

INDUSTRY OVERVIEW

This section was prepared by Frost & Sullivan, and was commissioned by Samsonite.

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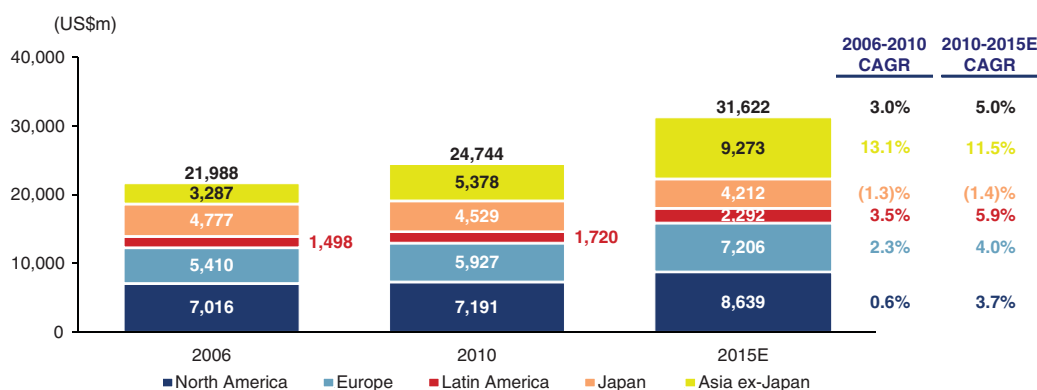
The recent earthquake in Japan and subsequent events have not been taken into account. In the opinion of Frost & Sullivan, the recent earthquake will have an adverse impact on the luggage market in the near term. However, based on preliminary research by Frost & Sullivan, the Japanese market will not be significantly impacted in the long term by this incident. Frost & Sullivan also believes that it is too early to estimate the potential impact and hence it would not be appropriate to make any specific adjustments to the luggage market forecast based on this isolated event.

OVERVIEW OF THE GLOBAL LUGGAGE MARKET

The global luggage market was valued at US\$24.7 billion in retail sales value in 2010, having grown at a CAGR of 3 percent from 2006 to 2010. It is forecast to grow at a 5 percent CAGR from 2010 to 2015 to reach an estimated total size of approximately US\$31.6 billion in retail sales value terms by 2015.

Asia was the largest luggage market in 2010, comprising approximately 40 percent of the total market, of which Japan accounted for 18 percent. North America was the second largest with approximately 29 percent, Europe was the third largest with approximately 24 percent and Latin America was the smallest with approximately 7 percent. The chart below illustrates the historical and projected market size and growth profile of the luggage market by region.

Global Luggage Market Overview by Region



Source: Frost & Sullivan

INDUSTRY OVERVIEW

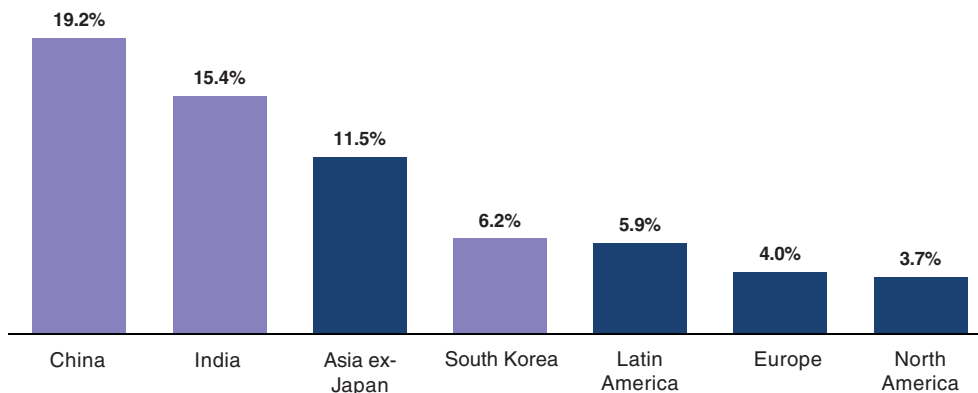
Across the regions, the Asian luggage market (excluding Japan) is forecast to experience the highest growth from 2010 to 2015, primarily driven by China and India, whose luggage markets are estimated to grow at an approximate rate of 19 percent CAGR and 15 percent CAGR, respectively, between 2010 and 2015. Growth in China, India and the rest of Asia is being driven by the increasing demand for luggage as a result of increased spend on travel and tourism arising from the general increase in disposable income.

In North America and Europe, the luggage markets are at a more mature stage of development and are correspondingly growing at a lower rate. Nonetheless, given the expected economic recovery and continued travel expansion, these markets are forecast to grow at CAGRs of 3.7 and 4.0 percent, respectively, between 2010 and 2015.

The Latin America luggage market is forecast to grow at a CAGR of approximately 6 percent between 2010 and 2015, driven by rapid growth in Brazil and Chile and relatively slower growth in Argentina and Mexico. Similar to the emerging Asian markets, much of Latin America is being driven by the increasing demand for luggage, propelled by the rapid expansion of travel and expenditure on tourism.

The chart below sets out the forecast 2010 to 2015 luggage market growth rate in retail sales value for selected countries and regions.

Luggage Market Growth CAGR From 2010 – 2015E

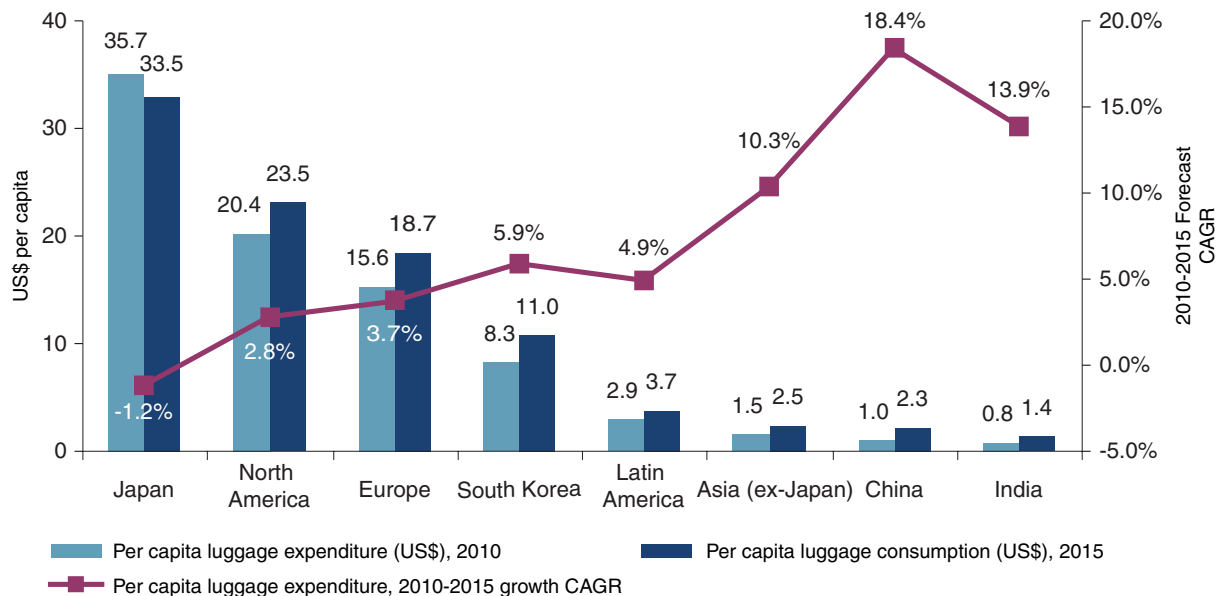


Source: Frost & Sullivan

INDUSTRY OVERVIEW

Per capita expenditure on luggage is significantly lower in the developing regions than it is in the developed markets of Japan, North America and Europe. Looking forward to 2015, it is forecast that per capita expenditure in the developing markets will continue to grow rapidly, however in 2015 it will still significantly lag behind per capita expenditure in the developed markets, leaving the developing markets with significant further headroom for growth over the longer term.

Per Capita Expenditure on Luggage in 2010 and 2015 Forecast



Source: Frost & Sullivan

The global luggage market can be categorized across three primary product segments, namely the travel bag segment, the business bag segment and the casual bag segment.

