RNS Number : 1336K
JD Sports Fashion Plc
14 April 2010

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JD SPORTS FASHION PLC

PRELIMINARY RESULTS

FOR THE 52 WEEKS ENDED 30 JANUARY 2010

JD Sports Fashion Plc (the 'Group'), the leading retailer and distributor of sport and athletic inspired fashion apparel and footwear, today announces its Preliminary Results for the 52 weeks ended 30 January 2010.

	2010 £000	2009 £000	% Change
Revenue	769,785	670,855	+15%
Gross profit %	49.3%	49.3%	
Operating profit (before exceptional items)	67,294	54,473	+24%
Share of results of joint venture before exceptional items (net of income tax)	539	(166)	
Net financial expenses	(442)	(681)	
Profit before tax and exceptional items	67,391	53,626	+26%
Exceptional items (see note 2)	(4,986)	(16,323)	
Share of exceptional items of joint venture (net of income tax) (a)	(1,012)	914	
Profit before tax	61,393	38,217	+61%
Basic earnings per ordinary share	88.16p	50.49p	+75%
Adjusted basic earnings per ordinary share (see note 4)	93.64p	72.33p	+29%

Total dividend payable per ordinary share	18.00p	12.00p	+50%
Net cash at end of period (b)	60,465	23,455	

a) The share of exceptional items of joint venture relates to the movement in the fair value of the foreign exchange contracts which were outstanding at the period end.

b) Net cash consists of cash and cash equivalents together with other borrowings from bank loans, other loans, loan notes and finance lease and hire purchase contracts.

Highlights

· Total revenue increased by £98.9 million to £769.8 million (2009: £670.9 million) including £48.1 million from the acquired businesses

· Like for like revenue increased by 2.5% (Sports Fascias 2.3%; Fashion Fascias 3.6%)

· Gross margin maintained at 49.3% with improvement in like for like margin from 49.3% to 49.8% diluted by a lower margin in the acquired businesses

· Group profit before tax and exceptional items up 26% to £67.4 million (2009: £53.6 million)

· Profit before tax up 61% to £61.4 million (2009: £38.2 million)

· Net cash position at the period end increased to £60.5 million (2009: £23.5 million)

· Expenditure on acquisitions and associated asset purchases increased significantly to £15.8 million (2009: £1.4 million)

· Key strategic acquisitions made in the year included Chausport in France for £7.9 million and the Canterbury of New Zealand companies in the UK, New Zealand (51% interest), Australia, USA, and Hong Kong for £7.0 million

· Final dividend payable increased by 65% to 14.7p (2009: 8.9p) bringing the total dividends payable for the year up to 18.0p (2009: 12.0p), an increase of 50%

Peter Cowgill, Executive Chairman, said:

"The year ended 30 January 2010 has been the sixth successive year of good progress in revenue and profitability for the Group. During the period, we have improved our profit before tax and exceptional items by 26% to £67.4 million (2009: £53.6 million). This follows increases of 24%, 73% and 51% in the previous three years and such sustained performance, in the face of less than favourable economic conditions and exchange rates, reflects the strength and uniqueness of our brand and fascia offers as well as the strength of our management teams.

"Trading in the 10 weeks to 10 April 2010 has been encouraging with UK and Ireland retail like for like sales up 2.0% (Sports Fascias 3.0%; Fashion Fascias -3.5%) on an underlying basis taking into account the change in the timing of Easter and school holidays. Although like for like sales are lower, the performance of the Fashion Fascias has benefitted from a 2% improvement in gross margin in the same period.

"The Board remains focused on continuing to deliver operational and financial progress for the Group over the long term. Opportunities for profit growth overseas, the rollout of our principal Fashion Fascia, development of our differentiated and own brand proposition, and growth in our Distribution business all help to reduce threats to Group profitability and give us the opportunity to maintain the positive momentum in our business."

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Executive Chairman's Statement

Introduction

The year ended 30 January 2010 has been the sixth successive year of good progress in revenue and profitability for the Group. During the period, we have improved our profit before tax and exceptional items by 26% to £67.4 million (2009: £53.6 million). This follows increases of 24%, 73% and 51% in the previous three years and such sustained performance, in the face of less than favourable economic conditions and exchange rates, reflects the strength and uniqueness of our brand and fascia offers as well as the strength of our management teams.

Group profit before tax has increased by 61% in the year to £61.4 million (2009: £38.2 million) and Group profit after tax has increased by 74% to £42.7 million (2009: £24.5 million).

Group operating profit (before exceptional items and joint venture results) for the year was up 24% to £67.3 million (2009: £54.5 million) and comprises a Sports Fascias' profit of £64.1 million (2009: £54.2 million), a Fashion Fascias' profit of £3.3 million (2009: £0.2 million) and a Distribution companies loss of £0.1 million (2009: profit of £0.1

million).

The year end net cash position has risen to £60.5 million (2009: £23.5 million) and the Group retains £70 million of committed rolling credit and working capital facilities. The Board wishes to retain the funding capability to further develop the Group operationally and by acquisition and this will be taken into account when new facilities are negotiated in the next year. Confidence arising from the cash position and the sustained period of results improvement and balance sheet strengthening has enabled the Board to propose an increase in the level of the dividend with a final proposed dividend increase of 65% to 14.7p (2009: 8.9p) bringing the total dividends payable for the year to 18.0p (2009: 12.0p), an increase of 50% following on from the 41% increase last year.

