

SIGNET

Investor Day

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Information Systems, Credit Operations, Distribution Center Overview

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Information Systems Characteristics

- ⇒ Mission is to provide competitive advantage through the most effective systems support in jewelry retailing:
 - ⇒ relevant and timely information
 - ⇒ comprehensive
 - ⇒ zero defects in execution

Approach to Systems Development

- ⇒ Understand and benchmark best practices
- ⇒ Identify where we can create better solutions
- ⇒ Prioritize to add most value
- ⇒ Quickly deliver improvements that work
- ⇒ Continually improve systems and procedures

Broad Systems Support

- ⇒ Assortment Planning, Purchase Order Management, DC Operations, Store Replenishment
- ⇒ Credit Authorization, Customer Service, Billing, Collections, and Risk Management
- ⇒ Customer Relationship Management and Promotion Analytics
- ⇒ Store P.O.S. and Back Office Systems
- ⇒ Financial Planning, Accounting, H.R. Management Systems
- ⇒ Satellite Communications Support

Systems Developed In-House

- ⇒ Control over systems capabilities
- ⇒ More flexible, time sensitive
- ⇒ Addresses the particular needs of retail jewelry
- ⇒ Built to serve Signet US's operating procedures
- ⇒ Scaled to support requirements
- ⇒ Can buy “off the shelf” or outside resource as appropriate
- ⇒ Best in class

World Class Store Systems (WCSS)

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- ⇒ Directed towards improving customer service and sales revenue
- ⇒ Strategy is to eliminate or simplify administrative tasks in store
- ⇒ Re-deploy store payroll to be more customer focused
- ⇒ Assembled multi-functional task force
- ⇒ Developed inventory of every policy and procedure

WCSS Improvements Implemented

- ⇒ Credit Application Imaging
 - ⇒ eliminated paper systems and file maintenance
- ⇒ Diamond Count System
 - ⇒ eliminated manual entries and lengthy reconciliation
- ⇒ Special Orders
 - ⇒ simpler order process follow-up and improved accuracy
- ⇒ Shipment Processing and Control
 - ⇒ computer produces shipping label and manifest
 - ⇒ lower shipping costs

Future WCSS Initiatives

⇒ Examples are:

