



Fiscal 2010 Q3 Results

November 24, 2009

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H.SAMUEL
T H E J E W E L L E R

Ernest Jones
The Diamond & Watch Specialist

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Certain financial information 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 the Company's press release date November 24, 2009 available on the Company's website, www.signetjewelers.com

Further Progress in Executing Strategy

- ⇒ Maximize profit and cash flow
- ⇒ Strengthen balance sheet
- ⇒ Reduce business risk
- ⇒ Focus on competitive advantages
- ⇒ Increase market share in a consolidating sector
- ⇒ Well placed for Holiday Season and recovery in consumer confidence

Some Improvement in Sales Trends in Q3

	Q 3			Year to Date		
	US	UK	Group	US	UK	Group
	%	%	%	%	%	%
Same store sales	(2.4)	(0.2)	(1.9)	(3.5)	(3.0)	(3.4)
Change in store space	0.7	4.7	1.7	1.3	3.8	1.8
Constant exchange rate	(1.7)	4.5	(0.2)	(2.2)	0.8	(1.6)
Exchange impact	-	(9.2)	(2.3)	-	(18.4)	(4.4)
As reported	(1.7)	(4.7)	(2.5)	(2.2)	(17.6)	(6.0)

Another Quarter of Improvement

	Q 3			Year to Date		
	2010 \$m	2009 CER \$m	2009 GAAP \$m	2010 \$m	2009 CER \$m	2009 GAAP \$m
Sales	613.7	615.1	629.3	2,087.1	2,121.0	2,220.7
Operating (loss) / income	(3.1)	(12.8)	(14.2)	95.9	71.3	69.2
Interest expense	(7.4)	(9.4)	(9.4)	(26.5)	(21.9)	(22.1)
(Loss) / Income before tax	(10.5)	(22.2)	(23.6)	69.4	49.4	47.1
Tax	3.5	8.0	8.5	(22.5)	(17.6)	(16.8)
Net (loss) / income	(7.0)	(14.2)	(15.1)	46.9	31.8	30.3
(Loss) / earnings per share	\$(0.08)	\$(0.17)	\$(0.18)	\$0.55	\$0.37	\$0.35

CER=At constant exchange rates

Movement in Operating Margin

	Quarter 3			Year to Date		
	US	UK	Group	US	UK	Group
Operating margin fiscal 2009	(1.3)%	(2.4)%	(2.3)%	5.4%	0.3%	3.1%
Relisting costs						0.5%
Operating margin excluding relisting cost	(1.3)%	(2.4)%	(2.3)%	5.4%	0.3%	3.6%
Gross merchandise margin	1.4%	(0.1)%	1.1%	0.8%	0.3%	0.7%
Operational leverage/ (deleverage)	1.0%	0.2%	0.7%	0.7%	(1.5)%	0.3%
Impact of new space	(0.1)%	-	-	(0.1)%	-	-
Operating margin fiscal 2010	1.0%	(2.3)%	(0.5)%	6.8%	(0.9)%	4.6%

Good Progress Against Financial Objectives

- ⇒ Gross merchandise margin
 - ⇒ YTD: US up 80 bpts: UK up 30 bpts
 - ⇒ Objective
 - US: at least at last year's level
 - UK: little below last year
- ⇒ Slightly ahead of US cost reduction program
 - ⇒ \$70 million achieved YTD
 - ⇒ \$100 million full year objective*
- ⇒ UK costs broadly in-line to last year

* Before inflation, bad debt, volume variances

Good Progress Against Financial Objectives

⇒ Capital expenditure

- ⇒ YTD \$30.3 million (YTD fiscal 2009: \$96.4 million)
- ⇒ full year target \$55 million (fiscal 2009: \$114.9 million)
- ⇒ 20% IRR criteria maintained

⇒ Inventory

- ⇒ successfully realigned
- ⇒ full year objective \$100 million reduction further increased to \$150 million
- ⇒ capacity to adjust inventory levels during the Holiday Season

