The following is the text of a report, prepared for the purpose of inclusion in this Prospectus, received from the joint reporting accountants, KPMG LLP, Certified Public Accountants, United States, and KPMG, Certified Public Accountants, Hong Kong.

KPMG LLP
6th Floor, Suite A
100 Westminster Street
Providence
Rhode Island 02903-2321
United States of America

KPMG
8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

June 3, 2011

The Board of Directors
Samsonite International S.A.

Goldman Sachs (Asia) L.L.C.

Dear Sirs

INTRODUCTION

We set out below our report on the financial information relating to Samsonite International S.A. (the "Company") including the combined income statements, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group (as defined below) for each of the three years ended December 31, 2008, 2009 and 2010 (the "Relevant Period"), and the combined statements of financial position of the Group as at December 31, 2008, 2009 and 2010, together with notes thereto (the "Financial Information") for inclusion in the prospectus of the Company dated June 3, 2011 (the "Prospectus") in connection with the initial listing of the Company's shares 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 Luxembourg société anonyme under the laws of the Grand Duchy of Luxembourg. Pursuant to the 2011 Reorganization Implementation Deed executed on May 27, 2011 ("2011 Reorganization Implementation Deed") which sets out the terms of a planned group reorganization to be completed before the listing of the Company's shares on the Stock Exchange (the "2011 Reorganization") as detailed in the section headed "History and Reorganization—Our 2011 Corporate Reorganization" to the Prospectus, the Company will become the holding company of the companies comprising the Group. During the Relevant Period, the Group's business were held and conducted through Delilah Holdings S.a.r.l. and its subsidiaries (collectively, "Delilah Group"). The Company has not carried out any business since the date of its incorporation save for the execution of the aforementioned 2011 Reorganization Implementation Deed in relation to the 2011 Reorganization and the execution of a revolving credit facility agreement as detailed in the section headed "Financial Information—Revolving Credit Facility" to the Prospectus. The Company and its subsidiaries upon completion of the 2011 Reorganization are collectively referred to as the "Group".

Details of the Group's principal subsidiaries and the names of the respective auditors for the Relevant Period are set out in note 28 of Section C. The Company and its subsidiaries have adopted December 31 as their financial year end date. The statutory financial statements of the Company and its principal subsidiaries were prepared in accordance with International Financial Reporting Standards ("IFRSs") or the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated.

BASIS OF PREPARATION

The directors of the Company have prepared the consolidated financial statements of Delilah Group as at and for each of the years ended December 31, 2008, 2009 and 2010 (the "Underlying Financial Statements") in accordance with IFRSs as issued by the International Accounting Standards Board. The Underlying Financial Statements were audited by KPMG LLP in accordance with generally accepted auditing standards in the United States and International Standards on Auditing.

The Financial Information has been prepared by the directors of the Company based on the Underlying Financial Statements, after making such adjustments as are appropriate, including those adjustments to comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and on the basis set out in Section A below.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with IFRSs, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to form an opinion on the Financial Information based on our procedures.

BASIS OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have carried out appropriate procedures as we considered necessary in accordance with Auditing Guideline "Prospectuses and the Reporting Accountant" (Statement 3.340) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

We have not audited any financial statements of the companies comprising the Group in respect of any period subsequent to December 31, 2010.

OPINION

In our opinion, for the purpose of this report, all adjustments considered necessary have been made and the Financial Information, on the basis of presentation set out in Section A below and in accordance with the accounting policies set out in Section C below, gives a true and fair view of the Group's combined results and cash flows for the Relevant Period, and the state of affairs of the Group as at December 31, 2008, 2009 and 2010.

A BASIS OF PRESENTATION

Samsonite International S.A. (the "Company") was established by the controlling shareholder of Delilah Holdings S.a.r.l. ("Delilah") on March 8, 2011 as a Luxembourg société anonyme under the laws of the Grand Duchy of Luxembourg. Pursuant to the 2011 Reorganization Implementation Deed executed on May 27, 2011 which sets out the terms of a planned group reorganization to be completed before the listing of the Company's shares on the Stock Exchange as detailed in the section headed "History and Reorganization—Our 2011 Corporate Reorganization" to the Prospectus, the Company will become the holding company of the companies comprising the Group.

For the purpose of this report, the Financial Information has been prepared and presented based on the consolidated financial statements of Delilah and its subsidiaries for the Relevant Period. Intra-group balances and transactions and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the Financial Information. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to extent that there is no evidence of impairment.

B FINANCIAL INFORMATION

1 Combined Income Statements

	Section C Note	Year ended December 31, 2008	2009	2010
		In thousands of US Dollars		
Net sales	6	$ 1,249,565	1,029,374	1,215,307
Cost of sales		625,379	513,824	525,628
Gross profit		624,186	515,550	689,679
Distribution expenses		396,142	318,240	319,621
Marketing expenses		67,642	44,045	102,453
General and administrative expenses		116,112	121,341	97,096
Impairment of goodwill	9	969,787	—	—
Impairment of other intangible assets and fixed assets	8, 9	458,999	7,216	115
Reversal of impairment of intangible assets and fixed assets	8, 9	—	(19,800)	(379,941)
Restructuring charges	24	12,390	65,102	4,348
Other expenses		578	14,097	2,385
Operating profit/(loss)		(1,397,464)	(34,691)	543,602
Finance income	25	3,671	943	1,647
Finance costs	25	(177,894)	(118,977)	(30,660)
Gain on debt and equity restructuring	14	—	1,289,897	—
Finance income and costs		(174,223)	1,171,863	(29,013)
Profit/(loss) before income tax	26	(1,571,687)	1,137,172	514,589
Income tax (expense)/benefit	23	147,671	72,163	(147,775)
Profit/(loss) for the year		(1,424,016)	1,209,335	366,814
Profit/(loss) attributable to the equity holders		(1,433,733)	1,202,433	355,022
Profit/(loss) attributable to non-controlling interests		9,717	6,902	11,792
Profit/(loss) for the year		$(1,424,016)	1,209,335	366,814

The accompanying notes form part of the Financial Information.

2 Combined Statements of Comprehensive Income

	Section C Note	Year ended December 31, 2008	2009	2010
		In thousands of US Dollars		
Profit/(loss) for the year		$(1,424,016)	1,209,335	366,814
Other comprehensive income/(loss):				
Actuarial gains/(losses) on defined benefit plans	18	(69,215)	1,137	(7,438)
Effective portion of changes in fair value of cash flow hedges		(13,223)	987	297
Reclassification of income on cash flow hedges to profit/(loss)		8,126	650	—
Foreign currency translation gains/(losses) for foreign operations		(18,497)	19,922	1,383
Income tax expense on other comprehensive income/(loss) items		—	—	—
Other comprehensive income/(loss)		(92,809)	22,696	(5,758)
Total comprehensive income/(loss)		(1,516,825)	1,232,031	361,056
Total comprehensive income/(loss) attributable to the equity holders		(1,522,158)	1,223,738	348,890
Total comprehensive income/(loss) attributable to non-controlling interests		5,333	8,293	12,166
Total comprehensive income/(loss) for the year		$(1,516,825)	1,232,031	361,056

The accompanying notes form part of the Financial Information.

3 Combined Statements of Financial Position

	Section C Note	December 31 2008	2009	2010
		In thousands of US Dollars		
Non-Current Assets				
Property, plant and equipment, net	8	$ 56,504	49,290	124,782
Goodwill	9	153,212	153,212	153,212
Other intangible assets, net	9	303,580	318,711	628,296
Deferred tax assets	23	28,599	35,897	20,791
Other assets and receivables	10	14,979	14,476	15,393
Total non-current assets		556,874	571,586	942,474
Current Assets				
Inventories	11	198,206	113,227	222,704
Trade and other receivables, net	12	136,067	119,398	146,142
Prepaid expenses and other assets		53,385	44,626	67,883
Cash and cash equivalents	13	86,913	290,533	285,798
Total current assets		474,571	567,784	722,527
Total Assets		$ 1,031,445	1,139,370	1,665,001
Equity/(equity deficiency)				
Capital and reserves:				
Share capital	15	$ —	22,200	22,214
Reserves	15	(1,447,818)	369,337	717,994
Equity/(equity deficiency) attributable to equity holders		(1,447,818)	391,537	740,208
Non-controlling interests		15,694	17,113	22,644
Total equity/(equity deficiency)		(1,432,124)	408,650	762,852
Non-Current Liabilities				
Loans and borrowings	17	1,669	251,841	246,709
Employee benefits	18	101,143	99,761	77,124
Non-derivative financial instruments	7, 22	8,382	8,656	18,652
Deferred tax liabilities	23	110,751	27,491	135,779
Other liabilities		33,701	7,564	7,122
Total non-current liabilities		255,646	395,313	485,386
Current Liabilities				
Loans and borrowings	17	1,425,319	14,199	12,032
Shareholder loan	17	487,419	—	—
Employee benefits		29,946	32,969	38,777
Trade and other payables	21	207,446	259,066	330,511
Derivative financial instruments	22	36,145	—	—
Current tax liabilities	23	21,648	29,173	35,443
Total current liabilities		2,207,923	335,407	416,763
Total liabilities		2,463,569	730,720	902,149
Total equity/(equity deficiency) and liabilities		$ 1,031,445	1,139,370	1,665,001
Net current assets/(liabilities)		$(1,733,352)	232,377	305,764
Total assets less current liabilities		$(1,176,478)	803,963	1,248,238

The accompanying notes form part of the Financial Information.

4 Combined Statements of Changes in Equity

				Reserves							
	Section C Note	Number of shares	Share capital	Class B preference share reserve	Additional paid-in capital	Translation reserve	Other reserves	Accumulated Deficit	Total equity/ (equity deficiency) attributable to equity holders	Non-controlling interests	Total equity/ (equity deficiency)
					In thousands of US Dollars (except "Number of Shares")						
Balance, January 1, 2008		100	$ —	—	221,288	1,265	(1,030)	(81,097)	140,426	41,549	181,975
Loss for the year		—	—	—	—	—	—	(1,433,733)	(1,433,733)	9,717	(1,424,016)
Other comprehensive income:											
Actuarial losses on defined benefit plans	18 (e)	—	—	—	—	—	(69,215)	—	(69,215)	—	(69,215)
Effective portion of changes in fair value of cash flow hedges	25	—	—	—	—	—	(13,223)	—	(13,223)	—	(13,223)
Reclassification of income on cash flow hedges to net profit/(loss)	25	—	—	—	—	—	8,126	—	8,126	—	8,126
Foreign currency translation losses		—	—	—	—	(18,497)	—	—	(18,497)	—	(18,497)
Total comprehensive loss for the year		—	—	—	—	(18,497)	(74,312)	(1,433,733)	(1,526,542)	9,717	(1,516,825)
Transactions with owners recorded directly in equity:											
Change in fair value of put options		—	—	—	—	—	—	(600)	(600)	—	(600)
Acquisition of non-controlling interests	7	—	—	—	—	—	—	(61,102)	(61,102)	(21,799)	(82,901)
Dividends paid to non-controlling interests		—	—	—	—	—	—	—	—	(8,494)	(8,494)
Other transactions		—	—	—	—	—	—	—	—	255	255
Foreign currency translation losses		—	—	—	—	—	—	—	—	(5,534)	(5,534)
Balance, December 31, 2008		100	—	—	221,288	(17,232)	(75,342)	(1,576,532)	(1,447,818)	15,694	(1,432,124)
Profit for the year		—	—	—	—	—	—	1,202,433	1,202,433	6,902	1,209,335
Other comprehensive income:											
Actuarial gains on defined benefit plans	18 (e)	—	—	—	—	—	1,137	—	1,137	—	1,137
Effective portion of changes in fair value of cash flow hedges	25	—	—	—	—	—	987	—	987	—	987
Reclassification of income on cash flow hedges to net profit/(loss)	25	—	—	—	—	—	650	—	650	—	650
Foreign currency translation gains		—	—	—	—	19,922	—	—	19,922	—	19,922
Total comprehensive income for the year		—	—	—	—	19,922	2,774	1,202,433	1,225,129	6,902	1,232,031
Transactions with owners recorded directly in equity:											
Deconsolidation of Vespucci Finance Corporation		(100)	—	—	—	—	—	—	—	—	—
Conversion of debt into share capital		699,990,000	7,000	—	—	—	—	—	7,000	—	7,000

	Section C Note	Number of shares	Share capital	Reserves: Class B preference share reserve	Reserves: Additional paid-in capital	Reserves: Translation reserve	Reserves: Other reserves	Reserves: Accumulated Deficit	Total equity/ (equity deficiency) attributable to equity holders	Non-controlling interests	Total equity/ (equity deficiency)
				In thousands of US Dollars (except "Number of Shares")							
Issuance of share capital		1,519,980,633	15,200	—	94,800	—	—	—	110,000	—	110,000
Costs of issuance of share capital		—	—	—	(3,885)	—	—	—	(3,885)	—	(3,885)
Share-based compensation		—	—	—	1,273	—	—	—	1,273	—	1,273
Guaranteed return on class B preference shares		—	—	4,107	—	—	—	(4,107)	—	—	—
Forgiveness of shareholder loan	14 (b)	—	—	—	500,428	—	—	—	500,428	—	500,428
Change in fair value of put options		—	—	—	—	—	—	(590)	(590)	—	(590)
Dividends paid to non-controlling interests		—	—	—	—	—	—	—	—	(4,814)	(4,814)
Other transactions		—	—	—	—	—	—	—	—	(1,065)	(1,065)
Foreign currency translation gains		—	—	—	—	—	—	—	—	396	396
Balance, December 31, 2009		2,219,970,633	22,200	4,107	813,904	2,690	(72,568)	(378,796)	391,537	17,113	408,650
Profit for the year		—	—	—	—	—	—	355,022	355,022	11,792	366,814
Other comprehensive income:											
Actuarial losses on defined benefit plans	18 (e)	—	—	—	—	—	(7,438)	—	(7,438)	—	(7,438)
Effective portion of changes in fair value of cash flow hedges	25	—	—	—	—	—	297	—	297	—	297
Foreign currency translation gains		—	—	—	—	1,383	—	—	1,383	—	1,383
Total comprehensive income for the year		—	—	—	—	1,383	(7,141)	355,022	349,264	11,792	361,056
Transactions with owners recorded directly in equity:											
Issuance of share capital		1,424,365	14	—	2	—	—	—	16	—	16
Share-based compensation	14(e)	—	—	—	600	—	—	—	600	—	600
Guaranteed return on class B preference shares		—	—	13,383	—	—	—	(13,383)	—	—	—
Change in fair value of put options		—	—	—	—	—	—	(1,209)	(1,209)	—	(1,209)
Dividends paid to non-controlling interests		—	—	—	—	—	—	—	—	(4,684)	(4,684)
Other transactions		—	—	—	—	—	—	—	—	(3,269)	(3,269)
Foreign currency translation gains		—	—	—	—	—	—	—	—	1,692	1,692
Balance, December 31, 2010		2,221,394,998	$22,214	17,490	814,506	4,073	(79,709)	(38,366)	740,208	22,644	762,852

The accompanying notes form part of the Financial Information.

5 Combined Statements of Cash Flows

	Section C Note	Year ended December 31, 2008	2009	2010
		In thousands of US Dollars		
Cash flows from operating activities:				
Profit/(loss) for the year		$(1,424,016)	1,209,335	366,814
Adjustments to reconcile profit/(loss) to cash generated from operating activities:				
(Gain)/loss on sale and disposal of assets, net		(74)	(149)	159
Depreciation		37,428	18,057	16,335
Amortization of debt issue costs and premium on debt		7,317	3,283	—
Noncash portion of gain on modification of financial liabilities	14	—	(1,334,310)	—
Amortization of intangible assets	9	8,447	4,554	4,409
Impairment of goodwill	9	969,787	—	—
Impairment of other intangible assets and fixed assets	8, 9	458,999	7,216	115
Reversal of impairment of intangible assets and fixed assets	8, 9	—	(19,800)	(379,941)
Charge for inventory acquired in business combination	11	20,640	—	—
Provision for doubtful accounts	12	2,562	6,814	612
Provision for restructuring activities	24	1,427	37,839	4,348
Unrealized loss/(gain) on translation of Euro denominated debt		(22,387)	13,431	—
Change in fair value of put options		712	(316)	8,788
Net change in defined benefit pension plan	18	(14,887)	586	(28,037)
Noncash interest expense		167,827	91,497	16,295
Noncash income tax (benefit)/expense		(168,103)	(90,558)	123,394
Noncash share-based compensation		—	1,273	600
		45,679	(51,248)	133,891
Changes in operating assets and liabilities:				
Trade and other receivables		12,350	5,334	(28,960)
Inventories		(7,526)	80,109	(112,461)
Other current assets		(10,045)	7,468	(23,378)
Trade and other payables		11,297	10,957	93,554
Other assets and liabilities, net		(7,028)	77	(6,923)
Cash generated from operating activities		44,727	52,697	55,723
Interest paid		(93,525)	(1,662)	(260)
Income tax paid		(27,228)	(8,625)	(21,022)
Net cash generated from/(used in) operating activities		(76,026)	42,410	34,441
Cash flows from investing activities:				
Purchases of property, plant and equipment		(44,753)	(15,154)	(29,575)
Proceeds from sale of property and equipment and other assets		11,088	—	—
Other investments		(38)	492	60
Net cash used in investing activities		(33,703)	(14,662)	(29,515)
Cash flows from financing activities:				
Loans and borrowings proceeds		97,933	65,560	17,031
Loans and borrowings payments		(24,677)	(17,644)	(38,330)
Payments associated with the acquisition of non-controlling interests		(82,901)	—	—
Proceeds from issuance of share capital, net of costs		—	106,115	17
Dividend payments to non-controlling interests		(8,494)	(4,814)	(4,684)
Net cash generated from/(used in) financing activities		(18,139)	149,217	(25,966)
Net increase/(decrease) in cash and cash equivalents		(127,868)	176,965	(21,040)
Cash and cash equivalents, at January 1		223,692	86,913	290,533
Effect of exchange rate changes on cash and cash equivalents		(8,911)	26,655	16,305
Cash and cash equivalents, at December 31	13	$ 86,913	290,533	285,798

The accompanying notes form part of the Financial Information.

C NOTES TO THE FINANCIAL INFORMATION

(Expressed in thousands of US Dollars unless otherwise indicated)

(1) Background

Samsonite International S.A. (the "Company") was established by the controlling shareholder of Delilah Holdings S.a.r.l. ("Delilah") as a Luxembourg société anonyme under the laws of the Grand Duchy of Luxembourg. The Company's registered office is 13-15, Avenue de la Liberté, L-1931 Luxembourg. Pursuant to the 2011 Reorganization Implementation Deed executed on May 27, 2011 which sets out the terms of a planned group reorganization to be completed before for the listing of the Company's shares on the Stock Exchange (the "2011 Reorganization") as detailed in the section headed "History and Reorganization—Our 2011 Corporate Reorganization" to the Prospectus, the Company will become the holding company of the companies comprising the Group.

