



Fiscal 2011 Q1 Results

May 27, 2010

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JARED[®]
The Galleria Of Jewelry
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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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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 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 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 the Company 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.

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 Company's Fiscal 2010 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 30, 2010. Actual results may differ materially from those anticipated in such forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

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 May 27, 2010 available on the Company's website, www.signetjewelers.com

Continued Progress in Executing Two Year Strategy

- ⇒ Leverage competitive advantages to gain profitable market share
- ⇒ Reduce business risk
 - ⇒ aim to improve operating margin through greater store productivity
 - ⇒ maintain financial strength & flexibility
- ⇒ Focus on profit & cash flow maximization
- ⇒ Well placed for recovery in consumer spending

Improved Sales Trend Continues in Q1

13 weeks to May 1, 2010	US	UK	Signet
	%	%	%
Same store sales	7.2	(0.2)	5.8
Change in store space	(0.4)	(1.5)	(0.6)
Constant exchange rate	6.8	(1.7)	5.2
Exchange impact	-	5.5	1.0
As reported	6.8	3.8	6.2

Further Profit Growth

Q1 fiscal	2010	2009	2009
	\$m	CER \$m	\$m
Sales	810.0	770.2	762.6
Operating income	85.5	52.2	52.4
Net interest expense	(8.7)	(11.0)	(11.0)
Income before income taxes	76.8	41.2	41.4
Income taxes	(24.8)	(15.0)	(15.1)
Net income	52.0	26.2	26.3
Basic earnings per share	\$0.61	\$0.31	\$0.31

CER: At constant exchange rates

Movement in Operating Margin

Change in	US	UK	Group
Operating margin Q1 fiscal 2010	9.0%	(0.9)%	6.9%⁽¹⁾
Gross merchandise margin	0.9%	(1.0)%	0.5%
Net bad debt	1.2%	-	1.0%
Leverage, primarily of store occupancy	1.7%	0.5%	1.6%
Gross margin movement	3.8%	(0.5)%	3.1%
Selling, general & administrative expenses	1.4%	0.2%	1.0%
Other operating income	(0.5)%	0.2%	(0.4)%
Operating margin Q1 fiscal 2011	13.7%	(1.0)%	10.6%⁽¹⁾

(1) Includes unallocated costs, principally central costs

Good Progress Against Financial Objectives

- ⇒ Gross merchandise margin
 - ⇒ YTD: US up 90 bpts: UK down 100 bpts
 - ⇒ Full year objective
 - US: now expected to be broadly similar to fiscal 2010
 - UK: somewhat below last year
- ⇒ Controllable costs⁽¹⁾ broadly flat at CER
 - ⇒ US: broadly flat for fiscal 2011
 - ⇒ UK: fiscal 2011 pounds sterling costs slightly below fiscal 2010
- ⇒ Capital expenditure
 - ⇒ Q1 expenditure \$6.3 million (Q1 fiscal 2010: \$8.4 million)
 - ⇒ full year objective ~\$80 million (fiscal 2010: \$43.5 million)
 - ⇒ 20% IRR criteria maintained

(1) Before bad debt, volume variances to plan, TILA & US vacation entitlement policy change

Free Cash Flow & Net Debt

	Q1 Fiscal 2011	Q1 Fiscal 2010
	\$m	\$m
Adjusted net income[†]	84.7	63.1
Change in operating assets*	101.7	143.5
Investing activities*	(5.2)	(6.3)
Investment in new US stores	<u>(3.3)</u>	<u>(10.7)</u>
Free cash flow	177.9	189.6
Facility amendment fees	(1.0)	(8.4)
Issue of shares	0.8	-
Foreign exchange impact	1.0	(0.7)
Reduction in net debt	178.7	180.5

⇒ Free cash flow now expected at top of anticipated \$150m - \$200m range for fiscal 2011

† including depreciation and other non-cash adjustments

* exc. new US stores

US Jewelry

“Further growth from a proven strategy”

JARED®
The Galleria Of Jewelry
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KAY®
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Continued Strong Performance

