SPORTS DIRECT

International plc

Annual Report and Accounts 2008

SPORTS DIRECT
International plc

RETAIL DIVISION

Lillywhites

SPORTS DIRECT.com 24HR DELIVERY

field & trek

BRANDS DIVISION

Slazenger

DUNLOP SPORT

EVERLAST SPORTING GOODS MFG. CO. EST. 1910 NEW YORK, NY

LONSDALE LONDON

TITLE Est. 1949

KANGOL

ANTIGUA

carlton

karrimor

LA GEAR

campri

DONNAY

NO FEAR

voodoo dolls

Nike T90 Window Display

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Joe Calzaghe - World Super Middleweight Champion - Sponsored by Lonsdale

GROUP HIGHLIGHTS

- **Group revenue down 6.5% to £1.26bn**
- **Underlying EBITDA down 29.9% to £150m**
- **Underlying profit before tax down 51.1% to £85m**
- **Underlying earnings per share down 47.4% to 8.57p**
- **Profit before tax up 96.5% to £119m**
- **Group margin down 70 basis points to 43.6%**

Retail division margins flat despite difficult trading conditions; UK retail margins increased to 45.7%

Brand division margin down

- **Continued implementation of flexible business model**

Ongoing enhancement of store portfolio with net 42 UK core stores added during the Year

Strategic acquisitions of Everlast and Field & Trek

Middle East licensing agreement signed and progressing well, stores opened in South Africa and Dubai

Strategic alliance in China formed with ITAT, providing entry into exciting growth market and products in over 100 stores

- **Recommended final dividend 2.44p per share: total dividend for the year 4.5p per share**

Sports Direct Store

ABOUT SPORTS DIRECT INTERNATIONAL PLC

Sports Direct is the UK's leading sports retailer by revenue and operating profit, and the owner of a significant number of internationally recognised sports and leisure brands.

As at 27 April 2008 the Group operated out of 375 stores in the United Kingdom (excluding Northern Ireland). The majority of stores trade under the Sports Direct or Sports World fascias, and the Sports Direct fascia will be applied to all the Sports World stores over time. The Group has acquired a number of retail businesses over the past few years, and some stores still trade under the Lillywhites, McGurk, Exsports, Gilesports, Hargreaves and Streetwise fascias. Field & Trek stores trade under their own fascia.

The Group's UK stores (other than Field & Trek) supply a wide range of competitively priced sports and leisure equipment, clothing, footwear and accessories, under a mix of Group owned brands, such as Dunlop, Slazenger and Lonsdale, licensed in brands such as Umbro, and well known third party brands including adidas, Nike, Reebok and Puma. A significant proportion of the revenue in the stores is derived from the sale of the Group owned and licensed in branded products, which allows the retail business to generate higher margins, whilst at the same time differentiating the Group's stores from its competitors, both in terms of the range of products on sale and the competitive prices at which they are offered.

During the year the Group acquired the Field & Trek chain of stores in the UK. As at 27 April 2008 16 stores operated under the Field & Trek fascia, selling a wide range of camping and outdoor equipment, waterproof clothing and footwear, including leading brands such as The North Face, Berghaus, Merrell and Salomon. The acquisition of Field & Trek gave the Group an entry into the outdoor market, which had been identified as a strategic opportunity for the Group.

Sports Direct also operates a number of stores outside the UK. As at 27 April 2008 the Group had 39 stores in Belgium, 14 in Slovenia, 4 in Holland and 1 in Luxembourg. In addition, through its 42.5% shareholding in Heatons, the Group had 6 stores in Northern Ireland and 15 in the Republic of Ireland.

Sports Direct recently announced a strategic alliance with the ITAT Group in China. ITAT is the largest network of multibrand apparel retailers in China, and under the agreement the Group supplies merchandise under some of the Group's owned brands for sale in a "shop in a shop" in the larger ITAT stores.

The Group's portfolio of sports and leisure brands includes Dunlop, Slazenger, Kangol, Karrimor, Lonsdale, Everlast and Antigua. As previously mentioned the Group's Retail division sells products under these Group brands in its stores, and the Brands division exploits the brands through its wholesale and licensing businesses.

The Brands division wholesale business sells the brands' core products, such as Dunlop tennis rackets and Slazenger tennis balls, to wholesale customers throughout the world, obtaining far wider distribution for these products than would be the case if their sale was restricted to Group stores. The wholesale business also wholesales childrenswear and other clothing. The licensing business licenses third parties to apply Group owned brands to non-core products manufactured and distributed by those third parties, and third parties are currently licensed in different product areas in over 100 countries. The Brands division is closely involved in the development of licensed products and monitors licensees and their manufacturers to ensure product quality and presentation and consistency with the appropriate brand strategy.

The Brands division continues to sponsor leading sports men and women. Amongst them Joe Calzaghe and Ricky Hatton are two of the world boxing champions sponsored by Lonsdale and Everlast during the last financial year; Jamie Murray won last year's mixed doubles at the Wimbledon championships with a Dunlop racket, and Slazenger sponsors Paul Collingwood, the England one-day International cricket captain. Slazenger completed its 106th year of sponsorship of the Wimbledon championships and continues to sponsor the England women's hockey team.

As part of the Brands division licensing activities, agreement was reached during the year with Retail Corp., a Dubai-based company, under which Retail Corp. will, during the 25 year term of the agreement, open Lillywhites and Sports Direct stores in the Middle East and South Africa. Stores have already been opened under this agreement in South Africa and Dubai.

The Group holds a number of strategic investments in other companies, including 29.9% of Blacks Leisure Group and 12.3% of the John David Group. These and other stakes are held for investment purposes. The Group continually reviews the value and size of its investments and the rationale for them, and continues to consider further strategic investments in the UK and overseas.

Lillywhites Store - Piccadilly

CHAIRMAN'S STATEMENT

Simon Bentley
Acting Non Executive Chairman

The Group has not been alone in operating in an increasingly challenging UK retail environment during the past financial year (the Year). The Group has been impacted by 2007 having the wettest summer weather since records began. In addition the failure of the home nations to qualify for Euro 2008 and difficult comparatives with strong sales generated from the 2006 FIFA World Cup in the previous financial year, together with an increasingly difficult consumer environment, have contributed towards making this the most difficult trading period in our history.

The Board took steps to mitigate the impact of these factors and believes it has made considerable progress during the Year through the flexibility of the business model. This includes the acquisition of Everlast, which has provided a significant platform for growth for the Group's business in the US, a strategic alliance in China, which is an exciting opportunity to develop the Group's presence in that market, and the continued development of our fully integrated group headquarters at Shirebrook. We have also strengthened our relationships with our partner branded goods suppliers considerably and believe we have a unique UK and international retail offering, which combined with our brand power and relationships with our suppliers will assist us to achieve the international growth we are aiming for.

Board Changes

The Group announced the following Board changes during the Year. I was appointed Acting Chairman of the Board on 31 May 2007 on the departure of David Richardson. On 25 October 2007, Malcolm Dalgleish and Dave Singleton were appointed as independent non-executive directors. Malcolm has significant retail real estate experience and Dave brings valuable experience of international sports brand operations. On that date Chris Bulmer stepped down from her role as independent non-executive director.

We are continuing to seek opportunities to strengthen the Board with non-executive appointments.

Dividend

The Board recommends a final dividend for the Year of 2.44 pence per share to shareholders on the register on 3 October 2008 to be paid on 31 October 2008. The interim dividend was 2.06 pence per share making a total dividend in respect of the Year of 4.5 pence per share.

Simon Bentley
Acting Non-Executive Chairman
10 July 2008

Reebok Branded Area - Liverpool One Store

CHIEF EXECUTIVE'S REPORT AND BUSINESS REVIEW

Dave Forsey
Chief Executive

Overview of Financial Performance

In the 52 weeks ended 27 April 2008 (the Year), Group revenue was down 6.5% at £1.26bn compared with revenues of £1.35bn for the 52 weeks ended 29 April 2007. The driver of this decline was the fall in UK Retail revenues, down 10.5% to £957.7m (2007: £1.07bn).

The Group strengthened revenues in other core business segments. International retail was up 20.8% to £77.3m (2007: £64.0m); on a currency neutral basis this increase was circa 15%. Brands wholesale revenues were up 11.0% to £171.5m (2007: £154.5m) and licensing revenues were up 21.3% to £21.1m (2007: £17.4m), both largely due to Everlast.

Group gross margin fell by 70 basis points from 44.3% to 43.6%. The Retail business maintained the same margin as last year at 44.3%. UK Retail margin grew to 45.7% despite the challenging trading environment in the UK. However, we were unable to increase the Group margin as had been originally anticipated at the start of the Year.

While revenue was higher, gross margins in the Brands division fell from 44.2% to 40.2% as a result of discounting prices in order to maintain sales volumes when demand decreased in the second half.

Foreign exchange has had the reverse impact on this year's financial statements than in the previous year. Administration costs include a realised exchange profit of £3.5m compared to a loss of £23.5m in the preceding year. The realised exchange profit includes £15m from the increased value of the euro on strategic stakes sold in the Year. The fair value adjustment on forward foreign exchange contracts required under IFRS is included in finance costs and this unrealised loss amounted to £5.2m as opposed to £31.7m in 2007. These amounts are excluded from the definition of underlying profit and underlying EBITDA used in the business and as reported here.

Underlying EBITDA for the Year fell 29.9% to £150.2m (2007: £214.1m) last year. Underlying profit before tax fell 51.1% from £174.5m to £85.4m.

There is a very significant difference between underlying and the higher reported profits. Underlying profits (and underlying EBITDA) exclude exceptional items (such as IPO costs) realised exchange profit / loss and IFRS revaluation of foreign currency contracts which reduced the 2007 profits by £5.2m, £23.5m and £31.7m respectively. No exceptional items have been incurred in 2008. Reported profit before tax includes investment income of £41.4m which is the realised profit made by the Group through the disposal of strategic investments. The interest cost of holding the investments sold amounted to £6.1m.

Capital expenditure amounted to £131.8m (2007: £61.6m). This included acquisitions of retail property, plant and equipment, including £91.0m (2007: £50m) on new and refurbished stores, and £31.9m (2007 Nil) on a freehold office in London. This office is largely let to third parties. The remaining balance covered further spend at Shirebrook, and IT hardware in our Brands division. In addition the share buy back programme absorbed £201.5m of cash.

Within the Year the Company renewed its banking facilities until 2011. We continue to operate comfortably within our bank covenants.

Net debt in the Year increased to £465.2m (2007: £38.1m). Including marketable securities, the net debt at 27 April 2008 was £399.5m.

Review by Business Segment

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007	Change
	(£'m)	(£'m)	%
Retail Revenue:			
UK retail	957.7	1,069.7	
UK wholesale and other	31.9	41.5	
International retail	77.3	64.0	
Total	**1,066.9**	**1,175.2**	**(9.2)**
Cost of sales	(594.7)	(654.9)	
Gross margin	472.2	520.3	
Gross margin percentage	44.3%	44.3%	
Brands Revenue:			
Wholesale	171.5	154.5	
Licensing	21.1	17.4	
Total	**192.6**	**171.9**	**+12.0**
Cost of sales	(115.1)	(96.0)	
Gross margin	77.5	75.9	
Gross margin percentage	40.2%	44.2%	

Business Review

Despite an unprecedented trading environment for the Group and UK sports retail sector, we continued to strengthen our core business and implement our strategy during the Year to ensure the Group is well positioned for long-term growth and to achieve its objective of becoming the most profitable sports retailer in the world. During the Year we either strengthened our positions in or entered exciting markets including the US, Middle East and China through the acquisition of Everlast, the agreement with Retail Corp. and the strategic alliance with ITAT. We also continued to roll out stores, strengthen our relationships with third party suppliers and develop our retail store concept.

Lee Westwood - 2008 US Open 3rd Place - Sponsored by Dunlop

Continued CHIEF EXECUTIVE'S REPORT AND BUSINESS REVIEW

Retail division
Total retail revenue was down 9.2% to £1,066.9m (2007: £1,175.2m). UK retail revenue, the main contributor to this, was impacted by the factors mentioned previously.

Due to the poor summer trading conditions, we took measures to carefully manage our stock levels, resulting in some mark down on summer 2007 ranges. As expected, in the second half UK Retail margin grew, but at a slower rate than expected and, as a result, over the Year we strengthened our UK Retail gross margins to 45.7% from 44.0%.

During the Year we have continued to refine and invest in the development of our store format. Our major third party brand suppliers support our view of ranging our products by category, and we will continue to adapt the layout of our stores to this style across the portfolio, as seen in our Liverpool One store, recently opened in May 2008.

International retail revenue for the 52 weeks was up 20.8% to £77.3m (2007: £64.0m). We opened 10 new stores across Europe in the period, in line with our plans for developing our international store portfolio and trading has been satisfactory.

On 12 July 2007, we acquired a 60% strategic stake in Field & Trek for £5.1m, with the remaining 40% acquired on 1 April 2008. The acquisition is in line with the Group's plans to enter the UK outdoor leisure market. During the period we also acquired the remaining 20% of Sport 2000 Slovenia, the number two Slovenian sports retailer, for approximately €1m and will continue to develop its network of 14 stores.

During the Year we added bicycles and tents to the offer in our larger stores.

On 18 December 2007 we sold Original Shoe Company Limited, the branded clothing and footwear retailer, to JJB Sports plc for £5 million in cash. As a strategic investment, it no longer fulfilled a purpose for the Group and we believed it to be non-core to our store and product offering portfolio.

In February 2008, we signed an agreement with ITAT, the largest network of multi branded apparel retail stores in China. It operates over 700 stores in 275 cities across the country. A bespoke product range for the China market has been designed and manufactured and the first ranges are now on sale in over 100 ITAT stores. We retail in a dedicated area of the larger ITAT stores which we have designed and fitted out. The merchandising of product is all to our requirements. ITAT employees sell the product and we receive a percentage of the retail price. It is too early to assess the success of the product in store but we are pleased with the roll out and we remain excited about the possibilities of this market. At the time of announcement, we said there will be minimal earnings impact in the first full year of operation and this remains the case. The business with ITAT which is transacted, controlled and maintained by the UK Retail team will be included within the UK Retail and other segment.

Store portfolio
As of 27 April 2008, we operated 375 stores in the UK (excluding Northern Ireland), a total circa 3.3m sq ft (2007: circa 3m sq ft). Through the Group's 42.5% shareholding in the Heatons chain, it has products in 6 stores in Northern Ireland and 15 stores in the Republic of Ireland.

We opened a net 42 new core stores in the Year, with 50 new Sports Direct stores opened in the UK including 8 relocations. All new stores are operating under the sportsdirect.com fascia. We closed 32 stores (excluding the 8 relocations) which were typically smaller non-core stores.

We have a clear, focused strategy to enhance our varied store portfolio. We are now targeting circa 20 new core stores in the UK this year, taking a selective approach on the best opportunities.

Internationally, we operated, as at 27 April 2008, 39 stores in Belgium, 14 in Slovenia, 4 in Holland and 1 in Luxembourg. Since the Year end, we have opened 2 stores in Cyprus. We continue with our strategy to identify partners in new territories whilst continuing to expand our operations in the countries where we currently trade.

Brands division
Total brands revenue was up 12.0% to £192.6m (2007: £171.9m) mainly due to the acquisition of Everlast. Within this, wholesale revenue was up 11.0% to £171.5m (2007: £154.5m). Revenue from licensing was up 21.3% to £21.1m (2007: £17.4m).

Gross margin decreased from 44.2% to 40.2% for a number of reasons but primarily as a result of discounting prices in order to maintain sales volumes when demand decreased in the second half. This weakness was particularly felt in the North American market during the second half.

We have a strategic relationship with Retail Corp., a division of Dubai World, which is operating retail stores in the Middle East and South Africa. Retail Corp. have a licence to manufacture and sell certain of our Group branded products. It also has the right in certain territories to open stores within the Sports Direct or Lillywhites fascias. These agreements entitle us to a royalty which is included on the segmental analysis as Brands division licensing revenue. Although it is early on in the joint venture, we are excited by the prospects for future growth.

The most significant acquisition in the Year for the development of the Group was the acquisition of the Everlast boxing brand for £80.9m. Everlast is a leading US boxing and apparel brand which fits strategically with Sports Direct's existing brand portfolio. This acquisition provides a significant platform in the US market. From the date of acquisition to the period end, Everlast has contributed £19.8m to Brand revenue and £3.2m to profit before tax. We also acquired the remaining minority interest in Smith and Brooks for £3.0m during the Year. Smith and Brooks is a specialist childrenswear wholesaler.

Licencing developed during the Year and in South Korea the Karrimor licence continued with its programme to open 60 outlets in the country by the end of 2008.

Operating costs have increased in the division due to the inclusion of Everlast from its acquisition in September, along with the one off cost relating to the closure of the Dunlop Slazenger offices in Wakefield, and their subsequent integration into the Shirebrook operation. However over the long-term we believe that we will extract further costs through rationalisation.

Net Debt
While net debt has increased from £38.1m to £465m, the business has marketable securities with a value at 27 April 2008 of £65.7m and freehold property which was acquired during the Year for in excess of £80m. Furthermore, the Company has spent over £200m on a share buyback programme, and invested over £100m on the acquisition of subsidiary companies and further sums in plant, fixtures and technology.

Net debt at the half year amounted to £795.9m and marketable securities held amounted to £364.5m.

Nike Branded Area - Liverpool One Store

Continued CHIEF EXECUTIVE'S REPORT AND BUSINESS REVIEW

Strategic Investments

During the Year, we reduced our strategic investments in other related businesses. This was through a combination of the Board's ongoing review of the benefits of each stake to the Group and the takeover of Umbro by Nike. We still believe that taking strategic investments is beneficial for the Group and the Board will continue to evaluate opportunities.

Shirebrook Campus

The Group continues to make significant investment in infrastructure. During the Year support functions of our Brands businesses transferred to the head office and distribution facility at Shirebrook, Derbyshire.

All UK Retail functions operate out of Shirebrook, including Field & Trek which had its functions moved following that acquisition. Going forward Shirebrook will continue to enhance our operational efficiency through opportunities for rationalisation within existing businesses.

Risks and uncertainties relating to the Group's business

Risks are an inherent part of the business world. The Group has identified the following factors as potential risks to and uncertainties concerning the successful operation of its business.

Supply chain

Any disruption or other adverse event affecting the Group's relationship with any of its major manufacturers or suppliers, or a failure to replace any of its major manufacturers or suppliers on commercially reasonable terms, could have an adverse effect on the Group's business, operating profit or overall financial condition.

Finance

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has net borrowings, which are principally at floating interest rates linked to bank base rates or LIBOR. The Group does not use interest rate financial instruments to hedge its exposure to interest rate movements. If unmonitored the Group may be exposed to fluctuations in interest rates and the impact on monetary assets and liabilities.

The Group could have a credit risk if credit evaluations were not performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

The availability of adequate cash resources from bank facilities and achieving continuity of funding in the current financial climate could be a risk to the Group.

The Group also holds shares in publicly listed companies and fluctuations in their share prices will have a financial impact on the business results.

Reliance on non UK manufacturers

The Group is reliant on manufacturers in developing countries as the majority of the Group's products are sourced from outside the UK; the Group is therefore subject to the risks associated with international trade and transport as well as those relating to exposure to different legal and other standards.

Pensions

Some subsidiaries in the Group make contributions to certain occupational defined benefits pension schemes. An increase in the Group's funding needs or changes to obligations in respect of its pension schemes could have an adverse impact on its business.

Market forces

The sports retail industry is highly competitive and the Group competes at national and local levels with a wide variety of retailers of varying sizes who may have competitive advantages. Such competition continues to place pressure on the Group's pricing strategy, margins and profitability.

Operational

Any significant disruption to the operations at Shirebrook, Derbyshire, (a purpose built 800,000 square foot head office campus and distribution centre) or interruption to the smooth running of the Group's fleet of vehicles, might significantly impact its ability to manage its operations, distribute products to its stores and maintain its supply chain.

Business continuity and acts of terrorism

The majority of the Group's revenue is derived from the UK and accordingly any terrorist attacks, armed conflicts or government actions within the UK could result in a significant reduction in consumer confidence, which will have an adverse affect on sales in stores as they are primarily discretionary purchases.

Legal

The Group's trade marks, patents, designs and other intellectual property rights are central to the value of the Group Brands. Third parties may try to challenge the ownership or counterfeit the Group's intellectual property. The Group may need to resort to litigation in the future to enforce its intellectual property rights and any litigation could result in substantial costs and a diversion of resources.

The Group believes that its licensees, suppliers, agents and distributors are in material compliance with employment, environmental and other laws. The violation, or allegations of a violation, of such laws or regulations, by any of the Group's licensees, suppliers, agents or distributors, could lead to adverse publicity and a decline in public demand for the Group's products, or require the Group to incur expenditure or make changes to its supply chain and other business arrangements to ensure compliance.

Sales

The Group's retail business is subject to seasonal peaks. The incidence and participation in major sporting events will have an impact on the Group's retail business.

Prolonged unseasonal weather conditions or temporary severe weather during peak trading seasons could also have a material adverse effect on the Group's business.

Consumers

The Group's success and sales are dependent, in part, on the strength and reputation of the Brands it sells, and are subject to consumers' perceptions of the Group and of its products, which can fall out of favour. Adverse publicity concerning any of the Group Brands or manufacturers or suppliers could lead to substantial erosion in the reputation of, or value associated with the Group.

Research and development

The Group's success depends on the strength of the Group Brands and, to a lesser extent, the licensed-in brands. The Group's efforts to continually develop or obtain brands in a timely manner or at all may be unsuccessful.

Paul Collingwood - England One Day International Captain - Sponsored by Slazenger

Continued CHIEF EXECUTIVE'S REPORT AND BUSINESS REVIEW

Management and mitigation of risk

The identification and management of risk is a continuous process, and the Group's system of internal controls and the Group's business continuity programmes are key elements of that.

The Group's policies of forging long term relationships with suppliers and of utilising two leading supply chain companies to procure much of the Group's own branded goods is described on page 47 in the Community and Social Responsibility Report. Many risks relating to the supply chain, reliance on non-UK suppliers, and to the reputation of the Group's Brands are managed and mitigated by the implementation of those policies.

The management and mitigation of Finance Risk is described in note 3 to the Financial Statements on page 58.

Close monitoring of the market, competitors, consumer confidence, participation in major sporting events, the weather, companies in which the Group holds strategic stakes, the behaviour of licensees, and of possible infringement of intellectual property, and the development of contingency plans and rapid response to changing circumstances manages and does much to mitigate the risks caused by these factors.

The business continuity programme addresses the risk of disruption to the Shirebrook campus.

Accordingly the Board is confident that as far as is practical the risks and uncertainties that face the Group are being monitored and managed and that where required appropriate action is being taken.

Key performance indicators

The Board monitors the performance of the Group by reference to a number of key performance indicators (KPIs), which are discussed fully in this Chief Executive's Report and Business Review, and also in the Financial Review, and in the Community and Social Responsibility Report on pages 19 to 25 and 45 to 47 respectively. The most important of these KPIs are:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
Financial KPIs		
Group revenue	£1.26bn	£1.35bn
Underlying EBITDA [1]	£150.2m	£214.1m
UK retail margin	44.3%	44.3%
Underlying earnings per share [2]	9.27p	16.32p
Non Financial KPIs		
No. of core stores [3]	272	230
Customer complaints % change [4]	-	-
Employee turnover [5]	38.4%	48.1%
Cardboard recycling	5558 tonnes	1944 tonnes

[1] The way in which underlying EBITDA is calculated is set out in the Financial Review on page 19.

[2] The way in which underlying earnings per share is calculated is set out in the Financial Review on page 21.

[3] A core store is a store acquired and fitted out by the Group or otherwise so designated.

[4] The monitoring of customer complaints is described in the Community and Social Responsibility Report on page 46. Records containing complaints received prior to the beginning of 2007-08 were not retained, and accordingly annual percentage change in customer complaints is not yet available.

[5] Employee turnover was affected in both the Year and in 2006-07 by the relocation of head office, retail and brand support functions, and warehousing and distribution activities to Shirebrook throughout these periods.

The Group intends to use UK Retail stores like for like contribution as a KPI with effect from May 2008.

Our strategy for growth

We manage our business with the objective of increasing long term shareholder value. We are focused on strengthening the Group's financial performance and profitability, building relationships with our partners and suppliers, and by the continued roll out of our stores and brands in the UK and around the world.

Developing international distribution channels is a key part of the Group's growth strategy. We look at a number of potential markets with interest. We believe that the experience we gain in China with our ITAT relationship can be adapted for other markets in the future. Our growth strategy will include acquisition, partnership, joint venture and licensing opportunities.

