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 159.469
(Incorporated in Luxembourg with limited liability)
(Stock code: 1910)

QUARTERLY REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2016

The Board of Directors of Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is pleased to present the unaudited consolidated financial and business review of the Group as of September 30, 2016 and for the three and nine month periods then ended, together with comparative figures for the three and nine month periods ended September 30, 2015. This announcement is made pursuant to the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

FINANCIAL RESULTS HIGHLIGHTS

(Expressed in millions of US Dollars, except per share data)	Three months ended September 30, 2016	Three months ended September 30, 2015	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Net sales	**765.3**	623.7	22.7 %	22.8 %
Operating profit	**71.7**	85.7	(16.4)%	(16.6)%
Operating profit excluding acquisition-related costs(2)	**106.8**	86.3	23.7 %	23.5 %
Profit for the period	**35.7**	57.9	(38.4)%	(38.5)%
Profit attributable to the equity holders	**31.7**	53.7	(41.0)%	(41.1)%
Adjusted Net Income(3)	**59.1**	56.8	4.1 %	3.9 %
Adjusted EBITDA(4)	**135.1**	107.9	25.2 %	25.3 %
Adjusted EBITDA Margin(5)	**17.7%**	17.3%		
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.022**	0.038	(42.1)%	(42.1)%
Adjusted basic and diluted earnings per share(6) *(Expressed in US Dollars per share)*	**0.042**	0.040	5.0 %	5.0 %

FINANCIAL RESULTS HIGHLIGHTS

(Expressed in millions of US Dollars, except per share data)	Nine months ended September 30, **2016**	2015	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[1]
Net sales	**1,974.8**	1,820.1	8.5 %	10.6 %
Operating profit	**212.7**	232.7	(8.6)%	(7.3)%
Operating profit excluding acquisition-related costs[2]	**254.8**	236.0	8.0 %	9.2 %
Profit for the period	**128.2**	162.6	(21.1)%	(20.2)%
Profit attributable to the equity holders	**114.1**	148.1	(23.0)%	(21.9)%
Adjusted Net Income[3]	**159.4**	158.9	0.3 %	1.3 %
Adjusted EBITDA[4]	**325.5**	297.9	9.2 %	11.3 %
Adjusted EBITDA Margin[5]	**16.5%**	16.4%		
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.081**	0.105	(22.9)%	(21.9)%
Adjusted basic and diluted earnings per share[6] *(Expressed in US Dollars per share)*	**0.113**	0.113	— %	0.9 %

Notes

(1) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the comparable period in the prior year to current period local currency results.

(2) Acquisition-related costs amounted to US$35.1 million and US$42.0 million for the three and nine month periods ended September 30, 2016, respectively, compared to US$0.6 million and US$3.3 million, respectively, during the comparable periods in the previous year.

(3) Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of non-recurring costs, charges and credits and certain other non-cash charges that impact the Group's US Dollar reported profit for the period. See "Adjusted Net Income" for a reconciliation from the Group's profit for the period to Adjusted Net Income.

(4) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of non-recurring costs, charges and credits and certain other non-cash charges, which the Group believes is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business. See "Adjusted EBITDA" for a reconciliation from the Group's profit for the period to Adjusted EBITDA.

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

(6) Adjusted basic and diluted earnings per share, non-IFRS measures, are calculated by dividing Adjusted Net Income by the weighted average number of shares outstanding during the period.

Consolidated Income Statement (Unaudited)

(Expressed in thousands of US Dollars, except per share data)	Three months ended September 30, **2016**	Three months ended September 30, 2015	Nine months ended September 30, **2016**	Nine months ended September 30, 2015
Net sales	**765,267**	623,680	**1,974,754**	1,820,146
Cost of sales	**(345,485)**	(291,874)	**(922,473)**	(866,429)
Gross profit	**419,782**	331,806	**1,052,281**	953,717
Distribution expenses	**(223,216)**	(172,507)	**(565,729)**	(493,048)
Marketing expenses	**(35,531)**	(30,819)	**(101,466)**	(101,593)
General and administrative expenses	**(52,057)**	(40,014)	**(124,099)**	(116,705)
Other expenses	**(37,322)**	(2,756)	**(48,269)**	(9,698)
Operating profit	**71,656**	85,710	**212,718**	232,673
Finance income	**373**	140	**906**	411
Finance costs	**(19,299)**	(7,732)	**(33,679)**	(13,783)
Net finance costs	**(18,926)**	(7,592)	**(32,773)**	(13,372)
Profit before income tax	**52,730**	78,118	**179,945**	219,301
Income tax expense	**(17,011)**	(20,178)	**(51,741)**	(56,747)
Profit for the period	**35,719**	57,940	**128,204**	162,554
Profit attributable to equity holders	**31,726**	53,743	**114,130**	148,133
Profit attributable to non-controlling interests	**3,993**	4,197	**14,074**	14,421
Profit for the period	**35,719**	57,940	**128,204**	162,554
Earnings per share				
Basic and diluted earnings per share				
(Expressed in US Dollars per share)	**0.022**	0.038	**0.081**	0.105

Consolidated Statement of Comprehensive Income (Unaudited)

(Expressed in thousands of US Dollars)	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Profit for the period	**35,719**	57,940	**128,204**	162,554
Other comprehensive income (loss):				
Items that are or may be reclassified subsequently to profit or loss:				
Changes in fair value of foreign exchange forward contracts, net of tax	**(166)**	(2,048)	**(3,187)**	(55)
Changes in fair value of interest rate swaps, net of tax	**3,270**	—	**(10,614)**	—
Foreign currency translation gains (losses) for foreign operations	**3,506**	(11,288)	**16,702**	(28,314)
Other comprehensive income (loss)	**6,610**	(13,336)	**2,901**	(28,369)
Total comprehensive income for the period	**42,329**	44,604	**131,105**	134,185
Total comprehensive income attributable to equity holders	**37,717**	42,661	**115,787**	123,257
Total comprehensive income attributable to non-controlling interests	**4,612**	1,943	**15,318**	10,928
Total comprehensive income for the period	**42,329**	44,604	**131,105**	134,185

Consolidated Statement of Financial Position

(Expressed in thousands of US Dollars)	**(Unaudited) September 30, 2016**	December 31, 2015
Non-Current Assets		
Property, plant and equipment, net	**269,386**	186,083
Goodwill	**1,853,583**	297,360
Other intangible assets, net	**764,936**	762,411
Deferred tax assets	**56,304**	50,752
Other assets and receivables	**39,125**	25,159
Total non-current assets	**2,983,334**	1,321,765
Current Assets		
Inventories	**483,086**	349,076
Trade and other receivables, net	**341,592**	283,495
Prepaid expenses and other assets	**107,244**	80,702
Cash and cash equivalents	**313,726**	180,803
Total current assets	**1,245,648**	894,076
Total assets	**4,228,982**	2,215,841
Equity and Liabilities		
Equity:		
Share capital	**14,109**	14,098
Reserves	**1,383,093**	1,345,456
Total equity attributable to equity holders	**1,397,202**	1,359,554
Non-controlling interests	**43,669**	39,832
Total equity	**1,440,871**	1,399,386
Non-Current Liabilities		
Loans and borrowings	**1,820,091**	57
Employee benefits	**41,184**	38,523
Non-controlling interest put options	**60,095**	55,829
Deferred tax liabilities	**95,283**	106,240
Derivative financial instruments	**14,996**	—
Other liabilities	**6,306**	4,403
Total non-current liabilities	**2,037,955**	205,052
Current Liabilities		
Loans and borrowings	**46,800**	62,724
Current portion of long-term debt	**38,000**	—
Employee benefits	**74,963**	59,139
Trade and other payables	**556,067**	442,141
Current tax liabilities	**34,326**	47,399
Total current liabilities	**750,156**	611,403
Total liabilities	**2,788,111**	816,455
Total equity and liabilities	**4,228,982**	2,215,841
Net current assets	**495,492**	282,673
Total assets less current liabilities	**3,478,826**	1,604,438

Consolidated Statement of Changes in Equity (Unaudited)

(Expressed in thousands of US Dollars, except number of shares)	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings	Total equity attributable to equity holders	Non-controlling interests	Total equity
Three months ended September 30, 2015:									
Balance, July 1, 2015	1,409,728,153	14,097	970,871	(55,662)	(56,136)	393,528	1,266,698	37,685	1,304,383
Profit for the period	—	—	—	—	—	53,743	53,743	4,197	57,940
Other comprehensive income (loss):									
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	(2,097)	—	(2,097)	49	(2,048)
Foreign currency translation gains (losses)	—	—	—	(8,985)	—	—	(8,985)	(2,303)	(11,288)
Total comprehensive income (loss) for the period	—	—	—	(8,985)	(2,097)	53,743	42,661	1,943	44,604
Transactions with owners recorded directly in equity:									
Change in fair value of put options	—	—	—	—	—	868	868	—	868
Share-based compensation expense	—	—	—	—	4,035	—	4,035	—	4,035
Exercise of stock options	76,620	1	259	—	(77)	—	183	—	183
Acquisition of non-controlling interest	—	—	—	—	—	(198)	(198)	—	(198)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(1,708)	(1,708)
Balance, September 30, 2015	1,409,804,773	14,098	971,130	(64,647)	(54,275)	447,941	1,314,247	37,920	1,352,167

(Expressed in thousands of US Dollars, except number of shares)	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings	Total equity attributable to equity holders	Non-controlling interests	Total equity
Three months ended September 30, 2016:									
Balance, July 1, 2016	**1,410,667,493**	**14,107**	**973,895**	**(58,990)**	**(64,462)**	**489,280**	**1,353,830**	**42,646**	**1,396,476**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**31,726**	**31,726**	**3,993**	**35,719**
Other comprehensive income (loss):									
Changes in fair value of foreign exchange forward contracts, net of tax	**—**	**—**	**—**	**—**	**(164)**	**—**	**(164)**	**(2)**	**(166)**
Changes in fair value of interest rate swaps, net of tax	**—**	**—**	**—**	**—**	**3,270**	**—**	**3,270**	**—**	**3,270**
Foreign currency translation gains (losses)	**—**	**—**	**—**	**2,885**	**—**	**—**	**2,885**	**621**	**3,506**
Total comprehensive income (loss) for the period	**—**	**—**	**—**	**2,885**	**3,106**	**31,726**	**37,717**	**4,612**	**42,329**
Transactions with owners recorded directly in equity:									
Change in fair value of put options	**—**	**—**	**—**	**—**	**—**	**267**	**267**	**—**	**267**
Share-based compensation expense	**—**	**—**	**—**	**—**	**4,742**	**—**	**4,742**	**—**	**4,742**
Exercise of stock options	**250,726**	**2**	**897**	**—**	**(253)**	**—**	**646**	**—**	**646**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(3,589)**	**(3,589)**
Balance, September 30, 2016	**1,410,918,219**	**14,109**	**974,792**	**(56,105)**	**(56,867)**	**521,273**	**1,397,202**	**43,669**	**1,440,871**

