

SIGNET JEWELERS

Fiscal 2015
Third Quarter Results

Tuesday, November 25, 2014

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, include statements regarding, among other things, Signet's 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, risks relating to Signet being a Bermuda corporation, 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 customer credit, seasonality of Signet's business, financial market risks, deterioration in customers' financial condition, exchange rate fluctuations, changes in consumer attitudes regarding jewelry, management of social, ethical and environmental risks, security breaches and other disruptions to Signet's information technology infrastructure and databases, 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, the impact of the acquisition of Zale Corporation on relationships, including with employees, suppliers, customers and competitors, the impact of stockholder litigation with respect to the acquisition of Zale Corporation, and our ability to successfully integrate Zale's operations and to realize synergies from the transaction.

For a discussion of these and other risks and uncertainties which could cause actual results to differ materially from those expressed in any forward-looking statement, see the "Risk Factors" section of Signet's Fiscal 2014 Annual Report on Form 10-K filed with the SEC on March 27, 2014 and the "Risk Factors" section of Signet's Quarterly Report on Form 10-Q filed with the SEC on September 10, 2014. 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 and disclosure relating to usefulness of such non-GAAP measures, please refer to slides 11 and 13 and Signet's Form 10-K dated March 27, 2014, filed with the SEC and available through Signet's website, www.signetjewelers.com.

Q3 Fiscal 2015 Financial Results

- Same store sales up 4.2% led by the Sterling Jewelers and UK divisions.
- Loss per share $0.02, in-line with guidance
- Adjusted EPS[1] $0.21, exceeds guidance
- On comparable basis, EPS $0.47 up from $0.42 in third quarter fiscal 2014; an increase of 11.9%

[1] Non-GAAP measure. See slide 11.











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Signet Sales Performance

Third Quarter Fiscal 2015	Total sales (in millions)	Change in same store sales [1]	Change in total sales [2]
Kay	$424.5	7.5%	10.9%
Jared	$227.4	6.5%	13.0%
Regional brands	$40.9	2.5%	(13.5)%
Sterling Jewelers (division & operating segment)	$692.8	6.8%	9.7%
Zales Jewelers	$215.5	(0.6)%	—
Gordon's Jewelers	$17.5	(1.3)%	—
Zale US Jewelry	$233.0	(0.7)%	—
Peoples Jewellers	$47.5	0.5%	—
Mappins	$8.6	(10.3)%	—
Zale Canada Jewelry	$56.1	(1.3)%	—
Zale Jewelry (operating segment)	$289.1	(0.8)%	—
Piercing Pagoda (operating segment)	$42.3	(1.5)%	—
Zale (division)	$331.4	(0.9)%	—
H.Samuel	$76.9	2.0%	5.2%
Ernest Jones	$74.1	5.5%	11.9%
UK (division & operating segment)	$151.0	3.7%	8.4%
Total Signet	$1,177.9	4.2%	52.7%

[1] Change in same store sales are at constant currency exchange rates
[2] Includes the impact of foreign exchange rate for the UK division. Excluding this impact, change in total sales for the UK division were 4.7%

Sterling Q3 Performance Drivers

- Delivering an excellent guest experience



- Innovative and successful merchandising initiatives



- New creative marketing



- Continued multi-channel growth



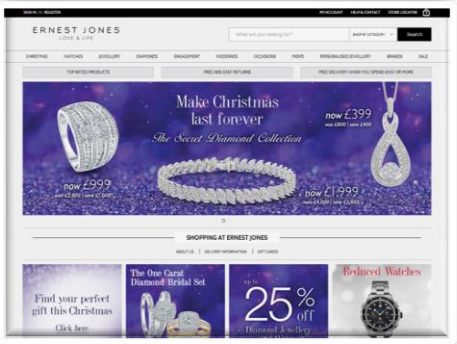
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UK Q3 Performance Drivers

- Store operations focus on guest experience
- Initiatives around bridal and diamonds
- Strong watch business
- Continued multi-channel growth







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Zale Accomplishments

- Completed store operations conference
- Strengthened marketing activity
- Launched market segmentation study
- Testing cross-merchandising / selling
- Innovative merchandise assortment







FOREVER FORWARD

2014 ZALE MANAGERS' LEADERSHIP CONFERENCE





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Ready to Win at Holiday

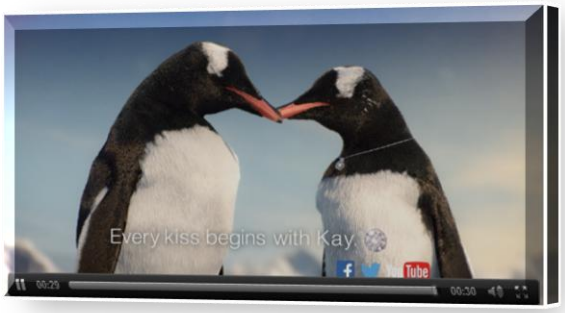
- Store operations: Manager leadership conferences, new store concepts



