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, 2011

Financial Highlights

- The Company's net sales increased to record levels of US$743.8 million for the six months ended June 30, 2011 reflecting a 34.5% increase from the comparable period in 2010. Excluding foreign currency effects, net sales increased by 28.6%.

- Adjusted EBITDA[1] increased by 40.1% to US$117.9 million year-on-year.

- Adjusted Net Income[2] improved by 20.6% to US$66.7 million year-on-year.

- Excluding the effect of the termination of the *Lacoste*[3] and *Timberland*[4] licensing agreements, which were no longer active from December 2010, the Company's net sales, Adjusted EBITDA, and Adjusted Net Income for the first half of 2011 increased by 40.8%, 62.0% and 41.9%, respectively, compared to the first half of 2010.

- All four regions achieved strong double-digit net sales growth driven by:

  - Strength of brands
  - Innovative product offerings tailored to local markets
  - Extensive global distribution and adding new points of sale
  - Strong and targeted advertising and promotion investment
  - Continued expansion of business and casual products

- Net sales in the travel product category increased by 40.6% to US$560.2 million year-on-year.

* *For identification proposes only*

- Net sales in the business product category increased by 76.5% to US$90.4 million year-on-year.
- The Company's marketing expenses increased by 39.5% to US$60.4 million, or approximately 8% of net sales, in the first half 2011, reflecting the Company's commitment to utilize advertising and promotion to drive sales growth worldwide.
- The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on June 16, 2011. The Company received gross proceeds of US$225.3 million which, along with cash on hand, were used to repay in full the Company's loan notes and former senior lenders.
- The Company had cash and cash equivalents of US$101.8 million and gross financial debt, excluding deferred financing costs, of $18.1 million as of June 30, 2011 providing the Company with a net cash position of US$83.7 million.

(Expressed in millions of US Dollars, except per share data)	**For the six months ended June 30,** **2011**	2010
Net Sales	**743.8**	552.9
Profit for the period	**24.8**	36.3
Adjusted Net Income	**66.7**	55.3
Adjusted EBITDA	**117.9**	84.1
Adjusted EBITDA Margin	**15.8%**	15.2%
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.008**	0.019

1 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 Company believes is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.
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 Company's reported profit for the period.
3 *Lacoste* is a registered trademark of Lacoste Alligator S.A.
4 *Timberland* is a registered trademark of The Timberland Company.

The Board of Directors of Samsonite International S.A. (together with its consolidated subsidiaries, the "Company") is pleased to announce the consolidated interim results of the Company for the six months ended June 30, 2011 together with comparative figures for the six months ended June 30, 2010. The following interim financial information, including comparative figures, has been prepared in accordance with International Financial Reporting Standards ("IFRS").

Chairman's Statement

This first interim report of the Company for the six months ended June 30, 2011 comes only a few weeks after the Company's listing on the Main Board of The Stock Exchange of Hong Kong Limited. I am therefore pleased to report very favorable results with sales continuing on a positive trend across all regions.

In the first half of the year, the Company has achieved strong sales growth around the world. Net sales increased by 34.5% to US$743.8 million. Excluding net sales attributable to the *Lacoste* and *Timberland* licensing agreements that were terminated at the end of 2010, net sales increased by US$214.4 million, or 40.8%. Our Adjusted Net Income increased by 20.6% to US$66.7 million. Excluding *Lacoste* and *Timberland*, the increase in Adjusted Net Income was higher at 41.9%.

Our flagship brand *Samsonite* continues to lead the Company's market activities, with net sales increasing by 41.3% to US$576.0 million. We are also making strong progress with the establishment of *American Tourister* as an entry-level brand. Net sales under this brand were up 60.5% to US$113.2 million, with almost all of the growth coming from Asia.

Our strategy of aligning product and marketing programs to regional consumer preferences is delivering results across all regions. In Asia, first half net sales increased by a remarkable 50.1% compared to 2010, reflecting success of our strategy as well as overall growth trends and the appetite for travel on the part of expanding middle class consumers. Our performance in China, India and South Korea was particularly noteworthy, with revenue in the first half up by 55.7%, 52.7% and 71.3%, respectively, over last year.

The Company's other regions also enjoyed strong results. In North America, net sales surged by 31.9%. Latin America achieved a similar advance of 34.3%. In Europe, net sales moved ahead by 23.1%. Net sales in Europe increased by 34.6% excluding the impact of *Lacoste* and *Timberland*.

Travel products made up just over three quarters of the Company's net sales in the first half of the year and accounted for most of the growth in revenue over 2010. Net sales in the travel product category increased by 40.6% to US$560.2 million. This was mainly due to the success of the *Cosmolite* and *B-Lite* luggage ranges, both of which are emblematic of *Samsonite*'s brand strengths: innovation, product lightness and durability. We are also seeing rapid advances in all regions in the business and casual product categories, where the Company has been historically under-represented. Net sales in the business product category increased by 76.5% to US$90.4 million. Excluding *Lacoste* and *Timberland*, net sales in the casual product category were up 29.8% to US$39.2 million. We also made progress with our expanding range of travel accessories.

The Company continues to invest heavily in marketing. In the first half of 2011, overall marketing expenses were US$60.4 million, or 8.1% of net sales. This was an increase of 39.5% over the same period last year. We are seeing considerable benefits from supporting the Company's differentiated products at travel locations around the world in terms of market share and brand awareness.

The Company's supply chain remains stable, with some moderation in cost inflation despite higher commodity prices and labor costs. We are investing resources in Asia to support our manufacturing partners and we are constantly evaluating new sources. Plans are on schedule to double the capacity of our Szekshard facility in Hungary, which is responsible for most of our *Cosmolite* and *Cubelite* production. Over the first half of this year we allowed our inventories to increase to support new product introductions and improve availability in existing products leading to higher customer service levels. We expect to improve our efficiency in this area in the second half of the year.

These encouraging first half results are another step on the path to reaching the full potential of Samsonite's brands, and vindicate our decision made two years ago to delegate responsibility for marketing and sourcing products to the individual trading regions of Asia, the Americas and Europe. This has enabled us to be responsive to local market conditions, whilst at the same time benefitting from investment made at the center in new product development. The Company continues to focus on innovation, both in its product designs and marketing campaigns. In the second half of this year, we will continue to follow our strategy of increasing investment in R&D and marketing in line with sales growth. We will also look at additional growth opportunities through strategic acquisitions, should the opportunity arise.

Despite the current global economic uncertainty, we believe we have effective plans in place to support the Company's future growth over the medium term. We are confident that the Company can further strengthen its position as the leader in travel goods across all major global markets and deliver value to its shareholders.

Consolidated Income Statements (Unaudited)

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

	Note	For the six months ended June 30, 2011	2010
Net sales	5	**743,824**	552,858
Cost of sales		**333,830**	242,216
Gross Profit		**409,994**	310,642
Distribution expenses		**195,865**	147,957
Marketing expenses		**60,443**	43,319
General and administrative expenses		**55,325**	45,904
Restructuring charges		**(937)**	3,429
Other expenses		**1,234**	1,638
Operating profit		**98,064**	68,395
Finance income	19	**844**	470
Finance costs	19	**(59,862)**	(18,570)
Finance income and costs		**(59,018)**	(18,100)
Profit before income tax		**39,046**	50,295
Income tax expense	18	**(14,228)**	(13,969)
Profit for the period		**24,818**	36,326
Profit attributable to the equity holders		**16,387**	30,695
Profit attributable to non-controlling interests		**8,431**	5,631
Profit for the period		**24,818**	36,326
Earnings per share			
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	6	**0.008**	0.019

See accompanying notes to the condensed consolidated interim financial statements.

Consolidated Statements of Comprehensive Income (Unaudited)

(Expressed in thousands of US Dollars)

	For the six months ended June 30,	
	2011	2010
Profit for the period	**24,818**	36,326
Other comprehensive income:		
Changes in fair value of cash flow hedges	**(734)**	2,881
Foreign currency translation gains (losses) for foreign operations	**4,531**	(516)
Other comprehensive income	**3,797**	2,365
Total comprehensive income	**28,615**	38,691
Total comprehensive income attributable to the equity holders	**19,591**	33,924
Total comprehensive income attributable to non-controlling interests	**9,024**	4,767
Total comprehensive income for the period	**28,615**	38,691

See accompanying notes to the condensed consolidated interim financial statements.

