SIGNET JEWELERS

“Competitive Advantages Reinforcing Sector Leadership”

January 2011

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

Forward Looking Statements & Other Disclosure Matters

Forward-Looking Statements - 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, deterioration in consumers' financial condition, exchange rate fluctuations, changes in consumer attitudes regarding jewelry, management of social, ethical and environmental risks, inadequacy in and disruptions to internal controls and systems, changes in assumptions used in making accounting estimates relating to such items as extended service plans and pensions, and risks relating to our being a Bermuda corporation.

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.

Non-GAAP Measures - 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 January 11, 2011 available on Signet's website, www.signetjewelers.com or to the appendix of this presentation.

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. Please refer to the press release dated January 11, 2011 available on Signet's website, www.signetjewelers.com or to the appendix of this presentation for additional information regarding the correction of the immaterial error.

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Why Invest in Signet

- Record of gaining profitable market share
  - quality of sales associates / customer service / in-store experience and divisional management
  - ability to leverage supply chain leadership
  - development & growth of differentiated branded merchandise
  - high customer awareness driven by largest national TV advertising budget and quality of campaigns
  - in-house customer finance in US
- Strong financial performance and balance sheet strength provide operating flexibility
  - able to make strategic investments while many competitors under operating and financial pressure
- Well positioned for growth in Fiscal 2012

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Strong Holiday Sales Performance

- Signet
  - 9 weeks[1] total +6.0%, same store +8.1%
  - 48 weeks[1] total +4.8% same store +6.6%
- US division
  - 9 weeks[1] total +10.4%, same store +11.7%
  - 48 weeks[1] total +8.0%, same store +8.9%
- UK division
  - 9 weeks[1] total -8.8%, same store -4.2%
  - 48 weeks[1] total -6.4%, same store -1.7%

1 To January 1, 2011

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Significant Earnings Growth Expected

Expectations for Fiscal 2011

- Income before income taxes $287.5 - $302.5 million, up 25% - 31%
- Diluted earnings per share $2.20 - $2.32, up 20% - 27%

Excluding Non-recurring Item[1]

- Income before income taxes $335 - $350 million, up 45% - 52%
- Diluted earnings per share $2.54 - $2.66, up 39% - 45%

Free Cash Flow[2]

- $275 – $300 million excluding Make Whole Payment, compared to original target of $150 - $200 million

1 $47.5 million 'Make Whole' payment arising from prepayment of private placement notes

2 Cash flows from operating activities less cash flows from investing activities excluding Make Whole Payment

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World's Largest Specialty Jeweler

Group sales ~$3,400 million – 80% US / 20% UK



Kay Jewelers - #1 mid market brand
Sales: about $1,600m Stores: 910 in 50 states



H.Samuel - #1 in UK
Sales: about £240m Stores: 337



Jared - #1 Off-Mall "Category Killer"
Sales: about $850m Stores: 180 in 35 states

