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JD Sports Fashion Plc
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Proposed disposal of Canterbury and acquisition of the ONETruoSaxon Brand

Introduction

JD Sports Fashion Plc, the leading retailer and distributor of branded sportswear, fashionwear and outdoor clothing and equipment, is pleased to announce that it has reached an agreement to dispose of Canterbury, owner of one of the largest global rugby brands, to Pentland for a total payment of approximately £22.7 million and to acquire the ONETruoSaxon Brand from Pentland for £50,000.

The Transactions are classified under the Listing Rules as "related party transactions" as Pentland holds 57.47 per cent. of the issued share capital of the Company. Consequently, the Transactions are subject to, and conditional upon, the approval of the Company's shareholders. A General Meeting of the Company will be held at 2.00 p.m. on Thursday 13 September 2012 at Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR at which the approval of the Company's shareholders will be sought for the Transactions.

Peter Cowgill, Executive Chairman of JD said:

"Having reviewed the options for Canterbury, we are pleased to have agreed its sale to Pentland on terms which are attractive for JD and provide Pentland with the opportunity to further build and develop the Canterbury brand. Acquiring the ONETruoSaxon brand will allow us to leverage our in-house expertise and offer new products through our core retail fascias."

Summary of Transactions

The Company has reached agreement with Pentland to dispose of Canterbury. An aggregate cash payment of £22,698,521 will be paid by Pentland to the Company, comprising £1 for the entire issued share capital of Canterbury and £22,698,520 for the Canterbury Debt. The proceeds will support additional investment in the Group's core retail business and working capital. The Company has also reached agreement to acquire the ONETruoSaxon Brand from Pentland for a consideration of £50,000.

Information on Canterbury and ONETruoSaxon

Canterbury was initially established in the New Zealand province of Canterbury in 1904 to manufacture and supply rugby jerseys. Backed by over a century of rigorous on-field testing, Canterbury is one of the world's largest rugby brands, distributing both technical and lifestyle products. It is the current kit partner of the international rugby union teams of South Africa and Scotland and of many leading clubs worldwide, including Leinster who recently won the Heineken Cup for a second consecutive year. Canterbury recently secured a long-term partnership to become the official kit partner to the Rugby Football Union. The four year agreement will see Canterbury supplying kit to the England Senior, Saxons, Sevens, Women's and age grade representative teams from September 2012 to beyond the Rugby World Cup in 2015. In the 52 weeks ended 28 January 2012, Canterbury made a consolidated operating profit of £0.4 million and a loss before taxation of £1.1 million. As at 28 January 2012, Canterbury had gross assets of £32.6 million.

ONETruoSaxon was founded in 2000 and is an England-based provider of casual clothing and footwear. Described as an 'anti-fashion' brand, ONETruoSaxon offers a range of wardrobe staples, including jackets, knitwear, polo shirts, denim and footwear. In the year ended 31 December 2010, ONETruoSaxon had gross assets of £0.6 million and made a loss before taxation of £1.5 million.

Background to and reasons for the Transactions

Disposal of Canterbury

The Group acquired its initial interest in Canterbury in August 2009 through the acquisition of the key trading assets and trade of Canterbury Europe Limited from its administrators, along with the global rights to the world famous heritage rugby brands 'Canterbury' and 'Canterbury of New Zealand'. The Group has subsequently consolidated its interest in Canterbury through the acquisition of distributors in a number of key territories, including New Zealand and Australia.

Since acquisition, the Group has been re-building Canterbury's global network, and starting to develop new territories. A strong performance, principally in New Zealand and Australia, from sales associated with the Rugby World Cup led to a total operating profit for the 52 weeks ended 28 January 2012 of £0.4 million after charging losses associated with the largely fashionwear US operations of £1.1 million and a loss of £0.8 million in the European fashionwear business. Canterbury's US business has now been closed and, in future, the brand will operate in the US through licensing partners. More recently, the decision has also been made to wind down the separate European fashionwear business and instead incorporate this activity in the core European business which will provide greater economies of scale and ensure a consistent brand presentation and message to customers.

The Board continues to believe that Canterbury is a significant brand development opportunity and that the recent four year deal agreed with the Rugby Football Union to be its official kit partner will further enhance the reputation and penetration of the Canterbury brand.

