SPORTSDIRECT.com

2015 ANNUAL REPORT

EVERYTHING IS CHANGING

SPORTSDIRECT.COM

FASCIAS

SPORTS RETAIL

SPORTS DIRECT.com | Lillywhites

SPECIALIST SPORTS

DragonCarp | SWIMSHOP WE KNOW SWIMMING | YEOMANS OUTDOOR LEISURE | PWPSPORT.com | field & trek.com

PREMIUM LIFESTYLE

USC | CRUISE | FLANNELS | PULP | van mildert

INTERNATIONAL

SPORTLAND

BRANDS

SPORTS & LEISURE

DUNLOP SPORT | Slazenger | Sondico | EVERLAST | MUDDYFOX | USA PRO | gelert

NO FEAR | karrimor | ANTIGUA | CAMPRI | LONSDALE LONDON | NEVICA | TITLE

DONNAY | carlton | LA GEAR | SILVERFOX | GUL

FASHION & LIFESTYLE

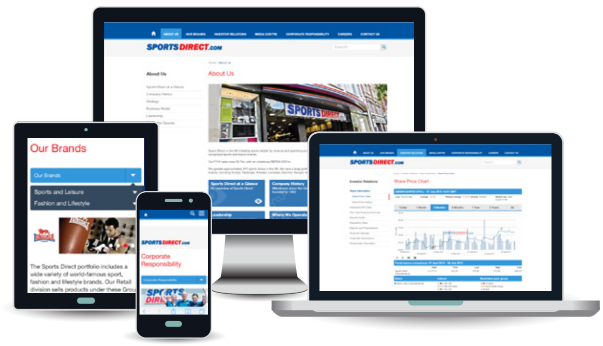
SOVIET | SOULCAL&CO | hot tuna | Firetrap | KANGOL | golddigga | FABRIC

voodoo dolls | FULLCIRCLE | CRAFTED | MISO

Sports Direct is the UK's leading sports retailer by revenue and operating profit, and the owner of a significant number of world-famous sport, fashion and lifestyle brands.

We provide a full multi-channel approach to the UK and European Retail markets. Our strategy includes identifying opportunities for improvement through in-store specialist collaborations and acquisitions, developing online opportunities and leveraging the SPORTSDIRECT.com fascia.

The Group continues to enhance its store portfolio and Sports Retail now operates out of over 661 stores in the UK and internationally.



The Sports Direct International plc website is available on multiple platforms including mobile devices.

Go online at **www.sportsdirectplc.com** & **www.sportsdirect.com**

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KEY HIGHLIGHTS

- Sports Retail gross margin increased by 170 bps to 44.6%
- Group underlying EBITDA increased by 15.7% to £383.2m (1)
- Underlying profit before tax up 20.5% to £300.3m(1)
- Underlying free cash generation of £301.8m(2)
- Sports Retail like-for-like stores gross contribution increased by 7.4% (FY14: 10.5%)(3)
- Continued roll-out of large format city centre stores
- Successful UK launch of Click and Collect in FY15 H2
- Record EBITDA achieved v. 4th year Share Scheme target
- Net debt decreased to £59.7m(4)

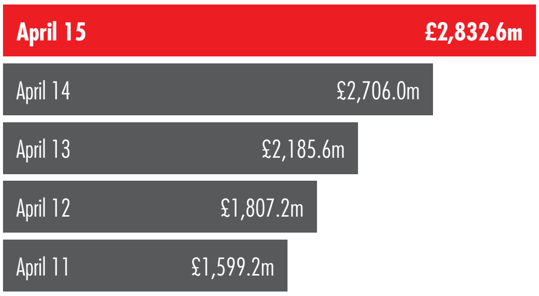
(1) Underlying EBITDA, underlying profit before taxation and underlying EPS exclude realised foreign exchange gains/losses in selling and administration costs, exceptional costs and the profit/loss on sale of strategic investments. Underlying EBITDA also excludes the Share Scheme charges.

(2) Underlying free cash generation is defined as operating cash flow before working capital, made up of underlying EBITDA (before Share Scheme costs) plus realised foreign exchange gains and losses, less corporation tax paid.

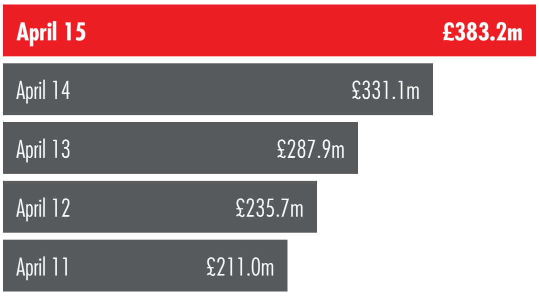
(3) Excludes contribution in Sport Eybl and Sports Experts AG (EAG) and Sportland International Group AS (SIG) as the prior year comparative is not a full year.

(4) Net debt is borrowings less cash held.

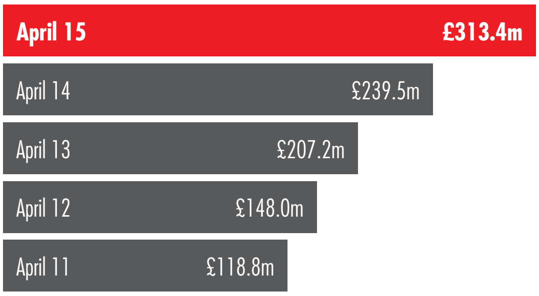
GROUP REVENUE +4.7%



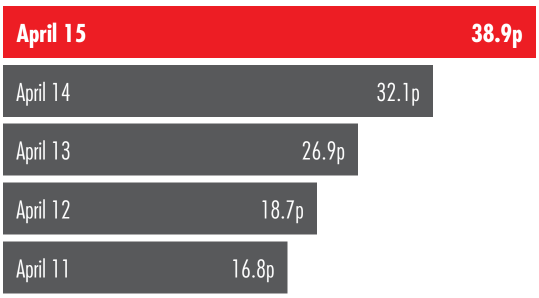
UNDERLYING EBITDA +15.7%



REPORTED PBT +30.9%



UNDERLYING EPS +21.2%



"The Group has delivered another solid set of results in spite of challenging trading conditions including the adverse impact on performance during the period of England's early departure from the FIFA World Cup in Brazil and unseasonably mild weather during autumn, reducing footfall.

"However, with our ongoing focus on providing customers with exceptional quality and unbeatable value, we have continued to grow Group revenues and EBITDA and have succeeded in surpassing our fourth and final EBITDA target under the 2011 Share Scheme. The first of these awards will vest with participants in September 2015 and the second in September 2017. We owe our continued success to the commitment and hard work of those participants and we are delighted that we are able to reward them in this way.

"Trading since the period end has been in line with management expectations and will continue to be driven by improvements in product range and availability, optimisation of both our in-store and web offerings, the introduction of Click and Collect in the UK and further investment in our store portfolio."

Dave Forsey
Chief Executive

16 July 2015



SPORTSDIRECT.com

EVERYTHING IS CHANGING

EVERYTHING IS CHANGING
SPORTS DIRECT NATIONAL DISTRIBUTION CENTRE, SHIREBROOK

Phase Three of the expansion of our National Distribution Centre in Shirebrook, the construction of an additonal c.700,000 sq. ft. warehouse and office facility, is now well underway, with completion scheduled for late 2015.

We have also commenced work on an additional retail unit and training centre at our Shirebrook campus, with completion also anticipated for late 2015. These expansions will have a range of benefits for the Group, including an improved environment for staff training.

BUILDING	ELECTRICAL	DATA
29,000 m^3 Concrete	60 km Cable	28 km Fibre optic cable
3,600 tonnes Steelwork	30 km Lighting bus-bar	250 km Category 6 data cable
68,000 m^2 Roof cladding	11,000 Light fittings	3,000 Information outlets
21,000 m^2 Wall cladding	7 km Cabling containment	
8 km Pipework	14 km Fire alarm pipework	
1.5 km Building perimeter		

EVERYTHING IS CHANGING
GROUP BRANDS

Karrimor launched their new multichannel running campaign, with predominant focus on TV, digital, and in-store channels, to coincide with the world renowned London Marathon. The campaign focused on the latest running apparel and footwear but also contributed to the launch of the new Karrimor Elite running app. 2014 also saw Karrimor expand their ambassador line-up by agreeing a three year deal with Countryfile presenter Helen Skelton and resigning Olympic Gold Medallist James Cracknell for a further two years.

Throughout the year Lonsdale has continued to go from strength to strength, further establishing its position in the fight sports market. The Lonsdale brand has been showcased at various events such as BAMMA and the Queensbury Boxing League. It was also a main sponsor at one of the biggest fights of 2014 which saw Lonsdale's leading brand ambassador Carl Froch knock out George Groves in front of 80,000 at Wembley Stadium. The pay per view event was viewed by millions across the globe. Furthermore, Lonsdale signed boxer Nathan Cleverly for a three year deal which will carry the partnership into 2017.

USA Pro launched its new 'Join Our Movement' campaign which focused on vibrant hero prints and demonstrated the depth and breadth of the USA Pro collection.The campaign featured women at the top of their game to show that USA Pro is not just a stylish fitness brand. Launched in USC and Sports Direct across a number of channels including TV, retail and digital, the 'Join Our Movement' campaign is a perfect reflection of how USA Pro is continuing to expand its product offering and increase its dominance in the female fitness market.

Slazenger and The Championships, Wimbledon agreed to extend their longest standing sporting sponsorship in the history of sport for a further three year term which will take the overall agreement to 116 years. The partnership is a perfect reflection of the prestige and longevity of the brand and the extension will continue to showcase Slazenger worldwide on the biggest stage there is.

Also this year, Slazenger's cricket ambassador, England fast bowler Jimmy Anderson, surpassed Sir Ian Botham as England's 'all-time test wicket-taker' with his 384th wicket in his 100th match.

EVERYTHING IS CHANGING
PARTNER BRANDS

Following the successful launch of Nike's MPT (market place transformation) area in our Shirebrook store in FY14, we decided to lead our new Oxford Street flagship store at the beginning of FY15 with an impressive Nike men's training area in the entrance. The Nike area and overall store merchandising standards and customer service have been maintained to a very high standard since opening and both businesses are pleased with the feedback and initial results. We have shared plans to roll out further Nike branded areas in our large format city centre stores and will continue to work closely with our Nike team in Shirebrook in developing product and retail solutions to give our customers enhanced shopping experiences throughout our store portfolio.

UNDER ARMOUR.

We see the Under Armour brand as a significant future partner for the Sports Direct business and in FY15 committed to a long term joint business plan. In July 2015 we opened a 3,000 sq. ft. Under Armour 'shop in shop' in our recently refurbished and extended Glasgow City Centre store on Argyle Street. We are planning additional space for the Under Armour brand as it grows in popularity in the new large format city centre stores as they roll out. In addition to this, 200 stores will also feature bespoke Under Armour base layer fixtures by the end of the 2015 calendar year.

The adidas Group has committed to investing several million pounds with Sports Direct across FY16 to build upon the repositioning work started in FY15. To date this has included two all door (Sports Direct) window marketing campaigns, a 170 door roll out of a new football Bootroom panel concept, branded space in key location doors and continued marketing support (Ultra Boost) for the Sweatshop business. In FY16 Sports Direct will be a key partner for their new football silo launch 'Ace v X' including another all door window campaign and Bootroom update. There are also plans to roll out refreshed fixtures for men's apparel across the wider estate and a more focused Manchester United launch in appropriate stores. The adidas Group is also investing in a much larger showroom space at our Shirebrook Head Office which will feature a staff training facility and a dedicated space for the Reebok brand which we are also planning to trial with some branded apparel space in key doors in FY16.

adidas

PUMA®

Puma continue to be a key strategic partner for the Sports Direct business and in FY15 cemented their strategic investments in the football category by rolling out 150 Bootroom centre panels to showcase their new boot concepts which was supported by an extensive period of staff training. They are also taking a significantly larger office and showroom space in our Shirebrook Head Office and have invested in a dedicated retail specialist to manage their branded space roll out and assortment planning process.

EVERYTHING IS CHANGING SPORTS DIRECT FITNESS

SPORTSDIRECT FITNESS.COM

During the year, the Group entered the fitness industry with the development of Sportsdirect Fitness.com, comprising 25 standalone gyms purchased from LA Fitness and an additional two new build combined retail and gym spaces. A further two gyms in St Helens and Dundee are planned for early autumn 2015. Membership continues to grow and we have already surpassed our full year targets.

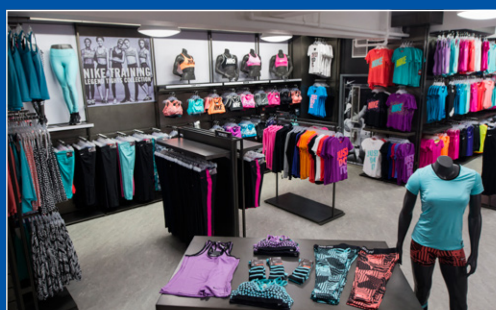
SPORTSDIRECT FITNESS.COM AINTREE

EVERYTHING IS CHANGING
MEGASTORES

We have worked hard to improve and invest in our store portfolio during the year, with a particular focus on larger city centre stores. During the year we relocated our Oxford Street store to the c.50,000 sq. ft. former HMV store and have completed a c.30,000 sq. ft. extension of our Glasgow store. We have recently also acquired the freehold of the former Primark store in Leeds. Works are currently underway on this four floor, c.50,000 sq. ft. store which is due to open this summer.

MEGASTORES OPEN

SHIREBROOK - C.57,000 SQ. FT.
OXFORD STREET - C.50,000 SQ. FT.
AINTREE - C.40,000 SQ. FT.
GLASGOW ARGYLE - C.50,000 SQ. FT.
LEEDS - C.50,000 SQ. FT.



GLASGOW, ARGYLE STREET BEFORE AND AFTER

SPORTS DIRECT AT A GLANCE

The Group operates through three strategic business segments: Sports Retail, Premium Lifestyle and Brands.

SPORTS RETAIL 85% TOTAL REVENUE £2,398.6m Up 5.5%

The Group's Sports Retail division supplies a wide range of sports and leisure equipment, across an array of global brands, including Group owned brands such as Dunlop, Slazenger and Lonsdale, third party and licensed-in brands. This wide range of products, combined with extremely competitive pricing, attracts customers to both our stores and website in ever increasing numbers.

As at 26 April 2015 Sports Retail operated out of 661 stores in the UK and the rest of Europe (excluding Northern Ireland). The majority of stores trade under the SPORTSDIRECT.com fascia.

We continue to expand and develop our stores, with several relocations taking place in the year into larger and better configured space, so that we are better able to serve the needs of our customers. Investment has also continued in specialist performance areas, with visual merchandising improving across the whole of the division.

In Europe, the Group's growth has continued, with our products being offered via wholly-owned retail outlets, joint ventures with other retailers and stores within another retailer's store. We have continued the integration of the recently acquired Sport Eybl and Sports Experts AG (EAG), and over the coming year will re-brand key Eybl Megastores to the Lillywhites fascia.

During the year, as part of our European growth programme, we increased our European store portfolio by nine stores and entered one new country, with the opening of our Bern store in Switzerland. Our strategy remains to identify partners in new territories while continuing to expand our operations in the countries where we currently trade.

Our online sales continue to increase, enhanced in the year by the successful introduction of UK Click and Collect and the development of a streamlined checkout process.

PREMIUM LIFESTYLE 7% TOTAL REVENUE £207.6m Down 3.0%

Rationalisation of the division has taken place throughout the year, including the closure of loss-making stores, the mitigation of operating costs and the relocation of back-office functions.

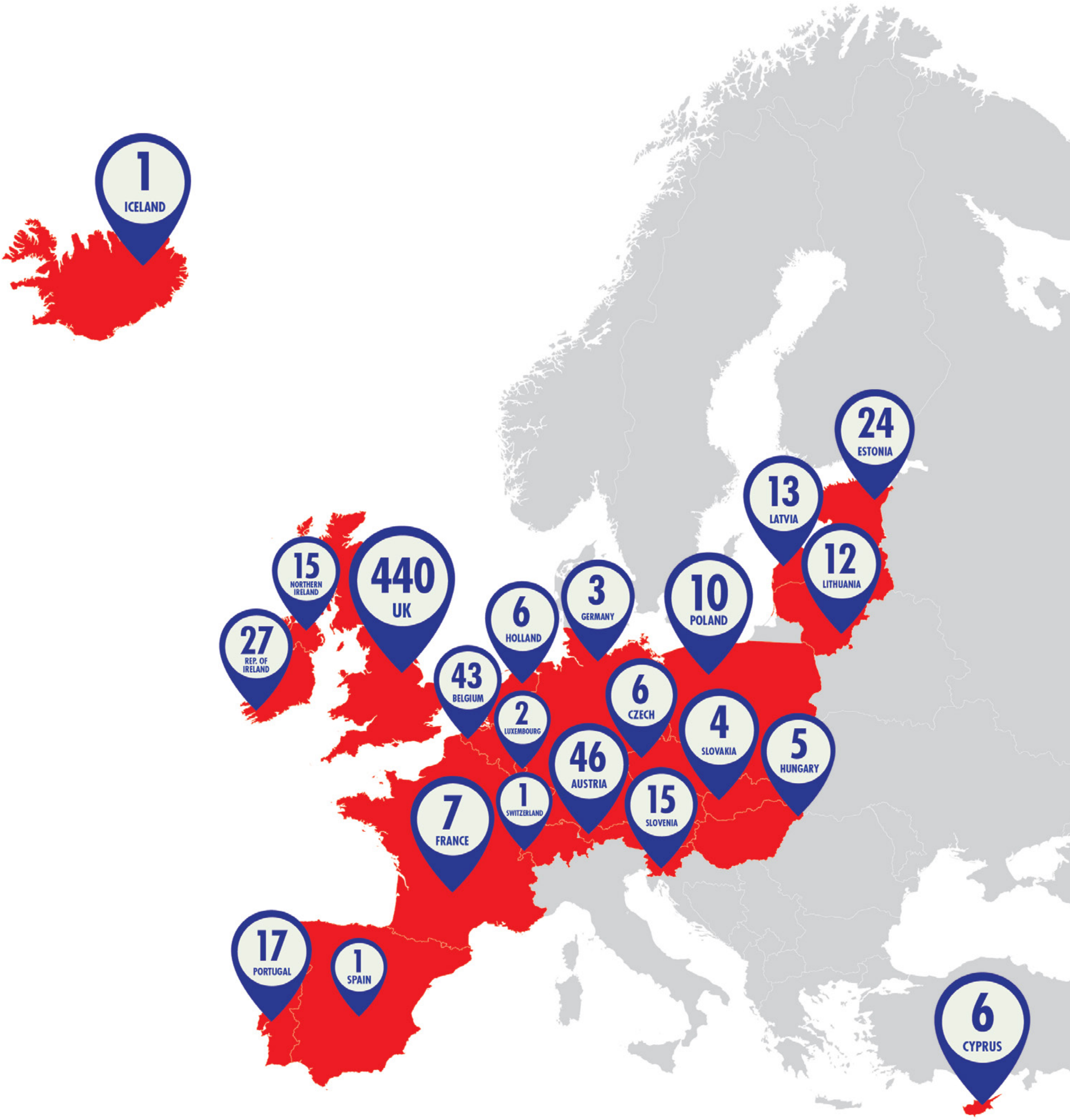
The Premium Lifestyle division is a must for those fashion conscious shoppers who demand high-end and on trend apparel. The division centres on contemporary luxury with a brand focus, and leading stocked brands include Paul Smith, Fendi and Alexander McQueen. The division enables customers to express their individuality, with new collections regularly being added. Recent additions include White Premiata, Carven and Canada Goose.

BRANDS 8% TOTAL REVENUE £226.4m Up 4.1%

The Brands division licenses our brands to partners across the world through a committed network of licensing and distribution partners. The unique, integrated approach to brand management ensures consistency, and encourages continual investment and global success for the brands.

Focus on our brands is maintained through sponsorship of high-profile media personalities, events, teams and venues. Bolddog, a motorcycle display team made famous in the 2014 series of Britain's Got Talent, are a recent addition to the No Fear brand, and Sno Zone in Reading is a winter sports venue which is sponsored by our Nevica brand. The Slazenger brand has recently signed a renewal sponsorship of The Championships, Wimbledon. Slazenger has sponsored the event since 1902, making this one of the longest partnerships in sporting history.

SPORTS STORES ACROSS EUROPE



Note: Includes associates in Iceland, Republic of Ireland and Northern Ireland that trade under the SPORTSDIRECT.com fascia.

CHAIRMAN'S STATEMENT

I am pleased to report the Group has once again achieved another solid result, delivering growth in both Group revenues and EBITDA.

EXPANSION

The construction of Phase Three of our Shirebrook campus expansion is now well underway. It consists of an additional warehouse and office facility, spanning a c.700,000 sq. ft. footprint. Occupancy of the first warehouse area is about to commence, with population of the remaining areas of the warehouse planned for later in 2015, on schedule. We have also commenced work on an additional retail unit and training centre at our Shirebrook campus, with completion anticipated for late 2015. The expansions will have a range of benefits for the Group, including an improved environment for staff training.

Our Oxford Street store has now been open for over 12 months and has been well-received by both customers and suppliers. The property, which was the former HMV Flagship store, allows us to trade over four floors, with c.50,000 sq. ft. of retail space. Our Glasgow City Centre store has undergone an extension of approximately 28,000 sq. ft., more than doubling its previous footprint and we have collaborated with Under Armour to offer our customers an exceptional shopping environment. We have also recently acquired the freehold of the c.50,000 sq. ft. former Primark store in Leeds, which is expected to open this summer.

We are confident in the success of the format used in the stores, which we intend to roll out further.

Our Fitness division now has 27 fully operational gyms across England. During the year the Group purchased 25 former LA Fitness gyms, and developed an additional two gyms with separate retail premises, ensuring that customers can purchase their everyday gym essentials on site.

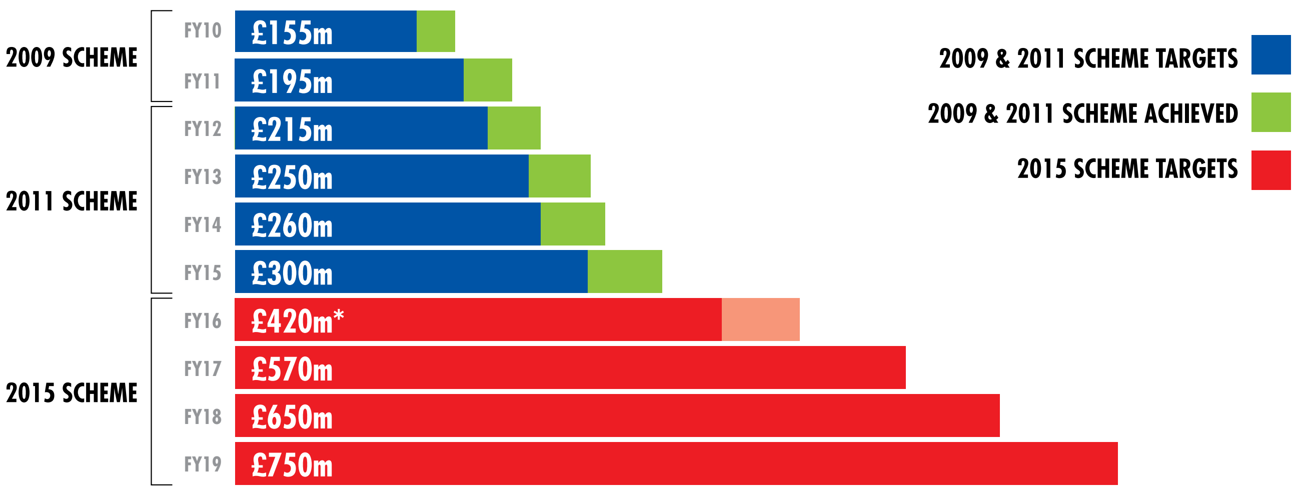
STRATEGIC INVESTMENTS

Strategic Investments are an integral part of the Board strategy to explore new opportunities to bring our product to market.

The Group enhanced its relationship with Debenhams during the year with the purchase of an additional strategic investment in the business, increasing our beneficial interest from 6.6% to 15.0% at the year end date of 26 April 2015, which has subsequently reduced since the year end to 10.5%. We are currently trialling four concessions within Debenhams stores.

SHARE SCHEMES

I am pleased to confirm that we have achieved the final Adjusted Underlying EBITDA target under the 2011 Share Scheme and Executive Share Scheme. We hope to reward participating employees under the 2011 Share Scheme for their loyalty and motivation by way of share awards. The first award under the 2011 Share Scheme is due to vest later in 2015, which will distribute c.5m shares to c.2,000 participating employees. The Group's Share Schemes are some of the most generous schemes in the country, and are key tools in motivation and retention.



*Proposed revised FY16 target under the 2015 Share Scheme. Shareholder approval to amend this target from £480m to £420m will be sought at the AGM on 9 September 2015.

To the extent that a significant number of participating employees elect to sell some or all of their shares, whilst the Company has no obligation to buy back the shares, the Board will consider a number of options open to it, including whether to: (i) implement an on-market buy back of shares pursuant to the authority given by shareholders at the Company's AGM in 2014; or (ii) fund the Company's Employee Benefit Trust so as to allow it to acquire shares in the market to replace those shares transferred to participating employees pursuant to the vesting.

As part of our strategy to closely align the interests of our team with those of our shareholders, the 2015 Share Scheme was approved by shareholders at a General Meeting in July 2014. The vesting of awards under the 2015 Share Scheme is conditional upon the achievement by the Group of four demanding EBITDA targets, which span between FY16 and FY19. The awards will vest in 2019 and 2021, subject to successful completion of all four targets, and other specific performance conditions. The Executive Deputy Chairman, Mike Ashley, withdrew from the Scheme during FY15. Mike remains fully committed to the achievement of the Scheme's targets, but would like the focus to be on ensuring that the Scheme aligns with the wider Sports Direct team, and therefore chose to withdraw from the Scheme.

As we enter FY16 it is clear, and also understood by the market, that planned acquisitions in FY15 did not fully materialise. Following its recent review, the Board now recommends to shareholders a revised FY16 Adjusted Underlying EBITDA target of £420m, rather than the existing target of £480m which is now considered to be unreasonably challenging. This compares to the Underlying EBITDA of £383m achieved in FY15. All other targets for the further three years of the Scheme currently remain the same. The Board will continue to review the robustness of the 2015 Share Scheme on an annual basis.

THE BOARD

During July 2014, it was announced that Charles McCreevy, a Non-Executive Director of the Group, would not be standing for re-election at the 2014 AGM. Charlie, who had spent over three years with the Group, had extensive all-round business knowledge, with particular relevance to Competition Regulations. I would like to thank him for his valuable contribution to the Board. We are in the process of appointing a replacement and hope to make an announcement within the near future.

I am delighted to welcome Matt Pearson to the Board in the position of Acting Chief Financial Officer. Matt joined the business over eight years ago and since then has gained an in depth knowledge of the finances of the Group. Matt has been leading our Group Finance Team for several years and is therefore perfectly placed to take on the additional responsibilities of this role. Further details relating to the recruitment of the Board can be found on pages 37 and 42.

CASUAL WORKERS

Much of the comment regarding the Group's use of zero hour contracts has been unfounded and inaccurate. We comply fully with all legal requirements which relate to casual workers, including sick pay, holiday pay, and freedom to gain other employment. Casual workers also participate in general incentive schemes.

DIVIDEND

The Board has decided not to propose a dividend in relation to FY15. The Board remains of the opinion that it is in the best interests of the Group and its shareholders to preserve financial flexibility, facilitating the pursuit of potential acquisition and other growth opportunities. The payment of dividends remains under review in future years.

CONCLUSION

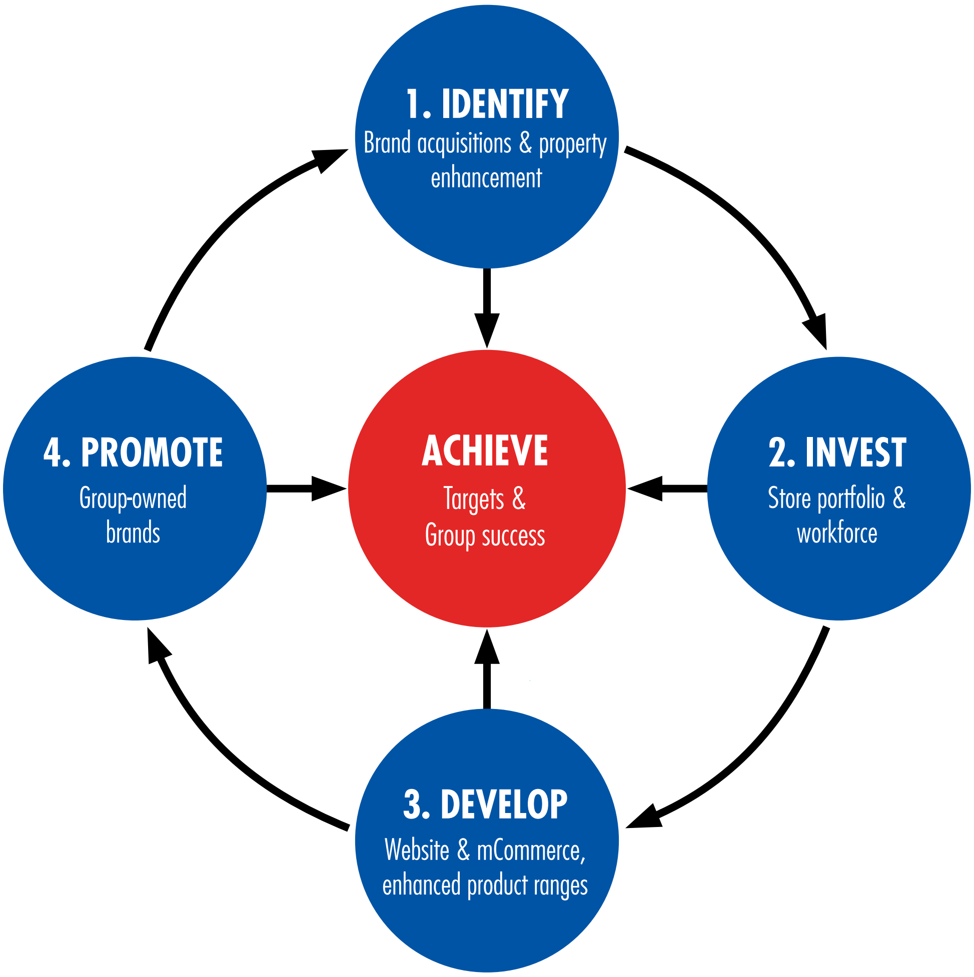
Despite ongoing challenging market conditions, and the weather, we yet again exceeded our targets in FY15. Such success, year on year, is a testament to the hard work and dedication of all our workforce for which the Board thank and congratulate them.

Dr Keith Hellawell QPM
Non-Executive Chairman

16 July 2015

OUR BUSINESS MODEL

Our business model is focused on long-term sustainable growth. Whilst we continue to grow our business in the UK, we are now keen to use the skills and knowledge we have gained to build and expand our Sports Retail business across the rest of Europe.



Our offering has developed further in specialist sports categories and more fashion-based retailing. We are constantly refurbishing and upgrading our stores, in order to provide our customers with a compelling consumer experience. The continued development of our dedicated specialist areas and on-going collaboration with key suppliers such as Under Armour and European brands such as Salomon on in-store concepts are further examples of this.

Acquisitions and strategic investments in related businesses are an important part of our strategy. Opportunities to develop into new product categories or markets, or to strengthen our position in existing areas, will continue to be considered on a case by case basis.

We aim to maintain our position as the market leader in the Sports Retail sector in the UK, while also gaining momentum in our expansion into Europe. The business model provides guidance for the Group to implement an effective growth strategy to maintain and develop the success achieved so far. It compares our recent successes with our future ambitions in order that we can assess how to progress in the future.

The Group has significant momentum and we must ensure that our product offering and customer proposition continue to grow and develop in order to retain our current customer base and to attract more customers in the future.

Developing brand awareness is a key factor in ensuring a sustainable future, and the appropriate level of investment in advertising and technology are important components in achieving this.

Our international presence continues to grow through over 260 brand licensing partners, our online presence and on-going European store openings. The Group's appointment of internationally-recognised celebrities and sporting professionals as key ambassadors also promotes our brands on a global basis.

OUR STRATEGY

OBJECTIVE	SO FAR	WHAT NEXT?
1. IDENTIFY		
IN-STORE	Our Oxford Street store opened in May 2014, and our Glasgow City Centre extension was completed in spring 2015. Across the UK and Europe, we have continued to invest in specialist performance areas and product collections, including Karrimor and Sondico. Improved visual merchandising has enhanced the customer shopping experience. We have on-going collaborations with key brands such as Under Armour, along with European brands such as Salomon, to deliver enhanced in-store merchandising.	Due to the success of the Oxford Street and Glasgow City Centre stores, we are now looking to replicate the look and feel in other major markets, starting with our new Leeds store, which is set to open in summer 2015.
ACQUISITIONS	The Group has acquired 25 former LA Fitness gyms, all of which are located in the UK. A number of other acquisitions have taken place in the year, including Gul Watersports, although the number has remained somewhat smaller than anticipated.	Acquisitions remain a high priority, particularly outside of the UK, which will broaden the customer offering across the Group. We anticipate that the number of acquisitions will increase over the coming year.
2. INVEST		
STORE PORTFOLIO	During FY15, we opened 39 stores in the UK, closing 16, and opened a further 16 stores in Europe, closing seven. As at 26 April 2015, Sports Retail operated in 20 countries in Europe, as well as in the UK. Our Oxford Street store and our newly expanded Glasgow City Centre store both now span c.50,000 sq. ft. We endeavour to replicate this in other major cities. The construction of a further retail unit on our Shirebrook campus is currently underway, with completion due in late 2015.	The Group intends to continue to enhance its store portfolio in both the UK and internationally. The Group will continue with the strategy to identify strategic partners in new territories while expanding operations in those countries where we currently have a presence. Plans are in place to expand Sports Retail operations into all the major countries in the European Economic Area.
PEOPLE	The efforts of our dedicated staff have been instrumental to the success of the Group. The 2011 Share Scheme has been a key tool used in motivation and retention. The targets have been successfully achieved and the scheme vests for participants later in 2015 and in 2017. The 2015 Share Scheme was approved by shareholders during FY15. Mike Ashley has withdrawn from the Scheme in order to ensure that the focus remains on aligning targets with the wider Sports Direct team, and not on his potential personal allocation.	Due to the success of the 2009 Share Scheme, participating employees are further incentivised by the 2011 and 2015 Share Schemes.
3. DEVELOP		
WEBSITE	Following successful trials during the year, Click and Collect has now been launched in the UK in both Sports Direct and USC and has proved very successful. Over 20% of all UK Sports Retail online orders and over 15% of USC online orders are now being delivered by Click and Collect. We have re-designed our checkout, introducing a guest checkout option and streamlining the checkout process. Customers are now also able to purchase and redeem gift cards online. Particular attention has been paid to improving the language and currency conversion on our sites for non-English speaking countries. The improvements have led to a significant reduction in dropped baskets, most notably in France and Germany. Following investment into our mobile platforms, mobile visits now equate to over 50% of visits to SPORTSDIRECT.com.	Our aim is to roll out Click and Collect across other UK Group websites. To improve the customer experience in Europe, we plan to introduce dedicated websites and allow customers to use additional payment methods while shopping online, including Ideal, Giro and Sofort. We will provide continued investment in the online business. Online visits and sales have shown notable increases year on year. We plan to introduce a fast pay checkout solution, allowing customers to purchase a large number of products in a small number of clicks.
4. PROMOTE		
BRANDS	The Group has continued to exploit its brands by offering wholesale and licensing opportunities, in addition to selling brands in Group retail outlets. Wholesale and licensing enables an increased area of distribution, following which brands can reach audiences which would otherwise remain untapped. The focus is to remain on international wholesale, including the USA, which currently represents c.40% of the total wholesale revenue. Sports Direct Retail licensing continues to grow with 14 stores now open in Malaysia and 13 open in the Middle East. Licensing is a key driver of the Brands division. 58 new license agreements were signed during FY15, guaranteeing a minimum of $25m in royalties over the contract periods. The brand portfolio increased during the year through the acquisition of the Dunlop and Slazenger rights in the Australasia region.	Expansion of the heritage brands, including Everlast, Dunlop and Slazenger, is expected to continue. Dunlop remains a key focus for expansion, particularly into categories which have not previously been explored by the Group, including automotive accessories. Acquisitions of key brands will remain a high priority, increasing our brand portfolio and weakening the position of competitors. Asia Pacific will remain a main area of focus along with Australasia, expanding the global presence of the Group. Our well established brands, including Slazenger and Dunlop, will lead the way in the region. Investment in key Group brands is expected to continue in order to allow products to reach new markets and customers.

KEY PERFORMANCE INDICATORS

The Board monitors the Group's performance by reference to a number of Key Performance Indicators (KPIs), which are discussed in this Chief Executive's Report, and also in the Financial Review. The most important of these KPIs are:

	52 weeks ended		
	26 April 2015	27 April 2014	28 April 2013
FINANCIAL KPIS			
Group revenue	**£2,832.6m**	£2,706.0m	£2,185.6m
Underlying EBITDA (1)	**£383.2m**	£331.1m	£287.9m
Sports Retail gross margin	**44.6%**	42.9%	40.3%
Sports Retail like-for-like stores gross contribution (2)	**+7.4%**	+10.5%	+10.6%
Online revenue as a percentage of total Sports Retail revenue (3)	**16.5%**	15.1%	15.0%
Underlying earnings per share (4)	**38.9p**	32.1p	26.9p
NON-FINANCIAL KPIS			
No. of Sports Retail stores (5)	**661**	629	498
Workforce turnover	**18.7%**	19.2%	15.5%
Cardboard recycling	**9,526 tonnes**	9,230 tonnes	8,893 tonnes

(1) The method for calculating underlying EBITDA is set out in the Financial Review.