Acquisitions

The Group is very well funded currently and has a Sports Fashion retail offer which provides the consumer with a unique mix of sports and fashion brands in both apparel and footwear including licensed and our own brands such as McKenzie and Carbrini. The strength of this offering gives our retail model the potential to be replicated in other countries.

On 19 May 2009 we acquired the French retailer Chausport for £7.9 million including fees. In addition, we inherited net debt of £1.7 million. Chausport is based near Lille and is primarily a retailer of sports shoes. With only 75 small stores, nearly all located outside the largest conurbations, we see opportunities for growth in France. We expect to introduce progressive access to JD brands, exclusive product and supplier terms over the next two years. The acquisition contributed £27.7 million of revenue and £0.7 million of operating profit in the period from acquisition to 30 January 2010.

On 4 August 2009 we acquired the key trading assets and trade of Canterbury Europe Limited along with the global rights to the world famous heritage rugby brands of 'Canterbury' and 'Canterbury of New Zealand'. The brand, goodwill and fixed assets, along with a Hong Kong based distribution company, were acquired for £6.7 million including fees. The required elements of the remaining inventory were also purchased for £4.3 million. The Canterbury brand was established in New Zealand over 100 years ago and has become the world's foremost rugby brand, distributing both technical and lifestyle footwear, apparel and accessories and with scope for product and distribution extension.

On 24 November 2009, the Group took further steps to control the global distribution of the Canterbury brands by purchasing the key assets of the USA distribution company for Canterbury (Sail City Apparel Limited in liquidation) for £0.4 million. On 23 December 2009, we also acquired 100% of the Australian distribution company (Canterbury International (Australia) Pty Limited) and 51% of the New Zealand distribution company (Canterbury of New Zealand Limited) for £0.3 million including fees. A £0.8 million debt to a minority shareholder was assumed with these transactions. The results to date of all these operations are summarised in this statement within the Distribution segment commentary.

Two other acquisitions were completed in the period. Kooga Rugby Limited, based in Rochdale, was acquired for a nominal sum on 3 July 2009. Duffer of St George Limited, a fashion brand company, whose brand 'The Duffer of St George' is now used as an own brand in the JD stores, was acquired for £0.9 million on 24 November 2009.

Sports Fascias

The Sports Fascias' total revenue increased by 10% during the period to £615.5 million (2009: £559.2 million), including post-acquisition revenue from newly acquired Chausport of £27.7 million. Like for like sales in the retail Sports Fascias for the year were up 2.3% (2009: 3.3%).

The Sports Fascias' results reported last year included those of Topgrade but given the development of the Group over the last year we have split the operations into three segments with the additional one being Distribution. This now includes Topgrade which previously diluted the margin in the Sports

Fascias. Under this new segmental presentation, the gross margin in the Sports Fascias rose from 50.5% to 50.6%. We are particularly pleased with this gross margin performance given uncertainties over the impact of sterling weakness at the start of the year and attribute this to further improvement in the management of terminal stocks, continued strength in our own brands, and the benefits to us from competitor failures and weaknesses.

As a result of improved margin and continuing enhancement of the store portfolio and its efficiencies, the operating profit (before exceptional items) of the Sports Fascias rose to £64.1 million (2009: £54.2 million) in the year, including a contribution of £0.7 million from Chausport.

The programme of store development has continued with 12 new JD and 2 Size? store openings and 17 major store refurbishments (15 JD, 1 Chausport and 1 Size?). This substantial refurbishment programme started in 2007 and will continue. The store refurbishments often result in full store closures for a number of weeks but we expect this to be justified by their subsequent performance. 17 Sports Fascias stores were closed in the period including 3 smaller Chausport stores and 2 JD stores which were transferred to Bank.

Fashion Fascias

The Fashion Fascias are Bank and Scotts. The results of Deakins were previously included with those of the Fashion Fascias but are now included in those of the Distribution segment.

The Bank Fascia stores sell largely branded fashion to both males and females, predominantly for the teenage to mid twenties sector. Bank is expected to be the core of future Fashion Fascias' growth. In the year the store portfolio grew from 54 stores to 65 stores, still based predominantly in the North and the Midlands. Total revenue in the year was £82.8 million (2009: £66.5 million), up 4.7% organically (2009: +9.5%). Operating profit (before exceptional items) was £3.0 million (2009: £1.2 million). The Board remains confident that there is a significant opportunity to grow operating margin in this Fascia through better stock management, own brand development and disciplined store rollout. Gross margin achieved in the year was 48.4% (2009: 46.1%).

The Scotts Fascia stores sell branded fashion to younger males and there were 38 stores at the year end, again, largely in the North and the Midlands. Total revenue in the year was £31.8 million (2009: £32.0 million) and the operating profit (before exceptional items) was £0.3 million (2009 loss: £1.0 million), helped by an achieved gross margin of 47.4% (2009: 45.2%) and efficiencies achieved through prior year store rationalisation. Like for like sales rose by 1.2% (2009: +5.1%). The start to the new year has been relatively disappointing and consequently we have very recently strengthened the management team.

