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Samsonite International S.A. Announces 2016 Annual Results
Net Sales Hits New Record of US$2.8 Billion

Highlights

- The Group's net sales for the year ended December 31, 2016 increased by 17.3% on a constant currency basis[1] to a record US$2,810.5 million. US Dollar reported net sales increased by 15.5%.
- The *Tumi* brand contributed net sales of US$275.8 million during the five month period from August 1, the date of acquisition, through December 31, 2016.
- Excluding *Tumi*, the Group's organic business delivered solid growth with net sales increasing by 6.0%[1].
- All regions delivered positive constant currency growth:
  - Asia – 9.9%[1] year-on-year net sales growth (+4.0%[1] excluding *Tumi*).
  - North America – 26.8%[1] year-on-year net sales growth (+3.9%[1] excluding *Tumi*).
  - Europe – 16.1%[1] year-on-year net sales growth (+10.3%[1] excluding *Tumi*).
  - Latin America – 17.4%[1] year-on-year net sales growth (+17.4%[1] excluding *Tumi*).
- All product categories achieved double-digit year-on-year constant currency growth in net sales:
  - Travel – 11.4%[1] year-on-year net sales growth (+4.5%[1] excluding *Tumi*).
  - Business – 38.2%[1] year-on-year net sales growth (+3.8%[1] excluding *Tumi*).
  - Casual – 16.4%[1] year-on-year net sales growth (+6.1%[1] excluding *Tumi*).
  - Accessories – 47.3%[1] year-on-year net sales growth (+26.4%[1] excluding *Tumi*).
- Excluding *Tumi*, e-commerce (comprising direct-to-consumer e-commerce and wholesale sales to e-retailers) continued to see the strongest growth among the Group's distribution channels with net sales increasing by 19.7%[1] year-on-year.
- Gross profit increased by 18.9% year-on-year to US$1,521.0 million. Gross profit margin increased to 54.1% during 2016 compared to 52.6% in 2015.
- Operating profit increased by US$22.3 million, or 7.2%, to US$331.2 million. Excluding acquisition-related costs, operating profit increased by 18.8% year-on-year.
- Profit attributable to the equity holders increased by 29.4% year-on-year to US$255.7 million. Excluding the tax-effected acquisition-related costs and the tax benefit realized on the liquidation of the Group's principal defined benefit pension plan in the U.S.[2], the Group's profit attributable to equity holders increased by US$23.6 million, or 11.6%, despite a year-on-year increase in interest expense of US$40.5 million, primarily associated with the Senior Credit Facilities utilized to finance the Tumi acquisition.
- Adjusted Net Income[3] increased by 18.9% to US$257.9 million, despite a year-on-year increase in interest expense of US$40.5 million, primarily associated with the Senior Credit Facilities utilized to finance the Tumi acquisition.

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[1] Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the previous year to current year local currency results.

[2] During 2016, the Group purchased an annuity to liquidate its principal defined benefit pension plan in the U.S. In conjunction with this liquidation, the Group recorded a US$56.8 million tax benefit related to the derecognition of deferred tax liabilities that originated from the contributions to the pension plan in prior years.

[3] Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's US Dollar reported profit for the year, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance.

- Adjusted EBITDA[4] increased by 21.1% year-on-year to US$485.6 million. Excluding the Adjusted EBITDA[4] attributable to Tumi, Adjusted EBITDA[4] was US$421.3 million, an increase of 5.0%.
- Adjusted basic earnings per share[5] increased to US$0.183 in 2016 from US$0.154 per share for the previous year. Adjusted diluted earnings per share[5] increased to US$0.182 in 2016 from US$0.154 per share for the previous year. Basic and diluted earnings per share as reported increased to US$0.181 from US$0.140 per share for the previous year.
- The Group generated strong operating cash flow of US$260.8 million in 2016 compared to US$259.0 million recorded in the previous year, despite a US$34.2 million increase in cash paid for interest, primarily associated with the Senior Credit Facilities utilized to finance the Tumi acquisition, and the US$37.3 million increase in acquisition-related costs. The Group ended the year in a net debt position of US$1,571.2 million, primarily as a result of the debt incurred to finance the Tumi acquisition.
- On February 2, 2017, the Group completed the refinancing of the Senior Credit Facilities, which is expected to result in a reduction in cash interest payments in the first full year after refinancing of approximately US$16 million.
- On March 15, 2017, the Company's Board of Directors recommended that a cash distribution in the amount of US$97.0 million, or approximately US$0.0687 per share, be made to the Company's shareholders, a 4.3% increase from the US$93.0 million distribution paid in 2016.