(2) Sports Retail like-for-like contribution is defined as the percentage change in gross contribution in the successive 12 month period. A like-for-like store is one that has been trading for the full 12 months in both periods and has not been affected by a significant change, such as a major refurbishment. Excludes contribution in EAG and SIG as the prior year comparative is not a full year.

(3) Excludes wholesale revenue.

(4) The method for calculating underlying earnings per share is set out in the Financial Review.

(5) Excluding associates and stores in the Baltic states that trade under fascias other than SPORTLAND or SPORTSDIRECT.com.

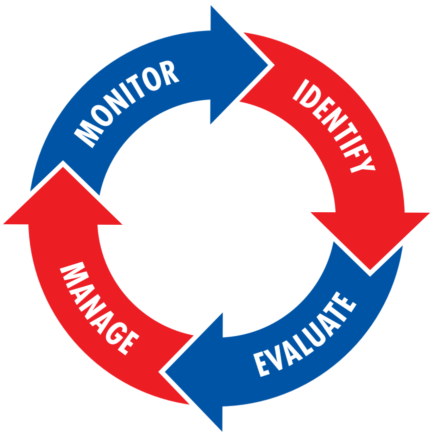
RISKS AND UNCERTAINTIES RELATING TO THE GROUP'S BUSINESS

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board has a responsibility to govern the Group in the interest of the shareholders. Comments and suggestions of shareholders are always considered by the Board. Where the Board considers that a risk has not been fully mitigated, follow-up meetings will be arranged to assess the risk and formulate mitigation strategies. A specialist management team of Directors and senior managers highlight risks as and when they become apparent. The team then in turn assists the Board in devising controls to minimise the Group's exposure.

THE GROUP'S APPROACH TO RISK

The identification and management of risk is a continuous process, and the Group's system of internal controls and the business continuity programmes are key elements of that. The Group maintains a system of controls to manage the business and to protect its assets with the development of contingency plans and rapid response to changing circumstances and does much to mitigate the risks facing the Group. The Group continues to invest in people, systems and in IT to manage the Group's operations and its finances effectively and efficiently.



1. RISKS ARE IDENTIFIED

2. RISKS ARE EVALUATED

3. ACTION IS TAKEN TO MANAGE THE RISKS

4. PRACTICES ARE REVIEWED AND MONITORED TO LIMIT THE RISK

The specialist management teams are responsible for the identification, analysis, evaluation and mitigation of the significant risks applicable to their areas of business. The teams meet regularly to discuss the identified risks, and how these should be reviewed and monitored. The Board ensures that the appropriate arrangements are in place under which staff can raise concerns about possible financial or other impropriety, which are then appropriately investigated.

The Board is assisted by the Audit Committee in fulfilling its overview 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 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 licensees. The Audit Committee has also appointed BDO as internal audit advisers (see Audit Committee report on page 40).

The external auditors are invited to attend all meetings of the Audit Committee, save for those parts of any meeting when the Committee reviews the performance of the auditors.

The Group's system of internal control and risk management and its effectiveness 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 FRC's Risk Guidance.

The systems of internal control and risk management are designed to manage, rather than eliminate, the risk of failing to achieve business objectives.

RISK POLICIES AND PROCEDURES

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.

There is an approved whistle-blowing policy within the Group. The policy was established to be utilised by staff who wish to raise any issues or concerns relating to the Group's activities, and all matters are discussed on a confidential basis.

KEY RISKS

CONTROL ENVIRONMENT

The Group's operating procedures include a comprehensive system for reporting information to the Board including:

- assessment of three years of strategy plans for business development;
- creation and assessment of legal policies; and
- review of the Group at each Board meeting, focusing on potential new risks (such as key changes in the market and succession planning).

CONTROL PROCEDURES

Detailed operational procedures have been developed for each of the Group's operating businesses that embody key controls. The implications of changes in law and regulations are taken into account within these procedures.

FINANCIAL REPORTING PROCESS

The Group has in place internal control and risk management systems in relation to the Group's financial reporting process and the Group's process for the preparation of consolidated accounts. These include clearly defined lines of accountability and delegation of authority, policies and procedures that cover financial planning and reporting, preparing consolidated accounts, capital expenditure, project governance and information security.

The Audit Committee is responsible for overseeing and monitoring these processes, which are designed to ensure that the Group complies with relevant regulatory reporting and filing provisions. As at the end of the period covered by this Report, the Audit Committee, with the participation of the Chief Executive, evaluated the effectiveness of the design and operation of disclosure controls and procedures designed to ensure that information required to be disclosed in financial reports is recorded, processed, summarised and reported within specified time periods.

RISKS AND UNCERTAINTIES RELATING TO THE GROUP'S BUSINESS
CONTINUED

PRINCIPAL RISKS AFFECTING THE GROUP

The Group has identified the following factors in the following table as potential risks to, and uncertainties concerning, the successful operation of its business. The Group is, however, exposed to a wider range of risks than discussed below but these are the principal risks that have recently been discussed by the Board and Audit Committee and are of primary concern.

AREA	RISK	MITIGATION
SUPPLY CHAIN		
The Group operates internationally so is reliant on the successful distribution of goods from when they are distributed by the manufacturer to when they are sold in the stores. 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 subject to the risks associated with international trade and transport as well as those relating to exposure to different legal and other standards. Particular risks including worker strikes, failure to meet minimum code of conduct standards, and transport delays for products which could all cause substantial difficulties. Disasters in or around the factories of our suppliers could bring negative media attention to the Group.	The Group requires all suppliers to sign up to the Group's Code of Ethics/Supply Policy which enables the Group to monitor and benchmark the performance of the supplier. It allows the Group to carry out inspections of premises to ensure compliance with the Group's codes for continuity and quality of supply. The Policy extends throughout the duration of the Group's contract with each supplier and allows the Group to conduct inspections of supplier premises at random intervals. 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 these policies. Strong Service Level Agreements and maintaining relationships with all parties involved in the supply chain also mitigate these risks.
KEY SUPPLIERS		
The Group is reliant on good relationships with its major manufacturers, key brands or brand suppliers.	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. It may mean that customers shop elsewhere if stores cannot supply the required product.	The Group follows 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. This close relationship brings a better understanding of the supplier's resources enabling the Group to react quickly to changes in the international supply market. Lengthy contracts are often used by the Group to ensure that key manufacturers are aware of our commitment to them.
TREASURY AND FINANCIAL RISK		
The Group operates internationally. The majority of foreign contracts relating to the sourcing of Group branded goods are denominated in US Dollars and the Euro, thus leaving exposure to foreign exchange risk. The Group has net borrowings, which are principally at floating interest rates linked to bank base rates or LIBOR.	The Group is exposed to foreign exchange risk arising from various currency exposures and a strengthening of the US Dollar or a weakening of the Pound making goods more expensive. 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, as exchange rates move. This could significantly reduce profitability.	The Group seeks to mitigate the FX fluctuations by hedging via forward foreign currency contracts which are designated as cash flow hedges. The Group also holds assets overseas in local currency, and these assets are revalued in accordance with currency movements. This currency risk is not hedged. The Group is cash generative and is now targeting its debt levels to mitigate interest rate risk and currently has debt levels of less than 1 x underlying EBITDA.
CREDIT AND LIQUIDITY RISK		
The Group, primarily the Brands division, provides credit to some of its customers. Funding and liquidity for the Group's operations are provided through bank loans, overdrafts and shareholders' funds.	The Group could have a credit risk if credit evaluations were not performed on all customers requiring credit over a certain amount. The Group's objective is to maintain sufficient funding and liquidity for its requirements, but 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 in future years. The purchase of acquisitions to strengthen and compliment the Group may be hindered. Relationships with suppliers could break down if we are unable to pay them in line with our contractual obligations.	The Group's key suppliers also face credit risk and as such the Group regularly assesses the viability of its suppliers and ensures there are plans to source from alternative businesses should key suppliers fail. Rigorous procedures are in place to mitigate this credit risk. The Group has a credit policy in place and the exposure to risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount, and concentration of credit risk is managed. Investment of cash surplus, borrowings and derivative investments are made through banks and companies which have credit ratings and investment criteria approved by the Board. The Group mitigates liquidity risk by keeping debt levels low and the current finance facility is held with a club of 13 banks, thereby spreading the risk.

SUCCESSION PLANNING		
Key individuals within the Group have such a level of knowledge and experience of the business which makes them essential to continue to further the interests of the business.	Natural disaster, illness, injury, or the sudden resignation of key individuals could change the direction of the Group.	Our departments work together to develop their understanding of each department and of the Group. Senior managers work at ground level to help to assess the strengths within their teams and to offer development opportunities where appropriate. This can be of assistance when considering the suitability of internal candidates for vacancies. Promotion opportunities, a competency framework, and regular appraisals give staff a voice, encourage a sense of responsibility and support career progression. Our structured talent management programmes, and specialist masterclasses, encourage internal progression within the Group. Executive development is important to us and we aim to promote internally rather than recruit external individuals who are unknown to the Group. This can be best seen through the recent promotion of Matt Pearson to Acting Chief Financial Officer. Our Share Schemes seek to reward and retain our key members of staff. The Nomination Committee regularly reviews the succession plan of the Group, and discusses who would take over roles if key team members were to leave.
MARKET FORCES		
The Sports Retail industry is highly competitive and the Group currently competes at national and local levels with a wide variety of retailers of varying sizes who may have competitive advantages. New competitors may enter the market.	The competition continues to place pressure on the Group's pricing strategy, margins and profitability.	The Group has a discount pricing policy to help reduce the risk of increased competition in the industry. The Group has a strong property portfolio, and continues to strengthen this by relocating and improving stores to adapt to market conditions. A number of key brands are owned by the Group, reducing pressure on margins. The Group's focus on acquiring competitors enables us to retain our discounted pricing systems without price increases from the brand owners.
OPERATIONAL		
The Group is reliant on the Head Office and National Distribution Centre at Shirebrook operating without disruption, along with the uninterrupted running of the Group's fleet of vehicles. The majority of the Group's revenue is derived from the UK.	Any disruption to the Head Office, National Distribution Centre or the fleet of vehicles might significantly impact the Group's ability to manage its operations, distribute products to its stores and maintain its supply chain. Any long-term interruption of the Group's IT systems would have a significant impact on the Group's operation, particularly in the Retail division. Terrorist attacks, armed conflicts, government actions or adverse weather affecting the road networks within the UK could result in a significant reduction in consumer confidence, which would in turn have an adverse affect on sales in stores.	The Group has a strong business continuity plan that is regularly reviewed to address operational risks. The Board is confident that as far as it is practical, the risks and uncertainties that face the Group are being monitored and managed and that, where required, appropriate action is being taken. The Group constantly monitors the business environment and the nature of the business model allows for the Group to act swiftly under extraordinary circumstances. The Group is extending the Head Office and National Distribution Centre so that there is additional room for storage and workers, for future business needs and in case of disaster.
CYBER FAILURES AND ATTACKS		
Online sales and advertising are key to the Group's strategy going forward. However cyber attacks are becoming more sophisticated and frequent, commanding headlines and losing customers' trust.	Reputational implications if the attack is reported to the media, including a loss of sales whilst the site is down, and longer term loss of sales through the deterioration of customer confidence. Possible sanctions and penalties from overseeing bodies, and the loss of competitive advantage against market competitors.	The Group has a strategy and processes in place which relate to our IT security. Working with internal and external parties, our colleagues continuously monitor our systems to ensure that they are sufficiently strong to deal with ever increasing cyber risks. During 2014, a review of the IT risks was completed. The review looked into the resilience of the current systems, highlighting the major points of concern regarding the Group IT systems. The matters raised will be worked on over the next two to three year period in a follow up monitoring programme. Our IT and Risks teams have held workshops to assess the key technology threats to the Group, and look into where policies require updating and amending.

RISKS AND UNCERTAINTIES RELATING TO THE GROUP'S BUSINESS
CONTINUED

HEALTH & SAFETY		
Health and safety is key across all areas of the Group. Policies are implemented, in conjunction with legal standards, to protect our staff and customers.	Potential injuries, distress and fatalities could result from a failure to establish and maintain safe environments. Lack of competence in health and safety reporting could lead to legal claims which are difficult to defend.	We ensure that each Company within the Group is fully trained to the required standards applicable in each requisite country. Training courses are regularly offered and staff are encouraged to learn essential health and safety techniques. The team at Head Office is always on hand to visit and assist stores with health and safety issues, assess incidents and refer reportable matters to RIDOR. During the year the team has gained another strand by creating a team of employees which is dedicated to solely dealing with claims and complaints. The incidents within the Group are reported to the Board regularly, as are the legal claims that arise from these. The Board consider ways to reduce the number of claims.
LEGAL		
The Group's trade marks, patents, designs and other intellectual property rights are central to the value of the Group's brands.	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. 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. Third parties may try to challenge the ownership of or counterfeit the Group's intellectual property.	The Group has an in-house legal team who have knowledge of a variety of legal areas that apply to the Group. This in-house expertise is vital in mitigating such issues. The legal team work closely with external consultants to assist with, and gain knowledge on, matters outside their areas of expertise. The Group's legal team actively monitor trade mark applications by other companies, as well as the stock of rival retailers, to ensure that our rights are not infringed and where these are infringed, to take appropriate action. The legal team carefully draft all correspondence to ensure that documentation is clear and legally binding. Drafting templates and key points are shared so that knowledge is retained within the Group.
SALES		
The Group's retail businesses are subject to seasonal peaks. The incidence of and participation in major sporting events will have a particular impact on the Sports Retail business.	Prolonged unseasonal weather conditions or temporary severe weather during peak trading seasons could have a material adverse effect on the Group's businesses. The Group is dependent upon the store portfolio and consumers' spending habits. Customer tastes could change and stocked items could no longer be suitable for the market.	Although unable to mitigate environmental conditions, the Group is able to influence the retail portfolio and therefore constantly monitors development of stores and the Group's aim to increase the square footage through viable new retail space. By monitoring stock levels through sales forecasting the Group can manage the peaks in demand and trading profiles can be predicted. Building sales units at our Head Office and National Distribution Centre allows us to trial and monitor differing sales techniques and products, before rolling these out to the rest of the Group. Our team keep ahead of the trends, conducting market research on our customers and monitoring our competitors. Sophisticated ordering systems ensure that items which sell well in particular areas will be restocked. Our strong relationship with suppliers ensures that we are able to source key items at short notice, should this be required.

CHIEF EXECUTIVE'S REPORT & BUSINESS REVIEW

OVERVIEW OF FINANCIAL PERFORMANCE

I am pleased to report that, despite the adverse impact on performance of England's early departure from last year's FIFA World Cup in Brazil and the unseasonably mild weather during autumn reducing footfall, the Group has, yet again, succeeded in delivering another solid set of results.

The Group has achieved another year of revenue and profit growth in a challenging retail environment, driven by continued expansion both in the UK and across Europe. During the year we have increased our store portfolio in the UK by 23 stores and have added a further nine stores to our European store portfolio. We have also continued to develop large city centre format stores.

We have also established a Fitness division in the year, Sportsdirect Fitness.com, comprising 27 gyms including two combined gym and retail sites.

I am delighted to announce that the Group has now met the final target under the 2011 Share Scheme. The first award under this Scheme is due to vest later in 2015 and will reward c.2,000 participating employees for their hard work and dedication. The Group's continued success truly reiterates how important the Share Schemes have been in motivating participants to work towards a shared goal.

GROUP

Group revenue increased by 4.7% to £2,832.6m in the year. This was primarily due to the Sports Retail division, where we grew revenues by 5.5%. Premium Lifestyle revenue fell by 3.0%, largely due to the closure of loss-making stores in the period.

Group gross margin in the year increased by 110 basis points from 42.7% to 43.8%. Sports Retail division gross margin increased by 170 basis points to 44.6% (FY14: 42.9%), while Brands division gross margin decreased to 40.3% (FY14: 43.1%).

Group operating costs increased 4.2% to £860.5m (FY14: £826.1m). We continue to balance revenues and gross margin, while maintaining a tight focus on operating costs and as a result grew Group underlying EBITDA (pre-scheme costs) for the year by 15.7% to £383.2m (FY14: £331.1m). Within this underlying EBITDA, we increased the Retail division EBITDA by 16.0% to £349.1m (FY14: £300.9m) while the Brands division EBITDA increased by 12.9% to £34.1m (FY14: £30.2m).

Excluded from underlying EBITDA is a £10.1m (FY14: £11.9m) charge in respect of the 2009 and 2011 Share Schemes. This charge has been taken centrally and, except in note 4 to the Annual Report, is not reflected in the divisional (Retail and Brands) numbers in this report.

For the year, Group underlying profit before tax increased 20.5% to £300.3m, primarily as a result of the £52.1m increase in EBITDA (pre-scheme costs). Underlying EPS for the year increased by 21.2% to 38.9p (FY14: 32.1p).

Net debt at 26 April 2015 was £59.7m (27 April 2014: £212.0m), which is 0.16 times reported EBITDA (27 April 2014: 0.66 times). Reported EBITDA includes realised foreign exchange gains/losses in selling and administration costs and the Share Scheme charges.

REVIEW BY BUSINESS SEGMENT

RETAIL REVENUE:

	52 weeks ended	
	26 April 2015 (£'m)	27 April 2014 (£'m)
Sports Retail	2,398.6	2,274.4
Premium Lifestyle	207.6	214.1
Total Retail revenue	2,606.2	2,488.5
Cost of sales	(1,456.6)	(1,427.3)
Gross profit	1,149.6	1,061.2
Gross margin percentage	44.1%	42.6%

BRANDS REVENUE:

	52 weeks ended	
	26 April 2015 (£'m)	27 April 2014 (£'m)
Wholesale	193.3	185.2
Licensing	33.1	32.3
Total Brands revenue	226.4	217.5
Cost of sales	(135.2)	(123.8)
Gross margin	91.2	93.7
Gross margin percentage	40.3%	43.1%

SPORTS RETAIL

Sports Retail revenue has grown in the period as we continue to invest in product range and availability, increasing the proportion of 'better' and 'best' Group branded products, optimise both our in-store and web offerings and further invest in our store portfolio.

Sports Retail sales grew 5.5% to £2,398.6m (FY14: £2,274.4m), driven largely by growth in the UK, offset by a weak winter sports season across Europe and adverse foreign currency movements. Sports Retail gross margin for the year increased by 170 basis points to 44.6% (FY14: 42.9%). This increase is primarily attributable to on-going investment in our 'better and best' product ranges, further enhanced by efficiencies gained by our strong supply chain disciplines.

Sales in the second half of the year were up 2.6% to £1,167.6m (FY14 H2: £1,138.3m). Gross margins for the second half of the year improved to 44.6% (FY14 H2: 42.5%).

Sports Retail like-for-like gross contribution, which excludes online, increased by 7.4% [(1)] marking the sixth consecutive year of growth in this KPI (FY14: +10.5% / FY13: +10.6% / FY12: +0.7% / FY11: +6.8% / FY10: +3.7%). Sports Retail like-for-like contribution is defined as the percentage change in gross contribution in the successive 12-month period. A like-for-like store is one that has been trading for the full 12 months in both periods and has not been affected by a significant change, such as a major refurbishment. The number of stores included in this year's KPI is 432 (FY14: 339).

(1) Excluding EAG and SIG as the prior year comparative is not a full year.

CHIEF EXECUTIVE'S REPORT & BUSINESS REVIEW
CONTINUED

Sports Retail operating costs increased by 9.0% in the year to £715.2m (FY14: £656.3m) compared to a 5.5% increase in sales and a 9.7% increase in gross profit due to the full year impact of proportionally higher costs in our recently acquired European businesses. Operating costs in H2 increased by 4.6% to £361.4m (FY14 H2: £345.5m) compared to a 2.6% increase in sales and a 7.7% increase in gross profit.

Store wages were up 13.1% in the year to £239.2m (FY14: £211.4m) but as a percentage of sales increased only to 10.0% (FY14: 9.3%) due to the annualised effect of new store openings combined with the full year impact of proportionally higher costs in our recently acquired European businesses and reduced sales due to a difficult winter sports season in Europe. Sports Retail store premises costs increased by 9.5% to £211.0m (FY14: £192.7m), due to investment in new stores and the full year effect of comparatively higher costs in our new European businesses. Other operating costs were up 13.9% to £280.8m (FY14: £246.6m), increasing as a percentage of sales to 11.7% (FY14: 10.8%) due to costs in our recently established Fitness division.

The currency impact on operating costs of the change in the Euro: Sterling exchange in our European businesses rate was a gain of £15.7m (FY14: a loss of £5.6m).

Underlying EBITDA for Sports Retail was £356.8m (FY14: £321.3m), an increase of 11.0% for the year. This increase was driven by a £94.2m increase in gross profit due to the growth in store contribution and online sales, offset by the £59.0m increase in operating costs.

The Group's retail businesses performed strongly in a difficult economic environment. Our retail model, offering outstanding value to our customers, remains resilient, both in the UK and internationally. Throughout the year, we continued to focus on offering our customers the most comprehensive product range, the best availability and value while minimising operating costs as a percentage of gross sales.

Online revenue has increased by 14.4% from £335.4m to £383.8m in the year, driven largely by the successful launch of Click and Collect in the UK during the second half of the year, which now accounts for over 20% of all UK online orders. This performance is exceptional considering we charge £4.99 for this service. Online sales represented 16.5% of Sports Retail sales (FY14: 15.1%), excluding wholesale sales.

Our mobile site continues to drive sales and the Group was recently ranked in the top four retailers in the FTSE 100 in terms of mobile website performance, according to a recent study released by The Search Agency*. Mobile traffic now accounts for over 50% of all online visits. We have also re-designed our checkout, introducing a guest checkout option and streamlining the checkout process.

We have worked hard to improve the customer experience in Europe, widening the language and currency conversion options on our sites for non-English speaking countries, and going forward, plan to introduce dedicated websites for our European businesses and additional payment methods including Ideal, Giro and Sofort.

Following successful trials during the year, customers are now able to purchase and redeem gift cards online. We are also working towards the introduction of a "fast pay" checkout system, allowing customers to purchase a large number of products in a small number of clicks.

The division has continued to expand, with the development of Sportsdirect Fitness.com, comprising 25 standalone former LA Fitness gyms and an additional two new build combined retail and gym spaces. A further two gyms in St Helens and Dundee are planned for early autumn 2015. Membership continues to grow and we have already surpassed our full year targets.

* The Search Agency UK's Mobile Experience Scorecard: FTSE 100 Companies – http://go.thesearchagency.com/mobile-experience-scorecard-ftse-100-2015.

We have continued to invest in staff training, with a key focus this year on our "Home Grown" Talent Management programme, Customer Service Training and Management Induction. During the year over 58,000 hours were invested into training and developing our workforce. A great deal of this training took place at our Training Academy on our Shirebrook campus, which is the only training centre in the world supported by both Nike and Puma. We are committed to the continued development of our staff, always aiming to promote internally wherever possible and during the year ran our first Graduate Recruitment Programme, 'Talent Bank', where graduates were placed in our Finance and Ecommerce teams for eight-week summer placements and offered the opportunity to compete for a permanent role, with the best being rewarded.

Phase Three of the development of our National Distribution Centre in Shirebrook, the construction of an additional c.700,000 sq. ft. footprint warehouse and office facility, is now well underway, with completion scheduled for late 2015.

We have worked hard to enhance and invest in our store portfolio during the year, with a particular focus on larger city centre stores. During the year we relocated our Oxford Street store to the c.50,000 sq. ft. former HMV store and have completed a c.28,000 sq. ft. extension of our Glasgow store which includes a store in store concept area with Under Armour. We have recently also acquired the freehold of the former Primark store in Leeds. Works are currently underway on this four floor, c.50,000 sq. ft. store which is due to open this summer.

During the year we opened 39 stores in the UK, closing 16, and have opened an additional 16 stores in Europe, closing seven. 12 out of the 16 UK closures were relocations into larger and better configured space. 428 of the UK store fascia are now branded SPORTSDIRECT.com, an increase of 27 from last year (FY14: 401).

Period end square-footage increased to c.4.75m sq. ft.(1) (FY14: c.4.5m) in the UK and remained at c.3.0m sq. ft. (2) (FY14: c.3.0m sq. ft.) across the rest of Europe.

(1) Due to differing methodologies, this implies a range between 4.5m sq. ft. - 5.0m sq. ft.
(2) Due to differing methodologies, this implies a range between 2.5m sq. ft. - 3.5m sq. ft.

UK STORE PORTFOLIO(1)

	26 April 2015	27 April 2014
Stores at Year End	440	417
Opened	39	32
Closed	16	11
SPORTSDIRECT.com fascias	428	401
Other	13	17
Area (sq. ft.)	c.4.75m	c.4.5m

(1) Excluding Northern Ireland.

In the 52 weeks to 26 April 2015, rent reviews have been agreed on 33 stores, of which 26 stores were agreed at nil increase. Of the remaining seven stores the average increase in rent was 13.87%, giving a total average increase over the 33 stores of 2.88% (0.57% annual equivalent). There are currently 52 rent reviews outstanding with a further 42 falling due in FY16. Our lease expiry profile over all leasehold stores (excluding Lillywhites Piccadilly) is now 4.6 years, including 37 stores with contractual expiries or break dates within the next 12 months. This significant amount of flexibility within our portfolio allows us to continue to monitor and adapt our format to the rapidly changing multi-channel environment.

In the current financial year, we are targeting to open between 30 and 40 stores, c.30% of which are expected to be relocations. We are also targeting to re-fit c.300,000 sq. ft. of retail space across the UK.

INTERNATIONAL STORE PORTFOLIO(1)

	26 April 2015	27 April 2014
Austria	46	52
Belgium	43	44
Estonia(2)	24	20
Latvia(2)	13	13
Lithuania(2)	12	12
Portugal	17	15
Slovenia	15	15
Poland	10	7
France	7	6
Czech Republic	6	4
Holland	6	6
Cyprus	6	5
Hungary	5	4
Slovakia	4	3
Germany	3	3
Luxembourg	2	2
Spain	1	1
Switzerland	1	-
Total	221	212

(1) Excluding Republic of Ireland & Iceland
(2) Includes only stores with SPORTSDIRECT.com and Sportland fascias

All of the above stores are operated by companies wholly owned by the Group, except Portugal, where the Group owns 50.1% and Estonia, Latvia and Lithuania where the Group owns 60.0%. During the year we have expanded our European store portfolio by nine stores and have entered one new country. As a result we are now active in 20 countries across Europe including the Republic of Ireland and Iceland.

In Austria, we have continued to relocate and upgrade the former Sports Experts stores which had been previously re-branded to the SPORTSDIRECT.com fascia. Over the coming year we will re-brand key Megastores to the Lillywhites fascia, replicating our UK city centre store format across the re-branded stores in collaboration with key international brands such as Salomon.

In the Baltic states we have already opened two stores in Estonia under the SPORTSDIRECT.com fascia and plan to open two further stores in Lithuania and one store in Latvia under the SPORTSDIRECT.com fascia. We have also continued to invest in relocating and re-fitting the stores trading under the SPORTLAND fascia.

Our strategy remains to identify partners in new territories while continuing to expand our operations in the countries where we currently trade. For FY16, we are targeting to open between 20 and 30 new stores across seven countries.

The Group has a 50% shareholding in the Heatons chain which operates 15 Sports Direct stores in Northern Ireland and 27 sports stores in the Republic of Ireland. We also own a 40% shareholding in the Sports Direct business in Iceland.

Local management continue to work hard to ensure that all new and existing stores in Europe are committed to striving towards the operational efficiencies and standards that exist across our UK sports stores.

PREMIUM LIFESTYLE

Premium Lifestyle sales decreased 3.0% to £207.6m (FY14: £214.1m), due to the closure of loss-making stores in the year. Premium Lifestyle gross margin for the year decreased by 150 basis points to 38.8% (FY14: 40.3%) due to online clearance of legacy stock in the year.

Premium Lifestyle operating costs decreased by 17.3% to £88.2m (FY14: £106.7m) due to the continued rationalisation of the USC and Republic businesses and synergies gained by the consolidation of key head office functions in Flannels, Cruise and Van Mildert and the integration of the distribution function.

The Underlying EBITDA loss for Premium Lifestyle decreased to £7.7m (FY14: £20.4m loss) as we began to see the benefit of the re-structuring of Republic in the prior year and rationalisation of the other businesses. We will see further benefits of this in the coming year.

Online revenue in the division increased in the year, driven largely by improvements in stock availability and system improvements. We saw the benefit of the integration of the division's eCommerce platforms with the Group's IT systems and the launch of the Flannels.com and USC mobile platforms in the prior year. We also successfully launched UK Click and Collect in USC during the year and over 15% of all USC online orders are now delivered via Click and Collect.

We continue to strengthen our relationships with key third party suppliers.

At the year end, the Premium Lifestyle division traded from 103 stores under four main fascias:

	26 April 2015	27 April 2014
USC	66	90
Cruise	10	10
Van Mildert	10	9
Flannels.com	8	8
Other	9	9
Total	103	126

BRANDS

The Group's brand portfolio includes a wide variety of world-famous sport, fashion and lifestyle brands. 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 activities. The Brands division continues to sponsor a variety of prestigious events and retains a variety of globally-recognised, high-profile sportsmen and women as brand ambassadors.

Brands division total revenue increased by 4.1% to £226.4m (FY14: £217.5m). Wholesale revenues were up 4.4% to £193.3m (FY14: £185.2m), including growth in the challenging UK market. Trading in the US market was in line with expectations and continues to represent c.40% of total wholesale sales.

Brands gross margin decreased by 280 basis points to 40.3% (FY14: 43.1%). Wholesale gross margins fell 310 basis points to 30.1% (FY14: 33.2%) largely due to a shift in the sales mix towards lower margin lines.

Licensing revenues in the year were up 2.5% to £33.1m (FY14: £32.3m). During the year we signed 58 new licence agreements, covering multiple brands, product categories and geographies, with minimum contracted values of $25m over the life of the agreements. At 26 April 2015, the Group has 401 license agreements worldwide(1), across 264 licensees, with contracted minimums of $305m over the remaining life of the agreements.

(1) Includes consolidation of agreements signed in prior years.

CHIEF EXECUTIVE'S REPORT & BUSINESS REVIEW
CONTINUED

Longer term, we still regard licensing as the key driver of Brands division profitability and central to the overall growth of the Brands business. The key growth areas are expected to include Australasia and Asia Pacific with the acquisition of the Dunlop and Slazenger brands in the region during the year. This combined with growth in the Americas should compensate for a more challenging licensing landscape in the UK and Europe, as Sports Retail continues to expand in these territories.

Operating costs decreased by 9.7% to £57.0m (FY14: £63.1m) benefiting from the consolidation of our back office functions in the prior year. As a result of cost savings, underlying EBITDA increased by 12.9% to £34.1m (FY14: £30.2m).

We continue to focus on developing world-class products that are endorsed by leading athletes on the field of play. We expect to spend between £10 and £20m on advertising and promotional costs in the coming year.

WORKFORCE

The success of the Group has largely been created by our c.27,000 strong workforce, whose dedication and commitment has been sustained over many years. Their enthusiasm and 'one team' attitude has assisted the Group to succeed where many other retailers have failed. The Board is extremely grateful for the time that our workforce has taken to develop their skills and expertise. We promote staff training wherever possible to enable them to be the best that they can be.

The 2009 and 2011 Share Schemes have been fundamental tools in the motivation and incentivisation of participating employees. Under the 2009 Share Scheme, c.27m shares vested with those participants. Subject to satisfactory personal performance, a further c.21m shares are expected to vest under the 2011 Share Scheme.

The 2011 Share Scheme Adjusted Underlying EBITDA targets (before scheme costs), relate to performance between FY12 and FY15. All four targets have now been met, and subject to the individual employee's satisfactory personal performance, the shares are due to vest in 2015 and 2017. Under the 2011 Share Scheme participating employees are eligible for awards on a pro-rata basis depending on their length of service with the Group. Awards under the scheme are granted at either 100%, 75%, 50% or 25% of the participant's annual base pay. Subject to the performance criteria being fulfilled, c.5m shares are due to vest in 2015 and c.16m shares are due to vest in 2017.

An additional three million shares are due to vest with an Executive Director and two members of senior management in 2017 under the Executive Share Scheme, subject to performance criteria being fulfilled. The Executive Share Scheme performance targets mirror those to be applied to awards under the 2011 Share Scheme.

As a result of the successes of previous schemes, the 2015 Share Scheme has been devised to encourage further outstanding employee performance for those who are invited to participate. The Scheme will provide for the grant of nil-cost options over up to 25m shares. The vestings are dependent on stretching performance criteria spanning between FY16 and FY19. With original EBITDA targets (before scheme costs) of £480m for FY16, £570m for FY17, £650m for FY18 and £750m for FY19 when the Scheme was approved, the Scheme has the potential to not only motivate participants, but also to create a further substantial increase in shareholder value.

The Group intends to propose an amendment to the FY16 Adjusted Underlying EBITDA target under the 2015 Share Scheme, which will be reduced from £480m to £420m. All other targets for the further three years of the Scheme currently remain the same. This change will be put to shareholders as an ordinary resolution at the Company's AGM in September 2015.

CONTRACTS ESSENTIAL TO THE BUSINESS OF THE GROUP

The Group has long-established relationships with Nike and adidas, the major suppliers of third-party branded sporting goods, and considers that continued supplies from these companies are critical to the business of the Group.

ENVIRONMENTAL MATTERS

The Corporate Responsibility Report is on pages 28 to 32 and a review of the assessment of the Group's impact on the environment is included in this report.

RESEARCH AND DEVELOPMENT

The Group designs clothing and some footwear for sale in stores and has arrangements with suppliers for the research and development of goods for the Brands division.

OUTLOOK

Trading since the year end has been in line with management's expectations, and underpins the 2015 Share Scheme's proposed revised FY16 Underlying EBITDA target of £420m. The Group's performance continues to benefit from a number of factors including investment in product range and availability, with an increased emphasis on 'better' and 'best' Group branded products and the optimisation of our in-store and web offer, enhanced by the introduction of Click and Collect in the UK. We also continue to invest in our store portfolio, with the roll-out of further large format city centre stores.

Dave Forsey
Chief Executive

16 July 2015

FINANCIAL REVIEW

The Financial Statements for the Group for the 52 weeks ended 26 April 2015 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

SUMMARY OF RESULTS

	52 weeks ended	
	26 April 2015 (£'m)	27 April 2014 (£'m)
Revenue	2,832.6	2,706.0
Underlying EBITDA	383.2	331.1
Underlying Profit Before Tax	300.3	249.3
Reported Profit Before Taxation	313.4	239.5
	Pence per share	Pence per share
Reported EPS	40.6	30.8
Underlying EPS	38.9	32.1

The Directors believe that underlying EBITDA, underlying profit before tax and underlying earnings per share provide more useful information for shareholders on the underlying performance of the business than the reported numbers 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 the Group's share of profit from associated undertakings and joint ventures. Underlying EBITDA is calculated as EBITDA before the impact of foreign exchange, any exceptional or other non-trading items and costs relating to the Share Schemes.

EBITDA AND PROFIT BEFORE TAX

	EBITDA (£'m)	PBT (£'m)
Operating profit	295.6	-
Depreciation, amortisation and impairment	67.8	-
Share of profit of associated undertakings (excl. FV adjustments)	3.0	-
Reported	366.4	313.4
Share Scheme	10.1	-
Exceptional items	3.0	3.0
Profit on disposal of investments	-	(12.6)
Realised FX loss	3.7	3.7
IAS 39 FX fair value adjustment on forward currency contracts	-	(7.2)
Underlying	383.2	300.3

Underlying 52 week FY15 profit before tax excludes:
(i) exceptional items which decreased profit by £3.0m;
(ii) profit on disposal of investments which increased profit by £12.6m;
(iii) realised foreign exchange losses which decreased profit by £3.7m; and
(iv) IFRS revaluation of foreign currency contracts which increased profit by £7.2m.

FOREIGN EXCHANGE

The Group manages the impact of currency movements through the use of forward fixed rate currency purchase and sales contracts. The Group's policy is to hold or hedge between zero and five years of anticipated purchases in foreign currency.

The realised exchange loss of £3.7m (FY14: £1.8m gain) included in administration costs has arisen from:

a) accepting Dollars and Euros at the contracted rate; and

b) the translation of Dollar and Euro denominated assets and liabilities at the period end rate or date of realisation.

The exchange gain of £7.2m (FY14: £11.2m loss) included in finance income/costs substantially represents the reduction in the mark-to-market liability made (under IFRS) for the Group's unhedged forward contracts as at 26 April 2015. A number of the forward contracts outstanding at 26 April 2015 qualify for hedge accounting and the fair value gain on these contracts has been credited to equity through the Consolidated Statement of Comprehensive Income. The Group has sufficient USD/GBP contracts to cover all purchases in UK Retail for FY16. The Sterling exchange rate with the US Dollar was $1.680 at 27 April 2014 and $1.502 at 26 April 2015.

Given the potential impact of commodity prices on raw material costs, the Group may hedge certain input costs, including cotton, crude oil and electricity.

FINANCE COSTS

	52 weeks ended	
	26 April 2015 (£'m)	27 April 2014 (£'m)
Interest on bank loans and overdrafts	(6.7)	(7.5)
Interest on other loans	(0.2)	(0.6)
Interest on retirement benefit obligations	(0.6)	(0.6)
Fair value adjustment to forward foreign exchange contracts	-	(11.2)
	(7.5)	(19.9)

The decrease in interest payable is a result of the decreased use of the revolving credit facility and repayment of debt inherited from acquired companies.

The prior year loss on the fair value of forward foreign exchange contracts arose under IFRS as a result of marking to market at the period end those contracts that do not qualify for hedge accounting.

FINANCIAL REVIEW
CONTINUED

EXCEPTIONAL ITEMS

	52 weeks ended	
	26 April 2015 (£'m)	27 April 2014 (£'m)
Profit on sale of freehold properties	10.3	-
Impairment and accelerated depreciation and amortisation	(13.3)	(5.5)
	(3.0)	(5.5)

The impairment and accelerated depreciation and amortisation relates to a change in the estimated useful life of certain tangible and intangible assets and impairment against goodwill in the year.

