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, 2014

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2014, the Group's:

- Net sales increased to a record level of US$2,350.7 million, reflecting a 15.4% increase from the previous year. Excluding foreign currency effects, net sales increased by 17.3%. Excluding amounts attributable to acquisitions made in 2014, net sales increased by US$203.2 million, or 10.0%, and by 11.9% on a constant currency basis.

- Operating profit increased by US$18.0 million, or 6.4%, year-on-year and by US$30.4 million, or 10.8%, excluding acquisition costs.

- Profit attributable to the equity holders increased by US$10.2 million, or 5.8%, year-on-year and by US$28.9 million, or 16.3%, excluding acquisition costs and foreign exchange translation losses.

- Profit for the year increased by US$7.9 million, or 4.0%, year-on-year and by US$26.6 million, or 13.4%, excluding acquisition costs and foreign exchange translation losses.

- Adjusted Net Income(1) increased by US$17.0 million, or 9.0%, year-on-year and by US$23.3 million, or 12.3%, excluding foreign exchange translation losses.

- Adjusted EBITDA(2) increased by US$46.6 million, or 13.8%, to US$384.3 million.

- Adjusted EBITDA margin(3) decreased to 16.4% from 16.6% primarily due to lower margins from brands acquired in 2014.

- The Group generated US$229.9 million of cash from operating activities during 2014 compared to US$193.0 million during 2013. As of December 31, 2014, the Group had cash and cash equivalents of US$140.4 million and financial debt of US$67.6 million (excluding deferred financing costs of US$2.4 million), providing the Group with a net cash position of US$72.9 million.

- On March 16, 2015, the Company's Board of Directors recommended that a cash distribution in the amount of US$88.0 million, or approximately US$0.0625 per share, be made to the Company's shareholders, a 10% increase from the US$80.0 million distribution paid in 2014.

- The Group completed the following acquisitions during 2014:

  - The *Lipault* brand and legal entities ("Lipault"), acquired on April 1, 2014, is a luggage brand founded in France in 2005 whose products are designed to meet the needs of today's savvy travellers, featuring ultra-lightweight, smart designs and bright fashion colors, and constructed using luxurious but durable nylon twill fabric. The acquisition presents opportunities to leverage the Group's industry-leading design and product development capabilities, as well as its distribution network and retail presence to significantly expand the *Lipault* brand in France, additional markets in Europe and the rest of the world.

  - Speculative Product Design, LLC ("Speck Products"), acquired on May 28, 2014, is a leading designer and distributor of slim protective cases for personal electronic devices that are marketed under the *Speck*® brand. Speck Products offers a diverse product range that is sleek, stylish and functionally innovative, and provides superior military-grade protection for smartphones, tablets and laptops from a range of manufacturers. The acquisition enables the Group to strategically extend its brand portfolio beyond its traditional strength in travel luggage products, and provides the Group with a strong brand and product offering resulting in an immediate foothold in the market for protective cases for smartphones, tablets, laptops and other personal electronic devices. It also provides the Group with opportunities to leverage its well-established global distribution network and retail presence to significantly expand the reach of the *Speck* brand in Asia, Europe and Latin America.

  - Substantially all of the assets of Gregory Mountain Products, LLC ("Gregory"). Gregory, acquired on July 23, 2014, is a leader and pioneer in its industry, responsible for many innovations in backpack design. The *Gregory* brand is well-respected by active outdoor and adventure enthusiasts as a leading brand in the premium technical backpack segment. In addition to its technical backpacks, *Gregory* branded lifestyle backpacks are popular in Japan and other Asian countries. The acquisition gives the Group a strong brand and product offering to expand its presence in the high-end segment of the outdoor and casual markets, as well as opportunities to leverage the Group's global marketing and distribution capabilities to significantly expand the *Gregory* brand both in the U.S. and internationally.

- Subsequent to December 31, 2014, the Group completed the acquisition of the business and substantially all of the assets of Rolling Luggage. The acquisition provides the Group with a significant retail footprint in some of the world's leading airports, and further expands the Group's portfolio of retail store locations.

(Expressed in millions of US Dollars, except per share data)	**Year ended December 31,**		Percentage
	2014	2013	change
Net Sales	**2,350.7**	2,037.8	15.4%
Operating Profit	**299.3**	281.3	6.4%
Profit for the year	**205.4**	197.4	4.0%
Profit attributable to the equity holders	**186.3**	176.1	5.8%
Adjusted Net Income(1)	**206.3**	189.2	9.0%
Adjusted EBITDA(2)	**384.3**	337.7	13.8%
Adjusted EBITDA Margin(3)	**16.4%**	16.6%	—
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	**0.132**	0.125	5.6%
Adjusted basic earnings per share(4) *(Expressed in US Dollars per share)*	**0.147**	0.134	9.7%
Adjusted diluted earnings per share(4) *(Expressed in US Dollars per share)*	**0.146**	0.134	9.0%

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, 2014 together with comparative figures for the year ended December 31, 2013. 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

2014 has been another year of excellent progress for your company. As our new CEO Ramesh Tainwala points out in his report, this is the fifth consecutive year that Samsonite has achieved double-digit growth in both net sales and Adjusted EBITDA. Group turnover reached a record US$2.35 billion, up 15.4%, and Adjusted EBITDA increased 13.8% to US$384.3 million. These are the essential statistics, but they only reflect the short-term impact of many of the initiatives taken over the last few years. As I have explained in previous reports, Samsonite is a business with deep historical roots in trading across the globe and an eponymous brand that has come to be the leader in travel goods in almost every significant world market. This has been a firm foundation on which to build a growing business, which we have certainly achieved since Samsonite's stock market flotation in 2011. Along the way, a new vision of the management team has taken shape: this is to develop the Group on a much more ambitious scale, extending our lead in travel goods with *Samsonite* and *American Tourister*, whilst also acquiring additional brands and channels of distribution. We firmly believe that the business has the capacity to double in size over the next few years: 2014 is the first year in our plan to achieve this with an outturn consistent with our long-term ambition.

We are confident that travel, tourism and outdoor leisure, the key drivers of our business, will continue to expand at a steady rate, in excess of GDP in most markets. Part of this expansion reflects the general health of the global economy that in turn drives demand from the business sector. More significant is the impact of rising affluence on tourism and also the time available for leisure activities. It is hard to pinpoint exactly, but the last few years have also seen a shift away from essentially utility-based products to a much more colourful and varied array of designs in our marketplace. This has both reflected and encouraged consumer interest, which bodes well for the future growth of the categories that we are active in. Although there is no lack of competition and new entrants to the markets that we serve, our management team is confident that Samsonite's brands can continue to lead on quality, innovation and visual appeal. This will not be left to chance: we will be significantly increasing the Group's investment in marketing well ahead of sales growth, and we are expanding our design activities globally. We are also continuously looking at new materials and technologies, and will invest further in our own manufacturing facilities where this makes sense.

The broad approach of the business will be to remain nimble and able to respond to changing conditions across global markets. This implies only limited vertical integration of our activities, and a continued emphasis on a decentralised management structure. The local country management is the building block of our relationship with the consumer, and we shape our product offering according to local tastes and needs. However, there are several key areas in which the business is intent on extracting the benefits of scale, in particular purchasing and logistics. As our business becomes more complex in terms of brands, channels and product ranges, it becomes ever more important to find ways to simplify our operations, and to make sure that we do not suffer from initiative overload. Although our model involves the devolution of responsibility to local management where possible, we are very much alive to the opportunities to share knowledge across the Group and avoid duplication of effort. As such, our key managers around the world are in constant contact, especially in the areas of product marketing and sourcing.

In a report and statement of accounts, it is not always easy to convey a clear impression of the style and capability of a management team. One of the advantages of my continuing as Chairman, having been the CEO, is that I know well the executives who make the key decisions in the business on a day-to-day basis. Ultimately the results of your company depend on them getting it right most of the time, and I have confidence that the team under Ramesh Tainwala will do just that. First of all, we have plenty of specialists in all aspects of our industry and indeed some of its most experienced executives. Secondly, we have developed a culture across our business that largely eschews politics, and places fundamental importance on getting things done. The most precious commodity in a dynamic and competitive marketplace is time, and the consistent focus of the team is on maintaining a rapid tempo in management execution. And thirdly, our CEO and CFO are constantly in the marketplace, leading from the front and staying in close touch with key developments in each market.

It is critical that we retain and motivate the key executives in our company, and the Remuneration Committee of the Board looks carefully at a range of factors in considering the long-term incentive programme for senior members of the management team. We have an ambitious programme ahead of us over the next few years, and the Board took the view this year that it was desirable to make a one-off award beyond the usual formula to key members of the senior management team. This was on the recommendation of the CEO (who did not himself wish to be included in this additional award) and in his view, shared by the Board, it will be a strong incentive for the team to realise our growth plans and to remain committed to the business. On 7th January 2015, the Board of Directors granted share options to certain directors and employees entitling the recipients to subscribe to an aggregate of 26,047,211 new ordinary shares.

Our goal is not just to build a bigger business, but also to build a stronger business. We are therefore placing emphasis on the creation of a more diversified Group across geographical markets, product categories, brands and distribution channels. This of course opens up new opportunities for expansion and these are well described in Ramesh's report. However, our intention is also to make the business more resilient, so we are not so reliant on any single brand, market, channel of distribution, or product category. Some time ago the Group moved away from being dependent on the *Samsonite* brand in travel goods sold mainly through wholesale channels in the developed markets of the US and Europe. A major theme running through this year's report is the development of the *American Tourister* brand, which is aimed at the very large middle segment of the travel market. Secondly, we have made a succession of acquisitions of carefully chosen brands that are complementary to *Samsonite* and *American Tourister*: *Hartmann*, *Lipault*, *High Sierra*, *Gregory* and *Speck* all have enormous scope for growth within our global distribution structure. The experience we have gained from absorbing these new brands has been invaluable, and there is now a well-oiled machine standing ready to take advantage of whatever bolt-on opportunities arise in the marketplace. Our most recent buy, Rolling Luggage, coming after the end of the year, establishes a strong retail presence for us in key international airport locations. And we will continue to look at more retail opportunities. As you will see too, we are not letting the explosive growth in online retail pass us by. This distribution channel can be a new driver of profitable growth for our business, and will be the way in which many of our newer and younger customers experience our brands.

From a financial perspective, our company's balance sheet remains ungeared, and therefore well protected against any unforeseen downside risks in the global travel market. If a suitable opportunity occurs, it clearly leaves us with considerable financing possibilities, without fundamentally altering the conservative risk profile of the business. From a cash flow perspective we are focused on improving the EBITDA conversion rate, through improvement of working capital efficiency and effective control over capital expenditure. In 2014, the Group generated US$229.9 million of cash from operating activities and after the payment of a cash distribution to shareholders that was more than double the previous year's, as well as the acquisitions of Lipault, Speck Products and Gregory, we still retained a net cash position of US$72.9 million at the end of the year.

Over the year, earnings per share on an adjusted and diluted basis increased from US$0.134 to US$0.146, an increase of 9.0%. The Board recommends a cash distribution to shareholders for 2015 of US$88.0 million, up 10% on the previous year, and representing approximately US$0.0625 per share.

As Ramesh points out in his report, trading conditions across the world vary at any one time, but we are content with the direction of our business, and confident of achieving our goals for 2015. It remains for me to thank everyone across the worldwide Samsonite community, encompassing our own people and the many businesses that supply and sell our products. Without their commitment, these results would not be possible. And it is because of their dedication that I am confident that Samsonite will continue to prosper in the future.

Timothy Charles Parker
Chairman
March 17, 2015

CHIEF EXECUTIVE OFFICER'S STATEMENT

In my first letter to shareholders since I was appointed CEO last October, I am pleased to share with you another very encouraging set of results for the Group. Samsonite posted double-digit growth in both the topline and Adjusted EBITDA for the fifth year running, and net sales for 2014 reached a new record at US$2.35 billion, an increase of 15.4% over the previous year. Excluding foreign currency effects, net sales increased by 17.3% for the year ended December 31, 2014. All four regions in which we operate recorded double-digit constant currency net sales growth. We also completed the acquisitions of Lipault, Speck Products and Gregory during the year, all of which extend the Group's brand and product offering in a unique way.

The Group's profit attributable to equity holders increased by 5.8% to US$186.3 million. Excluding acquisition costs and foreign exchange translation losses, profit attributable to the equity holders increased by 16.3%.

Adjusted EBITDA increased by 13.8% to US$384.3 million in 2014. Adjusted Net Income, which excludes certain non-operating and one-off costs and gives a clearer picture of the underlying performance of the business, increased by 9.0% to US$206.3 million. Excluding the foreign exchange translation losses noted above, Adjusted Net Income increased by US$23.3 million, or 12.3%, year-on-year. Earnings per share on an adjusted and diluted basis increased from US$0.134 to US$0.146, an increase of 9.0%.

The Group generated US$229.9 million of cash from operating activities in 2014 compared to US$193.0 million in 2013. After payment of the US$80.0 million cash distribution to equity holders in July 2014 and the completion of the Lipault, Speck Products and Gregory acquisitions, the Group ended 2014 in a net cash position of US$72.9 million.

As our Chairman Tim Parker has noted in previous reports, the mark of a successful strategy is one that remains consistent over time, without being unduly inflexible. Our track record reflects the steady execution of our growth strategy, which is underpinned by three key elements. Firstly, we are focused on building resilience within our business by operating a multi-brand, multi-category and multi-channel model. Secondly, we consistently invest in our brands and products, from both an innovation and a marketing perspective. And finally, we are committed to the "glocalisation" of our operations, which is about fully leveraging our global scale while adapting to the needs of local markets. We intend to intensify our efforts in executing these three elements of our overall strategy, while also remaining nimble as we proactively navigate our business to respond to the challenges and opportunities presented by rapidly shifting macroeconomic and market forces.

