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SIGNET JEWELERS LTD

FORM 10-Q
(Quarterly Report)

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Telephone	44-207-317-9700
CIK	0000832988
Symbol	SIG
SIC Code	5944 - Jewelry Stores
Industry	Retail (Specialty)
Sector	Services
Fiscal Year	02/29

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10 - Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: August 2, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ..... to .....

Commission file number .....

SIGNET GROUP PLC

(Exact name of registrant as specified in its charter)

ENGLAND
(State or other jurisdiction of incorporation or organization)

ZENITH HOUSE
THE HYDE, COLINDALE
LONDON NW9 6EW ENGLAND
(Address of principal executive offices)

(44) (181) 905-9000
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

As of August 2, 1997, the following shares of the registrant's classes of common stock were outstanding:

Ordinary shares of 0.5p each	1,674,641,586
Class A dollar deferred shares of $0.01 each	12,320,739
Class B dollar deferred shares of $1.00 each	2,500

SIGNET GROUP PLC

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* Omitted because it is not applicable.

UNAUDITED CONDENSED CONSOLIDATED US GAAP
STATEMENTS OF OPERATIONS
for the 26 weeks ended August 2, 1997 and August 3, 1996

	NOTES	26 WEEKS ENDED AUGUST 2 1997 (POUND)000	26 weeks ended August 3 1996 (pound)000
NET SALES	3	371,232	369,615
Cost of sales		(240,388)	(239,154)
GROSS MARGIN		130,844	130,461
Selling, general and administrative expenses		(113,939)	(116,834)
Amortization of goodwill		(6,043)	(6,306)
OPERATING INCOME	3	10,862	7,321
Interest expense, net		(10,791)	(15,923)
Costs of capital reorganization		(6,971)	-
LOSS BEFORE INCOME TAXES		(6,900)	(8,602)
Income tax (expense)/credit		(1,887)	116
NET LOSS		(8,787)	(8,486)
Loss per ordinary share - primary	4	(3.2)P	(8.8)p
- supplementary	4	(0.5)P	(0.5)p

See notes to the unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS US GAAP
as at August 2, 1997, August 3, 1996 and February 1, 1997

	AUGUST 2 1997 (POUND)000 (UNAUDITED)	August 3 1996 (pound)000 (Unaudited)	February 1 1997 (pound)000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	39,293	133,477	163,033
Short term development property investments	900	900	900
Trade accounts receivable net of allowance for doubtful accounts of (pound)14,644,000 (August 1996:(pound)16,284,000, February 1997: (pound)15,037,000)	36,505	38,076	64,182
Inventory	309,614	327,094	326,953
Prepaid expenses and other current assets	19,093	28,840	17,788
Deferred income taxes	6,786	6,832	7,366
Total current assets	412,191	535,219	580,222
Pension fund prepayment	19,117	13,903	17,058
Deferred income taxes	3,223	2,972	3,159
Property, plant and equipment	118,943	134,677	124 ,231
Goodwill, net	379,414	409,063	391,026
TOTAL ASSETS	932,888	1,095,834	1,115,696
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short term borrowings	23,640	156,486	130,780
Accounts payable, other current liabilities and accrued expenses	108,238	101,482	122,044
Income taxes payable	16,879	7,829	19,982
Total current liabilities	148,757	265,797	272,806
Long term debt	112,270	158,765	152,814
Other liabilities	15,358	16,220	15,969
Other provisions	5,342	6,786	7,070
Deferred income taxes	1,301	-	327
TOTAL LIABILITIES	283,028	447,568	448,986
Cumulative redeemable preference shares	-	91,611	94,274
SHAREHOLDERS' EQUITY			
Share capital	73,189	29,371	29,371
Additional paid in capital	168,221	147,491	147,491
Cumulative translation adjustment	(26,938)	(14,505)	(18,875)
Special reserve	556,699	556,699	556,699
Accumulated deficit	(121,311)	(162,401)	(142,250)
Total shareholders' equity	649,860	556,655	572,436
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	932,888	1,095,834	1,115,696

See notes to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS US GAAP
for the 26 weeks ended August 2, 1997, and August 3, 1996

	26 WEEKS ENDED AUGUST 2 1997 (POUND)000	26 weeks ended August 3 1996 (pound)000
OPERATING ACTIVITIES		
NET CASH PROVIDED BY OPERATING ACTIVITIES	27,258	16,399
NET CASHFLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(9,714)	(6,664)
Proceeds from sale of property, plant and equipment	981	3,294
NET CASH USED IN INVESTING ACTIVITIES	(8,733)	(3,370)
NET CASHFLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	(38,927)	4,539
Short term borrowings	(101,703)	(22,659)
Payments arising on disposal of ESOT shares	-	(13,883)
NET CASH USED IN FINANCING ACTIVITIES	(140,630)	(32,003)
Net decrease in cash and cash equivalents	(122,105)	(18,974)
Translation differences	(1,635)	(392)
Cash and cash equivalents at beginning of period	163,033	152,843
Cash and cash equivalents at end of period	39,293	133,477

See notes to the unaudited condensed consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES US GAAP IN SHAREHOLDERS' EQUITY

For the 26 weeks ended August 2, 1997

	Ordinary share capital (pound)000	Preference share capital (pound)000	Deferred share capital (pound)000	Additional paid in capital (pound)000	Cumulative translation reserve (pound)000	Special reserve (Note) (pound)000	Accumulated deficit (pound)000	Total (pound)000
Balance at February 1, 1997	29,306	65	-	147,491	(18,875)	556,699	(142,250)	572,436
Net loss	-	-	-	-	-	-	(8,787)	(8,787)
Finance costs of cumulative redeemable preference shares	-	-	-	-	-	-	(2,560)	(2,560)
Cancellation of accrued dividends on cumulative redeemable preference shares	-	-	-	-	-	-	32,286	32,286
Conversion of cumulative redeemable preference shares	1,299	-	36,910	26,339	-	-	-	64,548
Conversion of non-redeemable preference shares	5,609	(65)	65	(5,609)	-	-	-	-
Conversion of ordinary shares	(27,841)	-	27,841	-	-	-	-	-
Translation differences	-	-	-	-	(8,063)	-	-	(8,063)
Balance at August 2, 1997	8,373	-	64,816	168,221	(26,938)	556,699	(121,311)	649,860

Note: The special reserve was created following the approval of the High Court in London, England and is available under UK GAAP for the elimination of goodwill arising on consolidation of acquisitions. The special reserve is not available for distribution to shareholders.

