


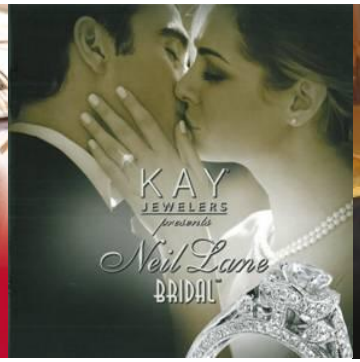



SIGNET JEWELERS

Fiscal 2012 Q2 Results
August 25, 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, our 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 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.

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 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.

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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

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Q2 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

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Superior In-Store Customer Experience





- Best-in-class customer service
- Focus on training & development of sales associates

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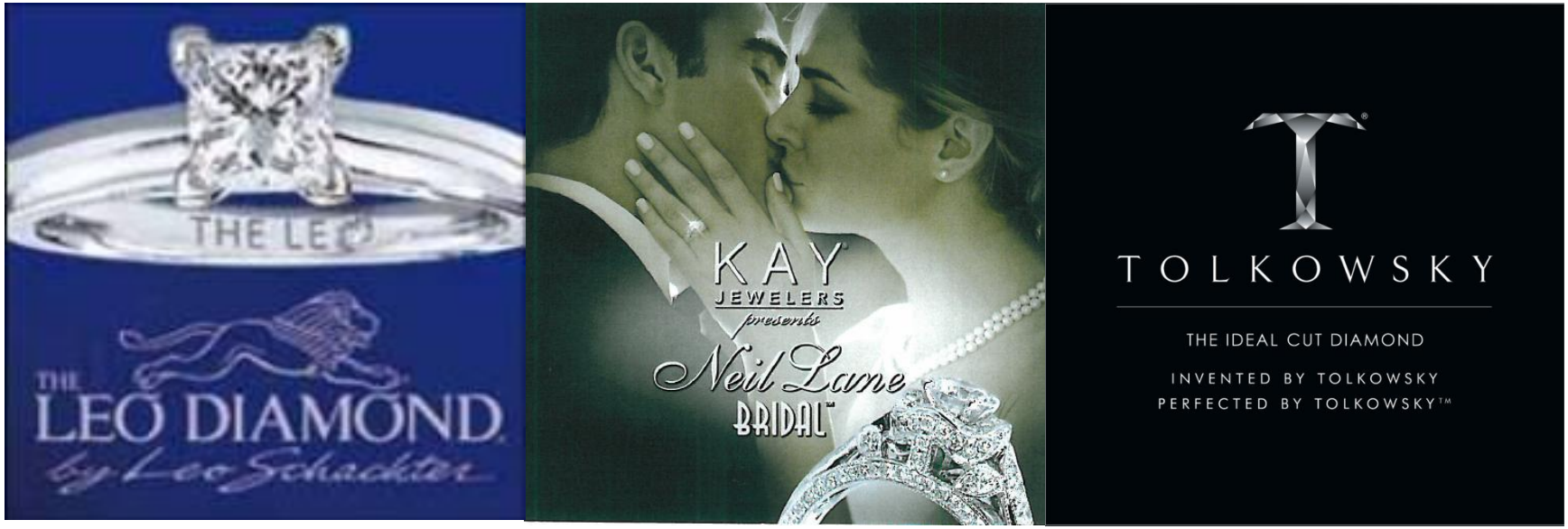
Brands Driving Bridal Sales



- ⇨Continuing to roll out exclusive bridal ranges
- ⇨Bridal contributing to growth in ASP