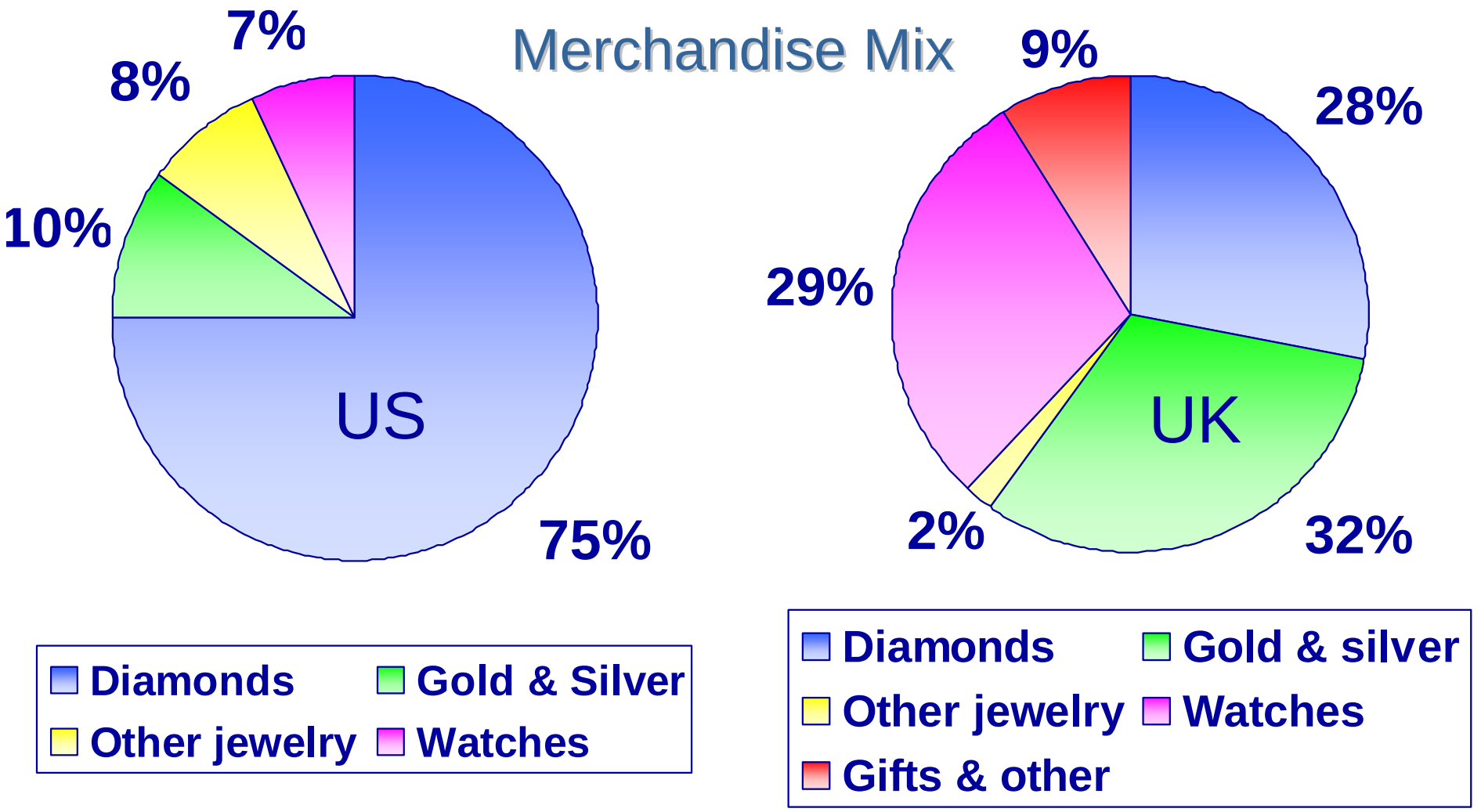


Ernest Jones - #1 UK upper middle market
Sales: about £205m Stores: 202

Expected as at January 29, 2011

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Contrast Between US & UK



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Leader in US Specialty Market

- US jewelry & watch market sales of $59.6bn[1] in 2009
- Total specialty jewelry sales of $28.3bn[2] in 2009
  - Kay/Jared[3] share 9.1%, up from 5.0% in 1999
  - twice size of nearest competitor in mid market
- ~50% of Signet's US sales in bridal category[4]
  - bridal category sales estimated to be ~$13bn
  - dominated by specialty sector
  - Signet US bridal sales out-performed in Fiscal 2011
- ~50% of Signet's US sales gift giving & self-reward
- Mix of differentiated brands up ~300 bpts in Fiscal 2011

1 Source: Bureau of Economic Affairs
2 Source: US Census Bureau
3 Includes regional brands
4 Engagement, bridal & anniversary

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Bridal Expertise Gives Opportunity to Grow Market Share

- Interaction of strategic strengths
  - superior customer service enhancing overall customer experience
  - supply chain advantages
  - ability to offer in-house customer financing
- Development of exclusive branded merchandise
- Potential for more consistent, year round support with national television & press advertising

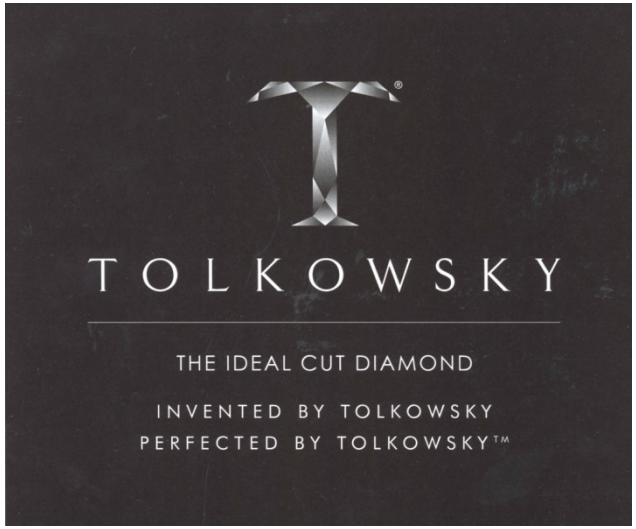
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Unique Brands Driving Sales



