SAMSONITE INTERNATIONAL S.A.
新秀麗國際有限公司
13–15 Avenue de la Liberté, L-1931, Luxembourg
R.C.S. LUXEMBOURG: B 159469
(Incorporated in Luxembourg with limited liability)

(Stock code: 1910)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2015

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2015, the Group's:

- Net sales increased to a record level of US$1,196.5 million, reflecting a 16.6% increase on a constant currency basis[(1)] from the comparable period in 2014. US Dollar reported net sales increased by 8.2%. Excluding amounts attributable to the 2014 acquisitions, net sales, on a constant currency basis, increased by US$120.4 million, or 11.0%, and US Dollar reported net sales increased US$30.6 million, or 2.8%.

- Profit attributable to the equity holders increased by US$8.6 million, or 8.9%, on a constant currency basis from the comparable period in 2014. US Dollar reported profit attributable to the equity holders decreased by US$2.6 million, or 2.7%, to US$94.4 million.

- Adjusted Net Income[(2)] increased by US$7.7 million, or 7.2%, on a constant currency basis from the comparable period in 2014. US Dollar reported Adjusted Net Income decreased by US$3.7 million, or 3.5%, to US$102.1 million.

- Adjusted EBITDA[(3)] increased by US$15.6 million, or 8.4%, on a constant currency basis from the comparable period in 2014. US Dollar reported Adjusted EBITDA increased by US$3.3 million, or 1.8%, to US$190.0 million.

- Adjusted EBITDA margin[(4)] decreased to 15.9% from 16.9% primarily due to the impact from acquisitions completed during the previous year which have lower margins initially as they are being integrated into the business, the currency impact on product purchases, increased costs from the Group's retail store expansion, the investment of the geographical expansion in the *American Tourister* brand in Europe and the investment in Latin America.

FINANCIAL HIGHLIGHTS (CONTINUED)

- The Group generated US$79.9 million of cash from operating activities for the six months ended June 30, 2015. As of June 30, 2015, the Group had cash and cash equivalents of US$203.0 million and financial debt of US$117.3 million (excluding deferred financing costs of US$1.6 million), providing the Group with a net cash position of US$85.7 million.

- On February 16, 2015, certain of the Company's wholly-owned subsidiaries completed the acquisition of the business and substantially all of the assets of Rolling Luggage for a cash consideration of GBP15.75 million, with a subsequent working capital adjustment of GBP(0.25) million, for a total purchase price of GBP15.50 million, subject to a purchase price adjustment for any leases that are not successfully transferred. The acquisition provides the Group with a significant retail footprint in some of the world's leading airports, and further expands the Group's portfolio of retail store locations. For the fiscal year ended January 31, 2015, Rolling Luggage recorded net sales of GBP26.7 million.

- In June 2015, the Group acquired the 40 percent non-controlling interest in its Russian subsidiary for US$15.6 million in cash, and a final working capital adjustment of US$0.2 million settled in July 2015, increasing its ownership from 60 percent to 100 percent.

- On March 16, 2015, the Company's Board of Directors recommended that a cash distribution in the amount of US$88.0 million, or approximately US$0.0624 per share, be made to the Company's shareholders, a 10% increase from the US$80.0 million distribution paid in 2014. The shareholders approved this distribution on June 4, 2015 at the Company's annual general meeting and the distribution was paid on July 13, 2015.

FINANCIAL HIGHLIGHTS (CONTINUED)

(Expressed in millions of US Dollars, except per share data)	Six months ended June 30, **2015**	2014	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Net sales	**1,196.5**	1,105.3	8.2%	16.6%
Profit attributable to equity holders	**94.4**	97.0	(2.7)%	8.9%
Adjusted Net Income(2)	**102.1**	105.7	(3.5)%	7.2%
Adjusted EBITDA(3)	**190.0**	186.7	1.8%	8.4%
Adjusted EBITDA Margin(4)	**15.9%**	16.9%	—	—
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.067**	0.069	(2.9)%	8.6%
Adjusted basic and diluted earnings per share(5) *(Expressed in US Dollars per share)*	**0.072**	0.075	(4.0)%	7.3%

Notes

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

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

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

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

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

The Board of Directors of Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is pleased to announce the consolidated interim results of the Group for the six months ended June 30, 2015 together with comparative figures for the six months ended June 30, 2014. The following interim financial information, including comparative figures, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

CHAIRMAN'S STATEMENT

In the comprehensive statement from the Group's CEO that follows, Ramesh Tainwala details a very good first half indeed. In constant currency terms our turnover increased by 16.6%, and Adjusted EBITDA was up 8.4%. Of course the US Dollar reported headline numbers – sales up in US Dollars by 8.2% to US$1,196.5 million and Adjusted EBITDA advancing by 1.8% to US$190.0 million, do not reflect the true underlying performance of the Group. The fact is, the US Dollar has appreciated significantly over the last twelve months against many currencies, especially the Euro. Whilst the Group is able to neutralise most of the effect of the rise in US Dollar-denominated input costs through price increases in the market place, the translation effect of a higher dollar cannot be evaded. It is unlikely that we will see such a dead weight on our locally reported sales and profits in the future, although it is quite possible that there will be some further US Dollar appreciation. What is clear is that the US Dollar is some way above its long run average against the Euro, and at some point the trend will reverse or at least stabilise.

In our performance in the first half of 2015 there is much to be pleased about. Behind the numbers, some strong foundations are being laid for future growth. Firstly, it's worth bearing in mind that *Samsonite*, our flagship brand, is still number one in most markets of the world and expanded by 7.5% in constant currency terms. Secondly, we have achieved escape velocity with *American Tourister* in Europe: the long run value to the Group of establishing a second brand in the huge mid-market below *Samsonite* is enormous, and to repeat the success of *American Tourister* in Asia in more mature markets, as well as in Latin America, will be a major driver of future profit growth. Finally, the brands we have acquired more recently are all making an important contribution in different ways: *High Sierra* and *Gregory* will be useful additional weapons in our assault on the casual bag market (which in rough terms is as large as the luggage market); our expectations of growth potential for *Speck* are being exceeded, and we have yet to push the brand outside the US; *Lipault* may be small, but it has a unique franchise appealing especially to women, which can complement our other brands which have a largely masculine image; and although the resuscitation of the *Hartmann* brand is demanding in terms of products, marketing and channel development, we are making exciting progress. As a result of these endeavours, the Group is more diversified in terms of brands, and more broadly spread across categories. For the time being we have eased off acquiring further brands, but the long run opportunity to increase scale and profitability through bolt-on purchases in this manner has been demonstrated, and we will likely revisit it in the future.

The acquisition of brands is not the only source of non-organic growth. We do believe that it is important for the Group to increase its share of direct-to-consumer business, for a variety of reasons, but particularly for our ability to manage directly the presentation of our brands, and the ranging of our products, as well as improved profitability. This does come at the cost, however, of increased overheads in terms of rents, people, fixtures, etc. and to this extent, we will manage carefully the balance between retail and wholesale. That said, there are some interesting opportunities to take on existing retail businesses where they can benefit from increased focus on the Group's brands, and where our distribution can be enhanced. One of the most exciting acquisitions we have made is Rolling Luggage – this will greatly strengthen our presence in the highly relevant airport environment, and provides a solid base for future expansion.

As you will see from the report overleaf, the Group is continuing to invest in advertising, up 2.0% in reported US Dollar terms, but we did rein in our plans in the first half given the currency headwinds. However, on a constant currency basis, our investment was up 12.5% and virtually unchanged as a percentage of net sales. It is our intention to raise our investment in line with sales growth, and the ability of our business to support our brands in this way is a key source of competitive advantage. The long run opportunity for the growth of brands in the bag and luggage segment is very exciting: it is instructive to watch, as I do often, the luggage coming off the carousel at the airport. The percentage of non-established brands is very high, representing a significant opportunity to convert travellers to a recognized brand with a reputation for reliable quality. This does not necessarily mean brands always targeted at the upper and mid-price segments of the market. In this connection our recently-launched *Kamiliant* brand in Asia could represent an entirely new direction aimed at the lower price segment, which can in fact be as profitable as other market segments but based on a different margin, logistics and volume structure.

One of the key strengths of our business, a point we return to frequently, is its diversity in terms of brands, segments and geographical markets. Thus, in the first half of 2015, pockets of local market pressure were more than compensated by good performances elsewhere. For example, spending by incoming tourists to the U.S. was down on account of the strong US Dollar; on the other hand, we had excellent growth in e-commerce and also our recently acquired brands. In Asia, the stellar performance of our Chinese and Japanese businesses has more than compensated for a sluggish Hong Kong market, suffering from the decline in Mainland Chinese tourist spending, and the Middle East Respiratory Syndrome (MERS) outbreak weighing heavily in South Korea. China should receive special mention as the team has adapted effectively to the fast moving shifts in consumer channels and tastes. In Latin America, we have made excellent progress in Mexico, Chile, Colombia and Peru, and the region has moved forward despite some very tough conditions in Brazil. It may take longer than originally planned, but we remain confident of establishing a much more substantial long-term presence in this key market.

This is a good example of the Group's management philosophy in action. As a company we plan carefully, and we use our budgeting process as an intensely practical one to debate every increase in cost and every capital investment proposal. The executive team also works hard to manage to consistent quality standards and the global presentation of our brands. However, we understand that each year challenges, as yet unforeseen, present themselves, and we have to rely on the judgement of our local country managers to make the right calls. We see management as a process of empirical trial and error, with success depending on our ability to run with our winning moves and cut things that do not work. This requires a mentality of risk-taking and the encouragement of new initiatives, not all of which will succeed. The deep sense of a commonly-shared purpose of wanting to be the best, coupled with our willingness to properly delegate decision-taking, are the two key elements in our approach to managing the business. We are confident that this will serve us well as the business becomes more complex in terms of products, brands, price-points and channels to market. And it will not be easy for others to replicate.

Of course, all of this relies on a distinctive style of leadership, and here the Group is fortunate to have Ramesh Tainwala at the helm. He really does lead from the front, usually at stores, across the world, every week. Ramesh also has an instinctive feel for the market, which is often critical to making good long-term and short-term decisions. His unfailing energy and intelligence are a great asset to the talented and experienced executive team at the head of our business. Conditions in this first half may not have been ideal, but your Board and I are confident the Company is establishing a stronger and wider platform for future growth.

Timothy Charles Parker
Chairman
August 26, 2015

CHIEF EXECUTIVE OFFICER'S STATEMENT

Samsonite achieved record net sales of US$1,196.5 million for the six months ended June 30, 2015. On a constant currency basis, the Group's net sales grew by US$183.3 million, representing a 16.6% increase year-on-year, with all of our operating regions achieving solid net sales growth. However, stronger than expected foreign currency headwinds resulted in a negative currency translation impact of US$92.2 million. Despite this impact, US Dollar reported net sales increased by 8.2% year-on-year. We believe this very encouraging set of results, despite challenging economic and trading conditions in almost all of our major markets, underscores the resilience of our multi-brand, multi-category and multi-channel business model.

On a constant currency basis, Samsonite's profit attributable to the equity holders increased by US$8.6 million, or 8.9%, in the first half of 2015 compared to the same period last year. As a result of adverse foreign currency impacts, the Group's US Dollar reported profit attributable to the equity holders decreased by US$2.6 million, or 2.7%, to US$94.4 million for the period.

Adjusted EBITDA, a key measure of performance for our business, rose by 8.4% on a constant currency basis. This was largely offset by a negative currency translation impact of US$12.3 million, resulting in a net increase in Adjusted EBITDA of US$3.3 million to US$190.0 million in the first half of 2015, up 1.8% from the same period last year.

Adjusted Net Income, which excludes certain non-operating and one-off costs, increased by 7.2% on a constant currency basis compared to the first half of 2014. Further excluding foreign exchange translation gains/losses and non-cash stock option expenses, Adjusted Net Income increased by 8.1% year-on-year. US Dollar reported Adjusted Net Income decreased by 3.5% to US$102.1 million.

The Group continued to generate strong operating cash flow of US$79.9 million in the first half of 2015, an increase of 50.3% compared to the US$53.1 million recorded in the same period last year. During the period, we had capital expenditures of US$25.2 million, completed the acquisition of Rolling Luggage for GBP15.5 million (approximately US$23.9 million) and purchased the 40% non-controlling interest in our Russia subsidiary for US$15.6 million. That left the Group with a net cash position of US$85.7 million at June 30, 2015, up by US$12.9 million from December 31, 2014.

On March 16, 2015, the Company's Board of Directors recommended that a cash distribution in the amount of US$88.0 million, or approximately US$0.0624 per share, be made to the Company's shareholders. That represented a 10% increase from the US$80.0 million distribution paid in 2014. The shareholders approved this distribution on June 4, 2015 at the Company's annual general meeting and the distribution was paid on July 13, 2015.

Asia, our largest region, achieved strong organic net sales growth of 14.7% in the first half of 2015, excluding foreign currency effects. Including net sales attributable to the *Gregory* and *Lipault* brands acquired in July 2014 and April 2014, respectively, net sales increased by 17.2% on a constant currency basis. Our team in China capitalized on the strong recovery in the second half of 2014 to deliver a 29.8% increase in constant currency net sales in the first half. South Korea continued to grow, with an increase of 4.8% on a constant currency basis, despite the negative impact from the Middle East Respiratory Syndrome ("MERS") outbreak. On a constant currency basis, net sales in India increased by 13.0% year-on-year. With the help of the Gregory acquisition, Japan posted strong constant currency growth of 44.6%. Excluding net sales attributable to *Gregory*, net sales in Japan increased by 25.4% on a constant currency basis. Other notable performers included Australia with constant currency net sales up 33.5% and Hong Kong (including Macau) where the Gregory acquisition helped to offset the impact of lower tourist arrivals to deliver a constant currency net sales growth of 8.1%. However, currency headwinds caused Asia's US Dollar reported net sales to increase by 11.9% to US$471.4 million.

Performance in North America was largely driven by the *Speck* and *Gregory* brands, which we acquired in May 2014 and July 2014, respectively. Net sales in the region increased by 17.3% excluding foreign currency effects, and by 16.5% on a US Dollar reported basis to US$402.7 million in the first half of 2015. Organic growth of 3.7% was negatively impacted by lower foreign tourist arrivals to gateway markets due to the strong US Dollar as well as the poor weather at the start of 2015, resulting in our retail operations reporting a 5.4% decrease in constant currency same store sales. This was offset by a 13.7% increase in direct-to-consumer e-commerce sales and a 4.6% increase in wholesale sales. Canada also contributed constant currency sales growth of 34.4%.