For the purpose of this report, the Financial Information has been prepared and presented based on the consolidated financial statements of Delilah and its subsidiaries ("Delilah Group") as of and for the years ended December 31, 2008, 2009, and 2010, as further described in Section A.

The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, and travel-related products throughout the world, primarily under the *Samsonite® and American Tourister®* brand names and other owned and licensed brand names. The Group sells its luggage, casual bags, business cases and other products through a variety of wholesale distribution channels and through its company operated retail stores. The principal luggage wholesale distribution customers of the Group are department and specialty retail stores, mass merchants, catalog showrooms and warehouse clubs. The Group sells its products primarily in Asia, Europe, North America and Latin America.

On October 24, 2007, Vespucci Finance Corporation (OldCo), a company formed by certain funds managed by CVC Capital Partners (the CVC Funds), acquired 100% of the outstanding shares of Samsonite Corporation (the CVC Acquisition). On September 10, 2009, OldCo, its shareholders at the time (the CVC Funds and certain members of management) and the lending bank syndicate agreed to a restructuring of the debt and equity interests of the OldCo (the Debt and Equity Restructuring) (note 14). As part of this restructuring, Delilah Holdings S.á.r.l., a newly formed holding company through certain intermediate holding companies, acquired 100% of the equity in Samsonite LLC (formerly Samsonite Corporation), a U.S. corporation, that was previously held by subsidiaries of OldCo.

Vespucci Finance Corporation and the other holding companies that previously owned Samsonite LLC were liquidated by December 31, 2010. The Debt and Equity Restructuring did not change control of Samsonite LLC by the CVC Funds (note 14).

Details of the principal subsidiaries of the Group are set out in note 28.

(2) Basis of Preparation

(a) Statement of Compliance

The Financial Information has been prepared on the basis set out in Section A and the accounting policies set out below which are in accordance with International Financial Reporting Standards ("IFRSs"). IFRSs include all International Accounting Standards and related interpretations, as issued by the International Accounting Standards Board ("IASB").

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the Financial Information, the Group has adopted all these new and revised IFRSs in the Relevant Period, except for any new standards or interpretations that are not yet effective for accounting periods ended on December 31, 2010. The revised and new accounting standards and interpretations issued but not yet effective for the accounting periods ended on December 31, 2010 are set out in note 3(t).

The Financial Information also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Financial Information.

(b) Basis of Measurement

The Financial Information has been prepared on the historical cost basis except for the following material items in the combined statements of financial position as set out in the accounting policies below:

- derivative financial instruments are measured at fair value.
- the defined benefit liability is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

(c) Functional and Presentation Currency

The functional currencies of the Group's significant subsidiaries are the currencies of the primary economic environment and key business processes of these subsidiaries and include, but are not limited to, United States dollars, Euros, and Renminbi.

The Financial Information is presented in the United States Dollar (USD), which is the functional currency of the Company. All financial information presented in USD has been rounded to the nearest thousand, except when indicated otherwise.

(d) Use of Judgments, Estimates and Assumptions

The preparation of Financial Information in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the Financial Information and the reported amounts of revenues and expenses during the Relevant Period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgments in applying accounting policies that may have the most significant effect on the amounts recognized in the Financial Information is included in the following notes:

- Note 3(o)—Revenue recognition
- Note 7—Non-controlling interests
- Note 8—Property, plant and equipment
- Note 9—Goodwill and other intangible assets
- Note 11—Inventories
- Note 12—Allowances for trade and other receivables
- Note 14—Debt and equity restructuring
- Note 18—Obligations under defined benefit plans
- Note 22—Fair value of financial instruments
- Note 23—Income taxes

Information about assumptions and estimation uncertainties that have an effect on the Financial Information in a material adjustment within the next financial year are included in the following notes:

- Note 18—Measurement of plan assets and defined benefit obligation
- Note 22—Financial instruments
- Note 23—Utilization of tax losses

(3) Summary of Significant Accounting Policies

(a) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial information of subsidiaries is included in the Financial Information from the date that control commences until the date that control ceases. All significant intercompany balances, transactions and unrealized gains resulting from intra-company transactions and dividends have been eliminated in consolidation.

(ii) Non-controlling Interests

Non-controlling interests are presented in the combined statement of financial position within equity, separately from equity attributable to the equity shareholders of the Group. Non-controlling interests in the results of the Group are presented on the face of the combined income statements and combined statements of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Group.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within combined equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognized.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

(b) Foreign Currency Translation and Exchange Risk

(i) Foreign Currency Transactions

Foreign currency transactions are translated using foreign exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of qualifying cash flow hedges, which are recognized in other comprehensive income. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Nonmonetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign Operations

The assets and liabilities of the Group's foreign subsidiaries are translated into U.S. dollars at period-end exchange rates. Equity accounts denominated in foreign currencies are translated into U.S. dollars at historical exchange rates. Income and expense accounts are translated at average monthly exchange rates. The net exchange gains or losses resulting from translating at varied exchange rates are recorded as a component of other comprehensive income and accumulated in equity and attributed to non-controlling interests, as appropriate.

(c) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group's segment reporting is based on geographical areas, representative of how the Group's business is managed and its operating results are evaluated. The Group's operations are organized primarily as follows; (i) "Asia"; (ii) "Europe"; (iii) "North America"; (iv) "Latin America", and (v) "Corporate", which are set out in note 6.

Segment results that are reported to management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, income tax assets and liabilities, and licensing activities from the license of brand names owned by the Group.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

(d) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Assets under finance leases are stated at the present value of the future minimum lease payments. Improvements which extend the life of an asset are capitalized. Maintenance and repair costs are expensed as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses arising from the retirement or disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or loss on the date of retirement or disposal.

Depreciation and amortization are provided on the straight-line method over the estimated useful life of the asset or the lease term, if applicable, as follows:

Buildings	20 to 30 years
Machinery, equipment and other	3 to 10 years
Leasehold improvements	lesser of useful life or the lease term

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate. Land owned by the Group with freehold interest is not depreciated.

The Group capitalizes the costs of purchased software and costs to configure, install and test software and includes these costs within machinery, equipment and other in the combined statements of financial position. Software assessment and evaluation, process reengineering, data conversion, training, maintenance and ongoing software support costs are expensed.

(e) Goodwill and Other Intangible Assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Goodwill represents the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date. If the net fair value is greater than the consideration transferred, then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

For measurement of goodwill at initial recognition, see note 9. Subsequent to initial recognition, goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that are expected to benefit from the synergies of the combination and is tested annually for impairment (see note 9).

(ii) Intangible Assets (other than goodwill)

Intangible assets consist of tradenames, customer relationships, and leasehold rights. No recognized intangible assets have been generated internally.

Intangible assets which are considered to have an indefinite life, tradenames, are measured at cost less accumulated impairment losses and are not amortized but are tested for impairment at least annually or more frequently if events or circumstances indicate that the asset may be impaired. *Samsonite* and *American Tourister* are the significant tradenames of the Group. It is anticipated that the economic benefits associated with these tradenames will continue for an indefinite period. The conclusion that the tradenames are an indefinite lived asset is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortization of intangible assets with finite lives as set out below.

Intangible assets which have a finite life are amortized and measured at cost less accumulated amortization and accumulated impairment losses. Amortization expense is recognized in profit or loss on a straight-line basis over the estimated useful lives from the date that they are available for use, as this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives are as follows:

Customer relationships	10 to 20 years
Leasehold rights	3 to 6 years

Intangible assets having a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Estimated useful lives of intangible assets are reviewed annually and adjusted if applicable.

(f) Impairment

(i) Financial Assets (Including Trade and Other Receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. The allowance account for receivables is used to record impairment losses unless the Group believes recovery is remote and the impairment loss is applied directly against the financial asset.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, or indications that a debtor or issuer will enter bankruptcy.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

In assessing collective impairment, the Group uses historical trends, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Impairment losses that have been recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

(ii) Nonfinancial Assets

The carrying amounts of the Group's nonfinancial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or CGU). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the group of CGUs that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the group of units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss that has been recognized on goodwill is not reversed in subsequent periods if estimates used to determine the recoverable amount change. For other assets, impairment losses that have been recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Inventories

Inventories are carried at the lower of cost or net realizable value. Cost is calculated using the weighted average method. The cost of inventory includes expenditures incurred in acquiring the inventories, production costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as expenses in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank, deposits held at call with banks, other short-term highly liquid investments that is readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(i) Trade and Other Payables

Trade and other payables are initially recognized at fair value. Trade and other payables are subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(j) Interest-bearing Borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between the amount initially recognized and redemption value being recognized in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(k) Financial Instruments

(i) Nonderivative Financial Assets and Liabilities

The Group initially recognizes receivables and deposits on the date that they are originated.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the combined statements of financial position when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, receivables are measured at cost, less any impairment losses. Receivables are comprised of trade and other receivables.

The Group initially recognizes debt instruments issued on the date that they are originated. The Group derecognizes a financial liability when its contractual obligations are discharged or canceled or expire.

The Group has the following nonderivative financial liabilities: loans and borrowings, and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to their initial recognition, loans and borrowings are accounted for at amortized cost using the effective interest method.

(ii) Derivative Financial Instruments

The Group holds derivative financial instruments to hedge certain of its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. For derivatives designated in hedging relationships, changes in the fair value are either offset through profit or loss against the change in fair value of the hedged item attributable to the risk being hedged or recognized in hedging reserves that are reported directly in equity/(equity deficiency) until the hedged item is recognized in profit or loss and, at that time, the related hedging gain or loss is removed from equity/(equity deficiency) and is used to offset the change in value of the hedged item.

Other than agreements with holders of non-controlling interests, there were no derivatives embedded in host contracts in 2008, 2009, or 2010 and there were no interest rate swaps outstanding at December 31, 2009 and 2010.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

The Group periodically enters into derivative contracts that it designates as a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). For all hedging relationships the Group formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method of measuring ineffectiveness. The Group also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items by determining whether the actual results of each hedge are within a range of 80-125%. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into profit or loss in the same period or periods during which the hedged transaction affects profit or loss. Gains and losses on the derivative representing hedge ineffectiveness are excluded from the assessment of effectiveness and are recognized in current profit or loss.

The Group discontinues hedge accounting prospectively when it determines that the derivative is no longer effective in offsetting cash flows of the hedged item, the derivative expires or is sold, terminated, or exercised, the derivative is dedesignated as a hedging instrument because it is unlikely that a forecasted transaction will occur, or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

When a derivative financial instrument is not held for trading, and is not designated in a qualified hedging relationship, all changes in fair value are recognized immediately through profit or loss.

(iii) Ordinary and Preference Shares of Delilah

(a) Ordinary Share Capital of Delilah

Ordinary Class C shares of Delilah are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(b) Preference Share Capital of Delilah

Delilah has Class A and Class B preference shares issued and outstanding with the ability to issue Class D preference shares if Delilah, or any of its subsidiaries, is in, or is likely within the next twelve months to be in breach of its financial covenants. Class A and Class D preference shares hold liquidation rights over Class B preference shares.

The controlling shareholders of Delilah cannot force a dividend or effect a redemption of the Class A or Class B preference shares as a result of restrictions on the shareholders' deed as well as Luxembourg company law. The Class A and Class B preference shares have been classified as equity in accordance with IAS 32, *Financial Instruments: Presentation*.

(l) Employee Benefits

(i) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on a high-grade bond yield curve under which the benefits were projected and discounted at spot rates along the curve. The discount rate was then determined as a single rate yielding the same present value. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities.

The Group initially recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

(iii) Other Long-Term Employee Benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on a high-grade bond yield curve under which the benefits were projected and discounted at spot rates along the curve. The discount rate was then determined as a single rate yielding the same present value. Any actuarial gains and losses are recognized in profit or loss in the period in which they arise. Actuarial valuations are obtained annually at the end of the fiscal year.

(iv) Termination Benefits

Termination benefits, including severance, are recognized as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value where the effect of discounting is determined to be material.

(v) Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(vi) Share-Based Payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For equity-settled share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(m) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, if they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Finance Income and Costs

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, and losses on hedging instruments that are recognized in profit or loss. Foreign currency gains and losses are reported on a net basis.

Costs incurred in connection with the issuance of debt instruments are included in the initial measurement of the related financial liabilities in the accompanying combined statements of financial position. Such costs are amortized as additional interest expense using the effective interest method over the term of the related debt obligation.

(o) Revenue Recognition

Revenues from wholesale product sales are recognized when (i) evidence of a sales arrangement at a fixed and determinable price exists (usually in the form of a sales order), (ii) collectibility is reasonably assured, and (iii) title transfers to the customer. Provisions are made for estimates of markdown allowances, warranties, returns and discounts at the time product sales are recognized. Shipping terms are predominately FOB shipping point (title transfers to the customer at the shipping location) except in certain Asian countries where title transfers upon delivery to the customer. In all cases, sales are recognized upon transfer of title to customers. Revenues from retail sales are recognized at the point-of-sale to consumers. Revenue excludes collected sales taxes.

Revenue is measured at the fair value of the consideration received or receivable. Provided that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss.

The Group licenses its brand names to certain unrelated third parties. Net sales in the accompanying combined income statements include royalties earned on licensing agreements with third parties, for which revenue is earned and recognized when the third party makes a sale of Group branded product.

(p) Cost of Sales, Distribution, Marketing and General and Administrative Expenses

The Company includes the following types of costs in cost of sales: direct product purchase and manufacturing costs, duties, freight-in, freight-out, receiving, inspection, internal transfer costs, depreciation and procurement and manufacturing overhead. The impairment of inventories and the reversals of such impairments are included in cost of sales during the period in which they occur.

Distribution expenses are primarily comprised of rent, employee benefits, customer freight, depreciation, warehousing costs, amortization of customer relationships and other selling expenses.

Marketing expenses consist of advertising and promotional activities. Costs for producing media advertising are deferred until the related advertising first appears in print or television media, at which time such costs are expensed. All other advertising costs are expensed as incurred. Cooperative advertising costs associated with customer support programs giving the Company an identifiable advertising benefit equal to at least the amount of the advertising allowance are accrued and charged to marketing expenses when the related revenues are recognized. From time to time, the Company offers various types of incentive arrangements such as cash or payment discounts, rebates or free products. All such incentive arrangements are accrued and reduce reported revenues when incurred.

General and administrative expenses consist of management salaries and benefits, information technology costs, and other costs related to administrative functions.

(q) Leases

An arrangement comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and the leased assets are not recognized in the Group's combined statements of financial position.

The Group leases retail stores, distribution centers and office facilities. Initial terms of the leases range from one to twenty years. Most leases provide for monthly fixed minimum rentals or contingent rentals based upon sales in excess of stated amounts and normally require the Group to pay real estate taxes, insurance, common area maintenance costs and other occupancy costs. The Group recognizes rent expense for leases that include scheduled and specified escalations of the minimum rent on a straight-line basis over the base term of the lease. Any difference between the straight-line rent amount and the amount payable under the lease is included in other noncurrent liabilities on the combined statements of financial position. Contingent rental payments are expensed as incurred.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(r) Provisions and Contingent Liabilities

Provisions are recognized for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Related Parties

For the purposes of the Financial Information, a party is considered to be related to the Group if:

(i) The party has the ability, directly or indirectly through one or more intermediaries, to control the subsidiary or exercise significant influence over the subsidiary in making financial and operating policy decisions, or has joint control over the subsidiary;

(ii) the subsidiary and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Company or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(t) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2010, and have not been applied in preparing the Financial Information. None of these standards is expected to have an effect on the financial statements of the Group, except for *IFRS 9, Financial Instruments, IFRIC 14, Prepayments of a Minimum Funding Requirement*, and *IAS 24, Related Party Disclosures*. *IFRS 9, Financial Instruments* becomes mandatory for the Group's 2013 financial statements and is expected to impact the classification and measurement of financial assets and financial liabilities. The extent of the impact has not been determined. *IFRIC 14, Prepayments of a Minimum Funding Requirement* becomes mandatory for the Group's 2011 financial statements and impacts the measurement of pension assets. The adoption of *IFRIC 14* is not expected to have an impact on the financial results of the Group. *IAS 24, Related Party Disclosures* becomes mandatory for the Group's 2011 financial statements and is expected to increase disclosures.

IFRS 10, *Consolidation,* and IFRS 12, *Disclosure of Interests in Other Entities,* have been prepared by the IASB to replace IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation—Special Purpose Entities*, with a single standard on consolidation requirements and a separate standard on related disclosure requirements. The effective date of these standards is January 1, 2013. The Group has not determined the extent of the impact on its financial statements upon adoption of the new standards.

IFRS 11, *Joint Arrangements,* has been prepared by IASB to enhance the accounting and disclosure requirements about joint arrangements and to replace IAS 31, *Joint Ventures* and SIC-13, *Jointly Controlled Entities—Non-monetary Contributions by Venturers*. The effective date of this standard is January 1, 2013. The Group has not determined the extent of the impact on its financial statements upon adoption of the standard.

IFRS 13, *Fair Value Measurement*, has been prepared by the IASB to define fair value, set out a framework for measuring fair value and establish disclosure requirements about fair value measurements. The effective date of this standard is January 1, 2013. The Group has not determined the extent of the impact on its financial statements upon adoption of the standard.

(4) Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Trade and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes and generally approximates carrying value.

(b) Derivatives

The fair value of forward exchange contracts is based on their listed market price. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on quotes from the financial counterparty. Those quotes are tested by comparing discounted estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Call options are considered derivative financial assets and are recorded at fair value.

Fair value estimates reflect the credit risk of the Group and counterparty.

(c) Nonderivative Financial Liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Redeemable Non-controlling Interests

The Group has entered into agreements that include put and call options arrangements to acquire non-controlling interests in certain majority owned subsidiaries exercisable at fair value at certain predetermined dates. Pursuant to these agreements, the Group has call options to acquire the remaining shares owned by the non-controlling interest holders and these non-controlling interest holders have put options to sell their ownership in these subsidiaries to the Group. In addition, the Group has the right to buy-out these non-controlling interests in the event of termination of the underlying agreements. The tables of maturities of contractual obligations (note 22) and commitments (note 19) do not include amounts for the repurchase of non-controlling interests as they do not include contractual maturities.

The put option agreements are classified as financial liabilities in accordance with IAS 32, *Financial Instruments: Presentation,* in the combined statements of financial position, as the Group has a potential obligation to settle the option in cash in the future. The amount recognized initially is the fair value of the redeemable non-controlling interests and subsequently remeasured at amortized cost at each reporting date based on a price to earnings multiple discounted to the reporting date. For agreements entered into prior to the adoption of IFRS 3, *Business Combinations*, on January 1, 2008, subsequent changes in liabilities are recognized in profit or loss. For agreements entered into after January 1, 2008, subsequent changes in liabilities are recognized through equity.

(d) Intangible Assets

The fair value of tradenames is based on the relief-from-royalty method of valuation. The fair value of leasehold interests is determined using the income approach. The fair value of customer relationships is determined using a combination of the income approach and the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

(5) Financial Risk Management Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout this Financial Information.

(a) Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Maximum exposure is limited to the carrying amounts of the financial assets presented in the Financial Information.

