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, 2012

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2012, the Company's:

- Net sales increased to a record level of US$846.7 million reflecting a 13.8% increase from the comparable period in 2011. Excluding foreign currency effects, net sales increased by 18.2%.
- Reported profit for the period increased by 263.0% to US$90.1 million year-on-year.
- Adjusted Net Income[1] increased by 32.1% to US$88.1 million year-on-year.
- Adjusted EBITDA[2] increased by 15.8% to US$136.5 million year-on-year.
- Adjusted EBITDA margin[3] increased to 16.1% from 15.8%.
- All four regions, led by North America and Asia, achieved strong constant currency net sales growth driven by:
  - the strength of the Company's brands;
  - innovative product offerings tailored to local markets;
  - extensive global distribution and points of sale expansion; and
  - strong and targeted investment in advertising and promotion.
- Net sales in the travel product category increased by 17.1% to US$655.8 million year-on-year.

* *For identification purposes only*

- Net sales in the casual product category increased by 25.0% to US$49.0 million year-on-year, excluding the effect of the termination of the *Lacoste*[4] and *Timberland*[5] licensing agreements.

- The Company's marketing expenses increased by 4.3% to US$63.1 million, representing 7.4% of net sales, in the first half 2012, reflecting the Company's commitment to utilize advertising and promotion to drive sales growth worldwide.

- The Company generated US$77.1 million of cash from operating activities for the six months ended June 30, 2012 compared to cash used in operations of US$5.5 million during the comparable period in 2011. As of June 30, 2012, the Company had cash and cash equivalents of US$202.1 million and financial debt of US$12.4 million (excluding deferred financing costs of US$2.6 million), providing the Company with a net cash position of US$189.7 million.

- On March 27, 2012, the Company's Board of Directors recommended that a cash distribution in the amount of approximately US$30.0 million, or US$0.02132 per share, be made to the Company's shareholders of record on June 15, 2012 from its ad hoc distributable reserve. The shareholders approved this distribution on June 7, 2012 at the annual general meeting and the distribution was paid on July 6, 2012.

(Expressed in millions of US Dollars, except per share data)	**Six months ended June 30,**		Percentage
	2012	2011	change
Net Sales	**846.7**	743.8	13.8%
Profit for the period	**90.1**	24.8	263.0%
Adjusted Net Income[1]	**88.1**	66.7	32.1%
Adjusted EBITDA[2]	**136.5**	117.9	15.8%
Adjusted EBITDA Margin[3]	**16.1%**	15.8%	—
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.059**	0.008	637.5%
Adjusted basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.063**	0.051	23.5%

1 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. See "Management Discussion and Analysis – Adjusted Net Income" for a reconciliation from the Company's profit for the period to Adjusted Net Income.

2 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. See "Management Discussion and Analysis – Adjusted EBITDA" for a reconciliation from the Company's profit for the period to Adjusted EBITDA.

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

4 *Lacoste* is a registered trademark of Lacoste Alligator S.A.

5 *Timberland* is a registered trademark of The Timberland Company.

6 Adjusted earnings per share is calculated by dividing Adjusted Net Income by the weighted average number of shares outstanding during the period.

The Board of Directors of Samsonite International S.A. (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, 2012 together with comparative figures for the six months ended June 30, 2011. The following interim financial information, including comparative figures, has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

CHAIRMAN’S STATEMENT

This has been an encouraging first half of 2012, against a backdrop of uneven trading conditions across our major markets. I am pleased to report that net sales of the Company increased by 13.8% to US$846.7million, or 18.2% in constant currency terms. The gap between these two percentages reflects the impact of the strengthening US Dollar, especially in relation to the Euro and the Indian Rupee. Adjusted Net Income (this measure eliminates certain non-recurring costs principally associated with the Company’s IPO in June last year) increased by 32.1% to US$88.1 million, whilst Adjusted EBITDA advanced by 15.8% to US$136.5 million.

Over the first six months of this year, cash generation has improved significantly: the Company generated US$77.1 million of cash from operating activities compared with using US$5.5 million in operations in the first half of last year. This contributed to the Company’s strong balance sheet position of US$189.7 million in net cash as of June 30th, 2012. We are pleased that the Company has paid a maiden cash distribution from our ad hoc distributable reserve of US$0.02132 per share in July, a total cash distribution of US$30.0 million.

Samsonite continues to be the Company’s flagship brand, with net sales advancing by 10.4% to US$635.7 million, and accounting for over 75% of total net sales. However, the first half of 2012 has also seen *American Tourister* sales rapidly gathering momentum, with an increase of 45.4% to US$164.6 million. A large proportion of this growth was accounted for by Asia, where the brand’s accessible price points have opened a large and growing market of new potential customers among emerging middle class consumers keen on travel and eager for quality, branded luggage.

In the first half of 2011, we were reporting growth rates of 50% and more in some Asian territories. While it is unrealistic to expect these growth rates to be sustainable, we have been very satisfied with the overall pace of growth in the first half of 2012. Sales in the Asian region advanced 21.3%, equating to 24.8% in constant currency terms. Notable achievements include China, up 34.7% and Japan up 39.7%. India managed 17.7% growth in local currency, but this was trimmed to only 1.4% in US Dollars, as the Indian Rupee has been especially weak.

Our North American business has enjoyed a very strong first half, as a result of expanded distribution of our products with our large wholesale customers. Turnover was up 27.7%, representing an important gain in market share, as the overall luggage market increased by no more than single digits. This is an excellent example of how our strategy of locally developed and sourced products is delivering strong results.

The overall picture in Latin America, down 2.2% (but ahead by 4.6% adjusting for currency effects), does not accurately reflect a strong performance in Mexico and a fundamentally good result in Chile, which was distorted by earlier back-to-school deliveries shifted into the prior period. On the other hand, import controls continued to impact sales in Argentina, our third largest market.

Net sales in Europe decreased 2.0% in the first half to US$221.2 million. However, excluding foreign currency effects, net sales increased by US$14.5 million, or 6.4%. This was a creditable performance, given the impact of the Eurozone crisis on our two important markets of Spain and Italy. Over the period, these two countries were down 12.3% and 8.7%, respectively, in constant currency terms. However, sales fared much better in most other markets, and we made real progress in Germany, our most important market in Europe, where sales were up 17.4% in constant currency terms. Demand for hardside luggage is growing strongly in Europe, and this has played to the Company's strengths in Curv technology and polypropylene molded cases.

Most of the growth achieved in the first half of 2012 was attributable to travel products, which now account for 77.5% of sales. Of the total increase in sales over the period of US$102.9 million, US$95.7 million was in this category. Country-specific product designs, locally relevant marketing initiatives and expanded points of sale were the key factors contributing to the strong performance of the travel category. Adjusting for the discontinued *Timberland* and *Lacoste* licenses, the casual category was up 25.0%, whilst accessories advanced by 32.6%. This was encouraging, and an indication that the strategy of increasing market share in these non-core areas is working. And with our second most important product category, business items, good progress was achieved in the US, where sales were up 11.3%. However, sales were flat in Asia, and down 28.4% in Europe, with currency playing a role in both regions. We are optimistic that the planned introduction of several new lines of leather products in Asia and the transformation of our product ranges now underway in Europe will yield positive gains.

The Company continues to make large investments in advertising. We spent US$63.1 million in the first half of the year, or 7.4% of sales, an increase in total marketing spend of 4.3% over last year. As a percentage, this is slightly lower than the 8.1% of sales we spent on marketing in the first half of last year, and reflects in part greater efficiencies in media spend. The Company remains committed to maintaining its leading position with a premier share of voice in the travel goods category in our major markets.

As already mentioned, the dominant factor affecting trading this year has been the strong US Dollar. This, along with labor cost inflationary pressures on products sourced in China, has made it necessary to raise prices ahead of average price inflation, in Europe and in certain Asian territories. As all companies in our sector are subject to the same market forces, this has not affected our relative competitiveness. However, if we are to maintain gross margins, we will need to constantly broaden our sourcing capability as a matter of priority. The doubling of capacity at our plant manufacturing Curv hardside products in Hungary was completed on time, and approximately 40% of products sold in Europe, by value, now come from our own factories inside the EU. We have also acquired land close to our existing warehouse facility in Belgium, and will shortly commence construction of additional warehouse capacity. These steps will improve efficiency and reduce our reliance on third party manufacturing and warehousing capacity.

Increasing investment in product design and R&D is an important element in the Company's strategy, as constant innovation to meet evolving travel trends is a key factor in our success. We are continually on the lookout for creative talent and for new materials and technologies. In the first half of this year, we increased expenditure in this area by 13.4% to US$8.4 million, and will continue to make this a priority globally.

We have previously announced our intention to add value through the acquisition of complementary brands that can benefit from Samsonite’s global sourcing and distribution platforms. I am pleased to report that we have purchased two well-established businesses with enormous scope for future development. High Sierra, a fast-growing brand in casual outdoor and sports luggage with sales in 2011 of US$64 million, was purchased for US$110 million in July. Hartmann, a luxury luggage brand established in 1887 with sales in 2011 of US$23 million, was acquired for US$35 million in August. These two important additions to our brand portfolio have been substantially funded from our own resources and the recently expanded Revolving Credit Facility of US$300 million.

It remains hard to predict the outcome for the remainder of the year. Uncertainties created by the Eurozone crisis and the expectation (often unduly pessimistic) of lower growth rates for the Chinese economy, continue to affect consumer sentiment. Most of the orders we receive are for short-term delivery, and so visibility on future trading is limited. However, our brands continue to do well in the marketplace, and the prospects for the travel market are good, with in-bound tourism worldwide expected to top one billion for the first time this year (per the World Tourism Organization (UNWTO)). We will continue to take advantage of the growth in global travel, and build our expanding stable of brands across global markets. Our strategy of adapting designs and marketing initiatives to local markets has been successful and we believe it will serve us well in the future. There are still excellent opportunities to increase points of sale in many markets, and provided there are no further economic disturbances, we remain broadly positive about the future.