See notes to the unaudited condensed consolidated financial statements.

NOTES TO THE UNAUDITED CONSOLIDATED STATEMENTS US GAAP
as at August 2, 1997

1. BASIS OF PREPARATION

The Company is now obliged by the United States Securities Exchange Act of 1934, as amended ("the Exchange Act") to prepare financial statements in accordance with United States generally accepted accounting principles ("US GAAP") as the Company no longer qualifies as a "foreign private issuer" for the purposes of the Exchange Act.

Accordingly, the unaudited condensed consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

2. RESPONSIBILITY FOR INTERIM FINANCIAL STATEMENTS

The condensed consolidated financial statements as of and for the periods ended August 3, 1996 and August 2, 1997 are unaudited; however, in the opinion of the management, such statements include all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the interim periods presented. The results of operations for any interim period are not indicative of the results of the full year. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 20-F for the year ended February 1, 1997 filed with the Securities and Exchange Commission (the "1997 Annual Report").

3. SEGMENTAL INFORMATION

	26 WEEKS ENDED AUGUST 2, 1997		26 weeks ended August 3, 1996	
	NET SALES	OPERATING INCOME/ (LOSS)	Net sales	Operating income/ (loss)
	(POUND)000	(POUND)000	(pound)000	(pound)000
UK and Republic of Ireland	136,494	(1,217)	134,206	(3,531)
US	234,738	12,079	235,409	10,852
	371,232	10,862	369,615	7,321

Central and other costs of (pound)4,183,000 (1996 equivalent period:
(pound)4,834,000) are incurred in the UK and have therefore been charged against the operating income of the UK and Republic of Ireland.

4. LOSS PER SHARE

The calculation of primary loss per share has been based on the net loss for the period less additional finance costs of non-equity shares and the weighted average number of ordinary shares in issue:

4. LOSS PER SHARE (CONTINUED)

	26 WEEKS ENDED AUGUST 2 1997 (POUND)000	26 weeks ended August 3 1996 (pound)000
Net loss	(8,787)	(8,486)
Additional finance costs of non-equity shares	(3,840)	(17,313)
Net loss attributable to ordinary shareholders	(12,627)	(25,799)
Weighted average number of ordinary shares in issue:	NO.	No.
- primary (000)	391,749	293,063
- supplementary (000)	1,674,642	1,674,642

Supplementary loss per share is presented as there has been a significant change in capital structure. The supplementary loss per share is based on net loss for the period and assumes the new capital structure was in place for all periods (see Note 7).

5. INCOME TAX

After adjusting income before taxes for non-deductible expenses, primarily amortization of goodwill of (pound)6,043,000 and capital reorganization costs of (pound)6,971,000, the tax charge represents 31% of the adjusted income before taxes.

6. NEW FACILITIES AGREEMENT

On February 27, 1997, the Company announced that it had entered into a voluntary three year $360 million credit facility with a new syndicate of banks comprising a multi-currency term loan facility in an aggregate amount of $130 million and a multi-currency revolving facility in an aggregate amount of $230 million. The new facility bears interest at a margin of 1.25% above LIBOR.

On March 3, 1997, the borrowings which were due for repayment on June 30, 1997 under the previous facilities agreement were repaid in full from drawings under the new syndicated facility agreement and from the Company's own resources.

7. CAPITAL REORGANIZATION

At an Extraordinary General Meeting and separate class meetings held on June 26, 1997, shareholders approved proposals for a capital restructuring and capital reduction. The capital restructuring involved the conversion of the ordinary shares of 10p each and all classes of the Company's preference shares into new ordinary shares of 0.5p each and certain deferred shares. All accumulated arrears and accruals of dividends on the Company's preference shares were cancelled. The capital restructuring became effective on July 21, 1997 and dealings in the new ordinary shares on the London Stock Exchange and trading in new American Depositary Shares (representing new ordinary shares) on the US Nasdaq Stock Market commenced on that date.

7. CAPITAL REORGANIZATION (CONTINUED)

The holders of deferred shares are not entitled to receive any dividend or other distribution, nor are they entitled to receive notice of or to attend, speak or vote at any general meeting of the Company. Following the capital restructuring, the deferred shares were all transferred for no consideration to a person nominated by the Company and will subsequently be cancelled, redeemed or repurchased for effectively nil consideration.

The capital reduction is intended to permit the payment of dividends out of future profits. The capital reduction has been approved by the High Court in London, England and is expected to become effective during September 1997.

The costs of the capital reorganization totalling (pound)6,971,000 have been shown as a deduction in arriving at loss before income taxes in the consolidated statement of operations.

8. CONTINGENT LIABILITIES

The Company is resisting claims from a former bondholder of Sterling Jewelers (formerly Kay Jewelers, Inc.) brought against Sterling Jewelers and certain former directors of Sterling Jewelers on behalf of itself and a purported class of bondholders of Sterling Jewelers in May 1991 arising out of the acquisition of Sterling Jewelers. The claims allege, among other things, that Sterling Jewelers failed to disclose material facts in the prospectus for the bonds regarding the rights of bondholders upon a change of control of Sterling Jewelers. The Company believes Sterling Jewelers has substantial defenses to these claims, which allege US$10 million in damages, and intends to defend the claims vigorously. The Company does not believe that the likely resolution of these claims will have a material adverse effect on its consolidated financial position or operating results.

The Company and its subsidiaries are not party to any other legal proceedings considered to be material to the Company's consolidated financial position.

The Company and its UK subsidiaries have assigned or sub-let UK property leases in the normal course of business. Should the assignees or sub-tenants fail to fulfil any obligations in respect of these leases, such companies may be liable for the defaults. The number of such claims arising to date has been small, and the liability, which is charged to the statement of operations as it arises, has not been material.

The Company has given guarantees in respect of certain subsidiaries' borrowings at August 2, 1997 amounting to (pound)131,922,000 (February 1, 1997 (pound)228,335,000).

