SAMSONITE INTERNATIONAL S.A.
新秀麗國際有限公司

13-15 Avenue de la Liberté, L-1931 Luxembourg
R.C.S. LUXEMBOURG: B 159.469
(Incorporated in Luxembourg with limited liability)
(Stock code: 1910)

QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2018

The Board of Directors of Samsonite International S.A. (the "Company"), together with its consolidated subsidiaries (the "Group"), is pleased to present the unaudited consolidated financial and business review of the Group as of March 31, 2018 and for the three month period then ended, together with comparative figures for the three month period ended March 31, 2017. This announcement is made pursuant to the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

FINANCIAL RESULTS HIGHLIGHTS

(Expressed in millions of US Dollars, except per share data)	Three months ended March 31, 2018	2017	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects(1)
Net sales	**888.2**	733.5	21.1%	15.5%
Operating profit	**86.5**	72.8	18.8%	14.3%
Profit for the period	**48.8**	41.6	17.1%	10.8%
Profit attributable to the equity holders	**43.9**	37.0	18.6%	11.6%
Adjusted Net Income(2)	**50.1**	43.3	15.6%	9.3%
Adjusted EBITDA(3)	**122.9**	110.4	11.4%	5.4%
Adjusted EBITDA Margin(4)	**13.8%**	15.0%		
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.031**	0.026	19.2%	11.5%
Adjusted basic and diluted earnings per share(5) *(Expressed in US Dollars per share)*	**0.035**	0.031	12.9%	6.5%

Notes

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

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

(3) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, which the Group believes is useful in gaining a more complete

understanding of its operational performance and of the underlying trends of its business. See “Adjusted EBITDA” for a reconciliation from the Group’s profit for the period to Adjusted EBITDA.

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

(5) Adjusted basic and diluted earnings per share, both non-IFRS measures, are calculated by dividing Adjusted Net Income by the weighted average number of shares outstanding during the period.

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

Consolidated Income Statements (Unaudited)

(Expressed in thousands of US Dollars, except per share data)	Three months ended March 31, 2018	2017
Net sales	**888,229**	733,458
Cost of sales	**(386,668)**	(327,836)
Gross profit	**501,561**	405,622
Distribution expenses	**(296,674)**	(237,044)
Marketing expenses	**(52,913)**	(39,240)
General and administrative expenses	**(63,673)**	(50,663)
Other expenses, net	**(1,780)**	(5,839)
Operating profit	**86,521**	72,836
Finance income	**239**	413
Finance costs	**(20,654)**	(14,963)
Net finance costs	**(20,415)**	(14,550)
Profit before income tax	**66,106**	58,286
Income tax expense	**(17,351)**	(16,663)
Profit for the period	**48,755**	41,623
Profit attributable to equity holders	**43,937**	37,042
Profit attributable to non-controlling interests	**4,818**	4,581
Profit for the period	**48,755**	41,623
Earnings per share		
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.031**	0.026

Consolidated Statements of Comprehensive Income (Unaudited)

(Expressed in thousands of US Dollars)	Three months ended March 31, 2018	2017
Profit for the period	**48,755**	41,623
Other comprehensive income (loss):		
Items that are or may be reclassified subsequently to profit or loss:		
Changes in fair value of foreign exchange forward contracts, net of tax	**(1,143)**	(1,491)
Changes in fair value of interest rate swaps, net of tax	**7,127**	2,941
Foreign currency translation gains for foreign operations	**11,273**	15,446
Other comprehensive income	**17,257**	16,896
Total comprehensive income for the period	**66,012**	58,519
Total comprehensive income attributable to equity holders	**61,040**	52,608
Total comprehensive income attributable to non-controlling interests	**4,972**	5,911
Total comprehensive income for the period	**66,012**	58,519

Consolidated Statements of Financial Position

(Expressed in thousands of US Dollars)	**(Unaudited) March 31, 2018**	December 31, 2017
Non-Current Assets		
Property, plant and equipment	**306,544**	308,047
Goodwill	**1,345,621**	1,343,021
Other intangible assets	**1,788,480**	1,792,757
Deferred tax assets	**70,177**	66,504
Derivative financial instruments	**34,130**	24,497
Other assets and receivables	**42,790**	40,202
Total non-current assets	**3,587,742**	3,575,028
Current Assets		
Inventories	**617,037**	582,994
Trade and other receivables	**393,922**	411,457
Prepaid expenses and other assets	**167,323**	156,494
Cash and cash equivalents	**299,548**	344,452
Total current assets	**1,477,830**	1,495,397
Total assets	**5,065,572**	5,070,425
Equity and Liabilities		
Equity:		
Share capital	**14,247**	14,218
Reserves	**1,849,417**	1,777,270
Total equity attributable to equity holders	**1,863,664**	1,791,488
Non-controlling interests	**40,199**	40,890
Total equity	**1,903,863**	1,832,378
Non-Current Liabilities		
Loans and borrowings	**1,730,088**	1,744,105
Employee benefits	**23,546**	23,961
Non-controlling interest put options	**56,483**	55,674
Deferred tax liabilities	**344,328**	320,924
Other liabilities	**10,970**	10,754
Total non-current liabilities	**2,165,415**	2,155,418
Current Liabilities		
Loans and borrowings	**104,948**	83,610
Current portion of long-term debt	**69,250**	69,250
Employee benefits	**75,930**	95,053
Trade and other payables	**658,761**	737,077
Current tax liabilities	**87,405**	97,639
Total current liabilities	**996,294**	1,082,629
Total liabilities	**3,161,709**	3,238,047
Total equity and liabilities	**5,065,572**	5,070,425
Net current assets	**481,536**	412,768
Total assets less current liabilities	**4,069,278**	3,987,796

Consolidated Statements of Changes in Equity (Unaudited)

(Expressed in thousands of US Dollars, except number of shares)	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings	Total equity attributable to equity holders	Non-controlling interests	Total equity
Three months ended March 31, 2017:									
Balance, January 1, 2017	1,411,288,901	14,113	976,051	(94,378)	51,300	519,968	1,467,054	43,933	1,510,987
Profit for the period	—	—	—	—	—	37,042	37,042	4,581	41,623
Other comprehensive income (loss):									
Changes in fair value of foreign exchange forward contracts, net of tax	—	—	—	—	(1,484)	—	(1,484)	(7)	(1,491)
Changes in fair value of interest rate swaps, net of tax	—	—	—	—	2,941	—	2,941	—	2,941
Foreign currency translation gains	—	—	—	14,109	—	—	14,109	1,337	15,446
Total comprehensive income for the period	—	—	—	14,109	1,457	37,042	52,608	5,911	58,519
Transactions with owners recorded directly in equity:									
Change in fair value of put options	—	—	—	—	—	(705)	(705)	—	(705)
Share-based compensation expense	—	—	—	—	3,411	—	3,411	—	3,411
Exercise of stock options	1,835,653	18	6,374	—	(1,807)	—	4,585	—	4,585
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(7,847)	(7,847)
Balance, March 31, 2017	1,413,124,554	14,131	982,425	(80,269)	54,361	556,305	1,526,953	41,997	1,568,950