Distribution

Topgrade (which is 51% owned) is now one of the two major parts of the Distribution segment. It was bought with the intention of adding a new business selling sports and fashion brands at discounted prices through catalogues and online, complementing its existing end of line wholesaling operation. This has been launched as Get The Label (www.getthelabel.com) in the current year and has made a very encouraging start which has continued in the new year. It is not expected to be profitable this year or next and total revenues for Topgrade of £19.7 million (2009: £12.6 million) and an operating loss of £0.4 million (2009 profit: £0.1 million) were in line with our expectations.

The second major part of the Distribution segment is the newly acquired UK and overseas Canterbury operations which contributed revenue of £15.4 million and an operating profit of £0.1 million in the short periods they have been part of the Group. Canterbury's prospects have already been outlined earlier in this statement under Acquisitions.

The other parts of the Distribution segment are Kooga Rugby (which is also referred to under Acquisitions) and Deakins, the predominantly fashion footwear brand, which continues to breakeven on a low turnover with both group companies and external customers.

Joint Venture

Our 49% owned joint venture, Focus Brands Limited, is involved in the design, sourcing and distribution of footwear and apparel both for own brand and under license brands for both group and external customers. Our share of operating results for the year was an operating profit before exceptional items of £0.5 million (2009 loss: £0.2 million).

Group Performance

Revenue

Total revenue increased by 14.7% in the year to £769.8 million (2009: £670.9 million) principally as a result of three factors: the Group's positive like for like sales performance of 2.5%, net store openings and £48.1 million of sales from newly acquired operations.

Gross margin

The improved gross margin performance in the UK & Ireland retail fascias has been commented on earlier in this statement. It is only the lower margins realised in Chausport and the Distribution segment, combined with the increased sales in this segment, which have resulted in overall group gross margin being held at 49.3%.

Operating profits

Operating profit (before exceptional items) increased by £12.8 million to £67.3 million (2009: £54.5 million), a 24% increase on last year which follows a 24% rise in the previous year. Group operating margin (before exceptional items) has therefore increased by a further 0.6% to 8.7% (2009: 8.1%).

Following a decrease in the exceptional items to £5.0 million (2009: £16.3 million), Group operating profit rose significantly from £38.2 million to £62.3 million.

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

	£m
Impairment of goodwill in Scotts store portfolio	2.6
Loss on disposal of fixed assets	2.2
Onerous lease provision	3.9
Impairment of fixed assets in underperforming stores	0.4
Profit on disposal of investment in JJB Sports Plc	(4.1)
Total exceptional charge	5.0

The share of exceptional items of joint venture (Focus Brands) consists primarily of the reversal of an unrealised gain on exchange contracts booked in the year to 31 January 2009 under IAS 39 'Financial Instruments: Recognition and Measurement'.

Working capital and financing

Net financing costs have decreased from £0.7 million to £0.4 million, principally as a result of lower utilisation of debt facilities combined with lower cost of debt.

Year end net cash of £60.5 million represented a £37.0 million improvement on the position at January 2009 (£23.5 million). This net cash balance has been achieved after expenditure on acquisitions and associated asset purchases in the year (excluding the investment in JJB Sports Plc) totalling £15.8 million (2009: £1.4 million). Net proceeds from the disposal of the investment in JJB Sports Plc after allowing for a full participation in the placing and rights issue were £6.1 million.

Net capital expenditure including disposal costs and premia received decreased in the year to £23.0 million (2009: £30.1 million) with capital expenditure excluding disposal costs decreasing by £5.9 million to £22.9 million (2009: £28.8 million). This decrease does not mean that the Group is reducing its investment programme and is more a function of the timing of projects. Accordingly, the Board would expect the capital expenditure in the year to January 2011 to exceed the amount spent in the year to January 2010 with significant investment in both the Bank and Chausport fascias. The decrease in capital expenditure was focused on the Sports Fascias where the spend reduced by £8.7 million to £14.9 million with expenditure increasing in the Fashion Fascias by £2.4 million to £7.4 million reflecting the investment in the Bank Fashion chain. The capital expenditure in the year included £10.2 million on new stores and £10.8 million on refurbishments (including the transfer of 3 stores between fascias).

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

Store Portfolio

We have made a further significant investment in the store portfolio during the year with expenditure on both new stores and refurbishments of existing space. We have also continued to rationalise our store portfolio wherever possible but, with the current economic climate impacting heavily on retail property occupancy levels, it has become much more difficult to dispose of underperforming and/or duplicate stores.

There has been no net increase in the number of JD & Size? stores with 14 new stores offset by 12 closures and the transfer of 2 stores to Bank. However, there has been a net addition of 11 stores to the Bank Fascia with 14 store openings (including the 2 transferred from JD and 1 transferred from Scotts) offset by the closure of 3 stores.

We have refurbished a total of 22 stores (including transfers of space between fascias) in the year. This means that over the last three years we have opened a total of 67 stores and refurbished a further 94 stores.