9. FINANCIAL INSTRUMENTS

The Company has entered into various interest rate protection agreements, primarily interest rate swaps, in order to limit the impact of adverse movements in interest rates on its borrowings. Interest rate swaps fix the amounts payable by the Company for the period of the swaps. The Company does not hold or issue financial instruments for trading purposes. Changes in the fair value of the interest rate swaps are not recognized. These swaps will replace the interest rate caps previously utilized by the Company which expire in October 1997. These deferred start interest rate swaps, which will provide hedging from September 2, 1997 and mature on March 2, 1999 at a weighted average interest rate of 6.5%, are in the notional amount of $138 million. At August 2, 1997 no payments or receipts had been made in respect of these instruments.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Following the capital restructuring, which became effective on July 21, 1997, the Company, which is subject to the regulations of the Securities and Exchange Commission ("SEC") in the United States, is obliged to prepare shareholder information in accordance with generally accepted accounting principles in the US ("US GAAP") as well as in the UK ("UK GAAP"). The financial information contained in this Report on form 10-Q is prepared in accordance with US GAAP. The UK GAAP financial statements for the period covered by this Report are contained in exhibit 99.1 to this Report.

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the financial review contained in the 1997 Annual Report.

SEASONALITY; GENERAL ECONOMIC CONDITIONS

The Company's business is highly seasonal with a significant portion of its sales and most of its operating income generated during its fourth quarter, which includes the Christmas season. The Company expects to continue to experience a seasonal fluctuation in its sales and earnings. Because a very significant percentage of the Company's total sales and earnings for a fiscal year results from operations in the fourth quarter, the Company has limited ability to compensate for shortfalls in fourth quarter sales or earnings by changes in operations or strategies in other quarters. A significant shortfall in results for the fourth quarter of any fiscal year can thus be expected to have a material adverse effect on the Company's annual results of operations.

In addition, because a substantial portion of the Company's sales are made on credit, any significant deterioration in general economic conditions or consumer debt levels may inhibit consumers' use of credit and cause a material adverse effect on the Company's revenues and profitability. Furthermore, the Company expects that any downturn in general or local economic conditions in the market in which it operates would adversely affect its collection of outstanding credit accounts receivables and the Company's revenues and profitability. There are currently historically high levels of consumer debt in the US.

EFFECT OF CURRENCY FLUCTUATIONS

The Company publishes its consolidated financial statements in pounds sterling. The Company held approximately 68% of its total assets in US dollars at August 2, 1997 and generated approximately 63% of its net sales and all of its operating income in US dollars for the half year then ended. Thus, even though the Company's US operations make substantially all of their net sales and incur substantially all of their expenses in US dollars, in translating the results of its US operations the Company is subject to fluctuations in the exchange rate between the pound sterling and the US dollar. Accordingly, depreciation in the weighted average value of the US dollar against the pound sterling would decrease reported revenues and operating income, and appreciation in the weighted average value of the US dollar against the pound sterling would increase reported revenues and operating income.

As part of its long term strategy, the Company seeks to finance its US net assets with borrowings denominated in US dollars as a hedge against exchange rate fluctuations. Currently all of the Company's borrowings are denominated in US dollars. However, fluctuations in exchange rates between the pound sterling and the US dollar affect the amount of the Company's consolidated borrowings. One effect of this is to make compliance with the borrowing limitations in the Company's Articles of Association subject to such fluctuations. In the event that the borrowing limitations were exceeded, the Board would not have the authority to incur any additional borrowings.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

LIMITATION ON UTILIZATION OF US NET OPERATING LOSSES

As at August 2, 1997, the Company had (pound)60.1 million of net operating losses ("NOLs") for US federal income tax purposes. Subject to certain limitations under the US Internal Revenue Code, the Company is entitled to utilize these NOLs to reduce its future US federal taxable income. As a result of the changes in the Company's share ownership following the Capital Restructuring, the Company anticipates that its ability to utilize these NOLs will be restricted. As NOLs must be utilized within the 15 year period following the taxable period in which the loss was incurred, certain of these NOLs may expire unutilized. This limitation could increase the future US federal income taxes payable by the Company, possibly by a significant amount. The Company is unable to predict the impact that these limitations will have on the amount of future US federal income taxes to be paid by the Company as that will depend upon, among other things, the future US federal income of the Company's US operations, the remittance of these profits to the UK and Company indebtedness. The deferred income tax benefits of the NOLs have not been reflected in the Company's consolidated balance sheet as at August 2, 1997.

CURRENT TRADING

The Company generated a net loss before income taxes of (pound)6.9 million in the 26 weeks to August 2, 1997 an improvement of 20% over the same period last year, on turnover of (pound)371.2 million (1996 equivalent period : (pound)369.6 million). Results for the first half year have been encouraging, but the outcome for the year will be dependent on the all important Christmas trading period.

SUMMARY OF OPERATIONS (26 WEEKS ENDED AUGUST 2, 1997 AND AUGUST 3, 1996)

The following table sets forth certain consolidated financial data as a percentage of net sales:

	Percentage of net sales	
	26 weeks ended August 2 1997 %	26 weeks ended August 3 1996 %
Net sales	100.0	100.0
Cost of sales	(64.8)	(64.7)
Gross margin	35.2	35.3
Selling, general and administrative expenses	(30.7)	(31.6)
Amortization of goodwill	(1.6)	(1.7)
Operating income	2.9	2.0
Net interest expense	(2.9)	(4.3)
Cost of re-organization	(1.9)	-
Loss before taxes	(1.9)	(2.3)
Income taxes	(0.5)	0.0
Net loss	(2.4)	(2.3)

26 WEEKS ENDED AUGUST 2, 1997 COMPARED TO 26 WEEKS ENDED AUGUST 3, 1996

Net sales for the 26 weeks ended August 2, 1997 were (pound)371.2 million compared to (pound)369.6 million for the equivalent period in 1996 representing an increase of 0.4%. Comparable store sales growth was 6.6% for the 26 week period to August 2, 1997.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

US sales fell to (pound)234.7 million for the 26 weeks ended August 2, 1997 compared to (pound)235.4 million for the 26 weeks ended August 3, 1996 largely as a result of the depreciation in the weighted average value of the US dollar against the pound sterling. However, comparable store sales growth of 8.9% was achieved. The strong sales performance, which was ahead of the Company's main competition, reflected the benefits of more effective marketing and promotional programs during the period together with improvements made to merchandise arrangements and assortments.