The profit on sale of freehold property includes the sale of a freehold warehouse for £21.2m, realising a profit of £11.3m.

TAXATION
The effective tax rate on profit before tax in FY15 was 23.0% (FY14: 25.0%). This rate reflects depreciation on non-qualifying assets and overseas earnings being taxed at a higher rate.

EARNINGS

	52 weeks ended		
	26 April 2015 (pence per share)	27 April 2014 (pence per share)	Change (%)
Reported EPS (Basic)	40.6	30.8	31.8
Underlying EPS	38.9	32.1	21.2
Weighted average number of shares (actual)	592,294,371	585,513,537	

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. Shares held in Treasury and the Employee Benefit Trust are excluded from this figure.

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. It is not a recognised profit measure under IFRS and may not be directly comparable with "adjusted" profit measures used by other companies.

The items adjusted for arriving at the underlying profit after tax and minority interests is as follows:

	52 weeks ended	
	26 April 2015 (£m)	27 April 2014 (£m)
Profit after tax	240.4	180.2
Post tax effect of adjustment items:		
Profit on disposal of listed investments	(2.8)	(4.0)
Impairment of goodwill	-	0.3
Fair value adjustment to forward foreign exchange contracts	(12.5)	8.4
Realised loss/(gain) on forward foreign exchange contracts	2.9	(1.4)
Profit on disposal of freehold properties	(7.9)	-
Impairment and accelerated depreciation and amortisation	10.2	4.1
Underlying profit after tax	230.3	187.6

DIVIDENDS
The Board has decided not to propose a dividend in relation to FY15. The Board feels that it remains in the best interests of the Group to preserve financial flexibility, facilitating the pursuit of potential acquisitions and other growth opportunities. The payment of dividends remains under review in future years.

CAPITAL EXPENDITURE
During the year, capital expenditure amounted to £100.3m (FY14: £69.1m), which includes expenditure on licences within intangible assets and construction of our Shirebrook warehouse.

ACQUISITIONS
The Group made a number of smaller acquisitions during the year including the purchase of 25 former LA Fitness gyms.

STRATEGIC INVESTMENTS
During the year the Group disposed of c.1.5m shares in JD Sports Fashion plc but at the year end continued to hold an 11.09% stake in JD Sports. The fair value of the Group's holdings at 26 April 2015 was £140.8m (27 April 2014: £104.9m). The movement in the fair value of the shares held has been recognised directly in Other Comprehensive Income.

In June 2014, the Group acquired an interest in c.7m shares in MySale Group plc, representing 4.8% of the issued share capital of MySale.

In September 2014, the Group entered into a derivative agreement referencing 23,000,000 shares in Tesco Plc, representing 0.3% of the issued share capital of Tesco.

In October 2014 the Group acquired c.56m shares in Debenhams plc for £33.2m, representing 4.6% of the issued share capital of Debenhams. This stake was sold in November 2014 and the Group entered into a derivative agreement referencing c.74m Debenhams shares, equivalent to 6.1% of the issued share capital of Debenhams.

On 23 January 2015 the Group terminated an existing Debenhams derivative agreement entered into in January 2014 and at the same time, entered into a new derivative agreement referencing c.128m ordinary shares of Debenhams (representing 10.5% of the issued share capital of Debenhams).

As at 26 April 2015 the Group had an interest in 15.0% interest in Debenhams' ordinary shares.

These stakes allow us to develop relationships and commercial partnerships with the relevant retailers and assist in building relationships with key suppliers and brands.

The fair value of equity derivative agreements is included within the derivative financial assets balance of £92.2m.

CASH FLOW AND NET DEBT

Net debt decreased by £152.3m from £212.0m at 27 April 2014 to £59.7m at 26 April 2015.

The analysis of debt at 26 April 2015 was as follows:

	26 April 2015 (£'m)	27 April 2014 (£'m)
Cash and cash equivalents	78.3	151.0
Borrowings	(138.0)	(363.0)
Net debt	(59.7)	(212.0)

On 25 November 2014 the Group utilised the accordion option under its £688m working capital facility. As a result, the working capital facility has been increased from £688m to £738m. The facility is available until September 2018 and is not secured against any of the Group's fixed assets.

The Group also has a £250m working capital facility with Mike Ashley which can be drawn down on request. This facility was agreed at market terms at its inception and is not secured against any fixed assets. At the year end no balance was due.

The Group continues to operate well within its banking covenants and the Board remains comfortable with the Group's available headroom.

CASH FLOW

Total movement is as follows:

	26 April 2015 (£'m)	27 April 2014 (£'m)
Underlying EBITDA	383.2	331.1
Realised (loss) / profit on forward foreign exchange contracts	(3.7)	1.8
Taxes paid	(77.7)	(55.7)
Underlying free cash flow	301.8	277.2
Invested in:-		
Working capital and other	(64.8)	(110.1)
Purchase of own shares	-	-
Acquisitions (including debt)	(3.8)	(144.2)
Net proceeds from / (purchase of) investments	4.1	(4.6)
Net capital expenditure	(79.1)	(69.1)
Finance costs and other financing activities	(5.9)	(7.2)
Decrease / (Increase) in net debt	152.3	(58.0)

The increase in working capital is partly to support the growth of Sports Retail and the online business and partly due to the timing of payments around year end.

PENSIONS

The Group operates a number of closed defined benefit schemes in the Dunlop Slazenger companies. The net deficit in these schemes decreased from £15.4m at 27 April 2014 to £14.9m at 26 April 2015.

Matt Pearson
Acting Chief Financial Officer

16 July 2015

CORPORATE SOCIAL RESPONSIBILITY REPORT

Corporate Responsibility is central to our vision to be an industry leader. Our established Corporate Responsibility framework focuses on five key areas: People, Health and Safety, the Environment, Customers and the Community. Sports Direct has developed Key Performance Indicators (KPIs) to ensure we deliver on our commitments. These KPIs are further discussed in this report and in the Chief Executive's Report and Business Review, and are based solely on our UK operations, unless expressly stated.

OUR PEOPLE

The Group employs over 27,000 people, across 19 countries and various sectors, from Sport, Fashion, Lifestyle, Gyms and Brands, and our people are what makes the Sports Direct Group such a success.

Our whole people ethos revolves around 'Right Person, Right Place, Right Time' and we are committed to the continued development of our people to meet our future growth plans. Nurturing our people to reach their full potential and promoting internally where ever possible have been tools that have been used by the Group for over the last 30 years and are fundamental to our continuing success.

ATTRACTION AND RETENTION

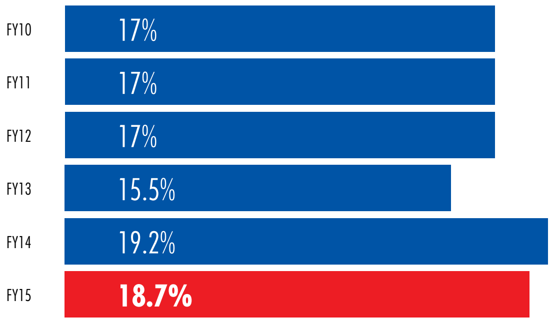
As a Group, we like to train and retain our staff to ensure that valuable knowledge remains within the business. The Group uses a number of incentives to retain our people, including regularly holding employee appraisals, to see the areas where we, as an employer, can improve. We find that regular appraisals also highlight the knowledge gaps which our employees have, and allows us to offer staff training which will develop their understanding.

During FY15 18.7% of our UK salaried staff left the Group, a decrease from 19.2% in FY14. We estimate that this figure will remain relatively low during the 2011 Share Scheme vesting periods.

Our Share Schemes are utilised to attract, motivate and incentivise our people and potential future employees. We have found that creating a shared goal has improved employee satisfaction levels.

Store Manager stability with Sports Direct is currently sitting at 92%, this is an increase of 6% on the FY14 figure. Assistant Manager and Footwear Manager stability currently sit at 86.5% and 90.3% respectively, which is an increase of 6% and 4% across the positions.

SALARIED STAFF TURNOVER SINCE FY10



PERFORMANCE & REWARD

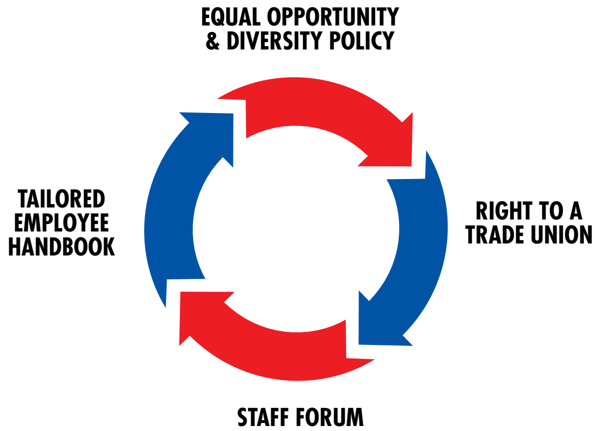
We reward the hard work of our participating employees with the Share Schemes. The Share Schemes are dependent on the achievement of pre-determined underlying EBITDA targets, as well as satisfactory performance of the individual employee.

The targets for the 2011 Share Schemes were:

2012: Underlying EBITDA of **£215m - Achieved**
2013: Underlying EBITDA of **£250m - Achieved**
2014: Underlying EBITDA of **£260m - Achieved**
2015: Underlying EBITDA of **£300m - Achieved**

All four of the 2011 Share Scheme targets have now been achieved. Under the 2009 Share Scheme c.27m shares in total vested, and a further c.21m shares are expected to vest under the 2011 Share Scheme.

The Group also has several policies and systems in place to ensure staff welfare is monitored and maintained. These are laid out in the diagram below.



GRADUATE RECRUITMENT

During 2014 we ran our Graduate Recruitment Programme, 'Talent Bank'. The eight week programme offered graduates placements in our Ecommerce and Finance team with the opportunity to complete projects within the Group and compete for rewards, and the opportunity of a permanent role at the end of the programme. The scheme is paid, with interns working on projects similar to those in the work environment. The programme ensures that we are bringing in new talent and the Group is constantly evolving with new ideas and ways of thinking.

DIVERSITY

Diversity within the Group is essential and we believe this plays an important role in a successful business. At all times we try to ensure that our people meet the diversity, cultures and values of our varied customer base.

Our Board currently has a 14% female representation, with further details being shown on page 33. We are in the process of looking to recruit another female for the Board, although we consider that the necessary skills and experience are of paramount importance, with diversity being of lesser significance.

Females make up 32% of our senior management team. While we appreciate that work could be done to ensure that the figure is more balanced, we are satisfied that the team possesses the appropriate balance of skills and knowledge. As positions become available the necessary level of consideration will be given to ensuring diversity within the team.

Our overall UK workforce base consists of 46.4% females, proving that discrimination for factors including gender will not be tolerated within the Group. The law is paramount when we recruit employees and we aim to ensure that both male and female candidates are provided with equal opportunities to apply for and work in all positions across the Group.

A BREAKDOWN OF GENDER DIVERSITY:

	Male	Female
Directors	6	1
Other senior managers	37	17
All UK workforce	11,450	9,899

TALENT & CAPABILITY DEVELOPMENT

In the last year we saw the launch of our new competency framework, known as the 'Success Factors.' The seven Success Factors provide the behaviours that lead to great performance in individual job roles within Sports Direct and include the qualities and skills that help people to be successful. In short it's what our 'best performers do' and they describe 'how we need to be'.

We have worked on embedding the Success Factors in to all of our people practices since launch in November 2014. Firstly by introducing new recruitment tools and providing our store manager population in the UK with competency based interview training.

Secondly, we launched our new annual appraisal across UK Retail, Head Office, Warehouse and Transport. Each division has a Success Factor framework of its very own. Our people review and agree performance within their annual appraisal and set development goals to achieve in the coming year.

With the introduction of the Success Factors we have created a mechanism of identifying and developing internal talent across the Group to support our future growth plans.

Our teams have a variety of development opportunities using different methods. We encourage growing within one's current role or taking on new challenging tasks, learning from others, supporting individuals in realising their potential and providing formal training opportunities.

KEY HIGHLIGHTS:

Total workforce (total Group): 27,207
Hours invested in training: 58,000

DEVELOPING OUR PEOPLE – TRAINING PROGRAMMES

The aim of our Staff Training and Development Department is to use the International Training Centre to provide the best, state of the art facilities for our team to flourish into champions. Our goal is to give every member of our team the opportunity to be inspired, stimulated, motivated, and empowered. We know that it takes every single team member to make a difference and improve the performance of the business.

We have continued to focus on the need to proactively develop our team's competence base and leadership capabilities in order to meet the rapidly changing requirements of the Group. Training is an area in which we have continued to invest, and in FY15 alone, over 58,000 hours were invested into training and developing the team at Sports Direct.

We are committed to continue offering a great portfolio of training courses, the majority of which are housed in our very own facilities. The portfolio has continued to grow as it has year on year with three areas receiving more emphasis:

- "Home Grown" Talent Management Programme
- Customer Service Training
- Management Induction

We have an international approach to training by adopting our principles to those in the countries in which we trade. Teams from Austria, Estonia, Czech Republic, Dubai, Malaysia, France, Portugal, Holland, Cyprus, Switzerland, Kuwait, Belgium, Iceland, Hungary, Slovenia, Slovakia, Poland have all attended sessions.

"HOME GROWN" TALENT MANAGEMENT PROGRAMME

The Home Grown Talent Management Programme allows us to place the **right person** in the **right position** at the **right time.** It is a structured programme which shows staff that outstanding performance can lead to further opportunities to progress within the Group. It helps retain talented and key individuals, which in turn reduces recruitment costs.

Our talent management activities are open to the majority of our workforce, with a focus on those who consistently show high-potential. It is part of our culture to develop high-potential employees to grow into future Group leaders, and is a method which we have used since day one. We believe that producing a common standard of behaviour for those in leadership roles will improve the likelihood of the Group achieving future goals, and enable us to retain real talent, by allowing it to flourish.

The Programme encourages our workforce to better themselves each and every day. At the end of the Programme, providing the individual has proved to be worthy of opportunity, key positions will be offered to these who have shown that they are ready to take the next step in their careers.

CORPORATE SOCIAL RESPONSIBILITY REPORT
CONTINUED

CUSTOMER SERVICE TRAINING
During the year our customer service programme has continued to play a pivotal role when working with Sports Retail store staff. The training model has continued to be used by Store Managers, through a combination of seminars and eLearning.

The 'Sales through Service' Model (STARS) reinforces the key elements of successful customer service:

- Smile
- Talk
- Ask
- Recommend
- Sale

The training works in conjunction with our "5 Star Commission Scheme", and aims to assist growth expectations by showing staff how developing their behaviours can provide a better service to customers and drive sales.

MANAGEMENT INDUCTION
New and existing managers have attended the two week residential induction programme, which is based at our Shirebrook campus. The programme consists of a mixture of shop floor based training and classroom centred activities, with typical subjects including merchandising, administration, delivery processes, health and safety, shop closure processes, product training, and retail business skills.

HIGH PERFORMING MANAGERS
Our elite group of high performing operational managers are offered training via work based schemes which look to further develop their skills. The training schemes include topics such as effective leadership, team engagement, performance enhancement and managing through change, with the activities based on real work situations. We have found that the training makes an immediate difference to the problem solving, analytical and inter-personal communication skills of those who have been trained.

INTERNAL PROMOTION REFRESH PROGRAMME
Members of the retail team who are put forward for internal promotion are invited to attend the Operational and Managerial Refresh Programme. This is a five day residential course that consists of shop floor operational training combined with style and behaviour modules covering communication, leadership and decision making.

BRAND TRAINING
Robust training programmes to inform and train staff on product innovation and brand initiatives continue. This ensures that the links between Sports Direct and the major brands are stronger than ever.

Sports Direct is still a heavy user of Nike Sports Knowledge Underground (SKU) and continue to be one of the front runners in terms of percentage completion worldwide. SKU provides another eLearning opportunity for the Sports Direct team which allows staff to gain essential foundation knowledge on Nike Products. This foundation knowledge is then taken one step further on the Nike Training days held at the Sports Direct Training Academy. The days are hosted by Nike Experts (EKINs) and take the foundation knowledge from SKU to a higher level with interaction and involvement. The Nike Graduate Scheme then encourages those who attend the training day to transfer their learning to the team in-store. By doing so they gain the recognition of becoming a Nike Graduate within their store. Sports Direct works exclusively with Nike on this exceptional training initiative.

Sports Direct works with adidas and Puma to provide bespoke training initiatives to support the continued growth of adidas and Puma products. Through 2014, many team members attended specialist adidas sessions, which focused on product knowledge and selling skills. More dates are in the diary for 2015 to support and capture the main product releases and new innovations in sporting technologies.

FOOTWEAR MASTERCLASS
Aimed at managers responsible for the footwear department in their branch, the Footwear Masterclass is a three day residential course which focuses on one of the key departments in a Sports Direct store. Typical subjects covered include merchandising, staff efficiency, best practice, health and safety, policies, and procedures.

E LEARNING
It is important that all staff are engaged with who we are and what message we want to give to customers, and we believe that delivering effective induction training is key to this. Without a proper induction, there is the risk of staff not understanding compliance issues or policies, low productivity and poor motivation, poor customer service and lost sales.

Recently we implemented a new, interactive induction programme that would create pride in Sports Direct and ensure consistency and structure in foundation training. The induction programme is available to all UK Retail staff, aimed at engaging new starters and re-energising existing colleagues.

Sponge UK, a specialist eLearning company, have been engaged by the Group to develop an online induction that complements the existing face-to-face training that the Group offers. The current modules focus on the four main areas, being sales and service, health and safety, merchandising, and day to day operational information.
These areas are the first in a planned suite of courses that will cover all aspects of the Group's activity.

As it is important for staff to be able to access the learning on the go, the course has been designed to work on tablets and smartphones, as well as desktop computers. The induction programme is one of the very first Adapt eLearning courses, and we have 17,000 users who currently feel the benefit of this.

HEALTH AND SAFETY
As the Company continues to grow there has been increased focus on creating a consistent method of evaluating health and safety performance. Going forward we are looking to set targets and monitor our performance.

In relation to the UK workforce we have calculated the figures per 100,000 hours worked using a 12 month rolling average. The number of accidents involving the warehouse workforce as at April 2015 was 5.9, compared to 2.8 at April 2014. Increased footfall and decreased workspace due to ongoing building works, have both contributed towards the increase. The number of accidents involving the store, office and distribution workforce has remained static with 2.5 as at April 2015 and April 2014.

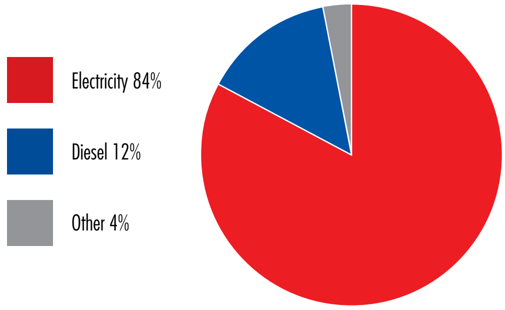
In relation to the general public we have calculated the figures per £10m store turnover using a 12 month rolling average. The number of accidents involving the general public had decreased over the course of the year and was 3.9 as at April 2015, compared to 4.7 in April 2014.

Over the course of the year there have been no environmental prosecutions or work-related fatalities.

ENVIRONMENT
We recognise that we have a responsibility to manage the impact our business has on the environment, and we are committed to reducing this both now and in the future. We continue to comply with the Government's Carbon Reduction Commitment, and have identified key areas where we can make a difference, in particular energy usage in our stores, transport and waste management.

We are continuously aiming to reduce our carbon footprint. The single most significant element is electricity, which makes up 84% of the footprint. The carbon footprint spread across all UK sites is detailed in the chart opposite.

CARBON FOOTPRINT ANALYSIS 1 APRIL 2014 - 31 MARCH 2015



The growth of our Company has increased the number of our stores and therefore the absolute GHG emissions. Our chosen intensity ratio of electricity-related emissions per £m revenue has increased by 15.9%; 11.5% of which is due to a change in DEFRA's conversion factor, the remainder due to the inclusion of a number of newly acquired fitness centres which are more energy consuming and therefore have this effect.

GREENHOUSE GAS (GHG) EMISSIONS REPORTING

Reporting period[1]	1 April 2014 - 31 March 2015
Baseline year	FY12
Consolidation approach	Operational control
Boundary summary	All UK entities and facilities either owned or under operational control were included. Emissions from air conditioning and refrigeration units are excluded due to the cost of data collection. These are expected to be a negligible % of scope 1 emissions.
Consistency with Financial Statements	Other than the emissions declared for the period 1 April 2014 – 31 March 2015 to be in line with the CRC Energy Efficiency Scheme, there are no inconsistencies with Financial Statements.
Emission factor data source	DEFRA (May 2013)
Assessment methodology	The Greenhouse Gas Protocol and ISO 14064-1 (2006). We have used the 2014 UK Government's GHG conversion factors.
Materiality threshold	Materiality was set at Group level at 5%, with all UK facilities estimated to contribute >0.5% of total emissions included
Intensity ratio	Emissions per £m revenue

(1) The emissions declared are for the period 1 April 2014 – 31 March 2015 to be in line with the CRC Energy Efficiency Scheme.

Scope 1 GHG emissions are calculated based on the purchased quantities of commercial fuels using published emission factors. Scope 2 GHG emissions are primarily calculated from metered electricity consumption and published emission factors.

CO^2 equivalent factors are used which ensures we have reported on all of the emission sources required under the Companies Act 2006 Regulations.

	Group	**UK Only**	**UK Only**
Year	**2015**	**2015**	**2014**
Scope 1 CO^{2}e emissions	14,129	12,801	11,206
Scope 2 CO^{2}e emissions	116,335	82,455	64,747
Total Scope 1 and Scope 2 CO^{2}e emissions (Tonnes)	130,464	95,256	75,953
CO^{2}e Emissions (Tonnes/£m)	46.1	42.3	36.8

This is the second year of mandatory reporting of this data. To provide analysis against previous years we have shown comparative data for electricity-related emissions, which accounts for 84% of our GHG emissions in the current year.

The table below details Electricity vs. Revenue and shows a pro rata increase of 15.9% across the year.

Year	**2015**	**2014**
CO^{2}e Emissions from electricity (Tonnes)	80,160	63,393
CO^{2}e Emissions from electricity (Tonnes/£m)[1]	35.6	30.7
Electricity vs. Sales Turnover Index (2012: 100)	117.6	101.5

(1) Not including non-UK revenue, in line with the CO^{2}e emissions reported.

WASTE REDUCTION

We are actively reducing the amount of waste we send to landfill and segregate waste to ensure that we recycle as much as possible.

THIS YEAR WE RECYCLED:

- 6,127 units of electrical equipment (2014: 7,099 units)
- 94 tonnes of waste paper (2014: 78 tonnes)
- 9,526 tonnes of cardboard (2014: 9,230 tonnes)
- 235 tonnes of metal (2014: 147 tonnes)
- 618 tonnes of plastic (2014: 558 tonnes)

All stores now use biodegradable carrier bags and provide the option of a "bag for life". This is actively promoted in-store through high levels of staff engagement.

Looking ahead, we will continue our commitment to minimise waste and improve energy efficiency across our stores.

CUSTOMERS

Customer service is at the forefront of our business. We aim to provide customers with an enjoyable experience both in-store and online and ensure all our products are safe and fit for purpose.

Monitoring customer satisfaction and responding to queries is a continuous process. All written complaints are recorded, including an analysis of the nature of the complaint so that trends can be assessed and appropriate action taken.

We have an online customer contact form that reduces the time it takes for our customers to contact us and increases the volume of contact. Online communication has reduced the amount of time it takes for us to respond to queries thereby increasing our service levels, while reducing the print and postage costs for both the Group and customers.

We are continuously working to improve customer service at all levels within the Group from the retail stores, Head Office and through to our website.

CORPORATE SOCIAL RESPONSIBILITY REPORT
CONTINUED

COMMUNITY

SUPPLY CHAIN

We are committed to responsible business practices in our own business and within our supply chain. We continue to procure merchandise from manufacturers who have proved to uphold ethical employment and trading practices, and we have a strict Code of Ethics that we require every supplier to adhere to. The Code provides for the fair treatment of workers, ensuring a safe environment in accordance with the local and national laws where workers are treated with respect and paid fairly for what they do. The code also ensures there is no child labour and no use of illegal means or materials in the production of goods.

We have longstanding relationships with our suppliers who have demonstrated that their work practices are consistent with Sports Direct's standards. Approximately 40% of our current suppliers have been working with the Company for 10 years or more. We have worked with two leading supply chain companies in Singapore and South Korea for a number of years. Using their local knowledge and experience helps benefit the business and the communities in which they operate. Both businesses have the highest social and business ethics code which aligns with our own Code of Ethics, the BSCI Code of Conduct (which is based upon the United Nations Declaration of Human Rights) and the Social Accountability 8000 (SA8000) Code.

Sports Direct relies on those supply chain companies to inspect the premises of all suppliers and manufacturers. Frequent inspections are carried out randomly to ensure that goods meet our quality standards as well as assessing continued compliance with SA8000 and our Code of Ethics. We cease immediately to work with suppliers who do not meet our criteria.

We comply with an internationally recognised list of chemicals that are banned for use in fabrics. The supply chain companies conduct random tests on fabric which are then taken to a recognised laboratory for quality testing and to ensure that banned chemicals are not being used.

CHARITY

Year on year we dedicate money, clothing and equipment to worthy charities, to ensure that sport can be enjoyed and appreciated by all backgrounds. Sport is not only important to leading a fit and healthy lifestyle, but should also be seen as fun. Our dedications go some way towards allowing sports to be enjoyed by a variety of unlikely sportsmen and women.

KARRIMOR

Karrimor became the official clothing and equipment supplier to the charity team 'Waves4hope'. The seven man squad successfully completed the challenge of a lifetime, rowing the English Channel for three great charities; Saving Faces, The Royal Marsden Cancer Charity and Sail4Cancer. The novice team were fully equipped with Karrimor gear to take on this gruelling venture, with the aim of raising £30,000. Congratulations to the team on their outstanding achievement.

SLAZENGER 'CHANCE TO SHINE'

Slazenger is the exclusive cricket equipment supplier to the country's most recognised grassroots cricket development programme, 'Chance to Shine'. Each project provides structured coaching and a competition programme for a group of schools who would not have otherwise had the chance to participate in the sport.

By 2013, the programme had reached one third of all primary and secondary schools amounting to almost 7,000 schools and has supported two million young people, almost half of whom are girls. Over £600,000 worth of cricket equipment has been supplied by Slazenger to enable the programme to run successfully.

DUNLOP

Dunlop works together with its sponsored professional golfers Lee Westwood and Darren Clarke to supply clothing to their 'golf schools'. These are junior player development schemes which provide qualified coaching and mentoring to youngsters.

Over £40,000 worth of clothing has been provided through sponsorship to the schemes so far.

LONSDALE

Lonsdale is the Official Equipment and Fight Sports Apparel Supplier for the RAF and the Royal Navy. We are the proud sponsor of the RAF annual Novice Championships, The Lord Wakefields.

At a grassroots level, Lonsdale is also a sponsor of the England Boxing Lonsdale Golden Gloves School Championships and provides 50 pairs of golden gloves, worth £2,000 to the finalists free of charge.

EVERLAST

Everlast supports a variety of organisations throughout the year, including both sports-oriented and charitable programmes. A long-standing supporter of the most prestigious amateur boxing competition in the US; the New York Golden Gloves, Everlast is the official fight glove and apparel sponsor. The organisation celebrated its 88th year in April.

Since 2006, Everlast has also served as a proud supporter of The Breast Cancer Research Foundation® (BCRF). Each year, Everlast donates a portion of the sale proceeds from selected pink products to help the foundation provide funding for clinical and genetic research. Last year, Everlast donated $57,433 to BCRF's research efforts to find a cure.

ANTIGUA GROUP

Antigua supports a wide variety of sports related and charity related events throughout the year. These include The Phoenix Children's Hospital Annual Golf Classic, The Scottsdale Charros Foundation, The Jerry Colangelo Prostate Cancer Event and The Salvation Army.

Antigua is also heavily involved in the promotion of Junior Golf in Arizona and around the country. Antigua has sponsored "The Antigua Junior Tour" in partnership with the SWSPGA for over 20 years and also supports Girls Golf, The First Tee and The Junior Golf Association of Arizona. In recent years, Antigua has helped to create the Antigua National High School Golf Invitational which invites teams from all over the United States to participate.

The Strategic Report was approved by a duly authorised Committee of the Board of Directors on 16 July 2015, and signed on its behalf by:

Dave Forsey
Chief Executive

16 July 2015

THE BOARD

• AUDIT COMMITTEE • NOMINATION COMMITTEE • REMUNERATION COMMITTEE

DR KEITH HELLAWELL QPM • •

NON-EXECUTIVE CHAIRMAN, CHAIRMAN OF NOMINATION COMMITTEE
APPOINTED: 24 November 2009
COMMITTEES: Nomination and Remuneration Committees

PREVIOUS ROLES: Prior to joining the team at Sports Direct International plc, Dr Hellawell spent over 40 years in public sector management being a former Chief Constable of two British police forces. While working directly for the Prime Minister between 1998 and 2002 he wrote and coordinated the United Kingdom national and international anti-drugs policy. Dr Hellawell has been involved in the private sector since 1998 when he joined Evans of Leeds, a fully listed property company. Since then he has served on the Boards of both Dalkia plc and Sterience Limited, subsidiaries of the French company Veolia Env. He was Non-Executive Chairman of Goldshield Group plc, a marketing-led pharmaceutical and consumer health company, from May 2006 to its sale in December 2009. He has held a number of other Non-Executive Board positions in private companies including sectors such as vehicle manufacturing and IT.

PRESENT ROLES: Dr Hellawell is currently a Non-Executive Director of Mortice plc, a Singapore-based facilities management company and a Director of the Super League team Huddersfield Giants. He also runs his own management and training consultancy company.

KEY SKILLS AND EXPERIENCES: Dr Hellawell has worked in both the public and private sector for over 50 years. Throughout this time he has built up a wealth of experience which he brings to the Group to ensure the successful and effective operation of the Board.

MIKE ASHLEY

EXECUTIVE DEPUTY CHAIRMAN
APPOINTED: 1982 (founder)

PREVIOUS ROLES: Mike established the business of the Group on leaving school in 1982 and was the sole owner until the Group's listing in March 2007.

KEY SKILLS AND EXPERIENCES: Mike was the founder of the Group and has the necessary skills for formulating the vision and commercial strategy of the Group. With over 30 years in the sports retail business with Sports Direct he is invaluable to the Group.

DAVE FORSEY

CHIEF EXECUTIVE
APPOINTED: 1984

KEY SKILLS AND EXPERIENCES: Dave has been with the business for over 30 years, during which time he has acquired significant knowledge and experience of the sports retail business. In conjunction with the Executive Deputy Chairman, he agrees strategy, appropriate objectives and policies for each of the businesses. Dave has overall responsibility for the daily management of the Group.

MATT PEARSON

ACTING CHIEF FINANCIAL OFFICER
APPOINTED: 04 June 2015

PREVIOUS ROLES: A graduate in Maths, he qualified with Tenon, now part of Baker Tilly, in 2004. He subsequently joined Ernst and Young, now EY, in Nottingham where he worked as an auditor before joining the Group.

KEY SKILLS AND EXPERIENCES: Matt joined the Group in June 2007, shortly after it listed on the London Stock Exchange, and has since worked closely with the Executive team and the Audit Committee in his role as Group Financial Controller. Matt is a qualified Chartered Accountant, with substantial knowledge of all financial aspects of the Group.

SIMON BENTLEY • • •

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF AUDIT COMMITTEE
APPOINTED: 02 March 2007

COMMITTEES: Audit, Nomination and Remuneration Committees

PREVIOUS ROLES: 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.

PRESENT ROLES: Simon chairs and is on the board of a range of companies and organisations. Among these, he is Chairman of the hair brand Umberto Giannini, is the principal owner and Chairman of the leading mobile ATM operator Cash on the Move, is a Supervisory Board Director of Global Home, a designer and manufacturer of indoor furniture for retailers, based in Vietnam, and is Chairman of Yad Vashem – UK Foundation.

KEY SKILLS AND EXPERIENCES: He has lengthy experience of the sporting goods industry, and maintains the recent and relevant experience necessary to be Chairman of the Audit Committee.

DAVE SINGLETON • • •

NON-EXECUTIVE DIRECTOR, CHAIRMAN OF REMUNERATION COMMITTEE
APPOINTED: 27 October 2007

COMMITTEES: Audit, Nomination and Remuneration Committees

PREVIOUS ROLES: Dave spent 25 years with Reebok International Limited. He stepped down in April 2007 having assisted with the successful integration of Reebok following its acquisition by adidas Group in January 2006. For eight years he was Vice President of Northern Europe Region & UK and then was Senior Vice President of Europe, Middle East & Africa.

PRESENT ROLES: Dave is Chairman of Bolton Lads & Girls Club, Chairman of Bolton Community Leisure Trust and a Trustee at Bolton Wanderers Community Trust.

KEY SKILLS AND EXPERIENCES: Dave has an extensive senior management record and brings valuable experience of international sports brand operations.

CLAIRE JENKINS • • •

NON-EXECUTIVE DIRECTOR
APPOINTED: 25 May 2011

COMMITTEES: Audit, Nomination and Remuneration Committees

PREVIOUS ROLES: Claire's most recent Executive role was as Group Director Corporate Affairs and a member of the Executive Leadership Team, responsible for the company's sustainability and communications activities, at Rexam plc, a leading global beverage can maker. Prior to that, she was a member of the Management Committee of international tobacco company Gallaher Group plc (acquired by Japan Tobacco in 2007) where she was responsible for investor relations and Group planning. Claire has also gained corporate experience in various consulting roles and at Laing & Cruickshank, and as a Non-Executive Director of Retro Classics Fund.

PRESENT ROLES: Claire is Chairman of Amicus, and a Non-Executive Director of Media For Development.

KEY SKILLS AND EXPERIENCES: Claire has excellent all-round business experience and, in addition, has particular corporate governance and communication skills.

DIRECTORS' REPORT

The Directors of Sports Direct International plc present their Annual Report and Accounts for the year ended 26 April 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Chief Executive's Report on pages 21 to 24 provides a detailed review of the Group's current activities and potential future developments together with factors likely to affect future development, performance and conditions. There is also a table of the principal risks and uncertainties likely to affect the Group. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are described in the Financial Review on pages 25 to 27. The Corporate Responsibility Report on pages 28 to 32 reports on environmental matters, including the impact of the Group's businesses on the environment, the Group's workforce, and on social and community issues.

The principal activities of the Group during the year remained unchanged and 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 licensed brands; and
- licensing of Group brands.

Further information of the Group's principal activities is set out in the front of this document and in the Chief Executive's Report on pages 21 to 24.

RESULTS FOR THE YEAR AND DIVIDENDS

Revenue for the 52 weeks ended 26 April 2015 was £2,832.6m and profit before tax was £313.4m compared with £2,706.0m and £239.5m in the prior year. The trading results for the year and the Group's financial position as at the end of the year are shown in the attached Financial Statements, and discussed further in the Chief Executive's Report and Business Review and in the Financial Review on pages 21 to 24 and 25 to 27 respectively.

The Board has determined not to recommend a dividend this year.

SHARE CAPITAL AND CONTROL

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.

Further information regarding the Group's issued share capital can be found on page 77 of the Financial Statements.

Details of our Share Schemes are also set out on page 77.

There are 640,602,369 ordinary shares of 10p in issue and fully paid of which 42,137,508 are currently held in Treasury.

There are no specific restrictions on the transfer of shares, which are governed both by the general provisions of the Articles of Association and prevailing legislation.

The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

The Directors were authorised to allot shares in the capital of the Group up to an aggregate nominal amount of £19,948,829 (being approximately one third of the then issued share capital) for the period expiring at 9 September 2015, the date of the 2015 Annual General Meeting.

In line with guidance from the Association of British Insurers the Company was also granted authority to issue a further third of the issued share capital to a nominal amount of £39,897,658 (being approximately 35% of the issued share capital) in connection with a rights issue.

A further authority to allot shares up to a maximum nominal value of £2,992,324 (being approximately 5% of the then issued share capital) as if statutory pre-emption rights did not apply, was also approved.

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 other authorities will be sought from shareholders.

The Group was authorised to make market purchases of ordinary shares of 10p each in the Company of up to a maximum aggregate number 59,846,486 representing 10% of the Company's issued ordinary share capital at the 2014 Annual General Meeting. The above authority expires at the close of the next Annual General Meeting of the Company.

SHAREHOLDERS

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

Mike Ashley has entered into a Relationship Agreement with the Company. Under the terms of the Agreement Mike Ashley undertook 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;
- 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 UK Corporate Governance 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 sells 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.

The Company has been advised that the following parties had a significant direct or indirect shareholding in the shares of the Company:

	NUMBER OF SHARES HELD	PERCENTAGE OF ISSUED ORDINARY SHARE CAPITAL WITH VOTING RIGHTS HELD	NATURE OF HOLDING
Mike Ashley (1)	330,000,000	55.14%	Indirect
The Capital Group Companies, Inc. (2)	33,671,254	5.63%	Indirect
Odey Asset Management (3)	29,852,065	4.99%	Indirect

(1) Mike Ashley holds the shares through two companies, namely MASH Beta Limited and MASH Holdings Limited, which hold 303,507,460 (50.71% of the issued ordinary share capital of the Company) and 26,492,540 (4.43% of the issued ordinary share capital of the Company) ordinary shares respectively. These figures are as at 21 January 2015, being the last date on which the Company was notified of a change in the percentage of shares.

(2) These figures are as at 10 July 2015, being the last date on which the Company was notified of a change in the percentage of shares.

(3) These figures are as at 15 July 2015, being the last date on which the Company was notified of a change in the percentage of shares.