(Expressed in thousands of US Dollars, except number of shares)	Number of shares	Share capital	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Retained earnings	Total equity attributable to equity holders	Non-controlling interests	Total equity
Three months ended March 31, 2018:									
Balance, January 1, 2018	**1,421,811,102**	**14,218**	**1,014,568**	**(47,227)**	**75,949**	**733,980**	**1,791,488**	**40,890**	**1,832,378**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**43,937**	**43,937**	**4,818**	**48,755**
Other comprehensive income (loss):									
Changes in fair value of foreign exchange forward contracts, net of tax	**—**	**—**	**—**	**—**	**(1,143)**	**—**	**(1,143)**	**—**	**(1,143)**
Changes in fair value of interest rate swaps, net of tax	**—**	**—**	**—**	**—**	**7,127**	**—**	**7,127**	**—**	**7,127**
Foreign currency translation gains	**—**	**—**	**—**	**11,119**	**—**	**—**	**11,119**	**154**	**11,273**
Total comprehensive income (loss) for the period	**—**	**—**	**—**	**11,119**	**5,984**	**43,937**	**61,040**	**4,972**	**66,012**
Transactions with owners recorded directly in equity:									
Change in fair value of put options	**—**	**—**	**—**	**—**	**—**	**(874)**	**(874)**	**—**	**(874)**
Share-based compensation expense	**—**	**—**	**—**	**—**	**4,031**	**—**	**4,031**	**—**	**4,031**
Tax effect of outstanding stock options	**—**	**—**	**—**	**—**	**(531)**	**—**	**(531)**	**—**	**(531)**
Exercise of stock options	**2,881,693**	**29**	**11,549**	**—**	**(3,068)**	**—**	**8,510**	**—**	**8,510**
Dividends paid to non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(5,663)**	**(5,663)**
Balance, March 31, 2018	**1,424,692,795**	**14,247**	**1,026,117**	**(36,108)**	**82,365**	**777,043**	**1,863,664**	**40,199**	**1,903,863**

Consolidated Statements of Cash Flows (Unaudited)

(Expressed in thousands of US Dollars)	Three months ended March 31, 2018	2017
Cash flows from operating activities:		
Profit for the period	**48,755**	41,623
Adjustments to reconcile profit to net cash (used in) generated from operating activities:		
Depreciation	**22,123**	20,343
Amortization of intangible assets	**8,439**	7,977
Net change in defined benefit pension plans	**—**	(6,960)
Change in fair value of put options	**(66)**	(1,812)
Non-cash share-based compensation	**4,031**	3,411
Interest expense on financial liabilities	**20,369**	19,748
Income tax expense	**17,351**	16,663
	121,002	100,993
Changes in operating assets and liabilities (excluding allocated purchase price in business combinations):		
Trade and other receivables	**21,512**	38,500
Inventories	**(27,174)**	9,231
Other current assets	**(6,884)**	1,008
Trade and other payables	**(108,326)**	(68,653)
Other assets and liabilities, net	**(5,182)**	(1,849)
Cash (used in) generated from operating activities	**(5,052)**	79,230
Interest paid	**(16,839)**	(17,011)
Income tax paid	**(14,291)**	(27,163)
Net cash (used in) generated from operating activities	**(36,182)**	35,056
Cash flows from investing activities:		
Purchases of property, plant and equipment	**(15,574)**	(14,718)
Other intangible asset additions	**(2,689)**	(605)
Acquisition of businesses, net of cash acquired	**—**	(35,067)
Other proceeds (uses)	**188**	(100)
Net cash used in investing activities	**(18,075)**	(50,490)
Cash flows from financing activities:		
Payments on current portion of long-term debt	**(17,313)**	(9,500)
Proceeds (payments) from current loans and borrowings, net	**19,118**	(9,576)
Payment of deferred financing costs	**—**	(5,371)
Proceeds from the exercise of share options	**11,578**	6,392
Dividend payments to non-controlling interests	**(5,663)**	(7,847)
Net cash provided by (used in) financing activities	**7,720**	(25,902)
Net decrease in cash and cash equivalents	**(46,537)**	(41,336)
Cash and cash equivalents, at beginning of period	**344,452**	368,540
Effect of exchange rate changes on cash and cash equivalents	**1,633**	1,845
Cash and cash equivalents, at end of period	**299,548**	329,049

For the Three Months Ended March 31, 2018

Net Sales

Excluding foreign currency effects, the Group's net sales increased by US$113.8 million, or 15.5%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported net sales increased by US$154.8 million, or 21.1%, to US$888.2 million for the three months ended March 31, 2018. Excluding the net sales attributable to the eBags business, which was acquired on May 5, 2017, net sales on a constant currency basis increased by US$80.8 million, or 11.1%, and US Dollar reported net sales increased by US$121.7 million, or 16.6%.

Excluding foreign currency effects, net sales in the wholesale channel increased by US$42.6 million, or 8.3%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported net sales in the wholesale channel increased by US$71.0 million, or 13.8%. Net sales in the direct-to-consumer channel, which includes company-operated retail stores and direct-to-consumer e-commerce, increased by US$72.7 million, or 33.7%, on a constant currency basis and US Dollar reported net sales increased by US$85.3 million, or 39.5%, to US$300.8 million (representing 33.9% of net sales) for the three months ended March 31, 2018 from US$215.6 million (representing 29.4% of net sales) for the three months ended March 31, 2017. Excluding net sales attributable to the eBags business, total direct-to-consumer net sales increased by US$37.5 million, or 17.4%, on a constant currency basis and US Dollar reported net sales increased by US$50.1 million, or 23.2%. On a same store, constant currency basis, retail net sales increased by 5.0% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. The Group's same store analysis includes existing company-operated retail stores which have been open for at least 12 months before the end of the relevant financial period.

Total direct-to-consumer e-commerce net sales, including net sales of US$35.2 million through eBags for the three months ended March 31, 2018, increased by US$42.7 million, or 128.2%, on a constant currency basis and US Dollar reported net sales increased by US$44.9 million, or 134.6%, to US$78.2 million (representing 8.8% of net sales) for the three months ended March 31, 2018 from US$33.3 million (representing 4.5% of net sales) for the three months ended March 31, 2017. Excluding net sales attributable to the eBags business, net sales in the Group's direct-to-consumer e-commerce business increased by US$7.5 million, or 22.6%, on a constant currency basis and by US$9.7 million, or 29.0%, on a US Dollar reported basis.

