

16 September 2015

JD SPORTS FASHION PLC INTERIM RESULTS FOR THE TWENTY SIX WEEKS TO 1 AUGUST 2015

JD Sports Fashion Plc (the "Group"), the leading retailer of sports, fashion and outdoor brands, today announces its Interim Results for the 26 weeks ended 1 August 2015 (comparative figures are shown for the 26 week period ended 2 August 2014).

The results of Bank Fashion Limited, which was disposed of on 25 November 2014, are presented as a discontinued activity in the results for the period to 2 August 2014.

	2015 £000	2014 £000	% Change
<u>Continuing Operations</u>			
Revenue	809,901	670,254	+21%
Gross profit %	47.4%	47.9%	
Operating profit (before exceptional items)	47,578	26,468	+80%
Net interest expense	(1,012)	(949)	
Profit before tax and exceptional items	46,566	25,519	+82%
Exceptional items (see note 3)	(1,858)	(1,770)	
Profit before tax	44,708	23,749	+88%

Discontinued Operations

Loss from discontinued operation, net of tax (see note 7)	-	(5,639)
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Basic earnings per ordinary share from continuing operations	17.62p	9.38p
Interim dividend payable per ordinary share	1.20p	1.15p
Net cash at period end (a)	100,340	11,152

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

Group Highlights

- Record result for the half year with Group profit before tax and exceptional items increased by more than 80%
- Second successive year of like for like sales growth in excess of 10% on a combined basis
- International rollout continues with a net increase of 27 stores across Europe (including 13 Sprinter stores) and to date the revenues in those stores are in line with management's expectations
- Encouraging progress in Outdoors with simplified structure in place to lead and drive further improvements in performance
- Sales, gross margin and operating profit / (loss) before exceptional items of the two business segments are tabulated below:

Period to 1 August 2015

	Sports Fashion £000	Outdoor £000	Total £000
Gross revenue	741,779	68,260	810,039
Intersegment revenue	(138)	-	(138)
Revenue	<u>741,641</u>	<u>68,260</u>	<u>809,901</u>
Gross margin %	<u>47.7%</u>	<u>43.9%</u>	<u>47.4%</u>
Operating profit / (loss) before exceptional items	<u>52,068</u>	<u>(4,490)</u>	<u>47,578</u>

Period to 2 August 2014 (re-presented)

	Sports Fashion £000	Outdoor £000	Total £000
Gross revenue	608,803	61,530	670,333
Intersegment revenue	(79)	-	(79)
Revenue	<u>608,724</u>	<u>61,530</u>	<u>670,254</u>
Gross margin %	<u>48.3%</u>	<u>43.7%</u>	<u>47.9%</u>
Operating profit / (loss) before exceptional items	<u>32,079</u>	<u>(5,611)</u>	<u>26,468</u>

- Interim dividend increased by 4.3% from 1.15p to 1.20p

Peter Cowgill, Executive Chairman, said:

"I am delighted to report record results for the first half with profits before tax and exceptional items of £46.6 million. Our principal Sports Fashion fascias continue to perform strongly with like for like sales growth in excess of 10% which, when measured against particularly strong and challenging comparatives, is a very pleasing performance.

"In an extremely competitive market for Sports Fashion footwear across Europe, we must acknowledge that the levels of organic growth that we have seen over the last two years are unlikely to continue indefinitely, albeit the JD brand continues to strengthen and further opportunities prevail. Our current successful exploitation of these favourable market conditions reflects investments that we have made over a number of years in developing our multi-channel retail proposition and driving improved buying, merchandising and retailing disciplines. We continue to invest heavily in these areas.

"Given the demanding comparatives following two years of strong revenue growth, we are encouraged by the positive nature of the trading to date in the second half across our core fascias."

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Executive Chairman's Statement**Introduction**

I am delighted to report record results for the first half with profits before tax and exceptional items of £46.6 million (2014: £25.5 million). Our principal Sports Fashion fascias continue to perform strongly with like for like sales growth in excess of 10% which, when measured against particularly strong and challenging comparatives, is a very pleasing performance.

During the period we demonstrated our commitment to further developing our market leading proposition with the opening of our largest JD store to date on Oxford Street in London. This new flagship store which has nearly 22,000 sq ft of retail space and is set over three floors offers JD's biggest range of exclusive men's, women's and children's footwear and clothing from our leading brands such as Nike, Adidas, Converse, Vans, Fred Perry, The North Face, Supply & Demand, Duffer and Hype. In addition to further enhancing our already market leading standards of visual merchandising and retail theatre, this store also embraces the latest innovations in digital technology. This store has had a very positive reaction from both

customers and our international brand partners.