During the year we also acquired Chausport SA. On acquisition, Chausport had 78 small stores, in premium locations, in town centres and shopping centres across France. Three loss making stores were subsequently disposed in the period after acquisition.

During the year, store numbers (excluding trading websites) moved as follows:

Sports Fascias

	JD & Size?		Chausport		Total	
	Units	'000 sq ft	Units	'000 sq ft	Units	'000 sq ft
Start of year	345	1,105	-	-	345	1,105
Acquisitions	-	-	78	80	78	80
New stores	14	47	-	-	14	47
Transfers	(2)	(9)	-	-	(2)	(9)
Closures	(12)	(26)	(3)	(2)	(15)	(28)
Remeasures	-	(17)	-	-	-	(17)

Close of year	345	1,100	75	78	420	1,178

Fashion Fascias

	Bank		Scotts		Total	
	Units	'000 sq ft	Units	'000 sq ft	Units	'000 sq ft
Start of year	54	119	38	86	92	205
New stores	11	35	2	2	13	37
Transfers	3	11	(1)	(2)	2	9
Closures	(3)	(6)	(1)	(1)	(4)	(7)
Remeasures	-	17	-	-	-	17
Close of year	65	176	38	85	103	261

Dividends and Earnings per Share

The Board proposes paying a final dividend of 14.70p (2009: 8.90p) bringing the total dividend payable for the year to 18.00p (2009: 12.00p) per ordinary share. The proposed final dividend will be paid on 2 August 2010 to all shareholders on the register at 7 May 2010. The final dividend has been increased by 65% with total dividends payable for the year increased by 50%. This follows a 41% increase in the full year dividend in the prior year.

The adjusted earnings per ordinary share before exceptional items were 93.64p (2009: 72.33p).

The basic earnings per ordinary share were 88.16p (2009: 50.49p).

Employees

The Group's excellent results would not have been possible without the support of a dedicated workforce for which the Board is very grateful. We are committed to continue increasing training and other support to enhance both their career prospects and our own customer service.

Current Trading and Outlook

Trading in the 10 weeks to 10 April 2010 has been encouraging with UK and Ireland retail like for like sales up 2.0% (Sports Fascias 3.0%; Fashion Fascias -3.5%) on an underlying basis taking into account the change in the timing of Easter and school holidays. Although like for like sales are lower, the performance of the Fashion Fascias has benefitted from a 2% improvement in gross margin in the same period. Chausport has started the year well. It is too early in the year to report on progress in the Distribution business. We recognise the increasing challenges of strong comparatives and the current economic and fiscal threats to consumers' expenditure. A further update will be made in our Interim Management Statement in June.

The Board remains focused on continuing to deliver operational and financial progress for the Group over the long term. Opportunities for profit growth overseas, the rollout of our principal Fashion Fascia, development of our differentiated and own brand proposition, and growth in our Distribution business all help to reduce threats to Group profitability and give us the opportunity to maintain the positive momentum in our business.

Peter Cowgill

Executive Chairman

14 April 2010

Consolidated Income Statement

For the 52 weeks ended 30 January 2010

	Note	52 weeks to 30 January 2010 Continuing Operations £000	52 weeks to 31 January 2009 Continuing Operations £000
Revenue		769,785	670,855
Cost of sales		(390,248)	(340,309)
Gross profit		379,537	330,546
Selling and distribution expenses - normal		(288,462)	(256,315)
Selling and distribution expenses - exceptional		(6,458)	(8,201)
Administrative expenses - normal		(26,051)	(20,867)
Administrative expenses - exceptional		1,472	(8,122)
Other operating income		2,270	1,109
Operating profit		62,308	38,150
Before exceptional items		67,294	54,473
Exceptional items	2	(4,986)	(16,323)
Operating profit		62,308	38,150
Share of results of joint venture before exceptional items (net of income tax)			
	3	539	(166)
Share of exceptional items (net of income tax)	3	(1,012)	914
Share of results of joint venture	3	(473)	748
Financial income		385	529
Financial expenses		(827)	(1,210)
Profit before tax		61,393	38,217
Income tax expense		(18,647)	(13,707)
Profit for the period		42,746	24,510
Attributable to equity holders of the parent		42,900	24,379
Attributable to minority interest		(154)	131
Basic earnings per ordinary share	4	88.16p	50.49p
Diluted earnings per ordinary share	4	88.16p	50.49p

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 30 January 2010

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Profit for the period	42,746	24,510
Other comprehensive income:		
Exchange differences on translation of foreign operations	(248)	4
Total other comprehensive income for the period	(248)	4
Total comprehensive income and expense for the period		
	42,498	24,514
(net of income tax)		
Attributable to equity holders of the parent	42,652	24,383
Attributable to minority interest	(154)	131

Consolidated Statement of Financial Position
As at 30 January 2010

	As at 30 January 2010 £000	As at 31 January 2009 £000
Assets		
Intangible assets	50,121	42,890
Property, plant and equipment	67,434	62,668
Investment property	4,053	4,102
Other receivables	13,232	5,459
Equity accounted investment in joint venture	635	1,108
Total non-current assets	135,475	116,227
Available for sale investments	-	2,053
Inventories	74,569	58,287
Trade and other receivables	31,657	20,453
Cash and cash equivalents	64,524	23,538
Total current assets	170,750	104,331
Total assets	306,225	220,558
Liabilities		
Interest bearing loans and borrowings	(2,712)	(83)
Trade and other payables	(115,742)	(80,073)

