

## **ESPRIT INTERIM PROFIT ROSE 28% TO HK\$2.4 BILLION**

- Group turnover grew 23.4% to HK\$14.6 billion
- Basic EPS increased 25.6% to HK\$1.96 per share
- Net profit margin expanded 0.6% point to 16.4%
- Net cash increased to HK\$3.6 billion
- Interim dividend: HK\$0.70 per share, payable on April 11, 2007

**HONG KONG, February 7, 2007 – Esprit Holdings Limited** (SEHK: 330; LSE: EPT LI) today announced interim results for the six months ended December 31, 2006.

“Once again, Esprit has achieved an excellent set of results together with strong growth in turnover and earnings, demonstrating our ability to deliver sustainable growth,” said Mr Heinz Krogner, Chairman and Group CEO. “While all key markets delivered good results, we are exceptionally thrilled to see rapid growth in our focused markets, such as Spain, Italy and the UK. The growth momentum of these countries will be a key catalyst to drive future growth.”

Mr John Poon, Deputy Chairman and Group CFO said, “with a stable cost structure and improved operating efficiency, we were able to expand the operating profit margin by 0.6% point to 21% which was better than our expectation. Together with a higher contribution from our associated companies with operation in China, our net profit margin edged up by 0.6% point to 16.4%.”

“In light of the Company’s healthy performance and strong balance sheet, the Board declared an interim dividend of HK\$0.70 per share to be paid on April 11, 2007, representing 40% yoy increase,” added Mr Poon.

Thomas Grote, President of **ESPRIT** brand said, “encouraged by strong retail momentum with productivity improvement, we will accelerate the retail network expansion and plan to open over 400 new stores in the next 3 years. A new real estate team has been set up to identify suitable store locations globally. In the second half of

the financial year alone, around 30 new retail stores will be added throughout the world,”

“The Group will give edc a unique identity in the market. To achieve this, subject to availability of suitable store locations, the Group will gradually open edc standalone stores internationally. Additionally, we will introduce a new ESPRIT denim division.” added Mr Grote.

“Product development and distribution network expansion remain our top priorities to drive long-term growth. Given our proven strategies and good track record in execution, the Group is confident in continuing to generate good return to our shareholders,” concluded Mr Krogner.

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

	For the six months ended December 31 2006	Year-on-year Growth
Turnover	14,590	23.4%
EBIT	3,061	27.1%
EBIT margin	21.0%	0.6% pt
Profit attributable to shareholders	2,400	28.1%
Net profit margin	16.4%	0.6% pt
Basic EPS	1.96	25.6%
Net cash	3,590	132.0%
Interim dividend per share	HK\$0.70	40.0%

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Esprit Holdings Limited ([www.espritholdings.com](http://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 approximately 640 directly managed retail stores worldwide and distribute through over 12,000 wholesale points-of-sales internationally, occupying over 817,000 square meters of selling space in more than 40 countries.

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