



PRESS RELEASE

27 MAY 2010

JJB Sports plc

Full year results for the 53 weeks to 31 January 2010

JJB Sports plc (“JJB”, “JJB Sports” or the “Company”) today announces its full year results for the 53 weeks to 31 January 2010.

Key Financial Data	53 weeks to 31 January 2010	52 weeks to 25 January 2009	Change
Ongoing retail			
Revenue	£361.1m	£466.6m	-22.6%
Gross margin	38.4%	47.3%	-8.9pp
Operating loss	£(64.9)m	£(111.9)m	42.0%
Adjusted operating (loss) profit*	£(65.2)m	£8.5m	

*Adjusted operating (loss) profit is shown before crediting (charging) various exceptional items totalling £0.3 million (52 weeks to 25 January 2009: £(120.4)million) as shown in the Consolidated income statement.

Total retail		
Revenue	£372.5m	£647.8m
Gross margin	38.1%	45.8%
Operating loss	£(67.3)m	£(159.6)m
Adjusted operating loss *	£(67.7)m	£(20.1)m
Loss before taxation	£(68.6)m	£(170.2)m
Adjusted loss before taxation *	£(68.5)m	£(21.8)m

* Adjusted operating loss and adjusted loss before taxation are shown before crediting (charging) various exceptional items totalling £0.4million (2009: £(139.5)million) and charging exceptional bank arrangement fees and charges of £0.5million (2009: £10.9million), and crediting other gains and losses of £nil (2009: £2.0million) as shown in the Consolidated income statement.

During the period and up to disposal, the discontinued operations contributed £11.2 million (52 weeks to 25 January 2009: £70.5 million) to the Group’s turnover, and a loss of £0.4 million (52 weeks to 25 January 2009: profit of £13.2 million) in respect of loss before taxation (see note 8).

Highlights for the 53 weeks ended 31 January 2010

- Appointment of new Chief Executive Officer, Keith Jones, formerly Group Retail Director at DSG international plc – in post 1 March 2010;
- Successful Firm Placing and Placing and Open Offer raising £94m net and broadening JJB’s shareholder base;
- Original Shoe Company and Qubefootwear placed into administration, February 2009;
- Disposal of Fitness Clubs business for £83.4 million, March 2009;
- Successful completion of solvent Company Voluntary Arrangement to resolve excess property issue, May 2009;
- Significant progress in cost reduction across the Company;
- New banking arrangements, including £25m credit facility, agreed with Bank of Scotland;
- Strengthening of executive and non-executive Board;

Commenting on the full year results, Keith Jones, Chief Executive Officer of JJB Sports, said:

“The year under review was the most difficult in the history of JJB Sports, when the business faced a fight for survival. The fact that it did survive is in large part down to the hard work and dedication of JJB’s management and staff.

We cannot pretend that the Company’s recovery will be either quick or easy. There is an enormous amount of work to be done to introduce modern retail standards and disciplines into the business. The early signs are encouraging however, including a steady improvement in our like-for-like sales. We operate in an attractive market, estimated to be worth over £5 billion and I am confident that, over time and with commitment from our staff, JJB can recover to become the UK’s leading specialist sports retailer.”

Interim Management Statement Published and announcement of Chairman appointment.

The Company has separately released today its Interim Management Statement for the 16 week period from 1 February 2010, showing an improving trend in both like-for-like sales and gross margin since the year end. The Board has also announced that it is delighted to appoint John Clare as Chairman with immediate effect.

An analyst meeting will be held today at Numis’ offices (The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT) at 9.00 am. There will be a listen-only dial-in facility to the meeting for those that cannot attend in person. Details are available from Kerry Johnstone (kjohnstone@maitland.co.uk or 44 20 7379 5151)

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A copy of this press release can also be viewed on the JJB Sports plc corporate website, www.jjbcorporate.co.uk

About JJB Sports

JJB Sports plc (JJB: LSE) is one of the UK’s leading sports retailers. The group, headquartered in Wigan and listed on the Main Market of the London Stock Exchange, trades from 250 JJB branded retail stores in the UK and Ireland and employs approximately 7,600 people. Further information about the group can be found on the group’s corporate website, www.jjbcorporate.co.uk

Chairman's Statement

2009 was a very significant year for JJB Sports. The Company came very close to going into administration, and only avoided doing so because of the dedication and determination of all its employees, led by the Board.

In October 2009 existing shareholders and new investors supported the Company's strategy and plans for the future, investing £100 million in the business. We now have an opportunity to reward that confidence in us.

The focus for 2010 is to turn around our trading performance, improve our operational execution in all aspects of the business, and lay the foundations for consistent growth in the future.

Our Strategy and Customers

We believe there is room in the UK market for a major national sports retailer who is Serious about Sport.

We will sell a wide range of sportswear, footwear, sports equipment and accessories that is structured to appeal to customers of all ages that are interested in their sports performance, whether they be beginners, enthusiastic amateurs or even experienced regular participants.

Our Product Priorities

We are working with our key suppliers to increase and improve our product ranges and our stock availability. This includes a wider selection of exclusive and own label products. We will execute a promotional calendar to support key sports and sporting events with in-store customer propositions on appropriate merchandise, and will seek to regularly advertise these across a selection of media. The World Cup is a particularly significant opportunity in 2010. The merchandising of our products in-store will be organised by sport, with strong communication of the product propositions and promotions.

Our Stores

A complete review of our stores has been undertaken. We are planning to refurbish test stores in summer 2010 in advance of a programme of investment into new and existing stores, commencing towards the end of this year.

Our Website

This will play a critical role in our future, offering all customers nationwide the opportunity to select from our full range of products, even if we do not have stores of sufficient size close to where they live. Investment is currently underway to link our website and retail stock systems, and this should be completed in quarter 3 this year.

Our Board

There have been a significant number of changes to the Board during 2009/10.

I am pleased to welcome Keith Jones who joined the Company as Chief Executive on 1 March 2010. I have personally worked with Keith in the past, and have grown to appreciate his operational and leadership skills. I wish him every success in his new role.

I also offer special thanks to David Jones who, for health reasons, stepped down from his role as Executive Chairman in January 2010. During a period of great uncertainty for the Company, David took charge and steered the business through a number of major challenges. It is a measure of his skill and stewardship that we are here today.

Details of the Board today can be found in our Annual Report. I would like to welcome our two newest Non-executive Directors, David Adams and Matthew Pinsent, and to acknowledge the contribution made last year by two new Executive Directors, Lawrence Coppock and Richard Manning, and a longer standing Non-executive Director, Alan Benzie.

Others also contributed significantly to managing the Company through the choppy waters to 2010, either as Directors for a short period of time, or as advisors to the Board. They are mentioned in the Annual Report, and I take this opportunity to recognise the contribution they made.

Our Employees

Finally, I would like to record my thanks to all our loyal employees, who have given their full commitment to the Company through a very difficult time.

Outlook

JJB's recovery will be neither quick nor easy. The Company suffered considerably through all the events of last year and it will take time to encourage customers back into our stores and rebuild our creditability as Britain's leading sports retailer.

We operate in a large and attractive market, estimated to be worth more than £5 billion. We have restocked our stores and we are once again making better use of our retail space. We will test new format stores over the summer, which if successful, will provide us with a template for future investment. Much remains to be done but we have made a start and the early signs are encouraging. We look to the future with cautious optimism.

John Clare, Chairman

27 May 2010

Business Review

Overview

The 53 week period to 31 January 2010 has been an extremely challenging time for the Company as a result of both internal and external factors. Performance improved slightly in the second half of the year but was still behind comparable results for the previous year. This Business Review seeks to provide information to shareholders to assist them in understanding what has occurred and what the consequences have been.

