SAMSONITE INTERNATIONAL S.A.
新秀麗國際有限公司*

13–15 Avenue de la Liberté, L-1931 Luxembourg
R.C.S. LUXEMBOURG: B 159469

(Incorporated in Luxembourg with limited liability)

(Stock code: 1910)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2012, the Company's:

- Net sales increased to a record level of US$1,771.7 million, reflecting a 13.2% increase from the previous year. Excluding foreign currency effects, net sales increased by 16.8%.
- Reported profit for the year increased by 60.8% to US$166.6 million.
- Adjusted Net Income(1) increased by 22.2% to US$167.2 million.
- Adjusted EBITDA(2) increased by 15.4% to US$286.5 million.
- Excluding the estimated impact of foreign currency translation, reported profit for the year, Adjusted Net Income and Adjusted EBITDA increased by approximately 65.2%, 25.4% and 19.7%, respectively.
- Adjusted EBITDA margin(3) increased to 16.2% for the year ended December 31, 2012 from 15.9% for the year ended December 31, 2011.
- The Company generated US$203.0 million of cash from operating activities during 2012 compared to US$64.5 million during 2011. As of December 31, 2012, the Company had cash and cash equivalents of US$151.4 million and financial debt of US$35.4 million (excluding deferred financing costs of US$3.1 million), providing the Company with a net cash position of US$116.0 million.

* *For identification purposes only*

- The Company completed the following acquisitions during the year:
  - High Sierra ("High Sierra"), which provides the Company a strong brand and product offering and a larger foothold in the North American casual bag market; and
  - HL Operating Corp. doing business as Hartmann ("Hartmann"), which gives the Company a strong brand to expand its presence in the luxury luggage and leather goods market.

  Both acquisitions create opportunities to leverage the Company's well-established global distribution network and retail presence to significantly expand the brands both in the U.S. and internationally.

- On March 18, 2013, the Company's Board of Directors recommended that a cash distribution in the amount of US$37.5 million, or US$0.02665 per share, be made to the Company's shareholders, a 25.0% increase from the US$30.0 million distribution paid in 2012.

(Expressed in millions of US Dollars, except per share data)	**Year ended December 31,**		Percentage change
	2012	2011	
Net Sales	**1,771.7**	1,565.1	13.2%
Profit for the period	**166.6**	103.6	60.8%
Adjusted Net Income(1)	**167.2**	136.8	22.2%
Adjusted EBITDA(2)	**286.5**	248.3	15.4%
Adjusted EBITDA Margin(3)	**16.2%**	15.9%	—
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.11**	0.06	83.3%
Adjusted basic and diluted earnings per share(4) *(Expressed in US Dollars per share)*	**0.12**	0.10	20.0%

(1) Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of non-recurring costs and charges and certain other non-cash charges that impact the Company's reported profit for the period. See "Management Discussion and Analysis – Adjusted Net Income" for a reconciliation from the Company's profit for the period to Adjusted Net Income.

(2) Adjusted EBITDA, a non-IFRS measure, eliminates the effect of a number of non-recurring costs and charges and certain other non-cash charges, which the Company believes is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business. See "Management Discussion and Analysis – Adjusted EBITDA" for a reconciliation from the Company's profit for the period to Adjusted EBITDA.

(3) Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.

(4) Adjusted earnings per share, a non-IFRS measure, is calculated by dividing Adjusted Net Income by the weighted average number of shares outstanding during the period.

The Board of Directors of Samsonite International S.A. (together with its consolidated subsidiaries, the "Company") is pleased to announce the consolidated final results of the Company for the year ended December 31, 2012 together with comparative figures for the year ended December 31, 2011. The following financial information, including comparative figures, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

CHAIRMAN'S STATEMENT

2012 is the first full year post the listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited in June 2011, and I am pleased to report another very encouraging set of results. Although general economic performance across many of our key markets has been uneven, the growth in tourism and travel, which underpins our business, has been robust. As a result, our sales grew strongly in Asia and the US, and despite the troubled situation in the Eurozone, there was a useful advance in this region. The Company also made two important acquisitions to complement our *Samsonite* and *American Tourister* brands: *High Sierra*, purchased for US$108.0 million, is an outdoor lifestyle brand with a strong position in casual luggage; and *Hartmann*, purchased for US$34.0 million, is a leading travel goods brand in the luxury segment with a heritage dating back to 1887.

An important feature of the economic landscape in 2012 has been the stronger US dollar. We are pleased that the Company has achieved the results reported below in spite of this considerable headwind: this affected mainly Euro economies and India, with pressure on input costs and the negative translation impact of sales and profits into our reporting currency.

In 2012, the Company's total net sales increased by 13.2% from the previous year to a record US$1,771.7 million. Excluding foreign currency effects, net sales increased by 16.8%. Reported profit of the Company increased by a substantial 60.8% to US$166.6 million. However, in the report below, some key measures are reported with some adjustments, and this is designed to give a clearer picture of the underlying performance of the business. In the main, the adjustments relate to one-off costs associated with the listing in 2011, as well as certain non-cash charges. On this adjusted basis, Net Income increased by 22.2% to US$167.2 million.

Adjusted EBITDA, which we view as an important measure of the Company's overall profitability, increased by 15.4% to US$286.5 million. On the same basis, the EBITDA margin on sales advanced slightly from 15.9% to 16.2%.

One area of significant improvement over 2011 is the cash flow generated from operating activities, which increased from US$64.5 million in 2011 to US$203.0 million in 2012. This contributed to a net cash position of US$116.0 million at the end of the year, despite expenditure on acquisitions of US$142.0 million.

Earnings per share on an adjusted basis increased from US$0.10 in 2011 to US$0.12 in 2012. The Board has previously indicated its intention to follow a progressive distribution policy, and given these strong results, has recommended that the cash distribution to shareholders should be increased from US$0.02132 per share paid in 2012 to US$0.02665 per share to be paid in 2013. This represents a total cash distribution of US$37.5 million.

Our Board of Directors granted share options to certain directors and employees of the Company and its subsidiaries on January 8, 2013. The share options entitle the recipients to subscribe to an aggregate of 15,532,227 new ordinary shares. Our share award scheme assists the Company in attracting skilled and experienced personnel, incentivises them to remain with the Company, and motivates them to strive for the future development and expansion of the Company by providing them with the opportunity to acquire equity interests in the Company.

There are several factors responsible for the continuing strong performance of our business. Firstly, we have consistently applied the strategy outlined in my last report and described above. In essence we are a company that seeks to achieve the benefits of global scale whilst at the same time tailoring our products to the tastes of local markets. The Company has a highly developed sourcing and logistics infrastructure supported by effective, frequently updated systems. However, the strength of our business rests on the building blocks of the regions, and the individual markets within each region. All of our key markets, from the US to China to Germany have their own particular consumer tastes and distribution characteristics. It is our ability to adapt to these widely differing requirements, whilst at the same time strictly controlling brand image and quality, that sets our company apart. Not only do we go local in terms of product; we aim to staff our operations around the world with local talent imbued with an understanding of what drives consumers in their respective geographies.

Secondly, the travel and tourism market, a key driver of our business, continues to expand, with global inbound tourists reaching 1 billion for the first time in 2012 according to the World Tourism Organization (UNWTO). Not only is Asian tourism growing at a fast rate, especially into and out of China; in more mature markets, the increase in the number of routes flown by budget airlines continues to drive demand. Changing regulations on cabin baggage on aircraft and the increasingly common practice of weight-based charging for hold baggage have made consumers more aware of volume capacity and lightness in luggage.

Thirdly, we have responded to these shifting requirements with innovative product designs supported by relevant marketing campaigns. The extent to which Samsonite invests in advertising its brands globally ahead of our competitors, explains why our business has gained share in many key markets. We are always looking for new ways to excite our customers' interest with new features, new looks and new materials on our products.

Fourthly, it is noticeable this year how much the *American Tourister* brand has contributed to our overall results, especially in Asia. Whilst *Samsonite*, the world's leading travel goods brand, accounts for a high percentage of our sales, the more affordable *American Tourister* product ranges are finding a large market of customers seeking a more accessible international brand. This has also been a strong year for the brand in the US, and we are gaining some traction in Europe.

Thus, in 2012, sales under the *Samsonite* brand on a constant currency basis, increased by 9.7% to US$1,295.7 million (73.1% of sales). On the other hand, *American Tourister* increased by 47.4% to $354.6 million and now accounts for 20.0% of total sales. Most of this growth (over 80% of the increase) was in Asia.

As mentioned above, the strong dollar had an impact on our business this year, in particular against the Euro (which ended the year at an average rate of US$1.29 versus US$1.40 for 2011) which reduced our reported sales by approximately US$28.0 million. The other significant currency affected was the Indian Rupee (down from an average rate of US$0.022 to US$0.019 over the year) with a reduction in US dollar reported sales of approximately US$14.8 million. Allowing for these shifts and looking at constant currency comparisons, Asia and the US were the main drivers of growth in 2012, both in excess of 20.0%. Europe felt the full-year effect of the Eurozone crisis, pushing growth in Euros down to single digits (and slightly negative in US dollars). A similar low growth rate was recorded in Latin America, wholly due to the impact of physical import controls being imposed in Argentina, our third largest market in the region.

Asia is Samsonite's largest region by a wide margin, with sales of US$684.2 million accounting for 38.6% of total company sales. Excluding foreign currency effects, sales growth in 2012 was 21.0%, which although an excellent result, is lower than previous years. This reflects in part the maturing of the business, as last year's base is considerably higher than the year before. It is also the result of some softening in the Chinese economy and difficult conditions in the Indian market. Despite these challenges, we are pleased with the result in the Chinese market where sales were up 20.4%, driven by a strong *American Tourister* performance and the continuing expansion of points of sale. Although there is a new realism in expectations of the Chinese economy, it will remain the lynchpin of our Asian business, and we continue to invest in new retail distribution - last year we added almost 200 points of sale to bring the total to just under 1,000. South Korea has become our second biggest market in Asia, with sales growth of 33.7% coming mainly from *American Tourister* TV home shopping business and new *Samsonite Red* casual brand which has rapidly attained critical mass. 2012 was a difficult year in India, but better economic conditions and some reorganizing of our operations saw improving results in the latter part of the year. Another market where the Company made progress was Japan, where the sales advanced 27.4%. We have successfully opened more counters in department stores, and the Company's *Deux Moncx* premium leather goods brand has also made good progress. Mention should also be made of some of the smaller markets such as Thailand (sales up 16.9%), Indonesia (sales up 61.9%) and the Philippines (up 32.8%), which will grow in importance over the next few years.

2012 was a great year for our North American business. Our organic business benefited from a raft of new product listings, and this reflected the strength of our business model which gives the local team freedom to tailor our products closely to the requirements of major retail partners and consumers. It was encouraging to see listings not only with department stores, but some important gains in hypermarket chains and electronic retailers. Sales increased by 28.9% on a constant currency basis. Excluding the impact of the acquisitions of *High Sierra* and *Hartmann*, the increase was still an impressive 22.3% in what is quite a mature market. Both *Samsonite* and *American Tourister* contributed to the growth in the market, with sales up 21.6% and 23.7%, respectively. It is too early to assess the performance of *High Sierra* and *Hartmann*, which derive most of their sales from the American market. However the integration of both businesses is substantially complete, and plans are well advanced to expand product ranges and distribution.

It was a more difficult year in Europe, with sales up 4.9% on a constant currency basis. We are pleased with the progress in Germany, where turnover increased by 14.9%, and it has now become our number one market in the region. However, conditions were tough in Southern Europe, with Italy down 15.7% and Spain down 9.2%. Most other markets performed adequately, with some of the emerging territories doing particularly well, most notably Russia, South Africa (part of this region) and Turkey where sales were up 37.5%, 33.2% and 13.6%, respectively. The new Curv Firelite model shows promise and the new polypropylene S'Cure case has been a great success. On the other hand a dearth of new product introductions dented the business category. There is now a strong pipeline of introductions for 2013.

Our Latin American business continues to suffer from the effects of import controls in Argentina, where our sales contracted by 23.8% in constant currency terms. Overall, sales for the region increased by 7.5%, with the two key territories of Chile and Mexico up 11.0% and 11.9%, respectively. One of the main sources of growth in these markets is the back-to-school backpack business under the *Xtrem* brand, which has done well. Brazil, where we are extending our points of sale, was up 14.1% and represents a major opportunity in the future.

Most of the growth in 2012 came from travel products, up 18.5% in constant currency terms, and now accounting for 76.6% of the total Company sales. Globally, the hardside luggage market has been buoyant, and we have especially strong product ranges in this category. Also, much of the growth under the *American Tourister* brand has been in the travel segment. It was a disappointing year for the business category: whilst sales were up 20.8% in the US, we could only manage 5.9% in Asia and a fall of 19.3% in Europe. Some of this was due to late product introductions, as we completely overhauled our ranges in this segment, and as noted above next year should be stronger. The casual category increased by 36.6%, reflecting in part the contribution of *High Sierra*, but the Company also benefited from an expanded product offering. It is also encouraging to report that accessories were up 17.2%, as we continue to invest in new product offerings, and we also made some progress in small leather goods, umbrellas and handbags, although this is still a very limited activity.