Consolidated Statement of Changes in Equity (Unaudited) (continued)

(Expressed in thousands of US Dollars, except number of shares)	Number of shares	Share capital	Additional paid-in capital (Reserves)	Translation reserve (Reserves)	Other reserves (Reserves)	Retained earnings	Total equity attributable to equity holders	Non-controlling interests	Total equity
Nine months ended September 30, 2015:									
Balance, January 1, 2015	1,408,026,456	14,080	964,992	(38,775)	(64,257)	393,648	1,269,688	37,752	1,307,440
Profit for the period	—	—	—	—	—	148,133	148,133	14,421	162,554
Other comprehensive income (loss):									
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	(106)	—	(106)	51	(55)
Foreign currency translation gains (losses)	—	—	—	(24,770)	—	—	(24,770)	(3,544)	(28,314)
Total comprehensive income (loss) for the period	—	—	—	(24,770)	(106)	148,133	123,257	10,928	134,185
Transactions with owners recorded directly in equity:									
Change in fair value of put options	—	—	—	—	—	342	342	—	342
Cash distributions declared to equity holders	—	—	—	—	—	(88,000)	(88,000)	—	(88,000)
Share-based compensation expense	—	—	—	—	11,866	—	11,866	—	11,866
Exercise of stock options	1,778,317	18	6,138	—	(1,778)	—	4,378	—	4,378
Acquisition of non-controlling interest	—	—	—	(1,102)	—	(6,182)	(7,284)	(2,085)	(9,369)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(8,675)	(8,675)
Balance, September 30, 2015	1,409,804,773	14,098	971,130	(64,647)	(54,275)	447,941	1,314,247	37,920	1,352,167

(Expressed in thousands of US Dollars, except number of shares)	Number of shares	Share capital	Additional paid-in capital (Reserves)	Translation reserve (Reserves)	Other reserves (Reserves)	Retained earnings	Total equity attributable to equity holders	Non-controlling interests	Total equity
Nine months ended September 30, 2016:									
Balance, January 1, 2016	**1,409,833,525**	**14,098**	**971,221**	**(71,543)**	**(53,068)**	**498,846**	**1,359,554**	**39,832**	**1,399,386**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**114,130**	**114,130**	**14,074**	**128,204**
Other comprehensive income (loss):									
Changes in fair value of foreign exchange forward contracts, net of tax	**—**	**—**	**—**	**—**	**(3,167)**	**—**	**(3,167)**	**(20)**	**(3,187)**
Changes in fair value of interest rate swaps, net of tax	**—**	**—**	**—**	**—**	**(10,614)**	**—**	**(10,614)**	**—**	**(10,614)**
Foreign currency translation gains (losses)	**—**	**—**	**—**	**15,438**	**—**	**—**	**15,438**	**1,264**	**16,702**
Total comprehensive income (loss) for the period	**—**	**—**	**—**	**15,438**	**(13,781)**	**114,130**	**115,787**	**15,318**	**131,105**
Transactions with owners recorded directly in equity:									
Change in fair value of put options	**—**	**—**	**—**	**—**	**—**	**1,297**	**1,297**	**—**	**1,297**
Cash distributions declared to equity holders	**—**	**—**	**—**	**—**	**—**	**(93,000)**	**(93,000)**	**—**	**(93,000)**
Share-based compensation expense	**—**	**—**	**—**	**—**	**11,012**	**—**	**11,012**	**—**	**11,012**
Exercise of stock options	**1,084,694**	**11**	**3,571**	**—**	**(1,030)**	**—**	**2,552**	**—**	**2,552**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(11,481)**	**(11,481)**
Balance, September 30, 2016	**1,410,918,219**	**14,109**	**974,792**	**(56,105)**	**(56,867)**	**521,273**	**1,397,202**	**43,669**	**1,440,871**

Consolidated Statement of Cash Flows (Unaudited)

(Expressed in thousands of US Dollars)	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Cash flows from operating activities:				
Profit for the period	**35,719**	57,940	**128,204**	162,554
Adjustments to reconcile profit to net cash generated from operating activities:				
Loss (gain) on sale and disposal of assets, net	**184**	(53)	**153**	2
Depreciation	**18,243**	12,647	**44,715**	35,876
Amortization of intangible assets	**3,213**	2,804	**8,841**	7,924
Provision for doubtful accounts	**918**	302	**602**	386
Change in fair value of put options	**(4)**	618	**5,562**	2,675
Net change in defined benefit pension plans	**—**	(14,000)	**—**	(14,000)
Non-cash share-based compensation	**4,742**	4,035	**11,012**	11,866
Interest expense on financial liabilities	**17,942**	694	**22,761**	2,517
Income tax expense	**17,011**	20,178	**51,741**	56,747
	97,968	85,165	**273,591**	266,547
Changes in operating assets and liabilities (excluding allocated purchase price in business combinations):				
Trade and other receivables	**20,985**	23,096	**(25,303)**	(9,518)
Inventories	**17,926**	(14,035)	**(14,025)**	(34,700)
Other current assets	**(216)**	(1,350)	**(4,966)**	(10,097)
Trade and other payables	**(57,072)**	12,263	**(29,417)**	24,861
Other assets and liabilities, net	**(3,623)**	(2,797)	**(6,963)**	(11,656)
Cash generated from operating activities	**75,968**	102,342	**192,917**	225,437
Interest paid	**(9,838)**	(578)	**(10,420)**	(1,514)
Income tax paid	**(19,678)**	(14,457)	**(54,062)**	(56,734)
Net cash generated from operating activities	**46,452**	87,307	**128,435**	167,189
Cash flows from investing activities:				
Purchases of property, plant and equipment	**(16,879)**	(12,546)	**(42,764)**	(37,720)
Other intangible asset additions	**(1,115)**	(493)	**(5,029)**	(3,682)
Acquisition of businesses, net of cash acquired	**(1,685,284)**	(6,907)	**(1,685,284)**	(30,769)
Other proceeds (uses)	**(250)**	150	**1,508**	562
Net cash used in investing activities	**(1,703,528)**	(19,796)	**(1,731,569)**	(71,609)
Cash flows from financing activities:				
Proceeds from issuance of Senior Credit Facilities	**1,925,000**	—	**1,925,000**	—
Proceeds (payments) from current loans and borrowings, net	**(66,991)**	(18,425)	**(24,296)**	32,092
Acquisition of non-controlling interest	**—**	(198)	**—**	(15,758)
Payment of deferred financing costs	**(65,143)**	—	**(69,460)**	—
Proceeds from the exercise of share options	**899**	260	**3,582**	6,156
Cash distributions paid to equity holders	**(93,000)**	(88,000)	**(93,000)**	(88,000)
Dividend payments to non-controlling interests	**(3,589)**	(1,708)	**(11,481)**	(8,675)
Net cash generated from (used in) financing activities	**1,697,176**	(108,071)	**1,730,345**	(74,185)
Net increase (decrease) in cash and cash equivalents	**40,100**	(40,560)	**127,211**	21,395
Cash and cash equivalents, at beginning of period	**272,915**	203,035	**180,803**	140,423
Effect of exchange rate changes on cash and cash equivalents	**711**	4,605	**5,712**	5,262
Cash and cash equivalents, at end of period	**313,726**	167,080	**313,726**	167,080

For the Three Months Ended September 30, 2016

Net Sales

The Group's net sales increased by US$142.5 million, or 22.8%, on a constant currency basis for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. US Dollar reported net sales increased by US$141.6 million, or 22.7%, to US$765.3 million for the three months ended September 30, 2016 from US$623.7 million for the three months ended September 30, 2015. Excluding amounts attributable to the *Tumi* brand, which was acquired on August 1, 2016, net sales on a constant currency basis increased by US$49.4 million, or 7.9%, and US Dollar reported net sales increased by US$47.6 million, or 7.6%.

Net Sales by Region

Performance on a constant currency basis by region was as follows:

- Asia - net sales increased by US$32.8 million, or 13.4%;
- North America - net sales increased by US$78.3 million, or 39.1%;
- Europe - net sales increased by US$24.9 million, or 16.5%; and
- Latin America - net sales increased by US$6.6 million, or 26.2%.

Excluding amounts attributable to the *Tumi* brand, performance on a constant currency basis by region was as follows:

- Asia - net sales increased by US$9.1 million, or 3.7%;
- North America - net sales increased by US$19.6 million, or 9.8%;
- Europe - net sales increased by US$14.2 million, or 9.4%; and
- Latin America - net sales increased by US$6.6 million, or 26.2%.

The following table sets forth a breakdown of net sales by region for the three months ended September 30, 2016 and September 30, 2015, both in absolute terms and as a percentage of total net sales.

	Three months ended September 30,					
	2016		2015		2016 vs 2015	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by region[1]:						
Asia	**282,490**	**36.9%**	245,060	39.3%	15.3 %	13.4 %
North America	**278,658**	**36.4%**	200,366	32.1%	39.1 %	39.1 %
Europe	**171,828**	**22.5%**	151,154	24.2%	13.7 %	16.5 %
Latin America	**30,475**	**4.0%**	25,235	4.1%	20.8 %	26.2 %
Corporate	**1,816**	**0.2%**	1,865	0.3%	(2.6)%	(2.6)%
Net sales	**765,267**	**100.0%**	623,680	100.0%	22.7 %	22.8 %

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) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the comparable period in the prior year to current period local currency results.

