

INVESTOR RELATIONS DAY

14 MAY 2013

ESPRIT



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WELCOME AND
INTRODUCTIONS

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AGENDA

1. RECENT OPERATIONAL PERFORMANCE
2. STRATEGIC PRIORITIES
3. CLOSING REMARKS

AGENDA

1. RECENT OPERATIONAL PERFORMANCE

2. STRATEGIC PRIORITIES

3. CLOSING REMARKS

RECENT OPERATIONAL PERFORMANCE ¹

Controlled Space (,000 sqm)

0%
2008-12



Sales² - Turnover (HK\$ million)

-20%
2008-12



Cost² - OPEX (HK\$ million)

+20%
2008-12



Operating Profit (HK\$ million)

NEGATIVE
2012/13



¹ Excl. disinvestment of NA & Store closure program

² Excl. Licensing and Others

Source: Finance department; Annual Reports

1H FY12/13 RESULTS

(EXCLUDING NORTH AMERICA & STORE CLOSURE PROGRAM)

(in HK\$m)	1H FY12/13	1H FY11/12	HKD Change	LCY Change
Turnover	13,306	15,580	- 14.6%	- 8.8%
COGS	(6,516)	(7,640)	- 14.7%	- 8.8%
Gross profit	6,790	7,940	- 14.5%	- 8.9%
<i>Gross profit margin</i>	<i>51.0%</i>	<i>51.0%</i>	<i>0.0% pt</i>	<i>0.0% pt</i>
OPEX	(7,043)	(6,995)	+ 0.7%	+ 6.8%
<i>OPEX % Net Sales</i>	<i>52.9%</i>	<i>44.9%</i>	<i>+8,0% pt</i>	<i>+8,0% pt</i>
EBIT	(253)	945	-126.8%	-125.3%
Net (loss)/profit	(453)	716	-163.3%	-160.7%

3Q FY12/13 FIGURES

(EXCLUDING NORTH AMERICA & STORE CLOSURE PROGRAM)

<i>(in HK\$'m)</i>	For the 3 months ended 31 March		y-o-y Change	
	2013	2012	HKD	LCY
Retail	3,692	3,696	- 0.1%	- 0.6%
Wholesale	2,912	3,167	- 8.0%	- 8.8%
Licensing	8	9	- 21.5%	- 21.3%
Others	4	11	- 58.4%	- 59.0%
Total	6,616	6,883	- 3.9%	- 4.5%

TRANSFORMATION PLAN

KPIs of the Transformation Plan	Guidance for FY11/12 to FY14/15	Current Performance	
		FY11/12	1H FY12/13
Sales growth (LCY)	8 to 10% p.a.	-10.5%	-13.4%
China sales	HK\$6b by FY14/15	HK\$2.6b	HK\$1.3b
Operating profit margin	15% post transformation	3.9%	-2.0%
Savings from sourcing initiatives	HK\$1b p.a. by FY14/15	n.a.	HK\$0.6b in FY12/13

**Original guidance inapplicable
as current performance not meeting expectation**

AGENDA

1. RECENT OPERATIONAL PERFORMANCE

2. STRATEGIC PRIORITIES

3. CLOSING REMARKS

RECENT DEVELOPMENTS AFFECTING PERFORMANCE



**Euro zone
economic crisis**

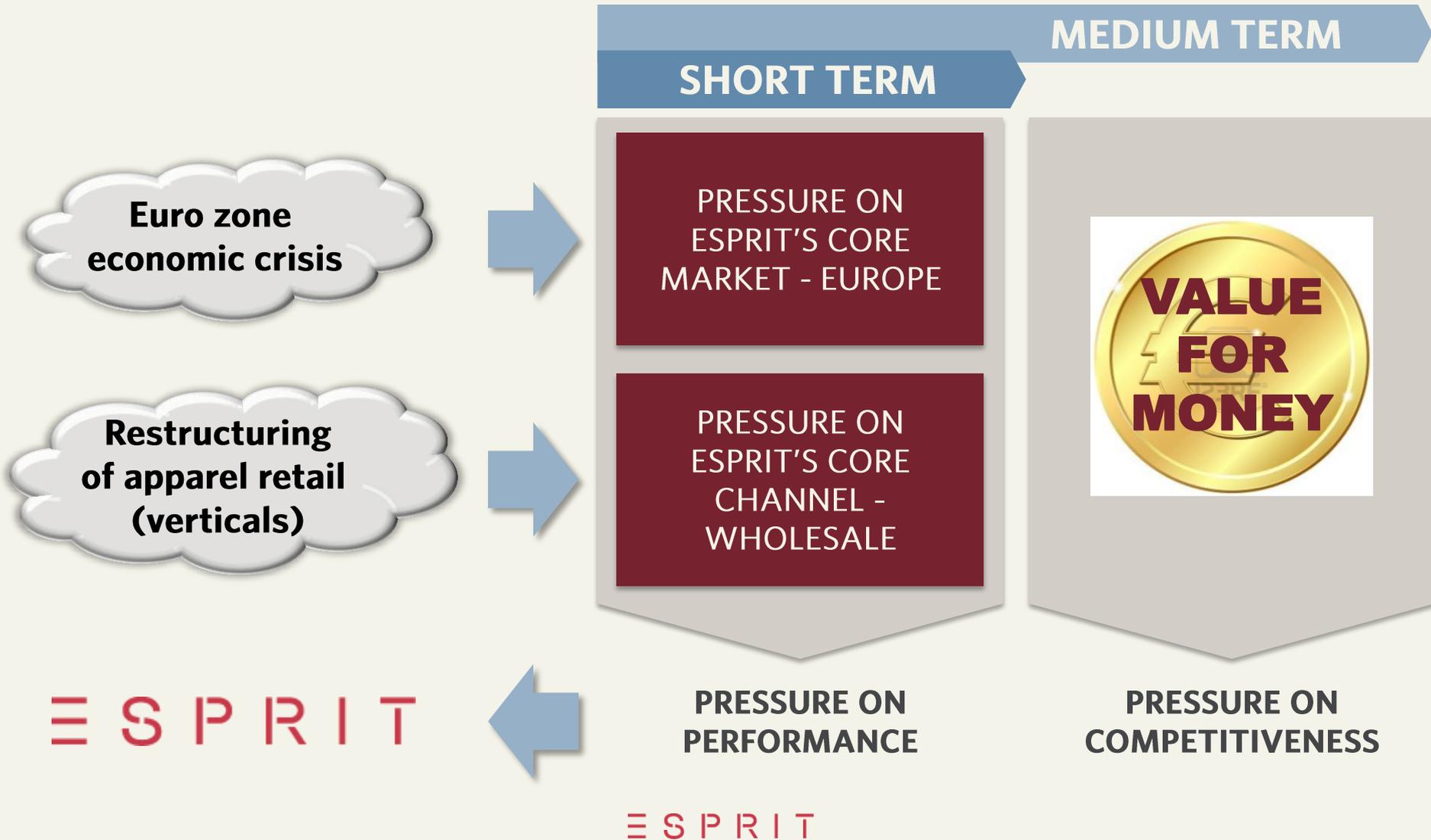
**Restructuring
of apparel retail
(verticals)**

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**Internal
changes**

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STRATEGIC CHALLENGES FOR ESPRIT



STRATEGIC PRIORITIES

SHORT TERM

6-12 months

STABILIZATION

- OPEX reduction
- Inventory normalization

**FOCUS ON
PROFITABILITY**

OPEX REDUCTION

MINIMIZE OPERATIONAL EXPENSES

- Occupancy
- Marketing
- Logistics
- Other

RATIONALIZE BUSINESS AND DISTRIBUTION

- Unproductive product lines
- Loss-making Retail stores
- Unprofitable Wholesale distribution
- Loss-making countries

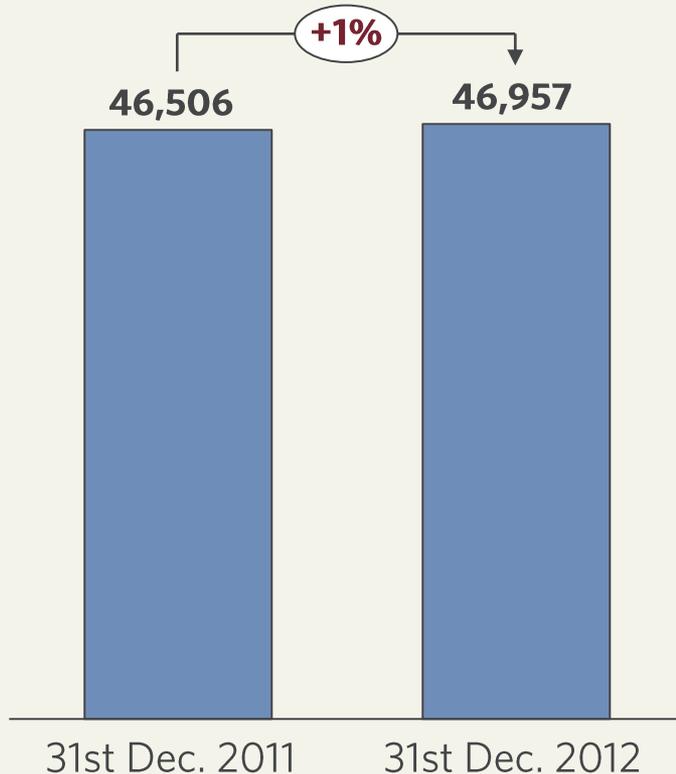
DEVELOP LEAN AND EFFICIENT ORGANIZATION

- Reduced complexity
- Internal synergies
- Improved processes and tools
- Flat organization

SHORT TERM
TARGET:
**OPEX to Net Sales
= Below 50%**

INVENTORY NORMALIZATION

Inventory level (,000 pieces)



