

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or transferred all of your ordinary shares in JJB Sports plc, please pass this circular and the documents accompanying it, immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

UBS Limited, which is regulated by the Financial Services Authority, is acting exclusively for JJB Sports plc in connection with the proposals in this document and no one else and will not be responsible in relation to the proposals in this document to anyone other than JJB Sports plc for providing the protections afforded to customers of UBS Limited or for providing advice.



JJB Sports plc

**2006 ANNUAL GENERAL MEETING, PROPOSED SCRIP DIVIDEND
AND SCRIP DIVIDEND MANDATE SCHEME, APPROVAL OF
WAIVERS UNDER THE CITY CODE ON TAKEOVERS AND MERGERS
AND PROPOSED ADOPTION OF NEW SHARE INCENTIVE SCHEMES**

Notice of the 2006 Annual General Meeting of JJB Sports plc which is to be held at the JJB Stadium, Loire Drive, Wigan, Lancashire WN5 0UH at 12 noon on 27 July 2006, is set out at the end of this document.

Shareholders are requested to complete and return the enclosed form of proxy to the Company's registrars, Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event, to be valid, so as to arrive no later than 12 noon on 25 July 2006. The return of a form of proxy will not preclude a member from attending and voting at the Annual General Meeting in person should he subsequently decide to do so.

Elections to receive New JJB Shares under the Scrip Dividend Offer must be returned to Capita Registrars at the above address so as to be received by not later than 3.00 pm on 19 July 2006. If you wish to receive the whole of the Final Dividend of 7 pence per share in cash however, you should take no action in respect of the Form of Election.

CONTENTS

DEFINITIONS	3
TIMETABLE OF EVENTS	5
ACTION TO BE TAKEN IN CONNECTION WITH THE SCRIP DIVIDEND OFFER	5
PART I: LETTER FROM THE CHAIRMAN	6
PART II: FINANCIAL INFORMATION RELATING TO JJB SPORTS PLC	14
PART III: DETAILS OF THE SCRIP DIVIDEND OFFER	24
PART IV: TAXATION IMPLICATIONS OF THE SCRIP DIVIDEND OFFER	27
PART V: THE SCRIP DIVIDEND MANDATE SCHEME	29
PART VI: SUMMARY OF PROPOSED SHARE INCENTIVE SCHEMES	31
PART VII: ADDITIONAL INFORMATION	39
NOTICE OF ANNUAL GENERAL MEETING	49

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“2006 LTIP”	the JJB Sports Plc 2006 Long Term Incentive Plan proposed to be adopted at the AGM
“2006 Share Option Plan”	the JJB Sports Plc 2006 Unapproved Share Option Plan proposed to be adopted at the AGM
“Act”	the Companies Act 1985 (as amended)
“Annual General Meeting” or “AGM”	the 2006 annual general meeting of the Company to be held at 12 noon on 27 July 2006
“City Code”	the City Code on Takeovers and Mergers
“Concert Party”	the parties set out in paragraph 2.4(a) of Part VII of this document
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by CRESTCo in accordance with the Uncertificated Securities Regulations 2001
“CrestCo”	CRESTCo. Limited
“Directors” or “Board”	the Directors of the Company, whose names are set out on page 6 of this document
“Ex-Dividend Date”	24 May 2006, being the date upon which the Ordinary Shares were first quoted ex the Final Dividend
“Existing Share Option Schemes”	the JJB Sports 1999 Inland Revenue Approved Share Option Scheme and the JJB Sports 1999 Unapproved Share Option Scheme
“Final Dividend”	the final cash dividend of 7 pence per Ordinary Share in respect of the financial period to 29 January 2006, to be paid on 9 August 2006 to Shareholders whose names appear on the register of members at the Record Date
“Grandchildren’s Trusts”	the David Whelan Grandchildren’s Settlement and the Patricia Mary Whelan Grandchildren’s Settlement
“Group”	the Company and its subsidiary undertakings
“Independent Directors”	the Directors, other than David Whelan
“Independent Shareholders”	the Shareholders, other than the members of the Concert Party
“JJB” or “the Company”	JJB Sports plc
“Listing Rules”	the Listing Rules of the UKLA
“London Stock Exchange”	London Stock Exchange plc
“New JJB Shares”	new Ordinary Shares, credited as fully paid
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Proposed Share Incentive Schemes”	the 2006 LTIP and the 2006 Share Option Plan
“Record Date”	the close of business on 26 May 2006, being the date for entitlement to the Final Dividend

“Resolutions”	the resolutions set out in the notice of the AGM at the end of this document
“Rule 9”	Rule 9 of the City Code
“Scrip Dividend Election”	an election by a Shareholder to accept the Scrip Dividend Offer
“Scrip Dividend Mandate”	a standing mandate to receive the maximum number of New JJB Shares instead of cash in respect of each dividend for which a scrip dividend alternative is offered
“Scrip Dividend Offer”	the right to receive New JJB Shares as an alternative to cash in respect of all or part of the Final Dividend on the terms and conditions set out in this document and the accompanying Form of Election
“Shareholders”	holders of Ordinary Shares
“UBS”	UBS Limited
“UKLA”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000, including where the context admits, any committee, employee, officer or servant to whom any function of the UKLA may for the time being be delegated

TIMETABLE OF EVENTS

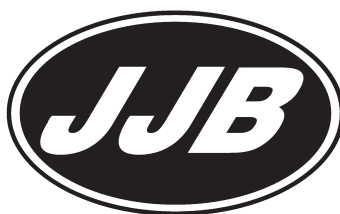
Ex-Dividend Date	24 May 2006
The five dealing days on which the value of Ordinary Shares for the purposes of the Scrip Dividend Offer was calculated	24 May 2006 to 31 May 2006
Record Date	26 May 2006
Final time and date for receipt of completed Forms of Election	3.00 pm on 19 July 2006
Annual General Meeting	12 noon on 27 July 2006
Final Dividend warrants despatched	7 August 2006
CREST member accounts credited with New JJB Shares	9 August 2006
First day of dealings in New JJB Shares	9 August 2006
Certificates for New JJB Shares in respect of Scrip Dividend Elections despatched	23 August 2006

ACTION TO BE TAKEN IN CONNECTION WITH THE SCRIP DIVIDEND OFFER

- A **To receive your maximum entitlement of New JJB Shares in respect of the Final Dividend** – sign and date the Form of Election and return it to Capita Registrars at 34 Beckenham Road, Beckenham, Kent BR3 4TU using the prepaid envelope provided.
- B **To receive New JJB Shares in respect of all of the Ordinary Shares registered in your name instead of cash whenever a scrip dividend alternative is offered in the future** – place an “X” in Box 5 on the Form of Election, sign and date it and return it to Capita Registrars at the above address.
- C **To receive the Final Dividend in a combination of New JJB Shares and cash** – insert in Box 4 on the Form of Election the number of Ordinary Shares (which must be an exact multiple of 25) in respect of which you wish to receive New JJB Shares instead of the Final Dividend. The Form of Election should then be signed, dated and returned to Capita Registrars at the above address. If the figure you state in Box 4 is a number greater than that shown in Box 2, your election will be deemed to be in respect of all of the Ordinary Shares shown in Box 2. If the figure requested in Box 4 is not an exact multiple of 25, the Registrars will amend Box 4 to the nearest available lower multiple.
- D **To receive your dividends in cash** – no action is necessary. Ignore the Form of Election. Your dividends will be paid in the normal way.

Completed Forms of Election from Shareholders wishing to accept the Scrip Dividend Offer, subject to the conditions to such offer being satisfied, must be returned to Capita Registrars at the above address so as to be received by not later than 3.00 pm on 19 July 2006.

PART I: LETTER FROM THE CHAIRMAN



JJB SPORTS PLC

(Registered in England and Wales No. 1024895)

Directors:

Roger Lane-Smith (Non-executive Chairman)
David Whelan (Executive Director)
Thomas William Knight (Chief Executive)
John David Greenwood (Finance Director and Company Secretary)
Barry John Keith Dunn (Property Director)
Andrew Gerald Thomas (Non-executive Director)
David Milton Maxwell Beever (Non-executive Director)
Roger Clive Best (Non-executive Director)

Registered and head office:

Martland Park
Challenge Way
Wigan
Lancashire
WN5 0LD

21 June 2006

To Shareholders and, for information only, to the holders of options under the Existing Share Option Schemes

Dear Shareholder

2006 ANNUAL GENERAL MEETING, PROPOSED SCRIP DIVIDEND AND SCRIP DIVIDEND MANDATE SCHEME, APPROVAL OF WAIVERS UNDER THE CITY CODE AND PROPOSED ADOPTION OF NEW SHARE INCENTIVE SCHEMES

1. Introduction

You will find set out on pages 49 to 52 of this document, notice of the 2006 Annual General Meeting of the Company, which is to be held on 27 July 2006 at 12 noon.

The purpose of this document is to provide Shareholders with details of the special business to be considered at the Annual General Meeting, namely:

- (i) the offer of a scrip dividend alternative to the Final Dividend (Resolution 10);
- (ii) the approval by the Independent Shareholders of the waiver by the Panel of the obligations under Rule 9 that might otherwise require members of the Concert Party to make an offer for the Ordinary Shares not already held by them following any member of the Concert Party accepting the Scrip Dividend Offer (Resolution 11);
- (iii) the grant of authority to the Directors to allot the Ordinary Shares which could become issuable pursuant to acceptances of the Scrip Dividend Offer and the renewal of the Directors' general authority to allot Ordinary Shares in the Company (Resolutions 12 and 13);
- (iv) the disapplication of the statutory pre-emption rights which would otherwise apply to the allotment of equity securities for cash, both for the shares which could become issuable pursuant to acceptances of the Scrip Dividend Offer and a renewal of the general disapplication of such rights sought at each annual general meeting (Resolutions 14 and 15);
- (v) the approval by the Independent Shareholders of the waiver by the Panel of the obligations under Rule 9 that might otherwise require members of the Concert Party to make an offer for the Ordinary Shares not already held by them following a purchase by the Company of its Ordinary Shares pursuant to the authority being sought at the AGM (Resolution 16);

- (vi) the grant of authority to the Company to purchase in the market up to approximately five per cent of its issued share capital (Resolution 17);
- (vii) the adoption of the 2006 LTIP (Resolution 18);
- (viii) the adoption of the 2006 Share Option Plan (Resolution 19); and
- (ix) the approval by the Independent Shareholders of the waiver by the Panel of the obligations under Rule 9 that might otherwise require members of the Concert Party to make an offer for the Ordinary Shares not already held by them following the proposed grant of an award under the 2006 LTIP over up to 398,492 Ordinary Shares to David Whelan (Resolution 20).

2. Scrip Dividend Offer

Your Board recognises that any reduction in the dividend payable may be unpalatable to Shareholders. Reported profits of the Group in the 52 weeks to 29 January 2006 are however significantly below other recent years, for the reasons set out in the Annual report and Financial statements which accompany this document.

Despite the competitive difficulties faced by the Group in its core retail offering, the combined Health Club/retail operations however continue to prosper and grow and, as such, its opening programme requires substantial capital expenditure.

Your Board has therefore decided that the holders of Ordinary Shares entitled to receive the proposed Final Dividend should be given the opportunity to reinvest some or all of their cash dividend into the Company, by offering Shareholders the option of receiving New JJB Shares in lieu of the Final Dividend.

The members of the Concert Party (other than Elsie Dean in respect of the 12,261 Ordinary Shares beneficially held by her and Mary Clare Ledwith in respect of the 59,750 Ordinary Shares beneficially held by Dr Anthony Ledwith), who together hold Ordinary Shares representing approximately 39 per cent of the issued share capital of the Company, have confirmed that they will be electing to receive their entire entitlement to the Final Dividend of £6,224,456 in New JJB Shares, rather than in cash.

The Independent Directors have confirmed that they will be electing to receive their entire entitlement to the Final Dividend of £54,850 in New JJB Shares, rather than in cash.

The Scrip Dividend Offer is, in all respects subject to and conditional upon (i) the passing of Resolutions 10, 11, 12 and 14, authorising the Directors to offer holders of Ordinary Shares the opportunity to elect to receive fully paid Ordinary Shares instead of the Final Dividend and to allot such Ordinary Shares on a non pre-emptive basis and (ii) the admission of such Ordinary Shares to the Official List of the UKLA and to trading on the London Stock Exchange's market for listed securities.

Subject to the passing of Resolutions 10, 11, 12 and 14 and to such admission, holders of Ordinary Shares who so elect, will receive one New JJB Share for every 24.892857 Ordinary Shares then held by them, instead of the cash dividend on those Ordinary Shares. Elections may only be made in respect of a multiple of 25 Ordinary Shares. No Shareholder shall receive a fraction of a New JJB Share and any residual cash entitlement will be carried forward to the next dividend to minimise the administrative cost to the Company of sending out a large number of cheques for relatively small amounts. This entitlement under the Scrip Dividend Offer has been calculated on the basis of the average of the middle market quotations for Ordinary Shares derived from the London Stock Exchange Daily Official List for the five dealing days commencing on the Ex-Dividend Date. **The price for each new Ordinary Share calculated on this basis is 174.25 pence.**

If you wish to receive Ordinary Shares in lieu of the Final Dividend in respect of all or part of your shareholding, the Form of Election should be completed and returned to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by them not later than 3.00 pm on 19 July 2006. If you wish to receive the whole of the Final Dividend in cash, or if you hold fewer than 25 Ordinary Shares, you should not take any further action in respect of the Form of Election.

The Scrip Dividend Offer gives holders of Ordinary Shares the opportunity to increase their shareholding in the Company without paying any dealing costs or stamp duty. **Whether or not you decide to elect to receive Ordinary Shares in lieu of the cash dividend will depend upon your own circumstances and, in particular, the tax effect of such action, as outlined in Part IV of this document. If you are in any doubt as to the action you should take, you are strongly advised to take professional advice.**

If all holders of Ordinary Shares eligible to receive the Final Dividend were to elect to receive the Final Dividend in cash, the total cash dividend payable by the Company would be approximately £16,154,000 in respect of which the applicable tax credit available to shareholders would be approximately £1,795,000 (on the assumption that the recipients of such Final Dividend are companies or other persons resident in the United Kingdom). If, instead, all holders of Ordinary Shares, eligible to do so, were to elect to receive the Final Dividend in the form of New JJB Shares, 9,270,588 Ordinary Shares would be issued (ignoring any reduction in respect of fractions), representing an increase of approximately 4.02 per cent in the Company's issued share capital.

For holders of Ordinary Shares who wish to receive dividends in the form of fully paid Ordinary Shares rather than in cash on future occasions when a scrip dividend alternative is offered, the Company proposes to operate a mandate scheme, details of which are set out in Part V of this document ("Mandate Scheme"). **To receive New JJB Shares in respect of all of the Ordinary Shares registered in your name instead of cash whenever a scrip dividend alternative is offered**, place an "X" in Box (5) on the Form of Election, sign and date it and return it to Capita Registrars at the above address.

