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SIG - Signet Group 2004 Christmas Trading Statement Conference Call

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PRESENTATION

Operator

Good afternoon, ladies and gentlemen, and welcome to today's Signet Group Christmas trading statement conference call. For your information today's conference is being recorded. At this time I would like to turn the call over to your host today, Mr. Terry Burman. Please go ahead, sir.

Terry Burman - Signet Group - CEO

Thank you. Good afternoon and welcome to the conference call on Signet's Christmas trading statement. I'm Terry Burman, Group Chief Executive, and I have with me Walker Boyd, Group Finance Director, and Tim Jackson, IR Director. I will comment on the group's performance and then we will be available for

questions. But first I will ask Tim to give the Safe Harbor statement.

Tim Jackson - Signet Group - Director of IR

Good afternoon. This call includes certain statements which are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon management's beliefs as well as on assumptions made by and data currently available to management and appear in a number of places throughout this call. They include statements regarding, among other things, our results of operations; financial condition; liquidity; prospects; growth; strategies and the industry in which the Company operates.

These forward-looking statements are not guarantees of future performance and are subject a number of risks and uncertainties which are more fully described in the Company's release dated 13th of January, 2005 and in the risk and other factors section of the Company's 2003, '04 annual report on form 20F filed with the U.S. Securities and Exchange Commission on April 22, 2004 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 result 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.

In addition, certain financial information used during this call are considered to be non-GAAP financial measures. For a reconciliation of these to the most directly comparable GAAP financial measures please refer to the Company's earnings release dated 13th of January, 2005 available on the financial information section of the Company's website at www.SignetGroupPLC.com.

Terry Burman - Signet Group - CEO

Thank you, Tim. I'll start with a brief group overview. Like for like sales increased by 3.7 percent over the Christmas period building on the strong growth record of recent years. In the same period total sales were up by 6.1 percent at constant exchange rates and by 0.1 percent on a reported basis. In both the U.S. and the UK sales growth was stronger closer to

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Christmas with December being noticeably stronger than November.

In the 48 weeks to 1 January, 2005 like for like sales rose by 5.1 percent, total sales increased by 7.8 percent at constant exchange rates and by 0.2 percent on a reported basis. The Group did not participate in the higher level of discounting that was generally evident on both sides of the Atlantic and gross margin level was broadly maintained for the period.

Profit before tax for 2004 and 2005 is currently expected to be in the range of 209 million to 215 million pounds, in line with market expectations after taking into account the further weakening of the U.S. dollar during December. For the year as a whole the weakening of the U.S. dollar will have adversely impacted profit before tax by some 7 percent or 14 million pounds reflecting the movement in the average exchange rate from \$1.68 to about \$1.86.

The Group's balance sheet remains strong. Cash flow for the full year is expected to be broadly neutral with an increased level of capital expenditure supporting the Group's strategy. Net debt will show a reduction given the expected year end U.S. dollar exchange rate.

Turning to the detail of the Christmas trading period and starting with the U.S. -- in a somewhat uncertain retail environment the business continued to benefit from the implementation of its proven growth strategy and culture of continuous improvement. The consumer was unsettled by the unwinding of tax cuts, higher fuel prices and increased interest rates, but these factors were balanced by some improvement in employment conditions.

In the 9-week period to 1 January, 2005, U.S. like for like sales increased 4.9 percent despite facing challenging comparatives. Last Christmas our like for like sales were up 6.4 percent. Once more we significantly outperformed the competition.

The mall stores, which account for about 80 percent of the like for like store base, achieved solid like for like sales growth building further on their industry-leading sales per mall store and superior EBIT margin. Kay further enhanced its position as the number one specialty jewelry brand in the U.S. Jared, our off-mall destination superstore concept, performed particularly well and continued to improve versus their investment pro formas for 2004-'05. The 4.9 percent like for like sales growth compares with the 2.3 percent growth in like for like sales reported by the International Council of

Shopping Centers for chain stores sales in November and December.

