

ESPRIT ANNOUNCES 24.5% NET PROFIT GROWTH

- Proposed full year dividend payout ratio: 80% of EPS
- Group turnover grew 25.6% to HK\$37.2 billion
- Net profit rose 24.5% to HK\$6.5 billion
- Basic EPS increased 23.5% to HK\$5.21 per share
- Net cash position augmented to over HK\$6.5 billion

HONG KONG, August 27, 2008 – Esprit Holdings Limited (SEHK: 330) today announced final results for the year ended June 30, 2008.

“The global economy is undoubtedly facing tough macro environment. It is during this time, however, that a strong company like Esprit demonstrates how such a storm can be weathered,” commented Mr. Heinz Krogner, Chairman and Group CEO.

The Group recorded 25.6% turnover growth while operating profit margins remained stable. Group turnover growth was mainly driven by double-digit percentage turnover growth across key markets, product divisions, and distribution channels. This result was a combination of healthy organic growth, as indicated by retail comp-store growth of 6.9%, and rapid space growth of 14.3% in retail selling space and 18.5% in controlled wholesale space.

“Turnover growth was fueled by our strategic expansion plan. This year, we invested over HK\$1.3 billion in capital expenditure and drove the Group’s total selling space to over 1,000,000m², comprised of directly managed retail and controlled wholesale selling space. In addition, we have entered retail markets in Spain, Norway and Finland and have launched the new concept, de. corp,” said Mr. Thomas Grote, President of Esprit brand. “In the coming year, we will continue to seek growth opportunities and target to invest over HK\$1 billion to further strengthen our global presence,” continued Mr. Grote.

With robust net cash position of over HK\$6.5 billion and to celebrate Esprit’s 40th anniversary, the Group proposed to share its success with shareholders through increasing dividend payout ratio to 80% of EPS, representing a 32.1% increase in total dividend for the year to HK\$4.2 per share.

“As we embrace the coming year, which will be full of challenges and opportunities, we target to maintain our status among the industry’s leading global players and at the same time, maximize shareholders’ value,” concluded Mr. Krogner.

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

	For the year ended 30 June 2008	Year-on-year Growth
Turnover	37,227	25.6%
Operating profit	7,721	23.4%
Net profit	6,450	24.5%
Basic EPS	HK\$5.21	23.5%
Net cash	6,521	24.6%
Final and Special Dividend (per share)	HK\$3.25	31.0%

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Esprit Holdings Limited (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 and edc brands, and of cosmetic and body care products under its Red Earth brand. The Group operates over 690 directly managed retail stores worldwide and distribute through approximately 14,500 controlled-space wholesale point-of-sales internationally, occupying total selling space of over 1,000,000m² in more than 40 countries.

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