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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2013

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2013, the Group's:

- Net sales increased to a record level of US$983.6 million reflecting a 16.2% increase from the comparable period in 2012. Excluding foreign currency effects, net sales increased by 16.5%.
- Operating profit increased by US$20.6 million, or 17.8%, year-on-year.
- Profit for the period was US$94.7 million, an increase of 16.9%(1) after excluding certain tax benefits recognized during the first half of 2012.
- Adjusted Net Income(2) amounted to US$92.9 million, an increase of 17.6%(1) after excluding certain tax benefits recognized during the first half of 2012.
- Adjusted EBITDA(3) increased by US$27.2 million, or 19.9%, to US$163.7 million.
- Adjusted EBITDA margin(4) increased to 16.6% from 16.1%.
- The Group generated US$56.7 million of cash from operating activities for the six months ended June 30, 2013. As of June 30, 2013, the Group had cash and cash equivalents of US$164.4 million and financial debt of US$8.2 million (excluding deferred financing costs of US$2.5 million), providing the Group with a net cash position of US$156.2 million.
- On March 18, 2013, the Company's Board of Directors recommended that a cash distribution in the amount of US$37.5 million, or US$0.02665 per share, be made to the Company's shareholders, a 25% increase from the US$30.0 million distribution paid in 2012. The shareholders approved this distribution on June 6, 2013 at the annual general meeting and the distribution was paid on July 12, 2013.

** For identification purposes only*

(Expressed in millions of US Dollars, except per share data)	**Six months ended June 30,** **2013**	2012	Percentage change
Net Sales	**983.6**	846.7	16.2%
Operating profit	**136.2**	115.5	17.8%
Profit for the period(1)	**94.7**	90.1	5.1%
Adjusted Net Income(1) (2)	**92.9**	88.1	5.4%
Adjusted EBITDA(3)	**163.7**	136.5	19.9%
Adjusted EBITDA Margin(4)	**16.6%**	16.1%	—
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.060**	0.059	1.7%
Adjusted basic and diluted earnings per share(5) *(Expressed in US Dollars per share)*	**0.066**	0.063	4.8%

Notes

(1) Profit for the period and Adjusted Net Income increased by 5.1% and 5.4%, respectively, including the effect of the recognition of US$9.1 million of certain previously unrecognized deferred tax assets in the first half of 2012.

(2) 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 Group's reported profit for the period. See "Management Discussion and Analysis – Adjusted Net Income" for a reconciliation from the Group's profit for the period to Adjusted Net Income.

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

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

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

The Board of Directors of Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is pleased to announce the consolidated interim results of the Group for the six months ended June 30, 2013 together with comparative figures for the six months ended June 30, 2012. The following interim 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

For the first half of 2013, I am pleased to report that net sales increased by 16.2% to a record level of US$983.6 million. Adjusted Net Income increased by 17.6% to US$92.9 million, after excluding certain tax benefits recognized during the first half of 2012. Another important measure of performance, Adjusted EBITDA, rose substantially, advancing 19.9% to US$163.7 million. More progress was also made on the Adjusted EBITDA margin: this increased from 16.1% to 16.6%, a best-ever performance. These results underline the resilience of our business model. Despite a patchy economic performance across some of the major world consumer markets, the Group benefited from a broad geographical spread of operations and demand linked to the growth in travel and tourism.

These strong operating results were matched by a robust level of cash generation: in the first six months of the year, the Group generated US$56.7 million of cash from operations and the balance sheet at June 30, 2013 had a net cash position of US$156.2 million. At this date, all of the US$142.0 million used to acquire Hartmann and High Sierra last year has been replenished through operating cash flows. Last year the Board indicated that the Company would follow a progressive approach toward distributing cash to our shareholders. Accordingly, the cash distribution of US$37.5 million, or US$0.02665 per share, that was paid in July 2013 represented a 25% increase over the cash distributed to shareholders in 2012.

An important theme of these first half results is diversification in terms of brands, products and markets. Although *Samsonite* will always be the Group's flagship brand, the first-time impact of acquisitions and the rapid growth of *American Tourister* are helping to broaden the spread of sales across other brands. In the first six months of last year, non-*Samsonite* brands accounted for 24.9% of sales; this year it was 32.1%. *Samsonite* still achieved a creditable 5.1% growth in the first half of 2013 (5.5% excluding foreign currency effects) but *American Tourister* expanded at a rate of 25.0% while *Hartmann* and *High Sierra* added US$50.5 million of turnover in the first half. Each of these brands is performing a complementary role to *Samsonite*: *Hartmann* in the luxury segment, *High Sierra* in the casual category and *American Tourister* as a high-quality international brand at an affordable price.

International diversification is another solid foundation of our business. Sales in the first six months were divided as follows: 37.6% in Asia, 31.6% in North America, 24.1% in Europe and 6.2% in Latin America. China, a market which has been followed closely this year as the rate of growth slows, is very important to Samsonite, but accounted for only 9.5% of global sales for the first half. Italy and Spain, two of the most difficult markets, together accounted for only 4.3% of sales.

Excluding currency effects, our sales in the Asian region increased by 15.5%, a very satisfactory performance. China is still the leading market in the region by a wide margin, contributing 25.2% of sales, and despite the well-publicised challenges for many international brands operating in this territory, our turnover increased by 10.3%. This was driven by the continuing expansion of points of sale, and further development of the *American Tourister* brand. Many markets in Asia are still growing strongly: South Korea is now the Group's second largest country in the region with a constant currency increase of 33.7% over last year. Excluding the impact of the falling yen, our business in Japan was up 19.5%. The Indian market remains difficult, with a further depreciation of the rupee. However, a strong focus on channel management is contributing to improved levels of profitability in that market.

Sales growth in North America again exceeded expectations. Turnover was up 30.2% assisted by the contribution of *Hartmann* and *High Sierra*, but still in double-digit territory without these acquisitions. This strong performance is the result of successful product launches and high sell-through rates of the existing product ranges. Most of the growth has been in the wholesale channel, up 34.0%, but retail has also advanced 16.1% with much of this improvement coming from online sales, which more than doubled.

Latin America remains a market of great opportunity for the Group. Sales were up 8.1%, with the two key markets of Chile and Mexico advancing by 20.2% and 6.7%, respectively. Due to import controls, sales in Argentina declined by over a third, but costs have been trimmed. In Brazil, sales were also down significantly, but this is the temporary effect of de-stocking distributors as the Group moves to a more profitable direct sales model.

Performance in Europe has been encouraging, taking into account the weak state of consumer confidence. Sales were up 7.0% even though many economies in the region are hardly achieving any growth. The Group's ranges of hard-side luggage continue to do well and this helped achieve a strong advance in several important markets: Germany up 13.8%, France up 8.6%, Russia up 29.7% and the UK ahead by 15.1%. Retail did especially well, up 25.2%, with new store openings and an almost doubling of online business.

Travel remains the Group's core product range with 73.7% of sales coming from this category. However, this compares with 77.5% over the same period last year. Sales of travel products increased by 10.5%, and one of the key drivers of the business has been the changing pattern of demand towards hard-side luggage in many markets. This has benefited our highly successful global product ranges based on the unique Curv technology and highly secure polypropylene suitcases manufactured in Europe. Elsewhere, the Group's strategy of tailoring designs to suit local tastes has also worked well. There has been good progress in the development of non-core categories. The acquisition of High Sierra has helped to lift the share of casual sales from 5.8% of the total to 11.0%. Sales of business products increased by 10.9%, following a steady improvement in product ranges, and we expect to make more progress in the future.

One of the Group's key strengths is the marketing investment we make to support our brands. In value terms, this is much greater than our competitors, and in the first six months of this year was up 1.7% to US$64.1 million or 6.5% of sales. This compares with 7.4% of sales in the same period last year, and the slight reduction in this percentage reflects the increased efficiency of spend as sales have advanced rapidly. This is particularly the case in North America and Asia. Although it is likely that the Group will continue to source most of its products externally, we are committed to the further development of proprietary technologies in-house and we will seek new opportunities in this area.

I can report that we are making good progress with the new acquisitions of Hartmann and High Sierra. *Hartmann* product ranges have been overhauled, and our key customers have been positive on the new designs. Sales of *High Sierra* are meeting targets, and plans are advanced to launch both of these brands in select overseas markets. We are convinced the acquisition of complementary brands can add value to our business through cost synergies combined with domestic and international sales development. Our marketplace remains fragmented, and we are confident of finding more good businesses that can add value to the Samsonite Group.

2013 has been a much calmer year on the currency front, and this has caused fewer distortions to our sales and profits. There remain a few exceptions, in particular the Japanese yen and the Indian rupee, both of which have declined considerably. The moderating growth rate in the Chinese economy has helped to steady factory gate prices, and the business has been able to trade with some greater price stability. In general terms, turnover depends on consumer demand in stores, and it is therefore hard to predict from month to month. However, looking around our business, I can see plenty of new and interesting product ideas we will be bringing to market in the coming months. The US recovery is slowly gathering pace, and there are signs that Europe may be stabilising. Our business is already adapting well to the evolving economic situation in China, and Asia will remain an important driver of growth. The latest UNWTO World Tourism Barometer reported international tourism arrivals grew by 4.3% in the first four months of 2013, and for the full year their expectation is for growth of between 3% and 4%. Taking all these factors together, we are confident about the outlook for the Group, and look forward to making further progress in the second half of the year.