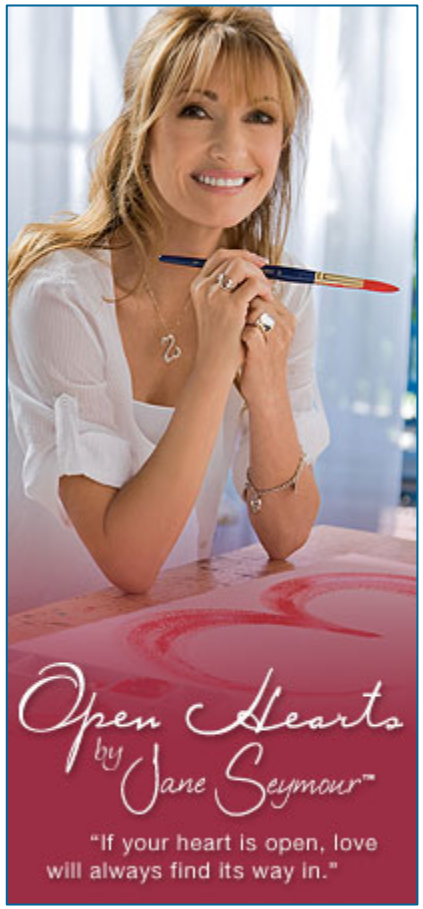






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Growing Differentiated Brands









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Advantages of Differentiated Brands

- Makes our stores unique destinations
- Provides sales associates powerful selling proposition
- Improved merchandise margin & less exposure to competitive discounting
- Drive awareness & purchase intent with national advertising
- Leverages strategic supply chain strengths

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Largest & Most Effective Marketing Spend in US Jewelry Sector

- Marketing budget of about $175 million
  - US division has an advertising to sales ratio nearly double that of a typical jeweler[1]
- Scale to effectively use national TV
- Successful, long running campaigns
  - “Every Kiss Begins With Kay”
  - “He Went to Jared”
- TV marketing for major differentiated brands
- Strong CRM program supported by 26 million name proprietary database
- Leading ‘Brick & Click’ specialty jewelry retailer

1 Based on Jewelers of America ‘Cost of Doing Business’ survey

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Customer Service - Key Strength

- Well trained and supported sales staff
  - customer service, selling skills & technical knowledge
  - personalized targets and training
- Well motivated with rewards based on individual and store performance
- All field management must have been a Signet store manager
- World class service capability
  - in-house repair capability with ~1,100 skilled artisans

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Credit – Key Facilitator of Sales

- Focus on jewelry sales
  - 50% – 55% of US business transacted using in-house credit
- Low individual balances & rapid repayment
  - average outstanding balance of ~$1,000
  - 12% to 14% monthly collection rate
  - credit customers lifetime value is 3.5X greater
- Swift recovery in net bad debt
  - Fiscal 2011 net bad debt forecast to be 4.1% – 4.3% of US sales, down from 5.6% in Fiscal 2010
  - Fiscal 1999 to Fiscal 2009 range 2.7% to 3.4%

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Supply Chain Strengths

- Scale and expertise
  - leading market share
  - balance sheet strength
  - buying and merchandise systems
  - proven ability to execute
- Direct sourcing of polished diamonds
- Greater ability to ‘test before invest’
  - reduced inventory risk
  - better able to identify ‘winners’

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UK Division

- Market leader, ~1.7 times size of nearest competitor
  - # 1 & 2 specialty jewelry websites in UK
- High return on capital and historic operating margins
- Tightly managing costs and merchandising margin in a tough environment
- Good cash flow generation
- Operating margin in Fiscal 2011 expected to be little changed

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UK Sustainable Competitive Advantages

- Leading staff training & development recognized by National Association of Goldsmiths
- Direct sourcing supply chain capability, merchandising expertise and buying scale
- 14 million name database for customer relationship marketing
- Utilization of US best practice & access to exclusive merchandise

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Why Invest In Signet

- Opportunity to gain profitable market share
  - bridal market expertise
  - further development of differentiated brands
  - utilize national television advertising
  - superior customer service
- Supply chain strengths means able to manage commodity cost fluctuation
- Strong financial performance and balance sheet
  - able to make strategic investments when competitors under operating and financial pressure
  - maintain customer finance programs
- Well positioned for growth in Fiscal 2012

