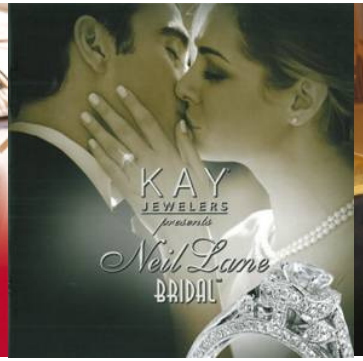




SIGNET
JEWELERS

"Competitive Advantages Reinforcing Sector Leadership"
October 2011









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, Signet's results of operation, financial condition, liquidity, prospects, priorities, 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 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, 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 items such as extended service plans and pensions, and risks relating to Signet 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.

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 March 30, 2011& August 25, 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 August 25, 2011 available on Signet's website, www.signetjewelers.com for additional information regarding the correction of the immaterial error.

SIGNET JEWELERS

Why Invest in Signet

- Record of gaining profitable market share
  - superior customer experience
  - ability to leverage supply chain leadership
  - development & growth of branded differentiated and exclusive merchandise
  - high customer awareness driven by largest national TV advertising budget and quality of campaigns
  - in-house customer finance in US
- Strong financial performance & balance sheet
  - able to make strategic investments to strengthen competitive position
- Well positioned for growth

SIGNET JEWELERS

World's Largest Specialty Jeweler

Total sales $3,437.4 million ~80% US / 20% UK



Kay Jewelers - #1 mid market brand
Sales: $1,592.9m Stores: 908 in 50 states



H.Samuel - #1 in UK
Sales: $373.4m Stores: 338



Jared - #1 Off-Mall "Category Killer"
Sales: $848.3m Stores: 180 in 36 states

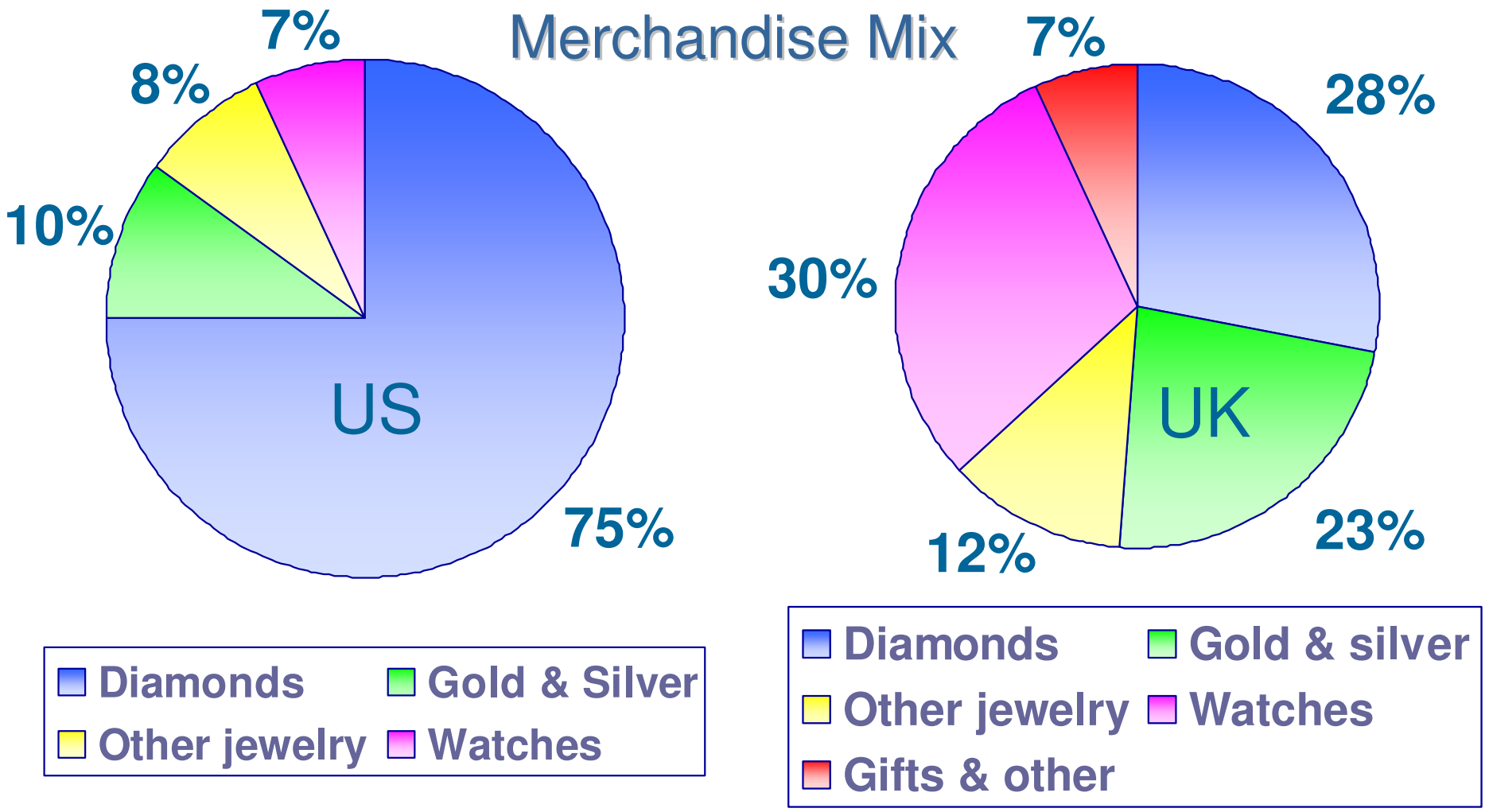


Ernest Jones - #1 UK upper middle market
Sales: $319.5m Stores: 202

As of January 29, 2011

SIGNET JEWELERS

Contrast Between US & UK



SIGNET JEWELERS

Q2 Fiscal 2012 Results Highlights

- Same store sales up 9.9%
  - US division +12.2% (Q2 Fiscal 2011 +6.0%)
  - UK division +1.4% (Q2 Fiscal 2011 -0.5%)
- 12.8% operating margin, +430 bpts
  - record for Q2
- Income before taxes $99.8 million, +$45.1 million or +82.4%
- Diluted eps $0.76, +$0.31 or +68.9%
- Free cash flow[1] of $61.4 million

1. Net cash provided by operating activities less net cash flows used in operating activities; non-GAAP measure, see appendix

SIGNET JEWELERS

US Performance

		Changes in		
	Sales	Same store sales	Sales	ASP[1]
Q2 Fiscal 2012				
Kay	$367.5m	13.5%	13.5%	12.0%
Jared	$213.8m	12.6%	12.7%	8.6%
Regionals	$61.7m	4.0%	(4.1)%	13.3%
US division	$643.0m	**12.2%**	**11.3%**	**13.5%**

Operating income, net	**$104.4m**	up $43.7 million , +72.0%
Operating margin	**16.2%**	+ 570 bpts

1. **Average selling price, excluding charm bracelet category**

SIGNET JEWELERS

UK Performance

		Changes in		
	Sales	Same store sales	Sales at CER[1]	ASP[2]
Q2 Fiscal 2012				
H.Samuel	$81.4m	3.3%	1.9%	6.9%
Ernest Jones	$73.2m	-0.7%	-1.8%	5.7%
UK division	**$154.6m**	**1.4%**	**0.1%**	**5.3%**