Total sales at constant and exchange rates rose by 8.3 percent but declined by 0.8 percent on a reported basis for the 9-week period. Our business continued to benefit from its consistent investment in real estate with the year end space increase expected to be 8 percent, at the top end of our targeted 6 to 8 percent per annum growth. In the 48 weeks to 1 January, 2005, U.S. like for like sales increased by 6 percent with total sales up 10.4 percent at constant exchange rates but down by 0.9 percent on a reported basis.

Looking at the Christmas performance in more detail -- our sales staff were once again critical to the successful performance and the ongoing focus on staff training throughout the year meant that they were well-prepared for Christmas. In 2004 an important element of this with the ultimate diamond presentation training package and the drive to have at least one trained diamondologist in each store.

We have continued to make progress in the multiyear systems program to improve staff focus and customer service by decreasing the time spent on administrative tasks. Improvements in repairs and special order procedures proved to be a benefit in 2004.

This Christmas we had particular success in the mall stores with the expanded Leo Diamond range, solitaire diamonds, three stone rings, right hand diamond rings -- both of those last two categories were supported by DTC advertising -- fashioned gold jewel -- that campaign was supported by a collaborative effort with the World Gold Council -- and a new range of pearls.

In Jared loose diamonds and luxury watches such as Rolex, Tag Heuer and Raymond Weil performed well as did the Leo Diamond range. We will continue to expand the brands and the number of Jared stores carrying luxury watches in 2005. During the Christmas period the average unit selling price in mall stores increased by about 9 percent and in Jared by about 10 percent which was similar to the year-to-date trend.

Our appreciation and romance based "Every Kiss Begins With Kay" campaign continues to be very successful. For example, Kay had two of the top 10 ads for consumer recall for new campaigns in November as measured by Intermedia Advertising Group and published in Advertising Age. Overall the number of television impressions for Kay increased by

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about 10 percent over Christmas despite a further noticeable increase in the cost of air time. For the first time national radio advertising was also used for Kay and we again advertised in USA Today. For the regional brands the local radio advertising support was maintained.

The development of television advertising for Jared continued; it now covers over 90 percent of Jared's sales up from about 75 percent last Christmas and contributed to its strong performance. The ratio of marketing spend to sales by brand was in line with last year but is expected to be slightly up for the U.S. division as a whole in 2004-'05 due to the growth of Jared. By the year end as part of the store investment program 14 Jared stores, 43 mall stores and 10 Kay off mall stores are planned to have been opened. We expect to close 15 stores in 2004-'05 compared to 16 stores last year.

Two Jared's that we had hoped to open this year are now expected to begin trading in the first quarter of fiscal 2006 due to delays by the developers. In addition, in fiscal 2005 it is expected that 77 stores will have been remodeled or relocated by the year end. Overall space will have increased by about 8 percent from last year and by some 23 percent over the last 3 years. It is anticipated that in 2005 our space increase will again be at the top end of our 6 to 8 percent target range.

This consistent record of space growth is in marked contrast to the jewelry sector as a whole with specialty jewelry store numbers decreasing by about 1 percent per annum. The Kay off mall development continues to show encouraging results and in 2005 a further 10 stores are planned to be opened in power strips and lifestyle centers. It is expected that the gross margin will have eased slightly over the holiday period as planned with price increases, supply chain improvements and other management initiatives largely offsetting commodity price increases and changes in the merchandising mix.

Year-end inventories are anticipated to be in line with plan. Credit sales participation over the holiday season was up on last year. The credit portfolio continued to perform well in the 9-week period with the bad debt percentage for the year expected to be broadly in line with last year.

Turning to the UK business -- UK like for like sales increased by 1.5 percent in the 9-week Christmas period against the background of a weaker retail environment and strong comparatives in the same period last year when like for like

sales rose by 6.7 percent. As in the U.S. the consumer shopped late with December being the stronger of the 2 months. Discounting was more prevalent in the retail market in the run up to Christmas. The UK division did not participate in this and the gross margin should be a little ahead of last year. Inventory is in line with plan.

