9 October 2002

Embargoed until 7.00am

JJB Sports plc

Interim Results for the Six Months Ended 31 July 2002

JJB Sports plc ("JJB"), the UK's largest sports retailer, announces its interim results for the six months ended 31 July 2002.

As announced yesterday, the company took the decision to bring forward by a day publication of its results following the tragic death of the Chief Executive, Duncan Sharpe. At the same time, the presentation of the results has been delayed about two weeks. In this way the company can keep the market informed on its performance, while delaying presentations to a more appropriate date.

Significant Financial Information

	Six months ended 31 July 2002	**Six months ended 31 July 2001**	**Increase/ Decrease**
JJB Only			
Turnover	£362.5m	£347.9m	+4.2%
Operating Profit*	£40.8m	£49.2m	-17.0%
Pre-Tax Profit*	£39.6m	£47.2m	-16.3%
Including TJ Hughes			
Pre-Tax Profit*	£39.3m	£47.2m	-16.8%
Interim Dividend	2.25p	2.25p	
Headline EPS*	11.07p	13.68p	-19.1%
Net Debt	£90.0m	£48.6m	

* Before goodwill amortisation

- Like-for-like increase in turnover of 0.1% within the core JJB business as price deflation offsets solid volume growth.
- Number of items sold increased by 10% compared with same period last year.
- Gross margin within the core JJB business reduced to 48.4% from 48.5%.
- Strong trading performance from combined superstore / health club format.
- Continuing strong cash flow with net cash inflow from operating activities for the Group increasing to £72.2 million compared to £62.7 million.

- The increase of £59.7 million in the net debt position at 31 July 2002 when compared to 31 January 2002 resulted from the acquisition of TJ Hughes and the purchase of the Company's own shares.

- Increase in store selling space within the core JJB business for the six months of 121,000 square feet to 3.87 million square feet with 11 superstores opened and 10, mainly small stores, closed.

- Opening of new office block during September 2002, completes the expansion of the base structure which started with the major IT hardware upgrade in November 2001 and the opening of an additional distribution centre in February 2002.

- The integration of TJ Hughes is proceeding according to plan with the foundations being laid for margin improvement.

- Current trading conditions for the core JJB business continue to be very competitive and are still ranged against strong comparative figures. Total turnover for the first ten weeks of the second half year has increased by 3.6 per cent which includes an adverse like-for-like figure of 1.1 per cent.

- Some initiatives introduced into TJ Hughes have affected their turnover levels for the first ten weeks of the second half year but a more normalised trading pattern has returned in recent weeks.

Commenting today, David Whelan, Chairman said

"These results are overshadowed by the tragic death earlier this week of Duncan Sharpe. He was a son and friend, a key member of the JJB team, and will be sorely missed by family, friends and company alike. I know that Duncan would want, more than anything, for us to take JJB Sports, a company where he worked for 19 years, on to greater heights. We will be in a better frame of mind to talk about our future plans when we present on these figures in two weeks time.

"As regards the interim results themselves, in our press release at the time of our Annual General Meeting on 11 July 2002, I referred to the more challenging competitive trading conditions within the clothing sector of the retail market which was having an impact upon our trading results. These trading conditions still apply and may well become more difficult depending upon the general economic climate. Although the state of the economic climate is beyond our control, I do believe that our business is in a strong position and that the continued expansion of our core business together with the initiatives which we have put in place to complement this business, gives me confidence that we can build on the results of this current year and create growth in future years".

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

Chairman's Statement

For the first time in very many years, and certainly since the Company's shares were quoted on the London Stock Exchange in 1994, I am announcing half yearly results where profits are at a lower level than those achieved in the comparative period. Although these results are disappointing, they do need to be looked at in the context of the current trading environment and in relation to the considerable growth that we achieved last year.