HONG KONG, March 16, 2017 – Samsonite International S.A. (the "Company", together with its consolidated subsidiaries "Samsonite" or "the Group"; SEHK stock code: 1910), the world's largest travel luggage company, today announced its annual results for the year ended December 31, 2016.

The Group's net sales increased by 17.3%[1] to US$2,810.5 million for the year ended December 31, 2016. US Dollar reported net sales increased by 15.5%. Excluding amounts attributable to the *Tumi* brand, which was acquired on August 1, 2016, net sales increased by 6.0%[1] as the Group continued to benefit from the steady growth in global travel and tourism[6].

Gross profit for year ended December 31, 2016 increased by US$242.0 million, or 18.9%, to US$1,521.0 million, up from US$1,279.0 million for 2015. Gross profit margin increased to 54.1% for 2016 from 52.6% for 2015, partly due to the addition of the *Tumi* brand which enjoys higher margins. Excluding amounts attributable to *Tumi*, gross profit margin increased to 53.0% as a result of a higher mix of sales coming from the direct-to-consumer channel (including direct-to-consumer e-commerce) and a reduction in certain product costs.

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[4] Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, which the Group believes is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.

[5] Adjusted basic and diluted earnings per share, both non-IFRS measures, are calculated by dividing Adjusted Net Income by the weighted average number of shares outstanding during the year.

[6] International tourist arrivals grew by 3.9% to reach a total of 1,235 million, according to the latest UNWTO World Tourism Barometer. Some 46 million more tourists (overnight visitors) travelled internationally last year compared to 2015. Based on current trends, the outlook of the UNWTO Panel of Experts and economic prospects, UNWTO projects international tourist arrivals worldwide to grow at a rate of 3% to 4% in 2017.

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The Group's profit attributable to the equity holders increased by 29.4% year-on-year to US$255.7 million. Excluding the tax-effected acquisition-related costs and the tax benefit realized on the liquidation of the Group's principal defined benefit pension plan in the U.S., the Group's profit attributable to the equity holders increased by US$23.6 million, or 11.6%, despite a year-on-year increase in interest expense of US$40.5 million, primarily associated with the Senior Credit Facilities utilized to finance the Tumi acquisition.

Adjusted EBITDA[4] increased by US$84.5 million, or 21.1%, to US$485.6 million for the year ended December 31, 2016, up from US$401.2 million for 2015. Adjusted EBITDA[4] margin increased to 17.3% for 2016 compared to 16.5% the previous year. Excluding the Adjusted EBITDA[4] attributable to *Tumi*, Adjusted EBITDA[4] was US$421.3 million, an increase of 5.0%. Adjusted Net Income[3] increased by 18.9% year-on-year to US$257.9 million for 2016, despite a year-on-year increase in interest expense of US$40.5 million, primarily associated with the Senior Credit Facilities utilized to finance the Tumi acquisition.

Adjusted basic earnings per share[5] increased to US$0.183 in 2016 from US$0.154 per share in 2015. Adjusted diluted earnings per share[5] increased to US$0.182 in 2016 from US$0.154 per share for the previous year. Basic and diluted earnings per share as reported increased to US$0.181 for the year ended December 31, 2016 compared to US$0.140 per share for the previous year. The Board has recommended that a cash distribution in the amount of US$97.0 million, or approximately US$0.0687 per share, be made to the Company's shareholders, a 4.3% increase from the US$93.0 million cash distribution paid in 2016.

