


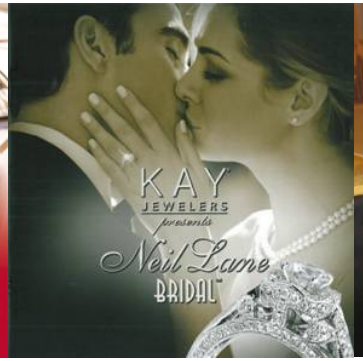



SIGNET
JEWELERS

"Competitive Advantages Reinforcing Sector Leadership"
January 2012









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 January 10, 2012 available on Signet's website, www.signetjewelers.com or to the appendix of this presentation.

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Leading Specialty Retail Jeweler







- Sustainable competitive strengths
  - customer experience
  - supply chain
  - comprehensive marketing program
  - in-house customer finance in US
- Superior operating model & strong balance sheet
- Growth opportunities & major initiatives
  - branded merchandise
  - sales enhancing technology
  - long term space growth in US

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Largest US & UK Specialty Jeweler

Sales over $3,700 million – about 80% US / 20% UK



Kay Jewelers - #1 US mid market brand
Sales: about $1,800m Stores: 922 in 50 states



H.Samuel - #1 in UK
Sales: about £240m Stores: 338



Jared - #1 US Off-Mall "Category Killer"
Sales: about $950m Stores: 183 in 35 states



Ernest Jones - #1 UK upper middle market
Sales: about £200m Stores: 198

Sales for Fiscal 2012, store number at December 31, 2011

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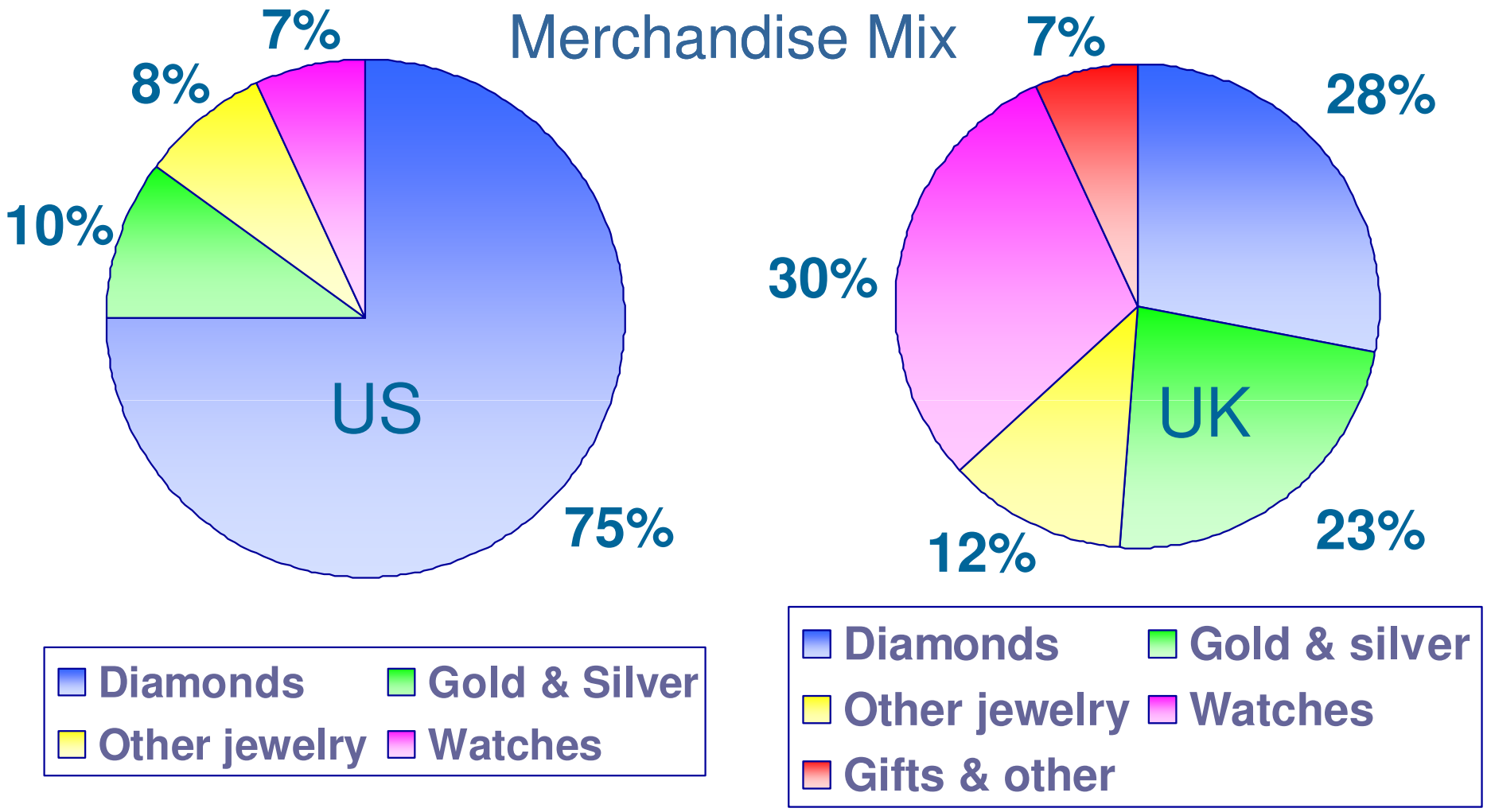
Contrast Between US & UK



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Fiscal 2012 Expectations

- Income before income taxes $494 - $501 million, up 64% - 67%
  - up 42% - 44% excluding non-recurring item[1]
- Diluted earnings per share $3.67 - $3.72, up 58% - 60%
  - up 38% - 40% excluding non-recurring item[1]
- Free cash flow[2] $230 – $240 million

Shareholder Distribution

- Fourth quarter dividend of $0.10, declared January 2012
- $300 million share repurchase program over 24 months comes into effect on January 16, 2012

1. 'Make Whole' payment arising from prepayment of private placement notes in Fiscal 2011 of $47.5 million, $29.5 million net of taxes and $0.34 per share .
2. Non-GAAP measure, net cash flows from operating activities less cash flows from investing activities.

