

Terry Burman to Remain Group CEO Until January 2011

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Signet Jewelers Ltd (NYSE and LSE: SIG), the world's largest specialty retail jeweler, today announced its third quarter unaudited results for the 13 and 39 weeks to November 1, 2008. These results are prepared under US GAAP.

Group

In the 13 week period to November 1, 2008, Group total sales declined by 7.3% to \$629.3 million (13 weeks to November 3, 2007: \$678.7 million) and by 4.3% at constant exchange rates (see note 11). Same store sales decreased by 6.6%. Reflecting the broader retail and consumer environment net operating loss was \$14.2 million (13 weeks to November 3, 2007: net operating income \$10.1 million) and loss before income tax was \$23.6 million (13 weeks to November 3, 2007: income before income tax \$3.8 million). Net loss was \$15.1 million (13 weeks to November 3, 2007: \$2.5 million net income). Diluted loss per share was \$0.18 (13 weeks to November 3, 2007: diluted earnings per share \$0.03).

In the 39 week period, Group total sales decreased by 2.6% on a reported basis to \$2,220.7 million (39 weeks to November 3, 2007: \$2,280.5 million) and by 1.6% at constant exchange rates (see note 11). Same store sales were down by 4.3%. Net operating income was \$69.2 million (39 weeks to November 3, 2007: \$133.8 million) including items relating to the move in domicile of the Group of \$10.5 million (2007/08: nil). Income before income tax declined to \$47.1 million (39 weeks to November 3, 2007: \$117.5 million). The average exchange rate for the period was £1/\$1.92 (39 weeks to November 3, 2007: £1/\$2.00). Net income was \$30.3 million (39 weeks to November 3, 2007: \$76.8 million). Diluted earnings per share were \$0.35 (39 weeks to November 3, 2007: \$0.90). Diluted earnings per share before the items relating to the move in domicile of the Group were \$0.44 (see note 11).

United States (circa 75% of Group annual sales)

In the 13 week period to November 1, 2008, total sales decreased by 4.3% to \$467.3 million (13 weeks to November 3, 2007: \$488.2 million). Same store sales were down by 7.9%, with the last seven weeks of the quarter down by about 11% reflecting heightened consumer uncertainty. A net operating loss of \$6.2 million was reported (13 weeks to November 3, 2007: net operating income \$12.6 million) reflecting the impact of the same store sales decline.

In the 39 week period, total sales declined by 1.8% to \$1,674.0 million (39 weeks to November 3, 2007: \$1,705.1 million). Same store sales declined by 6.0%. US net operating income was \$90.7 million (39 weeks to November 3, 2007: \$142.5 million). The operating margin was 5.4% (39 weeks to November 3, 2007: 8.4%). The net bad debt charge was 4.8% of total sales (39 weeks to November 3, 2007: 3.3%), with the increased rate somewhat offset by higher income earned on the receivables. As expected the merchandise gross margin rate was up by 80 basis points as a result of price increases which more than offset the rise in commodity costs and increased promotional activity. The division is on track to achieve a full year merchandise gross margin rate somewhat ahead of last year's level.

In a very challenging marketplace, the quality of execution in all areas of the business remained a priority and a tight control of costs and inventory continued to be maintained. In merchandising, a number of new exclusive ranges have been successfully tested and expanded. Advertising expenditure has been realigned with increased emphasis on the more successful brands and media. For Kay, there will be a similar level of expenditure on national television although the number of impressions will be down mid single digits during the holiday season. For Jared, there will be increased expenditure on national television, with the level of impressions similar to last year. In the year to date 40 stores have been refurbished and net new space growth during 2008/09 is expected to be about 4%, with Jared accounting for nearly all of the increase. In 2009/10, net space is expected to be little changed. Given the focus on the core business, nearer term initiatives, and the current volatility in the rough diamond market, it has been decided to discontinue the Group's rough diamond sourcing capability.

United Kingdom (circa 25% of Group annual sales)

In the 13 week period, the UK division's total sales were down by 15.0% on a reported basis to \$162.0 million (13 weeks to November 3, 2007: \$190.5 million) and by 4.4% at constant exchange rates (see note 11). Same store sales were down by 2.4%, with the last three weeks of the quarter down by some 8%. The net operating loss was \$3.9 million (13 weeks to November 3, 2007: net operating income \$1.7 million) reflecting lower same store sales.

In the 39 week period, total sales decreased by 5.0% on a reported basis to \$546.7 million (39 weeks to November 3, 2007: \$575.4 million) and by 1.0% at constant exchange rates (see note 11). Same store sales were up by 0.8%. Net operating income was \$1.9 million (39 weeks to November 3, 2007: \$4.3 million). The average US dollar exchange rate for the period was £1/\$1.92 (39 weeks to November 3, 2007: £1/\$2.00). Gross merchandise margin was up 50 basis points on last year due to price changes, which more than offset higher commodity costs, mix changes and more targeted promotional activity. The division remains on track to achieve a full year gross merchandise margin rate similar to last year.

