

KAY JEWELERS

ZALES THE DIAMOND STORE®

H.SAMUEL THE JEWELLER

ERNEST JONES LOVE & LIFE

PEOPLES CANADA'S #1 DIAMOND STORE

JARED The Galleria Of Jewelry

PIERCING Pagoda ear piercing & more a brand of Zale Corporation

SIGNET JEWELERS

Fiscal 2015

Fourth Quarter & Fiscal Year Results

Thursday, March 26, 2015

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 Signet's credit rating, 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 2015 Annual Report on Form 10-K filed with the SEC on March 26, 2015. 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 slides 10 and 12 and Signet's Fiscal 2015 Annual Report on Form 10-K available on Signet's website, www.signetjewelers.com.

Q4 Fiscal 2015 Financial Results

- Increased same store sales 4.2%
  - Sterling division up 3.7%
  - Zale division up 3.7%
  - UK division up 7.5%
- Earnings per share (EPS) $2.84, up 30.3%; adjusted EPS $3.06, up 40.4% from fourth quarter Fiscal 2014
- On comparable basis, EPS $2.53, up 16.1% from fourth quarter Fiscal 2014



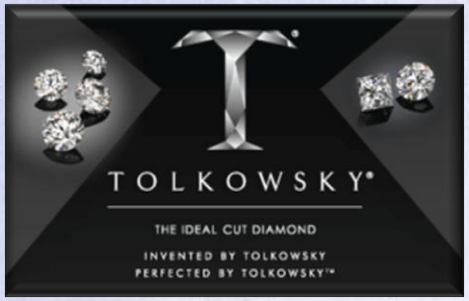


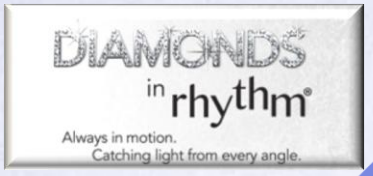






Sterling Q4 Performance Drivers



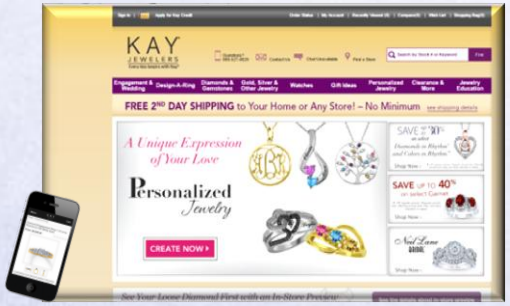






- Superior guest experience
- Merchandise: Bridal, Diamonds in Rhythm
- Targeted marketing
- Multichannel: Outlets, eCommerce









Zale Q4 Performance Drivers











- Bridal, branded diamond collections
- New marketing
- In-store teams and events
- Other drivers (e.g. Canada, kiosks, e-commerce)

