Helen of Troy

NEWS RELEASE

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

10/8/2001

Quarterly Net Income Increases 95%

Quarterly Earnings Per Share Increase 92%

Operating Income for the Second Quarter Increases 153%

Sales for the Second Quarter Increase 29%

EL PASO, Texas, Oct. 8 /PRNewswire/ -- Helen of Troy Ltd. (Nasdaq: HELE), designer, developer and worldwide marketer of brand-name personal care products, today reported earnings and record sales for the second quarter and six months ended Aug. 31, 2001.

Second quarter sales increased 29 percent to a record $113,482,000 versus sales of $88,233,000 for the same period of the prior year. Second quarter net income increased 95 percent to $7,303,000 or 25 cents per diluted share, compared with $3,746,000, or 13 cents per diluted share for the same period a year earlier.

First half sales climbed 25 percent to a record $205,557,000 from sales of $164,344,000 for last year's first half. Net income for the first half of this year was $11,894,000 or 41 cents per diluted share, versus $6,080,000, or 21 cents per diluted share in the comparable period last year, representing a 96 percent increase.

Gerald J. Rubin, Chairman, Chief Executive Officer and President, commenting on the results for the quarter, stated, "Our second quarter results were consistent with our first quarter performance and produced continuing record

sales and increased earnings. Similar to the first quarter, sales growth of 29 percent in the second quarter was primarily attributable to our Epil-Stop and Spray products, Dr. Scholl's massagers, Sunbeam and Sable hair care appliances, Karina and Nandi hair care accessory products, and increased sales in our Professional Division. We also experienced growth in international sales with increases in the United Kingdom, Germany, France, Latin America and South America contributing to our record sales levels for the quarter.

"Gross margin increases seen in the first quarter continued in the second quarter, with gross margins for the quarter at 49.7 percent up from 38.3 percent in the same quarter last year. Margin improvements were experienced in both Helen of Troy and Tactica International sales. Year to date margins were 48.2 percent compared to the prior year of 38.8 percent and these higher margin levels are expected to continue throughout the remainder of this fiscal year. Selling, general and administrative expenses increased from 33.4 percent to 40.1 percent, again primarily due to media advertising related to infomercial sales for the quarter. Due to higher gross margins, second quarter operating income increased to $10.9 million or 9.6 percent, compared to $4.3 million or 4.9 percent in the previous year, an increase of 153 percent.

"Our balance sheet also continues to remain strong with stockholders' equity of $232 million, accounts receivable of $75 million, and inventory of $149 million, as we move into our peak selling season. EBITDA for the quarter was $13 million versus $6.4 million for the same quarter last year.

"Based on our second quarter performance and expectations for the second half of this fiscal year, the Company is increasing its earnings per share estimates from 80 to 90 cents per diluted share to a range of 82 to 92 cents per diluted share for the full year and increasing our sales projections from $400 to $415 million to a range of $410 to $425 million for the full year. These estimates represent an earnings per share increase of 37 to 53 percent for the full year ending February 28, 2002.

"While maintaining our leadership positions at retail, our brands also continue to be favorites among consumers. In the September 10, 2001 issue of the trade journal, Home Furnishings News, a brand survey identified the top ten favorite brand names in the Personal Care category, a category where consumers are particularly brand-loyal. Helen of Troy markets personal care products under three of these top ten brand names -- Revlon, Vidal Sassoon and Dr. Scholl's. No other company has more than one brand in the top ten. In spite of the increasingly challenging retail environment, we remain confident that by continuing to provide our branded personal care products at prices that are appealing to consumers, we can continue to maintain our leadership position into the future," Rubin concluded.

The Company will conduct a teleconference in conjunction with today's release. The teleconference begins at 11 a.m. EDT today, Monday, October 8, 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 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, 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 licensed trade names including 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 earning per share)

	For the Three Months Ended		For the Six Months Ended	
	8/31/01	8/31/00	8/31/01	8/31/00
Net Sales	$113,482	$88,233	$205,557	$164,344
Cost of Sales	57,086	54,416	106,490	100,598
Gross profit	56,396	33,817	99,067	63,746
Selling, general and administrative expenses	45,465	29,493	80,866	55,788
Operating Income	10,931	4,324	18,201	7,958
Other income (expenses):				
Interest expense	(1,111)	(1,038)	(2,170)	(2,020)
Interest income	153	210	305	575

Other income, net	237	122	270	54
Total other income (expense)	(721)	(706)	(1,595)	(1,391)
Earnings before income taxes	10,210	3,618	16,606	6,567
Income tax expense (benefit)	2,907	(128)	4,712	487
Net earnings	$7,303	$3,746	$11,894	$6,080
Earnings per share - diluted	$.25	$.13	$.41	$.21
Weighted average shares used in computation	29,337,000	28,793,026	28,938,000	28,955,461

SELECTED CONSOLIDATED BALANCE SHEET INFORMATION

	8/31/01	8/31/00
Cash	$11,264,000	$5,996,000
Short Term Market Investments	173,000	767,000
Accounts receivable	74,682,000	72,460,000
Inventory	149,490,000	105,523,000
Total current assets	248,234,000	193,125,000
Total assets	361,825,000	313,777,000
Total current liabilities	74,724,000	48,579,000
Total long term liabilities	55,000,000	55,000,000
Stockholders' equity	$232,100,000	$210,198,000

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