Trading conditions within the retail clothing sector have been more challenging over the last few months than they were during 2001. The breadth of competition and the consumers' demand for value-for-money offerings has resulted in price deflation and the erosion of margins. Our turnover increased by 4.2 per cent but this represented an increase of 10 per cent in the number of items sold. Therefore whilst there is still a good demand for our products, we have not been able to match the individual product price points that we achieved last year. With the consensus outlook for the UK economy being cautious, I anticipate that these trading conditions will continue for some time.

In comparison to the current trading conditions, those of the first half of last year were very buoyant and were reflected in an increase in total turnover of 14 per cent accompanied by an increase in gross margin from 46.0 per cent to 48.5 per cent. This resulted in an increase in net profit before tax and amortisation of 65 per cent from £28.6 million to £47.2 million. These were exceptional results and were impossible to match once market conditions had begun to be more competitive.

Despite the tougher economic and competitive backdrop, I remain confident that the core JJB business will deliver solid growth in the years ahead. Our market position remains robust and we will continue to satisfy our customers with keenly priced goods, delivered in an increasingly efficient way. As I mention below, there are also a number of new initiatives underway which will further enhance JJB's growth profile and increase our confidence in the outlook.

Over the last twelve months, we have spent over £17.5 million in expanding our base structures of IT hardware, a further distribution centre and a new office block. This expenditure will enable us to continue our growth across our existing enterprises.

As regards the core JJB business, we are continuing with our gradual move from small high street stores into superstores and our plans for next year are already well advanced. The success of our combined health club and superstore format has been very encouraging and during 2003 we shall be increasing our opening rate.

We have commenced our work on the integration of TJ Hughes and are beginning to see the improvements in margins. Three stores have been opened since 1 February 2002 and their results are at least matching our expectations but we intend to continue to work on the improvement of margins on the existing stores, before any further expansion is carried out.

We believe that the value for money concept of TJ Hughes will continue to appeal to consumers in the current economic climate.

Our plans are well advanced for the opening of a new facia chain of small stores which we have named “icon”. These stores will focus on sports related fashion products and will carry a range of clothing and footwear from a number of brands, including fashion/leisure brands which are not carried within the existing JJB stores. Initially, the icon stores will trade from the smaller high street stores which JJB has already vacated or which it intends to close in the future. Three icon stores will be opened and trialed in the London area over the next three months. If the outcome is successful, then we will expand the concept across the UK.

We have recently opened our second store in Holland on a prime site in Amsterdam; the store is trading in line with expectations. We are achieving some success in differentiating our product range in Holland, when compared to the UK, and will await a successful outcome to this extension of the product ranges before any further growth on the Continent.

We have now submitted our response to the Office of Fair Trading regarding their investigation into the retail price of replica football kits and are awaiting their response.

I am very pleased to announce the appointment of Tom Knight to act as Operations Director in JJB. He will also be responsible for the new icon concept. Tom was previously Managing Director of the Sport and Fashion Division of Blacks Leisure Group prior to its divestment to John David Sports PLC (JD Sports). His long experience in the retail sport and leisure industry will be of enormous benefit to JJB and I look forward to working very closely with Tom.

The lower level of profits being achieved during this current year are still giving us a strong cash flow and we have also enjoyed a one-off benefit from implementing working capital changes at TJ Hughes. This cash flow will finance our expansion plans in both the core business and in the other areas I have referred to above and I am confident that these measures will benefit our shareholders. With the strong cash flow, the Board have recommended that the interim dividend for 2002 be maintained at the same rate as that paid in 2001.

D Whelan
Chairman
9 October 2002

Results

JJB announces its results for the six months ended 31 July 2002.

Review of Performance

Core JJB Business

Total turnover for the six months ended 31 July 2002 within the JJB business (excluding TJ Hughes), increased by 4.2 per cent compared to the same period last year; this included an increase in like-for-like turnover of 0.1 per cent. JJB experienced greater competition in the clothing and footwear market than during the comparative period and this has resulted in price deflation. However, JJB's product offering was still in demand with the number of items actually sold showing an increase of about 10 per cent over the comparative period.