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Sales Performance

To December 31, 2011	9 weeks			48 weeks		
	US	UK	Total	US	UK	Total
Change in:	%	%	%	%	%	%
Same store sales	9.2	1.8	7.8	11.6	0.8	9.4
Store space	—	(0.8)	(0.2)	(0.6)	(1.0)	(0.7)
Total sales at constant exchange rates[1]	9.2	1.0	7.6	11.0	(0.2)	8.7
Exchange translation impact	—	(0.1)	(0.1)	—	3.9	0.9
Total sales as reported	9.2	0.9	7.5	11.0	3.7	9.6

1. Non-GAAP measure.

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US Performance

Change from comparable prior year period	Holiday Season Fiscal 2012	Year to Date Fiscal 2012
	Same store sales, %	
Kay	9.8	12.2
Jared	10.0	12.8
Regional brands	3.1	4.4
US division	9.2	11.6

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UK Performance

Change from comparable prior year period	Holiday Season Fiscal 2012	Year to Date Fiscal 2012
	Same store sales, %	
H.Samuel	1.4	1.8
Ernest Jones	2.3	(0.3)
UK division	1.8	0.8

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Performance vs Financial Objectives

- Improve gross margin ratio
  - expected to increase 200 to 210 basis points
- Selling, general & administrative costs broadly stable as percentage of sales
  - well controlled while increasing advertising support, for the year expected to be down 25 to 30 basis points
- Capital expenditure of $110 million to $130 million
  - expected to be $105 million to $110 million
- Positive free cash flow[1] of $150 million to $200 million
  - expected to be $230 million to $240 million

1. Non-GAAP measure, net cash flows from operating activities less cash flows from investing activities.

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Superior Customer Experience





- Best-in-class customer service
- Focus on training & development of sales associates
- Development of sales enhancing technology
  - in-store & digital

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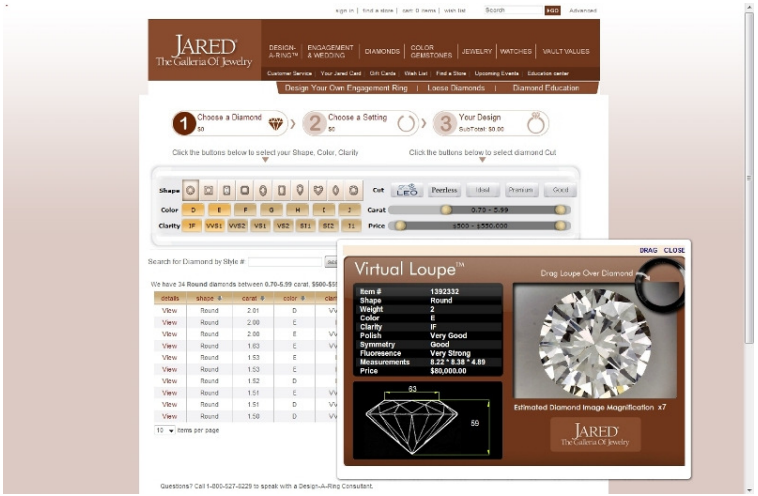
Sales Enhancing Technology

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





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Comprehensive Marketing Program









- About $180 million US marketing budget
  - supports store concepts & merchandise brands
- Television combined with CRM, catalogs, print and digital media