Despite challenging economic conditions in Europe, the Group achieved a constant currency net sales increase of 17.4%, and of 15.5% excluding the impact of the *Lipault* and *Gregory* acquisitions. This double-digit organic growth was driven largely by the region-wide roll-out of *American Tourister*. Germany, our number one market in the region, saw net sales increase by 17.3% on a constant currency basis. The United Kingdom also did well, with constant currency sales growing by 52.7% helped by the addition of 12 Rolling Luggage stores. Italy and Spain achieved constant currency net sales growth of 6.5% and 13.0%, respectively. France posted constant currency growth of 13.6% including contribution from the *Lipault* brand which we acquired in April 2014. The Group's business in Russia was negatively impacted by the economic downturn in Russia and devaluation of the Russian Ruble, but still managed to generate constant currency revenue growth of 2.4%. Constant currency net sales in Turkey and South Africa grew by 44.6% and 27.2%, respectively, as we continued to penetrate these emerging markets. However, US Dollar reported net sales in Europe decreased by 4.4% to US$255.0 million in the first half of 2015 due to the general weakening of currencies in the region.

Latin America posted a respectable performance in the first half, considering the negative economic impact on the region from weak commodity prices and volatile currencies. Our main markets of Chile and Mexico both recorded solid constant currency growth of 10.9% and 19.7%, respectively. The new markets of Colombia and Peru saw constant currency sales growth of 56.0% and 26.8%, respectively. Unfortunately much of this was offset by a 41.1% decline in constant currency net sales in Brazil, due to a sharp slowdown in the local economy. Excluding net sales attributable to Brazil, net sales in Latin America increased by 14.8% on a constant currency basis. Excluding foreign currency effects, net sales for the region increased by 7.3% overall. These positive gains were offset by currency headwinds with US Dollar reported net sales for the region decreasing by 6.1% to US$62.9 million in the first half of 2015.

We continued to execute our strategy of deploying multiple brands to target different price points and product categories as well as adapting our brands and products to suit local market conditions. This has enabled us to achieve steady growth across all of our brands and product categories. From a brand perspective, net sales of the core *Samsonite* brand increased by 7.5% year-on-year in the first half of 2015, excluding foreign currency effects. This performance was driven by a 15.1% constant currency growth in Asia, with net sales of the *Samsonite* brand growing by 11.7% and the *Samsonite Red* sub-brand increasing by 39.6%. Excluding foreign currency effects, net sales of the *American Tourister* brand increased by 18.4% compared to the first half of 2014. This performance was driven by the successful rollout of the brand in Europe where net sales increased by 127.0% and steady growth of 9.6% for the brand in Asia. The *Hartmann* and *High Sierra* brands continued their expansion into Asia and Europe, and posted first half constant currency net sales growth of 9.7% and 5.3%, respectively. Our three 2014 acquisitions, *Lipault*, *Speck* and *Gregory*, contributed net sales of US$4.4 million, US$50.2 million and US$18.0 million, respectively, to the Group's first half results. Reflecting our strategy to diversify our brand portfolio, our core *Samsonite* brand's contribution to the Group's net sales decreased to 61.5% of total net sales in the first half of 2015 from 67.3% in the same period last year.

First half net sales in our core travel category were up strongly at 9.5%, excluding foreign currency effects. Our strategy of localizing products and marketing campaigns continued to help the *Samsonite* and *American Tourister* brands capture greater travel luggage market share around the world. The continued success of the *Samsonite Red* sub-brand in Asia, the expansion of *High Sierra* and the contribution from *Gregory* together increased our casual category net sales by 21.7%. Excluding foreign currency effects, our business and accessories categories delivered strong organic growth of 23.1% and 21.9%, respectively, in the first half of 2015. Including *Speck,* our business and accessories categories delivered constant currency net sales growth of 44.4% and 52.7%, respectively. As a result, the share of the travel category in our business decreased from 72.2% last year to 67.6% in the first half of 2015.

We believe that enhancing our brands' engagement with the end consumer will help maintain our competitive advantage over the long term. We aim to achieve this by expanding the direct-to-consumer side of our business, through both on- and off-line channels, both organically as well as through acquisitions. We acquired Rolling Luggage on February 16, 2015 for a total purchase price of GBP15.5 million (approximately US$23.9 million). The acquisition provides Samsonite with a significant retail footprint in some of the leading airports in Europe and the Asia Pacific region, giving the Group a great multi-brand platform to showcase our brands and collections. Including 33 stores that came with the Rolling Luggage acquisition, we added a total of 130 net new company-operated stores since June 30, 2014. We also posted good results in our direct-to-consumer e-commerce business, with constant currency net sales growth of 29.0% driven by North America (up 29.9%), Asia (up 28.4%) and Europe (up 28.3%). However, the Group's retail same store sales decreased by 0.5% year-on-year. This was partly due to a 5.8% constant currency same store sales decline in Asia as a result of fewer visitors from Mainland China travelling to Hong Kong as well as the MERS outbreak in South Korea. A 5.4% decline in North America due to the impact of the strong US Dollar on gateway tourist markets also contributed to the decline in retail same store sales. That was partially offset by constant currency same store sales growth of 8.2% and 2.5% in Europe and Latin America, respectively. Overall, retail net sales in the retail channel increased by 20.9% on a constant currency basis. Excluding foreign currency effects, net sales in the wholesale channel increased by 15.6%.

Our continued investment in marketing remains core to our strategy and underpins our brands' long-term competitive advantage. In the first half, we increased advertising spend as a percentage of net sales by about 120 basis points in Europe to support the roll-out of the *American Tourister* brand and drive sales ahead of the summer high selling months, but offset that by reducing advertising spend in Asia by about 150 basis points as a percentage of net sales to help mitigate some of the negative impact on profits from the strong US Dollar. Overall, the Group spent US$70.8 million on marketing in the first half of 2015, an increase of 2.0% compared to the same period last year. First half advertising spend as a percentage of total net sales was slightly down at 5.9% in 2015 compared to 6.3% last year. On a constant currency basis, advertising spend increased by 12.5% year-on-year, representing 6.1% of net sales, down only by about 20 basis points compared to the first half of 2014.

Looking ahead to the rest of the year, we expect the negative currency translation impact from the strong US Dollar to continue to affect our results across all geographies. We also expect market conditions to remain challenging around the world. As a global business, the challenges and opportunities facing Samsonite differ region by region and from country to country. Yet I am confident that our experienced and motivated regional and country management teams will continue to find and creatively exploit pockets of opportunity to gain market share as we have successfully done in the past.

With the UNWTO forecasting international tourist arrivals growth of between 3% and 4% in 2015 and travel products still accounting for about two-thirds of our sales, we will concentrate on driving further market share gains in this product category. We are very pleased with the performance of the *American Tourister* brand, which saw constant currency net sales growth of 18.4% in the first half of 2015, with Europe growing by 127.0%, and we will continue to invest in the brand to drive its global expansion.

Further down the price pyramid, we see significant untapped potential in the entry price segment of the luggage market. We have dipped our toes in this part of the market with the launch of the internally developed *Kamiliant* brand in Asia. It has shown early promise and we will continue to expand the distribution of *Kamiliant* in the region, especially in e-commerce channels where the brand has received a positive reception.

We also see good potential in the non-travel product categories, especially the large but highly fragmented backpack and casual bag market where our market share is currently minimal. We believe our strategy of deploying multiple brands across categories and price points will provide us with the building blocks for sustained long-term growth. We have *Samsonite* targeting the business segment, *Samsonite Red* and *American Tourister* in the casual segment and *Gregory* and *High Sierra* in the outdoor segment.

The women's bag market also offers enticing potential for long term growth. The *Lipault* brand has already proven able to compete effectively in this category in its home market of France. Feedback has been promising from the brand's test launch in selected Asian markets, such as South Korea and Australia, during the first half of the year. We will follow up with the opening of more *Lipault* points-of-sale in both Europe and Asia in the second half. The potential for long term growth is also good with *Hartmann* in the luxury segment. We will continue to raise its profile by investing more in marketing and expanding its distribution into key high-end department stores, airports and premium outlet centres. But given our tiny presence in the women's and luxury categories today, growing *Lipault* and *Hartmann* will require patience.

E-commerce is our most buoyant distribution channel by far, growing by 36.1% year-on-year in the first half of 2015, excluding foreign currency effects. We saw strong double-digit growth from both the Group's direct-to-consumer e-commerce business, which is included within the retail channel, and net sales to e-tailers, which are included within the wholesale channel. As a result, e-commerce's contribution to the Group's net sales rose to 7.2% in the first half of 2015 compared to 6.1% in the same period last year. We will continue to invest to drive our growth in this channel.

Although there are many avenues for organic growth ahead of us, the highly fragmented nature of our markets means we continue to see interesting acquisition opportunities that could help strengthen our business in less-represented product categories or under-penetrated channels. While we take a pause in acquiring further brands to concentrate on integrating *Speck*, *Gregory* and *Lipault* into the business, we remain on the lookout for opportunities that have a compelling strategic fit and which would allow us to leverage Samsonite's strong management team and balance sheet capacity.

While the Group focuses on identifying and exploiting new opportunities to drive top-line growth, we have not lost sight of the importance of effectively managing the back end of our business to expand the bottom line. Indeed, optimizing our operations is a traditional area of strength for Samsonite. First half working capital efficiency stood at 13.7% of net sales at June 30, 2015 compared to 16.0% at June 30, 2014. We will continue to focus on improving the efficiency and effectiveness of the Group's supply chain and global distribution network. This will include both collaborating with our vendors to achieve product cost savings as well as further integrating *Speck*, *Gregory* and *Lipault* into the Group's existing business and to realize anticipated synergies in sourcing, systems and back-office support functions.

I would like to take this opportunity to pay tribute to Tim Parker, our Chairman, for his invaluable guidance. I would also like to thank my fellow senior management team members Kyle Gendreau, Tom Korbas, Fabio Rugarli, Leo Suh, Frank Ma, Roberto Guzmán and John Livingston. Together with our employees, suppliers and business partners around the world, they have made it possible for the Group to achieve these positive results in the first half of 2015. I look forward to working closely with them and our teams around the world to achieve the full potential of our business.

Ramesh Dungarmal Tainwala
Chief Executive Officer
August 26, 2015

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(Expressed in thousands of US Dollars, except per share data)	Note	Six months ended June 30, **2015**	2014
Net sales	4	**1,196,466**	1,105,321
Cost of sales		**(574,555)**	(516,661)
Gross profit		**621,911**	588,660
Distribution expenses		**(320,541)**	(288,378)
Marketing expenses		**(70,774)**	(69,361)
General and administrative expenses		**(76,691)**	(73,404)
Other expenses		**(6,942)**	(5,204)
Operating profit	4	**146,963**	152,313
Finance income	19	**271**	201
Finance costs	19	**(6,051)**	(3,636)
Net finance costs		**(5,780)**	(3,435)
Profit before income tax		**141,183**	148,878
Income tax expense	18	**(36,569)**	(39,310)
Profit for the period		**104,614**	109,568
Profit attributable to the equity holders		**94,390**	96,976
Profit attributable to non-controlling interests		**10,224**	12,592
Profit for the period		**104,614**	109,568
Earnings per share			
Basic earnings per share *(Expressed in US Dollars per share)*	5	**0.067**	0.069
Diluted earnings per share *(Expressed in US Dollars per share)*	5	**0.067**	0.069

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(Expressed in thousands of US Dollars)	Note	Six months ended June 30, **2015**	2014
Profit for the period		**104,614**	109,568
Other comprehensive income (loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Changes in fair value of cash flow hedges, net of tax	18	**1,993**	782
Foreign currency translation losses for foreign operations		**(17,026)**	(6,056)
Other comprehensive loss		**(15,033)**	(5,274)
Total comprehensive income		**89,581**	104,294
Total comprehensive income attributable to the equity holders		**80,596**	94,983
Total comprehensive income attributable to non-controlling interests		**8,985**	9,311
Total comprehensive income for the period		**89,581**	104,294

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of US Dollars)	Note	**(Unaudited) June 30, 2015**	December 31, 2014
Non-Current Assets			
Property, plant and equipment, net	8	**172,363**	178,325
Goodwill	7	**291,623**	270,079
Other intangible assets, net	9	**764,549**	766,687
Deferred tax assets		**58,487**	57,752
Other assets and receivables		**25,283**	23,195
Total non-current assets		**1,312,305**	1,296,038
Current Assets			
Inventories	10	**345,047**	332,274
Trade and other receivables, net	11	**316,266**	290,841
Prepaid expenses and other assets		**82,423**	71,718
Cash and cash equivalents	12	**203,035**	140,423
Total current assets		**946,771**	835,256
Total assets		**2,259,076**	2,131,294
Equity and Liabilities			
Equity:			
Share capital	13	**14,097**	14,080
Reserves		**1,252,601**	1,255,608
Total equity attributable to equity holders		**1,266,698**	1,269,688
Non-controlling interests		**37,685**	37,752
Total equity		**1,304,383**	1,307,440

(Expressed in thousands of US Dollars)	Note	**(Unaudited)** **June 30, 2015**	December 31, 2014
Non-Current Liabilities			
Loans and borrowings	14(a)	**59**	18
Employee benefits		**50,253**	49,657
Non-controlling interest put options	21(b)	**54,415**	58,288
Deferred tax liabilities		**107,750**	107,625
Other liabilities		**4,295**	4,704
Total non-current liabilities		**216,772**	220,292
Current Liabilities			
Loans and borrowings	14(b)	**115,625**	65,131
Employee benefits		**70,601**	62,022
Trade and other payables	16	**497,142**	415,445
Current tax liabilities		**54,553**	60,964
Total current liabilities		**737,921**	603,562
Total liabilities		**954,693**	823,854
Total equity and liabilities		**2,259,076**	2,131,294
Net current assets		**208,850**	231,694
Total assets less current liabilities		**1,521,155**	1,527,732

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(Expressed in thousands of US Dollars)	Note	Six months ended June 30, 2015	2014
Cash flows from operating activities:			
Profit for the period		**104,614**	109,568
Adjustments to reconcile profit to net cash generated from operating activities:			
Loss (gain) on sale and disposal of assets, net		**55**	(73)
Depreciation	8	**23,229**	19,353
Amortization of intangible assets	9	**5,120**	4,208
Provision for doubtful accounts		**84**	436
Change in fair value of put options	21(b)	**2,057**	2,491
Income tax expense	18	**36,569**	39,310
Non-cash share-based compensation	15	**7,831**	5,621
		179,559	180,914
Changes in operating assets and liabilities (excluding allocated purchase price in business combinations):			
Trade and other receivables		**(32,614)**	(54,422)
Inventories		**(20,665)**	(25,675)
Other current assets		**(8,747)**	(227)
Trade and other payables		**12,598**	(7,939)
Other assets and liabilities, net		**(7,036)**	(4,945)
Cash generated from operating activities		**123,095**	87,706
Interest paid		**(936)**	(776)
Income tax paid		**(42,277)**	(33,793)
Net cash generated from operating activities		**79,882**	53,137

(Expressed in thousands of US Dollars)	Note	Six months ended June 30, **2015**	2014
Cash flows from investing activities:			
Purchases of property, plant and equipment	8	**(25,174)**	(31,119)
Acquisition of businesses, net of cash acquired	7	**(23,862)**	(112,450)
Other (uses) proceeds		**(2,777)**	397
Net cash used in investing activities		**(51,813)**	(143,172)
Cash flows from financing activities:			
Borrowings of current loans and borrowings		**50,517**	80,458
Acquisition of non-controlling interest	13(b)	**(15,560)**	—
Proceeds from stock option exercises		**5,896**	2,455
Dividend payments to non-controlling interests		**(6,967)**	(6,620)
Net cash generated from financing activities		**33,886**	76,293
Net increase (decrease) in cash and cash equivalents		**61,955**	(13,742)
Cash and cash equivalents, at January 1		**140,423**	225,347
Effect of exchange rate changes on cash and cash equivalents		**657**	(6,736)
Cash and cash equivalents, at June 30	12	**203,035**	204,869

The accompanying notes form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(1) Background

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

The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company was incorporated in Luxembourg on March 8, 2011 as a public limited company (a société anonyme), whose registered office is 13–15 Avenue de la Liberté, L-1931, Luxembourg.

