



Samsonite International S.A. Announces 2013 Interim Results

Highlights

- Samsonite's net sales for the six months ended June 30, 2013 increased by 16.5%¹ to another record US\$983.6 million with growth across all regions. Net sales as reported increased by 16.2%.
 - Asia – 15.5%¹ year-on-year sales growth.
 - North America – 30.2%¹ year-on-year sales growth.
 - Europe – 6.9%¹ year-on-year sales growth.
 - Latin America – 5.2%¹ year-on-year sales growth.
- Reported profit for the period increased to US\$94.7 million, representing 16.9%² year-on-year growth after excluding certain tax benefits recognized during the first half of 2012.
- Adjusted Net Income³ increased to US\$92.9 million, representing 17.6%² year-on-year growth after excluding certain tax benefits recognized during the first half of 2012.
- Adjusted EBITDA³ increased by US\$27.2 million to US\$163.7 million, representing 19.9% year-on-year growth.
- Net sales of the *Samsonite* and *American Tourister* brands grew by 5.5%¹ and 25.7%¹, respectively, year-on-year.
- The casual, travel and business categories saw strong double-digit year-on-year growth in net sales, while the accessories category remained relatively flat.
 - In the casual product category, sales increased by 118.6%¹ to US\$108.2 million.
 - In the travel product category, sales increased by 11.0%¹ to US\$724.6 million.
 - In the business product category, sales increased by 11.7%¹ to US\$95.8 million.
- The Company generated US\$56.7 million of cash from operating activities during the six months ended June 30, 2013, leaving a strong net cash position of US\$156.2 million.
- Adjusted earnings per share³ increased to US\$0.066 for the six months ended June 30, 2013 from US\$0.063 for the first half of 2012.

HONG KONG, August 28, 2013 – Samsonite International S.A. (“Samsonite” or “the Company”; SEHK stock code: 1910), today announced its interim results for the six months ended June 30, 2013.

The Company's net sales increased by 16.2% to a record US\$983.6 million for the six months ended June 30, 2013. Excluding foreign currency effects, net sales increased by 16.5%. Samsonite, the world's largest travel luggage company, continued to benefit from and outpace the demand linked to the worldwide growth in travel and tourism⁴.

The Company's operating profit increased by US\$20.6 million, or 17.8%, year-on-year to US\$136.2 million. Profit for the period increased by 16.9% to US\$94.7 million, while Adjusted Net Income increased by 17.6%,

¹ Excluding foreign currency effects.

² Profit for the period and Adjusted Net Income increased by 5.1% and 5.4%, respectively, including the effect of the recognition of US\$9.1 million of certain previously unrecognized deferred tax assets in the first half of 2012.

³ This non-IFRS measure eliminates the effect of a number of non-recurring costs and charges and certain other non-cash items that impact the Company's reported profit for the year. The Company believes the adjusted figures are useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.

⁴ According to the World Tourism Organization (UNWTO), some 298 million tourists travelled worldwide during the first four months of 2013, with international tourist arrivals growing by 4.3% over the same period and growth of between 3% and 4% expected for the full year.

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to US\$92.9 million, after excluding certain tax benefits recognised during the first half of 2012. Including the effect of the recognition of such tax benefits, reported profit for the period and Adjusted Net Income increased by 5.1% and 5.4%, respectively. The Company's Adjusted EBITDA increased by US\$27.2 million, or 19.9%, to US\$163.7 million for the six months ended June 30, 2013.

The Company's strong operating results were matched by a robust level of cash generation: in the first six months of the year, Samsonite generated US\$56.7 million of cash from operations, the balance sheet at June 30, 2013 had a net cash position of US\$156.2 million and all of the US\$142.0 million used to acquire Hartmann and High Sierra last year has been replenished through operating cash flows.

Adjusted earnings per share increased to US\$0.066 for the six months ended June 30, 2013 from US\$0.063 in the first half of 2012. Earnings per share as reported was US\$0.060.

Commenting on the results, Mr. Tim Parker, Chairman and Chief Executive Officer, said, "On-going growth in the travel and tourism sector continues to benefit our business. While the global economy remains challenging in certain geographies, we are seeing positive results across all of our markets, especially Asia and North America. We have introduced a number of new products this year that have been extremely popular with consumers. We've continued to expand our points of sale around the world, with a particular focus on e-commerce channels, and we remain dedicated to our strategy of adapting designs and marketing initiatives to local markets. We see many opportunities ahead to grow our business, and remain confident that we can further strengthen our position as the global market leader in travel and lifestyle products."

