

11 April 2017

## JD SPORTS FASHION PLC PRELIMINARY RESULTS FOR THE 52 WEEKS ENDED 28 JANUARY 2017

JD Sports Fashion Plc (the "Group"), a leading retailer of sports, fashion and outdoor brands, today announces its Preliminary Results for the 52 weeks ended 28 January 2017 (2016: 52 weeks ended 30 January 2016).

	2017 £000	2016 £000	% Change
Revenue	<b>2,378,694</b>	1,821,652	+31%
Gross profit %	<b>48.9%</b>	48.5%	
Operating profit (before exceptional items)*	<b>246,212</b>	158,902	+55%
Net interest expense	<b>(1,425)</b>	(1,775)	
Profit before tax and exceptional items*	<b>244,787</b>	157,127	+56%
Exceptional items	<b>(6,419)</b>	(25,496)	
Profit before tax	<b>238,368</b>	131,631	+81%
Basic earnings per ordinary share (a)	<b>18.38p</b>	10.03p	
Adjusted earnings per ordinary share (a)*	<b>19.04p</b>	12.27p	
Total dividend payable per ordinary share	<b>1.55p</b>	1.48p	
Net cash at period end (b)	<b>213,600</b>	209,421	

- a) The prior year has been restated to reflect the 5:1 share split which was approved by shareholders at a General Meeting on 24 November 2016  
 b) Net cash consists of cash and cash equivalents together with interest-bearing loans and borrowings  
 c) Throughout this release '\*' indicates first instance of a term defined and explained in the Glossary at the end of these preliminary results

### Group Highlights

- Record result with headline profit before tax and exceptional items of £244.8 million (2016: £157.1 million) and profit before tax increasing by 81% to £238.4 million (2016: £131.6 million).
- A third consecutive year of double digit store LFL\* growth in Sports Fashion.
- European development accelerated with a net increase of 54 stores (2016: 38 stores) for the JD fascia across Europe.
- As part of our international strategy, a further two stores in Malaysia opened in the year with a further store opened in the new financial year. The first JD store in Australia is due to open shortly.
- Blacks and Millets delivered a positive result for the first time and the acquisition of the market leading Go Outdoors business will further develop our overall Outdoors proposition.
- Period end net cash of £213.6 million (2016: £209.4 million) with the significant investments in the year on both acquisitions, principally Go Outdoors, and capital expenditure funded by the inherently strong cash generative nature of our retail fascias.
- Total capital expenditure of £88.0 million (2016: £83.5 million) which is expected to increase further in the new financial year as the international rollout of JD continues to gain momentum.
- Sales, gross margin and operating profit / (loss) before exceptional items of the two business segments are tabulated below:

**Period to 28 January 2017**

	Sports Fashion £000	Outdoor £000	Total £000
Gross revenue	2,180,553	198,141	2,378,694
Intersegment revenue	-	-	-
Revenue	<u>2,180,553</u>	<u>198,141</u>	<u>2,378,694</u>
Gross margin %	<u>49.4%</u>	<u>43.7%</u>	<u>48.9%</u>
Operating profit before exceptional items	<u>245,056</u>	<u>1,156</u>	<u>246,212</u>

**Period to 30 January 2016**

	Sports Fashion £000	Outdoor £000	Total £000
Gross revenue	1,666,477	155,313	1,821,790
Intersegment revenue	(138)	-	(138)
Revenue	<u>1,666,339</u>	<u>155,313</u>	<u>1,821,652</u>
Gross margin %	<u>49.0%</u>	<u>43.3%</u>	<u>48.5%</u>
Operating profit / (loss) before exceptional items	<u>162,864</u>	<u>(3,962)</u>	<u>158,902</u>

- Final dividend payable increased by 4.8% to 1.30p (2016 restated: 1.24p) bringing the total dividends payable for the year to 1.55p (2016 restated: 1.48p) per ordinary share, an increase of 4.7%.

Peter Cowgill, Executive Chairman, said:

"This has been another period of very significant progress for the Group with the headline profit before tax and exceptional items increased by 56% to £244.8 million (2016: £157.1 million). Over a three year period the result has improved by more than 190% which is an outstanding performance and provides the Group with a robust platform for further development.

"The foundation of this success remains our core Sports Fashion fascias where JD's continued strength in its core markets is increasingly being complemented by momentum in our international development, with a net increase of 54 JD stores across mainland Europe during the year.

"It is a great testament to the strength and quality of the people at every level in our businesses that we have been able to consistently deliver outstanding results over a number of years. Our continued strength is principally due to their talent, energy and commitment and I thank everybody involved across the Group for delivering these excellent results.

"Whilst we must recognise that there are external influences which may impact the latter part of the year, notably inflationary pressures arising from Brexit, the Board remains confident in the robustness of the JD proposition and believes that the Group is well positioned for further profitable growth."

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**Executive Chairman's Statement****Introduction**

This has been another period of very significant progress for the Group with the headline profit before tax and exceptional items increased by 56% to £244.8 million (2016: £157.1 million). Over a three year period the result has improved by more than 190% which is an outstanding performance and provides the Group with a robust platform for further development.

The foundation of this success remains our core\* Sports Fashion fascias where JD's continued strength in its core markets is increasingly being complemented by momentum in our international development, with a net increase of 54 JD stores across mainland Europe during the year. We firmly believe that our approach of presenting a unique and often exclusive sports and fashion premium brand offer in a truly multichannel environment, where innovative digital technology is integrated into a vibrant retail theatre, continues to increase the attractiveness and desirability of our product ranges. These factors provide our stores with a real point of difference for both consumers and our branded supplier partners.

We are fully aware that athletic inspired footwear and apparel has been on trend throughout Europe for a number of seasons. However, whilst this

tailwind has clearly had a positive influence, the key to our success in recent years has been the way that we have leveraged these favourable market conditions with our strengthening profitability, a payback for the investments we have made over a number of years to develop the JD retail concept and strengthen our core commercial practices. We continue to invest in these areas, particularly visual merchandising systems, in-store environment and creative marketing as we believe that it is JD's market leading standards in these areas that resonate with an increasing number of brands. Having flexibility in our brand line up is critical and enables us to maintain a trend appropriate assortment.

Although the UK's vote to leave the European Union means that there will be some uncertainties for the immediately foreseeable future, our international expansion will remain a clear strategic focus. There is an ongoing process to strengthen and build the management team and other core operational infrastructure to support an expansion over a wider geography.

In November we acquired the Go Outdoors business for cash consideration of £112.3 million with the Group also assuming net debt of approximately £11.4 million. Go Outdoors had 58 stores across the UK at acquisition, the majority of which are in destination locations outside city centres, and was a compelling opportunity for a number of reasons:

- It is active in a range of categories where the Group has either no presence or only a limited presence, including cycling
- Its out of town destination format is complementary to the high street model of Blacks and Millets
- Go Outdoors has considerable expertise in developing consumer engagement through its membership scheme and we believe that there are opportunities to enhance this further by drawing on JD's expertise in multichannel retail

The acquisition of Go Outdoors is currently under review by the Competition and Markets Authority which has issued the Group with an enforcement order which obliges us to operate the Go Outdoors business separately to our pre-existing Outdoors businesses until they have completed their review. We are complying and assisting fully with this process in order that it can be completed in the most timely and efficient manner.

