

SIGNET GROUP PLC
Form 6-K
July 24, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO

RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the date of 24 JULY 2008

Commission File Number 001-32349

SIGNET GROUP PLC

(Translation of registrant's name into English)

15 GOLDEN SQUARE, LONDON W1F 9JG, ENGLAND

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____ .

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIGNET GROUP PLC

(Registrant)

Date 24 July 2008

By: /s/ WALKER BOYD

Name: Walker Boyd

Title: Authorised Signatory and Group Finance Director

Exhibit Index

- 99.1 Shareholder Circular dated 24 July 2008
- 99.2 Forms of Proxy
- 99.3 Form of Voting Instruction Card

THIS DOCUMENT IS IMPORTANT AND REQUIRES

YOUR IMMEDIATE ATTENTION

Proposed Scheme of Arrangement

to establish

SIGNET GROUP PLC

as a wholly owned subsidiary of

Signet Jewelers Limited

Circular to Signet Shareholders and Signet ADS holders

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. If you are in any doubt as to the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the FSMA or, if you are in a territory outside the United Kingdom, is an appropriately authorised independent financial adviser. Capitalised terms used throughout this document have the meanings set forth in Part VIII of this document.

If you have sold or otherwise transferred all of your Signet Shares and/or Signet ADSs, please send this document together with the accompanying documents (but not the enclosed personalised forms of proxy (if applicable)) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your holding of Signet Shares and/or Signet ADSs, you should immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Signet Jewelers Limited Shares are intended to be listed on the NYSE. Once made, the application for listing on the NYSE is expected to become effective and trading in Signet Jewelers Limited Shares on the NYSE is expected to commence at 2.30 p.m. (9.30 a.m. New York time) on 11 September 2008, being the expected Effective Date. The Signet Jewelers Limited Shares are also intended to be listed on the Official List (by way of a secondary listing). Once made, the application to the UK Listing Authority for listing on the Official List is expected to become effective and trading in Signet Jewelers Limited Shares on the London Stock Exchange's main market for listed securities is expected to commence at 8.00 a.m. on 11 September 2008, being the expected Effective Date.

It is intended that, subject to the Scheme becoming effective: (i) the existing listing of Signet Shares on the Official List and their admission to trading on the London Stock Exchange's main market for listed securities will be cancelled simultaneously with the commencement of trading in Signet Jewelers Limited Shares on the London Stock Exchange's main market for listed securities; and (ii) the existing quotation of Signet ADSs on the NYSE will be cancelled simultaneously with the commencement of trading in Signet Jewelers Limited Shares on the NYSE.

Following implementation of the Proposal, the Takeover Code will not apply to acquisitions of shares in, or offers for shares of, Signet Jewelers Limited.

SIGNET GROUP PLC

Proposed scheme of arrangement

(under Part 26 of the Companies Act 2006)

to establish

Signet Group plc

as a

wholly-owned subsidiary of

Signet Jewelers Limited

The release, publication or distribution of this document and any of the accompanying documents in or into jurisdictions other than the United Kingdom or the United States may be restricted by laws of those jurisdictions and therefore persons into whose possession this document or any of the accompanying documents comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. This document and the accompanying documents have been prepared pursuant to, and for the purposes of complying with, English law and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document and the accompanying documents had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Securities may not be offered or sold in the United States unless registered under the Securities Act and applicable state securities laws or exempt from such registration. In reliance on the exemption provided by section 3(a)(10) of the Securities Act, the issuance of Signet Jewelers Limited Shares has not been, nor will be, registered with the SEC under the Securities Act. In reliance on the pre-emption attached to NYSE listing, the issuance of Signet Jewelers Limited Shares has not been, nor will be, registered under the securities laws of any state or other jurisdiction of the United States. Persons who are affiliates of Signet Jewelers Limited after the implementation of the Scheme will be subject to certain US transfer restrictions relating to Signet Jewelers Limited Shares received under the Scheme.

You should read the whole of this document along with the accompanying documents. Your attention is drawn to the letter from the Chairman of Signet on pages 19 to 24 of this document, recommending that Signet Shareholders vote, and holders of Signet ADSs direct the ADS Depository to vote, in favour of the Scheme of Arrangement at the Court Meeting and in favour of the resolutions relating to the Proposal to be proposed at the Scheme GM.

Your attention is drawn to the section headed **Risk factors** set out on pages 6 to 8 of this document for a discussion of certain factors that should be considered by Signet Shareholders and Signet ADS holders when considering what action to take in connection with the Court Meeting and the Scheme GM.

Notices of the Court Meeting and the Scheme GM, and details of the time, date and venue of each, are set out on pages 84 to 91 of this document.

Signet Shareholders are asked to complete and return the relevant enclosed forms of proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by the Company's registrar, Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 48 hours before the relevant meeting. If the form of proxy for the Court Meeting is not lodged by then, it may be handed to the chairman of the Court Meeting before the start of the Court Meeting.

Holders of Signet ADSs are asked to sign and return the enclosed ADS Voting Instruction Card in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by the ADS Depository, at the address indicated on the ADS Voting Instruction Card, not later than 3.00 p.m. (New York time) on 13 August 2008.

The action to be taken by Signet Shareholders and Signet ADS holders is detailed on page 47 of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Lazard & Co., Limited by the FSMA or the regulatory regime established thereunder, Lazard & Co., Limited does not accept any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with Signet, Signet Jewelers Limited, the Signet Shares, the Signet ADSs, the Signet Jewelers

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Limited Shares or the Proposal. Lazard & Co., Limited accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

This document does not constitute an offer or an invitation to any person to subscribe for or to purchase any securities in Signet Jewelers Limited.

No shares in Signet Jewelers Limited have been marketed to, nor are any shares in Signet Jewelers Limited available for purchase by, the public in the United Kingdom or the United States or elsewhere in connection with the introduction of the Signet Jewelers Limited Shares to the NYSE or the Official List. This document does not constitute, and neither Signet nor Signet Jewelers Limited is making, any offer of transferable securities to the public within the meaning of sections 85 and 102B of the FSMA or Part III of the Bermuda Companies Act. This document is not an approved prospectus for the purposes of and as defined in section 85 of the FSMA and has not been prepared in accordance with the Prospectus Rules and has not been approved by the FSA or by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

The statements contained in this document are made as at the date of this document unless some other time is specified in relation to them, and service or delivery of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Lazard & Co., Limited, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Signet and Signet Jewelers Limited and no one else in connection with the Proposal and will not be responsible to anyone other than Signet and Signet Jewelers Limited for providing the protections afforded to clients of Signet and Signet Jewelers Limited nor for providing advice in relation to the Proposal or the contents of this document, or any matter referred to herein.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out the expected dates for the implementation of the Proposal.

Event	Time and/or date
ADS Record Date	Close of business in New York on 17 July 2008
Latest time for lodging ADS Voting Instruction Cards	3.00 p.m. (New York time) ⁽¹⁾ on 13 August 2008
Latest time for lodging blue forms of proxy for the Court Meeting	11.30 a.m. on 17 August 2008 ⁽²⁾
Latest time for lodging white forms of proxy for the Scheme GM	11.45 a.m. on 17 August 2008 ⁽³⁾
Voting Record Time for the Court Meeting and the Scheme GM	6.00 p.m. on 17 August 2008 ⁽⁴⁾
Court Meeting	11.30 a.m. on 19 August 2008
Scheme GM	11.45 a.m. on 19 August 2008 ⁽⁵⁾

The following dates are subject to change (please see note (6) below)

First Court Hearing to sanction the Scheme	8 September 2008 ⁽⁶⁾
Reduction Record Time	6.00 p.m. on 9 September 2008 ⁽⁶⁾
Second Court Hearing to confirm the Capital Reduction	10 September 2008 ⁽⁶⁾
Scheme Record Time	5.00 p.m. on 10 September 2008 ⁽⁶⁾
Effective Date of the Scheme	11 September 2008 ⁽⁶⁾
Effective time for the Share Capital Consolidation	Immediately after the Scheme becomes effective on 11 September 2008 ⁽⁶⁾
Cancellation of listing of Signet Shares on the Official List and commencement of trading on the LSE in Signet Jewelers Limited Shares	8.00 a.m. on 11 September 2008 ⁽⁶⁾
Cancellation of quotation of Signet ADSs on the NYSE and commencement of trading on the NYSE in Signet Jewelers Limited Shares	2.30 p.m. (9.30 a.m. New York time) on 11 September 2008 ⁽⁶⁾
Crediting of Depositary Interests to CREST accounts in respect of Scheme Shareholders who: (i) hold Signet Shares in uncertificated form at the Scheme Record Time; and (ii) currently hold Signet Shares in certificated form but who complete and execute a CREST Transfer Form and return it to their broker in good time in order to allow the shares to be dematerialised in accordance with Euroclear UK's procedures	On or about 11 September 2008 ⁽⁶⁾

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Despatch of share certificates in respect of Signet Jewelers Limited Shares to Scheme Shareholders who currently hold Signet Shares in certificated form and who do not complete and execute a CREST Transfer Form and return it to their broker in good time in order to allow the shares to be dematerialised in accordance with Euroclear UK's procedures

By 25 September 2008⁽⁶⁾

Notes:

- (1) References to time in this document are to London time, unless otherwise stated.
- (2) It is requested that forms of proxy for the Court Meeting be lodged at least 48 hours prior to the appointed time for the Court Meeting, although forms of proxy not so lodged may be handed to the chairman of the Court Meeting before the start of the Court Meeting.
- (3) Forms of proxy for the Scheme GM must be lodged at least 48 hours prior to the Scheme GM. Forms of proxy for the Scheme GM not lodged by this time will be invalid.
- (4) If either the Court Meeting or the Scheme GM is adjourned, the Voting Record Time for the adjourned Shareholder Meeting will be 6.00 p.m. on the date two days before the date set out for the adjourned Shareholder Meeting.
- (5) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (6) These dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme and confirms the associated Capital Reduction as well as the date on which the Court Orders are delivered to the Registrar and the Reduction Court Order is registered by the Registrar.

ENCLOSURES

All Signet Shareholders will find enclosed with this document:

a BLUE form of proxy for use in connection with the Court Meeting; and

a WHITE form of proxy for use in connection with the Scheme GM.

All Signet ADS holders will find enclosed with this document:

an ADS Voting Instruction Card; and

a postage paid return envelope.

HELPLINES

Signet Shareholders who have any questions about this document, the Court Meeting or the Scheme GM, or are in any doubt as to how to complete the forms of proxy for the Shareholder Meetings, should call Signet's registrar, Capita Registrars on 0871 664 0440 or, if telephoning from outside the UK, on +44 20 8639 3443. Calls to the Capita Registrars' 0871 664 0440 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars' +44 20 8639 3443 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Deutsche Bank Trust Company Americas as ADS Depositary is providing a telephone helpline to answer questions which Signet ADS holders may have prior to deciding what action to take. The toll free number for callers dialling from within the US is (866) 249-2593 and for callers dialling from outside the US the toll collect number is +1 (718) 921-8137.

Helpline operators cannot provide financial, taxation or legal advice or advice on the merits of the Proposal.

Helplines are open Monday to Friday during normal business hours.

LEGAL NOTICES

Nothing contained in this document shall constitute an offer to sell, or a solicitation of any offer to purchase or subscribe for, any shares in Signet or Signet Jewelers Limited, nor shall it form the basis of, or be relied upon in connection with, any contract for such purchase or subscription.

The issuance of Signet Jewelers Limited Shares pursuant to the Scheme will not be registered under the Securities Act and will be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) thereof. In reliance on the pre-emption attached to NYSE listing, the issuance of Signet Jewelers Limited Shares will not be registered under the securities laws of any state or jurisdiction of the United States.

FORWARD-LOOKING STATEMENTS

All statements in this document, other than statements of historical fact, are or may be deemed to be forward-looking statements within the meaning of the United States 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 document and include statements regarding, among other things, our results of operation, financial condition, liquidity, prospects, growth, strategies and the industry in which the Signet Group operates. The use of the words expects, intends, anticipates, estimates, may, forecast, objective, plan, or 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.

Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include: (1) adverse trends in the general economy which may impact negatively on discretionary consumer spending, including unemployment levels, consumers' disposable income, consumer confidence, business conditions, interest rates, consumer debt levels, availability of credit and levels of taxation; (2) the ability to recruit, train and retain staff, including senior management; (3) short term variations in consumers' preferences for jewellery compared to other product categories, the Signet Group's ability to anticipate consumer preferences and the merchandising, inventory and pricing policies it follows, particularly if there are any significant changes such as those implemented by the US division in early 2008/09; (4) the reputation of the Signet Group and its trading names, together with the success of the Signet Group's marketing and promotional programmes; (5) long term changes in consumer attitudes to diamonds, gold and other precious metals and gemstones; (6) changes to the locations in which consumers choose to shop, the extent and results of the Signet Group's net store expansion and refurbishment strategy together with the availability of suitable real estate; (7) the level of competition in the selling of jewellery and the development of new distribution channels in competition with the Signet Group; (8) the level of dependence on particular suppliers of merchandise; (9) fluctuations in the supply, price and availability of diamonds, gold and other precious metals and gemstones, particularly if such movements are extreme and volatile as has been the recent case with precious metals; (10) the seasonality of the Signet Group's business, the risk of disruption during the Christmas trading period, and the availability of inventory during the three months leading up to the Christmas trading period; (11) social, ethical and environmental risks; (12) the suitability and reliability of the Signet Group's internal control systems and procedures, including its accounting and information technology systems necessary for compliance with the Sarbanes-Oxley Act of 2002, as well as operational systems such as warehousing, distribution and e-commerce; (13) regulatory requirements, particularly with regard to the in-house credit operation in the US; (14) legal actions; (15) revisions to, and new interpretations of, GAAP, the accounting policies adopted by, and the tax assumptions made by the Signet Group; (16) listing and domicile; (17) acquisitions; (18) pensions regulations, actuarial assumptions including longevity, pension valuation and investment returns; (19) the cost and availability of borrowings and equity capital which have changed markedly during the last 12 months; (20) financial market risks, including fluctuations in exchange rates between the pound sterling and the US dollar which may affect reported revenues, costs, the value of the Signet Group's consolidated borrowings, and the cost of capital; and (21) the loss of one or more key executive officers or employees.

All forward-looking statements should be read, in particular, in the context of the risk and other factors described in this section. Signet Shareholders and Signet ADS holders are cautioned not to place undue weight on these forward-looking statements. Actual results may differ

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materially from those anticipated in such forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein may not be realised. The Signet Group undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law. More detailed information about these and other risk factors is set forth in the section headed "Risk factors" set out on pages 6 to 8 of this document and in filings and submissions made by Signet with the SEC including but not limited to Signet'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.

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

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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.

QUESTIONS AND ANSWERS ABOUT THE PROPOSAL

The following section is designed to assist your understanding of the Proposal. However, sole reliance should not be placed upon it for a full and proper understanding of the Proposal and you are advised to read the whole of this document.

Holders of Signet ADSs should also read paragraph 10 of Part II of this document (on pages 34 and 35), which contains more particular information about the Proposal as it affects holders of Signet ADSs.

1 What is the Proposal?

The Proposal is to:

- 1.1 move the primary listing of the parent company of the Signet Group from the Official List to the NYSE;
- 1.2 reorganise the Signet Group pursuant to a Court approved scheme of arrangement so that Signet becomes a wholly-owned subsidiary of Signet Jewelers Limited, a new company incorporated in Bermuda under the Bermuda Companies Act, and the current holders of Signet Shares and Signet ADSs become shareholders of Signet Jewelers Limited;
- 1.3 implement a one-for-twenty share capital consolidation (also known as a reverse stock split) in respect of the Signet Jewelers Limited Shares after the Scheme becomes effective; and
- 1.4 apply for a secondary listing of Signet Jewelers Limited Shares on the Official List.

The Proposal is described in further detail in paragraph 2 of Part II of this document.

2 What is the Scheme?

Signet is proposing to reorganise the Signet Group pursuant to a Court approved scheme of arrangement under Part 26 of the Companies Act so that Signet becomes a wholly and directly owned subsidiary of Signet Jewelers Limited and the existing Signet Shareholders become shareholders of Signet Jewelers Limited. Immediately following the Scheme becoming effective, former Signet Shareholders will hold 100 per cent of the Signet Jewelers Limited Shares in issue. The Scheme will be implemented by cancelling and extinguishing all of the Scheme Shares on the Effective Date, capitalising the reserve created by the cancellation and issuing New Signet Shares to Signet Jewelers Limited. In return for Signet Jewelers Limited's receipt of New Signet Shares, Scheme Shareholders (including the ADS Depositary) will receive one Signet Jewelers Limited Share for each Signet Share previously held by them at the Scheme Record Time.