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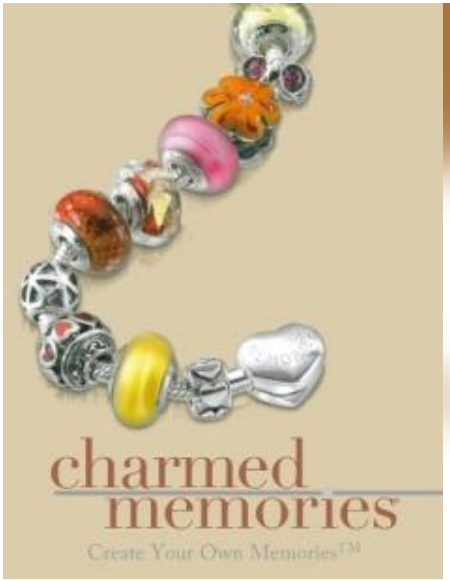
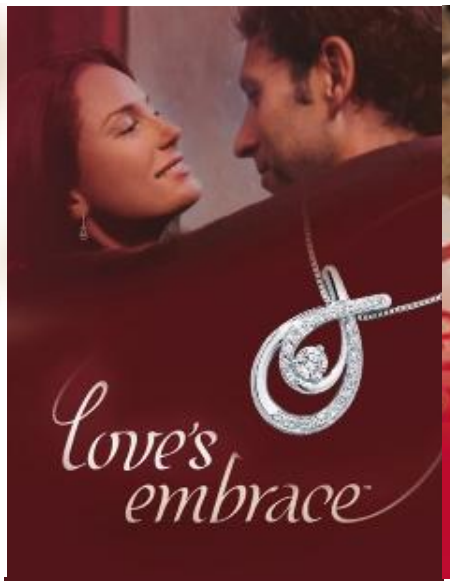
Exclusive & Differentiated Brands









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

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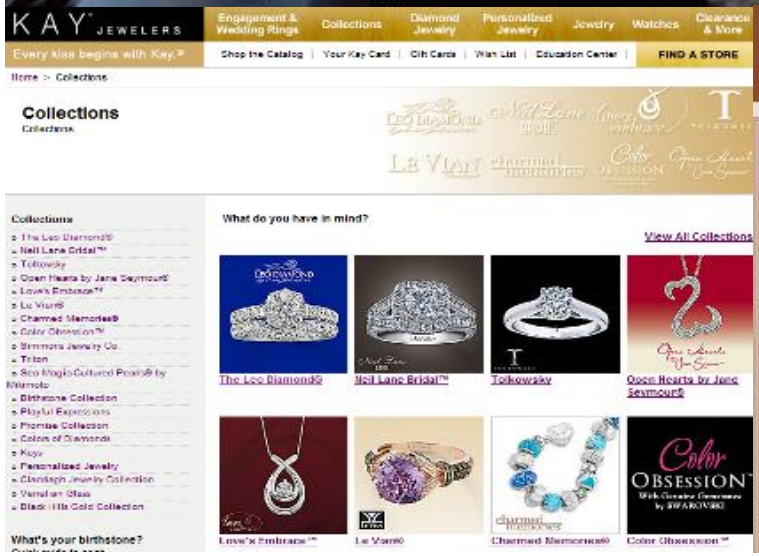
Effective Advertising Execution









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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