Excluding foreign currency effects, the Group's net sales in Asia increased by US$32.8 million, or 13.4%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. US Dollar reported net sales for the region increased by US$37.4 million, or 15.3%. Excluding net sales attributable to the *Tumi* brand in Asia, net sales on a constant currency basis increased by US$9.1 million, or 3.7%, and US Dollar reported net sales increased by US$12.6 million, or 5.1%. This constant currency net sales increase was driven by the *Samsonite* and *Kamiliant* brands, partially offset by a decrease in net sales of the *American Tourister* brand. Excluding foreign currency effects, net sales of the *Samsonite* brand in Asia increased by US$12.8 million, or 10.2%, for the three months ended September 30, 2016 and US Dollar reported net sales increased by US$14.7 million, or 11.7%, year-on-year. For the three months ended September 30, 2016 constant currency net sales of the *Kamiliant* brand in Asia increased by US$5.0 million, or 576.1%, and US Dollar reported net sales increased by US$5.0 million, or 576.9%, year-on-year. Excluding foreign currency effects, net sales of the *American Tourister* brand in Asia decreased by US$11.8 million, or 11.3%, and US Dollar reported net sales decreased by US$11.7 million, or 11.2%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. The Group has new product launches for the *American Tourister* brand in Asia in the pipeline that have received positive early feedback. On a same store, constant currency basis, net sales in the retail channel in Asia decreased by 6.9% due to fewer visitors from Mainland China shopping in Hong Kong (including Macau) and generally weak retail sentiment in South Korea. Excluding Hong Kong (including Macau) and South Korea, same store net sales, on a constant currency basis, decreased by 3.7% year-on-year.

On a constant currency basis, Australia had strong constant currency net sales growth of 13.0% for the three months ended September 30, 2016 compared to the three months ended September 30, 2015, driven by increased sales of the *Samsonite* and *American Tourister* brands. Japan experienced strong constant currency net sales growth of 29.7%, driven by the *American Tourister* brand, as well as the addition of the *Tumi* brand. Excluding net sales attributable to the *Tumi* brand in Japan, net sales on a constant currency basis increased by US$2.1 million, or 7.4%. On a constant currency basis, net sales in Hong Kong (including Macau) increased by 73.6%, driven primarily by the addition of the *Tumi* brand. Excluding net sales attributable to the *Tumi* brand in Hong Kong (including Macau), net sales on a constant currency basis decreased by US$2.4 million, or 11.5%, driven primarily by fewer Chinese shoppers visiting from the Mainland. China's constant currency net sales increased by 8.1% for the three months ended September 30, 2016 compared to the three months ended September 30, 2015, driven by the *Samsonite* brand. On a constant currency basis, net sales in India increased by 8.1% for the three months ended September 30, 2016 compared to the three months ended September 30, 2015, driven by the *Kamiliant* brand. The Group continued to penetrate the emerging markets within the region with year-on-year constant currency net sales growth in Thailand and Indonesia of 7.6% and 3.1%, respectively. Net sales in South Korea were up slightly year-on-year on a constant currency basis due to weak consumer sentiment.

Excluding foreign currency effects, the Group's net sales in North America increased by US$78.3 million, or 39.1%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. US Dollar reported net sales for the North American region increased by US$78.3 million, or 39.1%. Excluding net sales attributable to the *Tumi* brand in North America, net sales on a constant currency basis increased by US$19.6 million, or 9.8%, and US Dollar reported net sales increased by US$19.6 million, or 9.8%. This increase was driven by the *Speck* brand, whose constant currency net sales in North America increased by US$16.3 million, or 56.6%, due to certain new electronic device introductions during the three months ended September 30, 2016 that did not occur during the three months ended September 30, 2015. Excluding net sales attributable to the *Tumi* and *Speck* brands in North America, net sales on a constant currency basis increased by US$3.2 million, or 1.9%, driven primarily by increased sales of the *Samsonite* and *Lipault* brands. On a same store, constant currency basis, net sales in the retail channel in North America increased by 1.7% during the third quarter of 2016, a positive trend compared to the 2.0% decrease during the nine months ended September 30, 2016. For the three months ended September 30, 2016, US Dollar reported net sales in the United States increased by US$75.2 million, or 39.6%, year-on-year driven by the addition of *Tumi*. Excluding amounts attributable to the *Tumi* brand, US Dollar reported net sales in the United States increased by US$18.9 million, or 10.0%, driven primarily by the *Speck* brand. Excluding foreign currency effects, net sales in Canada increased by 29.8% year-on-year driven by the addition of *Tumi*. Excluding net sales attributable to the *Tumi* brand in Canada, net sales on a constant currency basis increased by US$0.7 million, or 6.3%, driven by the *Samsonite* brand.

Excluding foreign currency effects, the Group's net sales in Europe increased by US$24.9 million, or 16.5%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. US Dollar reported net sales for the region increased by US$20.7 million, or 13.7%. Excluding net sales attributable to the *Tumi* brand in Europe, net sales on a constant currency basis increased by US$14.2 million, or 9.4%, and US Dollar reported net sales increased by US$10.3 million, or 6.8%. The increase was a result of increased net sales of the *Samsonite* brand as well as the Group's continued focus on driving growth of the *American Tourister* brand and increasing its presence in Europe. Excluding foreign currency effects, net sales of the *Samsonite* brand in Europe increased by US$9.0 million, or 7.5%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. US Dollar reported net sales of the *Samsonite* brand in Europe increased by US$5.2 million, or 4.3%. Excluding foreign currency effects, net sales of the *American Tourister* brand in Europe increased by US$2.4 million, or 13.7%, for the three months ended September 30, 2016 and US Dollar reported net sales increased by US$2.3 million, or 13.1%, year-on-year. On a same store, constant currency basis, net sales in the retail channel in Europe increased by 8.2%. On a constant currency basis, several countries within the European region achieved net sales growth over the previous year, including Italy (+17.6%), Spain (+11.6%), Germany (+34.2%), and the United Kingdom (+44.2%). Excluding net sales attributable to the *Tumi* brand, these same countries achieved the following constant currency net sales growth over the previous year: Italy (+14.3%), Spain (+6.6%), Germany (+8.6%), and the United Kingdom (+32.1%). The Group continued to experience year-on-year constant currency net sales growth in Russia (+14.0%). Net sales in France decreased by 2.8% on a constant currency basis, primarily related to negative impacts from the recent terrorist attacks, partially offset by the addition of the *Tumi* brand. Excluding net sales attributable to the *Tumi* brand in France, net sales on a constant currency basis decreased by US$1.7 million, or 9.4%.

Excluding foreign currency effects, the Group's net sales in Latin America increased by US$6.6 million, or 26.2%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. US Dollar reported net sales for the region increased by US$5.2 million, or 20.8%. On a same store, constant currency basis, net sales in the retail channel in Latin America increased by 13.2%. On a constant currency basis, Chile had constant currency net sales growth of 16.7% for the three months ended September 30, 2016 compared to the three months ended September 30, 2015, primarily due to improved year-on-year net sales of the women's handbag brand *Secret*. Excluding foreign currency effects, net sales in Mexico increased by 35.8% driven by increased net sales in the *Samsonite*, *American Tourister* and *Xtrem* brands. Net sales in Brazil increased by 15.2% on a constant currency basis driven by continued retail expansion.

Net Sales by Brand

The following table sets forth a breakdown of net sales by brand for the three months ended September 30, 2016 and September 30, 2015, both in absolute terms and as a percentage of total net sales.

	Three months ended September 30,					
	2016		2015		2016 vs 2015	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by brand:						
Samsonite	**412,031**	**53.8%**	385,485	61.8%	6.9 %	7.6 %
American Tourister	**137,405**	**18.0%**	146,805	23.5%	(6.4)%	(6.1)%
Tumi	**93,953**	**12.3%**	—	—%	*nm*	*nm*
Speck	**45,327**	**5.9%**	28,933	4.6%	56.7 %	56.7 %
High Sierra	**17,105**	**2.2%**	16,922	2.7%	1.1 %	1.1 %
Gregory	**12,982**	**1.7%**	9,923	1.6%	30.8 %	20.4 %
Lipault	**8,120**	**1.1%**	4,301	0.7%	88.8 %	88.0 %
Hartmann	**6,766**	**0.9%**	5,568	0.9%	21.5 %	19.3 %
Other[1]	**31,578**	**4.1%**	25,743	4.2%	22.7 %	21.4 %
Net sales	**765,267**	**100.0%**	623,680	100.0%	22.7 %	22.8 %

Notes

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

(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the comparable period in the prior year to current period local currency results.

nm Not meaningful due to the acquisition of Tumi on August 1, 2016.

Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$29.4 million, or 7.6%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. US Dollar reported net sales of the *Samsonite* brand increased by US$26.5 million, or 6.9%. All regions recorded constant currency net sales increases of the *Samsonite* brand: Asia (+10.2%), North America (+4.0%), Europe (+7.5%) and Latin America (+18.4%). *Samsonite* comprised 53.8% of the net sales of the Group during the three months ended September 30, 2016 compared to 61.8% in the three months ended September 30, 2015. This reflects the continued diversification of the Group's brand portfolio with increased contributions from the *Tumi* brand, which was acquired on August 1, 2016, as well as the *Speck*, *Lipault*, *Hartmann*, *Gregory* and *Kamiliant* brands. Excluding foreign currency effects, net sales of the *American Tourister* brand decreased by US$9.0 million, or 6.1%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015, driven by a decrease in Asia (-11.3%), due in part to a decrease in the TV Home Shopping channel in South Korea, partially offset by an increase in net sales in the European region (+13.7%) from expanded product offerings and further penetration of existing markets.

The Group has acquired six brands from January 1, 2012 through September 30, 2016, namely *High Sierra* (July 2012), *Hartmann* (August 2012), *Lipault* (April 2014), *Speck* (May 2014), *Gregory* (July 2014) and most recently *Tumi* (August 2016). These acquired brands accounted for 9.3% and 3.6% of US Dollar reported net sales for the three months ended September 30, 2016 and September 30, 2015, respectively. On a constant currency basis, net sales of the *High Sierra* brand increased by 1.1% for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. Excluding foreign currency effects, net sales of the *Hartmann* brand increased by US$1.1 million, or 19.3%, for the three months ended September 30, 2016 compared to the same period in 2015, driven by increased traction of the brand in Asia and Europe. On a constant currency basis, net sales of the *Lipault* brand increased by US$3.8 million, or 88.0%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015, driven by geographical expansion in Asia, increased sales in Europe and the direct-to-market strategy adopted in North America. Excluding foreign currency effects, net sales of the *Speck* brand increased by US$16.4 million, or 56.7%, due to certain new electronic device introductions during the three months ended September 30, 2016 that did not occur during the three months ended September 30, 2015. Excluding foreign currency effects, net sales of the *Gregory* brand increased by $2.0 million, or 20.4%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015, with Asia, North America and Europe all recording double-digit net sales growth. Net sales of the *Tumi* brand, which acquisition was completed on August 1, 2016, amounted to US$94.0 million during the three months ended September 30, 2016.