3 What is the Share Capital Consolidation?

As part of the Proposal, Signet Jewelers Limited intends to implement a share capital consolidation (also known as a reverse stock split) on a one-for-twenty basis, in respect of the Signet Jewelers Limited Shares issued under the Scheme. It is intended that the Share Capital

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Consolidation will be implemented immediately after the Scheme becomes effective. The combined effect of the Scheme and the Share Capital Consolidation (if effected in accordance with their respective terms) will be that Signet Shareholders (including the ADS Depositary) will receive one Signet Jewelers Limited Share for every twenty Signet Shares they hold at the Scheme Record Time (being 5.00 p.m. on the business day immediately prior to the date of the Effective Date). Following the Scheme becoming effective and the Share Capital Consolidation being implemented, Signet ADS holders will receive one Signet Jewelers Limited Share for every two Signet ADSs.

Subject to fractional interests, discussed in question 9 below, Signet Shareholders and holders of Signet ADSs will own the same relative proportion of Signet Jewelers Limited immediately following the Share Capital Consolidation as they did of Signet immediately prior to the Scheme becoming effective.

4 When will this all happen?

The Scheme will require the approval of Signet Shareholders at the Court Meeting and the Scheme GM, and the sanction of the Court. Both Shareholder Meetings are expected to be held on 19 August 2008 and the First Court Hearing is expected to be held on 8 September 2008. Notices of the Court Meeting and the Scheme GM are set out on pages 84 to 91 of this document.

Voting Record Time

Entitlement to attend and vote at the Shareholder Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Signet at the Voting Record Time,

being 6.00 p.m. on 17 August 2008, which is two days before the expected date of the Shareholder Meetings (or, in the event that the Shareholder Meetings are adjourned, by reference to the register of members of Signet at 6.00 p.m. on the day that is two days before the adjourned Shareholder Meetings).

Court Meeting

The Court Meeting has been convened for 11.30 a.m. on 19 August 2008 in accordance with the direction of the Court to enable Signet Shareholders to consider and, if thought fit, approve the Scheme.

Scheme general meeting

The Scheme GM has been convened for 11.45 a.m. on 19 August 2008 (or as soon thereafter as the Court Meeting shall have concluded or been adjourned) to enable Signet Shareholders to consider and, if thought fit, pass certain resolutions relating to the Proposal (including a special resolution which requires a vote of not less than 75 per cent of the votes cast).

Scheme Record Time

Entitlement to Signet Jewelers Limited Shares under the terms of the Scheme will be determined by reference to Signet's register of members as at the Scheme Record Time.

Scheme Effective Date

The Scheme will become effective as soon as copies of the Court Orders are delivered to the Registrar for registration and, in the case of the Reduction Court Order, are registered by the Registrar. Subject to the necessary Court and Signet Shareholder approvals being obtained, this is expected to occur, and the Scheme is expected to become effective, on 11 September 2008.

Share Capital Consolidation

As part of the Proposal, Signet Jewelers Limited intends to implement, immediately after the Scheme becomes effective, the Share Capital Consolidation on a one-for-twenty basis in respect of the Signet Jewelers Limited Shares issued under the Scheme. The effect of this will be that Scheme Shareholders will ultimately receive one Signet Jewelers Limited Share for every twenty Signet Shares held at the Scheme Record Time and that Signet ADS holders will ultimately receive one Signet Jewelers Limited Share for every two Signet ADSs.

Listing

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As part of the Proposal, Signet intends to apply to list the Signet Jewelers Limited Shares to be issued under the Scheme on the NYSE and the Official List (by way of a secondary listing). Such listings are expected to become effective and trading in Signet Jewelers Limited Shares on the NYSE and the London Stock Exchange's main market for listed securities is expected to commence at 2.30 p.m. (9.30 a.m. New York time) and 8.00 a.m. respectively on 11 September 2008, the day on which the Scheme of Arrangement is expected to become effective.

The cancellation of the existing listing of Signet Shares on the Official List and their admission to trading on the London Stock Exchange's main market for listed securities and the cancellation of the existing listing of the Signet ADSs on the NYSE are expected to take effect from 8.00 a.m. and 2.30 p.m. (9.30 a.m. New York time) respectively on 11 September 2008, with the Signet Jewelers Limited Shares underlying the Signet ADSs that were held in certificated form being distributed to the holders of those Signet ADSs upon surrender of their Signet ADSs.

The expected timetable of principal events to give effect to the Proposal is set out on page 3 of this document.

5 Why are you doing this?

The Board believes that the proposal to move to a US primary listing on the NYSE is in the best interests of Signet Shareholders. This is the natural next step in the evolution of the Company'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 Signet Group, which are predominantly based in the US, and where the Board expects the majority of the Signet Group's future growth to take place. Currently over 70 per cent of the Signet Group's sales, operating profit and net assets is 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 Signet 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 Signet Group would benefit from its primary listing being amongst a more appropriate public company peer group.

Signet remains fully committed to enhancing its strong presence in the UK speciality jewellery market. As part of this ongoing investment, Signet Jewelers Limited intends to continue to encourage UK share ownership and investment with a secondary listing on the Official List, which it intends to establish concurrently with the commencement of trading of Signet Jewelers Limited Shares on the NYSE on 11 September 2008, subject to the Scheme of Arrangement becoming effective and the UK Listing Authority approving the related prospectus and application.

To be eligible for inclusion in US domestic stock indices the parent company of the Signet Group could not remain domiciled in England and Wales. It was therefore decided to move the parent company of the Signet Group's domicile to Bermuda as it is a well established jurisdiction for companies traded on US stock exchanges and included in US domestic stock indices such as Standard & Poor's. In addition, a change of domicile of the parent company of the Signet Group to Bermuda will minimise the impact on shareholders by allowing it to have legal, regulatory, capital and financial positions largely consistent with those of Signet today. Furthermore, a change of domicile of the parent company of the Signet Group to the US could have caused adverse US tax consequences – these adverse US tax consequences do not arise where the parent company of the Signet Group's domicile is changed to Bermuda.

6 What will be the effect of the Proposal on Signet Shares?

If fully implemented, the Proposal will result in all the Signet Shares being replaced by Signet Jewelers Limited Shares, on the following basis:

one Signet Jewelers Limited Share for every twenty Signet Shares held at the Scheme Record Time.

You will not have to pay anything for the Signet Jewelers Limited Shares.

7 What are Signet ADSs?

Signet Shares are listed on the NYSE in the form of Signet American Depositary Shares to facilitate ownership by US investors. Each Signet ADS currently represents the right to receive ten Signet Shares.

8 What will be the effect of the Proposal on Signet ADSs?

If fully implemented, the Proposal will result in all Signet ADSs being replaced by Signet Jewelers Limited Shares on the following basis:

one Signet Jewelers Limited Share for every two Signet ADSs.

You will not have to pay anything for the Signet Jewelers Limited Shares.

9 Will I receive fractional interests in Signet Jewelers Limited Shares in connection with the Share Capital Consolidation?

You will not receive a fractional interest in Signet Jewelers Limited Shares in connection with the Share Capital Consolidation. To the extent that you would otherwise be entitled to a fractional interest in Signet Jewelers Limited Shares, such fractional interest will be aggregated with other fractional interests and sold in the market and a pro-rata proportion of the cash raised from such sale will be despatched to you. You will receive any such cash in respect of entitlements to fractional interests in pounds sterling.

10 Why is Court approval needed?

The Scheme, if approved, will be binding on all Scheme Shareholders, including any Scheme Shareholders who did not vote to approve the Scheme or who voted against the Scheme, when it becomes effective, thereby providing certainty and equality of treatment for Scheme Shareholders. The implementation of the Scheme must satisfy certain legal requirements for the protection of Signet Shareholders and creditors and therefore requires the approval of the Court.

11 What are Scheme Shares ?

Scheme Shares are Signet Shares that are: (1) currently in issue or are issued before the Voting Record Time; or (2) issued after the Voting Record Time but before the Reduction Record Time either on terms that the original or any subsequent holders of such shares are to be bound by the Scheme, or in respect of which their holders are, or have agreed in writing to be, bound by the Scheme. Accordingly, any ordinary shares in Signet which you hold at the date of this document will be Scheme Shares. Only Scheme Shares will be cancelled pursuant to the Scheme.

12 What will actually happen to my Scheme Shares?

If the Proposal is fully implemented it will result in Signet Shareholders receiving one Signet Jewelers Limited Share for every twenty Signet Shares held at the Scheme Record Time and Signet ADS holders receiving one Signet Jewelers Limited Share for every two Signet ADSs.

The key steps are as follows:

all Scheme Shares will be cancelled;

Signet will issue New Signet Shares to the new holding company, Signet Jewelers Limited;

Signet Jewelers Limited will issue to the Scheme Shareholders one Signet Jewelers Limited Share for each Scheme Share held by them at the Scheme Record Time;

every twenty Signet Jewelers Limited Shares issued under the Scheme will be replaced with one Signet Jewelers Limited Share as a result of the Share Capital Consolidation; and

Signet ADS holders will receive one Signet Jewelers Limited Share for every two Signet ADSs.

13 When and how will I receive my new shares?

(i) Holders of certificated Scheme Shares

Scheme Shareholders who hold their Scheme Shares in certificated form at the Scheme Record Time and wish to hold their Signet Jewelers Limited Shares in certificated form need take no action (other than voting at the Court Meeting and the Scheme GM). Definitive share certificates in respect of the Signet Jewelers Limited Shares are expected to be despatched within 10 business days after the Effective Date. In the case of joint Scheme Shareholders holding their Scheme Shares in certificated form, certificates will be despatched to the person whose name appears first in Signet's register of members. Pending receipt of certificates, transfers will be certified against Signet Jewelers Limited's register of members. As from the Effective Date, existing certificates representing holdings in certificated form of Signet Shares will cease to be valid for any purpose and Signet Shareholders who hold their Signet Shares in certificated form should, if so requested by Signet Jewelers Limited, send such certificates to Signet Jewelers Limited for cancellation.

Scheme Shareholders who hold their Signet Shares in certificated form and wish to hold their Signet Jewelers Limited Shares in uncertificated form will need to contact their broker to obtain a CREST Transfer Form. This should be completed and executed by such shareholders and returned to their broker as soon as possible and in any event in good time in order to allow the shares to be dematerialised in accordance with Euroclear UK's procedures. In any case, dematerialisation must be completed before the Scheme Record Time.

Scheme Shareholders who hold their Signet Shares in certificated form and wish to hold their Signet Jewelers Limited Shares in uncertificated form, but do not have a broker, will need to contact a bank or broker or other nominated CREST member or will need to become CREST members themselves.

(ii) Holders of uncertificated Scheme Shares

Signet Jewelers Limited Shares (being issued by a non-UK company) will not themselves be admitted to CREST and hence will not be able to be held and traded directly in uncertificated form. However, any Scheme Shareholders who currently hold their Scheme Shares in uncertificated form and who wish to hold and transfer interests in their Signet Jewelers Limited Shares within CREST will be able to do so pursuant to the Depositary Interest arrangements to be established by Signet Jewelers Limited. For further details of these arrangements, please see paragraph 8.4 of Part II of this document. The Depositary Interests will be created and issued pursuant to a deed poll executed by the DI Depositary under English law. These Depositary Interests may be held and transferred within the CREST system. In relation to such Depositary Interests, although Signet Jewelers Limited's register of members will show the DI Depositary Nominee as the legal holder of the relevant Signet Jewelers Limited Shares, the beneficial interest in such shares will remain with the holder of the Depositary Interests representing the underlying shares, who will receive all the rights attaching to the Signet Jewelers Limited Shares as that holder would have, if such holder of Depositary Interests had been on the Signet Jewelers Limited register of members himself. If you hold your Signet Shares in uncertificated form as at the Scheme Record Time, your CREST account will automatically be credited with equivalent Depositary Interests on or about the Effective Date. If you wish to withdraw your underlying Signet Jewelers Limited Shares from the Depositary Interests arrangements, see paragraph 8.4 of Part II of this document.

(iii) Holders of Signet ADSs

On the Effective Date (which is expected to be 11 September 2008), the Signet ADSs will represent the right to receive the appropriate number of Signet Jewelers Limited Shares on the basis of one Signet Jewelers Limited Share for every two Signet ADSs.

Upon surrender of certificated Signet ADSs, the Exchange Agent will transfer to the former Signet ADS holder one Signet Jewelers Limited Share for every two Signet ADSs cancelled. In respect of holders of Signet ADSs who hold certificates representing Signet ADSs, as soon as reasonably practicable and in any event within ten business days after the Effective Date, the Exchange Agent will mail to each such holder a letter of transmittal which such Signet ADS holder must properly complete and deliver to the Exchange Agent along with the relevant holder's certificate representing the Signet ADSs and instructions for effecting surrender of the Signet ADSs.

In respect of holders of Signet ADSs who hold Signet ADSs in book entry form, the Signet Jewelers Limited Shares will be credited to them in book entry form either: (i) under the direct registration system in the United States; or (ii) credited to their DTC account held by their broker or custodian.

14 Do I need to vote?

Your vote is important. In particular, the Court needs to be satisfied that there is a fair representation of the opinion of Signet Shareholders at the Court Meeting.

Signet Shareholders are therefore urged to complete, sign and return BOTH of the enclosed forms of proxy as soon as possible. This will not preclude Signet Shareholders from attending the Shareholder Meetings in person. The BLUE form of proxy is for the Court Meeting and the WHITE form of proxy is for the Scheme GM.

Signet ADS holders are also urged to complete, sign and return their ADS Voting Instruction Cards before 3.00 p.m. (New York time) on 13 August 2008.

15 Who is entitled to vote?

Only Signet Shareholders entered in the register of members of Signet at the Voting Record Time will be entitled to attend and vote at the Shareholder Meetings.

If you are not the registered holder of your Signet Shares, the registered holder may be entitled to vote your Signet Shares if you provide that holder with instructions on how to vote. If your broker is the registered holder of your Signet Shares, you should instruct your broker to vote your Signet Shares following the directions provided to you by your broker.

If your broker has not received instructions from you and does not vote your Signet Shares, your shares will not be counted towards the number of shares considered present at the Shareholder Meetings and will not have an effect on the outcome of the vote.

Signet ADS holders should refer to questions 19 and 20 below and to paragraph 10 of Part II of this document for details of how they can have the votes attaching to the underlying Signet Shares which their Signet ADSs represent cast or vote in person at the Shareholder Meetings.

16 Why are there two Shareholder Meetings?

There are two Shareholder Meetings, being the Court Meeting and a subsequent Scheme GM, which are being called for different purposes and which will be held on the same day. The Court Meeting is a statutory requirement of the Scheme and is convened by the Court solely to approve the Scheme itself. The Scheme GM is a general meeting of the Company convened by the Company in order to pass certain resolutions including a special resolution which is necessary to implement the Proposal (including the Scheme). Before the Court's approval can be sought to sanction the Scheme, the Scheme will require approval by Scheme Shareholders at the Court Meeting and the passing of the proposed special resolution by Signet Shareholders at the Scheme GM.

The Shareholder Meetings are to be held at Café Royal, 68 Regent Street, London W1B 5EL from 11.30 a.m. on 19 August 2008. The formal notices in respect of the Shareholder Meetings are set out on pages 84 to 91 of this document. Signet Shareholders who are unable or would prefer not to attend the Shareholder Meetings are encouraged to vote by completing and returning the enclosed forms of proxy in accordance with the instructions printed thereon.

17 How do I vote if my Signet Shares are registered in my name?

If you are a Signet Shareholder, forms of proxy for your use in connection with the Shareholder Meetings are enclosed with this document. Whether or not you propose to attend the Shareholder Meetings, you should complete and sign the attached forms of proxy in accordance with the instructions on them. Completed forms of proxy should be returned to Signet's registrar, Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Signet Shareholders are requested to lodge BLUE forms of proxy, for use in connection with the Court Meeting, at least 48 hours before the time appointed for the Court Meeting (on the basis of the expected timetable, this will be by no later than 11.30 a.m. on 17 August 2008). BLUE forms of proxy not lodged (i.e. received by Capita Registrars) by such time may be handed to the chairman of the Court Meeting immediately prior to the start of the Court Meeting.

WHITE forms of proxy, for use in connection with the Scheme GM, must be lodged (i.e. received by Capita Registrars) at least 48 hours before the time appointed for the Scheme GM (on the basis of the expected timetable, this will be by no later than 11.45 a.m. on 17 August 2008). WHITE forms of proxy not lodged by such time will be invalid.