- Merchandise: Line extensions, new collections, cross selling



- Marketing: Better ad buys, new creative, store events, strategic promos

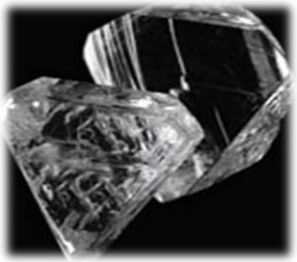
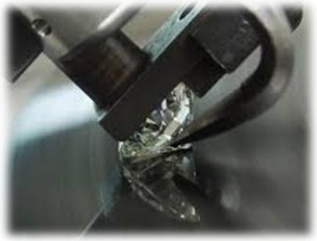


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Advancing Our Strategic Diamond Sourcing Initiative

- Entered into rough diamond supply contract with DeBeers
- Rough or unpolished diamonds continues to represent ~10% of value related to Sterling diamond procurement
  - Vast majority polished in our Botswana factory
  - Should be >20% over long term
- Helps ensure stores are supplied a proper quantity and quality of cuts they need.




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Third Quarter Fiscal 2015
Sales Performance

	Sterling	Zale	UK	Other[1]	Total
Sales Q3 2015 $m	692.8	331.4	151.0	2.7	1,177.9
Sales Q3 2014 $m	631.3	—	139.3	0.8	771.4
Change in sales	%	%	%	%	%
Change in same store sales[2]	6.8	(0.9)	3.7	—	4.2
Non-same store sales, net[3]	2.9	—	1.0	NM	47.5
Change in total sales at constant exchange rate[4]	9.7	—	4.7	NM	51.7
Exchange translation impact[4]	—	—	3.7	—	1.0
Change in total sales	9.7	—	8.4	NM	52.7

1. Includes sales from Signet's diamond sourcing initiative. NM – not meaningful.
2. Based on stores opened for 12 months.
3. Includes all sales from stores not open for 12 months.
4. Non-GAAP measure.

Third Quarter Fiscal 2015
Income Statement Highlights

Non-GAAP Reconciliation for the third quarter ended November 1, 2014

		Adjustments			
	Adjusted Signet	Purchase Accounting	Severance Costs	Transaction Costs	Signet
Sales	1,189.4	(11.5)		-	1,177.9
Cost of goods sold	(825.5)	(6.5)		-	(832.0)
Gross margin	363.9	(18.0)	-	-	345.9
SGA	(381.7)	4.4	(2.0)	(9.4)	(388.7)
Other operating income, net	53.5	-	-	-	53.5
Operating income (loss)	35.7	(13.6)	(2.0)	(9.4)	10.7
Interest expense, net	(11.0)	(1.6)	-	-	(12.6)
Income (loss) before income taxes	24.7	(15.2)	(2.0)	(9.4)	(1.9)
Income taxes	(8.2)	5.8	0.8	2.2	0.6
Net income (loss)	16.5	(9.4)	(1.2)	(7.2)	(1.3)
Earnings (loss) per share - diluted	0.21	(0.12)	(0.02)	(0.09)	(0.02)

Signet's 3rd Quarter Guidance	0.12 - 0.18	(0.14) - (0.12)	N/A	(0.09) - (0.07)	(0.11) - (0.01)

The Company uses adjusted metrics, which adjust for purchase accounting, severance and transaction costs principally in relation to the Zale acquisition to give investors information as to the Company's results without regard to the expenses associated with the May 2014 acquisition of Zale Corporation and certain severance costs.

Third Quarter Fiscal 2015 Operating Income (Loss)

	Q3 FY2015		Q3 FY2014	
	$m	**% of Division Sales**	$m	% of Division Sales
Sterling Jewelers Division	**68.1**	**9.8**	60.6	9.6
Zale Division[1]	**(34.5)**	**(10.4)**	-	-
UK Division	**(2.7)**	**(1.8)**	(4.4)	(3.2)
Other[2]	**(20.2)**	**-**	(4.6)	-
Signet	**10.7**	**0.9**	51.6	6.7

[1] Zale Division includes $13.6 million in purchase accounting costs.

[2] Other includes $11.4 million in severance and transaction costs.