Table 1: Key Financial Highlights

	Six months ended June 30, 2013 US\$ million	Six months ended June 30, 2012 US\$ million	Percentage change 2013 vs. 2012	Percentage change 2013 vs. 2012 Excl. Foreign Currency Effects
Net Sales	983.6	846.7	16.2%	16.5%
Operating Profit	136.2	115.5	17.8%	-
Profit for the period⁵	94.7	90.1	5.1%	-
Adjusted Net Income^{5, 6}	92.9	88.1	5.4%	-
Adjusted EBITDA⁶	163.7	136.5	19.9%	-
Basic and diluted earnings per share (US\$)	0.060	0.059	1.7%	-
Adjusted basic and diluted earnings per share⁶ (US\$)	0.066	0.063	4.8%	-

⁵ Profit for the period and Adjusted Net Income increased by 5.1% and 5.4%, respectively, including the effect of the recognition of US\$9.1 million of certain previously unrecognized deferred tax assets in the first half of 2012.

⁶ This non-IFRS measure eliminates the effect of a number of non-recurring costs and charges and certain other non-cash items that impact the Company's reported profit for the year. The Company believes the adjusted figures are useful in gaining a more complete understanding of its operational performance and of the underlying trends of its business.

Net Sales by Brand

Net sales of the Company’s flagship brand, *Samsonite*, increased by 5.1% year-on-year to US\$668.2 million, accounting for 67.9% of the Company’s net sales. Excluding foreign currency effects, net sales of the *Samsonite* brand increased by 5.5%. The *American Tourister* brand recorded net sales of US\$205.7 million, an increase of 25.0%, or 25.7% on a constant currency basis, from the same period in 2012. This growth was largely driven by Asia, which accounted for US\$38.9 million, or 94.4%, of the US\$41.2 million increase in *American Tourister* sales for the six months ended June 30, 2013. The increase in sales for both brands was attributable to expanded product offerings and further penetration of existing markets, all of which was supported by targeted advertising activities.

We have made good progress with the *Hartmann* and *High Sierra* brands acquired last year, with both brands contributing a combined US\$50.5 million to Samsonite’s net sales for the six months ended June 30, 2013. *Hartmann* product ranges have been overhauled, with key customers responding positively to the new designs, while sales of *High Sierra* are meeting targets. The integration of both businesses is substantially complete and plans to expand the product ranges and distribution of both brands in overseas markets are well underway.

The 32.8% increase in net sales of other brands was primarily driven by certain licensed brands in North America and the *Xtrem* and *Secret* brands in Latin America.

Mr. Parker noted, “Although *Samsonite* will always be the Company’s flagship brand, the rapid growth we are seeing from *American Tourister* and the impact of *High Sierra* and *Hartmann* are broadening the spread of sales across the Company’s brand portfolio. This is particularly evident as the demographics of global travellers continue to evolve and we’re seeing the popularity of the *American Tourister* brand really come into focus. The increase of first time or less frequent travellers from emerging markets has driven a rise of consumers who are looking for a dependable, durable product that they can trust, at more value conscious price points.”

Table 2: Net Sales by Brand

Brand	Six months ended June 30, 2013 US\$ million	Six months ended June 30, 2012 US\$ million	Percentage change 2013 vs. 2012	Percentage change 2013 vs. 2012 Excl. Foreign Currency Effects
<i>Samsonite</i>	668.2	635.7	5.1%	5.5%
<i>American Tourister</i>	205.7	164.6	25.0%	25.7%
<i>High Sierra</i> ⁷ / <i>Hartmann</i> ⁸	50.5	1.8	nm ⁹	nm ⁹
Other ¹⁰	59.3	44.6	32.8%	31.1%

⁷ 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 with Samsonite Australia amounted to US\$1.8 million during the six months ended June 30, 2012.

⁸ The *Hartmann* brand was acquired on August 2, 2012.

⁹ Not meaningful due to acquisitions in second half of 2012.

¹⁰ Includes the local brands *Saxoline*, *Xtrem* in Latin America and other owned and licensed brands.

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Net Sales by Region

The Company continued to achieve strong double digit growth across Asia and North America, and stable constant currency growth in Europe and Latin America in the first half of 2013.