Gross Profit

Gross profit for the three months ended September 30, 2016 increased by US$88.0 million, or 26.5%, to US$419.8 million from US$331.8 million for the three months ended September 30, 2015. Gross profit margin increased to 54.9% for the three months ended September 30, 2016 from 53.2% for the three months ended September 30, 2015.

The increase in gross profit margin was attributable to the impact from the acquisition of Tumi, which yields higher margins, a higher proportion of sales coming from the retail channel, including direct-to-consumer e-commerce, and a reduction in certain product costs. Excluding amounts attributable to Tumi, gross profit increased by US$28.7 million, or 8.6%, to US$360.5 million, and gross profit margin increased to 53.7% for the three months ended September 30, 2016 from 53.2% in the same period during the previous year.

Distribution Expenses

Distribution expenses increased by US$50.7 million, or 29.4%, to US$223.2 million (representing 29.2% of net sales) for the three months ended September 30, 2016 from US$172.5 million (representing 27.7% of net sales) for the three months ended September 30, 2015. This increase was primarily due to the acquisition of Tumi and the increase in sales volume during the three months ended September 30, 2016. Distribution expenses as a percentage of net sales increased year-on-year primarily due to increased costs from the Group's retail expansion strategy, investment in the infrastructure of the Group's business in Latin America and investment in the geographical expansion of the *American Tourister*, *Lipault* and *Hartmann* brands, as well as the impact from the Tumi acquisition. Excluding amounts attributable to Tumi, distribution expenses as a percentage of net sales were 28.2% for the three months ended September 30, 2016 compared to 27.7% in the same period during the previous year.

Marketing Expenses

The Group spent US$35.5 million (representing 4.6% of net sales) on marketing for the three months ended September 30, 2016 compared to US$30.8 million (representing 4.9% of net sales) for the three months ended September 30, 2015, an increase of US$4.7 million, or 15.3%. The reduction in marketing spend as a percentage of net sales reflects more normalized spending on the *American Tourister* brand in Europe following two years of investment to increase awareness and drive growth of the brand in the region. The Group continued to employ targeted and focused advertising and promotional campaigns. The Group believes the success of its advertising campaigns is evident in its net sales growth, and remains committed to enhancing brand and product awareness and driving additional net sales growth through focused marketing activities.

General and Administrative Expenses

General and administrative expenses increased by US$12.0 million, or 30.1%, to US$52.1 million (representing 6.8% of net sales) for the three months ended September 30, 2016 from US$40.0 million (representing 6.4% of net sales) for the three months ended September 30, 2015. The increase in general and administrative expenses as a percentage of net sales was primarily due to increases in professional and legal fees and increased compensation costs. Share-based compensation expense, a non-cash expense included in general and administrative expenses, amounted to US$4.7 million, an increase of US$0.7 million year-on-year. Excluding amounts attributable to Tumi, general and administrative expenses as a percentage of net sales were 7.0% for the three months ended September 30, 2016 compared to 6.4% in the same period during the previous year.

Other Expenses

The Group incurred other expenses of US$37.3 million for the three months ended September 30, 2016 compared to US$2.8 million for the three months ended September 30, 2015. Other expenses for the three months ended September 30, 2016 was primarily comprised of acquisition-related costs totaling US$35.1 million associated with due diligence, professional and legal fees, severance and integration costs incurred for the acquisition of Tumi, which was completed on August 1, 2016. Other expenses for the three months ended September 30, 2015 included acquisition-related costs of US$0.6 million, which were associated with the Rolling Luggage and Chic Accent acquisitions that were completed in 2015.

Operating Profit

On a constant currency basis, the Group's operating profit decreased by US$14.2 million, or 16.6%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015 due to the increase in acquisition-related costs. Excluding acquisition-related costs, the Group's operating profit for the three months ended September 30, 2016 increased by US$20.3 million, or 23.5%, on a constant currency basis, year-on-year. US Dollar reported operating profit of US$71.7 million for the three months ended September 30, 2016 decreased by US$14.1 million, or 16.4%, from US$85.7 million for the three months ended September 30, 2015 due to the factors noted above. Excluding acquisition-related costs, the Group's US Dollar reported operating profit increased by US$20.5 million, or 23.7%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015.

Net Finance Costs

Net finance costs increased by US$11.3 million, or 149.3%, to US$18.9 million for the three months ended September 30, 2016 from US$7.6 million for the three months ended September 30, 2015. This increase was attributable to a US$17.2 million increase in interest expense related to the Senior Credit Facilities (described in the Indebtedness section below). This increase was partially offset by a US$5.5 million decrease in foreign exchange losses for the three months ended September 30, 2016 compared to the three months ended September 30, 2015.

The following table sets forth a breakdown of finance costs for the three months ended September 30, 2016 and September 30, 2015.

	Three months ended September 30,	
(Expressed in thousands of US Dollars)	**2016**	2015
Recognized in income or loss:		
Interest income on bank deposits	**373**	140
Total finance income	**373**	140
Interest expense on financial liabilities measured at amortized cost	**(17,942)**	(694)
Change in fair value of put options	**4**	(618)
Net foreign exchange loss	**(254)**	(5,789)
Other finance costs	**(1,107)**	(631)
Total finance costs	**(19,299)**	(7,732)
Net finance costs recognized in profit or loss	**(18,926)**	(7,592)

Income Tax Expense

On a constant currency basis, income tax expense decreased by US$3.4 million, or 16.9%, to US$16.8 million for the three months ended September 30, 2016 from US$20.2 million for the three months ended September 30, 2015. US Dollar reported income tax expense decreased by US$3.2 million, or 15.7%, to US$17.0 million for the three months ended September 30, 2016 from US$20.2 million for the three months ended September 30, 2015.

The Group's consolidated reported effective tax rate for operations was 32.3% and 25.8% for the three months ended September 30, 2016 and September 30, 2015, respectively. The reported effective tax rate was 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 changes in unrecognized deferred tax assets.

The effective tax rate for the nine months ended September 30, 2016 was 28.8% and was 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 nine month period. The effective tax rate for the three months ended September 30, 2016 was higher due to the impact of transaction costs from the Tumi acquisition, a portion of which are non-deductible for tax purposes.

Profit for the Period

On a constant currency basis, profit for the period decreased by US$22.3 million, or 38.5%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015 due to the acquisition and financing costs associated with the Tumi acquisition. Excluding the tax-effected acquisition-related costs and the tax-effected interest expense associated with the Tumi acquisition (described in the Indebtedness section below), the Group's profit for the period, on a constant currency basis, increased by US$12.5 million, or 21.3%, year-on-year. US

Dollar reported profit for the period of US$35.7 million for the three months ended September 30, 2016 decreased by US$22.2 million, or 38.4%, from US$57.9 million for the three months ended September 30, 2015 due to the factors noted above. Excluding the same factors noted above, the Group's US Dollar reported profit for the period increased by US$12.5 million, or 21.5%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015.

On a constant currency basis, profit attributable to the equity holders decreased by US$22.1 million, or 41.1%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015 due to the factors noted above. Excluding the tax-effected acquisition-related costs and the tax-effected interest expense associated with the Tumi acquisition (described in the Indebtedness section below), the Group's profit attributable to equity holders, on a constant currency basis, increased by US$12.7 million, or 23.4%, year-on-year. US Dollar reported profit attributable to the equity holders was US$31.7 million for the three months ended September 30, 2016, a decrease of US$22.0 million, or 41.0%, from US$53.7 million for the three months ended September 30, 2015. Excluding the same factors noted above, the Group's US Dollar reported profit attributable to equity holders increased by US$12.7 million, or 23.5%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015.

As a result, basic earnings per share ("Basic EPS") and diluted earnings per share ("Diluted EPS") decreased by 42.1% to US$0.022 for the three months ended September 30, 2016 from US$0.038 for the three months ended September 30, 2015. The weighted average number of shares utilized in the Basic EPS calculation increased by 0.9 million shares from September 30, 2015 as a result of shares issued upon exercise of share options by certain participants in the Group's Share Award Scheme. The weighted average number of shares outstanding utilized in the Diluted EPS calculation increased by 0.4 million shares from September 30, 2015 as certain outstanding share options became dilutive in the three months ended September 30, 2016.

Adjusted EBITDA

On a constant currency basis, Adjusted EBITDA, a non-IFRS measure, increased by US$27.3 million, or 25.3%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. US Dollar reported Adjusted EBITDA increased by US$27.2 million, or 25.2%, to US$135.1 million for the three months ended September 30, 2016 from US$107.9 million for the three months ended September 30, 2015. US Dollar reported Adjusted EBITDA margin increased to 17.7% from 17.3% due to the inclusion of Tumi. Excluding the Adjusted EBITDA and net sales attributable to Tumi, US Dollar reported Adjusted EBITDA was US$116.5 million, or 17.3%, of net sales for the three months ended September 30, 2016. The Group continued to maintain tight control of its fixed cost base while achieving net sales growth in its business.

The following table presents the reconciliation from the Group's profit for the period to Adjusted EBITDA for the three months ended September 30, 2016 and September 30, 2015:

	Three months ended September 30,	
(Expressed in thousands of US Dollars)	**2016**	2015
Profit for the period	**35,719**	57,940
Plus (Minus):		
Income tax expense	**17,011**	20,178
Finance costs	**19,299**	7,732
Finance income	**(373)**	(140)
Depreciation	**18,243**	12,647
Amortization	**3,213**	2,804
EBITDA	**93,112**	101,161
Plus:		
Share-based compensation expense	**4,742**	4,035
Other adjustments[(1)]	**37,291**	2,708
Adjusted EBITDA	**135,145**	107,904
Adjusted EBITDA margin	**17.7%**	17.3%

Note

(1) Other adjustments primarily comprised of 'Other expenses' per the consolidated income statement, which includes acquisition-related costs of US$35.1 million and US$0.6 million for the three months ended September 30, 2016 and September 30, 2015, respectively.

