

ESPRIT

THE MARKET

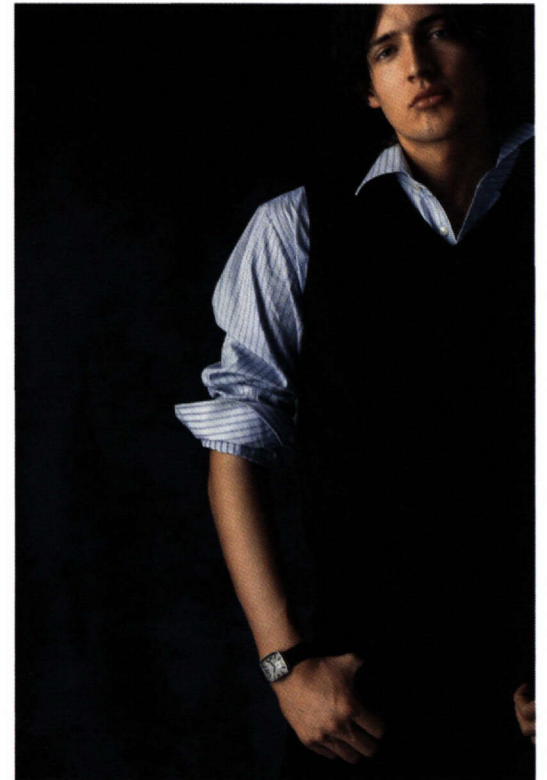
Leading international fashion brand Esprit has captured the hearts of high-end consumers in China with its fresh, lively products. Esprit fashion has always been known as a fun and vibrant brand in the fashion industry; its outgoing and fun-loving image is wildly popular amongst individuals who are aiming for a healthy, vivid lifestyle. Esprit's products are now sold in more than 40 countries worldwide, with about 621 directly managed retail outlets and more than 6,000 wholesale houses internationally.

Since entering China in 1992, Esprit has opened nearly 100 retail outlets in major cities, including Shanghai, Beijing, Dalian and Guangzhou. Shanghai's three popular flagship stores boast spacious and comfortable shopping environments, with almost 1,000 square metres of well-stocked retail space in each.

Esprit has also built franchises in Shenzhen, Hangzhou, Chengdu, Wuhan and other major cities. To date, it has more than 300 franchised shops in nearly 100 cities in China. The design, layout and advertisements for these franchises are all standardised so as to maintain consistency of the Esprit brand in China.

ACHIEVEMENTS

The past few years have been successful one for Esprit, both in China and in terms of global market strength and recognition. In Europe, brand recognition is over 80%, making Esprit the best-



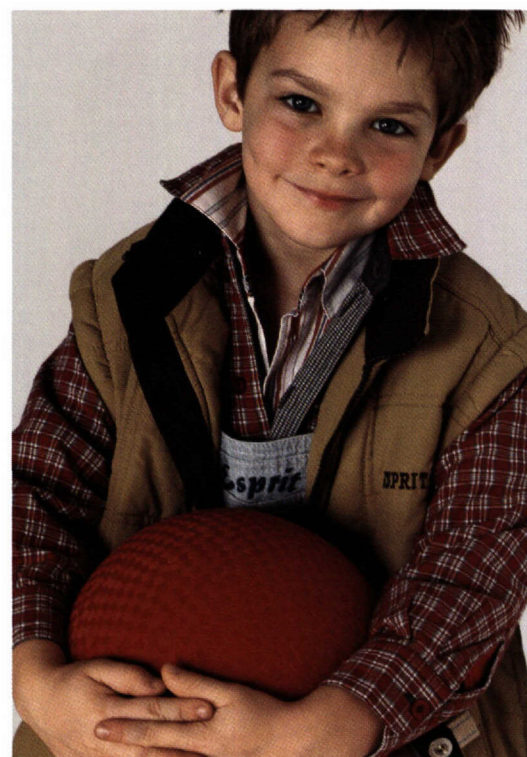
known brand for women's wear in this huge market. Esprit has also achieved remarkable levels of brand recognition in the US.

Esprit was honoured with an International Award at the HK Business Awards in 1998. In 2000, the company was awarded the Forum-Preis in Germany in recognition of its outstanding entrepreneurial performance in the textile and fashion industry. Esprit was also one of the finalists in the EIU Global Corporate Achievement Awards 2002.

HISTORY

Esprit was founded in San Francisco in 1968. In 1979, the company debuted its famous stenciled Esprit logo with the triple-bar E, initiating the brand's rise to new levels of global recognition.

In 1981 the company worked to tap into Asia's wholesale market. Esprit International was specially created in 1988 to manage and develop Esprit's trademark and brand worldwide. Esprit officially entered the China market in 1992, bringing a breath of fresh air to the fashion industry in a China embarking on major economic and social reforms. Then in 1998, Esprit Asia Holdings Ltd and China Resources Enterprise Limited collaborated to form China Resources Enterprise-Esprit, expanding and further strengthening Esprit's business presence in China.



THE PRODUCT

Almost every consumer can find something that meets his or her needs and desires at Esprit.

Based in Germany, Esprit's design centre divides the year into 12 seasons, constantly

introducing new products to keep its customers in line with contemporary lifestyle and taste. Esprit's "about attitude, not age" design philosophy has long been well-known and respected in the international fashion world.

