

John David Group (The) PLC  
05 October 2005

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THE JOHN DAVID GROUP PLC

INTERIM RESULTS

FOR THE TWENTY SIX WEEKS TO 30 JULY 2005

The John David Group Plc (the 'Company' or the 'Group'), a leading specialist retailer of fashionable branded and own brand sports and leisure wear, today announces its interim results for the twenty six weeks ended 30 July 2005.

Turnover was slightly down at £209.6 million (2004: £212.1 million) after a 2.5% fall in average retail square footage.

Group like for like sales declined 0.6%.

Gross margin improved to 46.6% (2004: 46.0%).

Group operating profit (before exceptionals and net financing costs) increased to £2.8 million (2004: £1.8 million).

Net exceptional costs of £3.7 million incurred (2004: £5.9 million), primarily relating to onerous lease costs and store impairment provisions.

Operating loss before financing costs and tax was reduced to £0.9 million (2004: £4.1 million).

Interim dividend of 2.30p per ordinary share (2004: 2.20p).

Inventories reduced by £16.6 million, demonstrating continued success in eliminating out of season lines.

Net debt reduced by £22.1 million, lowering gearing from 93% to 46%.

Peter Cowgill, Executive Chairman, said:

'Our results for the twenty six weeks ended 30 July 2005, reported here for the first time in accordance with International Financial Reporting Standards, show further progress being made in our first half trading performance as well as in our programmes to rationalise the store portfolio and reduce debt. However, the current trading environment is tough and conditions have worsened since our AGM trading statement in July. It is therefore important that we experience better trading going forward and particularly over the crucial Christmas period. We are continuing to cut costs and drive sales wherever possible without moving away from our basic proposition as the market's leading retailer of style driven branded sportswear.

'The future success of the Group is still critically dependent on the Sports Fascias and we have laid the foundations for a significant improvement in future operating margins with the rationalisation of the store portfolio and the elimination of substantial quantities of out of season stock.'

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Introduction

Our results for the twenty six weeks ended 30 July 2005, reported here for the first time in accordance with International Financial Reporting Standards

('IFRS'), show further progress being made in our first half trading performance as well as in our programmes to rationalise the store portfolio and reduce debt. However, the current trading environment is tough and conditions have worsened since our AGM trading statement in July. It is therefore important that we experience better trading going forward and particularly over the crucial Christmas period. We are continuing to cut costs and drive sales wherever possible without moving away from our basic proposition as the market's leading retailer of style driven branded sportswear.

IFRS

The results presented in this announcement have been prepared under IFRS for the first time. Prior period figures have been restated in accordance with an announcement being released simultaneously today.

Group Results

Operating profit before exceptional items and net financing costs was £2.8 million (2004: £1.8 million) and after financing was £1.1 million (2004: loss of £0.3 million).

Like for like sales declined 0.6% (Sport Fascias -0.2%; Fashion Fascias -5.3%) for the twenty six weeks ended 30 July 2005 and average retail square footage fell by 2.5% against the comparable period.

Total sales for the twenty six weeks ended 30 July 2005 were £209.6 million compared with £212.1 million for the six months ended 31 July 2004, a fall of 1.2%.

Gross margin has improved in both Fascias and was 46.6% overall (2004: 46.0%). This is a creditable performance as we have continued to make considerable efforts to cleanse inventories.

Net exceptional costs of £3.7 million (2004: £5.9 million) were incurred in the period, comprising store impairment provisions of £1.1 million (2004: £3.0 million), and onerous lease provisions and store disposal costs of £2.6 million (2004: £2.2 million). The 2004 exceptional costs also included a further £0.7 million, principally for staff termination costs. This year's onerous lease charge relates to stores previously assigned to failed retailers for which rent responsibility has returned to JD under privity of contract following the demise of those retail chains.

After charging exceptional costs, the operating loss before financing and tax was reduced to £0.9 million (2004: £4.1 million). Net financing costs were also reduced to £1.7 million (2004: £2.1 million) reflecting both a reduction in average debt and in bank margin.

