




The Forzani Group Ltd.

Scotia Capital Markets

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Forward-looking Statements

EXCEPT FOR THE HISTORICAL INFORMATION PRESENTED, THE FOLLOWING SLIDES AND ACCOMPANYING DISCUSSION ARE FORWARD-LOOKING STATEMENTS THAT ARE BASED ON CURRENT EXPECTATIONS, BUT ENTAIL VARIOUS KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY. THESE STATEMENTS MAY BE IDENTIFIED WITH THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS “ESTIMATES”, “EXPECTS”, “BELIEVES”, “PLANS”, “WILL”, “MAY”, “SHOULD”, “ANTICIPATES”, OR SIMILAR STATEMENTS OR THE NEGATIVE THEREOF OR ANY VARIATIONS. THESE RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, STATEMENTS MADE AS TO FUTURE OPERATING COSTS, CAPITAL EXPENDITURES, CASH FLOW, IMPROVEMENTS IN INFRASTRUCTURE, OPERATING EFFICIENCIES, PRODUCT DEMAND AND MARKET ACCEPTANCE RISKS; THE EFFECT OF COMPETITIVE PRODUCTS AND PRICING; THE AVAILABILITY OF PRODUCTS; ACCOUNTING ADJUSTMENTS AND THE OTHER RISKS IDENTIFIED IN DOCUMENTS FILED BY THE COMPANY WITH THE REGULATOR BODIES.

THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE SUCH STATEMENTS ARE MADE.



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This presentation focuses on initiatives designed to support the strategic 'themes' or 'positions' for our businesses. Those 'themes' are broadly described in the next several pages.

CORPORATE STORES

Sport Chek - The category 'killer' in general sporting goods outside of Quebec.

Emphasis

- Greatest brand diversity under one roof.**
- Latest products, sports 'fashion', with a focus on the sports lifestyle.**
- Highest level of technical quality generally available.**
- Strong focus on hardgoods.**
- "Fair pricing", modified high-low program.**
- Visual merchandising standards on par with that of specialty CRU retail tenants in the malls.**
- Mall-based with growing power centre presence and always as an anchor tenant.**

CORPORATE STORES

Sport Mart - The place to buy sports brands inexpensively.

- ❑ Limited assortment, lower average price.
- ❑ Strong 'basics' offering.
- ❑ Limited technical (i.e. Under Armour) product.
- ❑ Emphasis on opening price points from brands in all major categories carried.
- ❑ Use of "value defined" to frame consumer messaging.
- ❑ FGL's 'owner' of opening price point business.
- ❑ Power or strip centre based.

CORPORATE STORES

Coast Mountain Sports –

FGL's 'me' banner, using "Find New Ground" as its rallying cry.

- ❑ Focus on the individual, and his/her achievements in outdoor activities, regardless of ability or fitness level.
- ❑ Very strong emphasis on brands as a contra to Mountain Equipment Co-op's largely private-label assortment.
- ❑ Technical products at higher price-points anchor the assortment.
- ❑ Latest and greatest outdoor gear, footwear, clothing and outerwear drive assortment.
- ❑ Mall and power centre based.

CORPORATE STORES

National Sports – Ontario's Team Sports Destination

- ❑ Focus is principally on team sports of all kinds.
- ❑ Mega hockey assortment, the category in-store.
- ❑ Opening to mid price points in most categories.
- ❑ Higher price points in hockey, technical apparel (i.e. Under Armour)
- ❑ Since acquisition – big focus on private labels.
- ❑ Power centre based.

FRANCHISE STORES

Sports Experts –

The category 'killer' in general sporting goods in Quebec.

- ❑ Product assortment focus similar to Sport Chek, with two notable exceptions – less emphasis on hardgoods to anchor the mix, and a much stronger lifestyle footwear and clothing positioning.
- ❑ More of a traditional high-low concept in pricing.
- ❑ High visual merchandising standards.
- ❑ Mall and power centre based and an anchor tenant for big stores only.

FRANCHISE STORES

Intersport – The second banner for franchisees

- ❑ The small market or major market 'backfill' banner with one or more strong hardgoods focuses – (i.e. ski/snowboards, bike, water sports, etc.)
- ❑ Power and strip centre based.

Atmosphere – Outdoor and fashion forward

- ❑ The franchisees Coast Mountain Sports store with a stronger 'fashion' component.
- ❑ High-low pricing strategy.
- ❑ Power centre and mall-based, usually twinned with Sports Experts.

FRANCHISE STORES

Econosport – A work in-progress

- ❑ As the name implies, it is a value, opening price-point banner.
- ❑ Limited product assortment.
- ❑ It has been a liquidation banner for Sports Experts franchises.
- ❑ Performance to date has been mixed.
- ❑ This banner will need to become something other than a Sports Expert old product dumping ground.

FRANCHISE SPECIALTY BANNER STORES

Nevada Bob's

Hockey Experts

Fitness Source

Pegasus

- ❑ The general positioning for all specialty businesses is similar – an owner/operator establishment, deep in product/sport knowledge with a high degree of service and customization.
- ❑ Product assortment is broad, in terms of quality and technology, and price points go from opening to the highest available.
- ❑ Stores are to be clustered to:
 - a). reduce rents to economically viable levels; and
 - b). drive additional traffic.
- ❑ Stores are often teamed up with one or more generalist banners (i.e. Sports Experts, Intersport or Atmosphere)

FGL WHOLESALE (GEN-X)

Vertically consolidating and diversifying

- FGL Wholesale's strategic mandate is twofold:
 - a). First, to support our retail businesses with close outs and licensed products;
and
 - b). Second, to diversify FGL's revenue and profit base away from pure retailing.
- The push has been on expanding the licensed, branded business as sales and cash flow are more stable and predictable.
- The push has also been on the U.S. and U.K. markets where even a small key account would be large by Canadian standards.

PRIVATE LABELS – INTERSPORT NORTH AMERICA

- Our private label strategy is simple:

Quality, Product Exclusivity and Greater Profitability

- Everything we do in this business is with that in mind. Our private brands, on a feature for feature basis, must outperform the international brand benchmark and be highly desirable, first for their features/quality and, second for their great price. And, all products have to deliver superior profitability to their international retail brand counterparts.

PRECISION RETAILING

“Doing more with Less”

- **The precision retailing strategic mantra is:**

“Let’s make more money with less inventory.”

- **This is what we seek to do with all initiatives in the key area. Planning, allocation, product flow, replenishment, size profiling and ultimately markdown optimization are what it’s all about.**

BACK OFFICE

“One size fits all”

- Multi-banner/one back office, we strive to approach all back of the house functions, (technology, supply chain, finance, etc.) in one uniform way to minimize costs. The focus has also been to ensure that we have a highly cost effective and adaptive supply chain, which we believe we do, and the latest proven cost effective technology available. That’s what drives our thinking here.

LOOKING AHEAD

- **Strong free cash flow generation will trigger cash redeployment.**
- **The Company is positioned for renewed, new store growth, with thirty corporate and franchise stores planned for fiscal '08.**



Highlights - Holiday Season Results



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