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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2013, the Group's:

- Net sales increased to a record level of US$2,037.8 million, reflecting a 15.0% increase from the previous year. Excluding foreign currency effects, net sales increased by 16.1%.
- Operating profit increased by US$39.6 million, or 16.4%, year-on-year.
- Profit for the year increased by US$30.8 million, or 18.5%, year-on-year.
- Profit attributable to the equity holders increased by US$27.6 million, or 18.6%, year-on-year.
- Adjusted Net Income(1) increased by US$22.0 million, or 13.2%, year-on-year.
- Adjusted EBITDA(2) increased by US$51.2 million, or 17.9%, year-on-year.
- Adjusted EBITDA margin(3) increased to 16.6% for the year ended December 31, 2013 from 16.2% for the year ended December 31, 2012.

* *For identification purposes only*

- The Group generated US$193.0 million of cash from operating activities during 2013 compared to US$203.0 million during 2012. As of December 31, 2013, the Group had cash and cash equivalents of US$225.3 million and financial debt of US$15.5 million (excluding deferred financing costs of US$1.9 million), providing the Group with a net cash position of US$209.8 million.

- On March 18, 2014, the Company's Board of Directors recommended that a cash distribution in the amount of US$80.0 million, or approximately US$0.057 per share, be made to the Company's shareholders, a 113.3% increase from the US$37.5 million distribution paid in 2013.

(Expressed in millions of US Dollars, except per share data)	**Year ended December 31,**		Percentage
	2013	2012	change
Net Sales	**2,037.8**	1,771.7	15.0%
Operating Profit	**281.3**	241.7	16.4%
Profit for the year	**197.4**	166.6	18.5%
Profit attributable to the equity holders	**176.1**	148.4	18.6%
Adjusted Net Income[(1)]	**189.2**	167.2	13.2%
Adjusted EBITDA[(2)]	**337.7**	286.5	17.9%
Adjusted EBITDA Margin[(3)]	**16.6%**	16.2%	—
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.125**	0.105	19.0%
Adjusted basic and diluted earnings per share[(4)] *(Expressed in US Dollars per share)*	**0.134**	0.119	12.6%

Notes

(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 Group's reported profit for the year. See "Management Discussion and Analysis – Adjusted Net Income" for a reconciliation from the Group's profit for the year 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 Group believes is useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business. See "Management Discussion and Analysis – Adjusted EBITDA" for a reconciliation from the Group's profit for the year to Adjusted EBITDA.

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

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

The Board of Directors of Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is pleased to announce the consolidated final results of the Group for the year ended December 31, 2013 together with comparative figures for the year ended December 31, 2012. The following 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 is the fourth consecutive year that the adjusted EBITDA of the business has increased in excess of 15.0%, and it is also pleasing to see sales pass through the US$2 billion level for the first time. In fact, since the transformation programme of the Group began in 2009, sales have almost doubled and adjusted EBITDA has increased by almost six times. Two factors continue to support the growth of our business: firstly, there is no sign of any let up in the global appetite for travel and tourism, especially in developing markets. Secondly, the Group has consistently invested in its brands and products around the world. With our roots in international travel it perhaps should come as no surprise that Samsonite has subsidiaries operating in over 40 countries, but perhaps what is most telling is how long the business has been established in the world's largest and growing markets. Founded in Denver in 1910, the Group began operations in Europe in 1963, and has operated in Japan for almost 50 years, China for over 15 years, India for almost 20 years, and Mexico for approximately 50 years. This long experience of adapting our commercial policies to local needs sets us apart from many other companies operating in the global consumer space. These solid historical foundations, and the wide global spread of our business, help to moderate the impact of forces that buffet individual markets occasionally, for example currency movements, natural disasters, and changes in political climate. In 2012, for example, we had to contend with a weak Euro; in 2013 it was the depreciation of many Asian currencies that had an impact on the US dollar value of sales and profits. Underlining the broad base of Samsonite, in a year that growth in China slowed, we were able to expand our US business by almost a quarter. I have no doubt that the sources of growth will again shift in 2014, but remain confident that in aggregate we can continue to maintain a consistent pace of development.

The main features of our 2013 results are as follows: the Company's total net sales increased by 15.0% from the previous year to a record US$2,037.8 million. Excluding foreign currency effects, net sales increased by 16.1%. Reported profit increased by 18.5% to US$197.4 million, and profit attributable to equity holders increased by 18.6% to US$176.1 million. Adjusted Net Income, which takes into account certain non-operating and one-off costs and gives a clearer picture of the underlying performance of the business, increased by 13.2% to US$189.2 million.

Another key performance indicator of the Group's overall profitability is adjusted EBITDA, and this increased by 17.9% to US$337.7 million. On the same basis, the adjusted EBITDA margin on sales advanced further from 16.2% to a best ever 16.6%.

The Group generated US$193.0 million of cash from operating activities, slightly down on US$203.0 million in 2012 after a substantial contribution to our US pension plan of US$33.2 million, of which US$20.0 million was discretionary. The Group ended 2013 in a net cash position of US$ 209.8 million.

Earnings per share on an adjusted and diluted basis increased from US$0.119 to US$0.134, an increase of 12.6%. The Board has previously indicated its intention to follow a progressive dividend policy. We now have full confidence in the sustainable cash flow generation of the business and have therefore decided to recommend an increase in the proportion of cash flow paid out to shareholders. For 2014, the Board recommends a cash distribution of US$80.0 million, or approximately US$0.057 per share, an increase of 113.3% from the US$37.5 million distribution paid in 2013.

As part of the Group's approved long-term incentive arrangements, the Board of Directors granted share options to certain directors and employees on January 7, 2014. The share options entitle the recipients to subscribe to an aggregate of 12,266,199 new ordinary shares. Our Share Award Scheme assists the Group in attracting skilled and experienced personnel and incentivises them to remain with the Group and to achieve the very best financial results over the medium term.

The mark of a successful strategy is one that remains consistent over time, without being unduly inflexible. We believe the track record of the business reflects our adherence to the principle of "glocalisation", that is, seeking to derive full advantage of global scale, whilst at the same time adapting our commercial policies and practice to local markets. To operate in this manner, it is essential to have a strong foundation of systems and logistics that allows for proper control whilst supporting flexibility in front end delivery. Our management philosophy is to decentralise operations as much as possible, and to create full accountability for performance at the country level. As I have explained in previous reports, our regions operate as stand-alone businesses, responsible for end-to-end management from factory gate to customer purchase. From market to market, customers, channels and products vary, but the brand values of *Samsonite*, *American Tourister*, *Hartmann* and *High Sierra* remain consistent, backed by common global quality standards. Our customers can be sure of the same quality wherever in the world they buy our products, and this underpins the trust they place in our brands.

Although we operate our business in three regions, the senior management of the Company co-operates closely in matters of common interest. For example, there is a free market of ideas in the business, and marketing teams constantly exchange information on new product development, market intelligence and advertising material. Products that are successful in one region, often find their way very quickly into other regions, with appropriate modifications. Although marketing materials tend to be adapted to local conditions, a considerable amount of material is used on a worldwide basis. On sourcing, regions co-operate closely when dealing with some of our partner suppliers. The central services of the Group – legal, financial and IT, all have team members who are part of each region's management structure, and this ensures that the centre is responsive to local needs. One of the key strengths of our business is the back office: well-functioning systems, efficient logistics and a legal and intellectual property protection department that defends our brands from the inevitable range of brand and patent infringement issues.

Our business depends for success on having the very best and the most exciting products for our customers. We have therefore invested more than ever before in our design offices in Italy, Belgium, Hong Kong, Chicago and Boston. The challenge for our company is to come up with genuinely innovative concepts and materials. To this end, our designers and development engineers collaborate with university research departments and attend many industry fairs in search of new developments in plastics and fabrics that may have some application to travel goods. We now also have an expanding manufacturing footprint in hard-side luggage, having doubled the size of our facility in Hungary, and further invested in our plants in Belgium and India. This in-house production engineering expertise is important for the long run development of proprietary technology and product research. Having reviewed our products around the world this year, I have been struck by the sheer range of design ideas, and the breadth of the colour palette. We are constantly striving to inject some excitement into our products, whether *Samsonite*, *American Tourister*, *High Sierra* or *Hartmann*, and there is a long line-up of new product introductions for 2014.

The world of luggage is certainly a more colourful place today than a few years ago. Consumers are taking a much deeper interest in the category, and demand more than a simple black bag. The carry-on has become an essential piece of kit for the modern traveller and like all items in constant use, is to some extent, an expression of the taste of the owner. In addition, regulations on what is permitted inside the aircraft cabin are constantly changing and standards vary from one airline to another. Responding to these changing needs is a challenge, but our products remain some of the lightest, most appealing and offer the highest volumes within given size constraints. The business category is also changing fast. Apart from the increasing casualization of the workplace that is blurring the distinction between backpacks and business bags, the technology is shifting rapidly. The tablet and smartphone are rapidly taking the place of many laptops, which in turn are becoming smaller, thinner and lighter.

As little as five years ago, the *Samsonite* brand accounted for over 75.0 per cent of the Group's sales. Now this figure is down to 69.4 per cent and the *American Tourister* brand has become our main engine of growth in Asia, and takes 21.1 per cent of our business worldwide. The acquisitions of Hartmann and High Sierra have further diversified our brand portfolio, and I am pleased to report that the regions are well advanced in their plans to launch these essentially US brands in Asia and Europe. We are investing in these new product segments and I believe there is further capacity to expand our stable of brands. We also believe there are plenty of opportunities for our eponymous *Samsonite* brand. In 2013, sales of the brand were up 9.7 per cent in constant currency terms, the same rate as the previous year, and in Europe and the US, the vast majority of our business is still under the *Samsonite* banner.

In 2012, the weak Euro depressed our results in US dollars; in 2013 it was the turn of the Asian currencies to weaken substantially. Comparing average rates for 2013 with those of 2012, the Australian dollar was down 7.2%, the Indian rupee down 8.4%, the Indonesian rupiah down 9.9% and the Japanese yen down 16.9%. Collectively, foreign currency movements reduced Group turnover by US$18.4 million, or 1.1%, a much smaller impact than the year before. 2013 was a great year for our North American business: with acquisitions, turnover was up a remarkable 24.4%, and even without the benefit of the first year's trading of the *Hartmann* and *High Sierra* brands, sales were up 14.0 per cent. However, taking into account tougher conditions in China, our Asian business also recorded a very healthy 15.6% sales growth in constant currency terms, underlining the broad base of the region and lack of dependency on any single market. We were also very pleased with results in Europe, which almost managed double-digit sales growth in constant currency terms, despite the continuing challenges in Spain and Italy.

