



ESPRIT HOLDINGS LIMITED

Non-Deal Mini Roadshow, Japan / US

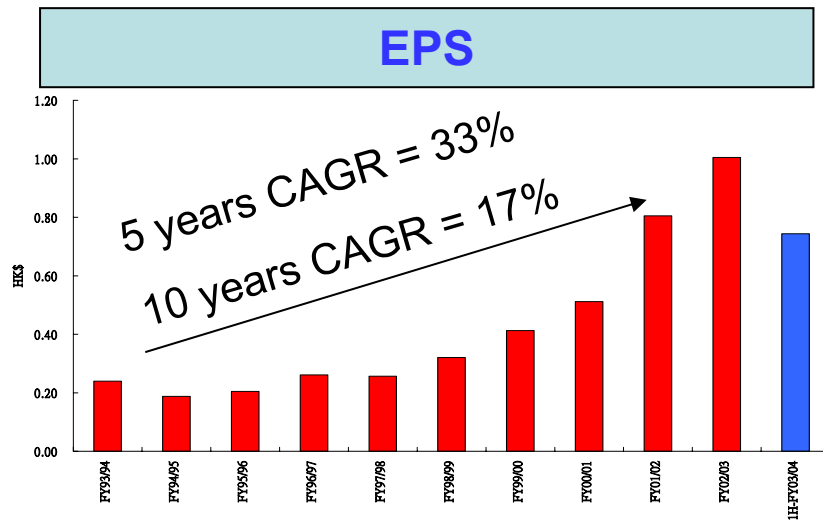
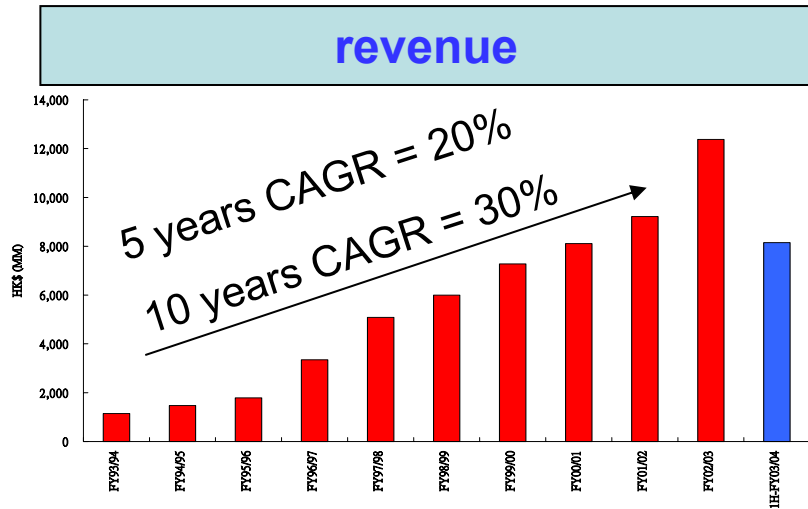
July 2004

ESPRIT

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 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.

a successful growth story



- US\$5 billion market capitalization
- 10 years of consecutive turnover & profit growth
- best performing Hang Seng Index stock
 - 2003 – increased by 95%
 - 2004 YTD – increased by 32%*
- ranked one of the Best in Corporate Governance in Asia#

