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 5, 2018 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)

Bermuda	Not Applicable
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

Clarendon House
2 Church Street
Hamilton HM11
Bermuda
(441) 296 5872
(Address and telephone number including area code 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, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one).

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the 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 Shares, $0.18 par value, 59,203,161 shares as of June 6, 2018

SIGNET JEWELERS LIMITED

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ITEM 1. FINANCIAL STATEMENTS

SIGNET JEWELERS LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENTS

(Unaudited)

	13 weeks ended		
(in millions, except per share amounts)	**May 5, 2018**	**April 29, 2017**	**Notes**
Sales	**$ 1,480.6**	$ 1,403.4	6
Cost of sales	**(995.8)**	(912.2)	
Gross margin	**484.8**	491.2	
Selling, general and administrative expenses	**(482.8)**	(452.8)	
Credit transaction, net	**(143.1)**	—	4
Restructuring charges	**(6.5)**	—	7
Goodwill and intangible impairments	**(448.7)**	—	15
Other operating income, net	**22.1**	76.9	
Operating (loss) income	**(574.2)**	115.3	6
Interest expense, net	**(8.9)**	(12.6)	
Other non-operating income	**0.6**	—	
(Loss) income before income taxes	**(582.5)**	102.7	
Income taxes	**85.9**	(24.2)	12
Net (loss) income	**$ (496.6)**	$ 78.5	
Dividends on redeemable convertible preferred shares	**(8.2)**	(8.2)	9
Net (loss) income attributable to common shareholders	**$ (504.8)**	$ 70.3	
(Loss) earnings per common share:			
Basic	**$ (8.48)**	$ 1.03	10
Diluted	**$ (8.48)**	$ 1.03	10
Weighted average common shares outstanding:			
Basic	**59.5**	68.1	10
Diluted	**59.5**	68.2	10
Dividends declared per common share	**$ 0.37**	$ 0.31	9

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

SIGNET JEWELERS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	13 weeks ended					
	May 5, 2018			April 29, 2017		
(in millions)	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
Net income			**$ (496.6)**			$ 78.5
Other comprehensive income (loss):						
Foreign currency translation adjustments	**$ (21.7)**	**$ —**	**(21.7)**	$ 0.5	$ —	0.5
Available-for-sale securities:						
Unrealized (loss) gain [1]	**(0.2)**	**—**	**(0.2)**	0.3	(0.1)	0.2
Impact from adoption of new accounting pronouncements [2]	**(1.1)**	**0.3**	**(0.8)**	—	—	—
Cash flow hedges:						
Unrealized gain	**1.9**	**(0.4)**	**1.5**	4.5	(1.8)	2.7
Reclassification adjustment for (gains) losses to net income	**(0.5)**	**0.2**	**(0.3)**	(1.9)	0.5	(1.4)
Pension plan:						
Reclassification adjustment to net income for amortization of actuarial losses	**0.3**	**—**	**0.3**	0.7	(0.1)	0.6
Reclassification adjustment to net income for amortization of net prior service credits	**(0.1)**	**—**	**(0.1)**	(0.4)	0.1	(0.3)
Total other comprehensive income (loss)	**$ (21.4)**	**$ 0.1**	**$ (21.3)**	$ 3.7	$ (1.4)	$ 2.3
Total comprehensive income			**$ (517.9)**			$ 80.8

(1) During the 13 weeks ended May 5, 2018, amount represents unrealized losses related to the Company's available-for-sale debt securities. During the 13 weeks ended April 29, 2017, amount represents unrealized gains related to the Company's available-for-sale debt and equity securities.

(2) Adjustment reflects the reclassification of unrealized gains related to the Company's equity security investments as of February 3, 2018 from AOCI into retained earnings associated with the adoption of ASU 2016-1.

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

SIGNET JEWELERS LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in millions, except par value per share amount)	**May 5, 2018**	**February 3, 2018**	**April 29, 2017**	**Notes**
Assets				
Current assets:				
Cash and cash equivalents	**$ 153.9**	$ 225.1	$ 99.7	
Accounts receivable, held for sale	**484.6**	—	—	4
Accounts receivable, net	**6.8**	692.5	1,726.3	13
Other receivables	**83.6**	87.2	88.6	
Other current assets	**153.2**	158.2	159.0	
Income taxes	**55.2**	2.6	1.8	
Inventories	**2,429.0**	2,280.5	2,432.4	14
Total current assets	**3,366.3**	3,446.1	4,507.8	
Non-current assets:				
Property, plant and equipment, net of accumulated depreciation of $1,227.3, $1,197.6 and $1,093.9, respectively	**847.2**	877.9	829.8	
Goodwill	**509.1**	821.7	516.1	15
Intangible assets, net	**343.2**	481.5	411.9	15
Other assets	**167.0**	171.2	165.1	
Deferred tax assets	**0.8**	1.4	0.6	
Retirement benefit asset	**39.3**	39.8	33.9	
Total assets	**$ 5,272.9**	$ 5,839.6	$ 6,465.2	
Liabilities and Shareholders' equity				
Current liabilities:				
Loans and overdrafts	**$ 72.3**	$ 44.0	$ 131.5	18
Accounts payable	**287.5**	237.0	177.8	
Accrued expenses and other current liabilities	**463.7**	448.0	400.3	
Deferred revenue	**284.9**	288.6	272.1	3
Income taxes	**—**	19.6	34.2	
Total current liabilities	**1,108.4**	1,037.2	1,015.9	
Non-current liabilities:				
Long-term debt	**679.7**	688.2	1,311.6	18
Other liabilities	**236.5**	239.6	206.2	
Deferred revenue	**667.5**	668.9	658.6	3
Deferred tax liabilities	**74.2**	92.3	117.2	
Total liabilities	**2,766.3**	2,726.2	3,309.5	
Commitments and contingencies				21
Series A redeemable convertible preferred shares of $.01 par value: authorized 500 shares, 0.625 shares outstanding (February 3, 2018 and April 29, 2017: 0.625 shares outstanding)	**614.0**	613.6	612.3	8
Shareholders' equity:				
Common shares of $0.18 par value: authorized 500 shares, 59.2 shares outstanding (February 3, 2018: 60.5 outstanding; April 29, 2017: 68.4 outstanding)	**15.7**	15.7	15.7	
Additional paid-in capital	**281.4**	290.2	278.4	
Other reserves	**0.4**	0.4	0.4	
Treasury shares at cost: 28.0 shares (February 3, 2018: 26.7 shares; April 29, 2017: 18.8 shares)	**(1,992.2)**	(1,942.1)	(1,488.6)	9
Retained earnings	**3,869.2**	4,396.2	4,042.9	
Accumulated other comprehensive loss	**(281.9)**	(260.6)	(305.4)	11
Total shareholders' equity	**1,892.6**	2,499.8	2,543.4	
Total liabilities, redeemable convertible preferred shares and shareholders' equity	**$ 5,272.9**	$ 5,839.6	$ 6,465.2	

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

SIGNET JEWELERS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(in millions)	13 weeks ended May 5, 2018	13 weeks ended April 29, 2017
Cash flows from operating activities		
Net (loss) income	**$ (496.6)**	$ 78.5
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	**49.8**	50.0
Amortization of unfavorable leases and contracts	**(2.0)**	(4.6)
Pension benefit	**(0.3)**	—
Share-based compensation	**1.8**	2.7
Deferred taxation	**(18.8)**	15.8
Credit transaction, net	**141.0**	—
Goodwill and intangible impairments	**448.7**	—
Amortization of debt discount and issuance costs	**0.4**	0.6
Other non-cash movements	**(0.1)**	1.3
Changes in operating assets and liabilities:		
Decrease in accounts receivable held for investment	**40.4**	132.0
Decrease in accounts receivable held for sale	**19.5**	—
Decrease (increase) in other assets and other receivables	**10.8**	(14.6)
(Increase) decrease in inventories	**(162.4)**	17.7
Increase (decrease) in accounts payable	**55.7**	(74.0)
Increase (decrease) in accrued expenses and other liabilities	**15.3**	(77.7)
Decrease in deferred revenue	**(4.3)**	(4.9)
Decrease in income taxes payable	**(70.3)**	(65.2)
Pension plan contributions	**(0.7)**	(0.8)
Net cash provided by operating activities	**27.9**	56.8
Investing activities		
Purchase of property, plant and equipment	**(26.1)**	(56.2)
Purchase of available-for-sale securities	**(0.4)**	(0.7)
Proceeds from sale of available-for-sale securities	**1.1**	0.3
Net cash used in investing activities	**(25.4)**	(56.6)
Financing activities		
Dividends paid on common shares	**(18.8)**	(17.8)
Dividends paid on redeemable convertible preferred shares	**(7.8)**	(11.3)
Repurchase of common shares	**(60.0)**	—
Repayments of term loans	**(6.7)**	(4.5)
Proceeds from securitization facility	**—**	666.5
Repayments of securitization facility	**—**	(666.5)
Proceeds from revolving credit facility	**40.0**	128.0
Repayments of revolving credit facility	**—**	(121.0)
(Repayments of) proceeds from bank overdrafts	**(13.9)**	31.2
Other financing activities	**(2.1)**	(1.0)
Net cash (used in) provided by financing activities	**(69.3)**	3.6
Cash and cash equivalents at beginning of period	**225.1**	98.7
(Decrease) increase in cash and cash equivalents	**(66.8)**	3.8
Effect of exchange rate changes on cash and cash equivalents	**(4.4)**	(2.8)
Cash and cash equivalents at end of period	**$ 153.9**	$ 99.7

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

SIGNET JEWELERS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited)

(in millions)	Common shares at par value	Additional paid-in capital	Other reserves	Treasury shares	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
Balance at February 3, 2018	$ 15.7	$ 290.2	$ 0.4	$ (1,942.1)	$ 4,396.2	$ (260.6)	$ 2,499.8
Impact from adoption of new accounting pronouncements [1]	—	—	—	—	0.8	(0.8)	—
Net loss	—	—	—	—	(496.6)	—	(496.6)
Other comprehensive income	—	—	—	—	—	(20.5)	(20.5)
Dividends on common shares	—	—	—	—	(21.8)	—	(21.8)
Dividends on redeemable convertible preferred shares	—	—	—	—	(8.2)	—	(8.2)
Repurchase of common shares	—	—	—	(60.0)	—	—	(60.0)
Net settlement of equity based awards	—	(10.6)	—	9.9	(1.2)	—	(1.9)
Share-based compensation expense	—	1.8	—	—	—	—	1.8
Balance at May 5, 2018	**$ 15.7**	**$ 281.4**	**$ 0.4**	**$ (1,992.2)**	**$ 3,869.2**	**$ (281.9)**	**$ 1,892.6**

(1) Adjustment reflects the reclassification of unrealized gains related to the Company's equity security investments as of February 3, 2018 from AOCI into beginning retained earnings associated with the adoption of ASU 2016-1.

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

SIGNET JEWELERS LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1 . Organization and principal accounting policies

Signet Jewelers Limited ("Signet" or the "Company"), a holding company incorporated in Bermuda, is the world's largest retailer of diamond jewelry. The Company operates through its 100% owned subsidiaries with sales primarily in the United States ("US"), United Kingdom ("UK") and Canada. During the first quarter of Fiscal 2019, the Company realigned its organizational structure. The new structure will allow for further integration of operational and product development processes and support growth strategies. In accordance with this organizational change, beginning with quarterly reporting for the 13 weeks ended May 5, 2018, the Company identified three reportable segments as follows: North America, which consists of the legacy Sterling Jewelers and Zale division; International, which consists of the legacy UK Jewelry division; and Other. The "Other" reportable segment consists of all non-reportable segments, including subsidiaries involved in the purchasing and conversion of rough diamonds to polished stones and unallocated corporate administrative functions. See Note 6 for additional discussion of the Company's segments.

On September 12, 2017, the Company completed the acquisition of R2Net Inc., a Delaware corporation ("R2Net"). See Note 5 for additional information regarding the acquisition.

In October 2017, the Company, through its subsidiary Sterling Jewelers Inc. ("Sterling"), completed the sale of the prime-only quality portion of Sterling's in-house finance receivable portfolio to Comenity Bank ("Comenity"). Additionally, during the first quarter of Fiscal 2019, the Company, through its subsidiary Sterling, entered into definitive agreements with CarVal Investors ("CarVal") and Castlelake, L.P. ("Castlelake") to sell all eligible non-prime in-house accounts receivable. See Note 4 for additional information regarding the transaction.

Signet's sales are seasonal, with the fourth quarter accounting for almost 40% of annual sales, with December being by far the most important month of the year. The "Holiday Season" consists of results for the months of November and December. As a result, approximately 45% to 55% of Signet's annual operating income normally occurs in the fourth quarter, comprised of approximately 40% to 45% of the annual operating income in North America and nearly all of the annual operating income in the International segment. In Fiscal 2019, the Company expects all of its annual operating income to be generated in the fourth quarter of Fiscal 2019 due to the timing and impacts of the Company's strategic credit outsourcing and transformation initiatives.

Basis of preparation

The condensed consolidated financial statements of Signet are prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with US generally accepted accounting principles ("US GAAP") have been condensed or omitted from this report, as is permitted by such rules and regulations. In the opinion of management, the accompanying condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results for the interim periods. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and notes included in Signet's Annual Report on Form 10-K for the fiscal year ended February 3, 2018 filed with the SEC on April 2, 2018 . Related to the new accounting pronouncement adoptions discussed in Note 2 and the change in segments disclosed in Note 6 , Signet has reclassified certain prior year amounts in its consolidated financial statements and notes to the consolidated financial statements to conform to the current year presentation.

Use of estimates

The preparation of these condensed consolidated financial statements, in conformity with US GAAP and SEC regulations for interim reporting, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are primarily made in relation to the valuation of accounts receivable, inventories, deferred revenue, derivatives, employee benefits, income taxes, contingencies, asset impairments, indefinite-lived intangible assets, depreciation and amortization of long-lived assets, as well as accounting for business combinations.

Fiscal year

The Company's fiscal year ends on the Saturday nearest to January 31 st . Fiscal 2019 and Fiscal 2018 refer to the 52 week period ending February 2, 2019 and the 53 week period ending February 3, 2018 , respectively. Within these condensed consolidated financial statements, the first quarter of the relevant fiscal years 2019 and 2018 refer to the 13 weeks ended May 5, 2018 and April 29, 2017 , respectively.

Foreign currency translation

The financial position and operating results of certain foreign operations, including certain subsidiaries operating in the UK as part of the International segment and Canada as part of the North America segment, are consolidated using the local currency as the functional currency. Assets and liabilities are translated at the rates of exchange on the balance sheet date, and revenues and expenses are translated at the monthly average rates of exchange during the period. Resulting translation gains or losses are included in the accompanying condensed consolidated statements of equity as a component of accumulated other comprehensive income (loss) (“AOCI”). Gains or losses resulting from foreign currency transactions are included within the condensed consolidated income statements.

See Note 11 for additional information regarding the Company’s foreign currency translation.

2 . New accounting pronouncements

The following section provides a description of new accounting pronouncements ("Accounting Standard Update" or "ASU") issued by the Financial Accounting Standards Board ("FASB") that are applicable to the Company.

New accounting pronouncements adopted during the period

Revenue recognition

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB has issued several updates to the standard that i) defer the original effective date; ii) clarify the application of principal versus agent guidance; iii) clarify the guidance on inconsequential and perfunctory promises and licensing; and iv) clarify the guidance on the de-recognition of non-financial assets. Signet adopted ASU 2014-09 and related updates effective February 4, 2018 using the modified retrospective approach applied only to contracts not completed as of the date of adoption with no restatement of prior periods and by recognizing the cumulative effect of initially applying the new standard as an adjustment to the opening balance of equity.

As a result of the adoption, the Company identified that the new standard required the Company to adjust its presentation related to customer trade-ins, accounting for returns reserves and treatment of the amortization of certain bonus and profit-sharing arrangements related to third-party credit card programs. After the adoption of ASU 2014-09, the fair value of customer trade-ins will be considered non-cash consideration when determining the transaction price, and therefore classified as revenue rather than its previous classification as a reduction to cost of goods sold. During the 13 weeks ended May 5, 2018 , the recognition of this non-cash consideration resulted in an additional $24.5 million of revenue due to the adoption of ASU 2014-09. Also, the Company will record its current sales return reserve within separate refund liability and asset for recovery accounts within other current asset and liabilities, respectively. Further, subsequent amortization of certain signing bonuses and receipt of funds in connection with economic profit sharing arrangements will be recognized as a component of sales rather than as an offset to selling, general and administrative expense. The change in balance classification and change in amortization treatment were immaterial to the Company’s consolidated financial statements. See additional disclosure requirements within Note 3 .

In addition to the pronouncement above, the following ASUs were adopted as of February 4, 2018. The impact on the Company's consolidated financial statements is described within the table below:

Standard	Description
ASU No. 2016-01, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, issued January 2016.	Impacts accounting for equity investments and financial liabilities under the fair value option, as well as, the presentation and disclosure requirements for financial instruments. Under the new guidance, equity investments will generally be measured at fair value, with subsequent changes in fair value recognized in net income. The adoption of ASU 2016-01 did not have a material impact on the Company’s financial position or results of operations. See immaterial presentation changes on the condensed consolidated balance sheet and income statements and adoption adjustment within Note 11.
ASU No. 2016-04, Liabilities - Extinguishments of Liabilities (Subtopic 405-20), issued March 2016.	Addresses diversity in practice related to the derecognition of a prepaid stored-value product liability. Liabilities related to the sale of prepaid stored-value products within the scope of this update are financial liabilities. The adoption of ASU 2016-04 did not have a material impact on the Company’s financial position or results of operations.
ASU No. 2017-04, Intangibles - Goodwill and Other: Simplifying the Test for Goodwill Impairment, issued January 2017.	Requires a single-step quantitative test to identify and measure goodwill impairment based on the excess of a reporting unit's carrying amount over its fair value. A qualitative assessment may still be completed first for an entity to determine if a quantitative impairment test is necessary. ASU No. 2017-04 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2019. Signet early adopted this guidance in the first quarter of Fiscal 2019. The adoption of ASU 2017-04 did not have a material impact on the Company’s financial position or results of operations.

Standard	Description
ASU No. 2017-07, Compensation - Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, issued March 2017.	Requires entities to present the service cost component of the net periodic pension cost in the same income statement line item as other employee compensation costs arising from services rendered during the period. Entities will present the other components of net benefit cost separately from the service cost component and outside of operating profit within the income statement. In addition, only the service cost component will be eligible for capitalization in assets. The adoption of ASU 2017-07 did not have a material impact on the Company’s financial position or results of operations. See immaterial presentation changes on the condensed consolidated income statements.

New accounting pronouncements to be adopted in future periods

The Company is currently evaluating the impact on its financial statements of the following ASUs:

Standard	Description
ASU No. 2016-02, Leases (Topic 842), issued February 2016.	Requires the recognition of a right-of-use asset and a corresponding lease liability on the balance sheet for long-term lease agreements. The lease liability will be equal to the present value of all reasonably certain lease payments. The right-of-use asset will be based on the liability, subject to adjustment for initial direct costs. Lease agreements that are 12 months or less are permitted to be excluded from the balance sheet. In general, leases will be amortized on a straight-line basis with the exception of finance lease agreements. The ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2018, with early adoption permitted. Signet will adopt this guidance in the first quarter of our fiscal year ending February 1, 2020. Signet continues to evaluate available transition methodologies and assess the impact that adopting this guidance will have on the Company’s financial position or results of operations.
ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, issued June 2016.	Requires entities to measure and recognize expected credit losses for financial assets measured at amortized cost basis. The estimate of expected credit losses should consider historical information, current information, and reasonable and supportable forecasts of expected losses over the remaining contractual life that affect collectability. The ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2019, with early adoption permitted.
ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities, issued August 2017.	Expands the types of risk management strategies eligible for hedge accounting, refines the documentation and effectiveness assessment requirements and modifies the presentation and disclosure requirements for hedge accounting activities. The ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2018, with early adoption permitted.

3 . Revenue recognition

The following tables provide the Company’s revenue, disaggregated by major product and channel, for the 13 weeks ended May 5, 2018 and April 29, 2017 :

	13 weeks ended May 5, 2018				13 weeks ended April 29, 2017			
(in millions)	North America	International	Other	Consolidated	North America	International	Other	Consolidated
Sales by product:								
Bridal	$ 617.9	$ 55.6	$ —	$ 673.5	$ 562.9	$ 53.1	$ —	$ 616.0
Fashion	461.1	25.9	—	487.0	450.9	25.8	—	476.7
Watches	52.2	39.1	—	91.3	51.5	36.5	—	88.0
Other [(1)]	216.6	8.1	4.1	228.8	209.1	7.1	6.5	222.7
Total sales	$ 1,347.8	$ 128.7	$ 4.1	$ 1,480.6	$ 1,274.4	$ 122.5	$ 6.5	$ 1,403.4

(1) Other revenue primarily includes gift and other miscellaneous jewelery sales, repairs, warranty and other miscellaneous non-jewelry sales.

(in millions)	13 weeks ended May 5, 2018 North America	International	Other	Consolidated	13 weeks ended April 29, 2017 North America	International	Other	Consolidated
Sales by channel:								
Store	$ 1,213.7	$ 116.3	$ 4.1	$ 1,334.1	$ 1,203.3	$ 112.6	$ 6.5	$ 1,322.4
E-commerce [1]	134.1	12.4	—	146.5	71.1	9.9	—	81.0
Total sales	$ 1,347.8	$ 128.7	$ 4.1	$ 1,480.6	$ 1,274.4	$ 122.5	$ 6.5	$ 1,403.4

(1) North America includes $53.3 million in the 13 weeks ended May 5, 2018 from James Allen which was acquired during the third quarter of Fiscal 2018. See Note 5 for additional information regarding the acquisition.

For the majority of the Company's transactions, revenue is recognized when there is persuasive evidence of an arrangement, products have been delivered or services have been rendered, the sale price is fixed and determinable, and collectability is reasonably assured. The Company's revenue streams and their respective accounting treatments are discussed below.

Merchandise sale and repairs

Store sales are recognized when the customer receives and pays for the merchandise at the store with cash, in-house customer finance, private label credit card programs, a third-party credit card or a lease purchase option. For online sales shipped to customers, sales are recognized at the estimated time the customer has received the merchandise. Amounts related to shipping and handling that are billed to customers are reflected in sales and the related costs are reflected in cost of sales. Revenues on the sale of merchandise are reported net of anticipated returns and sales tax collected. Returns are estimated based on previous return rates experienced. Any deposits received from a customer for merchandise are deferred and recognized as revenue when the customer receives the merchandise. Revenues derived from providing replacement merchandise on behalf of insurance organizations are recognized upon receipt of the merchandise by the customer. Revenues on repair of merchandise are recognized when the service is complete and the customer collects the merchandise at the store.

Extended service plans and lifetime warranty agreements ("ESP")

The Company recognizes revenue related to ESP sales in proportion to when the expected costs will be incurred. The deferral period for ESP sales is determined from patterns of claims costs, including estimates of future claims costs expected to be incurred. Management reviews the trends in claims to assess whether changes are required to the revenue and cost recognition rates utilized. A significant change in estimates related to the time period or pattern in which warranty-related costs are expected to be incurred could materially impact revenues. All direct costs associated with the sale of these plans are deferred and amortized in proportion to the revenue recognized and disclosed as either other current assets or other assets in the consolidated balance sheets. Unamortized deferred selling costs as of May 5, 2018 , February 3, 2018 and April 29, 2017 were as follows:

(in millions)	May 5, 2018	February 3, 2018	April 29, 2017
Deferred ESP selling costs			
Other current assets	**$ 30.6**	$ 30.9	$ 29.6
Other assets	**89.2**	89.5	86.7
Total deferred ESP selling costs	**$ 119.8**	$ 120.4	$ 116.3

The North America segment sells ESP, subject to certain conditions, to perform repair work over the life of the product. Revenue from the sale of the lifetime ESP is recognized consistent with the estimated pattern of claim costs expected to be incurred by the Company in connection with performing under the ESP obligations. Based on an evaluation of historical claims data, management currently estimates that substantially all claims will be incurred within 17 years of the sale of the warranty contract.

