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John David Group (The) PLC
28 September 2006

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THE JOHN DAVID GROUP PLC
INTERIM RESULTS
FOR THE TWENTY SIX WEEKS TO 29 JULY 2006

The John David Group Plc (the "Group"), the specialist retailer of sports and fashion footwear and apparel, today announces its Interim Results for the 26 weeks ended 29 July 2006:

HIGHLIGHTS

	2006 £000	2005 £000	% Change
Revenue	235,932	209,608	+12.6%
Gross profit %	47.4%	46.6%	+0.8%
Operating profit (before net financing costs and exceptional items)	4,378	2,799	+56.4%
Operating profit after net financing costs (before exceptional items)	3,130	1,141	+174.3%
Exceptional items	99	(3,734)	
Operating profit/(loss)	4,477	(935)	
Profit/(loss) before tax	3,229	(2,593)	
Basic earnings per ordinary share	4.45p	(3.29p)	
Adjusted basic earnings per ordinary share (see note 3)	6.21p	2.49p	+149.4%
Total dividend per ordinary share	2.40p	2.30p	+4.3%
Net debt at end of period (see note 7)	24,866	23,349	+6.5%

- Total Group revenue increased by 12.6% in the period and by 3.1% on a like for like basis (excluding Allsports and the newly acquired airport stores).
- Gross margin improved from 46.6% to 47.4% reflecting the benefits of better stock management and efforts to improve bought in margin, largely in the Sports Fascias.
- Group operating profit after net financing costs (before exceptional items) increased to £3.1 million (2005: £1.1 million).
- Like for like sales cumulatively to 23 September 2006 up 4.0% in Sports Fascias and 5.7% in Fashion Fascias.

Peter Cowgill, Executive Chairman, said:

"Trading since the period end has been satisfactory with year to date like for like sales to 23 September 2006 in the JD Sports Fascias now up by 4.0% (excluding Allsports and the newly acquired airport stores). The Fashion Fascias like for like sales for the same period are now up by 5.7% against weak comparatives. Overall the Board expects results to continue to improve with trading to date currently running marginally ahead of market expectations. Our final result remains heavily dependent upon sales performance during the key Christmas trading period."

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EXECUTIVE CHAIRMAN'S STATEMENT

INTRODUCTION

The 26 week period to 29 July 2006 was another period of encouraging progress for our core Sports Fascias. In the period we have successfully completed the conversion of all the Allsports stores we intend to retain and they will contribute to group profitability in the second half. We have also acquired 14 airport stores from Hargreaves (Sports) Limited. We believe airports provide an excellent opportunity for us to trade successfully and to broaden our offer and appeal.

The Fashion Fascias are in a year of transition with continuing conversions of the legacy fascias (ATH-, AV) to the Scotts Fascia and ongoing disposals of underperforming stores. The recent like for like trading of the Fashion Fascias has been encouraging.

The result of this further progress is an improved operating profit after net financing charges (before exceptional items) of £3.1 million (2005: £1.1 million).

Profit before tax in the period was £3.2 million (2005: loss before tax £2.6 million) helped by a net exceptional credit of £0.1 million (2005: exceptional charge £3.7 million). Property rationalisation remains a major priority for the balance of this year and further disposals will result in an exceptional charge in the second half of the current year.

Profit for the period after taxation was £2.1 million (2005: loss £1.6 million).

SPORTS FASCIAS

The Sports Fascias have continued to trade positively and we believe they benefit from a differentiated sports fashion led product positioning and a well designed own brand and licensed brand proposition. This proposition has been enhanced recently by the launches of Rivington and Brookhaven. The results of the Sports Fascias are encouraging, and these Fascias account for all the growth in first half revenues. Looking to the future, sustainable performance depends on the continuing ability and desire of our branded supplier partners to differentiate their product offer in different distribution channels.

Like for like sales figures for the ex Allsports store portfolio will not really become meaningful until after the anniversary of all conversions having been completed. The merchandising and buying issues surrounding changing the offer to a JD offer in the converted stores has provided an enormously useful insight into variations in demand patterns in smaller towns with different demographic and footfall characteristics. We believe the lessons learned will eventually enhance the performance of the overall Sports Fascias store portfolio.

