

FOR IMMEDIATE RELEASE

ESPRIT ANNOUNCES IMMEDIATE TAKE OVER OF THE SWISS AND ITALIAN MARKET - THREE & HALF YEARS AHEAD OF SCHEDULE

HONG KONG, December 22, 2003 – Esprit Holdings Limited (SEHK: 330; LSE: EPT LI) announced that a wholly-owned subsidiary of the Company has today acquired 100% ownership of Bollag-Guggenheim & Co. AG, which holds the license to distribute ESPRIT apparel products and apparel-related accessories in Switzerland.

Bollag-Guggenheim & Co. AG, headquartered in Zürich, Switzerland, has been an Esprit licensee since 1983 and its license for Switzerland is due to expire in June, 2007. Currently, Bollag-Guggenheim & Co. AG and its subsidiaries (“BG Group”) operate in Switzerland 24 directly managed stores with over 7,000m² of retail store space and wholesale to over 120 business partners with stand-alone partnership stores, shop-in-stores in department stores and other point-of-sales throughout Switzerland. Its distribution of ESPRIT products also extends into Italy mainly through two wholesale partners.

Based on audited financial statements for the financial year ended June 30, 2003, BG Group had consolidated net sales exceeding Swiss Francs (CHF) 70 million, operating profit before tax of approximately CHF12 million and a net profit after tax of over CHF9 million. The Swiss retail operation had turnover of around CHF32 million while wholesale operation achieved net sales of approximately CHF31 million. The Italian business had net revenue of around CHF7 million for the same financial year ended June 30, 2003.

The total consideration is CHF31 million cash. BG Group has at closing today a net working capital of around CHF14 million, which includes cash and cash equivalents of approximately CHF19 million and accounts receivable of over CHF6 million. BG Group also has fixed assets of around CHF10 million which include real estate in Zürich, Switzerland currently valued at approximately CHF5 million and used as office and showroom for Esprit's business.

"We have regained direct control of the Switzerland & Italy market three and half years ahead of schedule. This acquisition is in line with our international growth strategy and is an excellent opportunity to extend our directly managed distribution network in Europe." said Mr. Michael Ying, Chairman of the Board.

"We expect to double our business in Switzerland within four years," Mr. Heinz Krogner, Deputy Chairman and Group CEO, commented. "Their merchandising and retail systems are already linked to our network. We anticipate a smooth integration of these two countries' businesses into our European operations."

Mr. John Poon, Executive Director and Group Chief Financial Officer, stated, "We consider the investment as good deployment of our net cash in enhancing shareholder value. This acquisition is expected to be earnings accretive in the current fiscal year. Capex required for expanding our business in Switzerland and Italy will primarily be funded from the assets and future cash flow of the BG Group."

###

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, S&P/HKEx LargeCap Index and S&P Asia 50 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 580 directly managed retail stores and has over 6,000 wholesale outlets internationally, occupying over 400,000 square meters of retail space in more than 40 countries.

###

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

The information contained herein is not for publication or distribution in the United States. These materials do not contain or constitute an offer of securities for sale in the United States or to any "U.S. Person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Act"). The securities referred to herein have not been and will not be registered under the Act, and may not be offered or sold in the United States absent registration under such Act or an available exemption from it.