18 If my broker is the registered holder of my Signet Shares, will my broker vote my shares for me?

If you are not the registered holder of your Signet Shares, the registered holder may be entitled to vote your Signet Shares if you provide that holder with instructions on how to vote. You should instruct your broker to vote your Signet Shares, following the directions provided to you by your broker.

If your broker has not received instructions from you and does not vote your Signet Shares, your shares will not be counted towards the number of shares considered present at the Shareholder Meetings and will not have an effect on the outcome of the vote.

19 How do I vote if my Signet ADSs are registered in my name?

If you are a Signet ADS holder (and were on the ADS Record Date), you should use your ADS Voting Instruction Card to direct the manner in which the ADS Depositary should vote your underlying Signet Shares at the Shareholder Meetings. Completed ADS Voting Instruction Cards should be returned to Deutsche Bank Trust Company Americas, as ADS Depositary, in the return envelope provided as soon as possible and in any event so as to be received not later than 3.00 p.m. (New York time) on 13 August 2008. You may vote in person at the Court Meeting and/or the Scheme GM if you become the registered holder of the Signet Shares underlying your Signet ADSs by arranging for the surrender of your Signet ADSs in accordance with the terms and conditions of the Deposit Agreement, as discussed in paragraph 10 of Part II of this document.

20 If my broker is the record holder of my Signet ADSs will my broker vote the underlying shares for me?

If you hold Signet ADSs through a bank, broker or financial institution in the United States, you must rely on the procedures of the bank, broker or financial institution through which you hold your Signet ADSs.

21 What should I do with my Signet Share or Signet ADS certificate?

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On the Effective Date (which is expected to be 11 September 2008), Signet Share certificates will cease to be valid and Signet Shareholders who hold their Signet Shares in certificated form should, if requested to do so by Signet Jewelers Limited, send such certificates to Signet Jewelers Limited for cancellation.

In addition, on the Effective Date, the Signet ADSs will represent the right to receive the appropriate number of Signet Jewelers Limited Shares on the basis of one Signet Jewelers Limited Share for every two Signet ADSs. Upon surrender of certificated Signet ADSs, the Exchange Agent will transfer to the former Signet ADS holder one Signet Jewelers Limited Share for every two Signet ADSs surrendered.

22 What if I am resident outside of the United Kingdom or the United States?

If you are resident outside the United Kingdom or the United States, or a national or citizen of jurisdictions outside the United Kingdom or the United States, you should read paragraph 12 of Part II of this document.

23 Are there any taxation consequences of the Proposal?

(a) Disposal of Signet Shares

Any UK resident or ordinarily resident Signet Shareholder will be treated as not having made a disposal of their Signet Shares for the purposes of UK taxation of chargeable gains as a result of the Scheme being implemented. Non-UK resident Signet Shareholders will generally not be subject to UK taxation of chargeable gains in respect of their holdings of Signet Shares or Signet ADSs.

US holders of Signet Shares and/or Signet ADSs who will own five per cent or more of the Signet Jewelers Limited Shares immediately after the Scheme becomes effective, are subject to special US federal income tax rules under which they would generally be required to enter into a gain recognition agreement with the IRS to avoid current taxation upon receipt of Signet Jewelers Limited Shares under the Scheme and may be required to recognise taxable gain for US federal income tax purposes in respect of the Scheme in certain circumstances.

Other US holders of Signet Shares and/or Signet ADSs generally should not recognise any taxable gain or loss for US federal income tax purposes upon receipt of Signet Jewelers Limited Shares under the Proposal.

(b) Dividend treatment

UK resident individual shareholders are currently entitled to a non-payable tax credit on dividends that they receive from Signet. Such shareholders will also generally be entitled to a non-payable tax credit on dividends that they receive from Signet Jewelers Limited with effect from the current tax year (2008/2009). UK resident corporate shareholders (and shareholders who are taxed in the same manner as a UK corporate taxpayer) are in general currently exempt from tax on dividends that they receive from Signet. Such shareholders will generally be taxed on dividends that they receive from Signet Jewelers Limited. However, Signet understands that the UK government is currently considering the tax treatment of portfolio dividends received by UK tax resident companies with a view to achieving parity of treatment between UK and foreign portfolio dividends.

Distributions made with respect to Signet Jewelers Limited Shares will generally be includable in the income of a US holder as ordinary dividend income, to the extent paid out of current or accumulated earnings and profits of Signet Jewelers Limited as determined in accordance with US federal income tax principles. Subject to applicable limitations, including a requirement that the Signet Jewelers Limited Shares be listed for trading on the NYSE, the NASDAQ Stock Market, or another qualifying US exchange, dividends with respect to Signet Jewelers Limited Shares so listed that are paid to non-corporate US holders in taxable years beginning before 1 January 2011 will generally be taxable at a maximum tax rate of 15 per cent.

Please refer to paragraph 11 of Part II of this document for a more detailed description of the tax consequences for UK and US resident Signet Shareholders and Signet ADS holders. For all other jurisdictions, or if you are in any doubt about your taxation position, you should consult your professional adviser.

24 What if I participate in the Signet Share Plans?

Briefly, participants will have the opportunity to agree the replacement of existing options and awards over Signet Shares with options of equivalent value over Signet Jewelers Limited Shares. Options granted before 2003 will be capable of exercise but in view of the current share price it is expected most participants will take advantage of the opportunity to apply for the replacement options. You should read paragraphs 13

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and 14 of Part II of this document for further information in relation to the Signet Share Plans and the new share plans to be established.

The Directors have the power to adjust options under the Signet Share Plans as a result of the Share Capital Consolidation and will exercise this power if they consider it appropriate to do so.

25 What if I hold my shares in an ISA?

If you hold your Signet Shares in an ISA on such terms that you obtain ISA-related tax reliefs, then you should (subject to the Signet Jewelers Limited Shares being listed on the Official List or the NYSE and to the terms and conditions of your ISA, in particular having regard to any restrictions on holding shares issued by non-UK companies) be able to hold the Signet Jewelers Limited Shares in an ISA, provided they are held on the same basis as those Signet Shares you currently hold in your ISA.

If you hold your Signet Shares in an ISA you should contact your plan manager who will be able to advise you of their procedure for voting at the Court Meeting and at the Scheme GM.

Please refer to paragraph 11 of Part II of this document for a more detailed description of the tax consequences of the Scheme in respect of any Signet Shares held in an ISA.

26 What will Signet Jewelers Limited's dividend policy be?

Following implementation of the Proposal, Signet Jewelers Limited 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 of Signet Jewelers Limited will also take account of the payout ratio of US listed speciality retailers, which are typically lower than in the UK. The board of Signet Jewelers Limited may also consider the repurchase of shares from time to time.

Signet currently intends to declare an interim dividend of 0.96 cents per share when it announces its 6 months results to 31 July 2008 on 3 September 2008. It is intended that this interim dividend distribution by Signet will be passed on to shareholders by Signet Jewelers Limited in November 2008. A final dividend will be considered by Signet Jewelers Limited at the time of the full year results for 2008/09 in March 2009. In subsequent years the board of Signet Jewelers Limited intends to declare quarterly dividends.

27 Will I be paid a dividend by Signet Jewelers Limited in pounds sterling or US dollars?

Unless you request otherwise, you will continue to receive any dividends paid by Signet Jewelers Limited in the same currency as you currently receive dividends paid by Signet. More particularly, all mandates in force at the Effective Date relating to instructions given by Signet Shareholders as to the payment of dividends will, unless revoked, be deemed as from the Effective Date to relate to the corresponding Signet Jewelers Limited Shares. To the extent that Signet Jewelers Limited Shareholders do not have any such mandate in force at the Effective Date (and have not subsequently provided Signet Jewelers Limited with instructions on the payment of dividends), if dividends are declared by Signet Jewelers Limited:

Signet Jewelers Limited Shareholders with an address in the United Kingdom on the register of members of Signet Jewelers Limited on the date the dividend is declared will, unless they elect otherwise, automatically receive their dividend in pounds sterling; and

Signet Jewelers Limited Shareholders with an address outside the United Kingdom on the register of members of Signet Jewelers Limited on the date the dividend is declared will, unless they elect otherwise, automatically receive their dividend in US dollars.

Signet Jewelers Limited Shareholders who wish to change the currency in which they currently receive dividends should contact the Company's registrar, Capita Registrars.

28 Will I be able to trade my Signet Shares or Signet ADSs during the time between the date of this document and the Effective Date of the Scheme?

Yes, you will be able to trade your Signet Shares or Signet ADSs during the time between the date of this document and the close of business on the day before the Effective Date. The last date for dealings in Signet Shares and Signet ADSs is therefore expected to be 10 September 2008.

Certificated Holders of Signet Shares should note, however, that, if they intend to trade their Signet Shares between the date of this document and the Effective Date, they must ensure that the relevant trade has completed (i.e. settled) by no later than the Scheme Record Time, which is expected to be 5.00 p.m. on 10 September 2008. If any trades in certificated Signet Shares have not settled by this time, the relevant Signet Shareholder will be required to make arrangements with his financial adviser and/or broker to ensure that the trade is satisfied by the transfer of Signet Jewelers Limited Shares. Capita Registrars have indicated that in order to ensure that trades are completed by this time they must have received the documents necessary to effect the transfer by no later than 12.00 p.m. on the day of the Scheme Record Time.

If Certificated Holders of Signet Shares are in any doubt as to what action they should take, they should seek advice from their financial adviser and/or broker.

As noted above, Signet is applying to list the Signet Jewelers Limited Shares to be issued under the Scheme on the NYSE, and it is expected that you will be able to trade your Signet Jewelers Limited Shares on the NYSE from 11 September 2008 onwards. Signet also intends to apply to list the Signet Jewelers Limited Shares on the Official List (by way of a secondary listing) and for admission to trading of the Signet Jewelers Limited Shares on the London Stock Exchange's main market for listed securities and it is expected that you will be able to trade your Signet Jewelers Limited Shares on the London Stock Exchange from 11 September 2008 onwards.

The Effective Date is expected to be on or about 11 September 2008.

29 What is a secondary listing?

A secondary listing is an application for shares to be admitted to the Official List which is made pursuant to Chapter 14 of the Listing Rules. It is not a condition of a secondary listing that an issuer has a listing in another jurisdiction. A company whose shares are listed on the Official List by way of a secondary listing has fewer obligations under the Listing Rules than a company with a primary listing. If Signet Jewelers Limited is listed on the Official List (by way of secondary listing) as is intended, it will not be required to, and does not intend to, comply with the provisions of:

Chapter 6 of the Listing Rules relating to additional requirements for listings of equity securities;

Chapter 7 of the Listing Rules relating to the Listing Principles;

Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide a company in understanding and meeting its responsibilities under the Listing Rules;

Chapter 9 of the Listing Rules relating to the continuing obligations of a company after admission (and including the requirements of the Model Code);

Chapter 10 of the Listing Rules relating to significant transactions;

Chapter 11 of the Listing Rules regarding related party transactions;

Chapter 12 of the Listing Rules regarding purchases by a company of its own shares; and

Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to shareholders.

The Company believes that its shareholders should be aware that the FSA is currently undertaking a review of, and has published a discussion paper setting out possible changes to, the current UK listing regime. Whilst the review is wide-ranging, in relation to secondary listings, if certain of the options set out for consideration in the discussion paper were implemented they could result in: (1) shares that are listed by way of secondary listing being removed from the Official List (such shares would continue to trade on the LSE and would be subject to directive-minimum requirements which are broadly similar to the Listing Rules currently applicable to a secondary listing); or (2) the current structure being retained but a secondary listing being re-labelled as a Tier 2 Listing. In either of these cases the FSA would continue to have regulatory oversight as the securities would still be admitted to trading on a regulated market. The FSA has also requested comments on whether there should be increased corporate governance control in relation to overseas issuers including restrictions on shares being issued on a non-pre-emptive basis. A feedback statement from the FSA is expected to be published during the third quarter of 2008 (but no date has been set as to when any possible changes may be adopted).

The above represents the Company's views and interpretation of the FSA discussion paper in so far as it may affect secondary listings and the Company has not been required by the FSA to make any reference to this review in this document. The full discussion paper is available at the FSA's website at www.fsa.gov.uk/pubs/discussion/dp08_01.pdf.

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Signet Jewelers Limited, as a non-UK company, will not be required to comply with the Combined Code, but the board of directors of Signet Jewelers Limited will continue to have due regard for the principles of the Combined Code.

For further information on the material differences between the rights of a Signet Jewelers Limited Shareholder and a Signet Shareholder arising from the differences between the corporate laws of Bermuda and those of England and Wales, the governing instruments of the two companies, and the securities laws and regulations governing Signet and, upon completion of the Scheme, governing Signet Jewelers Limited, please see Part III of this document from page 48.

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.

30 Will US regulation of Signet Jewelers Limited be the same as for Signet?

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, which could be more likely after the parent company of the Signet Group's primary listing is moved from the Official List to the NYSE (but could also arise if the Proposal is not effected), 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, including but not limited to:

quarterly and annual reporting on US forms;

proxy rules and disclosure;

current reporting on Form 8-K;

financial statements prepared in accordance with US GAAP;

insider reporting and short swing profit recovery rules;

board independence and other NYSE listing requirements; and

Regulation FD prohibition on selective disclosure of material, non-public information.

31 Who will the directors of Signet Jewelers Limited be?

The directors of Signet Jewelers Limited as at 20 July 2008 (being the last practicable date prior to the publication of this document) are Sir Malcolm Williamson, Russell Walls, Walker Boyd, Terry Burman, Dale Hilpert, Robert Blanchard and Mark Light. See the Chairman's letter in Part I of this document for a further explanation of the composition of the board of Signet Jewelers Limited.

32 Will I still be entitled to a Signet Shareholder discount card?

The Signet Shareholder discount card scheme will continue to be made available after the implementation of the Proposal to shareholders on the UK register of members of Signet Jewelers Limited.

Signet Shareholders who hold less than 20 Signet Shares as at the Scheme Record Time will not receive any Signet Jewelers Limited Shares following the Share Capital Consolidation and will receive cash in respect of their fractional entitlements. However, such shareholders will continue to be entitled to retain and use a Signet Shareholder discount card for a period of up to two years following the Effective Date, subject to the terms of the discount card scheme.

33 What if I still have questions?

Please call one of the helplines shown below. The helplines will not provide advice on the merits of the Proposal or give any financial, legal or taxation advice. For financial or taxation advice, you will need to consult an independent financial adviser.

FOR FURTHER INFORMATION

Helplines are available during normal business hours, Monday to Friday.

Helpline operators cannot provide financial, taxation or legal advice or advice on the merits of the Proposal.

For Signet Shareholders:

For callers dialling from within the UK, the helpline number is 0871 664 0440. For callers dialling outside the UK, the helpline number is +44 20 8639 3443. Calls to the Capita Registrars 0871 664 0440 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3443 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

For Signet ADS Holders:

For callers dialling from within the US, the toll free helpline number is (866) 249-2593. For callers dialling from outside the US, the toll collect helpline number is +1 (718) 921-8137.

PART I

LETTER FROM THE CHAIRMAN OF SIGNET

Registered Office

15 Golden Square

London

W1F 9JG

24 July 2008

Dear Signet Shareholders and Signet ADS holders

Introduction

The Board believes that the proposal to move to a US primary listing on the NYSE is in the best interests of Signet Shareholders. This is the natural next step in the evolution of the Company'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 Signet Group, which are predominantly based in the US, and where the Board expects the majority of the Signet Group's future growth to take place. Currently over 70 per cent of the Signet Group's sales, operating profit and net assets is 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 Signet 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 Signet Group would benefit from its primary listing being amongst a more appropriate public company peer group.

Signet remains fully committed to enhancing its strong presence in the UK speciality jewellery market. As part of this ongoing investment, Signet Jewelers Limited intends to continue to encourage UK share ownership and investment with a secondary listing on the Official List, which it intends to establish concurrently with the commencement of trading of Signet Jewelers Limited Shares on the NYSE on 11 September 2008, subject to the Scheme of Arrangement becoming effective and the UK Listing Authority approving the related prospectus and application.