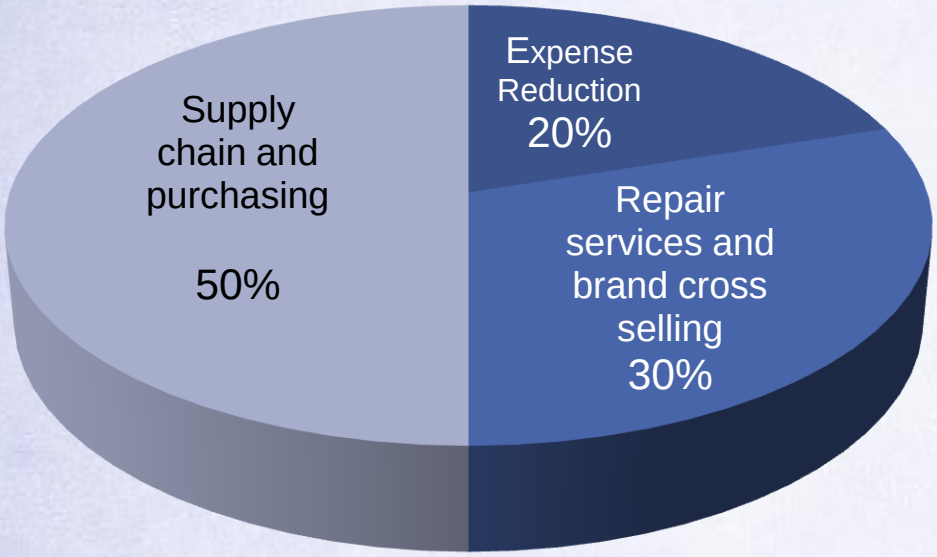




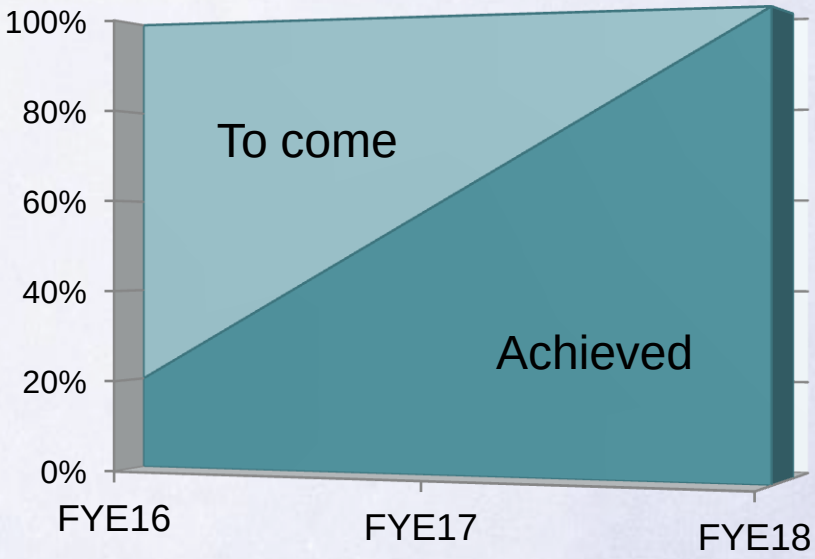


Three-Year Net Synergies from Zale Acquisition

Estimated Synergy Sources by Functional Area
$150M - $175M in Operating Profit Contribution

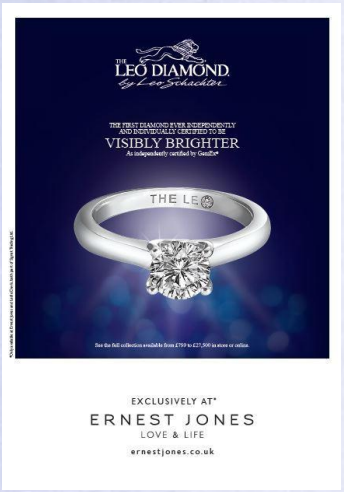


Estimated Total Net Synergy Timing



UK Q4 Performance Drivers





- Focus on selling diamonds
- Watches
- Sales channel development (e.g. stores, e-comm)
- Expanded marketing program
- Implementation of selling and collaborative culture





H.Samuel tv advertisement

Fiscal 2015 Accomplishments

- Zale acquisition and integration
- UK turnaround
- 1-team mindset established
- Jared Vault
- Vertical integration; DeBeers Sightholder
- Brand development and line extensions
- Omni-channel advances
- Profitable comp sales growth leading to operating margin expansion
- Dividend growth and share buyback
- ~$10B market capitalization

