

**Embargoed until 7 a.m.**

**15 January 2003**

**JJB Sports plc (“JJB”)**

**Trading Statement**

JJB Sports plc the UK’s largest sports retailer, is pleased to announce details of its trading performance over the important Christmas and New Year period.

**Core JJB Business**

Total turnover for the six weeks ended 5 January 2003 within JJB (excluding TJ Hughes) was 4.4 per cent higher than in the equivalent period last year and included a like-for-like increase in turnover of 0.5 per cent.

For the 23 week period ended 5 January 2003, total turnover for JJB was 3.8 per cent higher than the same period last year and included a slight decrease in like-for-like turnover of 0.6 per cent. The gross margin earned in this period is approximately 46.5 per cent of turnover which compares to the 48.4 per cent achieved in the first six months of the current year.

JJB still experiences positive consumer demand across all product ranges but continuing competition in the high street and relatively mild weather during most of the autumn/winter period, has had an impact upon the selling prices of clothing and footwear. JJB found that the trend shown in earlier years, for consumers to delay purchases until closer to Christmas, continued in 2002 and its trade was therefore comparatively stronger in the last few days before Christmas and at the start of the “New Year Sales”. JJB has now successfully cleared these autumn/winter products by discounting prices on these items.

JJB has continued its policy of opening superstores and closing smaller high street stores. During the second half of the year, JJB opened 18 stores and closed 10 smaller high street stores bringing the total openings for the 49 weeks of the current year to 29 stores and closures to 20 stores (these figures include the “**icon**” stores and the combined health club/superstores). At 5 January 2003, JJB operated from 444 stores which represents approximately 4.05 million square feet of selling space and includes 188 out of town superstores, 82 high street superstores and 174 smaller high street stores. This compares to 436 stores in operation at 31 July 2002, representing approximately 3.87 million square feet. Further growth in superstores will be achieved during 2003 with contracts already exchanged for 18 sites, including 8 that will also contain health clubs.

The first two “**icon**” stores opened shortly before Christmas and JJB has been satisfied with their initial performance. These stores focus upon a range of fashion footwear and clothing for men and utilise smaller high street stores which formerly traded as JJB. It is intended that a further 7 “**icon**” branded stores will open in the spring of 2003 and 7 in the autumn, some of which will incorporate ladieswear in addition to menswear. These new stores will, in most instances, replace existing small JJB stores.

In contrast to several health club chains, JJB's combined health club and superstores format continues to prove successful and to deliver a strong value for money offer. During the 23 weeks ended 5 January, JJB opened a further two combined health club/superstores. Of the 8 sites already contracted for opening during 2003, 3 will open during the early part of the year.

### **TJ Hughes**

TJ Hughes ("TJH") continues to experience satisfactory growth in turnover when compared to the previous year. Total turnover for the six weeks to 5 January 2003 was 12.6 per cent higher than the same period last year, including an increase in like-for-like turnover of 3.4 per cent (which followed a strong performance during the same weeks in 2001/2002 which had included an increase in like-for-like turnover of 12.1 per cent).

The solid growth in like-for-like turnover in the 6 weeks ended 5 January 2003 reflects ongoing improvements in store layouts and merchandising, together with strong replenishment of key lines utilising improvements in IT and distribution systems.

For the 23 weeks ended 5 January 2003, total turnover was 6.9 per cent higher than the same period last year, with like-for-like turnover down 0.9 per cent. As reported in the Interim Results announcement on 9 October 2002, like-for-like turnover in the 10 weeks to 6 October 2002 was adversely affected by the introduction of various improvements to the business. In the 13 weeks since that date, total turnover increased 12.7 per cent, which included an increase in like-for-like turnover of 3.2 per cent.

In the 23 weeks ended 5 January, the gross margin has been slightly higher than the 30.3 per cent achieved in the period from 19 April 2002 (the date of acquisition by JJB), to 31 July 2002.

TJH has opened 3 new stores during the current year, which have traded ahead of expectations, and now operates from 39 stores comprising 1.34 million square feet of selling space. No new stores openings are scheduled with management continuing to focus upon further improvement of operating standards and controls within existing stores.

### **Balance Sheet**

A tight control of working capital has resulted in a slight reduction in the level of group stocks at 5 January 2003 when compared with the levels at both JJB and TJH on the same date last year. Consequently this has had a positive effect on the level of debt.

David Whelan, JJB's Chairman, commented:-

"Trading conditions on the high street have continued to be highly competitive throughout the second half of the year including the important Christmas period, and this has adversely impacted upon the gross margins within JJB. However we had already factored these conditions into our forecasts and consequently the Board anticipates that the Group profit for the current year will be in line with our expectations.

With the current economic outlook and the levels of consumer debt, I do not anticipate any improvement in trading conditions in the short term. However, I am confident that, over the longer term, JJB still has solid growth prospects. Demand for active/leisure products continues to