The North America segment sells a Jewelry Replacement Plan ("JRP"). The JRP is designed to protect customers from damage or defects of purchased merchandise for a period of three years. If the purchased merchandise is defective or becomes damaged under normal use in that time period, the item will be replaced. JRP revenue is deferred and recognized on a straight-line basis over the period of expected claims costs.

Signet also sells warranty agreements in the capacity of an agent on behalf of a third-party. The commission that Signet receives from the third-party is recognized at the time of sale less an estimate of cancellations based on historical experience.

Sale vouchers

Certain promotional offers award sale vouchers to customers who make purchases above a certain value, which grant a fixed discount on a future purchase within a stated time frame. The Company accounts for such vouchers by allocating the fair value of the voucher between the initial purchase and the future purchase using the relative-selling-price method. Sale vouchers are not sold on a stand-alone basis. The fair value of the voucher is determined based on the average sales transactions in which the vouchers were issued, when the vouchers are expected to be redeemed and the estimated voucher redemption rate. The fair value allocated to the future purchase is recorded as deferred revenue.

Consignment inventory sales

Sales of consignment inventory are accounted for on a gross sales basis as the Company is the primary obligor providing independent advice, guidance and after-sales service to customers. The products sold from consignment inventory are indistinguishable from other products that are sold to customers and are sold on the same terms. Supplier products are selected at the discretion of the Company. The Company is responsible for determining the selling price, physical security of the products and collections of accounts receivable.

Deferred revenue

Deferred revenue is comprised primarily of ESP and sale voucher promotions and other as follows:

(in millions)	May 5, 2018	February 3, 2018	April 29, 2017
ESP deferred revenue	**$ 913.5**	$ 916.1	$ 903.7
Voucher promotions and other	**38.9**	41.4	27.0
Total deferred revenue	**$ 952.4**	$ 957.5	$ 930.7
Disclosed as:			
Current liabilities	**$ 284.9**	$ 288.6	$ 272.1
Non-current liabilities	**667.5**	668.9	658.6
Total deferred revenue	**$ 952.4**	$ 957.5	$ 930.7

	13 weeks ended	
(in millions)	May 5, 2018	April 29, 2017
ESP deferred revenue, beginning of period	**$ 916.1**	$ 905.6
Plans sold (1)	**96.0**	96.6
Revenue recognized	**(98.6)**	(98.5)
ESP deferred revenue, end of period	**$ 913.5**	$ 903.7

(1) Includes impact of foreign exchange translation.

4 . Credit transaction, net

During Fiscal 2018, Signet announced a strategic initiative to outsource its North America private label credit card programs and sell the existing in-house finance receivables. Below is a summary of the transactions the Company has entered into as a result of this strategic initiative:

Fiscal 2018

In October 2017, Signet, through its subsidiary Sterling, completed the sale of the prime-only credit quality portion of Sterling's in-house finance receivable portfolio to Comenity. The following events summarize the credit transaction:

Receivables reclassification: In the second quarter of Fiscal 2018, certain in-house finance receivables that met the criteria for sale to Comenity were reclassified from "held for investment" to "held for sale." Accordingly, the receivables were recorded at the lower of cost (par) or fair value, resulting in the reversal of the related allowance for credit losses.

Proceeds received: In October 2017, the Company received $952.5 million in cash consideration reflecting the par value of the receivables sold. In addition, the Company recognized a beneficial interest asset representing the present value of the cash flows the Company expects to receive under the economic profit sharing agreement related to the receivables sold.

Asset-backed securitization facility termination: In October 2017, the Company terminated the asset-backed securitization facility in order to transfer the receivables free and clear. The asset-backed securitization facility had a principal balance outstanding of $600.0 million at the time of termination. The payoff was funded through the proceeds received from the par value of receivables sold.

Program agreement: Comenity provides credit to prime-only credit quality customers with an initial term of seven years and, unless terminated by either party, additional renewal terms of two years. Under the Program Agreement, Comenity established a program to issue Sterling credit cards to be serviced, marketed and promoted in accordance with the terms of the agreement. Subject to limited exceptions, Comenity is the exclusive issuer of private label credit cards or an installment or other closed end loan product in the United States bearing specified Company trademarks, including “Kay”, “Jared” and specified regional brands, but excluding “Zale”, during the term of the agreement. The pre-existing arrangement with Comenity for the issuing of Zale credit cards will be unaffected by the execution of the Program Agreement. Upon expiration or termination by either party of the Program Agreement, Sterling retains the option to purchase, or arrange the purchase by a third party of, the program assets from Comenity on terms that are no more onerous to Sterling than those applicable to Comenity under the Purchase Agreement, or in the case of a purchase by a third party, on customary terms. Additionally, the Company received a signing bonus, which may be repayable under certain conditions if the Program Agreement is terminated, and a right to receive future payments related to the performance of the credit program under an economic profit sharing agreement. The Program Agreement contains customary representations, warranties and covenants.

Additionally, Signet and Genesis Financial Solutions (“Genesis”) entered into a five -year servicing agreement in October 2017, under which Genesis will provide credit servicing functions for Signet’s existing non-prime accounts receivable, as well as future non-prime account originations.

Fiscal 2019

During March 2018, the Company, through its subsidiary Sterling, entered into a definitive agreement with CarVal to sell all eligible non-prime in-house accounts receivable. In May 2018, the Company exercised its option to appoint a minority party, Castlelake, to purchase 30% of the eligible receivables sold to CarVal under the Receivables Purchase Agreement. The accounts receivable will be sold at a price expressed as a percentage of the par value of the accounts receivable of 72% of par. The purchase price is expected to be settled with 95% received as cash upon closing and the remaining 5% deferred until the second anniversary of the closing date and subject to the non-prime in-house finance receivable portfolio achieving a pre-defined yield. The Company will adjust the asset to fair value in each period of the performance period. The agreement contains customary representations, warranties and covenants.

Receivables reclassification: In March 2018, the eligible non-prime in-house accounts receivables that met the criteria for sale were reclassified from "held for investment" to "held for sale" on the condensed consolidated balance sheets. Accordingly, the receivables were recorded at the lower of cost (par) or fair value as of the date of the reclassification. Subsequent adjustments to the asset fair value are required to occur until the transaction closes, which is expected during the second quarter of Fiscal 2019 subject to certain closing conditions. During the first quarter of Fiscal 2019, total valuation losses of $141.0 million were recorded within credit transaction, net in the condensed consolidated income statement.

Expenses: During Fiscal 2019, the Company incurred $2.1 million of transaction-related costs. These costs were recorded within credit transaction, net in the condensed consolidated income statement during Fiscal 2019.

In addition, for a five-year term, Signet will remain the issuer of non-prime credit with investment funds managed by CarVal and Castlelake purchasing forward receivables at a discount rate determined in accordance with the agreement. Servicing of the non-prime receivables, including operational interfaces and customer servicing, will continue to be provided by Genesis. The credit transaction is subject to certain closing conditions.

5 . Acquisition

On September 12, 2017 , the Company acquired the outstanding shares of R2Net, the owner of online jewelry retailer JamesAllen.com and Segoma Imaging Technologies. The acquisition rapidly enhanced the Company’s digital capabilities and accelerated its OmniChannel strategy, while adding a millennial-focused online retail brand to the Company’s portfolio. The Company paid $331.7 million , net of acquired cash of $47.3 million , for R2Net.

The transaction was accounted for as a business combination during the third quarter of Fiscal 2018 with R2Net becoming a wholly-owned consolidated subsidiary of Signet. The results of R2Net subsequent to the acquisition date are reported as a component of the results of the North America segment. Pro forma results of operations have not been presented, as the impact on the Company’s consolidated financial results was not material.

Under the acquisition method of accounting, the identifiable assets acquired and liabilities assumed are recorded at their estimated fair values on the acquisition date, with the remaining unallocated net purchase price recorded as goodwill. The following table summarizes the preliminary fair values identified for the assets acquired and liabilities assumed in the R2Net acquisition as of September 12, 2017:

(in millions)	**Preliminary amounts**
Cash and cash equivalents	**$ 47.3**
Inventories	**12.1**
Other current assets	**9.7**
Property, plant and equipment	**3.5**
Intangible assets:	
Trade names	**70.6**
Technology-related	**4.2**
Current liabilities	**(42.4)**
Deferred tax liabilities	**(25.1)**
Fair value of net assets acquired	**79.9**
Goodwill [1]	**299.1**
Total consideration transferred	**$ 379.0**

(1) The amount of goodwill generated will be adjusted for any additional assets or liabilities identified by the Company or for any adjustments to the preliminary fair values identified for the assets acquired and liabilities assumed in the R2Net acquisition reflected above.

As of May 5, 2018 , the Company is in the process of finalizing the net assets acquired in the acquisition, most notably, the valuation of intangible assets and income taxes. The estimates and assumptions utilized in the preliminary valuation are subject to change within the measurement period as additional information is obtained. The Company expects to finalize the valuation within one year from the date of acquisition. The goodwill generated from the acquisition is primarily attributable to expected synergies and will not be deductible for tax purposes.

6 . Segment information

Financial information for each of Signet's reportable segments is presented in the tables below. Signet's chief operating decision maker utilizes sales and operating income, after the elimination of any inter-segment transactions, to determine resource allocations and performance assessment measures. During the first quarter of Fiscal 2019, the Company realigned its organizational structure. The new structure will allow for further integration of operational and product development processes and support growth strategies. In accordance with this organizational change, beginning with quarterly reporting for the 13 weeks ended May 5, 2018, the Company reported three reportable segments as follows: North America, which consists of the legacy Sterling Jewelers and Zale division; International, which consists of the legacy UK Jewelry division; and Other. Signet's sales are derived from the retailing of jewelry, watches, other products and services as generated through the management of its reportable segments.

The North America reportable segment operates across the US and Canada. Its US stores operate nationally in malls and off-mall locations principally as Kay (Kay Jewelers and Kay Jewelers Outlet), Jared (Jared The Galleria Of Jewelry and Jared Vault), Zales (Zales Jewelers and Zales Outlet) and Piercing Pagoda, which operates through mall-based kiosks. Its Canadian stores operate as the Peoples Jewellers store banner. The segment also operates a variety of mall-based regional brands, including Gordon's Jewelers in the US and Mappins in Canada, and the JamesAllen.com website, which was acquired in the R2Net acquisition.

The International reportable segment operates stores in the UK, Republic of Ireland and Channel Islands. Its stores operate in shopping malls and off-mall locations (i.e. high street) principally as H.Samuel and Ernest Jones.

The Other reportable segment consists of all non-reportable segments that are below the quantifiable threshold for separate disclosure as a reportable segment, including subsidiaries involved in the purchasing and conversion of rough diamonds to polished stones and unallocated corporate administrative functions.

	13 weeks ended	
(in millions)	**May 5, 2018**	**April 29, 2017**
Sales:		
North America segment	**$ 1,347.8**	$ 1,274.4
International segment	**128.7**	122.5
Other	**4.1**	6.5
Total sales	**$ 1,480.6**	$ 1,403.4
Operating (loss) income:		
North America segment	**$ (537.3)**	$ 134.8
International segment	**(7.6)**	(2.5)
Other	**(29.3)**	(17.0)
Total operating (loss) income	**$ (574.2)**	$ 115.3

(in millions)	**May 5, 2018**	**February 3, 2018**	**April 29, 2017**

Total assets:			
North America segment	**$ 4,722.3**	$ 5,309.0	$ 5,961.8
International segment	**401.7**	420.3	394.3
Other	**148.9**	110.3	109.1
Total assets	**$ 5,272.9**	$ 5,839.6	$ 6,465.2

7 . Restructuring Plans

Signet Path to Brilliance Plan

During the first quarter of Fiscal 2019, Signet launched a three -year comprehensive transformation plan, the "Signet Path to Brilliance" plan (the "Plan"), to reposition the Company to be a share gaining, OmniChannel jewelry category leader. The Plan is expected to result in pre-tax charges in the range of $170 million - $190 million over the duration of the plan of which $105 million - $120 million are expected to be cash charges. In Fiscal 2019, the Company's preliminary estimates for pre-tax charges related to cost reduction activities is a range of $125 million - $135 million of which $60 million - $65 million are expected to be cash charges. Signet also expects a net reduction in net selling square footage of 4.0% - 5.0% related to a net reduction in stores in Fiscal 2019. Restructuring charges of $6.5 million were recognized in the 13 weeks ended May 5, 2018 primarily related to severance and professional fees for consulting services related to the Plan. No Plan liabilities were recorded as of May 5, 2018 .

8 . Redeemable preferred shares

On October 5, 2016 , the Company issued 625,000 shares of Series A Convertible Preference Shares ("preferred shares") to Green Equity Investors VI, L.P., Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC and LGP Associates VI-B LLC, all affiliates of Leonard Green & Partners, L.P., (together, the "Investors") for an aggregate purchase price of $625.0 million , or $1,000 per share (the "Stated Value") pursuant to the investment agreement dated August 24, 2016. Preferred shareholders are entitled to a cumulative dividend at the rate of 5% per annum, payable quarterly in arrears. Refer to Note 9 for additional discussion of the Company's dividends on preferred shares.

(in millions, except conversion rate and conversion price)	**May 5, 2018**	**February 3, 2018**	**April 29, 2017**
Conversion rate	**10.9409**	10.9409	10.7707
Conversion price	**$ 91.4002**	$ 91.4002	$ 92.8445
Potential impact of preferred shares if-converted to common shares	**6.8**	6.8	6.7
Liquidation preference	**$ 632.8**	$ 632.8	$ 632.8

In connection with the issuance of the preferred shares, the Company incurred direct and incremental expenses of $13.7 million . These direct and incremental expenses originally reduced the preferred shares carrying value, and will be accreted through retained earnings as a deemed dividend from the date of issuance through the first possible known redemption date, November 2024. Accumulated accretion recorded in the condensed consolidated balance sheets was $2.7 million as of May 5, 2018 (February 3, 2018 and April 29, 2017 : $2.3 million and $1.0 million , respectively). Accretion of $0.4 million was recorded to preferred shares in the condensed consolidated balance sheets during the 13 weeks ended May 5, 2018 ($0.4 million for the 13 weeks ended April 29, 2017).

9 . Shareholders' equity

Share repurchases

Common shares repurchased during the 13 weeks ended May 5, 2018 and April 29, 2017 were as follows:

(in millions, except per share amounts)	Amount authorized	13 weeks ended May 5, 2018 Shares repurchased	Amount repurchased	Average repurchase price per share	13 weeks ended April 29, 2017 Shares repurchased	Amount repurchased	Average repurchase price per share
2017 Program [1]	$ 600.0	**0.2**	**$ 9.4**	**$ 38.86**	n/a	n/a	n/a
2016 Program [2]	$ 1,375.0	**1.3**	**$ 50.6**	**$ 39.76**	—	$ —	$ —
Total		**1.5**	**$ 60.0**	**$ 39.62**	—	$ —	$ —

(1) The 2017 Program had $590.6 million remaining as of May 5, 2018 .
(2) The 2016 Program was completed in March 2018.
n/a Not applicable.

Dividends on common shares

Dividends declared on common shares during the 13 weeks ended May 5, 2018 and April 29, 2017 were as follows:

(in millions, except per share amounts)	Fiscal 2019 Cash dividend per share	Fiscal 2019 Total dividends	Fiscal 2018 Cash dividend per share	Fiscal 2018 Total dividends
First quarter [1]	**$ 0.37**	**$ 21.8**	$ 0.31	$ 21.3

(1) Signet's dividend policy for common shares results in the dividend payment date being a quarter in arrears from the declaration date. As a result, as of May 5, 2018 and April 29, 2017 , $21.8 million and $21.3 million , respectively, has been recorded in accrued expenses and other current liabilities in the condensed consolidated balance sheets reflecting the cash dividends on common shares declared for the first quarter of Fiscal 2019 and Fiscal 2018 , respectively.

Dividends on preferred shares

Dividends declared on preferred shares during the 13 weeks ended May 5, 2018 and April 29, 2017 were as follows:

(in millions)	Fiscal 2019 Total cash dividends	Fiscal 2018 Total cash dividends
First quarter [1]	**$ 7.8**	$ 7.8

(1) Signet's preferred shares dividends results in the dividend payment date being a quarter in arrears from the declaration date. As a result, as of May 5, 2018 and April 29, 2017 , $7.8 million and $7.8 million , respectively, has been recorded in accrued expenses and other current liabilities in the condensed consolidated balance sheets reflecting the cash dividends on preferred shares declared for the first quarter of Fiscal 2019 and Fiscal 2018 , respectively.

There were no cumulative undeclared dividends on the preferred shares that reduced net (loss) income attributable to common shareholders during the 13 weeks ended May 5, 2018 or the 13 weeks ended April 29, 2017 . In addition, deemed dividends of $0.4 million related to accretion of issuance costs associated with the preferred shares was recognized during the 13 weeks ended May 5, 2018 ($0.4 million for the 13 weeks ended April 29, 2017). See Note 8 for additional discussion of the Company's preferred shares.

10 . Earnings (loss) per common share (" EPS ")

During Fiscal 2019 , basic EPS is computed by dividing net (loss) income attributable to common shareholders by the weighted average number of common shares outstanding for the period. The computation of basic EPS is outlined in the table below:

(in millions, except per share amounts)	13 weeks ended May 5, 2018	13 weeks ended April 29, 2017
Numerator:		
Net (loss) income attributable to common shareholders	**$ (504.8)**	$ 70.3
Denominator:		
Weighted average common shares outstanding	**59.5**	68.1
EPS – basic	**$ (8.48)**	$ 1.03

The dilutive effect of share awards represents the potential impact of outstanding awards issued under the Company's share-based compensation plans, including restricted shares and restricted stock units issued under the Omnibus Plan and stock options issued under the Share Saving Plans. The dilutive effect of preferred shares represents the potential impact for common shares that would be issued upon conversion. Potential common share dilution related to share awards and preferred shares is determined using the treasury stock and if-converted methods, respectively. Under the if-converted method, the preferred shares are assumed to be converted at the beginning of the period, and the resulting common shares are included in the denominator of the diluted EPS calculation for the entire period being presented, only in the periods in which such effect is dilutive. Additionally, in periods in which preferred shares are dilutive, cumulative dividends and accretion for issuance costs associated with the preferred shares are added back to net (loss) income attributable to common shareholders. See Note 8 for additional discussion of the Company's preferred shares.

The computation of diluted EPS is outlined in the table below:

	13 weeks ended	
(in millions, except per share amounts)	**May 5, 2018**	**April 29, 2017**
Numerator:		
Net (loss) income attributable to common shareholders	**$ (504.8)**	$ 70.3
Add: Dividends on preferred shares	**—**	—
Numerator for diluted EPS	**$ (504.8)**	$ 70.3
Denominator:		
Weighted average common shares outstanding	**59.5**	68.1
Plus: Dilutive effect of share awards	**—**	0.1
Diluted weighted average common shares outstanding	**59.5**	68.2
EPS – diluted	**$ (8.48)**	$ 1.03

The calculation of diluted EPS excludes the following items for each respective period on the basis that their effect would be anti-dilutive.

(in millions)	**May 5, 2018**	**April 29, 2017**
Share awards	**0.5**	0.3
Potential impact of preferred shares	**6.8**	6.7
Total anti-dilutive shares	**7.3**	7.0

11 . Accumulated other comprehensive income (loss)

The following tables present the changes in AOCI by component and the reclassifications out of AOCI, net of tax:

				Pension plan		
(in millions)	**Foreign currency translation**	**Losses on available-for-sale securities, net**	**Gains (losses) on cash flow hedges**	**Actuarial losses**	**Prior service credits**	**Accumulated other comprehensive loss**
Balance at February 3, 2018	$ (212.5)	$ (0.1)	$ 0.7	$ (51.1)	$ 2.4	$ (260.6)
Other comprehensive income ("OCI") before reclassifications	(21.7)	(0.2)	1.5	—	—	(20.4)
Amounts reclassified from AOCI to net income	—	—	(0.3)	0.3	(0.1)	(0.1)
Impact from adoption of new accounting pronouncements [(1)]	—	(0.8)	—	—	—	(0.8)
Net current period OCI	(21.7)	(1.0)	1.2	0.3	(0.1)	(21.3)
Balance at May 5, 2018	**$ (234.2)**	**$ (1.1)**	**$ 1.9**	**$ (50.8)**	**$ 2.3**	**$ (281.9)**

(1) Adjustment reflects the reclassification of unrealized gains related to the Company's equity security investments as of February 3, 2018 from AOCI into retained earnings associated with the adoption of ASU 2016-1.

The amounts reclassified from AOCI were as follows:

	Amounts reclassified from AOCI		
	13 weeks ended		
(in millions)	May 5, 2018	April 29, 2017	Income statement caption
(Gains) losses on cash flow hedges:			
Foreign currency contracts	**$ 0.3**	$ (1.0)	Cost of sales (see Note 16)
Interest rate swaps	**(0.3)**	0.3	Interest expense, net (see Note 16)
Commodity contracts	**(0.5)**	(1.2)	Cost of sales (see Note 16)
Total before income tax	**(0.5)**	(1.9)	
Income taxes	**0.2**	0.5	
Net of tax	**(0.3)**	(1.4)	
Defined benefit pension plan items:			
Amortization of unrecognized actuarial losses	**0.3**	0.7	Other non-operating income
Amortization of unrecognized net prior service credits	**(0.1)**	(0.4)	Other non-operating income
Total before income tax	**0.2**	0.3	
Income taxes	**—**	—	
Net of tax	**0.2**	0.3	
Total reclassifications, net of tax	**$ (0.1)**	$ (1.1)	

12 . Income taxes

	13 weeks ended	
	May 5, 2018	April 29, 2017
Effective tax rate	**28.3 %**	23.0%
Discrete items recognized	**(13.5)%**	0.6%
Effective tax rate recognized in income statement	**14.8 %**	23.6%

During the 13 weeks ended May 5, 2018 , the Company's effective tax rate was lower than the US federal income tax rate primarily due to the favorable impact of foreign tax rate differences and benefits from global reinsurance and financing arrangements offset by the unfavorable impact of the impairment of goodwill which was not deductible for tax purposes. The effective tax rate excludes the effects of any discrete items that may be recognized in future periods.

On December 22, 2017, the US government enacted "An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018" (the "TCJ Act"). The TCJ Act provides for comprehensive tax legislation that reduces the US federal statutory corporate tax rate from 35.0% to 21.0% effective January 1, 2018, limits certain deductions, including limiting the deductibility of interest expense to 30.0% of US Earnings Before Interest, Taxes, Depreciation, and Amortization, broadens the US federal income tax base, requires companies to pay a one-time repatriation tax on earnings of certain foreign subsidiaries that were previously tax deferred ("transition tax"), and creates new taxes on certain foreign sourced earnings. As we have a 52-53-week tax year ending the Saturday nearest October 31, the lower corporate income tax rate is administratively phased in, resulting in a blended U.S. federal statutory rate of approximately 23.4% for our fiscal tax year from October 29, 2017 through November 3, 2018 and 21.0% for our fiscal tax years thereafter.

The SEC issued rules to allow a measurement period of up to 12 months following the enactment of the TCJ Act for registrants to finalize their accounting for the related income tax effects.

In the quarter ended February 3, 2018, we recorded a provisional net tax benefit associated with the TCJ Act. In the quarter ended May 5, 2018, we recorded a provisional benefit of $0.6 million as an adjustment to the amounts recorded at February 3, 2018 related to the re-measurement of deferred tax balances recorded in purchase accounting with respect to the R2Net acquisition.

As of May 5, 2018, the amounts recorded for the TCJ Act remain provisional for the re-measurement of deferred taxes. Within our calculations of the income tax effects of the TCJ Act, we used assumptions and estimates that may change as a result of future guidance and interpretation from the Internal Revenue Service, the SEC, the FASB and/or various other taxing jurisdictions. In particular, we anticipate that the US state jurisdictions will continue to determine and announce their conformity or decoupling from the Act, either in its entirety or with respect to specific provisions. All of these potential legislative and interpretive actions could result in adjustments to any of the provisional estimates when the accounting for the income tax effects of the TCJ Act is completed.

Tax effects for these items will be recorded in subsequent quarters, as discrete adjustments to our income tax provision, once complete. We elected to adopt the SEC issued guidance that allows for a measurement period, not to exceed one year after the enactment date of the TCJ Act, to finalize the recording of related tax impacts. We currently anticipate finalizing and recording any resulting adjustments during the fourth quarter.

