12 APRIL 2007

JJB Sports plc

Preliminary unaudited results for the 52 weeks to 28 January 2007

JJB Sports plc ("JJB") announces its Preliminary results for the 52 weeks to 28 January 2007.

Summary:	**Unaudited 52 week period 2006/7**	**52 week period 2005/6**	**Change**
Revenue	£810.3m	£745.2m	+8.7%
Gross margin	47.5%	47.3%	+0.2%
Operating profit	£39.0m	£34.3m	+13.6%
Adjusted operating profit*	£46.4m	£36.2m	+28.1%
Profit before taxation	£38.5m	£33.7m	+14.1%
Adjusted profit before taxation*	£45.9m	£35.6m	+28.8%
Basic earnings per share	11.07p	13.10p	-15.5%
Final dividend	7.0p	7.0p	

* Adjusted operating profit and adjusted profit before taxation are before charging £4,063,000 (2006: £1,882,000) relating to the legal penalty and interest thereon, and £3,343,000 (2006: NIL) relating to the closure of the Icon stores and are shown in the Consolidated income statement on page 7.

- **Like-for-like revenue increased by 7.5 per cent.**
- **The 8.7% increase in total revenue was principally a result of higher sales of replica kit products and the continuing expansion of the Leisure Division.**
- **The gross margin has continued to be impacted by competition within the sports retail sector although these pressures have eased during the latter part of the accounting period.**
- **There is a reduction in earnings per share despite the increased operating profit which is largely attributable to the low rate of taxation in the comparative accounting period.**
- **The Board has proposed that the final dividend is maintained at the same level as last year with a scrip dividend alternative.**
- **Total revenue has increased by 4.3 per cent during the 9 weeks to 1 April 2007, accompanied by a rise in the gross margin of 250 basis points in the retail stores. Like-for-like revenue increased by 3.2 per cent.**
- **"Serious about sport" strategy is progressing with the creation of adidas and Nike "in-store" areas and product differentiation.**
- **Continuing expansion of the Leisure Division throughout 2007/8.**

Commenting today, Roger Lane-Smith, Non-executive Chairman, said:

"I am encouraged by the performance that we have achieved during the 52 weeks to 28 January 2007 with the adjusted operating profit increasing by 28.1 per cent to £46.4 million from £36.2 million. Whilst higher revenue of football replica kit generated by the FIFA World Cup and certain Premiership Team kit launches explains much of the improvement, our "Serious about sport" stance which helps to differentiate our product offering from that of our competitors, together with the continuing growth from our Leisure Division, have also made a significant contribution.

The current year will continue to be very competitive. However, we will continue with the fitting-out of our adidas and Nike "in-store" areas whilst at the same time pushing forward with the expansion of our Leisure Division."

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

Chief Executive's Review

Results

I am pleased to announce our results for the 52 weeks to 28 January 2007, prepared under International Financial Reporting Standards (IFRS).

Operating results

The operating results for the 52 weeks to 28 January 2007 and the comparative figures for the 52 weeks to 29 January 2006 are shown below.

	Revenue		Operating profit before HO/DC allocation		Operating profit after HO/DC allocation	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Standalone retail stores	686,836	656,086	73,915	71,705	23,107	23,241
Leisure Division (including associated retail stores)	123,451	89,152	21,402	15,071	15,914	11,108
	810,287	745,238	95,317	86,776	39,021	34,349
Head office and distribution centre costs			(56,296)	(52,427)		
Operating profit			39,021	34,349	39,021	34,349

Total revenue for the 52 weeks to 28 January 2007 is 8.7 per cent higher than for the 52 weeks to 29 January 2006.

Included in these figures is the increase in total revenue from the Leisure Division of 38.5 per cent which reflects in part the increase in the number of operating units within this Division from 32 at 29 January 2006 to 39 at 28 January 2007.

The principal increase in revenue from our retail stores was from replica kit products which increased by £35.3 million when compared to the last accounting period. This increase resulted partly from the FIFA World Cup in the summer of 2006 but also from new kits introduced by all the leading FA Premiership clubs at the start of the 2006/7 season and from our acquisition of the Glasgow Rangers franchise in June 2006.

The increase in like-for-like revenue of locations which have traded for over 52 weeks is 7.5 per cent.

