SIGNET GROUP PLC
Form 6-K
November 21, 2006

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 November 21, 2006

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 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

By: /s/ Walker Boyd

Name: Walker Boyd
Title: Group Finance Director

Date: November 21, 2006

Signet Group plc (LSE: SIG and NYSE: SIG) Embargoed until 12.30 p.m. (GMT)
Unaudited results for the 13 and the 39 weeks to 28 October 2006 21 November 2006

SIGNET REPORTS IMPROVED THIRD QUARTER RESULTS

Signet Group plc (LSE: SIG and NYSE: SIG), the world s largest speciality retail jeweller, today announces its third quarter results for the 13 week and 39 week periods to 28 October 2006.

Group

In the 13 week period to 28 October 2006, Group total sales rose by 9.5% at constant exchange rates (see note 9); the reported increase was 5.7% to £328.2 million (13 weeks to 29 October 2005: £310.5 million). Like for like sales were up by 5.4%. Profit before tax increased to £3.8 million (13 weeks to 29 October 2005: £3.0 million) and operating profit was £6.7 million (13 weeks to 29 October 2005: £5.5 million). The adverse impact of unfavourable cumulative foreign exchange movements on both the reported profit before tax and operating profit was particularly marked at £1.2 million (see note 9).

In the 39 week period, Group total sales increased by 9.8% at constant exchange rates (see note 9); and on a reported basis by 10.2% to £1,138.8 million (39 weeks to 29 October 2005: £1,033.4 million). Like for like sales were up by 5.3%. Profit before tax rose by 11.9% at constant exchange rates (see note 9); and by 12.7% on a reported basis to £62.1 million (39 weeks to 29 October 2005: £55.1 million) and operating profit was £68.7 million (39 weeks to 29 October 2005: £61.0 million). The average exchange rate for the period was £1/\$1.83 (39 weeks to 29 October 2005: £1/\$1.84). Earnings per share were 2.3p (39 weeks to 29 October 2005: 2.1p).

United States (circa 70% of Group annual sales)

In the 13 week period to 28 October 2006, total sales increased by 12.5% at constant exchange rates (see note 9); and on a reported basis by 7.0% to £235.5 million (13 weeks to 29 October 2005: £220.0 million). Like for like sales were up by 6.5%. US operating profit was up by 16.9% at constant exchange rates (see note 9), and on a reported basis rose by 2.1% to £9.7 million (13 weeks to 29 October 2005: £9.5 million). The operating margin was 4.1% (13 weeks to 29 October 2005: 4.3%).

In the 39 week period, total sales advanced by 12.6% at constant exchange rates (see note 9), and by 13.3% on a reported basis to £860.4 million (39 weeks to 29 October 2005: £759.6 million). Like for like sales rose by 6.9%. US operating profit was up by 11.0% at constant exchange rates (see note 9), and by 11.6% on a reported basis to £78.8 million (39 weeks to 29 October 2005: £70.6 million). As expected the gross margin was down in line with the first half as a result of commodity cost increases and changes in the sales mix, partially offset by supply chain initiatives and selective price increases; the trend in the fourth quarter is anticipated to be similar. The operating margin was 9.2% (39 weeks to 29 October 2005: 9.3%). The bad debt charge was 2.9% of total sales (39 weeks to 29 October 2005: 3.2%).

A number of merchandising initiatives are in place for the Christmas Season. These include: Journey diamond jewellery, which the Diamond Trading Company is supporting with a substantial advertising campaign; further expansion of the right hand ring and circle jewellery selections; the Leo Diamond assortment, which continues to be developed in all formats; Le Vian , a prestigious 500 year old fashion jewellery brand that is now sold in all Kay stores; in Jared, the Peerless Diamond , a branded Ideal Cut diamond exclusive to the Group, has been rolled out to all locations; and Jared continues to build its offering and reputation in the luxury watch market.

The holiday season will again see an increase in Kay national television advertising and Jared will benefit from national cable advertising support for the first time. The testing of television advertising for JB Robinson, the division s leading regional brand, will be extended to three additional markets. Annual spending on marketing as a proportion of sales is planned to be slightly higher than last year due to the growth of Jared, which carries a higher advertising cost to sales ratio than the mall stores.

Net new space growth during 2006/07 is expected to be about 10%, at the top end of the target range. Jared will account for some 60% of the increase.