Looking at individual regional performances, Asia remains an important driver of our business: it remains our largest region (37.7% of sales) and has consistently delivered very rapid growth – in 2013 it was 15.6% as noted above. The *American Tourister* brand is the main driver of our business in Asia, accounting for three quarters of our sales growth in the region and increasing by 26.6% in constant currency terms. We believe there are many further opportunities to expand this truly international brand positioned at more accessible price points, offering eye-catching and colourful products. We were also pleased with the progress of the *Samsonite Red* brand. Launched in South Korea, and aimed at a younger more fashion-conscious consumer, this brand is now showing signs of becoming an international name. Sales increased 79.5% to just under US$30 million and we are confident of taking this beyond US$50 million in 2014. In local currency terms, almost all markets in Asia achieved double digit growth, the highlights being: South Korea 27.9%, Hong Kong 18.2%, Thailand 17.3%, Indonesia 27.1%, India 18.3%, Japan 18.6% and Australia 14.1%. Of particular note is the performance of South Korea, a large and mature market, and in which our growth has been broadly based across e-commerce, TV shopping and retail. It was pleasing to see the recovery of India, as we moved the business away from promotional activities, and sales increased in Japan in local currency, as we continue to expand our points of sale. After several years of stellar growth in China, 2013 has been more subdued with sales up only 5.3% in local currency. Clearly the slackening in the overall growth rate and official policy on gift-related purchases, have had an impact on demand. Also, our business was affected by non-repetition of several one-off B2B deals in 2012. However, e-commerce is growing rapidly, and our own stores have performed well. We have plenty of new product and brand initiatives in China, and remain confident that this market will continue to lead the region in terms of growth and profit contribution.

Our business in the US has enjoyed another spectacular year with the business expanding by almost a quarter. In a mature market, sales excluding acquisitions were up 14.0%. The reason for this performance, far ahead of the market overall, has been the sell-through of our products in our key wholesale customers, along with an excellent service level. These two factors have encouraged more listings and, working together with our retail partners, we have developed more successful product lines tailored to the needs of our customers. In common with other regions across the world, the internet is becoming a major part of the retail landscape, with sales more than doubling. The travel category was the main driver of our business, up 15.3% and within this segment, sales of hard-side cases were up 32.9%. With *High Sierra*, casual sales were up 171.1%, 17.6% without. Three *High Sierra* retail stores have opened, and we have finished the complete overhaul of the *Hartmann* range, in addition to planning the retail development of the brand in 2014. Market reaction to the product line-up of both brands has been very encouraging. Overall, sales in the retail channel increased 14.0% in 2013, and we have plans to further expand our retail network in 2014.

We were pleased with sales and EBITDA performance in Europe this year: sales increased 9.2%, excluding foreign currency effects, and there were plenty of good country results. In local currency terms, Germany, our largest market, was up 11.9%, France 9.0%, the UK 27.8% and Russia 27.9%. Our biggest success has been in the hard-side category, increasing by 11%. The newly updated Cosmolite model in the Curv family did well and the new S'Cure line took polypropylene cases to a new level and is the clear leader in the market. It was also encouraging to see the growth in the business category with sales up 13.7%, and a very positive reaction to recent product launches. During the year we completed a major expansion programme at our plant in Hungary, more than doubling capacity of Curv production, and the new warehouse in Oudenaarde, Belgium will be completed in March 2014 on time and below budget. This investment will replace third party warehousing with a considerable cost saving and gain in efficiency. Although Spain and Italy remain difficult markets there were signs at the end of the year that the worst may be over, and that we can look forward to a stronger performance from these countries in 2014.

We completed some important initiatives in our Latin American business in 2014. Overall performance was satisfactory, with sales up 11.7%, excluding currency effects. On the negative side, our business in Argentina continues to contract as we retrench our retail operations in response to import controls. However, elsewhere we are building the foundation for higher levels of growth in the future. Chile remains the lynchpin of the region, recording sales growth of 15.7% in local currency. The *Xtrem* back-to-school backpack business was strong again, and we are seeing encouraging results from the new women's handbag initiative under the *Secret* brand. Domestic sales in Mexico were up 10.2% and with our strong brand positioning, this should be a big market opportunity over the next few years. During the year we opened our own sales subsidiaries in Colombia, Peru and Panama, which will improve our market position. Similarly, we have also moved our Brazilian business from a distributor model to a direct import and sales structure, which will hopefully shift our sales up several gears. Early indications are positive.

The US$266.1 million increase in net sales for the year was mainly the result of growth in the travel segment that was up 12.8%, excluding currency effects. However, there were good performances in other categories, and this has helped to spread our business more evenly. For example, the share of casual products has increased from 6.2% to 10.1% of total net sales, and the share of travel has reduced from 76.6% to 74.4%. The apparent weak performance in business products, up only 3.3% excluding currency effects does not tell the whole story. In fact sales were up 13.2% in North America and 13.7% in Europe. A small decline of 3.1% in Asia is due mainly to the timing of product launches, but also as a result of the shift of many business products from bags to backpacks. As mentioned above the line between the business and casual segments is becoming more blurred. It is also worth noting the performance of accessories in 2013, up 8.2% in local currency terms. We have taken back another important license in Europe, and with the improvement to our product ranges, we see good prospects for this broad category in 2014.

As I have explained in previous reports, it remains a key strategy of our Group to be the biggest investor in brand marketing, and in 2013 we continued this approach. The Group spent US$129.2 million on marketing in the year, up 10.2% on the previous year. In terms of percentage of sales, this was down slightly, from 6.6% to 6.3%, but this is explained by several factors. Firstly, performance has been strong in the US, where spend rates are lower. Secondly, we are becoming more efficient in our allocation of resources; and thirdly it was possible to buy media at more competitive rates for much of 2013. Social media and online investment are becoming a more important part of our marketing effort as we communicate more effectively with the new generation of consumers.

There is no doubt that the era of very low-cost goods sourced from highly labour-intensive factories in Asia, is now drawing to a close. Labour costs in our factories are rising, and the RMB has been slowly gaining on the US dollar further pushing up prices. However, these are trends that affect all manufacturing industries, and our strategies must adapt to new circumstances. In the first place commodity markets have been subdued, and materials still account for the overwhelming proportion of our input costs. Secondly, we are always looking for ways to manufacture products with less labour, as are our manufacturing partners. We also keep a very close eye on relative costs in different source countries across the world as well as on the costs of freight, warehousing and so on. However, it is unlikely that there will be any change to the location of most of our supplier partners in the next few years, owing to well-entrenched supply infrastructure of key components. In overall terms, we expect to maintain a similar level of gross margins for the foreseeable future.

Capital expenditure in 2013 was considerably higher than in previous years: US$57.2 million compared with US$37.9 million last year. The main reasons for this increased spend were the construction of the new warehouse in Belgium, the expansion of the plant in Hungary and further investment in new retail stores. Although there will be occasional lumpy investments in plant and equipment, we expect spending to be somewhat below 2013 levels in future years.

The Group generated US$193.0 million from operating activities during the year. This was US$10.0 million below last year, but is after a substantial pension funding contribution in the US of US$33.2 million, of which US$20.0 million was discretionary. We are approaching closer to the point where this scheme, consisting mainly of legacy liabilities, will be fully funded at which time we can review our options.

It is too early to tell what 2014 may have in store for our business. However, in general, there should be a more positive macroeconomic climate than last year. We expect the market for travel and tourism to expand ahead of GDP in most countries. There are signs that the trading environment in China is stabilising, and we expect overall trading conditions in Europe to be the best since 2010. We cannot expect to maintain the organic growth levels seen in North America over the past few years, and have planned accordingly. Yet I am confident that many other markets will perform well, and the main reason for the consistency of our performance remains the diverse nature of our business in terms of products and markets. Whilst we have a sizeable lead over many of our competitors, our success is not taken for granted, and we constantly challenge ourselves as a management team to find better ways of doing things. With the growth initiatives we have in-house and the opportunities we have to leverage our distribution strengths with brands we can acquire, I am confident that Samsonite has plenty of further room for expansion.

It is important that our company has a proper plan for management succession, and we are always thinking about the next generation of managers who will lead our company to future success. We are fortunate to have a very stable and talented group of executives across the world, and one of the outstanding members of our team is Ramesh Tainwala, who has led the Asian region to enormous success in the past few years. I have asked Ramesh to take on the role of Chief Operating Officer, responsible for running day-to-day operations, while allowing me to focus on directing the Group's strategy and building a stronger relationship with our shareholders and the investment community at large. There is no better person to fill this role, and both of us look forward to working together to achieve even more for our business, in which, I should mention, we are both heavily invested. Congratulations, too, go to Leo Suh, who will be promoted from successfully running our South Korean business, to take over a large part of our Asian business. Finally, I would like to thank all of our people who work so hard for our company, in so many different functions and a wide array of countries and time zones. Samsonite is a real global community, and I believe this will serve us very well in our future endeavours.

Timothy Charles Parker
Chairman
March 19, 2014

CONSOLIDATED INCOME STATEMENT

(Expressed in thousands of US Dollars, except per share data)	Note	**Year ended December 31, 2013**	2012
Net sales	3	**2,037,812**	1,771,726
Cost of sales		**(949,475)**	(820,721)
Gross profit		**1,088,337**	951,005
Distribution expenses		**(540,578)**	(466,471)
Marketing expenses		**(129,221)**	(117,211)
General and administrative expenses		**(133,073)**	(121,132)
Other expenses		**(4,173)**	(4,449)
Operating profit		**281,292**	241,742
Finance income	9	**852**	1,187
Finance costs	9	**(11,808)**	(18,229)
Net finance costs		**(10,956)**	(17,042)
Profit before income tax		**270,336**	224,700
Income tax expense	10	**(72,915)**	(58,073)
Profit for the year		**197,421**	166,627
Profit attributable to the equity holders		**176,087**	148,439
Profit attributable to non-controlling interests		**21,334**	18,188
Profit for the year		**197,421**	166,627
Earnings per share			
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	8	**0.125**	0.105

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in thousands of US Dollars)	Note	Year ended December 31, **2013**	2012
Profit for the year		**197,421**	166,627
Other comprehensive income (loss):			
Items that will never be reclassified to profit or loss:			
Recognition of previously unrecognized deferred tax on defined benefit plans	10	—	34,899
Remeasurements on defined benefit plans, net of tax		**4,511**	(16,390)
		4,511	18,509
Items that are or may be reclassified subsequently to profit or loss:			
Changes in fair value of cash flow hedges, net of tax		**(1,569)**	(4,314)
Foreign currency translation gains (losses) for foreign operations		**(9,880)**	8,134
		(11,449)	3,820
Other comprehensive income (loss)		**(6,938)**	22,329
Total comprehensive income		**190,483**	188,956
Total comprehensive income attributable to the equity holders		**173,213**	169,982
Total comprehensive income attributable to non-controlling interests		**17,270**	18,974
Total comprehensive income for the year		**190,483**	188,956

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of US Dollars)	Note	**December 31, 2013**	December 31, 2012
Non-Current Assets			
Property, plant and equipment, net		**155,347**	135,824
Goodwill		**214,356**	214,356
Other intangible assets, net		**662,707**	671,522
Deferred tax assets		**44,401**	55,302
Other assets and receivables		**22,722**	22,793
Total non-current assets		**1,099,533**	1,099,797
Current Assets			
Inventories		**298,377**	277,516
Trade and other receivables, net	4	**246,372**	222,159
Prepaid expenses and other assets		**65,262**	62,293
Cash and cash equivalents	5	**225,347**	151,399
Total current assets		**835,358**	713,367
Total assets		**1,934,891**	1,813,164
Equity and Liabilities			
Equity:			
Share capital		**14,071**	14,071
Reserves		**1,178,685**	1,037,522
Total equity attributable to equity holders		**1,192,756**	1,051,593
Non-controlling interests		**37,826**	34,512
Total equity		**1,230,582**	1,086,105