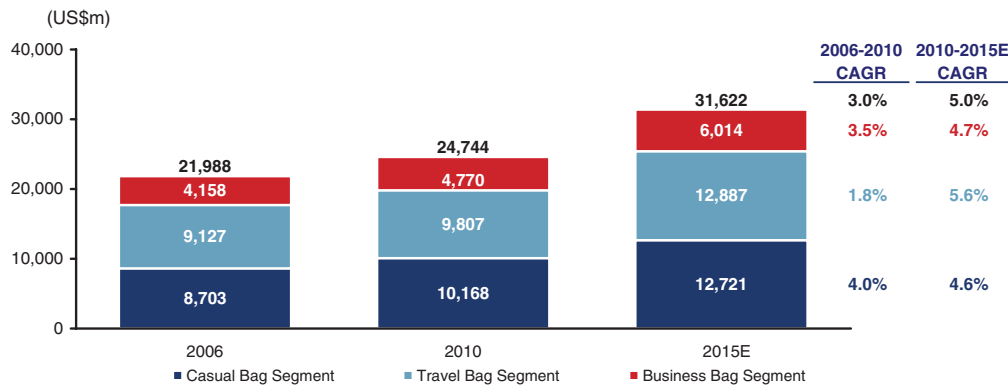
- The travel bag segment comprises travel products, such as suitcases and carry-ons, and is further categorized by the material from which the products are constructed, with the three main categories being hard-side, soft-side and hybrid.
- Business bags are primarily for business use. Special characteristics of a business bag include convenience for carrying a laptop and documents, and these bags often come in the form of rolling mobile office, briefcase or computer bags.
- Casual bags are primarily for daily use, and include different types of backpacks, female and male shoulder bags and wheeled duffel bags. Casual bags are generally not sold as part of a luggage collection. Their color, size, style and material vary.

Considering the market breakdown by product segment, the largest segment in 2010 was the casual bag segment, which was estimated at approximately US\$10.2 billion of retail sales value and accounting for approximately 41 percent of the total luggage market. The travel bag segment was estimated to be US\$9.8 billion at retail sales value in 2010, representing approximately 40 percent of the total luggage market. The business bags segment was

INDUSTRY OVERVIEW

estimated to be US\$4.8 billion at retail sales value in 2010 and represented approximately 19 percent of the total luggage market. The travel bag segment is forecast to be the fastest growing segment over the next five years, driven by structural growth in emerging markets and recovery in global travel demand.

Global Luggage Market Overview by Category



Source: Frost & Sullivan

Market Drivers

The fundamental growth drivers for the luggage market are broad macro-economic factors, such as real GDP growth, consumer confidence, disposable income and employment rates, although each region has its own unique factors. In general, expenditure on tourism and travel expands once a household's disposable income grows beyond a level which covers its basic needs. As such, expenditure on tourism and travel is correlated with and is expected to outpace real GDP growth. Looking forward, world real GDP is forecast to grow at a 4.5 percent CAGR from 2010 to 2015, more than twice the rate that it grew between 2006 and 2010. Global per capita expenditure on tourism and travel is forecast to grow at an approximately 5 percent CAGR from 2010 to 2015.

Luggage sales are also highly correlated with global travel. As the travel industry recovers in Europe and America from the slowdown in 2008 and 2009 associated with the global economic downturn, and structurally expands in Latin America and Asia, it is expected that demand for luggage will experience growth. Looking forward, global travel by rail and by air is forecast to grow at a 3.9 percent CAGR between 2010 and 2015. According to a market outlook report published by Boeing, global airline passenger traffic is forecast to grow between 2009 and 2029 at a rate of 5.3 percent per year, led by the emerging market regions, in particular Asia and Latin America, which are forecast to grow at 6.8 percent and 6.9 percent respectively.

INDUSTRY OVERVIEW

Competitive Landscape

The global luggage industry is fragmented, with the majority of operators serving national markets. Very few serve multiple countries or operate on a global basis. Below is a chart that illustrates luggage companies with substantial presence in key luggage markets in 2010.

Retail Sales Revenue of Major Players Comparison by Region (2010)

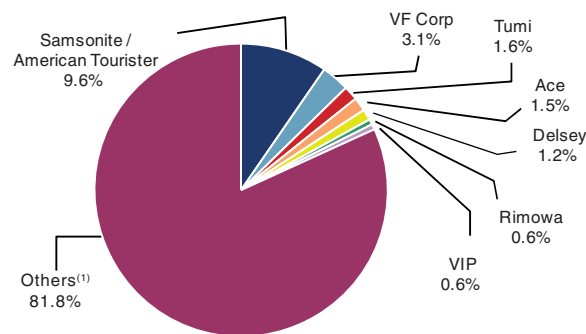
	North America	Europe	Latin America	Asia	India	China
Samsonite Group	✓	✓	✓	✓	✓	✓
VF Corp	✓	✓				
Targus	✓					
Tumi	✓	✓				
Delsey	✓	✓				
VIP Industries				✓	✓	
Antler		✓				
Rimowa		✓				
Crown				✓		✓

Note: '✓' indicates that this player had a market presence of more than US\$100 million in terms of retail sales value in 2010.

Source: Frost & Sullivan

As shown in the graph above, the Samsonite Group was the only luggage group in 2010 to have a presence of more than US\$100 million of sales at retail sales value in North America, Europe, Latin America, Asia, India, and China. Samsonite's key competitor in North America is Tumi, Delsey in Europe, VIP Industries in the Indian market, and Crown in China.

Global Luggage Market Share in 2010



Total: US\$24,744 million

Note:

(1) Other include: Antler, Bric's Victorinox, Wenger Swiss, Randa, Diplomat and Travelpro as well as other smaller players.

Source: Frost & Sullivan

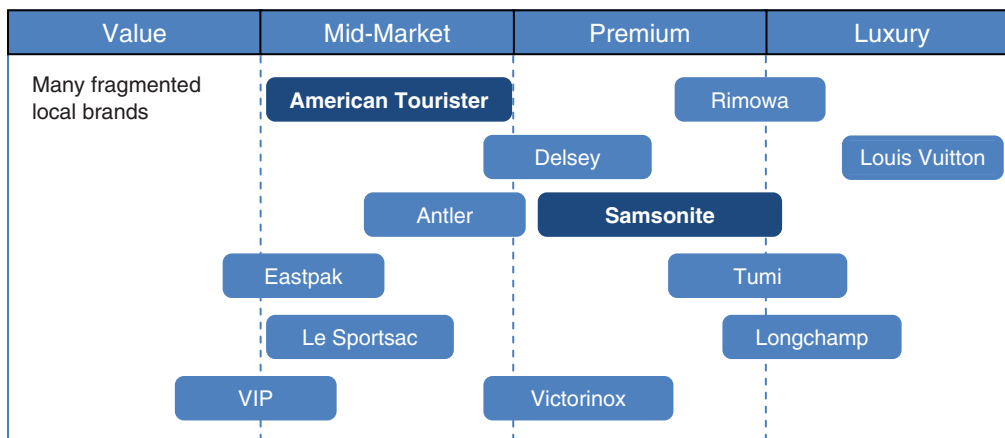
In 2010, the Samsonite Group was the global luggage market leader with a market share of 9.6 percent. The global number two was VF Corp, the US based consumer goods conglomerate which focuses on the casual bag segment of the luggage market under the

INDUSTRY OVERVIEW

principal brands of Jansport, Kipling, Eastpak and The North Face, which had a market share of 3.1 percent. The global number three was Tumi, the US based luggage specialist which focuses on the travel and business segments and had a market share of 1.6 percent.

The luggage market is categorized into value, mid-market, premium and luxury market segments, determined in terms of retail price of products in each market segment. The range of retail prices varies from region to region, but on average for the value segment is up to US\$75, for the mid-market segment is between US\$75 and US\$150, the premium segment is between US\$150 and US\$500 and for the luxury segment is above US\$500.

The chart below provides an overview of the market position of a selection of the larger global brands.



Note: Size or length of the box indicates relative market position of the brand and does not imply market share or company size

Barriers to Entry and Benefits of Scale and Leadership in the Luggage Market

Barriers to entry into the luggage market are generally low, which has contributed to the fragmented nature of the industry. Key challenges for an entrant or an existing company expanding are investment in brand awareness, innovation in new products, access to quality producers, and development of an effective national / local retail network.

Leading players benefit from established brand names, extensive distribution networks, economies of scale and the ability to invest in R&D and marketing. The leading players also benefit from economies of scale in terms of sourcing supplies, distribution network and marketing and R&D investment.