Commenting on the results, Mr. Tim Parker, Chairman, said, "Looking back over 2016, the acquisition of Tumi has undoubtedly been the year's most significant event, and I believe we have further strengthened the position of the Company in the global travel lifestyle marketplace. Looking at the performance of the business excluding *Tumi*, we were pleased with the 6.0% growth in constant currency net sales, and also on the same basis, the increase in Adjusted EBITDA[4] of 6.8% to US$421.3 million. This was a creditable result, given overall economic conditions, and better than we might have expected at the half-year point."

Mr. Ramesh Tainwala, Chief Executive Officer, added, "2016 has been Samsonite's most momentous year since our IPO in 2011. The acquisition of Tumi fulfilled a long-held ambition for Samsonite, and establishes a strong multi-brand platform to drive long-term growth across a broad range of price points and product categories. All of our regions delivered solid constant currency net sales growth in 2016, and looking ahead, we will continue to focus on implementing our multi-brand, multi-category and multi-channel strategy. We continue to focus on growing e-commerce as a channel, and net sales in the Group's total e-commerce business increased by 19.7%[1] year-on-year in 2016, excluding *Tumi.* We believe that the Group has the potential to become a significant player in the bags and luggage e-commerce channel."

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Table 1: Key Financial Highlights

	Year ended December 31, 2016 US$ millions	Year ended December 31, 2015 US$ millions	Percentage increase (decrease) 2016 vs. 2015	Percentage increase (decrease) 2016 vs. 2015 excl. foreign currency effects[1]
Net sales	2,810.5	2,432.5	15.5%	17.3%
Profit attributable to the equity holders	255.7	197.6	29.4%	32.0%
Adjusted Net Income[3]	257.9	216.9	18.9%	20.5%
Adjusted EBITDA[4]	485.6	401.2	21.1%	22.8%
Basic and diluted earnings per share (US$)	0.181	0.140	29.3%	32.1%
Adjusted basic earnings per share[5] (US$)	0.183	0.154	18.8%	20.1%
Adjusted diluted earnings per share[5] (US$)	0.182	0.154	18.2%	20.1%
Recommended cash distribution	97.0	93.0	4.3%	4.3%

***Tumi*[7]**

The acquisition of Tumi was completed on August 1, 2016. *Tumi* is a leading global premium lifestyle brand offering a comprehensive line of business bags, travel luggage and accessories. The brand is consistently recognized as "best in class" for the high quality, durability, functionality and innovative design of its products, which range from its iconic black ballistic business cases and travel luggage synonymous with the modern business professional, to travel accessories, women's bags and outdoor apparel.

The *Tumi* brand recorded net sales of US$275.8 million during the five month period from August 1, the date of acquisition, through December 31, 2016. This represents an increase of US$24.4 million, or 9.7%, compared to the same period in 2015. The growth was driven partly by the impact of consolidating Tumi Japan which Tumi acquired on January 1, 2016. Excluding the impact of Tumi Japan, net sales increased by 5.8%, reflecting a noticeable improvement from the net sales growth of 6.8% (0.8% excluding Tumi Japan) during the first half of 2016. Adjusted EBITDA[4] for the period of August through December 2016 was US$64.3 million, which included an approximately US$10 million increase in advertising spend soon after the completion of the acquisition to enhance brand awareness and drive sales growth, partially offset by initial cost savings from the elimination of C-suite and other redundancies as a result of the ongoing back office integration.

[7] Comparative figures for Tumi's five month period ended December 31, 2015 are based on Tumi's internal management reporting because Tumi did not otherwise publish financial statements for such five month period.