United Kingdom (circa 30% of Group annual sales)

The UK division continued its improving trend with total sales up by 2.4% to £92.7 million (13 weeks to 29 October 2005: £90.5 million). Like for like sales were up by 3.0% in the 13 weeks to 28 October 2006. This resulted in a reduced operating loss of £1.1 million (13 weeks to 29 October 2005: £2.5 million loss).

In the 39 week period to 28 October 2006 total sales increased by 1.7% to £278.4 million (39 weeks to 29 October 2005: £273.8 million) and like for like sales by 0.9%. There was an operating loss of £4.5 million (39 weeks to 29 October 2005: £4.9 million loss). The results of the UK business are very seasonal, historically nearly all the operating profit for the full year being earned in the fourth quarter. The jewellery market remains difficult, with year to date industry hallmarking volumes being down by over 15% for the second year running. Gross margin was slightly down on last year; the trend in the fourth quarter is anticipated to be similar.

Tight control of costs and inventory were maintained. The division s average selling price increased further in the 39 week period, as did diamond participation in the sales mix. This reflected improved merchandising and continued emphasis on staff training. About 45% of fourth quarter sales are expected to come from the more open, customer friendly store format. For the first time H. Samuel will have national television advertising support during the Christmas season while Ernest Jones will have similar regional coverage to last year.

Group Central Costs, Financing Costs and Taxation

In the 13 week period, Group central costs were £1.9 million (13 weeks to 29 October 2005: £1.5 million); in the 39 weeks they were £5.6 million (39 weeks to 29 October 2005: £4.7 million). Net financing costs for the 13 weeks were £2.9 million (13 weeks to 29 October 2005: £2.5 million) and for the 39 weeks were £6.6 million (39 weeks to 29 October 2005: £5.9 million). The increase in net financing costs reflected the transition from the securitised borrowing facility that has just amortised to the new private placement note facility, and incremental borrowing as a result of the share buy back programme. The tax rate for the 39 weeks to 28 October 2006 was 35.6% (39 weeks to 29 October 2005: 34.5%).

Purchase of Own Shares

On 14 July 2006 the Company announced a programme to purchase its own ordinary shares either to be cancelled or held in treasury. The Company is targeting to buy back approximately £50 million before its fiscal year end on 3 February 2007 and as at 28 October 2006 had purchased 22.0 million shares for £23.6 million.

Net Debt

Net debt at 28 October 2006 was £243.1 million (29 October 2005: £217.9 million). The seasonal increase in net debt resulting from cash flows in the 39 weeks to 28 October 2006 was £157.7 million before translation differences (39 weeks to 29 October 2005: £121.2 million). The increase reflected the impact of the share buy back programme and timing of merchandise deliveries and payments. Capital expenditure during the year is expected to be about £75 million (2005/06: £75.9 million).

Comment

Terry Burman, Group Chief Executive, commented: Group profit before tax in the nine months to date was 12.7% ahead of last year. Our US division continued to trade well. Despite trading conditions remaining difficult in the UK jewellery sector, our stores have shown an improved performance in the quarter.

We continue to execute strategies in the UK and US to improve the competitive positions of both businesses, which are in good shape and are well placed to compete. As always, results for the year as a whole will be dependent on the outcome during the very important fourth quarter which represents some 40% of annual sales.

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Signet operated 1,875 speciality retail jewellery stores at 28 October 2006; these included 1,290 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 585 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. See also www.kay.com, www.jared.com, www.hsamuel.co.uk and www.ernestjones.co.uk.

Extraordinary General Meeting

A circular dated 7 November 2006 was sent to shareholders convening an EGM on 12 December 2006 to seek shareholder approval for the Company to redenominate its share capital into US dollars. The document is available on the Company s website www.signetgroupplc.com.

Investor Relations Programme Details

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 audiocast at www.signetgroupplc.com. To help ensure the conference call begins in a timely manner, could all participants please dial in 5 to 10 minutes prior to the scheduled start time. The call details are:

European dial-in:	+44 (0) 20 7806 1961		
European 48hr replay:	+44 (0) 20 7806 1970	Access code:	9661433#
US dial-in:	+1 718 354 1391		
US 48hr replay:	+1 718 354 1112	Access code:	9661433#

The Christmas Trading Statement is expected to be released on Thursday 11 January 2007.

Investor Day and Store Tour, Akron, Ohio, Thursday 10 May 2007

It is intended to hold an Investor Day and Store Tour for professional investors in Akron, Ohio on Thursday 10 May 2007.