(i) Trade and Other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. No single customer accounted for more than 5% of the Group's sales in 2008, 2009 or 2010 or accounts receivable as of December 31, 2008, 2009 and 2010. Geographically there is no concentration of credit risk.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including aging profile, and existence of previous financial difficulties. Trade and other receivables relate mainly to the Group's wholesale customers. Customers that are graded as "high risk" are placed on credit hold and monitored by the Group, and future sales are made on an approval basis.

(ii) Financial Guarantees

The Group's policy is to provide financial guarantees only on behalf of subsidiaries. No other guarantees have been made to third parties.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities.

The Group's primary sources of liquidity are its cash flow that is being generated from operations, invested cash, and available lines of credit (note 17). The Group has no debt service obligations until September 2014 under its Amended Senior Credit Facility and its Term Loan Facility, as defined and described in note 14, other than certain mandatory prepayment obligations based on the Group having positive excess cash flow or realizing cash proceeds from transactions such as certain asset sales or insurance recoveries. 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.

(d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group periodically buys and sells financial derivatives, such as forward purchase contracts for hedging purposes, in order to manage market risks.

(i) Currency Risk

The Group is exposed to currency risk on purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's subsidiaries.

The Group periodically uses forward exchange contracts to hedge its exposure to currency risk on product purchases denominated in a currency other than the respective functional currency of the Group's subsidiaries. The forward exchange contracts typically have maturities of less than one year.

Interest on borrowings is denominated in the local currency of the borrowing. Excluding the Amended Senior Credit Facility, borrowings are generally denominated in currencies that match the cash flows generated by the underlying operations of the borrowing entity.

(ii) Interest Rate Risk

The Group monitors its exposure to changes in interest rates on borrowings on variable rate debt instruments. Although the Group does not currently have any interest rate hedging instruments, it may, from time-to-time, enter into interest rate swap contracts to manage interest rate risk.

(iii) Other Market Price Risk

Equity price risk arises from available-for-sale equity securities held for funding the Group's defined benefit pension obligations that are used to measure periodic net pension costs. Pension plan liabilities are presented net of pension plan assets in the Group's combined statements of financial position. The Group's investment strategy is to generate investment returns on pension plan assets in order to satisfy the Group's defined benefit pension plan obligations. The Group engages professional pension plan asset managers to assist in this process.

(iv) Pension and Post-Retirement Obligations

The estimated pension obligation (the actuarial present value of benefits attributed to employee service and compensation levels prior to the measurement date without considering future compensation levels), exceeds the fair value of the assets of the Group's pension plans, which is primarily the result of underperforming equity markets during prior years. Future market conditions and interest rate fluctuations could significantly impact future assets and liabilities of our pension plans and future minimum required funding levels.

(e) Capital Management

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, fund capital expenditures, normal operating expenses and working capital needs, and the payment of obligations. The primary source of cash is revenue from sales of the Group's products. The Group anticipates generating sufficient cash flow from operations in the majority of countries where it operates and will have sufficient available cash and ability to draw on loans and borrowings for funding to satisfy the working capital and financing needs.

The Group's capital needs are primarily managed through cash and cash equivalents (note 13), trade and other receivables (note 12), inventories (note 11), property, plant and equipment (note 8), trade and other payables (note 21), loans and borrowings (note 17).

Under the terms of the Amended Senior Credit Facility (note 14), Delilah and its subsidiaries are subject to certain minimum capital requirements. Under the agreement, the Delilah Group shall maintain a minimum forecasted combined cash balance of at least $25,000, minimum cash balance of $7,500 held by or transferable on demand to an Obligor (as defined by the Amended Senior Credit Facility) and a maximum aggregate capital expenditure of $40,000, $26,000 and $26,000 for the years ending December 31, 2011, 2012 and 2013, respectively.

Management actively monitors compliance with these requirements as part of its overall monthly cash management process. Delilah was in compliance with these requirements as of December 31, 2010.

(6) Segment Reporting

(a) Operating Segments

The Group's operations consist of the manufacture and distribution of luggage, business and computer cases, outdoor and casual bags, and travel-related products. Management of the business and evaluation of operating results is organized primarily along geographic lines dividing responsibility for the Group's operations, besides the Corporate segment, as follows:

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit/(loss), as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. Segment operating profit/(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 year ended December 31, 2008 is as follows:

	Asia	Europe	North America	Latin America	Corporate	Total
			In thousands of US Dollars			
External revenues	$ 282,183	513,051	345,623	95,669	13,039	1,249,565
Operating profit/(loss)	(514,730)	(350,809)	(295,657)	(146,814)	(89,454)	(1,397,464)
Depreciation and amortization	11,705	19,356	6,616	4,546	3,652	45,875
Total impairment of assets	557,853	383,288	276,527	152,108	59,010	1,428,786
Capital expenditure	9,734	11,604	13,767	2,763	6,885	44,753
Restructuring charges	—	5,489	4,997	153	1,751	12,390
Interest income	133	1,632	9	75	1,822	3,671
Interest expense	(1,047)	(12,755)	(3)	(386)	(152,372)	(166,563)
Income tax (expense)/ benefit	(4,199)	23,276	4,666	7,352	116,576	147,671
Total assets	222,473	314,949	502,325	69,367	(77,669)	1,031,445
Total liabilities	104,032	208,375	119,819	26,531	2,004,812	2,463,569

Segment information as of and for the year ended December 31, 2009 is as follows:

	Asia	Europe	North America	Latin America	Corporate	Total
	In thousands of US Dollars					
External revenues	$279,242	384,932	281,272	72,869	11,059	1,029,374
Operating profit/(loss)	35,884	(9,895)	(12,761)	(6,678)	(41,241)	(34,691)
Depreciation and amortization	13,380	286	1,696	2,315	4,934	22,611
Total impairment of assets	—	3,730	494	2,362	630	7,216
Reversal of impairment of assets	—	—	—	—	(19,800)	(19,800)
Capital expenditure	4,476	7,186	631	1,648	1,213	15,154
Restructuring charges	409	41,117	13,008	2,093	8,475	65,102
Interest income	82	138	2	31	374	627
Interest expense	(907)	(8,993)	(4)	(1,669)	(86,670)	(98,243)
Gain on extinguishment of debt	—	33,113	—	—	1,256,784	1,289,897
Income tax (expense)/benefit	(7,817)	(5,014)	254	(2,158)	86,898	72,163
Total assets	405,991	231,585	247,742	43,764	210,288	1,139,370
Total liabilities	114,497	168,632	70,481	25,878	351,232	730,720

Segment information as of and for the year ended December 31, 2010 is as follows:

	Asia	Europe	North America	Latin America	Corporate	Total
	In thousands of US Dollars					
External revenues	$405,143	406,696	302,968	88,960	11,540	1,215,307
Operating profit/(loss)	67,543	213,089	47,628	23,188	192,154	543,602
Depreciation and amortization	12,297	1,250	1,044	1,941	4,212	20,744
Total impairment of assets	63	52	—	—	—	115
Reversal of impairment of assets	—	(79,741)	(13,184)	(13,188)	(273,828)	(379,941)
Capital expenditure	9,120	12,779	3,499	1,939	2,238	29,575
Restructuring charges	—	(106)	3,957	—	497	4,348
Interest income	184	128	7	9	1,319	1,647
Interest expense	(795)	(7,703)	—	(785)	(6,821)	(16,104)
Income tax (expense)/benefit	(13,811)	(20,140)	(7,665)	250	(106,409)	(147,775)
Total assets	499,843	547,985	1,968,002	73,405	(1,424,234)	1,665,001
Total liabilities	180,461	349,074	1,765,338	41,650	(1,434,374)	902,149

(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 noncurrent assets). The geographical location of customers is based on the selling location of the goods. The geographical location of the specified noncurrent 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.

	Year ended December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Asia:			
China	$ 60,532	66,375	91,844
Hong Kong[(1)]	35,531	32,616	42,481
Philippines	2,431	3,055	2,304
Taiwan	7,703	6,446	10,045
India	49,264	50,785	77,852
United Arab Emirates	13,942	12,094	16,187
Australia	20,200	17,259	24,872
South Korea	40,688	35,621	62,531
Japan	19,570	22,379	36,528
Other	32,322	32,612	40,499
Total Asia	282,183	279,242	405,143
Europe:			
Italy	94,954	69,956	69,191
France	52,784	43,463	48,206
Germany	55,264	39,778	46,671
Spain	56,651	40,556	40,929
Belgium	64,886	43,578	50,996
Holland	24,804	18,092	19,645
United Kingdom	37,425	28,293	26,247
Austria	10,689	9,079	8,500
Switzerland	14,864	15,783	17,050
Russia	23,206	16,397	21,666
Turkey	10,075	9,549	10,306
Other	67,449	50,408	47,289
Total Europe	513,051	384,932	406,696
North America:			
United States	329,372	265,345	281,911
Canada	16,251	15,927	21,057
Total North America	345,623	281,272	302,968
Latin America:			
Chile	33,371	33,012	40,130
Mexico	35,910	21,214	27,493
Argentina	12,413	10,446	14,189
Brazil	10,045	4,941	—
Other	3,930	3,256	7,148
Total Latin America	95,669	72,869	88,960
Corporate and other (royalty revenue):			
Luxembourg	—	3,335	11,268
United States	13,039	7,724	272
Total Corporate and other	13,039	11,059	11,540
Total	$1,249,565	1,029,374	1,215,307

Note:

(1) Includes Macau

(c) Specified Non-current Assets

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

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
United States	$260,709	14,922	27,885
Luxembourg	—	258,600	532,428
India	24,970	22,482	22,165
China	16,418	15,025	14,986
South Korea	13,448	12,651	12,435
Hong Kong	10,805	9,636	8,721
Belgium	*	*	50,324
Chile	10,062	10,795	10,912

* Not material due to asset impairment losses recognized at December 31, 2008 and 2009.

(7) Non-controlling Interests

(a) Put and call options associated with majority owned subsidiaries

The Group maintains agreements that include put and call options whereby the Group may be required to acquire non-controlling interests in certain majority owned subsidiaries at amounts intended to represent current fair value. As of December 31, 2008, 2009 and 2010, the financial liabilities recognized related to these put options were $8,382, $8,656 and $18,652, respectively, which represents the amortized cost of these options at each respective reporting date.

The call options were deemed to have a fair value of nil at each reporting date as the agreements call for redemption at fair value upon the option being exercised.

(b) Acquisitions of non-controlling interests

On May 7, 2008, the Group acquired the remaining 40% interest in Samsonite Italy S.p.A, a majority-owned subsidiary that produces, markets, sells and distributes *Samsonite* luggage products and related items, for an initial purchase price of €41 million paid in cash, which approximated $61,700 at date of acquisition. The Group accounted for the purchase in accordance with *IAS 27: Consolidated and Separate Financial Statements*. The total purchase price in excess of the non-controlling interest of the net assets was allocated to the Group's equity.

On May 9, 2008, the Group purchased the remaining 49% interest in Samsonite Mercosur Limited, a holding company that owns the Samsonite operating entities in Argentina and Uruguay, for $11,094 paid in cash. The Group accounted for the purchase in accordance with *IAS 27*. The total purchase price in excess of the non-controlling interest of the net assets was allocated to the Group's equity.

On December 2, 2008, the Group purchased the remaining 20% interest in Samsonite Korea Limited, a majority-owned subsidiary that markets, sells and distributes *Samsonite* luggage products and related items, for $10,107 paid in cash. The Group accounted for the purchase in accordance with *IAS 27*. The total purchase price in excess of the non-controlling interest of the net assets was allocated to the Group's equity.

The following table details the change in equity for the year ended December 31, 2008:

	Samsonite Italy S.p.A	Samsonite Mercosur Limited	Samsonite Korea Limited	Total
	In thousands of US Dollars			
Ownership interest immediately before acquisition:				
Total net assets	$ 43,128	7,864	3,475	54,467
Less non-controlling interest	(17,250)	(3,854)	(695)	(21,799)
	25,878	4,010	2,780	32,668
Effect of increase in ownership interest	18,572	3,230	6,632	28,434
Total ownership interest immediately after acquisition	$ 44,450	7,240	9,412	61,102
Reconciliation of total purchase price:				
Total ownership interests	$ 44,450	7,240	9,412	61,102
Non-controlling interests	17,250	3,854	695	21,799
	$ 61,700	11,094	10,107	82,901

(8) Property, Plant and Equipment, Net

2008	Land	Buildings	Machinery, equipment, leasehold improvements and other	Total
		In thousands of US Dollars		
Cost:				
At January 1, 2008	$13,503	76,762	249,185	339,450
Additions	—	5,016	39,737	44,753
Disposals	—	(2,494)	(22,290)	(24,784)
Sale-leaseback	(6,552)	—	—	(6,552)
Effect of movements in exchange rates	578	(3,067)	(8,140)	(10,629)
At December 31, 2008	$ 7,529	76,217	258,492	342,238
Accumulated depreciation and impairment:				
At January 1, 2008	$ —	18,679	138,085	156,764
Depreciation for the year	—	3,473	33,955	37,428
Written back on disposals	—	(1,096)	(12,674)	(13,770)
Impairment losses	749	17,421	98,792	116,962
Effect of movements in exchange rates	—	(1,434)	(10,216)	(11,650)
At December 31, 2008	$ 749	37,043	247,942	285,734
Carrying value:				
At December 31, 2008	$ 6,780	39,174	10,550	56,504

2009	Land	Buildings	Machinery, equipment, leasehold improvements and other	Total
		In thousands of US Dollars		
Cost:				
At January 1, 2009	$7,529	76,217	258,492	342,238
Additions	—	838	14,316	15,154
Disposals	—	(12,174)	(5,328)	(17,502)
Effect of movements in exchange rates	(176)	177	6,175	6,176
At December 31, 2009	$7,353	65,058	273,655	346,066
Accumulated depreciation and impairment:				
At January 1, 2009	$ 749	37,043	247,942	285,734
Depreciation for the year	—	8,047	10,010	18,057
Written back on disposals	—	(8,758)	(8,893)	(17,651)
Impairment losses	—	—	7,216	7,216
Effect of movements in exchange rates	—	136	3,284	3,420
At December 31, 2009	$ 749	36,468	259,559	296,776
Carrying values:				
At December 31, 2009	$6,604	28,590	14,096	49,290

2010	Land	Buildings	Machinery, equipment, leasehold improvements and other	Total
		In thousands of US Dollars		
Cost:				
At January 1, 2010	$7,353	65,058	273,655	346,066
Additions	—	1,258	28,317	29,575
Disposals	—	(1,320)	(16,500)	(17,820)
Effect of movements in exchange rates	20	(2,258)	(7,634)	(9,872)
At December 31, 2010	$7,373	62,738	277,838	347,949
Accumulated depreciation and impairment losses:				
At December 31, 2009	$ 749	36,468	259,559	296,776
Depreciation for the year	—	727	15,608	16,335
Written back on disposals	—	(1,306)	(16,355)	(17,661)
Impairment loss	—	—	115	115
Reversal of impairment loss	(749)	(26,808)	(38,795)	(66,352)
Effect of movements in exchange rates	—	(1,537)	(4,509)	(6,046)
At December 31, 2010	$ —	7,544	215,623	223,167
Carrying value:				
At December 31, 2010	$7,373	55,194	62,215	124,782

Depreciation expense for the years ended December 31, 2008, 2009 and 2010 amounted to $37,428, $18,057, and $16,335, respectively. Of this amount, $6,508, $1,537, and $1,303 was included in cost of sales during the years ended December 31, 2008, 2009 and 2010, respectively. Remaining amounts were presented in distribution and general and administrative expenses. All land owned by the Group is freehold.

Due to the global economic downturn during 2008 and the resulting impact on net sales and profitability, the Group performed an evaluation of property, plant and equipment as of December 31, 2008, using the discounted cash flow method to evaluate the recoverability of the assets at certain retail and nonretail operations. Based on this evaluation, the Group recorded an impairment of $116,962 on the fixed assets in those locations for the year ended December 31, 2008. Of the impairment charges on the fixed assets, $73,399 relates to distribution functions and $43,563 relates to general and administrative functions.

Had this impairment not occurred in 2008, the Group would have incurred an additional charge of $18,467 and $13,064 for depreciation related to those impaired fixed assets for the years ended December 31, 2009 and 2010, respectively.

In conjunction with a restructuring of Samsonite Company Stores LLC (SCS) as discussed at note 24, an additional impairment charge of $7,216 was recorded in profit or loss for the year ended December 31, 2009 for actual U.S. retail store closures. No potential impairment indicators existed as of December 31, 2009 or 2010.

During 2010, the Group recognized a reversal of impairment losses of $66,352 with respect to property, plant and equipment. Of the reversal of impairment charges on the fixed assets, $37,157 relates to distribution functions and $29,195 relates to general and administrative functions. The reversal of impairment losses was triggered by the turnaround of the global economy and the resulting impact on net sales and profitability. As of December 31, 2010, a pre-tax discount rate of 14% was used in discounting the projected cash flows.

(9) Goodwill and Other Intangible Assets

(a) Goodwill

During 2008, as a result of a downturn in global economic conditions and the resulting impact on net sales and profitability, the carrying amount of goodwill was determined to be higher than its value in use and the Group recognized impairment losses with respect to the groups of CGUs discussed below. The testing resulted in an impairment charge of $969,787 related to goodwill. As of December 31, 2008, 2009 and 2010, the Group's goodwill balance amounted to $153,212, of which none is deductible for income tax purposes.

The carrying amount of goodwill was as follows:

	At December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Cost:			
At January 1	$1,122,999	1,122,999	1,122,999
Accumulated impairment losses:			
At January 1	$ —	969,787	969,787
Impairment losses	969,787	—	—
At December 31	$ 969,787	969,787	969,787
Carrying Amount:	$ 153,212	153,212	153,212

In accordance with *IAS 36, Impairment of Assets*, the recoverable amounts of the Group's cash-generating units with goodwill were determined using the higher of fair value or value in use, which is determined by discounting the estimated future cash flows generated from the continuing use of the unit.

For the purpose of impairment testing, goodwill is allocated to the Group's operating segments, comprised of groups of cash generating units (CGUs), as these represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose.

Separate calculations are prepared for each of the groups of CGUs that make up the combined entity. These calculations use discounted cash flow projections based on financial estimates reviewed by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates appropriate for the market in which the unit operates. The values assigned to the key assumptions represent management's assessment of future trends and are based on both external sources and internal sources (historical data) and are summarized below.

- A pre-tax discount rate of 16% was used in discounting the projected cash flows over a period of 5 years.
- Segment cash flows were projected based on the historical operating results and the five year forecasts as of December 31, 2008, 2009, and 2010.
- The terminal value is extrapolated using a constant long-term growth rate of 3%, which is consistent with the average growth rate for the industry.
- The sales prices were assumed to be a constant margin above cost.

