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, 2011

Financial Highlights

- For the year ended December 31, 2011, the Company's :

  - Net sales increased by 34.4% compared to the previous year.

  - Adjusted Net Income[1] increased by 56.6% compared to the previous year.

  - Adjusted EBITDA[2] increased by 47.2% compared to the previous year.

  - Adjusted EBITDA margin[3] increased to 15.8% for the year ended December 31, 2011 from 14.4% for the year ended December 31, 2010.

  The above figures exclude the effect of the termination of the *Lacoste*[4] and *Timberland*[5] licensing agreements, which were no longer active from December 2010, and have been adjusted to eliminate the effect of certain non-recurring costs and charges and certain other non-cash charges.

- If we do not adjust for *Lacoste* and *Timberland*, the Company's net sales increased to a record level of US$1,565.1 million for the year ended December 31, 2011, reflecting a 28.8% increase compared to the previous year. Excluding foreign currency effects, net sales increased by 24.3%. Adjusted Net Income increased by 29.6% to US$136.8 million. Adjusted EBITDA increased by 29.3% to US$248.3 million for the year ended December 31, 2011 compared to the previous year, and Adjusted EBITDA margin was 15.9% for the year ended December 31, 2011 compared to 15.8% for the previous year.

* *For identification purposes only*

- All four regions achieved strong double digit net sales growth driven by:
  - the strength of the Company's brands;
  - innovative product offerings tailored to local markets;
  - extensive global distribution and points of sale expansion;
  - strong and targeted investment in advertising and promotion; and
  - the continued expansion of business and casual products.
- Net sales for the Asian region increased by 48.1% for the year ended December 31, 2011 compared to the previous year, making it the Company's largest, fastest growing and most profitable region. Net sales in North America, Europe and Latin America increased by 29.7%, 27.6% and 23.5%, respectively, as compared with the previous year. These figures exclude the effect of the termination of the *Lacoste* and *Timberland* licensing agreements.
- Net sales in the travel product category increased by 33.9% to US$1,186.7 million for the year ended December 31, 2011 compared to the previous year.
- Net sales in the business product category increased by 71.8% to US$189.6 million for the year ended December 31, 2011 compared to the previous year.
- Net sales in the casual product category increased by 32.4% to US$77.2 million for the year ended December 31, 2011 compared to the previous year, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements.
- The Company's marketing expenses increased by 19.9% to US$122.8 million (approximately 8% of net sales) for the year ended December 31, 2011 compared to the previous year, reflecting the Company's commitment to utilize advertising and promotion to drive sales growth worldwide.
- The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on June 16, 2011. The Company received gross proceeds of US$225.3 million which, along with cash on hand, were used to repay in full the Company's loan notes and former senior credit facility and former term loan facility.
- As of December 31, 2011, the Company had cash and cash equivalents of US$141.3 million and financial debt of US$15.1 million (excluding deferred financing costs of US$3.3 million), providing the Company with a net cash position of US$126.2 million as of December 31, 2011.

- The Board has 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.

(Expressed in millions of US Dollars, except per share data)	**Year ended December 31,**		Percentage
	2011	2010	change
Net sales	**1,565.1**	1,215.3	28.8%
Profit for the year	**103.6**	366.8	(71.8)%
Adjusted Net Income(1)	**136.8**	105.6	29.6%
Adjusted EBITDA(2)	**248.3**	191.9	29.3%
Adjusted EBITDA margin(3)	**15.9%**	15.8%	
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.06**	0.27	(77.8)%
Adjusted basic and diluted earnings per share(6) *(Expressed in US Dollars per share)*	**0.10**	0.08	25.0%

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 year. See "Management Discussion and Analysis — Adjusted Net Income" for a reconciliation from the Company's profit for the year 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. The Company believes Adjusted EBITDA 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 year to Adjusted EBITDA.

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

4 *Lacoste* is a registered trademark of Lacoste Alligator S.A.

5 *Timberland* is a registered trademark of The Timberland Company.

6 Adjusted earnings per share 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, 2011 together with comparative figures for the year ended December 31, 2010. 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

This is the first set of full-year results since Samsonite's listing on the Main Board of The Stock Exchange of Hong Kong Limited in June 2011, and I am delighted to report a strong performance across all of our markets, and excellent year-on-year growth in sales in both the *Samsonite* and *American Tourister* brands.

The listing of Samsonite on the Hong Kong Stock Exchange was a turning point for the Company: it signaled a new chapter for our products and our people, and helped take us another step forward in our ambition to increase the global visibility of our brand.

Despite the emergence of the Eurozone crisis in the middle of last year, global travel numbers continued their advance across all regions, which clearly had a positive impact on the sales of our travel products in particular. The Company's total net sales increased by 28.8% to a record US$1,565.1 million in 2011, and net sales of travel products increased by 33.9%. If we exclude the net sales attributable to the *Lacoste* and *Timberland* licensing agreements, which were terminated at the end of 2010, then net sales increased by US$399.1 million, or 34.4%, an even stronger performance. Net sales of *Lacoste* and *Timberland* products accounted for only 0.3% of total sales in 2011, versus 4.4% in 2010, and will no longer have a material impact on 2012 performance.

The Company's profit attributable to equity holders in 2011 was US$86.7 million, substantially ahead of the forecast of US$64.2 million included in the prospectus prepared in connection with the Company's listing in June.

If we look at the Company's reported profit attributable to equity holders for the year, on a like-for-like basis, it is useful for comparison purposes to adjust for the impact of some non-recurring costs and non-cash items. Of these adjustments, the most significant item is the reversal required by accounting standards of US$379.8 million in 2010 of certain impairments originally recorded in 2008. The other material item requiring adjustment was US$24.8 million in expenses related to our IPO. If one does not adjust for these non-recurring costs and non-cash items, our reported net income result does not reflect an accurate picture of the strength of the underlying business and the excellent results that have been achieved. After making the necessary adjustments, our net income increased by 29.6% to US$136.8 million in 2011. If we also exclude the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, the percentage increase in this adjusted net income was substantially higher at almost 56.6%.

Earnings per share on an adjusted basis increased from US$0.08 per share in 2010 to US$0.10 per share in 2011. In light of our strong results and in line with our intention of maintaining a progressive dividend policy as expressed in the listing prospectus, the Board 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.

The Company's outstanding results for the full year 2011 are due to a number of factors including, as previously mentioned, the continuing growth in global travel. In fact, international tourist arrivals grew over 4% in 2011 to 980 million and are expected to grow at 3-4% to reach 1 billion in 2012, according to the latest UNWTO World Tourism Barometer. Internally, we have also worked hard on bringing new products to market that are much better targeted at meeting the differing consumer preferences in each region. Over the past two years, we have revolutionised the Company's product lines to ensure that they reflect local consumer tastes as well as include a range of offerings at key price points relevant to our two main brands, *Samsonite* and *American Tourister*. In addition, we have continued to develop innovative designs that meet our customers' continuously evolving requirements for lighter, stronger and more maneuverable luggage. We have supported these R&D initiatives with an increased investment in marketing worldwide to strengthen brand visibility in an otherwise fragmented global luggage market. As a result of these strategies, we have not only benefited from growth in global travel, but we have also increased our market share in many key regions.

Samsonite, our core brand, continues to underpin the Company's performance worldwide, with net sales increasing by 33.3% to US$1,223.4 million in 2011. Our entry-level brand, *American Tourister*, captured strong momentum in Asia, where most of the brand's sales growth of 55.1% to US$249.9 million was achieved in 2011.

During the full year 2011, the Company recorded solid sales growth across all four of our regions of Asia, North America, Europe and Latin America. A key factor contributing to this result is our decentralized marketing, sales, product development and sourcing functions which allow us not only to ensure that we closely consider customer preferences when designing products for each region but also enable decisions to be made more quickly and closer to where the impact will be felt. A decentralized structure is particularly important as consumer tastes and distribution channels for luggage products vary significantly across regions and even from country to country within a region.

In 2011, Samsonite's business in Asia benefited from the growth of the emerging middle class, increasing levels of disposable income and the continuing growth in travel, making the region our largest, fastest growing and most profitable. Net sales in Asia increased by a positive 48.1% (excluding the impact of *Lacoste* and *Timberland*), driven by China and India where the *American Tourister* brand plays a central role in our strategy of recruiting new adopters of international brands at an affordable price. Net sales in China and India increased by 57.4% and 41.1%, respectively, while the more mature markets of Japan and South Korea also saw encouraging sales growth of 42.3% and 50.3%, respectively, in 2011. It is worth pointing out that the Company had its best year in Australia, and although the base is presently small, we have great expectations for the Indonesian market in coming years. In Asia, our sales strategy is a more retail-oriented model, with a high proportion of sales being made through our own stores, through concessions we operate in department stores, or through preferred dealers who operate *Samsonite*-branded retail stores. In this context, it is noteworthy that we added over 400 points of sale in this region during 2011, bringing the total points of sale to over 5,600 outlets. Over the coming years we expect Asia to remain our most important geography fueled by rising incomes and an increasing desire for people in this region to travel.

In the more mature regions of North America (which includes the United States and Canada) and Europe, we fared very well in 2011, a testament to the resilience of our brands. Net sales in North America increased by 29.7% (excluding *Lacoste* and *Timberland*) despite the highly competitive nature of this market. Our success in North America has been due in large part to the significant changes we have made to the overall design of our products and the depth of our product range to accommodate evolving consumer needs. In addition, we worked closely with our key retail customers in this market over the course of 2011 to ensure that they have appropriately tailored products to meet margin and price-point requirements. Our Company-owned retail stores in outlet centers across North America have also enjoyed a very strong year with like-for-like growth of 25.4% in 2011 (on a constant currency basis).

Our European business posted an excellent year-on-year increase in sales of 27.6% (excluding *Lacoste* and *Timberland*) despite the Eurozone crisis. It is important to note that our business in most of the European markets has been relatively insulated from the impact of the crisis, particularly in markets such as Greece and Portugal where the Company currently has a small amount of turnover. Our sales growth in the region was led by Germany and France, which clocked an increase of 30.9% and 26.6%, respectively, followed by Italy and Spain. Italy and Spain, which together account for just under a quarter of the Company's European sales, posted solid sales growth of 17.8% (excluding *Lacoste* and *Timberland* which had a bigger impact on Italy) and 14.8%, respectively. Much of the success of our European business has been due to three very strong product ranges: Cosmolite and Cubelite, which use Curv material, and B-Lite, a range of super-light soft luggage.