There has been no material change in the amounts of unrecognized tax benefits, or the related accrued interest and penalties (where appropriate), in respect of uncertain tax positions identified as of February 3, 2018 .

13 . Accounts receivable, net

Signet's accounts receivable primarily consist of US customer in-house financing receivables. The accounts receivable portfolio consists of a population that is of similar characteristics and is evaluated collectively for impairment.

In October 2017, the Company completed the sale of the prime portion of the Sterling Jewelers customer in-house finance receivables. The receivables sold, which were classified as "held for sale" as of the second quarter of Fiscal 2018, are no longer reported within the condensed consolidated balance sheets. See Note 4 for additional information regarding the sale of the prime portion of the customer in-house finance receivable portfolio.

In March 2018, the Company entered into an agreement to sell the remaining Sterling Jewelers and Zale customer in-house finance receivables. As a result, these receivables have been classified as "held for sale" in the condensed consolidated balance sheet and recorded at the lower of cost (par) or fair value. See Note 4 for additional information regarding the agreement. As of May 5, 2018 , the accounts receivable held for sale were recorded at fair value. See Note 17 for additional information regarding the assumptions utilized in the calculation of fair value of the finance receivables held for sale.

(in millions)	**May 5, 2018**	**February 3, 2018**	**April 29, 2017**
Accounts receivable by portfolio segment, net:			
Legacy Sterling Jewelers customer in-house finance receivables	**$ —**	$ 649.4	$ 1,683.8
Legacy Zale customer in-house finance receivables	**$ —**	33.5	32.8
North America customer in-house finance receivables	**$ —**	$ 682.9	$ 1,716.6
Other accounts receivable	**6.8**	9.6	9.7
Total accounts receivable, net	**$ 6.8**	$ 692.5	$ 1,726.3
Accounts receivable, held for sale	**$ 484.6**	$ —	$ —

Signet grants credit to customers based on a variety of credit quality indicators, including consumer financial information and prior payment experience. On an ongoing basis, management monitors the credit exposure based on past due status and collection experience, as it has found a meaningful correlation between the past due status of customers and the risk of loss.

During the third quarter of Fiscal 2016, Signet implemented a program to provide in-house credit to customers in the Zale division's US locations. The allowance for credit losses associated with Zale customer in-house finance receivables was immaterial as of February 3, 2018 and April 29, 2017 . Effective October 20, 2017, the Zale customer in-house financing programs are being underwritten and serviced by a third party for newly originated balances after the effective date.

Other accounts receivable is comprised primarily of accounts receivable relating to the insurance loss replacement business in the International segment of $5.8 million (February 3, 2018 and April 29, 2017 : $9.3 million and $8.9 million , respectively).

The allowance for credit losses associated with the portion of customer in-house finance receivables reclassified as "held for sale" was reversed during the first quarter of Fiscal 2019. The activity in the allowance for credit losses on Sterling Jewelers customer in-house finance receivables is shown below:

	13 weeks ended	
(in millions)	**May 5, 2018**	**April 29, 2017**
Beginning balance	**$ (113.5)**	$ (138.7)
Charge-offs, net	**56.3**	54.4
Recoveries	**4.2**	9.1
Provision	**(54.6)**	(51.7)
Reversal of allowance on receivables previously held for sale	**107.6**	—
Ending balance	**$ —**	$ (126.9)
Ending receivable balance evaluated for impairment	**—**	1,810.7
Sterling Jewelers customer in-house finance receivables, net	**$ —**	$ 1,683.8

As a result of the sale of the prime-only credit portion of the customer in-house finance receivable portfolio and the outsourcing of the credit servicing on the remaining in-house finance receivable portfolio in October 2017 as disclosed in Note 4 , the Company revised its methodology for measuring delinquency to be based on the contractual basis.

As of May 5, 2018 , the customer in-house finance receivables were held for sale and recorded at fair value in the condensed consolidated balance sheet. As such, no valuation allowance for credit losses was required to be recorded. The credit quality indicator and age analysis of customer in-house finance receivables as of February 3, 2018 are shown below under the contractual basis:

	February 3, 2018	
(in millions)	**Gross**	**Valuation allowance**
Performing (accrual status):		
0 - 120 days past due	$ 703.4	$ (54.0)
121 or more days past due	59.5	(59.5)
	$ 762.9	$ (113.5)
Valuation allowance as a % of ending receivable balance		14.9%

Prior to the fourth quarter of Fiscal 2018, the Company's calculation of the allowance for credit losses was based on a recency measure of delinquency. The credit quality indicator and age analysis of customer in-house finance receivables prior to the sale of the prime-only credit portion of the in-house receivable portfolio as of April 29, 2017 are shown below under the recency basis:

	April 29, 2017	
(in millions)	**Gross**	**Valuation allowance**
Performing (accrual status):		
Current, aged 0 – 30 days	$ 1,445.9	$ (44.5)
Past due, aged 31 – 60 days	251.9	(8.3)
Past due, aged 61 – 90 days	40.9	(2.1)
Non Performing:		
Past due, aged more than 90 days	72.0	(72.0)
	$ 1,810.7	$ (126.9)
Valuation allowance as a % of ending receivable balance		7.0%

14 . Inventories

The following table summarizes the Company's inventory by classification:

(in millions)	May 5, 2018	February 3, 2018	April 29, 2017
Raw materials	**$ 69.7**	$ 72.0	$ 51.2
Finished goods	**2,359.3**	2,208.5	2,381.2
Total inventories	**$ 2,429.0**	$ 2,280.5	$ 2,432.4

15 . Goodwill and intangibles

In connection with the acquisition of R2Net on September 12, 2017 , the Company recognized $299.1 million of goodwill, which is reported in the North America segment. The amount of goodwill generated will be adjusted for any additional assets or liabilities identified by the Company or for any adjustments to the preliminary fair values identified for the assets acquired and liabilities assumed in the R2Net acquisition .

Goodwill and other indefinite-lived intangible assets, such as indefinite-lived trade names, are evaluated for impairment annually during the second quarter of the fiscal year. Additionally, if events or conditions were to indicate the carrying value of a reporting unit or an indefinite-lived intangible asset may not be recoverable, the Company would evaluate the asset for impairment at that time. Impairment testing compares the carrying amount of the reporting unit or other intangible assets with its fair value. When the carrying amount of the reporting unit or other intangible assets exceeds its fair value, an impairment charge is recorded.

Due to a sustained decline in the Company's market capitalization during the 13 weeks ended May 5, 2018, the Company determined a triggering event had occurred that required an interim impairment assessment for all of its reporting units and indefinite-lived intangible assets. As part of the assessment, it was determined that the an increase in the discount rate applied in the valuation was required to align with market-based assumptions and company-specific risk. This higher discount rate, in conjunction with revised long-term projections associated with finalizing certain initial aspects of the Company's Path to Brilliance transformation plan in the first quarter, resulted in lower than previously projected long-term future cash flows for the reporting units which negatively affected the valuation compared to previous valuations. Due to the inherent uncertainties involved in making the estimates and assumptions used in the fair value analysis, actual results may differ, which could alter the fair value of the reporting units and trade names, and possibly result in impairment charges in future periods. As a result of the interim impairment assessment, the Company recognized pre-tax impairment charges totaling $448.7 million in the 13 weeks ended May 5, 2018.

Goodwill

Using a combination of discounted cash flow and guideline public company methodologies, the Company compared the fair value of each of its reporting units with their carrying value and concluded that a deficit existed. Accordingly, in the 13 weeks ended May 5, 2018, the Company recognized pre-tax impairment charges in operations of $23.2 million and $285.6 million at its' legacy Sterling Jewelers and Zale Jewelry segments, which are within the Company's current North America segment.

The following table summarizes the Company's goodwill by reportable segment:

(in millions)	North America	Other	Total
Balance at January 28, 2017	$ 514.0	$ 3.6	$ 517.6
Acquisitions	301.7	—	301.7
Impact of foreign exchange and other adjustments	2.4	—	2.4
Balance at February 3, 2018	818.1	3.6	821.7
Impairment	(308.8)	—	(308.8)
Impact of foreign exchange and other adjustments (1)	(3.8)	—	(3.8)
Balance at May 5, 2018	**$ 505.5**	**$ 3.6**	**$ 509.1**

(1) During the 13 weeks ended May 5, 2018, other adjustments include a purchase price accounting adjustment of $2.6 million related to a revised valuation of acquired intangible assets from the R2Net acquisition. Refer to Note 5 for additional details.

Intangibles

Definite-lived intangible assets include trade names and favorable lease agreements. Indefinite-lived intangible assets include trade names. Both definite and indefinite-lived assets are recorded within intangible assets, net on the consolidated balance sheets. Intangible liabilities, net is comprised of unfavorable lease agreements and contracts and is recorded within other liabilities on the consolidated balance sheets.

In conjunction with the interim goodwill impairment tests, the Company reviewed its indefinite-lived intangible assets for potential impairment by calculating the fair values of the assets using the relief from royalty method and comparing the fair value to their respective carrying amounts.

The interim impairment test resulted in the determination that the fair values of indefinite-lived intangible assets related to certain Zales trade names were less than their carrying value. Accordingly, in the 13 weeks ended May 5, 2018, the Company recognized pre-tax impairment charges in operations of $139.9 million at its' legacy Zale Jewelry segment, which is within the Company's current North America segment.

The following table provides additional detail regarding the composition of intangible assets and liabilities:

	May 5, 2018				February 3, 2018			April 29, 2017		
(in millions)	Gross carrying amount	Accumulated amortization	Accumulated impairment loss	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangible assets, net:										
Definite-lived intangible assets	**53.5**	**(47.2)**	**—**	**6.3**	49.8	(46.7)	3.1	48.6	(39.7)	8.9
Indefinite-lived intangible assets	**476.6**	**—**	**(139.7)**	**336.9**	478.4	—	478.4	403.0	—	403.0
Total intangible assets, net	**$ 530.1**	**$ (47.2)**	**$ (139.7)**	**$ 343.2**	$ 528.2	$ (46.7)	$ 481.5	$ 451.6	$ (39.7)	$ 411.9
Intangible liabilities, net	**$ (114.1)**	**$ 87.1**	**$ —**	**$ (27.0)**	$ (114.5)	$ 85.2	$ (29.3)	$ (113.5)	$ 76.2	$ (37.3)

16 . Derivatives

Derivative transactions are used by Signet for risk management purposes to address risks inherent in Signet's business operations and sources of financing. The main risks arising from Signet's operations are market risk including foreign currency risk, commodity risk, liquidity risk and interest rate risk. Signet uses derivative financial instruments to manage and mitigate certain of these risks under policies reviewed and approved by the Board of Directors. Signet does not enter into derivative transactions for speculative purposes.

Market risk

Signet generates revenues and incurs expenses in US dollars, Canadian dollars and British pounds. As a portion of the International segment purchases and purchases made by the Canadian operations of the North America segment are denominated in US dollars, Signet enters into forward foreign currency exchange contracts and foreign currency swaps to manage this exposure to the US dollar.

Signet holds a fluctuating amount of British pounds and Canadian dollars reflecting the cash generative characteristics of operations. Signet's objective is to minimize net foreign exchange exposure to the income statement on non-US dollar denominated items through managing cash levels, non-US dollar denominated intra-entity balances and foreign currency swaps. In order to manage the foreign exchange exposure and minimize the level of funds denominated in British pounds and Canadian dollars, dividends are paid regularly by subsidiaries to their immediate holding companies and excess British pounds and Canadian dollars are sold in exchange for US dollars.

Signet's policy is to minimize the impact of precious metal commodity price volatility on operating results through the use of outright forward purchases of, or by entering into options to purchase, precious metals within treasury guidelines approved by the Board of Directors. In particular, Signet undertakes some hedging of its requirements for gold through the use of options, net zero-cost collar arrangements (a combination of call and put option contracts), forward contracts and commodity purchasing, while fluctuations in the cost of diamonds are not hedged.

Liquidity risk

Signet's objective is to ensure that it has access to, or the ability to generate, sufficient cash from either internal or external sources in a timely and cost-effective manner to meet its commitments as they become due and payable. Signet manages liquidity risks as part of its overall risk management policy. Management produces forecasting and budgeting information that is reviewed and monitored by the Board of Directors. Cash generated from operations and external financing are the main sources of funding, which supplement Signet's resources in meeting liquidity requirements.

The main external sources of funding are a senior unsecured credit facility and senior unsecured notes as described in Note 18 .

Interest rate risk

Signet has exposure to movements in interest rates associated with cash and borrowings. Signet may enter into various interest rate protection agreements in order to limit the impact of movements in interest rates.

Interest rate swap (designated) — The Company entered into an interest rate swap in March 2015 with an aggregate notional amount of $300.0 million that is scheduled to mature through April 2019 . Under this contract, the Company agrees to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional amounts. This contract was entered into to reduce the consolidated interest rate risk associated with variable rate, long-term debt. The Company designated this derivative as a cash flow hedge of the variability in expected cash outflows for interest payments. The Company has effectively converted a portion of its variable-rate senior unsecured term loan into fixed-rate debt.

The fair value of the swap is presented within the condensed consolidated balance sheets, and the Company recognizes any changes in the fair value as an adjustment of AOCI within equity to the extent the swap is effective. The ineffective portion, if any, is recognized in current period earnings. As interest expense is accrued on the debt obligation, amounts in AOCI related to the interest rate swap are reclassified into income resulting in a net interest expense on the hedged amount of the underlying debt obligation equal to the effective yield of the fixed rate of the swap. In the event that the interest rate swap is de-designated prior to maturity, gains or losses in AOCI remain deferred and are reclassified into earnings in the periods in which the hedged forecasted transaction affects earnings.

Credit risk and concentrations of credit risk

Credit risk represents the loss that would be recognized at the reporting date if counter-parties failed to perform as contracted. Signet does not anticipate non-performance by counter-parties of its financial instruments, except for customer in-house financing receivables as disclosed in Note 13 of which no single customer represents a significant portion of the Company's receivable balance. Signet does not require collateral or other security to support cash investments or financial instruments with credit risk; however, it is Signet's policy to only hold cash and cash equivalent investments and to transact financial instruments with financial institutions with a certain minimum credit rating. Management does not believe Signet is exposed to any significant concentrations of credit risk that arise from cash and cash equivalent investments, derivatives or accounts receivable.

Commodity and foreign currency risks

The following types of derivative financial instruments are utilized by Signet to mitigate certain risk exposures related to changes in commodity prices and foreign exchange rates:

Forward foreign currency exchange contracts (designated) — These contracts, which are principally in US dollars, are entered into to limit the impact of movements in foreign exchange rates on forecasted foreign currency purchases. The total notional amount of these foreign currency contracts outstanding as of May 5, 2018 was $22.2 million (February 3, 2018 and April 29, 2017 : $26.6 million and $37.4 million , respectively). These contracts have been designated as cash flow hedges and will be settled over the next 11 months (February 3, 2018 and April 29, 2017 : 11 months and 12 months , respectively).

Forward foreign currency exchange contracts (undesignated) — Foreign currency contracts not designated as cash flow hedges are used to limit the impact of movements in foreign exchange rates on recognized foreign currency payables and to hedge currency flows through Signet's bank accounts to mitigate Signet's exposure to foreign currency exchange risk in its cash and borrowings. The total notional amount of these foreign currency contracts outstanding as of May 5, 2018 was $104.3 million (February 3, 2018 and April 29, 2017 : $112.7 million and $47.9 million , respectively).

Commodity forward purchase contracts and net zero-cost collar arrangements (designated) — These contracts are entered into to reduce Signet's exposure to significant movements in the price of the underlying precious metal raw material. The total notional amount of these commodity derivative contracts outstanding as of May 5, 2018 was 5,000 ounces of gold (February 3, 2018 and April 29, 2017 : 6,000 ounces and 69,000 ounces , respectively). These contracts have been designated as cash flow hedges and will be settled over the next 9 months (February 3, 2018 and April 29, 2017 : 12 months and 9 months , respectively).

The bank counter-parties to the derivative instruments expose Signet to credit-related losses in the event of their non-performance. However, to mitigate that risk, Signet only contracts with counter-parties that meet certain minimum requirements under its counter-party risk assessment process. As of May 5, 2018 , Signet believes that this credit risk did not materially change the fair value of the foreign currency or commodity contracts.

The following table summarizes the fair value and presentation of derivative instruments in the condensed consolidated balance sheets:

		Fair value of derivative assets		
(in millions)	**Balance sheet location**	**May 5, 2018**	**February 3, 2018**	**April 29, 2017**
Derivatives designated as hedging instruments:				
Foreign currency contracts	Other current assets	**$ 0.4**	$ —	$ 0.4
Commodity contracts	Other current assets	**0.1**	—	2.0
Interest rate swaps	Other assets	**2.3**	2.2	0.8
Total derivative assets		**$ 2.8**	$ 2.2	$ 3.2

		Fair value of derivative liabilities		
(in millions)	**Balance sheet location**	**May 5, 2018**	**February 3, 2018**	**April 29, 2017**
Derivatives designated as hedging instruments:				
Foreign currency contracts	Other current liabilities	**$ (0.2)**	$ (1.4)	$ (0.8)
Commodity contracts	Other current liabilities	**—**	(0.1)	—
		$ (0.2)	$ (1.5)	$ (0.8)
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Other current liabilities	**(1.0)**	(0.9)	(0.5)
Total derivative liabilities		**$ (1.2)**	$ (2.4)	$ (1.3)

Derivatives designated as cash flow hedges

The following table summarizes the pre-tax gains (losses) recorded in AOCI for derivatives designated in cash flow hedging relationships:

(in millions)	**May 5, 2018**	**February 3, 2018**	**April 29, 2017**
Foreign currency contracts	**$ (0.8)**	$ (2.4)	$ 2.1
Commodity contracts	**1.1**	1.4	2.1
Interest rate swaps	**2.3**	2.2	0.8
Gains recorded in AOCI	**$ 2.6**	$ 1.2	$ 5.0

The following tables summarize the effect of derivative instruments designated as cash flow hedges in OCI and the condensed consolidated income statements:

Foreign currency contracts

		13 weeks ended	
(in millions)	**Income statement caption**	**May 5, 2018**	**April 29, 2017**
(Losses) gains recorded in AOCI, beginning of period		**$ (2.4)**	$ 4.1
Current period gains (losses) recognized in OCI		**1.3**	(1.0)
Losses (gains) reclassified from AOCI to net income	Cost of sales	**0.3**	(1.0)
(Losses) gains recorded in AOCI, end of period		**$ (0.8)**	$ 2.1

Commodity contracts

		13 weeks ended	
(in millions)	**Income statement caption**	**May 5, 2018**	**April 29, 2017**
Gains (losses) recorded in AOCI, beginning of period		**$ 1.4**	$ (2.1)
Current period gains recognized in OCI		**0.2**	5.4
Gains reclassified from AOCI to net income	Cost of sales	**(0.5)**	(1.2)
Gains recorded in AOCI, end of period		**$ 1.1**	$ 2.1

Interest rate swaps

(in millions)	Income statement caption	13 weeks ended May 5, 2018	13 weeks ended April 29, 2017
Gains recorded in AOCI, beginning of period		**$ 2.2**	$ 0.4
Current period gains recognized in OCI		**0.4**	0.1
(Gains) losses reclassified from AOCI to net income	Interest expense, net	**(0.3)**	0.3
Gains recorded in AOCI, end of period		**$ 2.3**	$ 0.8

There was no material ineffectiveness related to the Company's derivative instruments designated in cash flow hedging relationships for the 13 weeks ended May 5, 2018 and April 29, 2017 . Based on current valuations, the Company expects approximately $2.5 million of net pre-tax derivative gains to be reclassified out of AOCI into earnings within the next 12 months .

Derivatives not designated as hedging instruments

The following table presents the effects of the Company's derivatives instruments not designated as cash flow hedges in the condensed consolidated income statements:

(in millions)	Income statement caption	13 weeks ended May 5, 2018	13 weeks ended April 29, 2017
Derivatives not designated as hedging instruments:			
Foreign currency contracts	Other operating income, net	**$ (4.8)**	$ (1.7)

17 . Fair value measurement

The estimated fair value of Signet's financial instruments held or issued to finance Signet's operations is summarized below. Certain estimates and judgments were required to develop the fair value amounts. The fair value amounts shown below are not necessarily indicative of the amounts that Signet would realize upon disposition nor do they indicate Signet's intent or ability to dispose of the financial instrument. Assets and liabilities that are carried at fair value are required to be classified and disclosed in one of the following three categories:

Level 1—quoted market prices in active markets for identical assets and liabilities

Level 2—observable market based inputs or unobservable inputs that are corroborated by market data

Level 3—unobservable inputs that are not corroborated by market data

Signet determines fair value based upon quoted prices when available or through the use of alternative approaches, such as discounting the expected cash flows using market interest rates commensurate with the credit quality and duration of the investment. The methods Signet uses to determine fair value on an instrument-specific basis are detailed below:

	May 5, 2018			February 3, 2018			April 29, 2017		
(in millions)	**Carrying Value**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Carrying Value**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Carrying Value**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**
Assets:									
US Treasury securities	**$ 7.3**	**$ 7.3**	**$ —**	$ 7.5	$ 7.5	$ —	$ 7.9	$ 7.9	$ —
Corporate equity securities	**4.3**	**4.3**	**—**	4.5	4.5	—	4.0	4.0	—
Foreign currency contracts	**0.4**	**—**	**0.4**	—	—	—	0.4	—	0.4
Commodity contracts	**0.1**	**—**	**0.1**	—	—	—	2.0	—	2.0
Interest rate swaps	**2.3**	**—**	**2.3**	2.2	—	2.2	0.8	—	0.8
US government agency securities	**4.7**	**—**	**4.7**	5.1	—	5.1	4.9	—	4.9
Corporate bonds and notes	**10.6**	**—**	**10.6**	10.8	—	10.8	11.1	—	11.1
Total assets	**$ 29.7**	**$ 11.6**	**$ 18.1**	$ 30.1	$ 12.0	$ 18.1	$ 31.1	$ 11.9	$ 19.2
Liabilities:									
Foreign currency contracts	**$ (1.2)**	**$ —**	**$ (1.2)**	$ (2.3)	$ —	$ (2.3)	$ (1.3)	$ —	$ (1.3)
Commodity contracts	**—**	**—**	**—**	(0.1)	—	(0.1)	—	—	—
Total liabilities	**$ (1.2)**	**$ —**	**$ (1.2)**	$ (2.4)	$ —	$ (2.4)	$ (1.3)	$ —	$ (1.3)

Investments in US Treasury securities and corporate equity securities are based on quoted market prices for identical instruments in active markets, and therefore were classified as Level 1 measurements in the fair value hierarchy. Investments in US government agency securities and corporate bonds and notes are based on quoted prices for similar instruments in active markets, and therefore were classified as Level 2 measurements in the fair value hierarchy. The fair value of derivative financial instruments has been determined based on market value equivalents at the balance sheet date, taking into account the current interest rate environment, foreign currency forward rates or commodity forward rates, and therefore were classified as Level 2 measurements in the fair value hierarchy. See Note 16 for additional information related to the Company's derivatives.

As of May 5, 2018 , the fair value of the in-house finance receivable portfolio was approximately 70% of par value. This estimated value was derived from a discounted cash flow model using unobservable inputs, including estimated yields, loss rates, payment rates and discount rates to estimate the fair value associated with the accounts receivable existing as of May 5, 2018 , with consideration given to the terms of the agreements entered into with CarVal and Castlelake during the first quarter of Fiscal 2019. See Note 4 for additional information.

Goodwill and other indefinite-lived intangible assets, are evaluated for impairment annually or more frequently if events or conditions indicate the carrying value of a reporting unit or an indefinite-lived intangible asset may not be recoverable. Impairment testing compares the carrying amount of the reporting unit or other intangible assets with its fair value. During the 13 weeks ended May 5, 2018 , the Company performed an interim impairment test for goodwill and indefinite-lived intangible assets. The fair value was calculated using a combination of discounted cash flow and guideline public company methodologies for the reporting units and the relief from royalty method for the indefinite-lived intangible assets, respectively. The fair value of goodwill and indefinite-lived intangible assets is a Level 3 valuation based on certain unobservable inputs including projected cash flows and estimated risk-adjusted rates of return that would be utilized by market participants in valuing these assets or prices of similar assets. See Note 15 for additional information.

