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**ESPRIT**

**ESPRIT HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00330)**

## **INVESTOR RELATIONS DAY PRESENTATIONS**

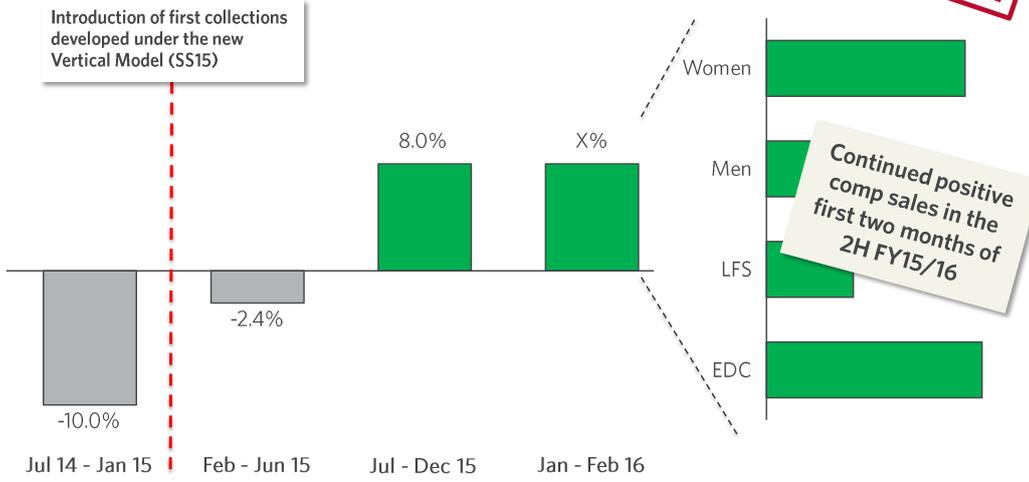
This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Esprit Holdings Limited (the “Company”) will be hosting an Investor Relations Day in Ratingen, Germany on Tuesday, 15 March 2016. Presentations by the senior management are scheduled to commence on Tuesday, 15 March 2016 at 5:15 pm Hong Kong time (10:15 am Central European time). As attendance is by invitation only, a LIVE webcast of the presentations together with the presentation materials will be available at [www.espritholdings.com](http://www.espritholdings.com).

The presentations will address and provide an update on the Company’s strategic plan, including a detailed description of the development of the new Omnichannel Model. Additionally, the management team will discuss the dimension of its e-commerce business, the latest trading performance for the months of January and February 2016, as well as a broad outlook on key performance levers for coming years, including turnover development of the different channels and markets, gross profit margin and operating expenses, which are summarized in the slides below.

## VERTICAL PRODUCTS - RETAIL PERFORMANCE

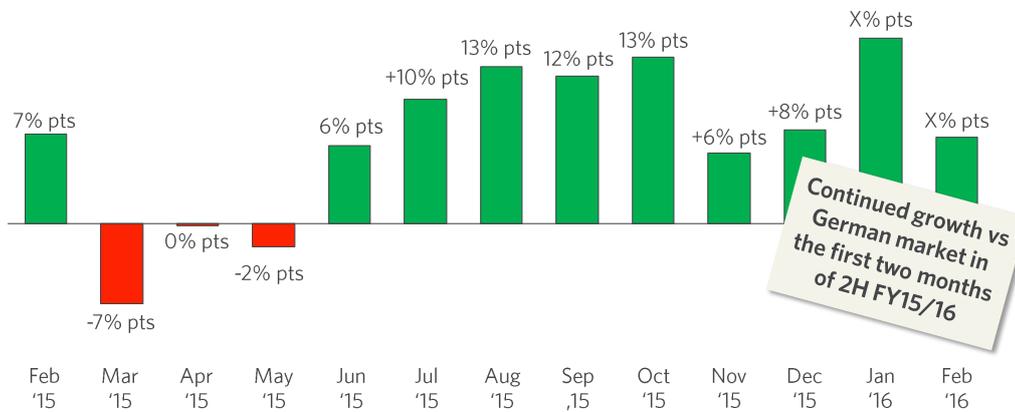
### Retail Turnover (YoY change of comparable stores in LCY)



Comp store growth (comp stores / concessions / counters & eshop)  
Excl exchange effects