One of the great strengths of our business is the ability to invest far more than our competitors in our brands, and this remains a key element of our product and marketing strategy. However, in 2012, although our spend remained substantial, at 6.6% of sales, it was down US$5.6 million, or 4.6% on the previous year. The reason for this is primarily mix, with faster growth in the US diluting the overall spend, but it was also affected by some curtailing of spend to maintain the profitability of the European business in the face of tough economic conditions. In the future we expect our investment in marketing to increase broadly in line with sales.

As mentioned earlier, this has been a difficult year for currency. In Europe especially, the effect of a higher Renminbi on margins has been significant, although we have been able to mitigate the impact with two price increases. Whilst the strength of our brand has supported these increases, this situation is not repeatable indefinitely. Already, as sentiment towards the Eurozone has improved, the Euro has reversed some of the losses of last year, but the eventual outcome cannot be predicted with any certainty. Our factory in Szekszard, Hungary has doubled output and we are exploring other possibilities to manufacture closer to markets in the US and Europe. However, Asia will continue to be the base for sourcing many of our products, and we are working with partner factories to improve productivity in the face of rising labour costs.

Capital expenditure was virtually unchanged on last year: up from US$37.2 million to US$37.9 million. Most of this related to the expansion of capacity in Szekszard, and further investment in retail stores. There will be a substantial one-off increase planned for 2013 to US$72.6 million for the construction of a new warehouse in Europe, further retail expansion and some additional investment in machinery and equipment.

Net cash flow from operating activities increased substantially in 2012, from US$64.5 million to US$203.0 million. This reflected a US$84.8 million increase in cash flows from operating assets and liabilities, as well as the US$30.4 million increase in Adjusted Net Income year-on-year.

The Company's net cash position at the end of the year, and our improving cash conversion from EBITDA, will provide a strong platform for future growth, through investment in our organic business, and by acquisition. We believe the Company can take advantage of a highly-developed international distribution platform and experienced management team to expand our stable of brands focused on the travel, business and casual bag segments, as well as accessories. The global market for these products is still fragmented, and we expect to find opportunities to augment our business across categories and markets.

It is my strong view that a good strategy is one which is consistent. It's worth reiterating the main points of our own, because at all levels this informs our day-to-day management of the business. These are, to:

- Continue to gain market share by leveraging the strength of the Company's brands, *Samsonite, American Tourister, High Sierra* and *Hartmann*;
- Introduce new and innovative product designs, adapted to the needs of consumers in different markets, whilst maintaining our core values of lightness, strength and functionality;
- Improve the efficiency and effectiveness of our supply chain and global distribution network;
- Increase our investment in R&D and marketing broadly in line with sales growth;
- Allocate more resources to the business, casual and accessory categories, where the Company's share is relatively low; and
- Actively evaluate acquisition opportunities that have a compelling strategic fit, leveraging a strong management team and balance sheet capacity.

It is hard to discern a clear trend to the global economy in the near term. It would appear that America is recovering and the outlook for most markets in Latin America is positive. Chinese growth appears steady, and there should be firmer conditions in India. The outlook for most other Asian economies also looks encouraging. On the other hand, there is a greater degree of volatility in sentiment in Europe. Better financial conditions have yet to translate into improved consumer confidence in Southern European countries and we remain cautious about this area. That said, these markets now account for less than 20.0% of our business in the region. On balance our view is that the outlook is somewhat more positive for next year than last as economic sentiment improves and with continued buoyancy in the travel and tourism industry. We believe the Company is well placed to implement its growth strategy and to further strengthen its position as the global market leader in travel goods.

An annual report of course, by definition, deals with the financial outcome of our endeavours. There is no equivalent way to report on the human element to our business, but it seems to me that more effective teamwork is what often differentiates one company from another. In this department I have no doubt that Samsonite scores highly, and without such a committed team of people, we could not hope to manage such a diverse business. I would like to thank all of our people across the world for another year of success on many fronts. There is now strong momentum in the business, and we can look forward to the future with confidence.

Timothy Charles Parker
Chairman
March 19, 2013

CONSOLIDATED INCOME STATEMENT

(Expressed in thousands of US Dollars, except per share data)	Note	Year ended December 31, 2012	2011
Net sales	3	**1,771,726**	1,565,147
Cost of sales		**(820,721)**	(708,199)
Gross profit		**951,005**	856,948
Distribution expenses		**(466,471)**	(410,889)
Marketing expenses		**(117,211)**	(122,822)
General and administrative expenses		**(121,132)**	(113,613)
Other (expenses) income		**(4,449)**	306
Operating profit		**241,742**	209,930
Finance income	10	**1,187**	1,247
Finance costs	10	**(18,229)**	(71,879)
Net finance costs		**(17,042)**	(70,632)
Profit before income tax		**224,700**	139,298
Income tax expense	11	**(58,073)**	(35,680)
Profit for the year		**166,627**	103,618
Profit attributable to the equity holders		**148,439**	86,748
Profit attributable to non-controlling interests		**18,188**	16,870
Profit for the year		**166,627**	103,618
Earnings per share			
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	9	**0.11**	0.06

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in thousands of US Dollars)	Note	Year ended December 31, **2012**	2011
Profit for the year		**166,627**	103,618
Other comprehensive income:			
Recognition of previously unrecognized deferred tax on defined benefit plans		**34,899**	—
Actuarial losses on defined benefit plans		**(26,829)**	(12,886)
Changes in fair value of cash flow hedges		**(6,267)**	5,401
Foreign currency translation gains / (losses) for foreign operations		**8,134**	(15,357)
Income tax benefit (expense) on other comprehensive income (loss) items	11	**12,392**	(1,586)
Other comprehensive income		**22,329**	(24,428)
Total comprehensive income		**188,956**	79,190
Total comprehensive income attributable to the equity holders		**169,982**	64,585
Total comprehensive income attributable to non-controlling interests		**18,974**	14,605
Total comprehensive income for the year		**188,956**	79,190

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of US Dollars)	Note	**December 31, 2012**	December 31, 2011
Non-Current Assets			
Property, plant and equipment, net		**135,824**	127,975
Goodwill		**214,356**	153,212
Other intangible assets, net		**671,522**	619,438
Deferred tax assets		**55,302**	14,023
Other assets and receivables		**22,793**	18,500
Total non-current assets		**1,099,797**	933,148
Current Assets			
Inventories		**277,516**	236,957
Trade and other receivables, net	5	**222,159**	171,552
Prepaid expenses and other assets		**62,293**	61,630
Cash and cash equivalents	6	**151,399**	141,259
Total current assets		**713,367**	611,398
Total assets		**1,813,164**	1,544,546
Equity and Liabilities			
Equity:			
Share capital		**14,071**	14,071
Reserves		**1,037,522**	904,060
Total equity attributable to equity holders		**1,051,593**	918,131
Non-controlling interests		**34,512**	27,069
Total equity		**1,086,105**	945,200

(Expressed in thousands of US Dollars)	Note	**December 31, 2012**	December 31, 2011
Non-Current Liabilities			
Loans and borrowings	7	**64**	71
Employee benefits		**68,378**	59,725
Non-derivative financial instruments		**44,950**	29,522
Deferred tax liabilities		**113,809**	120,307
Other liabilities		**6,319**	6,252
Total non-current liabilities		**233,520**	215,877
Current Liabilities			
Loans and borrowings	7	**32,234**	11,696
Employee benefits		**49,977**	45,182
Trade and other payables	8	**362,488**	286,560
Current tax liabilities		**48,840**	40,031
Total current liabilities		**493,539**	383,469
Total liabilities		**727,059**	599,346
Total equity and liabilities		**1,813,164**	1,544,546
Net current assets		**219,828**	227,929
Total assets less current liabilities		**1,319,625**	1,161,077

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

(Expressed in thousands of US Dollars)	Note	Year ended December 31, **2012**	2011
Cash flows from operating activities:			
Profit for the year		**166,627**	103,618
Adjustments to reconcile profit to net cash generated from operating activities:			
Gain on sale and disposal of assets, net		**(211)**	(252)
Depreciation		**31,770**	30,158
Amortization of intangible assets		**8,491**	8,333
Provision for doubtful accounts		**1,861**	806
Reversal of provision for restructuring activities		**—**	(877)
Change in fair value of put options		**8,908**	8,644
Net change in defined benefit pension plan		**(17,260)**	(29,989)
Non-cash interest expense		**—**	32,806
Non-cash share-based compensation		**—**	200
Income tax expense	11	**58,073**	35,680
		258,259	189,127
Changes in operating assets and liabilities (excluding the effects of acquisitions):			
Trade and other receivables		**(32,747)**	(33,244)
Inventories		**(20,671)**	(24,628)
Other current assets		**4,727**	258
Trade and other payables		**64,022**	(6,906)
Other assets and liabilities, net		**(13,510)**	(18,505)
Cash generated from operating activities		**260,080**	106,102
Interest paid		**(2,945)**	(4,299)
Income tax paid		**(54,143)**	(37,301)
Net cash generated from operating activities		**202,992**	64,502

(Expressed in thousands of US Dollars)	Note	Year ended December 31, 2012	2011
Cash flows from investing activities:			
Purchases of property, plant and equipment		**(37,941)**	(37,172)
Acquisition of businesses, net of cash acquired	4	**(141,953)**	—
Other proceeds		**713**	1,401
Net cash used in investing activities		**(179,181)**	(35,771)
Cash flows from financing activities:			
Current loans and borrowings proceeds		**21,034**	2,766
Non-current loans and borrowings payments		—	(279,051)
Cash distribution to equity holders	9	**(30,000)**	—
Proceeds from issuance of share capital in Global Offering		—	225,252
Transaction costs associated with Global Offering recognized in equity		—	(8,899)
Loan note payments		—	(100,989)
Payment of debt issue costs		**(1,069)**	(3,981)
Dividend payments to non-controlling interests		**(6,479)**	(5,390)
Net cash used in financing activities		**(16,514)**	(170,292)
Net increase (decrease) in cash and cash equivalents		**7,297**	(141,561)
Cash and cash equivalents, at January 1		**141,259**	285,798
Effect of exchange rate changes on cash and cash equivalents		**2,843**	(2,978)
Cash and cash equivalents, at December 31	6	**151,399**	141,259

The accompanying notes form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Background

Samsonite International S.A. (together with its consolidated subsidiaries, the "Company") is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, and travel accessories throughout the world, primarily under the *Samsonite®*, *American Tourister®*, *High Sierra®* and *Hartmann®* brand names and other owned and licensed brand names. The Company sells its products through a variety of wholesale distribution channels and through its company operated retail stores. The principal luggage wholesale distribution customers of the Company are department and specialty retail stores, mass merchants, catalog showrooms and warehouse clubs. The Company sells its products in Asia, Europe, North America and Latin America.

The Company completed an initial public offering of its ordinary shares on the Main Board of The Stock Exchange of Hong Kong Limited on June 16, 2011 (the "Global Offering"). The Company was incorporated in Luxembourg on March 8, 2011 as a public limited liability company (a société anonyme), whose registered office is 13-15 Avenue de la Liberté, L-1931, Luxembourg. Prior to the completion of the Global Offering, on June 10, 2011 the Company became the parent company of the consolidated subsidiaries. The beneficial owners of the ordinary shares of Delilah Holdings S.à.r.l. ("OldCo"), the previous parent company of the consolidated subsidiaries, contributed their ordinary shares in OldCo to the Company in consideration for the issue of ordinary shares in the Company. Details of the Global Offering and related events are set out in note 6 of the 2011 annual report.

(2) Principal Accounting Policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which collective term includes all International Accounting Standards ("IAS") and related interpretations, as issued by the International Accounting Standards Board (the "IASB").

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the consolidated financial statements, the Company has adopted all these new and revised IFRSs for all periods presented, except for any new standards or interpretations that are not yet mandatorily effective for the accounting period ended December 31, 2012.

The consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

(3) Segment Reporting

(a) Operating Segments

Management of the business and evaluation of operating results is organized primarily along geographic lines dividing responsibility for the Company's operations, besides the Corporate segment, as follows:

- Asia – which includes operations in South Asia (India and Middle East), China, Singapore, South Korea, Taiwan, Malaysia, Japan, Hong Kong, Thailand, Indonesia, Philippines and Australia;
- Europe – which includes operations in European countries as well as Africa;
- North America – which includes operations in the United States of America and Canada;
- Latin America – which includes operations in Chile, Mexico, Argentina, Brazil and Uruguay; and
- Corporate – which primarily includes certain licensing activities from brand names owned by the Company and Corporate headquarters overhead.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit or loss, as included in the internal management reports. Segment operating profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the Company's segments.