The gross margin achieved in the first six months of the current year was 48.4 per cent compared to 48.5 per cent achieved in the same period last year. These figures include an almost 100 per cent gross margin on turnover from health clubs; the gross margin on store turnover fell from 48.1 per cent to 47.6 per cent.

Operating expenses before goodwill amortisation increased to 37.2 per cent of turnover in the six months ended 31 July 2002, compared to 34.4 per cent in the same period last year. This percentage increase resulted partly from the shortfall in like-for-like turnover when compared to inflation, and partly from the increased costs arising from rent reviews, in advertising and of the new IT and distribution centre structures.

Net interest payable in the six months ended 31 July 2002 fell to £1.3 million from £1.9 million. Interest payable included interest for over three months on the acquisition of TJ Hughes but has not been materially impacted by interest costs arising on the purchase of the Company's own shares in July. Net interest was covered 31.4 times by operating profits before goodwill amortisation.

Profit before taxation and goodwill amortisation has fallen by 16.3 per cent to £39.6 million from £47.2 million.

TJ Hughes

The trading results of TJ Hughes (TJH) have been consolidated with those of the core JJB business for the thirteen weeks ended 31 July 2002 following JJB's successful acquisition of the whole of the share capital of TJH. Turnover for the thirteen weeks to 31 July 2002 of £43.0 million, represented a 4.7 per cent increase over the comparative period last year. This included a decrease in like-for-like turnover of 1.9 per cent. The gross margin achieved of 30.3 per cent, compares to 29.8 per cent in the same period last year, whilst the net loss before taxation of £240,000 compares to a net loss of £296,000. The results of TJ Hughes had a strong seasonal bias last year with all their profits being made in the second half of the accounting year, a trend which we expect to see repeated this year.

A number of initiatives have been introduced in order to increase margins within TJH and although these are only at an early stage, some progress is being made. The gross margin continues to be affected by the sales of older, slow moving stocks, but progress has been made in reducing these stocks and it is anticipated that these stocks will be reduced to an acceptable level by the end of the current year.

Group

The effective rate of taxation on Group profits before goodwill amortisation is 30.6 per cent which is slightly higher than that for the comparative period which had benefited from a prior year corporation tax repayment.

Headline earnings per share for the Group, stated before goodwill amortisation, fell by 19.1 per cent to 11.07 pence per ordinary share from 13.68 pence per ordinary share in the comparative period.

Dividend

The Board has declared an interim dividend of 2.25p net per ordinary share, payable on 11 December 2002 to shareholders on the register at the close of business on 15 November 2002. This is the same rate of dividend as JJB declared for the six months ended 31 July 2001.

Purchase of Own Shares

JJB was given authority to buy-back up to 5 per cent of its share capital at the Annual General Meeting held on 11 July 2002. JJB duly bought back the permitted number of 12.37 million shares before 31 July 2002 at an average price, including costs, of 199 pence. The purchase of its own shares at this price was earnings enhancing.

Balance Sheet

Capital expenditure for the six months ended 31 July 2002, including that within TJH, was £24.4 million and included £3.8 million on the new head office site and £11.9 million on stores and health clubs which will be opened during 2002.

The value of stocks within the core JJB business have increased by 1.8 per cent to £134.9 million at 31 July 2002 from £132.6 million at the same date last year. Stocks at TJH have reduced in value to £34.1 million compared to £35.6 million at 31 July 2001.

Net debt at 31 July 2002 had increased to £90.0 million compared to £30.3 million at 31 January 2002. The increase was principally caused by the acquisition of TJH plus its net debt at the date of acquisition which totalled £61.6 million, together with £24.6 million incurred on the purchase of JJB's own shares in July 2002. The Group continues to generate strong cash flows with the net cash inflow from operating activities for the six months ended 31 July 2002 being £72.2 million, compared to £62.7 million for the equivalent period last year including a contribution from TJ Hughes of £13.4 million.