Ambitious sales activation in 2H to control Season's Inventory



Bold measures to accelerate the reduction of Aged Inventory



Implementation of a more preventive inventory management model

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STRATEGIC PRIORITIES

SHORT TERM

6-12 months

STABILIZATION

- OPEX reduction
- Inventory normalization

**FOCUS ON
PROFITABILITY**

MEDIUM TERM

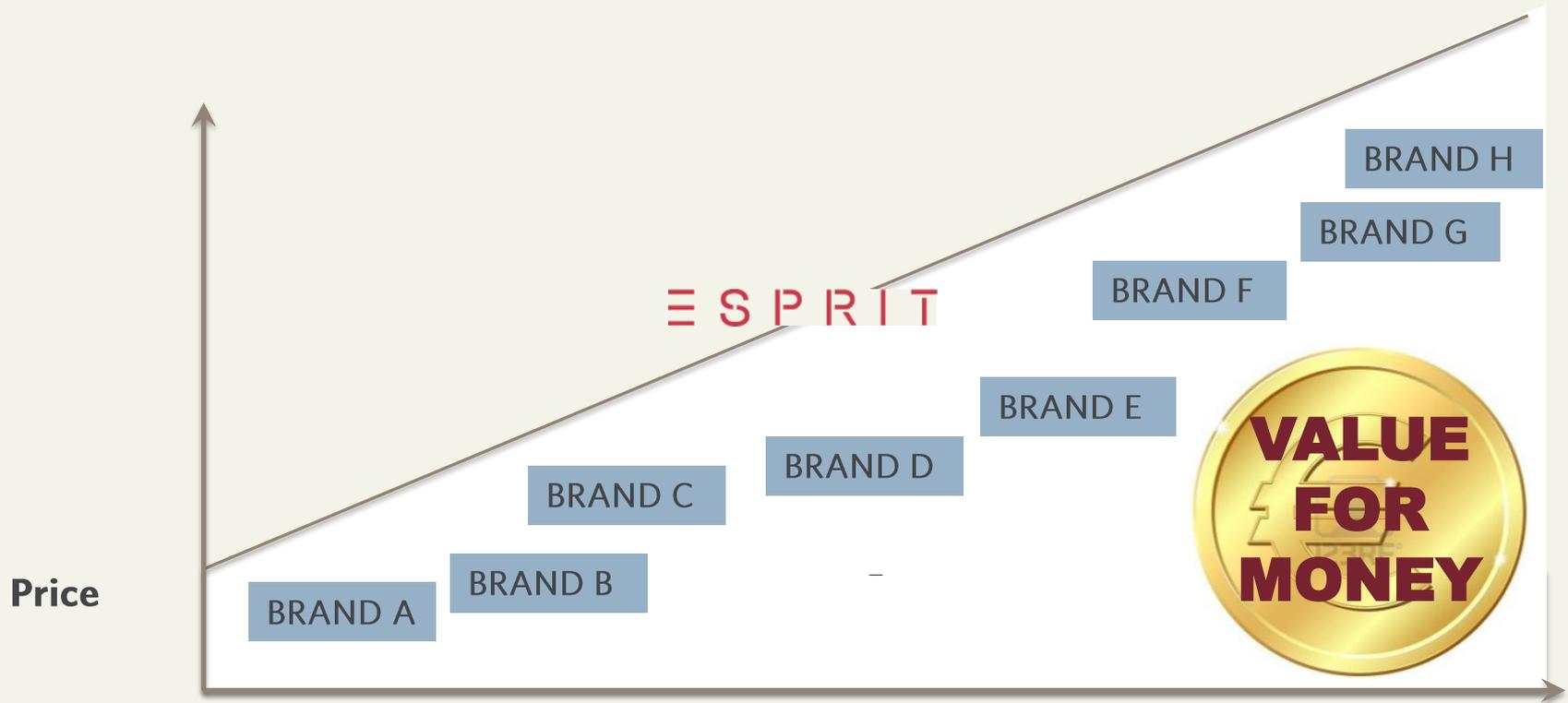
1-2 years

TRANSFORMATION

- Brand
- Product
- Stores & Channels
- Business Model

**FOCUS ON
TOP LINE**

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Value → Product

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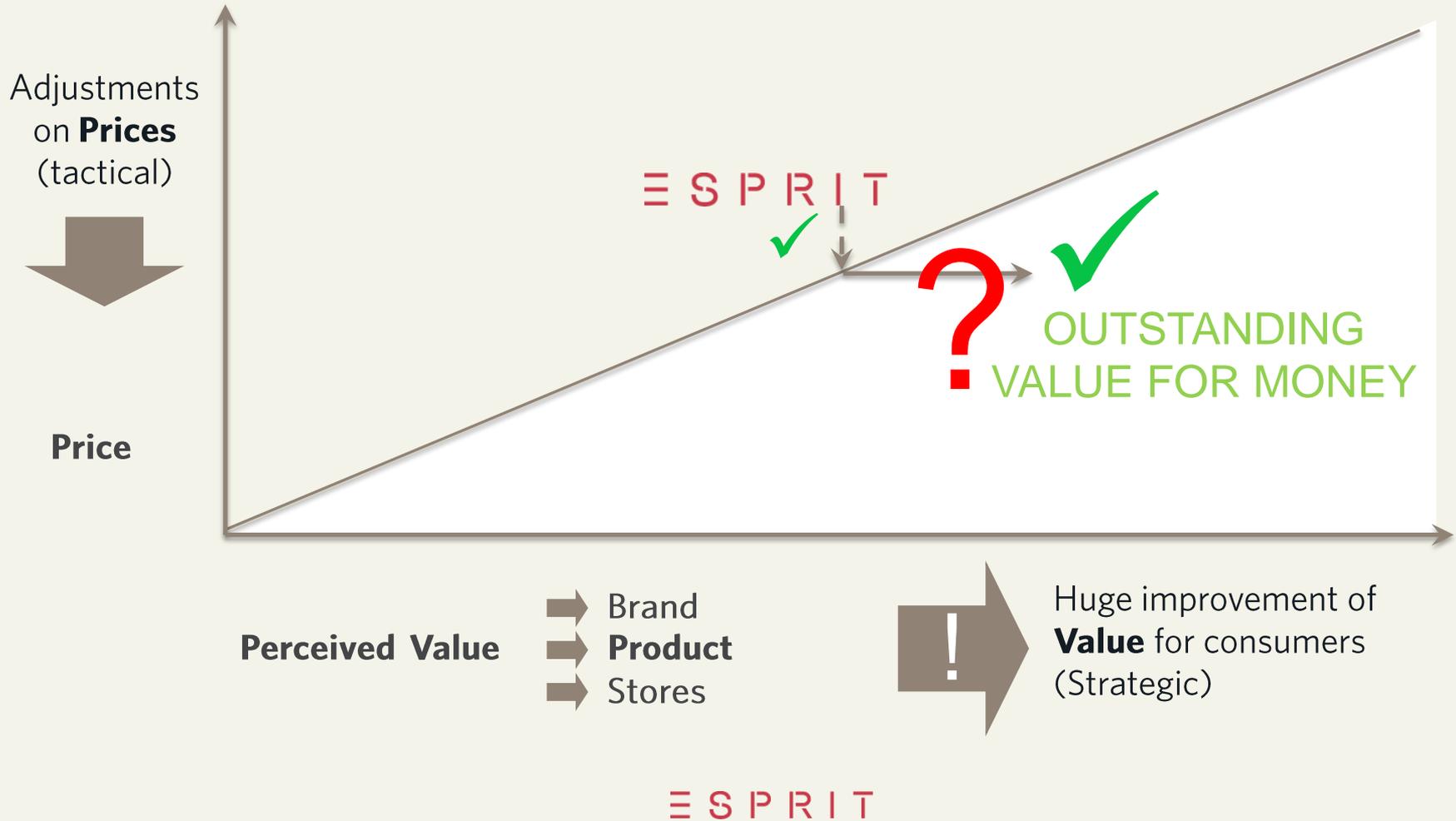
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Value → Product

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ESPRIT - TARGET



TRANSFORMATION PLAN



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BRAND

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TARGET CONSUMER

*I'm a woman not a girl.
I'm confident in who I am and don't need
(nor mind) to show it.
I care about my family, I care about the world
and I care about my looks.
I'm passionate when in love.
I'm lazy on Sundays.
I'm true to my friends.
I enjoy shopping.
My taste is simple- the best is enough.
I love bags, but not more than nature.
I'm happy in a dress.
I'm sexy in my jeans.
To me aging is a gift not a threat.
I love the sun and I'm happy in the rain.
Life is too important to not have fun.
I believe every woman is beautiful through
the eyes of her best friend.
I love to help bring that out,
I love to be that friend.*

In a true, natural and relaxed way,

I am ESPRIT

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CAMPAIGN - SPRING 2012



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CAMPAIGN - CHRISTMAS 2012



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CAMPAIGN - SPRING 2013



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CAMPAIGN - SUMMER 2013



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BRAND PR



Esprit & Céline
Elle France & Taiwan



Esprit & Michael Kors
Cosmo Netherlands



Esprit, Damir Doma & Hermes
Vogue Germany

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BRAND PR



Esprit & Louis Vuitton
Jalouse France



Esprit, Krizia, Jimmy Choo,
Just Cavalli
Elle Italy



Esprit & Gucci
Elle France

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BRAND PERCEPTION

Awareness

	Awareness	Distribution	Consider	Visit	Bought	Prefer	S-O-W*
<i>Esprit</i>	98%	81%	60%	48%	35%	20%	14%

Product

	Latest Trends	Leader of Fashion	Right Fashion for me	Cheapest Prices	Value for Money	All clothes good quality	Balance Price/Quality
<i>Esprit</i>	16%	23%	16%	2%	11%	21%	10%

Stores

	Gets News Often	Broad Choice	Find Quickly	Inspring Store	Exciting Store	Good Organized	Best Service
<i>Esprit</i>	14%	11%	14%	16%	11%	15%	20%

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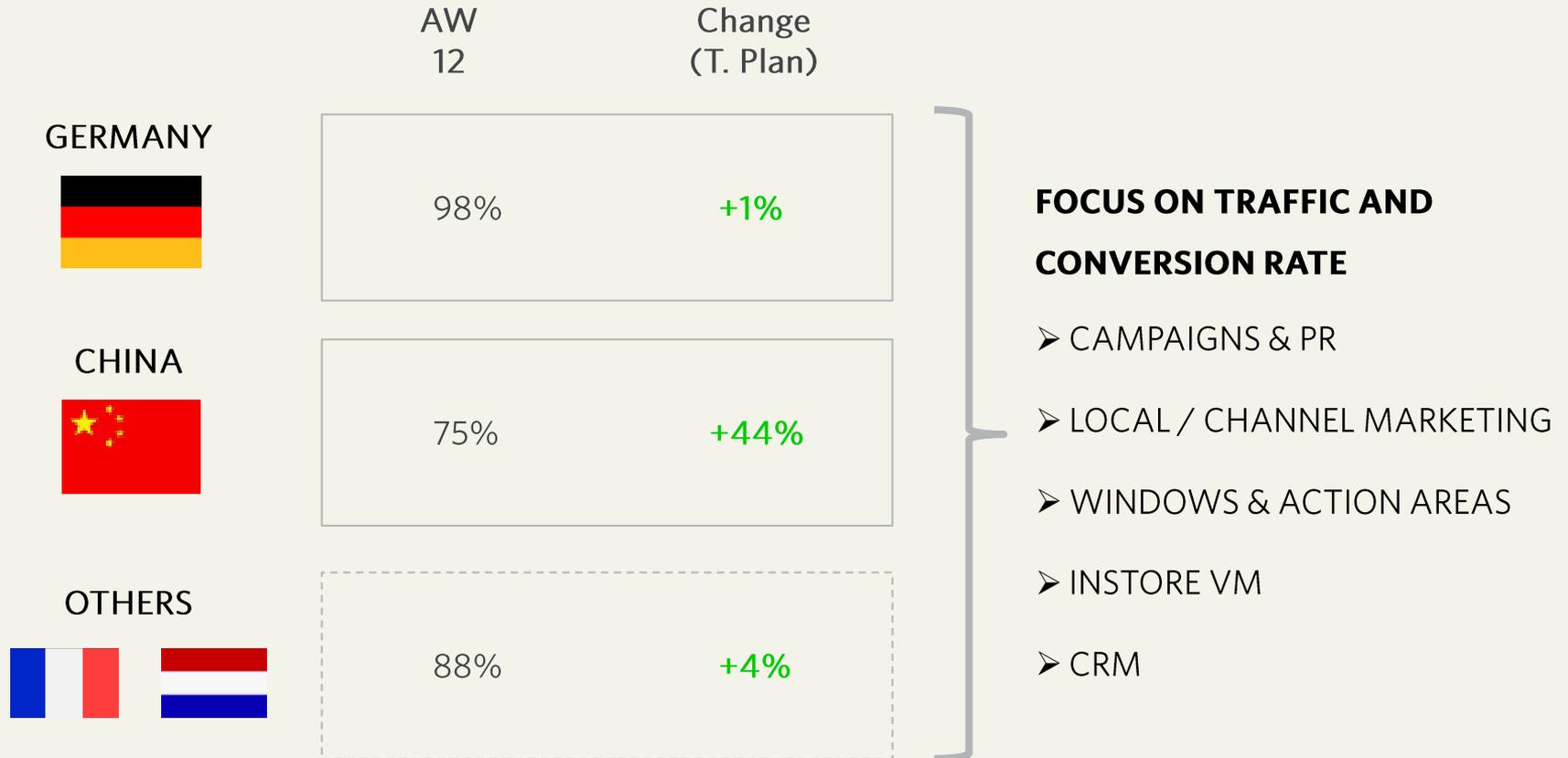
* S-O-W = share of wallet

Source: Brand Tracker Fall 12 (GERMANY)

Brand Tracker: Online panel, 18 - 49 years, sample size: 1500, gender split: female 60% / male 40%, analysis based on female responses only

MARKETING OPERATIONAL FOCUS

Brand Awareness in Core Markets



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STORES

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LIGHTHOUSE STORE CONCEPT



Cologne Lighthouse Store

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Cologne Lighthouse Store



Antwerp Lighthouse Store



Antwerp Lighthouse Store



Dusseldorf Lighthouse Store



Dusseldorf Lighthouse Store



LIGHTHOUSE COMMERCIAL CONCEPT

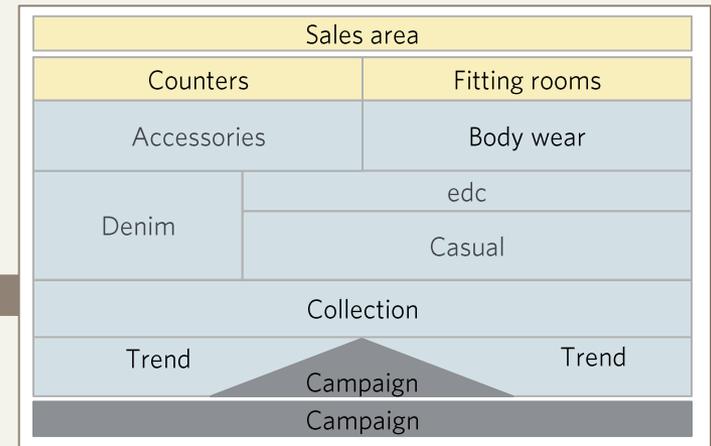
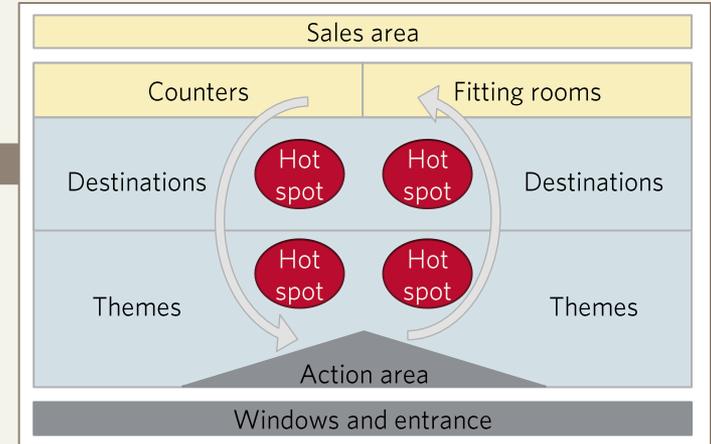
✓ ARCHITECTURE
(LIGHTHOUSE)



✓ VM
GUIDELINES



✓ SPACE
ALLOCATION



STORE REFURBISHMENT PROGRAM

(AS OF APRIL 2013)

LIGHTHOUSE

	TOTAL	CONCEPT	ICON	UPGRADE	REFRESH
<i>Self Managed</i>	103	3	10	51	39
<i>Europe</i>	70	3	8	40	19
<i>APAC</i>	33		2	11	20
<i>Partnership</i>	165			78	87
<i>Europe</i>	122			44	78
<i>APAC</i>	43			34	9

- Accelerate roll-out of best practices (i.e. space allocation and VM)
- Proceed with selective refurbishing plan (test in one country)
- Continue to reduce refurbishing cost per sqm (economies of scale)

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Count is for full stores, and does not include concession locations or shop in shops