Timothy Charles Parker
Chairman
August 28, 2012

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(Expressed in thousands of US Dollars, except per share data)	Note	**Six months ended June 30, 2012**	2011
Net sales	5	**846,676**	743,824
Cost of sales		**391,119**	333,830
Gross Profit		**455,557**	409,994
Distribution expenses		**219,620**	195,865
Marketing expenses		**63,068**	60,443
General and administrative expenses		**55,408**	55,325
Restructuring charges / (reversal of charges)		**—**	(937)
Other expenses		**1,913**	1,234
Operating profit		**115,548**	98,064
Finance income	19	**704**	844
Finance costs	19	**(6,120)**	(59,862)
Finance income and costs		**(5,416)**	(59,018)
Profit before income tax		**110,132**	39,046
Income tax expense	18	**(20,040)**	(14,228)
Profit for the period		**90,092**	24,818
Profit attributable to the equity holders		**82,299**	16,387
Profit attributable to non-controlling interests		**7,793**	8,431
Profit for the period		**90,092**	24,818
Earnings per share			
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	6	**0.059**	0.008

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(Expressed in thousands of US Dollars)	Note	Six months ended June 30, **2012**	2011
Profit for the period		**90,092**	24,818
Other comprehensive income:			
Recognition of previously unrecognized deferred tax on defined benefit plans	18	**34,899**	—
Changes in fair value of cash flow hedges, net of tax		**(1,346)**	(734)
Foreign currency translation gains for foreign operations		**862**	4,531
Income tax expense on other comprehensive income (loss) items		**(906)**	—
Other comprehensive income		**33,509**	3,797
Total comprehensive income		**123,601**	28,615
Total comprehensive income attributable to the equity holders		**115,841**	19,591
Total comprehensive income attributable to non-controlling interests		**7,760**	9,024
Total comprehensive income for the period		**123,601**	28,615

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of US Dollars)	Note	**(Unaudited) June 30, 2012**	December 31, 2011
Non-Current Assets			
Property, plant and equipment, net	8	**124,207**	127,975
Goodwill		**153,212**	153,212
Other intangible assets, net	9	**615,463**	619,438
Deferred tax assets		**59,390**	14,023
Other assets and receivables		**20,160**	18,500
Total non-current assets		**972,432**	933,148
Current Assets			
Inventories	10	**251,331**	236,957
Trade and other receivables, net	11	**217,261**	171,552
Prepaid expenses and other assets		**69,022**	61,630
Cash and cash equivalents	12	**202,116**	141,259
Total current assets		**739,730**	611,398
Total assets		**1,712,162**	1,544,546
Equity and Liabilities			
Equity:			
Share capital	13	**14,071**	14,071
Reserves		**989,440**	904,060
Total equity attributable to equity holders		**1,003,511**	918,131
Non-controlling interests		**28,461**	27,069
Total equity		**1,031,972**	945,200

(Expressed in thousands of US Dollars)	Note	**(Unaudited) June 30, 2012**	December 31, 2011
Non-Current Liabilities			
Loans and borrowings	14	**87**	71
Employee benefits		**55,376**	59,725
Non-derivative financial instruments		**31,435**	29,522
Deferred tax liabilities		**121,683**	120,307
Other liabilities		**5,160**	6,252
Total non-current liabilities		**213,741**	215,877
Current Liabilities			
Loans and borrowings	14	**9,694**	11,696
Employee benefits		**36,864**	45,182
Trade and other payables	16	**373,906**	286,560
Current tax liabilities		**45,985**	40,031
Total current liabilities		**466,449**	383,469
Total liabilities		**680,190**	599,346
Total equity and liabilities		**1,712,162**	1,544,546
Net current assets		**273,281**	227,929
Total assets less current liabilities		**1,245,713**	1,161,077

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

(Expressed in thousands of US Dollars)	Note	Six months ended June 30, **2012**	2011
Cash flows from operating activities:			
Profit for the period		**90,092**	24,818
Adjustments to reconcile profit to net cash generated from (used in) operating activities:			
(Gain) / loss on sale and disposal of assets, net		**(135)**	214
Depreciation		**14,820**	15,124
Amortization of intangible assets	9	**4,165**	4,178
Provision for doubtful accounts		**515**	717
Provision for / (reversal of) restructuring activities		**—**	(937)
Change in fair value of put options		**1,453**	4,125
Net change in defined benefit pension plan		**(6,651)**	(7,953)
Noncash interest expense		**—**	32,018
Noncash income tax expense (benefit)	18	**(9,000)**	2,846
Noncash share-based compensation		**—**	200
		95,259	75,350
Changes in operating assets and liabilities:			
Trade and other receivables		**(47,146)**	(42,336)
Inventories		**(16,219)**	(62,915)
Other current assets		**(8,992)**	6,519
Trade and other payables		**78,848**	33,644
Other assets and liabilities, net		**(6,018)**	(2,519)
Cash generated from operating activities		**95,732**	7,743
Interest paid		**(1,004)**	(2,625)
Income tax paid		**(17,581)**	(10,571)
Net cash generated from (used in) operating activities		**77,147**	(5,453)

(Expressed in thousands of US Dollars)	Note	**Six months ended June 30,** **2012**	2011
Cash flows from investing activities:			
Purchases of property, plant and equipment	8	**(11,398)**	(14,761)
Other proceeds (investments)		**317**	(2)
Net cash used in investing activities		**(11,081)**	(14,763)
Cash flows from financing activities:			
Current loans and borrowings proceeds (payments)		**(2,117)**	5,574
Non-current loans and borrowings payments		—	(279,051)
Proceeds from issuance of share capital in Global Offering	4	—	225,252
Transaction costs associated with Global Offering recognized in equity	4	—	(8,899)
Loan note payments	4	—	(100,989)
Payment of debt issue costs		—	(3,147)
Dividend payments to non-controlling interests		**(3,874)**	(3,773)
Net cash used in financing activities		**(5,991)**	(165,033)
Net increase (decrease) in cash and cash equivalents		**60,075**	(185,249)
Cash and cash equivalents, at January 1		**141,259**	285,798
Effect of exchange rate changes on cash and cash equivalents		**782**	1,285
Cash and cash equivalents, at June 30	12	**202,116**	101,834

The accompanying notes form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED 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 as well as other owned and licensed brand names. The Company sells its 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 public limited company (a société anonyme), whose registered office is 13–15 Avenue de la Liberté, L-1931, Luxembourg.

This consolidated interim financial information was approved for issue by the Board of Directors on August 27, 2012 and is unaudited.

(2) Basis of Preparation

(a) Statement of Compliance

This consolidated interim financial information has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. The consolidated interim financial information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2011, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which collective term includes all International Accounting Standards ("IAS") and related interpretations, as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

There were no changes in the 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 cost during the six months ended June 30, 2012. 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, 2012.

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, 2012.

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, 2012.

(b) Basis of Measurement

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

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

(c) Functional and Presentation Currency

This financial information is measured using the currency of the primary economic environment in which the 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 stated, this consolidated interim financial information is presented in the United States Dollar (US$), which is the functional and presentation currency of the Company.

(d) Use of Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the 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.

(e) Other

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the consolidated interim financial information for the six months ended June 30, 2012, there were no new or revised IFRSs, yet effective for the six months ended June 30, 2012.

(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, 2011.

(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, 2012, and have not been applied in preparing these consolidated interim financial statements.

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

IFRS 10, *Consolidated Financial Statements*, and IFRS 12, *Disclosure of Interests in Other Entities*, have been issued by the IASB to partially 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 disclosure 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. There will not be any impact to the financial results of the Company 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 presents 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.

IAS 19, *Employee Benefits*, has been amended by the IASB to require actuarial gains and losses to be recognized immediately in other comprehensive income, introduce the concept of net interest of the net defined benefit asset/liability, change presentation of the defined benefit cost and increase disclosure requirements in the financial statements. 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) and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. 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 the former parent company of the consolidated subsidiaries (“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$101.0 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 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 plc (“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.

(5) Segment Reporting

The reportable segments for the six months ended June 30, 2012 are consistent with the reportable segments included within the annual financial statements as of and for the year ended December 31, 2011.

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, 2012 and June 30, 2011 is as follows:

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

	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	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) / benefit	(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

(6) Earnings Per Share

(a) Basic

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended June 30, 2012 and June 30, 2011, 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)	**Six months ended June 30,**	
	2012	2011
Issued ordinary shares at the beginning of the period	**1,407,137,004**	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	**1,407,137,004**	1,295,990,424
Profit attributable to the equity holders	**82,299**	16,387
Less earnings on B preference shares	–	(6,489)
Adjusted profit attributable to the equity holders	**82,299**	9,898
Basic earnings per share *(Expressed in US Dollars per share)*	**0.059**	0.008

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 listing 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.

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no outstanding dilutive instruments during the six months ended June 30, 2012 and June 30, 2011.

(c) Dividends and Distributions

On March 27, 2012, the Company's Board of Directors recommended that a cash distribution in the amount of approximately US$30.0 million, or US$0.02132 per share, be made to the Company's shareholders of record on June 15, 2012 from its ad hoc distributable reserve. The shareholders approved this distribution on June 7, 2012 at the annual general meeting and the distribution was paid on July 6, 2012.

No other dividends or distributions were declared or paid by the Company during the six months ended June 30, 2012.

