



28 September 2010

## JJB Sports Plc

### Half yearly results for the 26 weeks to 1 August 2010

#### Financial highlights

|                          | (Unaudited)<br>26 weeks to<br>1 August<br>2010 | (Unaudited)<br>26 weeks to<br>26 July<br>2009 | Change |
|--------------------------|--|---|--------|
| <b>Ongoing retail</b>    |  |   |        |
| Revenue                  | £184.0m  | £167.3m                                       | 10.0%  |
| Gross margin             | 42.2%  | 34.0%   | 8.2pp  |
| Operating loss           | £(24.6)m                                       | £(41.9)m                                      | 41.3%  |
| Adjusted operating loss* | £(22.5)m                                       | £(42.5)m                                      | 47.1%  |
| Net funds                | £7.3m  | £2.1m   |        |
| Stock position           | £92.7m   | £47.8m  |        |

\* Adjusted operating loss is shown before (charging) crediting various exceptional operating items totalling £(2.1) million (2009: £0.6 million) as shown in the Condensed Consolidated statement of financial performance.

#### Total retail

|  |          |           |       |
|--|----------|-----------|-------|
| Revenue                                  | £184.0m  | £178.6m   | 3.0%  |
| Gross margin                             | 42.2%    | 33.6%     | 8.6pp |
| Operating loss                           | £(24.6)m | £(42.3)m  | 41.8% |
| Adjusted operating loss*                 | £(22.5)m | £(45.7)m  | 50.8% |
| Loss before taxation                     | £(24.0)m | £(42.9)m  | 44.1% |
| Adjusted loss before taxation*           | £(21.9)m | £(46.0)m  | 52.4% |
| Basic loss per share                     |          |           |       |
| - continuing operations                  | (3.68) p | (12.06) p | 8.38p |
| - continuing and discontinued operations | (3.68) p | (9.28) p  | 5.60p |

\* Adjusted operating loss and adjusted loss before taxation are shown before (charging) crediting various exceptional operating items totalling £(2.1) million (2009: £3.4 million) and charging exceptional bank arrangement fees and charges of £nil (2009: £0.3 million), as shown in the Condensed Consolidated statement of financial performance.

#### Highlights for the 26 week period ended 1 August 2010

##### Improved operating performance

- Ongoing like-for-like retail revenue up 14.4 per cent year-on-year
- Ongoing retail adjusted operating loss reduced to £22.5m (comparative period £42.5m)
- 8.2 percentage point increase in gross margin to 42.2 per cent (comparative period 34.0 per cent)

##### Successful trial of new store format

- Re-launched Slough store on 21 May 2010
- Sales, margin, conversion rate and average transaction value all well ahead of Group average

##### Exclusive product ranges from leading supplier partners

- Appointed Nike retailer for Livestrong, the Lance Armstrong range of merchandise

- No 1 UK retailer of Reebok Easytone product
- Own brand supplier partner in place with capability across footwear, apparel and accessories

**Significant progress in composition of Board and senior management team**

- Appointment of new Chief Executive Officer, Keith Jones, formerly Group Retail Director of DSG International plc - 1 March 2010
- Appointment of John Clare as Chairman, formerly Senior Independent Director - 26 May 2010
- Appointment of David Adams as Senior Independent Director - 30 June 2010
- Management team strengthened with appointment of Ron Rome as Retail Director - 26 April 2010

Commenting on the interim results, Keith Jones, Chief Executive Officer, said:

*“As I indicated shortly after my arrival in March this year, the turnaround of JJB Sports will not be a quick fix, but will take up to three years to deliver. These results to 1 August 2010 reflect a period of steady progress towards that goal. I am particularly pleased with the performance of our first refurbished store in Slough, which, with the same ranges as available in the rest of the chain, has consistently delivered a performance well ahead of the rest of the Group. Five further refurbished stores will be trading before the end of October.*

*Since the half year-end, sales have been more volatile. We have consequently taken further steps to drive autumn and peak season sales through increased promotional activity. This is with the continuing strong support of key supplier partners and our bankers, who have agreed that the EBITDAR covenant will not be tested in October to provide us with the flexibility to implement our plans.*

*Good progress has been made with the creation of a new Operating Board of experienced retail professionals. Since 1 August we have appointed Paul Mitford as HR and Training Director, Kate Hayes as Trading Director and Debbie Robinson as Marketing Director. This completes the formation of our Operating Board.*

*In the short-term our new sales management and promotional activities will drive our performance to year end. We now have the senior management team in place to develop plans and initiatives to deliver the next phase of recovery. Although there remains much to be done, I remain excited by the size and nature of the opportunity for the business, and confident in management's ability to deliver that opportunity.”*

An analyst meeting will be held today at 8.45 for 9.00am at Panmure Gordon, Moorgate Hall, 155 Moorgate, London, EC2M 6XB.

**For further information, please contact**

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A copy of this press release can also be viewed on the JJB Sports plc corporate website, [www.jjbcorporate.co.uk](http://www.jjbcorporate.co.uk).

**About JJB Sports**

JJB Sports plc (JJB: LSE) is one of the UK's leading sports retailers. The Group, headquartered in Wigan and listed on the Main Market of the London Stock Exchange, trades from 249 JJB branded retail stores in the UK and Ireland and employs over 7000 people. Further information about the Group can be found on the Group's corporate website, [www.jjbcorporate.co.uk](http://www.jjbcorporate.co.uk).

**JJB Sports plc**  
**Half yearly results for the 26 weeks to 1 August 2010**  
**Chairman's statement**

2010 is the year we commenced the implementation of our "Serious about Sport" strategy and the start of our three year turnaround plan. I am encouraged by what has been achieved in the first six months and the improvement in performance driven by initiatives currently being tested throughout the business. However, we are only at the start of the recovery journey and much is still to be done.

During the first half year, we have strengthened the senior management team through the appointment of Ron Rome as Retail Director, who joined on 26 April 2010. In addition Paul Mitford joined the Group as HR and Training Director on 1 September 2010. Both Ron and Paul have made an immediate impact. As announced on 15 September 2010, they will soon be joined by Kate Hayes as Trading Director and we are separately announcing today the appointment of Debbie Robinson as Marketing Director. I am delighted to see the management team come together ensuring a strong and experienced resource is now in place to take the business forward.

The full year outcome remains heavily dependent on our performance during the important pre-Christmas, and January sale periods, as well as the success of our promotional planning in the short term in the light of current volatility in sales. Keith and his team will continue to drive the business forward through this period.

In March 2010 we made changes to our banking covenants which enabled us to put in place more forward looking tests than were previously in place and since that time all covenant tests have been passed. As reported elsewhere, since the half year end, the business has experienced increased sales volatility. As a result of this, and to enable us to trade more promotionally through the autumn and Christmas period, Bank of Scotland ("BoS") has agreed that the EBITDAR covenant will not be tested in October. BoS continues to be very supportive and the Company maintains regular and constructive dialogue with them, as it does with its principal supplier partners.

I would draw your attention to those matters which the Board has felt appropriate to take into account in forming its conclusion on going concern set out in note 2 to this Interim Report.

Finally, I would like to say a special word of thanks to Sir David Jones who sadly had to retire from the Board on 28 July 2010 on health grounds. His contribution to the Board will be greatly missed since it is due to his stewardship through the very difficult period of 2009 that the Company is here today.

John Clare  
Chairman  
28 September 2010

## Trading Results

### Segmental results - operating losses

The segment results for 26 weeks to 1 August 2010, and the comparative figures for the 26 weeks to 26 July 2009, are shown below.

#### 26 weeks to 1 August 2010 (Unaudited)

|   | <b>Retail<br/>Total<br/>£000</b> |
|---|----------------------------------|
| Revenue   | <u>184,007</u>                   |
| Gross profit  | 77,564                           |
| Location net operating expenses                           | <u>(89,491)</u>                  |
| Operating loss before central costs and exceptional items | (11,927)                         |
| Central costs   | <u>(10,607)</u>                  |
| Operating loss before exceptional items                   | (22,534)                         |
| Exceptional items   | <u>(2,102)</u>                   |
| Operating loss  | <u>(24,636)</u>                  |

Following the disposal of the Fitness Clubs to DW Sports Limited on 25 March 2009, the Group only has one segment which is the retail segment, which also includes the two Eire Fitness Clubs.

