PART I

SUMMARY

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1. Background and Reasons for the Scheme

On 10 July 2008, following a review of the most appropriate primary stock listing and domicile for the Group, the board of directors of Signet (the "**Signet Board**") announced that it had unanimously approved a proposal (the "**Proposal**") to:

- move the primary listing of the parent company of the Group from the Official List to the NYSE;
- reorganise the Group pursuant to a Court approved scheme of arrangement so that Signet becomes a wholly-owned subsidiary of the Company, a new company incorporated in Bermuda, and former Signet Shareholders and Signet ADS holders become shareholders of the Company;
- implement a one-for-twenty share capital consolidation (also known as a reverse stock split) to take effect immediately following the Scheme of Arrangement becoming effective; and
- apply for a secondary listing on the Official List.

The board of directors of the Company (the "**Board**") believes that a US primary listing on the NYSE is in the best interests of Shareholders and is the natural next step in the evolution of the parent company of the Group's Shareholder base which has seen a steady growth in US ownership since 2003, including a significant increase over the last 12 months with almost 50 per cent of Signet's voting securities now being beneficially owned by US residents.

The Proposal will align the place of listing with the business activities of the Group, which are predominantly based in the US, and where the Board expects the majority of the Group's future growth to take place. Currently over 70 per cent of the Group's sales, operating profit and net assets are in the US. The Board considers there to be a potentially larger pool of investors in the US than in the UK who are more familiar with the Group's business model, have a better understanding of the underlying economic environment in the US and a lower exposure to foreign exchange movements impacting the value of their investment. In addition, the Board expects that the parent company of the Group would benefit from its primary listing being amongst a more appropriate public company peer group.

The Scheme, which was approved by Signet Shareholders on 19 August, is expected to become effective and dealings in the Common Shares on the London Stock Exchange's main market for listed securities are expected to commence at 8.00 a.m. on 11 September 2008. Dealings in the Common Shares on the NYSE are expected to commence at 2.30 p.m. on 11 September 2008. If the Scheme does not become effective, the Share Capital Consolidation and the Admissions will not occur.

2. Industry and Group Background

The Group is the world's largest speciality retail jeweller and operates leading operations in both the US and UK. The US market currently accounts for approximately 50 per cent of worldwide jewellery sales and the UK for around 7 per cent.

The Group is the largest US speciality retail jeweller by sales having an approximate 4.2 per cent share of the $65.5 billion total jewellery market from 1,399 stores in 50 states at 2 February 2008. Its mall stores trade nationwide as "Kay Jewelers", and regionally under a number of well-established and recognised names. Destination superstores trade as "Jared The Galleria Of Jewelry".

In the UK, the Group is the largest speciality retailer of fine jewellery with 563 stores at 2 February 2008 and an approximate 12 per cent share of the £4.5 billion total jewellery market. Primarily situated in shopping malls or prime "High Street" locations (main shopping thoroughfares with high pedestrian traffic), the stores trade as "H. Samuel", "Ernest Jones" and "Leslie Davis".

3. Business Strengths

The Group competes on the quality of its personal customer service; merchandise selection, availability and quality; and the value of its total offering. Brand recognition, trust and store locations are also competitive factors. It does not hold any material patents, licences, franchises or concessions but has a range of trading agreements with suppliers, the most important being in relation to the Leo Diamond and luxury watches. The established trademarks and trade names of the divisions are essential to maintaining its competitive position in the retail jewellery industry.

3.1 The US Division

The Board attributes the US division's success to a range of competitive advantages in store operations, human resources, merchandising, marketing, real estate and credit operations. These advantages are reflected in above industry average sales per store and operating profit margin.

3.2 The UK Division

The UK division has a range of advantages in store operations and human resources, real estate, merchandising and marketing compared to competitors within the UK speciality jewellery retail market and has access to the Group's leading US expertise. These advantages are reflected in above industry average sales per store and operating profit margin.

4. Business Strategy

The Group aims to build long term value through focusing on the customer by providing a superior merchandise selection in high quality real estate locations. Effective advertising draws consumers into stores, where they are provided with outstanding service. The operating philosophies that help the Group achieve these aims are:

- excellence in execution;
- test before we invest;
- continuous improvement; and
- disciplined investment.

The Group's strategy to deliver shareholder value is to:

- continue to achieve sector leading performance standards on both sides of the Atlantic;
- increase store productivity in the US and the UK;
- grow new store space in the US; and
- maintain a strong balance sheet.

