HALF YEAR REPORT 2017

jd sports fashion plc

JD

size?

FOOT PATROL
LONDON

chausport

Sprinter

PERRY
KEEP MOVING

AKTIESPORT

NEXT ATHLEISURE

scotts

TESSUTI

CLOGGS

MAINLINE

GET THE LABEL .COM

JD GYMS

KOOGA
MADE FOR RUGBY

KUKRI

FOCUS
INTERNATIONAL

SOURCE LAB

Nicholas Deakins
Established in England 1991

Blacks

millets

Ultimate Outdoors

GO Outdoors

Tiso
Geared up for the outdoors

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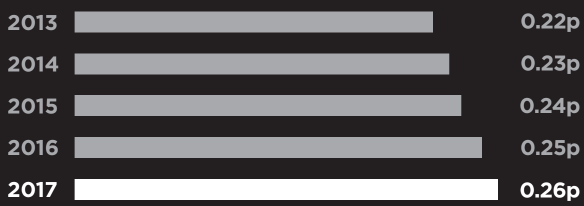
Highlights

Revenue

Profit before tax and exceptional items*

Interim dividend payable per ordinary share



Adjusted basic earnings per ordinary share*

Net assets

Net cash

Throughout this Half Year Report '*' indicates the first instance of a term defined and explained in the Glossary on page 31.

Executive Chairman's Statement

Introduction

I am delighted to report that the Group continues to make strong progress with profit before tax for the first half increased by a further 33% to a new record level of £102.7 million. This is another pleasing result demonstrating the strength of our highly differentiated multichannel proposition and our ability to prosper in an increasingly competitive market for athletic inspired footwear and apparel.

The JD fascia has the unique ability to introduce new brands and ranges, ignite desire in the consumer and deliver sales at significant scale. We are extending our appeal through continual engagement with our customers and by exploiting our strong foundations in the breadth and exclusivity of our brand offer, being first to market and consistently delivering high standards of visual merchandising both instore and online. We will continue to invest in brand relationships and our various fascias to ensure that our multichannel proposition retains its dynamic appeal and elevates the consumer experience, enabling our customers to interact with us when, where and through the channel of their choice.

The base of our ongoing excellent multichannel retail performance comes from the continued strength of our core* UK and Ireland Sports Fashion fascias. We have strengthened these foundations with significant progression internationally, both instore and online, so that the JD fascia now has a much broader store and multichannel consumer reach and brand influence globally. During the period there has been a net increase of 40 JD stores of which 23 have been in mainland Europe. We would expect a similar number of net new JD stores across mainland Europe in the second half. Further afield, we have opened two further new JD stores in Malaysia and we also successfully launched the JD fascia in Australia both online and in stores with three stores trading at the period end and a fourth store opened subsequently. We are very encouraged by the positive start that we have made internationally and we expect to expand the number of countries in which we are physically present over the next twelve months. Further to the announcement in March 2017, we are also in advanced discussions regarding the proposed joint venture with Sonae in Spain and Portugal.

The continuing international growth in physical store space is complemented by ongoing investment in our international multichannel capability with a significantly expanded multicurrency website estate. We believe we are creating an industry leading retail business with the best of physical and digital retail combined to give a compelling proposition and enabling our consumers to shop seamlessly across all channels. We believe that this multichannel capability is a key differentiator for us versus our developing competitor set.

JD's large retail footprint and comprehensive range of trading websites also provides it with the capability to access an increasingly broad and authoritative selection of branded footwear and apparel to complement the traditional Sports Fashion ranges with the overall offer constantly evolving to ensure that JD remains on trend and maintains its points of difference. New ranges have been introduced in the period from Sik Silk, Tommy Hilfiger and Calvin Klein with further brand partnerships under constant review.

We are also pleased with the progress being made in the Outdoor fascias. The acquisition of Go Outdoors in November 2016 was approved unconditionally on 18 May 2017 by the Competition and Markets Authority. We were therefore obliged to operate the Go Outdoors business separately to our pre-existing Outdoors businesses for the majority of the period. We remain confident that the acquisition of Go Outdoors will enhance our overall Outdoor performance in the longer term, as we begin to gain the benefits of operational synergies.

We continue to make very significant investments in logistics to support the ongoing substantial growth in stores and e-commerce across our businesses. Works are ongoing on the project to expand our internal use of the Group's principal Kingsway warehouse site. The total cost of this project is around £21 million with the majority of the works taking place in the current year (£4 million was incurred last year). When completed, the storage capacity in this site will be increased by approximately 25% to 15 million units. Work has also now commenced on the construction of the new 352,000 square feet leased building extension to this facility with the site scheduled to be handed over in Spring 2018. The cost that the Group will incur for the initial phase of fitting out this site, including automation equipment, has been estimated at around £40 million with the majority of this spend incurred next year. Additionally, the Sprinter business in Spain has reached a scale where its current warehousing facilities, which it moved into in 2012, will become an inhibitor to future growth. Therefore, during the period we acquired a new site in Alicante which has a footprint of 39,000 square metres at a total cost of approximately €15 million. This site also has a considerable amount of spare land for future expansion if needed. The initial fit out of this warehouse has now commenced and is expected to cost around €20 million with the majority of this expenditure incurred in the second half of this year ahead of a phased transfer of activity next year. Our capital expenditure guidance for this year is consequently now raised to £160 million as we continue to take advantage of significant growth opportunities.

Executive Chairman's Statement (continued)

Sports Fashion

Sports Fashion has had another exceptional first half with operating profit increasing by a further 29% to £103.2 million (2016: £79.9 million).

Despite a relative lack of new brand models during the period, like for like store sales growth in our core JD/Size? Fascias in the UK and Ireland was 3% and 7% in mainland Europe on a constant currency basis. These are highly satisfactory results given the double digit like for like growth achieved overall in the previous three years (compound growth in the UK and Ireland over this period of approximately 50%) as well as double digit growth in online sales for the JD websites, which now represent 13.7% of total net sales (2016 first half: 11.1%) across our core UK and Ireland markets. We will continue to invest heavily in digital innovation and mobile technologies both instore and online, further enhancing the multichannel journeys available to our customers.

There have been new store openings in most of our existing territories and during the period we also converted the 12 stores in Portugal previously trading as The Athletes Foot to JD. We expect to maintain the current momentum on store openings for JD in mainland Europe through the second half with approximately one new store opening per week on average.

Performance in our non JD fascias in Europe has continued to be satisfactory with the Sprinter businesses continuing to develop particularly positively in Spain. Meanwhile, in Sports Unlimited Retail in the Netherlands, our focus has been to consolidate the Perry Sport and Aktiesport store portfolios down to a sustainable size and use those stores which were not part of our longer term plans to trade through the excess and disjointed stock from the acquisition in the prior year. This process is now substantially complete and the business is more appropriately positioned for future development.