Operational Review

Product and Brand Development

The following table shows the percentage of the JJB store turnover for each product category:

	Six months ended 31 July 2002 %	Six months ended 31 July 2001 %
Clothing	40	43
Footwear	31	32
Equipment and accessories	12	12
Replica kit	11	7
Golf and cycles	6	6
	100	100

The JJB store format continues to deliver a wide range of clothing, footwear and accessories aimed at consumers who enjoy an active life-style but includes products which reflect consumer demand for comfortable, branded leisurewear.

Turnover during the half year ended 31 July 2002 in footwear, equipment and replica kit was higher than in the equivalent period last year. The reduction in turnover in the clothing category was offset by the increase in replica kit turnover, most of which resulted from the success of the football World Cup products. However, the gross margin on replica kits is 300 basis points lower than the gross margin on our products in the clothing category. Within the clothing category of turnover, sales of ladies products were buoyant, showing an increase of 17 per cent when compared to last year.

The total increase in stores turnover during the first half of the current year was 3.6 per cent when compared to the same period last year but in terms of quantities of product sold, there was an increase of 10 per cent. This highlights the continuing demand for active sports clothing, footwear and accessories but at lower price points than those achieved in earlier periods.

JJB's product strategy continues to be based upon a strong product offering from the three major sports manufacturers – Nike, adidas and Reebok, a significant proportion of which are "special make up" styles made available only to JJB.

This is supported by value for money alternatives of quality products from its own brands of Patrick, Head, Lotto and Olympus many of which are being designed, developed and sourced by JJB's own in-house team.

The new Manchester United merchandise areas within all JJB stores opened for trade on 1 August 2002 and their level of turnover is fully matching expectations.

In August 2002, JJB launched a new concept called "JJB Teamwear" which offers a range of football kits to amateur clubs and school teams throughout the UK; orders for the kits are taken within the stores and advertised on the internet (jjbfc.com); the product is sent from Wigan by mail order. The kit comprises 14 shirts, shorts and pairs of socks plus a free team bag. The range of kits is extensive, and is of high quality. They are priced at £220 per kit for adults, including VAT, and £185 for juniors and are sold under the Patrick logo. The demand for these kits has exceeded expectations with turnover of £275,000 being generated in only 8 weeks. JJB has taken the steps necessary to cope with this demand and intends to expand this business aggressively; it believes that the UK market could be worth in excess of £25 million and that its new concept will develop into a very successful format.

Head Office/Distribution Centre

The third element of what JJB regards as being its base structure, is now complete in that the new office block, which comprises 57,000 square feet of accommodation, is now open. The total budgeted cost of the office block is £6.5 million.

With the major IT hardware upgrades completed at the end of 2001 and the additional distribution centre which was opened in early 2002, JJB's infrastructure is now in place to support its steady growth over the next few years.

Stores and store development

At 31 July 2002, JJB operated from 436 stores comprising 76 high street superstores, 181 out of town superstores, 174 smaller high street stores and 5 small golf stores. The selling space totalled approximately 3,869,000 square feet. This compares to 435 stores, comprising 71 high street superstores, 178 out of town superstores, 181 smaller high street stores and 5 small golf stores in operation at 31 January 2002. The total selling space at that date amounted to approximately 3,748,000 square feet and compares to 3,541,000 square feet at 31 July 2001.

During the half year ended 31 July 2002, JJB has opened 11 stores and closed 10, mainly smaller, stores. This policy of replacing small high street stores with superstores will continue during the remainder of the current year with a further 21 new stores planned to be opened during the second half of the current year, whilst a further 10 smaller stores are marked for closure.

Plans for store openings during 2003 are well advanced with contracts for 17 superstores having been exchanged. These store openings include 7 sites on which JJB will incorporate a health club.

JJB intends to open a small number of stores under the new "icon" fascia before the end of the current year and will consider an expansion of the number of sites in 2003 when the concept is proved successful. These stores will be small high street stores, some of which have already been closed by JJB and some of which are currently trading as JJB but will be closed during 2003.

