JD Group

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JD Sports Fashion Plc
18 September 2013

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JD SPORTS FASHION PLC
INTERIM RESULTS
FOR THE TWENTY SIX WEEKS TO 3 AUGUST 2013

JD Sports Fashion Plc (the 'Group'), the leading retailer and distributor of branded sportswear, fashionwear and outdoor clothing and equipment, today announces its Interim Results for the 26 weeks ended 3 August 2013 (comparative figures are shown for the 26 week period ended 28 July 2012).

Results

	2013 £000	2012 £000	% Change
Revenue	**567,370**	555,988	
Gross profit %	**48.8%**	48.4%	
Operating profit (before exceptional items)	**10,392**	3,189	+226%
Profit before tax and exceptional items	**9,994**	2,879	+247%
Profit before tax	**6,087**	2,879	+111%
Basic earnings per ordinary share	**10.19p**	2.74p	+272%
Interim dividend payable per ordinary share	**4.45p**	4.30p	
Net cash / (debt) at end of period (a)	**20,653**	(979)	

(a) Net cash consists of cash and cash equivalents together with other borrowings from bank loans, other loans and finance leases.

Highlights

- Record performance in the core Sports fascias with strong sales and margin performance. Operating profit (before exceptional items) up 55%. Like for like sales up 7.5% in UK and Ireland

- Further expansion of Sports fascias internationally with further new stores in France and Spain together with acquisition of first stores in Holland and Germany

- New Managing Director recently appointed to Bank Fashion to accelerate repositioning of the fascia

- Restructuring and relocation to the North West of the Outdoor fascias was finally completed at the end of the first half giving the Blacks and Millets businesses a lower cost base and a platform for future profitability

- New Managing Director recently appointed at Millets

- Like for like sales for the 26 week period in the core UK and Ireland Sport and Fashion fascias increased by 5.8%:

Sport UK & Ireland (incl Champion)	Fashion (excl Premium)	Combined Core UK & Ireland
+7.5%	-2.2%	+5.8%

- Sales, gross margin and operating profit before exceptional items of the four business segments are tabulated below:

Period to 3 August 2013	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Total £000
Gross revenue	412,784	71,377	43,072	43,602	570,835
Intersegment revenue	(50)	-	-	(3,415)	(3,465)
Revenue	412,734	71,377	43,072	40,187	567,370
Gross margin %	50.9%	45.8%	44.4%	35.2%	48.8%
Operating profit before exceptional items	29,161	(6,920)	(8,871)	(2,978)	10,392

Period to 28 July 2012	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Total £000
Gross revenue	371,192	65,601	52,010	70,653	559,456
Intersegment revenue	(29)	-	-	(3,439)	(3,468)
Revenue	371,163	65,601	52,010	67,214	555,988
Gross margin %	49.3%	47.6%	52.7%	38.6%	48.4%
Operating profit before exceptional items	18,850	(5,309)	(9,995)	(357)	3,189

- Like for like sales for the core UK and Ireland Sport and Fashion fascias in the five week period to 7 September 2013 up 2.8% overall with continued robust trading in the Sports fascias

- Continued strong group cash position

- Interim dividend increased by 3.5% from 4.30p to 4.45p

Peter Cowgill, Executive Chairman, said:

"The strong overall result in the first half has been driven by a record performance in our core Sports fascias in the UK. This business continues to provide the Group with a very solid platform for Group profitability and future cash generation. We are also pleased with the continued evolution of the JD fascia in mainland Europe.

"Elsewhere, the performance of both the Fashion and Outdoor fascias has been impacted by significant continued reorganisation activity in the period. Whilst these reorganisations have had a short term negative impact on the overall Group results, we strongly believe that the decisive actions which we have taken were necessary for these businesses to deliver returns in the longer term.

"The robust trading in the Sports fascias has continued since the period end although trading in the Fashion fascias continues to be more difficult. Overall, the like for like sales for the core UK and Ireland Sport and Fashion fascias in the five week period to 7 September 2013 are up by 2.8%.

"Given the continued robust performance in our core Sports fascias, the Board believes that the Group is well positioned to deliver results that are within the range of current expectations."

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Executive Chairman's Statement

Introduction

The strong overall result in the first half has been driven by a record performance in our core Sports fascias in the UK. This business continues to provide the Group with a very solid platform for Group profitability and future cash generation. We are also pleased with the continued evolution of the JD fascia in mainland Europe.

Elsewhere, the performance of both the Fashion and Outdoor fascias has been impacted by significant continued reorganisation activity in the period.

In Fashion, we have recently appointed Gwynn Milligan as the Managing Director of Bank Fashion. She has previously held senior management positions at Arcadia, and more recently at ASOS, and brings with her a wealth of experience and a strong and successful record in the fashion business. She is now conducting a full review of the Bank business focusing on strengthening the proposition. We will continue to strengthen other key commercial positions in the Bank Fashion team as required. We have also continued to merge the operations of Cecil Gee and Originals with those of Tessuti whose management team run our fledgling Premium Fashion offer.

The results from the Blacks and Millets store portfolios in the first year after their acquisition were disappointing and we identified that a number of major operational changes would be required if these fascias were to have the right platform to develop. This reorganisation activity is now substantially complete:

- Whilst there is some commonality of product ranges and brands we have established that Blacks and Millets attract fundamentally different consumers. Accordingly, Blacks and Millets are now run as two separate fascias. We have recruited a separate Managing Director and commercial team for the Millets fascia with Lee Bagnall joining Millets as Managing Director in the period. He was previously Chief Operations Officer at Go Outdoors.
- We have relocated the warehouse and distribution operations from Blacks' former facility at Northampton to the Group's core warehouse facility at Rochdale.
- We closed the Northampton Head Office at the end of July and relocated all functional teams to the Group Head Office in Bury. The business now has a lower cost base and we have been able to complete our restructure of the commercial functions.

Whilst these reorganisations have had a short term negative impact on the overall Group results, we strongly believe that the decisive actions which we have taken were necessary for these businesses to deliver returns in the longer term.

Major Strategic Developments

We have continued the international development of our JD fascia in mainland Europe with further expansion in France together with the acquisition of stores in Holland and Germany. We are pleased with this momentum and are optimistic about our overall prospects overseas. At the end of the period we had 12 JD and one Size? stores in France with six further openings planned for the second half.