5. Summary Financial Information

The summary financial information set forth below for the financial years to 2 February 2008, 3 February 2007 and 28 January 2006 has been derived using US GAAP and has been extracted from the Accountant's Report set out in Part X of this document.

Consolidated income statements

	52 weeks ended 2 February 2008	53 weeks ended 3 February 2007	52 weeks ended 28 January 2006
	$m	**$m**	**$m**
Sales	**3,665.3**	3,559.2	3,154.1
Cost of sales	**(2,414.6)**	(2,266.3)	(1,990.1)
Gross margin	**1,250.7**	1,292.9	1,164.0
Selling, general and administrative expenses	**(1,000.8)**	(979.6)	(876.8)
Other operating income, net	**108.8**	91.5	83.3
Operating income	**358.7**	404.8	370.5
Interest income	**6.3**	16.7	4.3
Interest expense	**(28.8)**	(34.2)	(20.5)
Income before income taxes	**336.2**	387.3	354.3
Income taxes	**(116.4)**	(134.6)	(116.3)
Net income	**219.8**	252.7	238.0
Earnings per share—basic	**12.9c**	14.6c	13.7c
—diluted	**12.8c**	14.3c	13.7c

Consolidated balance sheets

	2 February 2008	3 February 2007	28 January 2006
	$m	**$m**	**$m**
Current assets	**2,422.8**	2,373.6	1,806.8
Non-current assets	**1,176.6**	1,134.6	1,056.3
Current liabilities	**(646.5)**	(650.1)	(594.9)
Non-current liabilities	**(631.7)**	(630.2)	(205.3)
Shareholders equity	**2,321.2**	2,227.9	2,062.9

Consolidated statements of cash flow

	52 weeks ended 2 February 2008	53 weeks ended 3 February 2007	52 weeks ended 28 January 2006
	$m	**$m**	**$m**
Net cash from operating activities	**142.7**	201.8	205.9
Capital expenditure (net)	**(139.4)**	(123.8)	(123.1)
Net cash flows from financing activities	**(115.8)**	(28.4)	(175.4)
Movement in cash and cash equivalents	**(112.5)**	49.6	(92.6)

6. Current Trading, Trends and Prospects

The Group has recently issued its results for the 26 weeks to 2 August 2008 as set out in Part XI of this document. Group sales were down 0.6% at $1,591.4m and income before income taxes was down 37.8% at $70.7m. The Group's strong balance sheet and superior operating metrics on both sides of the Atlantic enables the business to continue to implement its proven strategy. Appropriate adjustments in execution are being made to reflect the challenging economic conditions with tight control of costs, inventory, gross merchandise margin and investment in new space. As a result the business will be well positioned when the economy improves. However, in the short term, the consumer environment in both the US and the UK remains very challenging. As always, the results for the year will be significantly influenced by the Group's performance during the important Christmas period.

The results of operations for the 26 weeks to 2 August 2008 are not necessarily indicative of the results that may be expected for the full financial year.

7. Capitalisation and Indebtedness

The Group's capitalisation as at 2 August 2008 was $2,261.8 million and its net financial indebtedness as at 2 August 2008 was $433.3 million.

8. Admission and Dealings

The Company is not offering any new Common Shares nor any other securities in connection with the Admissions.

Application will be made for the LSE Admission following publication of this document. Application for the NYSE Admission was made on 25 July 2008.

The LSE Admission is expected to take place and dealings in the Common Shares are expected to commence on the London Stock Exchange's main market for listed securities at 8.00 a.m. on 11 September 2008. The NYSE Admission is expected to take place and dealings in the Common Shares are expected to commence on the NYSE at 2.30 p.m. on 11 September 2008. These times and dates are indicative only.

9. Dividend Policy

Following implementation of the Proposal, the Company intends to adopt a dividend policy that will continue to take into account the needs of the business including its store development programme, the significant competitive advantages of a strong balance sheet, as well as the wider economic environment. The Board will also take account of the payout ratios of US listed speciality retailers, which are typically lower than in the UK. The Board may also consider the repurchase of shares from time to time.

Signet declared an interim dividend of 0.96 cents per share when it announced its 6 months results to 2 August 2008 on 3 September 2008. It is intended that this interim dividend distribution by Signet will be passed on to Shareholders by the Company in November 2008. A final dividend will be considered by the Company at the time of the full year results for 2008/09 in March 2009.

In subsequent years the Board intends to declare quarterly dividends.

