SIGNET JEWELERS LTD
Form 8-K
November 23, 2010

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): 23-11-2010

SIGNET JEWELERS LIMITED
(Exact name of registrant as specified in its charter)

Commission File Number: 1-32349

Bermuda (State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

Clarendon House
2 Church Street
Hamilton
HM11
Bermuda
(Address of principal executive offices, including zip code)

441 296 5872
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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))

Item No. 2.02 - 3rd Quarter Results

Signet Reports Third Quarter Profit

HAMILTON, Bermuda, November 23, 2010 – Signet Jewelers Limited (“Signet”) (NYSE and LSE: SIG), the world’s largest specialty retail jeweler, today announced its results for 13 weeks (“third quarter”) and 39 weeks (“year to date”) ended October 30, 2010.

Third Quarter Highlights:

- Same store sales: up 7.2%, US division up 9.7%
- Income before income taxes: $12.0 million, up $25.3 million
- Basic and diluted earnings per share: $0.07, up $0.17
- Prepayment of private placement notes announced, which will improve financial and operational flexibility
- Free cash flow[1] now anticipated to be at upper end of previously announced $225 million to $275 million target range for Fiscal 2011[2], before the prepayment of private placement notes and resultant $47 million ‘Make Whole’ payment

1 Net cash provided by operating activities less net cash flows used in investing activities.
2 Fiscal 2010 is the 52 weeks ended January 30, 2010 and Fiscal 2011 is the 52 weeks ending January 29, 2011.

Terry Burman, Chief Executive of Signet, commented: “We are delighted with our third quarter results, reflecting the ongoing success of our competitive advantages and strong balance sheet. In particular, the 9.7% US same store sales increase was a very good performance, which drove strong operating leverage and a return to third quarter profitability.

The economic environment remains challenging for the very important fourth quarter. However, we are confident that we are well prepared to compete in both the US and the UK markets.”

Enquiries:	Ron Ristau, CFO, Signet Jewelers	+1 441 296 5872
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	Jonathan Glass, Brunswick	+44 (0)20 7404 5959

Signet is the world’s largest specialty retail jeweler and operated 1,886 stores at October 30, 2010; these included 1,342 stores in the US, where it trades as “Kay Jewelers,” “Jared The Galleria Of Jewelry” and under a number of regional names. At that date Signet also operated 544 stores in the UK division, where it trades as “H.Samuel,” “Ernest Jones” and “Leslie Davis.” Further information on Signet is available at www.signetjewelers.com. See also www.kay.com, www.jared.com, www.hsamuel.co.uk and www.ernestjones.co.uk.

Conference call

There will be a conference call today at 8.30 a.m. EST (1.30 p.m. GMT and 5.30 a.m. Pacific Time) and a simultaneous audio webcast and slide presentation available at www.signetjewelers.com. The slides are available to be downloaded from the website ahead of the conference call. To help ensure the conference call begins in a timely manner, all participants should dial in 5 to 10 minutes prior to the scheduled start time. The call details are:

US dial-in:	+1 212 444 0896	Access code: 9045681
European dial-in:	+44 (0)20 7138 0845	Access code: 9045681

A replay of the conference call and a transcript of the call will be posted on Signet’s website as soon as is practical after the call has ended.

RESULTS OF OPERATIONS

The consumer environment in both the US and the UK remained challenging in the third quarter, however the business continued to utilize its competitive advantages and strong balance sheet to improve sales and enhance operating margins. As a result, Signet's third quarter results returned to a profit in Fiscal 2011, after reporting a loss for the third quarters of Fiscal 2009 and 2010.

Sales and operating income

Same store sales were up 7.2%, compared to a decline of 1.8% in the third quarter last year. In the year to date, same store sales increased 5.8%, compared to a decline of 3.4% in the comparable period last year. Total sales rose by 5.0% to $641.8 million in the third quarter (13 weeks to October 31, 2009: $611.4 million), reflecting an underlying increase of 6.0% at constant exchange rates; non-GAAP measure, see Note 14. In the year to date, total sales rose by 4.3% to $2,166.9 million (39 weeks to October 31, 2009: $2,076.8 million). The increase at constant exchange rates was 4.9%; non-GAAP measure, see Note 14. The breakdown of the sales performance is set out in Table 1 below.

