

SIGNET GROUP PLC  
Form 6-K  
December 04, 2002

**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 December 4, 2002

**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 40-F.)

Form 20-F      Form 40-F

**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 authorised.

**SIGNET GROUP plc**

By:	/s/ Walker Boyd
Name:	Walker Boyd
Title:	Group Finance Director

Date: December 4, 2002



Table of Contents

Signet Reports Third Quarter Results

Unaudited interim consolidated profit and loss account

Unaudited consolidated balance sheet

Unaudited consolidated statement of total recognised gains and losses

Unaudited consolidated cash flow statement

Notes to the unaudited interim financial results

Reconciliation of UK GAAP to US GAAP

Embargoed until 12.00 Noon (GMT)

4 December 2002

### **SIGNET REPORTS THIRD QUARTER RESULTS**

Signet Group plc (LSE: SIG and Nasdaq NMS: SIGY), the world's largest speciality retail jeweller, today announced results for both the 13 weeks and the 39 weeks to 2 November 2002.

#### **Group**

In the 13 weeks to 2 November 2002, Group total sales rose by 3.7% (8.6% at constant exchange rates) to £278.9 million (2001/02: £268.8 million). Like for like sales were up by 4.8%. Operating profit was unchanged at £7.2 million. Net interest payable for the 13 weeks decreased to £3.6 million (2001/02: £3.8 million). Profit before tax was £3.6 million (2001/02: £3.4 million).

In the 39 week period, total sales grew by 7.0% (9.7% at constant exchange rates) to £961.7 million (2001/02: £898.5 million). Like for like sales increased by 6.3%. Operating profit rose by 11.2% (14.8% at constant exchange rates) to £63.7 million (2001/02: £57.3 million). Net interest payable for the 39 weeks decreased to £12.6 million (2001/02: £13.7 million). Profit before tax advanced by 17.2% (20.8% at constant exchange rates) to £51.1 million (2001/02: £43.6 million). Earnings per share were 1.9p (2001/02: 1.7p).

#### **United States (circa 71% of Group annual sales)**

In the 13 weeks to 2 November 2002, US total sales increased by 3.0% (10.3% at constant exchange rates) to £187.7 million (2001/02: £182.3 million). Like for like sales were up 4.9% and operating profit advanced to £4.5 million (2001/02: £4.2 million). The trend in bad debt charge continued below last year's level.

In the 39 weeks, US total sales advanced by 6.4% (10.1% at constant exchange rates) to £686.8 million (2001/02: £645.2 million). Like for like sales were up by 6.2%. Operating profit advanced to £56.3 million (2001/02: £52.3 million) and the operating margin was 8.2% (2001/02: 8.1%). The gross margin rate eased slightly, primarily reflecting anticipated changes in sales mix. The bad debt charge was 3.2% (2001/02: 3.6%).

**United Kingdom (circa 29% of Group annual sales)**

In the third quarter UK total sales advanced by 5.4% to £91.2 million (2001/02: £86.5 million), the like for like increase being 4.8%. Operating profit was £4.0 million (2001/02: £4.3 million) reflecting greater investment in staff training, increased insurance costs and a higher depreciation charge.

In the 39 weeks to 2 November 2002, UK total sales rose by 8.5% to £274.9 million (2001/02: £253.3 million), the like for like increase being 6.7%. The gross margin rate was little changed and operating profit increased by 26.7% to £11.4 million (2001/02: £9.0 million), the operating margin being 4.1% (2001/02: 3.6%).

## Group Costs, Taxation and Net Debt

In the 13 week period, Group costs were unchanged at £1.3 million. In the 39 weeks Group costs were also unchanged at £4.0 million. As anticipated the tax rate increased to 35.5% (2001/02: 34.5%). Net debt at 2 November 2002 was £254.6 million (27 October 2001: £300.6 million).