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Mr. Tainwala said, "Integration of the Tumi business has proceeded far more quickly and smoothly than we had originally expected. We have significantly increased marketing spend for the *Tumi* brand post-acquisition, and we are actively working to gain control of the wholesale and direct-to-consumer distribution of *Tumi* products in key markets around the world. As a matter of fact, we have assumed direct control of the distribution of *Tumi* products in South Korea with effect from January 1, 2017, and we are making good progress in our negotiations with the *Tumi* distributors in the other key markets. With control of our distribution, we intend to leverage Samsonite's on-the-ground resources and market knowledge to further expand *Tumi*'s presence on the global stage."

Net Sales by Brand

Net sales of the *Samsonite* brand increased by 5.9%[1] year-on-year to US$1,548.8 million, accounting for 55.1% of the Group's total net sales in 2016. That compared to 61.3% of the Group's total net sales in 2015, reflecting the continued diversification of the Group's brand portfolio with the addition of *Tumi* and increased contributions from *Speck, Gregory, Lipault, Hartmann,* and *Kamiliant*.

Net sales of the *American Tourister* brand increased by 21.9%[1], 3.1%[1] and 98.5%[1] in Europe, North America and Latin America, respectively. This positive performance was offset by a 7.3%[1] decrease in Asia, resulting in a slight decrease in overall net sales of the *American Tourister* brand of 1.0%[1].

Net sales of the *Tumi* brand, which was acquired on August 1, 2016, amounted to US$275.8 million during the year ended December 31, 2016, an increase of US$24.4 million, or 9.7%, compared to the previous year[7].

Net sales of the *Speck* brand increased by 15.1%[1] during 2016 compared to the previous year due to product launches related to certain new electronic device introductions and robust growth in net sales of protective phone cases. Net sales of the *High Sierra* brand decreased by 2.9%[1] during 2016 compared to the previous year. The decrease was the result of a 13.7%[1] decrease in Asia, partially offset by a 1.6%[1] increase in North America.

Net sales of the *Gregory* brand increased by 22.7%[1] during 2016, with Asia, North America and Europe all recording double-digit net sales growth. Net sales of the *Lipault* brand increased by 102.9%[1] during 2016 compared to 2015, driven by geographical expansion in Asia, increased sales in Europe and the direct-to-market strategy adopted in North America. Net sales of the *Hartmann* brand increased by 21.4%[1] during 2016 compared to the previous year, driven by increased traction of the brand in Asia and Europe. The *Kamiliant* brand recorded net sales of US$21.9 million during 2016, compared to US$2.8 million in 2015.

Mr. Tainwala said, "We aim to propel Samsonite's long-term growth by building a well-balanced business around a portfolio of diverse yet complementary brands, offering our customers a competitive mix of products in both travel and non-travel categories that are sold through multiple distribution channels. With *Tumi* joining the Samsonite family, we are now well-positioned to expand our presence in every segment of the bag and travel luggage markets."

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Table 2: Net Sales by Brand

Brand	Year ended December 31, 2016 US$ millions	Year ended December 31, 2015 US$ millions	Percentage increase (decrease) 2016 vs. 2015	Percentage increase (decrease) 2016 vs. 2015 excl. foreign currency effects[1]
Samsonite	1,548.8	1,490.5	3.9%	5.9%
American Tourister	531.5	549.3	(3.2)%	(1.0)%
Tumi	275.8	-	nm[8]	nm[8]
Speck	135.4	117.7	15.1%	15.1%
High Sierra	82.3	85.3	(3.5)%	(2.9)%
Gregory	44.2	34.3	28.8%	22.7%
Lipault	27.6	13.8	100.2%	102.9%
Hartmann	26.1	21.3	22.2%	21.4%
Kamiliant	21.9	2.8	690.6%	706.3%
Other[9]	116.9	117.5	(0.5)%	1.8%

Net Sales by Region

The Group achieved solid constant currency sales growth across all of its regions in 2016.