We believe that the business remains in a strong position with its flexible business model, international growth plans and strong portfolio of brands, to achieve its long term objective of becoming the world's most profitable sports retailer.

Outlook for the current year

Trading conditions remain challenging across the sporting goods sector with economic data pointing to a severe slowdown across the economy with retail in particular expected to get worse in the short term.

We continue to concentrate our efforts on getting "back to basics" and, in spite of the difficult consumer environment, we believe we are seeing the benefits of this in our UK Retail division, where our performance in the first two months since the period end has seen underlying EBITDA marginally ahead of the same period last year.

As a result, currently we are targeting 2008/09 Group underlying EBITDA to be at a similar level to that in 2007/08.

Dave Forsey
Chief Executive
10 July 2008

adidas Shoe Wall - Liverpool One Store

FINANCIAL REVIEW

Bob Mellors
Group Finance Director

Basis of reporting

The financial statements for the Group for the 52 weeks ended 27 April 2008 are presented in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

Summary of results

	52 weeks ended 27 April 2008 (£'m)	52 weeks ended 29 April 2007 (£'m)	Change %
Revenue:	**1,259.5**	**1,347.1**	**-6.5**
Underlying EBITDA	150.2	214.1	-29.9
Underlying profit before tax	85.4	174.5	-51.1
Reported profit before taxation (after exceptionals)	118.9	60.5	+96.5

	Pence per share	Pence per share	
Basic EPS	12.23	8.18	+49.5
Underlying EPS	8.57	16.30	-47.4

The directors believe that underlying EBITDA, underlying profit before tax and underlying earnings provide the most useful information for shareholders on the underlying performance of the business, and are consistent with how business performance is measured internally. They are not recognised profit measures under IFRS and may not be directly comparable with "adjusted" profit measures used by other companies.

EBITDA is earnings before investment income, finance income and finance costs, tax, depreciation and amortisation and therefore includes share of profit of associated undertakings and joint ventures. Underlying EBITDA is calculated as EBITDA before the impact of foreign exchange, and exceptional and non trading items.

Revenue and margin

	52 weeks ended 27 April 2008 (£'m)	52 weeks ended 29 April 2007 (£'m)	Change %
Retail Revenue:			
UK retail	957.7	1,069.7	-10.5
UK wholesale and property	31.9	41.5	-23.4
International retail	77.3	64.0	+20.8
Total	**1,066.9**	**1,175.2**	**-9.2**
Brands Revenue:			
Wholesale	171.5	154.5	+11.0
Licensing	21.1	17.4	+21.3
Total	**192.6**	**171.9**	**+12.0**
Total revenue	**1,259.5**	**1,347.1**	**-6.5**

Total Group revenue fell by 6.5%.

Retail revenue fell by 9.2%. The UK accounted for 92.8% of total retail revenues with the balance in Continental European stores.

UK wholesale and other includes income on property transactions which is not regarded as being exceptional or non recurring totalling £10.5m at no margin (2007: £14.7m with a margin of £10m).

Retail margins in the UK increased from 44.0% to 45.7%.

Our representation in both parts of Ireland is covered by Heatons, in which we have a 42.5% interest, the results in which are reported as an associate.

Brands revenue increased by 12.0%, including the acquisition of Everlast. Licensing income increased by 21.3%, with an increase in wholesale revenue of 11.0%. The contribution made by Everlast in the 8 months of ownership for revenue and profit amounted to £19.8m and £2.0m respectively.

Brands margins decreased from 44.2% to 40.2%.

Selling, distribution and administration costs

Selling, distribution and administration costs for the Group increased as a percentage of revenue. This was as a result of increased property costs from the continued store roll out programme across the UK and Europe, and costs in the acquired companies of Everlast and Field & Trek.

Sports Direct Store

Continued **FINANCIAL REVIEW**

Foreign exchange

The Group manages the impact of currency movements through the use of forward fixed rate currency purchase and sales contracts. The Company's policy, consistently applied, is to hold or hedge up to four years (with a minimum of one year) on anticipated purchases in foreign currency.

The exchange gain of £3.5m (2007: £23.5m loss) included in administration costs has arisen from:

a) accepting dollars and euros at the contracted rate; and
b) the translation of dollars, dollar denominated and euro assets at the period end rate or date of realisation; and
c) realisation of euro assets includes a gain of £15m on the sale of strategic investments

The exchange loss of £5.2m (2007: £31.7m) included in finance costs substantially represents the required increase in the provision made (under IFRS) for the forward contracts at 27 April 2008 in anticipation of the loss which may be realised in the accounts to 26 April 2009.

The sterling exchange rate with the US dollar at 29 April 2007 was $1.998 and $1.986 at 27 April 2008.

Exceptional operating costs and revenues

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	(£'m)	(£'m)
Costs relating to Admission	-	0.6
Past performance bonuses including National Insurance	-	56.4
Legal claims	-	6.0
Loss on disposal of certain retail concessions	-	(4.2)
	-	**58.8**

Finance income

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	(£'m)	(£'m)
Bank interest receivable	3.1	0.7
Other interest receivable	-	0.6
Expected return on pension plan assets	2.3	2.1
	5.4	**3.4**

Finance costs

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	(£'m)	(£'m)
Interest on bank loans and overdrafts	(33.0)	(7.0)
Interests on other loans	(4.5)	(0.9)
Interest on retirement benefit obligations	(2.3)	(2.5)
Fair value adjustment to forward foreign exchange contracts	(5.2)	(31.7)
	(45.0)	**(42.1)**

The loss on the fair valuing of forward foreign exchange contracts arises under IFRS as a result of marking to market at the period end those contracts held to hedge the Group's currency risk.

Taxation

The effective tax rate on profit before tax for 2008 was 34.6% (2007: 38.5%). This rate reflects the reduction in the value of the deferred tax asset, depreciation on non-qualifying assets and the non-relievable losses in certain overseas subsidiaries.

Earnings

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007	% Change
	p per share	p per share	%
Basic EPS	12.23	8.18	+49.5
Underlying EPS	8.57	16.80	-47.4
Weighted average number of shares (actual)	639,010,000	460,582,000	-
Weighted average number of shares (post IPO)	639,010,000	720,000,000	-

Basic earnings per share ("EPS") is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the actual financial period.

The underlying EPS reflects the underlying performance of the business compared with the prior year and is calculated using the weighted average number of shares (for post IPO 2007). It is not a recognised profit measure under IFRS and may not be directly comparable with "adjusted" profit measures used by other companies. The post IPO weighted average number of shares in issue in 2007 reflects the period the Group was a listed PLC (from 28 February 2007 to 29 April 2007).

adidas Branded Area - Liverpool One Store

Continued FINANCIAL REVIEW

The items adjusted for arriving at the underlying profit are as follows:

	52 weeks ended 27 April 2008 (£'m)	52 weeks ended 29 April 2007 (£'m)
Profit after tax:	78.2	37.7
Post tax effect of exceptional items:		
Costs relating to Admission	-	0.4
Past performance bonuses including National Insurance	-	39.5
Legal claim	-	4.2
Profit on disposal of certain retail concessions	-	(2.9)
Profit on disposal of listed investments net of interest	(24.6)	-
Fair value adjustment to forward foreign exchange contracts	3.6	22.1
Realised (profit) / loss on forward foreign exchange contracts	(2.4)	16.5
Underlying profit after tax	**54.7**	**117.5**

If the share buyback had not taken place the underlying EPS would be 8.39p instead of 8.57p.

Dividends
An interim dividend for the Year ended 27 April 2008 of £11.71m was paid to shareholders on the register at 28 March 2008.

Capital expenditure
Capital expenditure amounted to £131.8m (2007: £61.6m). This included acquisitions of retail property, plant and equipment, including £91.0m (2007: £50m) on new and refurbished stores, and £31.9m (2007: Nil) on a freehold office in London. The remaining balance covered further spend at Shirebrook and IT hardware.

Acquisitions
The Group spent £104.6m on acquisitions during the Year. The principal acquisitions related to Everlast and Field & Trek. The net assets acquired have been analysed and separate intangible assets and the residual goodwill recognised as appropriate in accordance with IFRS3: Business Combinations.

Strategic investments
At 27 April 2008, the Group held investments in adidas, Amer Sports, Blacks Leisure and JD Sports. Changes in the value of these investments are recognised directly in equity in accordance with IFRS.

	27 April 2008 (£'m)
Total available for sale investments at 29 April 2007	75.4
Additions in the period	565.4
Disposal proceeds in the period	(595.9)
Profit on disposals in the period	41.4
Fair value adjustment in respect of available for sale financial assets	(20.6)
Total available for sale investments at 27 April 2008	**65.7**

The respective shareholdings at 27 April 2008 and 29 April 2007 were as follows:

	At 27 April 2008			At 29 April 2007	
	Value £'m	Shares 'm	Holding	Shares 'm	Holding
Blacks Leisure Group	21.0	12.728	29.85%	12.503	29.36 %
Umbro	-	-	-	-	-
Amer Sports Corporation	9.7	1.066	1.48%	1.544	2.14 %
John David Group	21.1	5.955	12.34%	4.881	10.16 %
adidas AG	13.2	0.398	0.20%	-	-
Other	0.7	-	-	-	-
Total	**165.7**				

Share buyback
The Group spent £201.5m on share purchases during the Year: 72m shares are now held in treasury whilst 79,547,631 were cancelled. The weighted average number of shares for the period was 639,010,000 and the number of shares in issue at the end of the period, excluding treasury shares, was 568,452,369.

Cash flow and net debt
In addition to the share buyback and the amounts invested in capital expenditure (including freehold property) and acquisitions, the Group received a net £30.5m cash inflow from the disposal of strategic investments. Net debt increased from £38.1m at 29 April 2007 to £465.2m at 27 April 2008. Taking into account the inclusion of marketable securities (available for sale financial assets) the net debt at 27 April 2008 was £399.5m.

The analysis of debt at 27 April 2008 was as follows:

	At 27 April 2008 (£'m)	At 29 April 2007 (£'m)
Cash and cash equivalents	25.4	181.8
Borrowings	(490.6)	(219.9)
Net debt	(465.2)	(38.1)
Market value of marketable securities	65.7	75.4
Net (indebtedness) / liquidity	(399.5)	37.3

As announced at the interim results and at this time last year, creditor balances were obviously high at April 2007 due to the accrual of fees and bonuses in connection with the IPO amounting to almost £100m, the majority of which were paid in the first half of the Year.

Trade creditors have been reduced both in UK Retail and the Brands division overseas.

James Blake - World Number 8 - Sponsored by Dunlop

Continued **FINANCIAL REVIEW**

Cash Flow

Total movement is as follows:

	At 27 April 2008 (£'m)	At 29 April 2007 (£'m)
Reported Operating Profit	109.6	93.9
Depreciation & Amortisation	37.6	34.5
Other Non cash charges	2.4	(2.0)
Taxes paid	(37.6)	(23.9)
Free cash flow	112.0	102.5
Invested in:-		
(Increase) / Decrease in working capital	(90.0)	72.9
Acquisitions	(104.6)	(22.8)
Net proceeds from investments	30.5	(67.2)
Cash inflow from other investing activities	17.8	8.7
Capital expenditure	(131.8)	(54.8)
Share buy back programme	(201.5)	-
Equity dividend paid	(7.4)	-
Finance costs and other financing activities	(46.1)	(23.3)
Net (decrease) / increase in cash and cash equivalents	**(421.1)**	**16.0**

Reconciliation of movement in equity

Total equity movement is as follows:

	At 27 April 2008 (£'m)
Total equity at 29 April 2007	280.8
Profit after tax for the 52 weeks ended 27 April 2008	78.2
Items taken directly to equity:	
Exchange differences on translation of foreign operations	4.8
Actuarial gain on pension	1.7
Fair value adjustment in respect of available-for-sale financial assets	(20.6)
Tax on items taken directly to equity	5.7
Movement in equity issues:	
Share buyback	(201.5)
Movement in Minority interests	(1.6)
Dividends paid/declared	(19.1)
Total equity at 27 April 2008	**128.4**

Pensions

The Group operates a number of closed defined benefit schemes in the Dunlop Slazenger companies. The net deficit in these schemes decreased from £14.0m at 29 April 2007 to £11.7m at 27 April 2008.

Financial risks, systems and controls

The principal financial risks the Group faces are:

- Movement in interest rates on borrowings. The Group has not historically hedged this risk.
- Movement in currency exchange rates. A significant amount of the Group's purchases are in US dollars. The Group hedges the risk of such movements by using forward purchases of foreign currency. Certain of the Group's assets are held overseas in local currency and are revalued in accordance with currency movements. The currency risk is not hedged.

Funding and liquidity for the Group's operations are provided through bank loans and overdraft facilities and shareholders' funds. The objective is to maintain sufficient funding and liquidity for the Group's requirements.

The Group maintains a system of controls to manage the business and to protect its assets. We continue to invest in people, systems and in IT to manage the Group's operations and its finance effectively and efficiently.

Bob Mellors
Finance Director
10 July 2008

Sports Direct Headquarters - Shirebrook

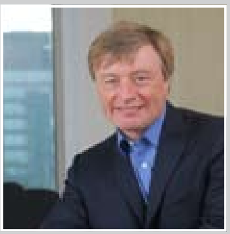
BOARD OF DIRECTORS

Simon Bentley - Acting Non Executive Chairman
Simon Bentley (aged 53) was appointed to the Board on 2 March 2007 and Acting Chairman on 31 May 2007. He is also Chairman of the Audit Committee and a member of the Remuneration Committee. As Acting Chairman he chairs the Nominations Committee. Simon qualified as a chartered accountant in 1980 and in 1987 joined Blacks Leisure Group plc where he was Chairman and Chief Executive for 12 years until 2002. Simon chairs and is on the Board of a range of companies and organisations. Among these, he is Deputy Chairman of the solicitors Mishcon de Reya and a Senior Trustee of The Leadership Trust. He is the Chairman of hair product brand Umberto Giannini, the hotelier Maypole Group and Brasher Leisure. He has lengthy experience of the sporting goods industry and is a director of the UK's leading five-a-side football centre operator, Powerleague.

Mike Ashley - Executive Deputy Chairman
Mike Ashley (aged 43) established the business of the group on leaving school in 1982 and was the sole owner of the business until the Company's listing in March 2007. Mike is the Executive Deputy Chairman and is responsible for formulating the vision and strategy of the Company. Mike is a member of the Board's Nomination Committee.

Dave Forsey - Chief Executive
Dave Forsey (aged 42) has been with the business for over 23 years, during which he has acquired significant knowledge and experience. He is Chief Executive and has overall responsibility for the business.

Bob Mellors - Group Finance Director
Bob Mellors (aged 58) has been the Group's Finance Director since 2004. A graduate in economics, he qualified with PriceWaterhouseCoopers in London and the United States before joining Eacott Worrall, where Sports Direct became a client in 1982. He was managing partner and head of corporate finance at Eacott Worrall before joining the business.



Malcolm Dalgleish - Non Executive Director
Malcolm Dalgleish (aged 56) joined the Board on 25 October 2007. Malcolm is currently head of retail in the Europe, Middle East and Africa area at CB Richard Ellis. In 2005 CBRE acquired Dalgleish - the leading retail real estate services specialist in the UK, which Malcolm founded in 1979 and of which he was the principal shareholder. Malcolm is a member of the Board's Audit, Nomination and Remuneration Committee.

Dave Singleton - Senior Independent Non Executive Director
Dave Singleton (aged 57) joined the Board on 25 October 2007. Dave spent 25 years with Reebok International Limited. He stepped down in April 2007 having helped to successfully integrate Reebok following its acquisition by adidas Group in January 2006. For eight years he was Vice President Northern Europe Region & UK and from 2003 he was Senior Vice President Europe, Middle East & Africa. Dave has an extensive senior management record and brings valuable experience of international sports brand operations. He is Chairman of the Board's Remuneration Committee and a member of the Board's Audit and Nomination Committees. He is also a director of Bolton Lads & Girls Club.

Reebok Shoe Wall - Liverpool One Store

DIRECTORS' REPORT

The directors of Sports Direct International plc present their annual report to shareholders, together with the audited consolidated financial statements for the Company and its subsidiaries for the 52 weeks ended 27 April 2008 (the Year).

This document contains a number of forward-looking statements relating to the Company and its subsidiaries (the Group) with respect to, amongst others, the following: financial conditions; results of operations; economic conditions in which the Group operates; the business of the Group; and future benefits of the current management plans and objectives. The Group considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented in the relevant forward-looking statement. When used in this document the words "estimate", "project", "intend", "aim", "believe", "expect", "should", and similar expressions, as they relate to the Group and the management of it, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on the forward-looking statements which speak only as at the date of this document. Neither the directors nor any member of the Group undertake any obligation publicly to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the Listing Rules, and other regulations.

Principal activities

The principal activities of the Group during the Year were:

- Retailing of sports and leisure clothing, footwear and equipment;
- Wholesale distribution and sale of sports and leisure clothing, footwear and equipment under Group owned or licenced brands; and
- Licensing of Group brands.

Further information on the Group's principal activities is set out in About Sports Direct International plc on page 7, and in the Chief Executive's Report and Business Review on pages 11 to 17.

Business review and future developments

A review of Group activities during the Year, Group trading results for the Year and the Group's financial position at the end of the Year, and likely future developments, are dealt with in the Chief Executive's Report and Business Review on pages 11 to 17, and in the Financial Review on pages 19 to 25. The Chief Executive's Report and Business Review and the Financial Review also describe on pages 15 to 17 and 25 respectively the principal risks and uncertainties that face the Group, the financial risk management objectives and policies of the Group, and details of the exposure of the Group to financial risks relating to financial instruments. Details of the Group's Key Performance Indicators by reference to which the development, performance and position of the business can be measured effectively stated in the Chief Executive's Report and Business Review on page 17.

The Community and Social Responsibility Report on pages 45 to 47 reports on environmental matters, including the impact of the Group's businesses on the environment, the Group's employees, and on social and community issues.

Going concern

Having considered Group cash flow forecasts and strategic plans, the directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Appropriations

An interim dividend of 2.06p per share was paid to shareholders on the register on 28 March 2008. The directors recommend the payment of a final dividend for the Year of 2.44 per share on 31 October 2008 to shareholders on the register on 3 October 2008.

Group structure and operations

During the Year the Group has continued the consolidation of its office and warehouse operations into the purpose built campus in Shirebrook, Derbyshire. Most recently the Dunlop Slazenger head office was relocated from Wakefield to Shirebrook.

On 29 June 2007 the Group entered into an agreement with Retail Corp., a division of Dubai world, under which Retail Corp. have a licence to manufacture and sell certain Group branded products, and to open stores under the Sports Direct and Lillywhites fascias in South Africa and in certain countries in the Middle East.

On 12 July 2007 the Group acquired a 60% interest in Field & Trek (UK) Limited, the outdoor clothing and equipment retailer, for £5.1m, with an option to acquire within 5 years the remaining 40% for £5m. On 1 April 2008 the Group acquired the outstanding 40% for £1m. Field and Trek operates retail stores mostly in the South East of England, and has an established on-line offer providing camping and outdoor equipment, waterproof clothing and footwear.

On 20 September 2007 the Group completed the acquisition of Everlast Worldwide Inc. for an aggregate consideration of approximately £80.9m. Everlast is engaged in the design, manufacture, import and sale of boxing and fitness sportswear, principally in the United States, and the licensing of the brand worldwide.

On 18 December 2007 the Group disposed of Original Shoe Company Limited to JJB Sports plc for £5m. Original Shoe operated 54 stores in the UK.

On 5 February 2008 the Group entered into a strategic alliance with ITAT Group Limited under which merchandise under some of the Group's portfolio of brands is now being supplied to the larger ITAT stores. ITAT is the largest network of multi brand apparel retail stores in China, operating from over 700 stores in 275 cities.

Share capital

The authorised share capital of the Company is £100,000,000 divided into 999,500,010 ordinary shares of 10p each and 499,990 redeemable preference shares of 10p each.

The ordinary shares have all the rights that usually attach to such ordinary shares, including the right to receive dividends (if paid or declared), to receive notice and attend and vote at meetings of shareholders and (subject to what is said below concerning redeemable preference shares) to receive a share of the assets of the Company on any winding up.

DIRECTORS' REPORT Continued

The redeemable preference shares do not carry any right to receive a dividend or to participate in any distribution of the profits or assets of the Company, or to vote at meetings of shareholders, but holders of redeemable preference shares have the right to receive notice and attend meetings of shareholders and on any winding up of the Company the redeemable preference shares are redeemed at par in priority to any distribution to the holders of ordinary shares.

No redeemable preference shares are in issue.

640,452,369 ordinary shares of 10p are in issue fully paid of which 72,000,000 are held in Treasury. Details of changes in the share capital of the Company during the Year, including the purchase of 151,547,631 ordinary shares and their subsequent holding in Treasury or cancellation, are set out in note 23 to the Financial Statements on page 72. 21.05% of the issued share capital was purchased during the Year. The directors exercised the Company's power to purchase its own shares as doing so was earnings per share enhancing and the directors believed that to do so was in the best interests of shareholders as a whole.

Transfer of shares

A member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

The Board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis.

The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

- is lodged, duly stamped (if stampable), at the registered office of the Company, or at another place appointed by the Board, accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- is in respect of one class of share only; and
- is in favour of not more than four persons.

The Board may refuse to register a transfer of shares in the Company by a person if those shares represent at least a 0.25% interest in the Company's shares or any class thereof and if, in respect of those shares, such person has been served with a restriction notice after failure (whether by such person or by another) to provide the Company with information concerning interests in those shares required to be provided under the Companies Act 2006 (the 2006 Act), unless (i) the transfer is an approved transfer (as defined in the Articles of Association of the Company), (ii) the member is not himself in default as regards supplying the information required and certifies that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or (iii) the transfer of the shares is required to be registered by the Uncertificated Securities Regulations 2001.

If the Board refuses to register a transfer of a share in certificated form, it will send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.

No fee may be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Powers to issue shares

At the Company's Annual General Meeting on 10 September 2007

- the directors of the Company were generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (the 1985 Act), in substitution for all prior authorities conferred upon them, but without prejudice to any allotments made pursuant to the terms of such authorities, to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount equal to the entire authorised but unissued share capital of the Company for the period expiring (unless previously revoked, varied or renewed) at the conclusion of the next Annual General Meeting of the Company save that the Company may, before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority had not expired;
- the directors were empowered to allot equity securities (within the meaning of section 94 of the 1985 Act) for cash, pursuant to the general authorities described above in substitution for all prior powers conferred upon the Board but without prejudice to any allotments made pursuant to the terms of such powers, as if section 89(1) of the 1985 Act did not apply to any such allotment, such power being limited to:

  i) the allotment of equity securities in connection with an issue in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their existing holdings of ordinary shares but subject to such exclusions or other arrangements as the directors deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

  ii) the allotment of equity securities for cash (otherwise than as described in (i) above) up to an aggregate amount equal to 5% of the then issued and unconditionally allotted share capital of the Company provided always that such power expires (unless previously revoked, varied or renewed) at the conclusion of the next Annual General Meeting of the Company, save that the Company may, before the end of such period, make an offer or agreement which would or might require equity securities to be allotted after expiry of this authority and the directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

The authorities expire at the close of the next Annual General Meeting of the Company, but a contract to allot shares under these authorities may be made prior to the expiry of the authority and concluded in whole or part after the Annual General Meeting, and at that meeting similar authorities will be sought from shareholders.

The Company's power to purchase shares

On 26 February 2007, by a members written resolution the Company was generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the 1985 Act) of ordinary shares of 10p each in the Company Subject to the following conditions:

- the maximum aggregate number of ordinary shares authorised to be purchased is 72,000,000, representing 10% of the Company's issued ordinary share capital;
- the minimum price (exclusive of expenses) which may be paid for an ordinary share is 10p (being the nominal value of an ordinary share);
- the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of: (i) an amount equal to 105% of the average of the middle market quotations for the Ordinary Shares as derived from the London Stock Exchange Daily Official List of the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System.

That authority expired at the close of the Company's Annual General Meeting on 10 September 2007, but at that meeting the Company was generally and unconditionally authorised to make further market purchases (within the meaning of 163 (3) of the 1985 act) of ordinary shares of 10p each in the Company subject to the same conditions as the authority given on 26 February 2007.

On 20 December 2007 at an Extraordinary General Meeting of the Company the authority given to make market purchases of shares at the Annual General Meeting on 10 September 2007 was varied to enable the Company to acquire a further 35,999,999 shares, being just under 5% of the Company's issued share capital at the time of that Annual General Meeting.

The above authorities expire at the close of the next Annual General Meeting of the Company. The directors intend to seek shareholder authority to purchase shares at this year's Annual General Meeting.

Shareholders

No shareholder enjoys any special control rights, and, except as set out above and below, there are no restrictions in the transfer of shares or of voting rights.