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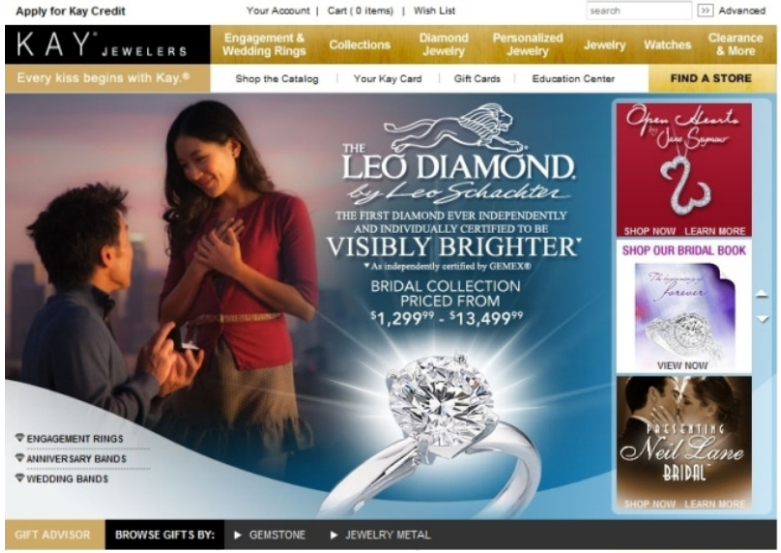
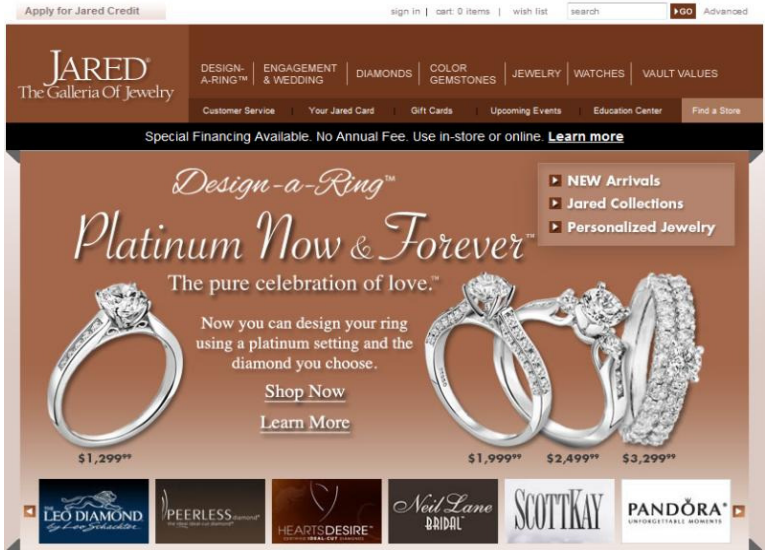
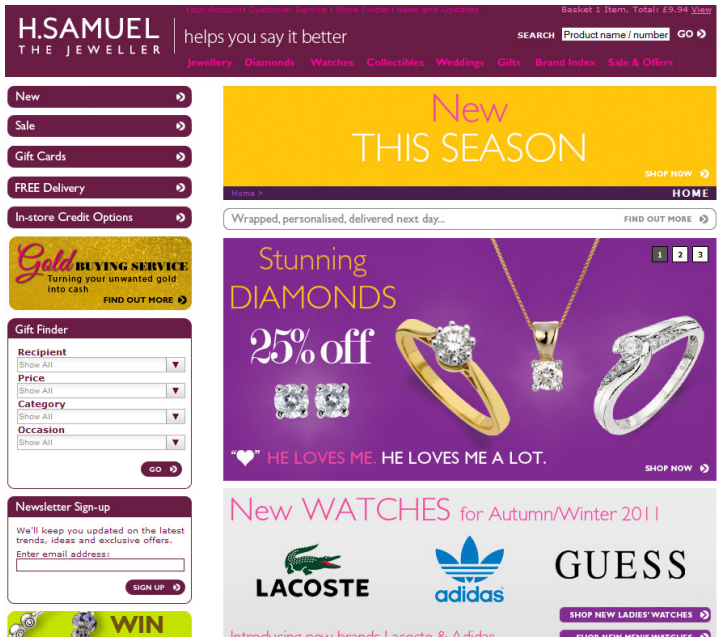
Investing in Digital Media









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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

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Brands Driving Fashion Sales



- Creates a unique store destination
- Powerful selling proposition for sales associates
- Supported by national television advertising

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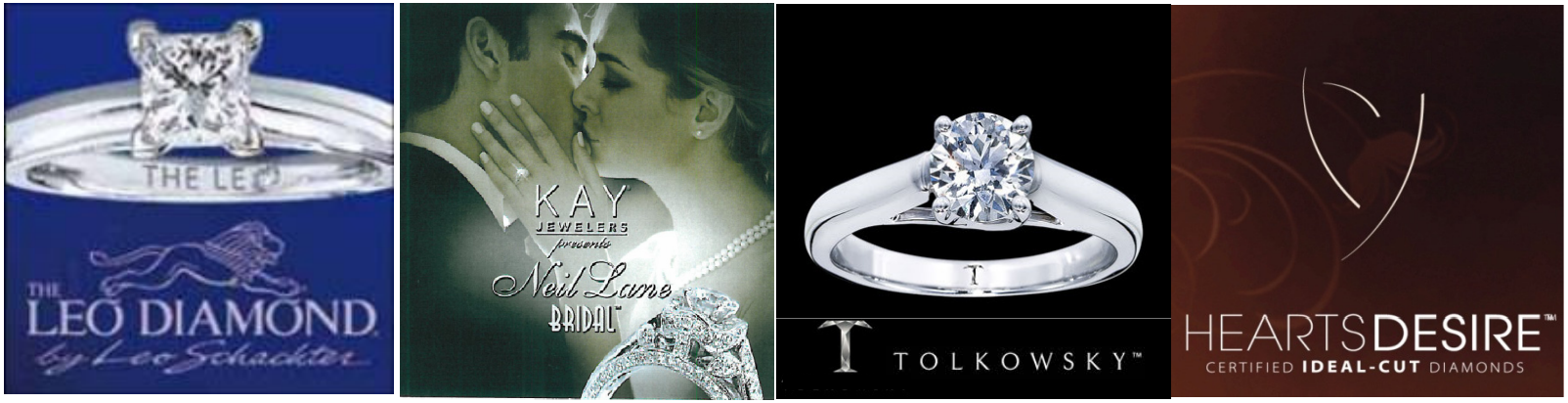
Brands Driving Bridal Sales



- Leo Diamond®: recognized as the most successful branded diamond program
- Neil Lane Bridal®: rolled out to all stores over last 18 months
- Bridal contributing to growth in ASP