Further afield, we expanded our presence in Malaysia during the period with two additional JD stores of which one is in Kuala Lumpur and the other is in Johor, in the south of the country. Including the more recent opening at the Miranda Shopping Centre in Sydney, we now have four stores trading as JD in Australia with two in the Sydney Metropolitan area and one each in Melbourne and Gold Coast. Trading in these territories has given us a number of anticipated supply chain challenges but we are excited by the progress being made. Both territories have trading websites to complement the development of the stores and we are pleased with our overall development in these new markets.

Our multichannel Fashion business, Scotts and Tessuti, also continues to gain momentum with each fascia delivering a pleasing positive like for like performance during the period. We anticipate further favourable developments as we build on our increasingly strong relationships with the major premium brands with the store environments also being developed to an increasingly high standard.

The overall gross margin in Sports Fashion was slightly below the previous year, as previously anticipated and reported, reflecting an increase in cost prices consequent to the weakening of sterling after the Brexit vote. The overall market remains favourable.

Outdoor

Outdoor, including Go Outdoors for the first time, has delivered a positive result in the first half for the first time with an operating profit of £0.1m (2016: loss of £2.3 million). This result is stated after a non-trading amortisation charge of £1.9m which represents the start of the amortisation of the intangible assets on the fascia and various brand names which were created on the consolidation of the acquisition last year.

This profitable result has largely been driven from Go Outdoors where the strong camping and outdoor living proposition benefits the first half. Excluding the non-trading amortisation charge of £1.9m, Go Outdoors has delivered a profit from its trading activity of £4.0m which is broadly in line with our expectations and £1.6m ahead of what would have been reported in the equivalent period for the business in the prior year.

We also continue to make encouraging progress in our pre-existing businesses with Blacks / Millets seeing a reduction in its first half loss from £2.3 million to £1.6 million. We are pleased that our team's ongoing efforts to improve the Spring/Summer offer and deliver a proposition which can trade all year have had positive results. Both fascias delivered encouraging like for like store sales growth during the period.

We are still only in the preliminary stages of our planning for an enlarged Outdoors business and we would not anticipate making any material changes to the operations of any of our businesses in the next year. However, we believe that the availability of product in the Go Outdoors stores, and consequently the sales, could be enhanced by having a greater proportion of stock supplied from central warehousing. This is a longer term objective.

Executive Chairman's Statement (continued)

Group Performance

Revenue and Gross Margin
Total Group revenue increased by 41% in the period to £1,367.2 million (2016: £970.6 million). Like for like store sales for the 26 week period across all Group fascias, including those in Europe, increased by approximately 3% which was another exceptional performance given the growth seen in previous years. This was complemented by a significant growth in online sales.

Total gross margin of 47.4% was 0.7% lower than the prior year (2016: 48.1%) partly as a result of the higher participation of the lower margin Outdoor businesses in the overall Group result after the acquisition of Go Outdoors in the second half of last year. Margin has also been impacted by sterling weakness after the Brexit vote.

Operating Profit
Operating profit for the period increased by 33% to £103.3 million (2016: £77.6 million) following an exceptional performance in our Sports Fashion fascias and a positive contribution from Go Outdoors.

There were no exceptional charges in the period (2016: £nil).

Cash & Working Capital
The net cash balance at the end of the period was £222.7 million (2016: £231.8 million) with the significant investments in the last year on both acquisitions and capital expenditure being funded by the ongoing strong cash generation in our core retail fascias.

The growth of 40% in net stocks to £414.3 million (2016: £296.0 million) is consistent with the growth in sales and we maintain our robust approach to stock management.

Gross capital expenditure (excluding disposal costs) increased significantly to £76.3 million (2016: £27.4 million). The expenditure in the year includes €15.1m on the acquisition of a new warehouse in Alicante for our Sprinter business and £10.2 million on the project to expand our internal use of the Group's existing Kingsway warehouse site. Elsewhere, the primary focus of our capital expenditure remains our retail fascias with the spend in the period increasing by £22.9 million to £43.5 million (2016: £20.6 million).

We currently expect the capital expenditure for the full year to be approximately £160 million. In addition, we will continue to use our cash resources to make selected acquisitions and investments where they benefit our strategic development.

Executive Chairman's Statement (continued)

Store Portfolio

During the period, store numbers have moved as follows:

Sports Fashion Fascias

(No. Stores)	JD UK & ROI	JD Europe	JD Asia	JD Aus	Size?	**JD & Size?**	Chausport	Sprinter	SUR	Glue	Other	**Total**
Period start	369	157	3	-	37	**566**	75	119	164	32	94	**1,050**
New stores	18	25	2	2	1	**48**	3	5	-	-	3	**59**
Transfers	1	-	-	1	-	**2**	-	-	-	(1)	(1)	**-**
Closures	(7)	(2)	-	-	(1)	**(10)**	(1)	-	(58)	-	(10)	**(79)**
Period end	381	180	5	3	37	**606**	77	124	106	31	86	**1,030**
(000Sq Ft)												
Period start	1,429	386	19	-	65	**1,899**	83	1,069	836	130	245	**4,262**
New stores	71	69	7	9	2	**158**	4	34	-	-	8	**204**
Extensions	3	-	-	-	-	**3**	-	-	-	-	-	**3**
Transfers	1	-	-	5	-	**6**	-	-	-	(5)	(1)	**-**
Closures	(22)	(3)	-	-	(2)	**(27)**	(1)	-	(117)	-	(31)	**(176)**
Period end	1,482	452	26	14	65	**2,039**	86	1,103	719	125	221	**4,293**

In addition, there were ten JD branded Gyms at the period end with new gyms in the period at Batley and Birmingham. A gym at Salford has opened subsequently.

Outdoor Fascias

(No. Stores)	Blacks	Millets	Tiso	Go Outdoors	Other	**Total**
Period start	59	99	15	58	7	**238**
New stores	2	-	-	1	-	**3**
Transfers	(2)	2	-	-	-	**-**
Closures	(1)	(2)	-	-	-	**(3)**
Period end	58	99	15	59	7	**238**
(000Sq Ft)						
Period start	204	199	94	1,699	163	**2,359**
New stores	17	-	-	30	-	**47**
Transfers	(5)	5	-	-	-	**-**
Closures	(5)	(4)	-	-	-	**(9)**
Period end	211	200	94	1,729	163	**2,397**

Executive Chairman's Statement (continued)

Dividends and Earnings per Ordinary Share

The Board proposes paying an interim dividend of 0.26p (2016: 0.25p) per ordinary share, an increase of 4%. This dividend will be paid on 5 January 2018 to shareholders on the register at 1 December 2017. We continue to believe that 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 basic and adjusted* earnings per ordinary share have increased by 36% to 8.09p (2016: 5.97p).

