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SAMSONITE INTERNATIONAL S.A.

新秀麗國際有限公司

13-15 Avenue de la Liberté, L-1931 Luxembourg

R.C.S. LUXEMBOURG: B 159.469

(Incorporated in Luxembourg with limited liability)

(Stock code: 1910)

QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2017

The Board of Directors of Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is pleased to present the unaudited consolidated financial and business review of the Group as of March 31, 2017 and for the three month period then ended, together with the comparative figures for the three month period ended March 31, 2016. This announcement is made pursuant to the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

FINANCIAL RESULTS HIGHLIGHTS

	Three months ended March 31,			
(Expressed in millions of US Dollars, except per share data)	**2017**	2016	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Net sales	**733.5**	568.3	29.1%	29.3%
Operating profit	**72.8**	59.8	21.8%	21.6%
Profit for the period	**41.6**	40.6	2.5%	2.4%
Profit attributable to the equity holders	**37.0**	35.6	4.1%	3.9%
Adjusted Net Income(2)	**43.3**	42.9	0.9%	0.7%
Adjusted EBITDA(3)	**110.4**	84.2	31.1%	31.0%
Adjusted EBITDA Margin(4)	**15.0%**	14.8%		
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.026**	0.025	4.0%	4.0%
Adjusted basic and diluted earnings per share(5) *(Expressed in US Dollars per share)*	**0.031**	0.030	3.3%	3.3%

Notes

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

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

(3) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, which the Group believes is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business. See "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 basic and diluted earnings per share, both non-IFRS measures, are calculated by dividing Adjusted Net Income by the weighted average number of shares outstanding during the period.

The Group has presented certain non-IFRS measures in the financial highlights section above because each of these measures provides additional information that management believes is useful in gaining a more complete understanding of the Group's operational performance and of the trends impacting its business to securities analysts, investors and other interested parties. These non-IFRS financial measures, as calculated herein, may not be comparable to similarly named measures used by other companies, and should not be considered as measures comparable to IFRS measures in the Group's consolidated income statement for the period. Non-IFRS measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's financial results as reported under IFRS.

Consolidated Income Statement (Unaudited)

(Expressed in thousands of US Dollars, except per share data)	Three months ended March 31, **2017**	2016
Net sales	**733,458**	568,324
Cost of sales	**(327,836)**	(269,701)
Gross profit	**405,622**	298,623
Distribution expenses	**(237,044)**	(166,415)
Marketing expenses	**(39,240)**	(30,172)
General and administrative expenses	**(50,663)**	(35,941)
Other expenses	**(5,839)**	(6,294)
Operating profit	**72,836**	59,801
Finance income	**413**	73
Finance costs	**(14,963)**	(4,818)
Net finance costs	**(14,550)**	(4,745)
Profit before income tax	**58,286**	55,056
Income tax expense	**(16,663)**	(14,466)
Profit for the period	**41,623**	40,590
Profit attributable to equity holders	**37,042**	35,581
Profit attributable to non-controlling interests	**4,581**	5,009
Profit for the period	**41,623**	40,590
Earnings per share		
Basic and diluted earnings per share (Expressed in US Dollars per share)	**0.026**	0.025

Consolidated Statement of Comprehensive Income (Unaudited)

(Expressed in thousands of US Dollars)	Three months ended March 31, **2017**	2016
Profit for the period	**41,623**	40,590
Other comprehensive income (loss):		
Items that are or may be reclassified subsequently to profit or loss:		
Changes in fair value of foreign exchange forward contracts, net of tax	**(1,491)**	(3,369)
Changes in fair value of interest rate swaps, net of tax	**2,941**	—
Foreign currency translation gains for foreign operations	**15,446**	16,005
	16,896	12,636
Other comprehensive income	**16,896**	12,636
Total comprehensive income for the period	**58,519**	53,226
Total comprehensive income attributable to equity holders	**52,608**	47,151
Total comprehensive income attributable to non-controlling interests	**5,911**	6,075
Total comprehensive income for the period	**58,519**	53,226

Consolidated Statement of Financial Position

(Expressed in thousands of US Dollars)	**(Unaudited) March 31, 2017**	December 31, 2016
Non-Current Assets		
Property, plant and equipment	**277,960**	281,990
Goodwill	**1,281,828**	1,238,910
Other intangible assets	**1,726,270**	1,733,061
Deferred tax assets	**63,460**	56,007
Derivative financial instruments	**19,423**	16,149
Other assets and receivables	**33,545**	32,926
Total non-current assets	**3,402,486**	3,359,043
Current Assets		
Inventories	**421,564**	421,334
Trade and other receivables	**326,059**	357,790
Prepaid expenses and other assets	**153,504**	142,833
Cash and cash equivalents	**329,049**	368,540
Total current assets	**1,230,176**	1,290,497
Total assets	**4,632,662**	4,649,540
Equity and Liabilities		
Equity:		
Share capital	**14,131**	14,113
Reserves	**1,512,822**	1,452,941
Total equity attributable to equity holders	**1,526,953**	1,467,054
Non-controlling interests	**41,997**	43,933
Total equity	**1,568,950**	1,510,987
Non-Current Liabilities		
Loans and borrowings	**1,785,457**	1,805,561
Employee benefits	**22,820**	28,680
Non-controlling interest put options	**63,640**	64,746
Deferred tax liabilities	**461,123**	456,540
Other liabilities	**7,599**	7,140
Total non-current liabilities	**2,340,639**	2,362,667
Current Liabilities		
Loans and borrowings	**15,280**	23,994
Current portion of long-term debt	**53,625**	45,813
Employee benefits	**58,106**	78,680
Trade and other payables	**503,714**	533,772
Current tax liabilities	**92,348**	93,627
Total current liabilities	**723,073**	775,886
Total liabilities	**3,063,712**	3,138,553
Total equity and liabilities	**4,632,662**	4,649,540
Net current assets	**507,103**	514,611
Total assets less current liabilities	**3,909,589**	3,873,654

Consolidated Statement of Changes in Equity (Unaudited)