(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, 2012 and June 30, 2011, the cost of additions to property, plant and equipment was US$11.4 million and US$14.8 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, 2011	111,650	5,551	117,201	538,230	655,431
Effect of movement in foreign currency exchange rates	—	—	—	190	190
At June 30, 2012	**111,650**	**5,551**	**117,201**	**538,420**	**655,621**
Accumulated amortization:					
At December 31, 2011	(31,524)	(4,469)	(35,993)	—	(35,993)
Amortization	(3,804)	(361)	(4,165)	—	(4,165)
At June 30, 2012	**(35,328)**	**(4,830)**	**(40,158)**	**—**	**(40,158)**
Carrying amounts:					
At December 31, 2011	80,126	1,082	81,208	538,230	619,438
At June 30, 2012	**76,322**	**721**	**77,043**	**538,420**	**615,463**

In accordance with IAS 36, *Impairment of Assets*, the Company is required to evaluate its intangibles with definite useful lives for potential impairment whenever events or changes in circumstance indicate that their carrying amount might not be recoverable. During the six months ended June 30, 2012, there were no impairment indicators.

(10) Inventories

Inventories consist of the following:

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
Raw materials	**13,342**	14,952
Work in process	**2,734**	1,804
Finished goods	**235,255**	220,201
Total inventories	**251,331**	236,957

The amounts above include inventories carried at net-realizable value of US$73.4 million and US$47.6 million as of June 30, 2012 and December 31, 2011, respectively. For the six months ended June 30, 2012 and June 30, 2011, the impairment of inventories to net realizable value (fair value less costs to sell) amounted to US$0.5 million and US$2.4 million, respectively. For the six months ended June 30, 2012 and June 30, 2011 the reversal of impairments recognized in profit or loss amounted to US$1.1 million and US$1.0 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$11.3 million and US$11.3 million as of June 30, 2012 and December 31, 2011, 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, 2012**	December 31, 2011
Current	**177,099**	127,926
Past due	**32,461**	37,074
	209,560	165,000

Credit terms are granted based on the credit worthiness of individual customers. Trade receivables as of June 30, 2012 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, 2012**	December 31, 2011
Bank balances	**186,172**	121,188
Short-term investments	**15,944**	20,071
Total cash and cash equivalents	**202,116**	141,259

As of June 30, 2012 and December 31, 2011 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) Share Capital

There were no movements in the share capital of the Company during the six months ended June 30, 2012. A general mandate was granted to the directors at the annual general meeting on June 7, 2012 to issue additional shares of the Company not exceeding 20 percent of the issued share capital of the Company on that date. The directors were also granted a general mandate to repurchase shares of the Company not exceeding 10 percent of the issued share capital of the Company on that date, as well as a general mandate to issue additional shares of the Company by the aggregate nominal amount of the shares repurchased by the Company.

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 cancelled on June 10, 2011 in consideration for the beneficial owners of the preference shares receiving the loan notes. The US$101.0 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.

(14) Loans and Borrowings

(a) Non-current Obligations

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

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
Finance lease obligations	**125**	78
Less current installments	**38**	7
Non-current loans and borrowings	**87**	71

(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, 2012**	December 31, 2011
Lines of credit	**12,303**	15,008
Finance lease obligations	**38**	7
	12,341	15,015
Less deferred financing costs	**(2,647)**	(3,319)
Current loans and borrowings	**9,694**	11,696

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$12.3 million and US$15.0 million at June 30, 2012 and December 31, 2011, respectively.

On July 2, 2012, the Company increased its existing revolving credit facility (the "Revolving Facility") from US$100 million to US$300 million. The facility can be increased by an additional US$100 million, subject to lender approval. The Revolving Facility has an initial term of three years, with a one year extension available at the request of the 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 0.175% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the 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, 2012. No amounts were drawn on this facility at June 30, 2012. At June 30, 2012, US$87.8 million was available on the Revolving Facility as a result of the utilization of US$12.2 million of the facility for outstanding letters of credit.

(15) Employee Benefits

Employee benefits expense, which consists of payroll, pension plan expenses and other benefits, for the six months ended June 30, 2012 and June 30, 2011 amounted to US$104.4 million and US$93.4 million, respectively. Of these amounts, US$10.7 million and US$6.6 million were included in cost of sales, respectively. The remaining amounts were presented in distribution expenses and general and administrative expenses.

(16) Trade and Other Payables

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
Accounts payable	**257,745**	212,974
Other payables and accruals	**77,778**	65,447
Cash distribution payable to equity holders	**30,000**	—
Restructuring accruals	**1,351**	1,506
Other tax payables	**7,032**	6,633
Total trade and other payables	**373,906**	286,560

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, 2012**	December 31, 2011
Current	**200,259**	158,067
Past due	**4,216**	10,163
	204,475	168,230

Trade payables as of June 30, 2012 are on average due within 105 days from the invoice date.

(17) Commitments

(a) Capital Commitments

Capital commitments as of June 30, 2012 and December 31, 2011 not recognized as liabilities in the consolidated statement of financial position, as they do not meet the recognition criteria, include the following amounts:

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
Contracted for	**3,383**	2,460
Authorized but not contracted for	**28,202**	40,523
	31,585	42,983

(b) Operating Lease Commitments

The Company's lease obligations primarily consist of non-cancellable leases of office, warehouse and retail store space and equipment. Future minimum payments under non-cancellable leases as of June 30, 2012 and December 31, 2011 were as follows:

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
Within one year	**46,190**	53,074
1–2 years	**46,960**	41,808
2–5 years	**100,102**	81,804
More than 5 years	**44,239**	24,063
	237,491	200,749

Rent expense under cancellable and non-cancellable operating leases for the six months ended June 30, 2012 and June 30, 2011 amounted to US$39.5 million and US$34.8 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, 2012 and June 30, 2011 was 18.2% and 36.4%, respectively. The decrease in the effective tax rate is primarily the result of the Company's recognition of deferred tax assets in 2012 which were previously unrecognized, and the impact of the transaction costs associated with the Global Offering in 2011 which created no tax benefit, and by the mix in profitability between high and low tax jurisdictions.

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

Taxation in the consolidated income statements for the six months ended June 30, 2012 and June 30, 2011 consisted of the following:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Hong Kong profits tax (expense) benefit	**(1,091)**	162
Foreign profits tax expense	**(18,949)**	(14,390)
Income tax expense	**(20,040)**	(14,228)

Income tax expense for Hong Kong profits was calculated at an effective tax rate of 16.5% and 16.6% for the six months ended June 30, 2012 and June 30, 2011, respectively.

(19) Finance Income and Finance Costs

The following table presents a summary of finance income and finance costs recognized in the consolidated income statement for the six months ended June 30, 2012 and June 30, 2011:

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Recognized in profit or loss:		
Interest income on bank deposits	**704**	844
Finance income	**704**	844
Interest expense on financial liabilities measured at amortized cost	**1,962**	35,581
Change in fair value of put options	**1,453**	4,125
Net foreign exchange (gain) loss	**1,801**	(4,649)
Other finance costs	**904**	—
Expenses related to Global Offering	**—**	24,805
Finance costs	**6,120**	59,862
Net finance costs recognized in profit for the period	**5,416**	59,018

(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 income statements. When the date of the incurrence of an obligation is not reliably measureable, the provisions are not discounted and are classified in current liabilities.

During the six months ended June 30, 2012, the Company reached an amicable settlement with Lankhorst Pure Composites B.V. with regard to the proceedings that were pending in relation to the ownership of the patents relating to the process used by the Company to manufacture the outer shell for its Cosmolite and Cubelite product lines. While the terms of the settlement are confidential, the Company remains full owner of the patents at issue in the dispute, and the settlement does not impact in any way the Company's right to utilize its manufacturing process.

The Company did not settle any other significant litigation during the six months ended June 30, 2012.

(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 other key management personnel, and contributes to post-employment plans on their behalf.

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

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Director's fees	**200**	51
Salaries, allowances and other benefits in kind	**2,428**	2,350
Bonus	**2,271**	2,299
Post-employment benefits	**100**	41
Share-based compensation	**—**	200
	4,999	4,941

(b) Other Transactions

I. On October 24, 2007, the Company entered into a monitoring agreement with CVC Capital Partners Advisory Company to provide on-going 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.

II. 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 Mr. Ramesh Tainwala, Executive Director and President, Asia-Pacific and Middle East, of the Company ("Mr. Tainwala").

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

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Purchases	**1,870**	2,610
Sales	**257**	140

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
Payable	**524**	543
Receivable	**175**	67

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

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	**2011**
Purchases	**—**	116
Sales	**6,437**	4,129
Rent	**26**	489

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
Payable	**2**	—
Receivable	**6,376**	4,131

Approximately US$0.5 million and US$0.4 million was paid to entities owned by Mr. Tainwala and his family, for office space rent for the six months ended June 30, 2012 and June 30, 2011, respectively. As of June 30, 2011, there were no amounts were payable to Mr. Tainwala and his family. As of June 30, 2012 and December 31, 2011, US$0.1 million and US$0.5 million, respectively, was recorded as a receivable in the form of a security deposit.

IV. Samsonite South Asia Pvt. Ltd. sells finished goods to Planet Retail Holdings Pvt. Ltd. ("Planet Retail"). Mr. Tainwala is the majority shareholder of Planet Retail. Sales to this entity amounted to US$58 thousand and US$68 thousand for the six months ended June 30, 2012 and June 30, 2011, respectively. As of June 30, 2012 and December 31, 2011, US$42 thousand and US$33 thousand, respectively, was receivable from Planet Retail.

V. The Royal Bank of Scotland plc, which was the issuer of certain letters of credit under a letter of credit facility with the Company during the periods presented, also owned 12.5% and 15.8% of the ordinary shares of the Company as of June 30, 2012 and December 31, 2011, respectively.

(22) Subsequent Events

The Company has evaluated events occurring subsequent to June 30, 2012, the statement of financial position date, through August 27, 2012, the date this financial information was authorized for issue by the Board of Directors.