This consolidated interim financial information was authorized for issuance by the Company's Board of Directors (the "Board") on August 25, 2015 and is unaudited.

(2) Basis of Preparation

(a) Statement of Compliance

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated interim financial statements should be read in conjunction with the Group's audited consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which collective term includes all International Accounting Standards ("IAS") and related interpretations, as issued by the International Accounting Standards Board ("IASB").

There were no changes in the Group's business or economic circumstances which affected the fair value of the financial assets and financial liabilities, whether recognized at fair value or amortized cost, during the six months ended June 30, 2015. There were no transfers between the levels of the fair value hierarchy used in measuring the fair value of financial instruments and there were no changes in the classification of financial assets during the six months ended June 30, 2015.

Cash-generating units ("CGU") and intangible assets were not tested for impairment, as there were no impairment indicators during the six months ended June 30, 2015.

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

The Group has not performed independent actuarial valuations of its defined benefit obligation plans as of June 30, 2015.

(b) Basis of Measurement

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

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

(c) Functional and Presentation Currency

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

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

(d) Use of Judgments, Estimates and Assumptions

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

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

(3) Summary of Significant Accounting Policies

(a) Significant Accounting Policies

The accounting policies and judgments applied by the Group used in the preparation of this consolidated interim financial information are consistent with those applied by the Group in the consolidated annual financial statements as of and for the year ended December 31, 2014.

(b) Changes in Accounting Policies

The IASB has issued a number of new, revised and amended IFRSs. For the purpose of preparing the consolidated interim financial information for the six months ended June 30, 2015, there were no new or revised IFRSs yet effective.

(c) New Standards and Interpretations Not Yet Adopted

Certain new standards, amendments to standards and interpretations are not yet effective for the six months ended June 30, 2015, and have not been applied in preparing these consolidated interim financial statements.

In July 2014, the IASB issued the final element of its comprehensive response to the financial crisis by issuing IFRS 9, *Financial Instrument*s (”IFRS 9”). The improvements introduced by IFRS 9 include a logical model for classification and measurement, a single forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. IFRS 9 will come into effect on January 1, 2018 with early application permitted. The Group has not determined the extent of the impact on its consolidated financial statements.

In May 2014, the IASB issued IFRS 15, *Revenue from Contract with Customers* (”IFRS 15”). IFRS 15 sets out requirements for recognizing revenue that applies to all contracts with customers. IFRS 15 is effective as of January 1, 2018 with earlier application permitted. The Group has not determined the extent of the impact on its consolidated financial statements.

(4) Segment Reporting

The reportable segments for the six months ended June 30, 2015 are consistent with the reportable segments included within the annual consolidated financial statements as of and for the year ended December 31, 2014.

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

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

Segment information as of and for the six months ended June 30, 2015 and June 30, 2014 is as follows:

	Six months ended June 30, 2015					
(Expressed in thousands of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate**	**Consolidated**
External revenues	**471,426**	**402,710**	**255,006**	**62,895**	**4,429**	**1,196,466**
Operating profit	**60,882**	**27,321**	**14,648**	**993**	**43,119**	**146,963**
Operating profit (loss) excluding intragroup charges	**93,059**	**53,730**	**22,696**	**2,856**	**(25,378)**	**146,963**
Depreciation and amortization	**10,180**	**6,228**	**8,616**	**2,126**	**1,199**	**28,349**
Capital expenditures	**7,799**	**5,910**	**8,357**	**2,975**	**133**	**25,174**
Interest income	**215**	**1**	**43**	**12**	**—**	**271**
Interest expense	**85**	**53**	**118**	**201**	**1,366**	**1,823**
Income tax expense (benefit)	**16,134**	**10,893**	**4,675**	**(110)**	**4,977**	**36,569**
Total assets	**612,113**	**739,122**	**480,100**	**92,497**	**335,244**	**2,259,076**
Total liabilities	**244,665**	**477,691**	**262,524**	**61,307**	**(91,494)**	**954,693**

	Six months ended June 30, 2014					
(Expressed in thousands of US Dollars)	Asia	North America	Europe	Latin America	Corporate	Consolidated
External revenues	421,381	345,772	266,811	66,966	4,391	1,105,321
Operating profit	48,981	30,103	31,381	4,822	37,026	152,313
Operating profit (loss) excluding intragroup charges	78,155	55,955	35,055	6,195	(23,047)	152,313
Depreciation and amortization	8,907	3,513	8,394	2,016	731	23,561
Capital expenditures	6,954	2,189	19,268	1,351	1,357	31,119
Interest income	189	2	56	(47)	1	201
Interest expense	309	16	89	72	909	1,395
Income tax expense	12,677	12,615	10,852	643	2,523	39,310
Total assets	530,959	668,993	507,397	102,077	345,397	2,154,823
Total liabilities	223,739	517,400	265,011	67,450	(171,439)	902,161

(5) Earnings Per Share

(a) Basic

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended June 30, 2015 and June 30, 2014.

	Six months ended June 30,	
(Expressed in thousands of US Dollars, except share and per share data)	**2015**	2014
Issued ordinary shares at the beginning of the period	**1,408,026,456**	1,407,137,004
Weighted-average impact of share options exercised during the period	**953,900**	379,398
Weighted-average number of shares at end of the period	**1,408,980,356**	1,407,516,402
Profit attributable to the equity holders	**94,390**	96,976
Basic earnings per share *(Expressed in US Dollars per share)*	**0.067**	0.069

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended June 30,	
(Expressed in thousands of US Dollars, except share and per share data)	**2015**	2014
Weighted-average number of ordinary shares (basic)	**1,408,980,356**	1,407,516,402
Effect of share options	**3,094,205**	1,815,107
Weighted-average number of shares at end of the period	**1,412,074,561**	1,409,331,509
Profit attributable to the equity holders	**94,390**	96,976
Diluted earnings per share *(Expressed in US Dollars per share)*	**0.067**	0.069

(c) Dividends and Distributions

On March 16, 2015, the Board recommended that a cash distribution in the amount of US$88.0 million, or approximately US$0.0624 per share, be made to the Company's shareholders of record on June 17, 2015 from its ad hoc distributable reserve. The shareholders approved this distribution on June 4, 2015 at the annual general meeting and the distribution was paid on July 13, 2015.

No other dividends or distributions were declared or paid during the six months ended June 30, 2015.

(6) Seasonality of Operations

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

(7) Business Combinations

The Group completed one acquisition during the six months ended June 30, 2015.

(a) Rolling Luggage

On February 16, 2015, certain of the Company's wholly-owned subsidiaries completed the acquisition of the business and substantially all of the assets of Rolling Luggage for a cash consideration of GBP15.75 million, with a subsequent working capital adjustment of GBP(0.25) million, for a total purchase price of GBP15.50 million, subject to a purchase price adjustment for any leases that are not successfully transferred. The acquisition provides the Group with a significant retail footprint in some of the world's leading airports, and further expands the Group's portfolio of retail store locations.

From the date of acquisition, Rolling Luggage contributed US$12.8 million of revenue and net income of US$44 thousand to the consolidated financial results of the Group for the six months ended June 30, 2015.

The following table summarizes the recognized amounts of assets and liabilities acquired and liabilities assumed at the acquisition date as an allocation of the purchase price.

(Expressed in thousands of US Dollars)

Property, plant and equipment	1,072
Identifiable intangible assets	770
Other non-current assets	1,463
Inventories	2,322
Other current assets	11
Trade and other payables	(3,258)
Other current liabilities	(1,268)

Per IFRS 3, *Business Combinations,* an acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date. The measurement period has not ended as of June 30, 2015.

Goodwill in the amount of US$22.8 million was recognized as a result of the acquisition. The goodwill is attributable mainly to the synergies expected to be achieved from integrating Rolling Luggage into the Group's existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

(b) Pro Forma Results

If the acquisition had occurred on January 1, 2015, the Group estimates that consolidated net sales for the six months ended June 30, 2015 would have been approximately US$1,200.6 million and consolidated profit for the period would have been approximately US$104.0 million. In determining these amounts, the Group has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2015.

(c) Acquisition-related Costs

The Group incurred approximately US$2.7 million in acquisition related costs during the six months ended June 30, 2015. Such costs are primarily comprised of costs associated with due diligence and integration activities, as well as professional and legal fees, and are recognized within other expenses on the income statement.

(8) Property, Plant and Equipment, Net

For the six months ended June 30, 2015 and June 30, 2014, the cost of additions to property, plant and equipment was US$25.2 million and US$31.1 million, respectively, excluding assets acquired through business combinations. Depreciation expense for the six months ended June 30, 2015 and June 30, 2014 amounted to US$23.2 million and US$19.4 million, respectively. Of this amount, US$3.7 million and US$3.4 million were included in cost of sales during the first half of 2015 and the first half of 2014, respectively. Remaining amounts were presented in distribution and general and administrative expenses.

(9) Other Intangible Assets

Amortization expense for the six months ended June 30, 2015 and June 30, 2014 amounted to US$5.1 million and US$4.2 million, respectively, which is included within distribution expenses on the consolidated income statement.

In accordance with IAS 36, *Impairment of Assets*, the Group is required to evaluate its intangibles with definite useful lives for potential impairment whenever events or changes in circumstance indicate that their carrying amount might not be recoverable. There were no impairment indicators during the six months ended June 30, 2015.

(10) Inventories

Inventories consist of the following:

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Raw materials	**23,749**	17,558
Work in process	**248**	2,099
Finished goods	**321,050**	312,617
Total inventories	**345,047**	332,274

The amounts above include inventories carried at net realizable value (estimated selling price less costs to sell) of US$92.2 million and US$102.8 million as of June 30, 2015 and December 31, 2014, respectively. For the six months ended June 30, 2015 and June 30, 2014, the impairment of inventories to net realizable value amounted to US$0.5 million and US$1.3 million, respectively. For the six months ended June 30, 2015 and June 30, 2014, the reversal of impairments recognized in profit or loss amounted to US$0.0 million and US$0.2 million, respectively, where the Group was able to sell the previously written down inventories at higher selling prices than previously estimated.

(11) Trade and Other Receivables

Trade and other receivables are presented net of related allowances for doubtful accounts of US$12.5 million and US$13.5 million as of June 30, 2015 and December 31, 2014, respectively.

Included in trade and other receivables are trade receivables (net of allowance for doubtful accounts) of US$306.4 million and US$276.3 million as of June 30, 2015 and December 31, 2014, respectively, with the following aging analysis as of the reporting dates:

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Current	**253,849**	234,230
Past due	**52,569**	42,066
Total trade receivables	**306,418**	276,296

Credit terms are granted based on the credit worthiness of individual customers. Trade receivables as of June 30, 2015 are on average due within 60 days from the date of billing.

(12) Cash and Cash Equivalents

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Bank balances	**178,441**	138,906
Short-term investments	**24,594**	1,517
Total cash and cash equivalents	**203,035**	140,423

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

As of June 30, 2015 and December 31, 2014 the Group had no restrictions on the use of any of its cash.

(13) Share Capital and Reserves

(a) Ordinary Shares

During the six months ended June 30, 2015, the Company issued 1,701,697 ordinary shares at a weighted-average exercise price of HK$19.11 per share in connection with the exercise of vested share options that were granted under the Company's Share Award Scheme. There were no other movements in the share capital of the Company during the first half of 2015.

During the six months ended June 30, 2014, the Company issued 777,340 ordinary shares at a weighted-average exercise price of HK$17.36 per share in connection with the exercise of vested share options that were granted under the Company's Share Award Scheme. There were no other movements in the share capital of the Company during the first half of 2014.

(b) Acquisition of Non-controlling Interests

In June 2015, the Group acquired the 40 percent non-controlling interest in its Russian subsidiary for US$15.6 million in cash, and a final working capital adjustment of US$0.2 million settled in July 2015, increasing its ownership from 60 percent to 100 percent. The carrying amount of the Russian subsidiary's net assets in the consolidated financial statements on the date of acquisition was US$5.1 million. The Group recognized a decrease in non-controlling interest of US$2.1 million and a decrease in retained earnings of US$6.0 million.

(14) Loans and Borrowings

(a) Non-current Obligations

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

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Finance lease obligations	**87**	32
Less current installments	**(28)**	(14)
Non-current loans and borrowings	**59**	18

(b) Current Obligations and Credit Facilities

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

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Revolving Facility	**103,413**	60,000
Other lines of credit	**13,785**	7,536
Finance lease obligations	**28**	14
Total current obligations	**117,226**	67,550
Less deferred financing costs	**(1,601)**	(2,419)
Current loans and borrowings	**115,625**	65,131

The Group maintains a revolving credit facility (the "Revolving Facility") in the amount of US$500.0 million. The facility can be increased by an additional US$300.0 million, subject to lender approval. The Revolving Facility has 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 Revolving Facility is 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 Revolving Facility carries 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 joins the Revolving Facility. The Revolving Facility is secured by certain of the Group's assets in the United States and Europe, as well as the Group's intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Group's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Group was in compliance with the financial covenants as of June 30, 2015. As of June 30, 2015, US$394.1 million was available to be borrowed on the Revolving Facility as a result of US$103.4 million of outstanding borrowings and the utilization of US$2.5 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2014, US$437.5 million was available to be borrowed as a result of US$60.0 million of outstanding borrowings and the utilization of US$2.5 million of the facility for outstanding letters of credit extended to certain creditors.