The Company's net sales in Latin America increased 23.5% (excluding *Lacoste* and *Timberland*), driven by Chile and Mexico (which together account for just under three-quarters of our business in the region) where sales were up by 25.0% and 19.3%, respectively. In Argentina, sales were largely unchanged at US$14.2 million from the previous year due to government restrictions on imports imposed in 2011.

Travel products are the Company's traditional strength and largest product category by far, currently accounting for 75.8% of the Company's net sales at US$1,186.7 million in 2011, an increase of 33.9% compared to 2010. We continue to launch innovative products for travel, with the highlights of last year being the Cubelite addition to the Curv range, the extension of the B-Lite range (including a successful North American derivative) and the launch of a new Hybrid concept, offering the best features of both hard-side and soft-side luggage. Special mention must be made of the Company's achievement in reaching 1 million units sold of our Cosmolite hard-sided suitcases at the end of the year.

In 2011 we also continued to make excellent progress with the business and casual categories, in which the Company has been historically under-represented. Net sales in the business product category increased by 71.8% to US$189.6 million in 2011, while net sales in the casual product category increased by 32.4% in 2011 excluding *Lacoste* and *Timberland*. Our performance has been strong in these categories across all regions, buoyed by an increased focus on developing innovative products and ranges to suit local customer preferences. Also worth mentioning is the accessories category where the Company has taken several licenses back in-house and achieved net sales of US$70.8 million, a year-on-year increase of 41.0%.

Over the course of 2011, the Company remained consistent with its strategy of increasing marketing spend broadly in line with sales as we are convinced that the global recognition of our brands is a major source of competitive advantage and an important driver of the long run profitability of our business. Investment in marketing increased over the year by 19.9% to US$122.8 million, and currently stands at 7.8% of net sales. Over time, we expect to raise the marketing spend behind our brands significantly in absolute terms and broadly in line with sales growth.

For the future, we remain optimistic in our ability to preserve current gross margin levels despite inevitable inflationary pressure on costs resulting from higher prices of commodity goods and labor which will be felt by all players in the market. While we are confident that we can continue to factor in a significant proportion of these cost increases into our product pricing, we are working closely with our manufacturing partners to improve their cost effectiveness as well as reviewing new sources for inputs and production. We have successfully doubled the capacity of our plant in Szekszard, Hungary and are poised to introduce new lines to our Curv range.

At the half-year, we noted that inventories had risen to support increased service levels and new product introductions. In 2011, our inventory days were virtually unchanged from last year at 118 days compared to 117 days in 2010.

Capital expenditure increased from US$29.6 million in 2010 to US$37.2 million in 2011, mainly due to investment in the plant extension in Hungary. The Company expects to increase investment in expanding our retail distribution channel, particularly in Asia, over the next few years, and envisage a sustainable level of around US$40 million in annual capital expenditure in the future. Next year's capital expenditure budget is approximately US$43 million.

Following the Company's listing, we used a portion of our IPO proceeds and cash-in-hand to repay debt. The strong cash flows generated by the business have contributed to a healthy balance sheet and a net cash position of US$126.2 million at the end of 2011, providing us with a solid platform for future growth.

Given the excellent results achieved by the Company in 2011, we will continue to maintain the course of our existing strategy, which is to:

- leverage the strength of the Company's brands, *Samsonite* and *American Tourister;*

- tailor our products to meet local requirements, while staying true to our core values of lightness, strength and innovation;

- expand and improve the efficiency and effectiveness of our supply chain and global distribution network;

- increase our marketing and R&D investment broadly in line with worldwide sales growth;

- deploy increased levels of resources to improve our market share of business and casual products and accessories, where the Company is under-represented; and

- focus on achieving growth organically, while considering acquisition opportunities with a compelling strategic and financial rationale as they arise.

Following a difficult period in the global economy, there are signs that some stabilization is beginning to take hold. As mentioned previously, most markets in Europe have been relatively resilient, with only a few being significantly affected by sovereign debt problems. Asia and most of Latin America continue to shine, and the US economy seems to be in a steady recovery. As the global economy stabilizes, we expect global travel to continue to grow, and with that the global market for luggage. Indeed, the global luggage market is forecast to grow by 5% CAGR to reach US$31.6 billion in retail sales value by 2015[1]. We believe we will be able to capture much of this growth as a result of our continuing investment in new technology, our brands and distribution network. With our solid balance sheet, proven strategy and effective execution, the Company is well placed to implement its growth plans and to further reinforce its position as the global market leader in travel goods.

1 Source: Report by Frost & Sullivan commissioned by the Company in connection with the listing of the Company on The Stock Exchange of Hong Kong Limited.

Finally, I would like to pay tribute to all of my colleagues in the many countries we trade in, and in all departments of the Company; without their unstinting support and hard work, we would not have been able to achieve these results, and we look forward to maintaining this positive trend in the future.

Consolidated Income Statements

(Expressed in thousands of US Dollars, except per share data)

	Note	**Year ended December 31, 2011**	2010
Net sales	5	**1,565,147**	1,215,307
Cost of sales		**708,199**	525,628
Gross profit		**856,948**	689,679
Distribution expenses		**410,889**	319,621
Marketing expenses		**122,822**	102,453
General and administrative expenses		**113,613**	97,096
Reversal of impairment of intangible assets and fixed assets		**—**	(379,826)
Restructuring (reversal of charges)/charges	9	**(877)**	4,348
Other expenses		**571**	2,385
Operating profit		**209,930**	543,602
Finance income	11	**1,247**	1,647
Finance costs	11	**(71,879)**	(30,660)
Finance income and costs		**(70,632)**	(29,013)
Profit before income tax		**139,298**	514,589
Income tax expense	10	**(35,680)**	(147,775)
Profit for the year		**103,618**	366,814
Profit attributable to the equity holders		**86,748**	355,022
Profit attributable to non-controlling interests		**16,870**	11,792
Profit for the year		**103,618**	366,814
Earnings per share			
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	4	**0.06**	0.27

The accompanying notes form part of the consolidated financial statements.

Consolidated Statements of Comprehensive Income

(Expressed in thousands of US Dollars)

	Year ended December 31,	
	2011	2010
Profit for the year	**103,618**	366,814
Other comprehensive loss:		
Actuarial losses on defined benefit plans	**(12,886)**	(7,438)
Changes in fair value of cash flow hedges	**5,401**	297
Foreign currency translation (losses)/gains for foreign operations	**(15,357)**	1,383
Income tax expense on other comprehensive loss items	**(1,586)**	—
Other comprehensive loss	**(24,428)**	(5,758)
Total comprehensive income	**79,190**	361,056
Total comprehensive income attributable to the equity holders	**64,585**	348,890
Total comprehensive income attributable to non-controlling interests	**14,605**	12,166
Total comprehensive income for the year	**79,190**	361,056

The accompanying notes form part of the consolidated financial statements.

Consolidated Statements of Financial Position

(Expressed in thousands of US Dollars)

	Note	**December 31, 2011**	December 31, 2010
Non-Current Assets			
Property, plant and equipment, net		**127,975**	124,782
Goodwill		**153,212**	153,212
Other intangible assets, net		**619,438**	628,296
Deferred tax assets		**14,023**	20,791
Other assets and receivables		**18,500**	15,393
Total non-current assets		**933,148**	942,474
Current Assets			
Inventories		**236,957**	222,704
Trade and other receivables, net	6	**171,552**	146,142
Prepaid expenses and other assets		**61,630**	67,883
Cash and cash equivalents	7	**141,259**	285,798
Total current assets		**611,398**	722,527
Total assets		**1,544,546**	1,665,001
Equity and Liabilities			
Equity:			
Share capital		**14,071**	22,214
Reserves		**904,060**	717,994
Total equity attributable to equity holders		**918,131**	740,208
Non-controlling interests		**27,069**	22,644
Total equity		**945,200**	762,852

	Note	**December 31, 2011**	December 31, 2010
Non-Current Liabilities			
Loans and borrowings	8(a)	**71**	246,709
Employee benefits		**59,725**	77,124
Non-derivative financial instruments		**29,522**	18,652
Deferred tax liabilities		**120,307**	135,779
Other liabilities		**6,252**	7,122
Total non-current liabilities		**215,877**	485,386
Current Liabilities			
Loans and borrowings	8(b)	**11,696**	12,032
Employee benefits		**45,182**	38,777
Trade and other payables	9	**286,560**	330,511
Current tax liabilities		**40,031**	35,443
Total current liabilities		**383,469**	416,763
Total liabilities		**599,346**	902,149
Total equity and liabilities		**1,544,546**	1,665,001
Net current assets		**227,929**	305,764
Total assets less current liabilities		**1,161,077**	1,248,238

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*® and *American Tourister*® 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 primarily 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. See further details and discussion in note 3.

(2) Principal Accounting Policies

The IASB has issued a number of amendments to IFRSs and one new interpretation that are first effective for the year ended December 31, 2011. Of these, the following developments are relevant to the consolidated financial statements:

- IAS 24 (revised 2009), *Related Party Disclosures*
- Improvements to IFRSs (2010)
- IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IFRIC 14, *IAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction — Prepayments of a Minimum Funding Requirement.*

IFRIC 14, *Prepayments of a Minimum Funding Requirement* (IFRIC 14), which removed an unintentional consequence arising from the treatment of prepayments of future contributions in some circumstances when there is a minimum funding requirement in pension plans, and certain revisions to IAS 24, *Related Party Disclosures* (IAS 24), which amends the definition of a related party, were mandatory for the first time for financial reporting periods beginning January 1, 2011. The adoption of these standards had no material impact on the consolidated financial statements.

The Company has not applied any new standard or interpretation that is not yet mandatorily effective for the current accounting period.

(3) Global Offering and Related Events

The ordinary shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on June 16, 2011, at which time 671.2 million shares were sold at a unit price of HK$14.50. Out of these 671.2 million shares, 121.1 million shares were newly issued shares sold by the Company and 550.1 million shares were previously issued shares sold by existing shareholders. The Company's remaining 735.9 million issued and outstanding shares were not sold in connection with the Global Offering and at the time of the Global Offering continued to be held by the shareholders who held such shares immediately prior to the Global Offering.