Provisions	(2,920)	(2,859)
Income tax liabilities	(10,789)	(8,395)
Total current liabilities	(132,163)	(91,410)
Interest bearing loans and borrowings	(1,347)	-
Other payables	(24,050)	(19,690)
Provisions	(7,395)	(5,310)
Deferred tax liabilities	(748)	(379)
Total non-current liabilities	(33,540)	(25,379)
Total liabilities	(165,703)	(116,789)
Total assets less total liabilities	140,522	103,769
Capital and reserves		
Issued ordinary share capital	2,433	2,433
Share premium	11,659	11,659
Retained earnings	125,341	88,378
Other reserves	(244)	4
Total equity attributable to equity holders of the parent	139,189	102,474
Attributable to minority interest	1,333	1,295
Total equity	140,522	103,769

Consolidated Statement of Changes in Equity
As at 30 January 2010

	Ordinary Share Capital £000	Share Premium	Retained Earnings	Foreign Currency Translation Reserve £000	Minority Interest	Total Equity
		£000	£000		£000	£000
Balance at 2 February 2008	2,413	10,823	68,391	-	1,164	82,791
Shares issued in the period	20	836	-	-	-	856
Profit for the period	-	-	24,379	-	131	24,510
Exchange differences on translation of foreign operations	-	-	-	4	-	4
Dividends to shareholders	-	-	(4,392)	-	-	(4,392)
Balance at 31 January 2009	2,433	11,659	88,378	4	1,295	103,769
Profit for the period	-	-	42,900	-	(154)	42,746

Exchange differences on translation of foreign operations	-	-	-	(248)	-	(248)
Dividends to shareholders	-	-	(5,937)	-	-	(5,937)
Acquisition of minority interest	-	-	-	-	192	192
Balance at 30 January 2010	2,433	11,659	125,341	(244)	1,333	140,522

Consolidated Statement of Cash Flows

For the 52 weeks ended 30 January 2010

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Cash flows from operating activities		
Profit for the period	42,746	24,510
Share of results of joint venture	473	(748)
Income tax expense	18,647	13,707
Financial expenses	827	1,210
Financial income	(385)	(529)
Depreciation and amortisation of non-current assets	17,863	14,332
Exchange differences on translation	(49)	(399)
Impairment of intangible assets	2,617	2,045
Impairment of non-current assets	408	2,225
Impairment of available for sale investments	-	6,077
Profit on disposal of available for sale investments	(4,089)	-
Loss on disposal of non-current assets	2,148	2,976
Increase in inventories	(6,062)	(57)
Increase in trade and other receivables	(8,179)	(3,832)
Increase in trade and other payables	25,326	9,513
Interest paid	(827)	(1,210)
Income taxes paid	(15,848)	(15,572)
Net cash from operating activities	75,616	54,248
Cash flows from investing activities		
Interest received	385	529
Proceeds from sale of non-current assets	532	23

Disposal costs of non-current assets	(644)	(1,271)
Acquisition of intangible assets	(6,672)	-
Acquisition of property, plant and equipment	(21,472)	(28,019)
Acquisition of non-current other receivables	(1,429)	(810)
Cash consideration of acquisitions	(9,100)	(1,370)
Cash acquired with acquisitions	2,273	60
Overdrafts acquired with acquisitions	(1,129)	-
Acquisition of available for sale investment	(9,990)	(8,130)
Proceeds from disposal of available for sale investment	16,132	-
Third party loan repayments	80	-
Loan repayments received from joint venture	1,750	-
Net cash used in investing activities	(29,284)	(38,988)
Cash flows from financing activities		
Repayment of interest bearing loans and borrowings	(1,836)	(99)
Payment of finance lease and similar hire purchase contracts	-	(56)
Dividends paid	(5,937)	(3,536)
Net cash used in financing activities	(7,773)	(3,691)
Net increase in cash and cash equivalents	38,559	11,569
Cash and cash equivalents at the beginning of the period	23,538	11,969
Cash and cash equivalents at the end of the period	62,097	23,538

Analysis of Net Cash
As at 30 January 2010

	At 31 January 2009 £000	On acquisition of subsidiaries £000	Cash flow £000	At 30 January 2010 £000
Cash at bank and in hand	23,538	2,273	38,713	64,524
Overdrafts	-	(1,129)	(1,298)	(2,427)
Cash and cash equivalents	23,538	1,144	37,415	62,097
Interest bearing loans and borrowings:				

Bank loans	-	(2,013)	1,128	(885)
Loan notes	(83)	-	83	-
Other loans	-	(1,388)	641	(747)
	23,455	(2,257)	39,267	60,465

1. Segmental analysis

The Group has adopted IFRS 8 'Operating Segments' for the current period. IFRS 8 requires operating 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.

