

SIGNET

Preliminary Results

Year Ended 2 February 2002

10 April 2002

SAFE HARBOR STATEMENT

(Private Securities Litigation Reform Act of 1995)

This presentation contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to the Risk Factors noted in the Company's Earnings Releases and the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update the information in this presentation, which speaks as of the presentation date.

2001/02 HIGHLIGHTS

- ⇒ Earnings up despite challenging US market
- ⇒ Reduced debt
- ⇒ US outperformed competitors and gained market share
- ⇒ Top quartile UK performance
- ⇒ Continued to implement proven strategy
- ⇒ Positive medium term outlook

2001/02 GROUP RESULTS

⇒ Record year:

- ⇒ sales of £1,578.1m, up 13.8%
- ⇒ profit before tax of £182.8m, up 12.3%
- ⇒ week 53 contributed 1.7% to sales and £3.6m to profit before tax.

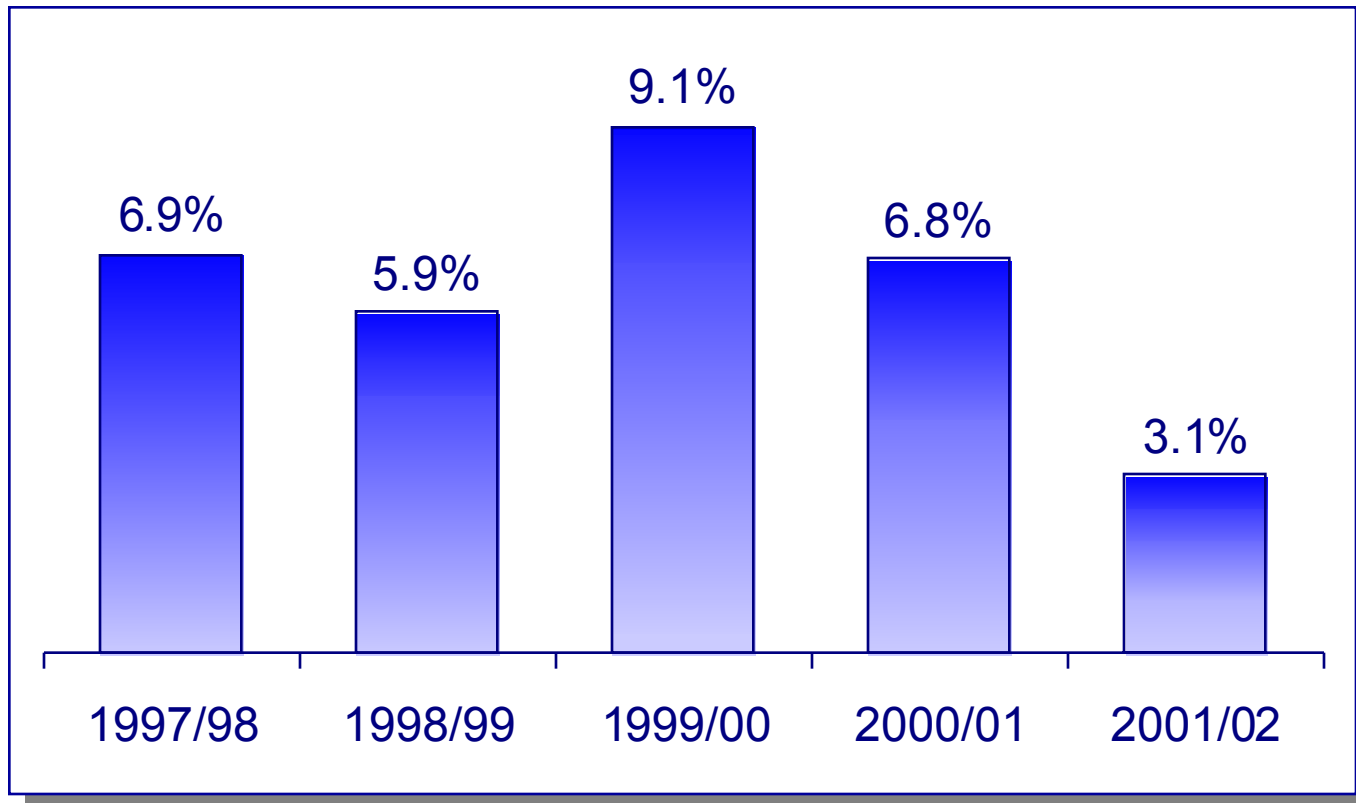
⇒ Like for like sales growth of 3.1%

⇒ Earnings per share 7.1p, up 7.6%

⇒ ROCE of 23.3%

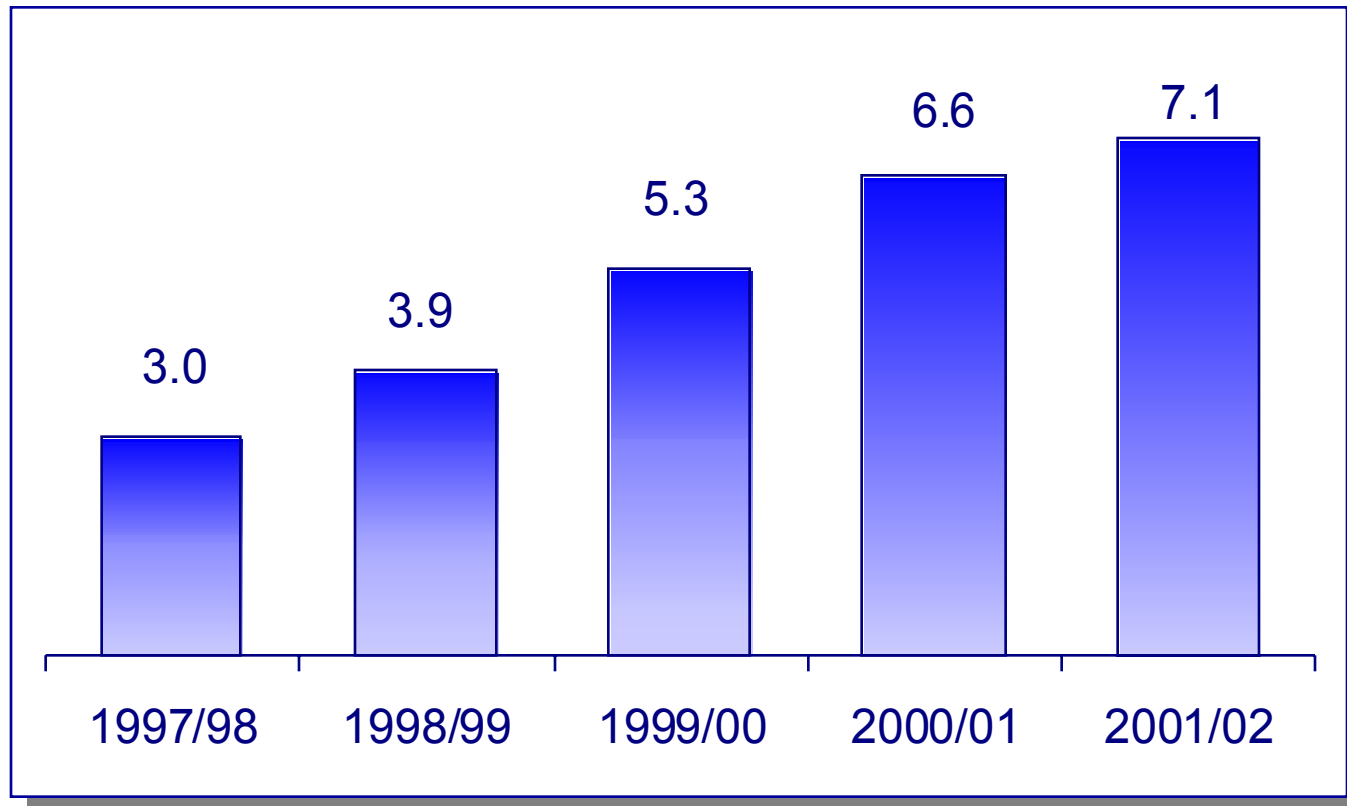
⇒ Final dividend of 1.50p, up 11.1%

GROUP LIKE FOR LIKE SALES GROWTH



c.a.g.r. of 6.3%

EARNINGS PER SHARE (PENCE)



c.a.g.r. of 24.1%

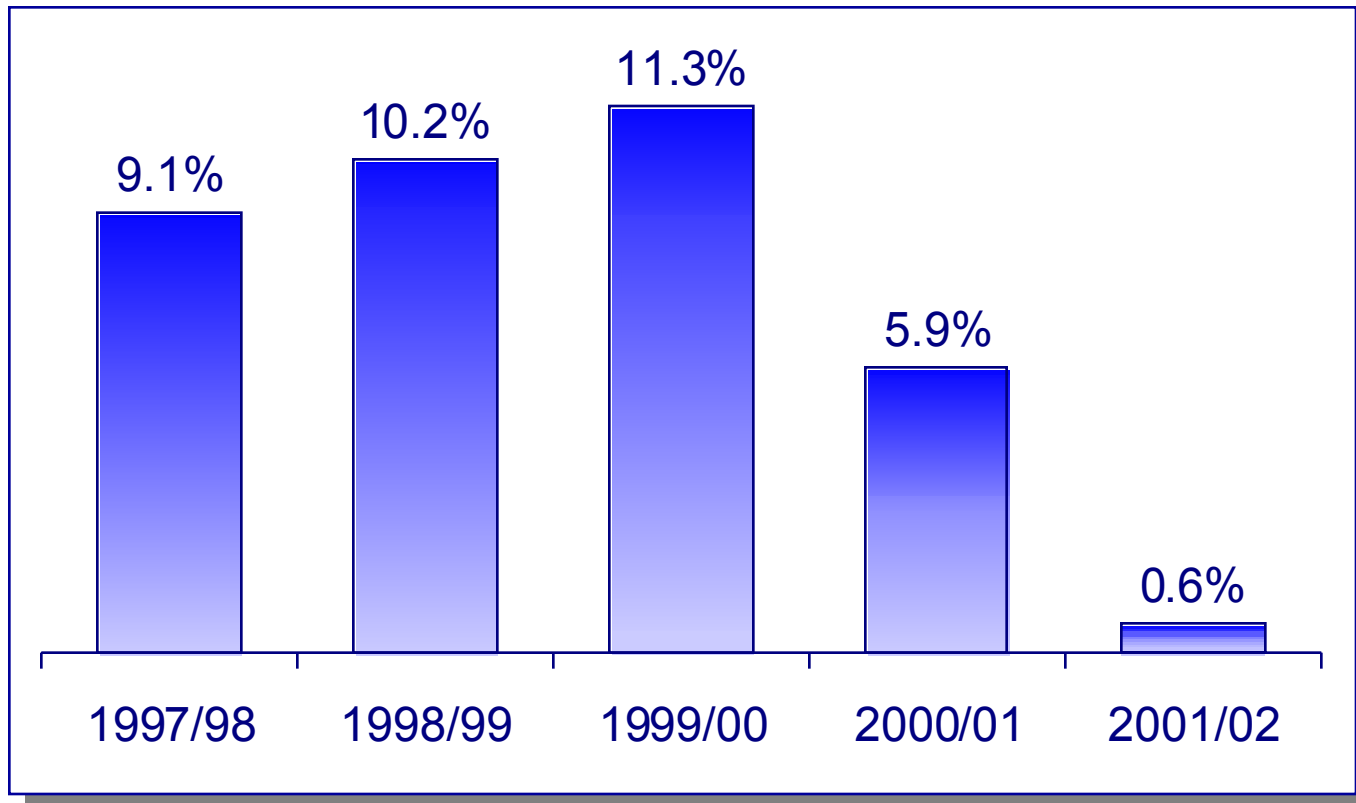
US Jewellery

“Further growth from a proven strategy”