APAC includes China

CHANNELS OPERATIONAL FOCUS



- FOCUS ON TRAFFIC & PRODUCTIVITY
- SIMPLIFICATION OF STORE OPERATIONS
- STRENGTHENING OF SUPPORT TO STORES



- MULTICHANNEL INTEGRATION & COORDINATION
- REDUCTION OF OPERATIONAL EXPENSES

- FOCUS ON STRATEGIC PARTNERSHIPS
- FURTHER INTEGRATION WITH KEY PARTNERS
- TARGETED SHORT TERM MEASURES

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PRODUCT

ESPRIT

PRODUCT DIRECTION

Lifestyle

Stylish and contemporary

Quality made to last

Outstanding value for money



ESPRIT

PRODUCT DIRECTION

Lifestyle

WCA



BOD



MCA



WCO



ACC

SHO



MCO



KID



DNM



PRODUCT DIRECTION

Stylish and Contemporary



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PRODUCT DIRECTION

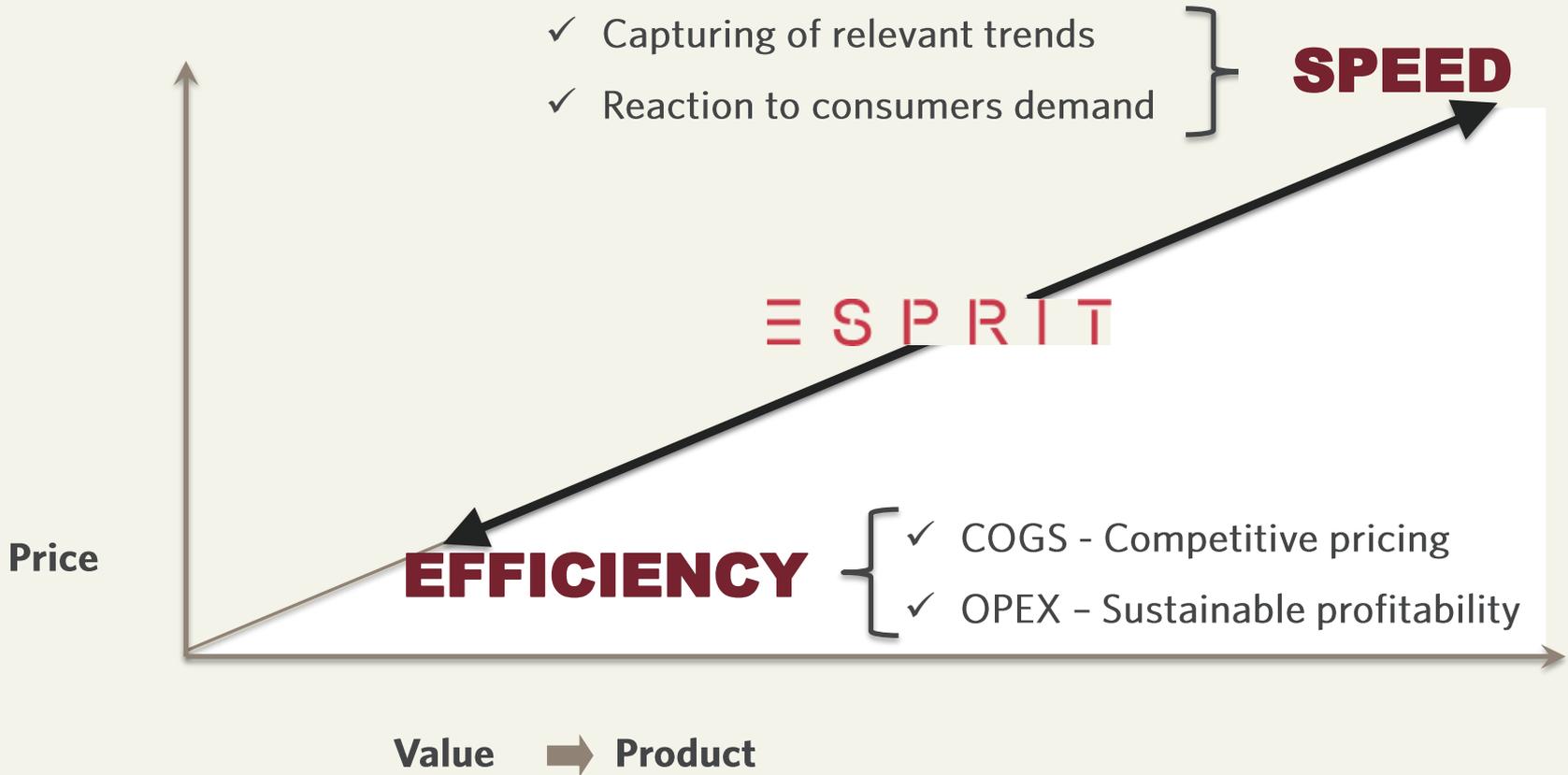
Quality Made to Last



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PRODUCT DIRECTION

Outstanding Value for Money



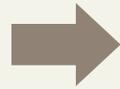
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CHANGE OF BUSINESS MODEL

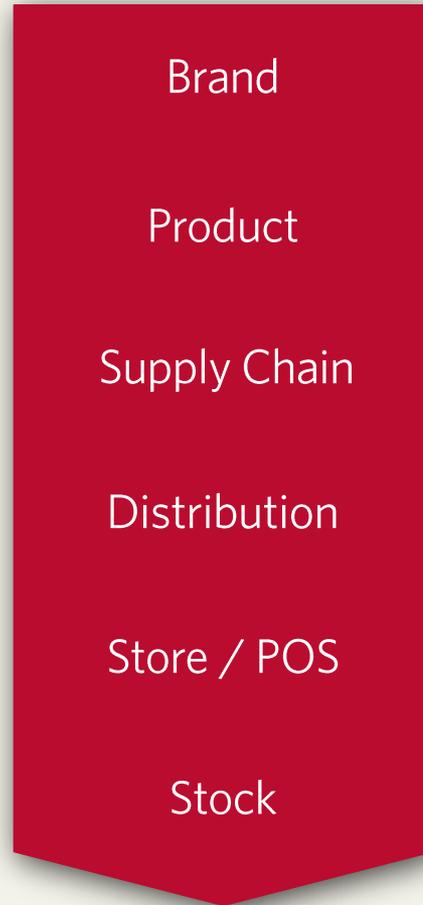
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End Consumer



VERTICAL



End Consumer



SPEED

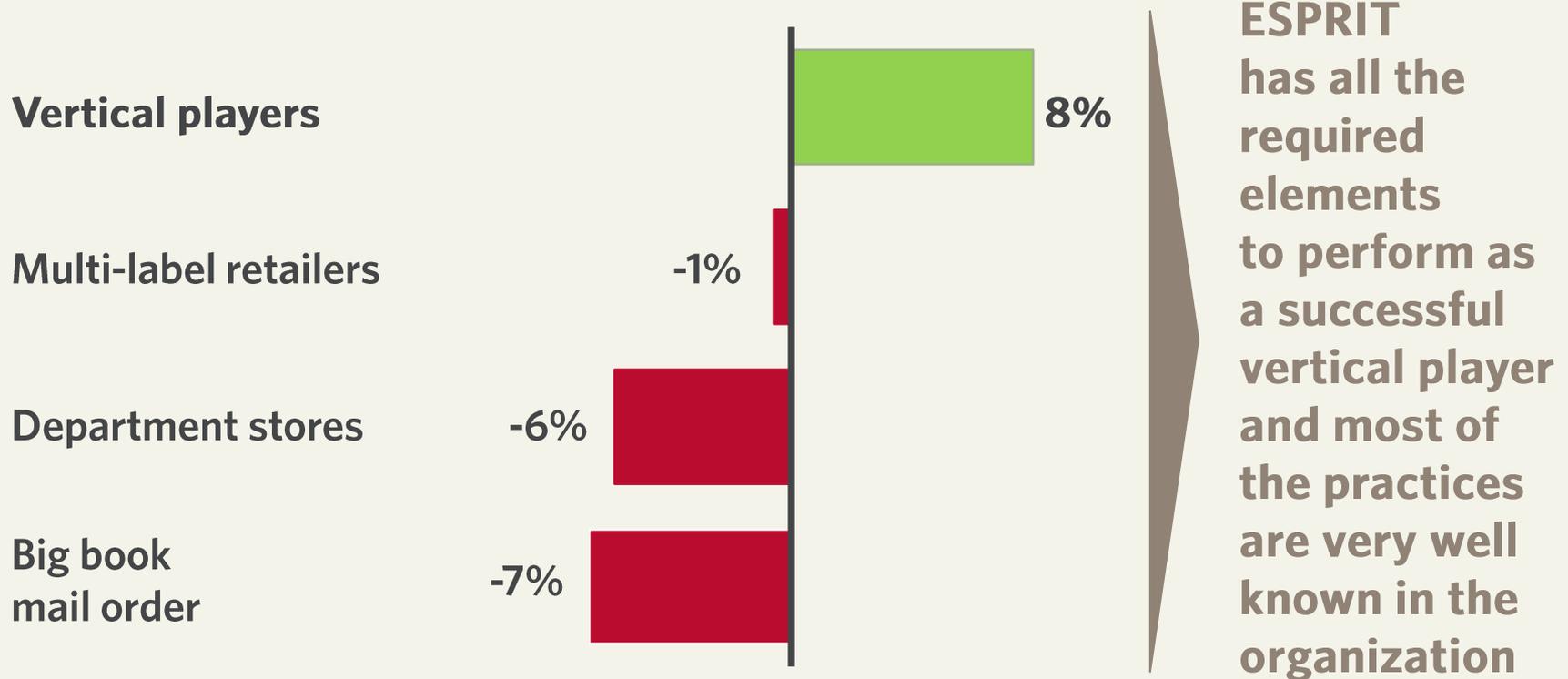


EFFICIENCY

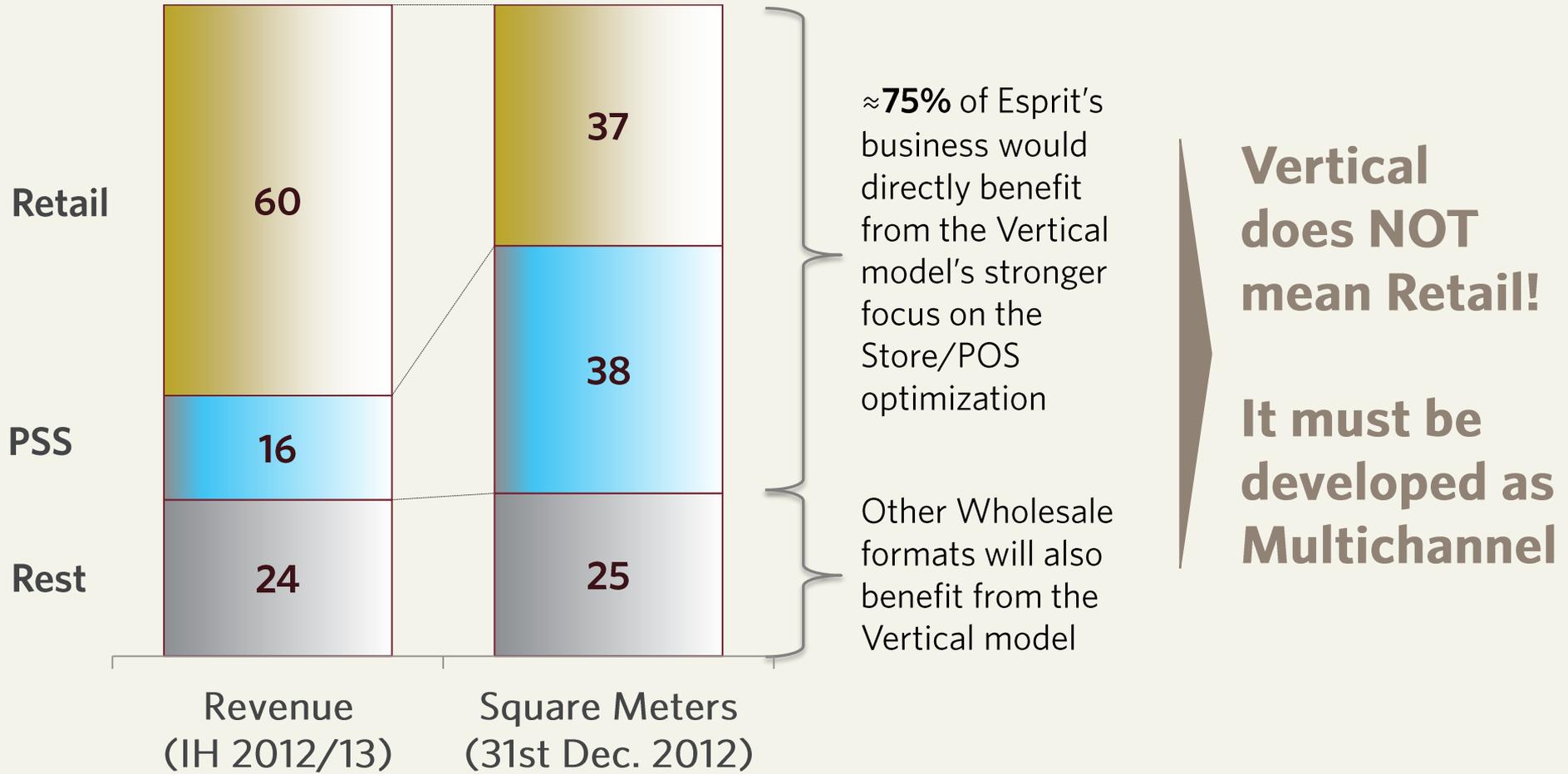
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VERTICAL MODEL - FIT WITH MARKET

