UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 4, 2017

MICHAEL KORS HOLDINGS LIMITED
(Exact Name of Registrant as Specified in Its Charter)

British Virgin Islands	001-35368	Not applicable
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

33 Kingsway
London, United Kingdom
WC2B 6UF
(Address of principal executive offices)

44 207 632 8600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 1.01 Entry into a Material Definitive Agreement.

On October 4, 2017, Michael Kors Holdings Limited (the "Company") entered into the first amendment (the "First Amendment") to its second amended and restated senior unsecured credit facility, dated as of August 22, 2017 (the "2017 Credit Facility"), with, among others, JPMorgan Chase Bank, N.A. ("JPMorgan Chase"), as administrative agent. The First Amendment amends the 2017 Credit Facility to provide that if the Notes (as defined below) are issued, the Company's bridge credit facility is terminated and the Company receives an investment grade public debt rating from each of Standard & Poors Financial Services LLC, Moody's Investors Service, Inc. and Fitch, Inc., then the covenant in the 2017 Credit Facility requiring the Company and the other borrowers and guarantors to provide customary liens on their assets to secure their obligations in respect of the 2017 Credit Facility in the event that the Company does not maintain an investment grade public debt rating from at least two of such rating agencies shall automatically terminate and no longer be in effect.

This summary does not purport to be complete and is qualified in its entirety by reference to the First Amendment, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 8.01 Other Events.

On October 5, 2017, the Company announced that Michael Kors (USA), Inc., a wholly owned subsidiary of the Company (the "Issuer"), intends to commence an offering of senior notes (the "Notes"). The Notes will be issued to finance, in part, the Company's pending acquisition of Jimmy Choo PLC, a public company organized under the laws of England and Wales, and its subsidiaries (collectively, "Jimmy Choo") (the "Acquisition") and certain related refinancing transactions.

The Notes will be senior unsecured notes and will be guaranteed by the Company and the Company's existing and future subsidiaries that guarantee or are borrowers under the Company's 2017 Credit Facility (subject to certain exceptions, including for subsidiaries organized in China), including, following (and conditional upon) the closing of the Acquisition, Jimmy Choo and all of its existing and future subsidiaries who are guarantors or borrowers under the 2017 Credit Facility (subject to certain exceptions, including for subsidiaries organized in China).

The Notes will be offered in a private offering that is exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent such registration or an exemption from the registration requirements of the Securities Act. This Report does not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offering, solicitation or sale would be unlawful. This Report contains information about pending transactions, and there can be no assurance that these transactions will be completed.

Certain financial information relating to Jimmy Choo and the Acquisition that will be provided to potential investors in the offering is being provided as described in Item 9.01.

The Company announced the offering of the Notes in a press release, a copy of which is filed herewith as Exhibit 99.4 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements.

The historical audited consolidated financial statements of Jimmy Choo as of December 31, 2016 and 2015 and for the two fiscal years ended December 31, 2016 and 2015 are filed herewith as Exhibit 99.1 and incorporated herein by reference.

The historical unaudited condensed consolidated financial statements of Jimmy Choo as of June 30, 2017, June 30, 2016 and December 31, 2016 and for the six months ended June 30, 2017 and 2016 and for the year ended December 31, 2016 are filed herewith as Exhibit 99.2 and incorporated herein by reference.

(b) Pro forma financial information.

Unaudited pro forma condensed consolidated financial statements of the Company, giving effect to the Acquisition and related financing transactions, as of and for the three months ended July 1, 2017 and for the fiscal year ended April 1, 2017, are filed herewith as Exhibit 99.3 and incorporated herein by reference.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Current Report on Form 8-K (the "Current Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. The forward-looking statements involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Although the Company believes that its forward-looking statements are based on reasonable assumptions, expected results may not be achieved, and actual results may differ materially from its expectations.

The Company's forward-looking statements should not be relied upon except as statements of the Company's present intentions and of the Company's present expectations, which may or may not occur. Cautionary statements should be read as being applicable to all forward-looking statements wherever they appear. Except as required by law, the Company undertakes no obligation to release publicly the result of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are also urged to carefully review and consider the various disclosures the Company has made in this Current Report, as well as the Company's other filings with the Securities and Exchange Commission (the "SEC"). In particular, see the Company's Annual Report on Form 10-K, filed with the SEC on May 31, 2017, and Quarterly Report on Form 10-Q, filed with the SEC on August 9, 2017, copies of which are available upon request from the Company. The Company does not assume any obligation to update the forward looking information contained in this Current Report.

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.1	First Amendment, dated as of October 4, 2017, to the Second Amended and Restated Credit Agreement dated as of August 22, 2017 among Michael Kors Holdings Limited, Michael Kors (USA), Inc., the foreign subsidiary borrowers party thereto, the guarantors party thereto, the financial institutions party thereto as lenders and issuing banks and JPMorgan Chase Bank, N.A., as administrative agent.
23.1	Consent of KPMG LLP, independent accountant to Jimmy Choo PLC.
99.1	The historical audited consolidated financial statements of Jimmy Choo PLC as of December 31, 2016 and 2015 and for the two fiscal years ended December 31, 2016 and 2015.
99.2	The historical unaudited condensed consolidated financial statements of Jimmy Choo PLC as of June 30, 2017, June 30, 2016 and December 31, 2016 and for the six months ended June 30, 2017 and 2016 and for the year ended December 31, 2016.
99.3	Unaudited pro forma condensed consolidated financial statements of Michael Kors Holdings Limited, giving effect to the acquisition of Jimmy Choo PLC and related financing transactions, as of and for the three months ended July 1, 2017 and for the fiscal year ended April 1, 2017.
99.4	Press Release, dated October 5, 2017.

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.

MICHAEL KORS HOLDINGS LIMITED

Date: October 5, 2017

By: /s/ Thomas J. Edwards, Jr.
Name: Thomas J. Edwards, Jr.
Title: Executive Vice President, Chief Financial Officer, Chief Operating Officer & Treasurer

Exhibit 10.1

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

FIRST AMENDMENT, dated as of October 4, 2017 (this " Amendment "), to the Second Amended and Restated Credit Agreement, dated as of August 22, 2017 (as amended, the " Credit Agreement "), among Michael Kors (USA), Inc. (the " Company "), Michael Kors Holdings Limited (" MK Holdings "), the Foreign Subsidiary Borrowers from time to time party thereto (collectively with the Company and MK Holdings, the " Borrowers "), the Guarantors from time to time party thereto, the several banks and other financial institutions or entities from time to time party thereto (the " Lenders "), JPMorgan Chase Bank, N.A., as administrative agent (the " Administrative Agent "), and the other agents party thereto.

W I T N E S S E T H

WHEREAS, the Borrowers, the Guarantors, the Lenders and the Administrative Agent are parties to the Credit Agreement;

WHEREAS, the Company wishes to issue Senior Notes the proceeds of which shall be used to finance in part the Target Acquisition and to terminate the commitments available and the obligations outstanding under the Bridge Credit Agreement;

WHEREAS, in connection with the issuance of the Senior Notes, the Borrowers have requested that the Credit Agreement be amended so that the requirement of Section 5.09(c) to enter into the Collateral Documents, provide a perfected Lien in the Collateral and to secure the Obligations in favor of the Secured Parties is terminated and no longer in effect at such time as the Senior Notes have been issued to the extent the initial Public Debt Rating publicly announced or issued and then in effect by each of S&P, Moody's and Fitch, in each case after giving effect to the Transactions, is an Investment Grade Rating;

WHEREAS, Lenders constituting the Required Lenders and the Administrative Agent are willing to agree to this Amendment on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto agree as follows:

SECTION 1. Capitalized Terms . Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

SECTION 2. Amendments . The Credit Agreement shall be amended as of the Effective Date (as defined below) as set forth below.

(a) Amendment to Section 5.09 . The last sentence of Section 5.09(c) of the Credit Agreement is hereby amended and restated in its entirety to read as follows, to add a new termination event (numbered as "(3)" below) to the requirement to enter into Collateral Documents and to secure the Obligations:

> "Notwithstanding anything to the contrary in this Section 5.09(c) or in the Loan Documents, the requirement of this Section 5.09(c) to enter into the Collateral Documents, provide a perfected Lien in the Collateral and to secure the Obligations in favor of the Secured Parties shall automatically terminate and no longer be in effect on the earliest date on which all of the conditions set forth in any of clause (1), (2) or (3) below are concurrently satisfied: (1) (i) all Term Loans (including all Refinancing Term Loans and Incremental Term Loans) shall have

been paid in full and all Obligations with respect to the Term Loan Facility (including any Refinancing Term Loans and Incremental Term Loans hereunder) shall have be satisfied and paid in full, (ii) to the extent any obligation under the Bridge Credit Agreement, any Qualifying Committed Financing or any refinancing thereof remains outstanding at such time, such obligations shall be unsecured, and (iii) the Investment Grade Ratings Requirement is satisfied at such time; (2) (i) all Term Loans (including all Refinancing Term Loans and Incremental Term Loans) shall have been paid in full and all Obligations with respect to the Term Loan Facility (including any Refinancing Term Loans and Incremental Term Loans hereunder) shall have be satisfied and paid in full, (ii) to the extent any obligation under the Bridge Credit Agreement, any Qualifying Committed Financing or any refinancing thereof remains outstanding at such time, such obligations shall be unsecured, (iii) the Public Debt Ratings at such time from at least two of S&P, Moody's and Fitch shall be (x) as to S&P, BB+ or better (with stable outlook or better), (y) with respect to Moody's, Ba1 or better (with stable outlook or better) and (y) as to Fitch, BB+ or better (with stable outlook or better), and (iv) after giving effect thereto and on a Pro Forma Basis, the Leverage Ratio is not greater than 3.0 to 1.00; or (3) (i) the Senior Notes shall have been issued by the Company or any other Loan Party, (ii) upon such issuance of the Senior Notes or promptly thereafter, all commitments and other obligations outstanding under the Bridge Credit Agreement shall have been terminated pursuant to the terms thereof (other than those obligations expressly stated to survive such termination), and (iii) the Public Debt Rating publicly announced or issued and then in effect by each of S&P, Moody's and Fitch, in each case after giving effect to the Transactions, shall be an Investment Grade Rating."

SECTION 3. Conditions to Effectiveness of Amendment. This Amendment shall become effective on the date on which the Administrative Agent has received a counterpart of this Amendment, executed and delivered by a duly authorized officer of each of (A) each Borrower, (B) Lenders constituting the Required Lenders and (C) the Administrative Agent (the "Amendment Effective Date").

SECTION 4. Representations and Warranties. Each Borrower hereby represents and warrants that, after giving effect to this Amendment, (a) each of the representations and warranties made by any Loan Party in or pursuant to the Credit Agreement or the other Loan Documents are true and correct in all material respects (and in all respects if qualified by "material" or "Material Adverse Effect") on and as of the Amendment Effective Date as if made on and as of the Amendment Effective; provided that any such representation or warranty that by its express terms is made as of a specific date shall have been true and correct in all material respects (or in all respects if such representation or warranty is qualified by "material" or "Material Adverse Effect") as of such specific date; provided further, that each reference to the Credit Agreement therein shall be deemed to be a reference to the Credit Agreement after giving effect to this Amendment and (b) no Default or Event of Default has occurred and is continuing and no Default or Event of Default will occur after giving effect to the amendments contemplated herein.

SECTION 5. Effects on Loan Documents. (a) Except as specifically amended herein, all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. For the avoidance of doubt, this Amendment constitutes a Loan Document.

(b) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of the Loan Documents.

SECTION 6. Expenses . The Borrower agrees to pay and reimburse the Administrative Agent for its reasonable and documented out-of-pocket costs and expenses incurred in connection with the preparation and delivery of this Amendment, and any other documents prepared in connection herewith and the transactions contemplated hereby, in accordance with Section 9.03(a) of the Credit Agreement.

SECTION 7. GOVERNING LAW; WAIVER OF JURY TRIAL . THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. EACH PARTY HERETO HEREBY AGREES AS SET FORTH FURTHER IN SECTION 9.09 OF THE CREDIT AGREEMENT AS IF SUCH SECTION WERE SET FORTH IN FULL HEREIN.

SECTION 8. Amendments; Execution in Counterparts . (a) This Amendment shall not constitute an amendment of any other provision of the Credit Agreement not referred to herein and shall not be construed as a waiver or consent to any further or future action on the part of the Loan Parties that would require a waiver or consent of the Lenders or the Administrative Agent. Except as expressly amended hereby, the provisions of the Credit Agreement are and shall remain in full force and effect.

(b) This Amendment may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Borrowers, the Administrative Agent and the Required Lenders. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by email or facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Amendment signed by all the parties shall be lodged with the Borrowers and the Administrative Agent.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

MICHAEL KORS HOLDINGS LIMITED, as a Borrower

By: /s/ Thomas J. Edwards, Jr.
Name: Thomas J. Edwards, Jr.
Title: Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer

MICHAEL KORS (USA), INC., as a Borrower

By: /s/ David Provenzano
Name: David Provenzano
Title: Assistant Treasurer

MICHAEL KORS (CANADA) HOLDINGS LTD., as a Borrower

By: /s/ David Provenzano
Name: David Provenzano
Title: Assistant Treasurer

MICHAEL KORS (EUROPE) B.V., as a Borrower

By: /s/ David Provenzano
Name: David Provenzano
Title: Managing Director / Attorney

MICHAEL KORS (SWITZERLAND) GMBH, as a Borrower

By: /s/ David Provenzano
Name: David Provenzano
Title: Managing Officer

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: /s/ James A. Knight
Name: James A. Knight
Title: Executive Director

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Chris Lam
Name: Chris Lam
Title: Authorized Signatory

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

CITIBANK, N.A., as a Lender

By: /s/ Paul V. Phelan
Name: Paul V. Phelan
Title: Authorized Signer

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as a Lender

By: /s/ Elizabeth Willis
Name: Elizabeth Willis
Title: Vice President

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Mark D. Rodgers
Name: Mark D. Rodgers
Title: Vice President

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

ING (IRELAND) DAC, as a Lender

By: /s/ Sean Hassett
Name: Sean Hassett
Title: Director

By: /s/ Shaun Hawley
Name: Shaun Hawley
Title: Director

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

ING BANK, A BRANCH OF ING-DIBA AG,
as a Lender

By: /s/ Olga Borovikov
Name: Olga Borovikov
Title: VP

By: /s/ Michael Hofmann
Name: Michael Hofmann
Title: Director

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

BANK OF AMERICA, N.A., as a Lender

By: /s/ Andrew Wulff
Name: Andrew Wulff
Title: Associate

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

HSBC BANK USA, N.A., as a Lender

By: /s/ Brian J Gingue
Name: Brian J Gingue
Title: Senior Vice President

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

BNP PARIBAS, as a Lender

By: /s/ Pamela J. Fitton
Name: Pamela J. Fitton
Title: Managing Director

By: /s/ Melissa Dyki
Name: Melissa Dyki
Title: Director

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

INTESA SANPAOLO S.P.A., NEW YORK BRANCH, as a Lender

By: /s/ Manuela Insana
Name: Manuela Insana
Title: VP & Relationship Manager

By: /s/ Francesco Di Mario
Name: Francesco Di Mario
Title: FVP & Head of Credit

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

CREDIT SUISSE (SWITZERLAND) LTD., as a Lender

By: /s/ GIANLUIGI PEZZOTTA /s/ NATHALIE DIETLIKER
Name: GIANLUIGI PEZZOTTA, DIRECTOR
Name: NATHALIE DIETLIKER, VICE PRESIDENT

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Denis Waltrich
Name: Denis Waltrich
Title: Director

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

STANDARD CHARTERED BANK, as a Lender

By: /s/ Daniel Mattern
Name: Daniel Mattern
Title: Associate Director
Standard Chartered Bank

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Jimmy Choo PLC

We consent to the incorporation by reference in the registration statement (No. 333-178486) on Form S-8 of Michael Kors Holdings Ltd of our report dated October 4, 2017, with respect to the consolidated statement of financial position of Jimmy Choo PLC and its subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, other comprehensive income, changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2016, which report appears in the Form 8-K of Michael Kors Holdings Limited dated October 5, 2017.