The Company received gross proceeds of HK$1,756.0 million corresponding to a capital increase of US$225.3 million at the exchange rate prevailing at the date of the transaction. In connection with the transaction, the Company incurred costs of US$33.7 million, of which US$8.9 million were related to the listing and issue of new shares and were recorded as a reduction of additional paid-in capital. The remaining costs of US$24.8 million were recognized as an expense in the consolidated income statement for the year ended December 31, 2011.

Prior to the Global Offering, the beneficial owners of the ordinary shares of OldCo contributed their shares to the Company in consideration for the issue of ordinary shares in the Company.

The 78.0 million preference shares of OldCo that were previously outstanding were redeemed and canceled on June 10, 2011 in consideration for the beneficial owners of the preference shares receiving (i) A loan notes issued by OldCo with a principal equal to the nominal value of the A preference shares and the total share premium reserve attaching to the A preference shares for an aggregate principal value of US$77.0 million (the "A Loan Notes") and (ii) B loan notes issued by OldCo with a principal equal to the nominal value of the B preference shares plus the accrued B preference share reserve for an aggregate principal value of US$24.0 million (the "B Loan Notes" and, together with the A Loan Notes, the "Loan Notes"). The Loan Notes received a commercial rate of interest. The US$101.0 million outstanding balance of the Loan Notes was repaid utilizing a portion of the Company's proceeds from the sale of ordinary shares on completion of the Global Offering.

The Company utilized a portion of the remaining proceeds from the Global Offering, along with existing cash on hand, to repay in full the outstanding principal balance of US$221.6 million on its former amended senior credit facility and the outstanding principal and accrued interest of US$59.2 million on its former term loan facility. The former amended senior credit facility and former term loan facility were terminated following the Global Offering.

On July 8, 2011, the over-allotment option referred to in the Offering Circular was partially exercised by the Joint Global Coordinators on behalf of the International Underwriters, thereby requiring the funds managed by CVC Capital Partners Limited (the "CVC Funds") and the Royal Bank of Scotland ("RBS"), members of the selling shareholder group, to sell 24.7 million additional shares, which represented approximately 3.7% of the shares initially being offered under the Global Offering before any exercise of the over-allotment option. These additional shares were sold by the CVC Funds and RBS at HK$14.50 per share, being the offer price per share under the Global Offering. The Company did not sell any additional shares upon the exercise of the over-allotment option. In connection with an agreement between the Company and the Joint Global Coordinators, the Company received proceeds of US$3.5 million on profits recognized by the Joint Global Coordinators from the exercise of the over-allotment option (the "Stabilization Proceeds").

On May 27, 2011, the Company entered into a new credit agreement for a US$100.0 million revolving credit facility (the "Revolving Facility"). The Revolving Facility became effective upon completion of the Global Offering. The Revolving Facility has an initial term of three years, with a one year extension 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 1% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. 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 incurred costs of US$4.0 million in connection with the negotiation and documentation of the Revolving Facility, which have been capitalized and will be amortized over the term of the agreement.

(4) 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 for the years ended December 31, 2011 and December 31, 2010, 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:

	Year ended December 31,	
(Expressed in thousands of US Dollars, except share and per share data)	**2011**	2010
Issued ordinary shares at the beginning of the period	**1,286,036,999**	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	**1,352,061,385**	1,286,036,999
Profit attributable to the equity holders	**86,748**	355,022
Less earnings on Class B preference shares	**(6,489)**	(13,383)
Adjusted profit attributable to the equity holders	**80,259**	341,639
Basic earnings per share *(Expressed in US Dollars per share)*	**0.06**	0.27

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.

No dividends were declared and paid during the period.

(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, 2011 and December 31, 2010.

(5) 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 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 that are reviewed by the Chief Operating Decision Maker. 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 year ended December 31, 2011 is as follows:

(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 expenditures	**13,826**	**16,924**	**3,761**	**1,829**	**832**	**37,172**
Restructuring charges/ (reversals 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**

Segment information as of and for the year ended December 31, 2010 is as follows:

(Expressed in thousands of US Dollars)	**Asia**	**Europe**	**North America**	**Latin America**	**Corporate**	**Consolidated**
External revenues	405,143	406,696	302,968	88,960	11,540	1,215,307
Operating profit	67,543	213,089	47,628	23,188	192,154	543,602
Depreciation and amortization	12,297	1,250	1,044	1,941	4,212	20,744
Impairment of fixed assets	63	52	—	—	—	115
Reversal of impairment of intangible assets and fixed assets	—	(79,741)	(13,184)	(13,188)	(273,828)	(379,941)
Capital expenditures	9,120	12,779	3,499	1,939	2,238	29,575
Restructuring charges/ (reversals of charges)	—	(106)	3,957	—	497	4,348
Interest income	184	128	7	9	1,319	1,647
Interest expense	(795)	(7,703)	—	(785)	(6,821)	(16,104)
Income tax (expense)/benefit	(13,811)	(20,140)	(684)	250	(113,390)	(147,775)
Total assets	499,843	547,985	1,968,002	73,405	(1,424,234)	1,665,001
Total liabilities	180,461	349,074	1,765,338	41,650	(1,434,374)	902,149

Certain comparative amounts have been reclassified to conform to the presentation adopted for the year ended December 31, 2011. Income tax expense of US$7.0 million for the year ended December 31, 2010 was reclassified from the North America segment to the Corporate segment, resulting in a corresponding change in profit for the year of each segment. There was no resulting impact to the Company's consolidated results.

(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,** **2011**	2010
Asia:		
China	**144,594**	91,844
Hong Kong[(1)]	**48,392**	42,481
Philippines	**3,567**	2,304
Taiwan	**14,252**	10,045
India	**109,846**	77,852
United Arab Emirates	**21,364**	16,187
Australia	**34,881**	24,872
South Korea	**93,969**	62,531
Japan	**51,984**	36,528
Other	**55,467**	40,499
Total Asia	**578,316**	405,143
Europe:		
Italy	**67,549**	69,191
France	**61,024**	48,206
Germany	**61,077**	46,671
Spain	**46,973**	40,929
Belgium	**59,561**	50,996
Holland	**25,030**	19,645
United Kingdom	**30,120**	26,247
Austria	**11,338**	8,500
Switzerland	**18,037**	17,050
Russia	**28,020**	21,666
Turkey	**11,059**	10,306
Other	**59,301**	47,289
Total Europe	**479,089**	406,696
North America:		
United States	**360,314**	281,911
Canada	**27,876**	21,057
Total North America	**388,190**	302,968
Latin America:		
Chile	**50,158**	40,130
Mexico	**32,790**	27,493
Argentina	**14,218**	14,189
Other	**11,435**	7,148
Total Latin America	**108,601**	88,960
Corporate and other (royalty revenue):		
Luxembourg	**10,713**	11,268
United States	**238**	272
Total Corporate and other	**10,951**	11,540
Total	**1,565,147**	1,215,307

(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, 2011**	December 31, 2010
United States	**24,545**	27,885
Luxembourg	**532,428**	532,428
India	**25,307**	22,165
China	**15,623**	14,986
South Korea	**10,737**	12,435
Hong Kong	**9,049**	8,721
Belgium	**45,803**	50,324
Chile	**10,510**	10,912

(6) Trade and Other Receivables

Trade and other receivables are presented net of related allowances for doubtful accounts of US$11.3 million and US$12.5 million as of December 31, 2011 and December 31, 2010, respectively.

Included in trade and other receivables are trade receivables (net of allowance for doubtful accounts) with the following aging analysis as of the reporting dates:

(Expressed in thousands of US Dollars)	**December 31, 2011**	December 31, 2010
Current	**127,926**	115,317
Past Due	**37,074**	25,082
	165,000	140,399

Credit terms are granted based on the credit worthiness of individual customers. As of December 31, 2011, trade receivables are on average due within 60 days from the date of billing.

(7) Cash and Cash Equivalents

(Expressed in thousands of US Dollars)	**December 31, 2011**	December 31, 2010
Bank balances	**121,188**	122,367
Short-term investments	**20,071**	163,431
Total cash and cash equivalents	**141,259**	285,798

The decrease in cash and cash equivalents year over year is primarily attributable to the repayment of the outstanding balance of the former amended senior credit facility and former term loan facility as discussed in note 3.

As of December 31, 2011 and December 31, 2010 the Company had no restrictions on the use of any of its cash.

Short term investments are comprised of overnight sweep accounts and time deposits.

(8) Loans and Borrowings

(a) Non-current obligations represent non-current debt and finance lease obligations as follows:

(Expressed in thousands of US Dollars)	**December 31, 2011**	December 31, 2010
Finance lease obligations	**78**	137
Amended senior credit facility (note i)	**—**	189,158
Term loan facility (note ii)	**—**	57,451
	78	246,746
Less current installments	**7**	37
	71	246,709

(i) Amended Senior Credit Facility

In conjunction with the Global Offering, the Company repaid in full the outstanding principal balance of US$221.6 million on the former amended senior credit facility, and the facility was terminated.

The Company estimated the fair market value of the term loan under the amended senior credit facility was US$193.6 million at inception, compared to the face value of US$240.0 million based on the present value of future cash flows related to the term loan. The difference of US$46.4 million was recorded as a discount on debt and was to be amortized over the life of the note utilizing the effective interest method.

During the year ended December 31, 2011, the Company recognized the remaining unamortized discount of US$32.4 million as of December 31, 2010 on the former amended senior credit facility as interest expense due to the settlement of the borrowing prior to maturity.

Interest expense recognized on the amortization of the discount amounted to US$8.6 million for the year ended December 31, 2010. During the year ended December 31, 2010, the Company had made principal payments on the amended senior credit facility in the amount of US$18.4 million to increase the allowable capital expenditures under the financial covenants on this facility for 2011. At that time, an additional US$2.6 million was recognized as interest expense. The fair value of the outstanding principal balance as of December 31, 2010 was estimated at US$192.9 million.

(ii) Term Loan Facility

In conjunction with the Global Offering, the Company repaid in full the outstanding principal and accrued interest of US$59.2 million on the former term loan facility, and the facility was terminated.

The Company had entered into the term loan facility whereby the CVC Funds, the facility agent of the bank syndicate and a member of management agreed to lend the Company up to US$55.0 million. The Company drew US$55.0 million on the facility on September 10, 2009. The maturity date under the term loan facility was September 10, 2014.