Change in Sales, 2011 vs 2006, Germany



VERTICAL MODEL - FIT WITH DISTRIBUTION



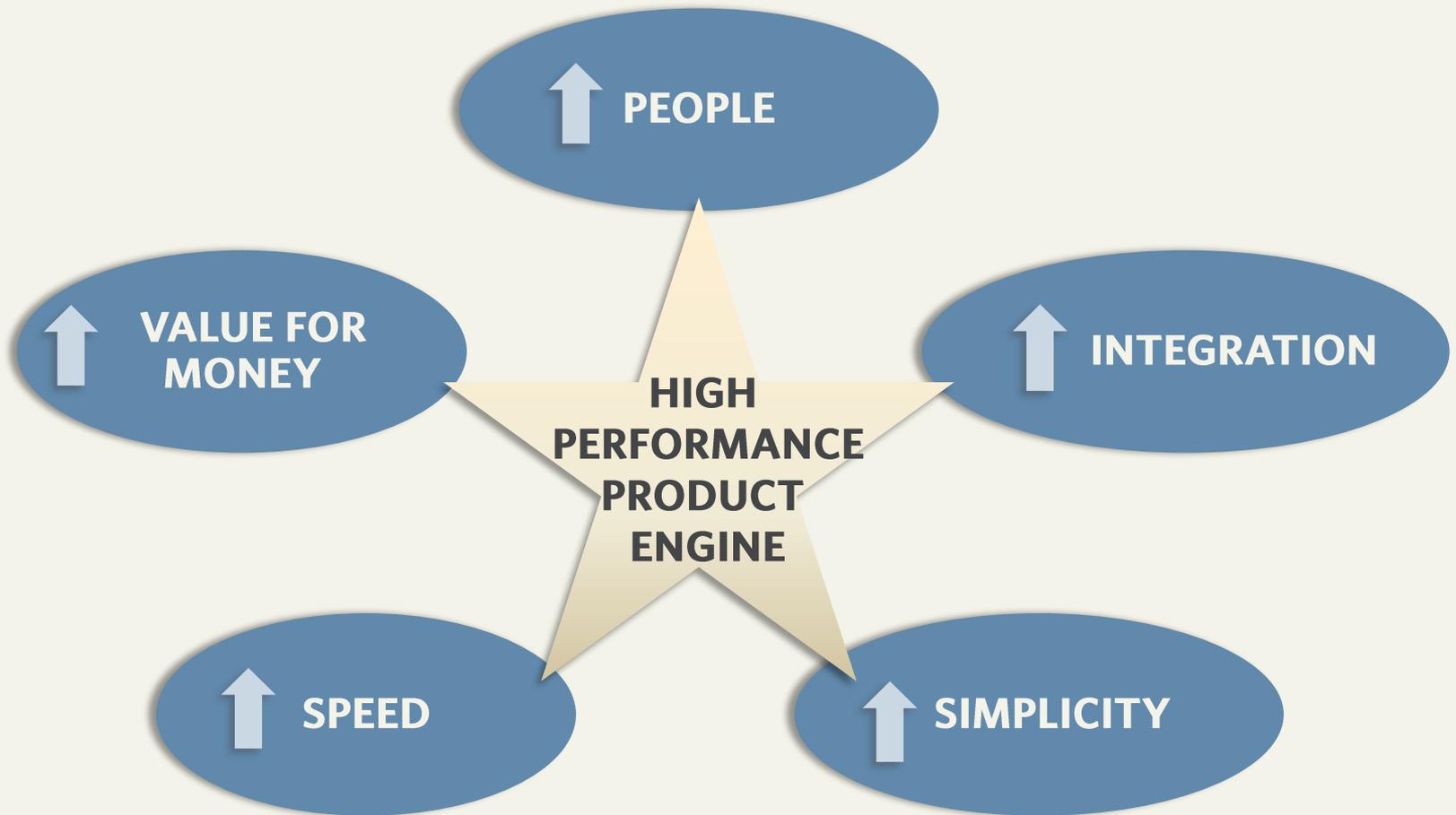
VERTICAL MODEL – IMPLICATIONS FOR PRODUCT



End Consumer

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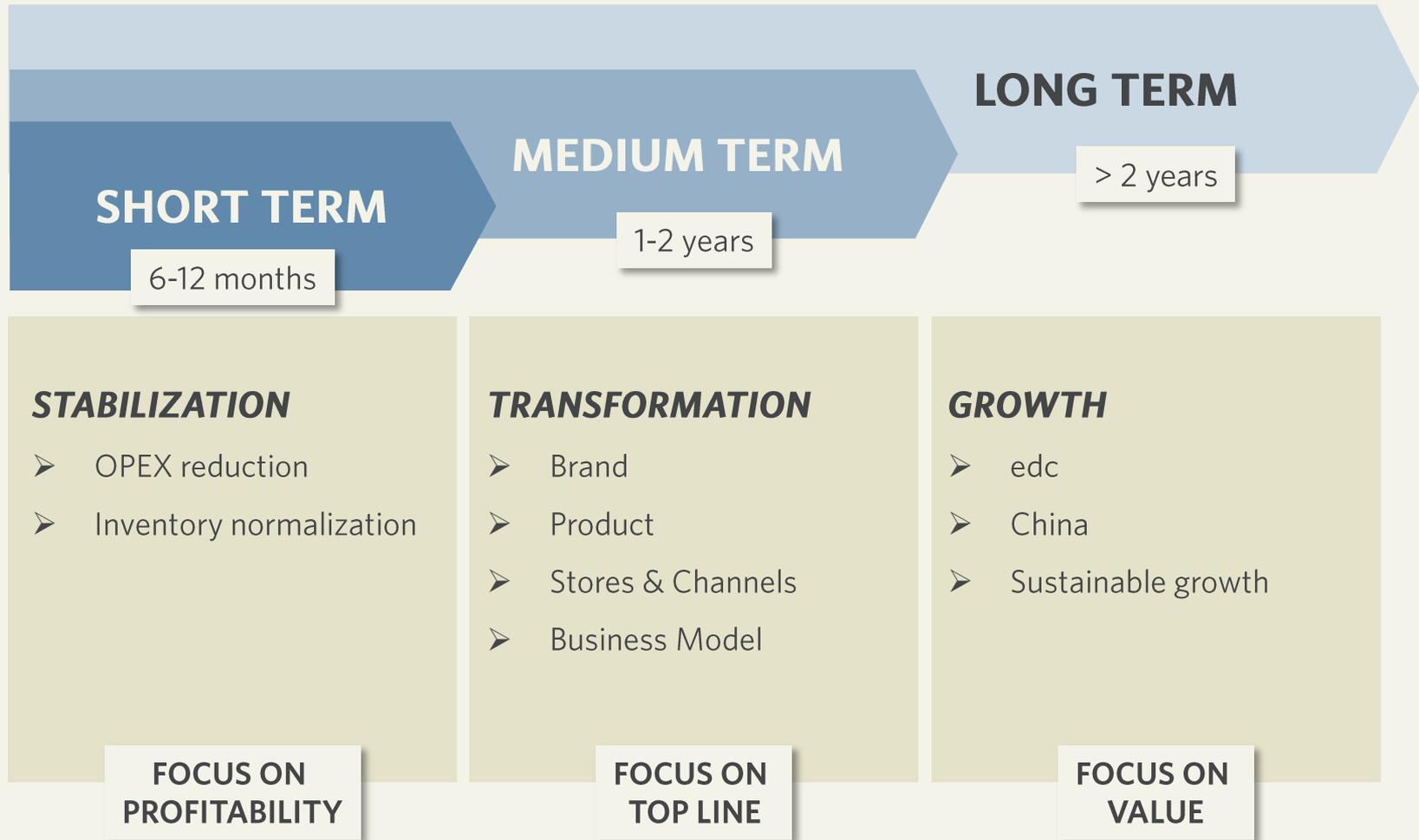
TOP PERFORMANCE PRODUCT ENGINE



TRANSFORMATION PLAN



STRATEGIC PRIORITIES



ONE COMPANY, TWO BRANDS

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I am ----- We are

A woman, not a girl ----- Young men and women (unisex)

Californian heritage ----- The city is our muse

Wardrobe ----- Denim base

Inspiration ----- Value

Quality ----- Quality

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EDC



165
151



165
151



165
151

CHINA - OPPORTUNITY



- Strong brand awareness and reputation
- High growth potential
- Multi-channel strategy as a competitive advantage
- Strengthened China team
- Strengthened corporate support
- Expansion plan in place with focus on profitability

CHINA – SHORT TERM PRIORITIES

- **Defer execution of expansion plan until product performance is improved**
- **Fine-tune operational issues in the short term**

Brand

- Enhance channel marketing execution
- Re-launch Customer Loyalty program

Product

- Establish Never-out-of-stock program
- Improve product selection and assortment
- Improve quality of local sourcing

Stores Channels

- Develop local adaptation of new store concept
- Improve retail staff productivity and efficiency
- Optimize supporting packages to key wholesale accounts
- Develop national outlet strategy
- Synergize Retail, Wholesale, E-commerce, outlet channel inventory management

SUSTAINABLE GROWTH

PRODUCTIVITY

- Improved sales per sqm as top priority

E-COMMERCE

- Continuous development of e-commerce (Retail and Wholesale)

SHORT TERM EXPANSION

- Strong focus on performance and profitability
- Focus on core markets (“white spots”)

LONG TERM EXPANSION

- Quickly develop density in current non-core markets
- Open new markets
- Leverage hybrid Retail-Wholesale strategy

STRATEGIC PARTNERSHIP

- Key accounts and opinion leaders
- Strategic partners for growth in new markets

AGENDA

1. RECENT OPERATIONAL PERFORMANCE

2. STRATEGIC PRIORITIES

3. CLOSING REMARKS

ESPRIT - STRATEGY

CORE MARKETS

BRAND

- ✓ High Awareness
- ✓ Positive Reputation
- ✓ Broad and Loyal Customer Base
- ✓ International Scale
- ✓ Extraordinary Heritage & Values

PRODUCT

- ✓ Unique Handwriting
- ✓ Product Know How

**OUTSTANDING
VALUE
FOR
MONEY**



STORES

- ✓ Top Locations in Key Shopping Areas
- ✓ Top Wholesale Partners
- ✓ Successful & Proven e-commerce
- ✓ Sound Core Markets
- ✓ High Potential New Store Concept

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ESPRIT - STRATEGY

CORE MARKETS

BRAND

PRODUCT

STORES



SPEED



**VALUE
FOR
MONEY**



EFFICIENCY



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ESPRIT - STRATEGY

CORE MARKETS

BRAND

PRODUCT

STORES



**VERTICAL
INTEGRATION**

Product
Development

Suppliers

End to End
Logistics

Stores / POS

Multichannel
Distribution

Stock
Clearance



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ESPRIT - STRATEGY

CORE MARKETS

BRAND

PRODUCT

STORES



**HUGE GROWTH POTENTIAL IN CORE
AND NON CORE MARKETS
TRULY GLOBAL BRAND!!**

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FINANCIAL IMPLICATION – FY13/14

TOP LINE

Expect further decline due to reduced controlled space in Retail (closures) and Wholesale (rationalization)

GP MARGIN

Expect to stabilize or slight decline due to continued investments in product quality improvements

OPEX

Target reduction of OPEX-to-net sales ratio below 50% by addressing all cost lines

CAPEX

Moderate deployment of investments in line with business development and performance

FINANCIAL IMPLICATION – FY14/15 - ...

OPTIMISTIC

Recovery starts FY 14/15

- Improvement in sales per sqm (single digit growth)
- Cautious growth in controlled selling space
- Similar GP margin as in FY13/14 (continued investment in product value-for-money proposition)
- Similar level of OPEX as for FY13/14 in absolute value
- Limited deployment of investments (CAPEX)

FY15/16 - ... (medium term)

- Continued single digit growth in sales per sqm
- Step up growth in controlled selling space
- Continued tight GP margin (investment in product value-for-money proposition)
- Step up efforts in Marketing but OPEX growth < Top Line growth
- Step up efforts in refurbishment and expansion (CAPEX)

CONSERVATIVE

Stable in FY 14/15

- FY14/15 similar expectation as for FY13/14 (see previous page)

Recovery starts FY15/16 - ...

- FY15/16 - ... follows the same pattern of the Optimistic scenario but with one year delay

Q&A

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PRODUCT

Our Product

OUR BRAND

Strategic Direction

PRODUCT STRATEGY

High Performance

PRODUCT ENGINE

Summary

PROGRESS TO DATE

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Our Product

OUR BRAND

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ONE BRAND TARGETING CLEARLY DEFINED CONSUMER SEGMENTS

WOMEN'S & MEN'S IN BOTH CONSUMER SEGMENTS
ENCOMPASSING THE FULL
RANGE OF APPAREL
PRODUCT

CASUAL



COLLECTION



ESPRIT
PRODUCT
PORTFOLIO

ESPRIT PRODUCT
DIVISIONS REPRESENT MORE
THAN 75% OF THE TOTAL GROUP REVENUE

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LIFESTYLE PRODUCTS ADDING VALUE TO THE BRAND DNA

DENIM



ACCESSORIES,
SHOES, LICENSES



BODYWEAR



ESPRIT
PRODUCT
PORTFOLIO

KIDS



ESPRIT CASUAL / OUR BRAND DNA

*ROLE WITHIN ESPRIT :
CONTEMPORARY CASUAL
SPORTSWEAR WITH A PREMIUM
OPTIC & APPEAL*

*PERSONALITY
SMART CASUAL, MODERN,
CONTEMPORARY*

*BRAND PROMISE
QUALITY TO LAST
HIGH VALUE PERCEPTION*

*POINT OF DIFFERENCE
UP-TO-DATE TRENDS INTERPRETED
FOR THE CASUAL CONSUMER*



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ESPRIT COLLECTION / OUR STYLE LEADERSHIP

ROLE WITHIN ESPRIT :
THE MOST PREMIUM PRODUCT
IN THE ESPRIT OFFERING

PERSONALITY
CONTEMPORARY, MODERN
& STYLISH

BRAND PROMISE
PREMIUM QUALITY &
CRAFTSMANSHIP
ATTENTION TO DETAILS IN
FABRIC & ACCESSORIES

POINT OF DIFFERENCE
MODERN & CONTEMPORARY
FORMAL WEAR
DAY-TO-NIGHT



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ESPRIT DENIM / THE CORNERSTONE FOR CASUAL