SUPPLIERS

The Group understands the importance of maintaining good relationships with suppliers and it is Group policy 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.

CONTRACTS ESSENTIAL TO THE BUSINESS OF THE COMPANY

The Chief Executive's Report on pages 21 to 24 details information about persons with whom the Group has contractual or other arrangements and are deemed essential or material to the business of the Group.

TAKEOVERS

The Directors do not believe that 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 Group on the Directors' bonus and share schemes are set out in the Director's Remuneration Report on pages 44 to 52.

SHARE SCHEMES

Details of the Executive Share Schemes are set out in the Directors' Remuneration Report on page 45 and details of the Share Schemes for participating employees on page 28 of the Corporate Social Responsibility Report.

STAFF INVOLVEMENT

The Group currently has a c.27,000 strong workforce in its stores, offices and warehouses. The contributions that key employees have made to the Group's accomplishments have played a vital role, and the overwhelming dedication shown was the deciding factor in encouraging the Group to propose a third Share Scheme.

The 2009 Share Scheme vested in August 2012 and 2013. The 2011 Share Scheme is due to vest later in 2015 and in 2017.

The 2015 Share Scheme was approved by shareholders at a General Meeting which took place on 2 July 2014, with the EBITDA targets for the Scheme spanning between FY16 and FY19. The Scheme differs from the previous two Share Schemes as eligibility to participate in the scheme is open to both employees and Executive Directors, as determined by the Board.

The workforce is notified of announcements and major changes in the business via Company news emails and our intranet, as well as information being transmitted through line managers. Training programmes and induction courses provide the workforce with opportunities to keep up to date with the latest developments of the Group. Our annual conference offers them an opportunity to mix with teams with which they wouldn't ordinarily mix, to learn about the Group's aspirations, and to keep up to date with the latest changes in the Group. This is a full day event and also has a range of activities tailored to the specific area in which each individual works.

Further information on relationships with our people can be found in the Corporate Social Responsibility Report on pages 28 to 32.

EQUAL OPPORTUNITIES

The Group's recruitment policy is to match the capabilities and talents of each applicant to the appropriate job. Factors such as gender, race, religion or belief, sexual orientation, age, disability or ethnic origin should be ignored and any decision which is made with regard to candidates should be irrespective of these. Discrimination in any form will not be tolerated under any circumstances within the Group.

Applications for employment by disabled persons are given full and fair consideration for all vacancies, and are assessed in accordance with their particular skills and abilities.

The Group does all that is practicable to meet its responsibilities towards the training and employment of disabled people, and to ensure that training, career development and promotion opportunities are available to all.

The Group makes every effort to provide continuity of employment where current employees become disabled. Attempts are made in every circumstance to provide employment, whether this involves adapting the current job role and remaining in the same job, or moving to a more appropriate job role. Job retraining and job adaptation are just two examples of how the Group works in the interests of its workforce to promote equal opportunities in order that an individual's employment within the Group may continue. The Group values the knowledge and expertise that employees have gained throughout their time with us, and therefore does not wish to lose valued employees.

With the aim of achieving our target of 25% female representation on our Board, we are actively seeking applications from female potential Non-Executive Directors.

RESEARCH AND DEVELOPMENT

The Group designs clothing and some footwear for sale in stores and has arrangements with suppliers for the research and development of goods for the Brands division.

CHARITABLE AND POLITICAL DONATIONS

During the year, the Group made charitable cash donations of £117,000 (2014: £147,000) in the UK. No political donations were made (2014: nil). There have been a number of further donations of sporting equipment made to worthy causes, and these are set out on page 32.

DIRECTORS

Details of current Directors, dates of appointment, their roles, responsibilities and significant external commitments are set out on page 33.

Although the Company's Articles of Association require retirement by rotation of one third of Directors each year, the Group has chosen to comply with the 2012 UK Corporate Governance Code and at each Annual General Meeting all of the Directors will retire and stand 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 26 April 2015 and at the date of this Report is shown in the Directors' Remuneration Report on pages 48 and 51.

Copies of the service contracts of Executive Directors and of the appointment letters of the 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 the Executive Directors holding directorships of subsidiary companies of the Group).

DIRECTORS' CONFLICTS OF INTEREST

The Board has formal procedures to deal with Directors' conflicts of interest. During the year the Board reviewed and, where appropriate, approved certain situational conflicts of interest that were reported to it by Directors, and a register of those situational conflicts is maintained and reviewed. The Board noted any transactional conflicts of interest concerning Directors that arose and were declared. No Director took part in the discussion or determination of any matter in respect of which he had disclosed a transactional conflict of interest.

DIRECTORS' REPORT
CONTINUED

DIRECTORS' INDEMNITIES
The Group has granted the Directors with Qualifying Third-Party Indemnity provisions within the meaning given to the term by Sections 234 and 235 of the Companies Act 2006. This is in respect of liabilities to which they may become liable in their capacity as Director of the Company and of any company within the Group. Such indemnities were in force throughout the financial year and will remain in force.

ANNUAL GENERAL MEETING
The 2015 Annual General Meeting will be held on 9 September 2015 at Unit D, Brook Park East, Shirebrook, NG20 8RY. The Meeting will commence at 11am. The Board encourages shareholders to attend and participate in the meeting.

GOING CONCERN
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on pages 21 to 24.

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 25 to 27. In addition, the Financial Statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group is profitable, highly cash generative and has considerable financial resources. The Group is able to operate comfortably within its banking facilities and covenants, which run until September 2018, and is well placed to take advantage of strategic opportunities as they arise.

As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group should be able to operate within the level of the current facility.

Having thoroughly reviewed the Group's performance and having made suitable enquiries, the Directors are confident that the Group has adequate resources to remain in operational existence for the foreseeable future. On this basis, the Directors continue to adopt the going concern basis for the preparation of the Annual Report and Financial Statements.

ACCOUNTABILITY AND AUDIT
A statement by the Auditor can be found on page 56 detailing their reporting responsibilities. The Directors fulfil their responsibilities and these are set out in the responsibility statement on page 53.

AUDITOR
Grant Thornton UK LLP have expressed a willingness to continue in office. In accordance with Section 489 (4) of the Companies Act 2006, resolutions to determine remuneration are to be agreed at the Annual General Meeting.

By Order of the Board

Cameron Olsen
Company Secretary

16 July 2015

CORPORATE GOVERNANCE REPORT

The Group is committed to high standards of Corporate Governance. The following section will detail how the UK Corporate Governance Code has been applied during the year.

CHAIRMAN'S INTRODUCTION

I am pleased to introduce the Corporate Governance Report, which confirms that for the year ended 26 April 2015, the Group has complied with the 2012 UK Corporate Governance Code.

During the year we have seen a change in the Board's structure as a result of the retirement of Charles McCreevy in September 2014. Since the retirement of Charles we have been actively looking to recruit a further Non-Executive Director.

During our continuing search for Non-Executive Directors, we are actively encouraging applications from women. The Group hopes to achieve Lord Davies' target of a 25% representation of women on our Board by the end of 2015.

The Group's lack of a Finance Director during FY15 was a matter which was questioned by a number of our investors, and I have previously reported that we were aware that the position was unusual for most FTSE 100 Companies. Throughout the recruitment process we felt that we hit a number of hurdles which hindered recruitment, including that our Group Executives are some of the lowest paid Board members in the FTSE 100, and that the remuneration package can be conceived as unappealing. However the culture of the Group is payment as reward and the team is awarded large bonuses for outstanding achievements. Furthermore our small Executive team work for a large amount of their time from the Group Head Office in Derbyshire. However the majority of experienced Executives are concentrated in the south of the country, and many find it difficult to consider spending large amounts of the week working away from home.

Throughout the year we focussed on appointing a Finance Director, and in doing so we have tried to adapt our culture and offer applicants financial packages to meet their expectations in the short term. However in doing this we have had to be mindful that there is fairness amongst the Board and that the culture of the Group is not eroded. We feel that our culture and pay strategy has been key to our success to date, and changing this for a particular candidate could have an adverse effect on our future progress.

However, as time moved on we noted that a strong internal candidate had assumed many of the responsibilities, so we have appointed Matt Pearson as Acting Chief Financial Officer. Matt has been with the Group since 2007, having initially joined as Group Financial Accountant. Matt has shown great loyalty and promise, and having worked his way up the ranks we feel that he will be a valued addition to the Board.

Throughout the year the Board has actively engaged with shareholders through various meetings and lengthy written correspondence. Board members have travelled to a number of locations in order to communicate with shareholders, and have sought guidance from our Company Secretarial team when necessary. The Group's approach to investor relations was hindered recently following the end of the fixed-term contract post of Director, Strategic Development. However at all times the Group endeavours to promote harmonious relationships with investors, and looking forward we aim to forge even stronger investor relationships by utilising the skills and knowledge of Matt Pearson.

The 2014 UK Corporate Governance Code has been discussed by the Board, and will be embraced once it applies to the Group. We are aware that two of the key aims are to promote accountability and improve alignment between business decisions and shareholder interests.

In an effort to look towards fully integrating the Code we have received specific guidance from external bodies. We have initially focused the application of the Code on risks reporting and remuneration, and we are working on the broader applications.

Key topics of discussion throughout the year have included recruitment, legal matters, expansion and corporate governance matters. Additional details of the Group's strategy can be found on page 15.

As Chairman of the Board I feel honoured to be surrounded by fellow members who are so passionate about their roles. The Board is committed to maintaining the principles of governance, by actively questioning, challenging and endeavouring to understand the Executive. Throughout the year one-to-one meetings have been held between Executive and Non-Executive Board members in order that Non-Executive Board members can gain a fuller understanding of what is taking place in the Group.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The overall responsibility for the Group's risk management and internal controls systems sits with the Board. This is an on-going process which relates to the identification, evaluation, management and monitoring of significant risks. This complies with the UK Corporate Governance Code.

The Board is subject to the UK Corporate Governance Code, which was issued in September 2012. The main principles of the Code are:

LEADERSHIP
EFFECTIVENESS
ACCOUNTABILITY
REMUNERATIONS
RELATIONS WITH SHAREHOLDERS

The Board has reviewed the Company's corporate governance processes and policies, and has concluded that during the 52 weeks ended 26 April 2015 (the year) the Company complied with the provisions of the Code.

THE BOARD

The Board consists of the Non-Executive Chairman, Keith Hellawell, the Executive Deputy Chairman, Mike Ashley, two other Executive Directors, and three further Non-Executive Directors. The names, skills and short biographies of each member of the Board are set out on page 33.

The size and composition of the Board is regularly reviewed by the Board to ensure that there is the appropriate balance of skills and experience.

ROLE OF THE BOARD

The role of the Board is to ensure the overall long-term success of the Group. This is achieved through the review, development and implementation of the Group's strategy. The Board also maintains responsibility for corporate responsibility, accountability and to ensure effective leadership is delegated to management for the day to day running of the Group and ensures an appropriate strategy is in place for succession planning.

The Board has a programme in place to enable it to discharge its responsibility of providing effective and entrepreneurial leadership to the Group within a framework of prudent and effective controls.

The Board plans to meet on a formal basis six times during the year with up to four additional strategy meetings at convenient times throughout the year when broader issues concerning the strategic future of the Group will be discussed. The Board will meet on other occasions as and when the business demands. During FY15 the Board met on 13 occasions.

CORPORATE GOVERNANCE REPORT
CONTINUED

A detailed agenda is established for each meeting, and appropriate documentation is provided to Directors in advance of the meeting. Regular Board meetings provide an agenda that will include reports from the Chief Executive, 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. The Board will monitor and question monthly performance and review anticipated results.

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.

In an effort to secure the long-term future of the Group, the Board has created a high performance culture within the Group by devising stretching Share Schemes as well as a share scheme for senior members of management. Areas discussed include investor relations, human resources and health and safety. The Board also receives updates on areas including risk management and internal control systems.

It is the responsibility of the Directors to ensure that the accounts are prepared and submitted. Having assessed the current Annual Report, along with the accounts, the Directors confirm that, taken as a whole, they are fair, balanced and understandable. The Directors do confirm that these documents provide the necessary information in order for shareholders to assess the Group's performance, business model and strategy.

KEY ACTIVITIES

- Ensuring the long-term success of the Group
- Considering the obligations to shareholders and other stakeholders
- Considering the effect the Group's activities have on the environment and community in which it operates
- Maintaining a high business reputation
- Maintaining relationships with suppliers, customers and the wider community

There is a formal schedule of matters that require Board approval: they are matters that could have significant strategic, financial or reputational effects on the Group as a whole.

MATTERS RESERVED FOR THE BOARD

- Sets budgets
- Monitors and reviews strategy and business performance
- Approves acquisitions, expansions into other regions / countries
- Appointments and removal of Board members
- Succession planning
- Overall responsibility for internal control and risk management as described on pages 40 to 41

THE CHAIRMAN AND EXECUTIVE DIRECTORS

The division of responsibilities between the Non-Executive Chairman, the Executive Deputy Chairman and the Chief Executive is in writing and has been agreed by the Board. However they work closely together to ensure effective decision-making and the successful delivery of the Group's strategy.

The Chairman is responsible for leadership of the Board, ensuring its effectiveness and that all Directors are able to play a full part in the activities of the Company. He ensures that the Directors receive accurate, timely and clear information.

The Chairman officiates effective communication with shareholders and ensures that the Board understands the views of major investors, and is available to provide advice and support to members of the Executive team.

The Executive Deputy Chairman is an ambassador for the Company. He takes the lead in the strategic development of the Company, formulating the vision and strategy in conjunction with the Chief Executive.

The Company has entered into a Relationship Agreement with Mike Ashley, the Executive Deputy Chairman, whose wholly-owned companies, MASH Holdings Limited and MASH Beta Limited, currently hold approximately 4.43% and 50.71% respectively of the issued share capital of the Company (excluding treasury shares). This agreement is described in the Directors' Report on page 34.

The Chief Executive is responsible for the running of the Group's business for the delivery of the strategy, leading the management team and implementing specific decisions made by the Board to help meet shareholder expectations. The Chief Executive reports to each Board meeting on all material matters affecting the Group's performance. No one individual has unfettered power of decision.

Given the structure of the Board, the fact that the Chairman and Chief Executive roles are fulfilled by two separate individuals and the terms of the Relationship Agreement with Mike Ashley, the Board believes that no individual or small group of individuals can dominate the Board's decision making.

THE NON-EXECUTIVE DIRECTORS

The Board consists of three Non-Executive Directors and the Chairman. The role of the Non-Executive Directors is to understand the Group in its entirety and constructively challenge strategy and management performance, set Executive remuneration levels and ensure an appropriate succession planning strategy is in place. They must also ensure they are satisfied with the accuracy of financial information and that thorough risk management processes are in place.

The Non-Executive Directors have excellent experience from a wide range of sectors. The Non-Executive Directors assist the Board with issues such as governance, internal control, remuneration and risk management.

Simon Bentley is the Senior Independent Non-Executive Director. He supports the Chairman and Non-Executive Directors and is available to shareholders if they have concerns.

THE NON-EXECUTIVE DIRECTORS - EXTERNAL APPOINTMENTS

Non-Executive Directors are required to disclose prior appointments and other significant commitments to the Board and are required to inform the Board of any changes to or additional commitments. Details of the Non-Executives Directors' external appointments can be found on page 33.

Before accepting new appointments Non-Executive Directors are required to obtain approval from the Chairman, and the Chairman requires the approval of the whole Board. It is essential that no appointment causes a conflict of interest or jeopardises the Non-Executive Directors' commitment and time spent with the Group in their existing appointment.

THE NON-EXECUTIVE DIRECTORS – INDEPENDENCE

The Group considers the Non-Executive Directors to be independent in accordance with the 2012 UK Corporate Governance Code.

Each year the Board evaluations consider the independence of each Board member. The most recent evaluations did not highlight any Directors who lacked independence. Although the Board has remained constant for some time, the longest-serving member of the Board has been with the Board for eight years, this being less than the nine year period after which independence may become questionable.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS - CONFLICTS OF INTEREST

The Board has set procedures to deal with Directors' conflicts of interest that arise. During the year the Board reviewed and, where appropriate, approved certain situational conflicts of interest that were reported to it by Directors, and a register of those situational conflicts is maintained and reviewed. The Board noted any transactional conflicts of interest concerning Directors that arose and were declared. No Director took part in the discussion or determination of any matter in respect of which he had disclosed a transactional conflict of interest.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS - RE-ELECTION

The Group complies with the 2012 UK Corporate Governance Code and all Directors offer themselves for re-election every year.

The Board has determined that all Directors must put themselves forward for election or re-election at the 2015 Annual General Meeting to comply with the UK Corporate Governance Code. Retiring Directors may seek reappointment if willing and eligible to do so and if so recommended by the Nomination Committee. 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.

Details of Executive Directors' service contracts, and of the Chairman's and the Non-Executive Directors' appointment letters, are given on pages 48 to 49. 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 AND NON-EXECUTIVE - TRAINING AND DEVELOPMENT

All newly appointed Directors are provided with an induction programme which is tailored to their existing skills and experience. The Board is informed of any material changes to laws and regulations affecting the Group's business.

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. Appropriate Directors and Officers Insurance is maintained by the Company.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS - PERFORMANCE EVALUATION

The practices and processes of the Board are evaluated on a yearly basis, with the most recent evaluation being led internally. Following evaluations the feedback obtained is considered and the Board act on the learnings which have come to light.

During 2014, the evaluations were led externally, by using an evaluator selected by the Board, NJMD Corporate Services Limited, which is a specialist consultancy led by Nigel Davies.

BOARD COMMITTEES

To assist the Board with their duties, there are three principal Board Committees, being the Audit Committee, the Remuneration Committee and the Nomination Committee. The Committees are governed by terms of reference which provide detail of matters delegated to each Committee and the authority they have to make decisions. Full terms of reference are available on request and on the Company's website.

Attendance by Directors at Board and 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 unless prevented from doing so by prior commitments. The Board is satisfied that currently no one Director exercises a disproportionate influence.

	Board Meetings-Scheduled	Board Meetings-Unscheduled	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
Keith Hellawell	5/5	7/8	3/3 (1)	4/4	2/2
Mike Ashley	5/5	4/8	-	1/4	-
Simon Bentley	5/5	6/8	3/3	4/4	2/2
Dave Forsey	5/5	8/8	3/3 (1)	4/4 (1)	2/2 (1)
Dave Singleton	5/5	8/8	3/3	4/4	2/2
Claire Jenkins	5/5	8/8	3/3	4/4	2/2
Charles McCreevy (2)	2/5	2/8	1/3	1/4	1/2

(1) A number of Audit Committee, Remuneration Committee and Nomination Committee meetings were attended by Board members who were not members of the Committees. The Board members concerned attended these meetings at the invitation of the Committee members.

(2) Meetings attended by Charles McCreevy up until his retirement on 10 September 2014.

The meetings which took place throughout the year were a mixture of both scheduled meetings, for general matters, and unscheduled meetings, for more urgent matters. All scheduled meetings were attended by all existing Committee members. Following unscheduled meetings all absent members were subsequently given the opportunity to review the information and endorse or question the decisions made. This ensured that all members could have their thoughts recorded, even though they weren't available during the meeting itself.

Immediately following two unscheduled Board meetings Simon Bentley gave approval via email. Keith Hellawell also gave telephone approval immediately following one unscheduled meeting which he was unable to attend. These absences were unavoidable due to other pre-planned commitments by the Directors. Despite the relative short notice of many of the unscheduled meetings, attendance levels by the Board has remained high.

There were a number of meetings throughout the year which were solely for Non-Executive Directors and the Chairman. Meetings also took place which were attended by Non-Executive Directors without the Chairman. These meetings enabled the Non-Executive Directors to discuss matters which they perhaps could not discuss with the Executive Directors and/or the Non-Executive Chairman present.

CORPORATE GOVERNANCE REPORT
CONTINUED

AUDIT COMMITTEE
AUDIT COMMITTEE REPORT 2015

Dear Shareholder,

I am pleased to present the Audit Committee Report for the 52 weeks ended 26 April 2015.

The Audit Committee has an important role to play in effective reporting to our stakeholders and ensuring high standards of quality and effectiveness in the external audit process. This year has seen the introduction of many changes to corporate reporting.

This report provides an overview of:

- What the Committee has done during the year, and what is planned for 2016;
- The effectiveness of its activities;
- How it has assessed the effectiveness of the external auditors, including ensuring their independence; and
- The Committee's opinion on the Annual Report when viewed as a whole.

MEMBERSHIP
The Audit Committee comprises me as Chairman, and all of the Non-Executive Directors. Biographical details of each member are shown in the Board of Directors' profiles on page 33.

MEETINGS
The Committee met three times during the year and attendance at those meetings is shown on page 39 within the Corporate Governance Report. At the invitation of the Committee members, the Group Chairman, Chief Executive and the Acting Chief Financial Officer attend Committee meetings, as do the external and internal auditors. After each of its meetings, we met with the external auditors, in each case without the presence of Executive Directors or management. In addition I meet with the auditors as and when it is needed.

THE MAIN RESPONSIBILITIES OF THE AUDIT COMMITTEE INCLUDE:
- Assisting the Board with the discharge of its responsibilities in relation to internal and external audits and controls.
- Agreeing the scope of the annual audit and the annual audit plan and monitoring the same.
- Reviewing and monitoring the independence of the external auditors and relationships with them.
- Agreeing and monitoring the extent of the non-audit work that may be undertaken.
- Reviewing and agreement of the external audit fees.
- Monitoring, making judgements and recommendations on the financial reporting process and the integrity and clarity of the Group's Financial Statements.
- Reviewing and monitoring, throughout the year, the effectiveness of the internal control and risk management policies and systems in place, including a review of the activities of the internal audit function.
- Monitoring the audit of the annual and consolidated accounts including a review of the Letter of Representation, Audit Findings report and engagement letters.
- Reporting to the Board on how it has discharged its responsibilities and the effectiveness of the Audit Committee.

WHAT HAS THE COMMITTEE DONE DURING THE YEAR?
- Monitored the effectiveness of internal controls, and also considered the current economic climate and its likely impact on the Group.
- Considered the reappointment of the auditors.
- Reviewed accounting policies, presentations and the Financial Statements.
- Reviewed its own effectiveness

INTERNAL CONTROLS
As one of the fastest-growing retailers with rapidly expanding overseas and internet operations, we have many complex operational risks to manage.

The audit reviews led by the long established Retail Support Unit have led the way, through their audits across the retail operations each year, in providing comfort over the efficiency of controls over the operational procedures and systems which help to generate and report the numbers within the Financial Statements, and will continue to do so.

Conscious of the rate of growth, increasing complexity and the increase in responsibility that we as an Audit Committee have in reviewing the internal controls throughout the year, we appointed BDO last year as internal audit advisers. BDO have specialists experienced in auditing the strategies and plans put in place to mitigate risks to further strengthen the control environment.

BDO have conducted a review of our key risks, and, in consultation with us, have developed a strategic audit plan to provide assurance to the Audit Committee regarding the management of these key risks over the next three years. This plan was presented to the Audit Committee, and has been approved and agreed as a detailed annual programme.

The Committee has delegated responsibility from the Board for considering operational, financial and compliance risks on a regular basis. Information on the Group's approach to internal control and risk management is set out in the Corporate Governance Report on pages 37 to 43.

EXTERNAL AUDITORS
On an annual basis, the Committee considers the reappointment of the auditors and their remuneration and makes recommendations to the Board. The auditors are appointed each year at the Annual General Meeting. The Committee consider the level of service provided by the auditors and their independence.

The Committee has recommended the reappointment of Grant Thornton UK LLP for FY16. The Committee took a number of factors into account in its assessment including but not limited to:

- The quality and scope of the planning of the audit in assessing risks and how the external auditors planned to evolve the audit to respond to changes in the business;
- The quality and timeliness of reports provided to the Committee and the Board;
- The level of understanding demonstrated of the Group's businesses and the retail sector;
- The objectivity of the external auditors' views on the controls around the Group and the robustness of challenge and findings on areas which required management judgement; and
- A review of external reports published, for example by the FRC, in respect of Grant Thornton.

The Committee's view following this assessment was positive in relation to their evaluation of the work of the external auditors and they felt that high standards had been maintained.

After taking into account all of the above factors, the Committee concluded that the external auditors were effective.

The Committee believes their independence, the objectivity of the external audit and the effectiveness of the audit process is safeguarded and remains strong. This is displayed through their robust internal processes, their continuing challenge, their focused reporting and their discussions with both management and the Audit Committee.

To maintain the objectivity of the audit process, the external auditors are required to rotate audit partners for the Group audit every five years and the current lead partner has been in place for two years. Under the 2012 UK Corporate Governance Code, audit services must be put to tender at least every ten years or else we must explain why we have not done so. Our current auditors, namely Grant Thornton UK LLP, have been in place since the listing in February 2007.

In light of the above our current intention is to put the external audit services to tender for the audit of the period ending April 2017.

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 auditors' 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.

The external auditors may carry out certain categories of non-audit work that have either been pre-approved by the Committee or the Board, depending on the nature and monetary value of the services to be provided. The policy also prohibits the auditors auditing their own work and making management decisions.

The policy identified three categories of potential work.

AUDITOR AUTHORITY	TYPE OF WORK
Work the auditor may not provide as completing the task could create a threat to independence.	The 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.
Work the auditor may undertake with the consent of the Chairman of the Audit Committee.	Corporate finance services, acquisition due diligence, management consultancy and secondment of staff other than for the preparation of accounting entries or Financial Statements.
Work the auditor may undertake.	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.

The Committee reviewed the nature and extent of non-audit fees expended on transactions, pensions and tax advisory services, tax compliance, the review of the half year report and other assurance related services, and the Committee concluded that the safeguards set out above were sufficient so as not to compromise auditor independence or objectivity.

REVIEWED ACCOUNTING POLICIES, PRESENTATIONS AND THE FINANCIAL STATEMENTS

Following the revision to the UK Corporate Governance Code, which applies to financial years commencing on or after 1 October 2014, the Board asked the Committee to advise on whether the Annual Report and Financial Statements, taken as a whole, were fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's business model, strategy and performance. The Committee reviewed the process for preparing the Annual Report and Accounts.

This process included the following key elements:

- Review of new regulations and reporting requirements with external advisers to identify additional information and disclosures that may be appropriate.
- Preparation of a detailed timetable and allocation of drafting responsibility to relevant internal teams with review by an appropriate senior manager.
- Provision of an explanation of the requirements of "fair, balanced and understandable" to those with drafting responsibility.
- Monitoring of the integrity of the Financial Statements and other information provided to shareholders to ensure they represented a clear and accurate assessment of the Group's financial performance and position.
- Review of significant financial reporting issues and judgements contained in the Financial Statements.
- Review of all sections of the report by relevant external advisers.
- Review by the senior manager working group responsible for the Annual Report process.
- Interim progress review of process and report content with the Audit Committee.
- Review of a paper presented to the Committee, which set out to review the contents of the Annual Report and substantiate why it provided a fair, balanced and understandable view of the year under review.

The Committee reviewed the Annual Report and has confirmed it is fair, balanced and understandable.

FINANCIAL REPORTING

The Committee's review of the interim and full year Financial Statements focused on the following areas of significance:

- Risk of fraud in revenue recognition – The Committee have reviewed the revenue recognition policies for all material revenue streams. They have also reviewed and considered the audit findings and the overall control environment in place surrounding the recognition of revenue and is satisfied that revenue has been correctly recognised in the Financial Statements.
- Derivative financial assets – The Committee has reviewed the valuation of contracts for difference assets as at 26 April 2015, the accounting treatment of fair value movements on these contracts and the related disclosures included in the Financial Statements. The Committee have concluded that the valuations have been reasonably reflected in derivative financial assets, that appropriate estimates have been applied and that these have therefore been correctly treated and adequately disclosed in the Financial Statements.
- Carrying value of inventory - the Committee has reviewed management's paper setting out the basis on which the inventory provision is calculated and is satisfied with the reasonableness and consistency of model applied and that stock is held at the lower of cost and net realisable value.
- Intangibles impairment assessment - the Committee considered the key judgements including the discount rate, long-term growth rate, and the projected future cash flows of each cash-generating unit to which goodwill is allocated, based upon financial plans approved by the Board. The Committee is satisfied with the methodology and assumptions used, and the conclusion that the Group's intangible assets are not impaired.

The Audit Committee is satisfied with the level of rigor applied by the external auditors in addressing these areas as part of the audit procedures.

REVIEW OF OWN EFFECTIVENESS

After undertaking a review of its own performance the Committee concluded that it had been effective in discharging the obligations entrusted to it by the Board.

Simon Bentley
Chairman of the Audit Committee and Senior Independent Non-Executive Director

16 July 2015

CORPORATE GOVERNANCE REPORT
CONTINUED

REMUNERATION COMMITTEE
Biographical details of each member are shown in the Board of Directors' profiles on page 33.

The Remuneration Committee consists solely of Non-Executive Directors who are considered independent. The purpose of the Committee is to assist the Board to ensure that Executive and Non-Executive Directors receive appropriate levels of pay and benefits. A key priority is to ensure that remuneration policy is aligned with strategy to achieve the long-term success of the Group. The Committee ensures that it complies with the requirements of regulatory and governance bodies including the UK Corporate Governance Code whilst meeting stakeholder, shareholder and staff expectations.

THE RESPONSIBILITIES OF THE REMUNERATION COMMITTEE INCLUDE:
- Determining the Company's policy on Executive remuneration, including the design of bonus schemes and targets and payments made thereunder.
- Determining the levels of remuneration for the Chairman and each of the Executive Directors.
- Monitoring the remuneration of senior management and making recommendations in respect thereof.
- Agreeing any compensation for loss of office of any Executive Director.

The Remuneration Committee meets at least three times a year and met on four occasions during FY15.

A report on the remuneration of Directors appears on pages 44 to 52.

WHAT HAS THE COMMITTEE DONE DURING THE YEAR?
- Worked on the Share Scheme, including announcements and assessing the likelihood of achieving targets etc.
- Reviewed and approved the Directors' Remuneration Report contained on pages 44 to 52.

Full details of Directors' remuneration can be found in the Remuneration Report on page 50.

Dave Singleton
Chairman of the Remuneration Committee

16 July 2015

NOMINATION COMMITTEE
In my role as Chairman of the Nomination Committee, I ensure that the Board remains competent, balanced and effective. These goals are achieved in a number of ways, including monitoring the succession of the Board, reviewing its performance and identifying and nominating suitable candidates to fill Board vacancies.

Biographical details of each member are shown in the Board of Directors' profiles on page 33.

During a review of the skills, experience and diversity of the Committee, it was recommended that Claire Jenkins should join, an appointment which she has duly accepted.

The aim of the Committee is to ensure that the Board remains balanced, knowledgeable and diverse in order that it is able to fully meet the needs of the Group. Going forward we aim to continue to manage the transition of the Board, in particular the addition of new Non-Executive Directors, through meetings with candidates (both at interviews and at networking events), consulting with other Committee members regarding their views on the suitability of candidates, and discussing the key requirements of the Group with Board members.

The Nomination Committee will meet at least once a year and will also meet when appropriate. The Committee met formally on two occasions during FY15. However the Nomination Committee met informally on a number of further occasions during the year in order to discuss the appointment of a replacement Finance Director and a Non-Executive Director(s). All of the Nomination Committee members are Non-Executive Directors and considered to be independent.

THE RESPONSIBILITIES OF THE NOMINATION COMMITTEE INCLUDE:
- Reviewing the leadership needs of the Group, looking at both Executives and Non-Executives.
- Reviewing the composition, structure and size of the Board, and making recommendations to the Board of adjustments that are deemed necessary.
- Giving consideration to succession planning for Directors, taking into account the challenges and opportunities facing the Group and the skills and expertise therefore needed on the Board.
- Ensuring that Directors are aware of what is expected of them.
- Formally documenting the appointment of Directors.
- Identifying potential candidates for senior posts, and making recommendations to the Board as and when necessary.

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 Nomination Committee also determines succession plans for the Chairman and the Chief Executive who are not present at meetings when the matter is discussed. Succession plans are reviewed by the Nomination Committee at least once a year.

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

WHAT HAS THE COMMITTEE DONE DURING THE YEAR?
- Assisted with the search for a Finance Director and recommended the appointment of Matt Pearson.
- Facilitated the search for a Non-Executive Director and reviewed the steps taken towards making an appointment. Candidates met with members of the Committee in order that the Committee were able to form a conclusion regarding recommendations.
- Reviewed the top management structure in place. Made recommendations as to changes which may be required in order to strengthen the position of the Group in future.
- Recommended and appointed another Non-Executive Director to the Committee.
- Met with corporate governance bodies and reviewed the feedback given.

The Board believes that the Board and its Committees as currently constituted are working well.

Dr Keith Hellawell QPM
Chairman of the Nomination Committee and Chairman of the Board

16 July 2015

UK BRIBERY ACT

The Group has an approved policy in place which was created following the introduction of the UK Bribery Act. As a result of the Act, all policies and procedures have been reviewed to ensure that they comply with the Act and measures are in place to prevent staff being offered and / or accepting bribes.

BUSINESS MODEL

Our business model, which sets out the basis on which the Company generates or preserves value over the longer term, and the strategy for delivering the objectives of the Company, can be found at pages 14 and 15.

WHISTLE-BLOWING

There is a formal whistle-blowing policy in place for staff who wish to raise issues or concerns relating to the Group's activities on a confidential basis.

RELATIONS WITH SHAREHOLDERS

The Board recognise the importance of communicating with shareholders. This is done through the Annual Report and general meetings, and announcements. All Directors are available at, and folllowing the Annual General Meeting when shareholders have the opportunity to ask questions.

The Chairman and the Chief Executive regularly meet with the Company's institutional shareholders to discuss the Group's strategy and financial performance within the constraints of information already available to the public. All other board members are also available to meet with shareholders, as and when required.

The Company's corporate website is an important tool of communication, which should be used as the first port of call for shareholders. The site holds all London Stock Exchange announcements, together with downloadable investor presentations, share price charts and brand information.

During the year members of the Board and senior management have met with shareholders in order to discuss their queries. The meetings have been considered an opportunity not only to recognise the matters which are of importance to shareholders, but also for shareholders to recognise how the Group operates. The shareholder meetings that have taken place during the year include face to face meetings, individual and group conference calls, letters and emails.

REMUNERATION

The Remuneration Committee is responsible for determining and reviewing remuneration policy and setting remuneration levels. See Remuneration Report on pages 44 to 52.

SHARE DEALING CODE

The Group has adopted the Model Code as published in the UK Listing Rules.

All those deemed to have 'insider information' must seek consent prior to any dealing whatsoever in the Group's shares.

The Executive Directors must obtain prior consent from the Chairman or the Senior Independent Non-Executive Director. The Chairman requires consent from the Chief Executive or the Senior Independent Non-Executive Director, and any other employees with 'insider information' must gain the prior consent of the Chief Executive or Company Secretary before dealing in the Group's shares.

Details concerning the share capital structure of the Company can be found in the Director's Report on pages 34 to 36.

RISKS AND UNCERTAINTIES

The key features of the Group's system of internal control and risk management systems in relation to the financial reporting process and the preparation of the Group accounts are set out below or cross-referred to other parts of the Annual Report where relevant.

The Board of Directors has overall responsibility for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and for maintaining sound risk management and internal control systems, and for reviewing their effectiveness. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable but not absolute assurance against material misstatement or loss.

ASSESSMENT OF BUSINESS RISK

A system to identify, assess, and evaluate business risk is embedded within the management processes throughout the Group. Strategic risks are regularly reviewed by the Board and its Committees. Risks relating to the key activities within the subsidiary operating units are assessed continuously.

Further details of the risks and uncertainties relating to the Group's business, and how the Group seeks to mitigate these, can be found on pages 17 to 20.

By Order of the Board

Cameron Olsen
Company Secretary

16 July 2015

DIRECTORS' REMUNERATION REPORT

STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholder,

On behalf of the Board, I am again pleased to present our report on the remuneration strategy and policy of the Company at the end of yet another very successful year. We firmly believe that this continued success is strongly connected with the introduction of our Share Schemes in 2009 and 2011, and now our 2015 Share Scheme. The schemes are designed to encourage, recognise and reward outstanding performance and to drive shareholder value.

The remuneration policy of the Company is aligned to its commercial strategy for long-term, consistent and profitable growth. The remuneration package for Senior Executives is highly weighted towards performance-related remuneration, paid mostly in shares, and its design is consistent with the reward philosophy for the wider workforce. This strategy is reflective of an extremely strong Executive and employee performance culture and a reward ethos of "One Team".

The Company philosophy is that Executive remuneration should be simple, transparent and directly support the delivery of the business strategy and shareholder returns. The Executive Directors' basic salaries have been deliberately set at a level well below the lower quartile of a business of the size and complexity of the Group. Indeed Dave Forsey's salary has remained the same since 2002 and again will not increase in FY16. Also, the Senior Executives currently enjoy no additional benefits from the Company.

The Executive Directors do not receive an annual bonus. Rather, to drive sustained long-term business performance, instead of granting smaller awards on an annual basis, larger upfront awards are granted which only vest if significant and consistent growth is delivered year on year. Annual performance targets which must be hit ensure a focus is maintained on a consistent and long-term profitable growth strategy. The extended time horizon for the vesting of awards for the 2011 Executive Share Scheme is six years (in 2017) and for the full vesting of the 2015 Share Scheme it is also six years (in 2021).

Clear, published and stretching annual performance targets must be fully satisfied before any of the share awards vest. Aligned to the Company's high performance culture, the Share Schemes are designed on the basis that awards should vest in full for achieving stretching targets (i.e. with an `all or nothing' vesting schedule) rather than providing for a lower level of vesting for meeting a threshold target rising to full vesting for achieving the stretch targets (i.e. a scaled vesting schedule). Because the Executive Directors' remuneration opportunity is highly weighted towards performance-related remuneration which will not vest if stretching performance targets aligned with the business strategy are not met, they share risk with the shareholders. The size of these performance-only awards should be considered in this context.

