Signet Reports First Quarter Results

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Signet Group plc (LSE and NYSE: SIG), the world's largest speciality retail jeweller, today announced its first quarter results for the 13 weeks from 3 February to 3 May 2008.

Group

Total sales rose by 1.0% to $822.5 million (13 weeks to 5 May 2007: $814.4 million). Like for like sales decreased by 2.5%. Group profit before tax was down by 24.0% to $38.6 million (13 weeks to 5 May 2007: $50.8 million) and operating profit fell 18.9% to $43.8 million (13 weeks to 5 May 2007: $54.0 million). Operating margin was 5.3% (13 weeks to 5 May 2007: 6.6%). The average US dollar rate was £1/$1.98 (13 weeks to 5 May 2007: £1/$1.96), see note 9 for impact of exchange rate movement.

The tax rate was 36.0% (13 weeks to 5 May 2007: 36.0%). Basic earnings per share were 1.4 cents (13 weeks to 5 May 2007: 1.9 cents), equivalent to 14.4 cents per American Depositary Share (13 weeks to 5 May 2007: 19.1 cents).

United States (circa 74% of Group annual sales)

Total sales were little changed at $631.1 million (Q1 2007/08: $632.3 million), while like for like sales decreased by 4.7% reflecting a difficult trading environment, partly offset by better weather over Valentine's Day.

While a tight control of costs was maintained, operating profit was $45.5 million (13 weeks to 5 May 2007: $59.9 million) as a result of operational deleverage reflecting the decline in like for like sales. Gross margin was up 50 basis points, with price increases implemented after Valentine's Day and in March offsetting higher commodity costs, greater promotional activity and changes in sales mix. The objective of the price increases is at least to maintain the full year gross margin percentage at last year's level. Early results remain encouraging, although a full evaluation will only be completed in the summer. The operating margin was 7.2% (Q1 2007/08: 9.5%). The net bad debt to total sales ratio was up by 70 basis points, however this was largely offset by higher income associated with the receivables. The level of net space growth in the US is now expected to be between 4% and 5% as a result of the continuing application of the Group's strict investment criteria.

United Kingdom (circa 26% of Group annual sales)

Total sales were up by 4.0% at constant exchange rates (see note 9); the reported increase was 5.1% to $191.4 million (13 weeks to 5 May 2007: $182.1 million). Like for like sales rose by 5.3%, with H.Samuel and Ernest Jones up by a similar amount. Reflecting the like for like sales performance, and continued good cost control, an operating profit of $2.7 million was achieved compared with a $1.9 million loss in the comparable period last year. The gross margin was up 40 basis points, with selective price increases more than offsetting the increased cost of gold and mix changes. To execute the Ernest Jones store refurbishment programme more effectively over the medium term, it has been decided to reduce the number of refits and relocations scheduled for 2008/09 from 46 to about 35.

Group Costs, Financing Costs and Net Debt

Group costs were $4.4 million (13 weeks to 5 May 2007: $4.0 million). Financing costs rose to $5.2 million (13 weeks to 5 May 2007: $3.2 million) due to the higher level of year end net debt. In the quarter net debt was little changed (Q1 2007/08: increase of $53.0 million), with the level at 3 May 2008 being $377.0 million (5 May 2007: $286.2 million). This reflected tight control of working capital, lower tax payments and the absence of any share repurchases (Q1 2007/08: $29.0 million purchase of shares) which more than offset the lower operating profit. For 2008/09, a cash outflow at the bottom end of the $40 million to $80 million range indicated in the 2007/08 results statement is now expected, before exchange adjustments and changes in equity, and subject to general economic uncertainties.

Primary listing and domicile

As was indicated in the 2007/08 results statement, the Board believes that shareholders would, on balance, support a recommendation regarding a potential move of the primary listing of the Group to the US and a redomicile of the Company to Bermuda. Good progress continues to be made in facilitating such a change and the Board intends to bring forward a proposal for shareholders to consider later this summer. Any such proposal would include the intention to obtain a secondary listing of the shares on the London Stock Exchange to coincide with the primary listing becoming effective on the New York Stock Exchange.

Comment

Terry Burman, Group Chief Executive, commented: "The US performance reflected a continuing difficult trading environment with the decline in like for like sales resulting in a lower operating margin despite a tight control of costs. The results of the price increases implemented in the US in February and March remain encouraging, although a full evaluation will only be completed during the summer.

In a demanding marketplace the UK division had a good performance, with the 5.3% like for like sales increase and a little changed cost base resulting in an operating profit of $2.7 million compared to a loss of $1.9 million in the first quarter last year. Given the increasing pressure on consumer expenditure in the UK and demanding second quarter comparatives, like for like growth is not expected to continue at this level."

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Signet operated 1,966 speciality retail jewellery stores at 3 May 2008; these included 1,407 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 559 stores in the UK, where the Group trades as "H.Samuel", "Ernest Jones" and "Leslie Davis". Further information on Signet is available at http://www.signetgroupplc.com/. See also http://rivendell.investorrelations.co.uk/sj/admin/core/www.kay.com, www.jared.com, www.hsamuel.co.uk and http://www.ernestjones.co.uk.

Investor Relations Programme Details

Annual general Meeting

The Annual general Meeting will take place at 11.00 a.m. today.

First quarter results

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

European dial-in:	+44 (0) 20 7138 0839	Confirmation code: 9865496
US dial-in:	+1 718 354 1362	Confirmation code: 9865496
European replay until 12 June:	+44 (0) 20 7806 1970	Access code: 9865496#
US replay until 12 June:	+1 718 354 1112	Access code: 9865496#

Piper Jaffray 28th Annual Consumer Conference in New York

Signet will be presenting at the Piper Jaffray Annual Consumer Conference taking place in New York on Tuesday 10 June to Wednesday 11 June 2008. The presentation, which will also be webcast on www.signetgroupplc.com, will be given by Walker Boyd, Group Finance Director, who will also be available for one-on-one meetings.

Second quarter sales

The second quarter sales performance for the 13 weeks ending 2 August 2008 is expected to be announced on Thursday 7 August 2008.

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 2007/08 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on May 9, 2008 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