Mike Ashley is the beneficial owner of 72.196% of the Company's issued share capital (excluding Treasury shares) and has agreed that, subject to certain exceptions, during the period of two years from 3 March 2007, he will not, without the prior written consent of Merrill Lynch International, amongst other things, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of, any of his shares (or interest therein) or enter into any transaction with the same economic effect as any of the foregoing.

Mike Ashley and the Company have entered into a Relationship Agreement, pursuant to which Mike Ashley undertook to the Company that, for so long as he is entitled to exercise, or to control the exercise of, 15% or more of the rights to vote at general meetings of the Company, he will;

- conduct all transactions and relationships with any member of the Group on arm's length terms and on a normal commercial basis and with the approval of the non-executive directors;
- exercise his voting rights or other rights in support of the Company being managed in accordance with the Listing Rules and the principles of good governance set out in the Combined Code and not exercise any of his voting or other rights and powers to procure any amendment to the Articles of Association of the Company;
- other than through his interest in the Company, not have any interest in any business which sell sports apparel and equipment subject to certain rights, after notification to the Company, to acquire any such interest of less than 20% of the business concerned, and certain other limited exceptions, without receiving the prior approval of the non-executive directors; and
- not solicit for employment or employ any senior employee of the Company.

As at 10 July 2008, the following parties had a significant direct or indirect share holding in the shares of the company:

	Number of shares held	Percentage of issued ordinary share capital held	Nature of Holding
Mike Ashley	410,400,000	72.2%	Direct

Employee share schemes

Details of the Performance Share Plan and share awards made thereunder are set out in the Directors' Remuneration Report on pages 39 and 40. No performance period has yet been completed under that plan.

Payment of suppliers

It is the policy of the Group to agree appropriate terms and conditions for its transactions with suppliers (ranging from standard written terms to individually negotiated contracts) and for payment to be made in accordance with these terms, provided the supplier has complied with its obligations.

The number of days purchases outstanding for the Group's UK operations as 27 April 2008 was 27 days (2007: 44 days).

Take overs

The directors do not believe there are any significant contracts that may change in the event of a successful takeover of the Company. Details of the impact of any successful takeover of the Company on directors' bonus and share schemes are set out in the Directors' Remuneration Report on page 40. Directors' service contracts contain no specific provisions relating to any takeover of the Company.

People

The Group communicates with its people through a wide variety of channels, including briefings held at Head Office, information transmitted through line managers, and an Employee Forum at the Head Office and National Distribution Centre at Shirebrook, and the Company's open management style encourages employees to develop and to contribute to the development of the business.

DIRECTORS' REPORT Continued

The Group's policy for its employees and for all applicants for employment is to fit the abilities and aptitude of each individual to an appropriate job, irrespective of gender, race, religion or belief, sexual orientation, disability or ethnic origin. The Company and other Group companies will not tolerate discrimination in any form. The Group does all that is practicable to meet its responsibilities towards the training and employment of disabled people, and makes every effort to provide continuity of employment in the same or similar job where an employee becomes disabled.

Further information on relationships with employees can be found in the Community and Social Responsibility Report on page 45.

Charitable and political donations

During the Year, the Group made charitable donations of £10,000 (2007: £373,000). No political donations were made (2007: nil).

Directors

Directors who served during the Year were:

	Date of appointment	Date of resignation
Mike Ashley	21 December 2006	
Simon Bentley	02 March 2007	
Chris Bulmer	02 March 2007	25 October 2007
Malcolm Dalgleish	25 October 2007	
Dave Forsey	08 February 2007	
Bob Mellors	21 December 2006	
David Richardson	02 March 2007	31 May 2007
Dave Singleton	25 October 2007	

David Richardson and Chris Bulmer resigned from the Board on 31 May and 25 October 2007 respectively and Malcolm Dalgleish and Dave Singleton were appointed to the Board on 25 October 2007.

The provisions in the Company's Articles for the appointment, retirement after appointment by the Board and by rotation, and standing for reappointment are described in the Corporate Governance Report on page 33.

Details of directors, their roles, responsibilities, achievements and significant external commitments are set out on page 27 and, in respect of directors standing for reappointment, in the Annual General Meeting Notice, which is sent to shareholders with this report.

The Board believes that each director standing for reappointment continues to demonstrate commitment, to be an effective member of the Board, and to contribute to the balance of skills, knowledge and experience identified by the Board as being required. The Board is satisfied that the Acting Chairman is not precluded from devoting sufficient time to his duties to the Company by reason of his other commitments. The Board recommends reappointment of the directors standing for reappointment.

Information on service contracts and details of the interests of the directors and their families in the share capital of the Company at 27 April 2008 and at the date of this report is shown in the Directors' Remuneration Report on pages 41 and 43 respectively.

Copies of the service contracts of executive directors and of the appointment letters of the Acting Chairman and non-executive directors are available for inspection at the Company's registered office during normal business hours and at the Annual General Meeting.

No director has a directorship in common or other significant links with any other director (except in the case of executive directors holding directorships of subsidiary companies of the Company).

Deeds of indemnity

The Company has entered into deeds of indemnity for the benefit of each director of the Company and for the benefit of each person who was a director during the Year, in respect of liabilities to which they may become liable in their capacity as director of the Company and of any company in the Group. These indemnities are qualifying third part indemnity provisions within the meaning given to that term by Section 309B of 2005 Act, and all these indemnities remain in force.

Annual General Meeting

The Annual General Meeting of the Company will be held on 10 September 2008 at Unit D, Brook Park East, Shirebrook, NG20 8RY. The meeting will commence at 3.00 pm.

New Articles of Association

Changes to the Company's Articles of Association (the Articles) must be approved by the Company in General Meeting passing a Special Resolution to that effect. A resolution will be put to shareholders at this year's Annual General Meeting to adopt new Articles to reflect changes in company law made by the Companies Act 2006. An explanation of the changes to the Articles is set out in the Notice of Annual General Meeting sent to shareholders with this report.

Auditors

Resolutions to reappoint Grant Thornton UK LLP as auditors and to authorise the directors to determine their remuneration will be proposed at the Annual General Meeting.

Audit information

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and that each director has taken all the steps that he or she ought to have taken as a director to make him or herself aware of any relevant audit information and to establish the Company's auditors are aware of that information.

By Order of the Board

Michael Oliver
Secretary

10 July 2008

CORPORATE GOVERNANCE REPORT

Corporate Governance

The Board of directors of the Company is committed to maintaining high standards of corporate governance and to managing the affairs of the Group in accordance with the provisions of the Listing Rules and of the Combined Code on Corporate Governance, issued by the Financial Reporting Council in June 2006 (the "Combined Code").

The Board has reviewed the Company's corporate governance processes and policies, and has concluded that during the 52 weeks ended 27 April 2008 (the "Year") the Company complied with the provisions of the Combined Code except as set out below.

The Combined Code (code provision A3.2) recommends that at least half of the Board of directors of a UK listed company, excluding the Chairman, should be comprised of non-executive directors determined by the Board to be independent in character and judgment and free from relationships or circumstances which may affect, or could appear to affect, the director's judgment. As explained below, during the period from 30 April to 31 May 2007 the Board of the Company consisted of the Chairman, three executive directors and two independent non-executive directors. From 2 June 2007 until 25 October 2007 the Board comprised the Acting Chairman, three executive directors and one independent non-executive director. From 25 October 2007 until the end of the Year the Board was made up of the Acting Chairman, three executive directors, and two independent non-executive directors. Accordingly during the Year the Company did not comply with this provision of the Combined Code in this regard.

The Combined Code also provides (code provisions B2.1 and C3.1) that each of the Remuneration and Audit Committees of the Board should comprise of at least three independent non-executive directors, and from 30 April 2007 until 31 May 2007 those Committees comprised of only two such directors. From 31 May 2007 until 25 October 2007 the committees comprised only one such director and the Acting Chairman, and from 25 October 2007 comprised two independent non executive directors and the Acting Chairman. Accordingly during the Year the Company did not comply with these provisions of the Combined Code.

On 31 May 2007 David Richardson, the Chairman, resigned from his appointment as Chairman and as a director, and Simon Bentley was appointed Acting Chairman. On 25 October 2007 Chris Bulmer resigned from the Board and Malcolm Dalgleish and Dave Singleton were appointed. The Company has used recruitment consultants to search for a Chairman and for additional independent non-executive directors and the Nomination Committee has approved job descriptions for those roles, which for the Chairman includes an assessment of the time commitment expected, always recognising the need for availability in the event of major activity. The Company intends when possible to appoint a further independent non-executive director to each of the Remuneration and Audit committees, which will bring the Company into compliance with all the provisions of the Combined Code.

The Board

As explained above, from 30 April 2007 until 31 May 2007 the Board comprised of a non-executive Chairman, three executive directors, and two non-executive directors. From 31 May 2007 until 25 October 2007 the Board comprised the Acting Chairman, three executive directors and one non-executive director. From 25 October 2007 the Board comprised the Acting Chairman, three executive directors and two non-executive directors. The names and short biographies of the current Acting Chairman and other directors are set out on page 27.

The non-executive directors are considered by the Board to be independent. The former Chairman, David Richardson, was considered by the Board to be independent on appointment and the Board considers Simon Bentley, the Acting Chairman, to be independent. The Board considers that an independent director is one who is independent in character and judgment, and where there are no circumstances that are likely to affect, or could appear to affect, his or her judgement. Relationships or circumstances that could affect judgement include having been an employee of the Company or of any Group company during the past five years, having had a material business relationship or having been a partner, shareholder, director or senior employee of a body with a material business relationship with the Company or any Group company in the past three years, receiving remuneration from the Company other than directors' fees, participating in any share option or bonus schemes or in a Company pension scheme, having had close family ties with any of the Company's advisors, directors or senior employees, having cross directorships or significant links with any other director, representing a significant shareholder, or serving on the Board for more than nine years.

The Company has entered into a Relationship Agreement with Mike Ashley, the Executive Deputy Chairman, who currently holds approximately 72.2% of the issued share capital of the Company (excluding treasury shares), which agreement is described in the Directors' Report on page 31.

Given the structure of the Board and the terms of the Relationship Agreement, the Board believes that no individual or small group of individuals can dominate the Board's decision making.

The Board has established a Nomination Committee to ensure a formal, rigorous and transparent procedure for the appointment of new directors to the Board. The composition of that Committee and a description of its terms of reference are set out on page 36.

Details of executive directors' service contracts and of the Acting Chairman's and the non-executive directors' appointment letters are given on page 41. Copies of service contracts and of appointment letters are available for inspection at the Company's registered office during normal business hours and at the Annual General Meeting.

Executive directors normally retire on reaching the age determined by the Board from time to time as the retirement age for executive directors.

Non-executive directors are appointed for an initial term of three years from the Annual General Meeting following their joining the Board, and, subject to performance, there is an expectation of reappointment for a further period of three years. Exceptionally a non-executive director may be invited to serve for a further and final three year term. Non-executive directors' fees are determined by the Board in the absence of the non-executive directors other than the Chairman.

All directors appointed by the Board are appointed after consideration of the recommendations of the Nomination Committee, and those so appointed must stand for reappointment at the following Annual General Meeting. Every director must retire at least once every three years, and in addition at least one third of the continuing members of the Board must retire by rotation each year. Retiring directors may seek reappointment if willing and eligible to do so and if so recommended by the Nomination Committee. The Chairman will, when proposing the reappointment of a director, confirm that following formal performance evaluation, the director's performance continues to be effective and he or she continues to demonstrate commitment to the role.

CORPORATE GOVERNANCE REPORT Continued

This year Dave Forsey is retiring by rotation and is seeking reappointment, and Malcolm Dalgleish and Dave Singleton, having been appointed by the Board during the Year, are retiring and seeking reappointment.

The Board has adopted a formal process for the performance evaluation of the Board, its committees and individual directors. Every other year independent consultants will conduct confidential interviews with each director, when the director will have an opportunity to express his or her views on the organisation and operation of the Board and its committees, their effectiveness and contribution to the business, the contributions of individual members, and on any other matter they consider relevant. The results of these interviews will be consolidated and reported to the Chairman and, in so far as they relate to the Chairman, to the Senior Independent Non-Executive Director, and, in so far as they relate to the Board as a whole or to any of its committees to the Board as a whole. In intervening years the process will be repeated, covering the same matters other than the contribution of individual directors, but by way of questionnaire and without the involvement of independent consultants. In this Year, given the recent appointments of Malcolm Dalgleish and Dave Singleton, the process has been conducted by way of questionnaire.

In addition the Chairman will meet with individual directors privately at least once in every year, to review the contribution of that director to the Board and his or her development needs. The Chairman will meet with the non-executive directors as a group and in the absence of any executive directors at least twice a year, and as part of the Board Evaluation Programme the non-executive directors, led by the Senior Independent Non-Executive Director, will review the performance of the Chairman, having taken account of the views of the executive directors.

The Board and the Nomination Committee will consider the output from the evaluation programme in their evaluation of the skills, knowledge and experience of the Board, and in formulating development plans.

The Board provides corporate governance training for those directors appointed to the Board for who it is their first appointment to a listed company board, and provides a tailored induction programme for all directors on appointment. In addition the Board is made aware of material changes to laws and regulations affecting the Group's business from time to time. All directors have access to the advice and services of the Company Secretary, and each director and each board committee may take independent professional advice at the Company's expense, subject to prior notification to the other non-executive directors and the Company Secretary. The Company maintains appropriate directors and officers insurance.

The division of responsibilities between the Chairman, the Executive Deputy Chairman and the Chief Executive is in writing and has been agreed by the Board. The Chairman is responsible for leadership of the Board, for ensuring its effectiveness, and for ensuring that all directors are able to play a full part in the activities of the Company. He ensures effective communication with shareholders, and that the Board has an understanding of the views of major investors. The Chairman is available to provide advice and support to members of the executive team. The Executive Deputy Chairman is an ambassador for the Company, and takes the lead in the strategic development of the Company, formulating the vision and strategy in conjunction with the Chief Executive. The Chief Executive is responsible for leading the management team, the running of the Group's business, for the delivery of the strategy approved by the Board, and for implementing specific decisions made by the Board.

The Board currently plans to meet on a pre-planned basis ten times during each year, including a strategy meeting, and meets on other occasions as required. During the Year the Board met on 13 occasions.

The Board has a programme to enable it to discharge its responsibility of providing entrepreneurial leadership to the Company within a framework of prudent and effective controls. An agenda is established for each meeting, and appropriate documentation is provided to directors in advance of them. For regular meetings the agenda will include reports from the Chief Executive and the Group Finance Director, reports on the performance of the business and current trading, reports on meetings with investors, reports from committees of the Board and specific proposals where the approval of the Board is sought. Presentations are also given on business or strategic issues where appropriate, and the Board will consider at least annually the strategy for the Group. Minutes of the meetings of committees of the Board are circulated to all members of the Board, unless a conflict of interest arises, to enable all directors to have oversight of those matters delegated to committees, and copies of analysts' reports and brokers' notes are provided to directors.

Attendance by directors at Board and Board committee meetings during the Year and the total number of meetings that they could have attended are set out in the table below. All directors attended all meetings of the Board and of committees of the Board of which they were members during the Year, or, if appointed during the Year, from the time of their appointment until the end of the Year.

	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
Mike Ashley	13/13	-	-	2/2
Simon Bentley	13/13	4/4	4/4	3/3
Chris Bulmer	8/8	2/2	2/2	3/3
Malcolm Dalgleish	5/5	1/1	2/2	-
Dave Forsey	13/13	-	-	-
Bob Mellors	13/13	-	-	-
David Richardson	-	-	-	
Dave Singleton	5/5	2/2	2/2	-

The Board has a formal schedule of matters reserved for decision by it. Matters so reserved include the approval of the strategic plan and long-term objectives of the Group, the annual budget and the allocation of resources to achieve that budget, decisions relating to unbudgeted expenditure over certain limits, significant acquisitions, disposals and joint ventures, other material contracts, changes to the corporate structure of the Group, the appointment and removal of the Company Secretary, approval of accounting policies and practices and approval of the annual report. The Board delegates management of the businesses of the Group to the executive management, and delegates specific responsibilities to Board committees.

The Board believes that the appointment of executive directors to be non-executive directors of other listed companies benefits the Group, through the additional experiences and knowledge gained by such an appointment, and accordingly, executive directors are permitted to accept one such appointment where no conflict of interest arises, and to retain the fees received.

All non-executive directors disclosed to the Board prior to appointment their significant other commitments and they are required to notify and have notified any changes to or additional commitments from time to time. Simon Bentley, the Acting Chairman, is deputy Chairman of the solicitors Mishcon De Reya, a senior trustee of the Leadership Trust, Chairman of the hair product brand Umberto Giannini, the hotelier Maypole Group plc, and Brasher Leisure. He is also a director of Powerleague. The Board is satisfied that Simon Bentley meets his obligations to the Company. All non-executive directors are available to meet with major investors.

Dave Singleton has been appointed the Senior Independent Non-Executive Director and is available to shareholders if they have concerns which have failed to be resolved through the normal channels of Chairman, Executive Deputy Chairman, Chief Executive, or Group Finance Director, or for which such channels are inappropriate.

The Company Secretary is an employee of the Company and is the secretary of all Board committees, and fulfils the responsibilities required of him by the Combined Code.

Board Committees

There are three principal Board committees, all of which have written terms of reference. Summaries of the terms of reference and details of the membership of committees are set out below. Copies of the terms of reference are available from the Company Secretary and on the Company's website. Only members of each Committee are entitled to attend the meetings of committees, although each Committee may invite other directors, managers and advisors to attend and have done so. Membership of Board committees will be regularly reviewed. Given the current size of the Board, and the terms of reference, all non-executive directors are members of every Board committee. It is, however, the Board's intention that, when the number of independent non-executive directors appointed to the Board permits, the chairman of the Remuneration Committee will not serve on the Audit Committee, and vice versa. The Board is satisfied that currently no one director exercises a disproportionate influence.

Attendance at meetings of committees is set out on the previous page.

Audit Committee

Directors who served on the Committee during the Year were:

- Simon Bentley (Chairman)
- Chris Bulmer (until 25 October 2007)
- Malcolm Dalgleish (from 17 December 2007)
- Dave Singleton (from 7 December 2007)

The Chairman of the committee is a Chartered Accountant, and has recent and relevant financial experience.

The Committee met on four occasions during the Year.

The Committee's programme is pre-planned to ensure that each aspect of its responsibilities is discharged as part of an annual cycle during the Company's financial year.The main responsibilities of the Audit Committee are:

- Assisting the Board with the discharge of its responsibilities in relation to internal and external audits and controls.
- Monitoring the integrity and clarity of the Group's financial statements, including making recommendations on judgments they contain.
- Agreeing the scope of the annual audit and the annual audit plan, and the extent of the non audit work that may be undertaken by external auditors.
- Advising on the appointment, reappointment and removal of external auditors.
- Reviewing accounting policies, terms of engagement and remuneration of the external auditors, and any changes thereto, and the method of accounting for unusual transactions.
- Reviewing the effectiveness of the internal control systems in place within the Group and ensuring that appropriate arrangements are in place under which employees can raise concerns about possible financial or other impropriety which are then appropriately investigated.

During the Year the Committee considered the matters that fell within its area of responsibility above, and in particular the arrangments for monitoring the effectiveness of internal controls, and also considered the current economic climate and its likely impact on the Group:

The Audit Committee will normally meet not less than three times a year.

The external auditors attend meetings of the Committee, other than when their appointment is being reviewed. The Group Finance Director also attends as appropriate. The Committee will meet with the auditors in the absence of executive management at least twice a year.

The Audit Committee considers the reappointment of the auditors and their remuneration, and makes recommendations to the Board, and the auditors are reappointed each year at the Annual General Meeting. The Committee will consider the level of service provided by the auditors and their independence annually.

The Committee has approved a policy on the engagement of the external auditors for non-audit work, in order to ensure that the objectivity of the auditor's opinion on the Group's financial statements is not or may not be seen to be impaired, and has established a process to monitor compliance with that policy.

The policy identifies three categories of potential work. Firstly, those tasks that the auditors may not provide, as to do so would represent a real threat to independence. That work includes the preparation of accounting entries or financial statements, IT systems design and implementation, management of projects and tax planning where the outcome would have a material impact on the financial statements or where the outcome is dependent upon accounting treatment.

Secondly, types of work that the auditors may undertake with the consent of the Chairman of the Audit Committee. Included in this category are certain corporate finance services, acquisition due diligence, management consultancy and secondment of staff other than for the preparation of accounting entries or financial statements.

CORPORATE GOVERNANCE REPORT Continued

Thirdly, there are services that the auditors may provide as the work is clearly audit related and there is no potential threat to independence, including regulatory reporting and acting as reporting accountants. The Company is satisfied that its policy falls within the requirements of the Auditing Practices Board.

Every engagement of the auditors for non-audit work is to be reported to the next meeting of the Committee.

The Combined Code recommends that the Audit Committee is made up of at least three non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Audit Committee currently consists of only two independent non-executive directors and the Acting Chairman, but the Company intends to appoint additional independent non-executive directors to the Board, following which a further independent non-executive director will also be appointed a member of the Audit Committee, and the Committee's structure will then comply with the recommendation set out in the Combined Code.

Remuneration Committee

Directors who served on the Committee during the Year were:

- Chris Bulmer (Chairman and member of Committee until 25 October 2007)
- Dave Singleton (Chairman and member of Committee from 7 December 2007)
- Simon Bentley
- Malcolm Dalgleish (from 17 December 2007)

The main responsibilities of the Remuneration Committee are to:

- Determine the Company's policy on executive remuneration, including the design of bonus schemes, and targets and payments made thereunder.
- Determine the levels of remuneration for the Chairman and each of the executive directors.
- Monitor the remuneration of senior management and make recommenations in respect of thereof.
- Agree any compensation for loss of office of any executive director.

The Committee met on four occasions during the Year.

During the Year the Committee determined whether any bonus payments were due to executive directors under the 2006-07 Annual Bonus Scheme, determined to operate an annual bonus scheme for executive directors for 2008-09, and made awards thereunder, reviewed senior managers' remuneration arrangements throughout the Group and reviewed the performance measures of the Performance Share Plan.

A report on the remuneration of directors appears on pages 38 to 43.

The Combined Code recommends that the Remuneration Committee is made up of at least three non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Committee currently consists of only two independent non-executive directors and the Acting Chairman.

The Company intends to appoint additional independent non-executive directors to the Board following which a further independent non-executive director will be appointed a member of the Remuneration Committee, and the Committee's structure will then comply with the recommendations set out in the Combined Code.

Nomination Committee

Members of the Nomination Committee during the Year were:

- David Richardson (Chairman and member of the Committee until 31 May 2007)
- Simon Bentley (Chairman from 31 May 2007)
- Chris Bulmer (until 25 October 2007)
- Mike Ashley (from 12 October 2007)
- Malcolm Dalgleish (from 17 December 2007)
- Dave Singleton (from 7 December 2007)

The Committee met on three occasions during the Year.

The main responsibilities of the Board Nomination Committee are to:

- Review the Board's structure.
- Review the composition and make up of the Board, including evaluating the balance of skills, knowledge and experience of the members of the Board.
- Give consideration to succession planning for directors.
- Prepare a description of the role and capabilities required for any Board appointment including that of Chairman.
- Make recommendations to the Board concerning the standing for reappointment of directors.
- Identify potential candidates to be appointed as directors, and make recommendations to the Board as the need may arise.

The Nomination Committee also determines succession plans for the Chairman and the Chief Executive, who will not be present at meetings when such matters are being discussed.

The Nomination Committee will meet at least once a year and will also meet when appropriate.

During the Year the Committee considered the job specifications for the Chairman and for non-executive directors, and the appointment of an Acting Chairman and of non-executive directors, and the standing for reappointment of directors retiring by rotation or after appointment by the Board.

Dave Forsey, as Chief Executive, will normally attend meetings of the Nomination Committee, save where the Nomination Committee is dealing with matters relating to him or with the appointment of his successor.

The Combined Code recommends that a majority of the Nomination Committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Company complies with the requirements of the Combined Code in this regard.

Share dealing code

The Company has a code of securities dealings in relation to its shares and other securities which is based on, and is at least as rigorous as, the Model Code as published in the Listing Rules.

The code applies to the directors and to other appropriate employees of the Group.

Internal control

The directors have overall responsibility for the Group's system of internal control and for reviewing their effectiveness. The systems of internal control are designed to manage, rather than eliminate, the risk of failing to achieve business objectives. Such a system can, however, provide only reasonable, and not absolute, assurance against material misstatement or loss.

Members of the Board have responsibility for monitoring the conduct and operations of individual businesses within the Group. This includes the review and approval of business strategies and plans and the setting of key business performance targets. The executive management responsible for each business is accountable for the conduct and performance of their business within agreed strategies.