The Group has presented Adjusted EBITDA because it believes that, when viewed with its results of operations as prepared in accordance with International Financial Reporting Standards ("IFRS") and with the reconciliation to profit 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 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

On a constant currency basis, Adjusted Net Income, a non-IFRS measure, increased by US$2.2 million, or 3.9%, for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. Excluding the tax-effected interest expense associated with the Tumi acquisition (described in the Indebtedness section below), the Group's Adjusted Net Income, on a constant currency basis, increased by US$12.3 million, or 21.6%. US Dollar reported Adjusted Net Income increased by US$2.3 million, or 4.1%, to US$59.1 million for the three months ended September 30, 2016 from US$56.8 million for the three months ended September 30, 2015 due to the factors noted above. Excluding the tax-effected interest expense associated with the Tumi acquisition, the Group's US Dollar reported Adjusted Net Income increased by US$12.4 million, or 21.8%.

Adjusted Basic EPS and adjusted Diluted EPS increased to US$0.042 for the three months ended September 30, 2016 from US$0.040 for the three months ended September 30, 2015.

The following table presents the reconciliation from the Group's profit for the period to Adjusted Net Income for the three months ended September 30, 2016 and September 30, 2015:

	Three months ended September 30,	
(Expressed in thousands of US Dollars)	**2016**	2015
Profit for the period	**35,719**	57,940
Profit attributable to non-controlling interests	**(3,993)**	(4,197)
Profit attributable to the equity holders	**31,726**	53,743
Plus (Minus):		
Change in fair value of put options	**(4)**	618
Amortization of intangible assets	**3,213**	2,804
Acquisition-related costs	**35,125**	609
Other adjustments(1)	**2,175**	—
Tax adjustments(2)	**(13,117)**	(963)
Adjusted Net Income(3)	**59,118**	56,811

Notes

(1) Other adjustments consisted of US$2.2 million for interest expense associated with the Term Loan B Facility incurred prior to the acquisition on August 1, 2016 (described in the Indebtedness section below).

(2) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated income statement.

(3) 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, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact US Dollar 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 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.

For the Nine Months Ended September 30, 2016

Net Sales

The Group's net sales increased by US$192.1 million, or 10.6%, on a constant currency basis for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. US Dollar reported net sales increased by US$154.6 million, or 8.5%, to US$1,974.8 million for the nine months ended September 30, 2016 from

US$1,820.1 million for the nine months ended September 30, 2015. Excluding amounts attributable to the *Tumi* brand, which was acquired on August 1, 2016, net sales on a constant currency basis increased by US$99.0 million, or 5.4%, and US Dollar reported net sales increased by US$60.7 million, or 3.3%.

Net Sales by Region

Performance on a constant currency basis by region was as follows:

- Asia - net sales increased by US$50.2 million, or 7.0%;
- North America - net sales increased by US$80.4 million, or 13.3%;
- Europe - net sales increased by US$46.8 million, or 11.5%; and
- Latin America - net sales increased by US$15.1 million, or 17.2%.

Excluding amounts attributable to the *Tumi* brand, performance on a constant currency basis by region was as follows:

- Asia - net sales increased by US$26.5 million, or 3.7%;
- North America - net sales increased by US$21.7 million, or 3.6%;
- Europe - net sales increased by US$36.2 million, or 8.9%; and
- Latin America - net sales increased by US$15.1 million, or 17.2%.

The following table sets forth a breakdown of net sales by region for the nine months ended September 30, 2016 and September 30, 2015, both in absolute terms and as a percentage of total net sales.

	Nine months ended September 30,					
	2016		2015		2016 vs 2015	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(2)]
Net sales by region[(1)]:						
Asia	**753,104**	**38.1%**	716,486	39.4%	5.1 %	7.0 %
North America	**682,246**	**34.6%**	603,076	33.1%	13.1 %	13.3 %
Europe	**440,622**	**22.3%**	406,160	22.3%	8.5 %	11.5 %
Latin America	**93,014**	**4.7%**	88,130	4.8%	5.5 %	17.2 %
Corporate	**5,768**	**0.3%**	6,294	0.4%	(8.4)%	(8.4)%
Net sales	**1,974,754**	**100.0%**	1,820,146	100.0%	8.5 %	10.6 %

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) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the comparable period in the prior year to current period local currency results.

Excluding foreign currency effects, the Group's net sales in Asia increased by US$50.2 million, or 7.0%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. US Dollar reported net sales for the region increased by US$36.6 million, or 5.1%, reflecting the impact of foreign currency translation from the strengthening US Dollar during the period. Excluding net sales attributable to the *Tumi* brand in Asia, net sales on a constant currency basis increased by US$26.5 million, or 3.7%, and US Dollar reported net sales increased by US$11.8 million, or 1.6%. This constant currency net sales increase was driven by the *Samsonite* and *Kamiliant* brands, partially offset by a decrease in net sales of the *American Tourister* brand. Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$22.1 million, or 5.9%, for the nine months ended September 30, 2016 and US Dollar reported net sales increased by US$14.9 million, or 4.0%, year-on-year. For the nine months ended September 30, 2016 constant currency net sales of the *Kamiliant* brand increased by US$12.6 million, or 673.2%, and US Dollar reported net sales increased by US$12.2 million, or 654.2%, year-on-year. Excluding foreign currency effects, net sales of the *American Tourister* brand in Asia decreased by US$19.7 million, or 6.6%, and US Dollar reported net sales decreased by US$28.3 million, or 9.5%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. The Group has new product launches for the *American Tourister* brand in Asia in the pipeline that have received positive early feedback. On a same store, constant currency basis, net sales in the retail channel in Asia decreased by 5.9% due to fewer visitors from Mainland China shopping in Hong Kong (including Macau) and generally weak retail sentiment in South Korea. Excluding Hong Kong (including Macau) and South Korea, same store net sales, on a constant currency basis, increased by 1.6% year-on-year.

On a constant currency basis, Australia had strong constant currency net sales growth of 21.1% for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015, driven by increased sales of the *Samsonite* and *American Tourister* brands. Japan experienced strong constant currency net sales growth of 22.2%, driven by increased sales of the *American Tourister* and *Gregory* brands, as well as the addition of the *Tumi* brand. Excluding net sales attributable to the *Tumi* brand in Japan, net sales on a constant currency basis increased by US$9.4 million, or 13.4%. On a constant currency basis, net sales in Hong Kong (including Macau) increased by 15.6%, driven primarily by the addition of the *Tumi* brand. Excluding net sales attributable to the *Tumi* brand in Hong Kong (including Macau), net sales on a constant currency basis decreased by US$8.3 million, or 14.2%, driven primarily by fewer Chinese shoppers visiting from the Mainland. China's constant currency net sales increased by 2.6% for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015, driven by the *Samsonite* brand. On a constant currency basis, net sales in India increased by 3.2% for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015, driven by the *Kamiliant* brand. The Group continued to penetrate the emerging markets within the region with year-on-year constant currency net sales growth in Thailand and Indonesia of 10.4% and 6.7%, respectively. Net sales in South Korea were up slightly year-on-year on a constant currency basis due to weak consumer sentiment.

Excluding foreign currency effects, the Group's net sales in North America increased by US$80.4 million, or 13.3%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. US Dollar reported net sales for the North American region increased by US$79.2 million, or 13.1%. Excluding net sales attributable to the *Tumi* brand in North America, net sales on a constant currency basis increased by US$21.7 million, or 3.6%, and US Dollar reported net sales increased by US$20.4 million, or 3.4%. This increase was mainly driven by the *Speck* brand, whose constant currency net sales in North America increased by US$15.5 million, or 19.7%, due to certain new electronic device introductions during the nine months ended September 30, 2016 that did not occur during the nine months ended September 30, 2015. Excluding net sales attributable to the *Tumi* and *Speck* brands in North America, net sales on a constant currency basis increased by US$5.9 million, or 1.1%, driven primarily by increased sales of the *Samsonite* and *Lipault* brands. On a same store, constant currency basis, net sales in the retail channel in North America decreased by 2.0%, however the Group experienced positive trends during the third quarter of 2016. For the nine months ended September 30, 2016, US Dollar reported net sales in the United States increased by US$77.8 million, or 13.6%, year-on-year driven by the addition of *Tumi*. Excluding amounts attributable to the *Tumi* brand, US Dollar reported net sales in the United States increased by US$21.6 million, or 3.8%, driven primarily by the *Speck* brand. Excluding foreign currency effects, net sales in Canada increased by 8.2% year-on-year due to the addition of the *Tumi* brand. Excluding net sales attributable to the *Tumi* brand in Canada, net sales on a constant currency basis increased by US$0.1 million, or 0.4%.

Excluding foreign currency effects, the Group's net sales in Europe increased by US$46.8 million, or 11.5%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. US Dollar reported net sales for the region increased by US$34.5 million, or 8.5%. Excluding net sales attributable to the *Tumi* brand in Europe, net sales on a constant currency basis increased by US$36.2 million, or 8.9%, and US Dollar reported net sales increased by US$24.1 million, or 5.9%. The increase was a result of increased net sales of the *Samsonite* brand as well as the Group's continued focus on driving growth of the *American Tourister* brand and increasing its presence in Europe. Excluding foreign currency effects, net sales of the *Samsonite* brand in Europe increased by US$17.3 million, or 5.4%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. US Dollar reported net sales of the *Samsonite* brand in Europe increased by US$6.5 million, or 2.0%. Excluding foreign currency effects, net sales of the *American Tourister* brand increased by US$10.4 million, or 21.3%, for the nine months ended September 30, 2016 and US Dollar reported net sales increased by US$9.5 million, or 19.6%, year-on-year. On a same store, constant currency basis, net sales in the retail channel in Europe increased by 6.0%. On a constant currency basis, several countries within the European region achieved net sales growth over the previous year, including Italy (+18.8%), Spain (+13.8%), Germany (+21.3%), and the United Kingdom (+21.9%). Excluding net sales attributable to the *Tumi* brand, these same countries achieved the following constant currency net sales growth over the previous year: Italy (+17.6%), Spain (+11.9%), Germany (+11.7%), and the United Kingdom (+17.2%). The Group continued to experience year-on-year constant currency net sales growth in Russia (+19.3%) and Turkey (+2.6%). Net sales in France decreased by 6.0% on a constant currency basis, primarily related to negative impacts from the recent terrorist attacks, partially offset by the addition of the *Tumi* brand. Excluding net sales attributable to the *Tumi* brand in France, net sales on a constant currency basis decreased by US$4.3 million, or 8.3%.