/s/ KPMG LLP

Birmingham, UK
October 5, 2017

Exhibit 99.1

Independent Auditors' Report

The Board of Directors
Jimmy Choo PLC

We have audited the accompanying consolidated financial statements of Jimmy Choo PLC and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of income, other comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jimmy Choo PLC and its subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ KPMG LLP

Birmingham, UK
October 4, 2017

JIMMY CHOO PLC

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED 31 DECEMBER

	Note	**2016 £M**	2015 £M
Revenue	3	**364.0**	**317.9**
Cost of sales		(131.0)	(118.7)
Gross profit		**233.0**	**199.2**
Selling and distribution expenses		(127.6)	(104.6)
Administrative expenses		(62.9)	(64.8)
Operating profit	4	**42.5**	**29.8**
Financial income	8	—	2.8
Financial expenses	8	(15.3)	(5.4)
Loss on financial instruments	8	(9.5)	(5.1)
Profit after financing expense		**17.7**	**22.1**
Share of profit of associates	13	—	—
Profit before tax		**17.7**	**22.1**
Taxation	9	(2.3)	(2.7)
Profit for the year		**15.4**	**19.4**
Earnings per share – basic and diluted (pence)	5	**4.1**	**5.1**

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

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER

	2016 £M	2015 £M
Profit for the year	**15.4**	**19.4**
Other comprehensive income		
Items that are or may be recycled subsequently to the income statement:		
Foreign currency translation differences	(10.3)	0.4
Income tax credit on items that are or may be recycled subsequently to profit and loss	1.2	0.1
Other comprehensive income for the year, net of tax	(9.1)	0.5
Total comprehensive income for the year	6.3	19.9

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER

	Note	**2016 £M**	2015 £M
Non-current assets			
Intangible assets and goodwill	10	607.2	596.0
Property, plant and equipment	11	56.6	50.4
Investments in equity-accounted investees	13	0.2	0.2
Deferred tax asset	14	11.4	9.2
Total non-current assets		**675.4**	**655.8**
Current assets			
Inventories	15	78.1	54.8
Trade and other receivables	16	50.1	42.7
Current tax assets		1.1	0.8
Cash and cash equivalents		14.8	13.8
Total current assets		**144.1**	**112.1**
Total assets		**819.5**	**767.9**
Current liabilities			
Borrowings	17	(12.5)	(17.8)
Trade and other payables	18	(112.3)	(86.8)
Other current liabilities	19	(2.6)	(1.3)
Current tax liabilities		(4.9)	(8.0)
Other financial liabilities	22	(2.2)	(1.3)
Total current liabilities		**(134.5)**	**(115.2)**
Non-current liabilities			
Borrowings	17	(141.3)	(117.4)
Trade and other payables	18	(7.6)	(5.2)
Other non-current liabilities	19	(13.4)	(14.3)
Deferred tax liabilities	14	(46.5)	(48.9)
Total non-current liabilities		**(208.8)**	**(185.8)**
Total liabilities		**(343.3)**	**(301.0)**
Net assets		**476.2**	**466.9**
Equity attributable to equity holders of the parent			
Share capital	20	389.7	389.7
Share premium	20	99.5	99.5
Own shares reserve	20	(15.6)	(16.7)
Translation reserve	20	(12.8)	(2.5)
Retained earnings/(deficit)	20	15.4	(3.1)
Total equity		**476.2**	**466.9**

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

These consolidated financial statements have been authorised for issue by Jonathan Sinclair, Director on 4 October 2017.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital £M	Share premium £M	Own shares reserve £M	Translation reserve £M	Retained earnings £M	Total equity £M
Balance at 1 January 2015		**389.7**	**99.5**	**(16.7)**	**(2.9)**	**(25.5)**	**444.1**
Profit for the year		—	—	—	—	19.4	19.4
Other comprehensive income		—	—	—	0.4	0.1	0.5
Total comprehensive income for the year		—	—	—	0.4	19.5	19.9
Charge for the year under equity-settled share-based payments						2.9	2.9
Total transactions with owners		—	—	—	—	2.9	2.9
Balance at 31 December 2015	20	**389.7**	**99.5**	**(16.7)**	**(2.5)**	**(3.1)**	**466.9**
Profit for the year		—	—	—	—	15.4	15.4
Other comprehensive (loss)/income		—	—	—	(10.3)	1.2	(9.1)
Total comprehensive (loss)/income for the year		**—**	**—**	**—**	**(10.3)**	**16.6**	**6.3**
Share options exercised during the year		—	—	1.1	—	(1.1)	—
Deferred tax on share-based payments		—	—	—	—	0.2	0.2
Charge for the year under equity-settled share-based payments		—	—	—	—	2.8	2.8
Total transactions with owners		—	—	1.1	—	1.9	3.0
Balance at 31 December 2016	20	**389.7**	**99.5**	**(15.6)**	**(12.8)**	**15.4**	**476.2**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER

	2016 £M	2015 £M
Cash flows from operating activities		
Operating profit	**42.5**	**29.8**
Adjustments for:		
Depreciation of property, plant and equipment	18.3	16.1
Amortisation of intangible assets	1.6	1.4
Loss on disposal of property, plant and equipment and intangibles	0.4	0.3
Effects of foreign exchange	(1.8)	1.0
Share-based payment expense	2.8	2.9
Increase in trade and other receivables	(4.4)	(0.9)
(Increase)/decrease in inventories	(14.1)	3.0
Increase/(decrease) in trade and other payables	13.2	(6.8)
Cash generated from operating activities	**58.5**	**46.8**
Income taxes paid	(8.7)	(3.8)
Interest paid	(5.7)	(5.6)
Settlement of derivatives	(8.6)	(6.7)
Net cash inflow from operating activities	**35.5**	**30.7**
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(0.3)	(3.4)
Acquisition of property, plant and equipment	(18.6)	(18.9)
Acquisition of other intangible assets	(10.0)	(6.9)
Net cash outflow from investing activities	**(28.9)**	**(29.2)**
Cash flows from financing activities		
Proceeds from borrowings	136.0	7.8
Repayment of borrowings	(142.5)	(7.5)
Capital contribution from joint venture partner	—	0.1
Net cash (outflow)/ inflow from financing activities	**(6.5)**	**0.4**
Net increase in cash and cash equivalents	0.1	1.9
Cash and cash equivalents at start of year	13.8	12.0
Effect of exchange rate fluctuations on cash held	0.9	(0.1)
Cash and cash equivalents at end of year	**14.8**	**13.8**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Jimmy Choo PLC (the "Company") and its subsidiaries (together referred to as the "Group") is a global luxury shoes and accessories brand owner, wholesaler and retailer incorporated and domiciled in the United Kingdom.

The consolidated financial statements of the Group have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these Group financial statements.

Judgements made by the Directors in the application of these accounting policies, that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in note 2.

1.1 MEASUREMENT CONVENTION

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting year, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of International Accounting Standard ("IAS") 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.2 GOING CONCERN

The Group's consolidated financial statements are prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. The Group has considerable financial resources, following the refinancing of the Group completed on 17 March 2016 together with a strong ongoing trading performance. Details of the Group's liquidity position and borrowing facilities are described in note 17. Financial risk management objectives, details of financial instruments and hedging activities and exposures to credit risk and liquidity risk are described in note 22.

The Directors have reviewed the Group's forecasts and projections. These include the assumptions around the Group's products and markets, expenditure commitments, expected cash flows and borrowing facilities.

Taking into account reasonable possible changes in trading performance and after making enquiries, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

1.3 BASIS OF CONSOLIDATION

The Group's annual financial statements comprise of Jimmy Choo PLC (the Company) and its subsidiaries. These are presented as a single economic entity.

SUBSIDIARIES

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group transactions, balances and unrealised profits on transactions between Group companies are eliminated in preparing the Group's consolidated financial statements.

The results of the subsidiaries are prepared for the same reporting year as the Company, using accounting policies that are consistent across the Group.

Employee benefit trusts that are controlled by the Group are consolidated on the same basis as subsidiaries as set out above.

1.4 ASSOCIATES AND JOINT VENTURES

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control.

Associates and joint ventures are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

The Group currently has one associate, for which equity accounting is applied. In addition, the Group has one joint venture which is consolidated as a subsidiary, as the Directors have concluded that the Group has control over the entity by virtue of its control over voting rights.

1.5 FOREIGN CURRENCY

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Pounds Sterling which is the Company's functional and the Group's presentational currency.

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

TRANSLATION OF THE RESULTS OF OVERSEAS BUSINESSES

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency at foreign exchange rates ruling at the balance sheet date. The revenue and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

1.6 FINANCIAL INSTRUMENTS

Classification of financial instruments issued by the Group.

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

a. they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

b. where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments, or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

FINANCIAL ASSETS

Financial assets are initially recognised at fair value on the consolidated balance sheet when the entity becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flow expire or substantially all risks and rewards of the asset are transferred.

I. TRADE RECEIVABLES

Trade and other receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows and is recognised in the consolidated income statement in administrative expenses.

II. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and deposits held at call with banks with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents includes bank overdrafts in addition to the definition above.

FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's financial liabilities comprise trade and other payables, borrowings and other non-current liabilities including the EBT liability. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method except for derivatives, which are classified as held for trading, except where they qualify for hedge accounting and are held at fair value. The fair value of the Group's liabilities held at amortised cost are approximately equal to their carrying amount. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

I. BANK BORROWINGS

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Financial expenses comprise interest expense on borrowings and the cost of foreign currency forward contracts.

II. TRADE PAYABLES

Trade and other payables are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

III. PUT OPTION LIABILITIES OVER NON-CONTROLLING INTEREST

Put options over shares in subsidiaries or joint ventures held by non-controlling interests are recognised initially at fair value through equity when granted. They are subsequently remeasured at fair value at each reporting period with the change in fair value recorded in the consolidated income statement as other finance expenses and income.

IV. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates arising on certain trading transactions. The principal derivative instruments used are forward foreign exchange contracts taken out to hedge highly probable cash flows in relation to future sales and product purchases.

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised in the consolidated income statement.

1.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Operating lease payments are accounted for as described at 1.16 Operating leases below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold improvements	between 2 and 10 years
Fixtures and fittings, plant and machinery	between 3 and 15 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date or if events or changes in circumstances indicate the carrying value may not be recoverable.

1.8 BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group’s previously held interests in the acquired entity is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

1.9 ACQUISITIONS AND DISPOSALS OF NON-CONTROLLING INTERESTS

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

1.10 INTANGIBLE ASSETS AND GOODWILL

GOODWILL

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGUs") and is not amortised but tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

For the purpose of impairment testing, goodwill is allocated to each of the Group's CGUs expected to benefit from synergies of the combination. If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of goodwill and then to the other assets of the CGU on a pro rata basis. Impairment losses relating to goodwill are not reversed in subsequent years.

For further details see 1.12 Impairment excluding inventories and deferred tax assets.

BRAND

Brands acquired in a business combination are recognised at fair value at the acquisition date and are carried at cost less accumulated impairment.

The Jimmy Choo brand is the only intangible asset that is considered to have an indefinite useful life on the basis that:

- the brand is central to the business strategy, differentiating the products in the market through building a reputation for excellence and it is not considered realistic to abandon the brand given its importance to the business;
- the brand does not face technological obsolescence and the luxury market is not a sector with a definite life;
- the Group is able to protect the brand and associated products from counterfeiters or other infringements through securing protection of its intellectual property and enforcing this through litigation where necessary; and
- the Group dedicates sufficient resources to support the brand and plans to continue to do so for the foreseeable future. This includes investment across all forms of media to convey the fundamental tenets of the brand.

The brand value is not amortised but subject to an impairment test which is performed annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

For further details see 1.12 Impairment excluding inventories and deferred tax assets.

KEY MONEY

Key money paid to the outgoing tenant to enter a leasehold property is stated within intangible assets at cost, net of amortisation and any provision for impairment. Amortisation is charged on key money at rates calculated to write- off the cost, less estimated residual value (which in some locations and geographies equates to cost) on a straight-line basis over the lease term. For locations where key money residual value is carried at cost, an annual assessment of impairment is undertaken which reviews the carrying value of key money and compares this value to key money values paid for recent, similar key money based transactions based on independent third party property reviews. An assessment is then made regarding whether impairment is required for these locations.

OTHER INTANGIBLE ASSETS

The cost of securing and renewing design patents, trademarks and other intangible assets is capitalised at purchase price and amortised by equal annual instalments over the period in which benefits are expected to accrue. The useful economic life of these assets is determined on a case by case basis, in accordance with the terms of the underlying agreement and the nature of the asset.

AMORTISATION

Amortisation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life including the Jimmy Choo brand and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Trademarks	between 5 and 10 years
Software	between 3 and 7 years

1.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and other costs in bringing them to their existing location and condition.

Where necessary, provision is made to reduce the cost to no more than net realisable value having regard to the nature and condition of inventory, as well as anticipated utilisation and saleability.

1.12 IMPAIRMENT EXCLUDING INVENTORIES AND DEFERRED TAX ASSETS

FINANCIAL ASSETS (INCLUDING RECEIVABLES)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes which does not exceed the level of individual operating segments. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the units on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 EMPLOYEE BENEFITS

DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement in the periods during which services are rendered by employees.

SHORT TERM BENEFITS

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.14 PROVISIONS

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

1.15 REVENUE RECOGNITION

Revenue, which is stated excluding Value Added Tax and other sales related taxes, is the amount receivable for goods supplied (less returns, trade discounts and allowances) and royalties receivable.

Retail revenues, returns and allowances are reflected at the dates of transactions with customers. Provisions for returns on retail sales are calculated based on historical return levels.

Wholesale revenue is only recognised when the significant risks and rewards of ownership have transferred to the customer according to, and in line with, the various internationally recognised shipping terms agreed with customers. Provisions are made for expected returns and allowances based on historical return levels or commercial agreements.

Royalty revenue from licensing agreements is recognised on an accruals basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

1.16 OPERATING LEASES

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

In the event that lease incentives are received to enter into an operating lease such incentives are recognised as a liability. Lease incentives are recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

Premiums paid to landlords to secure operating leases are recognised as assets and depreciated to residual value over the lease term.

1.17 FINANCIAL INCOME AND EXPENSES

Financial expenses comprise interest payable and changes in the fair value of financial liabilities that are recognised in the income statement. Financial income comprises interest receivable on funds invested and changes in the fair value of financial assets that are recognised in the consolidated income statement.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.18 TAXATION

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement and consolidated statement of other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the temporary difference can be utilised.

Current and deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entities or different taxable entities where there is an intention to settle the balances on a net basis.

1.19 SHARE-BASED PAYMENT TRANSACTIONS

CASH-SETTLED SHARE-BASED PAYMENT SCHEMES

Share-based payment transactions in which the Group receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Group's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as staff costs in the consolidated income statement.

EQUITY-SETTLED SHARE-BASED PAYMENT SCHEMES

Share-based payment transactions in which the Group receives goods or services by incurring a liability to transfer its own equity instruments are accounted for as equity-settled share-based payments. The payments are assessed at their fair value on the grant date. The cost of the share-based incentives is recognised as an expense over the vesting period of the awards, with a corresponding increase in equity. The estimate of the number of options expected to vest is revised at each balance sheet date.

When options and awards are exercised, they are settled through awards of shares held in the Employee Benefit Trust. The proceeds received from the exercises, net of any directly attributable transaction costs, are credited to equity.

1.20 OWN SHARES RESERVE

Where the Company or its subsidiaries (including the Jimmy Choo PLC Employee Benefit Trust) purchase the Company's own equity shares, the cost of those shares, including any attributable transaction costs, is presented within the own shares reserve as a deduction in shareholders' equity in the consolidated financial statements.

1.21 ADOPTION OF NEW AND REVISED STANDARDS

ADOPTION OF NEW STANDARDS

With effect from 1 January 2016, the Group has adopted the following standards, amendments and improvements issued by the IASB and effective during 2015 and 2016.

IFRS 11 (Amendments) Accounting for Acquisitions of Interests in Joint Operations
IAS 16 and 38 Classification of Acceptable Methods of Depreciation and Amortisation
IAS 27 (Amendments) Equity Method in Separate Financial Statements
Annual Improvements to IFRSs 2012-2014 Cycle IFRS 10.12, and IAS 28 (Amendments)
IAS 1 (Amendments) Disclosure Initiative

FUTURE ADOPTION OF NEW STANDARDS

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 9	Financial Instruments
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution between an Investor and its Associate or Joint Venture
IAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
IFRS 16	Leases

The Group chose not to adopt any of the above standards and interpretations early. It is anticipated that adoption of these standards and interpretations in future periods will not have a material impact on the Group's financial results except for the following standards that may alter measurement and/or disclosure:

- IFRS 9 Financial Instruments and additions to IFRS 9
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases

The Group is assessing the impact of IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases. The Group's initial view is that IFRS 9 and IFRS 15 will not have a material impact on measurement but may require some further disclosure. From the initial analysis of the potential impact of IFRS 16 Leases, the Group recognises that there is likely to be a significant impact in the financial statements for both asset values, with the creation of a right to use asset, and liabilities, with an increase in financial liabilities, which will impact the classification and reporting of costs and profits in the consolidated income statement. The assessment of the impact of IFRS 16 Leases is at an early stage and will require further work to verify the completeness and accuracy of data.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future year impacted. The key judgements and estimates employed in the financial statements are considered below.

IMPAIRMENT OF GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

On an annual basis, the Group is required to perform an impairment review to assess whether the carrying value of goodwill and other indefinite life intangible assets is less than its recoverable amount. The recoverable amount is based on a calculation of expected future cash flows, which include estimates of future performance. Details of assumptions used in the impairment tests are detailed in note 10.

KEY MONEY VALUATION

Judgement is required in estimating the residual value of key money paid to outgoing tenants to secure a leasehold property. In certain locations, the residual value of key money is considered to be equal to cost, either due to legal protection offered to tenants in that jurisdiction or because it is common practice to at least recover the amounts paid at the end of the lease due to the existence of an active market for operating leases of prime luxury real estate.

VALUATION OF OTHER INTANGIBLE ASSETS

The assessment of fair value in a business combination requires the recognition and measurement of the identifiable assets, liabilities and contingent liabilities in the acquired business. The key judgements required are the identification of intangible assets meeting the recognition criteria of IAS 38 and their attributable fair values. The key assumptions in relation to the brand valuation are the Directors' best estimate of its life and the royalty and discount rate used in its valuation.

SHARE-BASED PAYMENTS

The vesting of awards granted under the Group's share-based payments scheme is dependent upon continued employment within the Group over the vesting period. Judgement is required in determining the number of shares that will ultimately vest.

TAXATION

The Group recognises deferred tax assets and liabilities based upon future taxable income and the expected recoverability of the balance. The estimate will include assumptions regarding future income streams of the Group and the future movement in corporation tax rates in the respective jurisdictions. The estimation of provisions and liabilities in respect of current taxation depends on estimates and judgements in respect of whether or not and the extent to which items of income and expenditure will be taxable. The estimation of provisions in respect of current taxation depends on estimates and judgements in respect of ongoing tax inquiries and the uncertainty surrounding their resolution.

Current tax liabilities include £1.8m (2015: £2.8m) in relation to regional transfer pricing inquiries. The provision represents management's best estimate of the anticipated settlement of these inquiries which are all expected to be resolved within the next financial year.