Consolidated Statements of Financial Position

(Expressed in thousands of US Dollars)

	Note	(Unaudited) June 30, 2011	December 31, 2010
Non-Current Assets			
Property, plant and equipment, net	8	**128,709**	124,782
Goodwill		**153,212**	153,212
Other intangible assets, net	9	**624,092**	628,296
Deferred tax assets		**24,612**	20,791
Other assets and receivables		**16,030**	15,393
Total non-current assets		**946,655**	942,474
Current Assets			
Inventories	10	**276,085**	222,704
Trade and other receivables, net	11	**182,656**	146,142
Prepaid expenses and other assets		**59,806**	67,883
Cash and cash equivalents	12	**101,834**	285,798
Total current assets		**620,381**	722,527
Total assets		**1,567,036**	1,665,001
Equity and Liabilities			
Equity:			
Share capital	16	**14,071**	22,214
Reserves	16	**860,420**	717,994
Total equity attributable to equity holders		**874,491**	740,208
Non-controlling interests		**25,306**	22,644
Total equity		**899,797**	762,852

	Note	(Unaudited) June 30, 2011	December 31, 2010
Non-Current Liabilities			
Loans and borrowings	13	**79**	246,709
Employee benefits		**70,114**	77,124
Non-derivative financial instruments		**24,241**	18,652
Deferred tax liabilities		**132,265**	135,779
Other liabilities		**6,824**	7,122
Total non-current liabilities		**233,523**	485,386
Current Liabilities			
Loans and borrowings	13	**14,916**	12,032
Employee benefits		**34,923**	38,777
Trade and other payables	15	**336,634**	330,511
Current tax liabilities		**47,243**	35,443
Total current liabilities		**433,716**	416,763
Total liabilities		**667,239**	902,149
Total equity and liabilities		**1,567,036**	1,665,001
Net current assets		**186,665**	305,764
Total assets less current liabilities		**1,133,320**	1,248,238

See accompanying notes to the condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

(1) Background

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

The Company completed an initial public offering of its ordinary shares on the Main Board of The Stock Exchange of Hong Kong Limited on June 16, 2011 (the "Global Offering"). The Company was incorporated in Luxembourg on March 8, 2011 as a private limited company (a société anonyme), whose registered office is 13–15 Avenue de la Liberté, L-1931, Luxembourg. Prior to the completion of the Global Offering, on June 10, 2011 the Company became the parent company of the consolidated subsidiaries. The beneficial owners of the ordinary shares of Delilah Holdings S.á.r.l. ("OldCo"), the previous parent company of the consolidated subsidiaries, contributed their ordinary shares in OldCo to the Company in consideration for the issue of ordinary shares in the Company. See further details and discussion in note 4.

This condensed consolidated interim financial information was approved for issue by the Board of Directors on August 29, 2011 and is unaudited.

(2) Basis of Preparation

(a) Statement of Compliance

This condensed consolidated interim financial information for the six months ended June 30, 2011 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The condensed consolidated interim financial information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2010, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Except as discussed in note 4 regarding the Global Offering, there were no changes in the Company's business or economic circumstances which affected the fair value of the financial assets and financial liabilities, whether recognized at fair value or amortized costs. 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, 2011.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the condensed consolidated interim financial information for the six months ended June 30, 2011, the Company has adopted all these new and revised IFRSs, except for any new standards or interpretations that are not yet effective for the six months ended June 30, 2011, as discussed below.

IFRIC 14, *Prepayments of a Minimum Funding Requirement* (IFRIC 14), which results in prepayments of contributions to pension plans in certain circumstances being recognized as an asset rather than an expense, and certain revisions to IAS 24, *Related Party Disclosures* (IAS 24), which amends the definition of a related party, were mandatory for the first time for financial reporting periods beginning January 1, 2011. The adoption of these standards had no material impact on the condensed consolidated interim financial statements.

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, 2011.

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 Company has not performed independent actuarial valuations to its defined benefit obligation plans as of June 30, 2011.

(b) Basis of Measurement

This condensed 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 Company operates (functional currency). The functional currencies of the Company's significant subsidiaries are the currencies of the primary economic environment and key business processes of these subsidiaries and include, but are not limited to, United States Dollars, Euros and Renminbi. Unless otherwise noted, this condensed 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 Company'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 Company used in the preparation of this interim financial information are consistent with those applied by the Company in the annual financial statements as of and for the year ended December 31, 2010, except for the adoption of IFRIC 14 and revisions to IAS 24, as discussed in note 2a.

(b) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the six months ended June 30, 2011, and have not been applied in preparing these condensed consolidated interim financial statements.

IFRS 9, *Financial Instruments*, becomes mandatory for the Company's 2013 condensed consolidated interim financial statements and is expected to impact the classification and measurement of financial assets and financial liabilities. The effective date of this standard is January 1, 2013. The Company has not determined the extent of the impact on its financial statements upon adoption of this standard.

IFRS 10, *Consolidation*, and IFRS 12, *Disclosure of Interests in Other Entities*, have been issued by the IASB to replace IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation – Special Purpose Entities*, with a single standard on consolidation requirements and a separate standard on related disclosures requirements. The effective date of these standards is January 1, 2013. The Company has not determined the extent of the impact on its financial statements upon adoption of these standards.

IFRS 11, *Joint Arrangements*, has been issued by IASB to enhance the accounting and disclosures requirements of joint arrangements and to replace IAS 31, *Joint Ventures* and SIC-13, *Jointly Controlled Entities – Nonmonetary Contributions by Venturers*. The effective date of this standard is January 1, 2013. The Company has not determined the extent of the impact on its financial statements upon adoption of this standard.

IFRS 13, *Fair Value Measurement*, has been issued by the IASB to define fair value, set out a framework for measuring fair value and establish disclosures requirements about fair value measurements. The effective date of this standard is January 1, 2013. The Company has not determined the extent of the impact on its financial statements upon adoption of this standard.

IAS 1, *Presentation of Items of Other Comprehensive Income*, has been amended by the IASB to require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The effective date of this standard is July 1, 2012. The Company has not determined the extent of the impact on its financial statements upon adoption of this standard.

IAS 19, *Employee Benefits*, has been amended by the IASB to require actuarial gains and losses to be recognized immediately in other comprehensive income. The effective date of this standard is January 1, 2013. The Company has not determined the extent of the impact on its financial statements upon adoption of this standard.

IAS 28, *Investments in Associates and Joint Ventures (2011)*, has been issued by the IASB and supersedes IAS 28 (2008). IAS 28 (2011) was amended in regards to cessation of significant influence and the criteria to be classified as held for sale. The effective date of this standard is January 1, 2013. The Company has not determined the extent of the impact on its financial statements upon adoption of this standard.

(4) Global Offering and Related Events

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

The Company received gross proceeds of HK$1,756.0 million corresponding to a capital increase of US$225.3 million at the exchange rate prevailing at the date of the transaction. In connection with the transaction, the Company incurred costs of US$33.7 million, of which US$8.9 million were related to the listing and issue of new shares and were recorded as a reduction of additional paid-in capital. The remaining costs of US$24.8 million were recognized as an expense in the consolidated income statement for the six months ended June 30, 2011.

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

The 78.0 million preference shares of OldCo that were previously outstanding were redeemed and canceled on June 10, 2011 in consideration for the beneficial owners of the preference shares receiving (i) A loan notes issued by OldCo with a principal equal to the nominal value of the A preference shares and the total share premium reserve attaching to the A preference shares for an aggregate principal value of US$77.0 million (the "A Loan Notes") and (ii) B loan notes issued by OldCo with a principal equal to the nominal value of the B preference shares plus the accrued B preference share reserve for an aggregate principal value of US$24.0 million (the "B Loan Notes" and, together with the A Loan Notes, the "Loan Notes"). The Loan Notes received a commercial rate of interest. The US$101.1 million outstanding balance of the Loan Notes, including accrued interest, was repaid utilizing a portion of the Company's proceeds from the sale of ordinary shares on completion of the Global Offering.

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

On May 27, 2011, the Company entered into a new credit agreement for a US$100.0 million revolving credit facility (the "Revolving Facility"). The Revolving Facility became effective upon completion of the Global Offering. The Revolving Facility has an initial term of three years, with a one year extension at the request of the Company and at the option of the lenders. The interest rate on borrowings under the Revolving Facility is the aggregate of (i) (a) LIBOR (or EURIBOR in the case of borrowings made in Euro) or (b) the prime rate of the lender and (ii) a margin to be determined based on the Company's leverage ratio. The Revolving Facility carries a commitment fee of 1% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the Company's intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Company's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Company incurred costs of US$3.1 million in connection with the negotiation and documentation of the Revolving Facility, which have been capitalized and will be amortized over the term of the agreement.

(5) Segment Reporting

The reportable segments for the six months ended June 30, 2011 are consistent with the reportable segments included within the annual financial statements as of and for the year ended December 31, 2010.

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

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

Segment information as of and for the six months ended June 30, 2011 and June 30, 2010 is as follows:

	For the six months ended June 30, 2011					
(Expressed in thousands of US Dollars)	**Asia**	**Europe**	**North America**	**Latin America**	**Corporate**	**Consolidated**
External revenues	**267,562**	**225,733**	**186,800**	**58,194**	**5,535**	**743,824**
Operating profit (loss)	**42,224**	**27,489**	**29,121**	**8,113**	**(8,883)**	**98,064**
Depreciation and amortization	**6,474**	**6,843**	**1,772**	**1,928**	**2,285**	**19,302**
Capital expenditure	**5,803**	**7,400**	**1,040**	**368**	**150**	**14,761**
Restructuring charges	**—**	**(944)**	**—**	**—**	**7**	**(937)**
Interest income	**78**	**63**	**4**	**34**	**665**	**844**
Interest expense	**(727)**	**(23,079)**	**—**	**(343)**	**(11,432)**	**(35,581)**
Income tax expense	**(8,701)**	**(3,054)**	**(280)**	**(1,246)**	**(947)**	**(14,228)**
Total assets	**506,011**	**458,806**	**475,866**	**72,921**	**53,432**	**1,567,036**
Total liabilities	**193,467**	**225,124**	**436,862**	**37,843**	**(226,057)**	**667,239**

(Expressed in thousands of US Dollars)	For the six months ended June 30, 2010					
	Asia	**Europe**	**North America**	**Latin America**	**Corporate**	**Consolidated**
External revenues	178,304	183,344	141,581	43,342	6,287	552,858
Operating profit (loss)	28,285	30,995	12,684	6,090	(9,659)	68,395
Depreciation and amortization	6,100	476	557	998	2,087	10,218
Total impairment of assets	63	52	—	—	—	115
Capital expenditure	3,029	4,762	456	857	(21)	9,083
Restructuring charges	—	(249)	3,178	—	500	3,429
Interest income	111	69	2	4	284	470
Interest expense	(350)	(3,133)	—	(199)	(2,967)	(6,649)
Income tax expense	(5,894)	(1,576)	(239)	(451)	(5,809)	(13,969)
Total assets	443,143	365,848	1,772,468	44,263	(1,427,262)	1,198,460
Total liabilities	152,678	285,821	1,589,814	28,539	(1,301,564)	755,288

(6) Earnings Per Share

The calculation of basic and diluted earnings per share in the current period is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended June 30, 2011 and June 30, 2010, less the guaranteed return on the previously outstanding B preference shares of OldCo.