In the UK, sales for the 26 week period ended August 2, 1997, rose by 1.7% to (pound)136.5 million compared to (pound)134.2 million for the equivalent period last year. UK sales were adversely affected by the temporary closure of certain H. Samuel stores in connection with the H. Samuel modernization program. Comparable store sales growth for the period was 3.3%. H. Samuel, the Company's UK mass market jewelry chain (26% of Company sales) experienced a comparable store sales increase of 1.4% while Ernest Jones, the Company's UK premium jewelry chain (11% of Company sales) recorded comparable sales growth of 7.9%. The H. Samuel store modernization programme is proceeding according to plan with 51 stores modernized by the end of July and a further 119 stores planned to be modernized before the start of the Christmas trading period. Sales from the modernized stores accounted for only some 10% of H. Samuel's total sales in the period. Comparable store sales growth from the modernized stores was 6.8% as against 0.8% for the remainder of the H. Samuel chain. While the 6% differential is encouraging it should be treated with caution at this early stage of the program.

The Company's operating income in the 26 weeks ended August 2, 1997 was (pound)10.9 million compared to (pound)7.3 million for the comparable period last year.

US operating income for the 26 week period ended August 2, 1997 rose by 11.3% to (pound)12.1 million compared to (pound)10.9 million in the same period last year. Gross margin in the US showed a small decrease compared to the equivalent period in 1996, but tight control of selling, general and administrative costs was maintained and bad debt charges fell from 3.6% to 3.1% of total US sales although concerns remain about the general credit environment in the US.

In the UK, operating income before central costs for the 26 weeks ended August 2, 1997 was (pound)3.0 million compared to (pound)1.3 million for the equivalent period last year. The increase in operating income is due to improvements in gross margin and while cost increases were contained below the rate of inflation, operating profit for the period was reduced by an estimated (pound)1.2 million (1996 equivalent period : (pound) nil) due to the write off of certain residual fixtures and fittings and the temporary closure of H. Samuel stores being modernized.

Interest charges during the period declined by 32.2% to (pound)10.8 million (1996 equivalent period : (pound)15.9 million). The reduction reflects a lower level of average borrowings and lower interest charges from the new banking facility agreed on February 27, 1997. Capital reorganization costs totalled approximately (pound)7.0 million.

The tax charge of (pound)1.9 million for the period has been based on the anticipated effective taxation rate for the 52 weeks ending January 31, 1998. That rate reflects the utilization against US taxable profits of US tax loss carry-forwards. Credit for such tax losses is not carried in the balance sheet. As indicated above, there may be limitations on the future utilization of these Net Operating Losses as a result of the capital restructuring. The tax charge represents 31% of the adjusted income before taxes.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

LIQUIDITY AND CAPITAL RESOURCES

The Company requires significant working capital to support its inventory requirements. The Company's working capital requirements fluctuate during the year as a result of the seasonal nature of its business and normally reach their highest levels in the late fall in preparation for the Christmas season.

The Company generated (pound)27.3 million of net cash from operating activities in the 26 weeks ended August 2, 1997 (1996 equivalent period : (pound)16.4m). Investing activities utilized (pound)8.7 million during the period (1996 equivalent period : (pound)3.4 million). Capital expenditure in the period was approximately (pound)3.1 million higher than last year due principally to the expansion of new concepts in the UK, new store openings and selected store refurbishments. Capital expenditures in the second half of 1997 are likely to exceed the (pound)8.5 million incurred in the same period last year.

The Company expended net cash on financing activities of (pound)140.6 million during the period (1996 equivalent period : (pound)32.0 million), principally in reducing its total borrowing obligations with no effect on net debt.

Net debt at August 2, 1997 was (pound)96.6 million (August 3, 1996 :
(pound)181.8m), a reduction of (pound)85.2 million. At constant exchange rates, the reduction was (pound)75.2 million. The reduction reflects the improved operating performance of the Group together with a lower proportion of credit sales in the US.

In October 1995 the Company completed the securitization of its US credit card receivables through the private placement of fixed-rate certificates bearing a weighted average interest rate of 7.26% with certain institutional investors representing interests in the US receivables portfolio held by a trust. The revolving period of the securitization ends on October 19, 2000. Principal payments on the outstanding investor certificates will be made monthly thereafter from the collections received on customer accounts held by the trust. The proceeds of this securitization aggregated approximately $191.5 million and were used to refinance the Company's previous securitization program and to permanently reduce borrowing facilities under the previous facilities agreement by approximately (pound)67 million.

On February 27, 1997, the Company announced that it had entered into a voluntary three year $360 million credit facility ("the Facility Agreement") with a new syndicate of banks comprising a multi-currency term loan facility in an aggregate amount of $130 million and a multi-currency revolving facility in an aggregate amount of $230 million. The new facility bears interest at a margin of 1.25% above LIBOR.

At August 2, 1997, the Facility Lenders held an aggregate of (pound)112.3 million ($183.0 million) of the Company's outstanding indebtedness which bore a weighted average interest rate of 7.3%. This indebtedness (which excludes the amount financed by the US receivable program) was in US dollar denominated facilities.

At August 2, 1997, 46% of the Company's floating rate US dollar borrowings were subject to interest rate caps with a weighted average interest rate of 6.0% or hedged by floating rate cash. The weighted average interest rate on these borrowings before the effect of such arrangements was 7.3%. It is the policy of the Company to enter into interest rate hedges on up to approximately 75% of its floating rate US dollar borrowings. Interest rates on the remaining floating rate debt were fixed until September 2, 1997 from which date deferred start interest rate swaps at a weighted average interest rate of 6.5% will provide replacement hedging. These interest rate swaps are in the notional amount of $138 million.

Through store portfolio management and the strategic actions adopted to restore the Company to profitability, management believes that approximately 193 UK property leases have been assigned by

the Company up to the end of July 1997 (and remain unexpired and occupied by assignees at that date) and approximately 48 additional stores were sublet at that date to a large number of assignees or sub-tenants. Should the assignees or sub-tenants fail to fulfil any obligations in respect of those leases or any other leases which have at any other time been assigned or sublet, the Company or one of its UK subsidiaries may be liable for those defaults. The number of claims arising to date has been small, and the liability has not been material.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included in this document are, or may be deemed to be forward looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934. Important factors that could cause actual results to differ materially from those discussed in such forward looking statements include: adverse trends in the general economy which may impact negatively on discretionary consumer spending, including unemployment levels, wages and salaries, business conditions, interest rates, consumer debt levels and availability of credit and levels of taxation; fluctuations in the price and availability of gold, diamonds and other precious and semi-precious stones; fluctuations in exchange rates between the pound sterling and the dollar which may affect reported revenues, operating income and the amount of the Company's consolidated borrowings and the cost of such borrowings; and the impact on the ability to pay dividends of the New Facilities Agreement.

