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JD Sports Fashion Plc
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Conditional Acquisition of Champion Sports Holdings

JD Sports Fashion Plc ('JD'), the leading retailer of sport and athletic inspired fashion apparel and footwear, announces that on 24 January 2011 it exchanged contracts for the acquisition of 100% of the entire issued share capital of Champion Sports Holdings ('Champion') for a nominal amount. In addition, JD has agreed to advance €17.1m by way of a secured loan to allow Champion's outstanding indebtedness, excluding finance lease commitments totalling €2.5m, to be settled. In accordance with Irish Law, the transaction will be notified to the Competition Authority in the Republic of Ireland. Completion of the acquisition is therefore conditional on JD being satisfied with the terms of the approval of the transaction issued by the Competition Authority.

Champion was founded in 1992 and is one of the leading retailers of sports apparel and footwear in the Republic of Ireland with 22 stores in premium locations in town centres and shopping centres. With its base near Dublin, Champion is well represented throughout the Republic of Ireland. In addition, Champion has one store in Northern Ireland. Prior to this acquisition, JD has a limited presence in the Republic of Ireland with only eight stores.

Champion's established reputation, differentiated product mix and loyal customer base means that we intend to maintain and expand both fascias. Further, Champion's experienced management team, headed by CEO John Quinn, who will all be retained after the acquisition, will bring an enhanced local knowledge to the operations of the JD stores in the Republic of Ireland.

For the year ended 31 December 2009, Champion had a turnover of €54.0m, an operating loss of €1.8m, a loss before tax of €4.9m and gross assets of €36.2m. The performance of the Champion business has been adversely impacted in recent years by the decline in the Irish economy and an inflexible fixed property cost base which we intend to continue to address. However, the JD Board expects that the Champion acquisition will be earnings enhancing in future years after investment in the store portfolio and the realisation of operational synergies.

Peter Cowgill, Executive Chairman of JD, said:

"We are very pleased to announce that we have exchanged contracts for the acquisition of Champion, which will give us an enhanced presence in the Republic of Ireland. By drawing on the current management team's expertise and local knowledge, we are confident that this acquisition will bring financial benefits in the future."

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