## Comment

Terry Burman, Group Chief Executive, commented: The Group saw some advance in profit before tax in what is traditionally a period of low profitability. The US business made further progress, again outperforming its main competition and gaining market share. The UK business also achieved solid sales growth and operating profit was broadly similar to last year's level after absorbing anticipated cost increases.

The softening like for like sales trends apparent in the third quarter on both sides of the Atlantic accelerated during November with the US performance affected by Thanksgiving falling one week later than last year. Our businesses remain well prepared to compete during December, which typically accounts for around 70% of Christmas season sales.

*Signet operated 1,660 speciality retail jewellery stores at 2 November 2002; these included 1,049 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 611 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](http://www.signetgroupplc.com)*

Enquiries:

Terry Burman, Group Chief Executive

+44 (0) 20 7399 9520

Walker Boyd, Group Finance Director

+44 (0) 20 7399 9520

Mike Smith, Brunswick

+44 (0) 20 7404 5959

Tim Grey, Brunswick

+44 (0) 20 7404 5959

*This release includes certain forward-looking information that is based upon management's beliefs as well as on assumptions made by, and data currently available to, management. This information, which has been, or in the future may be, included in reliance on the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, is subject to a number of risks and uncertainties, including but not limited to the factors identified in the Company's filings with the U.S. Securities and Exchange Commission, including its 2001/02 Annual Report on Form 20-F filed with the Commission on May 16, 2002. 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.*

Edgar Filing: SIGNET GROUP PLC - Form 6-K

There will be a conference call for all interested parties today at 2.00 p.m. GMT (9.00 a.m. EST and 6.00 a.m. Pacific Time) and a simultaneous audio webcast at [www.signetgroupplc.com](http://www.signetgroupplc.com). The call details are:

UK dial-in:

+44 (0) 207 984 7576

Pass code:

677463

US dial-in:

+1 719 457 2679

Pass code:

677463

UK 48hr. replay:

+44 (0) 207 984 7578

Pass code:

677463#

US 48hr. replay:

+1 719 457 0820

Pass code:

677463#

The Christmas Trading Statement is expected to be released at 12:00 Noon GMT on Thursday 9 January 2003.



**Unaudited interim consolidated profit and loss account**

for the periods ended 2 November 2002

		<b>13 weeks ended</b>	13 weeks ended	<b>39 weeks ended</b>	39 weeks ended	53 weeks ended
		<b>2 November 2002</b>	27 October 2001	<b>2 November 2002</b>	27 October 2001	2 February 2002
	Notes	<b>£m</b>	£m	<b>£m</b>	£m	£m
<b>Sales</b>	2,3	<b>278.9</b>	268.8	<b>961.7</b>	898.5	1,578.1
<b>Operating profit</b>	3	<b>7.2</b>	7.2	<b>63.7</b>	57.3	200.7
Net interest payable and similar charges		<b>(3.6)</b>	(3.8)	<b>(12.6)</b>	(13.7)	(17.9)
<b>Profit on ordinary activities before taxation</b>		<b>3.6</b>	3.4	<b>51.1</b>	43.6	182.8
Tax on profit on ordinary activities	4	<b>(1.3)</b>	(1.2)	<b>(18.2)</b>	(15.1)	(63.1)
<b>Profit for the financial period</b>		<b>2.3</b>	2.2	<b>32.9</b>	28.5	119.7
Dividends	6	-	-	<b>(5.3)</b>	(4.9)	(30.5)
Retained profit attributable to shareholders		<b>2.3</b>	2.2	<b>27.6</b>	23.6	89.2
<b>Earnings per share</b>						
- basic	7	<b>0.1p</b>	0.1p	<b>1.9p</b>	1.7p	7.1p
- diluted		<b>0.1p</b>	0.1p	<b>1.9p</b>	1.7p	7.0p

All of the above relates to continuing activities.