Segment information as of and for the years ended December 31, 2012 and December 31, 2011 is as follows:

	Year ended December 31, 2012					
(Expressed in thousands of US Dollars)	**Asia**	**Europe**	**North America**	**Latin America**	**Corporate**	**Consolidated**
External revenues	**684,154**	**465,383**	**499,924**	**112,556**	**9,709**	**1,771,726**
Operating profit	**87,946**	**43,099**	**38,458**	**10,968**	**61,271**	**241,742**
Depreciation and amortization	**14,643**	**14,928**	**3,796**	**4,092**	**2,802**	**40,261**
Capital expenditure	**14,317**	**15,173**	**4,533**	**2,953**	**965**	**37,941**
Interest income	**211**	**188**	**16**	**25**	**747**	**1,187**
Interest expense	**(1,809)**	**(139)**	**–**	**(296)**	**(1,683)**	**(3,927)**
Income tax expense	**(20,136)**	**(9,889)**	**(14,398)**	**1,732**	**(15,382)**	**(58,073)**
Total assets	**499,149**	**422,793**	**512,975**	**91,795**	**286,452**	**1,813,164**
Total liabilities	**193,273**	**189,390**	**463,569**	**46,011**	**(165,184)**	**727,059**

	Year ended December 31, 2011					
(Expressed in thousands of US Dollars)	Asia	Europe	North America	Latin America	Corporate	Consolidated
External revenues	578,316	479,089	388,190	108,601	10,951	1,565,147
Operating profit	62,136	61,327	39,639	9,871	36,957	209,930
Depreciation and amortization	13,224	13,441	3,478	3,822	4,526	38,491
Capital expenditure	13,826	16,924	3,761	1,829	832	37,172
Restructuring charges / (reversal of charges)	—	(884)	—	—	7	(877)
Interest income	142	184	9	26	886	1,247
Interest expense	(1,861)	(23,158)	—	(540)	(11,726)	(37,285)
Income tax expense	(13,447)	(11,367)	(465)	(1,497)	(8,904)	(35,680)
Total assets	498,725	407,866	509,861	83,299	44,795	1,544,546
Total liabilities	186,597	186,618	461,947	40,857	(276,673)	599,346

(b) Geographical Information

The following tables set out enterprise-wide information about the geographical location of (i) the Company's revenue from external customers and (ii) the Company's property, plant, and equipment, intangible assets and goodwill (specified non-current assets). The geographical location of customers is based on the selling location of the goods. The geographical location of the specified non-current assets is based on the physical location of the asset.

(i) Revenue from External Customers

The following table presents the revenues earned from customers in major geographical locations where the Company has operations.

(Expressed in thousands of US Dollars)	**Year ended December 31,**	
	2012	2011
Asia:		
China	**178,035**	144,594
Hong Kong[(1)]	**56,473**	48,392
Philippines	**4,869**	3,567
Taiwan	**18,212**	14,252
India	**102,329**	109,846
United Arab Emirates	**27,714**	21,364
Australia	**40,678**	34,881
South Korea	**122,921**	93,969
Japan	**66,013**	51,984
Singapore	**21,328**	19,399
Other	**45,582**	36,068
Total Asia	**684,154**	578,316
Europe:		
Italy	**52,383**	67,549
France	**59,580**	61,024
Germany	**64,502**	61,077
Spain	**39,075**	46,973
Belgium	**58,164**	59,561
Holland	**23,470**	25,030
United Kingdom	**30,754**	30,120
Austria	**11,901**	11,338
Switzerland	**16,692**	18,037
Russia	**35,931**	28,020
Turkey	**11,684**	11,059
Other	**61,247**	59,301
Total Europe	**465,383**	479,089
North America:		
United States	**469,773**	360,314
Canada	**30,151**	27,876
Total North America	**499,924**	388,190
Latin America:		
Chile	**54,998**	50,158
Mexico	**34,240**	32,790
Argentina	**9,823**	14,218
Other	**13,495**	11,435
Total Latin America	**112,556**	108,601
Corporate and other (royalty revenue):		
Luxembourg	**9,522**	10,713
United States	**187**	238
Total Corporate and other	**9,709**	10,951
Total	**1,771,726**	1,565,147

(1) Includes Macau

(ii) Specified Non-current Assets

The following table presents the Company's significant non-current assets by geographical location. Unallocated specified non-current assets mainly comprise goodwill.

(Expressed in thousands of US Dollars)	December 31,	
	2012	2011
United States	**27,056**	24,545
Luxembourg	**588,828**	532,428
India	**24,037**	25,307
China	**16,544**	15,623
South Korea	**10,503**	10,737
Hong Kong	**9,457**	9,049
Belgium	**51,111**	45,803
Chile	**12,834**	10,510

(4) Business Combinations

(a) High Sierra

On July 17, 2012, certain of the Company's wholly-owned subsidiaries (the "Samsonite Purchasers") entered into an Asset Purchase Agreement with High Sierra Sport Company ("High Sierra"), pursuant to which on July 31, 2012 the Samsonite Purchasers purchased substantially all of the assets of High Sierra for a cash consideration of US$108.0 million. The Samsonite Purchasers purchased substantially all of the assets of High Sierra excluding cash, certain receivables, and certain other retained assets and assumed all balance sheet liabilities and certain contractual liabilities of High Sierra.

High Sierra is a U.S.-based manufacturer and distributor of casual bags and adventure travel luggage. Its products are targeted at active lifestyle consumers including outdoor enthusiasts, skiers and snowboarders, adventure travelers and students. It is the official supplier of bags and luggage for the U.S. Ski and Snowboard Team. The *High Sierra* brand was founded in 1978.

The acquisition gives the Company a strong brand and product offering that provides a foothold in the North American casual bag market. It also provides the Company with opportunities to leverage its well-established global distribution network and retail presence to significantly expand High Sierra's brand in additional markets in Asia, Europe and Latin America.

From the date of acquisition, *High Sierra* contributed US$17.6 million of revenue and US$1.2 million of profit to the consolidated results of the Company for the year ended December 31, 2012.

The following summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

(Expressed in thousands of US Dollars)	
Property, plant and equipment	195
Intangible assets	43,000
Inventories	11,087
Trade receivables	13,267
Other current assets	88
Trade payables	(3,123)
Other current liabilities	(4,254)

The trade receivables comprise gross contractual amounts due of US$14.3 million, of which US$1.0 million was expected to be uncollectible at the acquisition date.

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised.

Goodwill in the amount of US$47.7 million was recognized as a result of the acquisition. The goodwill is attributable mainly to the synergies expected to be achieved from integrating High Sierra into the Company's existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

(b) HL Operating Corp. doing business as Hartmann

On August 2, 2012, a wholly-owned subsidiary of the Company (the "Samsonite Purchaser") entered into a Merger Agreement with HL Operating Corp. ("Hartmann"), pursuant to which on August 2, 2012 the Samsonite Purchaser completed the acquisition, by way of merger, of all of the outstanding shares of the capital stock of Hartmann for a cash consideration of US$34.0 million.

Hartmann is a U.S.-based manufacturer and distributor of luggage, business cases, tote bags and leather accessories under the *Hartmann®* brand. Founded by Joseph S. Hartmann in 1877, Hartmann has established the brand as a mark of quality among American luxury consumers, with its products appealing to business and leisure consumers alike. The brand is currently offered through multiple channels, including leading retailers, corporate clients, *Hartmann* retail stores and its corporate website.

The acquisition gives the Company a strong brand to expand its presence in the luxury luggage and leather goods market as well as opportunities to leverage its well-established global distribution network and retail presence to significantly expand the *Hartmann* brand both in the U.S. and internationally.

From the date of acquisition, *Hartmann* contributed US$8.0 million of revenue and US$0.1 million of profit to the consolidated results of the Company for the year ended December 31, 2012.

The following summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

(Expressed in thousands of US Dollars)

Property, plant and equipment	52
Intangible assets	17,000
Inventories	4,987
Trade receivables	3,249
Other current assets	2,414
Trade payables	(4,577)
Deferred tax liabilities	(1,080)
Other current liabilities	(1,496)

The trade receivables comprise gross contractual amounts due of US$3.3 million, of which US$0.1 million was expected to be uncollectible at the acquisition date.

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised.

Goodwill in the amount of US$13.5 million was recognized as a result of the acquisition. The goodwill is attributable mainly to the synergies expected to be achieved from integrating Hartmann into the Company's existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

(5) Trade and Other Receivables

Trade and other receivables are presented net of related allowances for doubtful accounts of US$12.9 million and US$11.3 million as of December 31, 2012 and December 31, 2011, respectively.

(a) Aging Analysis

Included in trade and other receivables are trade receivables (net of allowance for doubtful accounts) of US$211.5 million and US$165.0 million as of December 31, 2012 and December 31, 2011, respectively, with the following aging analysis by invoice date:

(Expressed in thousands of US Dollars)	**December 31, 2012**	December 31, 2011
Current	**173,185**	127,926
Past due	**38,311**	37,074
	211,496	165,000

Credit terms are granted based on the credit worthiness of individual customers. As of December 31, 2012, trade receivables are on average due within 60 days from the date of billing.

(b) Impairment of Trade Receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Company is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The Company does not hold any collateral over these balances.

The movement in the allowance for doubtful accounts during the year:

(Expressed in thousands of US Dollars)	**Year ended December 31, 2012**	Year ended December 31, 2011
At January 1	**11,309**	12,485
Impairment loss recognized	**1,861**	806
Impairment loss written back	**(298)**	(1,982)
At December 31	**12,872**	11,309

(6) Cash and Cash Equivalents

(Expressed in thousands of US Dollars)	December 31, **2012**	2011
Bank balances	**110,561**	121,188
Short-term investments	**40,838**	20,071
Total cash and cash equivalents	**151,399**	141,259

Short-term investments are comprised of overnight sweep accounts and time deposits. As of December 31, 2012 and December 31, 2011 the Company had no restrictions on the use of any of its cash.

(7) Loans and Borrowings

(a) Non-current Obligations

(Expressed in thousands of US Dollars)	December 31, **2012**	2011
Finance lease obligations	**97**	78
Less current installments	**33**	7
Non-current loans and borrowings	**64**	71

In 2007, the Company entered into an arrangement with a bank to provide funding in the amount of US$33.0 million to the Company's Chilean subsidiary. The Company provided US$33.0 million to the bank to secure the debt. The Company has offset these amounts in the accompanying consolidated statement of financial position. As of December 31, 2012 and December 31, 2011 the balance both on deposit with the bank and due on the loan to the Chilean subsidiary was US$16.1 million and US$23.7 million, respectively.

(b) Current Obligations

The Company had the following current obligations:

(Expressed in thousands of US Dollars)	December 31, **2012**	2011
Revolving Credit Facility	**25,000**	—
Current installments of non-current obligations	**33**	7
Other lines of credit	**10,297**	15,008
Total current obligations	**35,330**	15,015
Less deferred financing costs	**(3,096)**	(3,319)
Current loans and borrowings	**32,234**	11,696

Certain subsidiaries of the Company maintain credit lines with various third party lenders in the regions in which they operate. These local credit lines provide working capital for the day to day business operations of the subsidiaries, including overdraft, bank guarantee, and trade finance and factoring facilities. The majority of these credit lines are uncommitted facilities. The total aggregate amount outstanding under the local facilities was US$10.3 million and US$15.0 million at December 31, 2012 and December 31, 2011, respectively. The unused available lines of credit amounted to US$51.9 million and US$59.6 million as of December 31, 2012 and December 31, 2011, respectively.

On July 2, 2012, the Company increased its existing revolving credit facility (the "Revolving Facility") from US$100.0 million to US$300.0 million. The facility can be increased by an additional US$100.0 million, subject to lender approval. The Revolving Facility has an initial term of three years, with a one year extension available at the request of the Company and at the option of the lenders. The interest rate on borrowings under the Revolving Facility is the aggregate of (i) (a) LIBOR (or EURIBOR in the case of borrowings made in Euro) or (b) the prime rate of the lender and (ii) a margin to be determined based on the Company's leverage ratio. The Revolving Facility carries a commitment fee of 0.175% per annum on any unutilized amounts, as well as an agency fee. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the Company's intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Company's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Company was in compliance with the financial covenants as of December 31, 2012. At December 31, 2012 and December 31, 2011, US$25.0 million and US$0 were borrowed on the facility, respectively. At December 31, 2012, US$269.0 million was available to be borrowed on the Revolving Facility as a result of the US$25.0 million outstanding borrowing and the utilization of US$6.0 million of the facility for outstanding letters of credit. At December 31, 2011, US$82.4 million was available on the Revolving Facility as a result of the utilization of US$17.6 million of the facility for outstanding letters of credit.