When we listed Samsonite in 2011, our business was primarily centered on the *Samsonite* brand (78.2% of net sales), focused largely on the single product category of travel luggage (75.8% of net sales), and was distributed principally through the wholesale channel (80.0% of net sales). Over the past few years, we have strategically diversified our business, such that today, we have a more balanced multi-brand, multi-category and multi-channel model which considerably strengthens our ability to weather the myriad of external forces that can buffet individual markets, such as currency movements, natural disasters or changes in political and economic climates.

From a brand perspective, our flagship *Samsonite* remains the leader in the premium luggage segment, accounting for 65.3% of our 2014 net sales. Meanwhile, *American Tourister* has grown from 16.0% of the Group's sales in 2011 to 21.4% in 2014, with a 3-year CAGR of 26.4%, firmly establishing itself as a fashionable, international brand aimed at mid-market consumers. *American Tourister* has been especially successful in Asia, accounting for 43.2% of the region's net sales in 2014, and has a bright future as an aspirational brand for middle class consumers in the region's emerging markets, as well as in those of Latin America. Europe, where *American Tourister* has been under-represented historically, offers another opportunity. Net sales of the brand increased by 54.8% on a constant currency basis in 2014, and comprised 7.5% of Europe's net sales during 2014 compared to 5.4% during the previous year. 2015 will see us aggressively rolling out *American Tourister* throughout Europe.

Hartmann, the iconic luxury luggage and leather products brand which we acquired in 2012, made good progress in 2014. Following the revamp of the brand's product range and the development of its retail store concept, the Group launched *Hartmann* globally in the fourth quarter with the opening of the New York Madison Avenue flagship store in October, followed by the Tokyo Ginza flagship in December. We also opened points of sales in key cities such as London, Paris, Moscow, Beijing, Shanghai, Seoul, Hong Kong and Singapore. All told, *Hartmann* had over 350 points of sales in 19 markets at the end of 2014. Market reaction to the new product line-up has been encouraging, with 2014 net sales growing by 10.3% excluding foreign currency effects. While the brand's footprint is admittedly still small, and it will require patience and investment for further growth, we are confident of *Hartmann's* potential to reclaim its leading position in the luxury segment and to become a sizeable business for the Group over the medium term.

Lipault, the French luggage brand we acquired in April 2014, rounds out our portfolio of luggage offerings with its youthful appeal, signature Parisian style and vibrant colors that will enable us to engage with fashionable, female consumers. *Lipault* is an excellent complement to the more masculine *Samsonite* brand, and we intend to expand its reach to additional markets both inside and outside Europe over the coming year.

Within the Group's non-travel category, both the *High Sierra* brand and the *Samsonite Red* sub-brand in the casual segment performed well. Excluding foreign currency effects, net sales of *High Sierra* grew by 12.2% in North America, and by 24.9% overall on the back of the successful introduction of the brand in Asia, Europe and Latin America. Successful new product introductions and marketing programs helped *Samsonite Red* to record a constant currency net sales increase of 92.7%. Including the contribution from *Gregory*, a brand we acquired in July 2014 that has a strong presence in the premium technical outdoor market, net sales of the casual segment grew by 25.1% excluding foreign currency effects. In total, casual products contributed US$252.1 million and accounted for 10.7% of 2014 net sales.

The acquisition of Speck Products is another exciting extension of our brand portfolio, marking the Group's first foray outside of the 'traditional' luggage space, into a different, yet complementary, product segment. With the immediate foothold that the *Speck* brand offers in the market for protective cases for smartphones, tablets, laptops and other personal electronic devices, net sales in the Group's business and accessories segments grew by 34.6% and 76.3%, respectively, excluding foreign currency effects. The first phase of integrating the brand into our business is complete, and with strong sales of its new iPhone 6 cases, *Speck* contributed better-than-expected turnover of US$91.6 million since its acquisition in May 2014. An important focus for the Group in 2015 will be to leverage Samsonite's global sourcing, logistics and distribution platform to achieve efficiency gains and margin expansion for *Speck*.

In terms of product categories, we continued to make good progress in the travel business, while at the same time growing our non-travel business. Net sales in the travel category, our traditional area of strength, grew by 10.9% excluding foreign currency effects, delivering US$138.6 million, or 44.3%, of the Group's total increase in net sales in 2014. The share of travel has reduced from 74.4% of total net sales in 2013 to 70.4% in 2014, while that of non-travel has grown from 25.6% to 29.6%, demonstrating the progress we have made to diversify our brand and product portfolio. With the continued development of our non-travel brands, the aim is to increase the share of non-travel business up to 50% of total sales in the medium term.

As for distribution, 2014 saw Samsonite pushing for a more balanced channel mix. Historically, we have sold our products primarily through wholesale distribution channels such as department stores. However, two recent developments have prompted the Group to take a fresh look at alternative channels. The first development has been the increasing number of consumers migrating to online purchases, a trend that has disrupted traditional distribution channels but offers the opportunity to strengthen our engagement with consumers. The Group's e-commerce sales, which includes both direct-to-consumer internet sales and wholesale sales to e-tailers, grew by 37.5% in 2014, whereas overall net sales in the wholesale and retail channels increased by 17.2% and 18.3%, respectively, excluding foreign currency effects. The second development has been more internal: with the Group now owning a portfolio of diverse brands covering both travel and non-travel product categories and spanning a wide range of price points, it has become possible for us to consider opening multi-brand bag and luggage specialty stores. In 2014, the Group opened five of such stores under the name J.S. Trunk & Co. around the world, and the initial feedback from customers has been encouragingly positive. Moreover, the Rolling Luggage acquisition, which closed in February 2015, further enables us to strengthen our global retail presence by gaining a share in the large and growing travel retail market with a leading airport retailer. These brick-and-mortar initiatives are being integrated with our online efforts to create an omni-channel presence to more effectively engage consumers, increase visibility for our products and drive sales. Indeed, we believe that this omni-channel model has the potential to grow the proportion of retail sales (including direct-to-consumer internet sales) from 20.2% of our net sales in 2014 to perhaps as much as 50% over the medium term, with positive implications for the Group's margins.

Alongside our strategy to diversify our brands, categories and channels, we continued with our approach to consistently invest in our brands around the world. To that end, the Group spent US$144.7 million on marketing during the year, up 12.0% from 2013. In percentage of sales terms, the spend was down slightly, from 6.3% to 6.2%, but this is largely explained by sales growing faster than planned marketing spend because of the three acquisitions we made during the year. We also continued to be more efficient in our allocation of marketing resources. Excluding the impact of the acquisitions, our marketing spend remained consistent with the previous year at 6.3% of net sales.

It is perhaps our strategic emphasis on "glocalisation" that has most significantly contributed to the Group's track record of delivering solid and consistent growth. The Group's decentralized management structure empowers the people across our regions and individual markets to react swiftly and effectively to local opportunities and challenges, while ensuring that our products consistently offer the highest quality that our consumers around the world expect. At the same time, we have also taken great care to balance the efforts to localize operations with ensuring we leverage our global scale to achieve economies and efficiencies.

Excluding foreign currency effects, all four of the Group's trading regions recorded double-digit constant currency net sales growth in 2014. Considering the macroeconomic headwinds in many markets, such as weaker currencies in Europe, Japan and Latin America, this is a very satisfactory performance. Overall, reported USD net sales grew by 15.4% whereas constant currency net sales increased by 17.3%.

Asia, our largest region, achieved an 18.0% net sales increase in 2014, excluding currency effects. Reported USD net sales increased by 16.1% to US$892.3 million. After a challenging 2013 when sales increased by 5.3%, China staged a strong comeback in 2014 with sales increasing by 18.7%, excluding foreign currency effects. South Korea and India continued to experience robust sales growth, with net sales increasing by 12.8% and 19.9%, respectively. On the back of the Gregory acquisition, Japan experienced strong constant currency growth of 32.3%. Excluding net sales attributable to *Gregory*, net sales in Japan increased by 24.5% on a constant currency basis.

2014 was a great year for our business in North America. Organically, our business benefited from strong new product introductions, reflecting the strength of our business model which gives the local team freedom to tailor products closely to the requirements of major retail partners and consumers. Sales increased by 22.9% on a constant currency basis. Excluding the impact of the acquisitions of Speck Products and Gregory, the increase was still an impressive 7.3% in what is a mature and well-penetrated market. Although it is too early to assess the performance of Speck Products and Gregory, the integration of both businesses is substantially complete and plans are well advanced to expand their respective product ranges and distribution. Overall, reported USD net sales grew by 22.4% to US$761.3 million in 2014.

The Group also did well in Europe despite generally lackluster economic conditions, with constant currency net sales up by 10.4%, and by 9.3% excluding the impact of the Lipault and Gregory acquisitions. Reported USD net sales increased by 8.3% to US$557.9 million in 2014. We are pleased with the performance in Germany, our number one market in the region, where turnover increased by 10.6% on a constant currency basis. The United Kingdom also did well, with sales up 12.2% excluding foreign currency effects. On the back of a recovery in consumer sentiment and the successful introduction of *American Tourister*, Italy and Spain posted constant currency net sales growth of 12.3% and 11.3%, respectively. Conditions were more challenging in France, where our organic business grew by 5.2%, while overall growth was 13.2% including the contribution from the *Lipault* brand acquired in April 2014. The Group’s business in Russia was negatively impacted by the economic downturn and devaluation of the Russian Ruble, but still managed to generate constant currency revenue growth of 5.7%. Constant currency net sales in Turkey and South Africa grew by 34.9% and 25.5%, respectively, as we continued to penetrate these emerging markets.

It was a mixed year for the Group in Latin America. Our main markets of Chile and Mexico both recorded steady constant currency growth of 8.1% and 16.3%, respectively, in 2014. The shift from a distributor model to a direct import and sales structure in Brazil yielded promising results with net sales increasing by 105.0% on a constant currency basis. Similarly, the move to establish our own sales subsidiaries in Colombia, Peru and Panama also showed positive returns, with sales in these three markets combined increasing by approximately 61.7% on a constant currency basis. Our business in Argentina, however, continued to suffer from the government’s import restrictions. Excluding net sales attributable to Argentina, Latin America’s net sales increased by 20.0% on a constant currency basis. Excluding foreign currency effects, net sales for the region increased by 15.7%. These positive gains were offset by currency headwinds, with the USD reported net sales for the region increasing by 5.7% to US$130.6 million.

Looking ahead into 2015, there is no sign of any slowdown in the global growth of travel and tourism, especially in developing markets, which bodes well for our business. Although to be sure, trading conditions across the regions remain a mixed bag, Samsonite is not a company that passively waits for market conditions to improve. Rather, we continually and proactively strategize on how the Group can gain share even when a market may not be growing.

In 2015, our primary focus in North America is to complete the integration of Speck Products and Gregory, and in particular, on improving the operational efficiencies, and hence the profitability, of the former. In the capable hands of Tom Korbas, President, North America and with the region's economy widely expected to continue improving, we aim to maintain steady growth in what is probably our most mature and well-penetrated market. Similarly, Asia by and large continues to offer good prospects for steady long term growth. China, in particular, remains probably our biggest long term growth story. To give the market the attention it deserves, Frank Ma, Vice President of Samsonite China, was promoted to the role of President, Greater China in January 2015. With the efforts of Frank, together with Leo Suh, promoted to President, Asia Pacific and Middle East in March 2014, and their teams, Asia is targeted to deliver steady growth on the back of *American Tourister* and *Samsonite Red*, and with the rollout of *High Sierra*, *Gregory* and *Hartmann* across the region. With currency headwinds gaining strength, the European market is off to a somewhat uncertain start. However, in light of the positive consumer reception of *American Tourister* in Italy and Spain, Fabio Rugarli, President, Europe, and his team are hopeful that a planned region-wide rollout of the brand will enable us to maintain growth momentum. As for Latin America, despite the turbulence in the region's currencies, we remain confident in the market's superb long term growth potential. Roberto Guzmán, who successfully built our Chilean business when he was General Manager of that country, was promoted to the role of President, Latin America in May 2014 to drive the Group's growth in the region.

With materials accounting for a majority of our input costs, the decline in crude oil prices is expected to have a positive impact on our margins, though it will be some months before such savings materialize. Moreover, efficiencies achieved within the Group's newly acquired brands through leveraging our sourcing, distribution and logistics platform and economies of scale will also help. These factors should help mitigate the anticipated margin pressure due to currency headwinds in Asia, Europe and Latin America, helping the Group to maintain margins in 2015. Over the medium term, our margins should benefit from our sales mix gradually shifting to more direct-to-consumer channels.

In 2015, the Group is planning to significantly increase its investment in marketing to support our brands and growth initiatives around the world, particularly to drive the growth of *American Tourister* in Europe and Asia, to further extend the reach of *Samsonite Red* in Asia and to support the global expansion of our acquired brands. Social media and online marketing are assuming an increasingly important role in our overall marketing initiatives as we seek to more effectively engage with a new generation of consumers.