3. OPERATING SEGMENTS

The Chief Operating Decision Maker ("CODM") is the Executive Directors. Internal management reports are reviewed by the CODM. Key measures used to evaluate segment performance are revenue and segment contribution to operating profit and EBITDA. Management believes that these measures are the most relevant in evaluating the performance of the segment and for making resource allocation decisions as central costs are not allocated across the segments.

The CODM considers the Group's segments to be its three channels to market, being Retail (including Online), Wholesale and Other.

Retail revenue is generated through the sale of luxury goods to end clients through Jimmy Choo DOS in UK, Europe, USA, Canada, Hong Kong, China, Singapore, Malaysia and Japan and through the Group's website.

Wholesale revenue is generated through the sale of luxury goods to distribution partners, multibrand department stores and specialty stores worldwide.

Other revenue is predominantly generated through receipt of royalties from the Group's global licensees of Jimmy Choo branded fragrance, sunglasses and eyewear products.

There are no material inter-segment transactions.

An analysis of net assets by segment is not reviewed by the CODM and accordingly is not presented below. Total assets by segment have been presented below.

The following is an analysis of the Group's revenue and results by reportable segment for the year ended 31 December 2016.

	Retail 2016 £M	**Wholesale 2016 £M**	**Other 2016 £M**	**Total 2016 £M**
Revenue	**243.9**	**107.2**	**12.9**	**364.0**
Segment contribution	**54.4**	**49.1**	**1.9**	**105.4**
Administrative expenses				(62.9)
Operating profit				**42.5**
Financial expenses				(15.3)
Loss on financial instruments				(9.5)
Profit before tax				**17.7**

The following is an analysis of the Group's revenue and results by reportable segment for the year ended 31 December 2015.

	Retail 2015 £M	Wholesale 2015 £M	Other 2015 £M	Total 2015 £M
Revenue	**207.7**	**99.8**	**10.4**	**317.9**
Segment contribution	**47.0**	**47.0**	**0.6**	**94.6**
Administrative expenses				(64.8)
Operating profit				29.8
Financial income				2.8
Financial expenses				(5.4)
Loss on financial instruments				(5.1)
Profit before tax				**22.1**

SEGMENT ASSETS

The following table provides an analysis of the Group's total assets by reportable segment:

	2016 £M	2015 £M
Retail	155.9	122.3
Wholesale	20.1	20.4
Other	40.5	27.3
Total segment assets	**216.5**	**170.0**
Goodwill and brand	575.5	573.9
Cash and cash equivalents	14.8	13.8
Investments in equity-accounted investees	0.2	0.2
Taxation	12.5	10.0
Total assets	**819.5**	**767.9**

ENTITY-WIDE DISCLOSURES

The following table provides an analysis of the Group's revenue by geographical destination, irrespective of the origin of the goods:

	2016 £M	2015 £M
UK	42.2	37.0
EMEA excluding UK	108.7	92.7
Americas	104.6	106.4
Asia excluding Japan	56.3	42.2
Japan	52.2	39.6
Total	**364.0**	**317.9**

The total of non-current assets other than deferred tax assets located in the UK and foreign countries is as follows:

	2016 £M	2015 £M
UK	592.5	590.5
EMEA excluding UK	29.5	22.4
Americas	27.2	20.3
Asia excluding Japan	12.3	12.2
Japan	2.5	1.2
Total	**664.0**	**646.6**

The Group did not have a single customer which accounted for more than 10% of the Group's consolidated revenue in either of the years presented.

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2016 £M	2015 £M
Depreciation of fixed assets	18.3	16.1
Loss on disposal of fixed assets	0.4	0.3
Amortisation of other intangible fixed assets	1.6	1.4
Operating lease rentals for land and buildings	34.0	28.3
Net (gain)/loss on foreign currency translation	(6.8)	0.9

5. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. There were no new shares issued during the year. The difference between basic and diluted earnings per share is not material.

	2016 **No. of shares**	2015 No. of shares
Basic weighted average shares	377,965,523	377,786,469
Outstanding shares as at 31 December	378,591,494	377,786,469

	2016 **£M**	2015 £M
Profit for the year	15.4	19.4

Earnings per share is calculated as follows:

	2016	2015
Basic and diluted earnings per ordinary share (pence)	4.1	5.1

6. AUDITOR'S REMUNERATION

	2016 **£M**	2015 £M
Fees payable for the audit of the Company's financial statements	0.3	0.2
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	0.1	0.1
Taxation compliance services	0.1	0.1
Other non-audit services	—	0.1
Total auditor remuneration	**0.5**	**0.5**

Included in auditor remuneration for the year ended 31 December 2016 were fees incurred in relation to tax advice for the replatforming of the business of: £nil (2015: £0.1m).

7. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Directors), analysed by category, was as follows:

	2016	2015
Administration	267	288
Selling and distribution	910	803
Total staff numbers	**1,177**	**1,091**

The aggregate payroll costs incurred were as follows:

	2016 **£M**	2015 £M
Wages and salaries	51.5	44.2
Social security costs	6.2	5.3
Share-based payments	2.8	2.9
Contributions to defined contribution plans	3.0	2.1
Total staff costs	**63.5**	**54.5**

Share-based payment expenses have been recognised in administrative expenses.

8. FINANCIAL INCOME AND EXPENSES

	2016 £M	2015 £M
Foreign exchange gain on external borrowings	—	2.8
Total financial income	**—**	**2.8**
Interest expense on bank loans and overdrafts	(5.1)	(5.0)
Finance charges	(1.0)	(0.4)
Foreign exchange loss on external borrowings	(9.2)	—
Total financial expenses	(15.3)	(5.4)
Loss on financial instruments	(9.5)	(5.1)
Net financing expense	**(24.8)**	**(7.7)**

The foreign exchange loss on external borrowings in 2016 relates to the close-out on the old debt facilities (see note 17).

9. TAXATION

TAXATION RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

	2016 £M	2015 £M
Corporation tax charge for the year	6.3	5.7
Adjustments for prior year	(1.2)	(0.3)
Double taxation relief	(0.2)	(0.1)
Foreign tax for current year	0.2	0.2
Current taxation	**5.1**	**5.5**
Origination and reversal of temporary differences	(0.2)	1.5
Impact of change in tax rate	(2.1)	(4.9)
Adjustments for prior year	(0.5)	0.6
Deferred tax credit	**(2.8)**	**(2.8)**
Total tax charge for the year	**2.3**	**2.7**

The tax charge is reconciled with the standard rates of UK corporation tax as follows:

	2016 £M	2015 £M
Profit before tax	**17.7**	**22.1**
UK corporation tax at standard rate of 20.00% (2015: 20.25%)	3.5	4.5
Factors affecting the charge for the year:		
Expenses not deductible for tax purposes	1.3	2.1
Utilisation of losses brought forward	(0.2)	(0.3)
Impact of change in tax rate	(2.1)	(4.8)
Adjustments in respect of prior year	(1.8)	0.3
Difference of overseas rate	1.6	0.9
Total tax charge for the year	**2.3**	**2.7**

FACTORS AFFECTING THE FUTURE, CURRENT AND TOTAL TAX CHARGES

Reductions in the UK corporation tax rate from 20% to 19% on 1 April 2017 and to 17% on 1 April 2020 were substantively enacted on 18 November 2015 and 15 October 2016 respectively. This will reduce the Company's future current tax charge accordingly.

The deferred tax assets and liabilities at 31 December 2016 have been calculated based on the rates substantively enacted at the balance sheet date in each jurisdiction which was 17% in the UK.

10. INTANGIBLE ASSETS

	Goodwill £M	Brand £M	Key money £M	Software and other intangible assets £M	Total £M
Cost					
Balance at 1 January 2015	306.7	263.8	14.7	2.7	587.9
Additions through business combinations (note 12)	3.4	—	—	—	3.4
Additions	—	—	1.3	8.0	9.3
Exchange differences	0.1	—	(0.8)	—	(0.7)
Balance at 31 December 2015	**310.2**	**263.8**	**15.2**	**10.7**	**599.9**
Additions	—	—	0.8	8.3	9.1
Disposals	—	—	—	(0.1)	(0.1)
Exchange differences	1.5	—	2.8	0.1	4.4
Balance at 31 December 2016	**311.7**	**263.8**	**18.8**	**19.0**	**613.3**
Amortisation					
Balance at 1 January 2015	—	—	2.0	0.7	2.7
Amortisation for the year	—	—	0.4	1.0	1.4
Exchange differences	—	—	(0.2)	—	(0.2)
Balance at 31 December 2015	**—**	**—**	**2.2**	**1.7**	**3.9**
Amortisation for the year	—	—	0.4	1.2	1.6
Disposals	—	—	—	(0.1)	(0.1)
Exchange differences	—	—	0.6	0.1	0.7
Balance at 31 December 2016	**—**	**—**	**3.2**	**2.9**	**6.1**
Net book value					
At 31 December 2016	**311.7**	**263.8**	**15.6**	**16.1**	**607.2**
At 31 December 2015	**310.2**	**263.8**	**13.0**	**9.0**	**596.0**

Amortisation of key money is recognised in selling and distribution expenses in the consolidated income statement. All other amortisation is recognised in administrative expenses.

ALLOCATION OF INDEFINITE LIFE INTANGIBLE ASSETS

The carrying value of goodwill is allocated as follows:

	2016 £M	2015 £M
Retail	194.7	193.1
Wholesale	114.2	114.2
Other	2.8	2.9
Goodwill	**311.7**	**310.2**

The additions under software and other intangible assets reflect the costs of the transformation programme.

Goodwill and indefinite life intangible assets are not amortised, but are tested for impairment annually or where there is an indication that goodwill might be impaired. The recoverable amount of all CGUs has been determined on a value-in-use basis.

Goodwill of £294.2m arising on the acquisition of Passion Holdings Limited on 1 July 2011 is allocated to the groups of CGUs acquired that represent the lowest level within the Group at which goodwill is monitored for internal management purposes. This is consistent with the determination of operating segments. For the purpose of impairment testing, the value-in-use of each operating segment is calculated as described below.

Goodwill arising on the acquisitions of J. Choo Hong Kong JV Limited, the business line of Jimmy Choo in Shanghai Kutu Trading Co. Ltd., J. Choo Russia JV Limited and the acquisition described in note 12 is allocated to the Retail segment for impairment testing.

Goodwill arising on the acquisition of Jimmy Choo Florence S.r.l. is allocated to the Other segment for impairment testing.

The Jimmy Choo brand, which was valued at £263.8m on the acquisition of Passion Holdings Limited on 1 July 2011, is considered to have an indefinite useful life and accordingly is tested for impairment on an annual basis, or where an indicator of impairment is identified. The brand is fundamental to the operations of the Group as a whole and is therefore not allocated to CGUs but tested for impairment at the Group level.

IMPAIRMENT TESTING

The value-in-use is represented by the discounted value of future cash flows that are expected from continuous use of the assets associated with the CGUs and by the terminal value attributable to them. In assessing the value-in-use, the cash flow projections were taken from the Group’s three year Strategic Plan, approved by the Board of Directors. The cash flow projections are subject to key assumptions in respect of discount rates, future revenue, margin and EBITDA growth. The Directors have reviewed and approved the assumptions inherent in the model as part of the Strategic Planning process using historical experience and considering economic and business risks facing the Group.

The terminal value was determined using a perpetuity long term growth rate in line with macro-economic estimates of 2.5% (2015: 3.0%).

In assessing the Group’s value-in-use, a discount rate of 7.2% (2015: 7.5%) has been applied to the groups of CGUs.

A sensitivity analysis has been performed on the value-in-use calculations by assuming a reasonable change in the discount rate, revenue growth rates, EBITDA margins and terminal growth rates. The sensitivity analysis has been run individually and combined together and indicates significant headroom between the recoverable amount under these scenarios and the carrying value of goodwill and intangibles.

No impairment has been recognised in respect of the carrying value of the goodwill or the brand in any of the years presented as, for each CGU and the Group as a whole, the recoverable amount exceeds its carrying value.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings £M	Fixtures and fittings, plant and machinery £M	Total £M
Cost			
Balance at 1 January 2015	38.1	42.6	80.7
Additions	11.6	3.9	15.5
Disposals	(2.5)	(1.2)	(3.7)
Transfers	(3.5)	3.5	—
Exchange differences	0.5	0.4	0.9
Balance at 31 December 2015	**44.2**	**49.2**	**93.4**
Additions	9.2	8.7	17.9
Disposals	(3.0)	(4.2)	(7.2)
Exchange differences	9.2	6.0	15.2
Balance at 31 December 2016	**59.6**	**59.7**	**119.3**
Depreciation and impairment			
Balance at 1 January 2015	14.9	15.0	29.9
Depreciation charge for the year	6.7	9.4	16.1
Disposals	(2.4)	(1.0)	(3.4)
Transfers	—	—	—
Exchange differences	0.1	0.3	0.4
Balance at 31 December 2015	**19.3**	**23.7**	**43.0**
Depreciation charge for the year	6.7	11.6	18.3
Disposals	(2.8)	(4.0)	(6.8)
Exchange differences	4.6	3.6	8.2
Balance at 31 December 2016	**27.8**	**34.9**	**62.7**
Net book value			
At 31 December 2016	**31.8**	**24.8**	**56.6**
At 31 December 2015	**24.9**	**25.5**	**50.4**

12. ACQUISITIONS OF SUBSIDIARIES

ACQUISITIONS IN THE YEAR ENDED 31 DECEMBER 2015

	Fair value £M
Non-current assets	
Property, plant and equipment	—
Current assets	
Inventories	—
Total assets	—
Goodwill	3.4
Total consideration	**3.4**
Satisfied by:	
Cash consideration	3.4

On 1 April 2015, J. Choo Limited acquired part of the trade of American Style Pte. Ltd. and Valiram Avant Garde Sdn. Bhd.. Prior to the acquisition, American Style Pte. Ltd. and Valiram Avant Garde Sdn. Bhd. operated Jimmy Choo franchise stores in Singapore and Malaysia under a distribution agreement with J. Choo Limited. Jimmy Choo (Singapore) Pte. Ltd. subsequently acquired the operating leases, the tangible fixed assets and stock of the franchised stores from American Style Pte. Ltd., and Jimmy Choo (Malaysia) Sdn. Bhd. subsequently acquired the operating lease, the tangible fixed assets and stock of the franchised store from Valiram Avant Garde Sdn. Bhd.. The acquired trade and assets of American Style Pte. Ltd. and Valiram Avant Garde Sdn. Bhd. were accounted for as a single business combination in which the shop fittings, inventory and leases were recognised with a nil fair value. Goodwill represents the fair value of the trade acquired including the operations and a presence in these locations. The total consideration paid was £3.4m. The revenue and loss of the acquired trades from the date of acquisition to 31 December 2015 was £1.4m and £(0.0)m respectively.

13. INVESTMENTS IN ASSOCIATES

The Group's share of the results of its immaterial associate, which is unlisted, and its aggregated assets and liabilities, are as follows:

	2016 £M	2015 £M
Total assets	3.8	2.7
Total liabilities	(3.3)	(2.1)
Net assets	0.5	0.6
Group's share of net assets	0.2	0.2
Revenue	4.9	3.9
Profit	0.1	0.1
Group's share of associate profit	—	—

14. DEFERRED TAX ASSETS AND LIABILITIES

RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

ASSETS

	2016 £M	2015 £M
Inventories	6.9	5.6
Employee benefits	1.0	—
Other assets	3.5	3.6
Deferred tax assets	**11.4**	**9.2**

LIABILITIES

	2016 £M	2015 £M
Property, plant and equipment	(1.8)	(1.4)
Intangible assets	(44.7)	(47.5)
Deferred tax liabilities	**(46.5)**	**(48.9)**
Less deferred tax assets	11.4	9.2
Net deferred tax liabilities	(35.1)	(39.7)

Movement in deferred tax during the year:

	1 January 2016 £M	Recognised in profit and loss (credit)/ charge £M	Recognised in other comprehensive income charge £M	Recognised directly in equity £M	Effect of foreign exchange rate changes £M	31 December 2016 £M
Property, plant and equipment	(1.4)	(0.4)	—	—	—	(1.8)
Intangible assets	(47.5)	2.8	—	—	—	(44.7)
Inventories	5.6	0.1	1.2	—	—	6.9
Employee benefits	—	0.7	—	0.2	—	0.9
Other financial assets (including foreign exchange adjustments)	3.6	(0.4)	—	—	0.4	3.6
	(39.7)	**2.8**	**1.2**	**0.2**	**0.4**	**(35.1)**

	1 January 2015 £M	Recognised in profit and loss (credit)/ charge £M	Recognised in other comprehensive income charge £M	Recognised directly in equity £M	Effect of foreign exchange rate changes £M	31 December 2015 £M
Property, plant and equipment	(1.2)	(0.2)	—	—	—	(1.4)
Intangible assets	(52.8)	5.3	—	—	—	(47.5)
Inventories	7.8	(2.3)	0.1	—	—	5.6
Other financial assets (including foreign exchange adjustments)	3.6	—	—	—	—	3.6
	(42.6)	2.8	0.1	—	—	(39.7)

The Group has unrecognised deferred tax assets of £0.5m (2015: £0.7m) in relation to unutilised tax losses carried forward as it is not considered probable that there will be sufficient profits in the foreseeable future from which the losses will be utilised.

15. INVENTORIES

	2016 £M	2015 £M
Finished goods	78.0	54.7
Raw materials	0.1	0.1
Total inventories	**78.1**	**54.8**

The cost of inventories recognised as an expense and included in cost of sales for the year was £129.2m (2015: £118.9m). There is no material difference between the balance sheet value of stocks and their replacement cost.