Third Quarter Fiscal 2015
Adjusted Signet Detail[1]

	Adjusted Signet excluding Zale[2]		Zale operations		Adjusted Signet	
	$	**%**	**$**	**%**	**$**	**%**
Sales	846.5	100.0%	342.9	100.0%	1,189.4	100.0%
Cost of goods sold	(580.4)	(68.6)%	(245.1)	(71.5)%	(825.5)	(69.4)%
Gross margin	266.1	31.4%	97.8	28.5%	363.9	30.6%
SGA	(263.0)	(31.0)%	(118.7)	(34.6)%	(381.7)	(32.1)%
Other operating income, net	53.5	6.3%	-	0.0%	53.5	4.5%
Operating income (loss)	56.6	6.7%	(20.9)	(6.1)%	35.7	3.0%
Interest expense, net	(10.6)	(1.3)%	(0.4)	(0.1)%	(11.0)	(0.9)%
Income (loss) before income taxes	46.0	5.4%	(21.3)	(6.2)%	24.7	2.1%
Income taxes	(16.3)	(1.9)%	8.1	2.4%	(8.2)	(0.7)%
Net income (loss)	29.7	3.5%	(13.2)	(3.8)%	16.5	1.4%
Earnings (loss) per share - diluted	$ 0.38		**$ (0.17)**		$ 0.21	

[1] Non-GAAP measure. See slide 11.

[2] Includes capital structure and financing costs

Third Quarter Fiscal 2015
Adjusted Income Statement Highlights[1]

		% of Adjusted Sales
Operating income Q3 2014	**$51.6m**	
Adjusted gross margin	$363.9m	30.6%
Adjusted selling, general & admin.	($381.7)m	(32.1)%
Other operating income	$53.5m	4.5%
Adjusted operating income Q3 2015	**$35.7m**	**3.0%**
Adjusted net interest	($11.0)m	
Adjusted income tax	($8.2)m	
Adjusted earnings per share	**$0.21**	

[1] Non-GAAP measures. See slide 11.

Inventory Q3 Fiscal 2015

- Ending inventory $2,674.6 million, up $1,029.7 million due to:
  - Zale division – Inventory of $979.3 million
  - Sterling division – Primarily bridal brand extensions, loose diamonds, and new stores $66.8 million
- Inventory well-positioned for holiday season









Credit Metrics

Third Quarter	**Fiscal 2015**	Fiscal 2014
Accounts receivable, net	**$1,292.1m**	$1,123.5m
Sterling credit participation	**65.8%**	63.4%
Sterling average monthly collection rate	**11.4%**	11.7%

Year to Date	**Fiscal 2015**	Fiscal 2014
Sterling credit participation	**61.7%**	58.9%
Sterling average monthly collection rate	**12.1%**	12.3%

Credit Statistics

Third Quarter	Fiscal 2015	Fiscal 2014
Net bad debt	**($41.7)m**	($35.1)m
Other operating income, net	**$53.5m**	$45.8m
Net Impact	**$11.8m**	$10.7m

Year to Date	Fiscal 2015	Fiscal 2014
Net bad debt	**($105.8)m**	($92.9)m
Other operating income, net	**$161.2m**	$139.1m
Net Impact	**$55.4m**	$46.2m

Allowance as a % of ending accounts receivable	**7.4%**	7.5%

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Other Balance Sheet Highlights

- Long-term debt $1.4B versus $0.0, due to financing of Zale acquisition
  - 2.6% weighted average interest cost of debt
  - $600M asset-backed securitization, $400M term loan, and $400M senior notes at 4.7%
- Utilized $145.0M of revolving credit facility for seasonal needs
- Capital structure expectations
  - Continue to evaluate cash flow characteristics of new business model
  - Operate business through holiday selling season before making repurchase commitment for Fiscal 2016

Financial Guidance

Fourth Quarter Fiscal 2015	
Same store sales	**3.0% to 4.0%**
EPS	($2.69) to ($2.83)
Adjustments:	
Purchase accounting	($0.17) to ($0.15)
Transaction costs	($0.09) to ($0.07)
Adjusted EPS (EPS less Adjustments)	**$2.95 to $3.05**

Adjusted EPS expected to be favorably impacted by Zale operations in fourth quarter Fiscal 2015 by $0.36 to $0.40.

Fiscal 2015	
EPS	$4.59 to $4.72
Adjusted EPS Adjusted EPS expected to be favorably impacted by Zale operations in Fiscal 2015 by $0.20 to $0.24.	**$5.51 to $5.61**
Effective tax rate	29.3%
Capital expenditures	$240M to $250M
Net selling square footage growth	45.0% to 47.5%



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