



JJB Sports plc

Results for Year to January 2010

Forward looking statements

- This Presentation includes certain forward-looking statements with respect to the financial condition, results of operations and business of JJB Sports plc (“JJB”), and certain plans and objectives of the Board of Directors of JJB with respect thereto.
- By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.
- Forward-looking statements are not guarantees of future performance and JJB’s actual results of operations, financial condition, liquidity, prospects, growth and strategies and the development of the industry in which JJB operates may differ materially from those expressed or implied by the forward-looking statements included in this presentation.
- Events that may cause actual results to differ from such forward-looking statements include, but are not limited to fluctuations in the capital markets; fluctuations in interest and exchange rates; increased regulation or regulatory scrutiny; the occurrence of unforeseen disasters or catastrophes; political or economic instability in their principal markets; adverse outcomes in litigation; general local and global economic, political, business and market conditions.
- Except as required by its legal or regulatory obligations (including as required by the UK Listing Authority and the London Stock Exchange), JJB does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.



Introduction

John Clare, Chairman

JJB Sports plc



2009 - The hardest year

The challenges we faced:

- Covenant breaches
- Debt and solvency issues
- Falling sales
- Shrinking stock



How we responded

- Appropriate asset disposals at good prices
- Precedent-setting solvent CVA
- Successful fund raising and broadening of shareholder base
- New supportive banking arrangements
- Appointed key new board members and strengthening operational management team

Financials

Lawrence Coppock, Finance Director

JJB Sports plc



Key financial data for 2009

	FY January 2010	FY January 2009
Sales	£361.1m	£466.3m
Gross margin	38.4%	47.3%
Net operating (loss) profit	£(65.2)m	£8.5m
Net cash (debt)	£58.8m	£(34.4)m
Stock position	£68.6m	£70.6m
Retail like for like Sales	-27.3%	-6.9%