Excluding foreign currency effects, the Group's net sales in Latin America increased by US$15.1 million, or 17.2%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. US Dollar reported net sales for the region increased by US$4.9 million, or 5.5%, as the Group was negatively impacted by foreign currency translation from the strengthening of the US Dollar during the period. On a same store, constant currency basis, net sales in the retail channel in Latin America increased by 9.2%. On a constant currency basis, Chile had constant currency net sales growth of 8.8% for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015, primarily due to improved year-on-year net sales of the women's handbag brand *Secret*. Excluding foreign currency effects, net sales in Mexico increased by 22.4% driven by increased net sales in the *Samsonite*, *American Tourister* and *Xtrem* brands. Net sales in Brazil increased by 19.5% on a constant currency basis driven by continued retail expansion.

Net Sales by Brand

The following table sets forth a breakdown of net sales by brand for the nine months ended September 30, 2016 and September 30, 2015, both in absolute terms and as a percentage of total net sales.

	Nine months ended September 30,					
	2016		2015		2016 vs 2015	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(2)]
Net sales by brand:						
Samsonite	**1,146,650**	**58.1%**	1,121,761	61.6%	2.2 %	4.4 %
American Tourister	**396,713**	**20.1%**	410,578	22.6%	(3.4)%	(0.7)%
Speck	**94,962**	**4.8%**	79,118	4.3%	20.0 %	20.1 %
Tumi	**93,953**	**4.8%**	—	—%	*nm*	*nm*
High Sierra	**69,462**	**3.5%**	71,302	3.9%	(2.6)%	(1.8)%
Gregory	**34,751**	**1.8%**	27,927	1.5%	24.4 %	18.6 %
Lipault	**20,303**	**1.0%**	8,739	0.5%	132.3 %	136.6 %
Hartmann	**18,832**	**1.0%**	13,833	0.8%	36.1 %	35.5 %
Other[(1)]	**99,128**	**4.9%**	86,888	4.8%	14.1 %	18.7 %
Net sales	**1,974,754**	**100.0%**	1,820,146	100.0%	8.5 %	10.6 %

Notes

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

(2) Results stated on a constant currency basis, a non-IFRS measure, are calculated by applying the average exchange rate of the comparable period in the prior year to current period local currency results.

nm Not meaningful due to the acquisition of Tumi on August 1, 2016.

Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$49.0 million, or 4.4%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. US Dollar reported net sales of the *Samsonite* brand increased by US$24.9 million, or 2.2%. All regions recorded constant currency net sales increases of the *Samsonite* brand: Asia (+5.9%), North America (+1.0%), Europe (+5.4%) and Latin America (+15.4%). *Samsonite* comprised 58.1% of the net sales of the Group during the nine months ended September 30, 2016 compared to 61.6% in the nine months ended September 30, 2015. This reflects the continued diversification of the Group's brand portfolio with increased contributions from the *Tumi* brand, which was acquired on August 1, 2016, as well as the *Speck*, *Lipault*, *Hartmann*, *Gregory* and *Kamiliant* brands. Excluding foreign currency effects, net sales of the *American Tourister* brand decreased by US$2.9 million, or 0.7%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015, driven by a decrease in Asia (-6.6%), partially offset by an increase in net sales in the European region (+21.3%) from expanded product offerings and further penetration of existing markets.

The Group has acquired six brands from January 1, 2012 through September 30, 2016, namely *High Sierra* (July 2012), *Hartmann* (August 2012), *Lipault* (April 2014), *Speck* (May 2014), *Gregory* (July 2014) and most recently *Tumi* (August 2016). These acquired brands accounted for 16.8% and 11.0% of US Dollar reported net sales for the nine months ended September 30, 2016 and September 30, 2015, respectively. On a constant currency basis, net sales of the *High Sierra* brand decreased by US$1.3 million, or 1.8%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. Excluding foreign currency effects, net sales of the *Hartmann* brand increased by US$4.9 million, or 35.5%, for the nine months ended September 30, 2016 compared to the same period in 2015, driven by increased traction of the brand in Asia and Europe as well as a 6.9% increase in North America. On a constant currency basis, net sales of the *Lipault* brand increased by US$11.9 million, or 136.6%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015, driven by geographical expansion in Asia, increased sales in Europe and the direct-to-market strategy adopted in North America. Excluding foreign currency effects, net sales of the *Speck* brand increased by US$15.9 million, or 20.1%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015 due to certain new electronic device introductions during the nine months ended September 30, 2016 that did not occur during the nine months ended September 30, 2015 and robust growth in net sales of protective phone cases. Excluding foreign currency effects, net sales of the *Gregory* brand increased by $5.2 million, or 18.6%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015, with Asia, North America and Europe all recording double-digit net sales growth. Net sales of the *Tumi* brand, which acquisition was completed on August 1, 2016, amounted to US$94.0 million during the nine months ended September 30, 2016.

Gross Profit

Gross profit for the nine months ended September 30, 2016 increased by US$98.6 million, or 10.3%, to US$1,052.3 million from US$953.7 million for the nine months ended September 30, 2015. Gross profit margin increased to 53.3% for the nine months ended September 30, 2016 from 52.4% for the nine months ended September 30, 2015.

The increase in gross profit margin was attributable the impact from the acquisition of Tumi, which yields higher margins, a higher proportion of sales coming from the retail channel, including direct-to-consumer e-commerce, and a reduction in certain product costs. Excluding amounts attributable to Tumi, gross profit increased by US$39.3 million, or 4.1%, to US$993.0 million, and gross profit margin increased to 52.8% for the nine months ended September 30, 2016 from 52.4% in the same period during the previous year.

Distribution Expenses

Distribution expenses increased by US$72.7 million, or 14.7%, to US$565.7 million (representing 28.6% of net sales) for the nine months ended September 30, 2016 from US$493.0 million (representing 27.1% of net sales) for the nine months ended September 30, 2015. This increase was primarily due to the acquisition of Tumi and the increase in sales volume during the nine months ended September 30, 2016. Distribution expenses as a percentage of net sales increased year-on-year primarily due to increased costs from the Group's retail expansion strategy, investment in the infrastructure of the Group's business in Latin America and investment in the geographical expansion of the *American Tourister*, *Lipault* and *Hartmann* brands, as well as the impact from the Tumi acquisition. Excluding amounts attributable to Tumi, distribution expenses as a percentage of net sales were 28.3% for the nine months ended September 30, 2016 compared to 27.1% in the same period during the previous year.

Marketing Expenses

The Group spent US$101.5 million (representing 5.1% of net sales) on marketing for the nine months ended September 30, 2016 compared to US$101.6 million (representing 5.6% of net sales) for the nine months ended September 30, 2015, a decrease of US$0.1 million, or 0.1%. The reduction in marketing spend reflects more normalized spending on the *American Tourister* brand in Europe following two years of investment to increase awareness and drive growth of the brand in the region. The Group continued to employ targeted and focused advertising and promotional campaigns. The Group believes the success of its advertising campaigns is evident in its net sales growth, and remains committed to enhancing brand and product awareness and driving additional net sales growth through focused marketing activities.

General and Administrative Expenses

General and administrative expenses increased by US$7.4 million, or 6.3%, to US$124.1 million (representing 6.3% of net sales) for the nine months ended September 30, 2016 from US$116.7 million (representing 6.4% of net sales) for the nine months ended September 30, 2015. General and administrative expenses decreased as a percentage of net sales as the Group maintained tight control of its fixed cost base and leveraged it against year-on-year net sales growth. Share-based compensation expense, a non-cash expense included in general and administrative expenses, amounted to US$11.0 million, a decrease of US$0.9 million year-on-year due to a shift in the timing of the share option grants year-on-year. Excluding amounts attributable to Tumi, general and administrative expenses as a percentage of net sales were 6.3% for the nine months ended September 30, 2016 compared to 6.4% in the same period during the previous year.

Other Expenses

The Group incurred other expenses of US$48.3 million for the nine months ended September 30, 2016 compared to US$9.7 million for the nine months ended September 30, 2015. Other expenses for the nine months ended September 30, 2016 was primarily comprised of acquisition-related costs totaling US$42.0 million associated with due diligence, professional and legal fees, severance and integration costs incurred for the acquisition of Tumi, which was completed on August 1, 2016. Other expenses for the nine months ended September 30, 2015 included acquisition-related costs of US$3.3 million, which were associated with the Rolling Luggage and Chic Accent acquisitions that were completed in 2015.

Operating Profit

On a constant currency basis, the Group's operating profit decreased by US$17.1 million, or 7.3%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015 due to the increase in acquisition-related costs. Excluding acquisition-related costs, the Group's operating profit for the nine months ended September 30, 2016 increased by US$21.7 million, or 9.2%, on a constant currency basis, year-on-year. US Dollar reported operating profit of US$212.7 million for the nine months ended September 30, 2016 decreased by US$20.0 million, or 8.6%, from US$232.7 million for the nine months ended September 30, 2015 due to the factors noted above. Excluding acquisition-related costs, the Group's US Dollar reported operating profit increased by US$18.8 million, or 8.0%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015.

Net Finance Costs

Net finance costs increased by US$19.4 million, or 145.1%, to US$32.8 million for the nine months ended September 30, 2016 from US$13.4 million for the nine months ended September 30, 2015. This increase was attributable to a US$20.2 million increase in interest expense, related to the Senior Credit Facilities (described in the Indebtedness section below). In addition, the increase in net finance costs was also due to a US$2.9 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 for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. These increases were partially offset by a US$3.3 million decrease in foreign exchange losses year-on-year.

The following table sets forth a breakdown of finance costs for the nine months ended September 30, 2016 and September 30, 2015.

	Nine months ended September 30,	
(Expressed in thousands of US Dollars)	**2016**	2015
Recognized in income or loss:		
Interest income on bank deposits	**906**	411
Total finance income	**906**	411
Interest expense on financial liabilities measured at amortized cost	**(22,761)**	(2,517)
Change in fair value of put options	**(5,562)**	(2,675)
Net foreign exchange loss	**(3,132)**	(6,448)
Other finance costs	**(1,318)**	(1,732)
Total finance costs	**(33,679)**	(13,783)
Net finance costs recognized in profit or loss	**(32,773)**	(13,372)

Income Tax Expense

On a constant currency basis, income tax expense decreased by US$4.2 million, or 7.4%, to US$52.5 million for the nine months ended September 30, 2016 from US$56.7 million for the nine months ended September 30, 2015. US Dollar reported income tax expense decreased by US$5.0 million, or 8.8%, to US$51.7 million for the nine months ended September 30, 2016 from US$56.7 million for the nine months ended September 30, 2015.