The aggregate carrying amounts of goodwill allocated to each operating segment were as follows:

	Asia	Europe	North America	Latin America	Combined
		In thousands of US Dollars			
At January 1, 2008	$ 711,065	265,493	11,381	135,060	1,122,999
Impairment losses	(557,853)	(265,493)	(11,381)	(135,060)	(969,787)
At December 31, 2008	153,212	—	—	—	153,212
At December 31, 2009	153,212	—	—	—	153,212
At December 31, 2010	153,212	—	—	—	153,212

(b) Other Intangible Assets

Other intangible assets consisted of the following:

	Customer relationships	Leasehold rights	Total subject to amortization	Tradenames	Total other intangible assets
Cost:					
At January 1, 2008, December 31, 2008, and January 1, 2009	111,650	5,551	117,201	538,465	655,666
Effect of movement in foreign currency exchange rate	—	—	—	(115)	(115)
At December 31, 2009 and January 1, 2010	111,650	5,551	117,201	538,350	655,551
Effect of movement in foreign currency exchange rate	—	—	—	405	405
At December 31, 2010	$111,650	5,551	117,201	538,755	655,956
Accumulated amortization and impairment:					
At January 1, 2008	$ (1,411)	(191)	(1,602)	—	(1,602)
Amortization	(7,289)	(1,158)	(8,447)	—	(8,447)
Impairment charge	(44,756)	(3,653)	(48,409)	(293,628)	(342,037)
At December 31, 2008	(53,456)	(5,002)	(58,458)	(293,628)	(352,086)
Amortization	(4,207)	(347)	(4,554)	—	(4,554)
Reversal of impairment	—	—	—	19,800	19,800
At December 31, 2009	(57,663)	(5,349)	(63,012)	(273,828)	(336,840)
Amortization	(4,207)	(202)	(4,409)	—	(4,409)
Reversal of impairment	37,954	1,807	39,761	273,828	313,589
At December 31, 2010	$ (23,916)	(3,744)	(27,660)	—	(27,660)
Carrying Amounts:					
At December 31, 2008	$ 58,194	549	58,743	244,837	303,580
At December 31, 2009	53,987	202	54,189	264,522	318,711
At December 31, 2010	87,734	1,807	89,541	538,755	628,296

Accumulated amortization and impairment charges of other intangible assets subject to amortization was $58,458, $63,012, and $27,660 as of December 31, 2008, 2009, and 2010, respectively.

The aggregate carrying amounts of each significant tradename were as follows:

	Samsonite	American Tourister	Other	Combined
	In thousands of US Dollars			
At January 1, 2008	$ 462,459	69,969	6,037	538,465
Impairment losses	(256,279)	(37,349)	—	(293,628)
At December 31, 2008	206,180	32,620	6,037	244,837
Reversals of impairment	14,020	5,780	—	19,800
Foreign exchange	—	—	(115)	(115)
At December 31, 2009	220,200	38,400	5,922	264,522
Reversals of impairment	242,259	31,569	—	273,828
Foreign exchange	—	—	405	405
At December 31, 2010	$ 462,459	69,969	6,327	538,755

Other intangible assets subject to amortization are amortized over their weighted average useful lives of 14.4 years and 3.6 years for customer relationships and leasehold rights, respectively. Amortization expense for intangible assets for the years ended December 31, 2008, 2009 and 2010 was $8,447, $4,554, and $4,409, respectively. Future amortization expense as of December 31, 2010 for the next five years is estimated to be $8,337, $8,314, $7,980, $7,608, $7,608 and a total of $49,694 thereafter.

In accordance with *IAS 36,* the Group is required to evaluate its intangible assets with definite lives for recoverability whenever events or changes in circumstance indicate that their carrying amount might not be recoverable. As of December 31, 2009 and 2010 there were no potential impairment indicators.

During 2008, due to the downturn in global economic conditions and the resulting impact on net sales and profitability, the Group determined that the carrying amount of its other intangible assets was higher than the recoverable amount and recognized impairment losses in the amounts of $44,756 with respect to customer relationships, and $3,653 with respect to leasehold rights. The Group also recognized impairment losses in the amount of $293,628 with respect to tradenames. As of December 31, 2008, a pre-tax discount rate of 16.0% was used in discounting the projected cash flows with respect to customer relationships and leasehold rights, and a pre-tax discount rate of 18.0% was used to discount the projected cash flows with respect to tradenames. This rate is 200 basis points above the rate utilized for the overall business and is based on the assessment that the risk associated with the cash flows from the tradename intangible assets is higher than the risk associated with the overall business.

The Group would have incurred $4,107 and $4,080 of amortization expense related to impaired customer relationships and leasehold interests for the years ended December 31, 2009 and 2010, respectively.

During 2009, the Group recognized a reversal of impairment losses with respect to tradenames in the amount of $19,800. The reversal of impairment losses was based on a valuation performed for the corporate and tax restructuring in conjunction with the transfer of intellectual property as discussed in note 23. As of December 31, 2009, a pre-tax discount rate of 17.0% was used in discounting the projected cash flows for purposes of determining the recoverable amount of tradenames.

During 2010, the Group recognized a reversal of impairment losses of $273,828 with respect to tradenames, $37,954 with respect to customer relationships, and $1,807 with respect to leasehold rights. The reversal of impairment losses was triggered by the turnaround of the global economy and the resulting impact on net sales and profitability, along with the Group's financial performance related to the sales attributed to the tradenames. As of December 31, 2010, a pre-tax discount rate of 16% was used in discounting the projected cash flows for tradenames and a pre-tax discount rate of 14% was used in discounting the projected cash flows for customer relationships and leasehold rights.

(10) Other Assets and Receivables

Other assets and receivables consisted of the following:

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Deposits	$ 8,248	9,514	10,065
Other	6,731	4,962	5,328
Total other assets and receivables	$ 14,979	14,476	15,393

(11) Inventories

Inventories consisted of the following:

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Raw materials	$ 11,022	7,764	12,162
Work in process	2,627	2,162	1,936
Finished goods	184,557	103,301	208,606
Total inventories	$198,206	113,227	222,704

The amounts above include the following:

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Inventories carried at fair value less costs to sell	$ 33,045	21,345	30,811

In 2008, 2009 and 2010 the impairment of inventories to net realizable value (fair value less costs to sell) amounted to $3,556, $24,783 and $3,398, respectively. In 2008, 2009 and 2010 the reversal of impairments recognized in profit or loss amounted to $443, $991 and $1,731, where the Group was able to sell the previously written-down inventories at higher selling prices than previously estimated.

In connection with the CVC Acquisition (note 1), the Group's finished goods inventory was revalued at fair value. As at December 31, 2007, the fair value adjustment amounted to $20.6 million. Upon the sale of such finished goods inventory during the year ended December 31, 2008, the $20.6 million fair value adjustment was recognized in cost of sales.

(12) Trade and Other Receivables

Trade and other receivables are presented net of related allowances for doubtful accounts of $10,876, $14,938, and $12,485 as of December 31, 2008, 2009, and 2010, respectively.

(a) Aging analysis

Included in trade and other receivables are trade receivables (net of allowance for doubtful accounts) with the following aging analysis as of the reporting dates:

	At December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Current	$ 92,638	96,552	115,317
Past Due	35,835	15,218	25,082
	$128,473	111,770	140,399

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:

	2008	2009	2010
	In thousands of US Dollars		
At January 1	$ 10,226	10,876	14,938
Impairment loss recognized	2,562	6,814	612
Impairment loss written back	(1,912)	(2,752)	(3,065)
At December 31	$ 10,876	14,938	12,485

(13) Cash and Cash Equivalents

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Bank balances	$35,663	277,434	122,367
Short-term investments	51,250	13,099	163,431
Total cash and cash equivalents	$86,913	290,533	285,798

As of December 31, 2008, the Group had restricted cash in the amount of $10,000, which was restricted to the funding of future pension plan contributions. During 2009, $2,160 was used to fund pension plan contributions and the restrictions on the remaining $7,840 were removed as part of the Debt and Equity Restructuring (note 14). As of December 31, 2009 and 2010 the Group had no restrictions on the use of any of its cash.

Short-term investments are comprised of overnight sweep accounts and time deposits.

(14) Debt and Equity Restructuring

On September 2, 2009, Delilah, its then current shareholders (the CVC Funds and certain members of management) and the lending bank syndicate agreed to a significant restructuring of the debt and equity interests of Delilah.

(a) New Equity Investment

Delilah was recapitalized through $110,000 in cash equity investments by the CVC Funds, the facility agent of the bank syndicate and certain members of management, former directors of the Group and industry advisors to the CVC Funds (Management), and through an amendment of the existing Senior Credit Facility which converted a portion of the Senior Credit Facility debt outstanding, the payment in-kind facility and the interest rate swap contracts that were held by the bank syndicate into new equity and debt in Delilah.

Of the new cash equity investment in Delilah, the CVC Funds invested $94,993 in exchange for a beneficial interest in 70,000,000 Class A preference shares, 589,681 Class B preference shares and 1,172,218,723 Class C ordinary shares; the facility agent of the bank syndicate invested $7,333 in exchange for a beneficial interest in 5,133,333 Class A preference shares, 43,243 Class B preference shares and 86,109,372 Class C ordinary shares; and Management invested $7,674 in exchange for a beneficial interest in 1,866,667 Class A preference shares, 15,725 Class B preference shares and 182,003,889 Class C ordinary shares.

(b) Debt Restructuring

In order to restructure the debt, it was agreed that the bank syndicate would:

(i) amend the $1,188,025 outstanding on the former senior credit facility at the time of the restructuring, which included $96,590 outstanding debt on the Revolving Credit Facility and $55,818 in accrued and unpaid interest, into a five-year, $240,000 noninterest-bearing term loan which is due September 10, 2014 and a $25,000 letter of credit facility (the Amended Senior Credit Facility);

(ii) forgive the $347,836 outstanding on the payment in kind (PIK) facilities, terminate the interest rate swap agreements and forgive the related $51,849 termination payment (the fair market value of the swaps upon termination) at the time of the restructuring,

(iii) receive a beneficial interest in 351,351 Class B preference shares and 699,638,649 Class C ordinary shares in Delilah.

The fair value of the new ordinary shares and preferred equity that was issued by Delilah in the exchange was $7,000 and the fair value of the new debt was $193,558. The fair value amounts were reported in the statements of financial position at the date of the restructuring as new equity and new debt, respectively. The amount assigned to the new debt was measured as the present value of the $240,000 of the anticipated future cash flows of the noninterest bearing term loan that matures on September 10, 2014.

It was further agreed that the CVC Funds would forgive the $500,428 of outstanding principal and accrued but unpaid interest on the Shareholder Loan as of the date of the restructuring agreement. The amount of the Shareholder Loan that was forgiven did not result in any gain that was reported in profit or loss. Rather, the amount of the loan and accrued interest was eliminated and this amount was reported as a component of additional paid-in capital that is reported directly in equity as CVC is the controlling shareholder.

In accordance with the guidance in *IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments ("IFRIC 19"), IAS 32, Financial Instruments: Presentation,* and *IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39")*, the Group recorded a gain on restructuring of the bank syndicate debt that was reported in profit or loss. The gain was accounted for as (i) a partial extinguishment of debt in exchange for new equity, and (ii) a partial extinguishment of debt in exchange for new debt with substantially different terms.

The gain that was reported in profit or loss was measured as the difference between the carrying amount of the financial liabilities forgiven at the date of exchange and the fair value of the new financial liability and new equity issued in the exchange. The Group incurred legal, advisory and other costs related to the restructuring transaction of $44,413 which was accounted for as a reduction of the gain that was reported in profit or loss.

The components of the gain on the debt and equity restructuring recognized for the year ended December 31, 2009 are:

	2009
	In thousands of US Dollars
Carrying amount of extinguished debt:	
Senior Credit Facility at amortized cost, including accrued and unpaid interest	$1,155,385
Debt facilities—payment in kind	347,836
Interest rate swap liability at fair value	51,849
Unrealized gain on the interest rate swap contract (a)	(20,202)
Carrying amount of extinguished debt	$1,534,868
Fair value of new equity issued	$ (7,000)
Fair value of new debt issued (b)	(193,558)
Gain recognized in accordance with IFRIC 19 regarding the partial extinguishment of debt in exchange for new equity:	
Debt extinguished and derecognized ($1,534,868 x 3.5%)	$ 53,720
Less:	
Fair value of equity issued	(7,000)
Transaction costs (c)	(1,554)
Gain on debt to equity conversion	$ 45,166
Gain recognized in accordance with IAS 39 requiring the partial extinguishment of debt in exchange for new debt with substantial different terms:	
Debt extinguished and derecognized ($1,534,868 x 96.5%)	$1,481,148
Less:	
Fair value of the new financial liability	(193,558)
Transaction costs (c)	(42,859)
Gain on debt restructuring	1,244,731
Total gain reported in profit or loss	$1,289,897

Notes:

(a) Represents unrealized gains and losses on changes in the fair value of the interest rate swap contract that was recorded in other comprehensive income.

(b) The initial carrying amount of the new debt is its fair value at the date of exchange and this amount is being accreted up to the amount that will be due and payable at maturity using the effective interest method of amortization over the term of the loan. The accreted amounts will be reported as additional interest expense from the date of issuance through the date of maturity.

(c) The transaction costs totaling $44,413 were allocated to the two components of the restructuring based on an estimate of the costs incurred for each component of the restructuring.

(c) Term Loan Facility

As part of the Debt and Equity Restructuring, Delilah has also entered into a Term Loan Facility (the Term Loan Facility) whereby the CVC Funds, the facility agent of the bank syndicate and a member of management lent Delilah $55,000, as disclosed in note 17.

(d) Agreement with Pension Benefit Guaranty Corporation

On August 28, 2009, in connection with the Debt and Equity Restructuring, Delilah and the Pension Benefit Guaranty Corporation (PBGC) entered into an agreement to modify their pre-existing agreement, as disclosed in note 18.

(e) Controlling Shareholder Share-Based Payment Arrangement

In connection with the 2009 Reorganization, the CVC Funds entered into a share-based payment arrangement with the Chief Executive Officer (CEO) of the Group. Under the terms of the arrangement, the CEO of the Group is entitled to receive the proceeds, as defined, which include dividends, return of capital, proceeds of sales, realized by the CVC Funds with respect to approximately two percent of the Class C ordinary shares in Delilah to the extent the proceeds exceed $18,000. A condition of the award requires the CEO to be employed by the Group at the date the CVC Funds realize such proceeds. Since the Group does not have an obligation to settle the transaction with the CEO, this arrangement has been accounted for by the Group as an equity-settled award that contains service, market performance conditions and non-market performance conditions with a variable vesting period depending on when and if the defined proceeds are realized by the CVC Funds. The fair value of the award at the grant date was $800, of which $0 and $600 was recorded as compensation expense in general and administrative expense in the combined income statements for the year ended December 31, 2009 and 2010, respectively, based on the Group's estimate of the likelihood and the timing of the settlement of the award by the CVC Funds.

The grant-date fair value of the award was measured using the option pricing model. A service condition and non-market performance condition were not taken into account in determining the fair value of the award. See also Section D for Subsequent Events.

(15) Equity and Reserves

The Company was incorporated on March 8, 2011 with share capital of $60 divided into 6,000,000 shares having a nominal value of $0.01. The Company had an authorized share capital of US$999,940.

As of December 31, equity of Delilah was as follows:

	Ordinary shares of Delilah (Class C)			Preference shares of Delilah (Class A and Class B)		
	2008	2009	2010	2008	2009	2010
	In thousands of shares					
Outstanding at January 1	—	—	2,141,971	—	—	78,000
Liquidation of OldCo	—	—	—			
Conversion of debt into share capital	—	699,639	—	—	351	—
Issued for cash	—	1,442,332	1,424	—	77,649	—
Outstanding at December 31	—	2,141,971	2,143,395	—	78,000	78,000

	Ordinary shares of Delilah (Class C)			Preference shares of Delilah (Class A and Class B)		
	2008	2009	2010	2008	2009	2010
	In thousands of US Dollars					
Share capital	$—	21,420	21,434	—	780	780

As of December 31, 2010, ownership in Delilah as measured based on the ordinary shares held by the investors is as follows:

	Ordinary share ownership
CVC Funds	56.3%
Bank syndicate	35.2
Management	8.5
	100.0%

(a) Class C Ordinary Shares of Delilah

As of December 31, 2008, OldCo had 1,000 common shares with par value of $0.001 per share authorized, and 100 common shares issued and outstanding. As of December 31, 2009, Delilah had 2,141,970,633 ordinary shares with par value of $0.01 per share authorized, issued and outstanding. As of December 31, 2010, Delilah had 2,143,394,998 ordinary shares with par value of $0.01 per share, authorized, issued and outstanding.

Dividends can be declared after amounts on annual net profit have been allocated to the (1) legal reserve (as described below), (2) Class A share premium and (3) Class B share reserve.

(b) Preference Shares of Delilah

(i) Class A Preference Shares

As of December 31, 2008, OldCo had no preference shares authorized. As of December 31, 2009 and 2010, Delilah had 77,000,000 shares of $0.01 par Class A preference shares authorized, issued and outstanding (note 14). All issued shares are fully paid.

Class A preference shares were issued for a share premium which Delilah reserves against for future distribution to holders of Class A preference shares. Should Delilah repurchase shares on a refinancing or a liquidation, Class A preference shares are superior to all other outstanding shares. The controlling shareholders of Delilah cannot force a dividend or effect a redemption of the Class A preference shares as a result of restrictions on the shareholders' deed as well as Luxembourg company law. The Class A preference shares have been classified as equity in accordance with IAS 32, *Financial Instruments: Presentation*. See also Section D for Subsequent Events.

(ii) Class B Preference Shares

As of December 31, 2008, OldCo had no preference shares authorized. As of December 31, 2009 and 2010, Delilah had 1,000,000 shares of $0.01 par Class B preference shares authorized, issued and outstanding (notes 14(a) and b(iii)). All issued shares are fully paid.

Class B preference shares are entitled to an 8% cumulative return on the aggregate amount of $165,000 compounded annually, which is allocated to a reserve for Class B preference shareholders. Payment of the cumulative return would occur only upon a liquidation or repurchase of the Class B preference shares. The controlling beneficial shareholders of the Company cannot force a dividend or effect a redemption of the Class B preference shares as a result of restrictions on the shareholders' deed as well as Luxembourg company law. The Class B preference shares have been classified as equity in accordance with IAS 32, *Financial Instruments: Presentation.* See also Section D for Subsequent Events.

(iii) Class D Preference Shares

Class D preference shares may be issued if the Board of Directors of Delilah determines that Delilah, or any of its subsidiaries, is in, or is likely within the next 12 months to be in, breach of any of its financial covenants (note 17). No Class D preference shares were approved or issued as of December 31, 2010.

(c) Shareholders' Voting Rights

The holders of shares are each entitled to one vote per share at meetings of Delilah.

(d) Legal Reserve

Delilah accrues a legal reserve from the net annual profit in the amount of 5% each year until the balance of the reserve is one tenth of Delilah equity to comply with Luxembourg statutory requirements.

(e) Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(f) Other Reserves

Other reserves comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

(16) Earnings Per Share

Earnings per share has not been presented as the inclusion of such information is not deemed to be meaningful for the purpose of the Financial Information.

