FOR IMMEDIATE RELEASE

Esprit reports a Spectacular Year of Record Turnover and Profits

- **Group turnover rose 14% to HK$9.2 billion**
- **Net profit surged 61% to HK$927 million**
- **Over HK$150 million in Net Cash after having spent HK$1.2 billion for the asset acquisition of Esprit U.S. including the ΞSPRIT trademark rights in the U.S. and the Caribbean Islands**
- **Proposed Final Dividend: HK17 cents per share**
- **Proposed Special Dividend: HK5 cents per share**
- **Board Lot Size reduced to 500 shares effective on September 23, 2002**

HONG KONG, September 18, 2002 – Esprit Holdings Limited (SEHK: 330; LSE: EPT LI) announced final results for the fiscal year ended June 30, 2002. Turnover grew by a healthy 14%, reaching HK$9.2 billion for the year. Earnings before interest, taxation, depreciation and amortization amounted to approximately HK$1.6 billion, registering a 19% year-on-year increase. Net profit surged to HK$927 million, recording an impressive growth of 61%.

Earnings per share rose 57% to HK80.5 cents, and the Board of Directors recommended a final dividend of HK17 cents per share and a special dividend of HK5 cents per share. Together with the interim dividend of HK6 cents, total dividend for the year increased 67% to HK28 cents per share.

At a press conference in Hong Kong today, Michael Ying, Esprit's Chairman and Chief Executive Officer, said, "This has been an excellent year for our company financially and a landmark year for Esprit. Not only did we achieve our ninth consecutive years of growth in turnover and operating profit, we also unified the ΞSPRIT brand globally."

John Poon, Executive Director and Group Chief Financial Officer, commented, "All our lines of business, wholesale, retail, sourcing and licensing, were profitable despite the tough retail market environment worldwide. Greater economies of scale, effective cost control and better international tax strategies had led to an improvement in net margin by 3% points to 10% of net sales."

"Cash generated from operations increased by over 50% to more than HK$1.6 billion. We ended the year with over HK$150 million in net cash after having spent HK$1.2 billion for the asset acquisition of Esprit U.S. including the ΞSPRIT trademark rights in the U.S. and the Caribbean Islands, and over HK$300 million in capital expenditures. Our directly managed sales footage increased to around 1.6 million square feet, and we are dedicating another HK$400 million this financial year for capital expenditures to further expand our retail sales network globally by over 200,000 square feet," added Mr. Poon.

Commenting on future trends, Mr. Ying expressed that he is confident about the Group's prospect as the Company heads into the tenth year of operation since its listing on the Stock Exchange of Hong Kong in 1993. "We are constantly evolving as we expand globally, but we will, of course, maintain our focus in delivering quality lifestyle products at good value, " concluded Mr. Ying.

Esprit Holdings Limited (www.espritholdings.com) 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 its globally recognized ΞSPRIT brand and of cosmetic products under its RED EARTH brand. The Group controls retail space of over 3 million square feet in more than 40 countries and ΞSPRIT products are sold in more than 80 countries worldwide. It operates approximately 500 directly managed retail outlets and has over 2,100 franchised stores internationally.

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