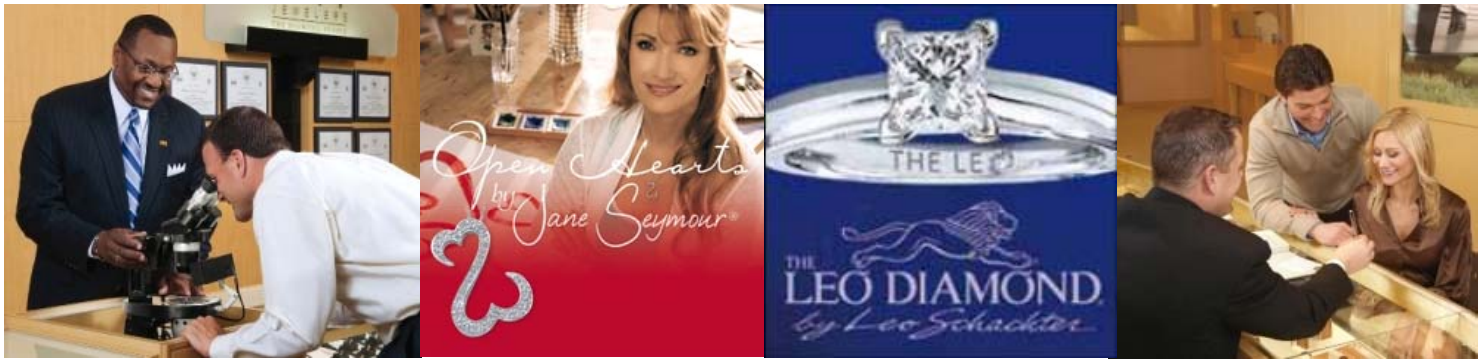



SIGNET JEWELERS

# New York Investor Day

## Tuesday, October 4, 2011

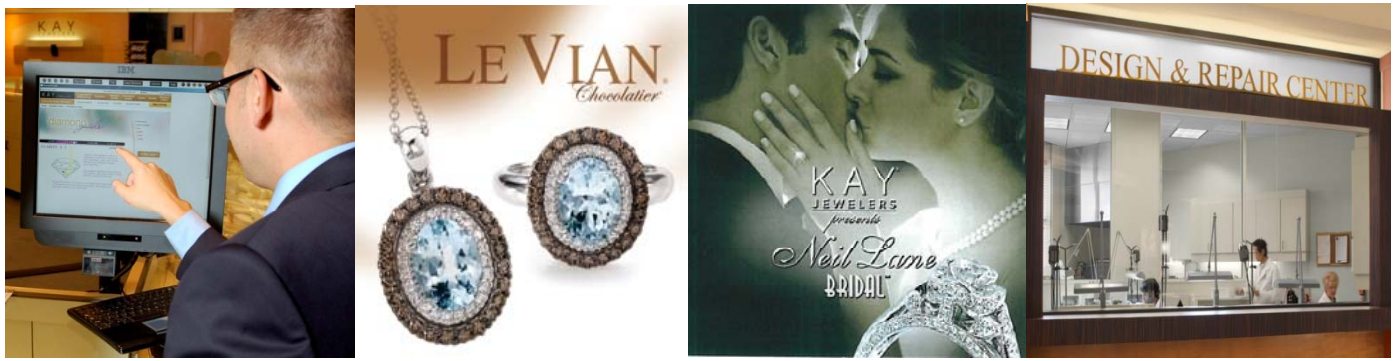





SIGNET JEWELERS

# Mike Barnes

## Signet CEO



# Forward Looking Statements

**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 pension, 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 2011 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 30, 2011. 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.



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# Program

- Evolving specialty retail jewelry model
- UK Division - Rob Anderson
- US Division - Mark Light and US executives
- Questions
- Lunch
- Travel to stores
- Store tours
- Return to Manhattan

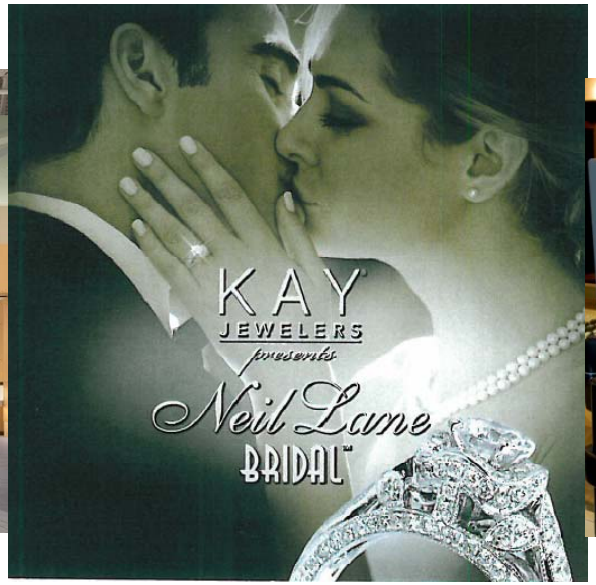


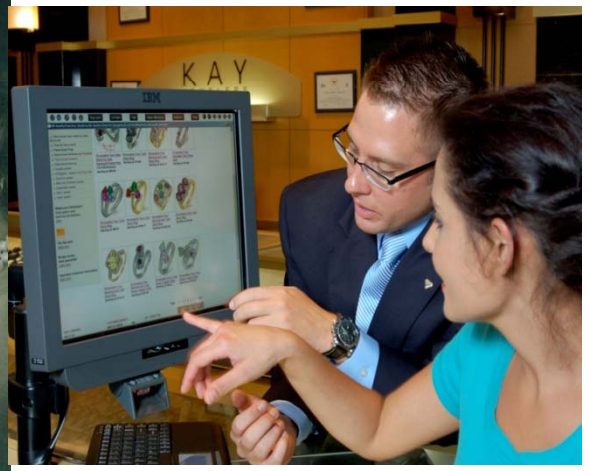



SIGNET JEWELERS

# Why Invest in Signet




- ⇨ Competitive strengths driving profitable market share
- ⇨ Superior operating model & strong balance sheet
- ⇨ Major initiatives & growth opportunities



SIGNET JEWELERS

# Superior In-Store Experience





- ⇨Best-in-class customer service
- ⇨Aim to recruit best and brightest
- ⇨Focus on training & development



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# People & Systems

- Experienced and well trained team
- Innovative systems
- “Test before we invest”







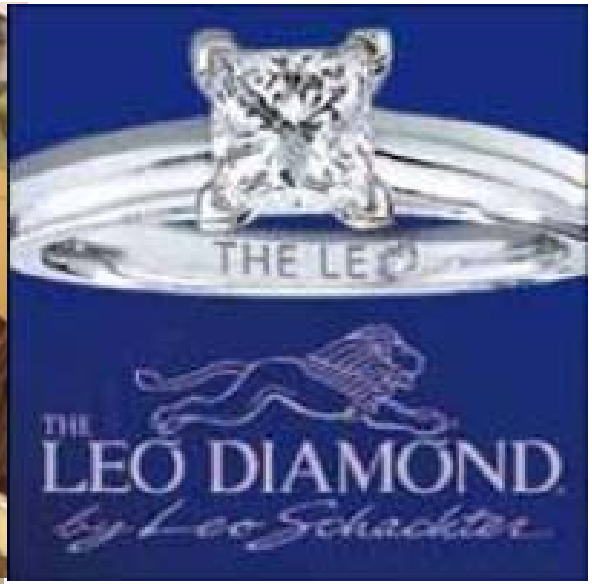


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# Established Competitive Strengths













