

SIGNET JEWELERS LTD
Form 10-Q
December 08, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

**Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the quarterly period ended November 1, 2014 or**

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

Commission File Number 1-32349

Signet Jewelers Limited

(Exact name of Registrant as specified in its charter)

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Bermuda
(State or other jurisdiction of
incorporation)

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

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

(441) 296 5872

(Address and telephone number of principal executive offices)

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

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

Common Stock, \$0.18 par value, 80,178,447 shares as of November 28, 2014

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SIGNET JEWELERS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

| <i>(in millions, except per share amounts)</i> | 13 weeks ended | | 39 weeks ended | | Notes |
|---|---------------------|---------------------|---------------------|---------------------|-------|
| | November 1, 2014 | November 2, 2013 | November 1, 2014 | November 2, 2013 | |
| Sales | \$ 1,177.9 | \$ 771.4 | \$ 3,459.9 | \$ 2,645.2 | 2 |
| Cost of sales | (832.0) | (532.2) | (2,297.8) | (1,713.5) | |
| Gross margin | 345.9 | 239.2 | 1,162.1 | 931.7 | |
| Selling, general and administrative expenses | (388.7) | (233.4) | (1,078.4) | (770.9) | |
| Other operating income, net | 53.5 | 45.8 | 161.2 | 139.1 | |
| Operating income | 10.7 | 51.6 | 244.9 | 299.9 | 2 |
| Interest expense, net | (12.6) | (0.9) | (28.1) | (2.8) | |
| (Loss) income before income taxes | (1.9) | 50.7 | 216.8 | 297.1 | |
| Income taxes | 0.6 | (17.1) | (63.5) | (104.3) | 4 |
| Net (loss) income | \$ (1.3) | \$ 33.6 | \$ 153.3 | \$ 192.8 | |
| (Loss) earnings per share: basic | \$ (0.02) | \$ 0.42 | \$ 1.92 | \$ 2.40 | 5 |
| diluted | \$ (0.02) | \$ 0.42 | \$ 1.91 | \$ 2.39 | 5 |
| Weighted average common shares outstanding: basic | 79.9 | 79.9 | 79.9 | 80.4 | 5 |
| diluted | 79.9 | 80.3 | 80.2 | 80.8 | 5 |
| Dividends declared per share | \$ 0.18 | \$ 0.15 | \$ 0.54 | \$ 0.45 | 6 |

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

Table of Contents**SIGNET JEWELERS LIMITED****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(Unaudited)**

| <i>(in millions)</i> | 13 weeks ended | | | | | |
|--|-------------------|-----------------------------|---------------------|-------------------|-----------------------------|---------------------|
| | November 1, 2014 | | | November 2, 2013 | | |
| | Pre-tax amount | Tax (expense) benefit | After-tax amount | Pre-tax amount | Tax (expense) benefit | After-tax amount |
| Net (loss) income | | | \$ (1.3) | | | \$ 33.6 |
| Other comprehensive (loss) income: | | | | | | |
| Foreign currency translation adjustments | \$ (21.4) | \$ | (21.4) | \$ 10.5 | \$ | 10.5 |
| Available-for-sale securities: | | | | | | |
| Unrealized loss | | | | | | |
| Cash flow hedges: | | | | | | |
| Unrealized (loss) gain | (2.7) | 1.2 | (1.5) | (1.8) | 0.3 | (1.5) |
| Reclassification adjustment for losses to net (loss) income | 2.7 | (0.8) | 1.9 | 2.1 | (0.8) | 1.3 |
| Pension plan: | | | | | | |
| Reclassification adjustment to net (loss) income for amortization of actuarial loss | 0.5 | (0.1) | 0.4 | 0.6 | (0.2) | 0.4 |
| Reclassification adjustment to net (loss) income for amortization of net prior service credits | (0.4) | 0.1 | (0.3) | (0.4) | 0.2 | (0.2) |
| Total other comprehensive (loss) income | \$ (21.3) | \$ 0.4 | \$ (20.9) | \$ 11.0 | \$ (0.5) | \$ 10.5 |
| Total comprehensive (loss) income | | | \$ (22.2) | | | \$ 44.1 |