The total gross margin achieved by the Group (including that from the Leisure Division) for the 52 weeks to 28 January 2007 was 47.5 per cent, which is a slight increase over the 47.3 per cent achieved in the previous accounting period.

The strong competitive stance that we adopted in the second half of the previous accounting period continued into the accounting period to 28 January 2007 although this pressure has begun to ease as we have sought to further differentiate our product ranges from those of our major competitors as part of our "serious about sport" strategy. Particularly strong competition was experienced on the England replica shirts although the impact was offset by the high gross margin achieved on health club revenue.

Net operating expenses increased by £28.1 million or 8.9 per cent to £346.0 million during the 52 weeks to 28 January 2007. The increase in net operating costs was partly a result of the higher number of Leisure Division sites in operation during the accounting period just ended, but was also the result of the following 2 items:-

> A charge of £4.1 million (2006: £1.9 million) in respect of a further increase in the provision made for the penalty in the action brought against the Company by the Office of Fair Trading, together with interest thereon, and
>
> A charge of £3.3 million (2006: nil) in respect of the closure of the Icon stores.

Adjusted operating profit increased by 28.1 per cent to £46.4 million from £36.2 million which after the deduction of the adjusted operating items gives an increase in operating profit of 13.6 per cent to £39.0 million from £34.3 million in the comparative period**.**

Adjusted profit before taxation increased by 28.8 per cent to £45.9 million from £35.6 million and profit before taxation and after deducting the adjusted operating items increased by 14.1 per cent to £38.5 million from £33.7 million.

The chain of small high street stores, which traded under the "Icon" fascia, was closed during the 26 weeks to 28 January 2007. The resulting loss from the disposal of the fixtures and the provision for forward rental costs, which we believe will be incurred before the relevant leases are disposed of, have been expensed during the period at a total cost of £3.3 million.

Interest, taxation and dividend

Net finance costs of £528,000 for the 52 weeks to 28 January 2007 were slightly lower than the £602,000 of costs in the previous period as a result of a lower average level of borrowings following an increase in the net cash inflow from operating activities. This was assisted by part of the 2005/6 final dividend being paid in scrip form.

The effective rate of taxation on the Group profit is 32.9 per cent compared to 10.4 per cent in the previous accounting period. The low effective rate of taxation in the previous accounting period arose from the finalisation of a number of years corporation tax liabilities with the Inland Revenue which resulted in a release of corporation tax provisions and a recalculation of the deferred tax liability. The effective rate of 32.9 per cent is higher than the current corporation tax rate because the increase in provisions relating to the legal penalty and interest thereon is disallowable for tax purposes.

The Board recommends maintaining the level of the final dividend and has therefore proposed a final dividend of 7 pence net per ordinary share. Subject to approval by the shareholders at the forthcoming Annual general meeting (AGM), the final dividend will be paid on 3 August 2007 to shareholders on the share register at the close of business on 18 May 2007 and the shares will trade ex-dividend from 16 May 2007. The Board is proposing to offer a scrip dividend alternative which will also be subject to approval by shareholders at the forthcoming AGM.

Balance Sheet

Capital expenditure on property, plant and equipment for the 52 weeks to 28 January 2007 was £33.1 million compared to £47.4 million in the previous accounting period. The majority of this capital expenditure was expended on the combined health club/superstore sites. A total of 7 sites were opened during the 52 weeks to 28 January 2007, compared to 11 in the previous accounting period which drove the overall reduction in capital expenditure. Capital expenditure on intangible assets included £18.1 million incurred in the acquisition of a 10 year licensing agreement with Glasgow Rangers Football Club.

The value of inventories at 28 January 2007 was £128.1 million, 6.5 per cent higher than at 29 January 2006 and was the result of the stock intake of England replica kit products prior to the end of the accounting period. The launch date of this year's kit was 6 February 2007, whilst in the previous year the products were received in February 2006 ahead of a launch date later in February

Although a new bank loan of £18 million was used to finance the Glasgow Rangers deal, the Group's strong cash flow enabled the Company to reduce its net debt at 28 January 2007 by £15.8 million to £9.2 million from a net debt of £25.0 million at 29 January 2006 (see note 9 on page 14).