People

The commitment of our employees is crucial to our success and I would like to thank everyone in our businesses for their support in delivering another set of excellent results. Their talent and energy is at the heart of our success and we remain committed to giving our colleagues the quality of employment that reflects the significant contribution that they make.

Given the growth opportunities available to the Group, we will continue to look to strengthen our senior management team where appropriate.

Current Trading and Outlook

We are encouraged by the sales to date in the second half which have continued at similar levels to those in the first half supporting our continued confidence in the robustness of the JD proposition.

We expect year end outturn to be towards the upper end of market expectations, which currently range from approximately £268 million to £290 million, and remain confident that we are appropriately positioned to deliver further profitable growth and enhance long term shareholder value.

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

Peter Cowgill
Executive Chairman
11 September 2017

Condensed Consolidated Income Statement

For the 26 weeks to 29 July 2017

	Note	**26 weeks to 29 July 2017 £m**	26 weeks to 30 July 2016 £m	52 weeks to 28 January 2017 £m
Revenue		**1,367.2**	970.6	2,378.7
Cost of sales		**(718.6)**	(503.8)	(1,215.1)
Gross profit		**648.6**	466.8	1,163.6
Selling and distribution expenses - normal		**(487.1)**	(348.3)	(813.0)
Administrative expenses - normal		**(59.1)**	(41.8)	(106.3)
Administrative expenses - exceptional	3	**-**	-	(6.4)
Administrative expenses		**(59.1)**	(41.8)	(112.7)
Other operating income		**0.9**	0.9	1.9
Operating profit		**103.3**	77.6	239.8
Before exceptional items		**103.3**	77.6	246.2
Exceptional items	3	**-**	-	(6.4)
Operating profit		**103.3**	77.6	239.8
Financial income		**0.3**	0.4	0.8
Financial expenses		**(0.9)**	(0.6)	(2.2)
Profit before tax		**102.7**	77.4	238.4
Income tax expense	4	**(21.6)**	(17.4)	(53.8)
Profit for the period		**81.1**	60.0	184.6
Attributable to equity holders of the parent		**78.7**	58.1	178.9
Attributable to non-controlling interest		**2.4**	1.9	5.7
		81.1	60.0	184.6
Basic earnings per ordinary share	6	**8.09p**	5.97p	18.38p
Diluted earnings per ordinary share	6	**8.09p**	5.97p	18.38p

Consolidated Statement of Comprehensive Income

For the 26 weeks to 29 July 2017

	26 weeks to 29 July 2017	26 weeks to 30 July 2016	52 weeks to 28 January 2017
	£m	£m	£m
Profit for the period	**81.1**	60.0	184.6
Other comprehensive income:			
Items that may be classified subsequently to the Consolidated Income Statement:			
Exchange differences on translation of foreign operations	**6.7**	10.1	22.5
Total other comprehensive income for the period	**6.7**	10.1	22.5
Total comprehensive income and expense for the period (net of income tax)	**87.8**	70.1	207.1
Attributable to equity holders of the parent	**85.5**	65.1	197.8
Attributable to non-controlling interest	**2.3**	5.0	9.3
	87.8	70.1	207.1

Condensed Consolidated Statement of Financial Position

As at 29 July 2017

	As at 29 July 2017 £m	As at 30 July 2016 £m	As at 28 January 2017 £m
Assets			
Intangible assets	**189.5**	72.9	190.9
Property, plant and equipment	**276.8**	173.8	235.8
Other assets	**44.4**	35.2	38.1
Deferred tax assets	**-**	0.2	-
Total non-current assets	**510.7**	282.1	464.8
Inventories	**414.3**	296.0	348.0
Trade and other receivables	**138.4**	95.3	118.5
Cash and cash equivalents	**263.7**	245.6	247.6
Total current assets	**816.4**	636.9	714.1
Total assets	**1,327.1**	919.0	1,178.9
Liabilities			
Interest-bearing loans and borrowings	**(37.1)**	(12.8)	(31.5)
Trade and other payables	**(546.4)**	(388.3)	(469.1)
Provisions	**(0.6)**	(1.3)	(1.0)
Income tax liabilities	**(23.4)**	(17.9)	(33.6)
Total current liabilities	**(607.5)**	(420.3)	(535.2)
Interest-bearing loans and borrowings	**(3.9)**	(1.0)	(2.5)
Other payables	**(54.8)**	(36.6)	(53.2)
Provisions	**(1.1)**	(1.0)	(1.0)
Deferred tax liabilities	**(7.8)**	-	(8.2)
Total non-current liabilities	**(67.6)**	(38.6)	(64.9)
Total liabilities	**(675.1)**	(458.9)	(600.1)
Total assets less total liabilities	**652.0**	460.1	578.8
Capital and reserves			
Issued ordinary share capital	**2.4**	2.4	2.4
Share premium	**11.7**	11.7	11.7
Retained earnings	**609.4**	421.1	543.3
Other reserves	**1.6**	(3.2)	(5.2)
Total equity attributable to equity holders of the parent	**625.1**	432.0	552.2
Non-controlling interest	**26.9**	28.1	26.6
Total equity	**652.0**	460.1	578.8

Condensed Consolidated Statement of Changes in Equity

For the 26 weeks to 29 July 2017

	Ordinary share capital	Share premium	Retained earnings	Treasury Reserve	Other equity	Foreign currency translation reserve	**Total equity attributable to equity holders of the parent**	Non-controlling interest	**Total equity**
	£m	£m	£m	£m	£m	£m	**£m**	£m	**£m**
Balance at 28 January 2017	2.4	11.7	543.3	(15.9)	(0.5)	11.2	**552.2**	26.6	**578.8**
Profit for the period	-	-	78.7	-	-	-	**78.7**	2.4	**81.1**
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	-	-	6.8	**6.8**	(0.1)	**6.7**
Total other comprehensive income	-	-	-	-	-	6.8	**6.8**	(0.1)	**6.7**
Total comprehensive income for the period	-	-	78.7	-	-	6.8	**85.5**	2.3	**87.8**
Dividends to equity holders	-	-	(12.7)	-	-	-	**(12.7)**	(0.6)	**(13.3)**
Acquisition of non-controlling interest	-	-	0.1	-	-	-	**0.1**	(1.3)	**(1.2)**
Non-controlling interest arising on acquisition	-	-	-	-	-	-	**-**	(0.1)	**(0.1)**
Balance at 29 July 2017	**2.4**	**11.7**	**609.4**	**(15.9)**	**(0.5)**	**18.0**	**625.1**	**26.9**	**652.0**