Table 1	Third Quarter.			Year To Date.		
	US	UK	Signet	US	UK	Signet
Sales, million	$497.0	$144.8	$641.8	$1,737.2	$429.7	$2,166.9
% of total	77.4%	22.6%	100.0%	80.2%	19.8%	100.0%
Change in sales	US	UK	Signet	US	UK	Signet
	%	%	%	%	%	%
Same store sales	9.7	(0.6)	7.2	7.5	(0.5)	5.8
Change in store space	(0.9)	(2.0)	(1.2)	(0.7)	(1.6)	(0.9)
Total at constant exchange rates	8.8	(2.6)	6.0	6.8	(2.1)	4.9
Exchange translation1	—	(3.6)	(1.0)	—	(2.5)	(0.6)
Change in total sales as reported	8.8	(6.2)	5.0	6.8	(4.6)	4.3

1 See Note 14.

Gross margin was $193.6 million for the third quarter (13 weeks to October 31, 2009: $163.0 million) and $724.4 million for the year to date (39 weeks to October 31, 2009: $634.2 million), up by 18.8% and by 14.2% respectively. Gross margin rate increased by 350 basis points in the third quarter and by 290 basis points in the year to date, see Table 2 below. The gross merchandise margin improved by 70 basis points in the third quarter and by 80 basis points in the year to date, driven by price increases, and lower diamond costs which more than offset the impact of higher gold costs and the weakness of pound sterling against the US dollar. The net bad debt to sales ratio again improved compared to the comparable quarter last year. Leverage of store occupancy costs in the US also benefited gross margin.

Selling, general and administrative expenses were $201.5 million for the third quarter (13 weeks to October 31, 2009: $197.3 million) and $643.7 million for the year to date (39 weeks to October 31, 2009: $633.9 million), up by 2.1% and 1.5% respectively. Selling, general and administrative expenses as a percentage of sales decreased by 90 basis points in the quarter and by 80 basis points in the year to date compared to the comparable periods in Fiscal 2010. Tight expense control combined with leverage of selling expenses more than made up for a non-recurring $5.0 million benefit to expenses in the third quarter of Fiscal 2010 and $15 million in the 39 weeks to October 31, 2009, due to a change in vacation entitlement policy. In the fourth quarter of Fiscal 2010, there was a non-recurring charge of $1.6 million due to this change.

Table 2	Third Quarter		Year To Date	
	Fiscal 2011	Fiscal 2010	Fiscal 2011	Fiscal 2010
	%	%	%	%
Sales	100.0	100.0	100.0	100.0
Cost of sales	(69.8)	(73.3)	(66.6)	(69.5)
Gross margin	30.2	26.7	33.4	30.5
Selling, general and administrative expenses	(31.4)	(32.3)	(29.7)	(30.5)
Other operating income	4.1	4.6	3.8	4.2
Operating income/(loss), net	2.9	(1.0)	7.5	4.2
Net financing costs	(1.0)	(1.2)	(1.0)	(1.3)
Income/(loss) before income taxes	1.9	(2.2)	6.5	2.9
Income taxes	(1.0)	0.8	(2.1)	(0.9)
Net income/(loss)	0.9	(1.4)	4.4	2.0

Other operating income was $26.4 million in the third quarter (13 weeks to October 31, 2009: $28.4 million). For the year to date, other operating income was $81.3 million (39 weeks to October 31, 2009: $87.0 million). The reduction in both the third quarter and the year to date primarily reflected the adverse impact of amendments to the Truth in Lending Act. The estimated net direct adverse impact on operating income from the amendments remains $15 million to $17 million in Fiscal 2011.