(Expressed in thousands of US Dollars, except number of shares)	Number of shares	Share capital	Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings	Total equity attributable to equity holders	Non-controlling interests	Total equity
Three months ended March 31, 2016:									
Balance, January 1, 2016	1,409,833,525	14,098	971,221	(71,543)	(53,068)	498,846	1,359,554	39,832	1,399,386
Profit for the period	—	—	—	—	—	35,581	35,581	5,009	40,590
Other comprehensive income (loss):									
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	(3,349)	—	(3,349)	(20)	(3,369)
Foreign currency translation gains	—	—	—	14,919	—	—	14,919	1,086	16,005
Total comprehensive income (loss) for the period	—	—	—	14,919	(3,349)	35,581	47,151	6,075	53,226
Transactions with owners recorded directly in equity:									
Change in fair value of put options	—	—	—	—	—	697	697	—	697
Share-based compensation expense	—	—	—	—	2,472	—	2,472	—	2,472
Exercise of stock options	523,578	6	1,664	—	(485)	—	1,185	—	1,185
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(3,013)	(3,013)
Balance, March 31, 2016	1,410,357,103	14,104	972,885	(56,624)	(54,430)	535,124	1,411,059	42,894	1,453,953
Three months ended March 31, 2017:									
Balance, January 1, 2017	**1,411,288,901**	**14,113**	**976,051**	**(94,378)**	**51,300**	**519,968**	**1,467,054**	**43,933**	**1,510,987**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**37,042**	**37,042**	**4,581**	**41,623**
Other comprehensive income (loss):									
Changes in fair value of foreign exchange forward contracts, net of tax	**—**	**—**	**—**	**—**	**(1,484)**	**—**	**(1,484)**	**(7)**	**(1,491)**
Changes in fair value of interest rate swaps, net of tax	**—**	**—**	**—**	**—**	**2,941**	**—**	**2,941**	**—**	**2,941**
Foreign currency translation gains	**—**	**—**	**—**	**14,109**	**—**	**—**	**14,109**	**1,337**	**15,446**
Total comprehensive income for the period	**—**	**—**	**—**	**14,109**	**1,457**	**37,042**	**52,608**	**5,911**	**58,519**
Transactions with owners recorded directly in equity:									
Change in fair value of put options	**—**	**—**	**—**	**—**	**—**	**(705)**	**(705)**	**—**	**(705)**
Share-based compensation expense	**—**	**—**	**—**	**—**	**3,411**	**—**	**3,411**	**—**	**3,411**
Exercise of stock options	**1,835,653**	**18**	**6,374**	**—**	**(1,807)**	**—**	**4,585**	**—**	**4,585**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(7,847)**	**(7,847)**
Balance, March 31, 2017	**1,413,124,554**	**14,131**	**982,425**	**(80,269)**	**54,361**	**556,305**	**1,526,953**	**41,997**	**1,568,950**

Consolidated Statement of Cash Flows (Unaudited)

(Expressed in thousands of US Dollars)	Three months ended March 31, 2017	2016
Cash flows from operating activities:		
Profit for the period	**41,623**	40,590
Adjustments to reconcile profit for the period to net cash generated from (used in) operating activities:		
Depreciation	**20,343**	12,895
Amortization of intangible assets	**7,977**	2,732
Net change in defined benefit pension plans	**(6,960)**	—
Change in fair value of put options	**(1,812)**	2,503
Non-cash share-based compensation	**3,411**	2,472
Interest expense on financial liabilities	**19,748**	514
Income tax expense	**16,663**	14,466
	100,993	76,172
Changes in operating assets and liabilities (excluding allocated purchase price in business combinations):		
Trade and other receivables	**38,500**	(5,558)
Inventories	**9,231**	(20,720)
Other current assets	**1,008**	(884)
Trade and other payables	**(68,653)**	(34,295)
Other assets and liabilities, net	**(1,849)**	(4,981)
Cash generated from operating activities	**79,230**	9,734
Interest paid	**(17,011)**	(339)
Income tax paid	**(27,163)**	(13,718)
Net cash generated from (used in) operating activities	**35,056**	(4,323)
Cash flows from investing activities:		
Purchases of property, plant and equipment	**(14,718)**	(8,606)
Other intangible asset additions	**(605)**	—
Acquisition of businesses, net of cash acquired	**(35,067)**	—
Other uses	**(100)**	(118)
Net cash used in investing activities	**(50,490)**	(8,724)
Cash flows from financing activities:		
Payments of long-term debt	**(9,500)**	—
Payments of current loans and borrowings, net	**(9,576)**	(10,163)
Payment of deferred financing costs	**(5,371)**	—
Proceeds from the exercise of share options	**6,392**	1,670
Dividend payments to non-controlling interests	**(7,847)**	(3,013)
Net cash used in financing activities	**(25,902)**	(11,506)
Net decrease in cash and cash equivalents	**(41,336)**	(24,553)
Cash and cash equivalents, at January 1	**368,540**	180,803
Effect of exchange rate changes on cash and cash equivalents	**1,845**	7,270
Cash and cash equivalents, at March 31	**329,049**	163,520

For the Three Months Ended March 31, 2017

Net Sales

Excluding foreign currency effects, net sales increased by US$166.5 million, or 29.3%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported net sales increased by US$165.1 million, or 29.1%, to US$733.5 million for the three months ended March 31, 2017. The Tumi business, the acquisition of which was completed on August 1, 2016, contributed net sales of US$134.3 million for the three months ended March 31, 2017. Excluding net sales attributable to the Tumi business, net sales on a constant currency basis increased by US$32.5 million, or 5.7%, and US Dollar reported net sales increased by US$30.8 million, or 5.4%.

Net Sales by Region

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

- Asia - net sales increased by US$41.2 million, or 18.0%;
- North America - net sales increased by US$85.4 million, or 46.4%;
- Europe - net sales increased by US$31.4 million, or 26.4%; and
- Latin America - net sales increased by US$8.0 million, or 23.5%.

Excluding net sales attributable to the Tumi business, performance on a constant currency basis by region was as follows:

- Asia - net sales increased by US$9.9 million, or 4.3%;
- North America - net sales decreased by US$1.6 million, or 0.9%;
- Europe - net sales increased by US$16.0 million, or 13.4%; and
- Latin America - net sales increased by US$8.0 million, or 23.5%.