Operating income	$2.8m	down by $1.9 million
	Fiscal 2011 included $0.9 million disposal gain	
Operating margin	1.8%	down by 150 bpts

1. Change in sales at constant exchange rates; non-GAAP measure see appendix
2. Average selling price, excluding charm bracelet category

SIGNET JEWELERS

Fiscal 2012 Financial Objectives

- Gain profitable market share
- Improve gross margin ratio
- SG&A to sales ratio broadly similar to that of Fiscal 2011
- Positive free cash flow of between $175 million and $225 million, up from original target of $150 million to $200 million

SIGNET JEWELERS

US Competitive Advantages

- Customer service
- Marketing and advertising
- Key business initiatives
- Supply chain
- Credit

SIGNET JEWELERS

US Customer Service - Key Strength

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

SIGNET JEWELERS

Largest & Most Effective Marketing Spend in US Jewelry Sector

- Further increase in marketing planned
  - 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 about 27 million name proprietary database
- Increased investment in internet and social media

1. Based on Jewelers of America 'Cost of Doing Business' survey

SIGNET JEWELERS

Bridal Expertise Gives Opportunity to Grow Market Share

- Outstanding customer experience is based on:
  - superior service
  - great value and selection
  - ability to offer customer financing
- Branded differentiated merchandise
- Advertising for bridal category

SIGNET JEWELERS

Brands Driving Bridal Sales



⇨Continuing to roll out exclusive bridal ranges

⇨Bridal contributing to growth in ASP

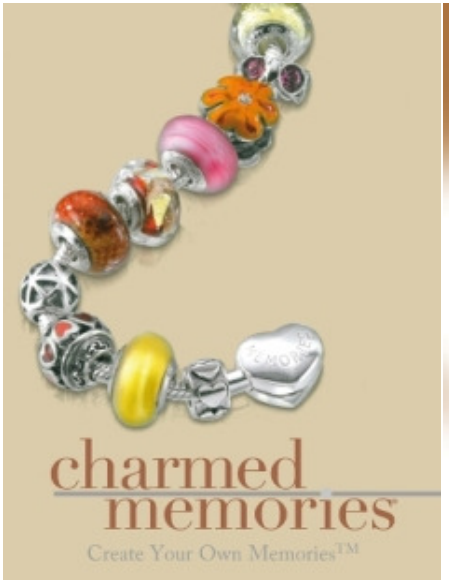
SIGNET JEWELERS

Advantages of Branded Differentiated and Exclusive Merchandise

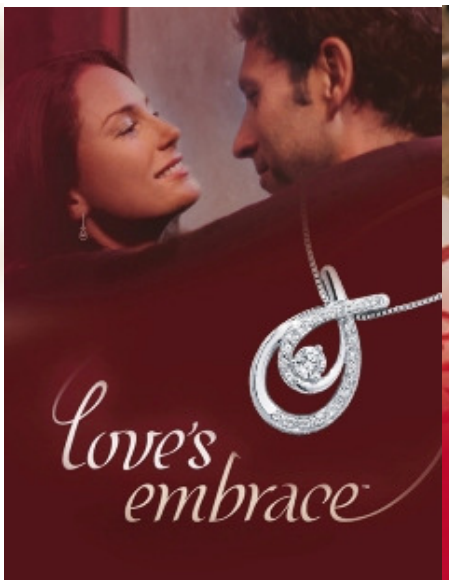
- Creates a unique store destination
- Powerful selling proposition for sales associates
- Drive awareness & purchase intent as part of national brand advertising
- Leverages strategic supply chain strengths
- Improved merchandise margin & less exposure to competitive discounting

SIGNET JEWELERS

Exclusive & Differentiated Brands









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

SIGNET JEWELERS

Supply Chain Strengths

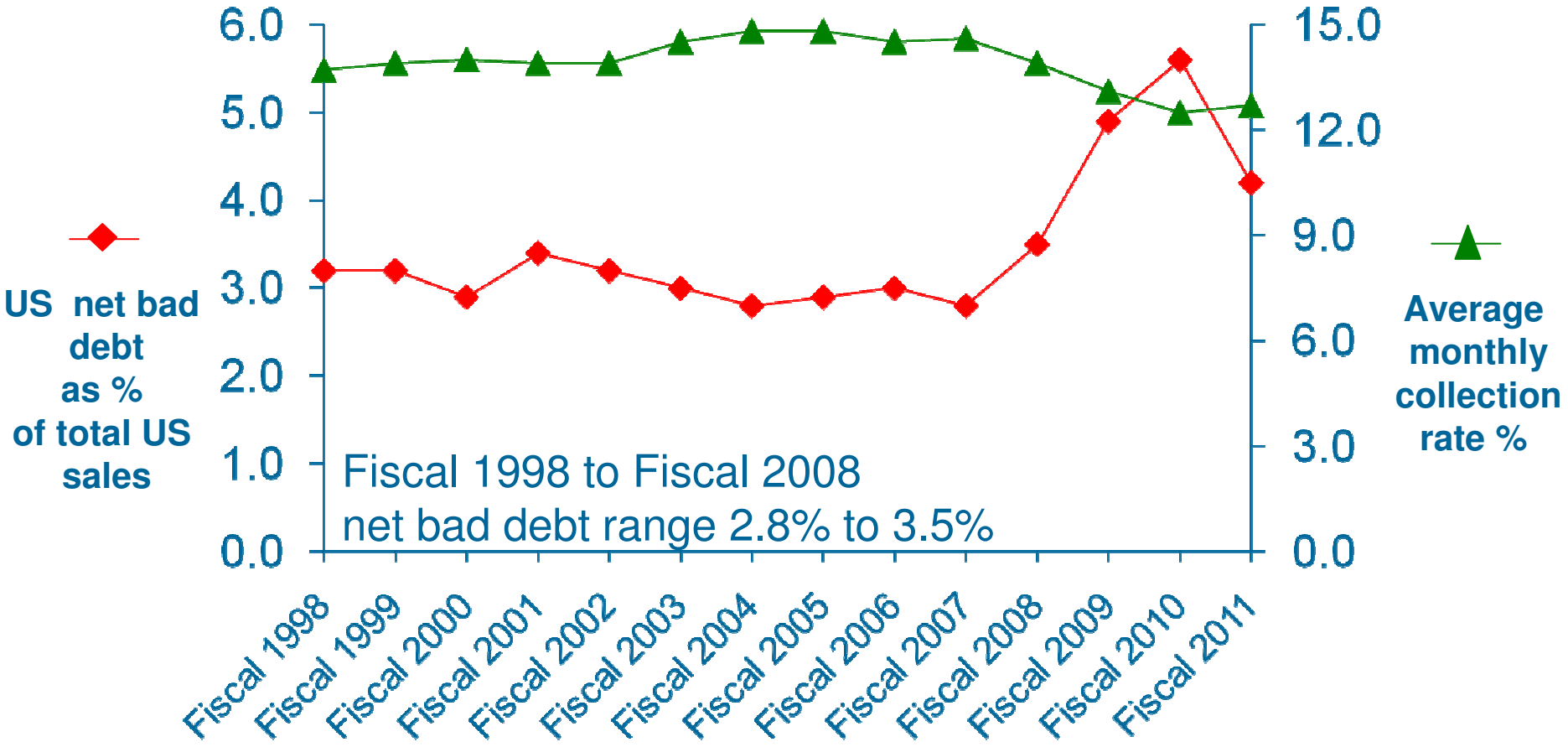
- Expertise, scale and balance sheet strength
- Greater ability to ‘test before invest’
  - reduced inventory risk
  - better able to identify ‘winners’
- Direct sourcing of polished diamonds

