

JJB SPORTS PLC**Disposal of TJ Hughes**

JJB Sports Plc (“JJB Sports” or the “Group”) announces that it has completed the disposal of its subsidiary TJ Hughes Limited (“TJ Hughes”) in a transaction valued at £55.8 million. The purchaser is TJ Hughes (Investments) Limited (“the Purchaser”), a newly formed management buy-out vehicle.

Of the total value of £55.8 million, JJB Sports has received cash consideration of £49.0 million, including a £2.0 million dividend in respect of the financial year ended 25 January 2003, and in addition, the Purchaser has repaid TJ Hughes’ outstanding term loan of £6.8 million. The Purchaser has also assumed working capital facilities totalling £10 million.

TJ Hughes was acquired by JJB Sports on 19 April 2002 for a cash consideration of £42.9 million. In the last financial year, to 25 January 2003, the net profit after tax and exceptional costs of TJ Hughes was £2.2 million, and its net assets at the financial year end were £37.7 million. It is expected that the disposal will not have a material impact on the Group’s consolidated profit and loss account for the financial year ending 31 January 2004.

TJ Hughes operates a chain of discount department stores and has been run as an independent business within the Group. At the AGM this year, JJB Sports announced that it had conducted a strategic review of its operations and concluded that the Group should focus on its core operations of sports retail and health clubs. JJB Sports also announced that it was reviewing the possible divestment of its non-core operation. As a result of this review, the Board concluded that the sale of TJ Hughes would be in the best interests of shareholders and will allow management to focus exclusively on the Group’s core operations.

The Board also announced that it would give careful consideration to returning capital to shareholders, and is actively evaluating its options. At present, in advance of the Christmas trading period, the Group’s working capital requirements are at an intra year high position and in the short term, the disposal proceeds will be used to reduce net debt. The Board will announce its future intentions in due course, in light of the Group’s cash position and anticipated funding requirements.

George Foster, Chief Executive of TJ Hughes and a director of the Purchaser, resigned as a director of JJB Sports upon completion of the disposal.

David Whelan, Chairman of JJB Sports, said:

“Having conducted a strategic review of the Group’s activities, the Board concluded that a sale of TJ Hughes at this time is in the best interests of the Group. I would like to thank the management and employees of TJ Hughes for their contribution to the JJB Sports Group and wish them well for the future.”

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