The following table sets forth a breakdown of net sales by region for the three months ended March 31, 2017 and March 31, 2016, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,					
	2017		2016		2017 vs 2016	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(2)]
Net sales by region[(1)]:						
Asia	**271,936**	**37.1%**	229,478	40.4%	18.5%	18.0%
North America	**269,761**	**36.8%**	183,937	32.4%	46.7%	46.4%
Europe	**146,080**	**19.9%**	118,927	20.9%	22.8%	26.4%
Latin America	**43,395**	**5.9%**	34,071	6.0%	27.4%	23.5%
Corporate	**2,286**	**0.3%**	1,911	0.3%	19.6%	19.7%
Net sales	**733,458**	**100.0%**	568,324	100.0%	29.1%	29.3%

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

Asia

Excluding foreign currency effects, the Group's net sales in Asia increased by US$41.2 million, or 18.0%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported net sales for the region increased by US$42.5 million, or 18.5%. Excluding net sales attributable to the Tumi business in Asia, net sales on a constant currency basis increased by US$9.9 million, or 4.3%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, and US Dollar reported net sales increased by US$10.4 million, or 4.6%, year-on-year. This net sales increase was primarily driven by the *Samsonite*, *Kamiliant*, *Gregory*, *Lipault* and *Hartmann* brands, partially offset by decreases in net sales of the *American Tourister* and *High Sierra* brands.

On a constant currency basis, net sales of the *Samsonite* brand increased by US$7.5 million, or 6.0%, for the three months ended March 31, 2017 compared to the same period in the previous year. US Dollar reported net sales of the *Samsonite* brand increased by US$7.3 million, or 5.9%, from the same period in the previous year driven by the success that the brand enjoyed in the e-commerce channel. For the three months ended March 31, 2017, *Kamiliant*, a value-conscious, entry level brand introduced in Asia during the second half of 2015, recorded US Dollar reported net sales of US$6.6 million, compared to US$2.5 million for the three months ended March 31, 2016. Excluding foreign currency effects, net sales of the *American Tourister* brand in the Asia region decreased by US$4.3 million, or 5.0%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported net sales of the *American Tourister* brand decreased by US$4.0 million, or 4.6%, from the same period in the previous year, primarily driven by decreased net sales of *American Tourister* product in the TV home shopping channel in China and South Korea. Nevertheless, the performance of the *American Tourister* brand in the Asia region has begun to show early signs of improvement compared to the second half of 2016, when net sales declined by 10.3% on a constant currency basis and by 10.7% on a US Dollar reported basis, helped by positive initial customer response to new product launches. Net sales of the *Tumi* brand, which was acquired on August 1, 2016, amounted to US$32.0 million in Asia during the three months ended March 31, 2017. Net sales of the *High Sierra* brand amounted to US$2.6 million in Asia during the three months ended March 31, 2017, a decrease of 37.0% year-on-year on a constant currency basis, while US Dollar reported net sales decreased by 35.3% from the same period in the previous year driven by a decrease in India due to the Group's decision to promote backpacks under its other brand names within the country. Net sales of the *Hartmann* brand amounted to US$2.7 million in Asia during the three months ended March 31, 2017, an increase of 49.3% from the same period in the previous year on a constant currency basis, while US Dollar reported net sales increased by 52.2% year-on-year as the brand continued to gain traction in the region. Net sales of the *Gregory* brand in Asia amounted to US$7.7 million during the three months ended March 31, 2017, an increase of 73.5% year-on-year on a constant currency basis, and an increase of 77.3% from the same period in the previous year on a US Dollar reported basis as the Group continued to develop products designed specifically for the tastes and preferences of consumers within the region. Net sales of the *Lipault* brand amounted to US$3.0 million in Asia during the three months ended March 31, 2017 compared to net sales of US$2.1 million during the three months ended March 31, 2016 as the brand began to successfully expand throughout the region.

During the three months ended March 31, 2017, net sales attributable to the Tumi business within Asia were only recorded in Japan, South Korea (where the Group assumed direct control of the distribution of the *Tumi* brand on January 1, 2017) and Hong Kong (net sales recorded in Hong Kong included sales to third party distributors of the *Tumi* brand in various countries in the Asia region, excluding Japan and South Korea where the Group has direct control of the distribution of the *Tumi* brand). Japan experienced strong constant currency growth of 54.4% during the three months ended March 31, 2017 compared to the same period in the previous year. Excluding net sales attributable to the Tumi business in Japan, net sales on a constant currency basis increased by 15.2%, while net sales on a US Dollar reported basis increased by 18.5% year-on-year, driven by the *Samsonite* and *Gregory* brands. Excluding foreign currency effects, net sales in China increased by 10.4% year-on-year, driven by growth of the *Samsonite* brand. Net sales in South Korea increased by US$8.3 million, or 18.3%, on a constant currency basis. Excluding net sales attributable to the Tumi business in South Korea, net sales decreased by 0.6% on a constant currency basis due to weak consumer sentiment in the country and a decrease in shoppers visiting from China during the period. On a constant currency basis, net sales in India increased by 9.0% for the three months ended March 31, 2017 compared to the same period in the previous year, driven by the *American Tourister* and *Kamiliant* brands. On a constant currency basis, net sales in Hong Kong (including Macau) increased by 71.7% year-on-year, driven by net sales attributable to the Tumi business (which included sales to Tumi distributors in other Asian countries). Excluding net sales attributable to the Tumi business, net sales in Hong Kong (including Macau) decreased by US$0.8 million, or 5.1%, on a constant currency basis, while net sales on a US Dollar reported basis decreased by US$0.8 million, or 5.0%, driven primarily by fewer Chinese shoppers visiting from the Mainland. Australia had strong constant currency net sales growth of 9.2% year-on-year, driven by increased sales of the *Samsonite* and *High Sierra* brands.

North America

Excluding foreign currency effects, the Group’s net sales in North America increased by US$85.4 million, or 46.4%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported net sales for the North American region increased by US$85.8 million, or 46.7%. Excluding net sales attributable to the Tumi business in North America, net sales on a constant currency basis decreased by US$1.6 million, or 0.9%, and US Dollar reported net sales decreased by US$1.3 million, or 0.7%, year-on-year due to reduced net sales of the *American Tourister* and *High Sierra* brands, partially offset by growth of the *Samsonite* and *Speck* brands. Net sales of the *American Tourister* brand decreased by US$2.0 million, or 10.1%, on a constant currency basis and US Dollar reported net sales decreased by US$2.0 million, or 9.9%, year-on-year. This decrease was primarily due to certain customers delaying their replenishment orders in anticipation of new product launches planned for the second half of 2017. Net sales of the *High Sierra* brand decreased by US$1.9 million, or 15.0%, on a constant currency basis and US Dollar reported net sales decreased by US$1.9 million, or 14.8%, year-on-year primarily due to the non-recurrence of certain apparel sales that occurred during the three months ended March 31, 2016. Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$2.6 million, or 2.2%, and US Dollar reported net sales increased by US$2.8 million, or 2.4%, for the three months ended March 31, 2017 compared to the same period in the prior year. Net sales of the *Speck* brand in North America increased by US$0.8 million, or 3.4%, on both a constant currency and US Dollar basis for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, reflecting a postponement in new product launches due to the delay of certain new electronic device introductions to the second quarter of 2017. Net sales of the *Tumi* brand, which was acquired on August 1, 2016, amounted to US$87.1 million in North America during the three months ended March 31, 2017.