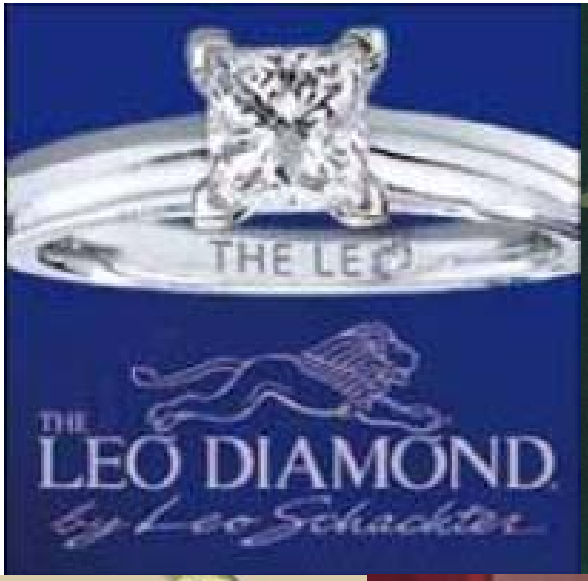


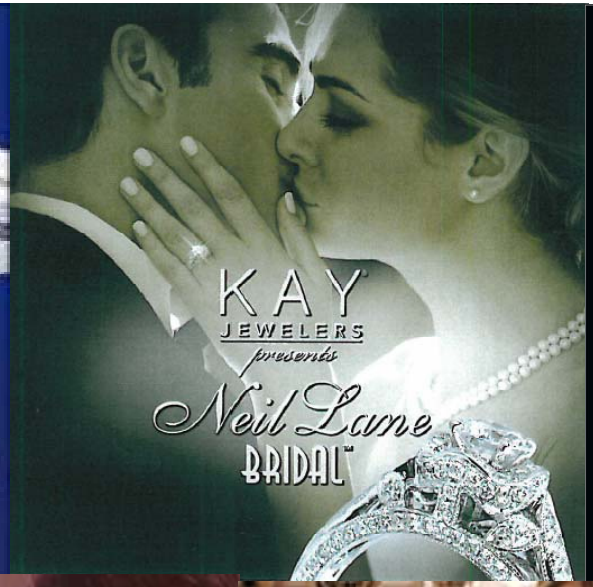


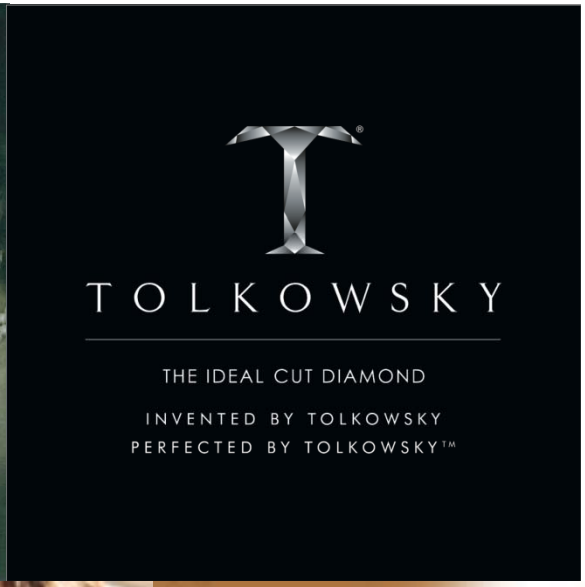


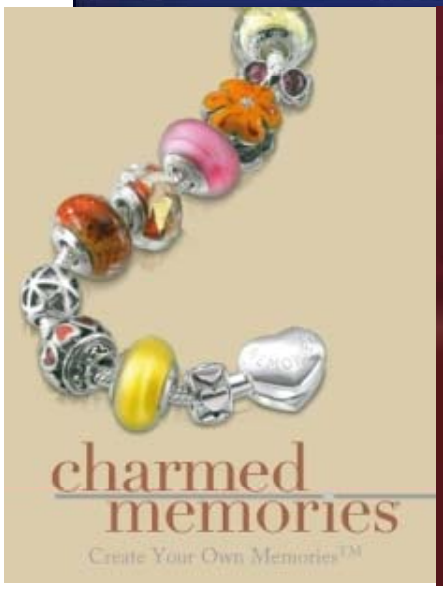
SIGNET JEWELERS

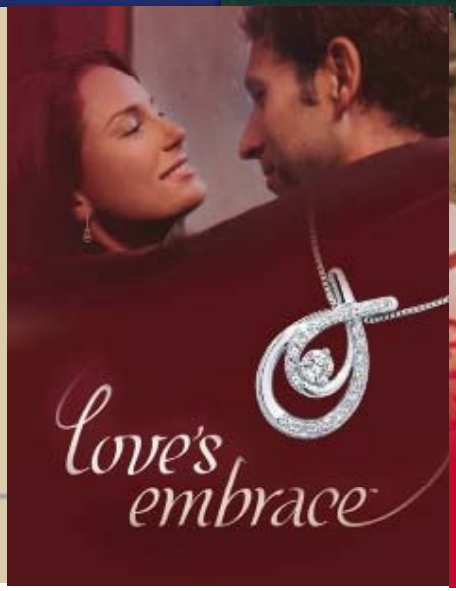
# Power of Brands










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# Creating Powerful Competitive Strengths










- ⇨ Brand differentiation
- ⇨ Digital marketing
- ⇨ Virtual inventory
- ⇨ Customer Assisted Selling System

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# Responding to Consumer Needs

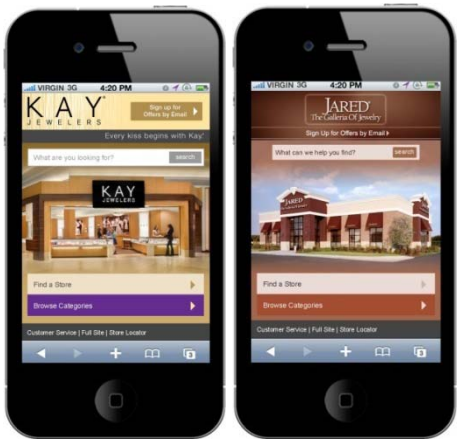
- Growing importance of brands
- Changing shopping patterns
- Digital environment












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# Management Approach

- ⇨ Execute to trend
- ⇨ Manage expenses & assets
- ⇨ Innovation
- ⇨ Gain profitable share



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# Management Priorities

- Build and maintain a strong balance sheet
- Re-invest in business
- Support new initiatives
- Shareholder returns





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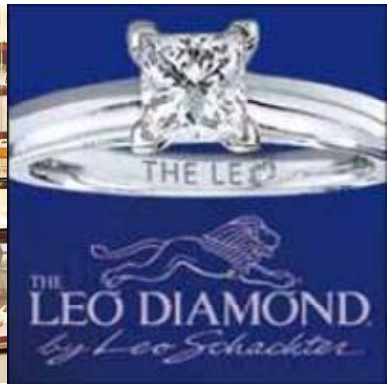




# Rob Anderson

## Chief Executive, UK Division











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# Summary

- Business overview
- UK growth strategy
  - differentiated store brands
  - multi-channel initiatives
  - focused execution
- Financial performance