Following the acquisition of 14 airport stores from Hargreaves, we now have 15 stores in airport locations, one of which is an ex Allsports store at Manchester airport on the landside. The airport stores which were acquired are at Heathrow, Gatwick and Stansted, in both landside and airside locations. They currently trade under the Hargreaves, Nike, Quiksilver and Beach Party fascia names. The Hargreaves stores now have a JD offer and we intend to refascia them as JD stores as soon as is practicable. Although the security alerts of August have dented recent trade in these stores we believe that airport retailing remains an important opportunity for the Group.

FASHION FASCIAS

When we reported on last year's final results we said that the Fashion Fascias would only provide profit to the business if some of the larger rented and over rented ex JD Fashion Fascia stores could be disposed of. Useful progress has been made in the necessary store portfolio rationalisation with the disposal of three underperforming stores.

Stocks and overheads have been well controlled and margins have been maintained.

Whilst considerable progress has been made in the Fashion Fascias, which represented only 7% of turnover in the first half, they will still be a substantial loss maker in the current year because of property issues. Nevertheless, the outlook for these Fascias is getting brighter and the current like for like sales performance supports this view.

GROUP PERFORMANCE

Revenue, gross margin and overheads

Total Group revenue increased by 12.6% in the period to £235.9 million (2005: £209.6 million) and by 3.1 % on a like for like basis (excluding Allsports and the newly acquired airport stores).

Revenue increased by 3.2% on a like for like basis in the Sports Fascias (excluding Allsports and the newly acquired airport stores). The Fashion Fascias like for like sales performance was up 2.0% cumulatively in the half year period.

Group gross margin increased in the period from 46.6% to 47.4% reflecting the benefits of better stock management and efforts to improve bought in margin in the Sports Fascias.

Overheads (excluding exceptional items) net of other operating income, which include some Allsports integration costs, increased to 45.5% of sales (2005: 45.3%), partly as a result of increased transport and utility costs. Other cost ratios have been well controlled, aided by the store rationalisation programme.

Operating profits and results

Operating profit (before net financing costs and exceptional items) increased by £1.6 million from £2.8 million to £4.4 million. The Group operating profit margin (before net financing costs and exceptional items) for the first half of the year has therefore increased from 1.3% to 1.9%.

As a result of an exceptional credit of £0.1 million (2005: charge of £3.7 million), operating profit after exceptional items but before net financing costs was £4.5 million (2005: loss of £0.9 million). The exceptional items comprise:

	£m
Onerous lease costs	1.2
Profit on disposal of non-current assets	(1.3)
Total	(0.1)

The onerous lease costs relate to vacant stores including failed ex First Sport store assignments.

Profit before tax in the period was £3.2 million (2005: loss before tax £2.6 million) helped by the year on year movement in the net exceptional items.

Debt reduction and working capital

Net debt has increased from £23.3 million to £24.9 million in the twelve months to 29 July 2006 but given the purchase of the 14 airport stores for £5.0 million in the current period and Allsports for £15.0 million in October 2005, this reflects a material underlying debt reduction. Gearing has decreased from 46% at 30 July 2005 to 45% at 29 July 2006.

Net debt has increased from £13.2 million to £24.9 million in the six months to 29 July 2006 but this reflects the normal trading and working capital cycles for the first half year plus the purchase of the 14 airport stores for £5.0m.

Inventories have increased from £55.5 million at both 30 July 2005 and 28 January 2006 to £62.2 million as a result of the acquisitions of Allsports and the 14 airport stores. Trade creditors continue to be paid to terms to maximise settlement discounts.

STORE PORTFOLIO

Group store numbers increased in the period from 416 to 419 although the disposal of some larger space stores meant that the total retail square footage decreased from 1,277,000 sq ft to 1,256,000 sq ft. The split between the Sport and Fashion Fascias is as follows:

Sport

	No. of stores	Retail ('000 sq ft)
At 28 January 2006	370	1,133
New stores	3	3
Allsports assignment post year end	1	5
Airport stores acquired	14	15
Disposals	(12)	(20)
Allsports stores transferred to Fashion	(3)	(3)
At 29 July 2006	373	1,133

Fashion

	No. of stores	Retail ('000 sq ft)
At 28 January 2006	46	144
Transferred from Sport	3	3
Disposals	(3)	(24)
At 29 July 2006	46	123

DIVIDENDS AND EARNINGS PER ORDINARY SHARE

The Board has considered the improved first half trading performance, current trading conditions and the ongoing store rationalisation and has decided to propose an increased interim dividend of 2.40p per ordinary share (2005: 2.30p). The dividend will be paid on 12 January 2007 to shareholders on the register as at close of business on 8 December 2006.

