RNS Number : 1732B
JD Sports Fashion Plc
12 April 2012

12 April 2012

JD SPORTS FASHION PLC
PRELIMINARY RESULTS
FOR THE 52 WEEKS ENDED 28 JANUARY 2012

JD Sports Fashion Plc (the "Group"), the leading retailer and distributor of branded sportswear and fashionwear today announces its Preliminary Results for the 52 weeks ended 28 January 2012.

	2012 £000	2011 £000	% Change
Revenue	**1,059,523**	883,669	+19.9%
Gross profit %	**49.2%**	49.5%	
Operating profit (before exceptional items)	**76,461**	79,927	-4.3%
Share of results of joint venture before exceptional items (net of income tax)	**(102)**	1,475	
Net financial (expenses) / income	**(402)**	163	
Profit before tax and exceptional items	**75,957**	81,565	-6.9%
Exceptional items (see note 2)	**(9,685)**	(4,284)	
Share of exceptional items of joint venture (net of income tax) (a)	**1,170**	1,348	
Profit before tax	**67,442**	78,629	-14.2%
Basic earnings per ordinary share	**96.27p**	114.84p	-16.2%
Adjusted basic earnings per ordinary share (see note 4)	**105.89p**	116.86p	-9.4%
Total dividend payable per ordinary share	**25.30p**	23.00p	+10.0%
Net cash at end of period (b)	**60,295**	86,140	

a) The share of exceptional items of joint venture relate to the reversal of the impairment of the investment held by Focus Brands Limited in Focus Group Holdings Limited, following repayments of original purchase consideration by the vendors of Focus Group Holdings Limited. This process is now complete and Focus is now an 80% owned subsidiary of the Group.
b) Net cash consists of cash and cash equivalents together with interest-bearing loans and borrowings.

Highlights

- Despite a loss of £2.2m from the newly acquired Blacks business, group profit before tax and exceptionals exceeded consensus market expectations.

- Significant investments give the Group the platform for future development:
  - Acquisitions in Ireland (Champion Sports) and Spain (Sprinter) have continued the international expansion of the Sports Retail concepts. A further two JD stores have been opened in France during the year and the first JD store in Spain opened in late March 2012.
  - Acquisition of brands and agreement for exclusive brand licences have continued.
  - Additional personnel and associated costs in International Retail, Brands & Licensing and Multi-Channel development.
  - New centralised warehouse for the Group's UK retail operations to be fully operational by Summer 2012.

- A robust operating profit and gross margin performance was achieved given the well documented market headwinds and scale of investment activity undertaken in the year:
  - Group gross margin decreased from 49.5% to 49.2% due to the impact of the acquired businesses.
  - Excluding the impact of these acquired businesses the margin in the like for like businesses increased by 0.2% to 49.7%.

- Sales, gross margin and operating profit before exceptional items of the four business segments are tabulated below:

Period to 28 January 2012	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Total £000
Gross revenue	774,991	151,642	5,876	135,117	1,067,626
Intersegment revenue	(380)	-	-	(7,723)	(8,103)
Revenue	774,611	151,642	5,876	127,394	1,059,523
Gross margin %	50.8%	48.5%	46.2%	37.7%	49.2%
Operating profit before exceptional items	74,301	3,303	(2,199)	1,056	76,461

Period to 29 January 2011	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Total £000
Gross revenue	667,224	134,110	-	85,498	886,832
Intersegment revenue	(1,290)	(162)	-	(1,711)	(3,163)
Revenue	665,934	133,948	-	83,787	883,669
Gross margin %	51.0%	49.0%	-	36.1%	49.5%
Operating profit before exceptional items	73,340	6,399	-	188	79,927

- Overall gross LFL sales for the period to 28 January 2012 in the UK and Ireland combined core retail segments increased by 0.6% (net -1.0%):

	Sport	Fashion	Combined Core UK & Ireland
Gross Sales (incl VAT)	+0.3%	+2.2%	+0.6%
Net Sales (after deduction of VAT)	-1.2%	+0.1%	-1.0%

- Like for like net sales for the nine weeks to 31 March (prior to the Easter crossover) have increased by 1.2%:

Sport	Fashion	Combined Core UK & Ireland
+1.0%	+2.3%	+1.2%

- Final dividend payable increased by 10% to 21.2p (2011: 19.2p) bringing the total dividends payable for the year to 25.30p (2011: 23.00p) per ordinary share, an increase of 10%.

- Net cash at year end was £60.3 million (2011: £86.1 million).

Peter Cowgill, Executive Chairman, said:

"During the period, we have invested significantly in brands, businesses and infrastructure to strengthen the platform for future development of the Group. Despite the continued difficult trading conditions across our markets, we are pleased to report some positive results within the Group, particularly from our mainland European businesses.

"Whilst we expect some improvement in consumer confidence from the forthcoming international sporting events, we remain cautious. Trading in the early part of the current financial year has been satisfactory in the core UK and Ireland fascias with net like for like sales for the 9 weeks to 31 March 2012 of +1.2% (Sports Fascias +1.0%, Fashion Fascias +2.3%). Margins remain under pressure as consumers continue to be offer driven.

"The Group is exceptionally well positioned with its retail proposition, financial resources and management experience to take advantage of any opportunities both in the UK and internationally. Whilst the Board recognises that current expansion activity is likely to impact returns in the short term, it remains confident that the Group is being positioned to deliver longer term earnings growth and increasing shareholder returns."

Enquiries:

JD Sports Fashion Plc Tel: 0161 767 1000

Peter Cowgill, Executive Chairman
Barry Bown, Chief Executive
Brian Small, Finance Director

MHP Communications Tel: 020 3128 8100
Andrew Jaques
Barnaby Fry
Ian Payne

Executive Chairman's Statement

Introduction

Following the acquisition of Blacks in January 2012, the Group now comprises four divisions being Sports Fascias, Fashion Fascias, Outdoor and Distribution. Our core business is retail and our other businesses largely support the retail proposition and offer benefits to the Group from a strategic standpoint.

During the period, we have invested significantly in brands, businesses, multi-channel and other infrastructure to strengthen the platform for future development of the Group. Beyond the UK we have also expanded by acquisition in Ireland and Spain and opened further JD stores in France. In addition, the first JD store in Spain was opened in Granada on 30 March 2012. International development will be a key foundation for our future and further investment in our infrastructure overhead will be required to deliver longer term sustained profitability from this activity.

Our new centralised warehouse in Kingsway, Rochdale is a further example of the investment that we have undertaken. This will be fully operational in Summer 2012 and we anticipate that almost all stock for the core UK Sports and Fashion retail fascias will be channelled through one warehouse, improving service to retail and reducing transportation time and costs.

In April 2011, we noted that the increased proportion of gross takings represented by VAT combined with increased commodity costs and low consumer confidence would inhibit potential earnings growth in the year just ended. Therefore, taking into account these factors and the scale of the investment activity in the year, it is pleasing to report that the final group profit before tax (adding back exceptional items) of £76.0 million (2011: £81.6 million) exceeds the market expectations set at that time. Within the Group there have been positive results notably the contribution from our newly acquired Spanish retail business (Sprinter) which has contributed to a further enhancement in the overall performance from the Sports Fascias.

Group operating profit (adding back exceptional items and excluding share of results of joint venture) for the year was £76.5 million (2011: £79.9 million) and comprises a Sports Fascias profit of £74.3 million (2011: £73.3 million), a Fashion Fascias profit of £3.3 million (2011: £6.4 million), an Outdoor loss of £2.2 million (2011: £nil) and a Distribution profit of £1.1 million (2011: £0.2 million).

Net cash at the year end was £60.3 million, a decline of £25.8 million reflecting both the level of acquisition activity and an increase in capital expenditure for the fit out of the Kingsway warehouse facility. However, the Group continues to generate significant amounts of cash at the operating level.

The ongoing strength of the Group's Balance Sheet, together with confidence that the Group's operations are fundamentally cash generative, mean that the Board is able to propose another significant rise in the level of the total dividend to shareholders with a final proposed dividend up 10% to 21.2p (2011: 19.2p). This brings the total dividends payable for the year to 25.3p (2011: 23.0p) and means that annual dividends payable have now risen by 198% over the last four years.