For the three months ended March 31, 2017, US Dollar reported net sales in the United States increased by US$80.9 million, or 46.1%. Excluding net sales attributable to the Tumi business, US Dollar reported net sales in the United States decreased by US$2.8 million, or 1.6%, due to the factors noted above. Excluding foreign currency effects, net sales in Canada increased by 53.2% year-on-year. Excluding net sales attributable to the Tumi business in Canada, net sales on a constant currency basis increased by US$1.2 million, or 14.4%, while net sales on a US Dollar reported basis increased by US$1.5 million, or 18.2%.

Europe

Excluding foreign currency effects, the Group's net sales in Europe increased by US$31.4 million, or 26.4%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported net sales for the region increased by US$27.2 million, or 22.8%, year-on-year. Excluding net sales attributable to the Tumi business in Europe, net sales on a constant currency basis increased by US$16.0 million, or 13.4%, and US Dollar reported net sales increased by US$12.3 million, or 10.4%, year-on-year. Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$12.4 million, or 13.5%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported net sales of the *Samsonite* brand increased by US$9.2 million, or 10.0%, year-on-year. Net sales of the *American Tourister* brand increased by US$2.3 million, or 15.3%, on a constant currency basis, and US Dollar reported net sales increased by US$2.2 million, or 14.2%, compared to the same period in the previous year as the Group continued to focus on driving growth of the brand and increasing its presence in Europe. Net sales of the *Tumi* brand, which was acquired on August 1, 2016, amounted to US$16.4 million in Europe during the three months ended March 31, 2017. This amount included US$1.5 million in net sales of Tumi products made through Rolling Luggage and other Samsonite multi-brand stores in Europe, compared to US$1.3 million recognized during the three months ended March 31, 2016. Excluding foreign currency effects, net sales of the *Lipault* brand increased by US$0.3 million, or 9.1%, year-on-year and US Dollar reported net sales increased by US$0.2 million, or 7.5%, to US$3.3 million driven by further expansion of the brand's distribution within the region. On a constant currency basis, net sales of the *Gregory* brand increased by 95.0% and US Dollar reported net sales increased by 88.7% to US$1.2 million. Excluding foreign currency effects, net sales of the *Hartmann* brand increased by 5.4%, while US Dollar reported net sales increased by 6.5% to US$0.7 million during the three months ended March 31, 2017 compared to the three months ended March 31, 2016.

On a constant currency basis, almost all countries within the European region achieved double-digit net sales growth during the three months ended March 31, 2017 compared to the same period in the previous year, including Germany (+56.6%), the United Kingdom (+41.0%) (net sales reported for the United Kingdom include net sales made in Ireland), France (+21.3%), Italy (+15.3%) and Spain (+14.7%). Excluding net sales attributable to the Tumi business, these same countries achieved the following constant currency net sales growth over the prior year: the United Kingdom (+21.6%), Germany (+10.9%), Italy (+10.8%), France (+8.9%) and Spain (+6.1%). On a US Dollar reported net sales basis, these same countries achieved the following growth over the same period in the previous year when excluding net sales attributable to the Tumi business: Italy (+7.8%), Germany (+7.7%), United Kingdom (+6.6%), France (+6.2%) and Spain (+3.2%). The Group continued to experience year-on-year constant currency net sales growth in Russia (+39.0%) and Turkey (+11.4%).

Latin America

Excluding foreign currency effects, the Group's net sales in Latin America increased by US$8.0 million, or 23.5%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported net sales for the region increased by US$9.3 million, or 27.4%. Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$2.3 million, or 19.3%, and US Dollar reported net sales increased by US$2.3 million, or 19.9%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. Net sales of the *American Tourister* brand increased by US$0.4 million, or 17.7%, on a constant currency basis, and US Dollar reported net sales increased by US$0.2 million, or 7.1%, year-on-year as the Group continued to expand the geographical distribution of the brand. Sales of women's handbags under the *Secret* brand name enjoyed continued success, with constant currency net sales growth of 52.6% and US Dollar reported net sales growth of 63.1% to US$3.6 million year-on-year. Excluding foreign currency effects, net sales of the local brands *Saxoline* and *Xtrem* increased by 10.8% and 25.9%, respectively, year-on-year while US Dollar reported net sales increased by 18.8% and 33.5%, respectively.

Excluding foreign currency effects, net sales in Chile increased by 21.7% year-on-year. US Dollar reported net sales for Chile increased by US$5.9 million, or 30.5% year-on-year, primarily due to increased net sales of the local *Xtrem* and *Saxoline* brands for the back to school season and the women's handbag brand *Secret*. Excluding foreign currency effects, net sales in Mexico increased by 22.5% for the three months ended March 31, 2017 compared to the same period in the previous year, driven by increased net sales in the *Samsonite* and *Xtrem* brands. Net sales in

Brazil increased by 37.1% on a constant currency basis and US Dollar reported net sales increased by 68.1% year-on-year driven by continued retail expansion. The Group continues to invest in Brazil, where the Group's presence has historically been under-represented, to drive future net sales growth and gain market share.

