



NEWS RELEASE

Helen of Troy Limited Reports Record Earnings for Second Quarter

10/10/2002

Quarterly Net Income Increases 22%

Quarterly Earnings Per Share Increase 20%

Year-to-Date Net Income Increases 30%

Year-to-Date Earnings Per Share Advances 27%

EL PASO, Texas, Oct. 10 /PRNewswire-FirstCall/ --

Helen of Troy Ltd. (Nasdaq: HELE), designer, developer and worldwide marketer of brand-name personal care products, today reported record earnings for the second quarter and six months ended Aug. 31, 2002.

Second quarter sales were \$111,058,000, versus sales of \$112,688,000 for the same period of the prior year. Second quarter net income increased

22 percent to \$8,876,000 or 30 cents per diluted share, compared with \$7,303,000, or 25 cents per diluted share for the same period a year earlier.

First half sales climbed 5 percent to a record \$213,541,000 from sales of \$204,071,000 for last year's first half. Net income for the first half of this year was \$15,467,000 or 52 cents per diluted share, versus \$11,895,000, or 41 cents per diluted share in the comparable period last year, representing a 30 percent increase in net earnings.

Gerald J. Rubin, Chairman, Chief Executive Officer and President, commenting on the results for the quarter stated,

"Last quarter was a challenging one in the retail marketplace. Overall sales for the quarter were down slightly compared with last year's second quarter, however, sales in Helen of Troy's distribution channels increased by approximately 12 percent. Tactica International also posted increased sales in their wholesale distribution channel, with a decline in sales in their direct response distribution channel principally in the Epil-Stop product line. Considering the softness in the overall retail market this past quarter, we are extremely pleased with our results. We expect second half sales to increase over first half sales, as we enter the holiday selling season. For the full fiscal year, we also expect our consolidated company sales to exceed prior year sales as well.

"Our on-going efforts in the area of cost controls were an essential element in our ability to increase net earnings by 22 percent and earnings per share by 20 percent for the quarter, and by 30 and 27 percent respectively for the six month period. We continue to believe, that for fiscal year 2003, ending February 28, 2003, earnings per share will be in the \$1.15 to

\$1.20 range. This represents a 15 to 20 percent increase over our prior year earnings per share of \$1.00, led primarily by contributions from Helen of Troy's product sales.

"We saw sales growth in most major categories, excluding Tactica's direct response channel, with increases in the hair care appliance category of Vidal Sassoon products, the health and wellness category of Dr. Scholl's products, international sales in the United Kingdom, France and the Pacific Rim, and brush and accessory categories of Karina and Nandi accessory products. We also continue to experience double-digit increases in our professional division sales, led by our HOT Tools and Wigo brands. Some of our new products that are doing very well in the marketplace include the Wave Rage product line specially designed for teens, our new line of hair straighteners and our new and expanded line of Ion technology products, marketed under both our Revlon and Vidal Sassoon trade names. We believe being first to market with several of these new products has allowed us to increase our market share over the past several quarters. Our Sunbeam personal care products of home hair clippers and hair care appliances also continue to do well.

"Gross margins for the quarter were 45.8 percent compared to 49.3 for the same quarter in the prior year. The decline was due to changes in our sales mix related primarily to less direct response sales from Tactica International. Year-to-date gross margins were 47.0 percent versus

47.8 percent for the previous year. Second quarter operating income increased to 11.1 percent of net sales, from 9.7 percent of net sales in the second quarter of last year, an increase of 1.4 percentage points. For the six months, operating income increased to 10.4 percent of net sales, from 8.9 percent of net sales during the prior year, an increase of 1.5 percentage points.

"The balance sheet continues to remain strong with cash of \$85 million, versus \$11 million a year ago, and accounts

receivable of \$80 million. Our inventory is approximately \$98 million, which is \$51 million or 34 percent less than the comparable period in the prior year. EBITDA for the quarter was \$13.6 million, compared to last year's \$13.4 million. As of August 31, 2002, book value per common share outstanding was \$9.44.

"Sales have increased in 31 of the past 34 quarters, with net income increasing in 30 of these 34 quarters, demonstrating a consistent financial performance over the past eight and a half years.

We are very pleased and excited to have entered into a definitive agreement to acquire directly and through license agreements six well known consumer brand names from The Procter and Gamble Company. The brands include Condition 3-in-1, a line of hairstyling products; Final Net, a hairspray; Vitalis, a line of men's hair grooming products; Ammens, a body powder; Sea Breeze brand of astringent and Vitapointe, another hair grooming product. The transaction is scheduled to close within ninety days. We look forward to adding these six strong consumer brands to our already impressive list of consumer products, Rubin concluded.

