

Embargoed until 7.00am

14 April 2004

JJB Sports plc

Preliminary Results For The 52 Weeks Ended 25 January 2004

JJB Sports plc (“JJB”), the UK’s largest sports retailer, announces its preliminary unaudited results for the 52 weeks ended 25 January 2004.

Significant matters:

	Core JJB (1)			Group (2)		
	2003/4	2002/3	Change	2003/4	2002/3	Change
Turnover	£771.8 m	£769.8 m	+ 0.3%	£929.8 m	£934.3 m	- 0.5%
Gross margin	48.7%	47.3%		45.7%	44.4%	
Underlying operating profit	£88.0 m	£87.2 m	+ 0.9%	£90.5 m (3)	£93.8 m	-3.5%
Reported operating profit	£69.1 m	£74.1 m	- 6.7%	£71.3 m	£80.8 m	- 11.7%
Underlying headline EPS				26.99 p (3)	26.10 p	+3.4%
Dividends per share				10.00 p	7.25 p	+37.9%

Notes

- (1) Core JJB results include stand alone retail stores and the Leisure Division
- (2) Group results include core JJB results plus those of TJ Hughes
- (3) The figures are stated before goodwill amortisation of £13.1 m and exceptional operating items of £6.1 m

- Like for like turnover within the core JJB turnover was 3% lower than the comparative period as stronger retail prices were offset by lower volumes
- Strong trading performance from combined health club / superstore format.
- Continuing strong cash flow contributes to a substantial reduction in the net debt at 25 January 2004 to £3.6 million from £60.6 million at 31 January 2003.
- Net increase in store selling space within the core JJB business during the year of 131,000 square feet to 4.18 million square feet with 18 superstores and 13 small stores (including 11 in the “icon” format) opened; 26, mainly small stores, closed.
- Strategic disposal of TJ Hughes for a cash consideration of £49 million (including a £2 million dividend owed to JJB) will ensure management focus upon core activities. Successful outcome to the Tender Offer – buy back of only 7.25 million shares in February 2004.
- Total turnover in the core JJB business for the 10 weeks ended 4 April 2004 was 4.7% lower than the comparative period last year, including a like-for-like decrease of 5.7%. However, the gross margin achieved in this period was in line with JJB’s expectations.

Commenting today, David Whelan, Chairman, said: -

“I am satisfied with the trading results achieved during the 52 weeks ended 25 January 2004, when these are viewed against the strong competitive trading conditions within the UK retail clothing market. We achieved our principal target which was to regain the levels of gross margin in the second half of the year which had been lost in the comparative period last year. Whilst turnover in

our clothing category was lower than the previous year, increased levels of turnover were achieved in our other product categories where demand remained strong.

Operating profits within our Leisure Division have increased by 80 per cent to £9.1 million; I believe that our emphasis on the expansion of this concept over the coming years will make a significant contribution to the success of the Group.

I believe that the retail clothing market will continue to be very competitive during the current year as deflationary pressures impact upon prices. We will however continue to focus our attention on the challenges within the retail clothing market and believe that we retain an edge over our competitors through our strong relationships with the key brands of Nike, adidas and Reebok, supported by ranges from a number of other sports brands including our own brands. I do however believe that our other product categories are more resilient and believe that we can continue our successful trading in these areas. In particular, I believe that excellent sales opportunities will be presented in the current year as a result of the Euro 2004 football competition.

I am pleased to report that JJB has been successful in signing contracts for the supply and distribution of team kits to Everton Football Club, the Irish Football Association and Leeds Rhinos Rugby League Club.

The strong cash generation of the group continues. The increase in the dividend reinforces our commitment to return capital to shareholders, as was demonstrated by the successful tender offer, which returned £20m to shareholders in February 2004. The Group retains the authority to repurchase further shares, which it will consider in light of the cash requirements of the business.

I believe that our strategy for the expansion of our Leisure Division which comprises the unique and successful combined health club/superstore format, combined with the continuing transition of our store portfolio from small retail stores to superstores will add sustainable value to the Group and I therefore look forward to the future with confidence”.