Acquisitions

We have been pleased with the early development of our JD business in France. This has given us the confidence to replicate this model in further territories. At the end of June 2011 we invested €12m (net of cash retained in the business) to acquire 50.1% of the Sprinter business in Spain. On acquisition, Sprinter had 47 stores primarily based in Andalucia and Levante. As with Chausport in 2009, we believe that we have acquired a business which can perform well in its own right, whilst also providing us with a management team and infrastructure to expand JD's fascia into a new territory. We have subsequently opened our first JD store in Granada, Spain on 30 March 2012 and we anticipate further openings in 2012. In the seven months to January 2012 Sprinter contributed turnover of £51.7m and generated an operating profit of £4.7m, although this performance benefitted from not having to include the loss making opening period of the year in the post acquisition result.

In April 2011 we acquired Champion Sports (Holdings) ('Champion'), for a nominal consideration, although we advanced €17.1 million to the business to allow it to settle all of its bank debt (at a substantial discount to the par value) save for €2.5 million of leasing finance. After closing three smaller loss making stores, Champion now has 20 stores which are all located in the Republic of Ireland giving the Group a significant market position throughout the whole of Ireland. The most significant returns from this acquisition will come when economic conditions improve in the Republic of Ireland. In the meantime, we are reviewing our strategic options with regards to store locations and fascias and are seeking to reduce the current level of certain store rents to a level which is more consistent with the revenues now being generated. We are also working to realise the savings from combining the operations of the two businesses where this is practical.

The acquisition of the trade and assets of Blacks for £20.0 million on 9 January 2012 was on the basis that the core Blacks business has similarities to JD with its premium branded offering complemented by a selection of relevant own brands. We believe that Blacks needs to concentrate on the traditional core strengths of its branded and own brand outdoor offer and re-establish its market-leading authority through a much reduced store base, a strong multi-channel offer and a more appropriate central cost structure.

The acquisition of the trade and assets of eight Cecil Gee stores, from Moss Bros Group Plc, in June 2011 for a consideration of £1.6 million provided the Group with a relatively low cost opportunity to develop a premium fashion fascia which can stock brands previously unavailable to the Group's existing fascias. Post acquisition these stores delivered revenues of £6.0 million but made an operating loss of £0.6 million. We have subsequently closed two loss making stores and are looking at additional acquisition opportunities with the potential to provide critical mass in premium fashion.

The acquisition of the Fenchurch brand during the year combined with the agreement for exclusive licences for Fila and Diadora, are a further demonstration of our commitment to developing a unique and exclusive product offering for our retail customers.

In the Distribution segment, we have further increased our general teamwear offering through the acquisition of 80% of the global Kukri business which provides bespoke teamwear primarily to schools, colleges and universities. We have also increased our shareholding in the Focus business by 31% to 80% thereby making it a subsidiary.

Sports Fascias

The Sports Fascias are JD, Size?, Chausport, Sprinter and Champion Sports.

The Sports Fascias' total revenue (after elimination of inter-group sales) increased by 16.3% during the period to £774.6 million (2011: £665.9 million) with gross like for like sales growth of 0.3% (2011: +5.6%) in the core UK and Ireland sports fascia stores although on a net basis, excluding VAT, this represented a decline of 1.2% (2011: +3.8%).

Gross margin achieved in the Sports Fascias decreased marginally to 50.8% (2011: 51.0%) driven by lower margins in the acquired Champion and Sprinter businesses. The margin in the like for like businesses rose to 51.5% which we consider to be a very robust performance given the increase in VAT and the impact of the rise in the cost of cotton.

Operating profit (before exceptional items) of the Sports Fascias increased by £1.0 million to £74.3 million (2011: £73.3 million) after the absorption of incremental overhead in the year primarily from duplicate operating costs at Kingsway as we started paying rent on 1 March 2011 when we took possession of the facility. There were also incremental costs in the year from investment in resource in International Retail, Brands & Licensing and Multi-Channel development. Inevitably, there is lag between the investment in resource and the generation of results but we are confident that these investments will drive returns in future years.

The contribution from France increased to £1.3 million (2011: £0.5 million). This included an overall growth in like for like sales in the Chausport stores for the year of 2.2% which is a strong result given the prior year growth of 12.5%. We remain encouraged by the performance and potential of Chausport as a fascia in its own right.

The newly acquired Sprinter business contributed an operating profit of £4.7 million for the seven months post acquisition which was ahead of our expectations.

We continue to invest in the store portfolio with 27 store openings and 21 refurbishments or conversions. These include four new stores in France (including a new JD in Marseille), three new Sprinter stores, the conversion of an existing Chausport store in Amiens to JD and the refurbishment of the Champion store in Blanchardstown. 21 Sports Fascia stores were closed in the period including 3 smaller loss making Champion stores.

Fashion Fascias

The Fashion Fascias are Bank, Scotts and Cecil Gee.

The Fashion Fascias' total revenue (after elimination of inter-group sales) increased by 13.2% during the period to £151.6 million (2011: £133.9 million) which includes £6.0 million from the Cecil Gee stores (7 months). Gross like for like sales grew by 2.2% (2011: +1.5%) being Bank +3.9% (2011: +1.2%) and Scotts -2.9% (2011: +2.1%). On a net basis, the like for like sales grew by 0.1% (2011: -0.7%) being Bank +1.8% (2011: -0.9%) and Scotts -5.0% (2011: +0.0%). The performance of the Bank fascia was heavily influenced by significant growth in its online channel which, in a very competitive sector, is proving to be an effective method of making targeted promotions to customers.

Gross margin achieved in the Fashion Fascias has reduced from 49.0% to 48.5%. However, this includes a dilutive effect from clearing excess and fragmented stocks which we acquired with the Cecil Gee stores and excluding this acquisition the like for like margin was 48.7%. Given the VAT rate rise this is a robust performance for the segment as a whole.

The Bank fascia sells largely branded fashion to both males and females, predominantly for the teenage to mid-twenties sector. In the year the store portfolio grew from 74 stores to 80 stores, still based predominantly in the North and the Midlands. The loss of distribution of two key brands had a significant impact on the overall result with operating profit (before exceptional items) reduced by £2.1 million to £3.1 million (2011: £5.2 million). Bank needs to develop a greater level of exclusivity in its brand mix and our acquisition in the year of Fenchurch will help create that differentiated offer. The Board remains confident about the future prospects for the fascia.

The Scotts fascia stores offer brand authority to older more affluent males. Two loss making stores were closed in the period with no new openings resulting in 35 stores at the year end, largely in the North and the Midlands. The operating profit (before exceptional items) in the year was £0.8 million (2011: £1.2 million). The premium fashion business (which incorporates Cecil Gee) is in the early stages of brand and fascia redevelopment.

Outdoor

The acquisition of Blacks has created a new reporting segment for the Group in Outdoor Retail.

The Blacks business was in a very fractured state on acquisition. We inherited a limited and unbalanced stock position, with a particularly severe lack of stocks in many core high performing lines. The management team is investing a significant amount of time on developing relationships with the key brands and getting stocks flowing again.
In the three weeks from acquisition to year end Blacks generated revenues of £5.9 million, but delivered an operating loss (excluding exceptional items) of £2.2 million for the period, which we attribute to the lack of stock in the business and the inheritance of an excessively large and overrented store portfolio as well as a disproportionate central cost base.

Since acquisition we have closed 81 loss making Blacks stores leaving a current store base of 215 stores. Ultimately, determining the size of the long term store base will depend on store performance when set against newly negotiated rents and associated property costs. We are also evaluating the central overheads and rationalising where appropriate. We do not expect these savings to be wholly realised until Spring 2013 and so, whilst we expect a modest recovery in the second half, we now anticipate that Blacks will be earnings dilutive in the current year.

We have started the process of streamlining the business and included in exceptional items is a charge for £3.5 million for redundancies and other restructuring costs following the initial review of both the store portfolio and overhead cost base. This review process is ongoing and we would anticipate a further charge for restructuring costs in the year to January 2013.