Timothy Charles Parker
Chairman
August 28, 2013

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(Expressed in thousands of US Dollars, except per share data)	Note	**Six months ended June 30,**	
		2013	2012
Net sales	4	**983,649**	846,676
Cost of sales		**(460,654)**	(391,119)
Gross Profit		**522,995**	455,557
Distribution expenses		**(255,304)**	(219,620)
Marketing expenses		**(64,110)**	(63,068)
General and administrative expenses		**(65,616)**	(55,408)
Other expenses		**(1,815)**	(1,913)
Operating profit		**136,150**	115,548
Finance income	19	**459**	704
Finance costs	19	**(8,379)**	(6,120)
Net finance costs		**(7,920)**	(5,416)
Profit before income tax		**128,230**	110,132
Income tax expense	17	**(33,551)**	(20,040)
Profit for the period		**94,679**	90,092
Profit attributable to the equity holders		**85,090**	82,299
Profit attributable to non-controlling interests		**9,589**	7,793
Profit for the period		**94,679**	90,092
Earnings per share			
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	5	**0.060**	0.059

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(Expressed in thousands of US Dollars)	Note	Six months ended June 30, **2013**	2012
Profit for the period		**94,679**	90,092
Other comprehensive income (loss):			
Items that will never be reclassified to profit or loss:			
Recognition of previously unrecognized deferred tax on defined benefit plans	17	—	34,899
		—	34,899
Items that are or may be reclassified subsequently to profit or loss:			
Changes in fair value of cash flow hedges		**(239)**	(1,346)
Foreign currency translation gains (losses) for foreign operations		**(11,888)**	862
Income tax benefit (expense) on other comprehensive income (loss) items		**145**	(906)
		(11,982)	(1,390)
Other comprehensive income (loss)		**(11,982)**	33,509
Total comprehensive income		**82,697**	123,601
Total comprehensive income attributable to the equity holders		**75,554**	115,841
Total comprehensive income attributable to non-controlling interests		**7,143**	7,760
Total comprehensive income for the period		**82,697**	123,601

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of US Dollars)	Note	**(Unaudited) June 30, 2013**	December 31, 2012
Non-Current Assets			
Property, plant and equipment, net	7	**132,549**	135,824
Goodwill		**214,356**	214,356
Other intangible assets, net	8	**666,874**	671,522
Deferred tax assets		**55,638**	55,302
Other assets and receivables		**22,288**	22,793
Total non-current assets		**1,091,705**	1,099,797
Current Assets			
Inventories	9	**267,939**	277,516
Trade and other receivables, net	10	**258,088**	222,159
Prepaid expenses and other assets		**56,191**	62,293
Cash and cash equivalents	11	**164,419**	151,399
Total current assets		**746,637**	713,367
Total assets		**1,838,342**	1,813,164
Equity and Liabilities			
Equity:			
Share capital	12	**14,071**	14,071
Reserves		**1,077,965**	1,037,522
Total equity attributable to equity holders		**1,092,036**	1,051,593
Non-controlling interests		**34,674**	34,512
Total equity		**1,126,710**	1,086,105

(Expressed in thousands of US Dollars)	Note	**(Unaudited) June 30, 2013**	December 31, 2012
Non-Current Liabilities			
Loans and borrowings	13	**48**	64
Employee benefits		**45,007**	68,378
Non-derivative financial instruments		**50,567**	44,950
Deferred tax liabilities		**111,668**	113,809
Other liabilities		**4,744**	6,319
Total non-current liabilities		**212,034**	233,520
Current Liabilities			
Loans and borrowings	13	**5,682**	32,234
Employee benefits		**41,505**	49,977
Trade and other payables	15	**397,401**	362,488
Current tax liabilities		**55,010**	48,840
Total current liabilities		**499,598**	493,539
Total liabilities		**711,632**	727,059
Total equity and liabilities		**1,838,342**	1,813,164
Net current assets		**247,039**	219,828
Total assets less current liabilities		**1,338,744**	1,319,625

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

(Expressed in thousands of US Dollars)	Note	Six months ended June 30, **2013**	2012
Cash flows from operating activities:			
Profit for the period		**94,679**	90,092
Adjustments to reconcile profit to net cash generated from operating activities:			
Gain on sale and disposal of assets, net		**(8)**	(135)
Depreciation	7	**17,784**	14,820
Amortization of intangible assets	8	**4,362**	4,165
Provision for doubtful accounts		**806**	515
Change in fair value of put options		**4,417**	1,453
Net change in defined benefit pension plan		**(26,423)**	(6,651)
Income tax expense	17	**33,551**	20,040
Non-cash share-based compensation	18	**3,590**	—
		132,758	124,299
Changes in operating assets and liabilities:			
Trade and other receivables		**(43,396)**	(47,146)
Inventories		**2,719**	(16,219)
Other current assets		**1,568**	(8,992)
Trade and other payables		**(518)**	49,808
Other assets and liabilities, net		**(11,889)**	(6,018)
Cash generated from operating activities		**81,242**	95,732
Interest paid		**(1,061)**	(1,004)
Income tax paid		**(23,435)**	(17,581)
Net cash generated from operating activities		**56,746**	77,147

(Expressed in thousands of US Dollars)	Note	**Six months ended June 30,** **2013**	2012
Cash flows from investing activities:			
Purchases of property, plant and equipment	7	**(17,113)**	(11,398)
Other proceeds		**2,442**	317
Net cash used in investing activities		**(14,671)**	(11,081)
Cash flows from financing activities:			
Current loans and borrowings payments		**(26,452)**	(2,117)
Dividend payments to non-controlling interests		**(4,139)**	(3,874)
Net cash used in financing activities		**(30,591)**	(5,991)
Net increase in cash and cash equivalents		**11,484**	60,075
Cash and cash equivalents, at January 1		**151,399**	141,259
Effect of exchange rate changes on cash and cash equivalents		**1,536**	782
Cash and cash equivalents, at June 30	11	**164,419**	202,116

The accompanying notes form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Background

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

The Company completed an initial public offering of its ordinary shares on the Main Board of The Stock Exchange of Hong Kong Limited on June 16, 2011. The Company was incorporated in Luxembourg on March 8, 2011 as a public limited company (a société anonyme), whose registered office is at 13–15 Avenue de la Liberté, L-1931, Luxembourg.

This consolidated interim financial information was authorized for issue by the Board of Directors (the "Board") on August 27, 2013 and is unaudited.

(2) Basis of Preparation

(a) Statement of Compliance

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. The consolidated interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended December 31, 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which collective term includes all International Accounting Standards ("IAS") and related interpretations, as issued by the International Accounting Standards Board ("IASB").

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

There were no changes in the Group's business or economic circumstances which affected the fair value of the financial assets and financial liabilities, whether recognized at fair value or amortized cost during the six months ended June 30, 2013. There were no transfers between the levels of the fair value hierarchy used in measuring the fair value of financial instruments and there were no changes in the classification of financial assets during the six months ended June 30, 2013.

Cash-generating units ("CGU") and intangible assets were not tested for impairment, as there were no impairment indicators during the six months ended June 30, 2013.

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

The Group has not performed independent actuarial valuations to its defined benefit obligation plans as of June 30, 2013.

(b) Basis of Measurement

This consolidated interim financial information has been prepared on the historical cost basis except for the following material items in the consolidated statements of financial position:

- derivative financial instruments are measured at fair value.
- the defined benefit liability is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

(c) ***Functional and Presentation Currency***

This financial information is measured using the currency of the primary economic environment in which the Group operates ("functional currency"). The functional currencies of the significant subsidiaries within the Group are the currencies of the primary economic environment and key business processes of these subsidiaries and include, but are not limited to, United States Dollars, Euros and Renminbi.

Unless otherwise stated, this consolidated interim financial information is presented in the United States Dollar (US$), which is the functional and presentation currency of the Company.

(d) ***Use of Judgments, Estimates and Assumptions***

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies and to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of this consolidated interim financial information and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. No significant changes occurred during the current reporting period of estimates reported in prior periods.

(3) Summary of Significant Accounting Policies

(a) ***Significant Accounting Policies***

Except as described below, the accounting policies and judgments applied by the Group used in the preparation of this interim financial information are consistent with those applied by the Group in the annual financial statements as of and for the year ended December 31, 2012. The changes in accounting policies described below are also expected to be reflected in the Group's consolidated financial statements as of and for the year ending December 31, 2013.

Certain comparative amounts have been reclassified to conform to the presentation adopted in the current year. None of the changes impacts the Group's previously reported consolidated net sales, gross profit, operating profit, income tax expense, profit for the period, earnings per share, net cash generated from operating activities, investing activities or financing activities, or the statement of financial position.

(b) ***Changes in accounting policies***

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the consolidated interim financial information for the six months ended June 30, 2013, a number of new or revised IFRSs became effective for the current reporting period.

(i) IFRS 10 *Consolidated Financial Statements*

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. The adoption of this standard did not change the Group's current conclusion in respect of consolidated subsidiaries.

(ii) IFRS 11 *Joint Arrangements*

Under IFRS 11, the structure of a joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and therefore the subsequent accounting.

- The Group's interest in a joint operation, which is an arrangement in which the parties have rights to the assets and obligations for the liabilities, will be accounted for on the basis of the Group's interest in those assets and liabilities.
- The Group's interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity-accounted.

There was no impact to the Group's financial statements from the adoption of IFRS 11.

(iii) IFRS 13 *Fair Value Measurement* (2011)
IFRS 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout IFRS. Subject to limited exceptions, IFRS 13 is applied when fair value measurements or disclosures are required or permitted by other IFRSs. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7, *Financial Instruments: Disclosures.* Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Group has included additional disclosures in this regard (see note 21).

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

(iv) IAS 1 *Presentation of Items of Other Comprehensive Income* (2011)
As a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its consolidated statement of comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly.

The adoption of the amendments to IAS 1 has no impact on the recognized assets, liabilities and comprehensive income of the Group.

(v) IAS 19 *Employee Benefits* (2011)
As a result of IAS 19 (2011), the Group has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit. Under IAS 19 (2011), the Group determines the net interest expense (income) for the period on the net defined benefit liability (asset) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Consequently, the net interest cost on the net defined benefit liability (asset) now comprises:

- Interest cost on the defined benefit obligation;
- Interest income on plan assets; and
- Interest on the effect of asset ceiling.

Previously, the Group determined interest income on plan assets based on their long-term rate of expected return.

The Group has preliminarily assessed the impact of the change in measurement principles of expected return on plan assets and anticipates a negative impact of approximately US$5 million to the net interest cost recognized in the consolidated income statement for the year ended December 31, 2013. The actual impact may vary based on the results of the actuarial valuation at year end.

(vi) Segment Information
The amendment to IAS 34 clarifies that the Group needs to disclose the measures of total assets and liabilities for a particular reportable segment only if the amounts are regularly provided to the Group's chief operating decision maker, and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. As a result of this amendment, the Group did not need to include additional disclosure of segment assets or liabilities.

(c) New Standards and Interpretations Not Yet Adopted

Certain new standards, amendments to standards and interpretations are not yet effective for the six months ended June 30, 2013, and have not been applied in preparing these consolidated interim financial statements.

IFRS 9, *Financial Instruments*, is expected to impact the classification and measurement of financial assets and financial liabilities. The effective date of this standard is January 1, 2015. The Group has not determined the extent of the impact on its financial statements upon adoption of this standard.

The application in IAS 32, *Financial Instruments: Presentation*, was amended to address certain inconsistencies relating to the offsetting financial assets and financial liabilities criteria. The effective date of this standard is January 1, 2014. The Group has not determined the extent of the impact on its financial statements upon adoption of this standard.