(8) Trade and Other Payables

(Expressed in thousands of US Dollars)	**December 31, 2012**	December 31, 2011
Accounts payable	**268,588**	212,974
Other payables and accruals	**85,074**	66,953
Other tax payables	**8,826**	6,633
Total trade and other payables	**362,488**	286,560

No restructuring charges were recognized during the year ended December 31, 2012. For the year ended December 31, 2011, US$0.9 million of restructuring charges were reversed to reflect a refund from certain local governmental agencies for upfront employee related payments made in connection with restructuring initiatives in 2009.

Included in accounts payable are trade payables with the following aging analysis as of the reporting dates:

(Expressed in thousands of US Dollars)	**December 31, 2012**	December 31, 2011
Current	**200,927**	158,067
Past due	**24,322**	10,163
	225,249	168,230

Trade payables as of December 31, 2012 are on average due within 105 days from the invoice date.

(9) Earnings Per Share

(a) Basic

The calculation of basic earnings per share in the current period is based on the profit attributable to ordinary equity shareholders of the Company, less the guaranteed return on the previously outstanding Class B preference shares of OldCo.

The weighted average number of shares has been calculated as follows:

(Expressed in thousands of US Dollars, except share and per share data)	**Year ended December 31, 2012**	Year ended December 31, 2011
Issued ordinary shares at the beginning of the period	**1,407,137,004**	1,286,036,999
Weighted average impact of issuance of shares in the Global Offering	**–**	66,024,386
Weighted average number of shares at end of the period	**1,407,137,004**	1,352,061,385
Profit attributable to the equity holders	**148,439**	86,748
Less earnings on B preference shares	**–**	(6,489)
Adjusted profit attributable to the equity holders	**148,439**	80,259
Basic earnings per share *(Expressed in US Dollars per share)*	**0.11**	0.06

There was no purchase, sale or redemption by the Company's listed securities by the Company or any of its subsidiaries during the year ended December 31, 2012.

In accordance with IAS 33, *Earnings Per Share*, the ordinary shares of the Company outstanding prior to the Global Offering have been retroactively restated to the earliest period presented. In conjunction with the listing of the Company's shares on The Stock Exchange of Hong Kong Limited on June 16, 2011, the Company issued 121.1 million ordinary shares for HK$14.50 per share.

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no outstanding dilutive instruments during the years ended December 31, 2012 and December 31, 2011.

(c) Dividends and Distributions

On March 27, 2012, the Company's Board of Directors recommended that a cash distribution in the amount of approximately US$30.0 million, or US$0.02132 per share, be made to the Company's shareholders of record on June 15, 2012 from its ad hoc distributable reserve. The shareholders approved this distribution on June 7, 2012 at the annual general meeting and the distribution was paid on July 6, 2012.

No other dividends or distributions were declared or paid during the year ended December 31, 2012.

(10) Finance Income and Finance Costs

The following table presents a summary of finance income and finance costs recognized in the consolidated income statement and consolidated statement of comprehensive income:

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
Recognized in income or loss:		
Interest income on bank deposits	**1,187**	1,247
Finance income	**1,187**	1,247
Interest expense on financial liabilities	**3,927**	37,285
Change in fair value of put options	**8,908**	8,644
Net foreign exchange loss	**3,356**	2,164
Expenses related to the Global Offering	—	24,805
Stabilization Proceeds	—	(3,474)
Other finance costs	**2,038**	2,455
Finance costs	**18,229**	71,879
Net finance costs recognized in profit or loss	**17,042**	70,632
Recognized in other comprehensive income:		
Foreign currency translation differences for foreign operations	**8,134**	(15,357)
Changes in fair value of cash flow hedges	**(6,267)**	5,401
Income tax on finance income and finance costs recognized in other comprehensive income	**1,953**	(1,586)
Net finance costs (income) recognized in other comprehensive income, net of tax	**3,820**	(11,542)
Attributable to:		
Equity holders of the Company	**3,034**	(9,277)
Non-controlling interests	**786**	(2,265)
Finance costs (income) recognized in other comprehensive income, net of tax	**3,820**	(11,542)

(11) Income Taxes

(a) Taxation in the consolidated income statement

(Expressed in thousands of US Dollars)	December 31, **2012**	2011
Current tax expense – Hong Kong Profits Tax:		
Current period	**(2,566)**	(923)
Current tax expense – Foreign:		
Current period	**(50,255)**	(44,203)
Adjustment for prior periods	**(5,738)**	(844)
	(55,993)	(45,047)
Deferred tax (expense) benefit:		
Origination and reversal of temporary differences	**(10,563)**	8,733
Change in tax rate	**(222)**	70
Change in unrecognized deferred tax assets	**(606)**	(9,115)
Recognition of previously unrecognized tax losses	**11,877**	10,602
	486	10,290
Total income tax expense	**(58,073)**	(35,680)

During the year ended December 31, 2012, based upon an evaluation of both positive and negative evidence, the Company concluded that US$47.2 million of previously unrecognized deferred tax assets should be recognized. As part of the Company's analysis, it evaluated, among other factors, its recent history of generating taxable income and its near-term forecasts of future taxable income and determined that it is more likely than not that it will be able to realize an additional US$47.2 million of its deferred tax assets over the next several years. After considering these factors, the Company concluded that recognition of these deferred tax assets was appropriate. Of the US$47.2 million of previously unrecognized deferred tax assets, US$12.3 million was recognized through income tax expense on the income statement and US$34.9 million, which relates to deferred tax assets for pension plans, was recognized through other comprehensive income on the statement of comprehensive income.

The provision for Hong Kong Profits Tax for the years ended December 31, 2012 and December 31, 2011 is calculated at 16.5% of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation in the relevant countries.

(b) Reconciliation between tax expense and profit before taxation at applicable tax rates

(Expressed in thousands of US Dollars)	December 31, 2012	2011
Profit for the year	**166,627**	103,618
Total income tax expense	**(58,073)**	(35,680)
Profit before income tax	**224,700**	139,298
Income tax expense using the Company's applicable tax rate	**(62,406)**	(38,112)
Tax incentives	**14,514**	9,582
Change in tax rates	**(222)**	70
Change in tax reserves	**2,234**	(977)
Non-deductible differences	**(9,708)**	(623)
Unrecognized benefit — Global Offering costs	**–**	(6,099)
Recognition of previously unrecognized tax losses	**11,877**	10,602
Change in unrecognized tax assets	**(606)**	(9,115)
Withholding taxes	**(4,708)**	(2,589)
Other	**(3,310)**	2,425
Under provided in prior periods	**(5,738)**	(844)
	(58,073)	(35,680)

The provision for taxation for the years ended December 31, 2012 and December 31, 2011 is calculated using the Company's applicable tax rate of 27.8% and 27.4%, respectively. The applicable rate is based on the Company's weighted average worldwide tax rate.

(c) Income tax (expense) benefit recognized in Other Comprehensive Income

	December 31,					
	2012			2011		
(Expressed in thousands of US Dollars)	**Before tax**	**Income tax (expense) benefit**	**Net of tax**	Before tax	Income tax (expense) benefit	Net of tax
Recognition of previously unrecognized deferred tax on defined benefit plans	**–**	**34,899**	**34,899**	–	–	–
Defined benefit plan actuarial losses	**(26,829)**	**10,439**	**(16,390)**	(12,886)	(207)	(13,093)
Cash flow hedges	**(6,267)**	**1,953**	**(4,314)**	5,401	(1,379)	4,022
Foreign currency translation differences for foreign operations	**8,134**	**–**	**8,134**	(15,357)	–	(15,357)
	(24,962)	**47,291**	**22,329**	(22,842)	(1,586)	(24,428)

MANAGEMENT DISCUSSION AND ANALYSIS

Samsonite International S.A. (together with its consolidated subsidiaries, the "Company") is the world's largest travel luggage company, with a heritage dating back more than 100 years. The Company is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, and travel accessories throughout the world, primarily under the *Samsonite®*, *American Tourister®*, *High Sierra®* and *Hartmann®* brand names as well as other owned and licensed brand names. The Company's core brand, *Samsonite*, is one of the most well-known travel luggage brands in the world.

The Company sells its products through a variety of wholesale distribution channels and through its company operated retail stores. Its principal luggage wholesale distribution customers are department and specialty retail stores, mass merchants, catalog showrooms and warehouse clubs. The Company sells its products in Asia, Europe, North America and Latin America. As of December 31, 2012, the Company's products were sold at more than 45,000 points of sale in over 100 countries.

Management discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Certain comparative amounts have been reclassified to conform to the presentation adopted in the current year. None of the changes impacts the Company's previously reported consolidated net sales, gross profit, operating profit, income tax expense, profit for the year, earnings per share, net cash generated from operating activities, investing activities or financing activities, or the statement of financial position.

Net Sales

The following table sets forth a breakdown of net sales by region for the years ended December 31, 2012 and December 31, 2011, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by region:						
Asia	**684,154**	**38.6%**	578,316	37.0%	18.3%	21.0%
Europe	**465,383**	**26.3%**	479,089	30.6%	(2.9)%	4.9%
North America	**499,924**	**28.2%**	388,190	24.8%	28.8%	28.9%
Latin America	**112,556**	**6.4%**	108,601	6.9%	3.6%	7.5%
Corporate	**9,709**	**0.5%**	10,951	0.7%	(11.3)%	(11.3)%
Net sales	**1,771,726**	**100.0%**	1,565,147	100.0%	13.2%	16.8%

Net sales increased by US$206.6 million, or 13.2%, to US$1,771.7 million for the year ended December 31, 2012, from US$1,565.1 million for the year ended December 31, 2011. Excluding foreign currency effects, net sales increased by 16.8%. The Company continues to benefit from the worldwide increase in travel. Per the World Tourism Organization (UNWTO), International tourist arrivals grew by 4% in 2012 to over one billion for the first time ever.

The Company's US Dollar reported net sales during 2012 were negatively impacted by the strengthening of the US Dollar, most notably against the Euro and the Indian Rupee. Euro denominated net sales were translated to US dollars at an average foreign exchange rate of US$1.29 for the year ended December 31, 2012 compared to US$1.40 for the year ended December 31, 2011, which negatively impacted reported net sales by approximately US$28.0 million. Net sales denominated in Indian Rupees were translated to US dollars at an average foreign exchange rate of US$0.019 for the year ended December 31, 2012 compared to US$0.022 for the year ended December 31, 2011, which negatively impacted reported net sales by approximately US$14.8 million.

Brands

The following table sets forth a breakdown of net sales by brand for the years ended December 31, 2012 and December 31, 2011, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by brand:						
Samsonite	**1,295,706**	**73.1%**	1,223,353	78.2%	5.9%	9.7%
American Tourister	**354,563**	**20.0%**	249,873	16.0%	41.9%	47.4%
High Sierra[(1)] / *Hartmann*[(2)]	**29,623**	**1.7%**	3,630	0.2%	716.1%	716.1%
Other[(3)]	**91,834**	**5.2%**	88,291	5.6%	4.0%	6.4%
Net sales	**1,771,726**	**100.0%**	1,565,147	100.0%	13.2%	16.8%

Notes

(1) The *High Sierra* brand was acquired on July 31, 2012. Prior to the acquisition, Samsonite Australia was a distributor of *High Sierra* products. Net sales under this distribution arrangement were US$3.6 million during 2011 and were US$2.1 million during the portion of the year ended December 31, 2012 that preceded the acquisition.

(2) The *Hartmann* brand was acquired on August 2, 2012.

(3) Other includes local brands *Saxoline*, *Xtrem* and others.

Net sales of the *Samsonite* brand increased by US$72.4 million, or 5.9%, for the year ended December 31, 2012 compared to the previous year. Excluding foreign currency effects, net sales of the *Samsonite* brand increased by 9.7%. Net sales of the *American Tourister* brand increased by US$104.7 million, or 41.9%, for the year ended December 31, 2012 compared to the previous year. Excluding foreign currency effects, net sales of the *American Tourister* brand increased by 47.4%. Asia accounted for US$85.7 million, or 81.8%, of the US$104.7 million increase in *American Tourister* brand sales for the year. These increases were attributable to expanded product offerings and further penetration of existing markets, which were all supported by the Company's targeted advertising activities.

