

**RALPH LAUREN CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

	March 31, 2018	April 1, 2017
	(millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,304.6	\$ 668.3
Short-term investments	699.4	684.7
Accounts receivable, net of allowances of \$222.2 million and \$214.4 million	421.4	450.2
Inventories	761.3	791.5
Income tax receivable	38.0	79.4
Prepaid expenses and other current assets	323.7	280.4
Total current assets	3,548.4	2,954.5
Property and equipment, net	1,186.3	1,316.0
Deferred tax assets	86.6	125.9
Goodwill	950.5	904.6
Intangible assets, net	188.0	219.8
Other non-current assets	183.5	131.2
Total assets	\$ 6,143.3	\$ 5,652.0
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	\$ 10.1	\$ —
Current portion of long-term debt	298.1	—
Accounts payable	165.6	147.7
Income tax payable	30.0	29.5
Accrued expenses and other current liabilities	1,083.4	982.7
Total current liabilities	1,587.2	1,159.9
Long-term debt	288.0	588.2
Income tax payable	124.8	—
Non-current liability for unrecognized tax benefits	79.2	62.7
Other non-current liabilities	606.7	541.6
Commitments and contingencies (Note 14)		
Total liabilities	2,685.9	2,352.4
Equity:		
Class A common stock, par value \$.01 per share; 102.0 million and 101.5 million shares issued; 55.4 million and 55.1 million shares outstanding	1.0	0.9
Class B common stock, par value \$.01 per share; 25.9 million shares issued and outstanding	0.3	0.3
Additional paid-in-capital	2,383.4	2,308.8
Retained earnings	5,752.2	5,751.9
Treasury stock, Class A, at cost; 46.6 million and 46.4 million shares	(4,581.0)	(4,563.9)
Accumulated other comprehensive loss	(98.5)	(198.4)
Total equity	3,457.4	3,299.6
Total liabilities and equity	\$ 6,143.3	\$ 5,652.0

See accompanying notes.

**RALPH LAUREN CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Fiscal Years Ended		
	March 31, 2018	April 1, 2017	April 2, 2016
	(millions, except per share data)		
<b>Net revenues</b>	\$ 6,182.3	\$ 6,652.8	\$ 7,405.2
Cost of goods sold	(2,430.6)	(3,001.7)	(3,218.5)
<b>Gross profit</b>	3,751.7	3,651.1	4,186.7
Selling, general, and administrative expenses	(3,095.5)	(3,171.0)	(3,412.5)
Impairment of assets	(50.0)	(253.8)	(48.8)
Restructuring and other charges	(108.0)	(318.6)	(142.6)
<b>Total other operating expenses, net</b>	(3,253.5)	(3,743.4)	(3,603.9)
<b>Operating income (loss)</b>	498.2	(92.3)	582.8
Interest expense	(18.2)	(12.4)	(21.0)
Interest income	12.3	7.3	6.3
Other expense, net	(3.1)	(7.5)	(16.3)
<b>Income (loss) before income taxes</b>	489.2	(104.9)	551.8
Income tax benefit (provision)	(326.4)	5.6	(155.4)
<b>Net income (loss)</b>	\$ 162.8	\$ (99.3)	\$ 396.4
<b>Net income (loss) per common share:</b>			
Basic	\$ 1.99	\$ (1.20)	\$ 4.65
Diluted	\$ 1.97	\$ (1.20)	\$ 4.62
<b>Weighted average common shares outstanding:</b>			
Basic	81.7	82.7	85.2
Diluted	82.5	82.7	85.9
Dividends declared per share	\$ 2.00	\$ 2.00	\$ 2.00

See accompanying notes.

**RALPH LAUREN CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Fiscal Years Ended		
	March 31, 2018	April 1, 2017	April 2, 2016
	(millions)		
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ 162.8	\$ (99.3)	\$ 396.4
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	295.2	307.5	309.4
Deferred income tax expense (benefit)	84.1	(38.9)	(7.9)
Equity in losses of equity-method investees	4.5	5.2	10.9
Non-cash stock-based compensation expense	74.5	63.6	97.0
Non-cash impairment of assets	50.0	253.8	48.8
Non-cash restructuring-related inventory charges	7.6	197.9	20.4
Other non-cash charges	7.4	29.2	19.7
Changes in operating assets and liabilities:			
Accounts receivable	34.5	54.1	129.4
Inventories	57.8	120.4	(90.9)
Prepaid expenses and other current assets	(15.1)	(27.8)	30.2
Accounts payable and accrued liabilities	64.6	112.9	90.1
Income tax receivables and payables	165.1	(34.0)	(14.6)
Deferred income	1.4	(20.7)	(7.9)
Other balance sheet changes	(19.3)	28.7	(14.3)
<b>Net cash provided by operating activities</b>	<b>975.1</b>	<b>952.6</b>	<b>1,016.7</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(161.6)	(284.0)	(417.7)
Purchases of investments	(1,605.6)	(860.4)	(1,085.0)
Proceeds from sales and maturities of investments	1,582.7	942.4	942.7
Acquisitions and ventures	(4.6)	(6.1)	(16.3)
<b>Net cash used in investing activities</b>	<b>(189.1)</b>	<b>(208.1)</b>	<b>(576.3)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of short-term debt	10.1	3,735.2	4,343.9
Repayments of short-term debt	—	(3,851.3)	(4,462.6)
Proceeds from issuance of long-term debt	—	—	299.4
Payments of capital lease obligations	(28.2)	(27.3)	(24.3)
Payments of dividends	(162.4)	(164.8)	(170.3)
Repurchases of common stock, including shares surrendered for tax withholdings	(17.1)	(215.2)	(500.4)
Proceeds from exercise of stock options	0.1	5.0	33.2
Other financing activities	—	—	(1.9)
<b>Net cash used in financing activities</b>	<b>(197.5)</b>	<b>(518.4)</b>	<b>(483.0)</b>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	55.2	(16.4)	7.2
<b>Net increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>643.7</b>	<b>209.7</b>	<b>(35.4)</b>
Cash, cash equivalents, and restricted cash at beginning of period	711.8	502.1	537.5
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 1,355.5</b>	<b>\$ 711.8</b>	<b>\$ 502.1</b>

See accompanying notes.