SIGNET JEWELERS

Credit – Key Facilitator of US Sales

- Focus on jewelry sales not credit transaction
- Low individual balances & rapid repayment
- 50% – 55% of US business transacted using in-house credit
- Credit customers lifetime value is 3.5X greater

US Receivables Performance



SIGNET JEWELERS

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		-	23	
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

SIGNET JEWELERS

Key UK Business Drivers

- Sales initiatives
- Planned investments
- Challenges in marketplace

SIGNET JEWELERS

UK Sales Initiatives

- Strong watch and bridal, including gold rings
- Test & develop new merchandise
  - increased focus on differentiated brands
- Expansion of in-store events
- Continue development of customer relationship marketing
- Maintain focus on training & driving customer service

SIGNET JEWELERS

Planned Investment Program in UK for Fiscal 2012

- Upgrade of store portfolio
  - new stores and relocations
  - increased refurbishment program
  - evolution of store designs
- Infrastructure
  - further enhancements of support systems
  - continue development of websites

SIGNET JEWELERS

Signet Capital Investment

	Average Fiscal 2004 - 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Target Fiscal 2012
Capital Expenditure	$123.6m	$114.9m	$43.6m	$57.5m	$110m - $130m
Depreciation & amortization	$87.8m	$114.5m	$108.9m	$97.8m	

- ⇨ Store remodels
- ⇨ Increased space growth
- ⇨ Growth-enabling technologies

SIGNET JEWELERS

Management Priorities

- Continue investment in successful strategies that are driving gains in profitable market share
  - growth-enabling technologies
  - space growth
- Growth of branded jewelry
- Be opportunistic where there are possible investments that satisfy our demanding return hurdles

SIGNET JEWELERS

Q2 Fiscal 2012 Sales Performance

	US	UK	Total
Sales Q2 Fiscal 2012 $m	643.0	154.6	797.6
Sales Q2 Fiscal 2011 $m	577.7	142.0	719.7

Change in sales	%	%	%
Same store sales	12.2	1.4	9.9
Space impact	(0.9)	(1.3)	(0.9)
Change in total sales at constant exchange rate[1]	11.3	0.1	9.0
Exchange translation impact	—	8.7	1.8
Change in total sales as reported	11.3	8.8	10.8

1. Non-GAAP measure, see appendix

SIGNET JEWELERS

Q2 Fiscal 2012 Reconciliation

		% of sales
Income before tax Q2 Fiscal 2011	**$54.7m**	**7.6%**
Gross margin movement	$57.6m	7.2%
Selling, general & admin. expense movement	$(20.8)m	(4.6)%
Other operating income movement	$4.8m	0.6%
Operating income movement	**$41.6m**	**5.2%**
Net interest movement	$3.5m	0.4%
Income before tax Q2 Fiscal 2012	**$99.8m**	**12.5%**

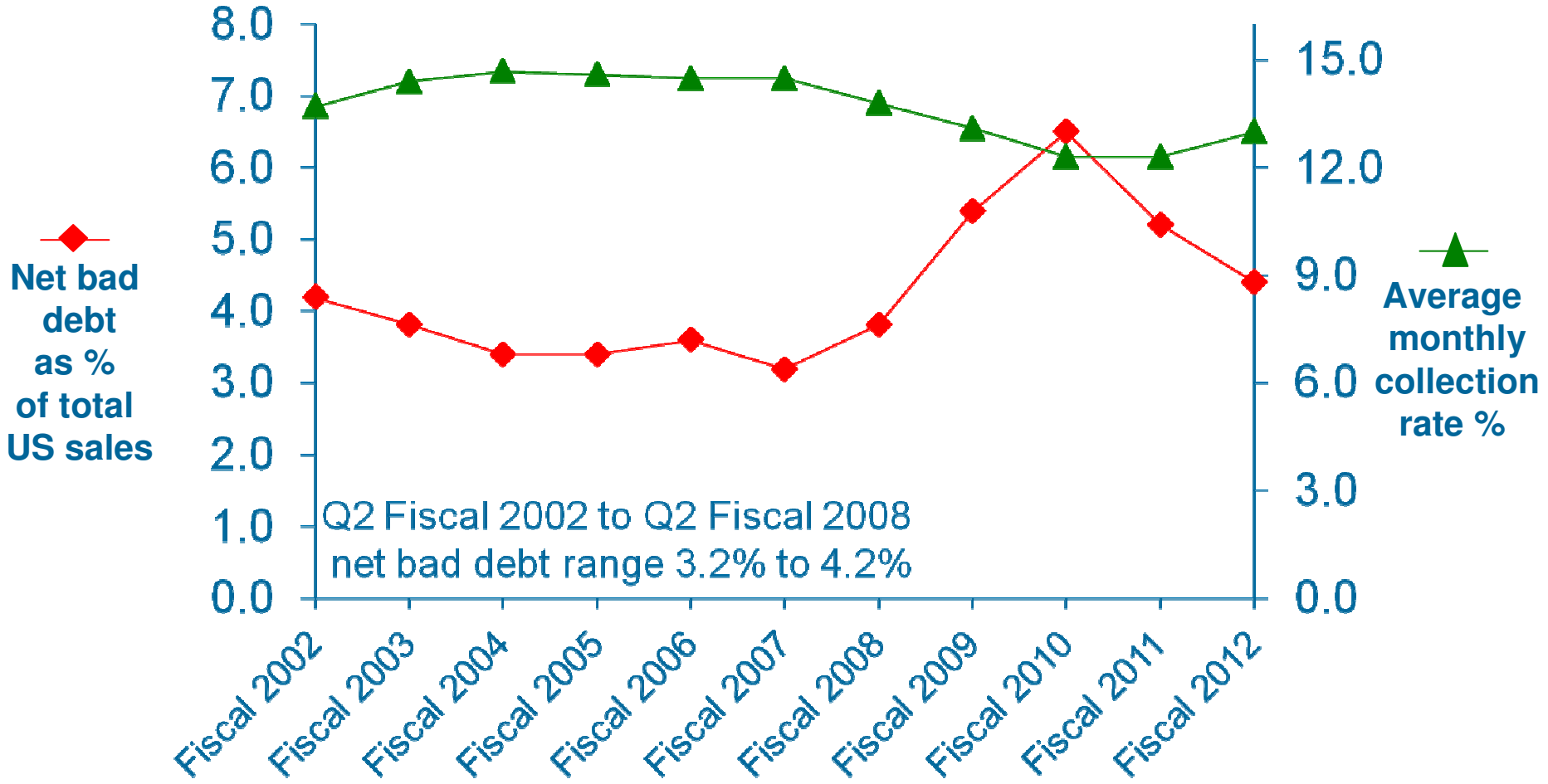
SIGNET JEWELERS

SG&A Reconciliation

	Q2		YTD	
	$m	% of Fiscal 2011 SG&A	$m	% of Fiscal 2011 SG&A
SG&A Q2 Fiscal 2011	**203.7**		**442.2**	
Net advertising investment	4.0	2.0%	10.6	2.4%
Currency movement	3.5	1.7%	6.1	1.4%
401(k) increase	1.5	0.7%	3.0	0.7%
Store staff flex	7.6	3.7%	15.8	3.6%
Change in other items	4.2	2.1%	10.6	2.3%
SG&A Q2 Fiscal 2012	**224.5**	**10.2%**	**488.3**	**10.4%**