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# H.Samuel




⇨ No.1 jeweler in UK

⇨Targets mid market

⇨11% of Signet's sales



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# Ernest Jones




⇨No.2 jeweler in UK

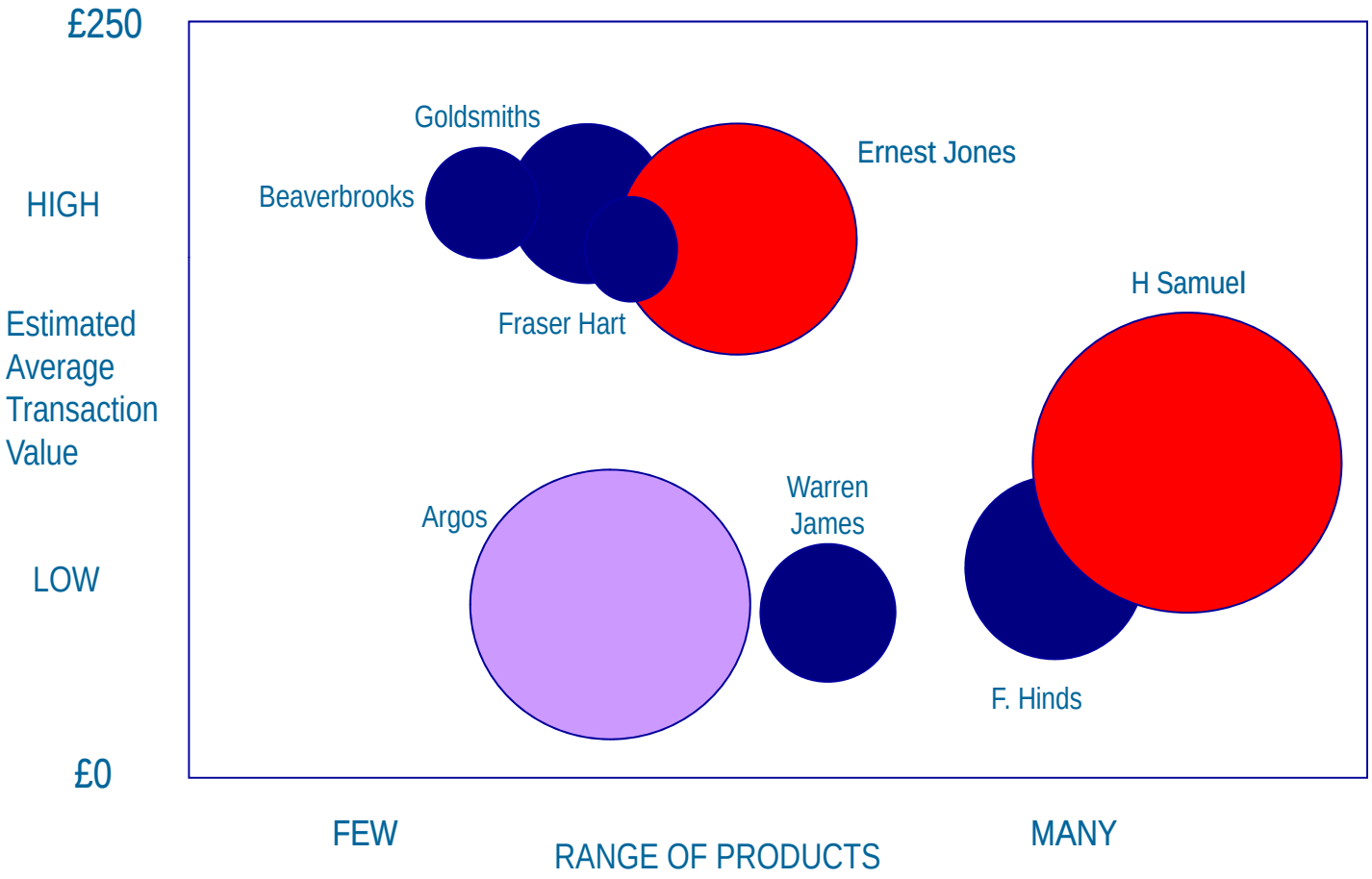
⇨Targets upper mid market

⇨9% of Signet's sales



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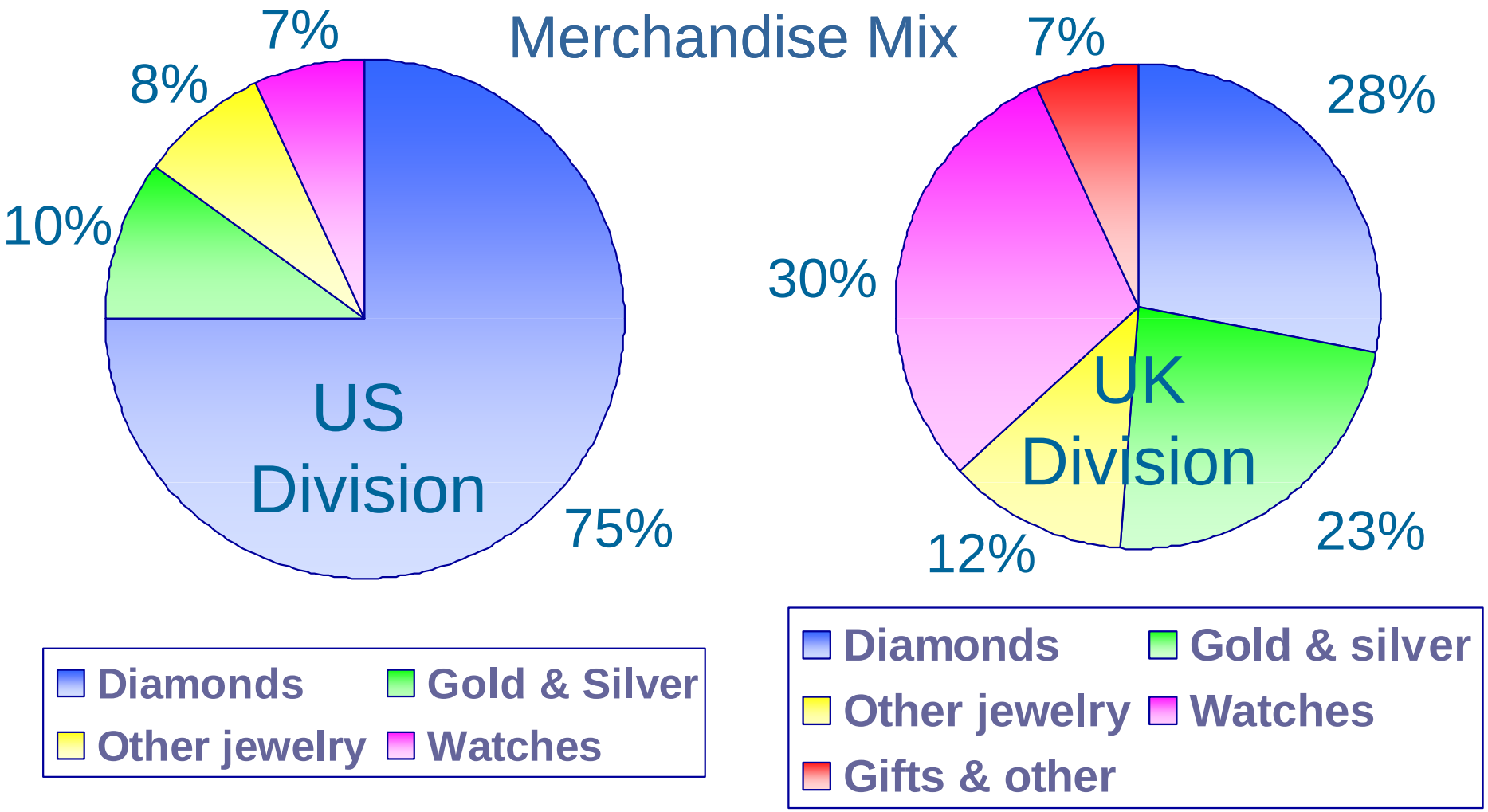
# UK Retail Market Map
## (ex. independents)






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# Contrast Between US & UK






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# UK Growth Strategy

- Differentiated store brands
  - retail formats
  - merchandise
  - marketing
- Multi-channel opportunities
- Focused execution



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# Store Brands Positioning
## Store Environment

- Updated store designs
- Better customer service
- Increased focus on brands







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# Store Brands Positioning

## Branded Merchandise

SWAROVSKI

GUESS




CHAMILIA™

YOUR LIFE. YOUR STYLE.




DKNY




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# Store Brands Positioning

## Differentiated & Exclusive Brands

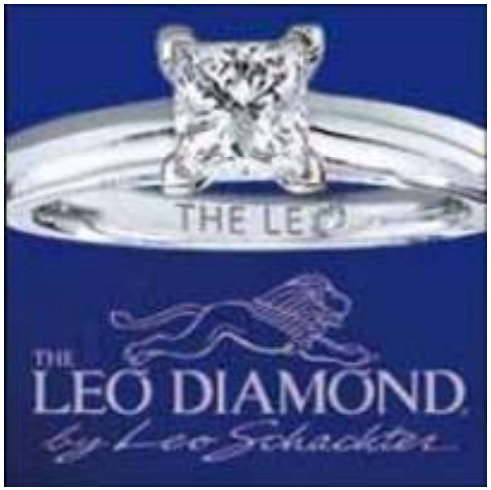
AMANDA WAKELEY

*Exclusively for*

ERNEST JONES



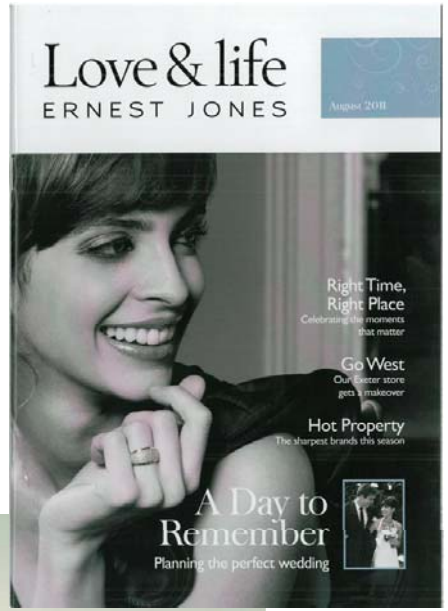



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# Store Brands Positioning
## Marketing Initiatives

- Focus on optimising mix
- Partner with third party brands
- In-store events









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# Multi Channel Opportunity

- ⇨ Creating synergy from existing infrastructure
- ⇨ Strong base to build from
- ⇨ Continually upgrading capabilities









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# Focus on Execution

- ⇨ Customer service
- ⇨ In-store efficiency
- ⇨ Investment in IT








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# UK Performance YTD

| | | Changes in | | |
|---|---|---|---|---|
| | **Sales** | **Same store sales** | **Exchange impact** | **Sales** |
| **YTD Fiscal 2012** | | | | |
| H.Samuel | $160.9m | 3.0% | 7.4% | 8.7% |
| Ernest Jones | $143.0m | -1.6% | 7.1% | 4.4% |
| **UK division** | **$303.9m** | **0.8%** | **7.3%** | **6.7%** |

| | | |
|---|---|---|
| Operating income | $2.6m | down by $0.7 million |
| | Fiscal 2011 included $0.9 million disposal gain | |
| Operating margin | 0.9% | down by 30 bpts |



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# Major Competitive Asset

- Market leader in UK
- Largest mid market specialty jeweler in Europe
- Strategic partner for international mid-market watch & jewelry brands