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$13.8 million and US$7.5 million as of June 30, 2015 and December 31, 2014, respectively.

(15) Employee Benefits

Employee benefits expense, which consists of payroll, pension plan expenses, share-based payments and other benefits, amounted to US$146.6 million and US$136.6 million for the six months ended June 30, 2015 and June 30, 2014, respectively. Of these amounts, US$11.3 million and US$12.4 million were included in cost of sales, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses.

Share-based Payment

On September 14, 2012, the Company's shareholders adopted the Company's Share Award Scheme to remain in effect until September 13, 2022. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Awards under the Share Award Scheme may take the form of either share options or restricted share units ("RSUs"), which may be granted at the discretion of the Board to directors, employees or such other persons as the Board may determine.

The exercise price of share options is determined at the time of grant by the Board in its absolute discretion, but in any event shall not be less than the higher of:

a) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant;

b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

c) the nominal value of the shares.

As of July 31, 2015 (the "Latest Practicable Date"), the maximum aggregate number of shares in respect of which awards may be granted pursuant to the Share Award Scheme was 88,034,884 shares, representing approximately 6.2% of the issued share capital of the Company at that date. An individual participant may be granted awards pursuant to the Share Award Scheme in respect of a maximum of 1% of the Company's total issued shares in any 12-month period. Any grant of awards to an individual participant in excess of this limit is subject to independent shareholder's approval.

On January 7, 2015, the Group granted an additional 16,006,812 share options to certain directors, key management personnel, and other employees. The exercise price of the options granted was HK$23.31. Such options are subject to *pro rata* vesting over a 4-year period, with 25% of the options vesting on each anniversary date of the grant. Such options have a 10-year term.

On January 7, 2015, the Group made an additional special grant of 10,040,399 share options to an Executive Director and to five additional members of the Group's senior management team. The exercise price of the options granted was HK$23.31. 60% of such options will vest on January 7, 2018 and 40% will vest on January 7, 2020. Such options have a 10-year term.

In accordance with the terms of the share options, holders of vested options are entitled to buy newly issued ordinary shares of the Company at a purchase price per share equal to the exercise price of the options. The fair value of services received in return for share options granted is based on the fair value of share options granted measured using the Black-Scholes valuation model. The fair value calculated for share options is inherently subjective due to the assumptions made and the limitations of the model utilized.

The grant-date fair value of the share options granted is recognized as an expense, with a corresponding increase in equity when such options represent equity-settled awards, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the vesting conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the vesting conditions at the vesting date.

The following inputs were used in the measurement of the fair value at grant date of the share-based payment of 16,006,812 share options made on January 7, 2015:

Fair value at grant date	HK$7.57
Share price at grant date	HK$23.10
Exercise price	HK$23.31
Expected volatility (weighted average volatility)	40.0%
Option life (expected weighted average life)	6.25 years
Expected dividends	1.9%
Risk-free interest rate (based on government bonds)	1.4%

The following inputs were used in the measurement of the fair value at grant date of the share-based payment made of 10,040,399 share options on January 7, 2015:

Fair value at grant date	HK$7.94
Share price at grant date	HK$23.10
Exercise price	HK$23.31
Expected volatility (weighted average volatility)	40.4%
Option life (expected weighted average life)	7.0 years
Expected dividends	1.9%
Risk-free interest rate (based on government bonds)	1.4%

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

In total, share-based compensation expense of US$7.8 million and US$5.6 million was included in the consolidated income statement for the six months ended June 30, 2015 and June 30, 2014, respectively.

Particulars and movements of share options during the six months ended June 30, 2015 were as follows:

	Number of Options	Weighted-average exercise price
Outstanding at January 1, 2015	26,741,866	HK$20.13
Granted during the period	26,047,211	HK$23.31
Exercised during the period	(1,701,697)	HK$19.11
Cancelled / lapsed during the period	(999,713)	HK$21.02
Outstanding at June 30, 2015	50,087,667	HK$21.80
Exercisable at June 30, 2015	8,115,014	HK$19.28

At June 30, 2015, the range of exercise prices for outstanding share options was HK$17.36 to HK$24.77 with a weighted average contractual life of 8.8 years.

(16) Trade and Other Payables

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Accounts payable	**330,871**	316,509
Other payables and accruals	**72,173**	92,155
Cash distribution payable to equity holders	**88,000**	—
Other tax payables	**6,098**	6,781
Total trade and other payables	**497,142**	415,445

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

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Current	**252,277**	234,857
Past due	**22,892**	26,855
Total trade payables	**275,169**	261,712

Trade payables as of June 30, 2015 are on average due within 105 days from the invoice date.

(17) Commitments

(a) Capital Commitments

The Group’s capital expenditures budget for 2015 is approximately US$81.6 million. Capital commitments outstanding as of June 30, 2015 and December 31, 2014 were US$18.2 million and US$16.7 million, respectively, which were not recognized as liabilities in the consolidated statement of financial position as they do not meet the recognition criteria.

(b) Operating Lease Commitments

The Group's lease obligations primarily consist of non-cancellable leases of office, warehouse and retail store space and equipment. As of June 30, 2015 and December 31, 2014, future minimum payments under non-cancellable leases were as follows:

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Within one year	**90,504**	74,018
After one year but within two years	**74,670**	62,286
After two years but within five years	**126,392**	98,483
More than five years	**75,609**	61,375
Total operating lease commitments	**367,175**	296,162

Rent expense under cancellable and non-cancellable operating leases for the six months ended June 30, 2015 and June 30, 2014 amounted to US$57.5 million and US$52.7 million, respectively.

(18) Income Taxes

(a) Taxation in the Consolidated Income Statement

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective reported tax rate in respect of continuing operations for the six months ended June 30, 2015 and June 30, 2014 was 25.9% and 26.4%, respectively. The decrease in the consolidated effective reported tax rate is primarily the result of the global mix in profitability in various high and low tax jurisdictions.

Taxation in the consolidated income statement for the six months ended June 30, 2015 and June 30, 2014 consisted of the following:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Hong Kong profits tax expense	**565**	799
Foreign profits tax expense	**36,004**	38,511
Income tax expense	**36,569**	39,310

Income tax expense for Hong Kong profits was calculated at an effective tax rate of 16.5% for the six months ended June 30, 2015 and June 30, 2014.

(b) Income Tax (expense) Benefit Recognized in Other Comprehensive Income

	Six months ended June 30, 2015			Six months ended June 30, 2014		
(Expressed in thousands of US Dollars)	**Before tax**	**Income tax (expense) benefit**	**Net of tax**	Before tax	Income tax (expense) benefit	Net of tax
Cash flow hedges	**3,044**	**(1,051)**	**1,993**	1,229	(447)	782
Foreign currency translation differences for foreign operations	**(17,026)**	**–**	**(17,026)**	(6,056)	–	(6,056)
	(13,982)	**(1,051)**	**(15,033)**	(4,827)	(447)	(5,274)

(19) Finance Income and Finance Costs

The following table presents a summary of finance income and finance costs recognized in the consolidated income statement for the six months ended June 30, 2015 and June 30, 2014:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Recognized in profit or loss:		
Interest income on bank deposits	**271**	201
Total finance income	**271**	201
Interest expense on financial liabilities measured at amortized cost	**(1,823)**	(1,395)
Change in fair value of put options	**(2,057)**	(2,491)
Net foreign exchange gain (loss)	**(664)**	1,674
Other finance costs	**(1,507)**	(1,424)
Total finance costs	**(6,051)**	(3,636)
Net finance costs recognized in profit or loss	**(5,780)**	(3,435)
Recognized in other comprehensive income:		
Foreign currency translation differences for foreign operations	**(17,026)**	(6,056)
Changes in fair value of cash flow hedges, net of tax	**1,993**	782
Net finance costs recognized in other comprehensive income, net of tax	**(20,813)**	(8,709)

(20) Contingent Liabilities

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

The Group did not settle any significant litigation during the six months ended June 30, 2015.

(21) Financial Instruments

(a) Fair Value Versus Carrying Amounts

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

(b) Fair Value Hierarchy

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

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

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

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

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

The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) as of June 30, 2015 and December 31, 2014:

		Fair value measurements at reporting date using		
(Expressed in thousands of US Dollars)	**June 30, 2015**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets:				
Cash and cash equivalents	**203,035**	**203,035**	–	–
Foreign currency forward contracts	**6,356**	**6,356**	**–**	**–**
Total assets	**209,391**	**209,391**	–	–
Liabilities:				
Non-controlling interest put option	**54,415**	**–**	**–**	**54,415**
Total liabilities	**54,415**	**–**	**–**	**54,415**

(Expressed in thousands of US Dollars)	December 31, 2014	Fair value measurements at reporting date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash and cash equivalents	140,423	140,423	–	–
Foreign currency forward contracts	7,311	7,311	–	–
Total assets	147,734	147,734	–	–
Liabilities:				
Non-controlling interest put options	58,288	–	–	58,288
Total liabilities	58,288	–	–	58,288

Certain non-U.S. subsidiaries of the Group periodically enter into forward contracts related to the purchase of inventory denominated primarily in US Dollars which are designated as cash flow hedges. The hedging effectiveness was tested in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*. The fair value of these instruments was an asset of US$6.4 million and US$7.3 million as of June 30, 2015 and December 31, 2014, respectively.

The following table shows the valuation technique used in measuring the Level 3 fair value, as well as the significant unobservable inputs used.

Type	**Valuation Technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Put options	Income approach – The valuation model converts future amounts based on an EBITDA multiple to a single current discounted amount reflecting current market expectations about those future amounts.	• EBITDA Multiple • Growth Rate: (June 30, 2015: 3%) • Risk adjusted discount rate: (June 30, 2015: 11.0%)	The estimated value would increase (decrease) if : • The EBITDA multiple was higher (lower); • The growth rate was higher (lower); or • The risk adjusted discount rate was lower (higher).

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values:

(Expressed in thousands of US Dollars)	
Balance at January 1, 2015	58,288
Change in fair value included in equity	526
Change in fair value included in finance costs	2,057
Acquisition of non-controlling interests	(6,456)
Balance at June 30, 2015	54,415

For the fair value of put options, reasonably possible changes to one of the significant unobservable inputs, holding other inputs constant, would have the following effects at June 30, 2015:

	Profit or loss		Shareholders' Equity	
(Expressed in thousands of US Dollars)	Increase	Decrease	Increase	Decrease
EBITDA multiple (movement of 0.1x)	1,515	(1,515)	416	(416)
Growth rate (50 basis points)	301	(300)	–	–
Risk adjusted discount rate (100 basis points)	(383)	392	–	–

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

(22) Related Party Transactions

(a) Transactions with Key Management Personnel

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

Key management is comprised of the Group's directors and senior management. Compensation paid to key management personnel comprised:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Directors' fees	**560**	265
Salaries, allowances and other benefits in kind	**2,836**	2,934
Bonus	**3,955**	4,478
Post-employment benefits	**87**	115
Share-based compensation	**4,312**	2,438
	11,750	10,230

(b) Other Transactions

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

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

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Purchases	**2,165**	2,254
Sales	**136**	140

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Payables	**619**	487
Receivables	**37**	71

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

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Sales	**5,723**	5,566
Rent	**38**	34

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Receivables	**10,984**	8,573

Approximately US$0.2 million and US$0.5 million was paid to entities owned by Mr. Tainwala and his family, for office space rent for the six months ended June 30, 2015 and June 30, 2014, respectively. As of June 30, 2015 and December 31, 2014, no amounts were payable to Mr. Tainwala and his family.

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

(23) Subsequent Events

The Group has evaluated events occurring subsequent to June 30, 2015, the interim reporting date, through August 25, 2015, the date this financial information was authorized for issuance by the Board.

On July 13, 2015, the Company made a cash distribution from its ad hoc distributable reserve in the amount of US$88.0 million, or approximately US$0.0624 per share, to the Company's shareholders of record on June 17, 2015.

From June 30, 2015 to July 31, 2015, the Company issued 62,123 ordinary shares in connection with the exercise of share options that were granted under the Company's Share Award Scheme. There were no purchases or redemptions of the Company's listed securities by the Company or any of its subsidiaries since June 30, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

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

The Group sells its products through a variety of wholesale distribution channels, through its company-operated retail stores and through e-commerce. Its principal wholesale distribution customers are department and specialty retail stores, mass merchants, catalog showrooms and warehouse clubs. The Group sells its products in Asia, North America, Europe and Latin America. As of June 30, 2015, the Group’s products were sold in over 100 countries.

Management discussion and analysis should be read in conjunction with the Group’s interim consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

Net Sales

The following table sets forth a breakdown of net sales by region for the six months ended June 30, 2015 and June 30, 2014, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2015 vs 2014	
	2015		2014			
	US$’000	**Percentage of net sales**	US$’000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects
Net sales by region:						
Asia	**471,426**	**39.4%**	421,381	38.1%	11.9%	17.2%
North America	**402,710**	**33.7%**	345,772	31.3%	16.5%	17.3%
Europe	**255,006**	**21.3%**	266,811	24.1%	(4.4)%	17.4%
Latin America	**62,895**	**5.3%**	66,966	6.1%	(6.1)%	7.3%
Corporate	**4,429**	**0.3%**	4,391	0.4%	0.9%	0.9%
Net sales	**1,196,466**	**100.0%**	1,105,321	100.0%	8.2%	16.6%

Excluding foreign currency effects, net sales increased by US$183.3 million, or 16.6%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. US Dollar reported net sales increased by US$91.1 million, or 8.2%.

Brands

The following table sets forth a breakdown of net sales by brand for the six months ended June 30, 2015 and June 30, 2014, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2015 vs 2014	
	2015		2014			
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects
Net sales by brand:						
Samsonite	**736,276**	**61.5%**	743,687	67.3%	(1.0)%	7.5%
American Tourister	**263,773**	**22.0%**	236,348	21.4%	11.6%	18.4%
High Sierra	**54,380**	**4.5%**	52,819	4.8%	3.0%	5.3%
Speck	**50,185**	**4.2%**	10,513	0.9%	*nm*	*nm*
Gregory	**18,004**	**1.5%**	-	-	*nm*	*nm*
Hartmann	**8,265**	**0.7%**	7,863	0.7%	5.1%	9.7%
Other(1)	**65,583**	**5.6%**	54,091	4.9%	21.2%	39.3%
Net sales	**1,196,466**	**100.0%**	1,105,321	100.0%	8.2%	16.6%

Notes

(1) Other includes *Lipault, Saxoline, Xtrem* and others.

nm Not meaningful due to acquisitions of *Speck* on May 28, 2014 and *Gregory* on July 23, 2014.

Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$55.9 million, or 7.5%, for the six months ended June 30, 2015 compared to the first half of 2014. US Dollar reported net sales of the *Samsonite* brand decreased by US$7.4 million, or 1.0%. *Samsonite* comprised 61.5% of the net sales of the Group during the six months ended June 30, 2015 compared to 67.3% in the first half of 2014 reflecting the strength of *American Tourister* sales growth and the continued diversification of the Group's brand portfolio with contributions from acquired brands. Excluding foreign currency effects, net sales of the *American Tourister* brand increased by US$43.6 million, or 18.4%. US Dollar reported net sales of the *American Tourister* brand increased by US$27.4 million, or 11.6%. Europe accounted for US$13.7 million, or 49.8%, and Asia accounted for US$10.4 million, or 37.8%, of the US$27.4 million increase in *American Tourister* brand net sales. On a constant currency basis, net sales of the *High Sierra* and *Hartmann* brands increased by 5.3% and 9.7%, respectively. Net sales of the *Speck* brand, which was acquired on May 28, 2014, amounted to US$50.2 million for the first half of 2015. Net sales of the *Lipault* brand, which was acquired on April 1, 2014, amounted to US$4.4 million for the six months ended June 30, 2015. Net sales of the *Gregory* brand, which was acquired on July 23, 2014, amounted to US$18.0 million for the first half of 2015. Excluding amounts attributable to the 2014 acquisitions, net sales, on a constant currency basis, increased by US$120.4 million, or 11.0% and US Dollar reported net sales increased by $30.6 million, or 2.8%.

Product Categories

The following table sets forth a breakdown of net sales by product category for the six months ended June 30, 2015 and June 30, 2014, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2015 vs 2014	
	2015		2014			
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects
Net sales by product category:						
Travel	**808,917**	**67.6%**	797,758	72.2%	1.4%	9.5%
Casual	**155,912**	**13.0%**	134,764	12.2%	15.7%	21.7%
Business(1)	**130,149**	**10.9%**	96,892	8.8%	34.3%	44.4%
Accessories(2)	**76,903**	**6.4%**	54,418	4.9%	41.3%	52.7%
Other	**24,585**	**2.1%**	21,489	1.9%	14.4%	31.6%
Net sales	**1,196,466**	**100.0%**	1,105,321	100.0%	8.2%	16.6%

Notes

(1) Includes tablet and laptop cases.

(2) Includes protective phone cases.

Excluding foreign currency effects, net sales in the travel product category increased by US$75.6 million, or 9.5%, for the six months ended June 30, 2015 compared to the same period in the previous year. US Dollar reported net sales in the travel product category increased by US$11.2 million, or 1.4%. Country-specific product designs, locally relevant marketing strategies and expanded points of sale, including e-commerce, continue to be the key factors contributing to the Group's success in the travel category. Excluding foreign currency effects, net sales in the casual product category increased by US$29.2 million, or 21.7%. US Dollar reported net sales in the casual product category increased by US$21.1 million, or 15.7%. This increase was primarily attributable to the success of the *Samsonite Red* sub-brand and the *High Sierra* brand as well as the contribution from the *Gregory* brand, which was acquired on July 23, 2014. Excluding foreign currency effects, net sales in the business product category increased by US$43.0 million, or 44.4%. US Dollar reported net sales in the business product category increased by US$33.3 million, or 34.3%, due primarily to US$20.6 million in net sales of tablet and laptop cases attributable to the acquisition of Speck Products as well as new product introductions under the *Samsonite* brand. Excluding *Speck* and on a constant currency basis, net sales in the business category increased by US$22.4 million, or 23.1%. Excluding foreign currency effects, net sales in the accessories category increased by US$28.7 million, or 52.7%. US Dollar reported net sales in the accessories category increased by US$22.5 million, or 41.3%, largely due to US$29.6 million in net sales of protective phone cases attributable to the acquisition of Speck Products. Excluding *Speck* and on a constant currency basis, net sales in the accessories category increased by US$9.6 million, or 21.9%.

Distribution Channels

The following table sets forth a breakdown of net sales by distribution channel for the six months ended June 30, 2015 and June 30, 2014, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				2015 vs 2014	
	2015		2014			
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects
Net sales by distribution channel:						
Wholesale	**956,758**	**80.0%**	883,309	79.9%	8.3%	15.6%
Retail	**235,279**	**19.7%**	217,417	19.7%	8.2%	20.9%
Other[1]	**4,429**	**0.3%**	4,595	0.4%	(3.6)%	(3.6)%
Net sales	**1,196,466**	**100.0%**	1,105,321	100.0%	8.2%	16.6%

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

Excluding foreign currency effects, net sales in the wholesale channel increased by US$138.0 million, or 15.6%, for the six months ended June 30, 2015 compared to the first half of 2014. US Dollar reported net sales in the wholesale channel increased by US$73.4 million, or 8.3%. Excluding foreign currency effects, net sales in the retail channel increased by US$45.5 million, or 20.9%, and US Dollar reported net sales in the retail channel increased by US$17.9 million, or 8.2%, driven by the addition of 130 net new company-operated stores, including 33 Rolling Luggage stores. On a same store, constant currency basis, net sales in the retail channel decreased by 0.5% year-on-year. This was driven in part by a 5.8% decline in Asia as a result of fewer visitors from Mainland China to Hong Kong, the Middle East Respiratory Syndrome ("MERS") outbreak in South Korea and generally weak consumer sentiment in some Asian countries. In addition, there was a 5.4% decline in North America due to the impact of the strong US Dollar on foreign travellers to gateway tourist markets. These factors were partially offset by growth of 8.2% and 2.5% in Europe and Latin America, respectively. The Group's same store analysis includes existing retail stores which have been open for at least 12 months before the end of the relevant financial period. During the six months ended June 30, 2015, approximately US$86.2 million, or 7.2%, of the Group's net sales were derived from its direct-to-consumer e-commerce business, which is included within the retail channel, and net sales to e-tailers, which are included within the wholesale channel. The direct-to-consumer e-commerce business and net sales to e-tailers comprised 6.1% of the Group's net sales for the same period in the previous year. The 20.9% constant currency net sales growth in the retail channel reflects the Group's strategy of investing resources, including through acquisitions, such as Rolling Luggage, to support the growth of its direct-to-consumer business.

Regions

Asia

Excluding foreign currency effects, the Group's net sales in Asia increased by US$72.3 million, or 17.2%, for the six months ended June 30, 2015 compared to the first half of 2014. US Dollar reported net sales for the region increased by US$50.0 million, or 11.9%. Excluding net sales attributable to the *Gregory* and *Lipault* brands in Asia, net sales increased by 14.7% on a constant currency basis.

Excluding foreign currency effects, net sales of the *American Tourister* brand in the Asia region increased by US$17.6 million, or 9.6%, for the six months ended June 30, 2015 compared to the same period in the previous year. The *American Tourister* brand accounted for US$10.4 million, or 20.7%, of the increase in US Dollar reported net sales for the Asia region. On a constant currency basis, net sales of the *Samsonite* brand continued to grow in Asia, increasing by US$34.8 million, or 15.1%, due to the success of the business-to-business channel in China and the *Samsonite Red* sub-brand, whose net sales increased by US$11.2 million, or 39.6%, on a constant currency basis. Excluding the *Samsonite Red* sub-brand, net sales of the *Samsonite* brand increased by US$23.6 million, or 11.7%, on a constant currency basis. Net sales of the *High Sierra* brand amounted to US$7.1 million in Asia during the six months ended June 30, 2015, an increase of 64.4% from the previous year on a constant currency basis. The Group introduced the *Hartmann* brand in Asia during 2014, which contributed US$2.2 million of the net sales growth in the first half of 2015. Net sales of the *Gregory* brand in Asia amounted to US$9.0 million during the first half of 2015 as the Group develops products designed specifically for the tastes and preferences of consumers within the region. The Group introduced the *Kamiliant* brand in Asia during the second half of 2014, which has contributed US$1.0 million of net sales in the first half of 2015.

Excluding foreign currency effects, net sales in the travel product category increased by US$32.9 million, or 10.8%, and US Dollar reported net sales increased by US$17.4 million, or 5.7% for the six months ended June 30, 2015 compared to the same period in the previous year. Net sales in the casual product category increased by US$21.5 million, or 42.3%, on a constant currency basis, and US Dollar reported net sales increased by US$18.6 million, or 36.6%, driven largely by the success of the *Samsonite Red* sub-brand, as well as growth in sales of the *High Sierra* brand and the acquisition of *Gregory*. Excluding foreign currency effects, net sales in the business product category increased by US$12.6 million, or 25.5%, and US Dollar reported net sales increased by US$9.8 million, or 19.7%, compared to the same period in the previous year. Net sales in the accessories product category increased by US$1.7 million, or 14.5%, on a constant currency basis, and US Dollar reported net sales increased by US$1.2 million, or 10.1%, compared to the previous year.

Excluding foreign currency effects, net sales in the wholesale channel increased by US$62.2 million, or 17.5%, and US Dollar reported net sales increased by US$43.9 million, or 12.4%, for the six months ended June 30, 2015 compared to the first half of 2014. Net sales in the retail channel increased by US$10.1 million, or 15.4%, on a constant currency basis. US Dollar reported net sales in the retail channel increased by US$6.1 million, or 9.3%. On a same store, constant currency basis, net sales in the retail channel decreased by 5.8% due to fewer visitors from Mainland China shopping in Hong Kong (including Macau), the MERS outbreak in South Korea and generally weak retail sentiment in certain other countries within the region. E-commerce sales in the region increased by 28.4% on a constant currency basis year-on-year.

Along with additional product offerings and points of sale expansion, the success of the Group's business in the Asian region has been bolstered by its continued focus on country-specific products and marketing strategies to drive increased awareness of and demand for the Group's products. On a constant currency basis, net sales increased in all countries in the Asian region except for Malaysia and Indonesia, which decreased by 13.4% and 3.6%, respectively, due to currency depreciation and general economic conditions. Net sales in China increased by 29.8%, excluding foreign currency effects, driven by *Samsonite* and *Samsonite Red* through the E-commerce channel and increased business-to-business sales. South Korea continued to grow, with an increase of 4.8% on a constant currency basis, despite the negative impact from the MERS outbreak. On a constant currency basis, net sales in India increased by 13.0% for the six months ended June 30, 2015 compared to the same period in the previous year driven by the *American Tourister* brand. Japan experienced strong constant currency growth of 44.6% driven by increased sales of the *Samsonite* brand and the acquisition of *Gregory* in the second half of 2014. Excluding net sales attributable to the *Gregory* brand, net sales in Japan increased by 25.4% on a constant currency basis. On a constant currency basis, net sales in Hong Kong increased by 8.1% year-on-year led by the acquisition of *Gregory* in the second half of 2014 and the growth of *Samsonite Red*. Excluding net sales attributable to the *Gregory* brand, constant currency net sales in Hong Kong decreased by US$0.5 million, or 1.5%, due to lower tourist arrivals from Mainland China.

The following table sets forth a breakdown of net sales within the Asian region by geographic location for the six months ended June 30, 2015 and June 30, 2014, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2015		2014		2015 vs 2014	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects
Net sales by geographic location[1]:						
China	**130,404**	**27.7%**	101,211	24.0%	28.8%	29.8%
South Korea	**92,287**	**19.6%**	92,123	21.9%	0.2%	4.8%
India	**69,568**	**14.8%**	63,617	15.1%	9.4%	13.0%
Japan	**42,440**	**9.0%**	34,486	8.2%	23.1%	44.6%
Hong Kong[2]	**38,168**	**8.1%**	35,281	8.4%	8.2%	8.1%
Australia	**25,788**	**5.5%**	22,790	5.4%	13.2%	33.5%
Other	**72,771**	**15.3%**	71,873	17.0%	1.2%	4.8%
Net sales	**471,426**	**100.0%**	421,381	100.0%	11.9%	17.2%

Notes

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

(2) Includes Macau.

North America

Excluding foreign currency effects, the Group's net sales in North America increased by US$59.7 million, or 17.3%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. US Dollar reported net sales for the North American region increased by US$56.9 million, or 16.5%. Excluding net sales attributable to the *Speck* and *Gregory* brands, which were acquired during 2014, net sales increased by US$12.4 million, or 3.7%, on a constant currency basis and US Dollar reported net sales increased by US$9.6 million, or 2.9%.

Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$14.6 million, or 6.0%, and US Dollar reported net sales increased by US$12.2 million, or 5.0%, for the six months ended June 30, 2015 compared to the same period in the previous year. Net sales of the *American Tourister* brand increased by US$3.7 million, or 11.4%, on a constant currency basis and US Dollar reported net sales increased by US$3.4 million, or 10.7%. Excluding foreign currency effects, net sales of the *High Sierra* brand decreased by US$2.2 million, or 4.6%, and US Dollar reported net sales decreased by US$2.3 million, or 4.9%, due to the non-repetition of certain promotional sales that occurred in the first half of 2014. Net sales of the *Hartmann* brand amounted to US$5.6 million, as the Group continues to redefine the product assortment and invests in advertising to increase brand awareness. The *Speck* and *Gregory* brands contributed US$50.2 million and US$7.7 million, respectively, in US Dollar reported net sales during the period.

Excluding foreign currency effects, net sales in the travel product category increased by US$14.3 million, or 5.7%, and US Dollar reported net sales increased by US$11.9 million, or 4.7%, year-on-year. Net sales in the casual product category increased by US$3.4 million, or 6.3%, on a constant currency basis and US Dollar reported net sales increased by US$3.3 million, or 6.0%. Excluding foreign currency effects, net sales in the business product category increased by US$22.7 million, or 121.1%, and US Dollar reported net sales increased by US$22.6 million, or 120.3%, primarily due to US$20.6 million in net sales of protective laptop and tablet cases attributable to the acquisition of Speck Products in May 2014. Net sales in the accessories category increased by US$19.0 million, or 98.3%, on a constant currency basis and US Dollar reported net sales increased by US$18.9 million, or 97.7%, primarily due to US$29.6 million in net sales of protective phone cases attributable to the acquisition of Speck Products, an increase of US$19.1 million from the previous year.

Excluding foreign currency effects, net sales in the wholesale channel increased by US$57.7 million, or 20.7%, and US Dollar reported net sales increased by US$55.3 million, or 19.8%, for the first half of 2015 compared to the first half of 2014. Excluding acquisitions and foreign currency effects, net sales in the wholesale channel increased by 4.6%. Net sales in the retail channel increased by US$2.0 million, or 3.0%, on a constant currency basis and US Dollar reported net sales increased by US$1.7 million, or 2.5% year-on-year. Net sales growth in the retail channel was driven by sales made through the Group's direct-to-consumer e-commerce website, which increased by 29.9% on a constant currency basis year-on-year, as well as by the addition of nine net new stores opened since June 30, 2014. On a same store, constant currency basis, net sales in the retail channel decreased by 5.4% due to the negative impact the strengthening US Dollar had on foreign tourist arrivals to gateway markets in the United States, as well as the inclement winter weather during the first quarter of 2015.