SIGNET JEWELERS

Receivables Trend Shows Continued Improvement



SIGNET JEWELERS

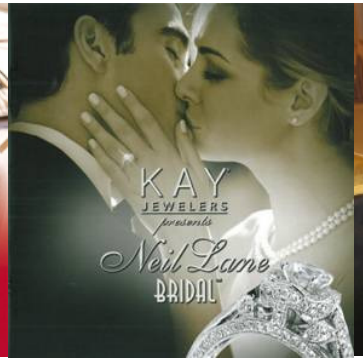
Cash Flow

	YTD Fiscal 2012	YTD Fiscal 2011
	$m	$m
Net cash provided by operating activities	**192.1**	254.6
Net cash used in investing activities	**(38.3)**	(14.4)
Free cash flow[1]	**153.8**	240.2
Net cash used in financing activities	**(15.5)**	(70.2)
Increase in cash and cash equivalents	**138.3**	170.0
Cash and cash equivalents, beginning of the period	**302.1**	316.2
Increase in cash and cash equivalents	**138.3**	170.0
Effect of exchange rate changes on cash and cash equivalents	**(0.2)**	(0.8)
Cash and cash equivalents, end of Q2	**440.2**	485.4

1. **Non-GAAP measure, see appendix**

SIGNET JEWELERS





SIGNET JEWELERS

Additional Information









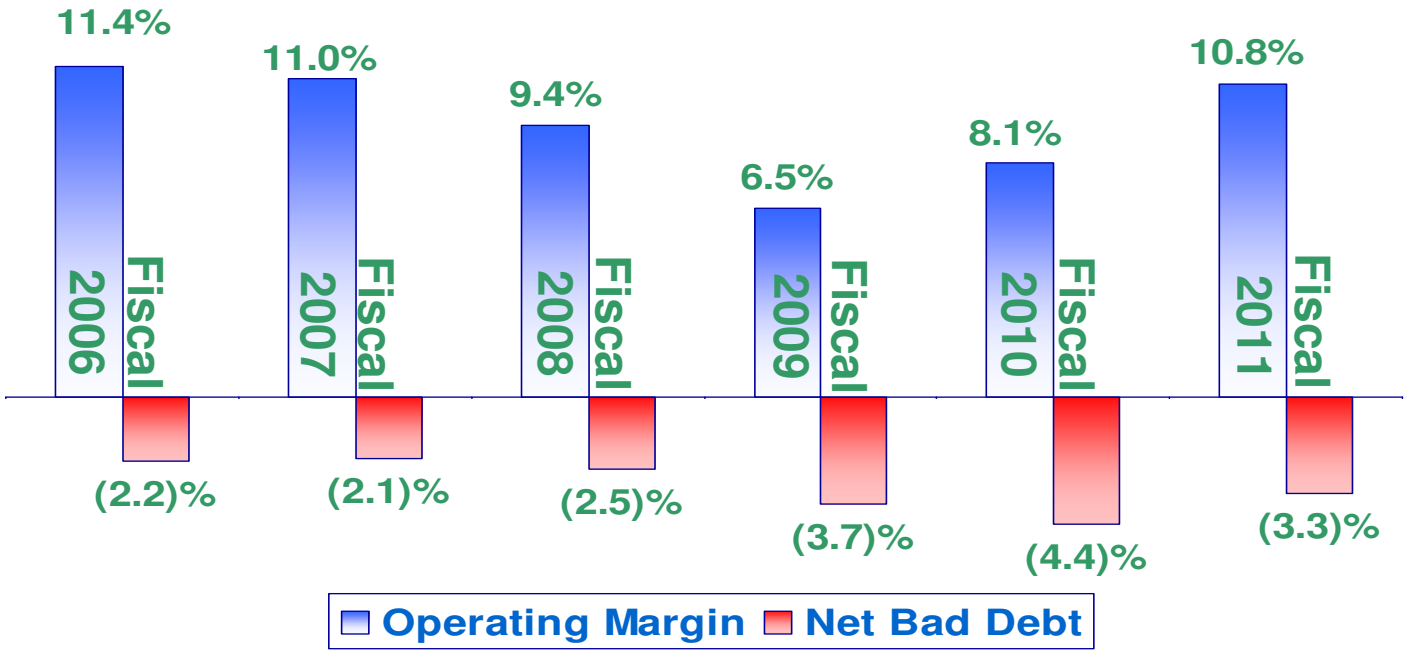
Fiscal 2011 Results Highlights

- Same store sales up 6.7%
  - US division +8.9%, Fiscal 2010 +0.2%
  - UK division -1.4%, Fiscal 2010 -2.4%
- 10.8% operating margin, up 270 bpts
- Income before taxes and Make Whole $347.9[1] million, up 50.9%
- Diluted eps excluding Make Whole $2.66[1], up 45.4%
- Free cash flow[2] of $315.8 million before Make Whole Payment

1. $47.5 million 'Make Whole' payment resulting from the prepayment in full of private placement notes on November 26, 2010 (the "Make Whole or "make Whole Payment"); non-GAAP measure, see slide 41.
2. Net cash provided by operating activities less net cash flows used in operating activities; non-GAAP measure, see slide 43

SIGNET JEWELERS

Signet's Operating Margin Recovery Continues



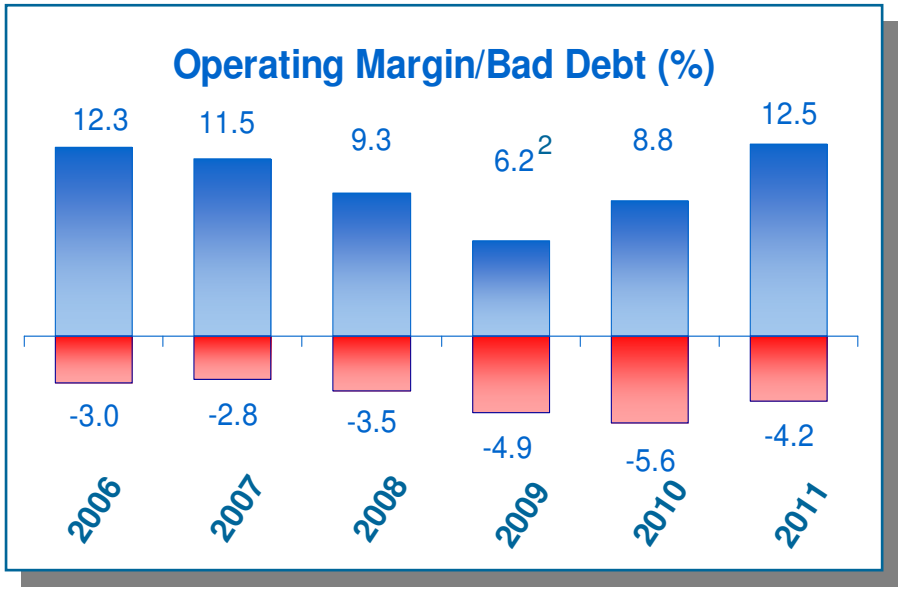
Primary drivers to rebuilding operating margin

