

RISK FACTORS

The following risks and uncertainties relating to the Proposal should be carefully considered in addition to the other information set out in this document. There may be additional risks and uncertainties relating to the Proposal not presently known to the Directors or that the Directors currently deem immaterial which may have a material adverse effect on the Signet Group.

Implementation of the Proposal

- There can be no certainty that the Scheme will be approved by Signet Shareholders or sanctioned by the Court, or that the Proposal will otherwise be completed.

Market price of Signet Jewelers Limited Shares

- The Signet Jewelers Limited Shares are intended to be listed on the NYSE and on the Official List and the market price may be different between them for various reasons, including the characteristics of the markets in which they trade, such as trading volumes and currencies. Signet Jewelers Limited's share price may be significantly affected by short-term changes in its financial condition or results of operations as reflected in its quarterly earnings reports.
- Other factors unrelated to the Signet Group's performance that may have an effect on the price of the Signet Jewelers Limited Shares include: the extent of analytical coverage available to investors concerning the Signet Group's business that may be limited if investment banks with research capabilities do not continue to follow Signet Jewelers Limited's securities; and any lessening in trading volume and general market interest in Signet Jewelers Limited's securities that may affect an investor's ability to trade significant numbers of Signet Jewelers Limited Shares. As a result of these factors, the market price of the Signet Jewelers Limited Shares at any given point in time may not accurately reflect Signet Jewelers Limited's long-term value.
- The Signet Shares are currently included in the FTSE 250 list. If, as intended, the Signet Jewelers Limited Shares have a primary listing on the NYSE, they will not be eligible for inclusion in the FTSE 250 list. This may have an effect on the market price of the Signet Jewelers Limited Shares.
- As inclusion in the S&P US indices is at the discretion of the S&P Index Committee, there can be no guarantee that despite the listing of the Signet Jewelers Limited Shares on the NYSE, Signet Jewelers Limited will be included in any S&P US indices.

Future sales of Signet Jewelers Limited Shares by existing shareholders

- Sales of a large number of Signet Jewelers Limited Shares in the public markets, or the potential for such sales, could decrease the trading price of the Signet Jewelers Limited Shares and could impair Signet Jewelers Limited's ability to raise capital through future issues of Signet Jewelers Limited Shares. For example, due to the change in primary listing and domicile, certain shareholders may no longer be able to hold shares in Signet Jewelers Limited due to their investment mandates.

Dilution of Signet Jewelers Limited Shares

- As there are no pre-emption rights for shareholders under the Signet Jewelers Limited Bye-laws or the laws of Bermuda (see under the heading "Pre-emptive Rights" in Part III of this document for further details), an increase in the number of common shares in the capital of Signet Jewelers Limited in the market through further issues by Signet Jewelers Limited could result in the voting power of Signet Jewelers Limited's existing shareholders being diluted.

Rights as a Depositary Interest holder

- Depositary Interest holders do not have the rights which Bermuda law and the Signet Jewelers Limited Bye-laws confer on legal holders of Signet Jewelers Limited Shares, such as voting rights. In respect of the Signet Jewelers Limited Shares underlying the Depositary Interests those rights vest in the DI Depositary Nominee as the legal holder of the relevant Signet Jewelers Limited Shares who will hold those shares as nominee for the DI Depositary which in turn will hold its interest in the Signet Jewelers Limited Shares on bare trust for the relevant holders. Consequently, if the Depositary Interest holders want to exercise any of those rights they must rely on the DI Depositary Nominee and the DI Depositary to either exercise those rights for their benefit or authorise them to exercise those rights for their own benefit. Pursuant to the deed poll pursuant to which the Depositary Interests are created, the DI

Depository Nominee and the DI Depository must pass on to and, so far as they are reasonably able, exercise on behalf of the relevant Depository Interest holders all rights and entitlements which they receive or are entitled to in respect of the underlying Signet Jewelers Limited Shares and which are capable of being passed on or exercised. However, there can be no assurance that all such rights and entitlements will at all times be duly and timely passed on or exercised.

Limitations on the transferability of the Signet Jewelers Limited Shares

- Under a general policy of the Bermuda Monetary Authority, the Signet Jewelers Limited Shares may be freely transferred under the Exchange Control Act 1972 of Bermuda and the related regulations following the proposed listing of the Signet Jewelers Limited Shares on the NYSE and the Official List (by way of secondary listing) taking effect and if the Bermuda Monetary Authority subsequently withdraws its consent to the free transferability of the Signet Jewelers Limited Shares, then the admission and trading of those Signet Jewelers Limited Shares on both the NYSE and the Official List and the LSE's main market for listed securities may be suspended. Such suspension would remain in force until the Bermuda Monetary Authority reinstated its consent to the free transferability of the Signet Jewelers Limited Shares.