## Sports Fashion

Sports Fashion has had an exceptional year with operating profits (before exceptional items) increasing by 50% to £245.0 million (2016: £162.9 million). Like for like store sales growth in the period across our European fascias (excluding those businesses acquired in the year) was over 10% which was very pleasing given the strong like for like growth achieved in the previous three years. It would be unreasonable to expect like for like sales growth to be maintained at this level for a further year although we are confident of our ability to exploit the opportunities that continue to exist domestically and, increasingly, internationally.

There has been further progress in Europe during the period with new stores in all of our existing territories, including larger space flagship stores in Cologne and Brussels, complemented by two acquisitions:

- In March we acquired the trade and store assets of the Aktiesport and Perry Sport retail fascias in the Netherlands from the trustee in bankruptcy of Unlimited Sports Group BV. Our initial focus has been to stabilise the distressed position by trading through a disjointed stock position, recommencing the supply chain, determining the optimal future store portfolio and rationalising an unsustainable operational infrastructure. Significant progress has been made in all of these areas, although it is very much an ongoing exercise and we would not expect these fascias, which are complementary rather than a competitor to the JD fascia, to make a significant contribution in the current financial year. We have begun to address the previous underinvestment in the store portfolio with a major refurbishment of the Perry Sport store on Kalverstraat in Amsterdam and a new store for Aktiesport in the Zuidplein Shopping Centre in Rotterdam.
- In July we acquired 12 stores in Portugal which previously traded as The Athlete's Foot. These stores have now been converted to JD.

Elsewhere in Europe, our Chausport and Sprinter businesses have also both benefitted from the continuation of the favourable market trends and have traded positively in the period. We have also recently agreed a Memorandum of Understanding with Sonae - SGPS, SA. This sets out the basis for the creation of an Iberian Sports Retail Group combining the Group's existing businesses in Spain and Portugal with the Sport Zone business of Sonae, which is one of the largest sports retailers in the region.

Further afield, we expanded our presence in Malaysia during the period with two additional JD stores in Kuala Lumpur and a fourth store, also in Kuala Lumpur, opened after the year end. These are complemented by the acquisition from our joint venture partner (Stream Enterprises) of 20 small multi-brand stores trading as Sports Empire, Revolution and The Marathon Shop. We have also acquired 32 stores trading as Glue and Superglue in Australia. This business and its management will provide the platform to open JD in Australia with development works ongoing for the first store which will be at the Melbourne Central Shopping Centre. This store will open in Spring 2017 and we anticipate further openings elsewhere in Australia during the year.

We are pleased with the positive performance in our principal fashion businesses, in particular Tessuti, which is gaining momentum and regional presence following the acquisition of stores which traded as Infinities, Aspecto, ML Clothing and Xile. Mainline Menswear, which is an online retailer of premium fashion brands, has also performed exceptionally well with the Scotts business maintaining its profitability after strong growth in the previous year. We would anticipate further positive developments in our Fashion businesses in the current financial year as we build on our previous investments to create strong relationships with the major global premium brands.

The customers in our core JD fascia are extremely digitally aware with a high propensity to use social media in their purchasing decisions. Consequently, we continue to invest heavily in creating a technology rich multichannel environment which not only provides the customer with information about the product but also helps increase the desire to purchase. This digitally integrated approach gives positive benefits to our stores as well as our trading websites with online sales now representing 13.2% of total fascia sales (2016: 10.4%) in JD's principal UK and Ireland market.

The overall gross margin in Sports Fashion is slightly higher than the previous year reflecting continuing low markdown levels and the impact of the stronger Euro on JD's Euro denominated businesses where product is sourced and distributed from the UK. The weakening of sterling against the US Dollar after the Brexit vote will cause some headwinds on margin in 2017 but, working with our global brand partners, we believe we are in a reasonable position to mitigate against these.

## Outdoor

The Outdoor fascias have made encouraging progress in the year delivering an operating profit for the first time with an overall segment operating profit before exceptional items of £1.2m (2016: loss of £4.0 million).

The result in the Blacks and Millets business has improved as we see the positive benefits from actions taken previously to simplify the operational leadership, improve the camping offer and reduce the level of markdowns. The smaller Tiso business, which operates largely in Scotland, has also delivered a positive result and having dealt with a number of legacy underperforming stores now has a better platform from which to develop.

Go Outdoors, which we acquired towards the end of the year, has not had a material impact on the current year results. We are confident that this acquisition will enhance our overall Outdoor offer in the longer term although investment in core operational infrastructure, principally IT and Logistics, will be required to enable the business to reach its full potential. We also believe that there will be opportunities for the Go Outdoors business to leverage from the Group's strength and considerable experience in merchandising management.

Margins were improved over the full year with reduced levels of discounting although these were negated slightly by lower margins in the Go Outdoor business. We continually strive for further improvements in margins but the breadth of supply from the key Outdoor brands into the market and the wide availability of vertically sourced product from both specialist and non-specialist retailers means that Outdoor will inevitably remain a competitive sector.

## Financial Summary

### Revenue, gross margin and overheads

Total revenue increased by 31% in the year to £2,378.7 million (2016: £1,821.7 million). Like for like store sales for the 52 week period across all Group fascias, including those in Europe, increased by a further 10%, which was another exceptional performance given the growth seen in previous years.

Total gross margin in the year of 48.9% was slightly ahead of the prior year (2016: 48.5%). Both segments saw improved margins with Sports Fashion increased to 49.4% (2016: 49.0%) and Outdoor increased to 43.7% (2016: 43.3%).

### Operating profits and results

Operating profit (before exceptional items) increased substantially by £87.3 million to £246.2 million (2016: £158.9 million) driven by a very strong performance in Sports Fashion with Outdoor delivering a profit for the first time. Operating profit (before exceptional items) has now increased by approximately 140% over the last two financial years (2015: £102.2 million).

There were exceptional items in the year of £6.4 million (2016: £25.5 million) from the impairment of certain intangible assets.

The exceptional items comprised:

	2017	2016
	£m	£m
Non-cash impairment of intangible assets (1)	6.4	10.6
Termination of project to replace core IT systems (2)	-	14.9
<b>Total exceptional charge</b>	<b>6.4</b>	<b>25.5</b>

1. The charge in the period to 28 January 2017 relates to the non-cash impairment of the fascia name balance arising in prior years on the acquisition of ActivInstinct Limited, the fascia name arising in the year on the acquisition of Aspecto Holdings Limited and Infinities Retail Group Holdings Limited and the impairment of the goodwill arising in the year on the acquisition of 2Squared Agency Limited. The charge in the period to 30 January 2016 relates to the non-cash impairment of the goodwill arising in prior years on the acquisition of ActivInstinct Limited, a partial impairment of the Blacks fascia name and the impairment of other goodwill and fascia name balances which were not significant.
2. One off exceptional charge in the period to 30 January 2016 writing off costs incurred on a terminated IT project.