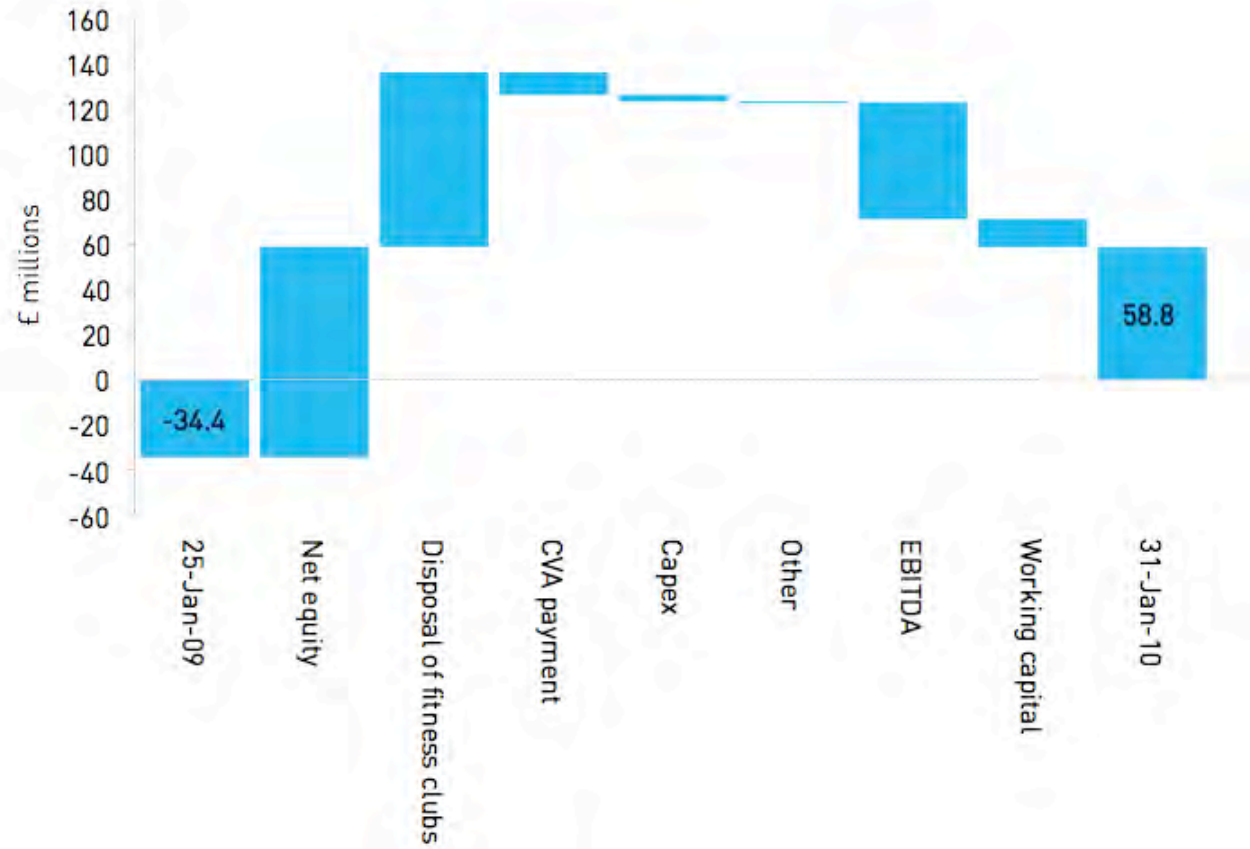
Net operating loss – ongoing retail

	£m
52 weeks to January 2009	8.5
Lower Sales	(50.0)
Reduced Gross Margin	(32.1)
Reduced Wages	9.8
Other	(1.4)

53 weeks to January 2010	(65.2)