Spain has proved a more difficult market to date for JD than France. We have made a number of changes to our product offer there, aided by our strong management team at Sprinter, and these changes are assisting progress. At the end of the period we had six JD stores open there with two further stores planned in the second half.

During the period we have also expanded our presence in mainland Europe through the acquisition of 15 stores in Holland. We acquired these stores on 1 May 2013 with seven stores refitted and open at the period end. A further seven stores have opened to date in the second half.

On 1 July 2013 we acquired the trade and assets of 10 small stores in Germany. These stores currently trade as Isico Sports with conversion to JD anticipated in 2014.

Elsewhere, we are satisfied with progress in replacing our legacy bespoke commercial systems with Oracle Retail. We remain on track to bring the first of the Group's businesses on to this system in 2014. Thereafter, the retail businesses will be transferred in stages with all current UK retail and JD fascia businesses anticipated to be working on the new system by Autumn 2015.

Sports Fascias

The Sports fascias have had an excellent first half with operating profits (before exceptional items) increased by £10.3 million to £29.2 million (2012: £18.9 million). This increase came from the core UK and Ireland businesses where operating profits for the period were £30.0 million (2012: £18.5 million). The UK and Ireland figures include Champion which is now serviced and managed from the UK.

The Sports fascias' total revenue (after elimination of inter-group sales) increased by 11.2% during the period to £412.7 million (2012: £371.2 million) with like for like sales for the period in the core UK and Ireland sports fascia stores up by 7.5% (2012: +1.2%). This is an exceptional performance in the current retail environment and is a reflection of the popularity of both the product offering and customer experience which our long established professional team have developed. Operating profit in the UK and Ireland fascias has also benefitted from an improvement in margin from 49.4% to 51.5% with strong trading driving lower levels of markdown activity. The margin improvement also includes 0.5% (£1.7 million) relating to a fair value adjustment of future FX options following the movement in the exchange rate with the US Dollar in the period. This gain has arisen purely from the volatility of the exchange rate and potentially could reverse in the future.

Our retail businesses in France have had a mixed period with a composite LFL decline of -2.8% (2012: -0.9%). However, it is pleasing to report that within this performance the JD stores saw like for like growth of +7.1% as these stores continue to mature and customers become more familiar with the JD proposition. Chausport had a more difficult trading period during the Summer season although we are encouraged by the recent performance in the key 'Back to School' period. The difficult trading in Chausport has resulted in our overall loss in France in the first half increasing slightly from £0.7m to £1.0m. However, we remain optimistic about our overall prospects in France and will continue to invest in appropriate new store opportunities.

Our retail businesses in Spain have performed satisfactorily in a very difficult economic market. Like for like gross takings increased by +2.1% in the period. However, after taking into account the increase in VAT from 18% to 21% on 1 September 2012, there was a small decline in like for like net sales of -0.5%. As a result of the increase in the rate of VAT and the consequent impact on margin, the overall profit in Spain decreased slightly to £0.7m (2012: £1.0m). We remain very confident that we have the right experience and knowledge within our management team in Spain to drive improved results in the country. The performance of Sprinter continues to be very encouraging in challenging conditions.

Overall gross margin achieved in the Sports fascias has increased significantly to 50.9% (2012: 49.3%) driven by the strong performance in the UK and Ireland and consequently good sellthroughs, along with the exchange gains referred to above and a strong own brand margin performance.

Fashion Fascias

The main Fashion fascias are Bank, Scotts and Tessuti.

The Fashion fascias' total revenue increased by 8.8% during the period to £71.4 million (2012: £65.6 million). Like for like sales for the period for the two core fascias were down by 2.2% (2012: +0.7%) being Bank -3.7% (2012: +1.3%) and Scotts +4.2% (2012: -1.6%). This represents a slight improvement from the position announced in the Interim Management Statement in June when the combined like for like performance after 18 weeks was down by -5.0% with Bank, in particular, driving higher volumes through the sale period.

Gross margin achieved in the Fashion fascias has reduced from 47.6% to 45.8% with lower margins in Bank and Tessuti as both businesses cleared excess aged inventories.

In our statement in April we referred to our turnaround plan for the Bank business. This plan included strengthening the management team and whilst we believe that we now have a stronger team in place, it will inevitably take some time for their full impact to be reflected in the performance. We do not believe that the increase in the operating loss to £4.8 million (2012: £3.5 million) is a fair reflection of the business's longer term potential. However, a substantial refreshing of the product proposition is required for there to be a return to the profitability of relatively recent years.

The Scotts fascia continues to serve a useful purpose to the Group as an introducer of brands and provides revenue for a legacy store portfolio. We are encouraged by its general trading performance which is reflected in a reduction in first half losses to £0.6 million (2012: £0.8 million).

The operating loss in our combined Premium Fashion offering reduced slightly in the period to £0.8 million (2012: £1.0 million). There has been a lot of activity in this business to consolidate systems and distribution and to clear stock related to a legacy buy. These projects are now reaching their conclusion. We continue to work with the major premium fashion brands to ensure that we deliver a proposition which has the potential for a national footprint whilst, critically, remaining regionally relevant. We have made good progress in the period in dealing with the legacy property issues with the former stores at Bristol Cribbs Causeway and Trafford Centre now closed. All the key stores in Premium Fashion have now been re'fasciaed as Tessuti which will be our long term fascia name in this sector.

Outdoor

Our Outdoor fascias have had a mixed period. The very cold weather in February and March enabled the business to clear substantial volumes of heavy winter jackets which had been bought in excessively large volumes for the Autumn and Winter season before the current management team joined us. However, these sales were achieved with considerable margin sacrifice. Thereafter, these fascias have had a difficult period which is a reflection of the fact that the buy for the Spring and Summer season had been done on the assumption that the business would consist of a single fascia of Blacks with a portfolio of approximately 130 stores. However, the reality is that by keeping Millets not only have we kept more stores than we expected but our product mix requirement is different to that which was anticipated when the buy was placed. The decision to continue with the Millets fascia created a shortage of own brand product adding to the margin impact of pricing pressure on branded products.

Consequently, the operating loss for the combined Blacks and Millets fascias has only reduced slightly in the period to £8.9 million (2012: £10.0 million), which is a disappointing performance. The margin reduced to 44.4% (2012: 52.7%) reflecting both the clearance activity in the first quarter and the fact that the initial stocks in the business in the prior year were acquired from the administrator at a heavy discount.