Third quarter operating income was $18.5 million (13 weeks to October 31, 2009: loss $5.9 million), and operating margin was 2.9% (13 weeks to October 31, 2009: (1.0)%). For the year to date, operating income increased by 85.6% to $162.0 million (39 weeks to October 31, 2009: $87.3 million), up 84.9% at constant exchange rates; non-GAAP measure, see Note 14. Operating margin was 7.5% for the year to date (39 weeks to October 31, 2009: 4.2%).

Interest income and expense

Interest income was $0.3 million for the third quarter (13 weeks to October 31, 2009: $nil) and $0.6 million for the year to date (39 weeks to October 31, 2009: $0.7 million). Very low interest rates meant that the increase in cash had little impact on interest income. Interest expense declined by $0.6 million to $6.8 million for the third quarter (13 weeks to October 31, 2009: $7.4 million). Interest expense for the year to date was $21.8 million (39 weeks to October 31, 2009: $27.2 million). Interest expense largely related to Private Placement Notes incurring a blended fixed rate of interest of 8.11%. Both the third quarter and the year to date benefited from the repayment of $50.9 million of Private Placement Notes on March 9, 2010, and lower fees.

Income before income taxes

Income before income taxes was $12.0 million for the third quarter (13 weeks to October 31, 2009: loss $13.3 million). Income before income taxes was $140.8 million for the year to date (39 weeks to October 31, 2009: $60.8 million), an increase of 131.6%.

Provision for income taxes

The charge to income taxes for the year to date was $45.8 million (39 weeks to October 31, 2009: $19.2 million), being an effective tax rate of 32.5%, which reflects the recognition of $4.5 million previously unrecognized tax benefit in the second quarter of Fiscal 2011. The charge to income taxes in the third quarter was $6.0 million (13 weeks to October 31, 2009: $4.6 million credit), being an effective tax rate of 50.0%. The anticipated effective tax rate for Fiscal 2011 is currently estimated to be 32.5% (Fiscal 2010: 31.8%).

Net income

Net income was $6.0 million for the third quarter (13 weeks to October 31, 2009: loss $8.7 million), and $95.0 million for the year to date (39 weeks to October 31, 2009: $41.6 million), an increase of 128.4%.

Earnings per share

Basic and diluted earnings per share were both $0.07 for the third quarter (13 weeks to October 31, 2009: both $0.10 loss per share). Basic and diluted earnings per share were $1.11 and $1.10 for the year to date (39 weeks to October 31, 2009: both $0.49), an increase of 126.5% and 124.5% from the comparable prior year period.

LIQUIDITY AND CAPITAL RESOURCES

Table 3

Summary Statement of Cash Flows

	39 weeks to	
	October 30, 2010	October 31, 2009
	$million	$million
Net income	95.0	41.6
Adjustments to reconcile net income to net cash provided by operations	94.5	95.0
Net income adjusted for non-cash items1	189.5	136.6
Changes in operating assets and liabilities	7.4	212.5
Net cash provided by operating activities	196.9	349.1
Net cash flows used in investing activities	(39.5)	(30.3)
Free cash flow2	157.4	318.8
Facility fees paid	(1.3)	(9.3)
Net change in Common Shares3	2.0	0.9
	158.1	310.4
(Net debt4) at start of period	(7.9)	(470.7)
Effect of exchange rate changes on cash & cash equivalents	(2.0)	3.6
Effect of exchange rate changes on debt	-	(4.0)
Net cash/(net debt4)	148.2	(160.7)

1 Net income adjusted to reconcile net income to cash provided by operations; non-GAAP measure, see Note 14.

2 Net cash provided by operating activities less net cash flows used in investing activities, non-GAAP measure; see Note 14.