PART II - OTHER INFORMATION

ITEM 2 -CHANGES IN SECURITIES

On August 12, 1997, the Company announced that it would be changing the number of its Ordinary Shares represented by each of its American Depositary Shares ("ADSs") with effect from September 4, 1997. From September 4, 1997, each ADS has represented 30 Ordinary Shares rather than three Ordinary Shares. A copy of the press release announcing the change in Signet's ratio is attached hereto as Exhibit 99.2.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At an Extraordinary General Meeting and separate Class Meetings of Signet Group plc held on June 26, 1997, shareholders passed resolutions for a capital restructuring and capital reduction by significant majorities. The separate written consent of the holder of the Preference Shares 1997 to the capital reorganization of Signet (comprising the capital restructuring and the capital reduction) has also been obtained.

The detailed voting was as follows:

	Resolutions	% in favour
EXTRAORDINARY GENERAL MEETING	Capital restructuring	96.0
	Capital reduction	96.0
ORDINARY SHARES CLASS MEETING	Capital restructuring	94.6
	Capital reduction	94.6
6.875P CONVERTIBLE PREFERENCE SHARES CLASS MEETING	Capital restructuring	99.6
	Capital reduction	99.5
US$ CONVERTIBLE PREFERENCE SHARES CLASS MEETING	Capital restructuring	99.3
	Capital reduction	99.3
VTPS CLASS MEETING	Capital restructuring	98.4

No separate class approval by the holders of the VTPs was needed for the capital reduction.

The additional resolution at the Extraordinary General Meeting, to renew and extend the usual general authority for the allotment of shares and the disapplication of statutory pre-emption rights, was also passed, with 95.9% in favour.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

99.1 Signet Group plc Press Release issued on September 4, 1997 with respect to the results of operations for the six month period ended August 2, 1997 (including unaudited consolidated financial statements prepared in accordance with UK GAAP).

99.2 Signet Group plc Press Release issued August 12, 1997 with respect to the change in the ADR ratio.

(b) Reports on form 8-K

None

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 of the undersigned hereto duly authorised.

SIGNET GROUP PLC

DATE September 15, 1997

BY: /s/Walker G Boyd

Group Finance Director
and duly authorized signatory

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
27	Financial Data Schedule
99.1	Signet Group plc Press Release issued on September 4, 1997 with respect to the results of operations for the six month period ended August 2, 1997 (including unaudited consolidated financial statements prepared in accordance with UK GAAP).
99.2	Signet Group plc Press Release issued August 12, 1997 with respect to the change in the ADR ratio.

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS CONTAINED IN THE BODY OF THE ACCOMPANYING FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000

CURRENCY: UK POUNDS STERLING

PERIOD TYPE	6 MOS
FISCAL YEAR END	FEB 02 1997
PERIOD END	AUG 02 1997
EXCHANGE RATE	1
CASH	32,293
SECURITIES	0
RECEIVABLES	51,149
ALLOWANCES	14,644
INVENTORY	309,614
CURRENT ASSETS	412,197
PP&E	357,681
DEPRECIATION	238,738
TOTAL ASSETS	932,888
CURRENT LIABILITIES	148,757
BONDS	112,270
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	73,189
OTHER SE	576,671
TOTAL LIABILITY AND EQUITY	932,888
SALES	371,232
TOTAL REVENUES	371,232
CGS	240,388
TOTAL COSTS	360,370
OTHER EXPENSES	6,971
LOSS PROVISION	0
INTEREST EXPENSE	10,791
INCOME PRETAX	(6,900)
INCOME TAX	1,887
INCOME CONTINUING	(8,787)
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	(8,787)
EPS PRIMARY	(03.032)
EPS DILUTED	0

EXHIBIT 99.1

SIGNET GROUP PLC
UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS TO 2 AUGUST 1997 4 SEPTEMBER 1997

STRONG FIRST HALF PERFORMANCE
OPERATING PROFIT UP 27%

GROUP LIKE FOR LIKE SALES	+7%
US	+9%
UK	+3%
GROUP OPERATING PROFIT (POUND)12.7M (1996: (POUND)10.0M)	+27%
GROUP PRE TAX PROFIT (POUND)1.9M (1996: (POUND)6.0M LOSS)	+(POUND)7.9M

GROUP NET DEBT (POUND)214.1M - REDUCED BY (POUND)92.0M

Commenting on the results, James McAdam, Chairman, said:

"Excellent progress has been made in the first half year, including a further significant improvement in results, the voluntary refinancing of the Group's borrowings, and a reorganisation of the Group's capital structure. As usual performance over the critical Christmas trading season will determine the outcome for the year as a whole."

Enquiries:

James McAdam, Chairman	after 2.00pm 0171 495 2643
Walker Boyd, Group Finance Director	after 2.00pm 0171 495 2643
Susan Gilchrist, Brunswick	0171 404 5959

GROUP

It is pleasing to report that for the six months to 2 August 1997 like for like sales increased by 6.6% and operating profit advanced by 27.6% to (pound)12.7 million (1996: (pound)10.0m). At constant exchange rates the increase in operating profit would have been 38.1%.

Interest charges for the period were reduced by 32.2% to (pound)10.8 million (1996: (pound)15.9m). At constant exchange rates the reduction would have been 29.0%. The reduction reflects a lower level of average borrowings and benefits from the new banking facility agreed on 27 February 1997.

Pre tax profit was (pound)1.9 million (1996: (pound)6.0m loss) an improvement of (pound)7.9 million. The impact of exchange rate translation was not material.

UNITED STATES (63% OF GROUP TURNOVER)

Operating profit in the period increased by 16.4% to(pound)16.0 million (1996:(pound)13.7m). At constant exchange rates the increase would have been 23.1%.

Sales were (pound)234.7 million (1996: (pound)235.4m, at constant exchange rates (pound)222.5m) with underlying like for like sales increasing by 8.9%. Gross margin showed a small decrease compared to the same period in 1996, but tight control of costs was maintained and bad debt charges fell from 3.6% to 3.1% of total US sales although concerns remain about the general credit environment in the US.

The strong sales performance which was ahead of our main competition reflected the benefits of more effective marketing and promotional programmes during the period together with improvements made to merchandise ranges and assortment.

During the period eight stores were closed and three were opened. Some 20 stores are planned to open prior to the Christmas season, including three superstores each of approximately 5,500 sq/ft, bringing the total number of such stores to seven.