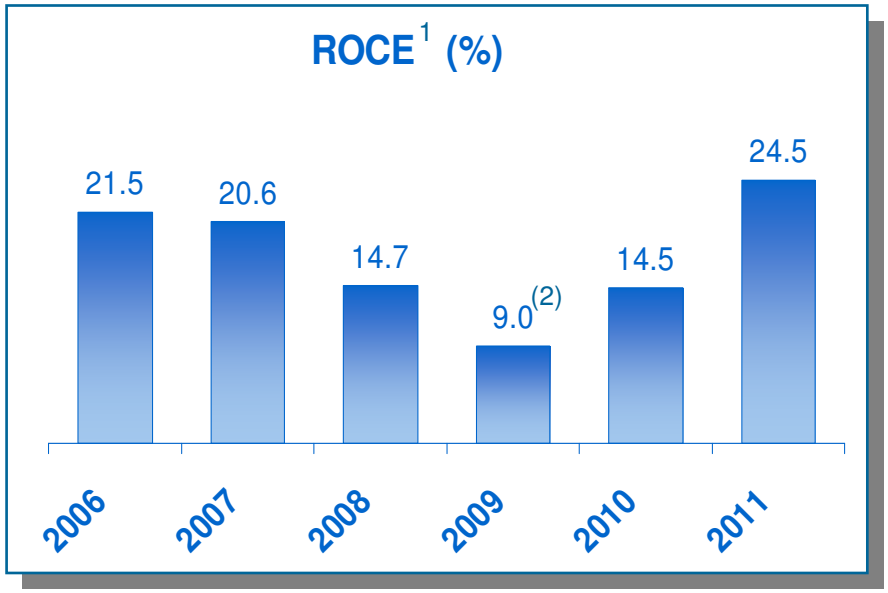
- ⇨improving store productivity
- ⇨reducing net bad debt levels towards historic levels

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

SIGNET JEWELERS

US Historic Returns





Fiscal 2006-201 average:
Operating Margin: 10.1%
Net Bad Debt to Sales: -4.0%

Fiscal 2006-2011 average: 17.5%

- Primary drivers to rebuild returns
  - rebuild store productivity
  - reduce net bad debt levels

1. ROCE excluding goodwill
2. Fiscal 2009 before goodwill impairment of $408.0m

SIGNET JEWELERS

US Average Sales Per Store

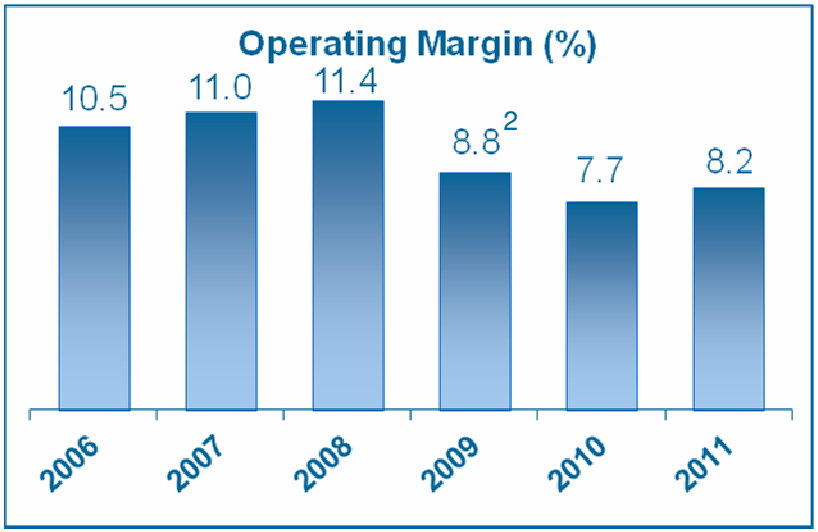
	Fiscal 2007*	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Kay ($'000)	1,798	1,695	1,525	1,570	1,713
Regional brands ($'000)	1,504	1,333	1,151	1,155	1,238
Jared ($'000)	5,649	5,317	4,473	4,029	4,638

Includes only stores operated for the full fiscal year

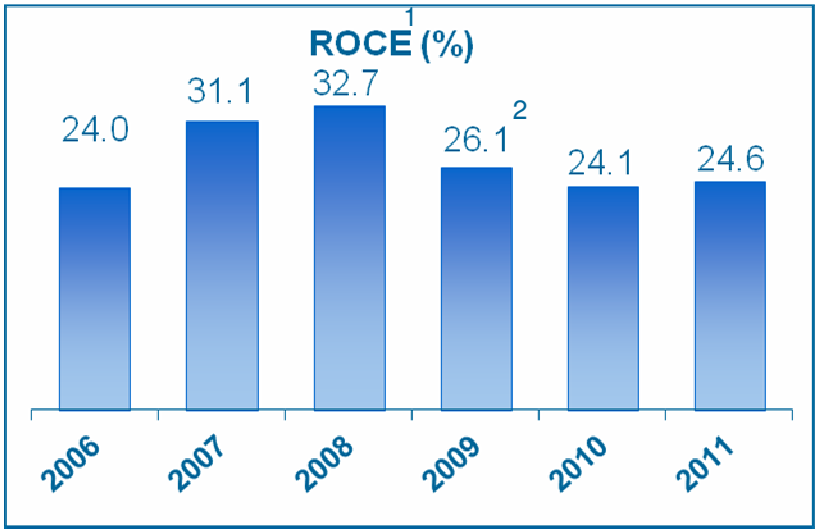
* 53 week year

SIGNET JEWELERS

UK Historic Returns[1]



Fiscal 2006-2011 average: 9.6%



Fiscal 2006-2011 average: 27.1%

⇨ Primary driver of returns is store productivity

1. ROCE excluding goodwill
2. Before goodwill impairment of $108.9m

SIGNET JEWELERS

UK Average Sales Per Store

	Fiscal 2007*	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
H.Samuel (£'000)	695	722	718	712	705
Ernest Jones (£'000)	1,079	1,105	1,047	1,027	1,041

Includes only stores operated for the full fiscal year

* 53 week year

SIGNET JEWELERS

US Jewelry & Watch Market in 2010

- Total US jewelry & watch market up 5.7% to $61.5 billion[1]
  - 6% below peak of $65.3 billion in 2007
- US specialty jewelry market up 3.8% to $26.7 billion[2]
  - 14% below peak of $31.0 billion in 2007
- About 22,800 specialty jewelry stores[3]
  - a net decline of about 1,000 stores in 2010, a 4% decline
  - down 12% since 2007