The borrowing under the term loan facility accrued interest at a rate that was reset annually depending on interest rate market conditions. As of December 31, 2010 the interest rate on the term loan facility was 3.82%. Interest accrued under the term loan facility and was added to the outstanding principal balance on the interest reset dates. As of December 31, 2010 the balance of accrued interest was US$0.7 million and US$2.5 million of interest had been added to the outstanding balance as of December 31, 2010. The carrying value of the term loan facility approximated fair value.

(iii) Other

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 statements of financial position. As of December 31, 2011 and December 31, 2010 the balance both on deposit with the bank and due on the loan to the Chilean subsidiary was US$23.7 million and US$26.8 million, respectively.

(b) Current Obligations

The Company had the following current obligations:

(Expressed in thousands of US Dollars)	**December 31, 2011**	December 31, 2010
8 7/8% Senior subordinated notes	**—**	260
Current installments of non-current obligations	**7**	37
Other lines of credit	**15,008**	11,735
Total current obligations	**15,015**	12,032
Less deferred financing costs	**(3,319)**	—
Total current loans and borrowings	**11,696**	12,032

(9) Trade and Other Payables

(Expressed in thousands of US Dollars)	**December 31, 2011**	December 31, 2010
Accounts payable	**212,974**	225,922
Other payables and accruals	**65,447**	77,131
Restructuring accruals	**1,506**	3,118
Other tax payables	**6,633**	24,340
Total trade and other payables	**286,560**	330,511

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. Restructuring charges of US$4.3 million for the year ended December 31, 2010 were primarily attributable to lease exit costs related to the closure of retail stores in North America.

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, 2011**	December 31, 2010
Current	**158,067**	187,010
Past Due	**10,163**	15,651
	168,230	202,661

Trade payables as of December 31, 2011 are on average due within 105 days from the invoice date.

(10) Income Taxes

(a) Taxation in the consolidated income statements includes:

(Expressed in thousands of US Dollars)	**December 31, 2011**	December 31, 2010
Current tax expense — Hong Kong Profits Tax:		
Current period	**(923)**	(1,595)
Current tax expense — Foreign:		
Current period	**(44,203)**	(22,786)
Adjustment for prior periods	**(844)**	—
	(45,047)	(22,786)
Deferred tax (expense) benefit:		
Origination and reversal of temporary differences	**8,733**	(128,157)
Change in tax rate	**70**	139
Change in unrecognized tax assets	**(9,115)**	(2,842)
Recognition of previously unrecognized tax losses	**10,602**	7,466
	10,290	(123,394)
Total income tax expense	**(35,680)**	(147,775)

The provision for Hong Kong Profits Tax for the years ended December 31, 2011 and December 31, 2010 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 ruling 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, 2011**	December 31, 2010
Profit for the year	**103,618**	366,814
Total income tax expense	**(35,680)**	(147,775)
Profit before income tax	**139,298**	514,589
Income tax expense using the Company's applicable tax rate	**(38,112)**	(157,709)
Tax incentives	**9,582**	5,307
Change in tax rates	**70**	139
Change in tax reserves	**(977)**	(2,090)
Non-deductible differences	**(623)**	2,952
Unrecognized benefit — Global Offering costs	**(6,099)**	—
Change in unrecognized tax assets	**10,602**	7,466
Recognition of previously unrecognized tax losses	**(9,115)**	(2,842)
Other	**(164)**	(998)
Under provided in prior periods	**(844)**	—
	(35,680)	(147,775)

The provision for taxation for the years ended December 31, 2011 and December 31, 2010 is calculated using the Company's applicable tax rate of 27.4% and 30.4%, respectively. The applicable rate is based on the Company's weighted average worldwide tax rate.

(11) Finance Income and Finance Costs

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

(Expressed in thousands of US Dollars)	Year ended December 31, **2011**	2010
Recognized in income or loss:		
Interest income on bank deposits	**1,247**	1,647
Finance income	**1,247**	1,647
Interest expense on financial liabilities measured at amortized cost	**37,285**	16,104
Change in fair value of put options	**8,644**	8,788
Net foreign exchange loss	**2,164**	5,862
Expenses related to the Global Offering (note 3)	**24,805**	—
Stabilization proceeds (note 3)	**(3,474)**	—
Other finance costs	**2,455**	(94)
Finance costs	**71,879**	30,660
Net finance costs recognized in profit or loss	**70,632**	29,013

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*® and *American Tourister*® 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, 2011, the Company’s products were sold in more than 40,000 points of sale in over 100 countries.

Management discussion and analysis should be read in conjunction with the Company consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). Certain comparative amounts have been reclassified to conform with 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, or statement of financial position.

Global Offering and Use of Proceeds

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”), at which time 671.2 million shares were sold at a unit price of HK$14.50. Out of these 671.2 million shares, 121.1 million shares were newly issued shares sold by the Company and 550.1 million shares were previously issued shares sold by existing shareholders. The Company’s remaining 735.9 million issued and outstanding shares were not sold in connection with the Global Offering and, at the time of the Global Offering, continued to be held by the shareholders who held such shares immediately prior to the Global Offering.

The Company received gross proceeds of HK$1,756.0 million corresponding to a capital increase of US$225.3 million at the exchange rate prevailing at the date of the transaction. In connection with the transaction, the Company incurred costs amounting to US$33.7 million, of which US$8.9 million were related to the issue and listing of new shares and were recorded as a reduction of additional paid-in capital. The remaining costs of US$24.8 million were recognized as an expense in the consolidated income statement for the year ended December 31, 2011.

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.

The 78.0 million preference shares of OldCo that were previously outstanding were redeemed and canceled on June 10, 2011 in consideration for the beneficial owners of the preference shares receiving (i) A loan notes issued by OldCo with a principal equal to the nominal value of the A preference shares and the total share premium reserve attaching to the A preference shares for an aggregate principal value of US$77.0 million (the "A Loan Notes") and (ii) B loan notes issued by OldCo with a principal equal to the nominal value of the B preference shares plus the accrued B preference share reserve for an aggregate principal value of US$24.0 million (the "B Loan Notes" and, together with the A Loan Notes, the "Loan Notes"). The Loan Notes received a commercial rate of interest.

The Company utilized a portion of its proceeds to repay in full the US$101.0 million outstanding balance of its Loan Notes. The Company utilized the remaining proceeds, along with cash on hand, to repay the outstanding principal balance of US$221.6 million on its former amended senior credit facility and the outstanding principal and accrued interest of US$59.2 million on its former term loan facility. The Company was in a net cash position of US$126.2 million (excluding deferred financing costs of US$3.3 million) as of December 31, 2011.

On July 8, 2011, the over-allotment option referred to in the Offering Circular was partially exercised by the Joint Global Coordinators on behalf of the International Underwriters, thereby requiring the funds managed by CVC Capital Partners Limited (the "CVC Funds") and the Royal Bank of Scotland ("RBS"), members of the selling shareholder group, to sell 24.7 million additional shares, which represented approximately 3.7% of the shares initially offered under the Global Offering before any exercise of the over-allotment option. These additional shares were sold by the CVC Funds and RBS at HK$14.50 per share, being the offer price per share under the Global Offering. The Company did not sell any additional shares upon the exercise of the over-allotment option. Pursuant to an agreement between the Company and the Joint Global Coordinators, the Company received proceeds of US$3.5 million on profits recognized by the Joint Global Coordinators from the exercise of the over-allotment option (the "Stabilization Proceeds").

Please refer to note 3 of the consolidated financial statements for further details on the Global Offering.

Net Sales

The following table sets forth a breakdown of net sales by region for the years ended December 31, 2011 and December 31, 2010, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)
Net sales by region:					
Asia	**578,316**	**37.0%**	405,143	33.3%	42.7%
Europe	**479,089**	**30.6%**	406,696	33.5%	17.8%[1]
North America	**388,190**	**24.8%**	302,968	24.9%	28.1%
Latin America	**108,601**	**6.9%**	88,960	7.3%	22.1%
Corporate	**10,951**	**0.7%**	11,540	1.0%	(5.1)%
Net sales	**1,565,147**	**100.0%**	1,215,307	100.0%	28.8%

(1) Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the Company's European region increased by 27.6% for the year ended December 31, 2011 compared to the previous year.

Net sales increased by US$399.1 million, or 34.4%, for the year ended December 31, 2011 compared to the previous year, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, which were no longer active from December 2010.

Net sales increased across all of the Company's regions. Including net sales attributable to the *Lacoste* and *Timberland* licensing agreements, net sales increased by US$349.8 million, or 28.8%, to US$1,565.1 million for the year ended December 31, 2011 from US$1,215.3 million for the year ended December 31, 2010. Excluding foreign currency effects, net sales for the year ended December 31, 2011 increased by US$295.7 million, or 24.3%, compared to the previous year.

The Company's *Lacoste* license expired at the end of 2010. The Company also elected to exit its *Timberland* license at the same time to focus its efforts on strengthening its core *Samsonite* and *American Tourister* product offerings and products in the business and casual categories.

Brands

The following table sets forth a breakdown of net sales by brand for the years ended December 31, 2011 and December 31, 2010, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)
Net sales by brand:					
Samsonite	**1,223,353**	**78.2%**	917,792	75.5%	33.3%
American Tourister	**249,873**	**16.0%**	161,117	13.3%	55.1%
Lacoste/Timberland[(1)]	**4,661**	**0.3%**	53,934	4.4%	(91.4)%
Other[(2)]	**87,260**	**5.5%**	82,464	6.8%	5.8%
Net sales	**1,565,147**	**100.0%**	1,215,307	100.0%	28.8%

(1) The *Lacoste* and *Timberland* licensing agreements were no longer active from December 2010. Net sales of the *Lacoste* and *Timberland* brands in 2011 relate to the sales of residual product on hand at December 31, 2010.

(2) Other includes local brands *Saxoline* and *Xtrem*.