16. TRADE AND OTHER RECEIVABLES

	2016 £M	2015 £M
Trade receivables	28.2	26.1
Allowance for doubtful debts	(0.5)	(0.2)
	27.7	25.9
Amounts owed by related parties (note 25)	1.9	2.2
Other receivables	11.8	9.0
Restricted cash	0.4	0.4
Prepayments and accrued income	3.9	3.2
Other tax receivables	4.4	2.0
Total current trade and other receivables	**50.1**	**42.7**

Invoices to customers are generally due for payment within 30 days of the end of the month of issue. The Group's experience is that the majority of customers pay within that timeframe. Trade receivables disclosed above include amounts which are past due at the reporting date (see below for aged analysis). In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Group has recognised an allowance for doubtful receivables at each reporting date by considering the recoverability of each receivable.

AGEING OF PAST DUE BUT NOT IMPAIRED RECEIVABLES

	2016 £M	2015 £M
31–60 days	1.1	2.0
60–120 days	0.1	0.4
121+ days	0.4	0.7
Total	**1.6**	**3.1**

MOVEMENT IN ALLOWANCE FOR DOUBTFUL DEBTS

	2016 £M	2015 £M
Balance at beginning of the year	(0.3)	(0.3)
Movement in allowance for doubtful debts	(0.2)	—
Balance at the end of the year	**(0.5)**	**(0.3)**

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written-off against the trade receivables directly.

17. INTEREST-BEARING LOANS AND BORROWINGS

The contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost are described below. For more information about the Group's exposure to interest rate and foreign currency risk, see note 22.

	2016 £M	2015 £M
Bank loans	140.3	113.5
Bank facility	12.9	21.2
Loan from related party	0.6	0.5
Total borrowings	**153.8**	**135.2**
Amounts due for settlement within 12 months	**12.5**	**17.8**
Amounts due for settlement after 12 months	**141.3**	**117.4**

BANK LOAN AND FACILITIES

The principal amounts, interest margins and expiry dates for the main bank facilities as at 31 December 2016 are:

	Principal £M	Principal $/ €M	Interest margin	Expiry date
Facility A1 (USD)	110.3	135.2	LIBOR+2.0%	16 March 2021
Facility A2 (EUR)	31.8	37.1	EURIBOR +2.0%	16 March 2021
Revolving Credit Facility B1 (EUR)	12.9	15.0	EURIBOR +2.0%	16 March 2021

The Group's current bank facility came into effect on 17 March 2016. It consists of two term loans and a revolving credit facility, held by two of the Company's subsidiary undertakings, Choo USD Finance Limited and Choo EUR Finance Limited. During the year, the previous structured facility was repaid in full.

During the year, the Group made no repayments against Facility A1 or Facility A2.

ANALYSIS OF BORROWINGS BY CURRENCY

	Euro £M	US Dollars £M	Total £M
31 December 2016			
Bank loans	31.6	108.7	140.3
Bank facility	12.9	—	12.9
Loan from related party	0.6	—	0.6
	45.1	**108.7**	**153.8**

	Euro £M	US Dollars £M	Total £M
31 December 2015			
Bank loans	50.3	63.2	113.5
Bank facility	21.2	—	21.2
Loan from related party	0.5	—	0.5
	72.0	**63.2**	**135.2**

18. TRADE AND OTHER PAYABLES

	2016 £M	2015 £M
Current		
Trade payables	50.0	46.4
Accruals and deferred income	41.2	26.5
Accrued interest on bank facilities	1.4	1.8
Amounts owed to related parties (note 25)	3.5	4.1
Amounts owed to associate (note 25)	2.0	2.0
Deferred consideration owed to related parties (note 25)	0.4	0.7
Other creditors	13.8	5.3
Total current trade and other payables	**112.3**	**86.8**
Non-current		
Put option over non-controlling interest (note 25)	0.5	0.5
Deferred consideration owed to related parties (note 25)	0.9	0.8
Other creditors	6.2	3.9
Total non-current trade and other payables	**7.6**	**5.2**

The Directors consider that the carrying amount of trade payables is approximate to their fair value.

Deferred consideration arose on the acquisition of Jimmy Choo Florence S.r.l. (formerly Studio Luxury S.r.l.) on 5 August 2014 and is payable in four tranches between 1 January 2015 and 31 December 2018.

19. OTHER LIABILITIES

	2016 £M	2015 £M
Current		
Employee Benefit Trust liability	2.6	1.3
Non-current		
Employee Benefit Trust liability	13.4	14.3
Total other liabilities	**16.0**	**15.6**

The Jimmy Choo PLC Employee Benefit Trust acquired the Company's own shares in 2014 from JAB Luxury GmbH, the Group's majority shareholder. The consideration for the shares remains outstanding and will fall due for payment when shares are awarded to employees in accordance with the terms of the Group's long term incentive plan (see note 21). Shares will be returned to JAB Luxury GmbH in the event of being surplus to requirements from ongoing share schemes.

The current liability will be used to satisfy options awarded under the JC PLC Share Award of which one third vested on 1 July 2016 and one third is due to vest on 1 July 2017.

The non-current liability has been discounted applying a pre-tax discount rate of 1.8% (2015: 1.8%) that has been adjusted for risks specific to the liability.

20. CAPITAL AND RESERVES

	2016 £M	2015 £M
Share capital	389.7	389.7
Share premium	99.5	99.5
Own shares reserve	(15.6)	(16.7)
Translation reserve	(12.8)	(2.5)
Retained earnings	15.4	(3.1)
Total equity	**476.2**	**466.9**

SHARE CAPITAL

Share capital is comprised of:

	2016 £M	2015 £M
Allotted and called up		
389,737,588 ordinary shares of £1 each	389.7	389.7

SHARE PREMIUM

Share premium of £99.5m arose on the debt for equity swap transaction between JAB Luxury GmbH and Choo Luxury Group Limited on 3 October 2014. The carrying value of the Shareholder Credit Facility (including accrued interest) at the date of the debt for equity swap was £489.2m.

OWN SHARES RESERVE

The cost of the Company's ordinary shares held by the Jimmy Choo PLC Employee Benefit Trust is treated as a deduction in arriving at total shareholder's equity. The movement in the own shares reserve was as follows:

	Number of ordinary shares	Average price paid per share	£M
Balance at 1 January 2015	11,951,119	£ 1.40	16.7
Shares purchased by the Employee Benefit Trust during the year	—	—	—
Balance at 31 December 2015	11,951,119	£ 1.40	16.7
Shares purchased by the Employee Benefit Trust during the year	—	—	—
Options exercised during the year	(805,025)	£ 1.40	(1.1)
Balance at 31 December 2016	**11,146,094**	**£ 1.40**	**15.6**

Shares held by the Jimmy Choo PLC Employee Benefit Trust will be used to satisfy options awarded under the Group's long term incentive plan (see note 21).

21. SHARE-BASED PAYMENTS

During the year and the prior year, the Group operated two equity-settled share-based compensation schemes for its Directors and employees. Details of each of these schemes are set out in this note.

EQUITY-SETTLED SHARE OPTION SCHEMES

JC PLC SHARE AWARD

Following the partial vesting of the Phantom Option Scheme at IPO in October 2014, 3,571,713 options were cancelled and a new equity-settled share-based payment scheme implemented (the "JC PLC Share Award"). The number of shares awarded under the JC PLC Share Award was calculated by reference to the value attributed to the proportion of previously held phantom options. For each phantom option forfeited, participants received 0.55 share awards, with an exercise price for these options of £1 in total for each exercise.

The options are due to vest in three stages: one third was exercisable on 1 July 2016; one third is exercisable on 1 July 2017; and the remaining third is exercisable on 1 July 2018. The vesting of these options is dependent upon continued employment over the vesting period.

Any vested but unexercised options will automatically lapse on 21 October 2024.

Movements in the number of share awards outstanding are as follows:

	2016	2015
Outstanding at the beginning of the year	1,871,003	1,951,120
Granted during the year	—	—
Exercised during the year	(521,693)	—
Forfeited during the year	—	(80,117)
Outstanding at 31 December	**1,349,310**	**1,871,003**
Exercisable at 31 December	**101,974**	—

The weighted average exercise price of these options is £nil.

ONE-OFF AWARD

2016 GRANTS

On 9 December 2016, share awards of 535,714 ordinary shares in Jimmy Choo PLC were granted as a one-off performance award, with a nominal exercise price of £1 in total for each exercise.

On 13 June 2016, share awards of 214,285 ordinary shares in Jimmy Choo PLC were granted as a one-off performance award, with an exercise price for these options of £1 in total for each exercise. The options were subsequently forfeited on 31 October 2016.

2015 GRANTS

On 31 December 2015, share awards of 214,285 ordinary shares in Jimmy Choo PLC were granted as a one-off performance award, with an exercise price for these options of £1 in total for each exercise.

The vesting of these options is dependent upon continued employment over the vesting period. Any vested but unexercised options will automatically lapse on 21 October 2024. The fair value of the award was determined as £1.41 based on the market value of ordinary shares at the grant date.

2014 GRANTS

On 30 October 2014, share awards of 9,842,858 ordinary shares in Jimmy Choo PLC were granted as a one-off award at IPO to members of the Group's Senior Management team, with a nominal exercise price of £1 in total for each exercise.

The options were awarded in three tranches, each with different vesting conditions:

1. MAIN AWARD

50% of the options granted are exercisable on the fifth anniversary of the grant date and 50% are exercisable on the sixth anniversary of the grant date. The total number of shares granted under this award was 7,921,429.

2. ALTERNATE GRANT 1

33% of the options granted are exercisable on the fourth anniversary of the grant date; 33% are exercisable on the fifth anniversary of the grant date and 33% are exercisable on the sixth anniversary of the grant date. The total number of shares granted under this award was 1,071,429.

3. ALTERNATE GRANT 2

850,000 options were granted with vesting conditions that are the same as the JC PLC Share Awards described above.

The vesting of these options is dependent upon continued employment over the vesting period. Any vested but unexercised options will automatically lapse on 21 October 2024. The fair value of the award was determined as £1.40 based on the market value of ordinary shares at the grant date.

Movements in the number of share awards outstanding are as follows:

	2016	2015
Outstanding at the beginning of the year	9,092,857	9,842,858
Granted during the year	749,999	214,285
Exercised during the year	(283,332)	—
Forfeited during the year	(214,285)	(964,286)
Outstanding at 31 December	**9,345,239**	**9,092,857**
Exercisable at 31 December	—	—

The weighted average exercise price of these options is £nil.

22. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

FINANCIAL RISK MANAGEMENT

The Directors have overall responsibility for the oversight of the Group's risk management framework. A formal process for reviewing and managing risk in the business has been developed. A register of strategic and operational risk is maintained and reviewed by the Directors, who also monitor the status of agreed actions to mitigate key risks.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from wholesale customers and the Group's foreign exchange forward contracts.

The Group has no significant concentrations of credit risk. The trade receivables balance is spread across a large number of different customers. The Group has policies in place to ensure that wholesale sales are made to customers with an appropriate credit history. The Group only sells to wholesale customers who are creditworthy and mitigates risk in certain markets by trading on terms with accelerated payments, bank guarantees and letters of credit, as well as adopting credit insurance when appropriate. The Group monitors the creditworthiness of counterparties using publicly available information. As a result, the Group's exposure to bad debts is not significant and default rates have historically been very low. Sales to retail customers are made in cash or through major credit cards. An ageing of overdue receivables is included in note 16.

The Group is also exposed to credit risk arising from other financial assets, which comprise cash and short term deposits and certain derivative instruments. The Group's exposure to credit risk arises from the default of the counterparty with a maximum exposure equal to the carrying value of these instruments if a counterparty to a financial instrument fails to meet its contractual obligation. The Group's policy is that surplus funds are placed on deposit with counterparties, who are either party to the Group's banking syndicate, or who are creditworthy counterparties.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures that it has sufficient cash or loan facilities to meet all its commitments when they fall due by ensuring that there are sufficient cash or working capital facilities to meet the Group's cash requirements.

The risk is measured by review of forecast liquidity each month to determine whether there are sufficient credit facilities to meet forecast requirements and by monitoring covenants on a regular basis to ensure there are no expected significant breaches, which would lead to an "Event of Default". Cash flow forecasts are submitted monthly to the Directors. These continue to demonstrate the strong cash generating ability of the business and its ability to operate within existing agreed banking facilities. There have been no breaches of covenants during the reported years. For further details of the Group's borrowings see note 17.

All short term trade and other payables, accruals, bank overdrafts and borrowings mature within one year or less. The carrying value of all financial liabilities due in less than one year is equal to their contractual undiscounted cash flows.

The maturity profile of the contractual undiscounted cash flows of the Group's non-current financial liabilities, excluding derivatives used for hedging, is as follows:

	2016 £M	2015 £M
In more than one year, but not more than two years	(9.0)	(9.1)
In more than two years, but not more than three years	(0.5)	(116.7)
In more than three years, but not more than four years	(6.0)	(6.0)
In more than four years, but not more than five years	(148.3)	(6.3)
In more than five years	—	—
Total non-current financial liabilities	**(163.8)**	**(138.1)**

MARKET RISK

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income. The Group's exposure to market risk predominantly relates to interest and currency risk.

INTEREST RATE RISK

The Group is exposed to the risk of interest rate fluctuations mainly with regard to the interest expense on the debt carried by Choo USD Finance Limited and Choo EUR Finance Limited. The Group's bank borrowings incur variable interest rate charges linked to EURIBOR/LIBOR plus a margin. The Group's policy aims to manage the interest cost of the Group within the constraints of its financial covenant and business plan.

Sensitivity analysis of the effect of a change in interest rates of ±1% is included below.

FOREIGN CURRENCY RISK

The Group operates internationally and is exposed to the foreign exchange risk which can negatively impact revenue, costs, margins and profit.

The Group transacts with its suppliers of finished goods, based in continental Europe, in Euro. In addition to this, the Group is exposed to transaction risk on the translation and conversion of surplus US Dollar, Hong Kong Dollar, Japanese Yen and Chinese Yuan balances, generated by its directly owned stores globally into Euro and Pounds Sterling. The Group's policy allows these exposures to be hedged for up to 12 months forward in order to create sufficient certainty to price different collections and assure the business cash flows.

Hedging is performed through the use of foreign currency bank accounts and forward foreign exchange contracts and nil cost options. These contracts are put in place as part of the Group's treasury management strategy. It enables merchandisers to be given targeted exchange rates for products, which are set aligned with the hedge rates for future collections, typically 9 to 12 months before cash flows crystallise. In addition, the Group uses forward foreign exchange contracts in order to hedge its exposure to foreign currency gains and losses arising on the Euro denominated portion of its external bank facilities.

The following table shows the extent to which the Group has monetary assets and liabilities at the balance sheet date in currencies other than the local currency of operation. Monetary assets and liabilities refer to cash, deposits, borrowings and other amounts to be received or paid in cash. Amounts exclude intercompany balances which eliminate on consolidation.

	31 December 2016		31 December 2015	
	Monetary assets £M	**Monetary liabilities £M**	Monetary assets £M	Monetary liabilities £M
Euro	16.2	(104.2)	6.7	(113.8)
US Dollar	9.3	(121.3)	16.9	(64.9)
Japanese Yen	7.6	(4.4)	0.8	—
Hong Kong Dollar	2.9	(2.0)	2.3	(1.9)
Chinese Yuan	2.4	(2.9)	0.1	—
Other currencies	1.7	(2.1)	0.9	(0.4)
	40.1	**(236.9)**	**27.7**	**(181.0)**

PENSION LIABILITY RISK

The Group has no association with any defined benefit pension scheme and therefore carries no deferred, current or future liabilities in respect of such a scheme.

CAPITAL RISK

The capital structure of the Group consists of net borrowings and shareholders' equity. At 31 December 2016, net borrowings were £139.0m (2015 net borrowings were £121.4m), whilst shareholders' equity was £476.2m (2015: shareholders' equity £466.9m).

The Group manages its capital structure to maintain a prudent balance between debt and equity that provides sufficient headroom to finance the Group's strategic development including acquisitions. The Board's policy is to retain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future growth. The Board reviews the Group's capital allocation policy annually to ensure that these objectives can be achieved. There were no changes in the Group's approach to capital management during the period under review although new borrowing facilities were put in place in March 2016.

The Group operates globally, primarily through subsidiary companies established in the markets in which the Group trades. The Group's operating subsidiaries are generally cash generative. The Group's policy is to maintain borrowing facilities centrally which are then used to finance the Group's operating subsidiaries, either by way of equity investments or loans.

There are financial covenants associated with the Group's borrowings. On the previous facility, the covenants were leverage (net debt to EBITDA) and cash flow cover (cash flow to debt service). The new facility now in place has one covenant test (net debt to EBITDA). The Group was in compliance with all covenant measures throughout the reported years.

Cash is used to fund the Group's ongoing investment and growth of the global brand, as well as to make routine outflows of capital expenditure, tax and repayment of maturing debt. The Group has access to a revolving credit facility of US$105.8m (£86.3m) of which US$16.4m (£12.9m) was utilised at 31 December 2016 (2015: €21.3m (£15.7m) utilised). As part of the new facility arrangement, the Group has access to an accordion credit facility of £50m, which was unutilised at 31 December 2016.

FAIR VALUE DISCLOSURES

The carrying amount of financial assets and liabilities approximate their fair values. The majority of the financial assets are current. The majority of the current interest-bearing liabilities are at variable interest rates. The fair values of the non-current fixed rate interest-bearing liabilities are not materially different from their carrying amounts.

The fair value of non-current fixed rate interest-bearing liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting dates.

The fair value of derivative instruments (currency forwards and options) is determined based on current and available market data. Pricing models commonly used in the market are used, taking into account relevant parameters such as forward rates, spot rates, discount rates, yield curves and volatility.