Product Categories

The Company sells products in four principal product categories: travel, business, casual and accessories. The travel category is the Company's largest category and has been its traditional strength. The following table sets forth a breakdown of net sales by product category for the years ended December 31, 2012 and December 31, 2011, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by product category:						
Travel	**1,357,054**	**76.6%**	1,186,683	75.8%	14.4%	18.5%
Business	**189,561**	**10.7%**	189,582	12.1%	0.0%	2.4%
Casual	**109,743**	**6.2%**	81,849	5.2%	34.1%	36.6%
Accessories	**79,662**	**4.5%**	70,786	4.5%	12.5%	17.2%
Other	**35,706**	**2.0%**	36,247	2.4%	(1.5)%	4.2%
Net sales	**1,771,726**	**100.0%**	1,565,147	100.0%	13.2%	16.8%

The US$206.6 million increase in net sales for the year ended December 31, 2012 compared to the previous year was largely driven by an increase in net sales in the travel product category, which increased by US$170.4 million, or 14.4%. Country-specific product designs, locally relevant marketing strategies and expanded points of sale were the key factors contributing to this increase. Net sales in the business product category remained consistent year-on-year, and increased by 2.4% excluding foreign currency effects. The slight constant currency increase in business product category net sales was driven by a 20.8% increase in North America, a 6.7% increase in Latin America and a 5.9% increase in Asia due to additional product placements and expanded offerings. These increases were marginally offset by a 19.3% decrease in Europe resulting from the economic challenges within the region, as well as the timing of product introductions, a strong competitive environment and stock reductions at key retailers limiting sell-in. Net sales in the casual product category increased by US$27.9 million, or 34.1%, partly attributable to the acquisition of *High Sierra* and as a result of the Company's strategic focus on the expansion of its casual product offerings. Net sales in the accessories product category increased by US$8.9 million, or 12.5%, for the year ended December 31, 2012 compared to the previous year, reflecting expanded product offerings in this category. Net sales in the other product category decreased by US$0.5 million, or 1.5%, for the year ended December 31, 2012 compared to the previous year, reflecting the Company's focus on its core product offerings.

Distribution Channels

The Company sells products through two primary distribution channels: wholesale and retail. The following table sets forth a breakdown of net sales by distribution channel for the years ended December 31, 2012 and December 31, 2011, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by distribution channel:						
Wholesale	**1,425,537**	**80.5%**	1,252,893	80.0%	13.8%	17.9%
Retail	**336,417**	**19.0%**	301,301	19.3%	11.7%	15.1%
Other[(1)]	**9,772**	**0.5%**	10,953	0.7%	(10.8)%	(10.8)%
Net sales	**1,771,726**	**100.0%**	1,565,147	100.0%	13.2%	16.8%

Notes
(1) "Other" primarily consists of licensing income.

During the year ended December 31, 2012, the Company expanded its points of sale by approximately 5,000 to a total of more than 45,000 points of sale worldwide as of December 31, 2012.

The wholesale channel accounted for US$172.6 million, or 83.6%, of the US$206.6 million increase in net sales for the year ended December 31, 2012 compared to the previous year. Net sales in the retail channel increased by US$35.1 million, or 11.7%, over the same period. These increases are primarily due to points of sale expansion and targeted product offerings. On a same store constant currency basis, net sales in the retail channel increased by 7.1%.

Regions

Asia

Net sales for the Asian region increased by US$105.8 million, or 18.3%, to US$684.2 million for the year ended December 31, 2012, from US$578.3 million for the year ended December 31, 2011. Excluding foreign currency effects, net sales increased by 21.0%.

The strong growth in Asia continues to be driven by the *American Tourister* brand, which accounted for US$85.7 million, or 81.0%, of the increase in net sales for the Asian region for the year ended December 31, 2012 compared to the previous year. *American Tourister* now comprises 39.2% of the net sales in the Asian region compared to 31.6% for 2011. Net sales of the *Samsonite* brand, which accounted for 59.0% of net sales in Asia during 2012, increased by US$21.7 million, or 5.7%, from the previous year and by 6.7% excluding foreign currency effects.

Net sales in the travel product category increased by US$87.0 million, or 20.2%, for the year ended December 31, 2012 compared to the previous year. Net sales in the business product category increased by US$5.0 million, or 4.9%, compared to the previous year. Net sales in the casual product category increased by US$12.6 million, or 50.4%. Net sales in the accessories product category increased by US$3.8 million, or 25.9%, compared to the previous year.

Net sales in the wholesale channel increased by US$96.0 million, or 19.2%, for the year ended December 31, 2012 compared to the previous year. Net sales in the retail channel increased by US$9.8 million, or 12.5%, compared to the previous year. On a same store constant currency basis, net sales in the retail channel increased by 9.0%. Over 700 points of sale were added in Asia during 2012, for a total of more than 6,350 in Asia at December 31, 2012.

Along with additional product offerings and points of sale expansion, the Company's success has been bolstered by its continued focus on country-specific product and marketing strategies within Asia to drive increased awareness of and demand for its products. On a constant currency basis, net sales increased in all countries in the Asian region for the year ended December 31, 2012 compared to the previous year. China continues to lead the Asian region in net sales, contributing 26.0% of the regions net sales on 23.1% year-on-year growth. Net sales in India suffered from weak consumer sentiment during most of the year, as well as a strong US Dollar. Net sales denominated in Indian Rupees were translated to US dollars at an average foreign exchange rate of US$0.019 for the year ended December 31, 2012 compared to US$0.022 for the year ended December 31, 2011, which negatively impacted reported net sales by approximately US$14.8 million. South Korea continues to experience robust sales growth driven by the success of the *American Tourister* and *Samsonite Red* brands.

The following table sets forth a breakdown of net sales within the Asian region by geographic location for the years ended December 31, 2012 and December 31, 2011, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[(1)]:						
China	**178,035**	**26.0%**	144,594	25.0%	23.1%	20.4%
South Korea	**122,921**	**18.0%**	93,969	16.2%	30.8%	33.7%
India	**102,329**	**15.0%**	109,846	19.0%	(6.8)%	6.7%
Japan	**66,013**	**9.6%**	51,984	9.0%	27.0%	27.4%
Hong Kong [(2)]	**56,473**	**8.3%**	48,392	8.4%	16.7%	16.3%
Other	**158,383**	**23.1%**	129,531	22.4%	22.3%	23.6%
Net sales	**684,154**	**100.0%**	578,316	100.0%	18.3%	21.0%

Notes

(1) The geographic location of the Company's net sales reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.

(2) Includes Macau.

Europe

Excluding foreign currency effects, net sales for the European region increased by 4.9%. Euro denominated net sales were translated to US dollars at an average foreign exchange rate of US$1.29 for the year ended December 31, 2012 compared to US$1.40 for the previous year, which adversely impacted reported net sales by approximately US$28.0 million. US Dollar reported net sales for the European region decreased by US$13.7 million, or 2.9%, to US$465.4 million for the year ended December 31, 2012, from US$479.1 million for the year ended December 31, 2011.

Excluding Italy and Spain, net sales for the European region increased by US$9.4 million, or 2.6%, year-on-year and by 10.5% excluding foreign currency effects. The Company's business in Italy and Spain were negatively impacted by the weak consumer sentiment brought about by the economic challenges in Southern European countries.

Local currency sales growth has been strong in several markets due to the positive sell-through of new product introductions and the continued success of products manufactured using the Curv material, which were brought to market with effective marketing strategies and local sales teams. Germany is now the Company's leading market in Europe, representing 13.9% of net sales, with robust double-digit sales growth during the year ended December 31, 2012. The Company continued to penetrate the emerging markets of Russia, South Africa and Turkey with year-on-year constant currency net sales growth of 37.5%, 33.2% and 13.6%, respectively.

Excluding foreign currency effects, net sales of the *Samsonite* and *American Tourister* brands increased by 3.4% and 79.2%, respectively, for the year ended December 31, 2012 compared to the previous year. *American Tourister* now comprises 5.2% of the net sales in the European region, compared to 3.1% in the previous year, as the Company penetrates the market at lower price points.

On a constant currency basis, net sales in the travel product category increased by US$31.7 million, or 8.4%, year-on-year. Net sales in the business product category decreased by 19.3% for the year ended December 31, 2012 as a result of the economic challenges within the region, as well as the timing of product introductions, a strong competitive environment and stock reductions at key retailers limiting sell-in. Net sales in the casual product category decreased by 7.4% excluding foreign currency effects primarily due to the absence of *Lacoste* and *Timberland* licensed products in 2012. On a constant currency basis, net sales in the accessories product category increased by 10.4% and net sales in the other product category increased by 20.8%.

Net sales in the wholesale channel decreased by US$23.2 million, or 5.9%, for the year ended December 31, 2012 compared to the previous year. Net sales in the retail channel increased by US$9.5 million, or 10.7%, year-on-year. On a same store constant currency basis, net sales in the retail channel for the European region increased by 6.8%.

The following table sets forth a breakdown of net sales within the European region by geographic location for the years ended December 31, 2012 and December 31, 2011, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location(1):						
Germany	**64,502**	**13.9%**	61,077	12.7%	5.6%	14.9%
France	**59,580**	**12.8%**	61,024	12.7%	(2.4)%	6.1%
Belgium (2)	**58,164**	**12.5%**	59,561	12.4%	(2.3)%	6.3%
Italy	**52,383**	**11.3%**	67,549	14.1%	(22.5)%	(15.7)%
Spain	**39,075**	**8.4%**	46,973	9.8%	(16.8)%	(9.2)%
Russia	**35,931**	**7.7%**	28,020	5.8%	28.2%	37.5%
United Kingdom	**30,754**	**6.6%**	30,120	6.3%	2.1%	3.4%
Other	**124,994**	**26.8%**	124,765	26.2%	0.2%	8.2%
Net sales	**465,383**	**100.0%**	479,089	100.0%	(2.9)%	4.9%

Notes

(1) The geographic location of the Company's net sales reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.

(2) Net sales in Belgium were US$25.1 million and US$24.4 million for the years ended December 31, 2012 and December 31, 2011, respectively. Remaining sales consisted of direct shipments to distributors, customers and agents in other countries.

North America

Net sales for the North American region increased by US$111.7 million, or 28.8%, to US$499.9 million for the year ended December 31, 2012, from US$388.2 million for the year ended December 31, 2011. Excluding foreign currency effects, net sales increased by 28.9%. Excluding net sales attributable to the recently acquired *High Sierra* and *Hartmann* brands, net sales increased by US$86.2 million, or 22.3%.

The North American region had double-digit year-on-year net sales growth in both of the Company's core brands, *Samsonite* and *American Tourister,* and across all product categories and all distribution channels. These increases were largely due to the Company's continued focus on marketing and selling regionally developed products, which has enabled it to bring to market products designed to appeal to the tastes and preferences of North American consumers. Strong consumer demand for the Company's products has allowed it to continue to gain additional product placement with its wholesale customers. Including the impact from acquisitions, more than 3,400 points of sale were added during 2012 for a total of more than 26,900 points of sale in North America at December 31, 2012.

Net sales of the *Samsonite* brand increased by US$72.5 million, or 21.6%, and net sales of the *American Tourister* brand increased by US$10.8 million, or 23.7%, for the year ended December 31, 2012 compared to the previous year.

Net sales in the travel product category increased by US$82.8 million, or 25.2%, year-on-year. Net sales in the business product category increased by US$6.3 million, or 20.7%, for the year ended December 31, 2012 compared to the previous year. Net sales in the casual product category more than doubled from the previous year, in part due to the *High Sierra* acquisition. Net sales in the accessories product category increased by US$5.0 million, or 38.4%, year-on-year.

Net sales in the wholesale channel increased by US$96.6 million, or 33.6%, for the year ended December 31, 2012 compared to the previous year. Net sales in the retail channel increased by US$15.2 million, or 15.1%, year-on-year. On a same store constant currency basis, net sales in the retail channel increased by 3.8%.

The following table sets forth a breakdown of net sales within the North American region by geographic location for the years ended December 31, 2012 and December 31, 2011, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
United States	**469,773**	**94.0%**	360,314	92.8%	30.4%	30.4%
Canada	**30,151**	**6.0%**	27,876	7.2%	8.2%	9.6%
Net sales	**499,924**	**100.0%**	388,190	100.0%	28.8%	28.9%

Notes

(1) The geographic location of the Company's net sales reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.

Latin America

Net sales for the Latin American region increased by US$4.0 million, or 3.6%, to US$112.6 million for the year ended December 31, 2012, from US$108.6 million for the year ended December 31, 2011. Excluding foreign currency effects, net sales increased by 7.5%.

For the year ended December 31, 2012, net sales in Mexico increased by 11.9%, excluding foreign currency effects, compared to the previous year. Net sales in Chile improved by 11.0% year-on-year, excluding foreign currency effects. The double-digit growth in both Mexico and Chile was due in large part to the strength of luggage sales and robust consumer purchases of backpacks for the back-to-school season. Local brand *Xtrem* also continues to flourish in Mexico and Chile. The Company made significant progress in the emerging market of Brazil with year-on-year net sales growth of 14.1%, excluding foreign currency effects, led by points of sale expansion. Net sales in Argentina continued to be negatively impacted by import restrictions imposed by the local government. Excluding Argentina, net sales for the Latin American region increased by US$11.5 million, or 12.2%, excluding foreign currency effects.

Net sales of the *Samsonite* brand increased by US$0.9 million, or 1.8%, for the year ended December 31, 2012 compared to the previous year, while net sales of the *American Tourister* brand decreased by US$1.4 million, or 20.9%, as local brands *Saxoline* and *Xtrem* comprised an increasing share of the region's net sales. Net sales of the local brands *Saxoline* and *Xtrem* increased by US$1.0 million, or 4.2%, and by US$2.9 million, or 11.9%, respectively.