US HIGHLIGHTS

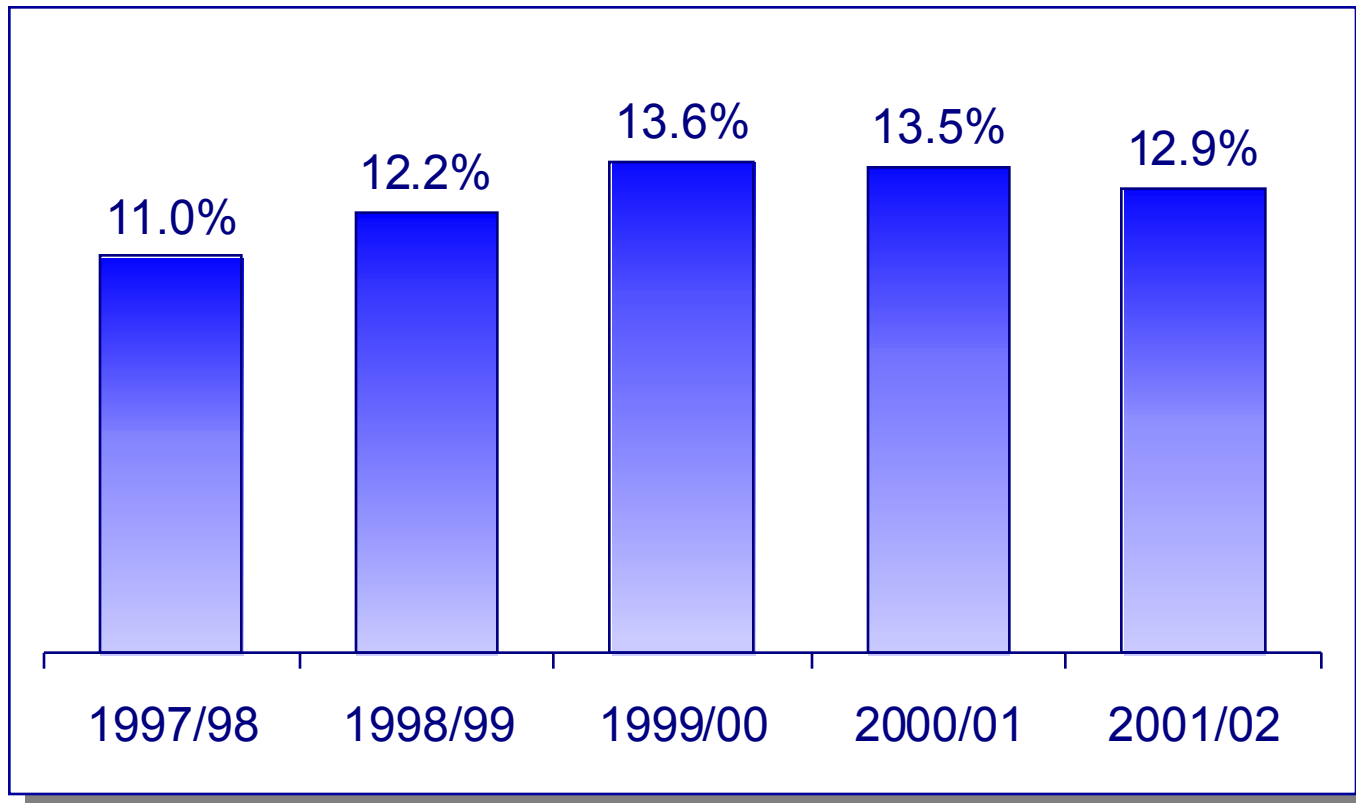
- ⇒ Demonstrated underlying strength and resilience
- ⇒ Sales up 11.2% to \$1,621m
- ⇒ Like for like sales up 0.6%
- ⇒ Operating profit up 6.1% to \$208.9m
 - ⇒ week 53 contributed 1.8% to sales and \$3.6m to profit
- ⇒ Year end space increase of 6%

US LIKE FOR LIKE SALES GROWTH



c.a.g.r. of 7.3%

OPERATING MARGIN



US COMPETITIVE PERFORMANCE

Nearest comparable 12 months to 2.2.02

	Sales/ Store (\$000)	L for L Sales %	EBITDA + %	Inventory/ Sales %
Signet (US)	1,599	0.6	14.8	36.0
Zales	1,293 ⁽¹⁾	-3.2	10.4	37.3
Whitehall	939	-10.7	10.1	52.6
Reeds	976	-11.3	3.3 ⁽²⁾	46.4
Friedmans	662	1.1	9.4	34.3

+ US GAAP

(1) Excludes estimated sales of Piercing Pagoda

(2) Includes impact of restructuring and asset impairment charges of \$10.8m

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US GROWTH STRATEGY

- ⇒ Maintain and develop competitive strengths
 - ⇒ merchandising
 - ⇒ marketing
 - ⇒ store operations
- ⇒ Investment in malls
 - ⇒ upgrade portfolio
 - ⇒ additional space
- ⇒ Development of Jared destination superstores

SUPERIOR VALUE FOR CONSUMER

- ⇒ Right product, right place, right time
 - ⇒ focus on “narrow and deep”
 - ⇒ efficient inventory management systems
- ⇒ Direct sourcing
- ⇒ Successful product developments
 - ⇒ bridal category
 - ⇒ three-stone ranges
 - ⇒ Leo Diamond™

HIGH QUALITY STAFF

- ⇒ Key to communicating competitive value
- ⇒ Maintained store staffing levels
- ⇒ Increased training
- ⇒ 45% of full time sales staff are certified diamontologists
- ⇒ Integrated Marks & Morgan into culture

ROMANCE BASED AD THEMES

- ⇒ +\$100m marketing expenditure, up 13%
- ⇒ Television expenditure up
 - ⇒ Kay TV impressions up 13% Christmas 2001
 - ⇒ “Every Kiss Begins With Kay”
- ⇒ Further increase planned for 2002/03
- ⇒ Stable media market anticipated
- ⇒ Continue testing of Jared TV advertising

JARED TV AD



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CONTINUED UPGRADE OF MALL REAL ESTATE

	1999/00	2000/01	2001/02	2002/03 up to
Modernisations	35	75	66	75
Relocations	22	24	25	32
New stores	41	40	41	40
Capital expenditure	\$27m	\$39m	\$39m	\$42m