Capital expenditure in 2014 was US$69.6 million compared with US$57.2 million the year before, with the main reasons for the year-on-year increase being the construction of an additional warehouse in Belgium, the expansion of our plant in Hungary and further investment in new retail stores globally. Capital expenditure in 2015 is budgeted to further increase to about US$81.6 million, in order to support a more aggressive expansion of both our offline and our online retail operations, as well as investment in additional store openings in North America, Asia and Europe to support the global *Hartmann* rollout. In 2015, the Group will also continue to invest in growing our Latin American business, as well as in building a new warehouse in China.

2015 will see the Group continue on its clear and defined strategy for future growth, following much the same direction as was established under our Chairman Tim Parker's visionary leadership of the preceding five years. Specifically, our aim for the coming year is to invest more aggressively, both in terms of management resources as well as marketing dollars, in new brands, new channels and new markets, with a view to turning these into significant contributors to Samsonite's growth over the next three to five years. Although relatively small in scale, the Rolling Luggage acquisition which we just completed in February 2015 offers good long term growth potential. The bag and luggage space is highly fragmented and offers many more interesting prospects, and I will be working closely with our CFO Kyle Gendreau and his team to evaluate and act on acquisition opportunities that have a compelling strategic fit, leveraging Samsonite's strong management team and balance sheet capacity. With the continued guidance of Tim and the Board, and with Leo, Frank, Roberto, as well as General Counsel John Livingston, joining senior management team members Kyle, Tom and Fabio, I have full confidence in our combined leadership to deliver another good year in 2015.

I would like to take this opportunity to thank all of our people in our offices around the world, as well as our global suppliers and business partners, for making possible the great set of results the Group achieved in 2014. I look forward to continuing on our exciting journey as we work together to achieve our goals.

Ramesh Dungarmal Tainwala
Chief Executive Officer
March 17, 2015

CONSOLIDATED INCOME STATEMENT

(Expressed in thousands of US Dollars, except per share data)	Note	Year ended December 31, **2014**	2013
Net sales	3	**2,350,707**	2,037,812
Cost of sales		**(1,106,881)**	(949,475)
Gross profit		**1,243,826**	1,088,337
Distribution expenses		**(626,300)**	(540,578)
Marketing expenses		**(144,733)**	(129,221)
General and administrative expenses		**(151,137)**	(133,073)
Other expenses		**(22,379)**	(4,173)
Operating profit		**299,277**	281,292
Finance income	10	**478**	852
Finance costs	10	**(17,383)**	(11,808)
Net finance costs		**(16,905)**	(10,956)
Profit before income tax		**282,372**	270,336
Income tax expense	11	**(77,018)**	(72,915)
Profit for the year		**205,354**	197,421
Profit attributable to the equity holders		**186,256**	176,087
Profit attributable to non-controlling interests		**19,098**	21,334
Profit for the year		**205,354**	197,421
Earnings per share			
Basic and diluted earnings per share *(Expressed in US Dollars per share)*	9	**0.132**	0.125

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, **2014**	2013
Profit for the year		**205,354**	197,421
Other comprehensive income (loss):			
Items that will never be reclassified to profit or loss:			
Remeasurements on defined benefit plans, net of tax		**(17,060)**	4,511
		(17,060)	4,511
Items that are or may be reclassified subsequently to profit or loss:			
Changes in fair value of cash flow hedges, net of tax		**6,988**	(1,569)
Foreign currency translation losses for foreign operations		**(35,087)**	(9,880)
		(28,099)	(11,449)
Other comprehensive income (loss)		**(45,159)**	(6,938)
Total comprehensive income		**160,195**	190,483
Total comprehensive income attributable to the equity holders		**145,095**	173,213
Total comprehensive income attributable to non-controlling interests		**15,100**	17,270
Total comprehensive income for the year		**160,195**	190,483

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of US Dollars)	Note	**December 31, 2014**	December 31, 2013
Non-Current Assets			
Property, plant and equipment, net		**178,325**	155,347
Goodwill		**270,079**	214,356
Other intangible assets, net		**766,687**	662,707
Deferred tax assets		**57,752**	44,401
Other assets and receivables		**23,195**	22,722
Total non-current assets		**1,296,038**	1,099,533
Current Assets			
Inventories		**332,274**	298,377
Trade and other receivables, net	5	**290,841**	246,372
Prepaid expenses and other assets		**71,718**	65,262
Cash and cash equivalents	6	**140,423**	225,347
Total current assets		**835,256**	835,358
Total assets		**2,131,294**	1,934,891
Equity and Liabilities			
Equity:			
Share capital		**14,080**	14,071
Reserves		**1,255,608**	1,178,685
Total equity attributable to equity holders		**1,269,688**	1,192,756
Non-controlling interests		**37,752**	37,826
Total equity		**1,307,440**	1,230,582

(Expressed in thousands of US Dollars)	Note	**December 31, 2014**	December 31, 2013
Non-Current Liabilities			
Loans and borrowings	7	**18**	37
Employee benefits		**49,657**	33,432
Non-controlling interest put options		**58,288**	52,848
Deferred tax liabilities		**107,625**	111,370
Other liabilities		**4,704**	4,879
Total non-current liabilities		**220,292**	202,566
Current Liabilities			
Loans and borrowings	7	**65,131**	13,640
Employee benefits		**62,022**	54,437
Trade and other payables	8	**415,445**	387,239
Current tax liabilities		**60,964**	46,427
Total current liabilities		**603,562**	501,743
Total liabilities		**823,854**	704,309
Total equity and liabilities		**2,131,294**	1,934,891
Net current assets		**231,694**	333,615
Total assets less current liabilities		**1,527,732**	1,433,148

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of US Dollars)	Note	**Year ended December 31,** **2014**	2013
Cash flows from operating activities:			
Profit for the year		**205,354**	197,421
Adjustments to reconcile profit to net cash generated from operating activities:			
Loss (gain) on sale and disposal of assets, net		**39**	(143)
Depreciation		**42,588**	36,821
Amortization of intangible assets		**9,180**	8,363
Provision for doubtful accounts		**1,097**	2,242
Change in fair value of put options		**4,245**	6,312
Net change in defined benefit pension plans		**(8,776)**	(27,813)
Non-cash share-based compensation		**11,041**	7,036
Income tax expense	11	**77,018**	72,915
		341,786	303,154
Changes in operating assets and liabilities (excluding allocated purchase price in business combinations):			
Trade and other receivables		**(42,629)**	(31,575)
Inventories		**(23,450)**	(24,663)
Other current assets		**(196)**	(3,895)
Trade and other payables		**43,993**	29,749
Other assets and liabilities, net		**(13,492)**	(17,486)
Cash generated from operating activities		**306,012**	255,284
Interest paid		**(1,964)**	(1,791)
Income tax paid		**(74,134)**	(60,460)
Net cash generated from operating activities		**229,914**	193,033

(Expressed in thousands of US Dollars)	Note	**Year ended December 31,** **2014**	2013
Cash flows from investing activities:			
Purchases of property, plant and equipment		**(69,636)**	(57,239)
Acquisition of businesses, net of cash acquired		**(196,665)**	—
Other proceeds (uses)		**(821)**	3,306
Net cash used in investing activities		**(267,122)**	(53,933)
Cash flows from financing activities:			
Current loans and borrowings proceeds (payments), net		**52,607**	(18,793)
Payment of deferred financing costs		**(2,001)**	—
Proceeds from stock option exercises		**2,809**	—
Cash distribution to equity holders	9	**(80,000)**	(37,500)
Dividend payments to non-controlling interests		**(15,075)**	(8,359)
Net cash used in financing activities		**(41,660)**	(64,652)
Net increase (decrease) in cash and cash equivalents		**(78,868)**	74,448
Cash and cash equivalents, at January 1		**225,347**	151,399
Effect of exchange rate changes on cash and cash equivalents		**(6,056)**	(500)
Cash and cash equivalents, at December 31	6	**140,423**	225,347

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, travel accessories and slim protective cases for personal electronic devices throughout the world, primarily under the *Samsonite*®, *American Tourister*®, *Hartmann*®, *High Sierra*®, *Gregory*®, *Speck*® and *Lipault*® 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 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, North America, Europe and Latin America.

The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). 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, 2014.

These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(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;
- North America – which includes operations in the United States of America and Canada;
- Europe – which includes operations in European countries as well as South Africa;
- 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, 2014 and December 31, 2013 is as follows:

	Year ended December 31, 2014					
(Expressed in thousands of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America**	**Corporate**	**Consolidated**
External revenues	**892,258**	**761,310**	**557,934**	**130,606**	**8,599**	**2,350,707**
Operating profit	**108,030**	**50,719**	**69,195**	**3,401**	**67,932**	**299,277**
Operating profit excluding intragroup charges	**169,043**	**101,868**	**74,335**	**6,644**	**(52,613)**	**299,277**
Depreciation and amortization	**18,635**	**10,120**	**17,203**	**4,001**	**1,809**	**51,768**
Capital expenditures	**18,931**	**12,259**	**32,480**	**3,955**	**2,011**	**69,636**
Interest income	**354**	**6**	**107**	**9**	**2**	**478**
Interest expense	**(622)**	**(17)**	**(164)**	**(219)**	**(2,672)**	**(3,694)**
Income tax (expense) benefit	**(24,232)**	**(20,177)**	**(22,049)**	**926**	**(11,486)**	**(77,018)**
Total assets	**568,960**	**767,971**	**441,078**	**100,427**	**252,858**	**2,131,294**
Total liabilities	**209,397**	**494,438**	**181,636**	**65,964**	**(127,581)**	**823,854**

	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 intragroup 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	(188,000)	704,309

(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, 2014	2013
Asia:		
China	**227,454**	192,187
South Korea	**189,502**	161,182
India	**126,653**	110,526
Japan	**77,855**	64,172
Hong Kong[1]	**74,899**	66,765
Australia	**48,613**	42,666
United Arab Emirates	**37,208**	30,501
Singapore	**25,622**	23,056
Thailand	**24,897**	22,949
Taiwan	**23,131**	19,582
Indonesia	**20,347**	20,195
Other	**16,077**	14,582
Total Asia	**892,258**	768,363
North America:		
United States	**720,737**	589,618
Canada	**40,573**	32,123
Total North America	**761,310**	621,741
Europe:		
Germany	**81,847**	74,333
France	**75,473**	67,005
Belgium	**65,239**	60,330
Italy	**60,799**	54,079
United Kingdom	**45,684**	38,705
Spain	**44,812**	40,286
Russia	**40,037**	44,679
Holland	**26,474**	25,140
Switzerland	**19,567**	19,334
Sweden	**17,053**	16,549
Turkey	**15,925**	13,422
Austria	**15,695**	14,309
Norway	**15,170**	15,992
Other	**34,159**	31,014
Total Europe	**557,934**	515,177
Latin America:		
Chile	**58,898**	62,577
Mexico	**39,830**	35,475
Brazil	**18,925**	9,762
Other	**12,953**	15,766
Total Latin America	**130,606**	123,580
Corporate and other (royalty revenue):		
Luxembourg	**8,456**	8,797
United States	**143**	154
Total Corporate and other	**8,599**	8,951
Total	**2,350,707**	2,037,812

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.

	December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Luxembourg	**639,777**	588,952
United States	**87,851**	31,127
Belgium	**66,569**	58,747
Hungary	**21,632**	18,331
India	**18,378**	18,772
China	**16,719**	16,096
Hong Kong	**14,569**	9,205
Chile	**12,738**	15,099
South Korea	**10,856**	10,790

(4) Business Combinations

The Group completed three business combinations during the year ended December 31, 2014.

(a) Lipault

On April 1, 2014, a wholly owned subsidiary within the Group completed the acquisition of (i) Distri Bagages, a *société à responsabilité limitée*, incorporated and organized under the Laws of France, and (ii) Licences et Développements, a *société à responsabilité limitée*, incorporated and organized under the Laws of France (collectively, the "Lipault Entities") for cash consideration of EUR 20.0 million, with a subsequent working capital adjustment of EUR 0.1 million, for a total purchase price of EUR 20.1 million. The Group purchased all of the outstanding capital stock of the Lipault Entities.

Lipault is a luggage brand founded in France in 2005, whose products are designed to meet the needs of today's savvy travellers, featuring ultra-lightweight, smart designs and bright fashion colors, and constructed using luxurious but durable nylon twill fabric.

The acquisition further expands the Group's brand portfolio and presents opportunities to leverage the Group's industry leading design and product development capabilities, as well as its distribution network and retail presence, to significantly expand the *Lipault* brand in France, additional markets in Europe and the rest of the world. *Lipault* is a youthful brand that will help the Group engage with the fashionable, female consumers through its signature Parisian style and vibrant colors.

From the date of acquisition, the Lipault Entities contributed US$5.5 million of revenue and a loss of US$0.7 million to the consolidated financial results of the Group for the year ended December 31, 2014.

The following table summarizes the recognized amounts of assets and liabilities acquired and liabilities assumed at the acquisition date as an allocation of the purchase price.

(Expressed in thousands of US Dollars)	
Property, plant and equipment	600
Identifiable intangible assets	14,838
Other non-current assets	121
Inventories	1,231
Trade and other receivables	1,249
Other current assets	54
Trade and other payables	(1,114)
Deferred tax liabilities	(4,695)
Other current liabilities	(448)

The trade and other receivables includes trade receivables with gross contractual amounts due of US$1.2 million, none of which was expected to be uncollectible at the acquisition date.

The table above represents the final purchase price allocation. No changes were made to the preliminary purchase price allocation of provisional amounts disclosed in the 2014 Interim Report.