Net Sales by Brands

The following table sets forth a breakdown of net sales by brand for the three months ended March 31, 2017 and March 31, 2016, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,						
	2017		2016		2017 vs 2016	
	US$'000		**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[4]
Net sales by brand:							
Samsonite	**367,690**		**50.1%**	346,003	60.9%	6.3 %	7.1 %
Tumi	**135,815**	(1)	**18.5%**	—	—%	*nm*	*nm*
American Tourister	**121,184**		**16.5%**	124,885	22.0%	(3.0)%	(2.9)%
Speck	**24,184**		**3.3%**	23,368	4.1%	3.5 %	3.5 %
High Sierra	**14,124**		**1.9%**	17,540	3.1%	(19.5)%	(19.7)%
Gregory	**13,628**		**1.9%**	9,550	1.7%	42.7 %	41.4 %
Lipault	**7,189**		**1.0%**	5,641	1.0%	27.5 %	27.9 %
Kamiliant	**6,621**		**0.9%**	2,502	0.4%	164.6 %	162.1 %
Hartmann	**5,701**		**0.8%**	5,403	1.0%	5.5 %	4.4 %
Other[3]	**37,322**		**5.1%**	33,432 (2)	5.8%	11.6 %	7.3 %
Net sales	**733,458**		**100.0%**	568,324	100.0%	29.1 %	29.3 %

Notes

(1) Includes US$1.5 million in net sales of Tumi products made through Rolling Luggage and other Samsonite multi-brand stores.

(2) Includes US$1.3 million in net sales of Tumi products made through Rolling Luggage and other Samsonite multi-brand stores.

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

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

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

Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$24.7 million, or 7.1%, for the three months ended March 31, 2017 compared to the same period in the previous year, with all regions reporting constant currency net sales increases of the *Samsonite* brand: Asia (+6.0%), North America (+2.2%), Europe (+13.5%) and Latin America (+19.3%). US Dollar reported net sales of the *Samsonite* brand increased by US$21.7 million, or 6.3%, year-on-year, with all regions reporting US Dollar reported net sales increases of the *Samsonite* brand: Asia (+5.9%), North America (+2.4%), Europe (+10.0%) and Latin America (+19.9%). *Samsonite* comprised 50.1% of the net sales of the Group during the three months ended March 31, 2017 compared to 60.9% during the same period in the previous year, reflecting the continued diversification of the Group's brand portfolio with the addition of the *Tumi* brand, which was acquired on August 1, 2016, as well as increased contributions from the Group's other brands. Excluding foreign currency effects, net sales of the *American Tourister* brand decreased by US$3.6 million, or 2.9%, for the three months ended March 31, 2017 compared to the same period in the previous year. US Dollar reported net sales of the *American Tourister* brand decreased by US$3.7 million, or 3.0%, year-on-year, driven by a decrease of 4.6% and 9.9% in Asia and North America, respectively, partially offset by an increase in net sales of 14.2% and 7.1% in Europe and Latin America, respectively.

Net sales of the *Tumi* brand, which was acquired on August 1, 2016, amounted to US$135.8 million during the three months ended March 31, 2017. This amount included US$1.5 million in net sales of Tumi products made through Rolling Luggage and other Samsonite multi-brand stores, compared to net sales of US$1.3 million recognized during the three months ended March 31, 2016 (which were classified under "Other" brands). Excluding foreign currency effects, net sales of the *Speck* brand increased by US$0.8 million, or 3.5%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. On a constant currency basis, net sales of the *High Sierra* brand decreased by 19.7% for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 driven by a 37.0% decrease in Asia and a 15.0% decrease in North America. Excluding foreign currency effects, net sales of the *Gregory* brand increased by $4.0 million, or 41.4%, for the three months ended March 31, 2017 compared to the same period in the previous year, with Asia, North America and Europe all contributing to the growth. On a constant currency basis, net sales of the *Lipault* brand increased by US$1.6 million, or 27.9%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, driven by geographical expansion in Asia and increased sales in Europe. Excluding foreign currency effects, net sales of the *Hartmann* brand increased by US$0.2 million, or 4.4%, for the three months ended March 31, 2017 compared to the same period in the previous year, driven by expansion of the brand in Asia. For the three months ended March 31, 2017, *Kamiliant*, a value-conscious, entry level brand introduced in Asia during the second half of 2015, recorded US Dollar reported net sales of US$6.6 million, compared to US$2.5 million for the same period in the previous year.

Gross Profit

Gross profit increased by US$107.0 million, or 35.8%, to US$405.6 million for the three months ended March 31, 2017 from US$298.6 million for the three months ended March 31, 2016. Gross profit margin increased to 55.3% for the three months ended March 31, 2017 from 52.5% for the three months ended March 31, 2016.

The increase in gross profit margin was partly attributable to the acquisition of Tumi, which delivers higher margins. Excluding amounts attributable to the Tumi business, gross profit increased by US$24.1 million, or 8.1%, to US$322.7 million, and gross profit margin increased to 53.9% for the three months ended March 31, 2017 from 52.5% for the three months ended March 31, 2016 largely due to a higher proportion of net sales being derived from direct-to-consumer channels, partly offset by the negative impact on product costs from the strengthened US Dollar.

Distribution Expenses

Distribution expenses increased by US$70.6 million, or 42.4%, to US$237.0 million (representing 32.3% of net sales) for the three months ended March 31, 2017 from US$166.4 million (representing 29.3% of net sales) for the three months ended March 31, 2016. This increase was primarily due to the acquisition of Tumi and the increase in sales volume during the three months ended March 31, 2017. Distribution expenses as a percentage of net sales increased year-on-year primarily due to the acquisition of Tumi, which has a higher distribution expense ratio because of its higher mix of direct-to-consumer sales. The Group recorded an additional US$5.2 million of amortization in the first quarter of 2017 compared to the first quarter of 2016, primarily associated with the definite-lived intangible assets recognized in conjunction with the Tumi acquisition. Excluding amounts attributable to the Tumi business, distribution expenses as a percentage of net sales were 29.9% for the three months ended March 31, 2017 compared to 29.3% for the same period in the previous year, primarily due to increased costs from the Group's retail expansion strategy, investment in the infrastructure of the Group's business in Latin America and investment in the geographical expansion of the *American Tourister*, *Lipault* and *Hartmann* brands.

Marketing Expenses

The Group spent US$39.2 million (representing 5.3% of net sales) on marketing during the three months ended March 31, 2017 compared to US$30.2 million (representing 5.3% of net sales) for the three months ended March 31, 2016, an increase of US$9.1 million, or 30.1%. On a constant currency basis, marketing expenses increased by US$9.1 million, or 30.2%. Excluding amounts attributable to the Tumi business, marketing expenses as a percentage of net sales were 5.3% for the three months ended March 31, 2017 compared to 5.3% for the same period in the previous year. 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$14.7 million, or 41.0%, to US$50.7 million (representing 6.9% of net sales) for the three months ended March 31, 2017 from US$35.9 million (representing 6.3% of net sales) for the three months ended March 31, 2016. Excluding amounts attributable to the Tumi business, general and administrative expenses as a percentage of net sales were 6.9% for the three months ended March 31, 2017 compared to 6.3% for the same period in the previous year. General and administrative expenses increased as a percentage of net sales due to higher depreciation attributable to the Tumi acquisition, as well as an increase in certain other fixed costs compared to the same period in the previous year.