To be eligible for inclusion in US domestic stock indices the parent company of the Signet Group could not remain domiciled in England and Wales. It was therefore decided to move the parent company of the Signet Group's domicile to Bermuda as it is a well established jurisdiction for companies traded on US stock exchanges and included in US domestic stock indices such as Standard & Poor's. In addition, a change of domicile

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of the parent company of the Signet Group to Bermuda will minimise the impact on shareholders by allowing it to have legal, regulatory, capital and financial positions largely consistent with those of Signet today. Furthermore, a change of domicile of the parent company of the Signet Group to the US could have caused adverse US tax consequences these adverse US tax consequences do not arise where the parent company of the Signet Group's domicile is changed to Bermuda.

The Proposal

On 10 July 2008, following a review of the most appropriate primary stock listing and domicile, the Board announced that it had unanimously approved a series of inter-related proposals, namely:

to move the primary listing of the parent company of the Signet Group from the Official List to the NYSE;

to reorganise the Signet Group pursuant to a Court approved scheme of arrangement so that Signet becomes a wholly-owned subsidiary of Signet Jewelers Limited, a new company incorporated in Bermuda, and former Signet Shareholders and Signet ADS holders become shareholders of Signet Jewelers Limited;

to implement a one-for-twenty share capital consolidation (also known as a reverse stock split) after the Scheme of Arrangement becomes effective; and

to apply for a secondary listing on the Official List.

The Scheme is conditional upon those matters set out in Part IV of this document, including the approval of Signet Shareholders at the Court Meeting and the passing of a special resolution at the Scheme GM. The proposed move of primary listing, the proposed Share Capital Consolidation and the proposed secondary listing of Signet Jewelers Limited Shares on the Official List are each subject to the Scheme becoming effective in accordance with its terms, but do not otherwise require further approval from Signet Shareholders. The proposed secondary listing of Signet Jewelers Limited Shares on the Official List is also 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.

If fully implemented, the Proposal will result in all Signet Shares being replaced by Signet Jewelers Limited Shares, on the following basis:

one Signet Jewelers Limited Share for every twenty Signet Shares held at the Scheme Record Time.

Signet Shares held by the ADS Depository will be subject to the Scheme of Arrangement and the Share Capital Consolidation on the same terms as all other Signet Shares. Accordingly, if fully implemented, the Proposal will also result in all Signet ADSs being replaced by Signet Jewelers Limited Shares on the following basis:

one Signet Jewelers Limited Share for every two Signet ADSs.

You will not have to pay anything for the Signet Jewelers Limited Shares.

The actions set forth above are being proposed following a period of extensive consultation with major shareholders. **The Board believes that the Proposal, including the Scheme and the Share Capital Consolidation, is in the best interests of Signet, Signet Shareholders and Signet ADS holders taken as a whole for the reasons set forth below:**

the Proposal will align the place of listing with the business activities of the Signet Group which are predominantly based in the US and where the Board expects the majority of the Signet Group's future growth to take place. Currently over 70 per cent of the Signet Group's sales, operating profit and net assets is located in the US;

a US primary listing is the natural next step in the evolution of the Company'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 being beneficially owned by US residents;

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 Signet 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;

the Board expects that the parent company of the Signet Group would benefit from its primary listing being amongst a more appropriate public company peer group;

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to be eligible for inclusion in US domestic stock indices the parent company of the Signet Group could not remain domiciled in England and Wales. It was therefore decided to move the parent company of the Signet Group's domicile to Bermuda as it is a well established jurisdiction for companies traded on US stock exchanges and included in US domestic stock indices. In addition, a change of domicile of the parent company of the Signet Group to Bermuda will minimise the impact on shareholders by allowing it to have legal, regulatory, capital and financial positions largely consistent with those of Signet today. Furthermore, a change of domicile of the parent company of the Signet Group to the US could have caused adverse US tax consequences these adverse US tax consequences do not arise where the parent company of the Signet Group's domicile is changed to Bermuda;

the Share Capital Consolidation should cause the shares of Signet Jewelers Limited to trade initially on the NYSE at a price more readily comparable to its peers. Whilst the Share Capital Consolidation will reduce the number of issued shares of Signet Jewelers Limited, shareholders will still own the same proportion of Signet Jewelers Limited immediately after the Scheme of Arrangement becomes effective as they did of Signet immediately before the Scheme of Arrangement became effective, subject to fractional interests, if any; and

a secondary listing on the Official List will allow UK shareholders and employees to continue trading in Signet Jewelers Limited Shares more easily than if Signet Jewelers Limited was only listed on the NYSE.

The proposals set forth above are described in more detail in the various parts of this document. **You are strongly urged to read this document in its entirety in order to gain a better understanding of the proposals set forth herein and not to rely solely upon the information set forth in this letter.**

The board of directors of Signet Jewelers Limited

The proposal to move to a US primary listing on the NYSE and to maintain a secondary listing on the Official List, reflects the natural next step in the evolution of the Company's shareholder base and reflects the movement that has occurred in the business activities of the Signet Group. These business activities are now predominantly based in the US, where the Board expects the majority of the Signet Group's future growth to take place. The Board expects that the parent company of the Signet Group would benefit from its primary listing being amongst a more appropriate public company peer group.

It is considered that the composition of Signet Jewelers Limited's board should reflect this realignment from a UK to a US primary listed company. Consequently, it is proposed that the majority of the Signet Jewelers Limited board should be resident in the US, as such directors will be more familiar with the place of primary listing, with the US business activities and have a better understanding of the underlying economic environment in the US. Such a board will also be more in keeping with Signet Jewelers Limited's status as a US primary listed company.

The UK market and shareholder base will remain a vital part of the Signet Group's future and consequently it is important that certain UK resident members of the existing Board of Signet, who are familiar with the Signet Group's UK business, UK shareholder base and underlying UK economic environment, are asked to serve on the new board of Signet Jewelers Limited. In addition, the Board is mindful that as Signet Jewelers Limited is a Bermuda resident company it should not be UK managed and controlled. In keeping with these principles and objectives, the initial board of Signet Jewelers Limited will comprise Sir Malcolm Williamson, Terry Burman, Walker Boyd, Russell Walls, Dale Hilpert, Robert Blanchard and Mark Light.

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.

Admission and listing

The Signet Jewelers Limited Shares are intended to be listed on the NYSE. The listing of the Signet Jewelers Limited Shares on the NYSE is expected to become effective on the Effective Date and dealings in Signet Jewelers Limited Shares on the NYSE are expected to commence at 2.30 p.m. (9.30 a.m. New York time) on 11 September 2008, being the expected Effective Date. The current listing of Signet ADSs on the NYSE is intended to be cancelled simultaneously with the commencement of dealings of the Signet Jewelers Limited Shares on the NYSE.

The Signet Jewelers Limited Shares are also intended to be listed on the Official List (by way of a secondary listing) and admitted to trading on the London Stock Exchange's main market for listed securities with effect from 8.00 a.m. on 11 September 2008, being the expected Effective Date. Subject to UK Listing Authority approval, a prospectus will be published and an application made in due course. The Company intends to make an application for the cancellation of the listing of Signet Shares on the Official List and their admission to trading on the London Stock Exchange's main market for listed securities and it is expected that this cancellation will take effect simultaneously with the listing of the Signet Jewelers Limited Shares on the Official List.

Dividends

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Following implementation of the Proposal, Signet Jewelers Limited 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 of Signet Jewelers Limited will also take account of the payout ratio of US listed speciality retailers, which are typically lower than in the UK. The board of Signet Jewelers Limited may also consider the repurchase of shares from time to time.

Signet currently intends to declare an interim dividend of 0.96 cents per share when it announces its 6 months results to 31 July 2008 on 3 September 2008. It is intended that this interim dividend distribution by Signet will be passed on to shareholders by Signet Jewelers Limited in November 2008. A final dividend will be considered by Signet Jewelers Limited at the time of the full year results for 2008/09 in March 2009. In subsequent years the board of Signet Jewelers Limited intends to declare quarterly dividends.

For more details on dividends please refer to paragraph 9 of Part II of this document.

The Signet Share Plans and the Signet Jewelers Limited Share Plans

Participants in the Signet Share Plans will have the opportunity to agree the replacement of existing options and awards over Signet Shares with options of equivalent value over Signet Jewelers Limited Shares. Options granted

before 2003 will be capable of exercise but in view of the current share price it is expected most participants will take advantage of the opportunity to apply for the replacement options. You should read paragraphs 13 and 14 of Part II of this document for further information in relation to the Signet Share Plans and the new share plans to be established.

Taxation

Please refer to paragraph 11 of Part II of this document for a detailed description of the tax consequences for UK and US resident Signet Shareholders and Signet ADS holders. For all other jurisdictions, or if you are in any doubt about your taxation position, you should consult your professional adviser.

Overseas Shareholders

If you are resident outside the United Kingdom or the United States, or a national or citizen of jurisdictions outside the United Kingdom or the United States, you should read paragraph 12 of Part II of this document.

CREST and Depositary Interests

For further details of these arrangements, in particular if you intend to hold your Signet Jewelers Limited Shares in uncertificated form, please see paragraph 8 of Part II of this document.

Secondary listing on the Official List

A company whose shares are listed on the Official List by way of a secondary listing has fewer obligations under the Listing Rules than a company with a primary listing. If Signet Jewelers Limited is listed on the Official List (by way of secondary listing) as is intended, it will not be required to, and does not intend to, comply with the provisions of Chapters 6 – 13 of the Listing Rules. However, the disclosure requirements under the Disclosure and Transparency Rules will continue to apply to Signet Jewelers Limited and holders of Signet Jewelers Limited Shares (although the relevant disclosure thresholds will differ from those currently applicable to Signet and Signet Shareholders as is described in further detail in the Disclosure of Interests section of Part III of this document on pages 62 to 64).

Signet Jewelers Limited, as a non-UK company, will not be required to comply with the Combined Code. However, the board of directors of Signet Jewelers Limited will continue to have due regard for the principles of the Combined Code.

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.

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For further information on the material differences between the rights of a Signet Jewelers Limited Shareholder and a Signet Shareholder arising from the differences between the corporate laws of Bermuda and those of England and Wales, the governing instruments of the two companies, and the securities laws and regulations governing Signet and, upon completion of the Scheme, governing Signet Jewelers Limited please see Part III of this document on page 48.

The Takeover Code

Following implementation of the Proposal, the Takeover Code will not apply to acquisitions of shares in, or offers for shares of, Signet Jewelers Limited. For more details on the Takeover Code please refer to paragraph 7 of Part II of this document.

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part VI of this document. You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up if the Scheme is implemented.

The Signet Jewelers Limited Bye-laws contain provisions relating to takeovers as described in Part III of this document, Takeovers of Public Companies .

The Court Meeting and the Scheme GM

In order to seek your approval of the matters set forth above and otherwise described in this document, Signet will hold two meetings of shareholders a Court Meeting and a Scheme GM. The Court Meeting is a statutory requirement and is convened by the Court to approve the Scheme itself whereas the Scheme GM is a general

meeting of the Company convened by the Company in order to pass two resolutions including a special resolution which is necessary to allow the Proposal (including the Scheme) to be implemented. The special resolution is being proposed for the purpose of giving effect to the Scheme, and in particular to:

- (i) authorise the Directors to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect;
- (ii) approve the cancellation of the Scheme Shares;
- (iii) approve: (A) the increase of Signet's share capital by the number of shares that are cancelled pursuant to the Capital Reduction; (B) the application of the reserve arising out of the cancellation of the Scheme Shares to pay up in full the number of new shares in Signet created pursuant to the increase of Signet's share capital described at (A) above; and (C) the issue, pursuant to section 80 of the Companies Act 1985 (in relation to the authority of Directors to allot shares), of such new shares; and
- (iv) amend the Articles of Association to: (A) ensure that any Signet Shares issued after the date of such amendment to the Articles but before the Reduction Record Time are issued subject to the terms of the Scheme; (B) provide that, subject to the Scheme becoming effective, any Signet Shares issued on or after the Reduction Record Time will automatically be transferred to Signet Jewelers Limited in consideration of the issue to such holder by Signet Jewelers Limited of Signet Jewelers Limited Shares on the same terms as under the Scheme and Share Capital Consolidation; and (C) make provision for Overseas Shareholders in respect of whom Signet is advised that the issue of Signet Jewelers Limited Shares may infringe the laws of an overseas jurisdiction or may require Signet to comply with obligations with which it is unable to comply with or compliance with which it regards as unduly onerous (the proposed amendments are described in more detail in paragraph 3.3 of Part II of this document).

The second resolution is an ordinary resolution (which is subject to the special resolution above first having been approved) and is being proposed to give Signet Shareholders the opportunity to approve in principle the operation by Signet Jewelers Limited of the Signet Jewelers Limited Share Plans. These are employee share plans that Signet Jewelers Limited has established for continuing use after completion of the Proposal. These replacement plans will provide for the use of Signet Jewelers Limited Shares instead of Signet Shares but otherwise will be in substantially similar form to the existing Signet Share Plans, subject to some updating to bring the plans in line with current practice. Further details are set out in paragraph 14 of Part II of this document.

The Shareholder Meetings are to be held at Café Royal, 68 Regent Street, London W1B 5EL from 11.30 a.m. on 19 August 2008. Formal notices of the meetings are set out on pages 84 to 91 of this document.

It should be noted that Signet ADS holders will not be entitled to attend the Shareholder Meetings. However, Signet ADS holders will be able to have the votes attaching to the underlying Signet Shares which their Signet ADSs represent cast at the Court Meeting and the Scheme GM by using the ADS Voting Instruction Card to direct the manner in which the ADS Depositary should vote such underlying Signet Shares at the Shareholder Meetings. In addition, a Signet ADS holder who wishes to attend the Shareholder Meetings may do so by becoming the registered holder of the Signet Shares underlying their Signet ADSs by arranging for the surrender of the Signet ADSs in accordance with the terms and conditions of the Deposit Agreement, as discussed in paragraph 10 of Part II of this document.

In the event that the resolution to be proposed at the Court Meeting and the special resolution to be proposed at the Scheme GM are not both passed by the requisite majority or the Court does not sanction the Scheme, none of the proposed redomiciliation, the Share Capital Consolidation, the listing of the Signet Jewelers Limited Shares on the NYSE or the listing of the Signet Jewelers Limited Shares on the Official List will take place.

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Even if you intend to attend the Shareholder Meetings, you are strongly encouraged to vote by completing and returning the enclosed forms of proxy for the Court Meeting and Scheme GM in accordance with the instructions contained in this document and on the forms of proxy.

Action to be taken

Implementation of the Scheme will require the approval of Scheme Shareholders at the Court Meeting which has been convened by order of the Court and which is to be held at Café Royal, 68 Regent Street, London W1B 5EL at 11.30 a.m. on 19 August 2008. The Scheme will also require the Signet Shareholders to pass the special resolution to be proposed at the Scheme GM to be held at Café Royal, 68 Regent Street, London W1B 5EL at 11.45 a.m. on the same day (or as soon thereafter as the Court Meeting shall have concluded or been adjourned).

If the Scheme becomes effective, it will be binding on all Scheme Shareholders, including any Scheme Shareholders who did not vote to approve the Scheme or who voted against the Scheme.

Signet Shareholders will find enclosed different coloured forms of proxy to be used in connection with the Court Meeting and the Scheme GM (as detailed on page 4 of this document under the heading 'Enclosures'). **Whether or not Signet Shareholders intend to attend these meetings, they are requested to complete and sign each form of proxy enclosed with this document and return them in accordance with the instructions printed thereon to Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive as soon as possible and in any event at least 48 hours prior to the relevant meeting.** If the BLUE forms of proxy relating to the Court Meeting are not lodged by then, they may be handed to the chairman of the Court Meeting before the start of that meeting. However, in the case of the Scheme GM, unless the WHITE form of proxy is lodged so as to be received by the time mentioned in the instructions on that form of proxy, it will be invalid.

The completion and return of the BLUE form of proxy for the Court Meeting will not preclude Signet Shareholders from attending the Court Meeting and voting in person, if they so wish. The completion and return of the WHITE form of proxy will not preclude Signet Shareholders from attending the Scheme GM and voting in person, if they so wish.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Signet Shareholder opinion. You are therefore strongly urged to sign and return both forms of proxy as soon as possible.

Signet ADS holders should read paragraph 10 of Part II of this document, which contains further important information which is relevant to them. Signet ADS holders are strongly urged to sign and return the ADS Voting Instruction Card as soon as possible.

If you are in any doubt as to the action to be taken, please contact the helpline numbers as set out on page 4 of this document.