(Expressed in thousands of US Dollars)	Note	**December 31, 2013**	December 31, 2012
Non-Current Liabilities			
Loans and borrowings	6	**37**	64
Employee benefits		**33,432**	68,378
Non-controlling interest put options		**52,848**	44,950
Deferred tax liabilities		**111,370**	113,809
Other liabilities		**4,879**	6,319
Total non-current liabilities		**202,566**	233,520
Current Liabilities			
Loans and borrowings	6	**13,640**	32,234
Employee benefits		**54,437**	49,977
Trade and other payables	7	**387,239**	362,488
Current tax liabilities		**46,427**	48,840
Total current liabilities		**501,743**	493,539
Total liabilities		**704,309**	727,059
Total equity and liabilities		**1,934,891**	1,813,164
Net current assets		**333,615**	219,828
Total assets less current liabilities		**1,433,148**	1,319,625

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

(Expressed in thousands of US Dollars)	Note	Year ended December 31, **2013**	2012
Cash flows from operating activities:			
Profit for the year		**197,421**	166,627
Adjustments to reconcile profit to net cash generated from operating activities:			
Gain on sale and disposal of assets, net		**(143)**	(211)
Depreciation		**36,821**	31,770
Amortization of intangible assets		**8,363**	8,491
Provision for doubtful accounts		**2,242**	1,861
Change in fair value of put options		**6,312**	8,908
Net change in defined benefit pension plan		**(27,813)**	(17,260)
Non-cash share-based compensation		**7,036**	—
Income tax expense	10	**72,915**	58,073
		303,154	258,259
Changes in operating assets and liabilities (excluding the effects of acquisitions):			
Trade and other receivables		**(31,575)**	(32,747)
Inventories		**(24,663)**	(20,671)
Other current assets		**(3,895)**	4,727
Trade and other payables		**29,749**	64,022
Other assets and liabilities, net		**(17,486)**	(13,510)
Cash generated from operating activities		**255,284**	260,080
Interest paid		**(1,791)**	(2,945)
Income tax paid		**(60,460)**	(54,143)
Net cash generated from operating activities		**193,033**	202,992

(Expressed in thousands of US Dollars)	Note	Year ended December 31, **2013**	2012
Cash flows from investing activities:			
Purchases of property, plant and equipment		**(57,239)**	(37,941)
Acquisition of businesses, net of cash acquired		—	(141,953)
Other proceeds		**3,306**	713
Net cash used in investing activities		**(53,933)**	(179,181)
Cash flows from financing activities:			
Current loans and borrowings proceeds (payments), net		**(18,793)**	21,034
Cash distribution to equity holders	8	**(37,500)**	(30,000)
Payment of debt issue costs		—	(1,069)
Dividend payments to non-controlling interests		**(8,359)**	(6,479)
Net cash used in financing activities		**(64,652)**	(16,514)
Net increase in cash and cash equivalents		**74,448**	7,297
Cash and cash equivalents, at January 1		**151,399**	141,259
Effect of exchange rate changes on cash and cash equivalents		**(500)**	2,843
Cash and cash equivalents, at December 31	5	**225,347**	151,399

The accompanying notes form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Background

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

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

(2) Principal Accounting Policies

The consolidated financial statements 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 (the "IASB").

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the consolidated financial statements, the Group has adopted all these new and revised IFRSs for all periods presented, where material, except for any new standards or interpretations that are not yet mandatorily effective for the accounting period ended December 31, 2013.

The consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

(3) Segment Reporting

(a) Operating Segments

Management of the business and evaluation of operating results is organized primarily along geographic lines dividing responsibility for the Group's operations, besides the Corporate segment, as follows:

- Asia – which includes operations in South Asia (India and Middle East), China, Singapore, South Korea, Taiwan, Malaysia, Japan, Hong Kong, Thailand, Indonesia, Philippines and Australia;
- Europe – which includes operations in European countries as well as South Africa;
- North America – which includes operations in the United States of America and Canada;
- Latin America – which includes operations in Chile, Mexico, Argentina, Brazil, Colombia, Panama, Peru and Uruguay; and
- Corporate – which primarily includes certain licensing activities from brand names owned by the Group and Corporate headquarters overhead.

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. Segment operating profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the Group's segments.

Segment information as of and for the years ended December 31, 2013 and December 31, 2012 is as follows:

	Year ended December 31, 2013					
(Expressed in thousands of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate**	**Consolidated**
External revenues	**768,363**	**621,741**	**515,177**	**123,580**	**8,951**	**2,037,812**
Operating profit	**82,685**	**49,027**	**62,580**	**13,562**	**73,438**	**281,292**
Operating profit excluding intercompany charges	**135,233**	**94,277**	**71,692**	**15,172**	**(35,082)**	**281,292**
Depreciation and amortization	**17,640**	**5,149**	**15,979**	**4,187**	**2,229**	**45,184**
Capital expenditure	**14,307**	**8,332**	**27,024**	**4,281**	**3,295**	**57,239**
Interest income	**264**	**3**	**254**	**3**	**328**	**852**
Interest expense	**(1,016)**	**–**	**(119)**	**(364)**	**(1,430)**	**(2,929)**
Income tax expense	**(19,889)**	**(21,374)**	**(11,080)**	**(2,759)**	**(17,813)**	**(72,915)**
Total assets	**527,534**	**571,347**	**444,601**	**105,727**	**285,682**	**1,934,891**
Total liabilities	**211,822**	**421,379**	**197,164**	**61,944**	**(188,001)**	**704,308**

	Year ended December 31, 2012					
(Expressed in thousands of US Dollars)	Asia	North America	Europe	Latin America	Corporate	Consolidated
External revenues	684,154	499,924	465,383	112,556	9,709	1,771,726
Operating profit	87,946	38,458	43,099	10,968	61,271	241,742
Operating profit excluding intercompany charges	121,708	69,259	64,283	13,282	(26,790)	241,742
Depreciation and amortization	14,643	3,796	14,928	4,092	2,802	40,261
Capital expenditure	14,317	4,533	15,173	2,953	965	37,941
Interest income	211	16	188	25	747	1,187
Interest expense	(1,809)	—	(139)	(296)	(1,683)	(3,927)
Income tax expense (benefit)	(20,136)	(14,398)	(9,889)	1,732	(15,382)	(58,073)
Total assets	499,149	512,975	422,793	91,795	286,452	1,813,164
Total liabilities	193,273	463,569	189,390	46,011	(165,184)	727,059

(b) Geographical Information

The following tables set out enterprise-wide information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant, and equipment, intangible assets and goodwill (specified non-current assets). The geographical location of customers is based on the selling location of the goods. The geographical location of the specified non-current assets is based on the physical location of the asset.

(i) Revenue from External Customers

The following table presents the revenues earned from customers in major geographical locations where the Group has operations.

(Expressed in thousands of US Dollars)	Year ended December 31,	
	2013	2012
Asia:		
China	**192,187**	178,035
South Korea	**161,182**	122,921
India	**110,526**	102,329
Hong Kong[1]	**66,765**	56,473
Japan	**64,172**	66,013
Australia	**42,666**	40,678
United Arab Emirates	**30,501**	27,714
Singapore	**23,056**	21,328
Thailand	**22,949**	19,396
Indonesia	**20,195**	17,756
Taiwan	**19,582**	18,212
Other	**14,582**	13,299
Total Asia	**768,363**	684,154
North America:		
United States	**589,618**	469,773
Canada	**32,123**	30,151
Total North America	**621,741**	499,924
Europe:		
Germany	**74,333**	64,502
France	**67,005**	59,580
Belgium	**60,330**	58,164
Italy	**54,079**	52,383
Russia	**44,679**	35,931
Spain	**40,286**	39,075
United Kingdom	**38,705**	30,754
Holland	**25,140**	23,470
Switzerland	**19,334**	16,692
Sweden	**16,549**	16,488
Norway	**15,992**	13,986
Austria	**14,309**	11,901
Turkey	**13,422**	11,684
Other	**31,014**	30,773
Total Europe	**515,177**	465,383
Latin America:		
Chile	**62,577**	54,998
Mexico	**35,475**	34,240
Argentina	**6,704**	9,823
Brazil	**9,762**	9,628
Other	**9,062**	3,867
Total Latin America	**123,580**	112,556
Corporate and other (royalty revenue):		
Luxembourg	**8,797**	9,522
United States	**154**	187
Total Corporate and other	**8,951**	9,709
Total	**2,037,812**	1,771,726

Note
(1) Includes Macau

(ii) Specified Non-current Assets

The following table presents the Group's significant non-current assets by geographical location. Unallocated specified non-current assets mainly comprise goodwill.

(Expressed in thousands of US Dollars)	December 31,	
	2013	2012
United States	**31,127**	27,056
Luxembourg	**588,952**	588,828
India	**18,772**	24,037
China	**16,096**	16,544
South Korea	**10,790**	10,503
Hong Kong	**9,205**	9,457
Belgium	**58,747**	51,111
Chile	**15,099**	12,834

(4) Trade and Other Receivables

Trade and other receivables are presented net of related allowances for doubtful accounts of US$14.4 million and US$12.9 million as of December 31, 2013 and December 31, 2012, respectively.

(a) Aging Analysis

Included in trade and other receivables are trade receivables (net of allowance for doubtful accounts) of US$233.7 million and US$211.5 million as of December 31, 2013 and December 31, 2012, respectively, with the following aging analysis by invoice date:

(Expressed in thousands of US Dollars)	December 31,	
	2013	2012
Current	**195,080**	173,185
Past due	**38,612**	38,311
Total trade receivables	**233,692**	211,496

Credit terms are granted based on the credit worthiness of individual customers. As of December 31, 2013, trade receivables are on average due within 60 days from the date of billing.

(b) Impairment of Trade Receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The Group does not hold any collateral over these balances.

The movement in the allowance for doubtful accounts during the year:

(Expressed in thousands of US Dollars)	Year ended December 31,	
	2013	2012
At January 1	**12,872**	11,309
Impairment loss recognized	**2,242**	1,861
Impairment loss written back	**(761)**	(298)
At December 31	**14,353**	12,872

(5) Cash and Cash Equivalents

(Expressed in thousands of US Dollars)	December 31, 2013	2012
Bank balances	**195,162**	110,561
Short-term investments	**30,185**	40,838
Total cash and cash equivalents	**225,347**	151,399

Short-term investments are comprised of overnight sweep accounts and time deposits. As of December 31, 2013 and December 31, 2012 the Group had no restrictions on the use of any of its cash.

(6) Loans and Borrowings

(a) Non-current Obligations

(Expressed in thousands of US Dollars)	December 31, 2013	2012
Finance lease obligations	**53**	97
Less current installments	**(16)**	(33)
Non-current loans and borrowings	**37**	64

In 2007, the Group entered into an arrangement with a bank to provide funding in the amount of US$33.0 million to the Group's Chilean subsidiary. The Group provided US$33.0 million to the bank to secure the debt. The Group has offset these amounts in the accompanying consolidated statement of financial position. As of December 31, 2013 and December 31, 2012 the balance both on deposit with the bank and due on the loan to the Chilean subsidiary was US$8.3 million and US$16.1 million, respectively.

(b) Current Obligations

The Group had the following current obligations:

(Expressed in thousands of US Dollars)	December 31, 2013	2012
Revolving Credit Facility	—	25,000
Current installments of non-current obligations	**16**	33
Other lines of credit	**15,482**	10,297
Total current obligations	**15,498**	35,330
Less deferred financing costs	**(1,858)**	(3,096)
Current loans and borrowings	**13,640**	32,234

Certain subsidiaries of the Group maintain credit lines with various third party lenders in the regions in which they operate. These local credit lines provide working capital for the day to day business operations of the subsidiaries, including overdraft, bank guarantee, and trade finance and factoring facilities. The majority of these credit lines are uncommitted facilities. The total aggregate amount outstanding under the local facilities was US$15.5 million and US$10.3 million at December 31, 2013 and December 31, 2012, respectively. The unused available lines of credit amounted to US$81.2 million and US$51.9 million as of December 31, 2013 and December 31, 2012, respectively.