UNITED KINGDOM (37% OF GROUP TURNOVER)

UK JEWELLERY

Like for like sales increased by 3.3%. Operating profit for the period was (pound)0.2 million (1996: (pound)0.2m). Gross margin showed a further small improvement and while cost increases were contained below the rate of inflation, operating profit for the period was reduced by an estimated (pound)1.2 million (1996: (pound)nil) due to the write-off of certain residual fixtures and fittings and the temporary closure of stores being modernised.

H. Samuel sales were (pound)95.3million (1996: (pound)96.3m) and like for like sales increased by 1.4%. The H. Samuel store modernisation programme is proceeding according to plan. 51 stores had been modernised by the end of July and a further 119 stores are planned to be modernised before the start of the Christmas trading period. Sales from the modernised stores accounted for only some 10% of H. Samuel's total sales in the period. Like for like sales from the modernised stores increased by 6.8% in the period as against 0.8% like for like increase for the rest of the chain. While the 6% differential is encouraging it should be treated with caution at this early stage of the programme.

Ernest Jones sales were (pound)41.2 million (1996: (pound)37.9m). Like for like sales increased by 7.9%, building on the excellent performance of the previous year. Three new stores were opened in the first half year and a further four stores are planned for the second half.

GROUP COSTS

As reported in note 3 to the Financial Statements, UK operating profit is stated after charging Group costs of (pound)3.4 million (1996: (pound) 3.9m).

NET DEBT

Net debt at 2 August 1997 was (pound)214.1 million (1996: (pound)306.1m) a reduction of (pound)92.0 million. At constant exchange rates, the reduction was
(pound)75.2 million. The reduction reflects the improved operating performance of the Group together with a lower proportion of credit sales in the US. Capital expenditure in the second half of 1997 is likely to exceed that incurred in the comparable period last year.

CAPITAL REORGANISATION

The capital restructuring became effective on 21 July 1997. The capital reduction to eliminate the deficit on the Company's distributable reserves was approved by the High Court on 3 September 1997 and is expected to become effective within the next few days.

No interim dividend will be paid in respect of the half year to 2 August 1997.

OUTLOOK

Consumer confidence on both sides of the Atlantic remains generally strong. Results for the first half year have been encouraging, but the outcome for the year will be dependent on the all important Christmas trading period.

SIGNET GROUP PLC
UNAUDITED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 26 WEEKS ENDED 2 AUGUST 1997 UK GAAP

	Notes	26 WEEKS ENDED 2 AUGUST 1997 (POUND)000	26 weeks ended 3 August 1996 (pound)000	52 weeks ended 1 February 1997 (pound)000
SALES	1,3	371,232	369,615	901,952
OPERATING PROFIT/(LOSS)	3	12,725	9,969	76,505
Net interest payable and similar charges		(10,791)	(15,923)	(31,439)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,934	(5,954)	45,066
Tax on profit/(loss) on ordinary activities	4	(503)	1,790	(11,211)
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		1,431	(4,164)	33,855
Dividends	5	-	-	-
Appropriation from/(to) preference shareholders	7,below	154,531	(17,313)	(26,398)
Retained profit/(loss) attributable to ordinary shareholders	below	155,962	(21,477)	7,457
EARNINGS/(LOSS) PER ORDINARY SHARE - BASIC	below	39.8 P	(7.3) p	2.5 p
- ADJUSTED	below	0.1 P	(0.2) p	2.0 p

All of the above relates to continuing activities.

Note: FRS 4 has required the full finance cost of the Company's preference (non-equity) shares to be shown in its previous financial statements as appropriated from profits, even though the Company did not have sufficient distributable reserves to pay a dividend at that time. Since the Company stopped paying dividends in 1992 such appropriations have been made each year in the profit and loss account and have been reversed in both the Company and consolidated balance sheets each year. The cancellation of the accrued preference dividends as part of the capital restructuring, approved by shareholders on 21 July 1997, results in a reversal of such appropriations and a net credit totalling (pound) 161,502,000 in the profit and loss account as described in note 7 to these financial statements. However, as set out in Note 8 there is a corresponding charge to reserves and there is, therefore, no net impact on either shareholders' funds or on reserves available for distribution.

The calculation of basic earnings per share has been based on the retained profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue. Basic earnings per share is, in the above circumstances, a technical calculation resulting from the FRS4 treatment discussed above and reflects both the profit for the period and the corresponding credit arising from the reversal of appropriations, but does not reflect the corresponding charge to reserves.

Adjusted earnings per share has been based on profit/(loss) after taxation for the financial period and the number of ordinary shares in issue following the capital restructuring which became effective on 21 July 1997.

Fully diluted earnings per share do not differ materially from basic earnings per share.

UNAUDITED CONSOLIDATED BALANCE SHEET
as at 2 August 1997

	Notes	UK GAAP 2 AUGUST 1997 (POUND)000	3 August 1996 (pound)000	1 February 1997 (pound)000
FIXED ASSETS		123,623	138,285	128,938
CURRENT ASSETS				
Stocks		309,614	327,094	326,953
Debtors (see note a. below)		192,187	210,371	220,771
Short term investments		900	900	900
Cash at bank and in hand		39,293	133,477	163,033
		541,994	671,842	711,657
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		(137,819)	(406,323)	(409,032)
Bank loans and overdrafts (see note b. below)		(23,640)	(311,031)	(279,530)
Other		(114,179)	(95,292)	(129,502)
NET CURRENT ASSETS (NOTES A. AND B. BELOW)		404,175	265,519	302,625
TOTAL ASSETS LESS CURRENT LIABILITIES		527,798	403,804	431,563
CREDITORS: amounts falling due after more than one year		(229,752)	(128,569)	(123,748)
Bank loans and overdrafts		(229,742)	(128,558)	(123,739)
Other		(10)	(11)	(9)
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation		(60)	(2,053)	-
Other provisions		(5,342)	(6,786)	(7,070)
TOTAL NET ASSETS		292,644	266,396	300,745
CAPITAL AND RESERVES				
Called up share capital		73,189	66,282	66,281
Reserves		219,455	200,114	234,464
SHAREHOLDERS' FUNDS	8	292,644	266,396	300,745

FRS 4 requires the analysis of total shareholders' funds between non-equity shareholders' funds and those relating to equity shareholders, as defined by FRS
4. Before the capital restructuring became effective on 21 July 1997, shareholders' funds included non-equity interests made up of net issue proceeds and total unpaid preference dividends relating to the Company's four classes of preference shares. Non-equity shareholders' funds at 2 August 1997 amounted to nil (3 August 1996:(pound)470,018,000, 1 February 1997:(pound)479,103,000).

a. Debtors and net current assets include amounts recoverable after more than one year of (pound)19,117,000 (3 August 1996: (pound) 19,117,000, 1 February 1997:(pound)19,126,000).
b. As at 3 August 1996 and 1 February 1997, the Group's borrowing facilities were subject to renewal at 30 June 1997, and in accordance with the Companies Act 1985, these borrowings are shown as due within one year.