## RETAIL PERFORMANCE VS. GERMAN MARKET

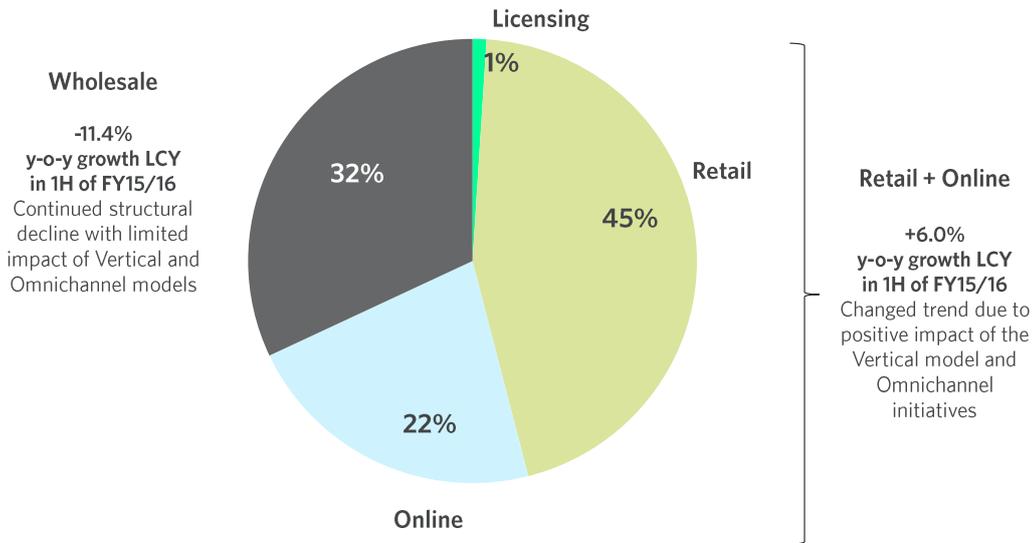
### Esprit vs. German apparel market differential of yoy change in LCY\*



\* Esprit comparable full price brick and mortar stores against comparable market data according to Textilwirtschaft. Comp group growth of the individual month

## ESPRIT CHANNELS MIX

Turnover in 1H of FY15/16



## WHOLESALE - OUTLOOK

### KEY DRIVERS

- Loss of unprofitable spaces (i.e. from partners with insufficient traffic and under financial pressure)
- Consequent concentration on partners with better locations and stronger operations and performance
- Progressive introduction of a vertical model for strategic franchise partners (e.g. concession model for PSS)
- Strengthening of wholesale performance with improved products and other benefits of our Vertical model (e.g. enlarged stock service and F2M offering)
- Strengthening with Omnichannel model (e.g. Esprit Friends and online incentive scheme)
- Potential growth by entering new markets through our wholesale channel (e.g. Canada)

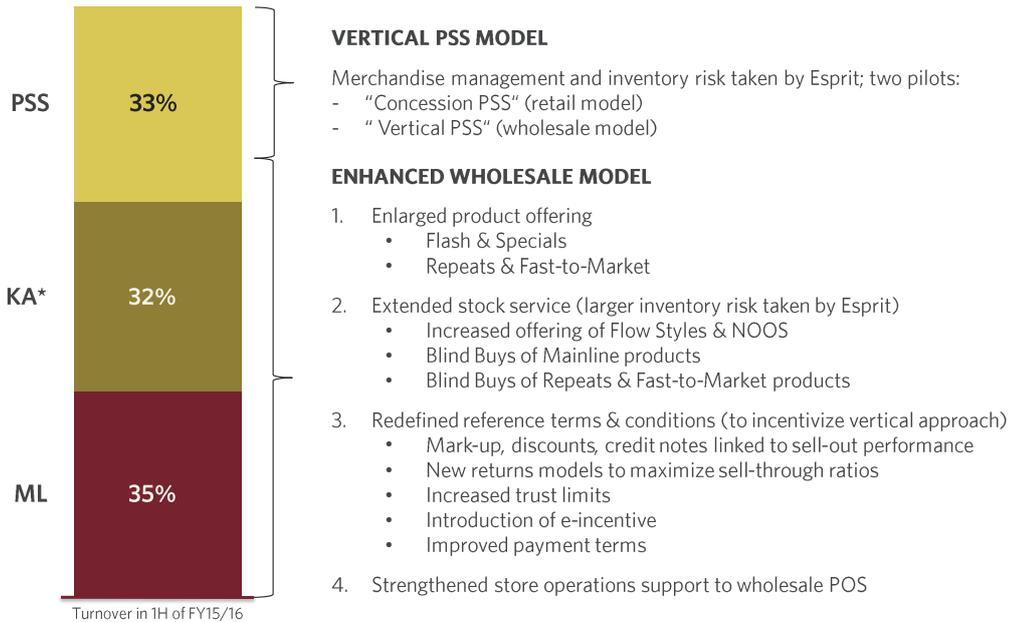
### SHORT TERM

- From double- to single-digit decline

### MEDIUM TERM

- From stabilization to single-digit growth

## WHOLESALE MODEL DEVELOPMENT



\* Key Accounts represents TOP customers in Europe and APAC

## RETAIL - OUTLOOK

### KEY DRIVERS

#### RETAIL STORES

- Accelerated closure of heavy loss-making stores, both in Europe and APAC over the next 2-3 years (10%-15% of sqm)
- Continued improvement of productivity (sales per sqm) fueled by the development of our Vertical Model, Omnichannel Model and Brand Marketing campaigns
- Growth from new openings into existing (white spots) and new markets (e.g. Poland)