Leisure Division

The Leisure Division currently trades from 9 sites which include 3 indoor soccer centres, 8 health clubs and 8 superstores. One of the sites comprises a golf store and driving range. The 8 health clubs currently have a combined membership of 31,300 members.

During the half year ended 31 July 2002, JJB has opened a health club in its existing Wigan indoor soccer centre and a health club/superstore at a site in Leeds. It is planned to open a further 3 combined health club/superstore sites during the second half of the current year and a further 7 sites are already contracted for opening during 2003.

The concept of a ground floor health club, incorporating a half Olympic sized swimming pool, well equipped gym area, aerobic studios and bar area, with escalator access to a first floor superstore is giving JJB a very satisfactory return on capital employed whilst the low membership fees provide members with a very strong value for money facility. Consideration is being given to including soccer centres on a few of the sites planned for 2003 openings.

JJB regards the inclusion of a superstore on a health club site as being of paramount importance. The operating profit of the 9 existing sites for the six months ended 31 July 2002 was £2.3 million on a turnover of £11.8 million. The net book value of tangible fixed assets at these sites at 31 July 2002 was £27.1 million. These figures include the results and carrying values of the facilities only opened during the half year.

TJ Hughes

JJB announced on 19 April 2002 that its offer to acquire the existing share capital of TJ Hughes plc (TJH) had been declared unconditional. JJB has since acquired the whole 100 per cent of the share capital of TJH at a cost, including expenses incurred on the acquisition of £44.0 million. The value of the net assets acquired was £35.4 million.

JJB's strategy regarding TJH has been to commence a number of initiatives with the aim of increasing the gross and net margins of TJH. These initiatives include: -

- Reviews of the buying and pricing policies

- Improvements in stock control through the introduction of security tag systems and stock audit teams

- Improvements in the information being made available to buyers through the IT system

- A review of marketing procedures

- The examination of a wide range of overhead costs and

- A thorough review of stores layouts and designs.

All these initiatives are now under way and some success is being achieved. However, the management of JJB believes that it will take a twelve month timescale to fully implement these initiatives. TJH is going ahead with the store opening plan which had already been contracted for before the acquisition by JJB; new stores in Scunthorpe, Newcastle and Redditch have been opened since 1 February 2002. TJH currently trades from 39 stores, representing 1,339,000 square feet of selling space. However, it is intended that no further stores will be opened until the initiatives set out above, have been successful.

The management of JJB have now been involved in the running of TJH for over 5 months and are satisfied that with the existing staff of TJH and the initiatives detailed above, the business will prove to be a very satisfactory addition to the JJB Group and that the concept of TJH is capable of being profitably expanded.

Current Trading and Prospects

Trade within the core JJB business has remained very competitive since the half year end with total turnover for the 10 weeks ended 6 October being 3.6% higher than for the comparative period last year. This includes a decrease in like-for-like turnover of 1.1%. In common with most clothing retailers, JJB's level of trade can be affected by the weather; the relatively poor weather during the summer months, followed by warm, dry weather in September when the autumn ranges were on offer has impacted upon turnover since the half year end. The gross margin achieved during this period is slightly lower than the gross margin achieved during the first six months of the current year.

Whilst JJB benefited from buoyant levels of trade throughout much of last year, trade during the months of October and November in particular were not as strong. This will result in easier comparatives during 2002 and has certainly contributed to encouraging, positive, like-for-like increases in turnover during the week ended 6 October 2002.

Total turnover within TJ Hughes for the ten weeks ended 6 October 2002 has been adversely affected by the introduction of various new IT controls and warehouse procedures. In addition, the introduction of a complete tagging system across the whole portfolio of stores has entailed freezing stock throughout the company for accurate stock counts to be made. All stores are now security tagged and management are confident that the levels of leakage will reduce considerably. Major refurbishments have also been commenced at the Liverpool and Birkenhead stores which will cover a 10 week period but it has been necessary to close large sections of both stores. The project will be completed by the end of October.