Recommendation

The Board, which has received financial advice from Lazard & Co., Limited, considers the terms of the Proposal to be fair and reasonable. In providing their advice to the Board, Lazard & Co., Limited has relied upon the Board's commercial assessment of the Proposal. The Board considers that the Proposal (including the passing of each of the resolutions to be proposed at the Court Meeting and Scheme GM) is in the best interests of Signet, Signet Shareholders and Signet ADS holders taken as a whole and unanimously recommends that you support the Scheme of Arrangement by, if you are a Signet Shareholder, voting, or, if you are a Signet ADS holder, instructing the ADS Depositary to vote, in favour of the resolutions to be proposed at the Court Meeting and the Scheme GM as the Directors intend to do in respect of their own holdings of Signet Shares, details of which appear in paragraph 5 of Part VII of this document.

General

Thank you for your consideration of the matters set forth herein. If you should have questions after reading this document, helplines have been established to address your questions. Information regarding the helplines is set forth in this document.

Yours faithfully

Sir Malcolm Williamson

Chairman

Signet Group plc

PART II

EXPLANATORY STATEMENT

(in compliance with Part 26 of the Companies Act 2006)

Lazard & Co., Limited

(Registered in England No. 162175)

Registered Office:

50 Stratton Street, London W1J 8LL

To the holders of Signet Shares and Signet ADS holders

24 July 2008

Dear Signet Shareholders and Signet ADS holders

1 Introduction

We are writing to you to explain the Proposal, including the Scheme and the Share Capital Consolidation, and its effects.

On 10 July 2008, the Board of Directors of Signet announced that it had approved a series of inter-related proposals. The main proposals are:

- (i) to move the primary listing of the parent company of the Signet Group from the Official List to the NYSE;
- (ii) to reorganise the Signet Group pursuant to a Court approved scheme of arrangement so that Signet becomes a wholly-owned subsidiary of Signet Jewelers Limited, a new company incorporated in Bermuda, and former Signet Shareholders and Signet ADS holders become shareholders of Signet Jewelers Limited;

- (iii) to implement a one-for-twenty share capital consolidation (also known as a reverse stock split) after the Scheme of Arrangement becomes effective; and
- (iv) to apply for a secondary listing on the Official List.

Your attention is drawn to the letter from the Chairman of Signet set out in Part I of this document, which forms part of this Explanatory Statement. The letter contains, among other matters, information on the reasons for the Proposal and the unanimous recommendation by the Board to Signet Shareholders to vote in favour and, in the case of Signet ADS holders to instruct the ADS Depositary to vote in favour, of the resolutions to be proposed at the Court Meeting and the Scheme GM.

The Directors intend to vote in favour of the resolutions to be proposed at the Court Meeting and the Scheme GM in respect of their own beneficial holdings, which amount in aggregate to 1,746,323 Signet Shares. This represents, as at close of business on 20 July 2008 (being the last practicable day before publication of this document), approximately 0.10 per cent of the votes capable of being cast at the Court Meeting and Scheme GM. The Directors have retained Lazard & Co., Limited as financial advisers in connection with the Scheme. We have been authorised by the Directors to write to you to explain the Scheme and other components of the Proposal and to provide you with other relevant information. The Scheme is set out in full in Part V of this document. Your attention is also drawn to the information regarding Signet and Signet Jewelers Limited contained in Parts III and VII of this document.

You are strongly urged to read this document in its entirety in order to gain a better understanding of the proposals set forth herein.

2 Summary of the terms of the Proposal

2.1 The Scheme

Under the Scheme, Signet is proposing to reorganise the Signet Group pursuant to a Court approved scheme of arrangement under Part 26 of the Companies Act so that Signet becomes a wholly and directly owned

subsidiary of Signet Jewelers Limited and former Signet Shareholders become shareholders of Signet Jewelers Limited. Immediately following the Scheme becoming effective, former Signet Shareholders will hold 100 per cent of the Signet Jewelers Limited Shares in issue.

The Scheme will be implemented by cancelling and extinguishing all of the Scheme Shares on the Effective Date, capitalising the reserve created by the cancellation and issuing New Signet Shares to Signet Jewelers Limited. In return for Signet Jewelers Limited's receipt of New Signet Shares, Scheme Shareholders (including the ADS Depository) will receive one Signet Jewelers Limited Share for each Signet Share held by them at the Scheme Record Time (which is currently expected to be 5.00 p.m. on 10 September 2008). Your attention is drawn to paragraph 3 of this Part II where the Scheme is explained in greater detail.

2.2 The Share Capital Consolidation

As part of the Proposal, Signet Jewelers Limited intends to implement a share capital consolidation (also known as a reverse stock split), on a one-for-twenty basis, in respect of the Signet Jewelers Limited Shares issued under the Scheme. The Share Capital Consolidation is intended to be implemented immediately after the Scheme becomes effective. Your attention is drawn to paragraph 5 of this Part II where the Share Capital Consolidation is explained in greater detail.

2.3 Signet ADS holders

As part of the Proposal, following both the Scheme and the Share Capital Consolidation becoming effective, Signet ADS holders will be able to surrender their Signet ADSs for shares in Signet Jewelers Limited on the basis of one Signet Jewelers Limited Share for every two ADSs surrendered. Holders of Signet ADSs should read paragraph 10 of this Part II, which contains more particular information about the Proposal as it affects holders of Signet ADSs.

2.4 Combined effect

The combined effect of the above is that:

- (i) former Signet Shareholders will receive one Signet Jewelers Limited Share for every twenty Signet Shares they held on the Scheme Record Time; and
- (ii) former Signet ADS holders will receive one Signet Jewelers Limited Share for every two Signet ADSs.

You will not have to pay anything for the Signet Jewelers Limited Shares.

2.5 Change in listing

It is intended that, once both the Scheme and the Share Capital Consolidation become effective, the Signet Jewelers Limited Shares will be listed on the NYSE and the existing listing of the Signet ADSs on the NYSE will be cancelled. It is also intended that an application will be made to list the Signet Jewelers Limited Shares on the Official List (by way of secondary listing) and for their admission to trading on the London Stock Exchange's main market for listed securities and that the existing listing of the Signet Shares on the Official List and their admission to trading

on the London Stock Exchange will be cancelled.

Signet ADS holders should read paragraph 10 of this Part II, which contains important information to Signet ADS holders regarding the Proposal which is relevant to them.

Participants in the Signet Share Plans should read paragraphs 13 and 14 of this Part II, which contains further important information which is relevant to them.

3 Structure of the Scheme

3.1 *The Scheme*

The Proposal is to be effected by way of a scheme of arrangement under Part 26 of the Companies Act, the provisions of which are set out in full in Part V of this document.

On the Scheme becoming effective, the entire issued ordinary share capital of Signet as at the Reduction Record Time will be cancelled and extinguished and New Signet Shares will be issued by Signet to Signet Jewelers Limited by a capitalisation of the reserves arising from such cancellation, so that Signet becomes a wholly-owned subsidiary of Signet Jewelers Limited.

Signet Shareholders will then receive Signet Jewelers Limited Shares on the basis set out in paragraph 2.1 of this Part II.

To become effective, the Scheme requires the approval of: (i) a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting; and (ii) 75 per cent or more in value of all Signet Shares held by such Scheme Shareholders and voted at that meeting. The Scheme also requires the sanction of the Court and the passing of the special resolution necessary to implement the Scheme at the Scheme GM, as well as satisfaction or waiver of the other conditions set out in Part IV of this document.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders, including any Scheme Shareholders who did not vote to approve the Scheme or who voted against the Scheme.

On the Effective Date, share certificates in respect of Signet Shares will cease to be valid and Signet Shareholders who hold their Signet Shares in certificated form should, if requested to do so by Signet Jewelers Limited, send such certificates to Signet Jewelers Limited for cancellation. In addition, on the Effective Date, entitlements to Signet Shares held within the CREST system will be cancelled.

3.2 Conditions

The Scheme is subject to a number of conditions set out in full in Part IV of this document.

The Scheme will require approval by the Signet Shareholders at the Court Meeting and the special resolution will need to be passed at the Scheme GM. The Shareholder Meetings and the nature of the approvals required to be given at each of them are described in more detail in paragraph 4 of this Part II.

The Scheme can only become effective if all conditions to the Scheme, including approvals at the Shareholder Meetings and the sanction of the Court, have been satisfied or, where appropriate, waived. Signet Shareholders are entitled to attend the Shareholder Meetings in person or by proxy to support or oppose the Scheme. The Scheme will become effective upon the delivery for registration to the Registrar of copies of the Court Orders and the registration of the Reduction Court Order. Unless the Scheme becomes effective by not later than 31 December 2008, or such later date as Signet and Signet Jewelers Limited may agree and the Court may allow, the Scheme will lapse and will not proceed.

In addition, the Directors will not prior to or after the First Court Hearing take the steps necessary to enable the Scheme and the Capital Reduction to become effective unless, at the relevant time, they consider that the Scheme continues to be in the best interests of Signet Shareholders as a whole.

Signet Jewelers Limited has agreed to consent to the Scheme and to undertake to be bound by the terms of the Scheme. The First Court Hearing is expected to be held on 8 September 2008 and the Second Court Hearing is expected to be held on 10 September 2008. It is necessary to have two separate Court hearings to allow people who have options over Signet Shares under the Signet Share Plans which will be triggered on the Scheme being sanctioned at the First Court Hearing, to exercise those options in time for their Signet Shares to be issued before the Reduction Record Time and therefore be Scheme Shares which will be cancelled under the Scheme.

If the Scheme is sanctioned by the Court and the conditions to the Scheme are satisfied or waived, it is expected that the Scheme will become effective on 11 September 2008, and that dealings in the Signet Jewelers Limited Shares issued pursuant to the Scheme will commence on the NYSE at 2.30 p.m. (9.30 a.m. New York time) on 11 September 2008 and on the London Stock Exchange at 8.00 a.m. on 11 September 2008.

3.3 Amendment to Signet's Articles of Association

It is proposed, as part of the special resolution to be proposed at the Scheme GM, to amend Signet's Articles of Association to ensure that any Signet Shares issued after the date of such amendment to the Articles but before the Reduction Record Time are issued subject to the terms of the Scheme. The amended Articles of Association will also provide that, subject to the Scheme becoming effective, any Signet Shares issued on or after the Reduction Record Time, for example, upon the exercise of options under the Signet Share Plans, will automatically be transferred to Signet Jewelers Limited in consideration of the issue to such holder by Signet Jewelers Limited of Signet Jewelers Limited Shares on the same terms as under the Scheme and Share Capital Consolidation (provided that such Signet Jewelers Limited Shares will not be issued until the Effective Date). This will avoid any person other than Signet Jewelers Limited or its nominee(s) holding Signet Shares after the Scheme becomes effective.

In addition, the amended Articles of Association will provide that, in connection with the Scheme, if, in respect of an Overseas Shareholder (or a person whom Signet reasonably believes to be an Overseas Shareholder), Signet is advised that the issue of Signet Jewelers Limited Shares may infringe the laws of an

overseas jurisdiction (or may require Signet to comply with obligations with which it is unable to comply with or compliance with which it regards as unduly onerous), Signet is authorised to appoint a person to transfer the Scheme Shares held by such shareholder to a nominee who shall then sell the Signet Jewelers Limited Shares it receives under the Scheme and transfer the net proceeds of such sale to the shareholder.

Paragraph 1.4 of the special resolution set out in the notice of Scheme GM at Part X of this document seeks shareholder approval for such amendments.

3.4 *Securities Act considerations*

Signet has been advised that Signet Jewelers Limited Shares may be issued to Signet Shareholders under the Scheme without registration under the Securities Act pursuant to an exemption provided by section 3(a)(10) of the Securities Act and, as a consequence, the issuance of Signet Jewelers Limited Shares will not be registered under the Securities Act. In reliance on the pre-emption attached to NYSE listing, the issuance of Signet Jewelers Limited Shares will not be registered under the securities laws of any state or other jurisdiction of the United States. Signet will advise the Court that its sanctioning of the Scheme will be relied upon by Signet and Signet Jewelers Limited as a Court approval of the Scheme for the purpose of qualifying for the exemption from the registration requirements of the Securities Act described above.

4 Shareholder Meetings

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and of Signet Shareholders at the Scheme GM. Both such meetings are expected to be held on 19 August 2008.

Notices of the Court Meeting and the Scheme GM are set out on pages 84 to 91 of this document. Entitlement to attend and vote at these meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Signet at 6.00 p.m. on 17 August 2008 which is two days before the date of the Shareholder Meetings (or, in the event that the Shareholder Meetings are adjourned, by reference to the register of members of Signet at 6.00 p.m. on the day that is two days before the adjourned Shareholder Meetings).

4.1 *Court Meeting*

The Court Meeting has been convened by the Court for 11.30 a.m. on 19 August 2008 in accordance with the direction of the Court to enable the Scheme Shareholders to consider and, if thought fit, approve the Scheme. In relation to the Court Meeting, voting will be by way of poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for every Scheme Share they held as at the Voting Record Time.

4.2 *Scheme general meeting*

The Scheme GM has been convened by the Company for 11.45 a.m. on 19 August 2008 (or as soon thereafter as the Court Meeting shall have concluded or been adjourned) to enable Signet Shareholders to consider and, if thought fit, pass two resolutions, including a special resolution which requires a vote in favour of not less than 75 per cent of the votes cast. The special resolution is necessary to allow the Proposal (including the Scheme) to be implemented. The special resolution is being proposed for the purpose of giving effect to the Scheme, and in particular to:

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- (i) authorise the Directors to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect;
- (ii) approve the cancellation of the Scheme Shares;
- (iii) approve: (A) the increase of Signet's share capital by the number of shares that are cancelled pursuant to the Capital Reduction; (B) the application of the reserve arising out of the cancellation of the Scheme Shares to pay up in full the number of new shares in Signet created pursuant to the increase of Signet's share capital described at (A) above; and (C) the issue, pursuant to section 80 of the Companies Act 1985 (in relation to the authority of Directors to allot shares), of such new shares; and
- (iv) amend the Articles of Association (the proposed amendments are described in more detail in paragraph 3.3 of this Part II).

The second resolution is an ordinary resolution (which is subject to the special resolution above first having been approved) and is being proposed to give Signet Shareholders the opportunity to approve in principle the operation by Signet Jewelers Limited of the Signet Jewelers Limited Share Plans.

Voting at the Scheme GM will be by way of a poll and each Signet Shareholder present in person or by proxy will be entitled to one vote for every Signet Share held at the Voting Record Time.

4.3 Voting at each Shareholder Meeting

The approval required at the Court Meeting is: (i) a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting; and (ii) 75 per cent or more in value of all Scheme Shares held by such Scheme Shareholders and voted at that meeting.

All Signet Shareholders who hold Signet Shares as at the Voting Record Time are entitled to vote at the Court Meeting and the Scheme GM.

At both the Court Meeting and Scheme GM, voting will be by way of poll and therefore each Signet Shareholder present in person or by proxy will be entitled to one vote for each Signet Share held.

If you are a Signet Shareholder a BLUE form of proxy for use at the Court Meeting and a WHITE form of proxy for use at the Scheme GM are enclosed with this document. Any proxy given may be revoked at any time up to 48 hours before the start of the relevant meeting (or any adjournment thereof) by notifying Capita Registrars in writing of such revocation at the address set out on the proxy form. Alternatively, if the relevant Signet Shareholder attends and votes in person at the meeting or any adjournment thereof, the proxy will be disregarded.

At the Court Meeting, Signet Shares may be voted either for or against with respect to the Scheme and Signet Shares that are not voted for or against will not be considered present at such meeting and will therefore not have an effect on the outcome of the vote.

At the Scheme GM, Signet Shares may be voted either for, against or vote withheld with respect to the resolutions that are put to vote. Signet Shares that are not voted for, against or vote withheld in respect of such resolutions will not be considered present at such meeting and, as a result, such shares will not have an effect on the outcome of the vote. Shares voted withheld will not be a vote in law and will not count in the calculation of the proportion of the votes cast for and against the resolutions.

Duly executed forms of proxy will be voted in accordance with the instructions provided therein and to the extent no instructions are given the shares may be voted (or withheld from voting) at the meeting as the proxy thinks fit. At the Scheme GM, if no alternative proxy is indicated, the chairman of the meeting will act as the proxy, which, in the absence of any instruction, will be voted in accordance with the recommendations of the Board as described in this document. Your attention is drawn to the new regime for the appointment of proxies, in particular the appointment of more than one proxy, as set out in the notes to the Notice of Scheme GM in Part X of this document.

5 Share Capital Consolidation

As part of the Proposal, it is intended to implement a share capital consolidation (also known as a reverse stock split) on a one-for-twenty basis. This is being proposed to cause the shares of Signet Jewelers Limited to trade initially on the NYSE at a price more readily comparable to its peers.