Other Expenses

The Group incurred other expenses of US$5.8 million and US$6.3 million for the three months ended March 31, 2017 and March 31, 2016, respectively. Other expenses for the three months ended March 31, 2017 were primarily comprised of acquisition-related costs totaling US$4.0 million associated with due diligence, professional and legal fees, severance and integration costs incurred for completed and contemplated acquisitions. Other expenses for the three months ended March 31, 2016 included acquisition-related costs of US$4.1 million associated with due diligence, professional and legal fees, severance and integration costs incurred for the acquisition of Tumi, which was completed on August 1, 2016.

Operating Profit

On a constant currency basis, the Group's operating profit increased by US$12.9 million, or 21.6%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported operating profit of US$72.8 million for the three months ended March 31, 2017 increased by US$13.0 million, or 21.8%, from US$59.8 million for the three months ended March 31, 2016 due to the factors noted above.

Net Finance Costs

Net finance costs increased by US$9.8 million, or 206.6%, to US$14.6 million for the three months ended March 31, 2017 from US$4.7 million for the three months ended March 31, 2016. This increase was attributable to a US$19.3 million increase in interest expense related to the Senior Credit Facilities (described in the Indebtedness section below), which includes the amortization of deferred financing costs in the amount of US$2.6 million. This increase was partially offset by a US$4.3 million decrease in the expense recognized for the change in fair value of put options related to agreements with certain holders of non-controlling interests for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, and a US$5.1 million decrease in foreign exchange losses year-on-year.

The following table sets forth a breakdown of total finance costs for the three months ended March 31, 2017 and March 31, 2016.

	Three months ended March 31,	
(Expressed in thousands of US Dollars)	**2017**	2016
Recognized in income or loss:		
Interest income on bank deposits	**413**	73
Total finance income	**413**	73
Interest expense on financial liabilities measured at amortized cost	**(19,748)**	(514)
Change in fair value of put options	**1,812**	(2,503)
Net foreign exchange gain (loss)	**4,203**	(897)
Other finance costs	**(1,230)**	(904)
Total finance costs	**(14,963)**	(4,818)
Net finance costs recognized in profit or loss	**(14,550)**	(4,745)

Income Tax Expense

On a constant currency basis, income tax expense increased by US$2.1 million, or 14.2%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported income tax expense increased by US$2.2 million, or 15.2%, to US$16.7 million for the three months ended March 31, 2017 from US$14.5 million for the three months ended March 31, 2016.

The Group's consolidated effective tax rate for operations was 28.6% and 26.3% for the three months ended March 31, 2017 and March 31, 2016, respectively. The 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 changes in unrecognized deferred tax assets. The effective tax rate for each period was recognized based on management's best estimate of the weighted average annual tax rate expected for the full financial year applied to the pre-tax income for each respective period. The increase in the Group's effective tax rate was mainly the result of normal changes in the profit mix between high and low tax jurisdictions, including the addition of Tumi which has a majority of its income generated in the higher tax rate jurisdiction of the United States.

Profit for the Period

On a constant currency basis, profit for the period increased by US$1.0 million, or 2.4%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. Profit for the period was adversely impacted by a year-on-year increase in interest expense of US$19.3 million, primarily associated with the Senior Credit Facilities utilized to finance the Tumi acquisition. US Dollar reported profit for the period of US$41.6 million for the three months ended March 31, 2017 increased by US$1.0 million, or 2.5%, from US$40.6 million for the same period in the previous year.

On a constant currency basis, profit attributable to the equity holders increased by US$1.4 million, or 3.9%, compared to the same period in the previous year due to the factors noted above. US Dollar reported profit attributable to the equity holders was US$37.0 million for the three months ended March 31, 2017, an increase of US$1.5 million, or 4.1%, from US$35.6 million for the three months ended March 31, 2016.

Basic earnings per share (“Basic EPS”) and diluted earnings per share ("Diluted EPS") both increased by 4.0% to US$0.026 for the three months ended March 31, 2017 from US$0.025 for the three months ended March 31, 2016. The weighted average number of shares utilized in the Basic EPS calculation was 1,411,583,725 shares as of March 31, 2017 compared to 1,409,902,981 shares as of March 31, 2016. The weighted average number of shares outstanding utilized in the Diluted EPS calculation was 1,415,445,577 shares as of March 31, 2017 compared to 1,411,290,614 shares as of March 31, 2016.

Adjusted EBITDA

On a constant currency basis, Adjusted EBITDA, a non-IFRS measure, increased by US$26.1 million, or 31.0%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported Adjusted EBITDA increased by US$26.2 million, or 31.1%, to US$110.4 million for the three months ended March 31, 2017 from US$84.2 million for the three months ended March 31, 2016. US Dollar reported Adjusted EBITDA margin increased to 15.0% from 14.8% primarily due to higher gross margins, partially offset by higher operating expenses. Excluding the Adjusted EBITDA and net sales attributable to the Tumi business, US Dollar reported Adjusted EBITDA was US$90.4 million, or 15.1%, of net sales for the three months ended March 31, 2017, reflecting an increase of US$6.2 million, or 7.4%. See the reconciliation of profit for the period to Adjusted EBITDA below for a detailed discussion of the Group’s results excluding certain costs and charges and other non-cash charges that impacted US Dollar reported profit for the period.

The following table presents the reconciliation from the Group’s profit for the period to Adjusted EBITDA for the three months ended March 31, 2017 and March 31, 2016:

	Three months ended March 31,	
(Expressed in thousands of US Dollars)	**2017**	2016
Profit for the period	**41,623**	40,590
Plus (Minus):		
Income tax expense	**16,663**	14,466
Finance costs	**14,963**	4,818
Finance income	**(413)**	(73)
Depreciation	**20,343**	12,895
Amortization	**7,977**	2,732
EBITDA	**101,156**	75,428
Plus:		
Share-based compensation expense	**3,411**	2,472
Other adjustments(1)	**5,787**	6,299
Adjusted EBITDA	**110,354**	84,199
Adjusted EBITDA growth	**31.1%**	
Adjusted EBITDA margin	**15.0%**	14.8%

Note

(1) Other adjustments primarily comprised of ‘Other expenses’ per the consolidated income statement, which includes acquisition-related costs of US$4.0 million and US$4.1 million for the three months ended March 31, 2017 and March 31, 2016, respectively.