The Group maintains a revolving credit facility (the "Revolving Facility") in the amount of US$300.0 million. The facility can be increased by an additional US$100.0 million, subject to lender approval. The Revolving Facility has an initial term of three years from its effective date of July 2, 2012, with a one year extension at the request of the Group 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 Group'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. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the Group's intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Group's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Group was in compliance with the financial covenants as of December 31, 2013. At December 31, 2013, US$294.4 million was available to be borrowed on the Revolving Facility as a result of the utilization of US$5.6 million of the facility for outstanding letters of credit extended to certain creditors. At December 31, 2012, US$269.0 million was available to be borrowed on the Revolving Facility as a result of US$25.0 million of outstanding borrowings and the utilization of US$6.0 million of the facility for outstanding letters of credit extended to certain creditors.

(7) Trade and Other Payables

	December 31,	
(Expressed in thousands of US Dollars)	**2013**	2012
Accounts payable	**282,183**	268,588
Other payables and accruals	**96,739**	85,074
Other tax payables	**8,317**	8,826
Total trade and other payables	**387,239**	362,488

No restructuring charges were recognized during the years ended December 31, 2013 and December 31, 2012.

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

	December 31,	
(Expressed in thousands of US Dollars)	**2013**	2012
Current	**211,743**	200,927
Past due	**20,132**	24,322
Total trade payables	**231,875**	225,249

Trade payables as of December 31, 2013 are on average due within 105 days from the invoice date.

(8) Earnings Per Share

(a) Basic

The calculation of basic earnings per share in the current period is based on the profit attributable to ordinary equity shareholders of the Company.

(Expressed in thousands of US Dollars, except share and per share data)	**Year ended December 31,**	
	2013	2012
Issued ordinary shares at the beginning and end of the year	**1,407,137,004**	1,407,137,004
Profit attributable to the equity holders	**176,087**	148,439
Basic earnings per share *(Expressed in US Dollars per share)*	**0.125**	0.105

There was no purchase, sale or redemption of the Company's listed securities by the Group during the year ended December 31, 2013.

(b) Diluted

Dilutive earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended December 31, 2013, diluted earnings per share is the same as basic earnings per share as all potentially dilutive instruments were anti-dilutive. There were no outstanding potentially dilutive instruments during the year ended December 31, 2012.

(c) Dividends and Distributions

On March 18, 2013, the Board recommended that a cash distribution in the amount of US$37.5 million, or US$0.02665 per share, be made to the Company's shareholders of record on June 20, 2013 from its ad hoc distributable reserve. The shareholders approved this distribution on June 6, 2013 at the annual general meeting and the distribution was paid on July 12, 2013.

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 during the years ended December 31, 2013 and December 31, 2012.

(9) Finance Income and Finance Costs

The following table presents a summary of finance income and finance costs recognized in the consolidated income statement and consolidated statement of comprehensive income:

(Expressed in thousands of US Dollars)	Year ended December 31, **2013**	2012
Recognized in income or loss:		
Interest income on bank deposits	**852**	1,187
Finance income	**852**	1,187
Interest expense on financial liabilities	**(2,929)**	(3,927)
Change in fair value of put options	**(6,312)**	(8,908)
Net foreign exchange loss	**(456)**	(3,356)
Other finance costs	**(2,111)**	(2,038)
Finance costs	**(11,808)**	(18,229)
Net finance costs recognized in profit or loss	**(10,956)**	(17,042)
Recognized in other comprehensive income:		
Foreign currency translation differences for foreign operations	**(9,880)**	8,134
Changes in fair value of cash flow hedges	**(2,449)**	(6,267)
Income tax on finance income and finance costs recognized in other comprehensive income	**880**	1,953
Net finance costs (income) recognized in other comprehensive income, net of tax	**(11,449)**	3,820
Attributable to:		
Equity holders of the Company	**(7,482)**	3,034
Non-controlling interests	**(3,967)**	786
Finance costs (income) recognized in other comprehensive income, net of tax	**(11,449)**	3,820

(10) Income Taxes

(a) Taxation in the Consolidated Income Statement

(Expressed in thousands of US Dollars)	Year ended December 31, **2013**	2012
Current tax expense – Hong Kong Profits Tax:		
Current period	**(655)**	(2,566)
Current tax expense – Foreign:		
Current period	**(69,314)**	(50,255)
Adjustment for prior periods	**3,396**	(5,738)
	(65,918)	(55,993)
Deferred tax (expense) benefit:		
Origination and reversal of temporary differences	**(9,997)**	(10,563)
Change in tax rate	**3,655**	(222)
Change in unrecognized deferred tax assets	—	(606)
Recognition of previously unrecognized tax losses	—	11,877
	(6,342)	486
Total income tax expense	**(72,915)**	(58,073)

During the year ended December 31, 2012, based upon an evaluation of both positive and negative evidence, the Group concluded that US$47.2 million of previously unrecognized deferred tax assets should be recognized. As part of the Group'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$47.2 million of its deferred tax assets over the next several years. After considering these factors, the Group concluded that recognition of these deferred tax assets was appropriate. Of the US$47.2 million of previously unrecognized deferred tax assets, US$12.3 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 provision for Hong Kong Profits Tax for the years ended December 31, 2013 and December 31, 2012 is calculated at 16.5% of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation in the relevant countries.

(b) Reconciliation between tax expense and profit before taxation at applicable tax rates

(Expressed in thousands of US Dollars)	Year ended December 31, 2013	2012
Profit for the year	**197,421**	166,627
Total income tax expense	**(72,915)**	(58,073)
Profit before income tax	**270,336**	224,700
Income tax expense using the Group's applicable tax rate	**(76,457)**	(62,406)
Tax incentives	**19,886**	14,514
Change in tax rates	**3,655**	(222)
Change in tax reserves	**(3,632)**	2,234
Non-deductible differences	**(16,443)**	(9,708)
Recognition of previously unrecognized tax losses	–	11,877
Change in unrecognized tax assets	**(2,131)**	(606)
Withholding taxes	**(3,002)**	(4,708)
Other	**1,813**	(3,310)
Under provided in prior periods	**3,396**	(5,738)
	(72,915)	(58,073)

The provision for taxation for the years ended December 31, 2013 and December 31, 2012 is calculated using the Group's applicable tax rate of 28.3% and 27.8%, respectively. The applicable rate is based on the Group's weighted average worldwide tax rate.

(c) Income tax (expense) benefit recognized in Other Comprehensive Income

	December 31, 2013			2012		
(Expressed in thousands of US Dollars)	**Before tax**	**Income tax (expense) benefit**	**Net of tax**	Before tax	Income tax (expense) benefit	Net of tax
Recognition of previously unrecognized deferred tax on defined benefit plans	–	–	–	–	34,899	34,899
Remeasurements on benefit plans	**7,511**	**(3,000)**	**4,511**	(26,829)	10,439	(16,390)
Cash flow hedges	**(2,449)**	**880**	**(1,569)**	(6,267)	1,953	(4,314)
Foreign currency translation differences for foreign operations	**(9,880)**	–	**(9,880)**	8,134	–	8,134
	(4,818)	**(2,120)**	**(6,938)**	(24,962)	47,291	22,329

MANAGEMENT DISCUSSION AND ANALYSIS

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

The Group sells its products through a variety of wholesale distribution channels, through its company operated retail stores and through e-commerce. Its principal luggage wholesale distribution customers are department and specialty retail stores, mass merchants, catalog showrooms and warehouse clubs. The Group sells its products in Asia, North America, Europe and Latin America. As of December 31, 2013, the Group's products were sold at more than 46,000 points of sale in over 100 countries.

Management discussion and analysis should be read in conjunction with the Group's audited financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Certain comparative amounts have been reclassified to conform to the presentation adopted in the current year. None of the changes impacts the Group's previously reported consolidated net sales, gross profit, operating profit, income tax expense, profit for the year, earnings per share, net cash generated from operating activities, investing activities or financing activities, or the statement of financial position.

Net Sales

The following table sets forth a breakdown of net sales by region for the years ended December 31, 2013 and December 31, 2012, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2013		2012		2013 vs 2012	
	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	**768,363**	**37.7%**	684,154	38.6%	12.3%	15.6%
North America	**621,741**	**30.5%**	499,924	28.2%	24.4%	24.6%
Europe	**515,177**	**25.3%**	465,383	26.3%	10.7%	9.2%
Latin America	**123,580**	**6.1%**	112,556	6.4%	9.8%	11.7%
Corporate	**8,951**	**0.4%**	9,709	0.5%	(7.8)%	(7.8)%
Net sales	**2,037,812**	**100.0%**	1,771,726	100.0%	15.0%	16.1%

Excluding foreign currency effects, net sales increased by 16.1%. US Dollar reported net sales increased by US$266.1 million, or 15.0%, to US$2,037.8 million for the year ended December 31, 2013, from US$1,771.7 million for the year ended December 31, 2012.

Brands

The following table sets forth a breakdown of net sales by brand for the years ended December 31, 2013 and December 31, 2012, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2013		2012		2013 vs 2012	
	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 brand:						
Samsonite	**1,413,703**	**69.4%**	1,295,706	73.1%	9.1%	9.7%
American Tourister	**429,309**	**21.1%**	354,563	20.0%	21.1%	23.4%
High Sierra[(1)] / *Hartmann*[(2)]	**87,488**	**4.3%**	29,623	1.7%	195.3%	196.9%
Other[(3)]	**107,312**	**5.2%**	91,834	5.2%	16.9%	19.0%
Net sales	**2,037,812**	**100.0%**	1,771,726	100.0%	15.0%	16.1%

Notes

(1) The *High Sierra* brand was acquired on July 31, 2012. Prior to the acquisition, Samsonite Australia was a distributor of *High Sierra* products. Net sales under this distribution arrangement were US$2.1 million during the portion of the year ended December 31, 2012 that preceded the acquisition.

(2) The *Hartmann* brand was acquired on August 2, 2012.

(3) Other includes local brands *Saxoline, Xtrem* and others.

Excluding foreign currency effects, net sales of the *Samsonite* brand increased by 9.7%. US Dollar reported net sales of the *Samsonite* brand increased by US$118.0 million, or 9.1%, for the year ended December 31, 2013 compared to the previous year. The *Samsonite* brand comprised 69.4% of the net sales of the Group during 2013 compared to 73.1% in 2012 as the Group further diversified its brand portfolio. Net sales of the *American Tourister* brand increased by 23.4% on a constant currency basis. US Dollar reported net sales of the *American Tourister* brand increased by US$74.7 million, or 21.1%, for the year ended December 31, 2013 compared to the previous year. Asia accounted for US$63.1 million, or 84.5%, of the US$74.7 million increase in *American Tourister* brand sales for the year. These increases were attributable to expanded product offerings and further penetration of existing markets, which were all supported by the Group's targeted advertising activities. The *High Sierra* and *Hartmann* brands contributed net sales of US$72.0 million and US$15.5 million, respectively, as the Group continues to execute on its integration strategy and further geographical expansion of these brands.