Group profit before tax in the year ultimately increased by 81% to £238.4 million (2016: £131.6 million).

## Working Capital and Cash

The net cash balance at the end of the year was £213.6 million (2016: £209.4 million) with the expansionary investments, comprising both acquisitions and capital expenditure, funded by strong cash generation from the ongoing trading in our core retail fascias combined with an ongoing focus on robust stock management disciplines.

Cash consideration on acquisitions in the year, net of cash acquired, was £138.6m (2016: £nil). We will continue to make selected acquisitions and investments where they benefit our strategic development.

Gross capital expenditure (excluding disposal costs) increased by £4.5 million to £88.0 million (2016: £83.5 million). The primary focus of our capital expenditure remains our retail fascias with the spend in the year increasing by £12.3 million to £64.0 million (2016: £51.7 million). International expansion now accounts for more than 50% of this spend with capital expenditure in our retail fascias outside of our core UK and Ireland markets increased by £9.7 million to £35.7 million (2016: £26.0 million). Given our focus on international development and the increased number of territories that the Group operates in, we would anticipate a significant increase in the expenditure on our retail fascias in the new financial year.

Elsewhere, we have now commenced a project to expand our internal use of the existing Kingsway warehouse site. This will be completed later in this financial year with a total projected cost of approximately £20 million. Work will also commence shortly on the construction of a 352,000 sqft extension to the Kingsway facility with the site scheduled to be handed over in Spring 2018. The subsequent cost that the Group will incur for the initial phase of fitting out this site, including automation equipment, has been estimated at up to £42 million although the majority of this spend will be incurred in the financial year to 2 February 2019.

## Store Portfolio

During the period, store numbers have moved as follows:

### Sports Fashion Fascias

(Store Nos.)	JD UK & ROI	JD Europe	JD Asia	Size	Sub- Total JD & Size?	Chausport	Sprinter	SUR	Australia	Other	Total
Period start	361	103	1	36	<b>501</b>	72	104	-	-	59	<b>736</b>
New stores	21	46	2	2	<b>71</b>	4	16	1	-	6	<b>98</b>
Transfers	-	1	-	1	<b>2</b>	-	-	(1)	-	(1)	-
Acquired	-	12	-	-	<b>12</b>	-	-	187	32	42	<b>273</b>
Closures	(13)	(5)	-	(2)	<b>(20)</b>	(1)	(1)	(23)	-	(12)	<b>(57)</b>
Period end	<b>369</b>	<b>157</b>	<b>3</b>	<b>37</b>	<b>566</b>	<b>75</b>	<b>119</b>	<b>164</b>	<b>32</b>	<b>94</b>	<b>1,050</b>

(000 Sq Ft)

Period start	1,371	222	4	63	<b>1,660</b>	81	973	-	-	144	<b>2,858</b>
New stores	88	144	15	3	<b>250</b>	4	109	4	-	16	<b>383</b>
Extensions	20	2	-	-	<b>22</b>	-	-	-	-	-	<b>22</b>
Transfers	-	4	-	1	<b>5</b>	-	-	(4)	-	(1)	-
Acquired	-	21	-	-	<b>21</b>	-	-	949	130	121	<b>1,221</b>
Closures	(50)	(7)	-	(2)	<b>(59)</b>	(2)	(13)	(113)	-	(35)	<b>(222)</b>
Period end	<b>1,429</b>	<b>386</b>	<b>19</b>	<b>65</b>	<b>1,899</b>	<b>83</b>	<b>1,069</b>	<b>836</b>	<b>130</b>	<b>245</b>	<b>4,262</b>

In addition, there were eight JD branded Gyms at the period end after four openings in the year.

### Outdoor Fascias

(Store Nos.)	Blacks	Milletts	Ultimate Outdoors	Tiso	Go Outdoors	Total
Period start	60	99	7	16	-	<b>182</b>
New stores	3	7	-	-	-	<b>10</b>
Transfers	-	-	-	-	-	-
Acquired	-	-	-	-	58	<b>58</b>
Closures	(4)	(7)	-	(1)	-	<b>(12)</b>
Period end	<b>59</b>	<b>99</b>	<b>7</b>	<b>15</b>	<b>58</b>	<b>238</b>

(000 Sq Ft)

Period start	207	205	163	97	-	<b>672</b>
New stores	11	12	-	-	-	<b>23</b>
Transfers	1	(1)	-	-	-	-
Acquired	-	-	-	-	1,699	<b>1,699</b>
Closures	(15)	(17)	-	(3)	-	<b>(35)</b>
Period end	<b>204</b>	<b>199</b>	<b>163</b>	<b>94</b>	<b>1,699</b>	<b>2,359</b>

### Dividends and Earnings per Share

The Board proposes paying a final dividend of 1.30p (2016 restated: 1.24p) bringing the total dividend payable for the year to 1.55p (2016 restated: 1.48p) per ordinary share, an increase of 4.7%. The proposed final dividend will be paid on 31 July 2017 to all shareholders on the register at 23 June 2017. We believe that this level of dividend strikes a fair balance for shareholders with appropriate capital retained to facilitate ongoing developments, particularly investment in the international Sports Fashion fascias, which will drive success for the Group, and therefore increased benefits to shareholders, over the longer term.

The adjusted earnings per ordinary share before exceptional items have increased by 55% to 19.04p (2016 restated: 12.27p).

The basic earnings per ordinary share have increased by 83% to 18.38p (2016 restated: 10.03p).

### People

It is a great testament to the strength and quality of the people at every level in our businesses that we have been able to consistently deliver outstanding results over a number of years. Our continued strength is principally due to their talent, energy and commitment and I thank everybody involved across the Group for delivering these excellent results.

Given the importance of our people, we were greatly disappointed to be the subject of allegations made in late 2016 about working practices in our Kingsway warehouse, a sophisticated, efficient and fast growing facility which we are very proud of. As the wellbeing of all staff is a key priority for the Group and it is an area where we strive continually to improve performance, the Board appointed Deloitte to conduct an independent review of the allegations made. That review has now been completed and Deloitte's conclusion was that the allegations did not represent a balanced characterisation of working practices at Kingsway. As before, we remain committed to continually reviewing and implementing improvements in day to day procedures there.

### Current Trading and Outlook

Whilst we must recognise that there are external influences which may impact the latter part of the year, notably inflationary pressures arising from Brexit, the Board remains confident in the robustness of the JD proposition and believes that the Group is well positioned for further profitable growth.

Given the significant shift in the timing of Easter this year, it is not relevant at this time to report any comparative current year trading figures.