For further information, please contact:

Tom Knight 01942 221400
David Greenwood
JJB Sports Plc

Philip Gawith 020 7379 5151
Lydia Pretzlik
The Maitland Consultancy

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

Results

JJB announces its unaudited results for the 52 weeks ended 25 January 2004.

Review of Results

Core JJB Business

Total turnover for the year, within the core JJB business (the Group excluding TJ Hughes), increased by 0.3 per cent to £771.8 million and included a decrease in like-for-like turnover of 3.0 per cent from operating units that have been open for more than 52 weeks. JJB's performance reflects the difficult trading conditions experienced by the wider retail sector with particularly fierce competition in the "value-for-money" clothing category; however consumer demand across other product categories has remained positive.

At the time of the publication of its Interim results in October 2003, JJB stated that its most important target during the second half year, was to regain the gross margin which had been lost during the second half of the 52 weeks ended 31 January 2003. This target has been achieved with the gross margin earned in the 26 weeks ended 25 January 2004 being 49.2 per cent compared to 46.4 per cent earned in the corresponding period. This increase has resulted from an improved stock package which has not necessitated the same level of discounting that was applied during 2002/3. JJB is confident that the level of gross margin achieved during the 26 weeks ended 25 January 2004 is broadly sustainable. Gross margin for the 52 weeks ended 25 January 2004 was 48.7 per cent compared to 47.3 per cent in the corresponding period.

Tight cost control has limited the increase in operating expenses before goodwill amortisation and exceptional operating items* to 3.9 per cent which is considered satisfactory taking into account the increase in store selling space and the increased number of health clubs in operation.

Operating profit before goodwill amortisation and exceptional operating items* has increased by 0.9 per cent to £88.0 million from £87.2 million earned in the comparative period.

TJ Hughes

The trading results of TJ Hughes (TJH) have been consolidated into the Group results for the period up to its disposal on 14 November 2003. Operating profits before goodwill amortisation* of TJH for the 42 weeks to that date amounted to £2.5 million compared to £6.6 million from the date of acquisition (April 2002) to 31 January 2003. This disparity in operating profits results from a substantial part of the operating profits of TJH being regularly earned over the Christmas period.

On a pro-forma basis (using the same 42 weeks in both years), total turnover within TJH for the 42 weeks to 14 November 2003 was 5.8 per cent higher than for the comparative period, including a like-for-like increase of 2.5 per cent, with the gross margin having increased by 100 basis points.

The loss on disposal of a subsidiary undertaking* of £852,000 represents the book loss on the sale of TJ Hughes after taking operating profits less taxation and goodwill amortisation into the consolidated results from the date of acquisition to the date of disposal. The amount of operating profits before taxation and goodwill amortisation taken into the consolidated results from April 2002 to November 2003, was £9.1 million.

Group

Efficient cash management throughout the 52 weeks and a reduction in the net debt, resulted in a 25% decrease in net interest payable within the Group in the 52 weeks ended 25 January 2004, to £2.6 million from £3.5 million.

The effective rate of taxation on Group profits before goodwill amortisation and the book loss on disposal of TJ Hughes for the 52 weeks ended 25 January 2004 was 27.4 per cent, after crediting a prior year adjustment which had the effect of reducing the rate from 29.2 per cent; this compares to 30.4 per cent in the corresponding period.

Underlying headline earnings per share for the Group, stated before goodwill amortisation and exceptional operating items (including the book loss on disposal of TJ Hughes), increased by 3.4 per cent to 26.99 pence per ordinary share from 26.10 pence per ordinary share in the comparative period.

* Details of each separate item shown on page 8

Dividend

At the time of the publication of its Interim results in October 2003, JJB indicated that following representations from a number of institutional investors, it would adopt a more progressive dividend policy. The Board has therefore proposed a final dividend of 7.0p net per ordinary share, payable on 14 July 2004 to shareholders on the register at the close of business on 11 June 2004. Together with the interim dividend paid on 10 December 2003 of 3.0p net per ordinary share, this will give a total dividend for the 52 weeks ended 25 January 2004 of 10.0p, an increase of 38 per cent compared to 7.25p per share paid in the comparative period. The total dividend is covered 2.7 times by underlying headline earnings per ordinary share. This step change has brought JJB's dividend cover more into line with other mid-cap retailers.