(17) Loans and Borrowings

(a) Noncurrent obligations represent noncurrent debt and finance lease obligations as follows:

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Senior credit facility	$ —	—	—
PIK facilities	—	—	—
8 7⁄8% senior subordinated notes	260	260	—
Amended senior credit facility (note i)	—	196,395	189,158
Term loan facility (note ii)	—	55,000	57,451
	260	251,655	246,609
Finance lease obligations	770	218	137
Other obligations	1,642	265	—
	2,672	252,138	246,746
Less current installments	1,003	297	37
	$1,669	251,841	246,709

(i) Amended Senior Credit Facility

In connection with the Debt and Equity Restructuring (note 14), the bank syndicate amended the Senior Credit Facility (the Amended Senior Credit Facility).

The Group estimated the fair market value of the term loan under its Amended Senior Credit Facility was $193,558 at September 10, 2009, compared to the face value of $240,000, based on the present value of future cash flows related to the term loan. The difference of $46,442 was recorded as a discount on debt and will be amortized over the life of the note utilizing the effective interest method. Interest expense recognized on the amortization of the discount amounted to $2,836 and $8,568, for the year ended December 31, 2009 and 2010, respectively.

The Amended Senior Credit Facility also contains a Letter of Credit Facility (LC Facility) whereby the Group can issue up to $25,000 in letters of credit. The termination date under the LC Facility is September 10, 2014.

The Amended Senior Credit Facility contains financial and other covenants that require the Group to maintain a minimum liquidity, limit capital expenditures, limit the Group's ability to engage in transactions with its subsidiaries, limit to incur any additional debt outside of the Amended Senior Credit Facility, create new liens on any property, participate in certain mergers, consolidations, acquisitions, liquidations, asset sales or investments, or make distributions to its equity holders. The obligations under the Amended Senior Credit Facility are secured by substantially all of the Group's assets. See also Section D for Subsequent Events.

As of December 31, 2010, the Group was in compliance with all of its debt covenants. During the year ended December 31, 2010, the Group made principal payments on the Amended Senior Credit Facility in the amount of $18,400 to increase the allowable capital expenditures under the financial covenants on this facility for 2011. At that time, an additional $2,594 was recognized as interest expense. The fair value of the outstanding principal balance as of December 31, 2010 is estimated at $192,906.

The Group has entered into an agreement with the PBGC granting them an equal and ratable lien in the pledged assets of a U.S. subsidiary under its Amended Senior Credit Facility in the amount of $19,000 as of December 31, 2009 and 2010, respectively (note 14(d)).

(ii) Term Loan Facility

At the time of the Debt and Equity Restructuring, the Group has entered into an Term Loan Facility (the Term Loan Facility) whereby the CVC Funds, the facility agent of the bank syndicate and a member of management agreed to lend the Group up to $55,000. The Group drew $55,000 on the facility on September 10, 2009. The maturity date under the Term Loan Facility is September 10, 2014, on which date the entire principal amount and any unpaid interest on the facility will be payable.

The borrowing under the Term Loan Facility accrues interest at a rate that is reset annually depending on interest rate market conditions. As of December 31, 2010 the interest rate on the Term Loan Facility was 3.82%. Interest accrues under the Term Loan Facility until maturity, without any requirement to make interest payments until such date. This accrued interest is added to the outstanding principal balance on the interest reset dates. As of December 31, 2009 and 2010 the balance of accrued interest was $752 and $683, respectively, and $2,451 of interest had been added to the outstanding balance as of December 31, 2010. The carrying value of the Term Loan Facility approximates fair value.

Like the Amended Senior Credit Facility and the Letter of Credit Facility (the LC Facility), the Term Loan Facility contains covenants that, among other things, limit the Group's ability to engage in transactions with its subsidiaries, incur any additional debt, create new liens on any property, participate in certain mergers, consolidations, acquisitions, liquidations, asset sales or investments, or make distributions to its equity holders. As of December 31, 2010 the Group was in compliance with these covenants.

(iii) Other

In 2007, the Group entered into an arrangement with a bank to provide funding of the amount of $33,000 to the Group's Chilean subsidiary. The Group provided $33,000 to the bank to secure the debt. The Company has offset these amounts in the accompanying combined statements of financial position. As of December 31, 2008, 2009 and 2010 the balance both on deposit with the bank and due on the loan to the Chilean subsidiary was $33,000, $31,000 and $26,750, respectively.

(b) Short-Term Obligations and Shareholder Loan

The Group had the following short-term obligations:

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
8⅞% senior subordinated notes (note i)	$ —	—	260
Senior credit facility (note ii)	983,913	—	—
PIK facilities (note iii, iv)	324,176	—	—
Revolving credit facility	82,298	—	—
	1,390,387	—	260
Current installments of noncurrent obligations	1,003	297	37
Other lines of credit	33,929	13,902	11,735
Total short-term obligations	$1,425,319	14,199	12,032

Certain subsidiaries had unused available lines of credit for working capital, discounting trade acceptances and issuing bank guarantees of approximately $71,477, $86,808 and $65,520 as of December 31, 2008, 2009 and 2010, respectively.

(i) Senior Subordinated Notes

The Group's $260 principal amount of 8⅞% senior subordinated notes is due June 1, 2011. The balance was reclassified from noncurrent notes during 2010. Interest is payable semi-annually on June 1 and December 1 of each year.

(ii) Senior Credit Facility

Prior to the Debt and Equity Restructuring (note 14), the Senior Credit Facility consisted of (i) a $375,000 term loan (Term Loan B1), (ii) a €267,232 term loan (Term Loan B2), (iii) a $190,000 term loan (Term Loan D1), (iv) a €62,317 term loan (Term Loan D2), (v) a €100,000 acquisition facility (the Acquisition Facility), and (vi) a $125,000 revolving credit facility (the Revolving Credit Facility), which included a letter of credit facility.

The maturity date of Term Loans B1 and B2 was December 31, 2015. The maturity date of Term Loans D1 and D2 was December 31, 2016. The Acquisition Facility was to mature on December 31, 2014. As of December 31, 2008 and January 1, 2008, the Group had $15,804 and $16,525, outstanding under the Acquisition Facility. Term Loans D1 and D2 required repayment of 50% of the outstanding principal on June 30, 2016 and repayment of the remaining principal on the December 31, 2016 maturity date. There were mandatory prepayments of principal under the Senior Credit Facility using the Group's proceeds from certain events, such as recoveries under indemnities, asset sales, insurance recoveries and public stock offerings. In addition, mandatory prepayments of principal were required under the Senior Credit Facility if the Group's cash flow exceeded its debt service by prescribed amounts.

Borrowings under Term Loans B1, B2, D1 and D2, and under the Acquisition Facility, accrued interest at rates that adjusted periodically depending on the Group's financial performance and interest rate market conditions.

As of December 31, 2008, the Group was in violation of certain financial debt covenants related to financial performance. On March 12, 2009, the Group and its bank syndicate entered into a standstill agreement in which both parties acknowledged the covenant violation but the bank syndicate agreed not to declare a default, accelerate the debt or take action against its security interest in the Group for the period of one month. This standstill agreement was amended by extending the agreement in monthly increments and was in place until the Debt and Equity Restructuring was completed on September 10, 2009 (note 14). As a result of the covenant violation, the balances of the Senior Credit Facility, the Senior PIK facility, the Junior PIK facility and the Shareholder loan were classified as current obligations as of December 31, 2008.

As of December 31, 2008, there was $89,655 borrowed by the Group under the Revolving Credit Facility including outstanding letters of credit for $7,357.

In connection with the Debt and Equity Restructuring, this facility was terminated and the debt was extinguished on September 10, 2009 (note 14). As required under the original terms of the Senior Credit Facility, the Group had entered into two variable to fixed interest rate swap agreements effective October 24, 2007 with terms as outlined in the table below.

	Notional amount	Fixed rate	Floating rate
	In thousands of US dollars/Euros		
Euro denominated interest rate swap:			
October 24, 2007 to December 31, 2008	€283,541	4.588	EURIBOR
January 1, 2009 to December 31, 2009	233,504	4.588	EURIBOR
January 1, 2010 to December 31, 2010	200,147	4.588	EURIBOR
U.S. dollar denominated interest rate swap:			
October 24, 2007 to December 31, 2008	$480,250	5.336	LIBOR
January 1, 2009 to December 31, 2009	395,500	5.336	LIBOR
January 1, 2010 to December 31, 2010	339,000	5.336	LIBOR

In connection with the debt and equity restructuring, the bank syndicate terminated the interest rate swap agreements and forgave the $51,849 termination payment (the fair market value of the swaps upon termination) at the time of the restructuring.

(iii) Senior PIK Facility

In connection with the CVC Acquisition, the Group entered into a Senior PIK Facility (the Senior PIK Facility) with the bank syndicate. The Senior PIK Facility consisted of two term loans, with original principal amounts of $130,000 and €54,985. The maturity date under the Senior PIK Facility was December 31, 2017, on which date the entire principal amount of the facility was to be payable.

The borrowing under the Senior PIK facility accrued interest at a rate that was reset periodically depending on the Group's financial performance and interest rate market conditions. This accrued interest was added to the outstanding principal balance on the interest reset dates. Interest was to accrue under the Senior PIK Facility until October 23, 2012, unless the Group elected to make cash payments with respect of interest. This accrued interest, was added to the outstanding principal balance on the interest reset dates. From October 23, 2012 through the maturity of the Senior PIK Facility, the Group was to make quarterly cash interest payments.

In connection with the Debt and Equity Restructuring, this facility was terminated and the debt was extinguished on September 10, 2009 (note 14).

(iv) Junior PIK Facility

In connection with the CVC Acquisition, the Group entered into a Junior PIK Facility (the Junior PIK Facility). The Junior PIK Facility consisted of a $75,000 term loan. The maturity date under the Junior PIK Facility was December 31, 2017, on which date the entire principal amount of the facility was to be payable.

The borrowing under the Junior PIK facility accrued interest at a rate that was reset periodically depending on the Group's financial performance and interest rate market conditions. Interest accrued under the Junior PIK Facility until maturity, without any requirement to make interest payments until such date. This accrued interest was added to the outstanding principal balance on the interest reset dates.

In connection with the Debt and Equity Restructuring, this facility was terminated and the debt was extinguished on September 10, 2009 (note 14).

(v) Shareholder Loan

In connection with the CVC Acquisition, the Group entered into a loan agreement (the Shareholder Loan) with certain investment funds affiliated with the CVC Funds. The Shareholder Loan consisted of a $450,000 preference equity certificate, the proceeds of which were used to finance a portion of the CVC Acquisition.

The maturity date under the Shareholder Loan was December 31, 2017, on which date the entire principal amount of the loan was to be payable.

The Shareholder Loan had been classified as a financial liability on the December 31, 2008 combined statements of financial position as the Shareholder Loan embodied an unconditional obligation to settle the financial liability by transferring assets at a specified date.

The borrowing under the Shareholder Loan accrued interest at a rate that was reset periodically depending on the Company's financial performance and interest rate market conditions. Interest was to accrue under the Shareholder Loan until maturity, without any requirement to make cash interest payments until such date. This accrued interest was added to the outstanding principal balance on the interest reset dates. In event of default per the Shareholder Loan agreement, immediate repayment of principal and accrued interest was due.

In connection with the Debt and Equity Restructuring, this loan was terminated and the debt was extinguished on September 10, 2009 (note 14).

At December 31, 2008, 2009 and 2010, the Group's loans and borrowings are repayable as follows:

	2008	2009	2010
	In thousands of US Dollars		
Within one year or on demand	$1,425,319	14,199	12,032
1-2 years	1,309	446	100
2-5 years	360	251,395	246,609
More than 5 years	—	—	—
	$1,426,988	266,040	258,741

At December 31, 2008, 2009 and 2010, the loans and borrowings were secured as follows:

	2008	2009	2010
	In thousands of US Dollars		
Secured	$1,413,395	263,229	257,234
Unsecured	13,593	2,811	1,507
	$1,426,988	266,040	258,741

(18) Employee Benefits

Employee benefits expense, which consists of payroll and other benefits for the years ended December 31, 2008, 2009 and 2010 amounted to $192,672, $169,948, and $156,256, respectively. Of this amount, $20,240, $13,861 and $12,228 was included in cost of sales during the years ended December 31, 2008, 2009 and 2010, respectively. Remaining amounts were presented in distribution and general and administrative expenses.

(a) Pension plans and defined benefit schemes

Certain subsidiaries of the Group have pension plans and post-retirement health benefit plans which provide retirement benefits for eligible employees, generally measured by length of service, compensation and other factors. The Group follows the recognition and disclosure provisions of IAS 19: *Employee Benefits*. Under IAS 19, actuarial gains and losses are recognized in other comprehensive income, net of tax effects. The measurement date for all pension and other employee benefit plans is the Group's fiscal year end.

A U.S. subsidiary of the Group sponsors a defined benefit retirement plan, the Samsonite Employee Retirement Income Plan that covers certain employee groups. Retirement benefits are based on a final average pay formula. The Group also maintains a supplemental retirement plan for certain management employees. These plans were closed to new entrants effective January 1, 2010. Effective December 31, 2010, both plans were frozen to future accruals.

A U.S. subsidiary of the Group also provides health care and life insurance benefits to certain retired employees who meet certain age and years of service eligibility requirements. The plan was closed to new entrants with regards to life insurance benefits effective January 1, 2009 and closed to new entrants with regards to medical benefits effective December 31, 2009. Eligible retirees are required to contribute to the costs of postretirement benefits. The Group's other postretirement benefits are not vested and the Group has the right to modify any benefit provision, including contribution requirements, with respect to any current or former employee, dependent or beneficiary.

In May 2009, the U.S. subsidiary amended the post-retirement health benefit plans of the covered employees by increasing the percentage of health insurance cost that the retiree must contribute to the plan from 50% to 75%. In December 2009, the plans were again amended to increase the retiree's contribution percentage to 100%.

A Belgium subsidiary of the Group sponsors a pre-pension defined benefit retirement plan to certain employees who meet certain age and years of service eligibility requirements. Benefits are calculated based on a final pay formula and are contributed until the employee reaches the legal retirement age.

The plans are administered by trustees, which are independent of the Group, with their assets held separately from those of the Group. The plans are funded by contributions from the Group in accordance with an independent actuary's recommendation based on annual actuarial valuations. The latest independent actuarial valuations of the plans were as of December 31, 2010 and were prepared by independent qualified actuaries, who are members of the Society of Actuaries of the United States of America, using the projected unit credit method. The actuarial valuations indicate that the Group's obligations under these defined benefit retirement plans are $232,427, $234,485, and $234,748 as of December 31, 2008, 2009 and 2010, respectively, which are partially funded by the plan assets held by the trustees.

(b) The amounts recognized in the statements of combined financial position are as follows:

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Present value of wholly or partly funded obligations	$(232,427)	(234,485)	(234,748)
Fair value of plan assets	131,284	134,724	157,624
Net pension liability	(101,143)	(99,761)	(77,124)
Net unrecognized actuarial losses	—	—	—
	$(101,143)	(99,761)	(77,124)
Experience adjustments arising on plan liabilities	$ 5,337	1,332	9,897
Experience adjustments arising on plan assets	$ (59,161)	9,277	2,675

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate the amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Group estimates that the minimum required contributions and payments for the pension and post-retirement benefits will be approximately $17,700 during 2011 and between $16,700 and $17,500 each year from 2012 through 2015.

The net pension liability is shown below:

	2008			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Net liability at January 1	$ 29,005	9,399	10,938	49,342
Pension expense recognized in profit or loss	(1,654)	1,104	1,050	500
Amounts recognized in other comprehensive income	69,260	492	(537)	69,215
Employer contributions	(16,000)	—	—	(16,000)
Benefits paid	(67)	(826)	(542)	(1,435)
Foreign exchange adjustments	—	—	(479)	(479)
Net liability at December 31	$ 80,544	10,169	10,430	101,143

	2009			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Net liability at January 1	$ 80,544	10,169	10,430	101,143
Pension expense recognized in profit or loss	4,304	(2,427)	1,196	3,073
Amounts recognized in other comprehensive income	2,495	(4,016)	384	(1,137)
Employer contributions	(2,160)	—	—	(2,160)
Benefits paid	(71)	(672)	(598)	(1,341)
Foreign exchange adjustments	—	—	183	183
Net liability at December 31	$ 85,112	3,054	11,595	99,761

	2010			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Net liability at January 1	$ 85,112	3,054	11,595	99,761
Pension expense recognized in profit or loss	1,925	(385)	(1,249)	291
Amounts recognized in other comprehensive income	7,093	81	264	7,438
Employer contributions	(28,328)	—	—	(28,328)
Benefits paid	(105)	(359)	(788)	(1,252)
Foreign exchange adjustments	—	—	(786)	(786)
Net liability at December 31	$ 65,697	2,391	9,036	77,124

(c) Movements in the present value of the defined benefit obligations:

	2008			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Change in benefit obligation:				
Benefit obligation at January 1	$206,272	9,399	10,938	226,609
Service cost	47	563	532	1,142
Interest cost	12,818	581	537	13,936
Plan participants' contributions	—	787	—	787
Actuarial (gain)/loss	10,100	492	(557)	10,035
Benefits paid	(17,408)	(1,613)	(542)	(19,563)
Plan curtailments	—	(40)	—	(40)
Foreign exchange adjustments	—	—	(479)	(479)
Benefit obligation at December 31	$211,829	10,169	10,429	232,427

	2009			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Change in benefit obligation:				
Benefit obligation at January 1	$211,829	10,169	10,429	232,427
Service cost	957	169	543	1,669
Interest cost	12,668	285	608	13,561
Plan participants' contributions	—	836	—	836
Amendments	—	(2,425)	—	(2,425)
Actuarial (gain)/loss	11,772	(4,016)	450	8,206
Benefits paid	(17,390)	(1,509)	(598)	(19,497)
Plan curtailments	—	(456)	—	(456)
Foreign exchange adjustments	—	—	164	164
Benefit obligation at December 31	$219,836	3,053	11,596	234,485

	2010			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Change in benefit obligation:				
Benefit obligation at January 1	$219,836	3,053	11,596	234,485
Service cost	1,241	—	405	1,646
Interest cost	12,078	135	412	12,625
Plan participants' contributions	—	866	—	866
Amendments	—	(173)	—	(173)
Actuarial (gain)/loss	9,768	81	241	10,090
Benefits paid	(17,302)	(1,225)	(788)	(19,315)
Plan curtailments	(2,300)	(347)	(2,044)	(4,691)
Foreign exchange adjustments	—	—	(785)	(785)
Benefit obligation at December 31	$223,321	2,390	9,037	234,748

(d) Movement in plan assets

The following table sets forth the components of the change in plan assets for the years ended December 31, 2008, 2009 and 2010:

	2008			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Change in plan assets:				
Fair value of plan assets at January 1	$177,267	—	—	177,267
Expected return on plan assets	14,519	—	—	14,519
Actuarial gain/(loss) on plan assets	(59,161)	—	—	(59,161)
Employer contributions	16,067	826	542	17,435
Plan participants' contributions	—	787	—	787
Expenses paid	—	(1,613)	—	(1,613)
Benefits paid	(17,408)	—	(542)	(17,950)
Fair value of plan assets at December 31	$131,284	—	—	131,284

	2009			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Change in plan assets:				
Fair value of plan assets at January 1	$131,284	—	—	131,284
Expected return on plan assets	9,322	—	—	9,322
Actuarial gain/(loss) on plan assets	9,277	—	—	9,277
Employer contributions	2,231	673	598	3,502
Plan participants' contributions	—	836	—	836
Benefits paid	(17,390)	(1,509)	(598)	(19,497)
Fair value of plan assets at December 31	$134,724	—	—	134,724

	2010			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Change in plan assets:				
Fair value of plan assets at January 1	$134,724	—	—	134,724
Expected return on plan assets	9,094	—	—	9,094
Actuarial gain/(loss) on plan assets	2,675	—	—	2,675
Employer contributions	28,433	359	788	29,580
Plan participants' contributions	—	866	—	866
Benefits paid	(17,302)	(1,225)	(788)	(19,315)
Fair value of plan assets at December 31	$157,624	—	—	157,624

(e) Net actuarial gain/loss recognized in other comprehensive income during the Relevant Period consists of:

	2008			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Cumulative amount at January 1[(1)]	$ —	—	—	—
Net actuarial (gain)/loss	69,261	492	(538)	69,215
Cumulative amount at December 31	$69,261	492	(538)	69,215

	2009			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Cumulative amount at January 1	$69,261	492	(538)	69,215
Net actuarial (gain)/loss	2,494	(4,016)	385	(1,137)
Cumulative amount at December 31	$71,755	(3,524)	(153)	68,078

	2010			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Cumulative amount at January 1	$71,755	(3,524)	(153)	68,078
Net actuarial (gain)/loss	7,093	81	264	7,438
Cumulative amount at December 31	$78,848	(3,443)	111	75,516

Note:

(1) In connection with the Delilah Group's transition to IFRS, effective January 1, 2008, the Delilah Group elected to recognize all previously unrecognized cumulative actuarial gains and losses in retained earnings/(accumulated deficit) at the date of transition.