#### 26 weeks to 26 July 2009 (Unaudited)

|   | Ongoing<br>retail<br>£'000 | Other<br>items*<br>£'000 | Retail<br>operations<br>£'000 | Fitness<br>clubs<br>£'000 | Discontinued<br>Operations<br>£'000 | Total<br>£'000 |
|---|----------------------------|--------------------------|-------------------------------|---------------------------|-------------------------------------|----------------|
| Revenue   | 167,262                    | 11,300                   | 178,562                       | 11,234                    | (11,234)                            | 178,562        |
| Gross profit  | 56,861                     | 3,130                    | 59,991                        | 10,832                    | (10,832)                            | 59,991         |
| Location net operating expenses                           | (89,632)                   | (8,570)                  | (98,202)                      | (9,334)                   | 9,334                               | (98,202)       |
| Operating loss before central costs and exceptional items | (32,771)                   | (5,440)                  | (38,211)                      | 1,498                     | (1,498)                             | (38,211)       |
| Central costs   |                            |                          |                               |                           |                                     | (10,219)       |
| Operating loss before exceptional items                   |                            |                          |                               |                           |                                     | (48,430)       |
| Exceptional items   |                            |                          |                               |                           |                                     | 3,417          |
| Lifestyle trading losses to cessation                     |                            |                          |                               |                           |                                     | 2,696          |
| Operating loss  |                            |                          |                               |                           |                                     | (42,317)       |

\* Other items represents results of retail cessations during the period including stores attached to the Fitness Clubs (disposed of 25 March 2009), OSC and Qube stores, and other retail stores closed during the period.

## **Operating and financial review**

### **Retail operations**

For the 26 weeks to 1 August 2010, like-for-like sales on stores which have been in operation for over 52 weeks increased by 14.4 per cent compared with the equivalent period the previous year. Total revenue from the ongoing retail operations is up 10.0 per cent on the comparative period.

Gross margin percentage from ongoing retail operations for the 26 weeks to 1 August 2010 was 42.2 per cent, up by 8.2 per cent on the comparative previous 26 week period. The margin was adversely affected through initiatives to reduce overstocks on orders placed at the end of last year.

The quantity and quality of stock has increased significantly from last year and improvements in our systems for the control of ordering and management of stock will further improve our store in-stock position, enabling us to serve customers better. As at 1 August 2010 stock totalled £92.7m (£47.8m in 2009). Over 80 per cent of our stock is less than six months old and almost 60 per cent is less than three months old.

All lease and rental liabilities relating to CVA stores were extinguished during June. Significant progress was made in extinguishing rate liabilities on the CVA stores. During the half year the Company has successfully extinguished the rate liability in relation to 13 CVA stores equivalent to £1.3 million and at the half year end the Company had a total annual rate liability of £1.9 million in respect of 30 CVA stores.

Segment operating costs before exceptional items for the ongoing retail operation have decreased by 0.2 per cent to £89.5 million. Ongoing retail store wages have decreased by £3.5 million as a result of improved efficiency initiatives implemented in the second half of last year, which has been partially offset by increased marketing expenses.

As a result of the above, results from the ongoing retail operations, which is the operating loss before central costs and exceptional operating items, was £11.9 million, compared to £32.8 million in the comparative period.

The World Cup produced a positive sales performance in line with the Company's expectations, albeit suppressed by England's exit before the quarter-finals. Compared with the previous World Cup in 2006, sales were 13% up on a like-for-like basis.

Sales of football replica kit fell back after the World Cup as a result of "football fatigue" and delayed kit launches.

The summer sale commenced on 1 July 2010, immediately after England's exit from the World Cup, and finished on 8 August 2010. The comparative period's sale commenced 23 June 2009 and finished on 15 July 2009. Although this year's summer sale was over a longer period than 2009, the gross margin earned was higher at 31.5 per cent compared to 21.0 per cent.

### **JJB stores and store development**

On 21 May 2010, the Slough store was re-launched. With product ranges consistent with the overall business, the performance of the store has shown improved sales growth above Group average and higher gross margins, resulting in a much enhanced cash margin. This has been achieved from better navigation, improved product adjacencies and new point of sale.

As previously signalled, the Company is now extending the lessons learned from Slough, together with further testing of merchandise plans, store layout, fixtures and visual communications, to five more stores in Wakefield, Northampton, Leicester Fosse Park, Enfield and Bath. All will be open by the end of October 2010 and will provide more evidence in different store configurations for use across the chain.

## **Operating and financial review (continued)**

### **Retail operations (continued)**

At 1 August 2010, the Group operated from 249 stores, including 1 outlet store. The retail stores contained 2.7 million square feet of retail space compared to a total of 250 retail stores in operation at 31 January 2010 containing 2.7 million square feet of retail space.

### **Other developments**

During the half year the Company initiated a number of structural and more basic measures to improve operational efficiencies, including:

- Sales management reorganisation delivering increased efficiency and lower cost
- Improved stock ordering and management systems
- Development of "own-label" product design and sourcing
- Multi-channel capabilities, including Collect@Store, trialled ready for roll out

### **Exceptional operating items**

Exceptional operating items for ongoing retail operations for the 26 weeks amounted to £(2.1) million compared to £0.6 million in the comparative period, as shown on the face of the condensed consolidated statement of financial performance.

### **Net loss**

Net loss before taxation amounted to £24.0 million and compares to a net loss before tax of £42.9 million in 2009.

### **Taxation**

There is no taxation charge or credit due to the continuing losses.

### **Balance sheet**

Capital expenditure on property, plant and equipment during the 26 weeks to 1 August 2010 was £1.7 million compared to £0.4 million in the comparative period.

The value of inventories increased to £92.7 million at 1 August 2010, compared to £47.8 million at 26 July 2009. This investment was funded by the proceeds from the equity raising which occurred in the second half of the last financial year. Stock levels and ageing continue to be actively managed.

Net funds at 1 August 2010 amounted to £7.3 million compared to £2.1 million at 26 July 2009 and £58.8 million at 31 January 2010.

## Operating and financial review (continued)

### Retail operations (continued)

#### Current trading

There appears to be increasing caution in the market over discretionary expenditure which means that it is very important to attract customers to our stores with a good range of products, services and prices. The Company is proactively responding to more challenging trading conditions by introducing a number of sales initiatives. However, like-for-like sales have been volatile since the end of the half year. In the period from 2 August to 29 August (including one week of the sale and a 4 day Bank Holiday promotion) like-for-like sales were +18 per cent. In the period from 30 August to 26 September like-for-like sales increased by 6 per cent; the Company has been running a "Spend" in September and "Save" in October promotion. This demonstrates that sales performance has responded positively to certain promotional activities but in the current climate falls back without effective stimulation. Year-to-date like-for-like sales are +13 per cent and cumulative gross margin is in line with the half year.

As at 26 September 2010, the Company had drawn £13.0 million of its working capital facility and had cash balances of £11.9 million, giving net borrowings of £1.1 million.

#### Outlook

The full year outcome remains heavily dependent on our performance during the important pre-Christmas and January sale periods, as well as the success of our promotional planning in the short term in the light of current volatility in sales.

As noted in the Chairman's statement, in the light of current sales volatility management continues to develop its promotional strategy for the business for the next four months, with the full support of BoS. This will be underpinned by increased efficiency and lower costs delivered by the re-organised sales management function, together with the introduction of an incentivisation scheme to drive sales leading up to the peak trading period. The continued roll-out of Collect@Store will drive our multi-channel offering.

The longer term prospects for retailers in the UK remain challenging and the increase in VAT due in January 2011 adds to the uncertainty surrounding consumer expenditure. Notwithstanding the challenging trading environment, the Board remains of the view that the "Serious About Sport" strategy is the right one and strongly believes that there is room in the UK market for a major national sports retailer who is "Serious about Sport".

As we move into 2011 we will have an experienced senior team in place, determined and better motivated colleagues across our stores and improved customer engagement and service. With our ongoing focus on delivering the turnaround in the business during 2011, we will continue to:

- Improve our product range and proposition, including implementation of our own brand range from Q1 2011
- Improve stock control and ordering systems to benefit range, availability and stock turn
- Refine and roll-out store refurbishments
- Develop our multi-channel offering
- Deliver further operational efficiencies
- Strengthen our excellent relationships with supplier partners

We remain firmly of the view that our turnaround potential is in our own hands and are confident that significant operational improvements can be made to improve the performance of the business in 2011 despite the anticipated challenging trading environment.

Keith Jones  
Chief Executive Officer  
28 September 2010

## **Principal risks and uncertainties**

As the process to strengthen the internal control environment continues, the Board continues to identify and review key business risks and oversees the development of processes to ensure that these risks are managed appropriately. Executive Directors and senior management are delegated with the task of implementing these processes; the Executive Directors are charged with reporting to the Board on their outcomes.

The Directors do not consider that the principal risks and uncertainties have changed since the publication of the Annual Report for the 53 week period ended 31 January 2010. A detailed explanation of the risks detailed below can be found on page 8 of the Annual Report which is available at the Group's corporate website [www.jjbcorporate.co.uk](http://www.jjbcorporate.co.uk). In addition to the risks associated with the going concern assumption, which is described in further detail in note 2 of this half year report, the key risks identified by the Board include:

### **Economic conditions**

In common with most retailers, JJB's results can be affected by a number of economic conditions including interest rates, the availability of consumer credit, the level of inflation and movements in consumers' disposable income. All these factors affect the level of consumer confidence, and can impact upon revenue achieved. In order to mitigate these economic risks, JJB needs to remain competitive through the offer of a wide range of products at reasonable prices, and through a strong and cost effective property portfolio.