We believe that we can achieve the same market leading reputation with customers and brands in Mainland Europe where we remain confident in our prospects, despite some significant headwinds on margin from recent weakness in the euro. We have expanded our presence in a number of our existing territories with 84 JD and Size? stores open across Mainland Europe at the period end. Following the period end, we have also opened our first two stores in Belgium. There will be further international progress in the second half and we are looking forward to introducing our flagship concept to our customers in the Netherlands later in the autumn when we open on Nieuwendijk in Amsterdam.

We have made further steps to improve the efficiency of our Outdoor operations with the Blacks, Millets and Ultimate Outdoors fascias now under common leadership and with greater involvement from members of the senior group management team in the key commercial decisions, particularly in merchandise management. We are optimistic that these strategic initiatives will improve the product proposition, the market positioning and stock turnover of each fascia giving us a base on which to drive a significantly improved performance in 2016/17. As expected, a major focus of our Outdoor businesses in the first half has been to deal with the stock overhang following the generally mild and dry winter. Significant progress has been made although some stocks still need to be cleared in the forthcoming autumn season which will limit margin progression in the second half.

Sports Fashion

Sports Fashion has had an exceptional first half with operating profits (before exceptional items) increased by 62% to £52.1 million (2014: £32.1 million). In an extremely competitive market for Sports Fashion footwear across Europe, we must acknowledge that the levels of organic growth that we have seen over the last two years are unlikely to continue indefinitely, albeit the JD brand continues to strengthen and further opportunities prevail. Our current successful exploitation of these favourable market conditions reflects investments that we have made over a number of years in developing our multi-channel retail proposition and driving improved buying, merchandising and retailing disciplines. We continue to invest heavily in these areas.

As anticipated, the overall gross margin in Sports Fashion is slightly lower than the previous year reflecting the impact of the weaker euro on JD's euro denominated businesses. The financial impact of this may currently be small in the context of overall earnings but it is an escalating issue as we expand our presence in Europe. We are maintaining a long term view on our European development project and will continue to address the issue both internally and externally with our international brand partners.

Outdoor

We have made some encouraging progress in Outdoor in the first half with total operating losses (before exceptional items) reduced to £4.5 million (2014: £5.6 million). The overall result was achieved despite both a cost to margin from the sector wide heavy discounting of surplus autumn and winter ranges in the first quarter of the year and pre-opening costs associated with the development of the Ultimate Outdoors concept where we have converted two further former Kiddicare stores in the period, at Merry Hill and Nottingham. Both of these stores were opened in the second quarter.

We are relatively pleased with the sales of our summer ranges in the Blacks and Millets fascias in the first half and we will take the learnings from this season into the buying plan for next year and look to further enhance our proposition. Our challenge now is to ensure a smooth transition into the autumn / winter ranges recognising that a flexible rather than time rigid approach is required.

We anticipate further progress in the second half.

Group Performance

Revenue and Gross Margin

Total Group revenue increased by 21% in the period to £809.9 million (2014: £670.3 million). Like for like sales for the 26 week period across all Group fascias, including those in Europe, increased by more than 10% which was an exceptional performance.

Total gross margin of 47.4% was 0.5% lower than the prior year (2014: 47.9%) driven by a lower margin in JD's euro denominated business. The overall margin improved slightly in Outdoor but progress was limited by the need to clear autumn / winter stocks in the first quarter of the year.

Operating Profit

Operating profit (before exceptional items) for the period has increased by 80% to £47.6 million (2014: £26.5 million) following an exceptional performance in our Sports Fashion fascias and an encouraging reduction in losses in Outdoor. We expect further progress in Outdoor in the second half.

There were net exceptional charges of £1.9 million in the period (2014: £1.8 million) of which £1.6 million (2014: £1.4 million) was non-cash relating to increases in provisions for onerous property leases and impairments of assets in underperforming stores.

Cash

Strong cash generation from the ongoing trading in our core retail fascias has meant that we ended the first half with a net cash balance in excess of £100 million for the first time. This is earmarked for future expansion investment and working capital requirements.

Gross capital expenditure (excluding disposals) has increased by £21.4 million to £47.7 million (2014: £26.3 million). Our continuing commitment to enhancing our customers' experience and to developing our overseas businesses means that investment in our retail fascias, both in terms of taking new stores where appropriate and refurbishing existing space, remains very substantial with the spend on our retail fascias increasing by £13.6 million to £28.8 million (2014: £15.2 million). We anticipate a similar level of investment in capital expenditure in the second half.