Operational review

JJB product and brand development

Revenue generated from retail store products for the 52 weeks to 28 January 2007 was £51.2 million and 7.3 per cent higher than in the previous accounting period; this increase included higher revenue from replica products of £35.3 million and of £10.4 million for equipment and accessories

The increase in revenue from replica products came from England products boosted by the 2006 FIFA World Cup, a number of new kits launched by the major FA Premiership clubs which had changed either their kit manufacturer or their sponsor and also from the sale of Glasgow Rangers' products, the licence for which was acquired in June 2006.

We continue to be focused on our "Serious about sport" strategy, by providing a wide range of branded sports products to our customers. This includes ranges from the premium brands of adidas and Nike, supplemented with more competitively priced products from secondary brands and sports brands such as Under Armour where JJB is the principal retailer in the UK. This focused approach has led to agreements with adidas and Nike to create "in-store" areas for these brands within our superstores. The programme to create the "in-store" areas was piloted towards the close of the accounting period just ended and is being rapidly implemented. As at 8 April 2007, 40 adidas and 26 Nike areas had been created and plans are in place to complete a further 184 areas before 29 July 2007. Our plans are to introduce up to 600 of these in-store areas during 2007 and 2008. The trading results from those stores that have had the benefit of the new in-store areas are encouraging both in terms of the increase in revenue and of gross margin.

The strong competitive stance that we took in the second half of the accounting period to January 2006 has eased slightly during the 52 weeks to 28 January 2007 as we seek to further differentiate our product ranges from those of our major competitors as part of our "Serious about sport" strategy. This differentiation policy is clearly shown by the creation of the "in-store" areas referred to above, the successful introduction of the Under Armour brand from the United States and the wide range of accessories, golf and cycling products which are on sale in our stores.

Our Professional Teamwear Division has fully integrated the sourcing, supply and distribution of the product ranges of the Glasgow Rangers franchise which we acquired during the summer of 2006 and is now responsible for the product ranges of Everton, Wigan Athletic, Wigan Warriors, Leeds Rhinos and the Northern Ireland Football Association. Approaches are being made to a number of other clubs, but new contracts will only be signed if JJB can make a satisfactory return on the product ranges.

Our transactional website (www.jjbsports.com) has successfully completed its first 18 months of trade. Revenue in the 4 weeks to Christmas 2006 was 150 per cent higher than in the same period last year. During the last six months, we have taken in-house the operations of both the Glasgow Rangers and Everton websites and these will be joined in-house with the JJB website in the next few months. We will then be fully responsible for all the operational aspects of the three websites.

The acquisition in May 2006 of the whole of the share capital of the companies which operate The Golf Channel and The Golf TV Pro-Shop Channel extends our multi-channel offering. We are now beginning to retail a wider range of golf and fitness products on the Golf TV Pro-Shop Channel which will shortly be re-branded as "JJB Sports TV". These products are also available for sale in our superstores. The results of Golf TV from the date of acquisition have been consolidated within our Group accounts and include revenue of £3.8 million and an operating loss of £623,000.

JJB stores and store development

During the 52 weeks to 28 January 2007, we opened 13 sites and closed 35 sites. The openings included 7 combined health clubs/superstores, 3 standalone superstores and 2 football stores acquired from Glasgow Rangers and Everton. The closures included 21 stores which formerly traded as Icon stores and 6 superstores which closed as a result of relocations to newly opened sites.

At 28 January 2007 we operated from 416 stores which contained 4.295 million square feet of retail selling space. This compares to a total of 438 stores comprising 4.398 million square feet at 29 January 2006.

Our plans for store openings during the current accounting period are to open 9 combined health clubs/superstores (3 of which have already been opened before 8 April 2007), and 10 standalone superstores. We have already identified 17 sites for potential openings of combined units during the accounting period commencing February 2008.

Leisure Division

During the 52 weeks to 28 January 2007 we opened 7 combined health clubs/superstores. The total combined units in operation at the end of the accounting period was 39 and these sites include 6 indoor soccer centres.

Membership levels at the health clubs continue to be very satisfactory with a total of 174,700 members at the 39 health clubs at 28 January 2007, compared to 136,800 at 29 January 2006 from the 32 health clubs in operation at that date. This represents a total increase of 27.7 per cent and includes a like-for-like increase of 10.0 per cent in the number of members in the 32 health clubs that have been open throughout the accounting period. The success in the high levels of membership in our clubs results from the strong value-for-money offering of first-class facilities at very competitive subscription rates.