FAIR VALUE HIERARCHY

Financial instruments carried at fair value are categorised into the below levels, reflecting the significance of the inputs used in estimating the fair values:

Level 1: Quoted prices (unadjusted) in active markets for identical instruments;

Level 2: Valuation techniques based on observable inputs, other than quoted prices included within Level 1, that are observable either directly or indirectly from market data;

Level 3: Valuation techniques using significant unobservable inputs, this category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The Group recognises derivative financial instruments at fair value. No other financial instruments are carried at fair value. The derivative financial instruments have been measured using a Level 2 valuation method.

The fair value of financial assets and liabilities are as follows:

	2016 £M	2015 £M
Cash and cash equivalents	14.8	13.8
Trade and other receivables	50.1	42.7
Total financial assets	**64.9**	**56.5**
Trade and other payables	(119.9)	(92.0)
Borrowings	(153.8)	(135.2)
Other liabilities (note 19)	(16.0)	(15.6)
Other financial liabilities	(2.2)	(1.3)
Total financial liabilities	**(291.9)**	**(244.1)**

FINANCIAL INSTRUMENTS SENSITIVITY ANALYSIS

In managing interest rate and currency risks, the Group aims to reduce the impact of short term fluctuations on its earnings. At the end of each reporting year, the effect of hypothetical changes in interest and currency rates is as follows:

INTEREST RATE SENSITIVITY ANALYSIS

The table below shows the Group's sensitivity to interest rates on floating rate borrowings (i.e. cash and cash equivalents and bank borrowings which attract interest at floating rates) if interest rates were to change by ±1%.

The impact on the results in the consolidated income statement and consolidated statement of other comprehensive income and equity would be:

	2016 Increase/ (decrease) in equity £M	2015 Increase/ (decrease) in equity £M
+1% movement in interest rates	(1.5)	(1.3)
-1% movement in interest rates	1.5	1.3

FOREIGN EXCHANGE RATE SENSITIVITY ANALYSIS

The table below shows the Group's sensitivity to Pounds Sterling strengthening/weakening by 10%:

	2016 Increase/ (decrease) in equity £M	2015 Increase/ (decrease) in equity £M
10% appreciation of Pounds Sterling	18.1	13.5
10% depreciation of Pounds Sterling	(21.7)	(17.6)

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting year. The analysis assumes that all other variables, in particular interest rates, remain constant.

OTHER FINANCIAL ASSETS AND LIABILITIES

Other financial assets and liabilities are the result of derivative contracts entered into by the Group to hedge against exchange rate risk. The derivative contracts have been recognised at fair value.

	2016 £M	2015 £M
Forward foreign exchange contracts	(2.2)	(1.3)

23. OPERATING LEASES

The Group leases various retail stores and offices under non-cancellable operating lease arrangements. These leases have varying terms including duration and renewal rights.

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings	
	2016 £M	2015 £M
Less than one year	31.7	29.2
Between one and five years	79.1	81.3
More than five years	27.5	32.9
Total operating leases	**138.3**	**143.4**

In addition, the Group had annual commitments under concession agreements totalling £3.3m per annum at 31 December 2016 (2015: £3.6m).

24. COMMITMENTS

Following the establishment of the joint venture in Russia in 2013, put and call options exist over the remaining 50% of the share capital of J. Choo Russia JV Limited. J. Choo Limited holds a call option over the remaining shares and Oxana Bondarenko holds the put option. Both options are exercisable at the end of the joint venture agreement in 2018. The fair value of the future consideration payable is estimated to be £0.5m at 31 December 2016 (2015: £0.5m).

In 2012, the Company entered into a joint and several money only guarantee of up to £15.0m for a UK lease for the benefit of Belstaff International Limited, a fellow subsidiary of JAB Luxury GmbH. The Company is counter-indemnified in respect of this guarantee by JAB Luxury GmbH.

There was no unprovided capital or other financial commitments at 31 December 2016 (2015: £nil).

25. RELATED PARTIES

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The compensation of key management personnel (including the Directors) is as follows:

	2016 £M	2015 £M
Key management personnel emoluments		
Emoluments (of which Directors £1.5m (2015: £1.2m))	5.3	5.6
Termination payments	—	0.4
Share-based payments (of which Directors £1.3m (2015: £1.2m))	2.8	2.9
Total emoluments	8.1	8.9
Company contributions to money purchase pension schemes (of which Directors £0.0m (2015: £0.0m))	0.2	0.1
Total emoluments	**8.3**	**9.0**

OTHER RELATED PARTY TRANSACTIONS

Balances between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The Group has related party relationships with its shareholder, JAB Luxury GmbH, other subsidiary undertakings of JAB Luxury GmbH, its associate and the other shareholder of J. Choo Russia JV Limited. The Group entered into the following transactions during the year:

	2016		2015	
	Income £M	**Expense £M**	Income £M	Expense £M
Parent company				
JAB Luxury GmbH	0.1	—	0.2	(0.4)
Other related parties				
Bally GC Retail Co. Limited	—	—	—	(0.1)
Bally UK Sales Ltd.	—	—	—	(0.3)
Bally China	—	(0.1)	—	—
Belstaff International Limited	—	—	—	(0.5)
LLX Global Business Services Americas Inc.	—	(0.8)	—	(0.9)
LLX Global Business Services Hong Kong Limited	—	(0.3)	—	(0.3)
LLX Global Business Services Japan KK	—	(0.2)	—	—
LLX Global Business Services (Shanghai) Co., Ltd.	—	(0.2)	—	(0.1)
LLX Global Business Services SA	—	(1.9)	—	—
LLX Global Business Services UK Ltd	—	(0.6)	—	(3.8)
JC Industry S.r.l. (associated company)	—	(5.8)	—	(3.3)
Oxana Bondarenko	—	(0.2)	—	(0.1)
Total	**0.1**	**(10.1)**	**0.2**	**(9.8)**

OTHER RELATED PARTY TRANSACTIONS

The following amounts were outstanding at the balance sheet date:

	2016		2015	
	Receivable £M	Payable £M	Receivable £M	Payable £M
Parent company				
JAB Luxury GmbH	0.2	(16.0)	—	(15.7)
Other related parties				
Bally Americas Inc.	0.1	—	0.1	—
Bally GC Retail Co. Limited	—	—	—	—
Bally UK Sales Ltd.	1.1	—	1.5	(0.1)
Belstaff International Limited	0.1	—	—	(0.5)
LLX Global Business Services UK Ltd	0.4	(0.2)	0.5	(3.0)
LLX Global Business Services Americas Inc.	—	(0.4)	—	(0.3)
LLX Global Business Services Hong Kong Limited	—	—	—	(0.1)
LLX Global Business Services SA	—	(2.5)	0.1	—
LLX Global Business Services (Shanghai) Co., Ltd.	—	(0.1)	—	—
LLX Global Business Services Japan KK	—	(0.1)	—	—
Luxury Italia Holding S.r.l.	—	(1.3)	—	(1.4)
JC Industry S.r.l. (associated company)	—	(2.0)	—	(2.0)
Oxana Bondarenko	—	(0.7)	—	(1.1)
Total	1.9	(23.3)	2.2	(24.2)

The Group received income of £0.1m (2015: £0.2m) and incurred no expenses (2015: £0.4m) on behalf of or receivable or payable to JAB Luxury GmbH during the year to 31 December 2016.

Included in the payable to Bally UK Sales Ltd. is £nil (2015: £0.1m) in relation to surrender of tax losses.

Included in the payable to Belstaff International Limited is £nil (2015: £0.5m) in relation to surrender of tax losses.

Included in the payable to Oxana Bondarenko is £0.5m (2015: £0.5m) for a put option to purchase the remaining 50% share capital of J.Choo Russia JV Limited at the end of the joint venture agreement in 2018.

26. ULTIMATE PARENT COMPANY

The majority shareholder is JAB Luxury GmbH and the ultimate controlling party is Agnaten SE, a company incorporated in Austria.

27. POST BALANCE SHEET EVENTS

UAE Joint Venture

On 6 July 2017, six franchise doors in the UAE were converted to retail doors following the establishment of a joint venture with Al-Tayer Group.

Strategic Review

On 25 July 2017, the board of directors of Jimmy Choo PLC and Michael Kors Holdings Limited entered into a definitive agreement (Form 2.7) and a cooperation agreement (“the Agreements”) on the terms of a recommended cash acquisition (“the Acquisition”) by which the entire issued and to be issued ordinary share capital of Jimmy Choo PLC will be acquired by JAG Acquisitions (UK) Limited, a wholly-owned subsidiary of Michael Kors Holdings Limited, subject to the regulatory clearances and terms and conditions set out in the Agreements. Upon the completion of the Acquisition, Michael Kors Holdings Limited will become the controlling party of the company.

The Acquisition is to be effected by means of a Court approved scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme"). On 18 September 2017 holders of Scheme Shares voted to approve the Scheme at the Court Meeting. On the same date Jimmy Choo shareholders voted to approve the Scheme at an Extraordinary General Meeting of shareholders.

Condensed consolidated statements of income

For the period ended 30 June 2017 (Unaudited)

	Note	6 months ended 30 June 2017 £M	6 months ended 30 June 2016 £M	12 months ended 31 December 2016 £M
Revenue	2	201.6	173.1	364.0
Cost of sales		(73.0)	(63.0)	(131.0)
Gross profit		**128.6**	**110.1**	**233.0**
Selling and distribution expenses		(69.9)	(57.9)	(127.6)
Administrative expenses		(38.9)	(26.9)	(62.9)
Operating profit	3	**19.8**	**25.3**	**42.5**
Financial expense	4	(3.2)	(12.3)	(15.3)
Gain/(loss) on financial instruments	4	1.4	(6.4)	(9.5)
Profit after financing expense		**18.0**	**6.6**	**17.7**
Share of profit of associates		0.1	—	—
Profit before tax		**18.1**	**6.6**	17.7
Taxation	5	(4.3)	(0.9)	(2.3)
Profit for the period		**13.8**	**5.7**	**15.4**
Earnings per share - basic and diluted (pence)	6	**3.6**	**1.5**	**4.1**

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

Condensed consolidated statements of comprehensive income

For the period ended 30 June 2017 (Unaudited)

	6 months ended 30 June 2017 £M	6 months ended 30 June 2016 £M	12 months ended 31 December 2016 £M
Profit for the period	**13.8**	**5.7**	**15.4**
Other comprehensive income			
Items that are or may subsequently be recycled to profit or loss:			
Foreign currency translation difference	4.0	(2.3)	(10.3)
Income tax credit on items that are or may be recycled subsequently to profit or loss	—	—	1.2
Other comprehensive income/(loss) for the period, net of tax	**4.0**	**(2.3)**	**(9.1)**
Total comprehensive income for the period	**17.8**	**3.4**	**6.3**

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

Condensed consolidated statements of financial position

As at 30 June 2017 (Unaudited)

	Note	30 June 2017 £M	30 June 2016 £M	31 December 2016 £M
Non-current assets				
Intangible assets and goodwill		606.5	601.0	607.2
Property, plant and equipment	7	60.1	58.8	56.6
Investments in equity-accounted investees		0.1	0.2	0.2
Deferred tax asset		11.0	9.9	11.4
Total non-current assets		**677.7**	**669.9**	**675.4**
Current assets				
Inventories		91.7	71.9	78.1
Trade and other receivables		53.6	56.3	50.1
Other financial assets	9	0.6	—	—
Current tax assets		—	0.2	1.1
Cash and cash equivalents		26.9	10.5	14.8
Total current assets		**172.8**	**138.9**	**144.1**
Total assets		**850.5**	**808.8**	**819.5**
Current liabilities				
Borrowings	8	(4.1)	(15.1)	(12.5)
Trade and other payables		(137.3)	(108.7)	(112.3)
Other current liabilities		(1.3)	(2.6)	(2.6)
Current tax liabilities		(3.1)	(4.1)	(4.9)
Other financial liabilities	9	—	(7.0)	(2.2)
Total current liabilities		**(145.8)**	**(137.5)**	**(134.5)**
Non-current liabilities				
Borrowings	8	(142.2)	(131.6)	(141.3)
Trade and other payables		(7.5)	(6.1)	(7.6)
Other non-current liabilities		(13.5)	(13.1)	(13.4)
Deferred tax liabilities		(46.4)	(48.8)	(46.5)
Total non-current liabilities		**(209.6)**	**(199.6)**	**(208.8)**
Total liabilities		**(355.4)**	**(337.1)**	**(343.3)**
Net assets		**495.1**	**471.7**	**476.2**
Equity attributable to equity holders of the parent				
Share capital		389.7	389.7	389.7
Share premium		99.5	99.5	99.5
Own shares reserve		(15.6)	(16.7)	(15.6)
Translation reserve		(8.8)	(4.8)	(12.8)
Retained earnings		30.3	4.0	15.4
Total equity		**495.1**	**471.7**	**476.2**

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

Condensed consolidated statements of changes in equity

For the period ended 30 June 2017 (Unaudited)

	Share capital £M	Share premium £M	Own shares reserve £M	Translation reserve £M	Retained earnings £M	Total equity £M
Balance at 1 January 2017	**389.7**	**99.5**	**(15.6)**	**(12.8)**	**15.4**	**476.2**
Profit for the period	—	—	—	—	13.8	13.8
Other comprehensive income for the period	—	—	—	4.0	—	4.0
Total comprehensive income for the period	**—**	**—**	**—**	**4.0**	**13.8**	**17.8**
Charge for the period under equity-settled share-based payments	—	—	—	—	1.3	1.3
Social security paid on share options exercised in the prior year	—	—	—	—	(0.2)	(0.2)
Total transactions with owners	**—**	**—**	**—**	**—**	**1.1**	**1.1**
Balance at 30 June 2017	**389.7**	**99.5**	**(15.6)**	**(8.8)**	**30.3**	**495.1**
Balance at 1 January 2016	**389.7**	**99.5**	**(16.7)**	**(2.5)**	**(3.1)**	**466.9**
Profit for the year	—	—	—	—	15.4	15.4
Other comprehensive (loss)/ income for the year	—	—	—	(10.3)	1.2	(9.1)
Total comprehensive (loss)/income for the year	**—**	**—**	**—**	**(10.3)**	**16.6**	**6.3**
Share options exercised during the year	—	—	1.1	—	(1.1)	—
Charge for the period under equity-settled share-based payments	—	—	—	—	2.8	2.8
Deferred tax on share-based payments	—	—	—	—	0.2	0.2
Total transactions with owners	**—**	**—**	**1.1**	**—**	**1.9**	**3.0**
Balance at 31 December 2016	**389.7**	**99.5**	**(15.6)**	**(12.8)**	**15.4**	**476.2**
Balance at 1 January 2016	**389.7**	**99.5**	**(16.7)**	**(2.5)**	**(3.0)**	**467.0**
Profit for the period	—	—	—	—	5.7	5.7
Other comprehensive loss for the period	—	—	—	(2.3)	—	(2.3)
Total comprehensive (loss)/income for the period	**—**	**—**	**—**	**(2.3)**	**5.7**	**3.4**
Charge for the period under equity-settled share-based payments	—	—	—	—	1.3	1.3
Total transactions with owners	**—**	**—**	**—**	**—**	**1.3**	**1.3**
Balance at 30 June 2016	**389.7**	**99.5**	**(16.7)**	**(4.8)**	**4.0**	**471.7**

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

Condensed consolidated statements of cash flows

For the period ended 30 June 2017 (Unaudited)

	6 months ended 30 June 2017 £M	6 months ended 30 June 2016 £M	12 months ended 31 December 2016 £M
Cash flows from operating activities			
Operating profit	19.8	25.3	42.5
Adjustments for:			
Depreciation of property, plant and equipment	9.1	8.7	18.3
Amortisation of intangible assets	1.5	0.7	1.6
Loss on disposal of property, plant and equipment and intangibles	0.1	0.3	0.4
Effects of foreign exchange	0.2	(5.4)	(1.8)
Share-based payment expense	1.3	1.3	2.8
Increase in trade and other receivables	(3.3)	(11.2)	(4.4)
Increase in inventories	(13.6)	(9.3)	(14.1)
Increase in trade and other payables	26.1	15.6	13.2
Cash generated from operating activities	**41.2**	**26.0**	**58.5**
Income taxes paid	(3.9)	(5.4)	(8.7)
Interest paid	(3.1)	(3.3)	(5.7)
Interest received	—	—	—
Settlement of derivatives	(1.4)	(0.7)	(8.6)
Net cash inflow from operating activities	**32.8**	**16.6**	**35.5**
Cash flows from investing activities			
Dividends received from associates	0.1	—	—
Acquisition of subsidiaries, net of cash acquired	(0.4)	(0.3)	(0.3)
Acquisition of property, plant and equipment	(14.3)	(10.8)	(18.6)
Acquisition of other intangible assets	(1.7)	(5.3)	(10.0)
Net cash outflow from investing activities	**(16.3)**	**(16.4)**	**(28.9)**
Cash flows from financing activities			
Proceeds from borrowings	8.8	138.3	136.0
Repayment of borrowings	(13.2)	(142.5)	(142.5)
Capital contribution from joint venture partner	—	—	—
Net cash outflow from financing activities	**(4.4)**	**(4.2)**	**(6.5)**
Net increase/(decrease) in cash and cash equivalents	12.1	(4.0)	0.1
Cash and cash equivalents at start of the period	14.8	13.8	13.8
Effect of exchange rate fluctuations on cash held	0.0	0.7	0.9
Cash and cash equivalents at end of period	**26.9**	**10.5**	**14.8**

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

Notes to the Financial Statements

For the period ended 30 June 2017 (Unaudited)

1. Basis of preparation and principal accounting policies

The condensed consolidated set of financial statements of Jimmy Choo PLC ("the Company") as at, and for, the six month period ended 30 June 2017 comprises the Company and its subsidiaries (together referred to as "the Group"). The Directors have a reasonable expectation that the Group has sufficient resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Group financial statements as at, and for, the year ended 31 December 2016 prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. The comparative figures as at, and for the year ended 31 December 2016 are derived from the consolidated financial statements.