Continued Improvement in Free Cash Flow & Net Debt

	YTD 10	YTD 09
	\$m	\$m
Adjusted net income [†]	135.9	120.2
Change in operating assets*	217.4	(72.6)
Investing activities*	(26.8)	(55.7)
Investment in new US stores	(17.0)	(89.6)
Dividends	-	(107.4)
Issue of shares	0.9	-
Foreign exchange impact	(0.4)	1.9
Change in net debt	310.0	(203.2)

Anticipated net debt reduction of \$300 - \$350m in fiscal 2010

[†] including amendment fees, also depreciation and other non-cash adjustments

* exc. new US stores

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US Jewelry

“Further growth from a proven strategy”

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US Operating Results

	Q 3		Year to Date	
		Change		Change
Total sales	\$459.3m	(1.7)%	\$1,636.7m	(2.2)%
Same store sales		(2.4)%		(3.5)%
ASP ^(a)	\$448	(3.7)%	\$392	(8.0)%
Operating income	\$4.8m	up \$11.0m	\$111.6m	up \$20.9m
Operating margin	1.0%	up 230 bpts	6.8%	up 140 bpts

a excluding new product launch

b Includes benefit of change in vacation policy of \$5m and \$15m for quarter 3 and Year to Date

Well Prepared For Holiday

- ⇒ Well trained and motivated staff
- ⇒ Increased selection of differentiated ranges
- ⇒ Robust supply chain flexibility
- ⇒ Additional targeted promotional activity
- ⇒ National television impressions broadly similar to last year
- ⇒ Increased focus on differentiated merchandise in marketing
- ⇒ Further improvements to e-commerce sites

In-house Receivables a Competitive Advantage

- ⇒ YTD credit metrics
 - ⇒ participation up 70 bpts
 - ⇒ approval rate up 160 bpts
 - ⇒ net bad debt to total sales 6.0% - up 120 bpts
 - ⇒ collection rate 12.9% - down by 50 bpts
- ⇒ Performance driven by macro-economic factors
- ⇒ Credit offer unchanged while many competitors constrained

Opportunities in a Very Challenging Environment

- ⇒ Poor economic environment
 - ⇒ high levels of unemployment
 - ⇒ low hours worked
 - ⇒ increased savings rate
- ⇒ Opportunities in fourth quarter
 - ⇒ significant specialty jewelry sector consolidation during last two years
 - ⇒ no major jewelry liquidations in fourth quarter
 - ⇒ many jewelers under significant financial pressure resulting in reduced capability to compete
 - ⇒ ability to maintain consistent credit offer due to strong balance sheet
 - ⇒ less promotional activity in the retail sector anticipated

UK Jewelry

*“Making existing space
work harder”*

H.SAMUEL
THE JEWELLER

ERNEST JONES
THE DIAMOND & WATCH SPECIALIST

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UK Operating Results

	Q 3		Year to Date	
		Change		Change
Total sales *	\$154.4m	4.5%	\$450.4m	0.8%
Same store sales*		(0.2)%		(3.0)%
ASP	£80	7.6%	£81	6.6%
Operating loss	\$(3.6)m	up \$0.3m	\$(3.9)m	down \$(5.8)m
Operating margin	(2.3)%	10 bpts	(0.9)%	down 120 bpts

* At constant exchange rates

Drivers of Q4 Performance

- ⇒ Very challenging economic environment
- ⇒ Strengthened competitive position
 - ⇒ further improvements in customer service
 - ⇒ over 25% of holiday sales on new tested product
 - ⇒ increase in key volume lines
 - ⇒ utilization of 10 second TV advertising spots by H.Samuel
 - ⇒ greater focus on CRM for both H.Samuel and Ernest Jones
 - ⇒ continued development of e-commerce

Group Competitive Advantages Reinforcing Sector Leadership

- ⇒ Gaining profitable market share in sector undergoing accelerated rationalization
- ⇒ Effective strategy in tough environment
- ⇒ Strong balance sheet and cash flow
- ⇒ Strengthening significant competitive advantages
- ⇒ Well positioned for recovery