BENEFITS OF MARKS & MORGAN

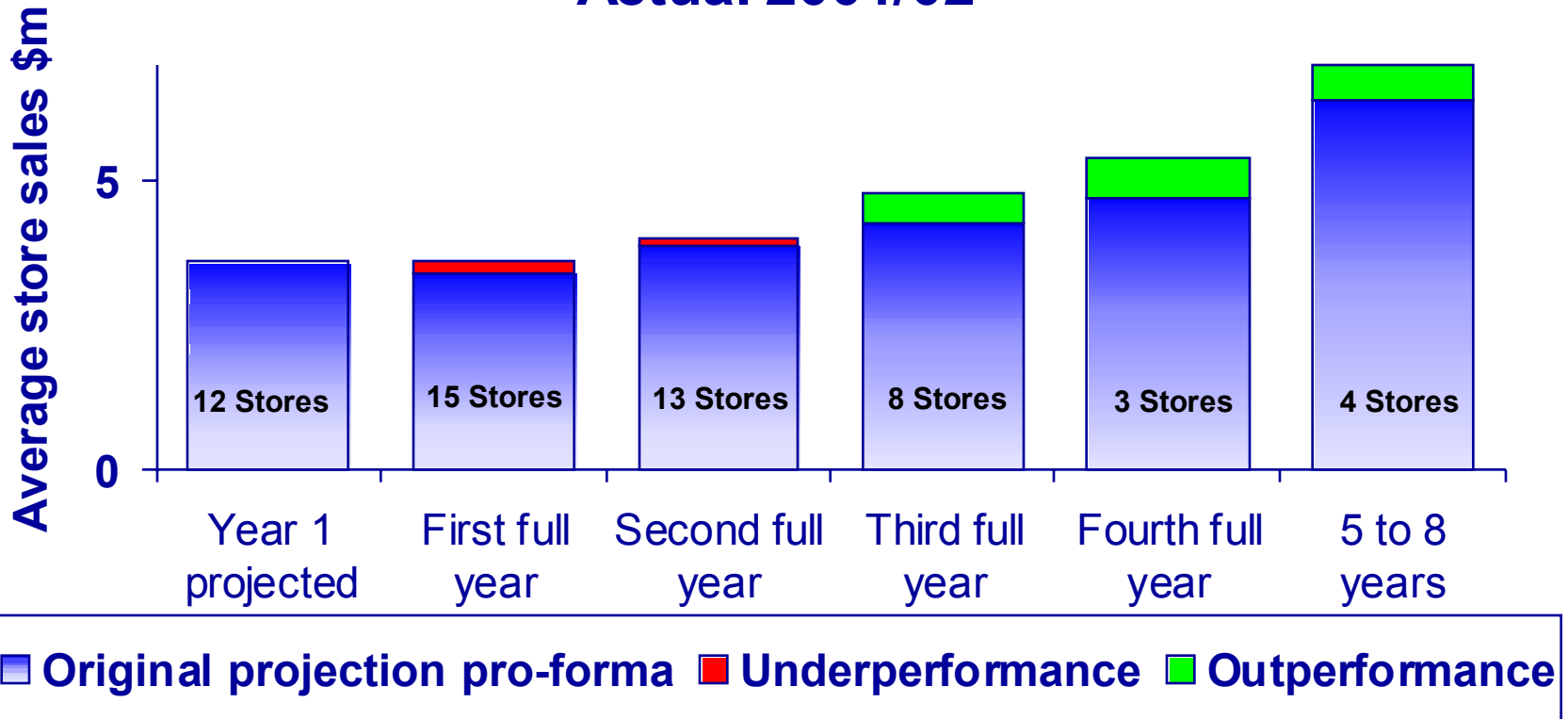
- ⇒ Increased marketing support for Kay brand
- ⇒ Leverage of home office
- ⇒ Increase in Marks & Morgan gross margin
- ⇒ Improving sales performance

JARED IN 2001/02

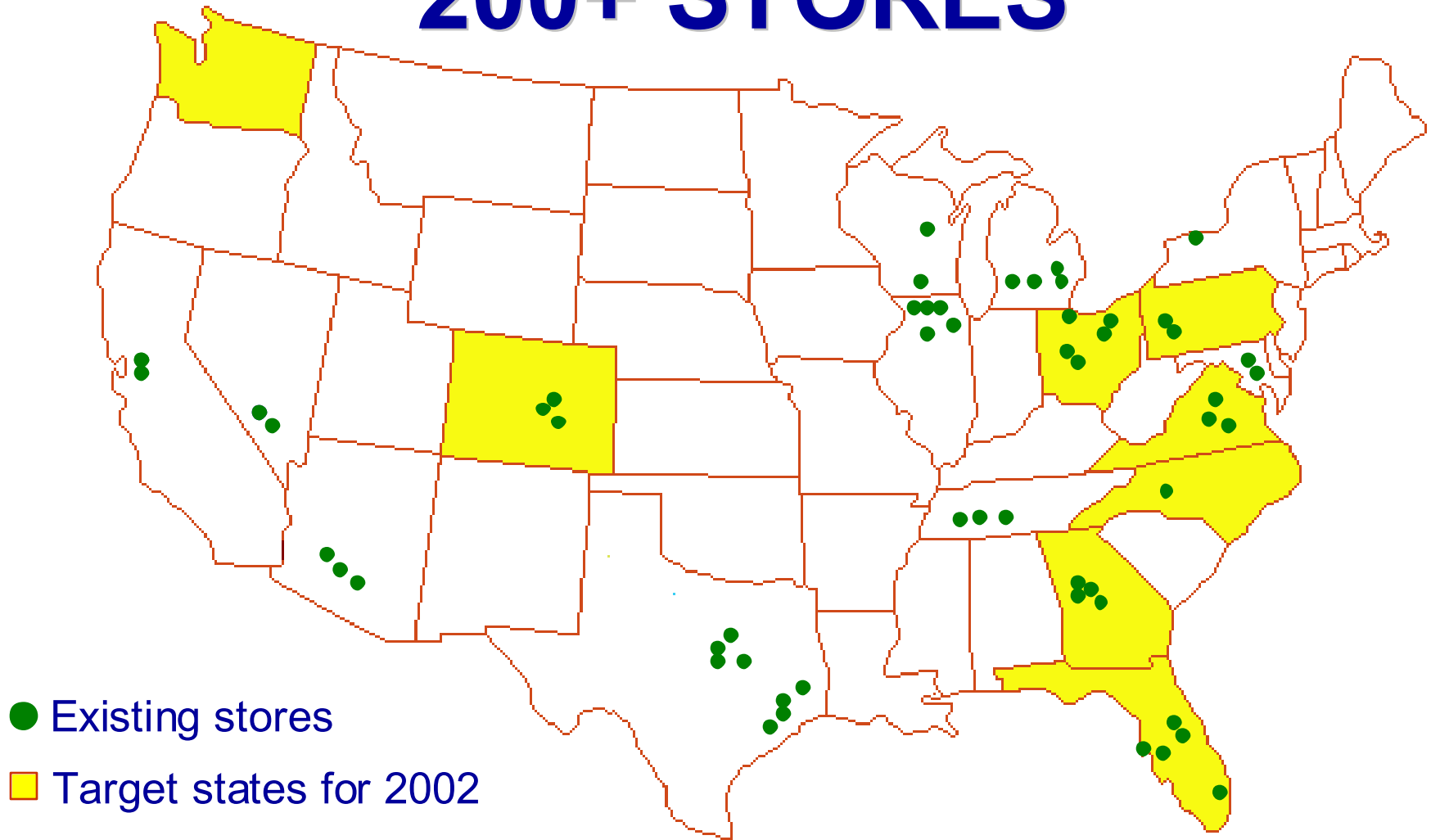
- ⇒ Tightened real estate criteria
- ⇒ Invested \$45m in 12 new stores
- ⇒ c. 50% of stores less than 18 months old
- ⇒ Immature profile means
 - ⇒ above average like for like sales
 - ⇒ below average operating margins
- ⇒ Return on investment similar to mall store

JARED PERFORMANCE

Actual 2001/02



JARED POTENTIAL FOR 200+ STORES



US OUTLOOK

- ⇒ Like for like sales solidly ahead in the first eight weeks
- ⇒ Continued economic uncertainty
- ⇒ Healthy balance sheet to finance growth strategy
- ⇒ Build on competitive strengths
- ⇒ 6% increase in space planned
- ⇒ Maintain tight control of costs and margins