Samsonite's net sales in Asia continued to grow across all markets within the region. Asia net sales increased by US\$45.6 million, or 14.0%, to US\$370.2 million for the six months ended June 30, 2013 compared to the previous year. Excluding foreign currency effects, net sales increased by 15.5%. The growth continues to be driven by the *American Tourister* brand, which accounted for US\$38.9 million, or 85.3%, of the Company's overall increase in net sales in the region for the period, as the brand further penetrated the market at lower price points. The Company's *Samsonite Red* brand was the driving force behind a 38.8% increase in the casual product category in the Asia region. The Company also recorded net sales of US\$1.8 million from the *High Sierra* brand in Asia during the first half of 2013 and has begun to develop products specifically designed for the region.

On a constant currency basis, net sales increased in all countries in the Asian region for the six months ended June 30, 2013 compared to the first half of 2012. Driven by the success of the *American Tourister* and *Samsonite Red* brands, South Korea was the Company's strongest performing market in the Asia region, recording 33.7% growth on a constant currency basis. China, which continues to lead the Asian region in terms of total net sales, saw net sales increase 8.1% year-on-year on a constant currency basis, as the Chinese economy continued to moderate. Hong Kong and Japan recorded 17.2% and 19.5% growth year-on-year on a constant currency basis, respectively.

Samsonite added over 350 points of sale in Asia during the first half of 2013, bringing total points of sale in the region to over 6,700 at June 30, 2013. Aside from additional points of sale and increased product offerings, the success of the Company's business in the Asia region has been bolstered by its continued focus on country-specific products and marketing strategies to drive increased awareness of, and demand for, the Company's products.

The Company's net sales in North America, which includes the United States and Canada, increased by US\$71.9 million, or 30.2%, to US\$310.5 million for the six months ended June 30, 2013 compared to the first half of 2012. Excluding foreign currency effects, net sales increased by 30.2%. Net sales of the *High Sierra* and *Hartmann* brands contributed an incremental US\$41.1 million and US\$7.0 million, respectively, during the first half of 2013. Excluding net sales attributable to *High Sierra* and *Hartmann*, net sales in North America increased by 10.0% for the six months ended June 30, 2013 compared to the first half of 2012, with both the *Samsonite* and *American Tourister* brands continuing to grow in line with the Company's expectations. Net sales in the casual product category recorded a considerable increase of US\$42.9 million, or 556.5%, due largely to the acquisition of *High Sierra* in July 2012. Excluding the acquisition of *High Sierra*, net sales in the casual product category increased by a substantial 51.5%. The Company's overall success in North America has largely been due to the addition of the *High Sierra* and *Hartmann* brands, along with its continued focus on marketing and selling regionally developed products, which has enabled it to bring to market products designed to appeal to the tastes and preferences of North American consumers.

Net sales for the European region increased by 7.0% to US\$236.8 million for the six months ended June 30, 2013. Excluding foreign currency effects, net sales for the European region increased by 6.9%. Local currency sales growth in several markets was driven by the positive sell-through of new product introductions and the

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continued success of products manufactured using the Curv material. Germany, the Company's leading market in Europe representing 14.9% of total net sales in the region, achieved 13.0% constant currency sales growth during the period. The Company continued to penetrate the emerging markets of Russia, South Africa and Turkey with year-on-year constant currency net sales growth of 32.0%, 31.8% and 12.6%, respectively.

The Company's business in Italy and Spain continued to be negatively impacted by the weak consumer sentiment resulting from the on-going economic challenges in the Southern European countries. Excluding Italy and Spain, net sales for the European region increased by 10.2% excluding foreign currency effects.

Finally, in Latin America, net sales increased by US\$4.6 million, or 8.1%, to US\$61.5 million for the six months ended June 30, 2013. Excluding foreign currency effects, net sales increased by 5.2%. Chile continues to lead the region in net sales growth, recording an increase of 20.2%, or 15.9% excluding foreign currency effects, due in large part to the strength of luggage sales and robust consumer purchases of backpacks for the back-to-school season. In Brazil, the Company is shifting from a distributor model to a direct import and sales model, which has temporarily had a negative impact on results during the transition. Net sales in Argentina continued to be negatively impacted by import restrictions imposed by the local government. Excluding net sales attributable to Argentina, net sales for the Latin American region increased by 12.4%, or 8.2% excluding foreign currency effects.