Product Categories

The Group sells products in four principal product categories: travel, business, casual and accessories. The travel category is the Group's largest category and has been its traditional strength. The following table sets forth a breakdown of net sales by product category for the years ended December 31, 2013 and December 31, 2012, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2013		2012		2013 vs 2012	
	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 product category:						
Travel	**1,515,852**	**74.4%**	1,357,054	76.6%	11.7%	12.8%
Casual	**205,871**	**10.1%**	109,743	6.2%	87.6%	88.8%
Business	**193,474**	**9.5%**	189,561	10.7%	2.1%	3.3%
Accessories	**85,745**	**4.2%**	79,662	4.5%	7.6%	8.2%
Other	**36,870**	**1.8%**	35,706	2.0%	3.3%	3.1%
Net sales	**2,037,812**	**100.0%**	1,771,726	100.0%	15.0%	16.1%

The US$266.1 million increase in net sales for the year ended December 31, 2013 compared to the previous year was largely driven by an increase in net sales in the travel product category, which increased by 12.8% excluding foreign currency effects. Country-specific product designs, locally relevant marketing strategies and expanded points of sale continue to be the key factors contributing to the Group's sales growth in the travel category. Net sales in the casual product category increased by 88.8% on a constant currency basis. This increase was attributable to the full year impact of the Group's 2012 acquisition of *High Sierra*, the strategic focus on expanding the Group's casual product offerings and the success of the *Samsonite Red* brand in Asia. Excluding net sales attributable to *High Sierra*, net sales in the casual product category increased by US$44.6 million, or 45.3%. Excluding foreign currency effects, net sales in the business product category increased by 3.3%, driven by a 13.2% increase in North America and a 13.7% increase in Europe due to new product introductions and expanded product placement. These increases were marginally offset by a 3.1% decrease in constant currency net sales in the business category in Asia due largely to high end products such as the *Samsonite* Business Leather line facing challenges in China as a result of the current austerity measures and the non-repetition of several one-off business-to-business deals in 2012. Excluding foreign currency effects, net sales in the accessories product category increased by 8.2% for the year ended December 31, 2013 compared to the previous year, reflecting expanded product offerings in this category. Net sales in the other product category increased by 3.1% on a constant currency basis for the year ended December 31, 2013 compared to the previous year.

Distribution Channels

The Group 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 years ended December 31, 2013 and December 31, 2012, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2013		2012		2013 vs 2012	
	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 distribution channel:						
Wholesale	**1,614,733**	**79.3%**	1,425,537	80.5%	13.3%	14.3%
Retail	**414,128**	**20.3%**	336,417	19.0%	23.1%	24.2%
Other[1]	**8,951**	**0.4%**	9,772	0.5%	(8.4)%	(8.4)%
Net sales	**2,037,812**	**100.0%**	1,771,726	100.0%	15.0%	16.1%

Note
(1) Other primarily consists of licensing income.

During the year ended December 31, 2013, the Group expanded its points of sale by approximately 1,000 to a total of more than 46,000 points of sale worldwide as of December 31, 2013. Almost half of the points of sale added during 2013 were in Asia.

Excluding foreign currency effects, net sales in the wholesale channel increased by 14.3% for the year ended December 31, 2013 compared to the previous year. US Dollar reported net sales in the wholesale channel increased by US$189.2 million, or 13.3%. On a constant currency basis, net sales in the retail channel increased by 24.2% over the same period. US Dollar reported net sales in the retail channel increased by US$81.4 million, or 23.1%. On a same–store, constant currency basis, net sales in the retail channel increased by 7.8%. During 2013, approximately 5% of the Group's net sales were derived from its direct-to-consumer e-commerce business, which is included within the retail channel, and net sales to e-tailers, which are included within the wholesale channel.

Regions

Asia

Excluding foreign currency effects, net sales increased by 15.6%. US Dollar reported net sales for the Asian region increased by US$84.2 million, or 12.3%, to US$768.4 million for the year ended December 31, 2013, from US$684.2 million for the year ended December 31, 2012.

The Group's sales growth in Asia continues to be largely driven by the *American Tourister* brand, which accounted for US$63.1 million, or 75.0%, of the increase in net sales for the Asian region for the year ended December 31, 2013 compared to the previous year. Excluding foreign currency effects, net sales of the *American Tourister* brand in the Asian region increased by 26.6%. *American Tourister* comprised 43.1% of the net sales in the Asian region during 2013 compared to 39.2% for the previous year as the brand further penetrated the market at more accessible price points. Net sales of the *Samsonite* brand continued to grow in Asia, increasing by 8.0% from the previous year on a constant currency basis and accounted for 55.1% of net sales in the region during 2013. Net sales of the *High Sierra* brand were US$5.5 million in Asia during 2013. The development of *High Sierra* branded products specifically designed for the preferences of consumers in the region is well underway.

Net sales in the travel product category increased by US$54.9 million, or 10.6%, and by 14.0% excluding foreign currency effects for the year ended December 31, 2013 compared to the previous year. Net sales in the casual product category increased by US$31.3 million, or 83.4%, and by 88.1% on a constant currency basis year-on-year, driven by the success of the *Samsonite Red* brand. Net sales in the business product category decreased by US$5.9 million, or 5.6%, and by 3.1% excluding foreign currency effects compared to the previous year due largely to high end products such as the *Samsonite* Business Leather line facing challenges in China as a result of the current austerity measures and the non-repetition of several one-off business-to-business deals in 2012. Net sales in the accessories product category increased by US$2.4 million, or 12.8%, and by 15.4% on a constant currency basis compared to the previous year.

Net sales in the wholesale channel increased by US$51.2 million, or 8.6%, for the year ended December 31, 2013 compared to the previous year and by 11.6% excluding foreign currency effects. Net sales in the retail channel increased by US$33.0 million, or 37.5%, and by 42.3% on a constant currency basis, over the same period. On a same–store, constant currency basis, net sales in the retail channel increased by 9.7%. Almost 500 points of sale were added in Asia during 2013, for a total of just under 6,900 points of sale in Asia at December 31, 2013.

Along with additional product offerings and points of sale expansion, the success of the Group's business in the Asian region has been bolstered by its continued focus on country-specific product and marketing strategies to drive increased awareness of and demand for the Group's products. On a constant currency basis, net sales increased in all countries in the Asian region for the year ended December 31, 2013 compared to the previous year. China continues to lead the Asian region in total net sales, contributing 25.0% of the region's net sales. Net sales in China increased by 5.3% on a constant currency basis as the country's economic growth continued to moderate. India posted strong constant currency net sales growth, despite continued challenging macroeconomic conditions, due to the success of new product introductions designed to appeal to consumers who have become more value-conscious. South Korea continues to experience robust sales growth driven by the success of the *American Tourister* and *Samsonite Red* brands. Japan recorded robust constant currency sales growth of 18.6%, however US Dollar reported net sales are down by 2.8% year-on-year due to unfavourable exchange rates. Net sales in Hong Kong, which includes Macau, increased by a notable US$10.3 million, or 18.2%.

The following table sets forth a breakdown of net sales within the Asian region by geographic location for the years ended December 31, 2013 and December 31, 2012, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2013		2012		2013 vs 2012	
	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	**192,187**	**25.0%**	178,035	26.0%	7.9%	5.3%
South Korea	**161,182**	**21.0%**	122,921	18.0%	31.1%	27.9%
India	**110,526**	**14.4%**	102,329	15.0%	8.0%	18.3%
Hong Kong [2]	**66,765**	**8.7%**	56,473	8.3%	18.2%	18.2%
Japan	**64,172**	**8.4%**	66,013	9.6%	(2.8)%	18.6%
Australia	**42,666**	**5.5%**	40,678	5.9%	4.9%	14.1%
Other	**130,865**	**17.0%**	117,705	17.2%	11.2%	13.4%
Net sales	**768,363**	**100.0%**	684,154	100.0%	12.3%	15.6%

Notes

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

(2) Includes Macau.

North America

Excluding foreign currency effects, net sales for the North American region increased by 24.6% for the year ended December 31, 2013 from the previous year. US Dollar reported net sales for the North American region increased by US$121.8 million, or 24.4%, to US$621.7 million for the year ended December 31, 2013, from US$499.9 million for the year ended December 31, 2012. Excluding net sales attributable to the *High Sierra* and *Hartmann* brands, which were acquired in the second half of 2012, net sales increased by US$66.6 million, or 14.0%.

Net sales of the *Samsonite* brand increased by US$51.9 million, or 12.7%, and net sales of the *American Tourister* brand increased by US$7.7 million, or 13.6%, for the year ended December 31, 2013 compared to the previous year. Net sales of the *High Sierra* and *Hartmann* brands contributed incremental net sales of US$47.8 million and US$7.5 million, respectively, for the year ended December 31, 2013 due to the full year impact of the acquisitions.

Net sales in the travel product category increased by US$63.2 million, or 15.3%, year-on-year. Net sales in the casual product category increased by US$55.1 million, or 171.1%, largely due to the full year inclusion of the *High Sierra* brand. Excluding amounts attributable to *High Sierra*, net sales in the casual product category increased by 17.6%. Net sales in the business product category increased by US$4.8 million, or 13.0%, for the year ended December 31, 2013 compared to the previous year.

Net sales in the wholesale channel increased by US$105.6 million, or 27.5%, for the year ended December 31, 2013 compared to the previous year. Net sales in the retail channel increased US$16.2 million, or 14.0%, year-on-year. Net sales growth in the retail channel was largely driven by sales made through the Group's direct-to-consumer e-commerce website, which increased by 101.9% year-on-year, as well as the addition of ten net new stores opened in 2013. On a same–store, constant currency basis, net sales in the retail channel increased by 0.9% as the retail store locations in less affluent areas continued to be impacted by the slow economic recovery.

The overall increase in North America net sales was due to the Group's continued focus on marketing and selling regionally developed products, which has enabled the Group to bring to market products that are designed to appeal to the tastes and preferences of North American consumers, as well as the addition of the *High Sierra* and *Hartmann* brands. Strong consumer demand for the Group's products has enabled it to continue to gain additional product placement with its wholesale customers.

The following table sets forth a breakdown of net sales within the North American region by geographic location for the years ended December 31, 2013 and December 31, 2012, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2013		2012		2013 vs 2012	
	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	**589,618**	**94.8%**	469,773	94.0%	25.5%	25.5%
Canada	**32,123**	**5.2%**	30,151	6.0%	6.5%	10.2%
Net sales	**621,741**	**100.0%**	499,924	100.0%	24.4%	24.6%

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

Europe

Excluding foreign currency effects, net sales for the European region increased by 9.2%. US Dollar reported net sales for the European region increased by US$49.8 million, or 10.7%, to US$515.2 million for the year ended December 31, 2013, from US$465.4 million for the year ended December 31, 2012.

Excluding Italy and Spain, net sales for the European region increased by 12.5%, or 11.4% excluding foreign currency effects. The Group's business in Italy and Spain showed early signs of stabilizing in the second half of 2013, although trading conditions remain difficult due to the ongoing economic challenges in Southern European countries.