In prior years, segment information reported externally was analysed on the basis of the categories of product sold by the Group (Sport or Fashion). However, information reported to the Chief Operating Decision Maker is focused more on the nature of the businesses within the Group which has changed significantly in the current year, due to the acquisition of a number of distribution businesses. 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 and Duffer of St George Limited

· Fashion retail - includes the results of the fashion retail trading companies Bank Fashion Limited and RD Scott Limited

· Distribution businesses - includes the results of the distribution companies Topgrade Sportswear Limited, Nicholas Deakins Limited, Canterbury Limited (including global subsidiary companies) and Kooga Rugby Limited

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.

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 has trading relationships with companies in all of the three segments. An asset of £635,000 (2009: £1,108,000) for the equity accounted investment in joint venture is 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 liability of £11,537,000 (2009: £8,774,000) for taxation is 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 operating segments for the 52 weeks to 30 January 2010 is reported below:

Income statement

	Sport Retail £000	Fashion Retail £000	Distribution £000	Total £000
Gross revenue	615,507	114,640	42,551	772,698
Intersegment revenue	(1,225)	(394)	(1,294)	(2,913)
Revenue	614,282	114,246	41,257	769,785
Operating profit / (loss) before financing and exceptional items	64,125	3,333	(164)	67,294
Exceptional items	(642)	(4,355)	11	(4,986)
Operating profit / (loss)	63,483	(1,022)	(153)	62,308
Share of results of joint venture				(473)
Financial income				385
Financial expenses				(827)
Profit before tax				61,393
Income tax expense				(18,647)
Profit for the period				42,746

Total assets and liabilities

	Sport Retail £000	Fashion Retail £000	Distribution £000	Unallocated £000	Eliminations £000	Total £000
Total assets	264,394	51,180	40,572	635	(50,556)	306,225
Total liabilities	(112,618)	(51,561)	(40,543)	(11,537)	50,556	(165,703)

Other segment information

	Sport Retail £000	Fashion Retail £000	Distribution £000	Total £000
Capital expenditure:				
Property, plant and equipment	13,517	7,383	572	21,472
Non-current other receivables	1,424	5	-	1,429
Goodwill on acquisition	-	-	1,443	1,443
Brands on acquisition	2,042	-	453	2,495

Brands purchased	-	-	6,672	6,672
Available for sale investment	9,990	-	-	9,990
Depreciation, amortisation and impairments:				
Depreciation and amortisation of non-current assets				
	14,067	3,279	517	17,863
Impairment of intangible assets	-	2,617	-	2,617
Impairment of non-current assets	105	303	-	408

The comparative divisional results for the 52 weeks to 31 January 2009 are as follows:

Income statement

	Sport Retail £000	Fashion Retail £000	Distribution £000	Total £000
Gross revenue	559,209	98,518	14,819	672,546
Intersegment revenue	-	-	(1,691)	(1,691)
Revenue	559,209	98,518	13,128	670,855
Operating profit before financing and				
	54,159	233	81	54,473
exceptional items				
Exceptional items	(14,204)	(2,119)	-	(16,323)
Operating profit / (loss)	39,955	(1,886)	81	38,150
Share of results of joint venture				748
Financial income				529
Financial expenses				(1,210)
Profit before tax				38,217
Income tax expense				(13,707)
Profit for the period				24,510

Total assets and liabilities

	Sport Retail £000	Fashion Retail £000	Distribution £000	Unallocated £000	Eliminations £000	Total £000
Total assets	194,272	48,006	7,482	1,108	(30,310)	220,558
Total liabilities	(86,388)	(47,947)	(3,990)	(8,774)	30,310	(116,789)

Other segment information

	Sport Retail £000	Fashion Retail £000	Distribution £000	Total £000
Capital expenditure:				
Property, plant and equipment	22,830	5,015	174	28,019
Non-current other receivables	810	-	-	810
Goodwill on acquisition	-	864	-	864
Available for sale investment	8,130	-	-	8,130
Depreciation, amortisation and impairments:				
Depreciation and amortisation of non-current assets				
	11,576	2,669	87	14,332
Impairment of intangible assets	2,045	-	-	2,045
Impairment of non-current assets	798	1,427	-	2,225
Impairment of available for sale investments	6,077	-	-	6,077

Geographical Information

The Group's operations are located in the UK, Republic of Ireland, France, Australia, New Zealand, United States of America 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 30 January 2010 £000	52 weeks to 31 January 2009 £000
UK	722,221	657,052
Europe	45,094	13,803
Rest of world	2,470	-
	769,785	670,855

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 value of segmental non-current assets, excluding investments in joint venture £635,000 (2009: £1,108,000) and other financial assets £922,000 (£2,629,000), by the geographical area in which the assets are located:

	2010 £000	2009 £000
UK	120,322	109,725
Europe	13,311	2,765
Rest of world	285	-
	133,918	112,490

2. EXCEPTIONAL ITEMS

	52 weeks to 30 January 2010 £000	52 weeks to 31 January 2009 £000
Loss on disposal of non-current assets	2,148	2,976
Impairment of non-current assets	408	2,225
Onerous lease provision	3,902	3,000
Selling and distribution expenses - exceptional	6,458	8,201
Impairment of intangible assets	2,617	2,045
Impairment of available for sale investments	-	6,077
Profit on disposal of available for sale investments	(4,089)	-
Administrative expenses - exceptional	(1,472)	8,122
	4,986	16,323

3. INTEREST IN JOINT VENTURE

The Group's share of the revenue generated by the joint venture in the period was £11,774,000 (2009: £13,043,000). The amount included in the Consolidated Income Statement for the period ended 30 January 2010 in relation to the joint venture is as follows:

	Before exceptionals £000	Exceptionals £000	After exceptionals £000
Share of result before tax	740	(1,406)	(666)
Income tax	(201)	394	193
Share of result after tax	539	(1,012)	(473)

The exceptional items relate to the movement in the fair value of foreign exchange contracts which were outstanding at the period end.