The Group’s consolidated reported effective tax rate for operations was 28.8% and 25.9% for the nine months ended September 30, 2016 and September 30, 2015, respectively. The reported effective tax rate was 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 changes in unrecognized deferred tax assets. The effective tax rate for the nine months ended September 30, 2016 was 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 nine month period. The increase in the effective tax rate was mainly the result of transaction costs from the acquisition of Tumi, a portion of which are non-deductible for tax purposes and a change in the profit mix between high and low tax jurisdictions.

Profit for the Period

On a constant currency basis, profit for the period decreased by US$32.8 million, or 20.2%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015 due to the acquisition and financing costs associated with the Tumi acquisition. Excluding the tax-effected acquisition-related costs and the tax-effected interest expense associated with the Tumi acquisition (described in the Indebtedness section below), the Group’s profit for the period, on a constant currency basis, increased by US$8.3 million, or 5.0%, year-on-year. US Dollar reported profit for the period of US$128.2 million for the nine months ended September 30, 2016 decreased by US$34.4 million, or 21.1%, from US$162.6 million for the nine months ended September 30, 2015 due to the factors noted above. Excluding the same factors noted above, the Group's US Dollar reported profit for the period increased by US$6.8 million, or 4.1%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015.

On a constant currency basis, profit attributable to the equity holders decreased by US$32.5 million, or 21.9%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015 due to the factors noted above. Excluding the tax-effected acquisition-related costs and the tax-effected interest expense associated with the Tumi acquisition (described in the Indebtedness section below), the Group's profit attributable to equity holders, on a constant currency basis, increased by US$8.6 million, or 5.7%, year-on-year. US Dollar reported profit attributable to the equity holders was US$114.1 million for the nine months ended September 30, 2016, a decrease of US$34.0 million, or 23.0%, from US$148.1 million for the nine months ended September 30, 2015. Excluding the same factors noted above, the Group's US Dollar reported profit attributable to equity holders increased by US$7.1 million, or 4.7%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015.

As a result, Basic EPS and Diluted EPS decreased by 22.9% to US$0.081 for the nine months ended September 30, 2016 from US$0.105 for the nine months ended September 30, 2015. The weighted average number of shares utilized in the Basic EPS calculation increased by 1.1 million shares from September 30, 2015 as a result of shares issued upon exercise of share options by certain participants in the Group's Share Award Scheme. The weighted average number of shares outstanding utilized in the Diluted EPS calculation increased by 1.1 million shares from September 30, 2015 as certain outstanding share options became dilutive in the nine months ended September 30, 2016.

Adjusted EBITDA

On a constant currency basis, Adjusted EBITDA, a non-IFRS measure, increased by US$33.6 million, or 11.3%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. US Dollar reported Adjusted EBITDA increased by US$27.5 million, or 9.2%, to US$325.5 million for the nine months ended September 30, 2016 from US$297.9 million for the nine months ended September 30, 2015. US Dollar reported Adjusted EBITDA margin increased to 16.5% from 16.4% due to the inclusion of Tumi. Excluding the Adjusted EBITDA and net sales attributable to Tumi, US Dollar reported Adjusted EBITDA was US$306.8 million, or 16.3%, of net sales for the nine months ended September 30, 2016. The Group continued to maintain tight control of its fixed cost base while achieving net sales growth in its business.

The following table presents the reconciliation from the Group's profit for the period to Adjusted EBITDA for the nine months ended September 30, 2016 and September 30, 2015:

	Nine months ended September 30,	
(Expressed in thousands of US Dollars)	**2016**	2015
Profit for the period	**128,204**	162,554
Plus (Minus):		
Income tax expense	**51,741**	56,747
Finance costs	**33,679**	13,783
Finance income	**(906)**	(411)
Depreciation	**44,715**	35,876
Amortization	**8,841**	7,924
EBITDA	**266,274**	276,473
Plus:		
Share-based compensation expense	**11,012**	11,866
Other adjustments(1)	**48,172**	9,582
Adjusted EBITDA	**325,458**	297,921
Adjusted EBITDA margin	**16.5%**	16.4%

Note

(1) Other adjustments primarily comprised of 'Other expenses' per the consolidated income statement, which includes acquisition-related costs of US$42.0 million and US$3.3 million for the nine months ended September 30, 2016 and September 30, 2015, respectively.

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 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 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

On a constant currency basis, Adjusted Net Income, a non-IFRS measure, increased by US$2.1 million, or 1.3%, for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. Excluding the tax-effected interest expense associated with the Tumi acquisition (described in the Indebtedness section below), the Group's Adjusted Net Income, on a constant currency basis, increased by US$12.1 million, or 7.6%. US Dollar reported Adjusted Net Income increased by US$0.5 million, or 0.3%, to US$159.4 million for the nine months ended September 30, 2016 from US$158.9 million for the nine months ended September 30, 2015 due to the factors noted above. Excluding the tax-effected interest expense associated with the Tumi acquisition, the Group's US Dollar reported Adjusted Net Income increased by US$10.6 million, or 6.7%.

Adjusted Basic EPS and adjusted Diluted EPS remained flat at US$0.113 for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015.

The following table presents the reconciliation from the Group's profit for the period to Adjusted Net Income for the nine months ended September 30, 2016 and September 30, 2015:

	Nine months ended September 30,	
(Expressed in thousands of US Dollars)	**2016**	2015
Profit for the period	**128,204**	162,554
Profit attributable to non-controlling interests	**(14,074)**	(14,421)
Profit attributable to the equity holders	**114,130**	148,133
Plus (Minus):		
Change in fair value of put options	**5,562**	2,675
Amortization of intangible assets	**8,841**	7,924
Acquisition-related costs	**42,047**	3,295
Other adjustments(1)	**5,775**	—
Tax adjustments(2)	**(16,952)**	(3,148)
Adjusted Net Income(3)	**159,403**	158,879

Notes

(1) Other adjustments consisted of US$5.8 million for interest expense associated with the Term Loan B Facility incurred prior to the acquisition on August 1, 2016 (described in the Indebtedness section below).

(2) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated income statement.

(3) 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, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact US Dollar 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 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.

Acquisition of Tumi Holdings, Inc.

On March 3, 2016, the Company and PTL Acquisition Inc. ("Merger Sub"), an indirect wholly-owned subsidiary of the Company, entered into an agreement and plan of merger (the "Merger Agreement") with Tumi Holdings, Inc. ("Tumi"), pursuant to which the Company agreed to acquire Tumi for a cash consideration of US$26.75 per outstanding common share of Tumi, without interest (the "Per Share Merger Consideration"), subject to the terms and conditions set out in the Merger Agreement. The acquisition was completed on August 1, 2016 and was effected by way of a merger of Merger Sub with and into Tumi, with Tumi surviving the merger as an indirect wholly-owned subsidiary of the Company. *Tumi* is a leading global premium lifestyle brand offering a comprehensive line of business bags, travel luggage and accessories. The brand is consistently recognized as "best in class" for the high quality, durability, functionality and innovative design of its products, which range from its iconic black ballistic business cases and travel luggage synonymous with the modern business professional, to travel accessories, women's bags and outdoor apparel.

Pursuant to the terms of the Merger Agreement, as of the effective time of the merger (the "Effective Time"), each issued and outstanding share of Tumi common stock, other than dissenting shares and shares owned by the Company, Merger Sub, Tumi or any of their respective wholly-owned subsidiaries (including treasury shares), was canceled and converted into the right to receive the Per Share Merger Consideration. All Tumi stock options, service restricted stock unit awards and performance restricted stock unit awards (in each case whether vested or unvested) that were outstanding immediately prior to the Effective Time were canceled upon the completion of the merger, and the holders thereof were paid an aggregate of approximately US$19.0 million in cash in respect of such cancellation pursuant to the terms of the Merger Agreement. Upon the Effective Time, holders of Tumi common stock immediately prior to the Effective Time ceased to have any rights as stockholders in Tumi (other than their right to receive the Per Share Merger Consideration, or, in the case of shares of Tumi common stock as to which appraisal rights have been properly exercised and not withdrawn, the rights pursuant to Section 262 of the Delaware General Corporation Law). The total consideration paid under the Merger Agreement at the Effective Time amounted to approximately US$1,818.8 million.

The financial results of the Group as of and for the period ended September 30, 2016 include Tumi's financial results from August 1, 2016, the date of acquisition, through Tumi's fiscal quarter end, which was September 26, 2016. Tumi's fiscal period will be aligned with the Group as of December 31, 2016 and for all periods going forward. In accordance with IFRS 3 (Revised) "Business Combinations", under the acquisition method of accounting, the identifiable assets and liabilities of Tumi are required to be accounted for in the consolidated financial statements of the Group at their fair values. The amount of goodwill and fair value of the identifiable assets and liabilities of Tumi that are recognized are subject to completion of a valuation of the fair value of such assets and liabilities. The Group has not yet completed a formal valuation of such assets and liabilities and pending the completion of such formal valuation, the excess purchase price over the net book value of such assets and liabilities has been recorded as goodwill as of September 30, 2016. The fair value of such assets, liabilities and goodwill will be reflected in the consolidated financial statements of the Group as of and for the year ending December 31, 2016. Since the final fair value of such assets and liabilities may substantially differ from their net book value as of September 30, 2016, the final amount of such assets, liabilities and goodwill as reflected in the consolidated financial statements of the Group as of and for the year ending December 31, 2016 may materially differ from the amount stated as of September 30, 2016.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of September 30, 2016 and December 31, 2015:

(Expressed in thousands of US Dollars)	**September 30, 2016**	December 31, 2015
Term Loan A Facility	**1,250,000**	—
Term Loan B Facility	**675,000**	—
Revolving Facility	**33,723**	—
Senior Credit Facilities	**1,958,723**	—
Prior Revolving Facility	**—**	48,174
Other lines of credit	**13,018**	15,921
Finance lease obligations	**327**	87
Total loans and borrowings	**1,972,068**	64,182
Less deferred financing costs	**(67,178)**	(1,401)
Total loans and borrowings less deferred financing costs	**1,904,890**	62,781

Senior Credit Facility

Overview

On May 13, 2016, an indirect wholly-owned subsidiary of the Company entered into a Credit and Guaranty Agreement dated as of May 13, 2016 (the "Credit Agreement") with certain lenders and financial institutions. On August 1, 2016 (the "Closing Date"), the Company and certain of its other indirect wholly-owned subsidiaries became parties to the Credit Agreement. The Credit Agreement provided for (1) a US$1,250.0 million senior secured term loan A facility (the "Term Loan A Facility"), (2) a US$675.0 million senior secured term loan B facility (the "Term Loan B Facility" and, together with the Term Loan A Facility, the "Term Loan Facilities") and (3) a US$500.0 million revolving credit facility (the "Revolving Facility", and, together with the Term Loan Facilities, the "Senior Credit Facilities"). On May 13, 2016, the proceeds of the borrowings under the Term Loan B Facility were funded and deposited into an escrow account and were held in escrow until the consummation of the merger with Tumi on the Closing Date, at which time such proceeds were released from escrow and were used to pay a portion of the consideration under the Merger Agreement.