3 Proceeds from issuance of Common Shares less purchase of treasury shares.

4 Net total of cash and cash equivalents, loans and overdrafts, and long-term debt; non-GAAP measure, see Note 14.

During the 39 weeks to October 30, 2010, net income and net income adjusted for non-cash items was $95.0 million and $189.5 million (39 weeks to October 31, 2009: $41.6 million and $136.6 million); non-GAAP measure, see Note 14. The $53.4 million increase in net income reflected the improved operating performance of the business. Changes in operating assets and liabilities generated cash flows of $7.4 million (39 weeks to October 31, 2009: $212.5 million). Inventories increased by $125.9 million (39 weeks to October 31, 2009: decreased by $86.5 million) as a result of seasonality. In Fiscal 2010, an inventory realignment program was undertaken by management. Accounts receivable decreased by $87.6 million (39 weeks to October 31, 2009: $95.5 million), primarily reflecting seasonality partly offset by sales growth.

Year to date net cash flow used in investing activities was $39.5 million (39 weeks to October 31, 2009: $30.3 million), nearer to a maintenance level of investment. The US division used $33.5 million (39 weeks to October 31, 2009: $22.8 million) and the UK division used $6.0 million (39 weeks to October 31, 2009: $7.5 million).

Year to date positive free cash flow was $157.4 million (39 weeks to October 31, 2009: $318.8 million); non-GAAP measure, see Note 14, with the increase in net income adjusted for non-cash items offset by a lower inflow from changes in operating assets and liabilities. In the fourth quarter of Fiscal 2011, accounts receivable are expected to increase due to the seasonal nature of sales. Reflecting better than planned net income in the year to date and an expectation that in the balance of the year working capital will continue to be tightly managed, positive free cash flow for Fiscal 2011, before the prepayment of Private Placement Notes and resultant $47 million 'Make Whole' payment, is now anticipated to be towards the top end of the previously indicated range of $225 million to $275 million.

During the 39 weeks to October 30, 2010, $2.0 million (39 weeks to October 31, 2009: $0.9 million) was received for the issuance of Common Shares pursuant to Signet's equity compensation programs.

Debt at October 30, 2010 was $266.7 million (October 31, 2009: $300.3 million), with cash and cash equivalents of $414.9 million (October 31, 2009: $139.6 million). Net cash at October 30, 2010 was $148.2 million (October 31, 2009: net debt $160.7 million); non-GAAP measure, see Note 14. On
March 9, 2010, Signet made a repayment at par of $50.9 million of Private Placement Notes.

Signet maintains a $300 million revolving credit facility expiring in June, 2013. On March 9, 2010, the facility was reduced from $370 million to its current level. In October 2010, this facility was amended to eliminate the obligation to reduce the amount of the facility by 60% of any reduction in net debt from the prior year end, revise the fixed charge cover covenant as defined in the agreement to 1.55:1 for the remaining duration of the agreement, delete the annual limit on capital expenditure, increase the aggregate cost of assets that may be acquired in any fiscal year to $50.0 million and remove any restrictions on payment of dividends or share repurchases. The facility was undrawn at October 30, 2010 and at October 31, 2009.

On October 27, 2010, Signet notified the holders of its Private Placement Notes (the "Notes") that it was exercising its right to prepay in full the $229.1 million of outstanding Notes on November 26, 2010 (the "Prepayment Date"). This will result in a reduction in interest expense of $101.7 million over the remaining term of the Notes. The prepayment requires the payment of all accrued interest up to the Prepayment Date plus a premium as determined by the "Make Whole" provision contained in the agreement governing the Notes. The Make Whole premium is determined on November 23, 2010, is dependent on medium term US Treasury yields, and is expected to be approximately $47 million, including an associated cost of hedging this payment against movements in US Treasury yields. The payment will be reflected in Signet's results for the fourth quarter of Fiscal 2011 and is anticipated to have a net $0.32 adverse impact on diluted earnings per share. The impact on earnings in Fiscal 2011 includes a $0.02 per share benefit from the elimination of interest expense on the Notes from November 26, 2010 as a result of the prepayment. In the fiscal year ending January 28, 2012 ("Fiscal 2012"), the prepayment is estimated to result in a benefit to diluted earnings per share of $0.13.