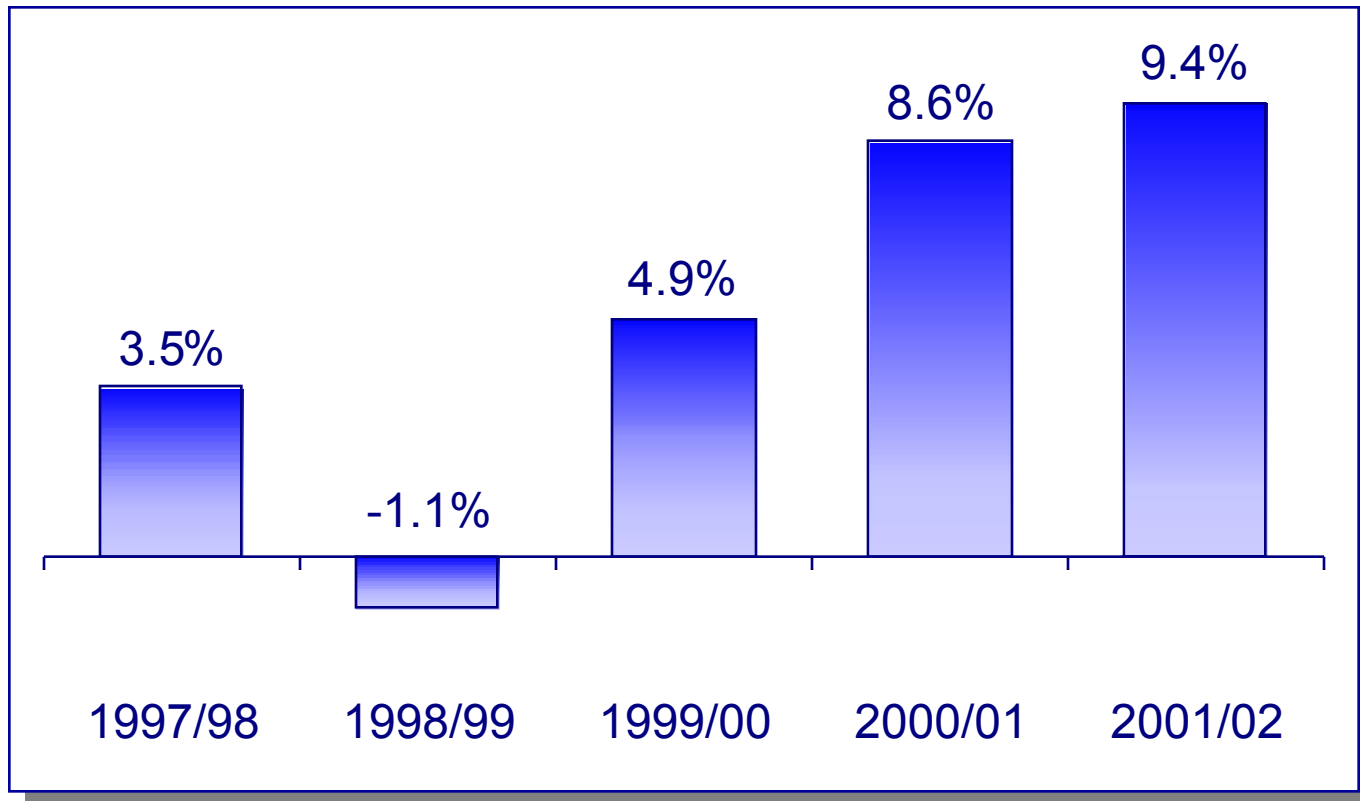
UK Jewellery

***“Making existing space
work harder”***

UK HIGHLIGHTS

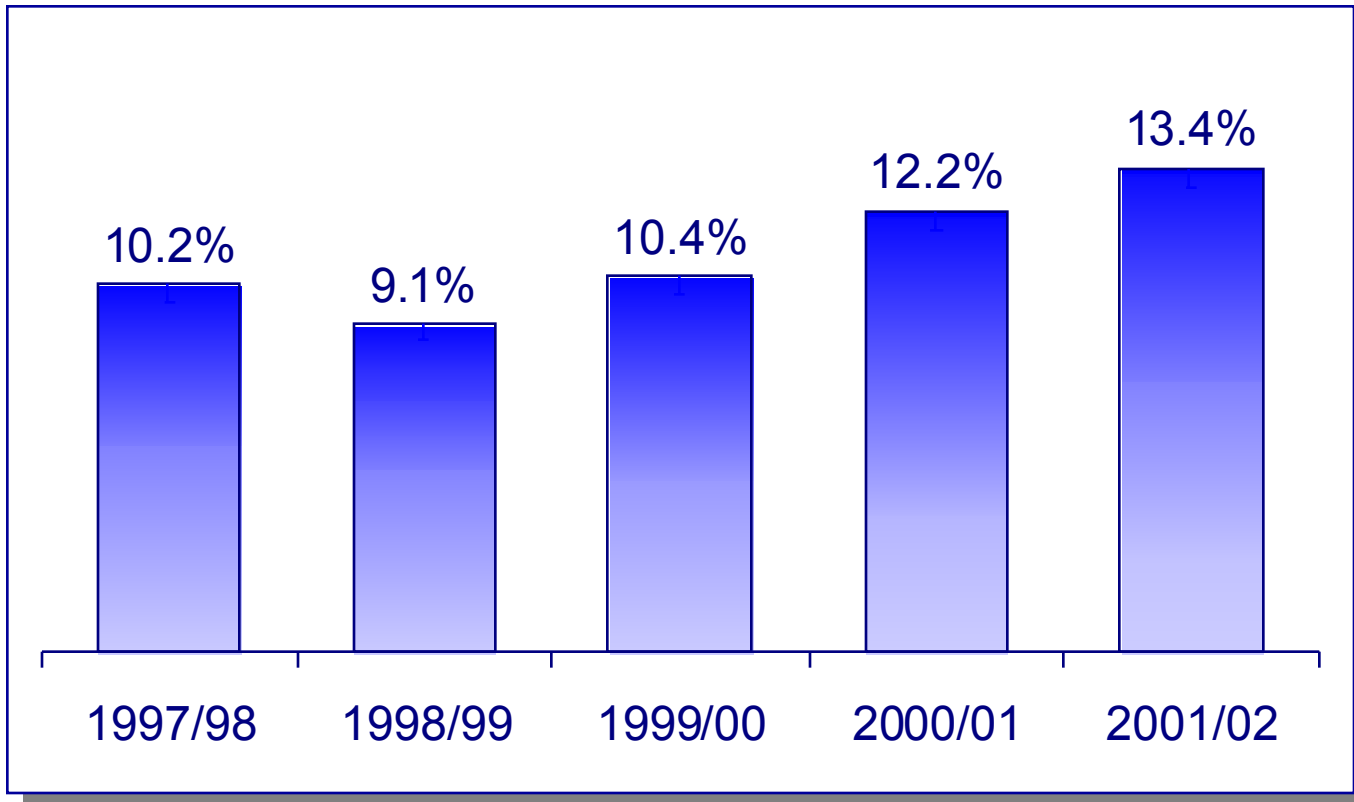
- ⇒ Top quartile performance against UK retailers
- ⇒ Sales up 10.5% to £452.1m
- ⇒ Like for like up 9.4%
 - ⇒ H.Samuel +6.4%
 - ⇒ Ernest Jones +14.6%
- ⇒ Operating profit up 21.4% to £60.7m
 - ⇒ week 53 contributed 1.6% to sales and £1.5m to profit