### **Treasury and financial risks**

JJB is subject to treasury and financial risks arising from the security of its existing funds, the ongoing availability of new funds and fluctuations in interest and exchange rates. The Group has adopted a policy of only dealing with creditworthy counterparties and monitors its funding requirements by regular funds forecasting. The Board regularly reviews any requirement to protect the Group against fluctuations in interest rates and exchange rates.

### **Competition**

JJB's retail store chain operates in a particularly competitive part of the retail sector and therefore its degree of competitiveness is to some extent affected by the retail pricing policies of its competitors which in turn impacts upon JJB's margins, profitability and market share. JJB continues to re-position itself within the market and refocus on its "Serious about Sport" strategy offering quality ranges at varying price points, together with improving its e-commerce capability. A wider range of products is being offered, including a greater emphasis on non-clothing merchandise. Senior management will continually review the selection of ranges on offer, ensuring that good value is maintained to meet customer demands.

### **Key personnel**

The success of JJB is partly dependent upon the continued service of its key management personnel and upon its ability to attract, motivate and retain suitably qualified employees. The Group structure is continually reviewed to ensure it is consistent with the Group's operations and strategy to drive the business forward. Appropriate remuneration packages will be offered to ensure key employees are recruited, retained and motivated as well as offering suitable career development opportunities.

### **Supplier Partners**

JJB is dependent upon its major supplier partners continuing to support the Group's business and to design and produce quality product ranges for sale within its retail stores at wholesale prices which will enable JJB to maintain its margins and to compete effectively within the retail sector. JJB continues to develop mutually beneficial relationships with its main supplier partners.

## **Principal risks and uncertainties (continued)**

### **Availability of credit**

The future cost and availability of finance will affect the Group's ability to undertake investment and expansion.

### **IT systems and business continuity**

JJB is dependent upon the continued availability and integrity of its computer systems. Its retail and remaining fitness clubs operations must record and process a substantial volume of data and conduct inventory management accurately and quickly. This can only be achieved on systems that benefit from continuous enhancements and ongoing investment, which will minimise the risk of obsolescence and maintain responsiveness to business needs. JJB is also dependent upon the uninterrupted operation of its computer systems, and therefore reliance needs to be placed upon a disaster recovery plan to replicate the data stored in its business critical computer systems. JJB has extensive controls in place to maintain the integrity and efficiency of its IT infrastructure.

### **Revenue dependence on key sporting events**

JJB derives some benefit in alternate years from the sale of replica national kits, if the national football teams reach the finals of the two major competitions (the FIFA World Cup and the Euro Championships); the World Cup just held in South Africa June/July 2010 is an example. This benefit is lost if the national teams fail to qualify for the finals of those competitions. In order to mitigate this situation, JJB is implementing measures to reduce the level of dependency on tournament years by concentrating on all major sporting events and offering a wider perennial product portfolio.

### **Logistics and distribution infrastructure**

An important part of JJB's strategy is to maintain a secure and efficient Distribution Centre in order to ensure prompt and frequent deliveries of inventory to its retail stores. Any disruption to this supply chain could adversely affect the Group's revenue levels.

## **Cautionary note regarding forward-looking statements**

Certain statements included in these results contain forward-looking information concerning the Group's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors or markets in which the Group operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Group's control or can be predicted by the Group. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. For a detailed analysis of the factors that may affect our business, financial performance or results of operations, we urge you to look at the "Principal Risks and Uncertainties" included in JJB Sports plc's Annual Report and Financial Statements for the 53 weeks ended 31 January 2010. Nothing in these results should be construed as a profit forecast and no part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in JJB Sports plc or any other entity, and must not be relied upon in any way in connection with any investment decision. The Group undertakes no obligation to update any forward-looking statements.

The Group has not registered and does not intend to register any securities under the US Securities Act of 1933, as amended (the 'Securities Act'). Securities may not be offered or sold in the United States absent registration under the Securities Act or an exemption from, or in a transaction not subject to, registration.

## **Independent Review Report to JJB Sports plc**

### **For the 26 week period ended 1 August 2010**

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 26 week period ended 1 August 2010 which comprises the condensed consolidated statement of financial performance, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows and related notes 1 to 15. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

#### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

#### **Our responsibility**

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

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 26 week period ended 1 August 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

**Deloitte LLP**  
**Chartered Accountants and Statutory Auditors**  
**Manchester, United Kingdom**  
**28 September 2010**

**Condensed Consolidated statement of financial performance**  
**For the 26 weeks to 1 August 2010**

|  | 26 Weeks to 1 August 2010 (Unaudited) |
|--|---------------------------------------|
|  | Total<br>£'000                        |
| <b>Continuing operations</b>                               |                                       |
| <b>Revenue</b>   | 184,007                               |
| Cost of sales  | (106,443)                             |
| <b>Gross profit</b>  | 77,564                                |
| Other operating income                                     | 658                                   |
| Distribution expenses                                      | (9,908)                               |
| Administration expenses                                    | (10,771)                              |
| Selling expenses   | (82,179)                              |
| <b>Operating loss</b>                                      | (24,636)                              |
| <b>Operating loss is stated after (charging) crediting</b> |                                       |
| Other vacant store provision                               | (350)                                 |
| Re-organisation costs                                      | (1,566)                               |
| Net loss on disposal of property, plant and equipment      | (310)                                 |
| Release of deferred lease incentives                       | 124                                   |
|  | (2,102)                               |
| Investment income  | 491                                   |
| Finance costs  | (397)                                 |
| Fair value on derivative instruments                       | 1,129                                 |
| Debt issue costs   | (546)                                 |
| <b>Loss before taxation</b>                                | (23,959)                              |
| Taxation   | -                                     |
| <b>Loss for the period</b>                                 | (23,959)                              |

Note 4

**Condensed Consolidated statement of financial performance**  
**For the 26 weeks to 26 July 2009**

|  | <b>26 Weeks to 26 July 2009 (Unaudited)</b> |                       |                |
|--|---|-----------------------|----------------|
|  | Ongoing retail<br>£'000                     | Other items*<br>£'000 | Total<br>£'000 |
| <b>Continuing operations</b>   |   |                       |                |
| <b>Revenue</b>   | 167,262                                     | 11,300                | 178,562        |
| Cost of sales  | (110,401)                                   | (8,170)               | (118,571)      |
| <b>Gross profit</b>  | 56,861                                      | 3,130                 | 59,991         |
| Other operating income   | 1,640                                       | 705                   | 2,345          |
| Distribution expenses  | (9,278)                                     | (539)                 | (9,817)        |
| Administration expenses  | (12,188)                                    | (532)                 | (12,720)       |
| Selling expenses   | (78,924)                                    | (3,192)               | (82,116)       |
| <b>Operating loss</b>  | (41,889)                                    | (428)                 | (42,317)       |
| <b>Operating loss is stated after crediting (charging)</b>                                     |   |                       |                |
| Release of restructuring of retail store chain   |   | 12,975                | 12,975         |
| Other vacant store release   | -   | 1,447                 | 1,447          |
| CVA provision  | -   | (10,000)              | (10,000)       |
| Release of dilapidations provision   | -   | 225                   | 225            |
|  | -   | 4,647                 | 4,647          |
| Re-organisation costs  | -   | (11,694)              | (11,694)       |
| Net loss on disposal of intangible assets  | (29)  | -                     | (29)           |
| Net gain (loss) on disposal of property, plant and equipment                                   | 725   | (111)                 | 614            |
| Impairment of loan and investment in associated undertaking                                    | (125)                                       | -                     | (125)          |
| Loss on disposal of attached retail stores   | -   | (2,267)               | (2,267)        |
| Release of deferred lease incentives   | -   | 15,560                | 15,560         |
| Lifestyle - Trading losses to administration   | -   | (2,696)               | (2,696)        |
| - Loss on de-recognition   | -   | (593)                 | (593)          |
|  | 571   | 2,846                 | 3,417          |
| Investment income  |   |                       | 1,882          |
| Finance costs  |   |                       | (2,667)        |
| <b>Finance costs are stated after charging</b>   |   |                       |                |
| Exceptional bank arrangement fees and charges  |   |                       | (250)          |
| Fair value on derivative instruments   |   |                       | 903            |
| Debt issue costs   |   |                       | (321)          |
| Share of results of associated undertaking   |   |                       | (350)          |
| <b>Loss before taxation</b>  |   |                       | (42,870)       |
| Taxation   | Note 4                                      |                       | 7,480          |
| <b>Loss for the period from ongoing operations</b>   |   |                       | (35,390)       |
| <b>Discontinued operations</b>   |   |                       |                |
| Profit for the period from discontinued operations   |   |                       | 8,152          |
| <b>Profit for the period from discontinued operations is stated after crediting (charging)</b> |   |                       |                |
| Release of deferred lease incentives   |   |                       | 7,164          |
| Loss on disposal of property, plant and equipment  |   |                       | (258)          |
| <b>Loss for the period</b>   |   |                       | (27,238)       |

\* Other items represents results of retail cessations during the period and including stores attached to Fitness Clubs (disposed of 25 March 2009), OSC and Qube stores, and other retail stores closed during the period.