Elsewhere, investment to increase the operational capacity and flexibility of our Kingsway warehouse has increased by £4.7 million to £7.8 million (2014: £3.1 million). We have also acquired a plot of land next to our existing Kingsway site to facilitate potential future development at a cost of £4.7 million.

This positive cash position provides the Group with a strong financial foundation for our ongoing retail developments, both in the UK and internationally, and continuing substantial investments in IT systems and other operational infrastructure. We will also continue to make selected acquisitions and investments where they benefit our strategic development.

Store Portfolio

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

Sports Fashion Fascias

(No. Stores)	JD UK & ROI	JD Europe	Size?	Sub-Total JD & Size?	Chausport	Sprinter	Other	Total
Period start	351	65	31	447	73	80	60	660
New stores	6	14	2	22	-	13	11	46
Closures	(2)	(1)	-	(3)	-	-	(11)	(14)
Period end	355	78	33	466	73	93	60	692

(000 Sq Ft)

Period start	1,292	121	49	1,462	82	838	129	2,511
New stores	31	29	9	69	-	75	34	178
Extensions	16	-	-	16	-	-	-	16
Closures	(3)	(1)	-	(4)	-	-	(18)	(22)
Period end	1,336	149	58	1,543	82	913	145	2,683

In addition, there are two JD branded Gyms at the period end in Hull and Liverpool. A third gym has opened in Preston subsequent to the period end.

Outdoor Fascias

(No. Stores)	Blacks	Millets	Tiso	Other	Total
Period start	73	92	17	2	184
New stores	1	8	-	2	11
Closures	(3)	(4)	(1)	-	(8)
Period end	71	96	16	4	187

(000 Sq Ft)

Period start	270	175	101	62	608
New stores	3	21	-	73	97
Closures	(10)	(7)	(4)	-	(21)
Period end	263	189	97	135	684

Dividends and Earnings per Ordinary Share

The Board proposes paying an interim dividend of 1.20p (2014: 1.15p) per ordinary share, an increase of 4.3%. This dividend will be paid on 8 January 2016 to shareholders on the register as at close of business on 4 December 2015. Given the positive return that we are seeing from our investments in the core JD fascia, we believe it is in the longer term interests of all shareholders to keep dividend growth restrained so as to maximise the available funding for our ongoing growth opportunities.

The adjusted earnings per ordinary share before exceptional items have increased by 81% to 18.62p (2014: re-presented 10.27p).

The basic earnings per ordinary share have increased by 88% to 17.62p (2014: re-presented 9.38p).

People

We are fortunate, as a Group, to have talented and committed people in every aspect of our business. The record result which we have delivered is due to their expertise, energy and passion. I thank everybody involved in all of our businesses for delivering these excellent results.

Current Trading and Outlook

Given the importance of Christmas in the context of the overall result, we do not believe that it is appropriate to issue any detailed update at this time on trading to date in the second half. That said, given the demanding comparatives following two years of strong revenue growth, we are encouraged by the positive nature of the trading to date in the second half across our core fascias.

We will provide an update on trading in early January after our key Christmas trading period.

Looking further ahead, it should be noted that the new Living Wage Premium will impact earnings across the retail sector from its implementation in

April 2016.

Peter Cowgill
Executive Chairman
16 September 2015

**Condensed Consolidated Income Statement
For the 26 weeks to 1 August 2015**

		26 weeks to 1 August 2015 £000	26 weeks to 2 August 2014 (re-presented - see note 1) £000	52 weeks to 31 January 2015 £000
	Note			
Continuing operations				
Revenue		809,901	670,254	1,522,253
Cost of sales		(425,896)	(349,054)	(782,703)
Gross profit		384,005	321,200	739,550
Selling and distribution expenses - normal		(300,599)	(263,583)	(564,333)
Selling and distribution expenses - exceptional	3	(1,858)	(1,770)	(4,467)
Administrative expenses - normal		(36,690)	(31,802)	(73,969)
Administrative expenses - exceptional	3	-	-	(5,060)
Other operating income		862	653	925
Operating profit		45,720	24,698	92,646
Before exceptional items		47,578	26,468	102,173
Exceptional items	3	(1,858)	(1,770)	(9,527)
Operating profit		45,720	24,698	92,646
Financial income		206	389	657
Financial expenses		(1,218)	(1,338)	(2,807)
Profit before tax		44,708	23,749	90,496
Income tax expense		(10,294)	(5,455)	(20,741)
Profit from continuing operations		34,414	18,294	69,755
Discontinued operation				
Loss from discontinued operation, net of tax	7	-	(5,639)	(15,784)
Profit for the period		34,414	12,655	53,971
Attributable to equity holders of the parent		34,293	12,609	52,677
Attributable to non-controlling interest		121	46	1,294
Basic earnings per ordinary share from continuing operations	4	17.62p	9.38p	35.17p
Diluted earnings per ordinary share from continuing operations	4	17.62p	9.38p	35.17p