Loss before tax was reduced to £2.6 million and after tax to £1.6 million (2004: £6.2 million and £3.5 million respectively).

The basic and diluted earnings per ordinary share were minus 3.29p (2004: minus 7.47p). The adjusted basic earnings per ordinary share were 2.49p (2004: minus 0.04p).

Balance Sheet and Financial Resources

Total expenditure on property, plant and equipment during the period was £3.3 million (2004: £3.2 million).

Inventories were reduced by £16.6 million from its level a year previously to £55.5 million, and were only £1.6 million higher than the £53.9 million at 31 January 2005, demonstrating continued success in eliminating out of season lines.

Net debt was reduced by £22.1 million from £45.4 million at 31 July 2004 to £23.3 million bringing gearing down in the same period from 93% to 46%.

Store Portfolio and Property

The store portfolio changed as follows in the twenty six weeks reported on:

| Sports:                         | Store nos. | Sq Ft '000s |
|---------------------------------|------------|-------------|
| At start of year                | 299        | 1,042       |
| New stores                      | 1          | 6           |
| Store closures                  | (9)        | (19)        |
| Transfers/ stores within stores | 4          | 10          |

|                                 |            |             |
|---------------------------------|------------|-------------|
| Total                           | 295        | 1,039       |
| Fashion:                        | Store nos. | Sq Ft '000s |
| At start of year                | 53         | 164         |
| New stores                      | 0          | 0           |
| Store closures                  | (4)        | (9)         |
| Transfers/ stores within stores | (1)        | (7)         |
| Total                           | 48         | 148         |
| Group:                          | Store nos. | Sq Ft '000s |
| At start of year                | 352        | 1,206       |
| New stores                      | 1          | 6           |
| Store closures                  | (13)       | (28)        |
| Transfers/ stores within stores | 3          | 3           |
| Total                           | 343        | 1,187       |

The only new store opened in the period was Maidstone in July. A further store was opened in Norwich in September. Both are JD Sports stores.

Maximising performance from our current property portfolio including elimination of underperforming stores remains a priority. Thirteen stores were closed in the period and a further four have been closed since 30 July 2005.

#### Current Trading and Outlook

Trading in both the Sports and Fashion Fascias has been disappointing in most recent weeks. Even with our differentiated and significantly exclusive product offer, increasing competition and overcapacity in sportswear retail channels has meant that we have not been immune to the current downturn in consumer spending and footfall. We referred to the impact of the London bombings on Central London trade in our AGM statement in July and that impact was exacerbated by the subsequent further attempted bombings on the day of that announcement. London trade has seen significant double digit declines year on year since that time. The negative impacts on trade in August and the first three weeks of September also included some late deliveries on key lines and a delay in momentum building on the sale of Autumn ranges against last year. Like for like sales for the nine week period from 31 July to 1 October have been -7.6% (Sports -6.8%; Fashion -17.3%). The Group like for like sales performance for the thirty five weeks to 1 October is -2.5% (Sports -2.0%; Fashion -8.2%).

On the positive side, we are heartened that last week was a significantly better week being positive in both Sports and Fashion Fascias for the first time since May. It is important that we now experience a sustained period of better trading going forward and particularly over the crucial Christmas period.

The Fashion business still represents less than 10% of sales and is now managed autonomously with separate systems from a head office in Congleton and a warehouse in Middlewich. The reorganisation was satisfactorily completed in June though initially the amalgamation of two stock files both physically and in system terms left us significantly short of stock in July and August. A new look Scotts store was opened in Hull (in an old AV store) in September and this store has traded well. Further conversions are already underway in Bradford and Bluewater, and brand support is still increasing. Gross margin and operating costs performance are satisfactory but ultimately increases in sales per square foot are required to drive the business forward.

