

## **Esprit announces the postponement of the initial public offering of its European subsidiary Esprit Europe AG.**

**Hong Kong, June 28, 2000** – Esprit Holdings Limited (SEHK: 330; LSE: EPT LI) announces the postponement of the initial public offering of its European subsidiary Esprit Europe AG. Trading of Esprit Europe's shares had been expected to commence today.

Investors' response to Esprit Europe, its management and strategy was positive during the roadshow. Despite having generated over-subscription for the offering, the global coordinator / bookrunner, Goldman Sachs, advised Esprit Holdings that it is more appropriate to bring Esprit Europe to the stock market when conditions in the apparel sector become more stable which in turn would enhance the value of the offering.

No costs should have been incurred by retail investors who have subscribed for the shares. All retail investors who subscribed for shares have not been allocated any shares and therefore will not have to make available any funds for settlement.

John Poon, Executive Director and Group Chief Financial Officer of Esprit Holdings Limited, said: "In light of the Group's present net cash position and strong growth, the postponement of the IPO would not affect the continuous expansion of the Group. We will monitor, in conjunction with our financial advisers, the conditions in the apparel sector for a possible re-launch of the proposed spin-off in year 2000."

Heinz Krogner, Chief Executive Officer of Esprit Europe, said: "We see the initial public offering of Esprit Europe as the beginning of an important relationship with the capital markets and have accordingly acceded to the advice of Goldman Sachs. The continued positive development of Esprit Europe's businesses will not be compromised by today's decision, our financial position remains strong and our trading is buoyant."

Esprit Holdings Limited, a constituent stock of the MSCI Hong Kong Index, and its subsidiaries are engaged in the retail and wholesale distribution of quality lifestyle fashion products under the globally recognised ESPRIT brand. The group has controlled retail space of approximately 2 million square feet in more than 40 countries worldwide. It operates more than 450 directly managed retail outlets and has over 7,500 wholesale customers. In addition, the group controls the RED EARTH brand and distributes its cosmetics, skin and body care products primarily in Asia Pacific.

###

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

Issued by Esprit Holdings Limited. For further details or inquiries, please contact:

Stella Tse, manager, corporate affairs Tel : (852) 2765 4252 Fax : (852) 2764 1723 Email : [stella\\_tse@esprit.com.hk](mailto:stella_tse@esprit.com.hk)