10. Risk Factors

Risks relating to the Group and its business include (but are not limited to):

- Jewellery purchases are discretionary and may be particularly affected by adverse trends in the general economy.
- The ability of the Group to recruit, train and retain suitably qualified sales staff is important in determining sales and profitability.
- Short term variations in consumer preferences, merchandise selection, inventory and pricing have an important influence in determining sales performance and achieved gross margin.
- The ability to differentiate the Group's stores from competitors by its branding, marketing and advertising programmes is a factor in attracting consumers.
- Long term changes in consumer attitudes to jewellery influence the level of Group sales.
- The Group's results are dependent on a number of factors relating to its stores.
- If the Group falls behind competitors the Group's operating results or financial condition could be adversely affected.
- The abrupt loss or disruption of any significant supplier during the three month period leading up to the Christmas season could result in a material adverse effect on the Group's business.
- The jewellery industry generally is affected by fluctuations in the price and supply of diamonds, gold and, to a lesser extent, other precious and semi-precious metals and stones.
- The Group's business is highly seasonal, with a very significant proportion of its sales and operating profit generated during its fourth quarter.
- Social, ethical and environmental matters influence the Group's reputation, demand for merchandise by consumers, the ability to recruit staff, relations with suppliers and standing in the financial markets.
- The Group is dependent on the suitability, reliability and durability of its systems and procedures, including its accounting, information technology, warehousing and distribution systems.
- In March 2008, a class action lawsuit for an unspecified amount was filed against a subsidiary of the Group in the New York federal court.
- Regulations govern various areas of business activity and changes in regulations can therefore influence the Group's performance.

- The presentation of the Group's accounts can be affected by changes to generally accepted accounting principles.
- The Group may in future make acquisitions or be involved in a business combination.
- In the UK, the Group operates a defined benefit pension scheme. The valuation of the Group Scheme's assets and liabilities partly depends on assumptions based on the financial markets as well as longevity and staff retention rates.
- The Group is dependent upon the availability of equity and debt financing to fund its operations and growth.
- Any decrease in the weighted average value of the US dollar against the pound sterling could increase reported revenues and operating profit and any appreciation in the weighted average value of the US dollar against the pound sterling could decrease reported revenues and operating profit.
- The loss of one or more key executive officers or employees or the inability to attract and retain other talented personnel could have a material adverse effect on the Group's ability to conduct its business.
- The Share Capital Consolidation and Admissions are conditional on the Scheme becoming effective.
- The Company's share price may be significantly affected by short term changes in financial condition or results of operations as reflected in its quarterly earnings reports, and other factors unrelated to the Group's performance.
- Sales or potential sales of large numbers of Common Shares in public markets could decrease the trading price of the Common Shares.
- An increase in the number of Common Shares in the capital of the Company in the market through further issues by the Company could result in the voting power of the Company's existing shareholders being diluted.
- Depositary Interest Holders do not have the rights which Bermuda law and the Bye-laws confer on holders of Common Shares and there can be no assurance that the Depositary Nominee (in which these rights will vest) will pass on and exercise such rights for the benefit of Depositary Interest Holders.
- If the Bermuda Monetary Authority subsequently withdraws its consent to the free transferability of the Common Shares, then the admission and trading of those Common Shares on both the NYSE and the LSE's main market for listed securities may be suspended.
- The Company has no Takeover Code protection.
- The Company cannot be certain that it will not be subject to any Bermuda tax in the future.
- The proposed secondary listing is subject to UKLA approval.
- As a result of the secondary listing certain provisions of the Listing Rules will not apply to the Company.
- It may be more difficult for investors to effect service of process on the directors of the Company in the UK or to enforce in the UK judgments obtained in UK courts against the Company or those directors.
- The Company will be subject to more extensive US regulation if it no longer satisfies the definition of a "foreign private issuer" under the rules and regulations of the SEC.

11. Directors' and Officers' Details

The current board of directors of the Company is as follows:

Directors	Sir Malcolm Williamson	Chairman (non-executive)
	Terry Burman	Group Chief Executive
	Walker Boyd	Group Finance Director
	Mark Light	US Chief Executive and Executive Director
	Robert Blanchard	Non-executive Director
	Dale W. Hilpert	Non-executive Director
	Russell Walls	Non-executive Director
Officers	Mark Jenkins	Group Company Secretary
	Susie Grant	Company Secretary

It is the intention that further directors will be added when identified, particularly those with experience of the US market and that additional UK directors may also be added.