The future success of the Group is still critically dependent on the Sports Fascias. We have laid the foundations for a significant improvement in future operating margins with the rationalisation of the store portfolio and the elimination of substantial quantities of out of season stock lines. What we now need is a return in consumer confidence and footfall. Above average inflationary cost pressure makes earnings growth difficult without like for like sales growth. We continue to look at all overhead savings opportunities but we are also looking more at new merchandising, customer service and footfall conversion tracking initiatives to ensure we capitalise on our differentiated style led fashion product offer. We are also continuing to pursue opportunities to increase returns from our larger space stores.

#### Dividend

The Board has considered both the improved first half trading performance and current trading conditions and has decided to propose an increased interim dividend of 2.30p per ordinary share (2004: 2.20p). It is intended that all shareholders will be offered a scrip dividend alternative to this dividend in a

separate circular to shareholders. The dividend will be paid on 13 January 2006 to shareholders on the register as at close of business on 9 December 2005.

Peter Cowgill  
Executive Chairman  
5 October 2005

CONSOLIDATED INCOME STATEMENT  
For the 26 weeks ended 30 July 2005

|                                               |   | Unaudited<br>26 weeks ended<br>30 July<br>2005<br>Note | Unaudited<br>6 months ended<br>31 July<br>2004<br>£000 | Unaudited<br>52 weeks ended<br>29 January<br>2005<br>£000 |
|-----------------------------------------------|---|--------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|
| REVENUE                                       |   | 209,608                                                | 212,079                                                | 471,656                                                   |
| Cost of sales                                 |   | (111,935)                                              | (114,530)                                              | (256,504)                                                 |
| GROSS PROFIT                                  |   | 97,673                                                 | 97,549                                                 | 215,152                                                   |
| Net operating expenses                        |   | (98,608)                                               | (101,652)                                              | (207,393)                                                 |
| OPERATING (LOSS)/PROFIT<br>BEFORE FINANCING   |   | (935)                                                  | (4,103)                                                | 7,759                                                     |
| Before exceptional items                      |   | 2,799                                                  | 1,853                                                  | 17,098                                                    |
| Exceptional items                             | 2 | (3,734)                                                | (5,956)                                                | (9,339)                                                   |
| OPERATING (LOSS) / PROFIT<br>BEFORE FINANCING |   | (935)                                                  | (4,103)                                                | 7,759                                                     |
| Financial income                              |   | 156                                                    | 170                                                    | 304                                                       |
| Financial expenses                            |   | (1,814)                                                | (2,285)                                                | (4,461)                                                   |
| (LOSS)/PROFIT BEFORE TAX                      |   | (2,593)                                                | (6,218)                                                | 3,602                                                     |
| Income tax credit/(expense)                   | 3 | 1,037                                                  | 2,727                                                  | (1,341)                                                   |
| (LOSS)/PROFIT FOR THE<br>PERIOD               |   | (1,556)                                                | (3,491)                                                | 2,261                                                     |
| Earnings per ordinary share:                  |   |                                                        |                                                        |                                                           |
| - Basic                                       | 4 | (3.29p)                                                | (7.47p)                                                | 4.81p                                                     |
| - Diluted                                     | 4 | (3.29p)                                                | (7.47p)                                                | 4.81p                                                     |

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE  
For the 26 weeks ended 30 July 2005

The Group has no recognised gains or losses during the current or previous period other than the results reported above.

CONSOLIDATED BALANCE SHEET  
As at 30 July 2005

|                               |  | Unaudited<br>As at<br>30 July<br>2005<br>Note | Unaudited<br>As at<br>31 July<br>2004<br>£000 | Unaudited<br>As at<br>29 January<br>2005<br>£000 |
|-------------------------------|--|-----------------------------------------------|-----------------------------------------------|--------------------------------------------------|
| ASSETS                        |  |                                               |                                               |                                                  |
| Intangible assets             |  | 19,732                                        | 14,976                                        | 19,130                                           |
| Property, plant and equipment |  | 50,170                                        | 58,438                                        | 54,074                                           |
| Other receivables             |  | 2,545                                         | 3,231                                         | 2,715                                            |
| TOTAL NON-CURRENT ASSETS      |  | 72,447                                        | 76,645                                        | 75,919                                           |