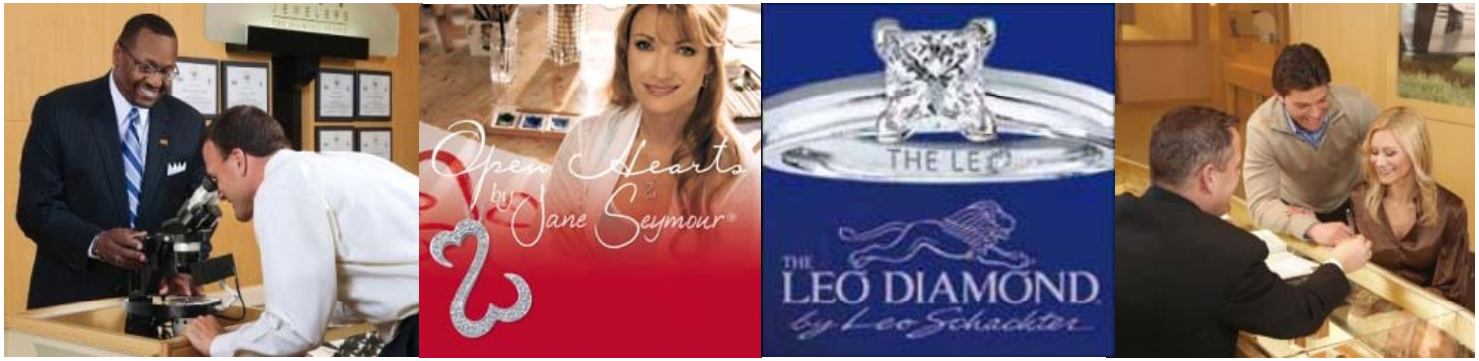


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# MARK LIGHT

## President & CEO, US Division






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# Growth Strategy

- Drive store productivity
  - bridal category
  - branded merchandise
- Space growth
  - potential to increase selling space
- Use technology to enhance sales and execution








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# Superior In-Store Experience

- Customer service central to selling bridal jewelry
- "Our People Make the Difference"
- Consistent use of best practice








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# “Our People Make The Difference”

- Recruit and retain the best
- Promote from within
- Longevity of staffing

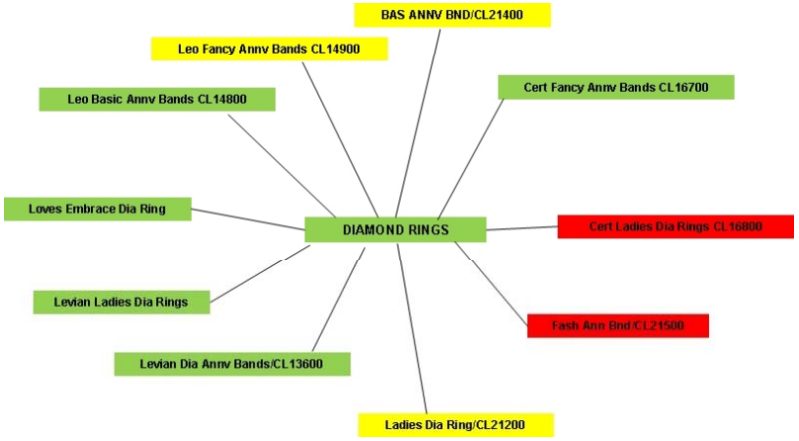





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# Merchandising & Supply Chain

- Merchandising team
- Virtual inventory and personalized jewelry
- Supply chain expertise
- Branded merchandise

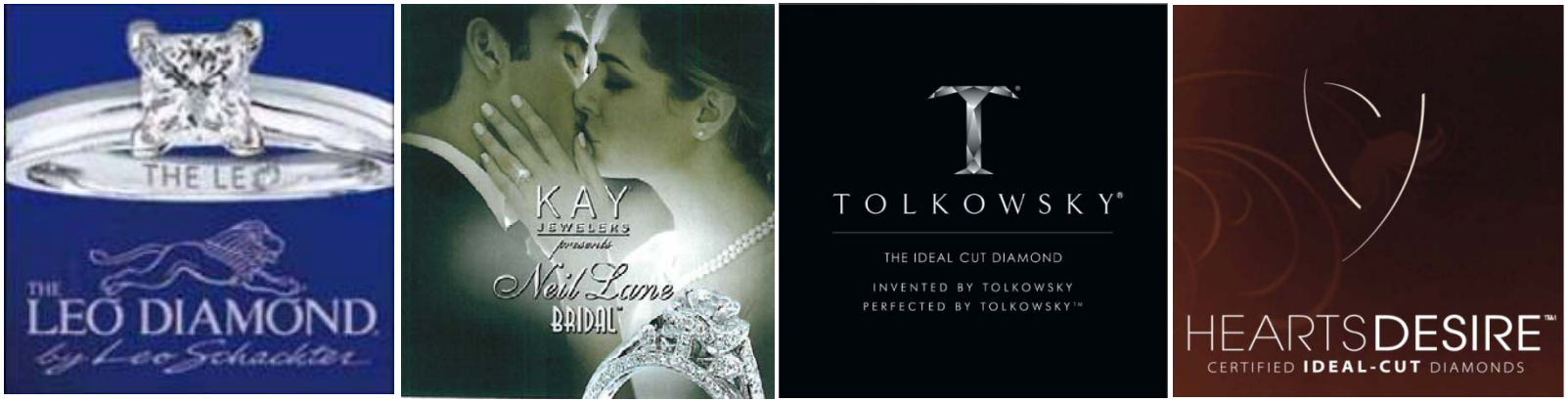







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# Branded Bridal Sales




- Leo: recognized as the most successful branded diamond program
- Neil Lane Bridal: rolled out to all stores over last 15 months



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# Bridal Advertising

- Ability to develop brands using national television advertising
- "Partner of Choice"
- Testing different strategies





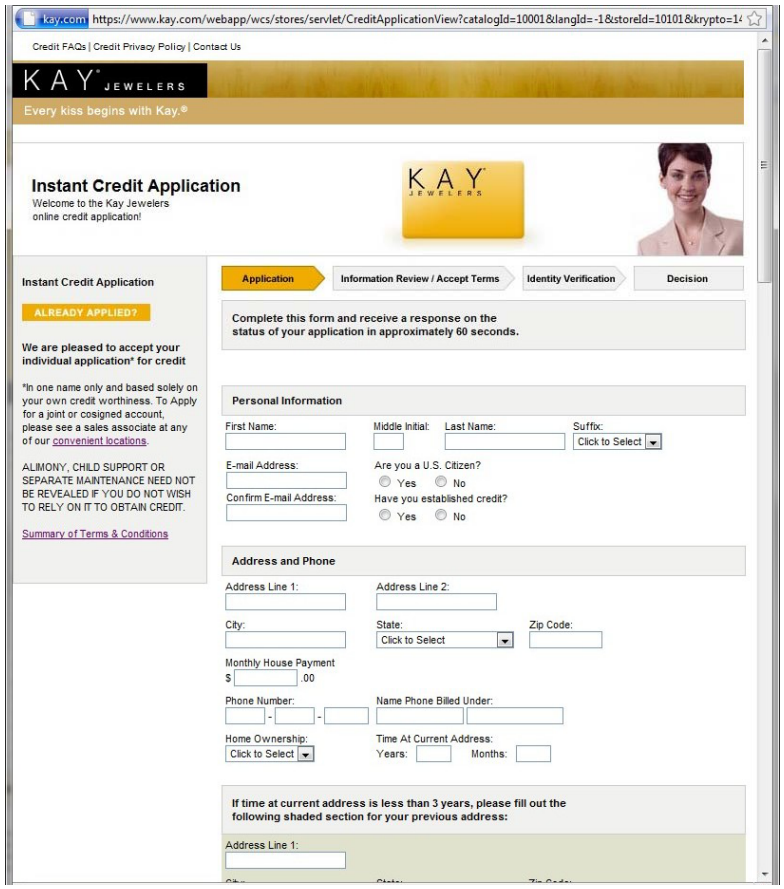




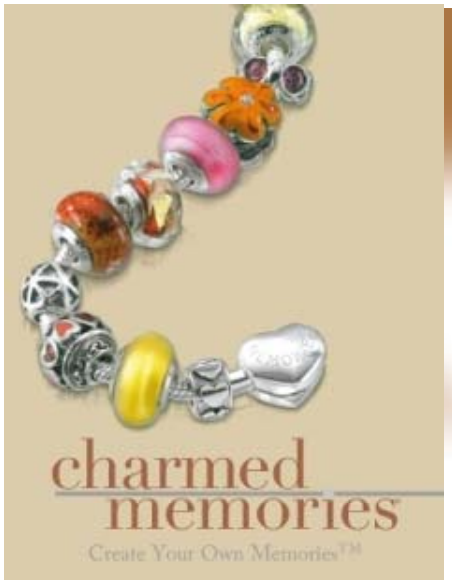
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# In-house Customer Finance

- Tailored to our customers needs
- Designed to support sale of jewelry not to sell credit