ASIAN LUGGAGE MARKET OVERVIEW

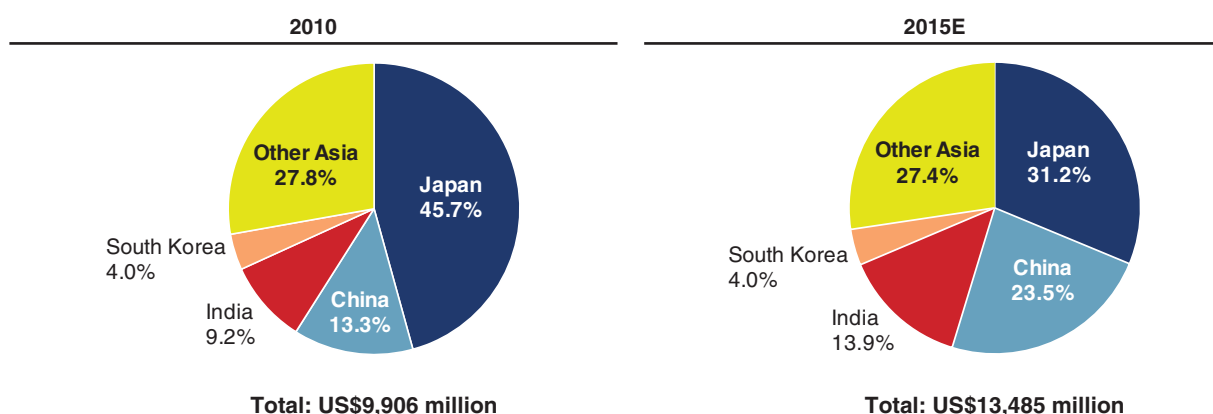
Asia in this Industry Overview refers to China, Hong Kong, India, Indonesia, South Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, Iran, Iraq, Israel, Japan, Kuwait, Saudi Arabia, Syria, and the UAE.

Real GDP in Asia is forecast to grow at a CAGR of 5.5 percent from 2010 to 2015; Real GDP in Asia ex-Japan is forecast to grow at a CAGR of 7.1 percent during the same period. This represents a notable increase versus the 2006 to 2010 period, when real GDP in Asia grew at 4.2 percent CAGR including Japan and 5.1 percent CAGR excluding Japan.

INDUSTRY OVERVIEW

Asia Luggage Market Overview

Asia Luggage Market Breakdown by Countries



Source: Frost & Sullivan

The Asian luggage market measured by retail sales value was approximately US\$9.9 billion in 2010. Japan accounted for 45.7 percent of the market, while China, India and South Korea represented 13.3 percent, 9.2 percent and 4.0 percent of the luggage market, respectively.

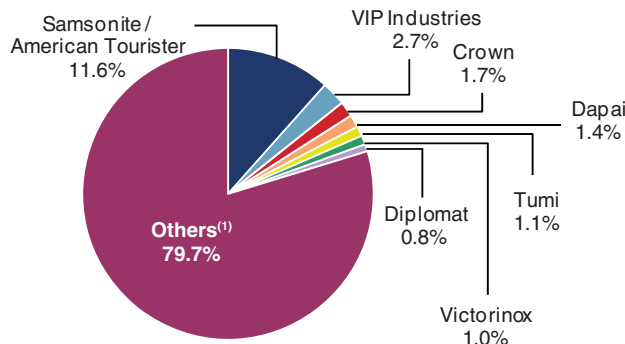
The Asian luggage market, including Japan, is expected to grow at a CAGR of 6.4 percent from 2010 to 2015. Excluding Japan, which is relatively mature among the Asian markets, the emerging Asian markets are forecast to grow rapidly between 2010 and 2015, with the Asia (excluding Japan) region forecast to grow at an 11.5 percent CAGR between 2010 and 2015. At a country level, China is forecast to grow at a CAGR of 19.2 percent, India at 15.4 percent and South Korea at 6.2 percent.

Japan was Asia's largest market in 2010. Due to falling per capita expenditure, it is forecast to decline at a CAGR of 1.4 percent between 2010 and 2015. However, Japan is expected to remain a large luggage market with a forecast market size of US\$4.2 billion at retail sales value in 2015, driven by relatively high per capita expenditure.

As a consequence of these relative growth rates, by 2015 China and India are forecast to grow in importance and by 2015 to account for 23.5 percent and 13.9 percent, respectively, of the Asian luggage market, while Japan's share is forecast to decline to 31.2 percent.

INDUSTRY OVERVIEW

Asian (excluding Japan) Luggage Market Share, 2010



Total: US\$5,378 million

Note:

(1) Other include: Daks, Mardarina Duck, Elle, ACE, Rimowa and Delsey as well as other smaller players.

Source: Frost & Sullivan

The Samsonite Group was Asia's (excluding Japan) luggage market leader with 11.6 percent market share by retail sales value in 2010. Its nearest competitor in the region, VIP Industries, had 2.7 percent market share. VIP Industries is primarily focused on the Indian market and is discussed in more detail in the India section below.

In the travel bags segment, the Samsonite Group's market share was significantly higher at 17.4 percent. In the business and casual segments, its 2010 market share was significantly lower, at 7.5 percent for the business bag segment and 1.1 percent for the casual bag segment, respectively.

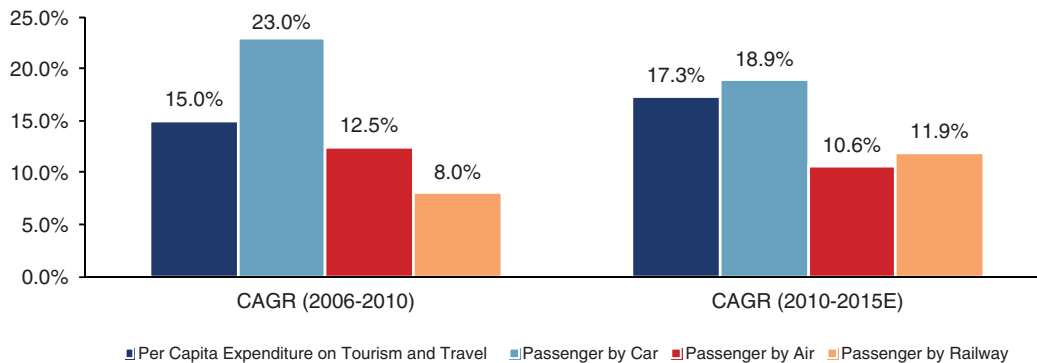
OVERVIEW OF CHINA LUGGAGE MARKET

The economy of the PRC has grown significantly since economic reform and liberalization policies were introduced in the late 1970s. Real GDP increased by a CAGR of 9.8 percent between 2006 and 2010 and is forecast to increase by a CAGR of 9.5 percent between 2010 and 2015. China's rapid economic growth has led to an accelerating rate of urbanization. By 2015, China's urbanization rate is projected to rise to approximately 52.0 percent of the total population from approximately 48 percent in 2010. This growing urban population is expected to maintain China's future economic growth.

INDUSTRY OVERVIEW

PRC Travel and Tourism Industry Overview

Historical and Forecast Travel and Tourism Growth



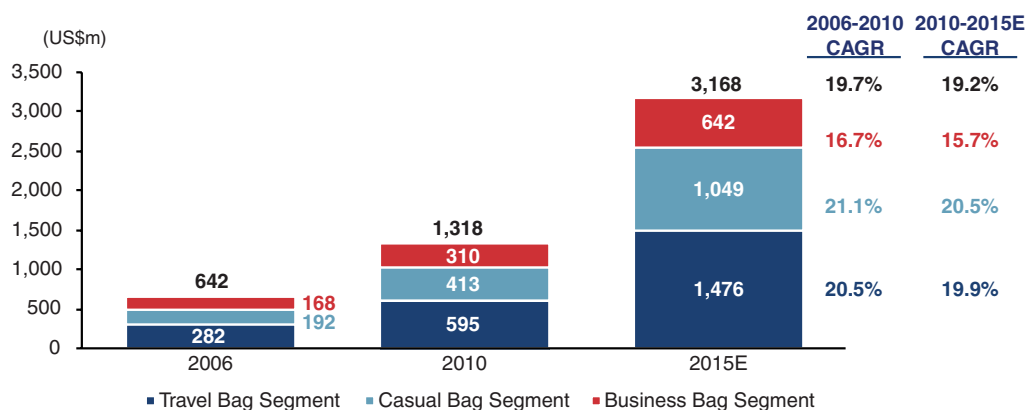
Source: Frost & Sullivan

The favorable economic environment in the PRC has fostered rapid growth in personal wealth, which has contributed to strong growth in the travel and tourism industry. According to the China National Tourism Administration, China currently has the largest tourism industry in the world, based on total number of travellers. In 2010, the number of total trips (whether recreational, travel or business trips) undertaken by Chinese citizens within China reached approximately 2.15 billion trips.