The Remuneration Committee firmly believes that this simple and very transparent share incentive framework is totally aligned with both the Company strategy for growth and its performance culture. We also believe that this strategy has directly driven the historic out-performance of stretch targets originally set by the Committee by further aligning Executive and employee remuneration potential to increased and on-going shareholder value. This increased share value incentive has also led to a further 'lifting of the performance bar' for future awards.

There is no doubt that the inception of the current remuneration strategy in 2009 has clearly led to strong shareholder value increases during a difficult economic period, and it has provided a strong platform for the on-going and long-term success of the Company.

During FY14 the Remuneration Committee re-assessed the shareholding guidelines for Executive Directors and determined that the Executive Directors must now hold a minimum of 50,000 shares while they remain employed by the Company. Dave Forsey's shareholding on 24 April 2015 meant that he satisfied the guideline. As an acting Board member, Matt Pearson is not currently required to satisfy the shareholding guideline. If his appointment becomes permanent, Matt Pearson would be expected to acquire the minimum number of shares over a reasonable time period determined by the Commitee.

On 2 July 2014, we were pleased to announce that the resolution to approve the 2015 Share Scheme was passed, with a majority of shareholders eligible to vote on the resolution voting in favour (the Executive Directors elected not to vote) and it was then included in our Remuneration Policy which was approved by shareholders at the Company's AGM in September 2014.

Under the 2015 Share Scheme all employees (including Executive Directors) who are determined by the Board as eligible who meet the qualifying conditions and performance criteria as determined and agreed by the Remuneration Committee and the Board will be able to participate. The terms of the 2015 Share Scheme provide for the grant of nil-cost options over up to 25m ordinary shares in the Company (amounting to approximately 4.2% of the issued share capital of the Company). Senior Executive grants are limited to a maximum of one million shares each. The vesting of any options would be conditional upon the achievement by the Company of four Adjusted Underlying EBITDA targets (before scheme costs) set by the Committee. If these performance targets are all met, 25% of any award would vest following the announcement of the Company's audited results for FY19 in July 2019 and 75% of the award would vest following the announcement of the Company's audited results for FY21 in July 2021. When the Scheme was approved the Adjusted Underlying EBITDA targets (before scheme costs) were: (i) FY16 £480m; (ii) FY17 £570m; (iii) FY18 £650m; and (iv) FY19 £750m.

Specifically tailored to Company culture and our growth strategy we continue to review the robustness of the Scheme. The Remuneration Committee considered these targets to be extremely stretching, dependent on strong organic growth and to a degree on an aggressive acquisitions strategy. However, as we enter FY16 it is clear, and also understood by the market, that planned acquisitions in FY15 did not fully materialise. As such, the Committee believes the FY16 Adjusted Underlying EBITDA target of £480m to now be an unreasonably challenging one. Following its recent review the Committee now recommends to shareholders a revised FY16 Adjusted Underlying EBITDA target of £420m. This compares to the £383m EBITDA achieved in FY15 (i.e. the delivery of c.10% growth in one year). All other targets for the further three years of the Scheme currently remain the same. As noted in the FY15 preliminary results announcement, the Remuneration Committee will continue to review the robustness of the Scheme on an annual basis. Whilst the Committee considered there to be some leeway for making such an adjustment within the Scheme rules without shareholder approval it decided that this change should be put to shareholders as an ordinary resolution at the Company's AGM in September 2015. Furthermore we have also added a provision for clawback to the scheme (in addition to the existing malus provision) to enable the Company to recover bonuses paid pursuant to the Scheme for 12 months post vesting in the event of serious financial misconduct by any Executive Director.

In our Remuneration Policy we also indicated that Mike Ashley, despite being eligible to participate in the 2015 Share Scheme, following discussions with the Committee informed the Company that he did not wish to participate in the 2015 Share Scheme and as such the Committee decided to make no award to Mike Ashley under the 2015 Share Scheme. Subsequently the Committee has now formally removed the ability of Mike Ashley to participate in the Scheme.

In addition Mike Ashley informed the Company and the Committee that he did not expect any share based incentive scheme to be proposed to shareholders in relation to his role as an Executive Director while the 2015 Share Scheme is in place. He remains fully committed to achieving the stretching targets of the Scheme. It should be noted that Mike Ashley has not received any remuneration from the Company since before the public offering in February 2007, nor has he participated in either of the Executive Share Schemes.

It remains our intention to continue with the existing transparent, highly performance-geared remuneration policy for our Executives, i.e. low salary, no annual bonus or additional benefits, and the 2015 Share Scheme allows us to continue on this path.

Dave Singleton
Chairman of the Remuneration Committee

16 July 2015

DIRECTORS' REMUNERATION POLICY

This part of the report sets out the Company's Directors' Remuneration Policy, which, subject to shareholder approval, shall take binding effect from the date of the 2015 AGM. The Policy is determined by the Committee. For ease of reference, this part of the report highlights where the policy differs from the policy approved by shareholders at the 2014 AGM.

FUTURE POLICY TABLE

The table below describes each of the elements of the remuneration package for the Executive Directors.

ELEMENT OF REMUNERATION	PURPOSE / LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE MEASURES	CHANGES TO POLICY APPROVED AT THE 2014 AGM
BASE SALARY	Fixed element of the remuneration package, where the balance of fixed and variable remuneration is aligned to the commercial strategy of long-term profitable growth and reflects the Company remuneration philosophy of gearing reward to performance with a sharing of risk between Executive Directors and shareholders.	Base salaries are normally reviewed annually and have not been increased since 2002. Mike Ashley does not currently receive a salary for his role.	Although salaries for Executive Directors (other than Mike Ashley, who does not currently receive a salary and Matt Pearson who has been appointed as an acting Board member) have been set at £150,000 since 2002, the Company retains discretion to set salaries at a level commensurate with other companies of a similar size and complexity as the Company. Matt Pearson's salary will be reviewed during FY16 to take account of his role as an acting Board member or if his appointment becomes permanent. Salaries for new Executive Directors will be set in accordance with the Committee's approach to recruitment remuneration, as described on pages 47 to 48.	Not applicable.	No changes.
BENEFITS	Not applicable for current Executive Directors.	The current Executive Directors do not receive any additional benefits. There is currently no intention to change this whilst the Executive Share Scheme and 2015 Share Scheme remain in place. Benefits may be provided in line with market practice to recruit a new Executive Director taking into account individual circumstances. Such benefits may include relocation expenses.	Whilst the Remuneration Committee has not set an absolute maximum level of benefits Executive Directors may receive, the Company retains discretion to set benefits at a level which the Remuneration Committee considers appropriate against the market and to support the on-going strategy of the Company.	Not applicable.	No changes.
RETIREMENT BENEFITS	Provide post-employment benefits to recruit and retain individuals of the calibre required for the business.	The Executive Directors are entitled to participate in a stakeholder pension scheme on the same basis as other employees.	The current maximum employer contribution to the stakeholder pension scheme is 1%. The Company retains the discretion to set retirement benefits (including pension contributions and/or a salary supplement in lieu of a pension contribution) for any Executive Directors in accordance with the Committee's approach to recruitment remuneration, as described on page 47.	Not applicable.	No changes.
ANNUAL BONUS	Not applicable as Executive Directors do not participate in an annual bonus scheme.	The Committee has determined that no annual bonus scheme will be operated for Executive Directors while the 2015 Share Scheme is in place.	No annual bonus opportunity for an Executive Director who participates in the 2015 Share Scheme for so long as that Scheme is in place. If that Scheme is not in place (for example if one of the Adjusted Underlying EBITDA targets is not met so that awards under that Scheme lapse) the Committee may award an annual bonus opportunity of up to 200% of base salary. The Committee will not award such a bonus opportunity and grant an award under the Executive Share Scheme as referred to below. The annual bonus opportunity for any newly recruited Executive Director will be set in accordance with the Committee's approach to recruitment remuneration as described on pages 47 to 48.	Not applicable for so long as Executive Directors do not participate in an annual bonus scheme. If an Executive Director does participate in an annual bonus scheme, performance will be assessed against one or more metrics determined by the Committee and linked to the Company's strategy, with the weighting between the metrics determined by the Committee. Bonuses will be determined between 0% and 100% of the maximum opportunity based on the Committee's assessment of the applicable metrics.	No changes.
LONG-TERM INCENTIVE PAY (2015 SHARE SCHEME AND EXECUTIVE SHARE SCHEME)	To recognise and reward outstanding performance of the Executives and to drive underlying Group EBITDA in line with Group strategy and align Executive Directors' interests with the interests of shareholders in bringing consistent long-term profitable growth to the Company.	**2015 Share Scheme:** The 2015 Share Scheme was approved by shareholders at a General Meeting of the Company in July 2014. Awards may be granted under the Scheme to Executive Directors on an annual (or more frequent) basis. However, in accordance with the Company's policy of granting larger upfront awards which only vest if significant and consistent growth is delivered year on year, one award may be granted under the Scheme to any Executive Director during the period for which it is proposed this Directors Remuneration Policy shall apply, with vesting subject to the satisfaction of the EBITDA targets set out in the 2015 Share Scheme measured over a period of four financial years. 75% of an award is subject to a further deferral period such that it will vest in 2021 (with 25% vesting in 2019). After Mike Ashley informed the Committee that he wished to withdraw from the scheme, the Committee formally removed him. Unvested Awards are subject to malus provisions, such that the Committee has the discretion to reduce, cancel or impose further conditions on the awards in the event of a material misstatement of the Company's results, material failure of risk management or serious reputational damage. Clawback provisions give the Committee discretion to recover amounts paid to Executive Directors for up to 12 months post vesting in the event of serious financial misconduct. **Executive Share Scheme:** The Executive Share Scheme was approved by shareholders at the Annual General Meeting in September 2010. The Committee may grant further awards under this Scheme if the 2015 Share Scheme is not in place (for example, if one of the Adjusted Underlying EBITDA targets is not met so that awards under the 2015 Share Scheme lapse). Mike Ashley is not eligible to be granted awards under the Executive Share Scheme. Any award granted under the Executive Share Scheme would be subject to malus and clawback provisions on a comparable basis to those that will apply to awards granted under the 2015 Share Scheme.	**2015 Share Scheme** Awards over no more than 25 million shares may be granted under the 2015 Share Scheme. No more than 1m shares (subject to such adjustment as the Committee determines to reflect any variation in the Company's share capital) may be awarded to any Executive Director (other than Mike Ashley who has been formally removed from participation in the 2015 Share Scheme). **Executive Share Scheme** Any award granted to an Executive Director under the Executive Share Scheme during the period for which it is proposed this Directors' Remuneration Policy shall apply would be over a maximum of 1m shares (subject to such adjustment as the Committee determines to reflect any change in the Company's share capital).	Stretching performance targets are set reflecting the business priorities that underpin Group strategy. **2015 Share Scheme:** Awards under the 2015 Share Scheme are subject to satisfactory personal performance and will only vest if the following Adjusted Underlying EBITDA targets (before scheme costs) are met: FY16: £420m FY17: £570m FY18: £650m FY19: £750m For these purposes, "Adjusted Underlying EBITDA" means Underlying EBITDA as reported in the Company's published accounts for the relevant year after such adjustments as the Committee considers appropriate. These performance conditions may be amended in accordance with the rules of the 2015 Share Scheme as approved by shareholders in July 2014, as further referred to on page 46. **Executive Share Scheme:** Any award granted under the Executive Share Scheme would be subject to stretching performance targets determined by the Committee based on Adjusted Underlying EBITDA, which would be disclosed in the Directors' Remuneration Report following the grant of any such award.	The Adjusted Underlying EBITDA target for 2016 has been amended from £480m to £420m. Awards are now subject to clawback provisions.

DIRECTORS' REMUNERATION REPORT
CONTINUED

The table below sets out an overview of the approach to remuneration for the Chairman and Non-Executive Directors.

PURPOSE / LINK TO STRATEGY	APPROACH OF THE COMPANY
Chairman and Non-Executive Director fees Provide an appropriate reward to attract and retain Directors of the calibre required for the business.	The Committee's Remuneration Policy in respect of the Non-Executive Directors is to pay annual fees which reflect the responsibilities and duties placed upon them, while also having regard to market practice. Non-Executive Directors receive a fixed annual fee. Non-Executive Directors do not participate in any bonus or share schemes. Non-Executive Directors may be eligible for benefits such as the use of secretarial support, travel costs or other benefits that may be appropriate.

INFORMATION SUPPORTING THE POLICY TABLE

Prior to the introduction of the 2015 Share Scheme, awards were granted to Executive Directors under the Executive Share Scheme. One award held by an Executive Director remains outstanding under the Executive Share Scheme as referred to on page 51.

Other than where the 2015 Share Scheme is not in place (for example, if one of the Adjusted Underlying EBITDA targets is not met so that awards under the 2015 Share Scheme lapse) or where an award is to be granted in connection with the recruitment of an Executive Director as referred to on page 47, no further awards will be granted to Executive Directors of the Company under the Executive Share Scheme during the period for which this policy applies.

The Committee may amend the terms of the Executive Share Scheme, the 2015 Share Scheme or any awards granted under them within the scope defined in the rules of those schemes (including in the event of a variation of the Company's share capital or a demerger or special dividend which may, in the Committee's opinion, affect the current or future value of shares) and may elect to settle awards under those schemes in cash.

EXPLANATION OF PERFORMANCE MEASURES CHOSEN

For the 2015 Share Scheme, underlying Group EBITDA is chosen because it is a measure that provides a simple and transparent basis on which to measure the Company's performance over the longer term and to provide alignment with the Company's business strategy. In addition, the Committee considers it to be a robust measurement of sustained earnings growth for shareholders. This measurement has been consistently and publicly used by the Company as a performance measure since the floatation in 2007.

In respect of each relevant year, the Committee will adjust reported underlying Group EBITDA as it considers appropriate. Underlying Group EBITDA is calculated prior to any charges relating to any share scheme(s) outstanding at the relevant time.

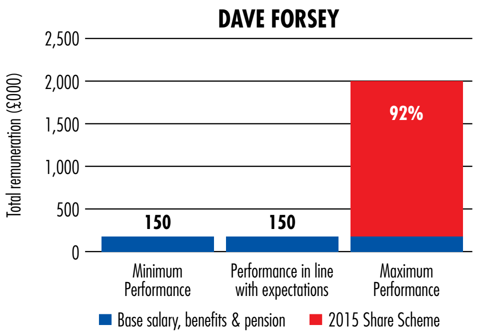
In accordance with the rules of the 2015 Share Scheme, performance conditions may be amended or substituted if events occur (such as a change of strategy, a material acquisition or divestment of a Group business or a change in prevailing market conditions including the non-materialisation of planned acquisitions) which cause the Committee to consider that a substituted or amended performance condition would be more appropriate and would not be materially more or less difficult to satisfy than the original performance condition but for the event in question. As noted in the FY15 preliminary results announcement, the Committee will continue to review the robustness of the Scheme on an annual basis, and the targets may be adjusted, in accordance with the Scheme rules and this Policy, if events occur, as referred to above.

EXPLANATION OF DIFFERENCES IN REMUNERATION POLICY FOR OTHER EMPLOYEES

The Company has a large number of employees with different responsibilities and differing levels of seniority. Reward policies for employees other than Executive Directors are determined by reference to grade, role, performance and other relevant factors. The Committee does not consult with the wider workforce about the remuneration policy for Directors. However, the Committee has reviewed the salaries, other remuneration and other employment conditions of senior and middle managers throughout the Group, and has taken them into account in considering Directors' salaries and the creation of new incentive schemes in order to create a sense of common purpose and sharing of success. Indeed, in order to reflect the Company's "One Team" ethos, the 2015 Share Scheme applies to both Executives and employees determined by the Board as eligible who meet the qualifying conditions as determined and agreed by the Committee and the Board on the same basis (including the performance conditions).

ILLUSTRATIONS OF APPLICATION OF REMUNERATION POLICY

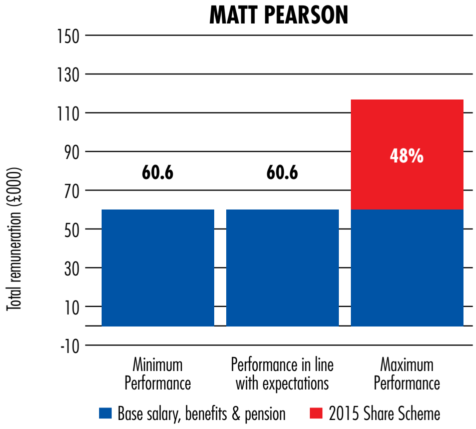
The charts below set out an illustration of the policy for 2015/16 in line with the future policy table above. The charts provide an illustration of the total remuneration opportunity that could arise under three different levels of performance. No chart is included for Mike Ashley, who does not receive any remuneration from the Company and does not participate in any share scheme.



For the purposes of the adjacent chart, the following assumptions have been made.

	FIXED PAY	2015 SHARE SCHEME
Minimum remuneration	Base salary of £150,000.	No vesting.
Performance in line with expectations	No employer pension contribution (as Dave Forsey has opted out of the Company's stakeholder pension scheme).	No vesting, because rewards under the Executive Share Scheme vest on an "all or nothing" basis for achieving the upper end of stretch targets.
Maximum remuneration	No benefits (as no benefits were provided to the current Executive Directors in FY15).	See note below*.

*For the purposes of this chart, it has been assumed that Dave Forsey is granted an award over 1 million shares, as referred to in the policy table on page 45. The value of the award is then calculated based on a share price of £7.37 (being the price at the close of business on 14 July 2015 when this report was approved by the Committee) and one quarter of this value is then shown, representing the intention to grant one award under the 2015 Share Scheme, the vesting of which will be subject to EBITDA performance targets measured over a period of four financial years (FY16, FY17, FY18 and FY19). The vesting of an award is conditional upon the achievement by the Company of all four EBITDA targets under the 2015 Share Scheme.



For the purposes of the adjacent chart, the following assumptions have been made.

	FIXED PAY	2015 SHARE SCHEME
Minimum remuneration	Base salary of £60,000.	No vesting.
Performance in line with expectations	An employer pension contribution of 1% of salary.	No vesting, because rewards under the Executive Share Scheme vest on an "all or nothing" basis for achieving the upper end of stretch targets.
Maximum remuneration	No benefits (as no benefits were provided to the current Executive Directors in 2014/2015).	See note below*

*As an acting Board member this chart reflects Matt Pearson's terms and conditions existing at the time of his interim appointment. The chart therefore assumes he is granted an award over 30,000 shares consistent with his current package. The value of the award is then calculated based on a share price of £7.37 (being the price at the close of business on 14 July 2015 when this report was approved by the Committee) and one quarter of this value is then shown, representing the intention to grant one award under the 2015 Share Scheme, the vesting of which will be subject to EBITDA performance targets measured over a period of four financial years (FY16, FY17, FY18 and FY19). The vesting of an award is conditional upon the achievement by the Company of all four EBITDA targets under the 2015 Share Scheme. As noted on page 50, Matt Pearson's salary and the level of award under the 2015 Share Scheme will be reviewed by the Committee during FY16.

APPROACH TO RECRUITMENT REMUNERATION

When agreeing a remuneration package for the appointment of a new Executive Director, the Committee will apply the following principles:

- given that the high gearing of reward for performance over a long period and a low basic salary may result in a 'cash flow' issue for any new Executive Director, the intention is to move the Director appropriately and in a timely manner onto an equal footing with other Executive Directors;
- the package will be sufficient to attract the calibre of Director required to deliver the Company's strategy;
- the Committee will seek to ensure that no more is paid than is necessary; and
- in the next Annual Report on remuneration, the Committee will explain to shareholders the rationale for the arrangements implemented.

The Committee will ordinarily seek to implement the remuneration package in accordance with the elements referred to in the policy table on pages 45 and 46. The Committee retains discretion to make appropriate remuneration decisions outside that policy including the ability to grant awards under the Executive Share Scheme to meet the individual circumstances of the recruitment, subject to the limits and parameters of this recruitment remuneration section of the Directors' Remuneration Report.

ELEMENT	APPROACH
Base salary and benefits	Aligned with the policy set out in the policy table on page 45 if the new Executive Director participates in the 2015 Share Scheme at the same level as existing Executive Directors (other than Mike Ashley).
Retirement benefits	Aligned with the policy set out in the policy table on page 45 if the new Executive Director participates in the 2015 Share Scheme. Otherwise, up to 20% of salary paid to a pension arrangement or paid as a supplement to base salary in lieu of a pension arrangement until the new Executive Director joins that scheme.
2015 Share Scheme	The Remuneration Committee's intention is for a newly-appointed Executive Director to participate in the 2015 Share Scheme with an award of up to 1 million shares (subject to such adjustment as the Committee determines to reflect any variation in the Company's share capital) (i.e. up to the maximum level referred to in the policy table, but reduced to reflect the new Executive Director's shortened period of service).
Variable remuneration	In recognition of the fact that a newly appointed Executive Director's award under the 2015 Share Scheme would not vest until 2019, the Committee may award a newly appointed Executive Director an award over up to 1 million shares (subject to such adjustment as the Committee determines to reflect any change in the Company's share capital) under the Executive Share Scheme or a similar scheme, the vesting of which would be subject to the same performance conditions as apply to existing awards under the Executive Share Scheme or other stretching performance conditions determined by the Committee. In addition, until such time as the newly appointed Executive Director participates in the 2015 Share Scheme, he or she may be awarded an annual or longer-term incentive opportunity of up to 200% of salary per annum.
Maximum variable remuneration	The maximum level of variable remuneration that may be awarded to a new Executive Director is: a. an award over up to 1 million shares (subject to such adjustment as the Committee determines to reflect any change in the Company's share capital) under the 2015 Share Scheme (but reduced to reflect any variable remuneration awarded as referred to in (c) below); b. an award over up to 1 million shares (subject to such adjustment as the Committee determines to reflect any change in the Company's share capital) under the Executive Share Scheme or a similar scheme; and c. until such time as he or she participates in the 2015 Share Scheme, an annual or longer-term incentive opportunity of up to 200% of salary per annum. In each case, the value of any buy-out arrangements (described below) does not count towards the maximum.

DIRECTORS' REMUNERATION REPORT
CONTINUED

Compensation for forfeited arrangements	The Committee may make awards on hiring an external candidate to buy-out the remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee will have regard to relevant factors including any performance conditions attached to such arrangements (and whether such conditions were achieved), the form of those arrangements (e.g. cash or shares) and the timeframe of such arrangements. While such awards are excluded from the maximum level of variable remuneration referred to below, the Committee's intention is that the value awarded would be no higher than the expected value of the forfeited arrangements. Buy-out awards will be subject to forfeiture or clawback on early departure, with 100% being subject to forfeiture if the Executive departs within 12 months of joining, and a sliding scale down to 50% if the departure occurs within 12 and 24 months of joining, at the Committee's discretion.
Relocation costs	If necessary, the Company will pay appropriate relocation costs. The Committee will seek to ensure that no more is paid than is necessary.

Any share awards referred to in this section will be granted as far as possible under the Company's existing share schemes. If necessary and subject, where relevant, to the limits referred to above, awards may be granted outside existing share plans as permitted under the Listing Rules, which allow for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director.

Where a position is filled internally, any on-going remuneration obligations or outstanding variable pay elements shall be allowed to continue according to their subsisting terms.

The remuneration package for a newly appointed Non-Executive Director would normally be in line with the policy set out in the future policy table above for Non-Executive Directors.

SERVICE CONTRACTS AND POLICY ON PAYMENTS FOR LOSS OF OFFICE

The Company's policy is for Executive Directors to be employed on the terms of service contracts which may be terminated by either the Company or the Executive Director on the giving of not less than 12 months' notice.

EXECUTIVE DIRECTORS

Details of each current service contract are set out below:

	CONTRACT DATE	UNEXPIRED TERM / NOTICE PERIOD	PROPER LAW
Mike Ashley	11/02/2007	12 months	England & Wales
Dave Forsey	11/02/2007	12 months	England & Wales
Matt Pearson	14/06/2007	8 weeks	England & Wales

The principles on which the determination of payments for loss of office will be approached are summarised below:

Payment in lieu of notice	The Company may terminate an Executive Director's employment with immediate effect by making a payment in lieu of notice consisting of: • basic salary for the notice period; • if the Executive Director participates in an annual bonus scheme, a pro-rated amount reflecting completed months of service in the year of termination assuming on target performance; • either the cost of providing other benefits (other than pension and bonus) that the Executive Director would have been entitled to during the notice period or an amount equal to 10% of base salary (or alternatively the Company may continue to provide benefits for the remainder of the notice period that would have applied). However, in accordance with the current policy as set out in the policy table on page 45, no annual bonus scheme or benefits are currently offered to Executive Directors.
Annual bonus	In accordance with the current policy as set out in the policy table on page 45, no annual bonus scheme is offered to existing Executive Directors. Were an Executive Director to participate in an annual bonus arrangement, whether to award a bonus in full or in part in the event of a termination of employment would be at the discretion of the Committee on an individual basis and dependent on a number of factors, including the circumstances of the Executive Director's departure and his contribution to the business during the bonus period in question. Typically bonus amounts would be pro-rated for time in service to termination.
2015 Share Scheme and Executive Share Scheme	If a participant in the 2015 Share Scheme or Executive Share Scheme ceases employment before the performance conditions attaching to an award under that scheme are satisfied, the award will lapse. If the participant ceases employment after the performance conditions are satisfied but before the vesting dates as a result of his death or any other reason determined at the discretion of the Committee, the award will vest; in the case of a reason other than death, the extent of vesting will be determined by the Committee at its absolute discretion taking into account the time that has elapsed between grant and cessation.
Other payments	The Remuneration Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. In appropriate circumstances, payments may also be made in respect of legal fees. Were the Company to make an award on recruitment of an Executive Director to buy out remuneration arrangements forfeited on leaving a previous employer then the leaver provisions for that award would be determined at the time of grant.

In the event of a change of control of the Company or other relevant corporate event, unvested awards under the 2015 Share Scheme and the Executive Share Scheme will lapse unless the performance conditions are satisfied and the event occurs between satisfaction of the conditions and the vesting date, in which case the award shall vest. In the case of the 2015 Share Scheme the extent of vesting shall be determined by the Committee taking into account the period of time that has elapsed between the grant date and the date of the relevant event and in the case of the Executive Share Scheme the awards shall vest in full unless the Committee determines otherwise.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors enter into an agreement with the Group for a period of three years, other than the Chairman whose agreement continues until terminated in accordance with its terms. The appointments of the Non-Executive Directors may be terminated by either party on one month's written notice and in accordance with the Articles of Association of the Company. Termination would be immediate in certain circumstances (including the bankruptcy of the Non-Executive Director).

Non-Executive Directors do not and are not entitled to participate in any bonus or share scheme.

Non-Executive Directors are subject to confidentiality undertakings without limitation in time. Non-Executive Directors are not entitled to receive any compensation on the termination of their appointment.

Details of the letters of appointment are set out below:

	POSITION	DATE OF LETTER OF APPOINTMENT
Keith Hellawell	Non-Executive Chairman	February 2010
Simon Bentley	Non-Executive Director	15 July 2014
Dave Singleton	Non-Executive Director	15 July 2014
Claire Jenkins	Non-Executive Director	15 July 2014

PAYMENTS OUTSIDE THE POLICY IN THIS REPORT

The Committee retains discretion to make any remuneration payment or payment for loss of office outside the policy in this report:

- where the terms of the payment were agreed before the policy came into effect;
- where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company; or
- to satisfy contractual commitments made under legacy remuneration arrangements.

For these purposes, "payments" includes the satisfaction of awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

STATEMENT OF CONSIDERATION OF SHAREHOLDER VIEWS

The Committee consults major shareholders and representative Groups where appropriate concerning remuneration matters.

ANNUAL REPORT ON REMUNERATION

This part of the Directors' Remuneration Report sets out the actual payments made by the Company to its Directors with respect to the period ended 26 April 2015 and how our Directors' Remuneration Policy will be applied in the year commencing 27 April 2015.

DIRECTORS' REMUNERATION REPORT
CONTINUED

SINGLE FIGURE TABLE (AUDITED)

The aggregate remuneration provided to individuals who have served as Directors in the period ended 26 April 2015 is set out below, along with the aggregate remuneration provided to individuals who have served as Directors during the prior financial year.

DIRECTOR	SALARIES AND FEES		OTHER BENEFITS		BONUS		LONG-TERM INCENTIVES		PENSION		TOTAL	
	FY15	FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15	FY14
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
EXECUTIVE												
Mike Ashley	-	-	-	-	-	-	-	-	-	-	-	-
Dave Forsey	150	150	-	-	6,610(1)	-	-	-	-	-	6,760	150
NON-EXECUTIVE												
Keith Hellawell	155	155	-	-	–	-	-	-	-	-	155	155
Simon Bentley	50	50	-	-	-	-	-	-	-	-	50	50
Dave Singleton	50	50	-	-	-	-	-	-	-	-	50	50
Charles McCreevy (2)	22.3	50	-	-	-	-	-	-	-	-	22.3	50
Claire Jenkins	50	50	-	-	-	-	-	-	-	-	50	50

(1) Represents the value of an award over 1,000,000 shares under the Executive Share Scheme due to vest in 2017 subject to continued employment. For these purposes, the value of a share is £6.61 being the average share price over the quarter from 26 January 2015 to 24 April 2015.

(2) Charles McCreevy resigned from the Board on 10 September 2014.

NOTES TO THE SINGLE FIGURE TABLE AND IMPLEMENTATION OF POLICY IN THE YEAR ENDING 24 APRIL 2016

BASE SALARY AND FEES

Base salaries are normally reviewed annually. In the review in FY15 the Committee decided not to alter Executive Directors' salaries. The Committee has decided not to increase Dave Forsey's salary in FY16, which has been at the same level since 2002, and which is set at a level well below the lower quartile for a business of the size and complexity of the Group. Mike Ashley does not receive a salary for his role. Matt Pearson's current salary for FY16 is £60,000. In FY16, the Committee will review Matt Pearson's salary and consider whether any increase should be implemented to reflect his role as an acting Board member or if his appointment is made permanent.

Fees for Non-Executive Directors are normally reviewed annually. In the review in FY15 fees were not increased. Fees for Non-Executive Directors will not be increased for FY16.

ANNUAL BONUS SCHEME

The Committee has determined that no annual bonus scheme will be operated for Executive Directors while the 2015 Share Scheme is in place.

EXECUTIVE SHARE SCHEME

No awards were granted under the Executive Share Scheme in FY15. The last awards which were received, which vested in 2013, related to the completion of a performance condition based on EBITDA in FY11.

Following the approval of the 2015 Share Scheme in July 2014, the Committee proposes to grant Dave Forsey an award under the scheme in FY16 over 1 million shares. The Committee proposes to grant Matt Pearson an award under the Scheme in FY16 over 30,000 shares, but may increase the quantum of the award either to reflect Matt Pearson's role as an acting Board member or if his appointment is made permanent (subject to the limit in the policy table set out on page 45). The number of shares under any award may be adjusted as the Committee determines to reflect any variation in the Company's share capital.

PAYMENTS TO PAST DIRECTORS DURING THE FINANCIAL YEAR

No payments have been made to past Directors during the period ended 26 April 2015.

PAYMENTS FOR LOSS OF OFFICE DURING THE FINANCIAL YEAR

No payments were made for loss of office during the period ended 26 April 2015.

SHAREHOLDING GUIDELINES AND TOTAL SHAREHOLDINGS OF DIRECTORS

The Board believes it is important that Executive Directors have a significant holding in the capital of the Company. In FY14 the Committee reassessed the shareholding guidelines for Executive Directors and determined that the Executive Directors must hold a minimum shareholding of 50,000 shares while employed by the Company.

Dave Forsey's beneficial shareholding on 26 April 2015 was 50,000 shares and, based on a share price of £6.13 (being the price at the close of business on 24 April 2015, the last trading day before Sunday 26 April 2015) the value of that holding was £306,500, which is in excess of two years' salary.

As an acting Board member, Matt Pearson is not currently required to satisfy the shareholding guideline. In the event his appointment becomes permanent, Matt Pearson would be expected to acquire the minimum number of shares over a reasonable time period determined by the Committee.

The beneficial interests of the Directors in office on 26 April 2015 and of their families in both cases at the beginning of the financial year, or at the date of appointment if later, and at the end of the financial year in the share capital of the Company are shown below:

	Ordinary Shares 27 April 2014	Ordinary Shares 26 April 2015
Mike Ashley	345,400,000	330,000,000
Simon Bentley	10,000	10,000
Dave Forsey	50,000	50,000
Keith Hellawell(1)	50,000	50,000
Claire Jenkins	19,500	21,725
Charles McCreevy(2)	1,500	
Dave Singleton(3)	52,000	52,000
Matt Pearson(4)	-	-

(1) These shares are held in the name of Keith Hellawell, as well as his wife.
(2) Charles stood down as a member of the Board on 10 September 2014. As a result of his resignation, the Group has no visibility of the current shareholding.
(3) These shares are held in the name of Dave Singleton, as well as his wife.
(4) The shareholding of acting Board members will be assessed in accordance with the Group minimum level upon their status on the Board being made permanent.

There have been no changes in the Directors' holdings in the share capital of the Company, as set out in the table above, between 26 April 2015 and 16 July 2015.

DIRECTOR	SCHEME	GRANT DATE	NUMBER OF SHARES	STATUS
Dave Forsey	Executive Share Scheme	22 August 2011	1,000,000	Unvested

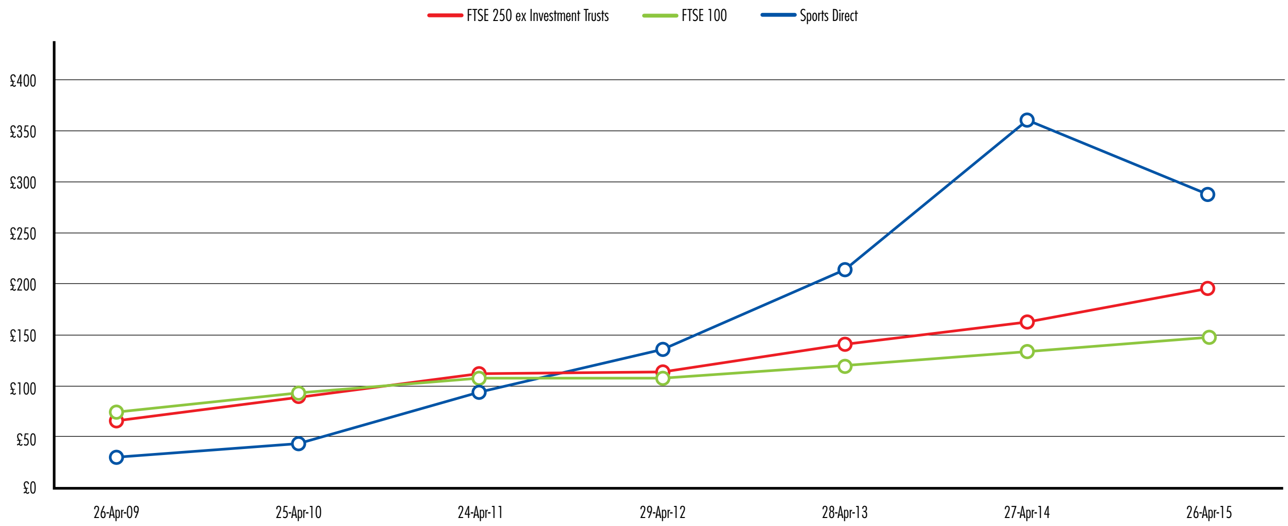
The award was granted subject to the satisfaction of the following EBITDA targets (of which all have been met):

- Underlying EBITDA of £215m in FY12 - ACHIEVED
- Underlying EBITDA of £250m in FY13 - ACHIEVED
- Underlying EBITDA of £260m in FY14 - ACHIEVED
- Underlying EBITDA of £300m in FY15 - ACHIEVED

As the above targets have now been met the award will vest in 2017.

PERFORMANCE GRAPH AND TABLE

The following graph shows the Company's performance measured by the Total Shareholder Return compared with the performance of the FTSE 100 and FTSE 250 index (excluding investment trusts).



DIRECTORS' REMUNERATION REPORT
CONTINUED

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.

The table below shows details of the total remuneration and performance-related pay for Dave Forsey over the last six financial years.

	TOTAL REMUNERATION	EXECUTIVE SHARE SCHEME AS A % OF MAXIMUM OPPORTUNITY
FY15	£6,760,000 (1)	100%
FY14	£150,000	N/A
FY13	£150,000	N/A
FY12	£150,000	N/A
FY11	£6,620,000 (2)	100%
FY10	£150,000	N/A

(1) Represents the value of an award over 1,000,000 shares under the Executive Share Scheme due to vest in 2017 subject to satisfactory performance and continued employment. For these purposes, the value of a share is £6.61 being the average share price over the quarter from 26 January 2015 to 24 April 2015.

(2) For these purposes, the total remuneration in FY11 includes the value of an award over 1,000,000 shares that vested on 15 August 2013 subject to the satisfaction of a performance condition based on EBITDA in FY11. For these purposes, the value of a share is £6.47 being the closing price of a share on that date.

CEO PAY INCREASE IN RELATION TO ALL EMPLOYEES

The table below sets out in relation to salary, taxable benefits and annual bonus the percentage increase in pay for Dave Forsey compared to the average increase between the same periods for the Group's UK Head Office employees, which the Committee believes is the most appropriate comparator group. The percentages shown relate to the amounts for FY15 as compared to the amounts for the FY14.

ELEMENT OF REMUNERATION	DAVE FORSEY / % CHANGE	UK HEAD OFFICE EMPLOYEE AVERAGE / % CHANGE
Salary	0%	0.3%
Taxable benefits	0% (no taxable benefits were provided to Dave Forsey in either year)	(3.6%)
Annual bonus	0% (no annual bonus arrangement was operated for Dave Forsey in either year)	(4.2%)

RELATIVE IMPORTANCE OF SPEND ON PAY

The table below sets out the Group's distributions to shareholders by way of dividends and share buybacks, total Group-wide expenditure on pay for all staff, as reported in the audited Financial Statements for FY15 and FY14, and the Company's share price, calculated as at the close of business on the last day of FY15 and FY14.