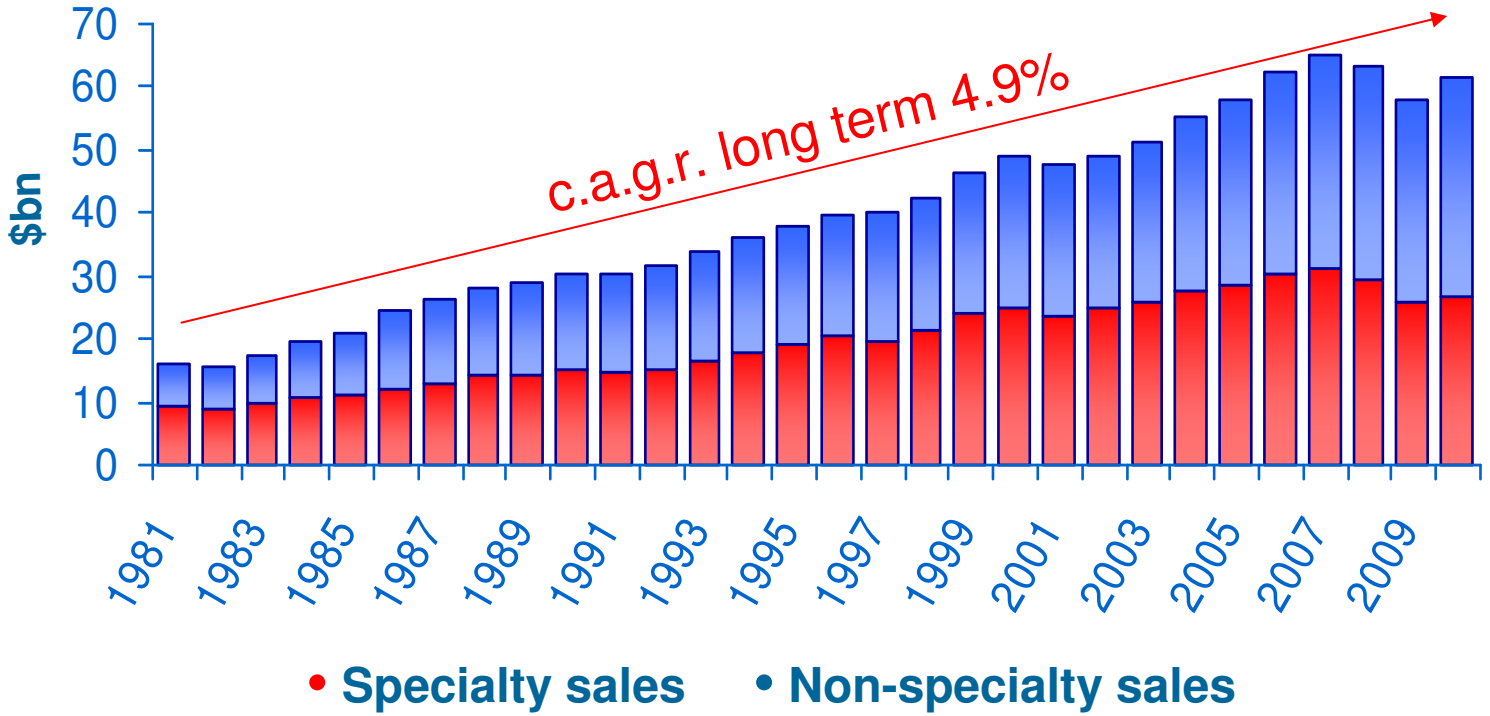
1. Source: US Bureau of Economic Analysis, August 2011
2. Source: US Census Bureau, August 2011
3. Source: US Bureau of Labor Statistics, August 2011

SIGNET JEWELERS

US Long Term Industry Growth

US Jewelry and Watch Market[1]

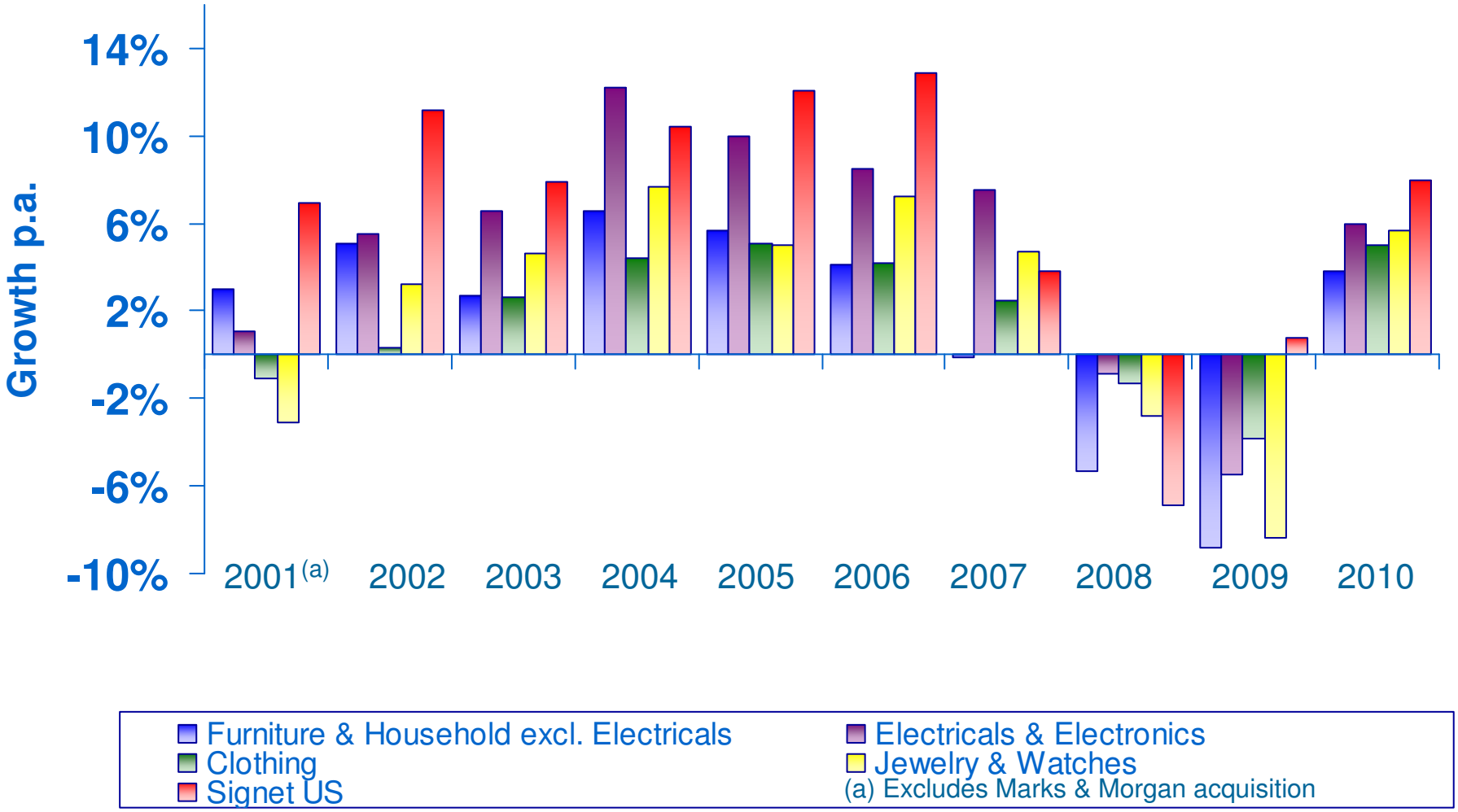
~40% of world diamond sales[2]