Net sales in the travel product category increased by US$2.3 million, or 4.7%, year-on-year. Net sales in the business product category increased by US$0.3 million, or 2.1%. Net sales in the casual product category increased by US$0.6 million, or 2.1%. Net sales in the accessories product category decreased by US$0.4 million, or 2.6%, year-on-year while net sales in the other product category increased by US$1.2 million.

Net sales in the wholesale channel increased by US$3.2 million, or 4.3%, for the year ended December 31, 2012 compared to the previous year. Net sales in the retail channel increased by US$0.7 million, or 2.0%, year-on-year. On a same store constant currency basis, net sales in the retail channel increased by 14.5%.

The following table sets forth a breakdown of net sales within the Latin American region by geographic location for the years ended December 31, 2012 and December 31, 2011, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
Chile	**54,998**	**48.9%**	50,158	46.2%	9.6%	11.0%
Mexico	**34,240**	**30.4%**	32,790	30.2%	4.4%	11.9%
Argentina	**9,823**	**8.7%**	14,218	13.1%	(30.9)%	(23.8)%
Brazil [2]	**9,628**	**8.6%**	8,481	7.8%	13.5%	14.1%
Other [3]	**3,867**	**3.4%**	2,954	2.7%	30.9%	30.9%
Net sales	**112,556**	**100.0%**	108,601	100.0%	3.6%	7.5%

Notes

(1) The geographic location of the Company's net sales reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.

(2) The net sales figure for Brazil includes net sales attributable to sales made to third party distributors in Brazil.

(3) The net sales figure for Other primarily represents sales made through the Company's distribution center in Uruguay but does not include net sales attributable to sales made in Brazil to third party distributors.

Cost of Sales and Gross Profit

Cost of sales increased by US$112.5 million, or 15.9%, to US$820.7 million (representing 46.3% of net sales) for the year ended December 31, 2012 from US$708.2 million (representing 45.2% of net sales) for the year ended December 31, 2011. Cost of sales increased in line with increased net sales. The increase in cost of sales as a percentage of net sales was primarily due to unfavorable currency impacts, as well as a shift in the Company's product mix which reflected increased sales of *American Tourister* products that yield lower gross profit margins.

Gross profit increased by US$94.1 million, or 11.0%, to US$951.0 million for the year ended December 31, 2012, from US$856.9 million for the year ended December 31, 2011. Gross profit margin decreased from 54.8% for the year ended December 31, 2011 to 53.7% for the year ended December 31, 2012. This decrease was attributable to the factors noted above.

Distribution Expenses

Distribution expenses increased by US$55.6 million, or 13.5%, to US$466.5 million (representing 26.3% of net sales) for the year ended December 31, 2012, from US$410.9 million (representing 26.3% of net sales) for the year ended December 31, 2011. This increase, which was reflected in additional freight to customers, commissions, rent and increased personnel expenses, was primarily due to the increase in sales volume in 2012. Distribution expenses as a percentage of net sales remained consistent year-on-year.

Marketing Expenses

The Company spent US$117.2 million (representing 6.6% of net sales) on marketing for the year ended December 31, 2012 compared to US$122.8 million (representing 7.8% of net sales) for the year ended December 31, 2011, a decrease of US$5.6 million, or 4.6%. Excluding foreign currency effects, marketing expenses decreased by US$1.8 million, or 1.4%. During 2012, the Company employed more targeted and focused advertising and promotional campaigns. The Company believes the success of its efficient advertising campaigns is evident in its net sales growth, and remains committed to enhance brand and product awareness and drive additional net sales growth through marketing activities.

General and Administrative Expenses

General and administrative expenses increased by US$7.5 million, or 6.6%, to US$121.1 million (representing 6.8% of net sales) for the year ended December 31, 2012 from US$113.6 million (representing 7.3% of net sales) for the year ended December 31, 2011. Although general and administrative expenses increased in absolute terms, such expenses decreased as a percentage of net sales by 0.5 percentage points as the Company maintained tight control of its fixed cost base and leveraged it against strong sales growth.

Other Income (Expenses)

The Company recognized net other expenses of US$4.4 million and other income of US$0.3 million for the year ended December 31, 2012 and December 31, 2011, respectively. Other expenses for 2012 include acquisition costs of US$6.4 million, which are primarily comprised of costs associated with due diligence and integration activities, severance, and professional and legal fees for the acquisitions of High Sierra and Hartmann that were completed during 2012. Other income for the year ended December 31, 2011 includes US$0.9 million of restructuring charges that were reversed to reflect a refund from certain local governmental agencies for upfront employee related payments made in connection with restructuring initiatives in 2009.

Operating Profit

The Company’s operating profit was US$241.7 million for the year ended December 31, 2012, an increase of US$31.8 million, or 15.2%, from an operating profit of US$209.9 million for the year ended December 31, 2011. Excluding acquisition costs, operating profit increased by 18.2% year-on-year.

Net Finance Costs

Net finance costs decreased by US$53.6 million, or 75.9%, to US$17.0 million for the year ended December 31, 2012 from US$70.6 million for the year ended December 31, 2011. This decrease was primarily attributable to the absence of certain non-recurring costs and charges related to the recognition of the remaining unamortized discount of US$28.6 million on the former amended senior credit facility upon repayment in full of such facility following the completion of the Company's listing on the Main Board of The Stock Exchange of Hong Kong Limited in June 2011 (the "Global Offering"), as well as US$24.8 million of transaction costs related to the Global Offering.

Profit before Income Tax

The following table sets forth the Company's profit before income tax, and certain non-recurring costs and charges affecting such profit before income tax, for the years ended December 31, 2012 and December 31, 2011.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
Profit before income tax	**224,700**	139,298
(Plus) Minus:		
Expenses related to acquisition activities	**6,417**	—
Additional interest expense recognized on immediate recognition of unamortized discount on debt	—	(28,639)
Expenses related to the Global Offering	—	(24,805)
Global Offering Stabilization Proceeds	—	3,474
Reversals of restructuring charges	—	877
	231,117	188,391

Profit before income tax increased by US$85.4 million, or 61.3%, to US$224.7 million for the year ended December 31, 2012 from US$139.3 million for the year ended December 31, 2011.

Excluding the impact of the items noted above, profit before income tax increased by US$42.7 million, or 22.7%, to US$231.1 million for the year ended December 31, 2012 compared to the previous year.

Income Tax Expense

Income tax expense increased by US$22.4 million, or 62.8%, to US$58.1 million for the year ended December 31, 2012 from US$35.7 million for the year ended December 31, 2011.

The Company's consolidated effective tax rate for operations was 25.8% and 25.6% for the years ended December 31, 2012 and December 31, 2011, respectively. The effective tax rate is calculated using a weighted average income tax rate from those jurisdictions in which the Company is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and the recognition of previously unrecognized deferred tax assets.

During the year ended December 31, 2012, based upon an evaluation of all relevant evidence, the Company concluded that US$47.2 million of previously unrecognized deferred tax assets should be recognized. Of the US$47.2 million of previously unrecognized deferred tax assets, US$12.3 million was recognized as a benefit within income tax expense in the consolidated income statement and US$34.9 million, which relates to deferred tax assets for pension plans, was recognized through other comprehensive income in the consolidated statement of comprehensive income.

Profit for the Year

Profit for the year of US$166.6 million for the year ended December 31, 2012 increased by US$63.0 million, or 60.8%, from US$103.6 million for the year ended December 31, 2011. Excluding the estimated impact of foreign currency translation, profit for the year increased by approximately 65.2%. This increase was primarily driven by the Company's robust sales growth while maintaining tight control of operating costs, followed by the absence of non-recurring costs and charges recognized in conjunction with the listing of the Company's shares and the repayment of its former amended senior credit facility in 2011. Adjusted Net Income, a non-IFRS measure, increased by US$30.4 million, or 22.2%, to US$167.2 million for the year ended December 31, 2012 from US$136.8 million for the year ended December 31, 2011. Excluding the estimated impact of foreign currency translation, Adjusted Net Income increased by approximately 25.4%. See the reconciliation of profit for the year to Adjusted Net Income below for a detailed discussion of the Company's results excluding certain non-recurring costs and charges and other non-cash charges that impacted reported profit for the year.

Basic and diluted earnings per share increased to US$0.11 for the year ended December 31, 2012 from US$0.06 for the year ended December 31, 2011. Adjusted basic and diluted earnings per share, a non-IFRS measure, increased to US$0.12 for the year ended December 31, 2012 from US$0.10 for the year ended December 31, 2011. The weighted average number of shares outstanding increased for the year ended December 31, 2012 compared to the previous year by 55.1 million shares as a result of the weighted average impact of the issuance of new shares by the Company in the Global Offering. No shares were issued during 2012.

Adjusted EBITDA

Adjusted EBITDA, which is a non-IFRS measure, increased by US$38.3 million, or 15.4%, to US$286.5 million for the year ended December 31, 2012 from US$248.3 million for the year ended December 31, 2011. Excluding the estimated impact of foreign currency translation, Adjusted EBITDA increased by approximately 19.7%. Adjusted EBITDA margin increased to 16.2% from 15.9% as the Company maintained tight control of its fixed cost base while experiencing strong sales growth.

The following table presents the reconciliation from the Company's profit for the year to Adjusted EBITDA for the years ended December 31, 2012 and December 31, 2011.

(Expressed in thousands of US Dollars)	**Year ended December 31,**	
	2012	2011
Profit for the period	**166,627**	103,618
(Plus) Minus:		
Income tax expense	**(58,073)**	(35,680)
Finance costs	**(18,229)**	(71,879)
Finance income	**1,187**	1,247
Depreciation	**(31,770)**	(30,158)
Amortization	**(8,491)**	(8,333)
EBITDA	**282,003**	248,421
(Plus) Minus:		
Other adjustments [1]	**(4,518)**	168
Adjusted EBITDA	**286,521**	248,253

Notes
(1) Other adjustments primarily comprised of 'Other income (expense)' per the consolidated income statement.

The following tables present a reconciliation from profit (loss) for the year to Adjusted EBITDA on a regional basis for the years ended December 31, 2012 and December 31, 2011.

	Year ended December 31, 2012					
(Expressed in thousands of US Dollars)	**Asia**	**Europe**	**North America**	**Latin America**	**Corporate**	**Consolidated**
Profit (loss) for the year	**64,469**	**32,750**	**23,732**	**10,774**	**34,902**	**166,627**
(Plus) Minus:						
Income tax (expense) benefit	**(20,136)**	**(9,889)**	**(14,398)**	**1,732**	**(15,382)**	**(58,073)**
Finance costs	**(3,553)**	**(648)**	**(344)**	**(1,951)**	**(11,733)**	**(18,229)**
Finance income	**211**	**188**	**16**	**25**	**747**	**1,187**
Depreciation	**(10,436)**	**(12,985)**	**(3,396)**	**(2,162)**	**(2,791)**	**(31,770)**
Amortization	**(4,207)**	**(1,943)**	**(400)**	**(1,930)**	**(11)**	**(8,491)**
EBITDA	**102,590**	**58,027**	**42,254**	**15,060**	**64,072**	**282,003**
(Plus) Minus:						
Other adjustments	**(31,051)**	**(21,484)**	**(37,862)**	**(2,143)**	**88,022**	**(4,518)**
Adjusted EBITDA	**133,641**	**79,511**	**80,116**	**17,203**	**(23,950)**	**286,521**

Notes
(1) Other adjustments primarily comprised of 'Other income (expense)' per the consolidated income statement. Regional results include intercompany royalty income (expense).

(Expressed in thousands of US Dollars)	Year ended December 31, 2011					
	Asia	Europe	North America	Latin America	Corporate	Consolidated
Profit (loss) for the year	46,051	33,666	38,782	6,603	(21,484)	103,618
(Plus) Minus:						
Income tax (expense) benefit	(13,447)	(11,367)	(465)	(1,497)	(8,904)	(35,680)
Finance costs	(2,780)	(16,477)	(400)	(1,798)	(50,424)	(71,879)
Finance income	142	184	9	26	886	1,247
Depreciation	(9,017)	(11,519)	(3,204)	(1,892)	(4,526)	(30,158)
Amortization	(4,207)	(1,922)	(274)	(1,930)	—	(8,333)
EBITDA	75,360	74,767	43,116	13,694	41,484	248,421
(Plus) Minus:						
Other adjustments	(29,784)	(9,127)	(16,072)	(2,758)	57,909	168
Adjusted EBITDA	105,144	83,894	59,188	16,452	(16,425)	248,253

Notes

(1) Other adjustments primarily comprised of 'Other income (expense)' per the consolidated income statement. Regional results include intercompany royalty income (expense).

The Company has presented Adjusted EBITDA because it believes that, when viewed with its results of operations as prepared in accordance with IFRS and with the reconciliation to profit (loss) for the year, Adjusted EBITDA provides additional information that is useful in gaining a more complete understanding of its operational performance and of the trends impacting its business. Adjusted EBITDA is an important metric the Company uses to evaluate its operating performance and cash generation.