Our next scheduled update will be the announcement of our Interim Results on 12 September 2017.

**Peter Cowgill**  
**Executive Chairman**  
**11 April 2017**

### Consolidated Income Statement For the 52 weeks ended 28 January 2017

	Note	52 weeks to 28 January 2017 £000	52 weeks to 30 January 2016 £000
<b>Revenue</b>		<b>2,378,694</b>	1,821,652
Cost of sales		(1,215,053)	(937,431)
<b>Gross profit</b>		<b>1,163,641</b>	884,221
Selling and distribution expenses - normal		(812,972)	(648,333)
Administrative expenses - normal		(106,272)	(78,228)
Administrative expenses - exceptional		(6,419)	(25,496)
Other operating income		1,815	1,242
<b>Operating profit</b>		<b>239,793</b>	133,406
Before exceptional items		246,212	158,902
Exceptional items	2	(6,419)	(25,496)
<b>Operating profit</b>		<b>239,793</b>	133,406
Financial income		767	388
Financial expenses		(2,192)	(2,163)
<b>Profit before tax</b>		<b>238,368</b>	131,631
Income tax expense		(53,788)	(31,001)
<b>Profit for the period</b>		<b>184,580</b>	100,630
Attributable to equity holders of the parent		178,914	97,634
Attributable to non-controlling interest		5,666	2,996
Basic earnings per ordinary share	3	18.38p	10.03p
Diluted earnings per ordinary share	3	18.38p	10.03p

### Consolidated Statement of Comprehensive Income For the 52 weeks ended 28 January 2017

	52 weeks to 28 January 2017 £000	52 weeks to 30 January 2016 £000
<b>Profit for the period</b>	<b>184,580</b>	100,630

Other comprehensive income:		
Items that may be classified subsequently to the Consolidated Income Statement:		
Exchange differences on translation of foreign operations	22,551	4,144
<b>Total other comprehensive income for the period</b>	<b>22,551</b>	<b>4,144</b>
<b>Total comprehensive income and expense for the period (net of income tax)</b>	<b>207,131</b>	<b>104,774</b>
Attributable to equity holders of the parent	197,761	101,828
Attributable to non-controlling interest	9,370	2,946

**Consolidated Statement of Financial Position  
As at 28 January 2017**

	As at 28 January 2017 £000	As at 30 January 2016 £000
<b>Assets</b>		
Intangible assets	190,902	73,611
Property, plant and equipment	235,762	173,317
Other assets	38,103	33,191
Deferred tax assets	-	482
<b>Total non-current assets</b>	<b>464,767</b>	<b>280,601</b>
Inventories	348,007	238,324
Trade and other receivables	118,602	56,375
Cash and cash equivalents	247,560	215,996
<b>Total current assets</b>	<b>714,169</b>	<b>510,695</b>
<b>Total assets</b>	<b>1,178,936</b>	<b>791,296</b>
<b>Liabilities</b>		
Interest-bearing loans and borrowings	(31,431)	(6,301)
Trade and other payables	(469,062)	(324,964)
Provisions	(1,015)	(1,132)
Income tax liabilities	(33,648)	(15,757)
<b>Total current liabilities</b>	<b>(535,156)</b>	<b>(348,154)</b>
Interest-bearing loans and borrowings	(2,529)	(274)
Other payables	(53,179)	(40,834)
Provisions	(1,038)	(1,209)
Deferred tax liabilities	(8,192)	-
<b>Total non-current liabilities</b>	<b>(64,938)</b>	<b>(42,317)</b>
<b>Total liabilities</b>	<b>(600,094)</b>	<b>(390,471)</b>
<b>Total assets less total liabilities</b>	<b>578,842</b>	<b>400,825</b>
<b>Capital and reserves</b>		
Issued ordinary share capital	2,433	2,433
Share premium	11,659	11,659
Retained earnings	543,268	378,898
Other reserves	(5,110)	(10,570)
<b>Total equity attributable to equity holders of the parent</b>	<b>552,250</b>	<b>382,420</b>
Non-controlling interest	26,592	18,405
<b>Total equity</b>	<b>578,842</b>	<b>400,825</b>

**Consolidated Statement of Changes in Equity  
For the 52 weeks ended 28 January 2017**

	Ordinary Share Capital £000	Share Premium £000	Retained Earnings £000	Treasury Reserve £000	Other Equity £000	Foreign Currency Translation Reserve £000	Total Equity Attributable to Equity Holders of The Parent £000
Balance at 31 January 2015	2,433	11,659	297,161	-	(3,073)	(11,691)	296,489
Profit for the period	-	-	97,634	-	-	-	97,634
<u>Other comprehensive income:</u>							
Exchange differences on translation of foreign operations	-	-	-	-	-	4,194	4,194
Total other comprehensive income	-	-	-	-	-	4,194	4,194
Total comprehensive income for the period	-	-	97,634	-	-	4,194	101,828
Dividends to equity holders	-	-	(13,820)	-	-	-	(13,820)
Acquisition of non-controlling interest	-	-	(2,077)	-	-	-	(2,077)
Balance at 30 January 2016	2,433	11,659	378,898	-	(3,073)	(7,497)	382,420
Profit for the period	-	-	178,914	-	-	-	178,914
<u>Other comprehensive income:</u>							
Exchange differences on translation of foreign operations	-	-	-	-	-	18,847	18,847
Total other comprehensive income	-	-	-	-	-	18,847	18,847
Total comprehensive income for the period	-	-	178,914	-	-	18,847	197,761
Repurchase of share capital held as Treasury Shares	-	-	-	(15,926)	-	-	(15,926)
Dividends to equity holders	-	-	(14,501)	-	-	-	(14,501)
Put options held by non-controlling interest	-	-	(2,180)	-	2,539	-	359
Acquisition of non-controlling interest	-	-	2,052	-	-	-	2,052
Divestment of non-controlling interest	-	-	85	-	-	-	85
<b>Balance at 28 January 2017</b>	<b>2,433</b>	<b>11,659</b>	<b>543,268</b>	<b>(15,926)</b>	<b>(534)</b>	<b>11,350</b>	<b>552,250</b>

**Consolidated Statement of Changes in Equity (continued)  
For the 52 weeks ended 28 January 2017**

	Total Equity Attributable to Equity Holders of The Parent £000	Non- Controlling Interest £000	Total Equity £000
Balance at 31 January 2015	296,489	13,502	<b>309,991</b>
Profit for the period	97,634	2,996	<b>100,630</b>
<u>Other comprehensive income:</u>			
Exchange differences on translation of foreign operations	4,194	(50)	<b>4,144</b>
Total other comprehensive income	4,194	(50)	<b>4,144</b>