1. US Department of Commerce & Census Bureau, August 2011
2. IDEX

SIGNET JEWELERS

US Jewelry Sector Performance



Source: US Bureau of Economic Analysis, published August 5, 2011

SIGNET JEWELERS

Growth in US Market Share[1]

	2000	2005	2008	2009	2010
Signet	5.8%	8.0%	8.6%	9.9%	10.3%
Zale[2]	7.3%	7.6%	5.5%	5.4%	5.2%
Tiffany	4.1%	5.0%	5.2%	5.2%	5.6%
Blue Nile	0.2%	0.7%	0.9%	1.0%	1.1%
Finlay[2]	nil	nil	1.0%	Liquidated	-
Friedman	1.5%	1.2%	Liquidated	-	-
Whitehall	1.4%	1.0%	Liquidated	-	-

1. Share of US specialty jewelry market based on market size estimated by the US Census Bureau (April 2011) and US sales as disclosed in SEC filings
2. Finlay's acquired Bailey, Banks & Biddle in November 2007 from Zales, Congress Jewelers in November 2006 & Carlyle Jewelers in May 2005

SIGNET JEWELERS

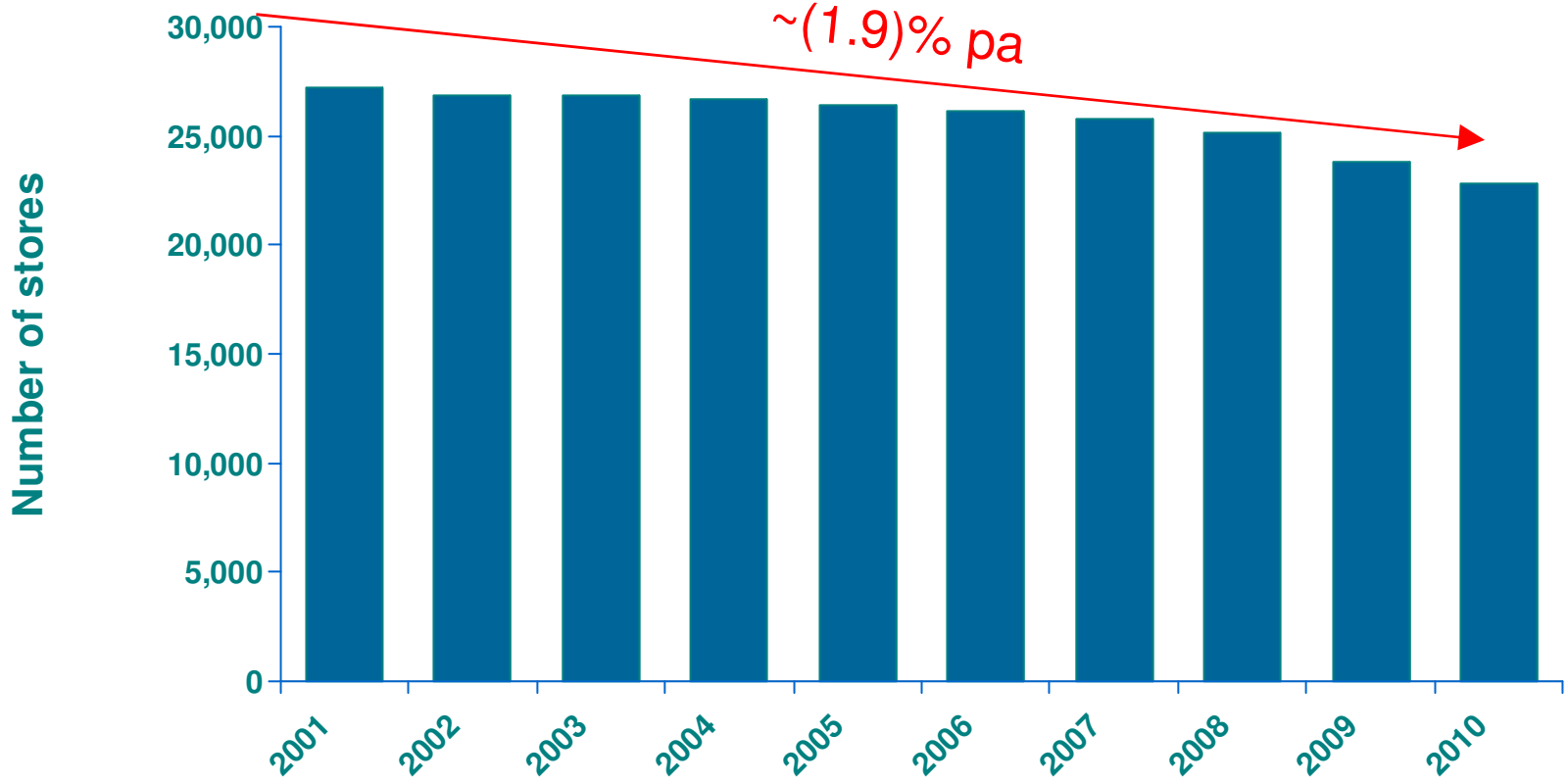
Rationalization of Top US Brands

Mid market brands	Sales $m		No. of stores		Status
Calendar	**2004**	**2010**	**2004**	**2010**	
Kay	1,174[1]	1,593[1]	832	908	Profitable
Zales[2]	1,071[1]	963[1]	757	675	Loss making
Gordons[2]	314[1]		287	192	
Jared[1]	415[2]	848[1]	135	180	Profitable
Fred Meyer[3]	475[4]	350[4]	436	361	Part of Kroger
Helzberg[5]	500[4]	380[4]	265	234	Loss making in 2009
Friedman's	425[4]	n/a	646	Liquidated 2008	
Finlay Speciality[1,6]	n/a	n/a	nil	Liquidated 2009	
Shane	150[7]	n/a	17	In Chapter 11 Jan 2009 - Nov 2010	
Whitehall[8]	334[1]	n/a	382	Liquidated 2008	

1. Source: Accounts.
2. July year end.
3. Includes Littman's and departments in supermarkets
4. Source: National Jeweler estimate.
5. Part of Berkshire Hathaway.
6. Acquired Bailey, Banks & Biddle; Carlyle; Congress; Sales of $309.7million in 2008.
7. Chapter 11 filing.
8. Includes Lundstrom.