Net sales of the *Samsonite* brand increased by US$305.6 million, or 33.3%, for the year ended December 31, 2011 compared to the previous year. Net sales of the *American Tourister* brand increased by US$88.8 million, or 55.1%, for the year ended December 31, 2011 compared to the previous year. Asia accounted for US$79.5 million, or 89.6%, of the US$88.8 million increase in *American Tourister* brand sales for the year ended December 31, 2011 compared to the previous 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. Travel is by far the Company's largest product category and has been the Company's traditional strength. The following table sets forth a breakdown of net sales by product category for the years ended December 31, 2011 and December 31, 2010, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)
Net sales by product category:					
Travel	**1,186,683**	**75.8%**	885,944	72.9%	33.9%
Business	**189,582**	**12.1%**	110,321	9.1%	71.8%
Casual (excl. *Lacoste* & *Timberland*)	**77,188**	**4.9%**	58,279	4.8%	32.4%
Casual (*Lacoste* & *Timberland* only)[1]	**4,661**	**0.3%**	53,934	4.4%	(91.4)%
Accessories	**70,786**	**4.5%**	50,186	4.1%	41.0%
Other	**36,247**	**2.4%**	56,643	4.7%	(36.0)%
Net sales	**1,565,147**	**100.0%**	1,215,307	100.0%	28.8%

(1) The *Lacoste* and *Timberland* licensing agreements were no longer active from December 2010. Net sales of the *Lacoste* and *Timberland* brands in 2011 relate to the sales of residual product on hand at December 31, 2010.

The US$349.8 million increase in net sales for the year ended December 31, 2011 compared to the previous year was largely driven by an increase in net sales in the travel product category, which increased by US$300.7 million, or 33.9%. Net sales in the business product category increased by US$79.3 million, or 71.8%, for the year ended December 31, 2011 compared to the previous year, reflecting the Company's efforts to further penetrate the business bag market. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the casual product category increased by US$18.9 million, or 32.4%, for the year ended December 31, 2011 compared to the previous year, reflecting the Company's strategic focus to expand its casual product offerings. Net sales in the accessories product category increased by US$20.6 million, or 41.0%, for the year ended December 31, 2011 compared to the previous year, reflecting expanded accessories product offerings. Net sales in the other product category decreased by US$20.4 million, or 36.0%, for the year ended December 31, 2011 compared to the previous year, reflecting the Company's focus on its core product offerings.

Distribution Channels

The Company sells products in 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, 2011 and December 31, 2010, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)
Net sales by distribution channel:					
Wholesale	**1,252,893**	**80.0%**	971,743	80.0%	28.9%
Retail	**301,301**	**19.3%**	230,373	19.0%	30.8%
Other[(1)]	**10,953**	**0.7%**	13,191	1.0%	(17.0)%
Net sales	**1,565,147**	**100.0%**	1,215,307	100.0%	28.8%

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

During the year ended December 31, 2011, the Company expanded its points of sale by approximately 2,900 to over 40,000 points of sale worldwide. Over 2,300 points of sale were added in North America and over 400 points of sale were added in Asia during 2011.

The wholesale channel accounted for US$281.2 million, or 80.4%, of the US$349.8 million increase in net sales for the year ended December 31, 2011 compared to the previous year. Net sales in the retail channel increased by US$70.9 million, or 30.8%, to US$301.3 million for the year ended December 31, 2011 from US$230.4 million for the year ended December 31, 2010. On a same store constant currency basis, net sales in the retail channel increased by 19.0% compared to the previous year. Net sales in the "other" channel decreased by US$2.2 million, or 17.0%, for the year ended December 31, 2011 compared to the previous year, primarily as a result of the Company's decision to terminate certain licensing agreements with third parties and to sell the formerly licensed products directly to its customers.

Regions

Geographically, the Company operates across four regions, each of which is led by its own regional management team with local expertise and is considered an operating segment under IFRS.

Asia

Net sales for the Asian region increased by US$187.4 million, or 48.1%, for the year ended December 31, 2011 compared to the previous year, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements.

Including net sales attributable to the *Lacoste* and *Timberland* licensing agreements, net sales for the Company's Asian region increased by US$173.2 million, or 42.7%, to US$578.3 million for the year ended December 31, 2011 from US$405.1 million for the year ended December 31, 2010. Excluding foreign currency effects, net sales for the Asian region increased by US$149.7 million, or 37.0%, for the year ended December 31, 2011 compared to the previous year.

Net sales continued to grow across all major and emerging markets in Asia. The US$173.2 million increase in net sales for the year ended December 31, 2011 was driven by the *Samsonite* and *American Tourister* brands. Net sales of the *Samsonite* brand increased by US$113.1 million, or 42.1%, and net sales of the *American Tourister* brand increased by US$79.5 million, or 77.1%, compared to the year ended December 31, 2010. These increases were partially offset by a decrease of US$14.2 million in *Lacoste* and *Timberland* net sales as a result of the termination of the licensing agreements in December 2010 and a US$5.2 million decrease in other brands.

Net sales in the travel product category increased by US$152.4 million, or 54.9%, for the year ended December 31, 2011 compared to the previous year. Net sales in the business product category more than doubled compared to the previous year to US$100.8 million for the year ended December 31, 2011 from US$49.7 million for the year ended December 31, 2010. Net sales in the casual product category increased by US$3.1 million, or 14.6%, for the year ended December 31, 2011 compared to the previous year, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements. Net sales in the other product category decreased by US$23.6 million for the year ended December 31, 2011 compared to the previous year as the Company focuses on its core product offerings.

Net sales in the wholesale channel increased by US$153.5 million, or 44.3%, to US$500.0 million for the year ended December 31, 2011 from US$346.5 million for the year ended December 31, 2010. Net sales in the retail channel increased by US$21.3 million, or 37.4%, to US$78.3 million for the year ended December 31, 2011 compared to the previous year. On a same store constant currency basis, net sales in the retail channel increased by 17.1% year over year.

These increases were a result of the Company's continued focus on country specific product and marketing strategies within Asia to capitalize on the increasing awareness of and demand for its products. Over 400 points of sale were added in Asia during 2011, bringing the Company's total points of sale in Asia to more than 5,600 as of December 31, 2011. The general economic growth within the region and the expanding middle class and their increasing travel related expenditure, particularly in China and India, also contributed to the strong sales performance.

The following table sets forth a breakdown of net sales within the Asian region by geographic location for the years ended December 31, 2011 and December 31, 2010, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of regional net sales**	US$'000	Percentage of regional net sales	Percentage increase (decrease)
Net sales by geographic location[1]:					
China	**144,594**	**25.0%**	91,844	22.7%	57.4%
India	**109,846**	**19.0%**	77,852	19.2%	41.1%
South Korea	**93,969**	**16.2%**	62,531	15.4%	50.3%
Japan	**51,984**	**9.0%**	36,528	9.0%	42.3%
Hong Kong[2]	**48,392**	**8.4%**	42,481	10.5%	13.9%
Other	**129,531**	**22.4%**	93,907	23.2%	37.9%
Net Sales	**578,316**	**100.0%**	405,143	100.0%	42.7%

Note:

(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

Net sales for the European region increased by US$103.0 million, or 27.6%, for the year ended December 31, 2011 compared to the previous year, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements.

Including net sales attributable to the *Lacoste* and *Timberland* licensing agreements, net sales for the Company's European region increased by US$72.4 million, or 17.8%, to US$479.1 million for the year ended December 31, 2011 from US$406.7 million for the year ended December 31, 2010. Excluding foreign currency effects, net sales for the European region increased by US$46.0 million, or 11.3%, for the year ended December 31, 2011 compared to the previous year.

The US$72.4 million increase in net sales for the year ended December 31, 2011 was primarily due to a US$95.9 million, or 26.8%, increase in net sales of the *Samsonite* brand. Net sales of the *American Tourister* brand increased by US$5.6 million, or 61.9%, for the year ended December 31, 2011 compared to the previous year. These increases were partially offset by a US$30.6 million decrease in *Lacoste* and *Timberland* sales for the year ended December 31, 2011 compared to the previous year.

Net sales in the travel product category increased by US$73.1 million, or 24.0%, for the year ended December 31, 2011 compared to the previous year, reflecting the success of the Company's Cosmolite, Cubelite and B-Lite product lines, strong sell through of new product introductions in the travel category and an effective marketing strategy. Net sales in the business product category increased by US$11.1 million, or 32.8%, for the year ended December 31, 2011 compared to the previous year. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the casual product category increased by US$8.2 million. This increase was more than three times casual product net sales in 2010, reflecting the Company's focus on the expansion of its casual product offerings. Net sales attributable to the *Lacoste* and *Timberland* licensing agreements decreased by US$30.6 million for the year ended December 31, 2011 compared to the previous year.

Net sales in the wholesale channel increased by US$51.5 million, or 15.2%, for the year ended December 31, 2011 compared to the previous year. Net sales in the retail channel increased by US$20.9 million, or 30.9% for the year ended December 31, 2011 compared to the previous year. On a same store constant currency basis, net sales in the retail channel increased by 14.8% year over year.

The following table sets forth a breakdown of net sales within the European region by geographic location for the years ended December 31, 2011 and December 31, 2010, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of regional net sales**	US$'000	Percentage of regional net sales	Percentage increase (decrease)
Net sales by geographic location[1]:					
Italy	**67,549**	**14.1%**	69,191	17.0%	(2.4)%[2]
Germany	**61,077**	**12.7%**	46,671	11.5%	30.9%
France	**61,024**	**12.7%**	48,206	11.9%	26.6%
Belgium[3]	**59,561**	**12.4%**	50,996	12.5%	16.8%
Spain	**46,973**	**9.8%**	40,929	10.1%	14.8%
Other	**182,905**	**38.3%**	150,703	37.0%	21.4%
Net Sales	**479,089**	**100.0%**	406,696	100.0%	17.8%

Note:

(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 US$1.1 million and US$12.8 million of sales related to the *Lacoste* and *Timberland* licensed business for the years ended December 31, 2011 and December 31, 2010, respectively. Excluding these amounts, net sales increased by US$10.1 million, or 17.8%.

(3) Net sales in Belgium consisted of US$24.4 million and US$17.3 million for the years ended December 31, 2011 and 2010, respectively, an increase of US$7.1 million, or 41.0%. Remaining sales were direct shipments to distributors, customers and agents in other countries.

North America

Net sales in the North American region increased by US$88.7 million, or 29.7%, for the year ended December 31, 2011 compared to the previous year, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements.