Further details of the Scrip Dividend Offer, an outline of the taxation consequences and details of the Mandate Scheme are set out in Parts III to V to this document and should be read carefully.

3. Authorities to allot shares

The existing general authority of the Directors to allot Ordinary Shares will expire at the conclusion of the Annual General Meeting. Resolutions 12 and 13 (which will be proposed as ordinary resolutions) will give the Directors authority to allot:

- (a) up to 9,270,588 Ordinary Shares (with an aggregate nominal value of approximately £463,529) which could become issuable if all Shareholders accept the Scrip Dividend Offer in full, representing approximately 4.02 per cent of the issued share capital of the Company as at 19 June 2006 (Resolution 12); and
- (b) a further 76,922,206 Ordinary Shares (with an aggregate nominal value of approximately £3,846,110), which represents approximately one third of the issued share capital of the Company as at 19 June 2006 (Resolution 13). The Directors, however, have no present intention of exercising the proposed general authority to be sought by Resolution 13.

The authorities proposed to be granted will expire at the conclusion of the annual general meeting to be held in 2007 or 15 months from the passing of the relevant resolution (whichever is the earlier).

4. Disapplications of pre-emption rights

At the last annual general meeting held on 6 July 2005, the Directors were empowered (until the conclusion of the 2006 Annual General Meeting) to make limited allotments of Ordinary Shares for cash, other than in accordance with the statutory pre-emption rights. These pre-emption rights require a company to offer shares which are to be allotted for cash proportionately to existing shareholders first.

Resolutions 14 and 15 (which will be proposed as special resolutions) empower the Directors, until the conclusion of the annual general meeting to be held in 2007 or 15 months from the passing of the relevant resolution (whichever is the earlier), to issue shares for cash, other than proportionately to existing Shareholders. These powers are limited, in aggregate, to the issue of:

- (a) up to 9,270,588 Ordinary Shares (having a nominal value of approximately £463,529) which could become issuable if all Shareholders accept the Scrip Dividend Offer in full, which is approximately 4.02 per cent of the Company's issued share capital as at 19 June 2006 (Resolution 14); and
- (b) a further 11,538,330 Ordinary Shares (having a nominal value of £576,916), which is approximately 5 per cent of the Company's issued share capital as at 19 June 2006 (Resolution 15). This resolution also contains provisions to enable the Directors to deal with fractional entitlements or other practical difficulties which could arise in the event of a rights issue or similar pre-emptive offer.

5. Authority to Purchase Own Shares

Your Board continues to believe that optimising the capital structure of the Company is in the best interests of Shareholders and is accordingly seeking a renewal of its existing general authority granted at the 2005 AGM to purchase its own shares. The practice of companies purchasing their own shares is considered to be a useful

mechanism in increasing capital efficiency for the benefit of remaining shareholders. Any such purchase of Ordinary Shares will, however, only be effected by your Directors if it is considered by them to be in the best interests of Shareholders generally, and if to do so would be likely to result in an increase in earnings per share.

Resolution 17, which will be proposed as a special resolution, accordingly seeks authority from Shareholders to buy back up to 11,538,330 Ordinary Shares, representing approximately 5 per cent of the Company's issued share capital as at 19 June 2006.

Any such repurchases would be at prices to be determined by the Directors, although the terms of the resolution provide that such prices may not exceed 105 per cent of the average of the middle market quotations for such Ordinary Shares taken from the Daily Official List of the London Stock Exchange for the previous five business days and must not be less than 5 pence per Ordinary Share (being the nominal value of an Ordinary Share). The authority will expire at the conclusion of the annual general meeting to be held in 2007 or 15 months from the passing of the resolution (whichever is the earlier).

6. Proposed Share Incentive Schemes

The Remuneration Committee of the Company have reviewed the share based incentive arrangements at present operated by the Company and concluded that in order to ensure that there is a sufficient range of share based incentives available to the Group, shareholder approval should be sought for the adoption of two new share plans.

(a) *The 2006 LTIP*

The first plan proposed to be adopted is the 2006 LTIP. This would be administered by independent professional trustees based in the Channel Islands (the "Trustee") who, when exercising its discretion, will have regard to the recommendations of the Remuneration Committee. After taking account of the recommendations of the Remuneration Committee, the Trustee will have the power to make awards under the 2006 LTIP to selected Directors and other senior executives over a specified number of Ordinary Shares. These awards will take the form of an acquisition of the relevant number of Ordinary Shares by a participant, where the ownership of the Ordinary Shares throughout the measurement period, which will normally last for at least three years, is only conditional. The vesting of each award will depend upon the extent to which performance targets are satisfied over the measurement period. A participant will only obtain absolute ownership of the Ordinary Shares over which an award is made to the extent that the performance targets are satisfied.

Shareholder approval to the adoption of the 2006 LTIP will be sought at the AGM. Following the adoption of this plan, the Remuneration Committee intends to make awards under the 2006 LTIP to each of the executive Directors over a number of Ordinary Shares equal to three times their annual salary, calculated using the Company's average share price for the 3 business days prior to the date of approval by the Board of this document.

The Remuneration Committee is proposing that the initial awards made under the 2006 LTIP should be split into two separate but equal tranches where one tranche is subject to an earnings per Ordinary Share performance target and the other tranche will be subject to a total shareholder return performance target.

The extent to which the first tranche of the award vests will depend upon the earnings per share of the Group at the end of a three year measurement period. The actual earnings per share figure will be compared to a target earnings per share figure set by the Remuneration Committee before any awards are made. If the actual earnings per share figure at the end of the measurement period is less than 90 per cent of the target earnings per share figure, no part of the award will vest. If the actual earnings per share figure at the end of the measurement period is more than 110 per cent. of the target earnings per share figure, all of the award will vest and a sliding scale of vesting will operate between these two limits.

The extent to which the second tranche of the award vests will depend on the total shareholder return ("TSR") achieved by the Company over the measurement period. The TSR of the Group will be compared with the TSR of each company within a comparator group of companies selected by the Remuneration Committee before any awards are made. If the performance of the Company over the measurement period means that its TSR is less than the median performance of the comparator group, then no part of the second tranche of the award will vest. All of the second tranche of the award will vest for top quartile performance, one quarter of the second tranche of the award will vest for performance above the median and straight line vesting of the second tranche will operate between median and upper quartile performance.

Different performance conditions may be selected by the Remuneration Committee for future awards made under the 2006 LTIP, but if the performance conditions for future awards under the 2006 LTIP are changed, Shareholders will be informed through the Directors' remuneration report in subsequent Annual reports.

It will be a term of these awards that, following the end of the measurement period, a number of the Ordinary Shares over which the award has vested must be retained by each participant for a period of a further 12 months.

(b) *The 2006 Share Option Plan*

The second proposed new plan is the 2006 Share Option Plan. Under the 2006 Share Option Plan, which will be administered by the Remuneration Committee, options may be granted over a specified number of Ordinary Shares. The extent to which an option will vest and may be exercised depends upon the achievement of a performance target to which the exercise of the option is subject. The initial performance target will require that the growth in the earnings per Ordinary Share of the Company over a three year measurement period should exceed the growth in the retail prices index over the same period by at least 12 per cent.

Shareholder approval of the 2006 Share Option Plan will also be sought at the AGM. Following the adoption of this plan, the Remuneration Committee intends to make awards under the 2006 Share Option Plan to certain senior employees of the Group (other than the executive Directors) over Ordinary Shares equal to up to three times their annual salary, calculated using the Company's average share price for the 3 business days prior to the date of approval by the Board of this document.

Further details of the main features of the 2006 LTIP and the 2006 Share Option Plan can be found in Part VI of this document.

7. The City Code

(a) *Rule 9 of the City Code*

Under Rule 9, except with the consent of the Panel, when:

- (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or
- (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company to which the City Code applies but does not hold shares carrying more than 50 per cent. of such voting rights, and such person or any person acting in concert with him acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,

such person or group of persons acting in concert, must make a general offer to acquire the shares not held by that person or his concert party. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any persons acting in concert with him, for any interest in shares in the company within the preceding 12 months.

The members of the Concert Party, who are interested in shares which in the aggregate carry not less than 30 per cent but not more than 50 per cent. of the voting rights of the Company, are deemed to be acting in concert in respect of their shareholdings in the Company. Accordingly, any acquisition of any interest in Ordinary Shares (interpreted in accordance with the City Code) by a member of the Concert Party would normally give rise to an obligation on the members of the Concert Party to make an offer for the issued share capital of the Company not already held by members of the Concert Party.

(b) *Rule 37 of the City Code*

Under Rule 37, any increase in the percentage holding of any member of the Concert Party resulting from the purchase by the Company of its own shares will also be treated as an acquisition for the purposes of Rule 9. Accordingly, any market purchase by the Company of its Ordinary Shares pursuant to the authority being sought by Resolution 17, other than pro-rata to the existing holdings of the Company's shareholders, may also result in members of the Concert Party being obliged to make an offer for the issued share capital of the Company not already held by members of the Concert Party.

As a result, your Board has consulted with the Panel to seek waivers from the potential Rule 9 implications of a number of the Resolutions to be proposed at the AGM. The Panel has agreed, subject to the Independent Shareholders voting on a poll at the AGM approving Resolutions 11, 16 and 20 respectively, to waive any obligation that would otherwise arise under Rule 9 for the members of the Concert Party to make a general offer for the Ordinary Shares which they do not already hold in respect of:

- (a) any acceptance of the Scrip Dividend Offer, in respect of the whole or any part of the Final Dividend payable to the members of the Concert Party;
- (b) any market purchases of Ordinary Shares by the Company pursuant to the authority being sought by Resolution 17; and
- (c) the vesting of the award detailed in Part VI proposed to be granted under the 2006 LTIP to David Whelan.

Each of Resolutions 11, 16 and 20 will be proposed as ordinary resolutions and will be voted upon (on a poll) only by the Independent Shareholders. The members of the Concert Party will not be entitled to vote on Resolutions 11, 16 and 20.

Pursuant to the City Code, it is necessary to provide an illustration of the maximum potential shareholding of the Concert Party assuming:

- (i) no sales of Ordinary Shares by any member of the Concert Party;
- (ii) full use by the Company of the authority being sought by Resolution 17 to make market purchases of the Company's Ordinary Shares from persons other than members of the Concert Party;
- (iii) acceptance in full by the members of the Concert Party (and no other Shareholders) of the Scrip Dividend Offer in respect of the Final Dividend; and
- (iv) the exercise in full by the members of the Concert Party (and no other holder of options over Ordinary Shares) of all their existing options over Ordinary Shares and vesting of the awards detailed in Part VI proposed to be granted under the 2006 LTIP to David Whelan and no-one else.

On the above basis, the maximum combined shareholding of the Concert Party would be 41.85 per cent.

A table illustrating the above calculation is set out below:

	Total issued Ordinary Shares	Aggregate Concert Party shareholding	Percentage shareholding of the Concert Party
(i) Total Ordinary Shares in issue in the Company at the close of business on the last business day prior to the date of this document	230,766,619	88,992,821	38.56
(ii) Assuming exercise in full of the Company's proposed authority to make market purchases of Ordinary Shares from persons other than members of the Concert Party	(11,538,330)		
	219,228,289	88,992,821	40.59
(iii) Assuming acceptance by members of the Concert Party (and no other Shareholders) of the Scrip Dividend Offer in respect of the Final Dividend ((88,992,821 Ordinary Shares x 7 pence net per share) ÷ 174.25 pence)	3,575,034	3,575,034	
	222,803,323	92,567,855	41.55
(iv) Assuming exercise in full by members of the Concert Party (and no-one else) of all existing options over Ordinary Shares and the vesting of 398,492 Ordinary Shares in David Whelan pursuant to the 2006 LTIP	1,147,692	1,147,692	
	<u>223,951,015</u>	<u>93,715,547</u>	<u>41.85</u>

8. Intentions of the Concert Party

The members of the Concert Party have confirmed to the Company that:

- (a) it would be their intention that, following any increase in their shareholding as a result of any acceptance by them of the Scrip Dividend Offer, any repurchase of Ordinary Shares pursuant to the authority being sought at the AGM or the grant of the award proposed to be granted to David Whelan under the 2006 LTIP, the business of the Company should continue to be run in substantially the same manner as at present;
- (b) they are not presently planning any changes to the current strategy of the Group;
- (c) they do not, following any increase in their shareholding as a result of any acceptance by them of the Scrip Dividend Offer, any repurchase of Ordinary Shares pursuant to the authority being sought at the AGM or the grant of the award proposed to be granted to David Whelan under the 2006 LTIP, intend to require the fixed assets of the Group to be redeployed; and
- (d) they are not presently proposing any changes to the management or other employees of the Group or any change to the existing conditions of employment of the Group's employees or changes to the locations of the Group's places of business.

9. Action to be taken

Shareholders will find enclosed with this document a form of proxy for use at the Annual General Meeting. Whether or not Shareholders intend to be present at the Annual General Meeting, they are requested to complete and return the form of proxy, in accordance with the instructions printed thereon, as soon as possible and in any event, to be valid, so as to be received by the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 12 noon on 25 July 2006. The completion and return of the form of proxy will not preclude Shareholders from attending the Annual General Meeting and voting in person should they wish to do so.

In relation to the Scrip Dividend Offer:

- (a) **To receive your maximum entitlement of New JJB Shares in respect of the Final Dividend**, just sign and date the Form of Election and return it to Capita Registrars at 34 Beckenham Road, Beckenham, Kent BR3 4TU using the prepaid envelope provided;
- (b) **To receive New JJB Shares in respect of the whole of the holding of shares registered in your name instead of cash whenever a scrip dividend alternative is offered in the future** – place an "X" in Box 5 on the Form of Election, sign and date it and return it to Capita Registrars at the above address;
- (c) **To receive the Final Dividend in a combination of New JJB Shares and cash** – insert in Box 4 on the Form of Election the number of Ordinary Shares (which must be an exact multiple of 25) in respect of which you wish to receive New JJB Shares instead of the Final Dividend. The Form of Election should then be signed, dated and returned to Capita Registrars at the above address. If the figure you state in Box 4 is a number greater than that shown in Box 2, your election will be deemed to be in respect of all the Ordinary Shares shown in Box 2. If the figure requested in Box 4 is not an exact multiple of 25, the Registrars will amend Box 4 to the nearest available lower multiple;
- (d) **To receive the Final Dividend in cash** – no action is necessary. Ignore the Form of Election. Your dividend will be paid in cash in the normal way.

Completed Forms of Election from Shareholders wishing to accept the Scrip Dividend Offer must be returned to Capita Registrars at the above address so as to be received by not later than 3.00 pm on 19 July 2006.

10. Further information

Your attention is drawn to the further information set out in Parts II to VII of this document.