These improvements to the business have been the biggest factor in a total sales decline during the ten weeks of 5.3% which includes a decrease in like-for-like turnover of 9.2%. Apart from the two stores being refitted, a normal trading pattern has resumed and over the last four weeks, total turnover has increased by 5.3% which includes a like-for-like decline of 1.0% and has been accompanied by a useful increase in gross margins. The ongoing initiative to improve margins within TJ Hughes will take time to be fully implemented but the Board are confident in the success of their medium term strategy for this business. The Board is very optimistic that the new store layouts and product offering within the three new stores at Scunthorpe, Newcastle and Redditch will prove successful and the early trading results are very encouraging.

The levels of trade over Christmas will be important to both the JJB store business and to TJ Hughes. However, whilst the Board does not foresee any improvement in the economic situation in the near future, it believes that its medium-term strategy for the Group is appropriate in this climate and that the future growth of the JJB store and leisure businesses coupled with recent initiatives will enable the Group to build upon the results for the current year and to recommence the growth of the business over the coming years.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 31 JULY 2002

	Six months ended 31 July 2002 Continuing operations			Six months ended	Year ended 31 January
		Acquisitions	Total	31 July 2001	2002
	£'000	£'000	£'000	£'000	£'000
Turnover	362,541	42,957	405,498	347,856	739,419
Cost of sales	(187,005)	(29,929)	(216,934)	(179,003)	(375,997)
Gross profit	175,536	13,028	188,564	168,853	363,422
Other operating expenses (including goodwill amortisation)	(141,187)	(13,049)	(154,236)	(126,062)	(263,137)
Operating profit (loss)	34,349	(21)	34,328	42,791	100,285
Operating profit (loss) before goodwill amortisation	40,822	(21)	40,801	49,174	113,049
Goodwill amortisation	(6,473)	-	(6,473)	(6,383)	(12,764)
Interest receivable	3,875	-	3,875	5,132	9,527
Interest payable and similar charges	(5,135)	(219)	(5,354)	(7,060)	(12,342)
Profit (loss) on ordinary activities before taxation	33,089	(240)	32,849	40,863	97,470
Taxation on profit (loss) on ordinary activities	(12,094)	72	(12,022)	(13,437)	(32,640)
Profit (loss) on ordinary activities after taxation	20,995	(168)	20,827	27,426	64,830
Dividends paid and proposed	(5,288)	-	(5,288)	(5,566)	(17,936)
Retained profit (loss) for the period	15,707	(168)	15,539	21,860	46,894
Profit (loss) on ordinary activities before taxation and goodwill amortisation	39,562	(240)	39,322	47,246	110,234
Headline earnings per ordinary share			11.07p	13.68p	31.39p
Earnings per ordinary share			8.44p	11.10p	26.22p
Diluted earnings per ordinary share			8.41p	11.10p	26.22p
Dividends per ordinary share					
Interim			2.25p	2.25p	2.25p
Final			-	-	5.00p
			2.25p	2.25p	7.25p

Headline earnings per ordinary share have been calculated on profit after tax but before goodwill amortisation.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE SIX MONTHS ENDED 31 JULY 2002

	Six months ended 31 July 2002 £'000	Six months ended 31 July 2001 £'000	Year ended 31 January 2002 £'000
Profit on ordinary activities after taxation	20,827	27,426	64,830
Exchange rate movement	6	(43)	(35)
Total recognised gains relating to the period	20,833	27,383	64,795

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE SIX MONTHS ENDED 31 JULY 2002

	Six months ended 31 July 2002 £'000	Six months ended 31 July 2001 £'000	Year ended 31 January 2002 £'000
Retained profit for the period	15,539	21,860	46,894
Exchange rate movement	6	(43)	(35)
	15,545	21,817	46,859
Proceeds of share issues	-	685	738
Consideration paid on purchase of own shares	(24,636)	-	-
Opening shareholders' funds	316,879	269,282	269,282
Closing shareholders' funds	307,788	291,784	316,879