The Share Capital Consolidation will be implemented by consolidating Signet Jewelers Limited Shares issued under the Scheme so that Signet Shareholders will receive one Signet Jewelers Limited Share for every twenty Signet Shares they own (directly or indirectly) at 5.00 p.m. (12.00 p.m. New York time), on 10 September 2008. This is referred to in this document as the Share Capital Consolidation. The Share Capital Consolidation will take effect immediately after the Scheme becomes effective, which is expected to occur on 11 September 2008.

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The effect of this consolidation will be to reduce the number of Signet Jewelers Limited Shares in issue, but Signet Shareholders and Signet ADSs holders will own the same proportion of Signet Jewelers Limited as they did of Signet immediately before the Scheme became effective, subject to fractional entitlements.

A fractional entitlement will arise as a result of the Share Capital Consolidation unless a holding of Signet Jewelers Limited Shares is divisible by twenty. For example, a Signet Shareholder holding 50 Signet Jewelers Limited Shares immediately after the Scheme becomes effective would, after the Share Capital Consolidation, be entitled to two Signet Jewelers Limited Shares and a one-half fractional entitlement to a new Signet Jewelers Limited Share. In accordance with Signet Jewelers Limited's Bye-laws, such fractional entitlements will be aggregated, sold in the market and the proceeds will be returned to the relevant Signet Shareholders by cheque to be despatched within 14 days of the Effective Date. You will receive any such cash in respect of entitlements to fractional interests in pounds sterling.

6 The Signet Directors and the effect of the Scheme on their interests

Details of the interests of the Directors (including any interests under the Signet Share Plans) are set out in paragraph 5 of Part VII of this document. Signet Shares held by the Directors will be subject to the Scheme.

The effect of the Scheme on the interests of the Directors and executive officers of Signet does not differ from its effect on the like interests of any other person.

Following the implementation of the Proposal and when reviewing remuneration policy, the Signet Jewelers Limited Remuneration Committee will take into account the remuneration policies of comparator companies and expects to implement remuneration policies more in line with those comparator companies whose shares are listed in the US, although this is not expected to lead to a material change in the target total level of remuneration for executive directors.

7 The Panel and the Takeover Code

7.1 Introduction

As a public limited company registered in England and with its registered office in the UK, Signet is currently subject to the provisions of the Takeover Code. Following the Scheme becoming effective, Signet Shareholders will become shareholders in Signet Jewelers Limited, a company whose registered office is not in the UK. As a result, following the Scheme becoming effective, the Takeover Code will not apply to any offer made to shareholders in Signet Jewelers Limited to acquire their shares.

Signet Shareholders should note that, if the Scheme is implemented, they will not receive the protections afforded by the Takeover Code in the event of an offer to acquire their shares in Signet Jewelers Limited.

Brief details of the Panel, the Takeover Code and the protections given by the Takeover Code are described below.

7.2 The Takeover Code

The Takeover Code is issued and administered by the Panel. The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

7.3 The general principles and rules of the Takeover Code

The Takeover Code is based on a number of general principles which are essentially statements of standards of commercial behaviour. These general principles are set out in Part VI of this document and apply to all transactions with which the Takeover Code is concerned. They are expressed in broad terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied

by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the general principles, the Takeover Code contains a series of rules, of which some are effectively expansions of the general principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the rules are expressed in more detailed language than the general principles, they are not framed in technical language and, like the general principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a rule in certain circumstances.

7.4 Giving up the protection of the Takeover Code

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part VI of this document. **You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up if the Scheme is implemented.**

The Signet Jewelers Limited Bye-laws contain provisions relating to takeovers as described in Part III of this document, Takeovers of Public Companies .

8 Listings, dealings, settlement and CREST and Depositary Interests

8.1 Listings

The Signet Jewelers Limited Shares are intended to be listed on the NYSE. The listing of the Signet Jewelers Limited Shares on the NYSE is expected to become effective on the Effective Date and dealings in Signet Jewelers Limited Shares on the NYSE are expected to commence at 2.30 p.m. (9.30 a.m. New York time) on 11 September 2008, being the expected Effective Date. The current listing of Signet ADSs on the NYSE is intended to be cancelled simultaneously with the commencement of dealings of the Signet Jewelers Limited Shares on the NYSE.

The Signet Jewelers Limited Shares are also intended to be listed on the Official List and admitted to trading on the London Stock Exchange's main market for listed securities (by way of a secondary listing) with effect from 8.00 a.m. on 11 September 2008, being the expected Effective Date. An application will be made and (subject to UK Listing Authority approval) a prospectus will be published in due course in relation to this listing. Signet intends to make an application for the cancellation of the listing of Signet Shares on the Official List and their admission to trading on the London Stock Exchange's main market for listed securities and it is expected that this cancellation will take effect simultaneously with the listing of the Signet Jewelers Limited Shares on the Official List.

The issuance of Signet Jewelers Limited Shares will not be registered under the Securities Act in reliance upon the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) thereof. In reliance on the pre-emption attached to NYSE listing, the issuance of Signet Jewelers Limited Shares will not be registered under the securities laws of any state or other jurisdiction of the United States. From the Effective Date, Signet Jewelers Limited Shares will be freely transferable without restriction under the Securities Act, other than by certain affiliates of Signet Jewelers Limited as described below. An affiliate of, or a person affiliated with, an issuer is defined (under Rule 144 of the Securities Act) to mean a person that, directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the issuer. Persons who are affiliates of Signet Jewelers Limited after the Effective Date will be subject to certain transfer restrictions relating to the Signet Jewelers Limited Shares that they receive under the Scheme. Such Signet Jewelers Limited Shares may not be sold in the United States without registration, except pursuant to the applicable resale conditions of the exemptive safe harbour set forth in Rule 144 under the Securities Act or in a transaction that otherwise is not subject to registration (including but not limited to a transaction that satisfies the applicable requirements for resales outside the United States pursuant to Regulation S under the Securities Act).

A Scheme Shareholder who believes that he or she may be an affiliate of Signet Jewelers Limited after the Effective Date should consult his or her own legal advisers prior to any sales of Signet Jewelers Limited Shares.

For the purpose of qualifying for the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) therein with respect to the Signet Jewelers Limited Shares issued pursuant to the Scheme, Signet will advise the Court that Signet and Signet Jewelers Limited will rely on the section 3(a)(10) exemption based on the Court's sanctioning of the Scheme and will view the Court's sanctioning of the Scheme as an approval of the Scheme following a hearing on its fairness to Signet Shareholders, at which hearing all such Signet Shareholders are entitled to attend in person or by counsel to support or oppose the sanctioning of the Scheme and with respect to which adequate notification has been given to all such Signet Shareholders.

8.2 Dealings

The last day of dealings in, and for registration of transfers of, Signet Shares is expected to be 10 September 2008, being the last business day prior to the expected Effective Date. An application will be made to the London Stock Exchange for Signet Shares to cease to be admitted to trading and to the UK Listing Authority for the listing of Signet Shares to be cancelled, in each case expected to take effect at 8.00 a.m. on 11 September 2008, being the expected Effective Date.

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The listing of Signet ADSs on the NYSE is expected to be cancelled with effect from the start of trading in New York on 11 September 2008, being the expected Effective Date.

However, holders of certificated Signet Shares should note that any dealings in certificated Signet Shares must have completed (i.e. settled) by the Scheme Record Time, which is expected to be 5.00 p.m. on 10 September 2008. If any trades in certificated Signet Shares have not settled by this time, the relevant Signet Shareholder will need to make arrangements with his financial adviser and/or broker to ensure that

the trade is satisfied by the transfer of Signet Jewelers Limited Shares. Capita Registrars have indicated that in order to ensure that trades are completed by this time, they must have received the documents necessary to effect the transfer by no later than 12.00 p.m. on the day of the Scheme Record Time (currently expected to be 5.00 p.m. on 10 September 2008).

If Certificated Holders are in any doubt as to what action they should take, they should seek the advice of their financial adviser and/or broker.

Signet Jewelers Limited is applying to list the Signet Jewelers Limited Shares to be issued under the Scheme on the NYSE. The application is expected to become effective and trading in the Signet Jewelers Limited Shares is expected to commence on the NYSE at 2.30 p.m. (9.30 a.m. New York time) on the Effective Date, which, subject to the approval of the Court, is expected to be 11 September 2008.

Signet Jewelers Limited intends to apply to list the Signet Jewelers Limited Shares to be issued under the Scheme on the Official List by way of a secondary listing which is expected to become effective at 8.00 a.m. on the Effective Date, which, subject to the approval of the Court, is expected to be 11 September 2008.

8.3 Settlement

Subject to the Scheme and the Share Capital Consolidation becoming effective (and except as provided in paragraph 12 of this Part II in relation to certain non-UK/US Signet Shareholders), settlement of the Signet Jewelers Limited Shares to which any Scheme Shareholder is entitled under the Scheme will be effected in the manner set out in this paragraph 8.3.

To give Scheme Shareholders the opportunity to hold and deal in their Signet Jewelers Limited Shares in uncertificated form through CREST, Signet Jewelers Limited has adopted the Depository Interest facility operated by Capita IRG Trustees Limited, acting as the DI Depository and the issuer of the Depository Interests. Further information about the Depository Interest facility is contained in paragraph 8.4 of this Part II below.

(a) Scheme Shares in certificated form

Scheme Shareholders who hold their Scheme Shares in certificated form at the Scheme Record Time and wish to hold their Signet Jewelers Limited Shares in certificated form need take no action (other than voting at the Court Meeting and the Scheme GM). Definitive share certificates in respect of the Signet Jewelers Limited Shares are expected to be despatched within 10 business days after the Effective Date. In the case of joint Scheme Shareholders holding their Scheme Shares in certificated form, certificates will be despatched to the person whose name appears first in Signet's register of members. Pending receipt of certificates, transfers will be certified against Signet Jewelers Limited's register of members. As from the Effective Date, existing certificates representing holdings in certificated form of Signet Shares will cease to be valid for any purpose and Signet Shareholders who hold their Signet Shares in certificated form should, if so requested by Signet Jewelers Limited, send such certificates to Signet Jewelers Limited for cancellation.

(b) Scheme Shares in uncertificated form (that is, in CREST)

Scheme Shareholders who hold their Scheme Shares in a CREST account at the Scheme Record Time and who wish to hold and transfer their interests in Signet Jewelers Limited Shares within CREST need take no action (other than voting at the Court Meeting and the Scheme GM).

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Depository Interests will automatically be credited to the CREST member account of those Scheme Shareholders or their nominee and instructions will be given to cancel such holders' entitlement to their Scheme Shares on or about 11 September 2008, being the expected Effective Date. Pending the crediting of such CREST stock accounts, transfers of Depository Interests and the underlying Signet Jewelers Limited Shares will not be possible. If you wish to withdraw your underlying Signet Jewelers Limited Shares from the Depository Interest arrangements, see paragraph 8.4 of this Part II below.

Signet Jewelers Limited reserves the right to settle all or any part of the Signet Jewelers Limited Shares referred to in this paragraph for all or any Scheme Shareholders in certificated form in the manner referred to in paragraph 8.3(a) above if, for any reason, it wishes to do so.

(c) General

All documents and cheques sent by or to Signet Shareholders, or as such persons shall direct, will be sent at their own risk and will be sent by post either to the holder's address as set out on Signet's register of members at the Scheme Record Time or to such other address of the holder as is notified as a change of address in writing by a Signet Shareholder to Signet prior to the Effective Date and, in the case of joint holders, to the joint holder whose name stands first in such register in respect of the joint holdings concerned.

Signet has confirmed that, except as provided for in the Scheme, settlement of the Signet Jewelers Limited Shares and any other payment which a Signet Shareholder is entitled to receive from Signet or Signet Jewelers Limited will be implemented in full without regard to any lien, right of set-off, counter claim or other analogous right to which Signet or Signet Jewelers Limited may be, or claim to be, entitled against such shareholder.

Signet ADS holders should read paragraph 10 of this Part II, which contains further important information which is relevant to them.

8.4 CREST and Depositary Interests

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Euroclear UK is unable to take responsibility for the electronic settlement of shares issued by non-UK companies, such as Signet Jewelers Limited. This means that the Signet Jewelers Limited Shares may not themselves be admitted to CREST. However, to enable investors to settle its international securities under the CREST system, Signet Jewelers Limited has arranged for the DI Depositary to issue Depositary Interests in respect of the underlying Signet Jewelers Limited Shares. With effect from the Effective Date, CREST members will be able to hold and transfer interests in Signet Jewelers Limited Shares within CREST, pursuant to these Depositary Interest arrangements. The Signet Jewelers Limited Shares will not themselves be admitted to CREST, rather the DI Depositary will issue Depositary Interests in respect of the underlying Signet Jewelers Limited Shares. In relation to those Scheme Shareholders who wish to hold and transfer interests in Signet Jewelers Limited Shares through CREST, Signet Jewelers Limited's register of members will show 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. This means that the beneficial interest in the Signet Jewelers Limited Shares will remain with the holder of the Depositary Interests representing the underlying Signet Jewelers Limited Shares, who will receive all the rights attaching to the Signet Jewelers Limited Shares as it would have done if such holder of Depositary Interests had been on Signet Jewelers Limited's register of members itself. A holder of Depositary Interests wishing to withdraw the underlying Signet Jewelers Limited Shares to hold them in certificated form may do so at any time using standard CREST messages. Depositary Interests will be created and issued pursuant to a deed poll executed by the DI Depositary under English law. These Depositary Interests may be held and transferred within the CREST system. Depositary Interests will have the same security code (ISIN) as the underlying Signet Jewelers Limited Shares and will not require a separate admission to the Official List or to trading on the London Stock Exchange's main market for listed securities. If you hold your Signet Shares in uncertificated form as at the Scheme Record Time, your CREST account will automatically be credited with equivalent Depositary Interests on or about the Effective Date.

If you wish to withdraw your underlying Signet Jewelers Limited Shares from the Depositary Interest arrangements and to hold and deal in Signet Jewelers Limited Shares in book entry form in the US, you should contact Capita Registrars (+44 (0) 871 664 0300) who will provide the required form of authorisation and explain the procedure involved.

If you hold your Signet Shares in certificated form and you wish to hold your Signet Jewelers Limited Shares in uncertificated form in CREST, you will need to contact your broker to obtain a CREST Transfer Form. This should be completed and executed by you and returned to your broker as soon as possible and in any event in good time in order to allow the shares to be dematerialised in accordance with Euroclear UK's procedures. In any event, dematerialisation must be completed before the Scheme Record Time.

Scheme Shareholders who hold their Signet Shares in certificated form and wish to hold their Signet Jewelers Limited Shares in uncertificated form, but do not have a broker, will need to contact a bank or broker or other nominated CREST member or will need to become CREST members themselves.

For further information about Depositary Interests or if you have any queries in relation to CREST Transfer Forms, please consult your broker or other professional adviser.

9 Dividends and dividend policy

Following implementation of the Proposal, Signet Jewelers Limited 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 of Signet Jewelers Limited will also take account of the payout ratio of US listed speciality retailers, which are typically lower than in the UK. The board of Signet Jewelers Limited may also consider the repurchase of shares from time to time.

Signet currently intends to declare an interim dividend of 0.96 cents per share when it announces its 6 months results to 31 July 2008 on 3 September 2008. It is intended that this interim dividend distribution by Signet will be passed on to shareholders by Signet Jewelers Limited in November 2008. A final dividend will be considered by Signet Jewelers Limited at the time of the full year results for 2008/09 in March 2009. In subsequent years the board of Signet Jewelers Limited intends to declare quarterly dividends.

Unless you request otherwise, you will continue to receive any dividends paid by Signet Jewelers Limited in the same currency as you currently receive dividends paid by Signet. More particularly, all mandates in force at the Effective Date relating to instructions given by Signet Shareholders as to the payment of dividends will, unless revoked, be deemed as from the Effective Date to relate to the corresponding Signet Jewelers Limited Shares. To the extent that Signet Jewelers Limited Shareholders do not have any such mandate in force at the Effective Date (and have not subsequently provided Signet Jewelers Limited with instructions on the payment of dividends), if dividends are declared by Signet Jewelers Limited:

Signet Jewelers Limited Shareholders with an address in the United Kingdom on the register of members of Signet Jewelers Limited on the date the dividend is declared will, unless they elect otherwise, automatically receive their dividend in pounds sterling; and

Signet Jewelers Limited Shareholders with an address outside the United Kingdom on the register of members of Signet Jewelers Limited on the date the dividend is declared will, unless they elect otherwise, automatically receive their dividend in US dollars.