The weighted average number of shares has been calculated as follows:

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

	For the six months ended June 30,	
	2011	2010
Issued ordinary shares at the beginning of the period	**1,286,036,999**	1,286,036,999
Weighted average impact of issuance of shares in the Global Offering (note 4)	**9,953,425**	—
Weighted average number of shares at end of the period	**1,295,990,424**	1,286,036,999
Profit attributable to the equity holders	**16,387**	30,695
Less earnings on B preference shares	**(6,489)**	(6,637)
Adjusted profit attributable to the equity holders	**9,898**	24,058
Basic and diluted earnings per share	**0.008**	0.019

There were no outstanding dilutive instruments during the six months ended June 30, 2011 and June 30, 2010.

In accordance with IAS 33, *Earnings Per Share*, the ordinary shares of the Company outstanding prior to the Global Offering have been retroactively restated to the earliest period presented. In conjunction with the global offering of the Company's shares on The Stock Exchange of Hong Kong Limited on June 16, 2011, the Company issued 121.1 million ordinary shares for HK$14.50 per share.

No dividends were declared and paid during the period.

(7) Seasonality of Operations

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

(8) Property, Plant and Equipment, Net

For the six months ended June 30, 2011 and June 30, 2010, the cost of additions to property, plant and equipment was US$14.8 million and US$9.1 million, respectively.

(9) Other Intangible Assets

Other intangible assets consisted of the following:

(Expressed in thousands of US Dollars)	**Customer relationships**	**Leasehold rights**	**Total subject to amortization**	**Tradenames**	**Total other intangible assets**
Cost:					
At December 31, 2010	111,650	5,551	117,201	538,755	655,956
Effect of movement in foreign currency exchange rates	—	—	—	(26)	(26)
At June 30, 2011	**111,650**	**5,551**	**117,201**	**538,729**	**655,930**
Accumulated amortization:					
At December 31, 2010	(23,916)	(3,744)	(27,660)	—	(27,660)
Amortization	(3,804)	(374)	(4,178)	—	(4,178)
At June 30, 2011	**(27,720)**	**(4,118)**	**(31,838)**	**—**	**(31,838)**
Carrying amounts:					
At December 31, 2010	87,734	1,807	89,541	538,755	628,296
At June 30, 2011	**83,930**	**1,433**	**85,363**	**538,729**	**624,092**

Accumulated amortization of other intangible assets subject to amortization was US$31.8 million and US$27.7 million as of June 30, 2011 and December 31, 2010, respectively.

In accordance with IAS 36, *Impairment of Assets*, the Company is required to evaluate its intangibles with definite lives for recoverability whenever events or changes in circumstance indicate that their carrying amount might not be recoverable. During the six months ended June 30, 2011, there were no potential impairment indicators.

(10) Inventories

Inventories consist of the following:

(Expressed in thousands of US Dollars)	**June 30, 2011**	December 31, 2010
Raw materials	**15,794**	12,162
Work in process	**3,249**	1,936
Finished goods	**257,042**	208,606
Total inventories	**276,085**	222,704

The amounts above include inventories carried at fair value less costs to sell of US$34.0 million and US$30.8 million as of June 30, 2011 and December 31, 2010, respectively. For the six months ended June 30, 2011 and June 30, 2010, the impairment of inventories to net realizable value (fair value less costs to sell) amounted to US$2.4 million and US$1.2 million, respectively. For the six months ended June 30, 2011 and June 30, 2010 the reversal of impairments recognized in profit or loss amounted to US$1.0 million and US$2.2 million, respectively, where the Company 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$12.9 million and US$12.5 million as of June 30, 2011 and December 31, 2010, respectively.

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

(Expressed in thousands of US Dollars)	**June 30, 2011**	December 31, 2010
Current	**144,104**	115,317
Past due	**34,244**	25,082
	178,348	140,399

Credit terms are granted based on the credit worthiness of individual customers. Trade receivables as of June 30, 2011 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, 2011**	December 31, 2010
Bank balances	**98,560**	122,367
Short-term investments	**3,274**	163,431
Total cash and cash equivalents	**101,834**	285,798

The decrease in cash and cash equivalents since December 31, 2010 is primarily attributable to the repayment of the outstanding balance of the former amended senior credit facility and former term loan facility as discussed in note 13.

As of June 30, 2011 and December 31, 2010 the Company had no restrictions on the use of any of its cash.

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

(13) Loans and Borrowings

(a) Non-current Obligations

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

(Expressed in thousands of US Dollars)	**June 30, 2011**	December 31, 2010
Amended senior credit facility	**—**	189,158
Term loan facility	**—**	57,451
Finance lease obligations	**105**	137
	105	246,746
Less current installments	**26**	37
	79	246,709

In conjunction with the Global offering, the Company repaid in full the outstanding principal balance of US$221.6 million on the former amended senior credit facility and the outstanding principal and accrued interest of US$59.2 million on the former term loan facility, and such facilities were terminated. During the six months ended June 30, 2011, the Company recognized the remaining unamortized discount of US$32.4 million as of December 31, 2010 on the former amended senior credit facility as interest expense due to the settlement of the borrowing prior to maturity.

(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, 2011**	December 31, 2010
Lines of credit	**17,996**	11,735
Senior subordinated notes	**—**	260
Finance lease obligations	**26**	37
	18,022	12,032
Less deferred financing costs	**(3,106)**	—
	14,916	12,032

Certain consolidated subsidiaries of the Company 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$18.0 million and US$11.7 million at June 30, 2011 and December 31, 2010, respectively.

On May 27, 2011, the Company entered into a credit agreement for a US$100.0 million revolving credit facility. The Revolving Facility became effective upon completion of the Global Offering. The Revolving Facility has an initial term of three years, with a one year extension at the request of the Company and the option of the lenders. The interest rate on borrowings under the Revolving Facility is the aggregate of (i) (a) LIBOR (or EURIBOR in the case of borrowings made in Euro) or (b) the prime rate of the lender and (ii) a margin to be determined based on the Company's leverage ratio. The Revolving Facility carries a commitment fee of 1% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the Company's intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Company's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Company was in compliance with the financial covenants as of June 30, 2011. The Company incurred costs of US$3.1 million in connection with the negotiation and documentation of the Revolving Facility, which have been capitalized and will be amortized over the term of the agreement. No amounts were drawn on this facility at June 30, 2011. At June 30, 2011, US$86.9 million was available on the Revolving Facility as a result of the utilization of US$13.1 million of the facility for outstanding letters of credit.

(14) Employee Benefits

Employee benefits expense, which consists of payroll and other benefits, for the six months ended June 30, 2011 and June 30, 2010 amounted to US$93.4 million and US$76.5 million, respectively. Of these amounts, US$6.6 million and US$6.2 million were included in cost of sales, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses.

(15) Trade and Other Payables

(Expressed in thousands of US Dollars)	**June 30, 2011**	December 31, 2010
Accounts payable	**214,703**	225,922
Other payables and accruals	**104,383**	77,131
Restructuring accruals	**1,831**	3,118
Other tax payables	**15,717**	24,340
Total trade and other payables	**336,634**	330,511

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, 2011**	December 31, 2010
Current	**178,280**	187,010
Past due	**14,376**	15,651
	192,656	202,661

Trade payables as of June 30, 2011 are on average due within 105 days from the invoice date.

(16) Share Capital

In connection with the Global Offering on June 16, 2011, the beneficial owners of the approximately 2,143.4 million ordinary shares of OldCo contributed the shares to the Company in consideration for the issue of approximately 1,286.0 million ordinary shares in the Company. In the Global Offering, approximately 121.1 million additional ordinary shares were offered and sold by the Company. The Company received gross proceeds of HK$1,756.0 million corresponding to a capital increase of US$225.3 million at the exchange rate prevailing at the date of the transaction. In relation to the transaction, the Company incurred costs amounting to US$33.7 million, of which US$8.9 million were related to the listing and issue of new shares and were recorded as a reduction of the additional paid-in capital. The remaining costs of US$24.8 million were recognized as an expense in the consolidated income statement for the six months ended June 30, 2011.

In connection with the Global Offering, the 78.0 million preference shares of OldCo were redeemed and canceled on June 10, 2011 in consideration for the beneficial owners of the preference shares receiving the loan notes. The US$101.1 million outstanding balance of the Loan Notes, including accrued interest, were repaid utilizing a portion of the Company's proceeds from the sale of ordinary shares on completion of the Global Offering.