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2002

	As at 31 July 2002 £'000	As at 31 July 2001 £'000	As at 31 January 2002 £'000
Fixed Assets			
Intangible assets - goodwill	213,979	218,223	211,842
Tangible assets	191,482	129,015	140,632
	405,461	347,238	352,474
Current assets			
Stock	169,007	132,607	113,216
Debtors	10,251	4,418	16,512
Loan note deposit (secured)	170,478	170,478	170,478
Cash at bank and in hand	3,795	19,810	8,470
	353,531	327,313	308,676
Creditors: amounts falling due within one year			
Borrowings	(181,674)	(170,478)	(170,478)
Others	(152,168)	(122,808)	(111,525)
	(333,842)	(293,286)	(282,003)
Net current assets	19,689	34,027	26,673
Total assets less current liabilities	425,150	381,265	379,147
Creditors: amounts falling due after more than one year			
Borrowings	(82,580)	(68,444)	(38,762)
Others	(14,386)	(7,943)	(8,967)
	(96,966)	(76,387)	(47,729)
Provisions for liabilities and charges	(20,396)	(13,094)	(14,539)
Net assets	307,788	291,784	316,879
Capital and reserves			
Called up share capital	11,752	12,368	12,371
Share premium account	151,836	151,786	151,836
Capital redemption reserve	706	87	87
Profit and loss account	143,494	127,543	152,585
Equity shareholders' funds	307,788	291,784	316,879

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 JULY 2002

	Six months ended 31 July 2002 £'000	Six months ended 31 July 2001 £'000	Year ended 31 January 2002 £'000
Net cash inflow from operating activities	72,193	62,750	126,160
Returns on investments and servicing of finance			
Interest received	3,875	5,132	9,527
Interest paid	(5,036)	(6,742)	(11,706)
Net cash outflow	(1,161)	(1,610)	(2,179)
Taxation			
UK corporation tax paid	(9,104)	(8,909)	(26,443)
Foreign tax paid	(260)	(89)	(88)
Net cash outflow	(9,364)	(8,998)	(26,531)
Capital expenditure			
Purchase of tangible fixed assets	(24,416)	(16,845)	(38,401)
Sale of tangible fixed assets	1,977	536	957
Net cash outflow	(22,439)	(16,309)	(37,444)
Acquisitions			
Purchase of subsidiary undertaking	(44,027)	-	-
Net overdraft acquired with subsidiary undertaking	(7,567)	-	-
Net cash outflow	(51,594)	-	-
Equity dividends paid	(12,370)	(9,879)	(15,445)
Cash (outflow) inflow before management of liquid resources and financing	(24,735)	25,954	44,561
Financing			
Issues of ordinary share capital	-	685	738
Increase (decrease) in loans	35,500	(40,000)	(70,000)
Purchase of own shares	(24,636)	-	-
Net cash inflow (outflow)	10,864	(39,315)	(69,262)
Decrease in cash in the period	(13,871)	(13,361)	(24,701)

The acquisition of TJ Hughes in the period contributed £13,385,000 to the group's net cash inflow from operating activities, incurred £219,000 in respect of returns on investment and servicing of finance, incurred £202,000 in respect of UK corporation tax paid and incurred £3,381,000 for purchase of tangible fixed assets.