Distribution

The Distribution businesses delivered a small operating profit of £1.1 million (2011: £0.2 million) with good performances from Focus, Kukri, Canterbury and Nicholas Deakins offset by investment at Topgrade Wholesale to build Getthelabel.com and ongoing weak performance in Kooga.

Focus has been an 80% subsidiary of the Group since a controlling interest of the former joint venture was acquired in February 2011. Focus will continue to concentrate on the design, sourcing and distribution of footwear and apparel for own brand and under license brands for both group and external customers. Included within Focus's stable of brands going forward is Peter Werth, which we acquired in the period for £0.4 million, and Fly 53, which we acquired after the year end for £0.5 million. Focus contributed external revenues of £17.2 million and an operating profit (before exceptional items) of £1.4m in the period after the acquisition of the controlling interest.

Kukri has also been an 80% subsidiary of the Group since February 2011 with its global bespoke teamwear business contributing revenues of £16.1 million and an operating profit of £0.5 million. Kukri's principal customers are schools, colleges and universities. Kukri also supply replica apparel and accessories for the Hong Kong Sevens rugby tournament, which is one of the biggest events in the Sevens World Series.

Canterbury's global rugby business had an encouraging year with a strong performance, principally in New Zealand and Australia, from sales associated with the Rugby World Cup. However, after a substantial rise in the losses in the US operation (largely fashionwear) to £1.1 million (2011: £0.3 million) and a smaller rise in the losses of the Canterbury European Fashionwear business to £0.8 million (2011: £0.6 million) the total operating profit for the Canterbury Group reduced to £0.4 million (2011: £1.1 million). We have decided to close the US business and have recognised a total of £1.6m costs associated with the closure within exceptional items. In future, the brand will operate in the US through licensing partners.

The Getthelabel.com online and catalogue business within Topgrade has now been trading for over two years. Sales increased by 58% compared to the prior year which was in line with the initial business plan. However, this required substantial investment in marketing and so consequently the losses with the online business widened by £0.5 million to £1.5 million (2011: £1.0 million). This is not unusual in this phase of the development of a young multi-channel business. However, we anticipate further significant growth this year and would anticipate that the losses in the online business will at least be substantially reduced. The wholesale operation within Topgrade had strong year with operating profits increasing by £0.6 million to £0.8 million (2011: £0.2 million) with good availability of clearance packages from the key brands.

Group Performance

Revenue

Total revenue increased by 19.9% in the year to £1,059.5 million (2011: £883.7 million) of which £139.3 million of sales were generated from businesses acquired in the year, principally from Sprinter (£51.7 million), Champion (£36.9 million), Focus (£17.2 million) and Kukri (£16.1 million).

Gross margin

Total Gross Margin fell from 49.5% to 49.2%. However, excluding the impact of the acquired businesses the margin in the like for like businesses increased by 0.2% to 49.7%. The margin achieved in the acquired businesses was 45.7%.

Operating profits

Operating profit (before exceptional items) decreased by £3.4 million to £76.5 million (2011: £79.9 million) which represents a Group operating margin (before exceptional items) of 7.2% (2011: 9.0%). Operating costs increased to 42.0% of sales (2011: 40.5%) with operating expenses in the like for like businesses of 41.8% and operating expenses in the acquired businesses of 43.2%. Costs increased in the like for like businesses due to duplicate warehouse costs and investments in resource in International Retail, Brands & Licensing and Multi-Channel development.

Following an increase in the exceptional items to £9.7 million (2011: £4.3 million), Group operating profit decreased from £75.6 million to £66.8 million.

The exceptional items (excluding share of exceptional items in joint venture) comprise:

	2012 £m	2011 £m
Loss on disposal of fixed assets	1.2	1.5
Impairment of fixed assets in loss making stores	1.5	-
Onerous store lease provision	(0.2)	1.8
Total property related exceptional costs	**2.5**	**3.3**
Reorganisation of warehouse operations (1)	3.0	-
Closure of Canterbury North America LLC (2)	1.6	-
Blacks restructuring (3)	3.5	-
Total reorganisation and restructuring costs	**8.1**	**-**
Impairment of intangible assets (4)	2.7	-
Gain following acquisition of Focus Brands (5)	(3.6)	-
Impairment of investment property	-	1.0
Total other exceptional (credits) / charges	**(0.9)**	**1.0**

Total exceptional charge	**9.7**	**4.3**

(1) Relates to the reorganisation of the current warehouse operations consisting of the provision for onerous property leases and redundancy costs.
(2) Relates to redundancies and other one off costs incurred in the closure of Canterbury North America. The charge includes £0.1m for the impairment of fixed assets.
(3) Relates to redundancy costs in stores, warehouse and central operations.
(4) The impairment of intangible assets relates to Kooga goodwill and brand name (£1.9 million) and Cecil Gee fascia name (£0.8 million).
(5) The gain on the disposal of the Focus joint venture arose from the remeasurement to fair value of the Group's previously held investment in Focus Brands Limited.

Working capital and financing

The level of acquisition activity through the year together with the capital expenditure incurred on fitting out the Kingsway warehouse means that year end net cash decreased by £25.8 million to £60.3 million (2011: £86.1 million) and the revolving credit facility has been used through most of the year. As a consequence, the Group had a net financing charge of £0.4 million compared to net financing income in the prior year of £0.2 million.

The Group has a £75 million committed syndicated bank facility secured until 12 October 2015. This facility consists of a £60 million revolving credit facility with a margin of 1.25% over LIBOR together with a £15 million working capital facility.

Gross capital expenditure (excluding disposal costs) increased by £12.7 million to £45.7 million (2011: £33.0 million). This increase was a result of spend in the year of £19.4 million (2011: £3.9 million) on fitting out Kingsway. This investment is now largely complete and testing of the sortation equipment has been ongoing for several weeks. We will start taking inbound deliveries into Kingsway from 23 April 2012 and anticipate that the full migration of activity will be complete by late June.

The investment in the retail fascias during the year decreased by £5.3 million to £20.1 million (2011: £25.4 million). This decrease was primarily focused in the core JD fascia where we opened 19 stores (2011: 21 stores) and completed 11 major refurbishments (2011: 14 refurbishments). There was also a reduction in the number of new stores in Bank to 8 stores (2011: 13 stores). Even though we will not be incurring significant expenditure on the Kingsway warehouse, we anticipate that capital expenditure in the year to January 2013 will increase further to approximately £60 million as we look to accelerate the programme of JD store openings and refurbishments in France and Spain. In addition, we will also start a programme to replace the core ERP systems in the retail businesses. This programme of works will take approximately 3 years to complete.

Working capital remains well controlled with suppliers continuing to be paid to agreed terms and settlement discounts taken whenever due.

Store Portfolio

Although slightly lower than the prior year, we have still made a further significant investment in the store portfolio during the year, with expenditure on both new stores and refurbishments of existing space.

During the year, store numbers in the Sports and Fashion fascias moved as follows:

Sports Fascias

(No. Stores)	JD & Size	JD France	Chausport	Champion	Sprinter	**Sport**
Start of year	351	3	73	-	-	**427**
New stores	19	1	4	-	3	**27**
Acquisitions	-	-	-	23	47	**70**
Transfers	-	1	(1)	-	-	**-**
Closures	(15)	-	(2)	(3)	(1)	**(21)**
Close of year	355	5	74	20	49	**503**

(000 Sq Ft)	JD & Size	JD France	Chausport	Champion	Sprinter	**Sport**
Start of year	1,131	5	79	-	-	**1,215**
New stores	66	3	6	-	32	**107**
Acquisitions	-	-	-	98	598	**696**
Transfers	-	1	(1)	-	-	**-**
Closures	(24)	-	(2)	(6)	(27)	**(59)**
Remeasures	10	-	-	-	-	**10**
Close of year	1,183	9	82	92	603	**1,969**

Fashion Fascias

(No. Stores)	Bank	Scotts	Cecil Gee	**Fashion**
Start of year	74	37	-	**111**
New stores	8	-	-	**8**
Acquisitions	-	-	8	**8**
Closures	(2)	(2)	(2)	**(6)**
Close of year	80	35	6	**121**

(000 Sq Ft)	Bank	Scotts	Cecil Gee	**Fashion**
Start of year	210	76	-	**286**
New stores	32	-	-	**32**
Acquisitions	-	-	22	**22**
Closures	(4)	(4)	(6)	**(14)**
Close of year	238	72	16	**326**

Dividends and Earnings per Share

The Board proposes paying a final dividend of 21.20p (2011: 19.20p) bringing the total dividend payable for the year to 25.30p (2011: 23.00p) per ordinary share. The proposed final dividend will be paid on 30 July 2012 to all shareholders on the register at 4 May 2012. The final dividend has been increased by 10% with total dividends payable for the year increased by 10%. The dividend has therefore increased by 198% in 4 years.