On the Closing Date, the Company and certain of its other indirect wholly-owned subsidiaries became parties to the Credit Agreement, and the Group used the proceeds from the Senior Credit Facilities to pay the total consideration under the Merger Agreement, to repay all amounts then outstanding under the Group's prior US$500.0 million revolving credit facility (the "Prior Revolving Facility"), which Prior Revolving Facility was then terminated, and to pay fees, costs and expenses related to the foregoing transactions, as well as for general corporate purposes.

Interest Rate and Fees

Interest on the borrowings under the Term Loan A Facility and the Revolving Facility began to accrue on the Closing Date. The interest rates for such borrowings are initially based on the London Interbank Offered Rate ("LIBOR") plus an applicable margin of 2.75% per annum. The borrowers under such facilities may also elect to pay interest at a base rate plus 1.75% per annum. The applicable margin for borrowings under both the Term Loan A Facility and the Revolving Facility may step down based on achievement of a specified total net leverage ratio of the Company and its subsidiaries at the end of each fiscal quarter, commencing with the quarter ending December 31, 2016. Interest on the borrowing under the Term Loan B Facility began to accrue on May 13, 2016 at the rate of LIBOR plus 3.25% per annum. The borrower under such facility may also elect to pay interest at a base rate plus 2.25%.

In addition to paying interest on outstanding principal under the Senior Credit Facilities, the borrowers will pay customary agency fees and a commitment fee in respect of the unutilized commitments under the Revolving Facility, which will initially be 0.50% per annum. The commitment fee may step down based on the achievement of a specified total net leverage ratio level of the Company and its subsidiaries at the end of each fiscal quarter, commencing with the quarter ending December 31, 2016.

Mandatory Prepayments

The Credit Agreement requires certain mandatory prepayments of outstanding loans under the Term Loan Facilities from the net cash proceeds of certain asset sales and casualty and condemnation events (subject to reinvestment rights), and the net cash proceeds of any incurrence or issuance of debt not permitted under the Senior Credit Facilities, in each case subject to customary exceptions and thresholds. The Credit Agreement also provides for mandatory prepayments of the Term Loan B Facility to be made based on the excess cash flow of the Company and its subsidiaries.

Voluntary Prepayments

Voluntary prepayments of the Term Loan B Facility in connection with re-pricing transactions on or prior to six months following the Closing Date will be subject to a call premium of 1.0%. Otherwise, all outstanding loans under the Senior Credit Facilities may be voluntarily prepaid at any time without premium or penalty other than customary "breakage" costs with respect to LIBOR loans.

Amortization and Final Maturity

The Term Loan A Facility requires scheduled quarterly payments, with an amortization of 2.5% of the original principal amount of the loans under the Term Loan A Facility made during the first year, with a step-up to 5.0% amortization during the second and third years, 7.5% during the fourth year and 10.0% during the fifth year, with the balance due and payable on the fifth anniversary of the Closing Date. The Term Loan B Facility requires scheduled quarterly payments each equal to 0.25% of the original principal amount of the loans under the Term Loan B Facility, with the balance due and payable on the seventh anniversary of the Closing Date. There is no scheduled amortization of the principal amounts of the loans outstanding under the Revolving Facility. Any principal amount outstanding under the Revolving Facility is due and payable on the fifth anniversary of the Closing Date.

Guarantees and Security

The obligations of the borrowers under the Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company's existing direct or indirect wholly-owned material subsidiaries, and are required to be guaranteed by certain future direct or indirect wholly-owned material subsidiaries organized in the jurisdictions of Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico and the United States. All obligations under the Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of the Company and the assets of certain of its direct and indirect wholly-owned subsidiaries that are borrowers and/or guarantors under the Senior Credit Facilities, including: (i) a first-priority pledge of all of the equity interests of certain of the Company's subsidiaries and each wholly-owned material restricted subsidiary of these entities (which pledge, in the case of any foreign subsidiary of a U.S. entity, is limited to 66% of the voting capital stock and 100% of the non-voting capital stock of such foreign subsidiary); and (ii) a first-priority security interest in substantially all of the tangible and intangible assets of the Company and the subsidiary guarantors.

Certain Covenants and Events of Default

The Senior Credit Facilities contain a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and its subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends on its capital stock or redeem, repurchase or retire its capital stock or its other indebtedness; (iii) make investments, loans and acquisitions; (iv) engage in transactions with its affiliates; (v) sell assets, including capital stock of its subsidiaries; (vi) consolidate or merge; (vii) materially alter the business it conducts; (viii) incur liens; and (ix) prepay or amend any junior debt or subordinated debt.

In addition, the Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. Commencing with the fiscal quarter ending December 31, 2016, the Company and its subsidiaries will be required to maintain (i) a pro forma total net leverage ratio of not greater than 4.75:1.00, which threshold will decrease to 4.50:1.00 for test periods in 2018, 4.25:1.00 for test periods in 2019 and 4.00:1.00 for test periods in 2020, and (ii) a pro forma interest coverage ratio of not less than 3.25:1.00.

The Credit Agreement also contains certain customary representations and warranties, affirmative covenants and provisions relating to events of default (including upon a change of control).

Interest Rate Swaps

The Group entered into interest rate swap transactions on June 1, 2016 that will become effective December 31, 2016 and ending August 31, 2021. The Group will use the interest rate swap transactions to minimize its exposure to interest rate fluctuations of the floating-rate Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. The interest rate swap agreements will have initial notional amounts totaling US$1,237.0 million representing approximately 65% of the anticipated balances of the Term Loan Facilities. The notional amounts of the interest rate swap agreements decrease over time in line with required amortization and anticipated prepayments on the Term Loan Facilities. Each agreement has a fixed LIBOR of approximately 1.30%. Each of the interest rate swap agreements will become effective and have fixed payments due monthly starting January 31, 2017. The interest rate swap transactions are expected to qualify as cash flow hedges under IFRS. As of September 30, 2016, the interest rate swaps were marked-to-market, resulting in a net loss position of the Group in the amount of US$15.0 million, which was recorded as a liability with the effective portion of the loss deferred to other comprehensive income.

Deferred Financing Costs

The Group recognized US$69.5 million of deferred financing costs during the nine months ended September 30, 2016 related to the Senior Credit Facilities, all of which was included in non-current loans and borrowings in the consolidated statement of financial position as of September 30, 2016. The deferred financing costs were comprised of the original issue discount and other financing-related costs that will be deferred and offset against loans and borrowings to be amortized over the life of the Term Loan Facilities. The Group accelerated amortization on the remaining deferred financing costs related to the Prior Revolving Facility in the amount of US$1.4 million.

Revolving Facility

Through July 31, 2016, the Group maintained the Prior Revolving Facility in the amount of US$500.0 million. The Prior Revolving Facility had an initial term of five years from its effective date of June 17, 2014, 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 Prior Revolving Facility was the aggregate of (i) (a) LIBOR or (b) the prime rate of the lender and (ii) a margin to be determined based on the Group’s leverage ratio. Based on the Group’s leverage ratio, the Prior Revolving Facility carried a commitment fee ranging from 0.2% to 0.325% per annum on any unutilized amounts, as well as an agency fee if another lender joined the Prior Revolving Facility. The Prior Revolving Facility was secured by certain of the Group’s assets in the United States and Europe, as well as the Group’s intellectual property. The Prior Revolving Facility also contained financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limited 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 Prior Revolving Facility was terminated and all outstanding balances were repaid in conjunction with the financing for the Tumi acquisition on August 1, 2016.

Other Loans and Borrowings

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$13.0 million and US$15.9 million as of September 30, 2016 and December 31, 2015, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings (excluding the impact of netting agreements) as of September 30, 2016 and December 31, 2015:

(Expressed in thousands of US Dollars)	**September 30, 2016**	December 31, 2015
On demand or within one year	**84,800**	64,125
After one year but within two years	**69,324**	18
After two years but within five years	**1,176,694**	39
More than five years	**641,250**	—
	1,972,068	64,182

Purchases of Property, Plant and Equipment

Purchases of property, plant and equipment of US$42.8 million for the nine months ended September 30, 2016 were primarily related to the addition of new retail locations, remodeling of existing locations, continued work on the warehouse in China and investments in machinery and equipment. Purchases of property, plant and equipment of US$37.7 million for the nine months ended September 30, 2015 were largely attributable to expenditures in connection with expanding the existing manufacturing plant in Hungary and completion of an additional warehouse in Belgium as well as the addition of new retail locations.

Cash Distribution to Equity Holders

On March 16, 2016, the Company's Board of Directors recommended that a cash distribution in the amount of US$93.0 million, or approximately US$0.0659 per share, be made to the Company's shareholders of record on June 17, 2016 from its ad hoc distributable reserve. The shareholders approved this distribution on June 2, 2016 at the Annual General Meeting and the distribution was paid on July 13, 2016.

GENERAL

This financial and business review as of and for the three and nine month periods ended September 30, 2016 is being published to provide shareholders, potential investors and other interested parties with an update of the performance of the Group.

This announcement may contain forward-looking statements that involve risks and uncertainties. The Company's shareholders, potential investors and other interested parties should not place undue reliance on these forward-looking statements which are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group and are difficult to predict, that will or may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements.

The Company's shareholders, potential investors and other interested parties should note that all figures contained in this announcement are based on the Group's management accounts which have not been audited or reviewed by the auditors. The accounting policies applied in the preparation of the Group's management accounts are consistent with those used in the preparation of the Company's interim and annual results and reports.

The Company's shareholders, potential investors and other interested parties are urged to exercise caution in dealing in the securities of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

By Order of the Board
Samsonite International S.A.
Timothy Charles Parker
Chairman

Hong Kong, November 28, 2016

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