

9 January 2012

JD Sports Fashion Plc

Acquisition of trading assets and trade of Blacks Leisure Group Plc

JD Sports Fashion Plc ('JD' or 'the Group'), the leading retailer of sport and athletic inspired fashion apparel and footwear, announces that it has acquired the trading assets and trade of Blacks Leisure Group Plc and certain of its subsidiaries ('Blacks') from its Administrators for a total cash consideration of £20 million excluding fees, Retention of Title and other claims arising consequent upon the Administration process. The assets acquired comprise principally inventories, fixtures and fittings and intellectual property and the consideration is being funded from cash resources and existing bank facilities.

Blacks is a long established retailer of specialist outdoor footwear, apparel and equipment and has two fascias (Blacks and Milletts) and was trading from around 290 stores at the point of its administration. In addition to selling third party brands such as North Face and Berghaus, Blacks has two strong own brands in Eurohike and Peter Storm. We will evaluate the performance of each store in the coming months in order to reach a conclusion about the number of stores which will be retained long term.

Blacks audited accounts for the period ended 26 February 2011 showed an operating loss of £2.5 million.

We will be retaining a senior management team at Blacks led by the Chief Executive, Julia Reynolds. Following the elimination of any underperforming stores and other cost reduction initiatives we believe the business can be run successfully as independent fascias within the Group.

Given that the acquisition has been completed in the quietest trading point of the year and with low current stock levels, we anticipate that the acquisition of Blacks will lead to a minor reduction in earnings in the remainder of the year to 28 January 2012. Thereafter, the earnings impact of Blacks will depend on how quickly we can deal with the store portfolio, rejuvenate the offer and realise the necessary cost reductions and synergies. We anticipate that Blacks will not make a material difference to the Group's overall performance in the year to January 2013.

Peter Cowgill, Executive Chairman of JD Sports Fashion Plc, said:

"We are delighted to add another leading multi-branded retail proposition to our portfolio of retail businesses. We believe with the support of JD's operational disciplines and financial strength, along with the existing Blacks management team, we can restore the Blacks business to a profitable market leading position."

JD Sports Fashion Plc will be announcing its trading statement covering the Christmas period on Thursday 12 January 2012.

Enquiries:

JD Sports Fashion Plc
Peter Cowgill, Executive Chairman
Barry Bown, Group Chief Executive
Brian Small, Group Finance Director

Tel: 0161 767 1000

MHP Communications
Andrew Jaques
Barnaby Fry
Ian Payne

Tel: 020 3128 8100

Investec Bank plc
David Currie

Tel: 0207 597 5970

This information is provided by RNS
The company news service from the London Stock Exchange

END

ACQUGUUUGUPPGQB