Statement of compliance

The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the IASB. The condensed consolidated set of financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated financial statements as at, and for the year ended 31 December 2016.

This condensed consolidated set of financial statements was approved by Jonathan Sinclair, Director, on 4 October 2017.

Adoption of new and revised standards

No changes to new or revised accounting standards have had a material impact on the consolidated financial statements of the Group.

Estimates and judgements

The preparation of a condensed consolidated set of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Refer to note 2 of the consolidated financial statements of the Group for the year ended 31 December 2016 for further detail.

2. Operating segments

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2017:

Six months ended 30 June 2017	**Retail £M**	**Wholesale £M**	**Other £M**	**Total £M**
Revenue	**127.1**	**65.8**	**8.7**	**201.6**
Segment contribution	**31.7**	**26.9**	**0.1**	**58.7**
Administrative expenses				(38.9)
Operating profit				**19.8**
Finance expense				(3.2)
Gain on financial instruments				1.4
Share of profit of associate				0.1
Profit before tax				**18.1**

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2016:

Six months ended 30 June 2016	Retail £M	Wholesale £M	Other £M	Total £M
Revenue	**107.3**	**59.6**	**6.2**	**173.1**
Segment contribution	**24.0**	**27.9**	**0.3**	**52.2**
Administrative expenses				(26.9)
Operating profit				**25.3**
Finance expense				(12.3)
Loss on financial instruments				(6.4)
Profit before tax				**6.6**

The following is an analysis of the Group's revenue and results by reportable segment in the year ended 31 December 2016:

Year ended 31 December 2016	Retail £M	Wholesale £M	Other £M	Total £M
Revenue	**243.9**	**107.2**	**12.9**	**364.0**
Segment contribution	**54.4**	**49.1**	**1.9**	**105.4**
Administrative expenses				(62.9)
Operating profit				**42.5**
Finance expenses				(15.3)
Loss on financial instruments				(9.5)
Profit before tax				17.7

The following table provides an analysis of the Group's revenue by geographical destination, irrespective of the origin of the goods:

	6 months ended 30 June 2017 £M	6 months ended 30 June 2016 £M	12 months ended 31 December 2016 £M
UK	20.3	18.9	42.2
EMEA excluding UK	62.9	54.9	108.7
Americas	55.8	50.0	104.6
Asia excluding Japan	34.0	27.1	56.3
Japan	28.6	22.2	52.2
Total	**201.6**	**173.1**	**364.0**

The following table provides an analysis of the Group's total assets by reportable segment:

	30 June 2017 £M	30 June 2016 £M	31 December 2016 £M
Retail	173.4	152.5	155.9
Wholesale	22.2	28.0	20.1
Other	41.7	32.6	40.5
Total segment assets	**237.3**	**213.1**	**216.5**
Goodwill and brand	575.2	574.9	575.5
Cash and cash equivalents	26.9	10.5	14.8
Investment in joint venture	0.1	0.2	0.2
Taxation	11.0	10.1	12.5
Total assets	**850.5**	**808.8**	**819.5**

3. Operating profit

Operating profit is stated after charging/(crediting):

	6 months ended 30 June 2017 £M	6 months ended 30 June 2016 £M	12 months ended 31 December 2016 £M
Depreciation of fixed assets	9.1	8.7	18.3
Loss on disposal of fixed assets	—	0.3	0.4
Amortisation of other intangible fixed assets	1.5	0.7	1.6
Operating lease rentals for land and buildings	18.5	15.6	34.0
Net loss/(gain) on foreign currency translation	3.7	(4.1)	(6.8)

4. Net financial expense

	6 months ended 30 June 2017 £M	6 months ended 30 June 2016 £M	12 months ended 31 December 2016 £M
Interest expense on bank loans and overdrafts	(2.8)	(2.5)	(5.1)
Finance charges	(0.4)	(0.6)	(1.0)
Foreign exchange loss on external borrowings	—	(9.2)	(9.2)
Total financial expenses	**(3.2)**	**(12.3)**	**(15.3)**
Gain/(Loss) on financial instruments	1.4	(6.4)	(9.5)
Net financing expense	**(1.8)**	**(18.7)**	**(24.8)**

The foreign exchange loss on external borrowings in 2016 relates to the close-out on the old debt facilities.

5. Income tax expense

Tax for the six month period is charged at 23.7% before adjustments in respect of deferred tax (six months ended 30 June 2016: 25.1%; year ended 31 December 2016: 12.9%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

6. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. There were no shares issued during the period. The difference between basic and diluted earnings per share is not material.

Weighted average number of ordinary shares

	30 June 2017 No of shares	30 June 2016 No of shares	31 December 2016 No of shares
Basic average weighted shares	378,591,494	377,786,469	377,965,523
Outstanding shares	378,591,494	377,786,469	378,591,494

	6 months ended 30 June 2017 £M	6 months ended 30 June 2016 £M	12 months ended 31 December 2016 £M
Profit for the period	13.8	5.7	15.4

Earnings per share

	6 months ended 30 June 2017	6 months ended 30 June 2016	12 months ended 31 December 2016
Basic and diluted earnings per ordinary share (pence)	3.6	1.5	4.1

7. Property, plant and equipment

During the period, the Group made additions to property, plant and equipment of £14.2 million (six months ended 30 June 2016: £11.7 million, 12 months ended 31 December 2016: £17.9 million).

8. Interest bearing loans and borrowings

	30 June 2017 £M	30 June 2016 £M	31 December 2016 £M
Bank loans	136.8	130.6	140.3
Bank facility	8.1	15.5	12.9
Overdraft	0.7	—	—
Loan from related party	0.7	0.6	0.6
Total borrowings	**146.3**	**146.7**	**153.8**
Amounts due for settlement within 12 months	**4.1**	**15.1**	**12.5**
Amounts due for settlement after 12 months	**142.2**	**131.6**	**141.3**

Bank loan and facilities

The principal amounts, interest margins and expiry dates for the main bank facilities as at 30 June 2017 are:

	Principal £M	Principal $/€M	Interest margin	Expiry date
Facility A1 (USD)	105.5	135.2	LIBOR +2.5%	16 March 2021
Facility A2 (EUR)	32.8	37.1	EURIBOR +2.5%	16 March 2021

The Group's current bank facility came into effect on 17 March 2016. It consists of two term loans and a revolving credit facility, held by two of the Company's subsidiary undertakings, Choo USD Finance and Choo EUR Finance Limited.

During the period, the Group made no repayments against Facility A1 or Facility A2.

9. Financial Instruments' fair value disclosures

Fair value disclosure

The carrying amount of financial assets and liabilities approximate their fair values. The majority of the financial assets are current. The majority of the current interest-bearing liabilities are at variable interest rates. The fair values of the non-current fixed rate interest-bearing liabilities are not materially different from their carrying amounts.

The fair value of non-current fixed rate interest-bearing liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The fair value of derivative instruments (currency forwards and options) is determined based on current and available market data. Pricing models commonly used in the market are used, taking into account relevant parameters such as forward rates, spot rates, discount rates, yield curves and volatility.

Fair value hierarchy

Financial instruments carried at fair value are categorised into the below levels, reflecting the significance of the inputs used in estimating the fair values:

Level 1: Quoted prices (unadjusted) in active markets for identical instruments;

Level 2: Valuation techniques based on observable inputs, other than quoted prices included within level 1, that are observable either directly or indirectly from market data;

Level 3: Valuation techniques using significant unobservable inputs, this category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The Group had the following financial instruments at 30 June 2017, all of which have been measured using a level 2 valuation method.

	30 June 2017 £M	30 June 2016 £M	31 December 2016 £M
Forward foreign exchange contracts	0.6	(7.0)	(2.2)

10. Related party transactions

There have been no changes in the nature of related party transactions to those described in the 2016 Annual Report that could have a material effect on the financial position or performance of the Group in the period to 30 June 2017.

11. Events after the balance sheet date

UAE Joint Venture

On 6 July 2017, six franchise doors in the UAE were converted to retail doors following the establishment of a joint venture with Al-Tayer Group.

Strategic Review

On 25 July 2017, the board of directors of Jimmy Choo PLC and Michael Kors Holdings Limited entered into a definitive agreement (Form 2.7) and a cooperation agreement ("the Agreements") on the terms of a recommended cash acquisition ("the Acquisition") by which the entire issued and to be issued ordinary share capital of Jimmy Choo PLC will be acquired by JAG Acquisitions (UK) Limited, a wholly-owned subsidiary of Michael Kors Holdings Limited, subject to the regulatory clearances and terms and conditions set out in the Agreements. Upon the completion of the Acquisition, Michael Kors Holdings Limited will become the controlling party of the company.

The Acquisition is to be effected by means of a Court approved scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme"). On 18 September 2017 holders of Scheme Shares voted to approve the Scheme at the Court Meeting. On the same date Jimmy Choo shareholders voted to approve the Scheme at an Extraordinary General Meeting of shareholders.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined balance sheet combines the historical consolidated balance sheet of Michael Kors Holdings Limited (together with its subsidiaries, "Michael Kors") as of July 1, 2017 with the historical consolidated balance sheet of Jimmy Choo PLC (together with its subsidiaries, "Jimmy Choo") as of June 30, 2017, giving effect to the proposed acquisition of Jimmy Choo by Michael Kors (the "Acquisition") and the related financing transactions (the "Transactions") on a pro forma basis as if they had been completed on July 1, 2017. Michael Kors operates on a fiscal year that ends on the Saturday closest to March 31. Jimmy Choo has a calendar year-end. The following unaudited pro forma condensed combined statements of operations for the three months ended July 1, 2017 and the fiscal year ended April 1, 2017 combines Michael Kors' historical consolidated statements of operations for the periods then ended with the historical consolidated statements of operations of Jimmy Choo for the three months ended March 31, 2017 and the fiscal year ended December 31, 2016, and gives effect to the Transactions on a pro forma basis as if they had been completed on April 3, 2016. The unaudited pro forma condensed combined financial statements show the impact of the Transactions on Michael Kors' historical consolidated financial positions and results of operations under the acquisition method of accounting, in accordance with Accounting Standards Codification Topic (" ASC ") 805, "Business Combinations," with Michael Kors treated as the acquirer of Jimmy Choo.

The unaudited pro forma condensed combined financial statements reflect certain adjustments to Jimmy Choo's historical consolidated financial statements to align those financials with U.S. generally accepted accounting principles ("U.S. GAAP") accounting standards and Michael Kors' accounting policies, as well as certain adjustments to reflect currency translations. These adjustments reflect Michael Kors' best estimates based upon the limited information currently available. Additionally, certain items have been reclassified from Jimmy Choo's historical consolidated financial statements to align the presentation of those financials with Michael Kors' financial statement presentation. These reclassifications were determined based upon the information currently available to Michael Kors, and additional reclassifications may be necessary once the acquisition accounting is completed and additional information is available. Jimmy Choo's historical consolidated financial data, which is prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board, has been reconciled to U.S. GAAP and adjusted to (i) translate the financial statements to U.S. dollars based on historical exchange rates and (ii) to conform to Michael Kors' financial statement presentation.

The Acquisition will be accounted for as a business combination under the acquisition method of accounting, whereby the assets acquired and liabilities assumed will be measured at their respective fair values as of the date of completion of the Acquisition, with any residual value reflected as goodwill. The determination of the fair values of the net assets acquired, including intangible and net tangible assets, is based upon certain valuations that have not been finalized, and, accordingly, the adjustments to record the assets acquired and liabilities assumed at fair value reflect Michael Kors' best estimates and are subject to change once further analyses are completed. Under applicable guidance, Michael Kors is not required to finalize its acquisition accounting until all information is available but no later than one year after the Acquisition is completed, and any subsequent adjustments made in connection with the finalization of Michael Kors' acquisition accounting may be material.

The unaudited pro forma condensed combined statements of operations do not include: (1) any revenue or cost reduction synergies that may be achieved subsequent to the completion of the Acquisition; or (2) the impact of non-recurring items directly related to the Acquisition.

The pro forma condensed combined financial statements are unaudited, are presented for informational purposes only, and are not necessarily indicative of the financial position or results of operations that would have occurred had the Transactions been completed as of the dates or at the beginning of the periods presented. In addition, the unaudited pro forma condensed combined financial statements do not purport to project the future consolidated financial position or operating results of the combined company. The unaudited pro forma condensed combined financial statements and the accompanying notes should be read together with:

- the audited historical consolidated financial statements of Michael Kors for the fiscal year ended April 1, 2017 included in Michael Kors' Annual Report on Form 10-K for the fiscal year ended April 1, 2017 (the "Fiscal 2017 Annual Report");

- the unaudited historical consolidated financial statements of Michael Kors as of and for the three months ended July 1, 2017 included in Michael Kors' Quarterly Report on Form 10-Q for the quarter ended July 1, 2017 (the "First Quarter Quarterly Report");
- the audited historical consolidated financial statements of Jimmy Choo for the fiscal year ended December 31, 2016 included in this Current Report on Form 8-K (the "Current Report");
- the unaudited condensed historical consolidated financial statements of Jimmy Choo as of and for the six months ended June 30, 2017 included in this Current Report;
- "Management's discussion and analysis of financial condition and results of operations," included in the Fiscal 2017 Annual Report; and
- "Management's discussion and analysis of financial condition and results of operations," included in the First Quarter Quarterly Report.

UNAUDITED PRO FORMA CONDENSED COMBINED
BALANCE SHEET
As of July 1, 2017
(in Millions)

	July 1, 2017	June 30, 2017								
	Michael Kors historical	Jimmy Choo historical after reclassifications in GBP	Jimmy Choo historical after reclassifications in USD	IFRS to U.S. GAAP & policy adjustments	Note	Acquisition adjustments	Note	Financing adjustments	Note	Pro forma combined
Assets										
Current assets										
Cash and cash equivalents	$ 273.7	£ 26.9	$ 35.0	$ —		$ (1,369.5)	6(a,c,l)	$ 1,450.0	8(a)	$ 389.2
Receivables, net	171.3	29.0	37.7	—		—		—		209.0
Inventories	616.1	91.7	119.3	(7.0)	4(a)	17.7	6(f)	—		746.1
Prepaid expenses and other current assets	123.9	25.2	32.8	10.4	4(e)	—		—		167.1
Total current assets	**1,185.0**	**172.8**	**224.8**	**3.4**		**(1,351.8)**		**1,450.0**		**1,511.4**
Property and equipment, net	585.5	60.1	78.1	(1.5)	4(c)	9.7	6(g)	—		671.8
Intangible assets, net	414.3	295.0	383.7	(33.2)	4(b,d)	278.1	6(e)	—		1,042.9
Goodwill	119.7	311.5	405.1	—		351.0	6(i)	—		875.8
Deferred tax assets	67.2	11.0	14.3	(9.2)	4(e)	(5.1)	6(h)	—		67.2
Other assets	41.3	0.1	0.2	—		—		—		41.5
Total assets	**$ 2,413.0**	**£ 850.5**	**$ 1,106.2**	**$ (40.5)**		**$ (718.1)**		**$ 1,450.0**		**$ 4,210.6**
Liabilities and shareholders' equity										
Current liabilities										
Accounts payable	$ 153.4	£ 77.5	$ 100.8	$ —		$ —		$ —		$ 254.2
Accrued payroll and payroll related expenses	47.1	7.5	9.8	—		—		—		56.9
Accrued income taxes	62.8	3.1	4.0	—		—		—		66.8
Short-term debt	155.8	4.1	5.3	—		(5.3)	6(j)	100.0	8(a)	255.8
Accrued expenses and other current liabilities	161.9	53.6	69.8	—		56.3	6(b,l)	10.8	8(a)	298.8
Total current liabilities	**581.0**	**145.8**	**189.7**	**—**		**51.0**		**110.8**		**932.5**
Deferred rent	134.7	6.6	8.6	—		—		—		143.3
Deferred tax liabilities	79.2	46.4	60.4	—		48.3	6(h)	—		187.9
Long-term debt	—	142.2	184.9	—		(185.8)	6(j,k)	1,339.2	8(a)	1,338.3
Other long-term liabilities	36.8	14.4	18.7	—		(19.2)	6(j,l)	—		36.3
Total liabilities	831.7	355.4	462.3	—		(105.7)		1,450.0		2,638.3
Commitments and contingencies										
Shareholders' equity										
Ordinary shares	—	389.7	506.8	—		(506.8)	6(d)	—		—
Treasury shares	(2,815.2)	(15.6)	(20.3)	—		20.3	6(d)	—		(2,815.2)
Additional paid-in capital	778.7	99.5	129.4	—		(129.4)	6(d)	—		778.7
Accumulated other comprehensive loss	(68.2)	(8.8)	(11.5)	—		11.5	6(d)	—		(68.2)
Retained earnings	3,685.6	30.3	39.5	(40.5)	4(a,b,c,d,e)	(8.0)	6(b,c,d,k)	—		3,676.6
Total shareholders' equity of MKHL	1,580.9	495.1	643.9	(40.5)		(612.4)		—		1,571.9
Noncontrolling interest	0.4	—	—	—		—		—		0.4
Total equity	**1,581.3**	**495.1**	**643.9**	**(40.5)**		**(612.4)**		**—**		**1,572.3**
Total liabilities and shareholders' equity	**$ 2,413.0**	**£ 850.5**	**$ 1,106.2**	**$ (40.5)**		**$ (718.1)**		**$ 1,450.0**		**$ 4,210.6**

UNAUDITED PRO FORMA CONDENSED COMBINED
STATEMENT OF OPERATIONS
For the Year Ended April 1, 2017
(in Millions, except per share amounts)