Total non-travel category net sales increased by US$60.3 million, or 21.3%, on a constant currency basis and US Dollar reported net sales increased by US$76.1 million, or 26.8%, to US$359.7 million (representing 40.5% of net sales) for the three months ended March 31, 2018 from US$283.6 million (representing 38.7% of net sales) for the three months ended March 31, 2017. The increase in net sales of the non-travel category was partly attributable to the contribution from eBags.

Net Sales by Region

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

- North America - net sales increased by US$52.0 million, or 19.3% (by US$18.9 million, or 7.1%, excluding the contribution from eBags);
- Asia - net sales increased by US$36.5 million, or 13.4%;
- Europe - net sales increased by US$19.1 million, or 13.1%; and
- Latin America - net sales increased by US$7.8 million, or 17.9%.

The following table sets forth a breakdown of net sales by region for the three months ended March 31, 2018 and March 31, 2017, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,				2018 vs 2017	
	2018		2017			
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[(2)]
Net sales by region[(1)]:						
Asia	**324,751**	**36.5%**	271,936	37.1%	19.4 %	13.4 %
North America	**322,482**	**36.3%**	269,761	36.8%	19.5 %	19.3 %
Europe	**186,327**	**21.0%**	146,080	19.9%	27.6 %	13.1 %
Latin America	**53,838**	**6.1%**	43,395	5.9%	24.1 %	17.9 %
Corporate	**831**	**0.1%**	2,286	0.3%	(63.7)%	(63.7)%
Net sales	**888,229**	**100.0%**	733,458	100.0%	21.1 %	15.5 %

Notes

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

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

Asia

Excluding foreign currency effects, the Group's net sales in Asia increased by US$36.5 million, or 13.4%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported net sales for the region increased by US$52.8 million, or 19.4%. This constant currency net sales increase was primarily driven by increased net sales of the *Tumi*, *American Tourister*, *Kamiliant* and *Samsonite* brands.

Net sales of the *Tumi* brand in Asia amounted to US$49.7 million for the three months ended March 31, 2018 compared to US$32.0 million for the three months ended March 31, 2017, an increase of US$16.1 million, or 50.3%, on a constant currency basis and an increase of US$17.7 million, or 55.4%, on a US Dollar reported basis. This increase was driven in part by the impact of the Group assuming direct control of the distribution of the *Tumi* brand in Hong Kong, Macau and China on April 1, 2017 and in Indonesia and Thailand on May 1, 2017. Excluding foreign currency effects, net sales of the *American Tourister* brand in Asia increased by US$11.8 million, or 14.1%, and US Dollar reported net sales increased by US$17.2 million, or 20.7%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017, driven by positive customer response to new product launches supported by increased investment in marketing. For the three months ended March 31, 2018 constant currency net sales of *Kamiliant,* a value-conscious, entry level brand, increased by US$4.1 million, or 61.2%, and US Dollar reported net sales increased by US$4.6 million, or 69.9%, year-on-year. On a constant currency basis, net sales of the *Samsonite* brand in Asia increased by US$3.1 million, or 2.4%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017, and US Dollar reported net sales increased by US$10.8 million, or 8.2%, year-on-year. On a same store, constant currency basis, net sales in the retail channel in Asia increased by 8.8% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017.

Japan experienced strong constant currency growth of 17.2% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017, and net sales on a US Dollar reported basis increased by 22.4% year-on-year driven by the *Tumi*, *Samsonite* and *American Tourister* brands. Excluding foreign currency effects, net sales in China increased by 14.3% for the three months ended March 31, 2018 compared to the same period in the previous year, and net sales on a US Dollar reported basis increased by 24.2% year-on-year driven by the *American Tourister* and *Samsonite* brands, as well as the impact of the Group assuming direct control of the distribution of the *Tumi* brand in China on April 1, 2017. Excluding net sales attributable to the *Tumi* brand in China, net sales on a constant currency basis increased by 9.7%, while net sales on a US Dollar reported basis increased by 19.1% year-on-year. Net sales in South Korea increased by 1.5% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 on a constant currency basis, and net sales on a US Dollar reported basis increased by 8.9% year-on-year. On a constant currency basis, net sales in India increased by 4.9% for the three months ended March 31, 2018 compared to the same period in the previous year, and net sales on a US Dollar reported basis increased by 9.2% year-on-year. On a constant currency basis, net sales in Hong Kong (net sales reported for Hong Kong include net sales made in Macau) increased by 30.8% year-on-year, and net sales on a US Dollar reported basis increased by 30.2%, driven by the *Samsonite* brand, as well as the impact of the Group assuming direct control of the distribution of the *Tumi* brand in Hong Kong and Macau on April 1, 2017. Excluding net sales attributable to the *Tumi* brand in Hong Kong, net sales on a constant currency basis increased by 25.5%, while net sales on a US Dollar reported basis increased by 24.4% year-on-year. Australia had constant currency net sales growth of 4.1% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 driven by increased sales of the *American Tourister* brand.

North America

Excluding foreign currency effects, the Group's net sales in North America increased by US$52.0 million, or 19.3%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported net sales for the North American region increased by US$52.7 million, or 19.5%. Excluding net sales attributable to the eBags business in North America, which was acquired on May 5, 2017, net sales on a constant currency basis increased by US$18.9 million, or 7.1%, and US Dollar reported net sales increased by US$19.7 million, or 7.4%, year-on-year due to organic growth in net sales of the *Tumi*, *Samsonite*, *Speck* and *American Tourister* brands.

Net sales of the *Tumi* brand amounted to US$95.2 million in North America for the three months ended March 31, 2018 compared to US$87.1 million for the three months ended March 31, 2017, an increase of US$7.9 million, or 9.1%, on a constant currency basis and an increase of US$8.1 million, or 9.3%, on a US Dollar reported basis. Excluding foreign currency effects, net sales of the *Samsonite* brand in North America increased by US$5.4 million, or 4.5%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported net sales of the *Samsonite* brand increased by US$5.8 million, or 4.8%. Net sales of the *Speck* brand amounted to US$26.8 million in North America during the three months ended March 31, 2018 compared to US$24.2 million recorded during the three months ended March 31, 2017, an increase of US$2.7 million, or 11.0%, on both a constant currency basis and US Dollar reported basis, due to expanded distribution and new product launches. Excluding foreign currency effects, net sales of the *American Tourister* brand in North America increased by US$2.3 million, or 12.6%, for the three months ended March 31, 2018 and US Dollar reported net sales increased by US$2.4 million, or 13.0%. Products sold under the *eBags* brand, which was acquired on May 5, 2017, contributed net sales of US$9.3 million in North America for the three months ended March 31, 2018. On a same store, constant currency basis, net sales in the retail channel in North America increased by 5.1% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017.

