Sports Direct discloses stake in Finish Line after JD Sports agrees to buy US retailer

Sports Direct International PLC (LON:SPD) on Monday disclosed a strategic investment in Finish Line Inc (LON:NASDAQ:FINL) just days after rival JD Sports Fashion Plc (LON:JD) agreed to buy the US sportswear retailer.

In a statement, Mike Ashley's Sports Direct said it now holds almost 8mln shares in Finish Line, representing a 19.3% stake.

Of this interest, 3.65mln shares or over 8% of the company is owned directly, and the rest is held through contracts for difference with third parties.

Shares in Sports Direct rose 1% to 410p in morning trading.

Last week, it emerged that JD Sports was to buy Finish Line in a deal valued at US$558mln, subject to approval from shareholders.

READ: JD Sports to buy US firm Finish Line for US$558mln as part of global expansion

Sports Direct, which is the second-largest shareholder in Finish Line, is yet to comment on the deal.

In 2011, Mike Ashley bragged at a meeting with representatives that he would "finish off" JD Sports.

But JD Sports seems to have had the last laugh, turning a record profit last year while Sports Direct's sales in the UK have lagged in a tough UK retail market.

READ: JD Sports sprints higher as athleisure craze helps to drive record profits

Sports Direct, which has a reputation for investing in rival retailers, also said on Monday that it now owns 5.6mln shares in Iconix Brand Group Inc. The shares represent a 8.9% holding through contracts for difference with third parties.

READ: Mike Ashley's Sports Direct slumps as first half profits and UK sales drop

Iconix is a US company that owns, licenses, and markets a portfolio of consumer brands that includes Artful Dodger, Candie's, Bongo, Joe Boxer, Rampage, London Fog, Mossimo and Cannon.

Company Synopsis:
Sports Direct is a leading sports retailer, and the owner of a significant number of internationally recognised sports and leisure brands. As at April 2008 the Group operated out of 375 stores in the United Kingdom. The majority of stores trade under the Sports Direct or Sports World fascias, but some stores still trade under the Lillywhites, McGurk, Exsports, Gilesports, Hargreaves and Field & Trek brands.

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