FOR IMMEDIATE RELEASE

Esprit reports HK$385 million Interim Profits, a 41% Growth

- **Group turnover rose 16% to HK$4.6 billion**
- **EBITDA increased to over HK$800 million for the six months period**
- **Net margin enhanced by 1.5% points to 8.3% of net sales**
- **Net cash more than doubled since June 30, 2001 to approximately HK$800 million, with no term loans**
- **Interim dividend increased 25% year-on-year to HK6 cents per share**

HONG KONG, February 7, 2002 – Esprit Holdings Limited (SEHK: 330; LSE: EPT LI) announced interim results for the six months ended December 31, 2001. Turnover grew by a healthy 16% over last year, reaching HK$4.6 billion for the half year. Earnings before interest, taxation, depreciation and amortization amounted to over HK$800 million for the six months, recording a 23% year-on-year increase. Net profits grew to HK$385 million, registering an impressive year-on-year growth of 41%.

Earnings per share rose 38% to HK33.7 cents, and the Board of Directors declared an interim dividend of HK6 cents per share with scrip alternative, representing an increase of 25% over the interim dividend of last year.

At a press conference in Hong Kong today, Michael Ying, Esprit's Chairman and Chief Executive Officer, said, “We are currently well into our ninth consecutive year of growth, with wholesale and retail registering year-on-year growth of about 20% and 13% respectively for the half year period. Our three largest markets, Germany, Benelux and Hong Kong all recorded year-on-year growth of about 16%, 40% and 3% respectively, in spite of the tough operating environment worldwide.”

The Company’s focused strategy has proven to be resilient to adverse economic times. Esprit remains committed to its core business, offering clothing and lifestyle products with a distinguished image at affordable prices while not compromising on its brand image or quality of products under severe pricing pressure.

John Poon, Executive Director and Group Chief Financial Officer, said, “Our EBITDA margin actually improved in this six months period by about 1% point to over 17%. This increase was attributable to a combination of greater economies of scale, effective cost control and improved operating efficiencies. With the benefit of the German corporate tax cut, the net margin enhancement was even more significant, a 22% increase over last year, to 8.3% of net sales.”

“After spending approximately HK$200 million in capital expenditure, we have, on December 31, 2001, net cash of approximately HK$800 million, more than doubled our balance at the end of June 2001. We will maintain our capital expenditure program and will spend another HK$200 million or so in the next six months on our global distribution network,” added Mr. Poon.

Commenting on future trends, Mr. Ying expressed that he is confident that the Company’s growth momentum will continue in the second half of the financial year despite the persisting tough economic environment.

“We are optimistic, barring unforeseeable circumstances, that we will finish the financial year as our ninth consecutive year recording both turnover and profit growth,” concluded Mr. Ying.

Esprit Holdings Limited is a constituent stock of the MSCI Hong Kong Index, and its subsidiaries are engaged in the retail and wholesale distribution of quality lifestyle products under the globally recognized ESPRIT brand. The Group controls retail space of over 3 million square feet in more than 40 countries worldwide. It operates approximately 500 directly managed retail outlets and has over 2,000 franchised shops.

# # #

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

Issued by Esprit Holdings Limited. For further details or inquiries, please contact Ms. Catherine Tsang at 2185-7001 or Ms. Jane Yip at 2185-7009 of Occasions Corporate & Financial Communications Limited.