Ernest Jones achieved a 3.3 percent like for like sales increase and H. Samuel was 0.2 percent ahead. Goldsmith's, the only other UK specialty jeweler that reports sales figures, achieved a 0.4 percent like for like sales increase in the 4 weeks to New Year's Eve and said that they had experienced a poor November and early December. This means that both H. Samuel and Ernest Jones outperformed Goldsmith's over the 9-week period that we reported.

For the year-to-date the UK jewelry vision like for like sales rose 3.1 percent and total sales increased by 2.7 percent. On a like for like basis H. Samuel sales were up 1.8 percent and Ernest Jones by 4.9 percent. Over the year to 31 December, 2004, both brands outperformed Goldsmith's who were down 1.5 percent.

The range of initiatives which have considerably strengthened the business in recent years again helped drive the performance in the Christmas period. The key objective of increasing participation of Diamonds in the product mix showed further success in both H. Samuel and Ernest Jones. There is still significant potential to increase diamond mix further.

Turning now to how the initiatives behind the increase in diamond participation were taken forward in 2004. The Diamond merchandise range was further enhanced. For example, the Leo Diamond range was expanded and Ernest Jones and the Forever Diamond was available in all H. Samuel stores this Christmas for the first time. We have also continued to narrow the ranges in other categories and enhance the presentation of the merchandise.

The focus on diamonds requires a much greater level of customer service and product knowledge by the store staff and training is therefore a priority. We have completely revamped our training procedures for store staff and managers as well as strengthened our area in regional management. 2004 was the second year that the new training procedures were in place and we clearly benefited from this in the diamond category.

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This Christmas we again tested different incentive schemes in the stores the results of which we are now evaluating. This Christmas 142 stores accounting for about 30 percent of UK sales traded in the new format compared to 52 last year. We will continue with the increased refurbishment program in 2005.

The main marketing tool remains catalogs and their design and distribution were again improved. During Christmas 2003 we tested TV advertising for both H. Samuel and Ernest Jones for the first time. This Christmas we increased the coverage from around 40 percent for H. Samuel to about 65 percent and for Ernest Jones from just under 30 percent to nearly 60 percent. We improved the creative work and expect to take the program forward again in 2005.

In Ernest Jones we have also developed a customer relationship marketing program during 2004. The best performing categories in H. Samuel were diamonds, in particular the Forever Diamond range, and watches. In Ernest Jones diamonds again led the way with the Leo performing very well and gold and rings also being strong. Overall it is expected the year will show a further shift in the sales mix towards diamonds of over 1.5 percent. The average unit selling price in H. Samuel and Ernest Jones were both slightly ahead over the Christmas period.

In conclusion, as I said earlier, profit before tax for our fiscal 2005 is currently expected to be within the range of 209 million to 215 million pounds, in line with market expectations after taking into account the further deterioration of the U.S. dollar during December. For the year as a whole the weakening in the U.S. dollar will adversely impact profit before tax by some 7 percent with the increase in reported profits not reflecting the underlying progress of the Group.

During 2004 we have again demonstrated the quality of our people and the advantage of our training. The benefit of our long-term commitment to the development of expertise in diamonds and in particular the development of branded diamonds exclusive to Signet. The importance of marketing and in particular the power of television advertising in the U.S. and the benefit of a consistent policy of investing in our stores and in our business. These are all reinforced by our culture of continuous improvement and our commitment to thoroughly test new initiatives before rolling them out across the business.

This practice enables us to leverage the management and cost base to achieve superior sales growth and operating

margins and the healthy balance sheet allows us to consistently implement our proven growth strategies on both sides of the Atlantic. And now, operator, I'd like you to open the call to any questions that any of the callers may have.

QUESTIONS AND ANSWERS

Operator

(OPERATOR INSTRUCTIONS) James Targett, Goldman Sachs.