Business plans and budgets for each business include financial and strategic targets against which performance is monitored. Monitoring includes the examination of and changes to rolling annual and quarterly forecasts, monthly measurement of actual achievement against key performance targets and plans, and weekly reviews of performance.

The Group has clear procedures for the approval and control of expenditure. Strategic investment decisions involving both capital and revenue expenditure are subject to formal detailed appraisal and review according to approval levels set by the Board. Operating expenditure is controlled within each business with approval levels for such expenditure being determined by the individual businesses.

The Group has a formal whistle blowing policy for employees who wish to raise any issues or concerns relating to the Company's or Group's activities on a confidential basis.

Executive management is responsible for the identification, evaluation and management of the significant risks applicable to their areas of business.

The Group operates a Retail Support Unit which provides strong operational internal audit services in the retail division, and there are procedures in place in the Brands division to monitor and control licencees.

During the Year a big 4 accounting firm was appointed to review certain internal controls and representatives of that firm will attend the relevant part of meetings of the Audit Committee and report directly to the Audit Committee in that respect.

The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, reviewing the reporting of financial and non-financial information to shareholders and the audit process, satisfying itself that appropriate systems of internal control and risk management are in place and are serving to identify and manage risk. The auditors attend all meetings of the Audit Committee, save for those parts of any meeting when the Committee reviews the performance of the auditors and when the Committee is having separate discussions with the Group Finance Director.

The Group's system of internal control and its effectiveness (but not that of Heatons, the Group's only material associate) is monitored and reviewed by the Board, the Audit Committee and management, and the Board believes that the Group has maintained throughout the Year and up to the date of approval of the annual report and accounts an effective embedded system of internal control and has complied with the Turnbull guidance.

Social, environmental and ethical matters

The Group has for many years, recognised the benefits that accrue from responsible employment, environmental and community policies. Details of the Group's activities in this area are set out in the Community and Social Responsibility Report on pages 45 to 47.

DIRECTORS' REMUNERATION REPORT

This report has been prepared in accordance with the requirements of the Directors' Remuneration Report Regulations 2002 (the Regulations) and of the Combined Code on Corporate Governance 2006 ("the Combined Code").

UNAUDITED INFORMATION

The Remuneration Committee

During the 52 weeks ending 27 April 2008 (the Year), the members of the Remuneration Committee (the Committee), all of whom are independent, were:

- Chris Bulmer (Chairman and member of Committee until 25 October 2007)
- Dave Singleton (Chairman and member of Committee from 7 December 2007)
- Simon Bentley
- Malcolm Dalgleish (from 17 December 2007)

The main responsibilities of the Committee are summarised in the Corporate Governance Report on page 36.

Advisers

The Committee has appointed Towers Perrin to provide it with independent advice in determining the appropriate remuneration, including bonus schemes, and other terms and conditions of employment of directors, and to assist it in review of remuneration policies and practices throughout the Group.

Towers Perrin has, with the consent of the Committee, assisted the Company by providing market data and advice in connection with the remuneration of senior managers. The Committee is conscious of the need to ensure that no conflict of interest arises as a result of Towers Perrin advising both it and the Company, but believes that the benefits of consistent advice outweighs the possible problems that could arise from these arrangements.

A summary of the terms of reference of Towers Perrin in their role as independent advisors to the Committee are set out on the Company's website and are available upon request from the Company Secretary.

Dave Forsey, the Chief Executive, Bob Mellors, the Group Finance Director, and Mike Ashley the Executive Deputy Chairman have also advised the Committee when requested.

Remuneration policy

The Committee has endorsed the provisions of Section B of the Combined Code, and has had those provisions in mind when determining remuneration policies for the past, current and future years. Policies and practice in respect of remuneration inevitably evolve over time and, while it is currently believed that the policies described in this report will apply in future years, they will be subject to regular review.

The Committee seeks to ensure that levels of remuneration are sufficient to attract, retain and motivate directors and senior managers of the quality required to run the Group successfully, and, in order to maintain the Group's historic focus on growth, has adopted a strongly performance based remuneration policy for executive directors, under which a large proportion of their remuneration will be dependent upon the Group's performance.

Basic salaries for executive directors other than Mike Ashley have been set at a level well below the median level for a business of the size and complexity of the Group and its subsidiaries. The maximum payment under the annual bonus plan is 100% of salary, and the Performance Share Plan permits annual grants of up to four times salary. If the Committee were to change its policy on basic salaries, then it would revisit the salary multiple for grants under the Performance Share Plan, and the Committee's remuneration policy set out above will not necessarily apply to any new appointment to the Board.

Mike Ashley has agreed that he will not receive a salary for his role as Executive Deputy Chairman, nor does he participate in the Performance Share Plan.

Executive directors do not participate in a company pension arrangement and do not have the use of a company car or other similar benefits often available to executive directors. Towers Perrin has advised the Committee that in aggregate the total remuneration of Dave Forsey and Bob Mellors is below median.

The Committee intends to establish and thereafter maintain contact with major shareholders and representative groups where appropriate concerning remuneration matters.

The expected value of a four times salary award under the Performance Share Plan is approximately 170% of salary. Accordingly, if the Company's performance meets target levels, performance related pay in 2008-09 is likely to account for approximately 70% of Dave Forsey and Bob Mellors' total remuneration, and at upper quartile performance, performance related pay would account for approximately 85% of total remuneration depending in each case on share price improvement during the relevant performance period.

The Committee is at all times mindful of the Company's social, ethical and environmental responsibilities, and is satisfied that current remuneration arrangements do not inadvertently encourage irresponsible behaviour.

Remuneration policies and key elements of remuneration

Executive directors' remuneration in the Year comprised:

- Basic Salary
- Annual Bonus Scheme
- Performance Share Plan
- IPO Bonus
- Pension

In 2008 executive directors' remuneration will comprise the elements listed above other than the IPO bonus.

Basic salary

Basic salaries are reviewed annually, but the first review post the Admission of the Company to the official list and to trading on the London Stock Exchange on 2 March 2007 ("Admission") as envisaged in the prospectus issued prior to Admission did not take place until April 2008. There was no increase in executive directors' salaries in 2007 and the Committee decided not to alter executive directors' salaries on review in April 2008.

Annual Bonus Scheme

The Annual Bonus Scheme rewards executive directors for achieving challenging business performance targets, chosen at the beginning of the period for their relevance in driving the short term performance of the Group towards the achievement of strategic goals. In the Year the maximum bonus payable to Dave Forsey and Bob Mellors was 100% of salary, and one half of the bonus was to be paid if both target sales and target EBITDA were achieved, and the remainder of the bonus would be paid if target sales are achieved and if a stretch target EBITDA is achieved, with no intermediate payments. Performance was such that no bonus was paid in respect of the Year.

The Committee has determined that the annual bonus scheme for 2008/09 will operate on the same basis as in the Year. Mike Ashley did not participate in the Annual Bonus Scheme for the Year, and will not participate in the scheme for 2008/09.

The Performance Share Plan

The Performance Share Plan was adopted on 11 February 2007, and provides a direct link between executive directors' remuneration and the return to shareholders.

The maximum number of shares that an executive director may acquire pursuant to share awards granted to him in any financial year may not have an aggregate market value, as measured at the date of grant, exceeding 400% of his annual basic salary.

Market value for this purpose is based on the closing middle market quotation for a share as derived from the Daily Official List of the London Stock Exchange for the dealing day immediately preceding the date of grant.

On 5 April 2007, during the 42-day period following Admission, share awards were granted to each of Dave Forsey and Bob Mellors relating to 400% of their basic salary. No awards were made during the Year as the performance period for any awards that may have been made during the Year would have ended at the same time as the awards made on 5 April 2007.

Share awards under the Performance Share Plan are subject to performance conditions imposed by the Committee at the time of grant. The extent to which the performance conditions are satisfied will determine how many (if any) of the shares each executive director is entitled to receive. Performance conditions are not capable of being retested, so that any proportion of a share award which does not vest on the normal vesting date will lapse.

The Committee determined in respect of the first grants made under the plan that the vesting of 50% of the awards would be subject to a performance target based on the earnings per share ("EPS") growth of the Company over the designated performance period. The remaining 50% of the awards are subject to a performance target based on the Company's total shareholder return ("TSR") over the same performance period when compared against a group of comparator companies.

The performance period for grants under the Performance Share Plan will usually be the three consecutive financial years commencing with the financial year in which the option or award is granted, but for initial awards following Admission, the performance period runs from the date of grant to 25 April 2010 (the end of the 2009-10 financial year).

EPS was chosen as a performance measure because it is an absolute measure of real Group performance.

The Committee chose TSR as a performance measure because it compares the actual returns to shareholders with the actual returns to shareholders in a comparator group of companies, thus providing a relative measure of performance.

The Committee believes that the combination of absolute and relative measure is the best way to align the interest of the director with the actual return to shareholders, and that the targets reflect the history of growth in the Company's businesses and are challenging but achievable.

EPS growth over the first performance period will be calculated by reference to the EPS as derived from the pro forma accounts prepared for the 26 week period to 29 October 2006.

For the purpose of the Performance Share Plan EPS means the diluted earnings per ordinary share of the Company calculated in accordance with IAS 33 Earnings Per Share or any modification or replacement to that standard with which the Company is obliged to comply provided that the Committee has the power (after consultation with the auditors) to adjust the EPS figure to arrive at a figure which reflects underlying business performance of the Group and also to take such steps as necessary to ensure that relevant accounting standards are applied on a consistent basis.

The number of shares that will vest under the EPS tranche of each award will be determined as follows:

EPS Growth	Percentage of shares in EPS tranche that vest
Below 19% per annum	0
19% per annum ("Threshold")	25
24% per annum ("Target")	50
29% per annum ("Stretch")	100

Shares comprised in the EPS tranche will vest on a straight-line basis for performance between Threshold and Target and between Target and Stretch.

TSR means, in relation to a share in the Company or an ordinary share in a company in the comparator group in a performance period, the aggregate of the increase above or decrease below the average market value of such a share at the beginning of the relevant performance period and the aggregate value of dividends paid in that performance period (excluding any tax credit), where each such dividend is deemed to have been reinvested in the shares of each relevant company from the date of payment of the dividend to the last day of the performance period.

The initial comparator group of companies comprised the following companies:

- Marks & Spencer plc
- Kingfisher plc
- Next Group plc
- Home Retail Group plc
- DSG International plc
- The Carphone Warehouse Group plc
- Signet Group plc

DIRECTORS' REMUNERATION REPORT Continued

- Kesa Electrical plc
- Debenhams plc
- N Brown Group plc
- Galiform plc
- Carpetright plc
- Halfords Group plc
- W H Smith plc
- JJB Sports plc
- HMV Group plc
- The John David Group plc
- Blacks Leisure Group plc
- Umbro plc (until replaced by Mothercare plc)

Mothercare plc has replaced Umbro plc in the comparator group following its acquisition by Nike and subsequent delisting.

The Committee will keep the comparator group under review and will, if and when it considers appropriate, include additional companies to replace any of the existing comparator group that are no longer appropriate or listed.

TSR was calculated for the first grants made in the 42 days following Admission using average market value of shares in each company in the comparator group over the 20 dealing days immediately following Admission. For future grants TSR will be calculated using the average value of shares of companies in the comparator group on the last day of the financial year.

The percentage of the shares comprised in the TSR tranche that vest will be determined by reference to the Company's TSR ranking within the comparator group at the end of the performance period as follows:

TSR Ranking	Percentage of shares in TSR tranche that vest
Upper quartile	100
Median	25
Below median	0

Shares comprised in the TSR tranche will vest on a straight-line basis for performance between median and upper quartile.

The Committee may amend the performance conditions if an event occurs that causes it reasonably to consider that the original performance conditions are no longer, without alteration, a fair measure of performance, provided that the amended conditions are at least as challenging as the original performance conditions. Any such amendment will be disclosed in the directors' remuneration report following the amendment.

During the Year the Committee reviewed the performance conditions and business performance to date against those conditions, and determined that, for the time being, they were satisfied that the conditions remained appropriate. The Committee may, however, set different performance conditions for future awards.

Subject to satisfaction of applicable performance conditions, awards will vest at the end of the performance period and vested share awards will be released to participants automatically as soon as practicable after the date the shares vest.

Share awards may normally only vest if the executive director remains in employment with the Group. If a participant leaves employment before the vesting date, the share awards will normally lapse. However, if the reason for leaving is injury, disability, ill-health, the sale of the business or company in which the executive director is employed, or any other reason, at the Committee's discretion, a participant's awards will not lapse and will vest on the original vesting date to the extent the performance conditions have been met. The number of shares which are released or capable of exercise will be pro-rated to reflect the proportion of the performance period the participant was actually employed unless the Committee determines otherwise. In the event of a participant's death, a share award may be released to or exercised by their personal representatives.

In the event of a takeover, scheme of arrangement (other than a scheme to create a new holding company for the Company having substantially the same shareholders as the Company) or voluntary winding-up of the Company, share awards will vest following such an event to the extent the performance conditions have been met but on a time pro-rated basis. Share awards may also by agreement, be exchanged for equivalent share awards or options over shares in the acquiring company.

The Committee has determined that, upon the vesting of any award, a participant will receive additional shares representing the gross value of dividends as if they had been paid on those shares and reinvested during the performance period.

The Company reviews awards under the Performance Share Plan in terms of their effect on dilution limits, and seeks to comply with the dilution limits recommended by the Association of British Insurers for such plans. At the end of the Year the Company was within those limits.

The Company is in the process of establishing a discretionary trust to acquire and hold, or to enter into agreements to procure the delivery of shares required to satisfy share awards granted under the Performance Share Plan.

The IPO Bonus

In recognition of their important contribution to the development of the Company over many years, it was agreed prior to Admission that each of Dave Forsey and Bob Mellors should receive a bonus of £5.0 million, payable in April 2007, subject to continued employment at the payment date. The Committee subsequently agreed with the recipients before the bonus was payable that £2.5 million should be paid in April 2007, and that the balance of £2.5 million be paid in April 2008.

Pension

Executive directors are entitled to participate in a stakeholder pension scheme under which the Company makes no contribution.

Share Ownership Policy

The Committee believes it to be important that executive directors have a significant holding in the capital of the Company, and during the Year each of Dave Forsey and Bob Mellors purchased one million ordinary shares in the Company.

Contracts of service

On 11 February 2007, each executive director entered into a new service agreement with the Company. The agreements became effective on Admission.

Each executive director's employment is terminable by either party on 12 months' written notice. The Company may elect to terminate the employment of Dave Forsey and/or Bob Mellors by making a payment in lieu of notice equal to basic salary that the director would have received during the notice period or, if notice has already been given, during the remainder thereof, a pro-rated annual bonus payment for their 12 months' notice period or any unexpired period thereof assuming on target performance, and the cost to the Company of providing other benefits (excluding pension) that the director would have received during the notice period or the unexpired portion thereof. The Company may elect to continue to provide the other benefits during the notice period, or deem such benefits to have a value of 10% of basis salary and pay an appropriate sum in lieu.

The Company may elect to pay any payment in lieu of notice by monthly instalments during the outstanding notice periods, and if the director obtains alternative employment or provides services pursuant to a consultancy agreement while such payments are being made (the director being obliged to use his best efforts to obtain such employment), each instalment falling due after the commencement of such employment or provision of services is reduced by one twelfth of the annual remuneration or fees received by the director in respect of that alternative employment or consultancy.

Any entitlement to benefits under any share related incentive scheme are determined in accordance with the rules of that scheme.

Each executive director's service contract automatically terminates on the date that the director reaches such age as is determined by the Board from time to time as the retirement age for executive directors.

The non-executive directors have each entered into a letter of appointment with the Company, which became effective in the case of Simon Bentley, David Richardson and Chris Bulmer on Admission, and in the case of Malcolm Dalgleish and Dave Singleton on execution. Details of the letters of appointment are set out below:

	Position	Annual Fee £'000	Date of Letter of Appointment
David Richardson [1]	Non-Executive Chairman	144	11/02/2007
Simon Bentley [2]	Non-Executive Director	50	11/02/2007
Chris Bulmer [3]	Non-Executive Director	40	11/02/2007
Malcolm Dalgleish	Non-Executive Director	50	25/10/2007
Dave Singleton	Non-Executive Director	50	25/10/2007

[1] David Richardson resigned on 31 May 2007

[2] Simon Bentley received an annual fee of £40,000 per annum prior to appointment as Acting Chairman. He currently receives an annual fee of £144,000 as Acting Chairman

[3] Chris Bulmer resigned on 25 October 2007

Non-executive directors do not participate in any bonus or share scheme.

Each non executive director's appointment is for an initial period that expires on the date of the Company's first Annual General Meeting after appointment. If the appointment of each of Malcolm Dalgleish and Dave Singleton is renewed at the AGM, it will continue for a term of three years and then terminate unless renewed prior to the expiry of that term.

Notwithstanding renewal for a three year term, the appointment of each of Simon Bentley and Malcolm Dalgleish and Dave Singleton may be terminated at any time by either party on one months' written notice.

Each of the appointments of the non-executive directors may also be terminated in accordance with the Articles of Association of the Company, and immediately in certain prescribed circumstances (including the bankruptcy of the non-executive director).

In addition to the annual directors fees of £40,000 per annum referred to above, prior to his appointment as Acting Chairman Simon Bentley was entitled to a fee of £10,000 per annum as Chairman of the Audit Committee, and Chris Bulmer was entitled to a fee of £7,500 per annum as Chairman of the Remuneration Committee.

Non-executive directors are subject to confidentiality undertakings without limitation in time; they are not entitled to receive any compensation on the termination of their appointment and are not entitled to participate in the Company's share or bonus schemes.

Non-executive directorships

The Board recognises that executive directors may be invited to become non-executive directors of other companies, and that the experience and knowledge gained as a result of such appointments are of benefit to the Company. Accordingly, the Board has agreed that the executive directors may accept one such appointment, and retain any fees payable in respect thereof, subject to there being no conflict of interest.

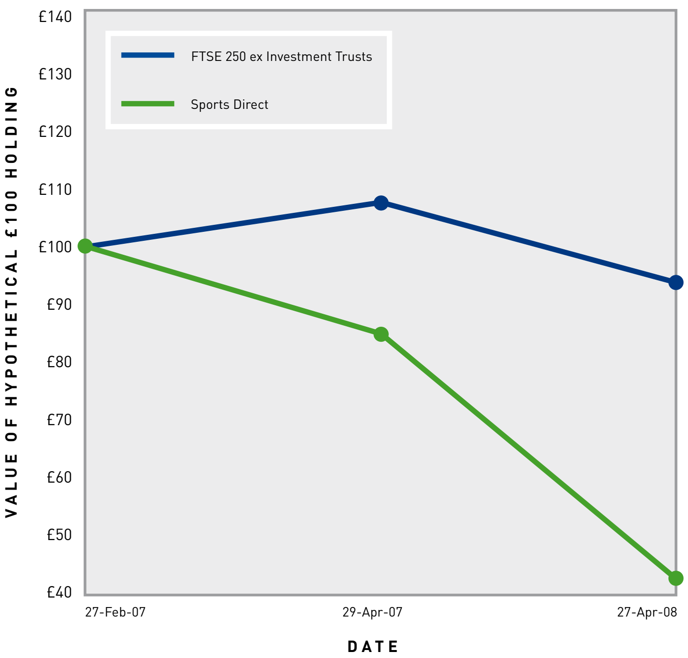
No executive director currently holds any such appointment.

DIRECTORS' REMUNERATION REPORT Continued

Performance graph

The following graph, required by the Regulations, shows the Company's total shareholder return since Admission against that of the FTSE 250 index (excluding investment trusts). The Committee considered this an appropriate index against which to compare the Company's performance as it is widely accepted as a national measure and includes the companies that investors are likely to consider alternative investments.

Historical TSR Performance
Growth in the Value of a Hypothetical £100 Holding since Flotation up to Year End
FTSE mid 250 excluding Investment Trusts Comparison Based on Spot Values



Service Contracts

The Executive Directors' service contracts are summarised in the following table:

Name	Contract date	Notice Period	Proper Law
Mike Ashley	11/02/07	12 Months	England & Wales
Dave Forsey	11/02/07	12 Months	England & Wales
Bob Mellors	11/02/07	12 Months	England & Wales

AUDITED INFORMATION

Auditors' report

The auditors are required to report on the information contained in the following section of this report, other than in respect of directors' shareholding.

Directors Remuneration 2008

The following pages set out an analysis of directors' emoluments and annual bonus, entitlements under the Performance Share Plan, and shareholdings.

Directors' emoluments

An analysis of directors' emoluments relating to salary and directors fees, annual bonus and other benefits (other than entitlements under the Performance Share Plan and in respect of pensions) for the 52 weeks to 27 April 2008 (the Year) is set out below:

£000	Salaries and fees	Bonus	Other benefits	Total 2008	Total 2007
Mike Ashley	-	-	-	-	43
Simon Bentley	128	-	-	128	13
Chris Bulmer	24	-	-	24	13
Malcolm Dalgleish	26	-	-	26	-
Dave Forsey	150	-	-	150	5,150
Bob Mellors	150	-	-	150	5,150
David Richardson	12	-	-	12	24
Dave Singleton	26	-	-	26	-

Each of Dave Forsey and Bob Mellors received an IPO Bonus of £5m, of which £2.5m was paid in April 2007 and the balance of £2.5m in April 2008. The whole of those bonuses was however, accounted for in 2006-07, and is reflected in the "Total 2007" column above.

The aggregate of directors' emoluments in the Year was £515,333 (2006-07: £10,393,300).

Basic Salary

The basic salaries of executive directors at the Year end and at 10 July 2008 (the latest practicable date before the printing of this report) were as shown below:

	At 27 April 2008	At 10 July 2008
Mike Ashley	-	-
Dave Forsey	£150,000	£150,000
Bob Mellors	£150,000	£150,000

Annual Bonus Scheme

Performance against business targets during the Year was such that no annual bonus was earned by executive directors participating in the Annual Bonus Scheme.

Performance Share Plan

Share awards under the Performance Share Plan were made to certain of the executive directors in April 2007, as shown below:

	Date of award	Maximum shares receivable at 29 April 2007 or date of appointment (1)	Shares awarded during the Year	Shares vested during the Year	Maximum shares receivable at 27 March 2008	Market Value per share on date of award	Earliest date of Vesting (2)
Dave Forsey	5 April 2007	£223,256	-	-	223,256	268.75p	25 April 2010
Bob Mellors	5 April 2007	£223,256	-	-	223,256	268.75p	25 April 2010

(1) The number of shares is the maximum number of shares that could be receivable by the director if the performance conditions, outlined on pages 39 and 40, are fully met.

(2) The "Earliest Date of Vesting" is the end of the relevant performance period. The outcome for that period and the number of awards that vest will not be known until July 2010.

No share awards were made during the Year as awards under the Performance Share Plan were made in April 2007 (during the 42 days following Admission) and the performance period for those awards ends at the same time as the performance period for any awards that may have been made during the Year.

Directors' Shareholdings

The beneficial interests of the directors in office on 27 April 2008 and of their families in both cases at the beginning of the Year, or at the date of appointment if later, and at the end of the Year in the share capital of the Company are shown below:

	Ordinary Shares 29 April 2007	Ordinary Shares 27 April 2008
Mike Ashley	410,400,000	410,400,000
Simon Bentley	-	-
Malcolm Dalgleish (appointed 25 October 2007)	75,000	75,000
Dave Forsey	-	1,000,000
Bob Mellors	-	1,000,000
Dave Singleton (appointed 25 October 2007)	3,621	3,621

There were no non-beneficial holdings held by any of the directors and there have been no changes to any of these holdings between the 27 April 2008 and 10 July 2008 the latest practicable date before the printing of this report.

Pension Contributions

The Company made no contributions to directors' money purchase pension schemes during the year.

By Order of the Board

Dave Singleton
Chairman of the Board
Remuneration Committee

10 July 2008

DIRECTORS' RESPONSIBILITIES AND RESPONSIBILITY STATEMENT

Directors Responsibilities

The directors are responsible for preparing the Annual Report and the Company and Group financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial period and of the profits or loss of the Group for that period. Under that law the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs)

The directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (UK GAAP).

In preparing each of the Company and Group financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concerns basis unless it is inappropriate to presume that the Company and Group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985 and Article 4 of the IAS Regulation. They have general responsibility for the system of internal control, taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Report that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement

To the best of my knowledge:

(a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and of the undertakings included in the consolidation taken as a whole; and

(b) the management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By Order of the Board

Dave Forsey
Chief Executive

Bob Mellors
Group Finance Director

10 July 2008

COMMUNITY AND SOCIAL RESPONSIBILITY REPORT

The Board recognises the importance of balancing the interests of all its key stakeholders, including customers, shareholders, employees, suppliers and the communities in which it operates. The Group has adopted a formal Corporate and Social Responsibility Policy to ensure that the Group attains appropriate standards of corporate behaviour throughout its operations. The Board is committed to developing this policy.

