SIGNET JEWELERS

Fiscal 2011 Q2 Results

August 26, 2010

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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(Private Securities Litigation Reform Act of 1995)

This presentation contains statements which are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, based upon management's beliefs and expectations as well as on assumptions made by and data currently available to management, appear in a number of places throughout this presentation and include statements regarding, among other things, our results of operation, financial condition, liquidity, prospects, growth, strategies and the industry in which Signet operates. The use of the words "expects," "intends," "anticipates," "estimates," "predicts," "believes," "should," "potential," "may," "forecast," "objective," "plan" or "target," and other similar expressions are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties, including but not limited to general economic conditions, the merchandising, pricing and inventory policies followed by the Signet, the reputation of Signet and its brands, the level of competition in the jewelry sector, the cost and availability of diamonds, gold and other precious metals, regulations relating to consumer credit, seasonality of Signet's business and financial market risks.

For a discussion of these and other risks and uncertainties which could cause actual results to differ materially, see the "Risk Factors" section of the Signet's Fiscal 2010 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 30, 2010. Actual results may differ materially from those anticipated in such forward-looking statements. Signet undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Certain financial measures 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 Signet's press release dated August 26, 2010 available on Signet's website, www.signetjewelers.com

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Continued Progress in Executing Strategy

- Leverage competitive advantages to gain profitable market share
- Reduce business risk
  - aim to improve operating margin through greater store productivity
  - improve financial strength & flexibility
- Focus on profit & cash flow maximization
- Making progress against Fiscal 2011 operating & financial objectives
- Positioned for recovery in consumer spending

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Sales Performance

	Quarter 2			Year to Date		
	US	UK	Total	US	UK	Total
Sales Fiscal 2011 $m	580.8	142.0	722.8	1,247.9	284.9	1,532.8
Sales Fiscal 2010 $m	552.5	158.3	710.8	1,177.4	296.0	1,473.4
Change in sales	%	%	%	%	%	%
Same store sales	5.9	(0.5)	4.5	6.6	(0.4)	5.2
Space impact	(0.8)	(1.5)	(0.9)	(0.6)	(1.4)	(0.8)
Change at constant exchange rate	5.1	(2.0)	3.6	6.0	(1.8)	4.4
Exchange translation impact	-	(8.3)	(1.9)	-	(2.0)	(0.4)
Total sales as reported	5.1	(10.3)	1.7	6.0	(3.8)	4.0

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Result of Quarter

	Quarter 2		Year to Date	
	2011 $m	2010 $m	2011 $m	2010 $m
Sales	722.8	710.8	1,532.8	1,473.4
Operating income, net	63.3	46.6	148.8	99.0
Net interest expense	(6.0)	(8.1)	(14.7)	(19.1)
Income before income taxes	57.3	38.5	134.1	79.9
Income taxes	(16.6)	(10.9)	(41.4)	(26.0)
Net income	40.7	27.6	92.7	53.9
Diluted EPS	$0.47	$0.32	$1.07	$0.63

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Performance Reconciliation

	Quarter 2		Year to Date	
		% of sales		% of sales
Income before tax Fiscal 2010	**$38.5m**	**5.4%**	**$79.9m**	**5.4%**
Gross margin movement	$18.3m	2.0%	$59.1m	2.6%
Selling, general & admin. expense movement	$0.1m	0.5%	$(5.6)m	0.9%
Other operating income movement	$(1.7)m	(0.3)%	$(3.7)m	(0.5)%
Operating margin movement	**$16.7m**	**2.2%**	**$49.8m**	**3.0%**
Net interest movement	$2.1m	0.3%	$4.4m	0.3%
Income before tax Fiscal 2011	**$57.3m**	**7.9%**	**$134.1m**	**8.7%**

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Free Cash Flow & Net Debt

	YTD Fiscal 2011	YTD Fiscal 2010
	$m	$m
Net Income	**92.7**	53.9
Adjustments to reconcile to cash flow by operations	**50.7**	68.4
Net income adjusted for non-cash items[1,2]	**143.4**	122.3
Change in operating assets & liabilities	**111.2**	172.7
Net cash flows used in investing activities	**(14.4)**	(17.5)
Free cash flow[1]	**240.2**	277.5
Facility amendment fees	**(1.0)**	(9.3)
Net change in common of shares	**1.0**	-
	240.2	268.2
(Net debt) at start of period	**(7.9)**	(470.7)
Foreign exchange impact	**(0.9)**	2.0
Net cash[1] / (net debt)[1] at end of period	**231.4**	(200.5)