The overall increase in North America net sales was primarily due to acquisitions, as well as the Group's continued focus on marketing and selling regionally developed products, which enabled the Group to bring to market products that are designed to appeal to the tastes and preferences of North American consumers, resulting in strong consumer demand for the Group's products. Excluding foreign currency effects, net sales in Canada increased by 34.4% as the Group's business continues to thrive in the country driven by the *Samsonite* brand.

The following table sets forth a breakdown of net sales within the North American region by geographic location for the six months ended June 30, 2015 and June 30, 2014, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2015 vs 2014	
	2015		2014			
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects
Net sales by geographic location(1):						
United States	**381,591**	**94.8%**	327,978	94.9%	16.3%	16.3%
Canada	**21,119**	**5.2%**	17,794	5.1%	18.7%	34.4%
Net sales	**402,710**	**100.0%**	345,772	100.0%	16.5%	17.3%

Note

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

Europe

Excluding foreign currency effects, the Group's net sales in Europe increased by US$46.3 million, or 17.4%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. US Dollar reported net sales for the region decreased by US$11.8 million, or 4.4%, due to the negative impact of the strengthening US Dollar. Excluding net sales attributable to the *Lipault* and *Gregory* brands, which were acquired during 2014, net sales increased by US$41.2 million, or 15.5%, on a constant currency basis.

Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$7.0 million, or 2.9% for the six months ended June 30, 2015 compared to the first half of 2014. US Dollar reported net sales of the *Samsonite* brand decreased by US$37.6 million, or 15.6%. Net sales of the *American Tourister* brand increased by US$21.7 million, or 127.0%, on a constant currency basis, and US Dollar reported net sales increased by US$13.7 million, or 79.8%, compared to the prior year. *American Tourister* comprised 12.1% of the net sales in the European region during the period compared to 6.4% during the same period in the previous year as the Group focused on driving growth of the *American Tourister* brand and increasing the presence of the brand in Europe. Net sales of the *Lipault* brand amounted to US$4.0 million in the first half of 2015 compared to US$1.5 million from the date of acquisition through June 30, 2014. The Group introduced the *High Sierra* and *Hartmann* brands in Europe during 2014, which contributed US$1.8 million and US$0.5 million, respectively, of the US Dollar reported net sales growth year-on-year.

Excluding foreign currency effects, net sales in the travel product category increased by US$26.9 million, or 12.8%, for the six months ended June 30, 2015 compared to the same period in 2014. US Dollar reported net sales decreased by US$15.8 million, or 7.5%, year-on-year. Excluding foreign currency effects, net sales in the casual product category increased by US$2.8 million, or 39.9%, mainly attributable to contributions from the *Gregory* and *High Sierra* brands. New product introductions under the *Samsonite* brand have proved to be successful as net sales in the business product category increased by US$8.0 million, or 35.3%, on a constant currency basis and US Dollar reported net sales increased by US$1.9 million, or 8.4%.

Excluding foreign currency effects, net sales in the wholesale channel increased by US$15.6 million, or 7.8%, for the six months ended June 30, 2015 compared to the first half of 2014. US Dollar reported net sales decreased by US$21.8 million, or 10.9%, year-on-year. Net sales in the retail channel increased by US$31.0 million, or 46.9%, on a constant currency basis, and US Dollar reported net sales increased by US$10.2 million, or 15.5%, driven by the addition of 52 net new stores opened since June 30, 2014, including 22 Rolling Luggage stores. On a same store, constant currency basis, net sales in the retail channel increased by 8.2%.

Germany, the Group's leading market in Europe representing 14.7% of total US Dollar reported net sales in the region, achieved 17.3% constant currency sales growth during the period. The United Kingdom posted strong constant currency net sales growth of 52.7% over the comparable period of the previous year, including the results from the acquisition of Rolling Luggage in February 2015. The Group's business in Italy and Spain continued to improve with constant currency net sales growth of 6.5% and 13.0%, respectively. The Group continued to penetrate the emerging markets of Turkey and South Africa with year-on-year constant currency net sales growth of 44.6% and 27.2%, respectively. The Group's business in Russia was negatively impacted by the economic downturn in Russia and devaluation of the Russian Ruble, but still generated constant currency net sales growth of 2.4% year-on-year. On June 26, 2015, the Group acquired the 40% non-controlling interest in its Russian subsidiary.

The following table sets forth a breakdown of net sales within the Europe region by geographic location for the six months ended June 30, 2015 and June 30, 2014, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2015		2014		2015 vs 2014	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects
Net sales by geographic location[1]:						
Germany	**37,375**	**14.7%**	39,202	14.7%	(4.7)%	17.3%
France	**33,235**	**13.0%**	35,911	13.5%	(7.5)%	13.6%
Belgium[2]	**32,347**	**12.7%**	33,064	12.4%	(2.2)%	20.5%
United Kingdom	**27,599**	**10.8%**	19,843	7.4%	39.1%	52.7%
Italy	**25,724**	**10.1%**	29,687	11.1%	(13.3)%	6.5%
Spain	**18,763**	**7.4%**	20,369	7.6%	(7.9)%	13.0%
Russia	**12,449**	**4.9%**	19,678	7.4%	(36.7)%	2.4%
Other	**67,514**	**26.4%**	69,057	25.9%	(2.2)%	18.0%
Net sales	**255,006**	**100.0%**	266,811	100.0%	(4.4)%	17.4%

Notes
(1) The geographic location of the Group's net sales reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) Net sales in Belgium were US$9.4 million and US$11.0 million for the six months ended June 30, 2015 and June 30, 2014, respectively. Remaining sales consisted of direct shipments to distributors, customers and agents in other countries.

Latin America
Excluding foreign currency effects, the Group's net sales in Latin America increased by US$4.9 million, or 7.3%, for the six months ended June 30, 2015 compared to the first half of 2014. US Dollar reported net sales for the region decreased by US$4.1 million, or 6.1%, as the Group was negatively impacted by the strengthening of the US Dollar.

All countries within the Latin America region reported strong constant currency net sales growth, except for Brazil where the current economic uncertainty has impacted consumer spending. Excluding foreign currency effects, net sales in Chile improved by 10.9% year-on-year. US Dollar reported net sales for Chile decreased by US$0.6 million, or 1.8%, as US Dollar reported results were negatively impacted by foreign exchange rates. The constant currency net sales growth in Chile was primarily due to the recently launched women's handbag brand *Secret*, as well as the *Saxoline* and *Xtrem* brands. Excluding foreign currency effects, net sales in Mexico increased by 19.7% driven by the *Samsonite*, *American Tourister* and *Xtrem* brands. Net sales in Brazil decreased by 41.1% on a constant currency basis and US Dollar reported net sales decreased by 51.6% due to the economic uncertainty in the country that has impacted consumer spending. The Group continues to invest in Brazil, where the Group's presence has historically been under-represented, to drive future net sales growth and gain market share. Excluding Brazil, net sales in Latin America increased by 14.8% on a constant currency basis and by 1.0% on a US Dollar reported basis for the six months ended June 30, 2015 compared to the first half of 2014.

Excluding foreign currency effects, net sales of the *Samsonite* brand decreased by US$0.4 million, or 1.5%, and US Dollar reported net sales decreased by US$4.3 million, or 14.5% for the six months ended June 30, 2015 compared to the first half of 2014. Net sales of the *American Tourister* brand increased by 13.8% on a constant currency basis, but US Dollar reported net sales decreased by 1.2% year-on-year. US Dollar reported net sales of the *High Sierra* brand in Latin America during the first half of 2015 were US$1.4 million, a constant currency increase of 36.3% from the first half of 2014. Sales of women's handbags under the *Secret* brand name continued to grow, with constant currency growth of 49.3% and US Dollar reported net sales of US$5.5 million during the period, an increase of US$1.4 million, or 32.9%, from the first half of 2014. Excluding foreign currency effects, net sales of the local brands *Saxoline* and *Xtrem* increased by 9.0% and 9.2%, respectively.

Excluding foreign currency effects, net sales in the travel product category increased by US$1.5 million, or 5.3%, for the six months ended June 30, 2015 compared to the first half of 2014. US Dollar reported net sales decreased by US$2.3 million, or 8.3%, for the same period. Net sales in the casual product category increased by US$1.4 million, or 6.3%, on a constant currency basis. US Dollar reported net sales decreased by US$1.6 million, or 7.0%. Excluding foreign currency effects, net sales in the business product category decreased by 5.3% and US Dollar reported net sales decreased by US$1.0 million, or 16.1%.

Excluding foreign currency effects, net sales in the wholesale channel increased by US$2.5 million, or 5.2%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. US Dollar reported net sales decreased by US$3.9 million, or 8.1% over the same period. Net sales in the retail channel increased by US$2.4 million, or 12.8%, on a constant currency basis as the Group opened 22 net new company-operated retail locations since June 30, 2014. US Dollar reported net sales decreased by 0.7%. On a same store, constant currency basis, net sales in the retail channel increased by 2.5%. The Group continues to invest in retail expansion in Latin America to gain market share and drive future profitability.

The following table sets forth a breakdown of net sales within the Latin American region by geographic location for the six months ended June 30, 2015 and June 30, 2014, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,				2015 vs 2014	
	2015		2014			
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects
Net sales by geographic location[(1)]:						
Chile	**31,544**	**50.2%**	32,113	48.0%	(1.8)%	10.9%
Mexico	**20,567**	**32.7%**	20,009	29.9%	2.8%	19.7%
Brazil[(2)]	**4,349**	**6.9%**	8,983	13.4%	(51.6)%	(41.1)%
Other[(3)]	**6,435**	**10.2%**	5,861	8.7%	9.8%	19.7%
Net sales	**62,895**	**100.0%**	66,966	100.0%	(6.1)%	7.3%

Notes

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

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

(3) The net sales figure for the "Other" geographic location includes sales made in Argentina, Colombia, Panama, Peru and through the Group's distribution center in Uruguay, but does not include net sales in Brazil to third party distributors.

Cost of Sales and Gross Profit

Cost of sales increased by US$57.9 million, or 11.2%, to US$574.6 million (representing 48.0% of net sales) for the six months ended June 30, 2015 from US$516.7 million (representing 46.7% of net sales) for the six months ended June 30, 2014.

Gross profit increased by US$33.3 million, or 5.6%, to US$621.9 million for the six months ended June 30, 2015, from US$588.7 million for the six months ended June 30, 2014. Gross profit margin was 52.0% for the six months ended June 30, 2015 compared to 53.3% for the six months ended June 30, 2014.

The increase in cost of sales as a percentage of net sales in the first half of 2015 was attributable to several factors. The strengthening of the US Dollar has negatively impacted the cost of the Group's product purchases in US Dollars that were then sold in local currency. The Group has also realized lower margins on the brands acquired in 2014 while they are being integrated. In addition, gross profit margins have decreased due to the expansion of the *American Tourister* brand in Europe and business-to-business sales accounting for a greater proportion of channel mix in Asia, both of which typically yield lower margins. On a constant currency basis and excluding acquisitions, gross profit margin for the six months ended June 30, 2015 was 52.8% compared to 53.4% for the six months ended June 30, 2014.

Distribution Expenses

Distribution expenses increased by US$32.2 million, or 11.2%, to US$320.5 million (representing 26.8% of net sales) for the six months ended June 30, 2015 from US$288.4 million (representing 26.1% of net sales) for the six months ended June 30, 2014. This increase was primarily due to the increase in sales volume in 2015. Distribution expenses as a percentage of net sales increased slightly 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, investment in the geographical expansion of the *American Tourister* brand and the integration of acquisitions.

Marketing Expenses

The Group spent US$70.8 million (representing 5.9% of net sales) on marketing for the six months ended June 30, 2015 compared to US$69.4 million (representing 6.3% of net sales) for the six months ended June 30, 2014, representing an increase of US$1.4 million, or 2.0%. On a constant currency basis, marketing expense increased by US$8.6 million, or 12.5%. Marketing expenses as a percentage of net sales decreased due to the impact of higher sales of acquired brands, strong organic sales growth and some efficiencies in advertising spend. In Europe, the Group spent 8.9% of the region's net sales in the first half of 2015 compared to 7.7% of net sales during the same period in the previous year to promote the geographical expansion of the *American Tourister* brand in the region. The Group scaled back marketing spend in Asia to 6.0% of net sales during the six months ended June 30, 2015 compared to 7.5% of net sales during the first half of 2014 which allowed the European region to increase its spend and to offset the profitability pressures noted above. During the first half of 2015, 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$3.3 million, or 4.5%, to US$76.7 million (representing 6.4% of net sales) for the six months ended June 30, 2015 from US$73.4 million (representing 6.6% of net sales) for the six months ended June 30, 2014. Although general and administrative expenses increased in absolute terms, such expenses decreased as a percentage of net sales by 20 basis points as the Group maintained tight control of its fixed cost base and leveraged it against strong sales growth. Share-based compensation expense, a non-cash expense included in general and administrative expenses, amounted to US$7.8 million, an increase of US$2.2 million from the first half of 2014 due to the share options granted in January 2015. Excluding the increase in the share-based compensation expense, general and administrative expenses as a percentage of net sales decreased by 41 basis points.

Other Expenses

The Group incurred other expenses of US$6.9 million and US$5.2 million for the six months ended June 30, 2015 and June 30, 2014, respectively. Other expenses for the first half of 2015 included acquisition costs of US$2.7 million, which were primarily comprised of costs associated with due diligence and integration activities, severance, and professional and legal fees associated with acquisitions. In comparison, other expenses for the first half of 2014 included US$4.2 million of costs related to acquisition efforts.

Operating Profit

On a constant currency basis, the Group's operating profit increased by US$4.3 million, or 2.8%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. The Group's US Dollar reported operating profit was US$147.0 million for the six months ended June 30, 2015, a decrease of US$5.3 million, or 3.5%, from US$152.3 million for the six months ended June 30, 2014 due to the strengthening of the US Dollar. Operating profit for the period was adversely impacted by the strengthening of the US Dollar, increased costs from the Group's retail store expansion, lower gross profit margin, the investment of the geographical expansion in the *American Tourister* brand in Europe and the investment in Latin America.

Net Finance Costs

Net finance costs increased by US$2.3 million, or 68.3%, to US$5.8 million for the six months ended June 30, 2015 from US$3.4 million for the six months ended June 30, 2014. This increase was primarily attributable to a US$2.3 million increase in foreign exchange losses.