The Group will focus its CSR activities on five key areas; employees, health and safety, customers, the environment, and the community. The Board has adopted Key Performance Indicators (KPIs) to assist in measuring success certain of these areas, and these KPIs are set out in the Chief Executive's Report and Business Review on page 17.

Employees

There are currently 15,700 employees throughout the Group and their skill and enthusiasm is key to the success of the businesses.

To enable the Group's employees to carry out their roles and to understand their career paths the Group provides comprehensive training programmes, which seek to improve performance, quality and customer service, to support the long term progress of the Group.

In the retail business training begins with all area managers and assistant managers and area managers participating in an induction process at the Shirebrook campus. This induction covers health and safety, and environmental awareness, as well as customer service and the day to day running of a retail unit. In the 52 weeks ended 27 April 2008 (the Year) 171 managers attended this training (2007: 118).

All National Distribution Centre employees are given appropriate training on health and safety matters, communication, and relevant aspects of employment law on joining. English is not the first language of many of these, and the Group acknowledges that as it recruits from a diverse talent pool the needs of these employees must be addressed. Accordingly, training often involves the use of interpreters, and training materials, policy documents and building signage are usually in multiple languages.

A management training programme is being introduced in 2008 covering interview skills, effective communication, people skills and employment law.

The Group's training strategy is to ensure that managers have the skills needed to pass on their knowledge to employees at a local level, developing bespoke induction training programmes. This strategy ensures that training is relevant to the particular issues faced locally, whether in a shop, warehouse or head office environment.

As the Group continues to grow greater emphasis is being given to employee communications. During the Year the Staff Forum was established in Shirebrook, comprising elected representatives from across business disciplines and representatives of management. The Forum meets monthly and covers issues ranging from pay, holidays and hours to health and safety, working conditions and equipment needs and developments in the business.

The health and well being of Group employees is very important, and all employees have access to the Occupational Health provider. Employees who are absent from work with a long term illness are referred to the Occupational Health provider to determine whether the Group can assist with an employee's recovery.

The Group is committed to the equal treatment of its employees and has adopted effective equal opportunity and diversity policies. Employees are treated as individuals, fairly and with respect; all employment policies are fair and provide equal opportunities to employees regardless of age, gender, ethnicity, social background, religion, disability or sexuality.

Every effort is made to provide disabled people with equal opportunities for work, training and promotion. Where an existing employee becomes disabled the business makes every effort to provide continued employment under normal terms and conditions.

Retention of employees is extremely important and the Board receives a monthly report on the turnover of staff. Staff turnover in the Year has been affected by the continued consolidation of head office and support services at Shirebrook.

The Group will continue to widen the variety of training programmes to adapt to employees needs and changes in legislation. The Group will also ensure that a rolling programme of refresher training is undertaken by all employees to reinforce the training they receive at the beginning of their career.

Health and Safety

The Group is committed to appropriate standards of health and safety performance. The Board has ultimate responsibility for Group health and safety performance overall, and receives a monthly report on reportable accidents. The Chief Executive has specific responsibility for health and safety and is the Chairman of the Health and Safety Committee, which meets at least four times a year and considers legislation, monitors accidents and seeks improvements in health and safety matters throughout the businesses.

Good health and safety performance can only be achieved with the participation of all employees. Training is included in the induction process for all new employees, which includes training on dealing with evacuation of disabled persons in an emergency. The Group Health and Safety Policy is communicated further through the employee handbook, store briefings, refresher training, area newsletters, notice boards and by line management. The strategy for health and safety training and compliance with Group standards in stores is to ensure that all store managers are competent to train their own employees, ensuring that each store will be able to promote good health and safety practice as well as customising training to address any issues specific to it.

Compliance with health and safety standards is monitored by a central team of Health and Safety Officers who undertake store inspections as part of a rolling programme of health and safety audits and fire risk assessments on a six monthly basis.

During the Year 1,141 accidents across the Group were reported to Head Office, but only 25 were serious enough to be reported to the Health and Safety Executive, and most accidents resulted from slips and trips within stores or from minor cuts. The Board believes that overall the accident statistics remain consistent with the number of stores and customer footfall through stores. The Year has seen a slight increase in the number of accidents reported, due the Board believes to the increased profile of health and safety reporting and the increased awareness of staff of their obligation to record and report all incidents.

The current health and safety management systems will be developed further, current procedures improved and risk assessments reviewed.

COMMUNITY AND SOCIAL RESPONSIBILITY REPORT Continued

Customers
The Group aims to ensure that all its customers enjoy a quality customer service and that they are provided with products that are safe and fit for purpose. The business recognises that customers have diverse needs and works constantly towards meeting them.

Monitoring customer satisfaction and responding to correspondence is a continuous process. Customer Service teams collate management information on service levels and this is circulated to the executive on a monthly basis.

All written complaints are recorded, including an analysis of the nature of the complaint so that trends can be assessed and appropriate action taken. A report on customer complaints is made to the Board monthly. Customer feedback and suggestions are considered seriously and, where appropriate, improvements are made in stores and to our procedures.

All store employees are given customer service training upon joining and refresher training thereafter. As part of the customer service training employees are given training on the needs of customers who have disabilities.

The Group is committed to maintaining and improving levels of customer service and will continue to analyse customer feedback in order to improve the experience that our customers have while visiting our stores or using the internet. The business will continue to monitor the number of complaints received from customers and act on any identified trends occurring, while rewarding those employees who gain positive customer feedback.

Environment
The Group has a network of 375 stores in the UK (excluding Northern Ireland), and to keep them running and fully stocked with merchandise used 108,243,529 kwh of electricity in the Year and runs a fleet of 40 trailers and 131 company cars that travel 5.45 million miles a year. The Group is aware of the impact that this has on CO_2 emissions and the Group is committed to controlling and reducing it by managing the use of energy.

The products that are delivered to the Group are protected in transit by significant quantities of packaging, which the Group seeks to reduce and recycle.

Recycling within the National Distribution Centre is an important way of reducing the impact the Group has on the environment. By recycling, the energy and other resources used in producing packaging, and the amount put to landfill is reduced.

The Group recycles waste paper, cardboard and plastic. In the Year 60 tonnes of waste paper and 5557 tonnes of cardboard were recycled. During that year 860 tonnes of baled plastic were also recycled, mainly as a result of stores backfilling their waste to the National Distribution Centre.

Wherever possible waste such as ink toners, redundant IT equipment and light bulbs is recycled.

The Group works hard to reduce the amount of rubbish put into landfill, which amounted to 1400 tonnes in the Year. There are within the Group dedicated personnel who focus on recycling initiatives and who are constantly seeking out ways to reduce the Group's impact on the environment.

The Group strives to reduce its carbon foot print and reduce energy consumption, and most importantly, energy waste, throughout its operations. The store network is our largest user of energy and therefore the biggest contributor to CO_2 emissions. Whilst the Group seeks to make stores more energy efficient during working hours it has identified improvements in energy use while stores are closed.

In conjunction with a company licensed by the Carbon Trust, the Group has put in place an initiative to reduce the night time energy usage of all retail outlets to 7% of daily consumption, saving over 10% of the total energy bill within a year.

Currently 150 stores are being monitored on a half hourly basis to assess their electricity consumption. Poorly performing stores are identified, steps taken to reduce waste, and lessons learned applied to other stores.

All store employees receive energy training as part of their employment induction. To emphasise further the importance of complying with the energy efficiency policy, the Group is working on an incentive based bonus scheme which recognises stores' efforts to reduce waste.

Energy efficiency is a key factor when fitting out a new store. Existing properties that are retrofitted are also subject to the same energy standards as a new store.

The fleet of delivery vehicles is the second largest producer of CO_2 emissions within the Group. The fleet is currently being updated and unnecessary mileage avoided by not having set delivery routes but instead optimising route planning and ensuring that trailers are always full.

The use of plastic carrier bags also impacts on the environment. In the UK the Group's retail businesses currently use 60 million carrier bags each year. In June 2008 biodegradable carrier bags were introduced into our stores. These bags contain an additive that allows the bags to break down into organic matter within 18 to 24 months of manufacture. The Group wished to make sure that if our bags were thrown away they would have minimal impact on the amount in landfill. Allowing for the use of the current stock of non recyclable bags the Group expects that by the end of 2008 all stores will only be using biodegradable carrier bags. In addition by the end of 2008 all stores will offer the option to customers of a bag for life.

The Group continues to research and develop clothing and footwear from sustainable and environmentally friendly processes. In particular the business is investigating the production of recyclable shoes and garments made from sustainable natural materials, thereby reducing the amount of polyester or other oil based clothing within stores.

Community

The Group is committed to procuring merchandise from manufacturers who can show that they uphold ethical employment and trading practices. The Group has a Code of Ethics that it requires every supplier to adhere to. Amongst other matters the Code provides for fair treatment of workers and their wages, non-use of child labour, safe and healthy systems of work and no use of illegal means or materials in the production of goods.

The Group has worked for many years with two leading supply chain companies in Singapore and in Korea to procure much of its own brand goods. The Group believes that using their local knowledge, expertise and experience benefits the business and the communities in which they operate more effectively than would be the case if the Group carried on its own procurement activities in those countries. Both companies have the highest social and business ethics codes which match our Code of Ethics, and one adheres to the Social Accountability 8000 (SA8000) Code.

The Group relies on those supply chain companies to inspect all suppliers and manufacturers premises. Between them they have over 100 employees to carry out these inspections and these inspectors will operate within each manufacturing unit for 2 to 3 days per week. Frequent inspections are carried out on a daily or at least weekly basis and they ensure that the goods meet the Group's quality standards as well as assessing continued compliance with SA8000 and the Group's Code of Ethics.

The Group has forged long term relationships with suppliers who have demonstrated that their work practices are consistent with the Group's standards. Approximately 40% of the Group's current suppliers have been working with Group companies for 10 years or more.

The Group assists charitable organisations that have particular relevance to the areas in which the Group operates. In particular, the Group seeks to promote activities that encourage children to participate in some sort of physical activity.

The Brands division, in conjunction with the International Tennis Federation, have established the "D Squad" programme to promote participation in tennis to promising young people worldwide. During the Year 2007-08 the Group provided free tennis kits, rackets, grips, strings and other equipment to over 600 young people to assist them with their game. Some of the D Squad members are already playing at professional level and the programme has received the backing of tennis stars such as John McEnroe.

Also in conjunction with the International Tennis Federation, the Group supplies tennis equipment to the Junior Development Programme, which promotes tournaments for young people aged between 14 and 18 in Central America and the Caribbean, South America, Eastern Europe, Africa, Asia and Pacific regions.

The Group participates in the "Chance to Shine" programme, a charitable initiative run by the Cricket Foundation. It is aimed to address the decline in competitive school cricket across the UK. The Group assisted the Foundation by providing, during the Year, £180,000 worth of cricket kits, bats, pads, grips, gloves etc, at a significant discount, to the 200 coaches who participate in the programme. These coaches visit over 1000 schools every year, reintroducing cricket to the PE timetable and teaching the children how to play the game.

In the United States Everlast, acquired by the Group during the Year, assists USA Boxing, the non profit national governing body of amateur boxing in the US, to develop and promote boxing throughout the USA. The association benefits men, women and young people primarily between the ages of 14 to 34. Everlast provides some $60,000 worth of equipment and apparel a year to USA Boxing.

Everlast also provides some $20,000 worth of products to the New York Golden Gloves tournament. The tournament is run by the USA Boxing Metropolitan Association, an amateur association for the benefit of men and women between the ages of 16 to 34.

During the past Year Everlast donated $40,000 of equipment and apparel to the National Association of Police Athletic/Activities League Inc. National PAL exists to help prevent juvenile crime by providing civic, recreational and athletic activities throughout the USA.

Everlast supports other initiatives such as the National PE4Life day by participating in a yearly event in Washington DC to help raise the profile of physical education within the school network.

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SPORTS DIRECT INTERNATIONAL PLC

We have audited the consolidated financial statements of Sports Direct International plc for the 52 week period to 27 April 2008 which comprise, the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated balance sheet, the consolidated cash flow statement and notes 1 to 44. These consolidated financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Sports Direct International plc for the 52 week to 27 April 2008 and the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the consolidated financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRS) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the consolidated financial statements give a true and fair view and whether the consolidated financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chief Executive's Report and Business Review and the Financial Review that is cross referred from the Business Review and Future Developments section of the Directors' Report.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited consolidated financial statements. The other information comprises only the Directors' Report, the Chairman's Statement, the Chief Executive's Report and Business Review, the Financial Review and the Corporate Governance Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

Opinion

In our opinion:

- the consolidated financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Group's affairs as at 27 April 2008 and of its profit for the 52 week period then ended;
- the consolidated financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the consolidated financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

LONDON
10 July 2008

CONSOLIDATED INCOME STATEMENT FOR THE 52 WEEKS ENDED 27 APRIL 2008

	Notes	52 weeks ended 27 April 2008 £'000	52 weeks ended 29 April 2007 £'000
Continuing operations:			
Revenue	1,4	1,259,510	1,347,144
Cost of sales		(709,809)	(751,003)
Gross profit		549,701	596,141
Selling, distribution and administrative expenses		(444,109)	(445,198)
Other operating income	5	4,023	1,783
Exceptional items	6	-	(58,826)
Operating profit	4, 7	109,615	93,900
Profit on disposal of available-for-sale financial assets	9	41,367	-
Dividend income from investments	9	2,507	1,790
Finance income	10	5,370	3,449
Finance costs	11	(45,006)	(42,081)
Share of profit/(loss) of associated undertakings and joint ventures	16	5,020	3,422
Profit before taxation		118,873	60,480
Taxation	12	(41,126)	(23,360)
Profit for the period	4	77,747	37,120
Equity holders of the Group	28	78,182	37,671
Minority interests	29	(435)	(551)
Profit for the period	4	77,747	37,120

Earnings per share from total and continuing operations attributable to the equity shareholders

		Pence per share	Pence per share
Basic earnings per share	13	12.23	8.18
Diluted earnings per share	13	12.23	8.18

The accompanying accounting policies and notes form part of these financial statements.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE 52 WEEKS ENDED 27 APRIL 2008

	Notes	52 weeks ended 27 April 2008 £'000	52 weeks ended 29 April 2007 £'000
Exchange differences on translation of foreign operations	26	4,763	110
Actuarial gains / (losses) on defined benefit pension schemes	31	1,683	(456)
Fair value adjustment in respect of available-for-sale financial assets	17	(20,571)	(7,106)
Taxation on items taken directly to equity	32	5,760	2,268
Income and expense recognised directly in equity		(8,365)	(5,184)
Profit for the period	4	77,747	37,120
Total income and expense recognised in the period		69,382	31,936
Equity holders of the Group		69,817	32,487
Minority interests		(435)	(551)
		69,382	31,936

The accompanying accounting policies and notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET AS AT 27 APRIL 2008

	Notes	27 April 2008 £'000	29 April 2007 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	322,792	224,463
Intangible assets	15	185,010	87,981
Investments in associated undertakings and joint ventures	16	28,452	21,988
Available-for-sale financial assets	17	65,714	75,447
Deferred tax assets	32	29,110	31,925
		631,078	441,804
Current assets			
Inventories	18	218,763	231,383
Trade and other receivables	19	94,481	88,615
Cash and cash equivalents	20	25,418	181,808
		338,662	501,806
TOTAL ASSETS		969,740	943,610
EQUITY AND LIABILITIES			
Share capital	21	64,045	72,000
Share premium	22	874,300	874,300
Treasury Shares reserve	23	(201,483)	-
Permanent contribution to capital	24	50	50
Capital redemption reserve	25	8,005	50
Foreign currency translation reserve	26	3,926	(837)
Reverse combination reserve	27	(987,312)	(987,312)
Retained earnings	28	363,636	317,708
		125,167	275,959
Minority interests	29	3,242	4,845
Total equity		128,409	280,804
Non-current liabilities			
Other payables		2,829	2,408
Borrowings	30	14,255	1,935
Derivative financial liabilities	34	14,744	9,081
Retirement benefit obligations	31	11,705	14,032
Deferred tax liabilities	32	26,422	18,586
Provisions	33	22,910	23,821
		92,865	69,863
Current liabilities			
Derivative financial liabilities	34	32,894	33,382
Trade and other payables	35	207,598	309,944
Borrowings	30	476,400	217,996
Current tax liabilities		31,574	31,621
		748,466	592,943
Total liabilities		841,331	662,806
TOTAL EQUITY AND LIABILITIES		969,740	943,610

The accompanying accounting policies and notes from part of these financial statements. The financial statements were approved by the Board on 10 July 2008 and were signed on its behalf by:

Bob Mellors
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE 52 WEEKS ENDED 27 APRIL 2008

	Notes	52 weeks ended 27 April 2008 £'000	52 weeks ended 29 April 2007 £'000
Cash inflow from operating activities	37	59,519	199,261
Income taxes paid		(37,638)	(23,886)
Net cash inflow from operating activities		21,881	175,375
Cash flow from investing activities			
Proceeds on disposal of property, plant and equipment		9,924	10,120
Proceeds on disposal of listed investments		595,921	-
Proceeds on disposal of subsidiary	36	5,000	-
Purchase of joint venture, net of cash acquired		-	(238)
Purchase of subsidiaries, net of cash acquired	36	(104,592)	(22,747)
Purchase of intangible assets		(657)	(2,978)
Purchase of property, plant and equipment		(131,776)	(54,797)
Purchase of listed investments		(565,392)	(67,215)
Investment income received		3,696	1,790
Net cash outflow from investing activities		(187,876)	(136,065)
Cash flow from financing activities			
Finance income received		3,104	1,339
Finance costs paid		(39,831)	(7,948)
Net repayments of borrowings		(9,403)	(6,583)
Proceeds from share issues		-	928,850
Purchase of a certain percentage of previous owner's equity investment		-	(928,800)
Share issue costs		-	(9,762)
Equity dividend paid		(7,416)	(380)
Purchase of own shares		(201,483)	-
Net cash outflow from financing activities		(255,029)	(23,284)
Net (decrease) / increase in cash and cash equivalents including overdrafts		(421,024)	16,026
Cash and cash equivalents including overdrafts at beginning of period		(25,029)	(41,055)
Cash and cash equivalents including overdrafts at the period end	20	(446,053)	(25,029)

The accompanying accounting policies and notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008

1. Accounting policies

The consolidated financial statements of Sports Direct International plc (the "Company") and its subsidiaries (together the "Group") have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The following IFRS, International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments have been adopted in the financial statements:

IFRS 7 - 'Financial Instruments: Disclosures' and the complementary amendment to IAS 1 - 'Presentation of Financial Statements - Capital Disclosures' were issued in August 2005 and have introduced revised and additional disclosures. This implementation has had no impact on the results or net assets of the Group.

IFRIC 11 - 'IFRS 2 - Group and Treasury Share Transactions' was issued in November 2006. It clarifies the guidance for applying share-based payment arrangements to the seperate financial statements of each group company. It is required to be implemented by the Group from 30 March 2008. It has had no material impact on the results or net assets of the Group or on the Company's financial statements.

IFRIC 14 - 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' was issued in July 2007. It limits the recognition of a defined benefit asset when minimum funding requirements exist within a plan. It was implemented by the Group from 1 April 2007 and had no material impact on the results or net assets of the Group.

Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS as adopted for use in the European Union (including International Accounting Standards ("IAS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS as adopted for use in the European Union. The consolidated financial statements have been prepared under the historical cost convention, as modified to include fair valuation of financial assets and derivative financial instruments with borrowings recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost as required by IFRS.

Consolidation

The consolidated financial statements consolidate the revenues, costs, assets, liabilities and cash flows of the Company and its subsidiaries, being those entities in relation to which the Company has the power to govern the financial and operating policies, generally achieved by a share of more than 50% of the voting rights.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to the consolidated income statement in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities and contingent liabilities recognised.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

Associates and joint ventures

Associates are entities over which the Group has significant influence but not control, generally accompanied by a share of between 20% and 50% of the voting rights.

A joint venture is an entity in which the Group holds an interest on a long term basis and which is jointly controlled by the Group and one or more other venturers under a contractual agreement.

The Group's share of the results of associates and joint ventures is included in the Group's consolidated income statement using the equity method of accounting. Investments in associates and joint ventures are carried in the Group's consolidated balance sheet at cost plus post acquisition changes in the Group's share of the net assets of the associates, less any impairment in value. The carrying values of investments in associates and joint ventures include acquired goodwill.

If the Group's share of losses in an associate or joint venture equals or exceeds its investment in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations to do so or made payments on behalf of the associate or joint venture. Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity.

Investments

For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity through the statement of recognised income and expense, until the security is disposed at which time the cumulative gain or loss previously recognised in equity is included in the consolidated income statement for the period. If an available-for-sale investment is determined to be impaired, the cumulative loss previously recognised in equity is included in the income statement for the period.

Goodwill

Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually or when a change in circumstances or situation indicates that the goodwill has suffered an impairment loss. Any impairment is recognised immediately in the income statement. Gains and losses on the disposal of a business include the amount of goodwill relating to that business.

Other intangible assets

Brands, trade marks and licences that are internally generated are not recorded on the balance sheet. Acquired brands, trade marks and licences are initially carried on the balance sheet at cost. The fair value of brands, trade marks and licences that are acquired by virtue of a business combination is determined at the date of acquisition and is subsequently assessed as being the deemed cost to the Group.

No amortisation is charged on brands, trade marks or perpetual/renewable licences with an indefinite life as the Group believes that the value of these brands and trade marks can be maintained indefinitely. The Group carries out an impairment review on the intangible assets, at least annually, or when a change in circumstances or situation indicates that those brands have suffered an impairment loss. Impairment is measured by comparing the carrying amount of the intangible asset as part of the cash generating unit (CGU) with the recoverable amount of the CGU, that is, the higher of its fair value less costs to sell and its value in use. Value in use is calculated by discounting the expected future cash flows, using a discount rate based on an estimate of the rate that the market would expect on an investment of comparable risk.

Amortisation is provided on brands, trade marks and licences with a definite life over their useful economic lives of 10 to 15 years and is accounted for within the selling, distribution and administrative expenses category within the income statement.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs can be measured reliably. All other costs, including repairs and maintenance costs, are charged to the income statement in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment other than freehold land and is calculated on a reducing balance basis or straight-line basis, whichever is deemed by the Directors to be more appropriate, to allocate cost less assessed residual value, other than assets in the course of construction, over the estimated useful lives, as follows:

Freehold buildings	—	2% per annum
Leasehold property	—	over the term of the lease
Plant and equipment	—	between 5% and 33% per annum

The assets' useful lives and residual values are reviewed and, if appropriate, adjusted at each balance sheet date.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the income statement.

Impairment of assets other than goodwill and intangible assets with an indefinite life
At each balance sheet date, the Directors review the carrying amounts of the Group's tangible and intangible assets, other than goodwill and intangible assets with an indefinite life, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised in the income statement immediately.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

In case of goods sold through retail stores, revenue is recognised when goods are sold to the customer, less provision for returns. Accumulated experience is used to estimate and provide for such returns at the time of the sale. Retail sales are usually in cash, by debit card or by credit card.

In the case of income generated from trade marks and licences, revenue is recognised on an accruals basis in accordance with the relevant agreements or on a transactional basis when revenue is linked to sale or purchase volumes.

Revenue from property related transactions is recognised when the relevant service is provided.

Exceptional items
The Group presents as exceptional items on the face of the income statement those significant items of income and expense which, because of their size, nature and infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the Year, so as to facilitate comparison with prior periods to assess trends in financial performance more readily.

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Government grants and similar income
Income from government grants and similar income such as landlord contributions and inducements that compensate the Group for the cost of an asset are recognised in the balance sheet as a deduction in arriving at the carrying amount of the related asset. This is considered to reflect the true cost of the asset to the Group. The amount is recognised in the consolidated income statement over the life of the depreciable asset by way of a reduced depreciation charge. To date the Group has not received government grants in compensation for expenses charged in the consolidated income statement.

Foreign currencies
The presentational currency of the Group is Sterling. Foreign currency transactions are translated into Sterling using the exchange rates prevailing on the dates of the transactions. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses which are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

Accounting policies (continued)

On consolidation, the assets and liabilities of foreign operations which have a functional currency other than Sterling are translated into Sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of these subsidiary undertakings are translated at average rates applicable in the period. All resulting exchange differences are recognised as a separate component of equity.

When a foreign operation is sold, combined exchange differences that have been recognised as a separate component of equity are recognised in the income statement as part of the gain or loss on disposal.