Review of operating results

The operating results for the 53 weeks to 31 January 2010 and the comparative figures for the 52 weeks to 25 January 2009 are summarised below:

Segmental results for the 53 week period to 31 January 2010

	Ongoing retail £'000	Other items ** £'000	Retail Operations £'000	Fitness clubs £'000	Discontinued operations £'000	Consolidated £'000
Revenue	361,123	11,370	372,493	11,227	(11,227)	372,493
Gross profit	138,825	3,252	142,077	10,825	(10,825)	142,077
Location net operating expenses before exceptional operating items	(183,402)	(8,443)	(191,845)	(9,252)	9,252	(191,845)
Segment results	(44,577)	(5,191)	(49,768)	1,573	(1,573)	(49,768)
Central administration costs						(20,599)
Operating loss before exceptional operating items						(70,367)
Exceptional operating items						419
Add back Lifestyle trading losses***						2,636
Operating loss						(67,312)

Segmental results (re-presented*) for the 52 week period to 25 January 2009

	Ongoing retail £'000	Other items ** £'000	Retail Operations £'000	Fitness clubs £'000	Discontinued operations £'000	Consolidated £'000
Revenue	466,630	181,154	647,784	70,497	(70,497)	647,784
Gross profit	220,763	75,635	296,398	68,187	(68,187)	296,398
Location net operating expenses before exceptional operating items	(188,686)	(97,936)	(286,622)	(54,993)	54,993	(286,622)
Segment results	32,077	(22,301)	9,776	13,194	(13,194)	9,776
Central administration costs						(29,935)
Operating loss before exceptional operating items						(20,159)
Exceptional operating items						(139,474)
Operating loss						(159,633)

* The figures for the 52 weeks to 25 January 2009 have been re-presented to take into account the discontinued operations arising as a result of the sale of the fitness clubs on 25 March 2009 (see note 8).

**Other items represents results of retail cessations during the period and including stores attached to the fitness clubs, OSC and Qube stores, and other retail stores closed during the period.

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

Ongoing retail operations

Revenue from ongoing retail operations for the 53 weeks to 31 January 2010 fell by £105.5m (22.6%) compared to the previous accounting period and included a like-for-like decrease of 27.3% (on operating units that have been trading for over 53 weeks). This decline reflected the severe difficulties the Company found itself in following on from lower stock levels, as the Group's financial difficulties began to be known to suppliers.

The ongoing lease liabilities of 140 of JJB's closed standalone stores were settled under a Company Voluntary Arrangement ("CVA"), whilst a further 53 retail outlets attached to the fitness clubs were sold in March 2009. The two Lifestyle Division companies (Original Shoe Company and Qubefootwear) were placed into administration in February 2009. At the end of this process the Company now consists of 250 trading retail stores operating from 2.7m square feet of retail space. This is a reduction of 0.9m square feet from the start of the year.

Gross margin from ongoing retail operations declined to 34% from 47.3% at the end of the first half of the year, as stock was cleared of inappropriate ranges and turned into cash. By the first half year stock levels had reduced by 32.3% from the start of the year and were 67.0% below the comparative period level at £47.8m. Since the end of the first half of the year, stocks have gradually been rebuilt but the business has been severely restricted in what it was able to achieve due to long product lead times and ongoing financial concerns. Gross margin of 42.3% was achieved in the second half of the year compared with 46.1% in the second half of the previous year. Gross margin for the 53 weeks to 31 January 2010 was 38.4% compared to 47.3% for the 52 weeks ended 25 January 2009.

The Winter Sale commenced on 26 December 2009 which was some six weeks later than the previous year. The reason for the different timing was a newer and lower stock level than the previous year. The trading performance during the sale period was adversely affected by the severe winter weather suffered across the UK which prevented customers reaching stores. Consequently the sale period was extended which reduced margin during January 2010. A return to full price merchandise did not occur until 23 January.

Minor refurbishments with the relaying of merchandise were completed in 145 stores between 24 May and 8 November 2009 and one new store was opened at Chatham on 4 December 2009. An overall improvement in sales has been seen in the relayed stores with like-for-like sales 3.5% ahead of non-relayed stores in the period from 24 May 2009 to 31 January 2010. Results from Chatham are also encouraging.

A more significant store refurbishment programme will be tested in the summer of 2010 and results evaluated prior to a roll out programme.

Ongoing retail net operating expenses before exceptional operating items decreased by 2.8% to £183.4 million, due mainly to the reduction in store numbers through the CVA and disposal of 53 retail stores attached to the fitness clubs leading to decreased running costs, as well as a 23% reduction in the number of full-time equivalent jobs in central services.

Operating loss from the ongoing retail operations, before central costs and exceptional operating items, was £44.6 million, compared to £32.1 million last year.

Discontinued items - Fitness clubs

The fitness clubs were sold in March 2009. Their contribution for the period up to disposal is shown in note 2.

Exceptional operating items

Exceptional operating items on continuing operations total a credit of £0.4m compared with a charge of £139.5 million for 2009, and on discontinued operations a credit of £10.2 million before tax (2009: charge £32.2 million). Full details are shown on the face of the Consolidated income statement.

Net loss before taxation

The net loss before taxation and exceptional operating items from continuing operations increased to a £69.0 million loss from a £30.7 million loss and the net loss before taxation after deducting those exceptional operating items from continuing operations decreased to £68.6 million loss from £170.2 million loss. Adjusted net loss before taxation, exceptional operating items and exceptional other items increased to £68.5 million loss from £21.8 million loss.

Taxation

The effective rate of taxation on the Group's loss before taxation is 10.9% compared to 9.7% in the previous accounting period. This percentage is lower than expected in the current period mainly as a result of the unrecognised losses, for which no deferred tax asset can be recognised.

Loss per share

Continuing operations

Basic loss per Ordinary Share for the 53 weeks to 31 January 2010 was 16.12 pence compared to 54.28 pence in the previous accounting period. The loss per share has reduced due to the reduction in exceptional operating items to £0.1 million (2009: £150.4 million) and the increase in the number of shares as a result of the Firm Placing and Placing and Open offer. The adjusted basic loss per Ordinary Share (before deduction of exceptional items) for the 53 weeks to 31 January 2010 was 15.75 pence compared to 6.35 pence in the previous accounting period.

Continuing and discontinued operations

Basic loss per Ordinary Share for the 53 weeks to 31 January 2010 was 14.39 pence compared to 59.14 pence in the previous accounting period. The loss per share has reduced due to the credit (deduction) of exceptional operating items totalling £10.1 million (2009: £(182.7) million) and the increase in the number of shares as a result of the Firm Placing and Placing and Open offer. The adjusted basic loss per Ordinary Share (before credit (deduction) of exceptional items) for the 53 weeks to 31 January 2010 was 15.95 pence compared to 3.02 pence in the previous accounting period.

Key performance indicators

During the period under review the Board monitored its performance by reference to a number of key performance indicators ("KPIs") of which the most important were:

	53 weeks to 31 January 2010	52 weeks to 25 January 2009
Financial KPIs		
Change in like-for-like revenue	(26.6)%	(5.6)%
Gross margin – continuing operations	38.1%	45.8%
Net funds (debt)	£58.8m	£(34.4)m
Non-financial KPIs		
Retail selling space (sq ft)	2,777,000	3,674,000
Number of fitness clubs*	2	55
Number of fitness club members*	3,014	229,321

*The fitness clubs business and the associated retail outlets, with the exception of 2 fitness clubs in Eire, were sold in March 2009.

Operating Review

Corporate affairs

The period under review has seen many significant events, some of which have impacted severely on the Group's operations. These can be summarised as follows:

- > The placing into administration of two subsidiaries, Original Shoe Company and Qubefootwear to stem the significant losses they were incurring.
- > The disposal of 53 fitness clubs together with attached retail stores for £83.4m.
- > The ongoing lease liabilities of 140 of JJB's closed standalone stores were settled under a CVA saving £6.0m of annual rental costs in return for a £10m payment.
- > Significant discounting of stock in common with many other retailers and associated reduction in stock holding.
- > Extreme pressure from the Group's lenders as a result of covenant breaches, consequential increase in fees and margin payable and limited operating scope in exchange for continued support.
- > Successful Firm Placing and Placing and Open Offer of 400 million new Ordinary Shares of 25 pence in October 2009 which raised £100m in gross proceeds.
- > Board and management changes.
- > JJB continues to liaise closely with the OFT and to comply fully with the terms of its marker.