Total comprehensive income for the period	101,828	2,946	<b>104,774</b>
Dividends to equity holders	(13,820)	(120)	<b>(13,940)</b>
Acquisition of non-controlling interest	(2,077)	2,077	-
Balance at 30 January 2016	382,420	18,405	<b>400,825</b>
Profit for the period	178,914	5,666	<b>184,580</b>
<b>Other comprehensive income:</b>			
Exchange differences on translation of foreign operations	18,847	3,704	<b>22,551</b>
Total other comprehensive income	18,847	3,704	<b>22,551</b>
Total comprehensive income for the period	197,761	9,370	<b>207,131</b>
Repurchase of share capital held as Treasury Shares	(15,926)	-	<b>(15,926)</b>
Dividends to equity holders	(14,501)	(656)	<b>(15,157)</b>
Put options held by non-controlling interest	359	-	<b>359</b>
Acquisition of non-controlling interest	2,052	(2,052)	-
Divestment of non-controlling interest	85	(85)	-
Non-controlling interest arising on acquisition	-	1,610	<b>1,610</b>
<b>Balance at 28 January 2017</b>	<b>552,250</b>	<b>26,592</b>	<b>578,842</b>

**Consolidated Statement of Cash Flows  
For the 52 weeks ended 28 January 2017**

	52 weeks to 28 January 2017 £000	52 weeks to 30 January 2016 £000
<b>Cash flows from operating activities</b>		
Profit for the period	184,580	100,630
Income tax expense	53,788	31,001
Financial expenses	2,192	2,163
Financial income	(767)	(388)
Depreciation and amortisation of non-current assets	62,370	48,778
Forex (gains) / losses on monetary assets and liabilities	(5,371)	7,997
Loss on disposal of non-current assets	320	-
Termination of IT project	-	14,896
Impairment of intangible fixed assets	6,419	10,600
Increase in inventories	(21,240)	(13,304)
(Increase) / decrease in trade and other receivables	(4,594)	47
Increase in trade and other payables	43,895	55,738
Interest paid	(2,192)	(2,163)
Income taxes paid	(40,139)	(29,981)
<b>Net cash from operating activities</b>	<b>279,261</b>	<b>226,014</b>
<b>Cash flows from investing activities</b>		
Interest received	767	388
Proceeds from sale of non-current assets	2,431	1,145
Investment in bespoke software development	(3,843)	(4,401)
Acquisition of property, plant and equipment	(77,229)	(72,765)
Acquisition of non-current other assets	(6,886)	(6,343)
Acquisition of subsidiaries, net of cash acquired	(138,568)	-
<b>Net cash used in investing activities</b>	<b>(223,328)</b>	<b>(81,976)</b>
<b>Cash flows from financing activities</b>		
Repayment of interest-bearing loans and borrowings	(3,133)	(191)

Repayment of finance lease liabilities	(148)	(30)
Draw down of finance lease liabilities	-	75
Repayment of syndicated bank facility	-	(31,000)
Subsidiary shares repurchased and held as Treasury Shares	(14,815)	-
Equity dividends paid	(14,501)	(13,820)
Dividends paid to non-controlling interest in subsidiaries	(656)	(120)
<b>Net cash used in financing activities</b>	<b>(33,253)</b>	<b>(45,086)</b>
<b>Net increase in cash and cash equivalents</b>	<b>22,680</b>	<b>98,952</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>209,859</b>	<b>115,697</b>
Foreign exchange gains / (losses) on cash and cash equivalents	1,796	(4,790)
<b>Cash and cash equivalents at the end of the period</b>	<b>234,335</b>	<b>209,859</b>

#### Analysis of Net Cash As at 28 January 2017

	At 30 January 2016 £000	On acquisition of subsidiaries £000	Cash flow £000	Non- cash movements £000	At 28 January 2017 £000
Cash at bank and in hand	215,996	10,669	19,099	1,796	<b>247,560</b>
Overdrafts	(6,137)	(6,125)	(963)	-	<b>(13,225)</b>
<b>Cash and cash equivalents</b>	<b>209,859</b>	<b>4,544</b>	<b>18,136</b>	<b>1,796</b>	<b>234,335</b>
Interest-bearing loans and borrowings:					
Bank loans	(54)	(21,920)	2,858	-	<b>(19,116)</b>
Finance lease liabilities	(108)	(1,004)	148	-	<b>(964)</b>
Other loans	(276)	(654)	275	-	<b>(655)</b>
	<b>209,421</b>	<b>(19,034)</b>	<b>21,417</b>	<b>1,796</b>	<b>213,600</b>

#### 1. Segmental analysis

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

Information reported to the Chief Operating Decision Maker is focused on the nature of the businesses within the Group. The Group's operating and reportable segments under IFRS 8 are therefore as follows:

- Sports Fashion - includes the results of JD Sports Fashion Plc, John David Sports Fashion (Ireland) Limited, Spodis SA, Champion Sports Ireland, JD Sprinter Holdings 2010 SL (including subsidiary companies), JD Sports Fashion BV, Sports Unlimited Retail BV, JD Sports Fashion Germany GmbH, JD Sports Fashion SRL, JD Sports Fashion Belgium BVBA, JD Sports Fashion Sweden AB, JD Sports Fashion Denmark ApS, JD Sports Fashion SDN BHD, JD Sports Fashion Holdings Aus Pty (including subsidiary companies), Size GmbH, ActivInstinct Limited, JD Gyms Limited, Duffer of St George Limited, Topgrade Sportswear Limited, Kooga Rugby Limited, Focus Brands Limited (including subsidiary companies), Kukri Sports Limited (including global subsidiary companies), Source Lab Limited, R.D. Scott Limited, Tessuti Group Limited (including subsidiary companies), Nicholas Deakins Limited, Cloggs Online Limited, Clothingsites.co.uk Limited, Ark Fashion Limited, 2Squared Agency Limited, 2Squared Retail Limited and Mainline Menswear Limited .
- Outdoor - includes the results of Blacks Outdoor Retail Limited, Tiso Group Limited (including subsidiary companies) and Go Outdoors Topco Limited (including subsidiary companies).

The Chief Operating Decision Maker receives and reviews segmental operating profit. Certain central administrative costs including Group Directors' salaries are included within the Group's core 'Sports Fashion' 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 customers is not appropriate. Disclosure of revenue from major product groups is not provided at this time due to the cost involved to develop a reliable product split on a same category basis across all companies in the Group.

Intersegment transactions are undertaken in the ordinary course of business on arm's length terms.

The Board consider that certain items are cross divisional in nature and cannot be allocated between the segments on a meaningful basis. Net funding costs and taxation are treated as unallocated reflecting the nature of the Group's syndicated borrowing facilities and its tax group. Drawdowns from the Group's syndicated borrowing facility of £nil (2016: £nil), a deferred tax liability of £8,192,000 (2016: asset of £482,000) and an income tax liability of £33,648,000 (2016: £15,757,000) are included within the unallocated segment.