For the three months ended March 31, 2018, US Dollar reported net sales in the United States increased by US$50.0 million, or 19.5%, year-on-year driven by the impact of the eBags business and organic growth. Excluding net sales attributable to the eBags business in the United States, US Dollar reported net sales increased by US$17.0 million, or 6.7%, driven primarily by the *Tumi*, *Samsonite*, *American Tourister* and *Speck* brands. Excluding foreign currency effects, net sales in Canada increased by US$1.9 million, or 14.5%, year-on-year driven by the *Tumi* and *American Tourister* brands.

Europe

Excluding foreign currency effects, the Group's net sales in Europe increased by US$19.1 million, or 13.1%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported net sales for the region increased by US$40.2 million, or 27.6%.

Excluding foreign currency effects, net sales of the *American Tourister* brand in Europe increased by US$10.1 million, or 58.2%, for the three months ended March 31, 2018 and US Dollar reported net sales increased by US$13.6 million, or 78.7%, year-on-year as the Group continued to focus on driving growth of the brand and increasing its presence in Europe, supported by increased investment in marketing. Excluding foreign currency effects, net sales of the *Samsonite* brand in Europe increased by US$7.3 million, or 7.2%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported net sales of the *Samsonite* brand in Europe increased by US$20.7 million, or 20.5%. Net sales of the *Tumi* brand in Europe increased by US$2.4 million, or 14.4%, on a constant currency basis and by US$5.0 million, or 30.8%, on a US Dollar reported basis. On a same store, constant currency basis, net sales in the retail channel in Europe increased by 3.8% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017.

On a constant currency basis, almost all countries within the European region achieved net sales growth during the three months ended March 31, 2018 compared to the three months ended March 31, 2017, including Spain (+10.5%), Italy (+14.8%), France (+10.2%) and the United Kingdom (+6.6%) (net sales reported for the United Kingdom include net sales made in Ireland). On a US Dollar reported net sales basis, these same countries achieved the following growth over the same period in the previous year: Spain (+27.1%), Italy (+32.1%), France (+26.8%) and the United Kingdom (+18.9%). The Group also continued to achieve year-on-year constant currency net sales growth in the emerging markets of Russia (+39.0%) and Turkey (+48.3%).

Latin America

Excluding foreign currency effects, the Group's net sales in Latin America increased by US$7.8 million, or 17.9%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported net sales for the region increased by US$10.4 million, or 24.1%.

Excluding foreign currency effects, net sales of the *Samsonite* brand in Latin America increased by US$3.3 million, or 23.5%, and US Dollar reported net sales increased by US$3.6 million, or 25.4%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. The Group continued to expand the geographical distribution of the *American Tourister* brand in Latin America, where the brand recorded net sales growth of US$3.0 million, or 116.9%, on a constant currency basis and US Dollar reported net sales increased by US$3.2 million, or 128.1%, driven by positive customer response to new product launches supported by increased investment in marketing. Excluding foreign currency effects, net sales of the local brands *Saxoline* and *Xtrem* increased by 0.4% and 9.2%, respectively, year-on-year and US Dollar reported net sales increased by 8.7% and 17.0%, respectively. On a same store, constant currency basis, net sales in the retail channel in Latin America increased by 0.2% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 due to a softer back-to-school season in Chile and a drop in inbound tourists from the rising Chilean Peso, partially offset by strong constant currency same store net sales growth in Brazil driven by the Group's continued investment in enhancing its retail presence in the country.

Excluding foreign currency effects, net sales in Chile increased by US$0.7 million, or 2.6%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 and US Dollar reported net sales for Chile increased by US$2.9 million, or 11.4%, driven by increased net sales of the local brand *Xtrem*. Excluding foreign currency effects, net sales in Mexico increased by US$2.3 million, or 24.5%, for the three months ended March 31, 2018 compared to the same period in the previous year and US Dollar reported net sales for Mexico increased by US$3.2 million, or 34.0%, primarily driven by the *Samsonite*, *American Touriste*r and *Xtrem* brands. Net sales in Brazil increased by US$1.6 million, or 42.6%, on a constant currency basis and US Dollar reported net sales increased by US$1.5 million, or 38.5%, driven by continued retail expansion. Excluding foreign currency effects, net sales in Argentina increased by 190.9% for the three months ended March 31, 2018 compared to the same period in the previous year, and US Dollar reported net sales increased by US$0.8 million, or 132.6%, to US$1.4 million for the three months ended March 31, 2018 from US$0.6 million for the same period in the previous year.

Net Sales by Brand

The following table sets forth a breakdown of net sales by brand for the three months ended March 31, 2018 and March 31, 2017, both in absolute terms and as a percentage of total net sales.

	Three months ended March 31,				2018 vs 2017	
	2018		2017			
	US$'000	**Percentage of net sales**	US$'000	Percentage of net sales	Percentage increase (decrease)	Percentage increase (decrease) excl. foreign currency effects[2]
Net sales by brand:						
Samsonite	**408,523**	**46.0%**	367,690	50.1 %	11.1 %	5.2 %
Tumi	**167,088**	**18.8%**	135,815	18.5 %	23.0 %	19.7 %
American Tourister	**157,640**	**17.7%**	121,184	16.5 %	30.1 %	22.3 %
Speck	**26,825**	**3.0%**	24,184	3.3 %	10.9 %	10.9 %
Gregory	**15,736**	**1.8%**	13,628	1.9 %	15.5 %	11.3 %
High Sierra	**15,545**	**1.8%**	14,124	1.9 %	10.1 %	8.6 %
Kamiliant	**11,312**	**1.3%**	6,621	0.9 %	70.8 %	62.1 %
eBags	**9,316**	**1.0%**	—	— %	*nm*	*nm*
Lipault	**7,909**	**0.9%**	7,189	1.0 %	10.0 %	1.9 %
Hartmann	**5,333**	**0.6%**	5,701	0.8 %	(6.5)%	(9.8)%
Other[1]	**63,002**	**7.1%**	37,322	5.1 %	68.8 %	60.4 %
Net sales	**888,229**	**100.0%**	733,458	100.0 %	21.1 %	15.5 %

Notes

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

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

nm Not meaningful due to the acquisition of eBags on May 5, 2017.