Retail operations

This accounting period has been all about managing the business through a time of diminishing retail demand and with limited resources, whilst dealing with internal and external challenges across the Group. As noted above, the Company has been operating under intense scrutiny and pressure from its lenders and its suppliers, limiting the scope, particularly in the first half of the accounting period, for any advance in the Group's retail operations. Set out below are the significant events in the Group's retail operations.

The continuing poor retail conditions during the accounting period under review together with well reported trading issues for JJB resulted in reduced sales and operating loss for the period. Stock levels were seriously eroded from levels of previous years and that needed to trade the business effectively. In addition gross margin was significantly reduced as old, non-core lines were cleared to make way for newer lines more in line with the strategy of Serious about Sport. This was particularly true for the first half year to July 2009. During this period we worked closely with our suppliers, particularly NIKE and Adidas, to gain access to merchandise ranges which were more closely aligned to our strategy. Due to the long lead times necessary for these products, it was not until December 2009 that any real improvement was seen in our stock levels, and these were still lower than previous years. Gross margin did improve in the second half year to 42.3% from the 34% level that it dropped to in the first half year. The post Christmas Sale was launched on Boxing Day and had to be run for a longer than planned period through to 22 January 2010, caused by the prolonged severe winter weather experienced across the country.

Fitness clubs

As noted elsewhere in this announcement, after the end of the prior year accounting period, the Company sold the fitness clubs business comprising 53 fitness clubs and adjoining stores for a cash consideration of £83.4 million, resulting in a loss on disposal of £2 million.

Internal systems and controls

Following the reported identification of a breakdown in internal systems and controls in certain areas, the Board has taken measures to strengthen these shortcomings:

- > The appointment of a new Finance Director.
- > The establishment of a legal function and the appointment of a Legal Director.
- > The appointment of three new Non-executive Directors.
- > Strengthening of budgeting and forecasting processes, and management reporting.
- > The establishment of an internal audit function and the appointment of PricewaterhouseCoopers LLP to assist in this area.
- > Rigorous reviews by the Board of material contractual arrangements.
- > New expenses policies, including for Executive Directors.
- > Enhanced compliance with the Combined Code, including particularly processes for reviewing the Board's own effectiveness.
- > The introduction of new Articles of Association, updated Audit Committee terms of reference and schedule of matters reserved to the Board.

Review of Statement of financial position

Capital expenditure

Capital expenditure on property, plant and equipment for the 53 weeks to 31 January 2010 was £1.8 million compared to £45.5 million in the previous accounting period. This capital expenditure was spent on the combined fitness club/store sites, unopened operations as at the year end, and maintenance on opened operations.

Inventories

The value of inventories at 31 January 2010 was £68.6 million, 2.8% lower than at 25 January 2009. This is below the expected levels due to long product lead times on new stock orders and continuing financial concerns.

Net cash

The Group's net cash, excluding loan notes, at 31 January 2010 was £58.8 million compared to £34.4 million net debt at 25 January 2009. The principal reason for the improvement was the raising of fresh equity and the disposal of the fitness clubs.

Dividend

The Board does not recommend payment of a dividend in respect of the 53 weeks ended 31 January 2010 (2009: 0.0 pence).

Share capital

Details of the share capital and recent movements, including the Firm Placing and Placing and Open Offer referred to above, are described in note 14. The mid-market share price of the Ordinary Shares at the close of business on 29 January 2010 was 21.25 pence, representing an equity market capitalisation of approximately £138 million. This share price represents an increase of 249% from the price of 6.09 pence per share at 25 January 2009.

Events after the Statement of financial position

Since the date of the statement of financial position the following changes have taken place:

- > On 1 March 2010, Keith Jones was appointed as Chief Executive.
- > On 25 March 2010, Colin Tranter resigned as a Director.
- > On 31 March 2010, the Company agreed a revision to the covenants in its facility with Bank of Scotland to more closely align the measurements to future trading rather than information relating to performance for the year to 31 January 2010. There are no changes to the level of the facility which remains as £25 million nor the duration which is to 30 September 2012.
- > On 26 May 2010 John Clare was appointed as Chairman.

Principal risks and uncertainties

The process to strengthen the internal control environment of the Company and its business has developed well since the last Annual Report, and the Board continues to identify and review key business risks and oversee the development of processes to ensure that these risks are managed appropriately. The Board appointed PricewaterhouseCoopers LLP to assist in this process. Executive Directors and senior management are delegated with the task of implementing these processes; the Executive Directors are charged with reporting to the Board on their outcomes. In addition to the risks associated with the going concern assumption, the key risks identified by the Board include:

Economic conditions

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

Competition

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

Key personnel

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

Suppliers

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

The impact of currency

The Company generally operates a foreign exchange hedging policy where all overseas supply orders are fully covered by matching forward currency contracts.

Availability of credit

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

Treasury and financial risks

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

IT systems and business continuity

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

Revenue dependence on key sporting events

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

Logistics and distribution infrastructure

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

Responsibility statement

The responsibility statement below has been prepared in connection with the Company's financial statements for the 53 week period ended 31 January 2010. Certain parts thereof are not included within this announcement.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Lawrence Coppock

Finance Director

27 May 2010

Richard Manning

Legal & Operations Director

27 May 2010

Cautionary note regarding forward looking statements

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

The Company has not registered and does not intend to register any securities under the US Securities Act 1993, as amended (the 'Securities Act'). Securities may not be offered or sold in the United States absent registration under the Securities Act or an exemption from, or in a transaction not subject to, registration.

Consolidated income statement

For the 53 weeks to 31 January 2010

	Note	53 weeks to			52 weeks to		
		31 January 2010			25 January 2009		
					(re-presented*)		
		Ongoing retail	Other items**	Total	Ongoing retail	Other items**	Total
£'000	£'000	£'000	£'000	£'000	£'000		
Continuing operations							
Revenue		361,123	11,370	372,493	466,630	181,154	647,784
Cost of sales		(222,298)	(8,118)	(230,416)	(245,867)	(105,519)	(351,386)
Gross profit		138,825	3,252	142,077	220,763	75,635	296,398
Other operating income		2,960	782	3,742	1,592	2,724	4,316
Distribution expenses		(20,340)	(538)	(20,878)	(23,226)	(6,316)	(29,542)
Administration expenses		(24,245)	(504)	(24,749)	(28,078)	(6,380)	(34,458)
Selling expenses		(162,071)	(5,433)	(167,504)	(282,983)	(113,364)	(396,347)
Operating loss		(64,871)	(2,441)	(67,312)	(111,932)	(47,701)	(159,633)
Operating loss is stated after crediting (charging)							
Release (provisions) for restructuring of retail store chain	4	-	13,616	13,616	(20,742)		(20,742)
Other vacant store provision	4	-	1,402	1,402	(8,643)	(127)	(8,770)
CVA provision	4	-	(10,000)	(10,000)	-		-
		-	5,018	5,018	(29,385)	(127)	(29,512)
Goodwill impairment		-	-	-	(82,275)		(82,275)
Impairment of fitness club fixed assets		-	-	-	-	(8,784)	(8,784)
Impairment of businesses in administration		-	-	-	-	(8,695)	(8,695)
Re-organisation costs		-	(16,074)	(16,074)	(3,175)		(3,175)
Net loss on disposal of intangibles		(29)	(2)	(31)	(339)		(339)
Net gain (loss) on disposal of property, plant and equipment		459	(203)	256	1,907	(1,414)	493
Impairment of intangible assets		-	-	-	(2,150)		(2,150)
Impairment of loan and investment in associated undertaking		(125)	-	(125)	(4,923)		(4,923)
Loss on sale of assets held for resale		-	-	-	(114)		(114)
Loss on leisure retail stores on disposal		-	(2,092)	(2,092)	-	-	-
Release of deferred lease incentives		-	15,635	15,635	-	-	-
Lifestyle - Trading losses to administration		-	(2,636)	(2,636)	-	-	-
- Profit on de-recognition		-	844	844	-	-	-
Impairment of subsidiary undertakings		-	(376)	(376)	-	-	-
		305	114	419	(120,454)	(19,020)	(139,474)
Investment income				2,704			10,239
Other gains and losses				-			1,989
Finance costs				(3,685)			(22,704)
Finance costs are stated after charging							
Exceptional bank arrangement fees and charges				(500)			(10,974)
Fair value on derivative instruments				903			-
Debt issue costs				(1,202)			-
Share of results of associated undertaking				-			(103)
Loss before taxation				(68,592)			(170,212)
Taxation	3			7,475			16,429
Loss for the period from ongoing operations				(61,117)			(153,783)