Profit before Income Tax

On a constant currency basis, profit before income tax increased by US$5.2 million, or 3.5%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. US Dollar reported profit before income tax decreased by US$7.7 million, or 5.2%, to US$141.2 million for the six months ended June 30, 2015 from US$148.9 million for the six months ended June 30, 2014 due to the factors noted above.

Income Tax Expense

Income tax expense decreased by US$2.7 million, or 7.0%, to US$36.6 million for the six months ended June 30, 2015 from US$39.3 million for the six months ended June 30, 2014.

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

The Group's consolidated effective tax rate for operations was 25.9% and 26.4% for the six months ended June 30, 2015 and June 30, 2014, respectively. The slight decrease in the consolidated effective reported tax rate was primarily the result of the global mix in profitability in various high and low tax jurisdictions.

Profit for the Period

On a constant currency basis, profit for the period increased by US$6.4 million, or 5.9%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. US Dollar reported profit for the period of US$104.6 million for the six months ended June 30, 2015 decreased by US$5.0 million, or 4.5%, from US$109.6 million for the six months ended June 30, 2014. On a constant currency basis, profit attributable to the equity holders increased by US$8.6 million, or 8.9%, compared to the same period in the previous year. US Dollar reported profit attributable to the equity holders was US$94.4 million for the first half of 2015, a decrease of US$2.6 million, or 2.7%, from the same period in the previous year. Profit for the period was adversely impacted by the strengthening of the US Dollar, increased costs from the Group's retail store expansion, lower gross profit margin, the investment of the geographical expansion in the *American Tourister* brand in Europe and the investment in Latin America.

On a constant currency basis, Adjusted Net Income, a non-IFRS measure, increased by US$7.7 million, or 7.2%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. US Dollar reported Adjusted Net Income decreased by US$3.7 million, or 3.5%, to US$102.1 million for the six months ended June 30, 2015 from US$105.7 million for the six months ended June 30, 2014. Adjusted Net Income was impacted by the factors noted above. See the reconciliation of profit for the period to Adjusted Net Income below for a detailed discussion of the Group's results excluding certain non-recurring costs and charges and other non-cash charges that impacted US Dollar reported profit for the period.

Basic earnings per share ("Basic EPS") and diluted earnings per share ("Diluted EPS") decreased by 2.9% to US$0.067 for the six months ended June 30, 2015 from US$0.069 for the six months ended June 30, 2014. The weighted average number of shares utilized in the Basic EPS calculation increased by 1.5 million shares 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 2.7 million shares from June 30, 2014 as certain outstanding share options became dilutive in the first half of 2015.

Adjusted Basic EPS and adjusted Diluted EPS was US$0.072 for the six months ended June 30, 2015 compared to US$0.075 for the six months ended June 30, 2014.

Adjusted EBITDA

On a constant currency basis, Adjusted EBITDA, a non-IFRS measure, increased by US$15.6 million, or 8.4%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. US Dollar reported Adjusted EBITDA increased by US$3.3 million, or 1.8%, to US$190.0 million for the six months ended June 30, 2015 from US$186.7 million for the six months ended June 30, 2014. US Dollar reported Adjusted EBITDA margin decreased to 15.9% from 16.9% due to the impact from acquisitions completed during the previous year which have lower margins initially as they are being integrated into the business, the currency impact on product purchases, increased costs from the Group's retail store expansion, the investment of the geographical expansion in the *American Tourister* brand in Europe and the investment in Latin America. The Group's Adjusted EBITDA margin in Asia benefitted from reduced marketing spend as discussed above. The Group continued to maintain tight control of its fixed cost base while experiencing strong sales growth in its core business.

The following table presents the reconciliation from the Group's profit for the period to Adjusted EBITDA for the six months ended June 30, 2015 and June 30, 2014:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Profit for the period	**104,614**	109,568
Plus (Minus):		
Income tax expense	**36,569**	39,310
Finance costs	**6,051**	3,636
Finance income	**(271)**	(201)
Depreciation	**23,229**	19,353
Amortization	**5,120**	4,208
EBITDA	**175,312**	175,874
Plus:		
Share-based compensation expense	**7,831**	5,621
Other adjustments[1]	**6,874**	5,176
Adjusted EBITDA	**190,017**	186,671
Adjusted EBITDA margin	**15.9%**	16.9%

Note

(1) Other adjustments primarily comprised of 'Other expenses' per the consolidated income statement, which includes acquisition costs.

The following tables present a reconciliation from profit (loss) for the period to Adjusted EBITDA on a regional basis for the six months ended June 30, 2015 and June 30, 2014:

	Six months ended June 30, 2015					
(Expressed in thousands of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate**	**Total**
Profit (loss) for the period	**44,155**	**15,814**	**10,850**	**(149)**	**33,944**	**104,614**
Plus (Minus):						
Income tax expense (benefit)	**16,134**	**10,893**	**4,675**	**(110)**	**4,977**	**36,569**
Finance costs	**808**	**615**	**(834)**	**1,263**	**4,199**	**6,051**
Finance income	**(215)**	**(1)**	**(43)**	**(12)**	**0**	**(271)**
Depreciation	**7,561**	**5,555**	**7,770**	**1,161**	**1,182**	**23,229**
Amortization	**2,618**	**674**	**846**	**966**	**16**	**5,120**
EBITDA	**71,061**	**33,550**	**23,264**	**3,119**	**44,318**	**175,312**
Plus (Minus):						
Share-based compensation expense	**558**	**1,598**	**657**	**149**	**4,869**	**7,831**
Other adjustments[1]	**32,459**	**27,068**	**8,564**	**2,068**	**(63,285)**	**6,874**
Adjusted EBITDA	**104,078**	**62,216**	**32,485**	**5,336**	**(14,098)**	**190,017**
Adjusted EBITDA margin	**22.1%**	**15.4%**	**12.7%**	**8.5%**	***nm***	**15.9%**

Notes
(1) Other adjustments primarily comprised of 'Other expenses' per the consolidated income statement which includes acquisition costs. Regional results include intragroup royalty income/expense.
nm Not meaningful.

	Six months ended June 30, 2014					
(Expressed in thousands of US Dollars)	Asia	North America	Europe	Latin America	Corporate	Total
Profit for the period	36,581	17,218	20,044	5,112	30,633	109,568
Plus (Minus):						
Income tax expense	12,677	12,615	10,852	643	2,523	39,310
Finance costs	(68)	273	541	(980)	3,870	3,636
Finance income	(189)	(2)	(56)	47	(1)	(201)
Depreciation	6,804	3,126	7,659	1,050	714	19,353
Amortization	2,103	387	735	966	17	4,208
EBITDA	57,888	33,617	39,775	6,838	37,756	175,874
Plus (Minus):						
Share-based compensation expense	411	1,114	1,006	132	2,958	5,621
Other adjustments[1]	29,376	25,981	3,654	1,588	(55,423)	5,176
Adjusted EBITDA	87,675	60,712	44,435	8,558	(14,709)	186,671
Adjusted EBITDA margin	20.8%	17.6%	16.7%	12.8%	*nm*	16.9%

Notes
(1) Other adjustments primarily comprised of 'Other expenses' per the consolidated income statement which includes acquisition costs. Regional results include intragroup royalty income/expense.
nm Not meaningful.

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

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

Adjusted Net Income

On a constant currency basis, Adjusted Net Income, a non-IFRS measure, increased by US$7.7 million, or 7.2%, for the six months ended June 30, 2015 compared to the six months ended June 30, 2014. Excluding foreign exchange gains (losses) and stock compensation expense, Adjusted Net Income for the six months ended June 30, 2015, on a constant currency basis, increased by 8.1% compared to the six months ended June 30, 2014. US Dollar reported Adjusted Net Income decreased by US$3.7 million, or 3.5%, to US$102.1 million for the six months ended June 30, 2015 from US$105.7 million for the six months ended June 30, 2014. Adjusted Net Income was adversely impacted by the strengthening of the US Dollar, increased costs from the Group's retail store expansion, lower gross profit margin, the investment of the geographical expansion in the *American Tourister* brand in Europe and the investment in Latin America.

The following table presents the reconciliation from the Group's profit for the period to Adjusted Net Income for the six months ended June 30, 2015 and June 30, 2014:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Profit for the period	**104,614**	109,568
Profit attributable to non-controlling interests	**(10,224)**	(12,592)
Profit attributable to the equity holders	**94,390**	96,976
Plus (Minus):		
Change in fair value of put options	**2,057**	2,491
Amortization of intangible assets	**5,120**	4,208
Expenses related to acquisition activities	**2,686**	4,218
Tax adjustments	**(2,185)**	(2,144)
Adjusted Net Income(1)	**102,068**	105,749

Note

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

The Group has presented Adjusted Net Income because it believes this measure helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance. By presenting Adjusted Net Income, the Group eliminates the effect of a number of non-recurring costs and charges and certain other non-cash charges that impact its 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 (loss) for the period in the Group's consolidated income statement. Adjusted Net Income has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's results of operations as reported under IFRS.

Liquidity and Financial Resources

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

Cash provided by operating activities increased by US$26.7 million, or 50.3%, to US$79.9 million for the six months ended June 30, 2015 compared to US$53.1 million for the six months ended June 30, 2014. This increase is primarily attributable to more efficiently managed working capital.

For the six months ended June 30, 2015, net cash used in investing activities was US$51.8 million compared to US$143.2 million in the previous year. This decrease was primarily due to the acquisitions of Speck Products and Lipault in the first half of 2014, as well as a decrease in purchases of property, plant and equipment from the previous year, partially offset by the purchase of Rolling Luggage in February 2015.

Net cash flows generated from financing activities was US$33.9 million for the six months ended June 30, 2015 compared to US$76.3 million for the six months ended June 30, 2014. Cash flows generated from financing activities are largely attributable to the Group drawing on its Revolving Facility to partially fund acquisitions, partially offset by the purchase of the non-controlling interest in the Group's Russian subsidiary for US$15.6 million.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of June 30, 2015 and December 31, 2014:

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Revolving Facility	**103,413**	60,000
Other lines of credit	**13,785**	7,536
Finance lease obligations	**87**	32
Total loans and borrowings	**117,285**	67,568
Less deferred financing costs	**(1,601)**	(2,419)
Total loans and borrowings less deferred financing costs	**115,684**	65,149

The Group had US$203.0 million in cash and cash equivalents at June 30, 2015.

The Group maintains a revolving credit facility (the “Revolving Facility”) in the amount of US$500.0 million. The facility can be increased by an additional US$300.0 million, subject to lender approval. The Revolving Facility has 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 Revolving Facility is 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 Revolving Facility carries 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 joins the Revolving Facility. The Revolving Facility is secured by certain of the Group’s assets in the United States and Europe, as well as the Group’s intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Group’s ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Group was in compliance with the financial covenants as of June 30, 2015. As of June 30, 2015, US$394.1 million was available to be borrowed on the Revolving Facility as a result of US$103.4 million of outstanding borrowings and the utilization of US$2.5 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2014, US$437.5 million was available to be borrowed as a result of US$60.0 million of outstanding borrowings and the utilization of US$2.5 million of the facility for outstanding letters of credit extended to certain creditors.

Certain consolidated subsidiaries of the Group maintain credit lines with various third party lenders in the regions in which they operate. These local credit lines provide working capital for the day-to-day business operations of such subsidiaries, including overdraft, bank guarantee, and trade finance and factoring facilities. The majority of these credit lines are uncommitted facilities. The total aggregate amount outstanding under the local facilities was US$13.8 million and US$7.5 million as of June 30, 2015 and December 31, 2014, respectively.

The following represents the contractual maturity dates of the Group’s loans and borrowings (excluding the impact of netting agreements) as of June 30, 2015 and December 31, 2014:

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
On demand or within one year	**117,226**	67,550
After one year but within two years	**22**	15
After two years but within five years	**37**	3
More than five years	**-**	-
	117,285	67,568

Hedging

The Group’s non-U.S. subsidiaries periodically enter into forward contracts related to the purchase of inventory denominated primarily in US Dollars which are designated as cash flow hedges. Cash flows associated with these derivatives at June 30, 2015 are expected to be US$84.5 million within one year.

Other Financial Information

Working Capital Ratios

Inventory Analysis

The following table sets forth a summary of the Group's average inventory, cost of sales and average inventory days for the six months ended June 30, 2015 and June 30, 2014.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Average inventory(1)	**338,661**	324,225
Cost of sales	**574,555**	516,661
Average inventory turnover days(2)	**108**	115

Notes

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

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

The Group's average inventory increased in the first half of 2015 (US$345.0 million as of June 30, 2015 compared to US$332.3 million as of December 31, 2014) compared to the first half of 2014 (US$350.1 million as of June 30, 2014 compared to US$298.4 million as of December 31, 2013) to support increased customer demand and new product introductions, as well as a result of the Rolling Luggage acquisition in the first half of 2015 and the acquisition of Gregory in the second half of 2014.

Trade and Other Receivables

The following table sets forth a summary of the Group's average trade and other receivables, net sales and turnover days of trade and other receivables for the six months ended June 30, 2015 and June 30, 2014.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Average trade and other receivables(1)	**303,554**	280,306
Net sales	**1,196,466**	1,105,321
Turnover days of trade and other receivables(2)	**46**	46

Notes

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

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

The Group's average trade and other receivables increased in the first half of 2015 (US$316.3 million as of June 30, 2015 compared to US$290.8 million as of December 31, 2014) compared to the first half of 2014 (US$314.2 million as of June 30, 2014 compared to US$246.4 million as of December 31, 2013) in line with the increase in net sales, and as a result of the acquisition of Gregory in the second half of 2014.

Trade receivables as of June 30, 2015 are on average due within 60 days from the date of billing.

Trade and Other Payables

The following table sets forth a summary of the Group's average trade and other payables, cost of sales and turnover days of trade and other payables for the six months ended June 30, 2015 and June 30, 2014.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2015**	2014
Average trade and other payables[(1)]	**456,294**	439,462
Cost of sales	**574,555**	516,661
Turnover days of trade and other payables[(2)]	**145**	155

Notes

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

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

The Group's average trade and other payables increased in the first half of 2015 (US$497.1 million as of June 30, 2015 compared to US$415.4 million as of December 31, 2014) compared to the first half of 2014 (US$491.7 million as of June 30, 2014 compared to US$387.2 million as of December 31, 2013) primarily due to the US$88.0 million dividend payable as of June 30, 2015, increased inventory purchases and the timing of such purchases, and as a result of the Rolling Luggage acquisition in the first half of 2015 and the acquisition of Gregory in the second half of 2014.