Office Of Fair Trading

In August 2003, the Office of Fair Trading (OFT) pronounced JJB guilty of price-fixing in the sale of certain replica kit products over a two year period during 2000 and 2001 and levied a fine of £8.4 million. JJB has consistently denied any such charge and has maintained that it has always been the principal retailer involved in driving down the prices of replica kit. JJB has appealed against the decision of the OFT to the independent Competition Appeals Tribunal (CAT); the appeal was conducted during March 2004 and the decision of the CAT is awaited in the near future. No provision has been made in JJB's accounts in respect of this fine as, on the basis of advice received, the Board believes that the appeal will be successful.

Balance Sheet

Capital expenditure for the 52 weeks ended 25 January 2003, was £30.4 million within the core JJB business, compared to £38.8 million in the previous year. Capital expenditure on newly opened stores and health clubs was £19.4 million with a further £3.9 million spent on stores and health clubs to open during 2004/5.

The value of stocks at 25 January 2004 within the core JJB business, has risen 13 per cent to £128.1 million compared to £113.6 million at 31 January 2003. This increase was partly accounted for by certain deliveries amounting to £3 million which were due in February and March 2004 but were received prior to 25 January 2004 in order to take advantage of improved supplier discounts.

Cash at bank at 25 January 2004 has increased to £41.3 million from £37.3 million at 31 January 2003 with the net debt position amounting to £3.6 million compared to £60.6 million at 31 January 2003. The reduction in net debt resulted partly from the sale of TJ Hughes together with the continuing strong cash flow from the core JJB business. The figures of net cash inflow from operating activities shown in the Consolidated Cash Flow Statement on page 11 are distorted by the accounting treatment on the acquisition and subsequent sale of TJ Hughes. The net cash inflow from operating activities for the core JJB business are £89.9 million for the 52 weeks ended 25 January 2004 and £111.9 million for the comparative period.

Operational Review

Product and Brand Development

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

	52 weeks ended 25 January 2004	52 weeks ended 31 January 2003
	%	%
Clothing	39	41
Footwear	32	31
Equipment and accessories	12	12
Replica kit	11	10
Golf and cycles	6	6
	—	—
	100	100
	—	—

Competition within the retail clothing sector remains strong, particularly within the childrens value category, which resulted in a reduction in turnover of this category; this decline was however net of an increase in turnover of ladies clothing where the improved product offering has had a positive effect. Consumer demand for JJB's other product categories remained positive with turnover in all categories other than clothing, being higher than in the comparative period.

At the time of the publication of its Interim results in October 2003, JJB referred to the senior appointments it had made within the buying department covering not only buying and selection of products but also the allocation and merchandising of product across the store chain. The initial benefits from these appointments are reflected in the increased gross margin achieved in the second half of the accounting period, compared to that achieved in the same period of the previous year

JJB's strategy continues to be based upon strong product offerings from the premium brands of Nike, adidas and Reebok supported by a range of smaller sports brands offering "value-for-money" products including those from Patrick, Lotto, Head, Olympus and Le Coq Sportif where JJB holds a licence to retail their products either exclusively or substantially within the UK. The licensed products are designed, developed and sourced by JJB's own in house team. JJB is also developing certain themed but unbranded childrens clothing products which will compete with the supermarket chains more effectively in infant and small child sizes. A proportion of the products supplied by the premium brands are "special make up" styles made available only to JJB, thereby differentiating JJB's product offering from that of its competitors.

In order to strengthen its branded offering, JJB has signed a royalty agreement to exclusively market "Slazenger" golf clubs and associated clothing. The impact of this agreement, combined with a strategic withdrawal from the top end of the golf equipment market has resulted in an increase in the gross margin of this category of 240 basis points.

JJB is pleased to announce today that it has signed three sponsorship contracts to supply and distribute team kits and official merchandise for Everton Football Club, the Irish Football Association and Leeds Rhinos Rugby League Club.