The PRC government has been instrumental in driving this significant growth in travel and tourism. In recent years, the government has encouraged significant investments in infrastructure. Figures from the World Travel & Tourism Council (“WTTC”) show that capital investment for travel and tourism in China reached US\$165.4 billion in 2009. In 2010, the number of airports in China reached 177 and is forecast to reach nearly 250 by 2020, an increase of approximately 41 percent.

PRC Luggage Market Overview

PRC Luggage Market



Source: Frost & Sullivan

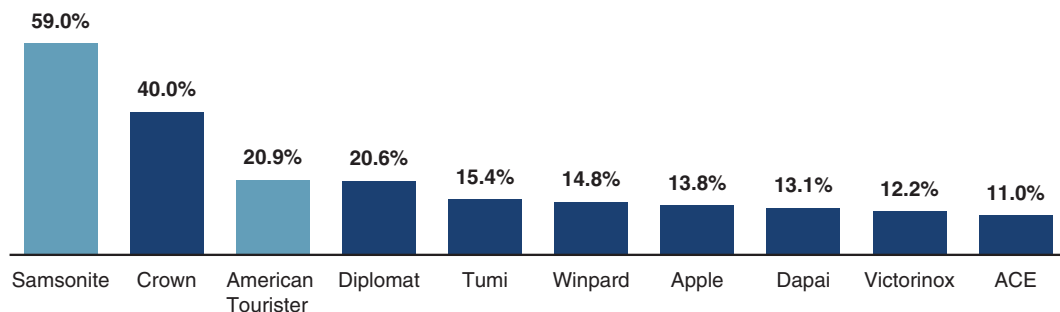
INDUSTRY OVERVIEW

As a result of significant growth in the Chinese economy and in its travel and tourism industry, the luggage market in China has experienced rapid growth since 2006. The total retail sales value of the Chinese luggage market was approximately US\$1,318 million in 2010, and is forecast to reach approximately US\$3,168 million in 2015, representing a 19.2 percent CAGR.

China Aided Brand Awareness Survey

An aided brand awareness survey was conducted in February 2011 in China. An “aided brand awareness survey” is defined as a survey of respondents recognizing specific brands or products from a list of possible names offered as a prompt. In the survey, 20 luggage brands were shown as prompts. The results are shown below:

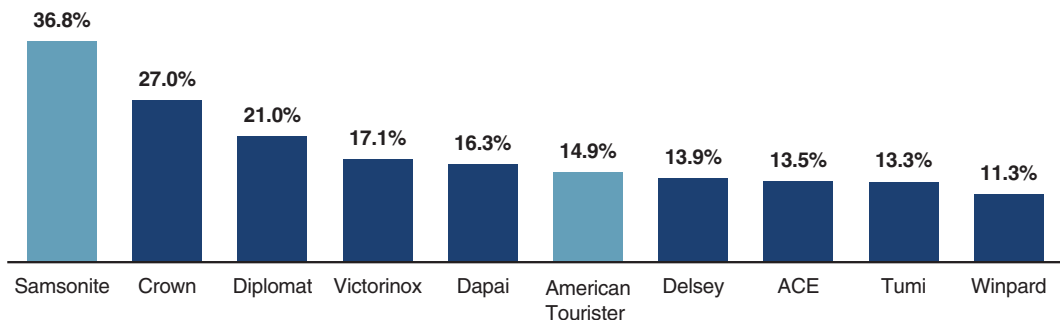
**PRC Aided Brand Awareness Survey, 2011—Travel Bags—
Percentage of Respondents Recognizing Brand**



Source: Frost & Sullivan

In the aided brand awareness survey for travel bags, *Samsonite* ranked first with 59.0 percent recognition by respondents, followed by *Crown* in second place with 40.0 percent recognition and *American Tourister* in third place with 20.9 percent recognition.

**PRC Aided Brand Awareness Survey, 2011—Business Bags—
Percentage of Respondents Recognizing Brand**

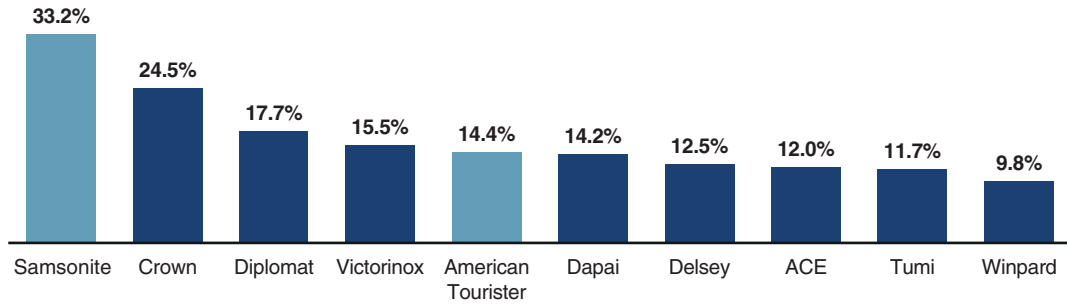


Source: Frost & Sullivan

In the aided brand awareness survey for the business bag segment, *Samsonite* ranked first with 36.8 percent recognition, followed by *Crown* in second place with 27.0 percent recognition and *Diplomat* in third place with 21.0 percent recognition.

INDUSTRY OVERVIEW

PRC Aided Brand Awareness Survey, 2011—Casual Bags— Percentage of Respondents Recognizing Brand

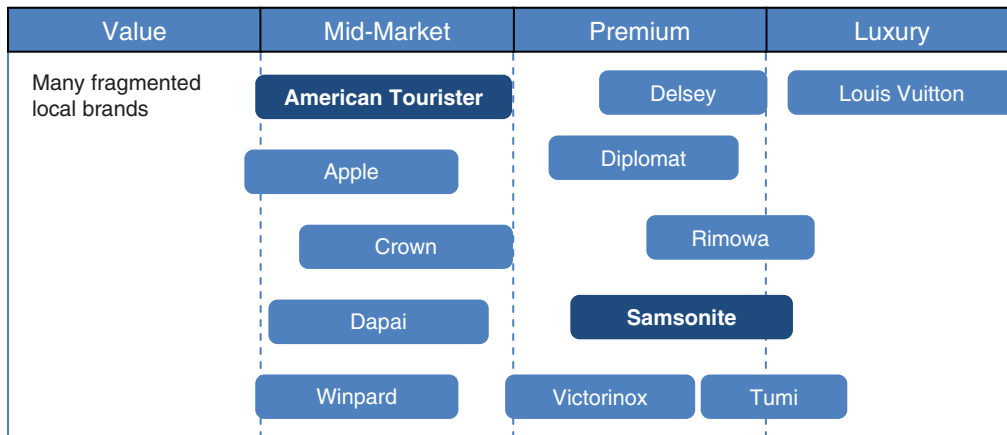


Source: Frost & Sullivan

In the aided brand awareness survey for the casual bag segment, *Samsonite* ranked first with 33.2 percent brand awareness, followed by *Crown* in second place with 24.5 percent, and *Diplomat* in third place with 17.7 percent.

Competitive Landscape

The competitive landscape in the mid-market segment is characterized by a number of predominantly local Chinese operators, with the exception of *American Tourister* which is a global brand. In the premium segment, international brands dominate, with the exception of *Diplomat*, which is a local Chinese brand. The luxury segment is dominated by the global luxury brands, though a number of the global premium brands such as *Samsonite* and *Tumi* have successfully built a position in this segment.