At the end of the period we had 157 trading stores comprising 81 Blacks and 76 Millets. These stores included new Blacks stores in Wycombe, Fareham and Brighton. There will be further new store openings in the second half including a number of former Millets locations which we previously handed back as being unsuitable for Blacks but where we will take short term leases whilst we reassess the viability of those locations as Millets stores.

The forthcoming Autumn and Winter season is a key period for Blacks and Millets with the restructuring of the business operations substantially complete. We now have separate dedicated management and commercial teams supporting each business and they are working hard to bring in the right product for their fascias. In this regard, we are delighted that Jack Wolfskin product is now available in Blacks stores. This is an important indicator for us that the business still maintains strong international brand support and goodwill.

Inevitably there will still be some residual stock mix issues to deal with. However, our management teams are focused on delivering a significantly improved performance in the second half, which traditionally has been the stronger part of the year for the business.

Distribution

The first half operating losses in the Distribution businesses have increased by £2.6 million to £3.0 million (2012: £0.4 million), primarily following the disposal of Canterbury in 2012 which delivered an operating profit in the first half of £1.5 million. The disposal of Canterbury meant that gross revenues (before elimination of intersegment revenues) decreased by 38.3% to £43.6 million (2012: £70.7 million).

Group Performance

Revenue, gross margin and overheads

Total Group revenue increased by 2.0% in the period to £567.4 million (2012: £556.0 million) with growth of 5.8% on a like for like basis in sales in the UK and Ireland retail fascias. The prior year included £28.1m of revenue from Canterbury which was subsequently disposed in September 2012.

Ultimately, Group gross margin increased in the period from 48.4% to 48.8% reflecting a strong margin in the core JD business in the UK with reduced levels of markdown activity and a gain from the movement in the fair value of foreign exchange options. This gain could potentially reverse in the future.

Selling and distribution overheads have reduced to 42.8% of revenue (2012: 43.7%) reflecting the closure of loss making Outdoor stores and the elimination of the duplicate warehouse costs that we experienced in the prior year.

Administrative expenses have been maintained at 4.5% of revenue (2012: 4.5%) reflecting our determination to keep control of the overhead base.

Operating profits and results

Group operating profit (before exceptional items) for the period increased by £7.2 million to £10.4 million (2012: £3.2 million) following an exceptional performance by the Sports fascias in the core UK market. The profit comprises a Sports fascias profit of £29.2 million (2012: £18.9 million), a Fashion fascias loss of £6.9 million (2012: loss of £5.3 million), an Outdoor fascias loss of £8.9 million (2012: loss of £10.0 million) and a Distribution segment loss of £3.0 million (2012: loss of £0.4 million).

There were net exceptional charges of £3.9 million in the period (2012: £nil). This includes a charge of £2.2 million (2012: £nil) for business restructuring connected with the relocation of the Blacks and Champion warehouse and head office operations to the Group facilities from Northampton and Dublin respectively.

Group profit before tax in the period ultimately increased by £3.2 million to £6.1 million (2012: £2.9 million).

Working capital, cash and amended bank facilities

Net cash at 3 August 2013 was £20.7 million (28 July 2012: net debt of £1.0 million).

Inventories continue to be controlled tightly with net inventories increasing slightly to £162.3 million at 3 August 2013 from £155.3 million at 28 July 2012. Trade creditors continue to be paid to terms to maximise settlement discounts.

Store Portfolio

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

Sports Fascias

(No. Stores)	JD UK & ROI (1)	JD France (2)	JD Spain	JD Holland (3)	JD Germany (4)	Size (5)	Chausport	Sprinter	**Total**
Start of period	349	11	5	-	-	23	75	53	**516**
New stores	7	2	1	-	-	-	1	4	**15**
Acquired	-	-	-	7	10	-	-	-	**17**
Closures	(8)	-	-	-	-	-	(1)	(1)	**(10)**
End of period	348	13	6	7	10	23	75	56	**538**
(000 Sq Ft)									
Start of period	1,255	26	14	-	-	29	84	643	**2,051**
New stores	27	7	2	-	-	-	1	40	**77**
Acquired	-			8	7	-	-	-	**15**
Closures	(18)	-	-	-	-	-	(1)	(14)	**(33)**
End of period	1,264	33	16	8	7	29	84	669	**2,110**

1. *Includes Champion stores in Republic of Ireland which are now serviced and managed from the UK*
2. *Includes the Size store in Les Halles, Paris*
3. *15 stores acquired of which seven were opened in the period*
4. *Stores currently fasciaed as Isico Sports*
5. *Includes Foot Patrol store in London*

Fashion Fascias

(No. Stores)	Bank	Scotts	Premium (1)	Ark	**Total**
Start of period	85	31	16	-	**132**
New stores	6	2	2	-	**10**
Acquired	-	-	-	9	**9**
Closures	-	(1)	(2)	-	**(3)**
End of period	91	32	16	9	**148**
(000 Sq Ft)					
Start of period	252	65	42	-	**359**
New stores	20	3	5	-	**28**
Acquired	-	-	-	25	**25**
Closures	-	(4)	(5)	-	**(9)**
End of period	272	64	42	25	**403**

1. *Comprises Tessuti, Cecil Gee and Originals stores which are all now managed by one team*

Outdoor

(No. Stores)	Blacks	Millets	**Total**
Start of period	85	89	**174**
New stores	3	-	**3**
Closures	(7)	(13)	**(20)**
End of period	81	76	**157**

(000 Sq Ft)			
Start of period	324	160	**484**
New stores	9	-	**9**
Closures	(27)	(25)	**(52)**
End of period	306	135	**441**

Dividends and Earnings per Ordinary Share

The Board's confidence in the long term prospects of the Group and the robust performance of our Sports fascias in particular means that we are able to increase our interim dividend again this year. We will pay an interim dividend of 4.45p per ordinary share which represents an increase of 3.5% over the prior year (2012: 4.30p).

This dividend will be paid on 10 January 2014 to shareholders on the register as at close of business on 6 December 2013.

The adjusted basic earnings per ordinary share before exceptional items are 15.79p (2012: 2.63p).

The basic earnings per ordinary share are 10.19p (2012: 2.74p).

Employees

The record result in the JD fascia in the UK is a testament to the skills, energy, desire and professionalism of the whole team involved in the business. They set the standards that we challenge our other businesses to match.

The Board would also like to thank Colin Archer for his great contribution to the Board as a non-executive director over the last 12 years. He leaves the Board at the end of the month.