1 Non-GAAP measure, see announcement dated August 26, 2010 and slides 26 and 27
2 Including depreciation and other non-cash adjustments

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US Jewelry

"Further growth from a proven strategy"

JARED®
The Galleria Of Jewelry
jared.com

KAY®
JEWELERS
Every kiss begins with Kay.®
kay.com

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US Sales Performance

	Sales	Same store sales	Change in sales	Change in ASP[1]
Q2 Fiscal 2011				
Kay	$325.4m	2.6%	1.8%	5.0%
Regionals	$64.7 m	1.1%	(7.7)%	0.8%
Jared	$190.7m	14.0%	17.1%	6.9%
US Division	$580.8m	5.9%	5.1%	4.7%
YTD Fiscal 2011				
Kay	$712.2m	3.5%	3.0%	6.1%
Regionals	$141.6m	2.0%	(7.0)%	(0.4)%
Jared	$394.1m	14.9%	18.2%	4.9%
US Division	$1,247.9m	6.6%	6.0%	5.3%

1 Average selling price excluding charm bracelet category

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US Operating Income

	Q2 Fiscal 2011		YTD Fiscal 2011	
Sales	$580.8m	5.1%	$1,247.9m	6.0%
Operating income, net	$63.3m	25.6%	$154.4m	44.6%
Operating margin	10.9%	up 180bpts	12.4%	up 330 bpts

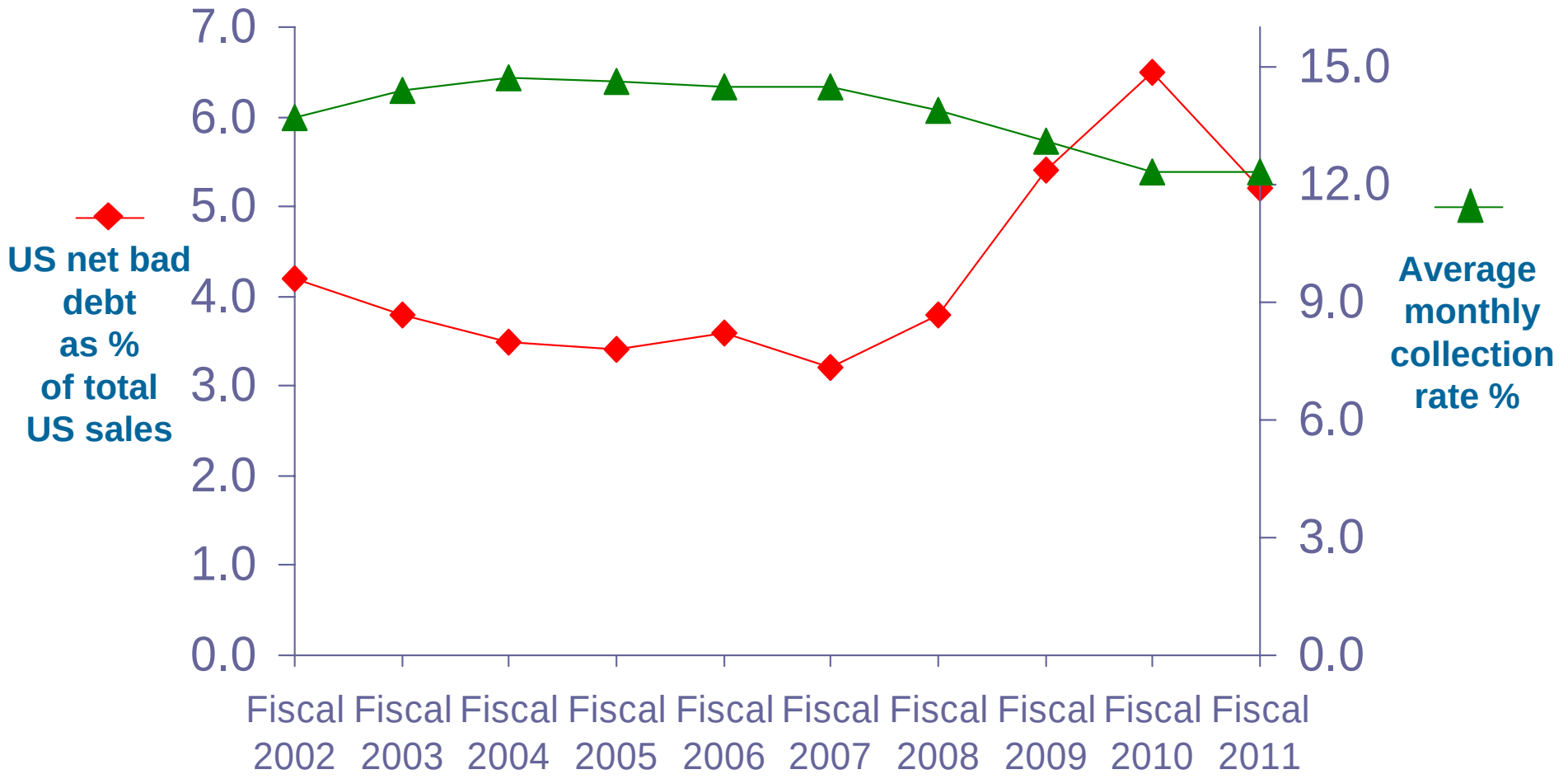
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US Drivers of Performance