James Targett - Goldman Sachs - Analyst

Just two questions. Firstly, on the Internet actually, I just wondered if you had any idea of the impact of the increase in jewelry internet sales in the U.S. over the Christmas season and also then if you could just update us on maybe what your -- any internet strategy you may have is. And then the second question was just on the diamond penetration you touched on in the UK. You said it was up 150 to 200 basis points. How did that compare between Ernest Jones and H. Samuel? And also, how long do you think you can continue to rise at those levels?

Terry Burman - Signet Group - CEO

Okay. In terms of the impact, most of our information is anecdotal. We have seen like -- you've probably seen the significant increase off of a small base of Internet sales in total and we understand that jewelry is -- jewelry participated in that. I don't think it was a meaningful impact on our business, but it certainly is a growing channel of distribution.

Our strategy has been in both markets, the U.S. and the UK, to continue to evaluate the Internet, to watch it closely. We've always said that it's a matter of when not if we enter the Internet channel. I think that we'll be in it in the foreseeable future -- the not too distant future but certainly not immediately.

James Targett - Goldman Sachs - Analyst

Which -- I mean any particular (indiscernible) you think are most at risk? I mentioned diamonds, but --.

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Terry Burman - Signet Group - CEO

I'm sorry, I'm not hearing you well, James.

James Targett - Goldman Sachs - Analyst

Any particular categories that you think are the most at risk from some internet participation?

Terry Burman - Signet Group - CEO

Any categories?

James Targett - Goldman Sachs - Analyst

Yes.

Terry Burman - Signet Group - CEO

Well, the internet seems to be -- consumers seems to respond better to the basic categories like solitaires and certified diamond solitaire rings, earrings, pendants -- maybe probably their next category would probably be three-stone rings. So it's the basic more generic less fashionable aspects of merchandise that are going to be better received on the Internet because they can be more commoditized and require less personal involvement by the consumer in order to get confident to purchase them. So I think it really limited -- the primary categories are more limited or more narrow than I think in a brick and mortar store.

In terms of UK diamond participation, it was pretty even across. They both were up -- both divisions -- H. Samuel and Ernest Jones were both up close to that 1.5 percent average. You're asking how long we can keep this up, we're at 38 percent in Ernest Jones, 20 percent in H. Samuel. That averages out to 28 percent across the UK jewelry division. It's been 7 or 8 years that we've averaged a 1.5 percent increase per year, so we intend to continue pressing forward with increasing diamond participation.

I don't know how high is up, but with the improvement in our diamond ranges -- continued improvement in our diamond ranges, attracting more customers through our expanded advertising program, better training of our sales staff who responded very well this Christmas, and the rollout of our open store formats we should be able to -- certainly for the foreseeable future we can continue the growth in

diamonds which were very strong -- our leading category -- in both Ernest Jones and H. Samuel this Christmas.

James Targett - Goldman Sachs - Analyst

And was that particularly strong in the Leo Diamond or not significantly different than the average?

Terry Burman - Signet Group - CEO

The Leo Diamond and the forever Diamond in H. Samuel were both strong.

James Targett - Goldman Sachs - Analyst

Thank you very much.

Operator

Jason Isenwater, DRKW.

Jason Isenwater - DRKW - Analyst

Just a couple of questions. In the UK first of all, could you quantify the spent on the benefit of the increase to the advertising that we've seen this Christmas compared to last? And on the U.S. side of things, given the problems that we're just starting to see at Friedman's now, do you think there's any way you can benefit from that? And, i.e., I'm talking specifically about taking a big bunch of stores off them?

Terry Burman - Signet Group - CEO

In terms of the spend in the UK, we were about 2.5 percent --.

Walker Boyd - Signet Group - Finance Director

I think for the year as a whole gross, UK advertising spend this year is going to be getting nearer to 3 percent. Last year it was about 2.6, 2.7 percent. And most of that increase is certainly back to television. Even that gross spend as a percent of sales for the year as a whole.

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Terry Burman - Signet Group - CEO

Certainly in terms of the impact, I'm not going to give you specific figures, but we invested in the advertising and we got some encouraging results out of it. We certainly can move the dial in the regions in which we're advertising and we will continue to -- the development of the program in the current year.

