

FOR IMMEDIATE RELEASE

Esprit Posts 53% Interim Profit Growth

- **Group turnover rose 32% to over HK\$8 billion**
- **Net profit grew 53% to HK\$886 million**
- **Earnings Per Share : HK74.4 cents**
- **Interim dividend: HK19 cents per share**
- **Operating margin expanded 2.2%pts to 17.1%**
- **Net cash increased to over HK\$1.6 billion**

HONG KONG, February 11, 2004 – Esprit Holdings Limited (SEHK: 330; LSE: EPT LI) announced interim results for the six months ended December 31, 2003. For the period under review, the Group recorded 32% growth in turnover to HK\$8 billion. Net profit grew to HK\$886 million, reflecting an impressive growth of 53%. Operating margin and net margin expanded 2.2%points and 1.6%points, to 17.1% and 11.1%, respectively.

Earnings per share rose 51.8% to HK74.4 cents, and the board of Directors declared an interim dividend of HK19 cents per share, representing over 1.5 times increase from that of last year.

At a press conference in Hong Kong today, Michael Ying, Esprit's Chairman said, "It is my pleasure to report another set of record results with strong earnings growth, solid margin expansion and improvement in our overall financial strength. Though economic condition was very challenging worldwide, we demonstrated that the ESPRIT brand, driven by our talented management, offers high potential for continuous growth."

Heinz Krogner, Deputy Chairman and Group CEO said, "We continue to capture market share in our core markets and product divisions. Complementing the 39% turnover growth in our core market Germany, our second and third largest markets, namely Benelux and France, attained an impressive 44% and 72% growth. In terms of product divisions, our most popular line, women's Casual, recorded 29% growth while women's Collection, edc, and women's Sports each achieved over 50% sales increase. These figures validated our strategies in geographical expansion and product diversification."

John Poon, Executive Director and Group Chief Financial Officer, stated, "Our impressive results were attributable to strong sales growth, better margins, higher economies of scale, increase in profitability in underperforming markets, appreciation of Euro and improved tax efficiency," Mr. Poon added, "Strong operating cash flow more than covered the HK\$320million spent on capital expenditures, the HK\$180 million investment in the acquisition of Esprit Switzerland and the HK\$745 million special and final dividend paid to our shareholders in December 2003. With net cash increased to HK\$1.6 billion, the Board has more than doubled the interim dividend this year. We plan to spend another HK\$400 million or so in the next six months on continuous expansion and upgrades of our distribution network and enhancement of new IT systems. "

Commenting on the second half of the financial year, Mr. Krogner remains confident in achieving double digit turnover and net profit growth for the full financial year. "We remain optimistic in sustaining our growth in the European market. The better economic condition in Asia should complement our loss reduction initiatives in Hong Kong and Taiwan. For the U.S., we will continue to position the business for healthy long term growth."

"Our strategy is to offer quality products comparable to the luxury brands at affordable prices. We are confident that with our talented management team, global infrastructure and solid balance sheet, the Group will sustain the growth momentum this fiscal year and well into the future," concluded Mr. Michael Ying, Chairman of Esprit.

Selected Financial Highlights
For the six months ended December 31, 2003

| | Unaudited HK\$ million | Year-on-year growth |
|-------------------------------------|---------------------------|------------------------|
| Turnover | 8,006 | +32% |
| Operating Profit (EBIT) | 1,372 | +52% |
| Profit attributable to Shareholders | 886 | +53% |
| | | |
| Gross Margin | 50.6% | +0.7%pt |
| Operating Margin | 17.1% | +2.2%pts |
| Net Margin | 11.1% | +1.6%pts |
| | | |
| Basic EPS | HK 74.4 cents | +51.8% |
| Interim Dividend | HK 19 cents | +153% |

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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 and S&P/HKEx LargeCap 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 products under its RED EARTH brand. The Group operates around 560 directly managed retail stores and has over 7,000 wholesale outlets internationally, occupying over 450,000 square meters of retail space in more than 40 countries.

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Issued by Esprit Holdings Ltd. For further details or enquiry, please contact Alice Ng.

Tel: (852) 2765-4232
 Fax: (852) 2764-1723
 Email: alice.ng@esprit.com

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