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

## Business Segments

Information regarding the Group's reportable operating segments for the 52 weeks to 28 January 2017 is shown below:

### Income statement

	Sports Fashion £000	Outdoor £000	Total £000
Gross revenue	2,180,553	198,141	<b>2,378,694</b>
Intersegment revenue	-	-	-
<b>Revenue</b>	<b>2,180,553</b>	<b>198,141</b>	<b>2,378,694</b>
Operating profit before exceptional items	245,056	1,156	<b>246,212</b>
Exceptional items	(6,419)	-	<b>(6,419)</b>
Operating profit	238,637	1,156	<b>239,793</b>
Financial income			<b>767</b>
Financial expenses			<b>(2,192)</b>
Profit before tax			<b>238,368</b>
Income tax expense			<b>(53,788)</b>
Profit for the period			<b>184,580</b>

### Total assets and liabilities

	Sports Fashion £000	Outdoor £000	Unallocated £000	Eliminations £000	Total £000
Total assets	994,547	255,949	-	(71,560)	1,178,936
Total liabilities	(463,364)	(166,450)	(41,840)	71,560	(600,094)
<b>Total segment net assets / (liabilities)</b>	<b>531,183</b>	<b>89,499</b>	<b>(41,840)</b>	<b>-</b>	<b>578,842</b>

### Other segment information

	Sports Fashion £000	Outdoor £000	Total £000
<b>Capital expenditure:</b>			
Software development	3,843	-	<b>3,843</b>
Property, plant and equipment	72,741	4,488	<b>77,229</b>
Non-current other assets	6,886	-	<b>6,886</b>
<b>Depreciation, amortisation and impairments:</b>			
Depreciation and amortisation of non-current assets	57,353	5,017	<b>62,370</b>
Impairment of intangible assets	6,419	-	<b>6,419</b>
Impairment of non-current assets	(698)	705	<b>7</b>

The comparative segmental results for the 52 weeks to 30 January 2016 are as follows:

### Income statement

	Sports Fashion £000	Outdoor £000	Total £000
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Gross revenue	1,666,477	155,313	<b>1,821,790</b>
Intersegment revenue	(138)	-	<b>(138)</b>
<b>Revenue</b>	<b>1,666,339</b>	<b>155,313</b>	<b>1,821,652</b>
Operating profit / (loss) before exceptional items	162,864	(3,962)	<b>158,902</b>
Exceptional items	(21,634)	(3,862)	<b>(25,496)</b>
Operating profit / (loss)	141,230	(7,824)	<b>133,406</b>
Financial income			<b>388</b>
Financial expenses			<b>(2,163)</b>
Profit before tax			<b>131,631</b>
Income tax expense			<b>(31,001)</b>
Profit for the period			<b>100,630</b>

#### Total assets and liabilities

	Sports Fashion £000	Outdoor £000	Unallocated £000	Eliminations £000	Total £000
Total assets	792,411	82,016	482	(83,613)	791,296
Total liabilities	(336,736)	(121,591)	(15,757)	83,613	(390,471)
<b>Total segment net assets / (liabilities)</b>	<b>455,675</b>	<b>(39,575)</b>	<b>(15,275)</b>	<b>-</b>	<b>400,825</b>

#### Other segment information

	Sports Fashion £000	Outdoor £000	Total £000
<b>Capital expenditure:</b>			
Software development	4,401	-	<b>4,401</b>
Property, plant and equipment	69,025	3,740	<b>72,765</b>
Non-current other assets	6,343	-	<b>6,343</b>

#### Depreciation, amortisation and impairments:

Depreciation and amortisation of non-current assets	45,326	3,452	<b>48,778</b>
Impairment of intangible assets	6,739	3,861	<b>10,600</b>
Termination of IT project	14,896	-	<b>14,896</b>
Impairment of non-current assets	843	584	<b>1,427</b>

#### Geographical Information

The Group's operations are located in the UK, Republic of Ireland, France, Spain, Germany, the Netherlands, Italy, Portugal, Sweden, Denmark, Belgium, Malaysia, Australia, New Zealand, Canada, Dubai, Singapore and Hong Kong.

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

	2017 £000	2016 £000
UK	<b>1,655,537</b>	1,407,866
Europe	<b>656,858</b>	391,954
Rest of world	<b>66,299</b>	21,832
	<b>2,378,694</b>	1,821,652

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

The following is an analysis of the carrying amount of segmental non-current assets by the geographical area in which the assets are located:

2017 £000	2016 £000
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UK	<b>284,655</b>	183,623
Europe	<b>163,316</b>	96,437
Rest of world	<b>16,796</b>	541
	<b>464,767</b>	280,601

## 2. Exceptional items

	<b>52 weeks to 28 January 2017 £000</b>	2016	52 weeks to 30 January 2016 £000
Impairment of goodwill, brand names and fascia names (1)	<b>6,419</b>		10,600
Termination of project to replace core IT systems (2)	-		14,896
Administrative expenses - exceptional	<b>6,419</b>		25,496
Total Exceptional Items	<b>6,419</b>		25,496

- The charge in the period to 28 January 2017 relates to the non-cash impairment of the fascia name balance arising in prior years on the acquisition of ActivInstinct Limited, the fascia name arising in the year on the acquisition of Aspecto Holdings Limited and Infinities Retail Group Holdings Limited and the impairment of the goodwill arising in the year on the acquisition of 2Squared Agency Limited. The charge in the period to 30 January 2016 relates to the non-cash impairment in the period of the goodwill arising in prior years on the acquisition of ActivInstinct Limited, a partial impairment of the Blacks fascia name and the impairment of other goodwill and fascia name balances which were not significant.
- One off exceptional charge in the period to 30 January 2016 writing off costs incurred on a terminated IT project.

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

## 3. Earnings per ordinary share

### Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share at 28 January 2017 is based on the profit for the period attributable to equity holders of the parent of £178,914,000 (2016: £97,634,000) and a weighted average number of ordinary shares outstanding during the 52 week period ended 28 January 2017 of 973,233,160 (2016 restated: 973,233,160).

An Ordinary Resolution was passed at the Annual General Meeting, effective 24 November 2016, resulting in a share split whereby five Ordinary shares were issued for each Ordinary share. In accordance with IAS 33, the number of shares outstanding before the event has been adjusted for the proportionate change as if the event had occurred at the beginning of the earliest period presented.

	<b>52 weeks to 28 January 2017</b>	52 weeks to 30 January 2016 (restated)
Issued ordinary shares at beginning and end of period	<b>973,233,160</b>	973,233,160

### Adjusted basic and diluted earnings per ordinary share

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

	<b>52 weeks to 28 January 2017 £000</b>	52 weeks to 30 January 2016 £000 (restated)
Profit for the period attributable to equity holders of the parent	<b>178,914</b>	97,634
Exceptional items excluding loss on disposal of non-current assets	<b>6,419</b>	25,496
Tax relating to exceptional items	-	(3,737)
Profit for the period attributable to equity holders of the parent excluding exceptional items	<b>185,333</b>	119,393
Adjusted basic and diluted earnings per ordinary share	<b>19.04p</b>	12.27p

#### 4. Acquisitions

##### Current period acquisitions

##### Sports Unlimited Retail BV

On 20 March 2016, the Group acquired, via its newly incorporated subsidiary Sports Unlimited Retail BV, the trading assets and trade of the Aktiesport and Perry Sport fascias from the Trustee of Unlimited Sports Group BV which was declared bankrupt by the court of Amsterdam on 23 February 2016. On acquisition there were 187 stores and two trading websites.