Following the acquisition of Blacks, the Group operates in four divisions, being Sports Fascias, Fashion Fascias, Outdoor Retail and Distribution. Retail remains the core focus for the Group. The Group currently only sells a small proportion of Canterbury's products through its own retail fascias and the Board does not believe that the Canterbury brand will be a key component of the Group's future retail proposition. In addition, a substantial element of Canterbury's revenue and earnings are located in New Zealand and Australia, territories where the Group has limited operations and which are significantly distant from the core retail focus of the Group in the UK and continental Europe.

Accordingly, the Board considers that it is in the Group's best interests to dispose of Canterbury on the proposed terms, which the Board believes reflects the future potential of Canterbury and will allow the continuing Group to focus on its retail operations and those brands within its Distribution division which support the core retail proposition.

Acquisition of the ONETrueSaxon Brand

The proposed acquisition of the ONETrueSaxon Brand is in line with the Group's strategy of acquiring brand and intellectual property assets where the Board believes that they will help to support its core retail proposition. Following acquisition, the ONETrueSaxon Brand will become an own brand within the Group's core retail fascias, further enhancing the unique proposition offered to customers.

Recommendation

Pentland does not have any representation on the Board and has not, therefore, taken any part in the Board's consideration of the Transactions.

Pentland has undertaken that it will not vote on, and that it will take all reasonable steps to ensure that its associates will not vote on, either of the Resolutions at the General Meeting.

The Board, having been so advised by Investec, considers both of the Transactions to be fair and reasonable so far as the Shareholders are concerned. The Board also considers that each of the Transactions is in the best interests of the Company and its Shareholders as a whole. The Board therefore unanimously recommends that Shareholders vote in favour of both of the Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own respective beneficial holdings of, in aggregate, 462,510 Ordinary Shares, representing approximately 0.95 per cent. of the Company's existing issued ordinary share capital. In giving its advice, Investec has taken into account the commercial assessment of the Directors.

Enquiries:

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Definitions

The following definitions apply throughout this announcement unless otherwise stated or the context requires otherwise:

"Blacks"	the business and assets of Blacks Leisure Group plc, the Outdoor Group Limited, Eurohike Limited and Just Add Water Limited (all in administration)
"Board" or "Directors"	the board of directors of the Company
"Canterbury"	Canterbury Limited (incorporated and registered in England and Wales with number 6930025)
"Canterbury Debt"	the amount of £22,698,520 owed by the Canterbury Group to the Company as at 31 July 2012
"Canterbury Disposal"	the sale by the Company of the entire issued share capital of Canterbury and the Canterbury Debt to Pentland pursuant to the Canterbury Disposal Agreement
"Canterbury Disposal Agreement"	the sale and purchase agreement dated 22 August 2012 and made between Pentland and the Company
"Canterbury Group"	Canterbury and its subsidiary undertakings, and Canterbury Group Company means any such company
"Company"	JD Sports Fashion Plc (incorporated and registered in England and

	Wales with number 1888425)
"General Meeting"	the general meeting of the Company convened for 2.00 p.m. on Thursday 13 September 2012
"Group"	the Company and its subsidiary undertakings, and Group Company means any such company
"Investec"	Investec Investment Banking, a division of Investec Bank plc
"ONETTrueSaxon"	ONETTrueSaxon Limited (incorporated and registered in England and Wales with number 4962062)
"ONETTrueSaxon Acquisition"	the acquisition by the Company of the ONETTrueSaxon Brand pursuant to the ONETTrueSaxon Acquisition Agreement
"ONETTrueSaxon Acquisition Agreement"	the agreement for the assignment of the ONETTrueSaxon Brand dated 22 August 2012 and made between Pentland, ONETTrueSaxon and the Company
"ONETTrueSaxon Brand"	all intellectual property rights relating to the ONETTrueSaxon brand
"Ordinary Shares"	ordinary shares of 5p each in the capital of the Company
"Pentland"	Pentland Group plc (incorporated and registered in England and Wales with number 793577)
"Resolution 1"	the resolution to approve the Canterbury Disposal, to be proposed at the General Meeting
"Resolution 2"	the resolution to approve the ONETTrueSaxon Acquisition, to be proposed at the General Meeting
"Resolutions"	Resolution 1 and Resolution 2
"Shareholders"	holders of Ordinary Shares
"Transactions"	the Canterbury Disposal and the ONETTrueSaxon Acquisition

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