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 Company 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 2005/06 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on May 4, 2006 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 39 weeks ended 28 October 2006

	Notes	**13 weeks ended 28 October 2006**	13 weeks ended 29 October 2005	**39 weeks ended 28 October 2006**	39 weeks ended 29 October 2005	52 weeks ended 28 January 2006
		£m	£m	**£m**	£m	£m
Sales	2	**328.2**	310.5	**1,138.8**	1,033.4	1,752.3
Cost of sales		**(316.6)**	(299.7)	**(1,053.2)**	(953.5)	(1,516.3)
Gross profit		**11.6**	10.8	**85.6**	79.9	236.0
Administrative expenses		**(16.5)**	(15.9)	**(54.2)**	(52.4)	(74.1)
Other operating income		**11.6**	10.6	**37.3**	33.5	46.3
Operating profit	2	**6.7**	5.5	**68.7**	61.0	208.2
Finance income	3	**4.9**	1.9	**12.5**	7.0	9.3
Finance expense	3	**(7.8)**	(4.4)	**(19.1)**	(12.9)	(17.1)
Profit before tax		**3.8**	3.0	**62.1**	55.1	200.4
Taxation	4	**(1.3)**	(1.0)	**(22.1)**	(19.0)	(69.6)
Profit for the financial period		**2.5**	2.0	**40.0**	36.1	130.8
Earnings per share basic	6	**0.1p**	0.1p	**2.3p**	2.1p	7.5p
diluted	6	**0.1p**	0.1p	**2.3p**	2.1p	7.5p

All of the above relate to continuing activities.

Unaudited consolidated balance sheet

at 28 October 2006

	Note	**28 October 2006**	29 October 2005	28 January 2006
		£m	£m	£m
Assets				
Non-current assets				
Intangible assets		**23.6**	21.3	22.9
Property, plant and equipment		**253.4**	252.4	253.8
Other receivables		**15.2**	13.9	14.3
Deferred tax assets		**16.5**	13.1	17.4
		308.7	300.7	308.4
Current assets				
Inventories		**788.1**	766.1	679.7
Trade and other receivables		**354.4**	331.5	430.4
Cash and cash equivalents		**163.6**	19.8	52.5
		1,306.1	1,117.4	1,162.6
Total assets		**1,614.8**	1,418.1	1,471.0
Liabilities				
Current liabilities				
Short-term borrowings		**(206.7)**	(96.6)	(151.1)
Trade and other payables		**(223.9)**	(228.0)	(217.1)
Deferred income		**(47.6)**	(45.4)	(50.4)
Current tax		**(10.3)**	(7.5)	(50.2)
		(488.5)	(377.5)	(468.8)
Non-current liabilities				
Bank loans		**(200.0)**	(141.0)	
Trade and other payables		**(38.0)**	(34.5)	(36.0)
Deferred income		**(61.2)**	(57.6)	(65.6)
Provisions		**(5.7)**	(5.5)	(6.2)
Retirement benefit obligation		**(14.8)**	(1.9)	(15.5)
		(319.7)	(240.5)	(123.3)
Total liabilities		**(808.2)**	(618.0)	(592.1)
Net assets		**806.6**	800.1	878.9
Equity				
Capital and reserves attributable to equity shareholders				
Called up share capital		**8.6**	8.7	8.7
Share premium		**74.2**	68.8	71.7

Other reserves		**115.0**	132.2	138.2
Retained earnings		**608.8**	590.4	660.3
Total equity	8	**806.6**	800.1	878.9

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Unaudited consolidated statement of recognised income and expense

for the 39 weeks ended 28 October 2006

	13 weeks ended 28 October 2006	13 weeks ended 29 October 2005	**39 weeks ended 28 October 2006**	39 weeks ended 29 October 2005	52 weeks ended 28 January 2006
	£m	£m	**£m**	£m	£m
Profit for the financial period	**2.5**	2.0	**40.0**	36.1	130.8
Translation differences	**(15.9)**	(13.6)	**(43.5)**	54.5	33.1
Effective portion of changes in value of cash flow hedges net of recycling	**(1.5)**		**(1.0)**	1.8	1.4
Actuarial loss on retirement benefit scheme					(11.4)
Total recognised income and expense for the period	**(14.9)**	(11.6)	**(4.5)**	92.4	153.9

Unaudited consolidated cash flow statement

for the 39 weeks ended 28 October 2006

	13 weeks ended 28 October 2006	13 weeks ended 29 October 2005	**39 weeks ended 28 October 2006**	39 weeks ended 29 October 2005	52 weeks ended 28 January 2006
	£m	£m	**£m**	£m	