| <i>(in millions)</i> | 39 weeks ended | | | | | |
|---|-------------------|-----------------------------|---------------------|-------------------|-----------------------------|---------------------|
| | November 1, 2014 | | | November 2, 2013 | | |
| | Pre-tax amount | Tax (expense) benefit | After-tax amount | Pre-tax amount | Tax (expense) benefit | After-tax amount |
| Net income | | | \$ 153.3 | | | \$ 192.8 |
| Other comprehensive (loss) income: | | | | | | |
| Foreign currency translation adjustments | \$ (14.1) | \$ | (14.1) | \$ 3.5 | \$ | 3.5 |
| Available-for-sale securities: | | | | | | |
| Unrealized loss | (0.2) | | (0.2) | | | |
| Cash flow hedges: | | | | | | |
| Unrealized (loss) gain | (2.2) | 0.9 | (1.3) | (27.9) | 9.6 | (18.3) |
| Reclassification adjustment for losses to net income | 15.2 | (5.2) | 10.0 | 1.1 | (0.5) | 0.6 |
| Pension plan: | | | | | | |
| Reclassification adjustment to net income for amortization of actuarial loss | 1.5 | (0.3) | 1.2 | 1.7 | (0.4) | 1.3 |
| Reclassification adjustment to net income for amortization of net prior service credits | (1.3) | 0.3 | (1.0) | (1.1) | 0.3 | (0.8) |
| Total other comprehensive (loss) income | \$ (1.1) | \$ (4.3) | \$ (5.4) | \$ (22.7) | \$ 9.0 | \$ (13.7) |
| Total comprehensive income | | | \$ 147.9 | | | \$ 179.1 |

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

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SIGNET JEWELERS LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

| | November 1, 2014 | | February 1, 2014 | |
|--|---------------------|----------------|---------------------|------------|
| | 87.6 | \$ | 247.6 | |
| | 1,292.1 | | 1,374.0 | |
| Series 1999B, 6.400%, 12/01/32 (Alternative Minimum Tax) | | | | 1,961,457 |
| 0.2% (0.1% of Total Investments) | | | | |
| Nebraska, Senior Subordinate Bonds, Student Loan Program, Series 1993A-5A, /13 <input type="checkbox"/> MBIA Insured (Alternative Minimum Tax) | | No Opt. Call | AAA | 1,241,808 |
| 3% (2.8% of Total Investments) | | | | |
| Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, 5.300%, 6/01/19 (Pre-refunded 6/01/11) <input type="checkbox"/> FGIC Insured | | 6/11 at 100.00 | AAA | 2,227,455 |
| Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Project, First Tier, Series 2000: /19 <input type="checkbox"/> AMBAC Insured | | No Opt. Call | AAA | 4,765,200 |
| /40 <input type="checkbox"/> AMBAC Insured | | 1/10 at 100.00 | AAA | 3,074,550 |
| Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, /18, 5.250%, 7/01/31 (UB) | | 7/17 at 100.00 | A | 15,348,600 |
| | | | | 25,415,805 |
| 0.1% (0.1% of Total Investments) | | | | |
| Nebraska Housing Finance Authority, Single Family Mortgage Acquisition Revenue Bonds, /18, 6.550%, 7/01/26 (Alternative Minimum Tax) | | 1/08 at 100.00 | Aa2 | 877,957 |
| 5.8% (3.8% of Total Investments) | | | | |
| Health Care Facilities Financing Authority, FHA-Insured Mortgage Revenue Bonds, Medical Center, Series 2001, 4.800%, 8/01/21 <input type="checkbox"/> AMBAC Insured | | 8/11 at 100.00 | AAA | 703,920 |
| Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2000A, /13 <input type="checkbox"/> MBIA Insured (Alternative Minimum Tax) | | 6/10 at 101.00 | AAA | 2,017,662 |
| Transit Corporation, Certificates of Participation, Federal Transit Administration Series 2002A, 5.500%, 9/15/13 <input type="checkbox"/> AMBAC Insured | | No Opt. Call | AAA | 4,475,144 |
| Transportation Trust Fund Authority, Transportation System Bonds, Series 1999A, /18 | | No Opt. Call | AA \square | 4,493,720 |
| Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, /18 <input type="checkbox"/> AMBAC Insured | | No Opt. Call | AAA | 7,348,600 |

