Helen of Troy

NEWS RELEASE

Helen of Troy Limited Reports Record Sales and Increased Earnings for First Quarter

7/12/2001

Quarterly Earnings Per Share Increase 100%

Quarterly Net Income Increases 97%

Sales for the First Quarter Increase 20%

EL PASO, Texas, July 12 /PRNewswire/ -- Helen of Troy Limited (Nasdaq: HELE), designer, developer and worldwide marketer of brand-name personal care products, today reported record sales and a substantial increase in earnings for the quarter ended May 31, 2001.

Sales increased 20 percent to a first quarter record of $91,004,000 versus sales of $76,111,000 in the same period of the prior year. First quarter net income increased 97 percent to $4,591,000 or 16 cents per diluted share, compared with $2,334,000 or 8 cents per diluted share for the same period a year earlier.

Gerald J. Rubin, Helen of Troy's Chairman, Chief Executive Officer and President, stated that, "We are extremely pleased with our first quarter results. Sales for the first quarter increased 20 percent, driven by sales of Revlon, Dr. Scholl's, Vidal Sassoon, Sunbeam and Helen of Troy professional products, along with increased Tactica International sales of Epil-Stop hair removal products, the IGIA Ion-Aire hair dryer, and Therma Cleanse and Therma Spa hot wax treatment products.

"Gross margins increased to 46 percent from 39 percent last year. This gain resulted from gross margin

improvements in sales of both Tactica and Helen of Troy products for the quarter. Tactica International was profitable this quarter, for the first time since our acquisition of a majority interest in March 2000, due to sales of their Epil-Stop and Spray product lines. The Epil-Stop infomercial has been the top airing infomercial in the United States for several weeks during our first quarter. While we do not expect to achieve 45 percent gross margins for the full year, we do expect margins in the 40 percent plus range for the full year.

"Selling, general and administrative expenses increased from 34.5 percent to 37.7 percent of sales, primarily due to the national media advertising of Tactica's Epil-Stop and other infomercial driven product sales. However, due to higher gross margins, first quarter operating income increased 3.2 percentage points to 8.0 percent of net sales from 4.8 percent a year ago," Rubin concluded.

Helen of Troy's balance sheet remains strong with stockholders' equity of $224 million, accounts receivable of $63 million, and inventory of $142 million. Inventory increases during the first quarter were necessary to provide product availability for sales increases expected in the second and third quarters of our current fiscal year. EBITDA for the quarter was $9.5 million versus $5.5 million for the same quarter last year.

Based on this quarter's performance and expectations for the balance of the fiscal year, the Company is revising its earnings per share estimates from 75 to 85 cents per share to 80 to 90 cents per share for this year. For the full year, the Company continues to believe sales growth will be approximately 11 to 15 percent above last year, resulting in total sales for the year of $400 to $415 million. These projections anticipate earnings per share increases of 33 to 50 percent for the fiscal year ending February 28, 2002.

The Company will conduct a teleconference in conjunction with today's release. The teleconference begins at 11 a.m. EDT today, Thursday, July 12, 2001. Members of the news media, investors and the general public are invited to access a live broadcast of the conference call via the Investor's Relations page of the Company's website at www.hotus.com or via StreetFusion, at www.streetfusion.com. The event will be archived and available for replay through August 31, 2001.

Helen of Troy Limited is a leading designer, producer and marketer of brand name 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 the licensed trade names of Vidal Sassoon, licensed from Procter & Gamble Co., the trademark Revlon(R), licensed from Revlon Consumer Products Corporation, Dr. Scholl's(R), licensed from Schering-Plough HealthCare Products, Inc., the trademark BARBIE(TM), owned by and used under license from Mattel, Inc., and Sunbeam(R) and Oster(R) brands, 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. The actual results may differ materially from those described in any forward-looking statements. 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, 2001.

HELEN OF TROY LIMITED Comparative Analysis (Unaudited)
(In thousands, except shares and earnings per share)

	For the Three Months Ended	
	05/31/01	05/31/00
Net Sales	$91,004	$76,111
Cost of Sales	49,404	46,182
Gross profit	41,600	29,929
Selling, general and administrative expenses	34,307	26,295
Operating Income	7,293	3,634
Other income (expense):		
Interest expense	(1,059)	(982)
Interest Income	152	365
Other income (expense), net	10	(68)
Total other income (expense)	(897)	(685)
Earnings before income taxes	6,396	2,949
Income tax expense	1,805	615
Net earnings	$4,591	$2,334
Net earnings per share - diluted	$.16	$.08
Weighted average shares used in computation	28,543,000	29,117,000

SELECTED CONSOLIDATED BALANCE SHEET INFORMATION

	05/31/01	05/31/00
Cash and cash equivalents	$7,340,000	$17,281,000
Short-term market investments	451,000	588,000
Accounts receivable	63,178,000	58,975,000
Inventory	141,640,000	100,755,000
Total current assets	223,950,000	185,980,000
Total assets	339,116,000	308,218,000
Total current liabilities	59,916,000	45,546,000
Total long term liabilities	55,000,000	55,000,000
Stockholders' equity	$224,200,000	$207,672,000

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