For the 26 weeks to 30 July 2016

	Ordinary share capital	Share premium	Retained earnings	Other equity	Foreign currency translation reserve	**Total equity attributable to equity holders of the parent**	Non-controlling interest	**Total equity**
	£m	£m	£m	£m	£m	**£m**	£m	**£m**
Balance at 30 January 2016	2.4	11.7	378.9	(3.1)	(7.5)	**382.4**	18.4	**400.8**
Profit for the period	-	-	58.1	-	-	**58.1**	1.9	**60.0**
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	-	7.0	**7.0**	3.1	**10.1**
Total other comprehensive income	-	-	-	-	7.0	**7.0**	3.1	**10.1**
Total comprehensive income for the period	-	-	58.1	-	7.0	**65.1**	5.0	**70.1**
Dividends to equity holders	-	-	(12.1)	-	-	**(12.1)**	-	**(12.1)**
Put options held by non controlling interests	-	-	-	0.4	-	**0.4**	-	**0.4**
Acquisition of non-controlling interest	-	-	(3.8)	-	-	**(3.8)**	3.8	**-**
Non-controlling interest arising on acquisition	-	-	-	-	-	**-**	0.9	**0.9**
Balance at 30 July 2016	**2.4**	**11.7**	**421.1**	**(2.7)**	**(0.5)**	**432.0**	**28.1**	**460.1**

Condensed Consolidated Statement of Cash Flows

For the 26 weeks to 29 July 2017

	Note	**26 weeks to 29 July 2017 £m**	26 weeks to 30 July 2016 £m	52 weeks to 28 January 2017 £m
Cash flows from operating activities				
Profit for the period		**81.1**	60.0	184.6
Income tax expense	4	**21.6**	17.4	53.8
Financial expenses		**(0.9)**	0.6	2.2
Financial income		**0.3**	(0.4)	(0.8)
Depreciation and amortisation of non-current assets		**33.9**	30.3	62.4
Forex (gains) / losses on monetary assets and liabilities		**(1.3)**	4.6	(5.4)
(Profit) / loss on disposal of non-current assets		**(0.6)**	0.1	0.3
Impairment of fixed assets		**1.5**	0.7	6.4
Increase in inventories		**(65.9)**	(27.9)	(21.2)
Increase in trade and other receivables		**(19.6)**	(33.9)	(4.6)
Increase in trade and other payables		**62.4**	36.7	43.9
Interest paid		**0.9**	(0.6)	(2.2)
Income taxes paid		**(32.5)**	(15.0)	(40.1)
Net cash from operating activities		**80.9**	72.6	279.3
Cash flows from investing activities				
Interest received		**(0.3)**	0.4	0.8
Proceeds from sale of non-current assets		**6.6**	1.5	2.4
Investment in software development		**(1.3)**	(1.3)	(3.8)
Acquisition of property, plant and equipment		**(70.9)**	(23.1)	(77.2)
Acquisition of non-current other assets		**(4.1)**	(3.0)	(6.9)
Acquisition of subsidiaries, net of cash acquired		**(1.7)**	(25.7)	(138.6)
Net cash used in investing activities		**(71.7)**	(51.2)	(223.3)
Cash flows from financing activities				
Repayment of interest-bearing loans and borrowings	9	**(15.9)**	(0.1)	(3.2)
Repayment of finance lease liabilities	9	**(0.2)**	-	(0.1)
Drawdown of finance lease liabilities		**3.3**	-	-
Drawdown of syndicated bank facility	9	**-**	7.1	-
Subsidiary shares repurchased and held as Treasury Shares		**-**	-	(14.8)
Equity dividends paid		**-**	-	(14.5)
Dividends paid to non-controlling interest in subsidiaries		**(0.6)**	-	(0.7)
Net cash (used in) / provided by financing activities		**(13.4)**	7.0	(33.3)
Net increase in cash and cash equivalents	**9**	**(4.2)**	28.4	22.7
Cash and cash equivalents at the beginning of the period	**9**	**234.4**	209.9	209.9
Foreign exchange gains on cash and cash equivalents		**0.5**	1.7	1.8
Cash and cash equivalents at the end of the period	**9**	**230.7**	240.0	234.4

Notes to the Condensed Consolidated Financial Statements

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 29 July 2017 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 11 September 2017.

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 28 January 2017 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 29 July 2017 and 30 July 2016 has been reviewed and the independent review report for the 26 week period to 29 July 2017 is set out on page 29.

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 28 January 2017.

The Group continues to monitor the potential impact of other new standards and interpretations which have been or may be endorsed and require adoption by the Group in future reporting periods.

IFRS 9 'Financial Instruments' has been endorsed and will be applicable after 1 January 2018. This standard will simplify the classification of financial assets for measurement purposes, but it is not anticipated that this standard will have a significant impact on the financial statements.

IFRS 15 'Revenue from Contracts with Customers' has been endorsed and will be applicable after 1 January 2018. The Group is currently undertaking an impact assessment of the likely effect on the Group's consolidated results and financial position. It is not currently anticipated that this standard will have a significant impact on the financial statements.

IFRS 16 'Leases' is expected to be applicable after 1 January 2019. If endorsed, this standard will significantly affect the presentation of the Group financial statements with all leases apart from short term leases being recognised as on-balance sheet finance leases with a corresponding liability being the present value of lease payments. IFRS 16 is also expected to have a material impact on key components within the Consolidated Income Statement as operating lease rental charges will be replaced with depreciation and finance costs. The Group is currently undertaking an impact assessment of the likely effect on the Group's consolidated results and financial position.

The Group does not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

Alternative Performance Measures

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by EU-adopted IFRS. These alternative performance measures may not be directly comparable with other companies' alternative performance measures and the Directors do not intend these to be a substitute for, or superior to, IFRS measures. Further information can be found in the Glossary on page 31.

Notes to the Condensed Consolidated Financial Statements (continued)

1. Basis of Preparation (continued)

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 28 January 2017.

Risks and Uncertainties
The Board has considered the risks and uncertainties for the remaining 27 week period to 3 February 2018 and determined that the risks presented in the Annual Report and Accounts 2017, noted below, remain relevant:

- Key suppliers and brands
- Protection of intellectual property
- Retail property factors
- Seasonality of sales
- Economic factors
- Reliance on non-UK manufacturers
- Brexit
- Reliance on IT systems
- Cyber security
- Reliance on a consolidated warehouse
- Retention of key personnel
- Health and safety
- Foreign exchange risk
- Regulatory and compliance

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.

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

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

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

Notes to the Condensed Consolidated Financial Statements
(continued)

2. Segmental Analysis (continued)

- Outdoor – includes the results of Blacks Outdoor Retail Limited, Tiso Group Limited (including subsidiary companies) and Go Outdoors Topco Limited (including subsidiary companies).