The adjusted basic earnings per ordinary share before exceptional items are 6.21p (2005: 2.49p).

The basic earnings per ordinary share are 4.45p (2005: loss of 3.29p).

CURRENT TRADING AND OUTLOOK

Trading since the period end has been satisfactory with year to date like for like sales to 23 September 2006 in the JD Sports Fascias (excluding Allsports and the newly acquired airport stores) now up by 4.0%. The Fashion Fascias like for like sales for the same period are now up by 5.7% against weak comparatives. Overall the Board expects results to continue to improve with trading to date currently running marginally ahead of market expectations. The final result remains heavily dependent upon sales performance during the key Christmas trading period.

EMPLOYEES

We have achieved a lot across the Group since the last year end and this would not have happened without the commitment of all our staff and management. The Board extends its thanks to all involved who have contributed to our continuing success.

Peter Cowgill
Executive Chairman
28 September 2006

CONSOLIDATED INCOME STATEMENT
for the 26 weeks ended 29 July 2006

	Note	Unaudited 26 weeks to 29 July 2006	Unaudited 26 weeks to 30 July 2005	52 weeks to 28 January 2006
		£000	£000	£000
REVENUE		235,932	209,608	490,288
Cost of sales		(124,057)	(111,935)	(263,608)

	Note			
GROSS PROFIT		111,875	97,673	226,680
Selling and distribution expenses - normal		(101,035)	(88,988)	(192,730)
Selling and distribution expenses - exceptional	2	99	(3,734)	(11,206)
Selling and distribution expenses		(100,936)	(92,722)	(203,936)
Administrative expenses - normal		(7,362)	(6,558)	(15,438)
Administrative expenses - exceptional	2	-	-	(1,777)
Administrative expenses		(7,362)	(6,558)	(17,215)
Other operating income		900	672	1,609
OPERATING PROFIT/(LOSS)		4,477	(935)	7,138
Before exceptional items		4,378	2,799	20,121
Exceptional items	2	99	(3,734)	(12,983)
OPERATING PROFIT/(LOSS)		4,477	(935)	7,138
Financial income		70	156	230
Financial expenses		(1,318)	(1,814)	(3,718)
PROFIT/(LOSS) BEFORE TAX		3,229	(2,593)	3,650
Income tax (expense)/credit		(1,083)	1,037	(1,302)
PROFIT/(LOSS) FOR THE PERIOD	6	2,146	(1,556)	2,348
Basic earnings per ordinary share	3	4.45p	(3.29p)	4.92p
Diluted earnings per ordinary share	3	4.45p	(3.29p)	4.92p

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE
For the 26 weeks to 29 July 2006

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

CONSOLIDATED BALANCE SHEET
as at 29 July 2006

	Note	Unaudited As at 29 July 2006 £000	Unaudited As at 30 July 2005 £000	As at 28 January 2006 £000
ASSETS				
Intangible assets		25,316	19,732	21,767
Property, plant and equipment		47,548	50,170	49,200
Other receivables		2,747	2,545	2,515
TOTAL NON-CURRENT ASSETS		75,611	72,447	73,482
Inventories		62,180	55,499	55,450
Income tax receivable		899	3,207	1,736
Trade and other receivables		12,672	11,010	12,039
Cash and cash equivalents	7	4,450	8,355	9,336
TOTAL CURRENT ASSETS		80,201	78,071	78,561

TOTAL ASSETS		155,812	150,518	152,043
LIABILITIES				
Interest-bearing loans and borrowings		(29,029)	(11,230)	(12,178)
Trade and other payables		(54,254)	(51,513)	(56,346)
Provisions		(2,439)	(1,504)	(2,569)
TOTAL CURRENT LIABILITIES		(85,722)	(64,247)	(71,093)
Interest-bearing loans and borrowings		(287)	(20,474)	(10,405)
Other payables		(8,207)	(9,895)	(9,299)
Provisions		(5,427)	(2,434)	(4,988)
Deferred tax liabilities		(1,651)	(2,335)	(1,665)
TOTAL NON-CURRENT LIABILITIES		(15,572)	(35,138)	(26,357)
TOTAL LIABILITIES		(101,294)	(99,385)	(97,450)
TOTAL ASSETS LESS TOTAL LIABILITIES		54,518	51,133	54,593
CAPITAL AND RESERVES				
Issued ordinary share capital	6	2,413	2,400	2,413
Share premium	6	10,823	10,173	10,823
Retained earnings	6	41,282	38,560	41,357
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS	6	54,518	51,133	54,593