The adjusted earnings per ordinary share before exceptional items were 105.89p (2011: 116.86p).

The basic earnings per ordinary share were 96.27p (2011: 114.84p).

Employees

In difficult trading conditions we are more reliant than ever on the skills and energy of our employees around the world to drive performance and the whole Board would like to thank them for their commitment. We remain totally committed to their training and career development and the ongoing development of the Group internationally should enhance their prospects.

Current Trading and Outlook

Whilst we expect some improvement in consumer confidence from the forthcoming international sporting events, we remain cautious for well reported reasons. Trading in the early part of the current financial year has been satisfactory in the core UK and Ireland fascias with net like for like sales for the 9 weeks to 31 March 2012 of +1.2% (Sports Fascias +1.0%, Fashion Fascias +2.3%). Margins remain under pressure as consumers continue to be offer driven.

It is clear that the recently acquired Blacks business will be dilutive to earnings this year whilst we resolve the challenges across the business, particularly with regards to stock and property. We envisage that the majority of the earnings dilution will come in the first half of the year.

The Group is exceptionally well positioned with its retail proposition, financial resources and management experience to take advantage of any opportunities both in the UK and internationally. Whilst the Board recognises that current expansion activity is likely to impact returns in the short term, it remains confident that the Group is being positioned to deliver longer term earnings growth and increasing shareholder returns.

A further update will be made in our Interim Management Statement no later than 15 June 2012.

Peter Cowgill
Executive Chairman
12 April 2012

Consolidated Income Statement
For the 52 weeks ended 28 January 2012

	Note	**52 weeks to 28 January 2012 £000**	52 weeks to 29 January 2011 £000
Revenue		**1,059,523**	883,669
Cost of sales		**(538,676)**	(446,657)
Gross profit		**520,847**	437,012
Selling and distribution expenses - normal		**(403,923)**	(326,296)
Selling and distribution expenses - exceptional		**(10,532)**	(3,277)
Administrative expenses - normal		**(43,193)**	(32,966)
Administrative expenses - exceptional		**847**	(1,007)
Other operating income		**2,730**	2,177
Operating profit		**66,776**	75,643
Before exceptional items		**76,461**	79,927

Exceptional items	2	**(9,685)**	(4,284)
Operating profit		**66,776**	75,643
Share of results of joint venture before exceptional items (net of income tax)	3	**(102)**	1,475
Share of exceptional items (net of income tax)	3	**1,170**	1,348
Share of results of joint venture	3	**1,068**	2,823
Financial income		**646**	618
Financial expenses		**(1,048)**	(455)
Profit before tax		**67,442**	78,629
Income tax expense		**(18,093)**	(22,762)
Profit for the period		**49,349**	55,867
Attributable to equity holders of the parent		**46,847**	55,884
Attributable to non-controlling interest		**2,502**	(17)
Basic earnings per ordinary share	4	**96.27p**	114.84p
Diluted earnings per ordinary share	4	**96.27p**	114.84p

Consolidated Statement of Comprehensive Income
For the 52 weeks ended 28 January 2012

	52 weeks to 28 January 2012 £000	52 weeks to 29 January 2011 £000
Profit for the period	**49,349**	55,867
Other comprehensive income:		
Exchange differences on translation of foreign operations	**(2,096)**	95
Total other comprehensive income for the period	**(2,096)**	95
Total comprehensive income and expense for the period (net of income tax)	**47,253**	55,962
Attributable to equity holders of the parent	**44,751**	55,979
Attributable to non-controlling interest	**2,502**	(17)

Consolidated Statement of Financial Position
As at 28 January 2012

	As at 28 January 2012 £000	As at 29 January 2011 £000
Assets		
Intangible assets	**99,814**	58,315
Property, plant and equipment	**119,518**	78,120
Investment property	**-**	3,000
Other assets	**16,975**	13,047
Equity accounted investment in joint venture	**-**	3,458
Deferred tax assets	**-**	125
Total non-current assets	**236,307**	156,065
Inventories	**130,355**	84,490
Trade and other receivables	**54,147**	37,105
Cash and cash equivalents	**67,024**	90,131
Total current assets	**251,526**	211,726
Total assets	**487,833**	367,791
Liabilities		
Interest-bearing loans and borrowings	**(5,547)**	(2,874)

Trade and other payables	**(196,052)**	(128,445)
Provisions	**(3,375)**	(2,591)
Income tax liabilities	**(8,861)**	(12,370)
Total current liabilities	**(213,835)**	(146,280)
Interest-bearing loans and borrowings	**(1,182)**	(1,117)
Other payables	**(36,149)**	(28,782)
Provisions	**(6,407)**	(6,437)
Deferred tax liabilities	**(1,012)**	-
Total non-current liabilities	**(44,750)**	(36,336)
Total liabilities	**(258,585)**	(182,616)
Total assets less total liabilities	**229,248**	185,175
Capital and reserves		
Issued ordinary share capital	**2,433**	2,433
Share premium	**11,659**	11,659
Retained earnings	**207,503**	171,916
Other reserves	**(6,339)**	(1,918)
Total equity attributable to equity holders of the parent	**215,256**	184,090
Non-controlling interest	**13,992**	1,085
Total equity	**229,248**	185,175

Consolidated Statement of Changes in Equity
For the 52 weeks ended 28 January 2012

	Ordinary Share Capital £000	**Share Premium £000**	**Retained Earnings £000**	**Other Equity £000**	**Foreign Currency Translation Reserve £000**	**Total Equity Attributable To Equity Holders Of The Parent £000**
Balance at 30 January 2010	2,433	11,659	125,341	-	(244)	139,189
Profit for the period	-	-	55,884	-	-	55,884
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	-	95	95
Total other comprehensive income	-	-	-	-	95	95
Total comprehensive income for the period	-	-	55,884	-	95	55,979
Dividends to equity holders	-	-	(9,002)	-	-	(9,002)
Put options held by non-controlling interests	-	-	-	(1,769)	-	(1,769)
Acquisition of non-controlling interest	-	-	(627)	-	-	(627)
Disposal of non-controlling interest	-	-	320	-	-	320
Balance at 29 January 2011	2,433	11,659	171,916	(1,769)	(149)	184,090
Profit for the period	-	-	46,847	-	-	46,847
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	-	(2,096)	(2,096)
Total other comprehensive income	-	-	-	-	(2,096)	(2,096)
Total comprehensive income for the period	-	-	46,847	-	(2,096)	44,751
Dividends to equity holders	-	-	(11,338)	-	-	(11,338)
Put options held by non-controlling interests	-	-	-	(2,325)	-	(2,325)

Non-controlling interest arising on acquisition	-	-	-	-	-	-
Disposal of non-controlling interest	-	-	78	-	-	78
Balance at 28 January 2012	**2,433**	**11,659**	**207,503**	**(4,094)**	**(2,245)**	**215,256**

Put options are held by the 49% non-controlling interest in Canterbury of New Zealand Limited and 25% non-controlling interest in Canterbury International (Australia) Pty Limited.