The comparative amount included in the Consolidated Income Statement for the period ended 31 January 2009 in relation to the joint venture is as follows:

	Before exceptionals £000	Exceptionals	After exceptionals
		£000	£000
Share of result before tax	(155)	1,270	1,115
Income tax	(11)	(356)	(367)
Share of result after tax	(166)	914	748

4. EARNINGS PER ORDINARY SHARE

Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share at 30 January 2010 is based on the profit for the period attributable to equity holders of the parent of £42,900,000 (2009: £24,379,000) and a weighted average number of ordinary shares outstanding during the 52 weeks ended 30 January 2010 of 48,661,658 (2009: 48,287,502).

	52 weeks to 30 January	52 weeks to 31 January 2009
	2010	
Issued ordinary shares at beginning of period	48,661,658	48,263,434
Issued ordinary shares at end of period	48,661,658	48,661,658
Weighted average number of ordinary shares during the period	48,661,658	48,287,502

Adjusted basic and diluted earnings per ordinary share

Adjusted basic and diluted earnings per ordinary share have been based on the profit 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 30 January 2010 £000	52 weeks to 31 January 2009	£000
Profit attributable to equity holders of the parent		42,900	24,379	
Exceptional items excluding loss on disposal of non-current assets	2	2,838	13,347	
Tax relating to exceptional items		(1,184)	(1,885)	
Share of exceptional items of joint venture (net of income tax)	3	1,012	(914)	
Profit attributable to equity holders of the parent excluding exceptional items		45,566	34,927	
Adjusted basic and diluted earnings per ordinary share		93.64p	72.33p	

5. ACQUISITIONS

A number of acquisitions have been made in the period. Provisional fair values are disclosed below, where the acquisitions are within the 12 month hindsight period.

Acquisition of Chausport SA

On 19 May 2009, the Group (via its new subsidiary JD Sports Fashion (France) SAS) acquired 100% of the issued share capital of Chausport SA for a cash consideration of £7,211,000 (8,000,000) together with associated fees of £696,000. Chausport SA is a French retailer with 78 stores in premium locations in town centres and shopping centres across France.

The provisional goodwill calculation is summarised below:

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Acquiree's net assets at the			

acquisition date:			
Property, plant & equipment	1,637	(79)	1,558
Non-current other receivables	6,581	2,697	9,278
Inventories	6,282	(512)	5,770
Trade and other receivables	1,350	-	1,350
Cash and cash equivalents	639	-	639
Interest bearing loans and borrowings	(2,318)	-	(2,318)
Trade and other payables	(8,370)	-	(8,370)
Net identifiable assets	5,801	2,106	7,907
Goodwill on acquisition			-
Consideration paid - satisfied in cash			7,907

Non-current other receivables comprise landlord deposits and key money, which gives Chausport SA the right to occupy certain retail locations.

Included in the result for the 52 week period to 30 January 2010 is revenue of £27,678,000 and a profit before tax of £692,000 in respect of Chausport SA.

Acquisition of Kooga Rugby Limited

On 3 July 2009, the Group acquired 100% of the issued share capital of Kooga Rugby Limited for a consideration of £1 together with associated fees of £30,000. Kooga Rugby Limited is involved in the design, sourcing and wholesale of rugby apparel, footwear and accessories and is sole kit supplier to a number of professional rugby union and rugby league clubs.

The provisional goodwill calculation is summarised below:

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Acquiree's net liabilities at the acquisition date:			
Intangible assets	262	191	453
Property, plant & equipment	347	(245)	102
Inventories	1,450	(368)	1,082
Trade and other receivables	1,956	(938)	1,018
Interest bearing loans and borrowings	(4,824)	3,375	(1,449)

Trade and other payables	(1,937)	(98)	(2,035)
Provisions	-	(584)	(584)
Net identifiable (liabilities) / assets	(2,746)	1,333	(1,413)
Goodwill on acquisition			1,443
Consideration paid - satisfied in cash			30

Fair value adjustments include a reduction of £3,375,000 in interest bearing loans and borrowings following an agreement with the lender.

The Board believe that the excess of consideration paid over net identifiable liabilities is best considered as goodwill on acquisition, representing customer loyalty and employee expertise. The Kooga brand has been identified as a separate intangible asset and has been valued using the 'royalty relief' method of valuation, which takes projected future sales, applies a royalty rate to them and discounts the projected future post tax royalties to arrive at a net present value. This amount is included in intangible assets as a brand name.