**Consolidated statement of financial performance  
For the 53 weeks to 31 January 2010**

|  | <b>53 weeks to 31 January 2010 (Audited)</b> |                          |                |
|--|--|--------------------------|----------------|
|  | Ongoing<br>retail<br>£'000                   | Other<br>items*<br>£'000 | Total<br>£'000 |
| <b>Continuing operations</b>   |  |                          |                |
| <b>Revenue</b>   | 361,123                                      | 11,370                   | 372,493        |
| Cost of sales  | (222,298)                                    | (8,118)                  | (230,416)      |
| <b>Gross profit</b>  | 138,825                                      | 3,252                    | 142,077        |
| Other operating income   | 2,960  | 782                      | 3,742          |
| Distribution expenses  | (20,340)                                     | (538)                    | (20,878)       |
| Administration expenses  | (24,245)                                     | (504)                    | (24,749)       |
| Selling expenses   | (162,071)                                    | (5,433)                  | (167,504)      |
| <b>Operating loss</b>  | (64,871)                                     | (2,441)                  | (67,312)       |
| <b>Operating loss is stated after crediting (charging)</b>                                     |  |                          |                |
| Release of restructuring of retail store chain   | -  | 13,616                   | 13,616         |
| Other vacant store release   | -  | 1,402                    | 1,402          |
| CVA provision  | -  | (10,000)                 | (10,000)       |
|  | -  | 5,018                    | 5,018          |
| Re-organisation costs  | -  | (16,074)                 | (16,074)       |
| Net loss on disposal of intangibles  | (29)   | (2)                      | (31)           |
| Net gain (loss) on disposal of property, plant and equipment                                   | 459  | (203)                    | 256            |
| Impairment of loan and investment in associated undertaking                                    | (125)  | -                        | (125)          |
| Loss on leisure retail stores on disposal  | -  | (2,092)                  | (2,092)        |
| Release of deferred lease incentives   | -  | 15,635                   | 15,635         |
| Lifestyle - Trading losses to administration   | -  | (2,636)                  | (2,636)        |
| - Profit on de-recognition   | -  | 844                      | 844            |
| Impairment of subsidiary undertakings  | -  | (376)                    | (376)          |
|  | 305  | 114                      | 419            |
| Investment income  |  |                          | 2,704          |
| Finance costs  |  |                          | (3,685)        |
| <b>Finance costs are stated after charging</b>   |  |                          |                |
| Exceptional bank arrangement fees and charges  |  |                          | (500)          |
| Fair value on derivative instruments   |  |                          | 903            |
| Debt issue costs   |  |                          | (1,202)        |
| <b>Loss before taxation</b>  |  |                          | (68,592)       |
| Taxation   | Note 4                                       |                          | 7,475          |
| <b>Loss for the period from continuing operations</b>  |  |                          | (61,117)       |
| <b>Discontinued operations</b>   |  |                          |                |
| Profit for the period from discontinued operations   |  |                          | 6,534          |
| <b>Profit for the period from discontinued operations is stated after (charging) crediting</b> |  |                          |                |
| Loss on disposal of property, plant and equipment  |  |                          | (258)          |
| Release of deferred lease incentives   |  |                          | 7,582          |
| <b>Loss for the period</b>   |  |                          | (54,583)       |

\* Other items represents results of retail cessations during the period and including stores attached to Fitness Clubs (disposed of 25 March 2009), OSC and Qube stores, and other retail stores closed during the period.

**Condensed Consolidated statement of financial performance**  
**For the 26 weeks to 1 August 2010**

|  |               | (Unaudited)<br>26 weeks to<br>1 August<br>2010 | (Unaudited)<br>26 weeks to<br>26 July<br>2009 | (Audited)<br>53 weeks to<br>31 January<br>2010 |
|--|---------------|--|---|--|
| <b>Loss per share (pence)</b>                      |               |  |   |  |
| <b>From continuing operations</b>                  |               |  |   |  |
| <b>Basic loss per Ordinary Share</b>               | <b>Note 6</b> | <b>(3.68)</b>                                  | (12.06)                                       | (16.12)  |
| <b>Diluted loss per Ordinary Share</b>             | <b>Note 6</b> | <b>(3.68)</b>                                  | (12.06)                                       | (16.12)  |
| <b>From continuing and discontinued operations</b> |               |  |   |  |
| <b>Basic loss per Ordinary Share</b>               | <b>Note 6</b> | <b>(3.68)</b>                                  | (9.28)  | (14.39)  |
| <b>Diluted loss per Ordinary Share</b>             | <b>Note 6</b> | <b>(3.68)</b>                                  | (9.28)  | (14.39)  |

**Condensed Consolidated statement of comprehensive income**  
**For the 26 weeks to 1 August 2010**

|   | (Unaudited)<br>26 weeks to<br>1 August<br>2010<br>£'000 | (Unaudited)<br>26 weeks to<br>26 July<br>2009<br>£'000 | (Audited)<br>53 weeks to<br>31 January<br>2010<br>£'000 |
|---|---|--|---|
| Release from share based payment reserve taken directly to equity | -   | -  | 589   |
| Exchange differences on translation of foreign operations         | (237)   | (388)  | (379)   |
| <b>Net (expense) income recognised directly in equity</b>         | <b>(237)</b>  | <b>(388)</b>   | <b>210</b>  |
| <b>Loss after taxation for the period</b>                         | <b>(23,959)</b>   | <b>(27,238)</b>  | <b>(54,583)</b>   |
| <b>Total recognised income and expense for the period</b>         | <b>(24,196)</b>   | <b>(27,626)</b>  | <b>(54,373)</b>   |

## Condensed Consolidated statement of changes in equity

### For the 26 weeks to 1 August 2010

|  | Share capital<br>£'000 | Share premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Own<br>shares<br>£'000 | Share<br>based<br>payment<br>reserve<br>£'000 | Retranslation<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>equity<br>£'000 |
|--|------------------------|-----------------------------------|---|------------------------|---|-----------------------------------|-------------------------------|--------------------------|
| <b>Balance at 31 January 2010</b>                            | 32,542                 | 174,055                           | 1,069                                     | (3,083)                | 448   | (41)                              | 18,563                        | 223,553                  |
| Loss for the period  |                        |                                   |   |                        |   |                                   | (23,959)                      | (23,959)                 |
| Exchange differences on translation of<br>foreign operations |                        |                                   |   |                        |   | (237)                             |                               | (237)                    |
| <b>Total comprehensive income for the<br/>period</b>         |                        |                                   |   |                        |   |                                   | (278)                         | (5,396)                  |
| Credit to equity for equity-settled share<br>based payments  |                        |                                   |   |                        | 982   |                                   |                               | 982                      |
| <b>Balance at 1 August 2010 (Unaudited)</b>                  | <b>32,542</b>          | <b>174,055</b>                    | <b>1,069</b>                              | <b>(3,083)</b>         | <b>1,430</b>                                  | <b>(278)</b>                      | <b>(5,396)</b>                | <b>200,339</b>           |

## Condensed Consolidated statement of changes in equity

### For the 26 weeks to 26 July 2009

|  | Share capital<br>£'000 | Share premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Own<br>shares<br>£'000 | Share<br>based<br>payment<br>reserve<br>£'000 | Retranslation<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>equity<br>£'000 |
|--|------------------------|-----------------------------------|---|------------------------|---|-----------------------------------|-------------------------------|--------------------------|
| <b>Balance at 25 January 2009</b>                            | 12,542                 | 174,055                           | 1,069                                     | (3,083)                | 635   | 338                               | (925)                         | 184,631                  |
| Loss for the period  |                        |                                   |   |                        |   |                                   | (27,238)                      | (27,238)                 |
| Exchange differences on translation of<br>foreign operations |                        |                                   |   |                        |   | (388)                             |                               | (388)                    |
| <b>Total comprehensive income for the<br/>period</b>         |                        |                                   |   |                        |   |                                   | (28,163)                      | 157,005                  |
| Dividends repaid to the Company                              |                        |                                   |   |                        |   |                                   | 54                            | 54                       |
| Debit to equity for equity-settled share<br>based payments   |                        |                                   |   |                        | (587)   |                                   |                               | (587)                    |
| <b>Balance at 26 July 2009 (Unaudited)</b>                   | <b>12,542</b>          | <b>174,055</b>                    | <b>1,069</b>                              | <b>(3,083)</b>         | <b>48</b>                                     | <b>(50)</b>                       | <b>(28,109)</b>               | <b>156,472</b>           |