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES FOR THE SIX MONTHS ENDED 31 JULY 2002

	Six months ended 31 July 2002 £'000	Six months ended 31 July 2001 £'000	Year ended 31 January 2002 £'000
Operating profit after amortisation	34,328	42,791	100,285
Amortisation of goodwill	6,473	6,383	12,764
Depreciation of tangible fixed assets	10,315	8,156	16,911
Loss on sale of tangible fixed assets	722	522	1,344
(Increase) decrease in stocks	(17,961)	(17,152)	2,239
Decrease (increase) in debtors	11,204	8,018	(4,076)
Increase (decrease) in creditors	27,112	14,032	(3,307)
Net cash inflow from operating activities	72,193	62,750	126,160

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT FOR THE SIX MONTHS ENDED 31 JULY 2002

	Six months ended 31 July 2002 £'000	Six months ended 31 July 2001 £'000	Year ended 31 January 2002 £'000
Decrease in cash in the period	(13,871)	(13,361)	(24,701)
Cash (inflow) outflow from change in debt	(35,500)	40,000	70,000
Change in net debt resulting from cash flows	(49,371)	26,639	45,299
Loans from acquisitions	(10,000)	-	-
Amortisation of bank loan costs	(318)	(318)	(636)
Movement in net debt in the period	(59,689)	26,321	44,663
Opening net debt	(30,292)	(74,955)	(74,955)
Closing net debt	(89,981)	(48,634)	(30,292)

ANALYSIS OF NET DEBT

	At 1 February 2002 £'000	Acquisitions £'000	Cash Flow £'000	Other non-cash items £'000	At 31 July 2002 £'000
Loan note deposit	170,478	-	-	-	170,478
Cash at bank and in hand	8,470	-	(4,675)	-	3,795
Overdrafts	-	(7,567)	(1,629)	-	(9,196)
	178,948	(7,567)	(6,304)	-	165,077
Borrowings	(209,240)	(10,000)	(35,500)	(318)	(255,058)
	(30,292)	(17,567)	(41,804)	(318)	(89,981)

Notes on Interim Report

Basis of Preparation

The Interim Report has been drawn up under the same accounting policies as those used for the Annual Report and Financial Statements for the year ended 31 January 2002. The Interim Report does not constitute full statutory accounts and is unaudited. It has, however, been reviewed by the Auditors and their report to the Directors is set out below. Full year figures for the year ended 31 January 2002 have been extracted from the Annual Report and Financial Statements for that year, which received an unqualified audit opinion and have been filed with the Registrar of Companies.

Earnings per share

Earnings per share have been calculated as follows:

	Six months ended 31 July 2002 £'000	Six months ended 31 July 2001 £'000	Year ended 31 January 2002 £'000
Headline earnings:			
Profit on ordinary activities after taxation before goodwill amortisation	27,300	33,809	77,594
Goodwill amortisation	(6,473)	(6,383)	(12,764)
Profit on ordinary activities after taxation	20,827	27,426	64,830
Weighted average number of ordinary shares in issue (thousands)	246,702	247,052	247,221
Headline earnings per ordinary share	11.07p	13.68p	31.39p
Earnings per ordinary share	8.44p	11.10p	26.22p
Diluted earnings per ordinary share	8.41p	11.10p	26.22p

Headline earnings per ordinary share have been calculated on profit after taxation but before goodwill amortisation. The Directors consider that this gives a better understanding of the Group's earnings.

The comparative weighted average number of ordinary shares in issue and earnings per ordinary share figures have been restated to take account of the bonus issue of ordinary shares in July 2001.

Dividend

The Directors have declared an interim dividend of £5,288,000 (2.25p net per ordinary share) to be paid on 11 December 2002 to shareholders whose names appear on the register at 15 November 2002.

For the year ended 31 January 2002, an interim dividend of £5,566,000 representing a dividend of 2.25p net per ordinary share was paid on 12 December 2001 and a final dividend of £12,370,000 representing a dividend of 5.0p net per ordinary share was paid on 16 July 2002.

INDEPENDENT REVIEW REPORT TO JJB SPORTS PLC

Introduction

We have been instructed by the company to review the financial information for the six months ended 31 July 2002 which comprises the profit and loss account, the balance sheet, the cash flow statement and related notes. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The Interim Report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 July 2002.

Deloitte & Touche
Chartered Accountants
Manchester

9 October 2002