- Strengthened competitive position
  - further enhanced highly motivated sales staff through training
  - merchandising initiatives
  - national television advertising
- Sector rationalization continues
  - many competitors remain under financial pressure and/or operationally constrained
  - capacity withdrawal remains above long-term trend
- Operational leverage again driven by:
  - sales performance
  - tight control of costs
  - improved bad debt performance

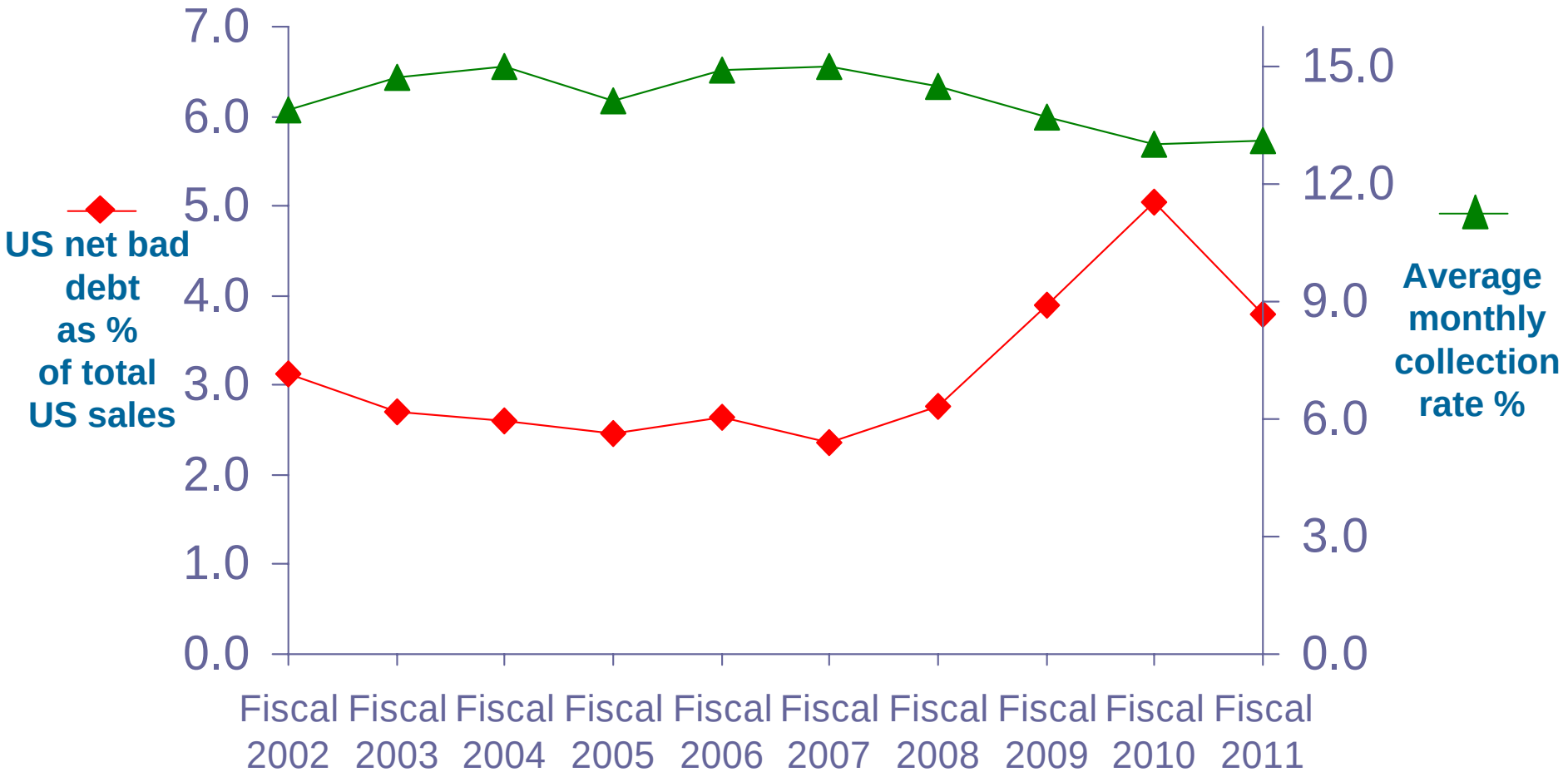
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Improvement in Receivables During Q2



