

**SIGNET JEWELERS LIMITED**  
**CONSOLIDATED INCOME STATEMENTS**

*(in millions, except per share amounts)*

|  | <b>Fiscal 2016</b> | <b>Fiscal 2015</b> | <b>Fiscal 2014</b> | <b>Notes</b> |
|--|--------------------|--------------------|--------------------|--------------|
| Sales  | <b>\$ 6,550.2</b>  | \$ 5,736.3         | \$ 4,209.2         | 4            |
| Cost of sales                                      | <b>(4,109.8)</b>   | (3,662.1)          | (2,628.7)          |              |
| Gross margin                                       | <b>2,440.4</b>     | 2,074.2            | 1,580.5            |              |
| Selling, general and administrative expenses       | <b>(1,987.6)</b>   | (1,712.9)          | (1,196.7)          |              |
| Other operating income, net                        | <b>250.9</b>       | 215.3              | 186.7              | 9            |
| Operating income                                   | <b>703.7</b>       | 576.6              | 570.5              | 4            |
| Interest expense, net                              | <b>(45.9)</b>      | (36.0)             | (4.0)              |              |
| Income before income taxes                         | <b>657.8</b>       | 540.6              | 566.5              |              |
| Income taxes                                       | <b>(189.9)</b>     | (159.3)            | (198.5)            | 8            |
| Net income   | <b>\$ 467.9</b>    | \$ 381.3           | \$ 368.0           |              |
| Basic earnings per share                           | <b>\$ 5.89</b>     | \$ 4.77            | \$ 4.59            | 5            |
| Diluted earnings per share                         | <b>\$ 5.87</b>     | \$ 4.75            | \$ 4.56            | 5            |
| Basic weighted average common shares outstanding   | <b>79.5</b>        | 79.9               | 80.2               | 5            |
| Diluted weighted average common shares outstanding | <b>79.7</b>        | 80.2               | 80.7               | 5            |
| Dividends declared per share                       | <b>\$ 0.88</b>     | \$ 0.72            | \$ 0.60            | 6            |

The accompanying notes are an integral part of these consolidated financial statements.

**SIGNET JEWELERS LIMITED**  
**CONSOLIDATED BALANCE SHEETS**

| <i>(in millions, except par value per share amount)</i>  | January 30,<br>2016 | January 31,<br>2015 | Notes    |
|--|---------------------|---------------------|----------|
| <b>Assets</b>  |                     | <b>As adjusted</b>  | <b>2</b> |
| Current assets:  |                     |                     |          |
| Cash and cash equivalents  | \$ 137.7            | \$ 193.6            | 1        |
| Accounts receivable, net   | 1,756.4             | 1,567.6             | 10       |
| Other receivables  | 84.0                | 63.6                |          |
| Other current assets   | 154.4               | 137.2               |          |
| Income taxes   | 3.5                 | 1.8                 |          |
| Inventories  | 2,453.9             | 2,439.0             | 11       |
| Total current assets   | <u>4,589.9</u>      | <u>4,402.8</u>      |          |
| Non-current assets:  |                     |                     |          |
| Property, plant and equipment, net   | 727.6               | 665.9               | 12       |
| Goodwill   | 515.5               | 519.2               | 13       |
| Intangible assets, net   | 427.8               | 447.1               | 13       |
| Other assets   | 162.3               | 140.0               | 14       |
| Deferred tax assets  | —                   | 2.3                 | 8        |
| Retirement benefit asset   | 51.3                | 37.0                | 18       |
| Total assets   | <u>\$ 6,474.4</u>   | <u>\$ 6,214.3</u>   |          |
| <b>Liabilities and Shareholders' equity</b>  |                     |                     |          |
| Current liabilities:   |                     |                     |          |
| Loans and overdrafts   | \$ 59.5             | \$ 97.5             | 19       |
| Accounts payable   | 269.1               | 277.7               |          |
| Accrued expenses and other current liabilities   | 498.3               | 482.4               | 20       |
| Deferred revenue   | 260.3               | 248.0               | 21       |
| Income taxes   | 65.7                | 86.9                |          |
| Total current liabilities  | <u>1,152.9</u>      | <u>1,192.5</u>      |          |
| Non-current liabilities:   |                     |                     |          |
| Long-term debt   | 1,328.7             | 1,363.8             | 19       |
| Other liabilities  | 230.5               | 230.2               | 22       |
| Deferred revenue   | 629.1               | 563.9               | 21       |
| Deferred tax liabilities   | 72.5                | 53.5                | 8        |
| Total liabilities  | <u>3,413.7</u>      | <u>3,403.9</u>      |          |
| Commitments and contingencies  |                     |                     | 24       |
| Shareholders' equity:  |                     |                     |          |
| Common shares of \$0.18 par value: authorized 500 shares, 79.4 shares outstanding (2015: 80.3 outstanding) | 15.7                | 15.7                | 6        |
| Additional paid-in capital   | 279.9               | 265.2               |          |
| Other reserves   | 0.4                 | 0.4                 |          |
| Treasury shares at cost: 7.8 shares (2015: 6.9 shares)   | (495.8)             | (370.0)             | 6        |
| Retained earnings  | 3,534.6             | 3,135.7             | 6        |
| Accumulated other comprehensive loss   | (274.1)             | (236.6)             | 7        |
| Total shareholders' equity   | <u>3,060.7</u>      | <u>2,810.4</u>      |          |
| Total liabilities and shareholders' equity   | <u>\$ 6,474.4</u>   | <u>\$ 6,214.3</u>   |          |

The accompanying notes are an integral part of these consolidated financial statements.