Consolidated Statement of Changes in Equity (continued)
For the 52 weeks ended 28 January 2012

	Total Equity Attributable To Equity Holders Of The Parent £000	Non-Controlling Interest £000	Total Equity £000
Balance at 30 January 2010	139,189	1,333	**140,522**
Profit for the period	55,884	(17)	**55,867**
Other comprehensive income:			
Exchange differences on translation of foreign operations	95	-	**95**
Total other comprehensive income	95	-	**95**
Total comprehensive income for the period	55,979	(17)	**55,962**
Dividends to equity holders	(9,002)	-	**(9,002)**
Put options held by non-controlling interests	(1,769)	-	**(1,769)**
Acquisition of non-controlling interest	(627)	(573)	**(1,200)**
Disposal of non-controlling interest	320	342	**662**
Balance at 29 January 2011	184,090	1,085	**185,175**
Profit for the period	46,847	2,502	**49,349**
Other comprehensive income:			
Exchange differences on translation of foreign operations	(2,096)	-	**(2,096)**
Total other comprehensive income	(2,096)	-	**(2,096)**
Total comprehensive income for the period	44,751	2,502	**47,253**
Dividends to equity holders	(11,338)	(140)	**(11,478)**
Put options held by non-controlling interests	(2,325)	-	**(2,325)**
Non-controlling interest arising on acquisition	-	10,622	**10,622**
Disposal of non-controlling interest	78	(77)	**1**
Balance at 28 January 2012	**215,256**	**13,992**	**229,248**

Consolidated Statement of Cash Flows
For the 52 weeks ended 28 January 2012

	52 weeks to 28 January 2012 £000	52 weeks to 29 January 2011 £000
Cash flows from operating activities		
Profit for the period	**49,349**	55,867
Share of results of joint venture	**(1,068)**	(2,823)
Income tax expense	**18,093**	22,762
Financial expenses	**1,048**	455
Financial income	**(646)**	(618)
Depreciation and amortisation of non-current assets	**24,353**	20,375

Exchange differences on translation	**(764)**	(158)
Impairment of intangible assets	**2,715**	-
Impairment of non-current assets	**1,586**	-
Dividend received from joint venture	**(2,691)**	-
Gain on disposal of joint venture	**(871)**	-
Reorganisation of current warehouse operations	**3,000**	-
Blacks restructuring	**3,500**	-
Closure of Canterbury North America LLC	**1,512**	-
Impairment of investment property	**-**	1,007
Loss on disposal of non-current assets	**1,148**	1,440
Increase in inventories	**(14,397)**	(9,622)
Increase in trade and other receivables	**(2,780)**	(5,209)
Increase in trade and other payables	**11,952**	14,676
Interest paid	**(1,048)**	(455)
Income taxes paid	**(25,084)**	(22,002)
Net cash from operating activities	**68,907**	75,695
Cash flows from investing activities		
Interest received	**646**	618
Proceeds from sale of non-current assets	**171**	1,082
Disposal costs of non-current assets	**(312)**	(491)
Acquisition of intangible assets	**(1,711)**	(9,560)
Acquisition of property, plant and equipment	**(43,846)**	(30,855)
Acquisition of non-current other assets	**(1,903)**	(2,114)
Cash consideration of acquisitions	**(26,106)**	-
Cash acquired with acquisitions	**4,019**	-
Overdrafts acquired with acquisitions	**(3,326)**	-
Dividend received from joint venture	**7,217**	-
Loan repayments received from joint venture	**-**	923
Net cash used in investing activities	**(65,151)**	(40,397)
Cash flows from financing activities		
Repayment of interest-bearing loans and borrowings	**(16,755)**	(310)
Repayment of finance lease liabilities	**(1,459)**	-
Acquisition of non-controlling interest	**-**	(1,200)
Sale of subsidiary shares to non-controlling interest	**2**	662
Equity dividends paid	**(11,338)**	(9,002)
Dividends paid to non-controlling interest in subsidiaries	**(140)**	-
Net cash used in financing activities	**(29,690)**	(9,850)
Net (decrease)/increase in cash and cash equivalents	**(25,934)**	25,448
Cash and cash equivalents at the beginning of the period	**87,545**	62,097
Cash and cash equivalents at the end of the period	**61,611**	87,545

Analysis of Net Cash
As at 28 January 2012

	At 29 January 2011 £000	On acquisition of subsidiaries £000	Cash flow £000	**At 28 January 2012 £000**
Cash at bank and in hand	90,131	4,019	(27,126)	**67,024**
Overdrafts	(2,586)	(3,326)	499	**(5,413)**
Cash and cash equivalents	**87,545**	**693**	**(26,627)**	**61,611**
Interest-bearing loans and borrowings:				
Bank loans	(575)	(16,006)	16,292	**(289)**
Finance lease liabilities	-	(2,119)	1,459	**(660)**
Other loans	(830)	-	463	**(367)**
	86,140	**(17,432)**	**(8,413)**	**60,295**

1. Segmental analysis

IFRS 8 'Operating Segments' requires the Group's segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to the segments and to assess their performance. The Chief Operating Decision Maker is considered to be the Executive Chairman of JD Sports Fashion Plc.

Information reported to the Chief Operating Decision Maker is focused on the nature of the businesses within the Group. A new reportable segment has been created in the current year on acquisition of the Blacks business which signalled an entry into the outdoor retail segment for the Group. The Group's reportable segments under IFRS 8 are therefore as follows:

- Sport retail - includes the results of the sport retail trading companies JD Sports Fashion Plc, John David Sports Fashion (Ireland) Limited, Chausport SA, Champion Sports (Holdings), JD Sprinter Holdings 2010 SL and Duffer of St George Limited
- Fashion retail - includes the results of the fashion retail trading companies Bank Fashion Limited, RD Scott Limited and Premium Fashion Limited
- Outdoor retail - includes the results of Blacks Outdoor Retail Limited
- Distribution businesses - includes the results of the distribution companies Topgrade Sportswear Limited, Nicholas Deakins Limited, Canterbury Limited (including global subsidiary companies), Kooga Rugby Limited, Nanny State Limited, Focus Brands Limited and Kukri Sports Limited (including global subsidiary companies)

The Chief Operating Decision Maker receives and reviews segmental operating profit. Certain central administrative costs including Group Directors' salaries are included within the Group's core 'Sport retail' result. This is consistent with the results as reported to the Chief Operating Decision Maker.

IFRS 8 requires disclosure of information regarding revenue from major products and customers. The majority of the Group's revenue is derived from the retail of a wide range of apparel, footwear and accessories to the general public. As such, the disclosure of revenues from major products and customers is not appropriate. Disclosure of revenue from major product groups is not provided at this time due to the cost involved to develop a reliable product split on a same category basis across all companies in the Group.

Intersegment transactions are undertaken in the ordinary course of business on arms length terms.

The Board consider that certain items are cross divisional in nature and cannot be allocated between the segments on a meaningful basis. The share of results of joint venture is presented as unallocated in the following tables, as this entity had trading relationships with companies in all of the Group's segments. An asset of £nil (2011: £3,458,000) for the equity accounted investment in joint venture is included within the unallocated segment. The exceptional credits pertaining to the dividend received from joint venture (£2,691,000) and gain on disposal of joint venture (£871,000) are included within the unallocated segment. Net funding costs and taxation are treated as unallocated reflecting the nature of the Group's syndicated borrowing facilities and its tax group. A deferred tax liability of £1,012,000 (2011: asset of £125,000) and an income tax liability of £8,861,000 (2011: £12,370,000) are included within the unallocated segment.

Each segment is shown net of intercompany transactions and balances within that segment. The eliminations remove intercompany transactions and balances between different segments which primarily relate to the net down of long term loans and short term working capital funding provided by JD Sports Fashion Plc (within Sport retail) to other companies in the Group, and intercompany trading between companies in different segments.