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

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

Adjusted Net Income

On a constant currency basis, Adjusted Net Income, a non-IFRS measure, increased by US$0.3 million, or 0.7%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. US Dollar reported Adjusted Net Income increased by US$0.4 million, or 0.9%, to US$43.3 million for the three months ended March 31, 2017 from US$42.9 million for the three months ended March 31, 2016, despite a year-on-year increase in interest expense of US$19.3 million, primarily associated with the Senior Credit Facilities utilized to finance the Tumi acquisition. See the reconciliation of profit for the period to Adjusted Net Income below for a detailed discussion of the Group's results excluding certain costs and charges and other non-cash charges that impacted US Dollar reported profit for the period.

Adjusted Basic EPS and adjusted Diluted EPS, non-IFRS measures, increased to US$0.031 for the three months ended March 31, 2017 from US$0.030 for the three months ended March 31, 2016.

The following table presents the reconciliation from the Group's profit for the period to Adjusted Net Income for the three months ended March 31, 2017 and March 31, 2016:

	Three months ended March 31,	
(Expressed in thousands of US Dollars)	**2017**	2016
Profit for the period	**41,623**	40,590
Profit attributable to non-controlling interests	**(4,581)**	(5,009)
Profit attributable to the equity holders	**37,042**	35,581
Plus (Minus):		
Change in fair value of put options	**(1,812)**	2,503
Amortization of intangible assets	**7,977**	2,732
Acquisition-related costs	**4,047**	4,130
Tax adjustments(1)	**(3,927)**	(2,014)
Adjusted Net Income(2)	**43,327**	42,932

Notes
(1) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated income statement.
(2) Represents Adjusted Net Income attributable to the equity holders of the Company.

The Group has presented Adjusted Net Income because it believes this measure helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance. By presenting Adjusted Net Income, the Group eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact US Dollar reported profit for the period.

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

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of March 31, 2017 and December 31, 2016:

(Expressed in thousands of US Dollars)	**March 31, 2017**	December 31, 2016
Term Loan A Facility	**1,234,375**	1,242,187
Term Loan B Facility	**671,625**	673,313
Revolving Facility	**—**	10,516
Senior Credit Facilities	**1,906,000**	1,926,016
Other lines of credit	**15,198**	13,410
Finance lease obligations	**311**	283
Total loans and borrowings	**1,921,509**	1,939,709
Less deferred financing costs	**(67,147)**	(64,341)
Total loans and borrowings less deferred financing costs	**1,854,362**	1,875,368

Senior Credit Facilities

Overview

On May 13, 2016, an indirect wholly-owned subsidiary of the Company entered into a Credit and Guaranty Agreement dated as of May 13, 2016 (the “Credit Agreement”) with certain lenders and financial institutions. On August 1, 2016 (the “Closing Date”), the Company and certain of its other indirect wholly-owned subsidiaries became parties to the Credit Agreement. The Credit Agreement provides for (1) a US$1,250.0 million senior secured term loan A facility (the “Term Loan A Facility”), (2) a US$675.0 million senior secured term loan B facility (the “Term Loan B Facility” and, together with the Term Loan A Facility, the “Term Loan Facilities”) and (3) a US$500.0 million revolving credit facility (the “Revolving Facility”, and, together with the Term Loan Facilities, the “Senior Credit Facilities”).

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

Interest Rate and Fees

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

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

On February 2, 2017, the Group refinanced the Senior Credit Facilities (the “Repricing”). Under the terms of the Repricing, the interest rate payable on the Term Loan A Facility and the Revolving Facility was reduced with effect from February 2, 2017 until the delivery of the financial statements for the period ending June 30, 2017 to LIBOR plus 2.00% per annum (or a base rate plus 1.00% per annum) from LIBOR plus 2.75% per annum (or a base rate plus 1.75% per annum) and thereafter shall be based on the total net leverage ratio of the Group at the end of each fiscal quarter. The interest rate payable on the Term Loan B Facility was reduced with effect from February 2, 2017 to LIBOR plus 2.25% per annum with a LIBOR floor of 0.00% (or a base rate plus 1.25% per annum) from LIBOR plus 3.25% per annum with a LIBOR floor of 0.75% (or a base rate plus 2.25% per annum). In addition, the commitment fee payable in respect of the unutilized commitments under the Revolving Facility was reduced from 0.5% per annum to 0.375% per annum through June 30, 2017 and thereafter shall be based on the total net leverage ratio of the Group at the end of each fiscal quarter. In conjunction with the Repricing, the Group incurred approximately US$5.4 million in fees and expenses that was deferred and is amortized over the term of the borrowings.

Amortization and Final Maturity

The Term Loan A Facility requires scheduled quarterly payments that commenced December 31, 2016, with an amortization of 2.5% of the original principal amount of the loans under the Term Loan A Facility made during the first year, with a step-up to 5.0% amortization during the second and third years, 7.5% during the fourth year and 10.0% during the fifth year, with the balance due and payable on the fifth anniversary of the Closing Date. The Term Loan B Facility requires scheduled quarterly payments that commenced December 31, 2016, each equal to 0.25% of the original principal amount of the loans under the Term Loan B Facility, with the balance due and payable on the seventh anniversary of the Closing Date. There is no scheduled amortization of the principal amounts of the loans outstanding under the Revolving Facility. Any principal amount outstanding under the Revolving Facility is due and payable on the fifth anniversary of the Closing Date.

Certain Covenants and Events of Default

The Senior Credit Facilities contain a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and its subsidiaries. In addition, the Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. The Group was in compliance with the financial covenants as of March 31, 2017.

Interest Rate Swaps
The Group entered into interest rate swap transactions on June 1, 2016 that became effective on December 31, 2016 and will terminate on August 31, 2021. The Group uses the interest rate swap transactions to minimize its exposure to interest rate fluctuations under the floating-rate Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. The interest rate swap agreements had initial notional amounts totaling US$1,237.0 million representing approximately 65% of the anticipated balances of the Term Loan Facilities. The notional amounts of the interest rate swap agreements decrease over time in line with required amortization and anticipated prepayments on the Term Loan Facilities. LIBOR has been fixed at approximately 1.30% under each agreement. Each of the interest rate swap agreements have fixed payments due monthly that commenced January 31, 2017. The interest rate swap transactions qualify as cash flow hedges under IFRS. As of March 31, 2017, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$19.4 million, which was recorded as an asset with the effective portion of the gain deferred to other comprehensive income.