(4) Segment Reporting

The reportable segments for the six months ended June 30, 2013 are consistent with the reportable segments included within the annual financial statements as of and for the year ended December 31, 2012.

The Group's segment reporting information is based on geographical areas, representative of how the Group's business is managed and its operating results are evaluated. The Group's operations are organized primarily as follows: (i) "Asia"; (ii) "Europe"; (iii) "North America"; (iv) "Latin America", and (v) "Corporate".

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 Group's segments.

Segment information as of and for the six months ended June 30, 2013 and June 30, 2012 is as follows:

	Six months ended June 30, 2013					
(Expressed in thousands of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate**	**Consolidated**
External revenues	**370,164**	**310,469**	**236,751**	**61,506**	**4,759**	**983,649**
Operating profit	**36,120**	**31,989**	**25,050**	**8,150**	**34,841**	**136,150**
Depreciation and amortization	**8,728**	**2,282**	**7,739**	**2,193**	**1,204**	**22,146**
Capital expenditure	**5,442**	**1,679**	**7,588**	**1,942**	**462**	**17,113**
Interest income	**132**	**2**	**132**	**(7)**	**200**	**459**
Interest expense	**(602)**	**—**	**(58)**	**(179)**	**(775)**	**(1,614)**
Income tax expense	**(8,013)**	**(12,113)**	**(5,639)**	**(3,118)**	**(4,668)**	**(33,551)**
Total assets	**493,957**	**508,047**	**451,301**	**81,931**	**303,106**	**1,838,342**
Total liabilities	**196,217**	**365,701**	**185,381**	**38,321**	**(73,988)**	**711,632**

	Six months ended June 30, 2012					
(Expressed in thousands of US Dollars)	Asia	North America	Europe	Latin America	Corporate	Consolidated
External revenues	324,571	238,530	221,231	56,897	5,447	846,676
Operating profit	39,095	30,344	19,156	7,131	19,822	115,548
Depreciation and amortization	6,672	1,751	7,035	2,027	1,500	18,985
Capital expenditure	5,353	495	4,573	441	536	11,398
Interest income	82	8	103	17	494	704
Interest expense	(920)	—	(65)	(282)	(695)	(1,962)
Income tax (expense) benefit	(7,569)	(10,207)	(3,730)	(697)	2,163	(20,040)
Total assets	499,495	321,630	389,768	81,663	419,606	1,712,162
Total liabilities	205,509	270,816	167,310	37,678	(1,123)	680,190

(5) Earnings Per Share

(a) Basic

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended June 30, 2013 and June 30, 2012.

	Six months ended June 30,	
(Expressed in thousands of US Dollars, except share and per share data)	**2013**	2012
Issued ordinary shares at the beginning and end of the period	**1,407,137,004**	1,407,137,004
Profit attributable to the equity holders	**85,090**	82,299
Basic earnings per share *(Expressed in US Dollars per share)*	**0.060**	0.059

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended June 30, 2013, diluted earnings per share is the same as basic earnings per share as all potentially dilutive instruments were anti-dilutive. There were no outstanding potentially dilutive instruments during the six months ended June 30, 2012.

(c) Dividends and Distributions

On March 18, 2013, the Board recommended that a cash distribution in the amount of US$37.5 million, or US$0.02665 per share, be made to the Company's shareholders of record on June 20, 2013 from its ad hoc distributable reserve. The shareholders approved this distribution on June 6, 2013 at the annual general meeting and the distribution was paid on July 12, 2013.

No other dividends or distributions were declared or paid during the six months ended June 30, 2013.

(6) Seasonality of Operations

There are no material seasonal fluctuations in the business activity of the Group.

(7) Property, Plant and Equipment, Net

For the six months ended June 30, 2013 and June 30, 2012, the cost of additions to property, plant and equipment was US$17.1 million and US$11.4 million, respectively. Depreciation expense for the six months ended June 30, 2013 and June 30, 2012 amounted to US$17.8 million and US$14.8 million, respectively. Of this amount, US$2.6 million and US$2.3 million were included in cost of sales during the first half of 2013 and the first half of 2012, respectively. Remaining amounts were presented in distribution and general and administrative expenses.

(8) Other Intangible Assets

Other intangible assets consisted of the following:

(Expressed in thousands of US Dollars)	Customer relationships	Other	Total subject to amortization	Tradenames	Total other intangible assets
Cost:					
At December 31, 2012	115,250	5,721	120,971	595,035	716,006
Effect of movement in foreign currency exchange rates	—	—	—	(286)	(286)
At June 30, 2013	**115,250**	**5,721**	**120,971**	**594,749**	**715,720**
Accumulated amortization:					
At December 31, 2012	(39,282)	(5,202)	(44,484)	—	(44,484)
Amortization	(3,984)	(378)	(4,362)	—	(4,362)
At June 30, 2013	**(43,266)**	**(5,580)**	**(48,846)**	**—**	**(48,846)**
Carrying amounts:					
At June 30, 2013	**71,984**	**141**	**72,125**	**594,749**	**666,874**
At December 31, 2012	75,968	519	76,487	595,035	671,522

In accordance with IAS 36, *Impairment of Assets*, the Group is required to evaluate its intangibles with definite useful lives for potential impairment whenever events or changes in circumstance indicate that their carrying amount might not be recoverable. There were no impairment indicators during the six months ended June 30, 2013.

(9) Inventories

Inventories consist of the following:

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Raw materials	**17,404**	14,715
Work in process	**2,510**	1,820
Finished goods	**248,025**	260,981
Total inventories	**267,939**	277,516

The amounts above include inventories carried at net-realizable value of US$69.1 million and US$69.9 million as of June 30, 2013 and December 31, 2012, respectively. For the six months ended June 30, 2013 and June 30, 2012, the impairment of inventories to net realizable value (fair value less costs to sell) amounted to US$2.6 million and US$0.5 million, respectively. For the six months ended June 30, 2013 and June 30, 2012 the reversal of impairments recognized in profit or loss amounted to US$0.6 million and US$1.1 million, respectively, where the Group was able to sell the previously written down inventories at higher selling prices than previously estimated.

(10) Trade and Other Receivables

Trade and other receivables are presented net of related allowances for doubtful accounts of US$12.7 million and US$12.9 million as of June 30, 2013 and December 31, 2012, respectively.

Included in trade and other receivables are trade receivables (net of allowance for doubtful accounts) of US$249.7 million and US$211.5 million as of June 30, 2013 and December 31, 2012, respectively, with the following aging analysis as of the reporting dates:

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Current	**200,964**	173,185
Past due	**48,766**	38,311
Total trade receivables	**249,730**	211,496

Credit terms are granted based on the credit worthiness of individual customers. Trade receivables as of June 30, 2013 are on average due within 60 days from the date of billing.

(11) Cash and Cash Equivalents

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Bank balances	**159,849**	110,561
Short-term investments	**4,570**	40,838
Total cash and cash equivalents	**164,419**	151,399

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

As of June 30, 2013 and December 31, 2012 the Group had no restrictions on the use of any of its cash.

(12) Share Capital

There were no movements in the share capital of the Company during the six months ended June 30, 2013.

(13) Loans and Borrowings

(a) Non-current Obligations

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

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Finance lease obligations	**70**	97
Less current installments	**(22)**	(33)
Non-current loans and borrowings	**48**	64

(b) Current Obligations and Credit Facilities

Current obligations represent current debt and finance lease obligations as follows:

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Revolving Credit Facility	—	25,000
Other lines of credit	**8,137**	10,297
Finance lease obligations	**22**	33
Total current obligations	**8,159**	35,330
Less deferred financing costs	**(2,477)**	(3,096)
Current loans and borrowings	**5,682**	32,234

On July 2, 2012, the Group increased its existing revolving credit facility (the "Revolving Facility") from US$100.0 million to US$300.0 million. The facility can be increased by an additional US$100.0 million, subject to lender approval. The Revolving Facility has an initial term of three years, with a one year extension available at the request of the Group 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 Group's leverage ratio. The Revolving Facility carries a commitment fee of 0.175% per annum on any unutilized amounts, as well as an agency fee 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 Group'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 Group's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Group was in compliance with the financial covenants as of June 30, 2013. There were no amounts outstanding on the Revolving Facility at June 30, 2013 and US$294.0 million was available to be borrowed as a result of the utilization of US$6.0 million of the facility for outstanding letters of credit. At December 31, 2012, US$269.0 million was available to be borrowed on the Revolving Facility as a result of the US$25.0 million outstanding borrowing and the utilization of US$17.6 million of the facility for outstanding letters of credit.

Certain consolidated subsidiaries of the 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 the subsidiaries, including overdraft, bank guarantee, and trade finance and factoring facilities. The majority of these credit lines are uncommitted facilities. The total aggregate amount outstanding under the local facilities was US$8.1 million and US$10.3 million at June 30, 2013 and December 31, 2012, respectively.

(14) Employee Benefits

Employee benefits expense, which consists of payroll, pension plan expenses, share-based payments and other benefits, for the six months ended June 30, 2013 and June 30, 2012 amounted to US$121.0 million and US$104.4 million, respectively. Of these amounts, US$11.1 million and US$10.7 million were included in cost of sales, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses.

(15) Trade and Other Payables

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Accounts payable	**257,305**	268,588
Other liabilities	**94,679**	85,074
Cash distribution payable to equity holders	**37,500**	—
Other tax payables	**7,917**	8,826
Total trade and other payables	**397,401**	362,488

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

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Current	**204,608**	200,927
Past due	**11,220**	24,322
Total trade payables	**215,828**	225,249

Trade payables as of June 30, 2013 are on average due within 105 days from the invoice date.

(16) Commitments

(a) Capital Commitments

Capital commitments as of June 30, 2013 and December 31, 2012 not recognized as liabilities in the consolidated statement of financial position, as they do not meet the recognition criteria, include the following amounts:

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Contracted for	**13,417**	11,326
Authorized but not contracted for	**42,070**	61,274
Total capital commitments	**55,487**	72,600

(b) Operating Lease Commitments

The Group's lease obligations primarily consist of non-cancellable leases of office, warehouse and retail store space and equipment. Future minimum payments under non-cancellable leases as of June 30, 2013 and December 31, 2012 were as follows:

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Within one year	**60,613**	59,373
1–2 years	**56,642**	47,743
2–5 years	**116,906**	78,421
More than 5 years	**64,598**	21,830
Total operating lease commitments	**298,759**	207,367

Rent expense under cancellable and non-cancellable operating leases for the six months ended June 30, 2013 and June 30, 2012 amounted to US$45.1 million and US$39.5 million, respectively.