CONSOLIDATED CASH FLOW STATEMENT
for the 26 weeks ended 29 July 2006

	Note	Unaudited 26 weeks to 29 July 2006 £000	Unaudited 26 weeks to 30 July 2005 £000	52 weeks to 28 January 2006 £000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) for the period		2,146	(1,556)	2,348
Income tax expense/(credit)		1,083	(1,037)	1,302
Financial expenses		1,318	1,814	3,718
Financial income		(70)	(156)	(230)
Depreciation and amortisation of non-current assets		5,395	4,817	10,632
Impairment of non-current assets		-	1,097	3,206
Profit on disposal of non-current assets		(1,315)	(84)	(676)
(Increase)/decrease in inventories		(5,412)	(1,642)	10,585
(Increase)/decrease in trade and other receivables		(633)	697	1,169
(Decrease)/increase in trade and other payables and provisions		(4,363)	7,953	13,895
Interest paid		(1,318)	(1,814)	(3,718)
Income taxes paid		(258)	(1,441)	(2,841)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES		(3,427)	8,648	39,390
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		70	156	230
Proceeds from sale of non-current assets		3,972	774	1,782
Disposal costs of non-current assets		(340)	-	(683)
Acquisition of non-current assets		(6,896)	(3,327)	(6,827)
Cash consideration of acquisitions		(4,998)	-	(15,017)
NET CASH USED IN INVESTING ACTIVITIES		(8,192)	(2,397)	(20,515)

CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of ordinary share capital		-	1,167	1,197
Drawdown/(repayment) of interest-bearing loans and borrowings		7,000	(4,500)	(12,500)
Payment of finance lease and hire purchase contracts		(267)	(233)	(415)
Dividends paid		-	-	(2,552)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		6,733	(3,566)	(14,270)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	7	(4,886)	2,685	4,605

1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with accounting policies set out in the Group's audited financial statements for the 52 weeks ended 28 January 2006. The interim financial report does not include all of the information required for full annual financial statements.

The interim financial report has been prepared on the basis of the recognition and measurement requirements of EU-IFRS applied in the financial statements at 28 January 2006 and those standards that have been endorsed by the EU and will be effective at 27 January 2007.

The information in the interim financial report for the period ended 29 July 2006 is unaudited.

The comparative figures for the 52 weeks ended 28 January 2006 are not the Company's Statutory Accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the Auditor was unqualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

2. EXCEPTIONAL ITEMS

	Unaudited 26 weeks to 29 July 2006 £000	Unaudited 26 weeks to 30 July 2005 £000	52 weeks to 28 January 2006 £000
Profit on disposal of non-current assets	(1,315)	(84)	(676)
Provision for rentals on onerous property leases	1,216	2,721	6,954
Impairment of property, plant and equipment	-	1,097	3,172
Impairment of non-current other receivables	-	-	34
Lease variation costs	-	-	1,722
Selling and distribution expenses - exceptional	(99)	3,734	11,206
Allsports restructuring costs	-	-	1,777
Administrative expenses - exceptional	-	-	1,777
Exceptional (credit) / expense	(99)	3,734	12,983

3. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 29 July 2006 is based on the profit / (loss) for the period attributable to equity holders of the parent of £2,146,000 (30 July 2005: loss of £1,556,000, 28 January 2006: profit of £2,348,000) and a weighted average number of ordinary shares outstanding during the 26 weeks ended 29 July 2006 of 48,263,434 (30 July 2005: 47,308,292, 28 January 2006: 47,721,276), calculated as follows:

	Unaudited 26 weeks to 29 July 2006 £000	Unaudited 26 weeks to 30 July 2005 £000	52 weeks to 28 January 2006 £000
Issued ordinary shares at beginning of period	48,263,434	46,978,013	47,276,628
Effect of shares issued during the period	-	330,279	444,648
Weighted average number of ordinary shares during the period	48,263,434	47,308,292	47,721,276