(17) Commitments

(a) Capital Commitments

Capital commitments as of June 30, 2011 not recognized as liabilities in the consolidated statements of financial position, as they do not meet the recognition criteria, include the following amounts:

(Expressed in thousands of US Dollars)	**June 30, 2011**
Contracted for	**2,619**
Authorized but not contracted for	**22,620**
	25,239

(b) Operating Lease Commitments

The Company's lease obligations primarily consist of non-cancelable leases of office, warehouse and retail store space and equipment. Future minimum payments under non-cancelable leases as of June 30, 2011 and December 31, 2010 were as follows:

(Expressed in thousands of US Dollars)	**June 30, 2011**	December 31, 2010
Within one year	**45,996**	41,573
1–2 years	**38,561**	31,552
2–5 years	**69,724**	64,119
More than 5 years	**25,773**	30,573
	180,054	167,817

Rent expense under cancelable and non-cancelable operating leases for the six months ended June 30, 2011 and June 30, 2010 amounted to US$34.8 million and US$26.6 million, respectively.

(18) Income Taxes

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Company's consolidated effective reported tax rate in respect of continuing operations for the six months ended June 30, 2011 and June 30, 2010 was 36.4% and 27.8%, respectively. The increase in the effective tax rate is primarily the result of the Company's transaction costs associated with the Global Offering, which created no tax benefit, and by the mix in profitability between high and low tax jurisdictions.

Taxation in the consolidated income statements for the six months ended June 30, 2011 and June 30, 2010 consisted of the following:

	For the six months ended June 30,	
(Expressed in thousands of US Dollars)	**2011**	2010
Hong Kong profits tax (expense) benefit	$ **162**	(362)
Foreign profits tax (expense) benefit	**(14,390)**	(13,607)
	$ **(14,228)**	(13,969)

Income tax expense for Hong Kong profits was calculated at an effective tax rate of 16.6% and 16.7% for the six months ended June 30, 2011 and June 30, 2010, respectively.

(19) Finance Income and Finance Costs

The following table presents a summary of finance income and finance costs recognized in the consolidated statements of income for the six months ended June 30, 2011 and June 30, 2010:

	For the six months ended June 30,	
(Expressed in thousands of US Dollars)	**2011**	2010
Recognized in income or loss:		
Interest income on bank deposits	**844**	470
Finance income	**844**	470
Interest expense on financial liabilities measured at amortized cost	**35,581**	6,649
Change in fair value of put options	**4,125**	6,010
Net foreign exchange (gain) loss	**(4,649)**	5,911
Expenses related to Global Offering	**24,805**	—
Finance costs	**59,862**	18,570
Net finance costs recognized in profit for the period	**59,018**	18,100

(20) Contingent Liabilities

In the ordinary course of business, the Company is subject to various forms of litigation and 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 Company 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 statements of income. 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 Company did not settle any significant litigation during the six months ended June 30, 2011.

(21) Related Party Transactions

(a) Transactions with Key Management Personnel

In addition to their cash compensation, the Company also provides non-cash benefits to certain directors and executive officers, and contributes to post-employment plans on their behalf.

Key management personnel compensation comprised:

(Expressed in thousands of US Dollars)	**For the six months ended June 30, 2011**	2010
Short-term employee benefits	**4,649**	3,198
Post-employment benefits	**41**	28
Share-based compensation	**200**	300
	4,890	3,526

As of June 30, 2011 and December 31, 2010, key management of the Company held 5.8% and 8.4%, respectively, of the outstanding shares of the Company. Certain key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

(b) Other Transactions

On October 24, 2007, the Company entered into a monitoring agreement with CVC Capital Partners Advisory Company to provide ongoing consulting and management advisory services to the Company for an annual fee of US$150 thousand. The monitoring agreement was terminated on June 16, 2011.

The Company'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 the President of the Company's Asia segment, who is also an Executive Director of the Company.

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

(Expressed in thousands of US Dollars)	**For the six months ended June 30, 2011**	2010
Purchases	**2,610**	2,445
Sales	**140**	554

	June 30, 2011	December 31, 2010
Payable	**979**	620
Receivable	**61**	180

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 the President of the Company's Asia segment, who is also an Executive Director of the Company. This individual and his family also own a non-controlling interest in Samsonite South Asia Pvt. Ltd. and the Company's United Arab Emirates subsidiary.

(Expressed in thousands of US Dollars)	For the six months ended June 30, **2011**	2010
Purchases	**116**	—
Sales	**4,129**	2,057

	June 30, 2011	December 31, 2010
Payable	**1**	24
Receivable	**3,741**	1,493

Approximately US$0.9 million and US$0.4 million was paid to entities owned by the member of management and his family, for office space rent for the six months ended June 30, 2011 and June 30, 2010, respectively. As of June 30, 2011, there was no payable amount to this individual and his family.

Samsonite South Asia Pvt. Ltd. sells finished goods to Planet Retail Holdings Pvt. Ltd. The President of the Company's Asia segment, who is also an Executive Director of the Company, is the majority shareholder of Planet Retail Holdings Pvt. Ltd. Sales to this entity amounted to US$68 thousand and US$30 thousand for the six months ended June 30, 2011 and June 30, 2010, respectively. As of June 30, 2011 and December 31, 2010, US$18 thousand and US$0, respectively, was receivable from Planet Retail Holdings Pvt. Ltd.

The Royal Bank of Scotland, which is the issuer of certain letters of credit under a letter of credit facility with the Company, also owns 15.8% of the ordinary shares of the Company as of June 30, 2011.

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.

Management Discussion and Analysis

Samsonite International S.A. (together with its consolidated subsidiaries, the "Company") is the world's largest travel luggage company, with a 100-year heritage. The Company is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, and travel accessories throughout the world, primarily under the *Samsonite*® and *American Tourister*® brand names and other owned and licensed brand names. Our core brand, *Samsonite*, is one of the most well known travel luggage brands in the world. The Company sells its luggage, casual bags, business cases and other products through a variety of wholesale distribution channels and through its company operated retail stores. Our principal luggage wholesale distribution customers are department and specialty retail stores, mass merchants, catalog showrooms and warehouse clubs. The Company sells its products primarily in Asia, Europe, North America and Latin America. As of June 30, 2011, the Company's products were sold in more than 37,500 points of sale in over 100 countries through a variety of wholesale and retail distribution channels.

Global Offering and Use of Proceeds

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

The Company received gross proceeds of HK$1,756.0 million corresponding to a capital increase of US$225.3 million at the exchange rate prevailing at the date of the transaction. In connection with the transaction, the Company incurred costs amounting to US$33.7 million, of which US$8.9 million were related to the listing and issue of new shares and were recorded as a reduction of additional paid-in capital. The remaining costs of US$24.8 million were recognized as an expense in the consolidated income statement for the six months ended June 30, 2011.

The Company utilized a portion of its proceeds to repay in full the US$101.1 million outstanding balance of its loan notes, including accrued interest. The Company utilized the remaining proceeds, along with cash on hand, to repay the outstanding principal balance of US$221.6 million on its former amended senior credit facility and the outstanding principal and accrued interest of US$59.2 million on its former term loan facility. The Company was in a net cash position of US$86.8 million at June 30, 2011.

Please refer to note 4 of the attached interim financial statements for further details on the Global Offering.

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

Net Sales

The following table sets forth a breakdown of net sales by region for the six months ended June 30, 2011 and June 30, 2010, both in absolute terms and as a percentage of total net sales.

	For the six months ended June 30,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Increase (decrease)
Net Sales by Region:					
Asia	**267,562**	**36.0%**	178,304	32.3%	50.1%
Europe	**225,733**	**30.4%**	183,344	33.2%	23.1%
North America	**186,800**	**25.1%**	141,581	25.6%	31.9%
Latin America	**58,194**	**7.8%**	43,342	7.8%	34.3%
Corporate	**5,535**	**0.7%**	6,287	1.1%	(12.0)%
Net sales	**743,824**	**100.0%**	552,858	100.0%	34.5%

Net sales increased across all of our regions. Net sales increased by US$191.0 million, or 34.5%, to US$743.8 million for the six months ended June 30, 2011, from US$552.9 million for the six months ended June 30, 2010. Excluding foreign currency effects, net sales increased by US$158.0 million, or 28.6%. Excluding sales related to the *Lacoste* and *Timberland* licensing agreements, which was no longer active from December 2010, net sales increased by US$214.4 million, or 40.8%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010.

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

Our Brands

The following table sets forth a breakdown of net sales by brand for the six months ended June 30, 2011 and June 30, 2010, both in absolute terms and as a percentage of total net sales.

	For the six months ended June 30,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Increase (decrease)
Net Sales by Brand:					
Samsonite	**575,988**	**77.4%**	407,512	73.7%	41.3%
American Tourister	**113,158**	**15.2%**	70,509	12.8%	60.5%
Lacoste/Timberland[1]	**4,347**	**0.6%**	27,808	5.0%	(84.4)%
Other	**50,331**	**6.8%**	47,029	8.5%	7.0%
Net sales	**743,824**	**100.0%**	552,858	100.0%	34.5%

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

Net sales of the *Samsonite* brand increased by US$168.5 million, or 41.3%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010. Asia accounted for US$38.4 million of the US$42.6 million consolidated increase in *American Tourister* brand sales for the six months ended June 30, 2011 compared to the six months ended June 30, 2010. These increases were attributable to expanded product offerings and further penetration of existing markets through point of sale expansion.