On July 2, 2012, the Company increased its existing revolving credit facility (the "Revolving Facility") from US$100 million to US$300 million. The facility can be increased by an additional US$100 million, subject to lender approval. The Revolving Facility has an initial term of three years, with a one year extension available at the request of the 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 0.175% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the 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. On July 31, 2012, US$80.0 million was drawn on the Revolving Facility to fund a portion of the consideration paid for the acquisitions noted below.

On July 6, 2012, the Company made a cash distribution from its ad hoc distributable reserve in the amount of approximately US$30.0 million, or US$0.02132 per share, to the Company's shareholders of record on June 15, 2012.

Business Combinations

(a) ***High Sierra Sport Company***

On July 17, 2012, certain of the Company's wholly-owned subsidiaries (the "Samsonite Purchasers") entered into an Asset Purchase Agreement with High Sierra Sport Company ("High Sierra"), pursuant to which on July 31, 2012 the Samsonite Purchasers purchased substantially all of the assets of High Sierra for a cash consideration of US$110.0 million.

The Samsonite Purchasers purchased substantially all of the assets of High Sierra excluding cash, certain receivables, and certain other retained assets and assumed all balance sheet liabilities and certain contractual liabilities of High Sierra.

The total assets on High Sierra's statement of financial position as at December 31, 2011 were approximately US$20.8 million. The Company has not completed a formal valuation of the assets that were acquired in the acquisition.

The acquisition gives the Company a strong brand and product offering that provides a foothold in the North American casual bag market. It also provides the Company with opportunities to leverage the its well-established global distribution network and retail presence to significantly expand High Sierra's brand in additional markets in Asia, Europe and Latin America.

If the acquisition had occurred on January 1, 2012, the Company estimates that consolidated net sales would have been US$886.4 million, and consolidated profit for the period would have been US$93.9 million. In determining these amounts, the Company has not taken any potential fair value adjustments into consideration given a formal valuation of the assets acquired has not been completed.

Information about High Sierra

High Sierra is a U.S.-based manufacturer and distributor of casual bags and adventure travel luggage. Its products are targeted at active lifestyle consumers including outdoor enthusiasts, skiers and snowboarders, adventure travelers and students. It is the official supplier of bags and luggage for the U.S. Ski and Snowboard Team. The *High Sierra* brand was founded in 1978.

For the year ended December 31, 2011, High Sierra recorded net sales of US$64.1 million, an increase of 31% compared to the previous year. The U.S. accounted for approximately 90% of High Sierra's sales in 2011. Asia, Europe, Latin America and Canada accounted for 38%, 31%, 29% and 2%, respectively, of High Sierra's sales outside the U.S. in 2011.

The financial highlights of High Sierra are set out below:

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2011**	2010
Net sales	**64.1**	49.0
Profit before taxation	**6.7**	5.6
Profit after taxation	**6.6**	5.5
Total assets	**20.8**	15.5
Consolidated net asset value	**7.5**	6.4

Note: The above financial results were based on the audited financial statements of High Sierra that were prepared under U.S. GAAP, whereas the financial figures of the Company are reported under IFRS. The Company believes that there are no material differences between the financial figures as reported under U.S. GAAP and such financial figures if reported under IFRS.

(b) HL Operating Corp. doing business as Hartmann

On August 2, 2012, a wholly-owned subsidiary of the Company (the "Samsonite Purchaser") entered into a Merger Agreement with HL Operating Corp. ("Hartmann"), pursuant to which on August 2, 2012 the Samsonite Purchaser completed the acquisition, by way of merger, of all of the outstanding shares of the capital stock of Hartmann for a cash consideration of US$35.0 million.

The total assets on Hartmann's statement of financial position as at December 31, 2011 were approximately US$14.7 million. The Company has not completed a formal valuation of the assets that were acquired in the acquisition.

The *Hartmann* brand has a 135-year heritage and a tradition of stylish design and impeccable quality. The Acquisition gives the Company a strong brand to expand its presence in the luxury luggage and leather goods market as well as opportunities to leverage its well-established global distribution network and retail presence to significantly expand the *Hartmann* brand both in the U.S. and internationally.

If the acquisition had occurred on January 1, 2012, the Company estimates that consolidated net sales would have been US$859.8 million, and consolidated profit for the period would have been US$89.6 million. In determining these amounts, the Company has not taken any potential fair value adjustments into consideration given a formal valuation of the assets acquired has not been completed.

Information about Hartmann

Hartmann is a U.S.-based manufacturer and distributor of luggage, business cases, tote bags and leather accessories under the *Hartmann®* brand. Founded by Joseph S. Hartmann in 1877, Hartmann has established the brand as a mark of quality among American luxury consumers, with its products appealing to business and leisure consumers alike. The brand is currently offered through multiple channels, including leading retailers, corporate clients, Hartmann retail stores and its corporate website.

For the year ended December 31, 2011, Hartmann recorded net sales of US$23.1 million, an increase of 26% compared to the previous year. The U.S. accounted for substantially all of Hartmann's sales in 2011. The financial highlights of Hartmann are set out below:

	Year ended December 31,	
(Expressed in millions of US Dollars)	**2011**	2010
Net sales	**23.1**	18.3
Loss before taxation	**(1.7)**	(1.4)
Loss after taxation	**(1.7)**	(1.4)
Total assets	**14.7**	11.7
Consolidated net asset value	**2.7**	1.2

Note: The above financial results were based on the audited financial statements of Hartmann that were prepared under U.S. GAAP, whereas the financial figures of the Company are reported under IFRS. The Company believes that there are no material differences between the financial figures as reported under U.S. GAAP and such financial figures if reported under IFRS.

The Company incurred approximately US$1.8 million in acquisition related costs during the six months ended June 30, 2012. Such costs are recognized within other expenses on the income statement.

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 heritage dating back more than 100 years. 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 as well as other owned and licensed brand names. The Company's core brand, *Samsonite*, is one of the most well-known travel luggage brands in the world.

The Company sells its products through a variety of wholesale distribution channels and through its company operated retail stores. Its principal luggage wholesale distribution customers are department and specialty retail stores, mass merchants, catalog showrooms and warehouse clubs. The Company sells its products in Asia, Europe, North America and Latin America. As of June 30, 2012, the Company's products were sold in more than 41,600 points of sale in over 100 countries.

Net Sales

The following table sets forth a breakdown of net sales by region for the six months ended June 30, 2012 and June 30, 2011, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by region:						
Asia	**324,571**	**38.3%**	267,562	36.0%	21.3%	24.8%
Europe	**221,231**	**26.1%**	225,733	30.4%	(2.0)%	6.4%
North America	**238,530**	**28.2%**	186,800	25.1%	27.7%	27.9%
Latin America	**56,897**	**6.7%**	58,194	7.8%	(2.2)%	4.6%
Corporate	**5,447**	**0.7%**	5,535	0.7%	(1.6)%	(1.6)%
Net sales	**846,676**	**100.0%**	743,824	100.0%	13.8%	18.2%

Net sales increased by US$102.9 million, or 13.8%, to US$846.7 million for the six months ended June 30, 2012, from US$743.8 million for the six months ended June 30, 2011. Excluding foreign currency effects, net sales increased by US$135.6 million, or 18.2%. The Company's US Dollar reported net sales were negatively impacted by the strengthening of the US Dollar, most notably against the Euro and the Indian Rupee. Euro denominated net sales were translated to US dollars at an average foreign exchange rate of US$1.3007 for the six months ended June 30, 2012 compared to US$1.4155 for the six months ended June 30, 2011, which negatively impacted reported net sales by US$13.6 million. Net sales denominated in Indian Rupees were translated to US dollars at an average foreign exchange rate of US$0.0192 for the six months ended June 30, 2012 compared to US$0.0223 for the six months ended June 30, 2011, which negatively impacted reported net sales by US$8.9 million.

Brands

The following table sets forth a breakdown of net sales by brand for the six months ended June 30, 2012 and June 30, 2011, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				
	2012		2011		2012 vs 2011
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)
Net sales by brand:					
Samsonite	**635,722**	**75.1%**	575,988	77.4%	10.4%
American Tourister	**164,553**	**19.4%**	113,158	15.2%	45.4%
Lacoste / Timberland[(1)]	**—**	**—**	4,347	0.6%	(100.0)%
Other[(2)]	**46,401**	**5.5%**	50,331	6.8%	(7.8)%
Net sales	**846,676**	**100.0%**	743,824	100.0%	13.8%

(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.

(2) Other includes local brands *Saxoline* and *Xtrem*.

Net sales of the *Samsonite* brand increased by US$59.7 million, or 10.4%, for the six months ended June 30, 2012 compared to the six months ended June 30, 2011. Excluding foreign currency effects, net sales of the *Samsonite* brand increased by 14.5%. Net sales of the *American Tourister* brand increased by US$51.4 million, or 45.4%, for the first half of 2012 compared to the first half of 2011. Asia accounted for US$40.0 million, or 77.9%, of the US$51.4 million increase in *American Tourister* brand sales for the six months ended June 30, 2012 compared to the six months ended June 30, 2011. These increases were attributable to expanded product offerings and further penetration of existing markets, which were all supported by the Company's targeted advertising activities.

Product Categories

The Company sells products in four principal product categories: travel, business, casual and accessories. The travel category is the Company's largest category and has been its traditional strength. The following table sets forth a breakdown of net sales by product category for the six months ended June 30, 2012 and June 30, 2011, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				
	2012		2011		2012 vs 2011
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)
Net sales by product category:					
Travel	**655,824**	**77.5%**	560,175	75.3%	17.1%
Business	**86,350**	**10.2%**	90,406	12.2%	(4.5)%
Casual (excl. *Lacoste* & *Timberland*)	**48,987**	**5.8%**	39,195	5.3%	25.0%
Casual (*Lacoste* & *Timberland* only) [1]	—	—	4,347	0.6%	(100.0)%
Accessories	**36,874**	**4.4%**	27,809	3.7%	32.6%
Other	**18,641**	**2.1%**	21,892	2.9%	(14.9)%
Net sales	**846,676**	**100.0%**	743,824	100.0%	13.8%

(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.