Excluding foreign currency effects, net sales of the *Samsonite* brand increased by US$19.1 million, or 5.2%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017, with all regions reporting constant currency net sales increases of the brand: Asia (+2.4%), North America (+4.5%), Europe (+7.2%) and Latin America (+23.5%). US Dollar reported net sales of the *Samsonite* brand increased by US$40.8 million, or 11.1%, year-on-year, with all regions reporting US Dollar reported net sales increases of the brand: Asia (+8.2%), North America (+4.8%), Europe (+20.5%) and Latin America (+25.4%). *Samsonite* comprised 46.0% of the net sales of the Group during the three months ended March 31, 2018 compared to 50.1% during the same period in the previous year, reflecting the continued diversification of the Group's brand portfolio due to increased contributions from the Group's other brands. Net sales of the *Tumi* brand amounted to US$167.1 million for the three months ended March 31, 2018 compared to US$135.8 million for the three months ended March 31, 2017, an increase of US$26.7 million, or 19.7%, on a constant currency basis and an increase of US$31.3 million, or 23.0%, on a US Dollar reported basis. On a regional basis, the *Tumi* brand reported constant currency net sales increases of 50.3% in Asia, 9.1% in North America and14.4% in Europe. On a US Dollar reported basis, net sales of the *Tumi* brand increased by 55.4% in Asia, 9.3% in North America and 30.8% in Europe.

Excluding foreign currency effects, net sales of the *American Tourister* brand increased by US$27.1 million, or 22.3%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported net sales of the *American Tourister* brand increased by US$36.5 million, or 30.1%, year-on-year, driven by increases in all four regions as a result of positive customer response to new product launches supported by increased investment in marketing. Excluding foreign currency effects, net sales of the *Speck* brand increased by US$2.6 million, or 10.9%, for the three months ended March 31, 2018 compared to the same period in the previous year due to expanded distribution and new product launches. For the three months ended March 31, 2018, *Kamiliant*, a value-conscious, entry level brand, recorded US Dollar reported net sales of US$11.3 million compared to US$6.6 million during the three months ended March 31, 2017. Products sold under the *eBags* brand, which was acquired on May 5, 2017, contributed net sales of US$9.3 million.

Gross Profit

Gross profit for the three months ended March 31, 2018 increased by US$95.9 million, or 23.7%, to US$501.6 million from US$405.6 million for the three months ended March 31, 2017. Gross profit margin increased to 56.5% for the three months ended March 31, 2018 from 55.3% for the three months ended March 31, 2017. The increase in gross profit margin was primarily due to a higher proportion of net sales coming from the direct-to-consumer channel and increased sales of the *Tumi* brand.

Distribution Expenses

Distribution expenses increased by US$59.6 million, or 25.2%, to US$296.7 million (representing 33.4% of net sales) for the three months ended March 31, 2018 from US$237.0 million (representing 32.3% of net sales) for the three months ended March 31, 2017. The increase in distribution expenses was primarily due to the increase in sales volume during the three months ended March 31, 2018. Distribution expenses as a percentage of net sales increased year-on-year primarily due to slightly higher fixed costs associated with the Group's focus on expanding *Tumi*'s brand presence in Europe and Asia, largely in the direct-to-consumer distribution channel.

Marketing Expenses

The Group spent US$52.9 million on marketing during the three months ended March 31, 2018 compared to US$39.2 million for the three months ended March 31, 2017, an increase of US$13.7 million, or 34.8%. As a percentage of net sales, marketing expenses increased by 60 basis points to 6.0% during the three months ended March 31, 2018 compared to 5.4% during the three months ended March 31, 2017. The Group continued to employ targeted and focused advertising and promotional campaigns. The Group believes the success of its advertising campaigns is evident in its net sales growth, and remains committed to enhancing brand and product awareness and driving additional net sales growth through focused marketing activities.

General and Administrative Expenses

General and administrative expenses increased by US$13.0 million, or 25.7%, to US$63.7 million (representing 7.2% of net sales) for the three months ended March 31, 2018 from US$50.7 million (representing 6.9% of net sales) for the three months ended March 31, 2017. General and administrative expenses increased as a percentage of net sales due to higher professional advisory fees, a portion of which were incurred in conjunction with the implementation of new accounting standards. The Group will continue to incur these professional advisory fees throughout 2018 as it works to implement the new accounting standards effective January 1, 2019.

Other Expenses, net

The Group recorded net other expenses of US$1.8 million and US$5.8 million for the three months ended March 31, 2018 and March 31, 2017, respectively. Net other expenses for the three months ended March 31, 2018 included acquisition-related costs totaling US$0.4 million associated with costs incurred with completed acquisitions. Net other expenses for the three months ended March 31, 2017 included acquisition-related costs of US$4.0 million associated with costs incurred with completed and contemplated acquisitions.

Operating Profit

On a constant currency basis, the Group’s operating profit increased by US$10.4 million, or 14.3%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported operating profit of US$86.5 million for the three months ended March 31, 2018 increased by US$13.7 million, or 18.8%, from US$72.8 million for the three months ended March 31, 2017 due to the factors noted above.

Net Finance Costs

Net finance costs increased by US$5.9 million, or 40.3%, to US$20.4 million for the three months ended March 31, 2018 from US$14.5 million for the three months ended March 31, 2017. This increase was attributable to a US$3.8 million decrease in foreign exchange gains year-on-year and a US$1.7 million decrease in the change in fair value of put options related to agreements with certain holders of non-controlling interests for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. Interest expense includes the amortization of deferred financing costs in the amount of US$3.3 million and US$3.2 million for the three months ended March 31, 2018 and March 31, 2017, respectively.

The following table sets forth a breakdown of finance costs for the three months ended March 31, 2018 and March 31, 2017.

	Three months ended March 31,	
(Expressed in thousands of US Dollars)	**2018**	2017
Recognized in income or loss:		
Interest income on bank deposits	**239**	413
Total finance income	**239**	413
Interest expense on financial liabilities measured at amortized cost	**(20,369)**	(19,748)
Change in fair value of put options	**66**	1,812
Net foreign exchange gain	**385**	4,203
Other finance costs	**(736)**	(1,230)
Total finance costs	**(20,654)**	(14,963)
Net finance costs recognized in profit or loss	**(20,415)**	(14,550)

On April 25, 2018, the Group refinanced its senior credit facilities. See the Indebtedness section below.

Income Tax Expense

US Dollar reported income tax expense increased by US$0.7 million, or 4.1%, to US$17.4 million for the three months ended March 31, 2018 from US$16.7 million for the three months ended March 31, 2017.

The Group's consolidated reported effective tax rate for operations was 26.2% and 28.6% for the three months ended March 31, 2018 and March 31, 2017, respectively. The reported effective tax rate was calculated using a weighted average income tax rate from those jurisdictions in which the Group is subject to tax, adjusted for permanent book/tax differences, tax incentives, changes in tax reserves and changes in unrecognized deferred tax assets. The effective tax rate for each period was recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income for the period. The decrease in the Group's effective tax rate was mainly the result of the reduction in the United States corporate tax rate effective January 1, 2018.