Our Product Categories

We sell products in four principal product categories: travel, business, casual and accessories. The travel category is by far our largest category and has been the Company's traditional strength. The following table sets forth our net sales by product category for the six months ended June 30, 2011 and June 30, 2010, both in absolute terms and as a percentage of total net sales.

	For the six months ended June 30,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Increase (decrease)
Net Sales by Product Category:					
Travel	**560,175**	**75.3%**	398,479	72.1%	40.6%
Business	**90,406**	**12.2%**	51,226	9.3%	76.5%
Casual(1)	**43,542**	**5.9%**	58,008	10.5%	(24.9)%
Accessories	**27,809**	**3.7%**	22,372	4.0%	24.3%
Other	**21,892**	**2.9%**	22,773	4.1%	(3.9)%
Net sales	**743,824**	**100.0%**	552,858	100.0%	34.5%

(1) Includes net sales related to the *Lacoste* and *Timberland* licensing agreements of US$4.3 million and US$27.8 million for the six months ended June 30, 2011 and June 30, 2010, respectively. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the casual product category increased by US$9.0 million, or 29.8%.

The US$191.0 million increase in net sales between the six months ended June 30, 2011 and six months ended June 30, 2010 was largely driven by an increase in net sales in the travel product category, which experienced an increase of US$161.7 million, or 40.6% due largely to the continued success of the *Cosmolite* and *B-Lite* luggage collections. Net sales in the business product category experienced an increase of US$39.2 million, or 76.5%, reflecting our efforts to further penetrate the business bag market. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the casual product category increased by US$9.0 million, or 29.8%, in line with our focus on the expansion of our casual product offerings.

Our Distribution Channels

We sell products in two primary distribution channels: wholesale and retail. The following table sets forth our net sales by distribution channel for the six months ended June 30, 2011 and June 30, 2010, both in absolute terms and as a percentage of total net sales.

	For the six months ended June 30,				
	2011		2010		2011 vs 2010
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Increase (decrease)
Net Sales by Distribution Channel:					
Wholesale	**600,974**	**80.8%**	443,335	80.2%	35.6%
Retail	**137,315**	**18.5%**	102,403	18.5%	34.1%
Other[(1)]	**5,535**	**0.7%**	7,100	1.3%	(22.0)%
Net sales	**743,824**	**100.0%**	552,838	100.0%	34.5%

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

During the six months ended June 30, 2011, we have expanded our points of sale by approximately 400 to over 37,500 points of sale worldwide. Over 250 points of sale were added in Asia during the six months ended June 30, 2011.

The wholesale channel accounted for US$157.6 million of the US$191.0 million increase in net sales for the six months ended June 30, 2011 compared to the six months ended June 30, 2010. Retail sales increased by US$34.9 million, or 34.1%, to US$137.3 million for the six months ended June 30, 2011 from US$102.4 million for the six months ended June 30, 2010. On a same store constant currency basis, retail sales increased by 21.8% period over period. Net sales in the "other" channel decreased by US$1.6 million, or 22.0%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily as a result of our decision to terminate certain licensing agreements with third parties and to sell the formerly licensed products directly to our customers.

Our Regions

Geographically, we operate across four regions, each of which is led by its own regional management team with local expertise and is considered an operating segment under International Financial Reporting Standards ("IFRS").

Asia

Net sales for our Asian region increased by US$89.3 million, or 50.1%, to US$267.6 million for the six months ended June 30, 2011, from US$178.3 million for the six months ended June 30, 2010. Excluding foreign currency effects, net sales for our Asian region increased by US$75.9 million, or 42.6%. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales for our Asian region increased by US$95.9 million, or 56.2%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010.

Our Asia region continues to grow across all major markets within the region. The US$89.3 million increase for the six months ended June 30, 2011 was driven by increased sales of the *Samsonite* brand, which contributed US$58.3 million of the increase, representing a 48.5% increase in sales of the *Samsonite* brand compared to the six months ended June 30, 2010. In addition, our *American Tourister* brand experienced an increase in net sales of US$38.4 million, or 90.8%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010. The increases in the *Samsonite* and *American Tourister* brand net sales were partially offset by a reduction in *Lacoste* and *Timberland* net sales. Net sales in the travel product category experienced a significant increase of US$71.7 million, or 57.3%, period over period. Net sales in the business product category more than doubled over the same period. Net sales from our wholesale channel experienced a significant increase of US$80.0 million, or 52.5%, to net sales of US$232.3 million for the six months ended June 30, 2011 from US$152.3 million for the six months ended June 30, 2010. Retail sales increased by US$9.9 million, or 39.0%, period over period.

These increases were a result of the general economic growth within the region and the expanding middle class and their travel related expenditure, particularly in China, India and South Korea. Our continued focus on country-specific product and marketing strategies within Asia to capitalize on the increasing awareness of and demand for our products also contributed to the strong sales performance. Over 250 points of sale were added in Asia during the first half of 2011, bringing our total points of sale in Asia to approximately 5,500 at June 30, 2011.

Europe

Net sales for our European region increased by US$42.4 million, or 23.1%, to US$225.7 million for the six months ended June 30, 2011, from US$183.3 million for the six months ended June 30, 2010. Excluding foreign currency effects, net sales for our European region increased by US$27.3 million, or 14.9%. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales for our European region increased US$57.5 million, or 34.6%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010.

The US$42.4 million increase for the six months ended June 30, 2011 was primarily due to a US$55.5 million, or 35.3%, increase in net sales of the *Samsonite* brand, partially offset by a US$15.1 million reduction in *Lacoste* and *Timberland* sales compared to the six months ended June 30, 2010. The travel product category experienced an increase of US$46.0 million, or 33.7%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the casual product category increased by US$4.2 million, more than four times net sales in the first half of 2010, in line with our focus on the expansion of our casual product offerings. Our wholesale channel experienced an increase of US$32.8 million, or 21.4%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010.

These increases were primarily the result of improved economic conditions in parts of Europe and also reflect the success of our *Cosmolite* and *B-Lite* product lines, strong sell through of new product introductions in the travel category, and an effective marketing strategy.

North America

Net sales for our North American region increased by US$45.2 million, or 31.9%, to US$186.8 million for the six months ended June 30, 2011 from US$141.6 million for the six months ended June 30, 2010. Excluding foreign currency effects, net sales for our North American region increased by US$44.3 million, or 31.3%. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales increased US$46.4 million, or 33.3%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010.

The US$45.2 million increase was primarily due to a 39.7% increase in sales of *Samsonite* brand products within North America to US$159.1 million for the six months ended June 30, 2011 from US$113.9 million for the six months ended June 30, 2010. The increase in net sales for the six months ended June 30, 2011 was primarily attributable to the travel product category, which experienced a 30.8% increase to US$158.8 million for the six months ended June 30, 2011 from US$121.4 million for the six months ended June 30, 2010. Net sales in the business product category within North America increased US$5.3 million, or 59.8%, to US$14.3 million for the six months ended June 30, 2011 from US$8.9 million for the six months ended June 30, 2010. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the casual product category increased by US$1.3 million, or 24.4%, in line with our focus on the expansion of our casual product offerings. On a same store constant currency basis, net sales in the retail channel increased 31.1% period over period.

These increases were largely due to our continued focus on regionally developed products, which has enabled us to bring to market products designed to appeal to the tastes and preferences of consumers in the United States. Our decision to terminate certain licensing agreements with third parties and to sell the formerly licensed products directly to our customers has also contributed to the net sales growth in North America. In addition, the continued improvement in economic conditions in the United States helped to drive increased levels of business and leisure travel.

Latin America

Net sales for our Latin American region increased by US$14.9 million, or 34.3%, to US$58.2 million for the six months ended June 30, 2011 from US$43.3 million for the six months ended June 30, 2010. Excluding foreign currency effects, net sales for our Latin American region increased by US$11.2 million, or 25.8%. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales increased by US$15.4 million, or 36.1%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010.

Net sales in our travel product category, which represented approximately 38.3% of net sales in our Latin American region for the six months ended June 30, 2011, increased by US$6.7 million, or 42.8%. Net sales in our business product category, which represented approximately 11.4% of net sales in our Latin American region for the six months ended June 30, 2011, increased by US$2.3 million, or 53.6%. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the casual product category increased by US$4.1 million, or 32.3%, in line with our focus on the expansion of our casual product offerings.

Net sales in Chile, where we primarily sell local brands (namely, *Saxoline* and *Xtrem*), increased by US$7.5 million, or 34.7%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 as a result of the growth in the travel and casual product categories of the *Saxoline* and *Xtrem* brand, respectively. Net sales in Brazil increased by US$1.4 million, or 59.0%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 as we continue to expand our distributor network. Net sales in Mexico increased by US$4.0 million, or 31.7%, for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 as a result of increased sales of the *Samsonite* brand in the travel category.

Cost of Sales and Gross Profit

Cost of sales increased by US$91.6 million, or 37.8%, to US$333.8 million (representing 44.9% of net sales) for the six months ended June 30, 2011 from US$242.2 million (representing 43.8% of net sales) for the six months ended June 30, 2010. Cost of sales increased in line with increased net sales. The increase in cost of sales as a percentage of net sales was primarily due to increased product costs, which reflect increases in production costs from our suppliers in China driven by higher commodity prices and labor costs. We also recognized additional depreciation expense associated with the increased carrying amounts of certain assets in 2011 as a result of reversals of impairments of intangible assets and fixed assets in the second half of 2010, which reversed impairments recorded in 2008. Had the impairment not occurred in 2008, the Company would have incurred an additional charge of US$2.0 million related to depreciation expense for the six months ended June 30, 2010.