**SIGNET JEWELERS LIMITED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| <i>(in millions)</i>  | Fiscal 2016 | Fiscal 2015 | Fiscal 2014 |
|---|-------------|-------------|-------------|
| <b>Cash flows from operating activities:</b>                                      |             |             |             |
| Net income  | \$ 467.9    | \$ 381.3    | \$ 368.0    |
| Adjustments to reconcile net income to net cash provided by operating activities: |             |             |             |
| Depreciation and amortization   | 175.3       | 149.7       | 110.2       |
| Amortization of unfavorable leases and contracts                                  | (28.7)      | (23.7)      | —           |
| Pension benefit   | —           | (2.4)       | (0.5)       |
| Share-based compensation  | 16.4        | 12.1        | 14.4        |
| Deferred taxation   | 25.0        | (47.6)      | (20.4)      |
| Excess tax benefit from exercise of share awards                                  | (6.9)       | (11.8)      | (6.5)       |
| Amortization of debt discount and issuance costs                                  | 3.6         | 7.4         | 0.4         |
| Other non-cash movements  | 3.6         | 2.7         | (3.3)       |
| Changes in operating assets and liabilities:                                      |             |             |             |
| Increase in accounts receivable   | (189.8)     | (194.6)     | (168.3)     |
| Increase in other receivables and other assets                                    | (44.1)      | (18.0)      | (21.6)      |
| Increase in other current assets  | (26.5)      | (35.5)      | (4.1)       |
| Increase in inventories   | (46.0)      | (121.6)     | (98.4)      |
| (Decrease) increase in accounts payable   | (6.4)       | 23.7        | 3.2         |
| Increase in accrued expenses and other liabilities                                | 51.8        | 64.8        | 8.6         |
| Increase in deferred revenue  | 76.3        | 102.3       | 50.8        |
| (Decrease) increase in income taxes payable                                       | (25.7)      | (1.6)       | 7.9         |
| Pension plan contributions  | (2.5)       | (4.2)       | (4.9)       |
| Net cash provided by operating activities   | 443.3       | 283.0       | 235.5       |
| <b>Investing activities</b>   |             |             |             |
| Purchase of property, plant and equipment   | (226.5)     | (220.2)     | (152.7)     |
| Purchase of available-for-sale securities   | (6.2)       | (5.7)       | —           |
| Proceeds from sale of available-for-sale securities                               | 4.0         | 2.5         | —           |
| Acquisition of Ultra Stores, Inc., net of cash received                           | —           | —           | 1.4         |
| Acquisition of Zale Corporation, net of cash acquired                             | —           | (1,429.2)   | —           |
| Acquisition of diamond polishing factory  | —           | —           | (9.1)       |
| Net cash used in investing activities   | (228.7)     | (1,652.6)   | (160.4)     |
| <b>Financing activities</b>   |             |             |             |
| Dividends paid  | (67.1)      | (55.3)      | (46.0)      |
| Proceeds from issuance of common shares   | 5.0         | 6.1         | 9.3         |
| Excess tax benefit from exercise of share awards                                  | 6.9         | 11.8        | 6.5         |
| Proceeds from senior notes  | —           | 398.4       | —           |
| Proceeds from term loan   | —           | 400.0       | —           |
| Repayments of term loan   | (25.0)      | (10.0)      | —           |
| Proceeds from securitization facility   | 2,303.9     | 1,941.9     | —           |
| Repayments of securitization facility   | (2,303.9)   | (1,341.9)   | —           |
| Proceeds from revolving credit facility   | 316.0       | 260.0       | 57.0        |
| Repayments of revolving credit facility   | (316.0)     | (260.0)     | (57.0)      |
| Payment of debt issuance costs  | —           | (20.5)      | —           |
| Repurchase of common shares   | (130.0)     | (29.8)      | (104.7)     |
| Net settlement of equity based awards   | (8.3)       | (18.4)      | (9.2)       |
| Principal payments under capital lease obligations                                | (1.0)       | (0.8)       | —           |
| Proceeds from (repayment of) short-term borrowings                                | (47.1)      | 39.4        | 19.3        |
| Net cash (used in) provided by financing activities                               | (266.6)     | 1,320.9     | (124.8)     |
| Cash and cash equivalents at beginning of period                                  | 193.6       | 247.6       | 301.0       |

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| Decrease in cash and cash equivalents                        | (52.0)          | (48.7)          | (49.7)          |
| Effect of exchange rate changes on cash and cash equivalents | (3.9)           | (5.3)           | (3.7)           |
| Cash and cash equivalents at end of period                   | <u>\$ 137.7</u> | <u>\$ 193.6</u> | <u>\$ 247.6</u> |

Non-cash investing activities:

|  |        |        |        |
|--|--------|--------|--------|
| Capital expenditures in accounts payable | \$ 9.3 | \$ 6.2 | \$ 2.0 |
|--|--------|--------|--------|

Supplemental cash flow information:

|                   |          |          |          |
|-------------------|----------|----------|----------|
| Interest paid     | \$ 41.6  | \$ 25.4  | \$ 3.5   |
| Income taxes paid | \$ 180.1 | \$ 208.8 | \$ 211.0 |

The accompanying notes are an integral part of these consolidated financial statements.