The Company will conduct a teleconference in conjunction with today's release. The teleconference begins at 11 a.m. ET today, Thursday,

October 10, 2002. Members of the news media, investors and the general public are invited to access a live broadcast of the conference call via the Investor Relations page of the Company's website at www.hotus.com or via CCBN's Investor Distribution Network at www.companyboardroom.com for individual investors and www.streetevents.com for institutional investors. The event will be archived and available for replay through November 30, 2002.

Helen of Troy Limited is a leading designer, producer and marketer of brand name personal care consumer products. The Company's products include hair dryers, curling irons, hair setters, women's shavers, brushes, combs, hair accessories, home hair clippers, mirrors, foot baths, body massagers and paraffin baths. The Company's products are sold by mass merchandisers, drug chains, warehouse clubs and grocery stores under licensed trade names including Vidal Sassoon, licensed from Procter & Gamble Co., the trademark Revlon®, licensed from Revlon Consumer Products Corporation, Dr. Scholl's®, licensed from Schering-Plough HealthCare Products, Inc., and Sunbeam® licensed from Sunbeam Corporation. Helen of Troy's owned trade names include Dazey®, Caruso®, Karina® and DCNL. The Company also markets hair and beauty care products under the Helen of Troy®, Hot Tools®, Hot Spa®, Salon Edition®, Gallery Series®, Wigo® and Ecstasy® trademarks to the professional beauty salon industry.

This press release may contain certain forward-looking statements, which are subject to change. A number of risks or uncertainties could cause actual results to differ materially from historical or anticipated results. Generally, the words anticipates, believes, expects and other similar words identify forward-looking statements. The Company

cautions readers to not place undue reliance on forward-looking statements. The actual results may differ materially from those described in any forward-looking statements. The Company intends its forward-looking statements to speak only as of the time of such statements, and does not undertake to update or revise them as more information becomes available. Additional information concerning potential factors that could affect the Company's financial results are included in the Company's Form 10-K for the year ended February 28, 2002, under the heading Risk Factors contained in the Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Form 10-K. In addition to the factors described in the Company's Form 10-K the following additional factor could also affect the Company's financial results that are described in this press release:

There has been a work slowdown by longshoremen in certain ports where we import most our goods and if such work slowdown is not resolved our sales may be adversely affected -

Substantially all of our products sold in the United States are imported from factories in the Far East. Longshoremen at major ports on the West Coast of the United States have been involved in a work slowdown that has resulted in a lockout of those workers by port authorities. We are currently experiencing delays in receiving deliveries of some of our products as a result of this work slowdown. The U.S. government has taken action to re-open the ports, and the unions for the longshoremen continue to negotiate revised labor contracts. It is not possible at this time to determine whether the government's actions or the labor negotiations will effectively conclude the work slowdown or to quantify the effects on our business. The work slowdown may result in our inability to receive shipments of our products in a timely manner which would result in our inability to deliver products to our customers and thereby adversely affect our sales.

HELEN OF TROY LIMITED Comparative Analysis (Unaudited)

(In thousands, except shares and earning per share)

For the Three Months Ended For the Six Months Ended

	8/31/02	8/31/01	8/31/02	8/31/01
Net Sales	\$111,058	\$112,688	\$213,541	\$204,071
Cost of Sales	60,148	57,086	113,116	106,490

Gross profit	50,910	55,602	100,425	97,581
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Selling, general

and administrative

expenses	38,636	44,671	78,140	79,357
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Operating Income	12,274	10,931	22,285	18,224
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Other income (expenses):

Interest expense	(953)	(1,111)	(2,020)	(2,170)
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Interest income	548	153	856	305
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Other income, net	(133)	237	(128)	247
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Total other income

(expense)	(538)	(721)	(1,292)	(1,618)
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Earnings before

income taxes	11,736	10,210	20,993	16,606
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Income tax expense	2,860	2,907	5,526	4,711
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Net earnings	\$8,876	\$7,303	\$15,467	\$11,895
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Earnings per share

- diluted	\$.30	\$.25	\$.52	\$.41
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Weighted average

shares used in

computation	29,538,000	29,337,000	29,643,000	28,938,000
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SELECTED CONSOLIDATED BALANCE SHEET INFORMATION

	8/31/02	8/31/01
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Cash	\$85,015,000	\$11,264,000
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Short Term Market Investments	1,665,000	173,000
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Accounts receivable	79,584,000	74,682,000
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Inventory	98,343,000	149,490,000
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Total current assets	275,392,000	249,700,000
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Total assets	384,955,000	363,291,000
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Total current liabilities	63,836,000	76,181,000
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Total long term liabilities	55,000,000	55,000,000
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Stockholders' equity	\$266,119,000	\$232,110,000
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CO: Helen of Troy Limited

ST: Texas

IN: HOU

SU: ERN ERP CCA MAV

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