JJB has opened 11 "icon" stores during the 52 weeks ended 25 January 2004 to add to the 2 stores opened in 2002. The initial operating results from these stores is encouraging and is significantly better than the cost of having these stores vacant. These stores utilise existing small high street properties that previously traded as "JJB Sports" where JJB has been unable to dispose of the lease. The "icon" stores sell a range of branded fashion products which are not currently available within JJB stores. JJB has identified a further 6 sites which it intends to open under the "icon" format during 2004 and consideration is being given to further openings in this period.

JJB Stores and store development

At 25 January 2004, JJB operated from 448 stores comprising 191 out of town superstores, 92 high street superstores, 147 smaller high street stores, 5 small golf stores and 13 icon stores. Retail store selling space totalled approximately 4,184,000 square feet, an increase of 3.2 per cent compared to the selling space in operation at 31 January 2003. The 16 superstores which are attached to health clubs are included in these figures. This compares to 443 stores, comprising 188 out of town superstores, 82 high street superstores, 166 smaller high street stores, 5 small golf stores and 2 icon stores in operation at 31 January 2003.

JJB has continued its policy of migrating from small high street stores to both high street superstores and out-of-town superstores with the opening of 18 superstores and with the closure of 26, mainly smaller, stores during the 52 weeks ended 25 January 2004. On out-of-town sites, JJB's strategy is to open a combined superstore/health club and, by negotiation, to place a cap upon future rent reviews in order to limit its exposure to cost increases.

Three stores were closed in July 2003 on which significant operating losses were being made; JJB will benefit in the future from not incurring approximately £4 million of annualised losses from these three stores.

A major refit programme is to be undertaken during the current year which will include the refurbishment of 22 small high street stores and 10 superstores. Most of the superstores will have new mezzanine floors fitted or existing mezzanine floors extended. A further 20 small high street stores will be partially refurbished which will include new carpets and a re-paint. The total cost of the work to be carried out on these sites, will be £9.7 million. Work on these sites has only recently commenced but JJB expects that significant improvements will be made to the profitability of the stores concerned after their refit.

JJB's plans for the current year are well advanced with contracts for 19 superstore sites having been exchanged, including 7 sites on which JJB will incorporate a health club. One of the health club/superstore sites will also include an indoor soccer centre. In addition, 19 superstore sites have been identified for openings during the year commencing February 2005 which will include 13 sites on which JJB will incorporate a health club and 2 of which will also include soccer centres. As regards the sites containing soccer centres, JJB will share in the profits made by the developer in selling the out-of-town park which will have the effect of considerably reducing the net capital expenditure incurred by JJB.

Leisure Division

At 25 January 2004, the Leisure Division comprised 17 sites which included 3 indoor soccer centres, 16 health clubs and 16 superstores. One of the sites comprised a golf store and driving range. A total of 6 combined health clubs/superstores were opened

during the 52 weeks ended 25 January 2004. At 25 January 2004, the 16 health clubs had a combined membership of 65,600 compared to 39,500 members at 31 January 2003 in the 10 health clubs open at that date.

The concept of a ground floor health club, incorporating a well equipped gym area, swimming pool, health spa, steam room, 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. JJB regards the inclusion of a superstore on a health club site as being of paramount importance.

The operating profit of the 17 Leisure Division sites for the 52 weeks ended 25 January 2004 was £9.1 million (before the allocation of any head office/distribution centre costs) on a turnover of £44.4 million compares to an operating profit of £5.0 million on a turnover of £27.4 million in the comparative period and reflects the success of this concept. The net book value of tangible fixed assets at these sites at 25 January 2004 was £43.4 million.

TENDER OFFER

On 14 January 2004, JJB announced a Tender Offer to be made by UBS Limited to purchase up to £40 million of ordinary shares in JJB Sports PLC for their ultimate cancellation, at prices in a range between 240 pence and 280 pence per share.

On 13 February 2004, it was announced that a total of 7.25 million shares had been tendered at 280 pence per share which were duly acquired and cancelled at a cost of £20.3 million.

At the time of its Extraordinary General Meeting on 6 February 2004, JJB was given permission to acquire up to a further 5 per cent of its issued share capital after the Tender Offer had completed. The primary use of JJB's surplus cash flows will continue to be the further expansion of its combined health clubs/superstores and retail store chain after which it will consider a further buy back of shares, subject to the size of JJB's net debt and provided that the buy back is earnings enhancing.