Current Trading and Outlook

The robust trading in the Sports fascias has continued since the period end although trading in the Fashion fascias continues to be more difficult. Overall, the like for like sales for the core UK and Ireland Sport and Fashion fascias in the five week period to 7 September 2013 are up by 2.8%. We maintain our belief that the product proposition for the Outdoor fascias has improved significantly for the second half of the year but it is too early in the season to make any further comment on the performance.

As ever, the Group result for the full year remains very dependent on the sales and margin performance in December and January and we will issue an update on trading in the third quarter in our Interim Management Statement in November.

Given the continued robust performance in our core Sports fascias, the Board believes that the Group is well positioned to deliver results that are within the range of current expectations.

Peter Cowgill
Executive Chairman
18 September 2013

Condensed Consolidated Income Statement
For the 26 weeks to 3 August 2013

	Note	**26 weeks to 3 August 2013 £000**	26 weeks to 28 July 2012 £000	53 weeks to 2 February 2013 £000
Revenue		**567,370**	555,988	1,258,892
Cost of sales		**(290,257)**	(286,985)	(645,404)
Gross profit		**277,113**	269,003	613,488
Selling and distribution expenses - normal		**(242,821)**	(242,865)	(494,619)

Selling and distribution expenses - exceptional	3	**(3,907)**	-	(3,724)
Selling and distribution expenses		**(246,728)**	(242,865)	(498,343)
Administrative expenses - normal		**(25,329)**	(24,870)	(59,973)
Administrative expenses - exceptional	3	**-**	-	(1,624)
Administrative expenses		**(25,329)**	(24,870)	(61,597)
Other operating income		**1,429**	1,921	2,427
Operating profit		**6,485**	3,189	55,975
Before exceptional items		**10,392**	3,189	61,323
Exceptional items	3	**(3,907)**	-	(5,348)
Operating profit		**6,485**	3,189	55,975
Financial income		**292**	375	645
Financial expenses		**(690)**	(685)	(1,503)
Profit before tax		**6,087**	2,879	55,117
Income tax expense		**(1,591)**	(754)	(13,875)
Profit for the period		**4,496**	2,125	41,242
Attributable to equity holders of the parent		**4,957**	1,335	38,786
Attributable to non-controlling interest		**(461)**	790	2,456
Basic earnings per ordinary share	4	**10.19p**	2.74p	79.71p
Diluted earnings per ordinary share	4	**10.19p**	2.74p	79.71p

Condensed Consolidated Statement of Comprehensive Income
For the 26 weeks to 3 August2013

	26 weeks to 3 August 2013 £000	26 weeks to 28 July 2012 £000	53 weeks to 2 February 2013 £000
Profit for the period	**4,496**	2,125	41,242
Other comprehensive income:			
Items that may be reclassified subsequently to the Consolidated Income Statement:			
Exchange differences on translation of foreign operations	**83**	(150)	(2,921)
Recycling of foreign currency translation reserve on disposal of foreign operations	**-**	-	(910)
Total other comprehensive income for the period	**83**	(150)	(3,831)
Total comprehensive income and expense for the period (net of income tax)	**4,579**	1,975	37,411
Attributable to equity holders of the parent	**5,040**	1,185	34,767
Attributable to non-controlling interest	**(461)**	790	2,644

Condensed Consolidated Statement of Financial Position
As at 3 August 2013

	Note	**As at 3 August 2013 £000**	As at 28 July 2012 (restated - see note 1) £000	As at 2 February 2013 £000
Assets				
Intangible assets		**97,408**	98,158	96,024
Property, plant and equipment		**134,755**	122,329	129,101
Other assets		**22,513**	19,103	20,568
Total non-current assets		**254,676**	239,590	245,693
Inventories		**162,347**	155,309	146,569
Trade and other receivables		**78,477**	56,355	56,761

Cash and cash equivalents		**46,623**	40,052	53,484
Assets held for sale	6	**-**	35,788	-
Total current assets		**287,447**	287,504	256,814
Total assets		**542,123**	527,094	502,507
Liabilities				
Interest bearing loans and borrowings		**(25,251)**	(45,188)	(7,157)
Trade and other payables		**(224,179)**	(202,775)	(194,061)
Provisions		**(2,549)**	(2,870)	(2,714)
Income tax liabilities		**(4,865)**	(4,705)	(8,817)
Liabilities held for sale	6	**-**	(13,334)	-
Total current liabilities		**(256,844)**	(268,872)	(212,749)
Interest bearing loans and borrowings		**(719)**	(1,129)	(691)
Other payables		**(31,495)**	(30,880)	(30,085)
Provisions		**(3,405)**	(4,150)	(3,373)
Deferred tax liabilities		**(3,907)**	(3,314)	(3,852)
Total non-current liabilities		**(39,526)**	(39,473)	(38,001)
Total liabilities		**(296,370)**	(308,345)	(250,750)
Total assets less total liabilities		**245,753**	218,749	251,757
Capital and reserves				
Issued ordinary share capital		**2,433**	2,433	2,433
Share premium		**11,659**	11,659	11,659
Retained earnings		**224,823**	197,904	230,572
Other reserves		**(6,758)**	(7,656)	(6,841)
Total equity attributable to equity holders of the parent		**232,157**	204,340	237,823
Non-controlling interest		**13,596**	14,409	13,934
Total equity		**245,753**	218,749	251,757

Condensed Consolidated Statement of Changes in Equity
For the 26 weeks to 3 August 2013

	Ordinary Share Capital £000	Share Premium £000	Retained Earnings £000	Foreign Currency Translation Reserve £000	Other Equity £000	Total Equity Attributable To Equity Holders Of The Parent £000
Balance at 2 February 2013	2,433	11,659	230,572	(6,264)	(577)	237,823
Profit for the period	-	-	4,957	-	-	4,957
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	83	-	83
Total other comprehensive income	-	-	-	83	-	83
Total comprehensive income for the period	-	-	4,957	83	-	5,040
Dividends to equity holders	-	-	(10,706)	-	-	(10,706)
Non-controlling interest arising on acquisition	-	-	-	-	-	-
Balance at 3 August 2013	**2,433**	**11,659**	**224,823**	**(6,181)**	**(577)**	**232,157**

(continued)

	Total Equity Attributable To Equity Holders Of The Parent £000	Non Controlling Interest £000	Total Equity £000
Balance at 2 February 2013	237,823	13,934	251,757