	FY15	FY14	PERCENTAGE CHANGE
Distributions to shareholders by way of dividend and share buyback	£0	£0	0%
Investment*	£126,661,000	£323,475,000	(60.8)%
Group-wide expenditure on pay for all employees	£323,545,000	£307,948,000**	5.1%
Share price (pence)	613.0	779.5***	(21.4)%

*Comprises of increases in working capital, acquisitions and capital expenditure in the year as the Board believes these to be the most relevant measures of the Group's investment in future growth.
**This increase is reflective of the Group's acquisitions and retail expansion in Europe.
***For these purposes, the share price for FY15 and the share price for FY14 are calculated as the close of business on 24 April 2015 and 25 April 2014 respectively, being the last working days prior to the year ends.

CONSIDERATION BY THE DIRECTORS OF MATTERS RELATING TO DIRECTORS' REMUNERATION

MEMBERSHIP

The Committee consists of Simon Bentley, Dave Singleton and Claire Jenkins, who are independent Non-Executive Directors, and Keith Hellawell, who is the Non-Executive Chairman.

The role and main responsibilities of the Committee are detailed in the Corporate Governance Report on page 42.

Attendance at the meetings held during the year is detailed on page 39.

The members of the Committee have no personal financial interest, other than as shareholders, in the matters to be decided, no actual or potential conflicts of interest arising from other directorships and no day-to-day operational responsibility within the Company.

ADVISERS TO THE COMMITTEE

Dave Forsey, the Chief Executive, Matt Pearson, the Acting Chief Financial Officer, and Mike Ashley, the Executive Deputy Chairman, have advised or materially assisted the Committee when requested. Executive Directors are not present, nor do they take part in discussions in respect of matters relating directly to their own remuneration.

SHAREHOLDER VOTING

The following table sets out actual voting in respect of the resolution to approve the Directors' Remuneration Report for the year ended 27 April 2014 and in respect of the resolution to approve the Directors' Remuneration Policy.

	VOTES FOR	% FOR	VOTES AGAINST	% AGAINST	TOTAL VOTES CAST	VOTES WITHHELD
Directors' Remuneration Report for the year ended 27 April 2014	516,947,257	97.9%	11,127,626	2.1%	528,074,883	1,005,636
Directors' Remuneration Policy	452,862,975	87.5%	64,479,250	12.5%	517,342,225	11,738,294

Dave Singleton
Chairman of the Remuneration Committee

16 July 2015

DIRECTORS' RESPONSIBILITY AND RESPONSIBILITY STATEMENT

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, the Remuneration 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. Under that law the Directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Directors have elected to prepare the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practices (UK GAAP).

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing the 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 the applicable IFRSs have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- for the Company Financial Statements, state whether the 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 concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements, and the Remuneration Report, comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

(a) the Annual Report, including the strategic report, prepared in accordance with the applicable set of accounting standards, gives 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.

On behalf of the Board

Dave Forsey
Chief Executive

16 July 2015

INDEPENDENT AUDITORS REPORT
TO MEMBERS OF SPORTS DIRECT INTERNATIONAL PLC

OUR OPINION ON THE GROUP FINANCIAL STATEMENTS IS UNMODIFIED

In our opinion the group Financial Statements:

- give a true and fair view of the state of the Group's affairs as at 26 April 2015 and of the Group's profit for the 52 week period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

OTHER MATTER

We have reported separately on the Financial Statements of Sports Direct International PLC for the period and on the information in the Directors' Remuneration Report that is described as having been audited.

WHO WE ARE REPORTING TO

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

WHAT WE HAVE AUDITED

Sports Direct International PLC's Financial Statements comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

OUR ASSESSMENT OF RISK

In arriving at our opinions set out in this report, we highlight the following risks that are, in our judgement, likely to be most important to users' understanding of our audit.

RISK OF FRAUD IN REVENUE RECOGNITION

The risk: The revenue recorded by the Group is one of the key determinants of Group underlying earnings before interest, taxation, depreciation and amortisation (EBITDA) and is recognised in accordance with the Group's accounting policy and International Accounting Standard (IAS) 18: Revenue. The majority of group revenue is recorded through Electronic Point of Sale (EPOS) transactions, which is a key control used by the Group is to ensure all revenue is recorded. Because of the pressures and incentives management may feel to achieve planned targets and because of inherent risk in the recording of cash sales we have identified fraud in revenue recognition as a significant audit risk requiring special audit consideration.

Our response: Our audit work included, but was not restricted to, testing manual journal entries posted to revenue for indication of fraudulent transactions, a controls test over the completeness and accuracy of the EPOS data from tills through to head office, testing a sample of sales transactions to supporting documentation and re-performing an internet sales receipts reconciliation in total to cash received. We also analytically reviewed sales trends at an individual store level and by product type to identify variances to expectations that would require further substantive testing.

The Group's accounting policy with respect to revenue recognition is included in note 1 and segmental analysis of sales is provided in note 4.

VALUATION OF CONTRACTS FOR DIFFERENCE

The risk: The Group has entered into derivative agreements referencing shares in publicly listed companies. The valuation of these contracts in the Financial Statements requires estimation by management. These contracts have been identified as a risk due to their significant monetary value and because they are transactions outside the normal operations of the Group.

Our response: Our audit work included, but was not restricted to, examining the terms of the contracts and agreeing the balances to confirmations from the counter party to assess the accounting treatment adopted, the basis of valuation and the disclosures made. We also engaged our own valuation specialists to assess the appropriateness of the valuations, which are based on both observable inputs and estimates and assumptions applied by management.

The Group's accounting policy for derivative contracts is included in note 1 and disclosures relating to the contracts is found in note 27.

The Audit Committee identified valuation of contracts for difference as an area of significance in its report on page 41, where the Audit Committee also describes how it addressed this area.

CARRYING VALUE OF INVENTORIES

The risk: The carrying value of inventories is stated net of provisions for obsolete or slow moving inventory. We have identified this risk because judgement is applied by management in assessing the amount of provision required to record inventory at the lower of cost and net realisable value and because of the complexity of the provision calculation.

Our response: Our audit work included, but was not restricted to, testing the models used for mathematical accuracy, considering the appropriateness and consistency of the underlying assumptions within the model and testing the selling price of inventory sold post period end.

The Group's accounting policy on inventories and details of the judgements applied by the Directors in establishing the provision is included in note 1.

The Audit Committee identified carrying value of inventory as an area of significance in its report on page 41, where the Committee also describes how it addressed this area.

INTANGIBLES IMPAIRMENT ASSESSMENT

The risk: As more fully explained in note 15 the Directors are required to make an annual assessment to determine whether the value of goodwill of £156m, trademarks and licences of £19m and brands of £80m is impaired. We have identified this risk because the process for measuring and recognising impairment under IAS 36 is complex and requires judgement and because we identified potential indicators of impairment during our risk assessment procedures.

Our response: Our audit work included, but was not restricted to, evaluating and sensitising the assumptions used by the Directors, in particular those key assumptions relating to the cash flow projections used by management for their assessment, including the discount rates, perpetuity growth rates and forecast gross margins. We also reviewed the adequacy of the disclosures on the sensitivity of key assumptions used in the assessment.

The Group's accounting policy on impairment and details of the judgements and estimates made by the Directors are included in note 1.

The Audit Committee identified intangibles impairment assessment as an area of significance in its report on page 41, where the Committee also describes how it addressed this area.

OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

MATERIALITY

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We determined materiality for the audit of the group Financial Statements as a whole to be £13.3m which is 3.5% of underlying earnings before interest, taxation, depreciation and amortisation (EBITDA). This benchmark is considered the most appropriate because, this is the metric against which the financial performance of the Group is measured both internally and externally. We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the group Financial Statements. We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.

We determined the threshold at which we communicated misstatements to the audit committee to be £665,000. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

OVERVIEW OF THE SCOPE OF OUR AUDIT

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the Financial Statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

We evaluated the description, design and operating effectiveness of controls over key financial systems identified as part of our risk assessment. This included a review of the general IT controls, the accounts production process and the controls addressing critical accounting matters identified in our risk assessment. We undertook a combination of controls and substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors including our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

As set out on page 67 the Group has three operating segments, Sports Retail, Premium Lifestyle and Brands. The Group Financial Statements are a consolidation of the reporting units comprising the operating businesses within these segments.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group engagement team, or component auditors operating under our instruction.

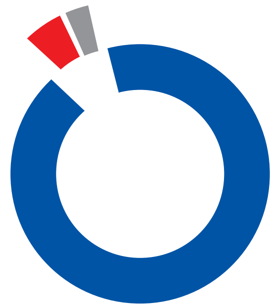
Where the work was performed by component auditors, we determined the level of involvement we needed to have in their audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group Financial Statements as a whole. We set materiality for the overseas component audits as 75% of the materiality for the group Financial Statements.

The reporting units vary significantly in size and we identified 5 reporting units that, in our view, required a full scope audit of their financial information for group reporting purposes, due to their size or risk characteristics. In addition a further 27 reporting units are audited to full scope for statutory reporting purposes, providing in total 87% coverage of the Group's revenues and 84% of the Group underlying EBITDA.

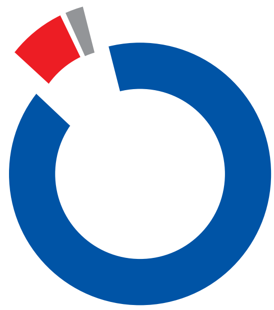
Specific audit procedures were performed at a further 7 reporting units due to their size providing a further 8% coverage of the Group's revenues and 12% of the Group underlying EBITDA, with the remaining reporting units subject to analytical procedures.

The tables below demonstrate the coverage of our audit procedures:

REVENUE



UNDERLYING EBITDA



■ Full Scope ■ Specific procedures ■ Analytical review

OTHER REPORTING REQUIRED BY REGULATIONS

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified.
In our opinion:

- the information given in the Strategic Report and Directors' Report for the financial period for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Corporate Governance Report set out on pages 37 to 43 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the Financial Statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

WE HAVE NOTHING TO REPORT IN RESPECT OF THE FOLLOWING:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited Financial Statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- otherwise misleading.

INDEPENDENT AUDITORS REPORT
TO MEMBERS OF SPORTS DIRECT INTERNATIONAL PLC

IN PARTICULAR, WE ARE REQUIRED TO REPORT TO YOU IF:
- we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable; or
- the Annual Report does not appropriately disclose those matters that were communicated to the audit committee which we consider should have been disclosed.

UNDER THE COMPANIES ACT 2006 WE ARE REQUIRED TO REPORT TO YOU IF, IN OUR OPINION:
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Report has not been prepared by the Company.

UNDER THE LISTING RULES, WE ARE REQUIRED TO REVIEW:
- the Directors' statement, set out on page 36, in relation to going concern; and
- the part of the Corporate Governance Report relating to the company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT
WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES:
A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

WHAT THE DIRECTORS ARE RESPONSIBLE FOR:
As explained more fully in the Directors' Responsibilities Statement set out on page 53, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

WHAT WE ARE RESPONSIBLE FOR:
Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Philip Westerman
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

16 July 2015

CONSOLIDATED INCOME STATEMENT
FOR THE 52 WEEKS ENDED 26 APRIL 2015

	Note	52 weeks ended 26 April 2015 (£'000)	27 April 2014 (£'000)
Revenue	1,4	2,832,560	2,705,958
Cost of sales		(1,591,748)	(1,551,036)
Gross profit		1,240,812	1,154,922
Selling, distribution and administrative expenses		(950,526)	(908,843)
Other operating income	5	8,345	8,583
Exceptional items	6	(3,050)	(5,531)
Operating profit	4,7	295,581	249,131
Other investment income	9	14,104	7,017
Finance income	10	8,289	891
Finance costs	11	(7,487)	(19,853)
Share of profit of associated undertakings	16	2,959	2,266
Profit before taxation		313,446	239,452
Taxation	12	(72,093)	(59,839)
Profit for the period	4	241,353	179,613

ATTRIBUTABLE TO:

Equity holders of the Group		240,397	180,245
Non-controlling interests		956	(632)
Profit for the period	4	241,353	179,613

EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS

		Pence per share	Pence per share
Basic earnings per share	13	40.6	30.8
Diluted earnings per share	13	39.0	29.2
Underlying basic earnings per share	13	38.9	32.1

The consolidated income statement has been prepared on the basis that all operations are continuing.

The accompanying accounting policies and notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 26 APRIL 2015

		52 weeks ended	
	Note	**26 April 2015 (£'000)**	27 April 2014 (£'000)
Profit for the period	4	241,353	179,613
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Actuarial (losses) / gains on defined benefit pension schemes	24	(2,493)	3,860
Taxation on items recognised in other comprehensive income		524	(698)
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Exchange differences on translation of foreign operations		9,156	(33,118)
Exchange differences on hedged contracts - recognised in the period	27	77,181	(3,737)
Exchange differences on hedged contracts - reclassified and reported in net profit	27	7,240	(17,909)
Fair value adjustment in respect of available-for-sale financial assets	17	21,893	57,373
Taxation on items recognised in other comprehensive income		(17,728)	(4,170)
Other comprehensive income for the period, net of tax		95,773	1,601
Total comprehensive income for the period		337,126	181,214
ATTRIBUTABLE TO:			
Equity holders of the Group		336,170	181,846
Non-controlling interest		956	(632)
		337,126	**181,214**

The accompanying accounting policies and notes form part of these Financial Statements.

CONSOLIDATED BALANCE SHEET
AT 26 APRIL 2015

	Note	26 April 2015 (£'000)	27 April 2014 (£'000)
ASSETS - NON-CURRENT			
Property, plant and equipment	14	422,742	412,361
Intangible assets	15	255,364	255,109
Investments in associated undertakings	16	38,133	41,763
Available-for-sale financial assets	17	140,795	116,504
Deferred tax assets	25	38,352	31,130
		895,386	856,867
ASSETS - CURRENT			
Inventories	18	517,054	565,479
Trade and other receivables	19	190,726	123,014
Derivative financial assets	27	92,199	4,355
Cash and cash equivalents	20	78,318	151,024
		878,297	843,872
TOTAL ASSETS		1,773,683	1,700,739
EQUITY AND LIABILITIES			
Share capital	21	64,060	64,060
Share premium		874,300	874,300
Treasury shares reserve		(56,234)	(56,234)
Permanent contribution to capital		50	50
Capital redemption reserve		8,005	8,005
Foreign currency translation reserve		14,436	5,280
Reverse combination reserve		(987,312)	(987,312)
Own share reserve		(13,251)	(13,251)
Hedging reserve		78,796	(5,625)
Retained earnings		1,181,511	931,819
		1,164,361	821,092
Non-controlling interests		(2,810)	(3,538)
Total equity		1,161,551	817,554
LIABILITIES - NON-CURRENT			
Borrowings	23	136,849	6,764
Retirement benefit obligations	24	14,869	15,350
Deferred tax liabilities	25	40,088	24,046
Provisions	26	37,705	37,780
		229,511	83,940
LIABILITIES - CURRENT			
Derivative financial liabilities	27	5,629	18,665
Trade and other payables	28	340,936	392,019
Borrowings	23	1,204	356,226
Current tax liabilities		34,852	32,335
		382,621	799,245
Total liabilities		612,132	883,185
Total equity and liabilities		1,773,683	1,700,739

The accompanying accounting policies and notes form part of these Financial Statements. The Financial Statements were approved by the Board on 16 July 2015 and were signed on its behalf by:

Matt Pearson
Acting Chief Financial Officer

Company number: 06035106

CONSOLIDATED CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 26 APRIL 2015

	Note	52 weeks ended 26 April 2015 (£'000)	52 weeks ended 27 April 2014 (£'000)
Cash inflow from operating activities	29	314,662	222,785
Income taxes paid		(77,710)	(55,730)
Net cash inflow from operating activities		236,952	167,055
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		21,150	-
Proceeds on disposal of listed investments		51,695	49,394
Purchase of associate, net of cash acquired		(50)	(8,000)
Purchase of subsidiaries, net of cash acquired		(3,847)	(15,407)
Purchase of intangible assets	15	(2,937)	(1,827)
Purchase of property, plant and equipment	14	(97,342)	(67,304)
Purchase of listed investments	17	(50,415)	(55,467)
Investment income received		2,883	1,604
Finance income received		987	891
Net cash outflow from investing activities		(77,876)	(96,116)
CASH FLOW FROM FINANCING ACTIVITIES			
Finance costs paid		(6,845)	(8,111)
Borrowings drawn down		126,989	300,910
Borrowings repaid		(346,997)	(348,452)
Exercise of option over non-controlling interests		-	(11,678)
Net cash outflow from financing activities		(226,853)	(67,331)
Net (decrease) / increase in cash and cash equivalents including overdrafts		(67,777)	3,608
Cash and cash equivalents including overdrafts at beginning of period		145,282	141,674
Cash and cash equivalents including overdrafts at the period end	20	77,505	145,282

The accompanying accounting policies and notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 26 APRIL 2015

	Treasury shares (£'000)	Foreign currency translation (£'000)	Own share reserve (£'000)	Retained earnings (£'000)	Other reserves (£'000)	Total attributable to owners of parent (£'000)	Non-controlling interests (£'000)	Total (£'000)
At 28 April 2013	**(56,234)**	**38,398**	**(64,375)**	**752,018**	**(24,876)**	**644,931**	**(254)**	**644,677**
Vesting of share-based payment	-	-	51,124	(51,124)	-	-	-	-
Current tax on share schemes	-	-	-	25,500	-	25,500	-	25,500
Deferred tax on share schemes	-	-	-	(11,215)	-	(11,215)	-	(11,215)
Non-controlling interests - acquisitions	-	-	-	-	-	-	(10,513)	(10,513)
Exercise of option over non-controlling interest	-	-	-	(19,970)	-	(19,970)	7,861	(12,109)
Transactions with owners	-	-	51,124	(56,809)	-	(5,685)	(2,652)	(8,337)
Profit for the financial period	-	-	-	180,245	-	180,245	(632)	179,613
OTHER COMPREHENSIVE INCOME								
Cash flow hedges								
- recognised in the period	-	-	-	-	(3,737)	(3,737)	-	(3,737)
- reclassified and reported in net profit	-	-	-	-	(17,909)	(17,909)	-	(17,909)
Actuarial gain on defined benefit pension schemes	-	-	-	3,860	-	3,860	-	3,860
Fair value adjustment in respect of available-for-sale financial assets	-	-	-	57,373	-	57,373	-	57,373
Taxation	-	-	-	(4,868)	-	(4,868)	-	(4,868)
Translation differences - Group	-	(32,498)	-	-	-	(32,498)	-	(32,498)
Translation differences - associates	-	(620)	-	-	-	(620)	-	(620)
Total comprehensive income for the period	-	(33,118)	-	236,610	(21,646)	181,846	(632)	181,214
At 27 April 2014	**(56,234)**	**5,280**	**(13,251)**	**931,819**	**(46,522)**	**821,092**	**(3,538)**	**817,554**
Credit to equity for share-based payment	-	-	-	5,833	-	5,833	-	5,833
Deferred tax on share schemes	-	-	-	1,266	-	1,266	-	1,266
Non-controlling interests - acquisitions	-	-	-	-	-	-	384	384
Transactions with owners	-	-	-	7,099	-	7,099	384	7,483
Profit for the financial period	-	-	-	240,397	-	240,397	956	241,353
Dividends received	-	-	-	-	-	-	(612)	(612)
OTHER COMPREHENSIVE INCOME								
Cash flow hedges								
- recognised in the period	-	-	-	-	77,181	77,181	-	77,181
- reclassified and reported in net profit	-	-	-	-	7,240	7,240	-	7,240
Actuarial losses on defined benefit pension schemes	-	-	-	(2,493)	-	(2,493)	-	(2,493)
Fair value adjustment in respect of available-for-sale financial assets	-	-	-	21,893	-	21,893	-	21,893
Taxation	-	-	-	(17,204)	-	(17,204)	-	(17,204)
Translation differences - Group	-	13,783	-	-	-	13,783	-	13,783
Translation differences - associates	-	(4,627)	-	-	-	(4,627)	-	(4,627)
Total comprehensive income for the period	-	9,156	-	242,593	84,421	336,170	344	336,514
At 26 April 2015	**(56,234)**	**14,436**	**(13,251)**	**1,181,511**	**37,899**	**1,164,361**	**(2,810)**	**1,161,551**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 26 APRIL 2015

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").

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 Standards Interpretations Committee ("IFRSIC") and with those parts of the Companies Act 2006 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 certain financial assets and derivative financial instruments.

The following IFRS, IFRSIC interpretations and amendments are effective for the first time in this financial year:

IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities have been adopted in the financial year. The revised standards replace the portion of IAS 27 that addresses the accounting for consolidated Financial Statements. The adoption of these standards has resulted in no change to the Income Statement, Balance Sheet or Statement of Comprehensive Income in the current financial period.

CONSOLIDATION

The consolidated Financial Statements consolidate the revenues, costs, assets, liabilities and cash flows of the Company and its subsidiaries, being those entities that the Group is deemed to have control over. It will be deemed to have control when it has power over the entity, is exposed to or has rights to variable returns from the entity and has the ability to use its power over the entity to affect the amount of the entity's returns.

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 fair value of the consideration transferred over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of fair value of consideration transferred below the fair values of the identifiable net assets acquired is credited to the consolidated income statement in the period of acquisition. The non-controlling interest is stated at the non-controlling interest's proportion of the fair values of the assets, liabilities and contingent liabilities recognised. Costs incurred relating to acquisitions are expensed to the income statement.

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.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

ASSOCIATES

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.

The Group's share of the results of associates is included in the Group's consolidated income statement using the equity method of accounting. Investments in associates 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 and joint ventures, less any impairment in value. The carrying values of investments in associates include acquired goodwill.

If the Group's share of losses in an associate or equals or exceeds its investment in the associate, the Group does not recognise further losses, unless it has incurred obligations to do so or made payments on behalf of the associate.

Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity.

INVESTMENTS

Available-for-sale investments are initially recognised at fair value. Where fair value is different to cost, this is recognised in the income statement on initial recognition. Subsequent gains and losses arising from changes in fair value are recognised in the statement of other comprehensive income. When the security is disposed of, de-recognised or is determined to be impaired the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement as a reclassification adjustment within other comprehensive income.

ACQUISITIONS

For business combinations achieved in stages, the Group re-measures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in the income statement as appropriate.

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. The need for impairment is tested by comparing the market value of the cash-generating unit (CGU) to the carrying value. Any impairment is recognised immediately in the income statement. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a business include the amount of goodwill relating to that business.

When the non-controlling interest of an existing subsidiary is acquired the carrying value of the non-controlling interests in the balance sheet is eliminated. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid is recognised directly in equity.

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.

Expenditure on advertising and promotional activities is recognised as an expense as incurred.

No amortisation is charged on those 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 of indefinite life intangibles, at least annually, or when a change in circumstances or situation indicates that those intangibles 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 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.

Amortisation is provided on other brands, trade marks and licences with a definite life on a straight line basis over their useful economic lives of 5 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 - between 2% and 10% per annum - straight line

Leasehold improvements - over the terms of the lease - straight line

Plant and equipment - between 5% and 33% per annum - straight line

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, (CGU) to which the asset belongs. With respect to property, plant and equipment, each store is considered to be a CGU and where onerous leases are noted the assets of each individual store are individually assessed for impairment.

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

Impairment losses recognised for CGU's 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 CGU.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) 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 (CGU) 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 supplied, stated net of discounts, returns and value added taxes.

In the case of goods sold through retail stores, revenue is recognised at the point of sale of a product 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 goods sold on the internet revenue is recognised at the point that the risks and rewards of the inventory have passed to the customer, which is the point of delivery to the customer. Transactions are settled by credit card or payment card. Provisions are made for internet credit notes based on the expected level of returns, which in turn is based upon the historical rate of returns.

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.

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 and assess trends in financial performance more readily.

INTEREST INCOME

Interest income is reported on an accrual basis using the effective interest method.

FOREIGN CURRENCIES

The presentational currency of the Group is sterling. The functional currency of the Company is also sterling. Foreign currency transactions are translated into sterling using the exchange rates prevailing on the dates of the transactions. Exchange differences of the Company 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 are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

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 in other comprehensive income and documented in a separate component of equity.

When a foreign operation is sold, the cumulative exchange differences that have been recognised as a separate component of equity are reclassified from equity to the income statement when disposal is recognised.

In order to mitigate its exposure to certain foreign exchange risks, the Group enters into forward contracts (see chief executive's report and the cash flow hedging accounting policy on page 65.

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 the weighted average cost method. Net realisable value is based on the estimated selling price less all estimated selling costs.

The company receives trade discounts and rebates from suppliers based upon the volume of orders placed in a given time window and as a contribution towards marketing costs. Where there is sufficient certainty that a discount or rebate will be received in the future that relates to historic purchases this is reflected in the cost of inventories.

LOANS AND RECEIVABLES

Loans and receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost under the effective interest 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 26 APRIL 2015

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 method.

TAXATION

Tax expense comprises current and deferred tax. Tax is recognised in the income statement, except to the extent it relates to items recognised in other comprehensive income or directly in equity.

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 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 substantively 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 current and 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 recorded in other comprehensive income or charged or credited directly to equity in which case the related deferred tax is also charged to other comprehensive income 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 schemes liabilities is included in finance costs.

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 other comprehensive income 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 its legal responsibility for dilapidation 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.

Contingent rental payments, above standard payments, are conditional on the Group's operating performance derived from the lease item, (e.g. turnover levels). These are expensed in the period in which they are incurred.

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 AND HEDGE ACCOUNTING

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.

Derivative financial instruments are measured at fair value. Where derivatives do not qualify for hedge accounting, any gains or losses on re-measurement are immediately recognised in the income statement. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the item being hedged.

In order to qualify for hedge accounting, the Group is required to document from inception the relationship between the item being hedged and the hedging instrument. The Group is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an on-going basis. This effectiveness testing is performed at each period end to ensure that the hedge remains highly effective.

CASH FLOW HEDGING
Derivative financial instruments are classified as cash flow hedges when they hedge the Group's exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction.

The effective element of any gain or loss from re-measuring the derivative instrument is recognised directly in other comprehensive income.

The associated cumulative gain or loss is reclassified from other comprehensive income in the same period or periods during which the hedged transaction affects the profit or loss. The classification of the effective portion when recognised in the income statement is the same as the classification of the hedged transaction. Any element of the re-measurement of the derivative instrument which does not meet the criteria for an effective hedge is recognised immediately in the income statement within finance income or costs. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is reclassified from equity to the income statement as a reclassification adjustment.

TREASURY SHARES
The purchase price of the Group's own shares that it acquires is recognised as 'Treasury shares' within equity. When shares are transferred out of treasury the difference between the market value and the average purchase price of shares sold out of treasury is transferred to retained earnings.

EMPLOYEE BENEFIT TRUST
An Employee Benefit Trust has been established for the purposes of satisfying certain share-based awards. The Group has 'de-facto' control over the special purpose entity. This Trust is fully consolidated within the accounts. The cost of shares acquired by the Sports Direct Employee Benefit Trust is recognised within 'own share-reserve' in equity.

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, with the corresponding credit going to equity.

Non market vesting conditions are not taken into account in determining grant date fair value. Instead, they are taken into account by adjusting the number of equity instruments to vest.

Fair value is based on the market share price on the grant date. The expected staff numbers used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

A share-based payment charge of £10.1m was recognised in selling, distribution and administrative expenses for the 52 weeks ended 26 April 2015. The key details in respect of the share scheme charges are set out in note 21.

The credit for the share based payment charge does not equal the charge per the income statement as it excludes amounts recognised in the balance sheet in relation to the expected national insurance contributions for the shares.

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.

MATERIALITY
In preparing the Financial Statements, the Board considers both quantitative and qualitative factors in forming its judgements, and related disclosures, and are mindful of the need to best serve the interests of its stakeholders and to avoid unnecessary clutter borne of the disclosure of immaterial items.

In making this assessment the Board considers the nature of each item, as well as its size, in assessing whether any disclosure omissions or misstatements could influence the decisions of users of the Financial Statements.

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 standards committee ("IFRSC") 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:

- IFRS 9 Financial Instruments (IASB effective date 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017)
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (IASB effective date 1 July 2014)
- Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38 (IASB effective date 1 January 2016)
- Amendments to IAS 27: Equity Method in Separate Financial Statements (effective 1 January 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (effective 1 January 2016)
- Disclosure Initiative: Amendments to IAS 1 Presentation of Financial Statements (effective 1 January 2016)

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the Financial Statements of the Group.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The critical accounting estimates and judgements made by the Group regarding the future or other key sources of estimation, uncertainty and judgement 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:

IMPAIRMENT OF GOODWILL
The calculation for considering the impairment of the carrying amount of goodwill requires a comparison of the present value of the CGU's to which the goodwill has been allocated to the value of goodwill and associated assets in the balance sheet. The calculation of present values requires an estimation of the future cash flows expected to arise from the CGU's 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.

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 related cash flows 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. The key assumptions made in relation to the impairment review of other intangible assets are set out in note 15.

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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 5 and 15 years.

IDENTIFICATION AND VALUATION OF ACQUIRED INTANGIBLE ASSETS
On acquisition, each material, separable intangible asset is identified and valued by the Directors. Any such calculation is judgemental 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.

IMPAIRMENT
The Directors review the carrying amounts of the Group's tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

PROVISION FOR OBSOLETE, SLOW MOVING OR DEFECTIVE INVENTORIES
The Directors have applied their knowledge and experience of the retail industry in determining the level and rates of provisioning required in calculating the appropriate inventory carrying values. The provision includes estimates for shrinkage, spoilage and slow-moving items depending on the age and current selling prices of the individual stock items.

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 24.

PROVISION FOR DILAPIDATIONS AND ONEROUS LEASE CONTRACTS
The basis of the estimation of the provisioning for dilapidations and onerous lease contracts is detailed in the provisions accounting policy and note 26. Estimates and judgements 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. Where an onerous lease has been identified, the assets dedicated to that contract are impaired.

CALCULATION OF SHARE SCHEME CHARGE
A share-based payment charge is recognised in respect of share awards based on the Directors' best estimate of the number of shares that will vest. The charge is calculated based on the fair value on the grant date, which is deemed to be the date on which the entity and counterparty reached a shared understanding of the scheme. The key details in respect of the share scheme charges are set out in note 21.

VALUATION OF INVESTMENTS
Where market data is not available to assist in valuing investments, management estimate the fair value of the enterprise based on the current performance and financial position of the relevant company.

VALUATION OF EQUITY DERIVATIVES
The value of equity derivatives is calculated using a proprietary option pricing model. The model output is the result of a number of inputs including, amongst other things, the terms of the option (strike price, time to expiry, etc.), the prevailing share price, interest rates, the volatility of the underlying stock, and dividends paid by the underlying company.

3. FINANCIAL RISK MANAGEMENT
The Group's current activities result in the following financial risks and set out below are 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 is exposed to foreign exchange risk principally via:

a. Transactional exposure from the cost of future purchases of goods for resale, where those purchases are denominated in a currency other than the functional currency of the purchasing company. Transactional exposures that could significantly impact the income statement are hedged. These exposures are hedged via forward foreign currency contracts which are designated as cash flow hedges. The notional and fair value of these contracts is shown in note 27.

b. Net investment exposure, from the fair value of net investments outside the UK. The Group hedges its international investments via foreign currency transactions and borrowings in matching currencies.

c. Loans to non-UK subsidiaries. These are hedged via foreign currency transactions and borrowings in matching currencies, which are not formally designated as hedges, as gains and losses on hedges and hedged loans will naturally offset.

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 currently 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 on-going 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 credit facilities together with equity and retained profits thereby achieving continuity of funding and short-term flexibility.

CAPITAL MANAGEMENT
A description of the Group's objectives, policies and processes for managing capital are included in note 27.

4. SEGMENTAL ANALYSIS

IFRS 8 - 'operating segments' requires the Group's segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker to assess performance and allocate resources across each operating segment.

The Chief Operating Decision Maker has been identified as the Executive Directors and the operating segments are identified as the store fascia or brand, in line with the internal reporting to the Executive Directors.

Sales and gross profit for each operating segment, as well as underlying EBITDA, are the main measures used by the Executive Directors to assess performance.

In accordance with paragraph 12 of IFRS 8 the Group's operating segments have been aggregated into the following reportable segments:

- Sports Retail – includes the results of the UK and International retail network of sports stores along with related websites;
- Premium Lifestyle – includes the results of the premium retail businesses such as Cruise, Flannels and USC; and
- Brands – includes the results of the Group's portfolio of internationally recognised brands such as Everlast, Lonsdale and Dunlop.

Information regarding the Group's reportable segments for the 52 weeks ended 26 April 2015, as well as a reconciliation of reported profit for the period to underlying EBITDA, is presented on pages 67 to 69.

Segmental information for the 52 weeks ended 26 April 2015:

	Retail (£'000)			Brands (£'000)	Eliminations (£'000)	Total (£'000)
	Sports Retail	Premium Lifestyle	Total	Total		
Sales to external customers	2,398,547	207,623	2,606,170	226,390	-	2,832,560
Sales to other segments	-	-	-	25,480	(25,480)	-
Revenue	2,398,547	207,623	2,606,170	251,870	(25,480)	2,832,560
Gross profit	1,069,088	80,523	1,149,611	91,201	-	1,240,812
Operating profit before foreign exchange and exceptional items	285,534	(11,170)	274,364	27,984	-	302,348
Operating profit	283,347	(11,278)	272,069	23,512	-	295,581
Other investment income						14,104
Finance income						8,289
Finance costs						(7,487)
Share of profits of associated undertakings						2,959
Profit before taxation						313,446
Taxation						(72,093)
Profit for the period						241,353

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 26 April 2015:

			Retail (£'000)	Brands (£'000)	Total (£'000)
	Sports Retail	Premium Lifestyle	Total		
Depreciation	57,855	2,543	60,398	2,026	62,424
Amortisation	548	687	1,235	4,122	5,357

Accelerated depreciation and amortisation included within exceptional items are excluded from the above.

Information regarding segment assets and liabilities as at 26 April 2015 and capital expenditure for the 52 weeks then ended:

	Sports Retail (£'000)	Premium Lifestyle (£'000)	Brands (£'000)	Eliminations (£'000)	Total (£'000)
Investments in associated undertakings	38,133	-	-	-	38,133
Other assets	1,688,779	24,446	190,772	(168,447)	1,735,550
Total assets	1,726,912	24,446	190,772	(168,447)	1,773,683
Total liabilities	(646,836)	(60,255)	(73,488)	168,447	(612,132)
Tangible asset additions	93,429	2,321	1,592	-	97,342
Intangible asset additions	108	-	2,829	-	2,937
Total capital expenditure	93,537	2,321	4,421	-	100,279

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Segmental information for the 52 weeks ended 27 April 2014:

			Retail (£'000)	Brands (£'000)	Eliminations (£'000)	Total (£'000)
	Sports Retail	Premium Lifestyle	Total	Total		
Sales to external customers	2,274,365	214,066	2,488,431	217,527	-	2,705,958
Sales to other segments	203	-	203	29,938	(30,141)	-
Revenue	2,274,568	214,066	2,488,634	247,465	(30,141)	2,705,958
Gross profit	974,952	86,263	1,061,215	93,707	-	1,154,922
Operating profit before foreign exchange and exceptional items	254,736	(25,729)	229,007	23,825	-	252,832
Operating profit	251,762	(25,588)	226,174	22,957	-	249,131
Other investment income						7,017
Finance income						891
Finance costs						(19,853)
Share of profits of associated undertakings						2,266
Profit before taxation						239,452
Taxation						(59,839)
Profit for the period						179,613

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 2014:

		Retail (£'000)		Brands (£'000)	Total (£'000)
	Sports Retail	Premium Lifestyle	Total		
Depreciation	50,549	4,689	55,238	1,725	56,963
Amortisation	1,348	687	2,035	4,797	6,832
Impairment	-	-	-	284	284

Information regarding segment assets and liabilities as at 27 April 2014 and capital expenditure for the 52 weeks then ended:

	Sports Retail (£'000)	Premium Lifestyle (£'000)	Brands (£'000)	Eliminations (£'000)	Total (£'000)
Investments in associated undertakings and joint ventures	42,176	-	(413)	-	41,763
Other assets	1,609,024	96,601	183,103	(229,752)	1,658,976
Total assets	1,651,200	96,601	182,690	(229,752)	1,700,739
Total liabilities	(893,269)	(123,554)	(96,114)	229,752	(883,185)
Tangible asset additions	57,365	6,978	2,961	-	67,304
Intangible asset additions	259	-	1,568	-	1,827
Total capital expenditure	57,624	6,978	4,529	-	69,131

GEOGRAPHIC INFORMATION

Segmental information for the 52 weeks ended 26 April 2015:

	UK (£'000)	Non-UK (£'000)	Eliminations (£'000)	Total (£'000)
Segmental revenue from external customers	2,252,360	580,200	-	2,832,560
Total capital expenditure	81,793	18,486	-	100,279
Segmental assets	1,564,864	377,266	(168,447)	1,773,683

Segmental information for the 52 weeks ended 27 April 2014:

	UK (£'000)	Non-UK (£'000)	Eliminations (£'000)	Total (£'000)
Segmental revenue from external customers	2,063,724	642,234	-	2,705,958
Total capital expenditure	51,525	17,606	-	69,131
Segmental assets	1,526,405	404,086	(229,752)	1,700,739

The following table reconciles the reported operating profit to the underlying EBITDA as it is one of the main measures used by the Chief Operating Decision Maker when reviewing performance:

Reconciliation of operating profit to underlying EBITDA for the 52 week period ended 26 April 2015.