The carrying amounts of cash and cash equivalents, other receivables, accounts payable, accrued expenses, other liabilities, income taxes and the revolving credit facility approximate fair value because of the short-term maturity of these amounts.

The fair values of long-term debt instruments were determined using quoted market prices in inactive markets or discounted cash flows based upon current observable market interest rates and therefore were classified as Level 2 measurements in the fair value hierarchy. See Note 18 for classification between current and long-term debt. The carrying amount and fair value of outstanding debt at May 5, 2018 , February 3, 2018 and April 29, 2017 were as follows:

	May 5, 2018		February 3, 2018		April 29, 2017	
(in millions)	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt:						
Senior notes (Level 2)	**$ 394.6**	**$ 382.3**	$ 394.5	$ 396.3	$ 393.9	$ 396.5
Securitization facility (Level 2)	**—**	**—**	—	—	599.7	600.0
Term loan (Level 2)	**317.0**	**319.5**	323.5	326.2	340.8	344.1
Total	**$ 711.6**	**$ 701.8**	$ 718.0	$ 722.5	$ 1,334.4	$ 1,340.6

18 . Loans, overdrafts and long-term debt

(in millions)	May 5, 2018	February 3, 2018	April 29, 2017
Debt:			
Senior unsecured notes due 2024, net of unamortized discount	**$ 398.9**	$ 398.9	$ 398.8
Securitization facility	**—**	—	600.0
Senior unsecured term loan	**319.5**	326.2	344.1
Revolving credit facility	**40.0**	—	63.0
Bank overdrafts	**0.3**	14.2	45.4
Total debt	**$ 758.7**	$ 739.3	$ 1,451.3
Less: Current portion of loans and overdrafts	**(72.3)**	(44.0)	(131.5)
Less: Unamortized capitalized debt issuance fees	**(6.7)**	(7.1)	(8.2)
Total long-term debt	**$ 679.7**	$ 688.2	$ 1,311.6

Revolving credit facility and term loan (the " Credit Facility ")

The Company's Credit Facility contains a $700 million senior unsecured multi-currency multi-year revolving credit facility and a $357.5 million senior unsecured term loan facility. The maturity date for the Credit Facility, including both individual facilities disclosed above, is July 2021.

Capitalized fees associated with the revolving credit facility as of May 5, 2018 total $2.6 million with the unamortized balance recorded as an asset within the condensed consolidated balance sheets. Accumulated amortization related to these capitalized fees as of May 5, 2018 was $1.3 million (February 3, 2018 and April 29, 2017 : $1.2 million and $0.9 million , respectively). Amortization relating to these fees of $0.1 million was recorded as interest expense in the condensed consolidated income statements for the 13 weeks ended May 5, 2018 ($0.1 million for the 13 weeks ended April 29, 2017). As of May 5, 2018 , February 3, 2018 and April 29, 2017 , the Company had stand-by letters of credit outstanding of $14.5 million , $15.7 million and $15.3 million , respectively, that reduce remaining borrowing availability. The revolving credit facility had a weighted average interest rate of 3.30% and 2.11% during the 13 weeks ended May 5, 2018 and April 29, 2017 , respectively.

Capitalized fees associated with the term loan facility as of May 5, 2018 total $6.2 million with the unamortized balance recorded as a direct deduction from the outstanding liability within the condensed consolidated balance sheets. Accumulated amortization related to these capitalized fees as of May 5, 2018 was $3.7 million (February 3, 2018 and April 29, 2017 : $3.5 million and $2.9 million , respectively). Amortization relating to these fees of $0.2 million was recorded as interest expense in the condensed consolidated income statements for the 13 weeks ended May 5, 2018 ($0.2 million for the 13 weeks ended April 29, 2017). Excluding the impact of the interest rate swap designated as a cash flow hedge discussed in Note 16 , the term loan had a weighted average interest rate of 3.10% and 2.13% during the 13 weeks ended May 5, 2018 and April 29, 2017 , respectively.

Senior unsecured notes due 2024

On May 19, 2014, Signet UK Finance plc ("Signet UK Finance"), a wholly owned subsidiary of the Company, issued $400 million aggregate principal amount of its 4.70% senior unsecured notes due in 2024 (the "Notes"). The Notes were issued under an effective registration statement previously filed with the SEC. The Notes are jointly and severally guaranteed, on a full and unconditional basis, by the Company and by certain of the Company's wholly owned subsidiaries (such subsidiaries, the "Guarantors"). See Note 22 for additional information.

Capitalized fees relating to the senior unsecured notes total $7.0 million . Accumulated amortization related to these capitalized fees as of May 5, 2018 was $2.7 million (February 3, 2018 and April 29, 2017 : $2.6 million and $2.1 million , respectively). The remaining unamortized capitalized fees are recorded as a direct deduction from the outstanding liability within the condensed consolidated balance sheets. Amortization relating to these fees of $0.1 million was recorded as interest expense in the condensed consolidated income statements for the 13 weeks ended May 5, 2018 ($0.2 million for the 13 weeks ended April 29, 2017).

Other

As of May 5, 2018 , February 3, 2018 and April 29, 2017 , the Company was in compliance with all debt covenants.

19. Warranty reserve

Specific mechandise sold by banners within the North America segment includes a product lifetime diamond or colored gemstone guarantee as long as six-month inspections are performed and certified by an authorized store representative. Provided the customer has complied with the six-month inspection policy, the Company will replace, at no cost to the customer, any stone that chips, breaks or is lost from its original setting during normal wear. Management estimates the warranty accrual based on the lag of actual claims experience and the costs of such claims, inclusive of labor and material. The warranty reserve for diamond and gemstone guarantee, included in accrued expenses and other current liabilities and other non-current liabilities, is as follows:

	13 weeks ended	
(in millions)	**May 5, 2018**	**April 29, 2017**
Warranty reserve, beginning of period	**$ 37.2**	$ 40.0
Warranty expense	**1.4**	2.3
Utilized [(1)]	**(3.0)**	(3.1)
Warranty reserve, end of period	**$ 35.6**	$ 39.2

(1) Includes impact of foreign exchange translation.

(in millions)	**May 5, 2018**	**February 3, 2018**	**April 29, 2017**
Disclosed as:			
Current liabilities	**$ 11.0**	$ 11.5	$ 12.6
Non-current liabilities	**24.6**	25.7	26.6
Total warranty reserve	**$ 35.6**	$ 37.2	$ 39.2

20. Share-based compensation

Signet recorded share-based compensation expense of $1.8 million for the 13 weeks ended May 5, 2018 related to the Omnibus Plan and Share Saving Plans ($2.7 million for the 13 weeks ended April 29, 2017).

21 . Commitments and contingencies

Legal proceedings

Employment practices

As previously reported, in March 2008, a group of private plaintiffs (the “Claimants”) filed a class action lawsuit for an unspecified amount against SJI, a subsidiary of Signet, in the US District Court for the Southern District of New York alleging that US store-level employment practices are discriminatory as to compensation and promotional activities with respect to gender. In June 2008, the District Court referred the matter to private arbitration where the Claimants sought to proceed on a class-wide basis. The Claimants filed a motion for class certification and SJI opposed the motion. On February 2, 2015, the arbitrator issued a Class Determination Award in which she certified for a class-wide hearing Claimants' disparate impact declaratory and injunctive relief class claim under Title VII, with a class period of July 22, 2004 through date of trial for the Claimants' compensation claims and December 7, 2004 through date of trial for Claimants' promotion claims. The arbitrator otherwise denied Claimants' motion to certify a disparate treatment class alleged under Title VII, denied a disparate impact monetary damages class alleged under Title VII, and denied an opt-out monetary damages class under the Equal Pay Act. On February 9, 2015, Claimants filed an Emergency Motion To Restrict Communications With The Certified Class And For Corrective Notice. SJI filed its opposition to Claimants' emergency motion on February 17, 2015, and a hearing was held on February 18, 2015. Claimants' motion was granted in part and denied in part in an order issued on March 16, 2015. Claimants filed a Motion for Reconsideration Regarding Title VII Claims for Disparate Treatment in Compensation on February 11, 2015, which SJI opposed. April 27, 2015, the arbitrator issued an order denying the Claimants' Motion. SJI filed with the US District Court for the

Southern District of New York a Motion to Vacate the Arbitrator's Class Certification Award on March 3, 2015, which Claimants opposed. On November 16, 2015, the US District Court for the Southern District of New York granted SJI's Motion to Vacate the Arbitrator's Class Certification Award in part and denied it in part. On December 3, 2015, SJI filed with the United States Court of Appeals for the Second Circuit SJI's Notice of Appeal of the District Court's November 16, 2015 Opinion and Order. On November 25, 2015, SJI filed a Motion to Stay the AAA Proceedings while SJI appeals the decision of the US District Court for the Southern District of New York to the United States Court of Appeals for the Second Circuit, which Claimants opposed. The arbitrator issued an order denying SJI's Motion to Stay on February 22, 2016.SJI filed its Brief and Special Appendix with the Second Circuit on March 16, 2016. The matter was fully briefed and oral argument was heard by the U.S. Court of Appeals for the Second Circuit on November 2, 2016. On April 6, 2015, Claimants filed in the AAA Claimants' Motion for Clarification or in the Alternative Motion for Stay of the Effect of the Class Certification Award as to the Individual Intentional Discrimination Claims, which SJI opposed. On June 15, 2015, the arbitrator granted the Claimants' motion. On March 6, 2017, Claimants filed Claimants' Motion for Conditional Certification of Claimants' Equal Pay Act Claims and Authorization of Notice, which SJI opposed The arbitrator heard oral argument on Claimants' Motion on

December 18, 2015 and, on February 29, 2016, issued an Equal Pay Act Collective Action Conditional Certification Award and Order Re Claimants' Motion For Tolling Of EPA Limitations Period, conditionally certifying Claimants' Equal Pay Act claims as a collective action, and tolling the statute of limitations on EPA claims to October 16, 2003 to ninety days after notice issues to the putative members of the collective action. SJI filed in the AAA a Motion To Stay Arbitration Pending The District Court's Consideration Of Respondent's Motion To Vacate Arbitrator's Equal Pay Act Collective Action Conditional Certification Award And Order Re Claimants' Motion For Tolling Of EPA Limitations Period on March 10, 2016. SJI filed in the AAA a Renewed Motion To Stay Arbitration Pending The District Court's Resolution Of Sterling's Motion To Vacate Arbitrator's Equal Pay Act Collective Action Conditional Certification Award And Order Re Claimants' Motion For Tolling Of EPA Limitations Period on March 31, 2016, which Claimants opposed. On April 5, 2016, the arbitrator denied SJI's Motion. On March 23, 2016 SJI filed with the US District Court for the Southern District of New York a Motion To Vacate The Arbitrator's Equal Pay Act Collective Action Conditional Certification Award And Order Re Claimants' Motion For Tolling Of EPA Limitations Period, which Claimants opposed. SJI's Motion was denied on May 22, 2016. On May 31, 2016, SJI filed a Notice Of Appeal of Judge Rakoff's opinion and order to the Second Circuit Court of Appeals, which Claimant's opposed. On June 1, 2017, the Second Circuit Court of Appeals dismissed SJI's appeal for lack of appellate jurisdiction. Claimants filed a Motion For Amended Class Determination Award on November 18, 2015, and on March 31, 2016 the arbitrator entered an order amending the Title VII class certification award to preclude class members from requesting exclusion from the injunctive and declaratory relief class certified in the arbitration. The arbitrator issued a Bifurcated Case Management Plan on April 5, 2016, and ordered into effect the parties' Stipulation Regarding Notice Of Equal Pay Act Collective Action And Related Notice Administrative Procedures on April 7, 2016. SJI filed in the AAA a Motion For Protective Order on May 2, 2016, which Claimants opposed. The matter was fully briefed and oral argument was heard on July 22, 2016. The motion was granted in part on January 27, 2017. Notice to EPA collective action members was issued on May 3, 2016, and the opt-in period for these notice recipients closed on August 1, 2016. Approximately, 10,314 current and former employees submitted consent forms to opt in to the collective action; however, some have withdrawn their consents. The number of valid consents is disputed and yet to be determined. SJI believes the number of valid consents to be approximately 9,124 . On July 24, 2017, the United States Court of Appeals for the Second Circuit issued its unanimous Summary Order that held that the absent class members "never consented" to the Arbitrator determining the permissibility of class arbitration under the agreements, and remanded the matter to the District Court to determine whether the Arbitrator exceeded her authority by certifying the Title VII class that contained absent class members who had not opted in the litigation. On August 7, 2017, SJI filed its Renewed Motion to Vacate the Class Determination Award relative to absent class members with the District Court. The matter was fully briefed and an oral argument was heard on October 16, 2017. On January 15, 2018, District Court granted SJI's Motion finding that the Arbitrator exceeded her authority by binding non-parties (absent class members) to the Title VII claim. The District Court further held that the RESOLVE Agreement does not permit class action procedures, thereby, reducing the Claimants in the Title VII matter from 70,000 to 254 . Claimants dispute that the number of claimants in the Title VII is 254. On January 18, 2018, the Claimants filed a Notice of Appeal with the United States Court of Appeals for the Second Circuit. The appeal was fully briefed and oral argument before the Second Circuit occurred on May 7, 2018. SJI currently awaits the Second Circuit's decision on this appeal. On November 10, 2017, SJI filed in the arbitration motions for summary judgment, and for decertification, of Claimants' Equal Pay Act and Title VII promotions claims. On January 30, 2018, oral argument on SJI's motions was heard. On January 26, 2018, SJI filed a Motion to Vacate The Equal Pay Act Collective Action Award And Tolling Order asserting that the Arbitrator exceeded her authority by conditionally certifying the Equal Pay Act claim and allowing the absent claimants to opt-in the litigation. On March 12, 2018, the Arbitrator denied SJI's Motion to Vacate The Equal Pay Act Collective Action Award and Tolling Order. SJI still has a pending motion seeking decertification of the EPA Collective Action before the Arbitrator. On March 19, 2018, the Arbitrator issued an Order partially granting SJI's Motion to Amend the Arbitrator's November 2, 2017, Bifurcated Seventh Amended Case Management Plan resulting in a continuance of the May 14, 2018 trial date. A new trial date has not been set.

SJI denies the allegations of the Claimants and has been defending the case vigorously. At this point, no outcome or possible loss or range of losses, if any, arising from the litigation is able to be estimated.

Also, as previously reported, on September 23, 2008, the US Equal Employment Opportunity Commission ("EEOC") filed a lawsuit against SJI in the US District Court for the Western District of New York. This suit was settled on May 5, 2017, as further described below. The EEOC's lawsuit alleged that SJI engaged in intentional and disparate impact gender discrimination with respect to pay and promotions of female retail store employees from January 1, 2003 to the present. The EEOC asserted claims for unspecified monetary relief and non-monetary relief against the Company on behalf of a class of female employees subjected to these alleged practices. Non-expert fact discovery closed in mid-May 2013. In September 2013, SJI made a motion for partial summary judgment on procedural grounds, which was referred to a Magistrate Judge. The Magistrate

Judge heard oral arguments on the summary judgment motion in December 2013. On January 2, 2014, the Magistrate Judge issued his Report, Recommendation and Order, recommending that the Court grant SJI's motion for partial summary judgment and dismiss the EEOC's claims in their entirety. The EEOC filed its objections to the Magistrate Judge's ruling and SJI filed its response thereto. The District Court Judge heard oral arguments on the EEOC's objections to the Magistrate Judge's ruling on March 7, 2014 and on March 11, 2014 entered an order dismissing the action with prejudice. On May 12, 2014, the EEOC filed its Notice of Appeal of the District Court Judge's dismissal of the action to United States Court of Appeals for the Second Circuit. The parties fully briefed the appeal and oral argument occurred on May 5, 2015. On September 9, 2015, the United States Court of Appeals for the Second Circuit issued a decision vacating the District Court's order and remanding the case back to the District Court for further proceedings. SJI filed a Petition for Panel Rehearing and En Banc Review with the United States Court of Appeals for the Second Circuit, which was denied on December 1, 2015. On December 4, 2015, SJI filed in the United States Court of Appeals for the Second Circuit a Motion Of Appellee Sterling Jewelers Inc. For Stay Of Mandate Pending Petition For Writ Of Certiorari. The Motion was granted by the Second Circuit on December 10, 2015. SJI filed a Petition For Writ Of Certiorari in the Supreme Court of the United States on April 29, 2016, which was denied. The case was remanded to the Western District of New York and on November 2, 2016, the Court issued a case scheduling order. On January 25, 2017, the parties filed a joint motion to extend case scheduling order deadlines. The motion was granted on January 27, 2017. On May 5, 2017 the U.S. District Court for the Western District of New York approved and entered the Consent Decree jointly proposed by the EEOC and SJI, resolving all of the EEOC's claims against SJI in this litigation for various injunctive relief including but not limited to the appointment of an employment practices expert to review specific policies and practices, a compliance officer to be employed by SJI, as well as obligations relative to training, notices, reporting and record-keeping. The Consent Decree does not require an outside third party monitor or require any monetary payment. The duration of the Consent Decree is three years and three months, expiring on August 4, 2020.

On May 12, 2017, SJI received notice that a Class Action Complaint against SJI and Signet Jewelers Ltd. (improperly named as a party) was filed by Veronica Masten in the Superior Court of California, County of Los Angeles, alleging violations of various wage and hour labor laws. The claims include: (1) failure to pay overtime; (2) failure to provide meal periods; (3) failure to reimburse business expenses; (4) failure to provide itemized wage statements; (5) failure to timely pay wages; and a derivative claims for (6) unfair competition. SJI filed its Answer to the Complaint on June 13, 2017. On June 14, 2017, SJI removed this matter to the United States District Court for the Central District of California. After engaging in limited discovery, Plaintiff agreed to pursue her claims on an individual basis in a separate forum, and sought to dismiss her claims in this action without prejudice. Plaintiff filed a request for dismissal with the district court on December 18, 2017. The Court has not yet formally ruled on the dismissal, however, the Court's docket indicates that the matter is closed.

Shareholder Actions

In August 2016, two alleged Company shareholders each filed a putative class action complaint in the United States District Court for the Southern District of New York against the Company and its then-current Chief Executive Officer and current Chief Financial Officer (Nos. 16-cv-6728 and 16-cv-6861, the "S.D.N.Y. cases"). On September 16, 2016, the Court consolidated the S.D.N.Y. cases under case number 16-cv-6728. On April 3, 2017, the plaintiffs filed a second amended complaint, purportedly on behalf of persons that acquired the Company's securities on or between August 29, 2013, and February 27, 2017, naming as defendants the Company, its then-current and former Chief Executive Officers, and its current and former Chief Financial Officers. The second amended complaint alleged that the defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by, among other things, misrepresenting the Company's business and earnings by (i) failing to disclose that the Company was allegedly having issues ensuring the safety of customers' jewelry while in the Company's custody for repairs, which allegedly damaged customer confidence; (ii) making misleading statements about the Company's credit portfolio; and (iii) failing to disclose reports of sexual harassment allegations that were raised by claimants in an ongoing pay and promotion gender discrimination class arbitration (the "Arbitration"). The second amended complaint alleged that the Company's share price was artificially inflated as a result of the alleged misrepresentations and sought unspecified compensatory damages and costs and expenses, including attorneys' and experts' fees.

In March 2017, two other alleged Company shareholders each filed a putative class action complaint in the United States District Court for the Northern District of Texas against the Company and its then-current and former Chief Executive Officers (Nos. 17-cv-875 and 17-cv-923, the "N.D. Tex. cases"). Those complaints were nearly identical to each other and alleged that the defendants' statements concerning the Arbitration violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The N.D. Tex. cases were subsequently transferred to the Southern District of New York and consolidated with the S.D.N.Y. cases (the "Consolidated Action"). On July 27, 2017, the Court appointed a lead plaintiff and lead plaintiff's counsel in the Consolidated Action. On August 3, 2017, the Court ordered the lead plaintiff in the Consolidated Action to file a third amended complaint by September 29, 2017. On September 29, 2017, the lead plaintiff filed a third amended complaint that covered a putative class period of August 29, 2013, through May 24, 2017, and that asserted substantially similar claims to the second amended complaint, except that it omitted the claim based on defendants' alleged misstatements concerning the security of customers' jewelry while in the Company's custody for repairs. The defendants moved to dismiss the third amended complaint on December 1, 2017. On December 4, 2017, the Court entered an order permitting the lead plaintiff to amend its complaint as of right by December 22, 2017, and providing that the lead plaintiff would not be given any further opportunity to amend its complaint to address the issues raised in the defendants' motion to dismiss.

On December 15, 2017, Nebil Aydin filed a putative class action complaint in the United States District Court for the Southern District of New York against the Company and its current Chief Executive Officer and Chief Financial Officer (No. 17-cv-9853). The Aydin complaint alleged that the defendants made misleading statements regarding the Company's credit portfolio between August 24, 2017, and November 21, 2017, in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and sought unspecified compensatory damages and costs and expenses, including attorneys' and experts' fees. On January 7, 2018, the Aydin case was consolidated into the Consolidated Action.

On December 22, 2017, the lead plaintiff in the Consolidated Action filed its fourth amended complaint, which asserted substantially the same claims as its third amended complaint for an expanded class period of August 28, 2013, through December 1, 2017. On January 26, 2017, the defendants moved to dismiss the fourth amended complaint. This motion was fully briefed as of March 9, 2018.

On March 20, 2018, the Court granted the lead plaintiff leave to file a fifth amended complaint. On March 22, 2018, the lead plaintiff in the Consolidated Action filed its fifth amended complaint which asserts substantially the same claims as its fourth amended complaint for an expanded class period of August 29, 2013, through March 13, 2018. The prior motion to dismiss was denied as moot. The defendants motion to dismiss the fifth amended complaint is fully briefed and awaiting decision.

Derivative Action

On September 1, 2017, Josanne Aungst filed a putative shareholder derivative action entitled Aungst v. Light, et al., No. CV-2017-3665, in the Court of Common Pleas for Summit County Ohio. The complaint in this action, which purports to have been brought by Ms. Aungst on behalf of the Company, names certain current and former directors and officers of the Company as defendants and alleges claims for breach of fiduciary duty, abuse of control, and gross mismanagement. The complaint challenges certain public disclosures and conduct relating to the allegations that were raised by the claimants in the Arbitration. The complaint also alleges that the Company's share price was artificially inflated as a result of alleged misrepresentations and omissions. The complaint seeks money damages on behalf of the Company, changes to the Company's corporate governance, and other equitable relief, as well as plaintiff's legal fees and costs. The defendants' motion to dismiss the complaint is fully briefed and awaiting decision.

The Company believes that the claims brought in these shareholder actions are without merit and cannot estimate a range of potential liability, if any, at this time.

Regulatory Matters

On September 6, 2017, the Consumer Financial Protection Bureau ("CFPB") notified Signet that, in accordance with the CFPB's discretionary Notice and Opportunity to Respond and Advise ("NORA") process, the CFPB's Office of Enforcement is considering recommending that the CFPB take legal action against Signet, alleging that Signet violated §§ 1031 and 1036 of the Consumer Financial Protection Act of 2010, 12 U.S.C. §§ 5531, 5536, and the Truth in Lending Act, 15 U.S.C. § 1601 et seq., and its implementing regulation, relating to in-store: credit practices, promotions, and payment protection products. The purpose of a NORA letter is to provide a party being investigated an opportunity to present its position to the CFPB before an enforcement action is recommended or commenced. This notice stems from an inquiry that commenced in late 2016 when Signet received and responded to an initial Civil Investigative Demand. Signet has cooperated and continues to fully cooperate with the CFPB. On September 27, 2017, Signet submitted a response to the NORA letter to the CFPB, which stated its belief that the potential claims lack merit.

The Attorney General for the State of New York ("NYAG") is investigating similar issues under its jurisdiction. Signet has been cooperating with the NYAG's investigation which remains ongoing.

Signet is currently unable to predict the timing or outcome of the NORA process or NYAG investigation. Signet continues to believe that its acts and practices relating to the matters under investigation are lawful and, as such, has concluded the possibility of an unfavorable outcome was remote as of May 5, 2018.