⇒ Layaway system re-development

- reduced customer transaction time and errors

⇒ Repair System re-development

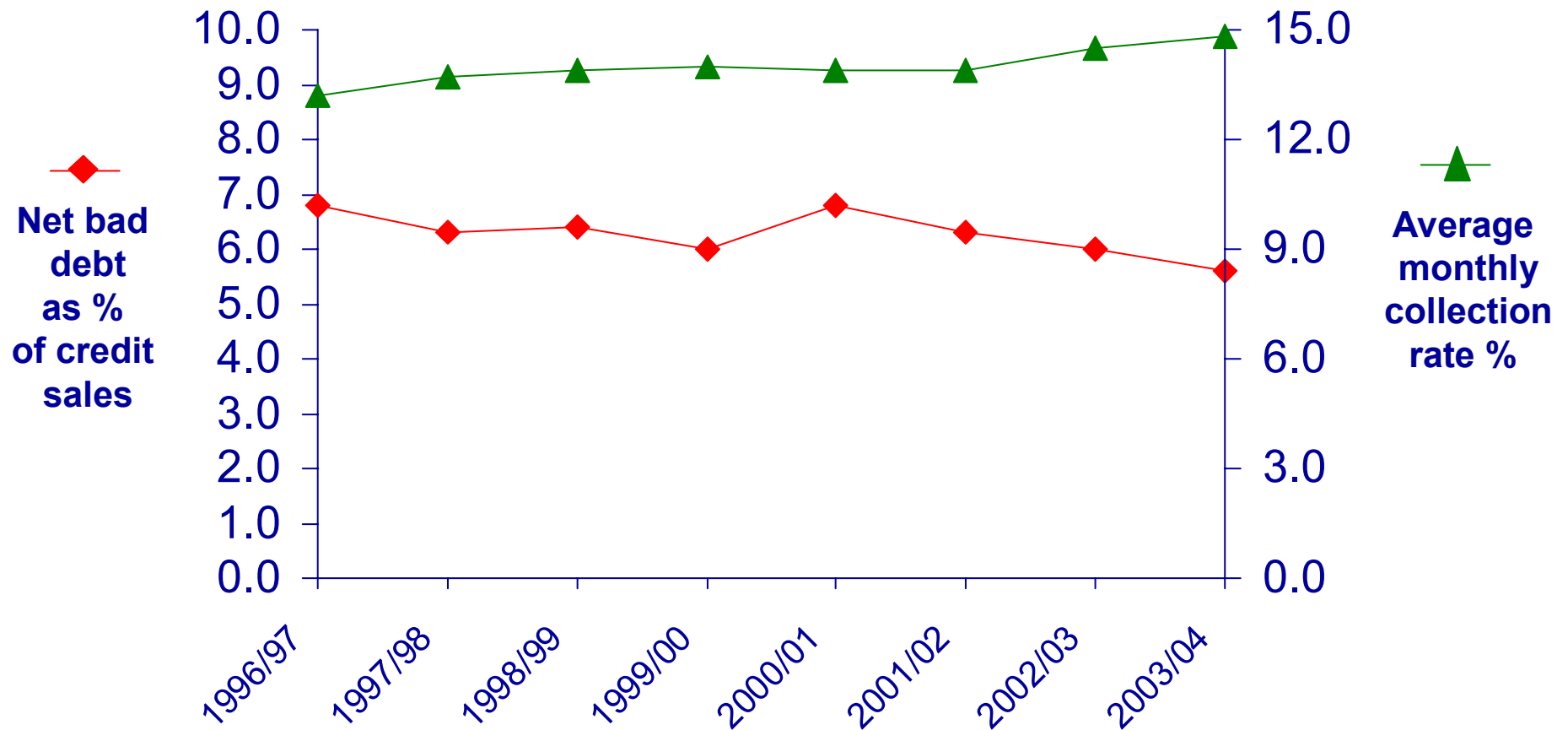
- improved repair completion time and quality
- automates manual process for stores and repair shops

⇒ E-learning

- improved learning through video and audio features

Credit Operations and Systems

Consistent Receivables Performance



Credit Performance Drivers

- ⇒ The approach to credit
- ⇒ Seasoned management team and focused training
- ⇒ Custom system capabilities
- ⇒ Excellent execution

Our Approach to Credit

- ⇒ Managed as sales support as opposed to a profit center
- ⇒ Driven to maximizing approval rates while staying within acceptable risk guidelines
- ⇒ Consistency of offer to the consumer
- ⇒ Firmly rooted in statistical process tools and continuous validation of policies and practices

Quality People Drive Performance

- ⇒ Experienced management team with an average of 11 years servicing credit for the U.S. division
- ⇒ Special training
- ⇒ Strong new hire training
- ⇒ Mentoring programs for staff development

Carefully Tailored Policies and Systems

- ⇒ Proprietary scorecards and methods for authorization and collections
- ⇒ Automated dialing
- ⇒ Custom contact strategies
- ⇒ Strong analytical capabilities to understand trends and adjust practices

Future Improvements

- ⇒ Improving data accessibility for collectors
- ⇒ Enhanced strategy execution through workflow automation
- ⇒ Capability to test alternative authorization strategies

Distribution Center System

Distribution Center

- ⇒ One DC supports entire operation
- ⇒ Consistent, statistically based QC procedures
- ⇒ DC contains a repair unit to complete warranty repairs
- ⇒ Special Diamond Room

Distribution Center Features and Future Initiatives

- ⇒ State-of-the-art systems
 - ⇒ paperless, pick to light, high speed sortation
- ⇒ Replenishment capacity is next day even during peak season
- ⇒ Capacity to pick, pack and ship 200,000 units/day
- ⇒ DC Futures
 - ⇒ pick, pack and ship 300,000 units/day
 - ⇒ DC expansion to accommodate sales and store growth through 2009

The Common Themes

- ⇒ Quality People
- ⇒ Category Leading Systems:
 - ⇒ credit operations
 - ⇒ store systems
 - ⇒ distribution center
 - ⇒ loose diamond capability
- ⇒ Excellence in Execution
- ⇒ Continuous Improvement