## Consolidated statement of changes in equity

### For the 53 weeks to 31 January 2010

|  | Share capital<br>£'000 | Share premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Own<br>shares<br>£'000 | Share<br>based<br>payment<br>reserve<br>£'000 | Retranslation<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>equity<br>£'000 |
|--|------------------------|-----------------------------------|---|------------------------|---|-----------------------------------|-------------------------------|--------------------------|
| <b>Balance at 25 January 2009</b>                                    | 12,542                 | 174,055                           | 1,069                                     | (3,083)                | 635   | 338                               | (925)                         | 184,631                  |
| Loss for the period  |                        |                                   |   |                        |   |                                   | (54,583)                      | (54,583)                 |
| Exchange differences on translation of<br>foreign operations         |                        |                                   |   |                        |   | (379)                             |                               | (379)                    |
| <b>Total comprehensive income for the<br/>period</b>                 |                        |                                   |   |                        |   |                                   | (55,508)                      | 129,669                  |
| Dividends repaid to Company  |                        |                                   |   |                        |   |                                   | 54                            | 54                       |
| Release from share based payment<br>reserve taken directly to equity |                        |                                   |   |                        |   |                                   | 589                           | 589                      |
| Debit to equity for equity-settled share<br>based payments           |                        |                                   |   |                        | (187)   |                                   |                               | (187)                    |
| Firm Placing and Placing and Open Offer                              | 20,000                 | 73,428                            |   |                        |   |                                   |                               | 93,428                   |
| Transfer to retained earnings  |                        | (73,428)                          |   |                        |   |                                   | 73,428                        | -                        |
| <b>Balance at 31 January 2010 (Audited)</b>                          | <b>32,542</b>          | <b>174,055</b>                    | <b>1,069</b>                              | <b>(3,083)</b>         | <b>448</b>                                    | <b>(41)</b>                       | <b>18,563</b>                 | <b>223,553</b>           |

**Condensed Consolidated statement of financial position**  
**As at 1 August 2010**

|   | Note | (Unaudited)<br>As at<br>1 August<br>2010<br>£'000 | (Unaudited)<br>As at<br>26 July<br>2009<br>£'000 | (Audited)<br>As at<br>31 January<br>2010<br>£'000 |
|---|------|---|--|---|
| <b>Non-current assets</b>               |      |   |  |   |
| Goodwill                                |      | 106,406   | 106,406  | 106,406   |
| Other intangible assets                 |      | 21,288  | 23,334   | 22,369  |
| Property, plant and equipment           |      | 70,949  | 78,505   | 74,691  |
|   |      | <b>198,643</b>                                    | <b>208,245</b>                                   | <b>203,466</b>                                    |
| <b>Current assets</b>                   |      |   |  |   |
| Inventories                             |      | 92,732  | 47,754   | 68,582  |
| Trade and other receivables             |      | 11,912  | 47,887   | 26,293  |
| Current tax receivable                  |      | -   | -  | 174   |
| Current asset investment                |      | -   | 168,117  | 168,117   |
| Cash and cash equivalents               |      | 13,880  | 22,032   | 58,812  |
|   |      | <b>118,524</b>                                    | <b>285,790</b>                                   | <b>321,978</b>                                    |
| <b>Total assets</b>                     |      | <b>317,167</b>                                    | <b>494,035</b>                                   | <b>525,444</b>                                    |
| <b>Current liabilities</b>              |      |   |  |   |
| Trade and other payables                |      | (85,838)  | (107,348)  | (106,156)   |
| Current tax liability                   |      | (16)  | (659)  | -   |
| Loan notes                              |      | -   | (168,117)  | (168,117)   |
| Provisions                              |      | (7,209)   | (16,808)   | (9,057)   |
| Derivative financial instruments        |      | (903)   | (2,032)  | (2,032)   |
|   |      | <b>(93,966)</b>                                   | <b>(294,964)</b>                                 | <b>(285,362)</b>                                  |
| <b>Net current assets (liabilities)</b> |      | <b>24,558</b>                                     | <b>(9,174)</b>                                   | <b>36,616</b>                                     |
| <b>Non-current liabilities</b>          |      |   |  |   |
| Bank loans                              | 7    | (6,582)   | (19,886)   | -   |
| Deferred tax liabilities                |      | -   | (260)  | -   |
| Deferred lease incentives               |      | (13,195)  | (14,704)   | (13,849)  |
| Provisions                              |      | (3,085)   | (7,749)  | (2,680)   |
|   |      | <b>(22,862)</b>                                   | <b>(42,599)</b>                                  | <b>(16,529)</b>                                   |
| <b>Total liabilities</b>                |      | <b>(116,828)</b>                                  | <b>(337,563)</b>                                 | <b>(301,891)</b>                                  |
| <b>Net assets</b>                       |      | <b>200,339</b>                                    | <b>156,472</b>                                   | <b>223,553</b>                                    |
| <b>Capital and reserves</b>             |      |   |  |   |
| Share capital                           | 8    | 32,542  | 12,542   | 32,542  |
| Share premium account                   |      | 174,055   | 174,055  | 174,055   |
| Capital redemption reserve              |      | 1,069   | 1,069  | 1,069   |
| Investment in own shares                |      | (3,083)   | (3,083)  | (3,083)   |
| Share based payment reserve             |      | 1,430   | 48   | 448   |
| Foreign currency translation reserve    |      | (278)   | (50)   | (41)  |
| Retained earnings                       |      | (5,396)   | (28,109)   | 18,563  |
| <b>Total Equity</b>                     |      | <b>200,339</b>                                    | <b>156,472</b>                                   | <b>223,553</b>                                    |

**Condensed Consolidated statement of cash flows**  
**For the 26 weeks to 1 August 2010**

|   | Note | (Unaudited)<br>26 weeks to<br>1 August<br>2010<br>£'000 | (Unaudited)<br>26 weeks to<br>26 July<br>2009<br>£'000 | (Audited)<br>53 weeks to<br>31 January<br>2010<br>£'000 |
|---|------|---|--|---|
| <b>Net cash outflow from operating activities</b>           | 9    | (49,981)  | (41,592)   | (81,023)  |
| <b>Cash flows from investing activities</b>                 |      |   |  |   |
| Interest received   |      | 491   | 1,882  | 2,704   |
| Proceeds on disposal of investment in associate             |      | -   | 625  | 625   |
| Proceeds on disposal of property, plant and equipment       |      | 70  | 2,909  | 2,962   |
| Proceeds from sale of Leisure division                      |      | -   | 69,654   | 77,362  |
| Purchase of intangible assets                               |      | (616)   | (500)  | (1,139)   |
| Purchase of property, plant and equipment                   |      | (1,706)   | (376)  | (1,835)   |
| Release from escrow   |      | -   | 3,837  | 3,837   |
| <b>Net cash (used in) from investing activities</b>         |      | <b>(1,761)</b>  | <b>78,031</b>  | <b>84,516</b>   |
| <b>Cash flow from financing activities</b>                  |      |   |  |   |
| Interest paid   |      | (276)   | (2,667)  | (3,883)   |
| Dividends repaid  | 5    | -   | 54   | 54  |
| Proceeds from issues of share capital                       |      | -   | -  | 93,428  |
| Drawdown of current asset investment                        | 7    | 168,117   | -  | -   |
| Settlement of loan notes                                    | 7    | (168,117)   | -  | -   |
| Net proceeds from bank loans                                | 7    | 7,000   | -  | -   |
| Repayment of bank loan                                      |      | -   | (52,500)   | (75,000)  |
| <b>Net cash from (used in) financing activities</b>         |      | <b>6,724</b>  | <b>(55,113)</b>  | <b>14,599</b>   |
| <b>Net (decrease) increase in cash and cash equivalents</b> |      | <b>(45,018)</b>   | <b>(18,674)</b>  | <b>18,092</b>   |
| Cash and cash equivalents at beginning of period            |      | 58,812  | 40,638   | 40,638  |
| Effect of foreign exchange rate changes                     |      | 86  | 68   | 82  |
| <b>Cash and cash equivalents at end of period</b>           |      | <b>13,880</b>   | <b>22,032</b>  | <b>58,812</b>   |

## **Notes to the condensed set of financial statements**

### **For the 26 weeks to 1 August 2010**

#### **1. General information**

The Group's condensed set of financial statements for the 26 weeks to 1 August 2010 were approved by the Board of Directors on 28 September 2010.

#### **2. Accounting policies**

The same accounting policies, presentations and methods of computation are followed in the condensed set of financial report and statements as applied in the Group's latest audited Annual Report and Financial Statements, except for the adoption in the period of IFRS 3 'Business Combinations' (revised 2008) and IAS 27 'Consolidated and Separate Financial Statements' (revised 2008). These have had no significant impact on this half year financial report. The Annual Report and Financial Statements of JJB Sports plc are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and were published by the Group on 27 May 2010. The unaudited condensed set of financial statements included in this half year financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

The financial information for the 53 week period ended 31 January 2010, contained herein, does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Copies of the interim report and condensed set of financial statements and the last Annual Report and Financial Statements are available from the Company Secretary, JJB Sports plc, Challenge Way, Martland Park, Wigan, WN5 0LD and can each be downloaded or viewed via the Group's corporate website, [www.jjbcorporate.co.uk](http://www.jjbcorporate.co.uk).

#### **Basis of preparation - going concern**

In determining the appropriate basis of preparation of the half yearly report, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future, that is, for at least 12 months from the date of signing this report.