11. Recommendations

Resolutions 10 to 20 (other than Resolutions 11, 16 and 20)

The Directors consider that Resolutions 10 to 20 (other than Resolutions 11, 16 and 20 which are subject to a separate recommendation from the Independent Directors), which are to be proposed as special business at the AGM, are in the best interests of Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 10 to 20 (other than Resolutions 11, 16 and 20), as they intend to do in respect of their own personal beneficial shareholdings of 16,909,588 Ordinary Shares, representing approximately 7.33 per cent of the Company's issued share capital.

Resolutions 11, 16 and 20

The Independent Directors, who have been so advised by UBS, consider that the approvals sought by Resolutions 11, 16 and 20 of the waivers by the Panel under Rule 9 enabling (a) the members of the Concert Party to accept the Scrip Dividend Offer, (b) the Company to make market purchases of its own Ordinary Shares and (c) the grant to David Whelan of an award under the 2006 LTIP over a maximum of 398,492 Ordinary Shares, are each in the best interests of Shareholders as a whole. In providing advice to the Independent Directors in relation to each such waiver, UBS has taken account of the Independent Directors' commercial assessments.

The Directors do not consider that the approval of the waivers sought by Resolutions 11, 16 and 20 will have any material adverse impact on the Company's interests including the conditions of employment of the Group's employees having regard to (a) the intentions of the Concert Party confirmed to the Company as set out above and (b) the maximum increase in the aggregate shareholding of the Concert Party which could result from the matters the subject of such waivers.

Accordingly, the Independent Directors unanimously recommend that the Independent Shareholders vote in favour of Resolutions 11, 16 and 20, as they intend to do in respect of their own beneficial shareholdings totalling 783,578 Ordinary Shares, representing approximately 0.34 per cent of the Company's issued share capital.

The members of the Concert Party are unable to vote on Resolutions 11, 16 and 20 in respect of their shareholdings, totalling 88,992,821 Ordinary Shares, representing approximately 38.56 per cent of the issued ordinary share capital of the Company and David Whelan has not participated in the Board's recommendation of any of them.

Yours faithfully

Roger Lane-Smith
Non-executive Chairman

PART II: FINANCIAL INFORMATION RELATING TO JJB SPORTS PLC

The financial information contained in this Part II does not constitute statutory accounts within the meaning of section 240(5) of the Act, but has been extracted without material adjustment from the audited statutory accounts of JJB for the two financial periods to 30 January 2005 and 29 January 2006. Statutory accounts have been delivered to the Registrar of Companies in respect of the financial period to 30 January 2005. It is intended that the statutory accounts in respect of the financial period to 29 January 2006 will be delivered to the Registrar of Companies following the Annual General Meeting. No audited accounts of JJB have been prepared in respect of any period subsequent to 29 January 2006.

Deloitte & Touche LLP acted as auditors of the Company in respect of the financial periods to 30 January 2005 and 29 January 2006. The auditors have made reports under section 235 of the Act which were unqualified within the meaning of section 262(1) of the Act and contained no statements under section 237(2) or (3) of the Act, in respect of each of these financial periods.

The Financial statements for the 53 weeks to 30 January 2005 were originally prepared under the UK GAAP accounting and valuation methods. With the introduction of International Financial Reporting Standards (IFRS), the Financial statements for the 52 weeks to 29 January 2006 have been prepared under the IFRS accounting and valuation methods and the comparative figures for the 53 weeks to 30 January 2005, which are set out in this Part II, have been restated into those IFRS accounting and valuation methods.

Consolidated income statement

For the period

	52 weeks to 29 January 2006	53 weeks to 30 January 2005
	£'000	Restated £'000
Continuing operations		
Revenue	745,238	773,339
Cost of sales	(393,075)	(402,082)
	352,163	371,257
Gross profit		
Other operating income	3,177	3,079
Distribution expenses	(21,722)	(19,272)
Administration expenses	(30,705)	(31,637)
Selling expenses	(268,564)	(261,321)
	34,349	62,106
Operating profit		
Operating profit is stated after (charging) crediting		
Creation of provision relating to legal penalty	(1,882)	(2,000)
Release of legal cost accrual	–	2,000
Net gain (loss) on disposal of property, plant and equipment	2,917	(835)
	1,035	(835)
Finance income	8,896	9,036
Finance costs	(9,498)	(8,692)
	33,747	62,450
Profit before taxation		
Taxation	(3,510)	(17,287)
	30,237	45,163
Profit after taxation for the period attributable to equity holders of the parent		
Basic earnings per Ordinary Share	Pence 13.10	19.54
Diluted earnings per Ordinary Share	Pence 13.10	19.51
Dividends per Ordinary Share	Pence 10.00	10.00

Consolidated statement of recognised income and expense*For the 52 weeks to 29 January 2006*

	£'000
Exchange differences on translation of foreign operations	45
Net income recognised directly in equity	45
Profit after taxation for the period	30,237
Recognised income and expense for the period	30,282

Statement of changes in equity*For the 52 weeks to 29 January 2006*

	£'000
At 30 January 2005	357,388
Recognised income and expense for the period	30,282
Dividends paid	(23,077)
At 29 January 2006	364,593

Consolidated balance sheet*As at 29 January 2006*

	£'000
Non-current assets	
Goodwill	186,084
Other intangible assets	10,191
Property, plant and equipment	189,222
	<hr/> 385,497 <hr/>
Current assets	
Inventories	120,266
Trade and other receivables	38,738
Current asset investment	168,117
Cash and cash equivalents	34,860
	<hr/> 361,981 <hr/>
Total assets	<hr/> 747,478 <hr/>
Current liabilities	
Trade and other payables	(81,530)
Tax liabilities	(13,678)
Loan notes	(168,117)
Short-term provisions	(7,330)
	<hr/> (270,655) <hr/>
Net current assets	<hr/> 91,326 <hr/>
Non-current liabilities	
Bank loan	(59,885)
Deferred tax liabilities	(19,785)
Deferred lease incentives	(32,560)
	<hr/> (112,230) <hr/>
Total liabilities	<hr/> (382,885) <hr/>
Net assets	<hr/> 364,593 <hr/>
Equity	
Share capital	11,538
Share premium account	157,219
Capital redemption reserve	1,069
Foreign currency translation reserve	24
Retained earnings	194,743
	<hr/> 364,593 <hr/>
Equity attributable to equity holders of the parent	<hr/> 364,593 <hr/>

Consolidated cash flow statement
For the 52 weeks to 29 January 2006

	£'000
Net cash flow from operating activities	43,976
Cash flows from investing activities	
Interest received	8,896
Interest paid	(9,413)
Proceeds on disposal of property, plant and equipment	7,981
Purchase of intangible assets	(10,224)
Purchase of property, plant and equipment	(47,443)
Net cash flow used in investing activities	(50,203)
Cash flows from financing activities	
Dividends paid	(23,077)
Net proceeds from bank loan	59,850
Repayment of bank loan	(25,000)
Net cash flow from financing activities	11,773
Net increase in cash and cash equivalents	5,546
Cash and cash equivalents at beginning of period	29,323
Effect of foreign exchange rate changes	(9)
Cash and cash equivalents at end of period	34,860

Reconciliation of operating profit to net cash inflow from operating activities

For the 52 weeks to 29 January 2006

	£'000
Operating profit from continuing operations	34,349
Depreciation of property, plant and equipment	18,387
Impairment of intangible assets	33
Net gain on disposal of property, plant and equipment	(2,917)
Loss on disposal of goodwill	30
Increase in provisions	2,361
Operating cash flows before movements in working capital	52,243
Increase in inventories	(7,547)
Increase in trade and other receivables	(2,946)
Increase in payables	11,853
Cash generated by operations	53,603
Taxation paid	(9,627)
Net cash inflow from operating activities	43,976

Analysis of net (debt) funds

	As at 30 January 2005 £'000	Cash flow £'000	Other non- cash items £'000	As at 29 January 2006 £'000
Current asset investment	168,117	–	–	168,117
Cash and cash equivalents	29,323	5,546	(9)	34,860
	197,440	5,546	(9)	202,977
Current liabilities				
Loan notes	(168,117)	–	–	(168,117)
Bank loan	(24,950)	25,000	(50)	–
Non-current liability				
Bank loan	–	(59,850)	(35)	(59,885)
	4,373	(29,304)	(94)	(25,025)

Statement of accounting policies

For the 52 weeks to 29 January 2006

Accounting period

Every accounting period ends on the Sunday which falls before, but closest to, 31 January, resulting in accounting periods of either 52 or 53 weeks.

Basis of accounting

The Financial statements are the first to be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU) and comply with Article 4 of the EU International Accounting Standards Regulation. IFRS are subject to amendment and interpretation by the International Accounting Standards Board.

Previous Financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP) which differed in some areas from IFRS. In preparing the Financial statements, certain accounting and valuation methods previously applied in the UK GAAP financial statements have been amended in order to comply with the recognition and measurement criteria of IFRS. The comparative information shown in the Financial statements for the 53 weeks to 30 January 2005 has been restated to reflect these adjustments. Details of these adjustments are set out in note 42 of the Notes to the Financial statements in respect of the period to 29 January 2006 on pages 71 to 77.

The Company has made use of the exemption available under *IFRS 1, First time adoption of IFRS* to only apply *IAS 32, Financial Instruments: Disclosure and Presentation* and *IAS 39 Financial Instruments: Recognition and Measurement* from 31 January 2005.

The Financial statements and the re-stated comparative information have been prepared on the historical cost basis, and the principal accounting policies adopted are set out below.

At the date of authorisation of the Financial statements, the following standards and interpretations which have not been applied in the Financial statements were in issue but not yet effective.

IFRS 7 Financial Instruments: Disclosures; and the related amendment to IAS 1 on capital disclosures.

IFRIC 4 Determining whether an Arrangement contains a lease.

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the Financial statements of the Group except for additional disclosures on capital and financial instruments when the relevant standards come into effect for periods commencing on or after 1 January 2007.

Basis of consolidation

The Financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries), together making up the Group. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to be able to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to capital reserve in the period of acquisition.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

No Income statement is presented for the Company, as permitted by Section 230 of the Act.

Goodwill

Goodwill arises on the acquisition of subsidiary undertakings and represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the Consolidated income statement and is not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS, has been retained at the previous UK GAAP carrying amounts, subject to being tested for impairment at the end of every accounting period including the date of transition.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, as follows:

Freehold land and buildings	50 years
Short leasehold property	over the period of the lease
Plant and equipment	5 to 20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated income statement.

Impairment of tangible and intangible assets excluding goodwill

At every Balance sheet date, a review of the carrying amounts of the tangible and intangible assets is performed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense in the Consolidated income statement.

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

Brand intangibles

All brands that are internally generated are not recorded on the Balance sheet.

The Group and Company only carry brands on the Balance sheet that have been acquired. Acquired brands are carried at cost on the Balance sheet. No amortisation is charged on the brand intangibles, as the Group believes that the value of these brands is maintained indefinitely.

The Group carries out an impairment review on the intangible assets, at least annually, or when a change in circumstances or situation indicates that those assets have suffered an impairment loss. Impairment is measured by comparing the carrying amount of an intangible asset with the 'recoverable amount', that is the higher of its fair value less costs to sell and its 'value in use'. 'Value in use' is calculated by discounting the expected future cash flows, using a discount rate based on an estimate of the rate that the market would expect on an investment of comparable risk.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the FIFO (first in first out) method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or damaged items where appropriate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the Consolidated income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the Balance sheet date, and are discounted to present value where the effect is material.

Share-based payments

JJB has applied the requirements of IFRS 2 Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 29 January 2006.

JJB issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the date of the grant of the equity-settled share-based payments is expensed to the Consolidated income statement on a straight-line basis over the vesting period, based on JJB's estimate of shares that will eventually vest.

Fair value is measured by use of a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Revenue recognition

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

In the case of goods sold through the retail stores, revenue is recognised when goods are sold and the title has passed.

Revenue also includes Income generated from the provision of sports and leisure facilities at the Group's health clubs. This revenue is recognised in the accounting period during which the facility is made available to members of the health clubs. Revenue from joining fees are contributions to cover costs of the administration of new members and are wholly recognised in the Consolidated income statement in the accounting period of the receipt of that revenue.

Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to State-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each Balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Balance sheet date. Gains and losses arising on retranslation are recognised in the Consolidated income statement for the period in which the gain or loss arises except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the Balance sheet date. Income and expense items are translated at the average exchange rates for the accounting period. Exchange differences arising are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised as income or expense in the period in which the operation is disposed of. Differences arising from prior periods have been frozen.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as sterling-denominated assets and liabilities.

Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax.

The taxation currently payable is based upon the taxable profit for the accounting period. Taxable profit differs from net profit as reported in the Consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is

probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

PART III: DETAILS OF THE SCRIP DIVIDEND OFFER

1. Terms of the Scrip Dividend Offer

Holders of Ordinary Shares who were on the register of members of the Company at the close of business on 26 May 2006 may elect to receive one New JJB Share, credited as fully paid, for every 25 Ordinary Shares registered in their names on that date, in place of the proposed cash dividend of 7 pence per Ordinary Share. The election may be made by Shareholders in respect of all or part of their holding of Ordinary Shares. The right to elect is not transferable.

The election should be in respect of the number of existing Ordinary Shares in respect of which you wish to elect to receive New JJB Shares instead of cash. The Final Dividend will be paid in cash in respect of the non-elected balance of your existing Ordinary Shares.

The New JJB Shares will, on allotment, be credited as fully paid and will thereafter rank for future dividends and in all other respects *pari passu* with the existing issued Ordinary Shares, subject to the memorandum and articles of association of the Company.

The Scrip Dividend Offer is in all respects subject to (i) the passing of Resolutions 10, 11, 12 and 14, authorising the Directors to offer holders of Ordinary Shares the opportunity to elect to receive fully paid Ordinary Shares instead of the Final Dividend and to allot such Ordinary Shares on a non pre-emptive basis and (ii) the admission of such Ordinary Shares to the Official List of the UKLA and to trading on the London Stock Exchange's market for listed securities.

2. Fractions

No Shareholder may receive a fraction of a New JJB Share and any residual cash entitlement resulting from any acceptance of the Scrip Dividend Offer will be carried forward in a non-interest bearing account, and will be applied in payment upon the allotment of further New JJB Shares when a scrip dividend alternative is next offered if sufficient funds are available in the account or added to the next cash dividend payable to the relevant Shareholder (at the option of the Company).

3. Basis of allotment

The entitlement of one New JJB Share for every 25 Ordinary Shares registered in a Shareholder's name at the close of business on 26 May 2006, has been calculated on the basis of a dividend of 7 pence per Ordinary Share (excluding the associated tax credit) and a price for each new Ordinary Share of 174.25 pence. This price is the average of the middle market quotations for an Ordinary Share derived from the London Stock Exchange Daily Official List for the five trading days commencing on 24 May 2006, being the Ex-Dividend Date. The price for each New JJB Share, together with any residual cash entitlement to which a Shareholder may be entitled, corresponds to the full cash Final Dividend.