**Condensed Consolidated Statement of Comprehensive Income
For the 26 weeks to 1 August 2015**

	26 weeks to 1 August 2015 £000	26 weeks to 2 August 2014 (re-presented - see note 1) £000	52 weeks to 31 January 2015 £000
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Profit for the period	34,414	12,655	53,971
<u>Other comprehensive income:</u>			
Items that may be classified subsequently to the Consolidated Income Statement:			
Exchange differences on translation of foreign operations	(3,520)	162	(4,512)
Total other comprehensive income for the period	(3,520)	162	(4,512)
Total comprehensive income and expense for the period (net of income tax)	30,894	12,817	49,459
Attributable to equity holders of the parent	32,123	12,772	49,983
Attributable to non-controlling interest	(1,229)	45	(524)

**Condensed Consolidated Statement of Financial Position
As at 1 August 2015**

	As at 1 August 2015 £000	As at 2 August 2014 £000	As at 31 January 2015 £000
Assets			
Intangible assets	101,130	113,437	101,075
Property, plant and equipment	170,770	147,688	147,934
Other assets	33,723	24,153	32,402
Total non-current assets	305,623	285,278	281,411
Inventories	250,617	224,753	225,020
Trade and other receivables	51,392	80,125	53,922
Cash and cash equivalents	160,322	93,690	121,317
Total current assets	462,331	398,568	400,259
Total assets	767,954	683,846	681,670
Liabilities			
Interest-bearing loans and borrowings	(59,701)	(82,071)	(36,713)
Trade and other payables	(322,212)	(276,996)	(274,006)
Provisions	(1,096)	(2,668)	(3,098)
Income tax liabilities	(12,039)	(5,198)	(12,931)
Total current liabilities	(395,048)	(366,933)	(326,748)
Interest-bearing loans and borrowings	(281)	(467)	(374)
Other payables	(40,018)	(33,827)	(41,733)
Provisions	(1,242)	(2,484)	(1,020)
Deferred tax liabilities	(1,964)	(4,485)	(1,804)
Total non-current liabilities	(43,505)	(41,263)	(44,931)
Total liabilities	(438,553)	(408,196)	(371,679)
Total assets less total liabilities	329,401	275,650	309,991
Capital and reserves			
Issued ordinary share capital	2,433	2,433	2,433
Share premium	11,659	11,659	11,659
Retained earnings	318,939	259,331	297,161
Other reserves	(16,934)	(11,907)	(14,764)
Total equity attributable to equity holders of the parent	316,097	261,516	296,489
Non-controlling interest	13,304	14,134	13,502
Total equity	329,401	275,650	309,991

Condensed Consolidated Statement of Changes in Equity
For the 26 weeks to 1 August 2015

	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 31 January 2015	2,433	11,659	297,161	(11,691)	(3,073)	296,489
Profit for the period	-	-	34,293	-	-	34,293
<u>Other comprehensive income:</u>						
Exchange differences on translation of foreign operations	-	-	-	(2,170)	-	(2,170)
Total other comprehensive income	-	-	-	(2,170)	-	(2,170)
Total comprehensive income for the period	-	-	34,293	(2,170)	-	32,123
Dividends to equity holders	-	-	(11,484)	-	-	(11,484)
Non-controlling interest arising on acquisition	-	-	(1,031)	-	-	(1,031)
Balance at 1 August 2015	2,433	11,659	318,939	(13,861)	(3,073)	316,097

	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	309,991
Profit for the period	34,293	121	34,414
<u>Other comprehensive income:</u>			
Exchange differences on translation of foreign operations	(2,170)	(1,350)	(3,520)
Total other comprehensive income	(2,170)	(1,350)	(3,520)
Total comprehensive income for the period	32,123	(1,229)	30,894
Dividends to equity holders	(11,484)	-	(11,484)
Non-controlling interest arising on acquisition	(1,031)	1,031	-
Balance at 1 August 2015	316,097	13,304	329,401