ZALES
THE DIAMOND STORE®
zales.com

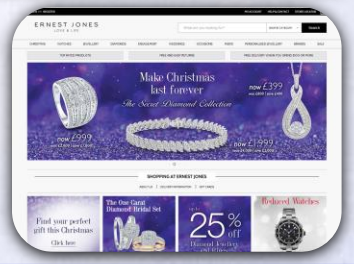


Signetize
verb *(sig-ne-tiz)*









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LISTED
NYSE

Q4 Fiscal 2015 Sales Performance

Fourth Quarter Fiscal 2015	Change in same store sales[1]	Total sales at constant exchange rate[2]	Exchange translation impact[2]	Change in total sales	Total sales (in millions)
Kay	4.6%	7.0%	—	7.0%	$862.8
Jared	2.6%	6.2%	—	6.2%	$416.7
Regional brands	—	(11.7)%	—	(11.7)%	$78.8
Sterling Jewelers division	3.7%	5.5%	—	5.5%	$1,358.3
Zales Jewelers	3.7%				$427.1
Gordon's Jewelers	(2.3)%				$32.1
Zale US Jewelry	3.2%				$459.2
Peoples Jewellers	7.1%				$90.0
Mappins	3.5%				$15.4
Zale Canada Jewelry	6.6%				$105.4
Zale Jewelry	3.8%				$564.6
Piercing Pagoda	2.7%				$72.1
Zale division	3.7%				$636.7
H.Samuel	6.0%	5.7%	(5.3) %	0.4%	$152.1
Ernest Jones	9.3%	10.1%	(5.8) %	4.3%	$125.9
UK Jewelry division	7.5%	7.7%	(5.6) %	2.1%	$278.0
Other	—	NM	—	NM	$3.4
Signet	**4.2%**	**46.9%**	**(1.4)%**	**45.5%**	**$2,276.4**
Adjusted Signet[3]					$2,289.2
Adjusted Signet excluding Zale[3]					$1,639.7

1. Based on stores opened for at least 12 months. 2. Non-GAAP measure. 3. Non-GAAP measure. Reconciliations on slides 10 and 12.

Non-GAAP Reconciliation (in millions of $)

		Adjustments		
	Adjusted Signet	Purchase Accounting	Transaction Costs	Signet
Sales	2,289.2	(12.8)	—	2,276.4
Cost of goods sold	(1,352.3)	(12.0)	—	(1,364.3)
Gross margin	936.9	(24.8)	—	912.1
SGA	(629.3)	4.0	(9.2)	(634.5)
Other operating income, net	54.1	—	—	54.1
Operating income (loss)	361.7	(20.8)	(9.2)	331.7
Interest expense, net	(10.7)	2.8	—	(7.9)
Income (loss) before income taxes	351.0	(18.0)	(9.2)	323.8
Income taxes	(105.4)	6.8	2.8	(95.8)
Net income (loss)	245.6	(11.2)	(6.4)	228.0
Earnings (loss) per share - diluted	$3.06	($0.14)	($0.08)	$2.84
Signet's Fourth Quarter Guidance	$2.95 - $3.05	($0.17) – ($0.15)	($0.09) – ($0.07)	$2.69 - $2.83

Q4 Fiscal 2015 Operating Income (Loss)

	Q4 FY2015		Q4 FY2014	
	$m	% of Division Sales	$m	% of Division Sales
Sterling Jewelers division	260.0	19.1%	227.9	17.7%
Zale division[1]	36.1	5.7%	na	na
UK Jewelry division	53.8	19.4%	51.7	19.0%
Other[2]	(18.2)	nm	(9.0)	nm
Signet	$331.7	14.6%	270.6	17.3%

1. Zale Division includes $20.8 million in purchase accounting costs
2. Other includes $9.2 million in transaction-related and integration expense

Q4 Fiscal 2015 Adjusted Signet Detail[1]

	Adjusted Signet excluding Zale[2]		Zale operations		Adjusted Signet	
	$m	%	$m	%	$m	%
Sales	1,639.7	100.0%	649.5	100.0%	2,289.2	100.0%
Cost of goods sold	(951.7)	(58.0)%	(400.6)	(61.7)%	(1,352.3)	(59.1)%
Gross margin	**688.0**	**42.0%**	**248.9**	**38.3%**	**936.9**	**40.9%**
SGA	(439.6)	(26.8)%	(189.7)	(29.2)%	(629.3)	(27.5)%
Other operating income, net	56.4	3.4%	(2.3)	(0.4)%	54.1	2.4%
Operating income (loss)	**304.8**	**18.6%**	**56.9**	**8.7%**	**361.7**	**15.8%**
Interest expense, net	(10.1)	(0.6)%	(0.6)	(0.1)%	(10.7)	(0.5)%
Income (loss) before income taxes	**294.7**	**18.0%**	**56.3**	**8.6%**	**351.0**	**15.3%**
Income taxes	(83.4)	(5.1)%	(22.0)	(3.4)%	(105.4)	(4.6)%
Net income (loss)	**211.3**	**12.9%**	**34.3**	**5.2%**	**245.6**	**10.7%**
Earnings (loss) per share - diluted	**$2.63**		**$0.43**		**$3.06**	