The Chief Operating Decision Maker receives and reviews segmental operating profit. Certain central administrative costs including Group Directors' salaries are included within the Group's core 'Sports Fashion' result. This is consistent with the results as reported to the Chief Operating Decision Maker.

IFRS 8 requires disclosure of information regarding revenue from major products and customers. The majority of the Group's revenue is derived from the retail of a wide range of apparel, footwear and accessories to the general public. As such, the disclosure of revenues from major customers is not appropriate. Disclosure of revenue from major product groups is not provided at this time due to the cost involved to develop a reliable product split on a same category basis across all companies in the Group.

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

The Board consider that certain items are cross divisional in nature and cannot be allocated between the segments on a meaningful basis. Net funding costs and taxation are treated as unallocated reflecting the nature of the Group's syndicated borrowing facilities and its tax group. Drawdowns from the Group's syndicated borrowing facility of £nil (2016: £7.1m) and liabilities for taxation of £31.2m (2016: £17.7m) are included within the unallocated segment.

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

Business Segments
Information regarding the Group's operating segments for the 26 weeks to 29 July 2017 is reported below:

	Sports Fashion	Outdoor	**Total**
Income statement	£m	£m	**£m**
Revenue	1,170.6	196.6	**1,367.2**
Operating profit	103.2	0.1	**103.3**
Financial income			**0.3**
Financial expenses			**(0.9)**
Profit before tax			**102.7**
Income tax expense			**(21.6)**
Profit for the period			**81.1**

	Sports Fashion	Outdoor	Unallocated	Eliminations	**Total**
Total assets and liabilities	£m	£m	£m	£m	**£m**
Total assets	1,131.5	285.2	-	(89.6)	1,327.1
Total liabilities	(533.8)	(199.7)	(31.2)	89.6	(675.1)
Total segment net assets / (liabilities)	**597.7**	**85.5**	**(31.2)**	**-**	**652.0**

Notes to the Condensed Consolidated Financial Statements (continued)

2. Segmental Analysis (continued)

Business Segments (continued)

The comparative segmental results for the 26 weeks to 30 July 2016 are as follows:

	Sports Fashion	Outdoor	**Total**
Income statement	£m	£m	**£m**
Revenue	897.5	73.1	**970.6**
Operating profit / (loss)	79.9	(2.3)	**77.6**
Financial income			**0.4**
Financial expenses			**(0.6)**
Profit before tax			**77.4**
Income tax expense			**(17.4)**
Profit for the period			**60.0**

	Sports Fashion	Outdoor	Unallocated	Eliminations	**Total**
Total assets and liabilities	£m	£m	£m	£m	**£m**
Total assets	922.7	68.7	0.2	(72.6)	919.0
Total liabilities	(397.5)	(109.0)	(25.0)	72.6	(458.9)
Total segment net assets / (liabilities)	**525.2**	**(40.3)**	**(24.8)**	**-**	**460.1**

Geographical Information

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

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

	26 weeks to 29 July 2017	26 weeks to 30 July 2016
Revenue	**£m**	£m
UK	**903.4**	712.1
Europe	**399.6**	245.0
Rest of world	**64.2**	13.5
	1,367.2	970.6

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 29 July 2017	As at 30 July 2016
Non-current assets	**£m**	£m
UK	**290.5**	169.8
Europe	**200.8**	110.3
Rest of world	**19.4**	2.0
	510.7	282.1

Notes to the Condensed Consolidated Financial Statements (continued)

3. Exceptional Items

	26 weeks to 29 July 2017	26 weeks to 30 July 2016	52 weeks to 28 January 2017
	£m	£m	£m
Impairment of goodwill, brand names and fascia names (1)	**-**	-	6.4
Administrative expenses - exceptional	**-**	-	6.4
Total exceptional items	**-**	-	6.4

(1) The charge in the period to 28 January 2017 relates to the non-cash impairment of the fascia name balance arising in prior years on the acquisition of ActivInstinct Limited, the fascia name arising in the year on the acquisition of Aspecto Holdings Limited and Infinities Retail Group Holdings Limited and the impairment of the goodwill arising in the year on the acquisition of 2Squared Agency Limited.

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

4. Income Tax Expense

	26 weeks to 29 July 2017	26 weeks to 30 July 2016	52 weeks to 28 January 2017
	£m	£m	£m
Current tax			
UK Corporation tax at 19.2% (2016/17: 20%)	**21.2**	16.8	57.9
Adjustment relating to prior periods	**0.7**	0.3	(0.1)
Total current tax charge	**21.9**	17.1	57.8
Deferred tax			
Deferred tax (origination and reversal of temporary differences)	**(0.1)**	0.2	(4.8)
Adjustment relating to prior periods	**(0.2)**	0.1	0.8
Total deferred tax (credit) / charge	**(0.3)**	0.3	(4.0)
Income tax expense	**21.6**	17.4	53.8

5. Dividends

After the reporting date the following dividends were proposed by the Directors. The dividends were not provided for at the reporting date.

	26 weeks to 29 July 2017	26 weeks to 30 July 2016	52 weeks to 28 January 2017
	£m	£m	£m
0.26p per ordinary share (30 July 2016: 0.25p, 28 January 2017: 1.30p)	**2.5**	2.4	12.7

	26 weeks to 29 July 2017	26 weeks to 30 July 2016	52 weeks to 28 January 2017
Dividends on Issued Ordinary Share Capital	**£m**	£m	£m
Final dividend of 1.30p (2016 (restated):1.24p) per qualifying ordinary share paid in respect of prior period but not recognised as a liability in that period	12.7	12.1	12.1
Interim dividend of 0.25p per qualifying share paid in respect of the 52 week period to 28 January 2017	-	-	2.4
	12.7	12.1	14.5

Notes to the Condensed Consolidated Financial Statements
(continued)

6. Earnings Per Ordinary Share

Basic and Diluted Earnings per Ordinary Share
The calculation of basic and diluted earnings per ordinary share at 29 July 2017 is based on the profit for the period attributable to equity holders of the parent of £78.7m (26 weeks to 30 July 2016: £58.1m; 52 weeks to 28 January 2017: £178.9m).

	26 weeks to 29 July 2017	26 weeks to 30 July 2016 (restated)	52 weeks to 28 January 2017
	Number	Number	Number
Issued ordinary shares at beginning and end of period	973,233,160	973,233,160	973,233,160

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

	26 weeks to 29 July 2017	26 weeks to 30 July 2016 (restated)	52 weeks to 28 January 2017
	£m	£m	£m
Profit for the period attributable to equity holders of the parent	**78.7**	58.1	178.9
Exceptional items excluding loss on disposal of non-current assets	**-**	-	6.4
Tax relating to exceptional items	**-**	-	-
Profit for the period attributable to equity holders of the parent excluding exceptional items	**78.7**	58.1	185.3
Adjusted basic and diluted earnings per ordinary share	**8.09p**	5.97p	19.04p

7. Acquisitions

Current Period Acquisitions
During the period, the Group has increased its shareholding in two subsidiaries. These transactions were not material.