Signet Jewelers Limited Shareholders who wish to change the currency in which they currently receive dividends should contact the Company's registrar, Capita Registrars.

10 Treatment of Signet ADSs

Each Signet ADS currently represents ten Signet Shares. Deutsche Bank Trust Company Americas, as ADS Depositary, is the record holder of the Signet Shares underlying the Signet ADSs. The ADS Depositary, as a Signet Shareholder, under the Scheme will be entitled to:

one Signet Jewelers Limited Share for each Signet Share

held by it at the Scheme Record Time.

After the Share Capital Consolidation as described in paragraph 5 of this Part II, Signet ADS holders, after the satisfaction of certain pre-conditions set forth below, will receive their proportionate entitlement to the Signet Jewelers Limited Shares, in the following proportions:

one Signet Jewelers Limited Share for every two Signet ADSs

as set out in this document and as required by the Deposit Agreement.

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In respect of holders of Signet ADSs who hold Signet ADSs in book entry form, the Signet Jewelers Limited Shares will be credited to them in book entry form either: (i) under the direct registration system in the United States; or (ii) credited to their DTC account held by their broker or custodian.

In respect of Signet ADS holders who hold certificates representing Signet ADSs, as soon as reasonably practicable, and in any event within ten business days after the Effective Date, the Exchange Agent will mail to each such holder a letter of transmittal which such Signet ADS holder must properly complete and deliver to the Exchange Agent along with the relevant holder's certificate representing the Signet ADSs and instructions for effecting surrender of the Signet ADSs.

Until properly surrendered as set out above, each certificate representing a Signet ADS will, after the Effective Date, represent the right to receive, upon proper surrender, Signet Jewelers Limited Shares. Upon receipt of such Signet ADSs, the Exchange Agent will transfer to the former Signet ADS holder one Signet Jewelers Limited Share for every two Signet ADSs cancelled by making a book entry in the direct registration system in the United States.

All documents shall be sent to Signet ADS holders at their own risk and will be sent by post either to the ADS holder's address as set out on the register of Signet ADS holders at the Scheme Record Time or to such other address of the ADS holder as is notified as a change of address in writing by a Signet ADS holder to the ADS Depository prior to the Effective Date and, in the case of joint ADS holders, to the ADS holder whose name stands first in such register in respect of the joint holdings concerned.

It should be noted that Signet ADS holders will not be entitled to attend the Shareholder Meetings. However, Signet ADS holders will be able to have the votes attaching to the underlying Signet Shares which their Signet ADSs represent cast at the Court Meeting and the Scheme GM by proxy through procedures established pursuant to the Deposit Agreement. Signet ADS holders who wish to attend the Shareholder Meetings as Signet Shareholders should take steps to present their Signet ADSs to the ADS Depository for cancellation and delivery of Signet Shares so as to become holders of record of Signet Shares prior to the Voting Record Time. If Signet ADS holders wish to attend the Shareholder Meetings, they must present their Signet ADSs to the ADS Depository for cancellation no later than 5 August 2008, although no guarantee can be given by the ADS Depository that it will be able to procure that the relevant Signet ADS holder becomes a holder of record of Signet Shares in time for the relevant meetings.

Pursuant to the Deposit Agreement, the ADS Depository has fixed the close of business in New York on 17 July 2008 as the ADS Record Date. All Signet ADS holders of record at the ADS Record Date will be sent a notice containing: (i) this document; (ii) a statement that the Signet ADS holders as of the ADS Record Date will be entitled to instruct the ADS Depository as to the exercise of the voting rights pertaining to the number of Signet Shares represented by their respective Signet ADSs; and (iii) a statement that such instructions may be given by returning a properly executed ADS Voting Instruction Card (in the form enclosed with this document) to the ADS Depository. Signet Shares represented by properly executed ADS Voting Instruction Cards received by the ADS Depository before 3.00 p.m. (New York time) on 13 August 2008, unless such ADS Voting Instruction Cards have been revoked, will be voted by the ADS Depository in accordance with the instructions set forth on such ADS Voting Instruction Card. In accordance with the provisions of the Deposit Agreement, if no instructions are indicated, or a Signet ADS holder does not return the ADS Voting Instruction Card, the ADS Depository will not exercise the voting rights pertaining to the Signet Shares represented by their respective Signet ADSs and such Signet Shares will not be counted towards the number of shares considered present at the Shareholder Meetings and will not have an effect on the outcome of the vote.

Any Signet ADS holder giving instructions to the ADS Depository has the power to revoke or modify the instructions by delivery of a revocation or new ADS Voting Instruction Card to the ADS Depository at Deutsche Bank Trust Company Americas, c/o American Stock Transfer & Trust Company, Peck Slip Station, P.O. Box 2050, New York, NY 10272-2050, by no later than 3.00 p.m. (New York time) on 13 August 2008.

In addition, a completed ADS Voting Instruction Card returned by a Signet ADS holder will authorise the disclosure to Signet of the name and address of such Signet ADS holder together with details of the instructions on the ADS Voting Instruction Card.

The ADS Depository is entitled to charge the ADS holders for the cancellation of the Signet ADSs in accordance with the terms of the Deposit Agreement, however, Signet Jewelers Limited has agreed in these circumstances to bear such fee on behalf of the holders.

11 UK/US shareholder taxation

The following are brief and general summaries of the United Kingdom and United States taxation treatment of the Proposal. The summaries are based on existing law, including statutes, regulations, administrative rulings and court decisions, and what is understood to be current HMRC and IRS practice, all as in effect on the date of this document. Future legislative, judicial or administrative changes or interpretations could alter or modify statements and conclusions set forth below, and these changes or interpretations could be retroactive and could affect the tax consequences of the Proposal to Signet Shareholders and Signet ADS holders. The summaries do not consider the consequences of the Proposal under tax laws of countries other than the United Kingdom and the United States (or any US laws other than those pertaining to income tax), nor do the summaries consider any alternative minimum tax or state or local consequences of the Proposal.

The summaries provide general guidance to persons resident, ordinarily resident and domiciled for tax purposes in the UK who hold Signet Shares and/or Signet ADSs (and who also subsequently hold Signet Jewelers Limited Shares) as an investment, and to US holders (as defined below) who hold Signet Shares and/or Signet ADSs (and who also subsequently hold Signet Jewelers Limited Shares) as capital assets (within the meaning of section 1221 of the US Code), and not to any holders who are taxable in the UK on a remittance basis or who are subject to

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special tax rules, such as banks, financial institutions, broker-dealers, persons subject to mark-to-market treatment, UK resident individuals who hold their Signet Shares (or who subsequently hold Signet Jewelers Limited Shares) under a personal equity plan, persons that hold their

Signet Shares and/or Signet ADSs (or who subsequently hold Signet Jewelers Limited Shares) as a position in part of a straddle, conversion transaction, constructive sale or other integrated investment, US holders whose functional currency is not the US dollar, persons who received their Signet Shares and/or Signet ADSs (or who subsequently receive Signet Jewelers Limited Shares) by exercising employee stock options or otherwise as compensation, persons who have acquired their Signet Shares and/or Signet ADSs (or who subsequently acquire Signet Jewelers Limited Shares) by virtue of any office or employment, S corporations or other pass-through entities (or investors in S corporations or other pass-through entities), mutual funds, insurance companies, exempt organisations, US holders subject to the alternative minimum tax, and certain expatriates or former long-term residents of the US.

In addition, this discussion does not address US holders of Signet Shares and/or Signet ADSs who will own five per cent or more of the Signet Jewelers Limited Shares, measured by vote or value, either directly or indirectly through attribution rules, immediately after the Scheme becomes effective, because those shareholders are subject to special US federal income tax rules, would generally be required to enter into a gain recognition agreement with the IRS to avoid current taxation upon receipt of Signet Jewelers Limited Shares under the Scheme, and may be required to recognise taxable gain for US federal income tax purposes in respect of the Scheme in certain circumstances. Each such US holder is urged to consult his tax adviser concerning the decision to file a gain recognition agreement and the procedures to be followed in connection with that filing.

The summaries are not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. If you are in any doubt about your taxation position, or if you are ordinarily resident or domiciled outside the United Kingdom or resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom or the United States, you should consult your own professional advisers immediately.

11.1 Tax residence of Signet Jewelers Limited and withholding tax

Signet Jewelers Limited will be incorporated in Bermuda. The directors of Signet Jewelers Limited intend to conduct Signet Jewelers Limited's affairs such that, based on current law and practice of the relevant tax authorities, Signet Jewelers Limited will not become resident for tax purposes in any other territory. This section 11 is written on the basis that Signet Jewelers Limited does not become resident in a territory other than Bermuda.

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 Signet Jewelers Limited's shareholders in respect of Signet Jewelers Limited Shares. Signet Jewelers Limited has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 28 March 2016, be applicable to Signet Jewelers Limited or to any of its operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by Signet Jewelers Limited in respect of real property owned or leased by it in Bermuda.

There is no income or other tax of Bermuda imposed by withholding or otherwise on any dividend or other distribution to be paid or made by Signet Jewelers Limited to its shareholders.

11.2 UK taxation of shareholders

- (a) Chargeable gains

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This paragraph 11.2(a) applies to UK resident or UK ordinarily resident Signet Shareholders or Signet Jewelers Limited Shareholders who (in either case) are domiciled in the UK.

(i) Implementation of the Scheme

If a Signet Shareholder does not hold (either alone or together with persons connected with him) more than five per cent of, or of any class of, shares in or debentures of Signet, he will not be treated by virtue of the implementation of the scheme as having made a disposal of his Signet Shares for the purposes of UK taxation of chargeable gains. Instead, the Signet Jewelers Limited Shares should be treated as the same asset as those Signet Shares acquired at the same time and for the same consideration as the Signet Shares.

Any Signet Shareholder who holds (either alone or together with persons connected with him) more than five per cent of, or of any class of, shares in or debentures of Signet is advised that clearance has been granted by HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 in respect of the Scheme. As a result, any such shareholder should also be treated in the manner described in the preceding paragraph.

(ii) Share Capital Consolidation

For the purposes of UK taxation of chargeable gains, the Share Capital Consolidation will be regarded as a reorganisation of the share capital of Signet Jewelers Limited.

Accordingly, other than in respect of any fractional entitlements referred to below, a Signet Jewelers Limited Shareholder will not be treated for these purposes as making a disposal of all or part of his holding of Signet Jewelers Limited Shares by reason of the Share Capital Consolidation and no liability to UK taxation of chargeable gains should arise in respect of the Share Capital Consolidation. Instead, pre- and post-Share Capital Consolidation Signet Jewelers Limited Shares will be treated as the same asset acquired at the time and for the same consideration as pre-Share Capital Consolidation Signet Jewelers Limited Shares.

Signet Jewelers Limited Shareholders may, depending on their individual circumstances, incur a liability to UK taxation of chargeable gains in respect of any cash received for the sale of any fractional entitlements arising to them as a result of the Share Capital Consolidation. However, Signet Jewelers Limited Shareholders will be treated as making no disposal for the purpose of UK taxation of chargeable gains if the cash payment is small as compared to the value of the Signet Jewelers Limited Shares in respect of which the rights arose. No liability to UK taxation of chargeable gains will then arise as a result of the disposal of the fractional entitlements, but the proceeds will be deducted from the base cost of the Signet Jewelers Limited Shareholder's holding of Signet Jewelers Limited Shares. HMRC interprets small as five per cent or less of the value of the shares in respect of which the rights arose or £3,000 or less, regardless of whether or not it would pass the five per cent test.

(iii) Future disposal of Signet Jewelers Limited Shares

A subsequent disposal of the Signet Jewelers Limited Shares may, depending on individual circumstances (including the availability of exemptions or allowable losses), give rise to a liability to (or an allowable loss for the purposes of) UK taxation of chargeable gains.

Any chargeable gain or allowable loss on a disposal of the Signet Jewelers Limited Shares should be calculated taking into account the allowable cost to the holder of acquiring his Signet Shares. In the case of corporate Signet Jewelers Limited Shareholders, to this should be added, when calculating a chargeable gain but not an allowable loss, indexation allowance on the allowable cost. Non-corporate Signet Jewelers Limited Shareholders should note that, under the UK Finance Act 2008, non-corporates are not entitled to indexation allowance or taper relief in respect of disposals occurring on or after 6 April 2008. The UK Finance Act 2008 also introduces a single capital gains tax rate of 18 per cent for non-corporate shareholders in respect of any chargeable gain arising on disposals on or after 6 April 2008. These changes do not affect shareholders within the charge to UK corporation tax on chargeable gains.

Individuals who currently hold their Signet Shares within an ISA and are entitled to ISA-related tax reliefs in respect of the same will generally not be subject to UK taxation of chargeable gains in respect of any gain arising on a disposal of Signet Jewelers Limited Shares provided that the relevant gain arises on a disposal of Signet Jewelers Limited Shares which are held within an ISA on the same basis as those Signet Shares currently held in an ISA.

(b) Taxation of dividends on Signet Jewelers Limited Shares

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A UK resident Signet Jewelers Limited Shareholder or a holder of Signet Jewelers Limited Shares who carries on a trade, profession or vocation in the United Kingdom through a branch or agency or, in the case of a company, a permanent establishment in connection with which the Signet Jewelers Limited Shares are held will generally, depending upon the holder's particular circumstances, be subject to UK income tax or corporation tax (as the case may be), on any dividends paid by Signet Jewelers Limited on the Signet Jewelers Limited Shares.

Shareholders within the charge to corporation tax will be liable to tax on the dividend income (up to the maximum rate of 28 per cent for 2008-2009). The UK government is however currently considering the tax treatment of portfolio dividends received by UK tax resident companies with a view to achieving parity of treatment between UK and foreign portfolio dividends.

A UK resident individual Signet Jewelers Limited Shareholder who is liable to UK income tax at no more than the basic rate will be liable to income tax on the dividend income at the dividend ordinary rate (which should be 10 per cent in 2008-2009). A UK resident individual Signet Jewelers Limited Shareholder who is liable to UK income tax at the higher rate will be subject to income tax on the dividend income at the dividend upper rate (which should be 32.5 per cent in 2008-2009). However, under the UK Finance Act 2008, with effect from the current year (2008-2009), individuals in receipt of dividends from Signet Jewelers Limited, if they own less than a 10 per cent shareholding in Signet Jewelers Limited, will be entitled to the same non-payable dividend tax credit as individuals in receipt of UK dividends (currently at the rate of 1/9th of the cash dividend paid (or 10 per cent of the aggregate of the net dividend and related tax credit)). Assuming that there is no withholding tax imposed on the dividend (as to which see further paragraph 11.1 above), the individual is treated as receiving for UK tax purposes gross income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income. The result is that a UK resident individual Signet Jewelers Limited Shareholder who is liable to UK income tax at no more than the basic rate will have no further UK income tax to pay on a Signet Jewelers Limited dividend. A UK resident individual Signet Jewelers Limited Shareholder who is liable to UK income tax at the higher rate will have further UK income tax to pay of 22.5 per cent of the dividend plus the related tax credit (or 25 per cent of the cash dividend, assuming that there is no withholding tax imposed on that dividend). For example, a dividend of £80 (without any withholding tax imposed) will carry a tax credit of £8.89. The income tax payable by a higher rate taxpayer would be 32.5 per cent of £88.89, namely £28.89, less the tax credit of £8.89, leaving a net tax liability of £20.

The UK Government has announced proposals (which are intended to take effect from April 2009) to extend the availability of the tax credits to individuals who own 10 per cent or more of the issued share capital in distributing non-UK companies. The availability of this tax credit will be subject to the company paying the dividend satisfying certain conditions and it is possible that Signet Jewelers Limited will fail to meet those conditions.

Individual Signet Jewelers Limited Shareholders who hold their Signet Jewelers Limited Shares in an ISA and are entitled to ISA-related tax reliefs in respect of the same will not be taxed on the dividends from those Signet Jewelers Limited Shares but are not entitled to recover from HMRC the tax credit on such dividends.

(c) Stamp duty and SDRT

(i) The Scheme and the Share Capital Consolidation

No ad valorem United Kingdom stamp duty or SDRT will be payable by Signet Shareholders or by Signet ADS holders as a result of the Scheme or the Share Capital Consolidation.