Gross profit increased by US$99.4 million, or 32.0%, to US$410.0 million for the six months ended June 30, 2011, from US$310.6 million for the six months ended June 30, 2010. Gross profit margin decreased from 56.2% for the six months ended June 30, 2010 to 55.1% for the six months ended June 30, 2011, primarily as a result of increased product and labor costs.

Distribution Expenses

Distribution expenses increased by US$47.9 million, or 32.4%, to US$195.9 million (representing 26.3% of net sales) for the six months ended June 30, 2011, from US$148.0 million (representing 26.8% of net sales) for the six months ended June 30, 2010. This increase, which was reflected in additional freight to customers, commissions, rent, and increased personnel expenses, was primarily due to the increase in sales volume in 2011. We also recognized additional depreciation and amortization expenses associated with the increased carrying amounts of certain assets in 2011 as a result of reversals of impairments of intangible assets and fixed assets in the second half of 2010, which reversed impairments recorded in 2008. Had the impairment not occurred in 2008, the Company would have incurred an additional charge of US$4.8 million related to depreciation and amortization expenses for the six months ended June 30, 2010.

Marketing Expenses

Marketing expenses increased by US$17.1 million, or 39.5%, to US$60.4 million (representing 8.1% of our net sales) for the six months ended June 30, 2011 from US$43.3 million (representing 7.8% of our net sales) for the six months ended June 30, 2010. This increase reflects management's commitment to drive additional net sales growth through marketing activities.

General and Administrative Expenses

General and administrative expenses increased by US$9.4 million, or 20.5%, to US$55.3 million (representing 7.4% of net sales) for the six months ended June 30, 2011 from US$45.9 million (representing 8.3% of net sales) for the six months ended June 30, 2010. Although general and administrative expenses increased in absolute terms, such expenses decreased as a percentage of net sales by 0.9%. The US$9.4 million increase was primarily due to our efforts to support our sales growth, increased personnel expenses and higher depreciation expense in 2011. We recognized additional depreciation associated with the increased carrying amounts of certain assets in 2011 as a result of reversals of impairments of intangible assets and fixed assets in the second half of 2010, which reversed impairments recorded in 2008. Had the impairment not occurred in 2008, the Company would have incurred an additional charge of US$2.0 million related to depreciation expense for the six months ended June 30, 2010.

Restructuring Charges

For the six months ended June 30, 2011, US$0.9 million of restructuring charges were reversed to reflect a refund from local governmental agencies in Belgium for upfront payments made in connection with restructuring initiatives in 2009. Restructuring charges of US$3.4 million for the six months ended June 30, 2010 were attributable to lease exit costs related to the closure of certain retail stores in our North American region.

Other Expenses

Other expenses decreased by US$0.4 million to US$1.2 million for the six months ended June 30, 2011 from US$1.6 million for the six months ended June 30, 2010.

Operating Profit

Our operating profit was US$98.1 million for the six months ended June 30, 2011, an increase of US$29.7 million, or 43.4%, from an operating profit of US$68.4 million for the six months ended June 30, 2010. Taking into account the impact of an additional US$8.8 million in depreciation and amortization expenses that were not recognized in the six months ended June 30, 2010 as discussed above, operating profit for the six months ended June 30, 2011 increased by US$38.5 million, or 64.6%, compared to the six months ended June 30, 2010.

Net Finance Costs

Net finance costs increased by US$40.9 million, or 226.0%, to US$59.0 million for the six months ended June 30, 2011 from US$18.1 million for the six months ended June 30, 2010. This increase was primarily attributable to the recognition of the remaining unamortized discount of US$28.6 million on our former amended senior credit facility upon repayment in full of such facility following the completion of the Global Offering as well as US$24.8 million of transaction costs related to the Global Offering. Partially offsetting this effect were net foreign exchange gains of US$4.6 million for the six months ended June 30, 2011 compared to net foreign exchange losses of US$5.9 million for the six months ended June 30, 2010. Net foreign exchange (gain) loss includes a gain of US$10.3 million and a loss of US$21.8 million on our former amended senior credit facility, partially offset by a loss on the translation of a non-US Dollar denominated intercompany loan of US$8.3 million and a gain of US$15.9 million for the six months ended June 30, 2011 and June 30, 2010, respectively.

Profit before Income Tax

Profit before income tax decreased by US$11.3 million, or 22.4%, to US$39.0 million for the six months ended June 30, 2011 from US$50.3 million for the six months ended June 30, 2010. Excluding the impact of US$24.8 million of transaction costs and US$28.6 million of additional interest expense upon repayment in full of our former amended senior credit facility for the six months ended June 30, 2011 and taking into account the US$8.8 million in depreciation and amortization expenses that were not recognized for the six months ended June 30, 2010 as discussed above, profit before income tax for the six months ended June 30, 2011 increased by US$51.0 million, or 123.1%, compared to the six months ended June 30, 2010.

Income Tax Expense

Income tax expense increased by US$0.2 million, or 1.9%, to US$14.2 million for the six months ended June 30, 2011 from US$14.0 million for the six months ended June 30, 2010.

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

The Company's consolidated effective tax rate for operations was 36.4% and 27.8% for the six months ended June 30, 2011 and June 30, 2010, respectively. Excluding the Global Offering transaction costs, the effective tax rate for the six months ended June 30, 2011 would have been 22.3%.

The increase in the effective reported tax rate was primarily the result of the US$24.8 million in transaction costs associated with the Global Offering, which have no tax benefit. Partially offsetting this effect was the global mix in profitability between high and low tax jurisdictions. Royalty income is taxed in a low tax jurisdiction, which contributed to the decrease in the effective tax rate period over period (excluding the transaction costs).

Profit for the Period

Profit for the period of US$24.8 million for the six months ended June 30, 2011 decreased by US$11.5 million, or 31.7%, from US$36.3 million for the six months ended June 30, 2010 primarily as a result of non-recurring costs and charges recognized in conjunction with the listing of the Company's shares and the repayment of its former amended senior credit facility. See Adjusted Net Income below for a detailed discussion of our results for the period excluding certain non-recurring costs and charges and other non-cash charges that impacted our reported profit for the period.

Basic and diluted earnings per share decreased from US$0.019 for the six months ended June 30, 2010 to US$0.008 for the six months ended June 30, 2011. Adjusted profit attributable to the equity holders, which excludes the guaranteed return on the previously outstanding B preference shares of OldCo., decreased from US$24.1 million for the six months ended June 30, 2010 to $9.9 million for the six months ended June 30, 2011, primarily as a result of non-recurring costs and charges as discussed above. The number of shares used in both calculations increased for the six months ended June 30, 2011 compared with the six months ended June 30, 2010 by 9,953,425 as a result of the weighted average impact of the issuance of new shares by the Company in the Global Offering.

Adjusted EBITDA

Adjusted EBITDA, which is a non-IFRS measure, increased by US$33.8 million, or 40.1%, to US$117.9 million for the six months ended June 30, 2011 from US$84.1 million for the six months ended June 30, 2010, and Adjusted EBITDA margin increased to 15.8% from 15.2%. Excluding the effects of the termination of the *Lacoste* and *Timberland* licensing agreements, our Adjusted EBITDA for the six months ended June 30, 2011 increased by US$44.4 million, or 62.0% and Adjusted EBITDA margin increased to 15.7% from 13.6% year-on-year.

The following table presents the reconciliation from our profit for the period to Adjusted EBITDA for the six months ended June 30, 2011 and June 30, 2010.

(Expressed in thousands of US Dollars)	**For the six months ended June 30,** **2011**	2010
Profit for the period	**24,818**	36,326
(Plus) Minus:		
Income tax expense	**(14,228)**	(13,969)
Finance costs	**(59,862)**	(18,570)
Finance income	**844**	470
Depreciation	**(15,124)**	(7,942)
Amortization	**(4,178)**	(2,276)
EBITDA	**117,366**	78,613
(Plus) Minus:		
Restructuring (charges)/reversals of restructuring charges	**937**	(3,429)
(Impairment)/reversal of impairment of intangible assets and fixed assets	**—**	(115)
Share-based compensation	**(200)**	(300)
Other adjustments	**(1,238)**	(1,653)
Adjusted EBITDA	**117,867**	84,110

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, 2011 and June 30, 2010.