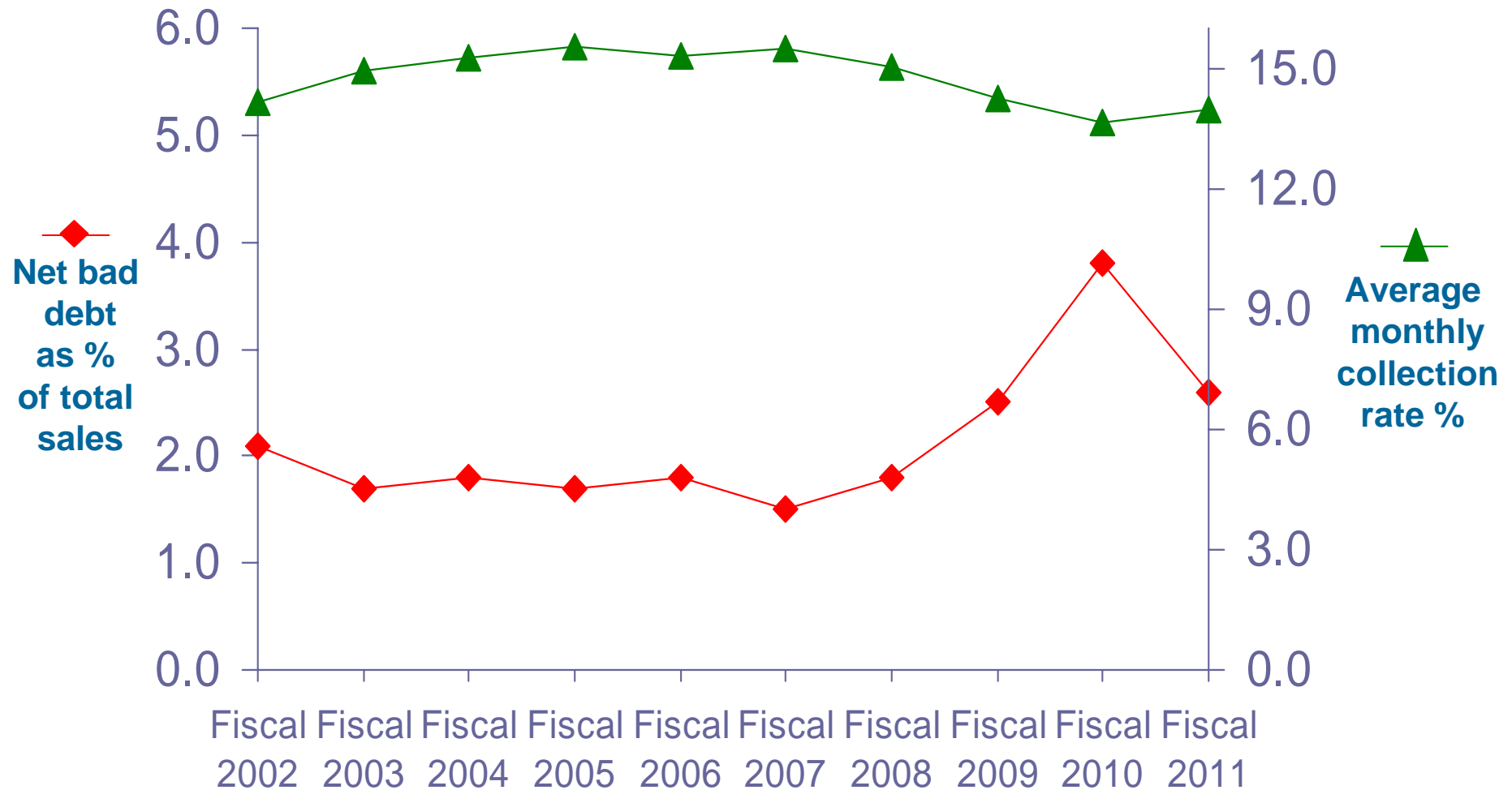
	Total sales	Same store sales	Change in sales	ASP
Kay	\$386.8m	4.2%	4.0%	\$322
Regional Brands	\$76.9m	2.7%	(6.4)%	\$339
Jared	\$203.4m	15.8%	19.0%	\$741 ⁽¹⁾
US division	\$667.1m	7.2%	6.8%	\$380 ⁽¹⁾
			Movement	
Gross merchandise margin			up 90 bpts	
Operating income	\$91.1m		up 61.5%	
Operating margin	13.7%		up 470 bpts	