	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 1 February 2014	2,433	11,659	257,744	(8,997)	(3,073)	259,766
Profit for the period	-	-	12,609	-	-	12,609
<u>Other comprehensive income:</u>						
Exchange differences on translation of foreign operations	-	-	-	163	-	163

Total other comprehensive income	-	-	-	163	-	163
Total comprehensive income for the period	-	-	12,609	163	-	12,772
Dividends to equity holders	-	-	(11,022)	-	-	(11,022)
Non-controlling interest arising on acquisition	-	-	-	-	-	-
Balance at 2 August 2014	2,433	11,659	259,331	(8,834)	(3,073)	261,516

	Total Equity Attributable To Equity Holders Of The Parent £000	Non Controlling Interest £000	Total Equity £000
Balance at 1 February 2014	259,766	13,074	272,840
Profit for the period	12,609	46	12,655
<u>Other comprehensive income:</u>			
Exchange differences on translation of foreign operations	163	(1)	162
Total other comprehensive income	163	(1)	162
Total comprehensive income for the period	12,772	45	12,817
Dividends to equity holders	(11,022)	-	(11,022)
Non-controlling interest arising on acquisition	-	1,015	1,015
Balance at 2 August 2014	261,516	14,134	275,650

**Condensed Consolidated Statement of Cash Flows
For the 26 weeks to 1 August 2015**

	Note	26 weeks to 1 August 2015 £000	26 weeks to 2 August 2014 £000	52 weeks to 31 January 2015 £000
Cash flows from operating activities				
Profit for the period		34,414	12,655	53,971
Income tax expense		10,294	3,799	20,531
Financial expenses		1,218	1,392	2,881
Financial income		(206)	(389)	(657)
Depreciation and amortisation of non-current assets		22,104	18,686	45,241
Forex losses on monetary assets and liabilities		12,125	166	4,979
Loss on disposal of Bank Fashion Limited, net of tax		-	-	6,318
Loss on disposal of non-current assets	3	225	322	986
Other exceptional items	3	682	571	6,043
Increase in inventories		(25,667)	(36,058)	(54,696)
Decrease / (increase) in trade and other receivables		80	(12,936)	7,760
Increase in trade and other payables		29,027	23,750	46,097
Interest paid		(1,218)	(1,392)	(2,881)
Income taxes paid		(11,049)	(10,090)	(20,811)
Net cash from operating activities		72,029	476	115,762
Cash flows from investing activities				
Interest received		206	389	657
Proceeds from sale of non-current assets		138	361	705
Acquisition of other intangible assets		-	(29)	(29)

Investment in bespoke software development	(2,031)	(1,810)	(7,123)
Acquisition of property, plant and equipment	(43,668)	(23,583)	(52,924)
Acquisition of non-current other assets	(1,991)	(880)	(10,124)
Cash consideration of acquisitions	-	(12,610)	(12,686)
Cash acquired with acquisitions	-	3,562	3,563
Consideration received on disposal of Bank Fashion Limited	-	-	18,150
Net cash used in investing activities	(47,346)	(34,600)	(59,811)
Cash flows from financing activities			
Repayment of interest-bearing loans and borrowings	(91)	(84)	(291)
(Repayment of) / increase in finance lease liabilities	(14)	61	(9)
Draw down of syndicated bank facility	23,000	51,000	5,000
Equity dividends paid	-	-	(13,260)
Dividends paid to non-controlling interest in subsidiaries	-	-	(63)
Net cash provided by / (used in) financing activities	22,895	50,977	(8,623)
Net increase in cash and cash equivalents	47,578	16,853	47,328
Cash and cash equivalents at the beginning of the period	115,697	72,043	72,043
Foreign exchange losses on cash and cash equivalents	(8,457)	-	(3,674)
Cash and cash equivalents at the end of the period	154,818	88,896	115,697

Analysis of Net Cash

	At 31 January 2015 £000	Cash flow £000	Non-cash movements £000	At 1 August 2015 £000
Cash at bank and in hand	121,317	47,578	(8,573)	160,322
Overdrafts	(5,620)	-	116	(5,504)
Cash and cash equivalents	115,697	47,578	(8,457)	154,818
Interest bearing loans and borrowings:				
Bank loans	(60)	57	(116)	(119)
Syndicated bank facility	(31,000)	(23,000)	-	(54,000)
Finance lease liabilities	(63)	14	-	(49)
Other loans	(344)	34	-	(310)
Total interest bearing loans and borrowings	(31,467)	(22,895)	(116)	(54,478)
	84,230	24,683	(8,573)	100,340

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 1 August 2015 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 16 September 2015.