In the ordinary course of business, Signet may be subject, from time to time, to various other proceedings, lawsuits, disputes or claims incidental to its business, which the Company believes are not significant to Signet's consolidated financial position, results of operations or cash flows.

22 . Condensed consolidating financial information

The accompanying condensed consolidating financial information has been prepared and presented pursuant to SEC Regulation S-X, Rule 3-10, "Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered." We and certain of our subsidiaries have guaranteed the obligations under certain debt securities that have been issued by Signet UK Finance plc. The following presents the condensed consolidating financial information for: (i) the indirect Parent Company (Signet Jewelers Limited); (ii) the Issuer of the guaranteed obligations (Signet UK Finance plc); (iii) the Guarantor subsidiaries, on a combined basis; (iv) the non-guarantor subsidiaries, on a combined basis; (v) consolidating eliminations and (vi) Signet Jewelers Limited and Subsidiaries on a consolidated basis. Each Guarantor subsidiary is 100% owned by the Parent Company at the date of each balance sheet presented. The Guarantor subsidiaries, along with Signet Jewelers Limited, will fully and unconditionally guarantee the obligations of Signet UK Finance plc under any such debt securities. Each entity in the consolidating financial information follows the same accounting policies as described in the condensed consolidated financial statements.

The accompanying condensed consolidating financial information has been presented on the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for the subsidiaries' cumulative results of operations, capital contributions and distributions and other changes in equity. Elimination entries include consolidating and eliminating entries for investments in subsidiaries, and intra-entity activity and balances.

Condensed Consolidated Income Statement
For the 13 weeks ended May 5, 2018
(Unaudited)

(in millions)	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Sales	$ —	$ —	$ 1,356.5	$ 124.1	$ —	**$ 1,480.6**
Cost of sales	—	—	(936.3)	(59.5)	—	**(995.8)**
Gross margin	—	—	420.2	64.6	—	**484.8**
Selling, general and administrative expenses	(0.1)	—	(444.4)	(38.3)	—	**(482.8)**
Credit transaction, net	—	—	(143.1)	—	—	**(143.1)**
Restructuring charges	—	—	(5.5)	(1.0)	—	**(6.5)**
Goodwill and intangible impairments	—	—	(448.7)	—	—	**(448.7)**
Other operating income (loss), net	(0.1)	—	22.6	(0.4)	—	**22.1**
Operating (loss) income	(0.2)	—	(598.9)	24.9	—	**(574.2)**
Intra-entity interest income (expense)	(0.7)	4.7	(44.8)	40.8	—	**—**
Interest expense, net	—	(4.9)	(4.0)	—	—	**(8.9)**
Other non-operating income	—	—	0.6	—	—	**0.6**
(Loss) income before income taxes	(0.9)	(0.2)	(647.1)	65.7	—	**(582.5)**
Income taxes	—	—	79.4	6.5	—	**85.9**
Equity in income of subsidiaries	(495.7)	—	(565.1)	(567.9)	1,628.7	**—**
Net income (loss)	$ (496.6)	$ (0.2)	$ (1,132.8)	$ (495.7)	$ 1,628.7	**$ (496.6)**
Dividends on redeemable convertible preferred shares	(8.2)	—	—	—	—	**(8.2)**
Net income (loss) attributable to common shareholders	$ (504.8)	$ (0.2)	$ (1,132.8)	$ (495.7)	$ 1,628.7	**$ (504.8)**

Condensed Consolidated Income Statement
For the 13 weeks ended April 29, 2017
(Unaudited)

(in millions)	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Sales	$ —	$ —	$ 1,325.2	$ 78.2	$ —	$ 1,403.4
Cost of sales	—	—	(895.4)	(16.8)	—	(912.2)
Gross margin	—	—	429.8	61.4	—	491.2
Selling, general and administrative expenses	(0.2)	—	(421.5)	(31.1)	—	(452.8)
Other operating income (loss), net	—	—	77.2	(0.3)	—	76.9
Operating (loss) income	(0.2)	—	85.5	30.0	—	115.3
Intra-entity interest income (expense)	—	4.7	(45.4)	40.7	—	—
Interest expense, net	—	(4.9)	(4.1)	(3.6)	—	(12.6)
(Loss) income before income taxes	(0.2)	(0.2)	36.0	67.1	—	102.7
Income taxes	—	—	(15.4)	(8.8)	—	(24.2)
Equity in income of subsidiaries	78.7	—	8.7	22.3	(109.7)	—
Net income (loss)	$ 78.5	$ (0.2)	$ 29.3	$ 80.6	$ (109.7)	$ 78.5
Dividends on redeemable convertible preferred shares	(8.2)	—	—	—	—	(8.2)
Net income (loss) attributable to common shareholders	$ 70.3	$ (0.2)	$ 29.3	$ 80.6	$ (109.7)	$ 70.3

Condensed Consolidated Statement of Comprehensive Income (Loss)
For the 13 weeks ended May 5, 2018
(Unaudited)

(in millions)	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ (496.6)	$ (0.2)	$ (1,132.8)	$ (495.7)	$ 1,628.7	**$ (496.6)**
Other comprehensive income (loss):						
Foreign currency translation adjustments	(21.7)	—	(21.5)	(0.2)	21.7	**(21.7)**
Available-for-sale securities:						
Unrealized loss [1]	(0.2)	—	—	(0.2)	0.2	**(0.2)**
Impact from adoption of new accounting pronouncements [2]	(0.8)	—	—	(0.8)	0.8	**(0.8)**
Cash flow hedges:						
Unrealized gain	1.5	—	1.5	—	(1.5)	**1.5**
Reclassification adjustment for gains to net income	(0.3)	—	(0.3)	—	0.3	**(0.3)**
Pension plan:						
Reclassification adjustment to net income for amortization of actuarial losses	0.3	—	0.3	—	(0.3)	**0.3**
Reclassification adjustment to net income for amortization of net prior service credits	(0.1)	—	(0.1)	—	0.1	**(0.1)**
Total other comprehensive income	(21.3)	—	(20.1)	(1.2)	21.3	**(21.3)**
Total comprehensive income (loss)	$ (517.9)	$ (0.2)	$ (1,152.9)	$ (496.9)	$ 1,650.0	**$ (517.9)**

(1) During the 13 weeks ended May 5, 2018, amount represents unrealized losses related to the Company's available-for-sale debt securities. During the 13 weeks ended April 29, 2017, amount represents unrealized gains related to the Company's available-for-sale debt and equity securities.
(2) Adjustment reflects the reclassification of unrealized gains related to the Company's equity security investments as of February 3, 2018 from AOCI into retained earnings associated with the adoption of ASU 2016-1.

Condensed Consolidated Statement of Comprehensive Income (Loss)
For the 13 weeks ended April 29, 2017
(Unaudited)

(in millions)	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net income (loss)	$ 78.5	$ (0.2)	$ 29.3	$ 80.6	$ (109.7)	$ 78.5
Other comprehensive income (loss):						
Foreign currency translation adjustments	0.5	—	0.5	—	(0.5)	0.5
Available-for-sale securities:						
Unrealized gain	0.2	—	—	0.2	(0.2)	0.2
Cash flow hedges:						
Unrealized gain	2.7	—	2.7	—	(2.7)	2.7
Reclassification adjustment for gains to net income	(1.4)	—	(1.4)	—	1.4	(1.4)
Pension plan:						
Reclassification adjustment to net income for amortization of actuarial losses	0.6	—	0.6	—	(0.6)	0.6
Reclassification adjustment to net income for amortization of net prior service credits	(0.3)	—	(0.3)	—	0.3	(0.3)
Total other comprehensive (loss) income	2.3	—	2.1	0.2	(2.3)	2.3
Total comprehensive income (loss)	$ 80.8	$ (0.2)	$ 31.4	$ 80.8	$ (112.0)	$ 80.8

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Condensed Consolidated Balance Sheet
May 5, 2018
(Unaudited)

(in millions)	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$ 1.3	$ 0.1	$ 102.5	$ 50.0	$ —	**$ 153.9**
Accounts receivable, held for sale	—	—	484.6	—	—	**484.6**
Accounts receivable, net	—	—	5.8	1.0	—	**6.8**
Intra-entity receivables, net	—	7.8	—	237.3	(245.1)	**—**
Other receivables	—	—	58.4	25.2	—	**83.6**
Other current assets	—	—	150.2	3.0	—	**153.2**
Income taxes	—	—	32.0	23.2	—	**55.2**
Inventories	—	—	2,360.6	68.4	—	**2,429.0**
Total current assets	1.3	7.9	3,194.1	408.1	(245.1)	**3,366.3**
Non-current assets:						
Property, plant and equipment, net	—	—	839.7	7.5	—	**847.2**
Goodwill	—	—	206.4	302.7	—	**509.1**
Intangible assets, net	—	—	268.4	74.8	—	**343.2**
Investment in subsidiaries	2,571.8	—	579.4	15.6	(3,166.8)	**—**
Intra-entity receivables, net	—	400.0	—	2,825.0	(3,225.0)	**—**
Other assets	—	—	137.1	29.9	—	**167.0**
Deferred tax assets	—	—	0.8	—	—	**0.8**
Retirement benefit asset	—	—	39.3	—	—	**39.3**
Total assets	$ 2,573.1	$ 407.9	$ 5,265.2	$ 3,663.6	$ (6,636.9)	**$ 5,272.9**
Liabilities and Shareholders' equity						
Current liabilities:						
Loans and overdrafts	$ —	$ (0.7)	$ 73.0	$ —	$ —	**$ 72.3**
Accounts payable	—	—	257.2	30.3	—	**287.5**
Intra-entity payables, net	36.3	—	208.8	—	(245.1)	**—**
Accrued expenses and other current liabilities	30.2	7.1	403.7	22.7	—	**463.7**
Deferred revenue	—	—	272.1	12.8	—	**284.9**
Total current liabilities	66.5	6.4	1,214.8	65.8	(245.1)	**1,108.4**
Non-current liabilities:						
Long-term debt	—	395.4	284.3	—	—	**679.7**
Intra-entity payables, net	—	—	3,225.0	—	(3,225.0)	**—**
Other liabilities	—	—	231.5	5.0	—	**236.5**
Deferred revenue	—	—	667.5	—	—	**667.5**
Deferred tax liabilities	—	—	57.5	16.7	—	**74.2**
Total liabilities	66.5	401.8	5,680.6	87.5	(3,470.1)	**2,766.3**
Series A redeemable convertible preferred shares	614.0	—	—	—	—	**614.0**
Total shareholders' equity (deficit)	1,892.6	6.1	(415.4)	3,576.1	(3,166.8)	**1,892.6**
Total liabilities, preferred shares and shareholders' equity	$ 2,573.1	$ 407.9	$ 5,265.2	$ 3,663.6	$ (6,636.9)	**$ 5,272.9**

Condensed Consolidated Balance Sheet
February 3, 2018

(in millions)	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$ 1.7	$ 0.1	$ 150.5	$ 72.8	$ —	$ 225.1
Accounts receivable, net	—	—	692.5	—	—	692.5
Intra-entity receivables, net	—	2.9	—	166.9	(169.8)	—
Other receivables	—	—	62.0	25.2	—	87.2
Other current assets	—	—	154.4	3.8	—	158.2
Income taxes	—	—	2.6	—	—	2.6
Inventories	—	—	2,201.3	79.2	—	2,280.5
Total current assets	1.7	3.0	3,263.3	347.9	(169.8)	3,446.1
Non-current assets:						
Property, plant and equipment, net	—	—	870.1	7.8	—	877.9
Goodwill	—	—	516.4	305.3	—	821.7
Intangible assets, net	—	—	410.9	70.6	—	481.5
Investment in subsidiaries	3,150.2	—	1,163.6	606.0	(4,919.8)	—
Intra-entity receivables, net	—	400.0	—	2,859.0	(3,259.0)	—
Other assets	—	—	140.1	31.1	—	171.2
Deferred tax assets	—	—	1.3	0.1	—	1.4
Retirement benefit asset	—	—	39.8	—	—	39.8
Total assets	$ 3,151.9	$ 403.0	$ 6,405.5	$ 4,227.8	$ (8,348.6)	$ 5,839.6
Liabilities and Shareholders' equity						
Current liabilities:						
Loans and overdrafts	$ —	$ (0.7)	$ 44.7	$ —	$ —	$ 44.0
Accounts payable	—	—	202.2	34.8	—	237.0
Intra-entity payables, net	11.3	—	158.5	—	(169.8)	—
Accrued expenses and other current liabilities	27.2	2.4	397.5	20.9	—	448.0
Deferred revenue	—	—	276.2	12.4	—	288.6
Income taxes	—	(0.2)	36.7	(16.9)	—	19.6
Total current liabilities	38.5	1.5	1,115.8	51.2	(169.8)	1,037.2
Non-current liabilities:						
Long-term debt	—	395.2	293.0	—	—	688.2
Intra-entity payables, net	—	—	3,259.0	—	(3,259.0)	—
Other liabilities	—	—	233.0	6.6	—	239.6
Deferred revenue	—	—	668.9	—	—	668.9
Deferred tax liabilities	—	—	76.7	15.6	—	92.3
Total liabilities	38.5	396.7	5,646.4	73.4	(3,428.8)	2,726.2
Series A redeemable convertible preferred shares	613.6	—	—	—	—	613.6
Total shareholders' equity	2,499.8	6.3	759.1	4,154.4	(4,919.8)	2,499.8
Total liabilities, preferred shares and shareholders' equity	$ 3,151.9	$ 403.0	$ 6,405.5	$ 4,227.8	$ (8,348.6)	$ 5,839.6

Condensed Consolidated Balance Sheet
April 29, 2017
(Unaudited)

(in millions)	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$ 1.0	$ 0.1	$ 72.9	$ 25.7	$ —	$ 99.7
Accounts receivable, net	—	—	1,726.1	0.2	—	1,726.3
Intra-entity receivables, net	—	—	87.0	—	(87.0)	—
Other receivables	—	—	62.3	26.3	—	88.6
Other current assets	0.1	—	154.0	4.9	—	159.0
Income taxes	—	—	1.8	—	—	1.8
Inventories	—	—	2,362.0	70.4	—	2,432.4
Total current assets	1.1	0.1	4,466.1	127.5	(87.0)	4,507.8
Non-current assets:						
Property, plant and equipment, net	—	—	825.6	4.2	—	829.8
Goodwill	—	—	512.5	3.6	—	516.1
Intangible assets, net	—	—	411.9	—	—	411.9
Investment in subsidiaries	3,200.8	—	734.5	616.8	(4,552.1)	—
Intra-entity receivables, net	—	407.8	—	3,637.5	(4,045.3)	—
Other assets	—	—	134.1	31.0	—	165.1
Deferred tax assets	—	—	0.5	0.1	—	0.6
Retirement benefit asset	—	—	33.9	—	—	33.9
Total assets	$ 3,201.9	$ 407.9	$ 7,119.1	$ 4,420.7	$ (8,684.4)	$ 6,465.2
Liabilities and Shareholders' equity						
Current liabilities:						
Loans and overdrafts	$ —	$ (0.7)	$ 132.2	$ —	$ —	$ 131.5
Accounts payable	—	—	170.6	7.2	—	177.8
Intra-entity payables, net	16.2	—	—	70.8	(87.0)	—
Accrued expenses and other current liabilities	30.0	7.2	343.9	19.2	—	400.3
Deferred revenue	—	—	272.1	—	—	272.1
Income taxes	—	—	36.3	(2.1)	—	34.2
Total current liabilities	46.2	6.5	955.1	95.1	(87.0)	1,015.9
Non-current liabilities:						
Long-term debt	—	394.5	317.1	600.0	—	1,311.6
Intra-entity payables, net	—	—	4,045.3	—	(4,045.3)	—
Other liabilities	—	—	200.9	5.3	—	206.2
Deferred revenue	—	—	658.6	—	—	658.6
Deferred tax liabilities	—	—	117.1	0.1	—	117.2
Total liabilities	46.2	401.0	6,294.1	700.5	(4,132.3)	3,309.5
Series A redeemable convertible preferred shares	612.3	—	—	—	—	612.3
Total shareholders' equity (deficit)	2,543.4	6.9	825.0	3,720.2	(4,552.1)	2,543.4
Total liabilities, preferred shares and shareholders' equity	$ 3,201.9	$ 407.9	$ 7,119.1	$ 4,420.7	$ (8,684.4)	$ 6,465.2

Condensed Consolidated Statement of Cash Flows
For the 13 weeks ended May 5, 2018
(Unaudited)

(in millions)	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by (used in) operating activities	$ 61.2	$ 4.9	$ (68.0)	$ 93.4	$ (63.6)	**$ 27.9**
Investing activities						
Purchase of property, plant and equipment	—	—	(25.9)	(0.2)	—	**(26.1)**
Purchase of available-for-sale securities	—	—	—	(0.4)	—	**(0.4)**
Proceeds from available-for-sale securities	—	—	—	1.1	—	**1.1**
Net cash used in investing activities	—	—	(25.9)	0.5	—	**(25.4)**
Financing activities						
Dividends paid on common shares	(18.8)	—	—	—	—	**(18.8)**
Dividends paid on redeemable convertible preferred shares	(7.8)	—	—	—	—	**(7.8)**
Intra-entity dividends paid	—	—	—	(63.6)	63.6	**—**
Repurchase of common shares	(60.0)	—	—	—	—	**(60.0)**
Repayments of term and bridge loans	—	—	(6.7)	—	—	**(6.7)**
Proceeds from revolving credit facility	—	—	40.0	—	—	**40.0**
Repayments of bank overdrafts	—	—	(13.9)	—	—	**(13.9)**
Other financing activities	(2.1)	—	—	—	—	**(2.1)**
Intra-entity activity, net	27.1	(4.9)	30.8	(53.0)	—	**—**
Net cash (used in) provided by financing activities	(61.6)	(4.9)	50.2	(116.6)	63.6	**(69.3)**
Cash and cash equivalents at beginning of period	1.7	0.1	150.5	72.8	—	**225.1**
(Decrease) increase in cash and cash equivalents	(0.4)	—	(43.7)	(22.7)	—	**(66.8)**
Effect of exchange rate changes on cash and cash equivalents	—	—	(4.3)	(0.1)	—	**(4.4)**
Cash and cash equivalents at end of period	$ 1.3	$ 0.1	$ 102.5	$ 50.0	$ —	**$ 153.9**

Condensed Consolidated Statement of Cash Flows
For the 13 weeks ended April 29, 2017
(Unaudited)

(in millions)	Signet Jewelers Limited	Signet UK Finance plc	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by (used in) operating activities	$ —	$ 4.9	$ (20.9)	$ 72.8	$ —	$ 56.8
Investing activities						
Purchase of property, plant and equipment	—	—	(56.2)	—	—	(56.2)
Investment in subsidiaries	—	—	—	—	—	—
Purchase of available-for-sale securities	—	—	—	(0.7)	—	(0.7)
Proceeds from available-for-sale securities	—	—	—	0.3	—	0.3
Net cash used in investing activities	—	—	(56.2)	(0.4)	—	(56.6)
Financing activities						
Dividends paid on common shares	(17.8)	—	—	—	—	(17.8)
Dividends paid on redeemable convertible preferred shares	(11.3)	—	—	—	—	(11.3)
Repayments of term loan	—	—	(4.5)	—	—	(4.5)
Proceeds from securitization facility	—	—	—	666.5	—	666.5
Repayments of securitization facility	—	—	—	(666.5)	—	(666.5)
Proceeds from revolving credit facility	—	—	128.0	—	—	128.0
Repayments of revolving credit facility	—	—	(121.0)	—	—	(121.0)
Proceeds from bank overdrafts	—	—	31.2	—	—	31.2
Other financing activities	(1.0)	—	—	—	—	(1.0)
Intra-entity activity, net	29.4	(4.9)	48.9	(73.4)	—	—
Net cash (used in) provided by financing activities	(0.7)	(4.9)	82.6	(73.4)	—	3.6
Cash and cash equivalents at beginning of period	1.7	0.1	70.3	26.6	—	98.7
(Decrease) increase in cash and cash equivalents	(0.7)	—	5.5	(1.0)	—	3.8
Effect of exchange rate changes on cash and cash equivalents	—	—	(2.9)	0.1	—	(2.8)
Cash and cash equivalents at end of period	$ 1.0	$ 0.1	$ 72.9	$ 25.7	$ —	$ 99.7

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements which are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, based upon management’s beliefs and expectations as well as on assumptions made by and data currently available to management, appear in a number of places throughout this document and include statements regarding, among other things, Signet’s results of operation, financial condition, liquidity, prospects, growth, strategies and the industry in which Signet operates. The use of the words “expects,” “intends,” “anticipates,” “estimates,” “predicts,” “believes,” “should,” “potential,” “may,” “forecast,” “objective,” “plan,” or “target,” and other similar expressions are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties, including but not limited to our ability to implement Signet's transformation initiative, the effect of federal tax reform and adjustments relating to such impact on the completion of our quarterly and year-end financial statements, changes in interpretation or assumptions, and/or updated regulatory guidance regarding the U.S. tax reform, the benefits and outsourcing of the credit portfolio sale including technology disruptions, future financial results and operating results, the timing and expected completion of the second phase of the credit outsourcing, the impact of weather-related incidents on Signet’s business, the benefits and integration of R2Net, general economic conditions, potential regulatory changes or other developments following the United Kingdom’s announced intention to negotiate a formal exit from the European Union, a decline in consumer spending, the merchandising, pricing and inventory policies followed by Signet, the reputation of Signet and its brands, the level of competition in the jewelry sector, the cost and availability of diamonds, gold and other precious metals, regulations relating to customer credit, seasonality of Signet’s business, financial market risks, deterioration in customers’ financial condition, exchange rate fluctuations, changes in Signet’s credit rating, changes in consumer attitudes regarding jewelry, management of social, ethical and environmental risks, the development and maintenance of Signet’s omni-channel retailing, security breaches and other disruptions to Signet’s information technology infrastructure and databases, inadequacy in and disruptions to internal controls and systems, changes in assumptions used in making accounting estimates relating to items such as extended service plans and pensions, risks related to Signet being a Bermuda corporation, the impact of the acquisition of Zale Corporation on relationships, including with employees, suppliers, customers and competitors, an adverse decision in legal or regulatory proceedings, deterioration in the performance of individual businesses or of the Company's market value relative to its book value, resulting in impairments of fixed assets or intangible assets or other adverse financial consequences, including tax consequences related thereto, especially in view of the Company’s recent market valuation and our ability to successfully integrate Zale Corporation’s operations and to realize synergies from the transaction.

For a discussion of these and other risks and uncertainties which could cause actual results to differ materially from those expressed in any forward looking statement, see the “Risk Factors” section of Signet’s Fiscal 2018 Annual Report on Form 10-K filed with the SEC on April 2, 2018 and Part II, Item 1A of this Form 10-Q. Signet undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

OVERVIEW

Signet Jewelers Limited (“Signet” or the “Company”) is the world’s largest retailer of diamond jewelry. Signet is incorporated in Bermuda and its address and telephone number are shown on the cover of this document. Its corporate website is www.signetjewelers.com, from where documents that the Company is required to file or furnish with the US Securities and Exchange Commission (“SEC”) may be viewed or downloaded free of charge.

During the first quarter of Fiscal 2019, the Company realigned its organizational structure. The new structure allows for further integration of operational and product development processes and support growth strategies. In accordance with this organizational change, the Company, with 3,528 stores and kiosks as of May 5, 2018 , now manages its business by geography, a description of which follows:

- The North America segment operated 2,886 locations in the US and 143 locations in Canada as of May 5, 2018 .
    - In the US, the segment primarily operates in malls and off-mall locations under the following banners: Kay (Kay Jewelers and Kay Outlet); Zales (Zales Jewelers and Zales Outlet); Jared (Jared The Galleria of Jewelry and Jared Vault); and a variety of mall-based regional banners. Additionally, in the US, the segment operates mall-based kiosks under the Piercing Pagoda banner and the JamesAllen.com website (“James Allen”), which was acquired in the R2Net acquisition.
    - In Canada, the segment primarily operates under the Peoples banner (Peoples Jewellers), as well as the Mappins Jewellers regional banner.
    - The North America segment is entirely comprised of the Sterling Jewelers and Zale divisions reported under the Company’s previous reportable segment structure.
- The International segment operated 499 stores in the United Kingdom, Republic of Ireland and Channel Islands as of May 5, 2018 . The segment primarily operates in shopping malls and off-mall locations under the H.Samuel and Ernest Jones banners. The International segment is entirely comprised of the UK Jewelry division reported under the Company’s previous reportable segment structure.