Business Segments

Information regarding the Group's reportable operating segments for the 52 weeks to 28 January 2012 is shown below:

Income statement

	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Unallocated £000	Total £000
Gross revenue	774,991	151,642	5,876	135,117	-	1,067,626
Intersegment revenue	(380)	-	-	(7,723)	-	(8,103)
Revenue	774,611	151,642	5,876	127,394	-	1,059,523
Operating profit / (loss) before exceptional items	74,301	3,303	(2,199)	1,056	-	76,461
Exceptional items	(4,654)	(1,538)	(3,500)	(3,555)	3,562	(9,685)
Operating profit / (loss)	69,647	1,765	(5,699)	(2,499)	3,562	66,776
Share of results of joint venture						1,068
Financial income						646
Financial expenses						(1,048)
Profit before tax						67,442
Income tax expense						(18,093)
Profit for the period						49,349

Total assets and liabilities

	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Unallocated £000	Eliminations £000	Total £000
Total assets	408,256	60,587	38,509	68,485	-	(88,004)	487,833
Total liabilities	(169,320)	(53,852)	(42,322)	(71,222)	(9,873)	88,004	(258,585)

Other segment information

	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Total £000
Capital expenditure:					
Brand names purchased	1,500	-	-	211	1,711
Property, plant and equipment	37,656	4,090	-	2,100	43,846
Non-current other assets	1,903	-	-	-	1,903
Depreciation, amortisation and impairments:					
Depreciation and amortisation of non-current assets	18,990	3,618	-	1,745	24,353
Impairment of intangible assets	-	838	-	1,877	2,715
Impairment of non-current assets	202	1,282	-	102	1,586

The comparative segmental results for the 52 weeks to 29 January 2011 are as follows:

Income statement

	Sport Retail £000	Fashion Retail £000	Distribution £000	Total £000
Gross revenue	667,224	134,110	85,498	886,832
Intersegment revenue	(1,290)	(162)	(1,711)	(3,163)
Revenue	665,934	133,948	83,787	883,669
Operating profit before exceptional items	73,340	6,399	188	79,927
Exceptional items	(2,687)	(1,573)	(24)	(4,284)
Operating profit	70,653	4,826	164	75,643
Share of results of joint venture				2,823
Financial income				618
Financial expenses				(455)
Profit before tax				78,629
Income tax expense				(22,762)
Profit for the period				55,867

Total assets and liabilities

	Sport Retail £000	Fashion Retail £000	Distribution £000	Unallocated £000	Eliminations £000	Total £000
Total assets	310,244	56,182	50,822	3,583	(53,040)	367,791
Total liabilities	(120,727)	(51,546)	(51,013)	(12,370)	53,040	(182,616)

Other segment information

	Sport Retail £000	Fashion Retail £000	Distribution £000	Total £000
Capital expenditure:				
Brand licence purchased	7,500	-	-	7,500
Brand names purchased	1,710	-	350	2,060
Property, plant and equipment	23,553	6,656	646	30,855
Non-current other assets	2,092	22	-	2,114
Depreciation, amortisation and impairments:				
Depreciation and amortisation of non-current assets	15,679	3,454	1,242	20,375
Impairment of investment property	1,007	-	-	1,007

Geographical Information

The Group's operations are located in the UK, Republic of Ireland, France, Spain, Australia, New Zealand, United States of America, Canada and Hong Kong.

The following table provides analysis of the Group's revenue by geographical market, irrespective of the origin of the goods/services:

	52 weeks to 28 January 2012 £000	52 weeks to 29 January 2011 £000
UK	**863,771**	801,728
Europe	**157,668**	55,027
Rest of world	**38,084**	26,914
	1,059,523	883,669

The revenue from any individual country, with the exception of the UK, is not more than 10% of the Group's total revenue.

The following is an analysis of the carrying amount of segmental non-current assets, excluding the investment in joint venture of £nil (2011: £3,458,000) and deferred tax assets of £nil (2011: £125,000), by the geographical area in which the assets are located:

	2012 £000	2011 £000
UK	**176,657**	135,852
Europe	**59,090**	16,362
Rest of world	**560**	268
	236,307	152,482

2. Exceptional items

	52 weeks to 28 January 2012 £000	52 weeks to 29 January 2011 £000
Loss on disposal of non-current assets (1)	**1,148**	1,440
Impairment of non-current assets (2)	**1,586**	-
Onerous lease provision (3)	**(214)**	1,837
Reorganisation of warehouse operations (4)	**3,000**	-
Closure of Canterbury North America LLC (5)	**1,512**	-
Blacks restructuring (6)	**3,500**	-
Selling and distribution expenses - exceptional	**10,532**	3,277
Gain on acquisition (7)	**(871)**	-
Dividend received from joint venture (8)	**(2,691)**	-
Impairment of intangible assets (9)	**2,715**	-
Impairment of investment property (10)	**-**	1,007
Administrative expenses - exceptional	**(847)**	1,007
	9,685	4,284

(1) Relates to the excess of net book value of property, plant and equipment and non-current other assets disposed over proceeds received
(2) Relates to property, plant and equipment and non-current other assets in cash-generating units which are loss making, where it is considered that this position cannot be recovered. The charge includes £101,000 in relation to the closure of the Canterbury North America LLC operations
(3) Relates to the net movement in the provision for onerous property leases on trading and non-trading stores
(4) Relates to the reorganisation of the current warehouse operations consisting of the provision of onerous property leases and redundancy costs
(5) Relates to the closure of the Canterbury North America LLC operations. Included in the impairment of non-current assets is a further £101,000 which relates to the closure of these operations
(6) Relates to the restructuring of the Blacks business following acquisition
(7) Relates to the remeasurement in fair value of the Group's previously held investment in Focus Brands Limited
(8) A dividend of £7,217,000 was received from Focus Brands Limited on 15 February 2011 prior to the Group's acquisition of a further 31% of the issued share capital of Focus Brands Limited. The dividend received was eliminated against the carrying value of the Group's equity accounted investment with the excess of £2,691,000 recognised in the Consolidated Income Statement as an exceptional credit
(9) Relates to the impairment in the period to 28 January 2012 of the goodwill and brand name arising on the acquisition of Kooga Rugby Limited and the fascia name on the acquisition of Premium Fashion Limited

(10) Relates to the impairment in the period to 29 January 2011 of investment property

These selling and distribution expenses and administrative expenses are exceptional items as they are, in aggregate, material in size and unusual or infrequent in nature.

3. Interest in joint venture

On 3 December 2007, the Group acquired 49% of the issued share capital of Focus Brands Limited for an initial cash consideration of £49,000 together with associated fees of £456,000. Focus Brands Limited was a jointly controlled entity set up for the purposes of acquiring Focus Group Holdings Limited and its subsidiary companies ('Focus Group'). The Focus Group is involved in the design, sourcing and distribution of branded and own brand footwear, apparel and accessories. Focus Brands Limited was jointly controlled with the former shareholders of Focus Group Holdings Limited.

On 16 February 2011, the Group acquired a further 31% of the issued share capital of Focus Brands Limited for a cash consideration of £1,000,000, with potential further deferred consideration of £250,000 depending on performance. As a result there is no further deferred consideration payable on the original transaction. The additional shares purchased since the reporting date take the Group's holding in Focus Brands Limited to 80%, thereby giving the Group control. Focus Brands Limited is now a subsidiary of the Group rather than a jointly-controlled entity.

The results and assets and liabilities of the Focus Group were incorporated in the consolidated financial statements using the equity method of accounting as a joint venture for the period to 16 February 2011. The interest in the joint venture in the Group's Consolidated Statement of Financial Position is based on the share of the net assets, which are as follows:

	As at 28 January 2012 £000	As at 29 January 2011 £000
Non-current assets	-	447
Current assets	-	5,196
Current liabilities	-	(2,185)
Total net assets	-	3,458

The Group's share of the revenue generated by the joint venture in the period was £841,000(2011: £15,418,000).
The amount included in the Consolidated Income Statement in relation to the joint venture is as follows:

	Before exceptionals £000	Exceptionals £000	After exceptionals £000
Share of result before tax	(143)	1,166	1,023
Tax	41	4	45
Share of result after tax	(102)	1,170	1,068

The comparative amount included in the Consolidated Income Statement for the period ended 29 January 2011 in relation to the joint venture is as follows:

	Before exceptionals £000	Exceptionals £000	After exceptionals £000
Share of result before tax	2,102	1,549	3,651
Tax	(627)	(201)	(828)
Share of result after tax	1,475	1,348	2,823

The exceptional items in the current year relates to a further reversal of the impairment of the investment held by Focus Brands Limited in Focus Group Holdings Limited, following an additional repayment of original purchase consideration by the vendors of Focus Group Holdings Limited. This process is now complete and Focus is an 80% subsidiary of the Group. The exceptional items in the prior year relate to unrealised gains on foreign exchange contracts and the reversal of the impairment of the investment held by Focus Brands Limited in Focus Group Holdings Limited, following repayment of original purchase consideration by the vendors of Focus Group Holdings Limited.