Profit for the Period

On a constant currency basis, profit for the period increased by US$4.5 million, or 10.8%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported profit for the period of US$48.8 million for the three months ended March 31, 2018 increased by US$7.1 million, or 17.1%, from US$41.6 million for the same period in the previous year.

On a constant currency basis, profit attributable to the equity holders for the three months ended March 31, 2018 increased by US$4.3 million, or 11.6%, compared to the same period in the previous year. US Dollar reported profit attributable to the equity holders was US$43.9 million for the three months ended March 31, 2018, an increase of US$6.9 million, or 18.6%, from US$37.0 million for the three months ended March 31, 2017, notwithstanding the factors noted above.

Basic and diluted earnings per share ("Basic EPS" and "Diluted EPS") increased by 19.2% to US$0.031 for the three months ended March 31, 2018 from US$0.026 for the three months ended March 31, 2017. The weighted average number of shares utilized in the Basic EPS calculation was 1,423,977,523 shares as of March 31, 2018 compared to 1,411,583,725 shares as of March 31, 2017. The weighted average number of shares outstanding utilized in the Diluted EPS calculation was 1,440,433,671 shares as of March 31, 2018 compared to 1,415,445,577 shares as of March 31, 2017.

Adjusted EBITDA

On a constant currency basis, Adjusted EBITDA, a non-IFRS measure, increased by US$6.0 million, or 5.4%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported Adjusted EBITDA increased by US$12.5 million, or 11.4%, to US$122.9 million for the three months ended March 31, 2018 from US$110.4 million for the three months ended March 31, 2017. Adjusted EBITDA margin decreased by 120 basis points to 13.8% from 15.0% primarily due to the inclusion of eBags which delivered lower profitability as the Group continued to integrate its operations. Excluding eBags, Adjusted EBITDA margin decreased by 60 basis points to 14.4% for the three months ended March 31, 2018 compared to 15.0% for the same period in the previous year, primarily due to increased marketing spend as a percentage of net sales to promote the Group's brands, higher distribution expenses and slightly higher general and administrative expenses as a percentage of net sales, partially offset by higher gross margins. See the reconciliation of profit for the period to Adjusted EBITDA below for the Group's results excluding certain costs and charges and other non-cash charges that impacted US Dollar reported profit for the period.

The following table presents the reconciliation from the Group's profit for the period to Adjusted EBITDA for the three months ended March 31, 2018 and March 31, 2017:

	Three months ended March 31,	
(Expressed in thousands of US Dollars)	**2018**	2017
Profit for the period	**48,755**	41,623
Plus (Minus):		
Income tax expense	**17,351**	16,663
Finance costs	**20,654**	14,963
Finance income	**(239)**	(413)
Depreciation	**22,122**	20,343
Amortization	**8,439**	7,977
EBITDA	**117,082**	101,156
Plus:		
Share-based compensation expense	**4,031**	3,411
Other adjustments(1)	**1,781**	5,787
Adjusted EBITDA	**122,894**	110,354
Adjusted EBITDA growth	**11.4%**	
Adjusted EBITDA margin	**13.8%**	15.0%

Note

(1) Other adjustments primarily comprised of "Other expenses, net" per the consolidated income statement, which includes acquisition-related costs of US$0.4 million and US$4.0 million for the three months ended March 31, 2018 and March 31, 2017, respectively.

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

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

Adjusted Net Income

On a constant currency basis, Adjusted Net Income, a non-IFRS measure, increased by US$4.0 million, or 9.3%, for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. US Dollar reported Adjusted Net Income increased by US$6.8 million, or 15.6%, to US$50.1 million for the three months ended March 31, 2018 from US$43.3 million for the three months ended March 31, 2017. See the reconciliation of profit for the period to Adjusted Net Income below for the Group's results excluding certain costs and charges and other non-cash charges that impacted US Dollar reported profit for the period.

Adjusted Basic EPS and Adjusted Diluted EPS, non-IFRS measures, were US$0.035 for the three months ended March 31, 2018, compared to US$0.031 for the three months ended March 31, 2017.

The following table presents the reconciliation from the Group's profit for the period to Adjusted Net Income for the three months ended March 31, 2018 and March 31, 2017:

	Three months ended March 31,	
(Expressed in thousands of US Dollars)	**2018**	2017
Profit for the period	**48,755**	41,623
Profit attributable to non-controlling interests	**(4,818)**	(4,581)
Profit attributable to the equity holders	**43,937**	37,042
Plus (Minus):		
Change in fair value of put options	**(66)**	(1,812)
Amortization of intangible assets	**8,439**	7,977
Acquisition-related costs	**414**	4,047
Tax adjustments[1]	**(2,646)**	(3,927)
Adjusted Net Income[2]	**50,078**	43,327

Notes

(1) Tax adjustments represent the tax effect of the reconciling line items as included in the consolidated income statements based on the applicable tax rate in the jurisdiction where such costs were incurred.

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

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

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

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of March 31, 2018 and December 31, 2017:

(Expressed in thousands of US Dollars)	**March 31, 2018**	December 31, 2017
Original Term Loan A Facility	**1,187,500**	1,203,125
Original Term Loan B Facility	**664,875**	666,563
Original Revolving Credit Facility	**77,631**	63,589
Original Senior Credit Facilities	**1,930,006**	1,933,277
Other lines of credit	**27,212**	19,923
Finance lease obligations	**337**	337
Total loans and borrowings	**1,957,555**	1,953,537
Less deferred financing costs	**(53,269)**	(56,572)
Total loans and borrowings less deferred financing costs	**1,904,286**	1,896,965

Refinancing of Senior Credit Facilities Through Issuance of €350.0 Million 3.500% Senior Notes Due 2026 and Amendment and Restatement of Senior Credit Facilities (the "Refinancing")

Issuance of €350.0 Million 3.500% Senior Notes Due 2026

On April 25, 2018 (the "Issue Date"), Samsonite Finco S.à r.l., a wholly-owned indirect subsidiary of the Company (the "Issuer"), issued €350.0 million aggregate principal amount of its 3.500% senior notes due 2026 (the "Senior Notes"). The Senior Notes were issued at par pursuant to an indenture (the "Indenture"), dated the Issue Date, among the

Issuer, the Company and certain of its direct or indirect wholly-owned subsidiaries (together with the Company, the "Guarantors"), Deutsche Bank Trust Company Americas, as trustee, paying agent, transfer agent and registrar and HSBC Bank USA, National Association, as security agent.

On the Issue Date, the gross proceeds from the issuance of the Senior Notes were used, together with the gross proceeds from drawings under the New Senior Credit Facilities (as defined below) and existing cash on hand, to (i) refinance the Original Senior Credit Facilities (as defined below) and (ii) pay certain commissions, fees and expenses in connection thereto.