UNAUDITED CONSOLIDATED CASHFLOW STATEMENT
For the 26 weeks ended 2 August 1997
UK GAAP

	26 WEEKS ENDED 2 AUGUST 1997 (POUND)000	26 weeks ended 3 August 1996 (pound)000	52 weeks ended 1 February 1997 (pound)000
CASH FLOW FROM OPERATING ACTIVITIES	48,540	32,243	109,397
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(15,703)	(15,777)	(28,137)
TAXATION	(3,375)	457	(1,754)
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(8,733)	(17,265)	(23,823)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING	20,729	(342)	55,683
MANAGEMENT OF LIQUID RESOURCES - decrease/(increase) in bank deposits	125,626	18,260	(12,882)
CASH OUTFLOW FROM FINANCING	(132,877)	(3,350)	(34,158)
INCREASE IN CASH IN THE PERIOD	13,478	14,568	8,643

RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT

INCREASE IN CASH IN THE PERIOD	13,478	14,568	8,643
Cash outflow from decrease in debt	132,877	3,350	34,158
Cash outflow/(inflow) from increase/(decrease) in liquid resources	(125,626)	(18,260)	12,882
CHANGE IN NET DEBT RESULTING FROM CASHFLOWS	20,729	(342)	55,683
Translation difference	5,418	2,441	12,292
MOVEMENT IN NET DEBT IN THE PERIOD	26,147	2,099	67,975
OPENING NET DEBT	(240,236)	(308,211)	(308,211)
CLOSING NET DEBT	(214,089)	(306,112)	(240,236)

RECONCILIATION OF OPERATING PROFIT TO OPERATING CASHFLOWS

OPERATING PROFIT	12,725	9,969	76,505
Depreciation charges	12,398	13,776	24,619
(Profit)/loss on sale of tangible fixed assets	(242)	(335)	(359)
Property revaluation	-	-	3,559
Realisation of ESOT investment	-	(1,112)	(1,112)
Decrease in stocks	13,151	11,404	2,940
Decrease/(increase) in debtors	24,795	16,364	(4,150)
(Decrease)/increase in creditors	(13,193)	(17,705)	7,874
Decrease in other provisions	(1,094)	(118)	(479)
NET CASH INFLOW FROM OPERATING ACTIVITIES	48,540	32,243	109,397

NOTES TO UNAUDITED INTERIM FINANCIAL RESULTS
For the 26 weeks to 2 August 1997

UK GAAP

1. SALES

Sales represent net sales to customers outside the Group, exclusive of value added and sales tax.

2. BASIS OF PREPARATION

The foregoing does not constitute statutory accounts within the meaning Section 240 of the Companies Act 1985. The comparative figures for the 52 weeks ended 1 February 1997 are an abridged statement of the Group's full statutory accounts for that period which have been delivered to the Registrar of Companies and on which the Company's auditors made a report under s235 of the Companies Act 1985 which was unqualified and did not contain a statement under s237(2) or s237(3) of that Act.

3. SEGMENTAL INFORMATION

	26 WEEKS ENDED 2 AUGUST 1997		26 weeks ended 3 August 1996		52 weeks ended 1 February 1997	
	SALES BY ORIGIN AND DESTINATION (POUND)000	OPERATING PROFIT/(LOSS) (POUND)000	Sales by origin and destination (pound)000	Operating profit/(loss) (pound)000	Sales by origin and destination (pound)000	Operating profit/(loss) (pound)000
UK and Republic of Ireland	136,494	(3,235)	134,206	(3,746)	343,495	22,725
US	234,738	15,960	235,409	13,715	558,457	53,780
	371,232	12,725	369,615	9,969	901,952	76,505

Group and other costs of (pound)3,391,000(1996 equivalent period:
(pound)3,918,000, 52 weeks ended 1 February 1997: (pound)11,357,000) are incurred in the UK and have therefore been charged against the operating profit of the UK and Republic of Ireland. Group costs for the 52 weeks ended 1 February 1997 included a charge of (pound) 1,607,000 relating to the revaluation of freehold and long leasehold properties, net of other property gains and depreciation adjustments. Also included was a charge relating to the increase in the provision for disposal of a Group warehouse.

4. TAXATION

The net taxation charge in the profit and loss account for the 26 weeks to 2 August 1997 has been based on the anticipated effective taxation rate for the 52 weeks ending 31 January 1998.

5. DIVIDENDS

Following the capital restructuring becoming effective on 21 July 1997, all arrears and accruals of preference share dividends have been cancelled (see note 7).

No interim dividend will be paid on the ordinary shares (1996:nil).

NOTES TO UNAUDITED INTERIM FINANCIAL RESULTS
For the 26 weeks to 2 August 1997
UK GAAP

6. TRANSLATION DIFFERENCES

The exchange rates used for the translation of US dollar transactions and balances in these interim statements are as follows:

2 AUGUST 1997 3 August 1996 1 February 1997

Profit and loss account (average rate) 1.64 1.55 1.59 Balance sheet (closing rate) 1.63 1.54 1.60

The effect of restating the balance sheet at 3 August 1996 to the exchange rates ruling for the six months ended 2 August 1997 would be to decrease net debt by
(pound)16.8 million to (pound)289.3 million. Restating the profit and loss account would not materially effect the pre-tax loss for the 26 weeks ended 3 August 1996.

7. CAPITAL REORGANISATION

At an Extraordinary General Meeting and class meetings held on 26 June 1997, shareholders approved proposals for a capital restructuring and capital reduction. The capital restructuring involved the conversion of the ordinary shares of 10p each and all classes of the Company's preference shares into ordinary shares of 0.5p each and the cancellation of all accumulated arrears and accruals of dividends on preference shares. The capital restructuring became effective on 21 July 1997 and dealings in the new ordinary shares on the London Stock Exchange and trading in new ordinary American Depository Shares (representing new ordinary shares) on the US Nasdaq Stock Market commenced on that date.

