SIGNET JEWELERS

Fiscal 2010 Q2 Results

September 9, 2009

KAY JEWELERS
Every kiss begins with Kay®
kay.com

JARED®
The Galleria Of Jewelry
jared.com

H.SAMUEL
THE JEWELLER

Ernest Jones
The Diamond & Watch Specialist

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Certain financial information used during this presentation are considered to be 'non-GAAP financial measures'. For a reconciliation of these to the most directly comparable GAAP financial measures, please refer to the Company's press release date September 9, 2009 available on the Company's website, www.signetjewelers.com

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Further Progress in Executing Strategy

- Maximize profit and cash flow
- Strengthen balance sheet
- Reduce business risk
- Focus on competitive advantages
- Increase market share in consolidating sector
- Take best advantage of eventual upturn

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Q2 Sales Broadly Maintain Trend of Q1 Post Valentine's Day

	Quarter 2			Year to Date		
	US	UK	Group	US	UK	Group
	%	%	%	%	%	%
Same store sales	(5.5)	(4.3)	(5.3)	(4.0)	(4.2)	(4.0)
Space impact	1.5	3.9	2.1	1.6	3.1	1.8
Constant exchange rate	(4.0)	(0.4)	(3.2)	(2.4)	(1.1)	(2.2)
Exchange impact	-	(17.7)	(4.4)	-	(22.0)	(5.2)
As reported	(4.0)	(18.1)	(7.6)	(2.4)	(23.1)	(7.4)

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Another Profitable Quarter

	Quarter 2			Year to Date		
	2010 $m	2009 CER $m	2009 GAAP $m	**2010 $m**	**2009 CER $m**	**2009 GAAP $m**
Sales	710.8	734.6	768.9	1,473.4	1,505.9	1,591.4
Operating income	46.6	37.9	37.5	99.0	84.1	83.4
Interest expense	(8.1)	(6.9)	(6.9)	(19.1)	(13.2)	(12.7)
Income before tax	38.5	30.9	30.6	79.9	70.9	70.7
Tax	(10.9)	(11.0)	(10.9)	(26.0)	(25.4)	(25.3)
Net income	27.6	20.0	19.7	53.9	45.5	45.4
EPS	$0.32	$0.23	$0.23	$0.63	$0.53	$0.53

CER=At constant exchange rates

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Movement in Operating Margin

	Quarter 2			Year to Date		
	US	UK	Group	US	UK	Group
Operating margin fiscal 2009*	8.7%	1.2%	6.2%	8.0%	1.5%	5.9%
Gross merchandise margin	0.1%	0.7%	0.4%	0.6%	0.5%	0.6%
Operational leverage/ (deleverage)	0.4%	(1.3)%	0.1%	0.6%	(2.1)%	0.3%
Impact of new space	(0.1)%	-	(0.1)%	(0.1)%	-	(0.1)%
Operating margin fiscal 2010	9.1%	0.6%	6.6%	9.1%	(0.1)%	6.7%

* Excluding $10.5 million relisting costs

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Good Progress Against Financial Objectives

- Gross merchandise margin
  - YTD: US up 60 bpts: UK up 50 bpts
  - Objective
    - US: at least at last year's level
    - UK: somewhat below last year
- Slightly ahead of US cost reduction program
  - $49.5 million achieved YTD
  - $100 million full year objective*
- UK costs broadly in-line to last year

* Before inflation, bad debt, volume variances

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Good Progress Against Financial Objectives

- Capital expenditure
  - YTD $17.5 million (YTD fiscal 2009: $65.7 million)
  - full year $55 million (fiscal 2009: $114.9 million)
  - 20% IRR criteria maintained
- Inventory
  - successfully realigned
  - full year objective $100 million reduction increased to $120 million
  - capacity to invest in merchandise initiatives

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Continued Improvement in Free Cash Flow & Net Debt

	YTD 10 $m	YTD 09 $m
Adjusted net income†	**113.0**	**97.8**
Change in operating assets*	**184.6**	**47.5**
Investing activities*	**(16.1)**	**(37.8)**
Investment in new US stores	**(13.2)**	**(56.6)**
Dividends	**-**	**(107.4)**
Foreign exchange impact	**2.0**	**(2.2)**
Change in net debt	**270.2**	**(58.7)**