Goodwill in the amount of US$15.8 million was recognized as a result of the acquisition. The goodwill is attributable mainly to the synergies expected to be achieved from integrating Lipault in the Group's existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

(b) Speculative Product Design, LLC ("Speck Products")

On May 28, 2014, a wholly owned subsidiary within the Group completed the acquisition of Speck Products for cash consideration of US$85.0 million, with a subsequent working capital adjustment of US$0.04 million, for a total purchase price of US$85.0 million. The Group purchased all of the outstanding capital stock of Speck Products.

Founded in Silicon Valley, California in 2001, Speck Products is a leading designer and distributor of slim protective cases for personal electronic devices that are marketed under the *Speck*® brand. Speck Products offers a diverse product range that is sleek, stylish and functionally innovative, and provides superior, military-grade protection for smartphones, tablets and laptops from a range of manufacturers. The *Speck* brand is particularly well-known for its "slim protection" designs such as the iconic Candy Shell smartphone case, which is constructed using a "hard-soft" technology that Speck Products pioneered.

The acquisition enables the Group to strategically extend its brand portfolio beyond its traditional strength in travel luggage products, and provides the Group with a strong brand and product offering resulting in an immediate foothold in the market for protective cases for smartphones, tablets, laptops and other personal electronic devices. It also provides the Group with opportunities to leverage its well-established global distribution network and retail presence to significantly expand the reach of the *Speck* brand in Asia, Europe and Latin America.

From the date of acquisition, Speck Products contributed US$91.6 million of revenue and profit of US$1.6 million to the consolidated financial results of the Group for the year ended December 31, 2014.

The following table summarizes the recognized amounts of assets and liabilities acquired and liabilities assumed at the acquisition date as an allocation of the purchase price.

(Expressed in thousands of US Dollars)	
Property, plant and equipment	6,420
Identifiable intangible assets	43,900
Other non-current assets	1,008
Inventories	24,073
Trade and other receivables	12,085
Other current assets	1,877
Other non-current liabilities	(2,041)
Trade and other payables	(19,170)
Other current liabilities	(6,096)

The trade and other receivables include trade receivables with gross contractual amounts due of US$12.8 million, of which US$0.8 million was expected to be uncollectible at the acquisition date.

Subsequent to the publication of the preliminary purchase price allocation of provisional amounts in the Company's 2014 Interim Report, an additional US$0.7 million of current liabilities was identified. The table above represents the final purchase price allocation and has been updated from the interim disclosure to reflect this amount.

Goodwill in the amount of US$22.9 million was recognized as a result of the acquisition. The goodwill is attributable mainly to the synergies expected to be achieved from integrating Speck Products in the Group's existing business. Approximately half of the goodwill recognized is expected to be deductible for tax purposes.

(c) Gregory Mountain Products ("Gregory")

On July 23, 2014, certain of the Group's wholly-owned subsidiaries (the "Samsonite Purchasers") purchased substantially all of the assets of Gregory Mountain Products, LLC ("Gregory") for US$84.1 million. The Samsonite Purchasers purchased substantially all of the assets of Gregory excluding cash, certain receivables, and certain other retained assets and assumed all balance sheet liabilities and certain contractual liabilities of Gregory.

The acquisition gives the Group a strong brand and product offering to expand its presence in the high-end segment of the outdoor and lifestyle casual markets, as well as opportunities to leverage the Group's global marketing and distribution capabilities to significantly expand the *Gregory* brand both in the U.S. and internationally. The *Gregory* brand is a leader and pioneer in its industry, responsible for many innovations in backpack design. It is well-respected by active outdoor and adventure enthusiasts as a leading brand in the premium technical backpack segment. In addition to technical backpacks, *Gregory* branded lifestyle backpacks are popular in Japan and other Asian countries.

From the date of acquisition, Gregory contributed US$12.6 million of revenue and profit of US$0.2 million to the consolidated financial results of the Group for the year ended December 31, 2014.

The following table summarizes the recognized amounts of assets and liabilities acquired and liabilities assumed at the acquisition date as an allocation of the purchase price.

(Expressed in thousands of US Dollars)	
Identifiable intangible assets	54,660
Inventories	7,117
Trade and other receivables	6,253
Other current assets	124
Trade and other payables	(1,485)
Other current liabilities	(1,588)

The trade and other receivables include trade receivables with gross contractual amounts due of US$4.8 million, of which US$0.1 million was expected to be uncollectible at the acquisition date.

The table above represents the final purchase price allocation. Goodwill in the amount of US$19.0 million was recognized as a result of the acquisition. The goodwill is attributable mainly to the synergies expected to be achieved from integrating Gregory in the Group's existing business. Approximately half of the goodwill recognized is expected to be deductible for tax purposes.

(5) Trade and Other Receivables

Trade and other receivables are presented net of related allowances for doubtful accounts of US$13.5 million and US$14.4 million as of December 31, 2014 and December 31, 2013, respectively.

(a) Aging Analysis

Included in trade and other receivables are trade receivables (net of allowance for doubtful accounts) of US$276.3 million and US$233.7 million as of December 31, 2014 and December 31, 2013, respectively, with the following aging analysis by invoice date:

	December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Current	**234,230**	195,080
Past due	**42,066**	38,612
Total trade receivables	**276,296**	233,692

Credit terms are granted based on the credit worthiness of individual customers. As of December 31, 2014, 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:

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
At January 1	**14,353**	12,872
Impairment loss recognized	**1,097**	2,242
Impairment loss written back	**(1,991)**	(761)
At December 31	**13,459**	14,353

(6) Cash and Cash Equivalents

	December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Bank balances	**138,096**	195,162
Short-term investments	**1,517**	30,185
Total cash and cash equivalents	**140,423**	225,347

Short-term investments are comprised of overnight sweep accounts and time deposits. As of December 31, 2014 and December 31, 2013 the Group had no restrictions on the use of any of its cash.

(7) Loans and Borrowings

(a) Non-current Obligations

	December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Finance lease obligations	**32**	53
Less current installments	**(14)**	(16)
Non-current loans and borrowings	**18**	37

(b) Current Obligations

The Group had the following current obligations:

	December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Revolving Credit Facility	**60,000**	—
Current installments of non-current obligations	**14**	16
Other lines of credit	**7,536**	15,482
Total current obligations	**67,550**	15,498
Less deferred financing costs	**(2,419)**	(1,858)
Current loans and borrowings	**65,131**	13,640

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$7.5 million and US$15.5 million at December 31, 2014 and December 31, 2013, respectively. The unused available lines of credit amounted to US$87.3 million and US$81.2 million as of December 31, 2014 and December 31, 2013, respectively.

On June 17, 2014, the Group amended its revolving credit facility (the "Revolving Facility") to increase the maximum borrowings available thereunder from US$300.0 million to US$500.0 million and to extend the term of the facility until June 17, 2019. The facility can be increased by an additional US$300.0 million, subject to lender approval. The Revolving Facility has an initial term of five years from its effective date of June 17, 2014, with a one year extension available at the request of the Group and at the option of the lenders. The interest rate on borrowings under the Revolving Facility is the aggregate of (i) (a) LIBOR or (b) the prime rate of the lender and (ii) a margin to be determined based on the Group's leverage ratio. Based on the Group's leverage ratio, the Revolving Facility carries a commitment fee ranging from 0.2% to 0.325% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. The Revolving Facility is secured by certain of the Group's 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, 2014. At December 31, 2014, US$437.5 million was available to be borrowed on the Revolving Facility as a result of US$60.0 million of outstanding borrowings and the utilization of US$2.5 million of the facility for outstanding letters of credit extended to certain creditors. At December 31, 2013, US$294.4 million was available to be borrowed on the previously existing US$300.0 million revolving credit facility as a result of the utilization of US$5.6 million of the facility for outstanding letters of credit extended to certain creditors. In connection with increasing the Revolving Facility, the Group capitalized US$2.0 million of deferred financing costs that will be amortized over the five-year term.

(8) Trade and Other Payables

	December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Accounts payable	**316,509**	282,183
Other payables and accruals	**92,155**	96,739
Other tax payables	**6,781**	8,317
Total trade and other payables	**415,445**	387,239

No restructuring charges were recognized during the years ended December 31, 2014 and December 31, 2013.

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)	**2014**	2013
Current	**234,857**	211,743
Past due	**26,855**	20,132
Total trade payables	**261,712**	231,875

Trade payables as of December 31, 2014 are on average due within 105 days from the invoice date.

(9) 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.

	Year ended December 31,	
(Expressed in thousands of US Dollars, except share and per share data)	**2014**	2013
Issued ordinary shares at the beginning of the period	**1,407,137,004**	1,407,137,004
Weighted-average impact of share options exercised during the period	**624,648**	—
Weighted-average number of shares at end of the period	**1,407,761,652**	1,407,137,004
Profit attributable to the equity holders	**186,256**	176,087
Basic earnings per share		
(Expressed in US Dollars per share)	**0.132**	0.125

During the year ended December 31, 2014, the Company issued 889,452 ordinary shares at a weighted-average exercise price of HK$17.36 per share in connection with the exercise of share options that were granted under the Company's Share Award Scheme. There were no purchases or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended December 31, 2014.

(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.

	Year ended December 31,	
(Expressed in thousands of US Dollars, except share and per share data)	**2014**	2013
Weighted-average number of ordinary shares (basic)	**1,407,761,652**	1,407,137,004
Effect of share options	**2,520,360**	—
Weighted-average number of shares at end of the period	**1,410,282,012**	1,407,137,004
Profit attributable to the equity holders	**186,256**	176,087
Diluted earnings per share		
(Expressed in US Dollars per share)	**0.132**	0.125

(c) Dividends and Distributions

On March 18, 2014, the Board recommended that a cash distribution in the amount of US$80.0 million, or approximately US$0.0568 per share, be made to the Company's shareholders of record on June 17, 2014 from its ad hoc distributable reserve. The shareholders approved this distribution on June 5, 2014 at the annual general meeting and the distribution was paid on July 11, 2014.

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.

No other dividends or distributions were declared or paid during the years ended December 31, 2014 and December 31, 2013.

(10) 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:

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Recognized in income or loss:		
Interest income on bank deposits	**478**	852
Finance income	**478**	852
Interest expense on financial liabilities	**(3,694)**	(2,929)
Change in fair value of put options	**(4,245)**	(6,312)
Net foreign exchange loss	**(6,716)**	(456)
Other finance costs	**(2,728)**	(2,111)
Finance costs	**(17,383)**	(11,808)
Net finance costs recognized in profit or loss	**(16,905)**	(10,956)
Recognized in other comprehensive income (loss):		
Foreign currency translation differences for foreign operations	**(35,087)**	(9,880)
Changes in fair value of cash flow hedges	**10,560**	(2,449)
Income tax on finance income and finance costs recognized in other comprehensive income	**(3,572)**	880
Net finance costs recognized in other comprehensive income, net of tax	**(28,099)**	(11,449)
Attributable to:		
Equity holders of the Company	**(24,214)**	(7,482)
Non-controlling interests	**(3,885)**	(3,967)
Net finance costs recognized in other comprehensive income, net of tax	**(28,099)**	(11,449)

(11) Income Taxes

(a) Taxation in the Consolidated Income Statement

(Expressed in thousands of US Dollars)	Year ended December 31, **2014**	2013
Current tax expense – Hong Kong Profits Tax:		
Current period	**(1,769)**	(655)
Current tax expense – Foreign:		
Current period	**(88,235)**	(69,314)
Adjustment for prior periods	**(2,043)**	3,396
Total current tax expense	**(90,278)**	(65,918)
Deferred tax (expense) benefit:		
Origination and reversal of temporary differences	**16,827**	(12,088)
Change in tax rate	**(881)**	3,655
Change in recognized temporary differences	**(917)**	2,091
Total deferred tax (expense) benefit	**15,029**	(6,342)
Total income tax expense	**(77,018)**	(72,915)

The provision for Hong Kong Profits Tax for the years ended December 31, 2014 and December 31, 2013 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, **2014**	2013
Profit for the year	**205,354**	197,421
Total income tax expense	**(77,018)**	(72,915)
Profit before income tax	**282,372**	270,336
Income tax expense using the Group's applicable tax rate	**(79,064)**	(76,457)
Tax incentives	**19,292**	19,886
Change in tax rates	**(881)**	3,655
Change in tax reserves	**(472)**	(3,632)
Non-deductible differences	**(7,793)**	(16,443)
Change in tax effect of undistributed earnings	**3,445**	(3,039)
Current year losses for which no deferred tax assets is recognized	**(1,989)**	(2,131)
Change in recognized temporary differences	**(917)**	2,091
Share-based compensation	**(1,596)**	(20)
Withholding taxes	**(6,338)**	(3,002)
Other	**1,338**	2,781
Over (under) provided in prior periods	**(2,043)**	3,396
	(77,018)	(72,915)

The provision for taxation for the years ended December 31, 2014 and December 31, 2013 is calculated using the Group's applicable tax rate of 28.0% and 28.3%, 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

(Expressed in thousands of US Dollars)	**Year ended December 31, 2014**			Year ended December 31, 2013		
	Before tax	**Income tax (expense) benefit**	**Net of tax**	Before tax	Income tax (expense) benefit	Net of tax
Remeasurements on benefit plans	**(28,109)**	**11,049**	**(17,060)**	7,511	(3,000)	4,511
Cash flow hedges	**10,560**	**(3,572)**	**6,988**	(2,449)	880	(1,569)
Foreign currency translation differences for foreign operations	**(35,087)**	**–**	**(35,087)**	(9,880)	–	(9,880)
	(52,636)	**7,477**	**(45,159)**	(4,818)	(2,120)	(6,938)

(12) Subsequent Events

The Group has evaluated events occurring subsequent to December 31, 2014, the reporting date, through March 16, 2015, the date this financial information was authorized for issue by the Board of Directors.