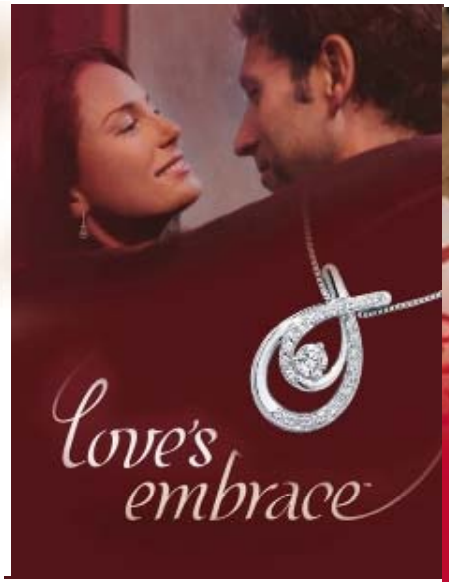


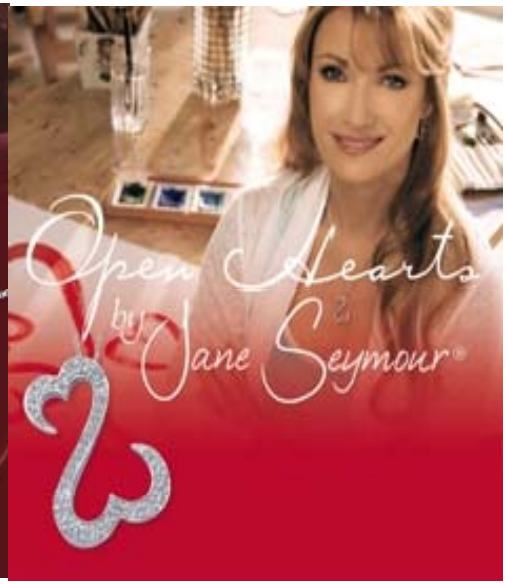
# Branded, Differentiated & Exclusive












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# Third Party Brands



PANDORA










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# Core Merchandise

- Benefit from store brand equity
- Strong value proposition
- Quality of execution
- Scale advantage





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# US Real Estate Driven by Kay and Jared

| | Kay mall[1] | Kay off-mall | Jared[2] | Kay/ Jared total | Change in space[2] | Regional brands | Total | Change in space[2] |
|---|---|---|---|---|---|---|---|---|
| Jan 2008 | 789 | 105 | 154 | 1,048 | 13% | 351 | 1,399 | 10% |
| Jan 2009 | 795[3] | 131 | 171 | 1,097 | 7% | 304[3] | 1,401 | 4% |
| Jan 2010 | 794 | 129 | 178 | 1,101 | 2% | 260 | 1,361 | (1)% |
| Opened | 2 | 2 | 2 | 6 | | - | 6 | |
| Closed | (16) | (3) | - | (19) | | (31) | (50) | |
| **Jan 2011** | 780 | 128 | 180 | 1,088 | 0% | 229 | 1,317 | (2)% |
| Openings planned | 9 | 11 | 3 | 23 | | - | 253 | |
| Closures forecast | (9) | (5) | - | (14) | | (21) | (35) | |
| **Jan 2012 forecast** | **780** | **134** | **183** | **1,097** | **1%** | **208** | **1,305** | **0%** |

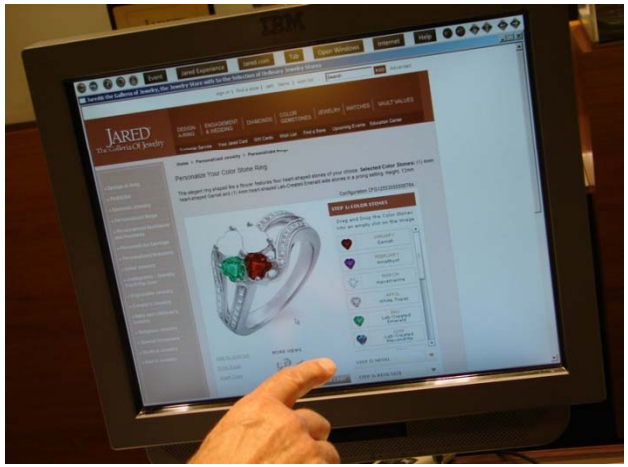
1. Includes stores in downtown locations
2. A Jared store is equivalent to about four mall stores in size
3. Includes two regional stores rebranded as Kay in Fiscal 2010



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# Emotionally Connected Technology

- Based on our consumer insights
- Personalized jewelry & virtual inventory
- Sales opportunity
- Scale advantage






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# Fiscal 2012 YTD US Performance

| | | Changes in | | |
|---|---|---|---|---|
| | **Sales** | **Same store sales** | **Sales** | **ASP[1]** |
| **YTD Fiscal 2012** | | | | |
| Kay | $802.9m | 13.7% | 13.5% | 11.6% |
| Jared | $441.6m | 12.2% | 12.7% | 7.9% |
| Regionals | $136.5m | 5.3% | (3.0)% | 13.6% |
| **US division** | $1,381.0m | **12.4%** | **11.3%** | **12.5%** |

| | | |
|---|---|---|
| Operating income, net | **$221.0m** | up $77.5 million , +54.0% |
| Operating margin | **16.7%** | + 470 bpts |

1. Average selling price, excluding charm bracelet category

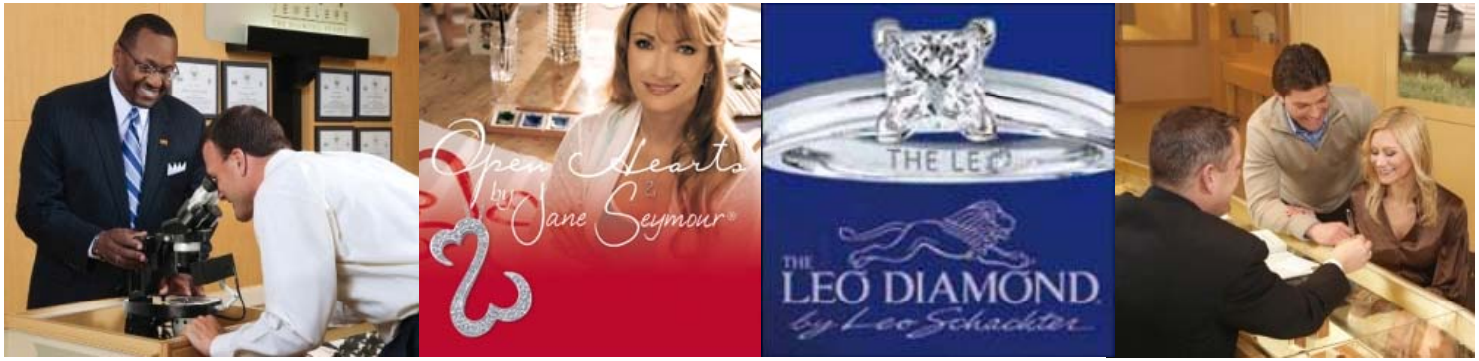


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# Ed Hrabak

## SVP, General Merchandising Manager

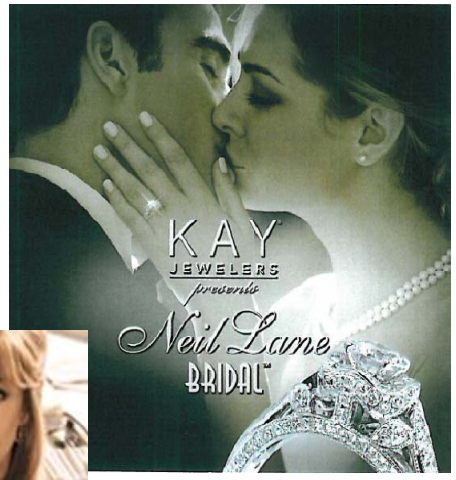


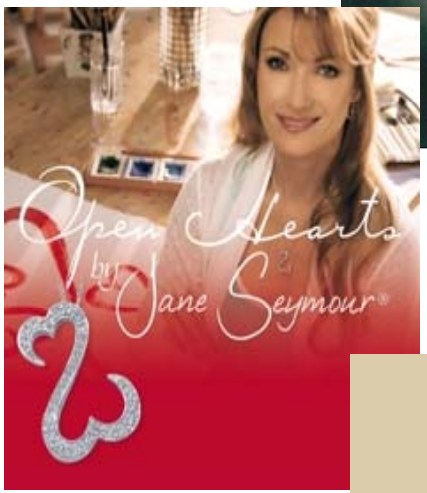


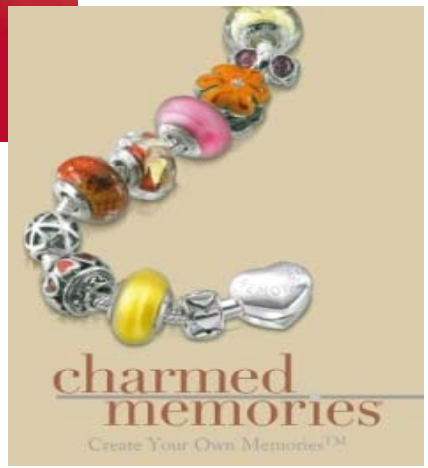

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# Growth Strategy

- Bridal category
  - selection
  - differentiation
  - value
- Branded differentiated & exclusive merchandise
  - create branded collections that last
  - innovative designs
- Virtual inventory & personalized jewelry