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Signet's Financial Strength

Y/e January	Fiscal 2009	Fiscal 2010	Forecast Fiscal 2011
Sales growth	(8.7)%	(1.6)%	ytd 4.8%[1]
Operating margin	6.5%[2]	8.1%	10.5% - 11.0%
Adjusted diluted EPS	$1.47[2]	$1.83	$2.54 - $2.66[2]
Free cash flow[3]	$51.1m[2]	$471.9m	$275m - $300m[2]
Net (debt) / cash[4]	$(470.7)m	$(7.9)m	$220m - $245m

- ⇨ Quick and effective response to economic downturn
- ⇨ Gain profitable market share due to competitive strengths
- ⇨ Ability to generate significant free cash flow
- ⇨ Elimination of debt

1 48 weeks to January 1, 2011
2 Excluding goodwill impairment & relisting costs in Fiscal 2009 and Make Whole Payment in Fiscal 2011
3 Cash flows from operations less cash flows used in investing activities
4 Long term debt, loans & overdrafts less cash & cash equivalents

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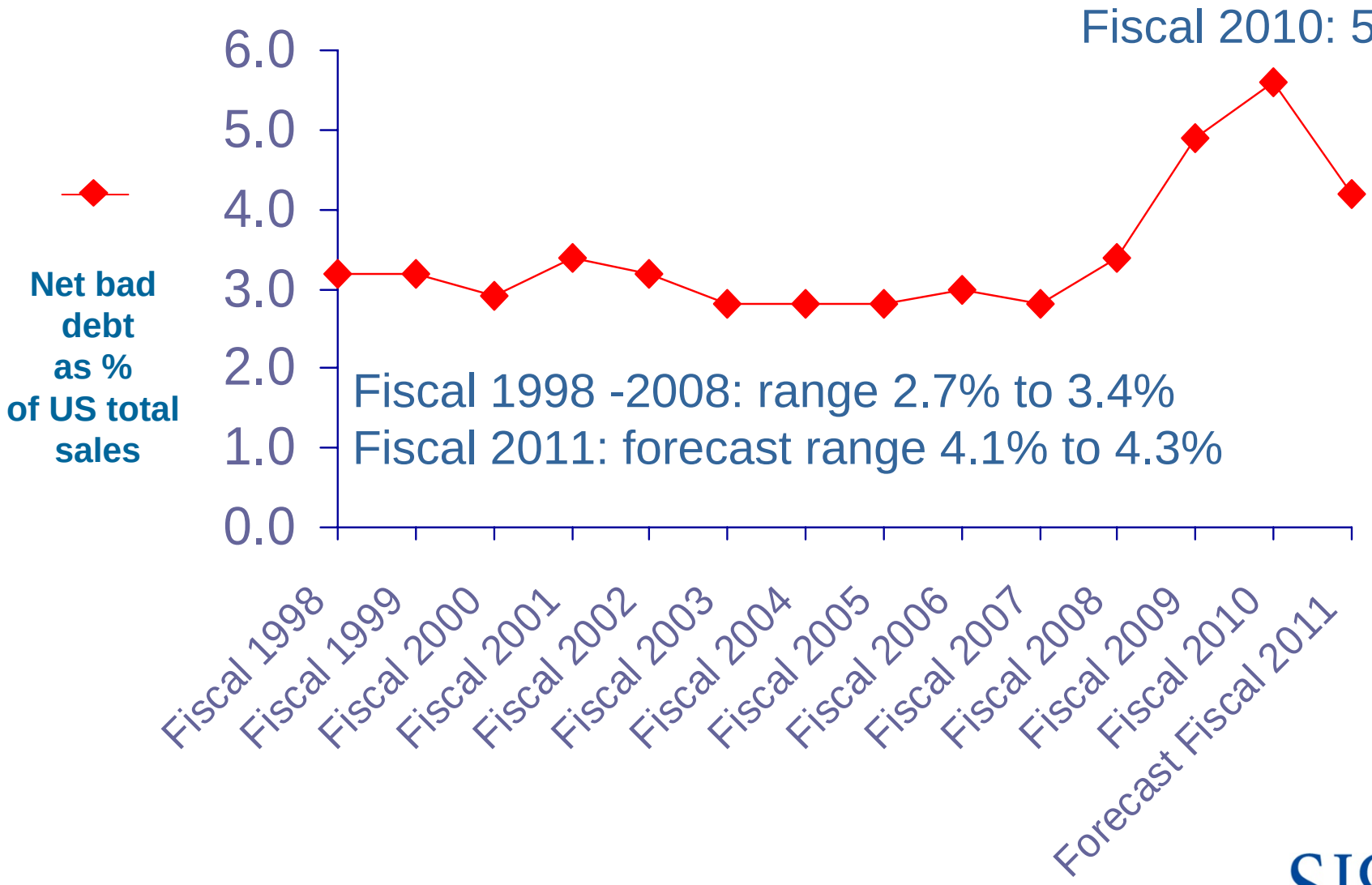
Gross Margin Performance

