

FOR IMMEDIATE RELEASE

Esprit Achieves Eight Consecutive Years of Growth in Turnover and Operating Profit

- **Group turnover increased over 11% to HK\$8.1 billion**
- **EBITDA rose 25% to HK\$1.3 billion**
- **Operating profit after finance costs surged 31% to HK\$1.1 billion**
- **Net profit grew 25% to HK\$575 million**
- **Shareholders' funds in excess of HK\$2 billion**
- **HK\$388 million net cash on hand with no term loans**
- **Proposed final dividend: HK 12 cents per share**

HONG KONG, September 26, 2001 – Esprit Holdings Limited (SEHK: 330; LSE: EPT LI) announced final results for the fiscal year ended June 30, 2001. The Company recorded an operating profit after finance costs of HK\$1.1 billion, representing a strong 31% increase over the previous year. Net profit grew to a record HK\$575 million. Turnover increased by over 11% to HK\$8.1 billion.

Earnings per share before exceptional items rose 24% to HK 51.2 cents, and the board of directors recommended a final dividend of HK 12 cents per share. Together with an interim dividend of HK 4.8 cents, the full year dividend per share rose to HK 16.8 cents.

At a press conference in Hong Kong today, Michael Ying, Esprit's Chairman and Chief Executive Officer, said Esprit had ended the year financially stronger than ever. "Against the backdrop of a difficult market environment, we achieved, since our listing on the Hong Kong stock exchange in 1993, eight consecutive years of growth in turnover and operating profit reaching a record high of HK\$8.1 billion and HK\$1.1 billion respectively in the last fiscal year," he said.

Turnover in the Group's three largest markets, Germany, Hong Kong and Benelux increased by 33%, 1% and 38% respectively in local currency terms.

Sales growth was achieved in most product lines. Turnover in women's wear, representing 54% of the Group's turnover, grew by 13%, while smaller lines like men's wear and shoes increased by 14% and 28% respectively.

Complementing this well-rounded expansion was a corresponding decrease in operating expenses by 2.5 percentage points as a percentage of sales.

John Poon, Executive Director and Group Chief Financial Officer, said: “Our Group’s earnings would have been even better had it not been impacted by the depreciation of Euro and Australian Dollar. Nevertheless, we have attained a return on equity of 30.5%, which is among the highest in comparable apparel companies globally.”

“We have a healthy balance sheet, and we managed to repay all our term loans while keeping a high level of cash on hand during the year under review. The Company ended the fiscal year in a strong net cash position of HK\$388 million, and has dedicated around HK\$400 million for capital expenditure in the new fiscal year, primarily to roll out new retail stores,” added Mr. Poon.

“Our goal is to extend our reach to more customers, with a wider range of products and a larger number of stores. 93 new stores were opened last year and 36 more will be added this year. Though the year ahead seems challenging, we have no doubt that our proven business model, together with our committed management team and staff, will lead us to winning solutions all round – for our customers, our shareholders and ourselves,” 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 2.5 million square feet in more than 40 countries worldwide. It operates more than 480 directly managed retail outlets and has over 1,800 franchise stores.

###

Note to editors: Please visit our website at <http://www.espritholdings.com>

Issued by Esprit Holdings Limited. For further details or inquiries, please contact Mr. Raymond Siu or Ms. Christy Lai of Rikes Communications Limited at (852) 2520-2201.