Maturity, Interest and Redemption
The Senior Notes will mature on May 15, 2026. Interest on the aggregate outstanding principal amount of the Senior Notes will accrue at a rate of 3.500% per annum, payable semi-annually in cash in arrears on May 15 and November 15 each year and commencing on November 15, 2018.

The Senior Notes are non-callable until May 15, 2021. At any time prior to May 15, 2021, the Issuer may redeem some or all of the Senior Notes at a price equal to 100% of the principal amount of the Senior Notes redeemed plus accrued and unpaid interest to (but excluding) the redemption date at a "make-whole" premium, which is the present value of all remaining scheduled interest payments to the redemption date using the discount rate (as specified in the Indenture) as of the redemption date plus 50 basis points.

On or after May 15, 2021, the Issuer may redeem all, or from time to time a part, of the Senior Notes at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on May 15 of the years set forth below:

Year	Redemption Price
2021	101.750%
2022	100.875%
2023 and thereafter	100.000%

In addition, at any time prior to May 15, 2021, the Issuer may redeem up to 40% of the Senior Notes with the net proceeds of one or more specified equity offerings at a redemption price of 103.500% of the principal amount of the Senior Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. Furthermore, in the event of certain events defined as constituting a change of control, the Issuer may be required to make an offer to purchase the Senior Notes.

Guarantee and Security
The Senior Notes are guaranteed by the Guarantors on a senior subordinated basis. The Senior Notes are secured by a second-ranking pledge over the shares of the Issuer and a second-ranking pledge over the Issuer's rights in the proceeds loan in respect of the proceeds of the offering of the Senior Notes (the "Shared Collateral"). The Shared Collateral will also secure the New Senior Credit Facilities on a first-ranking basis.

Certain Covenants and Events of Default
The Indenture contains a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and its restricted subsidiaries (including the Issuer) to: (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem the capital stock or subordinated debt of the Company or its restricted subsidiaries, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances, (viii) engage in mergers or consolidations and (ix) impair the security interests in the Shared Collateral. The Indenture also contains certain customary provisions relating to events of default.

Amended and Restated Senior Credit Facilities Agreement
On May 13, 2016, an indirect wholly-owned subsidiary of the Company entered into the original credit and guaranty agreement dated as of May 13, 2016 (the "Original Senior Credit Facilities Agreement") with certain lenders and financial institutions. The Original Senior Credit Facilities Agreement provided for (1) a US$1,250.0 million senior secured term loan A facility (the "Original Term Loan A Facility"), (2) a US$675.0 million senior secured term loan B facility (the "Original Term Loan B Facility" and, together with the Original Term Loan A Facility, the "Original Term Loan Facilities") and (3) a US$500.0 million revolving credit facility (the "Original Revolving Credit Facility," and, together with the Original Term Loan Facilities, the "Original Senior Credit Facilities").

On April 25, 2018, the Company and certain of its direct and indirect wholly-owned subsidiaries entered into an amended and restated credit and guaranty agreement (the "Credit Agreement") with certain lenders and financial institutions. The Credit Agreement provides for (1) a new US$828.0 million senior secured term loan A facility (the "New Term Loan A Facility"), (2) a new US$665.0 million senior secured term loan B facility (the "New Term Loan B Facility" and, together with the New Term Loan A Facility, the "New Term Loan Credit Facilities") and (3) a new US$650.0 million revolving credit facility (the "New Revolving Credit Facility," and, together with the New Term Loan Credit Facilities, the "New Senior Credit Facilities").

On the Closing Date, the gross proceeds from drawings under the New Senior Credit Facilities were used, together with the gross proceeds from the offering of the Senior Notes and existing cash on hand, to (i) refinance the Original Senior Credit Facilities and (ii) pay certain commissions, fees and expenses in connection thereto.

Interest Rate and Fees
Interest on the borrowings under the New Term Loan Credit Facilities and the New Revolving Credit Facility began to accrue on April 25, 2018 when the closing on the New Senior Credit Facilities occurred (the "Closing Date"). Under the terms of the New Senior Credit Facilities:

(a) in respect of the New Term Loan A Facility and the New Revolving Credit Facility, the interest rate payable was reduced with effect from the Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Closing Date from an adjusted rate based on the London Interbank Offered Rate ("LIBOR") plus 2.00% per annum (or a base rate plus 1.00% per annum) to LIBOR plus 1.50% per annum (or a base rate plus 0.50% per annum) and thereafter will be based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings; and

(b) in respect of the New Term Loan B Facility, the interest rate payable was reduced with effect from the Closing Date from an adjusted rate based on LIBOR plus 2.25% per annum with a LIBOR floor of 0.00% (or a base rate plus 1.25% per annum) to LIBOR plus 1.75% per annum with a LIBOR floor of 0.00% (or a base rate plus 0.75% per annum).

In addition to paying interest on outstanding principal under the New Senior Credit Facilities, the borrowers will pay customary agency fees and a commitment fee in respect of the unutilized commitments under the New Revolving Credit Facility. The commitment fee payable was reduced with effect from the Closing Date until the delivery of the financial statements for the first full fiscal quarter commencing on or after the Closing Date from 0.375% per annum to 0.20% per annum. The commitment fee may step up based on the lower rate derived from either the first lien net leverage ratio of the Company and its restricted subsidiaries at the end of each fiscal quarter or the Company's corporate ratings, as applicable, commencing with the first full fiscal quarter ended after the Closing Date.

Amortization and Final Maturity
The New Term Loan A Facility requires scheduled quarterly payments commencing on the first full fiscal quarter ended after the Closing Date, with an annual amortization of 2.5% of the original principal amount of the loans under the New Term Loan A Facility made during each of the first and second years, with a step-up to 5.0% annual amortization during each of the third and fourth years and 7.5% annual amortization during the fifth year, with the balance due and payable on the fifth anniversary of the Closing Date. The New Term Loan B Facility requires scheduled quarterly payments commencing on the first full fiscal quarter ended after the Closing Date, each equal to 0.25% of the original principal amount of the loans under the New Term Loan B Facility, with the balance due and payable on the seventh anniversary of the Closing Date. There is no scheduled amortization of the principal amounts of the loans outstanding under the New Revolving Credit Facility. Any principal amount outstanding under the New Revolving Credit Facility is due and payable on the fifth anniversary of the Closing Date.

Guarantees and Security
The obligations of the borrowers under the New Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company's existing direct or indirect wholly-owned material restricted subsidiaries, and are required to be guaranteed by certain future direct or indirect wholly-owned material restricted subsidiaries organized in the jurisdictions of Luxembourg, Belgium, Canada, Hong Kong, Hungary, Mexico and the United States (the "Credit Facility Guarantors"). All obligations under the New Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of the borrowers and the Credit Facility Guarantors (including the Shared Collateral).