The US$102.9 million increase in net sales between the six months ended June 30, 2012 and six months ended June 30, 2011 was largely driven by an increase in net sales in the travel product category, which increased by US$95.7 million, or 17.1%. Country-specific product designs, locally relevant marketing strategies and expanded points of sale were the key factors contributing to this increase. Net sales in the business product category decreased by US$4.1 million, or 4.5%, and decreased by 1.9% excluding foreign currency effects. The decrease in business product category net sales was primarily due to a 28.4% decrease, or 21.9% excluding foreign currency effects, in net sales in Europe resulting from the economic challenges within the region, as well as the timing of product introductions, a strong competitive environment and stock reductions at key retailers limiting sell-in. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales in the casual product category increased by US$9.8 million, or 25.0%, in line with the Company's strategic focus on the expansion of its casual product offerings. Net sales in the accessories product category increased by US$9.1 million, or 32.6%, for the six months ended June 30, 2012 compared to the same period in 2011, reflecting expanded product offerings in this category. Net sales in the other product category decreased by US$3.3 million, or 14.9%, for the six months ended June 30, 2012 compared to the same period in 2011, reflecting the Company's focus on its core product offerings.

Distribution Channels

The Company sells products through two primary distribution channels: wholesale and retail. The following table sets forth a breakdown of net sales by distribution channel for the six months ended June 30, 2012 and June 30, 2011, both in absolute terms and as a percentage of total net sales.

	Six months ended June 30,				
	2012		2011		2012 vs 2011
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)
Net sales by distribution channel:					
Wholesale	**687,777**	**81.2%**	600,974	80.8%	14.4%
Retail	**153,390**	**18.1%**	137,315	18.5%	11.7%
Other[1]	**5,509**	**0.7%**	5,535	0.7%	(0.4)%
Net sales	**846,676**	**100.0%**	743,824	100.0%	13.8%

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

During the first half of 2012, the Company expanded its points of sale by approximately 1,600 to over 41,600 points of sale worldwide as of June 30, 2012.

The wholesale channel accounted for US$86.8 million of the US$102.9 million increase in net sales for the six months ended June 30, 2012 compared to the six months ended June 30, 2011. Net sales in the retail channel increased by US$16.1 million, or 11.7%, to US$153.4 million for the six months ended June 30, 2012 from US$137.3 million for the six months ended June 30, 2011. These increases are primarily due to point of sale expansion and targeted product offerings. On a same store constant currency basis, net sales in the retail channel increased by 9.3%.

Regions

Asia

Net sales for the Asian region increased by US$57.0 million, or 21.3%, to US$324.6 million for the six months ended June 30, 2012, from US$267.6 million for the six months ended June 30, 2011. Excluding foreign currency effects, net sales for the Asian region increased by US$66.4 million, or 24.8%.

The Company continues to experience strong growth in both of its core brands within the Asian region. Net sales of the *Samsonite* brand increased by US$18.2 million, or 10.1%, while net sales of the *American Tourister* brand increased by US$40.0 million, or 49.7%, for the six months ended June 30, 2012 compared to the six months ended June 30, 2011.

Net sales in the travel product category increased by US$46.7 million, or 23.7%, year-on-year. Net sales in the business product category were relatively consistent year-on-year. Net sales in the casual product category increased by US$9.7 million, or 94.0%, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements. Net sales in the accessories product category increased by US$2.1 million, or 32.8%, year-on-year, while net sales in the other product category decreased by US$0.3 million reflecting the Company's focus on its core product offerings.

Net sales from the wholesale channel increased by US$51.3 million, or 22.1%, to US$283.6 million for the six months ended June 30, 2012 from US$232.3 million for the six months ended

June 30, 2011. Net sales in the retail channel increased by US$5.7 million, or 16.2%, year-on-year. On a same store constant currency basis, net sales in the retail channel increased by 9.1%.

These increases were the result of the Company's continued focus on country-specific product and marketing strategies within Asia to capitalize on the increasing awareness of and demand for its products. The general economic growth within the region and the expanding middle class and their increasing travel related expenditure also contributed to the strong performance.

Over 300 points of sale were added in Asia during the first half of 2012, bringing total points of sale in Asia to more than 5,900 at June 30, 2012.

The following table sets forth a breakdown of net sales within the Asian region by geographic location for the six months ended June 30, 2012 and June 30, 2011, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
China	**84,694**	**26.1%**	62,891	23.5%	34.7%	30.2%
India	**55,385**	**17.1%**	54,607	20.4%	1.4%	17.7%
South Korea	**55,514**	**17.1%**	47,965	17.9%	15.7%	20.5%
Japan	**30,284**	**9.3%**	21,673	8.1%	39.7%	35.8%
Hong Kong[2]	**26,252**	**8.1%**	21,775	8.1%	20.6%	20.2%
Other	**72,442**	**22.3%**	58,651	22.0%	23.5%	26.7%
Net sales	**324,571**	**100.0%**	267,562	100.0%	21.3%	24.8%

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

(2) Includes Macau.

Europe

Net sales for the European region increased by US$14.5 million, or 6.4%, excluding foreign currency effects. Euro denominated net sales were translated to US dollars at an average foreign exchange rate of US$1.3007 for the six months ended June 30, 2012 compared to US$1.4155 for the six months ended June 30, 2011, which adversely impacted reported net sales by US$13.6 million.

Net sales for the European region decreased by US$4.5 million, or 2.0%, to US$221.2 million for the six months ended June 30, 2012, from US$225.7 million for the six months ended June 30, 2011. Excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements, net sales decreased by US$2.2 million, or 1.0%, for the six months ended June 30, 2012 compared to the six months ended June 30, 2011.

Local currency sales growth has been strong in several markets due to the positive sell-through of new product introductions and the continued success of products manufactured using the Curv material and process. The Company's business in Italy and Spain has been negatively impacted by the continuing economic challenges that have affected consumer sentiment within these countries. Excluding Italy and Spain, net sales for the European region increased by US$5.3 million, or 3.1%, year-on-year and by US$20.4 million, or 11.9%, excluding foreign currency effects.

Net sales of the *Samsonite* brand decreased by US$7.4 million, or 3.5%, while net sales of the *American Tourister* brand increased by US$4.4 million, or 58.0%, for the six months ended June 30, 2012 compared to the six months ended June 30, 2011.

Net sales in the travel product category decreased by US$1.0 million, or 0.5%, year-on-year. Net sales in the business product category decreased by US$5.8 million, or 28.4%, for the six months ended June 30, 2012 as a result of the economic challenges and weakening currency within the region, as well as the timing of product introductions, a strong competitive environment and stock reductions at key retailers limiting sell-in. Net sales in the casual product category increased by US$0.3 million, or 6.3%, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements. Net sales in the accessories product category increased by US$3.9 million, or 41.7%, year-on-year and net sales in the other product category increased by US$0.4 million, or 7.1%.

Net sales from the wholesale channel decreased by US$9.0 million, or 4.8%, to US$177.1 million for the six months ended June 30, 2012 from US$186.1 million for the six months ended June 30, 2011. Net sales in the retail channel increased by US$4.5 million, or 11.2%, year-on-year. On a same store constant currency basis, net sales in the retail channel increased by 10.2%.

The following table sets forth a breakdown of net sales within the European region by geographic location for the six months ended June 30, 2012 and June 30, 2011, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
Germany	**31,004**	**14.0%**	28,752	12.7%	7.8%	17.4%
France	**28,493**	**12.9%**	29,926	13.3%	(4.8)%	3.9%
Belgium[2]	**27,803**	**12.6%**	26,449	11.7%	5.1%	14.3%
Italy	**25,961**	**11.7%**	32,123	14.2%	(19.2)%	(12.3)%
Spain	**18,986**	**8.6%**	22,619	10.0%	(16.1)%	(8.7)%
Other	**88,984**	**40.2%**	85,864	38.1%	3.6%	12.1%
Net sales	**221,231**	**100.0%**	225,733	100.0%	(2.0)%	6.4%

(1) The geographic location of the Company's net sales reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) Net sales in Belgium were US$11.3 million for the six months ended June 30, 2012 and June 30, 2011. Remaining sales consisted of direct shipments to distributors, customers and agents in other countries.

North America

Net sales for the North American region increased by US$51.7 million, or 27.7%, to US$238.5 million for the six months ended June 30, 2012, from US$186.8 million for the six months ended June 30, 2011. Excluding foreign currency effects, net sales increased by US$52.2 million, or 27.9%.

Net sales of the *Samsonite* brand increased by US$47.2 million, or 29.7%, and net sales of the *American Tourister* brand increased by US$7.4 million, or 33.5%, for the six months ended June 30, 2012 compared to the six months ended June 30, 2011.

Net sales in the travel product category increased by US$48.0 million, or 30.2%, year-on-year. Net sales in the business product category increased by US$1.6 million, or 11.3%, for the six months ended June 30, 2012. Net sales in the casual product category increased by US$0.9 million, or 12.9%, excluding the effect of the termination of the *Lacoste* and *Timberland* licensing agreements. Net sales in the accessories product category increased by US$2.9 million, or 54.9%, year-on-year while net sales in the other product category decreased by US$0.5 million as the Company continued to focus on its core product offerings.

Net sales from the wholesale channel increased by US$45.9 million, or 32.4%, to US$187.4 million for the six months ended June 30, 2012 from US$141.5 million for the six months ended June 30, 2011. Net sales in the retail channel increased by US$5.8 million, or 12.9%, year-on-year. On a same store constant currency basis, net sales in the retail channel increased by 6.3%.