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 annual financial statements of the Group are prepared in accordance with IFRS's as adopted by the EU. The comparative figures for the 52 week period to 31 January 2015 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 1 August 2015 and 2 August 2014 has been reviewed and the independent review report for the 26 week period to 1 August 2015 is set out in the half yearly financial report.

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 52 week period to 31 January 2015.

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:

- Annual Improvements to IFRSs - 2010 - 2012 Cycle
- Annual Improvements to IFRSs - 2011 - 2013 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 52 week period to 31 January 2015.

Risks and uncertainties

The Board has considered the risks and uncertainties for the remaining 26 week period to 30 January 2016 and determined that the risks presented in the Annual Report and Accounts 2015, noted below, remain relevant:

Omnichannel

- Damage to reputation of brands
- Protection of intellectual property
- Retail property factors
- Seasonality of sales
- Economic factors
- Reliance on non-UK manufacturers

Consistency of infrastructure

- Reliance on legacy IT systems
- Consolidation of warehouse operations
- Retention of key personnel
- Health and safety
- Foreign exchange risk

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 re-presentation

In accordance with IFRS 5 ('Non-current Assets Held for Sale and Discontinued Operations'), the results of Bank Fashion Limited ('Bank') are presented as a discontinued activity for the 52 weeks to 31 January 2015 as Bank was a separate major line of business. The Consolidated Income Statement for the 26 weeks to 2 August 2014 has consequently been re-presented to show the results of Bank separately from the continuing operations of the Group.

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. In the previous period the reportable segments were adjusted to better reflect the way that product is held out for sale in the Group's core retail businesses. The adjustment was:

- The creation of a new segment 'Sports Fashion' reflecting the fact that the Group's core retail operations present and sell the major international Sports Brands as Fashion thereby creating a natural continuum between Sports and Fashion. All businesses previously allocated to the individual Sports and Fashion segments have been incorporated in this new segment.

The Group's revised 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, JD Sports Fashion Germany GmbH, JD Sports Fashion SRL, 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, Ark Fashion Limited and Mainline Menswear Limited.
- Outdoor - includes the results of Blacks Outdoor Retail Limited and Tiso Group 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 £54,000,000 (2014: £77,000,000) and liabilities for taxation of £14,003,000 (2014: £9,683,000) 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.

Operating Segments

Information regarding the Group's operating segments for the 26 weeks to 1 August 2015 is reported below:

Income statement

	Sports Fashion £000	Outdoor £000	Continuing Operations £000	Discontinued Operations £000	Total £000
Gross revenue	741,779	68,260	810,039	-	810,039
Intersegment revenue	(138)	-	(138)	-	(138)
Revenue	741,641	68,260	809,901	-	809,901
Operating profit / (loss) before exceptional items	52,068	(4,490)	47,578	-	47,578
Exceptional items	(1,564)	(294)	(1,858)	-	(1,858)
Operating profit / (loss)	50,504	(4,784)	45,720	-	45,720
Financial income			206	-	206
Financial expenses			(1,218)	-	(1,218)
Profit / (loss) before tax			44,708	-	44,708
Income tax (expense) / credit			(10,294)	-	(10,294)
Profit / (loss) for the period			34,414	-	34,414

Total assets and liabilities

	Sports Fashion £000	Outdoor £000	Unallocated £000	Eliminations £000	Total £000
Total assets	766,227	85,845	-	(84,118)	767,954
Total liabilities	(331,521)	(123,148)	(68,002)	84,118	(438,553)
Total segment net assets / (liabilities)	434,706	(37,303)	(68,002)	-	329,401

The comparative segmental results (re-presented) for the 26 weeks to 2 August 2014 are as follows:

Income statement (re-presented)

	Sports Fashion £000	Outdoor £000	Continuing Operations £000	Discontinued Operations £000	Total £000
Gross revenue	608,803	61,530	670,333	51,196	721,529
Intersegment revenue	(79)	-	(79)	-	(79)
Revenue	608,724	61,530	670,254	51,196	721,450
Operating profit / (loss) before exceptional items	32,079	(5,611)	26,468	(5,471)	20,997
Exceptional items	(1,364)	(406)	(1,770)	(1,770)	(3,540)
Operating profit / (loss)	30,715	(6,017)	24,698	(7,241)	17,457

Financial income	389	-	389
Financial expenses	(1,338)	(54)	(1,392)
Profit / (loss) before tax	23,749	(7,295)	16,454
Income tax (expense) / credit	(5,455)	1,656	(3,799)
Profit / (loss) for the period	18,294	(5,639)	12,655