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| | | | |
|--|-----------------|-----|------------|
| ement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, | | | |
| /32 (Pre-refunded 6/01/12) | 6/12 at 100.00 | AAA | 9,960,909 |
| /42 (Pre-refunded 6/01/12) | 6/12 at 100.00 | AAA | 3,478,873 |
| ement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, | 6/13 at 100.00 | AAA | 1,565,136 |
| 6.750%, 6/01/39 (Pre-refunded 6/01/13) | | | |
| | | | 34,043,964 |
| 0.7% (0.5% of Total Investments) | | | |
| New Mexico, FHA-Insured Mortgage Hospital Revenue Bonds, Series 2004, 5.000%, | 7/14 at 100.00 | AAA | 4,116,400 |
| A Insured | | | |
| 14.9% (9.7% of Total Investments) | | | |
| thority of the State of New York, Improvement Revenue Bonds, Mental Health | 8/07 at 101.00 | AAA | 10,062 |
| ilities, Series 1996B, 5.125%, 8/15/21 MBIA Insured | | | |
| thority of the State of New York, Insured Revenue Bonds, Franciscan Health | 1/08 at 102.00 | AA | 2,215,787 |
| Obligated Group Frances Shervier Home and Hospital, Series 1997, 5.500%, | | | |
| AI Insured | | | |
| thority of the State of New York, Secured Hospital Revenue Refunding Bonds, | 2/08 at 101.50 | AAA | 7,670,850 |
| ghts Medical Center, Series 1998H, 5.300%, 8/15/21 MBIA Insured | | | |
| thority of the State of New York, Third General Resolution Consolidated Revenue | 1/08 at 102.00 | AAA | 2,053,800 |
| University System, Series 1997-1, 5.375%, 7/01/24 (Pre-refunded 1/01/08) | | | |
| ower Authority, New York, Electric System General Revenue Bonds, Series 1998A, | 6/08 at 101.00 | AAA | 5,116,150 |
| 1/26 (Pre-refunded 6/01/08) FSA Insured | | | |
| y, New York, General Obligation Improvement Bonds, Series 1999B: | | | |
| /19 (Pre-refunded 6/01/09) AMBAC Insured | 6/09 at 102.00 | AAA | 4,193,716 |
| /21 (Pre-refunded 6/01/09) AMBAC Insured | 6/09 at 102.00 | AAA | 7,335,076 |
| y Industrial Development Agency, New York, American Airlines-JFK International | 8/16 at 101.00 | B | 7,067,100 |
| al Facility Revenue Bonds, Series 2005, 7.750%, 8/01/31 (Alternative Minimum Tax) | | | |
| r Municipal Water Finance Authority, New York, Water and Sewerage System Revenue | 12/14 at 100.00 | AAA | 5,169,400 |
| Series 2005B, 5.000%, 6/15/36 FSA Insured | | | |
| y Sales Tax Asset Receivable Corporation, New York, Dedicated Revenue Bonds, Local | 10/14 at 100.00 | AAA | 9,147,248 |
| Assistance Corporation, Series 2004A, 5.000%, 10/15/32 AMBAC Insured | | | |
| y Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal | 8/09 at 101.00 | AAA | 10,497,700 |
| , 5.750%, 8/15/24 (Pre-refunded 8/15/09) | | | |
| y, New York, General Obligation Bonds, Fiscal Series 1998F: | | | |
| /14 AMBAC Insured | 2/08 at 101.00 | AAA | 2,012,927 |
| /19 MBIA Insured | 2/08 at 101.00 | AAA | 14,105,461 |
| y, New York, General Obligation Bonds, Fiscal Series 1998F: | | | |
| /14 (Pre-refunded 2/01/08) AMBAC Insured | 2/08 at 101.00 | Aaa | 20,357 |
| /19 (Pre-refunded 2/01/08) MBIA Insured | 2/08 at 101.00 | AAA | 142,587 |
| y of New York and New Jersey, Special Project Bonds, JFK International Air | 12/07 at 102.00 | AAA | 10,257,000 |
| , Sixth Series 1997, 5.900%, 12/01/17 MBIA Insured (Alternative Minimum Tax) | | | |
| | | | 87,015,221 |
| na 0.7% (0.4% of Total Investments) | | | |
| cklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA | 1/15 at 100.00 | AA | 3,831,072 |