Consolidated income statement (continued)

For the 53 weeks to 31 January 2010

	Note	53 weeks to			52 weeks to		
		31 January 2010			25 January 2009		
		Ongoing	Other	Total	(re-presented*)		
					Ongoing	Other	Total
retail	Items*		retail	Items*			
£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Discontinued Operations	8						
Profit (loss) for the period from discontinued operations			6,534			(13,773)	
Profit (loss) for the period from discontinued operations is stated after (charging) crediting							
Impairment of fitness club fixed assets			-			(29,143)	
(Loss) gain on disposal of property plant and			(258)			5,914	
Release of deferred lease incentives			7,582			-	
Loss after taxation for the period attributable to equity holders of the parent company			(54,583)			(167,556)	
Loss per share							
From continuing operations							
Basic loss per Ordinary Share (Pence)	6		(16.12)			(54.28)	
Diluted loss per Ordinary Share (Pence)	6		(16.12)			(54.28)	
From continuing and discontinued operations							
Basic loss per Ordinary Share (Pence)	6		(14.39)			(59.14)	
Diluted loss per Ordinary Share (Pence)	6		(14.39)			(59.14)	

* The figures for the 52 weeks to 25 January 2009 have been re-presented to take into account the discontinued operations arising as a result of the sale of the fitness clubs on 25 March 2009 (see note 8).

** Other items represent results of retail cessations during the period and including stores attached to the fitness clubs, OSC and Qube stores, and other retail stores closed during the period.

Consolidated statement of comprehensive income

For the 53 weeks to 31 January 2010

	53 weeks to	52 weeks to
	31 January	25 January
	2010	2009
	£'000	£'000
Losses on revaluation of available-for-sale investment taken to equity	-	(1,555)
Release from share based payment reserve taken directly to equity	589	-
Taxation effect on item taken directly to equity	-	435
Exchange differences on translation of foreign operations	(379)	1,549
Net income recognised directly in equity	210	429
Loss after taxation for the period	(54,583)	(167,556)
Recognised expense for the period	(54,373)	(167,127)

Consolidated statement of changes in equity

For the 53 weeks to 31 January 2010

	Share capital	Share premium account	Capital redemption reserve	Own shares	Share based payment reserve	Retranslation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 27 January 2008	11,944	171,248	1,069	(3,083)	680	(1,211)	184,408	365,055
Loss for the period							(167,556)	(167,556)
Exchange differences on translation of foreign operations						1,549		1,549
Total comprehensive income for the period	11,944	171,248	1,069	(3,083)	680	338	16,852	199,048
Issue of share capital	598	2,807						3,405
Dividends paid							(16,657)	(16,657)
Debit to equity for equity-settled share based payment					(45)			(45)
Loss on revaluation of available-for-sale investments taken to equity							(1,120)	(1,120)
At 25 January 2009	12,542	174,055	1,069	(3,083)	635	338	(925)	184,631
Loss for the period							(54,583)	(54,583)
Exchange differences on translation of foreign operations						(379)		(379)
Total comprehensive income for the period	12,542	174,055	1,069	(3,083)	635	(41)	(55,508)	129,669
Dividends repaid to the Company							54	54
Release from share based payment reserve taken directly to equity							589	589
Debit to equity for equity-settled share based payment					(187)			(187)
Firm Placing and Placing and Open Offer	20,000	73,428						93,428
Transfer to retained earnings		(73,428)					73,428	-
At 31 January 2010	32,542	174,055	1,069	(3,083)	448	(41)	18,563	223,553

Consolidated statement of financial position

As at 31 January 2010

		As at 31 January 2010 £'000	As at 25 January 2009 £'000
Non-current assets			
Goodwill		106,406	106,406
Other intangible assets		22,369	24,600
Property, plant and equipment		74,691	162,044
Investment in associated undertaking		-	750
		<u>203,466</u>	<u>293,800</u>
Current assets			
Inventories		68,582	70,569
Trade and other receivables		26,293	38,381
Current tax receivable		174	-
Current asset investments		168,117	171,954
Cash and cash equivalents		58,812	40,638
		<u>321,978</u>	<u>321,542</u>
Total assets		<u>525,444</u>	<u>615,342</u>
Current liabilities			
Trade and other payables		(106,156)	(101,334)
Current tax liability		-	(1,494)
Bank loans	7	-	(75,000)
Loan notes	7	(168,117)	(168,117)
Provisions	4	(9,057)	(32,404)
Derivative financial instruments		(2,032)	-
		<u>(285,362)</u>	<u>(378,349)</u>
Net current assets (liabilities)		<u>36,616</u>	<u>(56,807)</u>
Non-current liabilities			
Deferred tax liabilities		-	(2,682)
Deferred lease incentives		(13,849)	(43,894)
Provisions	4	(2,680)	(5,786)
		<u>(16,529)</u>	<u>(52,362)</u>
Total liabilities		<u>(301,891)</u>	<u>(430,711)</u>
Net assets		<u>223,553</u>	<u>184,631</u>
Equity			
Share capital	14	32,542	12,542
Share premium account		174,055	174,055
Capital redemption reserve		1,069	1,069
Investment in own shares		(3,083)	(3,083)
Share based payment reserve		448	635
Foreign currency translation reserve		(41)	338
Retained earnings (losses)		18,563	(925)
Total equity		<u>223,553</u>	<u>184,631</u>

Consolidated statement of cash flow

For the 53 weeks to 31 January 2010

	Note	53 weeks to 31 January 2010	52 weeks to 25 January 2009
		£'000	£'000
Net cash (outflow) inflow from operating activities	12	(81,023)	37,859
Cash flows from investing activities			
Interest received		2,704	10,239
Purchase of subsidiary		-	(22,211)
Proceeds on disposal of investment in associate		625	-
Proceeds on disposal of property, plant and equipment		2,962	23,799
Proceeds from sale of leisure division		77,362	-
Purchase of intangible assets		(1,139)	(3,346)
Purchase of property, plant and equipment		(1,835)	(45,544)
Sale of available-for-sale investments		-	28,534
Release from escrow		3,837	-
Sale of assets held for resale		-	3,551
Net cash from (used in) investing activities		84,516	(4,978)
Cash flow from financing activities			
Interest paid		(3,883)	(11,585)
Dividends repaid (paid)		54	(16,657)
Proceeds from issues of share capital		93,428	3,405
Net proceeds from bank loans		-	24,620
Repayment of bank loan		(75,000)	(6,120)
Net cash from (used in) financing activities		14,599	(6,337)
Net increase in cash and cash equivalents		18,092	26,544
Cash and cash equivalents at beginning of period		40,638	14,199
Effect of foreign exchange rate changes		82	(105)
Cash and cash equivalents at end of period	13	58,812	40,638

Notes to the unaudited preliminary results for the 53 weeks to 31 January 2010

1. Basis of preparation

The Group's preliminary results for the 53 weeks to 31 January 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU. The accounting policies adopted in the preparation of these preliminary results are consistent with those set out in the Group's Annual Report and Financial statements for the 52 weeks to 25 January 2009, published by the Company on 15 June 2009, with the exception of the adoption of IAS 1 (2007) Revised. The adoption of this standard has not led to any changes to the financial performance or position of the Group. Copies of the 2009 Annual Report and Financial statements are available from the Company Secretary, JJB Sports plc, Martland Park, Challenge Way, Wigan, WN5 0LD and can be downloaded or viewed via JJB's corporate website, www.jjbcorporate.co.uk.