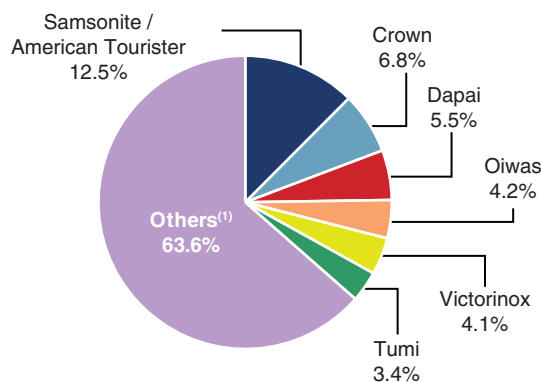


Note: Size or length of the box indicates relative market position of the brand and does not imply market share or company size

Source: Frost & Sullivan

INDUSTRY OVERVIEW

Chinese Luggage Market Share in 2010



Total: US\$1,318 million

Note:

(1) Others include: Diplomat, Winpard, Caaran-y, Wanlima, Delsey, ACE and Apple as well as other smaller players.

Source: Frost & Sullivan

The Samsonite Group is the Chinese luggage market leader by retail sales value, with 12.5 percent share in 2010. The number two player is Crown, which had a 6.8 percent share in 2010, followed by Dapai with a 5.5 percent market share.

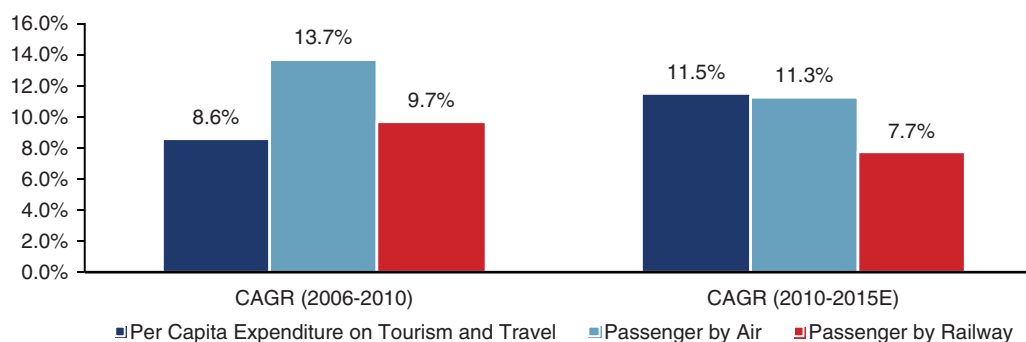
The Samsonite Group has a higher share of the travel bags segment in China with 20.7 percent in 2010. The Group's share of the other segments in China is correspondingly lower, at 9.1 percent of the business segment and 2.1 percent of the casual bag segment in 2010.

INDIAN LUGGAGE MARKET OVERVIEW

From 2010 to 2015, India's real GDP is forecast to grow at an 8.2 percent CAGR. This is broadly in-line with the period from 2006 to 2010 where real GDP grew at an 8.0 percent CAGR.

Indian Travel and Tourism Industry Overview

Historical and Forecast Travel and Tourism Growth



Source: Frost & Sullivan

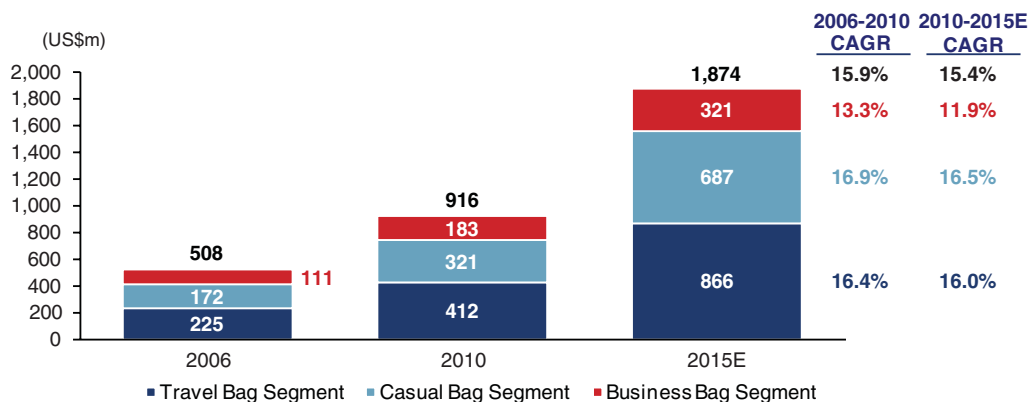
INDUSTRY OVERVIEW

Between 2006 and 2010, per capita expenditure on tourism and travel grew by 8.6 percent CAGR, and travel by air and railway grew at a CAGR of 13.7 percent and 9.7 percent, respectively, over the same period.

From 2010 to 2015, per capita expenditure on tourism is forecast to grow at a CAGR of 11.5 percent, driven by an increasing number of passengers travelling by air and rail which are forecast to grow at a CAGR of 11.3 percent and 7.7 percent, respectively, between 2010 and 2015.

Indian Luggage Market Overview

Indian Luggage Market



Source: Frost & Sullivan

The Indian luggage market was estimated at US\$916 million in retail sales value in 2010 and is forecast to reach approximately US\$1,874 million in 2015, representing a 15.4 percent CAGR between 2010 and 2015.

The travel bag segment accounted for the largest portion of the Indian luggage market in 2010. Between 2010 and 2015, the travel bag segment is forecast to grow at a 16.0 percent CAGR at retail sales value.

Increasing business travel in India is forecast to lead to a significant increase in demand for business bags. From 2010 to 2015, the business bag segment is forecast to grow at a CAGR of 11.9 percent and reach approximately US\$321 million by 2015 at retail sales value.

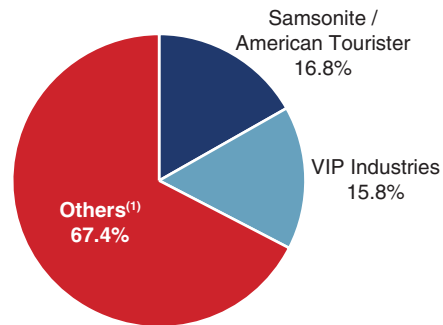
The casual bag segment in India is mainly served by the unorganized segment and is the most price competitive. The unorganized segment refers to products that have little or no brand recognition, no established distribution channel and are often of poor quality.

The casual bag segment is forecast to grow at a CAGR of 16.5 percent at retail sales value from 2010 to 2015, but will remain the toughest segment to enter given the strong competition among companies and the relative lack of brand consciousness among the Indian population in this segment.

INDUSTRY OVERVIEW

Competitive Landscape

Indian Luggage Market Share, 2010



Total = US\$916 million

Note:

(1) Others include: Lacoste, Timberland, Polo Sport, Giordano, Safari and Dakine as well as other smaller players.

Source: Frost & Sullivan

The Indian luggage market can be broadly classified into the organized and unorganized segment. In 2010, the unorganized segment accounted for approximately 58 percent of the luggage market in terms of retail sales value. The organized segment consists of major players like VIP Industries and the Samsonite Group.

In 2010, the Samsonite Group was the market leader with a 16.8 percent share of the luggage market at retail sales value. VIP Industries, which operates under a number of brands including VIP, Carlton, and Delsey (operated under license) was the second largest player with a 15.8 percent share.

The Samsonite Group's share of the travel bag segment was 22.9 percent at retail sales value in 2010. In the business bag and casual bag segment, the Samsonite Group's share at retail sales value was 5.7 percent and 1.8 percent, respectively, in 2010.

OVERVIEW OF EUROPEAN LUGGAGE MARKET

In this Industry Overview, Europe comprises Austria, Benelux (Belgium, Netherlands and Luxembourg), Finland, France, Germany, Greece, Ireland, Italy, Portugal, Spain and the United Kingdom.