Prior Period Acquisitions

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

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

	Book value	Measurement adjustments	**Fair value at 29 July 2017**
	£m	£m	**£m**
Acquiree's net assets at acquisition date:			
Property, plant and equipment	3.9	-	**3.9**
Inventories	23.4	5.2	**28.6**
Cash and cash equivalents	0.1	-	**0.1**
Trade and other payables	(8.4)	(2.1)	**(10.5)**
Provisions	-	(3.1)	**(3.1)**
Net identifiable assets	19.0	-	**19.0**
Goodwill on acquisition			**-**
Consideration paid – satisfied in cash			**19.0**

Notes to the Condensed Consolidated Financial Statements
(continued)

7. Acquisitions (continued)

Prior Period Acquisitions (continued)

The Board believes that the cash consideration of €26.5 million represents the best estimates of the fair value of the net assets acquired. No measurement adjustments have been made to the fair values in the 26 week period ended 29 July 2017.

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

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

	Book value	Measurement adjustments	**Fair value at 29 July 2017**
	£m	£m	**£m**
Acquiree's net assets at acquisition date:			
Intangible assets	0.8	0.3	**1.1**
Property, plant and equipment	0.4	-	**0.4**
Other non-current assets	0.2	-	**0.2**
Inventories	2.0	-	**2.0**
Deferred tax liabilities	-	(0.3)	**(0.3)**
Net identifiable assets	3.4	-	**3.4**
Goodwill on acquisition			**-**
Consideration paid – satisfied in cash			**3.4**

The Board believes that the excess of cash consideration of MYR 20.7 million represents the best estimates of the fair value of the net assets acquired. No measurement adjustments have been made to the fair values in the 26 week period ended 29 July 2017.

Notes to the Condensed Consolidated Financial Statements
(continued)

7. Acquisitions (continued)

Prior Period Acquisitions (continued)

SportIberica Sociedade de Artigos de Desporto, S.A.
On 1 July 2016, the Group acquired, both directly and via its 50.1% owned subsidiary JD Sprinter Holdings 2010 SL, an aggregate of 80% of the issued share capital of SportIberica Sociedade de Artigos de Desporto S.A ("SportIberica") for cash consideration of €4.2 million with additional consideration of up to €0.5 million payable if certain criteria were met. At acquisition, management believed that the criteria would be met for the maximum consideration to be payable and the fair value of the total consideration at that time of €4.7 million was recognised. The actual amount of additional consideration paid in the period ended 29 July 2017 was €0.3 million reducing the total consideration paid to €4.5 million. This has been reflected in the table below.

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	Measurement adjustments	**Fair value at 29 July 2017**
	£m	£m	**£m**
Acquiree's net assets at acquisition date:			
Property, plant and equipment	0.2	0.1	**0.3**
Inventories	2.8	0.4	**3.2**
Cash	0.7	-	**0.7**
Trade and other receivables	0.9	(0.8)	**0.1**
Income tax assets	-	0.1	**0.1**
Trade and other payables	(1.5)	(0.2)	**(1.7)**
Interest bearing loans and borrowings	(0.7)	-	**(0.7)**
Net identifiable assets	2.4	(0.4)	**2.0**
Non-controlling interest	(0.5)	0.1	**(0.4)**
Goodwill on acquisition			**1.6**
Consideration paid - satisfied in cash			**3.2**

The measurement adjustments reflected in the table above were made to the fair values during the period ended 29 July 2017.

The Board believes that the excess of cash consideration paid over net identifiable assets on acquisition of £1.6 million is best considered as goodwill on acquisition representing anticipated future operating synergies.

Notes to the Condensed Consolidated Financial Statements
(continued)

7. Acquisitions (continued)

Prior Period Acquisitions (continued)

Next Athleisure Pty Limited
On 26 August 2016, the Group acquired, via its newly incorporated subsidiary JD Sports Fashion Holdings Australia Pty, 80% of the issued ordinary share capital of Next Athleisure Pty Limited for consideration of $6.6 million AUD and has also advanced $2.4 million AUD to allow it to settle an element of its indebtedness.

The Board believes that the cash consideration of $6.6 million represents the current best estimates of the fair value of the net assets acquired. No measurement adjustments have been made to the fair values in the 26 week period ended 29 July 2017. The provisional goodwill calculation is summarised below:

	Book value £m	Measurement adjustments £m	**Provisional fair value at 29 July 2017 £m**
Acquiree's net assets at acquisition date:			
Intangible assets	4.8	2.8	**7.6**
Property, plant and equipment	5.2	0.6	**5.8**
Inventories	9.4	0.9	**10.3**
Cash	0.5	0.1	**0.6**
Trade and other receivables	2.7	0.1	**2.8**
Income tax assets	0.2	-	**0.2**
Deferred tax liabilities	1.5	(2.1)	**(0.6)**
Trade and other payables	(11.9)	(1.1)	**(13.0)**
Interest bearing loans and borrowings	(8.0)	(0.8)	**(8.8)**
Net identifiable assets	4.4	0.5	**4.9**
Non-controlling interest	(0.9)	(0.1)	**(1.0)**
Goodwill on acquisition			**-**
Consideration paid - satisfied in cash			**3.5**
Consideration as loan owed to NCI			**0.4**
Total consideration			**3.9**

Notes to the Condensed Consolidated Financial Statements (continued)

7. Acquisitions (continued)

Prior Period Acquisitions (continued)

Go Outdoors Topco Limited
On 27 November 2016, the Group acquired 100% of the issued ordinary share capital of Go Outdoors Topco Limited ('Go Outdoors') for consideration of £112.3 million with the Group assuming net debt of £11.4 million as part of the transaction. Go Outdoors is a nationwide omnichannel retailer catering for the outdoor enthusiast and specialist alike with 58 stores across the UK at acquisition, the majority of which are situated in out of town retail parks.

Included within the fair value of net identifiable assets on acquisition are intangible assets of £66.7 million; £59.1 million representing the 'GO Outdoors' fascia name and £7.6 million of brands.