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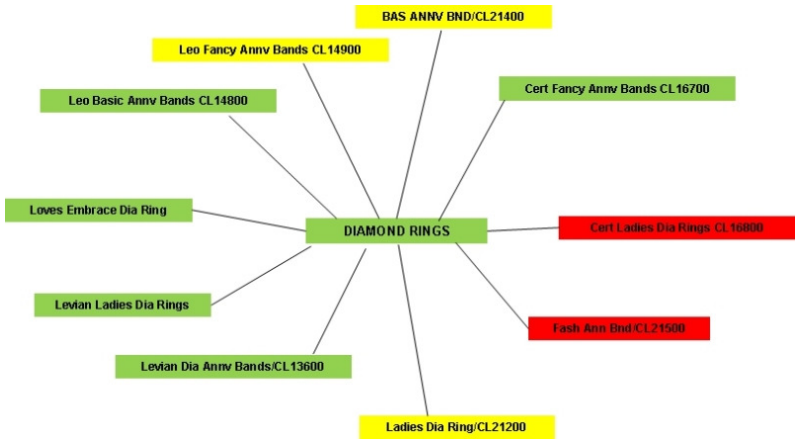
Merchandising & Supply Chain

- Superior merchandising team & systems
  - ability to ‘test before invest’
- Leading direct sourcing capabilities
- Record of merchandising innovation





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Credit – Key Facilitator of US Sales

- Specialized lending
  - particularly important in bridal sector
  - bridal purchaser characteristics are distinct
- Focus on selling jewelry not credit
  - 50% – 55% of US business transacted using in-house credit
  - rapid repayment period, typically under a year
  - average outstanding balance of ~$1,000
  - credit customer's lifetime value is 3.5x greater

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Long Term US Space Growth

- Potential Kay store base of about 1,350
  - about 850 regional malls
  - about 500 off-mall locations
- Potential Jared store base of about 300





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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 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)%
Jan 2011	780	128	180	1,088	0%	229	1,317	(2)%
Opened	9	11	3	23		-	23	
Closed	(8)	(5)	-	(14)		(22)	(35)	
Jan 2012 planned	781	134	183	1,098	1%	207	1,305	0%
Openings forecast	8-12	25-30	6-8	40-50		-	40-50	
Closures forecast	(1-5)	(5-10)	-	(8-12)		(13-17)	~(25)	
Jan 2013 forecast	**~788**	**~154**	**~190**	**~1,132**	**~4%**	**~192**	**~1,324**	**~3%**

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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UK Business Drivers

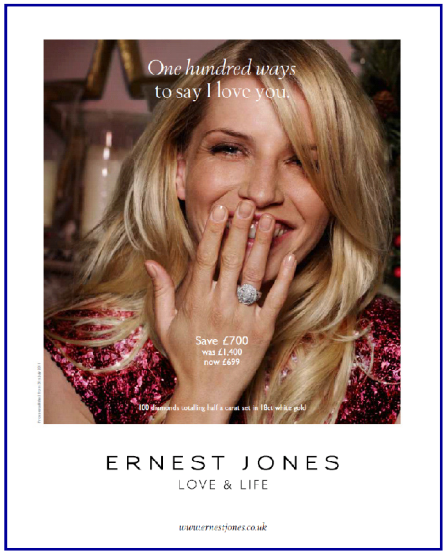


DKNY









- ⇨Customer experience
- ⇨Merchandising initiatives
- ⇨Marketing

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Outlook for Fiscal 2013

- Focus on further strengthening competitive position to drive sales & store productivity
  - enhancing customer experience
  - investment in marketing
  - merchandising initiatives
- Increased capital expenditure
  - continued investment in store refurbishments
  - increased store openings
  - IT and sales enhancing technology

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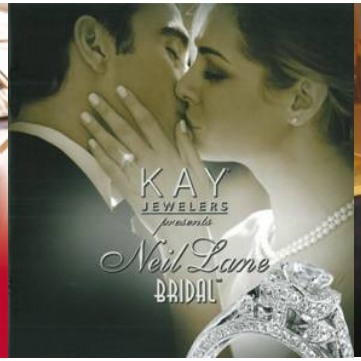