The Board believes that the cash consideration of €26.5 million represents the current best estimates of the fair value of the net assets acquired. The provisional goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Provisional fair value at 28 January 2017 £000
Acquiree's net assets at acquisition date:			
Property, plant & equipment	3,929	-	3,929
Inventories	23,330	5,242	28,572
Cash	58	-	58
Trade and other payables	(8,364)	(2,135)	(10,499)
Provisions	-	(3,107)	(3,107)
Net identifiable assets	18,953	-	18,953
Goodwill on acquisition			-
<b>Consideration paid - satisfied in cash</b>			<b>18,953</b>

Included in the 52 week period ended 28 January 2017 is revenue of £81,317,000 and a loss before tax of £7,904,000 in respect of Sports Unlimited Retail BV.

##### JD Sports Fashion SDN BHD

On 28 April 2016, the Group acquired via its 50% subsidiary in Malaysia, JD Sports Fashion SDN BHD, 20 multi-brand Sports Fashion stores and a trading website which trade as Sports Empire, Revolution and The Marathon Shop from Runners World SDN BHD. JD Sports Fashion SDN BHD is an entity controlled by the Group and therefore the results and financial position of the entity are consolidated into the financial statements of the Group. The cash consideration payable on this transaction was MYR 20.7 million.

The Board believes that the cash consideration of MYR 20.7 million represents the current best estimates of the fair value of the net assets acquired. The provisional goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Provisional fair value at 28 January 2017 £000
Acquiree's net assets at acquisition date:			
Intangible assets	823	260	1,083
Property, plant & equipment	356	-	356
Other non-current assets	249	-	249
Inventories	2,018	-	2,018
Deferred tax liabilities	-	(260)	(260)
Net identifiable assets	3,446	-	3,446
Goodwill on acquisition			-
<b>Consideration paid - satisfied in cash</b>			<b>3,446</b>

Included in the 52 week period ended 28 January 2017 is revenue of £10,176,000 and profit before tax of £486,000 in respect of JD Sports Fashion SDN BHD.

##### Sportiberica Sociedade de Artigos de Desporto, S. A.

On 1 July 2016, the Group acquired, both directly and via its 50.1% owned subsidiary JD Sprinter Holdings 2010 SL, an aggregate of 80% of the issued share capital of Sportiberica Sociedade de Artigos de Desporto S.A ("Sportiberica") for cash consideration of €4.2 million with additional consideration of up to €0.5 million payable if certain criteria are met. At acquisition, management believed that the criteria would be met for the maximum consideration to be payable and therefore management believes that the fair value of the total consideration at this time is €4.7 million.

The Board believes that the excess of cash consideration paid over net identifiable assets on acquisition of £1,422,000 is best considered as goodwill on acquisition representing anticipated future operating synergies. The provisional goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Provisional fair value at 28 January 2017 £000
Acquiree's net assets at acquisition date:			
Property, plant & equipment	183	-	183
Other non-current assets	42	-	42
Inventories	2,821	-	2,821
Cash	679	-	679
Trade and other receivables	866	-	866
Income tax assets	36	-	36
Trade and other payables	(1,540)	-	(1,540)
Interest bearing loans and borrowings	(705)	-	(705)
Net identifiable assets	2,382	-	2,382
Non - controlling interest	(476)	-	(476)
Goodwill on acquisition			1,422
Consideration paid - satisfied in cash			2,971
Contingent consideration			357
<b>Total Consideration</b>			<b>3,328</b>

Included in the 52 week period ended 28 January 2017 is revenue of £6,411,000 and a loss before tax of £1,288,000 In respect of Sportiberica.

#### Next Athleisure Pty Limited

On 26 August 2016, the Group acquired, via its newly incorporated subsidiary JD Sports Fashion Holdings Australia Pty, 80% of the issued ordinary share capital of Next Athleisure Pty Limited for consideration of \$6.6 million AUD and has also advanced \$2.4 million AUD to allow it to settle an element of its indebtedness. Next Athleisure Pty Limited operates 32 stores and a trading website in Australia under the Glue and Superglue retail banners.

The Board believes that the cash consideration of \$6.6 million represents the current best estimates of the fair value of net assets acquired. The provisional goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Provisional fair value at 28 January 2017 £000
Acquiree's net assets at acquisition date:			
Intangible assets	4,821	2,810	7,631
Property, plant & equipment	5,150	599	5,749
Other non-current assets	2	-	2
Inventories	9,428	851	10,279
Cash	471	137	608
Trade and other receivables	2,683	108	2,791
Income tax assets	159	11	170
Deferred tax liabilities	1,510	(2,092)	(582)
Trade and other payables	(11,903)	(1,093)	(12,996)
Interest bearing loans and borrowings	(7,998)	(821)	(8,819)
Net identifiable assets	4,323	510	4,833
Non - controlling interest	(865)	(102)	(967)
Goodwill on acquisition			-
Consideration paid - satisfied in cash			3,420
Consideration as loan owed to NCI			446
<b>Total Consideration</b>			<b>3,866</b>

Included in the 52 week period ended 28 January 2017 is revenue of £32,017,000 and a loss before tax of £91,000 in respect of Next Athleisure Pty Limited.

### Go Outdoors Topco Limited

On 27 November 2016, the Group acquired 100% of the issued ordinary share capital of Go Outdoors Topco Limited ('Go Outdoors') for consideration of £112,305,000 with the Group assuming net debt of £11,359,000 as part of the transaction. Go Outdoors is a nationwide omnichannel retailer catering for the outdoor enthusiast and specialist alike with 58 stores across the UK at acquisition, the majority of which are situated in out of town retail parks.

Included within the fair value of net identifiable assets on acquisition are intangible assets of £66,729,000; £59,076,000 representing the 'GO Outdoors' fascia name and £7,653,000 of brands.

The Board believes that the excess of cash consideration paid over net identifiable assets on acquisition of £44,434,000 is best considered as goodwill on acquisition representing the strategic benefit of a larger Outdoor operation in the Group. The provisional goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Provisional fair value at 28 January 2017 £000
Acquiree's net assets at acquisition date:			
Intangible assets	319	66,410	<b>66,729</b>
Property, plant & equipment	28,495	(2,518)	<b>25,977</b>
Inventories	40,354	-	<b>40,354</b>
Cash	8,821	-	<b>8,821</b>
Trade and other receivables	7,251	-	<b>7,251</b>
Income tax liabilities	(897)	-	<b>(897)</b>
Deferred tax liabilities	(48)	(11,323)	<b>(11,371)</b>
Trade and other payables	(48,240)	(573)	<b>(48,813)</b>
Interest bearing loans and borrowings	(20,180)	-	<b>(20,180)</b>
Net identifiable assets	15,875	51,996	<b>67,871</b>
Goodwill on acquisition			<b>44,434</b>
<b>Consideration paid - satisfied in cash</b>			<b>112,305</b>

Included in the 52 week period ended 28 January 2017 is revenue of £34,183,000 and a loss before tax of £93,000 in respect of Go Outdoors.