UK LIKE FOR LIKE SALES GROWTH

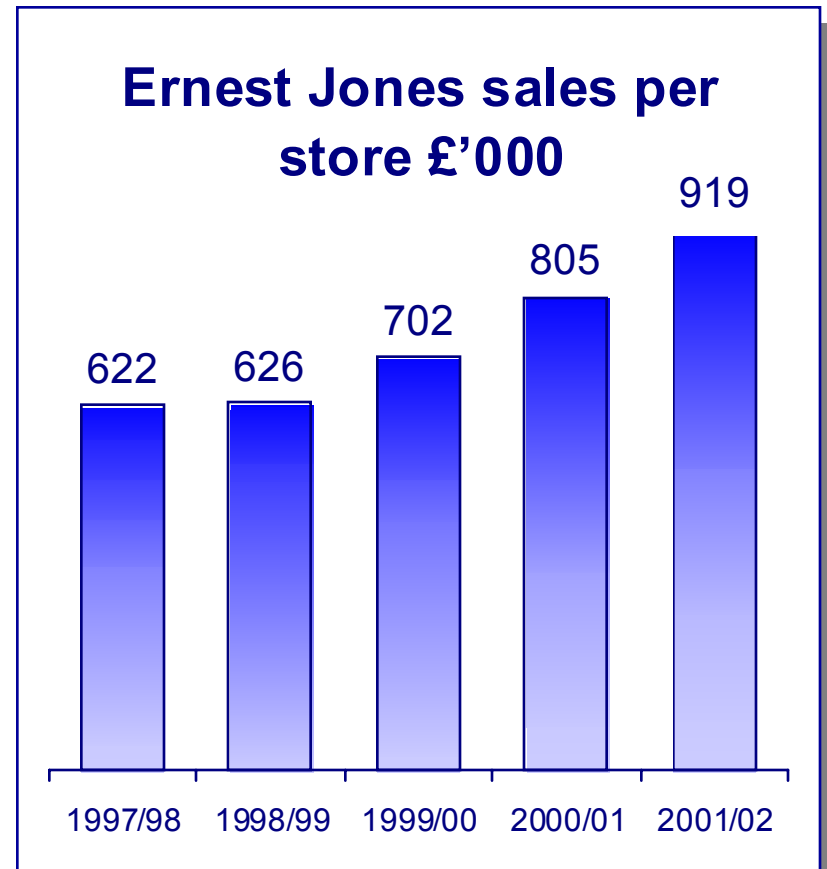
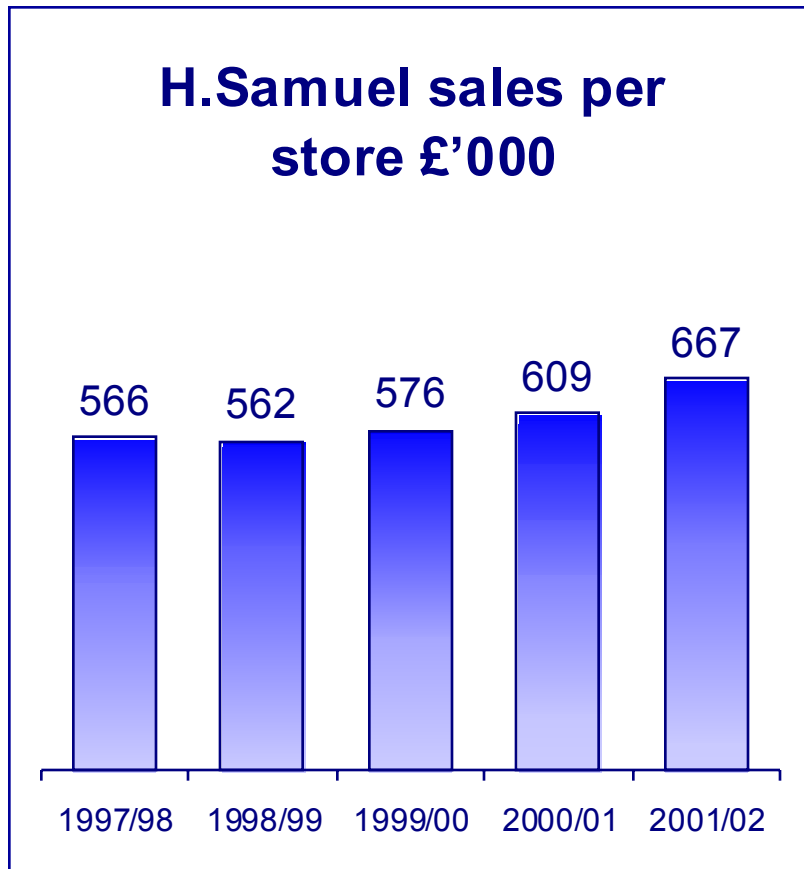