**Unaudited consolidated balance sheet**

at 2 November 2002

	<b>2 November</b>	27 October	2 February
	<b>2002</b>	2001	2002
		as restated <sup>(1)</sup>	
Notes	£m	£m	£m
<b>Fixed assets</b>			
Intangible assets	<b>21.1</b>	24.3	24.2
Tangible assets	<b>213.9</b>	207.6	214.1
	<b>235.0</b>	231.9	238.3
<b>Current assets</b>			
Stocks	<b>644.0</b>	610.8	555.5
Debtors <sup>(2)</sup>	<b>304.1</b>	311.1	380.7
Cash at bank and in hand	<b>23.7</b>	17.6	66.5
	<b>971.8</b>	939.5	1,002.7
<b>Creditors: amounts falling due within one year</b>	<b>(338.7)</b>	(514.5)	(320.5)
Bank loans and overdrafts	<b>(91.1)</b>	(278.8)	(38.8)
Other	<b>(247.6)</b>	(235.7)	(281.7)
<b>Net current assets <sup>(2)</sup></b>	<b>633.1</b>	425.0	682.2
<b>Total assets less current liabilities</b>	<b>868.1</b>	656.9	920.5
<b>Creditors: amounts falling due after more than one year</b>	<b>(194.0)</b>	(47.8)	(224.6)
Bank loans	<b>(180.1)</b>	(39.4)	(208.5)
Other	<b>(13.9)</b>	(8.4)	(16.1)
<b>Deferred tax</b>	<b>(8.9)</b>	(1.9)	(9.2)
<b>Provisions for liabilities and charges</b>	<b>(6.3)</b>	(6.8)	(7.0)
<b>Total net assets</b>	<b>658.9</b>	600.4	679.7
<b>Capital and reserves equity</b>			
Called up share capital	<b>8.6</b>	8.5	8.6
Reserves	<b>650.3</b>	591.9	671.1
<b>Shareholders funds</b>	<b>8 658.9</b>	600.4	679.7

**Unaudited consolidated statement of total recognised gains and losses**

for the periods ended 2 November 2002

	<b>13 weeks ended</b>	13 weeks ended	<b>39 weeks ended</b>	39 weeks ended	53 weeks ended
	<b>2 November 2002</b>	27 October 2001	<b>2 November 2002</b>	27 October 2001	2 February 2002
	<b>£m</b>	£m	<b>£m</b>	£m	£m
Profit for the financial period	<b>2.3</b>	2.2	<b>32.9</b>	28.5	119.7
Adjustment to property revaluation	-	-	-	-	2.1
Translation differences	<b>4.5</b>	0.6	<b>(51.2)</b>	7.7	28.0
<b>Total recognised gains and losses</b>	<b>6.8</b>	2.8	<b>(18.3)</b>	36.2	149.8

(1) The Group adopted FRS 19 Deferred Tax during the year ended 2 February 2002. This led to an additional provision for deferred tax

of £6.2m, which was accounted for as a prior year adjustment charged directly to shareholders funds. There was no material effect on the

profit and loss account for the year ended 2 February 2002.

(2)

Debtors and net current assets include amounts recoverable after more than one year of £19.1m (27 October 2001: £19.1m,

2 February 2002: £19.1m).

**Unaudited consolidated cash flow statement**

for the periods ended 2 November 2002

	<b>13 weeks ended</b>	13 weeks ended	<b>39 weeks ended</b>	39 weeks ended	53 weeks ended
	<b>2 November 2002</b>	27 October 2001	<b>2 November 2002</b>	27 October 2001	2 February 2002
	<b>£m</b>	£m	<b>£m</b>	£m	£m
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(28.5)</b>	1.8	<b>50.6</b>	60.3	188.0
<b>Net cash outflow from returns on investments and</b>					
<b>servicing of finance</b>	<b>(3.6)</b>	(4.1)	<b>(12.6)</b>	(14.3)	(17.9)
<b>Taxation</b>	<b>(15.5)</b>	(9.3)	<b>(49.0)</b>	(47.0)	(57.9)
<b>Net cash outflow for capital expenditure and</b>					
<b>financial investment</b>	<b>(15.1)</b>	(16.3)	<b>(39.4)</b>		