Including net sales attributable to the *Lacoste* and *Timberland* licensing agreements, net sales for the North American region increased by US$85.2 million, or 28.1%, to US$388.2 million for the year ended December 31, 2011 from US$303.0 million for the year ended December 31, 2010. Excluding foreign currency effects, net sales for the North American region increased by US$83.8 million, or 27.7%, for the year ended December 31, 2011 compared to the previous year.

The US$85.2 million increase in net sales was primarily due to a 35.8% increase in net sales of *Samsonite* brand products to US$335.5 million for the year ended December 31, 2011 from US$247.1 million for the year ended December 31, 2010. Net sales of the *American Tourister* brand increased by US$4.8 million, or 11.6%, for the year ended December 31, 2011 compared to the previous year. These increases were partially offset by a US$3.5 million decrease in *Lacoste* and *Timberland* sales and a US$4.5 million decrease in other brand sales.

Net sales in the travel product category increased by US$69.4 million, or 26.7%, to US$329.3 million for the year ended December 31, 2011 from US$259.9 million for the year ended December 31, 2010. Net sales in the business product category increased by US$13.1 million, or 76.2%, for the year ended December 31, 2011 compared to the previous year. Net sales in the accessories product category within North America increased by US$5.5 million, or 73.4%, for the year ended December 31, 2011 compared to the previous year.

Net sales in the wholesale channel increased by US$63.1 million, or 28.1%, for the year ended December 31, 2011 compared to the previous year. Net sales in the retail channel increased by US$22.1 million, or 28.3%, for the year ended December 31, 2011 compared to the previous year. On a same store constant currency basis, net sales in the retail channel increased 25.4% year over year.

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 consumers in the United States. The Company's decision to terminate certain licensing agreements with third parties, primarily in the business and accessories product categories, and to sell the formerly licensed products directly to its customers also contributed to the net sales growth in North America. In addition, more than 2,300 points of sale were added in North America during 2011, primarily resulting from relationships formed with new wholesale customers.

The following table sets forth a breakdown of net sales for the North American region by geographic location for the years ended December 31, 2011 and December 31, 2010, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of regional net sales**	US$'000	Percentage of regional net sales	Percentage increase (decrease)
Net sales by geographic location[1]:					
United States	**360,314**	**92.8%**	281,911	93.0%	27.8%
Canada	**27,876**	**7.2%**	21,057	7.0%	32.4%
Net Sales	**388,190**	**100.0%**	302,968	100.0%	28.1%

Note:

(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 in the Latin American region increased by US$20.7 million, or 23.5%, for the year ended December 31, 2011 compared to the previous year, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements.

Including net sales attributable to the *Lacoste* and *Timberland* licensing agreements, net sales for the Latin American region increased by US$19.6 million, or 22.1%, to US$108.6 million for the year ended December 31, 2011 from US$89.0 million for the year ended December 31, 2010. Excluding foreign currency effects, net sales for the Latin American region increased by US$16.7 million, or 18.8%, for the year ended December 31, 2011 compared to the previous year.

Net sales in the travel product category increased by US$5.8 million, or 13.4%, for the year ended December 31, 2011 compared to the previous year. Net sales in the business product category increased by US$4.0 million, or 41.9%, for the year ended December 31, 2011 compared to the previous year. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the casual product category increased by US$7.1 million, or 36.3%, for the year ended December 31, 2011 compared to the previous year, reflecting the Company's strategic focus to expand its casual product offerings.

The following table sets forth a breakdown of net sales for the Latin American region by geographic location, for the years ended December 31, 2011 and December 31, 2010, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of regional net sales**	US$'000	Percentage of regional net sales	Percentage increase (decrease)
Net sales by geographic location[1]:					
Chile	**50,158**	**46.2%**	40,130	45.1%	25.0%
Mexico	**32,790**	**30.2%**	27,493	30.9%	19.3%
Argentina	**14,218**	**13.1%**	14,189	16.0%	0.2%[4]
Brazil[2]	**8,481**	**7.8%**	5,089	5.7%	66.7%
Other[3]	**2,954**	**2.7%**	2,059	2.3%	43.5%
Net Sales	**108,601**	**100.0%**	88,960	100.0%	22.1%

Note:

(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.

(4) Sales in Argentina have been negatively impacted by import restrictions imposed by the local government during the year ended December 31, 2011.

Cost of Sales and Gross Profit

Cost of sales increased by US$182.6 million, or 34.7%, to US$708.2 million (representing 45.2% of net sales) for the year ended December 31, 2011 from US$525.6 million (representing 43.3% of net sales) for the year ended December 31, 2010. The increase in cost of sales as a percentage of net sales was primarily due to increased product costs, which reflect increased production costs from the Company's suppliers driven by higher commodity prices and labor costs, as well as unfavorable currency impacts. The Company also recognized additional depreciation and amortization expenses associated with the increased carrying amounts of certain assets in 2011 as a result of reversals of impairments of intangible assets and fixed assets that were recorded in the second half of 2010. Had the initial impairments not occurred in 2008, the Company would have incurred an additional US$4.1 million of depreciation and amortization expenses for the year ended December 31, 2010.

Gross profit increased by US$167.3 million, or 24.3%, to US$856.9 million for the year ended December 31, 2011 from US$689.7 million for the year ended December 31, 2010. Gross profit margin decreased from 56.7% for the year ended December 31, 2010 to 54.8% for the year ended December 31, 2011, primarily as a result of the reasons described above. Also contributing to lower margins was a change in the Company's product mix with increased sales of lower margin products.

Distribution Expenses

Distribution expenses increased by US$91.3 million, or 28.6%, to US$410.9 million (representing 26.3% of net sales) for the year ended December 31, 2011 from US$319.6 million (representing 26.3% of net sales) for the year ended December 31, 2010. 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 2011. The Company also recognized additional depreciation and amortization expenses associated with the increased carrying amounts of certain assets in 2011 as a result of reversals of impairments of intangible assets and fixed assets that were recorded in the second half of 2010. Had the initial impairments not occurred in 2008, the Company would have incurred an additional US$9.2 million of depreciation and amortization expenses for the year ended December 31, 2010.

Marketing Expenses

Marketing expenses increased by US$20.3 million, or 19.9%, to US$122.8 million (representing 7.8% of net sales) for the year ended December 31, 2011 from US$102.5 million (representing 8.4% of net sales) for the year ended December 31, 2010. This increase reflects management's commitment to enhance brand and product awareness and drive additional net sales growth through marketing activities. The Company believes the success of its advertising campaigns is evident in its net sales growth.

General and Administrative Expenses

General and administrative expenses increased by US$16.5 million, or 17.0%, to US$113.6 million (representing 7.3% of net sales) for the year ended December 31, 2011 from US$97.1 million (representing 8.0% of net sales) for the year ended December 31, 2010. Although general and administrative expenses increased in absolute terms, such expenses decreased as a percentage of net sales by 0.7%. The increase in absolute terms was primarily due to the Company's efforts to support its sales growth, increased personnel expenses, additional costs associated with operating as a public company, and increased depreciation and amortization expenses in 2011. The Company recognized additional depreciation and amortization expenses associated with the increased carrying amounts of certain assets in 2011 as a result of reversals of impairments of intangible assets and fixed assets that were recorded in the second half of 2010. Had the initial impairment not occurred in 2008, the Company would have incurred an additional US$3.8 million of depreciation and amortization expenses for the year ended December 31, 2010.

Reversal of Impairment of Intangible Assets and Fixed Assets

No impairments or reversals of impairments were recognized for the year ended December 31, 2011.

In 2008, as a result of the global economic downturn, the Company analyzed certain intangible assets and certain fixed assets for impairment, which resulted in the recognition of an impairment of tradenames, fixed assets at certain retail and non-retail locations, customer relationships and leasehold rights. In 2010, as required by IFRS, impairment losses recognized in prior periods were assessed at the year-end reporting date for any indications that the loss decreased or ceased to exist. As a result of this analysis, the Company recognized a US$379.9 million reversal of previously recorded impairments. Of this reversal, US$273.8 million was attributable to the reversal of the outstanding tradename impairments, US$66.3 million was attributable to the reversal of fixed asset impairments, US$38.0 million was attributable to the reversal of customer relationship impairments and US$1.8 million was attributable to the reversal of leasehold rights impairments. There were no accumulated impairment losses remaining as of December 31, 2010.

Restructuring Charges

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.

Restructuring charges of US$4.3 million for the year ended December 31, 2010 were primarily attributable to lease exit costs related to the closure of retail stores in North America.

Other Expenses

The Company recognized other expenses of US$0.6 million and US$2.4 million for the years ended December 31, 2011 and December 31, 2010, respectively.

Operating Profit

The following table sets forth the Company's operating profit, and certain non-recurring costs and charges affecting such operating profit, for the years ended December 31, 2011 and December 31, 2010.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2011**	2010
Operating profit	**209,930**	543,602
(Plus) Minus:		
Reversal of impairment of intangible assets and fixed assets	**—**	379,826
Reversal of restructuring charges/(restructuring charges)	**877**	(4,348)
Depreciation and amortization not recognized on impaired assets	**—**	17,144
	209,053	150,980

Excluding the impact of the items noted above, operating profit for the year ended December 31, 2011 increased by US$58.1 million, or 38.5%, compared to the previous year.

The Company's operating profit was US$209.9 million for the year ended December 31, 2011, a decrease of US$333.7 million, or 61.4%, from an operating profit of US$543.6 million for the year ended December 31, 2010.

Net Finance Costs

Net finance costs increased by US$41.6 million to US$70.6 million for the year ended December 31, 2011 from US$29.0 million for the year ended December 31, 2010. This increase was primarily attributable 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 Global Offering, as well as US$24.8 million of transaction costs related to the Global Offering. Partially offsetting these effects were Stabilization Proceeds of US$3.5 million and a decrease in net foreign exchange losses of US$3.7 million for the year ended December 31, 2011 compared to the previous year. Net foreign exchange (gain) loss includes a foreign exchange gain of US$10.3 million and a foreign exchange loss of US$8.7 million on the former amended senior credit facility, as well as a foreign exchange loss on the translation of a non-US Dollar denominated intercompany loan of US$8.3 million and a foreign exchange gain of US$7.1 million for the years ended December 31, 2011 and December 31, 2010, respectively. This intercompany loan was settled in June 2011 in conjunction with the repayment of the Company's former amended senior credit facility and former term loan facility.