Total revenue for the 52 weeks to 28 January 2007 in the Leisure Division increased by 38.5 per cent to £123.5 million and included an increase in revenue from the health clubs of 32.8 per cent to £55.8 million. The operating profit of the Leisure Division, before any allocation for head office/distribution centre costs, increased by 42.0 per cent to £21.4 million and after deducting the Division's share of these costs their operating profit increased by 43.3 per cent to £15.9 million. The profitability of the Division is adversely affected by the maturity profile of the combined units which take longer to reach maturity than stand-alone superstores, partly because of their higher pre-opening costs as a result of the treatment of rent-free periods under IFRS. The operating loss of every newly opened combined unit in its first year of trading averages £250,000

The continuing success of the concept of combined units underpins the Board's decision to maintain the significant opening programme, referred to in the previous section.

Office of Fair Trading

An appeal made by JJB to the independent Competition Appeal Tribunal (CAT) in May 2005 against the decision of the Office of Fair Trading (OFT) regarding allegations of price-fixing in certain replica kit products during 2000 and 2001 resulted in a reduction in the amount of the penalty imposed by the OFT from £8.4 million to £6.7 million.

The Board of JJB was disappointed with the CAT's judgment on liability and the amount of the subsequent reduction in the penalty and appealed against parts of the CAT's liability and penalty judgment to the Court of Appeal. The decision of the Court of Appeal, given on 19 October 2006, supported the CAT's judgment and JJB's subsequent application for leave to appeal to the House of Lords was refused by the House of Lords itself.

At 29 January 2006, JJB had provided £3.9 million against the penalty and the interest thereon. Having exhausted its right to appeal, JJB paid the penalty and interest amounting to £8.0 million to the OFT on 26 February 2007. JJB has provided in full for this liability in its balance sheet at 28 January 2007 which has resulted in a charge of £4.1 million in operating expenses in the Consolidated income statement for the 52 weeks to 28 January 2007.

On 5 March 2007 The Consumers Association lodged a representative action for damages against JJB at the CAT. The action is brought on behalf of consumers for losses claimed to be suffered by purchasing certain replica shirts in 2000 and 2001. Our defence against this action was lodged on 4 April 2007. In March 2007, we made an offer to give a free England shirt and mug to anyone who presented one of these old replica shirts in our stores. Provision has been made for both the cost of this free offer and of the legal action by The Consumers Association in the Consolidated income statement for the 52 weeks to 28 January 2007 but the amounts concerned are not material.

Current trading

As the Easter holiday falls at different times of the year and can distort trading patterns, we give below information on current trading for the 9 weeks to 1 April 2007, before the effect of the first Easter week's trade in 2007.

Total revenue for the 9 weeks to 1 April 2007 was 4.3 per cent higher than the same period last year and included a like-for-like increase of 3.2 per cent from locations which had traded for over 52 weeks. The gross margin earned in this period in the retail stores was 250 basis points higher than last year.

All product categories and the health clubs contributed to this increase in revenue except for replica kit products where revenue was lower than that achieved in the comparative period. Demand for the new England shirt, launched in February 2007, was lower than that for the shirt launched in February 2006. Our gross margins across all categories have been higher than those achieved in the same period last year.

The strength of our trading results over the early weeks of the current accounting period gives me confidence that our policies of product differentiation and the expansion of our health clubs, are the correct ones to pursue. However, the lack of a major international football tournament in the summer of 2007 will make comparatives with last year's figures in this category impossible to match.