These consolidated preliminary results for the 53 weeks to 31 January 2010 have been drawn up in accordance with the recognition and measurement policies of IFRS as adopted for use in the EU and do not include all the information required to comply with the requirements of IFRS regarding the full Annual Report and Financial statements.

The financial information set out in these preliminary results does not constitute the Company's statutory accounts for the 53 week period ended 31 January 2010 or 52 week period ended 25 January 2009. The financial information for the 52 week period ended 25 January 2009 is derived from the Annual Report and Financial statements for that period which have been delivered to the Registrar of Companies. The auditors reported on those statements; their report was unqualified but drew attention to matters by way of emphasis in respect of Going Concern. The accounts for the period ended 31 January 2010 have been signed and approved on 27 May 2010 and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditors have reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under section 498(2) or (3) Companies Act 2006 or equivalent preceding legislation. A copy of the Annual Report and Financial statements can be downloaded or viewed via JJB's corporate website, www.jjbcorporate.co.uk.

Going Concern

As part of the Group's restructuring and refinancing, the CVA proposal was implemented on 29 May 2009 and the Company subsequently moved to new financing arrangements (see note 7) whereby Bank of Scotland ("BoS") has provided a £25 million revolving working capital facility due to expire on 30 September 2012.

The Firm Placing and Placing and Open Offer, full details of which are set out in the Prospectus ("Prospectus") sent to Shareholders and dated 12 October 2009, which was concluded on 3 November 2009, resulted in net proceeds of £93.4 million, and gave the Group further flexibility as regards working capital.

The Directors have reviewed trading and cash flow forecasts as part of their going concern assessment which take into consideration the uncertainties in the current operating environment. The Directors are aware that there are uncertainties facing the business, not least that future trading may not be in line with the assumptions in the Group's latest business plan which is dependent on the current economic climate and the implementation of its business recovery programme.

Going Concern (continued)

The Directors have applied reasonable stress testing to their trading and cash flow forecasts and after applying reasonable sensitivities, these show that the Group would continue to have headroom within its facilities.

On 31 March 2010 the Directors agreed an amendment to the financial covenant tests in the banking facilities provided by BoS (see note 16). These amendments mean that the covenant tests are focused on current and future trading rather than historical information and will provide greater financial flexibility for the Company than the covenant package agreed during 2009 at the time of its fundraising.

The Directors are therefore of the opinion that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and for this reason, they continue to adopt the going concern basis in preparing the Annual Report and Financial statements.

2. Business segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance. The new segments comprise

- (a) all the Group's retail operations including any retail stores which are attached to fitness clubs; and
- (b) the fitness club operation, which was sold on 25 March 2009.

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

Revenues from major products and services and information about major customers

Information regarding the above is required by IFRS 8 (32 and 34) but is not given in these notes because of the nature of the Group's business. The Group's two principal activities, those of retailing of a wide range of sports clothing, footwear and equipment and of the operation of fitness clubs (the majority of which were sold on 25 March 2009), are reported in the segments shown below and therefore the disclosure of revenues from major products is not appropriate. As the Group's revenue is derived from sales to the general public, then it has no reliance on any individual major customer.

Geographical segments

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

2. Business segments (continued)

Operating segments

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

	Segmental results for the 53 week period to 31 January 2010					
	Ongoing retail	Other items**	Retail Operations	Fitness clubs	Discontinued operations	Consolidated
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	<u>361,123</u>	<u>11,370</u>	<u>372,493</u>	<u>11,227</u>	<u>(11,227)</u>	<u>372,493</u>
Gross profit	<u>138,825</u>	<u>3,252</u>	<u>142,077</u>	<u>10,825</u>	<u>(10,825)</u>	<u>142,077</u>
Location net operating expenses before exceptional operating items	<u>(183,402)</u>	<u>(8,443)</u>	<u>(191,845)</u>	<u>(9,252)</u>	<u>9,252</u>	<u>(191,845)</u>
Segment results	<u>(44,577)</u>	<u>(5,191)</u>	<u>(49,768)</u>	<u>1,573</u>	<u>(1,573)</u>	<u>(49,768)</u>
Central administration costs						<u>(20,599)</u>
Operating loss before exceptional operating items						<u>(70,367)</u>
Exceptional operating items						419
Add back Lifestyle trading losses***						2,636
Operating loss						<u>(67,312)</u>
Investment income						2,704
Finance costs						(3,685)
Fair value on derivative instruments						903
Debt issue costs						(1,202)
Share of results of associated undertaking						-
Loss before taxation						<u>(68,592)</u>
Taxation						7,475
Profit for the period from discontinued operations						6,534
Loss after taxation and discontinued operations						<u>(54,583)</u>

** Other items represents results of retail cessations during the period and including stores attached to the fitness clubs, OSC and Qube stores, and other retail stores closed during the period.

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

2. Business segments (continued)

	Segmental results (re-presented*) for the 52 week period to 25 January 2009					
	Ongoing retail £'000	Other items ** £'000	Retail Operations £'000	Fitness clubs £'000	Discontinued operations £'000	Consolidated £'000
Revenue	466,630	181,154	647,784	70,497	(70,497)	647,784
Gross profit	220,763	75,635	296,398	68,187	(68,187)	296,398
Location net operating expenses before exceptional operating items	(188,686)	(97,936)	(286,622)	(54,993)	54,993	(286,622)
Segment results	32,077	(22,301)	9,776	13,194	(13,194)	9,776
Central administration costs						(29,935)
Operating loss before exceptional operating items						(20,159)
Exceptional operating items						(139,474)
Operating loss						(159,633)
Investment income						10,239
Finance costs						(22,704)
Other gains and losses						1,989
Share of results of associated undertaking						(103)
Loss before taxation						(170,212)
Taxation						16,429
Loss for the period from discontinued operations						(13,773)
Loss after taxation and discontinued operations						(167,556)

* The figures for the 52 weeks to 25 January 2009 have been re-presented to take into account the discontinued operations arising as a result of the sale of the fitness clubs on 25 March 2009 (see note 8).

** Other items represents results of retail cessations during the period and including stores attached to the fitness clubs, OSC and Qube stores, and other retail stores closed during the period.

3. Taxation

The taxation credit shown in the Consolidated income statement for the 53 weeks to 31 January 2010 has been based on the current rate of taxation of 28 per cent (2009: 28.3 per cent) for current taxation, and 28 per cent for deferred taxation (2009: 28 per cent).

	Group	
	53 weeks to 31 January 2010 £'000	52 weeks to 25 January 2009 £'000
Current taxation		
UK corporation tax	-	1,343
Foreign tax	-	(273)
Adjustments in respect of prior periods	(1,260)	(1,566)
	(1,260)	(496)
Deferred taxation		
Current period	(3,322)	(21,190)
Adjustments in respect of prior periods	381	-
	(2,941)	(21,190)
Total taxation credit for ongoing and discontinued operations	(4,201)	(21,686)
Taxation charge (credit) from discontinued operations	3,274	(5,257)
Taxation credit from ongoing operations	(7,475)	(16,429)

The deferred taxation credit in the current period has resulted from the depreciation rates on qualifying assets being lower than the rates of writing down allowances used for tax purposes.