The Group's net sales in Asia increased by 9.9%[1] year-on-year, reaching US$1,028.6 million for the year ended December 31, 2016. Excluding *Tumi,* net sales increased by 4.0%[1] year-on-year, driven mainly by the *Samsonite, Kamiliant, Lipault, Gregory* and *Hartmann* brands, partially offset by decreases in net sales of the *American Tourister* and *High Sierra* brands. Net sales of the *Samsonite* brand increased by 7.1%[1] year-on-year, mainly driven by the success the brand enjoyed in the direct-to-consumer e-commerce channel. *Kamiliant*, a value-conscious, entry level brand introduced in Asia during the second half of 2015, recorded net sales of US$21.9 million during 2016, compared to US$2.8 million the previous year. Net sales of the *Lipault* brand amounted to US$10.4 million during 2016 compared to US$2.7 million in 2015 as the brand successfully expanded throughout the region. The *Gregory* brand recorded net sales of US$26.0 million during 2016, an increase of 29.4%[1] year-on-year as the Group continued to develop products designed specifically for the tastes and preferences of consumers in Asia. The *Hartmann* brand posted net sales of US$8.7 million during 2016, an increase of 57.7%[1] from the previous year, as the brand continued to gain traction in the region. Net sales of the *American Tourister* brand decreased by 7.3%[1] year-on-year, primarily due to lower net sales in the TV home shopping channel in China and South Korea. Nonetheless, the Group has subsequently made changes to its marketing and product strategy which are expected to have a positive

[8] Not meaningful due to the acquisition of Tumi on August 1, 2016. On a like-for-like basis, this represents an increase of 9.7% compared to the same period in 2015, based on Tumi's internal management reporting.

[9] Other includes certain other brands owned by the Group, such as *Saxoline*, *Xtrem* and *Secret*, as well as third party brands sold through the Rolling Luggage and Chic Accent retail stores.

impact in the near term. Net sales of the *High Sierra* brand decreased by 13.7%[1] year-on-year, driven by a decline in India due to the Group's decision to focus on marketing backpacks under its other brand names in that country.

Looking at performance by country, Japan experienced strong growth of 29.0%[1] year-on-year as a result of the addition of the *Tumi* brand. Excluding *Tumi*, net sales in Japan increased by 12.2%[1] year-on-year, driven by increased sales of the *Samsonite*, *American Tourister* and *Gregory* brands. Net sales in China increased by 5.3%[1], driven by increased sales of the *Samsonite* brand. Net sales in South Korea decreased by 1.0%[1] due to weak consumer sentiment and a decrease in shoppers visiting from China during the year. Net sales in Hong Kong (including Macau) increased by 41.4%[1], including contributions from the *Tumi* brand. Excluding *Tumi*, net sales in Hong Kong (including Macau) were down by 11.5%[1]. This performance was primarily due to fewer Chinese shoppers visiting from the Mainland. Australia had strong net sales growth of 21.5%[1], driven by increased sales of the *Samsonite*, *American Tourister* and *High Sierra* brands.

In North America, the Group's net sales increased by 26.8%[1] to US$1,027.2 million for the year ended December 31, 2016. Excluding *Tumi,* net sales increased by 3.9%[1], driven by growth in the *Samsonite, American Tourister* and *High Sierra* brands of 1.8%[1], 3.1%[1] and 1.6%[1], respectively, and the strong performance of the *Speck* brand, whose net sales increased by 14.9%[1] due to new product launches related to certain new electronic device introductions during the year. As a result of the direct-to-market strategy implemented in January 2016, the *Lipault* brand generated US$3.5 million of sales in 2016. During 2016, net sales in the United States and in Canada increased by 26.9%[1] and 25.3%[1] year-on-year, respectively, driven by the addition of *Tumi*. Excluding *Tumi*, net sales in the United States and in Canada increased by 3.7%[1] and 6.9%[1] year-on-year, respectively.