Ye January	Fiscal 2009	Fiscal 2010	Forecast Fiscal 2011
Gross Margin	32.0%	32.6%	35.8% – 36.3%
Movement in merchandise margin	+0.9%	+0.2%	+0.9% – 1.1%

- Increasing merchandise margin
  - supply chain flexibility, merchandising initiatives, and price increases enable commodity cost fluctuations to be managed
- Leverage of store costs
- US net bad debt to sales ratio returning toward historic levels

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US Net Bad Debt to Sales Performance Moving Back Towards Historic Levels



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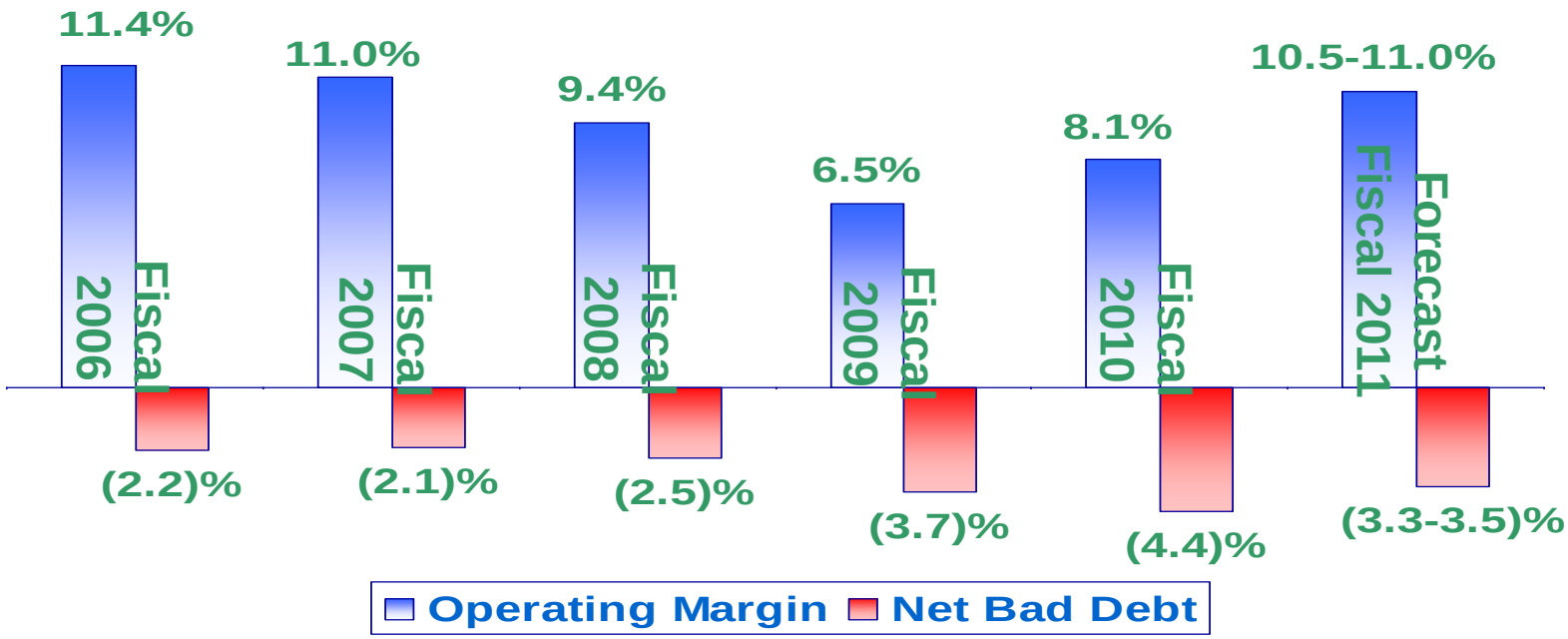
Strategic Capital Investment

