

FOR IMMEDIATE RELEASE



Esprit Reports Net Profit of HK\$555 million for the First 6 Months – a 44% Growth

- Group turnover rose 31% to over HK\$6 billion
- Operating profit increased to over HK\$900 million
- Earnings per share rose 40% to HK47.1 cents
- Cash and cash equivalents grew to approximately HK\$1.5 billion after investing around HK\$180 million in capital expenditure
- Interim dividend: HK7.5 cents per share, a 25% increase from last year

HONG KONG, February 12, 2003 – Esprit Holdings Limited (SEHK: 330; LSE: EPT) announced interim results for the six months ended December 31, 2002. Turnover grew by 31% over last year, reaching over HK\$6 billion for the half year. Operating profit amounted to over HK\$900 million for the six months, recording a 34% year-on-year increase. Net profit grew to HK\$555 million, registering an impressive year-on-year growth of 44%.

Earnings per share rose 40% to HK47.1 cents, and the Board of Directors declared an interim dividend of HK7.5 cents per share, representing an increase of 25% over the interim dividend of last year.

At a press conference in Hong Kong today, Heinz Krogner, Esprit's Deputy Chairman and Chief Executive Officer said, "It is my great pleasure to report an impressive set of interim results as we are in the midst of achieving our tenth consecutive year of growth. All lines of business and all regions with operations reported turnover growth and the Group's profitability also improved in this six months period."

John Poon, Executive Director and Group Chief Financial Officer, said, "Our strong results were attributable to a combination of better merchandises, enhanced profitability of retail, greater economies of scale, lower sourcing cost, and appreciation of the Euro." Mr. Poon added, "After spending approximately HK\$180 million in capital expenditure, we have, on December 31, 2002, cash and cash equivalents of approximately HK\$1.5 billion, increased by more than HK\$500 million compared with our balance at the end of June 2002. We plan to spend another HK\$200 million or so in the next six months mainly on further expanding our European retail network."

Commenting on future trends, Mr. Krogner believes the European growth momentum will continue despite the depressed market conditions particularly in Germany. “Expansion in the U.S. and possible upturn of the Asian retail operation, should further contribute to Esprit’s overall growth going forward,” added Mr. Krogner.

“We believe strategically, with our proven product quality, strong financial position and seasoned management team, Esprit is well positioned to achieve sustainable long-term growth,” concluded Mr. Michael Ying, Chairman of Esprit.

Selected Financial Highlights

For the six months ended December 31

	Unaudited 2002 HK\$ million	Unaudited 2001 HK\$ million
Turnover	6,066	4,648
Gross Profit	3,026	2,228
Operating Profit	906	676
Taxation	(375)	(273)
Profit Attributable to Shareholders	555	385
EPS	47.1 cents	33.7 cents

Esprit Holdings Limited (www.espritholdings.com) is a constituent stock of the Hang Seng Index and the MSCI Hong Kong Index. Its subsidiaries are engaged in the retail and wholesale distribution, sourcing and licensing of quality lifestyle products under its globally recognized ESPRIT brand and of cosmetic products under its Red Earth brand. The Group controls over 300,000 square meters of retail space in more than 40 countries and ESPRIT products are sold in more than 80 countries worldwide. It operates approximately 540 directly managed retail stores and has around 2,500 franchised outlets internationally.

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Note to editors: Please visit our website at www.espritholdings.com

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