*The effect of the 53rd week on net operating loss was £2.1m loss

Net (debt) cash



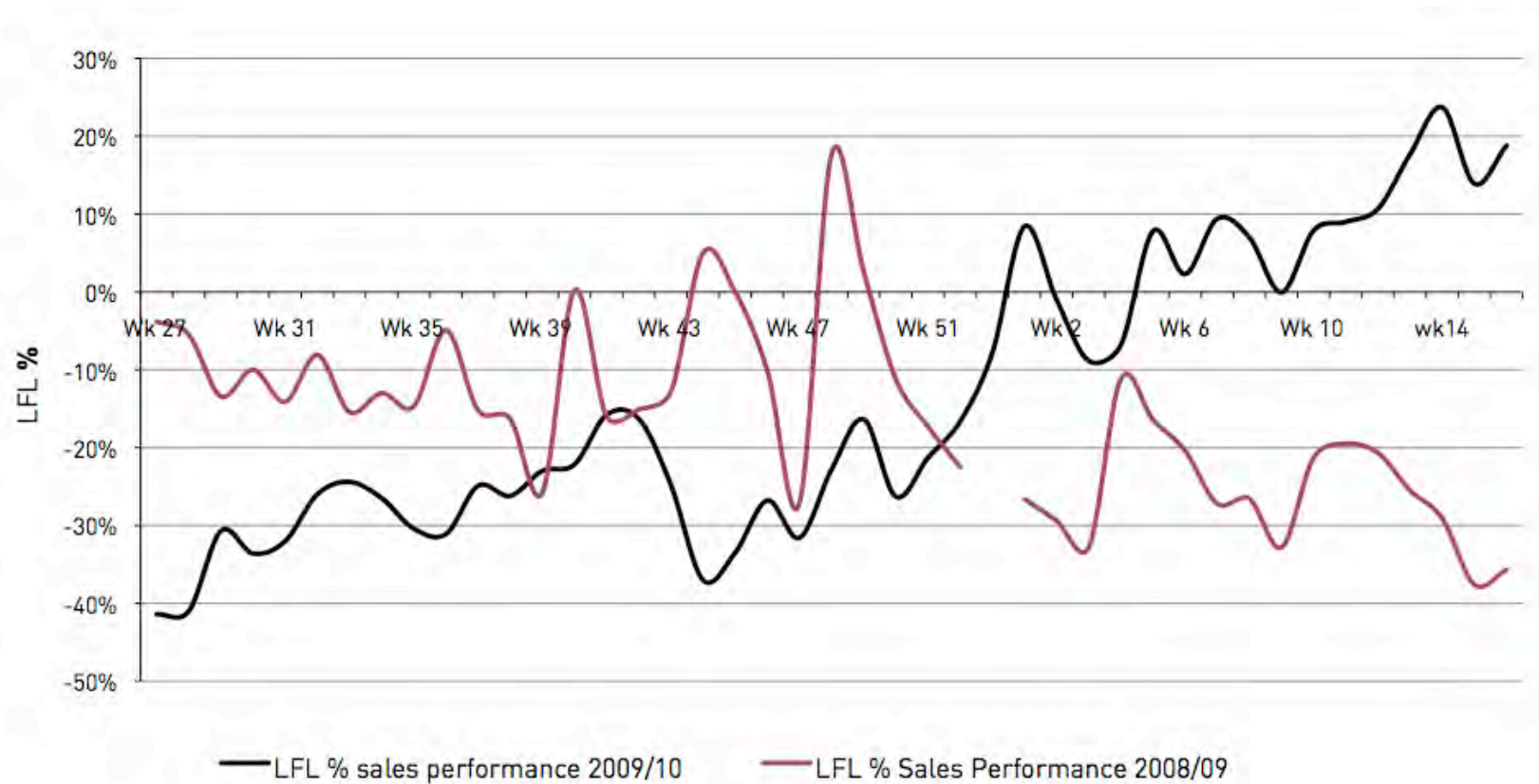
Post year-end trading

Stock

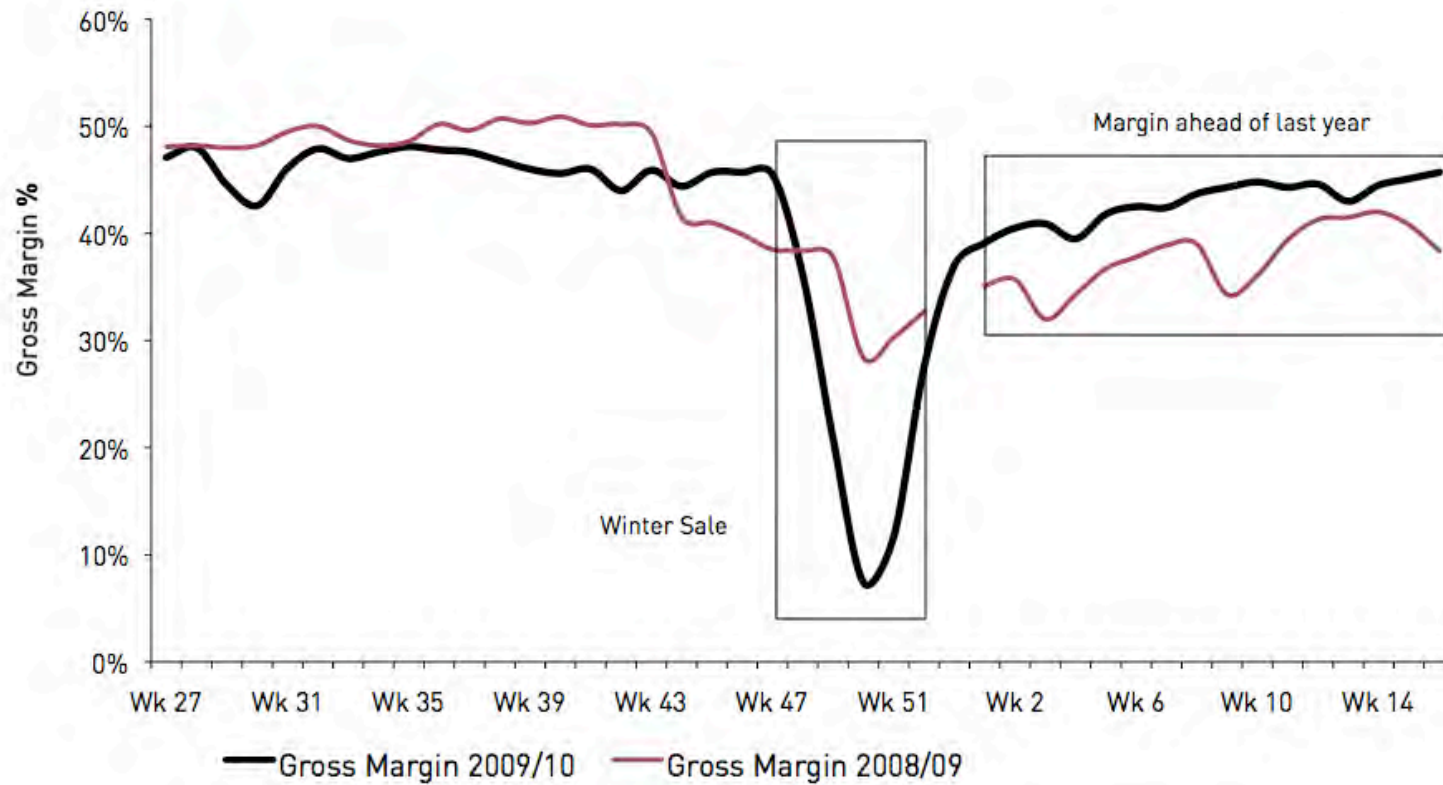
	This year	Last year	
• Deliveries 1 February '10 – 23 May '10	£82.6m	£62.7m	31.7%
• Average Weekly Stock	£95.1m	£64.7m	47.0%
• Actual stock balance at 23 May '10	£104.8m		