In order to mitigate its exposure to certain foreign exchange risks, the Group enters into forward contracts (See Chief Executive's report).

Inventories

Inventories are valued at lower of cost and net realisable value. Cost includes the purchase price of the manufactured products, materials, direct labour, transport costs and a proportion of applicable overheads. Cost is calculated using FIFO (first in, first out). Net realisable value is based on the estimated selling price less all estimated selling costs.

Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost under the effective interest rate method less provision for impairment. Provision for impairment is established when there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on demand deposits held with banks.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Deferred taxation

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from the initial recognition of goodwill or initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the group are assessed for recognition as deferred tax assets. Deferred tax is determined using tax rates and laws that have been enacted (or substantially enacted) by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Pensions

The Group operates pension plans for the benefit of certain employees, including both defined contribution and defined benefit plans.

In relation to its defined contribution plans, the Group makes contributions to independently administered plans, the contributions being recognised as an expense when they fall due. The Group has no legal or constructive obligation to make any further payments to the plans other than the contributions due.

In relation to its defined benefit schemes, the Group recognises in its balance sheet the present value of its defined benefit obligations less the fair value of plan assets. The current service cost is charged against operating profit. Interest on the scheme liabilities is included in finance costs and the expected return on scheme assets is included in finance income.

The defined benefit obligation is calculated at each period end by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and which have terms to maturity approximating the terms of the related pension liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are reflected in the statement of recognised income and expense in the period in which they arise.

Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date.

Borrowing costs, being interest and other costs incurred in connection with the servicing of borrowings, are recognised as an expense when incurred.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Group provides for dilapidations costs following advice from chartered surveyors and previous experience of exit costs. The estimated cost of fulfilling the leasehold dilapidations obligations is discounted to present value and analysed between non-capital and capital components. The capital element is recognised as a decommissioning cost and depreciated over the life of the asset. The non-capital element is taken to the income statement in the first year of the lease where the cost it represents is of no lasting benefit to the Group or its landlord. 'Wear and tear' costs are expensed to the income statement. Provisions for onerous lease contracts are recognised when the Group believes the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease.

Leases
Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The asset subject to the finance lease is depreciated over the shorter of its useful life and the lease term. The corresponding rental obligations, net of finance charges, are included as a liability.

Leases of property, plant and equipment where the Group does not have substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term. Incentives provided by the lessor are credited to the income statement on a straight-line basis over the minimum lease term.

Rental income from operating leases where the Group acts as a lessor is recognised on a straight-line basis over the term of the relevant lease.

Derivative financial instruments
The most significant exposure to foreign exchange fluctuations relates to purchases made in foreign currencies, principally the US dollar. The Group's policy is to reduce substantially the risk associated with purchases denominated in foreign currencies by using forward fixed rate currency purchase contracts, taking into account any foreign currency cash flows. The foreign exchange contracts do not meet the criteria for treatment as an effective hedge and accordingly any gain or loss is recognised immediately in the income statement.

Derivative financial instruments are measured at fair value. Gains or losses on derivative financial instruments related to financing activities are included in finance costs when recognised in the income statement.

Share-based payments
The Group issues equity-settled share-based payments to certain directors and employees. These are measured at fair value at the date of grant which is expensed to the consolidated income statement on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of a Monte Carlo method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. No share-based payment charge was recognised for the 52 weeks ended 27 April 2008 as the directors did not consider it material to the Group's financial results or position.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of any direct issue costs.

Dividends
Dividends are recognised as a liability in the Group's financial statements and as a deduction from equity in the period in which the dividends are declared. Where such dividends are proposed subject to the approval of shareholders, the dividends are regarded as declared once shareholder approval has been obtained.

International Financial Reporting Standards ("Standards") in issue but not yet effective
At the date of authorisation of these consolidated financial statements, the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following standards and interpretations which are effective for annual accounting periods beginning on or after the stated effective date. These standards and interpretations are not effective for and have not been applied in the preparation of the consolidated financial statements:

- IAS 1 Presentation of Financial Statements (revised 2007) (effective 1 January 2009)
- IAS 23 Borrowing Costs (revised 2007) (effective 1 January 2009)
- Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (effective 1 January 2009)
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective 1 July 2009)
- Amendment to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations (effective 1 January 2009)
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements - Costs of Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 January 2009)
- Improvements to IFRSs (effective 1 January 2009 other than certain amendments effective 1 July 2009)
- IFRS 3 Business Combinations (Revised 2008) (effective 1 July 2009)
- IFRS 8 Operating Segments (effective 1 January 2009)
- IFRIC 12 Service Concession Arrangements (effective 1 January 2008)
- IFRIC 13 Customer Loyalty Programmes (effective 1 July 2008)
- IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008)
- IFRIC 15 Agreements for the Construction of Real Estate (effective 1 January 2009)
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial adoption.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

2. Critical accounting estimates and judgments

The critical accounting estimates and judgments made by the Group regarding the future or other key sources of estimation, uncertainty and judgment that may have a significant risk of giving rise to a material adjustment to the carrying values of assets and liabilities within the next financial year are:

Financial position of retirement benefit plans
The net defined benefit pension plan assets or liabilities are recognised in the Group's balance sheet. The determination of the financial position requires assumptions to be made regarding *inter alia* future salary increases, mortality, discount rates and inflation. The key assumptions made in relation to the pension plan are set out in Note 31.

Provision for obsolete, slow moving or defective inventories
The Directors have applied their knowledge and experience of the sports retail industry in determining the level and rates of provisioning required in calculating the appropriate inventory carrying values. The nature and carrying amounts are set out in Note 18.

Impairment of goodwill
The calculation for considering the impairment of the carrying amount of goodwill requires a comparison of the present value of the cash-generating units to which the goodwill has been allocated, to the value of goodwill in the balance sheet. The calculation of present values requires an estimation of the future cash flows expected to arise from the cash-generating units and the selection of a suitable discount rate. The key assumptions made in relation to the impairment review of goodwill are set out in Note 15.

Identification and valuation of acquired intangible assets
On acquisition, each material separable intangible asset is identified and valued by the Directors with assistance from a professional third party. Any such calculation is judgmental in nature as it is based on a valuation methodology.

Brand valuations are typically valued using the relief from royalty valuation methodology.

The nature and carrying amounts of these assets are set out in Note 15.

Useful economic life of intangible assets
For intangible assets which have a finite life, the Directors revisit their estimate of useful economic life at each period end and revise accordingly. Licences and trade marks typically have a life of between 10 and 12 years.

Impairment of other intangible assets
The calculation for considering the impairment of the carrying amount of other intangible assets with an indefinite life, specifically brands, trade marks and licences, requires a comparison of the present value of the cash-generating units to the value of the other intangible assets in the balance sheet. The calculation of present value requires an estimation of the future cash flows expected to arise from the other intangible assets and the selection of a suitable discount rate.

Provision for dilapidations and onerous contracts
The basis of the estimation of the provisioning for dilapidations and onerous contracts is detailed in the provision accounting policy and Note 33.

Estimates and judgments are continually evaluated and are based on historical experience, external advice and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Financial risk management

The Group's current activities result in the following financial risks and management's responses to those risks in order to minimise any resulting adverse effects on the Group's financial performance.

Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward foreign exchange contracts, transacted with group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Interest rate risk
The Group has net borrowings, which are principally at floating interest rates linked to bank base rates or LIBOR. The Group does not use interest rate financial instruments to hedge its exposure to interest rate movements. The Group regularly monitors and reacts accordingly to any exposure to fluctuations in interest rates and the impact on its monetary assets and liabilities.

Credit risk
The Directors have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

At each balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating and investment criteria approved by the Board.

Liquidity risk
The availability of adequate cash resources is managed by the Group through utilisation of its revolving bank facilities together with equity and retained profits thereby achieving continuity of funding and short-term flexibility.

4. Segmental analysis

Primary reporting format — business segments

For management purposes, the Group is organised into and reports its performance between two business segments, Retail and Brands. The Retail business segment comprises the retail network of stores and the Brands business segment comprises the identification, acquisition, development and trading of a portfolio of internationally recognised sports and leisure brands.

Segment information about the business segments is presented below:

Segmental information for the 52 weeks ended 27 April 2008:

	Retail					Brands			Eliminations	Total
	UK retail	UK wholesale & other	UK total	International Retail	Total	Wholesale	Licensing	Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sales to external customers	957,652	31,956*	989,608	77,257	1,066,865	171,558	21,087	192,645	-	1,259,510
Sales to other segments	-	1,662	1,662	-	1,662	6,841	568	7,409	(9,071)	-
Revenue	957,652	33,618	991,270	77,257	1,068,527	178,399	21,655	200,054	(9,071)	1,259,510
Gross profit			439,741	32,382	472,123			77,578	-	549,701
Operating profit before foreign exchange and exceptional items			93,169	2,035	95,204			10,950	-	106,154
Operating profit			96,408	1,897	98,305			11,310	-	109,615
Profit on disposal of available-for-sale financial assets										41,367
Investment income										2,507
Finance income										5,370
Finance costs										(45,006)
Share of profits of associated undertakings and joint ventures										5,020
Profit before taxation										118,873
Taxation										(41,126)
Profit for the period										77,747

*Includes £10.5m in relation to property transactions income at nil margin.
Sales to other segments are priced at cost plus a 10% mark-up.

Other segment items included in the income statement for the 52 weeks ended 27 April 2008:

	Retail	Brands	Total
	£'000	£'000	£'000
Depreciation	33,869	1,714	35,583
Amortisation	210	1,813	2,023
Impairment	-	1,394	1,394

Information regarding segment assets and liabilities as at 27 April 2008 and capital expenditure for the 52 weeks then ended:

	Retail	Brands	Eliminations	Total
	£'000	£'000	£'000	£'000
Investments in associated undertakings and joint ventures	21,040	7,412	-	28,452
Other assets	837,708	391,916	(288,336)	941,288
Total assets	858,748	399,328	(288,336)	969,740
Total liabilities	(726,064)	(363,037)	247,770	(841,331)
Tangible asset additions	130,585	11,526	-	142,111
Intangible asset additions	1,660	58,232	-	59,892
Total capital expenditure	132,245	69,758	-	202,003

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

Segmental information for the 52 weeks ended 29 April 2007:

	Retail					Brands			Eliminations	Total
	UK retail	UK wholesale & other	UK total	International Retail	Total	Wholesale	Licensing	Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sales to external customers	1,069,667	41,525*	1,111,192	64,018	1,175,210	154,484	17,450	171,934	-	1,347,144
Sales to other segments	-	11,235	11,235	-	11,235	12,523	-	12,523	(23,758)	-
Revenue	1,069,667	52,760	1,122,427	64,018	1,186,445	167,007	17,450	184,457	(23,758)	1,347,144
Gross profit			498,101	22,173	520,274			75,867	-	596,141
Operating profit before foreign exchange and exceptional items			131,762	1,264	133,026			19,700	-	152,726
Operating profit			81,790	1,264	83,054			10,846		93,900
Investment income										1,790
Finance income										3,449
Finance costs										(42,081)
Share of profits of associated undertakings and joint ventures										3,422
Profit before taxation										60,480
Taxation										(23,360)
Profit for the period										37,120

* Includes £14.7 million in relation to property transactions income at a margin of £10.0m.

Sales to other segments are priced at cost plus a 10% mark-up.

Other segment items included in the income statement for the 52 weeks ended 29 April 2007.

	Retail	Brands	Total
	£'000	£'000	£'000
Depreciation	29,022	1,882	30,904
Amortisation	-	3,584	3,584

Information regarding segment assets and liabilities as at 29 April 2007 and capital expenditure for the 52 weeks then ended:

	Retail	Brands	Eliminations	Total
	£'000	£'000	£'000	£'000
Investments in associated undertakings and joint ventures	14,847	7,141	-	21,988
Other assets	984,598	265,434	(328,410)	921,622
Total assets	999,445	272,575	(328,410)	943,610
Total liabilities	(744,811)	(246,405)	328,410	(662,806)
Tangible asset additions	57,732	3,875	-	61,607
Intangible asset additions	20,756	21,445	-	42,201
Total capital expenditure	78,488	25,320	-	103,808

Secondary reporting format — geographic segments

The Group operates in two geographic segments, UK and Non-UK. These geographic segments are the basis on which the Group reports its secondary segment information, as presented below:

Segmental information for the 52 weeks ended 27 April 2008:

	UK	Non-UK	Unallocated	Eliminations	Total
	£'000	£'000	£'000	£'000	£'000
Segmental revenue from external customers	1,047,717	220,864	-	(9,071)	1,259,510
Total capital expenditure	129,901	72,102	-	-	202,003
Segmental assets	1,027,686	230,390	-	(288,336)	969,740

Segmental information for the 52 weeks ended 29 April 2007:

	UK	Non-UK	Unallocated	Eliminations	Total
	£'000	£'000	£'000	£'000	£'000
Segmental revenue from external customers	1,178,528	192,374	-	(23,758)	1,347,144
Total capital expenditure	94,873	8,935	-	-	103,808
Segmental assets	1,112,957	133,532	25,531	(328,410)	943,610

5. Other operating income

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Commissions receivable	-	71
Rent receivable	2,744	1,435
Other	1,279	277
	4,023	1,783

6. Exceptional items

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Costs relating to admission to the London Stock Exchange	-	586
Past performance bonuses including national insurance	-	56,400
Profit on disposal of certain retail concessions [1]	-	(4,160)
Legal claims	-	6,000
	-	58,826

[1] In May 2006, the Group disposed of its Hargreaves airport concessions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

7. Operating profit

Operating profit for the period is stated after charging/(crediting):

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Foreign exchange (gains) / losses [1]	(3,461)	23,543
Depreciation of property, plant and equipment		
Owned assets	35,332	30,571
Assets held on finance leases	251	333
Amortisation of intangible assets	2,023	3,584
Operating lease rentals		
Land and buildings	94,985	80,211
Other	701	216

[1] Included within this amount is a foreign exchange gain of £15,428,000 on available-for-sale financial assets.

Services provided by the Group's auditor

For the 52 weeks ended 27 April 2008 the remuneration of the auditors, Grant Thornton UK LLP and associated firms, was as detailed below:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Audit of the Company's and the consolidated financial statements	140	118
Audit of subsidiary companies' financial statements	589	529
Other services provided pursuant to legislation	-	19
Other services relating to taxation	344	540
Services relating to corporate finance transactions	267	2,674
All other services	21	18

Included within the above are fees paid to the auditors for both advisory and compliance work relating to the reorganisation, issue of shares and the Company's Admission to the London Stock Exchange amounting to £Nil (2007: £2,650,000) which are included in the carrying value of the investment.

8. Employee costs

The average monthly number of employees, including executive directors, employed by the Group during the period was:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	Number	Number
Retail stores	8,057	9,206
Distribution, administration and other	2,917	2,711
	10,974	11,917

The aggregate payroll costs of the employees, including executive directors, were as follows:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Wages and salaries (including past performance bonuses in prior year)	137,665	153,477
Social security costs	10,332	10,031
Pension costs	376	1,229
	148,373	164,737

Aggregate emoluments of the directors of the Company are summarised below.

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Aggregate emoluments	516	10,350

Further details of directors' remuneration are given in the Directors Remuneration report on pages 38 to 43.

Details of certain key management remuneration are given in note 41.

9. Investment income

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Profit on disposal of available-for-sale financial assets (Note 17) [1]	41,367	-
Dividend income from investments	2,507	1,790

[1] The profit relates to the disposal of strategic stakes in Amer Sports Corp., adidas A.G and Umbro PLC.

10. Finance income

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Bank interest receivable	3,068	709
Other interest receivable	36	630
Expected return on pension plan assets (Note 31)	2,266	2,110
	5,370	3,449

11. Finance costs

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Interest on bank loans and overdrafts	32,955	7,024
Interest on other loans and finance leases	4,559	924
Interest on retirement benefit obligations (Note 31)	2,317	2,468
Fair value adjustment to forward foreign exchange contracts (Note 34) [1]	5,175	31,665
	45,006	42,081

[1] The fair value adjustment to forward foreign exchange contracts relates to adverse differences between the nominal value of forward foreign currency contracts and their fair value at each period end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

12. Taxation

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Current tax	40,588	35,053
Adjustment in respect of prior periods	(2,251)	3,068
	38,337	38,121
Deferred tax (Note 32)	2,789	(14,761)
	41,126	23,360
Tax reconciliation		
Profit before taxation	118,873	60,480
Taxation at the standard rate of tax in the UK of 28% (2007: 30%)	33,284	18,144
Tax effects of:		
Expenses not deductible for tax purposes	3,418	2,510
Impact of tax losses and other short-term timing differences not recognised in deferred tax	2,613	(3,753)
Deferred tax recognised in respect of unremitted earnings from an associate	(965)	1,174
Overseas tax rate differential	90	559
Other tax adjustments	2,127	1,658
Effect of change in UK rate from 30% to 28%	2,810	-
Adjustments in respect of prior periods	(2,251)	3,068
	41,126	23,360

13. Earnings per share from total and continuing operations attributable to the equity shareholders

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The comparative weighted average number of shares has been adjusted for the impact of reverse acquisition accounting as set out in note 1, Basis of Preparation.

Share awards granted in April 2007 were non-dilutive as at 27 April 2008 as the prospect of the performance conditions attached to these awards being satisfied is considered to be remote. As a result share awards are not taken into account when determining the weighted average number of ordinary shares in issue during the period and therefore the basic and diluted earnings per share are the same.

Basic and diluted earnings per share

	52 weeks ended 27 April 2008	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007	52 weeks ended 29 April 2007
	Basic £'000	Diluted £'000	Basic £'000	Diluted £'000
Profit for the period	78,182	78,182	37,671	37,671
		Number in thousands		Number in thousands
Weighted average number of shares	639,010	639,010	460,582	460,582
		Pence per share		Pence per share
Earnings per share	12.23	12.23	8.18	8.18

Underlying earnings per share

The underlying earnings per share reflects the underlying performance of the business compared with the prior year and is calculated by dividing underlying earnings by the weighted average number of shares for the period since admission to the Official List and to trading on the London Stock Exchange. Underlying earnings is used by management as a measure of profitability within the Group. Underlying earnings is defined as profit for the period attributable to equity holders of the parent for each financial period but excluding realised foreign exchange profit or loss, the re-valuation required under IFRS in respect of forward exchange contracts, and the post tax effect of certain exceptional items.

The directors believe that the underlying earnings before exceptional items and underlying earnings per share measures provide additional useful information for shareholders on the underlying performance of the business, and are consistent with how business performance is measured internally. Underlying earnings is not a recognised profit measure under IFRS and may not be directly comparable with "adjusted" profit measures used by other companies.

Underlying earnings per share (continued)

	52 weeks ended 27 April 2008	**52 weeks ended 27 April 2008**	**52 weeks ended 29 April 2007**	**52 weeks ended 29 April 2007**
	Basic £'000	Diluted £'000	Basic £'000	Diluted £'000
Profit for the period	78,182	78,182	37,671	37,671
Post tax adjustments to profit for the period for the following exceptional items:				
Costs relating to admission to the London Stock Exchange	-	-	410	410
Past performance bonuses including national insurance	-	-	39,480	39,480
Realised (gain) / loss on forward exchange contracts	(2,423)	(2,423)	16,480	16,480
Fair value adjustment to forward foreign exchange contracts	3,623	3,623	22,166	22,166
Profit on disposal of certain retail concessions			(2,912)	(2,912)
Profit on disposal of listed investments net of interest	(24,648)	(24,648)	-	-
Legal claim			4,200	4,200
Underlying profit for the period	54,734	54,734	117,495	117,495
		Number in thousands		**Number in thousands**
Weighted average number of shares	639,010	639,010	720,000	720,000
		Pence per share		**Pence per share**
Earnings per share	8.57	8.57	16.32	16.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

14. Property, plant and equipment

	Freehold land and buildings	Long leasehold property	Short leasehold property	Plant and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 30 April 2006	28,702	10,766	83,970	210,357	333,795
Exchange differences	(347)	-	-	(1,154)	(1,501)
Additions through business combinations	1,669	1,087	21	4,033	6,810
Additions	1,622	2	14,159	39,014	54,797
Eliminated on disposals	(1,790)	(543)	(597)	(16,582)	(19,512)
At 29 April 2007	29,856	11,312	97,553	235,668	374,389
Exchange differences	15	-	145	2,283	2,443
Additions through business combinations	6,494	-	50	3,791	10,335
Additions	84,144	534	7,543	39,555	131,776
Eliminated on disposals	(3,274)	(906)	(4,321)	(9,723)	(18,224)
At 27 April 2008	117,235	10,940	100,970	271,574	500,719
Accumulated depreciation					
As at 30 April 2006	(3,473)	(3,369)	(25,452)	(96,379)	(128,673)
Exchange differences	174	-	-	85	259
Charge for the period	(1,658)	(485)	(4,108)	(24,653)	(30,904)
Eliminated on disposals	247	174	597	8,374	9,392
At 29 April 2007	(4,710)	(3,680)	(28,963)	(112,573)	(149,926)
Exchange differences	27	(1)	-	(589)	(563)
Charge for the period	(4,067)	(8)	(6,453)	(25,055)	(35,583)
Eliminated on disposals	736	48	1,799	5,562	8,145
At 27 April 2008	(8,014)	(3,641)	(33,617)	(132,655)	(177,927)
Net book amount					
At 27 April 2008	109,221	7,299	67,353	138,919	322,792
At 29 April 2007	25,146	7,632	68,590	123,095	224,463

Finance leased assets included in the above net book values					
At 27 April 2008	-	-	-	581	581
At 29 April 2007	-	-	-	1,059	1,059

Within freehold land and buildings cost as at 27 April 2008 is £1,613,000 (2007: £1,749,000) of capital grants received from the East Midlands Development Agency. The Group is subject to the following principal conditions of the grant being met for a period, which is at the discretion of the East Midlands Development Agency, of five years after the first grant instalment was made on 28 April 2006 or 18 months after the last grant instalment was made on 29 April 2007 ("conditional period"):

- The Group remains solvent.
- The Group does not cease to own, or for a period of at least three months does not cease to use the relevant premises for which the grant was provided or its related assets.
- The Group employs at least 507 permanent full-time employees or equivalent at the relevant premises.
- The Group employs in total at least 1,171 employees at the relevant premises.

If the Group fails to adhere to any of the above conditions during the conditional period the East Midlands Development Agency may demand full repayment of the grant.

15. Intangible assets

	Goodwill	Trademarks and licences	Brands	Total
	£'000	£'000	£'000	£'000
Cost				
At 30 April 2006	38,811	11,521	-	50,332
Arising on business combinations	19,343	-	-	19,343
Additions through business combinations (Note 36)	436	3,844	15,600	19,880
Other additions	-	2,978	-	2,978
At 29 April 2007	58,590	18,343	15,600	92,533
Arising on business combinations	53,167	-	-	53,167
Additions through business combinations (Note 36)	-	3,089	56,146	59,235
Other additions	-	657	-	657
Disposals	(7,658)	(155)	(4,800)	(12,613)
At 27 April 2008	104,099	21,934	66,946	192,979
Amortisation and impairment				
At 30 April 2006	-	(968)	-	(968)
Charge	-	(2,184)	(1,400)	(3,584)
At 29 April 2007	-	(3,152)	(1,400)	(4,552)
Amortisation Charge	-	(2,023)	-	(2,023)
Impairment Charge	(1,394)	-	-	(1,394)
At 27 April 2008	(1,394)	(5,175)	(1,400)	(7,969)
Net book amount				
At 27 April 2008	102,705	16,759	65,546	185,010
At 29 April 2007	58,590	15,191	14,200	87,981

Amortisation and impairments are both charged to selling, distribution and administrative expenses in the Consolidated Income Statement.

The carrying value of those goodwill and brands that are considered to have an indefinite life are allocated to cash-generating units as follows:

	Goodwill	Brands
	£'000	£'000
Retail	18,490	834
Brands	84,215	64,701
	102,705	65,535

The Group tests the carrying amount of goodwill and assets with an indefinite life annually for impairment or more frequently if there are indications that their carrying value might be impaired. The carrying amounts of other intangible assets are reviewed for impairment if there is an indication of impairment.

Impairment is calculated by comparing the carrying amounts to the value in use derived from discounted cash flow projections for the cash generating units to which the intangible assets are allocated.

Value in use calculations are based on 5 year management forecasts with a 2% growth rate applied thereafter representing managements estimate of the long term growth rate of the sector served by the CGU's.

The key assumptions, which are equally applicable to each CGU, in the cash flow projections used to support the carrying amount of goodwill and intangibles with indefinite lives as at 27 April 2008 were as follows:

Retail and Brands

- Annual sales growth of between 5-10% depending on the constituent elements of the CGU.
- Gross margin of between 34% and 44% depending on the constituent elements of the CGU.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

15. Intangible assets (continued)

- Annual maintenance expenditure of between £50k and £2.8m per annum depending on the individual entity's circumstances.