Certain Covenants and Events of Default
The New Senior Credit Facilities contain a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company and its restricted subsidiaries to: (i) incur

additional indebtedness; (ii) pay dividends or distributions on its capital stock or redeem, repurchase or retire its capital stock or its other indebtedness; (iii) make investments, loans and acquisitions; (iv) engage in transactions with its affiliates; (v) sell assets, including capital stock of its subsidiaries; (vi) consolidate or merge; (vii) materially alter the business it conducts; (viii) incur liens; and (ix) prepay or amend any junior debt or subordinated debt. In addition, the Credit Agreement requires the Company and its subsidiaries to meet certain quarterly financial covenants. Commencing with the fiscal quarter ended December 31, 2019, the Company and its subsidiaries are required to maintain (i) a pro forma total net leverage ratio of not greater than 5.50:1.00, which ratio will decrease to 5.25:1.00 for test periods ending in 2020, 5.00:1.00 for test periods ending in 2021 and 4.50:1.00 for test periods ending in 2022; provided that such maximum pro forma total net leverage ratio is subject to a step up of 0.50x from the otherwise applicable ratio, up to a pro forma total net leverage ratio not to exceed 6.00:1.00 for the six fiscal quarter period following the fiscal quarter in which a permitted acquisition has been consummated, and (ii) a pro forma interest consolidated cash interest coverage ratio of not less than 3.00:1.00(collectively, the "Financial Covenants"). The Financial Covenants only apply for the benefit of the lenders under the New Term Loan A Facility and the lenders under the New Revolving Facility. The Credit Agreement also contains certain customary representations and warranties, affirmative covenants and provisions relating to events of default (including upon a change of control).

Interest Rate Swaps
The Group entered into interest rate swap transactions on June 1, 2016 that became effective on December 31, 2016 and will terminate on August 31, 2021. The Group uses the interest rate swap transactions to minimize its exposure to interest rate fluctuations under the floating-rate Original Senior Credit Facilities by swapping certain US Dollar floating-rate bank borrowings with fixed-rate agreements. The interest rate swap agreements will remain in effect following the Refinancing. The notional amounts of the interest rate swap agreements decrease over time in line with required amortization and anticipated prepayments on the Original Term Loan Facilities. LIBOR has been fixed at approximately 1.30% under each agreement. Each of the interest rate swap agreements have fixed payments due monthly that commenced January 31, 2017. The interest rate swap transactions qualify as cash flow hedges. As of March 31, 2018 and December 31, 2017, the interest rate swaps were marked-to-market, resulting in a net asset position to the Group in the amount of US$34.1 million and US$24.5 million, respectively, which was recorded as an asset with the effective portion of the gain deferred to other comprehensive income.

Deferred Financing Costs
The Group incurred certain cost and fees related to the Refinancing. Such costs have been deferred and will be offset against loans and borrowings to be amortized using the effective interest method over the life of the New Term Loan Credit Facilities. The Group has accelerated recognition of the expense associated with the amortization of the previously existing deferred financing costs related to the Original Senior Credit Facilities. The Group will recognize a non-cash charge in the second quarter of 2018 to write-off the remaining previously existing deferred financing costs of US$53.3 million, thereby reducing reported interest expense for future periods.

Revolving Facility
As of March 31, 2018, US$418.5 million was available to be borrowed on the Original Revolving Credit Facility as a result of US$77.6 million of outstanding borrowings and the utilization of US$3.8 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2017, US$432.6 million was available to be borrowed on the Original Revolving Credit Facility as a result of US$63.6 million of outstanding borrowings and the utilization of US$3.8 million of the facility for outstanding letters of credit extended to certain creditors.

The borrowing capacity on the New Revolving Credit Facility was increased to US$650.0 million from US$500.0 million. As of the Closing Date, US$625.5 million was available to be borrowed on the New Revolving Credit Facility as a result of US$20.7 million of outstanding borrowings and the utilization of US$3.8 million of the facility for outstanding letters of credit extended to certain creditors.

Other Loans and Borrowings
Certain consolidated subsidiaries of the Group maintain credit lines and other short-term loans with various third party lenders in the regions in which they operate. Other loans and borrowings are generally variable rate instruments denominated in the functional currency of the borrowing Group entity. These other loans and borrowings provide short-term financing and working capital for the day-to-day business operations of the subsidiaries, including overdraft, bank guarantees, and trade finance and factoring facilities. The majority of the credit lines included in other loans and borrowings are uncommitted facilities. The total aggregate amount outstanding under the local facilities was US$27.2 million and US$19.9 million as of March 31, 2018 and December 31, 2017, respectively.

Contractual Maturities

The following represents the contractual maturity dates of the Group's loans and borrowings as of March 31, 2018 and December 31, 2017:

(Expressed in thousands of US Dollars)	**March 31, 2018**	December 31, 2017
On demand or within one year	**174,198**	152,860
After one year but within two years	**77,167**	77,164
After two years but within five years	**1,075,029**	1,090,669
More than five years	**631,161**	632,844
	1,957,555	1,953,537

Purchases of Property, Plant and Equipment

Purchases of property, plant and equipment of US$15.6 million for the three months ended March 31, 2018 were primarily related to the addition of new retail locations, remodeling of existing locations, continued work on the warehouse in China and investments in machinery and equipment. Purchases of property, plant and equipment of US$14.7 million for the three months ended March 31, 2017 were largely attributable to new or remodeled retail stores and investment in the expansion of the Group's manufacturing facility in Hungary.

Cash Distribution to Equity Holders

On March 14, 2018, the Company's Board of Directors recommended that a cash distribution in the amount of US$110.0 million, or approximately US$0.0772 per share, be made to the Company's shareholders of record on June 7, 2018 from its ad hoc distributable reserve. The distribution will be subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company on June 7, 2018.

GENERAL

This financial and business review as of and for the three month period ended March 31, 2018 is being published to provide shareholders, potential investors and other interested parties with an update of the performance of the Group.

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

The Company's shareholders, potential investors, lenders and other interested parties should note that all figures contained in this announcement are based on the Group's management accounts which have not been audited or reviewed by the auditors. On January 1, 2018, the Group adopted International Financial Reporting Standards ("IFRS") 9, *Financial Instruments* ("IFRS 9") and IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"). The adoption of IFRS 9 and IFRS 15 did not have a material impact on the Group's financial performance or condition. All other accounting policies applied in the preparation of the Group's management accounts are consistent with those used in the preparation of the Company's interim and annual results and reports.

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

By Order of the Board
Samsonite International S.A.
Timothy Charles Parker
Chairman

Hong Kong, May 14, 2018

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