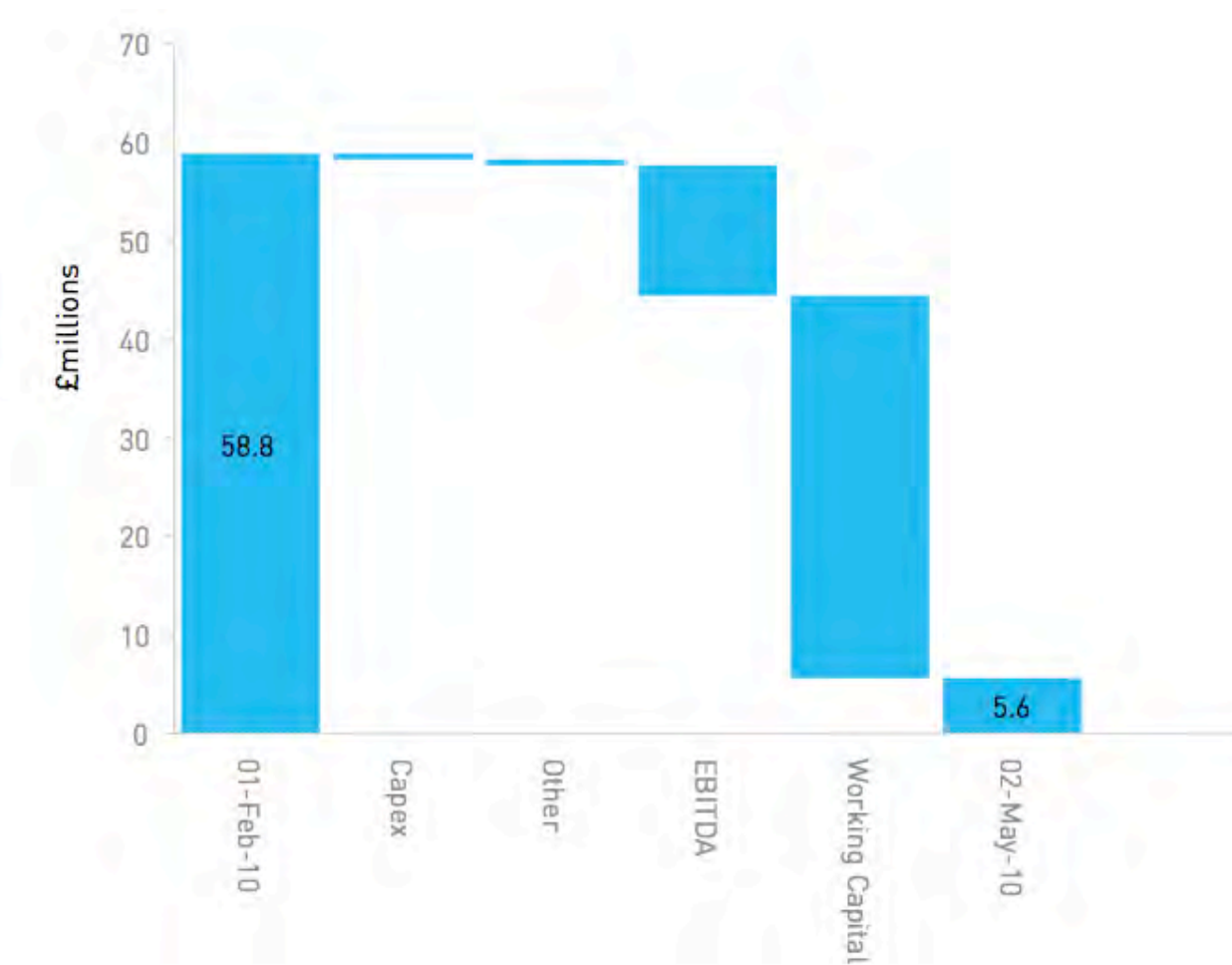
LFL % sales performance second half year to current trading