The Company has a £25 million revolving facility provided by Bank of Scotland ('BoS') with a maturity date of 30 September 2012. As at 26 September 2010, the Group had net borrowings of £1.1 million.

The BoS facilities include certain financial covenant tests. As at 1 August 2010 the Company has met the covenant tests. The Group's latest forecasts do not show any funding shortfalls or breaches of financial covenants in the 12 month period from the date of signing this report.

The Directors have prepared trading and cash flow forecasts as part of their going concern assessment. In making the going concern statement, the Directors are aware that there are uncertainties inherent in the cash flow forecasts as future trading may not be in line with the assumptions in the Group's latest forecasts, the achievability of which is dependent on:

- the ability of the Group to implement its turnaround strategy, including continued sales growth and cost reduction incentives;
- the current economic environment;
- continued support from certain of the Group's stock supplier partners to maintain existing and provide further lines of credit and continued support from the Group's landlords; and
- the continued ability of the Group to manage its short term working capital effectively.

Relatively small variations in the assumptions underlying the Group's latest forecasts could lead to funding shortfalls and/or potential breaches of the financial covenants in the Group's working capital facility.

## **Notes to the condensed set of financial statements (continued)**

**For the 26 weeks to 1 August 2010**

### **Basis of preparation - going concern (continued)**

If the Group faces a future funding shortfall and/or a covenant breach, the Group would seek an amendment to the amount of its facility and/or its financial covenants and/or seek further financing.

Notwithstanding that the Group's latest forecasts do not show any funding shortfalls or breaches of financial covenants in the 12 month period from the date of signing this report, in the light of recent sales volatility, and the Group's intention to increase the level of promotional activity in the autumn and pre-Christmas trading period, the Group has already held positive discussions with its bankers and has agreed that the EBITDAR covenant will not be tested in October but will next be tested at the end of January 2011, together with the first testing of the Fixed Charge Cover covenant. The Group's bankers continue to be supportive and the Company maintains regular and constructive dialogue with them. While the Company has not to date sought any commitment from them to relax future covenants, they have indicated that they are supportive of the Group and anticipate taking a positive and constructive approach to any such request.

If there is a future funding shortfall and/or a covenant breach the Group would also seek to implement cost reduction initiatives and would propose to obtain additional funding through a number of initiatives, including; (i) implementing further, short term working capital initiatives, (ii) further promotional campaigns to drive enhanced sales, (iii) further business restructuring, including streamlining business processes; (iv) further shareholder support; (v) seek additional sources of finance; (vi) the sale and leaseback of all or part of the Company head office site; and (vii) the sale of one or more of the Group's remaining non-core assets which include the two remaining fitness clubs in Ireland.

After making enquiries, and considering the matters described above, including the positive discussions with the Group's lenders and possible management initiatives noted, the Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing these results.

## Notes to the condensed set of financial statements (continued)

For the 26 weeks to 1 August 2010

### 3. Business Segments

IFRS 8 requires operating 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, which for the Company is the Chief Executive, to allocate resources to the segments and to assess their performance. There is only one segment for the current financial period comprising of the Group's retail operations, which includes the two Eire Fitness Clubs. The prior period comprises of (a) the Group's ongoing retail operations including retail stores which are attached to Fitness Clubs; and (b) the Fitness Club operation, which was sold on 25 March 2009.

The accounting policies of the reportable segments are set out in the Statement of Accounting Policies in the Annual Report and Financial Statements. Segment result represents the (loss) profit earned by each segment before central administration costs including Directors' salaries, exceptional operating items, investment income, finance costs and income tax expense.

#### Revenues from major products and services and information about major customers

Information regarding the above is required by IFRS 8 (32 and 34) but is not given in these notes because of the nature of the Group's business. The Group's principal activity of retailing of a wide range of sports clothing, footwear and equipment, is reported in the segments shown below and therefore the disclosure of revenues from major products is not appropriate. As the Group's revenue is derived from sales to the general public, then it has no reliance on any individual major customer.

#### Geographical segments

The Group's reporting format is by business segment. Although the Group operates in two geographical segments, the UK and Eire, neither the revenue from sales to external customers nor the value of net assets within Eire represent more than 10 per cent of Group totals.

Information regarding the Group's operating segments is reported below:

#### (Unaudited) Segment results for the 26 weeks to 1 August 2010

|  | Ongoing retail<br>Total<br>£'000 |
|--|----------------------------------|
| Revenue  | 184,007                          |
| Gross profit   | 77,564                           |
| Location net operating expenses before exceptional operating items | (89,491)                         |
| Segment result   | (11,927)                         |
| Central administration costs                                       | (10,607)                         |
| Operating loss before exceptional operating items                  | (22,534)                         |
| Exceptional operating items  | (2,102)                          |
| Operating loss   | (24,636)                         |
| Investment income  | 491                              |
| Finance costs  | (397)                            |
| Fair value on derivative instruments                               | 1,129                            |
| Debt issue costs   | (546)                            |
| Loss before taxation   | (23,959)                         |
| Taxation   | -                                |
| Loss after taxation  | (23,959)                         |

As discussed above, following the disposal of the Fitness Clubs to DW Sports Limited on 25 March 2009, the Group only has one segment which is the retail segment, which also includes the two Eire Fitness Clubs.

**Notes to the condensed set of financial statements (continued)**  
**For the 26 weeks to 1 August 2010**

**3. Business Segments (continued)**

**(Unaudited) Segment results for the 26 weeks to 26 July 2009**

|  | Ongoing<br>retail<br>£'000 | Other<br>items*<br>£'000 | Retail<br>operations<br>£'000 | Fitness<br>clubs<br>£'000 | Discontinued<br>operations<br>£'000 | Consolidated<br>£'000 |
|--|----------------------------|--------------------------|-------------------------------|---------------------------|-------------------------------------|-----------------------|
| Revenue  | 167,262                    | 11,300                   | 178,562                       | 11,234                    | (11,234)                            | 178,562               |
| Gross profit   | 56,861                     | 3,130                    | 59,991                        | 10,832                    | (10,832)                            | 59,991                |
| Location net operating expenses before exceptional operating items | (89,632)                   | (8,570)                  | (98,202)                      | (9,334)                   | 9,334                               | (98,202)              |
| Segment result   | (32,771)                   | (5,440)                  | (38,211)                      | 1,498                     | (1,498)                             | (38,211)              |
| Central administration costs                                       |                            |                          |                               |                           |                                     | (10,219)              |
| Operating loss before exceptional operating items                  |                            |                          |                               |                           |                                     | (48,430)              |
| Exceptional operating items  |                            |                          |                               |                           |                                     | 3,417                 |
| Addback Lifestyle trading losses**                                 |                            |                          |                               |                           |                                     | 2,696                 |
| Operating loss   |                            |                          |                               |                           |                                     | (42,317)              |
| Investment income  |                            |                          |                               |                           |                                     | 1,882                 |
| Finance costs  |                            |                          |                               |                           |                                     | (2,667)               |
| Fair value on derivative instruments                               |                            |                          |                               |                           |                                     | 903                   |
| Debt issue costs   |                            |                          |                               |                           |                                     | (321)                 |
| Share of results of associated undertaking                         |                            |                          |                               |                           |                                     | (350)                 |
| Loss before taxation   |                            |                          |                               |                           |                                     | (42,870)              |
| Taxation   |                            |                          |                               |                           |                                     | 7,480                 |
| Profit for the period from discontinued operations                 |                            |                          |                               |                           |                                     | 8,152                 |
| Loss after taxation and discontinued operations                    |                            |                          |                               |                           |                                     | (27,238)              |

\* Other items represents results of retail cessations during the period and including stores attached to Fitness Clubs (disposed of 25 March 2009), OSC and Qube stores, and other retail stores closed during the period.

\*\* Lifestyle trading losses of £2.7 million are included within the results of the 'other items' column above. On the face of the Condensed Consolidated statement of financial performance they are also included within exceptional items and this adjustment to the segmental note ensures these are not double-counted.