	Average Fiscal 2004 - 2008	Fiscal 2009	Fiscal 2010	Forecast Fiscal 2011
Capital Expenditure	$123.6m	$114.9m	$43.6m	$57.5m-$62.5m
Depreciation	$87.8m	$114.5m	$108.9m	$90m-$100m

- Demanding investment hurdle rate
- Capital expenditure restricted during downturn
- Looking to resume space growth dependent on real estate availability

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Signet's Operating Margin Recovery Continues



Primary drivers to rebuilding operating margin

- ⇨improving store productivity
- ⇨reducing net bad debt levels towards historic levels

Fiscal 2009 before goodwill impairment of $516.9m and relisting costs of $10.5m

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Outlook for Fiscal 2012

- Focus on further strengthening competitive advantages
- Tight control of gross merchandise margin
- Intelligent investment in cost base to drive sales growth
  - increased marketing spend planned
  - investment in sales associates
- Support sales growth with strategic additions to working capital
- Increasing target capital expenditure
  - US store openings when suitable real estate available
  - 40% more store refurbishments & relocations
  - drive competitive advantages in IT & internet

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Regulation G

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Correction of Immaterial Error

During the third quarter of Fiscal 2011, Signet changed its accounting for extended service plans. Previously, revenue from the sale of extended service plans was deferred, net of direct costs arising from the sale, and was recognized in proportion to the historical actual claims incurred. Signet conducted a review of the claims cost patterns, including estimates of future claims costs expected to be incurred, and concluded that the deferral period required extension and that claims cost is a more appropriate basis for revenue recognition than the number of claims incurred. In addition, Signet now defers all revenues and recognizes direct costs in proportion to the revenue recognized. These changes are in accordance with ASC 605-20-25.

The impact resulted in an overstatement of extended service plan revenue and an understatement of deferred revenue. These plans are only sold by the US division and therefore only affect the US segment reporting.

Signet evaluated the effects individually and in the aggregate and determined that its prior period financial statements are not materially misstated. However, Signet determined that the cumulative effect of adjusting in the third quarter of Fiscal 2011 would be material to the Fiscal 2011 financial statements. Therefore, Signet adjusted the affected prior periods and presented the results in its third quarter report.

All comparative numbers and percentages in this announcement reflect the impact of applying this correction for all periods presented. As a result of applying this correction, the Fiscal 2010 consolidated income statement is presented below for comparative purposes and was impacted as follows:

Impact on consolidated income statement	52 weeks ended January 30, 2010 $million	
	Amounts previously reported	As corrected
Sales	3,290.7	3,273.6
Cost of sales	(2,213.8)	(2,208.0)
Gross margin	1,076.9	1,065.6
Operating income	275.8	264.5
Income before income taxes	241.8	230.5
Income taxes	(77.7)	(73.4)
Net income	164.1	157.1
Earnings per share – basic	$1.92	$1.84
– diluted	$1.91	$1.83

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Exchange Translation Impact on 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.

9 weeks to January 1, 2011	Growth at actual exchange rates	Impact of exchange rate movement	Growth at constant exchange rates (non-GAAP)
	%	%	%
Sales by origin and destination			
US	10.4	—	10.4
UK, Channel Islands & Republic of Ireland	(8.8)	3.5	(5.3)
	6.0	0.9	6.9

48 weeks to January 1, 2011	Growth at actual exchange rates	Impact of exchange rate movement	Growth at constant exchange rates (non-GAAP)
	%	%	%
Sales by origin and destination			
US	8.0	—	8.0
UK, Channel Islands & Republic of Ireland	(6.4)	3.1	(3.3)
	4.8	0.7	5.5

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Impact of Non-recurring Item

On November 26, 2010, Signet incurred a $47.5m non-recurring ‘Make Whole’ payment arising from the prepayment in full of its private placement notes. Management considers it useful to exclude this significant, unusual and non-recurring item to analyze and explain changes and trends in Signet’s results. The impact is shown below:

	Income before income taxes	Diluted EPS
	$ million	$
Fiscal 2011 Forecast	287.5 to 302.5	2.20 to 2.32
Impact of Make Whole Payment	47.5	0.34
As adjusted	335.0 to 350.0	2.54 to 2.66

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