### Aspecto Holdings Limited

On 18 July 2016, the Group, via its new 100% subsidiary Napco 104 Limited acquired 100% of the entire issued share capital of Aspecto Holdings Limited for cash consideration of £1. As at 28 January 2017, the Group had also advanced £900,000 of working capital. The Board believes that the cash consideration of £1 represents the current best estimates of the fair value of the net assets acquired.

On 21 August 2016, the trade and assets (with the exception of certain assets and liabilities) were hived up into Tessuti Limited, a 100% owned subsidiary of JD Sports Fashion Plc.

### Infinities Retail Group Limited

On 12 September 2016, the Group, via its new 100% subsidiary Ensco 1157 Limited acquired 100% of the entire issued share capital of Infinities Retail Group Limited for cash consideration of £1. As at 28 January 2017, the Group had also advanced £1,020,000 of working capital. The Board believes that the cash consideration of £1 represents the current best estimates of the fair value of the net assets acquired.

On 31 October 2016, the trade and assets (with the exception of certain assets and liabilities) were hived up into Tessuti Limited, a 100% owned subsidiary of JD Sports Fashion Plc.

### Clothingsites.co.uk Limited

On 26 September 2016, the Group, via its new 100% subsidiary Ensco 1173 Limited acquired 100% of the entire issued share capital of Clothingsites.co.uk Limited for an initial cash consideration of £1. As at 28 January 2017, the Group had also advanced £1,100,000 of working capital. Clothingsites.co.uk Limited currently operates two trading websites, Woodhouse Clothing and Brown Bag Clothing. The Board believes that the excess of cash consideration paid over net identifiable assets on acquisition of £2,443,000 represents the fair value of the 'Woodhouse Clothing' and 'Brown Bag' online fascia names.

Included in the 52 week period ended 28 January 2017 is revenue of £3,811,000 and a loss before tax of £329,000 in respect of Clothingsites.co.uk Limited.

### 2Squared Agency and 2Squared Retail Limited

On 30 November 2016, the Group acquired 69% of the issued share capital of 2Squared Agency Limited and 51% of the issued share capital of 2Squared Retail Limited for cash consideration of £512,000. As at 28 January 2017, the Group had also advanced £3,020,000 of working capital to settle outstanding debt. The Board believed that the excess of cash consideration paid over the net identifiable assets on acquisition of £959,000 was best considered as goodwill representing future operating synergies. The goodwill was subsequently impaired during the financial period ended 28 January 2017.

Included in the 52 week period ended 28 January 2017 is revenue of £1,519,000 and a loss before tax of £99,000 in respect of 2Squared.

### Other Acquisitions

During the period, the Group has made several small acquisitions, including increasing its shareholding to 100% in three subsidiaries which were previously non-wholly owned. These transactions were not material.

### Full Year Impact of Acquisitions

Had the acquisitions of the entities listed above been effected at 31 January 2016, the revenue and profit before tax of the Group for the 52 week period to 28 January 2017 would have been £2,634,888,000 and £236,454,000 respectively.

### Acquisition Costs

Acquisition related costs amounting to £1,684,000 (Sports Unlimited Retail BV: £139,000; JD Sports Fashion SDN BHD: £68,000 and Sportberica Sociedade de Artigos de Desporto S.A: £34,000, Next Athleisure Pty Limited: £307,000, Go Outdoors Topco Limited: £1,086,000, Aspecto Holdings Limited: £10,000, Infinities Retail Group Limited: £10,000, Clothingsites.co.uk: £10,000 and 2Squared: £20,000) have been excluded from the consideration transferred and have been recognised as an expense in the year, within administrative expenses in the Consolidated Income Statement.

### Prior Period Acquisitions

During the prior period, the Group increased its shareholding in three non-wholly owned subsidiaries. These transactions were not material.

## 5. Subsequent Events

### Memorandum of Understanding with Sonae - SGPS, SA

On 9 March 2017, JD Sports Fashion Plc, announced that it had agreed a Memorandum of Understanding ('MoU') with Sonae - SGPS, SA ('Sonae') which sets out the basis for a potential combination of the JD Group's existing businesses in Spain and Portugal, JD Sprinter Holdings ('JD Sprinter'), with the Sport Zone business of Sonae which is one of the largest sports retailers in the region.

This MoU establishes the key parameters for the creation of an Iberian Sports Retail Group that, subject to contract and subsequent clearance by the relevant Competition Authorities, will have as shareholders the JD Group, Sonae and the family shareholders of JD Sprinter, with shareholdings of approximately 50%, 30% and 20%, respectively.

## 6. Accounts

The financial information set out above does not constitute the Group's statutory accounts for the 52 weeks ended 28 January 2017 or 52 weeks ended 30 January 2016 but is derived from those accounts. Statutory accounts for the 52 weeks ended 30 January 2016 have been delivered to the Registrar of Companies, and those for the 52 weeks to 28 January 2017 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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

### Glossary (terms are listed in alphabetical order)

Not all of the figures and ratios used are readily available from the unaudited preliminary results included in the announcement. The Directors believe that these non-GAAP measures are both useful and necessary to better understand the Group's results. Where required, a reconciliation to the statutory amounts is set out below.

### Adjusted earnings per share

The calculation of basic and diluted earnings per share is detailed in Note 3. Adjusted basic and diluted earnings per ordinary share have been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain exceptional items. A reconciliation between basic earnings per share and adjusted earnings per share is shown below:

	2017	2016 (restated)
Basic earnings per share	18.38p	10.03p
Exceptional items excluding loss on disposal of non-current assets	0.66p	2.62p
Tax relating to exceptional items	-	(0.38)p
<b>Adjusted earnings per share</b>	<b>19.04p</b>	<b>12.27p</b>

### Core

The Group's core Sports Fashion fascia is JD and the Group's core market is the UK and Republic of Ireland.

### LFL (Like for Like) sales

The percentage change in the year-on-year sales, removing the impact of new store openings and closures in the current or previous financial year.

### Operating profit before exceptional items

A reconciliation between operating profit and exceptional items can be found in the Consolidated Income Statement.

### Profit before tax and exceptional items

A reconciliation between profit before tax and profit before tax and exceptional items is as follows:

	2017 £000	2016 £000
Profit before tax	238,368	131,631
Exceptional items	6,419	25,496

Profit before tax and exceptional items

244,787    157,127

This information is provided by RNS  
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