4. Taxation

The taxation consequences of an election to receive New JJB Shares in lieu of the cash dividend depend on Shareholders' individual circumstances. A summary of the likely tax consequences for United Kingdom shareholders is set out in Part IV of this document. **If you are in any doubt as to your tax position, you should consult your professional adviser before taking any action.**

5. How to make the election

If you hold 25 or more Ordinary Shares and you wish to receive New JJB Shares instead of a cash dividend in respect of all or any part of your holding, you should complete the enclosed Form of Election and send it to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to reach them not later than 3.00 pm on 19 July 2006. No acknowledgement of receipt of Forms of Election will be given. If the Form of Election is not received by the Company's registrars by the time and date stated, the full cash dividend will be paid in respect of all the Ordinary Shares which you hold in respect of the Final Dividend.

If you do not specify on the Form of Election in Box 4 the number of existing Ordinary Shares in respect of which you wish to accept the Scrip Dividend Offer, then you will be deemed to have elected to receive the number of New JJB Shares specified in Box 2, being the maximum number of Ordinary Shares which can be allotted to you in respect of the number of Ordinary Shares registered in your name(s) as at the close of business on 26 May 2006.

If you wish to receive the whole of the proposed Final Dividend in cash, or if you hold fewer than 25 Ordinary Shares, you should not take any further action.

6. Overseas Shareholders

It is the responsibility of any Shareholder wishing to elect to receive New JJB Shares under the Scrip Dividend Offer to satisfy himself as to full observance of the laws of any relevant territory in connection with such election, including obtaining any requisite governmental or other consents or approvals, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory. Shareholders who are in any doubt as to their position should consult a professional adviser.

No person receiving this document and/or the Form of Election in any territory other than the UK may treat it as constituting an invitation or offer to elect to receive any New JJB Shares, nor should he in any event use such Form of Election unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Form of Election could lawfully be used by him without contravention of any registration or other regulatory or legal requirements. In such circumstances, this document and/or the Form of Election are sent for information only, are confidential and should not be copied or distributed.

The Company (acting in its absolute discretion) reserves the right to reject any election made for New JJB Shares under the Scrip Dividend Offer made by or on behalf of a person outside the UK or if it appears that the election may constitute a breach of any relevant securities legislation. Notwithstanding any other statement in this document, the Company reserves the right to permit a Shareholder to take up New JJB Shares under the Scrip Dividend Offer if the Company is satisfied (acting in its absolute discretion) that such action would not result in contravention of any applicable legal or regulatory requirements.

This document has not been submitted to the clearance procedures of any authorities other than the Panel and the New JJB Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any state of the United States of America and they are not being offered in the United States of America and its territories and possessions, in Canada or in Australia, its states, territories or possessions or in the Republic of Ireland.

7. If you have recently bought Ordinary Shares

If you bought Ordinary Shares before 24 May 2006 (being the Ex-Dividend Date) but this had not been recorded on the register at the close of business on 26 May 2006 and you wish to elect to receive New JJB Shares instead of a cash dividend, you should consult your stockbroker or agent without delay. If no Form of Election is received by the Company's registrars in respect of those Ordinary Shares, you will only be entitled to receive the cash dividend.

8. If you have sold Ordinary Shares

If you have sold all or some of your holding of Ordinary Shares before 24 May 2006 (the Ex-Dividend Date), but those Ordinary Shares are included in the number shown in Box 1 on your Form of Election, you should consult your stockbroker or agent without delay. Your stockbroker or agent will then advise you as to what action you should take. If you have sold all of your holding of Ordinary Shares, you should pass this document and the accompanying Form of Election and Form of Proxy to the purchaser or transferee or the person who sold or transferred the Ordinary Shares for you. That person can then pass these on to the new owner of the Ordinary Shares. Those documents should not however be taken, forwarded to or sent or distributed in, into or from the United States, Canada, Australia or the Republic of Ireland.

9. Delivery and listing of the new Ordinary Shares

Application will be made to the UKLA and the London Stock Exchange for admission of the New JJB Shares which the Company issues pursuant to acceptances of the Scrip Dividend Offer to, respectively, the Official List of the UKLA and to trading on the London Stock Exchange's market for listed securities. Those New JJB Shares will on issue rank *pari passu* in all respects with the existing issued Ordinary Shares and will rank for all future dividends subject to the memorandum and articles of association of the Company. Subject to admission to the Official List of the UKLA and to trading on the London Stock Exchange's market for listed securities, holders of Ordinary Shares who hold their existing Ordinary Shares in certificated form on the Record Date will be posted share certificates for the New JJB Shares, at their own risk, by 23 August 2006.

Shareholders who hold their existing Ordinary Shares in uncertificated form on the Record Date will be allotted and issued their New JJB Shares as uncertificated shares on 9 August 2006, unless the Company is unable to do so under the provisions of the Uncertificated Securities Regulations 2001 or the facilities and requirements of CREST, in which case such shares shall be issued as certificated shares and share certificates will be posted as above.

Where New JJB Shares are issued as uncertificated shares, the Company will procure that CRESTCo Limited is instructed to credit the Shareholder's stock account in CREST with such Shareholder's entitlement to New JJB Shares. The stock account will be an account under the same participant ID and member account ID as the Ordinary Shares from which such New JJB Shares are derived.

The New JJB Shares are expected to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities and dealings in the New JJB Shares are expected to begin on 9 August 2006. In the unlikely event that the New JJB Shares are not admitted to the Official List and to trading on the London Stock Exchange's market for listed securities, Forms of Election will be disregarded and the full cash dividend will be paid in the usual way.

PART IV: TAXATION IMPLICATIONS OF THE SCRIP DIVIDEND OFFER

1. Taxation

The tax effect for a Shareholder making an election to receive New JJB Shares under the Scrip Dividend Offer instead of a cash dividend, will depend upon the personal circumstances of that Shareholder. Set out below is a summary of the likely tax consequences for United Kingdom resident holders of Ordinary Shares of making an election under current United Kingdom legislation. This summary is based on law and practice in relation to the tax year 2006-2007.

This summary of the likely taxation treatment is not exhaustive and does not consider the position of any Shareholder not resident in the United Kingdom for tax purposes or special classes of Shareholders such as employees or office holders. If you are in any doubt as to your position, you are strongly advised to consult your professional adviser before taking any action.

2. UK Resident Individuals

To the extent individual Shareholders elect to take New JJB Shares under the Scrip Dividend Offer instead of a cash dividend, they will be treated as having received gross income of an amount which, when reduced by income tax at the rate of 10 per cent, is equal to the cash dividend (the "cash equivalent") which would have been received had they not elected to take up New JJB Shares. For example, if an individual receives New JJB Shares under the Scrip Dividend Offer worth £90 instead of a cash dividend of £90, he will be treated as receiving gross income of £100 and as having paid income tax of £10.

Individuals, who after taking into account their receipt of New JJB Shares, pay income tax at a rate no higher than the basic rate, will have no further liability to tax in respect of the receipt of New JJB Shares under elections made pursuant to the Scrip Dividend Offer.

Individuals, whose total income for tax purposes (after taking into account the gross amount of income which they are treated as having received as mentioned above) exceeds the threshold for the higher rate of income tax, will be liable to tax at the dividend upper rate (32.5 per cent in 2006-2007) on the gross income which they are treated as having received as described above, to the extent that such income exceeds the threshold for higher rate income tax. Thus, in the above example, the individual will be liable to tax of £32.50 (ie £100 at 32.5 per cent) less £10 tax treated as having been paid, leaving him with a net tax liability of £22.50 still to pay. For this purpose, dividend income is treated as the top slice of an individual's income.

For capital gains tax purposes, if an election to receive New JJB Shares under the Scrip Dividend Offer instead of a cash dividend is made, the New JJB Shares will be treated as having been acquired for a consideration equal to the cash equivalent, subject as mentioned in paragraph 5 of this Part IV.

3. UK Resident Trustees

Where trustees who are liable to pay income tax on dividends at the dividend trust rate (32.5 per cent in 2006-2007) elect to receive New JJB Shares under the Scrip Dividend Offer instead of the cash dividend, the same grossing up procedure as outlined above for individuals will apply in computing dividend income subject to such tax, so that if trustees received New JJB Shares worth £90 instead of a cash dividend of £90, they would be treated as having received gross income of £100 and as having paid tax of £10. Accordingly, they will have a further tax liability of £22.50.

For capital gains tax purposes, if an election to receive New JJB Shares under the Scrip Dividend Offer instead of a cash dividend is made, the New JJB Shares will be treated as having been acquired for a consideration equal to the cash equivalent, subject as mentioned in paragraph 5 of this Part IV.

4. UK Resident Companies

New JJB Shares in respect of elections made under the Scrip Dividend Offer by corporate Shareholders instead of a cash dividend, will not be treated as franked investment income of such Shareholders for corporation tax purposes and corporation tax will not be chargeable on such New JJB Shares. For the purposes of corporation tax on capital gains, the receipt of New JJB Shares will be treated as a bonus issue and accordingly the New JJB Shares will be treated as having been acquired as and when the existing shares in the enlarged holding were acquired and no consideration will be treated as given for the New JJB Shares.

5. Opening value

Where the market value of the New JJB Shares on the first day of dealings on the London Stock Exchange (the “Opening Value”) differs substantially (ie 15 per cent or more above or below) from the cash equivalent of one New JJB Share, HM Revenue and Customs will substitute that Opening Value as the cash equivalent for the purpose of calculating any taxes due. If this occurs, holders of Ordinary Shares will be sent a notice of the revised valuation which they should keep with their share certificate(s). This revised value is used for both income tax and capital gains tax purposes, but basic rate tax payers would have no further income tax liabilities.

6. Cash element

The portion of the full dividend received by a Shareholder in the form of cash will be treated as a conventional dividend payment for tax purposes.

PART V: THE SCRIP DIVIDEND MANDATE SCHEME

1. Introduction

The Mandate Scheme is being introduced for the convenience of those Shareholders who wish to elect automatically to receive fully paid Ordinary Shares instead of cash in respect of all future dividends to which they may be entitled if, and to the extent that, a scrip dividend alternative is offered by the Company.

The Mandate Scheme is optional, but any mandate given will remain valid in respect of all dividends declared if, and to the extent that, a scrip dividend alternative is offered, unless or until revoked or terminated in accordance with paragraph 7 of this Part V or unless or until the Mandate Scheme is terminated in accordance with paragraph 8 of this Part V.

2. Completing a mandate

In order to elect to receive fully paid Ordinary Shares instead of cash in respect of all future dividends declared and to which you may be entitled, if and to the extent that a scrip dividend alternative is offered, you should place an "X" in Box 5 of the enclosed Form of Election and return it to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by them by not later than 3.00 pm on 19 July 2006. If a Form of Election is not received by 3.00 pm on 19 July 2006, the full cash dividend will be paid in cash in the usual way in respect of the Final Dividend and the mandate, once received by the Company's registrars, will be effective for dividends after that date in respect of which a scrip dividend alternative is offered. In relation to the first such dividend, the Form of Election will only be valid if it is returned to the Company's registrars before the latest time by which Shareholders must return Forms of Election in order to receive that dividend in the form of fully paid Ordinary Shares.

3. Basis of allotment

The number of Ordinary Shares which a Shareholder will be entitled to in respect of future dividends in relation to which a scrip dividend alternative is offered, will be calculated by reference to the cash dividend per Ordinary Share which is payable by the Company and the relevant price for each new Ordinary Share being the average of the middle market quotations for the Company's Ordinary Shares derived from the London Stock Exchange Daily Official List for the five trading days commencing on the date on which the Ordinary Shares to which such dividend relates are first quoted ex-dividend.

4. Fractions

A Shareholder who submits a scrip dividend mandate, will not receive a fraction of a new Ordinary Share in respect of any future dividend in respect of which a scrip dividend alternative is offered. Any residual cash entitlement, after the calculation of the number of new Ordinary Shares to be issued, will be carried forward in a non-interest bearing account, and will be applied in payment upon the allotment of further new Ordinary Shares when a scrip dividend alternative is next offered if sufficient funds are available in the account or added to the next cash dividend payable to the relevant shareholder (at the option of the Company).

5. Mandates to be for entire holdings of Ordinary Shares

Mandates in respect of future dividends will be accepted only for elections in respect of a Shareholder's entire holding of Ordinary Shares as at the record date of the relevant future dividend.

6. Procedure

Shareholders who implement a scrip dividend mandate will receive on or prior to the payment of each dividend a scrip dividend entitlement advice setting out the basis of their entitlement to new Ordinary Shares.

7. Revocation and termination of a mandate

A Shareholder may revoke a mandate previously given by him by giving notice in writing to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, at any time. Such notice will take effect upon its receipt by the Company's registrars in respect of all dividends payable after the date of receipt of such notice, other than in respect of a dividend for which a scrip dividend alternative has been offered and for which the latest time by which Shareholders must complete forms of election in order to receive that dividend in the form of fully paid Ordinary Shares has passed. A mandate will terminate automatically with effect from the date of registration of the transfer, if a Shareholder sells or otherwise transfers all of his/her Ordinary Shares to another person. A mandate will also terminate on the date of notification of the death of a Shareholder, unless that Shareholder's Ordinary Shares were held jointly.

8. Modification or termination of the Mandate Scheme

The Mandate Scheme may be modified or terminated at any time by the Company on giving not less than one month's notice in writing to holders of Ordinary Shares. In the case of any modification, mandates then in effect will be deemed to remain valid under the Mandate Scheme as modified.

9. Directors' discretion

The operation of the Mandate Scheme is subject to the Directors' decision to offer a scrip dividend alternative in respect of any subsequent dividend declared (and the terms and conditions of such scrip dividend alternative) and the necessary shareholder approvals being obtained for the relevant scrip dividend alternative being offered. If the Directors decide at their discretion not to offer a scrip dividend alternative in respect of any particular dividend, or Shareholders do not give the necessary approvals for the offering of a scrip dividend alternative in respect of a particular dividend, then such dividend will be paid in cash in the usual way.

The Mandate Scheme and any future scrip dividend alternative is and will be offered subject to the conditions which apply to the relevant corresponding cash dividend, such as approval by Shareholders of the relevant dividend and any other applicable legal or regulatory requirements.

PART VI: SUMMARY OF PROPOSED SHARE INCENTIVE SCHEMES

A. JJB SPORTS PLC 2006 LONG TERM INCENTIVE PLAN

Set out below is a summary of the main features of the 2006 LTIP. This summary assumes that Resolution 18 has been passed by Shareholders.

1. Administration

The administration and operation of the 2006 LTIP will be facilitated by the trustee of a non UK resident employee benefit trust (“Trustee”). The Trustee of the trust would be an independent professional trustee based in the Channel Islands. When exercising its discretion, the Trustee will however have regard to the recommendations of the Remuneration Committee.

2. Participation

All executive directors and senior executives nominated by the Remuneration Committee are entitled to be considered for the grant of awards under the 2006 LTIP.