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Healthcare System, Series 2005A, 5.000%, 1/15/45

(2.7% of Total Investments)

| | | | |
|--|-----------------|-----|------------|
| Completed Village School District, Ohio, Unlimited Tax General Obligation School | 12/11 at 100.00 | Aaa | 2,416,357 |
| Revenue Bonds, Series 2001, 5.125%, 12/01/21 (Pre-refunded 12/01/11) □ FGIC Insured | | | |
| County, Ohio, FHA-Insured Multifamily Housing Mortgage Revenue Bonds, Hamilton Creek | 1/08 at 100.00 | Aa2 | 3,640,743 |
| Project, Series 1994A, 5.550%, 7/01/24 (Alternative Minimum Tax) | | | |
| County, Ohio, Revenue Bonds, Catholic Health Initiatives, Series 2004A, | 5/14 at 100.00 | AA | 3,677,777 |
| 1/30 | | | |
| Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series | 9/09 at 102.00 | N/R | 13,127,101 |
| 5.500%, 9/01/20 (Alternative Minimum Tax) | | | |
| County, Ohio, Limited Tax General Obligations, Series 1997, 5.500%, 12/01/17 | 12/07 at 101.00 | Aa2 | 1,132,082 |

23,994,060

(0.3% of Total Investments)

| | | | |
|---|----------------|-----|-----------|
| County, Ohio, Downtown Waterfront Urban Renewal and Redevelopment Revenue Bonds, Series | 6/10 at 101.00 | Aaa | 2,477,743 |
| 2000, 6.125%, 6/15/20 □ AMBAC Insured | | | |

□ 5.1% (3.3% of Total Investments)

| | | | |
|--|-----------------|------|------------|
| County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn | 11/10 at 102.00 | AAA | 4,112,803 |
| Health System, Series 2000B, 9.250%, 11/15/22 (Pre-refunded 11/15/10) | | | |
| County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue | No Opt. Call | BBB□ | 1,481,273 |
| Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 | | | |
| (Alternative Minimum Tax) | | | |
| Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 96A, 4.650%, | 10/16 at 100.00 | AA+ | 1,414,890 |
| (Alternative Minimum Tax) | | | |
| County Airport System, Pennsylvania, Revenue Bonds, Series 1998A, 5.500%, 6/15/18 □ FGIC | 6/08 at 102.00 | AAA | 19,452,823 |
| (Alternative Minimum Tax) | | | |
| School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, | 8/12 at 100.00 | AAA | 3,465,278 |
| (Pre-refunded 8/01/12) □ FGIC Insured | | | |

29,927,067

□ 2.1% (1.4% of Total Investments)

| | | | |
|---|--------------|----|------------|
| Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003, | No Opt. Call | AA | 12,435,000 |
| 1/15/23 | | | |