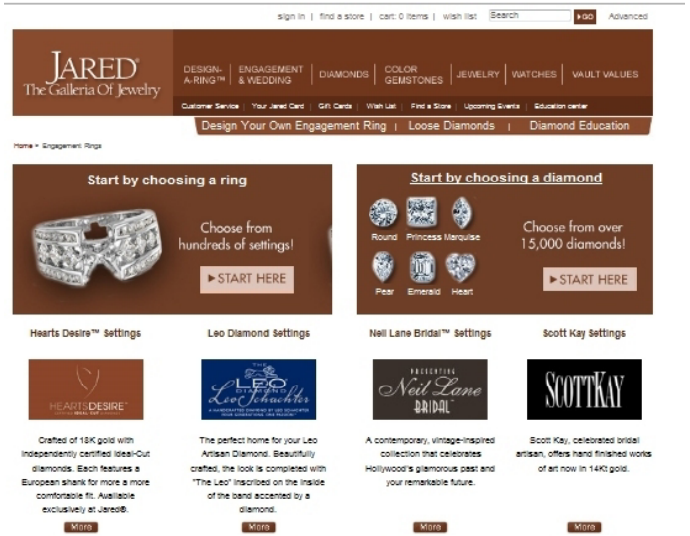




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# Bridal Selection

- Comprehensive offer
- Test before we invest
- Expertise, systems and scale

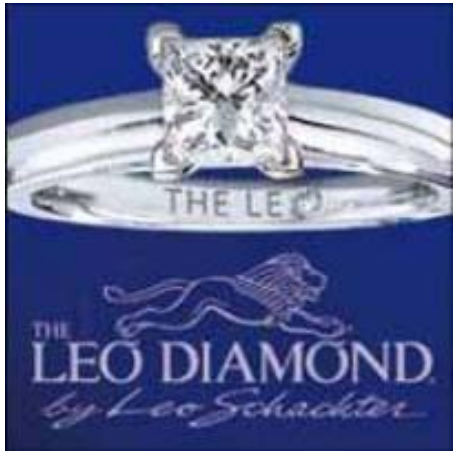


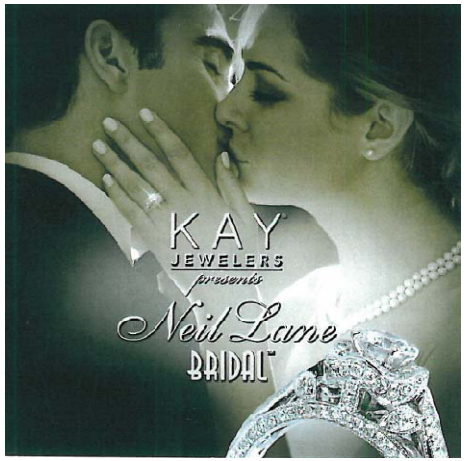


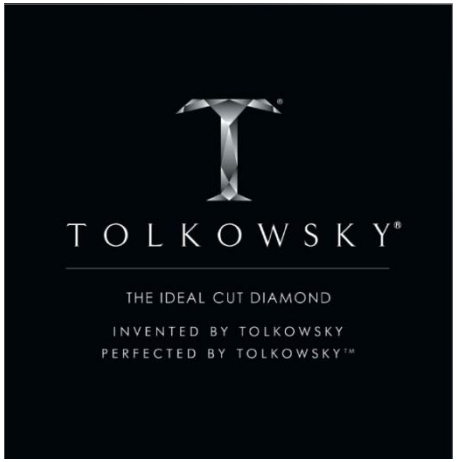



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# Bridal Differentiation







- Strategic brand positioning
- Testing new products and brand extensions



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# Bridal Value



- Experience, systems and scale
- Strong balance sheet competitive advantage
- Consistency of quality



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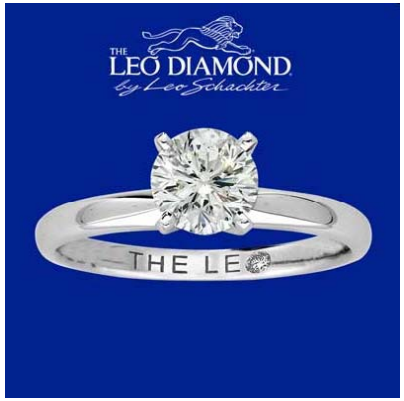
# ASP Opportunity



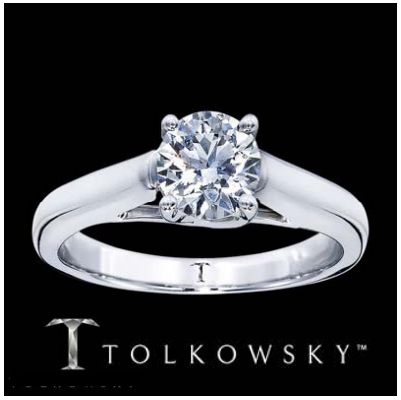
Uncertified 1ct solitaire
$3,199



Certified 1ct solitaire
$4,599




1ct Leo solitaire
$6,499

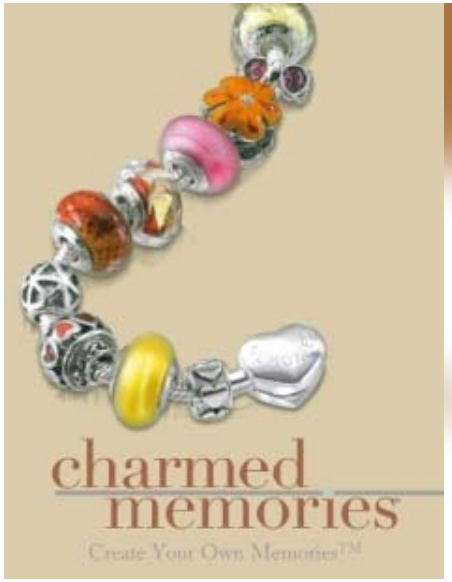



1ct Tolkowsky solitaire
$7,999



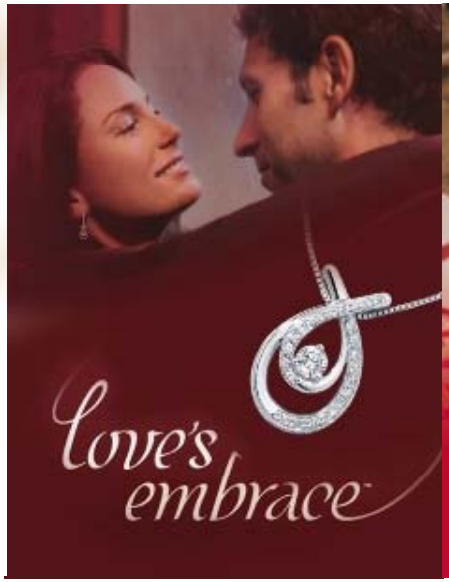
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# Exclusive & Differentiated Brands













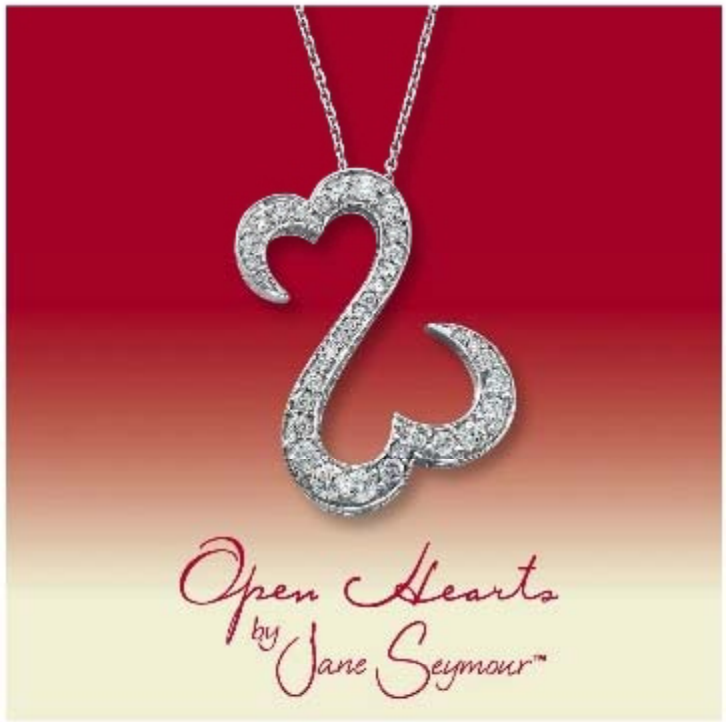
- Creates a unique store destination
- Powerful selling proposition for sales associates
- Strong performance by branded merchandise



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# Open Hearts by Jane Seymour