- Discount rates are estimated at a pre-tax weighted average cost of capital of 8.9%.

The key assumptions are based on management's historical experience and future plans for each CGU.

A reasonably possible change in any key assumption would not cause the carrying value of any unit to exceed its recoverable amount.

The intangible assets that have an indefinite life are brands and trading names and are considered to have an indefinite life on the grounds of the proven longevity of the brands and trading names and the groups commitment to maintaining those brands.

No impairment as at the balance sheet date is required.

16. Investments in associated undertakings and joint ventures

The Group uses the equity method of accounting for associates and joint ventures. The following table shows the aggregate movement in the Group's investment in associates and joint ventures:

	Associates	Joint ventures	Total
	£'000	£'000	£'000
At 30 April 2006	11,379	7,029	18,408
Exchange differences	(80)	-	(80)
Additions	-	238	238
Share of profit/(loss)	3,548	(126)	3,422
At 29 April 2007	14,847	7,141	21,988
Exchange differences	2,165	-	2,165
Additions	468	-	468
Share of profit	4,942	78	5,020
Dividend paid	(1,189)	-	(1,189)
At 27 April 2008	21,233	7,219	28,452

Associates

The Group has a 42.5% interest in Warrnambool, a private unlimited company incorporated in the Republic of Ireland which is the ultimate parent undertaking of Heatons which is a private unlimited company. The business activity of Heatons is that of household, sporting and leisure goods retail. Heatons operates in the Republic of Ireland and Northern Ireland.

The Group's share of associates' assets, liabilities and income statement, which is included in the consolidated financial statements, is as follows:

	27 April 2008	29 April 2007
	£'000	£'000
Share of non-current assets	31,436	23,600
Share of current assets	13,553	9,874
Share of non current liabilities	(8,784)	(7,091)
Share of current liabilities	(14,972)	(11,536)
	21,233	14,847

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Income	65,871	57,468
Expenses	(59,963)	(52,867)
Profit before tax	5,908	4,601
Taxation	(966)	(1,053)
Profit for the period	4,942	3,548

Heatons has a coterminous year end with the Group. There are no significant restrictions on the ability of associated undertakings to transfer funds to the parent, other than those imposed by legal requirements.

Joint Ventures
The Group's joint ventures are:

	Country of incorporation	Percentage of issued share capital held	Nature of business
No Fear International Limited*	England	50	Brand licensing
PBF International Limited*	England	50	Brand licensing

*Held by an immediate subsidiary.

All joint venture undertakings operate in their country of incorporation.

The Group's share of its joint ventures' assets, liabilities and income statement, which is included in the consolidated financial statements, is as follows:

	27 April 2008	29 April 2007
	£'000	£'000
Share of non-current assets	6,260	6,818
Share of current assets	2,529	1,966
Share of non-current liabilities	-	-
Share of current liabilities	(1,570)	(1,643)
	7,219	7,141

	27 April 2008	29 April 2007
	£'000	£'000
Income	3,697	2,793
Expenses	(3,527)	(2,799)
Profit / (loss) before taxation	170	(6)
Taxation	(92)	(120)
Profit / (loss) for the period	78	(126)

17. Available-for-sale financial assets

	27 April 2008	29 April 2007
	£'000	£'000
Available-for-sale financial assets	65,714	75,447

The fair value of the listed available-for-sale investments is based on bid quoted market prices at the balance sheet date.

The following table shows the aggregate movement in the Group's financial assets during the year:

	27 April 2008	29 April 2007
	£'000	£'000
At beginning of period	75,447	15,338
Additions	565,392	67,215
Disposals	(554,554)	-
Revaluation through equity	(20,571)	(7,106)
At end of period	65,714	75,447

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

17. Available-for-sale financial assets (continued)

The financial assets at 27 April 2008 relate to strategic investments held of between 0.2% and 29.9% of share capital. The Directors do not consider that they have significant influence over the financial and operating policies of the investees as they have no representation on the Board of Directors, have no participation in policy-making processes, including participation in decisions about dividends or other distributions, have no material transactions with the investees and do not interchange any managerial personnel.

The Group has one investment in excess of 20% of share capital, that being 29.9% (2007: 29.3%) of the ordinary share capital of Blacks Leisure Group plc, a company incorporated in England and Wales. The aggregate of its share capital and reserves and profit for the years ended 28 February 2008 and 28 February 2007 are as follows:

	28 February 2008	28 February 2007
	£'000	£'000
Aggregate share capital and reserves	84,526	91,888
Loss after taxation	(6,051)	(12,624)

18. Inventories

	27 April 2008	29 April 2007
	£'000	£'000
Raw materials	3,640	3,872
Work in progress	1,234	986
Goods for resale	213,889	226,525
	218,763	231,383

The following inventory costs have been recognised in cost of sales:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Cost of inventories recognised as an expense	706,244	748,683

19. Trade and other receivables

The following charges have been recognised in administrative expenses in respect of impairment of trade receivables.

	27 April 2008	29 April 2007
	£'000	£'000
Trade receivables	64,396	56,473
Amounts owed by related undertakings	303	979
Other debtors	6,596	3,844
Prepayments and accrued income	23,186	27,319
	94,481	88,615

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset above.

Ageing of trade receivables:

	27 April 2008	29 April 2007
	£'000	£'000
Current	42,500	40,984
0-30 days past due	7,823	4,571
30-60 days past due	4,675	2,406
60-90 days past due	1,743	1,411
Over 90 days past due	7,655	7,101
	64,396	56,473

The following charges have been recognised in administrative expenses in respect of impairment of trade receivables:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Opening position	4,167	3,504
Amounts charged to the income statement	840	2,371
Amounts written off as uncollectible	(447)	(1,690)
Amounts recovered during the year	(77)	(18)
Closing position	4,483	4,167

The Group has no significant concentration of credit risk, with exposure spread over a large number of customers. These bad debt provisions/charges have been determined by reference to past default experience and knowledge of the individual circumstances of certain receivables.

20. Cash and cash equivalents

	27 April 2008	29 April 2007
	£'000	£'000
Cash in bank and in hand — Sterling	8,451	26.569
Cash in bank and in hand — US dollars	3,891	146,985
Cash in bank and in hand — Euros	9,259	4,584
Cash in bank and in hand — other	3,817	3,670
	25,418	181,808
Bank overdraft (Note 30)	(471,471)	(206,837)
Cash and cash equivalents including overdrafts at period end	(446,053)	(25,029)

21. Share capital

	27 April 2008	29 April 2007
	£'000	£'000
Authorised		
999,500,010 ordinary shares of 10p each	99,950	99,950
499,990 redeemable preference shares of 10p each	50	50
	100,000	100,000
Allotted, called up and fully paid		
640,452,369 (2007: 720,000,000) ordinary shares of 10p each	64,045	72,000
Share Capital		
At 29 April 2007	72,000	72,000
Shares cancelled (Note 23)	(7,955)	-
At 27 April 2008	64,045	72,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

Share options

The Performance Share Plan
Under the terms of the Performance Share Plan, which was approved by the shareholders on 11 February 2007, the Board may make share awards in respect of the ordinary shares in the Company to executive directors based on percentage of salary and subject to performance conditions. The extent to which the awards vest is based on earnings per share growth and total shareholders return over a period of three financial years. Further details are set out in the Remuneration report on page 38.

The first awards of 446,512 shares were granted on 5 April 2007 at an exercise price of 268.75p.

No share-based payment charge was recognised in respect of these share awards for the 52 weeks ended 27 April 2008 as the directors did not consider it material to the Group's financial results or position.

22. Share premium

	27 April 2008	29 April 2007
	£'000	£'000
At 29 April 2007	874,300	-
Shares issued	-	897,840
Share issue costs	-	(23,540)
At 27 April 2008	874,300	874,300

The share premium account is used to record the excess proceeds over nominal value on the issue of shares.

23. Treasury shares reserve

	27 April 2008	29 April 2007
	£'000	£'000
At 29 April 2007	-	-
Cost of shares acquired	(201,483)	-
At 27 April 2008	(201,483)	-

Between 24 July 2007 and 11 March 2008 the Group acquired 151,547,631 of its own shares for total consideration of £201,483,000, with the purchase price ranging between £0.95 and £1.50. 79,547,631 of these shares have been cancelled and 7,954,763 of these shares represent excess shares over and above the statutory maximum holding of 10% of the nominal value of issued share capital which will be disposed of or cancelled in accordance with Section 162B and Section 162D of the Companies Act 1985.

24. Permanent contribution to capital

	27 April 2008	29 April 2007
	£'000	£'000
At 29 April 2007	50	-
Permanent contribution to capital in the period	-	50
At 27 April 2008	50	50

M J W Ashley made a £50,000 cash payment to the Company as a permanent contribution to capital on 8 February 2007 under a deed of capital contribution.

25. Capital redemption reserve

	27 April 2008	29 April 2007
	£'000	£'000
At 29 April 2007	50	-
Redemption of redeemable preference shares	-	50
Shares cancelled	7,955	-
At 27 April 2008	8,005	50

The capital redemption reserve arose on the redemption of the Company's redeemable preference shares of 10p each at par on 2 March 2007.

Between 5 October 2007 and 11 March 2008 the Group cancelled 79,547,631 shares acquired as part of the share buy back programme.

26. Foreign currency translation reserve

	27 April 2008	29 April 2007
	£'000	£'000
At 29 April 2007	(837)	(947)
Translation differences - Group	2,598	190
Translation differences - associates	2,165	(80)
At 27 April 2008	3,926	(837)

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and associates.

27. Reverse combination reserve

	27 April 2008	29 April 2007
	£'000	£'000
At 29 April 2007	(987,312)	-
Reverse acquisition accounting on group reorganisation	-	(987,355)
Release of merger reserve on group reorganisation	-	43
At 27 April 2008	(987,312)	(987,312)

The reverse combination reserve exists as a result of the adoption of the principles of reverse acquisition accounting in accounting for the group restructuring which occurred on 2 March 2007 and 29 March 2007 between the Company and Sports World International Limited, Brands Holdings Limited, International Brand Management Limited and CDS Holdings SA with Sports World International Limited as the acquirer.

28. Retained earnings

	27 April 2008	29 April 2007
	£'000	£'000
At 29 April 2007	317,708	285,711
Expense recognised directly in equity	(13,128)	(5,294)
Profit for the financial period	78,182	37,671
Dividends	(19,126)	(380)
At 27 April 2008	363,636	317,708

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

29. Minority interests

	27 April 2008	29 April 2007
	£'000	£'000
At 29 April 2007	4,845	5,396
Share of profit for the period	(435)	(551)
Acquisitions	(1,668)	-
Disposals	500	-
At 27 April 2008	3,242	4,845

30. Borrowings

	27 April 2008	29 April 2007
	£'000	£'000
Non-current:		
Bank and other loans	13,641	1,844
Obligations under finance leases	614	91
	14,255	1,935
Current:		
Bank overdrafts	471,471	206,837
Bank and other loans	4,704	10,463
Obligations under finance leases	225	696
	476,400	217,996
Total borrowings:		
Bank overdrafts	471,471	206,837
Bank and other loans	18,345	12,307
Obligations under finance leases	839	787
	490,655	219,931

The maturity of the Group's total borrowings other than bank overdrafts is as follows:

	27 April 2008	29 April 2007
	£'000	£'000
Borrowings are repayable as follows:		
Within one year	8,197	11,159
Between one and two years	8,576	922
Between two and five years	900	924
After five years	1,511	89
	19,184	13,094
Borrowings — Sterling	4,665	4,231
Borrowings — Other	14,519	8,863
	19,184	13,094

Loans are all on commercial variable rates of interest ranging between 0.6% and 1.5% over the base rate of the country within which the borrowing entity resides.

On 25 October 2007, six members of the Group, Sports Direct International PLC, Sports World International Limited, Lillywhites Limited, Brands Holdings Limited, Dunlop Slazenger Group Limited and Smith & Brooks Holdings Limited (the "Borrowers") entered into a committed working capital facility agreement with The Governor and Company of the Bank of Scotland (the "Working Capital Facility"). The Working Capital Facility is available to any of the Borrowers and may be drawn to an aggregate limit of £500 million. It is capable of being utilised by way of cash advances, letters of credit, guarantees, bonds and/or currency borrowings. The Working Capital Facility is available until 30 April 2011. Each Borrower is required to observe certain covenants, including undertakings relating to delivery of financial statements, and certain negative covenants, including in relation to creation of security and disposal of assets. The Working Capital Facility is secured by a debenture from each of the Borrowers and a composite guarantee from each of the non-dormant subsidiaries of Sports World International Limited.

An agreement is in place with Kaupthing Singer and Friedlander whereby they provide a credit facility which is secured against the market value of the available for sale financial assets held by the Group. The credit facility limit is determined by taking a specific percentage of the market value of each individual security.

The carrying amounts and fair value of the borrowings are not materially different.

31. Retirement benefit obligations

The Group's defined benefit pension obligations relate to Dunlop Slazenger Group Holdings Limited ("DSGHL"), which was acquired on 28 January 2004. DSGHL operates a number of plans worldwide, the largest of which is of the funded defined benefit type. The Scheme is closed to new members.

The amounts for the current and previous three periods following the acquisition of DSGHL are as follows:

	27 April 2008	29 April 2007	30 April 2006	24 April 2005
	£'000	£'000	£'000	£'000
Total fair value of plan assets	32,706	36,419	32,829	28,720
Present value of plan liabilities	(44,411)	(50,451)	(48,008)	(44,945)
Net plan obligations	(11,705)	(14,032)	(15,179)	(16,225)
Experience adjustments on plan liabilities	4,652	(1,620)	(1,354)	(2,156)
Experience adjustments on plan assets	(2,969)	1,164	257	3,382

The cumulative amount of actuarial gains and losses recognised in the statement of recognised income and expense as at 27 April 2008 was an actuarial gain of £1,356,000 (2007: actuarial loss of £327,000).

There were no unrecognised actuarial gains or losses or past service costs as at 29 April 2007 or 27 April 2008.

Amounts recognised in the income statement are as follows:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Current service cost	69	175
Interest on retirement benefit obligations	2,317	2,468
Expected return on plan assets	(2,266)	(2,110)
	120	533

The current service cost is included within cost of sales. The interest on retirement benefit obligations and the expected return on plan assets are included within finance costs and finance income, respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

31. Retirement benefit obligations (continued)

Amounts recognised in the statement of recognised income and expense are as follows:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Actual less expected return on assets	(2,969)	1,164
Actuarial gains / (losses) relating to plan liabilities	4,652	(1,620)
	1,683	(456)

The actual return on plan assets for the 52 weeks ended 27 April 2008 was £(703,000) (2007: £3,274,000).

The movements in the fair value of plan assets are as follows:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
At the start of the period	36,419	32,829
Return	2,266	2,110
Actuarial gains	(2,969)	1,164
Employer contributions	1,111	2,136
Employee contributions	56	143
Benefits paid out	(4,177)	(1,963)
At the end of the period	32,706	36,419

The Group expects to contribute £1,263,000 to its defined benefit pension plans for the 52 weeks ended 26 April 2009.

The assumptions used to determine the expected return on assets reflects the underlying asset allocation at each period end. The plan asset mix and the expected returns on the assets are as follows:

	27 April 2008	29 April 2007
	£'000	£'000
Equities	19,109	23,570
Bonds	13,391	12,774
Cash and other	206	75
	32,706	36,419
Equities	8.0%	7.7%
Bonds	4.9%	4.5%
Cash and other	5.0%	4.0%

The overall expected rate of return on the Scheme's assets have been derived by considering the expected rate of return on each major asset class of investments at the start of the year and weighting these rates of return by the proportion of the total investments that the class represents at the start of the year.

The principal assumptions underlying the actuarial assessments of the present value of the plan liabilities are:

	27 April 2008	29 April 2007
	%	%
Inflation rate	3.5	3.2
Future salary increases	n/a	n/a
Future pension increases	3.4	3.1
Discount rate	6.5	5.4

Monthly assumptions:

	27 April 2008	29 April 2007
	%	%
Life expectancy at 65 at period end:		
Future pensioners - male	87.2	85.2
Future pensioners - female	90.0	87.9
Current pensioners - male	86.4	84.5
Current pensioners - female	89.4	87.2

The movements in the present value of the plan liabilities are as follows:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
At the start of the period	(50,451)	(48,008)
Current service cost	(69)	(175)
Interest cost	(2,317)	(2,468)
Actuarial gains / (losses)	4,652	(1,620)
Employee contributions	(56)	(143)
Benefits paid out	4,177	1,963
Exchange gain	(347)	-
At the end of the period	(44,411)	(50,451)

The net movements in the net present value of the plan liabilities were as follows:

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Net liability at the start of the period	(14,032)	(15,179)
Movement in fair value of plan assets	(3,713)	3,590
Movements in the present value of the plan liabilities	6,040	(2,443)
Net liability at the end of the period	(11,705)	(14,032)

In addition to the amounts recognised in relation to the defined benefit retirement plans, amounts of £242,000 and £95,000 have been recognised in the income statement in the periods ended 29 April 2007 and 27 April 2008 respectively in relation to defined contribution retirement benefit plans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

32. Deferred tax asset and liabilities

	Accounts depreciation exceeding tax depreciation	Tax losses recoverable	Pension plan liabilities	Unremitted earnings from an associate	Recognised on acquisitions	Other temporary differences	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 30 April 2006	(10,045)	4,545	3,277	(3,070)	-	6,284	991
(Charged)/credited to the income statement	384	(166)	-	(1,174)	-	15,717	14,761
(Charged)/credited to the statement of recognised income and expense	-	-	137	-	-	2,131	2,268
Acquisitions	-	-	-	-	(4,681)	-	(4,681)
At 29 April 2007	(9,661)	4,379	3,414	(4,244)	(4,681)	24,132	13,339
Credited/(charged) to the income statement	3,865	(2,485)	1,023	682	-	(4,984)	(1,899)
Effect of reducing tax rate	644	(292)	(228)	283	312	(1,609)	(890)
Credited to the statement of recognised income and expense	-	-	-	-	-	5,760	5,760
Acquisitions	(494)	-	-	-	(13,128)	-	(13,622)
At 27 April 2008	(5,646)	1,602	4,209	(3,279)	(17,497)	23,299	2,688

	27 April 2008	29 April 2007
	£'000	£'000
Deferred tax assets	29,110	31,925
Deferred tax liabilities	(26,422)	(18,586)
Net deferred tax balance	2,688	13,339

Deferred tax assets are recognised for tax losses recoverable and pension plan liabilities to the extent that realisation of the related tax benefit is probable on the basis of the Group's current expectations of future taxable profits.

33. Provisions

	Dilapidations	Onerous contracts	Total
	£'000	£'000	£'000
At 30 April 2006	17,697	5,395	23,092
Arising on business combinations	3,065	3,620	6,685
Amounts utilised	(239)	(239)	(478)
Amounts reversed	(2,793)	(2,685)	(5,478)
At 29 April 2007	17,730	6,091	23,821
Amounts provided	2,299	2,316	4,615
Amounts utilised	(1,372)	(3,542)	(4,914)
Amounts reversed	(73)	(539)	(612)
At 27 April 2008	18,584	4,326	22,910

The dilapidations provision is the best estimate of the present value of expenditure expected to be incurred by the Group in order to restore its leasehold premises to the condition required under the lease agreements at the end of the lease discounted at 4% per annum. The provision is expected to be utilised over the period to the end of each specific lease.

The provision in respect of onerous lease contracts represents the net cost of fulfilling the Group's obligations over the terms of these contracts discounted at 4% per annum. The provision is expected to be utilised over the period to the end of each specific lease.

34. Financial Instruments
(a) Financial assets and liabilities by category

The carrying values of financial assets and liabilities, which are principally denominated in Sterling or US dollars, were as follows:

Assets - 2008	Loans and receivables	Available for sale financial assets	Non-financial assets	Total
	£'000	£'000	£'000	£'000
Property, plant and equipment	-	-	322,792	322,792
Intangible assets	-	-	185,010	185,010
Investments in associated undertakings and joint ventures	-	-	28,452	28,452
Available-for-sale financial assets	-	65,714	-	65,714
Deferred tax assets	-	-	29,110	29,110
Inventories	-	-	218,763	218,763
Trade and other receivables	64,396	-	30,085	94,481
Cash and cash equivalents	25,418	-	-	25,418
	89,814	65,714	814,212	969,740

Assets - 2007	Loans and receivables	Availalble for sale financial assets	Non-financial assets	Total
	£'000	£'000	£'000	£'000
Property, plant and equipment	-	-	224,463	224,463
Intangible assets	-	-	87,981	87,981
Investments in associated undertakings and joint ventures	-	-	21,988	21,988
Available-for-sale financial assets	-	75,447	-	75,447
Deferred tax assets	-	-	31,925	31,925
Inventories	-	-	231,383	231,383
Trade and other receivables	56,473	-	32,142	88,615
Cash and cash equivalents	181,808	-	-	181,808
	238,281	75,447	629,882	943,610

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

34. Financial Instruments (continued)

Liabilities - 2008	Loans and payables	Liabilities of fair value through profit and loss	Non-financial liabilities	Total
	£'000	£'000	£'000	£'000
Other payables	2,829	-	-	2,829
Non-current borrowings	14,255	-	-	14,255
Derivative financial liabilities (Non-current)	-	14,744	-	14.744
Retirement benefit obligations	-	-	11,705	11,705
Deferred tax liabilities	-	-	26,422	26,422
Provisions	-	-	22,910	22,910
Derivative financial liabilities (Current)	-	32,894	-	32,894
Trade and other payables	87,123	-	120,475	207,598
Current borrowings	476,400	-	-	476,400
Current tax liabilities	31,574	-	-	31,574
	612,181	47,638	181,512	841,331

Liabilities - 2007	Loans and payables	Liabilities of fair value through profit and loss	Non-financial liabilities	Total
	£'000	£'000	£'000	£'000
Other payables	2,408	-	-	2,408
Non-current borrowings	1,935	-	-	1,935
Derivative financial liabilities (Non-current)	-	9,081	-	9,081
Retirement benefit obligations	-	-	14,032	14,032
Deferred tax liabilities	-	-	18,586	18,586
Provisions	-	-	23,821	23,821
Derivative financial liabilities (Current)	-	33,382	-	33,382
Trade and other payables	139,416	-	170,528	309,944
Current borrowings	217,996	-	-	217,996
Current tax liabilities	31,621	-	-	31,621
	393,376	42,463	226,967	662,806

Carrying values do not materially differ from fair value.

(b) Derivatives: foreign currency forward purchase contracts

The most significant exposure to foreign exchange fluctuations relates to purchases made in foreign currencies, principally the US dollar. The Group's policy is to reduce substantially the risk associated with purchases denominated in foreign currencies by using forward fixed rate currency purchase contracts, taking into account any foreign currency cash flows. The foreign exchange contracts do not meet the criteria for treatment as an effective hedge and accordingly any gain or loss is recognised immediately in the income statement.

The carrying values of forward foreign currency purchase contracts were as follows:

	27 April 2008	29 April 2007
	£'000	£'000
Fair value of derivative financial instruments — liabilities	47,638	42,463

The sterling principal amounts of forward foreign currency purchase contracts and contracted forward rates were as follows:

	27 April 2008	29 April 2007
	£'000	£'000
US dollar purchases	1,081,668	1,280,330
Contracted rates	1.86-2.00	1.86-1.99
US dollar sales	(397,000)	(242,004)
Contracted rates	1.92-1.98	1.92-1.94
Euro sales	(259,716)	-
Contracted rates	1.25-1.40	-

Forward foreign currency purchase and sale contracts generally have a maturity at inception of approximately 12 months. However, as at 27 April 2008 £250 million principal amount of purchase contracts and all of the sale contracts had a maturity at inception of approximately 24 months (2007: £250 million purchase contracts).

(c) Sensitivity analysis

Foreign currency sensitivity analysis

The Group's principal foreign currency exposures are to US dollars and the Euro. The table below illustrates the hypothetical sensitivity of the Group's reported profit and equity to a 5% increase and decrease in the US dollar/Sterling and Euro/Sterling exchange rates at the year end date, assuming all other variables remain unchanged. The figures have been calculated by comparing the fair values of outstanding foreign currency contracts at the current exchange rate to those if exchange rates moved as illustrated.