(f) Expenses recognized in the combined income statements for the years ended December 31, 2008, 2009 and 2010 are as follows:

	2008			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Service cost	$ 47	563	532	1,142
Interest cost	12,818	581	537	13,936
Expected return on plan assets	(14,519)	—	—	(14,519)
Amortization of net (gain)/loss	—	—	(19)	(19)
Amortization of prior service cost	—	—	—	—
Curtailment (gain)/loss recognized	—	(40)	—	(40)
Total net periodic benefit cost/(income)	$ (1,654)	1,104	1,050	500

	2009			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Service cost	$ 957	169	543	1,669
Interest cost	12,668	285	608	13,561
Expected return on plan assets	(9,321)	—	—	(9,321)
Amortization of net (gain)/loss	—	—	45	45
Amortization of prior service cost	—	(2,425)	—	(2,425)
Curtailment (gain)/loss recognized	—	(456)	—	(456)
Total net periodic benefit cost/(income)	$ 4,304	(2,427)	1,196	3,073

	2010			
	US Pension benefits	US Post retirement benefits	Belgium retirement benefits	Total
	In thousands of US Dollars			
Service cost	$ 1,241	—	405	1,646
Interest cost	12,078	135	412	12,625
Expected return on plan assets	(9,094)	—	—	(9,094)
Amortization of net (gain)/loss	—	—	(22)	(22)
Amortization of prior service cost	—	(173)	—	(173)
Curtailment (gain)/loss recognized	(2,300)	(347)	(2,044)	(4,691)
Total net periodic benefit cost/(income)	$ 1,925	(385)	(1,249)	291

The expense is recognized in the following line items in the combined income statements:

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
General and administrative expenses	$(383)	1,612	(717)
Other expenses	883	1,461	1,008
	$ 500	3,073	291

Pension expense included in other income and expense relates to the actuarial determined pension expense associated with the pension plans of two companies unrelated to the Group's current operations whose pension obligations were assumed by the Group as a result of a 1993 agreement with the Pension Benefit Guaranty Corporation. The plans were part of a controlled company of corporations of which the Group was a part of, prior to 1993.

(g) The following table provides actuarial assumptions used:

	2008		
	US Pension benefits	**US Post retirement benefits**	**Belgium retirement benefits**
	In thousands of US Dollars		
Weighted average assumptions used to determine benefit obligations as of:			
Discount rate	6.25%	6.25%	5.75%
Rate of compensation increase	3.50	N/A	N/A
Rate of price inflation	N/A	N/A	2.00
Weighted average assumptions used to determine net periodic benefit cost for the year ended:			
Discount rate	6.48%	6.53%	5.47%
Expected long-term rate of return on assets	8.25	N/A	N/A
Rate of compensation increase	3.50	N/A	N/A

	2009		
	US Pension benefits	**US Post retirement benefits**	**Belgium retirement benefits**
	In thousands of US Dollars		
Weighted average assumptions used to determine benefit obligations as of:			
Discount rate	5.73%	5.73%	4.95%
Rate of compensation increase	3.50	N/A	N/A
Rate of price inflation	N/A	N/A	2.00
Weighted average assumptions used to determine net periodic benefit cost for the year ended:			
Discount rate	6.25%	6.25%	5.75%
Expected long-term rate of return on assets	8.25	N/A	N/A
Rate of compensation increase	3.50	N/A	N/A

	2010		
	US Pension benefits	**US Post retirement benefits**	**Belgium retirement benefits**
	In thousands of US Dollars		
Weighted average assumptions used to determine benefit obligations as of:			
Discount rate	5.16%	5.16%	4.70%
Rate of compensation increase	3.50	N/A	—
Rate of price inflation	N/A	N/A	2.00
Weighted average assumptions used to determine net periodic benefit cost for the year ended:			
Discount rate	5.73%	5.73%	4.94%
Expected long-term rate of return on assets	8.00	N/A	N/A
Rate of compensation increase	3.50	N/A	N/A

The Group's overall expected long-term rate of return on assets is 8% for the U.S. plans. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments. The expected long-term rate return is a long-term assumption which reflects the Group's best estimate of the average rate of earnings expected on funds invested to provide for the projected plan obligations. In assessing this rate, appropriate consideration was given to the returns achieved in recent years as well as returns expected to be achieved in the long-term, based on the Group's investment guidelines and objectives. The actual rate of return/(loss) on assets for December 31, 2008, 2009 and 2010 is (37%), 15% and 10%, respectively.

The discount rate is based on high-grade bond yield curve under which benefits were projected and discounted at spot rates along the curve. The discount rate was then determined as a single rate yielding the same present value.

For post retirement benefit measurement purposes, an 8.1% annual rate of increase in the per capita cost of covered health care benefits was assumed for calendar 2010. The rate was assumed to decrease gradually to 4.5% for fiscal 2028 and remain at that level thereafter.

Assumed health care cost trend rates have a significant effect on the amounts reported for the post retirement health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	2008		2009		2010	
	1% point increase	1% point decrease	1% point increase	1% point decrease	1% point increase	1% point decrease
	In thousands of US Dollars					
Effect on total of service and interest cost components	$ 116	(101)	36	(31)	1	(1)
Effect on post retirement benefit obligation	754	(674)	22	(21)	25	(24)

The estimated benefit obligation (the actuarial present value of benefits attributed to employee service and compensation levels prior to the measurement date without considering future compensation levels), exceeded the fair value of plan assets as of December 31, 2008, 2009 and 2010 by $101,143, $99,761 and $77,124, respectively.

(h) The fair values of the assets held by the U.S. pension plan by major asset category as of December 31, 2008, 2009 and 2010, were as follows:

	As of December 31, 2008	
	Targeted allocation	Fair value
		In thousands of US Dollars
Equity	40% – 60%	$ 65,461
Fixed income	15% – 25%	26,061
Asset allocation	25% – 35%	38,080
Other	—% – 10%	1,682
Total	100%	$131,284

	As of December 31, 2009	
	Targeted allocation	Fair value
		In thousands of US Dollars
Equity	30% – 50%	$ 49,836
Fixed income	25% – 35%	39,813
Asset allocation	25% – 35%	43,480
Other	—% – 10%	1,595
Total	100%	$134,724

	As of December 31, 2010	
	Targeted allocation	Fair value
		In thousands of US Dollars
Equity	—% – 40%	$ 31,525
Fixed income	—% – 100%	74,714
Asset allocation	20% – 40%	47,287
Other	—% – 10%	4,098
Total	100%	$157,624

The asset allocation targets are set with the expectation that the plan's assets will fund the plan's expected liabilities with an appropriate level of risk. Expected returns, risk and correlation among asset classes are based on historical data and input received from our investment advisors. During 2010 the targeted allocation ranges increased as the Group moves toward a strategy of matching the duration of its pension assets to its pension liabilities.

The funding policy for the plans is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws. In 2011, the minimum requirement expected to be contributed is approximately $12,100, $300 and $526 to the U.S. pension, U.S. post retirement and Belgium plans, respectively.

(i) Samsonite LLC's US Pension Plan Settlement Agreement

On August 28, 2009, Samsonite LLC (a U.S. subsidiary of the Group) and the Pension Benefit Guaranty Corporation (PBGC) entered into a Settlement Agreement to modify their pre-existing agreement, under which PBGC agreed to refrain from instituting proceedings to terminate Samsonite LLC's U.S. pension plan under Section 4042(a)(4) of ERISA as a result of the Debt and Equity Restructuring. In return, the PBGC was granted an equal and ratable lien in the amount of $19,000 on certain domestic assets of Samsonite LLC and certain of its U.S. subsidiaries (excluding any equity interests in subsidiaries and any inventory or accounts receivable of Samsonite LLC or its U.S. subsidiaries), together with Samsonite's intellectual property rights in the U.S. and Samsonite's rights under licenses of such intellectual property to affiliates or third parties. The PBGC's lien is equal and ratable with the lien granted over such assets to Samsonite's senior secured lenders. If the Group were to refinance its senior secured debt in the future and increase the amount of such debt, the agreement requires that the PBGC lien be increased by an amount determined under a formula considering the amount of the Group's unfunded pension liability under the Group's U.S. pension plans and the amount of the increase in the amount of senior secured debt. Other provisions of the agreement restrict the transfer of U.S. assets outside of the ordinary course of business. The Group is in compliance with these requirements as of December 31, 2010.

The agreement will expire upon (a) the Group obtaining investment grade status on its senior unsecured debt, (b) the date the plan has no unfunded benefit liabilities for two consecutive plan years, (c) the date on which Delilah becomes part of a controlled company whose unsecured debt has investment grade status, or (d) the date the plan is successfully terminated.

(19) Commitments

(a) Capital Commitments

Capital commitments outstanding at December 31, 2008, 2009 and 2010 not provided for in the Financial Information were as follows:

	At December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Contracted for	$ 5,512	3,053	3,159
Authorized but not contracted for	19,399	25,393	36,841
	$24,911	28,446	40,000

(b) Operating Lease Commitments

The Group's lease obligations primarily consist of noncancelable leases of office, warehouse and retail store space and equipment. Future minimum payments under noncancelable leases, as of December 31, were as follows:

	Operating Lease Commitments		
	2008	2009	2010
	In thousands of US Dollars		
Within one year	$ 26,426	42,941	41,573
1-2 years	23,240	32,769	31,552
2-5 years	51,147	56,870	64,119
More than 5 years	43,766	27,910	30,573
	$144,579	160,490	167,817

Rental expense under cancelable and noncancelable operating leases was $65,305, $67,188 and $56,747 for the years ended December 31, 2008, 2009 and 2010, respectively.

Certain of the leases are renewable at the Group's option. Certain of the retail leases provided for additional rent payments based on a percentage of sales. These additional rent payments amounted to $5,093, $8,236 and $4,060 as of December 31, 2008, 2009 and 2010, respectively and are included in rent expense. Certain of the leases also contain rent escalation clauses that require additional rents in later years of the lease term, which are recognized on a straight-line basis over the lease term.

(20) Contingent Liabilities

In the ordinary course of its business, the Group is subject to various forms of litigation and legal proceedings. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to specific litigation is sufficient. The Group records provisions based on its past experience and on facts and circumstances known at each reporting date. The provision charge is recognized within general and administrative expenses on the combined income statement. When the date of the incurrence of an obligation is not reliably measureable, the provisions are not discounted and are classified in current liabilities.

(21) Trade and Other Payables

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Accounts payable	$160,356	138,211	225,922
Other payables and accruals	36,498	71,559	77,131
Restructuring accruals (note 24)	3,103	40,410	3,118
Other tax payables	7,489	8,886	24,340
Total trade and other payables	$207,446	259,066	330,511

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

	At December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Current	$134,443	113,937	187,010
Past Due	14,278	9,063	15,651
	$148,721	123,000	202,661

Trade payables at December 31, 2010 are on average due within 105 days from the invoice date.

(22) Financial Instruments

(a) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying Amount		
	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Trade and other receivables	$136,067	119,398	146,142
Cash and cash equivalents	86,913	290,533	285,798
Other forward exchange contracts	—	853	2,363
	$222,980	410,784	434,303

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying Amount		
	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Asia	$ 30,167	31,252	46,660
Europe	55,898	41,756	51,711
North America	28,649	27,123	26,926
Latin America	13,759	11,639	15,102
	$128,473	111,770	140,399

(b) Exposure to Liquidity Risk

The following are the contractual maturities of derivative and nonderivative financial liabilities, including estimated interest payments.

	December 31, 2008					
	Carrying amount	Contractual cash flows	Less than one year	1 – 2 years	2 – 5 years	More than 5 years
	In thousands of US Dollars					
Nonderivative financial liabilities:						
Trade and other payables	$195,041	195,041	195,041	—	—	—
Senior Credit Facility	983,913	1,606,017	80,875	80,875	242,625	1,201,642
PIK facilities	324,176	832,942	—	—	67,680	765,262
Revolving Credit Facility	82,298	82,298	82,298	—	—	—
Shareholder loan	487,419	891,243	—	—	—	891,243
Other lines of credit	33,929	33,929	33,929	—	—	—
Minimum operating lease payments	—	144,579	26,426	23,240	51,147	43,766
Interest rate swaps	36,145	11,223	6,043	5,180	—	—
Foreign currency forward contracts:						
Assets	$ —	—	—	—	—	—
Liabilities	727	76,777	76,777	—	—	—

	December 31, 2009					
	Carrying amount	Contractual cash flows	Less than one year	1 – 2 years	2 – 5 years	More than 5 years
	In thousands of US Dollars					
Nonderivative financial liabilities:						
Trade and other payables	$194,554	194,554	194,554	—	—	—
Amended Senior Credit Facility	196,395	240,000	—	—	240,000	—
Term Loan Facility	55,000	71,452	—	—	71,452	—
Other lines of credit	13,902	13,902	13,902	—	—	—
Minimum operating lease payments	—	160,490	42,941	32,769	56,870	27,910
Foreign currency forward contracts:						
Assets	$ 853	46,382	46,382	—	—	—
Liabilities	155	8,400	8,400	—	—	—

	December 31, 2010					
	Carrying amount	Contractual cash flows	Less than one year	1 – 2 years	2 – 5 years	More than 5 years
	In thousands of US Dollars					
Nonderivative financial liabilities:						
Trade and other payables	$303,815	303,815	303,815	—	—	—
Amended Senior Credit Facility	189,158	221,600	—	—	221,600	—
Term Loan Facility	57,451	69,490	—	—	69,490	—
Other lines of credit	11,735	11,735	11,735	—	—	—
Minimum operating lease payments	—	167,817	41,573	31,552	64,119	30,573
Foreign currency forward contracts:						
Assets	$ 2,363	56,223	56,223	—	—	—
Liabilities	1,484	22,650	19,403	3,247	—	—

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges, are expected to occur.

	Carrying amount	Expected cash flows	Less than one year	1 – 2 years	2 – 5 years	More than 5 years
	In thousands of US Dollars					
December 31, 2008:						
Assets	$ —	—	—	—	—	—
Liabilities	727	76,777	76,777	—	—	—
December 31, 2009:						
Assets	$ 853	46,382	46,382	—	—	—
Liabilities	155	8,400	8,400	—	—	—
December 31, 2010:						
Assets	$2,363	56,223	56,223	—	—	—
Liabilities	1,484	22,650	19,403	3,247	—	—

The following tables indicate the periods in which the cash flows associated with derivatives that are cash flow hedges, are expected to impact profit or loss.

	Carrying amount	Expected cash flows	Less than one year	1 – 2 years	2 – 5 years	More than 5 years
	In thousands of US Dollars					
December 31, 2008:						
Assets	$ —	—	—	—	—	—
Liabilities	727	76,777	76,777	—	—	—
December 31, 2009:						
Assets	$ 853	46,382	46,382	—	—	—
Liabilities	155	8,400	8,400	—	—	—
December 31, 2010:						
Assets	$2,363	56,223	56,223	—	—	—
Liabilities	1,484	22,650	19,403	3,247	—	—

(c) Exposure to Currency Risk

The Group's exposure to foreign currency risk arising from the currencies that more significantly affect the Group's financial performance, was as follows based on notional amounts of items with largest exposure:

	December 31, 2008	
	Euro	Renminbi
	(Euro 000)	*(RMB 000)*
Cash	19,803	20,514
Trade receivables, net	26,370	28,120
Other receivables	13,919	7,028
Intercompany receivables/(payables)	65,731	(13,815)
Trade payables	(36,081)	(35,013)
Other payables	(2,162)	(13,182)
Statement of financial position exposure	87,580	(6,348)

	December 31, 2009	
	Euro	Renminbi
	(Euro 000)	(RMB 000)
Cash	34,424	75,222
Trade receivables, net	17,959	34,249
Other receivables	11,458	2,285
Intercompany receivables/(payables)	3,676	30,516
Trade payables	(29,241)	(43,504)
Other payables	(1,310)	(14,597)
Statement of financial position exposure	36,966	84,171

	December 31, 2010	
	Euro	Renminbi
	(Euro 000)	(RMB 000)
Cash	33,985	37,016
Trade receivables, net	25,040	58,052
Other receivables	12,978	3,441
Intercompany receivables/(payables)	(8,142)	—
Trade payables	(59,118)	(57,838)
Other payables	(2,267)	(21,843)
Statement of financial position exposure	2,476	18,828

The following significant exchange rates applied during the year:

	Average rate			Reporting date spot rate		
	2008	2009	2010	2008	2009	2010
Euro	$1.4821750	1.3919250	1.3250271	1.4074	1.4326	1.33905
Renminbi	0.1440542	0.1463983	0.1477388	0.1464000	0.1464800	0.1517300

(d) Foreign Currency Sensitivity Analysis

A strengthening of the Euro by 10% against the U.S. dollar would have increased the profit/(loss) for the years ended December 31, 2008, 2009 and 2010 by $9,902, $546, and $16,579, respectively, and increased equity as of December 31, 2008, 2009 and 2010 by $10,541, $6,145, and $19,541, respectively. The analysis assumes that all other variables, in particular interest rates, remain constant. A 10% weakening in the Euro would have an equal but opposite impact to profit/(loss) for the period and equity as of these reporting dates.