On January 7, 2015, the Group granted an additional 16,006,812 ordinary share options to certain directors, key management personnel, and other employees. The exercise price of the options granted is HK$23.31. Such options are subject to *pro rata* vesting over a 4-year period, with 25% of the options vesting on each anniversary date of the grant and have a 10-year term.

On January 7, 2015, the Group made an additional special grant of 10,040,399 share options to an Executive Director and to five additional members of the Group's senior management team. The exercise price of the options granted is HK$23.31. 60% of such options will vest on January 7, 2018 and 40% will vest on January 7, 2020 and such options have a 10-year term.

From December 31, 2014 to February 28, 2015, the Company issued 212,750 ordinary shares in connection with the exercise of share options that were granted under the Company's Share Award Scheme. There were no purchases or redemptions of the Company's listed securities by the Company or any of its subsidiaries since December 31, 2014.

Business Combination

Rolling Luggage

On February 16, 2015, certain of the Company's wholly-owned subsidiaries completed the acquisition of the business and substantially all of the assets of Rolling Luggage for a cash consideration of GBP 15.75 million, subject to subsequent adjustment. The consideration was settled by cash upon completion of the acquisition. The Group purchased substantially all of the assets, and assumed certain liabilities of Rolling Luggage.

The Group has not yet completed a formal valuation of the assets that were acquired in the acquisition.

The acquisition provides the Group with a significant retail footprint in some of the world's leading airports, and further expands the Group's portfolio of retail store locations. For the fiscal year ended January 31, 2015, Rolling Luggage recorded net sales of GBP 26.7 million, an increase of 11.3% from GBP 24.0 million for the fiscal year ended January 31, 2014.

If this acquisition and all acquisitions completed during the year ended December 31, 2014 had occurred on January 1, 2014, the Group estimates that consolidated net sales would have been approximately US$2,461 million. The Group is unable to determine what profit for the period would have been due to lack of readily available information from the seller.

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, travel accessories and slim protective cases for personal electronic devices throughout the world, primarily under the *Samsonite*®, *American Tourister*®, *Hartmann*® , *High Sierra*®, *Gregory*® , *Speck*® and *Lipault*® 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 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, 2014, the Group's products were sold at over 49,000 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.

Net Sales

The following table sets forth a breakdown of net sales by region for the years ended December 31, 2014 and December 31, 2013, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2014		2013		2014 vs 2013	
	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	**892,258**	**38.0%**	768,363	37.7%	16.1%	18.0%
North America	**761,310**	**32.4%**	621,741	30.5%	22.4%	22.9%
Europe	**557,934**	**23.7%**	515,177	25.3%	8.3%	10.4%
Latin America	**130,606**	**5.6%**	123,580	6.1%	5.7%	15.7%
Corporate	**8,599**	**0.3%**	8,951	0.4%	(3.9)%	(3.9)%
Net sales	**2,350,707**	**100.0%**	2,037,812	100.0%	15.4%	17.3%

Excluding foreign currency effects, net sales increased by 17.3%. US Dollar reported net sales increased by US$312.9 million, or 15.4%, to US$2,350.7 million for the year ended December 31, 2014 from US$2,037.8 million for the year ended December 31, 2013.

Brands

The following table sets forth a breakdown of net sales by brand for the years ended December 31, 2014 and December 31, 2013, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2014		2013		2014 vs 2013	
	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	**1,535,708**	**65.3%**	1,413,703	69.4%	8.6%	10.2%
American Tourister	**504,222**	**21.4%**	429,309	21.1%	17.4%	19.0%
Speck(1)	**91,565**	**3.9%**	–	–	*nm*	*nm*
High Sierra	**89,239**	**3.8%**	72,007	3.5%	23.9%	24.9%
Hartmann	**16,947**	**0.7%**	15,481	0.8%	9.5%	10.3%
Gregory(2)	**12,613**	**0.5%**	–	–	*nm*	*nm*
Other(3)	**100,413**	**4.4%**	107,312	5.2%	(6.4)%	2.4%
Net sales	**2,350,707**	**100.0%**	2,037,812	100.0%	15.4%	17.3%

Notes
(1) The *Speck* brand was acquired on May 28, 2014.
(2) The *Gregory* brand was acquired on July 23, 2014.
(3) Other includes local brands *Lipault, Saxoline, Xtrem* and others.
nm Not meaningful due to acquisition during 2014.

Excluding foreign currency effects, net sales of the *Samsonite* brand increased by 10.2% for the year ended December 31, 2014 compared to the previous year. US Dollar reported net sales of the *Samsonite* brand increased by US$122.0 million, or 8.6%. *Samsonite* comprised 65.3% of the net sales of the Group during 2014 compared to 69.4% in 2013 reflecting continued diversification of the Group's brand portfolio. Excluding foreign currency effects, net sales of the *American Tourister* brand increased by 19.0% for the year ended December 31, 2014 compared to the previous year. US Dollar reported net sales of the *American Tourister* brand increased by US$74.9 million, or 17.4%. Asia accounted for US$53.6 million, or 71.5%, of the US$74.9 million increase in *American Tourister* brand sales for the year ended December 31, 2014 compared to the previous year. The increases in the net sales of both brands were attributable to expanded product offerings and further penetration of existing markets, which were all supported by the Group's targeted advertising activities. On a constant currency basis, net sales of the *High Sierra* and *Hartmann* brands increased by 24.9% and 10.3%, respectively. Net sales of the *Speck* brand, which was acquired on May 28, 2014, amounted to US$91.6 million. Net sales of the *Lipault* brand, which was acquired on April 1, 2014, amounted to US$5.5 million. Net sales of the *Gregory* brand, which was acquired on July 23, 2014, amounted to US$12.6 million. Excluding amounts attributable to the 2014 acquisitions, net sales increased by US$203.2 million, or 10.0%, and by 11.9% on a constant currency basis.

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, 2014 and December 31, 2013, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2014		2013		2014 vs 2013	
	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	**1,654,402**	**70.4%**	1,515,852	74.4%	9.1%	10.9%
Casual	**252,069**	**10.7%**	205,871	10.1%	22.4%	25.1%
Business[(1)]	**256,228**	**10.9%**	193,474	9.5%	32.4%	34.6%
Accessories[(2)]	**147,222**	**6.3%**	85,745	4.2%	71.7%	76.3%
Other	**40,786**	**1.7%**	36,870	1.8%	10.6%	12.4%
Net sales	**2,350,707**	**100.0%**	2,037,812	100.0%	15.4%	17.3%

Notes
(1) Includes tablet and laptop cases.
(2) Includes protective phone cases.

Excluding foreign currency effects, net sales in the travel product category increased by 10.9% for the year ended December 31, 2014 compared to the year ended December 31, 2013. US Dollar reported net sales in the travel product category increased by US$138.6 million, or 9.1%. Country-specific product designs, locally relevant marketing strategies and expanded points of sale, including e-commerce, continue to be the key factors contributing to the Group's success in the travel category. Excluding foreign currency effects, net sales in the casual product category increased by 25.1%. US Dollar reported net sales in the casual product category increased by US$46.2 million, or 22.4%. This increase was primarily attributable to the success of the *High Sierra* brand and the *Samsonite Red* sub-brand as well as the contribution from the *Gregory* brand, which was acquired in July 2014. Excluding foreign currency effects, net sales in the business product category increased by 34.6%. US Dollar reported net sales in the business product category increased by US$62.8 million, or 32.4%, due primarily to US$43.6 million in net sales of tablet and laptop cases attributable to the acquisition of Speck Products as well as new product introductions. On a constant currency basis, net sales in the accessories category increased by 76.3% largely due to US$48.0 million in net sales of protective phone cases attributable to the acquisition of Speck Products.

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, 2014 and December 31, 2013, both in absolute terms and as a percentage of total net sales.

	Year ended December 31,					
	2014		2013		2014 vs 2013	
	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	**1,866,789**	**79.4%**	1,614,733	79.3%	15.6%	17.2%
Retail	**474,768**	**20.2%**	414,128	20.3%	14.7%	18.3%
Other[(1)]	**9,150**	**0.4%**	8,951	0.4%	2.2%	2.2%
Net sales	**2,350,707**	**100.0%**	2,037,812	100.0%	15.4%	17.3%

Note

(1) Other primarily consists of licensing income.

The Group expanded its points of sale by approximately 3,600 during the year to over 49,000 points of sale worldwide as of December 31, 2014.

Excluding foreign currency effects, net sales in the wholesale channel increased by 17.2% for the year ended December 31, 2014 compared to the year ended December 31, 2013. US Dollar reported net sales in the wholesale channel increased by US$252.0 million, or 15.6%. Excluding foreign currency effects, net sales in the retail channel increased by 18.3%. US Dollar reported net sales in the retail channel increased by US$60.7 million, or 14.7%. On a same store, constant currency basis, net sales in the retail channel increased by 7.9%. The Group's same store analysis includes existing retail stores which have been open for at least 12 months before the end of the relevant financial period. During the year ended December 31, 2014, approximately US$155.3 million, or 6.6%, 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. The direct-to-consumer e-commerce business and net sales to e-tailers comprised 5.6% of the Group's net sales for the year ended December 31, 2013.

Regions

Asia

Excluding foreign currency effects, the Group's net sales in Asia increased by 18.0% for the year ended December 31, 2014 compared to the year ended December 31, 2013. US Dollar reported net sales for the region increased by US$123.9 million, or 16.1%. Excluding net sales attributable to the *Gregory* brand in Asia, which was acquired on July 23, 2014, net sales increased by 17.0% on a constant currency basis.

The *American Tourister* brand accounted for US$53.6 million, or 43.2%, of the increase in net sales for the Asia region for the year ended December 31, 2014 compared to the previous year. Excluding foreign currency effects, net sales of the *American Tourister* brand in the Asia region increased by 17.5%. Net sales of the *Samsonite* brand continued to grow in Asia, increasing by 15.4% from the previous year on a constant currency basis due to the success of the *Samsonite Red* sub-brand, whose net sales increase by 91.9% on a constant currency basis to US$57.9 million in 2014. Excluding the *Samsonite Red* sub-brand, net sales of the *Samsonite* brand increased by 9.6% on a constant currency basis. Net sales of the *High Sierra* brand amounted to US$11.7 million in Asia during the year ended December 31, 2014, an increase of 119.3% from the previous year on a constant currency basis. The development of *High Sierra* branded products specifically designed for the preferences of consumers in the region is well underway. The Group introduced the *Hartmann* brand in Asia during 2014, which contributed US$1.2 million of the net sales growth year-on-year. Net sales of the *Gregory* brand amounted to US$7.2 million from the date of acquisition.

Net sales in the travel product category increased by US$66.9 million, or 11.7%, and by 13.7% excluding foreign currency effects for the year ended December 31, 2014 compared to the previous year. Net sales in the casual product category increased by US$42.4 million, or 61.7%, and by 63.7% on a constant currency basis year-on-year, driven largely by the success of the *Samsonite Red* sub-brand, as well as the *High Sierra* brand and the acquisition of Gregory. Net sales in the business product category increased by US$8.7 million, or 8.7%, and by 10.0% excluding foreign currency effects compared to the previous year. Net sales in the accessories product category increased by US$4.3 million, or 20.4%, and by 21.5% on a constant currency basis compared to the previous year.

Net sales in the wholesale channel increased by US$105.3 million, or 16.3%, for the year ended December 31, 2014 compared to the previous year, and by 18.1% excluding foreign currency effects. Net sales in the retail channel increased by US$18.6 million, or 15.4%, and by 17.7% on a constant currency basis year-on-year. On a same store, constant currency basis, net sales in the retail channel increased by 7.8%. Over 300 points of sale were added in Asia during 2014, including 41 net new company-operated retail locations, for a total of more than 7,200 points of sale in Asia as of December 31, 2014.

Along with additional product offerings and points of sale expansion, the success of the Group'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 Group's products. On a constant currency basis, net sales increased in all countries in the Asian region except for Malaysia, which decreased slightly by 0.5%, for the year ended December 31, 2014 compared to the previous year. Net sales in China increased by 18.7%, excluding foreign currency effects, driven by *American Tourister*, *Samsonite* and *Samsonite Red*. South Korea continued to experience robust sales growth, with an increase of 12.8% on a constant currency basis, driven by the success of the *American Tourister* brand and the *Samsonite Red* sub-brand. On a constant currency basis, net sales in India increased by 19.9% for the year ended December 31, 2014 compared to the previous year driven by the *American Tourister* brand. Japan experienced strong constant currency growth of 32.3% year-on-year driven by increased sales of the *Samsonite* brand and the acquisition of Gregory. Excluding net sales attributable to the *Gregory* brand, net sales in Japan increased by 24.5% on a constant currency basis. Net sales in Hong Kong increased by 12.2% year-on-year led by growth of *Samsonite Red* and the acquisition of Gregory, despite the negative impact from the political protests during the fourth quarter.