Local currency sales growth has been strong in several markets due to the positive sell-through of new product introductions, including new product lines manufactured using the Curv material and other lines of polypropylene suitcases, as demand for hardside luggage continues to grow in the region. Germany, the Group's leading market in Europe representing 14.4% of total net sales in the region, achieved 11.9% constant currency sales growth during the period. The United Kingdom and France posted strong constant currency net sales growth of 27.8% and 9.0%, respectively, over the previous year. The Group continued to penetrate the emerging markets of Russia, South Africa and Turkey with year-on-year constant currency net sales growth of 27.9%, 26.6% and 22.5%, respectively.

Net sales of the *Samsonite* and *American Tourister* brands increased by US$44.0 million, or 10.2%, and US$3.8 million, or 15.4%, respectively, for the year ended December 31, 2013 compared to the previous year. Excluding foreign currency effects, net sales of the *Samsonite* and *American Tourister* brands increased by 8.6% and 14.3%, respectively. Net sales of the *American Tourister* brand amounted to US$28.1 million, representing 5.4% of net sales in the European region for 2013.

Net sales in the travel product category increased by US$36.6 million, or 9.7%, and by 8.4% on a constant currency basis year-on-year. Net sales in the casual product category increased by US$2.4 million, or 19.2%, and by 16.8% excluding foreign currency effects. Net sales in the business product category increased by US$5.3 million, or 15.9%, and by 13.7% on a constant currency basis for the year ended December 31, 2013 due to successful launches of new product lines throughout the year. Net sales in the accessories product category increased by US$3.0 million, or 10.3%, and by 7.9% excluding foreign currency effects.

Net sales in the wholesale channel increased by US$22.7 million, or 6.2%, for the year ended December 31, 2013 compared to the previous year and by 4.7% excluding foreign currency effects. Net sales in the retail channel increased by US$27.1 million, or 27.6%, and by 26.0% on a constant currency basis, over the same period. On a same–store, constant currency basis, net sales in the retail channel for the European region increased by 15.3% as the Group benefitted from certain promotional sales during the year.

The following table sets forth a breakdown of net sales within the European region by geographic location for the years ended December 31, 2013 and December 31, 2012, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2013		2012		2013 vs 2012	
	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	**74,333**	**14.4%**	64,502	13.9%	15.2%	11.9%
France	**67,005**	**13.0%**	59,580	12.8%	12.5%	9.0%
Belgium [2]	**60,330**	**11.7%**	58,164	12.5%	3.7%	0.6%
Italy	**54,079**	**10.5%**	52,383	11.3%	3.2%	0.2%
Russia	**44,679**	**8.7%**	35,931	7.7%	24.3%	27.9%
Spain	**40,286**	**7.8%**	39,075	8.4%	3.1%	(0.3)%
United Kingdom	**38,705**	**7.5%**	30,754	6.6%	25.9%	27.8%
Other	**135,760**	**26.4%**	124,994	26.8%	8.6%	8.6%
Net sales	**515,177**	**100.0%**	465,383	100.0%	10.7%	9.2%

Notes

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

(2) Net sales in Belgium were US$21.6 million and US$25.1 million for the years ended December 31, 2013 and December 31, 2012, respectively. Remaining sales consisted of direct shipments to distributors, customers and agents in other countries.

Latin America
Excluding foreign currency effects, net sales increased by 11.7%. US Dollar reported net sales for the Latin American region increased by US$11.0 million, or 9.8%, to US$123.6 million for the year ended December 31, 2013, from US$112.6 million for the year ended December 31, 2012.

For the year ended December 31, 2013, net sales in Chile improved by 15.7% year-on-year, excluding foreign currency effects. The double-digit net sales growth in Chile was due in large part to the strength of luggage sales and robust consumer purchases of backpacks for the back-to-school season, as well as the development of the new women's handbag brand *Secret*. Net sales in Mexico were relatively flat year-on-year due to the loss of export sales to Colombia, Panama and Peru where the Group implemented a direct import and sales model during the year. Domestic net sales in Mexico grew by 10.2% on a constant currency basis and the sales made in Colombia, Panama and Peru are now reflected within the "Other" geographic location in the table below. Brazil posted year-on-year constant currency net sales growth of 8.4% despite being temporarily impacted as the Group shifted from a distributor model to a direct import and sales model. Net sales in Argentina continued to be negatively impacted by import restrictions imposed by the local government and significant currency pressure. Excluding Argentina, net sales for the Latin American region increased by 14.5% excluding foreign currency effects.

Net sales of the *Samsonite* and *American Tourister* brands increased by US$2.1 million, or 4.0%, and US$0.2 million, or 3.4%, respectively, for the year ended December 31, 2013 compared to the previous year. Excluding foreign currency effects, net sales of the *Samsonite* and *American Tourister* brands increased by 6.6% and 2.4%, respectively. The Group began selling the *High Sierra* brand in Latin America during 2013 with net sales of US$1.1 million. The introduction of a line of women's handbags under the *Secret* brand name has shown early signs of success with net sales of US$9.3 million during 2013.

Net sales in the travel product category increased by US$4.1 million, or 8.0%, and by 11.0% excluding foreign currency effects year-on-year. Net sales in the casual product category increased by US$7.3 million, or 26.8%, and by 25.8% on a constant currency basis due to strong sales of the *Xtrem* brand during the back-to-school season in Chile, as well as strong sales of the *Samsonite* and *Xtrem* brands in Mexico. Net sales in the business product category were relatively flat year-on-year. Net sales in the accessories product category increased by US$1.4 million, or 10.0%, and by 14.1% on a constant currency basis.

Net sales in the wholesale channel increased by US$9.7 million, or 12.4%, for the year ended December 31, 2013 compared to the previous year and by 14.1% excluding foreign currency effects. Net sales in the retail channel increased by US$1.4 million, or 4.1%, and by 6.5% on a constant currency basis, over the same period. On a same–store, constant currency basis, net sales in the retail channel increased by 5.0%.

The following table sets forth a breakdown of net sales within the Latin American region by geographic location for the years ended December 31, 2013 and December 31, 2012, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2013		2012		2013 vs 2012	
	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	**62,577**	**50.6%**	54,998	48.9%	13.8%	15.7%
Mexico	**35,475**	**28.7%**	34,240	30.4%	3.6%	0.5%
Argentina	**9,762**	**7.9%**	9,628	8.6%	1.4%	8.4%
Brazil [2]	**6,704**	**5.4%**	9,823	8.7%	(31.8)%	(17.7)%
Other [3]	**9,062**	**7.4%**	3,867	3.4%	134.4%	136.8%
Net sales	**123,580**	**100.0%**	112,556	100.0%	9.8%	11.7%

Notes

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

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

(3) The net sales figure for the "Other" geographic location includes sales made in Colombia, Panama, Peru and through the Group'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$128.8 million, or 15.7%, to US$949.5 million (representing 46.6% of net sales) for the year ended December 31, 2013 from US$820.7 million (representing 46.3% of net sales) for the year ended December 31, 2012. Cost of sales increased in line with increased net sales. The slight increase in cost of sales as a percentage of net sales was primarily due to strong sales growth in the wholesale channel in the United States, which has lower gross margins, creating downward pressure on consolidated gross margins.

Gross profit increased by US$137.3 million, or 14.4%, to US$1,088.3 million for the year ended December 31, 2013, from US$951.0 million for the year ended December 31, 2012. Gross profit margin decreased from 53.7% for the year ended December 31, 2012 to 53.4% for the year ended December 31, 2013. This decrease was attributable to the factors noted above.

Distribution Expenses
Distribution expenses increased by US$74.1 million, or 15.9%, to US$540.6 million (representing 26.5% of net sales) for the year ended December 31, 2013, from US$466.5 million (representing 26.3% of net sales) for the year ended December 31, 2012. 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 2013. Distribution expenses as a percentage of net sales remained relatively consistent year-on-year.

Marketing Expenses
The Group spent US$129.2 million (representing 6.3% of net sales) on marketing for the year ended December 31, 2013 compared to US$117.2 million (representing 6.6% of net sales) for the year ended December 31, 2012, an increase of US$12.0 million, or 10.2%. Marketing expenses as a percentage of net sales decreased slightly to 6.3% for year ended December 31, 2013 from 6.6% the previous year due to strong sales growth and some efficiencies in advertising spend. During 2013, the Group continued to employ targeted and focused advertising and promotional campaigns. The Group believes the success of its advertising campaigns is evident in its net sales growth, and remains committed to enhance brand and product awareness and drive additional net sales growth through focused marketing activities.

General and Administrative Expenses
General and administrative expenses increased by US$11.9 million, or 9.9%, to US$133.1 million (representing 6.5% of net sales) for the year ended December 31, 2013 from US$121.1 million (representing 6.8% of net sales) for the year ended December 31, 2012. Although general and administrative expenses increased in absolute terms, such expenses decreased as a percentage of net sales by 30 basis points as the Group maintained tight control of its fixed cost base and leveraged it against strong sales growth. General and administrative expenses for 2013 included US$7.0 million of share-based compensation expense which was not present in the previous year. Excluding the share-based compensation expense, general and administrative expenses increased by 4.0% year-on-year and decreased by 60 basis points as a percentage of net sales.

Other Expenses
The Group recognized net other expenses of US$4.2 million and US$4.4 million for the years ended December 31, 2013 and December 31, 2012, respectively. Other expenses for 2013 include US$1.8 million of assumed pension costs and US$1.1 million of costs related to acquisition efforts. Other expenses for 2012 include acquisition costs of US$6.4 million, which are primarily comprised of costs associated with due diligence and integration activities, severance, and professional and legal fees for the acquisitions of High Sierra and Hartmann that were completed during 2012.

Operating Profit
The Group's operating profit was US$281.3 million for the year ended December 31, 2013, an increase of US$39.6 million, or 16.4%, from operating profit of US$241.7 million for the year ended December 31, 2012.

Net Finance Costs
Net finance costs decreased by US$6.1 million, or 35.7%, to US$11.0 million for the year ended December 31, 2013 from US$17.0 million for the year ended December 31, 2012. This decrease was primarily attributable to a US$2.9 million reduction in foreign exchange losses and a US$2.6 million decrease in the expense recognized for the change in fair value of put options related to agreements with certain holders of non-controlling interests.

Profit before Income Tax
Profit before income tax increased by US$45.6 million, or 20.3%, to US$270.3 million for the year ended December 31, 2013 from US$224.7 million for the year ended December 31, 2012.

Income Tax Expense
Income tax expense increased by US$14.8 million, or 25.6%, to US$72.9 million for the year ended December 31, 2013 from US$58.1 million for the year ended December 31, 2012.

The Group's consolidated effective tax rate for operations was 27.0% and 25.8% for the years ended December 31, 2013 and December 31, 2012, respectively. The effective tax rate is calculated using a weighted average income tax rate from those jurisdictions in which the Group is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and the recognition of previously unrecognized deferred tax assets. The increase in the Group's effective tax rate is attributable to the global mix in profitability in various high and low tax jurisdictions, for example the increased profit contribution from the United States in 2013, which is a relatively higher tax jurisdiction.

Profit for the Year
Profit for the year of US$197.4 million for the year ended December 31, 2013 increased by US$30.8 million, or 18.5%, from US$166.6 million for the year ended December 31, 2012. Profit attributable to the equity holders increased by US$27.6 million, or 18.6%, from US$148.4 million for the year ended December 31, 2012 to US$176.1 million for the year ended December 31, 2013.

Adjusted Net Income, a non-IFRS measure, increased by US$22.0 million, or 13.2%, to US$189.2 million for the year ended December 31, 2013 from US$167.2 million for the year ended December 31, 2012. See the reconciliation of profit for the year to Adjusted Net Income below for a detailed discussion of the Group's results excluding certain non-recurring costs and charges and other non-cash charges that impacted reported profit for the year.