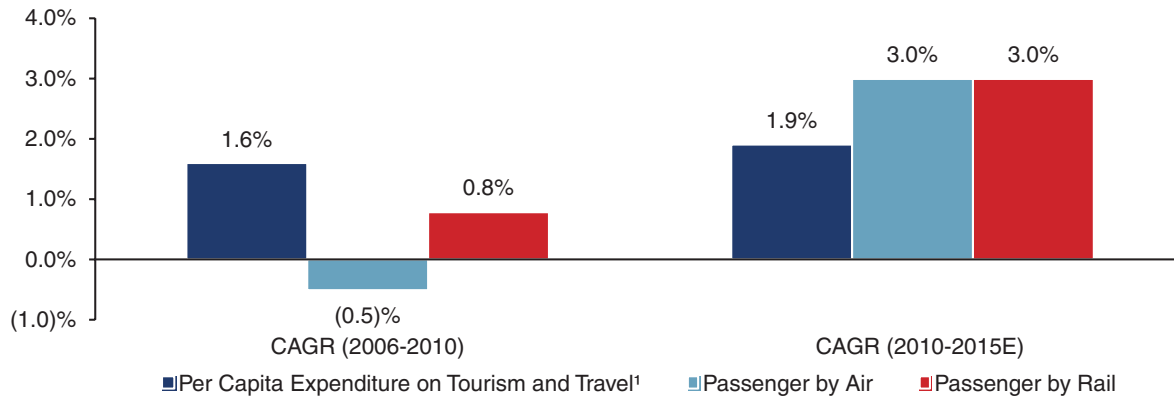
Over the period 2006 to 2010, real GDP and per capita disposable income were broadly flat in Europe, recording growth of 0.1 percent and -0.4 percent CAGR respectively over the period. This period was dominated by a 4.2 percent contraction in real GDP in 2009 followed by modest recovery in 2010. The recovery was led by Germany, Luxembourg, Finland and Belgium, which reported increases of 3.6 percent, 3.2 percent, 3.2 percent and 2.0 percent respectively, while Greece and Spain recorded declines of 3.9 percent and 0.3 percent, respectively.

Looking forward, real GDP for the region is forecast to recover, growing at a 1.8 percent CAGR from 2010 to 2015. Average per capita disposable income is forecast to grow at a 1.5 percent CAGR from 2010 to 2015.

INDUSTRY OVERVIEW

European Travel and Tourism Industry Overview

Historical and Forecast Travel and Tourism Growth



Note:

(1) Per capita expenditure calculated in Euros to eliminate exchange rate effects

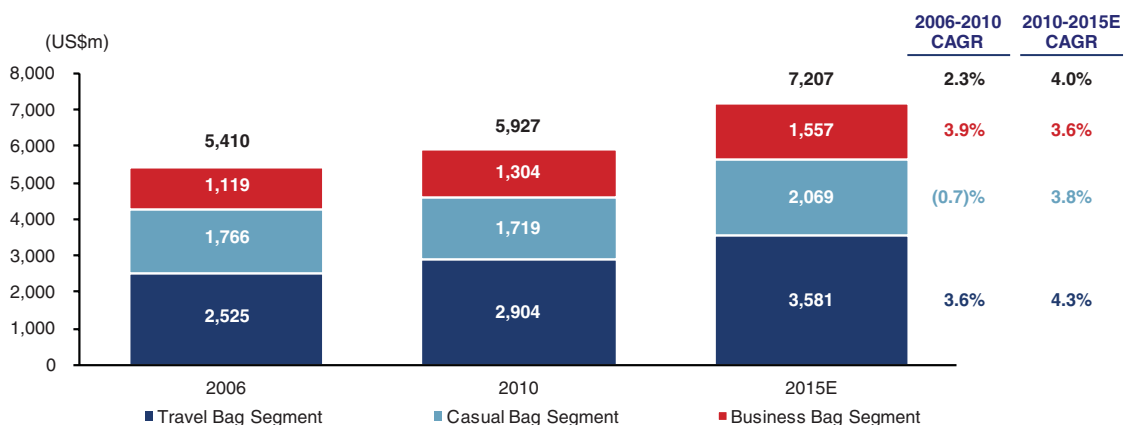
Source: Frost & Sullivan

Over the period from 2006 to 2010, European per capita expenditure on tourism and travel grew at a 1.6 percent CAGR. This compared to passenger growth by air and rail of -0.5 percent and 0.8 percent CAGR, respectively, over the same period. Although the market was affected by the economic downturn with per capita expenditure on travel and tourism falling by 5 percent in 2009, it recovered in 2010 when per capita expenditure on travel and tourism grew in Europe by 14 percent.

Despite the expected retraction of fiscal stimulus and increased taxation across Europe, it is forecast that per capita expenditure on travel and tourism will grow at a 1.9 percent CAGR from 2010 to 2015. This compares to passenger growth by air and rail at a 3.0 percent CAGR, respectively, over the same period.

European Luggage Market Overview

European Luggage Market



Source: Frost & Sullivan

INDUSTRY OVERVIEW

In 2010, the European luggage market was valued at approximately US\$5.9 billion at retail sales value, and is forecast to grow at a 4.0 percent CAGR between 2010 and 2015. This growth rate is roughly double the rate achieved over the period from 2006 to 2010, during which the market grew by a 2.3 percent CAGR.

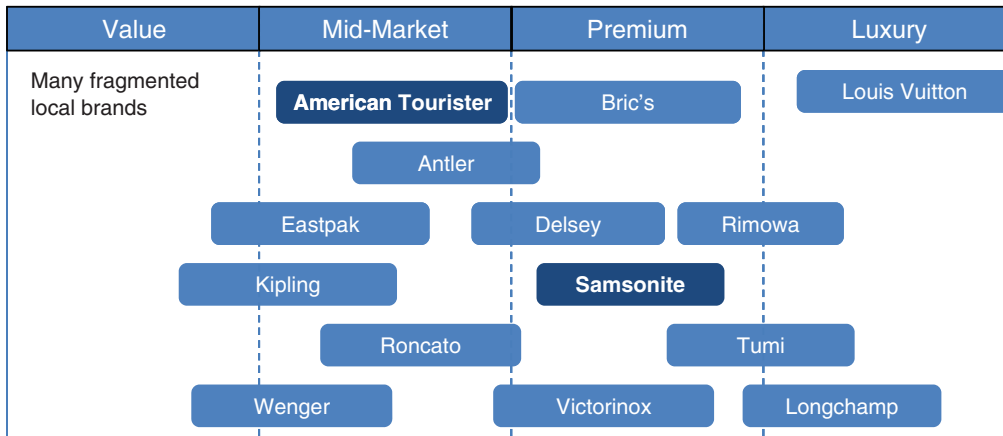
Considering the market breakdown by segment, travel bags represented approximately 49 percent of the broader luggage market in 2010 by retail sales value, at US\$2,904 million. The travel bags segment in Europe is forecast to grow at a 4.3 percent CAGR from 2010 to 2015, a faster pace than the other luggage segments.

Casual bags represented approximately 29 percent of the European luggage market in 2010, with an estimated value of approximately US\$1,719 million. The casual bags segment is forecast to grow at 3.8 percent CAGR from 2010 to 2015.

Business bags represented approximately 22 percent of the European luggage market in 2010, with an estimated value of US\$1,304 million. This segment is forecast to grow at a 3.6 percent CAGR from 2010 to 2015.

Competitive Landscape

European brands dominate the luxury and premium segments, though a number of American brands have made inroads into the premium and mid-market segments.

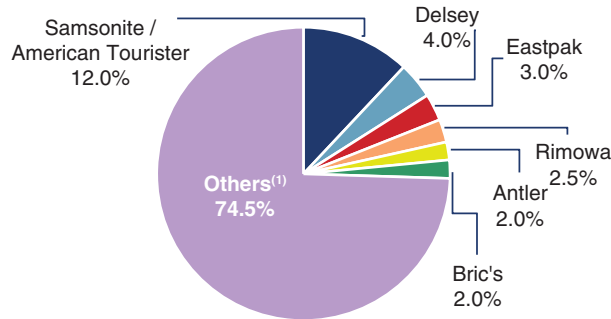


Note: Size or length of the box indicates relative market position of the brand and does not imply market share or company size

Source: Frost & Sullivan

INDUSTRY OVERVIEW

European Luggage Market Share, 2010



Total: US\$ 5,927 million

Note:

(1) Others include: Rocanto, The Bridge, Titar, Travelite, Mandarin Duck, Ghepard, Piquadro, Ciak, Stratic and Travelpro as well as other smaller players.

Source: Frost & Sullivan

The European luggage market is fragmented, with the top four players (the Samsonite Group, Delsey, VF Corp and Rimowa) holding a combined share of approximately 21.5 percent market share measured by 2010 retail sales value.

The Samsonite Group was the European luggage market leader in 2010, with approximately 12 percent market at retail sales value. The number two player was Delsey, which has approximately 4 percent market share at retail sales value, and the number three player was VF Corp, which had 3.0 percent market share at retail sales value.

The Samsonite Group's sales are weighted towards the travel segment, where in 2010 it had a market share of 16.8 percent by retail sales value. Samsonite's share of the business and casual segments was 3.9 percent and 3.6 percent, respectively, in 2010.