The Board believes that the excess of cash consideration paid over net identifiable assets on acquisition of £44.4 million is best considered as goodwill on acquisition representing the strategic benefit of a larger Outdoor operation in the Group. No measurement adjustments have been made to the fair values in the 26 week period ended 29 July 2017. The provisional goodwill calculation is summarised below:

	Book value	Measurement adjustments	**Provisional fair value at 29 July 2017**
	£m	£m	**£m**
Acquiree's net assets at acquisition date:			
Intangible assets	0.3	66.4	**66.7**
Property, plant and equipment	28.5	(2.5)	**26.0**
Inventories	40.4	-	**40.4**
Cash	8.8	-	**8.8**
Trade and other receivables	7.3	-	**7.3**
Trade and other payables	(48.2)	(0.6)	**(48.8)**
Income tax liabilities	(1.0)	-	**(1.0)**
Deferred tax liabilities	-	(11.3)	**(11.3)**
Interest bearing loans and borrowings	(20.2)	-	**(20.2)**
Net identifiable assets	15.9	52.0	**67.9**
Goodwill on acquisition			**44.4**
Consideration paid – satisfied in cash			**112.3**

Aspecto Holdings Limited
On 18 July 2016, the Group, via its new 100% subsidiary Napco 104 Limited acquired 100% of the entire issued share capital of Aspecto Holdings Limited for cash consideration of £1. The Board believes that the cash consideration of £1 represents the current best estimates of the fair value of the net assets acquired. No measurement adjustments have been made to the fair values in the 26 week period ended 29 July 2017.

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

Infinities Retail Group Limited
On 12 September 2016, the Group, via its new 100% subsidiary Ensco 1157 Limited acquired 100% of the entire issued share capital of Infinities Retail Group Limited for cash consideration of £1. The Board believes that the cash consideration of £1 represents the current best estimates of the fair value of the net assets acquired. No measurement adjustments have been made to the fair values in the 26 week period ended 29 July 2017.

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

Notes to the Condensed Consolidated Financial Statements
(continued)

7. Acquisitions (continued)

Prior Period Acquisitions (continued)

Clothingsites.co.uk Limited
On 26 September 2016, the Group, via its new 100% subsidiary Ensco 1173 Limited acquired 100% of the entire issued share capital of Clothingsites.co.uk Limited for an initial cash consideration of £1. Clothingsites.co.uk Limited operates two trading websites, Woodhouse Clothing and Brown Bag Clothing. The Board believes that the excess of cash consideration paid over net identifiable assets on acquisition of £2.4 million represents the fair value of the 'Woodhouse Clothing' and 'Brown Bag' online fascia names. No measurement adjustments have been made to the fair values in the 26 week period ended 29 July 2017.

2Squared Agency Limited & 2Squared Retail Limited ('2Squared')
On 30 November 2016, the Group acquired 69% of the issued share capital of 2Squared Agency Limited and 51% of the issued share capital of 2Squared Retail Limited for cash consideration of £0.5 million. The Board believed that the excess of cash consideration paid over the net identifiable assets on acquisition of £1.0 million was best considered as goodwill representing future operating synergies. The goodwill was subsequently impaired during the financial period ended 28 January 2017. No measurement adjustments have been made to the fair values in the 26 week period ended 29 July 2017.

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

8. Financial instruments

Fair Value of Financial Instruments
The fair value of put options are calculated by management based on the contractual agreement, board forecasts and an appropriate discount rate in order to calculate present value.

The fair value of forward exchange contracts is calculated by management based on external valuations received from the Group's bankers and is based on forward exchange rates and anticipated future interest yield respectively.

For trade and other receivables / payables (as adjusted for the fair value of foreign exchange contracts) and interest bearing loans and borrowings, the notional amount is deemed to reflect the fair value.

Fair Value Hierarchy
As at 29 July 2017, the Group held the following financial instruments carried at fair value on the Statement of Financial Position:

(a) Foreign exchange forward contracts - non-hedged

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Notes to the Condensed Consolidated Financial Statements
(continued)

8. Financial instruments (continued)

Fair Value Hierarchy (continued)

At 29 July 2017	Carrying amount £m	Level 1 £m	Level 2 £m	Level 3 £m
Loans and receivables				
Deposits	**13.9**	-	13.9	-
Trade and other receivables	**74.0**	-	74.0	-
Cash and cash equivalents	**263.7**	-	263.7	-
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**1.0**	-	1.0	-
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**(14.1)**	-	(14.1)	-
Other financial liabilities				
Interest-bearing loans and borrowings - current	**(37.1)**	-	(37.1)	-
Interest-bearing loans and borrowings - non-current	**(3.9)**	-	(3.9)	-
Trade and other payables - current	**(480.7)**	-	(480.7)	-
Trade and other payables - non-current	**(3.7)**	-	(3.7)	-
Put options held by non-controlling interests	**(3.4)**	-	(3.4)	-

At 30 July 2016	Carrying amount £m	Level 1 £m	Level 2 £m	Level 3 £m
Loans and receivables				
Deposits	**8.5**	-	8.5	-
Trade and other receivables	**39.6**	-	39.6	-
Cash and cash equivalents	**245.6**	-	245.6	-
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**0.7**	-	0.7	-
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**(10.1)**	-	(10.1)	-
Other financial liabilities				
Interest-bearing loans and borrowings - current	**(12.8)**	-	(12.8)	-
Interest-bearing loans and borrowings - non-current	**(1.0)**	-	(1.0)	-
Trade and other payables - current	**(342.2)**	-	(342.2)	-
Trade and other payables - non-current	**(1.8)**	-	(1.8)	-
Put options held by non-controlling interests	**(1.9)**	-	(1.9)	-

Notes to the Condensed Consolidated Financial Statements (continued)

8. Financial instruments (continued)

Fair Value Hierarchy (continued)

At 28 January 2017	Carrying amount £m	Level 1 £m	Level 2 £m	Level 3 £m
Loans and receivables				
Deposits	**10.5**	-	10.5	-
Trade and other receivables	**71.1**	-	71.1	-
Cash and cash equivalents	**247.6**	-	247.6	-
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**1.9**	-	1.9	-
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**(5.2)**	-	(5.2)	-
Other financial liabilities				
Interest-bearing loans and borrowings - current	**(31.5)**	-	(31.5)	-
Interest-bearing loans and borrowings - non-current	**(2.5)**	-	(2.5)	-
Trade and other payables - current	**(394.1)**	-	(394.1)	-
Trade and other payables - non-current	**(4.0)**	-	(4.0)	-
Put options held by non-controlling interests	**(3.4)**	-	(3.4)	-

9. Analysis of Net Cash

	At 28 January 2017 £m	Cashflow £m	Non-cash movements £m	**At 29 July 2017 £m**
Cash at bank and in hand	247.6	15.6	0.5	**263.7**
Overdrafts	(13.2)	(19.8)	-	**(33.0)**
Cash and cash equivalents	**234.4**	**(4.2)**	**0.5**	**230.7**
Interest-bearing loans and borrowings:				
Bank loans	(19.1)	15.7	-	**(3.4)**
Finance lease liabilities	(1.0)	(3.1)	-	**(4.1)**
Other loans	(0.7)	0.2	-	**(0.5)**
Total interest-bearing loans and borrowings	**(20.8)**	**12.8**	**-**	**(8.0)**
	213.6	**8.6**	**0.5**	**222.7**

Notes to the Condensed Consolidated Financial Statements (continued)

10. Related Party Transactions and Balances

Transactions and balances with related parties during the period are shown below. Transactions were undertaken in the ordinary course of business on an arm's length basis. Outstanding balances are unsecured (unless otherwise stated) and will be settled in cash.