SIGNET JEWELERS

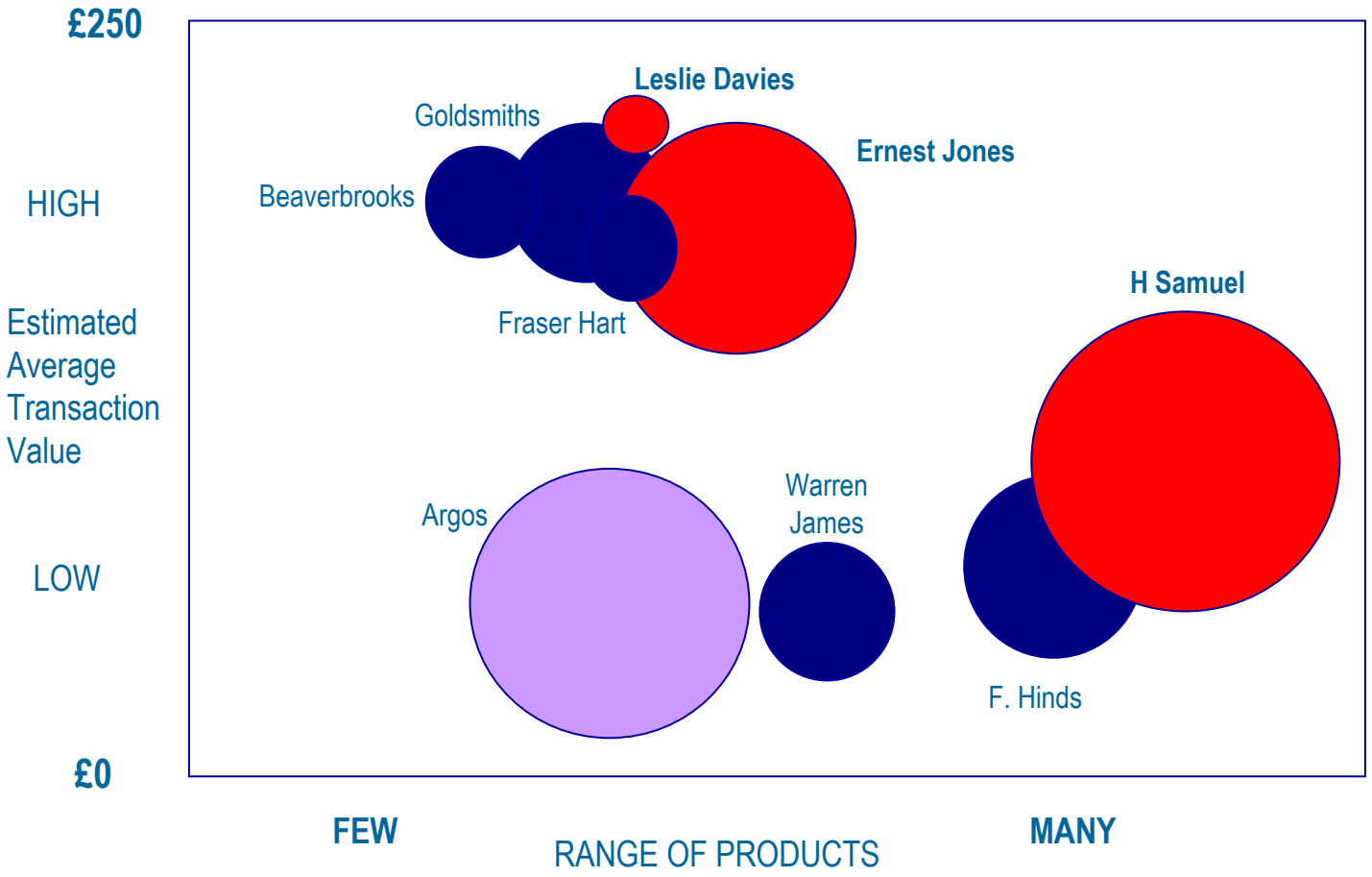
Fewer US Specialty Jewelry Stores



Source: US Bureau of Labor Statistics, August 2011.

SIGNET JEWELERS

UK Retail Market Map
(ex. independents)



SIGNET JEWELERS

Regulation G Disclosures

SIGNET JEWELERS

Fiscal 2011 Adjusted Earnings

Adjusted earnings in a non-GAAP measure and excludes the Make Whole Payment, a significant, unusual and non-recurring item. Signet considers this to be a useful measure for analysing its results. The impact of the re-calculation of net financial items, income before income taxes, taxes net income and diluted earnings per share excluding the Make Whole Payment, including a reconciliation to the Signet's GAAP results, is analysed below.

	Fiscal 2011	Impact of Make Whole Payment	Fiscal 2011 Adjusted Earnings
	$million	$million	$million
Operating income	372.5	-	372.5
Interest income	0.7	-	0.7
Interest expense	(72.8)	47.5	(25.3)
Income before income taxes	300.4	47.5	347.9
Income taxes	(100.0)	(18.0)	(118.0)
Net income	200.4	29.5	229.9
Diluted earnings per share	$2.32	$0.34	$2.66

SIGNET JEWELERS

Exchange Translation Impact on Q2 Fiscal 2012 Results

Signet has historically used constant exchange rates to compare period-to-period changes in certain financial data. Management considers this a useful measure for analyzing and explaining changes and trends in Signet's results. The impact of the re-calculation, including a reconciliation to the Signet's GAAP results, is analyzed below.

	Q2 Fiscal 2012 as reported $m	Q2 Fiscal 2011 as reported $m	Change as reported %	Impact of exchange rate movement $m	Q2 Fiscal 2011 at constant exchange rates (non-GAAP) $m	Change at constant exchange rates (non-GAAP) %
US	643.0	577.7	11.3	—	577.7	11.3
UK	154.6	142.0	8.8	12.4	154.4	0.1
Sales	**797.6**	719.7	10.8	12.4	732.1	9.0
Cost of sales	(502.8)	(482.5)	4.2	(8.9)	(491.4)	2.3
Gross margin	**294.8**	237.2	24.3	3.5	240.7	22.5
Selling, general and administrative expenses	(224.5)	(203.7)	10.2	(3.5)	(207.2)	8.3
Other operating income, net	32.0	27.2	17.6	—	27.2	17.6
Operating income, net	**102.3**	60.7	68.5	—	60.7	68.5
Interest expense, net	(2.5)	(6.0)	58.3	—	(6.0)	58.3
Income before income taxes	**99.8**	54.7	82.4	—	54.7	82.4
Income taxes	**(33.5)**	(16.0)	109.4	—	(16.0)	109.4
Net income	**66.3**	38.7	71.3	—	38.7	71.3
Earnings per share – basic	**$0.77**	0.45	71.1	—	$0.45	71.1
Earnings per share – diluted	**$0.76**	0.45	68.9	—	$0.45	68.9
US	**104.4**	60.7	72.0	—	60.7	72.0
UK	**2.8**	4.7	(40.4)	0.3	5.0	(44.0)
Unallocated	**(4.9)**	(4.7)	4.3	(0.3)	(5.0)	(2.0)
Operating income, net	**102.3**	60.7	68.5	—	60.7	68.5

SIGNET JEWELERS

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 it is helpful in understanding how the business is 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.

	Q2 Fiscal 2012 $million	Q2 Fiscal 2011 $million
Net cash provided by operating activities	86.8	70.4
Net cash used in investing activities	(25.4)	(8.1)
Free cash flow	61.4	62.3

SIGNET JEWELERS