

- low capex requirement with broad geographic coverage
- high visibility on product acceptance & earnings
- create economies of scale
- high operating margin
→ 22% EBIT

60 % 40



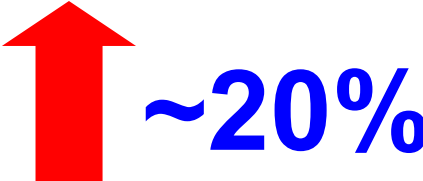
complementary
to each other

retail

- anchor brand presence in major cities worldwide
- enhance image & build loyalty
- bigger store format to house wider product offerings
- real-time market info. on trends & customer tastes

wholesale expansion

- 1,400+ point of sales planned for Europe in FY04/05, primarily in Germany, Benelux & France:
 - ◆ 150+ partnership stores
 - ◆ 450+ shop-in-stores
 - ◆ 800+ identity corners
- developments in newer markets:
 - ◆ U.K. – 6 new partnership stores in operation
 - ◆ Spain – 18 shop-in-stores with Cortes Inglese to open in Spring '05
 - ◆ Italy – shop-in-stores with Coin and Rinascente planned
 - ◆ Middle-East – 3,000+ sq.ft. showroom opened in Dubai



~20%



partnership store – key wholesale format worldwide

550+ stand-alone stores

- represent Esprit in smaller cities
 - ◆ size: ~120-450 sq. m.
- buy Esprit products at wholesale price with reasonable gross profit margin
- fully supported by Esprit's partner services team:
 - ◆ merchandising management & planning
 - ◆ visual display, marketing & promotion materials

for Esprit

- expand distribution network in smaller cities with no capex & working capital requirements
- vertically integrated into Esprit's operating environment (i.e. full product/image control & sell-through info.)
- bigger size, wider product offerings & better image representation than shop-in-stores

retail

enhance store productivity (sales/m²)

increase
traffic
&
conversion

- create more newness
(e.g. 12 collections in key product divisions)
- better windows / visuals / merchandising
- attract younger and more price-conscious customers by offering more junior products at lower starting price points
- introduce 'edc men'
- improve in-store customer service

**grow net retail space by 18% or 31,000+ sq.m. globally
in FY04/05**

building strategic “retail islands”

Metro-New York

➤ in operation:

- ◆ Flatiron
- ◆ Palisades Center
- ◆ Menlo Park Mall

➤ coming soon:

- ◆ Freehold Raceway Mall
- ◆ Bridgewater Commons
- ◆ Danbury Mall
- ◆ Woodbury Common Outlets
- ◆ Time Warner Center
- ◆ 583 Broadway (SoHo)

Metro-London

➤ in operation:

- ◆ Regent Street
- ◆ Oxford Street West
- ◆ Covent Garden
- ◆ Kingston

➤ coming soon:

- ◆ Oxford Street East

achieve critical mass and optimize brand visibility & awareness

1Q-FY04/05 performance

- turnover grew over 20%
- European wholesale order booking to March '05 shows double-digit % yoy growth
- group retail comp-store-growth in excess of 5%
- greater economies of scale continue to enhance group operating efficiency

on-track to deliver

strong results

in FY04/05

value for a blue chip with solid performance & yield

valuation measures

	ESPRIT	H&M	Inditex
Est. PEG	0.66	1.94	1.12
EV/EBITDA [^]	14.8x	14.4x	13.2x
Dividend Yield*	2.8%	2.9%	1.8%
ROE	42%	33%	23%
ROC	39%	33%	21%

Source: Bloomberg data (other than dividend yield) as at 11:53 a.m., Oct. 29, 2004

[^]EV/EBITDA for the current year in Bloomberg as at 11:53 a.m., Oct. 29, 2004

*Dividend yield includes special dividend and based on closing share price on Oct. 28, 2004

AGM – Dec. 3, 2004

to consider the approval of:

FY03/04:

Final Dividend	HK\$0.48
Special Dividend	HK\$0.50
Total	<u>HK\$0.98</u>

Ex-Dividend Date Nov. 30, 2004

Dividend Payable ~ Dec. 9, 2004

Q & A

330.HK

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www.espritholdings.com