T W Knight
Chief Executive
12 April 2007

Consolidated income statement for the 52 weeks to 28 January 2007

		Unaudited 52 weeks to 28 January 2007	Audited 52 weeks to 29 January 2006
		£'000	£'000
Continuing operations			
Revenue		**810,287**	745,238
Cost of sales		**(425,314)**	(393,075)
Gross profit		**384,973**	352,163
Other operating income		**5,163**	3,177
Distribution expenses		**(23,844)**	(21,722)
Administration expenses		**(33,439)**	(30,705)
Selling expenses		**(293,832)**	(268,564)
Operating profit		**39,021**	34,349
Operating profit is stated after (charging) crediting			
Increase in provisions relating to legal penalty and interest thereon		**(4,063)**	(1,882)
Charges relating to the closure of Icon stores		**(3,343)**	-
Net (loss) gain on disposal of property, plant and equipment		**(1,317)**	2,917
		(8,723)	1,035
Finance income		**9,437**	8,896
Finance costs		**(9,965)**	(9,498)
Profit before taxation		**38,493**	33,747
Taxation (Note 4)		**(12,668)**	(3,510)
Profit after taxation for the period attributable to equity holders of the parent		**25,825**	30,237
Basic earnings per ordinary share – (Note 6)	**Pence**	**11.07**	13.10
Diluted earnings per ordinary share – (Note 6)	**Pence**	**11.07**	13.10

Consolidated statement of recognised income and expense for the 52 weeks to 28 January 2007

	Unaudited **52 weeks to 28 January 2007**	Audited 52 weeks to 29 January 2006
	£'000	£'000
Exchange differences on translation of foreign operations	**163**	45
Net income recognised directly in equity	**163**	45
Profit after taxation for the period	**25,825**	30,237
Recognised income and expense for the period	**25,988**	30,282

Reconciliation of movements in equity for the 52 weeks to 28 January 2007

	Unaudited Total equity £'000
At 29 January 2006	364,593
Recognised income and expense for the period	25,988
Share issues	3,359
Share based payment reserve	297
Investment in own shares	(3,083)
Dividends paid	(23,238)
Scrip dividends re-invested	9,110
At 28 January 2007	**377,026**

Consolidated balance sheet as at 28 January 2007

	Unaudited As at 28 January 2007 £'000	Audited As at 29 January 2006 £'000
Non-current assets		
Goodwill	**188,459**	186,084
Other intangible assets	**27,397**	10,191
Property, plant and equipment	**198,980**	189,222
	414,836	385,497
Current assets		
Inventories	**128,082**	120,266
Trade and other receivables	**38,205**	38,738
Current asset investment	**168,117**	168,117
Cash and cash equivalents	**23,566**	34,860
	357,970	361,981
Total assets	**772,806**	747,478
Current liabilities		
Trade and other payables	**(104,546)**	(81,530)
Tax liabilities	**(14,985)**	(13,678)
Loan notes	**(168,117)**	(168,117)
Short-term provisions	**(13,277)**	(7,330)
	(300,925)	(270,655)
Net current assets	**57,045**	91,326
Non-current liabilities		
Bank loans	**(32,812)**	(59,885)
Deferred tax liabilities	**(23,416)**	(19,785)
Deferred lease incentives	**(38,627)**	(32,560)
	(94,855)	(112,230)
Total liabilities	**(395,780)**	(382,885)
Net assets	**377,026**	364,593
Equity		
Share capital	**11,892**	11,538
Share premium account	**169,334**	157,219
Capital redemption reserve	**1,069**	1,069
Investment in own shares	**(3,083)**	-
Share based payment reserve	**297**	-
Foreign currency translation reserve	**187**	24
Retained earnings	**197,330**	194,743
Equity attributable to equity holders of the parent	**377,026**	364,593

Consolidated cash flow statement for the 52 weeks to 28 January 2007

	Unaudited **52 weeks to 28 January 2007**	Audited 52 weeks to 29 January 2006 Restated
	£'000	£'000
Net cash inflow from operating activities (Note 7)	**80,338**	43,976
Cash flows from investing activities		
Interest received	**9,437**	8,896
Purchase of subsidiary	**(997)**	-
Proceeds on disposal of property, plant and equipment	**1,956**	7,981
Purchase of intangible assets	**(18,487)**	(10,224)
Purchase of property, plant and equipment	**(33,124)**	(47,443)
Net cash flow used in investing activities	**(41,215)**	(40,790)
Cash flows from financing activities		
Interest paid	**(9,930)**	(9,413)
Dividends paid	**(14,128)**	(23,077)
Investment in own shares	**(3,083)**	-
Proceeds from issues of share capital	**3,359**	-
Net proceeds from bank loans	**17,892**	59,850
Repayment of bank loan	**(45,000)**	(25,000)
Net cash (outflow) inflow from financing activities	**(50,890)**	2,360
Net (decrease) increase in cash and cash equivalents	**(11,767)**	5,546
Cash and cash equivalents at beginning of period	**34,860**	29,323
Effect of foreign exchange rate changes	**473**	(9)
Cash and cash equivalents at end of period	**23,566**	34,860

Note

The Directors consider that the reclassification of "Interest paid" from "Cash flows from investing activities" to "Cash flows from financing activities" to be more appropriate given the nature of the cash flow item.