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Additional Information

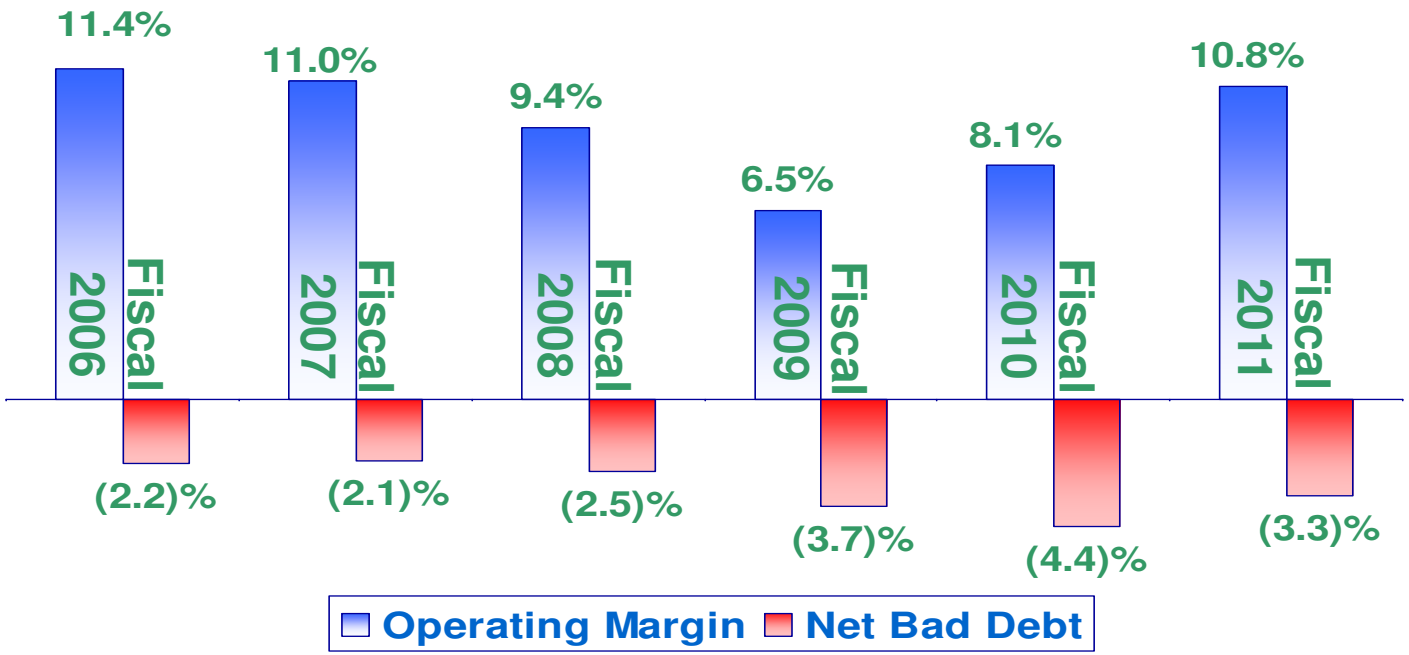








Signet's Operating Margin



Primary drivers of operating margin

- ⇨store productivity
- ⇨US net bad debt to US sales ratio

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

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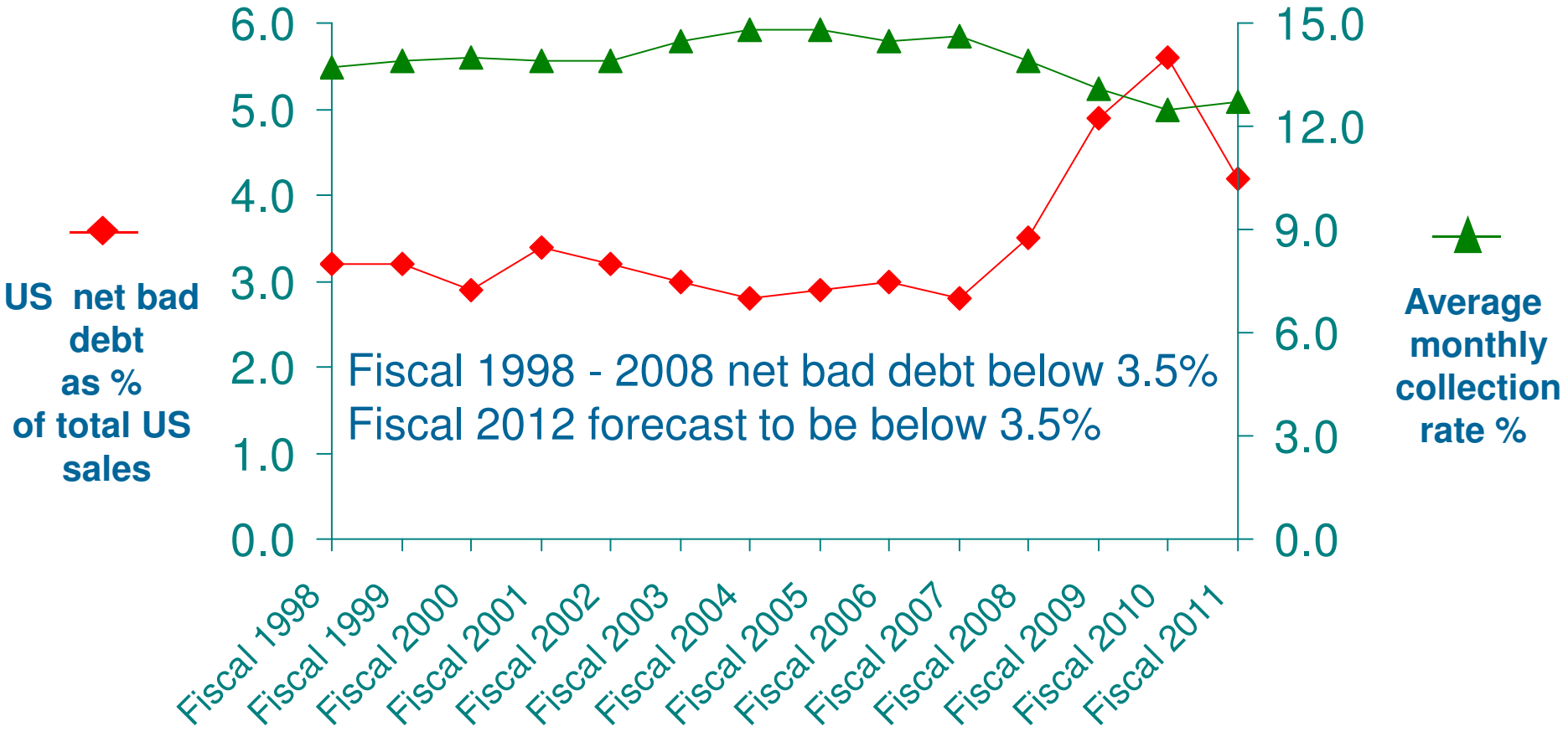
US Receivables Performance