*ROLE WITHIN ESPRIT :
THE CORNERSTONE FOR THE
CASUAL CONSUMER, KEY
APPAREL ITEM IN THE
CONSUMER'S WARDROBE*

*PERSONALITY
CRAFTED & CONTEMPORARY*

*BRAND PROMISE
INNOVATIVE WASHES & FABRIC
DEVELOPMENTS
CORE DENIM WITH PERFECT FITS*

*POINT OF DIFFERENCE
PREMIUM DENIM OPTIC & HIGH
VALUE PERCEPTION*



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*ESPRIT ACCESSORIES, BODYWEAR, SHOES & LICENSES/
LIFESTYLE PRODUCT*

ROLE WITHIN ESPRIT

*THE LIFESTYLE PRODUCT THAT
COMPLEMENTS THE FASHION APPAREL
RANGES*

PERSONALITY

*CASUAL, MODERN & TIMELESS
PREMIUM OPTIC WITH BRAND DNA*

BRAND PROMISE

*HIGH VALUE & QUALITY PERCEPTION
COMPLETING THE ESPRIT OUTFIT*

POINT OF DIFFERENCE

*SPECIALIST & INDUSTRY LEADING
PARTNERSHIPS*



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ESPRIT KIDS / OUR BRAND DNA

*ROLE WITHIN ESPRIT:
ATTUNES TO THE „INCLUSIVE“
BRAND DNA. BUILDING LOYAL
CONSUMERS FOR THE FUTURE*

*PERSONALITY
FUN, CAREFREE, CASUAL*

*BRAND PROMISE
QUALITY TO LAST WITH HIGH LEVEL
OF SUSTAINABLE PRODUCTS*

*POINT OF DIFFERENCE
BRAND DNA & PERSONALITY*



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WOMEN CONSUMERS - STYLE & WEARING OCCASIONS

TRUE CASUAL
TO DENIM



SMART
CASUAL



CONTEMPORARY
TAILORING



DAY TO
NIGHT



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MEN CONSUMERS – STYLE & WEARING OCCASIONS

TRUE CASUAL
TO DENIM



SMART
CASUAL



MODERN
MEN



CONTEMPORARY
TAILORING



ESPRIT

DENIM CONSUMER - STYLE & WEARING OCCASIONS



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Strategic Direction

PRODUCT STRATEGY

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„ESPRIT is an
Attitude not an Age“

Doug Thompkins 1968

ESP RIT

STRONG PRODUCT RANGES TO DOMINATE THE MARKET

PREMIUM
BRANDS

ESPRIT

COMMERCIAL
BRANDS



CASUAL

DENIM

PRICE
BRANDS

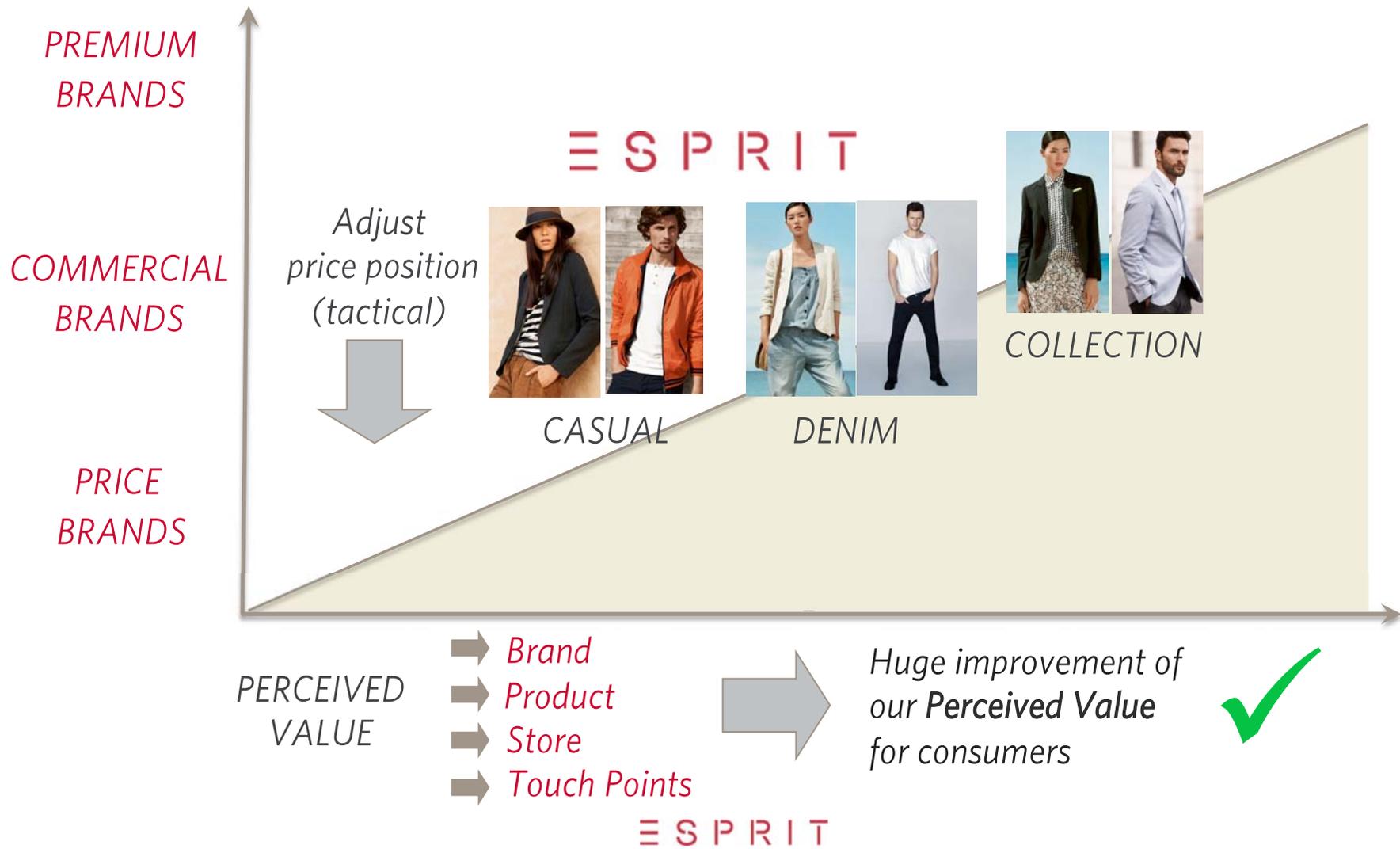


COLLECTION

SPORTSWEAR
CASUAL/DENIM

FORMALWEAR
OCCASION

CLEAR POSITIONING TO INCREASE PERCEIVED VALUE



WHERE TO WIN

1
Stabilize
CASUAL

2
Grow
COLLECTION
aggressively

3
Grow
Accessories,
Shoes, Bodywear

4
Leverage
Denim & Trend

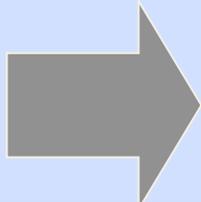
HOW TO WIN

1 Defend sls sqm
Increase
productivity

2 Expand into
more RETAIL
spaces

3 Increase
visibility &
presence/
increase OSA

4 Incremental
business for
Women's



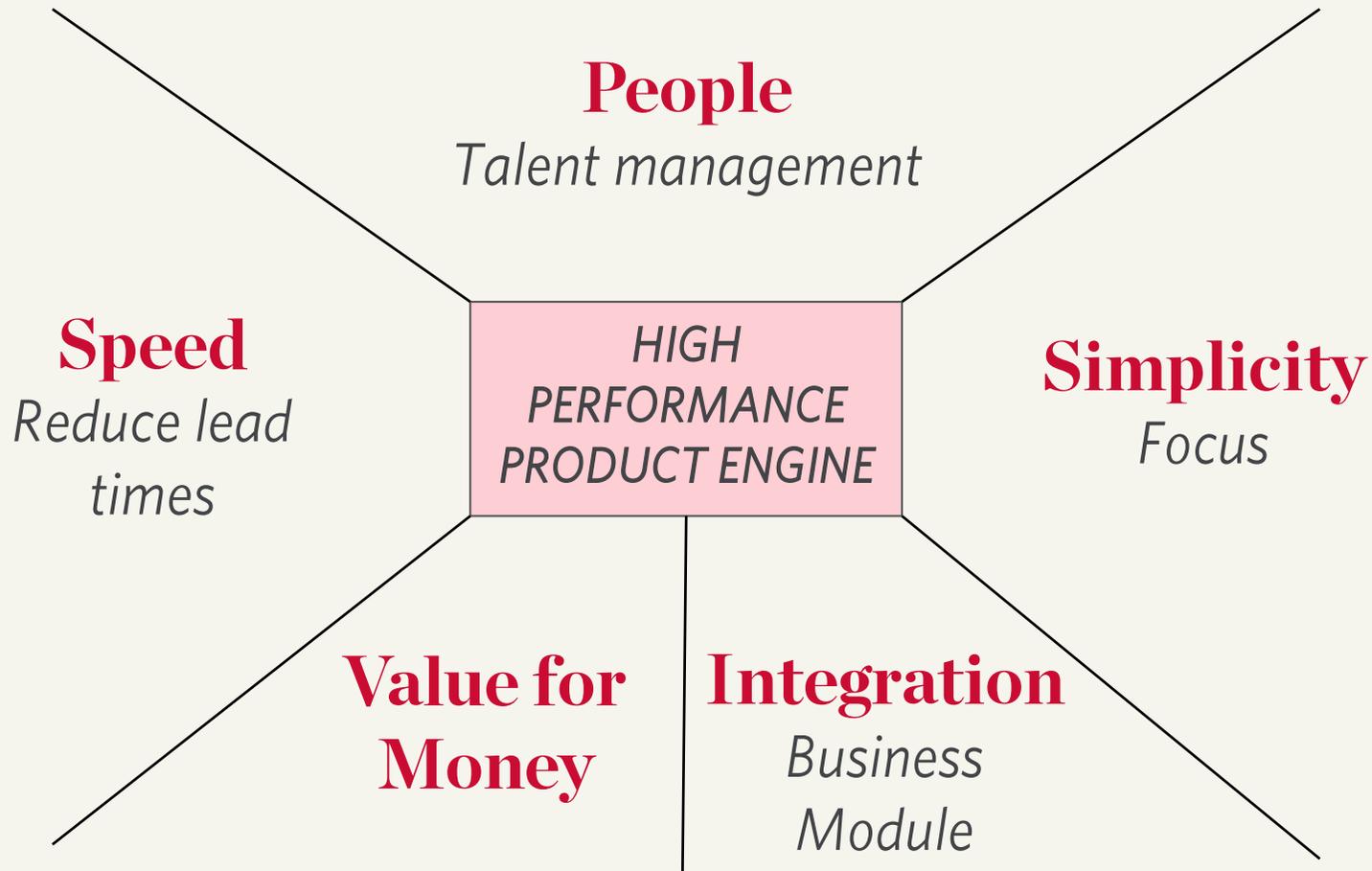
TARGET: STABILIZE THE MAIN BUSINESS
EXPLOIT INCREMENTAL GROWTH OPPORTUNITIES

High Performance

PRODUCT ENGINE

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HIGH PERFORMANCE PRODUCT ENGINE



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PEOPLE / TALENT MANAGEMENT

HIRE AND DEVELOP TOP TALENT
PROMOTE CONTINUOUS INITIATIVES TO ADD COMPETENCIES
CREATIVE INTELLIGENCE / MARKET INTELLIGENCE



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SIMPLICITY / *FOCUS IN THE COLLECTIONS*

IMPACTFUL OUTFIT BUILDING WITH ONE CONSISTENT STORY
ONE THEME / CLEAR SHOP MENU STRATEGY

HOT
WHITE
SUMMER

SUN BLEACHED
DENIM BLUES

SPRING 2013 TRENDS



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SIMPLICITY / FOCUS IN PRODUCT MESSAGE

ROMANCING THE PRODUCT FOR THE END CONSUMER

INSPIRING MESSAGES & CLEAR PRODUCT COMMUNICATION
ATTUNE TO HER EVERYDAY NEEDS & WEARING OCCASIONS
BENEFIT/ SOLUTION FOR THE END CONSUMER

*DRESS UP
YOUR DAY*

IN ESPRIT

TRENDS FOR SPRING 2013



INTERGRATION / BUSINESS MODULE

*INTEGRATION OF KEY ROLES INTO PRODUCT DIVISIONS
FULL CATEGORY MANAGEMENT & P+L RESPONSIBILITY*

*CREATIVE EXCHANGE AND
DEVELOPMENT OF BUSINESS*

*ALL FUNCTIONS TOGETHER
IN ONE SPACE*



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INTEGRATION / CATEGORY MANAGEMENT

GBM of PRODUCT DIVISION

*BUSINESS INTELLIGENCE & PLANNING
CREATIVE DIRECTION, MERCHANDISE MANAGEMENT & VISUAL MERCHANDISING
BUYING & QUALITY ASSURANCE*