Notes to the Consolidated financial statements for the 52 weeks to 28 January 2007

1. Basis of preparation

The Group's unaudited Preliminary results for the 52 weeks to 28 January 2007 were approved by the Board of Directors on 11 April 2007.

The Group's Preliminary results for the 52 weeks to 28 January 2007 have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted for use in the EU and the accounting policies adopted in the preparation of these financial statements are consistent with those set out in the Group's Annual financial statements for the 52 weeks to 29 January 2006, published by the Company on 13 June 2006. Copies of these Annual financial statements are available from the Secretary, JJB Sports plc, Challenge Way, Wigan, WN5 0LD and can be downloaded or viewed via the Group's website, www.jjbcorporate.co.uk.

2. Statement of compliance

These Preliminary results for the 52 weeks to 28 January 2007, contain condensed consolidated financial statements which have been drawn up in accordance with IFRS and the provisions of IFRS 1. The condensed consolidated financial statements are unaudited and do not include all the information required for full annual financial statements.

The financial information for the 52 weeks to 29 January 2006 contained within these condensed consolidated financial statements has been produced using extracts from the statutory accounts prepared under IFRS and does not represent full accounts within the meaning of Section 240 of the Companies Act 1985. The statutory accounts for that period, have been delivered to the Registrar of Companies; these accounts incorporated an unqualified audit report and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The statutory accounts for the 52 weeks to 28 January 2007 will be finalised on the basis of the financial information presented by the Directors in these condensed consolidated financial statements and will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

3. Segmental information

Segmental revenue and profit before taxation by business activity were as follows:

	52 weeks to 28 January 2007	52 weeks to 29 January 2006
	£'000	£'000
Revenue		
JJB retail stores	**686,836**	656,086
Leisure Division (including associated retail stores)	**123,451**	89,152
Total revenue	**810,287**	745,238
Operating profit		
JJB retail stores	**23,107**	23,241
Leisure Division (including associated retail stores)	**15,914**	11,108
Total operating profit	**39,021**	34,349
Net finance costs	**(528)**	(602)
Profit before taxation	**38,493**	33,747

4. Taxation

The net taxation charge shown in the Consolidated income statement for the 52 weeks to 28 January 2007 has been based on the current rate of taxation of 30 per cent (2006: 30 per cent.)

	52 weeks to 28 January 2007	52 weeks to 29 January 2006
	£'000	£'000
Current tax:		
UK corporation tax	**9,030**	5,649
Foreign tax	**207**	57
Prior year adjustment	**(207)**	(2,692)
	9,030	3,014
Deferred tax:		
Current period	**3,638**	5,131
Prior year adjustment	**-**	(4,635)
	3,638	496
Taxation charge	**12,668**	3,510

The prior year adjustment to current tax in the comparative period arose as a result of the finalisation of a number of years corporation tax liabilities with the Inland Revenue. Following the agreement of these corporation tax liabilities, the deferred tax liability arising on the difference between the net book value of property, plant and equipment and their tax written down value, was recalculated and the provision reduced.

The deferred tax charge in the current period has resulted from the depreciation rates on qualifying assets being lower than capital allowances for tax purposes.

5. Dividends

	52 weeks to 28 January 2007	52 weeks to 29 January 2006
	£'000	£'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the 52 weeks to 29 January 2006 of 7.0 pence net per ordinary share paid on 9 August 2006 (2006: 7.0 pence)	**16,154**	16,154
Interim dividend for the 52 weeks to 28 January 2007 of 3.0 pence net per ordinary share paid on 5 January 2007 (2006: 3.0 pence)	**7,084**	6,923
	23,238	23,077
Proposed final dividend for the 52 weeks to 28 January 2007 of 7.0 pence net per ordinary share (2006: 7.0 pence)	**16,530**	16,154

The proposed final dividend is subject to approval by shareholders at the 2007 Annual General Meeting and has not been included as a liability in these Condensed consolidated financial statements.