The following table sets forth a breakdown of net sales within the Asia region by geographic location for the years ended December 31, 2014 and December 31, 2013, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2014		2013		2014 vs 2013	
	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	**227,454**	**25.5%**	192,187	25.0%	18.4%	18.7%
South Korea	**189,502**	**21.2%**	161,182	21.0%	17.6%	12.8%
India	**126,653**	**14.2%**	110,526	14.4%	14.6%	19.9%
Japan	**77,855**	**8.7%**	64,172	8.4%	21.3%	32.3%
Hong Kong[2]	**74,899**	**8.4%**	66,765	8.7%	12.2%	12.2%
Australia	**48,613**	**5.5%**	42,666	5.5%	13.9%	21.2%
Other	**147,282**	**16.5%**	130,865	17.0%	12.5%	16.8%
Net sales	**892,258**	**100.0%**	768,363	100.0%	16.1%	18.0%

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, the Group's net sales in North America increased by 22.9% for the year ended December 31, 2014 compared to the year ended December 31, 2013. US Dollar reported net sales for the North American region increased by US$139.6 million, or 22.4%. Excluding net sales attributable to the *Speck* and *Gregory* brands, which were acquired during 2014, net sales increased by US$42.7 million, or 6.9%, and by 7.3% on a constant currency basis.

Net sales of the *Samsonite* brand increased by US$39.2 million, or 8.5%, and by 9.0% on a constant currency basis. Net sales of the *American Tourister* brand increased by US$4.4 million, or 6.9%, and by 7.5% on a constant currency basis for the year ended December 31, 2014 compared to the year ended December 31, 2013. Net sales of the *High Sierra* brand increased by US$7.8 million, or 12.0%, and by 12.2% on a constant currency basis. Net sales of the *Hartmann* brand were relatively consistent year-on-year. The *Speck* and *Gregory* brands contributed US$91.6 million and US$5.3 million, respectively, in net sales during the year.

Net sales in the travel product category increased by US$41.9 million, or 8.8%, and by 9.3% on a constant currency basis year-on-year. Net sales in the casual product category increased by US$4.5 million, or 5.1%, and by 5.3% excluding foreign currency effects. Net sales in the business product category increased by US$44.0 million, or 106.2%, and by 106.6% on a constant currency basis for the year ended December 31, 2014 compared to the previous year primarily due to US$43.6 million in net sales of protective laptop and tablet cases attributable to the acquisition of Speck Products in May 2014. Net sales in the accessories category increased by US$49.0 million, or 281.2%, and by 281.8% on a constant currency basis primarily due to US$48.0 million in net sales of protective phone cases attributable to the acquisition of Speck Products.

Net sales in the wholesale channel increased by US$121.4 million, or 24.8%, and by 25.3% excluding foreign currency effects for the year ended December 31, 2014 compared to the year ended December 31, 2013. Excluding acquisitions, net sales in the wholesale channel increased by US$29.3 million, or 6.0%. Net sales in the retail channel increased by US$18.2 million, or 13.8%, and by 14.1% on a constant currency basis year-on-year. Net sales growth in the retail channel was driven by sales made through the Group's direct-to-consumer e-commerce website, which increased by 33.8% year-on-year, as well as by the addition of eight net new stores opened since December 31, 2013. On a same store, constant currency basis, net sales in the retail channel increased by 6.0%.

The overall increase in North America net sales was primarily due to acquisitions, as well as the Group's continued focus on marketing and selling regionally developed products, which enabled the Group to bring to market products that are designed to appeal to the tastes and preferences of North American consumers, resulting in strong consumer demand for the Group's products. Excluding foreign currency effects, net sales in Canada increased by 35.0% primarily due to strong sales of the travel product category through the wholesale channel.

The following table sets forth a breakdown of net sales within the North America region by geographic location for the years ended December 31, 2014 and December 31, 2013, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2014		2013		2014 vs 2013	
	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	**720,737**	**94.7%**	589,618	94.8%	22.2%	22.2%
Canada	**40,573**	**5.3%**	32,123	5.2%	26.3%	35.0%
Net sales	**761,310**	**100.0%**	621,741	100.0%	22.4%	22.9%

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, the Group’s net sales in Europe increased by 10.4% for the year ended December 31, 2014 compared to the year ended December 31, 2013. US Dollar reported net sales for the region increased by US$42.8 million, or 8.3%. Excluding net sales attributable to the *Lipault* and *Gregory* brands, which were acquired during 2014, net sales increased by 9.3% on a constant currency basis.

Local currency sales growth was strong in several markets due to the positive sell-through of new product introductions, including new product lines manufactured using Curv material and other lines of polypropylene suitcases, as demand for hardside luggage continued to grow in the European region. Germany, the Group’s leading market in Europe representing 14.7% of total net sales in the region, achieved 10.6% constant currency sales growth during the period. The United Kingdom and France posted strong constant currency net sales growth of 12.2% and 13.2%, respectively, over the previous year. Excluding net sales attributable to *Lipault*, net sales in France increased by 5.2% on a constant currency basis. The Group’s business in Italy and Spain continued to show signs of economic improvement with constant currency net sales growth of 12.3% and 11.3%, respectively. The Group continued to penetrate the emerging markets of Turkey and South Africa with year-on-year constant currency net sales growth of 34.9% and 25.5%, respectively. The Group’s business in Russia was negatively impacted by the economic downturn and devaluation of the Russian Ruble, but still generated constant currency net sales growth of 5.7% year-on-year.

Net sales of the *Samsonite* brand increased by US$20.2 million, or 4.2%, and by 6.0% excluding foreign currency effects for the year ended December 31, 2014 compared to the year ended December 31, 2013. Net sales of the *American Tourister* brand increased by US$13.8 million, or 49.1%, and by 54.8% on a constant currency basis. *American Tourister* comprised 7.5% of the net sales in the European region during 2014 compared to 5.4% during the previous year as the Group is focused on driving growth and increasing the presence of the brand in Europe. Net sales of the *Lipault* brand amounted to US$5.4 million from the date of acquisition. The Group introduced the *High Sierra* and *Hartmann* brands in Europe during 2014, which contributed US$1.9 million and US$0.5 million, respectively, of the net sales growth year-on-year.

Net sales in the travel product category increased by US$24.9 million, or 6.0%, and by 7.8% on a constant currency basis year-on-year. Excluding foreign currency effects, net sales in the casual product category increased by 6.6% year-on-year. Net sales in the business product category increased by US$11.7 million, or 30.3%, and by 34.9% on a constant currency basis for the period due to the success of new product introductions.

Net sales in the wholesale channel increased by US$21.0 million, or 5.4%, for the year ended December 31, 2014 compared to the previous year, and by 6.4% excluding foreign currency effects. Net sales in the retail channel increased by US$21.2 million, or 17.0%, and by 22.3% on a constant currency basis, over the same period driven by the addition of 25 net new stores opened since December 31, 2013. On a same store, constant currency basis, net sales in the retail channel increased by 8.8%.

The following table sets forth a breakdown of net sales within the European region by geographic location for the years ended December 31, 2014 and December 31, 2013, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2014		2013		2014 vs 2013	
	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	**81,847**	**14.7%**	74,333	14.4%	10.1%	10.6%
France	**75,473**	**13.5%**	67,005	13.0%	12.6%	13.2%
Belgium[2]	**65,239**	**11.7%**	60,330	11.7%	8.1%	8.0%
Italy	**60,799**	**10.9%**	54,079	10.5%	12.4%	12.3%
United Kingdom	**45,684**	**8.2%**	38,705	7.5%	18.0%	12.2%
Spain	**44,812**	**8.0%**	40,286	7.8%	11.2%	11.3%
Russia	**40,037**	**7.2%**	44,679	8.7%	(10.4)%	5.7%
Other	**144,043**	**25.8%**	135,760	26.4%	6.1%	9.9%
Net sales	**557,934**	**100.0%**	515,177	100.0%	8.3%	10.4%

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$21.7 million and US$21.6 million for the years ended December 31, 2014 and December 31, 2013, respectively. Remaining sales consisted of direct shipments to distributors, customers and agents in other countries.

Latin America

Excluding foreign currency effects, the Group's net sales in Latin America increased by 15.7% for the year ended December 31, 2014 compared to the year ended December 31, 2013. US Dollar reported net sales for the region increased by US$7.0 million, or 5.7%.

For the year ended December 31, 2014, net sales in Chile improved by 8.1% year-on-year excluding foreign currency effects. US Dollar reported net sales for Chile decreased by US$3.7 million, or 5.9%, as reported results were negatively impacted by foreign exchange rates. The constant currency net sales growth in Chile was primarily due to the recently launched women's handbag brand *Secret*. Excluding foreign currency effects, net sales in Mexico increased by 16.3% driven by the *Samsonite* and *High Sierra* brands. Net sales made in Brazil increased by 105.0% on a constant currency basis, mainly due to the direct import and sales model implemented in the second half of 2013. Net sales for the "Other" geographic location below includes sales made in Colombia, Panama and Peru, where the Group implemented a direct import and sales model during the second half of 2013. Net sales in these three markets increased by approximately 61.7% on a constant currency basis in 2014. 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 10.2%, or 20.0% excluding foreign currency effects.

Net sales of the *Samsonite* brand increased by US$6.0 million, or 11.0%, and by 17.5% excluding foreign currency effects. Net sales of the *American Tourister* brand increased by US$3.1 million, or 57.5%, and by 63.0% excluding foreign currency effects. Net sales of the *High Sierra* brand in Latin America during 2014 were US$2.5 million, an increase of 118.0%, or 127.8% excluding foreign currency effects. The *High Sierra* brand was introduced in the region during 2013. Sales of women's handbags under the *Secret* brand name continued to grow with net sales of US$13.6 million in 2014, an increase of US$4.3 million, or 46.3%, and by 43.1% excluding foreign currency effects, from the previous year.

Net sales in the travel product category increased by US$4.9 million, or 8.8%, and by 17.4% excluding foreign currency effects. Net sales in the casual product category decreased by US$1.3 million, or 3.8%, and increased by 6.5% on a constant currency basis. Net sales in the business product category decreased by US$1.6 million, or 11.4%, and by 3.7% excluding foreign currency effects.

Net sales in the wholesale channel increased by US$4.3 million, or 4.9%, for the year ended December 31, 2014 compared to the year ended December 31, 2013, and by 13.2% excluding foreign currency effects. Net sales in the retail channel increased by US$2.7 million, or 7.5%, and by 21.6% on a constant currency basis over the same period as the Group opened 11 company-operated retail locations during the year. On a same store, constant currency basis, net sales in the retail channel increased by 11.7%.

The following table sets forth a breakdown of net sales within the Latin America region by geographic location for the years ended December 31, 2014 and December 31, 2013, both in absolute terms and as a percentage of total regional net sales.

	Year ended December 31,					
	2014		2013		2014 vs 2013	
	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	**58,898**	**45.1%**	62,577	50.6%	(5.9)%	8.1%
Mexico	**39,830**	**30.5%**	35,475	28.7%	12.3%	16.3%
Brazil[2]	**18,925**	**14.5%**	9,762	7.9%	93.9%	105.0%
Argentina	**1,784**	**1.4%**	6,704	5.4%	(73.4)%	(60.1)%
Other[3]	**11,169**	**8.5%**	9,062	7.4%	23.2%	25.6%
Net sales	**130,606**	**100.0%**	123,580	100.0%	5.7%	15.7%

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 both net sales made by the Group inside the country and certain export sales made by the Group to 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.

Cost of Sales and Gross Profit

Cost of sales increased by US$157.4 million, or 16.6%, to US$1,106.9 million (representing 47.1% of net sales) for the year ended December 31, 2014 from US$949.5 million (representing 46.6% of net sales) for the year ended December 31, 2013. The slight increase in cost of sales as a percentage of net sales was primarily due to the increased contribution from the Group's business in North America, which typically yields a lower margin percentage, to the consolidated results driven by the acquisition of Speck Products, as well as a decrease in gross profit margin in Latin America related to the transition to a direct sales model in Brazil. The impacts from North America and Latin America were marginally offset by the higher gross margin percentages in Asia and Europe.

Gross profit increased by US$155.5 million, or 14.3%, to US$1,243.8 million for the year ended December 31, 2014 from US$1,088.3 million for the year ended December 31, 2013. Gross profit margin decreased from 53.4% for the year ended December 31, 2013 to 52.9% for the year ended December 31, 2014. This decrease was attributable to the factors noted above.

Distribution Expenses

Distribution expenses increased by US$85.7 million, or 15.9%, to US$626.3 million (representing 26.6% of net sales) for the year ended December 31, 2014 from US$540.6 million (representing 26.5% of net sales) for the year ended December 31, 2013. 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 2014. Distribution expenses as a percentage of net sales remained relatively consistent year-on-year.

Marketing Expenses

The Group spent US$144.7 million (representing 6.2% of net sales) on marketing during the year ended December 31, 2014 compared to US$129.2 million (representing 6.3% of net sales) for the year ended December 31, 2013, an increase of US$15.5 million, or 12.0%. Marketing expenses as a percentage of net sales decreased slightly due to the impact of higher sales from acquisitions as well as strong sales growth and some efficiencies in advertising spend. Excluding the acquisitions completed in 2014, marketing expenses as a percentage of net sales remained consistent with the previous year at 6.3%. During 2014, 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$18.1 million, or 13.6%, to US$151.1 million (representing 6.4% of net sales) for the year ended December 31, 2014 from US$133.1 million (representing 6.5% of net sales) for the year ended December 31, 2013. Although general and administrative expenses increased in absolute terms, such expenses decreased as a percentage of net sales by 10 basis points as the Group maintained tight control of its fixed cost base and leveraged it against strong sales growth. Share-based compensation expense, a non-cash expense included in general and administrative expenses, amounted to US$11.0 million, an increase of US$4.0 million from the previous year due to the share options granted in January 2014. Excluding the increase in the share-based compensation expense, general and administrative expenses as a percentage of net sales decreased by 20 basis points.