|                                                  |          |           |          |
|--------------------------------------------------|----------|-----------|----------|
| Inventories                                      | 55,499   | 72,113    | 53,857   |
| Income tax receivable                            | 3,207    | 3,561     | -        |
| Trade and other receivables                      | 11,010   | 10,623    | 11,707   |
| Cash and cash equivalents                        | 8,355    | 24,583    | 6,531    |
| TOTAL CURRENT ASSETS                             | 78,071   | 110,880   | 72,095   |
| TOTAL ASSETS                                     | 150,518  | 187,525   | 148,014  |
| LIABILITIES                                      |          |           |          |
| Bank overdraft                                   | (939)    | -         | (1,800)  |
| Interest-bearing loans and borrowings            | (10,000) | (8,000)   | (9,000)  |
| Trade and other payables                         | (51,804) | (54,657)  | (44,041) |
| Provisions                                       | (1,504)  | (845)     | (674)    |
| Income tax liabilities                           | -        | -         | (1,417)  |
| TOTAL CURRENT LIABILITIES                        | (64,247) | (63,502)  | (56,932) |
| Interest-bearing loans and borrowings            | (20,000) | (62,000)  | (25,500) |
| Other payables                                   | (10,369) | (11,196)  | (10,852) |
| Provisions                                       | (2,434)  | (167)     | (940)    |
| Deferred tax liabilities                         | (2,335)  | (1,929)   | (190)    |
| TOTAL NON-CURRENT LIABILITIES                    | (35,138) | (75,292)  | (37,482) |
| TOTAL LIABILITIES                                | (99,385) | (138,794) | (94,414) |
| TOTAL ASSETS LESS TOTAL LIABILITIES              | 51,133   | 48,731    | 53,600   |
| EQUITY                                           |          |           |          |
| Issued ordinary share capital                    | 5 2,400  | 2,338     | 2,364    |
| Share premium                                    | 5 10,173 | 8,917     | 9,042    |
| Retained earnings                                | 5 38,560 | 37,476    | 42,194   |
| TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS | 51,133   | 48,731    | 53,600   |

CONSOLIDATED STATEMENT OF CASH FLOWS  
For the 26 weeks ended 30 July 2005

|                                                              | Unaudited<br>26 weeks<br>ended<br>30 July<br>2005<br>Note | Unaudited<br>6 months<br>ended<br>31 July<br>2004<br>£000 | Unaudited<br>52 weeks<br>ended<br>29 January<br>2005<br>£000 |
|--------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES                         |                                                           |                                                           |                                                              |
| (Loss)/profit for the period                                 | (1,556)                                                   | (3,491)                                                   | 2,261                                                        |
| Income tax (credit)/expense                                  | (1,037)                                                   | (2,727)                                                   | 1,341                                                        |
| Financial expenses                                           | 1,814                                                     | 2,285                                                     | 4,461                                                        |
| Financial income                                             | (156)                                                     | (170)                                                     | (304)                                                        |
| Depreciation                                                 | 4,817                                                     | 5,183                                                     | 11,111                                                       |
| (Profit) / loss on disposal of property, plant and equipment | (84)                                                      | 1,239                                                     | 616                                                          |
| Impairment of property, plant and equipment                  | 1,097                                                     | 2,976                                                     | 6,701                                                        |
| (Increase)/decrease in inventories                           | (1,642)                                                   | (6,386)                                                   | 14,674                                                       |
| Decrease in trade and other receivables                      | 697                                                       | 2,878                                                     | 2,360                                                        |
| Increase/(decrease) in trade, other payables and provisions  | 7,953                                                     | 7,645                                                     | (6,002)                                                      |
| Interest paid                                                | (1,814)                                                   | (2,285)                                                   | (4,461)                                                      |
| Income tax (paid)/received                                   | (1,441)                                                   | 1,074                                                     | 244                                                          |
| NET CASH FROM OPERATING ACTIVITIES                           | 8,648                                                     | 8,221                                                     | 33,002                                                       |
| CASH FLOWS FROM INVESTING ACTIVITIES                         |                                                           |                                                           |                                                              |
| Interest received                                            | 156                                                       | 170                                                       | 304                                                          |
| Proceeds from sale of property,                              | 774                                                       | 493                                                       | 2,910                                                        |