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Improvement in Receivables Year To Date



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US Merchandise Margin Outlook

- Expectation for Fiscal 2011 gross merchandise margin remains broadly similar to Fiscal 2010
- Commodity costs
- Pricing action taken
- Price promotion activity planned to be similar to Fiscal 2010

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US Cost Outlook

- Advertising spend up in Q4
- Some planned merit and salary increases implemented
- TILA impact in H2 Fiscal 2011 expected to be $9 million - $11 million
- Absence of H2 Fiscal 2010 non-recurring benefit of $3.4 million from change in vacation entitlement policy
- Cost variance if sales above plan

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Trading Outlook

- Uncertain economic outlook
- Ability to respond to changing market conditions
  - limited inventory risk
  - flexibility built into supply chain
  - experienced management supported by sector leading systems
- Reinforced competitive position within sector
  - first choice of merchandise programs
  - ability to drive brand awareness and differentiated product using national TV advertising
  - recruitment, training and retention of superior store teams
- Focused on preparing for Holiday season

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US Changes in Square Footage

	Kay Mall	Kay Off Mall	Regionals	Jared[1]	Total	Change in Space
Jan 2008	**789**	**105**	**351**	**154**	**1,399**	**10%**
Jan 2009	**795**	**131**	**304**	**171**	**1,401**	**4%**
Openings	5[2]	3	1	7	16	
Closures	(6)	(5)	(45)[2]	-	(56)	
Jan 2010	**794**	**129**	**260**	**178**	**1,361**	**(1)%**
Openings (forecast)	3	2	-	2	7	
Closures (approx.)	(13)	(3)	(35)	-	(51)	
Jan 2011 (forecast)	**784**	**128**	**225**	**180**	**1,317**	**(2)%**

1 A Jared store is equivalent to just over four mall stores in size
2 Includes two regional stores rebranded as Kay in Fiscal 2010

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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 Income

	Q2 Fiscal 2011				YTD Fiscal 2011			
	Sales million	Same store sales	Change in sales at CER[1]	ASP at CER[2]	Sales million	Same store sales	Change in sales at CER[1]	ASP at CER[2]
H.Samuel	$73.5	(1.2)%	(2.4)%	11.3%	$148.0	(1.6)%	(2.8)%	10.8%
Ernest Jones	$68.5	0.2%	0.2%	9.3%	$136.9	1.0%	0.8%	10.4%
UK division	$142.0	(0.5)%	(2.0)%	12.0%	$284.9	(0.4)%	(1.8)%	11.7%
Gross merchandise margin	down 30 bpts				down 70 bpts			
Operating income	$4.7m; up $3.7m				$3.3m; up $3.6m			

1 Change in sales at constant exchange rates, non-GAAP measure, In the second quarter, the exchange translation impact on the total sales of H.Samuel was (8.3)%, for Ernest Jones was (8.4)% and for the UK division was (8.3)%, and for the year to date was (1.9)% for H.Samuel, (2.0)% for Ernest Jones and (2.0)% for the UK division.

2 Constant exchange rate change in average selling price excluding charm bracelet category.

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UK Drivers of Performance

- Challenging economic environment
- Charm bracelet category strong
- Strengthened competitive position
  - focus on staff training
  - using scale to offer unique products
  - continuing to enhance websites
- Tight control of costs

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UK Trading Outlook

- Challenging outlook
- Gross merchandise margin expectation continues to be somewhat below Fiscal 2010
- Pound sterling operating costs remain tightly controlled
- Year end space expected to be down 2%

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Signet Fiscal 2011Outlook

- Operational focus remains on excellence in execution and reinforcing sustainable competitive advantages
- Positioned to gain profitable market share
- Free cash flow now expected to be between $225 million and $275 million, above original objective
  - year to date net income performance
  - inventory expected to be little changed
  - capital expenditure of $80 million anticipated

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Regulation G

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Fiscal 2011 Sales

Signet has historically used constant exchange rates to compare period-to-period changes in certain financial data. This is referred to as 'at constant exchange rates' throughout this presentation and constitutes a "non GAAP financial measure". Management considers this to be a useful measure for analysing and explaining changes and trends in Signet's results. The impact of the re-calculation of sales at constant exchange rates, including a reconciliation to GAAP results, is analysed below.