*as of July 5, 2004

#CLSA Corporate Governance Watch report April 2003

clear & dynamic positioning

international

- presence in over 40 countries in Europe, North America, Asia & Australasia

**youthful
lifestyle brand**

- target customers with young attitude, not age

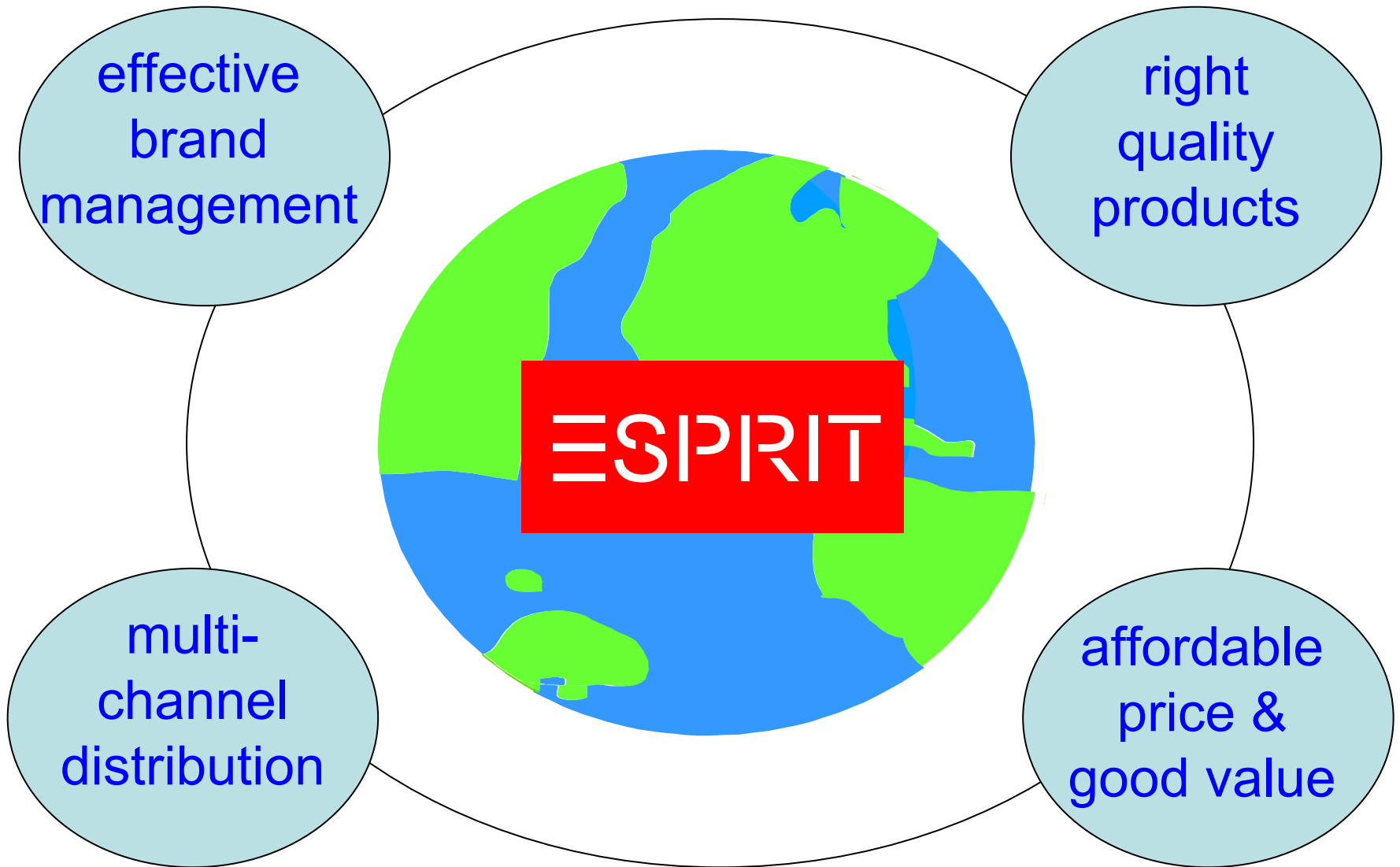
**smart
luxury**

- offering quality products at affordable price range

**newness &
style**

- 10 product lines and 12 collections per year

success factors



FY04/05 - strong organic growth

**US\$100 mm capex for new store openings –
all funded through operating cashflow**

double-barrel wholesale & retail expansion

continue growth momentum in Europe

- 40+ new retail stores
- 500+ new wholesale points of sale

position US for long term growth

- 130+ existing POS with Macy, Dillards, Marshall Fields
 - shipments to Nordstroms starts July
- 10+ new retail stores

steady and solid growth

revive profitability in Asia

- upgrade existing retail stores, primarily in HK
- develop wholesale

steady growth in Australasia

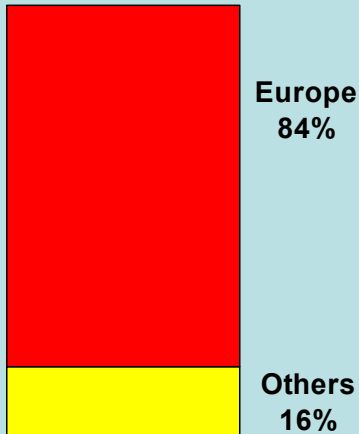
- focus on same-store growth from the 120+ existing stores
- 20+ new stores