**(Audited) Segment results for the 53 weeks to 31 January 2010**

|  | Ongoing<br>retail<br>£'000 | Other<br>items*<br>£'000 | Retail<br>operations<br>£'000 | Fitness<br>clubs<br>£'000 | Discontinued<br>operations<br>£'000 | Consolidated<br>£'000 |
|--|----------------------------|--------------------------|-------------------------------|---------------------------|-------------------------------------|-----------------------|
| Revenue  | 361,123                    | 11,370                   | 372,493                       | 11,227                    | (11,227)                            | 372,493               |
| Gross profit   | 138,825                    | 3,252                    | 142,077                       | 10,825                    | (10,825)                            | 142,077               |
| Location net operating expenses before exceptional operating items | (183,402)                  | (8,443)                  | (191,845)                     | (9,252)                   | 9,252                               | (191,845)             |
| Segment result   | (44,577)                   | (5,191)                  | (49,768)                      | 1,573                     | (1,573)                             | (49,768)              |
| Central administration costs                                       |                            |                          |                               |                           |                                     | (20,599)              |
| Operating loss before exceptional operating items                  |                            |                          |                               |                           |                                     | (70,367)              |
| Exceptional operating items  |                            |                          |                               |                           |                                     | 419                   |
| Add back Lifestyle trading losses**                                |                            |                          |                               |                           |                                     | 2,636                 |
| Operating loss   |                            |                          |                               |                           |                                     | (67,312)              |
| Investment income  |                            |                          |                               |                           |                                     | 2,704                 |
| Finance costs  |                            |                          |                               |                           |                                     | (3,685)               |
| Fair value on derivative instruments                               |                            |                          |                               |                           |                                     | 903                   |
| Debt issue costs   |                            |                          |                               |                           |                                     | (1,202)               |
| Loss before taxation   |                            |                          |                               |                           |                                     | (68,592)              |
| Taxation   |                            |                          |                               |                           |                                     | 7,475                 |
| Profit for the period from discontinued operations                 |                            |                          |                               |                           |                                     | 6,534                 |
| Loss after taxation and discontinued operations                    |                            |                          |                               |                           |                                     | (54,583)              |

\* Other items represents results of retail cessations during the period and including stores attached to Fitness Clubs (disposed of 25 March 2009), OSC and Qube stores, and other retail stores closed during the period.

\*\* Lifestyle trading losses of £2.6 million are included within the results of the 'other items' column above. On the face of the Consolidated statement of financial performance they are also included within exceptional items and this adjustment to the segmental note ensures these are not double-counted.

**Notes to the condensed set of financial statements (continued)**  
**For the 26 weeks to 1 August 2010**

**4. Taxation**

In the unaudited Condensed Consolidated statement of financial performance for the 26 weeks to 1 August 2010 there is no taxation charge or credit, given the loss in the period.

|   | <b>(Unaudited)</b> | (Unaudited) | (Audited)   |
|---|--------------------|-------------|-------------|
|   | <b>26 weeks to</b> | 26 weeks to | 53 weeks to |
|   | <b>1 August</b>    | 26 July     | 31 January  |
|   | <b>2010</b>        | 2009        | 2010        |
|   | <b>£'000</b>       | £'000       | £'000       |
| <b>Current taxation</b>   |                    |             |             |
| UK corporation taxation credit  | -                  | (1,537)     | -           |
| Adjustment in respect of prior periods                                | -                  | -           | (1,260)     |
|   | -                  | (1,537)     | (1,260)     |
| <b>Deferred taxation</b>  |                    |             |             |
| Current period  | -                  | (3,263)     | (3,322)     |
| Adjustment in respect of prior periods                                | -                  | 491         | 381         |
|   | -                  | (2,772)     | (2,941)     |
| <b>Total Taxation credit from ongoing and discontinued operations</b> |                    |             |             |
| Taxation credit from discontinued operations                          | -                  | (4,309)     | (4,201)     |
| Taxation credit from ongoing operations                               | -                  | (3,171)     | (3,274)     |
|   | -                  | (7,480)     | (7,475)     |

**5. Dividends**

|  | <b>(Unaudited)</b> | (Unaudited) | (Audited)   |
|--|--------------------|-------------|-------------|
|  | <b>26 weeks to</b> | 26 weeks to | 53 weeks to |
|  | <b>1 August</b>    | 26 July     | 31 January  |
|  | <b>2010</b>        | 2009        | 2010        |
|  | <b>£'000</b>       | £'000       | £'000       |
| Amounts recognised as distributions to equity holders in the period:                                     |                    |             |             |
| Final dividend for the 53 weeks to 31 January 2010 of nil pence net per ordinary share (2009: nil pence) | -                  | -           | -           |
| Final dividends repaid for the 52 weeks to 27 January 2008   | -                  | (54)        | (54)        |
|  | -                  | (54)        | (54)        |

The Board does not propose an interim dividend for the 52 weeks to 30 January 2011.

## Notes to the condensed set of financial statements (continued)

### For the 26 weeks to 1 August 2010

#### 6. Loss per share

In accordance with IAS 33, loss per share for the prior year has been restated to reflect the effect of the issue of new ordinary shares in the prior year at a price below market price. The calculation of the basic and diluted loss per Ordinary Share and of adjusted basic loss per Ordinary Share are based on the following data:

|  | <b>(Unaudited)</b>               |               | (Unaudited)              |         | (Audited)                   |         |
|--|----------------------------------|---------------|--------------------------|---------|-----------------------------|---------|
|  | <b>26 weeks to 1 August 2010</b> |               | 26 weeks to 26 July 2009 |         | 53 weeks to 31 January 2010 |         |
| <b>From continuing operations</b>  | <b>Loss per share</b>            |               | Loss per share           |         | Loss per share              |         |
|  | <b>£000</b>                      | <b>p</b>      | £000                     | p       | £000                        | p       |
| Loss for the purpose of basic loss per Ordinary Share and diluted loss per Ordinary Share being net loss attributable to equity holders of the parent                          | <b>(23,959)</b>                  | <b>(3.68)</b> | (35,390)                 | (12.06) | (61,117)                    | (16.12) |
| Exceptional items  | <b>2,102</b>                     | <b>0.32</b>   | (3,167)                  | (1.08)  | 81                          | 0.02    |
| Taxation on exceptional items (net)  | <b>(589)</b>                     | <b>(0.09)</b> | 5,938                    | 2.02    | 1,331                       | 0.35    |
| Loss for the purpose of adjusted basic loss per Ordinary Share being net loss attributable to equity holders of the parent before exceptional operating items, net of taxation | <b>(22,446)</b>                  | <b>(3.45)</b> | (32,619)                 | (11.12) | (59,705)                    | (15.75) |

Continuing operations include retail cessations in line with IFRS 5 'Non-current Assets Held For Sale and Discontinued Items'.

#### From continuing and discontinued operations

|   |                 |               |          |         |          |         |
|---|-----------------|---------------|----------|---------|----------|---------|
| Loss for the purposes of basic loss per Ordinary Share and diluted loss per Ordinary Share being net loss attributable to equity holders of the parent                          | <b>(23,959)</b> | <b>(3.68)</b> | (27,238) | (9.28)  | (54,583) | (14.39) |
| Exceptional items   | <b>2,102</b>    | <b>0.32</b>   | (12,992) | (4.43)  | (10,091) | (2.66)  |
| Taxation on exceptional items   | <b>(589)</b>    | <b>(0.09)</b> | 8,689    | 2.96    | 4,179    | 1.10    |
| Loss for the purposes of adjusted basic loss per Ordinary Share being net loss attributable to equity holders of the parent before exceptional operating items, net of taxation | <b>(22,446)</b> | <b>(3.45)</b> | (31,541) | (10.75) | (60,495) | (15.95) |

|   | Number of Ordinary Shares (Thousands) |                          |                             |
|---|---------------------------------------|--------------------------|-----------------------------|
|   | <b>(Unaudited)</b>                    | (Unaudited)              | (Audited)                   |
|   | <b>26 weeks to 1 August 2010</b>      | 26 weeks to 26 July 2009 | 53 weeks to 31 January 2010 |
| Weighted average number of Ordinary Shares for the purposes of basic loss per Ordinary Share and adjusted basic loss per Ordinary Share | <b>650,832</b>                        | 293,489                  | 379,212                     |
| Effect of dilutive potential Ordinary Shares:   |                                       |                          |                             |
| Share options   | -                                     | -                        | -                           |
| Weighted average number of Ordinary Shares for the purposes of diluted loss per Ordinary Share  | <b>650,832</b>                        | 293,489                  | 379,212                     |

#### Continuing operations

|   |                |          |          |
|---|----------------|----------|----------|
| <b>Basic loss per Ordinary Share</b>          | <b>(3.68)p</b> | (12.06)p | (16.12)p |
| <b>Diluted loss per Ordinary Share</b>        | <b>(3.68)p</b> | (12.06)p | (16.12)p |
| <b>Adjusted basic loss per Ordinary Share</b> | <b>(3.45)p</b> | (11.12)p | (15.75)p |

#### Continuing and discontinued operations

|   |                |          |          |
|---|----------------|----------|----------|
| <b>Basic loss per Ordinary Share</b>          | <b>(3.68)p</b> | (9.28)p  | (14.39)p |
| <b>Diluted loss per Ordinary Share</b>        | <b>(3.68)p</b> | (9.28)p  | (14.39)p |
| <b>Adjusted basic loss per Ordinary Share</b> | <b>(3.45)p</b> | (10.75)p | (15.95)p |

**Notes to the condensed set of financial statements (continued)**  
**For the 26 weeks to 1 August 2010**

**7. Borrowings**

**Analysis of net funds as at 1 August 2010**

|                               | <b>(Audited)</b>  |                  | <b>(Unaudited)</b> |                 |
|-------------------------------|-------------------|------------------|--------------------|-----------------|
|                               | <b>At</b>         |                  |                    | <b>At</b>       |
|                               | <b>31 January</b> | <b>Cash flow</b> | <b>Other non-</b>  | <b>1 August</b> |
|                               | <b>2010</b>       | <b>£'000</b>     | <b>cash items</b>  | <b>2010</b>     |
|                               | <b>£'000</b>      | <b>£'000</b>     | <b>£'000</b>       | <b>£'000</b>    |
| Current asset investment      | 168,117           | (168,117)        | -                  | -               |
| Cash and cash equivalents     | 58,812            | (45,018)         | 86                 | 13,880          |
|                               | 226,929           | (213,135)        | 86                 | 13,880          |
| <b>Current liability:</b>     |                   |                  |                    |                 |
| Loan notes                    | (168,117)         | 168,117          | -                  | -               |
| <b>Non-current liability:</b> |                   |                  |                    |                 |
| Bank loan                     | -                 | (7,000)          | 418                | (6,582)         |
| <b>Net Funds</b>              | <b>58,812</b>     | <b>(52,018)</b>  | <b>504</b>         | <b>7,298</b>    |

As at 1 August 2010, the Group's working capital was funded through a £25 million medium term revolving bank credit facility with a maturity date of 30 September 2012. The original facility was amended on 31 March 2010 with regard to extended financial covenants so that the covenant tests are focused on current and future trading rather than historical information, providing greater financial flexibility for the Group.

