SIGNET GROUP PLC
Form 6-K
June 10, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Special Report of Foreign Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of

The Securities and Exchange Act of 1934

For the date of June 10, 2005

SIGNET GROUP plc

(Translation of registrant s name into English)

Zenith House

The Hyde

London NW9 6EW

England

(Address of principal executive office)

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

Form 20-F x Form 40-F ¨

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 x

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

Date: June 10, 2005

By: /s/ WALKER BOYD

Name: Walker Boyd
Title: Group Finance Director

Embargoed until 7.30 a.m. (BST)

Signet Group plc (LSE: SIG, NYSE: SIG)

10 June 2005

10% INCREASE IN SIGNET S 1ST QUARTER EARNINGS

Signet Group plc (LSE: SIG and NYSE: SIG), the world s largest speciality retail jeweller, today announces its first quarter results for the 13 week period from 30 January to 30 April 2005. These results are reported under International Financial Reporting Standards (IFRS), see note 8 for details.

Group

Group profit before tax was £27.9 million (Q1 2004/05: £26.1 million), up by 9.4% at constant exchange rates (see note 7 for reconciliation). On a reported basis the increase was 6.9% reflecting a weakening of the average US dollar rate to £1/$1.89 from £1/$1.84 in the comparable period last year. Like for like sales rose by 3.3%. Total sales were £369.2 million (Q1 2004/05: £351.9 million), up by 7.0% at constant exchange rates and by 4.9% on a reported basis.

Operating profit at £29.5 million (Q1 2004/05: £28.2 million) increased by 7.3% at constant exchange rates and by 4.6% on a reported basis. Operating margin was unchanged at 8.0%, while gross margin was up slightly compared to the same quarter last year. The tax rate was 34.4% (Q1 2004/05: 36.4%). Earnings per share rose by 10.0% to 1.1p (Q1 2004/05: 1.0p).

United States (circa 70% of Group annual sales)

Operating profit at £31.4 million (Q1 2004/05: £27.1 million) was up by 18.9% at constant exchange rates and by 15.9% on a reported basis. The operating margin increased to 11.3% (Q1 2004/05: 10.6%), principally due to operating leverage from the increase in like for like sales.

Like for like sales rose by 7.1%, although up against particularly strong prior year comparatives. Total sales increased by 11.6% at constant exchange rates and by 8.6% on a reported basis to £277.9 million (Q1 2004/05: £255.8 million). Gross margin was broadly in line with the first quarter in 2004/05. This reflected anticipated mix changes and commodity cost increases offset by a range of management initiatives, including selective action on selling prices. The bad debt ratio was comparable to the first quarter of last year.

United Kingdom (circa 30% of Group annual sales)

As previously indicated, the period saw a marked deterioration in the general retail environment. Consequently like for like sales fell by 6.2% resulting in an operating loss of £0.4 million (Q1 2004/05: profit £2.6 million). Total sales were £91.3 million (Q1 2004/05: £96.1 million) and gross margin showed an increase. H.Samuel s like for like sales were down 6.4% and those of Ernest Jones down 6.0%. Both chains saw a further increase of diamonds in the sales mix.

Group Costs, Financing Costs and Net Debt

Group costs were unchanged at £1.5 million. Financing costs were £1.6 million (Q1 2004/05: £2.1 million). Net debt at 30 April 2005 was £76.0 million (1 May 2004: £68.2 million).

Comment

Terry Burman, Group Chief Executive, commented: We are very pleased with the increase in Group earnings of 10% given the present challenging trading conditions in the UK. This underlines the benefit of operating on both sides of the Atlantic with a 70% US / 30% UK sales mix.

The general retail environment in the UK remained very difficult throughout the quarter. The trading pattern was similar in both H.Samuel and Ernest Jones. We are continuing to adhere to our proven strategy, although we will ensure that costs, gross margins and cash flow remain tightly managed.

The US business performed strongly throughout the period with like for like sales up by 7.1%. Operating profit increased 18.9% at constant exchange rates. The division again out-performed its main competition and gained further market share. Kay continued to build on its position as the leading US speciality retail jewellery brand. Jared, our off-mall destination chain had a particularly strong quarter.

Enquiries:

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A conference call for all interested parties will take place today at 2.00 p.m. BST.

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European 48 hr replay:	+44 (0) 20 7784 1024	Access code: 4956717#

US dial-in:	+1 718 354 1172	
US 48 hr replay:	+1 718 354 1112	Access code: 4956717#

The Annual General Meeting will take place at 11.00 a.m. today. The second quarter sales performance for the 13 weeks ending 30 July 2005 is expected to be announced on Thursday 4 August 2005.

Signet operated 1,769 speciality retail jewellery stores at 30 April 2005; these included 1,170 stores in the US, where the Group trades as Kay Jewelers , Jared The Galleria Of Jewelry and under a number of regional names. At that date Signet operated 599 stores in the UK, where the Group trades as H.Samuel , Ernest Jones and Leslie Davis . Further information on Signet is available at www.signetgroupplc.com.