1. **Non GAAP measure. See slide 10**
2. **Includes $0.10 benefit related to capital structure and financing costs.**

Q4 Fiscal 2015 Adjusted Income Statement Highlights[1]

	$m	% of Adjusted Sales
Operating Income Q4 2014	**$270.6**	
Adjusted gross margin	936.9	40.9%
Adjusted selling, general & admin.	(629.3)	(27.5)%
Other operating income	54.1	2.4%
Adjusted operating income Q4 2015	**$361.7**	**15.8%**
Adjusted earnings per share		**$3.06**

1. **Non-GAAP measures. See slide 10.**

Fiscal 2015 Inventory

- Ending inventory $2,439.0 million, up $951.0 million due to
  - Zale division inventory of $917.6 million
  - Sterling division increase of $50.2 million
- Inventory levels well-positioned for the first quarter of Fiscal 2016







Credit Metrics

	Fiscal 2015	Fiscal 2014
Accounts receivable, net (in millions)	$1,567.6	$1,374.0
Sterling credit participation	60.5%	57.7%
Sterling average monthly collection rate	11.9%	12.1%

Fourth Quarter	**Fiscal 2015**	**Fiscal 2014**
Sterling credit participation	58.3%	55.5%
Sterling average monthly collection rate	11.2%	11.5%

Credit Statistics

(in millions)	Fiscal 2015	Fiscal 2014
Net bad debt	($160.0)	($138.3)
Interest income from in-house customer finance programs	$217.9	$186.4
Net Impact	$57.9	$48.1

Fourth Quarter	Fiscal 2015	Fiscal 2014
Net bad debt	($54.3)	($45.5)
Interest income from in-house customer finance programs	$56.5	$47.8
Net Impact	$2.2	$2.3

Allowance as a % of ending accounts receivable	**6.8%**	**6.7%**

Capital Allocation Strategy

- Maintain strong balance sheet that provides flexibility
  - Support execution of strategic priorities
  - Invest in business
  - Return excess cash to shareholders
  - Ensure adequate liquidity
- Committed to maintaining investment grade rating
- Key capital strategy tenets
  - Adjusted debt / adjusted EBITDAR at or below 3.5x
  - Distribute 70% - 80% of annual free flow cash to shareholders
  - Increase dividend consistently
  - Repurchase $100M - $150M of SIG stock this fiscal year
  - Evaluate utilizing additional capacity under Signet's ABS beginning in FY 2017

Adjusted Leverage Ratio Calculation, FY 2015 ($ in mils.)

$1,553	x	70%	=	$1,087				
Managed receivables		Financing assumption		Captive finance debt				
$1,364	+	$97	=	$1,461				
Long-term debt		Loans and overdrafts		Balance sheet debt				
$1,461	+	$3,703	-	$1,087	=	$4,077		
Balance sheet debt		8x rent		Captive finance debt		Adjusted debt		
$763	+	$463	+	$12	-	$218	=	$1,020
Adjusted EBITDA		Rent expense		Share-based comp.		Finance income		Adjusted EBITDAR

Fiscal Year 2015 Adjusted Leverage Ratio = 4.0x

Financial Guidance

First Quarter Fiscal 2016	
Same store sales	**3% to 4%**
EPS	$1.42 to $1.49
Adjustments:	
Purchase accounting	($0.12) to ($0.10)
Transaction costs	($0.03)
Adjusted EPS (EPS less adjustments per share)	**$1.57 to $1.62**

In first quarter Fiscal 2016, adjusted EPS is expected to be favorably impacted by Zale operations by $0.17 to $0.18.

Fiscal 2016	
Effective tax rate	28% to 29%
Capital expenditures	$275M to $325M
Net selling square footage growth	2% to 3%



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