Gross margin %



Net cash – Period to 23rd May 2010



Banking facility

- Covenants aligned to forward looking forecasts only
- £25m facility to 30 September 2012
- Tested quarterly



Financial control

- Close focus on cash and forecasting
- Weekly reviews of quarterly cash forecasts
- Budget and quarterly reforecasting
- Establishment of management control
- Strengthened financial resource

Summary

- This is a three year turnaround
- We are cautious about this year's outcome, but not about the medium-term turnaround prospects
- We have a £25m bank facility in place sufficient for our needs
- Strengthened financial team
- Improved MIS



Affirming the Strategy 'Serious About Sport'

Keith Jones

Chief Executive Officer



Focus on JJB core customers

Based on 3 Factors

- Interest in sports
- Participation in sports
- Exercise & fitness



Sources : TGI (Oct 08 – Sep 09) – bought in the last 12 months
Mintel Sports Goods Retail May 2010*



What our Customers think

Sporting Family



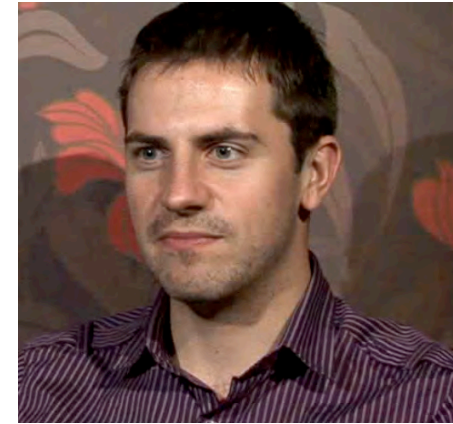
- Encourages family participation.
- Positive views on JJB.
- Buying influenced by siblings.
- Level of product knowledge is sufficient for their needs.