	Fiscal year ended April 1, 2017	Year ended December 31, 2016								
	Michael Kors historical	Jimmy Choo historical after reclassifications in GBP	Jimmy Choo historical after reclassifications in USD	IFRS to U.S. GAAP & policy adjustments	Note	Acquisition adjustments	Note	Financing adjustments	Note	Pro forma combined
Net sales	$ 4,347.9	£ 356.1	$ 482.7	$ (3.1)	4(f)	$ —		$ —		$ 4,827.5
Licensing revenue	145.8	7.9	10.7	0.6	4(g)	—		—		157.1
Total revenue	4,493.7	364.0	493.4	(2.5)		—		—		4,984.6
Cost of goods sold	1,832.3	131.0	177.6	(9.1)	4(a,h)	—		—		2,000.8
Gross profit	2,661.4	233.0	315.8	6.6		—		—		2,983.8
Selling, general and administrative expenses	1,552.5	170.7	231.3	24.9	4(a,b,f,g,h,i)	—		—		1,808.7
Depreciation and amortization	219.8	19.8	27.0	1.4	4(d)	11.3	7(a,d)	—		259.5
Impairment of long-lived assets	199.2	—	—	—		—		—		199.2
Total operating expenses	1,971.5	190.5	258.3	26.3		11.3		—		2,267.4
Income (loss) from operations	689.9	42.5	57.5	(19.7)		(11.3)		—		714.4
Other income, net	(5.4)	—	—	—		—		—		(5.4)
Interest expense, net	4.1	6.1	8.2	—		—		38.1	8(b)	50.4
Foreign currency loss (income)	2.6	18.7	25.3	(9.2)	4(i)	—		—		18.7
Income (loss) before provision for income taxes	688.6	17.7	24.0	(10.5)		(11.3)		(38.1)		652.7
Provision (benefit) for income taxes	137.1	2.3	3.1	(2.0)	4(j)	(2.1)	7(c)	(11.9)	8(c)	124.2
Net income (loss)	551.5	15.4	20.9	(8.5)		(9.2)		(26.2)		528.5
Less: Net loss attributable to noncontrolling interest	(1.0)	—	—	—		—		—		(1.0)
Net income (loss) attributable to MKHL	$ 552.5	£ 15.4	$ 20.9	$ (8.5)		$ (9.2)		$ (26.2)		$ 529.5
Weighted average shares outstanding:										
Basic (in shares)	165,986,733									165,986,733
Diluted (in shares)	168,123,813									168,123,813
Net income per share:										
Basic	$ 3.33									$ 3.19
Diluted	$ 3.29									$ 3.15

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Three Months Ended July 1, 2017
(in Millions, except per share amounts)

	Three months ended July 1, 2017	Three months ended March 31, 2017								
	Michael Kors historical	Jimmy Choo historical after reclassifications in GBP	Jimmy Choo historical after reclassifications in USD	IFRS to U.S. GAAP & policy adjustments	Note	Acquisition adjustments	Note	Financing adjustments	Note	Pro forma combined
Net sales	$ 923.5	£ 78.9	$ 97.8	$ (0.3)	4(f)	$ —		$ —		$ 1,021.0
Licensing revenue	28.9	2.1	2.5	0.2	4(g)	—		—		31.6
Total revenue	952.4	81.0	100.3	(0.1)		—		—		1,052.6
Cost of goods sold	377.7	28.7	35.5	(2.8)	4(a, h)	—		—		410.4
Gross profit	574.7	52.3	64.8	2.7		—		—		642.2
Selling, general and administrative expenses	377.7	47.1	58.3	5.6	4(a,b,f,g,h,i)	(1.3)	7(b)	—		440.3
Depreciation and amortization	47.6	5.1	6.4	0.3	4(d)	2.3	7(d)	—		56.6
Total operating expenses	425.3	52.2	64.7	5.9		1.0		—		496.9
Income (loss) from operations	149.4	0.1	0.1	(3.2)		(1.0)		—		145.3
Other income, net	(0.6)	—	—	—		—		—		(0.6)
Interest expense, net	1.1	1.5	1.9	—		—		9.7	8(b)	12.7
Foreign currency (income) loss	(1.2)	(0.2)	(0.3)	1.1	4(i)	—		—		(0.4)
Income (loss) before provision for income taxes	150.1	(1.2)	(1.5)	(4.3)		(1.0)		(9.7)		133.6
Provision (benefit) for income taxes	24.6	0.3	0.3	(0.8)	4(j)	(0.2)	7(c)	(3.0)	8(c)	20.9
Net income (loss) attributable to MKHL	$ 125.5	£ (1.5)	$ (1.8)	$ (3.5)		$ (0.8)		$ (6.7)		$ 112.7
Weighted average ordinary shares outstanding:										
Basic (in shares)	154,486,898									154,486,898
Diluted (in shares)	156,871,518									156,871,518
Net income per share:										
Basic	$ 0.81									$ 0.73
Diluted	$ 0.80									$ 0.72

Notes to the unaudited pro forma condensed combined financial information

Note 1 - Description of the Transactions

On July 25, 2017, Michael Kors Holdings Limited announced the terms of the recommended cash offer for the entire issued and to be issued share capital of Jimmy Choo by its wholly-owned subsidiary JAG Acquisitions (UK) Limited. Under the terms of the Acquisition, Jimmy Choo shareholders will receive 230 pence in cash for each share of Jimmy Choo PLC, which values Jimmy Choo's existing issued and to be issued share capital at approximately £896.4 million ($1,216.9 million, based on $1.36 U.S. Dollars to one (£1) British Pound Sterling as of September 22, 2017) (the "Jimmy Choo Equity Purchase Price"). The total purchase price is estimated to be approximately $1,415.2 million, including the repayment of Jimmy Choo's existing debt obligations. It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the United Kingdom Companies Act 2006. The Acquisition is subject to customary closing conditions and is expected to close during the fourth calendar quarter of 2017.

In connection with the Acquisition, Michael Kors Holdings Limited and certain of its subsidiaries amended and restated their prior credit facility to provide for its existing senior unsecured credit facility, as amended, including a $1,000.0 million new term loan facility (the "New Term Loan Facility") and a five-year $1,000.0 million new revolving credit facility (the "New Revolving Credit Facility"). Michael Kors intends to use the proceeds of an offering of senior unsecured notes (the "Notes") and the initial borrowings under the New Term Loan Facility to fund the Acquisition, to repay certain existing indebtedness of Jimmy Choo and to pay fees and expenses in connection with the Acquisition (refer to Note 8 for further details).

Note 2 - Basis of presentation

The unaudited pro forma financial information has been derived from (x) the consolidated financial statements of Michael Kors for (i) the three months ended July 1, 2017 and the related notes thereto, included in the First Quarter Quarterly Report, and (ii) the fiscal year ended April 1, 2017 and the related notes thereto, included in the Fiscal 2017 Annual Report, and (y) the consolidated financial statements of Jimmy Choo as of and for the six months ended June 30, 2017 and the year ended December 31, 2016 and the related notes thereto, included in this Current Report.

The unaudited pro forma financial information has been prepared using the acquisition method of accounting in accordance with ASC 805, "Business Combinations" with Michael Kors being the accounting acquirer.

The unaudited pro forma condensed combined financial information is based on Michael Kors' and Jimmy Choo's historical consolidated financial statements, as adjusted to give pro forma effect to the Transactions. The pro forma effects relate to events that are (i) directly attributable to the Transactions, (ii) factually supportable and (iii) with respect to the unaudited pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results. The pro forma adjustments are preliminary and based on estimates of the fair value and useful lives of the assets acquired and liabilities assumed and have been prepared to illustrate the estimated effect of the Transactions and certain other adjustments. The final determination of the purchase consideration and purchase accounting will be based on the fair values of the Jimmy Choo assets acquired and liabilities assumed at the date of the completion of the Transactions.

The unaudited pro forma condensed combined balance sheet combines Michael Kors' historical consolidated balance sheet as of July 1, 2017 with the historical consolidated balance sheet of Jimmy Choo as of June 30, 2017, giving effect to the Transactions on a pro forma basis as if they had been completed on July 1, 2017. The unaudited pro forma condensed combined statements of operations for the three months ended July 1, 2017 and the fiscal year ended April 1, 2017 combine Michael Kors' historical consolidated statements of operations for the periods then ended with the historical consolidated income statements of Jimmy Choo for the three months ended March 31, 2017 and the fiscal year ended December 31, 2016, respectively, and give effect to the Transactions on a pro forma basis as if they had been completed on April 3, 2016.

The accounting policies of Jimmy Choo under IFRS as described in Note 1 to the historical consolidated financial statements included in this Current Report are not significantly different from U.S. GAAP, except for those adjustments discussed further in Note 4 below, which also sets out the translation from British Pound Sterling amounts into U.S. dollars. Although the adjustments to Jimmy Choo's historical financial statements represent the currently known material adjustments to conform to U.S. GAAP, the accompanying unaudited pro forma IFRS to U.S. GAAP adjustments are preliminary and are subject to further adjustments as additional information becomes available and as additional analyses are performed. In addition, the accounting policies of Michael Kors may vary materially from those of Jimmy Choo. During the preparation of the unaudited pro forma condensed combined financial information, certain conforming adjustments were made based on the initial analysis of the differences in accounting policies. Following the Acquisition, a thorough review of Jimmy Choo's accounting policies will be performed to ensure consistency with Michael Kors' accounting policies and presentation.

Note 3 - Reclassifications to Jimmy Choo's historical financial information

Certain reclassifications have been made to Jimmy Choo's historical financial statements to conform to Michael Kors' financial statement presentation. These reclassifications are summarized below (£ in millions):

(a) *Reclassifications included in the unaudited pro forma condensed combined balance sheet*

Adjustments were made to reclassify Jimmy Choo's historical balance sheet line items to conform to Michael Kors' financial statement presentation, including to separately present the historical goodwill balance from other intangible assets, as well as to reclassify amounts included in trade and other receivables and trade and other payables to prepaid expenses and other current assets, accrued expenses and other current liabilities, accrued payroll, other non-current liabilities and deferred rent.

		Jimmy Choo before reclassifications June 30, 2017 (in millions)			Jimmy Choo after reclassifications June 30, 2017 (in millions)
Trade and other receivables	£	53.6	Receivables, net	£	29.0
Other financial assets		0.6	Prepaid expenses and other current assets		25.2
Intangible assets and goodwill		606.5	Intangible assets, net		295.0
Goodwill		—	Goodwill		311.5
Total assets reclassified	**£**	**660.7**	**Total assets reclassified**	**£**	**660.7**
Trade and other payables - current	£	137.3	Accounts payable	£	77.5
Accrued payroll and payroll related expenses		—	Accrued payroll and payroll related expenses		7.5
Other current liabilities		1.3	Accrued expenses and other current liabilities		53.6
Deferred rent		—	Deferred rent		6.6
Trade and other payables - noncurrent		7.5			—
Other non-current liabilities		13.5	Other long term liabilities		14.4
Total liabilities reclassified	**£**	**159.6**	**Total liabilities reclassified**	**£**	**159.6**

(b) *Reclassifications included in the unaudited pro forma condensed combined statements of operations*

Adjustments were made to reclassify certain income and expenses reported in Jimmy Choo's historical income statements to conform to Michael Kors' financial statement presentation, including: to separately present licensing revenue; to present selling, general and administrative expenses and depreciation and amortization expenses on separate lines; to reclassify foreign exchange loss on external borrowings and (gain) loss on undesignated financial instruments to foreign currency loss; and to reclassify financial expense (income) to interest expense.

	Jimmy Choo before reclassifications			Jimmy Choo after reclassifications	
	Year ended December 31, 2016	Three months ended March 31, 2017		Year ended December 31, 2016	Three months ended March 31, 2017
	(in millions)			(in millions)	
Revenue	£ 364.0	£ 81.0	Net sales	£ 356.1	£ 78.9
			Licensing revenue	7.9	2.1
Total revenue	**364.0**	**81.0**	**Total revenue**	**364.0**	**81.0**
Cost of sales	131.0	28.6	Cost of goods sold	131.0	28.7
Gross profit	233.0	52.4	**Gross profit**	233.0	52.3
Selling and distribution expenses	127.6	34.1	Selling, general and administrative expenses	170.7	47.1
Administrative expenses	62.9	18.2	Depreciation and amortization	19.8	5.1
Total operating expenses	190.5	52.3	Total operating expenses	190.5	52.2
Operating profit	**42.5**	**0.1**	**Income from operations**	**42.5**	**0.1**
Financial expenses	15.3	1.5	Foreign currency loss (income)	18.7	(0.2)
Loss (gain) on financial instruments	9.5	(0.2)	Interest expense, net	6.1	1.5
Profit after financing expense	**17.7**	**(1.2)**	**Income (loss) before provision for income taxes**	**17.7**	**(1.2)**
Taxation	2.3	0.3	Provision for income taxes	2.3	0.3
Profit (loss) for the period	**£ 15.4**	**£ (1.5)**	**Net income (loss)**	**£ 15.4**	**£ (1.5)**

These reclassifications have no impact on the historical operating income, net income, total assets, liabilities or shareholders' equity previously reported by Jimmy Choo. The pro forma financial information is based on information available as of the date of this Current Report. Upon completion of the Acquisition, further review of Jimmy Choo's accounting policies and financial statements may result in additional adjustments to conform to Michael Kors' financial statement presentation.

Note 4 - IFRS to U.S. GAAP and accounting policy adjustments

Jimmy Choo's historical consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB, which differs in certain respects from U.S. GAAP, and are reported in British Pounds Sterling. The unaudited pro forma condensed combined financial information includes the income statement of Jimmy Choo from the historical audited consolidated financial statements for the year ended December 31, 2016 and the balance sheet of Jimmy Choo from the historical unaudited interim consolidated financial statements as of June 30, 2017, prepared in accordance with IFRS as issued by the IASB. The unaudited pro forma condensed combined statement of operations for the three months ended July 1, 2017 includes the income statement of Jimmy Choo from the historical unaudited interim consolidated income statement for the three months ended March 31, 2017 prepared by Jimmy Choo on a basis consistent with the historical unaudited interim consolidated income statement for the six months ended June 30, 2017.

The historical figures have been adjusted to reflect Jimmy Choo's consolidated income statements and balance sheet on a U.S. GAAP basis and translated from British Pounds Sterling to U.S. dollars for the preparation of the unaudited pro forma condensed combined financial information herein. Furthermore, there are differences in the period-end dates for Michael Kors and Jimmy Choo. These differences are within permissible limits for pro forma financial statements.

Jimmy Choo's historical financial information has been translated as follows:

- The unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2017 has been translated using the average exchange rate for the period of $1.24 U.S. Dollars to one **(** £1) British Pound Sterling;
- The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2016 has been translated using the average exchange rate for 2016 of $1.36 U.S. Dollars to one **(** £1) British Pound Sterling;
- The unaudited pro forma condensed combined balance sheet has been translated at the closing rate of $1.30 U.S. Dollars to one **(** £1) British Pound Sterling as of June 30, 2017.

The following adjustments have been made to Jimmy Choo's historical financial information to present it on a U.S. GAAP basis and conform to Michael Kors' accounting policies for the purposes of the pro forma financial information:

(a) To remove the costs of product samples from the inventory and cost of goods sold lines to conform to Michael Kors' accounting policy of expensing such costs in selling, general and administrative expenses as incurred;

(b) To derecognize the previously capitalized software and corresponding amortization expense in connection Jimmy Choo's recently executed outsourcing agreement with a third-party service provider, which was entered into due to the pending Acquisition;

(c) To conform to Michael Kors' fixed asset capitalization policies;

(d) To conform to Michael Kors' accounting policies related to amortization of lease rights;

(e) To reverse deferred tax assets related to intercompany profits recorded in accordance with IFRS and recognize a deferred charge in accordance with U.S. GAAP;

(f) To present cooperative advertising as a reduction in net sales rather than in selling, general and administrative expenses to conform to Michael Kors' accounting policies;

(g) To present advertising contributions received from licensees as licensing revenue rather than a decrease in selling, general and administrative expense to conform to Michael Kors' accounting policies;

(h) To conform to Michael Kors' accounting policies related to shipping and warehousing costs;

(i) To reclassify foreign currency remeasurement loss (gain) from selling, general and administrative expenses to foreign currency loss (gain) within non-operating expenses; and

(j) The above adjustments have been tax effected using the statutory tax rate in the United Kingdom of 19%.

Upon consummation of the proposed Acquisition of Jimmy Choo, Michael Kors will perform a detailed review of Jimmy Choo's historical financial statements prepared under IFRS. As a result of that review, Michael Kors may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements.

Note 5 - Determination of purchase price

Michael Kors is offering Jimmy Choo's shareholders cash for 100% of Jimmy Choo's shares. The preliminary purchase price was computed using Jimmy Choo's shares of 389,737,588 outstanding as of September 22, 2017. The cash consideration was based on 230 pence per Jimmy Choo share and was translated using the exchange rate as of September 22, 2017 of $1.36 U.S. Dollars to one (£1) British Pound Sterling. Michael Kors has entered into a foreign exchange contract for delivery of British Pounds Sterling to fund the Acquisition cash consideration and to hedge the exposure against changes in the exchange rate.

The purchase consideration also includes the anticipated consideration related to pro-rated vested long-term incentive awards of Jimmy Choo. This consideration has been estimated to amount to $19.1 million and will be paid in cash to Jimmy Choo's employees upon closing of the Acquisition. This amount is reflected in the number of shares that will paid as part of the Acquisition.