The taxation credit for the period can be reconciled to the loss before taxation shown in the Consolidated income statement as follows:

	Group			
	53 weeks to 31 January 2010 £'000	%	52 weeks to 25 January 2009 £'000	%
Loss before taxation:	(68,592)		(170,212)	
Tax at the current UK corporation tax rate	(19,206)	28.0	(48,170)	28.3
Tax effect of expenses that are not deductible in determining taxable loss	4,080	(5.9)	30,358	(17.8)
Tax effect of unrecognised losses	7,327	(10.7)	2,197	(1.3)
Tax effect of prior year UK corporation tax adjustments	(1,260)	1.8	(1,566)	0.9
Tax effect of share of results of associates	-	-	29	(0.0)
Effect of different tax rates of subsidiaries operating in other jurisdictions	1,203	(1.7)	723	(0.4)
Tax effect of prior year deferred tax adjustments	381	(0.6)	-	-
	(7,475)	10.9	(16,429)	9.7
Total taxation credit and effective tax rate for the period				

4. Provisions

Current liabilities	Vacant stores provision £'000	Retail store restructuring provision £'000	CVA Provision £'000	Dilapidations provision £'000	Total £'000
Group					
At 27 January 2008	2,554	18,658	-	1,444	22,656
Created in the period	3,282	24,494	-	592	28,368
Utilised in the period	(1,481)	(12,557)	-	(646)	(14,684)
Released in the period	(184)	(3,752)	-	-	(3,936)
At 25 January 2009	4,171	26,843	-	1,390	32,404
Created in the period	2,177	3,957	10,000	220	16,354
Utilised in the period	(3,554)	(7,327)	(10,000)	(436)	(21,317)
Released in the period	(473)	(17,573)	-	(338)	(18,384)
At 31 January 2010	2,321	5,900	-	836	9,057

Non-current liabilities

	Vacant stores provision £'000
Group	
At 27 January 2008	2,304
Created in the period	5,671
Utilised in the period	(2,189)
At 25 January 2009	5,786
Created in the period	3,326
Released in the period	(6,432)
At 31 January 2010	2,680

4. Provisions (continued)

The vacant stores provisions represent the estimated costs expected to be incurred in exiting the relevant lease agreements.

The retail store restructuring provision relates to the direct expenditure expected to be incurred in closing the stores which the Group, prior to the 27 January 2008 year end, was committed to cease trading from before the end of April 2008, following a review of the existing store portfolio. The provision comprises the costs expected to be incurred in exiting the relevant lease agreements and also ongoing rents and rates.

The dilapidations provision is the best estimate of the present value of expenditure expected to be incurred by the Group and Company in order to restore its leasehold premises to the condition required under the individual lease agreements at the end of their term.

Current liability provisions are expected to be settled during the 52 weeks to 30 January 2011; the non-current liability provisions are expected to be settled within a further 12 months of this date. Following the successful implementation of the CVA, £22.7 million of the vacant stores and restructuring provision has been released and a further £10.0 million liability has been crystallised.

5. Dividends

No final dividend is proposed for the 53 weeks to 31 January 2010 (2009: nil).

	53 weeks to 31 January 2010 £'000	52 weeks to 25 January 2009 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the 52 weeks to 25 January 2009 of nil pence per Ordinary Share (2009: 7.0 pence)	-	16,657
Final dividends repaid for the 52 weeks to 27 January 2008	(54)	-
Interim dividend of nil pence for the 53 weeks to 31 January 2010 (2009: nil pence)	-	-
	(54)	16,657

6. Loss per share

The calculation of the basic and diluted loss per Ordinary Share and of adjusted basic loss per Ordinary Share are based on the following data:

	53 weeks to		52 weeks to	
	31 January 2010		25 January 2009 (re-presented*)	
	£'000	Loss per share (pence)	£'000	Loss per share (pence)
From continuing operations				
Loss for the purposes of basic loss per Ordinary Share and diluted loss per Ordinary Share being net loss attributable to equity holders of the parent	(61,117)	(16.12)p	(153,783)	(54.28)p
Exceptional items	81	0.02p	150,448	53.10p
Taxation on exceptional items (net)	1,331	0.35p	(14,642)	(5.17)p
Loss for the purposes of adjusted basic loss per Ordinary Share being net loss attributable to equity holders of the parent before exceptional operating items, net of taxation	(59,705)	(15.75)p	(17,977)	(6.35)p

Continuing operations include retail cessations in line with IFRS5 'Assets Held For Resale and Discontinued Items'

	53 weeks to		52 weeks to	
	31 January 2010		25 January 2009 (re-presented*)	
	£'000	Loss per share (pence)	£'000	Loss per share (pence)
From continuing and discontinued operations				
Loss for the purposes of basic loss per Ordinary Share and diluted loss per Ordinary Share being net loss attributable to equity holders of the parent	(54,583)	(14.39)p	(167,556)	(59.14)p
Exceptional items	(10,091)	(2.66)p	182,672	64.47p
Taxation on exceptional items (net)	4,179	1.10p	(23,664)	(8.35)p
Loss for the purposes of adjusted basic loss per Ordinary Share being net loss attributable to equity holders of the parent before exceptional operating items, net of taxation	(60,495)	(15.95)p	(8,548)	(3.02)p

	53 weeks to		52 weeks to	
	31 January 2010		25 January 2009 (re-presented*)	
	Number of ordinary shares (thousands)			
Weighted average number of Ordinary Shares for the purposes of basic loss per Ordinary Share and adjusted basic loss per Ordinary Share		379,212		283,338
Effect of dilutive potential Ordinary Shares:				
Share options		-		-
Weighted average number of ordinary shares for the purposes of diluted loss per Ordinary Share		379,212		283,338
Continuing operations				
Basic loss per Ordinary Share	Pence	(16.12)p		(54.28)p
Diluted loss per Ordinary Share	Pence	(16.12)p		(54.28)p
Adjusted basic loss per Ordinary Share	Pence	(15.75)p		(6.35)p
Continuing and discontinued operations				
Basic loss per Ordinary Share	Pence	(14.39)p		(59.14)p
Diluted loss per Ordinary Share	Pence	(14.39)p		(59.14)p
Adjusted basic loss per Ordinary Share	Pence	(15.95)p		(3.02)p

* The figures for the 52 weeks to 25 January 2009 have been represented to take into account the discontinued operations arising as a result of the sale of the fitness clubs on 25 March 2009 and the Firm Placing and placing and Open Offer on 3 November 2009 which effects the weighted average number of Ordinary Shares for that period (see note 10).

7. Borrowings

	Group	
	31 January 2010	25 January 2009
	£'000	£'000
Loan notes	168,117	168,117
Bank loans	-	75,000
	<u>168,117</u>	<u>243,117</u>
Total borrowings		
Amount due for settlement within 12 months	<u>168,117</u>	<u>243,117</u>

All Group and Company bank overdrafts, bank loans and loan notes are based in sterling.

Loan notes were issued to the vendors of Blane Leisure Limited (Sports Division) in September 1998, as part of the consideration for the acquisition of that Company and its subsidiaries, under an instrument which provided that the Loan notes were redeemable on any quarterly interest payment dates after 11 June 1999. By a Deed of Variation dated 13 June 2005, the maturity date up to which the Loan notes can be redeemed was extended to 28 April 2011.

Interest is payable on the Loan notes at a rate of 65.63 bps below LIBOR and the Loan notes are secured by an identical amount held in a bank account and shown under Current assets as "Current asset investments".