Adjusted EBITDA is a non-IFRS financial measure and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered as a measure comparable to profit (loss) for the year in the Company's consolidated income statement. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's results of operations as reported under IFRS.

Adjusted Net Income

Adjusted Net Income, which is a non-IFRS measure, increased by US$30.4 million, or 22.2%, to US$167.2 million for the year ended December 31, 2012 from US$136.8 million for the year ended December 31, 2011. Excluding the estimated impact of foreign currency translation, Adjusted Net Income increased by approximately 25.4%.

The following table presents the reconciliation from the Company's profit for the year to Adjusted Net Income for the years ended December 31, 2012 and December 31, 2011.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
Profit for the year	**166,627**	103,618
Profit attributable to non-controlling interests	**18,188**	16,870
Profit attributable to the equity holders	**148,439**	86,748
(Plus)/Minus:		
Expenses related to acquisition activities	**(6,417)**	—
Change in fair value of put options	**(8,908)**	(8,644)
Amortization of intangible assets[1]	**(8,491)**	(8,333)
Expenses related to debt repaid in conjunction with the Global Offering	—	(23,240)
Expenses related to the Global Offering	—	(24,805)
Global Offering Stabilization Proceeds	—	3,474
Reversals of restructuring charges	—	877
Tax adjustments	**5,041**	10,638
Adjusted Net Income[2]	**167,214**	136,781

Notes

(1) Amortization of intangible assets above represents charges related to the amortization of other intangible assets with finite useful lives that were recognized in conjunction with the acquisition of the Company by the CVC Funds in 2007, as well as the acquisitions of High Sierra and Hartmann in 2012.

(2) Represents Adjusted Net Income attributable to the equity holders of the Company.

The Company has presented Adjusted Net Income because it believes this measure helps to give securities analysts, investors and other interested parties a better understanding of the Company's underlying financial performance. By presenting Adjusted Net Income, the Company eliminates the effect of a number of non-recurring costs and charges and certain other non-cash charges that impact its reported profit for the year.

Adjusted Net Income is a non-IFRS financial measure, and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered as a measure comparable to profit for the year in the Company's consolidated income statement. Adjusted Net Income has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's results of operations as reported under IFRS.

Liquidity and Capital Resources

The primary objective of the Company's capital management policies is to safeguard its ability to continue as a going concern, to provide returns for shareholders, and to fund capital expenditures, normal operating expenses, working capital needs, and the payment of obligations. The Company's primary sources of liquidity are its cash flows from operating activities, invested cash, available lines of credit and its ability to issue additional shares. The Company believes that its existing cash and estimated cash flows, along with current working capital, will be adequate to meet the operating and capital requirements of the Company for at least the next twelve months.

The Company's net cash generated from operating activities was US$203.0 million for the year ended December 31, 2012 compared to US$64.5 million for the year ended December 31, 2011. The US$138.5 million increase in cash generated from operating activities was primarily due to a US$84.8 million increase in cash flows from operating assets and liabilities, as well as the US$30.4 million increase in Adjusted Net Income year-on-year.

For the year ended December 31, 2012, net cash used in investing activities was US$179.2 million, an increase of US$143.4 million compared to the previous year. This increase was primarily due to the US$142.0 million of cash outflow for the acquisitions of High Sierra and Hartmann during the year. Capital expenditures for the year ended December 31, 2012 amounted to US$37.9 million.

Net cash used in financing activities was US$16.5 million for the year ended December 31, 2012, a decrease of US$153.8 million compared to the previous year, primarily resulting from the absence of transactions in 2012 associated with the 2011 Global Offering. The Company declared and paid a distribution of US$30.0 million to shareholders from its ad hoc distributable reserve during the year ended December 31, 2012.

Indebtedness

The following table sets forth the carrying amount of the Company's loans and borrowings as of December 31, 2012 and December 31, 2011.

	As of December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
Revolving Credit Facility	**25,000**	—
Finance lease obligations	**97**	78
Other lines of credit	**10,297**	15,008
Total loans and borrowings	**35,394**	15,086
Less deferred financing costs	**(3,096)**	(3,319)
Total loans and borrowings less deferred financing costs	**32,298**	11,767

The Company had US$151.4 million in cash and cash equivalents at December 31, 2012, compared to US$141.3 million at December 31, 2011.

On July 2, 2012 the Company increased its existing revolving credit facility (the "Revolving Facility") from US$100.0 million to US$300.0 million. The facility can be increased by an additional US$100.0 million, subject to lender approval. The Revolving Facility has an initial term of three years, with a one year extension at the request of the Company and the option of the lenders. The interest rate on borrowings under the Revolving Facility is the aggregate of (i) (a) LIBOR (or EURIBOR in the case of borrowings made in Euro) or (b) the prime rate of the lender and (ii) a margin to be determined based on the Company's leverage ratio. The Revolving Facility carries a commitment fee of 0.175% per annum on any unutilized amounts, as well as an agency fee. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the Company's intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Company's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Company was in compliance with the financial covenants as of December 31, 2012. At December 31, 2012, US$269.0 million was available to be borrowed on the Revolving Facility and US$25.0 million of borrowings were outstanding on the facility along with the utilization of US$6.0 million of the facility for outstanding letters of credit extended to certain creditors.

Certain members of the consolidated group maintain credit lines with various third party lenders in the regions in which they operate. These local credit lines provide working capital for the day-to-day business operations of such subsidiaries, including overdraft, bank guarantee, and trade finance and factoring facilities. The majority of these credit lines are uncommitted facilities. The total aggregate amount outstanding under the local facilities was US$10.3 million and US$15.0 million at December 31, 2012 and December 31, 2011, respectively.

The following represents the contractual maturity dates of the Company's loans and borrowings (excluding the impact of netting agreements) as of December 31, 2012 and December 31, 2011.

	As of December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
On demand or within one year	**35,330**	15,015
Between 1 and 2 years	**22**	26
Between 2 and 5 years	**42**	37
Over 5 years	**—**	8
	35,394	15,086

Hedging

The Company's non-U.S. subsidiaries periodically enter into forward contracts related to the purchase of inventory denominated primarily in US Dollars which are designated as cash flow hedges. Cash flows associated with these derivatives at December 31, 2012 are expected to be US$95.8 million within one year.

Other Financial Information

Working Capital Ratios

Inventory Analysis

The following table sets forth a summary of the Company's average inventory, cost of sales and average inventory days for the years ended December 31, 2012 and December 31, 2011.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
Average inventory[(1)]	**257,237**	229,831
Cost of sales	**820,721**	708,199
Average inventory turnover days[(2)]	**114**	118

Notes

(1) Average inventory equals the average of net inventory at the beginning and end of a given period.

(2) Average inventory turnover days for a given period equals average inventory for that period divided by cost of sales for that period and multiplied by the number of days in the period.

The Company's average inventory increased in 2012 (US$277.5 million at December 31, 2012 compared to US$237.0 million at December 31, 2011) from 2011 (US$237.0 million at December 31, 2011 compared to US$222.7 million at December 31, 2010) to support increased customer demand and new product introductions, as well as to support the High Sierra and Hartmann acquisitions.

Trade and Other Receivables

The following table sets forth a summary of the Company's average trade and other receivables, net sales and turnover of trade and other receivables for the years ended December 31, 2012 and December 31, 2011.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
Average trade and other receivables[(1)]	**196,856**	158,847
Net sales	**1,771,726**	1,565,147
Turnover days of trade and other receivables[(2)]	**41**	37

Notes

(1) Average trade and other receivables equal the average of net trade and other receivables at the beginning and end of a given period.

(2) Turnover days of trade and other receivables for a given period equals average trade and other receivables for that period divided by net sales for that period and multiplied by the number of days in the period.

The Company's average trade and other receivables increased in 2012 (US$222.2 million at December 31, 2012 compared to US$171.6 million at December 31, 2011) from 2011 (US$171.6 million at December 31, 2011 compared to US$146.1 million at December 31, 2010) in line with the increase in net sales.

Trade receivables as of December 31, 2012 are on average due within 60 days from the date of billing.

Trade and Other Payables

The following table sets forth a summary of the Company's average trade and other payables, cost of sales and turnover days of trade and other payables for the years ended December 31, 2012 and December 31, 2011.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
Average trade and other payables (1)	**324,524**	308,536
Cost of sales	**820,721**	708,199
Turnover days of trade and other payables (2)	**144**	159

Notes

(1) Average trade and other payables equal the average of trade and other payables at the beginning and end of a given period.

(2) Turnover days of trade and other payables for a given period equals average trade and other payables for that period divided by cost of sales for that period and multiplied by the number of days in the period.

The increase in average trade and other payables at December 31, 2012 (US$362.5 million at December 31, 2012 compared to US$286.6 million at December 31, 2011) from December 31, 2011 (US$286.6 million at December 31, 2011 compared to US$330.5 million at December 31, 2010) was primarily due to increased inventory purchases period over period and the timing of such purchases. The decrease in turnover days of trade and other payables in 2012 from 2011 was primarily due to an increase in cost of sales attributable to higher net sales, partially offset by an increase in average trade and other payables year over year.

Trade payables as of December 31, 2012 are on average due within 105 days from the invoice date.

Capital Expenditures

Historical Capital Expenditures

The following table sets forth the Company's historical capital expenditures for the years ended December 31, 2012 and December 31, 2011.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
Land	**2,449**	85
Buildings	**2,562**	513
Machinery, equipment, leasehold improvements and other	**32,930**	36,574
Total capital expenditures	**37,941**	37,172

Planned Capital Expenditures

The Company's capital expenditures budget for 2013 is approximately US$72.6 million. The Company plans to construct a new warehouse in Europe, refurbish existing retail stores, open new retail stores and invest in machinery and equipment.

Contractual Obligations

The following table summarizes scheduled maturities of the Company's contractual obligations for which cash flows are fixed and determinable as of December 31, 2012.

(Expressed in thousands of US Dollars)	Total	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans and borrowings	35,394	35,330	22	42	—
Minimum operating lease payments	207,367	59,373	47,743	78,421	21,830
	242,761	94,703	47,765	78,463	21,830

As of December 31, 2012, the Company did not have any material off-balance sheet arrangements or contingencies except as included in the table summarizing its contractual obligations above.

Gearing Ratios

The following table sets forth the Company's loans and borrowings (excluding deferred financing costs), total equity and gearing ratio as of December 31, 2012 and December 31, 2011.

	As of December 31,	
(Expressed in thousands of US Dollars)	**2012**	2011
Loans and borrowings (excl. deferred financing costs)	**35,394**	15,086
Total equity	**1,086,105**	945,200
Gearing ratio(1)	**3.3%**	1.6%

Note
(1) Calculated as total loans and borrowings (excluding deferred financing costs) divided by total equity.

Other Information

Human Resources and Remuneration

At December 31, 2012, the Company had approximately 7,070 employees worldwide, compared to approximately 6,640 employees at December 31, 2011. The Company regularly reviews remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Company.

Strategic Review and Full Year Prospects

During 2012, the Company continued to implement its strategic plan in the following areas:

Positive financial results

All key company metrics showed considerable growth for the year ended December 31, 2012 compared to the year ended December 31, 2011.

- Net sales increased by 13.2% to US$1,771.7 million for the year ended December 31, 2012. Excluding foreign currency effects, net sales increased by 16.8%.
- Adjusted Net Income increased by 22.2% to US$167.2 million.
- Adjusted EBITDA increased by 15.4% to US$286.5 million.
- Adjusted EBITDA margin increased to 16.2% from 15.9% reflecting the Company's ability to leverage its cost base against strong sales growth.
- The Company generated US$203.0 million of cash from operating activities.

Significant investment in advertising and promotion

The Company maintained its significant investment in marketing, which amounted to approximately 6.6% of net sales, reflecting its commitment to advertise and promote its brands and products to support sales growth worldwide.

New products in the market

The Company continued to focus on innovation and ensuring that its products reflect local consumer tastes in each region. Innovation and a regional focus on product development are key drivers of sales growth and are the means to deliver quality and value to the Company's customers.

Expanded distribution network

The Company continued the further expansion of its distribution network by adding approximately 5,000 points of sale during the year ended December 31, 2012.

Acquisitions

The Company sought out acquisition opportunities that presented a compelling strategic and financial rationale. The Company completed the following acquisitions during 2012:

(a) High Sierra Sport Company

On July 17, 2012, certain of the Company's wholly-owned subsidiaries (the "Samsonite Purchasers") entered into an Asset Purchase Agreement with High Sierra Sport Company ("High Sierra"), pursuant to which, on July 31, 2012, the Samsonite Purchasers purchased substantially all of the assets of High Sierra for a cash consideration of US$108.0 million.