Net finance costs of US$11.6 million in the second half of 2011 were primarily comprised of a change in fair value of put options of US$4.5 million and net foreign exchange losses of US$6.8 million. Interest expense of US$1.7 million in the second half of 2011 is reflective of the Company's strong balance sheet with limited loans and borrowings following 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, 2011 and December 31, 2010.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2011**	2010
Profit before income tax	**139,298**	514,589
(Plus) Minus:		
Reversal of impairment of intangible assets and fixed assets	**—**	379,826
Reversal of restructuring charges/(restructuring charges)	**877**	(4,348)
Depreciation and amortization not recognized on impaired assets	**—**	17,144
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**	—
	188,391	121,967

Excluding the impact of the items noted above, profit before income tax for the year ended December 31, 2011 increased by US$66.4 million, or 54.5%, compared to the previous year.

Profit before income tax was US$139.3 million for the year ended December 31, 2011, a decrease of US$375.3 million, or 72.9%, from US$514.6 million for the year ended December 31, 2010.

Income Tax Expense

Income tax expense decreased by US$112.1 million, or 75.9%, to US$35.7 million for the year ended December 31, 2011 from US$147.8 million for the year ended December 31, 2010. In 2010, the increased level of tax expense was primarily attributable to the reversal of impairments of intangible assets and fixed assets in the amount of US$102.2 million.

The Company's consolidated effective tax rate for operations was 25.6% and 28.7% for the years ended December 31, 2011 and December 31, 2010, respectively, and the applicable tax rate (representing a weighted average of the various tax rates to which the Company is subject) was 27.4% and 30.4% for the years ended December 31, 2011 and December 31, 2010, 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 unrecognized deferred tax assets.

The decrease in the Company's effective tax rate for the year ended December 31, 2011 was primarily the result of changes to the global mix of profitability between high and low tax jurisdictions. Royalty income, which is taxed in a low tax jurisdiction, contributed to the decrease in the effective tax rate, and the costs associated with the Global Offering did not provide a tax benefit to the Company.

Profit for the Year

Profit for the year was US$103.6 million for the year ended December 31, 2011, a change of US$263.2 million, or 71.8%, from US$366.8 million for the year ended December 31, 2010. Adjusted Net Income, a non-IFRS measure, increased by US$31.2 million, or 29.6%, to US$136.8 million for the year ended December 31, 2011 from US$105.6 million for the year ended December 31, 2010. 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 decreased to US$0.06 for the year ended December 31, 2011 from US$0.27 for the year ended December 31, 2010. Adjusted basic and diluted earnings per share increased to US$0.10 for the year ended December 31, 2011 from US$0.08 for the year ended December 31, 2010. The weighted average number of shares outstanding for the year ended December 31, 2011 increased by 66.1 million shares to 1,352.1 million, compared to 1,286.0 million shares for the year ended December 31, 2010, as a result of the issuance of new shares by the Company in the Global Offering.

Profit attributable to the equity holders of the Company for the year ended December 31, 2011 was US$86.7 million, which exceeded the Company's forecast profit by US$22.5 million, or 35.1%. The Company surpassed the forecast profit primarily due to each operating segment exceeding the Company's financial forecast for the year.

Adjusted EBITDA

Adjusted EBITDA, which is a non-IFRS measure, increased by US$79.0 million, or 47.2%, for the year ended December 31, 2011 compared to the previous year and our Adjusted EBITDA margin increased to 15.8% from 14.4%, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements.

Including the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, Adjusted EBITDA increased by US$56.3 million, or 29.3%, to US$248.3 million for the year ended December 31, 2011 from US$191.9 million for the year ended December 31, 2010, and Adjusted EBITDA margin was 15.9% and 15.8% for the years ended December 31, 2011 and December 31, 2010, respectively.

The following table presents the reconciliation from the Company's profit for the year to Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2011**	2010
Profit for the year	**103,618**	366,814
(Plus) Minus:		
Income tax expense	**(35,680)**	(147,775)
Finance costs	**(71,879)**	(30,660)
Finance income	**1,247**	1,647
Depreciation	**(30,158)**	(16,335)
Amortization	**(8,333)**	(4,409)
EBITDA	**248,421**	564,346
(Plus) Minus:		
Reversal of restructuring charges/(restructuring charges)	**877**	(4,348)
Reversal of impairment of intangible assets and fixed assets	**—**	379,826
Other adjustments	**(709)**	(3,073)
Adjusted EBITDA	**248,253**	191,941

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, 2011 and December 31, 2010.

	Year ended December 31, 2011					
(Expressed in thousands of US Dollars)	**Asia**	**Europe**	**North America**	**Latin America**	**Corporate**	**Total**
Profit (loss) for the year	46,051	33,666	38,782	6,603	(21,484)	103,618
(Plus) Minus:						
Income tax expense	(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:						
Reversal of restructuring charges/(restructuring charges)	—	884	—	—	(7)	877
Other adjustments	(29,784)	(10,011)	(16,072)	(2,758)	57,916	(709)
Adjusted EBITDA	105,144	83,894	59,188	16,452	(16,425)	248,253

	Year ended December 31, 2010					
(Expressed in thousands of US Dollars)	**Asia**	**Europe**	**North America**	**Latin America**	**Corporate**	**Total**
Profit for the year	54,654	173,163	46,899	20,146	71,952	366,814
(Plus) Minus:						
Income tax (expense) benefit	(13,811)	(20,140)	(684)	250	(113,390)	(147,775)
Finance costs	737	(19,914)	(51)	(3,301)	(8,131)	(30,660)
Finance income	184	128	7	9	1,319	1,647
Depreciation	(8,043)	(1,250)	(995)	(1,835)	(4,212)	(16,335)
Amortization	(4,254)	—	(49)	(106)	—	(4,409)
EBITDA	79,841	214,339	48,671	25,129	196,366	564,346
(Plus) Minus:						
Reversal of restructuring charges/(restructuring charges)	—	106	(3,957)	—	(497)	(4,348)
(Impairment) reversal of impairment of intangible assets and fixed assets	(63)	79,689	13,184	13,188	273,828	379,826
Other adjustments	(160)	61,682	(390)	(166)	(64,039)	(3,073)
Adjusted EBITDA	80,064	72,862	39,834	12,107	(12,926)	191,941

Certain comparative amounts have been reclassified to conform to the presentation adopted for the year ended December 31, 2011. Income tax expense of US$7.0 million for the year ended December 31, 2010 was reclassified from the North America segment to the Corporate segment in the Adjusted EBITDA reconciliation, resulting in a corresponding change in profit for the year for each segment. There was no resulting impact to EBITDA or Adjusted EBITDA for either segment.

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 statements. 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$49.0 million, or 56.6%, for the year ended December 31, 2011 compared to the previous year, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements.

Including the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, Adjusted Net Income increased by US$31.2 million, or 29.6%, to US$136.8 million for the year ended December 31, 2011 from US$105.6 million for the year ended December 31, 2010.

The Company's Adjusted Net Income includes a loss of US$8.3 million and a gain of US$7.1 million for the years ended December 31, 2011 and December 31, 2010, respectively, relating to the translation of a non-US Dollar denominated intercompany loan. Excluding these amounts, Adjusted Net Income for the year ended December 31, 2011 increased by US$46.6 million, or 47.3%, compared to the previous year. This intercompany loan was settled in June 2011 in conjunction with the repayment of the Company's former amended senior credit facility and former term loan facility.

The following table presents the reconciliation from the Company's profit for the year to Adjusted Net Income for the years ended December 31, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	Year ended December 31,	
	2011	2010
Profit for the year	**103,618**	366,814
Profit attributable to non-controlling interests	**16,870**	11,792
Profit attributable to the equity holders	**86,748**	355,022
(Plus) Minus:		
Reversal of impairment of intangible assets and fixed assets	**—**	379,826
Reversal of restructuring charges/(restructuring charges)	**877**	(4,348)
Change in fair value of put options	**(8,644)**	(8,788)
Depreciation not recognized on impaired assets(1)	**—**	13,064
Amortization not recognized on impaired assets(2)	**—**	4,080
Amortization of intangible assets(3)	**(8,333)**	(8,489)
Expenses related to debt repaid in conjunction with the Global Offering(4)	**(23,240)**	(22,255)
Expenses related to the Global Offering	**(24,805)**	—
Global Offering Stabilization Proceeds	**3,474**	—
Tax adjustments	**10,638**	(103,634)
Adjusted Net Income(5)	**136,781**	105,566

(1) Depreciation that the Company would have recognized in 2010 but for the impairment of certain fixed assets recorded in 2008. Such impairments were reversed in the second half of 2010.

(2) Amortization that the Company would have recognized in 2010 but for the impairment of certain intangible assets (other than goodwill) recorded in 2008. Such impairments were reversed in the second half of 2010.

(3) Amortization of intangible assets above represents the sum of (i) amortization that the Company recognized and (ii) amortization that the Company would have recognized but for the impairment of certain intangible assets (other than goodwill). These charges relate to the amortization of other intangible assets with finite useful lives that were recognized in conjunction with the acquisition by the CVC Funds in 2007, and that do not relate to assets invested in on an ongoing basis. The Company believes that this figure enables investors to better understand its amortization charge going forward as a result of reversals of impairment of intangible assets during 2010.

(4) The following table sets forth a breakdown of expenses related to the former amended senior credit facility and former term loan facility that was repaid in conjunction with the Global Offering:

(Expressed in thousands of US Dollars)	Year ended December 31,	
	2011	2010
Interest expense on debt facility	**(33,557)**	(13,545)
Unrealized gain (loss) on foreign translation of debt	**10,317**	(8,710)
Total expenses related to debt structure prior to the Global Offering	**(23,240)**	(22,255)

(5) 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 statements. 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, and available lines of credit. 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$64.5 million for the year ended December 31, 2011 compared to US$34.4 million for the year ended December 31, 2010. This US$30.1 million increase in cash generated from operating activities was primarily due to the US$31.2 million increase in Adjusted Net Income year over year. The cash outflow related to operating assets and liabilities decreased by US$41.1 million to US$37.1 million for the year ended December 31, 2011 compared to US$78.2 million for the previous year.

For the year ended December 31, 2011, net cash used in investing activities was US$35.8 million, an increase of US$6.3 million compared to the previous year. This increase was primarily due to a US$7.6 million increase in the purchase of property, plant and equipment, which was largely attributable to new store openings and the expansion of the Company's manufacturing plant in Hungary, in the Asian and European regions, respectively. Capital expenditures for the year ended December 31, 2011 amounted to US$37.2 million.