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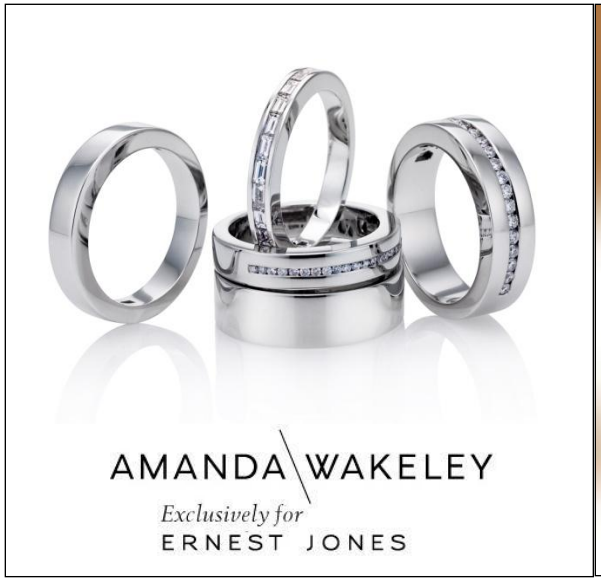
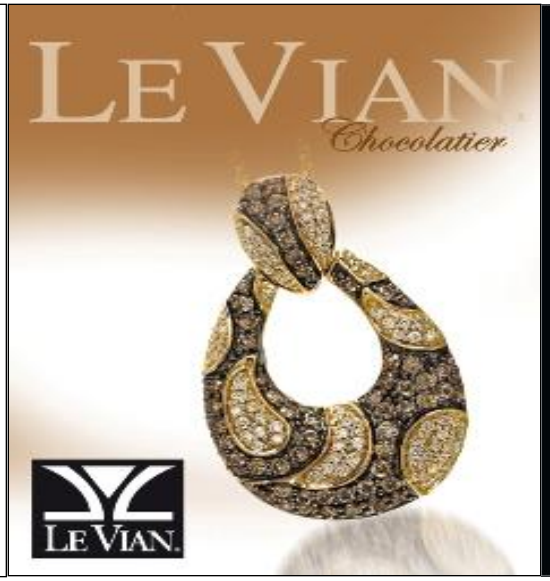
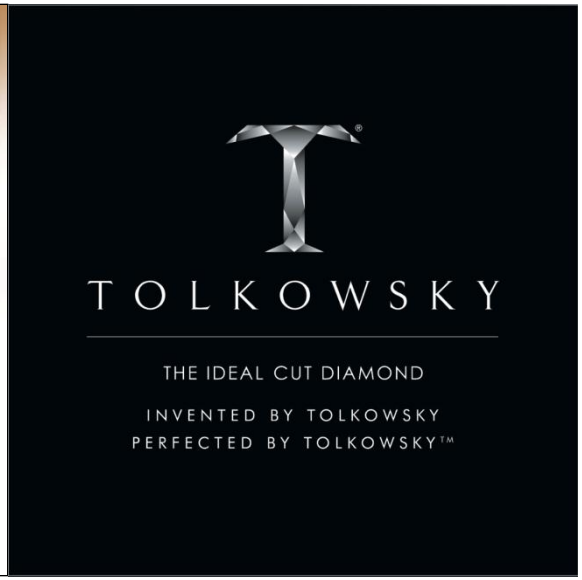
UK Initiatives







- ⇨Focused on providing a superior in-store experience
- ⇨Greater emphasis on differentiated & exclusive branded merchandise
- ⇨Increased marketing

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Q2 Fiscal 2012 Sales Performance

	US	UK	Total
Sales Q2 Fiscal 2012 $m	643.0	154.6	797.6
Sales Q2 Fiscal 2011 $m	557.7	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

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Q2 Fiscal 2012 Reconciliation

		% of sales
Income before tax Q2 Fiscal 2011	**$54.7m**	**7.6%**
Gross margin movement	$57.6m	4.0%
Selling, general & admin. expense movement	$(20.8)m	0.1%
Other operating income movement	$4.8m	0.2%
Operating income movement	**$41.6m**	**4.3%**
Net interest movement	$3.5m	0.6%
Income before tax Q2 Fiscal 2012	**$99.8m**	**12.5%**

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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%**

