

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Proposed secondary listing on the London Stock Exchange

An application has been made to London Stock Exchange Limited (the "London Stock Exchange") for the entire issued share capital of Esprit Holdings Limited (the "Company") to be admitted to the Official List of the London Stock Exchange. The Listing on the London Stock Exchange will be a secondary listing, with the Company's primary listing remaining in Hong Kong and no new capital is being raised. Dealings in the shares of the Company on the London Stock Exchange are expected to commence on Thursday, 17 December 1998. Esprit is a leading international fashion brand applied to an extensive range of women's, men's and children's apparel, footwear, accessories and other products. The Company and its subsidiaries (the "Group") also sell a range of cosmetics, skin and general body care products under the RED EARTH brand name. The Group, which has its principal offices in Hong Kong and Dusseldorf, has expanded rapidly in recent years. The Group's products are sold in over 40 countries and it has approximately 380 directly managed retail outlets and over 3,700 wholesale customers. In the year ended 30 June 1998, the Company recorded a turnover of approximately HK\$5,087 million and an operating profit of approximately HK\$490 million. The Group has a substantial and growing European business which accounted for approximately 62% of the Group's turnover for the year ended 30 June 1998. An application for the admission of the entire issued share capital of the Company to the Official List of the London Stock Exchange by way of an introduction has been made by the Company. The listing on the London Stock Exchange will be a secondary listing, with the Company's primary listing remaining on The Stock Exchange of Hong Kong Limited.

Through the secondary listing, the directors of the Company (the "Directors") are seeking to enhance the value of the Company by:

- raising the Company's profile among European investors;
- broadening the existing shareholder base by attracting more investors based in Europe;
- encouraging greater European analysts' research coverage of the Group;
- raising awareness of the Group among European consumers (Europe is now the Group's largest market);
- and demonstrating the Group's commitment to its European business.

The Company is not raising new capital in conjunction with the secondary listing and is not offering shares for purchase or subscription by the public. The listing particulars issued by the Company relating to the secondary listing contain the following statement regarding the current trading performance of the Group: "The Directors believe that the European operations have performed well and shown steady growth in turnover for the first four months of the current financial year. In the same period, the performance of the Group's Asian operations has varied from country to country but overall has been generally in line with expectations." The secondary listing has been sponsored by ABN AMRO Rothschild. In Hong Kong, N M Rothschild & Sons (Hong Kong) Limited and China Everbright Capital Limited have acted as the financial advisers to the Company.

By Order of the Board
Esprit Holdings Limited
Alva Chan Wai Mo
Executive Director
Hong Kong, 14 December 1998.