Recreational Sports



- Active participation to keep fit.
- Indifferent about JJB, sees JJB as 'middle of the road'.
- Serious about Sport; to achieve this JJB requires a wider deeper range of sports products.
- Level of product knowledge needs to improve.

Keen Amateur



- Takes sport seriously.
- Does shop at JJB however perceives JJB to have limited range therefore also shops at specialists.
- Serious about Sport; to achieve this JJB needs to connect with the community.



Store format

- Trial & test
- Customers shopping trip
- Navigation / POS
- Adjacencies

Navigation and POS

New format navigation

High Level -



Pelmet / Spine headers



New format ticketing

A7

A product listing for a "Purist Pro Helmet" by GM (Gunn & Moore). The listing is on a dark background. It features a list of bullet points: "Rigid outer shell.", "Adjustable Strap.", "Impact protecting inner liner.", and "Adjustable steel face grille for superb vision." To the right of the list, there is a blue box that says "SAVE £10" and a large price tag showing "£34.99" with "Was £44.99" below it. The GM logo is in the top right corner of the listing area.

Purist Pro Helmet 

- Rigid outer shell.
- Adjustable Strap.
- Impact protecting inner liner.
- Adjustable steel face grille for superb vision.

SAVE
£10

£34.99
Was £44.99

21_05_2010_WK16/840090/71



Advertising and Promotion

- Added value promotion
- POS & ticketing
- Press Advertising
- Visual Merchandising
- Price discipline



Advertising

Full Page national advert
running 28th -30th May 2010

WE ARE ENGLAND

HURRY WHILST STOCKS LAST!

20% OFF

ALL WORLD CUP REPLICA SHIRTS

4 DAYS ONLY
OFFER ENDS 31.05.2010

£39.99 **£31.99** **£29.99** **£23.99**

£19.66 **EXCLUSIVE ENGLAND FANS T-SHIRT**

FREE T-SHIRT WITH ENGLAND REEBOK TRAINERS

MIN £5000... JOIN OUR FREE WORLD CUP FANTASY FOOTBALL COMPETITION... visit www.jjbsports.com

Hundreds more great offers in-store and at www.jjbsports.com

JJB SERIOUSABOUTSPORT

World Cup Replica shirt offer ends close of business 31st May 2010. Prices correct at time of going to print. All products are subject to availability, in selected stores and at jjbsports.com.

BANK HOLIDAY FULL P0 AD 28/05/10_06146 5 21/0/10 18.07/10



Added Value Promotions

EXCLUSIVE

NikeFive
FOOTWEAR RANGE

JUNIOR
FROM ONLY
£24.99

ADULTS
FROM ONLY
£34.99



JB sports SERIOUS ABOUT SPORT
www.jbsports.com

30% OFF

SELECTED RUNNING SHOES

PRICES FROM
£24.49



JB sports SERIOUS ABOUT SPORT
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Visual Merchandising



Product merchandised with brand imagery led to increase in sales of 260%



Systems & Process - Stock

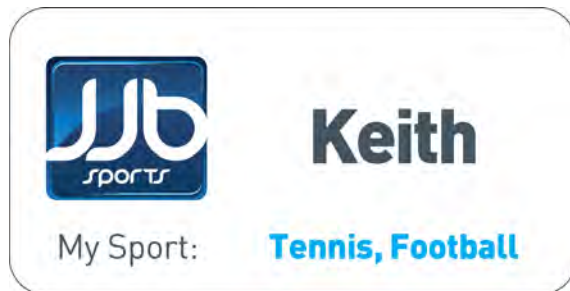
- Over optioned, over bought, over allocated