The division continues to benefit from a number of longer term initiatives to improve customer service. Merchandise ranges have been enhanced and an increased range of key volume lines have been developed for Christmas, taking advantage of the division's purchasing scale and supply chain expertise. A new television advertisement for H.Samuel in the fourth quarter has produced encouraging consumer test results. An increased emphasis on customer relationship marketing has replaced the television advertising test for Ernest Jones. This Christmas, 41 Ernest Jones stores will trade from the enhanced format that was successfully tested in 2007/08.

Group Central Costs, Financing Costs and Taxation

In the 13 week period, Group central costs were broadly unchanged at \$4.1 million (13 weeks to November 3, 2007: \$4.2 million). In the 39 weeks, they were \$23.4 million (39 weeks to November 3, 2007: \$13.0 million), including \$10.5 million of costs associated with the move of domicile. Net finance costs for the 13 weeks were \$9.4 million (13 weeks to November 3, 2007: \$6.3 million) and for the 39 weeks were \$22.1 million (39 weeks to November 3, 2007: \$16.3 million), the increase reflecting a higher level of net debt. The tax rate for the 39 weeks to November 1, 2008 was 35.7% (39 weeks to November 3, 2007: 34.6%).

Net Debt and Cash Flow

Net debt at November 1, 2008 was \$577.8 million (November 3, 2007: \$524.8 million). The seasonal increase in net debt in the 39 weeks to November 1, 2008 of \$203.2 million was considerably below that of the corresponding period last year (39 weeks to November 3, 2007: \$291.6 million).

Capital expenditure in 2008/09 is expected to be about \$125.0 million (2007/08: \$140.4 million) reflecting a lower level of store investment in the US partly offsetting increased spending on store refurbishments in the UK due to the roll-out of the new Ernest Jones store format. This level is about \$15 million less than previously indicated. While plans for 2009/10 have not been finalized, Group capital expenditure is anticipated to be in the region of \$65 million.

Cash outflow before the impact of exchange rate movements for 2008/09 is expected to be neutral to \$40 million. In 2009/10 it is anticipated that the level of net debt will be reduced reflecting lower capital expenditure, a working capital inflow and reduced tax payments.

Comment

Terry Burman, Group Chief Executive, commented: "While our third quarter results are disappointing, they reflect the broader retail and consumer environment.

We have a strong business which we continue to manage cautiously in the current very difficult trading conditions. We are focused on maximizing gross margin dollars, managing costs and inventory tightly, as well as maintaining a strong balance sheet.

As ever, the results for the year will depend on the very important Holiday trading season, the vast majority of which is still ahead of us."

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Signet operated 1,991 specialty retail jewelry stores at November 1, 2008; these included 1,431 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 560 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.signetjewelers.com/>. See also www.kay.com, www.jared.com, www.hsamuel.co.uk and www.ernestjones.co.uk.

Investor Relations Program Details

There will be a conference call for all interested parties today at 9.00 a.m. EST (2.00 p.m. GMT and 6.00 a.m. Pacific Time) and a [simultaneous audio webcast available here](#). To help ensure the conference call begins in a timely manner, could all participants please dial in 5 minutes prior to the scheduled start time. The call details are:

US dial-in:	+1 718 354 1388	
US 48hr replay:	+1 718 354 1112	Access code: 5540805#
European dial-in:	+44 (0)20 7806 1957	
European 48hr replay:	+44 (0)20 7806 1970	Access code: 5540805#

Christmas Trading Statement

The Christmas Trading Statement is expected to be released on Thursday, January 8, 2009 and will be available at www.signetjewelers.com. There will be a conference call for all interested parties on that day at 9.00 a.m. EST (2.00 p.m. GMT and 6.00 a.m. Pacific Time) and a simultaneous audio webcast available at www.signetjewelers.com.

Telsey Advisory Group (TAG) Consumer Conference, Tuesday, January 27, 2009

Signet will be taking part in the TAG Consumer Conference on Tuesday, January 27, 2009 at the Westin New York. Present will be Terry Burman, Group Chief Executive and Walker Boyd, Group Finance Director.

Deutsche Bank's 11th Annual Store Tour, January 28 to January 30, 2009

Signet will also be taking part in Deutsche Bank's 11th Annual Store Tour on Thursday, January 29, 2009 in Glasgow, UK. Signet will be represented by Rob Anderson, Chief Executive of Signet's UK division and Tim Jackson, Investor Relations Director.

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 jewelry 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 Annual Report & Accounts of Signet Group plc furnished as an exhibit to its

Report on Form 6-K furnished with the U.S. Securities and Exchange Commission on May 1, 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 realized. The Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

[25 Nov 2008 Signet Reports Third Quarter Results \(92KB PDF\)](#)