The Notes were the only material borrowings by Signet during the quarter. Signet has significant amounts of cash and cash equivalents invested in several 'AAA' rated liquidity funds and at a number of financial institutions. The amount invested in each liquidity fund or at each financial institution takes into account the credit rating and size of the liquidity fund or financial institution and are for various durations of up to one month and have an average duration of under seven days.

Correction of immaterial error

During the third quarter of Fiscal 2011, Signet changed the period of revenue and cost deferral for its extended service plans. Signet has adjusted in this quarter for the affected prior periods. Additional information regarding the correction of the immaterial error is given in Note 1.

OPERATING REVIEW

US division (~80% of annual sales)

In the third quarter of Fiscal 2011, the US division's sales were $497.0 million (13 weeks to October 31, 2009: $457.0 million) up by 8.8%, and same store sales rose by 9.7% compared to a decline of 2.3% in the third quarter last year. In the year to date, sales were up by 6.8% to $1,737.2 million (39 weeks to October 31, 2009: $1,626.4 million) and same store sales rose by 7.5% compared to a decline of 3.5% in the prior year period. See Table 4 below for analysis.

Table 4			Change from previous year		
Third quarter Fiscal 2011	Sales	Average unit selling price1	Total sales	Same store sales	Average unit selling price1
Kay	$276.3m	$413	7.4%	8.6%	6.6%
Regional brands	$56.3m	$413	(5.0)%	2.6%	4.6%
Jared	$164.4m	$867	16.9%	14.3%	6.9%
US division	$497.0m	$484	8.8%	9.7%	8.0%
Year to date Fiscal 2011					
Kay	$984.1m	$352	4.3%	4.9%	5.9%

(i)

o A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) o Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership

The securities reported herein (the Securities) are beneficially owned by one or more open- or closed-end investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries (each, an Investment Management Subsidiary and, collectively, the Investment Management Subsidiaries) of Franklin Resources, Inc. (FRI), including the Investment Management Subsidiaries listed in Item 7. Investment management contracts grant to the Investment Management Subsidiaries all investment and/or voting power over the securities owned by such investment management clients, unless otherwise noted in this Item 4. Therefore, for purposes of Rule 13d-3 under the Act, the Investment Management Subsidiaries may be deemed to be the beneficial owners of the Securities.

Beneficial ownership by investment management subsidiaries and other affiliates of FRI is being reported in conformity with the guidelines articulated by the SEC staff in Release No. 34-39538 (January 12, 1998) relating to organizations, such as FRI, where related entities exercise voting and investment powers over the securities being reported independently from each other. The voting and investment powers held by Franklin Mutual Advisers, LLC (FMA), an indirect wholly-owned Investment Management Subsidiary, are exercised independently from FRI and from all other Investment Management Subsidiaries (FRI, its affiliates and the Investment Management Subsidiaries other than FMA are collectively, FRI affiliates). Furthermore, internal policies and procedures of FMA and FRI establish informational barriers that prevent the flow between FMA and the FRI affiliates of information that relates to the voting and investment powers over the securities owned by their respective investment management clients. Consequently, FMA and the FRI affiliates report the securities over which they hold investment and voting power separately from each other for purposes of Section 13 of the Act.

Charles B. Johnson and Rupert H. Johnson, Jr. (the Principal Shareholders) each own in excess of 10% of the outstanding common stock of FRI and are the principal stockholders of FRI. FRI and the Principal Shareholders may be deemed to be, for purposes of Rule 13d-3 under the Act, the beneficial owners of securities held by persons and entities for whom or for which FRI subsidiaries provide investment management services. The number of shares that may be deemed to be beneficially owned and the percentage of the class of which such shares are a part are reported in Items 9 and 11 of the cover pages for FRI and each of the Principal Shareholders. FRI, the Principal Shareholders and each of the Investment Management Subsidiaries disclaim any pecuniary interest in any of the Securities. In addition, the filing of this Schedule 13G on behalf of the Principal Shareholders, FRI and FRI affiliates, as applicable, should not be construed as an admission that any of them is, and each disclaims that it is, the beneficial owner, as defined in Rule 13d-3, of any of the Securities.