Basic and diluted earnings per share ("EPS") increased by 19.0% to US$0.125 for the year ended December 31, 2013 from US$0.105 for the year ended December 31, 2012. Adjusted basic and diluted EPS, a non-IFRS measure, increased to US$0.134 for the year ended December 31, 2013 from US$0.119 for the year ended December 31, 2012. The weighted average number of shares utilized in the basic EPS calculation remained unchanged year-on-year. The weighted average number of shares utilized in the diluted EPS calculation was the same as the number of shares utilized in the basic EPS calculation as all potentially dilutive instruments were anti-dilutive.

Adjusted EBITDA
Adjusted EBITDA, which is a non-IFRS measure, increased by US$51.2 million, or 17.9%, to US$337.7 million for the year ended December 31, 2013 from US$286.5 million for the year ended December 31, 2012. Adjusted EBITDA margin increased to 16.6% from 16.2% as the Group maintained tight control of its fixed cost base while experiencing strong sales growth.

The following table presents the reconciliation from the Group's profit for the year to Adjusted EBITDA for the years ended December 31, 2013 and December 31, 2012.

(Expressed in thousands of US Dollars)	**Year ended December 31,**	
	2013	2012
Profit for the year	**197,421**	166,627
Plus (Minus):		
Income tax expense	**72,915**	58,073
Finance costs	**11,808**	18,229
Finance income	**(852)**	(1,187)
Depreciation	**36,821**	31,770
Amortization	**8,363**	8,491
EBITDA	**326,476**	282,003
Plus (Minus):		
Share-based compensation expense	**7,036**	–
Other adjustments [(1)]	**4,218**	4,518
Adjusted EBITDA	**337,730**	286,521

Note
(1) Other adjustments primarily comprised of 'Other expense' per the consolidated income statement.

The following tables present a reconciliation from profit for the year to Adjusted EBITDA on a regional basis for the years ended December 31, 2013 and December 31, 2012.

(Expressed in thousands of US Dollars)	**Year ended December 31, 2013**					
	Asia	**North America**	**Europe**	**Latin America**	**Corporate**	**Consolidated**
Profit for the year	**58,197**	**27,304**	**50,243**	**12,558**	**49,119**	**197,421**
Plus (Minus):						
Income tax expense	**19,889**	**21,374**	**11,080**	**2,759**	**17,813**	**72,915**
Finance costs	**4,862**	**353**	**1,511**	**(1,752)**	**6,834**	**11,808**
Finance income	**(264)**	**(3)**	**(254)**	**(3)**	**(328)**	**(852)**
Depreciation	**13,433**	**4,539**	**14,397**	**2,257**	**2,195**	**36,821**
Amortization	**4,207**	**610**	**1,582**	**1,930**	**34**	**8,363**
EBITDA	**100,324**	**54,177**	**78,559**	**17,749**	**75,667**	**326,476**
Plus (Minus):						
Share-based compensation expense	**901**	**1,449**	**1,310**	**179**	**3,197**	**7,036**
Other adjustments[(1)]	**53,347**	**45,011**	**9,910**	**(169)**	**(103,881)**	**4,218**
Adjusted EBITDA	**154,572**	**100,637**	**89,779**	**17,759**	**(25,017)**	**337,730**

Note
(1) Other adjustments primarily comprised of 'Other expense' per the consolidated income statement. Regional results include intercompany royalty income/expense.

(Expressed in thousands of US Dollars)	Year ended December 31, 2012 Asia	North America	Europe	Latin America	Corporate	Consolidated
Profit for the year	64,469	23,732	32,750	10,774	34,902	166,627
Plus (Minus):						
Income tax (expense) benefit	20,136	14,398	9,889	(1,732)	15,382	58,073
Finance costs	3,553	344	648	1,951	11,733	18,229
Finance income	(211)	(16)	(188)	(25)	(747)	(1,187)
Depreciation	10,436	3,396	12,985	2,162	2,791	31,770
Amortization	4,207	400	1,943	1,930	11	8,491
EBITDA	102,590	42,254	58,027	15,060	64,072	282,003
Plus (Minus):						
Share-based compensation expense	–	–	–	–	–	–
Other adjustments[1]	31,051	37,862	21,484	2,143	(88,022)	4,518
Adjusted EBITDA	133,641	80,116	79,511	17,203	(23,950)	286,521

Note
(1) Other adjustments primarily comprised of 'Other expense' per the consolidated income statement. Regional results include intercompany royalty income/expense.

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

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

Adjusted Net Income

Adjusted Net Income, which is a non-IFRS measure, increased by US$22.0 million, or 13.2%, to US$189.2 million for the year ended December 31, 2013 from US$167.2 million for the year ended December 31, 2012.

The following table presents the reconciliation from the Group's profit for the year to Adjusted Net Income for the years ended December 31, 2013 and December 31, 2012.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2013**	2012
Profit for the year	**197,421**	166,627
Profit attributable to non-controlling interests	**(21,334)**	(18,188)
Profit attributable to the equity holders	**176,087**	148,439
Plus (Minus):		
Expenses related to acquisition activities	**1,093**	6,417
Change in fair value of put options	**6,312**	8,908
Amortization of intangible assets(1)	**8,363**	8,491
Tax adjustments	**(2,648)**	(5,041)
Adjusted Net Income(2)	**189,207**	167,214

Notes
(1) Amortization of intangible assets above represents charges related to the amortization of other intangible assets with finite useful lives that were recognized in conjunction business combinations and that do not relate to assets invested in on an ongoing basis.
(2) Represents Adjusted Net Income attributable to the equity holders of the Group.

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

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

Liquidity and Capital Resources

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

The Group's generated cash from operating activities was US$193.0 million for the year ended December 31, 2013, a decrease of US$10.0 million from net cash generated from operating activities of US$203.0 million for the year ended December 31, 2012. Cash flows from operating activities for the year ended December 31, 2013 includes US$33.2 million of contributions to the Group's U.S. pension plan, of which US$20.0 million was a supplemental voluntary contribution. The Group's net U.S. pension benefit obligation has been reduced to US$14.3 million at December 31, 2013 from US$54.7 million at December 31, 2012.

For the year ended December 31, 2013, net cash used in investing activities was US$53.9 million, a decrease of US$125.2 million compared to the previous year. This decrease was due to the acquisitions of High Sierra and Hartmann for a net cash consideration of US$142.0 million during 2012, partially offset by an increase in the purchase of property, plant and equipment to US$57.2 million for the year ended December 31, 2013 from US$37.9 million for the previous year, which was largely attributable to expenditures in connection with the construction of a new warehouse in Belgium, new retail store locations and a new manufacturing plant in Hungary.

Net cash used in financing activities was US$64.7 million for the year ended December 31, 2013, an increase of US$48.1 million compared to the previous year. During 2013, the Group repaid in full the remaining outstanding balance on the Revolving Facility used to partially fund the acquisitions of Hartmann and High Sierra in 2012. The Company paid a distribution of US$37.5 million to shareholders from its ad hoc distributable reserve during the year ended December 31, 2013, representing a 25.0% increase from the US$30.0 million distributed during the previous year.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of December 31, 2013 and December 31, 2012.

	As of December 31,	
(Expressed in thousands of US Dollars)	**2013**	2012
Revolving Credit Facility	—	25,000
Finance lease obligations	**53**	97
Other lines of credit	**15,482**	10,297
Total loans and borrowings	**15,535**	35,394
Less deferred financing costs	**(1,858)**	(3,096)
Total loans and borrowings less deferred financing costs	**13,677**	32,298

The Group had US$225.3 million in cash and cash equivalents at December 31, 2013, compared to US$151.4 million at December 31, 2012.

The Group maintains a revolving credit facility (the "Revolving Facility") in the amount of US$300.0 million. The facility can be increased by an additional US$100.0 million, subject to lender approval. The Revolving Facility has an initial term of three years from its effective date of July 2, 2012, with a one year extension at the request of the Group 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 Group'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. The Revolving Facility is secured by certain assets in the United States and Europe, as well as the Group's intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Group's ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Group was in compliance with the financial covenants as of December 31, 2013. At December 31, 2013, US$294.4 million was available to be borrowed on the Revolving Facility as a result of the utilization of US$5.6 million of the facility for outstanding letters of credit extended to certain creditors. At December 31, 2012, US$269.0 million was available to be borrowed on the Revolving Facility as a result of US$25.0 million of outstanding borrowings and the utilization of US$6.0 million of the facility for outstanding letters of credit extended to certain creditors.

Certain members of the Group maintain credit lines with various third party lenders in the regions in which they operate. These local credit lines provide working capital for the day-to-day business operations of such subsidiaries, including overdraft, bank guarantee, and trade finance and factoring facilities. The majority of these credit lines are uncommitted facilities. The total aggregate amount outstanding under the local facilities was US$15.5 million and US$10.3 million at December 31, 2013 and December 31, 2012, respectively.

The following represents the contractual maturity dates of the Group's loans and borrowings (excluding the impact of netting agreements) as of December 31, 2013 and December 31, 2012.

	As of December 31,	
(Expressed in thousands of US Dollars)	**2013**	2012
On demand or within one year	**15,498**	35,330
Between 1 and 2 years	**17**	22
Between 2 and 5 years	**20**	42
Over 5 years	–	—
	15,535	35,394

Hedging

The Group's non-U.S. subsidiaries periodically enter into forward contracts related to the purchase of inventory denominated primarily in US Dollars which are designated as cash flow hedges. Cash flows associated with these derivatives at December 31, 2013 are expected to be US$94.7 million within one year.

Other Financial Information

Working Capital Ratios

Inventory Analysis

The following table sets forth a summary of the Group's average inventory, cost of sales and average inventory days for the years ended December 31, 2013 and December 31, 2012.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2013**	2012
Average inventory(1)	287,947	257,237
Cost of sales	949,475	820,721
Average inventory turnover days(2)	111	114

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

The Group's average inventory increased in 2013 (US$298.4 million at December 31, 2013 compared to US$277.5 million at December 31, 2012) from 2012 (US$277.5 million at December 31, 2012 compared to US$237.0 million at December 31, 2011) to support increased customer demand and new product introductions, as well as a result of the High Sierra and Hartmann acquisitions completed in the second half of 2012.

Trade and Other Receivables

The following table sets forth a summary of the Group's average trade and other receivables, net sales and turnover of trade and other receivables for the years ended December 31, 2013 and December 31, 2012.

(Expressed in thousands of US Dollars)	**Year ended December 31,**	
	2013	2012
Average trade and other receivables[(1)]	**234,266**	196,856
Net sales	**2,037,812**	1,771,726
Turnover days of trade and other receivables[(2)]	**42**	41

Notes

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

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

The Group's average trade and other receivables increased in 2013 (US$246.4 million at December 31, 2013 compared to US$222.2 million at December 31, 2012) from 2012 (US$222.2 million at December 31, 2012 compared to US$171.6 million at December 31, 2011) in line with the increase in net sales.

Trade receivables as of December 31, 2013 are on average due within 60 days from the date of billing.

Trade and Other Payables

The following table sets forth a summary of the Group's average trade and other payables, cost of sales and turnover days of trade and other payables for the years ended December 31, 2013 and December 31, 2012.