After due consideration, the Remuneration Committee will recommend to the Trustee the names of certain executive Directors and other senior executives who are to be considered for participation in the 2006 LTIP. The Remuneration Committee will also recommend the maximum number of Ordinary Shares over which an award under the 2006 LTIP may be made to any particular executive.

After taking into account the recommendations of the Remuneration Committee, the Trustee will make awards under the 2006 LTIP to selected executive Directors and other senior executives. The awards will be over a specified number of Ordinary Shares.

Awards can normally only be made by the Trustee in the six week period following the adoption of the 2006 LTIP and then only in the six week period following the announcement of the interim or final results to the London Stock Exchange. In exceptional circumstances, for example in order to facilitate the recruitment of a senior executive or changes to the tax legislation or if the Company is in a close period, awards may be made outside these periods.

Details of the initial awards proposed to be made to the executive Directors are to be found at paragraph 2.3(a) of Part VII of this document.

In any financial period, the Remuneration Committee will not make an award under the 2006 LTIP to an executive Director and also grant an option under the 2006 Share Option Plan to that same executive Director.

3. Awards

An award made by the Trustee to an eligible participant may take one of two different forms. In each case the rules of the 2006 LTIP will ensure that the participant does not acquire unconditional ownership of the relevant Ordinary Shares until following the end of the measurement period (see paragraph 5 below) and then, only to the extent that the performance targets have been satisfied.

The award may take one of the following forms:

- 3.1 a right to acquire a specified number of Ordinary Shares (referred to as an “LTIP Option” in this summary). The LTIP Option would be exercisable following the end of the measurement period. The number of Ordinary Shares which may be acquired by a participant on the exercise of his LTIP Option will be determined by the performance of the Company and/or business area over the measurement period; or
- 3.2 the acquisition of Ordinary Shares by a participant at the date of the award. Under the terms of the 2006 LTIP, the ownership of the Ordinary Shares is only conditional (referred to as a “Conditional Share Award” in this summary), in that the participant will own the Ordinary Shares subject to conditions of forfeiture. In a manner similar to the arrangement summarised in paragraph 3.1 above, the participant will only acquire unconditional ownership of any Ordinary Shares following the end of the measurement period to the extent that the performance targets have been satisfied.

If a participant is awarded an award under the 2006 LTIP that takes the form of a Conditional Share Award, then the participant, as owner of the Ordinary Shares, will be entitled to receive any dividends paid on the Ordinary Shares during the measurement period and will be able to exercise the votes on the Ordinary Shares because the participant will be a Shareholder. To the extent that any Ordinary Shares do not vest, then arrangements will exist to ensure that the participant repays an amount equal to the dividends paid on the unvested Ordinary Shares.

It is expected that the initial awards proposed to be made under the 2006 LTIP will take the form of a Conditional Share Award.

4. Performance Targets and vesting of 2006 LTIP Awards

In any year, other than for the initial awards proposed to be made following the approval of the 2006 LTIP at the AGM, awards cannot normally be granted to an individual over Ordinary Shares with a value greater than once his basic salary (being the higher of the annual rate of remuneration at the date of grant excluding bonuses, commissions and benefits in kind; or the remuneration, excluding bonuses, commissions and benefits in kind paid or payable in respect of the 12 months immediately preceding the date of grant). This limit can only be exceeded in exceptional circumstances at the discretion of the Remuneration Committee.

The initial awards made to each of the executive Directors will be over Ordinary Shares with a value of approximately three times his basic salary based on the price of an Ordinary Share for the three business days prior to the date of approval by the Board of this document.

The vesting of the Ordinary Shares over which an LTIP Option has been granted or in respect of which a Conditional Share Award has been made, will be dependent upon the extent to which the performance targets have been satisfied.

The Remuneration Committee has decided that in respect of the initial award, there should be two performance targets and accordingly each initial award will be split into two equal parts. One of the two tranches (which together constitute the initial award) will be subject to the performance target summarised in paragraph 4.1 and the other tranche will be subject to the performance condition summarised in paragraph 4.2. Only to the extent that a performance target for a tranche is satisfied will that tranche vest.

4.1 The first performance target, which will apply to half of the Ordinary Shares over which the initial award is made, will be one based on the growth in the earnings per Ordinary Share of the Company over the measurement period. Under this performance measure, the actual earnings per Ordinary Share at the end of the measurement period will be compared to a target earnings per Ordinary Share which was set as the performance target before the initial awards are made.

This part of an award will vest in accordance with the following principles:

- 4.1.1 if the actual earnings per Ordinary Share is less than 90 per cent of the target earnings per Ordinary Share, then no part of this half of an award will vest;
- 4.1.2 if the actual earnings per Ordinary Shares is more than 110 per cent of the target earnings per Ordinary Share, all of this half of an award will vest; and
- 4.1.3 if the actual earnings per Ordinary Share is more than 90 per cent of the target earnings per Ordinary Share but less than 110 per cent of the target earnings per Ordinary Share, then part of this half of an award will vest. At the lower vesting threshold, 25 per cent of this half of an award will vest. At the upper vesting threshold, 100 per cent of this half of an award will vest. A straight-line vesting will occur between the lower vesting threshold schedule and the upper vesting threshold.

The Remuneration Committee will decide on the target earnings per Ordinary Share before any of the initial awards are made. The target earnings per Ordinary Share will be lodged with the Company's auditors before the awards are made and will be published in the Directors' remuneration report in the Annual report following the end of the relevant measurement period.

For the purposes of calculating the actual earnings per Ordinary Share, adjustments will be made to the earnings per Ordinary Share figure disclosed in the relevant Financial statements to take account of goodwill or intangible asset amortisation, share based remuneration charges, exceptional items and any other adjustments considered appropriate by the Remuneration Committee.

- 4.2 In respect of the second part of the initial awards, the extent to which this part of an award may vest following the end of the measurement period will depend upon the total shareholder return (“TSR”) achieved by the Company over the measurement period, as compared to the TSR’s achieved by other companies in a comparator group of companies selected by the Remuneration Committee before the award is made.

The TSR measure takes into account the value of an Ordinary Share at the start of the measurement period, the dividends paid during the measurement period and the value of an Ordinary Share at the end of the measurement period and is expressed as an annual percentage return.

In order to reduce the effect of volatile share price movements, the Remuneration Committee will take a consistent average closing market value for each company in the comparator group over an appropriate period. Having set an averaging period before an award is made, the Remuneration Committee may decide that a different averaging period is appropriate and properly reflective of management performance, but this averaging period will always be at least one month and will not be more than six months in length. For future awards the period over which the price of a share will be averaged may change but will always be at least one month and will not be more than six months.

Under the terms of this half of an award made under the 2006 LTIP, the TSR for the Company over the measurement period (using an average share price as summarised above) would be calculated and compared to the TSR’s achieved during the same measurement period by companies in the comparator group.

All the companies in the comparator group, which are still quoted at the end of the measurement period and the Company, would then be ranked in order of the TSR achieved over the measurement period, with the company achieving the highest TSR being ranked at the number one position. The Ordinary Shares over which this half of an award will have been made will vest in accordance with the following principles:

- 4.2.1 if the Company is ranked in the top 25 per cent of the list of TSR’s achieved by the Company and the companies in the comparator group, all of the Ordinary Shares over which this half of an award has been made would vest;
- 4.2.2 if the Company is ranked in the top 50 per cent of the list of TSR’s achieved by the Company and the companies in the comparator group, but is not in the top 25 per cent of companies, then the number of the Ordinary Shares over which this half of an award is made that will vest will be between 25 per cent and 100 per cent of the number of Ordinary Shares over which this half of an award is made, calculated on a pro-rated straight-line basis; and
- 4.2.3 if the TSR of the Company is ranked in the bottom half of the list, none of the Ordinary Shares over which this half of an award is made shall vest.

In addition to the performance targets that will apply to the initial awards, no part of any award will vest except to the extent that the Remuneration Committee consider that the underlying financial performance of the Company is satisfactory.

Following the end of a measurement period, the total number of Ordinary Shares over which an award has “vested” will be calculated.

The Remuneration Committee may amend any of the performance targets applying to existing awards at any given time if an event occurs which causes the Remuneration Committee to consider that amendment is appropriate, provided that, in the opinion of the Remuneration Committee, the amended target or targets is not materially less challenging to achieve in the changed circumstances than the performance target or targets originally set.

The Remuneration Committee will review the performance target each time awards are granted and may impose a different performance target for subsequent awards, provided that, in the opinion of the Remuneration Committee, the different performance target is not materially less challenging than those set for the initial awards. If a different performance target is selected for any future awards or if the performance target for the initial awards is amended, then details of such performance target or amendment will be summarised in the Directors’ remuneration report in the following year’s Annual report.

The 2006 LTIP provides for a deferral mechanism following the vesting of awards. The Remuneration Committee can decide before an award is made that following the vesting of an award, if a participant is still an employee of the Company, then a number of the Ordinary Shares over which the award was made cannot be sold by the participant until twelve months after the end of the measurement period. In the case of the initial awards, the Remuneration Committee have decided that such a deferral period will apply.

5. Measurement Period

The length of the measurement period for any award will normally be three years. If the extent to which a performance target has been satisfied is to be measured by reference to a value disclosed in the Financial statements (for example earnings per Ordinary Share), then the Financial statements that are relevant will be the Financial statements for the year immediately preceding the end of the measurement period.

The measurement period for an award will commence on the date of the award.

6. Cessation of employment

A participant who ceased to be an employee for a “good reason” would remain entitled to his award. The extent to which his award will vest would not however be determined until after the end of the measurement period and would be dependent upon the extent to which the performance target to which the award is subject was satisfied. Once the number of Ordinary Shares over which the participant’s award has vested is known, the number of vested Ordinary Shares will be reduced to take account of the period of time during the measurement period that the participant was not an employee.

Cessation of employment for a “good reason” will include the death of the participant or the participant ceasing to be an employee because of his ill health, disability, redundancy, his retirement or early retirement, the sale of the company or business in which he works or if he is dismissed without cause.

In respect of any participant who ceases to be an employee for any other reason before the end of a measurement period for a particular award, his award will normally lapse following his cessation of employment. The 2006 LTIP does however, contains provisions which enable some or all of the benefit of an award to be received by a participant who has ceased to be an employee if the Remuneration Committee considers the circumstances to be exceptional. When considering the extent to which an award shall vest, the Remuneration Committee would have regard to such matters as the underlying financial performance of the Company and the length of time for which the participant was an employee.

7. Takeover, amalgamation and reconstruction

On the occurrence of a change of control, amalgamation or reconstruction of the Company, the Remuneration Committee will consider the extent to which the performance target has been achieved. When considering this matter, the Remuneration Committee will take into account the performance of the Company from the date of grant of the award and the extent to which the original performance target or targets need to be modified in order to assess the performance of the Company over this period. To the extent that the Remuneration Committee is satisfied that the performance target has been satisfied, the awards would vest.

When the Remuneration Committee consider it appropriate, the number of Ordinary Shares over which it is considered an award has vested will be reduced to take account of the early vesting of an award because the change of control occurs before the end of the relevant measurement period.

Where appropriate, for example in the case of an amalgamation or reconstruction of the Company, with the consent of the acquiring company, if possible, the awards may be exchanged or varied so as to operate over shares in the acquiring company.

8. Vesting of award

Following the end of the measurement period, if an award has taken the form of an LTIP Option, the participant will exercise his LTIP Option over the number of Ordinary Shares that have vested as a result of the satisfaction of the performance target. The LTIP Option exercise price payable on the exercise of the LTIP Option will be £1. To the extent that the performance target has not been satisfied, the LTIP Option will not vest and the LTIP Option will lapse.

If the award has taken the form of a Conditional Share Award, then the Trustee will notify the participant of the extent to which the performance target has been satisfied and following such notification the participant will become the unconditional owner of the vested number of Ordinary Shares. The Ordinary Shares that have not vested will be re-acquired by the Trustee.

9. Dilution limits

The Ordinary Shares that have been made available for the purposes of the 2006 LTIP will be taken into account when determining the overall limits on the number of Ordinary Shares that can be issued by the Company in order to satisfy the exercise of all share options granted by the Company.

The overall number of Ordinary Shares that may be issued or treasury shares that may be transferred to satisfy options granted under all of the share option plans operated by the Company, including any awards made under the 2006 LTIP, is limited to 10 per cent of the number of Ordinary Shares in issue from time to time in any ten year period. The Ordinary Shares over which options have been granted which subsequently lapse or are surrendered shall be disregarded when considering the limit set out above.

10. Acquisition of Ordinary Shares by Trustee

In respect of Ordinary Shares to be used in the 2006 LTIP, the Trustee will either acquire the relevant number of Ordinary Shares over which awards are made under the 2006 LTIP from the Company by subscribing for new Ordinary Shares or acquiring treasury shares or by buying existing Ordinary Shares.

11. Taxation

The 2006 LTIP will contain provisions to ensure that any income tax and employee's national insurance liabilities that arise on the vesting of an award or any part of the award will be satisfied by the relevant participant. In respect of any award, the Remuneration Committee will decide whether employer's national insurance contributions are to be paid by the recipient of an award.

12. Variation of share capital

In the event of a variation of share capital by way of capitalisation, rights issue, sub-division, consolidation or reduction of share capital, the number of Ordinary Shares over which an award has been made may be adjusted.

13. Amendment to 2006 LTIP

The terms of the 2006 LTIP may be amended on the recommendation of the Remuneration Committee.

Certain amendments cannot however take effect without Shareholder approval unless they are amendments to comply with or take account of applicable legislation or statutory regulations or any change therein or to obtain or maintain favourable taxation treatment for the Company or the participants.

Shareholder approval is required before any amendment can be made to the overall limits on the number of Ordinary Shares that can be issued to satisfy options granted under the Company's share option plans and awards made under the 2006 LTIP, the category of persons who may participate, the periods during which awards may be made, the provisions relating to alterations in the share capital of the Company and the provisions which relate to the alteration of the terms of the 2006 LTIP.

14. Awards under the 2006 LTIP

The life of the 2006 LTIP will be 10 years and no awards may be made more than 10 years after the date of the AGM.

15. Pension status

None of the benefits which may be received under the 2006 LTIP will be pensionable.

B. JJB SPORTS PLC 2006 UNAPPROVED SHARE OPTION PLAN

Set out below is a summary of the main features of the 2006 Share Option Plan. This summary assumes that Resolution 19 has been passed by Shareholders.

1. Participation

Any full time director or employee of a member of the Group is eligible to participate in the 2006 Share Option Plan. Actual participation is at the discretion of the Remuneration Committee. Options are personal to the participant and not capable of assignment except that, on death, the Option holder's personal representatives may exercise the Option within 12 months following the Option holder's death.

Options shall be granted by deed with no consideration payable by the participant.