	Sports Retail (£'000)	Premium Lifestyle (£'000)	Brands (£'000)	Total (£'000)
Operating profit / (loss)	**283,347**	**(11,278)**	**23,512**	**295,581**
Depreciation	57,855	2,543	2,026	62,424
Impairment	548	687	4,122	5,357
Share of profit / (loss) of associated undertakings	3,009	-	(50)	2,959
Reported EBITDA	344,759	(8,048)	29,610	366,321
Charges for the share scheme	10,110	-	-	10,110
Exceptional items	(3,395)	-	6,445	3,050
Realised FX gain / (loss)	5,332	358	(1,973)	3,717
Underlying EBITDA	**356,806**	**(7,690)**	**34,082**	**383,198**

Reconciliation of operating profit to underlying EBITDA for the 52 week period ended 27 April 2014.

	Sports Retail (£'000)	Premium Lifestyle (£'000)	Brands (£'000)	Total (£'000)
Operating profit / (loss)	**251,762**	**(25,588)**	**22,957**	**249,131**
Depreciation	50,549	4,689	1,725	56,963
Impairment	-	-	284	284
Amortisation	1,348	687	4,797	6,832
Share of profit / (loss) of associated undertakings	2,679	-	(413)	2,266
Reported EBITDA	**306,338**	**(20,212)**	**29,350**	**315,476**
Charges for the share scheme	11,927	-	-	11,927
Exceptional items	5,531	-	-	5,531
Realised FX (loss) / gain	(2,557)	(141)	868	(1,830)
Underlying EBITDA	**321,239**	**(20,353)**	**30,218**	**331,104**

5. OTHER OPERATING INCOME

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Rent receivable	4,851	6,118
Other	3,494	2,465
	8,345	8,583

6. EXCEPTIONAL ITEMS

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Profit on sale of freehold property	10,288	-
Impairment and accelerated depreciation and amortisation	(13,338)	(5,531)
	(3,050)	(5,531)

The impairment and accelerated depreciation and amortisation relates to a change in the estimated useful life of certain tangible and intangible assets and impairment against goodwill in the year. Included within this figure is an accelerated amortisation charge of £6m due to a change in the useful economic life of certain intangibles in the year from 10 years to 5 years.

The profit on sale of freehold property of £10.3m includes to the sale of a freehold warehouse for £21.2m, realising a profit of £12.1m.

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FOR THE 52 WEEKS ENDED 26 APRIL 2015

7. OPERATING PROFIT

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

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Foreign exchange losses / (gains)	3,717	(1,830)
Depreciation of property, plant and equipment		
- owned assets	62,424	56,963
Amortisation of intangible assets	5,203	6,832
Impairment of intangible assets	-	284
Operating lease rentals		
- Land and buildings	142,571	127,341
- Other	751	708

Accelerated depreciation and amortisation included within exceptional items are excluded from the above.

SERVICES PROVIDED BY THE GROUP'S AUDITOR

For the 52 weeks ended 26 April 2015 the remuneration of the auditors, Grant Thornton UK LLP and associated firms, was as detailed below:

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
AUDIT SERVICES		
Audit of the Company's and the consolidated Financial Statements	105	85
Audit of subsidiary companies' Financial Statements	650	585
NON-AUDIT SERVICES		
Other services relating to taxation	748	249
All other services	484	208

An explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditors is set out in the Audit Committee Report on page 40.

8. PAYROLL COSTS

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

	52 weeks ended	
	26 April 2015 (Number)	27 April 2014 (Number)
Retail stores	13,414	13,609
Distribution, administration and other	3,793	3,556
	17,207	17,165

The aggregate payroll costs of the employees, including Executive Directors, were as follows:

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Wages and salaries	290,769	278,714
Social security costs	31,256	27,835
Pension costs	1,520	1,399
	323,545	307,948

A share-based payment charge of £10,110,000 (2014: £11,927,000) was recognised in respect of share awards during the year. This is inclusive of the related charges for expected national insurance contributions.

Aggregate emoluments of the Directors of the Company are summarised below:

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Aggregate emoluments	477	605

Further details of Directors' remuneration are given in the Directors' Remuneration Report on pages 44 to 52.

Details of certain key management remuneration are given in note 33.

9. OTHER INVESTMENT INCOME

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Profit on disposal of available-for-sale financial assets	3,678	5,413
Fair value gain on derivative instruments	8,895	-
Dividend income from investments	1,531	1,604
	14,104	7,017

10. FINANCE INCOME

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Bank interest receivable	929	761
Other interest receivable	58	130
Fair value adjustment to forward foreign exchange contracts (1)	7,302	-
	8,289	891

(1) The fair value adjustment to forward foreign exchange contracts relates to differences between the fair value of forward foreign currency contracts not designated for hedge accounting from one period end to the next.

11. FINANCE COSTS

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Interest on bank loans and overdrafts	6,692	7,513
Interest on other loans and finance leases	153	600
Interest on retirement benefit obligations (note 24)	642	547
Fair value adjustment to forward foreign exchange contracts (1)	-	11,193
	7,487	19,853

(1) The fair value adjustment to forward foreign exchange contracts relates to differences between the fair value of forward foreign currency contracts not designated for hedge accounting from one period end to the next.

12. TAXATION

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Current tax	74,072	57,569
Adjustment in respect of prior periods	5,140	(280)
	79,212	57,289
Deferred tax (note 25)	(7,119)	2,550
	72,093	59,839
TAX RECONCILIATION		
Profit before taxation	313,446	239,452
Taxation at the standard rate of tax in the UK of 21% (2014: 23%)	65,824	55,074
Tax effects of:		
Expenses not deductible for tax purposes	2,778	1,445
Overseas tax losses	2,552	2,509
Other tax adjustments	(4,205)	1,011
Adjustments in respect of prior periods - Current tax	5,141	(280)
Adjustments in respect of prior periods - Deferred tax	3	80
	72,093	59,839

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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 of the parent by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of shares, 592,294,371 (2014: 585,513,537), is adjusted to assume conversion of all dilutive potential ordinary shares under the Group's Share Schemes, being 24,200,000 (2014: 32,676,278), to give the diluted weighted average number of shares of 616,494,371 (2014: 618,189,815).

BASIC AND DILUTED EARNINGS PER SHARE

	52 weeks ended			
	26 April 2015 Basic (£'000)	**26 April 2015 Diluted (£'000)**	27 April 2014 Basic (£'000)	27 April 2014 Diluted (£'000)
Profit for the period	240,397	240,397	180,245	180,245
	Number in thousands		Number in thousands	
Weighted average number of shares	592,294	616,494	585,514	618,190
	Pence per share		Pence per share	
Earnings per share	40.6	39.0	30.8	29.2

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. 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 the post tax effect of certain non-trading 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.

	52 weeks ended			
	26 April 2015 Basic (£'000)	**26 April 2015 Diluted (£'000)**	27 April 2014 Basic (£'000)	27 April 2014 Diluted (£'000)
Profit for the period	240,397	240,397	180,245	180,245
Post tax adjustments to profit for the period for the following non-trading items:				
Realised loss / (gain) on forward exchange contracts	2,862	2,862	(1,373)	(1,373)
Fair value adjustment to forward foreign exchange contracts	(12,472)	(12,472)	8,395	8,395
Profit on disposal of listed investments	(2,832)	(2,832)	(4,060)	(4,060)
Impairment of fixed assets	-	-	4,148	4,148
Profit on disposal of property	(7,921)	(7,921)	-	-
Impairment and acceleration amortisation & depreciation	10,270	10,270	284	284
Underlying profit for the period	230,304	230,304	187,639	187,639
	Number in thousands		Number in thousands	
Weighted average number of shares	592,294	616,494	585,514	618,190
	Pence per share		Pence per share	
Underlying earnings per share	38.9	37.4	32.1	30.3

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings (£'000)	Long-term leasehold improvements (£'000)	Short-term leasehold improvements (£'000)	Plant and equipment (£'000)	Total (£'000)
COST					
At 28 April 2013	237,488	11,961	108,078	387,255	744,782
Exchange differences	(3,634)	358	-	(8,884)	(12,160)
Acquisitions	68,448	39	-	15,476	83,963
Additions	20,808	904	6,591	39,001	67,304
Eliminated on disposals	(754)	(430)	(2,228)	(6,956)	(10,368)
At 27 April 2014	322,356	12,832	112,441	425,892	873,521
Exchange differences	(785)	927	2	(9,458)	(9,314)
Acquisitions	-	-	-	779	779
Additions	23,571	12	7,890	65,869	97,342
Eliminated on disposals	(21,740)	(892)	(2,861)	(12,502)	(37,995)
At 26 April 2015	323,402	12,879	117,472	470,580	924,333
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 28 April 2013	(33,504)	(4,814)	(74,387)	(300,041)	(412,746)
Exchange differences	137	(137)	(166)	7,229	7,063
Charge for the period	(7,567)	(150)	(6,444)	(42,802)	(56,963)
IMPAIRMENT	-	-	-	(5,531)	(5,531)
Eliminated on disposals	745	-	995	5,277	7,017
At 27 April 2014	(40,189)	(5,101)	(80,002)	(335,868)	(461,160)
Exchange differences	488	(203)	46	9,872	10,203
Charge for the period	(11,478)	(140)	(9,129)	(42,177)	(62,924)
Eliminated on disposals	1,035	127	162	10,966	12,290
At 26 April 2015	(50,144)	(5,317)	(88,923)	(357,207)	(501,591)
NET BOOK AMOUNT					
At 26 April 2015	273,258	7,562	28,549	113,373	422,742
At 27 April 2014	282,167	7,731	32,439	90,024	412,361

Additions in the year include £35.5m of assets under construction in relation to our new Shirebrook warehouse.

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FOR THE 52 WEEKS ENDED 26 APRIL 2015

15. INTANGIBLE ASSETS

	Goodwill (£'000)	Trademarks and licences (£'000)	Brands (£'000)	Total (£'000)
COST				
At 28 April 2013	146,938	57,895	80,991	285,824
Arising on business combinations	30,683	-	-	30,683
Additions through business combinations	-	4,847	-	4,847
Other additions	-	1,827	-	1,827
Disposals	(4,053)	(1,000)	-	(5,053)
Exchange adjustment	(8,348)	(1,473)	(7,705)	(17,526)
At 27 April 2014	165,220	62,096	73,286	300,602
Arising on business combinations	3,682	-	-	3,682
Other additions	-	2,937	-	2,937
Disposals	(2)	(1,714)	-	(1,716)
Exchange adjustment	6,908	599	6,599	14,106
At 26 April 2015	175,808	63,918	79,885	319,611
AMORTISATION AND IMPAIRMENT				
At 28 April 2013	(17,133)	(28,271)	-	(45,404)
Amortisation charge	-	(6,832)	-	(6,832)
Impairment	(284)	-	-	(284)
Disposals	3,897	1,000	-	4,897
Exchange adjustment	1,849	281	-	2,130
At 27 April 2014	(11,671)	(33,822)	-	(45,493)
Amortisation charge	-	(12,725)	-	(12,725)
Impairment	(5,314)	-	-	(5,314)
Disposals	-	1,607	-	1,607
Exchange adjustment	(2,289)	(33)	-	(2,322)
At 26 April 2015	(19,274)	(44,973)	-	(64,247)
NET BOOK AMOUNT				
At 26 April 2015	156,534	18,945	79,885	255,364
At 27 April 2014	153,549	28,274	73,286	255,109

Amortisation is charged to selling, distribution and administrative expenses in the consolidated income statement.

The carrying value of goodwill and brands that are considered to have an indefinite life are allocated to the Group's operating segments before aggregation. With the exception of Everlast, none of the individual cash-generating units (CGUs) are considered material to goodwill or indefinite life intangibles (Brands). The carrying value of goodwill and brands allocated to the Group's CGUs, (as aggregated except in the case of Everlast), is shown below:

	Goodwill (£'000)	Brands (£'000)
UK Sports Retail	6,964	8,500
International Sports Retail	33,395	-
Premium Lifestyle	13,689	-
Brands (excl. Everlast)	48,048	-
Everlast	54,438	71,385
	156,534	79,885

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 each CGU to which the intangible assets are allocated. A CGU is deemed to be an individual fascia and these have been grouped together into similar classes for the purpose of formulating operating segments as reported in note 4.

Value in use calculations are based on five year management forecasts with a terminal growth rate applied thereafter, representing management's estimate of the long-term growth rate of the sector served by the CGUs.

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 26 April 2015 were as follows:

	UK Sports Retail	International Sports Retail	Premium Lifestyle	Brands (excl. Everlast)	Everlast
Sales growth	0%-5%	0%-10%	0%-5%	0% - 6%	0% - 5%
Terminal sales growth	2%	0% - 2%	0% - 2%	0% - 2%	0%
Gross margin	35% - 45%	35% - 50%	40% - 50%	15% - 50%	20% - 30%
Capital expenditure	Nil - £1m	Nil - £3m	Nil - £2m	Nil - £2m	Nil - £1m
Discount rates	11.88%	11.88%	11.88%	11.88%	17.33%

The Group Weighted Average Cost of Capital is used in UK Sports Retail, International Sports Retail, Premium Lifestyle and Brands (excl. Everlast) as these CGU's are considered to have similar risk profiles.

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 CGU 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 Group's commitment to maintaining those brands.

All key assumptions are consistent with known external sources of information.

16. INVESTMENTS IN ASSOCIATED UNDERTAKINGS

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 (£'000)
At 28 April 2013	32,117
Exchange differences	(620)
Additions	8,000
Share of profit	2,266
At 27 April 2014	41,763
Exchange differences	(4,593)
Additions	93
Disposals	(751)
Dividends paid	(1,338)
Share of profit	2,959
At 26 April 2015	38,133

None of the Group's associates are considered to be individually material to the Group.

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

	26 April 2015 (£'000)	27 April 2014 (£'000)
Share of non-current assets	44,767	51,702
Share of current assets	27,270	24,459
Share of non-current liabilities	(13,796)	(18,259)
Share of current liabilities	(20,108)	(16,139)
	38,133	41,763

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Income	104,279	95,751
Expenses	(101,509)	(92,975)
Profit before taxation	2,770	2,776
Taxation	189	(510)
Profit for the period	2,959	2,266

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17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	26 April 2015 (£'000)	27 April 2014 (£'000)
Available-for-sale financial assets	140,795	116,504

The fair value of the available-for-sale investments is based on bid quoted market prices at the balance sheet date or where market prices are not available, at management's stimate of fair value.

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

	26 April 2015 (£'000)	27 April 2014 (£'000)
At beginning of period	116,504	47,645
Additions	50,415	55,467
Disposals	(48,017)	(43,981)
Revaluation through other comprehensive income	21,893	57,373
At end of period	140,795	116,504

The disposal above relates to financial assets that were acquired in the year and therefore there is no reclassification adjustment between equity and the income statement on disposal.

The financial assets at 26 April 2015 relate to strategic investments held of between 4.8% and 11.1% of share capital.

At 27 April 2014 and 26 April 2015 the Group had no investments in excess of 20% of share capital.

18. INVENTORIES

	26 April 2015 (£'000)	27 April 2014 (£'000)
Raw materials	4	147
Goods for resale	517,050	565,332
	517,054	565,479

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

	26 April 2015 (£'000)	27 April 2014 (£'000)
Cost of inventories recognised as an expense	1,591,748	1,551,036

19. TRADE AND OTHER RECEIVABLES

	26 April 2015 (£'000)	27 April 2014 (£'000)
Trade receivables	65,335	60,851
Amounts owed by related parties	13,094	7,450
Other debtors	80,516	19,060
Prepayments	31,781	35,653
	190,726	123,014

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, plus any cash balances.

Other debtors includes unremitted sales receipts and collateral in respect of derivative instruments.

Ageing of trade receivables:

	26 April 2015 (£'000)	27 April 2014 (£'000)
Current	58,364	34,667
0-30 days past due	744	18,467
30-60 days past due	1,516	3,713
60-90 days past due	2,520	1,194
Over 90 days past due	2,191	2,810
	65,335	60,851

The credit quality of assets neither past due nor impaired is considered to be good.

The movement in the bad debt provision can be analysed as follows:

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Opening position	8,336	6,674
Amounts charged to the income statement	1,238	2,343
Amounts written off as uncollectable	(2,331)	(649)
Amounts recovered during the year	(11)	(32)
Closing position	7,232	8,336

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.

The other classes within trade and other receivables do not include impaired assets.

20. CASH AND CASH EQUIVALENTS

	26 April 2015 (£'000)	27 April 2014 (£'000)
Cash in bank and in hand - Sterling	1,026	113,327
Cash in bank and in hand - US Dollars	49,194	15,874
Cash in bank and in hand - Euros	23,311	21,443
Cash in bank and in hand - Other	4,787	380
	78,318	151,024
Bank overdraft (note 23)	(813)	(5,742)
Cash and cash equivalents including overdrafts at period end	77,505	145,282

21. SHARE CAPITAL

	26 April 2015 (£'000)	27 April 2014 (£'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		
640,602,369 (2014: 640,602,369) ordinary shares of 10p each	64,060	64,060
SHARE CAPITAL		
At 27 April 2014 and 26 April 2015	64,060	64,060

The Group holds 42,137,508 shares in Treasury.

CONTINGENT SHARE AWARDS

THE EXECUTIVE SHARE SCHEME

Under the terms of the Executive Share Scheme, which was approved by Shareholders on 10 September 2010 and is a Revenue approved scheme, the Board may make share awards in respect of the ordinary shares in the Company. Awards may be made to Executives and Persons Discharging Managerial Responsibilities over a fixed number of shares subject to performance conditions. Further details are set out in the Remuneration Report on pages 44 to 52.

An award of 8,073,036 shares was granted on 10 September 2010 at a share price of 125.5 pence, 4,000,000 of these shares have since vested and 1,000,000 have since lapsed. These shares will only vest if all conditions are met. No consideration is payable in respect of these awards.

SHARE SCHEMES

The 2011 Share Scheme was approved by the Board on 10 September 2010. The first award of 30,000,000 shares were granted on 10 September 2010 at an average price of 200.0 pence per share. At 26 April 2015 21,200,000 (27 April 2014: 22,672,000) remained outstanding. These shares will only vest if all conditions are met.

A share-based payment charge of £10,110,000 was recognised in respect of these share awards for the 52 weeks ended 26 April 2015, based on the Directors' best estimate of the number of shares that will vest. The charge is calculated based on the fair value on the grant date, which is deemed to be the date on which the entity and counterparty reached a shared understanding of the scheme.

On 2 July 2014, a resolution was passed to implement the 2015 Share Scheme. No grants have been made under this scheme to date.

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22. OTHER RESERVES

	Share capital (£'000)	Share premium (£'000)	Permanent contribution to capital (£'000)	Capital redemption reserve (£'000)	Reverse combination reserve (£'000)	Hedging reserve (£'000)	Total other reserves (£'000)
At 28 April 2013	64,060	874,300	50	8,005	(987,312)	16,021	(24,876)
Cash flow hedges							
- recognised in the period	-	-	-	-	-	(3,737)	(3,737)
- reclassified and reported in net profit	-	-	-	-	-	(17,909)	(17,909)
At 27 April 2014	64,060	874,300	50	8,005	(987,312)	(5,625)	(46,522)
Cash flow hedges							
- recognised in the period	-	-	-	-	-	77,181	77,181
- reclassified and reported in net profit	-	-	-	-	-	7,240	7,240
At 26 April 2015	64,060	874,300	50	8,005	(987,312)	78,796	37,899

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

The permanent contribution to capital relates to a cash payment of £50,000 to the Company on 8 February 2007 under a deed of capital contribution.

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

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.

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in the income statement only when the hedged transaction impacts the income statement.

OTHER BALANCE SHEET RESERVES

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

The own shares and treasury shares reserve represent the cost of shares in Sports Direct International plc purchased in the market and held by Sports Direct International plc Employee Benefit Trust to satisfy options under the Group's share options scheme, see note 21.

23. BORROWINGS

	26 April 2015 (£'000)	27 April 2014 (£'000)
NON-CURRENT:		
Bank and other loans	136,849	6,764
	136,849	6,764
CURRENT:		
Bank overdrafts	813	5,742
Bank and other loans	391	350,484
	1,204	356,226
TOTAL BORROWINGS:		
Bank overdrafts	813	5,742
Bank and other loans	137,240	357,248
	138,053	362,990

An analysis of the Group's total borrowings other than bank overdrafts is as follows:

	26 April 2015 (£'000)	27 April 2014 (£'000)
Borrowings — Sterling	95,808	240,731
Borrowings — Other	41,432	116,517
	137,240	357,248

Loans are all at rates of interest ranging between 1.15% and 2.0% over the interbank rate of the country within which the borrowing entity resides.

On 28 May 2014 the Company entered into a new committed unsecured revolving facility agreement with 13 financial institutions, with Barclays Bank plc acting as Agent. This revolving facility can be drawn to an aggregate limit of £738 million and is available until 27 September 2018.

The Group also has a £250m working capital facility with Mike Ashley which can be drawn down on request. The facility was agreed at market terms at its inception and is not secured against any fixed assets. At year end no balance was due.

The Group continues to operate comfortably within its banking facilities and covenants.

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

Net debt at 26 April 2015 was £59.7m (27 April 2014: £212.0m).

24. 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 has been closed to new members since 2005.

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

	26 April 2015 (£'000)	27 April 2014 (£'000)
Total fair value of plan assets	59,939	49,498
Present value of plan liabilities	(74,808)	(64,848)
Net plan obligations	(14,869)	(15,350)
Experience adjustments on plan liabilities	7,226	(46)
Experience adjustments on plan assets	(9,719)	3,906

The cumulative amount of actuarial gains and losses recognised in other comprehensive income as at 26 April 2015 was an actuarial loss of £12,688,000 (2014: actuarial loss of £10,195,000).

There were no unrecognised actuarial gains or losses or past service costs as at 27 April 2014 or 26 April 2015.

Amounts recognised in the income statement are as follows:

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Current service cost	21	22
Net interest expense	332	547
	353	569

The current service cost is included within cost of sales. The net interest expense is included within finance costs.

Amounts recognised in other comprehensive income is as follows:

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Actual return on scheme assets excluding amounts included in net interest income	7,226	(46)
Actuarial (losses)/gains relating to plan liabilities	(9,719)	3,906
	(2,493)	3,860

The actual return on plan assets for the 52 weeks ended 26 April 2015 was a gain of £9,377,000 (2014: gain of £1,855,000).

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

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
At the start of the period	49,498	47,411
Interest income based on discount rate	2,151	1,901
Actuarial gain/(loss)	7,226	(46)
Employer contributions	2,718	2,708
Employee contributions	12	12
Benefits paid out	(1,666)	(2,488)
At the end of the period	59,939	49,498

The Group expects to contribute £2,720,000 to its defined benefit pension plans for the 52 weeks ended 24 April 2016.

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The plan asset mix was as follows:

	26 April 2015 (£'000)	27 April 2014 (£'000)
Equities	27,867	22,807
Bonds	31,503	26,313
Cash and other	569	378
	59,939	49,498

The fair values of the above investments are determined based on publicly available market prices wherever available. Unquoted investments are stated at fair value estimates provided by the manager of the investment or fund.

The principal assumptions underlying the actuarial assessments are:

	26 April 2015 (%)	27 April 2014 (%)
Inflation rate	3.2	3.4
Future pension increases	3.1	3.3
Discount rate	3.3	4.3

Mortality assumptions:

	26 April 2015	27 April 2014
Life expectancy at 65 at period end:		
Future pensioners – male	87.8	87.7
Future pensioners – female	90.3	90.2
Current pensioners – male	86.1	86.0
Current pensioners – female	88.4	88.3

Sensitivity Analysis:

	£m	% change
Liability at 26 April 2015	14.9	
Sensitivity of 0.5% increase to:		
Discount rate	(5.8)	(38.9)
Retail price inflation and salary increases	3.8	25.5
Increase in long-term mortality rate of improvement to 1.5% pa (from 1.25%)	(1.1)	(7.4)

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

	26 April 2015 (£'000)	27 April 2014 (£'000)
At the start of the period	(64,848)	(67,351)
Current service cost	(21)	(22)
Interest cost	(2,483)	(2,429)
Actuarial (loss) / gain	(9,719)	3,906
Employee contributions	(12)	(12)
Benefits paid out	1,666	2,488
Exchange gain	609	806
Acquisitions (note 29)	-	(2,234)
At the end of the period	74,808	(64,848)

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

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Net liability at the start of the period	(15,350)	(19,940)
Movement in fair value of plan assets	10,441	2,087
Movements in the present value of the plan liabilities	(9,960)	2,503
Net liability at the end of the period	(14,869)	(15,350)

In addition to the amounts recognised in relation to the defined benefit retirement plans, amounts of £1,207,000 and £1,363,000 have been recognised in the income statement for the periods ended 27 April 2014 and 26 April 2015 in relation to defined contribution retirement benefit plans.

The weighted average years duration of the defined benefit obligation at 26 April 2015 is 28.3 years (2014: 29.3 years)

25. DEFERRED TAX ASSET AND LIABILITIES

	Accounts depreciation exceeding tax depreciation (£'000)	Tax losses recoverable (£'000)	Pension plan liabilities (£'000)	Other temporary differences (£'000)	Total (£'000)
At 28 April 2013	2,400	(461)	6,601	14,434	22,974
Credited / (charged) to the income statement	2,142	(24)	(275)	(4,393)	(2,550)
Credited to the statement of other comprehensive income	-	-	(698)	(4,170)	(4,868)
Credited to reserves in respect of Share Scheme	-	-	-	(11,214)	(11,214)
Arising on acquisition	-	2,742	-	-	2,742
At 27 April 2014	4,542	2,257	5,628	(5,343)	7,084
Credited / (charged) to the income statement	5,230	4,749	(3,178)	318	7,119
Credited / (charged) to the statement of other comprehensive income	-	-	524	(17,728)	(17,204)
Credited to reserves in respect of Share Scheme	-	-	-	1,266	1,266
At 26 April 2015	9,772	7,006	2,974	(21,488)	(1,736)

	26 April 2015 (£'000)	27 April 2014 (£'000)
Deferred tax assets	38,352	31,130
Deferred tax liabilities	(40,088)	(24,046)
Net deferred tax balance	(1,736)	7,084

The tax rate used to measure the deferred tax assets and liabilities was 20% on the basis this was the tax rate that was substantively enacted at the balance sheet date.

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.

Included within other temporary differences is a deferred tax asset in relation to the Share Scheme and a deferred tax liability recognised on other intangible assets upon acquisition.

The deferred tax effects of the acquisitions made in the year were considered and it was determined that there was no material impact on the Group or the fair value of net assets acquired.

26. PROVISIONS

	Dilapidations (£'000)	Onerous contracts and other property costs (£'000)	Total (£'000)
At 27 April 2014	33,843	3,937	37,780
Amounts provided	6,291	4,349	10,640
Amounts utilised	(624)	(3,149)	(3,773)
Amounts reversed	(2,330)	(4,612)	(6,942)
At 26 April 2015	37,180	525	37,705

The dilapidations provision is the best estimate of the present value of expenditure expected to be incurred by the Group in order to satisfy its obligations to restore its leasehold premises to the condition required under the lease agreements at the end of the lease discounted at 5% 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 5% per annum. The provision is expected to be utilised over the period to the end of each specific lease.

The unwinding of the discount on provision over time passes through the income statement.

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27. 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:

	Loans and receivables (£'000)	Assets at fair value through profit and loss (£'000)	Available for sale financial assets (£'000)	Non-financial assets (£'000)	Total (£'000)
ASSETS - 2015					
Property, plant and equipment	-	-	-	422,742	422,742
Intangible assets	-	-	-	255,364	255,364
Investments in associated undertakings	-	-	-	38,133	38,133
Available-for-sale financial assets	-	-	140,795	-	140,795
Deferred tax assets	-	-	-	38,352	38,352
Inventories	-	-	-	517,054	517,054
Derivative financial assets	-	92,199	-	-	92,199
Trade and other receivables	65,335	-	-	125,391	190,726
Cash and cash equivalents	78,318	-	-	-	78,318
	143,653	92,199	140,795	1,397,036	1,773,683
ASSETS - 2014					
Property, plant and equipment	-	-	-	412,361	412,361
Intangible assets	-	-	-	255,109	255,109
Investments in associated undertakings	-	-	-	41,763	41,763
Available-for-sale financial assets	-	-	116,504	-	116,504
Deferred tax assets	-	-	-	31,130	31,130
Inventories	-	-	-	565,479	565,479
Derivative financial assets	-	4,355	-	-	4,355
Trade and other receivables	60,851	-	-	62,163	123,014
Cash and cash equivalents	151,024	-	-	-	151,024
	211,875	4,355	116,504	1,368,005	1,700,739

	Loans and payables (£'000)	Liabilities at fair value through profit and loss (£'000)	Non-financial liabilities (£'000)	Total (£'000)
LIABILITIES - 2015				
Non-current borrowings	136,849	-	-	136,849
Retirement benefit obligations	-	-	14,869	14,869
Deferred tax liabilities	-	-	40,088	40,088
Provisions	-	-	37,705	37,705
Derivative financial liabilities	-	5,629	-	5,629
Trade and other payables	170,090	-	170,846	340,936
Current borrowings	1,204	-	-	1,204
Current tax liabilities	-	-	34,852	34,852
	308,143	5,629	298,360	612,132
LIABILITIES - 2014				
Non-current borrowings	6,764	-	-	6,764
Retirement benefit obligations	-	-	15,350	15,350
Deferred tax liabilities	-	-	24,046	24,046
Provisions	-	-	37,780	37,780
Derivative financial liabilities	-	18,665	-	18,665
Trade and other payables	239,463	-	152,556	392,019
Current borrowings	356,226	-	-	356,226
Current tax liabilities	-	-	32,335	32,335
	602,453	18,665	262,067	883,185

Carrying values do not materially differ from fair value.

FAIR VALUE HIERARCHY

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

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

As at 26 April 2015, the only financial instruments held at fair value were Derivative financial assets and liabilities, which are classified as Level 2, and Available-for-sale financial assets, which are classified as Level 1 except for Highland Group Holdings, which is classified as Level 3. Highland Group Holdings is held at management's estimate of the fair value of the enterprise based on publicly available data. A 1% increase in profitability for the company would result in a £0.3m increase in value.

The valuation of Derivative financial assets and liabilities is performed using an option valuation model, based on the market data available at the balance sheet date, depending on whether the instrument is a foreign exchange or an equity derivative.

The Group has entered into a number of put options referencing listed company shares. To the extent that the market price of these shares is less than an agreed price on expiry of the put option, the Group has the right to elect whether to settle the put option by acquiring ordinary shares or, by paying the cash settlement value of the put option. Sports Direct is required to transfer cash collateral to cover its obligations under the Put Option. The amount of collateral required during the life of the Put Option can increase or decrease by reference to the underlying market price of the shares.

(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 foreign currency spot rates by using forward fixed rate currency purchase contracts, taking into account any foreign currency cash flows. The Group does not hold or issue derivative financial instruments for trading purposes, however if derivatives do not qualify for hedge accounting they are accounted for as such 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:

	26 April 2015 (£'000)	27 April 2014 (£'000)
Fair value of derivative financial instruments - assets	92,199	4,355
Fair value of derivative financial instruments – (liabilities)	(5,629)	(18,665)

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

	26 April 2015 (£'000)	27 April 2014 (£'000)
US Dollar purchases	418,561	540,349
Contracted rates	1.54 – 1.71	1.61 – 1.71

At 26 April 2015 £419m of forward US Dollar contracts qualified for hedge accounting and the gain on fair valuation of these contracts of £84m has therefore been recognised in other comprehensive income. This amount is split between a profit of £77m recognised in the period and a profit of £7m reclassified in the period.

Forward foreign currency purchase and sale contracts generally have a maturity at inception of approximately 12 months. At 26 April 2015 £419m of purchase contracts had a maturity at inception of greater than 12 months (2014: £245m of 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. The income statement figures include the profit effect of any relevant derivatives which are not in a designated cash flow hedge. The impact on US Dollar related hedging instruments is included in equity.

Positive figures represent an increase / (decrease) in profit or equity:

	Income statement		**Equity**	
	26 April 2015 (£'000)	27 April 2014 (£'000)	**26 April 2015 (£'000)**	27 April 2014 (£'000)
Sterling strengthens by 5%				
US Dollar	(774)	812	(991)	(5,205)
Euro	(1,650)	2,218	(1,650)	2,218
Sterling weakens by 5%				
US Dollar	813	(852)	1,041	5,465
Euro	1,732	(2,329)	1,732	(2,329)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 26 APRIL 2015

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:

	Income statement		Equity	
	26 April 2015 (£'000)	27 April 2014 (£'000)	**26 April 2015 (£'000)**	27 April 2014 (£'000)
Interest rate increase of 0.5%	(690)	(1,690)	(690)	(1,690)
Interest rate decrease of 0.5%	690	1,690	690	1,690

(d) LIQUIDITY RISK

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

	Less than 1 year (£'000)	1 to 2 years (£'000)	2 to 5 years (£'000)	Over 5 years (£'000)	Total (£'000)
2015					
Bank loans and overdrafts	1,204	135,277	5,677	-	142,158
Trade and other payables	170,090	-	-	-	170,090
Derivative financial liabilities					
Cash inflows	(513,393)	(118,040)	-	-	(631,433)
Cash outflows	439,416	105,447	-	-	544,863
	97,317	122,684	5,677	-	225,678
2014					
Bank loans and overdrafts	356,226	1,731	5,237	-	363,193
Trade and other payables	239,463	-	-	-	239,463
Derivative financial liabilities	-	-	-	-	-
Cash inflows	(401,718)	(105,177)	-	-	(506,895)
Cash outflows	414,776	105,263	-	-	520,039
	608,747	1,817	5,237	-	615,800

CAPITAL MANAGEMENT

The capital structure of the Group consists of equity attributable to the equity holders of the parent, compromising issued share capital, share premium and retained earnings and cash and borrowings.

It is the Group's policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the development of the business.

In respect of equity, the Board has decided that, in order to maximise flexibility in the near term with regards to a number of inorganic growth opportunities under review, not to return any cash by way of a dividend at this time.

The Board is committed to keeping this policy under review and to looking to evaluate alternative methods of returning cash to shareholders when appropriate.

The objective of the Share Scheme is to encourage employee share ownership and to link employee's remuneration to the performance of the Company. It is not designed as a means of managing capital.

In respect of cash and borrowings the Board regularly monitors the ratio of net debt to underlying EBITDA, the working capital requirements and forecasted cash flows however no minimum or maximum ratios are set. The ratio for net debt to reported underlying EBITDA , excluding charges for the Share Schemes, is 0.16 (2014: 0.64). The objective is to keep this figure below 2.5.

Based on this analysis, the Board determines the appropriate return to equity holders whilst ensuring sufficient capital is retained within the Group to meet its strategic objectives, including but not limited to, acquisition opportunities.

These capital management policies have remained unchanged from the prior year.

28. TRADE AND OTHER PAYABLES

	26 April 2015 (£'000)	27 April 2014 (£'000)
Trade payables	170,090	239,463
Amounts owed to related undertakings	191	22
Other taxes including social security costs	31,365	22,230
Other payables	17,479	10,263
Accruals	121,811	120,041
	340,936	392,019

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

29. CASH INFLOW FROM OPERATING ACTIVITIES

	52 weeks ended	
	26 April 2015 (£'000)	27 April 2014 (£'000)
Profit before taxation	313,446	239,452
Net finance costs	(802)	18,962
Other investment income	(14,104)	(7,017)
Share of profits of associated undertakings	(2,959)	(2,266)
Operating profit	295,581	249,131
Depreciation*	62,924	56,963
Amortisation*	12,725	6,832
Impairment	5,314	5,815
Profit on disposal of intangibles	107	-
Defined benefit pension plan current service cost	21	22
Defined benefit pension plan employer contributions	(2,718)	(2,708)
Share-based payments	10,105	11,927
Operating cash inflow before changes in working capital	384,059	327,982
Increase in receivables	(66,368)	(18,241)
Decrease/(increase) in inventories	49,320	(52,521)
Decrease in payables	(52,349)	(34,435)
Cash inflows from operating activities	314,662	222,785

*£13,300,000 of depreciation and amortisation is included within Exceptional items.

30. OPERATING LEASE ARRANGEMENTS

As at 26 April 2015 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	26 April 2015 (£'000)	27 April 2014 (£'000)
LAND AND BUILDINGS		
Within one year	121,749	99,041
In the second to fifth years inclusive	397,054	329,163
After five years	330,118	242,297
	848,921	670,501

The leases have varying terms, escalation clauses and renewal rights. There are no clauses in relation to restrictions concerning dividends, additional debt and further leasing within our portfolio. Contingent rents are payable on certain store leases based on store revenue. For those leases that are turnover-related leases, the annual net lease commitment is calculated using the estimated lease liability and any changes in the rental charge are accounted for when known. Amounts of £1,598,000 (2014: £2,213,762) were charged to the income statement in relation to contingent rent.

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 26 April 2015 was £4,832,000 (2014: £6,118,000).

As at 26 April 2015, the Group had contracts with sub-tenants for the following future minimum lease rentals:

	26 April 2015 (£'000)	27 April 2014 (£'000)
LAND AND BUILDINGS		
Within one year	3,249	5,800
In the second to fifth years inclusive	10,847	17,812
After five years	10,136	22,388
	24,231	46,000

31. CAPITAL COMMITMENTS

The Group had capital commitments of £26,899,000 as at 26 April 2015 (2014: £Nil) in relation to the construction of our Shirebrook warehouse.

32. CONTINGENT ASSETS AND LIABILITIES

There were no material contingent assets or liabilities at the balance sheet date.

33. RELATED PARTY TRANSACTIONS

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.