No Takeover Code protection

- As Signet Jewelers Limited is incorporated in Bermuda, the Takeover Code will not apply to it and investors will not be able to benefit from its provisions. Further details of the protections afforded by the Takeover Code are set out under the heading "Takeovers of Public Companies" in Part III of this document on page 61.

Changes in tax treatment

- At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by Signet Jewelers Limited or by its shareholders in respect of its shares. It cannot be certain that Signet Jewelers Limited will not be subject to any Bermuda tax in the future. For further details please see paragraph 11.1 of Part II of this document on page 36.
- The Organisation for Economic Cooperation and Development (the "OECD") has published reports and launched a global dialogue among member and non-member countries on measures to limit harmful tax competition. These measures are largely directed at counteracting the effects of tax havens and preferential tax regimes in countries around the world. In the OECD's report dated 18 April 2002, updated as of June 2004 and September 2006, Bermuda was not listed as a tax haven jurisdiction because it had previously signed a letter committing itself to eliminate harmful tax practices and to embrace international tax standards for transparency, exchange of information and the elimination of any aspects of the regimes for financial and other services that attract business with no substantial domestic activity. The Directors are not able to predict what changes could arise from this commitment or whether such changes could subject Signet Jewelers Limited to additional taxes.

Secondary listing

- The proposed secondary listing of Signet Jewelers Limited Shares on the Official List is subject to the UK Listing Authority approving the related prospectus and application (and accordingly, in the event that such approval is not forthcoming, the secondary listing of Signet Jewelers Limited Shares on the Official List may not take effect as intended). The Scheme is not conditional on an application to list the Signet Jewelers Limited Shares on the Official List (by way of secondary listing) having been made.

Consequences of a secondary listing

- It is intended that an application will be made for the Signet Jewelers Limited Shares to be listed on the Official List (by way of secondary listing) pursuant to Chapter 14 of the Listing Rules. As a company with a secondary listing on the Official List, Signet Jewelers Limited is not required, and does not intend, to comply with the full provisions of the Listing Rules as set out more fully in "What is a secondary listing?" at question 29 of the "Questions and Answers about the Proposal" section of this document on page 17. It should be noted that, if the Signet Jewelers Limited Shares are listed on the NYSE as intended, obligations arising from applicable securities and corporate legislation in the United States, as well as applicable rules of the NYSE, will apply to Signet Jewelers Limited.

Proceedings against Signet Jewelers Limited

- The board of directors of Signet Jewelers Limited comprises, and is likely to continue to comprise, a greater proportion of non-UK resident directors than the current Board. As a result, should the Proposal be effected it may be more difficult for investors to effect service of process on the Signet Jewelers Limited directors in the UK or to enforce in the UK judgments obtained in UK courts against Signet Jewelers Limited or those directors.

- It is doubtful whether courts in Bermuda will enforce judgments obtained by investors in other jurisdictions, including the US and the UK, against Signet Jewelers Limited or its directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against Signet Jewelers Limited or its directors or officers under the securities laws of other jurisdictions.

More extensive US regulation of Signet Jewelers Limited

- As of the date of this document, Signet qualifies as a “foreign private issuer” under the SEC’s rules. On 10 January 2008, Signet announced that the proportion of its voting securities held by US residents in mid-December 2007 was just below 50 per cent. If this percentage were to rise above 50 per cent the parent company of the Signet Group would no longer satisfy the definition of a “foreign private issuer” under the rules and regulations of the SEC and, on a measuring date specified by the SEC’s rules, it and its insiders would become subject to additional US reporting, disclosure and corporate governance requirements. This could arise if the Proposal is not effected but could be more likely after the primary listing of the parent company of the Signet Group is moved from the Official List to the NYSE.

Future business and operations of the Signet Group

- The future business and operations of the Signet Group may be affected by risks and uncertainties which are unconnected with the Proposal. A summary of certain of those risks and uncertainties is included under the heading “Forward-looking statements” on page 5 of this document. More detailed information about these risks and uncertainties is set forth in filings and submissions made by Signet with the SEC, including, but not limited to, the Company’s annual report and accounts for the year ended 2 February 2008 which is available from Signet’s website at www.signetgroupplc.com, or can be viewed at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London EC2A 2HS from the date of this document until the Effective Date.