- Ranging & buying discipline
- Markdown & Clearance

People & Talent

- Key roles
- Appointed Ron Rome, Head of Retail
- Expertise in store



Suppliers and products

- Professionalism & Support
- Alignment with our strategy
- Key Partners



Reebok - Easytone



26 | Available in stores or buy online www.jbports.com/fitness

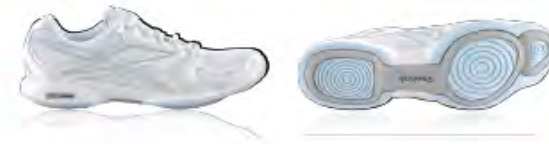
Easytone Curve
£78.99
Black/Orange Red
Size 5-8
CODE J3M4



Easytone Reetone
£74.99
Black/Orange Red
Size 5-7
CODE J3M4



Easytone Inspire
£89.99
White/Red Black/White
Size 5-8
CODE J3M4



Easytone Inspire
£89.99
White/Red
Size 4-8
CODE J3M4



Easytone Flip
£44.99
Black/Orange
Size 5-15
CODE J3M4



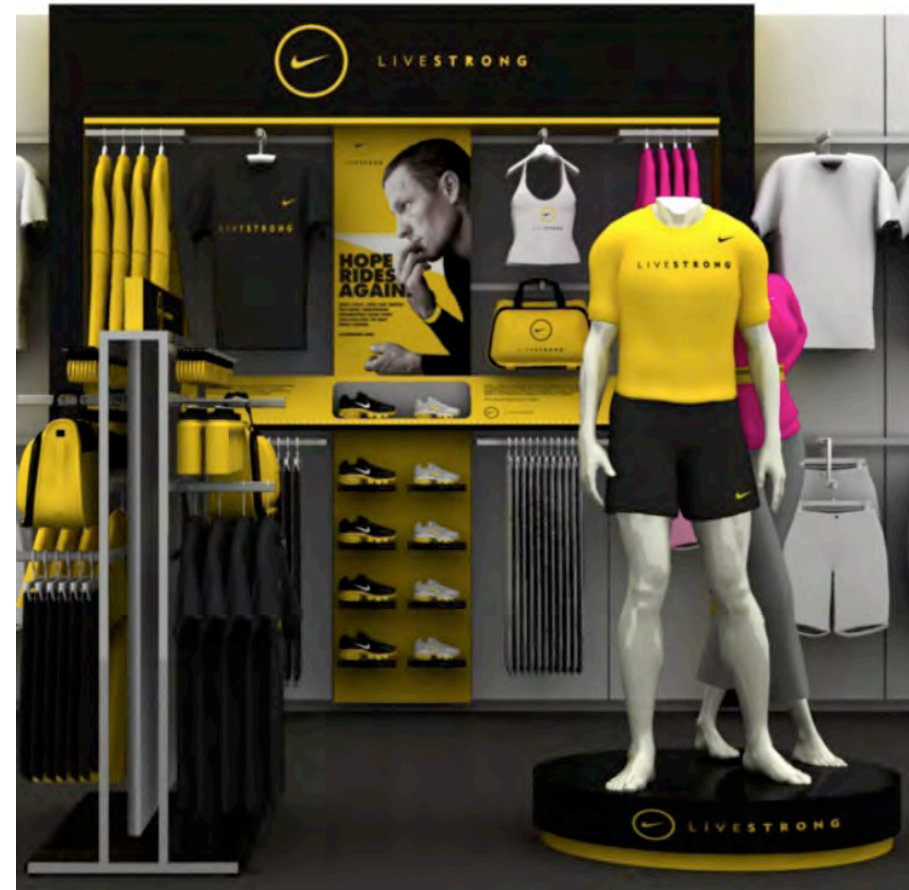
Easytone Flip
£44.99
Black/Orange
Size 5-15
CODE J3M4



Available in stores or buy online www.jbports.com/fitness | 27



Nike – Livestrong (Exclusive retail partner)



Summary

- Confidence in strategy
- 3 year turnaround
- Operationally led
- Retail Basics first
- Real Market opportunity



