

SIGNET JEWELERS LIMITED
CONSOLIDATED INCOME STATEMENTS

(in millions, except per share amounts)

	Fiscal 2017	Fiscal 2016	Fiscal 2015	Notes
Sales	\$ 6,408.4	\$ 6,550.2	\$ 5,736.3	4
Cost of sales	(4,047.6)	(4,109.8)	(3,662.1)	
Gross margin	2,360.8	2,440.4	2,074.2	
Selling, general and administrative expenses	(1,880.2)	(1,987.6)	(1,712.9)	
Other operating income, net	282.6	250.9	215.3	10
Operating income	763.2	703.7	576.6	4
Interest expense, net	(49.4)	(45.9)	(36.0)	
Income before income taxes	713.8	657.8	540.6	
Income taxes	(170.6)	(189.9)	(159.3)	9
Net income	543.2	467.9	381.3	
Dividends on redeemable convertible preferred shares	(11.9)	—	—	6
Net income attributable to common shareholders	\$ 531.3	\$ 467.9	\$ 381.3	
Earnings per common share:				
Basic	\$ 7.13	\$ 5.89	\$ 4.77	7
Diluted	\$ 7.08	\$ 5.87	\$ 4.75	7
Weighted average common shares outstanding:				
Basic	74.5	79.5	79.9	7
Diluted	76.7	79.7	80.2	7
Dividends declared per common share	\$ 1.04	\$ 0.88	\$ 0.72	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 28, 2017	January 30, 2016	Notes
Assets		As adjusted	2
Current assets:			
Cash and cash equivalents	\$ 98.7	\$ 137.7	1
Accounts receivable, net	1,858.0	1,756.4	11
Other receivables	95.9	84.0	
Other current assets	136.3	152.6	
Income taxes	4.4	3.5	
Inventories	2,449.3	2,453.9	12
Total current assets	4,642.6	4,588.1	
Non-current assets:			
Property, plant and equipment, net	822.9	727.6	13
Goodwill	517.6	515.5	14
Intangible assets, net	417.0	427.8	14
Other assets	165.1	154.6	15
Deferred tax assets	0.7	—	9
Retirement benefit asset	31.9	51.3	19
Total assets	\$ 6,597.8	\$ 6,464.9	
Liabilities and Shareholders' equity			
Current liabilities:			
Loans and overdrafts	\$ 91.1	\$ 57.7	20
Accounts payable	255.7	269.1	
Accrued expenses and other current liabilities	478.2	498.3	21
Deferred revenue	276.9	260.3	22
Income taxes	101.8	65.7	
Total current liabilities	1,203.7	1,151.1	
Non-current liabilities:			
Long-term debt	1,317.9	1,321.0	20
Other liabilities	213.7	230.5	23
Deferred revenue	659.0	629.1	22
Deferred tax liabilities	101.4	72.5	9
Total liabilities	3,495.7	3,404.2	
Commitments and contingencies			25
Series A redeemable convertible preferred shares of \$0.01 par value: 500 shares authorized, 0.625 shares outstanding	611.9	—	5
Shareholders' equity:			
Common shares of \$0.18 par value: authorized 500 shares, 68.3 shares outstanding (2016: 79.4 outstanding)	15.7	15.7	6
Additional paid-in capital	280.7	279.9	
Other reserves	0.4	0.4	
Treasury shares at cost: 18.9 shares (2016: 7.8 shares)	(1,494.8)	(495.8)	6
Retained earnings	3,995.9	3,534.6	6
Accumulated other comprehensive loss	(307.7)	(274.1)	8
Total shareholders' equity	2,490.2	3,060.7	
Total liabilities, redeemable convertible preferred shares and shareholders' equity	\$ 6,597.8	\$ 6,464.9	

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 2017	Fiscal 2016	Fiscal 2015
Cash flows from operating activities:			
Net income	\$ 543.2	\$ 467.9	\$ 381.3
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	188.8	175.3	149.7
Amortization of unfavorable leases and contracts	(19.7)	(28.7)	(23.7)
Pension benefit	(1.6)	—	(2.4)
Share-based compensation	8.0	16.4	12.1
Deferred taxation	27.7	25.0	(47.6)
Excess tax benefit from exercise of share awards	(2.4)	(6.9)	(11.8)
Amortization of debt discount and issuance costs	2.8	3.6	7.4
Other non-cash movements	0.4	3.6	2.7
Changes in operating assets and liabilities:			
Increase in accounts receivable	(102.7)	(189.8)	(194.6)
Increase in other receivables and other assets	(20.4)	(44.1)	(18.0)
Decrease (increase) in other current assets	13.5	(26.5)	(35.5)
Increase in inventories	(9.7)	(46.0)	(121.6)
(Decrease) increase in accounts payable	(7.0)	(6.4)	23.7
(Decrease) increase in accrued expenses and other liabilities	(21.8)	51.8	64.8
Increase in deferred revenue	43.6	76.3	102.3
Increase (decrease) in income taxes payable	38.9	(25.7)	(1.6)
Pension plan contributions	(3.3)	(2.5)	(4.2)
Net cash provided by operating activities	678.3	443.3	283.0
Investing activities			
Purchase of property, plant and equipment	(278.0)	(226.5)	(220.2)
Purchase of available-for-sale securities	(10.4)	(6.2)	(5.7)
Proceeds from sale of available-for-sale securities	10.0	4.0	2.5
Acquisition of Zale Corporation, net of cash acquired	—	—	(1,429.2)
Net cash used in investing activities	(278.4)	(228.7)	(1,652.6)
Financing activities			
Dividends paid on common shares	(75.6)	(67.1)	(55.3)
Proceeds from issuance of common shares	2.1	5.0	6.1
Proceeds from issuance of redeemable convertible preferred shares, net of issuance costs	611.3	—	—
Excess tax benefit from exercise of share awards	2.4	6.9	11.8
Proceeds from senior notes	—	—	398.4
Proceeds from term loan	—	—	400.0
Repayments of term loan	(16.4)	(25.0)	(10.0)
Proceeds from securitization facility	2,404.1	2,303.9	1,941.9
Repayments of securitization facility	(2,404.1)	(2,303.9)	(1,341.9)
Proceeds from revolving credit facility	1,270.0	316.0	260.0
Repayments of revolving credit facility	(1,214.0)	(316.0)	(260.0)
Payment of debt issuance costs	(2.7)	—	(20.5)
Repurchase of common shares	(1,000.0)	(130.0)	(29.8)
Net settlement of equity based awards	(4.9)	(8.3)	(18.4)
Principal payments under capital lease obligations	(0.2)	(1.0)	(0.8)
Proceeds from (repayment of) short-term borrowings	(10.2)	(47.1)	39.4
Net cash (used in) provided by financing activities	(438.2)	(266.6)	1,320.9
Cash and cash equivalents at beginning of period	137.7	193.6	247.6
Decrease in cash and cash equivalents	(38.3)	(52.0)	(48.7)