(1) Excluding the charm bracelet category

Drivers of Performance

- ⇒ Improving economic environment, but still uncertain outlook
- ⇒ Strengthened competitive position
 - ⇒ supporting highly motivated sales staff
 - ⇒ using expertise & scale in diamond sourcing
 - ⇒ increasing share of voice on national television
- ⇒ Many competitors under financial pressure
- ⇒ Benefiting from capacity withdrawal
- ⇒ Strong sales, tight control of costs, and improved bad debt performance driving operational leverage

Further Evidence of Improved Trend in Receivables in Q1



Management of Receivables

- ⇒ Performance driven by macro-economic factors, sales and better execution
- ⇒ Credit offer unchanged while many competitors constrained
- ⇒ Maintain credit risk profile
- ⇒ Full year TILA impact still expected to be \$15 million - \$20 million

US Sales Outlook

- ⇒ Potential recovery in specialty jewelry sales
 - ⇒ 2009 sales down 9.8% from 2007 peak
 - ⇒ recovery driven by economy, but uncertain outlook
- ⇒ Market share opportunity
 - ⇒ estimated that ~12% of doors exited specialty market in 2008 & 2009 combined
 - ⇒ competitor set much reduced in middle market
 - ⇒ many remaining competitors operationally weakened and/or financially constrained
- ⇒ Potential for space growth
 - ⇒ begun to see some opportunities
 - ⇒ limited high quality real estate available
 - ⇒ apply demanding Return On Investment and operating criteria to all acquisition opportunities

Differentiated Product Increasing Opportunity to Drive Share

- ⇒ Differentiated product combines our competitive advantages reinforcing their impact
 - ⇒ merchandising
 - ⇒ marketing
 - ⇒ store operations
 - ⇒ balance sheet
- ⇒ Opportunities to gain market share from
 - ⇒ specialty sector competitors
 - ⇒ non-specialty jewelry retailers
 - ⇒ other gift giving and self reward categories

Initiatives in Differentiated Product

- ⇒ Continue to expand established ranges
 - ⇒ Le Vian
 - ⇒ Open Hearts by Jane Seymour
 - ⇒ Love's Embrace
- ⇒ 3 new fashion programs currently being tested
- ⇒ Developing initiatives in bridal category, which accounts for 45% - 50% of US sales
- ⇒ Further programs under development for fiscal 2012

UK Jewelry

*“Making existing space
work harder”*

H.SAMUEL
THE JEWELLER

ERNEST JONES
THE DIAMOND & WATCH SPECIALIST

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Underlying Performance

Broadly Stable

	Total sales	Same store sales	Total change	ASP
H.Samuel	£48.7m	(2.1)%	(3.1)%	£54
Ernest Jones	£44.7m	1.8%	1.4%	£253 ⁽¹⁾
UK division	£93.4m	(0.2)%	(1.7)%	£89 ⁽¹⁾
Reported	\$142.9m		3.8%	
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Gross merchandise margin			down 100 bpts	
Operating loss	\$(1.4)m		up from \$(1.3)m	
Operating margin	(1.0)%		down 10 bpts	

(1) Excluding charm bracelets

Drivers of Performance

- ⇒ Challenging economic environment
- ⇒ Strengthened competitive position
 - ⇒ recognized as one of UK's top employers
 - ⇒ further growth of charm bracelet category
 - ⇒ developing differentiated ranges
 - ⇒ more target support of key brands
- ⇒ Continuing to focus store portfolio on major centers with higher operating margins and ROCE

US & UK - Balance of Fiscal 2011

- ⇒ Uncertain economic outlook, particularly in UK
 - ⇒ keep tight control of costs
 - ⇒ maintain flexibility to respond to changing conditions – good or bad
- ⇒ Continue to be focused on excellence in execution
- ⇒ Use financial strength to reinforce sustainable competitive advantages
- ⇒ Positioned to gain profitable market share
 - ⇒ improve store productivity
 - ⇒ leverage stable cost base