Euro volatility

GP margin intact with double-digit sales growth

well contained at COGS level

1H-FY03/04 Turnover



Sourcing for Europe - suppliers split:

50% European -> **no currency impact**

50% Asian -> **exposure hedged**

- suppliers quote in Euro
- hedge with financial institutions
- faced by all competitors sourcing outside Europe

	FY 02/03	FY 01/02
€: \$*	1.05	0.89
GP Margin	49.9%	49.1%
YoY Sales Growth	34.3%	13.7%

translation of earnings

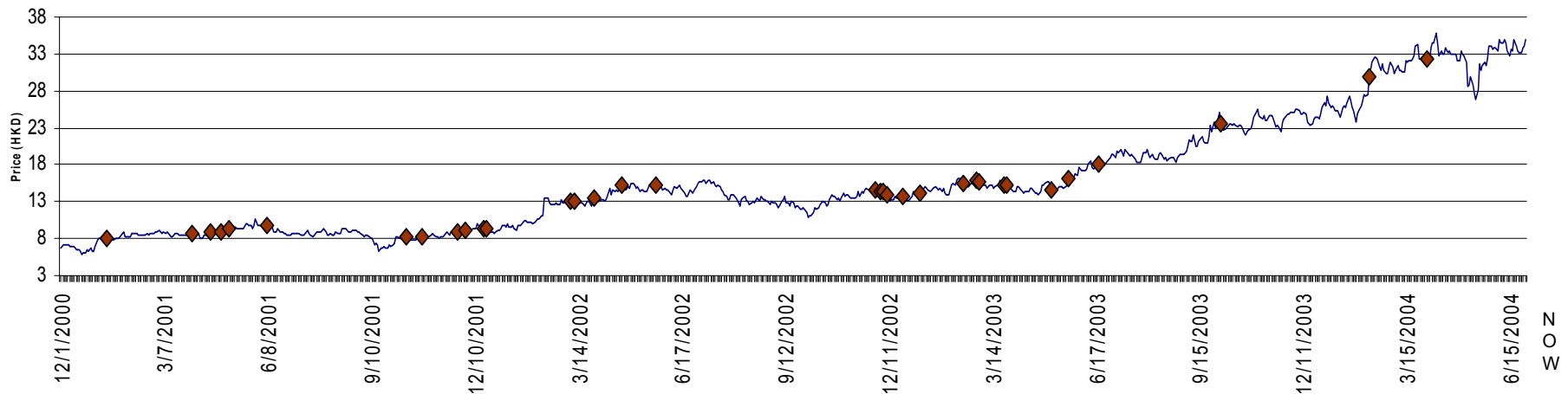
use average daily closing rate to avoid impact from short term volatility

*average daily rate

share options

- IFRS non-cash option expense for FY05/06
 - likely less than 5% impact on pro-forma net profit
 - offset by the elimination of trademarks amortization
- continue orderly disposal of the 52.7* million options outstanding
- stable price trend during directors and major shareholders disposals

Price Trend during Directors' Disposals



*as of Dec. 31, 2004

corporate governance – best practice

complied with mandatory HKEX requirements

- ✓ 3 independent non-executive directors (“INED”) on the Board
- ✓ at least one INED with appropriate accounting qualifications
- ✓ audit committee established with qualified accountants
- ✓ no director dealings one month prior to results announcements
- ✓ accurate and timely disclosure of notifiable and/or connected transactions

exceeds HKEX requirements

- ✓ half of the Board consists of non-executive directors, 4 of whom are independent
- ✓ separated role of Chairman & CEO
- ✓ remuneration & nomination committees
- ✓ audit committee consists of non-executive directors, with the majority being independent, and is chaired by a qualified accountant
- ✓ transparency - frequent participation in non-deal roadshows and investor conferences
- ✓ fair disclosure - prompt information update on website – www.espritholdings.com
- ✓ segregated external audit & advisory roles / rotate external audit partners / outsourced internal audit