At the closing of the Acquisition, Michael Kors expects to (i) repay in full all principal, accrued and unpaid interest and other amounts outstanding under Jimmy Choo's senior unsecured credit facility, which primarily consists of, as of June 30, 2017, a $136.1 million term loan, a €37.2 million term loan and a revolving credit facility with no borrowings outstanding and with total borrowing capacity of $105.8 million, and to terminate commitments thereunder; and (ii) refinance certain operating leases. The Jimmy Choo Indebtedness is primarily denominated in U.S. dollars and Euros, and the repayment amount of the Jimmy Choo Indebtedness reflects an exchange rate of $1.36 U.S. Dollars to one (£1) British Pound Sterling and $1.20 U.S. Dollars to one (€1) Euro.

The amount of total purchase consideration below is not necessarily indicative of the actual consideration that will be transferred at the closing of the Transactions.

	Shares(i)	Offering price per share(ii)	Amount
	(in millions, except per share data)		
Consideration to be paid to Jimmy Choo stockholders	389.7	$ 3.12	$1,216.9
Settlement of remaining EBT liability(iii)			5.2
Settlement of Jimmy Choo debt-like items			12.6
Settlement of Jimmy Choo debt			180.5
Total Consideration			**$1,415.2**

(i) Total Jimmy Choo shares subject to exchange as of July 1, 2017.

(ii) The offer price of 230 pence has been converted by using an exchange rate of $1.36 U.S. Dollars to one (£1) British Pound Sterling as of September 22, 2017.

(iii) Jimmy Choo PLC Employee Benefit Trust ("EBT") acquired Jimmy Choo's own shares in 2014 from JAB Luxury GmbH, its majority shareholder. The consideration for the shares remains outstanding and will fall due for payment when the Acquisition closes. Consideration for shares which are surplus to the requirements for settling the vested share awards will be repaid to JAB Luxury GmbH (and thus reducing the outstanding liability). Upon a change in control, long-term incentive awards will vest on a pro-rated basis, taking into account the time elapsed between grant and vest unless the Remuneration and Nominations Committee determines otherwise. As of June 30, 2017, based on the proposed Acquisition, the remaining EBT liability to JAB Luxury GmbH has been estimated at approximately $5.2 million and will be settled in cash.

Preliminary purchase price allocation

Under the acquisition method of accounting, the estimated purchase price, calculated as described above, was allocated to the identifiable assets acquired and the identifiable liabilities assumed based upon their respective fair values with any excess being allocated to goodwill.

The allocation of the purchase price is preliminary, and the final determination will be based on the fair values of assets acquired, including the fair values of identifiable intangible assets and the fair values of liabilities assumed at the date the Acquisition is consummated. The purchase price allocation is dependent upon certain valuation and other studies that have not yet been completed. Accordingly, the preliminary purchase price allocation is subject to further adjustments as additional information becomes available and as additional analyses and final valuations are conducted at and following the completion of the Acquisition. The final valuations could differ materially from the preliminary valuations presented below and, as such, no assurances can be provided regarding the preliminary purchase price allocation.

The purchase price allocation was estimated based on Jimmy Choo's historical financial information reflecting IFRS to U.S. GAAP and accounting policy adjustments for pro forma purposes. The following tables summarize the preliminary purchase price allocation to the identifiable assets acquired and liabilities assumed of Jimmy Choo as well as the identifiable intangible assets recognized as part of the Acquisition:

Recognized amounts of identifiable assets acquired and liabilities assumed	**As of June 30, 2017 (in millions)**
Book value of Jimmy Choo's net assets (1)	$ 848.5
Elimination of historical goodwill and intangibles	(788.8)
	$ 59.7
Preliminary estimate of fair value adjustment of net assets acquired	
Inventory	17.7
Intangible assets	628.6
Property and equipment	9.7
Deferred income tax liability (2)	(56.6)
Goodwill	756.1
Fair value of consideration transferred	**$ 1,415.2**

Identifiable intangible assets	**As of June 30, 2017 (in millions)**
Licensing agreements	88.3
Brand	460.1
Wholesale customer relationships	58.0
Franchise agreements	13.0
Key money	9.2
Fair value of identifiable intangible assets	**$ 628.6**

(1) The book value of Jimmy Choo's net assets includes the IFRS to U.S. GAAP and accounting policy adjustments as well as the repayment of certain existing indebtedness of Jimmy Choo (including EBT liability, debt and debt-like items as detailed above) for pro forma purposes.

(2) The deferred income tax liability presented in the pro forma financial statements reflects the deferred tax associated with the transaction costs and the reclassification of the deferred tax assets (refer to Note 6(h) for further details).

Note 6 - Unaudited pro forma condensed combined balance sheet adjustments

The pro forma adjustments included in the unaudited condensed combined financial information are as follows:

(a) Reflects the assumed funds used, which included an estimated $1,216.9 million of cash to pay to Jimmy Choo's shareholders. Refer to Note 5 above for further details on the computation of the preliminary purchase price;

(b) The total estimated transaction costs of $59.3 million consist of approximately $37.6 million to be incurred by Michael Kors and approximately $21.7 million to be incurred by Jimmy Choo. Of these, approximately $1.3 million were included in Michael Kors' historical condensed consolidated statement of operations for the three months ended July 1, 2017. The transaction costs that were not paid as of July 1, 2017 have been recorded in the pro forma balance sheet through an adjustment to accounts payable;

(c) As part of the Transactions, Michael Kors entered into a forward contract to hedge the currency exposures associated with the cash consideration paid for the Acquisition (refer to Note 8 below for further details). This adjustment is to record the estimated gain or loss on settlement of the forward contract on the close of the Transactions. The estimated gain or loss is calculated based on the exchange rate as of September 22, 2017 and is subject to change when Michael Kors settles the forward contract. A 10% increase (decrease) in the GBP/USD spot rate would result in a decrease (increase) of the net dollar value of the cash flows that will be exchanged upon the settlement of the derivative as shown in the table below:

	Derivative net settlement amount	Change (in millions)
As presented in pro forma balance sheet	$ 45.7	$ —
10% increase in GBP/USD rate	197.1	151.4
10% decrease in GBP/USD rate	(105.7)	(151.4)

(d) Reflects the elimination of Jimmy Choo's historical equity accounts;

(e) Reflects the net increase in intangible assets based on a preliminary estimated fair value of $628.6 million of identifiable intangible assets (refer to Note 5 for further details);

The estimated fair value of finite-lived intangible assets acquired represents an increase over Jimmy Choo's historical finite-lived intangible assets. The preliminary estimated fair value allocated to intangible assets consists primarily of licensing agreements, brand, wholesale customer relationships and franchise agreements. The actual adjustments may differ materially based on the final determination of fair value and are subject to change;

(f) Reflects the step-up based on the preliminary estimated fair value of inventory of Jimmy Choo. This estimated step-up in inventory is preliminary and is subject to change based upon management's final determination of the fair values of finished goods inventories. No adjustment has been made to the pro forma condensed combined statements of income to reflect this preliminary step-up in inventory value as it is not expected to have a continuing impact on Michael Kors' financial statements subsequent to the Acquisition;

(g) Reflects a preliminary fair value adjustment for property and equipment of $9.7 million. The actual adjustments may differ materially based on the final determination of fair value and are subject to change;

(h) Represents the change in deferred tax liability and assets of $56.6 million associated with the fair value adjustment for inventories, intangible assets and for the temporary differences arising from applying the acquisition method of accounting. This also includes the reclassification of the deferred tax asset of $5.1 million and the deferred tax associated with the transaction costs.

The statutory tax rate was applied, as appropriate, to each adjustment based on the jurisdiction in which the adjustment is expected to occur. In situations where jurisdictional detail was not available, a tax rate of 20% was applied to the adjustment. This estimate of deferred income tax assets and liabilities is preliminary and is subject to change based upon management's final determination of the fair value of assets acquired and liabilities assumed by jurisdiction.

The actual deferred tax liabilities may differ materially based on changes to the valuation allowance on the combined business which is not included for the purposes of these pro forma financial statements;

(i) Reflects the elimination of the historical goodwill amount and the recognition of estimated goodwill related to the Acquisition. Goodwill is calculated as the difference between the fair value of the consideration expected to be transferred and the values assigned to the identifiable tangible and intangible assets acquired and liabilities assumed. The estimated goodwill calculation is preliminary and is subject to change based upon the final determination of the fair value of assets acquired and liabilities assumed and finalization of the purchase price;

(j) Reflects the elimination of certain of Jimmy Choo's indebtedness that is expected to be settled in conjunction with the Acquisition (refer to Note 5 for further details);

(k) Represents the write off of the unamortized net deferred financing fees associated with Jimmy Choo's debt as of June 30, 2017 of approximately $2.0 million (refer to Note 8 for further details). This debt is expected to be settled upon the Acquisition, as shown in the previous adjustment; and

(l) Represents the EBT liability which is expected to be settled upon the Acquisition.

The EBT acquired Jimmy Choo's own shares in 2014 from JAB Luxury GmbH, its majority shareholder. The consideration for the shares remains outstanding and will fall due for payment when the Acquisition closes. Consideration for shares which are surplus to the requirements for settling the vested share awards will be repaid to JAB Luxury GmbH (and thus reducing the outstanding liability). Jimmy Choo consolidates the EBT, which currently holds approximately 11.1 million Jimmy Choo shares. Upon a change in control, long-term incentive awards will vest on a pro-rated basis, taking into account the time elapsed between grant and vest unless the Remuneration and Nominations Committee determines otherwise. As of June 30 2017, upon the closing, the of the proposed Acquisition will result in an estimated 6.1 million of Jimmy Choo shares being vested on a pro rata basis and will be part of the consideration paid.

Subsequent to this pro-rata vesting, the remaining EBT liability to JAB Luxury GmbH has been estimated at approximately $5.2 million, which will be settled in cash upon closing of the Acquisition and is considered to be part of the purchase price consideration (refer to Note 5 for further details).

Note 7 - Unaudited pro forma condensed combined statements of operations adjustments

Adjustments included in the unaudited pro forma condensed combined statements of operations are as follows:

(a) Reflects the elimination of historical intangible asset amortization expense and the additional straight-line amortization of the intangibles assets that were recognized as a result of the purchase price allocation, based on the following estimated useful lives:

- 14 year useful lives for licensing agreements;
- 15 year useful lives for wholesale customer relationships;
- 10 year useful lives for franchise agreements; and
- remaining lease term for lease rights.

The estimated useful lives were determined based on a review of the time period over which economic benefit is estimated to be generated, as well as additional factors. Factors considered include contractual life, the period over which a majority of cash flow is expected to be generated and/or management's view based on historical experience with similar assets.

The brand intangible asset is considered to be an indefinite-lived asset and is not subject to amortization.

(b) Represents the elimination of transaction costs included in the historical consolidated financial statements of Michael Kors. An adjustment totaling $1.3 million was reflected in the unaudited pro forma condensed combined statement of operations to eliminate transaction costs incurred by Michael Kors for the three-month period ended July 1, 2017. There will be no continuing impact of these transaction costs on the consolidated results of operations and, as such, these fees are not included in the unaudited pro forma condensed combined statement of operations;

(c) Represents the tax effect of the adjustments using the applicable statutory tax rate in the jurisdiction to which the adjustments related. The total effective tax rate of Michael Kors after completion could be significantly different depending on the post-closing geographical mix of income and other factors; and

(d) Represents an adjustment to depreciation expense associated with fair value adjustments to property, plant and equipment.

Note 8 - Financing adjustments

In connection with the Acquisition, on August 22, 2017, Michael Kors Holdings Limited and certain of its subsidiaries amended and restated their amended and restated credit agreement dated as of October 29, 2015, which provided for a $1,000.0 million senior unsecured revolving credit facility, to provide for (i) a $1,000.0 million senior unsecured delayed draw term loan facility, $600.0 million of which matures three years after the initial borrowing of term loans and $400.0 million of which matures five years after the initial borrowing of term loans and (ii) a five-year $1,000.0 million senior unsecured revolving credit facility. The term loans under the New Term Loan Facility are available to finance in part the Jimmy Choo equity purchase price, refinance certain existing indebtedness of Jimmy Choo and pay related fees and expenses.

Michael Kors has entered into a forward contract with JPMorgan Chase Bank, N.A. for delivery of British Pounds Sterling (to fund the Acquisition cash consideration) in respect of the $1.45 billion to be borrowed under the New Term Loan Facility and the proceeds of the Notes.

For purposes of these pro forma financial statements, we have assumed that we will issue a specified principal amount of the Notes at a specified maturity. Michael Kors will pay interest on the Notes semi-annually in cash in arrears.

Michael Kors intends to use the proceeds of the offering of the Notes and the initial borrowings under the New Term Loan Facility, to fund the Acquisition, to refinance certain existing indebtedness of Jimmy Choo and to pay fees and expenses in connection with the Acquisition.

The following financing adjustments were made in the audited pro forma combined balance sheet and statements of operations:

(a) The unaudited pro forma condensed combined balance sheet presents the debt liability and the corresponding cash proceeds from the New Term Loan Facility as described above and the issuance of the Notes in an aggregate amount of approximately $1.45 billion. Michael Kors expects to incur approximately $10.8 million of debt issuance fees, which will be capitalized as debt issuance costs associated with the New Term Loan Facility and the Notes and are included in the pro forma balance sheet as a reduction to long-term debt and will be amortized to interest expense over the life of the respective debt;

(b) The unaudited pro forma condensed combined statements of operations reflect the estimated interest expense of the New Term Loan Facility and the Notes, including amortization of debt issuance costs. It also reflects the elimination of the interest expense and transaction costs included in Jimmy Choo's historical income statement.

The assumed weighted average interest rate on the indebtedness is 3.03% per annum, including the commitment fees for the New Revolving Credit Facility. The estimated interest rates may be materially different from the actual interest rates incurred based on market conditions at the time of the financing and in any subsequent periods. A change of 0.125% in the interest rate on the Notes would change interest expense on a pro forma basis by $0.5 million for the three months ended July 1, 2017 and $1.8 million for the year ended April 1, 2017.

(c) A statutory tax rate of 19% was applied to the interest expense related to the term loans as these are expected to be drawn by Michael Kors Holdings Limited, which is domiciled in the United Kingdom. A rate of 39% was applied to the estimated interest expense related to the Notes, since these will be issued by a U.S. domiciled subsidiary. The total effective tax rate of Michael Kors after completion of the proposed Acquisition could be significantly different.

Notes 9 - Comparative per share information

The following table sets forth selected historical share information of Michael Kors and unaudited pro forma share information of Michael Kors after giving effect to the proposed acquisition of Jimmy Choo. This information should be read in conjunction with (x) the consolidated financial statements of Michael Kors for (i) the three months ended July 1, 2017 and the related notes thereto, included in the First Quarter Quarterly Report, and (ii) the fiscal year ended April 1, 2017 and the related notes thereto, included in the Fiscal 2017 Annual Report, and (y) the consolidated financial statements of Jimmy Choo as of and for the six months ended June 30, 2017 and the year ended December 31, 2016 and the related notes thereto, included in this Current Report.

	Three months ended July 1, 2017		Year ended April 1, 2017	
	Michael Kors historical	Pro forma combined	Michael Kors historical	Pro forma combined
Earnings per ordinary share				
Basic	$ 0.81	$ 0.73	$ 3.33	$ 3.19
Diluted	$ 0.80	$ 0.72	$ 3.29	$ 3.15
Weighted average ordinary shares outstanding				
Basic	154,486,898	154,486,898	165,986,733	165,986,733
Diluted	156,871,518	156,871,518	168,123,813	168,123,813

Exhibit 99.4

MICHAEL KORS HOLDINGS LIMITED ANNOUNCES PROPOSED SENIOR NOTES OFFERING

LONDON, October 5, 2017 — Michael Kors Holdings Limited (NYSE: KORS) (the "Company") today announced that Michael Kors (USA), Inc., a wholly owned subsidiary of the Company (the "Issuer"), intends to commence an offering of senior notes (the "Notes"). The Notes will be issued to finance, in part, the Company's pending acquisition of Jimmy Choo PLC, a public company organized under the laws of England and Wales, and its subsidiaries (collectively, "Jimmy Choo") (the "Acquisition") and certain related refinancing transactions. The proceeds of the Notes will be held in escrow until immediately prior to the consummation of the Acquisition.

The Notes will be senior unsecured notes and will be guaranteed by the Company and the Company's existing and future subsidiaries that guarantee or are borrowers under the Company's new $2.0 billion senior unsecured credit facilities (the "New Credit Facilities") (subject to certain exceptions, including for subsidiaries organized in China), including, following (and conditional upon) the closing of the Acquisition, Jimmy Choo and all of its existing and future subsidiaries who are guarantors or borrowers under the New Credit Facilities (subject to certain exceptions, including for subsidiaries organized in China).

The Notes will be offered only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to persons outside of the United States in compliance with Regulation S under the Securities Act. The issuance and sale of the Notes have not been registered under the Securities Act, and the Notes may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities referred to herein, nor shall there be any offer, solicitation or sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Cautionary Note Regarding Forward-Looking Statements

This Press Release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. The forward-looking statements involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Although the Company believes that its forward-looking statements are based on reasonable assumptions, expected results may not be achieved, and actual results may differ materially from its expectations.

The Company's forward-looking statements should not be relied upon except as statements of the Company's present intentions and of the Company's present expectations, which may or may not occur. Cautionary statements should be read as being applicable to all forward-looking statements wherever they appear. Except as required by law, the Company undertakes no obligation to release publicly the result of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are also urged to carefully review and consider the various disclosures the Company has made in this Current Report, as well as the Company's other filings with the Securities and Exchange Commission (the "SEC"). In particular, see the Company's Annual Report on Form 10-K, filed with the SEC on May 31, 2017, and Quarterly Report on Form 10-Q, filed with the SEC on August 9, 2017, copies of which are available upon request from the Company. The Company does not assume any obligation to update the forward looking information contained in this Current Report.

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