Jason Isenwater - DRKW - Analyst

Was there a significant underperformance, Terry, of the stores not impacted by TV advertising over the period? The 40 percent that weren't under coverage?

Terry Burman - Signet Group - CEO

I'm not going to call it significant, but certainly the TV stores outperformed.

Jason Isenwater - DRKW - Analyst

Okay.

Terry Burman - Signet Group - CEO

In terms of the question about Friedman's, the -- I really don't want to speculate. Their announcement said that they're considering a bankruptcy. If they went into the bankruptcy procedure the current management would have the opportunity to present a plan to the bankruptcy court. That could take months and months -- it could take a whole year before their exclusivity period expired -- and may be able to sort the whole thing out for themselves. So we'll just have to wait and see how that transpires and we'll react accordingly.

Jason Isenwater - DRKW - Analyst

Okay. Thanks, Terry.

Operator

James Tagatan (ph), O'Fallon (ph) Capital.

James Tagatan - O'Fallon Capital - Analyst

Hi, Terry. In the U.S., did you comment on any difference in performance across price points? Meaning was there a major difference in sub 500 and greater than 1000 as an example?

Terry Burman - Signet Group - CEO

Sure. We have been all year merchandising to some higher price points and those higher price points performed -- larger solitaires, larger three stone rings, increased sizes in our Leo range -- right down to our pearl ranges, our fashion gold ranges, our right hand ring ranges -- many of the successful categories were categories in which we merchandise higher. Our bridal category we merchandised to higher merchandise prices.

So that was the direction that we took and we took it with some success. So we have been actively moving our price points up and our increase in average unit sales in the Christmas period was almost identical to that which it has been during the year-to -- for the year-to-date.

James Tagatan - O'Fallon Capital - Analyst

Thank you.

Operator

Mal Patel, HSBC.

Mal Patel - HSBC - Analyst

A couple of questions on margins. Firstly, you've been reasonably successful at holding the U.S. gross margin, yet you've seen slight falls, but overall nothing dramatic. Can you talk us through where you see the outlook for next year? And secondly, UK profitability, can you talk us through where you see the direction of UK margins?

Walker Boyd - Signet Group - Finance Director

Looking at the U.S. margin, I think the same sort of pressures that we've seen in this coming year I think one would expect to see into '05, '06. In terms of rises in commodity prices gold is again expecting to be around about the 425 mark which is probably about 5 percent ahead of our average end price for the last year as far as diamonds are concerned. Then we've

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seen De Beers with the announcement of effectively a 5 percent price increase in (indiscernible) this week. And we will do the same as we go through '05, '06 in trying to mitigate that by looking at improvements in our supply chain and various other initiatives.

But I would say that the outlook as of today for the U.S. is concerned is that there would be some similar type gross margin pressure in the U.S. for this forthcoming year. The UK I would expect, again, same as in '04, '05 where these commodity price increases, certainly at the moment, being offset -- at least offset by the weakness of the dollar and some likelihood of some increase in gross margin percent in the UK. And therefore overall probably about the same as this year where it evens out across the Group and stays broadly flat.

Mal Patel - HSBC - Analyst

And in terms of UK EBIT margins, do you expect that as more of the estate becomes refurbished that you will actually see improvements at the operating level that will be partly a function of the higher gross margin and partly operating effectiveness?

Walker Boyd - Signet Group - Finance Director

I think you've got to remember that in '03/'04 our UK operating margin was 15.3 percent, so we are coming from a relatively high base. I think in the current environment in the UK, which clearly as other people as well as ourselves have acknowledged, the consumer is certainly becoming more circumspect. So I think whilst we strongly believe in -- that our strategy is appropriate in repositioning particularly the H. Samuel business, we are doing it at the moment against the background of fairly challenging trading conditions. And there is the impact on our expense levels of the investment in the business whether it be in additional advertising or the additional depreciation as a result of the refurbishments. So I would say -- and then our operating margin in current circumstances is not likely to show significant change.