CURRENT TRADING AND PROSPECTS

JJB has experienced a disappointing start to its current year with total turnover for the 10 weeks ended 4 April 2004 being 4.7 per cent lower than the same period last year which included a reduction in like-for-like turnover of 5.7 per cent. The gross margin achieved during this period was in line with JJB's expectations. Slightly over half of the shortfall in total turnover arises from two types of product: -

- T-Shirts and shorts which enjoyed buoyant sales during March last year which was a period of very good weather.
- Replica kit which has had difficult comparatives – the England “away kit” (which never sells as well as the “home kit”), was launched in March 2004 on the same day as the England “home kit” launch in 2003 – also the Manchester United, Arsenal and Liverpool home shirts are now in the second and last year of their cycle and will be replaced with new shirts later during 2004.

JJB's clothing category remains the most challenging part of its business and concerted efforts are being made to improve the ranges. It is believed that the strengthened buying and merchandising teams will address this issue but the relatively long product lead times, delay the full benefits that can be achieved by these improvements. However, JJB's other product categories remain resilient and should contribute higher levels of profit. The current year will benefit from increased turnover in the replica shirt category as a result of the Euro 2004 tournament and from the launch of new “home” shirts from Manchester United, Arsenal and Liverpool.

JJB intends to build upon the significant success of its Leisure Division which was continued during the 52 weeks ended 25 January 2004. Since 25 January 2004, JJB has opened a further 2 combined health clubs/superstores and a further 5 will be open later in the year. The demand for membership places at these new health clubs continues to be very promising and gives JJB further confidence in its openings strategy. Every attempt will be made to step up the number of these units being opened in future years and already 13 sites have been identified for openings during the year commencing February 2005.

In addition to the openings of the combined health club/superstores, JJB will continue its migration to superstores from small high street stores with the opening of a further 12 superstores in the current year. It is believed that these openings together with the major refit programme which is now underway, will have a beneficial effect upon current years profits.

JJB has recently extended its contract with external carriers Lynx, for them to distribute all JJB's product from the distribution centre to the stores. This will enable more frequent deliveries to be made to stores which will improve stock availability and is intended to generate increased turnover.

The Board believes that the changes made within the buying and merchandising departments which have already seen the recovery of the gross margin, will help to meet the continuing competition within the retail clothing market and with the strength of other product categories together with the continuing success of the combined health club/superstore opening programme, will achieve a successful outcome to the results for the current year.

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 25 JANUARY 2004**

		<u>Unaudited</u> 52 weeks ended 25 January 2004		<u>Audited</u> 52 weeks ended 31 January 2003	
	Note	Continuing operations £'000	Discontinued operations £'000	Total £'000	£'000
Turnover	3	771,772	158,040	929,812	934,276
Cost of sales		(395,624)	(109,041)	(504,665)	(519,271)
Gross profit		376,148	48,999	425,147	415,005
Other operating expenses (including goodwill amortisation and exceptional operating items)		(307,000)	(46,825)	(353,825)	(334,247)
Operating profit		69,148	2,174	71,322	80,758
Operating profit before goodwill amortisation and exceptional operating items		87,978	2,523	90,501	93,822
Goodwill amortisation		(12,753)	(349)	(13,102)	(13,064)
Exceptional operating items		(6,077)	-	(6,077)	-
Loss on disposal of subsidiary undertaking				(852)	-
Interest receivable				7,149	7,831
Interest payable and similar charges				(9,781)	(11,329)
Profit on ordinary activities before taxation	3			67,838	77,260
Taxation on profit on ordinary activities				(22,376)	(27,492)
Profit on ordinary activities after taxation				45,462	49,768
Dividends paid and proposed	6			(23,297)	(17,040)
Retained profit for the period				22,165	32,728
Profit on ordinary activities before taxation, goodwill amortisation, exceptional operating items and loss on disposal of subsidiary undertaking				87,869	90,324
Underlying headline earnings per ordinary share	5			26.99p	26.10p
Earnings per ordinary share	5			19.27p	20.68p
Diluted earnings per ordinary share	5			26.93p	20.58p
Dividends per ordinary share					
Interim	6			3.00p	2.25p
Final	6			7.00p	5.00p
	6			10.00p	7.25p

