

**SIGNET**  
JEWELERS

**“Competitive Advantages  
Reinforcing Sector Leadership”**

**March 2009**

**KAY**  
JEWELERS  
Every kiss begins with Kay.®

**JARED**  
The Galleria Of Jewelry

**H.SAMUEL**  
THE JEWELLER

**Ernest Jones**  
The Diamond & Watch Specialist

# Safe Harbor Statement

## (Private Securities Litigation Reform Act of 1995)

This presentation include 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 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, growth, strategies and the industry in which the Group operates. Our use of the words "expects," "intends," "anticipates," "estimates," "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 Group, the reputation of the Group, the level of competition in the jewelry sector, the price and availability of diamonds, gold and other precious metals, seasonality of the Group's business and financial market risk.

For a discussion of these and other risks and uncertainties which could cause actual results to differ materially, see the "Risk and other factors" section of the Annual Report & Accounts of Signet Group plc furnished as an exhibit to its Report on Form 6-K furnished with the U.S. Securities and Exchange Commission on May 1, 2008 and other filings made by the Company with the Commission. Actual results may differ materially from those anticipated in such forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein may not be realized. The Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

# World's Largest Specialty Jeweler



**Kay Jewelers - #1 in US**  
Sales: c.\$1.4bn Stores: 926 in 50 states



**H.Samuel - #1 in UK**  
Sales: c.£250m Stores: 352



**Jared - #1 Off-Mall "Category Killer"**  
Sales: c.\$700m Stores: 171 in 35 states

As at January 31, 2009



**Ernest Jones - #1 UK upper middle market**  
Sales: c.£205m Stores: 206

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# Very Challenging Environment

- ⇒ General consumer weakness
  - ⇒ US specialty jewelry sales down 18.5% over Holiday
  - ⇒ second poor Christmas for middle market
- ⇒ Volatile commodity costs
- ⇒ Weak operators causing short term disruption
- ⇒ Outlook uncertain, concerns over increasing unemployment

# Reasons to Invest in Sector

- ⇒ People will continue to buy jewelry
  - ⇒ bridal
  - ⇒ gift giving
  - ⇒ self reward
- ⇒ Accelerated sector rationalization underway
  - ⇒ fragmented market
    - c.25,000 specialty doors in US
    - 22,623 firms with sales of \$29 billion
- ⇒ Sustainable competitive advantages can be established based on:
  - ⇒ scale
  - ⇒ expertise

# Our Competitive Advantages in US

- ⇒ Quality of customer service
  - ⇒ 3.8 diamontologists per store on average
  - ⇒ leading in-store operations
- ⇒ Direct source c.50% of polished diamonds
- ⇒ Successful, exclusive merchandise
- ⇒ Kay and Jared advertise on national TV
- ⇒ High quality real estate
- ⇒ In-house credit operation
- ⇒ Experienced jewelry sector management

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# Outperformance over Holiday 2008

	Same Store Sales	Gross Margin
Signet US	(16.1)%	c.+250 bpts <sup>a</sup>
Zales (inc Canada)	(17.9)%	-530 bpts
Finlay specialty jewelry	c.(35.0)%	na
Blue Nile (US)	c.(28.0)% <sup>b</sup>	c.-50 bpts <sup>c</sup>
Birks & Mayors (US)	(28.0)%	-590 bpts <sup>c</sup>
Shane	(32.0)% <sup>d</sup>	na
Tiffany (US)	(35.0)%	na

a Gross merchandise margin

c Group wide

b 13 week basis

d From Chapter 11 filing

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# Signet's Leading Performance

	Sales Growth 5 year c.a.g.r.	Operating Margin 5 year average	EBIT/Total Assets <sup>a</sup> 5 year average
Signet US <sup>b</sup>	9.4%	12.0%	14.9%
Zale Corp <sup>c</sup>	(0.9)%	4.8%	8.2%
Typical US Specialty Jeweler <sup>d</sup>	4.4%	5.5%	7.7%

a Total assets excludes goodwill

b To y.e. February 2, 2008

c To y.e. January 31, 2008 based on SEC Filings

d To y.e. December 31, 2007 based on JA Cost of Doing Business, sales data from US Census

# Competitors Under Pressure

	Sales \$m		No. of stores	
	2007	2002	2007	2002
Kay <sup>a</sup>	1,490	1,011	894	676
Zales <sup>ab</sup>	1,089	1,004	789	757
Jared <sup>a</sup>	756	259	154	67
Helzberg <sup>d</sup>	500	550	268	254
Fred Meyer <sup>de</sup>	465	475	400	442
Gordon's <sup>ab</sup>	329	321	282	298
Friedman's <sup>cd</sup>	300	674	Liquidated 2008	665
Bailey Banks & Biddle <sup>ab</sup>	284	315	69	120
Shane <sup>g</sup>	270	n/a	In Chapter 11	n/a
Whitehall <sup>af</sup>	243	341	Liquidated in 2008	378
Other Specialty	c.25,000	c.19,700	c.22,000	c.23,000

a Source: Accounts

b July 2002 or 2007 year end

c Includes Crescent

d Source: National Jeweler estimate

e Includes Littman's and departments in supermarkets

f Includes Lundstrom

g Chapter 11 filing

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# Industry Leader in UK

- ⇒ c.60% larger than 3<sup>rd</sup> largest US mid market jeweler
- ⇒ Similar sustainable competitive advantage to US division
- ⇒ Bigger than next 5 UK competitors combined
- ⇒ Strong financial performance

5 year average	Operating Margin	EBIT/Total Assets <sup>a</sup>
Signet UK <sup>b</sup>	12.7%	23.5%
Typical UK Specialty Jewelers <sup>c</sup>	7.1%	10.3%

a Total assets excludes goodwill

b To y.e. February 2, 20

c Based on latest Companies House filings for 5 largest specialty jewelers excluding Signet

# Financial Strength

- ⇒ EBIT / interest of about 7 times<sup>a</sup>
- ⇒ Cash flow positive before financing activities<sup>a</sup>
- ⇒ Net debt / tangible net worth of around 30%<sup>a</sup>
- ⇒ Market capitalisation / tangible net worth<sup>a</sup> of about 40%
- ⇒ Store investment requires 20% IRR over 5 years
- ⇒ In compliance with borrowing agreements<sup>a</sup>
  - ⇒ proactively initiated negotiations to reduce facilities and amend fixed charge covenant

<sup>a</sup> Forecast data for fiscal 2009

# Priorities in Fiscal 2010

- ⇒ Action to realign trading stance in extremely challenging marketplace
  - ⇒ work with suppliers to offset impact of input cost increases
  - ⇒ maximize gross margin dollars in highly promotional environment
  - ⇒ cut costs
  - ⇒ decrease inventory
  - ⇒ lower capital expenditure & a small space reduction
  - ⇒ meaningful fall in net debt
- ⇒ Maintain sector leading status
  - ⇒ responsive to changes in marketplace
  - ⇒ focus on key competitive strengths
  - ⇒ be best placed for when consumer recovers

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