Upon the consummation of the acquisition, the Samsonite Purchasers purchased substantially all of the assets of High Sierra excluding cash, certain receivables, and certain other retained assets and assumed all balance sheet liabilities and certain contractual liabilities of High Sierra.

The acquisition gives the Company a strong brand and product offering that provides a larger foothold in the North American casual bag market. It also provides the Company with opportunities to leverage its well-established global distribution network and retail presence to significantly expand High Sierra's brand in additional markets in Asia, Europe and Latin America.

(b) HL Operating Corp. doing business as Hartmann

On August 2, 2012, a wholly-owned subsidiary of the Company (the "Samsonite Purchaser") entered into a Merger Agreement with HL Operating Corp. ("Hartmann"), pursuant to which, on August 2, 2012, the Samsonite Purchaser completed the acquisition, by way of merger, of all of the outstanding shares of the capital stock of Hartmann for a cash consideration of US$34.0 million.

The *Hartmann* brand has a 135-year heritage and a tradition of stylish design and impeccable quality. The acquisition gives the Company a strong brand to expand its presence in the luxury luggage and leather goods market as well as opportunities to leverage the Company's well-established global distribution network and retail presence to significantly expand the Hartmann brand both in the U.S. and internationally.

Future Prospects

The Company's growth strategy will continue as planned for 2013, while focusing on the following:

- continue to gain market share by leveraging the strength of the Company's brands, *Samsonite, American Tourister, High Sierra* and *Hartmann,* across all of its markets while continuing to capitalize on the robust growth in international travel;
- expand the geographic reach of the newly acquired *High Sierra* and *Hartmann* brands;
- introduce new and innovative product designs, adapted to the needs of consumers in different markets, while staying true to the Company's core values of lightness, strength and functionality;
- improve the efficiency and effectiveness of the Company's supply chain and global distribution network;
- increase the Company's investment in R&D and marketing broadly in line with sales growth;
- allocate more resources to the business, casual and accessory product categories, where the Company's share is relatively low; and
- actively evaluate acquisition opportunities that have a compelling strategic fit, leveraging a strong management team and balance sheet capacity.

The Company aims to deliver top-line growth, maintain gross margins, increase Adjusted EBITDA margins and enhance shareholder value.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors

At December 31, 2012, the composition of the Board was as follows:

Executive Directors

Timothy Charles Parker
Kyle Francis Gendreau
Ramesh Dungarmal Tainwala

Non-Executive Directors

Nicholas James Clarry
Keith Hamill
Bruce Hardy McLain (Hardy)

Independent Non-Executive Directors

Paul Kenneth Etchells
Miguel Kai Kwun Ko
Ying Yeh

At December 31, 2012, the Board committees were as follows:

Audit Committee/Review of Accounts

The Board has established an Audit Committee and has adopted written terms of reference that set forth the authority and duties of the committee. The Audit Committee consists of five members, namely Mr. Paul Etchells (Chairman of the Audit Committee), Mr. Miguel Ko, Ms. Ying Yeh, Mr. Nicholas Clarry, and Mr. Keith Hamill.

In compliance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), at least one member of the Audit Committee possesses appropriate professional qualifications in accounting or related financial management expertise in discharging the responsibilities of the Audit Committee. All members have sufficient experience in reviewing audited financial statements as aided by the auditors of the Company whenever required.

The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls, to monitor the integrity of the Company's financial statements and financial reporting, and to oversee the audit process.

The Audit Committee has reviewed the consolidated financial information of the Company for the year ended December 31, 2012 with the Board of Directors.

The figures in respect of the preliminary announcement of the Company's results for the year ended December 31, 2012 have been agreed with the Company's auditors KPMG LLP to the amounts set out in the Company's consolidated financial statements for the year.

Nomination Committee

The Board has established a Nomination Committee and has adopted written terms of reference that set forth the authority and duties of the committee. The Nomination Committee consists of five members, namely Mr. Timothy Parker (Chairman of the Nomination Committee), Mr. Paul Etchells, Mr. Miguel Ko, Ms. Ying Yeh, and Mr. Nicholas Clarry.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, to make recommendations to the Board with respect to any changes to the composition of the Board, and to assess the independence of the INEDs. When identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate) use open advertising or the services of external advisers and consider candidates from a wide range of backgrounds on merit and against objective criteria.

Remuneration Committee

The Board has established a Remuneration Committee and has adopted written terms of reference that set forth the authority and duties of the committee. The Remuneration Committee consists of four members, namely Mr. Miguel Ko (Chairman of the Remuneration Committee), Mr. Paul Etchells, Ms. Ying Yeh, and Mr. Hardy McLain.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration, as well as to determine the specific remuneration packages of all Executive Directors and certain members of Senior Management.

Human Resources and Remuneration

At December 31, 2012, the Company had approximately 7,070 employees worldwide, compared to approximately 6,640 at December 31, 2011. The Company regularly reviews remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Company.

Annual General Meeting

The annual general meeting of the Company will be held on June 6, 2013 (Thursday) ("AGM"). Notice of the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

Dividends and Distributions

The Company will evaluate its distribution policy and distributions made (by way of the Company's ad hoc distributable reserve, dividends or otherwise) in any particular year in light of its financial position, the prevailing economic climate and expectations about the future macroeconomic environment and business performance. The Company intends to maintain a progressive distribution policy. The determination to make distributions will be made upon the recommendation of the Board and the approval of the Company's shareholders and will be based upon the Company's earnings, cash flow, financial conditions, capital and other reserve requirements and any other conditions which the Board deems relevant. The payment of distributions may also be limited by legal restrictions and by financing agreements that the Company may enter into in the future.

On March 27, 2012, the Company's Board of Directors recommended that a cash distribution in the amount of approximately US$30.0 million, or US$0.02132 per share, be made to the Company's shareholders of record on June 15, 2012 from its ad hoc distributable reserve. The shareholders approved this distribution on June 7, 2012 at the annual general meeting and the distribution was paid on July 6, 2012.

The Board recommends that a cash distribution in the amount of US$0.02665 per share (the "Distribution") be made to the Company's shareholders from its ad hoc distributable reserve. The payment shall be made in US dollars, except that payment to shareholders whose names appear on the register of members in Hong Kong shall be paid in Hong Kong dollars. The relevant exchange rate shall be the opening buying rate of Hong Kong dollars to US dollars as announced by the Hong Kong Association of Banks (www.hkab.org.hk) on the day of the approval of the Distribution. The Distribution will be subject to approval by the shareholders at the forthcoming AGM of the Company.

Closure of Register of Members

For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from June 4, 2013 to June 6, 2013, both days inclusive, during which period no transfer of shares will be registered. The record date to determine which shareholders will be eligible to attend and vote at the forthcoming AGM will be June 6, 2013. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on June 3, 2013.

Subject to the shareholders approving the recommended Distribution at the forthcoming AGM, such Distribution will be payable on or about July 12, 2013 to shareholders whose names appear on the register of members on June 20, 2013. To determine eligibility for the Distribution, the register of members will be closed from June 18, 2013 to June 20, 2013, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to receive the Distribution, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on June 17, 2013.

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance. The Company recognizes that sound corporate governance practices are fundamental to its effective and transparent operation and to its ability to protect the rights of its shareholders and enhance shareholder value.

The Company has adopted its own corporate governance manual, which is based on the principles, provisions and practices set out in the Corporate Governance Code (as in effect from time to time, the "CG Code") contained in Appendix 14 of the Listing Rules.

The Company complied with all applicable code provisions set out in the CG Code throughout the period from January 1, 2012 to December 31, 2012, except for the deviation from code provision A.2.1 discussed below regarding the Company's Chairman and Chief Executive Officer ("CEO") and the deviation from code provision F.1.3 discussed below regarding the Company's Joint Company Secretaries.

Code provision A.2.1 stipulates that the roles of the Chairman and CEO should be separated and should not be performed by the same individual.

Mr. Timothy Parker, the CEO of the Company, is also the Chairman of the Board. The Company believes this is appropriate because having Mr. Parker serve as both the CEO and the Chairman provides the Company with strong and consistent leadership. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board, which is comprised of highly experienced individuals including three Executive Directors (including Mr. Parker), three Non-Executive Directors and three Independent Non-Executive Directors. Moreover, Mr. Parker is not a member of either the Audit Committee or Remuneration Committee of the Board, and each of the Audit, Remuneration and Nomination committees is comprised of a majority of Independent Non-Executive Directors.

Code provision F.1.3 provides that the company secretary should report to the Chairman and CEO.

Mr. John Livingston, the vice president, general counsel and joint company secretary of the Company, reports to the Company's Chief Financial Officer ("CFO"). The Company believes this is appropriate because Mr. Livingston is based at the same location as the CFO and works closely with him on a day-to-day basis. In addition, Mr. Livingston works directly with the Company's Chairman and CEO, and with the chairpersons of the various Board committees, with respect to corporate governance and other Board-related matters. Each of Ms. Lo Wun Sei and Ms. Lau Pik Lee, the Company's other joint company secretaries during 2012 who served in such capacity from January 1, 2012 to July 4, 2012 and from July 4, 2012 through December 31, 2012, respectively, and were based in Hong Kong, reported to Mr. Livingston. The Company believes this is appropriate because their primary role as joint company secretary was to assist Mr. Livingston in ensuring that the Company complies with its obligations under the Listing Rules.

Directors' Securities Transactions

The Company has adopted its own policies (the "Trading Policy") for securities transactions by directors and relevant employees who are likely to be in possession of unpublished inside information of the Company on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors have confirmed that they complied with the required standard set out in the Trading Policy during the year ended December 31, 2012.

Purchase, Sale, or Redemption of the Company's Listed Securities

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended December 31, 2012.

Change in Director's Information

Mr. Nicholas James Clarry, a Non-Executive Director, was appointed a partner of CVC Capital Partners, where he previously held the position of senior managing director.

Mr. Bruce Hardy McLain, a Non-Executive Director, retired as a managing partner of CVC Capital Partners on December 31, 2012. He continues to serve on CVC Capital Partners' board of directors.

Mr. Keith Hamill, a Non-Executive Director, retired from the Boards of Endell Group Holdings Limited and Fundsmith LLP on June 13, 2012 and July 25, 2012, respectively. Mr. Hamill resigned from his position as chairman of Tullett Prebon plc on March 6, 2013. He was appointed chairman of Gladedale Limited with effect from February 1, 2013.

Mr. Paul Kenneth Etchells, an Independent Non-Executive Director, was appointed an Independent Non-Executive Director of China Foods Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited that is engaged in food and beverage processing and distribution, with effect from August 9, 2012. In addition, Swire Properties Limited, a company with which Mr. Etchells has served as a Director since 2010, was listed on the Main Board of the Stock Exchange of Hong Kong Limited on January 18, 2012, from which time Mr. Etchells has served as an Independent Non-Executive Director. Mr. Etchells was appointed as an advisor to Cassia Investments Limited, a private equity firm, on November 26, 2012.

Mr. Miguel Kai Kwun Ko, an Independent Non-executive Director, retired as President, Asia-Pacific of Starwood Hotel & Resorts Worldwide, Inc. effective August 31, 2012, after which date he remained as Non-Executive Chairman, Asia Pacific. Mr. Ko was appointed as a Non-Executive Director of Delta Topco Limited, a privately held holding company for Formula One PLC, in May 2012. Mr. Ko is no longer a non-executive director of Royal Orchid Hotel (Thailand) Public Company Ltd with effect from August 31, 2012.

Company Secretary and Authorized Representative

Mr. John Bayard Livingston and Ms. Chow Yuk Yin Ivy are the Company's joint company secretaries while Mr. Ramesh Dungarmal Tainwala and Ms. Chow are the Company's authorized representatives (pursuant to the Listing Rules). Ms. Chow was appointed as a joint company secretary and an authorized representative of the Company with effect from March 18, 2013.

During 2012, Ms. Lo Wun Sei served as a joint company secretary and an authorized representative of the Company from January 1, 2012 until her resignation on July 4, 2012. Ms. Lau Pik Lee served as a joint company secretary and an authorized representative of the Company from July 4, 2012 through December 31, 2012.

During 2012, the Joint Company Secretaries complied with Rule 3.29 of the Listing Rules regarding professional training. Ms. Lau resigned as the joint company secretary and authorized representative on March 18, 2013.

Publication of Final Results and 2012 Annual Report

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.samsonite.com). The annual report for the year ended December 31, 2012 will be dispatched to the shareholders and published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

By Order of the Board
SAMSONITE INTERNATIONAL S.A.
Timothy Charles Parker
Chairman

Hong Kong, March 19, 2013

As of the date of this announcement, the Executive Directors are Timothy Charles Parker, Kyle Francis Gendreau and Ramesh Dungarmal Tainwala, the Non-Executive Directors are Nicholas James Clarry, Bruce Hardy McLain (Hardy) and Keith Hamill and the Independent Non-Executive Directors are Paul Kenneth Etchells, Miguel Kai Kwun Ko and Ying Yeh.