- Original design



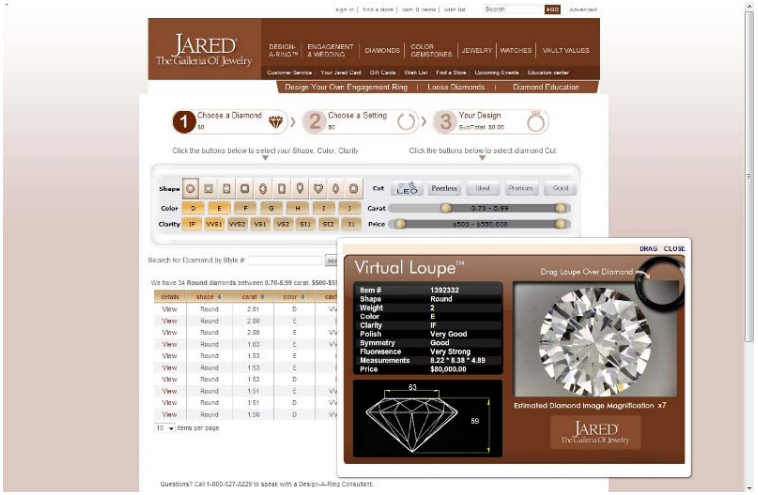

- Angels
- Watches
- Keys
- Beads
- Butterfly and Nature collection
- Colored stones



SIGNET JEWELERS

# Virtual Inventory & Personalized Jewelry

- Originally developed for Jared
- Extended to websites
- Now being expanded to Kay







SIGNET JEWELERS

# Personalized Jewelry

- Exclusive program
- Millions of different combinations to choose from
- Easy step-by-step instructions
- Dynamic pricing
- Real time view and detailed descriptions of the selected item



SIGNET JEWELERS

# Merchandise Margin Management

- Art & science of pricing
- Wide range of price points
- Time to carefully plan and execute
- Closely monitor outcome



SIGNET JEWELERS





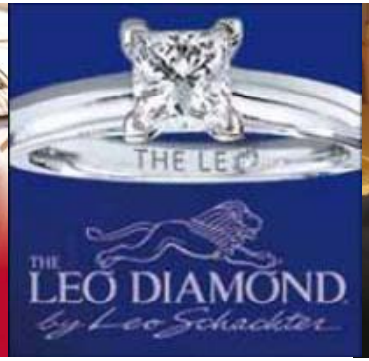


# George Murray

## SVP, Marketing










SIGNET JEWELERS

# Marketing Leadership

- Scale to build brands
  - store concepts
  - merchandise brands
- Multiple touch points
  - targeted communications
  - integrated approach
- Increased investment in digital media








SIGNET JEWELERS

# Leading Market Share

- High marketing to sales ratio
- $161.5 million expenditure in Fiscal 2011
- 27 million name database









SIGNET JEWELERS

# Bridal Market

- Major research initiatives
- Dominated by specialty sector
- Research used in creation of advertising & training





