

14th January 2008

## JJB Sports plc

### Trading Statement

JJB Sports plc ("JJB") is today publishing its trading statement which includes information on its performance over the Christmas period.

#### **Current trading**

Total revenue for the 23 weeks to 6 January 2008, including that from both retail stores and health clubs, was 2.2 per cent higher than for the same period last year and includes a like-for-like increase in revenue (on operating units which have been trading for over 52 weeks) also of 2.2 per cent. For JJB's retail stores only (excluding health clubs), the increase in total revenue for that period was 1.2 per cent with a like-for-like increase of 1.9% across 384 stores.

The increase in total revenue for the 23 week period has been accompanied by an increase in the combined gross margin of approximately 200 basis points.

Total revenue for the Christmas period of 6 weeks to 6 January 2008 shows an increase of 2.5 per cent, which includes a similar increase in like-for-like revenue, but was achieved at the cost of a combined gross margin which was approximately 400 basis points lower than that achieved in the same six week period last year

The decrease in combined gross margin results mostly from the decision to clear a build up of non-current products in the retail stores and only partly from the current economic landscape. JJB is determined to start its new financial year from February 2008 with a much fresher stock package on which stronger margins can be achieved.

JJB's health clubs, with their strong value-for-money offering, have seen continued positive revenue and gross margins, and have only been slightly affected by the current economic situation.

#### **Outcome for the second half**

JJB reiterated guidance on 29 November 2007 that trading results in the second half would be similar to that achieved in the comparative period last year. JJB is continuing its aggressive clearance of non-current stocks over the remaining 3 weeks of the current accounting period and this is expected to further impact the gross margin. The Board therefore expects that this is likely to result in the profit before tax and exceptional operating items for the second half of the current accounting period to be slightly below the £27.4 million achieved in the second half last year.

#### **Outlook for 2008**

The Board believes that JJB will be in a stronger position in 2008 as regards its product levels and ranges and will seek to implement a store refurbishment plan across selected stores to take advantage of the successful new in-store format as shown in the recent refurbishment of its Trafford Centre store. The Board believes that the company's future trading position will be further strengthened following the recent introduction of a significant retail staff incentivisation bonus together with the opening of its Training Academy. JJB will also continue with the extensive roll-out programme of its combined health clubs/superstores.

However, the Board of JJB remains cautious about the outlook for 2008 in view of the escalating pressure on consumers' finances.

JJB will make its Preliminary Results announcement for the 52 weeks ending 27<sup>th</sup> January 2008 on 16 April 2008.

Roger Lane-Smith, Non-executive Chairman of JJB, today commented:-

"I am confident that under the direction of CEO Chris Ronnie, the whole Executive team is taking all the right actions to reinvigorate this business."

For further information, please contact:

Chris Ronnie  
David Greenwood                      01942 221400  
JJB Sports plc

Lydia Pretzlik  
Charlotte Walsh                      020 7379 5151  
Maitland

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