#### ESHOP

- Continued online growth fueled by further development of our Omnichannel Model
- Accelerated growth in APAC, mostly by aggressively growing our China online business
- Potential growth from new markets

#### SHORT TERM

- Flat or low single-digit decline depending on speed of store closures

#### MEDIUM TERM

- High single-digit to double-digit growth when combining productivity gains with expansion

#### SHORT & MEDIUM TERM

- High single-digit or double-digit growth

## MARKETS - OUTLOOK

### KEY DRIVERS

#### GERMANY & EUROPE

- Wholesale space stabilization within 2-3 years (Germany stabilizing at an earlier stage than Rest of Europe)
- Retail space stabilization within 1-2 years
- Space growth in both channels thereafter
- Similar retail productivity gains and growth of the eshop

#### SHORT TERM

- Flat or single-digit decline depending on speed of store closures

#### MEDIUM TERM

- High single-digit to double-digit growth

#### APAC

- Wholesale space stabilization within 1 year
- Retail space reduction and relocation over the next 1-2 years
- Space growth in both channels thereafter
- Retail productivity gains in 1-2 years and very rapid growth of the eshop, especially in China

#### SHORT TERM

- One-off high single-digit decline due to restructuring of retail and wholesale footprint

#### MEDIUM TERM

- Single-to double-digit growth through expansion and online

## PROFITABILITY - OUTLOOK

- **Gross Profit:** Increase Group margin by around +1 percentage point over the next two years (assuming no further significant devaluation of the Euro vs the US dollar):
  - Improving margins in all product divisions with the full extension of the new Supply Chain Management model
  - Recovering usual margins in Asia and improving in Outlets
  - Growing the weight of Retail and Eshop vs Wholesale as a result of the expected development of each channel
- **OPEX:** Reduce OPEX by at least -1.0 HK\$ billion over the next two years, excluding exchange rate impacts:
  - Closure of the heaviest loss-making stores and deep restructuring of the countries with negative bottom line contributions
  - Downsizing of wholesale organizations to adapt to channel development
  - Reducing all overhead costs in the affiliates and central headquarters
    - Streamlining internal processes and resources under new business model
    - Maximizing synergies between local and central structures
    - Enforcing ever more radical cost discipline across the organization

## FY15/16 OUTLOOK

<b>CONTROLLED SPACE</b>	Retail – slight decline due to closures or downsizing of unprofitable stores Wholesale – continued decline but to a smaller degree than FY14/15 due to market pressure on the channel
<b>PRODUCTIVITY (SALES/SQM)</b>	Space reduction to be offset by gain in sales per sqm performance on the basis of i) improving product performance ; ii) improved channel operations; and iii) intensified marketing efforts
<b>GP MARGIN</b>	Stable or slight increase – reduced levels of markdowns due to improved product performance to compensate negative impact from weakness of Euro
<b>OPEX</b>	Reduction of most of the recurring cost lines in line with reduction in retail space and wholesale business volume Savings offset by i) expected increase in Marketing expenses and ii) Omnichannel related expenses, to support future growth
<b>CAPEX</b>	Anticipated increase due to i) Omnichannel initiatives; ii) acceleration of store refurbishment; and iii) upgrade of warehouses to improve replenishment capabilities

**NO CHANGE IN MANAGEMENT EXPECTATIONS FOR FY15/16  
DESPITE THE POSITIVE DEVELOPMENT OF RETAIL PERFORMANCE  
IN JANUARY AND FEBRUARY 2016, AS KEY CHALLENGES PERSIST**

Following the Investor Relations Day, recording of the webcast will be available on the Company's website at [www.espritholdings.com](http://www.espritholdings.com) from Wednesday, 16 March 2016 to Wednesday, 15 March 2017.

By Order of the Board  
**Florence Ng Wai Yin**  
Company Secretary

Hong Kong, 15 March 2016

*As at the date of this announcement, the Board comprises (i) Mr Jose Manuel Martínez Gutiérrez (Group Chief Executive Officer) and Mr Thomas Tang Wing Yung (Group Chief Financial Officer) as Executive Directors; (ii) Mr Jürgen Alfred Rudolf Friedrich as Non-executive Director; and (iii) Dr Raymond Or Ching Fai (Chairman), Mr Paul Cheng Ming Fun (Deputy Chairman), Dr José María Castellano Ríos, Mr Alexander Reid Hamilton, Mr Carmelo Lee Ka Sze and Mr Norbert Adolf Platt as Independent Non-executive Directors.*