Profit for the period	4,957	(461)	4,496
Other comprehensive income:			
Exchange differences on translation of foreign operations	83	-	83
Total other comprehensive income	83	-	83
Total comprehensive income for the period	5,040	(461)	4,579
Dividends to equity holders	(10,706)	-	(10,706)
Non-controlling interest arising on acquisition	-	123	123
Balance at 3 August 2013	**232,157**	**13,596**	**245,753**

Condensed Consolidated Statement of Changes in Equity (continued)
For the 26 weeks to 28 July 2012

	Ordinary Share Capital £000	Share Premium £000	Retained Earnings £000	Foreign Currency Translation Reserve £000	Other Equity £000	Total Equity Attributable To Equity Holders Of The Parent £000
Balance at 28 January 2012	2,433	11,659	207,503	(2,245)	(4,094)	215,256
Profit for the period	-	-	1,335	-	-	1,335
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	(150)	-	(150)
Total other comprehensive income	-	-	-	(150)	-	(150)
Total comprehensive income for the period	-	-	1,335	(150)	-	1,185
Dividends to equity holders	-	-	(10,316)	-	-	(10,316)
Put options held by non-controlling interest	-	-	-	-	(1,167)	(1,167)
Non-controlling interest arising on acquisition	-	-	(618)	-	-	(618)
Balance at 28 July 2012	**2,433**	**11,659**	**197,904**	**(2,395)**	**(5,261)**	**204,340**

(continued)

	Total Equity Attributable To Equity Holders Of The Parent £000	Non Controlling Interest (restated - see note 1) £000	Total Equity (restated - see note 1) £000
Balance at 28 January 2012	215,256	13,832	229,088
Profit for the period	1,335	790	2,125
Other comprehensive income:			
Exchange differences on translation of foreign operations	(150)	-	(150)
Total other comprehensive income	(150)	-	(150)
Total comprehensive income for the period	1,185	790	1,975
Dividends to equity holders	(10,316)	(338)	(10,654)
Put options held by non-controlling interest	(1,167)	-	(1,167)
Non-controlling interest arising on acquisition	(618)	125	(493)
Balance at 28 July 2012	**204,340**	**14,409**	**218,749**

Condensed Consolidated Statement of Cash Flows

For the 26 weeks to 3 August 2013

	Note	26 weeks to 3 August 2013 £000	26 weeks to 28 July 2012 (restated - see note 1) £000	53 weeks to 2 February 2013 £000
Cash flows from operating activities				
Profit for the period		**4,496**	2,125	41,242
Income tax expense		**1,591**	754	13,875
Financial expenses		**690**	685	1,503
Financial income		**(292)**	(375)	(645)
Depreciation and amortisation of non-current assets		**16,127**	14,819	30,328
Exchange differences on translation		**(1,659)**	433	(10)
Profit on disposal of Canterbury	3	**-**	-	(691)
Loss on disposal of non-current assets	3	**374**	72	212
Other exceptional items	3	**2,614**	221	4,495
Increase in inventories		**(14,042)**	(32,320)	(23,551)
Increase in trade and other receivables		**(19,473)**	(11,049)	(12,393)
Increase / (decrease) in trade and other payables		**15,576**	(3,853)	(5,902)
Interest paid		**(690)**	(685)	(1,503)
Income taxes paid		**(5,412)**	(6,085)	(12,232)
Net cash from operating activities		**(100)**	(35,258)	34,728
Cash flows from investing activities				
Interest received		**292**	375	645
Proceeds from sale of non-current assets		**252**	794	977
Disposal costs of non-current assets		**-**	(77)	(143)
Acquisition of intangible assets		**-**	(3,015)	(5,540)
Acquisition of property, plant and equipment		**(20,317)**	(15,598)	(38,178)
Acquisition of non-current other assets		**(1,162)**	(2,765)	(5,350)
Cash consideration of acquisitions		**(3,988)**	(5,875)	(5,875)
Cash acquired with acquisitions		**100**	1,206	1,208
Overdrafts acquired with acquisitions		**-**	(175)	(175)
Receipt of Canterbury intercompany debt		**-**	-	22,699
Cash in Canterbury on disposal		**-**	-	(5,888)
Net cash used in investing activities		**(24,823)**	(25,130)	(35,620)

Condensed Consolidated Statement of Cash Flows (continued)
For the 26 weeks to 3 August 2013

	26 weeks to 3 August 2013 £000	26 weeks to 28 July 2012 (restated - see note 1) £000	53 weeks to 2 February 2013 £000
Cash flows from financing activities			
Repayment of interest-bearing loans and borrowings	**(84)**	(182)	(245)
Repayment of finance lease liabilities	**(37)**	(355)	(593)
Draw down of syndicated bank facility	**23,500**	38,000	-
Acquisition of non-controlling interest	**-**	(40)	(40)
Equity dividends paid	**-**	-	(12,408)
Dividends paid to non-controlling interest in subsidiaries	**-**	(338)	(338)
Net cash used in financing activities	**23,379**	37,085	(13,624)
Net decrease in cash and cash equivalents	**(1,544)**	(23,303)	(14,516)
Cash and cash equivalents at the beginning of the period	**46,228**	61,611	61,611
Foreign exchange gains in cash and cash equivalents	-	-	(867)
Cash and cash equivalents at the end of the period	**44,684**	38,308	46,228

Analysis of Net Cash

	At 2 February 2013 £000	On acquisition of subsidiaries £000	Cash flow £000	Non-cash movements £000	**At 3 August 2013 £000**
Cash at bank and in hand	53,484	100	(6,961)	-	**46,623**
Overdrafts	(7,256)	-	5,317	-	**(1,939)**
Cash and cash equivalents	**46,228**	**100**	**(1,644)**	-	**44,684**
Interest bearing loans and borrowings:					
Bank loans	(68)	-	54	-	**(14)**
Syndicated bank facility	-	-	(23,500)	-	**(23,500)**
Finance lease liabilities	(56)	-	37	(60)	**(79)**
Other loans	(468)	-	30	-	**(438)**
Total interest bearing loans and borrowings	**(592)**	**-**	**(23,379)**	**(60)**	**(24,031)**
	45,636	**100**	**(25,023)**	**(60)**	**20,653**

1. Basis of Preparation

JD Sports Fashion Plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. The half year financial report for the 26 week period to 3 August 2013 represents that of the Company and its subsidiaries (together referred to as the 'Group').