Mr. Parker commented, "The Company continues to benefit from our broad geographical spread of operations. Asia and North America once again proved to be our best performing markets. In the US, *Hartmann* and *High Sierra* contributed to the double-digit growth, while Asia advanced on the continuing expansion of points of sale, and further development of the *American Tourister* brand. China remains a region that we are watching closely; although growth in the country has slowed this year, it still only accounts for 9.5% of global sales and is a market in which we see much potential."

Table 3: Net Sales by Region

Region	Six months ended June 30, 2013 US\$ million	Six months ended June 30, 2012 US\$ million	Percentage change 2013 vs. 2012	Percentage change 2013 vs. 2012 Excl. Foreign Currency Effects
Asia	370.2	324.6	14.0%	15.5%
North America	310.5	238.5	30.2%	30.2%
Europe	236.8	221.2	7.0%	6.9%
Latin America	61.5	56.9	8.1%	5.2%

Net Sales by Product Category

Of Samsonite's four principle product categories, travel products are the Company's traditional strength and continue to be its largest product category, accounting for 73.7%, or US\$724.6 million in net sales, for the first six months of 2013. This represents an increase of 11.0% on a constant currency basis from the same period in 2012. Country-specific product designs, locally relevant marketing strategies and expanded points

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of sale, including e-commerce, were the key factors contributing to this increase. Moreover, the Company continued to focus on innovation and ensuring that its products reflect local consumer tastes in each region.

In the first half of 2013, the Company expanded its product offering in the casual category, a category in which Samsonite has historically been under-represented. The expansion in casual products, combined with the contribution from the *High Sierra* brand, resulted in a 120.8% increase in the net sales of casual products, or 118.6% on a constant currency basis. Excluding the acquisition of *High Sierra*, net sales in the casual product category increased by a substantial 40.5% on a constant currency basis. In the business category, Samsonite recorded net sales of US\$95.8 million, a year-on-year increase of 11.7% on a constant currency basis.

Mr. Parker commented, "Sales of *High Sierra* products significantly and positively impacted net sales of the casual category during the first half of the year. In addition to North America and Asia, we also began selling the brand in Latin America during the first half of 2013 and have plans to begin tailoring products specific to the Asian region. Excluding *High Sierra*, net sales in the casual category still grew by 51.5% in North America and 38.8% in Asia, reflecting our efforts to diversify our product offerings."

Table 4: Net Sales by Product Category

Product Category	Six months ended June 30, 2013 US\$ million	Six months ended June 30, 2012 US\$ million	Percentage change 2013 vs. 2012	Percentage change 2013 vs. 2012 Excl. Foreign Currency Effects
Travel	724.6	655.8	10.5%	11.0%
Casual	108.2	49.0	120.8%	118.6%
Business	95.8	86.4	10.9%	11.7%
Accessories	36.4	36.9	(1.3)%	(1.5)%

Points of Sale

The Company expanded its points of sale by approximately 650 in the first half of the year, to over 45,600 points of sale in over 100 countries worldwide as of June 30, 2013. Over 350 points of sale were added in Asia during the first half of the year, bringing the total to over 6,700 points of sale in the region at June 30, 2013. Approximately 70 points of sale were added in China, bringing the total points of sale to just under 1,100 at June 30, 2013.

Marketing

The Company spent US\$64.1 million, or about 6.5% of net sales, on marketing during the six months ended June 30, 2013, reflecting its on-going commitment to advertise and promote its brands and products to support sales growth worldwide. This was an increase of US\$1.0 million, or 1.7% from the US\$63.1 million (representing 7.4% of net sales) spent in the six months ended June 30, 2012. Compelling advertising campaigns continue to help drive sales growth ahead of the industry in all regions.

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Outlook

Looking to the latter half of 2013, Samsonite will continue to maintain the course of its existing growth strategy to increase shareholder value through sustainable revenue and earnings growth. In particular, Samsonite will:

- Continue to gain market share by leveraging the strength of the Company'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 expand 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 Company's core values of lightness, strength and functionality;
- Improve the efficiency and effectiveness of the Company's supply chain and global distribution network;
- Increase the Company'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 Company to diversify its product offerings and gain market share; and
- Actively evaluate acquisition opportunities that have a compelling strategic fit, leveraging the Company's strong management team and balance sheet capacity.

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About Samsonite

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

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These statements are subject to certain known and unknown risks, uncertainties and assumptions, which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Accordingly, you should not place undue reliance on any forward-looking information.

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