The margin in respect of the facilities was increased from 3.5 per cent to 5 per cent above LIBOR following the delivery of a margin calculation certificate for the nine months ending 31 July 2010, and thereafter varies from 2.5 per cent per annum to 5 per cent per annum depending on the fixed charge cover calculation. This exposes the Group to interest rate risk.

A fee of £125,000 was paid to BoS in respect of the amendment to the banking facilities.

The Group had drawn down £7.0 million of the facility as at 1 August 2010, before adjustments for un-amortised debt issue costs of £0.4 million, giving a net loan figure of £6.6 million.

In accordance with the terms of the facility from Bank of Scotland, the Group issued warrants to subscribe for 11,287,434 new ordinary shares of 5 pence each on 3 June 2009. For a more detailed explanation, please refer to note 25 of the Annual Report and Financial statements for the 53 weeks to 31 January 2010.

The current asset investment was drawn down during the period to settle the loan note liability which arose following the acquisition of Sports Division in September 1998.

**Notes to the condensed set of financial statements (continued)**  
**For the 26 weeks to 1 August 2010**

**8. Share capital**

|  |               |                |
|--|---------------|----------------|
| <b>Issued share capital:</b>                   | <b>£'000</b>  | Thousands      |
| <b>Allotted, called up and fully paid:</b>     |               |                |
| <b>At 31 January 2010 and at 1 August 2010</b> | <b>32,542</b> | <b>650,832</b> |

The Group has one class of Ordinary Share and these carry no right to fixed income. Each share carries a right to vote.

**9. Reconciliation of operating loss to net cash outflow from operating activities**

|   | (Unaudited)<br>26 weeks to<br>1 August<br>2010<br>£'000 | (Unaudited)<br>26 weeks to<br>26 July<br>2009<br>£'000 | (Audited)<br>53 weeks to<br>31 January<br>2010<br>£'000 |
|---|---|--|---|
| Operating loss from continuing operations                                     | (24,636)  | (42,317)   | (67,312)  |
| Depreciation of property, plant and equipment                                 | 4,744   | 6,664  | 11,700  |
| Amortisation of other intangible assets                                       | 1,698   | 1,737  | 3,339   |
| Net loss (gain) on disposal of property, plant and equipment                  | 310   | (614)  | (256)   |
| Net loss on disposal of property, plant and equipment within Leisure division | -   | 358  | 358   |
| Net loss on disposal of intangible assets                                     | -   | 29   | 31  |
| Decrease in provisions  | (1,443)   | (13,633)   | (26,453)  |
| Share based payment reserve   | 982   | (587)  | (187)   |
| Release from share based payment reserve taken directly to equity             | -   | -  | 589   |
| Impairment of loan and investment in associated undertaking                   | -   | (225)  | 125   |
| Bank loan costs   | (125)   | -  | (218)   |
| Profit from discontinued operations   | -   | 8,152  | 6,534   |
| Tax attributed to discontinued operations                                     | -   | 3,171  | 3,274   |
| Losses on de-recognition  | -   | 2,045  | -   |
| <b>Operating cash flows before movements in working capital</b>               | <b>(18,470)</b>   | <b>(35,220)</b>  | <b>(68,476)</b>   |
| (Increase) decrease in inventories  | (24,150)  | 15,711   | (5,114)   |
| Decrease in trade and other receivables                                       | 14,381  | 1,853  | 16,140  |
| Decrease in trade and other payables  | (21,932)  | (23,174)   | (23,424)  |
| <b>Cash used in operations</b>  | <b>(50,171)</b>   | <b>(40,830)</b>  | <b>(80,874)</b>   |
| Taxation received (paid)  | 190   | (762)  | (149)   |
| <b>Net cash outflow from operating activities</b>                             | <b>(49,981)</b>   | <b>(41,592)</b>  | <b>(81,023)</b>   |

## **Notes to the condensed set of financial statements (continued)**

**For the 26 weeks to 1 August 2010**

### **10. Related party transactions**

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed. Transactions between the Group and other related parties do not materially affect the financial position or performance of the Group during the period and are therefore not disclosed.

### **11. Seasonality of retail sales**

Retail sales are more heavily weighted towards the second half of the financial year, with approximately 55% of annual sales occurring from August to January. This is primarily due to planned promotional activity in the second half of the year and the Christmas period.

### **12. Director Update**

The changes to the Board during the period ended 1 August 2010 are as follows:

- On 1 March 2010, Keith Jones was appointed as Chief Executive Officer
- On 25 March 2010, Colin Tranter resigned as a Director
- On 26 May 2010, John Clare was appointed as Chairman
- On 28 July 2010, Sir David Jones resigned as a Non-executive Director

### **13. Office of Fair Trading ("OFT")**

As announced on 10 September 2009, the Group is assisting the OFT with an investigation it is carrying out in the sports retail market. OFT officers visited the Group's offices in Wigan on 10 September 2009 as part of this investigation. The investigation follows an approach that the Group made to the OFT on 30 January 2009 for immunity pursuant to the OFT leniency programme in relation to a suspected agreement or concerted practice to dampen competition in the sports retail market during the period from 8 June 2007 to 25 March 2009, being the period in which the former Chief Executive, Christopher Ronnie, was employed by the Group. On 24 August 2009, the OFT confirmed the grant of a marker for "Type A" immunity to the Group in respect of the suspected cartel activity in the period from 8 June 2007 to 25 March 2009. The OFT will only be in a position to decide whether or not to issue an infringement decision in the event it has sufficient evidence to complete its investigation. This process may take up to a number of years. However, if the OFT were to complete its investigation, decide that the Group has infringed UK Competition Law and issue an infringement decision, the grant of the marker in favour of the Group means that it would receive full immunity from any financial penalty that would otherwise be imposed by the OFT, (subject to note 14 below).

### **14. Contingent Liabilities**

As disclosed in notes 40 and 42 of the Annual Report and Financial Statements for the 53 weeks to 31 January 2010, the Group continues to assist the Office of Fair Trading ("OFT") with their investigation into the sports retail market. The grant of a marker by the OFT and continuing compliance by the Group leads the Directors to believe that the risk of the marker, or any subsequent immunity, being withdrawn is low.

Notwithstanding the grant of the marker, and the availability of immunity for the Group, the Group may still be liable for third party claims that may arise as a direct result of conduct during the period from 8 June 2007 to 25 March 2009. The Directors are of the opinion that the risk of a successful third party claim being made are low and that any financial impact arising from a successful claim is unlikely to be material on the Group.

Accordingly, no provision has been made for potential claims against the Group in these accounts.

## **Notes to the condensed set of financial statements (continued)**

**For the 26 weeks to 1 August 2010**

### **15. Events after the date of the Condensed Consolidated statement of financial position**

On 18 August 2010, Lawrence Coppock signalled his intention to step down as Finance Director during the course of the next twelve months

## Responsibility statement

We confirm that to the best of our knowledge:

- the interim report and condensed set of financial statements have been prepared in accordance with IAS 34;
- the interim report and condensed set of financial statements include a fair review of the information required by DTR 4.2.7R (indication of important events during the first 26 weeks and description of principal risks and uncertainties for the remaining 26 weeks of the period); and
- the interim report and condensed set of financial statements include a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

Keith Jones  
Chief Executive Officer  
Date: 28 September 2010

Lawrence Coppock  
Finance Director

## **Directors and advisers**

### **Directors**

|                  |                               |
|------------------|-------------------------------|
| John Clare       | (Chairman)                    |
| Keith Jones      | (Chief Executive)             |
| Lawrence Coppock | (Finance Director)            |
| Richard Manning  | (Legal & Operations Director) |
| David Adams      | (Non-Executive Director)      |
| Alan Benzie      | (Non-Executive Director)      |
| Matthew Pinsent  | (Non-Executive Director)      |

### **Company secretary**

Richard Manning

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