(17) Income Taxes

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective reported tax rate in respect of continuing operations for the six months ended June 30, 2013 and June 30, 2012 was 26.2% and 18.2%, respectively. The increase in the consolidated effective reported tax rate is primarily the result of the prior year benefit from the recognition of previously unrecognized deferred tax assets, as well as the global mix in profitability in various high and low tax jurisdictions, for example the increased profits in the United States which is a relatively higher tax jurisdiction.

During the six months ended June 30, 2012, based upon an evaluation of both positive and negative evidence, the Group concluded that US$44.0 million of previously unrecognized deferred tax assets should be recognized. As part of the Group's analysis, it evaluated, among other factors, its recent history of generating taxable income and its near-term forecasts of future taxable income and determined that it is more likely than not that it will be able to realize an additional US$44.0 million of its deferred tax assets over the next several years. After considering these factors, the Group concluded that recognition of these deferred tax assets was appropriate. Of the US$44.0 million of previously unrecognized deferred tax assets, US$9.1 million was recognized through income tax expense on the income statement and US$34.9 million, which relates to deferred tax assets for pension plans, was recognized through other comprehensive income on the statement of comprehensive income.

Taxation in the consolidated income statement for the six months ended June 30, 2013 and June 30, 2012 consisted of the following:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Hong Kong profits tax expense	**(515)**	(1,091)
Foreign profits tax expense	**(33,036)**	(18,949)
Income tax expense	**(33,551)**	(20,040)

Income tax expense for Hong Kong profits was calculated at an effective tax rate of 16.5% for the six months ended June 30, 2013 and the six months ended June 30, 2012.

(18) Share-based Payment

On September 14, 2012 the Company adopted the Company's Share Award Scheme. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Awards under the Share Award Scheme may take the form of either share options or restricted share units, which may be granted at the discretion of the Board to directors, employees or such other persons as the Board may determine.

On January 8, 2013, the Company granted share options exercisable for 15,295,880 ordinary shares to certain directors, key management personnel, and other employees of the Group. The exercise price of such options is HK$17.36. Such options are subject to *pro rata* vesting over a 4 year period, with 25% of the options vesting on each anniversary of the grant date. The options have a 10 year term.

In accordance with the terms of the share options, holders of vested options are entitled to buy newly issued ordinary shares of the Company at a purchase price per share equal to the exercise price of the options. The fair value of services received in return for share options granted is based on the fair value of share options granted measured using the Black-Scholes valuation model. The following inputs were used in the measurement of the fair value at grant date of the share-based payment.

Fair value at grant date	HK$7.13
Share price at grant date	HK$17.36
Exercise price	HK$17.36
Expected volatility (weighted average volatility)	47.3%
Option life (expected weighted average life)	6.25 years
Expected dividends	1.0%
Risk-free interest rate (based on government bonds)	0.4%

Expected volatility is estimated taking into account historic average share price volatility as well as historic average share price volatility of comparable companies given the limited trading history of the Company's shares.

In total, share-based compensation expense of US$3.6 million was included in the consolidated income statement for the six months ended June 30, 2013.

(19) Finance Income and Finance Costs

The following table presents a summary of finance income and finance costs recognized in the consolidated income statement for the six months ended June 30, 2013 and June 30, 2012:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Recognized in profit or loss:		
Interest income on bank deposits	**459**	704
Total finance income	**459**	704
Interest expense on financial liabilities measured at amortized cost	**(1,614)**	(1,962)
Change in fair value of put options	**(4,417)**	(1,453)
Net foreign exchange loss	**(1,388)**	(1,801)
Other finance costs	**(960)**	(904)
Total finance costs	**(8,379)**	(6,120)
Net finance costs recognized in profit or loss	**(7,920)**	(5,416)
Recognized in other comprehensive income:		
Foreign currency translation differences for foreign operations	**(11,888)**	862
Changes in fair value of cash flow hedges	**(239)**	(1,346)
Income tax benefit (expense) on finance income and finance costs recognized in other comprehensive income	**145**	(906)
Net finance costs recognized in other comprehensive income, net of tax	**(19,902)**	(6,806)

(20) Contingent Liabilities

In the ordinary course of business, the Group is subject from time to time to litigation and other legal proceedings. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to specific litigation is sufficient. The Group records provisions based on its past experience and on facts and circumstances known at each reporting date. The provision charge is recognized within general and administrative expenses in the consolidated income statement. When the date of the incurrence of an obligation is not reliably measureable, the provisions are not discounted and are classified in current liabilities.

The Group did not settle any significant litigation during the six months ended June 30, 2013.

(21) Financial Instruments

(a) Fair Value Versus Carrying Amounts

All financial assets and liabilities have fair values that approximate carrying amounts.

(b) Fair Value Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRSs establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The carrying amount of cash and cash equivalents, trade receivables, accounts payable and short-term debt approximates fair value because of the short maturity or duration of these instruments.

The fair value of foreign currency forward contracts is estimated by reference to market quotations received from banks.

The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) as of June 30, 2013:

	Fair value measurements at reporting date using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(Expressed in thousands of US Dollars)			
Assets:			
Cash and cash equivalents	164,419	—	—
Foreign currency forward contracts	457	—	—
Total assets	164,876	—	—
Liabilities:			
Foreign currency forward contracts	171	—	—
Total liabilities	171	—	—

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Certain non-U.S. subsidiaries of the Group periodically enter into forward contracts related to the purchase of inventory denominated primarily in USD which are designated as cash flow hedges. The hedging effectiveness was tested in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*. The fair value of these instruments was a liability of US$0.2 million and an asset of US$0.5 million as of June 30, 2013.

(22) Related Party Transactions

(a) Transactions with Key Management Personnel

In addition to their cash compensation, the Group also provides non-cash benefits to certain directors and other key management personnel, and contributes to post-employment plans on their behalf.

Key management is comprised of the Group's directors and senior management. Key management personnel compensation comprised:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Director's fees	**255**	200
Salaries, allowances and other benefits in kind	**2,560**	2,428
Bonus	**2,908**	2,271
Post-employment benefits	**105**	100
Share-based compensation	**1,634**	—
	7,462	4,999

(b) Other Transactions

I. The Group's Indian subsidiary, Samsonite South Asia Pvt. Ltd., purchases raw materials and finished goods from, and sells certain raw materials and finished goods to, Abhishri Packaging Pvt. Ltd., which is managed and controlled by the family of Mr. Ramesh Tainwala, Executive Director and President, Asia-Pacific and Middle East, of the Group ("Mr. Tainwala").

Related amounts of purchases, sales, payables and receivables are the following:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Purchases	**2,131**	1,870
Sales	**228**	257

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Payables	**576**	483
Receivables	**110**	145

II. Samsonite South Asia Pvt. Ltd. also sells finished goods to Bagzone Lifestyle Private Limited. Bagzone Lifestyle Private Limited is managed and controlled by the family of Mr. Tainwala. Mr. Tainwala and his family also own a non-controlling interest in Samsonite South Asia Pvt. Ltd. and the Group's United Arab Emirates subsidiary.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Sales	**5,916**	6,437
Rent	**30**	26

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Receivables	**9,995**	6,895

Approximately US$0.5 million and US$0.5 million was paid to entities owned by the Mr. Tainwala and his family, for office space rent for the six months ended June 30, 2013 and June 30, 2012, respectively. As of June 30, 2013 and December 31, 2012, no amounts were payable to Mr. Tainwala and his family. As of June 30, 2013 and December 31, 2012, US$0 and US$0.1 million, respectively, was recorded as a receivable in the form of a security deposit.

III. Samsonite South Asia Pvt. Ltd. has from time to time sold finished goods to Planet Retail Holdings Pvt. Ltd. ("Planet Retail"). Mr. Tainwala is the majority shareholder of Planet Retail. Sales to this entity amounted to US$0 and US$58 thousand for the six months ended June 30, 2013 and June 30, 2012, respectively. As of June 30, 2013 and December 31, 2012, US$0 and US$7 thousand, respectively, was receivable from Planet Retail.

All outstanding balances with these related parties are priced at an arm's length basis and are to be settled in cash within six months of the reporting date. None of the balances are secured.

(23) Subsequent Events

The Group has evaluated events occurring subsequent to June 30, 2013, the interim reporting date, through August 27, 2013, the date this financial information was authorized for issue by the Board.

On July 12, 2013, the Company made a cash distribution from its ad hoc distributable reserve in the amount of US$37.5 million, or US$0.02665 per share, to the Company's shareholders of record on June 20, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

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

The Group sells its products through a variety of wholesale distribution channels, through its company operated retail stores, and via e-commerce. Its principal wholesale distribution customers are department and specialty retail stores, mass merchants, catalog showrooms and warehouse clubs. The Group sells its products in Asia, Europe, North America and Latin America. As of June 30, 2013, the Group's products were sold in more than 45,600 points of sale in over 100 countries.

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

Net Sales

The following table sets forth a breakdown of net sales by region for the six months ended June 30, 2013 and June 30, 2012, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2013		2012		2013 vs 2012	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by region:						
Asia	**370,164**	**37.6%**	324,571	38.3%	14.0%	15.5%
North America	**310,469**	**31.6%**	238,530	28.2%	30.2%	30.2%
Europe	**236,751**	**24.1%**	221,231	26.1%	7.0%	6.9%
Latin America	**61,506**	**6.2%**	56,897	6.7%	8.1%	5.2%
Corporate	**4,759**	**0.5%**	5,447	0.7%	(12.6)%	(12.6)%
Net sales	**983,649**	**100.0%**	846,676	100.0%	16.2%	16.5%

Net sales increased by US$137.0 million, or 16.2%, to US$983.6 million for the six months ended June 30, 2013, from US$846.7 million for the six months ended June 30, 2012. Excluding foreign currency effects, net sales increased by 16.5%.

Brands

The following table sets forth a breakdown of net sales by brand for the six months ended June 30, 2013 and June 30, 2012, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2013		2012		2013 vs 2012	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by brand:						
Samsonite	**668,196**	**67.9%**	635,722	75.1%	5.1%	5.5%
American Tourister	**205,711**	**20.9%**	164,553	19.4%	25.0%	25.7%
High Sierra(1) / *Hartmann*(2)	**50,450**	**5.1%**	1,770	0.2%	nm	nm
Other(3)	**59,292**	**6.1%**	44,631	5.3%	32.8%	31.1%
Net sales	**983,649**	**100.0%**	846,676	100.0%	16.2%	16.5%

Notes

(1) The *High Sierra* brand was acquired on July 31, 2012. Prior to the acquisition, Samsonite Australia was a distributor of *High Sierra* products. Net sales under this distribution arrangement with Samsonite Australia amounted to US$1.8 million during the six months ended June 30, 2012.