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

52 weeks ended 26 April 2015

	Relationship	Sales (£'000)	Purchases (£'000)	Trade and other receivables (£'000)	Trade and other payables (£'000)
RELATED PARTY					
Heatons	Associate	29,472	-	4,926	-
The Flannels Group Limited	Subsidiary	18,814	19,825	4,865	1,246
Brasher Leisure Limited	Associate	12,482	-	5,057	-
MST Sports	Subsidiary	329	-	7,699	-
Rangers Retail Limited	Subsidiary	3,834	-	441	-
Robinsons Country Leisure Limited	Subsidiary	231	482	3,251	-
Sondico Professional Limited	Subsidiary	70	1,061	2,691	-
Newcastle United Football Club	Connected persons	2,412	-	205	-
Yeomans Outdoors Limited	Subsidiary	38	-	3,027	-
Heaven or Hell Limited	Subsidiary	2,152	-	2,581	-
Queensdown Associates Limited	Associate	981	-	1,149	-

52 weeks ended 27 April 2014

	Relationship	Sales (£'000)	Purchases (£'000)	Trade and other Receivables (£'000)	Trade and other payables (£'000)
RELATED PARTY					
Heatons	Associate	28,759	-	5,271	-
The Flannels Group Limited	Subsidiary	15,601	13,414	9,898	-
Brasher Leisure Limited	Associate	11,508	209	2,179	-
MST Sports	Subsidiary	270	-	2,768	-
Rangers Retail Limited	Subsidiary	3,843	-	234	-
Robinsons Country Leisure Limited	Subsidiary	83	61	1,816	-
Sondico Professional Limited	Subsidiary	54	678	1,370	109
Newcastle United Football Club	Connected persons	3,395	-	337	-
Yeomans Outdoors Limited	Subsidiary	30	-	2,884	-
Heaven or Hell Limited	Subsidiary	2,850	661	2,587	-
Queensdown Associates Limited	Associate	823	-	948	-

On 6th October 2014, the Group made a drawdown of £40 million on the £250 million loan facility that is held with Mike Ashley through his wholly owned entity Mash Holdings Limited. This was fully repaid on 20th October 2014.

The Group made further drawdowns of £50 million and £80 million on 31st October and 26th November 2014 respectively and made repayments of £90 million on 7th April 2015 and £40 million on 22nd April 2015. At the year end date no balance was due.

The Group has agreements with Rangers Retail Limited and Newcastle United Football Club, amongst other football clubs, whereby the Group provides procurement and warehousing services on behalf of the club. All sales are received directly by the clubs and sales disclosed above relate solely to goods bought from the Group at cost plus a small handling fee.

All related party transactions were undertaken on an arms length basis.

	26 April 2015 (£'000)	27 April 2014 (£'000)
KEY MANAGEMENT, EXECUTIVE AND NON-EXECUTIVE DIRECTOR COMPENSATION		
Salaries and short-term benefits	1,382	1,435
Share-based payments	988	2,003
Total	2,370	3,438

34. ULTIMATE CONTROLLING PARTY

The Group is controlled by Mike Ashley through his 100% shareholding in MASH Beta Limited and MASH Holdings Limited, which own 303,507,460 (50.71% of the issued ordinary share capital of the Company) and 26,492,540 (4.43% of the issued ordinary share capital of the Company) ordinary shares respectively.

35. POST BALANCE SHEET EVENTS

There were no material post balance sheet events after 26 April 2015 up to the date of signing of these accounts.

36. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings of the Company at 26 April 2015 were as follows:

NAME	COUNTRY OF INCORPORATION	COMPANY NUMBER	PERCENTAGE OF ISSUED SHARE CAPITAL HELD
3237303 Canada Inc	Canada	3237303	100
Acre 653 Limited	England & Wales	4579745	100
Activator Brands Limited	England & Wales	5344658	100
Activator Products Limited	England & Wales	4204611	100
Active Apparel New Corp	United States	3270168	100
American Fitness Products Inc	United States	366835	100
Antigua Enterprises Inc.	United States	26660	100
AP Brands Holdings Ltd	Malaysia	4921-A	100
Beauty Brand Management Limited	England & Wales	5258421	100
Bellatrix Associates Limited	Isle of Man	111671C	100
Bellatrix Holdings Unlimited	Isle of Man	111670C	100
Brands & Fashion NV	Belgium	0477-995-412	100
Brands 001 Limited	England & Wales	5347540	100
Brands Africa Limited	England & Wales	6836765	100
Brands Holdings Limited	England & Wales	4087435	100
Brands Inc Limited	England & Wales	3585719	100
Cafico - Comercio de Artigos de Desportos S.A.	Portugal	503751804	50
Campri Limited	England & Wales	5398677	100
Carlton Shuttlecocks Limited	England & Wales	480582	100
Carlton Sports Company Limited	England & Wales	467686	100
CDS IP SA	Belgium	406461077	100
Climber & Rambler Limited	England & Wales	3938618	100
Cruise Clothing Limited	Scotland	SC382991	100
David Geoffrey & Associates (UK) Limited	England & Wales	670530	100
Direct Fishing Limited	England & Wales	8203469	100
Donnay International N.V.	Belgium	435392220	100
DSGL Sponsorship Limited	England & Wales	9395468	100
Dunlop Australia Limited	England & Wales	9217409	100
Dunlop Brands Limited	England & Wales	5794296	100
Dunlop Footwear Limited	England & Wales	571672	100

Dunlop International Limited	England & Wales	4825179	100
Dunlop Licensing Limited	England & Wales	6836773	100
Dunlop Slazenger (ESOP) Limited	England & Wales	3408468	100
Dunlop Slazenger (Far East) Sdn Bhd	Malaysia	207037-T	100
Dunlop Slazenger (HK) Limited	Hong Kong	65306	100
Dunlop Slazenger (Philippines) Inc	Phillippines	SEC160084	100
Dunlop Slazenger 1902 Limited	England & Wales	4983558	100
Dunlop Slazenger Group Holdings Limited	England & Wales	4061715	100
Dunlop Slazenger Group Limited	England & Wales	3097977	100
Dunlop Slazenger Holdings Inc.	United States	2596048	100
Dunlop Slazenger Holdings Limited	England & Wales	3139917	100
Dunlop Slazenger International Limited	England & Wales	776384	100
Dunlop Slazenger International SA	France	39281229300034	100
Dunlop Slazenger Limited	England & Wales	2030941	100
Dunlop Slazenger Limited	Hong Kong	2002	100
Dunlop Slazenger Sports (Singapore) PTE Limited	Singapore	198203096N	100
Dunlop Slazenger Trust Company Limited	England & Wales	3151573	100
Dunlop Sport GmbH	Germany	HRB5726	100
Dunlop Sports Company Limited	England & Wales	429750	100
Dunlop Sports Group Americas Inc	United States	2047393	100
Eastchance Limited	Hong Kong	174348	100
Etail Services Limited	England & Wales	5146997	100
European Branded Clearance Company Limited	England & Wales	4359910	100
Everlast Australia Limited	England & Wales	8103912	100
Everlast Fitness Mfg. Corp	United States	121961 (43-0865535)	100
Everlast Sports International Inc. Corp	United States	13-2811380	100
Everlast Sports Mfg. Corp	United States	13-1804772	100
Everlast World Boxing Headquarters Corporation	United States	13-1804773	100
Everlast Worldwide Acquisitions Inc.	United States	4379232	100
Everlast Worldwide Inc	United States	13-3672716	100
Exsports Limited	England & Wales	2779040	100
Feniger And Blackburn Limited	England & Wales	639594	100
Field & Trek (UK) Ltd	England & Wales	5622577	100
Field & Trek.Com Limited	England & Wales	3943377	100
Firetrap Limited	England & Wales	6836684	100
Forever Media Limited	England & Wales	8249185	100
Forever Sports Limited	England & Wales	9489811	100
Gaelic Boots Limited	ROI	520868	100
Gelert IP Limited	England & Wales	8576185	100
Gelert Limited	England & Wales	8576204	100
Golddigga Brands Limited	England & Wales	6636173	100
Goudie Squash International Limited	England & Wales	980461	100
Gradidges Limited	England & Wales	278122	100
Graduate Clothing Limited	England & Wales	2511038	91
Gul IP Limited	England & Wales	8612478	100
Gul Watersports Limited	England & Wales	7589716	100
Heatons Limited	Ireland	11229	50
Heaven or Hell Limited	England & Wales	5899282	51
HK Sports & Golf Aktiebolag	Sweden	556510-8189	100
Hot Tuna IP Limited	England & Wales	6836792	100
IBML Brand Services SA (Pty) Limited	South Africa	2006/016700/07	100
International Brand Management Limited	England & Wales	5142123	100
James Lillywhites Limited	England & Wales	118840	100
Kangol Holdings Limited	England & Wales	3317738	100

Kangol Limited	England & Wales	3343793	100
Kangol Trustees Limited	England & Wales	3505512	100
Karrimor Limited	England & Wales	5215974	100
La Jolla (UK) Limited	England & Wales	5737550	100
Lillywhites Limited	England & Wales	290939	100
Litesome Sportswear Limited	England & Wales	207867	100
Lonsdale Australia Limited	England & Wales	7665885	100
Lonsdale Boxing Limited	England & Wales	3912303	100
Lonsdale Sports Limited	England & Wales	4430781	100
Masters Holders Limited	England & Wales	8787718	100
Megavalue.com Limited	England & Wales	9544685	100
Megavaluedirect.com Limited	England & Wales	9545879	100
Mississippi Manufacturing LLC	United States	3470413	100
MST Sports Retail Sdn Bhd	Malaysia	925116-M	51
Muddyfox Limited	England & Wales	4187350	100
NDS ehf	Iceland	6301121760	100
Nevica IP Limited	England & Wales	6836778	100
No Fear Brand Limited	England & Wales	5568043	100
No Fear International Limited	England & Wales	5532482	100
No Fear USA limited	England & Wales	7712470	100
Oldco 10 Limited	England & Wales	5541144	100
Olympus Ventures Limited	England & Wales	3945752	100
Outdoor Sports Direct Limited	England & Wales	2780756	100
P W P Sportbase Limited	England & Wales	1933891	100
Paddle Sport Limited	England & Wales	6836690	100
Propeller (HK) Limited	Hong Kong	415094	100
Propeller (U.K.) Limited	England & Wales	2770207	100
Queensberry Boxing IP Limited	England & Wales	7929363	100
Queensberry Rules Limited	England & Wales	6723660	100
Rangers Retail Limited	England & Wales	8142409	74
Rangers Retail Rights Limited	England & Wales	9210817	100
Republic IP Limited	England & Wales	5635015	100
Republic.com Retail Limited	England & Wales	8248997	100
Robinsons Country Leisure Limited	England & Wales	1204722	51
S&B Brands Limited	England & Wales	5635585	100
SD Equestrian Limited	England & Wales	8692780	100
SD Outdoor IP Limited	England & Wales	8560252	100
SD Outdoor Limited	England & Wales	8560260	51
SDB 2 S.A.	Belgium	0848.964.388	100
SDI (Aberwystwyth) Limited	England & Wales	2789996	100
SDI (Aintree) Limited	England & Wales	3352462	100
SDI (Ashford) Limited	England & Wales	7848460	100
SDI (Ashington) Limited	England & Wales	7849231	100
SDI (Ayr) Limited	England & Wales	5528267	100
SDI (Bangor) Limited	England & Wales	5529705	100
SDI (Barrow in Furness) Limited	England & Wales	7851574	100
SDI (Basildon) Limited	England & Wales	8512592	100
SDI (Beddgelert) Limited	England & Wales	8577551	100
SDI (Berwick) Limited	England & Wales	2739957	100
SDI (Betws-y-Coed) Limited	England & Wales	6836673	100
SDI (Birkenhead) Limited	England & Wales	7849198	100
SDI (Bishop Auckland) Limited	England & Wales	3004246	100
SDI (Bridgwater) Limited	England & Wales	7852061	100
SDI (Brook EU) Limited	England & Wales	9336830	100

SDI (Brook ROW) Limited	England & Wales	9336806	100
SDI (Brook UK) Limited	England & Wales	9340379	100
SDI (Burton) Limited	England & Wales	8495632	100
SDI (Carlisle) Limited	England & Wales	7851959	100
SDI (Chatham) Limited	England & Wales	6836679	100
SDI (Clacton) Limited	England & Wales	7852078	100
SDI (Colchester) Limited	England & Wales	5632790	100
SDI (Dunfermline) Limited	England & Wales	8483679	100
SDI (East Kilbride) Limited	England & Wales	6656368	100
SDI (Epsom) Limited	England & Wales	6372181	100
SDI (Exmouth) Limited	England & Wales	6328505	100
SDI (Fulham) Limited	England & Wales	7852037	100
SDI (Gainsborough) Limited	England & Wales	6338907	100
SDI (Galashiels) Limited	England & Wales	7852091	100
SDI (Gloucester) Limited	England & Wales	7852067	100
SDI (Hartlepool) Limited	England & Wales	8972499	100
SDI (Hastings) Limited	England & Wales	8625893	100
SDI (Hofco) Limited	England & Wales	8319960	100
SDI (Ivy) 1 Limited	England & Wales	9127160	100
SDI (Ivy) 2 Limited	England & Wales	9127316	100
SDI (Ivy) 3 Limited	England & Wales	9127170	100
SDI (Ivy) 4 Limited	England & Wales	9127387	100
SDI (Ivy) 5 Limited	England & Wales	9127295	100
SDI (Ivy) 6 Limited	England & Wales	9127266	100
SDI (Ivy) 7 Limited	England & Wales	9127286	100
SDI (Ivy) 8 Limited	England & Wales	9127300	100
SDI (Keighley) Limited	England & Wales	6260239	100
SDI (Kendal) Limited	England & Wales	6338918	100
SDI (Kidderminster) Limited	England & Wales	9203731	100
SDI (Kilmarnock) Limited	England & Wales	7853433	100
SDI (Kirkcaldy) Limited	England & Wales	7852097	100
SDI (Leeds) Limited	England & Wales	9293515	100
SDI (Lowestoft) Limited	England & Wales	7852265	100
SDI (Neath) Limited	England & Wales	7853548	100
SDI (New Cavendish Street) Limited	England & Wales	6306917	100
SDI (Newark) Limited	England & Wales	7853470	100
SDI (Newport) Limited	England & Wales	8679118	100
SDI (Newton Abbot) Limited	England & Wales	6836666	100
SDI (Northampton) Limited	England & Wales	7852272	100
SDI (Nuneaton) Limited	England & Wales	7852249	100
SDI (Oswestry) Limited	England & Wales	7852363	100
SDI (Paisley) Limited	England & Wales	2933408	100
SDI (Penzance) Limited	England & Wales	7852297	100
SDI (Peterlee) Limited	England & Wales	7852401	100
SDI (Plymouth) Limited	England & Wales	9470468	100
SDI (Poole) Limited	England & Wales	5656295	100
SDI (Ramsgate) Limited	England & Wales	7852250	100
SDI (Redcar) Limited	England & Wales	2731452	100
SDI (Rolle St) Limited	England & Wales	7852669	100
SDI (Scarborough) Limited	England & Wales	6328463	100
SDI (Scunthorpe) Limited	England & Wales	7852055	100
SDI (Slough) Limited	England & Wales	7852417	100
SDI (Southampton) Limited	England & Wales	8512480	100
SDI (St Austell) Limited	England & Wales	7852284	100
SDI (St Helens) Limited	England & Wales	7852281	100

SDI (Stafford) Limited	England & Wales	8568681	100
SDI (Stoke Longton) Limited	England & Wales	7853877	100
SDI (Stoke Newington) Limited	England & Wales	7852207	100
SDI (Strood) Limited	England & Wales	7852251	100
SDI (Sunderland) Limited	England & Wales	8755347	100
SDI (Taunton) Limited	England & Wales	7852191	100
SDI (The Lion Hotel) Limited	England & Wales	6836880	100
SDI (Wakefield) Limited	England & Wales	8483711	100
SDI (Walsall) Limited	England & Wales	7852289	100
SDI (Weymouth) Limited	England & Wales	6716652	100
SDI (Wigan) IP Limited	England & Wales	6835407	100
SDI (Wigan) Retail Limited	England & Wales	8208933	100
SDI (Wishaw) Limited	England & Wales	6656365	100
SDI (Worksop) Limited	England & Wales	9310031	100
SDI Fitness (Armagh) Limited	England & Wales	9038768	100
SDI Fitness (Bedford) Limited	England & Wales	9038839	100
SDI Fitness (Belfast) Limited	England & Wales	9038724	100
SDI Fitness (Birmingham) Limited	England & Wales	9038982	100
SDI Fitness (Bury St Edmunds) Limited	England & Wales	9038949	100
SDI Fitness (Cambridge) Limited	England & Wales	9038881	100
SDI Fitness (Cheltenham) Limited	England & Wales	9039840	100
SDI Fitness (Chester) Limited	England & Wales	9038943	100
SDI Fitness (Colchester) Limited	England & Wales	9039011	100
SDI Fitness (Croydon) Limited	England & Wales	9039243	100
SDI Fitness (Dartry) Limited	England & Wales	9039023	100
SDI Fitness (Epsom) Limited	England & Wales	9039043	100
SDI Fitness (Fareham) Limited	England & Wales	9039057	100
SDI Fitness (Formby) Limited	England & Wales	9039895	100
SDI Fitness (Glasgow) Limited	England & Wales	9038811	100
SDI Fitness (Guildford) Limited	England & Wales	9039269	100
SDI Fitness (Hove) Limited	England & Wales	9039030	100
SDI Fitness (Huntingdon) Limited	England & Wales	9039881	100
SDI Fitness (K Heath) Limited	England & Wales	9039717	100
SDI Fitness (K Lynn) Limited	England & Wales	9039847	100
SDI Fitness (Kettering) Limited	England & Wales	9039852	100
SDI Fitness (Lincoln City) Limited	England & Wales	9039331	100
SDI Fitness (Lincoln South West) Limited	England & Wales	9039319	100
SDI Fitness (Liverpool) Limited	England & Wales	9039347	100
SDI Fitness (Maidstone) Limited	England & Wales	9039343	100
SDI Fitness (Manchester) Limited	England & Wales	9039339	100
SDI Fitness (Milngavie) Limited	England & Wales	9039510	100
SDI Fitness (Newark) Limited	England & Wales	9039640	100
SDI Fitness (Northfield) Limited	England & Wales	9039412	100
SDI Fitness (Poole) Limited	England & Wales	9039481	100
SDI Fitness (Rugby) Limited	England & Wales	9039408	100
SDI Fitness (Sale) Limited	England & Wales	9039405	100
SDI Fitness (Salisbury) Limited	England & Wales	9039429	100
SDI Golf Limited	England & Wales	9083512	100
SDI Lifestyle Limited	England & Wales	8293614	80
SDI Newco N.10 Limited	England & Wales	8578776	100
SDI Newco No.2 Limited	England & Wales	8158699	100
SDI Newco No.4 Limited	England & Wales	8249185	100
SDI Newco No.5 Limited	England & Wales	9062747	100
SDI Newco No.8 Limited	England & Wales	8612647	100

SDI Newco No.9 Limited	England & Wales	8576472	100
SDI Newco Shire Limited	England & Wales	8177495	100
SDI Properties (USA) Inc.	United States	535872	100
SDI Properties (Wigan) Limited	England & Wales	6836522	100
SDI Property Limited	England & Wales	2767493	100
SDI Retail Services Limited	England & Wales	8143303	100
SDI Retailing Limited	England & Wales	9283231	100
SDI Shirebrook DC Limited	England & Wales	2963189	100
SDI Shirebrook Limited	England & Wales	3016549	100
SDI Shirebrook Shop Limited	England & Wales	3018210	100
SDI.com Fitness Parent Limited	England & Wales	9082454	100
SDIL S.A.	Belgium	810.198.636	100
Serverange Limited	England & Wales	2997208	100
SIA Sportland	Latvia	40003530961	60
Ski and Outdoor Warehouse Limited	England & Wales	2917223	100
Slazengers Australia Limited	England & Wales	9217319	100
Slazengers Limited	England & Wales	116000	100
Smith & Brooks (Germany) Limited	England & Wales	5427463	100
Smith & Brooks (India) Limited	England & Wales	2964528	100
Smith & Brooks Limited	England & Wales	2073720	100
Smith And Brooks Group Limited	England & Wales	4079331	100
Smith And Brooks Holdings Limited	England & Wales	4983573	100
SNÖ Sport Vertriebs GmbH	Austria	272671 m	100
Sondico IP Limited	England & Wales	6546121	100
Sondico Professional Limited	England & Wales	7258332	51
Sport Eybl & Sports Experts Logistikbetriebs GmbH	Austria	96024 m	100
Sport Eybl Holding GmbH	Austria	180095 x	100
Sportland Eestie A.S.	Estonia	10677712	60
Sportland International Group A.S.	Estonia	10993195	60
Sports Commission Limited	England & Wales	4824491	100
Sports Direct Brands Limited	England & Wales	6026039	100
Sports Direct Estonia A.S.	Estonia	12495656	60
Sports Direct Holdings Limited	England & Wales	6464317	100
Sports Direct Hong Kong Holdings Ltd	Hong Kong	1216339	100
Sports Direct International Holdings Limited	England & Wales	6027131	100
Sports Direct Retail Limited	England & Wales	6026013	100
Sports Essentials Limited	England & Wales	4409470	100
Sports World International Limited	England & Wales	6531266	100
Sports World The Netherlands B.V.	Netherlands	34056291	100
Sportsdirect.com Austria GmbH	Austria	309738 y	100
Sportsdirect.com Belgium S.A.	Belgium	416.268.471	100
Sportsdirect.com Cyprus Limited	Cyprus	HE 230340	100
Sportsdirect.com Czech Republic s.r.o.	Czech Republic	24268933	100
Sportsdirect.com Fitness Limited	England & Wales	9028577	100
Sportsdirect.com France	France	FR27379062813 RCS379062813	100
Sportsdirect.com Hungary Kft	Hungary	01-09-986824	100
Sportsdirect.com Immobilien GmbH	Austria	104151 p	100
Sportsdirect.com Luxembourg	Luxembourg	2700 3200 297	100
Sportsdirect.com Media Limited	England & Wales	9127526	100
Sportsdirect.com Poland S.p. z.o.o.	Poland	452610	100
Sportsdirect.com Pty Ltd	Australia	603 187 319	100
Sportsdirect.com Retail (Europe) S.A.	Belgium	458883046	100
Sportsdirect.com Retail Limited	England & Wales	3406347	100

Sportsdirect.com Slovakia s.r.o.	Slovakia	47 240 458	100
Sportsdirect.com SLVN d.o.o.	Slovenia	1198157000	100
Sportsdirect.com Spain S.L.U.	Spain	B-86567880	100
Sportsdirect.com Switzerland A.G.	Switzerland	CHE-331.683.991	100
SSG Sport GmbH (SSD)	Germany	HRB 7134	100
Sterling Resources (Holdings) Limited	England & Wales	4651701	100
Sterling Resources Limited	England & Wales	1413254	100
Stirlings (Argyle Street) Limited	Scotland	SC088108	100
Straub Corporation Limited	England & Wales	3003584	100
Summercombe 167 Ltd	England & Wales	6217909	100
SWImmo Eupen SA	Belgium	878673906	100
Table Tennis Pro Europe Limited	England & Wales	5003853	100
Talisway Limited	Hong Kong	323181	100
The Antigua Group Inc	United States	0734679-4	100
The Flannels Group Limited	England & Wales	2318510	51
The Trademark Licensing Company Limited	England & Wales	4477829	100
Total Estates Limited	England & Wales	4958214	100
UAB Sportland LT	Lithuania	135039836	51
Universal Cycles Limited	England & Wales	1339667	100
UP Brands Limited	England & Wales	6521633	100
USA Pro IP Limited	England & Wales	6497914	100
USC IP Limited	England & Wales	6836808	100
USC.co.uk Retail Limited	England & Wales	8617068	100
Used Tackle Limited	England & Wales	7989154	100
Van Mildert (Lifestyle) Limited	England & Wales	8319959	100
Visionfigure Limited	England & Wales	2951233	100
Voodoo Dolls Brand Limited	England & Wales	5323305	100
Waterline Angling Products Limited	England & Wales	2696374	100
West Coast Capital (HOFCO) Limited	Scotland	SC437614	100
Westminster Manufacturing LLC	United States	44358	100
Wildlaw Limited	England & Wales	4571678	100
William Sykes Limited	England & Wales	123229	100
World of Service International Limited	England & Wales	1202465	51
World of Service Limited	England & Wales	6020729	51
Worthyfund Limited	England & Wales	2955978	100
Y.U.V. Limited	England & Wales	9350127	100
Yeomans Outdoors Limited	England & Wales	8058714	51

On 13th January 2015 one of the Group's subsidiary entities, West Coast Capital (USC) Limited, went into administration. The assets of the business were subsequently purchased by Republic.com Retail Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 26 APRIL 2015

Sports Direct International plc will provide a parental guarantee for the following United Kingdom incorporated subsidiaries thus entitling them to exemption from statutory audit under section 479A of the Companies Act 2006.

NAME	COMPANY NUMBER	COMPANY NAME	COMPANY NUMBER
Direct Fishing Limited	08203469	SDI (Leeds) Limited	09293515
Dunlop Australia Limited	09217409	SDI (Lowestoft) Limited	07852265
Everlast Australia Limited	08103912	SDI (Neath) Limited	07853548
Gelert IP Limited	08576185	SDI (New Cavendish Street) Limited	06306917
Gul IP Limited	08612478	SDI (Newark) Limited	07853470
Hot Tuna IP Limited	06836792	SDI (Newport) Limited	08679118
SD Equestrian Limited	08692780	SDI (Newton Abbot) Limited	06836666
SD Outdoor IP Limited	08560252	SDI (Northampton) Limited	07852272
SDI (Aberwystwyth) Limited	02789996	SDI (Nuneaton) Limited	07852249
SDI (Aintree) Limited	03352462	SDI (Oswestry) Limited	07852363
SDI (Ashford) Limited	07848460	SDI (Paisley) Limited	02933408
SDI (Ashington) Limited	07849231	SDI (Penzance) Limited	07852297
SDI (Ayr) Limited	05528267	SDI (Peterlee) Limited	07852401
SDI (Bangor) Limited	05529705	SDI (Plymouth) Limited	09470468
SDI (Barrow in Furness) Limited	07851574	SDI (Ramsgate) Limited	07852250
SDI (Basildon) Limited	08512592	SDI (Redcar) Limited	02731452
SDI (Beddgelert) Limited	08577551	SDI (Rolle St) Limited	07852669
SDI (Berwick) Limited	02739957	SDI (Scarborough) Limited	06328463
SDI (Betws-y-Coed) Limited	06836673	SDI (Scunthorpe) Limited	07852055
SDI (Birkenhead) Limited	07849198	SDI (Slough) Limited	07852417
SDI (Bishop Auckland) Limited	03004246	SDI (Southampton) Limited	08512480
SDI (Bridgwater) Limited	07852061	SDI (St Austell) Limited	07852284
SDI (Burton) Limited	08495632	SDI (St Helens) Limited	07852281
SDI (Carlisle) Limited	07851959	SDI (Stafford) Limited	08568681
SDI (Chatham) Limited	06836679	SDI (Stoke Longton) Limited	07853877
SDI (Clacton) Limited	07852078	SDI (Stoke Newington) Limited	07852207
SDI (Colchester) Limited	05632790	SDI (Strood) Limited	07852251
SDI (Dunfermline) Limited	08483679	SDI (Sunderland) Limited	08755347
SDI (East Kilbride) Limited	06656368	SDI (Taunton) Limited	07852191
SDI (Fulham) Limited	07852037	SDI (Wakefield) Limited	08483711
SDI (Gainsborough) Limited	06338907	SDI (Walsall) Limited	07852289
SDI (Galashiels) Limited	07852091	SDI (Weymouth) Limited	06716652
SDI (Gloucester) Limited	07852067	SDI (Wishaw) Limited	06656365
SDI (Hartlepool) Limited	08972499	SDI (Worksop) Limited	09310031
SDI (Hastings) Limited	08625893	SDI Golf Limited	09083512
SDI (Keighley) Limited	06260239	SDI Property Limited	02767493
SDI (Kendal) Limited	06338918	SDI Retail Services Limited	08143303
SDI (Kidderminster) Limited	09203731	SDI.com Fitness Parent Limited	09082454
SDI (Kilmarnock) Limited	07853433	Slazengers Australia Limited	09217319
SDI (Kirkcaldy) Limited	07852097	Stirlings (Argyle Street) Limited	SC088108

INDEPENDENT AUDITORS REPORT

We have audited the parent company Financial Statements of Sports Direct International PLC for the 52 week period ended 26 April 2015 which comprise the parent company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the parent company Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the parent company Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 26 April 2015;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OTHER MATTER

We have reported separately on the Group Financial Statements of Sports Direct International PLC for the 52 week period ended 26 April 2015.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Directors' Report for the financial period for which the Financial Statements are prepared is consistent with the parent company Financial Statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Philip Westerman

Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

16 July 2015

COMPANY BALANCE SHEET

AT 26 APRIL 2015

	Notes	2015 (£'000)	2014 (£'000)
FIXED ASSETS			
Investments	2	1,083,119	1,077,408
CURRENT ASSETS			
Debtors	3	25,513	14,984
Cash at bank and in hand		1,418	186
		26,931	15,170
Creditors: amounts falling due within one year.	4	(112,488)	(114,018)
Net current liabilities		(85,557)	(98,848)
Net assets		997,562	978,560
CAPITAL AND RESERVES			
Called up share capital	5	64,060	64,060
Share premium	6	874,300	874,300
Treasury shares reserve	6	(56,234)	(56,234)
Permanent contribution to capital	6	50	50
Capital redemption reserve	6	8,005	8,005
Own share reserve	6	(13,251)	(13,251)
Profit and loss account	6	120,632	101,630
Shareholders' funds	7	997,562	978,560

The accompanying accounting policies and notes form part of these Financial Statements.

The Financial Statements were approved by the Board on 16 July 2015 and were signed on its behalf by:

Dave Forsey
Chief Executive

Company number: 06035106

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 26 APRIL 2015

1. ACCOUNTING POLICIES
ACCOUNTING POLICIES
These accounts have been prepared in accordance with applicable United Kingdom accounting standards. A summary of the material accounting policies adopted are described below.

BASIS OF ACCOUNTING
The accounts have been prepared under the historical cost convention.

As permitted by Section 408 of the Companies Act 2006, a profit and loss account of the Company is not presented. The Company's profit after taxation for the 52 week period 26 April 2015 was £1,824,000 (2014: £417,000 loss).

INVESTMENTS
Fixed asset investments are stated at cost less any provision for impairment.

LOANS AND RECEIVABLES
Loans and receivables are recognised initially at fair value plus transaction costs less provision for impairment. Provision for impairment is established when there is objective evidence that the company will not be able to collect amounts due according to the original terms of the receivable.

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 method.

EMPLOYEE BENEFIT TRUST
An Employee Benefit Trust has been established for the purposes of satisfying certain share-based awards. The Group has 'de facto' control over the special purpose entity. The Trust is fully consolidated within the accounts.

The cost of shares acquired by the Sports Direct Employee Benefit Trust is recognised within 'Own share-reserve' in equity.

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 more unlikely than not.

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 recognised 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 Section 612 of the Companies Act 2006, 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 contained in FRS 8 and has therefore not disclosed transactions or balances with wholly-owned subsidiaries which form part of the Group.

SHARE-BASED PAYMENTS
The Company has applied the requirements of FRS 20, "Share-based Payments". The Company issues equity-settled share-based payments to certain Directors and employees of the Company and its subsidiaries.

The fair value of the share options on the date of the grant is charged to the profit and loss account over the vesting period of the share option, based on the number of options which are expected to become exercisable. A corresponding adjustment is made to equity. At each balance sheet date the company revises its estimates of the number of options that are expected to become exercisable and recognises the impact of any revision of original estimates in the profit and loss account.

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. A share-based payment charge of £10,110,000 was recognised for the 52 weeks ended 26 April 2015 based on the Directors' best estimate of the number of shares that will vest. £9,901,000 of this share-based payment was recharged to subsidiary undertakings of the Company.

2. INVESTMENTS

	2015 (£'000)
As at 27 April 2014	1,077,408
ADDITIONS:	
Listed investments	45,020
Capital contribution in subsidiary	5,711
DISPOSALS:	(45,020)
As at 26 April 2015	1,083,119

None of the Company's investments at 26 April 2015 are listed.

The Company is the principal holding company of the Group. The principal subsidiary undertakings of the Company are set out in note 36 to the Group Financial Statements.

During the year the company acquired and disposed of £45,020,000 of shares in Debenhams plc.

3. DEBTORS

	2015 (£'000)	2014 (£'000)
Amounts owed by Group undertakings	318	318
Other debtors	20,891	14,512
Other taxes and social security costs	126	154
Prepayments	4,178	-
	25,513	14,984

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 (£'000)	2014 (£'000)
Trade creditors	424	741
Amounts owed to Group undertakings	111,567	112,554
Accruals	476	723
Other taxes and social security costs	21	-
	112,488	114,018

5. CALLED UP SHARE CAPITAL

	2015 (£'000)	2014 (£'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		
640,602,369 (2014: 640,602,369) ordinary shares of 10p each	64,060	64,060
SHARE CAPITAL		
At 27 April 2014 and 26 April 2015	64,060	64,060

6. RESERVES

	Share premium account (£'000)	Treasury share reserve (£'000)	Permanent contribution to capital (£'000)	Capital redemption reserve (£'000)	Own share reserve (£'000)	Profit and loss account (£'000)
At 27 April 2014	874,300	(56,234)	50	8,005	(13,251)	101,630
Profit for the financial period	-	-	-	-	-	1,824
Share based payments	-	-	-	-	-	17,178
At 26 April 2015	874,300	(56,234)	50	8,005	(13,251)	120,632

The Company holds 42,137,508 ordinary shares in Treasury.

7. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS

	2015 (£'000)
Opening shareholders' funds	978,560
Profit for the financial period	1,824
Share based payments	17,178
Closing shareholders' funds	997,562

8. POST BALANCE SHEET EVENTS

No material post balance sheet events occurred after 26 April 2015 to the date of this Annual Report.

CONSOLIDATED FIVE YEAR RECORD

UNAUDITED INCOME STATEMENT

	52 weeks ended 26 April 2015 (£'000)	52 weeks ended 27 April 2014 (£'000)	53 weeks ended 28 April 2013 (restated)* (£'000)	52 weeks ended 29 April 2012 (£'000)	52 weeks ended 24 April 2011 (£'000)
CONTINUING OPERATIONS:					
Revenue	2,832,560	2,705,958	2,185,580	1,835,756	1,599,237
Cost of sales	(1,591,748)	(1,551,036)	(1,290,822)	(1,091,480)	(940,330)
Gross profit	1,240,812	1,154,922	894,758	744,276	658,907
Selling, distribution and administrative expenses	(950,526)	(908,843)	(689,578)	(594,368)	(527,273)
Other operating income	8,345	8,583	7,199	3,268	5,289
Legal dispute	-	-	-	2,309	(3,128)
Impairment and accelerated depreciation	(13,338)	(5,531)	-	-	-
Profit on disposal of property	10,288	-	-	1,686	-
Profit on disposal of intangible asset	-	-	625	1,624	876
Exceptional items	(3,050)	(5,531)	625	5,619	(2,252)
Operating profit	295,581	249,131	213,004	158,795	134,671
Investment income / (costs)	14,104	7,017	1,473	(5,800)	(9,481)
Finance income	8,289	891	1,117	6,426	2,560
Finance costs	(7,487)	(19,853)	(9,688)	(8,481)	(8,953)
Share of profit of associated undertakings and joint ventures	2,959	2,266	1,320	558	(8)
Profit before taxation	313,446	239,452	207,226	151,498	118,789
Taxation	(72,093)	(59,839)	(55,569)	(45,867)	(35,566)
Profit for the period	241,353	179,613	151,657	105,631	83,223
Equity holders of the Group	240,397	180,245	151,596	106,198	84,173
Non-controlling interests	956	(632)	61	(567)	(950)
Profit for the period	241,353	179,613	151,657	105,631	83,223

*Restatement relates to the adoption of the revised IAS 19 'Employee Benefits'.

Notes to the consolidated income statement five year record:

1. All information is presented under IFRS.

2. The five year record has been prepared on the same basis as the Financial Statements for the 52 weeks ended 26 April 2015, as set out in note 1, basis of preparation, of the consolidated Financial Statements.

COMPANY DIRECTORY

REGISTRAR AND TRANSFER OFFICE
Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

COMPANY SECRETARY AND REGISTERED OFFICE
Sports Direct International plc
Unit A, Brook Park East
Shirebrook
NG20 8RY

Telephone 0344 245 9200
Sports Direct International plc is registered in England and Wales (No. 6035106)

SOLICITORS
Freshfields Bruckhaus Deringer
65 Fleet Street
London
EC4Y 1HS

BROKERS
Citigroup Global Markets Limited
Citi Centre
Canada Square
Canary Wharf
London
E14 5LB

Espirito Santo Investment Bank
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7AL

Goldman Sachs Limited
Peterborough Court
133 Fleet Street
London
EC4A 2BB

PRINCIPAL BANKERS
Barclays Bank plc
5 The North Colonnade
Canary Wharf
London
E14 4BB

HSBC Bank plc
8 Canada Square
London
E14 5HQ

AUDITORS
Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

ANNUAL GENERAL MEETING
The Annual General Meeting of the Company will be held at 11am on Wednesday 9 September 2015 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.

RESULTS
For the year to 24 April 2016:
Half year results announced: 10 December 2015
Preliminary announcement of full year results: 7 July 2016
Annual Report circulated July / August 2016

SHAREHOLDER HELPLINE
The Sports Direct shareholder register is maintained by Computershare who are responsible for making dividend payments and updating the register, including details of changes to shareholders' addresses. If you have a query about your shareholding in Sports Direct, you should contact Computershare's Sports Direct Shareholder Helpline on: 0370 707 4030. Calls are charged at standard geographic rates, although network charges may vary.

Address: The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ

Website: www.computershare.com

WEBSITE
The Sports Direct website at www.sportsdirectplc.com provides news and details of the Company's activities plus information for shareholders and contains real time share price data as well as the latest results and announcements.

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 Conduct Authority at www.fca.org.uk

If you wish to limit the amount of unsolicited mail you receive contact:

The Mailing Preference Service
DMA House
70 Margaret Street
London
W1W 8SS

Telephone: 020 7291 3310
Fax: 020 7323 4226
Email: mps@dma.org.uk or register on-line at
www.mpsonline.org.uk

SPORTSDIRECT.com

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0344 245 9200
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