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE 52 WEEKS ENDED 25 JANUARY 2004**

	<u>Unaudited</u> 52 weeks ended 25 January 2004 £'000	<u>Audited</u> 52 weeks ended 31 January 2003 £'000
Profit on ordinary activities after taxation	45,462	49,768
Exchange rate movement	223	204
Total recognised gains relating to the period	<u>45,685</u>	<u>49,972</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE 52 WEEKS ENDED 25 JANUARY 2004**

	<u>Unaudited</u> 52 weeks ended 25 January 2004 £'000	<u>Audited</u> 52 weeks ended 31 January 2003 £'000
Retained profit for the year	22,165	32,728
Exchange rate movement	223	204
	<u>22,388</u>	<u>32,932</u>
Proceeds of share issues	5,440	-
Consideration paid on purchase of own shares	-	(24,636)
Opening shareholders' funds	325,175	316,879
Closing shareholders' funds	<u>353,003</u>	<u>325,175</u>

**CONSOLIDATED BALANCE SHEET
AS AT 25 JANUARY 2004**

	<u>Unaudited</u> As at 25 January 2004 £'000	<u>Audited</u> As at 31 January 2003 £'000
Fixed Assets		
Intangible assets – goodwill	186,347	207,414
Tangible assets	155,791	198,709
	<u>342,138</u>	<u>406,123</u>
Current assets		
Stock	128,084	147,906
Debtors	11,481	16,889
Current asset investments**	210,478	170,478
Cash at bank and in hand	41,258	37,251
	<u>391,301</u>	<u>372,524</u>
Creditors: amounts falling due within one year		
Borrowings	(170,478)	(172,478)
Others	(100,987)	(151,091)
	<u>(271,465)</u>	<u>(323,569)</u>
Net current assets	119,836	48,955
Total assets less current liabilities	461,974	455,078
Creditors: amounts falling due after more than one year		
Borrowings	(84,821)	(95,898)
Others	(7,559)	(14,257)
	<u>(92,380)</u>	<u>(110,155)</u>
Provisions for liabilities and charges	(16,591)	(19,748)
Net assets	<u>353,003</u>	<u>325,175</u>
Capital and reserves		
Called-up share capital	11,899	11,752
Share premium account	157,129	151,836
Capital redemption reserve	706	706
Profit and loss account	183,269	160,881
Equity shareholders' funds	<u>353,003</u>	<u>325,175</u>

** Current asset investments are split between the secured loan note deposit (£170.5 million) and cash held with UBS Limited (£40 million) relating to the tender offer (see page 6)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 25 JANUARY 2004**

	<u>Unaudited</u> 52 weeks ended 25 January 2004 £'000	<u>Audited</u> 52 weeks ended 31 January 2003 £'000
Net cash inflow from operating activities	77,707	149,298
Returns on investments and servicing of finance		
Interest received	7,149	7,831
Interest paid	(9,358)	(10,677)
Net cash outflow	(2,209)	(2,846)
Taxation		
UK corporation tax paid	(24,564)	(30,730)
Foreign tax paid	(296)	(350)
Net cash outflow	(24,860)	(31,080)
Capital expenditure		
Purchase of tangible fixed assets	(34,670)	(47,307)
Sale of tangible fixed assets	1,977	6,142
Net cash outflow	(32,693)	(41,165)
Acquisition and disposal		
Purchase of subsidiary undertaking	(5)	(44,065)
Net overdraft acquired with subsidiary undertaking	-	(7,567)
Net cash disposed with subsidiary undertaking	(228)	-
Disposal of subsidiary undertaking	46,421	-
Net cash inflow (outflow)	46,188	(51,632)
Equity dividends paid	(18,899)	(17,658)
Cash inflow before management of liquid resources and financing	45,234	4,917
Management of liquid resources	(40,000)	-
Financing		
Issues of ordinary share capital	5,440	-
(Decrease) increase in loans	(6,667)	48,500
Purchase of own shares	-	(24,636)
Net cash (outflow) inflow	(1,227)	23,864
Increase in cash in the period	4,007	28,781