If the Renminbi had strengthened by 10% against the U.S. dollar profit/(loss) would have increased for the years ended December 31, 2008, 2009 and 2010 by $818, $362 and $1,244, respectively, and equity would have increased as of December 31, 2008, 2009 and 2010 by $1,478, $1,560 and $2,011, respectively. The analysis assumes that all other variables, in particular interest rates, remain constant. A 10% weakening in the Renminbi would have an equal but opposite impact to profit for the period and equity as of these reporting dates.

(e) Interest Rate Profile

The interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying Amount		
	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Fixed rate instruments:			
Financial assets	$ —	—	—
Financial liabilities	(260)	(196,655)	(189,418)
	$ (260)	(196,655)	(189,418)
Variable rate instruments:			
Financial assets	$ 51,250	13,099	163,431
Financial liabilities	(1,461,764)	(69,167)	(69,186)
	$(1,410,514)	(56,068)	94,245

(f) Sensitivity Analysis for Fixed Rate Instruments

The Group did not account for any fixed rate assets and liabilities at fair value through profit or loss, and the Group did not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model in 2008, 2009 and 2010. Therefore, a change in interest rates at the reporting dates would not affect profit or loss.

(g) Sensitivity Analysis for Variable Rate Instruments

If the benchmark interest rate on variable rate financial obligations, increased 100 basis points with all other variables held constant, profit/(loss) for the years ended December 31, 2008, 2009 and 2010 would have been $23,329, $14,287, and $574 lower, respectively, and equity as of December 31, 2008, 2009, and 2010 would have been $23,329, $37,616, and $38,190 lower, respectively. A decrease of 100 basis points in the benchmark interest rate would have an equal but opposite impact to profit/(loss) for the periods and equity as of these reporting dates.

(h) Fair Value Versus Carrying Amounts

	December 31,					
	2008		2009		2010	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	In thousands of US Dollars					
Liabilities carried at amortized cost:						
Senior credit facility	$ 983,913	405,276	—	—	—	—
PIK facilities	324,176	—	—	—	—	—
Shareholder loan	487,419	—	—	—	—	—
Amended senior credit facility	—	—	196,395	198,942	189,158	192,906
	$1,795,508	405,276	196,395	198,942	189,158	192,906

All other financial assets and liabilities have fair values that approximate carrying amounts.

(i) Fair Value Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRSs establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The carrying amount of cash and cash equivalents, trade receivables, accounts payable, short-term debt, and accrued expenses approximates fair value because of the short maturity or duration of these instruments.

The fair value of foreign currency forward contracts and interest rate swaps are estimated by reference to market quotations received from banks. As of December 31, 2010, the fair value for its senior notes and senior credit facility are estimated based on their discounted cash flow.

The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) as of December 31, 2008:

		Fair value measurements at reporting date using		
	December 31, 2008	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		In thousands of US Dollars		
Assets:				
Cash and cash equivalents	$86,913	86,913	—	—
Liabilities:				
Interest rate derivatives	$36,145	—	36,145	—
Foreign currency forward contracts	727	727	—	—
Total liabilities	$36,872	727	36,145	—

The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) as of December 31, 2009:

	December 31, 2009	Fair value measurements at reporting date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		In thousands of US Dollars		
Assets:				
Cash and cash equivalents	$290,533	290,533	—	—
Foreign currency forward contracts	853	853	—	—
Total assets	$291,386	291,386	—	—
Liabilities:				
Foreign currency forward contracts	155	155	—	—
Total liabilities	$ 155	155	—	—

The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) as of December 31, 2010:

	December 31, 2010	Fair value measurements at reporting date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		In thousands of US Dollars		
Assets:				
Cash and cash equivalents	$285,798	285,798	—	—
Foreign currency forward contracts	2,363	2,363	—	—
Total assets	$288,161	288,161	—	—
Liabilities:				
Foreign currency forward contracts	1,484	1,484	—	—
Total liabilities	$ 1,484	1,484	—	—

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

On April 1, 2008 the Group designated two interest rate swaps as a cash flow hedge for the variable rate interest on a portion of the long term debt. The Group entered into these interest rate swaps prior to April 1, 2008, however the instruments were not previously designated for hedge accounting. As a result, the changes in the fair value from the designation date were recorded in other comprehensive income prospectively. The change in the fair value from January 1, 2008 to April 1, 2008 of $15,757 was recorded in finance costs in the combined income statements. In accordance with *IAS 39, Financial Instruments: Recognition and Measurement*, the derivatives were evaluated periodically for hedge effectiveness during 2008 and the first half of 2009 and the derivatives were deemed effective. On August 31, 2009 in connection with the Debt and Equity Restructuring, the interest rate swaps were terminated and on September 10, 2009 the Group's liability to the counterparty was forgiven.

The Group's non U.S. subsidiaries periodically enter into forward contracts related to the purchase of inventory denominated primarily in U.S. dollars which are designated as cash flow hedges. The hedging effectiveness was tested in accordance with *IAS 39, Financial Instruments: Recognition and Measurement*. The fair value of these instruments was a liability of $727, $155, and $1,484, and an asset of $0, $853, $2,363, as of December 31, 2008, 2009 and 2010, respectively.

The Group had previously entered into derivative transactions that are not designated hedging relationships to reduce exposure to the effect of exchange rates on the earnings of foreign operations. The Group recorded these instruments at fair value and recognized realized and unrealized gains and losses in other expense. As of December 31, 2008, 2009 and 2010, no derivative transactions to hedge the effect of exchange rates on foreign entities were outstanding. For the year ended December 31, 2008, the Group recorded $13,899 in finance income and finance costs, in the combined income statements related to these transactions.

(23) Income Taxes

On September 2, 2009, Delilah, its then current shareholders and lending bank syndicate, agreed to a significant restructuring of the debt and equity interests of Delilah (note 14). As part of the restructuring, the Group's debt was reduced to a nominal value of $240 million, the Shareholder Loan was forgiven and additional funding for operations was provided by way of cash equity contributions and the Term Loan Facility.

For U.S. income tax purposes the Group's U.S. subsidiaries were converted to Limited Liability Companies followed by a series of taxable and tax-free asset and share sales and contributions of U.S. and group affiliates, including international affiliates, to a new Luxembourg holding company.

The debt restructuring resulted in approximate U.S. taxable income of $121 and cancellation of indebtedness income of $1,673,256 which was excluded for U.S. income tax purposes. The asset sales component of the restructuring resulted in U.S. taxable income of $142,106, which was entirely offset by U.S. tax loss carryforwards. The restructuring also resulted in the reduction of all U.S. tax attributes, including U.S. tax loss carryforwards of $393,065 and U.S. alternative minimum tax credit carryforwards of $1,591. In addition, tax losses of approximately $1,164,364 attributable to the prior Luxembourg holding company structure remained with OldCo when it disaffiliated from the Group due to the restructuring.

(a) Taxation in the combined income statement includes:

	2008	2009	2010
	In thousands of US Dollars		
Current tax—Hong Kong Profits Tax:			
Current period	$ —	—	(1,595)
Current tax—Foreign:			
Current period	$ (20,089)	(18,384)	(22,786)
Adjustment for prior periods	(343)	(11)	—
	(20,432)	(18,395)	(22,786)
Deferred tax (expense)/benefit:			
Origination and reversal of temporary differences	222,075	67,723	(128,157)
Change in unrecognized deductible temporary differences	(53,836)	6,273	(2,842)
Recognition of previously unrecognized tax losses	—	16,900	7,466
Change in tax rate	(136)	(338)	139
	168,103	90,558	(123,394)
Total income tax (expense)/benefit	$147,671	72,163	(147,775)

The provision for Hong Kong Profits Tax for 2008, 2009 and 2010 is calculated at 16.5% respectively, of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

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

	2008	2009	2010
	In thousands of US Dollars		
Profit/(loss) for the year	$(1,424,016)	1,209,335	366,814
Total income tax (expense)/benefit	147,671	72,163	(147,775)
Profit/(loss) before income tax	(1,571,687)	1,137,172	514,589
Income tax (expense)/benefit using the Company's applicable tax rate	547,550	(395,567)	(157,709)
Change in tax rates	(136)	(338)	139
Change in tax reserves	—	—	(2,090)
Nondeductible differences	(351,176)	(15,371)	2,952
Utilization of tax losses	—	462,701	—
Recognition of previously unrecognized tax losses	—	16,900	7,466
Change in unrecognized temporary difference	(53,836)	6,273	(2,842)
Other	5,612	(2,424)	4,309
Under provided in prior periods	(343)	(11)	—
	$ 147,671	72,163	(147,775)

The provision for taxation for 2008, 2009 and 2010 is calculated using the Group's applicable tax rate of 34.4%, 34.9% and 30.4% respectively. The applicable rate is based on the Group's average worldwide tax rate.

At December 31, 2008, 2009 and 2010 there was no deferred income tax charged to other comprehensive income.

(c) Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	December 31, 2008	December 31, 2009	December 31, 2010
	In thousands of US Dollars		
Deferred tax assets:			
Allowance for doubtful accounts	$ 1,158	1,069	1,650
Inventory	2,897	1,489	1,487
Plant and equipment	16,504	15,345	1,478
Pension and post-retirement benefits	2,760	3,173	10,986
Tax losses	2,654	6,499	4,165
Reserves	10,005	15,435	8,544
Other	2,327	1,589	63
Set off of tax	(9,706)	(8,702)	(7,582)
Total gross deferred tax assets	28,599	35,897	20,791
Deferred tax liabilities:			
Inventory	—	—	—
Plant and equipment	(11,508)	(10,802)	(19,458)
Intangible assets	(105,842)	(13,478)	(108,899)
Other	(3,107)	(11,913)	(15,004)
Set off of tax	9,706	8,702	7,582
Total gross deferred tax liabilities	(110,751)	(27,491)	(135,779)
Net deferred tax asset/(liability)	$ (82,152)	8,406	(114,988)

Movement in temporary differences for the year:

	At January 1, 2008	Recognized in profit/(loss)	At December 31, 2008
	In thousands of US Dollars		
Allowance for doubtful accounts	$ 1,386	(228)	1,158
Inventory	(2,460)	5,357	2,897
Property, plant and equipment	(25,453)	30,449	4,996
Intangible assets	(236,190)	130,348	(105,842)
Pension and post-retirement benefits	3,129	(369)	2,760
Tax losses	3,769	(1,115)	2,654
Reserves	7,598	2,407	10,005
Other	(2,034)	1,254	(780)
Net deferred tax asset/(liability)	$(250,255)	168,103	(82,152)

	At December 31, 2008	Recognized in profit/(loss)	At December 31, 2009
	In thousands of US Dollars		
Allowance for doubtful accounts	$ 1,158	(89)	1,069
Inventory	2,897	(1,408)	1,489
Property, plant and equipment	4,996	(453)	4,543
Intangible assets	(105,842)	92,364	(13,478)
Pension and post-retirement benefits	2,760	413	3,173
Tax losses	2,654	3,845	6,499
Reserves	10,005	5,430	15,435
Other	(780)	(9,544)	(10,324)
Net deferred tax asset/(liability)	$ (82,152)	90,558	8,406

	At December 31, 2009	Recognized in profit/(loss)	At December 31, 2010
	In thousands of US Dollars		
Allowance for doubtful accounts	$ 1,069	581	1,650
Inventory	1,489	(2)	1,487
Property, plant and equipment	4,543	(22,523)	(17,980)
Intangible assets	(13,478)	(95,421)	(108,899)
Pension and post-retirement benefits	3,173	7,813	10,986
Tax losses	6,499	(2,334)	4,165
Reserves	15,435	(6,891)	8,544
Other	(10,324)	(4,617)	(14,941)
Net deferred tax asset/(liability)	$ 8,406	(123,394)	(114,988)

Unrecognized Deferred Tax Assets

Deferred tax assets have not been recognized in respect of the following items:

	2008	December 31, 2009	2010
	In thousands of US Dollars		
Deductible temporary differences	$ 174,748	100,035	82,754
Tax losses	1,530,871	51,109	64,246
	$1,705,619	151,144	147,000

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits from them.

Tax losses expire in accordance with local country tax regulations. United States losses expire beginning in 2029. European losses are available indefinitely. Asian losses expire at various times beginning in 2016. Latin American losses expire at various times beginning in 2019 with some losses being available indefinitely.

Unrecognized Deferred Tax Liabilities

At December 31, 2008, 2009 and 2010 a deferred tax liability of $25,967, $64,847 and $2,135 related to investments in subsidiaries is not recognized because the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

(24) Restructuring Charges

For the years ended December 31, 2008, 2009 and 2010, the Group recorded restructuring charges of $12,390, $65,102 and $4,348, respectively, in accordance with *IAS 37, Provisions, Contingent Liabilities and Contingent Assets*.

(i) 2008 Restructuring Charges

In the U.S., restructuring charge of $4,997 primarily represents severance and termination costs related to the relocation of distribution functions from both Denver, Colorado and

Jacksonville, Florida to a new facility in Jacksonville, Florida. Additional severance and termination costs have been incurred as the Group has "right sized" certain functional areas due to the economic conditions.

The European restructuring charges of $5,489, relate primarily to severance and termination costs associated with the "right sizing" of the Group's manufacturing and administrative operations. Additionally, the Group recorded restructuring charges in its corporate unit of $1,904 for other additional restructuring costs.

Movements in restructuring charges during the periods presented consisted of the following:

	At January 1, 2008	Additions/ (reversals) net	Payments	Exchange rate and other	At December 31, 2008
		In thousands of US Dollars			
US administrative	$ —	4,997	(4,997)	—	—
European manufacturing and administrative	—	5,489	(2,311)	(75)	3,103
Other	1,751	1,904	(3,655)	—	—
Accrued restructuring	$1,751	12,390	(10,963)	(75)	3,103

(ii) 2009 Restructuring Charges

In the U.S., restructuring charges of $12,704 primarily represents severance, lease termination costs and legal expenses relating to; (a) the closure of 84 retail stores, and (b) the elimination of certain management and clerical positions at the Group's U.S. headquarters.

In Europe, restructuring charges of $41,117 relate primarily to lease termination costs, severance and termination costs associated with closing certain unprofitable retail locations, additional "right sizing" of the Group's manufacturing and administrative operations to capitalize on efficiencies, consolidation of management and administrative functions which had been decentralized in various countries in Europe into the Belgium location and a consolidation of the functions within the Belgium location.

Corporate headquarters restructuring charges of $5,053 are primarily related to severance and termination costs incurred in closing the executive headquarters in London, England.

Other restructuring initiatives of $6,228 primarily related to severance, termination costs and other costs related to consolidation of management and administrative functions in Latin America and costs associated with a decision to exit certain licensing agreements early.

Movements in restructuring charges during the periods presented consisted of the following:

	At December 31, 2008	Additions/ (reversals) net	Payments	Exchange rate and other	At December 31, 2009
		In thousands of US Dollars			
U.S. stores	$ —	8,362	—	—	8,362
U.S. administrative and other	—	4,342	(2,844)	—	1,498
European stores	—	4,922	(4,922)	—	—
European manufacturing and administrative	3,103	36,195	(11,300)	(533)	27,465
London headquarters	—	5,053	(4,482)	—	571
Other	—	6,228	(3,714)	—	2,514
Accrued restructuring	$3,103	65,102	(27,262)	(533)	40,410

(iii) 2010 Restructuring Charges

Restructuring charges during 2010 primarily relate to lease termination costs associated with the closure of additional retail locations in the U.S.

Movements in restructuring charges during the periods presented consisted of the following:

	At December 31, 2009	Additions/ (reversals) net	Payments	Exchange rate and other	At December 31, 2010
		In thousands of US Dollars			
U.S. stores	$ 8,362	3,957	(12,111)	—	208
U.S. administrative and other	1,498	—	(1,354)	—	144
European manufacturing and administrative	27,465	(106)	(23,462)	(1,959)	1,938
London headquarters	571	—	(571)	—	—
Other	2,514	497	(2,195)	12	828
Accrued restructuring	$40,410	4,348	(39,693)	(1,947)	3,118

(25) Finance Income and Finance Costs

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

	Years ended December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Recognized in profit/(loss):			
Interest income on bank deposits	$ 3,671	627	1,647
Change in fair value of put options	—	316	—
Finance income	3,671	943	1,647
Interest expense on financial liabilities measured at amortized cost	165,608	96,711	16,104
Change in fair value of put options	712	—	8,788
Net foreign exchange loss/(gain)	(19,037)	21,030	5,862
Unwind of discount on provision	955	1,532	—
Ineffective portion of changes in fair value of cash flow hedges	29,656	(296)	(94)
Finance costs	177,894	118,977	30,660
Net finance costs recognized in profit/(loss)	$174,223	118,034	29,013
Recognized in other comprehensive income:			
Foreign currency translation differences for foreign operations	$ (18,497)	19,922	1,383
Effective portion of changes in fair value of cash flow hedges	(13,223)	987	297
Net change in fair value of cash flow hedges transferred to profit/(loss)	8,126	650	—
Income tax on finance income and finance costs recognized in other comprehensive income	—	—	—
Net finance costs recognized in other comprehensive income, net of tax	$ (23,594)	21,559	1,680
Attributable to:			
Equity holders of the Company	$ (19,210)	20,169	1,306
Non-controlling interests	(4,384)	1,390	374
Finance income recognized in other comprehensive income, net of tax	$ (23,594)	21,559	1,680

(26) Expenses

Profit/(loss) before income tax is arrived at after charging/(crediting) for the years ended December 31 include:

	Years ended December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Depreciation of fixed assets	$37,428	18,057	16,335
Amortization of intangible assets	8,447	4,554	4,409
Auditors' remuneration	3,463	2,910	4,190
Operating lease charges in respect of properties	65,305	67,188	56,747
Impairment losses on trade receivables	2,562	6,814	612
Impairment losses on trade receivables written back	(1,912)	(2,752)	(3,065)
Provision for impairment losses on inventories made	3,556	24,783	3,398
Provision for impairment losses on inventories written back	(443)	(991)	(1,731)

(27) Related Party Transactions

(a) Parent and Ultimate Controlling Party

As of December 31, 2010, CVC Funds owned 56.3% of the voting shares of Delilah.

(b) Transactions with Key Management Personnel

In addition to their salaries, Delilah also provides noncash benefits to directors and executive officers, and contributes to a post-employment defined benefit plan on their behalf.