Further amendments and other relevant matters

On 23 September 2009, the Group's existing facility with Bank of Scotland ("BoS") was increased by a further £10 million. However, the successful outcome of the Firm Placing and Placing and Open Offer during November 2009 (see note 10) led to further amendments, as detailed in the prospectus dated 12 October 2009 and sent to Shareholders ("Prospectus"), Part X section 10.9. The facility reverted back to the original amount of £25 million but the maturity date was extended from 30 September 2010 to 30 September 2012 and the key financial covenants were amended to provide greater headroom until the end of the new term. Interest is payable at between 2.5 per cent and 3.5 per cent above LIBOR and exposes the Group to interest rate risk.

On 31 March 2010, the facility was further amended with regard to extended financial covenants (see note 16) so that the covenant tests are focused on current and future trading rather than historical information providing greater financial flexibility for the Company.

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

In exchange for the continuing support of BoS pursuant to the BoS Facility, on 3 June 2009 the Company issued warrants to subscribe for 11,287,434 new ordinary shares of 5 pence each representing 4.5 per cent of the Company's issued share capital at that time (the "Warrants") to BoS (or an affiliate of BoS) (the "Warrantholder"), subject to shareholder approval. The issue of warrants was approved by shareholders at a General Meeting held on 29 April 2009.

7. Borrowings (continued)

The Warrants will not be listed or traded on any recognised investment exchange or stock exchange. The Warrantholder will be entitled to exercise the Warrants and subscribe for new ordinary shares at any time until 30 September 2012 (or later if the BoS Facility is extended or refinanced within the lending group). The subscription price per share is 31 pence. The Warrant holder may request the Company to purchase and cancel the Warrants at any time after the first anniversary of the start date of the exercise period.

The weighted average interest rate paid by the Group was as follows:

	31 January 2010	25 January 2009
	<u>%</u>	<u>%</u>
Loan notes	0.8	4.9
Bank loans	3.1	6.3

Undrawn borrowing facilities

At 31 January 2010, the Group had an undrawn committed borrowing facility of £25 million (2009: £nil), in respect of which all conditions precedent had been met.

8. Profit (loss) for the period from discontinued operations

On 25 March 2009, the Company completed the disposal of its fitness club business to Dave Whelan Sports Limited. The 53 Fitness clubs, attached stores and related stock were sold for an approximate total cash consideration of £83.4 million. This comprised approximately £38 million of initial consideration, subject to completion adjustment, paid to the Company on 25 March 2009, approximately £41 million of deferred consideration paid into an escrow account on 16 April 2009 and approximately £9.5 million of consideration for the stock in the Fitness Clubs business paid on 1 May 2009 subject to certain adjustments.

The Fitness Club element of the disposal meets the criteria of IFRS 5 'Assets Held for Resale and Discontinued Items' and qualifies for separate disclosure. The attached retail stores which were also disposed do not meet the criteria and are included within the 'Other items' column on the face of the Consolidated income statement.

The disposal was effected in order to generate cash flow in conjunction with the bank restructuring.

The accounts for the 52 weeks to 25 January 2009 have been re-presented to take account of the discontinued operations, being the Fitness Club element of the transaction.

The deferred consideration of approximately £33.9 million (less certain expenses) has been progressively released to the Company from an Escrow account on assignment of the leases to Dave Whelan Sports Limited. The leases on the relevant properties have been assigned to the purchaser where possible, resulting in receipt of some of the deferred consideration. As at 31 January 2010, 2 leases were still awaiting assignment. For the leases that have been assigned, deferred lease incentives of £26.2 million have been released to the Consolidated income statement, of which £7.7 million (net of taxation) relate to Fitness Clubs.

The results of the discontinued operations which have been included in the Consolidated income statement were as follows:

	8 weeks to 25 March 2009	52 weeks to 25 January 2009
Revenue	<u>11,227</u>	<u>70,497</u>
Expenses	<u>(11,591)</u>	<u>(57,303)</u>
(Loss) profit before tax	(364)	13,194
Attributable tax expense	<u>(426)</u>	<u>(3,738)</u>
	(790)	9,456
(Loss) gain on disposal of property, plant and equipment	(358)	8,252
Attributable tax income (expense)	<u>100</u>	<u>(2,338)</u>
	(1,048)	15,370
Release of deferred lease incentives	10,530	-
Attributable tax expense	(2,948)	-
Impairment of fitness club assets	-	(40,476)
Attributable tax expense	-	11,333
	<u>6,534</u>	<u>(13,773)</u>

During the period and up until disposal, the Fitness Clubs contributed £0.7 million (2008:£19.4 million) to the Group's net operating cash flows, and received £51.4 million (2008:£0.1 million) in respect of investing activities.

8. Profit (loss) for the period from discontinued operations (continued)

The net assets of the Fitness Club business at the date of disposal were as follows:

	25 March 2009
	£'000
Plant, property and equipment	123,609
Inventories	9,602
Trade receivables	935
Bank balances and cash	55
Trade payables	(2,994)
	<hr/> 131,207
Impairment made at 25 January 2009	(49,260)
Loss on disposal	(2,680)
Total consideration	<hr/> 83,437
Less deduction re working capital	(4,170)
	<hr/> 79,267
	<hr/> <hr/>
Satisfied by:	
Cash	38,250
Deferred consideration	41,017
	<hr/> 79,267
	<hr/> <hr/>
Net cash inflow arising on disposal:	
Cash consideration	38,250
Cash disposed of	(55)
	<hr/> 38,195
	<hr/> <hr/>

Of the deferred consideration, £39.1 million had been received by 31 January 2010, and £1.8 million has been settled in cash by the purchaser subsequent to the period end.

9. Office of Fair Trading (“OFT”)

As announced on 10 September 2009, the Company is assisting the OFT with an investigation it is carrying out in the sports retail market. OFT officers visited the Company’s offices in Wigan on 10 September 2009 as part of this investigation. The investigation follows an approach that the Company made to the OFT on 30 January 2009 for immunity pursuant to the OFT leniency programme in relation to a suspected agreement or concerted practice to dampen competition in the sports retail market during the period from 8 June 2007 to 25 March 2009, being the period in which the former Chief Executive, Christopher Ronnie, was employed by the Company. On 24 August 2009, the OFT confirmed the grant of a marker for “Type A” immunity to the Company in respect of the suspected cartel activity in the period from 8 June 2007 to 25 March 2009. The OFT will only be in a position to decide whether or not to issue an infringement decision in the event it has sufficient evidence to complete its investigation. This process may take up to a number of years. However, if the OFT were to complete its investigation, decide that the Company has infringed UK Competition Law and issue an infringement decision, the grant of the marker in favour of the Company means that it would receive full immunity from any financial penalty that would otherwise be imposed by the OFT (subject to note 11 below).

10. Firm Placing and Placing and Open Offer

On 12 October 2009, the Directors announced that they proposed to raise gross proceeds of approximately £100 million (approximately £94 million net of expenses) through a firm placing and a placing and open offer involving the issue of 400 million new Ordinary Shares at an issue price of 25 pence per new Ordinary Share. This was to provide management with greater operational flexibility, reduce the company's reliance on the availability of supplier credit and provide sufficient working capital to rebuild stock levels which would allow the Group to implement its redefined Serious about Sport strategy. A Prospectus was sent to shareholders on 12 October 2009. The new Ordinary Shares were fully subscribed.

The resolutions were accepted by the requisite number of members at a General Meeting held on 29 October 2009 and the 400 million new Ordinary Shares were admitted to trading on the London Stock Exchange on 3 November 2009.