4. Earnings per ordinary share

Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share at 28 January 2012 is based on the profit for the period attributable to equity holders of the parent of £46,847,000 (2011: £55,884,000) and a weighted average number of ordinary shares outstanding during the 52 weeks ended 28 January 2012 of 48,661,658 (2011: 48,661,658).

	52 weeks to 28 January 2012	52 weeks to 29 January 2011

Issued ordinary shares at beginning and end of period		**48,661,658**	48,661,658

Adjusted basic and diluted earnings per ordinary share

Adjusted basic and diluted earnings per ordinary share have been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain exceptional items. The Directors consider that this gives a more meaningful measure of the underlying performance of the Group.

	Note	**52 weeks to 28 January 2012 £000**	52 weeks to 29 January 2011 £000
Profit for the period attributable to equity holders of the parent		**46,847**	55,884
Exceptional items excluding loss on disposal of non-current assets	2	**8,537**	2,844
Tax relating to exceptional items		**(2,689)**	(514)
Share of exceptional items of joint venture (net of income tax)	3	**(1,170)**	(1,348)
Profit for the period attributable to equity holders of the parent excluding exceptional items		**51,525**	56,866
Adjusted basic and diluted earnings per ordinary share		**105.89p**	116.86p

5. Acquisitions

Current period acquisitions

Acquisition of Kukri Sports Limited

On 7 February 2011, the Group acquired 80% of the issued share capital of Kukri Sports Limited for a cash consideration of £1. Kukri Sports Limited has a number of subsidiaries around the world, which source and provide bespoke sports teamwear to schools, universities and sports clubs. In addition, Kukri Sports Limited is sole kit supplier to a number of professional sports teams and international associations.

During the period since acquisition to 28 January 2012, certain measurement adjustments have been made to the fair values of the net assets of Kukri Sports Limited as at the acquisition date in accordance with IFRS 3 'Business Combinations'. The goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Fair value at 28 January 2012 £000
Acquiree's net liabilities at the acquisition date:			
Intangible assets	-	720	720
Property, plant & equipment	281	(60)	221
Inventories	749	(131)	618
Trade and other receivables	1,692	(40)	1,652
Cash and cash equivalents	128	-	128
Trade and other payables	(4,176)	(322)	(4,498)
Interest-bearing loans and borrowings	(986)	-	(986)
Deferred tax asset / (liabilities)	8	(152)	(144)
Net identifiable liabilities	(2,304)	15	(2,289)
Non-controlling interest	633	3	636
Goodwill on acquisition			1,653
Consideration paid - satisfied in cash			-

The Group's non-controlling interest arising on acquisition of £636,000 includes indirect ownership within the Kukri group of companies.

The fair value of trade and other receivables is £1,652,000 and includes trade receivables with a fair value of £1,220,000. The gross contractual amount for trade receivables due is £1,309,000 of which £89,000 is expected to be uncollectable.

The Kukri brand has been identified as a separate intangible asset and this amount is included within acquired intangible assets as a brand name. The Board believes that the excess of consideration paid over net identifiable liabilities is best considered as goodwill on acquisition, predominately representing employee expertise.

Included in the 52 week period to 28 January 2012 is revenue of £16,127,000 and a profit before tax of £532,000 in respect of Kukri Sports Limited.

Acquisition of additional shares in Focus Brands Limited

On 16 February 2011, the Group acquired a further 31% of the issued share capital of Focus Brands Limited for a cash consideration of £1,000,000, with potential further deferred consideration of £250,000 depending on performance. The Group's original share of 49% was acquired on 3 December 2007. Focus Brands Limited was originally incorporated in order to acquire Focus Group Holdings Limited and its subsidiary companies and was an entity jointly controlled by the Group and the former shareholders of Focus Group Holdings Limited. The additional shares purchased take the Group's holding in Focus Brands Limited to 80%, thereby giving the Group control. Focus Brands Limited is now a subsidiary of the Group rather than a jointly-controlled entity. The increase in Group ownership has resulted in a gain of £871,000 being recognised as an exceptional credit in the Consolidated Income Statement upon remeasurement of the Group's previously held equity interest to fair value.

During the period since acquisition to 28 January 2012, certain measurement adjustments have been made to the fair values of the net assets of Focus Brands Limited as at the acquisition date in accordance with IFRS 3 'Business Combinations'. The goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Fair value at 28 January 2012 £000
Acquiree's net assets at the acquisition date:			
Property, plant & equipment	635	-	635
Inventories	2,744	-	2,744
Trade and other receivables	1,138	-	1,138
Cash and cash equivalents	543	-	543
Trade and other payables	(2,025)	(200)	(2,225)
Interest-bearing loans and borrowings	(16)	-	(16)
Income tax liabilities	(1,080)	56	(1,024)
Deferred tax liabilities	(19)	-	(19)
Net identifiable assets	1,920	(144)	1,776
Non-controlling interest (20%)	(384)	29	(355)
Goodwill on acquisition			700
Gain on remeasurment of previously held interest in Focus Brands Limited (see note 3)			(871)
Consideration paid - satisfied in cash			1,000
Deferred consideration			250
Total consideration			1,250

The fair value of trade and other receivables is £1,138,000 and includes trade receivables with a fair value of £910,000. The gross contractual amount for trade receivables due is £917,000 of which £7,000 is expected to be uncollectable.

The Board believes that the excess of consideration paid over net identifiable assets is best considered as goodwill on acquisition, representing employee expertise and anticipated future operating synergies.

Included in the 52 week period to 28 January 2012 is revenue of £26,442,000 and a profit before tax of £1,280,000 in respect of Focus Brands Limited. Included within revenue is £9,286,000 of revenue to other Group companies which has therefore been eliminated on consolidation.

Acquisition of Champion Sports (Holdings)

On 4 April 2011, the Group (via its subsidiaries The John David Group Limited and JD Sports Limited) acquired 100% of the issued share capital of Champion Sports (Holdings) for a cash consideration of £6 (€7) and have also advanced £15,066,000 (€17,100,000) to allow it to settle all of its indebtedness save for a potential maximum £2,203,000 (€2,500,000) of leasing finance.

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. On acquisition, Champion has one store In Northern Ireland, which has subsequently closed.

During the period since acquisition to 28 January 2012, certain measurement adjustments have been made to the fair values of the net assets of Champion Sports (Holdings) as at the acquisition date in accordance with IFRS 3 'Business Combinations'. The goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Fair value at 28 January 2012 £000
Acquiree's net liabilities at the acquisition date:			
Intangible assets	-	2,000	2,000
Property, plant & equipment	6,384	-	6,384
Inventories	4,560	-	4,560
Trade and other receivables	2,645	-	2,645
Cash and cash equivalents	1,456	-	1,456
Interest-bearing loans and borrowings	(40,677)	23,695	(16,982)
Trade and other payables	(9,660)	(411)	(10,071)
Provisions	(1,416)	-	(1,416)
Deferred tax liabilities	(141)	(879)	(1,020)
Net identifiable liabilities	(36,849)	24,405	(12,444)
Goodwill on acquisition			12,444
Consideration paid - satisfied in cash			-

Measurement adjustments include a reduction of £23,695,000 in interest-bearing loans and borrowings following an agreement with the lender.

The fair value of trade and other receivables is £2,645,000 and includes trade receivables with a fair value of £12,000. The gross contractual amount for trade receivables is £12,000, of which £nil is expected to be uncollectable.