Today, Esprit offers a comprehensive product line ranging from women's casual and formal wear to menswear, edc, sportswear, kids wear, shoes, accessories and bodywear. It also owns the popular Red Earth cosmetics brand and the ultramodern, revolutionary hair salon, Salon Esprit.

In recent years, Esprit has also introduced new lines of licensed products ranging from eyewear, umbrellas and jewellery to watches, bedding and golf sets. Esprit aims to reach out to every consumer who wants to lead a stylish lifestyle.

RECENT DEVELOPMENTS

Esprit's strategy has long been to combine and expand the best business strategies, systems and philosophies of different regions to form one unified global operating structure. This way, Esprit's successful experiences will not be restricted to one territory or country.



Through the successful implementation of this business strategy, Esprit has become a global brand, standing on firm ground in Europe, North America and Asia.

Esprit's standing in Asia is equal to its footing internationally, making it a profitable and trendsetting super brand. It is continuing with its plan to increase its market share in America by collaborating with three chain stores and adjusting its products and management tactics to better meet the unique demands of the US market.

Without the hard work and commitment of its management teams and workers around the world, Esprit would not be able to maintain consistent performance. The Esprit spirit is about attitude, not age; it is about experiencing life's best. Real people, real design, real style – this is the core of Esprit's value, the philosophy behind all of Esprit's products.



distribution strategy. Management will first set a detailed strategy before different group divisions implement them. Esprit maintains close contact with its loyal consumers and keeps cutting-edge, beautiful, well-valued products available at specialty counters in order to satisfy customers' needs while expanding Esprit's reputation in the market.

BRAND VALUES

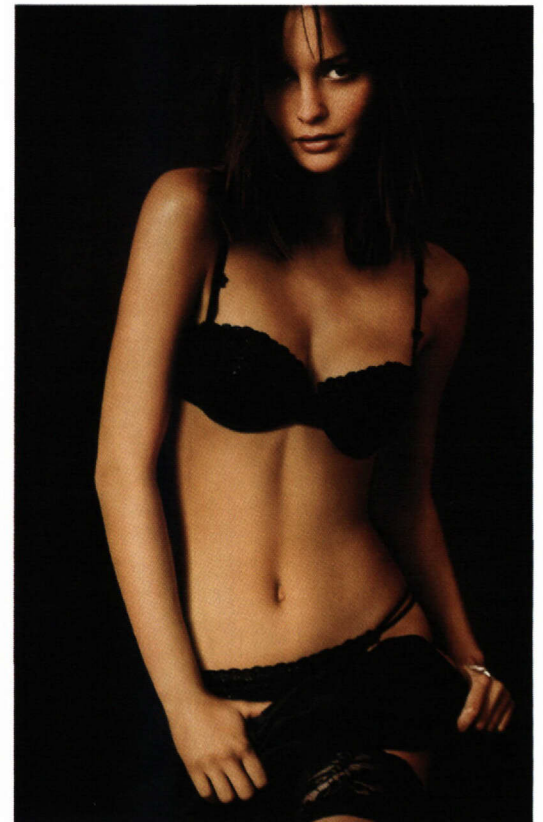
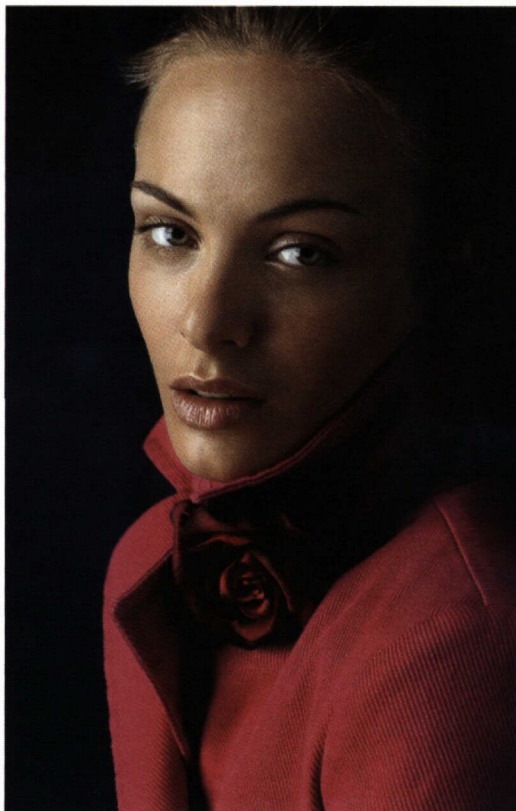
Esprit is committed to building a cohesive, harmonious brand image. This has turned the Esprit brand into a young, vibrant and modern lifestyle – one that transcends language and nationality. People who like Esprit, whether they are in Shanghai, Hong Kong or Paris, all see and feel a brand image that is united, unique, dynamic and creative.

While experiencing the "world of Esprit", every customer can find a product that satisfies his or her needs. By creating a fresh, playful brand, Esprit hopes to cultivate a whole new sense of fashion and taste in everyone.

PROMOTION

Esprit's main sales channels are retail and wholesale, and part of the company's management policy is launching suitable products for different locations. By being responsive to the markets' ever-changing needs and offering quality products at fair prices, Esprit maintains its edge for the long haul in the competitive economy.

Esprit strongly believes in strengthening its group's world-class image. Esprit's success in branding is a result of this belief and its flexible



THINGS YOU DIDN'T KNOW ABOUT ESPRIT

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- The company introduced its famous stencilled Esprit logo with the triple-bar E in 1979, propelling the brand to new levels of global recognition