MAIN WOVENS

*DESIGN
FABRIC & TRIM DEVELOPMENT
PRODUCT DEVELOPMENT
TECHNICAL REALISATION
BUYING & SOURCING*

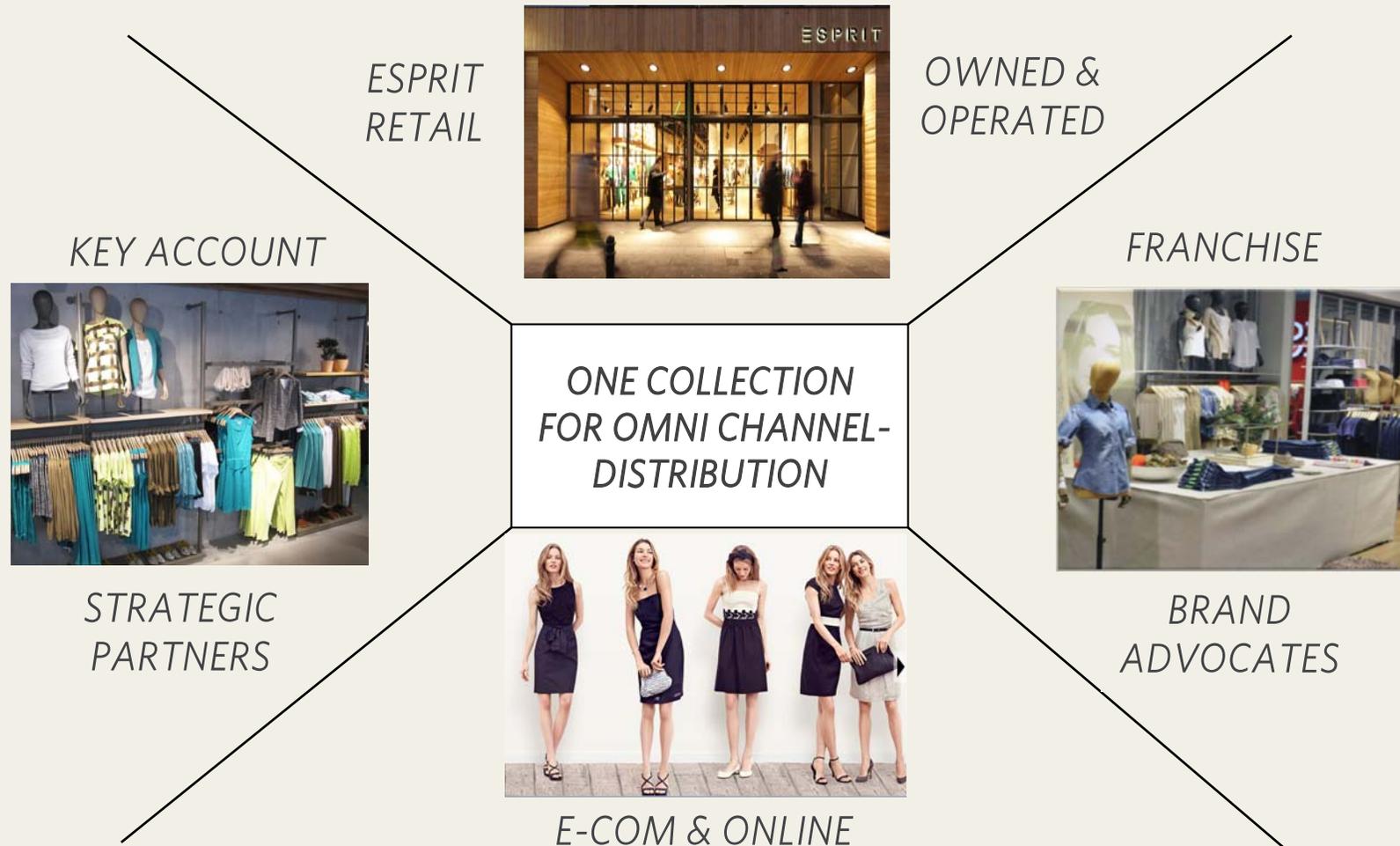
LIGHT WOVENS

*DESIGN
FABRIC & TRIM DEVELOPMENT
PRODUCT DEVELOPMENT
TECHNICAL REALISATION
BUYING & SOURCING*

ESPRIT

INTEGRATION / CHANNELS AND MARKETS

PERFECT ASSORTMENT & SHOP MENU
BY STORE TYPE, FASHIONABILITY, LOCATION, SALES & SQM



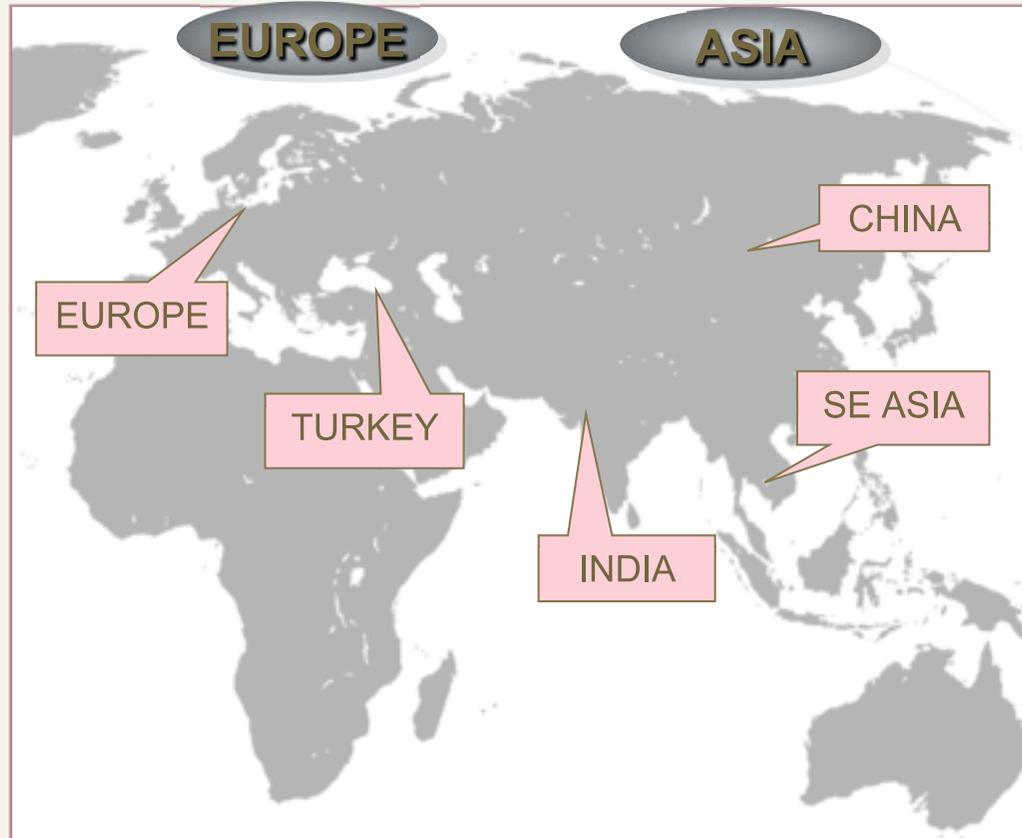
VALUE FOR MONEY / QUALITY TO LAST

OPPORTUNITIES TO ADD VALUE ALONG THE ENTIRE PRODUCT DEVELOPMENT PROCESS

ENSURE CONSUMER CENTRIC PRICING ADJUSTING TO THE MARKETPLACE



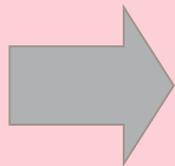
VALUE FOR MONEY / EFFICIENT GLOBAL SOURCING



*OPTIMIZATION OF COST
MODULE TO
REDUCE FOB*

*REVISIT SUPPLIER BASE
FOR VERTICAL STRATEGY*

*OPTIMIZATION OF
SUPPLY CHAIN &
LOGISTICS*



**TARGET: BALANCED SOURCING PLATFORM
MAXIMIZE FLEXIBILITY FOR SPEED & PRODUCT DEVELOPMENT**

SPEED TO MARKET

TREND DIVISION = LABORATORY

*DEVELOP A SUSTAINABLE FAST-TO-MARKET BUSINESS MODEL
RE-DESIGN ALL PROCESSES TO CUT ADDITIONAL LEAD TIME
HIGH FLEXIBILITY IN SOURCING & SUPPLIER BASE*

