Signet Jewelers Ltd Christmas Trading Statement

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Profits expected to be within the range of market forecasts

Same store sales 9 weeks to January 3, 2009

Group	down 15.2%
US	down 16.4%
UK	down 10.9%

Same store sales 48 weeks to January 3, 2009

Group	down 8.1%
US	down 9.5%
UK	down 3.5%

Terry Burman, Group Chief Executive, commented: "Profits for the full year are expected to be within the range of market forecasts despite an extremely challenging environment on both sides of the Atlantic. While Group same store sales were very disappointing, being down 15.2% over the nine week period, gross merchandise margin was substantially ahead of last year and costs were very tightly controlled. Income before income tax for 2008/09 is currently anticipated to be between $180 million and $195 million, after charging $10.5 million of costs related to the change in domicile of the Company. We believe the Group's strategy of maximizing gross merchandise margin dollars, rather than sales, proved beneficial.

In the forthcoming fiscal year, both of the Group's divisions will continue to seek to optimize sales by implementing further product initiatives, improved customer service and best in class marketing that leverages our leading share of voice. However, against a background of extremely difficult trading conditions, the prime focus of management will be on reducing debt by maximizing gross merchandise margin dollars, achieving meaningful expense reductions, executing inventory efficiencies and reducing capital expenditure. Working capital will also be improved as a result of a small reduction in US space, with some 17 store openings (including 9 Jared) offset by about 60 mall brand closures as leases expire.

In the light of economic prospects and financial market conditions, as well as the focus on debt reduction, the Board has concluded that it is not currently appropriate to pay dividends.

The Group anticipates that net debt will be meaningfully reduced during the 2009/10 fiscal year as a result of these actions. Against the background of a continuing difficult economic environment, the Group's strong balance sheet, superior operating metrics and sector leading execution remain critical competitive advantages."

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Signet operated 1,979 specialty retail jewelry stores at January 3, 2009; these included 1,418 stores in the US, where the Group trades as "Kay Jewelers", "Jared The Galleria Of Jewelry" and under a number of regional names. At the same date Signet also operated 561 stores in the UK, where the Group 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.

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