Certain company activities (e.g. diamond sourcing) are managed as a separate operating segment and are aggregated with unallocated corporate administrative functions in the "Other" segment for financial reporting purposes. The Company's diamond sourcing function includes its diamond polishing factory in Botswana. See Note 6 of Item 1 for additional information regarding the Company's reportable segments.

Non-GAAP measures

Signet provides certain non-GAAP information in reporting its financial results to give investors additional data to evaluate its operations. Management does not, nor does it suggest investors should, consider such non-GAAP measures in isolation from, or in substitute for, financial information prepared in accordance with US GAAP. Such measures are described and reconciled to the most comparable US GAAP measure below. The following discussion of results of operations highlights, as necessary, the significant changes in operating results arising from these items and transactions. However, unusual items or transactions may occur in any period. Accordingly, investors and other financial statement users individually should consider the types of events and transactions that have affected operating trends.

1. Net cash (debt)

Net cash (debt) is the total of cash and cash equivalents less loans, overdrafts and long-term debt. Management considers this metric to be helpful in understanding the total indebtedness of the Company after consideration of liquidity available from cash balances on-hand.

(in millions)	**May 5, 2018**	**February 3, 2018**	**April 29, 2017**
Cash and cash equivalents	**$ 153.9**	$ 225.1	$ 99.7
Loans and overdrafts	**(72.3)**	(44.0)	(131.5)
Long-term debt	**(679.7)**	(688.2)	(1,311.6)
Net debt	**$ (598.1)**	$ (507.1)	$ (1,343.4)

2. Free cash flow

Free cash flow is a non-GAAP measure defined as the net cash provided by operating activities less purchases of property, plant and equipment. Management considers this helpful in understanding how the business is generating cash from its operating and investing activities that can be used to meet the financing needs of the business. Free cash flow is an indicator used by management frequently in evaluating its overall liquidity and determining appropriate capital allocation strategies. Free cash flow does not represent the residual cash flow available for discretionary expenditure.

	13 weeks ended	
(in millions)	**May 5, 2018**	**April 29, 2017**
Net cash provided by operating activities	**$ 27.9**	$ 56.8
Purchase of property, plant and equipment	**(26.1)**	(56.2)
Free cash flow	**$ 1.8**	$ 0.6

3. Earnings before interest, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA

EBITDA is a non-GAAP measure defined as earnings before interest and income taxes (operating income), depreciation and amortization. EBITDA is an important indicator of operating performance as it excludes the effects of financing and investing activities by eliminating the effects of interest, depreciation and amortization costs. Adjusted EBITDA is a non-GAAP measure which further excludes the impact of significant and unusual items which management believes are not necessarily reflective of operational performance during a period. Management believes these financial measures are helpful to enhance investors' ability to analyze trends in the business and evaluate performance relative to other companies. Management also utilizes these metrics to evaluate its current credit profile, which is a view consistent with rating agency methodologies.

	13 weeks ended	
(in millions)	**May 5, 2018**	**April 29, 2017**
Net (loss) income	**$ (496.6)**	$ 78.5
Income taxes	**(85.9)**	24.2
Other non-operating income	**(0.6)**	—
Interest expense, net	**8.9**	12.6
Depreciation and amortization	**49.8**	50.0
Amortization of unfavorable leases and contracts	**(2.0)**	(4.6)
EBITDA	**$ (526.4)**	$ 160.7
Credit transaction, net	**143.1**	—
Restructuring charges	**6.5**	—
Goodwill and intangible impairments	**448.7**	—
Adjusted EBITDA	**$ 71.9**	$ 160.7

4. Non-GAAP operating income

Non-GAAP operating income is a non-GAAP measure defined as operating (loss) income excluding the impact of significant and unusual items which management believes are not necessarily reflective of operational performance during a period. Management finds the information useful when analyzing financial results in order to appropriately evaluate the performance of the business without the impact of significant and unusual items. In particular, management believes the consideration of measures that exclude such expenses can assist in the comparison of operational performance in different periods which may or may not include such expenses.

	13 weeks ended	
(in millions)	**May 5, 2018**	**April 29, 2017**
Operating (loss) income	**$ (574.2)**	$ 115.3
Credit transaction, net	**143.1**	—
Restructuring charges	**6.5**	—
Goodwill and intangible impairments	**448.7**	—
Non-GAAP operating income	**$ 24.1**	$ 115.3

RESULTS OF OPERATIONS SUMMARY

The following should be read in conjunction with the financial statements and related notes in Item 1 of this Quarterly Report on Form 10-Q, as well as the financial and other information included in Signet's Fiscal 2018 Annual Report on Form 10-K. Same store sales are based on sales from stores which have been open for at least 12 months. Same store sales also include e-commerce sales for the period and comparative figures from the anniversary of the launch of the relevant website.

Year to Date Summary

- Same store sales: Down 0.1% .
- Total sales: $1,480.6 million , increased 5.5% .
- Operating (loss) income: $(574.2) million , down $689.5 million including the impact of a non-cash impairment charge related to goodwill and intangibles, loss recognized on held for sale non-prime receivables and restructuring charges.

  Non-GAAP [(1)] operating income: $24.1 million.
- Diluted (loss) earnings per share: $(8.48) , including the impact of a non-cash impairment charge related to goodwill and intangibles of ($6.44), loss recognized on held for sale non-prime receivables of ($2.05) and restructuring charges of ($0.09).
- Company continues to expect sale of non-prime receivables to close in second quarter of Fiscal 2019.

(1) Non-GAAP measure.

	Year to Date			
	Fiscal 2019		Fiscal 2018	
(in millions)	*$*	*% of sales*	*$*	*% of sales*
Sales	**$ 1,480.6**	**100.0 %**	$ 1,403.4	100.0 %
Cost of sales	**(995.8)**	**(67.3)**	(912.2)	(65.0)
Gross margin	**484.8**	**32.7**	491.2	35.0
Selling, general and administrative expenses	**(482.8)**	**(32.6)**	(452.8)	(32.3)
Credit transaction, net	**(143.1)**	**(9.7)**	—	—
Restructuring charges	**(6.5)**	**(0.4)**	—	—
Goodwill and intangible impairments	**(448.7)**	**(30.3)**	—	—
Other operating income, net	**22.1**	**1.5**	76.9	5.5
Operating (loss) income	**(574.2)**	**(38.8)**	115.3	8.2
Interest expense, net	**(8.9)**	**(0.5)**	(12.6)	(0.9)
Other non-operating income	**0.6**	**—**	—	—
(Loss) income before income taxes	**(582.5)**	**(39.3)**	102.7	7.3
Income taxes	**85.9**	**5.8**	(24.2)	(1.7)
Net (loss) income	**$ (496.6)**	**(33.5)%**	$ 78.5	5.6 %
Dividends on redeemable convertible preferred shares	**(8.2)**	**nm**	(8.2)	nm
Net (loss) income attributable to common shareholders	**$ (504.8)**	**(34.1)%**	$ 70.3	5.0 %

nm Not meaningful.

Year to date sales

Signet's total sales increased 5.5% to $1,480.6 million compared to $1,403.4 million in the prior year. Total sales at constant exchange rates increased 4.3% . Signet's same store sales decreased 0.1% , compared to a decrease of 11.5% in the prior year. The increase in total sales during the period were due to the addition of James Allen, which was acquired as part of R2Net acquisition in September 2017 (see Note 5 within Item 1 of this form 10-Q), a calendar shift due to the 53rd week in Fiscal 2018, the application of new revenue recognition accounting standards and foreign exchange translation benefits partially offset by the impact of net store closures and same store sales performance.

E-commerce sales in the first quarter, including James Allen, were $146.5 million , up $65.5 million or 80.9% , compared to $81.0 million in the prior year. James Allen sales were $53.3 million in the quarter, up 29.4% compared to the prior year quarter, and had a positive 85 basis point impact on total company same store sales. E-commerce sales increased across all segments and accounted for 9.9% of first quarter sales, up from 5.8% of total sales in the prior year first quarter.

The breakdown of the sales performance is set out in the table below:

	Change from previous year					
Year to date Fiscal 2019	**Same store sales (1)**	**Non-same store sales, net**	**Total sales at constant exchange rate**	**Exchange translation impact**	**Total sales as reported**	**Total sales (in millions)**
Kay	(1.9)%	5.0 %	3.1 %	—%	3.1 %	$ 583.2
Zales	8.9 %	(1.0)%	7.9 %	—%	7.9 %	$ 298.1
Jared	(7.8)%	5.6 %	(2.2)%	—%	(2.2)%	$ 267.5
Piercing Pagoda	7.2 %	(0.5)%	6.7 %	—%	6.7 %	$ 74.4
James Allen (2)	29.4 %					$ 53.3
Peoples	4.6 %	(0.1)%	4.5 %	4.4%	8.9 %	$ 46.7
Regional banners	(11.2)%	(35.9)%	(47.1)%	0.2%	(46.9)%	$ 24.6
North America segment	**0.6 %**	**5.0 %**	**5.6 %**	**0.2%**	**5.8 %**	**$ 1,347.8**
H.Samuel	(5.4)%	(1.4)%	(6.8)%	11.1%	4.3 %	$ 63.2
Ernest Jones	(7.9)%	2.6 %	(5.3)%	11.1%	5.8 %	$ 65.5
International segment	**(6.7)%**	**0.6 %**	**(6.1)%**	**11.2%**	**5.1 %**	**$ 128.7**
Other (3)						$ 4.1
Signet	**(0.1)%**	**4.4 %**	**4.3 %**	**1.2%**	**5.5 %**	**$ 1,480.6**

(1) The 53rd week in Fiscal 2018 has resulted in a shift in Fiscal 2019, as the fiscal year began a week later than the previous fiscal year. As such, same store sales for Fiscal 2019 are being calculated by aligning the weeks of the quarter to the same weeks in the prior year. Total reported sales continue to be calculated based on the reported fiscal periods.
(2) Same store sales presented for James Allen to provide comparative performance measure.
(3) Includes sales from Signet's diamond sourcing initiative.

Average merchandise transaction value ("ATV") is defined as net merchandise sales on a same store basis divided by the total number of customer transactions.

	Average Merchandise Transaction Value (1)(2)				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
Year to date	**Fiscal 2019**	**Fiscal 2018**	**Fiscal 2019**	**Fiscal 2018**	**Fiscal 2019**	**Fiscal 2018**
Kay	$ 492	$ 464	6.7 %	2.7%	(6.7)%	(16.1)%
Zales	$ 491	$ 484	1.9 %	2.1%	8.5 %	(17.1)%
Jared	$ 653	$ 593	7.2 %	6.1%	(13.4)%	(16.2)%
Piercing Pagoda	$ 67	$ 62	6.3 %	6.9%	(1.0)%	(8.2)%
James Allen (3)	$ 3,709	$ 3,814	(2.8)%	na	33.4 %	na
Peoples (4)	C$ 455	C$ 454	(0.9)%	7.8%	5.5 %	(13.5)%
Regional banners	$ 490	$ 448	8.4 %	5.7%	(16.3)%	(25.6)%
North America segment	**$ 378**	**$ 347**	**5.0 %**	**1.2%**	**(2.9)%**	**(14.1)%**
H.Samuel (5)	£ 86	£ 83	3.6 %	9.2%	(7.6)%	(14.1)%
Ernest Jones (5)	£ 371	£ 347	6.0 %	16.7%	(11.3)%	(15.5)%
International segment (5)	**£ 141**	**£ 136**	**2.9 %**	**12.4%**	**(8.3)%**	**(14.4)%**

(1) Net merchandise sales within the North America segment include all merchandise product sales, net of discounts and returns. In addition, excluded from net merchandise sales are sales tax in the US, repair, extended service plan, insurance, employee and other miscellaneous sales.
(2) Net merchandise sales within the International segment include all merchandise product sales, including value added tax ("VAT"), net of discounts and returns. In addition, excluded from net merchandise sales are repairs, warranty, insurance, employee and other miscellaneous sales. As a result, the sum of the changes will not agree to change in same store sales.
(3) ATV presented for James Allen to provide comparative performance measure.
(4) Amounts for Peoples stores are denominated in Canadian dollars.
(5) Amounts for the International segment, including H.Samuel and Ernest Jones, are denominated in British pounds.
na Not applicable as James Allen was acquired as part of R2Net acquisition in September 2017. See Note 5 for additional information.

North America sales

The North America segment's total sales were $1,347.8 million compared to $1,274.4 million in the prior year, up 5.8% . Same store sales increased 0.6% compared to a decrease of 12.8% in the prior year. North America's average transaction value ("ATV") increased 5.0% , while the number of transactions decreased 2.9% .

Same store sales results were positively impacted by 95 basis points due to James Allen sales growth and 195 basis points due to a planned shift in timing of promotions. Same store sales were negatively impacted by 115 basis points as a result of credit outsourcing transition issues. Same store sales increased at Zales and Piercing Pagoda by 8.9% and 7.2% respectively. Kay same store sales decreased 1.9%, including 430 basis point benefit from a planned shift in timing of promotions and Jared same store sales decreased 7.8%, including a negative impact of 180 basis points due to a planned shift in the timing of promotions. Bridal and Fashion sales increased in the quarter as they benefited from a greater percentage of newness in product assortment, offset by declines in the Other product category driven by a strategic reduction of owned brand beads. Bridal performance was driven by strength in solitaires, the Enchanted Disney Fine Jewelry, Neil Lane and Vera Wang Love collections partially offset by declines in the Ever Us collection. Fashion performance was primarily driven by gold jewelry items and new fashion rings.

International sales

The International segment's total sales increased 5.1% to $128.7 million compared to $122.5 million in the prior year and decreased 6.1% at constant exchange rates. Same store sales decreased 6.7% compared to a decrease of 3.5% in the prior year. The decreases in same store sales were due primarily to lower sales in diamond jewelry and fashion watches, partially offset by higher sales in prestige watches and e-commerce. In the International segment, the ATV increased 2.9% , while the number of transactions decreased 8.3% .

Cost of sales and gross margin

In the year to date period, gross margin was $484.8 million or 32.7% of sales compared to $491.2 million or 35.0% of sales in the prior year comparable period. The decline in gross margin rate wase driven principally by a negative 60 basis point impact related to James Allen which carries a lower gross margin rate, a negative 70 basis point impact from the discontinuation of credit insurance, a negative 50 basis point impact from higher year over year bad debt expense, a negative 20 basis point impact from shifts of promotions into the first quarter and a negative 10 basis point impact related to adopting new accounting revenue recognition standards.

Selling, general and administrative expenses ("SGA")

In the year to date period, SGA was $482.8 million or 32.6% of sales compared to $452.8 million or 32.3% of sales in prior year comparable period. The increase in dollars was primarily attributable to increased advertising expense of $12.0 million and a $9.0 million increase in incentive compensation expense, which included $6.0 million of one-time cash awards to non-managerial hourly team members. In addition, SGA was impacted by credit outsourcing costs of $24.5 million, which were partially offset by $12.4 million of savings related to in-house credit operations. Increases in SGA, including the impact of foreign exchange, were partially offset by transformation cost savings.

Credit transaction, net

In the year to date period, the Company recognized charges of $143.1 million as a result of entering into a definitive agreement to sell all eligible non-prime in-house accounts receivables. This included total valuation losses of $141.0 million representing adjustments to the asset fair value as a result of entering into the definitive agreement. This accounting treatment is required under US GAAP and will continue to occur until the transaction closes which is expected to occur in the second quarter of Fiscal 2019. In addition, the Company incurred other transaction-related costs of $2.1 million . See Note 4 of Item 1 for additional information.

Restructuring charge

During the first quarter of Fiscal 2019, Signet launched a three -year comprehensive transformation plan, the "Signet Path to Brilliance" plan (the "Plan"), to reposition the Company to be a share gaining, OmniChannel jewelry category leader. Restructuring charges of $6.5 million were recognized in the 13 weeks ended May 5, 2018 , primarily related to severance and professional fees for consulting services related to the Plan. See Note 7 of Item 1 for additional information.

Goodwill and intangible impairments

The Company recorded a non-cash goodwill and intangible asset impairment pre-tax charge of $448.7 million in the 13 weeks ended May 5, 2018 which will have no impact on the Company's day to day operations or liquidity. The charge is related to the write down of goodwill and intangible assets recognized in the North America segment as part of the Zale Corporation acquisition, as well as goodwill associated with the acquisition of Ultra Stores, Inc. that has historically been included in our legacy Sterling division.

The decline in the Company's market capitalization during the thirteen weeks ended May 5, 2018 created a triggering event for impairment assessment purposes. As part of the assessment, it was determined that an increase in the discount rate applied in the valuation was required. This higher discount rate, in conjunction with revised long-term projections associated with finalizing certain initial aspects of our Path to Brilliance transformation plan in the first quarter, resulted in lower than previously projected long-term future cash flows for these businesses, which required an adjustment to the goodwill and intangible asset balances. See Note 15 of Item 1 for additional information on the impairments.

Other operating income, net

In the year to date period, other operating income, net was $22.1 million or 1.5% of sales compared to $76.9 million or 5.5% of sales in the prior year period. The year-over-year decrease is primarily due to the sale of the prime accounts receivable in the third quarter of Fiscal 2018, which results in less interest income earned from a smaller receivable portfolio.

Operating (loss) income

In the year to date period, operating (loss) income was $(574.2) million or 38.8% of sales compared to $115.3 million or 8.2% of sales in the prior year. The operating income margin decline was driven by the goodwill and intangible impairment charge, a loss related to marking the non-prime receivables at fair value upon reclassification to held for sale including transaction costs, and restructuring charges due to severance and professional fees related to the Path to Brilliance transformation plan noted above. Additionally, the operating income margin decline was impacted by a $69 million impact from the credit outsourcing transaction due to the loss of finance charge income and higher bad debt expense, the impact of the discontinuation of credit insurance and higher SGA expense. These declines were partially offset by sales leverage and transformation cost savings. Signet's operating income consisted of the following components:

	Year to date			
	Fiscal 2019		Fiscal 2018	
(in millions)	$	% of segment sales	$	% of segment sales
North America segment	**$ (537.3)** [(1)]	**(39.9)%**	$ 134.8	10.6 %
International segment	**(7.6)**	**(5.9)%**	(2.5)	(2.0)%
Other	**(29.3)** [(2)]	**nm**	(17.0)	nm
Operating (loss) income	**$ (574.2)**	**(38.8)%**	$ 115.3	8.2 %

(1) Fiscal 2019 includes $448.7 million related to the goodwill and intangible impairments recognized during the first quarter and $141.0 million of charges related to the definitive agreements to sell all eligible non-prime in-house accounts receivable. See Notes 15 and 4, respectively, of Item 1 for additional information. Operating income was also negatively impacted by the sale of the prime accounts receivable in the third quarter of Fiscal 2018, which results in less interest income earned from a smaller receivable portfolio.

(2) Fiscal 2019 includes restructuring charges of $6.5 million related to the "Signet Path to Brilliance" plan initiated in the current fiscal year and charges of $2.1 million related to credit transaction costs. See Note 4 and Note 7 of Item 1 for additional information.

nm Not meaningful.

Interest expense, net

In the year to date period, net interest expense was $8.9 million compared to $12.6 million in the prior year. The weighted average interest rate for the Company's debt outstanding in the current year was 3.8% compared to 3.1% in the prior year comparable period.

Income taxes

In the year to date period, income tax benefit was $85.9 million , an effective tax rate ("ETR") of 14.8% , compared to income tax expense of $24.2 million , an ETR of 23.6% in the prior year comparable period.

The ETR for the first quarter is driven by the mix of pre-tax income by jurisdiction. The Company realized an ETR during the first quarter for Fiscal 2019 of 14.8% compared to 23.6% for Fiscal 2018 mainly due to the benefit of losses in the US recognized during the first quarter as well as the benefit from global reinsurance and financing arrangements, including certain intra-entity debt agreements which mature on various dates between fiscal year 2022 and 2027, partially offset by the unfavorable impact of the impairment of goodwill.

Earnings (loss) per share ("EPS")

As discussed in Notes 8 and 10 of Item 1, the Company issued preferred shares on October 5, 2016 which include a cumulative dividend right and may be converted into common shares. The Company's computation of diluted EPS includes the effect of potential common shares for outstanding awards issued under the Company's share-based compensation plans and preferred shares upon conversion, if dilutive. In computing diluted EPS, the Company also adjusts the numerator used in the basic EPS computation, subject to anti-dilution requirements, to add back the dividends (declared or cumulative undeclared) applicable to the preferred shares.

For the year to date period, diluted EPS were a loss of $(8.48) compared to earnings of $1.03 in the prior year. The weighted average diluted number of common shares outstanding was 59.5 million compared to 68.2 million in the prior year. For the year to date periods of Fiscal 2019 and Fiscal 2018, the dilutive effect related to preferred shares was excluded from the earnings per share computation as the preferred shares were anti-dilutive. Diluted EPS for the first quarter of Fiscal 2019 includes a loss of $(6.44) related to the goodwill and intangible impairments, a loss of $(2.05) related to the impact of non-prime receivables which were reclassified as held for sale in the quarter and a loss of $(0.09) related to the Path to Brilliance transformation plan.

Dividends per share

In the year to date period, dividends of $0.37 per common share were declared by the Board of Directors compared to $0.31 in the prior year comparable period.

In the first quarter of Fiscal 2019 and Fiscal 2018, dividends of $12.50 per preferred share were declared by the Board of Directors.

LIQUIDITY AND CAPITAL RESOURCES

Summary cash flow

The following table provides a summary of Signet's cash flow activity for the first quarter of Fiscal 2019 and Fiscal 2018 :

	13 weeks ended	
(in millions)	**May 5, 2018**	**April 29, 2017**
Net cash provided by operating activities	**$ 27.9**	$ 56.8
Net cash used in investing activities	**(25.4)**	(56.6)
Net cash (used in) provided by financing activities	**(69.3)**	3.6
(Decrease) increase in cash and cash equivalents	**$ (66.8)**	$ 3.8
Cash and cash equivalents at beginning of period	**$ 225.1**	$ 98.7
(Decrease) increase in cash and cash equivalents	**(66.8)**	3.8
Effect of exchange rate changes on cash and cash equivalents	**(4.4)**	(2.8)
Cash and cash equivalents at end of period	**$ 153.9**	$ 99.7

Operating activities

Net cash provided by operating activities was $27.9 million compared to $56.8 million in the prior year comparable period.

- Net loss was $496.6 million compared to net income of $78.5 million , a decrease of $575.1 million .
- Non-cash goodwill and intangible impairment charges of $448.7 million were recorded related to an interim impairment assessment performed during the 13 weeks ended May 5, 2018.
- Depreciation and amortization decreased $0.2 million to $49.8 million from $50.0 million in the prior year comparable period.
- Cash provided by accounts receivable totaled $59.9 million , including $40.4 million generated by receivables held for investment, including in-house finance receivables prior to reclassification to held for sale, and $19.5 million related to the in-house finance receivable portfolio subsequent to the reclassification to held for sale. This compares to $132.0 million of cash provided by a decrease in accounts receivable in the prior year comparable period. The changes in accounts receivable are primarily driven by the North America in-house credit program.

  During the first quarter of Fiscal 2019, the payment plans participation rate was 49.7% compared to 53.4% in the prior year comparable period. These rates reflect activity for in-house and outsourced credit program customers in North America, including legacy Sterling Jewelers, Zale Jewelry and Piercing Pagoda customers, as well as lease purchase customers. The decline in participation rate was driven by a continued trend of lower credit applications and a resulting lower number of approved credit applicants. The Company is expected to complete its transition to an outsourced credit structure during the second quarter of Fiscal 2019.

	13 weeks ended	
	May 5, 2018	**April 29, 2017**
Total North America sales (excluding James Allen) [(1)] (millions)	**$ 1,294.5**	$ 1,274.4
Credit and lease purchase sales (millions)	**$ 643.1**	$ 681.0
Credit and lease purchase sales as % of total North America sales [(1)(2)]	**49.7%**	53.4%

(1) Excludes James Allen sales totaling $53.3 million during the 13 weeks ended May 5, 2018 as in-house credit was not available to James Allen customers during the period. Additionally, see Note 5 of Item 1 for additional information regarding the acquisition of R2Net in September 2017.