In Europe, net sales increased by 16.1%[1] to US$615.3 million for the year ended December 31, 2016. With the exception of France, all of the Group's key European markets achieved strong net sales growth over the previous year, including Germany (+38.4%[1]), the United Kingdom (including Ireland) (+30.6%[1]), Russia (+23.2%[1]), Spain (+16.3%[1]) and Italy (+13.7%[1]). Net sales in France decreased by 1.7%[1], where the negative impacts from the terrorist attacks earlier in the year were partially offset by the addition of the *Tumi* brand. Excluding *Tumi*, net sales in Europe increased by 10.3%[1], driven by solid growth in net sales of both the *Samsonite* (+7.8%[1]) and *American Tourister* (+21.9%[1]) brands. *American Tourister* comprised 12.5% of the net sales in the European region during 2016 compared to 11.7% during 2015 as the Group continued its focus on driving growth of the brand and increasing its presence in Europe. Excluding *Tumi*, net sales performance in these same countries were as follows: Russia (+23.2%[1]), the United Kingdom (including Ireland) (+21.3%[1]), Germany (+15.7%[1]), Spain (+12.2%[1]), Italy (+11.3%[1]) and France (-6.2%[1]).

Lastly, in Latin America, net sales increased by 17.4%[1] to US$130.6 million for the year ended December 31, 2016. All major markets within the region reported steady constant currency net sales growth. Net sales in Chile improved by 6.8%[1] year-on-year primarily due to improved year-on-year net sales of the *Samsonite* brand and the women's handbag brand *Secret*. Net sales in Mexico increased by 26.0%[1] during 2016 compared to the prior year, driven by increased net sales in the *Samsonite*, *American Tourister* and *Xtrem* brands. Net sales in Brazil increased by 25.5%[1] driven by continued retail expansion. The Group continues to invest in Brazil, where the Group's presence has historically been under-represented, to drive future net sales growth and gain market share.

Mr. Tainwala commented, "All of our regions delivered solid constant currency net sales growth in 2016, despite the challenging economic and trading environment. In particular, our single largest market, the U.S., saw sales growth picking up in the second half of 2016 after a relatively soft first half. Despite challenging economic conditions, China enjoyed a strong rebound in the second half on the back of strong growth of *Samsonite* and *Samsonite Red* in the business-to-business and e-commerce channels. Europe delivered solid top-line growth. Latin America also delivered strong growth considering the negative economic impact on the region from continued weakness in commodity prices and volatile currencies."

Table 3: Net Sales by Region

Region	Year ended December 31, 2016 US$ millions	Year ended December 31, 2015 US$ millions	Percentage increase (decrease) 2016 vs. 2015	Percentage increase (decrease) 2016 vs. 2015 excl. foreign currency effects[1]
Asia	1,028.6	947.6	8.5%	9.9%
North America	1,027.2	811.3	26.6%	26.8%
Europe	615.3	544.7	13.0%	16.1%
Latin America	130.6	120.5	8.4%	17.4%

Net Sales by Product Category

Of Samsonite's four principal product categories, travel products are the Group's traditional strength and continue to be its largest product category, accounting for 64.7% of the Group's total net sales during 2016. Net sales in the travel category increased by 11.4%[1] to US$1,817.8 million during 2016. Excluding *Tumi*, net sales in the travel product category increased by 4.5%[1], with country-specific product designs and locally relevant marketing strategies contributing to this increase. Net sales in the business product category increased by 38.2%[1], primarily due to the addition of *Tumi*. Excluding *Tumi*, net sales in the business product category increased by 3.8%[1], driven by strong growth in Asia and Europe, partially offset by lower sales of protective laptop cases under the *Speck* brand in North America. During 2016, net sales in the casual product category increased by 16.4%[1] overall. Excluding *Tumi,* net sales in the casual product category increased by 6.1%[1], driven by the *Gregory* and *Samsonite* brands. Net sales in the accessories product category increased by 47.3%[1]. Excluding *Tumi,* net sales in the accessories product category increased by 26.4%[1], driven by an increase in net sales of *Speck* branded protective phone cases, as well as the full-year impact of sales made through the Rolling Luggage and Chic Accent retail chains.