During the period, the Group entered into the following transactions with related parties who are not members of the Group.

	Income from related parties 26 weeks to 29 July 2017 £m	**Expenditure with related parties 26 weeks to 29 July 2017 £m**	Income from related parties 26 weeks to 30 July 2016 £m	Expenditure with related parties 26 weeks to 30 July 2016 £m
Pentland Group Plc				
Sale of inventory	**0.3**	**-**	0.1	-
Purchase of inventory	**-**	**(10.4)**	-	(11.6)
Royalty costs	**-**	**(1.0)**	-	(0.7)
Other income	**0.3**	**-**	0.3	-

At the end of the period, the following balances were outstanding:

	Amounts owed by related parties as at 29 July 2017 £m	**Amounts owed to related parties as at 29 July 2017 £m**	Amounts owed by related parties as at 30 July 2016 £m	Amounts owed to related parties as at 30 July 2016 £m
Pentland Group Plc				
Trade receivables/(payables)	**0.1**	**(1.0)**	-	(2.2)

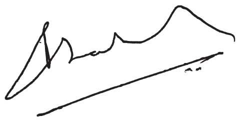
Pentland Group Plc owns 57.5% (2016: 57.5%) of the issued ordinary share capital of JD Sports Fashion Plc. The Group made purchases from and sold inventory to Pentland Group Plc in the period and paid royalties for the use of a brand. The other costs represent marketing contributions paid. The other income represents payments received for marketing contributions and contractor fees.

Directors’ Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the EU;
- The interim management report includes a fair review of the information required by:
  a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first 26 weeks of the financial year and their impact on the condensed set of financial statements; and a description of principal risks and uncertainties for the remaining 27 weeks of the year; and
  b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first 26 weeks of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board



Brian Small
Chief Financial Officer

Hollinsbrook Way
Pilsworth
Bury
Lancashire
BL9 8RR
11 September 2017

Independent Review Report To JD Sports Fashion Plc

Conclusion
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 26 week period ended 29 July 2017 which comprises a Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 29 July 2017 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors’ Responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our Responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The Purpose of Our Review Work and to Whom We Owe Our Responsibilities
This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Mick Davies
for and on behalf of KPMG LLP
Chartered Accountants
1 St. Peter’s Square
Manchester
M2 3AE
11 September 2017

Financial Calendar

Interim Results Announced	12 September 2017
Interim Dividend Record Date	1 December 2017
Interim Dividend Payable	5 January 2018
Period End (53 weeks)	3 February 2018
Final Results Announced	April 2018

Shareholder Information

Registered Office
JD Sports Fashion Plc
Hollinsbrook Way
Pilsworth
Bury
Lancashire
BL9 8RR

Company number
Registered in England and Wales
Number 1888425

Financial advisors and stockbrokers
Investec
2 Gresham Street
London
EC2V 7QP

Financial public relations
MHP Communications
60 Great Portland Street
London
W1W 7RT

Principal Bankers
Barclays Bank Plc
43 High Street
Sutton
Surrey
SM1 1DR

Registrars
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Solicitors
DLA Piper UK LLP
Princes Exchange
Princes Square
Leeds
LS1 4BY

Addleshaw Goddard LLP
100 Barbirolli Square
Manchester
M2 3AB

Auditor
KPMG LLP
1 St Peter’s Square
Manchester
M2 3AE

The Board wishes to express its thanks to the marketing and finance departments for the in-house production of this half-year report.

Glossary

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by EU-adopted IFRS. The Directors believe these non-GAAP measures are both useful and necessary to better understand the Group's results. These alternative performance measures may not be directly comparable with other companies' alternative performance measures and the Directors do not intend these to be a substitute for, or superior to, IFRS measures. Where required, a reconciliation to the statutory amounts is set out below. Terms are listed in alphabetical order.

Adjusted Earnings Per Share
The calculation of basic and diluted earnings per share is detailed in Note 6. Adjusted basic and diluted earnings per ordinary share have been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain exceptional items. A reconciliation between basic earnings per share and adjusted earnings per share is shown below:

	26 weeks to 29 July 2017	26 weeks to 30 July 2016 (restated)	52 weeks to 28 January 2017
Basic earnings per share	**8.09p**	5.97p	18.38p
Exceptional items excluding loss on disposal of non-current assets	**-**	-	0.66p
Tax relating to exceptional items	**-**	-	-
Adjusted earnings per share	**8.09p**	5.97p	19.04p

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

EBITDA
Earnings (operating profit) before tax, interest, depreciation and amortisation.

LFL (Like for Like) Sales
The percentage change in the year-on-year sales, removing the impact of new store openings and closures in the current or previous financial year.

Operating Profit Before Exceptional Items
A reconciliation between operating profit and exceptional items can be found in the Consolidated Income Statement.

Profit Before Tax and Exceptional Items
A reconciliation between profit before tax and profit before tax and exceptional items is as follows:

	26 weeks to 29 July 2017	26 weeks to 30 July 2016	52 weeks to 28 January 2017
	£000	£m	£m
Profit before tax	**102.7**	77.4	238.4
Exceptional items	**-**	-	6.4
Profit before tax and exceptional items	**102.7**	77.4	244.8

Contact

JD Sports Fashion Plc
Hollinsbrook Way
Pilsworth
Bury
BL9 8RR

Tel: +44 (0)161 767 1000
Fax: +44 (0)161 767 1001
www.jdplc.com

Trading websites

www.jdsports.co.uk
www.size.co.uk
www.sizeofficial.de
www.scottsmenswear.com
www.chausport.com
www.getthelabel.com
www.kukrisports.com
www.nicholasdeakins.com
www.peterwerth.co.uk
www.blacks.co.uk
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www.eurohike.co.uk
www.peterstorm.com
www.gooutdoors.co.uk
www.aktiesport.nl
www.perrysport.nl
www.gluestore.com.au
www.woodhouseclothing.com
www.bbclothing.co.uk

Non trading websites

www.uksourcelab.com
www.kooga-rugby.com
www.fly53.com