Net cash used in financing activities was US$170.3 million for the year ended December 31, 2011, an increase of US$144.3 million compared to the previous year, primarily resulting from transactions associated with the Global Offering. The Company received gross proceeds of US$225.3 million from the Global Offering, of which US$101.0 million were used to settle its Loan Notes. The Company utilized the remainder of the proceeds, along with the existing cash on hand, to pay off the outstanding principal balance of US$221.6 million on its former amended credit facility and the outstanding principal and accrued interest of US$59.2 million on its former term loan facility. Please refer to note 3 of the consolidated financial statements for further details on the Global Offering.

Indebtedness

The following table sets forth the carrying amount of the Company's loans and borrowings as of December 31, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	**December 31, 2011**	December 31, 2010
Senior subordinated notes	**—**	260
Amended senior credit facility[(1)]	**—**	189,158
Term loan facility	**—**	57,451
Finance lease obligations	**78**	137
Other lines of credit	**15,008**	11,735
Total loans and borrowings	**15,086**	258,741
Less deferred financing costs	**(3,319)**	—
Total loans and borrowings less deferred financing costs	**11,767**	258,741

(1) Represents the amortized cost carrying value of the Company's former amended senior credit facility. The notional value was US$221.6 million as of December 31, 2010.

The Company had US$141.3 million in cash and cash equivalents at December 31, 2011, compared to US$285.8 million at December 31, 2010.

In conjunction with the Global Offering, the Company repaid in full the outstanding principal balance of US$221.6 million on the former amended senior credit facility and the outstanding principal and accrued interest of US$59.2 million on the former term loan facility, and such facilities were terminated. During the year ended December 31, 2011 the Company recognized the remaining unamortized discount of US$32.4 million as of December 31, 2010 on the former amended senior credit facility as interest expense due to the settlement of the borrowing prior to maturity.

On May 27, 2011 the Company entered into a credit agreement for a US$100.0 million revolving credit facility (the "Revolving Facility"). The Revolving Facility became effective upon completion of the Global Offering. 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 1% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. 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, 2011. The Company incurred costs of US$4.0 million in connection with the negotiation and documentation of the Revolving Facility, which have been capitalized and will be amortized over the term of the agreement. No amounts were drawn on this facility at December 31, 2011. 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 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$15.0 million and US$11.7 million at December 31, 2011 and December 31, 2010, respectively.

The following represents the contractual maturity dates of the Company's loans and borrowings (including estimated interest payments and excluding the impact of netting agreements) as of December 31, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	**December 31, 2011**	December 31, 2010
On demand or within one year	**15,015**	12,032
Between 1 and 2 years	**26**	100
Between 2 and 5 years	**37**	291,090
Over 5 years	**8**	—
	15,086	303,222

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, 2011 are expected to be US$91.6 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, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	Year ended December 31, **2011**	2010
Average inventory[(1)]	**229,831**	167,966
Cost of sales	**708,199**	525,628
Average inventory turnover days[(2)]	**118**	117

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 2011 (US$237.0 million at December 31, 2011 compared to US$222.7 million at December 31, 2010) from 2010 (US$222.7 million at December 31, 2010 compared to US$113.2 million at December 31, 2009) to support increased customer demand and new product introductions.

Average inventory at December 31, 2010 was at a reduced level due to low inventory levels at the end of 2009. As the business began to recover from the economic downturn in 2009, the Company began rebuilding inventory levels in 2010.

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, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	Year ended December 31, **2011**	2010
Average trade and other receivables[(1)]	**158,847**	132,770
Net sales	**1,565,147**	1,215,307
Turnover days of trade and other receivables[(2)]	**37**	40

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 2011 (US$171.6 million at December 31, 2011 compared to US$146.1 million at December 31, 2010) from 2010 (US$146.1 million at December 31, 2010 compared to US$119.4 million at December 31, 2009) in line with the increase in net sales.

Trade receivables as of December 31, 2011 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, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	**Year ended December 31,**	
	2011	2010
Average trade and other payables[1]	**308,536**	294,789
Cost of sales	**708,199**	525,628
Turnover days of trade and other payables[2]	**159**	205

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 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, 2011 (US$286.6 million at December 31, 2011 compared to US$330.5 million at December 31, 2010) from December 31, 2010 (US$330.5 million at December 31, 2010 compared to US$259.1 million at December 31, 2009) 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 2011 from 2010 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, 2011 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, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	**Year ended December 31,**	
	2011	2010
Land	**85**	—
Buildings	**513**	1,258
Machinery, equipment, leasehold improvements and other	**36,574**	28,317
	37,172	29,575

Planned Capital Expenditures

The Company's capital expenditures budget for 2012 is approximately US$43.0 million. The Company plans to refurbish existing retail stores, to open new retail stores and to 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, 2011.

	Payments Due				
(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	15,086	15,015	26	37	8
Minimum operating lease payments	200,749	53,074	41,808	81,804	24,063
	215,835	68,089	41,834	81,841	24,071

As of December 31, 2011, 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 Ratio

The following table sets forth the Company's loans and borrowings (excluding deferred financing costs), total equity and gearing ratio as of December 31, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	**December 31, 2011**	December 31, 2010
Loans and borrowings (excl. deferred financing costs)	**15,086**	258,741
Total equity	**945,200**	762,852
Gearing ratio(1)	**1.6%**	33.9%

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

As a result of the repayment of the loan notes, the former amended senior credit facility and the former term loan facility in 2011, the Company's gearing ratio decreased from 33.9% at December 31, 2010 to 1.6% at December 31, 2011.

Strategic Review and Prospects

During 2011, the Company continued to implement its strategic plan in the following areas:

Significant growth in all regions

All regions and key company metrics showed considerable growth for the year ended December 31, 2011 compared to the year ended December 31, 2010.

- The Company's net sales, Adjusted Net Income, and Adjusted EBITDA for the year ended December 31, 2011 increased by 34.4%, 56.6% and 47.2%, respectively, compared to the year ended December 31, 2010. These figures exclude the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, which were no longer active from December 2010, and have been adjusted to eliminate the effect of certain non-recurring costs and charges and certain other non-cash charges.

- Net sales increased by 28.8% to US$1,565.1 million for the year ended December 31, 2011 compared to the previous year. Excluding foreign currency effects, net sales increased by 24.3%.

- Adjusted Net Income increased by 29.6% to US$136.8 million for the year ended December 31, 2011 compared to the previous year.

- Adjusted EBITDA increased by 29.3% to US$248.3 million for the year ended December 31, 2011 compared to the previous year.

- Adjusted EBITDA margin remained relatively flat at 15.9% and 15.8% for the years ended December 31, 2011 and December 31, 2010, respectively.

Significant investment in advertising and promotion

The Company continued to invest approximately 8% of net sales in marketing, reflecting its commitment to advertise and promote its brands and products to support sales growth worldwide. Marketing expenses for the year ended December 31, 2011 increased by 19.9% to US$122.8 million, compared to the year ended December 31, 2010.

New products in the market

The Company continued to focus on the innovation of its products, which will help drive sales growth and deliver quality and value to its customers.

Expanded distribution network

The Company continued the further expansion of its distribution network by adding approximately 2,900 points of sale, including 36 owned stores and 79 new franchises in 2011. More than 2,300 points of sale were added in North America and more than 400 points of sale were added in Asia during the year ended December 31, 2011.

The Company's growth strategy will continue as planned for 2012, while focusing on the following:

- leverage the strength of the Company's brands, *Samsonite* and *American Tourister;*

- tailor our products to meet local requirements, while staying true to our core values of lightness, strength and innovation;

- expand and improve the efficiency and effectiveness of our supply chain and global distribution network;

- increase our marketing and R&D investment broadly in line with worldwide sales growth;

- deploy increased levels of resources to improve our market share of business and casual products and accessories, where the Company is under-represented; and

- focus on achieving growth organically, while considering acquisition opportunities with a compelling strategic and financial rationale as they arise.

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

Corporate Governance and Other Information

Directors

At December 31, 2011, 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, 2011, the Board committees were as follows:

Audit Committee/Review of Accounts

The Board established an Audit Committee on May 27, 2011 and 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. 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, 2011 with the Board of Directors.

The figures in respect of the preliminary announcement of the Company's results for the year ended December 31, 2011 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.

Remuneration Committee

The Board established a Remuneration Committee on May 27, 2011 and 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.

Nomination Committee

The Board established a Nomination Committee on May 27, 2011 and 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 Independent Non-Executive Directors.

Human Resources and Remuneration

At December 31, 2011, the Company had approximately 6,640 employees worldwide, compared to approximately 5,750 employees at December 31, 2010. 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 ("AGM") of the Company will be held on June 7, 2012 (Thursday). Notice of the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in due course.

Distributions to Shareholders

The Board recommends that a cash distribution in the amount of US$0.02132 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.

Closure of Register of Members

The Distribution will be subject to approval by the shareholders at the forthcoming AGM of the Company. For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from June 5, 2012 to June 7, 2012, 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 7, 2012. 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 4, 2012.

Subject to the shareholders approving the recommended Distribution at the forthcoming AGM, such Distribution will be payable on or about July 6, 2012 to shareholders whose names appear on the register of members on June 15, 2012. To determine eligibility for the Distribution, the register of members will be closed from June 14, 2012 to June 15, 2012, 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 13, 2012.

Corporate Governance Practices

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

On October 19, 2011, the Company adopted its own corporate governance manual, which is based on the principles, provisions and practices set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Listing Rules.

The Company has complied with all applicable code provisions set out in the CG Code throughout the period from the listing of the Company on June 16, 2011 (the “Listing Date”) to December 31, 2011, save for the deviation from code provision A.2.1 discussed below regarding the Company’s Chairman and Chief Executive Officer (“CEO”).

Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of the Chairman and CEO should be separate 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 Independent Non-Executive Directors and three 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 are composed of a majority of Independent Non-Executive Directors.

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 price-sensitive 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 have complied with the required standard set out in the Trading Policy for the period from the Listing Date to December 31, 2011.

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 period from the Listing Date to December 31, 2011.

Publication of Final Results and 2011 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, 2011 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 28, 2012

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.