SIGNET JEWELERS

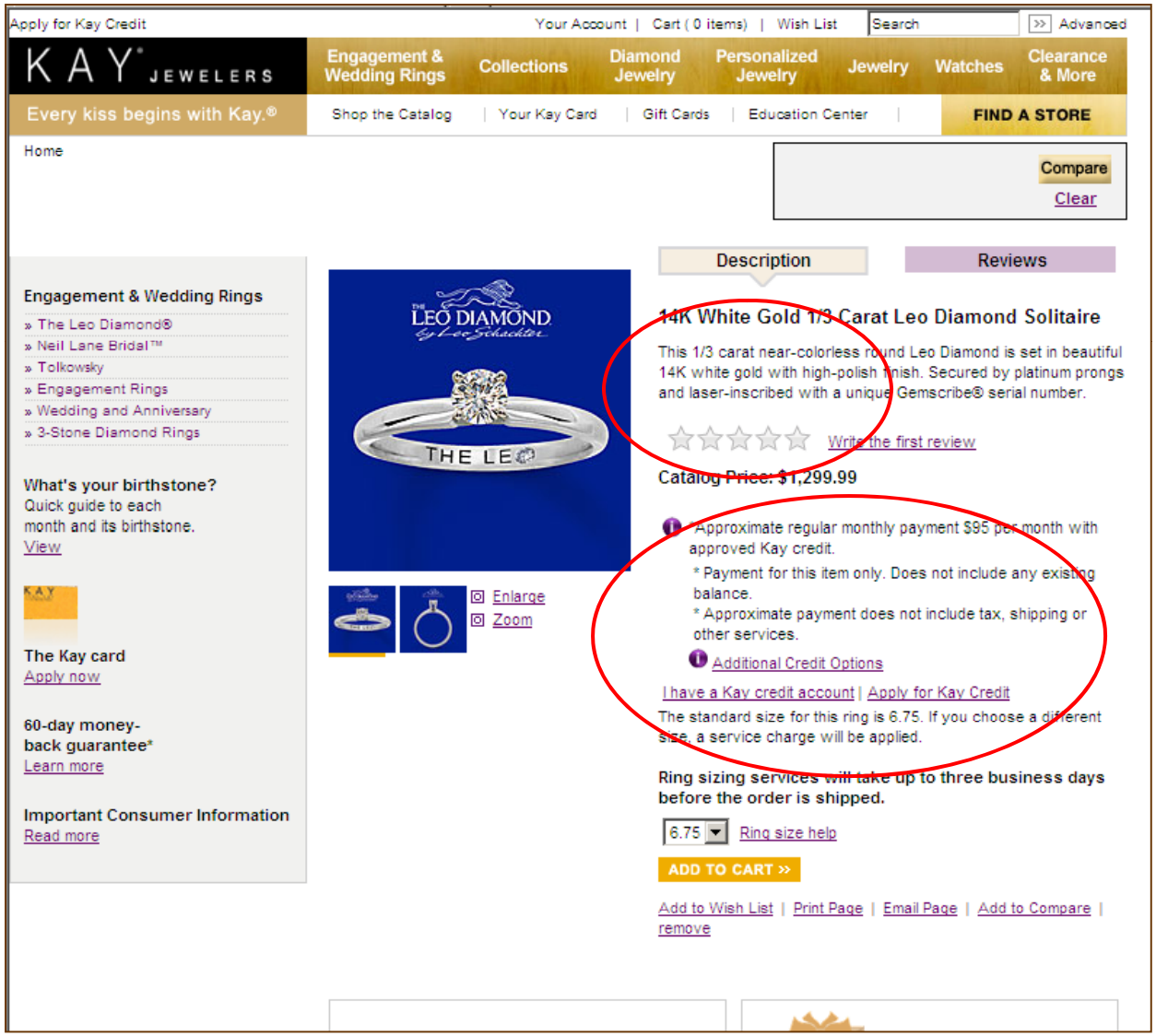
# Kay.com






SIGNET JEWELERS

# Kay.com






SIGNET JEWELERS

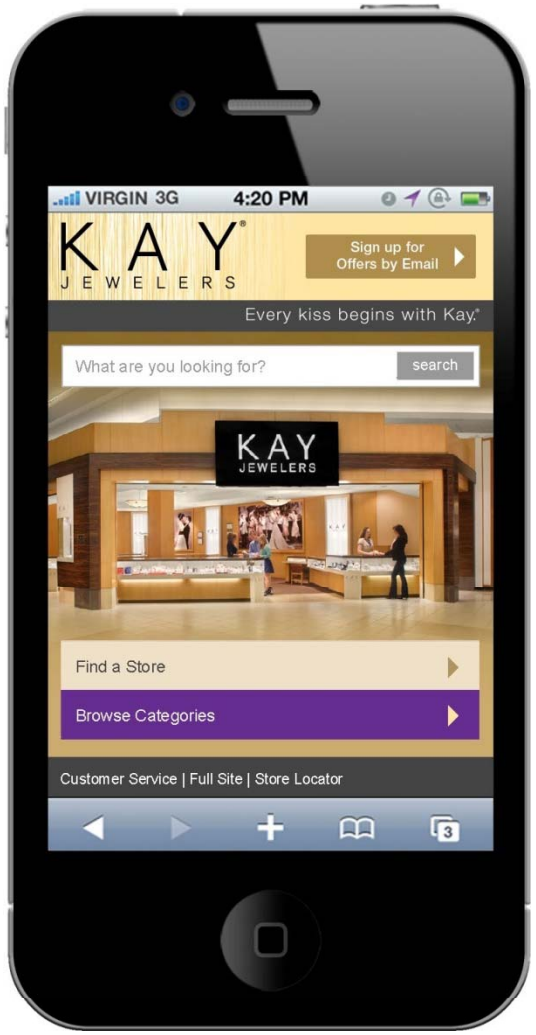
# Jared.com

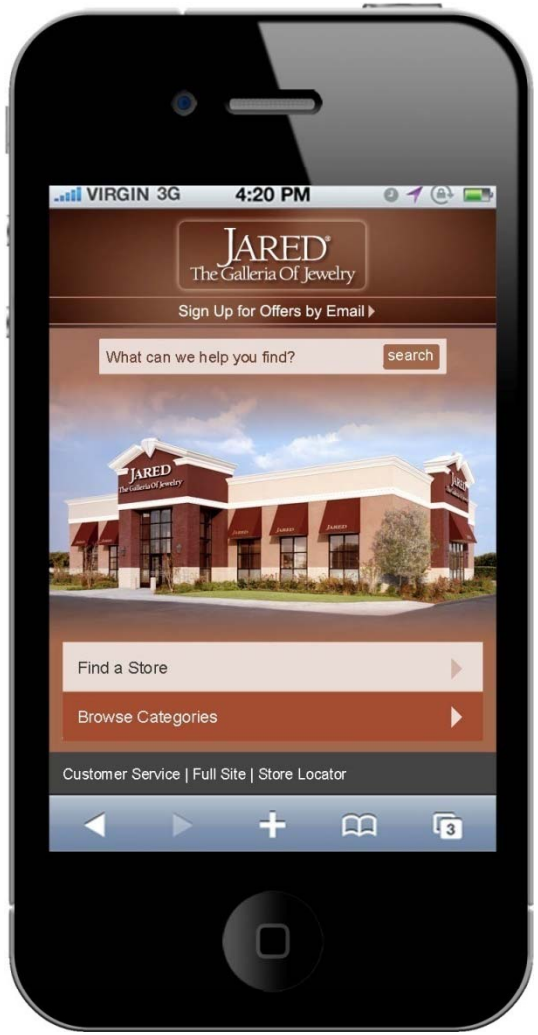





SIGNET JEWELERS

# Mobile

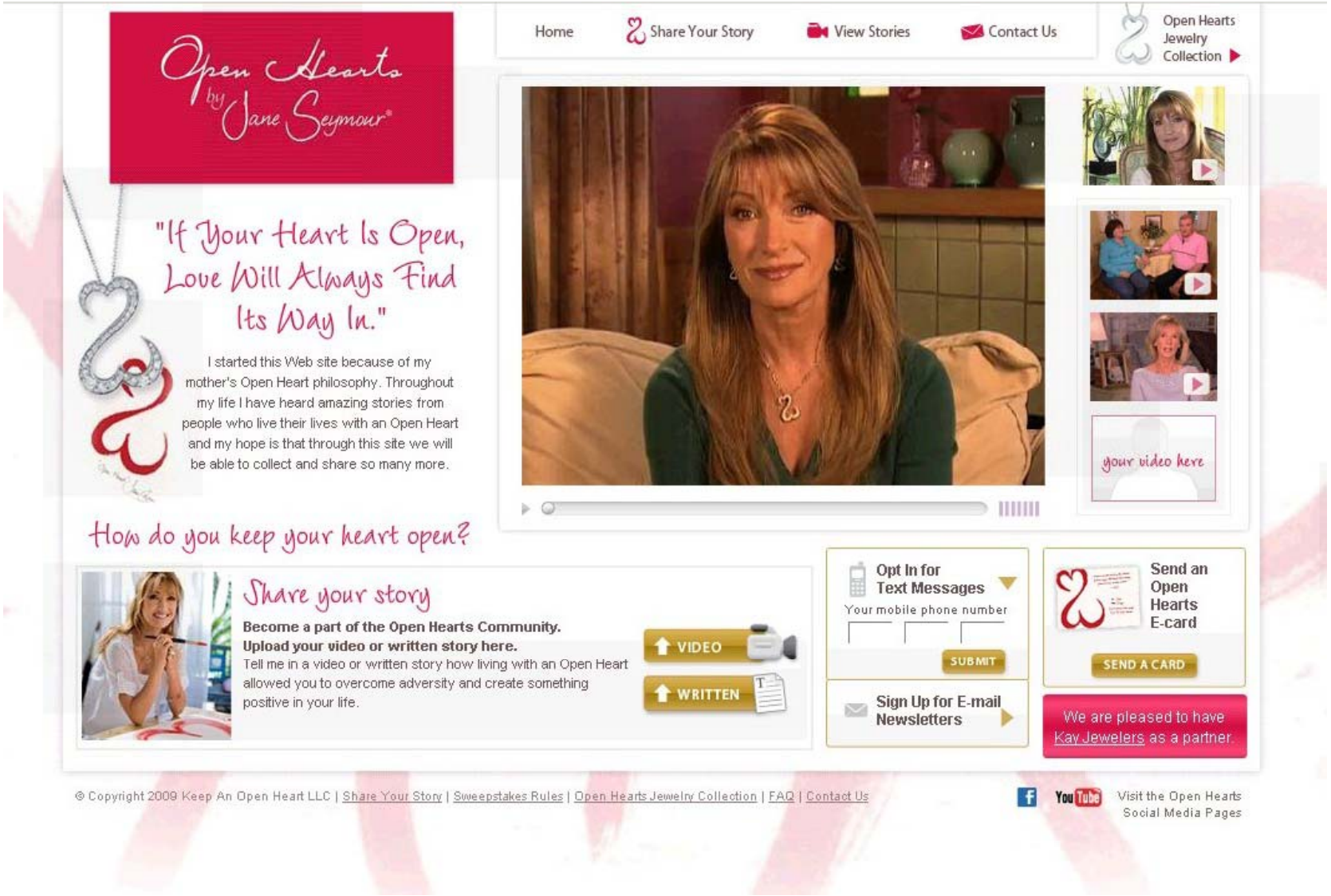





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# Social Media






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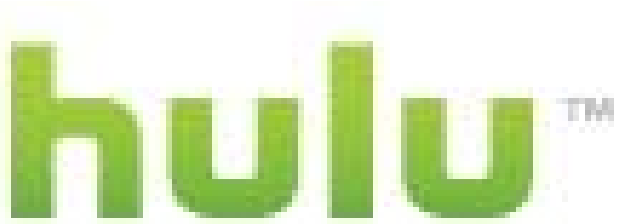
# On-Line Digital Advertising











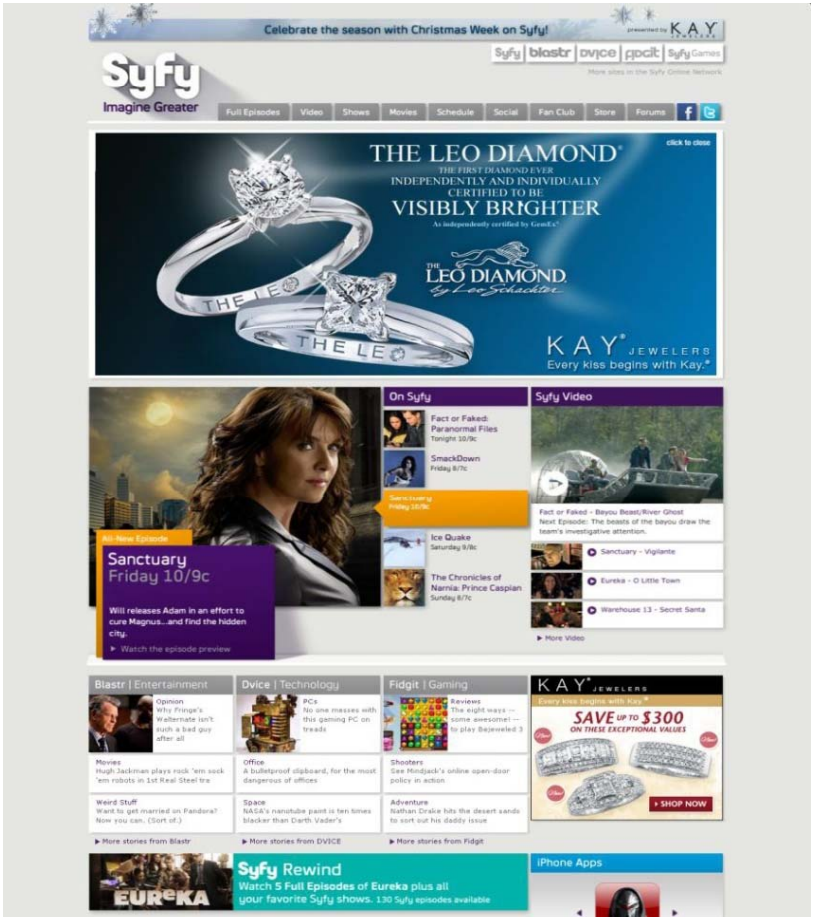




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# On-Line Digital Advertising



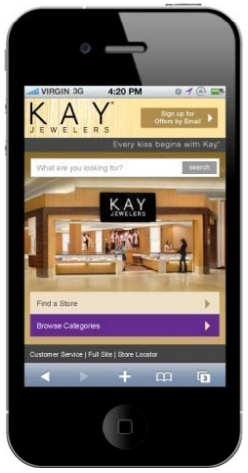



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# Marketing Leadership

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  - Store concepts
  - Merchandise brands
- Multiple touch points
  - targeted communications
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