|                                                              |                |                |                 |
|--------------------------------------------------------------|----------------|----------------|-----------------|
| plant and equipment                                          |                |                |                 |
| Acquisition of property, plant and equipment                 | (3,327)        | (3,235)        | (8,056)         |
| Cash consideration on acquisition of subsidiary              | -              | -              | (4,183)         |
| Net overdrawn balances acquired on acquisition of subsidiary | -              | -              | (420)           |
| NET CASH USED IN INVESTING ACTIVITIES                        | <u>(2,397)</u> | <u>(2,572)</u> | <u>(9,445)</u>  |
| CASH FLOWS FROM FINANCING ACTIVITIES                         |                |                |                 |
| Proceeds from issue of ordinary share capital                | 1,167          | -              | 146             |
| (Repayment)/drawdown of borrowings                           | (4,500)        | 14,000         | (21,500)        |
| Payment of finance lease liabilities                         | (233)          | -              | (170)           |
| Dividends paid                                               | -              | -              | (1,816)         |
| NET CASH (USED)/RECEIVED FROM FINANCING ACTIVITIES           | <u>(3,566)</u> | <u>14,000</u>  | <u>(23,340)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS                    | 7              | 2,685          | 19,649          |
|                                                              |                |                | 217             |

# 1. BASIS OF PREPARATION

European Union ('EU') law (IAS Regulation EC 1606/2002) requires that the next annual consolidated financial statements of The John David Group Plc ('The Group'), those covering the 52 weeks ending 28 January 2006, are prepared in accordance with International Financial Reporting Standards ('IFRS') adopted for use in the E.U..

The Group has adopted IFRS with effect from 30 January 2005. The transition date is 1 February 2004, being the start date of the earliest period for which full comparative information in the 2006 Annual Report and Accounts will be presented.

This interim financial information has been prepared on the basis of the recognition and measurement requirements of IFRS in issue that either are endorsed by the EU and effective (or available for early adoption) at 28 January 2006 or are expected to be endorsed and effective (or available for early adoption) at 28 January 2006, the Group's first annual reporting date at which it is required to use endorsed IFRS. Based on these endorsed IFRS, the directors have made assumptions about the accounting policies expected to be applied when the first annual IFRS financial statements are prepared for the 52 weeks ending 28 January 2006.

Furthermore, the adopted IFRS that will be effective (or available for early adoption) in the annual financial statements for the 52 weeks ending 28 January 2006 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the 52 weeks ending 28 January 2006.

The comparative figures for the 52 weeks ended 29 January 2005 do not constitute the Group's statutory accounts for that financial period. Those accounts, which were prepared under UK GAAP, have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

The interim financial information for the 26 weeks ended 30 July 2005 and 6 months ended 31 July 2004 has not been audited. In relation to the financial statements for the 52 weeks ended 29 January 2005, this has been extracted from a restatement of the financial information taken from the Group's statutory accounts for that financial year.

The interim financial reports are not prepared in accordance with the EU endorsed standard IAS34 'Interim Financial Reporting' as permitted by the Listing Rules.

The financial statements are presented in pounds sterling, rounded to the

nearest thousand.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

This is the Group's first consolidated interim financial report prepared in accordance with IFRS. A detailed review of the changes in the accounting policies and reconciliations of the financial statements from UK GAAP to IFRS at key dates has today been provided to the London Stock Exchange.

The accounting policies set out in the IFRS transition statement have been applied consistently to all periods presented in these consolidated financial statements and in preparing an opening IFRS balance sheet at 1 February 2004 for the purposes of the transition to IFRS.