(2) See Note 13 of Item 1 for additional information.

Below is a summary of key statistics related to the North America credit program. The credit portfolio impact presented in the table reflects only the activity related to the legacy Sterling Jewelers customer in-house finance receivables, which is consistent with prior periods. Additionally, with the reclassification of the remaining in-house finance receivable portfolio to held for sale during the first quarter of Fiscal 2019, there will be no additional impact recognized in future periods. See Note 4 of Item 1 for additional information regarding the outsourcing of Signet's credit portfolio, as well as Note 13 for additional information related to the in-house finance receivables recognized by the Company at the end of the first quarter of Fiscal 2019 and Fiscal 2018.

	13 weeks ended	
Credit portfolio impact:	**May 5, 2018**	**April 29, 2017**
Net bad debt expense (millions) (1)	**$ (50.4)**	$ (42.6)
Late charge income (millions)	**$ 10.3**	$ 7.7
Interest income from in-house customer finance programs (millions) (2)	**$ 21.4**	$ 73.9
	$ (18.7)	$ 39.0

(1) Net bad expense is defined as the charge for the provision for bad debt less recoveries.
(2) Primary component of other operating income, net, on the condensed consolidated income statements.

- Cash used for inventory and inventory-related items was $162.4 million compared to cash provided of $17.7 million in the prior year comparable period. Total inventory as of May 5, 2018 was $2,429.0 million compared to the prior year comparable quarter balance of $2,432.4 million . Cash used for inventory increased by $180.1 million from prior year primarily due to investments in new merchandise related to bridal initiatives across banners.

- Cash provided by accounts payable was $55.7 million compared to a cash used of $74.0 million in the prior year comparable period primarily driven by timing of payments made in connection with inventory purchases.

- Cash provided by accrued expenses and other liabilities was $15.3 million compared to cash used of $77.7 million in the prior year comparable period primarily driven by the timing of payments associated with payroll-related items including incentive compensation and advertising.

Investing activities

Net cash used in investing activities in the 13 weeks ended May 5, 2018 was $25.4 million compared to $56.6 million in the prior year comparable period. Cash used in each period was primarily for capital additions associated with new store and remodels of existing stores, as well as capital investments in IT.

Stores opened and closed in the 13 weeks ended May 5, 2018 :

Store count by banner	February 3, 2018	Openings	Closures	May 5, 2018
Kay	1,247	8	(7)	1,248
Zales	704	1	(5)	700
Peoples	129	1	(2)	128
Jared	274	—	(2)	272
Piercing Pagoda	598	—	(7)	591
Regional banners	100	—	(10)	90
North America segment (1)	3,052	10	(33)	3,029
H.Samuel	301	—	(4)	297
Ernest Jones	203	—	(1)	202
International segment (1)	504	—	(5)	499
Signet	3,556	10	(38)	3,528

(1) The annual net change in selling square footage for Fiscal 2018 for the North America and International segments were (1.9%) and (0.4%), respectively.

Planned store count changes for Fiscal 2019 :

During Fiscal 2019 , Signet expects net store closures of approximately 200 stores, as part of the three-year Signet Path to Brilliance transformation plan. Store closures are primarily focused on reducing the Company's mall-based exposure and exiting regional brands.

Financing activities

Net cash used in financing activities in the 13 weeks ended May 5, 2018 was $69.3 million , comprised primarily of $60.0 million for the repurchase of common shares, $26.6 million for dividend payments on common and preferred shares, and $20.6 million for the repayments of bank overdrafts and the term loan. Offsetting the cash used for the share repurchases, dividend payments and debt repayment was $40.0 million of net proceeds drawn on the revolving credit facility.

Net cash provided by financing activities in the 13 weeks ended April 29, 2017 was $3.6 million , comprised primarily of $38.2 million of proceeds from short-term borrowings and the revolving credit facility, offset in part by $4.5 million of principal payments on the term loan, as well as $29.1 million for dividend payments on common and preferred shares.

Details of the major items within financing activities are discussed below:

Share repurchases

The Company's share repurchase activity was as follows:

Year to date		Fiscal 2019			Fiscal 2018		
(in millions, except per share amounts)	Amount authorized	Shares repurchased	Amount repurchased	Average repurchase price per share	Shares repurchased	Amount repurchased	Average repurchase price per share
2017 Program [1]	$ 600.0	**0.2**	**$ 9.4**	**$ 38.86**	n/a	n/a	n/a
2016 Program [2]	$ 1,375.0	**1.3**	**$ 50.6**	**$ 39.76**	—	$ —	$ —
Total		**1.5**	**$ 60.0**	**$ 39.62**	—	$ —	$ —

(1) The 2017 Program had $590.6 million remaining as of May 5, 2018 .
(2) The 2016 Program was completed in March 2018.
n/a Not applicable as the 2017 Program was authorized by the Board of Directors in June 2017.

Dividends on common shares

Dividends declared on common shares during the 13 weeks ended May 5, 2018 and April 29, 2017 were as follows:

	Fiscal 2019		Fiscal 2018	
(in millions, except per share amounts)	Cash dividend per share	Total dividends	Cash dividend per share	Total dividends
First quarter [1]	**$ 0.37**	**$ 21.8**	$ 0.31	$ 21.3

(1) Signet's dividend policy for common shares results in the dividend payment date being a quarter in arrears from the declaration date. As a result, as of May 5, 2018 and April 29, 2017 , $21.8 million and $21.3 million , respectively, has been recorded in accrued expenses and other current liabilities in the condensed consolidated balance sheets reflecting the cash dividends declared on common shares for the first quarter of Fiscal 2019 and Fiscal 2018 , respectively.

Dividends on preferred shares

Dividends declared on preferred shares during the 13 weeks ended May 5, 2018 and April 29, 2017 were as follows:

	Fiscal 2019	Fiscal 2018
(in millions)	Total cash dividends	Total cash dividends
First quarter [1]	**$ 7.8**	$ 7.8

(1) Signet's preferred shares dividends results in the dividend payment date being a quarter in arrears from the declaration date. As a result, as of May 5, 2018 and April 29, 2017 , $7.8 million and $7.8 million , respectively, has been recorded in accrued expenses and other current liabilities in the condensed consolidated balance sheets reflecting the cash dividends on preferred shares declared for the first quarter of Fiscal 2019 and Fiscal 2018 .

There were no cumulative undeclared dividends on the preferred shares that reduced net (loss) income attributable to common shareholders during the 13 weeks ended May 5, 2018 or the 13 weeks ended April 29, 2017 . See Note 8 of Item 1 for additional information regarding the dividend rights of preferred shareholders.

Movement in cash and indebtedness

Cash and cash equivalents at May 5, 2018 were $153.9 million compared to $99.7 million as of April 29, 2017 . Signet has significant amounts of cash and cash equivalents invested in various 'AAA' rated liquidity funds and at a number of financial institutions. The amount invested in each liquidity fund or at each financial institution takes into account the credit rating and size of the liquidity fund or financial institution and is invested for short-term durations.

At May 5, 2018 , Signet had $758.7 million of outstanding debt, comprised of $398.9 million of senior unsecured notes, $319.5 million on a term loan facility, $40.0 million on a revolving credit facility and $0.3 million of bank overdrafts. During the 13 weeks ended May 5, 2018 , $6.7 million in principal payments were made on the term loan,

At April 29, 2017 , Signet had $1,451.3 million of outstanding debt, comprised of $398.8 million of senior unsecured notes, $600.0 million on an asset-backed securitization facility, $344.1 million on a term loan facility, $63.0 million on the revolving credit facility and $45.4 million of bank overdrafts. During the 13 weeks ended April 29, 2017 , $4.5 million in principal payments were made on the term loan.

The Company had stand-by letters of credit outstanding of $14.5 million and $15.3 million as of May 5, 2018 and April 29, 2017 , respectively, that reduce remaining availability under the revolving credit facility.

Net debt was $598.1 million as of May 5, 2018 compared to $1,343.4 million as of April 29, 2017 ; see non-GAAP measures discussed above.

CONTRACTUAL OBLIGATIONS

Signet's contractual obligations and commitments as of May 5, 2018 and the effects such obligations and commitments are expected to have on Signet's liquidity and cash flows in future periods have not changed materially outside the ordinary course from those disclosed in Signet's Annual Report on Form 10-K for the year ended February 3, 2018 , filed with the SEC on April 2, 2018 .

SEASONALITY

Signet's sales are seasonal, with the fourth quarter accounting for almost 40% of annual sales, with December being by far the most important month of the year. The "Holiday Season" consists of results for the months of November and December. As a result, approximately 45% to 55% of Signet's annual operating income normally occurs in the fourth quarter, comprised of approximately 40% to 45% of the annual operating income in North America and nearly all of the annual operating income in the International segment. In Fiscal 2019, the Company expects all of its annual operating income to be generated in the fourth quarter of Fiscal 2019 due to the timing and impacts of the Company's strategic credit outsourcing and transformation initiatives.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its accounting policies, estimates and judgments, including those related to the valuation of accounts receivables, inventories, deferred revenue, derivatives, employee benefits, income taxes, contingencies, asset impairments, indefinite-lived intangible assets, depreciation and amortization of long-lived assets, as well as accounting for business combinations. Management bases the estimates and judgments on historical experience and various other factors believed to be reasonable under the circumstances. Actual results may differ from these estimates. There have been no material changes to the critical accounting policies and estimates disclosed in Signet's Annual Report on Form 10-K for the fiscal year ended February 3, 2018 filed with the SEC on April 2, 2018 .

As disclosed in Note 15 of Item 1, due to a sustained decline in the Company's market capitalization during the 13 weeks ended May 5, 2018, the Company determined a triggering event had occurred that required an interim impairment assessment for all of its reporting units and indefinite-lived intangible assets. As a result of the interim impairment assessment, the Company recognized pre-tax impairment charges totaling $448.7 million in the 13 weeks ended May 5, 2018. Subsequent to the impairment, the estimated fair value of the reporting units and indefinite-lived trade names continues to exceed the carrying values. However, the Company will continue to monitor the market valuation of the Company's common shares, sales trends, interest rates, and other key inputs to the estimates of fair value. A further decline in the key inputs, especially sales trends used in the valuation of trade names, may result in an impairment charge.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Signet is exposed to market risk from fluctuations in foreign currency exchange rates, interest rates and precious metal prices, which could affect its consolidated financial position, earnings and cash flows. Signet manages its exposure to market risk through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Signet uses derivative financial instruments as risk management tools and not for trading purposes.

As certain of the International segment's purchases are denominated in US dollars and its net cash flows are in British pounds, Signet's policy is to enter into forward foreign currency exchange contracts and foreign currency swaps to manage the exposure to the US dollar. Signet also hedges a significant portion of forecasted merchandise purchases using commodity forward contracts. Additionally, the North America segment occasionally enters into forward foreign currency exchange contracts to manage the currency fluctuations associated with purchases for our Canadian operations. These contracts are entered into with large, reputable financial institutions, thereby minimizing the credit exposure from our counter-parties.

Signet has significant amounts of cash and cash equivalents invested at several financial institutions. The amount invested at each financial institution takes into account the long-term credit rating and size of the financial institution. The interest rates earned on cash and cash equivalents will fluctuate in line with short-term interest rates.

Signet's market risk profile as of May 5, 2018 has not materially changed since February 3, 2018 . The market risk profile as of February 3, 2018 is disclosed in Signet's Annual Report on Form 10-K, filed with the SEC on April 2, 2018 .

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended. Based on this review, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of May 5, 2018 .

Changes in internal control over financial reporting

During the first quarter of Fiscal 2019, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding legal proceedings is incorporated by reference from Note 21 of the Financial Statements set forth in Part I of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes to the remaining risk factors from those disclosed in Part I, Item 1A, of Signet's Fiscal 2018 Annual Report on Form 10-K, filed with the SEC on April 2, 2018 .

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Repurchases of equity securities

The following table contains the Company's repurchases of equity securities in the first quarter of Fiscal 2019 :

Period	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (2)	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs
February 4, 2018 to March 3, 2018	15,622	$ 50.94	—	$ 650,586,636
March 4, 2018 to March 31, 2018	1,515,397	$ 39.62	1,514,399	$ 590,586,635
April 1, 2018 to May 5, 2018	23,233	$ 39.43	—	$ 590,586,635
Total	**1,554,252**	**$ 39.73**	**1,514,399**	**$ 590,586,635**

(1) Includes 39,853 shares delivered to Signet by employees to satisfy minimum tax withholding obligations due upon the vesting or payment of stock awards under share-based compensation programs. These are not repurchased in connection with any publicly announced share repurchase programs.

(2) In February 2016 and August 2016, the Board of Directors authorized the repurchase of Signet's common shares for a combined total of $1,375.0 million (the "2016 Program"). In June 2017, the Board of Directors authorized a new program to repurchase $600.0 million of Signet's common shares (the "2017 Program"). The 2016 Program was completed in March 2018. The 2017 Program may be suspended or discontinued at any time without notice.

ITEM 6. EXHIBITS

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Number	Description of Exhibits [1]
10.1*	Separation Agreement dated February 23, 2018 between Sterling Jewelers Inc and George Murray.
10.2	Receivables Sale and Purchase Agreement, by and among Sterling Jewelers Inc., Zale Delaware, Inc., Signet Jewelers Limited and CLSIG Acquisition Trust, dated April 30, 2018 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 2, 2018).
31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

(1) Signet hereby agrees to furnish to the U.S. Securities and Exchange Commission, upon request, a copy of each instrument that defines the rights of holders of long-term debt under which the total amount of securities authorized does not exceed 10% of the total assets of Signet and its subsidiaries on a consolidated basis that is not filed or incorporated by reference as an exhibit to our annual and quarterly reports.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

			Signet Jewelers Limited
Date:	June 12, 2018	By:	/s/ Michele L. Santana
		Name:	**Michele L. Santana**
		Title:	**Chief Financial Officer** **(Principal Financial Officer and Principal Accounting Officer)**

Exhibit 10.1

CONFIDENTIAL SEPARATION AND RELEASE AGREEMENT

This AGREEMENT (" **Separation Agreement** ") made February 23, 2018 (the " **Effective Date** "), by and between Sterling Jewelers Inc., a Delaware corporation (including its successors and assigns, the " **Company** "), and George Murray (the " **Employee** ").

WHEREAS , the Company and Employee entered into that certain Termination Protection Agreement, effective October 15, 2015 and amended on April 19, 2017 (" **TPA** ");

WHEREAS , pursuant to the terms and conditions of the Signet Jewelers Limited Omnibus Incentive Plan (the " **Omnibus Plan** "), the Employee was granted the following equity and equity-based awards, all or a portion of which are expected to remain unvested as of the Termination Date (defined below): (i) restricted shares of Signet pursuant to Time-Based Restricted Stock Award Agreements dated as of April 27, 2015, April 25, 2016 and April 7, 2017 (together, the " **Restricted Stock Awards** ") and (ii) performance-based vesting restricted stock units of Signet pursuant to Performance-Based Restricted Stock Unit Award Agreements dated as of April 27, 2015, April 25, 2016 and April 27, 2017 (the " **RSU Awards** ");

WHEREAS , the Company desires to continue to employ the Employee and the Employee has agreed to continue to be employed by the Company through the Termination Date (as defined below);

WHEREAS , the Employee and the Company both agree that the Employee's employment with the Company and its subsidiaries and affiliates will terminate effective as of the Termination Date or otherwise pursuant to the terms and conditions of this Separation Agreement.

NOW, THEREFORE , in consideration of such services and the mutual covenants and promises herein contained, the Company and the Employee hereby agree as follows:

1. Separation . The Employee acknowledges that on May 5, 2018 or, if earlier, the date on which the Employee's employment is terminated by the Company without Cause (as defined below), as determined by the Company, or due to the Employee's death or Disability (as defined below) (such date, the " **Termination Date** " and such termination, a " **Qualifying Termination** ") the Employee will immediately be deemed to resign, and shall resign from and/or be removed from the Employee's position, Chief Retail Insights & Strategy Officer of Signet Jewelers Limited and its subsidiaries (the " **Signet Group** "), and from all offices and directorships held by the Employee in the Company or any of its subsidiaries or affiliates. The Employee agrees to execute any documentation presented by the Company to effectuate all such resignations and/or removals from such offices and/or directorships held by the Employee. The Employee acknowledges and agrees that until the Termination Date the Employee will continue to perform such duties as may be assigned from time to time by the Chief Executive Officer of the Signet Group or such other officer designated by the Chief Executive Officer of the Signet Group. For purposes of the Separation Agreement, "Cause" shall mean (A) fraud, embezzlement, gross insubordination or any act of moral turpitude or misconduct, in each case, on the part of the Employee; (B) conviction of or the entry of a plea of nolo contendere by the Employee for any felony; or (C) (x) a material breach by the Employee of Employee's duties, responsibilities or obligations under this Separation Agreement, or (y) the willful failure or refusal by the Employee to perform and discharge a specific lawful directive issued to Employee by the Board of Directors of Signet Jewelers Limited (the " **Board** ") within a reasonable period of time, not to be less than five (5) business days, following written notice thereof to the Employee by the Company or the Board. For purposes of the Separation Agreement, "Disability" shall mean any physical or mental disability that renders the Employee incapable of performing the services required of the Employee for any period or periods aggregating six months during any twelve- month period and for purposes of the foregoing, the Employee's physical or mental disability shall be determined in accordance with any disability plan of or applicable to the Company that is then in effect. For the avoidance of doubt, in the event Employee's employment terminates other than in a Qualifying Termination, the Employee will immediately be deemed to resign, and shall resign from and/or be removed from the Employee's position, Chief Retail Insights and Strategy Officer of the Signet Group, and from all offices and directorships held by the Employee in the Company or any of its subsidiaries or affiliates.

2. Termination .

(a) Accrued Benefits . Employee shall be entitled to receive: (i) base salary and accrued and unused vacation through the date of termination of employment in accordance with the Company's normal payroll practices, (ii) any annual bonus or long-term incentive plan payment that has been earned by the Employee for a completed fiscal year (or with respect to a long-term incentive plan payment, a completed performance cycle) ending prior to fiscal year 2019 but which remains unpaid as of such date payable in accordance with the applicable plan, and (iii) any vested benefits to which Employee is entitled under the employee benefit plans of the Company, payable pursuant to the terms and conditions of such benefit plans.

(b) Termination Payments . Subject to the Employee's timely execution, delivery and non-revocation of a Release (as described in Section 2(c) below) following a Qualifying Termination on the Termination Date, and continued compliance with Sections 6, 7, 8, 9 and 10 below, the Employee shall be entitled to receive the following payments and benefits:

(i) continued payment of the Employee's annual base pay in effect on the Termination Date for twelve (12) months following the Termination Date (the " **Severance Period** "), less applicable withholding taxes, paid in accordance with the Company's payroll practices; provided that, the first payment shall be paid as part of the first full payroll cycle following the forty-fifth (45th) day after the Termination Date and shall include payments of any amounts that would be due prior to such commencement date (such date, the " **Payment Commencement Date** ").

(ii) a lump sum amount equal to the annual bonus the Employee would have otherwise received for the full fiscal year 2019, based on actual performance, payable in a lump sum during the period commencing on the 15th of April and ending on the 31st of May following the end of fiscal year 2019.

(iii) if Employee timely elects coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), a lump sum taxable cash payment equal to the aggregate monthly employer contribution to the Company's group health coverage premium for an active employee with the same level of coverage as Employee had on the Termination Date for the Severance Period, payable on the first payroll date following the sixtieth day following the Termination Date. Such payment under this Section 2(b)(iii) shall include an additional amount to gross up the payment for income taxes, so that such benefit will have no income tax consequences for Employee on an after-tax basis.

(iv) payment of up to $20,000 for reasonable outplacement/consulting services, such as resume preparation, presentation skill assessment and career counseling, for a period of up to one (1) year following the Termination Date, subject to the presentation of documentation of such expenses, payable by the Company directly to such outplacement/consulting services company.

(v) payment of up to $5,000 in respect of legal fees incurred in connection with this Agreement, subject to presentation of an itemized invoice, payable in calendar year 2018, payable by the Company directly to Employee's counsel.

(vi) in respect of each then-ongoing performance cycle under the Omnibus Plan as of the Termination Date, (1) with respect to the RSU Awards, at the end of each completed performance cycle for each such award, vesting shall be calculated by multiplying (A) the total number of awards that would have vested based on actual performance during the full performance cycle and (B) the quotient obtained from dividing the number of calendar days worked during the applicable performance cycle through the Termination Date by the number of calendar days in such performance cycle, payable upon the conclusion of the applicable performance cycle in accordance with the Omnibus Plan (but no later than the "short-term deferral" period under Section 409A (defined below)), and (2) with respect to the Restricted Stock Awards that vest solely based on the provision of services, vesting, as of the Termination Date, shall be calculated by multiplying (A) the total number of awards that would have vested if the Employee had remained employed during the full performance cycle and (B) the quotient obtained from dividing the number of calendar days worked during the applicable performance cycle through the Termination Date by the number of calendar days in such performance cycle, otherwise payable in accordance with the Omnibus Plan.

(vii) Employee shall retain his Company provided iPad following the Termination Date, subject to the Company's removal of any Company platforms and data prior to the Termination Date.

If the Employee participated in direct deposit as of the Termination Date, the Employee's payments in Sections 2(b)(i)-(v) will be direct deposited. If the Employee did not participate in direct deposit, the Employee will be issued a live check to the Employee's last reported home address on file with the Company. The termination payments and benefits described in this Section 2(b)(i)-(vii) will be reduced to cover any outstanding financial obligations the Employee owes to the Company as of the Termination Date, to the extent permissible under law, and without the incurrence of additional tax obligations under Section 409A of the Internal Revenue Code of 1986, as amended (the " **Code** ") and the regulations and guidance promulgated thereunder (collectively, " **Section 409A** ").

(c) The Employee's entitlement to the payments and benefits set forth in Section 2(b) above shall be subject to and contingent upon the Employee's execution and delivery to the Company of a general release and waiver of claims in the form attached hereto as Exhibit A (the "Release") on or after the Termination Date and such Release becoming irrevocable within twenty-nine (29) days following the Termination Date. For the avoidance of doubt, the Employee shall forfeit the payments and benefits set forth in Section 2(b) if the Release has not been executed, delivered to the Company and become irrevocable within such twenty-nine (29) day period.

3. Retirement Gift . Employee shall be eligible to receive a retirement gift, pursuant to applicable Company policy.

4. Sole Payments and Benefits . The termination payments and benefits set forth in Section 2 shall be the sole and exclusive payments and benefits to which the Employee shall be entitled in respect of the Employee's termination of employment with the Company.

5. No Long-Term Incentive Plan Grants or Merit Increase . The Employee acknowledges and agrees that (i) he is not entitled to any future equity award grants under the Omnibus Plan or otherwise and (ii) he is not eligible for any future merit increase with respect to base salary.

6. Restrictive Covenants .

(a) During the term of the Employee's employment with the Company or any of its subsidiaries or affiliates and for all time thereafter, the Employee shall keep secret and retain in strictest confidence and not divulge, disclose, discuss, copy or otherwise use or suffer to be used in any manner, except in connection with the Business of the Company and of any of the subsidiaries or affiliates of the Company, any trade secrets, confidential or proprietary information and documents or materials owned, developed or possessed by or for the Company or any of the subsidiaries or affiliates of the Company pertaining to the Business of the Company or any of the subsidiaries or affiliates of the Company; provided that such information referred to in this Section 6(a) shall not include information that is or has become generally known to the public or the jewelry trade without violation of this Section 6 . For purposes of the Separation Agreement, "Business" shall mean the operation of a retail jewelry business that sells to the public jewelry, watches and associated services including through e-commerce.

(b) The Employee acknowledges that all developments, including, without limitation, inventions (patentable or otherwise), discoveries, improvements, patents, trade secrets, designs, reports, computer software, flow charts and diagrams, data, documentation, writings and applications thereof (collectively, "Works") relating to the Business or planned business of the Company or any of the subsidiaries or affiliates of the Company that, alone or jointly with others, the Employee may create, make, develop or acquire during the term of Employee's employment with the Company or any of its subsidiaries or affiliates (collectively, the "Developments") are works made for hire and shall remain the sole and exclusive property of the Company and its subsidiaries and affiliates and the Employee hereby assigns to the Company all of Employee's right, title and interest in and to all such Developments and Employee shall take any action reasonably necessary to achieve the foregoing result. Notwithstanding any provision of this Agreement to the contrary, "Developments" shall not include any Works that do not relate to the Business or planned business of the Company or any of the subsidiaries or affiliates of the Company.