Key management personnel compensation comprised:

	Years ended December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Short-term employee benefits	$4,757	5,585	5,483
Post-employment benefits	3	10	33
Termination benefits	—	1,917	—
Share-based compensation	—	874	600
	$4,760	8,386	6,116

Key management of Delilah controls 4.2% of the voting shares of Delilah. Certain key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

(b) Directors' Remuneration

(i) Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

	December 31, 2008,		
	Directors' fees	Emoluments	Total
	In thousands of US Dollars		
Executive directors			
Timothy Parker	$—	—	—
Kyle Gendreau	—	225	225
Ramesh Tainwala	—	605	605
Non-executive directors			
Keith Hammill	—	—	—
Nicholas Clarry	—	—	—
Hardy McLain	—	—	—
Independent non-executive directors			
Paul Etchells	—	—	—
Miguel Ko	—	—	—
Ying Yeh	—	—	—
Total	$—	830	830

	December 31, 2009		
	Directors' fees	Emoluments	Total
	In thousands of US Dollars		
Executive directors			
Timothy Parker	$—	1,105	1,105
Kyle Gendreau	—	787	787
Ramesh Tainwala	—	1,253	1,253
Non-executive directors			
Keith Hammill	11	—	11
Nicholas Clarry	—	—	—
Hardy McLain	—	—	—
Independent non-executive directors			
Paul Etchells	—	—	—
Miguel Ko	—	—	—
Ying Yeh	—	—	—
Total	$ 11	3,145	3,156

	December 31, 2010		
	Directors' fees	Emoluments	Total
	In thousands of US Dollars		
Executive directors			
Timothy Parker	$—	1,867	1,867
Kyle Gendreau	—	492	492
Ramesh Tainwala	—	1,210	1,210
Non-executive directors			
Keith Hammill	45	—	45
Nicholas Clarry	—	—	—
Hardy McLain	—	—	—
Independent non-executive directors			
Paul Etchells	—	—	—
Miguel Ko	—	—	—
Ying Yeh	—	—	—
Total	$ 45	3,569	3,614

No director received any emoluments from the Group as an inducement to join or upon joining the Group during the years ended December 31, 2008, 2009 and 2010. No director waived or agreed to waive any emoluments during the Relevant Period.

(ii) Individuals with the highest emoluments

The five highest paid individuals of the Group include one, three, and two directors during the years ended December 31, 2008, 2009 and 2010, respectively, whose emoluments are disclosed above. Details of remuneration paid to remaining highest paid individuals of the Group are as follows:

	December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Emoluments	$2,884	1,709	1,980

The emoluments of each individual exceeded $250 for each of the years presented.

Emoluments amounting to $734 relating to compensation for loss of office was paid to certain individuals during 2009 and is included in the above. No amounts have been paid to these individuals as an inducement to join or upon joining the Group during the years ended December 31, 2008, 2009 and 2010.

(c) Other Related Party Transactions

(i) On October 24, 2007, Delilah entered into a monitoring agreement with CVC Capital Partners Advisory Company (the Advisor) to provide ongoing consulting and management advisory services to Delilah as requested from time to time by Delilah. The monitoring agreement automatically renews each December 31 unless terminated, as defined in the monitoring agreement. From inception to the date of the standstill agreement (note 14) with the bank syndicate on March 12, 2009, Delilah paid the Advisor an annual fee of $500. In connection with the standstill agreement, payments under the monitoring agreement were suspended. On September 10, 2009 as part of the Debt and Equity Restructuring, Delilah and the Advisor amended the monitoring agreement to provide for an annual fee of $150.

The balances outstanding and amounts paid to the Advisor were as follows:

	As of and for the years ended December 31,		
	2008	2009	2010
	In thousands of US Dollars		
Outstanding balance	$125	38	38
Amounts paid	375	133	150

(ii) The Group's Indian subsidiary, Samsonite South Asia Pvt. Ltd., purchases raw materials and finished goods from and sells certain raw materials and finished goods to Abhishri Packaging Pvt. Ltd, which is managed and controlled by the family of the President of the Group's Asia segment.

Related amounts of purchases, sales, payables and receivables are the following:

	2008	2009	2010
	In thousands of US Dollars		
Purchases	$1,475	2,313	5,178
Sales	137	569	957
Payable	201	347	620
Receivable	15	147	180

(iii) Samsonite South Asia Pvt. Ltd also sells finished goods to Bagzone Lifestyle Private Limited. Bagzone Lifestyle Private Limited is managed and controlled by the family of the President of the Group's Asia segment. This individual and his family also own a non-controlling interest in the Group's Indian and United Arab Emirates subsidiaries.

	2008	2009	2010
	In thousands of US Dollars		
Purchases	$—	—	36
Sales	—	505	5,092
Payable	—	—	24
Receivable	—	381	1,493
Rent	—	—	786

Approximately $550, $677 and $1,204 was paid to entities owned by the member of management and his family, for office space rent for the years ended December 31, 2008, 2009 and 2010, respectively. As of December 31, 2008, 2009 and 2010, $7, $0 and $4, respectively, was payable to this individual and his family. As of December 31, 2010, $1,021 was recorded as a receivable in the form of a security deposit.

(iv) Samsonite South Asia Pvt. Ltd. sells finished goods to Planet Retail Holdings Pvt. Ltd. The President of the Group's Asia segment is the majority shareholder of Planet Retail Holdings Pvt. Ltd. Sales to this entity amounted to $31, $38, and $67 for the years ended December 31, 2008, 2009 and 2010, respectively.

(v) As discussed in note 14, due to the Debt and Equity Restructuring on September 10, 2009, the bank syndicate holds the Amended Senior Credit Facility and owns 35.2% of the voting shares of Delilah as at December 31, 2010.

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within six months of the reporting date. None of the balances are secured.

(28) Particulars of Subsidiaries

		The Company				Delilah Holdings S.a.r.l.			
		Ownership%				Ownership%			
Company name	Country	2008	2009	2010	Upon 2011 Reorganization	2008	2009	2010	Upon 2011 Reorganization
Samsonite Sub Holdings S.a.r.l.	Luxembourg				100				
Delilah Holdings S.a.r.l.	Luxembourg				100				
Delilah Sub Holdings S.a.r.l.	Luxembourg	—	100	100	100	—	100	100	100
Delilah S.a.r.l.	Luxembourg	—	100	100	100	—	100	100	100
Delilah Europe Holdings S.a.r.l.	Luxembourg	—	100	100	100	—	100	100	100
Delilah Europe Investments S.a.r.l.	Luxembourg	—	100	100	100	—	100	100	100
Delilah US Investments S.a.r.l.	Luxembourg	—	100	100	100	—	100	100	100
Astrum R.E. LLC	United States	100	100	100	100	100	100	100	100
Bypersonal S.A. de C.V.	Mexico	—	100	100	100	—	100	100	100
C.V. Holdings, Inc.	United States	100	100	—	—	100	100	—	—
Direct Marketing Ventures, LLC	United States	100	100	100	100	100	100	100	100
Global Licensing Company, LLC	United States	100	100	100	100	100	100	100	100
Jody Apparel II, LLC	United States	100	100	100	100	100	100	100	100
Lambertson Truex, LLC	United States	63	—	—	—	63	—	—	—
Lonberg Express S.A.	Uruguay	100	100	100	100	100	100	100	100
Limited Liability Company Samsonite	Russian Federation	60	60	60	60	60	60	60	60
McGregor II, LLC	United States	100	100	100	100	100	100	100	100
PT Samsonite Indonesia	Indonesia	60	60	60	60	60	60	60	60
Sam Worldwide Financing BVBA	Belgium	100	100	—	—	100	100	—	—
Samsonite (Malaysia) Sdn Bhd	Malaysia	100	100	100	100	100	100	100	100
Samsonite (Thailand) Co., Ltd.	Thailand	60	60	60	60	60	60	60	60
Samsonite A/S	Denmark	100	100	100	100	100	100	100	100
Samsonite AB	Sweden	100	100	100	100	100	100	100	100
Samsonite AG	Switzerland	99	99	99	99	99	99	99	99
Samsonite Argentina S.A.	Argentina	95	95	95	95	95	95	95	95
Samsonite Asia Limited	Hong Kong	100	100	100	100	100	100	100	100
Samsonite Australia Pty Limited	Australia	70	70	70	70	70	70	70	70
Samsonite Brasil Ltda.	Brazil	100	100	100	100	100	100	100	100
Samsonite B.V.	Netherlands	100	100	100	100	100	100	100	100

Company name	Country	The Company Ownership% 2008	2009	2010	Upon 2011 Reorganization	Delilah Holdings S.a.r.l. Ownership% 2008	2009	2010	Upon 2011 Reorganization
Samsonite Canada, Inc.	Canada	100	100	100	100	100	100	100	100
Samsonite CES Holding B.V.	Netherlands	60	60	60	60	60	60	60	60
Samsonite Chile S.A.	Chile	85	85	85	85	85	85	85	85
Samsonite China Holdings Limited	Hong Kong	—	—	100	100	—	—	100	100
Samsonite Colombia Limitada	Colombia	100	100	100	100	100	100	100	100
Samsonite Company Stores, LLC	United States	100	100	100	100	100	100	100	100
Samsonite CZ spol. s r.o.	Czech Republic	100	100	100	100	100	100	100	100
Samsonite Espana S.A.	Spain	100	100	100	100	100	100	100	100
Samsonite Europe N.V.	Belgium	100	100	100	100	100	100	100	100
Samsonite Finanziaria S.r.l.	Italy	100	100	100	100	100	100	100	100
Samsonite Finland Oy	Finland	100	100	100	100	100	100	100	100
Samsonite Ges.m.b.H.	Austria	100	100	100	100	100	100	100	100
Samsonite GmbH	Germany	100	100	100	100	100	100	100	100
Samsonite Holdings LLC	United States	100	100	—	—	100	100	—	—
Samsonite International Trading (Ningbo) Co. Ltd.	China	100	100	100	100	100	100	100	100
Samsonite IP Holdings S.a r.l.	Luxembourg	—	—	100	100	—	—	100	100
Samsonite Japan Co., Ltd.	Japan	100	100	100	100	100	100	100	100
Samsonite Korea Limited	Korea, Republic of	100	100	100	100	100	100	100	100
Samsonite Latinoamerica, S.A. de C.V.	Mexico	100	100	100	100	100	100	100	100
Samsonite Limited	United Kingdom	100	100	100	100	100	100	100	100
Samsonite LLC	United States	100	100	100	100	100	100	100	100
Samsonite Luggage Hellas SA	Greece	100	100	100	100	100	100	100	100
Samsonite Macau Lda.	Macau	100	100	100	100	100	100	100	100
Samsonite Mauritius Limited	Mauritius	100	100	100	100	100	100	100	100
Samsonite Mercosur Limited	Bahamas	100	100	100	100	100	100	100	100
Samsonite Mexico, S.A. de C.V.	Mexico	100	100	100	100	100	100	100	100
Samsonite Middle East FZCO	United Arab Emirates	60	60	60	60	60	60	60	60
Samsonite Norway AS	Norway	100	100	100	100	100	100	100	100
Samsonite Pacific LLC	United States	100	100	100	100	100	100	100	100
Samsonite Peru, SAC	Peru	100	100	—	—	100	100	—	—
Samsonite Philippines, Inc.	Philippines	60	60	60	60	60	60	60	60
Samsonite S.A de C.V.	Mexico	100	100	100	—	100	100	100	—
Samsonite S.A.S.	France	100	100	100	100	100	100	100	100
Samsonite S.p.A.	Italy	100	100	100	100	100	100	100	100
Samsonite Seyahat Ürünleri Sanayive Ticaret Anonim Sirketi	Turkey	60	60	60	60	60	60	60	60
Samsonite Singapore Pte Ltd	Singapore	100	100	100	100	100	100	100	100
Samsonite Slovakia Sro	Slovakia	100	100	100	100	100	100	100	100
Samsonite South Asia Private Limited	India	60	60	60	60	60	60	60	60
Samsonite Southern Africa Ltd.	South Africa	60	60	60	60	60	60	60	60
Samsonite Sp. z o.o.	Poland	100	100	100	100	100	100	100	100
Samsonite-Hungaria Borond KFT	Hungary	100	100	100	100	100	100	100	100
SC Chile Uno S.A.	Chile	100	100	100	100	100	100	100	100
SC Denmark Aps	Denmark	100	100	—	—	100	100	—	—
SC International Holdings C.V.	Netherlands	100	100	—	—	100	100	—	—
SC Inversiones Chile Limitada	Chile	100	100	100	100	100	100	100	100
Shelf Holdings, Inc	United States	100	100	—	—	100	100	—	—
Shelf Acquisition LLC	United States	100	100	—	—	100	100	—	—
Vespucci Finance Corporation	United States	—	—	—	—	—	—	—	—
Vespucci Finance Sarl	Luxembourg	100	100	—	—	100	100	—	—
Vespucci Finance US Corporation	United States	100	—	—	—	100	—	—	—
Vespucci Investments Sarl	Luxembourg	100	100	—	—	100	100	—	—
Vespucci Sub Finance Sarl	Luxembourg	100	100	—	—	100	100	—	—

Details of the Group's principal subsidiaries and the names of the respective auditors for the Relevant Period.

Name	Place of incorporation and operation	Date of incorporation	Particulars of issued and paid up capital	Attributable equity interest	Principal activities	Auditor	Year of audit
Delilah Holdings S.a.r.l.	Luxembourg	2009	USD 22,213,950	100%	Holding	KPMG Luxembourg	2010
Delilah Sub Holdings S.a.r.l.	Luxembourg	2009	USD 68,597,540	100%	Holding	KPMG Luxembourg	2010
Delilah S.a.r.l.	Luxembourg	2009	USD 114,215,900	100%	Holding	KPMG Luxembourg	2010
Delilah Europe Holdings S.a.r.l.	Luxembourg	2009	USD 21,879,601	100%	Holding	KPMG Luxembourg	2010
Delilah Europe Investments S.a.r.l.	Luxembourg	2009	USD 21,804,401	100%	Holding	KPMG Luxembourg	2010
Delilah US Investments S.a.r.l.	Luxembourg	2009	USD 78,160,399	100%	Holding	KPMG Luxembourg	2010
Samsonite Asia Limited	Hong Kong	1996	HKD 20	100%	Distribution	KPMG (China)	2008 2009 2010
Samsonite Australia Pty Limited	Australia	1984	AUD nil	70%	Distribution	KPMG (Australia)	2008 2009 2010
Samsonite Chile S.A.	Chile	2007	CLP 23,928,441,710	85%	Production/ Distribution	KPMG Auditores Consultores Ltda.	2008 2009 2010
Samsonite Company Stores, LLC	United States	1985	USD nil	100%	Distribution	KPMG LLP	2008 2009 2010
Samsonite Espana, S.A.	Spain	1952	EUR 3,122,195	100%	Distribution	KPMG Auditores, S.L.	2008 2009 2010
Samsonite Europe N.V.	Belgium	1966	EUR nil	100%	Production/ Distribution	KPMG (Belgium)	2008 2009 2010
Samsonite GmbH	Germany	1966	EUR 25,565	100%	Distribution	KPMG (Germany)	2008 2009 2010
Samsonite International Trading (Ningbo Co. Ltd.)	China	2006	CNY 7,910,150	100%	Distribution	KPMG (China) Ningbo Zhengyuan CPA Firm (寧波正源會計師事務所)	2008 2009 2010
Samsonite IP Holdings S.a.r.l.	Luxembourg	2009	USD 114,115,900	100%	Licensing	KPMG Holdings S.a.r.l.	2009 2010
Samsonite Japan Co., Ltd.	Japan	2004	JPY 500,000,000	100%	Distribution	*	2008 2009 2010
Samsonite Korea Limited	Korea, Republic of	1997	KRW 1,060,000,000	100%	Distribution	Samjong Accounting Corporation	2008 2009 2010

Name	Place of incorporation and operation	Date of incorporation	Particulars of issued and paid up capital	Attributable equity interest	Principal activities	Auditor	Year of audit
Samsonite Limited	United Kingdom	1986	GBP 20,000	100%	Distribution	KPMG LLP	2008 2009 2010
Samsonite LLC	United States	1987	USD nil	100%	Holding	*	2008 2009 2010
Samsonite Mexico, S.A. de C.V	Mexico	1971	MXN 106,524,687	100%	Production/ Distribution	KPMG Cardenas Dosal, S.C	2008 2009 2010
Samsonite S.A.S	France	1965	EUR 720,000	100%	Distribution	KPMG Audit Paris	2008 2009 2010
Samsonite S.p.A.	Italy	1980	EUR 780,000	100%	Distribution	KPMG S.p.A.	2008 2009 2010
Samsonite South Asia Private Limited	India	1995	INR 345,520,200	60%	Production/ Distribution	B S R & Co	2008 2009 2010

* No statutory audit required.

D SUBSEQUENT EVENTS

The following significant transactions took place subsequent to December 31, 2010 and up to the date of this report:

1. Controlling Shareholder Share-Based Payment Agreement Settlement

On April 5, 2011, the CVC Funds and the CEO entered into a sale and purchase agreement whereby the CVC Funds transferred their $18,000 interest in the share-based compensation agreement discussed in note 14(e) to the CEO for consideration of $18,000. In connection with the payment of the consideration on April 5, 2011, the CVC Funds and the CEO entered into a loan agreement for $18,000 at an interest rate of 4% per annum. All net proceeds the CEO receives from the sale of Class C ordinary shares will be used to repay this loan. The loan is payable in full on March 29, 2012. The CEO will grant security over certain shares in favor of the CVC Funds until the loan is repaid in full.

2. 2011 Reorganization Implementation Deed

The Company, Delilah and the shareholders of Delilah entered into the 2011 Reorganization Implementation Deed on May 27, 2011 in preparation for the listing of shares of the Company on the Stock Exchange. The 2011 Reorganization Implementation Deed will become effective immediately following the date on which the offering price is determined. The 2011 Reorganization will result in the Company becoming the holding company of the Group and will be completed prior to the completion of the listing of the Company's shares on the Stock Exchange. The following are significant transactions that will occur:

- The Delilah Class A and Class B preference Shares will be redeemed and cancelled in exchange for loan notes ("A Loan Notes" and "B Loan Notes"). A Loan Notes will have a principle amount equal to the nominal value of the

A preference shares and the total share premium reserve. B Loan Notes will have a principle amount equal to the nominal value of the B preference shares plus the accrued B preference share reserve. The loan notes will bear a commercial rate of interest.

- The Delilah Class C ordinary shares will be contributed to the Company in exchange for the issuance of shares in the Company. The exchange ratio will be determined on the date on which the offering price is determined.

3. Revolving Credit Facility

On May 27, 2011, the Company entered into a credit facility agreement for a $100.0 million revolving credit facility (the "Revolver"). The Revolver will become effective upon completion of the listing of the Company's shares on the Stock Exchange and no drawings will be permitted until after the repayment of Group's existing Amended Senior Credit Facility and Term Loan Facility. The Revolver will have an initial term of three years with a one year extension at the request of the Company and the option of the lenders. The interest rate on borrowings under the Revolver will be the aggregate of (i) (a) LIBOR (or EURIBOR in the case of borrowings made in Euro) or (b) the prime rate of the lender and (ii) a margin to be determine in accordance with a margin schedule based on the Group's leverage ratio. There will also be a commitment fee payable of 1% per annum on any unutilized amounts and an agency fee if another lender joins the Revolver. The Revolver is secured by certain assets in the United States of America and Europe. The Revolver also contains financial covenants related to interest coverage and leverage ratios.

E SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group in respect of any period subsequent to December 31, 2010.

Yours faithfully

KPMG LLP
Certified Public Accountants
United States of America

Yours faithfully

KPMG
Certified Public Accountants
Hong Kong