IMPORT BEST PRACTICES INTO THE ORGANISATION



Summary

PROGRESS TO DATE

ESPRIT

PROGRESS TO DATE

HIRED KEY TALENT FOR MAIN DIVISIONS / WOMEN'S, MEN'S, TREND, LICENSE
INTRODUCED HERO PRODUCT WITH MARKET PRICING



ALIGNED CREATIVE
DIRECTION ACROSS
ALL BUSINESSES



ESTABLISHED DENIM DIVISION
DENIM DESTINATION
IN RETAIL



ESTABLISHED TREND
SPEED TO MARKET

POSITIVE LIFT IN PRODUCTIVITY ON INITIAL INTRODUCTION

ESPRIT

PROGRESS TO DATE



*ESTABLISHED BUSINESS
LOUNGE
FOR WOMEN COLLECTION/
MEN COLLECTION*



*BODYWEAR
CORNER &
STAND ALONE*



*ACCESSORIES
SHOES &
LICENSE*

ESPRIT



FOCUS on the CONSUMER

CREATE a UNIQUE STYLE for HER



QUALITY to LAST

PRODUCT ENGINEERING to add VALUE



END to End Business development
SIMPLIFY & DRIVE an INTEGRATED PROCESS



SPEED to MARKET
IN-SEASON PRODUCT to accelerate GROWTH



THANK YOU

ESPRIT

OUR SUCCESS at POS

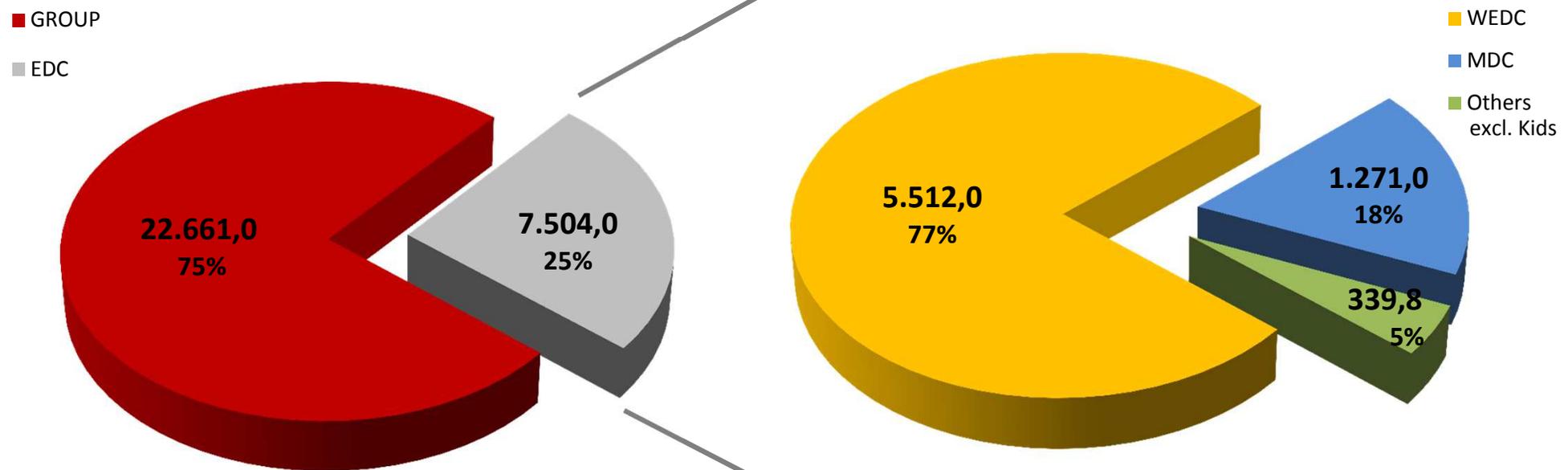
An Introduction to edc Investor Day

May 14, 2013

EDC CONTRIBUTION

Net Sales Full Year FY 11/12

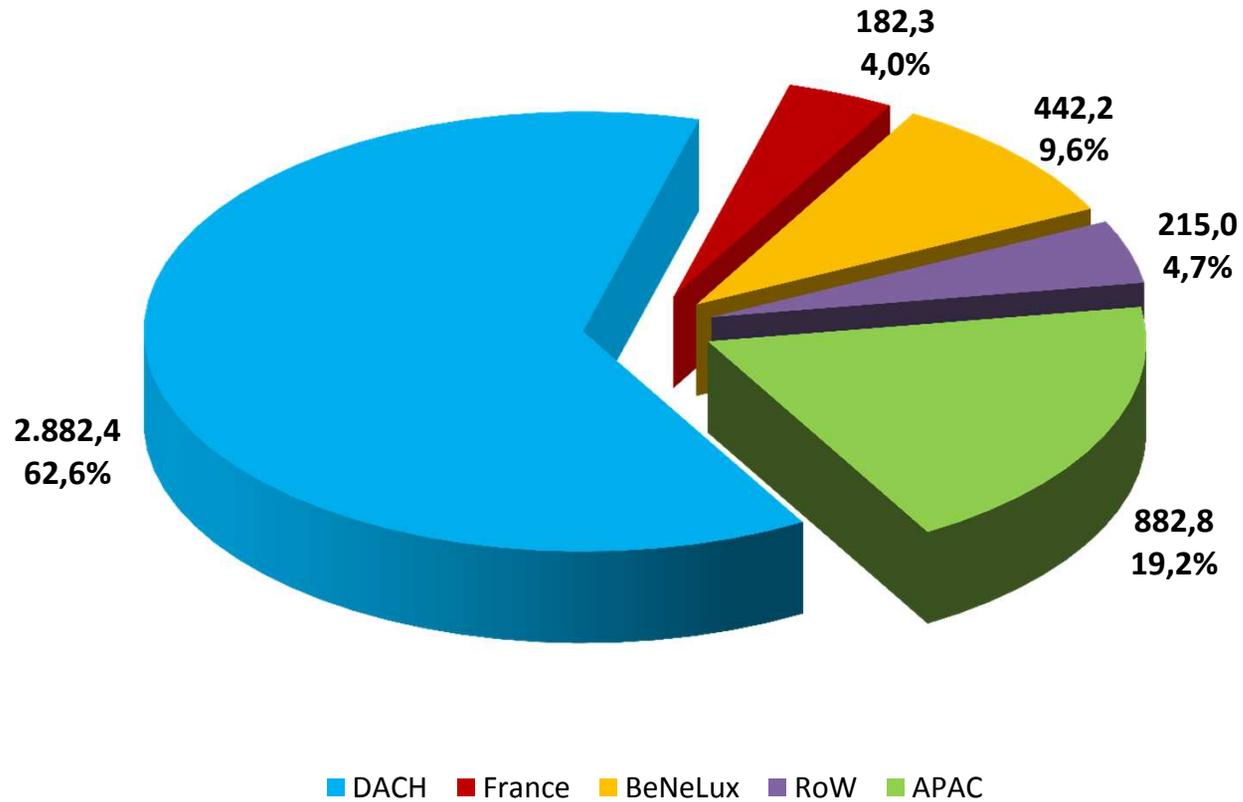
Net Sales FY 11/12 Full Year YTD HK\$M



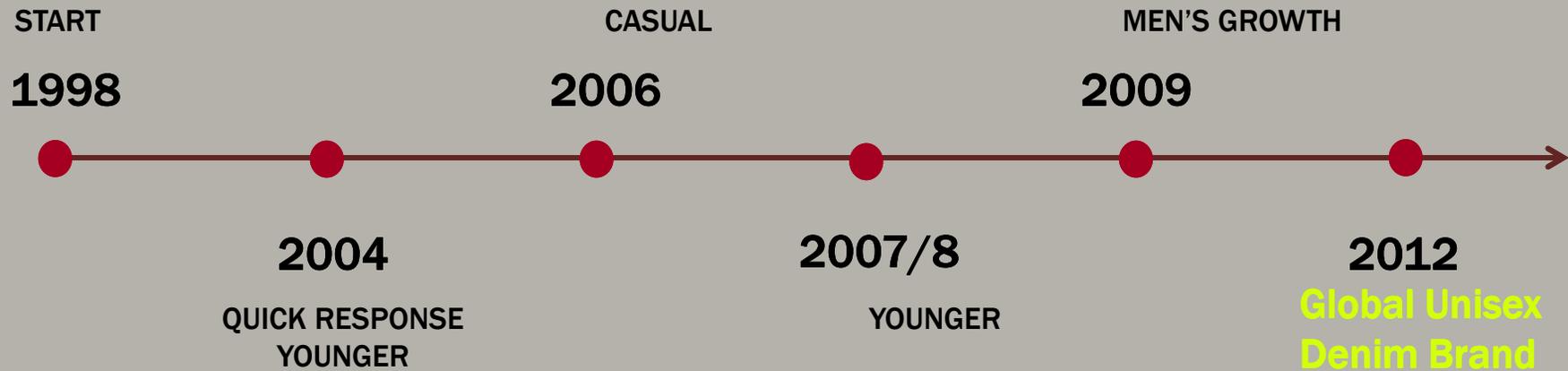
GEOGRAPHICAL SPLIT

Net Sales YTD March FY 12/13

Net Sales FY 12/13 YTD March THK\$

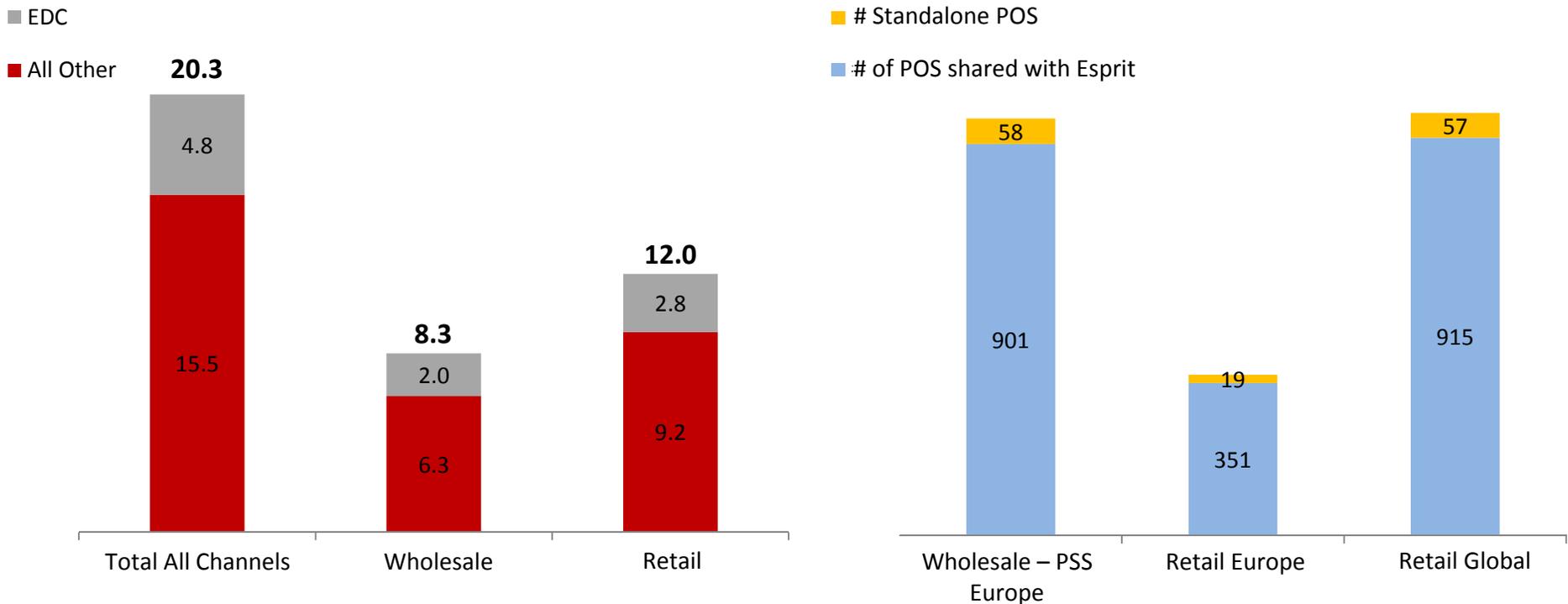


CONSISTENCY AND FOCUS STABILIZE BUSINESS

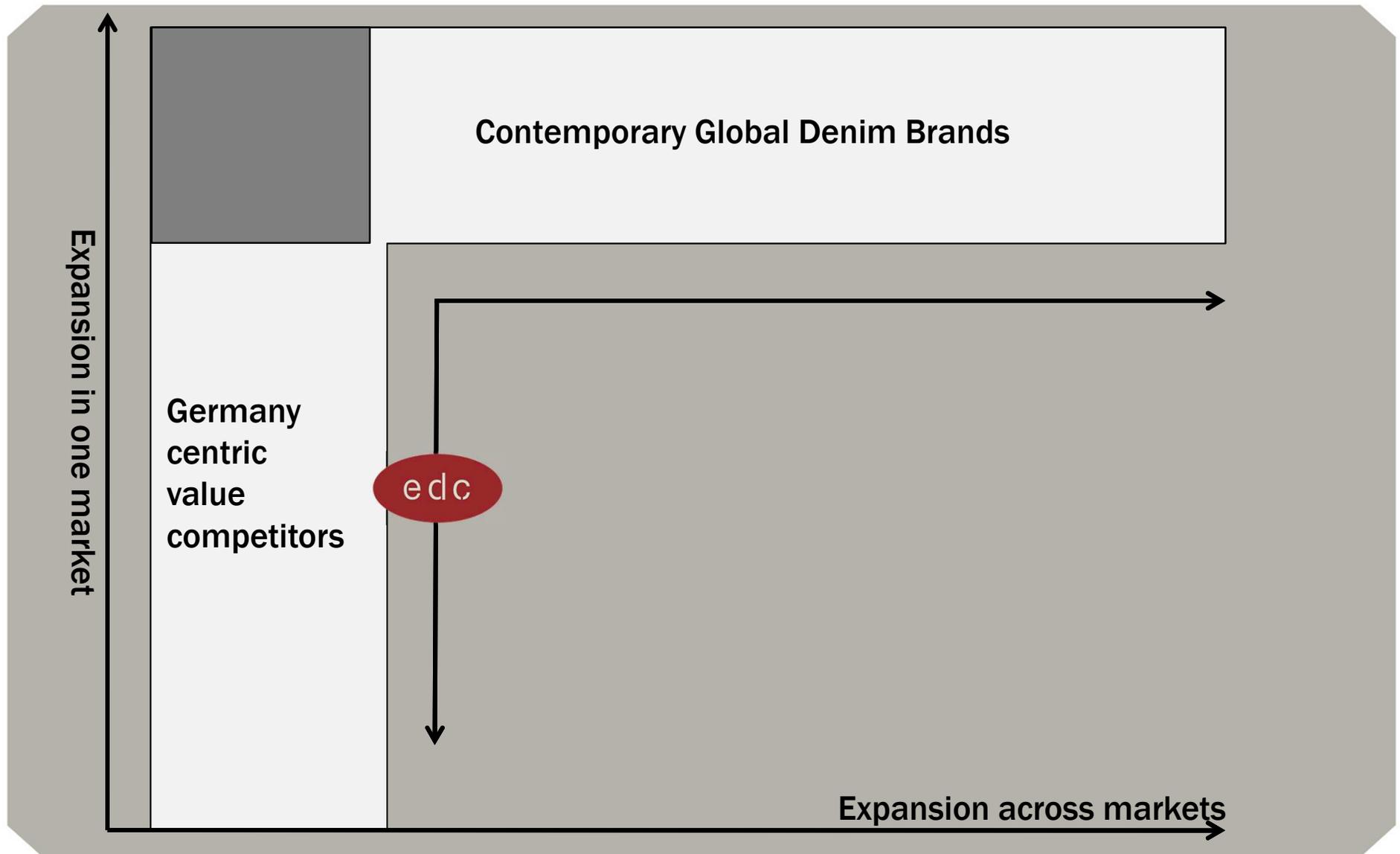


LIMITED STANDALONE FOOTPRINT: PROFITABLE EXPANSION OPPORTUNITY

In HKD billion (3rd Quarter FY 12/13)

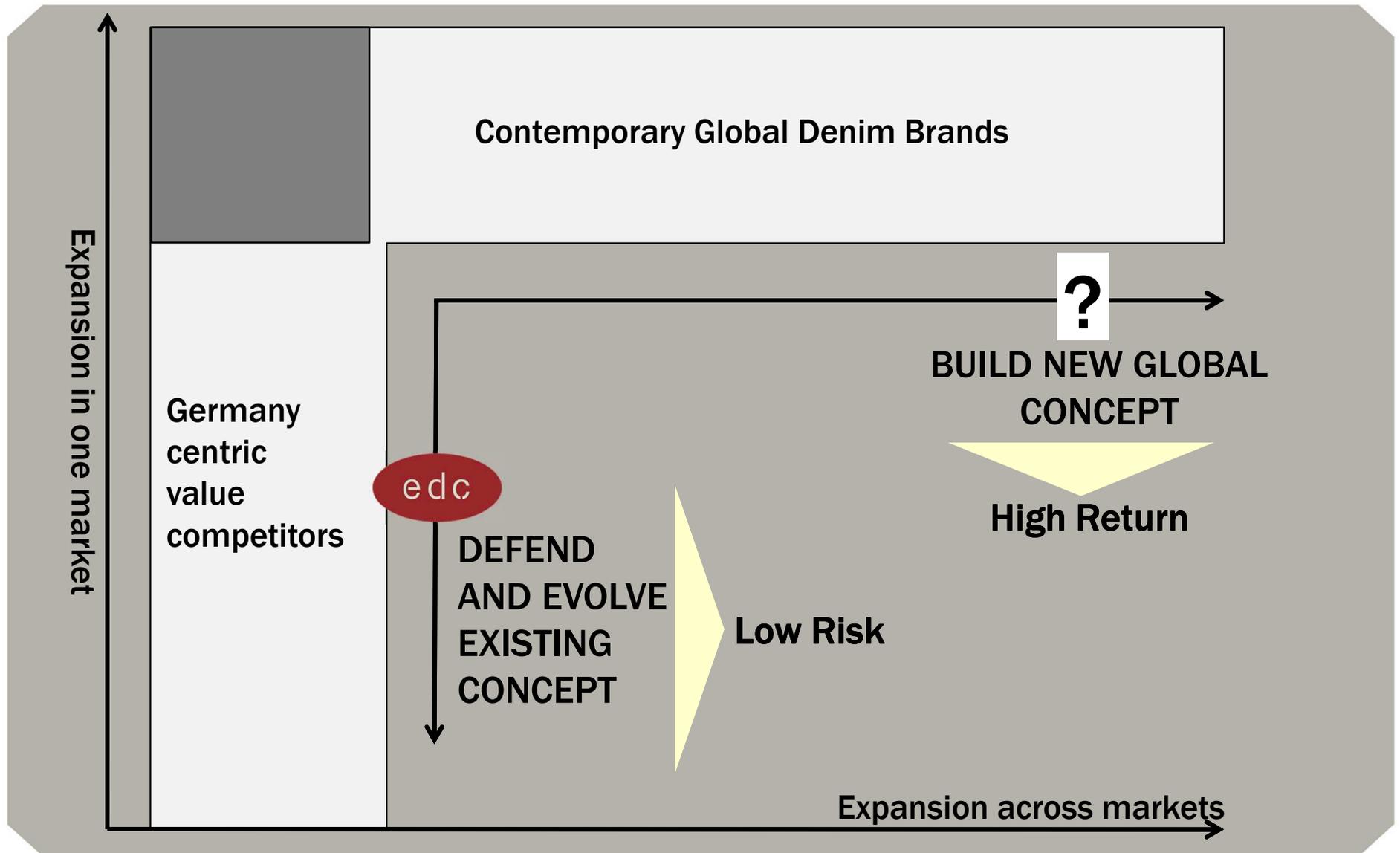


...OFFERING TWO BUSINESS OPPORTUNITIES...