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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

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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

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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

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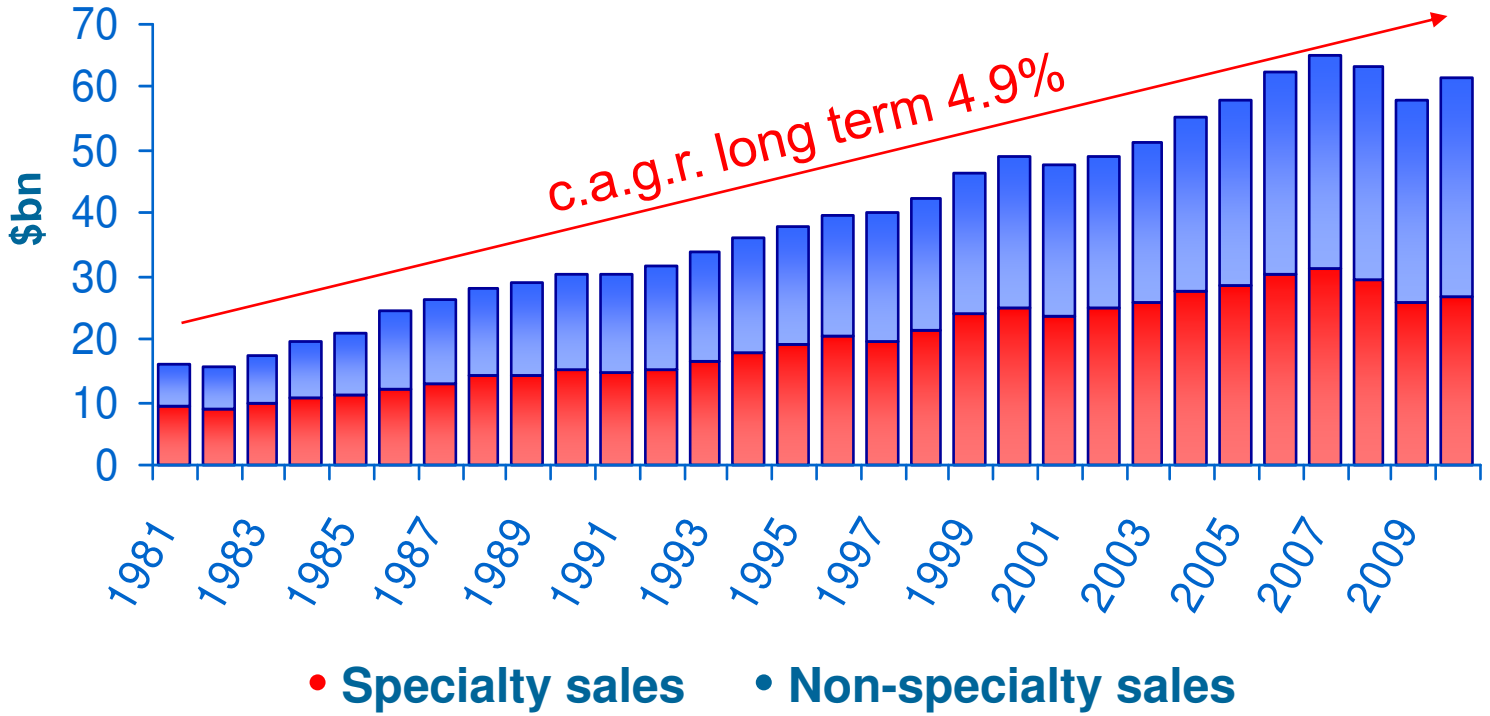
US Long Term Industry Growth

US Jewelry and Watch Market[1]

~40% of world diamond sales[2]