This half year financial report is an interim management report as required by DTR 4.2.3 of the Disclosure and Transparency Rules of the UK's Financial Conduct Authority and was authorised for issue by the Board of Directors on 18 September 2013.

The half year financial report is prepared in accordance with IFRS's as adopted by the EU. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU. The comparative figures for the 53 week period to 2 February 2013 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's Auditor and delivered to the Registrar of Companies. The Report of the Auditor was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 of the Companies Act 2006.

The information contained in the half year financial report for the 26 week period to 3 August 2013 and 28 July 2012 is unaudited.

As required by the Disclosure and Transparency Rules of the UK's Financial Conduct Authority, the half year financial report has been prepared by applying the same accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the 53 week period to 2 February 2013.

The following amendments to accounting standards and interpretations, issued by the International Accounting Standards Board (IASB), have been adopted for the first time by the Group in the period with no significant impact on its consolidated results or financial position:

- Amendments to IFRS 7 'Offsetting Financial Assets and Financial Liabilities'
- IFRS 13 Fair Value Measurement
- Annual Improvements to IFRSs - 2009 - 2011 Cycle

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the 53 week period to 2 February 2013.

Risks and uncertainties
The Board has considered the risks and uncertainties for the remaining 26 week period to 1 February 2014 and determined that the risks presented in the Annual Report and Accounts 2013, noted below, remain relevant:

Retail specific
- Damage to reputation of brands
- Retail property factors
- Consolidation of warehouse operations
- Seasonality of sales
- Reliance on legacy IT systems
- Loss of business caused by terrorism, riots or national disaster

1. Basis of Preparation *(continued)*

All businesses

- Economic factors
- Indirect taxation
- Reliance on non-UK manufacturers
- Cost of cotton, fuel and other energy
- Protection of intellectual property
- Retention of key personnel
- Treasury risks from movement in interest rates and currency exposures
- Acquisitions in new geographical markets

A major variable, and therefore risk, to the Group's financial performance for the remainder of the financial period is the sales and margin performance in the retail fascias, particularly in December and January. Further comment on this and other risks and uncertainties faced by the Group is provided in the Executive Chairman's statement included within this half year report.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Prior period restatement

For the acquisition of Blacks Outdoor Retail Limited, provisional measurement adjustments which increased both total assets and total liabilities by £13,435,000 were made in the period from acquisition to 28 January 2012. Adjustments were made to this provisional assessment of fair value to increase both total assets and liabilities by £1,403,000 in the period to 28 July 2012. In the period to 2 February 2013 further adjustments were made to decrease both total assets and total liabilities by £1,199,000 to conclude the assessment of the fair value of net assets at acquisition. The comparative Condensed Consolidated Statement of Financial Position as at 28 July 2012 has been restated to reflect the measurement adjustments made in the period to 2 February 2013.

The comparative Condensed Consolidated Statement of Financial Position and Condensed Consolidated Statement of Cash Flows at 28 July 2012 have been restated with Trade and Other Receivables and Trade and Other Payables both grossed up by £5,000,000 following the reanalysis of certain property related prepayments in Blacks Outdoor Retail Limited. There is no impact on Total Equity or Total Cash Flows.

For the acquisition of Source Lab Limited, provisional measurement adjustments of £nil were made in the period to 28 July 2012. Adjustments were made in the period to 2 February 2013 which increased total assets by £214,000, increased total liabilities by £223,000 and decreased total equity by £9,000. The measurement period has concluded as at 3 August 2013, with no further adjustments being made to the assessment of the fair value of assets acquired. The comparative Condensed Consolidated Statement of Financial Position as at 28 July 2012 has been restated to reflect the measurement adjustments made in the period to 2 February 2013.

For the acquisition of the Tessuti Group, the finalisation of the total consideration in the period to 2 February 2013 decreased total assets by £871,000, increased total liabilities by £1,569,000 and the resulting change on total equity was £2,440,000. The measurement period has concluded as at 3 August 2013, with no further adjustments being made to the assessment of the fair value of assets acquired. The comparative Condensed Consolidated Statement of Financial Position as at 28 July 2012 has been restated to reflect the measurement adjustments made in the period to 2 February 2013.

2. Segmental Analysis

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.

Information reported to the Chief Operating Decision Maker is focused more on the nature of the businesses within the Group. 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, Spodis SA, Champion Sports Ireland, JD Sprinter Holdings 2010 SL, JD Sports Fashion BV, JD Sports Fashion Germany GmbH and Duffer of St George Limited
- Fashion retail - includes the results of the fashion retail trading companies Bank Fashion Limited, R.D. Scott Limited, Premium Fashion Limited, Tessuti Group Limited (including subsidiary companies), Cloggs Online Limited and Ark Fashion Limited
- Outdoor retail - includes the results of the outdoor retail trading company Blacks Outdoor Retail Limited
- Distribution businesses - includes the results of the distribution companies Topgrade Sportswear Limited, Nicholas Deakins Limited, Kooga Rugby Limited, Nanny State Limited, Focus Brands Limited, Kukri Sports Limited (including global subsidiary companies) and Source Lab Limited. Canterbury Limited (including global subsidiary companies) was also included until the point of disposal in the prior period

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 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 £23,500,000 (2012: £38,000,000) and liabilities for taxation of £8,772,000 (2012 (restated): £4,972,000) 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 Sport retail) to other companies in the Group, and intercompany trading between companies in different segments.

2. Segmental Analysis *(continued)*

Operating Segments

Information regarding the Group's operating segments for the 26 weeks to 3 August 2013 is reported below:

Income statement

	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Unallocated £000	Total £000
Gross revenue	412,784	71,377	43,072	43,602	-	570,835
Intersegment revenue	(50)	-	-	(3,415)	-	(3,465)
Revenue	412,734	71,377	43,072	40,187	-	567,370
Operating profit / (loss) before exceptional items	29,161	(6,920)	(8,871)	(2,978)	-	10,392
Exceptional items	(1,811)	(478)	(1,482)	(136)	-	(3,907)
Operating profit / (loss)	27,350	(7,398)	(10,353)	(3,114)	-	6,485
Financial income						292
Financial expenses						(690)
Profit before tax						6,087
Income tax expense						(1,591)
Profit for the period						4,496

Total assets and liabilities

	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Unallocated £000	Eliminations £000	Total £000
Total assets	496,208	79,221	55,970	47,022	-	(136,298)	542,123
Total liabilities	(189,940)	(83,930)	(80,367)	(46,159)	(32,272)	136,298	(296,370)
Total segment net assets / (liabilities)	**306,268**	**(4,709)**	**(24,397)**	**863**	**(32,272)**	**-**	**245,753**

The losses experienced in the fashion segment at the half year are primarily due to the Bank business. A turnaround plan for this business is being actioned and a new Managing Director has been appointed although it will take a period of time before the benefits of these actions are evidenced in the financial performance. The Board does not believe the operating loss is a fair reflection of the longer term potential and is therefore comfortable with the carrying value of the assets of this segment.