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW
FROM OPERATING ACTIVITIES FOR THE 52 WEEKS ENDED 25 JANUARY 2004**

	<u>Unaudited</u> 52 weeks ended 25 January 2004 £'000	<u>Audited</u> 52 weeks ended 31 January 2003 £'000
Operating profit	71,322	80,758
Goodwill amortisation	13,102	13,064
Depreciation of tangible fixed assets	25,919	22,986
Loss (profit) on sale of tangible fixed assets	3,615	(318)
(Increase) decrease in stocks	(20,669)	3,140
Decrease in debtors	2,304	4,566
(Decrease) increase in creditors	(17,886)	25,102
	<hr/>	<hr/>
Net cash inflow from operating activities	<u><u>77,707</u></u>	<u><u>149,298</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE 52 WEEKS ENDED 25 JANUARY 2004**

	<u>Unaudited</u> 52 weeks ended 25 January 2004 £'000	<u>Audited</u> 52 weeks ended 31 January 2003 £'000
Increase in cash in the period	4,007	28,781
Cash outflow (inflow) from change in debt	6,667	(48,500)
Change in net debt resulting from cash flows	10,674	(19,719)
Loan disposed (acquired) with subsidiary	6,833	(10,000)
Cash flow from decrease in liquid resources	40,000	-
Amortisation of bank loan costs	(423)	(636)
Movement in net debt in the period	57,084	(30,355)
Opening net debt	(60,647)	(30,292)
	<hr/>	<hr/>
Closing net debt	<u><u>(3,563)</u></u>	<u><u>(60,647)</u></u>

**ANALYSIS OF NET DEBT
AS AT 25 JANUARY 2004**

	At 1 February 2003 £'000	Disposal £'000	Cash Flow £'000	Other non- cash items £'000	At 25 January 2004 £'000
Loan note deposit	170,478	-	-	-	170,478
Tender offer cash deposit	-	-	40,000	-	40,000
Cash at bank and in hand	37,251	-	4,007	-	41,258
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	207,729	-	44,007	-	251,736
Borrowings falling due within one year	(172,478)	2,000	-	-	(170,478)
Borrowings falling due after more than one year	(95,898)	4,833	6,667	(423)	(84,821)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>(60,647)</u>	<u>6,833</u>	<u>50,674</u>	<u>(423)</u>	<u>(3,563)</u>

NOTES ON PRELIMINARY ANNOUNCEMENT FOR THE 52 WEEKS ENDED 25 JANUARY 2004

1. Basis of Preparation

The financial information set out in the announcement does not constitute the Company's statutory accounts for the 52 weeks ended 31 January 2003 and 25 January 2004. The financial information for the 52 weeks ended 31 January 2003 is derived from the statutory accounts for that period which have been delivered to the Registrar of Companies. The Auditors reported on those accounts; their report was unqualified and did not contain a statement under s237(2) or (3) Companies Act 1985. The statutory accounts for the 52 weeks ended 25 January 2004 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company's annual general meeting.

2. Operating exceptional items

	52 weeks to 25 January 2004 £'000	52 weeks to 31 January 2003 £'000
Losses on closure of certain flagship stores and the subsequent disposal of the leases to those stores	5,272	-
Costs incurred on the abortive management buy out of the Group	805	-
	6,077	-

3. Segmental information

A. By class of business was as follows:

	Turnover		Profit before taxation	
	52 weeks to 25 January 2004 £'000	52 weeks to 31 January 2003 £'000	52 weeks to 25 January 2004 £'000	52 weeks to 31 January 2003 £'000
<u>Continuing operations</u>				
JJB retail stores	727,377	742,453	68,122	70,296
Leisure Division (including associated retail stores)	44,395	27,378	7,103	3,850
	771,772	769,831	75,225	74,146
<u>Discontinued operations</u>				
TJ Hughes	158,040	164,445	2,174	6,612
	929,812	934,276	77,399	80,758
Exceptional items			(6,077)	-
Loss on disposal of subsidiary undertaking			(852)	-
Net interest payable			(2,632)	(3,498)
			67,838	77,260