Trade payables as of June 30, 2015 are on average due within 105 days from the invoice date.

Gearing Ratios

The following table sets forth the Group's loans and borrowings (excluding deferred financing costs), total equity and gearing ratio as of June 30, 2015 and December 31, 2014.

(Expressed in thousands of US Dollars)	**June 30, 2015**	December 31, 2014
Loans and borrowings (excluding deferred financing costs)	**117,285**	67,568
Total equity	**1,304,383**	1,307,440
Gearing ratio[(1)]	**9.0%**	5.2%

Note

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

Other Information

Total current assets were US$946.8 million and US$835.3 million, and total assets less current liabilities were US$1,521.2 million and US$1,527.7 million, as of June 30, 2015 and December 31, 2014, respectively.

Strategic Review and Full Year Prospects

During the first half of 2015, the Group achieved the following as it continued to implement its strategic plan:

Positive financial results

US Dollar reported net sales increased to a record level of US$1,196.5 million, reflecting a 16.6% increase on a constant currency basis from the comparable period in 2014. US Dollar reported net sales increased by 8.2%. On a constant currency basis, operating profit, profit for the period and Adjusted Net Income increased 2.8%, 5.9% and 7.2%, respectively, year-on-year. The Group's financial performance was adversely impacted by the strengthening of the US Dollar, increased costs from the Group's retail store expansion, lower gross profit margin, the investment of the geographical expansion in the *American Tourister* brand in Europe and the investment in Latin America. On a constant currency basis, Adjusted EBITDA increased by US$15.6 million, or 8.4%. US Dollar reported Adjusted EBITDA increased by US$3.3 million, or 1.8%, to US$190.0 million. US Dollar reported Adjusted EBITDA margin decreased to 15.9% from 16.9% due to the impact from acquisitions completed during the previous year which have lower margins initially as they are being integrated into the business, the currency impact on product purchases, increased costs from the Group's retail store expansion, the investment of the geographical expansion in the *American Tourister* brand in Europe and the investment in Latin America. The Group generated US$79.9 million of cash from operating activities for the six months ended June 30, 2015.

Significant investment in advertising and promotion

The Group maintained its investment in marketing, which amounted to approximately 5.9% of net sales during the first half of 2015, an increase of 12.5% on a constant currency basis, reflecting its commitment to advertise and promote its brands and products to support sales growth worldwide.

Introduction of new and innovative products to the market

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

Acquisitions

On February 16, 2015, certain of the Company's wholly-owned subsidiaries completed the acquisition of the business and substantially all of the assets of Rolling Luggage for a cash consideration of GBP15.75 million, with a subsequent working capital adjustment of GBP(0.25) million, for a total purchase price of GBP15.50 million, subject to a purchase price adjustment for any leases that are not successfully transferred. The acquisition provides the Group with a significant retail footprint in some of the world's leading airports, and further expands the Group's portfolio of retail store locations. For the fiscal year ended January 31, 2015, Rolling Luggage recorded net sales of GBP26.7 million.

In June 2015, the Group acquired the 40 percent non-controlling interest in its Russian subsidiary for US$15.6 million in cash, and a final working capital adjustment of US$0.2 million settled in July 2015, increasing its ownership from 60 percent to 100 percent.

Future Prospects
The Group's growth strategy will continue as planned for the second half of 2015, with a focus on the following:

- continue to gain market share by leveraging the strength of the Group's diverse portfolio of brands, which include *Samsonite, American Tourister, Hartmann, High Sierra, Gregory, Speck* and *Lipault*, across all of its markets;
- allocate more resources to increase the Group's direct-to-consumer sales, including e-commerce, retail and omni-channel, in proportion to net sales;
- allocate more resources to the markets in Latin America where the Group is less represented and has the potential to increase market share;
- allocate more resources to the acquired brands to increase sales and gain market share worldwide;
- focus on further integrating Speck Products, Lipault and Gregory into the Group's existing business and continue to realize anticipated synergies in sourcing, systems and back-office support functions;
- continually improve the efficiency and effectiveness of the Group's supply chain and global distribution network; and
- continually evaluate acquisition opportunities that have a compelling strategic fit, leveraging the Group's strong management team and balance sheet capacity.

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

Corporate Governance and Other Information

Directors
At June 30, 2015, the composition of the Board of Directors of the Company (the "Board") was as follows:

Executive Directors ("ED")
Ramesh Dungarmal Tainwala
Kyle Francis Gendreau
Tom Korbas

Non-Executive Director
Timothy Charles Parker

Independent Non-Executive Directors ("INED")
Paul Kenneth Etchells
Keith Hamill
Miguel Kai Kwun Ko
Bruce Hardy McLain (Hardy)
Ying Yeh

At June 30, 2015, the Board committees were as follows:

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

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

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

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

The Audit Committee has reviewed the interim report of the Group for the six months ended June 30, 2015 with the Board of Directors. The interim results have also been reviewed by the Group's external auditors.

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

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

Remuneration Committee

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

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

Corporate Governance Practices

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

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

The Company complied with all applicable code provisions set out in the CG Code throughout the period from January 1, 2015 to June 30, 2015, except for the deviation from code provision F.1.3 discussed below regarding the Company's Joint Company Secretaries.

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

Mr. John Livingston, the Vice President, General Counsel and Joint Company Secretary of the Company, reports to the Company's Chief Financial Officer ("CFO"). The Company believes this is appropriate because Mr. Livingston is based at the same location as the CFO and works closely with him on a day-to-day basis. In addition, Mr. Livingston works directly with the Company's Chairman, its CEO and with the chairpersons of the various Board committees with respect to corporate governance and other Board-related matters. Ms. Chow Yuk Yin Ivy, the Company's other joint company secretary based in Hong Kong, reports to Mr. Livingston. The Company believes this is appropriate because her primary role as joint company secretary is to assist Mr. Livingston in ensuring that the Company complies with its obligations under the Listing Rules.

Change in Directors' Information

A summary of changes in information concerning certain Directors of the Company that have occurred subsequent to the publication of the Company's 2014 annual report pursuant to Rule 13.51(B)(1) of the Listing Rules is as follows:

During the six months ended June 30, 2015, Mr. Miguel Ko tendered his resignations as a director of Merlin Entertainments Group PLC effective May 2015, as a director of Surbana International Consultants Holdings Pte Ltd effective February 2015 and as a corporate advisor to Temasek International Advisors Pte Ltd effective June 2015. Mr. Ko was appointed as Director and Group CEO of Ascendas-Singbridge Pte Ltd in June 2015.

During the six months ended June 30, 2015, Mr. Bruce (Hardy) McLain was appointed as a non-executive director of Everbright Ltd. in February 2015 and as a non-executive director of Terressentia Corp. in April 2015.

In July 2015, Mr. Timothy Charles Parker was appointed Chairman of Post Office Limited effective October 1, 2015. Post Office Limited is a retail post office company in the U.K. that is owned by the British Government.

Joint Company Secretaries and Authorized Representatives
Mr. John Bayard Livingston and Ms. Chow Yuk Yin Ivy are the joint company secretaries of the Company. Ms. Chow and Mr. Ramesh Dungarmal Tainwala are the authorized representatives (pursuant to the Listing Rules) of the Company.

Directors' Securities Transactions
The Company has adopted its own policies (the "Trading Policy") for securities transactions by directors and relevant employees who are likely to be in possession of unpublished inside information of the Group on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they complied with the required standard set out in the Trading Policy during the six months ended June 30, 2015.

Share Award Scheme
On September 14, 2012, the Company's shareholders adopted the Company's Share Award Scheme to remain in effect until September 13, 2022. The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. Awards under the Share Award Scheme may take the form of either share options or restricted share units, which may be granted at the discretion of the Board to directors, employees or such other persons as the Board may determine.

The exercise price of share options is determined at the time of grant by the Board in its absolute discretion, but in any event shall not be less than the higher of:

a) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant;

b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

c) the nominal value of the shares.

As of July 31, 2015 (the "Latest Practicable Date"), the maximum aggregate number of shares in respect of which awards may be granted pursuant to the Share Award Scheme is 88,034,884 shares, representing approximately 6.2% of the issued share capital of the Company. An individual participant may be granted awards pursuant to the Share Award Scheme in respect of a maximum of 1% of the Company's total issued shares in any 12-month period. Any grant of awards to an individual participant in excess of this limit is subject to independent shareholder's approval.

On January 7, 2015, the Group granted an additional 16,006,812 share options to certain directors, key management personnel, and other employees. The exercise price of the options granted is HK$23.31. Such options are subject to *pro rata* vesting over a 4-year period, with 25% of the options vesting on each anniversary date of the grant. Such options have a 10-year term.

On January 7, 2015, the Group made an additional special grant of 10,040,399 share options to an ED and to five additional members of the Group's senior management team. The exercise price of the options granted was HK$23.31. 60% of such options will vest on January 7, 2018 and 40% will vest on January 7, 2020. Such options have a 10-year term.

In accordance with the terms of the share options, holders of vested options are entitled to buy newly issued ordinary shares of the Company at a purchase price per share equal to the exercise price of the options. The fair value of services received in return for share options granted is based on the fair value of share options granted measured using the Black-Scholes valuation model. The fair value calculated for share options is inherently subjective due to the assumptions made and the limitations of the model utilized.

The grant-date fair value of the share options granted is generally recognized as an expense, with a corresponding increase in equity when such options represent equity-settled awards, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the vesting conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the vesting conditions at the vesting date.

The following inputs were used in the measurement of the fair value at grant date of the share-based payment for the 16,006,812 share options made on January 7, 2015.

Fair value at grant date	HK$7.57
Share price at grant date	HK$23.10
Exercise price	HK$23.31
Expected volatility (weighted average volatility)	40.0%
Option life (expected weighted average life)	6.25 years
Expected dividends	1.9%
Risk-free interest rate (based on government bonds)	1.4%

The following inputs were used in the measurement of the fair value at grant date of the share-based payment for the 10,040,399 share options made on January 7, 2015.

Fair value at grant date	HK$7.94
Share price at grant date	HK$23.10
Exercise price	HK$23.31
Expected volatility (weighted average volatility)	40.4%
Option life (expected weighted average life)	7 years
Expected dividends	1.9%
Risk-free interest rate (based on government bonds)	1.4%

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

In total, share-based compensation expense of US$7.8 million and US$5.6 million was included in the consolidated income statement for the six months ended June 30, 2015 and June 30, 2014, respectively.

Particulars and movements of share options during the six months ended June 30, 2015 were as follows:

	Number of share options								
Name / category of grantee	As of January 1, 2015	Granted during the period	Exercised during the period(1)	Cancelled / lapsed during the period	As of June 30, 2015	Date of grant	Exercise period	Exercise price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
Directors									
Timothy Parker	1,821,615	—	—	—	1,821,615	January 7, 2014	January 7, 2015 – January 6, 2024	23.30	23.30
Timothy Parker	2,368,749	—	—	—	2,368,749	January 8, 2013	January 8, 2014 – January 7, 2023	17.36	16.90
Ramesh Tainwala	—	2,166,815	—	—	2,166,815	January 7, 2015	January 7, 2016 – January 6, 2025	23.31	23.30
Ramesh Tainwala	638,033	—	—	—	638,033	January 7, 2014	January 7, 2015 – January 6, 2024	23.30	23.30
Ramesh Tainwala	843,208	—	—	—	843,208	January 8, 2013	January 8, 2014 – January 7, 2023	17.36	16.90
Kyle Gendreau	—	866,726	—	—	866,726	January 7, 2015	January 7, 2016 – January 6, 2025	23.31	23.30
Kyle Gendreau	—	2,506,600	—	—	2,506,600	January 7, 2015	January 7, 2018 – January 6, 2025	23.31	23.30
Kyle Gendreau	589,543	—	—	—	589,543	January 7, 2014	January 7, 2015 – January 6, 2024	23.30	23.30
Kyle Gendreau	779,124	—	—	—	779,124	January 8, 2013	January 8, 2014 – January 7, 2023	17.36	16.90
Tom Korbas	—	714,182	—	—	714,182	January 7, 2015	January 7, 2016 – January 6, 2025	23.31	23.30
Tom Korbas	577,351	—	—	—	577,351	January 7, 2014	January 7, 2015 – January 6, 2024	23.30	23.30
Tom Korbas	552,588	—	—	—	552,588	January 8, 2013	January 8, 2014 – January 7, 2023	17.36	16.90
Total Directors	8,170,211	6,254,323	—	—	14,424,534				

Name / category of grantee	Number of share options: As of January 1, 2015	Granted during the period	Exercised during the period(1)	Cancelled / lapsed during the period	As of June 30, 2015	Date of grant	Exercise period	Exercise price per share (HK$)	Closing price immediately preceding the date of grant (HK$)
Others									
Employees	—	12,259,089	—	(170,400)	12,088,689	January 7, 2015	January 7, 2016 – January 6, 2025	23.31	23.30
Employees	—	7,533,799	—	—	7,533,799	January 7, 2015	January 7, 2018 – January 6, 2025	23.31	23.30
Employees	8,531,526	—	(501,033)	(444,514)	7,585,979	January 7, 2014	January 7, 2015 – January 6, 2024	23.30	23.30
Employee	257,566	—	—	—	257,566	May 29, 2014	May 29, 2015 - May 28, 2024	24.77	25.25
Employees	9,674,041	—	(1,200,664)	(384,799)	8,088,578	January 8, 2013	January 8, 2014 – January 7, 2023	17.36	16.90
Employee	108,522	—	—	—	108,522	July 1, 2013	July 1, 2014 – June 30, 2023	18.68	18.68
Total Employees	18,571,655	19,792,888	(1,701,697)	(999,713)	35,663,133				
Total	26,741,866	26,047,211	(1,701,697)	(999,713)	50,087,667				

Note
1 The weighted average closing price of the shares immediately before the date of exercise by participants was HK$26.09.

Human Resources and Remuneration

At June 30, 2015, the Group had approximately 9,300 employees. The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Group.

Dividends and Distributions

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

On March 16, 2015, the Board recommended that a cash distribution in the amount of US$88.0 million, or approximately US$0.0624 per share, be made to the Company's shareholders of record on June 17, 2015 from its ad hoc distributable reserve. The shareholders approved this distribution on June 4, 2015 at the annual general meeting and the distribution was paid on July 13, 2015.

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

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

During the six months ended June 30, 2015, the Company issued 1,701,697 ordinary shares at a weighted-average exercise price of HK$19.11 per share in connection with the exercise of share options that were granted under the Company's Share Award Scheme. There were no purchases or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the six months ended June 30, 2015.

Publication of Interim Results and Interim Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.samsonite.com). The interim report for the six months ended June 30, 2015 will be dispatched to the shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, August 26, 2015

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