The Board believes that the losses experienced in the outdoor segment at the half year are due to disruption caused by significant continued reorganisation activity in the period and the consequences of buying decisions made by the former management team and are comfortable with the carrying value of the assets of this segment.

The Board believes that the losses experienced in the distribution segment at the half year are due to the seasonality of the businesses and are comfortable with the carrying value of the assets of this segment.

2. Segmental Analysis *(continued)*

The comparative segmental results for the 26 weeks to 28 July 2012 are as follows:

Income statement

	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Unallocated £000	Total £000
Gross revenue	371,192	65,601	52,010	70,653	-	559,456
Intersegment revenue	(29)	-	-	(3,439)	-	(3,468)
Revenue	371,163	65,601	52,010	67,214	-	555,988
Operating profit / (loss) before exceptional items	18,850	(5,309)	(9,995)	(357)	-	3,189
Exceptional items	365	(393)	300	(272)	-	-

Operating profit / (loss)	19,215	(5,702)	(9,695)	(629)	-	3,189
Financial income						375
Financial expenses						(685)
Profit before tax						2,879
Income tax expense						(754)
Profit for the period						2,125

Total assets and liabilities (restated - see note 1)

	Sport Retail £000	Fashion Retail £000	Outdoor Retail £000	Distribution £000	Unallocated £000	Eliminations £000	Total £000
Total assets	444,267	62,330	52,482	75,757	3,047	(110,789)	527,094
Total liabilities	(167,185)	(61,295)	(65,990)	(78,645)	(46,019)	110,789	(308,345)
Total segment net assets / (liabilities)	**277,082**	**1,035**	**(13,508)**	**(2,888)**	**(42,972)**	**-**	**218,749**

2. Segmental Analysis *(continued)*

Geographical Information

The Group's operations are located in the UK, Republic of Ireland, France, Spain, Holland, Germany, 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.

Revenue

	26 weeks to 3 August 2013 £000	26 weeks to 28 July 2012 £000
UK	**466,728**	444,053
Europe	**94,371**	88,069
Rest of world	**6,271**	23,866
	567,370	555,988

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:

Non-current assets

	As at 3 August 2013 £000	As at 28 July 2012 (restated - see note 1) £000
UK	**184,552**	175,427
Europe	**69,960**	64,034
Rest of world	**164**	129
	254,676	239,590

Exceptional Items

	26 weeks to 3 August 2013 £000	26 weeks to 28 July 2012 £000	53 weeks to 2 February 2013 £000
Loss on disposal of non-current assets (1)	**374**	72	212
Impairment of non-current assets (2)	**225**	-	905
Onerous lease provision (3)	**919**	(293)	1,332
Reorganisation of the warehouse operations (4)	**189**	-	133
Business restructuring (5)	**2,200**	221	1,142
Selling and distribution expenses - exceptional	**3,907**	-	3,724

Profit on disposal of Canterbury (6)	**-**	-	(691)
Impairment of intangible assets (7)	**-**	-	2,315
Administrative expenses - exceptional	**-**	-	1,624
	3,907	-	5,348

(1) Relates to the excess of net book value of property, plant and equipment and non-current other assets disposed over proceeds received
(2) Relates to property, plant and equipment and non-current other assets in cash-generating units which are loss making, where it is considered that this position cannot be recovered
(3) Relates to the net movement in the provision for onerous property leases on trading and non-trading stores
(4) Relates to the reorganisation of the current warehouse operations consisting of the provision of onerous property leases, redundancy costs and dilapidations at the vacated premises
(5) Relates to the restructuring of the Blacks and Champion businesses following acquisition for relocation of the warehouse and head office operations and the closure of Frank Harrison Limited, a subsidiary of Kukri Sports Limited, following the decision to wind down this separate business. In the prior periods the exceptional items relate to the restructuring of the Blacks business for relocation of the warehouse operations and closure of the Canterbury North America LLC and Canterbury European Fashionwear operations following the decision to wind down the separate businesses.
(6) Profit on the disposal of Canterbury Limited and its subsidiaries (see note 6)
(7) Relates to the impairment in the period to 2 February 2013 of the goodwill arising on the acquisition of Pink Soda Limited (formerly Bank Stores Holdings Limited)

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 3 August 2013 is based on the profit for the period attributable to equity holders of the parent of £4,957,000 (26 weeks to 28 July 2012: £1,335,000; 53 weeks to 2 February 2013: £38,786,000) and a weighted average number of ordinary shares outstanding during the 26 weeks to 3 August 2013 of 48,661,658 (26 weeks to 28 July 2012: 48,661,658; 53 weeks to 2 February 2013: 48,661,658) calculated as follows:

	26 weeks to 3 August 2013	26 weeks to 28 July 2012	53 weeks to 2 February 2013
Issued ordinary shares at beginning and end of period	**48,661,658**	48,661,658	48,661,658

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.

	26 weeks to 3 August 2013 £000	26 weeks to 28 July 2012 £000	53 weeks to 2 February 2013 £000
Profit for the period attributable to equity holders of the parent	**4,957**	1,335	38,786
Exceptional items excluding loss on disposal of non-current assets	**3,533**	(72)	5,136
Tax relating to exceptional items	**(804)**	18	(850)
Profit for the period attributable to equity holders of the parent excluding exceptional items	**7,686**	1,281	43,072
Adjusted basic and diluted earnings per ordinary share	**15.79p**	2.63p	88.51p

4. Acquisitions

Current Period Acquisitions

Cloggs Online Limited
On 13 February 2013, the Group acquired, via its new 88% owned subsidiary Cloggs Online Limited, the trade and assets of Cloggs (UK) Limited ('Cloggs') from its Administrators for a total cash consideration of £579,000. Cloggs is an online niche retailer of premium branded footwear.

Included within the provisional fair value of net identifiable assets on acquisition is an intangible asset of £700,000 which represents the 'Cloggs' online fascia name.