(Expressed in thousands of US Dollars)	**Year ended December 31,**	
	2013	2012
Average trade and other payables[(1)]	**374,864**	324,524
Cost of sales	**949,475**	820,721
Turnover days of trade and other payables[(2)]	**144**	144

Notes

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

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

The increase in average trade and other payables at December 31, 2013 (US$387.2 million at December 31, 2013 compared to US$362.5 million at December 31, 2012) from December 31, 2012 (US$362.5 million at December 31, 2012 compared to US$286.6 million at December 31, 2011) was primarily due to increased inventory purchases period over period and the timing of such purchases.

Trade payables as of December 31, 2013 are on average due within 105 days from the invoice date.

Capital Expenditures

Historical Capital Expenditures

The following table sets forth the Group's historical capital expenditures for the years ended December 31, 2013 and December 31, 2012.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2013**	2012
Land	**188**	2,449
Buildings	**906**	2,562
Machinery, equipment, leasehold improvements and other	**56,145**	32,930
Total capital expenditures	**57,239**	37,941

The increase in the purchase of property, plant and equipment from the previous year was largely attributable to expenditures in connection with the construction of a new warehouse in Belgium, new retail store locations and a new manufacturing plant in Hungary.

Planned Capital Expenditures

The Group's capital expenditures budget for 2014 is approximately US$69.1 million. The Group plans to complete the construction of the new warehouse in Europe that began in 2013, construct an office in Ningbo, China, refurbish existing retail stores, open new retail stores and invest in machinery and equipment.

Contractual Obligations

The following table summarizes scheduled maturities of the Group's contractual obligations for which cash flows are fixed and determinable as of December 31, 2013.

		Payments Due			
(Expressed in thousands of US Dollars)	Total	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loans and borrowings	15,535	15,498	17	20	—
Minimum operating lease payments	231,748	68,558	55,054	86,657	21,479

As of December 31, 2013, the Group did not have any material off-balance sheet arrangements or contingencies except as included in the table summarizing its contractual obligations above.

Gearing Ratio

The following table sets forth the Group's loans and borrowings (excluding deferred financing costs), total equity and gearing ratio as of December 31, 2013 and December 31, 2012.

	As of December 31,	
(Expressed in thousands of US Dollars)	**2013**	2012
Loans and borrowings (excluding deferred financing costs)	**15,535**	35,394
Total equity	**1,230,582**	1,086,105
Gearing ratio[(1)]	**1.3%**	3.3%

Note

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

Other Information

Human Resources and Remuneration

At December 31, 2013, the Group had approximately 8,085 employees worldwide, compared to approximately 7,070 employees at December 31, 2012. The increase in headcount is largely driven by the addition of new retail stores and shop-in-shop expansion in Asia. The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Group.

Strategic Review and Prospects

During 2013, the Group continued to implement its strategic plan in the following areas:

Positive financial results

All key Group metrics showed considerable growth for the year ended December 31, 2013 compared to the year ended December 31, 2012.

- Net sales increased by 15.0% to US$2,037.8 million for the year ended December 31, 2013. Excluding foreign currency effects, net sales increased by 16.1%.
- Operating profit increased by US$39.6 million, or 16.4%.
- Adjusted Net Income increased by US$22.0 million, or 13.2%, year-on-year.
- Adjusted EBITDA increased by 17.9% to US$337.7 million.
- Adjusted EBITDA margin increased to 16.6% from 16.2% reflecting the Group's ability to leverage its cost base against strong sales growth.
- The Group generated US$193.0 million of cash from operating activities.

Significant investment in advertising and promotion

The Group maintained its significant investment in marketing, which amounted to approximately 6.3% of net sales, reflecting its commitment to advertise and promote its brands and products to support sales growth worldwide.

New products in the market

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

Expanded distribution network

The Group continued the further expansion of its distribution network by adding over 1,000 points of sale during the year to over 46,000 points of sale worldwide as of December 31, 2013.

Future Prospects
The Group's growth strategy will continue as planned for 2014, with a focus on the following:

- continue to gain market share by leveraging the strength of the Group's brands, *Samsonite, American Tourister*, *High Sierra* and *Hartmann,* across all of its markets while continuing to capitalize on the robust growth in international travel;
- further expansion of the geographic reach of the *High Sierra* and *Hartmann* brands which were acquired in the second half of 2012;
- introduce new and innovative product designs, adapted to the needs of consumers in different markets, while staying true to the Group's core values of lightness, strength and functionality;
- improve the efficiency and effectiveness of the Group's supply chain and global distribution network;
- increase the Group's investment in research & development and marketing broadly in line with sales growth;
- allocate more resources to the product categories that present the greatest opportunity for the Group to diversify its product offerings and gain market share; and
- actively evaluate acquisition opportunities that have a compelling strategic fit, leveraging the Group's strong management team and balance sheet capacity.

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

Corporate Governance and Other Information

Directors

At December 31, 2013, the composition of the Board was as follows:

Executive Directors

Timothy Charles Parker
Kyle Francis Gendreau
Ramesh Dungarmal Tainwala

Non-Executive Directors

Keith Hamill
Bruce Hardy McLain (Hardy)

Independent Non-Executive Directors

Paul Kenneth Etchells
Miguel Kai Kwun Ko
Ying Yeh

At December 31, 2013, the Board committees were as follows:

Audit Committee/Review of Accounts

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

In compliance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), at least one member of the Audit Committee possesses appropriate professional qualifications in accounting or related financial management expertise in discharging the responsibilities of the Audit Committee. All members have sufficient experience in reviewing audited financial statements as aided by the auditors of the Company whenever required.

The primary duties of the Audit 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 consolidated financial information of the Company for the year ended December 31, 2013 with the Board of Directors.

The figures in respect of the preliminary announcement of the Company's results for the year ended December 31, 2013 have been agreed with the Company's auditors KPMG LLP to the amounts set out in the Company's consolidated financial statements for the year.

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

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

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

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 December 31, 2013, the Group had approximately 8,085 employees worldwide, compared to approximately 7,070 employees at December 31, 2012. The increase in headcount is largely driven by the addition of new retail stores and shop-in-shop expansion in Asia. The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice, employee performance and the financial performance of the Group.

Annual General Meeting
The annual general meeting of the Company will be held on June 5, 2014 (Thursday) ("AGM"). Notice of the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

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 18, 2013, the Company's Board of Directors recommended that a cash distribution in the amount of approximately US$37.5 million, or US$0.02665 per share, be made to the Company's shareholders of record on June 20, 2013 from its ad hoc distributable reserve. The shareholders approved this distribution on June 6, 2013 at the annual general meeting and the distribution was paid on July 12, 2013.

The Board recommends that a cash distribution in the amount of US$80.0 million, or approximately US$0.0568 per share based upon the number of shares outstanding as of the date hereof (the "Distribution") be made to the Company's shareholders from its ad hoc distributable reserve. The per share amount of the Distribution is subject to change in the event that any new shares are issued pursuant to the exercise of outstanding share options before the record date for the Distribution. A further announcement will be made on the record date of the Distribution in the event that the final amount per share changes. The payment shall be made in US dollars, except that payment to shareholders whose names appear on the register of members in Hong Kong shall be paid in Hong Kong dollars. The relevant exchange rate shall be the opening buying rate of Hong Kong dollars to US dollars as announced by the Hong Kong Association of Banks (www.hkab.org.hk) on the day of the approval of the Distribution. The Distribution will be subject to approval by the shareholders at the forthcoming AGM of the Company.

Closure of Register of Members
For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from June 3, 2014 to June 5, 2014, both days inclusive, during which period no transfer of shares will be registered. The record date to determine which shareholders will be eligible to attend and vote at the forthcoming AGM will be June 5, 2014. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on May 30, 2014.

Subject to the shareholders approving the recommended Distribution at the forthcoming AGM, such Distribution will be payable on or about July 11, 2014 to shareholders whose names appear on the register of members on June 17, 2014. To determine eligibility for the Distribution, the register of members will be closed from June 13, 2014 to June 17, 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to receive the Distribution, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on June 12, 2014.

The Distribution will not be subject to withholding tax under Luxembourg laws.

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

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

The Company complied with all applicable code provisions set out in the CG Code throughout the period from January 1, 2013 to December 31, 2013, 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 separated 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), two 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, Remuneration and Nomination committees is 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 ("CFO"). The Company believes this is appropriate because Mr. Livingston is based at the same location as the CFO and works closely with him on a day-to-day basis. In addition, Mr. Livingston works directly with the Company's Chairman and CEO, and with the chairpersons of the various Board committees, with respect to corporate governance and other Board-related matters. Each of Ms. Lau Pik Lee and Ms. Chow Yuk Yin Ivy, the Company's other joint company secretaries during 2013 who served in such capacity from January 1, 2013 to March 18, 2013 and from March 18, 2013 through December 31, 2013, respectively, and were based in Hong Kong, reported to Mr. Livingston. The Company believes this is appropriate because their primary role as joint company secretary was 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 inside information of the Company on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors have confirmed that they complied with the required standard set out in the Trading Policy during the year ended December 31, 2013.

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 year ended December 31, 2013.

Change in Director's Information

Pursuant to Rule 13.51(2) of the Listing Rules, please note that Mr. Ramesh Dungarmal Tainwala, who was President, Asia-Pacific and Middle East, of the Company, has been appointed as Chief Operating Officer of the Company with effect from March 18, 2014. He continues to serve as an Executive Director of the Company.

Pursuant to Rule 13.51(B) (1) of the Listing Rules, please note the following changes in information concerning certain Directors of the Company that have occurred subsequent to the publication of the Company's 2013 interim report:

Mr. Miguel Kai Kwun Ko, an Independent Non-Executive Director of the Company, was appointed as an independent non-executive director of Merlin Entertainments Plc in September 2013.

Mr. Ramesh Dungarmal Tainwala, an Executive Director of the Company, resigned from his appointment as an independent non-executive director of Donear Industries Limited and of Basant Agro Tech (India) Ltd, with effect from December 2013.

Mr. Timothy Charles Parker, an Executive Director of the Company, was appointed as chairman of the Commercial Advisory Panel of the National Trust, a U.K. charitable organization with effect from February 2014.

Mr. Bruce Hardy McLain, a Non-Executive Director of the Company, resigned from his appointment as a director of the Colomer Group with effect from August 2013 and was appointed as a director of Haymon Sports LLC with effect from September 2013.

Company Secretary and Authorized Representative

Mr. John Bayard Livingston and Ms. Chow Yuk Yin Ivy are the Company's Joint Company Secretaries while Mr. Ramesh Dungarmal Tainwala and Ms. Chow are the Company's authorized representatives (pursuant to the Listing Rules). Ms. Chow was appointed as a Joint Company Secretary and an authorized representative of the Company with effect from March 18, 2013.

During 2013, Ms. Lau Pik Lee served as a Joint Company Secretary and an authorized representative of the Company from January 1, 2013 until her resignation on March 18, 2013. Ms. Chow Yuk Yin Ivy served as a Joint Company Secretary and an authorized representative of the Company from March 18, 2013 through December 31, 2013.

During 2013, the Joint Company Secretaries complied with Rule 3.29 of the Listing Rules regarding professional training.

Publication of Final Results and 2013 Annual Report

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 annual report for the year ended December 31, 2013 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, March 19, 2014

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 Bruce Hardy McLain (Hardy) and Keith Hamill and the Independent Non-Executive Directors are Paul Kenneth Etchells, Miguel Kai Kwun Ko and Ying Yeh.