FRI, the Principal Shareholders, and each of the Investment Management Subsidiaries believe that they are not a group within the meaning of Rule 13d-5 under the Act and that they are not otherwise required to attribute to each other the beneficial ownership of the Securities held by any of them or by any persons or entities for whom or for which FRI subsidiaries provide investment management services.

(a) Amount beneficially owned:

4,583,855

(b) Percent of class:

10.2%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

Franklin Resources, Inc.:	0
Charles B. Johnson:	0
Rupert H. Johnson, Jr.:	0
Templeton Asset Management Ltd.:	4,583,855

(ii) Shared power to vote or to direct the vote

0

(iii) Sole power to dispose or to direct the disposition of

Franklin Resources, Inc.:	0
Charles B. Johnson:	0
Rupert H. Johnson, Jr.:	0
Templeton Asset Management Ltd.:	4,583,855

(iv) Shared power to dispose or to direct the disposition of

0

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following o. Not Applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person

The clients of the Investment Management Subsidiaries, including investment companies registered under the Investment Company Act of 1940 and other managed accounts, have the right to receive or power to direct the receipt of dividends from, as well as the proceeds from the sale of, such securities reported on in this statement. Templeton Eastern Europe Fund, a sub-fund of Franklin Templeton Investment Funds, has an interest in 3,376,000 shares, or 7.5%, of the class of securities reported herein.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

See Attached Exhibit C
(See also Item 4)

Item 8. Identification and Classification of Members of the Group

Not Applicable (See also Item 4)

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

This report shall not be construed as an admission by the persons filing the report that they are the beneficial owner of any securities covered by this report.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: July 9, 2008

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

By: /s/MARIA GRAY

Maria Gray
Secretary of Franklin Resources, Inc.

Attorney-in-Fact for Charles B. Johnson pursuant to Power of Attorney attached to this Schedule 13G

Attorney-in-Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney attached to this Schedule 13G

Templeton Asset Management Ltd.

Franklin Templeton Investment Funds on behalf of
Templeton Eastern Europe Fund

By: /s/GREGORY E. MCGOWAN

Gregory E. McGowan
Director of Templeton Asset Management Ltd.
Director of Franklin Templeton Investment Funds

EXHIBIT A

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with each other of the attached statement on Schedule 13G and to all amendments to such statement and that such statement and all amendments to such statement are made on behalf of each of them.

IN WITNESS WHEREOF, the undersigned have executed this agreement on July 9, 2008.

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

By: /s/MARIA GRAY

Maria Gray
Secretary of Franklin Resources, Inc.

Attorney-in-Fact for Charles B. Johnson pursuant to Power of Attorney attached to this Schedule 13G

Attorney-in-Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney attached to this Schedule 13G

Templeton Asset Management Ltd.
Franklin Templeton Investment Funds on behalf of
Templeton Eastern Europe Fund

By: /s/GREGORY E. MCGOWAN

Gregory E. McGowan
Director of Templeton Asset Management Ltd.
Director of Franklin Templeton Investment Funds

EXHIBIT B

LIMITED POWER OF ATTORNEY
FOR
SECTION 13 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned hereby makes, constitutes and appoints each of Robert Rosselot and Maria Gray, each acting individually, as the undersigned s true and lawful attorney-in-fact, with full power and authority as hereinafter described on behalf of and in the name, place and stead of the undersigned to:

(1) prepare, execute, acknowledge, deliver and file Schedules 13D and 13G (including any amendments thereto or any related documentation) with the United States Securities and Exchange Commission, any national securities exchanges and Franklin Resources, Inc., a Delaware corporation (the Reporting Entity), as considered necessary or advisable under Section 13 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time (the Exchange Act); and

(2) perform any and all other acts which in the discretion of such attorney-in-fact are necessary or desirable for and on behalf of the undersigned in connection with the foregoing.