Other Expenses

The Group recognized net other expenses of US$22.4 million and US$4.2 million for the years ended December 31, 2014 and December 31, 2013, respectively. Other expenses for 2014 included acquisition costs of US$13.5 million, which were primarily comprised of costs associated with due diligence and integration activities, severance, and professional and legal fees for the acquisitions of Lipault, Speck Products and Gregory that were completed during 2014. In comparison, other expenses for 2013 included US$1.1 million of costs related to acquisition efforts.

Operating Profit

The Group's operating profit was US$299.3 million for the year ended December 31, 2014, an increase of US$18.0 million, or 6.4%, from operating profit of US$281.3 million for the year ended December 31, 2013. The Group's operating profit was negatively impacted by US$13.5 million of acquisition costs, which increased by US$12.4 million from the previous year. Excluding acquisition costs, the Group's operating profit increased by US$30.4 million, or 10.8%, year-on-year. Further excluding share-based compensation expense, which increased by US$4.0 million year-on-year, operating profit increased by 11.9%.

Net Finance Costs
Net finance costs increased by US$5.9 million, or 54.3%, to US$16.9 million for the year ended December 31, 2014 from US$11.0 million for the year ended December 31, 2013. This increase was primarily attributable to a US$6.3 million increase in foreign exchange translation losses due to the strengthening of the US Dollar, as well as an increase of US$0.8 million of interest expense as the Group borrowed on its Revolving Credit Facility to partially fund the acquisitions during the year. These increases were partially offset by a US$2.1 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$12.0 million, or 4.5%, to US$282.4 million for the year ended December 31, 2014 from US$270.3 million for the year ended December 31, 2013. The Group's profit before income tax in 2014 was negatively impacted by US$13.5 million of acquisition costs, an increase of US$12.4 million from the previous year, and US$6.7 million in foreign exchange translation losses, which increased by US$6.3 million from the previous year. Excluding the acquisition costs and foreign exchange translation losses, the Group's profit before income tax increased by US$30.7 million, or 11.3%. Further excluding share-based compensation expense, which increased by US$4.0 million year-on-year, profit before income tax increased by 12.5%.

Income Tax Expense
Income tax expense increased by US$4.1 million, or 5.6%, to US$77.0 million for the year ended December 31, 2014 from US$72.9 million for the year ended December 31, 2013.

The Group's consolidated effective tax rate for operations was 27.3% and 27.0% for the years ended December 31, 2014 and December 31, 2013, 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 primarily attributable to increased withholding taxes on dividend and royalty income.

Profit for the Year
Profit for the year of US$205.4 million for the year ended December 31, 2014 increased by US$7.9 million, or 4.0%, from US$197.4 million for the year ended December 31, 2013. The Group's profit for the year was negatively impacted by US$13.5 million of acquisition costs and US$6.7 million in foreign exchange translation losses, which increased by US$12.4 million and US$6.3 million, respectively, from the previous year. Excluding the acquisition costs and foreign exchange translation losses, the Group's profit for the year increased by US$26.6 million, or 13.4%. Further excluding share-based compensation expense, which increased by US$4.0 million year-on-year, profit for the year increased by 14.9%.

Profit attributable to the equity holders increased by US$10.2 million, or 5.8%, from US$176.1 million for the year ended December 31, 2013 to US$186.3 million for the year ended December 31, 2014. Excluding the acquisition costs and foreign exchange translation losses noted above, profit attributable to equity holders increased by US$28.9 million, or 16.3%. Further excluding share-based compensation expense as noted above, profit attributable to the equity holders increased by 17.8%.

Adjusted Net Income, a non-IFRS measure, increased by US$17.0 million, or 9.0%, to US$206.3 million for the year ended December 31, 2014 from US$189.2 million for the year ended December 31, 2013. Further excluding the foreign exchange translation losses and share-based compensation expense noted above, Adjusted Net Income increased by US$27.3 million, or 13.9%, year-on-year. 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 earnings per share ("Basic EPS") and diluted earnings per share ("Diluted EPS") increased to US$0.132 for the year ended December 31, 2014 from US$0.125 for the year ended December 31, 2013. The weighted average number of shares utilized in the Basic EPS calculation increased by 625 thousand shares as a result of shares issued upon exercise of share options by certain participants in the Group's Share Award Scheme. The weighted average number of shares outstanding utilized in the Diluted EPS calculation increased by 2.5 million shares from December 31, 2013 as certain outstanding share options became dilutive during 2014. During 2013, the 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 Basic EPS and adjusted Diluted EPS increased to US$0.147 and US$0.146, respectively, for the year ended December 31, 2014 from US$0.134 for the year ended December 31, 2013.

Adjusted EBITDA

Adjusted EBITDA, which is a non-IFRS measure, increased by US$46.6 million, or 13.8%, to US$384.3 million for the year ended December 31, 2014 from US$337.7 million for the year ended December 31, 2013. Adjusted EBITDA margin decreased to 16.4% from 16.6% due to the impact from acquisitions completed during the year which have lower margins while the acquisitions are being integrated. In addition, the Group's business in North America, which typically yields a lower margin percentage, contributed an increased amount to the consolidated results driven by the acquisition of Speck Products. The Group continued to maintain tight control of its fixed cost base while experiencing strong sales growth in its core business.

The following table presents the reconciliation from the Group's profit for the year to Adjusted EBITDA for the years ended December 31, 2014 and December 31, 2013.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Profit for the year	**205,354**	197,421
Plus (Minus):		
Income tax expense	**77,018**	72,915
Finance costs	**17,383**	11,808
Finance income	**(478)**	(852)
Depreciation	**42,588**	36,821
Amortization	**9,180**	8,363
EBITDA	**351,045**	326,476
Plus:		
Share-based compensation expense	**11,041**	7,036
Other adjustments[1]	**22,259**	4,218
Adjusted EBITDA	**384,345**	337,730

Note

(1) Other adjustments primarily comprised of 'Other expenses' per the consolidated income statement, which includes acquisition costs of US$13.5 million and US$1.1 million for the years ended December 31, 2014 and December 31, 2013, respectively.

The following tables present a reconciliation from profit for the year to Adjusted EBITDA on a regional basis for the years ended December 31, 2014 and December 31, 2013.

	Year ended December 31, 2014					
(Expressed in thousands of US Dollars)	**Asia**	**North America**	**Europe**	**Latin America[1]**	**Corporate**	**Consolidated**
Profit for the year	**80,706**	**29,797**	**45,477**	**4,349**	**45,025**	**205,354**
Plus (Minus):						
Income tax expense (benefit)	**24,232**	**20,177**	**22,049**	**(926)**	**11,486**	**77,018**
Finance costs	**3,446**	**751**	**1,776**	**(13)**	**11,423**	**17,383**
Finance income	**(354)**	**(6)**	**(107)**	**(9)**	**(2)**	**(478)**
Depreciation	**14,333**	**8,731**	**15,678**	**2,071**	**1,775**	**42,588**
Amortization	**4,302**	**1,389**	**1,525**	**1,930**	**34**	**9,180**
EBITDA	**126,665**	**60,839**	**86,398**	**7,402**	**69,741**	**351,045**
Plus (Minus):						
Share-based compensation expense	**719**	**2,285**	**2,012**	**263**	**5,762**	**11,041**
Other adjustments[2]	**62,217**	**53,186**	**6,805**	**3,275**	**(103,224)**	**22,259**
Adjusted EBITDA	**189,601**	**116,310**	**95,215**	**10,940**	**(27,721)**	**384,345**

Note
(1) During the year ended December 31, 2014, the Group realized lower gross margin percentage and higher operating expenses associated with the transition to a direct sales model in Brazil, Panama, Peru and Colombia. These factors, along with the strengthening of the US Dollar, led to a temporary reduction in profitability in Latin America.
(2) Other adjustments primarily comprised of 'Other expenses' per the consolidated income statement, which includes acquisition costs. Regional results include intragroup royalty income/expense.

	Year ended December 31, 2013					
(Expressed in thousands of US Dollars)	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 expenses' per the consolidated income statement, which includes acquisition costs. Regional results include intragroup 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$17.0 million, or 9.0%, to US$206.3 million for the year ended December 31, 2014 from US$189.2 million for the year ended December 31, 2013. Excluding the foreign exchange translation losses noted above, Adjusted Net Income increased by US$23.3 million, or 12.3%, year-on-year. Further, excluding the share-based compensation expense noted above, Adjusted Net Income increased by US$27.3 million, or 13.9%, year-on-year.

The following table presents the reconciliation from the Group's profit for the year to Adjusted Net Income for the years ended December 31, 2014 and December 31, 2013.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Profit for the year	**205,354**	197,421
Profit attributable to non-controlling interests	**(19,098)**	(21,334)
Profit attributable to the equity holders	**186,256**	176,087
Plus (Minus):		
Change in fair value of put options	**4,245**	6,312
Amortization of intangible assets(1)	**9,180**	8,363
Expenses related to acquisition activities	**13,541**	1,093
Tax adjustments	**(6,971)**	(2,648)
Adjusted Net Income(2)	**206,251**	189,207

Notes

(1) Amortization of intangible assets represents charges related to the amortization of other intangible assets with finite useful lives that were recognized in conjunction with business combinations.

(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 generated cash from operating activities of US$229.9 million for the year ended December 31, 2014, an increase of US$36.9 million, or 19.1%, from net cash generated from operating activities of US$193.0 million for the year ended December 31, 2013. This increase is primarily attributable to increased profits, less cash used for working capital and reduced contributions to defined benefit plans, which were partially offset by an increase in taxes paid.

For the year ended December 31, 2014, net cash used in investing activities was US$267.1 million compared to US$53.9 million in the previous year. This increase was primarily due to the acquisitions of Speck Products, Gregory and Lipault, as well as an increase in the purchase of property, plant and equipment from the previous year, which was largely attributable to expenditures in connection with expanding the existing manufacturing plant in Hungary and completion of an additional warehouse in Belgium.

Net cash flows used in financing activities was US$41.7 million for the year ended December 31, 2014 compared to US$64.7 million for the year ended December 31, 2013. Cash flows used in financing activities are largely attributable to the US$80.0 million distribution to shareholders, partially offset by the Group drawing on its Revolving Facility to fund a portion of the acquisitions of Speck Products, Gregory and Lipault.

Indebtedness

The following table sets forth the carrying amount of the Group's loans and borrowings as of December 31, 2014 and December 31, 2013.

	December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Revolving Credit Facility	**60,000**	—
Other lines of credit	**7,536**	15,482
Finance lease obligations	**32**	53
Total loans and borrowings	**67,568**	15,535
Less deferred financing costs	**(2,419)**	(1,858)
Total loans and borrowings less deferred financing costs	**65,149**	13,677

The Group had US$140.4 million in cash and cash equivalents at December 31, 2014, compared to US$225.3 million at December 31, 2013.

On June 17, 2014, the Group amended its revolving credit facility (the “Revolving Facility”) to increase the maximum borrowings available thereunder from US$300.0 million to US$500.0 million and to extend the term of the facility until June 17, 2019. The facility can be increased by an additional US$300.0 million, subject to lender approval. The Revolving Facility has an initial term of five years from its effective date of June 17, 2014, with a one year extension available at the request of the Group and at the option of the lenders. The interest rate on borrowings under the Revolving Facility is the aggregate of (i) (a) LIBOR or (b) the prime rate of the lender and (ii) a margin to be determined based on the Group’s leverage ratio. Based on the Group’s leverage ratio, the Revolving Facility carries a commitment fee ranging from 0.2% to 0.325% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. The Revolving Facility is secured by certain of the Group’s 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, 2014. At December 31, 2014, US$437.5 million was available to be borrowed on the Revolving Facility as a result of US$60.0 million of outstanding borrowings and the utilization of US$2.5 million of the facility for outstanding letters of credit extended to certain creditors. At December 31, 2013, US$294.4 million was available to be borrowed on the previously existing US$300.0 million revolving credit facility as a result of the utilization of US$5.6 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$7.5 million and US$15.5 million at December 31, 2014 and December 31, 2013, 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, 2014 and December 31, 2013.

	December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
On demand or within one year	**67,550**	15,498
After one year but within two years	**15**	17
After two years but within five years	**3**	20
More than five years	**–**	–
	67,568	15,535

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 outflows associated with these derivatives at December 31, 2014 are expected to be US$116.1 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, 2014 and December 31, 2013.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Average inventory[1]	**315,326**	287,947
Cost of sales	**1,106,881**	949,475
Average inventory turnover days[2]	**104**	111

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 2014 (US$332.3 million at December 31, 2014 compared to US$298.4 million at December 31, 2013) from 2013 (US$298.4 million at December 31, 2013 compared to US$277.5 million at December 31, 2012) to support increased customer demand and new product introductions, as well as a result of the Speck Products, Gregory and Lipault acquisitions completed during 2014.

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, 2014 and December 31, 2013.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Average trade and other receivables[1]	**268,607**	234,266
Net sales	**2,350,707**	2,037,812
Turnover days of trade and other receivables[2]	**42**	42

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 2014 (US$290.8 million at December 31, 2014 compared to US$246.4 million at December 31, 2013) from 2013 (US$246.4 million at December 31, 2013 compared to US$222.2 million at December 31, 2012) in line with the increase in net sales and as a result of the Speck Products, Gregory and Lipault acquisitions completed during 2014.