c.a.g.r. of 5.0%

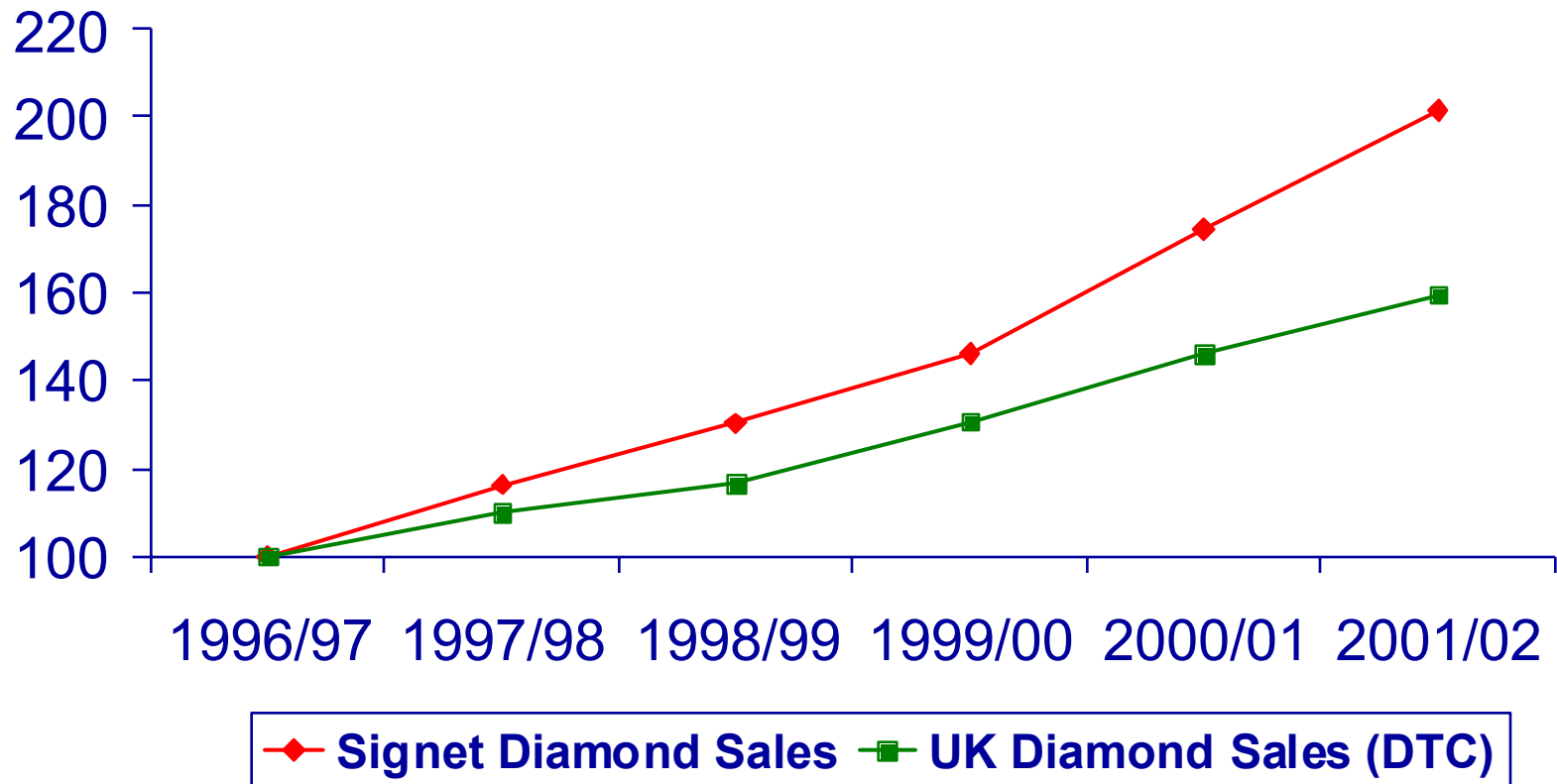
OPERATING MARGIN



IMPROVING STORE PRODUCTIVITY



GROWTH IN DIAMONDS AND GEMSTONES



UK GROWTH STRATEGY

- ⇒ Develop fast growing categories
- ⇒ Marketing initiatives
- ⇒ Real estate investment
- ⇒ Take advantage of US best practice as appropriate

MERCHANDISING INITIATIVES

- ⇒ Product development
- ⇒ Build on merchandising process
- ⇒ Expand direct sourcing capability
- ⇒ Improve training of sales staff
- ⇒ Better in-store presentation

MARKETING LEVERAGE

- ⇒ Build on name recognition
- ⇒ Enhancements of catalogues in 2001
- ⇒ 2002 initiatives
 - ⇒ further development of catalogues
 - ⇒ marketing partnerships
 - ⇒ testing broadcast media

IMPROVED STORE ENVIRONMENT

	2000/01	2001/02	2002/03 planned
Modernisations and relocations	24	93	c. 60
New stores	12	19	c. 20
Capital expenditure	£6m	£15m	£17m

BEFORE AND AFTER



UK OUTLOOK

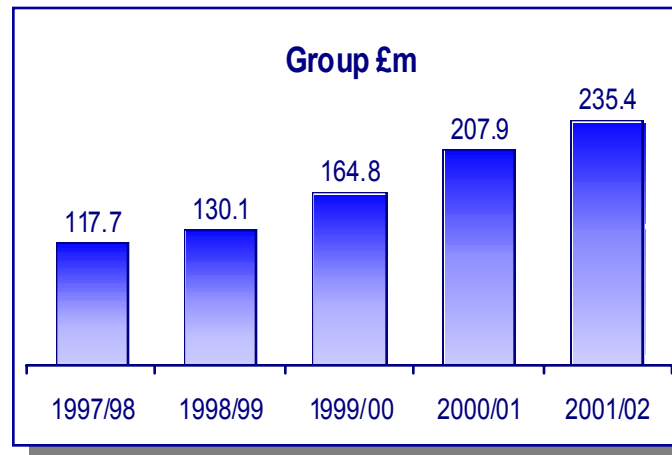
- ⇒ Good start to year
- ⇒ Economic uncertainty
- ⇒ Build on outperformance of UK retail market in 2000/01 and 2001/02
- ⇒ High operational leverage

Financial Review

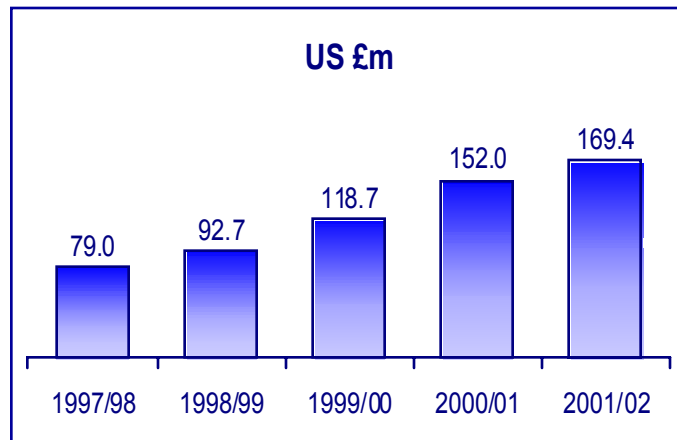
FINANCIAL HIGHLIGHTS

	2001/02	2000/01	% Change
Sales	£1,578.1m	£1,387.3m	13.8
Profit before tax	£182.8m	£162.8m	12.3
Earnings per share	7.1p	6.6p	7.6
Dividend per share	1.789p	1.625p	10.1
Interest cover	11.2x	11.2x	
Fixed charge cover	2.07x	2.05x	
Group gearing (inc. securitisation)	30%	40%	