□ 3.2% (2.1% of Total Investments)

| | | | |
|---|----------------|-----|------------|
| County, Rhode Island, General Obligation School Bonds, Series 1999, 6.250%, 5/15/20 □ | 5/09 at 102.00 | AA | 2,121,473 |
| Redevelopment Agency, Rhode Island, Revenue Bonds, Public Safety and Municipal | 4/10 at 101.00 | Aaa | 3,705,275 |
| Projects, Series 1999A, 5.750%, 4/01/29 (Pre-refunded 4/01/10) □ AMBAC Insured | | | |
| Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, | 6/12 at 100.00 | BBB | 13,022,750 |
| Series 2000, 6.125%, 6/01/32 | | | |

18,849,498

□ 0.3% (0.2% of Total Investments)

| | | | |
|---|----------------|-----|-----------|
| County, South Carolina, Hospital Facilities Revenue Bonds, Series 2001, 5.000%, 5/01/31 □ | 5/11 at 101.00 | AAA | 1,528,755 |
|---|----------------|-----|-----------|

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ed

2.2% (1.4% of Total Investments)

| | | | |
|---|-----------------|------|-----------|
| Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 11/24 ☐ AMBAC Insured (Alternative Minimum Tax) | 3/10 at 101.00 | AAA | 6,724,416 |
| Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001B, 11/26 ☐ FSA Insured | 3/11 at 100.00 | AAA | 2,483,249 |
| Memphis Health Educational and Housing Facilities Board, Tennessee, Revenue Bonds, Health System, Series 2006C, 5.250%, 9/01/36 | 9/16 at 100.00 | BBB+ | 1,920,180 |
| Memphis Health, Educational, and Housing Facilities Board, Tennessee, Revenue Refunding Bonds, Memphis Regional Health System Inc., Series 2007, 5.500%, 11/01/46 (WI/DD), 11/07) | 11/17 at 100.00 | N/R | 1,514,970 |

12,642,815

10.5% (10.5% of Total Investments)

| | | | |
|--|-----------------|------|------------|
| City of Dallas, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Series 1999C, 7.700%, 3/01/32 (Alternative Minimum Tax) | 4/13 at 101.00 | Baa2 | 2,870,400 |
| Worth Branch Independent School District, Dallas County, Texas, Unlimited Tax Refunding Bonds, Series 1999, 6.000%, 2/15/20 (Pre-refunded 2/15/09) | 2/09 at 100.00 | AAA | 4,832,922 |
| Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/45 ☐ FGIC Insured | 1/15 at 100.00 | AAA | 2,864,415 |
| Worth Branch Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1999: | | | |
| 11/20 | 8/09 at 52.47 | AAA | 2,461,323 |
| 11/21 | 8/09 at 49.48 | AAA | 3,160,010 |
| 11/23 | 8/09 at 44.01 | AAA | 2,948,871 |
| 11/24 | 8/09 at 41.50 | AAA | 2,650,340 |
| 11/25 | 8/09 at 39.14 | AAA | 2,625,420 |
| 11/26 | 8/09 at 36.91 | AAA | 2,357,040 |
| City of Dallas, Texas, Senior Lien Sales Tax Revenue Bonds, Series 2001, 5.000%, Pre-refunded 12/01/11) ☐ AMBAC Insured | 12/11 at 100.00 | AAA | 857,761 |
| Christus Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Series 1999A: | | | |
| 11/24 (Pre-refunded 7/01/09) ☐ MBIA Insured | 7/09 at 101.00 | AAA | 12,719,318 |
| 11/29 (Pre-refunded 7/01/09) ☐ MBIA Insured | 7/09 at 101.00 | AAA | 11,617,809 |
| Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2004, 0.000%, 11/15/20 ☐ MBIA Insured | No Opt. Call | AAA | 1,200,182 |
| City of Dallas, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Series 2001B, 0.000%, 9/01/30 ☐ AMBAC Insured | No Opt. Call | AAA | 836,425 |
| City of Dallas, Texas, Certificates of Obligation, Series 2000, 6.000%, 8/01/25 and 8/01/10) ☐ FSA Insured | 8/10 at 100.00 | AAA | 2,654,700 |
| City of Dallas, Texas, Sports Venue Sales Tax Revenue Bonds, Series 2001, 5.300%, 3/15/26 and 3/15/09) ☐ FGIC Insured | 3/09 at 100.00 | AAA | 2,049,300 |
| Worth Branch Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds 2004, 0.000%, 8/15/34 | 8/12 at 27.94 | AAA | 6,677,479 |
| Worth Branch Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds 2005, 0.000%, 8/15/33 ☐ FGIC Insured | 8/15 at 37.33 | AAA | 2,345,315 |
| Worth Branch Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds 2006, 0.000%, 8/15/38 | 8/14 at 26.50 | AAA | 6,195,283 |
| City of Dallas, Texas, Water System Revenue Bonds, Series 2005, 4.750%, 5/15/37 ☐ MBIA Insured | 5/15 at 100.00 | AAA | 1,000,900 |