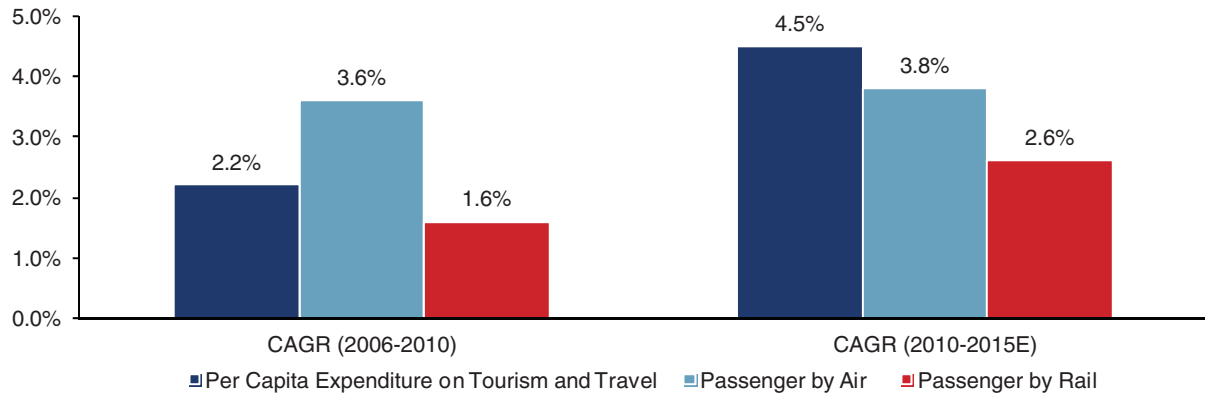
NORTH AMERICAN LUGGAGE MARKET

Between 2006 and 2010, North American real GDP grew by a 0.4 percent CAGR after being significantly impacted by the financial crisis in 2008. In 2010 real GDP grew by 2.4 percent. Between 2010 and 2015, real GDP in North America is forecast to recover, increasing at a CAGR of 2.7 percent.

INDUSTRY OVERVIEW

North American Travel and Tourism Industry Overview

Historical and Forecast Travel and Tourism Growth



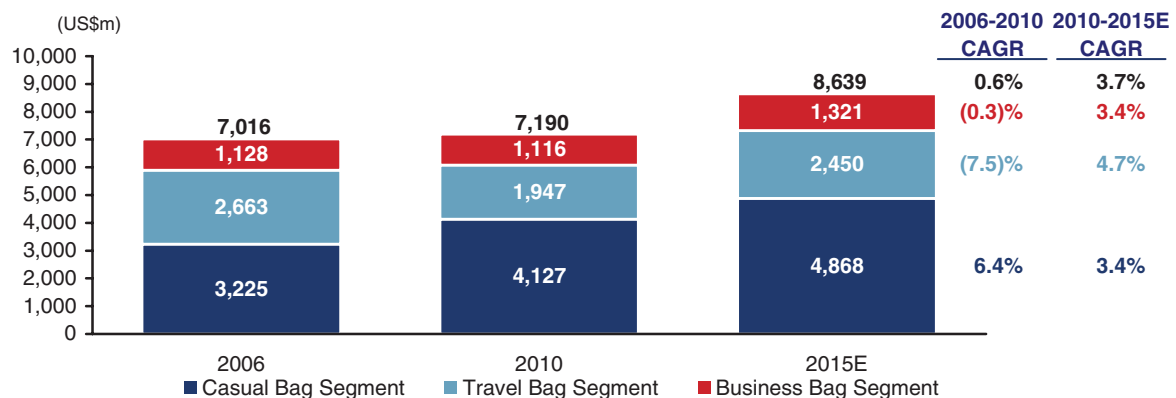
Source: Frost & Sullivan

Between 2006 and 2010, per capita expenditure on tourism and travel in North America grew by a 2.2 percent CAGR. Consumer spend grew between 2006 and 2008 but fell sharply in 2009 with the economic downturn, before beginning to recover in 2010. Looking forward, consumer per capita expenditure on tourism and travel is forecast to grow at a CAGR of 4.5 percent between 2010 and 2015, as a result of improving consumer purchasing power, highlighting the longer term growth potential in travel and tourism.

In 2009, the United States had 54.9 million arrivals, of which 31.1 million were domestic journeys. The number of arrivals is projected to have increased to approximately 55.9 million in 2010 and is forecast to reach approximately 66.3 million by the end of 2015. Passenger numbers by air and rail are forecast to grow at a 3.8 percent and 2.6 percent CAGR, respectively, between 2010 and 2015.

North American Luggage Market Overview

North American Luggage Market



Source: Frost & Sullivan

INDUSTRY OVERVIEW

The US market accounts for approximately 90 percent of the North American market for luggage. Looking forward, the North American luggage market is forecast to grow by a 3.7 percent CAGR between 2010 and 2015, driven by the recovery in travel and spend on travel and tourism.

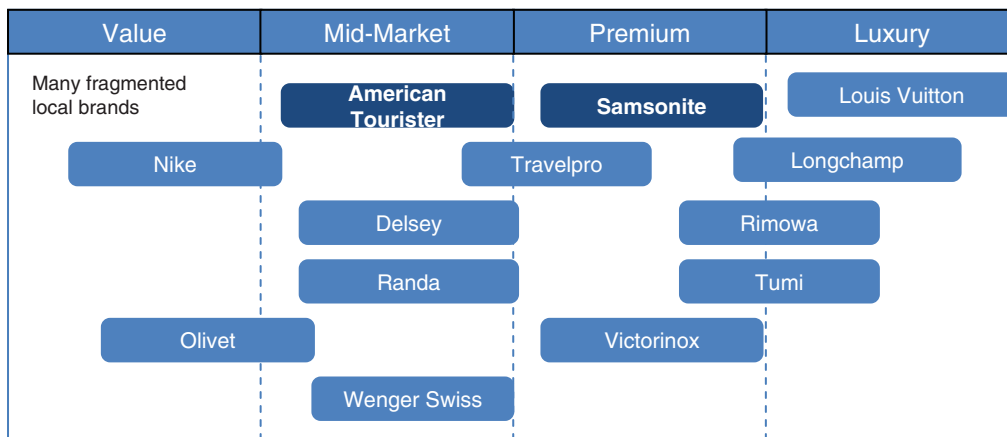
The largest luggage market segment was the casual bag segment which was approximately US\$4,127 million at retail sales values in 2010. This segment is forecast to grow by a 3.4 percent CAGR between 2010 and 2015 at retail sales value.

The second largest segment was travel bags, which was approximately US\$1,947 million in 2010. The travel segment is forecasted to grow at a CAGR of 4.7 percent between 2010 and 2015, driven by growth of the travel and tourism industry.

The smallest segment was the business bag segment which was approximately US\$1,116 million at retail sales value in 2010. The business bag segment is forecast to grow at a 3.4 percent CAGR from 2010 to 2015.

Competitive Landscape

The value segment in the United States is characterized by the presence of a large number of private label brands which compete with one another primarily on price. In the mid-market segment American Tourister competes with Delsey, Wenger Swiss and Randa. Samsonite straddles the top end of the mid-market segment and the lower end of the premium segment in North America, somewhat below its positioning in Europe and Asia. In the premium segment Samsonite competes with Tumi, Travelpro and Victorinox. The luxury segment is composed of the global luxury brands.

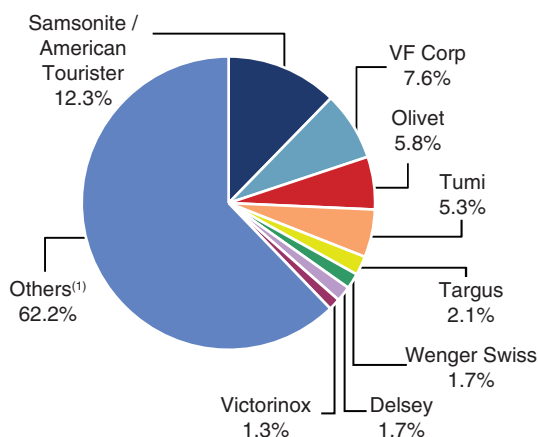


Note: Size or length of the box indicates relative market position of the brand and does not imply market share or company size

Source: Frost & Sullivan

INDUSTRY OVERVIEW

North American Luggage Market Share, 2010



Total: US\$7,191 million

Note:

(1) Others include: Randa, Travelpro, Ace, Jansport, The North Face, High Sierra, Under Armour, LL Bean and Dakine as well as other smaller players.