The cancellation of the accumulated arrears and accruals of dividends on preference shares has been credited in the profit and loss account as follows:

	26 WEEKS ENDED 2 AUGUST 1997 (POUND)000	26 weeks ended 3 August 1996 (pound)000	52 weeks ended 1 February 1997 (pound)000
Appropriation to preference shareholders in the period	(3,840)	(17,313)	(26,398)
Appropriation from preference shareholders arising from cancellation of dividend arrears and accruals	165,342	-	-
	161,502	(17,313)	(26,398)
Costs of share capital reorganisation	(6,971)	-	-
	154,531	(17,313)	(26,398)

The increase in unpaid preference dividends in the period is stated net of
(pound)6,264,000 exchange gain (1996 equivalent period: (pound)621,000 gain, 52 weeks ended 1 February 1997: (pound)5,012,000 gain).

The capital reduction is intended to permit the consideration of payment of dividends out of future profits. The capital reduction has been approved by the High Court and is expected to become effective during September 1997.

8. CHANGES IN SHAREHOLDERS' EQUITY

	Ordinary share capital (pound)000	Preference share capital (pound)000	Deferred share capital (pound)000	Share premium account (pound)000	Revaluation reserve (pound)000	Special reserve (pound)000	Profit and loss account (pound)000	Total (pound)000
Balance at 1 February 1997	29,306	36,975	0	175,129	1,784	80,433	(22,882)	300,745
Retained profit							155,962	155,962
Reversal of appropriation of preference share dividends							(161,502)	(161,502)
Conversion of preference shares	6,908	(36,975)	36,975	(6,908)				0
Conversion of ordinary shares	(27,841)		27,841					0
Transfer on disposal of fixed assets					(67)		67	0
Translation differences						(7,721)	5,160	(2,561)
Balance at 2 August 1997	8,373	0	64,816	168,221	1,717	72,712	(23,195)	292,644

RECONCILIATION TO US GAAP
Unaudited interim results for the 26 weeks to 2 August 1997

Details of the estimated effect on the Company's consolidated net income and shareholders' equity of the differences between UK GAAP and US GAAP are as follows:

ESTIMATED EFFECT ON NET INCOME OF DIFFERENCES BETWEEN UK AND US GAAP

	26 WEEKS ENDED 2 AUGUST 1997 (POUND)000	26 weeks ended 3 August 1996 (pound)000	52 weeks ended 1 February 1997 (pound)000
Net income/(loss) in accordance with UK GAAP	1,431	(4,164)	33,855
US GAAP adjustments:			
Goodwill amortisation and write off	(6,043)	(6,306)	(12,370)
Amortisation of favourable lease terms	-	(142)	(500)
Sale and leaseback transactions	894	1,018	720
Elimination of revaluation reserve surplus	67	-	-
Warranty sales	681	1,963	4,204
Property depreciation	(40)	(40)	(81)
Net periodic pension costs	2,059	1,171	4,326
Lease cost adjustment	519	800	282
Costs of capital reorganisation	(6,971)	-	-
ESOT adjustment	-	(1,112)	(1,112)
US GAAP adjustments before taxation	(8,834)	(2,648)	(4,531)
Taxation	(1,384)	(1,674)	(3,230)
US GAAP adjustments after taxation	(10,218)	(4,322)	(7,761)
Net income/(loss) in accordance with US GAAP	(8,787)	(8,486)	26,094
Additional finance costs of non-equity shares	(3,840)	(17,313)	(26,398)
Net loss attributable to ordinary shareholders in accordance with US GAAP	(12,627)	(25,799)	(304)
Loss per ADS in accordance with US GAAP (primary):	(9.7) P	(26.4) p	(0.3) p
Supplementary(loss) / profit per ADS (assuming new capital structure in place for all periods):	(1.6) P	(1.5) p	4.7 p

ESTIMATED CUMULATIVE EFFECT ON SHAREHOLDERS' EQUITY OF DIFFERENCES BETWEEN UK AND US GAAP

	2 AUGUST 1997 (POUND)000	3 August 1996 (pound)000	1 February 1997 (pound)000
Shareholders' equity in accordance with UK GAAP	292,644	266,396	300,745
US GAAP adjustments:			
Goodwill in respect of acquisitions (gross)	532,667	555,580	540,385
Consideration adjustment to goodwill	(44,620)	(47,228)	(45,457)
Accumulated goodwill amortisation	(108,633)	(99,289)	(103,902)
Favourable lease terms (valuation)	10,677	10,677	10,677
Accumulated amortisation of favourable lease terms	(10,677)	(10,319)	(10,677)
Sale and leaseback transactions	(12,897)	(13,493)	(13,791)
Warranty sales	(4,741)	(8,085)	(5,525)
Pensions	-	(5,214)	(2,059)
Property depreciation	(2,963)	(2,882)	(2,923)
Elimination of revaluation surplus	(1,717)	(1,084)	(1,784)
Preference shares excluded from shareholders' equity	-	(91,611)	(94,274)
Lease cost adjustment	(8,649)	(8,650)	(9,168)
US GAAP adjustments before taxation	348,447	278,402	261,502
Taxation	8,769	11,857	10,189
US GAAP adjustments after taxation	357,216	290,259	271,691
Shareholders' equity in accordance with US GAAP	649,860	556,655	572,436

EXHIBIT 99.2

SIGNET

For immediate release 12th August, 1997

Signet Group plc

Change in American Depositary Share Ratio

Signet Group plc ("the Company") announces that it will be changing the number of its ordinary shares of 0.5p each ("Ordinary Shares") represented by each of its American Depoistary Shares ("the ADSs") traded on the US Nasdaq Stock Market.

Each ADS (symbol SGNNY) currently represents three Ordinary Shares. From 9:30am (New York Time) on 4th September, 1997 each ADS will represent 30 Ordinary Shares of 0.5p each (new symbol SIGYY). Any fractional ADSs arising from this change in the ratio will be aggregated by the Bank of New York, in its capacity as ADS depositary, and sold with the net proceeds being distributed for the benefit of the holders of the fractional ADSs.

Dealings in the ADSs commenced on 21st July, 1997. Since that date the cancellation fee payable to the Bank of New York upon surrender of each American Depositary Receipt ("ADR") has been at a temporary concessionary rate. Holders of ADRs should note that from 4th September, 1997 the cancellation fee will revert to the rate of $5 per 100 ADSs or portion thereof (each ADS representing 30 Ordinary Shares of 0.5p each).

Enquiries:

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