

SIGNET JEWELERS LTD
Form 10-Q
May 23, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

**Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the quarterly period ended May 4, 2013 or**

**Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the transition period from to**

Commission File Number 1-32349

Signet Jewelers Limited

(Exact name of Registrant as specified in its charter)

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Bermuda
(State or other jurisdiction of
incorporation)

Not Applicable
(I.R.S. Employer
Identification No.)

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

(441) 296 5872

(Address and telephone number of principal executive offices)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Common Stock, \$0.18 par value, 80,878,264 shares as of May 17, 2013

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SIGNET JEWELERS LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENTS

(Unaudited)

<i>(in millions, except per share amounts)</i>	13 weeks ended		Notes
	May 4, 2013	April 28, 2012	
Sales	\$ 993.6	\$ 900.0	2
Cost of sales	(610.8)	(546.3)	
Gross margin	382.8	353.7	
Selling, general and administrative expenses	(287.0)	(264.5)	
Other operating income, net	47.0	40.2	
Operating income	142.8	129.4	2
Interest expense, net	(0.9)	(0.9)	
Income before income taxes	141.9	128.5	
Income taxes	(50.1)	(46.0)	
Net income	\$ 91.8	\$ 82.5	
Earnings per share: basic	\$ 1.14	\$ 0.96	5
diluted	\$ 1.13	\$ 0.96	5
Weighted average common shares outstanding: basic	80.8	85.5	5
diluted	81.3	86.3	5
Dividends declared per share	\$ 0.15	\$ 0.12	6

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

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<i>(in millions)</i>	13 weeks ended	
	May 4, 2013	April 28, 2012
Net income	\$ 91.8	\$ 82.5
Other comprehensive income (loss):		
Foreign currency translation adjustments	(1.8)	9.6
Derivative instruments qualifying as cash flow hedges:		
Unrealized loss, net of tax of \$6.1 (April 28, 2012: \$4.5)	(11.4)	(8.4)
Reclassification adjustment for gains to net income, net of tax of \$0.4 (April 28, 2012: \$3.1)	(0.6)	(5.5)
Pension plan:		
Reclassification adjustment to net income for amortization of actuarial loss, net of tax of \$0.1 (April 28, 2012: \$0.0)	0.5	0.8
Reclassification adjustment to net income for amortization of net prior service credit, net of tax of \$0.0 (April 28, 2012: \$0.0)	(0.4)	(0.4)
Total other comprehensive loss	(13.7)	(3.9)
Total comprehensive income	\$ 78.1	\$ 78.6

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

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SIGNET JEWELERS LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

<i>(in millions)</i>	May 4, 2013	February 2, 2013	April 28, 2012	Notes
Assets				
Current assets:				
Cash and cash equivalents	\$ 263.7	\$ 301.0	\$ 399.0	
Accounts receivable, net	1,157.5	1,205.3	1,025.1	8
Other receivables	40.2	42.1	43.9	
Other current assets	82.1	85.9	74.0	9
Deferred tax assets	2.3	1.6	2.0	
Inventories	1,426.4	1,397.0	1,335.0	
Total current assets	2,972.2	3,032.9	2,879.0	
Non-current assets:				
Property and equipment, net of accumulated depreciation of \$737.5, \$724.1, and \$707.1, respectively	429.9	430.4	381.7	
Other assets	107.2	99.9	72.2	9
Deferred tax assets	124.9	104.1	116.5	
Retirement benefit asset	50.3	48.5	35.8	
Total assets	\$ 3,684.5	\$ 3,715.8	\$ 3,485.2	2
Liabilities and Shareholders' equity				
Current liabilities:				
Loans and overdrafts	\$ 5.7	\$	\$	
Accounts payable	176.8	155.9	156.0	
Accrued expenses and other current liabilities	269.4	326.4	252.3	10
Deferred revenue	157.6	159.7	150.5	9
Deferred tax liabilities	145.6	129.6	133.8	
Income taxes payable	54.7	97.1	51.4	
Total current liabilities	809.8	868.7	744.0	
Non-current liabilities:				
Deferred tax liabilities	1.0			
Other liabilities	113.3	111.3	103.1	10
Deferred revenue	415.9	405.9	380.4	9
Total liabilities	1,340.0	1,385.9	1,227.5	
Commitments and contingencies				13
Shareholders' equity:				
Common shares of \$0.18 par value: authorized 500 shares, 80.9 shares outstanding (February 2, 2013: 81.4 shares outstanding; April 28, 2012: 85.4 shares outstanding)	15.7	15.7	15.7	
Additional paid-in capital	242.0	246.3	228.3	
Other reserves	235.2	235.2	235.2	
Treasury shares at cost: 6.3 shares (February 2, 2013: 5.8 shares; April 28, 2012: 1.8 shares)	(297.7)	(260.0)	(88.6)	

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Retained earnings	2,338.7	2,268.4	2,030.2
Accumulated other comprehensive loss	(189.4)	(175.7)	(163.1)
Total shareholders' equity	2,344.5	2,329.9	2,257.7
Total liabilities and shareholders' equity	\$ 3,684.5	\$ 3,715.8	\$ 3,485.2

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

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SIGNET JEWELERS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	13 weeks ended	
	May	April 28,
	4,	2012,
	2013	2012
<i>(in millions)</i>		
Cash flows from operating activities		
Net income	\$ 91.8	\$ 82.5
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization of property and equipment	25.6	23.1
Pension expense	(0.1)	0.8
Share-based compensation		