Table 4: Net Sales by Product Category

Product Category	Year ended December 31, 2016 US$ millions	Year ended December 31, 2015 US$ millions	Percentage increase (decrease) 2016 vs. 2015	Percentage increase (decrease) 2016 vs. 2015 excl. foreign currency effects[1]
Travel	1,817.8	1,660.9	9.4%	11.4%
Business	378.6	276.0	37.2%	38.2%
Casual	301.9	263.1	14.8%	16.4%
Accessories	268.7	183.9	46.1%	47.3%

Distribution

Net sales in the wholesale channel increased by 10.5%[1] for the year ended December 31, 2016 compared to the previous year. Net sales in the direct-to-consumer channel increased 42.4%[1] driven by the addition of 285 net new company-operated stores during 2016, including 202 company-operated Tumi stores from the acquisition on August 1, 2016 and nine net new Tumi stores added post-acquisition, as well as growth in direct-to-consumer e-commerce.

Excluding *Tumi*, net sales in the wholesale channel increased by 4.5%[1], while net sales in the direct-to-consumer channel increased by 11.8%[1] year-on-year. The strong organic growth in the direct-to-consumer channel was driven by the addition of 74 net new company-operated stores in 2016 and the full-year impact of 162 net new stores (including 31 Rolling Luggage stores and 30 Chic Accent stores from the respective acquisitions) added during 2015, as well as the continued strong growth of the Group's direct-to-consumer e-commerce business. The strong constant currency net sales growth in the direct-to-consumer channel reflects the Group’s strategy of investing resources to support the growth of its bricks-and-mortar retail and direct-to-consumer e-commerce business, including through acquisitions.

On a same store, constant currency basis, the Group recorded a 2.5% increase in retail net sales for the year ended December 31, 2016. In North America, same store retail net sales increased by 0.8%[1] (where same store retail net sales rebounded from a decline of 4.4%[1] in the first half of 2016 to an increase of 5.2%[1] in the second half of 2016). Europe and Latin America also recorded same store retail net sales growth of 7.6%[1] and 9.4%[1], respectively. This increase was partially offset by a decline in same store retail net sales of 4.8%[1] in Asia due to fewer visitors from Mainland China to Hong Kong (including Macau) and South Korea, as well as generally weak consumer sentiment in certain other countries in the region.

During the year ended December 31, 2016, US$265.7 million, or 9.5%, of the Group’s net sales were derived from e-commerce (comprising US$120.0 million from the Group’s direct-to-consumer e-commerce business, which is included within the direct-to-consumer channel, and US$145.7 million of net sales to e-retailers, which are included within the wholesale channel). This represents an increase of 29.1% compared to the year ended December 31, 2015, when e-commerce comprised US$205.8 million, or 8.5%, of the Group’s net sales. Excluding *Tumi*, net sales in the Group's e-commerce business increased by 19.7%[1] year-on-year, with net sales to e-retailers increasing by 21.5%[1] and net sales in the Group's direct-to-consumer e-commerce business increasing by 17.2%[1] during 2016.

Mr. Tainwala commented, “Excluding the impact from the acquisition of Tumi, e-commerce continued to see the strongest growth among our distribution channels. There is no doubt that the shift toward e-commerce poses the biggest challenge that our business has faced in a long time. However, if managed well, this could also be our biggest opportunity. Indeed, with our portfolio of brands and our scale, Samsonite has the potential to become a significant player in the bags and luggage e-commerce channel.”

Marketing and R&D

The Group spent US$143.8 million, or 5.1% of net sales, on marketing during the year ended December 31, 2016, an increase of 8.9% compared to US$132.1 million, or 5.4% of net sales, in the previous year, reflecting the Group’s on-going commitment to advertise and promote its brands and products to support sales growth worldwide. The reduction in marketing spend as a percentage of net sales reflects more normalized spending on the *American Tourister* brand in Europe following two years of investment to increase awareness and drive growth of the brand in the region. The Group continued to employ targeted and focused advertising and promotional campaigns. The Group believes the success of its advertising campaigns is evident in its net sales growth, and remains committed to enhancing brand and product awareness and driving additional net sales growth through focused marketing activities.