Trade receivables as of December 31, 2014 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, 2014 and December 31, 2013.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Average trade and other payables[(1)]	**401,342**	374,864
Cost of sales	**1,106,881**	949,475
Turnover days of trade and other payables[(2)]	**132**	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 in 2014 (US$415.4 million at December 31, 2014 compared to US$387.2 million at December 31, 2013) from 2013 (US$387.2 million at December 31, 2013 compared to US$362.5 million at December 31, 2012) was primarily due to increased inventory purchases period over period and the timing of such purchases, as well as a result of the Speck Products, Gregory and Lipault acquisitions completed during 2014.

Trade payables as of December 31, 2014 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, 2014 and December 31, 2013.

	Year ended December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Land	**681**	188
Buildings	**11,455**	906
Machinery, equipment, leasehold improvements and other	**57,500**	56,145
Total capital expenditures	**69,636**	57,239

The increase in the purchase of property, plant and equipment from the previous year was largely attributable to expenditures in connection with expanding the existing manufacturing plant in Hungary and completion of an additional warehouse in Belgium, as well as the addition of new retail locations.

Planned Capital Expenditures

The Group's capital expenditures budget for 2015 is approximately US$81.6 million. The Group plans to build a new warehouse in 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, 2014.

		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	**67,568**	**67,550**	**15**	**3**	**—**
Minimum operating lease payments	**296,162**	**74,018**	**62,286**	**98,483**	**61,375**
Total	**363,730**	**141,568**	**62,301**	**98,486**	**61,375**

As of December 31, 2014, 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, 2014 and December 31, 2013.

	As of December 31,	
(Expressed in thousands of US Dollars)	**2014**	2013
Loans and borrowings (excluding deferred financing costs)	**67,569**	15,535
Total equity	**1,307,440**	1,230,582
Gearing ratio(1)	**5.2%**	1.3%

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, 2014, the Group had approximately 8,900 employees worldwide, compared to approximately 8,085 employees at December 31, 2013. The increase in headcount is largely driven by the addition of new retail stores and shop-in-shop expansion in Asia, as well as acquisitions. 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 2014, 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, 2014 compared to the year ended December 31, 2013.

- Net sales increased to a record level of US$2,350.7 million, reflecting a 15.4% increase from the previous year. Excluding foreign currency effects, net sales increased by 17.3%. Excluding amounts attributable to acquisitions made in 2014, net sales increased by US$203.2 million, or 10.0%, and by 11.9% on a constant currency basis.

- Operating profit increased by US$18.0 million, or 6.4% year-on-year and by US$30.4 million, or 10.8%, excluding acquisition costs.

- Profit attributable to the equity holders increased by US$10.2 million, or 5.8%, year-on-year and by US$28.9 million, or 16.3%, excluding acquisition costs and foreign exchange translation losses.

- Profit for the year increased by US$7.9 million, or 4.0%, year-on-year and by US$26.6 million, or 13.4%, excluding acquisition costs and foreign exchange translation losses.

- Adjusted Net Income increased by US$17.0 million, or 9.0%, year-on-year and by US$23.3 million, or 12.3%, excluding foreign exchange translation losses.

- Adjusted EBITDA increased by US$46.6 million, or 13.8%, to US$384.3 million.

- Adjusted EBITDA margin decreased to 16.4% from 16.6% primarily due to lower margins from brands acquired in 2014.

- The Group generated US$229.9 million of cash from operating activities.

Significant investment in advertising and promotion
The Group maintained its significant investment in marketing, which amounted to approximately 6.2% of net sales, reflecting its commitment to advertise and promote its brands and products to support sales growth worldwide.

Introduction of new and innovative products to 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.

Expansion of distribution network
The Group continued the further expansion of its distribution network by adding over 3,600 points of sale during the year to over 49,000 points of sale worldwide as of December 31, 2014.

Acquisitions
The Group completed the following acquisitions during 2014:

(a) Lipault
On April 1, 2014, a wholly owned subsidiary within the Group completed the acquisition of (i) Distri Bagages, a *société à responsabilité limitée*, incorporated and organized under the Laws of France, and (ii) Licences et Développements, a *société à responsabilité limitée*, incorporated and organized under the Laws of France (collectively, the "Lipault Entities") for cash consideration of EUR 20.0 million, with a subsequent working capital adjustment of EUR 0.1 million, for a total purchase price of EUR 20.1 million. The Group purchased all of the outstanding capital stock of the Lipault Entities.

Lipault is a luggage brand founded in France in 2005, whose products are designed to meet the needs of today's savvy travellers, featuring ultra-lightweight, smart designs and bright fashion colors, and constructed using luxurious but durable nylon twill fabric.

The acquisition further expands the Group's brand portfolio and presents opportunities to leverage the Group's industry-leading design and product development capabilities, as well as its distribution network and retail presence, to significantly expand the *Lipault* brand in France, additional markets in Europe and the rest of the world. *Lipault* is a youthful brand that will help the Group engage with the fashionable female consumers through its signature Parisian style and vibrant colors.

(b) Speck Products

On May 28, 2014, a wholly owned subsidiary within the Group completed the acquisition of Speck Products for cash consideration of US$85.0 million, with a subsequent working capital adjustment of US$0.04 million, for a total purchase price of US$85.0 million. The Group purchased all of the outstanding capital stock of Speck Products.

Founded in Silicon Valley, California in 2001, Speck Products is a leading designer and distributor of slim protective cases for personal electronic devices that are marketed under the *Speck*® brand. Speck Products offers a diverse product range that is sleek, stylish and functionally innovative, and provides superior military-grade protection for smartphones, tablets and laptops from a range of manufacturers. The *Speck* brand is particularly well-known for its ”slim protection” designs such as the iconic Candy Shell smartphone case, which is constructed using a ”hard-soft” technology that Speck Products pioneered.

The acquisition enables the Group to strategically extend its brand portfolio beyond its traditional strength in travel luggage products, and provides the Group with a strong brand and product offering resulting in an immediate foothold in the market for protective cases for smartphones, tablets, laptops and other personal electronic devices. It also provides the Group with opportunities to leverage its well-established global distribution network and retail presence to significantly expand the reach of the *Speck* brand in Asia, Europe and Latin America.

(c) Gregory Mountain Products

On July 23, 2014, certain of the Group's wholly-owned subsidiaries (the "Samsonite Purchasers") purchased substantially all of the assets of Gregory Mountain Products, LLC ("Gregory") for cash consideration of US$84.1 million. The Samsonite Purchasers purchased substantially all of the assets of Gregory excluding cash, certain receivables, and certain other retained assets and assumed all balance sheet liabilities and certain contractual liabilities of Gregory.

The *Gregory* brand is a leader and pioneer in its industry, responsible for many innovations in backpack design. It is well-respected by active outdoor and adventure enthusiasts as a leading brand in the premium technical backpack segment. In addition to its technical backpacks, *Gregory* branded lifestyle backpacks are popular in Japan and other Asian countries.

The acquisition gives the Group a strong brand and product offering to expand its presence in the high-end segment of the outdoor and lifestyle casual markets, as well as opportunities to leverage the Group's global marketing and distribution capabilities to significantly expand the *Gregory* brand both in the U.S. and internationally.

Subsequent to December 31, 2014, the Group completed the following acquisition:

Rolling Luggage

On February 16, 2015, certain of the Company's wholly-owned subsidiaries completed the acquisition of the business and substantially all of the assets of Rolling Luggage for a cash consideration of GBP 15.75 million, subject to a subsequent adjustment. The consideration was settled by cash upon completion of the acquisition. The Group purchased substantially all of the assets, and assumed certain liabilities of Rolling Luggage.

The acquisition provides the Group with a significant retail footprint in some of the world's leading airports, and further expands the Group's portfolio of retail store locations. For the fiscal year ended January 31, 2015, Rolling Luggage recorded net sales of GBP 26.7 million, an increase of 11.3% from GBP 24.0 million for the fiscal year ended January 31, 2014.

Future Prospects

The Group's growth strategy will continue as planned for 2015, with a focus on the following:

- continue to gain market share by leveraging the strength of the Group's diverse portfolio of brands, which include *Samsonite*, *American Tourister*, *Hartmann*, *High Sierra*, *Gregory*, *Speck* and *Lipault*, across all of its markets;

- allocate more resources to increase the Group's direct-to-consumer sales, including e-commerce, retail and omni-channel, in proportion to net sales;

- allocate more resources to the markets in Latin America where the Group is less represented and has the potential to increase market share;

- allocate more resources to the *Hartmann* brand to increase sales and gain market share worldwide;

- focus on further integrating Speck Products, Lipault and Gregory into the Group's existing business and continue to realize anticipated synergies in sourcing, systems and back-office support functions;

- continually improve the efficiency and effectiveness of the Group's supply chain and global distribution network; and

- continually 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, 2014, the composition of the Board was as follows:

Executive Directors ("EDs")
Ramesh Dungarmal Tainwala
Kyle Francis Gendreau
Tom Korbas

Non-Executive Director ("NED")
Timothy Charles Parker

Independent Non-Executive Directors ("INEDs")
Paul Kenneth Etchells
Keith Hamill
Miguel Kai Kwun Ko
Bruce Hardy McLain (Hardy)
Ying Yeh

At December 31, 2014, 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. Keith Hamill (INED), Mr. Miguel Ko (INED) and Ms. Ying Yeh (INED).

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, 2014 with the Board of Directors.

The figures in respect of the preliminary announcement of the Company's results for the year ended December 31, 2014 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 Committee consists of four members, namely Mr. Timothy Parker (Chairman of the Nomination Committee) (NED), 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), Mr. Hardy McLain (INED) and Ms. Ying Yeh (INED).

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 EDs and certain members of senior management.

Human Resources and Remuneration
At December 31, 2014, the Group had approximately 8,900 employees worldwide, compared to approximately 8,085 employees at December 31, 2013. The increase in headcount is largely driven by the addition of new retail stores and shop-in-shop expansion in Asia, as well as acquisitions. 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 4, 2015 (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 increase distributions to shareholders in line with its growth in earnings. 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, 2014, the Company's Board of Directors recommended that a cash distribution in the amount of approximately US$80.0 million, or US$0.0568 per share, be made to the Company's shareholders of record on June 17, 2014 from its ad hoc distributable reserve. The shareholders approved this distribution on June 5, 2014 at the annual general meeting and the distribution was paid on July 11, 2014.

The Board recommends that a cash distribution in the amount of US$88.0 million, or approximately US$0.0625 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.

Closure of Register of Members

The Distribution will be subject to approval by the shareholders at the forthcoming AGM of the Company. For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from June 2, 2015 to June 4, 2015, 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 4, 2015. 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 June 1, 2015.

Subject to the shareholders approving the recommended Distribution at the forthcoming AGM, such Distribution will be payable on July 13, 2015 to shareholders whose names appear on the register of members on June 17, 2015. To determine eligibility for the Distribution, the register of members will be closed from June 13, 2015 to June 17, 2015, 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, 2015.

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, 2014 to December 31, 2014, 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 Chairman of the Board of the Company, also served as the CEO of the Company from January 1, 2014 until September 30, 2014. The Company believes this was appropriate because having Mr. Parker serve as both the CEO and the Chairman provided the Company with strong and consistent leadership. The Board believes that the balance of power and authority was adequately ensured by the operations of the Board, which is comprised of highly experienced individuals including, during the nine months ended September 30, 2014, four Executive Directors (including Mr. Parker), and five Independent Non-Executive Directors. Moreover, Mr. Parker was 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. Mr. Ramesh Dungarmal Tainwala was appointed CEO of the Company with effect from October 1, 2014, after which date the Company has complied with Code provision A.2.1.

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, its CEO and with the chairpersons of the various Board committees with respect to corporate governance and other Board-related matters. Ms. Chow Yuk Yin Ivy, the Company's other joint company secretary based in Hong Kong, reports to Mr. Livingston. The Company believes this is appropriate because her primary role as joint company secretary is to assist Mr. Livingston in ensuring that the Company complies with its obligations under the Listing Rules.

Directors' Securities Transactions

The Company has adopted its own policies (the "Trading Policy") for securities transactions by directors and relevant employees who are likely to be in possession of unpublished 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, 2014.

Purchase, Sale, or Redemption of the Company's Listed Securities
During the year ended December 31, 2014, the Company issued 889,452 ordinary shares at a weighted-average exercise price of HK$17.36 per share in connection with the exercise of share options that were granted under the Company's Share Award Scheme. There were no purchases or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended December 31, 2014.

Change in Director's Information
A summary of changes in information concerning certain Directors of the Company that have occurred subsequent to the publication of the Company's 2014 interim report pursuant to Rule 13.51(B)(1) of the Listing Rules is as follows:

- Mr. Parker stepped down as Chief Executive Officer of the Company and has been re-designated from Executive Director to Non-Executive Director of the Company, each with effect from October 1, 2014.

- Mr. Tainwala was appointed as Chief Executive Officer of the Company with effect from October 1, 2014. He continues to serve as an Executive Director of the Company.

- Mr. Hamill resigned as an independent non-executive director of Max Property Group plc effective November 25, 2014 following the sale of the business, and he resigned as chairman of Avant Homes Limited effective December 12, 2014, also following the sale of the business.

- Mr. Ko was appointed as executive director of Singbridge Holdings Pte Ltd., and as corporate advisor to Temasek International Advisors Pte Ltd., each effective October 2014. He resigned as a non-executive director of Delta Topco Limited (a privately held holding company for Formula One PLC) effective December 2014.

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).

During 2014, the Joint Company Secretaries complied with Rule 3.29 of the Listing Rules regarding professional training.

Publication of Final Results and 2014 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, 2014 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 17, 2015

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