(Expressed in thousands of US Dollars)	**For the six months ended June 30, 2011**					
	Asia	**Europe**	**North America**	**Latin America**	**Corporate**	**Total**
Profit (loss) for the period	33,423	12,253	28,681	6,047	(55,586)	24,818
(Plus) Minus:						
Income tax expense	(8,702)	(3,054)	(280)	(1,246)	(946)	(14,228)
Finance costs	(178)	(12,245)	(164)	(854)	(46,421)	(59,862)
Finance income	78	63	4	34	665	844
Depreciation	(4,370)	(5,882)	(1,623)	(963)	(2,286)	(15,124)
Amortization	(2,103)	(961)	(149)	(965)	—	(4,178)
EBITDA	48,698	34,332	30,893	10,041	(6,598)	117,366
(Plus) Minus:						
Restructuring (charges)/ reversals of restructuring charges	—	944	—	—	(7)	937
Share-based compensation	—	—	—	—	(200)	(200)
Other adjustments	(2)	(485)	(109)	(377)	(265)	(1,238)
Adjusted EBITDA	48,700	33,873	31,002	10,418	(6,126)	117,867

(Expressed in thousands of US Dollars)	**For the six months ended June 30, 2010**					
	Asia	**Europe**	**North America**	**Latin America**	**Corporate**	**Total**
Profit (loss) for the period	22,349	4,271	12,355	4,721	(7,370)	36,326
(Plus) Minus:						
Income tax expense	(5,894)	(1,576)	(239)	(451)	(5,809)	(13,969)
Finance costs	(153)	(25,217)	(91)	(922)	7,813	(18,570)
Finance income	111	69	2	4	284	470
Depreciation	(3,949)	(476)	(532)	(897)	(2,088)	(7,942)
Amortization	(2,150)	—	(25)	(101)	—	(2,276)
EBITDA	34,384	31,471	13,240	7,088	(7,570)	78,613
(Plus) Minus:						
Restructuring (charges)/ reversals of restructuring charges	—	249	(3,178)	—	(500)	(3,429)
(Impairment)/reversal of impairment of intangible assets and fixed assets	(63)	(52)	—	—	—	(115)
Share-based compensation	—	—	—	—	(300)	(300)
Other adjustments	(46)	(180)	(106)	(212)	(1,109)	(1,653)
Adjusted EBITDA	34,493	31,454	16,524	7,300	(5,661)	84,110

We have presented Adjusted EBITDA because we believe that, when viewed with our results of operations as prepared in accordance with IFRS and with the reconciliation to profit/(loss) for the year, Adjusted EBITDA provides additional information that is useful in gaining a more complete understanding of our operational performance and of the trends impacting our business. Adjusted EBITDA is an important metric we use to evaluate our operating performance and cash generation.

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

Adjusted Net Income

Adjusted Net Income, which is a non IFRS measure, increased by US$11.4 million, or 20.6%, to US$66.7 million for the six months ended June 30, 2011 from US$55.3 million for the six months ended June 30, 2010. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, our Adjusted Net Income increased by US$19.3 million, or 41.9% year-on-year.

Our profit for the period includes a loss on the translation of a non-US Dollar denominated intercompany loan of US$8.3 million and a gain of US$15.9 million for the six months ended June 30, 2011 and June 30, 2010, respectively. Taking these amounts into account, our Adjusted Net Income for the six months ended June 30, 2011 increased by US$35.6 million, or 90.4%. This intercompany loan was settled by the respective consolidated subsidiaries in June 2011 in conjunction with the repayment of the Company's former amended senior credit facility and former term loan facility.

The following table presents the reconciliation from our profit for the period to Adjusted Net Income for the six months ended June 30, 2011 and June 30, 2010.

(Expressed in thousands of US Dollars)	**For the six months ended June 30,**	
	2011	2010
Profit for the period	**24,818**	36,326
Profit attributable to non-controlling interests	**8,431**	5,631
Profit attributable to the equity holders	**16,387**	30,695
(Plus)/Minus:		
(Impairment)/reversal of impairment of intangible assets and fixed assets	**—**	(115)
Restructuring (charges)/reversals of restructuring charges	**937**	(3,429)
Change in fair value of put options	**(4,125)**	(6,010)
Depreciation not recognized on impaired assets(1)	**—**	6,784
Amortization not recognized on impaired assets(2)	**—**	2,052
Amortization of intangible assets(3)	**(4,178)**	(4,328)
Expenses related to debt repaid in conjunction with the Global Offering(4)	**(23,240)**	(27,343)
Expenses related to the Global Offering	**(24,805)**	—
Tax adjustments	**5,131**	7,817
Adjusted net income(5)	**66,667**	55,267

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

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

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

(4) The following table sets forth a breakdown of expenses related to the senior lender debt that was repaid in conjunction with the Global Offering:

	For the six months ended June 30,	
(Expressed in thousands of US Dollars)	**2011**	2010
Interest expense on debt facility	**(33,557)**	(5,531)
Unrealized gain (loss) on foreign translation of debt[6]	**10,317**	(21,812)
Total expenses related to debt structure prior to the Global Offering	**(23,240)**	(27,343)

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

(6) We anticipate the unrealized gain on foreign translation of debt will remain at US$10.3 million for the full year 2011. The unrealized loss on foreign translation of debt amounted to US$8.7 million for the full year 2010.

We have presented Adjusted Net Income because we believe it is useful to securities analysts, investors and other interested parties in the evaluation of companies in our industry and is helpful in giving them an understanding of our underlying financial performance. By presenting Adjusted Net Income, we eliminate the effect of a number of non-recurring costs and charges and certain other non-cash charges that impact our 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 year in our consolidated income statements. Adjusted Net Income has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of our results of operations, as reported under IFRS.

Liquidity and Financial Resources

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

The Company's net cash used in operating activities was US$5.5 million for the six months ended June 30, 2011 compared to net cash generated from operating activities of US$22.1 million for the six months ended June 30, 2010. The US$27.6 million change was primarily due to increased inventory purchases to support anticipated increases in demand and increased trade and other receivables reflecting increased net sales, as well as the US$24.8 million transaction costs included in the profit for the period.

During the six months ended June 30, 2011, net cash used in investing activities was US$14.8 million, an increase of US$5.8 million from the same period in the prior year. This increase was primarily due to an increase in the purchase of property, plant and equipment in our Asia and Europe regions, which was largely attributable to new store openings and the expansion of our manufacturing plant in Hungary. Our capital expenditure budget for 2011 is approximately US$40.0 million. Capital expenditures during the first half of 2011 amounted to US$14.8 million.

During the six months ended June 30, 2011, net cash used in financing activities was US$165.0 million, an increase of US$160.0 million from the same period in the prior year. As a result of the Global Offering, the Company received gross proceeds of US$225.3 million. Of these proceeds, US$101.0 million were used to settle the outstanding balance of its loan notes. The Company utilized the remainder of the proceeds, along with the existing cash on hand, to pay off the outstanding principal balance of US$221.6 million on its former amended credit facility and the outstanding principal and accrued interest of US$59.2 million on its former term loan facility.

Indebtedness

The following table sets forth the carrying amount of our loans and borrowings as of June 30, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	**June 30, 2011**	December 31, 2010
Senior subordinated notes	**—**	260
Amended senior credit facility(1)	**—**	189,158
Term loan facility	**—**	57,451
Finance lease obligations	**105**	137
Other lines of credit	**17,996**	11,735
Total loans and borrowings	**18,101**	258,741
Less deferred financing costs	**(3,106)**	—
Total loans and borrowings less deferred financing costs	**14,995**	258,741

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

The Company had US$101.8 million in cash and cash equivalents at June 30, 2011.

In conjunction with the Global Offering, the Company repaid in full the outstanding principal balance of US$221.6 million on the former amended senior credit facility and the outstanding principal and accrued interest of US$59.2 million on the former term loan facility, and such facilities were terminated. During the six months ended June 30, 2011, the Company recognized the remaining unamortized discount of US$32.4 million as of December 31, 2010 on the former amended senior credit facility as interest expense due to the settlement of the borrowing prior to maturity.

Certain consolidated subsidiaries of the Company 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$18.0 million and US$11.7 million at June 30, 2011 and December 31, 2010, respectively.

On May 27, 2011, the Company entered into a credit agreement for a US$100.0 million revolving credit facility (the "Revolving Facility"). The Revolving Facility became effective upon completion of the Global Offering. The Revolving Facility has an initial term of three years, with a one year extension at the request of the Company and the option of the lenders. The interest rate on borrowings under the Revolving Facility is the aggregate of (i) (a) LIBOR (or EURIBOR in the case of borrowings made in Euro) or (b) the prime rate of the lender and (ii) a margin to be determined based on the Company's leverage ratio. The Revolving Facility carries a commitment fee of 1% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the Company's intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Company's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Company was in compliance with the financial covenants as of June 30, 2011. The Company incurred costs of US$3.1 million in connection with the negotiation and documentation of the Revolving Facility, which have been capitalized and will be amortized over the term of the agreement. No amounts were drawn on this facility at June 30, 2011. At June 30, 2011, US$86.9 million was available on the Revolving Facility as a result of the utilization of US$13.1 million of the facility for outstanding letters of credit.

The following represents the contractual maturity dates of our loans and borrowings (including estimated interest payments and excluding the impact of netting agreements) as of June 30, 2011 and December 31, 2010.

(Expressed in thousands of US Dollars)	**June 30, 2011**	December 31, 2010
On demand or within one year	**18,022**	12,032
Between 1 and 2 years	**79**	100
Between 2 and 5 years	**—**	291,090
Over 5 years	**—**	—
	18,101	303,222

Hedging

Our non-U.S. subsidiaries periodically enter into forward contracts related to the purchase of inventory denominated primarily in U.S. dollars which are designated as cash flow hedges. Cash flows associated with these derivatives at June 30, 2011 are expected to be US$50.6 million within one year.

Other Financial Information

Working Capital Ratios

Inventory Analysis

The following table sets forth a summary of our average inventory, cost of sales and average inventory days for the six months ended June 30, 2011 and June 30, 2010.

(Expressed in thousands of US Dollars)	**For the six months ended June 30,**	
	2011	2010
Average inventory[(1)]	**249,395**	123,743
Cost of sales	**333,830**	242,216
Average inventory turnover days[(2)]	**136**	93

Notes:

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

(2) Average inventory turnover days equals average inventory divided by cost of sales and multiplied by 182.5 days for the six months ended June 30, 2011 and June 30, 2010.

