

**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, 2016	January 31, 2015	Notes
<b>Assets</b>		As adjusted	2
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