Positive figures represent an increase in profit or equity:

	Income statement		Equity	
	27 April 2008	29 April 2007	27 April 2008	29 April 2007
	£'000	£'000	£'000	£'000
Sterling strengthens by 5%				
US dollar	(32,603)	(49,444)	(32,603)	(49,444)
Euro	12,367	-	12,367	-
Sterling strengthens by 5%				
US dollar	34,233	51,916	34,233	51,916
Euro	(12,986)	-	(12,986)	-

Interest rate sensitivity analysis

The following table illustrates the hypothetical sensitivity of the Group's reported profit and equity to a 0.5% increase or decrease in interest rates, assuming all other variables were unchanged.

The analysis has been prepared using the following assumptions:

- For floating rate assets and liabilities, the amount of asset or liability outstanding at the balance sheet date is assumed to have been outstanding for the whole year.
- Fixed rate financial instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of this analysis.

Positive figures represent an increase in profit or equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

34. Financial Instruments (continued)

Positive figures represent an increase in profit or equity.

	Income statement		Equity	
	27 April 2008	29 April 2007	27 April 2008	29 April 2007
	£'000	£'000	£'000	£'000
Interest rate increase of 0.5%	(2,453)	(1,100)	(2,453)	(1,100)
Interest rate decrease of 0.5%	2,453	1,100	2,453	1,100

(d) Liquidity risk

The table below shows the maturity analysis of the undiscounted remaining contractual cash flows of the Group's financial liabilities:

2008	Less than 1 year	1-2 years	2-5 years	Over 5 years	Total
Bank loans and overdrafts	479,443	8,460	1,069	1,794	490,766
Obligations under finance leases	225	628	-	-	853
Trade and other payables	87,123	-	-	-	87,123
Derivative financial liabilities					
Cash inflows	(1,316,151)	(444,471)	-	-	(1,760,622)
Cash outflows	1,342,355	449,989	-	-	1,792,344
	592,995	14,606	1,069	1,794	610,464

2007					
Bank loans and overdrafts	217,300	883	982	95	219,260
Obligations under finance leases	696	148	-	-	844
Trade and other payables	139,416	-	-	-	139,416
Derivative financial liabilities					
Cash inflows	(1,018,942)	(235,368)	(250,000)	-	(1,504,310)
Cash outflows	1,050,000	250,000	242,004	-	1,542,004
	388,470	15,663	(7,014)	95	397,214

35. Trade and other payables

	27 April 2008	29 April 2007
	£'000	£'000
Trade payables*	87,123	139,416
Amounts owed to related undertakings	2,016	1,758
Other taxes including social security costs	13,660	23,764
Other payables	38,192	29,038
Accruals and deferred income*	66,607	115,968
	207,598	309,944

* (2007 Includes group restructuring, share issuance and initial public offering expenses of £30.7 million.)

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

36. Acquisitions

Details of principal acquisitions for the 52 weeks ended 27 April 2008 are set out below.

	Date of acquisition	Percentage of equity acquired	Nature of activity
Field & Trek (UK) Limited	11 July 07 [1]	100	Retail
Everlast Worldwide Inc.	20 September 07	100	Wholesale
Sport 2000 Sportne Trgovine DOC	07 August 07 [2]	20	Retail
Smith and Brooks Holdings Limited	12 September 07 [2]	40	Wholesale

[1] This was completed in two stages with 60% being acquired on 11 July 2007 and the remaining 40% on the 1 April 2008.

[2] This was an additional acquisition which takes the cumulative holding to 100%

The aggregate fair value of consideration paid, assets and liabilities acquired and resulting goodwill in respect of the above acquisitions is detailed below.

	Everlast Worldwide	Field & Trek	Other	Total
	£'000	£'000	£'000	£'000
Cash consideration including costs	80,865	6,068	11,183	98,116
Less: fair value of net assets acquired	(38,910)	(574)	(5,465)	(44,949)
Goodwill	41,955	5,494	5,718	53,167

The goodwill is attributable to the premium paid to strengthen the Group's existing business segments of retail and brand, which is in line with the Group's strategy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

36. Acquisitions (continued)

Everlast Worldwide Inc.

	Carrying values at acquisition	Provisional fair value adjustment	Fair value of net assets acquired
	£'000	£'000	£'000
Property, plant and equipment	3,139	-	3,139
Intangible assets	14,640	42,933	57,573
Deferred tax asset	1,575	-	1,575
Inventories	5,893	-	5,893
Trade and other receivables	10,286	-	10,286
Cash and cash equivalents	(5,664)	-	(5,664)
Borrowings	(11,685)	-	(11,685)
Trade and other payables	(6,094)	-	(6,094)
Deferred tax liability	-	(16,113)	(16,113)
	12,090	26,820	38,910

Separately identifiable intangible assets, primarily representing brands and licensing agreements acquired, amounting to £57,573,000 (deferred tax liability there on totalling £16,113,000) were recognised as a fair value adjustment on acquisition.

£19,846,000 of revenue, £4,178,000 of operating profit and £3,220,000 of profit before tax has been included within the Group's financial statements for the period in respect of the above acquired entity since the date of acquisition.

Cash flows arising from the acquisition are as follows:

	27 April 2008
	£'000
Cash consideration	80,865
Bank overdraft acquired	5,664
Net cash outflow in the cash flow statement	86,529

The goodwill is attributable to the premium paid to strengthen the Group's existing business segments of retail and brand, which is in line with the Group's strategy.

Field & Trek (UK) Limited

	Carrying values at acquisition	Provisional fair value adjustment	Fair value of net assets acquired
	£'000	£'000	£'000
Property, plant and equipment	322	-	322
Intangible assets	-	1,254	1,254
Inventories	1,879	-	1,879
Trade and other receivables	460	-	460
Cash and cash equivalents	6	-	6
Borrowings	(733)	-	(733)
Trade and other payables	(1,673)	-	(1,673)
Deferred tax liability	-	(351)	(351)
Minority interests	(590)	-	(590)
	(329)	903	574

Separately identifiable intangible assets, primarily representing trading names acquired, amounting to £1,254,000 (deferred tax liability there on totalling £351,000) were recognised as a fair value adjustment on acquisition.

£9,488,000 of revenue, £2,030,000 of operating loss and £2,037,000 of loss before tax has been included within the Group's financial statements for the period in respect of the above acquired entity since the date of acquisition.

Cash flows arising from acquisition are as follows:

	27 April 2008
	£'000
Cash consideration	6,068
Cash acquired	(6)
Net cash outflow in the cash flow statement	6,062

Other acquisitions

	Carrying values at acquisition	Provisional fair value adjustments	Fair value of net assets acquired
	£'000	£'000	£'000
Property, plant and equipment	10,470	-	10,470
Intangible assets	15	381	396
Investments	535	(535)	-
Inventories	3,119	-	3,119
Trade and other receivables	4,804	-	4,804
Cash and cash equivalents	(818)	-	(818)
Borrowings	(6,548)	-	(6,548)
Trade and other payables	(7,324)	-	(7,324)
Deferred tax liability	-	(111)	(111)
Minority interests	1,477	-	1,477
	5,730	(265)	5,465

If the above acquired entities had been acquired at the beginning of the period the Group's financial statements would show revenue of £1,273,968,000, operating profit of £111,966,000 and profit before taxation of £120,444,000.

Disposal of Original Shoe Company Limited

On 28 January 2008 the Group disposed of the Original Shoe Company for £5,000,000. The disposal resulted in the elimination of £7,658,000 goodwill and £4,800,000 of Brands and net liabilities of £5,575,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

37. Cash inflows from operating activities

	52 weeks ended 27 April 2008	52 weeks ended 29 April 2007
	£'000	£'000
Profit before taxation	118,873	60,480
Net finance (income)/costs	39,636	38,632
Investment income	(41,367)	-
Profit on disposal of available-for-sale financial assets	(2,507)	(1,790)
Share of profit of associated undertakings and joint ventures	(5,020)	(3,422)
Operating profit	109,615	93,900
Depreciation	35,583	30,904
Amortisation charge	2,023	3,584
Impairment charge	1,394	-
Loss on disposal of intangibles	155	-
Loss on disposal of subsidiary undertakings	1,883	-
Defined benefit pension plan current service cost	69	175
Defined benefit pension plan employer contributions	(1,110)	(2,136)
Operating cash inflow before changes in working capital	149,612	126,427
Decrease in receivables	6,395	16,196
Decrease in inventories	23,511	2,494
(Decrease) / Increase in payables	(119,999)	54,144
Cash inflows from operating activities	59,519	199,261

38. Operating lease arrangements

As at 27 April 2008 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	27 April 2008	29 April 2007
	£'000	£'000
Land and buildings		
Within one year	73,902	66,129
In the second to fifth years inclusive	276,695	250,509
After five years	387,053	358,504
	737,650	675,142

The Group sub-lets certain stand-alone retail stores which are no longer operated by the Group. The property rental income earned during the 52 weeks ended 27 April 2008 was £2,744,000 (2007: £1,435,000).

As at 27 April 2008, the Group had contracts with sub-tenants for the following future minimum lease rentals:

	27 April 2008	29 April 2007
	£'000	£'000
Land and buildings		
Within one year	3,458	2,595
In the second to fifth years inclusive	7,901	9,200
After five years	6,356	15,316
	17,715	27,111

39. Capital commitments

The Group had no capital commitments as at 27 April 2008 (2007 : £Nil).

40. Contingent assets and liabilities

As a matter of course the Group undertakes action in numerous parts of the world to protect its trade mark registrations and in connection with the Group's licensees. Such actions are usually resolved in the ordinary course of business. The Group is, however, party to a dispute and since 2007 has provided for an amount representing the financial estimation of the potential loss if the outcome was not to be in its favour. The Group believes that to provide further information would be seriously prejudical to the case.

41. Related party transactions

The Group entered into the following material transactions with related parties:

The Group has taken advantage of the exemptions contained within IAS 24 - Related Party Disclosures from the requirement to disclose transactions between group companies as these have been eliminated on consolidation.

52 weeks ended 27 April 2008

Related party:	Relationship	Sales	Purchases	Trade and other receivables	Trade and other payables
		£'000	£'000	£'000	£'000
Pan World Brands Limited	Common control	-	-	3	(17)
Heatons	Associate	15,829	-	1,942	-
No Fear International Limited	Joint venture	-	-	316	(1,468)
PBF International Limited	Joint venture	189	(465)	910	-
Mike Ashley	Director	-	-	-	(590)
Sopotnik Trade Doo	Associate	23	-	83	-

Mike Ashley leases certain properties to various companies in the Group which are operated as retail and distribution premises. A commercial rent is charged in respect of these leases.

On 10 July 2007 the Group sold an Augusta A109 S Grand Helicopter to Mike Ashley for €4,806,175 (£3,235,547) plus VAT. The helicopter had been purchased by the Company for €4,600,000 in March 2006.

During the period Mike Ashley loaned the Group £250 million on arm's length commercial terms and this amount was repaid in full on 26th October 2007.

No interest was charged by Mike Ashley in respect of amounts owed to him by the Group.

Compensation paid to key management of the Group was £1,040,854, including pension contributions of £9,085.

52 weeks ended 29 April 2007

Related party:	Relationship	Sales	Purchases	Trade and other receivables	Trade and other payables
		£'000	£'000	£'000	£'000
Pan World Brands Limited	Common control	564	(16)	200	-
Heatons	Associate	18,930	-	1,428	-
No Fear International Limited	Joint venture	329	(10)	-	(1,029)
PBF International Limited	Joint venture	4,383	(1,756)	1,300	(839)
Mike Ashley	Director	-	-	-	(497)

On 27 February 2007, Stirlings (Argyle Street) Limited was sold by Dunlop Slazenger Group Limited, a subsidiary of the Company, to Mike Ashley for cash consideration of £2,900,000. No profit or loss resulted from this transaction from the Group's perspective.

No interest was charged on Mike Ashley's director's account with the Group.

Mike Ashley leases certain properties to various companies in the Group which are operated as retail and distribution premises. A commercial rent is charged in respect of these leases.

The cash proceeds from the issue of shares on 2 March 2007 totalling £929 million were utilised to acquire Mike Ashley's shares in Sports World International Limited.

The maximum amount outstanding from Mike Ashley during the period was £57.3 million.

Compensation paid to key management of the Group was £16,043,287, including pension contributions of £9,287.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 APRIL 2008 Continued

42. Principal subsidiary undertakings

The principal subsidiary undertakings of the Company at 27 April 2008 were as follows:

Name	Country of incorporation	Percentage of issued share capital held	Nature of business
Antigua Enterprises Inc.*	USA	65	Sporting and leisure goods wholesale and brand licensing
Brands & Fashion NV*	Belgium	100	Brand management and licensing
Brands Inc. Limited*	England	100	Brand management and licensing
Brands Holdings Limited	England	100	Brand management and licensing
CDS Holdings SA	Belgium	100	Sporting and leisure goods retail
Donnay International SA*	Belgium	100	Sporting and leisure goods wholesale and brand licensing
Dunlop Slazenger Group Limited*	England	100	Sporting and leisure goods wholesale and brand licensing
Everlast Worldwide Inc.*	USA	100	Sporting and leisure goods wholesale and brand licensing
E Walters UK Limited*	England	100	Sporting and leisure goods wholesale and brand licensing
Field and Trek (UK) Limited*	England	100	Sporting and leisure goods retail
International Brand Management Limited	England	100	Brand management
Kangol Holdings Limited*	England	100	Fashion and leisure goods wholesale and brand licensing
Karrimor Limited*	England	80	Fashion and leisure goods wholesale and brand licensing
Lonsdale Boxing Limited*	England	100	Fashion and leisure goods wholesale and brand licensing
Lonsdale Sports Limited*	England	80	Sporting and leisure goods wholesale and brand licensing
Smith & Brooks Holdings Limited*	England	100	Sporting and leisure goods wholesale and brand licensing
Sports Essentials Limited*	England	100	Sporting and leisure goods wholesale and brand licensing
Sports World International Limited	England	100	Sporting and leisure goods retail
Sports 2000 doo*	Slovenia	100	Sporting and leisure goods retail
The Trademark Licensing Company Limited*	England	100	Brand licensing
Universal Cycles Limited*	England	100	Bicycle wholesaler

* Held by an intermediate subsidiary.

All subsidiaries have coterminous year ends.

All principal subsidiary undertakings operate in their country of incorporation.

A full list of the Group's operating subsidiary undertakings will be annexed to the next Annual Return filed at Companies House.

There are no significant restrictions on the ability of the subsidiary undertakings to transfer funds to the parent, other than those imposed by the legal requirements.

43. Ultimate controlling party

The Group is controlled by Mike Ashley through his 72% shareholding in the Company.

44. Post balance sheet events

No material post balance sheet events occurred after 27 April 2008 to the date of this Annual Report:

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SPORTS DIRECT INTERNATIONAL PLC

We have audited the parent company financial statements of Sports Direct International plc for the 52 week period to 27 April 2008 which comprise the balance sheet and notes 1 to 9.

These parent company financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited. We have reported separately on the Group financial statements of Sports Direct International plc for the period ended 27 April 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the parent company financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent company financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent company financial statements give a true and fair view and whether the parent company financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chief Executive's Report and Business Review and the Financial Review that is cross referred from the Business Review and Future Developments section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent company financial statements. The other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement, the Chief Executive's Report and Business Review and the Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

• the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 27 April 2008;

• the parent company financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and

• the information given in the Directors' Report is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

LONDON
10 July 2008

COMPANY BALANCE SHEET AS AT 27 APRIL 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Investments	2	989,290	988,255
Current assets			
Debtors	3	1,795	48,850
Cash at bank		1,886	102
		3,681	48,952
Creditors: amounts failing due within one year	4	(23,383)	(32,427)
Net current (liabilities) / assets		(19,702)	16,525
Creditors: amounts failing due in greater than one year	5	(730)	-
Net assets		968,858	1,004,780
Capital and reserves			
Called up share capital	6	64,045	72,000
Share premium	7	874,300	874,300
Treasury shares reserve	7	(201,483)	-
Permanent contribution to capital	7	50	50
Capital redemption reserve	7	8,005	50
Profit and loss account	7	223,941	58,380
Shareholders' funds	8	968,858	1,004,780

The accompanying accounting policies and notes form part of these financial statements.

The financial statements were approved by the board on 10 July 2008 and were signed on its behalf by:

Bob Mellors
Director

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Accounting policies

These accounts have been prepared in accordance with applicable United Kingdom accounting standards. A summary of the more important accounting policies adopted are described below.

Basis of accounting

The accounts have been prepared under the historical cost convention.

As permitted by Section 230 of the Companies Act 1985, a profit and loss account of the Company is not presented. The Company's profit for the 52 week period 27 April 2008 was £184,687,000 (2007 £58,380,000)

Investments

Fixed asset investments are stated at cost less any provision for impairment.

Cost represents cash consideration or the amount of ordinary shares issued by the Company at nominal value after taking account of merger relief available under s131 of the Companies Act 1985 plus related acquisition costs capitalised at fair value.

Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain.

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Items arising from transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. At the balance sheet date all monetary assets and liabilities denominated in foreign currencies are translated at the closing rate or at the rate of exchange at which the transaction is contracted to be settled in the future. All exchange differences are dealt with in the profit and loss account.

Dividends

Dividends on the Company's ordinary shares are recognised as a liability in the Company's financial statements, and as a deduction from equity, in the period in which the dividends are declared. Where such dividends are proposed subject to the approval of the Company's shareholders, the dividends are only declared once shareholder approval has been obtained.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, with the exception of those accounted for via merger relief available under s131 of the Companies Act 1985, are recorded at the proceeds received, net of any direct issue costs.

Income from group undertakings

Income from group undertakings is recognised when qualifying consideration is received from the group undertaking.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from reporting related party transactions as its own Financial Statements are presented together with its Consolidated Financial Statements.

Share-based payments

The Company has applied the requirements of FRS 20, "Share-based Payment". The Company issues equity-settled share-based payments to certain directors and employees of the Company and its subsidiaries. These are measured at fair value at the date of grant which is expensed to the Consolidated Income Statement on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of a Monte Carlo method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. No share-based payment charge was recognised for the 52 weeks ended 27 April 2008 as the directors did not consider it material to the Group's financial results or position.

NOTES TO THE COMPANY FINANCIAL STATEMENTS Continued

2. Investments

Shares in group undertakings:		2008 £'000
As at 29 April 2007		988,255
Additions:		
Original Shoe Company Limited	4,496	
Sport 2000 Sportne Trgovine Doc	1,035	
		5,531
Disposals:		
Original Shoe Company Limited		(4,496)
As at 27 April 2008		989,290

None of the Company's investments are listed.

The Company is the principal holding company of the Group. The principal subsidiary undertakings of the Company are set out in note 42 to the Group financial statements.

3. Debtors

	2008 £'000	2007 £'000
Amounts owed by group undertakings	-	47,862
Other debtors	-	530
Prepayments	1,795	458
	1,795	48,850

4. Creditors: amount falling due within one year

	2008 £'000	2007 £'000
Trade creditors	1,061	4,579
Amounts owed to group undertakings	11,322	763
Accruals	170	27,085
Other creditors	10,830	-
Corporation tax	-	-
	23,383	32,427

5. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Other creditors	730	-
	730	-

6. Called up share capital

	2008 £'000	2007 £'000
Authorised		
999,500,010 ordinary shares of 10p each	99,950	99,950
499,990 redeemable preference shares of 10p each	50	50
	100,000	100,000
Called up and fully paid		
640,452,369 (2007: 720,000,000) ordinary shares of 10p each	64,045	72,000

	2008 £'000	2007 £'000
Share capital		
At 29 April 2007	72,000	72,000
Shares cancelled (Note 7)	(7,955)	-
At 27 April 2008	64,045	72,000

7. Reserves

	Share premium account	Treasury share reserve	Permanent contribution to capital	Capital redemption reserve	Profit and loss account
	£'000	£'000	£'000	£'000	£'000
At 29 April 2007	874.300	-	50	50	58,380
Profit for financial period					184,687
Dividends paid / declared	-	-	-	-	(19,126)
Cost of shares acquired	-	(201,483)	-	-	-
Share cancelled	-	-	-	7,955	-
At 27 April 2008	874,300	(201,483)	50	8,005	223,941

Between 24 July 2007 and 11 March 2008 the Group acquired 151,547,631 of its own shares for total consideration of £200,480,929, with the purchase price ranging between £0.95 and £1.50. 79,547,631 of these shares have been cancelled and £7,954,763 of these shares represent excess shares over and above the statutory maximum holding of 10% of the nominal value of issued share capital which will be disposed of or cancelled in accordance with Section 162B and Section 162D of the Companies Act 1985.

8. Reconciliation of movement on shareholders' funds

	2008 £'000
Opening shareholders' funds	1,004,780
Dividends paid / declared	(19,126)
Treasury shares acquired	(201,483)
Profit for the financial period	184,687
Closing shareholders' funds	968,858

9. Post balance sheet events

No material post balance sheet events occurred after the 27 April 2008 to the date of this Annual Report

CONSOLIDATED 5 YEAR RECORD

UNAUDITED INCOME STATEMENT

	IFRS 52 weeks ended 27 April 2008	IFRS 52 weeks ended 29 April 2007	IFRS 53 weeks ended 30 April 2006	UK GAAP 52 weeks ended 24 April 2005	UK GAAP 52 weeks ended 25 April 2004
	£'000	£'000	£'000	£'000	£'000
Continuing operations:					
Revenue	1,259,510	1,347,144	1,194,736	971,062	676,875
Cost of sales	(709,809)	(751,003)	(738,057)	(589,225)	(398,694)
Gross profit	549,701	596,141	456,679	381,837	278,181
Selling distribution and administrative expenses	(444,109)	(445,198)	(351,622)	(317,854)	(226,429)
Other operating income	4,023	1,783	3,044	1,263	1,205
Costs of admission to the London Stock Exchange	-	(586)	-	-	-
Past performance bonuses	-	(56,400)	-	-	-
Profit on disposal of certain retail concessions	-	4,160	-	-	-
Leofelis legal claim	-	(6,000)	-	-	-
Reorganisation costs	-	-	(3,368)	-	-
Profit on disposal of intangible assets	-	-	-	10,000	-
Impairment of intangible fixed assets	-	-	-	(4,849)	-
Exceptional items	-	(58,826)	(3,368)	5,151	-
Operating profit	109,615	93,900	104,733	70,397	52,957
Investment income	43.874	1,790	2,624	1,179	575
Finance income	5,370	3,449	3,387	3,873	1,091
Finance costs	(45,006)	(42,081)	(17,832)	(4,497)	(1,610)
Share of profit of associated undertakings and joint ventures	5,020	3,422	3,406	2,440	1,925
Profit before taxation	118,873	60,480	96,318	73,392	54,938
Taxation	(41,126)	(23,360)	(31,448)	(17,301)	(18,885)
Profit for the period	77,747	37,120	64,870	56,091	36,053
Equity holders of the Group	78,182	37,671	62,886	55,235	36,304
Minority interests	(435)	(551)	1,984	856	(251)
Profit for the period	77,747	37,120	64,870	56,091	36,053

Notes to the consolidated income statement five year record:

1 Information for the 52 weeks ended 27 April 2008, the 52 weeks ended 29 April 2007 and the 53 weeks ended 30 April 2006 is presented under IFRS.

2 Information for the 52 weeks ended 24 April 2005 and the 52 weeks ended 25 April 2004 is presented under UK GAAP.

3 The five year record has been prepared on the same basis as the financial statements for the 52 weeks ended 27 April 2008, as set out in Note 1, Basis of preparation, of the consolidated financial statements. In particular, the principles of reverse acquisition accounting and merger accounting have been adopted.

SHAREHOLDER INFORMATION

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Unsolicited mail
The Company is obliged by law to make its share register publicly available and as a consequence some shareholders may receive unsolicited mail, including from unauthorised investment firms. For more information on unauthorised investment firms targeting UK investors, visit the website of the Financial Services Authority at www.moneymadeclear@fsa.gov.uk.

If you wish to limit the amount of unsolicited mail you receive contact:

The Mailing Preference Service
FREEPOST 29
(Lon 20771)
London
W1E 0ZT
Telephone: 020 7291 3310 or register on-line at:
www.mpsonline.org.uk

Annual General Meeting
The Annual General Meeting of the Company will be held at 3.00pm on Wednesday 10 September 2008 at Sports Direct International plc, The Auditorium, Unit D, Brook Park East, Shirebrook, NG20 8RY. Each shareholder is entitled to attend and vote at the meeting, the arrangements for which are described in a separate notice.

Dividend Payments
An interim dividend of 2.06 per share was paid on 30 April 2008 to shareholders on the register on 29 March 2008. A final dividend of 2.44p is proposed to be paid to shareholders on the register on 3 October 2008 to be paid on 31 October 2008.

Results
For the Year to 26 April 2009
Interim management statement: 10 September 2008
Half year results announced: 17 December 2008
Interim management statement: 8 February 2009
Preliminary announcement of full year results: July 2009
Annual report circulated July/August 2009.

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