Total assets and liabilities

	Sports Fashion £000	Outdoor £000	Unallocated £000	Eliminations £000	Total £000
Total assets	688,027	85,792	-	(89,973)	683,846
Total liabilities	(297,306)	(114,180)	(86,683)	89,973	(408,196)
Total segment net assets / (liabilities)	390,721	(28,388)	(86,683)	-	275,650

Geographical Information

The Group's operations are located in the UK, Republic of Ireland, France, Spain, Germany, the Netherlands, Italy, 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:

	26 weeks to 1 August 2015			26 weeks to 2 August 2014		
	Continuing £000	Discontinued £000	Total £000	Continuing £000	Discontinued £000	Total £000
UK	621,646	-	621,646	524,336	50,930	575,266
Europe	176,413	-	176,413	136,905	145	137,050
Rest of world	11,842	-	11,842	9,013	121	9,134
	809,901	-	809,901	670,254	51,196	721,450

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:

	As at 1 August 2015 £000	As at 2 August 2014 £000
UK	209,867	206,867
Europe	95,571	78,168
Rest of world	185	243
	305,623	285,278

3. Exceptional Items

	26 weeks to 1 August 2015 £000	26 weeks to 2 August 2014 (re-presented - see note 1) £000	52 weeks to 31 January 2015 £000
Loss on disposal of non-current assets (1)	225	322	986
Impairment of non-current assets (2)	682	571	983
Onerous lease provision (3)	951	877	2,498
Selling and distribution expenses - exceptional	1,858	1,770	4,467
Impairment of intangible assets (4)	-	-	5,060
Administrative expenses - exceptional	-	-	5,060

Exceptionals - continuing operations	1,858	1,770	9,527
Exceptionals - discontinued operations (see note 7)	-	1,770	8,088
	1,858	3,540	17,615

- (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 generating a negative cash contribution, 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 impairment in the period to 31 January 2015 of the goodwill arising in prior years on the acquisition of Blacks Outdoor Retail Limited, the goodwill arising in prior years on the acquisition of Kukri Sports Limited, the Kukri brand name and the Ark fascia name

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.

4. Earnings per Ordinary Share

Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share at 1 August 2015 is based on the profit from continuing operations for the period attributable to equity holders of the parent of £34,293,000 (26 weeks to 2 August 2014: continuing operations £18,248,000; 52 weeks to 31 January 2015: continuing operations £68,461,000).

An Ordinary Resolution was passed at the Annual General Meeting, effective 30 June 2014, resulting in a share split whereby four 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. The weighted average number of ordinary shares outstanding during the 26 weeks to 1 August 2015 was therefore 194,646,632 (26 weeks to 2 August 2014: 194,646,632; 52 weeks to 31 January 2015: 194,646,632), calculated as follows:

	26 weeks to 1 August 2015	26 weeks to 2 August 2014	52 weeks to 31 January 2015
Issued ordinary shares at beginning and end of period	194,646,632	194,646,632	194,646,632

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 from continuing operations 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 1 August 2015 £000	26 weeks to 2 August 2014 (re-presented) £000	52 weeks to 31 January 2015 £000
Profit for the period from continuing operations attributable to equity holders of the parent	34,293	18,248	68,461
Exceptional items excluding loss on disposal of non-current assets	1,633	1,448	8,541
Tax relating to exceptional items	312	293	(1,309)
Profit for the period from continuing operations attributable to equity holders of the parent excluding exceptional items	36,238	19,989	75,693
Adjusted basic and diluted earnings per ordinary share from continuing operations	18.62p	10.27p	38.89p

5. Acquisitions

Current period acquisitions

During the period, the Group has increased its shareholding in a non wholly owned subsidiary. The transaction was not material.

Prior period acquisitions

Mainline Menswear Limited

On 21 March 2014, the Group acquired 80% of the issued share capital of Mainline Menswear Holdings Limited for cash consideration of £10,924,000 with additional consideration of up to £500,000 payable after 30 November 2014 if certain performance criteria were achieved. At acquisition, management believed that Mainline Menswear was on course to meet the performance criteria for the maximum contingent consideration to be payable and therefore the fair value of this contingent consideration at this time was £500,000. The deferred consideration was subsequently paid in full in February 2015. Mainline Menswear is primarily an online niche retailer of premium branded Men's apparel and footwear.