These increases were largely due to the Company's continued focus on marketing and selling regionally developed products, which has enabled it to bring to market products designed to appeal to the tastes and preferences of North American consumers. Strong consumer demand for the Company's products has allowed it to continue to gain additional product placement with its wholesale customers, adding more than 600 points of sale in the first half of 2012 to more than 24,100 points of sale in North America at June 30, 2012.

The following table sets forth a breakdown of net sales within the North American region by geographic location for the six months ended June 30, 2012 and June 30, 2011, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
United States	**225,690**	**94.6%**	173,451	92.9%	30.1%	30.1%
Canada	**12,840**	**5.4%**	13,349	7.1%	(3.8)%	(0.5)%
Net sales	**238,530**	**100.0%**	186,800	100.0%	27.7%	27.9%

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

Latin America

Excluding foreign currency effects, net sales increased by US$2.7 million, or 4.6%. Net sales in US dollars for the Latin American region decreased by US$1.3 million, or 2.2%, to US$56.9 million for the six months ended June 30, 2012, from US$58.2 million for the six months ended June 30, 2011.

For the six months ended June 30, 2012, net sales in Mexico increased by 18.0%, excluding foreign currency effects, compared to the first half of 2011 due in large part to the strength of luggage sales and robust purchases of backpacks for the back-to-school season. Net sales in Chile improved by 1.3% year-on-year, excluding foreign currency effects, despite shipments for the back-to-school season shifting to December 2011. The Company made significant progress in the emerging market of Brazil with year-on-year net sales growth of 35.2%. Net sales in Argentina continue to be negatively impacted by import restrictions imposed by the local government. Excluding net sales attributable to Argentina, net sales for the Latin American region increased by US$4.6 million, or 9.2%, excluding foreign currency effects.

Net sales of the *Samsonite* brand increased by US$1.8 million, or 7.2%. Net sales of the *American Tourister* brand decreased by US$0.4 million, or 15.5%, for the six months ended June 30, 2012 compared to the six months ended June 30, 2011.

Net sales in the travel product category increased by US$2.0 million, or 9.0%, year-on-year. Net sales in the business product category increased by US$0.3 million, or 3.9%, for the six months ended June 30, 2012. Net sales in the casual product category decreased by US$1.1 million, or 6.5%, due to the timing of shipments for the back-to-school season in Chile. Net sales in the accessories product category increased by US$0.2 million, or 3.3%, year-on-year while net sales in the other product category decreased by US$2.7 million as the Company continued to focus on its core product offerings.

Net sales from the wholesale channel decreased by US$1.4 million, or 3.5%, for the six months ended June 30, 2012 compared to the six months ended June 30, 2011. Net sales in the retail channel increased by US$0.1 million, or 0.4%, year-on-year. On a same store constant currency basis, net sales in the retail channel increased by 15.2%.

The following table sets forth a breakdown of net sales within the Latin American region by geographic location for the six months ended June 30, 2012 and June 30, 2011, both in absolute terms and as a percentage of total regional net sales.

	Six months ended June 30,					
	2012		2011		2012 vs 2011	
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excluding foreign currency effects
Net sales by geographic location[1]:						
Chile	**27,989**	**49.2%**	28,909	49.7%	(3.2)%	1.3%
Mexico	**17,203**	**30.2%**	16,470	28.3%	4.5%	18.0%
Argentina	**5,096**	**9.0%**	7,518	12.9%	(32.2)%	(26.5)%
Brazil[2]	**5,092**	**8.9%**	3,765	6.5%	35.2%	35.2%
Other[3]	**1,517**	**2.7%**	1,532	2.6%	(1.0)%	(1.0)%
Net sales	**56,897**	**100.0%**	58,194	100.0%	(2.2)%	4.6%

(1) The geographic location of the Company's net sales reflects the country from which its products were sold and does not necessarily indicate the country in which its end consumers were actually located.
(2) The net sales figure for Brazil includes net sales attributable to sales made to third party distributors in Brazil.
(3) The net sales figure for Other primarily represents sales made through the Company's distribution center in Uruguay but does not include net sales attributable to sales made in Brazil to third party distributors.

Cost of Sales and Gross Profit

Cost of sales increased by US$57.3 million, or 17.2%, to US$391.1 million (representing 46.2% of net sales) for the six months ended June 30, 2012 from US$333.8 million (representing 44.9% of net sales) for the six months ended June 30, 2011. 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 unfavourable currency impacts and increased freight costs, as well as a shift in the Company's product mix which reflected increased sales of *American Tourister* products that yield lower margins, as well as an increase of wholesale channel sales as a percentage of total sales, which typically yield lower margins than sales through the retail channel.

Gross profit increased by US$45.6 million, or 11.1%, to US$455.6 million for the six months ended June 30, 2012, from US$410.0 million for the six months ended June 30, 2011. Gross profit margin decreased from 55.1% for the six months ended June 30, 2011 to 53.8% for the six months ended June 30, 2012. This decrease was attributable to the factors noted above.

Distribution Expenses

Distribution expenses increased by US$23.8 million, or 12.1%, to US$219.6 million (representing 25.9% of net sales) for the six months ended June 30, 2012, from US$195.9 million (representing 26.3% of net sales) for the six months ended June 30, 2011. 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 2012. Distribution expenses as a percentage of net sales decreased by 0.4 percentage points, reflecting the Company's ability to leverage its cost base against strong sales growth.

Marketing Expenses

Marketing expenses increased by US$2.6 million, or 4.3%, to US$63.1 million (representing 7.4% of net sales) for the six months ended June 30, 2012 from US$60.4 million (representing 8.1% of net sales) for the six months ended June 30, 2011. This increase reflects management's commitment to enhance brand and product awareness and drive additional net sales growth through marketing activities. The Company believes the success of its advertising campaigns is evident in its net sales growth.

General and Administrative Expenses

General and administrative expenses increased by US$0.1 million, or 0.2%, to US$55.4 million (representing 6.5% of net sales) for the six months ended June 30, 2012 from US$55.3 million (representing 7.4% of net sales) for the six months ended June 30, 2011. Although general and administrative expenses slightly increased in absolute terms, such expenses decreased as a percentage of net sales by 0.9 percentage points as the Company maintained tight control of its fixed cost base and leveraged it against strong sales growth.

Restructuring Charges

The Company did not recognize any restructuring charges for the six months ended June 30, 2012. For the six months ended June 30, 2011, US$0.9 million of restructuring charges were reversed to reflect a refund from certain local governmental agencies for upfront employee related payments made in connection with restructuring initiatives in 2009.

Other Expenses

The Company recognized other expenses of US$1.9 million and US$1.2 million for the six months ended June 30, 2012 and June 30, 2011, respectively. Other expenses for the six months ended June 30, 2012 includes acquisition costs of US$1.8 million, which is primarily comprised of costs associated with due diligence activities, as well as professional and legal fees, for the acquisitions of High Sierra Sports Company and Hartmann that were completed subsequent to June 30, 2012.

Operating Profit

The Company's operating profit was US$115.5 million for the six months ended June 30, 2012, an increase of US$17.5 million, or 17.8%, from an operating profit of US$98.1 million for the six months ended June 30, 2011. Excluding acquisition costs, operating profit increased by 19.6% year-on-year.

Net Finance Costs

Net finance costs decreased by US$53.6 million, or 90.8%, to US$5.4 million for the six months ended June 30, 2012 from US$59.0 million for the six months ended June 30, 2011. This decrease was primarily attributable to the absence of certain non-recurring costs and charges related to the recognition of the remaining unamortized discount of US$28.6 million on the former amended senior credit facility upon repayment in full of such facility following the completion of the Company's listing on the Main Board of The Stock Exchange of Hong Kong Limited in June 2011 (the "Global Offering"), as well as US$24.8 million of transaction costs related to the Global Offering.

Profit before Income Tax

The following table sets forth the Company's profit before income tax, and certain non-recurring costs and charges affecting such profit before income tax, for the six months ended June 30, 2012 and June 30, 2011.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Profit before income tax	**110,132**	39,046
(Plus) Minus:		
Expenses related to acquisition activities	**(1,776)**	—
Reversals of restructuring charges / (restructuring charges)	—	937
Additional interest expense recognized on immediate recognition of unamortized discount on debt	—	(28,639)
Expenses related to the Global Offering	—	(24,805)
	111,908	91,553

Profit before income tax increased by US$71.1 million, or 182.1%, to US$110.1 million for the six months ended June 30, 2012 from US$39.0 million for the six months ended June 30, 2011.

Excluding the impact of the items noted above, profit before income tax increased by US$20.4 million, or 22.2%, for the six months ended June 30, 2012 compared to the first half of 2011.

Income Tax Expense

Income tax expense increased by US$5.8 million, to US$20.0 million for the six months ended June 30, 2012 from US$14.2 million for the six months ended June 30, 2011.

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 the Company is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and unrecognized deferred tax assets.

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

The Company's consolidated effective tax rate for operations was 18.2% and 36.4% for the six months ended June 30, 2012 and June 30, 2011, respectively. Excluding the recognition of the deferred tax assets, the effective tax rate for the six months ended June 30, 2012 would have been 25.8%. Excluding the 2011 Global Offering transaction costs, the effective tax rate for the six months ended June 30, 2011 would have been 22.3%.

The decrease in the consolidated effective reported tax rate from 36.4% to 18.2% was primarily the result of the current year benefit from the recognition of deferred tax assets and the impact of the expense related to the prior year Global Offering transaction costs.

Exclusive of the one-time items mentioned in the preceding paragraph, the increase in the consolidated effective reported tax rate from 22.3% to 25.8% is primarily due to the global mix in profitability in various high and low tax jurisdictions, for example the increased profits in the North America region which is a high tax jurisdiction.