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| | | | |
|---|----------------|-----|------------|
| City Cultural & Educational Facilities Financing Corporation, Revenue Bonds, Series als 1760-3, 7.431%, 2/15/36 (IF) | 2/17 at 100.00 | Aa3 | 4,464,235 |
| City Health Facilities Development Corporation, Texas, Revenue Bonds, Texas Health System, Series 1997A, 5.250%, 2/15/17 (Pre-refunded 2/15/08) ☐ MBIA Insured | 2/08 at 102.00 | AAA | 10,275,100 |
| Government Independent School District, Tarrant County, Texas, General Obligation Bonds, 0.000%, 8/15/35 | 8/15 at 34.92 | AAA | 1,640,940 |
| Government School District, Taylor County, Texas, General Obligation Bonds, Series 2005: /20 | 8/15 at 78.46 | AAA | 1,611,420 |
| /22 | 8/15 at 70.77 | AAA | 1,454,610 |
| | | | 94,371,518 |

(0.2% of Total Investments)

| | | | |
|--|----------------|-----|-----------|
| Finance Agency, Single Family Mortgage Bonds, Series 1999C-2, Class II: /19 (Alternative Minimum Tax) | 1/10 at 101.50 | Aaa | 329,381 |
| /21 (Alternative Minimum Tax) | 1/10 at 101.50 | AA | 106,426 |
| Finance Agency, Single Family Mortgage Bonds, Series 1999D, 5.850%, 7/01/21 Minimum Tax) | 7/09 at 101.00 | AA | 81,173 |
| Finance Agency, Single Family Mortgage Bonds, Series 1999F, 6.300%, 7/01/21 Minimum Tax) | 7/09 at 101.50 | Aa2 | 25,483 |
| Finance Agency, Single Family Mortgage Bonds, Series 2000F-2, Class III, 6.000%, Alternative Minimum Tax) | 7/10 at 100.00 | AA☐ | 907,458 |
| | | | 1,449,921 |

4% (0.3% of Total Investments)

| | | | |
|--|-----------------|-----|-----------|
| Business Financing Authority, Industrial Development Water Revenue Bonds, Water, LLC Project, Series 1999, 7.250%, 11/01/24 (Alternative Minimum Tax) | 11/09 at 102.00 | N/R | 2,328,800 |
|--|-----------------|-----|-----------|

☐ 10.8% (7.0% of Total Investments)

| | | | |
|--|----------------|-----|------------|
| West, Washington, Electric Revenue Refunding Bonds, Nuclear Project 3, Series %, 7/01/17 ☐ XLCA Insured | 7/13 at 100.00 | AAA | 4,309,920 |
| West, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999B: /15 ☐ MBIA Insured (Alternative Minimum Tax) | 3/10 at 101.00 | AAA | 1,846,155 |
| /16 ☐ MBIA Insured (Alternative Minimum Tax) | 3/10 at 101.00 | AAA | 2,724,525 |
| West, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999C: /15 ☐ MBIA Insured (Alternative Minimum Tax) | 3/10 at 101.00 | AAA | 920,448 |
| /16 ☐ MBIA Insured (Alternative Minimum Tax) | 3/10 at 101.00 | AAA | 1,325,444 |
| Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.625%, 1/01/21 d 1/01/11) ☐ FSA Insured | 1/11 at 101.00 | AAA | 10,412,749 |
| State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, 6.500%, 6/01/26 | 6/13 at 100.00 | BBB | 7,477,931 |
| Certificates of Participation, Washington Convention and Trade Center, Series %, 7/01/16 ☐ MBIA Insured | 7/09 at 100.00 | AAA | 11,906,382 |
| General Obligation Compound Interest Bonds, Series 1999S-2, 0.000%, 1/01/18 ☐ | No Opt. Call | AAA | 2,122,393 |
| General Obligation Compound Interest Bonds, Series 1999S-3: /20 | No Opt. Call | Aa1 | 10,010,198 |
| /21 | No Opt. Call | Aa1 | 9,968,259 |