Included in the result for the 52 week period to 30 January 2010 is revenue of £4,986,000 and a profit before tax of £145,000 in respect of Kooga Rugby Limited.

Canterbury Limited

On 4 August 2009, the Group (via its new subsidiary Canterbury Limited) acquired the global rights to the rugby brands 'Canterbury' and 'Canterbury of New Zealand' from Canterbury Europe Limited (in administration) for a cash consideration of £6,672,000. Inventory with a value of £4,289,000 was also acquired. The book value of the assets acquired is considered to be the fair value and no goodwill arose on the acquisition.

Canterbury Limited holds the brand names 'Canterbury' and 'Canterbury of New Zealand' and receives third party global royalties in relation to these brands. Included in the result for the 52 week period to 30 January 2010 is revenue of £nil and a loss before tax of £21,000 in respect of the company Canterbury Limited.

Canterbury of New Zealand Limited

Canterbury Limited is the parent company of Canterbury of New Zealand Limited, a newly incorporated company domiciled in the UK, which trades the Canterbury brand in Europe.

Included in the result for the 52 week period to 30 January 2010 is revenue of £12,960,000 and a profit before tax of £19,000 in respect of Canterbury of New Zealand Limited.

Canterbury International (Far East) Limited

On 4 August 2009, Canterbury Limited acquired 100% of the issued share capital of Canterbury International (Far East) Limited for a cash consideration of £1. The provisional fair value of the assets and liabilities acquired was £1. No goodwill arose on this acquisition.

Included in the result for the 52 week period to 30 January 2010 is revenue of £319,000 and a loss before tax of £67,000 in respect of Canterbury International (Far East) Limited.

Canterbury (North America) LLC

On 24 November 2009, Canterbury Limited (via its new subsidiary Canterbury (North America) LLC) acquired the key trading assets from Sail City Apparel Limited (in liquidation). The total cash consideration paid was £442,000 which included inventory with a value of £392,000 with associated fees of £50,000. The book value of the assets acquired is considered to be the fair value and no goodwill arose on the acquisition.

Included in the result for the 52 week period to 30 January 2010 is revenue of £439,000 and a profit before tax of £40,000 in respect of Canterbury (North America) LLC.

Acquisition of Canterbury International (Australia) Pty Limited

On 23 December 2009, Canterbury Limited acquired 100% of the issued ordinary share capital of Canterbury International (Australia) Pty Limited for a cash consideration of £2 together with associated fees of £100,000. Canterbury International (Australia) Pty Limited operates the Canterbury brand in Australia.

The provisional goodwill calculation is summarised below:

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Acquiree's net assets at the acquisition date:			
Property, plant & equipment	144	-	144
Inventories	1,866	-	1,866
Trade and other receivables	1,175	-	1,175
Cash and cash equivalents	918	-	918
Trade and other payables	(3,037)	(349)	(3,386)
Intercompany loan	(7,105)	6,488	(617)
Net identifiable (liabilities) / assets	(6,039)	6,139	100
Goodwill on acquisition			-
Consideration paid - satisfied in cash			100

Fair value adjustments include a reduction of £6,488,000 in intercompany loans following an agreement with the lender.

Included in the result for the 52 week period to 30 January 2010 is revenue of £1,210,000 and a profit before tax of £84,000 in respect of Canterbury International (Australia) Pty Limited.

Acquisition of Canterbury of New Zealand Limited

On 23 December 2009, Canterbury Limited acquired 51% of the issued ordinary share capital of Canterbury of New Zealand Limited for a cash consideration of £1 together with associated fees of £200,000. Canterbury of New Zealand Limited operates the Canterbury brand in New Zealand.

The provisional goodwill calculation is summarised below:

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Acquiree's net assets at the acquisition date:			
Property, plant & equipment	123	-	123
Inventories	1,681	(180)	1,501
Trade and other receivables	1,346	(90)	1,256
Cash and cash equivalents	504	-	504
Trade and other payables	(966)	(484)	(1,450)
Income tax liabilities	(8)	-	(8)
Intercompany loan	(794)	23	(771)
Shareholder loan	(763)	-	(763)
Net identifiable assets / (liabilities)	1,123	(731)	392
Non-controlling interest (49%)	(550)	358	(192)
Goodwill on acquisition			-
Consideration paid - satisfied in cash			200

Canterbury Limited and the vendors of Canterbury of New Zealand Limited have agreed a put and call option whereby Canterbury Limited may acquire the remaining 49% of the issued share capital of Canterbury of New Zealand Limited. This option is exercisable by either party on the third anniversary of the completion of this initial transaction and on each anniversary thereafter.

Included in the result for the 52 week period to 30 January 2010 is revenue of £502,000 and a profit before tax of £30,000 in respect of Canterbury of New Zealand Limited.

Acquisition of Duffer of St George Limited

On 24 November 2009, the Group acquired 100% of the issued ordinary share capital of Duffer of St George Limited for a cash consideration of £863,000. Duffer of St George Limited owns the global rights to the brand name 'The Duffer of St George'.

The provisional goodwill calculation is summarised below:

	Book value	Fair value	Provisional