Profit for the Period

Profit for the period of US$90.1 million for the six months ended June 30, 2012 increased by US$65.3 million, or 263.0%, from US$24.8 million for the six months ended June 30, 2011 primarily as a result of the absence 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 in 2011. Adjusted Net Income, a non-IFRS measure, increased by US$21.4 million, or 32.1%, to US$88.1 million for the six months ended June 30, 2012 from US$66.7 million for the six months ended June 30, 2011. See the reconciliation of profit for the period to Adjusted Net Income below for a detailed discussion of the Company's results excluding certain non-recurring costs and charges and other non-cash charges that impacted reported profit for the period.

Basic and diluted earnings per share increased to US$0.059 for the six months ended June 30, 2012 from US$0.008 for the six months ended June 30, 2011. Adjusted basic and diluted earnings per share increased to US$0.063 for the six months ended June 30, 2012 from US$0.051 for the six months ended June 30, 2011. The weighted average number of shares outstanding increased for the six months ended June 30, 2012 compared with the six months ended June 30, 2011 by 111.1 million shares as a result of the weighted average impact of the issuance of new shares by the Company in its listing on the Main Board of The Stock Exchange of Hong Kong Limited in June 2011.

Adjusted EBITDA

Adjusted EBITDA, which is a non-IFRS measure, increased by US$18.7 million, or 15.8%, to US$136.5 million for the six months ended June 30, 2012 from US$117.9 million for the six months ended June 30, 2011. Adjusted EBITDA margin increased to 16.1% from 15.8% as the Company maintained tight control of its fixed cost base and leveraged it against strong sales growth.

The following table presents the reconciliation from the Company's profit for the period to Adjusted EBITDA for the six months ended June 30, 2012 and June 30, 2011.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Profit for the period	**90,092**	24,818
(Plus) Minus:		
Income tax expense	**(20,040)**	(14,228)
Finance costs	**(6,120)**	(59,862)
Finance income	**704**	844
Depreciation	**(14,820)**	(15,124)
Amortization	**(4,165)**	(4,178)
EBITDA	**134,533**	117,366
(Plus) Minus:		
Reversals of restructuring charges / (restructuring charges)	**—**	937
Other adjustments	**(2,013)**	(1,438)
Adjusted EBITDA	**136,546**	117,867

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, 2012 and June 30, 2011.

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

(Expressed in thousands of US Dollars)	Six months ended June 30, 2011					
	Asia	Europe	North America	Latin America	Corporate	Consolidated
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:						
Reversals of restructuring charges / (restructuring charges)	—	944	—	—	(7)	937
Other adjustments	(2)	(485)	(109)	(377)	(465)	(1,438)
Adjusted EBITDA	48,700	33,873	31,002	10,418	(6,126)	117,867

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

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

Adjusted Net Income

Adjusted Net Income, which is a non-IFRS measure, increased by US$21.4 million, or 32.1%, to US$88.1 million for the six months ended June 30, 2012 from US$66.7 million for the six months ended June 30, 2011.

The following table presents the reconciliation from the Company's profit for the period to Adjusted Net Income for the six months ended June 30, 2012 and June 30, 2011.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Profit for the period	**90,092**	24,818
Profit attributable to non-controlling interests	**7,793**	8,431
Profit attributable to the equity holders	**82,299**	16,387
(Plus)/Minus:		
Reversals of restructuring charges / (restructuring charges)	—	937
Change in fair value of put options	**(1,453)**	(4,125)
Amortization of intangible assets(1)	**(4,165)**	(4,178)
Expenses related to acquisition activities	**(1,776)**	—
Expenses related to debt repaid in conjunction with the Global Offering(2)	—	(23,240)
Expenses related to the Global Offering	—	(24,805)
Tax adjustments	**1,607**	5,131
Adjusted Net Income(3)	**88,086**	66,667

(1) Amortization of intangible assets 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.

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

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Interest expense on debt facility	—	(33,557)
Unrealized gain (loss) on foreign translation of debt	—	10,317
Total expenses related to debt structure prior to the Global Offering	—	(23,240)

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

The Company has presented Adjusted Net Income because it believes this measure helps to give securities analysts, investors and other interested parties a better understanding of the Company's underlying financial performance. By presenting Adjusted Net Income, the Company eliminates the effect of a number of non-recurring costs and charges and certain other non-cash charges that impact its reported profit for the period.

Adjusted Net Income is a non-IFRS financial measure, and as calculated herein may not be comparable to similarly named measures used by other companies and should not be considered as a measure comparable to profit (loss) for the period in the Company's consolidated income statement. Adjusted Net Income has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Company's 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, available lines of credit and its ability to issue additional shares. The Company believes that its existing cash and estimated cash flows, along with current working capital, will be adequate to meet the operating and capital requirements of the Company for at least the next twelve months.

The Company generated substantial cash from operating activities of US$77.1 million for the six months ended June 30, 2012, a change of US$82.6 million from net cash used in operating activities of US$5.5 million for the six months ended June 30, 2011. Cash flows related to operating assets and liabilities increased by US$68.1 million to a cash inflow of US$0.5 million for the six months ended June 30, 2012 from a cash outflow of US$67.6 million for the six months ended June 30, 2011. The US$82.6 million change in cash flows from operating activities was primarily due to the US$68.1 million change in operating assets and liabilities as well as the US$21.4 million increase in Adjusted Net Income, partially offset by a US$7.0 million increase in cash paid for taxes.

For the six months ended June 30, 2012, net cash used in investing activities was US$11.1 million, a decrease of US$3.7 million from the comparable period in the previous year. This decrease was primarily due to a reduction in the purchase of property, plant and equipment from the previous year.

Net cash used in financing activities was US$6.0 million for the six months ended June 30, 2012, a decrease of US$159.0 million from the same period in the prior year, primarily resulting from transactions associated with the Global Offering in June 2011.

Indebtedness

The following table sets forth the carrying amount of the Company's loans and borrowings as of June 30, 2012 and December 31, 2011.

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
Finance lease obligations	**125**	78
Other lines of credit	**12,303**	15,008
Total loans and borrowings	**12,428**	15,086
Less deferred financing costs	**(2,647)**	(3,319)
Total loans and borrowings less deferred financing costs	**9,781**	11,767

The Company had US$202.1 million in cash and cash equivalents at June 30, 2012.

On July 2, 2012, the Company increased its existing revolving credit facility (the "Revolving Facility") from US$100 million to US$300 million. The facility can be increased by an additional US$100 million, subject to lender approval. The Revolving Facility has an initial term of three years, with a one year extension available at the request of the 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 0.175% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the 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, 2012. No amounts were drawn on this facility at June 30, 2012. At June 30, 2012, US$87.8 million was available on the Revolving Facility as a result of the utilization of US$12.2 million of the facility for outstanding letters of credit. Subsequent to June 30, 2012, US$80.0 million was drawn on the Revolving Facility to fund a portion of the consideration paid for the acquisitions of High Sierra Sports Company and Hartmann.

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 such subsidiaries, including overdraft, bank guarantee, and trade finance and factoring facilities. The majority of these credit lines are uncommitted facilities. The total aggregate amount outstanding under the local facilities was US$12.3 million and US$15.0 million at June 30, 2012 and December 31, 2011, respectively.

The following represents the contractual maturity dates of the Company's loans and borrowings (excluding the impact of netting agreements) as of June 30, 2012 and December 31, 2011.

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
On demand or within one year	**12,341**	15,015
Between 1 and 2 years	**27**	26
Between 2 and 5 years	**60**	37
Over 5 years	**—**	8
	12,428	15,086

Hedging

The Company's non-U.S. subsidiaries periodically enter into forward contracts related to the purchase of inventory denominated primarily in US dollars which are designated as cash flow hedges. Cash flows associated with these derivatives at June 30, 2012 are expected to be US$43.4 million within one year.

Other Financial Information

Working Capital Ratios

Inventory Analysis

The following table sets forth a summary of the Company's average inventory, cost of sales and average inventory days for the six months ended June 30, 2012 and June 30, 2011.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Average inventory[(1)]	**244,144**	249,395
Cost of sales	**391,119**	333,830
Average inventory turnover days[(2)]	**114**	136

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

The Company's average inventory was relatively consistent in the first half of 2012 (US$251.3 million at June 30, 2012 compared to US$237.0 million at December 31, 2011) compared to the first half of 2011 (US$276.1 million at June 30, 2011 compared to US$222.7 million at December 31, 2010). Average inventory turnover days decreased year-on-year as the Company has managed to service increased net sales with relatively consistent inventory levels.

Trade and Other Receivables

The following table sets forth a summary of the Company's average trade and other receivables, net sales and turnover of trade and other receivables for the six months ended June 30, 2012 and June 30, 2011.

	Six months ended June 30,	
(Expressed in thousands of US Dollars)	**2012**	2011
Average trade and other receivables[(1)]	**194,407**	164,399
Net sales	**846,676**	743,824
Turnover days of trade and other receivables[(2)]	**42**	40

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

The Company's average trade and other receivables increased in the first half of 2012 (US$217.3 million at June 30, 2012 compared to US$171.6 million at December 31, 2011) from the first half of 2011 (US$182.7 million at June 30, 2011 compared to US$146.1 million at December 31, 2010) in line with the increase in net sales.

Trade receivables as of June 30, 2012 are on average due within 60 days from the date of billing.

Trade and Other Payables

The following table sets forth a summary of the Company's average trade and other payables, cost of sales and turnover days of trade and other payables for the six months ended June 30, 2012 and June 30, 2011.

(Expressed in thousands of US Dollars)	Six months ended June 30, **2012**	2011
Average trade and other payables[(1)]	**330,233**	333,573
Cost of sales	**391,119**	333,830
Turnover days of trade and other payables[(2)]	**154**	182

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

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

The Company's average trade and other payables was relatively consistent at June 30, 2012 (US$373.9 million at June 30, 2012 compared to US$286.6 million at December 31, 2011) compared to June 30, 2011 (US$336.6 million at June 30, 2011 compared to US$330.5 million at December 31, 2010). The decrease in turnover days of trade and other payables in the first half of 2012 from the first half of 2011 was primarily due to an increase in cost of sales attributable to higher net sales.