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

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

nm Not meaningful due to acquisitions in second half of 2012.

Net sales of the *Samsonite* brand increased by US$32.5 million, or 5.1%, for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. Excluding foreign currency effects, net sales of the *Samsonite* brand increased 5.5%. *Samsonite* comprised 67.9% of the net sales of the Group during the first half of 2013 compared to 75.1% for the same period in 2012 as the Group further diversifies its brand portfolio. Net sales of the *American Tourister* brand increased by US$41.2 million, or 25.0%, for the first half of 2013 compared to the first half of 2012. Excluding foreign currency effects, net sales of the *American Tourister* brand increased 25.7%. Asia accounted for US$38.9 million, or 94.4%, of the US$41.2 million increase in *American Tourister* brand sales for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. The increases in both brands were attributable to expanded product offerings and further penetration of existing markets, which were all supported by the Group's targeted advertising activities. The 32.8% increase in net sales of other brands was primarily driven by certain licensed brands in North America and the *Xtrem* and *Secret* brands in Latin America.

Product Categories

The Group sells products in four principal product categories: travel, business, casual and accessories. The travel category is the Group's largest category and has been its traditional strength. The following table sets forth a breakdown of net sales by product category for the six months ended June 30, 2013 and June 30, 2012, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2013		2012		2013 vs 2012	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by product category:						
Travel	**724,626**	**73.7%**	655,824	77.5%	10.5%	11.0%
Casual	**108,186**	**11.0%**	48,987	5.8%	120.8%	118.6%
Business	**95,803**	**9.7%**	86,350	10.2%	10.9%	11.7%
Accessories	**36,379**	**3.7%**	36,874	4.4%	(1.3)%	(1.5)%
Other	**18,655**	**1.9%**	18,641	2.1%	0.1%	0.3%
Net sales	**983,649**	**100.0%**	846,676	100.0%	16.2%	16.5%

The US$137.0 million increase in net sales between the six months ended June 30, 2013 and six months ended June 30, 2012 was largely driven by an increase in net sales in the travel product category, which increased by US$68.8 million, or 10.5%. Country-specific product designs, locally relevant marketing strategies and expanded points of sale, including e-commerce, continue to be the key factors contributing to the Group's success in the travel category. Net sales in the casual product category increased by US$59.2 million, or 120.8%. This increase was primarily attributable to the acquisition of *High Sierra* and to the Group's strategic focus on expanding its casual product offerings. Excluding net sales attributable to *High Sierra*, net sales in the casual product category increased by 40.5% for the six months ended June 30, 2013 compared to the first half of 2012. Net sales in the business product category increased by US$9.5 million, or 10.9%, due to new product introductions and expanded product placement. Net sales in the accessories and other categories were relatively flat year-on-year.

Distribution Channels

The Group sells products through two primary distribution channels: wholesale and retail. The following table sets forth a breakdown of net sales by distribution channel for the six months ended June 30, 2013 and June 30, 2012, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2013		2012		2013 vs 2012	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by distribution channel:						
Wholesale	**799,467**	**81.3%**	687,777	81.2%	16.2%	16.5%
Retail(1)	**179,423**	**18.2%**	153,390	18.1%	17.0%	17.5%
Other(2)	**4,759**	**0.5%**	5,509	0.7%	(13.6)%	(13.6)%
Net sales	**983,649**	**100.0%**	846,676	100.0%	16.2%	16.5%

Notes
(1) Retail includes e-commerce.
(2) "Other" primarily consists of licensing income.

During the first half of 2013, the Group expanded its points of sale by approximately 650 to over 45,600 points of sale worldwide as of June 30, 2013.

Net sales in the wholesale channel increased by US$111.7 million, or 16.2%, for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. Net sales in the retail channel increased by US$26.0 million, or 17.0%, to US$179.4 million for the six months ended June 30, 2013. E-commerce sales, which are included in retail channel sales, increased by US$6.9 million, or 111.9%, year-on-year. These increases were primarily due to point of sale expansion and targeted product offerings. On a same store, constant currency basis, net sales in the retail channel increased by 6.7%.

Regions

Asia

Net sales for the Asian region increased by US$45.6 million, or 14.0%, to US$370.2 million for the six months ended June 30, 2013, from US$324.6 million for the six months ended June 30, 2012. Excluding foreign currency effects, net sales increased by 15.5%.

The strong growth in Asia continues to be driven by the *American Tourister* brand, which accounted for US$38.9 million, or 85.3%, of the increase in net sales for the Asian region for the six months ended June 30, 2013 compared to the first half of 2012 as the brand further penetrates the market at lower price points. *American Tourister* comprised 43.1% of the net sales in the Asian region during the first half of 2013 compared to 37.2% for the same period in 2012. Net sales of the *Samsonite* brand, which accounted for 55.1% of net sales in Asia during the first half of 2013, increased by US$6.0 million, or 3.0%, year-on-year and by 4.6% excluding foreign currency effects. The Group had net sales of US$1.8 million of the *High Sierra* brand in Asia during the first half of 2013 and has begun to develop products specifically designed for the region.

Net sales in the travel product category increased by US$32.7 million, or 13.5%, for the six months ended June 30, 2013 compared to the first half of 2012. Net sales in the casual product category increased by US$7.8 million, or 38.8%, driven largely by the *Samsonite Red* brand. Net sales in the business product category increased by US$4.2 million, or 8.6%, year-on-year due to the introduction of new leather business product lines. Net sales in the accessories product category increased by US$1.1 million, or 13.1%, year-on-year.

Net sales in the wholesale channel increased by US$39.2 million, or 13.8%, for the six months ended June 30, 2013 compared to the first half of 2012. Net sales in the retail channel increased by US$6.4 million, or 15.6%, year-on-year. On a same store, constant currency basis, net sales in the retail channel increased by 9.4%. Over 350 points of sale were added in Asia during the first half of 2013, for a total of more than 6,700 points of sale in the region at June 30, 2013.

Along with additional product offerings and points of sale expansion, the success of the Group's business in the Asia region has been bolstered by its continued focus on country-specific product and marketing strategies to drive increased awareness of and demand for the Group's products. On a constant currency basis, net sales increased in all countries in the Asian region for the six months ended June 30, 2013 compared to the first half of 2012. China continued to lead the region in total net sales, contributing 25.2% of the region's net sales. Net sales in China increased by 10.3% year-on-year as China's economic growth continued to moderate. South Korea continued to experience robust sales growth driven by the success of the *American Tourister* and *Samsonite Red* brands. Net sales in South Korea increased by US$21.1 million, or 38.1%, for the six months ended June 30, 2013 compared to the first half of 2012. Japan experienced strong constant currency growth of 19.5% year-on-year.

The following table sets forth a breakdown of net sales within the Asian region by geographic location for the six months ended June 30, 2013 and June 30, 2012, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2013		2012		2013 vs 2012	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
China	**93,427**	**25.2%**	84,694	26.1%	10.3%	8.1%
South Korea	**76,637**	**20.7%**	55,514	17.1%	38.1%	33.7%
India	**56,483**	**15.3%**	55,385	17.1%	2.0%	7.3%
Hong Kong[2]	**30,771**	**8.3%**	26,252	8.1%	17.2%	17.2%
Japan	**30,356**	**8.2%**	30,284	9.3%	0.2%	19.5%
Other	**82,490**	**22.3%**	72,442	22.3%	13.9%	14.3%
Net sales	**370,164**	**100.0%**	324,571	100.0%	14.0%	15.5%

Notes

(1) The geographic location of the Group'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.

North America

Net sales for the North American region increased by US$71.9 million, or 30.2%, to US$310.5 million for the six months ended June 30, 2013, from US$238.5 million for the six months ended June 30, 2012. Excluding foreign currency effects, net sales increased by 30.2%.

Net sales of the *Samsonite* brand increased by US$16.8 million, or 8.1%, and net sales of the *American Tourister* brand increased by US$0.4 million, or 1.5%, for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. Net sales of the *High Sierra* and *Hartmann* brands contributed an incremental US$41.1 million and US$7.0 million, respectively, during the first half of 2013. Excluding net sales attributable to *High Sierra* and *Hartmann* brands, net sales increased by 10.0% for the six months ended June 30, 2013 compared to the first half of 2012.

Net sales in the travel product category increased by US$25.1 million, or 12.1%, year-on-year. Net sales in the casual product category increased by US$42.9 million, or 556.5%, largely due to the High Sierra acquisition in July 2012. Excluding the acquisition of High Sierra, net sales in the casual product category increased by 51.5%. Net sales in the business product category increased by US$4.0 million, or 25.1%, for the six months ended June 30, 2013.

Net sales in the wholesale channel increased by US$63.7 million, or 34.0%, for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. Net sales in the retail channel increased by US$8.2 million, or 16.1%, year-on-year. Sales growth in the retail channel was driven largely by e-commerce, which increased by 121.3% year-on-year, as well as 17 net new stores opened since June 30, 2012. On a same store, constant currency basis, net sales in the retail channel increased by 0.2%.

These increases were largely due to the addition of the *High Sierra* and *Hartmann* brands, along with the continued focus on marketing and selling regionally developed products, which has enabled the North American region to bring to market products that are designed to appeal to the tastes and preferences of North American consumers. Strong consumer demand for the Group's products has allowed the region to continue to gain additional product placement with its wholesale customers.

The following table sets forth a breakdown of net sales within the North American region by geographic location for the six months ended June 30, 2013 and June 30, 2012, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2013		2012		2013 vs 2012	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
United States	**296,495**	**95.5%**	225,690	94.6%	31.4%	31.4%
Canada	**13,974**	**4.5%**	12,840	5.4%	8.8%	10.1%
Net sales	**310,469**	**100.0%**	238,530	100.0%	30.2%	30.2%

Notes
(1) The geographic location of the Group'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.

Europe

Net sales for the European region increased by US$15.5 million, or 7.0%, to US$236.8 million for the six months ended June 30, 2013, from US$221.2 million for the six months ended June 30, 2012. Excluding foreign currency effects, net sales for the European region increased by 6.9%.

Excluding Italy and Spain, net sales for the European region increased by US$17.9 million, or 10.2%, year-on-year. The Group's business in Italy and Spain continued to be negatively impacted by the weak consumer sentiment resulting from the on-going economic challenges in the Southern European countries.