The undersigned acknowledges that:

(1) this Limited Power of Attorney authorizes, but does not require, each such attorney-in-fact to act in their discretion on information provided to such attorney-in-fact without independent verification of such information;

(2) any documents prepared and/or executed by either such attorney-in-fact on behalf of the undersigned pursuant to this Limited Power of Attorney will be in such form and will contain such information and disclosure as such attorney-in-fact, in his or her discretion, deems necessary or desirable;

(3) neither the Reporting Entity nor either of such attorneys-in-fact assumes (i) any liability for the undersigned s responsibility to comply with the requirements of the Exchange Act or (ii) any liability of the undersigned for any failure to comply with such requirements; and

(4) this Limited Power of Attorney does not relieve the undersigned from responsibility for compliance with the undersigned s obligations under the Exchange Act, including without limitation the reporting requirements under Section 13 of the

Exchange Act.

The undersigned hereby gives and grants each of the foregoing attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or appropriate to be done in and about the foregoing matters as fully to all intents and purposes as the undersigned might or could do if present, hereby ratifying all that each such attorney-in-fact of, for and on behalf of the undersigned, shall lawfully do or cause to be done by virtue of this Limited Power of Attorney.

This Limited Power of Attorney shall remain in full force and effect until revoked by the undersigned in a signed writing delivered to each such attorney-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Limited Power of Attorney to be executed as of this 30th day of April , 2007

/s/Charles B. Johnson
Signature

Charles B. Johnson
Print Name

LIMITED POWER OF ATTORNEY
FOR
SECTION 13 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned hereby makes, constitutes and appoints each of Robert Rosselot and Maria Gray, each acting individually, as the undersigned s true and lawful attorney-in-fact, with full power and authority as hereinafter described on behalf of and in the name, place and stead of the undersigned to:

(1) prepare, execute, acknowledge, deliver and file Schedules 13D and 13G (including any amendments thereto or any related documentation) with the United States Securities and Exchange Commission, any national securities exchanges and Franklin Resources, Inc., a Delaware corporation (the Reporting Entity), as considered necessary or advisable under Section 13 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time (the Exchange Act); and

(2) perform any and all other acts which in the discretion of such attorney-in-fact are necessary or desirable for and on behalf of the undersigned in connection with the foregoing.

The undersigned acknowledges that:

(1) this Limited Power of Attorney authorizes, but does not require, each such attorney-in-fact to act in their discretion on information provided to such attorney-in-fact without independent verification of such information;

(2) any documents prepared and/or executed by either such attorney-in-fact on behalf of the undersigned pursuant to this Limited Power of Attorney will be in such form and will contain such information and disclosure as such attorney-in-fact, in his or her discretion, deems necessary or desirable;

(3) neither the Reporting Entity nor either of such attorneys-in-fact assumes (i) any liability for the undersigned s responsibility to comply with the requirements of the Exchange Act or (ii) any liability of the undersigned for any failure to comply with such requirements; and

(4) this Limited Power of Attorney does not relieve the undersigned from responsibility for compliance with the undersigned s obligations under the Exchange Act, including without limitation the reporting requirements under Section 13 of the Exchange Act.

The undersigned hereby gives and grants each of the foregoing attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or appropriate to be done in and about the foregoing matters as fully to all intents and purposes as the undersigned might or could do if present, hereby ratifying all that each such attorney-in-fact of, for and on behalf of the undersigned, shall lawfully do or cause to be done by virtue of this Limited Power of Attorney.

This Limited Power of Attorney shall remain in full force and effect until revoked by the undersigned in a signed writing delivered to each such attorney-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Limited Power of Attorney to be executed as of this 25th day of April, 2007

/s/ Rupert H. Johnson, Jr.
Signature

Rupert H. Johnson, Jr.

Print Name

EXHIBIT C

Templeton Asset Management Ltd. Item 3 Classification: 3(e)