Appendix



Profit and Loss Account – full year

	53 Weeks to 31 January 2010 Ongoing Retail £(000)	52 Weeks to 25 January 2009 Ongoing Retail £(000)
Net Sales	351,557	466,630
DW stock transfers	9,566	
Cost of Sales	(222,298)	(245,867)
Gross Profit	138,825	220,763
Other income	1,155	1,299
Wages	(54,294)	(61,474)
Rent	(56,868)	(54,389)
Other Premises costs	(33,639)	(31,222)
Depreciation	(8,467)	(8,576)
Maintenance costs	(4,068)	(4,111)
Other costs	(6,966)	(8,972)
Net Branch contribution	(24,322)	53,318
Head Office wages	(10,058)	(11,548)
Head Office other costs	(6,260)	(9,667)
Head Office depreciation	(4,281)	(2,339)
Warehouse wages	(7,248)	(8,364)
Warehouse other	(12,327)	(12,388)
Warehouse depreciation	(680)	(489)
Net Operating Loss	(65,176)	8,523

Gross margin – ongoing retail – full year

	%
52 weeks to January 2009	47.3
Effect of clearance stores and stock clearance	(5.3)
Impact of reduced own label sales	(1.7)
Effect of stock transfers to DW Sports at cost	(2.3)
Other	0.4

53 weeks to January 2010	38.4

Profit and Loss Account – 2nd half year

	27 Weeks to 31 January 2010 Ongoing Retail £(000)	26 Weeks to 25 January 2009 Ongoing Retail £(000)
Net Sales	191,022	253,983
DW stock transfers	2,839	
Cost of Sales	(111,897)	(136,872)
Gross Profit	81,964	117,111
Other income	587	720
Wages	(26,695)	(32,590)
Rent	(28,916)	(28,203)
Other Premises costs	(17,188)	(16,224)
Depreciation	(4,144)	(4,365)
Maintenance costs	(2,104)	(1,939)
Other costs	(4,390)	(5,012)
Net Branch contribution	(886)	29,498
Head Office wages	(5,396)	(5,983)
Head Office other costs	(3,321)	(5,258)
Head Office depreciation	(2,193)	(1,293)
Warehouse wages	(4,107)	(3,661)
Warehouse other	(6,460)	(6,386)
Warehouse depreciation	(353)	(260)
Net Operating Loss	(22,716)	6,657

Net operating loss – continuing retail – 2nd half year

	£m
26 weeks to January 2009	6.7
Lower Sales	(27.7)
Reduced Gross Margin	(7.4)
Reduced Wages	6.0
Other	(0.3)
27 weeks to January 2010	(22.7)

Profit and Loss Account – 1st half & 2nd half year

	26 Weeks to 26 July 2009 Ongoing Retail £(000)	27 Weeks to 31 January 2010 Ongoing Retail £(000)
Net Sales	160,535	191,022
DW stock transfers	6,727	2,839
Cost of Sales	(110,401)	(111,897)
	-----	-----
Gross Profit	56,861	81,964
Other income	568	587
Wages	(27,599)	(26,695)
Rent	(27,952)	(28,916)
Other Premises costs	(16,451)	(17,188)
Depreciation	(4,323)	(4,144)
Maintenance costs	(1,964)	(2,104)
Other costs	(2,576)	(4,390)
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Net Branch contribution	(23,436)	(886)
Head Office wages	(4,662)	(5,396)
Head Office other costs	(2,939)	(3,321)
Head Office depreciation	(2,088)	(2,193)
Warehouse wages	(3,141)	(4,107)
Warehouse other	(5,867)	(6,460)
Warehouse depreciation	(327)	(353)
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Net Operating Loss	(42,460)	(22,716)

Post year-end trading

Like for like sales - current trading

- Net Sales Like for Like Period 1 Feb '10 – 23 May '10 + 7.5%

Gross Margin – current trading

- 1 February '10 – 23 May '10 43.6%, compared to 36.8% for the same period last year



Investor Relations

JJB Sports plc

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Lawrence Coppock: lcoppock@jjbsports.com