Local currency sales growth in several markets was driven by the positive sell-through of new product introductions and the continued success of products manufactured using the Curv material. Germany, the Group's leading market in Europe representing 14.9% of total net sales in the region, achieved 13.0% constant currency sales growth during the period. The Group continued to penetrate the emerging markets of Russia, South Africa and Turkey with year-on-year constant currency net sales growth of 32.0%, 31.8% and 12.6%, respectively. Belgium net sales decreased slightly from the previous year primarily due to the non-recurrence of certain promotional sales made during the first half of 2012.

Excluding foreign currency effects, net sales of the *Samsonite* and *American Tourister* brands increased by 5.5% and 18.4%, respectively, for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. *American Tourister* comprised 6.0% of the net sales in the European region, compared to 5.4% in the first half of 2012, as the brand further penetrated the market oriented toward more value-conscious consumers.

Net sales in the travel product category increased by US$11.1 million, or 6.1%, year-on-year. Net sales in the casual product category increased by US$1.5 million, or 27.3%, and net sales in the business product category increased by US$1.5 million, or 10.2%, for the six months ended June 30, 2013. These increases were largely driven by increased penetration of new product introductions.

Net sales in the wholesale channel increased by US$4.5 million, or 2.5%, for the six months ended June 30, 2013 compared to the first half of 2012. Net sales in the retail channel increased by US$11.1 million, or 25.2%, year-on-year on strong comp sales and 15 net new store openings, as well as a 92.9% increase in e-commerce sales. On a same store, constant currency basis, net sales in the retail channel increased by 13.3%.

The following table sets forth a breakdown of net sales within the European region by geographic location for the six months ended June 30, 2013 and June 30, 2012, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2013		2012		2013 vs 2012	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
Germany	**35,289**	**14.9%**	31,004	14.0%	13.8%	13.0%
France	**30,940**	**13.1%**	28,493	12.9%	8.6%	7.5%
Belgium[2]	**27,039**	**11.4%**	27,803	12.6%	(2.8)%	(3.4)%
Italy	**25,058**	**10.6%**	25,961	11.7%	(3.5)%	(4.0)%
Russia	**19,848**	**8.4%**	15,307	6.9%	29.7%	32.0%
Spain	**17,511**	**7.4%**	18,986	8.6%	(7.8)%	(8.7)%
United Kingdom	**16,609**	**7.0%**	14,425	6.5%	15.1%	18.1%
Other	**64,457**	**27.2%**	59,252	26.8%	8.8%	8.9%
Net sales	**236,751**	**100.0%**	221,231	100.0%	7.0%	6.9%

Notes
(1) The geographic location of the Group's net sales reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) Net sales in Belgium were US$10.6 million and US$11.3 million for the six months ended June 30, 2013 and June 30, 2012, respectively. Remaining sales consisted of direct shipments to distributors, customers and agents in other countries.

Latin America

Net sales for the Latin American region increased by US$4.6 million, or 8.1%, to US$61.5 million for the six months ended June 30, 2013, from US$56.9 million for the six months ended June 30, 2012. Excluding foreign currency effects, net sales increased by 5.2%.

For the six months ended June 30, 2013, net sales in Chile improved by 20.2% year-on-year, or 15.9% excluding foreign currency effects. The double-digit growth in Chile was due in large part to the strength of luggage sales and robust consumer purchases of backpacks for the back-to-school season. The Group is shifting from a distributor model to a direct import and sales model in Brazil, which has temporarily had a negative impact on results during the transition. Net sales in Argentina continued to be negatively impacted by import restrictions imposed by the local government. Excluding net sales attributable to Argentina, net sales for the Latin American region increased by 12.4%, or 8.2% excluding foreign currency effects.

Net sales of the *Samsonite* brand decreased by US$1.8 million, or 6.8%, due to the decrease in sales in Argentina and the transition in the business model in Brazil. Net sales of the *American Tourister* brand were US$2.1 million for the six months ended June 30, 2013 compared to US$2.4 million for the six months ended June 30, 2012. Local brands *Saxoline* and *Xtrem* comprised a bigger share of the region's net sales, increasing by US$0.1 million, or 0.9%, and by US$3.3 million, or 21.5%, respectively. The Group began selling the *High Sierra* brand in Latin America during the first half of 2013 with net sales of US$0.5 million. The introduction of a line of women's handbags under the *Secret* brand name has shown early signs of success.

Net sales in the travel and business product categories were relatively consistent year-on-year despite the impact of import restrictions in Argentina and the change in the business model in Brazil. Net sales in the casual product category increased by US$7.1 million, or 45.2%, due to strong sales during the back-to-school season of the *Xtrem* brand in Chile and growth in sales of the *Xtrem* brand in Mexico, where net sales of the brand more than doubled year-on-year.

Net sales in the wholesale channel increased by US$4.3 million, or 10.8%, for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. Net sales in the retail channel increased by US$0.4 million, or 2.4%, year-on-year. On a same store, constant currency basis, net sales in the retail channel increased by 2.8%.

The following table sets forth a breakdown of net sales within the Latin American region by geographic location for the six months ended June 30, 2013 and June 30, 2012, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2013		2012		2013 vs 2012	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
Chile	**33,644**	**54.7%**	27,989	49.2%	20.2%	15.9%
Mexico	**18,362**	**29.9%**	17,203	30.2%	6.7%	1.0%
Argentina	**3,267**	**5.3%**	5,096	9.0%	(35.9)%	(25.2)%
Brazil[2]	**2,926**	**4.8%**	5,092	8.9%	(42.5)%	(41.0)%
Other[3]	**3,307**	**5.3%**	1,517	2.7%	118.0%	115.0%
Net sales	**61,506**	**100.0%**	56,897	100.0%	8.1%	5.2%

Notes

(1) The geographic location of the Group'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 includes sales made through the Group's distribution center in Uruguay but excludes net sales attributable to sales made in Brazil to third party distributors.

Cost of Sales and Gross Profit

Cost of sales increased by US$69.5 million, or 17.8%, to US$460.7 million (representing 46.8% of net sales) for the six months ended June 30, 2013 from US$391.1 million (representing 46.2% of net sales) for the six months ended June 30, 2012. Cost of sales increased in line with increased net sales. The increase in cost of sales as a percentage of net sales was primarily due to a shift in the geographic mix of consolidated net sales as North America, which typically yields lower gross margins, increased its share of consolidated net sales to 31.6% during the first half of 2013 from 28.2% during the same period in the previous year. A shift in the Group's product mix, which reflected increased sales of *American Tourister* products that yield lower gross margins, was also a contributing factor.

Gross profit increased by US$67.4 million, or 14.8%, to US$523.0 million for the six months ended June 30, 2013, from US$455.6 million for the six months ended June 30, 2012. Gross profit margin was 53.2% for the six months ended June 30, 2013 compared to 53.8% for the six months ended June 30, 2012. This decrease was attributable to the factors noted above.

Distribution Expenses

Distribution expenses increased by US$35.7 million, or 16.2%, to US$255.3 million (representing 26.0% of net sales) for the six months ended June 30, 2013, from US$219.6 million (representing 25.9% of net sales) for the six months ended June 30, 2012. 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 2013. Distribution expenses as a percentage of net sales remained relatively consistent year-on-year.

Marketing Expenses

Marketing expenses increased by US$1.0 million, or 1.7%, to US$64.1 million (representing 6.5% of net sales) for the six months ended June 30, 2013 from US$63.1 million (representing 7.4% of net sales) for the six months ended June 30, 2012. During 2013, the Group continued to employ more targeted and focused advertising and promotional campaigns that are aligned locally with products and brands. Marketing expenses have decreased as a percentage of total net sales as strong sales growth, particularly in North America and Asia, was higher than the increased spending on advertising and promotions. The Group believes the success of its advertising campaigns is evident in its net sales growth, and remains committed to enhancing brand and product awareness and driving additional net sales growth through marketing activities.

General and Administrative Expenses

General and administrative expenses increased by US$10.2 million, or 18.4%, to US$65.6 million (representing 6.7% of net sales) for the six months ended June 30, 2013 from US$55.4 million (representing 6.5% of net sales) for the six months ended June 30, 2012. The increase in general and administrative expenses as a percentage of net sales is attributable to the US$3.6 million of share-based compensation expense recognized in the first half of 2013, which was not present in the first half of 2012. Excluding the share-based compensation expense, general and administrative expenses as a percentage of net sales decreased by 20 basis points as the Group maintained tight control of its fixed cost base and leveraged it against strong sales growth.

Other Expenses

The Group recognized other expenses of US$1.8 million and US$1.9 million for the six months ended June 30, 2013 and June 30, 2012, respectively.

Operating Profit

The Group's operating profit was US$136.2 million for the six months ended June 30, 2013, an increase of US$20.6 million, or 17.8%, from an operating profit of US$115.5 million for the six months ended June 30, 2012.

Net Finance Costs

Net finance costs increased by US$2.5 million, or 46.2%, to US$7.9 million for the six months ended June 30, 2013 from US$5.4 million for the six months ended June 30, 2012. This increase was primarily attributable to a US$3.0 million increase in the expense recognized for the change in fair value of put options related to agreements with certain holders of non-controlling interests, partially offset by a US$0.4 million reduction in foreign exchange losses.

Profit before Income Tax

Profit before income tax increased by US$18.1 million, or 16.4%, to US$128.2 million for the six months ended June 30, 2013 from US$110.1 million for the six months ended June 30, 2012 due to the factors noted above.

Income Tax Expense

Income tax expense increased by US$13.5 million to US$33.6 million for the six months ended June 30, 2013 from US$20.0 million for the six months ended June 30, 2012.

For interim reporting purposes, the Group uses the effective reported tax rate applied to profit before income tax for the interim period. The effective reported tax rate is calculated using a weighted average income tax rate from those jurisdictions in which the Group is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and unrecognized deferred tax assets.

The Group's consolidated effective tax rate for operations was 26.2% and 18.2% for the six months ended June 30, 2013 and June 30, 2012, respectively. Excluding the recognition of certain deferred tax assets discussed below, the effective tax rate for the six months ended June 30, 2012 would have been 25.8%. The increase in the consolidated effective reported tax rate from 18.2% to 26.2% was primarily the result of the prior year benefit from the recognition of previously unrecognized deferred tax assets, which is discussed below, as well as the global mix in profitability in various high and low tax jurisdictions, for example the increased profits in the United States which is a relatively higher tax jurisdiction.

During the six months ended June 30, 2012, based upon an evaluation of all relevant evidence, the Group concluded that US$44.0 million of previously unrecognized deferred tax assets should be recognized. Of the US$44.0 million of previously unrecognized deferred tax assets, US$9.1 million was recognized through income tax expense on the consolidated income statement and US$34.9 million, which related to deferred tax assets for pension plans, was recognized through other comprehensive income on the statement of comprehensive income.