	13 weeks ended July 31, 2010	13 weeks ended August 1, 2009	Change as reported	Impact of exchange rate movement[1]	Change at constant exchange rates (non-GAAP)	Change at constant exchange rates (non-GAAP)
	$m	$m	%	$m	$m	%
US	580.8	552.5	5.1	-	552.5	5.1
UK, Channel Islands & Republic of Ireland	142.0	158.3	(10.3)	(13.4)	144.9	(2.0)
Sales	**722.8**	**710.8**	**1.7**	**(13.4)**	**697.4**	**3.6**

	26 weeks ended July 31, 2010	26 weeks ended August 1, 2009	Change as reported	Impact of exchange rate movement[1]	Change at constant exchange rates (non-GAAP)	Change at constant exchange rates (non-GAAP)
	$m	$m	%	$m	$m	%
US	1,247.9	1,177.4	6.0	-	1,177.4	6.0
UK, Channel Islands & Republic of Ireland	284.9	296.0	(3.8)	(5.8)	290.2	(1.8)
Sales	**1,532.8**	**1,473.4**	**4.0**	**(5.8)**	**1,467.6**	**4.4**

1 In the second quarter, the exchange translation impact on the total sales of H.Samuel was (8.3)% and for Ernest Jones was (8.4)% and for the year to date, was (1.9)% for H.Samuel and ((2.0)% for Ernest Jones.

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Q2 Fiscal 2011 Results

Signet has historically used constant exchange rates to compare period-to-period changes in certain financial data. This is referred to as 'at constant exchange rates' throughout this presentation and constitutes a "non GAAP financial measure". Management considers this to be a useful measure for analysing and explaining changes and trends in Signet's results. The impact of the re-calculation of operating income/(losses) at constant exchange rates, including a reconciliation to GAAP results, is analysed below.

	13 weeks ended July 31, 2010	13 weeks ended August 1, 2009	Change as reported	Impact of exchange rate movement	Change at constant exchange rates (non-GAAP)	Change at constant exchange rates (non-GAAP)
	$m	$m	%	$m	$m	%
US	63.3	50.4	25.6	-	50.4	25.6
UK, Channel Islands & Republic of Ireland	4.7	1.0	370.0	0.1	1.1	327.3
Unallocated	(4.7)	(4.8)	(2.1)	0.3	(4.5)	4.4
Operating income, net	**63.3**	**46.6**	**35.8**	**0.4**	**47.0**	**34.7**

	26 weeks ended July 31, 2010	26 weeks ended August 1, 2009	Change as reported	Impact of exchange rate movement	Change at constant exchange rates (non-GAAP)	Change at constant exchange rates (non-GAAP)
	$m	$m	%	$m	$m	%
US	154.4	106.8	44.6	-	106.8	44.6
UK, Channel Islands & Republic of Ireland	3.3	(0.3)	n/a	-	(0.3)	n/a
Unallocated	(8.9)	(7.5)	18.7	0.2	(7.3)	21.9
Operating income, net	**148.8**	**99.0**	**50.3**	**0.2**	**99.2**	**50.0**

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Net Cash or Net Debt

Net debt is a “non GAAP financial measure”. Management considers it to be a useful additional measure for analyzing and explaining changes and trends in Signet’s financial position. It is calculated as set out below:

	July 31, 2010	January 30, 2010	August 1, 2009
	$million	$million	$million
Long-term debt	(229.1)	(280.0)	(280.0)
Loans & overdrafts	(24.9)	(44.1)	(13.3)
	(254.0)	(324.1)	(293.3)
Cash & cash equivalents	485.4	316.2	92.8
Net cash/(net debt)	231.4	(7.9)	(200.5)

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Free Cash Flow

Free cash flow is a “non GAAP financial measure” defined as the net cash provided by operating activities less net cash flows used in investing activities. Management considers that this is helpful in understanding how the business generating cash from its operating and investing activities that can be used to meet the financing needs of the business. Free cash flow does not represent the residual cash flow available for discretionary expenditure.

	26 weeks ended	
	July 31, 2010	August 1, 2009
	$million	$million
Net cash provided by operating activities	254.6	295.0
Net cash flows used in investing activities	(14.4)	(17.5)
Free cash flow	240.2	277.5

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