(c) The Employee agrees that Employee shall not, directly or indirectly, without the prior written consent of the Company:

(i) during Employee's employment with the Company or any of its subsidiaries or affiliates and for a period of one year commencing upon the date of Employee's termination of employment, solicit, entice, persuade or induce any employee, consultant, agent or independent contractor of the Company or of any of the subsidiaries or affiliates of the Company to terminate his or her employment or engagement with the Company or such subsidiary or affiliate, to become employed by any person, firm or corporation other than the Company or such subsidiary or affiliate or approach any such employee, consultant, agent or independent contractor for any of the foregoing purposes; or

(ii) during Employee's employment with the Company or any of its subsidiaries or affiliates and for a period of one year commencing upon the date of Employee's termination of employment, directly or indirectly own, manage, control, invest or participate in any way in, consult with or render services to or for any person or entity (other than for the Company or any of the subsidiaries or affiliates of the Company) which is materially engaged in the Business ("materially" meaning deriving more than 25% of its revenue from the sale of jewelry and watches per year as of the applicable date); provided that the Employee shall be entitled to own up to 1% of any class of outstanding securities of any company whose common stock is listed on a national securities exchange or included for trading on the NASDAQ Stock Market.

(d) The Employee acknowledges that the services to be rendered by the Employee are of a special, unique and extraordinary character and, in connection with such services, the Employee will have access to confidential information vital to the Business of the Company and the subsidiaries and affiliates of the Company. By reason of this, the Employee consents and agrees that if the Employee violates any of the provisions of Section 6 hereof, the Company and the subsidiaries and affiliates of the Company would sustain irreparable injury and that monetary damages will not provide adequate remedy to the Company and that the Company shall be entitled to have Section 6 specifically enforced by any court having equity jurisdiction. Nothing contained herein shall be construed as prohibiting the Company or any of the subsidiaries or affiliates of the Company from pursuing any other remedies available to it for such breach or threatened breach, including, without limitation, the recovery of damages from the Employee or cessation of payments and benefits hereunder without requirement for posting a bond. The Employee further acknowledges that: (i) the Employee will not at any time, directly or indirectly violate this Section 6; (ii) payment of the termination payments and benefits in Section 2(b) under this Separation Agreement shall not be made if the Employee violates this Section 6; (iii) the Company shall have no further obligation at any time to pay the termination payments and benefits in Section 2(b) under this Separation Agreement if the Employee violates this Section 6; and (iv) to the extent allowed by law, the Employee shall be required to return to the Company any termination payments and benefits the Company paid the Employee less two hundred fifty dollars ($250.00) if the Employee violates this Section 6.

7. Cooperation. The payments and benefits pursuant to Section 2(b) of this Separation Agreement are conditioned upon the Employee's agreement to be reasonably available to assist and otherwise advise and consult with the Company in transitioning responsibilities to other employees of the Company. The payments and benefits pursuant to Section 2(b) of this Separation Agreement are also conditioned upon the Employee's full and continued cooperation in good faith with the Company, its subsidiaries and affiliates and its legal counsel, as may be necessary or appropriate: (i) to respond truthfully to any inquiries that may arise with respect to matters that the Employee was responsible for or involved with during the Employee's employment with the Company; (ii) to furnish to the Company, as reasonably requested by the Company, from time to time, the Employee's honest and good faith advice, information, judgment and knowledge with respect to all practices at the Company, and employees of the Company; (iii) in connection with any defense, prosecution or investigation of any and all actual, threatened, potential or pending court or administrative proceedings or other legal matters in which the Employee may be involved as a party and/or in which the Company determines, in its sole discretion, that the Employee is a relevant witness and/or possesses relevant information; and (iv) in connection with any and all legal matters relating to the Company, its subsidiaries and affiliates, and each of their respective past and present employees, managers, directors, officers, administrators, shareholders, members, agents, and attorneys, in which the Employee may be called as an involuntary witness (by subpoena or other compulsory process) served by any third-party, including, without limitation, providing the Company with written notice of any subpoena or other compulsory process served on the Employee within forty-eight (48) hours of its occurrence; provided that failure to provide notice to the Company during such forty-eight (48) hour period may be excused by the Company, in its sole discretion, upon good cause shown and demonstration by the Employee that notice was provided as soon as reasonably practicable under the circumstances.

In connection with the matters described in this Section 7, the Employee agrees to notify, truthfully communicate and be represented by, and provide requested information to, the Company's counsel, to fully cooperate and work in good faith with such counsel with respect to, and in preparation for, any response to a subpoena or other compulsory process served upon the Employee, any depositions, interviews, responses, appearances or other legal matters, and to testify truthfully and honestly with respect to all matters. For the avoidance of doubt, the Company has no obligation to provide the Employee with separate counsel in connection with any such matter.

The Company shall reimburse the Employee for reasonable expenses, such as travel, lodging and meal expenses, incurred by the Employee pursuant to this Section 7 at the Company's request, and consistent with the Company's policies for employee expenses.

The Employee further acknowledges that all documents prepared by the Company pertaining to the affairs of the Company or any legal matter relating to the Company, which may be provided to the Employee or to which the Employee may be given access pursuant to this Section 7 in connection with the Employee's cooperation hereunder with respect to any legal matter relating to the Company, are, and shall remain, the property of the Company at all times. Except as required by applicable law or court order, the Employee shall not disclose any information or materials received in connection with any legal matter relating to the Company.

All communications by the Company, its subsidiaries and/or affiliates, and its lawyers to the Employee and all communications by the Employee to the Company, its subsidiaries and/or affiliates and its lawyers, in connection with any legal matter relating to the Company, its subsidiaries and/or affiliates, shall, to the fullest extent permitted by law, be privileged and confidential and subject to the work product doctrine. No such communication, information, or work product shall be divulged by the Employee to any person or entity, except at the specific direction of an authorized representative of the Company and its lawyers.

The Employee further agrees that the Employee must also: (i) complete any outstanding performance evaluations; (ii) repay any outstanding bills, advances, debts, etc., due to the Company, as of the date of Employee's termination of employment; and (iii) cooperate with the Company in performing all transition and other matters required by the Company prior to the date of Employee's termination of employment.

8. Return of Property and Documents . As a material provision of this Separation Agreement, and as a condition of the receipt of the termination payments and benefits described in Sections 2(b) of this Separation Agreement, as of the date of Employee's termination of employment, the Employee shall have, and represent to have, returned to the Company all Company property (including, without limitation, any and all computers, phones, identification cards, card key passes, fobs, corporate credit cards, corporate phone cards, corporate motor vehicles, files, memoranda, keys and software) in the Employee's possession and the Employee shall not make or retain any duplicates or reproductions of such items. The Employee further agrees that, as a material provision of this Separation Agreement, as of the date of Employee's termination of employment, the Employee shall have, and represent to have, delivered to the Company all copies of any confidential information of the Company in the Employee's possession, custody or control, including all copies of any analyses, compilations, studies or other documents in the Employee's possession, custody or control that contain any such confidential information (whether in electronic or paper form), and that as of the date of Employee's termination of employment, the Employee shall no longer possess any such Company property or confidential information in any form. The Company has no obligation to pay the termination payments and benefits in Section 2(b) of this Separation Agreement until it is satisfied that the Employee has returned all Company property the Employee possesses or controls.

9. Confidentiality . The Employee acknowledges and agrees that the Employee will keep the terms, amount, and facts of, and any discussions leading up to, this Separation Agreement strictly and completely confidential, and that the Employee will not communicate or otherwise disclose to any employee of the Company (past, present, or future), or to any member of the general public, the terms, amounts, copies, or fact of this Separation Agreement, except as may be required by law or compulsory process; provided, however , that the Employee may make such disclosures to Employee's tax/financial advisors or legal counsel as long as they agree to keep the information confidential. If asked about any of such matters, to the extent permissible, the Employee's response shall be that Employee may not discuss any of such matters, except that nothing in this Separation Agreement shall affect the Employee's rights to engage in activity protected by Section 7 of the National Labor Relations Act. Notwithstanding anything herein to the contrary, nothing in this Section 9 shall: (i) prohibit the Employee from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation; or (ii) require notification or prior approval by the Company of any reporting described in clause (i).

The Employee is hereby notified, in accordance with the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1833(b), that: (i) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order. Notwithstanding anything herein to the contrary, nothing in this Separation Agreement shall: (i) prohibit the Employee from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation; or (ii) require notification or prior approval by the Company of any reporting described in clause (i).

In the event of a breach of the confidentiality provisions set forth in this Section 9 of the Separation Agreement by the Employee, the Company may suspend any payments or benefits due under this Separation Agreement pending the outcome of litigation and/or arbitration regarding such claimed breach of this Separation Agreement by the Employee.

10. Non-Defamation and Non-Disparagement . The Employee shall not at any time, publicly or privately, verbally or in writing, directly or indirectly, make or cause to be made any defaming and/or disparaging, derogatory, misleading or false statement about the Company or its products, or any current or former directors, officers, employees, or agents

of the Company, or the business strategy, plans, policies, practices or operations of the Company to any person or entity, including members of the investment community, press, customers, competitors, employees and advisors of the Company. Truthful disclosure to any government agency regarding possible violations of federal law or regulation in accordance with any whistleblower protection provisions of state or federal law or regulation shall not be deemed to violate this paragraph. Employee shall direct any reference requests to the attention of Gina Drosos or Lynn Dennison, who shall confirm employment dates and title pursuant to regular Company practice and confirm that, by mutual agreement, the Employee retired. The Company shall instruct the Senior Leadership Team (including any immediate successors to the members of the Senior Leadership Team as of the date hereof) that they shall not directly or indirectly disparage or make negative, derogatory or defamatory statements about the Employee, except that nothing herein shall preclude the Company, including the Senior Leadership Team, from making any and all truthful statements, including but not limited to statements as required by law, in legal or other proceedings, government filings, or investigations.

Employee recognizes that the breach of this Section 10 will cause serious and irreparable injury to the Company. The Employee further acknowledges that: (i) the Employee will not at any time, directly or indirectly, violate this Section 10 regarding non-defamation and non-disparagement; (ii) payment of the termination payments and benefits set forth in Section 2(b) of this Separation Agreement shall not be made if the Employee violates this Section 10 regarding non-defamation and non-disparagement; (iii) the Company shall have no further obligation at any time to pay the termination payments and benefits set forth in Section 2(b) of this Separation Agreement if the Employee violates this Section 10 regarding non-defamation and non-disparagement; and (iv) to the extent allowed by law, the Employee shall be required to return to the Company any termination payments and benefits paid less two hundred fifty dollars ($250.00) if the Employee violates this Section 10 regarding non-defamation and non-disparagement.

11. Consequences of Breach. The Employee acknowledges and agrees that the obligations and responsibilities in this Separation Agreement are reasonable and not unduly restrictive. The Employee further recognizes that damages incurred by the Company as a result of the Employee's breach of this Separation Agreement will be difficult to measure, that monetary damages will not provide adequate relief, and that in the event of any such breach: (i) the Company shall be entitled to apply for and receive an injunction without bond to restrain any such violation; (ii) the Company shall not be obligated to provide the termination payments or benefits under this Separation Agreement; (iii) the Employee shall be obligated to pay to the Company its costs and expenses in enforcing its rights; and (iv) as an alternative to (iii), the Company may withhold and retain all but two hundred fifty dollars ($250.00) of the value of the termination payment and benefits under this Separation Agreement provided to the Employee. The covenants in this Section 11 shall not be deemed to be a penalty nor forfeiture.

12. Indemnification. Employee shall continue to be covered by the indemnification provisions of the Company's bye laws and the Company's director and officer liability insurance, in accordance with any such provisions and policy following the Termination Date.

13. Severability. In the event that any one or more of the provisions of this Separation Agreement are held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of the Separation Agreement shall not in any way be affected or impaired thereby.

14. Waiver. No waiver by either party of any breach by the other party of any condition or provision of this Separation Agreement to be performed by such other party shall be deemed a waiver of any other provision or condition at the time or at any prior or subsequent time.

15. Governing Law and Forum. This Separation Agreement shall be subject to, and governed by, the laws of the State of Ohio applicable to contracts made and to be performed therein, without regard to conflict of laws principles thereof. Any action to enforce any of the provisions of this Separation Agreement shall be brought in a court of the State of Ohio located in Summit County or in a Federal court located in Cleveland, Ohio. The parties consent to the jurisdiction of such courts and to the service of process in any manner provided by Ohio law. Each party irrevocably waives any objection which it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding brought in such court and any claim that such suit, action, or proceeding brought in such court has been brought in an inconvenient forum and agrees that service of process in accordance with the foregoing sentences shall be deemed in every respect effective and valid personal service of process upon such party.

EMPLOYEE ACKNOWLEDGES THAT, BY SIGNING THIS SEPARATION AGREEMENT, HE IS WAIVING ANY RIGHT THAT HE MAY HAVE TO A JURY TRIAL RELATED TO THIS SEPARATION AGREEMENT.

16. Withholding. The Company shall deduct or withhold, or require the Employee to remit to the Company, the minimum statutory amount to satisfy federal, state or local taxes required by law or regulation to be withheld with respect to any benefit provided hereunder.

17. Entire Agreement . This Separation Agreement and the Release, constitute the entire agreement and understanding of the parties with respect to the subject matter herein and supersede all prior agreements, arrangements and understandings, whether written or oral, between the parties, including the TPA, except that nothing in this Separation Agreement shall negate or limit the Employee's obligations under the Code of Business Conduct and Ethics. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. The Employee acknowledges and agrees that he is not relying on any representations or promises by any representative of the Company concerning the meaning of any aspect of this Separation Agreement or the Release. This Separation Agreement and the Release may not be altered or modified other than in a writing signed by the Employee and an authorized representative of the Company.

18. Notices . All notices given hereunder shall be given in writing, shall specifically refer to this Separation Agreement and shall be personally delivered or sent by telecopy or other electronic facsimile transmission or by registered or certified mail, return receipt requested, at the address set forth below or at such other address as may hereafter be designated by notice given in compliance with the terms hereof:

If to the Employee: To Employee's last address set forth on the payroll records of the Company.

If to the Company: Sterling Jewelers Inc.
375 Ghent Road
Akron, Ohio 44333
Fax: (330) 664-4379
Attn: Chief Legal, Risk & Corporate Affairs Officer

If notice is mailed, such notice shall be effective upon mailing, or if notice is personally delivered or sent by telecopy or other electronic facsimile transmission, it shall be effective upon receipt.

19. Successors and Assigns . This Separation Agreement is intended to bind and inure to the benefit of and be enforceable by the Employee, the Company and their respective heirs, successors and assigns, except that the Employee may not assign his rights or delegate his obligations hereunder without the prior written consent of the Company.

20. Section 409A .

(a) The intent of the parties is that payments and benefit under this Separation Agreement comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Separation Agreement shall be interpreted to be in compliance therewith or exempt therefrom, as applicable. If any other payments of money or other benefits due to the Employee hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, the Company may (i) adopt such amendments to the Separation Agreement, including amendments with retroactive effect, that the Company determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Separation Agreement and/or (ii) take such other actions as the Company determines necessary or appropriate to comply with the requirements of Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of this Separation Agreement providing for the payment of any amounts or benefits that are considered nonqualified deferred compensation under Section 409A upon or following a termination of employment, unless such termination is also a "separation from service" within the meaning of Section 409A and the payment thereof prior to a "separation from service" would violate Section 409A. For purposes of any such provision of this Separation Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If the Employee is deemed on the date of termination to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B), then, notwithstanding any other provision herein, with regard to any payment or the provision of any benefit that is considered nonqualified deferred compensation under Section 409A payable on account of a "separation from service," such payment or benefit shall not be made or provided prior to the date which is the earlier of (A) the expiration of the six-month period measured from the date of such "separation from service" of the Employee, and (B) the date of the Employee's death (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 20(b) (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such delay) shall be paid or reimbursed to the Employee in a lump sum on the first business day following the Delay Period, and any remaining payments and benefits due under this Separation Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) (i) All expenses or other reimbursements as provided herein shall be payable in accordance with the Company's policies in effect from time to time, but in any event any reimbursements that are non-qualified deferred compensation subject to Section 409A of the Code shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Employee; (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchanged for another benefit.

(d) For purposes of Section 409A, the Employee's right to receive any installment payments pursuant to this Separation Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Separation Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(e) Nothing contained in this Separation Agreement shall constitute any representation or warranty by the Company regarding compliance with Section 409A. The Company has no obligation to take any action to prevent the assessment of any additional income tax, interest or penalties under Section 409A on any person and the Company, its subsidiaries and affiliates, and each of their employees and representatives shall not have any liability to the Employee with respect thereto.

21. Compliance with Board Policies . The Employee shall be subject to the written policies of the Board, including, without limitation, any policy relating to the claw back of compensation, as they exist from time to time during the Employee's employment with the Company.

22. Counterparts . This Separation Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

STERLING JEWELERS INC.

By: /s/ Lynn Dennison
Name: Lynn Dennison
Title: Chief Legal, Risk & Corporation Affairs Officer

EMPLOYEE

By: /s/ George Murray
George Murray

Exhibit A

RELEASE AGREEMENT

This RELEASE ("Release") dated as of May 5, 2018 between Sterling Jewelers Inc., a Delaware corporation (the "Company"), and George Murray (the " **Employee** ").

WHEREAS, the Company and the Employee previously entered into that certain Separation Agreement dated as of February 23, 2018 (the " **Separation Agreement** ") pursuant to which the Employee's employment with the Company shall terminate as of May 5, 2018 or, if earlier, the Employee's termination of employment by the Company without Cause (as determined by the Company) or due to the Employee's death or Disability; and

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein and in the Separation Agreement, the Company and the Employee agree as follows:

1. Capitalized terms not defined herein shall have the meaning as defined under the Separation Agreement.

2. In consideration of the Employee's release under Paragraph 3 hereof, the Company shall pay to the Employee or provide benefits to the Employee as set forth in Section 2, as applicable, of the Separation Agreement, which is attached hereto and made a part hereof.

3. The Employee, on Employee's own behalf and on behalf of Employee's heirs, estate and beneficiaries, does hereby release the Company, and in such capacities, any of its subsidiaries or affiliates, and each past or present officer, director, agent, employee, shareholder, and insurer of any such entities, from any and all claims made, to be made, or which might have been made of whatever nature, whether known or unknown, from the beginning of time, including those that arose as a consequence of Employee's employment with the Company, or arising out of the severance of such employment relationship, or arising out of any act committed or omitted during or after the existence of such employment relationship, all up through and including the date on which this Release is executed, including, without limitation, any tort and/or contract claims, common law or statutory claims, claims under any local, state or federal wage and hour law, wage collection law or labor relations law, claims under any common law or other statute, claims of age, race, sex, sexual orientation, religious, disability, national origin, ancestry, citizenship, retaliation or any other claim of employment discrimination, including under Title VII of the Civil Rights Acts of 1964 and 1991, as amended (42 U.S.C. §§ 2000e *et seq.*), Age Discrimination in Employment Act, as amended (29 U.S.C. §§ 621, *et seq.*); the Americans with Disabilities Act (42 U.S.C. §§ 12101 *et seq.*), the Rehabilitation Act of 1973 (29 U.S.C. 701 *et seq* .), the Family and Medical Leave Act (29 U.S.C. §§ 2601 *et seq.*), the Employee Retirement Income Security Act of 1974, as amended (29 U.S.C. §§ 1001 *et seq.*), the Ohio Civil Rights Act (Ohio Rev. Code Ann. §§ 4112.01-4112.99, the Ohio Whistleblower's Protection Statue (Ohio Rev. Code Ann. §§ 4113.51-4113.53), and any other law (including any state or local law or ordinance) prohibiting employment discrimination or relating to employment, retaliation in employment, termination of employment, wages, benefits or otherwise. In connection with this release provision, the Employee does not waive the Employee's right to file a charge with the EEOC or participate in an investigation conducted by the EEOC; however, the Employee expressly waives the Employee's right to monetary or other relief should any administrative agency, including but not limited to the EEOC, pursue any claim on the Employee's behalf, except that the Employee is not prohibited from receiving any monetary award from the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934. The Employee relinquishes any right to future employment with the Company and the Company shall have the right to refuse to re-employ the Employee, in each case without liability of the Employee or the Company. The Employee acknowledges and agrees that even though claims and facts in addition to those now known or believed by him to exist may subsequently be discovered, it is Employee's intention to fully settle and release all claims he may have against the Company and the persons and entities described above, whether known, unknown or suspected.

4. The Company and the Employee acknowledge and agree that the release contained in Paragraph 3 does not, and shall not be construed to, release or limit the scope of any existing obligation of the Company and/or any of its subsidiaries or affiliates (i) to indemnify the Employee for Employee's acts as an officer or director of Company in accordance with the Certificate of Incorporation and all agreements thereunder, (ii) to pay any amounts or benefits pursuant to Section 2 of the Separation Agreement, or (iii) with respect to the Employee's rights as a shareholder of the Company, Signet or any of their subsidiaries.

5. Employee acknowledges that pursuant to the Release set forth in Paragraph 3 above, Employee is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("ADEA") and that Employee's waiver and release of such rights is knowing and voluntary. Employee acknowledges that the consideration given for the ADEA waiver and release under this Release is in addition to anything of value to which Employee was already entitled.

(a) Employee further acknowledges that he has been advised by this writing that:

(i) Employee should consult with an attorney prior to executing this Release and has had an opportunity to do so;

(ii) Employee has up to twenty-one (21) days within which to consider this ADEA waiver and release;

(iii) Employee has seven (7) days following Employee's execution of this Release to revoke this ADEA waiver and release, but only by providing written notice of such revocation to the Company in accordance with the "Notice" provision in Section 18 of the Agreement;

(iv) the ADEA waiver and release shall not be effective until the seven (7) day revocation period has expired; and

(v) the twenty-one (21) day period set forth above shall run from the date Employee receives this Release. The Parties agree that any modifications made to this Release prior to its execution shall not restart, or otherwise affect, this twenty-one day (21) period.

(b) It is the intention of the parties in executing this Release that this Release shall be effective as a full and final accord and satisfaction and release of and from all liabilities, disputes, claims and matters covered under this Release, known or unknown, suspected or unsuspected.

6. This Release shall become effective on the first (1st) day following the day that this Release becomes irrevocable under Paragraph 5. All payments due to the Employee shall be payable in accordance with the terms of the Agreement.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties have executed this Release on the date first above written.

STERLING JEWELERS INC.

By: /s/ Laurel Krueger

Name: Laurel Krueger
Title: General Counsel

GEORGE MURRAY

/s/ George Murray

Exhibit 31.1

CERTIFICATION

I, Virginia C. Drosos, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Signet Jewelers Limited (the “Report”);

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this Report;

4. The company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

(d) Disclosed in this Report any change in the company’s internal control over financial reporting that occurred during the company’s most recent fiscal quarter (the company’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and

5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: June 12, 2018

By:	/s/ Virginia C. Drosos
Name:	Virginia C. Drosos
Title:	Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Michele L. Santana, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Signet Jewelers Limited (the “Report”);

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this Report;

4. The company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

(d) Disclosed in this Report any change in the company’s internal control over financial reporting that occurred during the company’s most recent fiscal quarter (the company’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and

5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: June 12, 2018

By:	/s/ Michele L. Santana
Name:	Michele L. Santana
Title:	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Virginia C. Drosos, as Chief Executive Officer of Signet Jewelers Limited (the “Company”), hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying Quarterly Report on Form 10-Q for the period ending May 5, 2018 , as filed with the US Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 12, 2018

By:	/s/ Virginia C. Drosos
Name:	Virginia C. Drosos
Title:	Chief Executive Officer

Exhibit 32.2

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michele L. Santana, as Chief Financial Officer of Signet Jewelers Limited (the “Company”), hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying Quarterly Report on Form 10-Q for the period ending May 5, 2018 , as filed with the US Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 12, 2018

By:	/s/ Michele L. Santana
Name:	Michele L. Santana
Title:	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)