Profit for the Period

Profit for the period of US$94.7 million for the six months ended June 30, 2013 increased by US$4.6 million, or 5.1%, from US$90.1 million for the six months ended June 30, 2012. Excluding the recognition of the US$9.1 million of previously unrecognized deferred tax assets during 2012 discussed above, reported profit for the period increased by 16.9%.

Adjusted Net Income, a non-IFRS measure, increased by US$4.8 million, or 5.4%, to US$92.9 million for the six months ended June 30, 2013 from US$88.1 million for the six months ended June 30, 2012. Excluding the recognition of the US$9.1 million of certain previously unrecognized deferred tax assets during 2012 discussed above, Adjusted Net Income increased by 17.6%. See the reconciliation of profit for the period to Adjusted Net Income below for a detailed discussion of the Group's results excluding certain non-recurring costs and charges and other non-cash charges that impacted reported profit for the period.

Basic and diluted earnings per share ("EPS") increased to US$0.060 for the six months ended June 30, 2013 from US$0.059 for the six months ended June 30, 2012. Adjusted basic and diluted earnings per share increased to US$0.066 for the six months ended June 30, 2013 from US$0.063 for the six months ended June 30, 2012. The weighted average number of shares utilized in the basic EPS calculation remained unchanged year-on-year. The weighted average number of shares outstanding utilized in the diluted EPS calculation was the same as the number of shares utilized in the basic EPS calculation as all potentially dilutive instruments were anti-dilutive.

Adjusted EBITDA

Adjusted EBITDA, which is a non-IFRS measure, increased by US$27.2 million, or 19.9%, to US$163.7 million for the six months ended June 30, 2013 from US$136.5 million for the six months ended June 30, 2012. Adjusted EBITDA margin increased to 16.6% from 16.1% as the Group maintained tight control of its fixed cost base and leveraged it against strong sales growth.

The following table presents the reconciliation from the Group's profit for the period to Adjusted EBITDA for the six months ended June 30, 2013 and June 30, 2012.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Profit for the period	**94,679**	90,092
Plus (Minus):		
Income tax expense	**33,551**	20,040
Finance costs	**8,379**	6,120
Finance income	**(459)**	(704)
Depreciation	**17,784**	14,820
Amortization	**4,362**	4,165
EBITDA	**158,296**	134,533
Plus (Minus):		
Share-based compensation expense	**3,590**	—
Other adjustments(1)	**1,846**	2,013
Adjusted EBITDA	**163,732**	136,546

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

The following tables present a reconciliation from profit (loss) for the period to Adjusted EBITDA on a regional basis for the six months ended June 30, 2013 and June 30, 2012.

	Six months ended June 30, 2013					
(Expressed in thousands of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate**	**Total**
Profit for the period	**24,896**	**19,550**	**18,830**	**5,916**	**25,487**	**94,679**
Plus (Minus):						
Income tax expense	**8,013**	**12,113**	**5,639**	**3,118**	**4,668**	**33,551**
Finance costs	**3,343**	**328**	**714**	**(891)**	**4,885**	**8,379**
Finance income	**(132)**	**(2)**	**(132)**	**7**	**(200)**	**(459)**
Depreciation	**6,625**	**1,977**	**6,768**	**1,227**	**1,187**	**17,784**
Amortization	**2,103**	**305**	**971**	**966**	**17**	**4,362**
EBITDA	**44,848**	**34,271**	**32,790**	**10,343**	**36,044**	**158,296**
Plus (Minus):						
Share-based compensation expense	**749**	**526**	**732**	**174**	**1,409**	**3,590**
Other adjustments[1]	**26,315**	**22,312**	**3,967**	**(1,001)**	**(49,747)**	**1,846**
Adjusted EBITDA	**71,912**	**57,109**	**37,489**	**9,516**	**(12,294)**	**163,732**

Note

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

	Six months ended June 30, 2012					
(Expressed in thousands of US Dollars)	Asia	North America	Europe	Latin America	Corporate	Total
Profit for the period	29,558	20,037	15,598	5,579	19,320	90,092
Plus (Minus):						
Income tax expense (benefit)	7,569	10,207	3,730	697	(2,163)	20,040
Finance costs	2,050	109	(70)	873	3,158	6,120
Finance income	(82)	(8)	(103)	(17)	(494)	(704)
Depreciation	4,568	1,626	6,064	1,062	1,500	14,820
Amortization	2,104	125	971	965	—	4,165
EBITDA	45,767	32,096	26,190	9,159	21,321	134,533
Plus (Minus):						
Share-based compensation expense	—	—	—	—	—	—
Other adjustments[1]	11,655	12,670	7,340	1,152	(30,804)	2,013
Adjusted EBITDA	57,422	44,766	33,530	10,311	(9,483)	136,546

Note

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

The Group 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 period, 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 Group 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 period in the Group's consolidated income statement. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's results of operations as reported under IFRS.

Adjusted Net Income

Adjusted Net Income, which is a non-IFRS measure, increased by US$4.8 million, or 5.4%, to US$92.9 million for the six months ended June 30, 2013 from US$88.1 million for the six months ended June 30, 2012. Excluding the recognition of the US$9.1 million of certain previously unrecognized deferred tax assets during 2012 discussed above, Adjusted Net Income increased by 17.6%.

The following table presents the reconciliation from the Group's profit for the period to Adjusted Net Income for the six months ended June 30, 2013 and June 30, 2012.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Profit for the period	**94,679**	90,092
Profit attributable to non-controlling interests	**(9,589)**	(7,793)
Profit attributable to the equity holders	**85,090**	82,299
Plus (Minus):		
Change in fair value of put options	**4,417**	1,453
Amortization of intangible assets(1)	**4,362**	4,165
Expenses related to acquisition activities	**—**	1,776
Tax adjustments	**(1,013)**	(1,607)
Adjusted Net Income(2)	**92,856**	88,086

Notes

(1) Amortization of intangible assets charges relate to the amortization of other intangible assets with finite useful lives that were recognized in conjunction with business combinations and that do not relate to assets invested in on an ongoing basis.

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

The Group 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 Group's underlying financial performance. By presenting Adjusted Net Income, the Group 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 period.

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 (loss) for the period in the Group's consolidated income statement. Adjusted Net Income has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's results of operations as reported under IFRS.

Liquidity and Financial Resources

The primary objective of the Group's capital management policies is to safeguard its ability to continue as a going concern, to provide returns for the Company's shareholders, and to fund capital expenditures, normal operating expenses, working capital needs, and the payment of obligations. The Group's primary sources of liquidity are its cash flows from operating activities, invested cash, available lines of credit and, subject to shareholder approval, the Company's ability to issue additional shares. The Group 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 Group for at least the next twelve months.

The Group generated cash from operating activities of US$56.7 million for the six months ended June 30, 2013, a decrease of US$20.4 million from net cash generated from operating activities of US$77.1 million for the six months ended June 30, 2012. Cash flow from operating activities for the first half of 2013 includes an additional US$20.0 million of voluntary, supplemental contributions to the Group's U.S. pension plan.

For the six months ended June 30, 2013, net cash used in investing activities was US$14.7 million, an increase of US$3.6 million from the comparable period in the previous year. This increase was primarily due to an increase in the purchase of property, plant and equipment from the previous year, which was largely attributable to expenditures on a new warehouse in Belgium.

Net cash used in financing activities was US$30.6 million for the six months ended June 30, 2013, an increase of US$24.6 million from the same period in the prior year, primarily resulting from settling the remaining outstanding balance on the Revolving Facility used to partially fund the acquisitions of Hartmann and High Sierra in the second half of 2012.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of June 30, 2013 and December 31, 2012.

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Revolving Credit Facility	—	25,000
Other lines of credit	**8,137**	10,297
Finance lease obligations	**70**	97
Total loans and borrowings	**8,207**	35,394
Less deferred financing costs	**(2,477)**	(3,096)
Total loans and borrowings less deferred financing costs	**5,730**	32,298

The Group had US$164.4 million in cash and cash equivalents at June 30, 2013.

The Group maintains a revolving credit facility (the "Revolving Facility") in the amount of US$300.0 million. The facility can be increased by an additional US$100.0 million, subject to lender approval. The Revolving Facility has an initial term of three years from its effective date of July 2, 2012, with a one year extension available at the request of the Group 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 Group's leverage ratio. The Revolving Facility carries a commitment fee of 0.175% per annum on any unutilized amounts, as well as an agency fee 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 Group'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 Group's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Group was in compliance with the financial covenants as of June 30, 2013. There were no amounts outstanding on the Revolving Facility at June 30, 2013 and US$294.0 million was available to be borrowed as a result of the utilization of US$6.0 million of the facility for outstanding letters of credit. At December 31, 2012, US$269.0 million was available to be borrowed on the Revolving Facility as a result of the US$25.0 million outstanding borrowing and the utilization of US$17.6 million of the facility for outstanding letters of credit.

Certain consolidated subsidiaries of the 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$8.1 million and US$10.3 million at June 30, 2013 and December 31, 2012, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings (excluding the impact of netting agreements) as of June 30, 2013 and December 31, 2012.

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
On demand or within one year	**8,159**	35,330
Between 1 and 2 years	**18**	22
Between 2 and 5 years	**30**	42
Over 5 years	**—**	—
	8,207	35,394

Hedging

The Group'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 June 30, 2013 are expected to be US$48.3 million within one year.

Other Financial Information

Working Capital Ratios

Inventory Analysis

The following table sets forth a summary of the Group's average inventory, cost of sales and average inventory days for the six months ended June 30, 2013 and June 30, 2012.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Average inventory[(1)]	**272,728**	244,144
Cost of sales	**460,654**	391,119
Average inventory turnover days[(2)]	**108**	114

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 Group's average inventory increased in the first half of 2013 (US$267.9 million at June 30, 2013 compared to US$277.5 million at December 31, 2012) compared to the first half of 2012 (US$251.3 million at June 30, 2012 compared to US$237.0 million at December 31, 2011) to support increased customer demand and new product introductions, and as a result of the High Sierra and Hartmann acquisitions completed in the second half of 2012.

Trade and Other Receivables

The following table sets forth a summary of the Group's average trade and other receivables, net sales and turnover days of trade and other receivables for the six months ended June 30, 2013 and June 30, 2012.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Average trade and other receivables[(1)]	**240,124**	194,407
Net sales	**983,649**	846,676
Turnover days of trade and other receivables[(2)]	**45**	42

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 Group's average trade and other receivables increased in the first half of 2013 (US$258.1 million at June 30, 2013 compared to US$222.2 million at December 31, 2012) compared to the first half of 2012 (US$217.3 million at June 30, 2012 compared to US$171.6 million at December 31, 2011) in line with the increase in net sales.