Mal Patel - HSBC - Analyst

Okay, thanks very much.

Operator

Richard Sassio (ph), Cassonoff (ph).

Richard Sassio - Cassonoff - Analyst

I have one question. Given the slower rate of growth at H. Samuel, are you happy with that changed positioning and the ongoing strategy there?

Terry Burman - Signet Group - CEO

We're generally pleased with H. Samuel's results. It may be a slower rate of growth to Ernest Jones, but it's certainly not a slower rate of growth to the market as a whole. We've got -- it's a good business and it's more than held its own this Christmas. For the same time period -- compared to the same time period as Goldsmith's announced, H. Samuel was a clear leader. H. Samuel beat the BRC figures that were released.

H. Samuel also -- I know Argoss announced today that they had difficulty in their jewelry category. They'd be H. -- probably H. Samuel's main competitor and I'm told that they announced this morning or stated this morning that they were negative in jewelry, H. Samuel was positive.

So the H. Samuel results taken as a -- versus the market, versus the general retail market, in any of those instances they were certainly in the top half, maybe even better than that -- held their own in a very competitive market and a difficult market without any discounting and at the same time were successfully repositioning the brand away from the more generic categories like the giftware and collectibles and into the diamond ranges and the diamond ranges performed particularly well, got well into the double-digit increase in the diamonds.

So we're positioning H. Samuel to be a robust business in addressing its sector of the marketplace now and in the future. It's successfully making that transition and we're very pleased with the results and very pleased with the way our staff has responded to the challenge this Christmas.

Richard Sassio - Cassonoff - Analyst

Thank you.

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Operator

Rod Whitehead, Deutsche Bank.

Rod Whitehead - Deutsche Bank - Analyst

You mentioned, Terry, that you didn't get involved in discounting in the U.S. Are you referring specifically to discounts in jewelry in the malls? And if so, do you expect that to increase further next year given the weak position of some of your competitors and how would you respond if it does increase further?

And secondly, on diamond prices, Walker mentioned that you've seen a 5 percent rise by De Beers. Last year you did put through an increase in your selling prices to cover De Beers' rises. Will you be able to do the same this year?

Terry Burman - Signet Group - CEO

Sure. Let's see, in terms of U.S. discounting, the comments about discounting was more a general market comment. The -- some of our competitors in the specific jewelry market were a little more promotional and some were a little less promotional, but by and large there was not really increased promotional activity. We certainly run promotions during the Christmas season, but we didn't incrementally -- we didn't increase the amount of promotions we ran.

And frankly, I think most of us have learned over the years that jewelry is a relatively inelastic category, it doesn't respond well to promoting. Certainly you can lift your sales, but the trick is to lift your profits and that's where jewelry becomes inelastic in trying to lift your profits by over promoting and over discounting.

So we don't really expect to see the market increase discounting significantly next year and there's always in terms of liquidations or trouble -- liquidations of inventory or trouble, troubled retailers -- there's always some of that going on. And that's usually for a limited period of time.

If the market got really promotional we'd have to evaluate it at that time. We're certainly better prepared to compete with our strong balance sheet and our high operating margins, we're certainly better able to compete than any of our competitors and I don't think they want to get into that kind of -- I wouldn't want to get into that kind of war with us. But like I said, it's not a wise merchandising move to get into

heavy promoting and discounting in this business. Certainly I've learned that over my career.

In terms of diamond prices, yes, the price increase is coming through in two tranches. There's a 3 percent that's effective immediately and then a 2 percent that's effective a little later on. In terms of how we're going to react to that, we have not only taken up our prices last year but we also, through negotiation, through better buying methods, passed some of that or avoided some of that price increase from last year through those initiatives of better buying and different sourcing methods.