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| | | | |
|--|-----------------|---------|---------------|
| ington | | | 63,024,404 |
| 6.9% (4.5% of Total Investments) | | | |
| Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Series 2002, 6.000%, 6/01/17 | 6/12 at 100.00 | BBB | 684,242 |
| Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 (Pre-refunded FSA Insured) | 11/14 at 100.00 | Aaa | 1,807,202 |
| Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 □ FSA Insured | 11/14 at 100.00 | Aaa | 579,398 |
| Wisconsin, Industrial Development Revenue Refunding Bonds, Dairyland Power Series 1997C, 5.550%, 2/01/15 □ AMBAC Insured | 12/08 at 102.00 | AAA | 3,957,866 |
| Health and Educational Facilities Authority, Revenue Bonds, FH Healthcare Inc., Series 1999: Series 1999, 5.500%, 11/15/09 | 11/09 at 101.00 | N/R (4) | 8,892,240 |
| Series 1999, 5.500%, 11/15/09 | 11/09 at 101.00 | N/R (4) | 5,308,800 |
| Health and Educational Facilities Authority, Revenue Bonds, Kenosha Hospital and Mer Inc., Series 1999, 5.625%, 5/15/29 | 5/09 at 101.00 | A | 4,267,571 |
| Health and Educational Facilities Authority, Revenue Bonds, Mercy Health System Series 1999, 5.500%, 8/15/25 □ AMBAC Insured | 8/09 at 101.00 | Aaa | 13,137,134 |
| Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Series 2003A, 5.125%, 8/15/33 | 8/13 at 100.00 | A□ | 2,141,370 |
| in | | | 40,775,823 |
| Investments (cost \$853,547,500) □ 152.8% | | | 896,920,319 |
| Liabilities □ (5.7)% | | | (33,200,000) |
| Less Liabilities □ 3.2% | | | 18,329,616 |
| Assets, at Liquidation Value □ (50.3)% | | | (295,000,000) |
| Assets applicable to Common Shares □ 100% | | \$ | 587,049,935 |

The Fund may invest in □zero coupon□ securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. Such securities are included in the portfolio with a 0.00% coupon rate in their description. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

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- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- N/R Not rated.
- WI/DD Purchased on a when-issued or delayed delivery basis.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate transactions subject to SFAS No. 140.

At July 31, 2007, the cost of investments was \$819,227,350.

Gross unrealized appreciation and gross unrealized depreciation of investments at July 31, 2007, were as follows:

| | |
|-------------------|--------------|
| Gross unrealized: | |
| Appreciation | \$47,992,518 |
| Depreciation | (3,449,718) |

| | |
|---|--------------|
| Net unrealized appreciation (depreciation) of investments | \$44,542,800 |
|---|--------------|

Item 2. Controls and Procedures.

- a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: EX-99 CERT Attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Dividend Advantage Municipal Fund

By (Signature and Title)* /s/ Kevin J. McCarthy
Kevin J. McCarthy
Vice President and Secretary

Date September 28, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer (principal executive officer)

Date September 28, 2007

By (Signature and Title)* /s/ Stephen D. Foy
Stephen D. Foy
Vice President and Controller (principal financial officer)

Date September 28, 2007

* Print the name and title of each signing officer under his or her signature.