

RALPH LAUREN CORPORATION
CONSOLIDATED BALANCE SHEETS

	April 1, 2017	April 2, 2016
	(millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 668.3	\$ 456.3
Short-term investments	684.7	629.4
Accounts receivable, net of allowances of \$214.4 million and \$254.2 million	450.2	516.5
Inventories	791.5	1,124.6
Income tax receivable	79.4	57.8
Prepaid expenses and other current assets	280.4	268.1
Total current assets	2,954.5	3,052.7
Property and equipment, net	1,316.0	1,583.2
Deferred tax assets	125.9	118.7
Goodwill	904.6	917.9
Intangible assets, net	219.8	243.9
Other non-current assets	131.2	296.7
Total assets	\$ 5,652.0	\$ 6,213.1
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	\$ —	\$ 116.1
Accounts payable	147.7	151.0
Income tax payable	29.5	33.0
Accrued expenses and other current liabilities	982.7	898.2
Total current liabilities	1,159.9	1,198.3
Long-term debt	588.2	597.0
Non-current liability for unrecognized tax benefits	62.7	80.6
Other non-current liabilities	541.6	593.7
Commitments and contingencies (Note 15)		
Total liabilities	2,352.4	2,469.6
Equity:		
Class A common stock, par value \$.01 per share; 101.5 million and 101.0 million shares issued; 55.1 million and 57.0 million shares outstanding	1.2	1.2
Class B common stock, par value \$.01 per share; 25.9 million shares issued and outstanding	—	—
Additional paid-in-capital	2,308.8	2,257.5
Retained earnings	5,751.9	6,015.0
Treasury stock, Class A, at cost; 46.4 million and 44.0 million shares	(4,563.9)	(4,348.7)
Accumulated other comprehensive loss	(198.4)	(181.5)
Total equity	3,299.6	3,743.5
Total liabilities and equity	\$ 5,652.0	\$ 6,213.1

See accompanying notes.

RALPH LAUREN CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Years Ended		
	April 1, 2017	April 2, 2016	March 28, 2015
	(millions, except per share data)		
Net revenues	\$ 6,652.8	\$ 7,405.2	\$ 7,620.3
Cost of goods sold ^(a)	(3,001.7)	(3,218.5)	(3,242.4)
Gross profit	3,651.1	4,186.7	4,377.9
Selling, general, and administrative expenses ^(a)	(3,149.4)	(3,389.7)	(3,300.3)
Amortization of intangible assets	(24.1)	(23.7)	(25.2)
Impairment of assets	(253.8)	(48.8)	(6.9)
Restructuring and other charges	(318.6)	(142.6)	(10.1)
Total other operating expenses, net	(3,745.9)	(3,604.8)	(3,342.5)
Operating income (loss)	(94.8)	581.9	1,035.4
Foreign currency gains (losses)	1.1	(3.8)	(25.9)
Interest expense	(12.4)	(21.0)	(16.7)
Interest and other income, net	6.4	5.6	6.1
Equity in losses of equity-method investees	(5.2)	(10.9)	(11.5)
Income (loss) before income taxes	(104.9)	551.8	987.4
Income tax benefit (provision)	5.6	(155.4)	(285.2)
Net income (loss)	\$ (99.3)	\$ 396.4	\$ 702.2
Net income (loss) per common share:			
Basic	\$ (1.20)	\$ 4.65	\$ 7.96
Diluted	\$ (1.20)	\$ 4.62	\$ 7.88
Weighted average common shares outstanding:			
Basic	82.7	85.2	88.2
Diluted	82.7	85.9	89.1
Dividends declared per share	\$ 2.00	\$ 2.00	\$ 1.85
^(a) Includes total depreciation expense of:	\$ (283.4)	\$ (285.7)	\$ (269.2)

See accompanying notes.

RALPH LAUREN CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Years Ended		
	April 1, 2017	April 2, 2016	March 28, 2015
	(millions)		
Cash flows from operating activities:			
Net income (loss)	\$ (99.3)	\$ 396.4	\$ 702.2
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	307.5	309.4	294.4
Deferred income tax expense (benefit)	(38.9)	(7.9)	10.5
Equity in losses of equity-method investees	5.2	10.9	11.5
Non-cash stock-based compensation expense	63.6	97.0	80.5
Non-cash impairment of assets	253.8	48.8	6.9
Non-cash restructuring-related inventory charges	197.9	20.4	—
Excess tax benefits from stock-based compensation arrangements	(0.3)	(10.2)	(7.7)
Other non-cash charges (benefits)	29.2	19.7	(24.6)
Changes in operating assets and liabilities:			
Accounts receivable	54.1	129.4	(95.6)
Inventories	120.4	(90.9)	(97.5)
Prepaid expenses and other current assets	(27.8)	30.2	(96.5)
Accounts payable and accrued liabilities	112.9	90.1	50.3
Income tax receivables and payables	(34.0)	(14.6)	(22.2)
Deferred income	(20.7)	(7.9)	(21.1)
Other balance sheet changes	28.7	(14.3)	102.2
Net cash provided by operating activities	952.3	1,006.5	893.3
Cash flows from investing activities:			
Capital expenditures	(284.0)	(417.7)	(391.2)
Purchases of investments	(860.4)	(1,085.0)	(1,397.7)
Proceeds from sales and maturities of investments	942.4	942.7	1,112.8
Acquisitions and ventures	(6.1)	(16.3)	(11.7)
Change in restricted cash deposits	0.3	(6.0)	(0.9)
Net cash used in investing activities	(207.8)	(582.3)	(688.7)
Cash flows from financing activities:			
Proceeds from issuance of short-term debt	3,735.2	4,343.9	2,807.7
Repayments of short-term debt	(3,851.3)	(4,462.6)	(2,573.8)
Proceeds from issuance of long-term debt	—	299.4	—
Payments of capital lease obligations	(27.3)	(24.3)	(23.9)
Payments of dividends	(164.8)	(170.3)	(158.2)
Repurchases of common stock, including shares surrendered for tax withholdings	(215.2)	(500.4)	(531.6)
Proceeds from exercise of stock options	5.0	33.2	52.5
Excess tax benefits from stock-based compensation arrangements	0.3	10.2	7.7
Other financing activities	—	(1.9)	(1.0)
Net cash used in financing activities	(518.1)	(472.8)	(420.6)
Effect of exchange rate changes on cash and cash equivalents	(14.4)	5.2	(81.7)
Net increase (decrease) in cash and cash equivalents	212.0	(43.4)	(297.7)
Cash and cash equivalents at beginning of period	456.3	499.7	797.4
Cash and cash equivalents at end of period	\$ 668.3	\$ 456.3	\$ 499.7

See accompanying notes.