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

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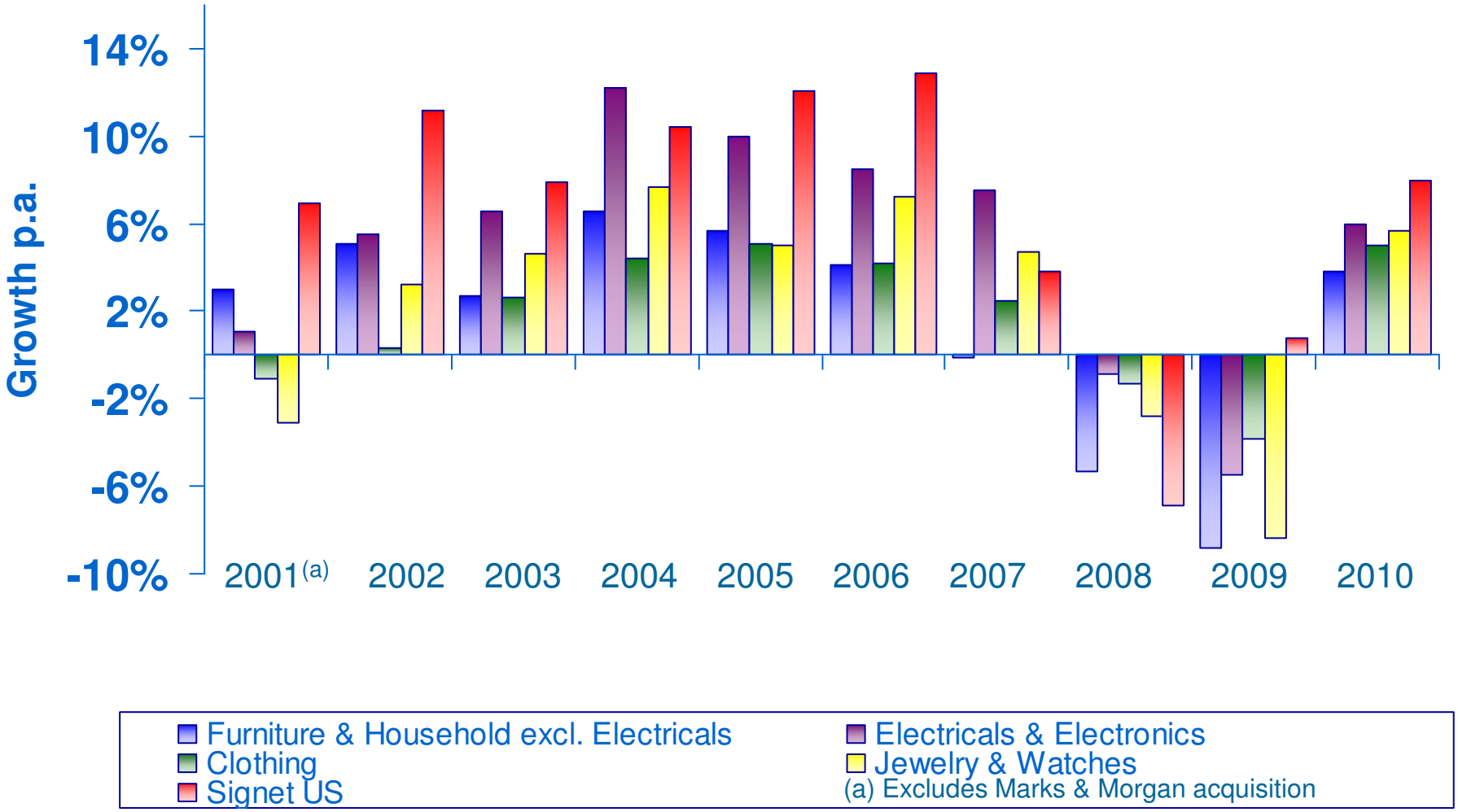
US Jewelry Sector Performance



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

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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

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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.

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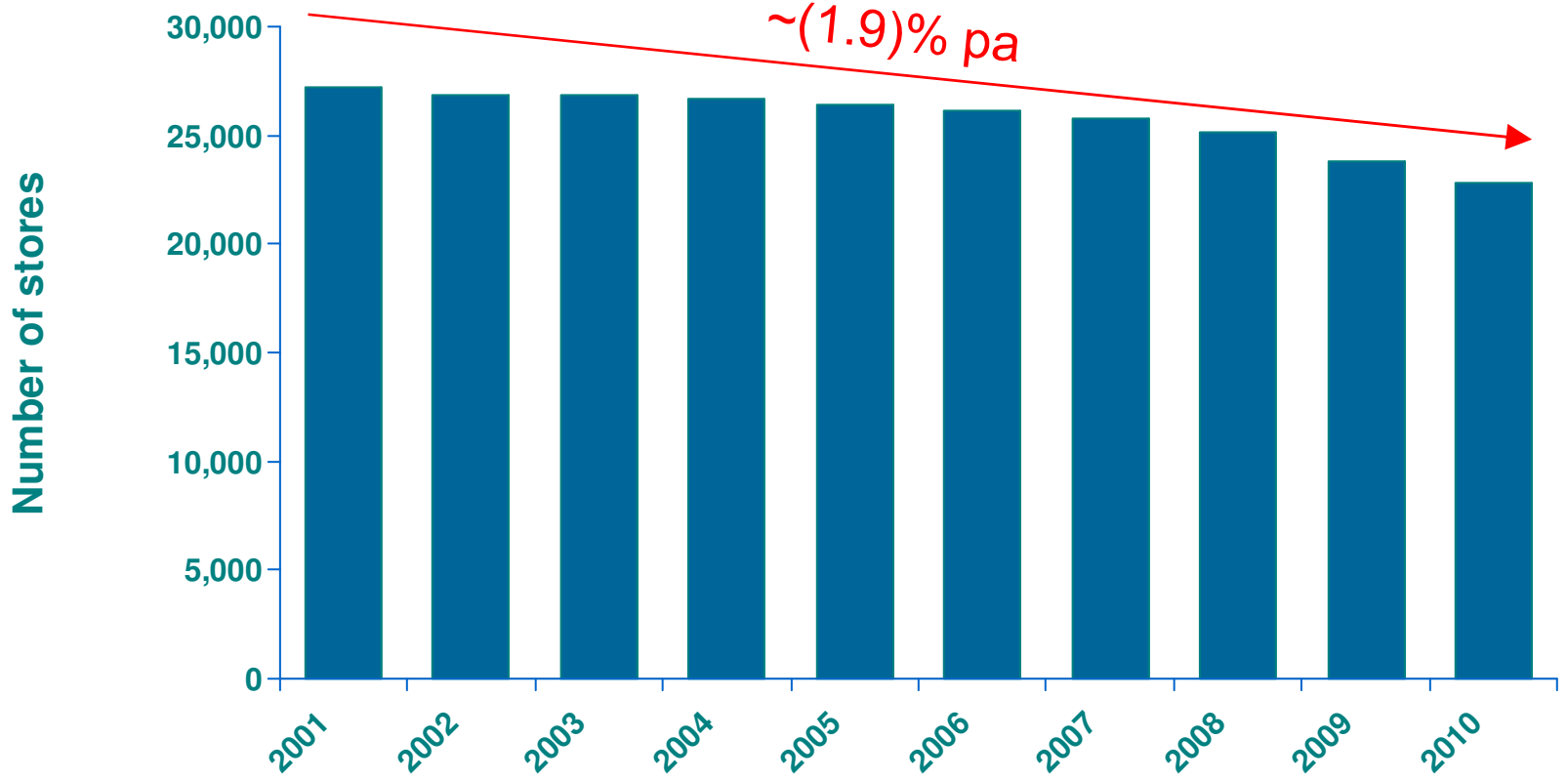
Fewer US Specialty Jewelry Stores