Included in the 26 week period to 3 August 2013 is revenue of £1,751,000 and a loss before tax of £440,000 in respect of Cloggs Online Limited.

5. Acquisitions *(continued)*

Setpoint RE BV

On 1 May 2013, the Group acquired Setpoint RE BV for a cash consideration of €1,600,000. Setpoint RE BV was established on 26 April 2013 with its only asset being the leases of 15 stores which were transferred into it on 27 April 2013 from Setpoint BV who were looking to close down their retail operations. Following a refit, these stores will be traded under the JD fascia. These refits are being performed on a gradual basis, with seven opened by 3 August 2013.

The only asset acquired is the right to the leases, with a fair value of €1,600,000. As the acquisition does not constitute a business under IFRS 3, the Group has not treated this transaction as a business combination.

Ark Fashion Limited
On 28 June 2013, the Group acquired, via its new 70% owned subsidiary Ark Fashion Limited, the trade and assets of Rett Retail Limited from its Administrators for a total cash consideration of £1,329,000. On acquisition, there were nine stores trading as Ark in the North of England and the Midlands with a separate trading website.

Included within the provisional fair value of net identifiable assets on acquisition is an intangible asset of £1,000,000 representing the 'Ark' fascia name.

Included in the 26 week period to 3 August 2013 is revenue of £798,000 and a loss before tax of £251,000 in respect of Ark Fashion Limited.

Isico U.S.A. Sports Eric Isichei & Soehne oHG
On 1 July 2013, the Group acquired, via its new 85% subsidiary JD Sports Fashion Germany GmbH, the trade and assets of Isico U.S.A. Sports Eric Isichei & Soehne oHG ('Isico') for a cash consideration of €1,000,000. On acquisition, Isico had 10 small stores primarily in Berlin but with a presence also in Hamburg, Hannover and Frankfurt. It is intended that these stores will be rebranded to JD through 2014.

The Board believes that the excess of consideration paid over the provisional fair value of the net identifiable assets of £982,000 is best considered as goodwill on acquisition representing employee expertise.

Included in the 26 week period to 3 August 2013 is revenue of £592,000 and a profit before tax of £26,000 in respect of JD Sports Fashion Germany GmbH.

Half Year Impact Of Acquisitions
Had the acquisitions of Cloggs Online Limited, Ark Fashion Limited and Isico U.S.A. Sports Eric Isichei & Soehne oHG been effected at 2 February 2013, the revenue and profit before tax of the Group for the 26 week period to 3 August 2013 would have been £574,631,000 and £5,537,000 respectively.

Prior Period Acquisitions

Originals
On 14 March 2012, the Group acquired, via its subsidiary R.D. Scott Limited, the trade and assets of seven stores trading as Originals and the head office along with the Originals name and inventory from the Administrators of Retailchic Limited for a total cash consideration of £100,000. On 3 February 2013, the trade and assets of the Originals stores have been transferred to Tessuti Limited, another subsidiary of the Group.

No measurement adjustments have been made to the fair values in the 26 week period to 3 August 2013.

Source Lab Limited
On 9 May 2012, the Group acquired 85% of the issued share capital of Source Lab Limited for a cash consideration of £2,550,000. Source Lab Limited, which was established in 2005, design, source and distribute sport related apparel under license from some of the biggest clubs in Europe including Manchester United, Chelsea, Arsenal and Barcelona.

No measurement adjustments have been made to the fair values in the 26 week period to 3 August 2013.

5. Acquisitions *(continued)*

Tessuti Group
On 18 May 2012, the Group, via its new 60% owned subsidiary Tessuti Group Limited, acquired the trading businesses that make up the Tessuti group for a total consideration of £4,819,000. On acquisition, the Tessuti group operated four premium fashion retail stores in the North West of England, along with two trading websites.

No measurement adjustments have been made to the fair values in the 26 week period to 3 August 2013.

6. Assets Held For Sale

On 23 August 2012, the Group announced the proposed disposal of its 100% shareholding in Canterbury Limited to Pentland Group Plc for a total cash payment of £22,698,521 and acquisition of the ONETrueSaxon brand. The total cash payment received comprised £1 for the entire share capital of Canterbury Limited and £22,698,520 which repaid the total intercompany receivable balance owing to the Company from the Canterbury Group at the date of disposal.

This transaction was classified under the Listing Rules as a "related party transaction" as Pentland holds 57.47 per cent. of the issued share capital of the Company. Consequently, the transaction was subject to, and conditional upon, the approval of the Company's shareholders which was given on 13 September 2012 at a General Meeting of the Company.

As a result, the assets and liabilities of Canterbury at 28 July 2012 was classified as held for sale at the lower of carrying amount and fair value less costs to sell:

	As at 28 July 2012 £000
Intangible assets	4,868
Property, plant & equipment	584
Inventories	11,202
Trade and other receivables	10,443
Income tax assets	890
Cash and cash equivalents	5,644
Deferred tax assets	2,157
Net assets held for sale	35,788
Interest-bearing loans and borrowings	(358)
Trade and other payables	(12,976)
Net liabilities held for sale	(13,334)

The net liabilities held for sale excluded amounts owed to JD Sports Fashion Plc of £22,698,520, as these intercompany liabilities were eliminated on consolidation.

In the 26 week period ending 28 July 2012, and the 53 week period ending 2 February 2013, Canterbury was not treated as a discontinued operation, as its teamwear and leisurewear offering did not represent a major line of business.

6. Assets Held For Sale *(continued)*

In the 53 week period ending 2 February 2013, the Group recognised a profit on disposal of Canterbury of £691,000. The financial information relating to the disposal is set out below:

	£000
Consideration received	22,699
Less: Carrying value of net assets disposed of	(19,748)
Plus: Share of translation reserve recycled	910
Less: Non-controlling interest disposed of	(2,570)
Less: Transaction costs	(600)
Profit on disposal	691
Net cashflow on disposal:	
Consideration received	22,699
Less: Cash and cash equivalents disposed of	(5,888)
Net cash inflow from disposal	16,811

7. Half Year Report

As indicated in the 2012 Notice of Annual General Meeting, in line with many other listed companies the company will no longer be issuing a hard copy of the half year report. Instead, the Group has decided to make the half year report available via the Company's website.

Accordingly the half year report will be available for downloading from www.jdplc.com from early October. Paper based copies will be available on application to the Company Secretary, JD Sports Fashion Plc, Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR.

This information is provided by RNS
The company news service from the London Stock Exchange

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