6. Earnings per share

The calculation of basic earnings per ordinary share is based upon the profit after taxation for the period attributable to equity holders of the parent of £25,825,000 (2006: £30,237,000) and 233.26 million ordinary shares (2006: 230.77 million ordinary shares), being the weighted average number of shares in issue during the period.

The diluted earnings per ordinary share calculation is based upon the profit after taxation for the period attributable to equity holders of the parent of £25,825,000 (2006: £30,237,000) and 233.31 million ordinary shares, (2006: 230.83 million ordinary shares), being the weighted average number of shares in issue during the period, used in the calculation of basic earnings per share shown above, increased by the dilutive effect of ordinary shares issuable pursuant to options granted under employee share option schemes of 50,000 ordinary shares (2006: 60,000 ordinary shares).

7. Reconciliation of operating profit to net cash inflow from operating activities

	52 weeks to 28 January 2007	52 weeks to 29 January 2006
	£'000	£'000
Operating profit from continuing operations	**39,021**	34,349
Depreciation and impairment of property, plant, equipment	**18,432**	18,387
Amortisation of other intangible assets	**1,282**	33
Net loss (gain) on disposal of property, plant and equipment	**1,317**	(2,917)
Loss on disposal of property, plant and equipment relating to the closure of Icon stores	**1,376**	-
Loss on disposal of goodwill	**-**	30
Increase in provisions	**5,947**	2,361
Share based payment reserve	**297**	-
Operating cash flow before movements in working capital	**67,672**	52,243
Increase in inventories	**(7,433)**	(7,547)
Decrease (increase) in trade and other receivables	**1,825**	(2,946)
Increase in trade and other payables	**21,118**	11,853
Cash generated by operations	**83,182**	53,603
Taxation paid	**(2,844)**	(9,627)
Net cash inflow from operating activities	**80,338**	43,976

8. Bank borrowings

The Group's working capital is provided through a 5 year £60 million revolving bank credit facility which commenced in June 2005. In June 2006, a Term loan of £18 million was obtained in order to finance the acquisition of the Glasgow Rangers FC licensing agreement.

9. Analysis of net debt as at 28 January 2007

	As at 29 January 2006 £'000	Cash Flow £'000	Other non-cash items £'000	**As at 28 January 2007 £'000**
Current asset investment	168,117	-	-	**168,117**
Cash and cash equivalents	34,860	(11,767)	473	**23,566**
	202,977	(11,767)	473	**191,683**
Current liabilities				
Loan notes	(168,117)	-	-	**(168,117)**
Non-current liability				
Bank loans	(59,885)	27,108	(35)	**(32,812)**
	(25,025)	15,341	438	**(9,246)**

10. Office of Fair Trading penalty

In August 2003 the Office of Fair Trading (OFT) adjudicated JJB to be guilty of price-fixing of certain replica kit products over a two year period during 2000 and 2001 and levied a penalty of £8.4 million. JJB appealed to the Competition Appeal Tribunal (CAT) against the OFT's decision on liability and against the level of the penalty itself. The result of the appeal against the decision of the OFT on liability, although given mainly in favour of the OFT, included some elements that were found in JJB's favour. The decision of the CAT in the appeal against the level of the penalty which was announced in May 2005 was to reduce the penalty to £6.7 million. Acknowledging this decision, and based on legal advice, JJB had made a charge of £2 million in respect of the penalty in its Consolidated income statement for the 53 weeks to 30 January 2005.

JJB was disappointed in parts of the CAT's judgement on liability and the consequent amount of the reduction in its penalty. In consultation with its legal advisers, JJB determined the specific grounds on which it wished to appeal to a higher court. On the basis of further legal advice regarding the appeal to the Court of Appeal, acknowledging the specific grounds on which the appeal was to be heard together with the inherent uncertainty of the appeal process, JJB made a further charge in respect of the penalty of £1.9 million in its Consolidated income statement for the 52 weeks to 29 January 2006.