The period in which measurement adjustments could be made has now closed on this acquisition and the final goodwill calculation is summarised below:

	Book value £000	Measurement adjustments £000	Fair value at 1 August 2015 £000
Acquiree's net assets at acquisition date:			
Intangible assets	-	843	843
Property, plant & equipment	52	-	52
Inventories	1,519	-	1,519
Cash	3,535	-	3,535
Trade and other receivables	60	-	60
Trade and other payables	(692)	-	(692)
Income tax liabilities	(62)	-	(62)
Deferred tax liabilities	(10)	(169)	(179)
Net identifiable assets	4,402	674	5,076
Non-controlling interest (20%)	(880)	(135)	(1,015)
Goodwill on acquisition			7,363
Consideration paid - satisfied in cash			11,424

The intangible asset acquired represents the fair value of the 'Mainline' fascia name. The Board believes that the excess of consideration paid over the fair value of the net identifiable assets of £7,363,000 is best considered as goodwill on acquisition representing employee expertise and anticipated future operating synergies.

No measurement adjustments have been made to the fair values in the 26 week period ended 1 August 2015.

Ultimate Outdoors

On 3 February 2014, the Group acquired, via its 100% owned subsidiary Blacks Outdoor Retail Limited, 100% of the entire issued share capital of Ultimate Outdoors Limited for cash consideration of £835,000 which was equal to the fair value of the net identifiable assets acquired.

No measurement adjustments have been made to the fair values in the 26 week period ended 1 August 2015.

Oswald Bailey

On 28 March 2014, the Group acquired, via its 100% owned subsidiary Blacks Outdoor Retail Limited, the trade and assets of 14 stores (and 2 websites) trading as Oswald Bailey for cash consideration of £851,000 which was equal to the fair value of the net identifiable assets acquired. Oswald Bailey is a retailer of outdoor footwear, apparel and equipment.

No measurement adjustments have been made to the fair values in the 26 week period ended 1 August 2015.

5. Disposals

Disposal of 100% of the Issued Ordinary Share Capital of Bank Fashion Limited

On 25 November 2014, the Group disposed of its 100% shareholding in Bank Fashion Limited to Huk 57 Limited (a subsidiary of Hilco Capital Limited) for a total consideration of £18.15m. The total cash payment comprised £1 for the entire share capital of Bank Fashion Limited and £18.15m which repaid a substantial part of the intercompany receivable balance of £28.25m. JD Sports Fashion Plc has recorded a provision of £10.1m against the remaining balance.

The assets and liabilities related to Bank Fashion Limited form a disposal group. Bank Fashion Limited has been treated as a discontinued operation as at 31 January 2015 as its fashionwear business offering represented a significant line of business (see note 7).

Financial information related to the disposal is set out below:

	£000
Consideration received	18,150
Less: carrying value of net assets disposed of	(20,506)
Less: fascia name disposed of	(5,481)
Plus: deferred tax on fascia name	1,519

Loss on disposal	(6,318)
Net cashflow on disposal:	
Consideration received	18,150
Less: cash and cash equivalents disposed of	-
Net cash inflow from disposal	18,150

6. Discontinued operations

Results of Discontinued Operation

	26 weeks to 2 August 2014 £000	52 weeks to 31 January 2015 £000
Revenue	51,196	83,441
Expenses - normal	(56,667)	(91,273)
Expenses - exceptional	(1,770)	(1,770)
Net interest expense	(54)	(74)
Results from operating activities	(7,295)	(9,676)
Income tax	1,656	210
Results from operating activities, net of tax	(5,639)	(9,466)
Loss on sale of discontinued operation - exceptional	-	(6,318)
Loss for the period	(5,639)	(15,784)
Basic loss per ordinary share	(2.90)p	(8.11)p
Diluted loss per ordinary share	(2.90)p	(8.11)p

Effect of Disposal on the Financial Position of the Group

	52 weeks to 31 January 2015 £000
Property, plant and equipment	(9,266)
Inventories	(18,371)
Trade and other receivables	(4,198)
Income tax assets	(21)
Deferred tax assets	(873)
Trade and other payables	10,624
Provisions	1,599
Net assets	(20,506)
Fascia name	(5,481)
Deferred tax on fascia name	1,519
Net fascia name disposed of on divestment of subsidiary	(3,962)
Consideration received, satisfied in cash	18,150
Cash and cash equivalents disposed of	-
Net cash inflow	18,150

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 2015. Paper based copies will be available on application to the Company Secretary, JD Sports Fashion Plc, Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR.

Disclaimer

This announcement contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of JD Sports Fashion plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.

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