The aggregate market value (at the date of grant) of Ordinary Shares over which Options may be granted to any one participant in any one financial year of the Company under the 2006 Share Option Plan will not normally exceed three times the amount of that participant's remuneration for that financial year.

Further information as to the total number of Ordinary Shares over which options are to be granted under the 2006 Share Option Plan following its adoption are to be found at paragraph 2.3(b) of Part VII of this document.

In any financial period, the Remuneration Committee will not grant an option under the 2006 Share Option Plan to an executive Director and also make an award under the 2006 LTIP to that same executive Director.

2. Exercise

2.1 Exercise price

In the case of an Option that on exercise results in the total number of Ordinary Shares over which the Option was granted being issued (see paragraph 2.3 below), the exercise price for each Ordinary Share under Option will be the higher of the nominal value of an Ordinary Share at the date of grant and the market value of an Ordinary Share at the date of grant. In the case of the initial proposed grant of Options, the market value of an Ordinary Share will be based on the mid market closing price of an Ordinary Share for the three business days prior to the date of approval by the Board of this document.

In the case of an Option that on exercise is treated as stock appreciation rights, (see paragraph 2.3 below), the total exercise price payable on the exercise of the Option will be £1.

2.2 Option exercise period

An Option will normally be exercisable only within the period of three to 10 years after the date of grant.

Options will not lapse if an Option holder ceases to be an employee and employment ceases due to the participant's death, injury, disability, redundancy, retirement at normal retirement age or on the participant's employing company or business ceasing to be within the Group.

In each case, where an Option remains exercisable even though the Option holder has ceased to be an employee for one of the reasons set out above, the Option cannot be exercised unless the performance target to which it is subject has been satisfied. In addition, the Option may not be exercised in full, but on a pro rata basis taking into account the period of time which has elapsed since the date of grant up to the date the employment ceases.

If the employment ceases within three years of the date of grant of the Option for any reason other than the reasons set out above and the Remuneration Committee does not exercise its discretion and allow exercise, in whole or in part, of the Option, then that Option will lapse following the cessation of employment. In such circumstances, an Option will not be exercisable unless the performance target to which it is subject has been satisfied.

2.3 Number of Ordinary Shares

The rules of the 2006 Share Option Plan contain provisions that enable the Options granted under the 2006 Share Option Plan to be satisfied in one of two ways.

In both cases, an Option will be granted over a specified number of Ordinary Shares and on the exercise of an Option, the 2006 Share Option Plan will contain provisions that enable the Remuneration Committee to decide how many Ordinary Shares will be issued or transferred in order to satisfy the exercise of the Option.

Assuming that the performance target is satisfied, on the exercise of an Option, either:

- 2.3.1 the number of Ordinary Shares over which the Option was granted will be issued or transferred to the Option holder who will pay the exercise price for each Ordinary Share acquired; or
- 2.3.2 the Option will be treated as a share appreciation right or “SAR”, in which case the number of Ordinary Shares to be transferred to the Option holder on the exercise of the Option will have a total value which is equal in value to the difference between the total exercise price and the total market value of the Ordinary Shares over which the Option is exercisable. When an Option is treated as a SAR, fewer Ordinary Shares will be acquired by an option holder on the exercise of an Option.

When an Option is treated as a SAR, the appropriate number of Ordinary Shares can be transferred to the Option holder from an employee benefit trust.

3. Performance condition

The Remuneration Committee shall impose objective targets as to the performance of the Group (which will be set having regard to institutional guidelines) which must normally be satisfied before an Option can be exercised. Having granted Options and set a performance target, the Remuneration Committee may vary the performance target provided that the Remuneration Committee reasonably considers that the performance target set no longer represents a fair measure of performance and provided that any new target is no more difficult nor easy to satisfy.

In respect of any Options to be granted following adoption of the 2006 Share Option Plan, it is expected that the performance target will require that the percentage growth in the Company’s earnings per Ordinary Share shall exceed the percentage growth in the Retail Prices Index by at least 12 per cent over a three year measurement period. There will be no retesting of this performance target if it is not achieved over a three year period.

Any change in the performance target will be notified to Shareholders in the Directors’ remuneration report in the Annual report published after the date of any change.

The earnings per Ordinary Share figure to be used for the purposes of assessing the extent to which the performance target has been achieved shall be determined by the Remuneration Committee on a consistent basis. Adjustments may be made to the earnings per Ordinary Share figure disclosed in the relevant Financial statements to take account of goodwill or intangible asset amortisation, share based remuneration charges, exceptional items and any other adjustments considered appropriate by the Remuneration Committee.

4. Dilution limits

The Ordinary Shares that have been made available for the purposes of the 2006 Share Option Plan will be taken into account when determining the overall limits on the number of Ordinary Shares that can be issued by the Company in order to satisfy the exercise of all share based incentive awards made by the Company.

The overall number of Ordinary Shares that may be issued to satisfy options granted under all of the share option plans operated by the Company, including any awards made under the 2006 Share Option Plan, is limited to 10 per cent of the number of Ordinary Shares in issue from time to time in any 10 year period. The Ordinary Shares over which options have been granted which subsequently lapse or are surrendered shall be disregarded when considering the limit set out above.

In the case of Options that, on exercise, are treated as a SARs (see paragraph 2.3 above), in accordance with ABI guidelines, the implicit dilution commitment that arises when the Option is first granted will be taken into account when considering this dilution limit.

5. Grant of Options

Options may initially be granted under the 2006 Share Option Plan within the six week period after adoption of the 2006 Share Option Plan and, after that, normally within six weeks after the announcement by the Company of its interim or final results or of its results for any other period. Without further Shareholder approval, Options may only be granted within 10 years of Shareholder approval of the 2006 Share Option Plan.

6. Income tax and national insurance contributions

The 2006 Share Option Plan contains provisions to ensure that any income tax and employee's national insurance contributions that arise as a result of the exercise of any Options will be payable by the participant. The Remuneration Committee may determine that the participant shall also be liable for any employer's national insurance contributions which arise as a result of the exercise of any Options.

7. Ordinary Shares issued on exercise of Options

Ordinary Shares allotted under the 2006 Share Option Plan will rank equally with the Company's existing issued Ordinary Shares (save that they will not qualify for any dividends or other distributions by reference to a record date prior to the date of exercise of the relevant Option).

8. Takeovers

On the occurrence of a change of control, amalgamation or reconstruction of the Company the Remuneration Committee will consider the extent to which the performance target has been achieved. When considering this matter the Remuneration Committee will take into account the performance of the Company from the date of grant of the award and the extent to which the original performance target or targets need to be modified in order to assess the performance of the Company over this period. To the extent that the Remuneration Committee is satisfied that the performance target has been satisfied, the awards would vest.

When the Remuneration Committee consider it appropriate, the number of Shares over which it is considered an award has vested will be reduced to take account of the early vesting of an award because the change of control occurs before the end of the relevant measurement period.

Where appropriate, for example in the case of an amalgamation or reconstruction of the Company, with the consent of the acquiring company, if possible, the awards may be exchanged or varied so as to operate over shares in the acquiring company.

9. Variation of share capital

In the event of a variation of share capital of the Company by way of capitalisation, rights issue, subdivision, consolidation or reduction of share capital or otherwise, then the number of Ordinary Shares subject to a subsisting Option and the price payable on exercise may be adjusted. Except in the case of a capitalisation issue, no adjustment may be made without the prior confirmation in writing of the auditors of the Company that the adjustment is in their opinion fair and reasonable.

10. Amendments to the 2006 Share Option Plan

The Board may alter the 2006 Share Option Plan but certain amendments cannot take effect without Shareholder approval, unless they are amendments to comply with or to take account of applicable legislation or statutory regulations or any change in them or to maintain favourable taxation treatment for the Company or participants or potential participants.

The amendments which will generally require Shareholder approval are:

- 10.1 amendments to the limits on the number of Ordinary Shares which can be offered under the 2006 Share Option Plan;
- 10.2 the category of persons who may participate;
- 10.3 the exercise price of an Option which is not treated as a share appreciation right (see paragraph 2.3 above);
- 10.4 the number of Ordinary Shares over which a participant may hold an Option;
- 10.5 the period during which Options may be granted and exercised;
- 10.6 the rights attaching to Ordinary Shares subject to an Option;
- 10.7 the provisions for altering share capital and the terms of the 2006 Share Option Plan; and
- 10.8 the provisions which apply on a winding up of the Company.

11. Pension rights

None of the benefits which may be received under the 2006 Share Option Plan shall be pensionable.

PART VII: ADDITIONAL INFORMATION

1. Responsibility Statement

The Directors, whose names appear on page 6 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Interests and Dealings

2.1 As at the close of business on 19 June 2006 (being the latest practicable date prior to the publication of this document), the interests of the Directors and their immediate families and the interests of persons connected with them (within the meaning of section 346 of the Act) in the issued share capital of the Company required to be notified to the Company pursuant to section 324 or section 328 of the Act or which are required to be entered in the register maintained under section 325 of the Act, are as follows:

	Ordinary shares		Percentage of issued share capital
	Beneficial	Non- beneficial	
Roger Lane-Smith	64,100	–	0.03
David Whelan	28,426,010	29,073,040	24.92
Thomas William Knight	120,000	–	0.05
John David Greenwood	479,278	–	0.21
Barry John Keith Dunn	–	–	–
Andrew Gerald Thomas	30,000	–	0.01
David Milton Maxwell Beaver	70,200	–	0.03
Roger Clive Best	20,000	–	0.01

2.2 As at the close of business on 19 June 2006 (being the latest practicable date prior to the publication of this document), options had been granted to the Directors under the Existing Share Option Schemes to subscribe for the Ordinary Shares set out below. The Panel have previously waived the requirement under Rule 9 for the Directors to make a general offer to Shareholders as a result of the grant and/or exercise of any of these options.

Director ⁽¹⁾	Existing Share Option Scheme	Ordinary Shares ⁽²⁾	Exercise Price ⁽²⁾ Pence	Exercise Period	
				From	To
David Whelan	1999 Unapproved	649,200	184.84	17.02.02	16.02.09
	1999 Unapproved	100,000	253.00	26.05.07	25.05.14
		749,200			
Thomas William Knight	1999 Unapproved	250,000	150.20	12.10.05	11.10.12
	1999 Unapproved	250,000	253.00	26.05.07	25.05.14
		500,000			

Director ⁽¹⁾	Existing Share Option Scheme	Ordinary Shares ⁽²⁾	Exercise Price ⁽²⁾ Pence	Exercise Period	
				From	To
John David Greenwood	1999 Approved	15,800	184.84	18.05.02	17.05.09
	1999 Unapproved	330,000	189.84	17.02.02	16.02.09
	1999 Unapproved	175,000	253.00	26.05.07	25.05.14
		520,800			
Barry John Keith Dunn	1999 Unapproved	125,000	253.00	26.05.07	25.05.14
		125,000			

Notes:

- (1) The Non-executive Directors do not participate in any of the Existing Share Option Schemes.
- (2) The number of Ordinary Shares and the Exercise Price are stated as adjusted following the bonus issue of Ordinary Shares in July 2001.

The total number of 1,895,000 Ordinary Shares the subject of the options shown above represents approximately 0.82 per cent of the Company's issued share capital as at 19 June 2006 (being the latest practicable date prior to the publication of this document). Assuming the exercise in full of the authority to make market purchases set out in Resolution 17 and no Shareholders accepting the Scrip Dividend Offer in respect of the Final Dividend, the total number of Ordinary Shares the subject of these options would represent 0.86 per cent of the Company's remaining issued share capital.

2.3 Proposed grants/awards under the Proposed Share Incentive Schemes

(a) Proposed grants under the 2006 LTIP

If the 2006 LTIP is adopted, the Remuneration Committee intends to make initial grants under the 2006 LTIP to the executive Directors only. Such initial grants are proposed to be over Ordinary Shares with a value of three times the relevant Director's gross salary with performance targets (as detailed in Part VI of this document) being measured over a three year period.

Based on a share price of 176.91666 pence per Ordinary Share (being the average mid market closing price of an Ordinary Share for the three business days prior to the date of approval by the Board of this document), the initial awards would be as follows:

Name	Value of awards	Number of Ordinary Shares
David Whelan	£705,000	398,492
Thomas William Knight	£930,000	525,671
John David Greenwood	£750,000	423,928
Barry John Keith Dunn	£615,000	347,621
Total		1,695,712

(b) Proposed awards under the 2006 Share Option Plan

If the 2006 Share Option Plan is adopted, the Remuneration Committee intends to grant options to certain of the senior employees of the Group (other than the executive Directors). Such initial grants are proposed to be over Ordinary Shares with a value of up to three times gross salary.

Based on share price of 176.91666 pence per Ordinary Share (being the average mid market closing price of an Ordinary Share for the three business days prior to the date of approval by the Board of this document), options over an aggregate 4,038,381 Ordinary Shares are proposed to be granted to senior employees of the Group (other than the executive Directors).

2.4 The Concert Party

- (a) The Panel has deemed that the Concert Party, for the purposes of the proposed own share buy back authority, Scrip Dividend Offer, awards under the New Share Incentive Schemes and related Rule 9 waivers, comprises:
- (i) David Whelan, executive Director and a trustee of the Paul Whelan Voluntary Settlement, the Grandchildren's Trusts and the David Whelan Interest In Possession Settlement No 1. David Whelan formed JJB in 1971 to acquire the business of a single sports store in Wigan, which had been trading since the early 1900s. From 1978 until 31 January 2001, David Whelan was Executive Chairman and Chief Executive. On 1 February 2001 he became Chairman and on 6 July 2005 his role changed to that of executive Director;
 - (ii) Patricia Mary Whelan, wife of David Whelan and a trustee of the Grandchildren's Trusts and the David Whelan Interest In Possession Settlement No 1;
 - (iii) Jayne Alison Sharpe, daughter of David Whelan and a trustee of the Grandchildren's Trusts;
 - (iv) Dr Anthony Ledwith, a trustee of the Paul Whelan Voluntary Settlement; and
 - (v) Elsie Dean, sister of David Whelan.

The only relationship (personal, financial and commercial), arrangements and understandings between members of the Concert Party and any of the Directors of the Company (or their close relatives and related trusts), are as set out in paragraphs (i) to (v) above.