Our inventory increased in the first half of 2011 (US$276.1 million at June 30, 2011 compared to US$222.7 million at December 31, 2010) from the first half of 2010 (US$134.3 million at June 30, 2010 compared to US$113.2 million at December 31, 2009) to support increased customer demand and new product introductions.

Average inventory at June 30, 2010 was at a reduced level due to low inventory levels at the end of 2009. As the business began to recover from the economic downturn in 2009, the Company began rebuilding inventory levels in 2010.

Trade and Other Receivables

The following table sets forth a summary of our average trade and other receivables, net sales and turnover of trade and other receivables for the six months ended June 30, 2011 and June 30, 2010.

(Expressed in thousands of US Dollars)	**For the six months ended June 30,**	
	2011	2010
Average trade and other receivables[(1)]	**164,399**	123,036
Net sales	**743,824**	552,858
Turnover days of trade and other receivables[(2)]	**40**	41

Notes:

(1) Average trade 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 equals average trade receivables divided by net sales and multiplied by 182.5 days for the six months ended June 30, 2011 and June 30, 2010.

Our trade and other receivables increased in the first half of 2011 (US$182.7 million at June 30, 2011 compared to US$146.1 million at December 31, 2010) from the first half of 2010 (US$126.7 million at June 30, 2010 compared to US$119.4 million at December 31, 2009) in line with the increase in net sales. Turnover days of trade and other receivables remained relatively consistent period over period.

Trade receivables as of June 30, 2011 are on average due within 60 days from the date of billing.

Trade and Other Payables

The following table sets forth a summary of our average trade and other payables, cost of sales and turnover days of trade and other payables for the six months ended June 30, 2011 and June 30, 2010.

(Expressed in thousands of US Dollars)	**For the six months ended June 30,**	
	2011	2010
Average trade and other payables[(1)]	**333,573**	261,103
Cost of sales	**333,830**	242,216
Turnover days of trade and other payables[(2)]	**182**	197

Notes:

(1) Average trade 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 equals average trade payables divided by cost of sales and multiplied by 182.5 days for the six months ended June 30, 2011 and June 30, 2010.

The increase in average trade and other payables at June 30, 2011 (US$336.6 million at June 30, 2011 compared to US$330.5 million at December 31, 2010) from June 30, 2010 (US$263.1 million at June 30, 2010 compared to US$259.1 million at December 31, 2009) was primarily due to increased inventory purchases period over period. The decrease in turnover days of trade and other payables in the first half of 2011 from the first half of 2010 was primarily due to an increase in cost of sales attributable to higher net sales, partially offset by an increase in average trade and other payables since year end.

Trade payables as of June 30, 2011 are on average due within 105 days from the invoice date.

Other Information

Total current assets were US$620.4 million and US$722.5 million, and total assets less current liabilities were US$1,133.3 million and US$1,248.2 million, as of June 30, 2011 and December 31, 2010, respectively.

As a result of the repayment of its loan notes, former amended senior credit facility and the former term loan facility in the first half of 2011, the Company's gearing ratio decreased from 33.9% at December 31, 2010 to 2.0% at June 30, 2011. The gearing ratio is calculated as total debt, excluding deferred financing costs, divided by total equity.

Strategic Review and Full Year Prospects

During the first half of 2011, we continued to implement our strategic plan in the following areas:

Significant growth in all regions

All regions and key company metrics showed considerable growth for the six months ended June 30, 2011 compared to the six months ended June 30, 2010.

- Net sales increased by 34.5% to US$743.8 million. Excluding foreign currency effects, net sales increased by 28.6%.

- Adjusted EBITDA increased by 40.1% to US$117.9 million.

- Adjusted Net Income increased by 20.6% to US$66.7 million.

- Adjusted EBITDA margin increased to 15.8% from 15.2%. Excluding the impact of *Lacoste* and *Timberland*, Adjusted EBITDA margin increased to 15.7% from 13.6%.

- Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, the Company's net sales, Adjusted Net Income, and Adjusted EBITDA for the first half of 2011 increased by 40.8%, 41.9% and 62.0%, respectively, compared to the first half of 2010.

Significant investment in advertising and promotion

We continued to invest, approximately 8% of net sales, in marketing reflecting our commitment to advertise and promote our brands and products to support sales growth worldwide. Marketing expenses in the first half of 2011 increased by 39.5% to US$60.4 million compared to the first half of 2010.

New products in the market

We continued to focus on innovation of our products, which will help drive sales growth and deliver quality and value to our customers.

Expanded distribution network

We continued the further expansion of our distribution network by adding approximately 400 points of sale, including 15 owned stores and 34 new franchises in the first half of 2011. Over 250 points of sale were added in Asia during the six months ended June 30, 2011.

Our growth strategy will continue as planned for the second half of 2011. We are focusing on the following:

- Maintain high level of marketing investment to enhance brand equity and awareness.
- Continued investment in new points of sale.
- Continued regional introduction of innovative products.
- Continued focus on growth of the business and casual product categories.
- Focus on growth of sub-brands such as *Samsonite Black Label*, *Samsonite Red* and *AT*.

We aim to deliver top-line growth, maintain gross margins and increase Adjusted EBITDA margins.

Corporate Governance and Other Information

Directors

At June 30, 2011, the composition of the Board was as follows:

Executive Directors
Timothy Charles Parker
Kyle Francis Gendreau
Ramesh Dungarmal Tainwala

Non-executive Directors
Nicholas James Clarry
Keith Hamill
Bruce Hardy McLain (Hardy)

Independent Non-executive Directors
Paul Kenneth Etchells
Miguel Kai Kwun Ko
Ying Yeh

At June 30, 2011, the Board committees were as follows:

Audit Committee / Review of Accounts

The Company established an audit committee on May 27, 2011 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules (the "Code"). The primary duties of the audit committee are to review and supervise our financial reporting process and internal controls of the Company. The audit committee has five members, including two non-executive directors and three independent non-executive directors. Mr. Paul Kenneth Etchells has been appointed as the chairman of the audit committee. The audit committee has reviewed the unaudited condensed consolidated interim financial information of the Company for the six months ended June 30, 2011 with the Board of Directors.

Nomination Committee

The Company established a nomination committee on May 27, 2011 with the terms of reference in compliance with the Code. The primary duties of the nomination committee are to review the structure, size and composition of the Board, assess the independence of independent non-executive directors and to make recommendations to the Board on the appointment and removal of directors. The nomination committee consists of five members including an executive director, a non-executive director and three independent non-executive directors. Mr. Timothy Charles Parker has been appointed as the chairman of the nomination committee.

Remuneration Committee

The Company established a remuneration committee on May 27, 2011 with the terms of reference in compliance with the Code. The primary duties of the remuneration committee are to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The remuneration committee has four members, including three independent non-executive directors and a non-executive director. Mr. Miguel Kai Kwun Ko has been appointed as the chairman of the remuneration committee.

Human Resources and Remuneration

At June 30, 2011, the Company had approximately 6,150 employees. The Company regularly reviews remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Company.

Dividends

We will evaluate our distribution policy and distributions made (by way of dividend or otherwise) in any particular year in light of our financial position, the prevailing economic climate and expectations about the future macroeconomic environment and business performance. We intend to maintain a progressive dividend policy. The determination to make distributions will be made at the discretion of the Board and will be based upon our earnings, cash flow, financial conditions, capital and other reserve requirements and any other conditions which the Board deems relevant. The payment of distributions may also be limited by legal restrictions and by financing agreements that we may enter into in the future.

No dividends were declared or paid during the six months ended June 30, 2011, and no dividends have been declared or paid subsequent thereto.

Corporate Governance Practices

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

Except for the deviation discussed below, the Company has complied with all applicable code provisions of the Code.

Code provision A.2.1 stipulates that the roles of the Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Timothy Parker, the Chief Executive Officer (CEO) of the Company, is also the Chairman of the Board. The Company believes this is appropriate because having Mr. Parker serve as both the CEO and the Chairman provides the Company with strong and consistent leadership. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board, which is comprised of highly experienced individuals including three Executive Directors (including Mr. Parker), three Independent Non-Executive Directors and three Non-Executive Directors. Moreover, Mr. Parker is not a member of either the Audit Committee or Remuneration Committee of the Board, and each of the Audit, Nomination and Remuneration Committees are composed of a majority of Independent Non-Executive Directors.

Directors' Securities Transactions

The Company has adopted its own policies (the "Trading Policy") for securities transactions by Directors and relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors confirmed that they have complied with the required standard set out in the Trading Policy for the period from the listing of the Company on June 16, 2011 to June 30, 2011.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the period from its listing on June 16, 2011 to June 30, 2011.

Change in Director's Information

Mr. Keith Hamill, a non-executive director, will cease to be the chairman of Alterian plc, a company listed on the main board of the London Stock Exchange, with effect from September 27, 2011.

Publication of Interim Results

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.samsonite.com). The interim report for the six months ended June 30, 2011 will be dispatched to the shareholders and published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

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

Belgium, August 29, 2011

As of the date of this announcement, the executive Directors are Timothy Parker, Kyle Gendreau and Ramesh Tainwala, the non-executive Directors are Nicholas Clarry, Bruce Hardy McLain and Keith Hamill and the independent non-executive Directors are Paul Etchells, Miguel Ko and Ying Yeh.