11. Contingent Liabilities

Further to the disclosure in Note 9 above, the grant of the marker and the availability of immunity is subject to the Company complying with the OFT's standard immunity conditions, including continuous and complete cooperation with the OFT, a requirement to refrain from further participation in the suspected cartel and a duty not to act in bad faith. In addition, in order for the Company to retain the marker it is also necessary that the strength of the evidence provided by the Company to the OFT is not materially undermined by any statements given by implicated current or former employees or officers such that there is no sufficient basis for the OFT to take forward a credible investigation. In the event that the marker, or any subsequent immunity agreement, is withdrawn as a result of the Company's non compliance with the conditions or as a result of the Company's evidence being materially undermined as described above, and an infringement decision is issued by the OFT, the Company may be liable for a fine from the OFT up to a maximum amount of 10% of the Group's turnover. Given compliance with the conditions set out above is within the Company's control and based on the information and cooperation provided to the OFT, the directors believe that the risk of the marker, or any subsequent immunity, being withdrawn is low. Further, even if the evidence provided by Company to the OFT is subsequently undermined by any statements by implicated current or former employees or officers of the Company, the directors consider it unlikely that this would be to such an extent that it could be said that there was no sufficient basis for the OFT to take forward a credible investigation.

Notwithstanding the grant of the marker, and the availability of immunity for the Company, the Company may still be liable for third party claims that may arise as a direct result of the conduct in the period from 8 June 2007 to 25 March 2009. Whilst the Company cannot rule out the risk of any third party claims for damages, the directors believe that the risk of a successful third party claim being made is low and, even if a successful third party claim is made, any financial impact arising from the matters under investigation, even in circumstances where the OFT were to proceed and issue an infringement decision in respect of any cartel activity, is unlikely to be material on the Group.

Accordingly, no provision has been made for potential claims against the Company in the accounts for the 53 weeks to 31 January 2010.

12. Reconciliation of operating loss to net cash from operating activities

	Group 53 weeks to 31 January 2010 £'000	52 weeks to 25 January 2009 £'000
Operating loss from continuing operations	(67,312)	(159,633)
Depreciation of property, plant and equipment	11,700	20,782
Amortisation of other intangible assets	3,339	2,002
Impairment of goodwill	-	82,275
Impairment of intangible assets	-	2,163
Impairment of property, plant and equipment	-	53,866
Net gain on disposal of property, plant and equipment	(256)	(493)
Net loss (gain) on disposal of property, plant and equipment within leisure division	358	(8,252)
Net loss on disposal of intangible assets	31	339
Net loss on disposal of assets held for resale	-	114
(Decrease) Increase in provisions	(26,453)	13,230
Share based payment reserve	(187)	(45)
Release from share based payment reserve taken directly to equity	589	-
Impairment of loan and investment in associated undertaking	125	4,923
Bank loan costs	(218)	-
Gain (loss) from discontinued operations	6,534	(13,773)
Tax attributable to discontinued operations	3,274	(5,257)
Operating cash flow before movements in working capital	(68,476)	(7,759)
(Increase) decrease in inventories	(5,114)	58,552
Decrease in trade and other receivables	16,140	4,357
Decrease in trade and other payables	(23,424)	(20,887)
Cash (used in) generated by operations	(80,874)	34,263
Taxation (paid) received	(149)	3,596
Net cash (outflow) inflow from operating activities	(81,023)	37,859

13. Analysis of net funds (debt) as at 31 January 2010

	At 25 January 2009 £'000	Group Cash flow £'000	Other non-cash items £'000	At 31 January 2010 £'000
Current asset investment	168,117	-	-	168,117
Cash and cash equivalents	40,638	18,092	82	58,812
	208,755	18,092	82	226,929
Current liability				
Loan notes	(168,117)	-	-	(168,117)
Bank loans	(75,000)	75,000	-	-
Net (debt) funds	(34,362)	93,092	82	58,812

14. Share capital

Authorised and issued share capital

	31 January 2010	Group 25 January 2009
	£'000	£'000
Authorised:		
831,400,000 (2009 : 331,600,000) ordinary shares of 5p each	41,570	16,580
	£'000	Number Thousands
Allotted, called up and fully paid:		
At 27 January 2008	11,944	238,888
Issued shares	598	11,944
At 25 January 2009	12,542	250,832
Equity raising	20,000	400,000
At 31 January 2010	32,542	650,832

The Company has one class of Ordinary Shares and these carry no right to fixed income. By resolution of the Company dated 24 July 2009, the authorised share capital of the Company was increased to £21,570,000. Each share carries the right to vote.

The increase in the issued share capital during the year ended 31 January 2010 related to the Firm Placing and Placing and Open Offer (see note 10).

15. Related party transactions

(a) Transactions with related parties who are not members of the Group

The Group and Company have entered into the following transactions with related parties who are not members of the Group:

	Income from related parties		Expenditure with related parties	
	53 weeks to 31 January 2010 £'000	52 weeks to 25 January 2009 £'000	53 weeks to 31 January 2010 £'000	52 weeks to 25 January 2009 £'000
KooGa Rugby Limited (to 3 July 2009)	-	230	5	500
Source Lab Limited (to 25 March 2009)	-	-	178	2,162
Cotton Traders Limited	-	-	1,017	858
Retail Gateway Limited	-	-	-	106
CWM 2001 Limited	-	-	230	107
Kaupthing Singer & Friedlander Limited (in administration)	-	-	16,120	3,146
	Amounts owed by related parties		Amounts owed to related parties	
	31 January 2010	25 January 2009	31 January 2010	25 January 2009
Cotton Traders Limited	-	-	24	258
Kaupthing Singer & Friedlander Limited (in administration)	-	-	-	16,120

In addition, remuneration has been paid to Directors and key management personnel as set out in the Directors' Remuneration report in the Annual Report and Financial statements.

KooGa Rugby Limited ("KooGa") was an associated undertaking from whom purchases were made by the Company at arms length prices. It ceased to be an associate on 3 July 2009.

The Group made purchases from Source Lab Limited, a company of which a Director is the brother of Chris Ronnie, the former Chief Executive of JJB Sports Plc who was dismissed on 25 March 2009.

Cotton Traders Limited is a Company from which the Group has made purchases, of which David Jones, former Chairman of JJB (resigned as Chairman 31 January 2010), is a Director.

Retail Gateway Limited is a Company owned by David Jones' son, through which marketing services have been provided to the Group.

CWM 2001 Ltd is a Company owned by David Jones, through which David Jones has provided management services for the Group. The related income has been included in Directors Emoluments in the Annual Report and Financial statements.

15. Related party transactions (continued)

(a) Transactions with related parties who are not members of the Group (continued)

The Company became aware in January 2009 that Kaupthing Singer & Friedlander Limited (in administration) ("KSF") would be classified as a related party for the purposes of Listing Rule 11, as a result of the holding by Kaupthing Singer & Friedlander (Isle of Man) Limited ("KSF IOM"), another Kaupthing group company, of over 10% of the Company's issued shares. This shareholding was not notified by KSF IOM to the Company until 9 January 2009. At that time, the Company had already entered into a standstill agreement with Barclays Bank plc, Bank of Scotland plc and KSF (the "Lenders") dated 10 December 2008 (the "Standstill Agreement") in respect of the period to 30 January 2009. The Standstill Agreement provided, amongst other matters, for the deferral of the final repayment date in respect of the KSF and BoS facilities and allowed the Company to continue to draw down under the Barclays revolving working capital facility, in each case, to 30 January 2009. In consideration, the Company agreed to a margin uplift for each of the Barclays and BoS facilities and to pay fees of approximately £8.3 million in aggregate to the Lenders, with payment of the fees due in February and April 2009 (or on such earlier date upon the occurrence of certain events, such as on the date of completion of the disposal of the fitness clubs business).

16. Events after the statement of financial position date

Director update

There have been changes to the Board:

- On 1 March 2010 Keith Jones was appointed as Chief Executive.
- On 25 March 2010 Colin Tranter resigned as a Director.
- On 26 May 2010 John Clare was appointed as Chairman.

Amendments to banking facilities

On 31 March 2010, the £25 million revolving working capital facility with the Bank of Scotland Plc was amended with regard to extended financial covenants. These amendments mean that the covenant tests are focused on current and future trading rather than historical information and will provide greater financial flexibility for the Company than the covenant package agreed during 2009 at the time of its fundraising.

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

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