Source: US Bureau of Labor Statistics, August 2011.

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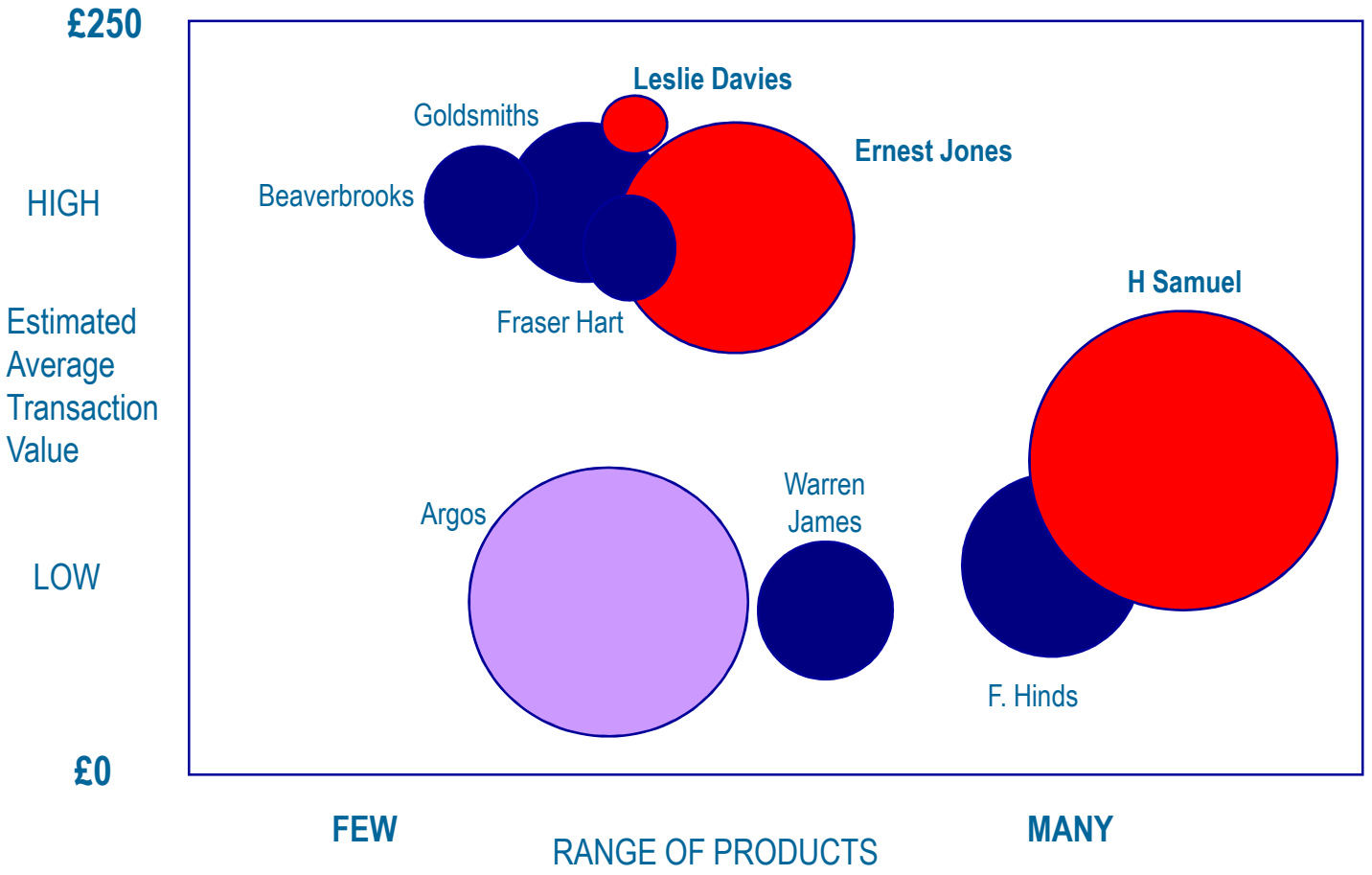
UK Retail Market Map
(ex. independents)



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Regulation G Disclosures

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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

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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.

	Fiscal 2011 $million	Fiscal 2010 $million
Net cash provided by operating activities	323.9	515.4
Net cash used in investing activities	(55.6)	(43.5)
Free cash flow, including Make Whole payment	268.3	471.9
Make Whole payment	47.5	-
Free cash flow, including Make Whole payment	315.8	471.9

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