performance targets

ESPRIT



double digit

growth

top & bottom line

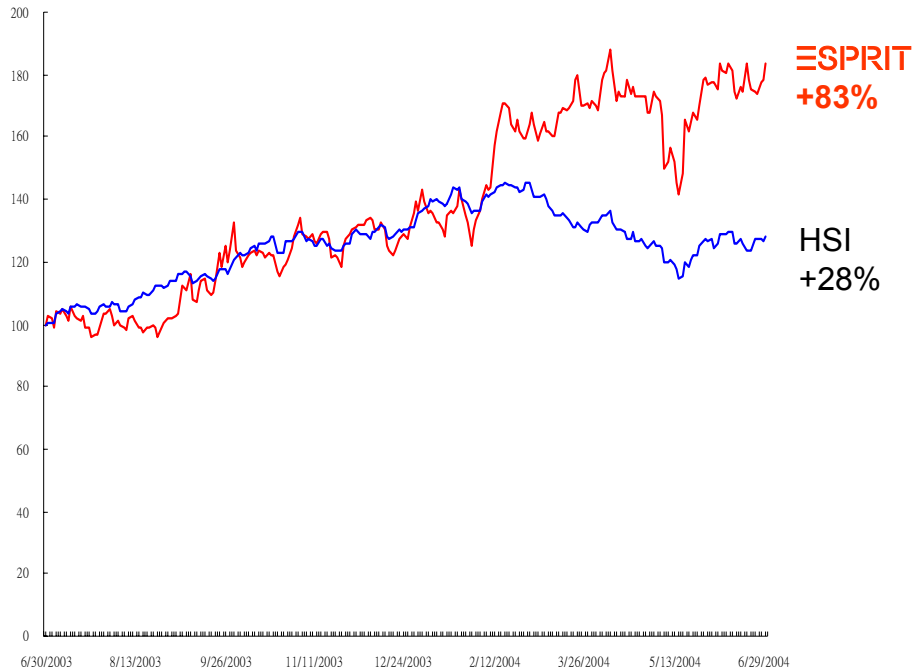
margins

EBITDA: 17-20%

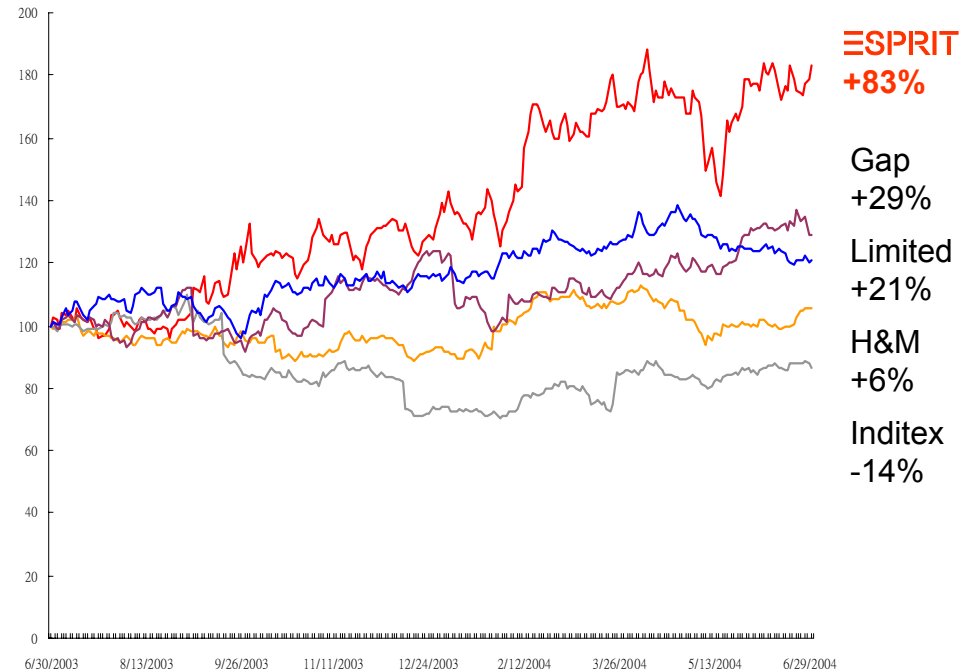
net margin: over 10%

best performing stock

LTM stock performance - vs HSI*



LTM stock performance - vs global peers



* Hang Seng Index ("HSI") is an index of 33 constituent stocks listed in the HK stock exchange.

www.espritholdings.com