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DEFEND AND BUILD



edc

2 DISTINCT BUSINESS OPPORTUNITIES

Core Market Accessibility



- Protect and improve current, traditional Wholesale business
- Service highly penetrated markets

Global Progressive Consumer

New Label

- Drive incremental sales with younger, global consumers
- Create attractive value proposition for new franchise partners
- Win new, progressive Wholesale doors

edc

OPTIMIZE EXISTING BUSINESS

**Understand and serve
existing customers**

- Upgraded styles/faster trend adoption
- Better value for money
- Accessible fits/Denim competence
- Upgrading design talent

**Stabilize
Performance**

- Existing Distribution footprint shrinking
- Germany stabilizing
- Clear collection architecture

**Improved
Shopping Experience**

- Upgraded fixture program
- Online sales intelligence applied cross channel

REFRESHED STORE CONCEPT

edc for shared and existing standalone stores



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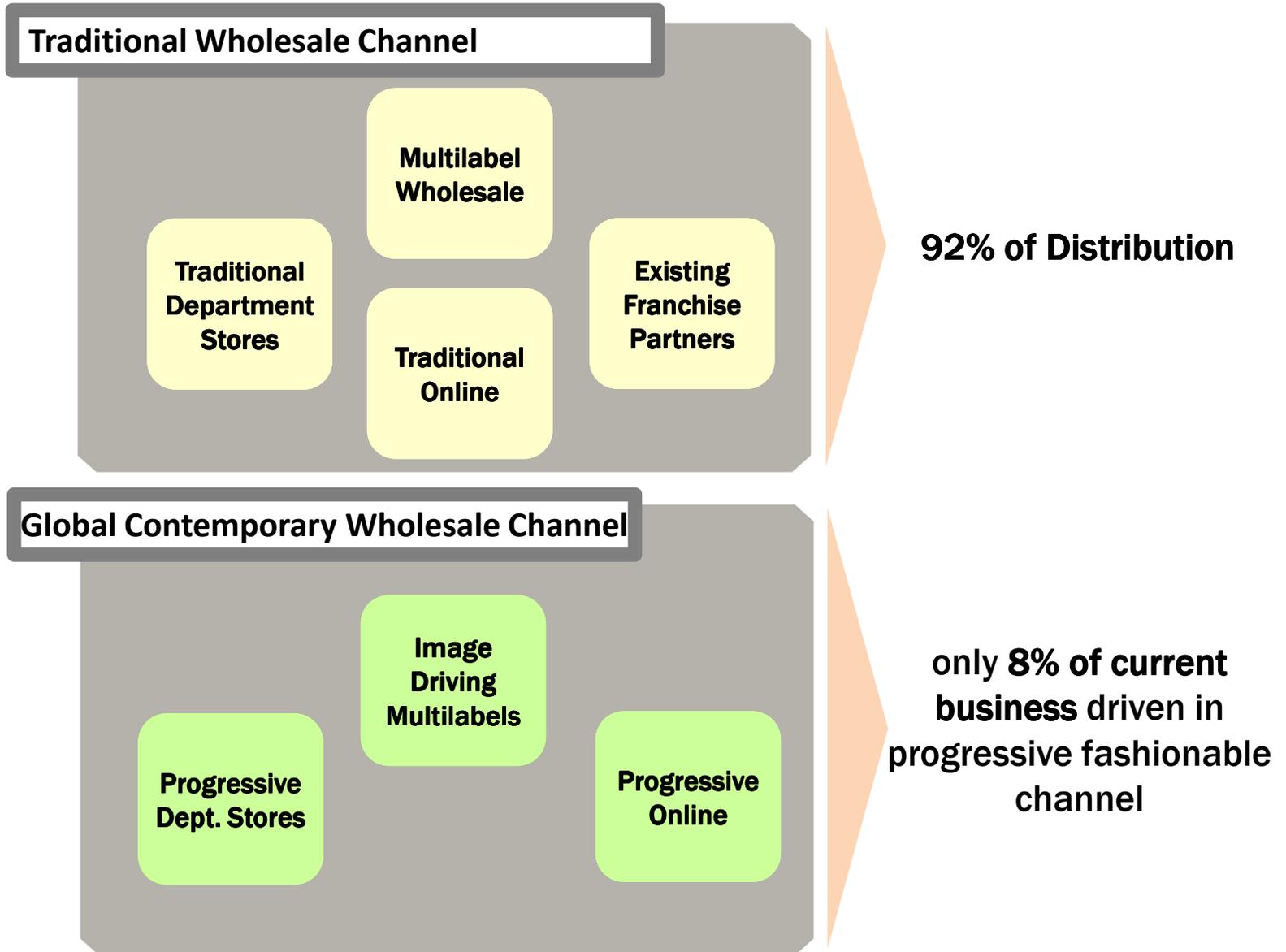
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New Global Unisex Denim Brand

OPPORTUNITY TO GROW: GLOBAL CHANNEL SEGMENTATION



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OPPORTUNITY TO GROW: A SEAMLESS BRICK/ONLINE EXPERIENCE

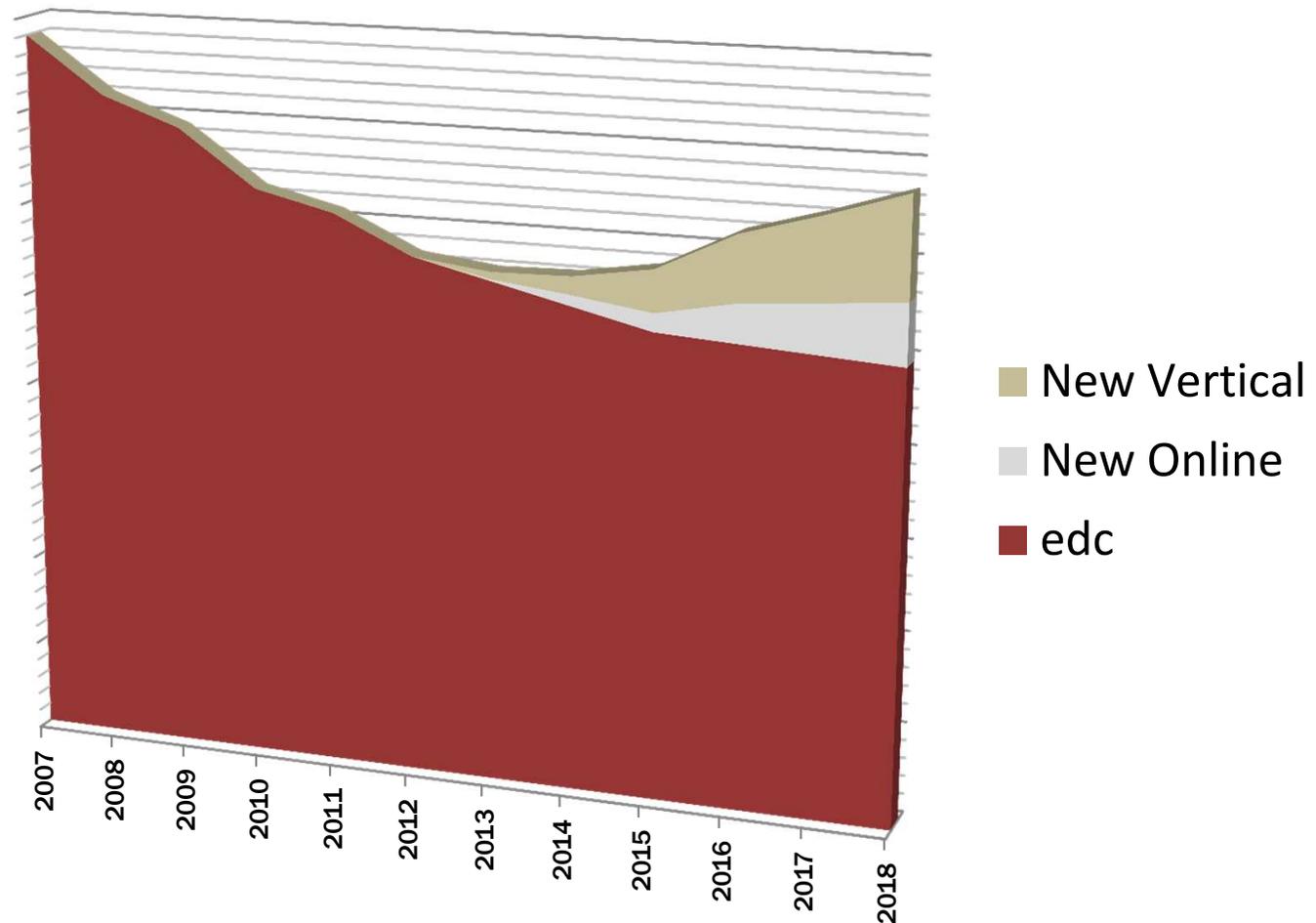
Target uses online and store interchangeably

Opportunity to design new retail footprint:
Size, Location, Cost

Ability to better address fashion conscious Asian consumer

Leverage existing e-commerce competence

More efficient via speed to market team (lower inventory, faster trend response)



EVERY DAY COUNTS CONCEPT

ROUGH ...



...MEETS CLEAN AND CALM...



edc



**THE
CITY
IS
OUR
MUSE...**



**AND
OUR
LIVING-
ROOM**



**OUR
JEANS
ARE
ALWAYS
IN
OUR
HEARTS
AND
ON
OUR
ASS,**



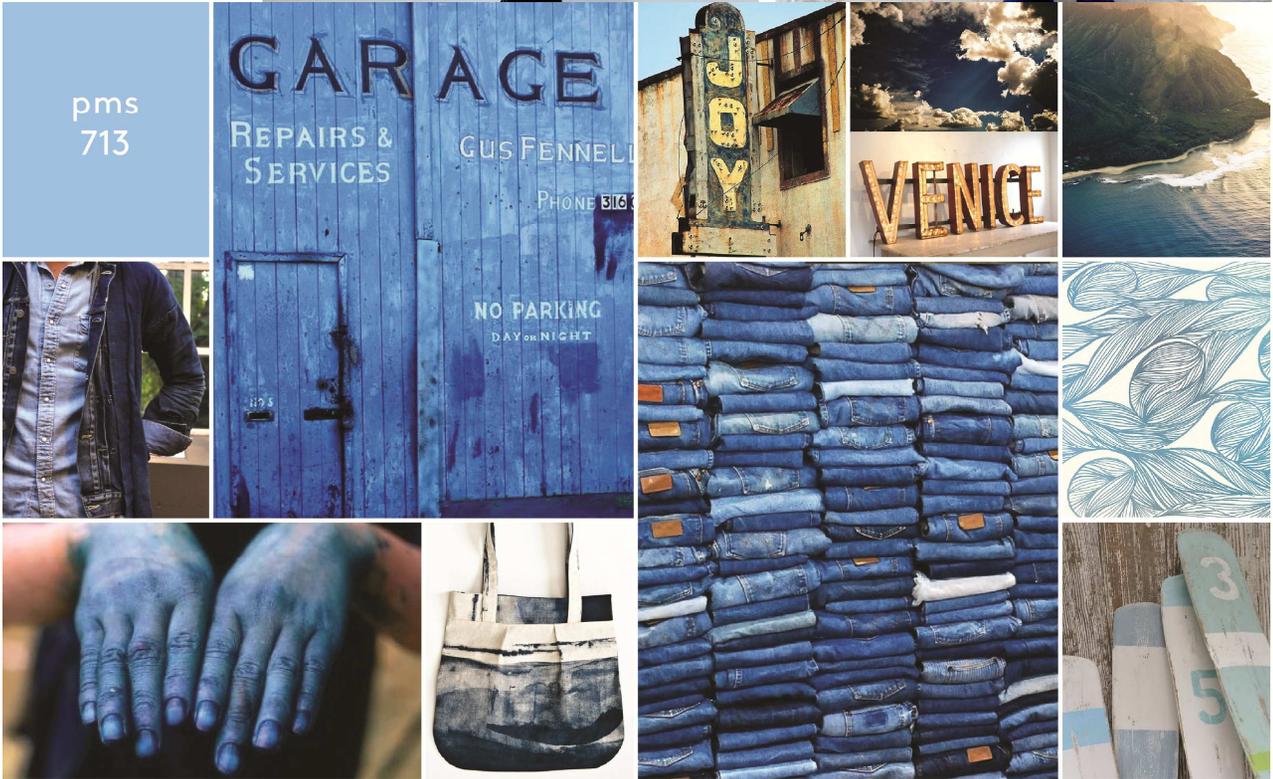
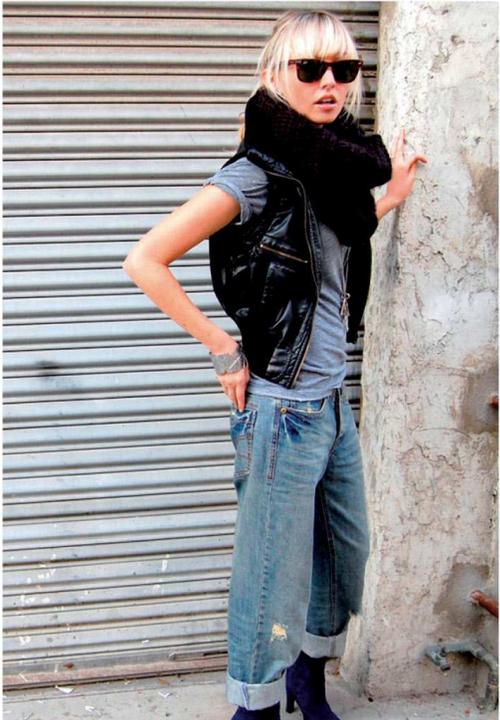
**WE
LOVE
TO
EXPERIENCE
LIFE
AND
ACTIVELY
SHAPE
IT**

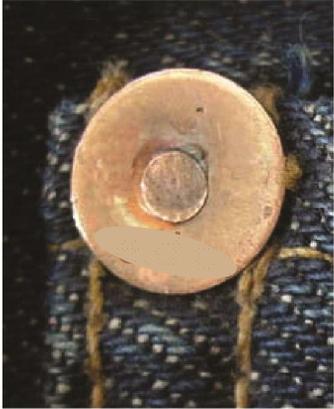
EVERYDAY
THE CORE CATEGORIES

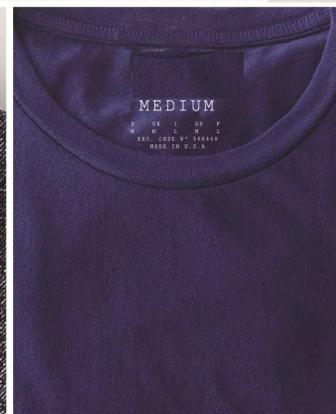
THIS MONTH
OUR MONTHLY THEME

THIS WEEK / TODAY
OUR TRAFFIC BUILDING SCOOP

EVERYDAY WE LOVE DENIM







edc

THIS MONTH WE LOVE NEON COLORS



TODAY
WE LOVE
OUR JACKET
SPECIAL