† including amendment fees
* exc. new US stores

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US Jewelry

"Further growth from a proven strategy"





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US Operating Results

	Quarter 2		Year to Date	
		Change		Change
Total sales	$552.5m	(4.0)%	$1,177.4m	(2.4)%
Same store sales	(5.5)%	-	(4.0)%	-
Operating income	$50.4m[b]	0.4%	$106.8m[b]	10.2%
Operating margin	9.1%	+40bpts	9.1%	+110bpts

a excluding new product launch

b Includes benefit of change in vacation policy of $6.0m and $10.0m for quarter 2 and Year to Date

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Outperformance of Sector

	Q1 Fiscal 10		Q2 Fiscal 10	
	Same Store Sales	Gross Margin	Same Store Sales	Gross Margin
Signet US	(2.6)%	+90 bpts [a]	(5.5)%	+10 bpts [a]
Zales (inc Canada)	(20.0)%	+260 bpts	n/a	n/a
Finlay specialty jewelryb	(19.6)%	n/a	n/a	n/a
Blue Nile (US) [c]	(12.1)%	+140 bpts[d]	(4.4)%	+100 bpts[c]
Birks & Mayors (US)[c]	(26.0)%	-520 bpts[d]	n/a	n/a
Tiffany (US)	(34.0)%	n/a	(27.0)%	n/a

a Gross merchandise margin b Stand-alone stores total sales
c 13 week basis to calendar quarter end d Group wide

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Drivers of Outperformance

- Ability to continue to support business due to balance sheet strength
- Internal initiatives
  - focus on training and service
  - supply chain initiatives
  - development of differentiated ranges
  - targeted promotional activity
  - redeploy advertising expense to national television
- Sector consolidation

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Benefit from Sector Consolidation

- Above historical levels
- 2008
  - estimated closure of 1,800 doors*
  - c.(5)% sales capacity*
- 2009
  - further consolidation
  - projection for c.1,000 closures*
- Many of those that remain are weakened

* Source Jewelry Industry Research Institute

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In-house Receivables a Competitive Advantage

- Credit offer unchanged in a constrained market
- Revised scorecard implemented
- Continue to improve execution using specialist consultants as appropriate
- First half credit metrics
  - participation up 20 bpts
  - approval rate up 130 bpts
  - net bad debt to sale 5.0% - up 110 bpts

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Focus on Strongest Brands

	Kay	Regionals	Jared	Total	Net square footage
As at January 31, 2009	926	304	171	1,401	4%
Opened	8[(a)]	1	3	12	
Closed	(4)	(13)[(a)]	-	(17)	
As at August 1, 2009	930	292	174	1,396	
Planned openings	-	-	4	4	
Planned closures	(14)	(46)	-	(60)	
Expected January 30, 2010	916	246	178	1,340	(2)%

(a) Includes 2 rebranded stores

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UK Jewelry

"Making existing space work harder"

H.SAMUEL
THE JEWELLER

ERNEST JONES
THE DIAMOND & WATCH SPECIALIST

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UK Operating Results

	Quarter 2		Year to Date	
		Change*		Change*
Total sales	$158.3m	(0.4)%	$296.0	(1.1)%
Same store sales	(4.3)%	-	(4.2)%	-
Operating income	$1.0	(47.3)%	$(0.3)m	n/a
Operating margin	0.6%	-60 bpts	(0.1)%	-160 bpts

* At constant exchange rates

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Drivers of Performance

- Sector consolidation
- Focus on training and service
- Merchandising initiatives
  - over 25% of holiday sales on new tested product
  - increase in targeted promotions
- TV advertising
- Development of CRM

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Targeted Store Investment

- H.Samuel
  - customer orientated stores substantially completed
- Ernest Jones
  - focus on most productive stores
  - 16 refits during fiscal 2010
- UK capital expenditure c. $15 million (fiscal 2009: $38 million)

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Signet's Superior Trading Stance

- Strong management team
- Capitalize on competitive strengths
- Drive market share gains through existing stores
- Respond rapidly to any change in consumer behavior
- Utilize strong balance sheet to support trading

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