- (b) The interests of the members of the Concert Party in the issued share capital of the Company as at the close of business on 19 June 2006 (being the latest practicable date prior to the publication of this document) are as follows:

	Ordinary Shares		Percentage of ordinary share capital
	Beneficial	Non-beneficial	
David Whelan	28,426,010 ⁽¹⁾⁽⁵⁾	29,073,040 ⁽²⁾⁽³⁾⁽⁴⁾⁽⁶⁾	24.92
Patricia Mary Whelan	28,426,010 ⁽¹⁾⁽⁵⁾	21,073,040 ⁽²⁾⁽³⁾⁽⁶⁾	21.45
Jayne Alison Sharpe	52,494,800 ⁽²⁾⁽³⁾⁽⁶⁾	–	22.75
Dr Anthony Ledwith	59,750 ⁽⁷⁾	8,000,000 ⁽⁴⁾	3.49
Elsie Dean	12,261 ⁽⁸⁾	–	0.00

Notes:

- (1) 10,000,000 of the Ordinary Shares forming part of the beneficial interest of David Whelan are duplicated in the beneficial interest of Patricia Mary Whelan.
- (2) The Trustees of the David Whelan Grandchildren's Trust hold 14,620,442 Ordinary Shares. David Whelan, Patricia Mary Whelan and Jayne Alison Sharpe are the trustees of that trust.
- (3) The Trustees of the Patricia Mary Whelan Grandchildren's Trust hold 6,452,598 Ordinary Shares. David Whelan, Patricia Mary Whelan and Jayne Alison Sharpe are the trustees of that trust.
- (4) The Trustees of the Paul Whelan Voluntary Settlement hold 8,000,000 Ordinary Shares. The trustees of that settlement are David Whelan and Anthony Ledwith.
- (5) 18,426,010 of the Ordinary Shares forming part of the beneficial interest of Patricia Mary Whelan are duplicated in the beneficial interest of David Whelan. 2,300,000 of these Ordinary Shares are held by the Trustees of the David Whelan Interest in Possession Settlement No.1. David Whelan and Patricia Mary Whelan are the trustees of that trust.
- (6) 21,073,040 of the Ordinary Shares forming part of the beneficial interest of Jayne Alison Sharpe are duplicated in the non-beneficial interests of David Whelan and Patricia Mary Whelan.
- (7) The 59,750 Ordinary Shares representing the beneficial interest of Anthony Ledwith are held by his wife Mary Clare Ledwith.
- (8) The 12,261 Ordinary Shares held by Elsie Dean are held jointly with her husband, William Dean.

- (c) The interests of the members of the Concert Party in the issued ordinary share capital of the Company, assuming:
- (i) acceptance of the Scrip Dividend Offer in respect of the Final Dividend by only the members of the Concert Party and in respect of their entire holding of Ordinary Shares;
 - (ii) the exercise in full of the market purchase authority to be sought by Resolution 17; and
 - (iii) the exercise in full by David Whelan (but no other holders of options) of the unexercised options granted to him under the Existing Share Option Schemes as listed in paragraph 2.2 above and the vesting in full of the maximum award proposed to be granted to David Whelan under the 2006 LTIP once adopted and no-one else,

less the duplicated interests referred to in notes (1) to (8) of paragraph 2.4(b) above, will be as follows:

	%
David Whelan	12.79
Patricia Mary Whelan	4.65
Jayne Alison Sharpe	24.38
Dr Anthony Ledwith	0.03
Elsie Dean	0.00
TOTAL	41.85

- (d) The business address of each of the members of the Concert Party is c/o JJB Sports plc, Martland Park, Challenge Way, Wigan WN5 0LD.

2.5 During the period of 12 months preceding the date of this document, there have been no dealings for value in Relevant Securities (as defined in paragraph 2.7 below) by any of the Directors, their family interests or any members of the Concert Party, save for the following:

- 2.5.1 on 30 June 2005, Elsie Dean purchased 2,761 Ordinary Shares at 181.00 pence per share;
- 2.5.2 on 21 October 2005, Roger Lane-Smith purchased 20,000 Ordinary Shares at 168.75 pence per share;
- 2.5.3 on 21 October 2005, Thomas William Knight purchased 20,000 Ordinary Shares at 168.75 pence per share; and
- 2.5.4 on 21 October 2005, Roger Best purchased 20,000 Ordinary Shares at 168.75 pence per share.

2.6 Substantial Shareholders

Save as disclosed above and in this sub-paragraph 2.6, the Company is not aware of any person who, directly or indirectly, is interested (within the meaning of Part VI of the Act) in three per cent or more of the Company's issued share capital:

	Number of Ordinary Shares	Percentage of issued ordinary share capital
Man Financial Limited	21,620,970	9.4
Harris Associates L.P.	20,855,600	9.1
Fidelity International Limited	7,147,037	3.1
The Capital Group Companies Inc.	7,042,398	3.1

2.7 Save as disclosed above:

2.7.1 none of:

2.7.1.1 the Directors or any of their close relatives or related trusts;

2.7.1.2 any associated company of the Company;

2.7.1.3 any pension fund or employee benefit trust of the Company or of any associated company of the Company;

2.7.1.4 any connected adviser to the Company, to any company which is an associated company of the Company or to a person acting in concert with the Directors; or

2.7.1.5 any person controlling, controlled by or under the same control as any connected adviser to the Company (except for an exempt principal trader or exempt fund manager),

had, as at 19 June 2006 (being the latest practicable date prior to publication of this document), any interest in (as defined below), right to subscribe in respect of or short position (as defined below) in relation to any Relevant Securities (as defined below);

2.7.2 no Director or any person in whose shareholding any Director is interested, has dealt for value in Relevant Securities during the period of 12 months ended on 19 June 2006 (being the latest practicable date prior to the publication of this document);

2.7.3 there are no Relevant Securities which the Company or any person acting in concert with the Directors has borrowed or lent (excluding any borrowed Relevant Securities which have either been on lent or sold);

2.7.4 no member of the Concert Party or any person acting in concert with any member of the Concert Party has any interest, right to subscribe in respect of or short position in relation to any Relevant Securities;

2.7.5 no member of the Concert Party or any person acting in concert with any member of the Concert Party has dealt for value in Relevant Securities during the period of 12 months ended on 19 June 2006 (being the latest practicable date prior to the publication of this document);

2.7.6 there are no Relevant Securities which a member of the Concert Party or any person acting in concert with any member of the Concert Part has borrowed or lent (excluding any borrowed Relevant Securities which have either been on lent or sold);

2.7.7 no member of the Concert Party or any person acting in concert with a member of the Concert Party has any indemnity or option arrangement, or any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Securities, with any person which may be an inducement to deal or refrain from dealing; and

2.7.8 neither:

2.7.8.1 any subsidiary of JJB, nor any pension fund of JJB or any of its subsidiaries, nor any Banks or financial or other professional advisers of JJB (including stock brokers but excluding exempt principal traders), including any person controlling, controlled by or under the same control as any such Bank or financial or other professional adviser; nor

2.7.8.2 any discretionary fund manager (other than an exempt fund manager) connected with JJB

has in the period of 12 months ended on 19 June 2006 (being the latest practicable date prior to the publication of this document), owned, controlled or dealt for value in any Relevant Securities.

In this paragraph 2.7 references to:

(1) a 'Bank' does not include a bank whose sole relationship with JJB is the provision of normal commercial banking services;

- (2) 'Relevant Securities' means Ordinary Shares and securities convertible into, rights to subscribe for, options (including traded options) in respect of or derivatives referenced to, Ordinary Shares;
- (3) 'derivatives' include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;
- (4) 'short position' means a short position, whether conditional or absolute and whether in money or otherwise, and includes any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (5) 'associated company' means in relation to any company, that company's parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies. For these purposes, ownership or control of 20 per cent or more of the equity share capital of a company is regarded as the test of associated company status;
- (6) 'connected adviser' means:
 - (a) in relation to the Company (i) an organisation which is advising the Company in relation to the waivers from the Panel detailed in this document and (ii) a corporate broker to the Company;
 - (b) in relation to a person who is acting in concert with a member of the Concert Party or with the Directors, an organisation (if any) which is advising that person either (i) in relation to the waivers from the Panel detailed in this document or (b) in relation to the matter which is the reason for that person being a member of the relevant concert party; and
 - (c) in relation to a person who is an associated company of a member of the Concert Party or the Company, an organisation (if any) which is advising that person in relation to the waivers from the Panel detailed in this document;
- (7) 'control' means a holding, or aggregate holdings, or shares carrying 30 per cent or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding, or holdings, gives de facto control; and
- (8) 'dealing' or 'dealt' includes the following:
 - (a) the acquisition or disposal of Relevant Securities;
 - (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any Relevant Securities;
 - (c) subscribing or agreeing to subscribe for Relevant Securities;
 - (d) the exercise or conversion, whether in respect of new or existing Relevant Securities, of any Relevant Securities carrying conversion or subscription rights;
 - (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to Relevant Securities;
 - (f) entering into, terminating or varying the terms of any agreement to purchase or sell Relevant Securities; and
 - (g) any other action resulting, or which may result, in an increase or decrease in the number of Relevant Securities in which a person is interested or in respect of which he has a short position.

- (9) a person being interested in Relevant Securities includes if he has long economic exposure, whether absolute or conditional, to changes in the price of those Relevant Securities (and a person who only has a short position in Relevant Securities is not treated as interested in those Relevant Securities). In particular, a person is treated as ‘interested’ in securities if:
- (a) he owns them;
 - (b) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
 - (c) by virtue of any agreement to purchase, option or derivative, he:
 - (i) has the right or option to acquire them or call for their delivery; or
 - (ii) he is under an obligation to take delivery of them;
 whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (d) he is party to any derivative:
 - (i) whose value is determined by reference to their price; and
 - (ii) which results, or may result, in his having a long position in them.

3. Directors’ service agreements

3.1 Each of the executive Directors of the Company has entered into a service agreement with the Company, the current terms of which are detailed in paragraph 3.3 below. The service agreements are terminable on six months’ notice to be given by either party at any time except that in the event that notice is given in connection with certain changes of control of the Company, the period of notice to be given by either party is 12 months.

Each executive Director, in addition to his salary detailed in paragraph 3.3 below and the performance bonuses detailed in paragraphs 3.4 and 3.5 below, is entitled to receive pension contributions to a scheme nominated by the relevant Director at an annual rate of up to 10 per cent of salary and certain other benefits in kind. Each executive Director is also entitled to 25 working days holiday per year.

3.2 The non-executive Directors are each engaged on letters of appointment which are terminable on 3 months’ notice. The dates and current level of fees payable under such letters are detailed in paragraph 3.3 below.

3.3 Details of the service agreements and letters of appointment of the Directors are as follows:

3.3.1 the terms of appointment of Roger Lane-Smith as non-executive Director of the Company pursuant to a letter of appointment dated 13 January 1999 were last amended on 6 July 2005 to reflect Mr Lane-Smith’s appointment as non-executive Chairman of the Company and an increase in his director’s fees from £27,500 per annum to £100,000 per annum with effect from 6 July 2005;

3.3.2 the service agreement dated 10 November 1994 between the Company (1) and David Whelan (2) was last amended on 6 July 2005 to reflect Mr Whelan’s change of position from that of Chairman to Executive Director and a reduction in his salary from £300,000 per annum to £235,000 per annum with effect from 6 July 2005;

3.3.3 the service agreement dated 11 July 2003 between the Company (1) and Thomas William Knight (2) was last amended on 25 August 2005 to reflect an increase in the salary of Mr Knight from £300,000 per annum to £310,000 per annum, with effect from 1 February 2005;

3.3.4 the service agreement dated 10 November 1994 between the Company (1) and John David Greenwood (2) was last amended on 25 August 2005 to reflect an increase in the salary of Mr Greenwood from £235,000 per annum to £250,000 per annum, with effect from 1 February 2005;

- 3.3.5 the service agreement dated 7 June 1996 between the Company (1) and Barry John Keith Dunn (2) was last amended on 25 August 2005 to reflect an increase in the salary of Mr Dunn from £195,000 per annum to £205,000 per annum, with effect from 1 February 2005;
 - 3.3.6 the letter of appointment of Andrew Gerald Thomas as a non-executive Director of the Company dated 13 April 1995 was last amended on 25 August 2005 to reflect an increase in the Directors' fees of Mr Thomas from £27,500 per annum to £30,000 per annum, with effect from 1 February 2005;
 - 3.3.7 the letter of appointment of David Milton Maxwell Beever as a non-executive Director of the Company dated 26 May 2000 was last amended on 25 August 2005 to reflect an increase in the Directors' fees of Mr Beever from £27,500 per annum to £30,000 per annum, with effect from 1 February 2005; and
 - 3.3.8 Roger Clive Best was appointed as a non-executive Director of the Company on 12 October 2005 pursuant to a letter of appointment dated 12 October 2005, which provided for payment of Directors' fees at the rate of £30,000 per annum with effect from 12 October 2005.
- 3.4 With effect from 1 February 2003, the executive Directors have been entitled to a performance related bonus scheme. This bonus takes the form of an annual payment, calculated as a percentage of basic salary, based upon the pre-tax profits of the Group. The level of net profits on which the bonus is payable in any one accounting period, increase over those of the previous year. No entitlement was earned in respect of the 53 weeks to 30 January 2005 nor for the 52 weeks to 29 January 2006 being the second and third years of the scheme. The bonus payable at the end of the fourth year will represent an amount equal to the bonus paid in the three previous years, provided that the executive Director is still in the Company's employment at the end of the fourth year. The maximum amount payable in any one of the first three years of this scheme was limited to 40 per cent of the Director's basic salary.
- 3.5 A performance related bonus scheme has been approved for the accounting period to 28 January 2007 which is very similar in form to the scheme that operated during the last three accounting periods and which is referred to at paragraph 3.4 above. The bonus will again take the form of an annual payment, calculated as a percentage of basic salary, based upon the pre-tax profits of the Group. The maximum amount payable under this scheme is limited to 40 per cent of the Director's annual basic salary and an equivalent amount will be paid in April 2009, provided that the relevant Director remains as an employee of the Company at that date.
- 3.6 Save as set out in this paragraph 3, there have been no changes to the emoluments or other terms of employment, the service contracts or the letters of appointment of the Directors within the six months prior to the date hereof, nor will the total emoluments receivable by the Directors vary as a consequence of the proposals set out in this document.

4. Material contracts

- 4.1 The Company entered into an irrevocable 999 year licence with Slazenger Limited on 11 March 2005. The licence grants the Company the exclusive right to manufacture, sell and supply Slazenger branded golf and associated products within the European Economic Area and replaces a previous agreement between the two companies. The Company paid £10 million for the grant of this licence.
- 4.2 The Company entered into a 10 year licensing agreement with The Rangers Football Club plc on 9 March 2006, to design, develop, source and retail Rangers merchandise throughout JJB's retail store chain. The contract commenced on 8 June 2006 with the launch of Rangers' new home replica kit. An initial consideration of £18 million was paid on that commencement with the agreement also providing for a minimum annual royalty of £3 million during its term.
- 4.3 On 3 May 2006, JJB entered into a sale and purchase agreement with, *inter alios*, Trustar Global Media Limited, James Coleman and the trustees of the K. Malcher Settlement to acquire the issued share capital of Golf TV Limited and its subsidiaries including Golf TV Pro-Shop Limited (together the "Golf TV Group"), for a consideration of up to £3.3 million payable in cash. The Golf TV Group are the UK operators of The Golf Channel and The Golf TV Pro-Shop Channel.