2

This release includes statements which are forward-looking statements within the meaning of the 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 release and include statements regarding, among other things, our results of operation, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates. Our use of the words expects, intends, anticipates, estimates, may, forecast, objective, plan or target, and other 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, including but not limited to general economic conditions, the merchandising, pricing and inventory policies followed by the Group, the reputation of the Group, the level of competition in the jewellery sector, the price and availability of diamonds, gold and other precious metals, seasonality of the Group s business and financial market risk.

For a discussion of these and other risks and uncertainties which could cause actual results to differ materially, see the Risk and Other Factors section of the Company s 2004/05 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on May 3, 2005 and other filings made by the Company with the Commission. Actual results may differ 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 Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

SIGNET GROUP plc

Unaudited interim consolidated income statement

for the 13 weeks ended 30 April 2005

	Notes	13 weeks ended 30 April 2005 £m	13 weeks ended 1 May 2004 £m	52 weeks ended 29 January 2005 £m
Sales	2,7	**369.2**	351.9	1,615.5
Cost of sales		**(333.0)**	(316.2)	(1,371.8)
Gross profit		**36.2**	35.7	243.7
Administrative expenses		**(18.4)**	(17.3)	(69.8)
Other operating income		**11.7**	9.8	38.6
Operating profit	2,7	**29.5**	28.2	212.5
Financing costs	3	**(1.6)**	(2.1)	(8.6)
Profit before tax	7	**27.9**	26.1	203.9
Taxation	4	**(9.6)**	(9.5)	(69.1)
Profit for the financial period		**18.3**	16.6	134.8
Earnings per share				
- basic	6	**1.1p**	1.0p	7.8p
- diluted		**1.1p**	1.0p	7.8p

All of the above relates to continuing activities.

Unaudited consolidated balance sheet

at 30 April 2005

	30 April 2005	**1 May 2004**	**29 January 2005**
	£m	**£m**	**£m**
Assets			
Non-current assets			
Intangible assets	**17.1**	18.7	17.4
Property, plant and equipment	**227.5**	209.3	225.2
Other receivables	**12.8**	11.6	11.6
Retirement benefit asset		1.7	
Deferred tax assets	**12.4**	34.7	12.4
	269.8	276.0	266.6
Current assets			
Inventories	**601.9**	573.7	577.9
Trade and other receivables	**329.1**	305.3	359.4
Cash and cash equivalents	**80.9**	113.5	102.4
	1,011.9	992.5	1,039.7
Total assets	**1,281.7**	1,268.5	1,306.3
Liabilities			
Current liabilities			
Short-term borrowings	**(25.4)**	(29.7)	(53.1)
Trade and other payables	**(170.6)**	(180.3)	(161.3)
Deferred income	**(48.4)**	(47.7)	(55.5)
Current tax	**(29.0)**	(47.2)	(43.8)
	(273.4)	(304.9)	(313.7)
Non-current liabilities			
Bank loans	**(131.4)**	(150.3)	(132.8)
Trade and other payables	**(13.3)**	(11.7)	(12.3)
Deferred income	**(73.3)**	(67.1)	(70.6)
Provisions	**(5.7)**	(6.3)	(5.8)
Retirement benefit obligation	**(1.9)**		(1.9)
	(225.6)	(235.4)	(223.4)
Total liabilities	**(499.0)**	(540.3)	(537.1)
Net assets	**782.7**	728.2	769.2
Equity			
Capital and reserves attributable to equity shareholders			
Called up share capital	**8.7**	8.7	8.7

Share premium	**68.3**	62.5	68.0
Other reserves	**156.7**	130.1	152.3
Retained earnings	**549.0**	526.9	540.2
Total equity	**782.7**	728.2	769.2

Unaudited consolidated statement of recognised income and expense

for the 13 weeks ended 30 April 2005

	13 weeks ended 30 April 2005	13 weeks ended 1 May 2004	52 weeks ended 29 January 2005
	£m	£m	£m
Profit for the financial period	**18.3**	16.6	134.8
Translation differences	**(8.8)**	25.9	(32.6)
Losses on cash flow hedges	**(1.7)**		
Actuarial loss on retirement benefit scheme			(3.9)
Total recognised income and expense for the period	**7.8**	42.5	98.3

Unaudited changes in total equity

for the 13 weeks ended 30 April 2005

	Share capital	Share premium	Revaluation reserve	Special reserves	Reserve for own shares	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
Balance at 29 January 2005	8.7	68.0	4.3	155.9	(7.9)	540.2	769.2
Recognised income and expense:							
- Profit for the financial period						18.3	18.3
- Losses on cash flow hedges						(1.7)	(1.7)
- Translation differences				3.7		(8.8)	(5.1)
Equity-settled transactions net of tax						1.0	1.0
Share options exercised		0.3			0.7		1.0
Balance at 30 April 2005	**8.7**	**68.3**	**4.3**	**159.6**	**(7.2)**	**549.0**	**782.7**

Unaudited changes in total equity

for the 13 weeks ended 1 May 2004

	Share capital	Share premium	Revaluation reserve	Special reserves	Reserve for	Retained earnings	Total

					own shares		
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Balance at 31 January 2004	8.6	60.7	3.1	142.2		483.2	697.8
Recognised income and expense:							
- Profit for the financial period						16.6	16.6
- Translation differences							