Trade payables as of June 30, 2012 are on average due within 105 days from the invoice date.

Gearing Ratios

The following table sets forth the Company's loans and borrowings (excluding deferred financing costs), total equity and gearing ratio as of June 30, 2012 and December 31, 2011.

(Expressed in thousands of US Dollars)	**June 30, 2012**	December 31, 2011
Loans and borrowings (excl. deferred financing costs)	**12,428**	15,086
Total equity	**1,031,972**	945,200
Gearing ratio[(1)]	**1.2%**	1.6%

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

Other Information

Total current assets were US$739.7 million and US$611.4 million, and total assets less current liabilities were US$1,245.7 million and US$1,161.1 million, as of June 30, 2012 and December 31, 2011, respectively.

Strategic Review and Full Year Prospects

During the first half of 2012, the Company continued to implement its strategic plan in the following areas:

Positive financial results

All key company metrics showed considerable growth for the six months ended June 30, 2012 compared to the six months ended June 30, 2011.

- Net sales increased by 13.8% to US$846.7 million. Excluding foreign currency effects, net sales increased by 18.2%. All four regions, led by North America and Asia, achieved strong constant currency net sales growth.

- Adjusted Net Income increased by 32.1% to US$88.1 million.

- Adjusted EBITDA increased by 15.8% to US$136.5 million.

- Adjusted EBITDA margin increased to 16.1% from 15.8% reflecting the Company's ability to leverage its cost base against strong sales growth.

- The Company generated US$77.1 million of cash from operating activities for the six months ended June 30, 2012.

Significant investment in advertising and promotion

The Company maintained its significant investment in marketing, which amount to approximately 7% of net sales during the first half of 2012, reflecting its commitment to advertise and promote its brands and products to support sales growth worldwide.

New products in the market

The Company continued to focus on innovating its products and ensuring they reflect local consumer tastes in each region as a key driver of sales growth and as a means to deliver quality and value to its customers.

Expanded distribution network

The Company continued the further expansion of its distribution network by adding approximately 1,600 points of sale in the first half of 2012.

Acquisitions

The Company sought out acquisition opportunities that presented compelling strategic and financial rationale. The Company did not complete any acquisitions during the six months ended June 30, 2012. Subsequent to June 30, 2012, the Company completed the following acquisitions.

(a) High Sierra Sport Company

On July 17, 2012, certain of the Company's wholly-owned subsidiaries (the "Samsonite Purchasers") entered into an Asset Purchase Agreement with High Sierra Sport Company ("High Sierra"), pursuant to which on July 31, 2012 the Samsonite Purchasers purchased substantially all of the assets of High Sierra for a cash consideration of US$110.0 million.

Upon the consummation of the acquisition, the Samsonite Purchasers purchased substantially all of the assets of High Sierra excluding cash, certain receivables, and certain other retained assets and assumed all balance sheet liabilities and certain contractual liabilities of High Sierra.

The acquisition gives the Company a strong brand and product offering that provides a larger foothold in the North American casual bag market. It also provides the Company with opportunities to leverage its well-established global distribution network and retail presence to significantly expand High Sierra's brand in additional markets in Asia, Europe and Latin America.

(b) HL Operating Corp. doing business as Hartmann

On August 2, 2012, a wholly-owned subsidiary of the Company (the "Samsonite Purchaser") entered into a Merger Agreement with HL Operating Corp. ("Hartmann"), pursuant to which on August 2, 2012 the Samsonite Purchaser completed the acquisition, by way of merger, of all of the outstanding shares of the capital stock of Hartmann for a cash consideration of US$35.0 million.

The *Hartmann* brand has a 135-year heritage and a tradition of stylish design and impeccable quality. The acquisition gives the Company a strong brand to expand its presence in the luxury luggage and leather goods market as well as opportunities to leverage the Company's well-established global distribution network and retail presence to significantly expand the *Hartmann* brand both in the U.S. and internationally.

Future Prospects

The Company's growth strategy will continue as planned for the second half of 2012, while focusing on the following:

- leverage the strength of the Company's existing brands, *Samsonite* and *American Tourister,* across all of its markets while continuing to capitalize on the robust growth in international travel;

- consolidate the newly acquired *High Sierra* and *Hartmann* businesses within the Company and pursue opportunities to leverage these brands both within North America and internationally;

- bring new and innovative product designs to market that are in line with evolving travel trends and which are tailored to meet local requirements, while staying true to the Company's core values of lightness, strength and functionality;

- improve the efficiency and effectiveness of its supply chain and expand its global distribution network;

- increase marketing and R&D investment broadly in line with worldwide sales growth;

- deploy increased levels of resources to improve the Company's market share of business and casual products and accessories, where the Company is under-represented; and

- continue to consider further acquisition opportunities offering a compelling strategic and financial rationale while concentrating on organic growth.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors

At June 30, 2012, 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, 2012, the Board committees were as follows:

Audit Committee/Review of Accounts

The Board established an Audit Committee on May 27, 2011 and adopted written terms of reference that set forth the authority and duties of the committee. The Audit Committee consists of five members, namely Mr. Paul Etchells (Chairman of the Audit Committee), Mr. Miguel Ko, Ms. Ying Yeh, Mr. Nicholas Clarry, and Mr. Keith Hamill.

In compliance with rule 3.21 of the Listing Rules, at least one member of the Audit Committee possesses appropriate professional qualifications in accounting or related financial management expertise in discharging the responsibilities of the Audit Committee.

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

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

The Audit Committee has reviewed the interim report of the Company for the six months ended June 30, 2012 with the Board of Directors. The interim results have also been reviewed by the Company’s external auditors.

Nomination Committee

The Board established a Nomination Committee on May 27, 2011 and adopted written terms of reference that set forth the authority and duties of the committee. The Nomination Committee consists of five members, namely Mr. Timothy Parker (Chairman of the Nomination Committee), Mr. Paul Etchells, Mr. Miguel Ko, Ms. Ying Yeh, and Mr. Nicholas Clarry.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, to make recommendations to the Board with respect to any changes to the composition of the Board, and to assess the independence of the Independent Non-Executive Directors.

Remuneration Committee

The Board established a Remuneration Committee on May 27, 2011 and adopted written terms of reference that set forth the authority and duties of the committee. The Remuneration Committee consists of four members, namely Mr. Miguel Ko (Chairman of the Remuneration Committee), Mr. Paul Etchells, Ms. Ying Yeh, and Mr. Hardy McLain.

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

Human Resources and Remuneration

At June 30, 2012, the Company had approximately 6,900 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 and Distributions

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

On March 27, 2012, the Company's Board of Directors recommended that a cash distribution in the amount of approximately US$30.0 million, or US$0.02132 per share, be made to the Company's shareholders of record on June 15, 2012 from its ad hoc distributable reserve. The shareholders approved this distribution on June 7, 2012 at the annual general meeting and the distribution was paid on July 6, 2012.

No dividends or distributions have been declared or paid by the Company 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.

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

The Company has complied with all applicable code provisions set out in the CG Code throughout the period from January 1, 2012 to June 30, 2012, except for the deviation from code provision A.2.1 discussed below regarding the Company's chairman and chief executive officer ("CEO") and the deviation from code provision F.1.3 discussed below regarding the Company's Joint Company Secretaries.

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

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

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

Mr. John Livingston, the vice president, general counsel and joint company secretary of the Company, reports to the Company's chief financial officer. The Company believes this is appropriate because Mr. Livingston is based at the same location as the chief financial officer and works closely with him on a day-to-day basis. In addition, Mr. Livingston works directly with the Company's Chairman and CEO, and with the chairpersons of the various Board committees, with respect to corporate governance and other Board-related matters. Ms. Lau Pik Lee, the Company's other joint company secretary who is based in Hong Kong, reports to Mr. Livingston. The Company believes this is appropriate because her primary role as joint company secretary is to assist Mr. Livingston in ensuring that the Company complies with its obligations under the Listing Rules.

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 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 during the six months ended June 30, 2012.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended June 30, 2012.

Change in Director's Information

Mr. Keith Hamill, a Non-Executive Director, retired from the Boards of Endell Group Holdings Limited and Fundsmith LLP on June 13, 2012 and July 25, 2012, respectively, and was appointed Chairman of Horsforth Holdings Ltd., a privately held investment holding company for a number of leisure businesses, on December 20, 2011.

Mr. Paul Etchells, an Independent Non-Executive Director, was appointed an Independent Non-Executive Director of China Foods Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited that is engaged in food and beverage processing and distribution, with effect from August 9, 2012. In addition, Swire Properties Limited, a company with which Mr. Etchells has served as a Director since 2010, was listed on the Main Board of The Stock Exchange of Hong Kong Limited on January 18, 2012, from which time Mr. Etchells has served as an Independent Non-Executive Director.

Mr. Miguel Kai Kwun Ko, an Independent Non-executive Director, will retire as President, Asia-Pacific of Starwood Hotel & Resorts Worldwide, Inc. effective August 31, 2012, after which date he will remain as Non-Executive Chairman, Asia Pacific. Mr. Ko was appointed as a Non-Executive Director of Delta Topco Limited, a privately held holding company for Formula One PLC, in May 2012.

Company Secretary and Authorized Representative

On July 4, 2012, Ms. Lo Wun Sei resigned as a joint company secretary and authorized representative (pursuant to the Listing Rules) of the Company and Ms. Lau Pik Lee was appointed as a joint company secretary and authorized representative of the Company. Mr. John Livingston continues to serve as the other joint company secretary, while Mr. Ramesh Dungarmal Tainwala continues to serve as the other authorized representative (pursuant to the Listing Rules) of the Company.

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, 2012 will be dispatched to the shareholders and published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

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

Hong Kong, August 28, 2012

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