Initial consideration of £0.5 million was paid by JJB on completion with deferred consideration of up to £1 million being payable over the next four years. In addition, further consideration of up to £1.8 million could become payable by JJB during the next four years dependent upon the performance of the Golf TV Group during that period.

- 4.4 The Company entered into a facility agreement on 21 June 2005 with Barclays Bank PLC as agent, arranger and lender (“Barclays”), the repayment of which has been guaranteed by Blane Leisure Limited and JJB Card Services Limited (both of which are wholly owned subsidiaries of the Company). Pursuant to this agreement, Barclays made available to the Company a revolving credit facility in the maximum amount of £60,000,000 at an interest rate of 0.45 per cent over LIBOR. The facility is available until 21 June 2010. The facility is repayable in full on a change of control of the Company.
- 4.5 The Company entered into a facility letter on 8 June 2006 with The Governor and Company of the Bank of Scotland (“BoS”). Pursuant to this letter, BoS made available to the Company a term loan facility in the maximum amount of £18,000,000 at an initial interest rate of 0.40 per cent over LIBOR. The facility is repayable in instalments beginning on 31 December 2007 with the final repayment being on 30 June 2012. The facility is repayable in full on a change of control of the Company. Blane Leisure Limited has guaranteed the repayment of the facility.
- 4.6 Other than the contracts referred to above, neither the Company nor any of its subsidiaries have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document.

5. Material Changes

There has been no material change in the financial or trading position of the Company since 29 January 2006, being the date in respect of which the last Annual report and Financial statements of the Company and its subsidiary undertakings were published.

6. Middle Market Quotations

The following are the middle market quotations for an Ordinary Share, as derived from the Daily Official List of the London Stock Exchange, for the first business day of each of the six months set out below and for 19 June 2006 (being the latest practicable date prior to the publication of this document):

Date	Price per Ordinary Share (pence)
3 January 2006	169.50
1 February 2006	173.75
1 March 2006	176.00
3 April 2006	182.75
2 May 2006	183.25
1 June 2006	174.00
19 June 2006	175.75

7. General

- 7.1 UBS has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name and its advice to the Independent Directors in the form and context in which they are included.
- 7.2 No agreement, arrangement or understanding (including any compensation arrangement) exists between any member of the Concert Party and any of the Directors, recent directors, Shareholders or recent shareholders in the Company having any connection with or dependence upon the proposals set out in this document.
- 7.3 No agreement, arrangement or understanding exists whereby any of the Ordinary Shares acquired by the Company pursuant to any exercise of the own share purchase authority to be sought at the AGM will be transferred to any other party. All such shares will, in accordance with the Act, be cancelled (rather than being held in treasury) and the issued share capital of the Company reduced by the nominal amount of those Ordinary Shares.

- 7.4 The purchase of any Ordinary Shares pursuant to any exercise of the own share purchase authority being sought will be funded either from the Company's cash resources or the Company's existing borrowing facilities provided by Barclays Bank PLC.
- 7.5 The Concert Party does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) of any member of the Concert Party will depend to any extent on the business of the Company.
- 7.6 The Company holds no treasury shares at the date of this document.
- 7.7 Duplicate Forms of Election may be obtained from, and any enquiries should be directed to, Capita Registrars, at 34 Beckenham Road, Beckenham, Kent BR3 4TU up to and including 3.00 pm on 19 July 2006. Further copies of this document may be obtained from such address up to and including 27 July 2006.

8. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of the Company's solicitors, DLA Piper Rudnick Gray Cary UK LLP, 3 Noble Street, London EC2V 7EE during normal business hours on any weekday (Saturdays and public holidays excepted), up to and including 27 July 2006 and at the Annual General Meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Annual reports and Financial statements of the Company for the two accounting periods to 30 January 2005 and 29 January 2006;
- (c) the service contracts and letters of appointment referred to in paragraph 3 above;
- (d) the material contracts referred to in paragraph 4 above;
- (e) the rules of the 2006 LTIP and the 2006 Share Option Plan; and
- (f) the consent letter from UBS referred to in paragraph 7.1 above.

21 June 2006

JJB SPORTS PLC

(Registered in England and Wales No. 1024895)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2006 Annual General Meeting of the Company will be held at the JJB Stadium, Loire Drive, Wigan, Lancashire WN5 0UH on Thursday 27 July 2006 at 12 noon for the following purposes:

Ordinary Business

1. To receive and consider the Annual report and the Financial statements for the 52 weeks to 29 January 2006 and the Auditors' report thereon.
2. To receive and approve the Directors' remuneration report, which includes the remuneration policy for Executive Directors, as set out in the Annual report and Financial statements for the 52 weeks to 29 January 2006.
3. To declare a final dividend in respect of the 52 weeks to 29 January 2006 which the Directors propose should be 7 pence net per ordinary share, payable on 9 August 2006 to Shareholders on the register of members at the close of business on 26 May 2006.
4. To re-appoint Deloitte & Touche LLP of 201 Deansgate, Manchester M60 2AT as auditors for the ensuing accounting period and to authorise the Directors to determine their remuneration.
5. To re-appoint as a Director, Roger Clive Best who was appointed as a Director by the board since the last annual general meeting.
6. To re-elect as a Director, Roger Lane-Smith who retires by rotation.
7. To re-elect as a Director, David Whelan who retires by rotation.
8. To re-elect as a Director, Thomas William Knight who retires by rotation.
9. To re-elect as a Director, Andrew Gerald Thomas.

Special Business

To consider, and if thought fit, pass the following resolutions which will be proposed as ordinary resolutions in the case of resolutions 10 to 13, 16 and 18 to 20 and as special resolutions in the case of resolutions 14, 15 and 17.

10. That, subject to and conditional upon the passing of Resolution 3, the Directors be generally and unconditionally authorised pursuant to Article 156 of the articles of association of the Company, with the rights and powers set out in such Article, to offer the holders of ordinary shares of 5 pence each in the capital of the Company the right to elect to receive further shares of that class, credited as fully paid, instead of cash in respect of the final dividend for the 52 weeks to 29 January 2006, on the terms and subject to the conditions set out in the circular to shareholders of the Company dated 21 June 2006.
11. That the waiver by the Panel on Takeovers and Mergers referred to in the circular to shareholders of the Company dated 21 June 2006 ("Circular") of any requirement under Rule 9 of the City Code on Takeovers and Mergers for the Concert Party (as defined in the Circular) (or any of them) to make a general offer to the shareholders of the Company as a result of the election by any member of the Concert Party to receive new ordinary shares of 5 pence each by accepting the Scrip Dividend Offer (as defined in the Circular), be and is hereby approved.
12. That, in substitution for all existing authorities under that section (which are hereby revoked), the Directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ("Act") to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) of the Company up to a maximum nominal amount of £463,529 pursuant to acceptances of the Scrip Dividend Offer (as defined in the circular to shareholders of the Company dated 21 June 2006) during the period commencing on the date of the passing of this resolution and expiring (unless previously renewed, varied or revoked by the Company in general meeting) fifteen months from the date of the passing of this resolution or, if earlier, on the conclusion of the next Annual General Meeting of the Company.

13. That, in addition to the authority granted by Resolution 12 under that section, the Directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (“Act”) to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) of the Company up to a maximum nominal amount of £3,846,110 during the period commencing on the date of the passing of this resolution and expiring (unless previously renewed, varied or revoked by the Company in general meeting) fifteen months from the date of the passing of this resolution or, if earlier, on the conclusion of the next Annual General Meeting of the Company, save that the Company may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority hereby conferred had not expired.
14. That, in substitution for all existing powers (which are hereby revoked) and subject to the passing of resolution 12, the Directors be generally empowered pursuant to section 95 of the Companies Act 1985 (“Act”) to allot equity securities (as defined in section 94(2) of the Act) of the Company pursuant to acceptances of the Scrip Dividend Offer (as defined in the circular to shareholders of the Company dated 21 June 2006) and the authority conferred by resolution 12, as if section 89(1) of the Act did not apply to any such allotment and (unless previously renewed, varied or revoked by the Company in general meeting) such power shall expire fifteen months from the date of the passing of this resolution or, if earlier, on the conclusion of the next Annual General Meeting of the Company.
15. That, subject to the passing of resolution 13, and in addition to the power granted by Resolution 14 under that section (if any), the Directors be generally empowered pursuant to section 95 of the Companies Act 1985 (“Act”) to allot equity securities (as defined in section 94(2) of the Act) of the Company pursuant to the authority conferred by resolution 13, as if section 89(1) of the Act did not apply to such allotment, save that such power shall be limited to:
 - 15.1 allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares of 5 pence each in the capital of the Company in proportion (as nearly as may be) to their existing holdings of ordinary shares of 5 pence each, but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offer as they deem necessary or expedient to deal with:
 - 15.1.1 equity securities representing fractional entitlements; and
 - 15.1.2 legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and
 - 15.2 allotments of equity securities for cash (otherwise than pursuant to paragraph 15.1) up to a maximum aggregate nominal value of £576,916,and (unless previously renewed, varied or revoked by the Company in general meeting) such power shall expire fifteen months from the date of the passing of this resolution or, if earlier, on the conclusion of the next Annual General Meeting of the Company, save that the Company may make an offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the Directors may allot equity securities pursuant to such offer or agreement as if the power hereby conferred had not expired.
16. That the waiver by the Panel on Takeovers and Mergers referred to in the circular to shareholders of the Company dated 21 June 2006 (“Circular”) of any requirement under Rule 9 of the City Code on Takeovers and Mergers for the Concert Party (as defined in the Circular) (or any of them) to make a general offer to the shareholders of the Company as a result of the market purchase by the Company of up to 11,538,330 ordinary shares of 5 pence each in the Company pursuant to the authorisation granted to the Company by resolution 17 below, be and is hereby approved.

17. That, subject to and conditional upon the passing of Resolution 16, in accordance with Part V of the Companies Act 1985 (“Act”), the Company be hereby generally and unconditionally authorised (pursuant to section 166 of the Act) to make one or more market purchases (as defined in section 163 of the Act) on the London Stock Exchange of any of its own ordinary shares of 5 pence each (“Ordinary Shares”) on such terms and in such manner as the Directors may from time to time determine, provided that:
- 17.1 the maximum number of Ordinary Shares hereby authorised to be purchased is 11,538,330;
 - 17.2 the maximum price which may be paid for an Ordinary Share is an amount equal to not more than 105 per cent of the average of the middle market quotations for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days before the day on which the purchase is made (exclusive of attributable expenses payable by the Company);
 - 17.3 the minimum price which may be paid for an Ordinary Share is 5 pence (exclusive of attributable expenses payable by the Company); and
 - 17.4 the authority conferred by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company or twelve months from the date of passing of this resolution (whichever shall first occur), provided that the Company may make a contract to purchase Ordinary Shares under this authority before its expiry which will or may be executed wholly or partly thereafter and may make a purchase of Ordinary Shares in pursuance of any such contract as if such authority had not expired.
18. That:
- 18.1 the rules (“LTIP Rules”) of the JJB Sports Plc 2006 Long Term Incentive Plan (“2006 LTIP”) in the form set out in the draft rules, a copy of which having been produced to the meeting and initialled by the Chairman for the purposes of identification, and the principal features of which are summarised in the circular to shareholders of the Company dated 21 June 2006, be and are approved, the 2006 LTIP be adopted and the Directors of the Company be and are authorised to do all acts and things which they may consider necessary or expedient to give effect to the 2006 LTIP and the LTIP Rules including, but not limited to, making any amendment to the LTIP Rules; and
 - 18.2 the Directors be and are authorised to issue ordinary shares of 5 pence each in the capital of the Company (“Ordinary Shares”) at a subscription price which is not less than the current “Market Value” of such Ordinary Shares (as defined in the LTIP Rules) to the trustee of any trust established by the Company for the benefit of (*inter alia*) employees of the Company and of its subsidiaries for the purposes of satisfying the exercise of share options or other share awards granted by such trustee or the Company pursuant to the 2006 LTIP to employees of the Company and/or its subsidiaries.
19. That:
- 19.1 the rules (“Share Plan Rules”) of the JJB Sports Plc 2006 Unapproved Share Option Plan (“2006 Share Option Plan”) in the form set out in the draft rules, a copy of which having been produced to the meeting and initialled by the Chairman for the purposes of identification, and the principal features of which are summarised in the circular to shareholders of the Company dated 21 June 2006, be and are approved, the 2006 Share Option Plan be adopted and the Directors of the Company be and are authorised to do all acts and things which they may consider necessary or expedient to give effect to the 2006 Share Option Plan and the Share Plan Rules including, but not limited to, making any amendment to the Share Plan Rules; and
 - 19.2 the Directors of the Company be and are authorised to issue ordinary shares of 5 pence each in the capital of the Company (“Ordinary Shares”) at a subscription price which is not less than the current “Market Value” of such Ordinary Shares (as defined in the Share Plan Rules) to the trustee of any trust established by the Company for the benefit of (*inter alia*) employees of the Company and of its subsidiaries for the purposes of satisfying the exercise of share options or other share awards granted by such trustee or the Company pursuant to the 2006 Share Option Plan to employees of the Company and/or its subsidiaries.

20. That the waiver by the Panel on Takeovers and Mergers referred to in the circular to shareholders of the Company dated 21 June 2006 (“Circular”) of any requirement under Rule 9 of the City Code on Takeovers and Mergers for the Concert Party (as defined in the Circular) (or any of them) to make a general offer to the shareholders of the Company as a result of the grant to David Whelan of an award over up to 398,492 ordinary shares of 5 pence each in the Company under the 2006 LTIP (as defined in Resolution 18) be and is hereby approved.

By order of the Board

J. D. Greenwood
Company Secretary

21 June 2006

Notes:

- (1) A member entitled to attend and vote at the above-mentioned Annual General Meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. Completion and return of a form of proxy will not prevent a member from attending and voting at the meeting in person.
- (2) A form of proxy is enclosed with this Notice. To be valid, the form of proxy (together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) must be deposited at the office of the Company’s registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 12 noon on 25 July 2006.
- (3) Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 12 noon on 25 July 2006 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries in the register of members of the Company after 12 noon on 25 July 2006 will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
- (4) In accordance with the requirements of the Panel on Takeovers and Mergers, Resolutions 11, 16 and 20 will be decided on a poll of the Independent Shareholders (as defined in the circular to the shareholders of the Company dated 21 June 2006 (“Circular”)). The members of the Concert Party (as defined in the Circular) will not be entitled to vote on such resolutions.
- (5) The following documents will be available for inspection at the registered office of the Company during usual business hours on Mondays to Fridays (except public holidays) from the date of this Notice until the date of the meeting and will be available for inspection at the place of the meeting for fifteen minutes prior to the meeting and at the meeting:
 - (a) The Register of Directors’ interests in the shares of the Company kept in accordance with section 325 of the Companies Act 1985; and
 - (b) Copies of the service contract or letters of appointment between the Company and its Directors.
- (6) Dividend warrants in respect of the proposed final dividend, if approved, will be posted on 7 August 2006.