Source: Frost & Sullivan

The Samsonite Group is the market leader in the North American luggage market by retail sales value. In 2010 it held 12.3 percent market share. The number two player was VF Corp, who owns brands such as Eastpak, Jansport, the North Face and had a market share of 7.6 percent in 2010. The number three player was Olivet, which holds the luggage brand licences in the United States for Tommy Hilfiger, Tag, Dockers and Jeep and had a 5.8 percent market share.

Due to the Samsonite Group's weighting of sales towards travel products, its share of the travel segment was higher, at nearly 29 percent in 2010, while its share of the business bag and casual bag segment was lower at approximately 2 percent and 1 percent, respectively, in 2010.

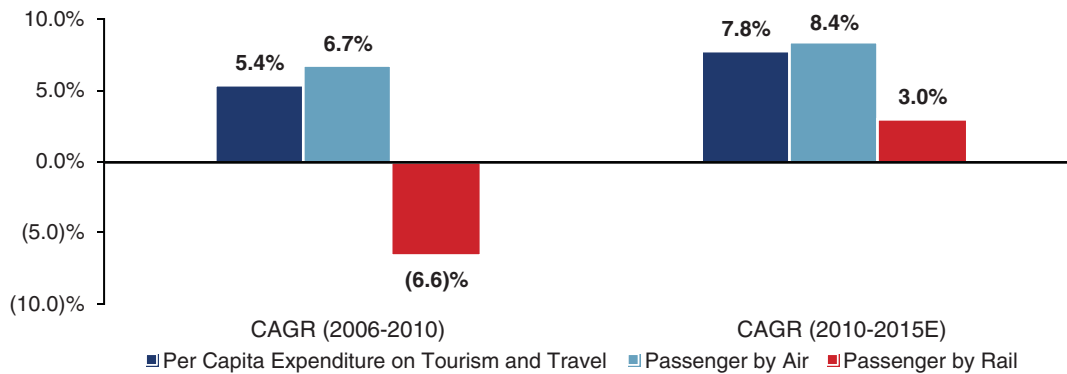
LATIN AMERICA LUGGAGE MARKET OVERVIEW

Real GDP in Latin America grew between 2006 and 2010 by a 3.3 percent CAGR, and is forecast to grow by a 4.0 percent CAGR between 2010 and 2015. Per capita disposable income also grew between 2006 and 2015 by a 2.1 percent CAGR, and is forecast to grow by a 3.0 percent CAGR between 2010 and 2015, driven by rapid growth in Brazil and Chile and relatively slower growth in Argentina and Mexico.

INDUSTRY OVERVIEW

Travel and Tourism Industry Overview

Historical and Forecast Travel and Tourism Growth

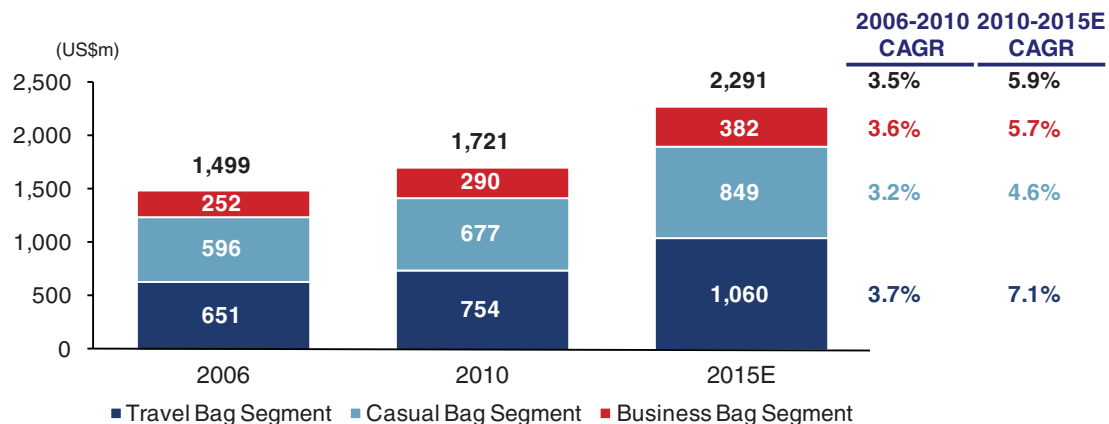


Source: Frost & Sullivan

Between 2006 and 2010, per capita expenditure on tourism and travel grew at a 5.4 percent CAGR. This was supported by the expansion of travel in the region, with air passenger growing by a 6.7 percent CAGR. Looking ahead, per capita expenditure on tourism and travel is forecast to grow at a 7.8 percent CAGR between 2010 and 2015. Air passengers are forecast to grow at an 8.4 percent CAGR over the same period.

Latin American Luggage Market

Latin American Luggage Market



Source: Frost & Sullivan

The Latin American luggage market grew at a 3.5 percent CAGR between 2006 and 2010 to reach US\$1,721 million in retail sales value in 2010. The market is forecast to grow at a 5.9 percent CAGR between 2010 and 2015.

In 2010, the travel bag segment was the largest at approximately US\$754 million at retail sales value, representing 45 percent of the total luggage market. The travel bag segment grew at a 3.7 percent CAGR between 2006 and 2010, and is forecast to grow at a 7.1 percent CAGR between 2010 and 2015.

INDUSTRY OVERVIEW

In 2010, the casual segment was the second largest at approximately US\$677 million at retail sales value, representing approximately 41 percent of the total luggage market. The travel segment grew at a 3.2 percent CAGR between 2006 and 2010, and is forecast to grow at a 4.6 percent CAGR between 2010 and 2015.

In 2010, the business segment was the smallest at approximately US\$290 million at retail sales value, representing approximately 14 percent of the total luggage market. The travel segment grew at a 3.6 percent CAGR between 2006 and 2010, and is forecast to grow at a 5.7 percent CAGR between 2010 and 2015.

The Samsonite Group held 8.3 percent of the Latin American luggage market by retail sales value in 2010. The Samsonite Group's products are sold in Latin America under the brands *Samsonite*, *American Tourister*, *Saxoline* and *Xtrem*.

Sources of Information

Our Company commissioned Frost & Sullivan, an independent marketing and consulting agency, to conduct research and to prepare a report (the "**Industry Report**") on the global luggage market in Asia, Europe, North America and Latin America, including general economic data on China and India and brand awareness surveys in a number of key luggage markets. Frost & Sullivan received a total commission of RMB5,695,000 for the research and preparation of the Industry Report. The payment of such amount was not contingent upon our successful Listing or on the results of the Industry Report. Except for the Industry Report, we did not commission any other customized report.

In the PRC, the methodology used by Frost & Sullivan involved conducting both primary and secondary research obtained from numerous sources within the luggage industry in the PRC. Primary research involved interviewing leading industry participants and secondary research involved reviewing company reports, independent research reports and Frost & Sullivan's proprietary database built up over the past decades.

In North America, Europe, Asia (other than China) and Latin America, primary research was conducted through telephone interviews by Frost & Sullivan analysts. Secondary research was conducted by reviewing publicly available documents, including corporate filings and research reports, which served as an initial step to gather high-level information and to devise appropriate interviewee lists and research methodologies for further investigation.

Forecast data was obtained from historical data analyses plotted against macroeconomic data as well as specific industry-related drivers, such as, amongst others, purchasing power and consumer expenditure on travel and luggage. Frost & Sullivan developed its forecasts on the following bases and assumptions:

- The social, economic and political environments of countries and regions being examined remain stable during the forecast period, which ensures the sustained and steady development of the luggage market.
- Purchasing power is expected to continue to rise rapidly in emerging economies and to grow steadily in developed economies.

INDUSTRY OVERVIEW

The research may be affected by the accuracy of these assumptions and the choice of these parameters.

The recent earthquake in Japan and subsequent events have not been taken into account. In the opinion of Frost & Sullivan, the recent earthquake will have an adverse impact on the luggage market in the near term. However, based on preliminary research by Frost & Sullivan, the Japanese market will not be significantly impacted in the long term by this incident. Frost & Sullivan also believes that it is too early to estimate the potential impact and hence it would not be appropriate to make any specific adjustments to the luggage market forecast based on this isolated event.