We had other initiatives last year on controlling discounting, raising prices and various, as I said earlier, various sourcing initiatives that helped us broadly -- well, almost maintain our margins. And those initiatives were in addition to the price increase that we took. This year we're going to evaluate just what the gold prices are -- how the gold prices are running. We're going to take a view on diamond prices and that which we see for the balance of the year. And we'll make a decision probably between Valentine's Day and Mother's Day after examining our competitors' pricing strategies and make a decision at that time about just how we'll position ourselves on pricing.

So we just -- it's really a wait and see, but we are -- we've never represented ourselves as a price leader. The competitive advantage we have is in our total offering of customer service, marketing, the range of merchandise we carry, the skilled -- the broad distribution of our store formats which gives us a great customer offering and all those attributes are very important in retail jewelry. So it's not just a price item, but we will certainly be mindful of the competitive pricing situation.

Rod Whitehead - Deutsche Bank - Analyst

Thanks a lot.

Operator

(OPERATOR INSTRUCTIONS) Nick Hawkins, Merrill Lynch.

Nick Hawkins - Merrill Lynch - Analyst

I wondered what had happened to the productivity of the new space in the U.S. in the last couple of quarters. It seems to be declining a little bit.

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Terry Burman - Signet Group - CEO

I think what you're doing is you're taking the comps minus the gross sales and coming up with the productivity. I think we had -- beyond the -- I don't have an answer for you beyond the fact that we had some late openings this year. And those late openings are always -- those stores perform less effectively than if they had been open earlier. Many of these were due to delays by developers and we also had some stores that are actually not opening until January. And so when you're looking at the 8 percent space growth, some of that's actually occurring in January.

Nick Hawkins - Merrill Lynch - Analyst

Okay, thank you.

Terry Burman - Signet Group - CEO

You're welcome.

Operator

Anami Tai (ph), KeyBanc Capital Markets.

Anami Tai - KeyBanc Capital Markets - Analyst

I was wondering if you could give a little additional color to the 4.9 percent in the U.S., how much of that was attributable to Jared versus Kay?

Terry Burman - Signet Group - CEO

As we said, Kay enhanced its position as the number one jewelry brand in the country. Kay represents about 60 percent of our like for like sales base or comp store sales base versus Jared that represents about 20 percent of our comp store sales base. So obviously Kay performed well and had substantial increase in comp store sales otherwise we couldn't achieve a 4.9 percent increase.

In terms of overall performance, Jared -- a lot of it is because it's -- certainly because it's immature space and because of the efficacy of the format, was in double-digit increases. Kay was our next best format and our regionals were positive in the low single digits.

Anami Tai - KeyBanc Capital Markets - Analyst

Great, thank you.

Operator

Philip McBride (ph), BJ Ltd.

Philip McBride - BJ Ltd. - Analyst

The question is for the UK market, particularly with the Ernest Jones format, the new style format. Did that perform to your expectations and are you going to extend the procedure?

Terry Burman - Signet Group - CEO

You're talking about the store format?

Philip McBride - BJ Ltd. - Analyst

Yes, the millennia format -- the open plan.

Terry Burman - Signet Group - CEO

Right. Most of those are in H. Samuel. Ernest Jones will start being remodeled in a substantial way in about 2 years. The H. Samuel stores got a -- continued to get an encouraging lift. We've continued to get an encouraging lift out of the H. Samuel store remodels and have every intention to continue the program for this current year.

Philip McBride - BJ Ltd. - Analyst

Thank you.

Terry Burman - Signet Group - CEO

You're welcome.

Operator

It appears there are no further questions at this time. Mr. Berman, I would like to turn the conference back over to you for any additional or closing remarks.

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Terry Burman - Signet Group - CEO

Thanks, operator. And we want to thank all of you for your participation in this call. Our next trading announcement will be the fourth-quarter sales which is scheduled for February 3rd. I also look forward to seeing some of you at our presentation and store visit in Boston next week and in Edinborough the following week. We are also speaking at the DKW conference in London on the 29th of January. I'll now close by wishing all of you a happy new year and, again, thank you for participating.

Operator

Ladies and gentlemen, this will conclude today's conference call. Thank you for your participation and have a nice day.

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