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 29 July 2006 is based on the profit / (loss) for the period attributable to equity holders of the parent of £2,146,000 (30 July 2005: loss of £1,556,000, 28 January 2006: profit of £2,348,000) and a weighted average number of diluted ordinary shares outstanding during the 26 weeks ended 29 July 2006 of 48,263,434 (30 July 2005: 47,314,071 and 28 January 2006: 47,721,276), calculated as follows:

	Unaudited 26 weeks to 29 July 2006 £000	Unaudited 26 weeks to 30 July 2005 £000	52 weeks to 28 January 2006 £000
Weighted average number of ordinary shares during the period	48,263,434	46,981,420	47,721,276
Dilutive effect of outstanding share options	-	332,651	-
Weighted average number of diluted ordinary shares during the period	48,263,434	47,314,071	47,721,276

Adjusted basic earnings per ordinary share

Adjusted basic earnings per ordinary share has been based on the profit / (loss) 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.

	Unaudited 26 weeks to 29 July 2006 £000	Unaudited 26 weeks to 30 July 2005 £000	52 weeks to 28 January 2006 £000
Profit/(loss) for the period attributable to equity holders of the parent	2,146	(1,556)	2,348
Exceptional items excluding profit on disposal of non-current assets	1,216	3,818	13,659
Tax relating to relevant exceptional items	(365)	(1,083)	(3,925)

Profit for the period attributable to equity holders of the parent excluding exceptional items	2,997	1,179	12,082
Adjusted basic earnings per ordinary share	6.21p	2.49p	25.32p

4. 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 26 weeks to 29 July 2006 £000	Unaudited 26 weeks to 30 July 2005 £000	52 weeks to 28 January 2006 £000
2.40p per ordinary share (30 July 2005: 2.30p, 28 January 2006: 4.60p)	1,158	1,104	2,221

5. ACQUISITIONS

On 28 October 2005 the Group acquired the trade and certain assets of Allsports Retail Limited (in administration) for a cash consideration of £14,153,000 together with associated fees of £867,000.

The fair values are summarised below:

Unaudited	Book and fair value at 28 January 2006 £000	Fair value adjustment £000	Book and fair value at 29 July 2006 £000
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	3,290	-	3,290
Inventories	12,178	718	12,896
Cash and cash equivalents	3	-	3
Trade and other payables	(2,625)	(222)	(2,847)
Net identifiable assets	12,846	496	13,342
Goodwill	2,174	(496)	1,678
Consideration paid - satisfied by cash	15,020		15,020

On 23 June 2006 the Group acquired the trade and assets of 14 stores in airport locations from Hargreaves (Sports) Limited for a cash consideration of £5,000,000. The fair values are summarised below:

Unaudited	Book value at 23 June 2006 £000	Fair value adjustment £000	Book and fair value at 29 July 2006 £000
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	520	(147)	373
Inventories	600	-	600
Cash and cash equivalents	2	-	2
Trade and other payables	-	(20)	(20)
Net identifiable assets	1,122	(167)	955
Goodwill	3,878	167	4,045
Consideration paid - satisfied by cash	5,000		5,000

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6. RECONCILIATION OF MOVEMENT IN CAPITAL AND RESERVES

Unaudited	Ordinary Share Capital	Share Premium	Retained Earnings	Total Equity
	£000	£000	£000	£000
Balance at 28 January 2006	2,413	10,823	41,357	54,593
Total recognised income and expense	-	-	2,146	2,146
Dividends to shareholders	-	-	(2,221)	(2,221)
Balance at 29 July 2006	2,413	10,823	41,282	54,518

7. ANALYSIS OF NET DEBT

Unaudited	At 28 January 2006	Cashflow	Other non cash changes	At 29 July 2006
	£000	£000	£000	£000
Bank balances and cash floats	9,336	(4,886)	-	4,450
Cash and cash equivalents	9,336	(4,886)	-	4,450
Interest-bearing loans and borrowings				
Current	(12,000)	(7,000)	(10,000)	(29,000)
Non-current	(10,000)	-	10,000	-
Loan notes	(287)	-	-	(287)
Finance leases and similar hire purchase contracts	(296)	267	-	(29)
	(13,247)	(11,619)	-	(24,866)

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, or can be downloaded from our website: www.thejohndavidgroup.com.