(ii) Transfers of Signet Jewelers Limited Shares

In practice, stamp duty should generally not need to be paid on an instrument transferring Signet Jewelers Limited Shares. No SDRT will generally be payable in respect of any agreement to transfer Signet Jewelers Limited Shares or Depositary Interests. The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that Signet Jewelers Limited will not be UK managed and controlled and that the Signet Jewelers Limited Shares will not be registered in a register kept in the UK by or on behalf of Signet Jewelers Limited. Signet Jewelers Limited has confirmed that it does not intend to keep such a register in the UK.

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(d) Transactions in securities

Signet Shareholders should note that a clearance has been granted by HMRC under section 707 of the Income and Corporation Taxes Act 1988 and section 701 of the Income Tax Act 2007 that Signet Shareholders and Signet ADS holders should not suffer a counter-acting tax assessment under the transaction in securities rules in sections 703 et seq. of the Income and Corporation Taxes Act 1988 and sections 682 et seq. of the Income Tax Act 2007 (as the case may be) by reference to the Scheme.

11.3 US taxation of shareholders

As used in this discussion, the term "US holder" means a beneficial owner of Signet Shares, Signet ADSs and/or Signet Jewelers Limited Shares who is for US federal income tax purposes: (i) an individual US citizen or resident; (ii) a corporation, or entity treated as a corporation, created or organized in or under the laws of the United States; (iii) an estate the income of which is subject to US federal income taxation regardless of its source; or (iv) a trust if either: (a) a court within the US is able to exercise primary supervision over the administration of such trust and one or more US persons have the authority to control all substantial decisions of such trust; or (b) the trust has a valid election in effect to be treated as a US resident for US federal income tax purposes.

If a partnership (or other entity classified as a partnership for US federal tax income purposes) holds Signet Shares, Signet ADSs or Signet Jewelers Limited Shares, the US federal income tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partnerships, and partners in partnerships, holding Signet Shares, Signet ADSs or Signet Jewelers Limited Shares are encouraged to consult their tax advisers.

INTERNAL REVENUE SERVICE CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DOCUMENT IS NOT INTENDED TO BE USED, AND CANNOT BE USED, BY HOLDERS FOR THE PURPOSES OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

(a) Certain US federal income tax consequences of the Proposal generally

If you are a US holder of Signet Shares and/or Signet ADSs, you generally should not recognize any taxable gain or loss for US federal income tax purposes upon your receipt of Signet Jewelers Limited Shares under the Proposal. Different rules, however, apply to any cash received in lieu of fractional interests in Signet Jewelers Limited Shares, as discussed further below.

The aggregate tax basis of the Signet Jewelers Limited Shares received by you under the Proposal, including any fractional interests in Signet Jewelers Limited Shares to which you would be entitled but for the special treatment of fractional interests described below, will equal the aggregate tax basis of the Signet Shares and/or Signet ADSs exchanged for Signet Jewelers Limited Shares. The holding period of the Signet Jewelers Limited Shares received will include the holding period of the Signet Shares and/or Signet ADSs exchanged therefor.

(b) Cash received instead of a fractional interest in Signet Jewelers Limited Shares

Fractional interests in Signet Jewelers Limited Shares will not be issued to former holders of Signet Shares under the Proposal. Instead, any fractional share interests that such holders otherwise would have been entitled to receive will be aggregated and sold in the market and the

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proceeds will be paid to those shareholders. If you receive cash in respect of a fractional interest in a Signet Jewelers Limited Share, you generally will recognise a taxable gain or loss equal to the difference between the amount of cash received for the fractional share interest and your tax basis in the Signet Shares exchanged which is allocable to the fractional share interest. Any such gain or loss generally will be capital gain or loss, and generally will be long-term capital gain or loss with respect to Signet Shares held for more than one year at the effective time of the Scheme.

(c) Certain US federal income tax consequences of holding Signet Jewelers Limited Shares

Distributions made with respect to Signet Jewelers Limited Shares will generally be includable in the income of a US holder as ordinary dividend income, to the extent paid out of current or accumulated earnings and profits of Signet Jewelers Limited as determined in accordance with US federal income tax principles. The amount of such dividends will generally be treated as foreign-source dividend income, or, if 50 per cent or more of Signet Jewelers Limited Shares are directly or indirectly owned by US persons, which could be more likely as a result of the change in the parent company of the Signet Group's primary listing, partly as US-source and partly as foreign-source dividend income in proportion to the earnings from which they are considered paid. Dividend income received from Signet

Jewelers Limited will not be eligible for the dividends received deduction generally allowed to US corporations under the US Code. Subject to applicable limitations, including a requirement that the Signet Jewelers Limited Shares be listed for trading on the NYSE, the NASDAQ Stock Market, or another qualifying US exchange, dividends with respect to Signet Jewelers Limited Shares so listed that are paid to non-corporate US holders in taxable years beginning before 1 January 2011 will generally be taxable at a maximum tax rate of 15 per cent.

Gain or loss realised by a US holder on the sale or exchange of Signet Jewelers Limited Shares generally will be subject to US federal income tax as capital gain or loss in an amount equal to the difference between the US holder's tax basis in the Signet Jewelers Limited Shares and the amount realised on the disposition. Such gain or loss will be long-term capital gain or loss if the US holder held the Signet Jewelers Limited Shares for more than one year. Gain or loss, if any, will generally be US source for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

(d) Information reporting and backup withholding

Cash payments received in the transaction by a US holder (as well as future payments of dividends on, and the proceeds from a sale or other disposition of, Signet Jewelers Limited Shares) may, under certain circumstances, be subject to information reporting and backup withholding at a rate of 28 per cent of the cash payable to the holder, unless the holder provides proof of an applicable exemption or furnishes its taxpayer identification number, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a US holder under the backup withholding rules are not additional tax and should be allowed as a refund or credit against the US holder's US federal income tax liability, provided the required information is timely furnished to the IRS.

(e) Passive foreign investment company status

A non-US corporation will be classified as a passive foreign investment company (a **PFIC**) for any taxable year if at least 75 per cent of its gross income consists of passive income (such as dividends, interest, rents, royalties or gains on the disposition of certain minority interests), or at least 50 per cent of the average value of its assets consists of assets that produce, or are held for the production of, passive income. If either Signet or Signet Jewelers Limited were characterised as a PFIC, US holders would suffer adverse tax consequences, and US federal income tax consequences different from those described above may apply. These consequences may include having gains realised on the disposition of Signet Shares and/or Signet Jewelers Limited Shares treated as ordinary income rather than capital gain and being subject to punitive interest charges on certain distributions and on the proceeds of the sale or other disposition of Signet Shares and/or Signet Jewelers Limited Shares. Signet believes that it is not a PFIC, and that neither Signet nor Signet Jewelers Limited will be a PFIC for the foreseeable future. However, since the tests for PFIC status depend upon facts not entirely within a company's control, such as the amounts and types of its income and values of its assets, no assurance can be provided that either Signet or Signet Jewelers Limited will not become a PFIC. US holders should consult their own tax advisers regarding the potential application of the PFIC rules to their acquisition of Signet Jewelers Limited Shares pursuant to the Scheme and their ownership of Signet Jewelers Limited Shares acquired in connection with the Scheme.

12 Non UK/US Signet Shareholders

As regards Overseas Shareholders, the Proposal, including the Scheme and Share Capital Consolidation, may be affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of Overseas Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

In any case, if, in respect of an Overseas Shareholder (or a person whom the Company or Signet Jewelers Limited reasonably believes to be an Overseas Shareholder), the Company or Signet Jewelers Limited is advised that the issue of Signet Jewelers Limited Shares would or might infringe the laws of any jurisdiction outside the United Kingdom or the United States or would or might necessitate compliance with any special

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requirement with which the Company or Signet Jewelers Limited is unable to comply or which it regards as unduly onerous, clause 3 of the Scheme provides that the Company or Signet Jewelers Limited shall (unless the relevant shareholder satisfies the Company or Signet Jewelers Limited that no such infringement or requirement would apply) be authorised by the Articles to appoint any person to execute as transferor an instrument of transfer transferring, prior to the Scheme Record Time, the Scheme Shares held by such

shareholder to a nominee to hold such Scheme Shares on trust for that holder, on terms that such nominee shall sell the Signet Jewelers Limited Shares, if any, that it receives pursuant to the Scheme in respect of such Scheme Shares as soon as practicable following the Effective Date. Any such sale of Signet Jewelers Limited Shares under clause 3 of the Scheme will be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale of Signet Jewelers Limited Shares (after the deduction of all expenses and commissions incurred in connection with such sale, including value added tax, if any) shall be paid to the persons who would, but for clause 3 of the Scheme, have been entitled to receive such Signet Jewelers Limited Shares in accordance with the Scheme.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

Notice to persons resident in, or citizens or nationals of, or who have a registered address in New Zealand

It is the intention of the Company that any Scheme Shares whose holders are resident in, or citizens or nationals of, or who have a registered address in, New Zealand will be dealt with in accordance with clause 3 of the Scheme. Accordingly, such persons will not receive any Signet Jewelers Limited Shares and instead will receive the cash proceeds of the sale of the Signet Jewelers Limited Shares to which they would have otherwise been entitled.

Notice to persons resident in, or citizens or nationals of, or who have a registered address in Australia

This document has not been and will not be lodged with the Australian Securities and Investments Commission as a disclosure document under Chapter 6D of the Australian Corporations Act in Australia. Signet does not assume any liability in respect of the requirements of the Australian Corporations Act as to the content of disclosure documents.

The information in this document is general information and is not financial product advice for the purposes of Chapter 7 of the Australian Corporations Act and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any questions you should consult your legal, investment or other professional adviser.

Notice to persons resident in, or citizens or nationals of, or who have a registered address in Canada

By its receipt of this document, each Canadian investor confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) to be drawn up in the English language only.

The wording in the paragraph immediately below is a French translation of the wording in the paragraph immediately above.

Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Notice to persons resident in, or citizens or nationals of, or who have a registered address in France

Signet Jewelers Limited Shares will not be offered or sold, and copies of this document will not be distributed or caused to be distributed, directly or indirectly, in France except to corporate entities having the status of qualified investors (investisseur qualifié) and/or to a restricted circle of investors (cercle restreint d'investisseurs) all as defined in and in accordance with article L. 411-2 of the French Monetary and Financial Code, in each case acting for their own account, or otherwise in circumstances which have not resulted and will not result in a public offering (appel public à l'épargne) in France as defined in article L. 411-1 of the French Monetary and Financial Code.

As required by article 211-4 of the General Regulations of the Autorité des Marchés Financiers, such qualified investors and restricted circle of investors are informed that: (i) no prospectus or other offering documents in relation to the Scheme have been lodged or registered with the Autorité des Marchés Financiers; (ii) they must

participate in the offering on their own account, in the conditions set out in articles D. 411-1, D. 411-2, D.734-1, D. 744-1, D. 754-1 and D.764-1 of the French Monetary and Financial Code; and (iii) the direct or indirect offer or sale, to the public in France, of the shares can only be made in accordance with articles L. 411-1, L.411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

This document does not constitute and may not be used for or in connection with either an offer to any person to whom it is unlawful to make such an offer or a solicitation (*démarchage*) by anyone not authorised so to act in accordance with articles L. 341-3, L. 341-4 and L. 341-7 of the French Monetary and Financial Code. Accordingly, no shares will be offered, under any circumstances, directly or indirectly, to the public in France.

13 Signet Share Plans

Signet currently operates three share option plans (the Signet UK Inland Revenue Approved Share Option Plan 2003, the Signet International Share Option Plan 2003 and the Signet US Share Option Plan 2003), two sharesave schemes (for UK and Irish resident employees), a Signet Employee Stock Savings Plan under section 423 of the US Code (**US Plan**) and the Signet 2005 Long-Term Incentive Plan for senior executives.

As a result of the Scheme, there will be no further awards granted under the Signet Share Plans and all outstanding awards may be replaced by equivalent awards over Signet Jewelers Limited Shares or, where the rules so provide, exercised.

(a) Share option plans

There are awards outstanding over approximately 64,078,338 Signet Shares under the three current share option plans and a previous plan which is no longer operated, the 1993 Executive Share Option Scheme, and under share options granted pursuant to the vesting of long term incentive awards under a plan which has terminated. Of these, options over 449,743 Signet Shares are granted at prices below £0.52 (the Signet share price at close of business on 20 July 2008, being the last practicable date before the publication of this document) and so as at that date appear capable of exercise at a gain. Options granted prior to 2003 may be exercised as of right upon sanction of the Scheme and later options only if the Remuneration Committee allows. The holders of all options will be offered the opportunity to replace their existing options with options over Signet Jewelers Limited Shares of equivalent value and on identical terms (but fractional entitlements arising from the adjustment to reflect the Share Capital Consolidation will be ignored).

(b) Sharesave schemes

There are options outstanding over approximately 4,243,918 Signet Shares under the two sharesave schemes. All options are granted at prices of at least £0.752 and it therefore appears unlikely that any options will be exercised upon the Court sanction of the Scheme as provided under the rules. However, the holders of all options will be offered the opportunity to replace their existing options with options over Signet Jewelers Limited Shares of equivalent value and on identical terms (but fractional entitlements arising from the adjustment to reflect the Share Capital Consolidation will be ignored).

(c) US Plan

It is estimated that on the basis of the savings made under the US Plan as at 20 July 2008, approximately 1,866,140 Signet Shares could potentially be purchased to date. The US Plan has been altered so that upon the Court sanctioned Scheme becoming effective options will be

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adjusted so that they subsist over an identical number of Signet Jewelers Limited Shares to the number of Signet Shares over which they currently subsist. Therefore, participants will continue to save in order to acquire Signet Jewelers Limited Shares at the normal expiry of the savings contract at the same price per share as at present subject to an adjustment for the Share Capital Consolidation.

(d) 2005 Long-Term Incentive Plan

There are potential awards over approximately 5,250,777 Signet Shares under the Signet 2005 Long-Term Incentive Plan. None of these shares may be released upon the Court sanction of the Scheme. Under the rules of the Signet 2005 Long-Term Incentive Plan, the Remuneration Committee intends to exercise its discretion to allow the holders of awards a right to replace their existing awards with awards over Signet Jewelers Limited Shares of equivalent value (but fractional entitlements arising from the adjustment to reflect the Share Capital Consolidation will be ignored) and prevent any early vesting of awards as a result of the Court sanction of the Scheme.

14 Adoption of new Signet Jewelers Limited Share Plans

Signet Jewelers Limited has established new employee share plans substantially similar to the existing Signet Share Plans for continuing use after completion of the Proposal. These replacement plans will provide for the use of Signet Jewelers Limited Shares instead of Signet Shares but otherwise will be in substantially similar form to the existing Signet Share Plans, subject to some updating to bring the schemes in line with current practice.

These plans have been established by the Signet Jewelers Limited directors but will not be operated without approval in principle by Signet Shareholders at the Scheme GM. A resolution will therefore be put to Signet Shareholders at the Scheme GM approving in principle the operation of the Signet Jewelers Limited Share Plans.

The Signet Jewelers Limited Remuneration Committee will review the replacement plans during the next year or so following the Effective Date with a view to bringing forward any appropriate new plans, or proposals for changes to the new Signet Jewelers Limited Share Plans. This review will particularly take into account the redomicile and listing of Signet Jewelers Limited on the NYSE and the increasing involvement of the Signet Group in the US.

A summary of the principal features of the new plans is set out below.

(a) Signet Jewelers Limited Long Term Incentive Plan 2008

The Signet Jewelers Limited Long Term Incentive Plan 2008 is constituted under rules which provide for the making of awards of Signet Jewelers Limited Shares each year by the Signet Jewelers Limited Remuneration Committee. Any awards will normally vest on the third anniversary of award provided the participant remains in employment and any performance conditions which may be set are first satisfied. The intention is to make the initial Signet Jewelers Limited Long Term Incentive Plan 2008 awards to the executive directors, senior management and other senior executives (approximately 22 individuals) in April 2009.

(i) Eligibility

Any employee (including an executive director) of the Signet Group will be eligible to participate at the discretion of the Signet Jewelers Limited Remuneration Committee.

(ii) Limit on awards

The maximum award which may be made to any participant in any financial year will be limited to such number of shares as have an aggregate market value not exceeding 160 per cent of the participant's base salary.

(iii) Grant of awards

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Awards will be made within the period of 42 days of Signet Jewelers Limited's announcement of its results for any period. Awards may also be made at other times in exceptional circumstances. Awards will be subject to a performance target which will normally be tested at the end of a fixed period of at least 3 years. To the extent any performance targets which may be set are satisfied the participant will receive a combination of the grant of an option over shares in Signet Jewelers Limited and cash, on the basis of a mix of 50 per cent cash and 50 per cent share options.

- (iv) Performance conditions