The Group continued to invest in its brands through sustained R&D spending to produce lighter and stronger new materials, as well as exciting and innovative new products. Investment in research and development increased to US$25.4 million in 2016 from US$22.3 million in 2015.

Mr. Tainwala remarked, "We consider our consistent investment in marketing and R&D to support our brands as a key driver of long-term growth. With our scale and global reach, as well as through our deployment of targeted and focused advertising and promotional campaigns, we were able to maintain a high level of awareness for our brands among consumers worldwide. We intend to increase our investment in marketing in 2017 to support the global expansion of *Tumi* and to continue to drive visibility for *Samsonite*, *American Tourister* and our other brands."

Outlook

Looking ahead to 2017, the management team will continue to develop the Group into a well-diversified multi-brand, multi-category and multi-channel luggage, bag and accessories business, through the deployment of multiple brands to operate across a wider range of price points and a broader spectrum of consumer demographics in each category.

The Group aims to increase the proportion of sales from the direct-to-consumer channel by growing direct-to-consumer e-commerce sales and through targeted expansion of its bricks-and-mortar retail presence. The Group is also focused on investing in its core brands with sustained R&D spending to produce exciting and innovative new products, supported by effective marketing spend to drive awareness among consumers.

Whilst focusing on leveraging the Group's regional management structure, sourcing and distribution expertise and marketing engine to extend the *Tumi* brand into new markets and penetrate deeper into existing channels, the Group will continue to execute on market opportunities for its recently acquired brands to further diversify its product offerings into non-travel categories.

The Group believes it is in a strong position to increase shareholder value through sustainable revenue and earnings growth and free cash flow generation.

Mr Tainwala concluded, "After a successful yet challenging 2016, I see more opportunities than risks in 2017 for our business. Trading conditions in most markets are showing early signs of improvement. We are also fortunate in that travel and tourism continues to post steady growth. Over the long-term, global tourism is estimated to grow by 3.3%[10] annually from 2011 to 2030, and the worldwide luggage market forecast to grow at an annual rate of 6.1%[11] between 2017 and 2021, providing solid the foundations for our future growth."

– End –

[10] Source: UNWTO World Tourism Tourism Highlights 2016 Edition.
[11] Source: Global Luggage Market 2017 - 2021, Technavio, 2016.

For Immediate Release

About Samsonite

Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is the world's largest travel luggage company, with a heritage dating back more than 100 years. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, travel accessories and slim protective cases for personal electronic devices throughout the world, primarily under the *Samsonite®, Tumi®, American Tourister®, Hartmann®, High Sierra®, Gregory®, Speck®, Lipault®* and *Kamiliant®* brand names as well as other owned and licensed brand names.

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This announcement contains forward-looking statements. All statements other than statements of historical fact contained in this announcement, including, without limitation, the discussions of the Group's business strategies and expectations concerning future operations, margins, profitability, liquidity and capital resources, the future development of the Group's industry and the future development of the general economy of the Group's key markets and any statements preceded by, followed by or that include words and expressions such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements, as they relate to the Group or its management, are intended to identify forward-looking statements.

These statements are subject to certain known and unknown risks, uncertainties and assumptions, which may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Accordingly, you should not place undue reliance on any forward-looking information.

Subject to the requirements of applicable laws, rules and regulations, the Group does not have any and undertakes no obligation to update or otherwise revise the forward-looking statements in this announcement, whether as a result of new information, future events or developments or otherwise. In this announcement, statements of or references to the Group's intentions are made as of the date of this announcement. Any such intentions may change in light of future developments. All forward-looking statements contained in this announcement are qualified by reference to the cautionary statements set out above.