



31 March 2010

## **JJB Sports plc**

### **Amendments to Banking Facilities**

JJB Sports plc (“JJB” or the “Company”) is pleased to announce today that it has agreed amendments to the financial covenant tests in the banking facilities provided by its sole lender, Bank of Scotland (“BoS”), the details of which were previously set out in the Company’s prospectus dated 12 October 2009 (the “Prospectus”). These amendments mean that the covenant tests are focused on current and future trading rather than information from 2009/2010 and will provide greater financial flexibility for the Company than the covenant package agreed last year at the time of its fundraising.

JJB has agreed with BoS that the fixed charge cover test will be replaced with an EBITDAR test for the 2010/2011 financial year. In addition, the margin in respect of the facilities and the covenant test dates for the interest cover, leverage and fixed charge cover covenant tests have also been amended.

The amendments to each of the covenants are set out below.

#### **Fixed Charge Cover Covenant**

For the 2010/2011 financial year the fixed charge cover (the ratio of EBITDA plus operating lease charges to Net Debt Costs plus operating lease charges) will be replaced with an EBITDAR (earnings before interest, depreciation, amortisation and operating lease charges) test, where the absolute level of EBITDAR achieved will be tested quarterly on a cumulative basis. The first EBITDAR test date will be 30 April 2010.

At the end of the 2010/2011 financial year the EBITDAR test will be replaced by a fixed charge cover test which will run to the end of the facility period which remains as 30 September 2012. The fixed charge cover will be calculated on a rolling twelve months and tested quarterly, increasing from 0.8:1 to 1.50:1 during the life of the facility, which remains as £25 million. The first test date for the fixed charge cover covenant is 31 January 2011.

## **Interest Cover Covenant**

In relation to the interest cover covenant, the testing period and the timing of the move from a required minimum ratio of 7:1 down to 4:1 has been adjusted. Interest cover (ratio of EBITDA to Net Debt Costs) of 7:1 will be tested quarterly for the 12 month periods to 31 October 2011 after which time the ratio will become 4:1 and tested on a ratio of EBIT to Net Debt Costs. The first interest cover covenant test date will be 31 July 2011.

## **Leverage Covenant**

In relation to the leverage covenant, there is no testing until the 12 month period ending 31 July 2011. Leverage (ratio of Net Debt to EBITDA) of 1.75:1 will then be tested on a quarterly basis for each 12 month period ending on or after 31 July 2011.

## **Margin**

The margin in respect of the facilities has been increased from 3.5% to 5% until delivery of a margin calculation certificate for the 9 months ending 31 July 2010 and thereafter varies from 2.5% per annum to 5% per annum depending on the fixed charge cover calculation.

A fee of £125,000 is payable to BoS in respect of the amendments to the banking facilities.

## **Enquiries:**

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## **Additional information**

“Net Debt Costs” is the same definition as set out in the Prospectus and is defined as “all interest and commissions, periodic fees (including commitment fees) and other financing charges incurred by the Group plus or minus certain adjustments”.

“EBITDA” is the same definition as set out in the Prospectus and is defined as “in relation to any period, the aggregate of EBIT subject to certain adjustments, including adding back depreciation and authorisation”.

“EBIT” is the same definition as set out in the Prospectus and is defined as “the consolidated profits of the Group before the deduction of interest and tax (but not depreciation or amortisation) not including interest adding back certain costs including, inter alia, any exceptional or extraordinary costs and deducting certain costs including, inter alia, any exceptional or extraordinary gains and not including certain profits or gains and adding any loss (as the case may be)”.