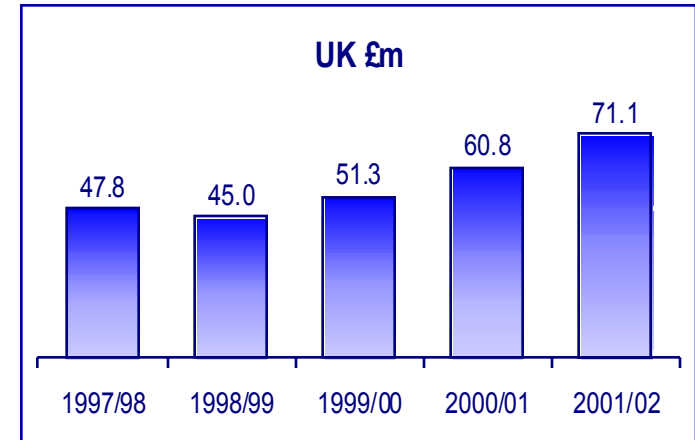
5 YEAR EBITDA RECORD



c.a.g.r. 18.9%

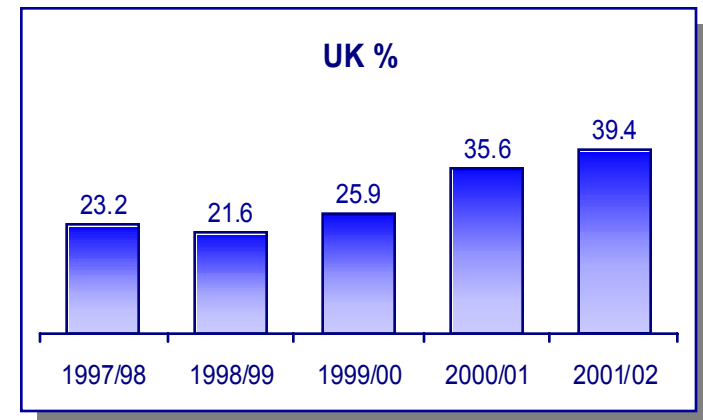
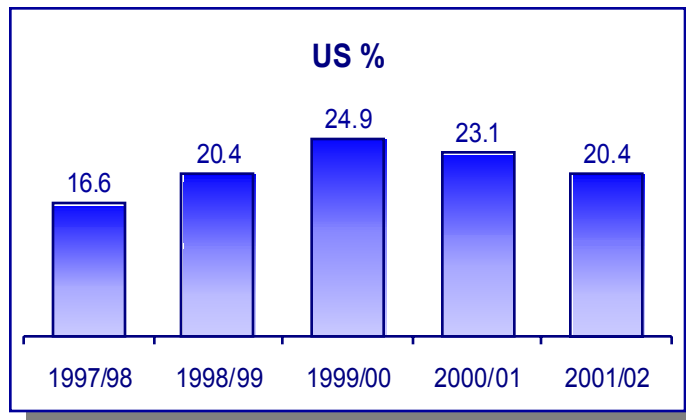
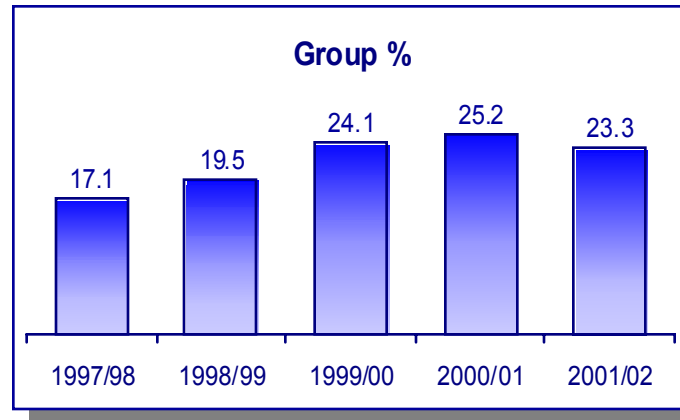


c.a.g.r. 21.0%



c.a.g.r. 10.5%

5 YEAR ROCE RECORD



2001/02 SALES GROWTH

	US	UK	Group
	%	%	%
Like for like	0.6	9.4	3.1
New space	5.1	(0.8)	3.1
Marks & Morgan acquisition	3.7	-	2.7
Week 53	1.8	1.6	1.7
Exchange translation	3.9	-	3.2
Total sales growth	15.1	10.2	13.8

PROFIT ANALYSIS

	2001/02 £m	2000/01 at constant rate £m	2000/01 £m
US jewellery	142.6	136.8	132.2
UK jewellery	59.2	50.0	50.0
Group costs	(5.1)	(3.5)	(3.5)
Operating profit	196.7	183.3	178.7
Interest	(17.5)	(16.5)	(15.9)
Profit before tax	179.2	166.8	162.8
Week 53	3.6	-	-
As reported	182.8	166.8	162.8
Exchange rate \$:£	1.44	1.44	1.49

OPERATING MARGIN MOVEMENT

	US	UK	Group
2000/01 margin	13.5	12.2	12.9
Gross margin	(0.3)	-	(0.2)
Expenses	0.1	1.2	0.4
Acquisition/new space	(0.4)	-	(0.4)
2001/02 margin	12.9	13.4	12.7

PRIOR PERIOD ADJUSTMENT

⇒ Deferred Tax

⇒ SSAP 15

⇒ provision only if timing differences likely to reverse

⇒ FRS 19

⇒ prescriptive

⇒ provide for all timing differences

MOVEMENT IN NET DEBT

	2001/02 £m	2000/01 £m
Opening net debt	(229.1)	(91.6)
Cash in/(outflow) from operations	23.8	(13.7)
Inflow from equity	8.9	2.0
Acquisition	-	(107.5)
Exchange difference	(5.3)	(18.3)
Closing net debt	(201.7)	(229.1)
Securitisation facility	176.8	105.3
Bank borrowings	24.9	123.8

OPERATING CASH FLOW

	2001/02 £m	2000/01 £m
EBITDA	235.4	207.9
Movement in working capital	(47.4)	(75.8)
Inflow from operating activities	188.0	132.1
Capital expenditure	(60.7)	(54.0)
Taxation	(57.9)	(50.9)
Interest	(17.9)	(16.1)
Dividends	(27.7)	(24.8)
Outflow from investing activities	(164.2)	(145.8)
Cash flow from operations	23.8	(13.7)

2002/03 CASH FLOW

⇒ Capital expenditure

- ⇒ c. 190 modernisations/relocations
- ⇒ new mall stores (c. 40 US, c. 20 UK)
- ⇒ 12 Jared

⇒ Working capital

- ⇒ underlying
- ⇒ new space

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Preliminary Results

Year Ended 2 February 2002

10 April 2002