Deferred Financing Costs
The Group recognized US$69.5 million of deferred financing costs during the year ended December 31, 2016 related to the Senior Credit Facilities. In addition, the Group recognized US$5.4 million of deferred financing costs during the three months ended March 31, 2017 related to the Repricing, the balances of which were included in non-current loans and borrowings in the consolidated statement of financial position as of March 31, 2017 and December 31, 2016. The deferred financing costs were comprised of the original issue discount, commitment fees and other financing-related costs that were deferred and offset against loans and borrowings and are amortized using the effective interest method over the life of the Term Loan Facilities.

Revolving Facility
As of March 31, 2017, US$496.9 million was available to be borrowed on the Revolving Facility as a result of the utilization of US$3.1 million of the facility for outstanding letters of credit extended to certain creditors. No amounts were borrowed on the Revolving Facility as of March 31, 2017.

Other Loans and Borrowings
Certain consolidated subsidiaries of the Group maintain credit lines with various third party lenders in the regions in which they operate. Other loans and borrowings are generally variable rate instruments denominated in the functional currency of the borrowing Group entity. These local credit lines provide working capital for the day-to-day business operations of the subsidiaries, including overdraft, bank guarantees, and trade finance and factoring facilities. The majority of these credit lines are uncommitted facilities. The total aggregate amount outstanding under the local facilities was US$15.2 million and US$13.4 million as of March 31, 2017 and December 31, 2016, respectively.

Contractual Maturities
The following represents the contractual maturity dates of the Group's loans and borrowings (excluding the impact of netting agreements) as of March 31, 2017 and December 31, 2016:

(Expressed in thousands of US Dollars)	**March 31, 2017**	December 31, 2016
On demand or within one year	**68,905**	69,807
After one year but within two years	**69,336**	69,319
After two years but within five years	**1,145,393**	1,161,020
More than five years	**637,875**	639,563
	1,921,509	1,939,709

Purchases of Property, Plant and Equipment
Purchases of property, plant and equipment were US$14.7 million for the three months ended March 31, 2017, including US$3.2 million attributable to Tumi, compared to US$8.6 million for the three months ended March 31, 2016. Capital expenditures during the first quarter of 2017 primarily included costs related to new or remodeled retail stores and investment in the expansion of the Group's manufacturing facility in Hungary. Capital expenditures during the first quarter of 2016 primarily related to the addition of new retail locations, remodeling of existing locations, continued work on the warehouse in China and investments in machinery and equipment.

Cash Distribution to Equity Holders

On March 15, 2017, the Company's Board of Directors recommended that a cash distribution in the amount of US$97.0 million, or approximately US$0.0687 per share, be made to the Company's shareholders of record on June 17, 2017 from its ad hoc distributable reserve. The distribution is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company on June 1, 2017.

Business Combinations

Assets related to distribution of Tumi in South Korea

The Company's wholly-owned subsidiary in South Korea assumed direct control of the wholesale and retail distribution of Tumi products in South Korea with effect from January 1, 2017. On January 4, 2017, the Company's wholly-owned subsidiary in South Korea completed the acquisition of certain assets, including inventory, store fixtures and furniture, as well as rights under retail store leases, from TKI, Inc. ("TKI"), Tumi's former distributor in South Korea since March 2006. The Group has not yet completed a formal valuation of the assets that were acquired in the acquisition.

The transaction with TKI provided the Group with 34 points-of-sale in South Korea as of January 1, 2017, including 17 Tumi retail stores as well as shop-in-shops in duty-free operators and department stores.

Business Combinations Subsequent to March 31, 2017

Assets related to distribution of Tumi in Hong Kong, Macau and China

The Company's wholly-owned subsidiaries in Hong Kong, Macau and China assumed direct control of the wholesale and retail distribution of Tumi products in Hong Kong, Macau and China with effect from April 1, 2017. On April 1, 2017 the Company's wholly-owned subsidiaries in Hong Kong, Macau and China acquired certain assets, including inventory, store fixtures and furniture, as well as rights under retail store leases, from Imaginex Holdings Limited ("Imaginex"), Tumi's former distributor in Hong Kong, Macau and China since 2005. The Group has not yet completed a formal valuation of the assets that were acquired in the transaction.

The transaction with Imaginex provided the Group with 27 points-of-sale for the *Tumi* brand as of March 31, 2017, including 13 points-of-sale in Hong Kong (including Macau) and 14 points-of-sale in China. The 13 points-of-sale in Hong Kong (including Macau) included 8 Tumi retail stores and 5 shop-in-shops in department stores and the 14 points-of-sale in China included 10 Tumi retail stores and 4 shop-in-shops in department stores.

eBags, Inc.

On April 6, 2017, Samsonite LLC and BGS Merger Sub, Inc., both wholly-owned subsidiaries of the Company, entered into a merger agreement with eBags, Inc. ("eBags") and certain of the security holders of eBags, pursuant to which Samsonite LLC agreed to acquire all of the outstanding equity interests of eBags for a cash consideration of US$105.0 million (subject to subsequent customary adjustments for working capital, transaction expenses and net debt), on the terms and conditions set out in the merger agreement. The acquisition was completed on May 5, 2017.

eBags is a leading online retailer of bags and related accessories for travel. eBags offers consumers a diverse offering of travel bags and accessories including luggage, backpacks, handbags, business bags, travel accessories and apparel. eBags sells products from a wide variety of leading travel and fashion brands (including many of the brands owned by the Group), as well as its own exclusive private label brand. Founded in 1998, eBags is headquartered in Greenwood Village, Colorado, USA.

The acquisition provides the Group a strong platform to help accelerate the growth of the Group's direct-to-consumer e-commerce business in North America and worldwide. It also provides the Group with immediate resources and digital know-how to strengthen the Group's existing digital capabilities.

The consideration under the merger agreement paid by Samsonite LLC was financed by internal resources of the Group and the Group's revolving credit facility.

GENERAL

This financial and business review as of and for the three month period ended March 31, 2017 is being published to provide shareholders, potential investors and other interested parties with an update of the performance of the Group.

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

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

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

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

Hong Kong, May 24, 2017

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