Trade receivables as of June 30, 2013 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 Group's average trade and other payables, cost of sales and turnover days of trade and other payables for the six months ended June 30, 2013 and June 30, 2012.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2013**	2012
Average trade and other payables[(1)]	**379,945**	330,233
Cost of sales	**460,654**	391,119
Turnover days of trade and other payables[(2)]	**151**	154

Notes

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

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

The Group's average trade and other payables increased in the first half of 2013 (US$397.4 million at June 30, 2013 compared to US$362.5 million at December 31, 2012) compared to the first half of 2012 (US$373.9 million at June 30, 2012 compared to US$286.6 million at December 31, 2011) primarily due to increased inventory purchases and the timing of such purchases, and as a result of the High Sierra and Hartmann acquisitions completed in the second half of 2012. The decrease in turnover days of trade and other payables in the first half of 2013 from the first half of 2012 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-on-year.

Trade payables as of June 30, 2013 are on average due within 105 days from the invoice date.

Gearing Ratios

The following table sets forth the Group's loans and borrowings (excluding deferred financing costs), total equity and gearing ratio as of June 30, 2013 and December 31, 2012.

(Expressed in thousands of US Dollars)	**June 30, 2013**	December 31, 2012
Loans and borrowings (excluding deferred financing costs)	**8,207**	35,394
Total equity	**1,126,710**	1,086,105
Gearing ratio[(1)]	**0.7%**	3.3%

Note

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

Other Information

Total current assets were US$746.6 million and US$713.4 million, and total assets less current liabilities were US$1,338.7 million and US$1,319.6 million, as of June 30, 2013 and December 31, 2012, respectively.

Strategic Review and Full Year Prospects

During the first half of 2013, the Group continued to implement its strategic plan in the following areas:

Positive financial results

All key Group metrics showed considerable growth for the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

- Net sales increased by 16.2% to US$983.6 million. Excluding foreign currency effects, net sales increased by 16.5%. All four regions, led by North America and Asia, achieved strong constant currency net sales growth.

- Operating profit increased by US$20.6 million, or 17.8%, year-on-year.

- Adjusted Net Income was US$92.9 million, an increase of 17.6% excluding the effect of the recognition of US$9.1 million of certain previously unrecognized deferred tax assets during 2012. Adjusted Net Income increased by 5.4% including the recognition of such tax assets.

- Adjusted EBITDA increased by 19.9% to US$163.7 million.

- Adjusted EBITDA margin increased to 16.6% from 16.1% reflecting the Group's ability to leverage its cost base against strong sales growth.

- The Group generated US$56.7 million of cash from operating activities for the six months ended June 30, 2013.

Investment in advertising and promotion

The Group maintained its investment in marketing, which amounted to approximately 6.5% of net sales during the first half of 2013, reflecting its commitment to advertise and promote its brands and products to support sales growth worldwide.

New products in the market

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

Expanded distribution network

The Group continued the further expansion of its distribution network by adding approximately 650 points of sale in the first half of 2013.

Future Prospects

The Group's growth strategy will continue as planned for the second half of 2013, while focusing on the following:

- continue to gain market share by leveraging the strength of the Group's brands, *Samsonite, American Tourister*, *High Sierra and Hartmann,* across all of its markets while continuing to capitalize on the robust growth in international travel;

- further expansion of the geographic reach of the *High Sierra* and *Hartmann* brands which were acquired in the second half of 2012;

- introduce new and innovative product designs, adapted to the needs of consumers in different markets, while staying true to the Group's core values of lightness, strength and functionality;

- improve the efficiency and effectiveness of the Group's supply chain and global distribution network;

- increase the Group's investment in research & development and marketing broadly in line with sales growth;

- allocate more resources to the product categories that present the greatest opportunity for the Group to diversify its product offerings and gain market share; and

- actively evaluate acquisition opportunities that have a compelling strategic fit, leveraging the Group's strong management team and balance sheet capacity.

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

Corporate Governance and Other Information

Board of Directors

At June 30, 2013, the composition of the Board of Directors of the Company (the "Board") was as follows:

Executive Directors

Timothy Charles Parker
Kyle Francis Gendreau
Ramesh Dungarmal Tainwala

Non-Executive Directors

Keith Hamill
Bruce Hardy McLain (Hardy)

Independent Non-Executive Directors

Paul Kenneth Etchells
Miguel Kai Kwun Ko
Ying Yeh

At June 30, 2013, the Board committees were as follows:

Audit Committee / Review of Accounts

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

In compliance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), at least one member of the Audit Committee possesses appropriate professional qualifications in accounting or related financial management expertise in discharging the responsibilities of the Audit Committee.

All members have sufficient experience in reviewing audited financial statements as aided by the auditors of the Group whenever required.

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

The Audit Committee has reviewed the interim report of the Group for the six months ended June 30, 2013 with the Board. The interim results have also been reviewed by the Group's external auditors.

Nomination Committee

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

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. When identifying suitable candidates, the Nomination Committee shall (where applicable and appropriate) use open advertising or the services of external advisers and consider candidates from a wide range of backgrounds on merit and against objective criteria.

Remuneration Committee

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

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Group'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.

Corporate Governance Practices

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

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

The Group complied with all applicable code provisions set out in the CG Code throughout the period from January 1, 2013 to June 30, 2013, except for the deviation from code provision A.2.1 discussed below regarding the Group's Chairman and Chief Executive Officer ("CEO") and the deviation from code provision F.1.3 discussed below regarding the Group's Joint Company Secretaries.

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

Mr. Timothy Parker, the CEO of the Group, 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 Group 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), two Non-Executive Directors and three Independent Non-Executive Directors. Moreover, Mr. Parker is not a member of either the Audit Committee or Remuneration Committee of the Board, and each of the Audit, Remuneration and Nomination Committees is comprised of a majority of Independent Non-Executive Directors.

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

Mr. John Livingston, the Vice President, General Counsel and Joint Company Secretary of the Group, reports to the Group's Chief Financial Officer ("CFO"). The Company believes this is appropriate because Mr. Livingston is based at the same location as the CFO and works closely with him on a day-to-day basis. In addition, Mr. Livingston works directly with the Group's Chairman and CEO, and with the chairpersons of the various Board committees, with respect to corporate governance and other Board-related matters. Each of Ms. Lau Pik Lee and Ms. Chow Yuk Yin Ivy, the Company's other joint company secretaries during the six months ended June 30, 2013 who served in such capacity from January 1, 2013 to March 18, 2013 and from March 18, 2013 to June 30, 2013, respectively, and were based in Hong Kong, reported to Mr. Livingston. The Company believes this is appropriate because their primary role as joint company secretary was to assist Mr. Livingston in ensuring that the Group complies with its obligations under the Listing Rules.

Changes in Information of Director

Mr. Nicholas James Clarry retired as a Non-Executive Director of the Company with effect from June 6, 2013.

Joint Company Secretaries and Authorized Representatives

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

Directors' Securities Transactions

The Group has adopted its own policies (the "Trading Policy") for securities transactions by directors and relevant employees who are likely to be in possession of unpublished inside information of the Group 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 confirmed that they complied with the required standard set out in the Trading Policy during the six months ended June 30, 2013.

Share Award Scheme

On September 14, 2012, the Company adopted the Company's Share Award Scheme. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Awards under the Share Award Scheme may take the form of either share options or restricted share units, which may be granted at the discretion of the Board to directors, employees or such other persons as the Board may determine.

On January 8, 2013, the Company granted share options exercisable for 15,295,880 ordinary shares to certain directors, key management personnel, and other employees of the Group. The exercise price of such options is HK$17.36. Such options are subject to *pro rata* vesting over a 4 year period, with 25% of the options vesting on each anniversary of the grant date. The options have a 10 year term.

In accordance with the terms of the share options, holders of vested options are entitled to buy newly issued ordinary shares of the Company at a purchase price per share equal to the exercise price of the options.

Particulars and movements of share options during the six months ended June 30, 2013 were as follows:

Name / category of grantee	Number of share options: As of January 1, 2013	Granted during the period	Forfeited / cancelled / lapsed during the period	As of June 30, 2013	Date of grant	Exercise period	Exercise price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
Directors								
Timothy Parker	—	2,368,749	—	2,368,749	January 8, 2013	January 8, 2014 – January 7, 2023	17.36	16.90
Kyle Gendreau	—	779,124	—	779,124	January 8, 2013	January 8, 2014 – January 7, 2023	17.36	16.90
Ramesh Tainwala	—	843,208	—	843,208	January 8, 2013	January 8, 2014 – January 7, 2023	17.36	16.90
Total Directors	—	3,991,081	—	3,991,081				
Others								
Employees	—	11,304,799	(19,683)	11,285,116	January 8, 2013	January 8, 2014 – January 7, 2023	17.36	16.90
Total Employees	—	11,304,799	(19,683)	11,285,116				
Total	—	15,295,880	(19,683)	15,276,197				

The fair value of services received in return for share options granted is based on the fair value of share options granted measured using the Black-Scholes valuation model. The following inputs were used in the measurement of the fair value at grant date of the share-based payment.

Fair value at grant date	HK$7.13
Share price at grant date	HK$17.36
Exercise price	HK$17.36
Expected volatility (weighted average volatility)	47.3%
Option life (expected weighted average life)	6.25 years
Expected dividends	1.0%
Risk-free interest rate (based on government bonds)	0.4%

Expected volatility is estimated taking into account historic average share price volatility as well as historic average share price volatility of comparable companies given the limited trading history of the Company's shares.

In total, share-based compensation expense of US$3.6 million was included in the consolidated income statement for the six months ended June 30, 2013.

Human Resources and Remuneration

At June 30, 2013, the Group had approximately 7,600 employees. The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Group.

Dividends and Distributions

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

On March 18, 2013, the Board recommended that a cash distribution in the amount of US$37.5 million, or US$0.02665 per share, be made to the Company's shareholders of record on June 20, 2013 from its ad hoc distributable reserve. The shareholders approved this distribution on June 6, 2013 at the annual general meeting and the distribution was paid on July 12, 2013.

No dividends or distributions have been declared or paid subsequent thereto.

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 six months ended June 30, 2013.

Publication of Interim Results and Interim 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 interim report for the six months ended June 30, 2013 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, August 28, 2013

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