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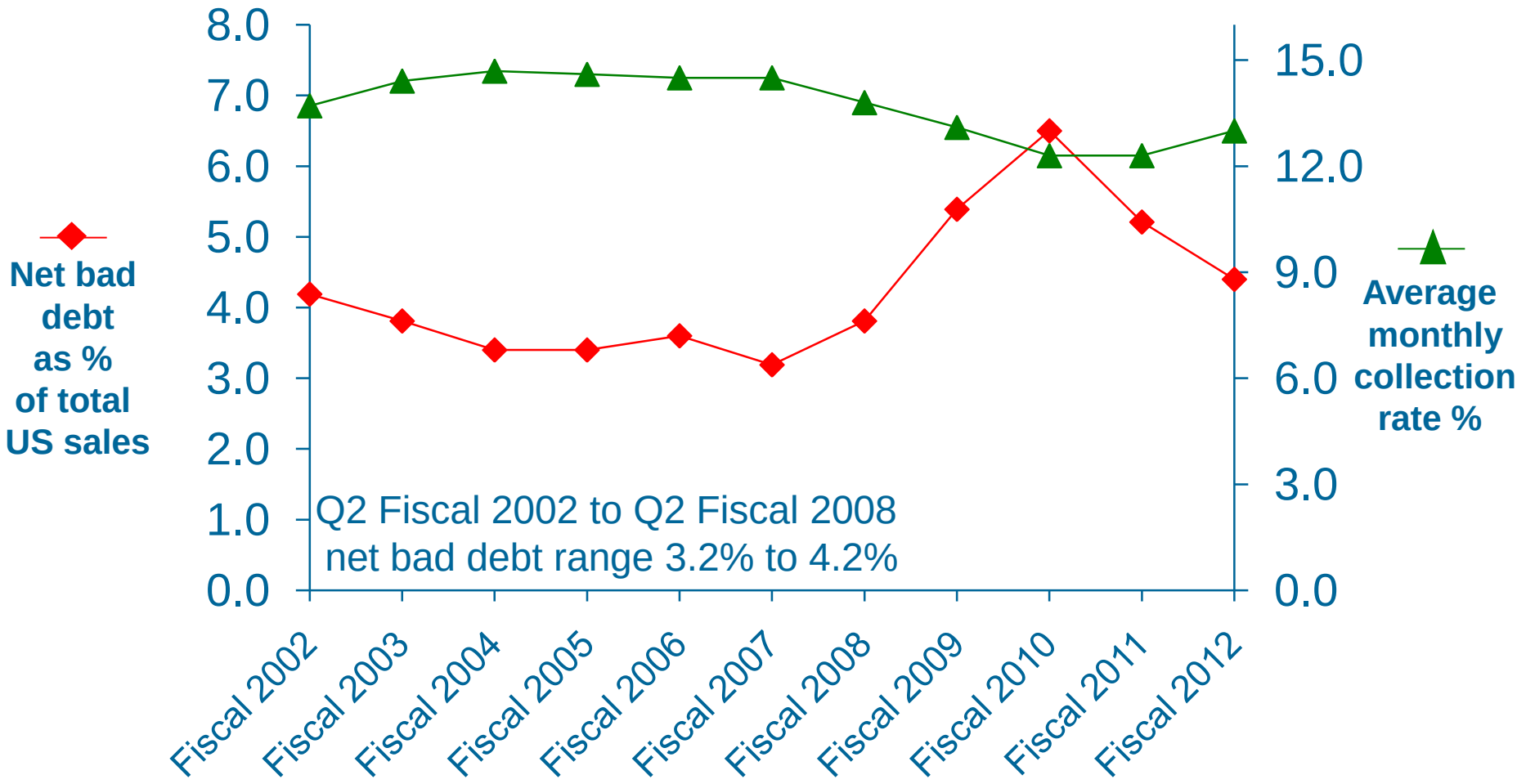
Receivables Trend Shows Continued Improvement



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YTD Fiscal 2012 Highlights

- Same store sales up 10.1%
  - US division +12.4%, YTD Fiscal 2011 +6.7%
  - UK division +0.8%, YTD Fiscal 2011 –0.4%
- 13.1% operating margin, +370 bpts
  - record for period
- Income before taxes $217.6 million, +$88.8 million or +68.9%
- Diluted eps $1.63, +$0.60 or +58.3%
- Free cash flow[1] of $153.8 million

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

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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

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Financial Outlook

- Fiscal 2012 Financial Objectives
  - gain profitable market share
  - improve gross margin ratio
  - maintain broadly similar SG&A ratio
  - planned capex in Fiscal 2012 of $110 million to $130 million
- Free cash flow now expected to be $175 million to $225 million

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Regulation G Disclosures

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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

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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 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.

	YTD Fiscal 2012	YTD Fiscal 2011
	$million	$million
Net cash provided by operating activities	192.1	254.6
Net cash used in investing activities	(38.3)	(14.4)
Free cash flow	153.8	240.2

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