The intangible asset acquired represents the fair value of the 'Champion' fascia name. The Board believes that the excess of consideration paid over net identifiable liabilities is best considered as goodwill on acquisition, representing employee expertise and anticipated future operating synergies.

Subsequent to the acquisition and prior to 28 January 2012 the loan of €17,100,000 has been capitalised as an investment.

Included in the 52 week period to 28 January 2012 is revenue of £36,916,000 and a loss before tax of £119,000 in respect of Champion Sports Holdings.

Acquisition of JD Sprinter Holdings 2010 SL

On 17 June 2011, the Group, via its new 50.1% owned subsidiary JD Sprinter Holdings 2010 SL ('JD Sprinter'), acquired 100% of the trading businesses that make up the Sprinter group of companies in Spain. The remaining 49.9% of the shares in JD Sprinter are owned equally between the Segarra family, who founded Sprinter, and the Bernad family, who have been investors in Sprinter for 15 years. JD have made an investment of £17,536,000 (€20,000,000) into JD Sprinter by way of subscription for its new shares and the Segarra and Bernad families have put the Sprinter companies into JD Sprinter as consideration for their new shares.

Sprinter was founded in 1981 and is one of the leading sports retailers in Spain selling footwear, apparel, accessories and equipment for a wide range of sports as well as some lifestyle casual wear including childrenswear. This offer includes both international sports brands and successful own brands. Sprinter is based in Elche in South East Spain and on acquisition had 47 stores primarily based in Andalucia and Levante.

During the period since acquisition to 28 January 2012, certain measurement adjustments have been made to the provisional fair values of the net assets of JD Sprinter Holdings 2010 SL as at the acquisition date in accordance with IFRS 3 'Business Combinations'. The provisional goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Provisional fair value at 28 January 2012 £000
Acquiree's net assets at the acquisition date:			
Intangible assets	-	5,058	5,058
Property, plant & equipment	8,192	861	9,053
Non-current other assets	1,035	-	1,035
Inventories	15,426	-	15,426
Trade and other receivables	383	-	383
Cash and cash equivalents	1,832	-	1,832
Interest-bearing loans and borrowings	(3,326)	-	(3,326)
Trade and other payables	(20,330)	373	(19,957)
Provisions	(355)	-	(355)
Deferred tax asset / (liabilities)	735	(2,064)	(1,329)
Net identifiable assets	3,592	4,228	7,820
Non-controlling interest (49.9%)	(1,793)	(2,109)	(3,902)
Goodwill on acquisition			6,590
Consideration paid - satisfied in cash			3,508
Consideration paid - share of cash invested in Sprinter			7,000
Total consideration			10,508

The total non-controlling interest arising on the acquisition of JD Sprinter comprises:

Non-controlling interest in net identifiable assets of trading Sprinter companies	3,902
Non-controlling interest in net identifiable assets of JD Sprinter company	7,000
Total non-controlling interest	10,902

Acquisition of JD Sprinter Holdings 2010 SL *(continued)*

On acquisition, the Group invested €20,000,000 of which €4,000,000 was paid to the vendors and €16,000,000 was invested in JD Sprinter Holdings SL. The consideration consists of €12,000,000 being the €4,000,000 paid to the vendors and €8,000,000 which is the element of the cash invested in JD Sprinter that belongs to the non-controlling interest.

The fair value of trade and other receivables is £383,000 and includes trade receivables with a fair value of £87,000. The gross contractual amount for trade receivables is £87,000, of which £nil is expected to be uncollectable.

The intangible asset acquired represents the fair value of the 'Sprinter' fascia name. It is the intention of the Group to trade under the Sprinter fascia for the foreseeable future. The Board believes that the excess of consideration paid over net identifiable assets is best considered as goodwill on acquisition, representing employee expertise and anticipated future operating synergies

Included in the 52 week period to 28 January 2012 is revenue of £51,710,000 and a profit before tax of £4,497,000 in respect of JD Sprinter Holdings 2010 SL.

Blacks Outdoor Retail Limited

On 9 January 2012, the Group acquired, via its subsidiary Blacks Outdoor Retail Limited, the trade and assets of Blacks Leisure Group Plc and certain of its subsidiaries from its Administrators for a total cash consideration of £20,000,000.

Blacks is a long established retailer of specialist outdoor footwear, apparel and equipment and has two fascias (Blacks and Millets) 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 Peter Storm and Eurohike.

The provisional goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Provisional fair value at 28 January 2012 £000
Acquiree's net assets at the acquisition date:			
Intangible assets	3,000	8,500	11,500
Other assets	-	1,650	1,650
Property, plant & equipment	6,799	(3,799)	3,000
Inventories	6,692	-	6,692
Cash and cash equivalents	60	-	60
Trade and other receivables	3,449	1,900	5,349
Trade and other payables	-	(13,022)	(13,022)
Deferred tax liabilities	-	(413)	(413)
Net identifiable assets	20,000	(5,184)	14,816
Goodwill on acquisition	-	-	5,184
Consideration paid - satisfied in cash	-	-	20,000

Measurement adjustments include accruals of £13,022,000 for Retention of Title and other claims arising consequent to the Administration process.

Blacks Outdoor Retail Limited *(continued)*
The fair value of trade and other receivables is £5,349,000 and includes trade receivables with a fair value of £nil.

The intangible assets acquired represent the fair value of the Peter Storm and Eurohike brands as well as the 'Blacks' and 'Millets' fascia name. The Board believes that the excess of consideration paid over net identifiable assets is best considered as goodwill on acquisition, representing employee expertise and anticipated future operating synergies.

Included in the 52 week period to 28 January 2012 is revenue of £5,876,000 and a loss before tax of £5,699,000 in respect of Blacks Outdoor Retail Limited.

Premium Fashion Limited
On 18 June 2011, the Group acquired, via its subsidiary Premium Fashion Limited, the trade and assets of eight stores trading as Cecil Gee along with the Cecil Gee name and inventory from Moss Bros Group Plc for a cash consideration of £1,598,000. No measurement adjustments have been made from the date of acquisition to 28 January 2012.

Subsequently 15% of the issued share capital of Premium Fashion Limited has been disposed of.

Included in the 52 week period to 28 January 2012 is revenue of £6,030,000 and a loss before tax of £1,420,000 in respect of Premium Fashion Limited.

Full year impact of acquisitions
Had the acquisitions of Kukri Sports Limited, Focus Brands Limited, Champion Sports (Holdings), JD Sprinter Holdings 2010 SL, Premium Fashion Limited and Blacks Outdoor Retail Limited been effected at 30 January 2011, the revenue and profit before tax of the Group for the 52 week period to 28 January 2012 would have been £1,254,938,000 and £40,710,000 respectively.

Acquisition costs
Acquisition-related costs amounting to £495,000 (Kukri Sports Limited: £40,000; Focus Brands Limited: £40,000; Champion Sports (Holdings): £120,000; JD Sprinter Holdings 2010 SL: £160,000; Premium Fashion Limited: £45,000 and Blacks Outdoor Retail Limited: £90,000) have been excluded from the consideration transferred and have been recognised as an expense in the year, within administrative expenses in the Consolidated Income Statement.

6. Subsequent events

Fly53
On 2 February 2012, the Group acquired the trade and assets of the 'Fly53' brand, inventory and rights to 14 House of Frasier concession stores from Fly53 Limited and Sabotage Limited for a total cash consideration of £466,000.

Originals
On 14 March 2012, the Group acquired, via its subsidiary R.D. Scotts, the trade and assets of seven stores trading as Originals and the head office along with the Originals name and inventory from Retailchic Limited for a total cash consideration of £150,000.

7. Accounts

The financial information set out above does not constitute the Group's statutory accounts for the 52 weeks ended 28 January 2012 or 29 January 2011 but is derived from those accounts. Statutory accounts for the 52 weeks ended 29 January 2011 have been delivered to the Registrar of

Companies, and those for the 52 weeks to 28 January 2012 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Copies of full accounts will be sent to shareholders in due course. Additional copies will be available from JD Sports Fashion Plc, Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR or online at www.jdplc.com.

END

FR IBMLTMBJBBPT