3. Segmental information (continued)

A. By class of business continued

	Net assets	
	52 weeks to 25 January 2004 £'000	52 weeks to 31 January 2003 £'000
<u>Continuing operations</u>		
JJB retail stores	123,349	117,310
Leisure Division (including associated retail stores)	46,870	33,574
	<u>170,219</u>	<u>150,884</u>
<u>Discontinued operations</u>		
TJ Hughes	-	27,524
	<u>170,219</u>	<u>178,408</u>
Net debt	(3,563)	(60,647)
Goodwill	186,347	207,414
Net assets	<u>353,003</u>	<u>325,175</u>

B. By geographical origin was as follows:-

	Turnover		Profit before taxation	
	52 weeks to 25 January 2004 £'000	52 weeks to 31 January 2003 £'000	52 weeks to 25 January 2004 £'000	52 weeks to 31 January 2003 £'000
UK continuing operations	760,277	760,081	74,366	74,521
UK discontinued operations	158,040	164,445	2,174	6,612
Europe (excluding UK)	11,495	9,750	859	(375)
	<u>929,812</u>	<u>934,276</u>	<u>77,399</u>	<u>80,758</u>
Exceptional items			(6,077)	-
Loss on disposal of subsidiary undertaking			(852)	-
Net interest payable			(2,632)	(3,498)
			<u>67,838</u>	<u>77,260</u>

	Net assets	
	52 weeks to 25 January 2004 £'000	52 weeks to 31 January 2003 £'000
UK continuing operations	169,573	150,795
UK discontinued operations	-	27,524
Europe (excluding UK)	646	89
	<u>170,219</u>	<u>178,408</u>
Net debt	(3,563)	(60,647)
Goodwill	186,347	207,414
	<u>353,003</u>	<u>325,175</u>

4. Office of Fair Trading

In August 2003, the Office of Fair Trading (OFT) pronounced JJB guilty of price-fixing in the sale of certain replica kit products over a two year period during 2000 and 2001 and levied a fine of £8.4 million. JJB has appealed against the decision of the OFT to the independent Competition Appeals Tribunal (CAT); the appeal was conducted during March 2004 and the

decision of the CAT is awaited in the near future. No provision has been made in respect of this fine in JJB's accounts as, on the basis of advice received, the Board believes that the appeal will be successful.

5. Earnings per share

Earnings per share have been calculated as follows:

	52 weeks ended 25 January 2004 £'000	52 weeks ended 31 January 2003 £'000
Underlying headline earnings:		
Profit on ordinary activities after taxation but before goodwill amortisation, exceptional operating items net of tax and loss on disposal of subsidiary undertaking	63,670	62,832
Goodwill amortisation	(13,102)	(13,064)
Exceptional operating items net of tax	(4,254)	-
Loss on disposal of subsidiary undertaking	(852)	-
Profit on ordinary activities after taxation, goodwill amortisation, exceptional operating items net of tax and loss on disposal of subsidiary undertaking	<u>45,462</u>	<u>49,768</u>
Weighted average number of ordinary shares in issue (thousands)	235,924	240,719
Exercise of share options (thousands)	494	1,171
Diluted weighted average number of ordinary shares in issue (thousands)	<u>236,418</u>	<u>241,890</u>
Underlying headline earnings per ordinary share	26.99p	26,10p
Earnings per ordinary share	19.27p	20.68p
Diluted earnings per ordinary share	26.93p	20.58p

Underlying headline earnings per ordinary share have been calculated on profit on ordinary activities after taxation but before goodwill amortisation, exceptional operating items net of tax and loss on disposal of subsidiary undertaking. The Directors consider that this gives a better understanding of the Group's earnings.

6. Dividend

An interim dividend of £7,059,000, representing 3.0p net per ordinary share was paid on 10 December 2003.

A final dividend of £16,238,000, representing 7.0p net per ordinary share is proposed and, subject to shareholders' approval, will be paid on 14 July 2004 to shareholders recorded on the share register on 11 June 2004.

For the 52 weeks ended 31 January 2003, an interim dividend of £5,288,000, representing 2.25p net per ordinary share was paid on 11 December 2002, and a final dividend of £11,752,000 representing 5.0p net per ordinary share was paid on 15 July 2003.

**Martland Park
Challenge Way
Wigan
Lancashire
WN5 0LD**