On 19 October 2006 the Court of Appeal handed down its judgment dismissing JJB's appeal against the OFT's and CAT's findings that JJB infringed the Competition Act 1998. JJB's subsequent application for leave to appeal to the House of Lords was refused by the House of Lords itself.

Having exhausted its right to appeal, JJB paid the penalty and interest, amounting to £7.9 million to the OFT on 26 February 2007. In acknowledgement of this liability, JJB has made a further charge in respect of the penalty and the interest thereon of £4.0 million in its Consolidated income statement for the 52 weeks to 28 January 2007.

On 5 March 2007 The Consumers Association lodged a representative action for damages against JJB at the CAT. The action is brought on behalf of consumers for losses suffered by purchasing certain replica shirts in 2000 and 2001. JJB made an offer to give a free England shirt and mug to anyone who presented one of these old replica shirts in its stores. The cost of this free offer and a provision for future legal costs has been expensed by JJB in its Consolidated income statement for the 52 weeks to 28 January 2007.

Notes to the Consolidated financial statements for the 52 weeks to 28 January 2007 (continued)

11. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and other related parties are disclosed below.

Trading transactions

During the 52 weeks to 28 January 2007, the Company entered into the following transactions with related parties who are not members of the Group:

	Income from related parties		Expenditure with related parties	
	52 weeks to 28 January 2007 £'000	52 weeks to 29 January 2006 £'000	**52 weeks to 28 January 2007 £'000**	52 weeks to 29 January 2006 £'000
Whelco Holdings Limited	**267**	163	**795**	968
Executive Director's family trust	**-**	-	**150**	150
E – View Properties Limited	**504**	-	-	-

	Amounts owed by related parties		Amounts owed to related parties	
	As at 28 January 2007 £'000	As at 29 January 2006 £'000	**As at 28 January 2007 £'000**	As at 29 January 2006 £'000
Whelco Holdings Limited	**137**	101	**176**	24

Whelco Holdings Limited is a company owned by members of the family of an Executive Director of JJB Sports plc ("JJB"), operating itself or through its subsidiaries, a number of businesses including that of Wigan Athletic Football Club (WAFC), Wigan Warriors Rugby League Club (WWRLC) and the stadium in which both teams play which is known as the "JJB Stadium".

During the 52 weeks to 28 January 2007, JJB incurred expenditure in its capacity as sponsors to WAFC and WWRLC and incurred costs in respect of the naming rights for the JJB Stadium. Advice was taken from independent third parties as to the comparative levels of the costs of sponsorship and naming rights at other clubs and stadia, prior to the agreement of the amounts to be paid.

During the 52 weeks to 28 January 2007, JJB made sales to Whelco Holdings Limited and its subsidiary companies in respect of both football and rugby related products.

A store in Northampton had previously been leased by JJB from a third party for a number of years and at which it had operated a retail store until October 1998. The freehold of the store was subsequently acquired from the third party by the Trustees of an Executive Director's Accumulation and Maintenance Settlement, (a Settlement in which some members of the family of one of JJB's Executive Directors, have an interest). Following the opening of the new retail store in 2003, JJB has continued to pay rent on a full commercial basis at the rate of £150,000 per annum.

JJB has sold 3 acres of a 10 acre site adjacent to its head office and distribution centre, to E-View Properties Ltd, a company owned by members of a family of an Executive Director of JJB. The sale price was based upon an assessment of land value in the area by an external property consultant and resulted in a profit on disposal of £82,000 which has been credited to the Consolidated income statement for the 52 weeks to 28 January 2007.

12. Events since the balance sheet date

Final dividend

The Board has proposed a final dividend of 7.0 pence net per ordinary share (2006: 7.0 pence) . In accordance with IAS 10, the proposed dividend has not been included as a liability in the Consolidated balance sheet at 28 January 2007. Subject to shareholders approval, at the forthcoming Annual general meeting (AGM), this dividend will be paid on 3 August 2007 to shareholders on the register at 18 May 2007. The Board is proposing to offer a scrip dividend alternative which will also be subject to approval by shareholders at the forthcoming AGM.

Office of Fair Trading

On 5 March 2007, The Consumers Association lodged a representative action for damages against JJB at the Competition Appeal Tribunal. Details of this matter are set out in note 10 of these Notes to the Consolidated financial statements on page 14.