The accounting policies have been applied consistently by all Group entities.

2. EXCEPTIONAL ITEMS

|                                                                   | Unaudited<br>26 weeks ended<br>30 July<br>2005<br>£000 | Unaudited<br>6 months ended<br>31 July<br>2004<br>£000 | Unaudited<br>52 weeks ended<br>29 January<br>2005<br>£000 |
|-------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|
| (Profit)/loss on disposal of property, plant and equipment        | (84)                                                   | 1,239                                                  | 616                                                       |
| Provision for rentals on onerous property leases                  | 2,721                                                  | 1,012                                                  | 1,286                                                     |
| Impairment of property, plant and equipment on loss making stores | 1,097                                                  | 2,976                                                  | 6,701                                                     |
| Redundancy costs                                                  | -                                                      | 440                                                    | 440                                                       |
| Bank reorganisation costs                                         | -                                                      | 289                                                    | 296                                                       |
| TOTAL EXCEPTIONAL ITEMS                                           | 3,734                                                  | 5,956                                                  | 9,339                                                     |

3. INCOME TAX (CREDIT)/EXPENSE

|                                                         | Unaudited<br>26 weeks ended<br>30 July<br>2005<br>£000 | Unaudited<br>6 months ended<br>31 July<br>2004<br>£000 | Unaudited<br>52 weeks ended<br>29 January<br>2005<br>£000 |
|---------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|
| CURRENT TAX (CREDIT) / EXPENSE                          |                                                        |                                                        |                                                           |
| UK corporation tax                                      | (1,033)                                                | (3,073)                                                | 3,440                                                     |
| Adjustment relating to prior periods                    | -                                                      | -                                                      | (755)                                                     |
|                                                         | (1,033)                                                | (3,073)                                                | 2,685                                                     |
| DEFERRED TAX (CREDIT) / EXPENSE                         |                                                        |                                                        |                                                           |
| Deferred tax                                            | (4)                                                    | 346                                                    | (1,344)                                                   |
| TOTAL INCOME TAX (CREDIT) / EXPENSE IN INCOME STATEMENT | (1,037)                                                | (2,727)                                                | 1,341                                                     |

4. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share at 30 July 2005 is based on the loss attributable to ordinary shareholders of £1,556,000 (2004: £3,491,000) and a weighted average number of ordinary shares outstanding during the 26 weeks ended 30 July 2005 of 47,308,292 (2004: 46,748,607).

The calculation of diluted earnings per ordinary share at 30 July 2005 is based

on the loss attributable to ordinary shareholders of £1,556,000 (2004: £3,491,000) and a weighted average number of ordinary shares outstanding during the 26 weeks ended 30 July 2005 of 47,314,071 (2004: 46,751,332).

ADJUSTED BASIC EARNINGS PER ORDINARY SHARE

Adjusted basic earnings per ordinary share has been based on the (loss)/profit attributable to ordinary shareholders for each financial period but excluding the post tax effect of exceptional items since the directors consider that this gives a more meaningful measure of the underlying performance of the Group.

|                                                                                          | Unaudited<br>26 weeks ended<br>30 July<br>2005<br>£000 | Unaudited<br>6 months ended<br>31 July<br>2004<br>£000 | Unaudited<br>52 weeks ended<br>29 January<br>2005<br>£000 |
|------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|
| (Loss)/profit attributable to ordinary shareholders                                      | (1,556)                                                | (3,491)                                                | 2,261                                                     |
| - Exceptional items excluding (profit)/loss on disposal of property, plant and equipment | 3,818                                                  | 4,717                                                  | 8,723                                                     |
| - Tax relating to exceptional items                                                      | (1,083)                                                | (1,245)                                                | (2,235)                                                   |
| Profit/(loss) attributable to ordinary shareholders excluding exceptional items          | 1,179                                                  | (19)                                                   | 8,749                                                     |
| Adjusted basic earnings per ordinary share                                               | 2.49p                                                  | (0.04p)                                                | 18.62p                                                    |

5. EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Unaudited                            | Attributable to equity shareholders            |                          |                              |               |
|--------------------------------------|------------------------------------------------|--------------------------|------------------------------|---------------|
|                                      | Issued<br>ordinary<br>share<br>capital<br>£000 | Share<br>premium<br>£000 | Retained<br>earnings<br>£000 | Total<br>£000 |
| At 29 January 2005                   | 2,364                                          | 9,042                    | 42,194                       | 53,600        |
| Ordinary shares issued in the period | 36                                             | 1,131                    | -                            | 1,167         |
| Loss for the period                  | -                                              | -                        | (1,556)                      | (1,556)       |
| Equity dividend                      | -                                              | -                        | (2,078)                      | (2,078)       |
| At 30 July 2005                      | 2,400                                          | 10,173                   | 38,560                       | 51,133        |

The ordinary shares issued in the period relate to the exercise of options granted under the executive share option schemes.

These options were exercised following the acquisition of a controlling interest in the Group by Manchester Square Enterprises Limited, a wholly owned subsidiary of Pentland Group Plc. Option holders have until 30 November 2005 to exercise any remaining options.

| Unaudited                            | Attributable to equity shareholders            |                          |                              |               |
|--------------------------------------|------------------------------------------------|--------------------------|------------------------------|---------------|
|                                      | Issued<br>ordinary<br>share<br>capital<br>£000 | Share<br>premium<br>£000 | Retained<br>earnings<br>£000 | Total<br>£000 |
| At 31 January 2004                   | 2,338                                          | 8,917                    | 41,749                       | 53,004        |
| Ordinary shares issued in the period | -                                              | -                        | -                            | -             |
| Loss for the period                  | -                                              | -                        | (3,491)                      | (3,491)       |
| Equity dividend                      | -                                              | -                        | (782)                        | (782)         |

|                 |              |              |               |               |
|-----------------|--------------|--------------|---------------|---------------|
| At 31 July 2004 | <u>2,338</u> | <u>8,917</u> | <u>37,476</u> | <u>48,731</u> |
|-----------------|--------------|--------------|---------------|---------------|

6. DIVIDENDS

After the balance sheet date the following dividends were proposed by the directors. The dividends were not provided for at the balance sheet date.

|                                                                              | Unaudited<br>26 weeks ended<br>30 July<br>2005<br>£000 | Unaudited<br>6 months ended<br>31 July<br>2004<br>£000 | Unaudited<br>52 weeks ended<br>29 January<br>2005<br>£000 |
|------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|
| 2.30p per ordinary share<br>(31 July 2004: 2.20p, 29 January<br>2005: 4.40p) | 1,104                                                  | 1,063                                                  | 2,056                                                     |

7. ANALYSIS OF NET DEBT

| Unaudited                             | At 29 January<br>2005<br>£000 | Cash flow<br>£000 | Other<br>£000 | At 30 July<br>2005<br>£000 |
|---------------------------------------|-------------------------------|-------------------|---------------|----------------------------|
| Cash and cash equivalents             | 6,531                         | 1,824             | -             | 8,355                      |
| Bank overdraft                        | (1,800)                       | 861               | -             | (939)                      |
|                                       | <u>4,731</u>                  | <u>2,685</u>      | <u>-</u>      | <u>7,416</u>               |
| Interest bearing loans and borrowings |                               |                   |               |                            |
| - Current                             | (9,000)                       | 5,000             | (6,000)       | (10,000)                   |
| - Non current                         | (25,500)                      | (500)             | 6,000         | (20,000)                   |
| Loan notes                            | (287)                         | -                 | -             | (287)                      |
| Finance leases                        | (711)                         | 233               | -             | (478)                      |
| NET DEBT                              | <u>(30,767)</u>               | <u>7,418</u>      | <u>-</u>      | <u>(23,349)</u>            |

8. INTERIM REPORT

The interim report will be posted to all shareholders in due course. Additional copies are available on application to the Company Secretary, The John David Group Plc, Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR.

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