The Forzani Group Ltd.

Scotia Back to School Conference

September 18, 2007

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This report contains statements about expected future events that are forward-looking and subject to risks and uncertainties. Accordingly, Forzani's actual results, performance or achievements could differ materially from those expressed or implied by such statements, and such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

These statements do not reflect the potential impact of any acquisitions, mergers or divestitures completed after the date of this presentation. In addition, factors that could cause actual results to differ materially from future expectations include the following: weather, general business and economic conditions in Canada and competition within the Canadian sporting goods industry generally.

Agenda

I Introduction

II Industry Overview

III Growth and Margin Expansion Opportunities

IV Financial Review

V Summary

VI Questions & Answers

Introduction

1. Business Overview

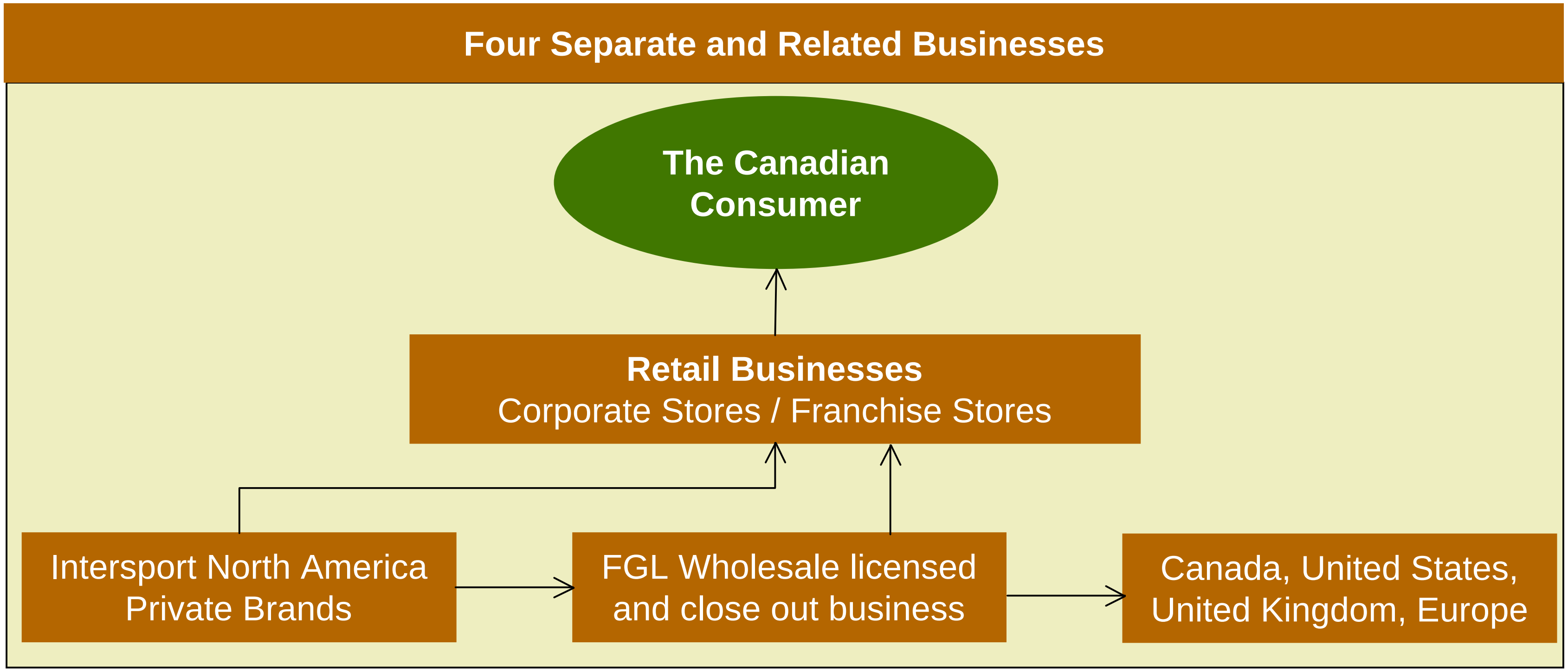
Business Overview - Summary

Canada’s Sporting Goods Leader

	Retail Banners	Franchise/ Wholesale Business
Revenues (in thousands)	$925,443	$370,134
Number of Stores	270	209

- The Forzani Group’s businesses provide Canadians with a full spectrum of products and price points ensuring maximum consumer reach in the specialty sporting goods segment of the market.

Business Overview



- FGL's private brand and wholesale businesses serve FGL's retail businesses and, in addition, develop products for sale outside of FGL.

Overview of the Business

FGL's Retail Banners – Serving A Diverse Customer Base

CORPORATE	Banner Type	FRANCHISE
SportChek	**Big Box** Full Line Assortment Mid-High Price Points	Sports Experts
National Sports	**Team Focused** Opening to Mid Price Points	
Coast Mountain Sports	**Outdoor Banner** Mid -High Price Points	Atmosphere
Sport Mart	Opening Price Point Business	Econo Sports
	Specialty Retail Opening – High Price Points	Fitness Source, Pegasus, Nevada Bob's Golf
	Secondary Market Franchise Banner	Intersport

Overview of the Business

Canada's Sporting Goods Leader

FGL's Retail Banners – Simplifying the View

FGL has 5 different customer groups that it serves

SPORTCHEK; sports experts	The Big Box Customer	Seeking the broadest assortment of categories / basics and more technical price points, conscious of trends and athletic fashion. They have the greatest extension into lifestyle apparel and footwear.
sports National	The Hard Core Team Sports Player / Fan	Seeking great prices and / or the best product for their team sports. A "basics" customer not focused on the trend / fashion aspect of the business. It is our biggest licensed apparel banner.
Coast Mountain Sports; ATMOSPHERE	The Outdoor Customer	<u>Very</u> brand conscious, aware of trends and seeking the very best gear for outdoor pursuits, or just to have the outdoor look.
SPORT MART; ECONO SPORTS	The Price Customer	Brands at great prices. Period.
NEVADA BOB'S GOLF; PEGASUS; FITNESS SOURCE; RNNING Experts	The Specialty Customer	Seeks <u>expert</u> advice on the <u>best brands</u> with the <u>best technology</u>. Demanding a <u>high touch</u> retail experience.

Introduction

3. Investment Highlights

Investment Highlights

Market Leader in Sporting Goods

At $1.4 billion in retail sales FGL has a 19.1% share of the market, with no other specialty retailer approaching 3%. It is also the only full-line sporting goods retailer operating on a coast-to-coast basis in Canada.

Experienced Management Team with a Proven Track Record

The nucleus of the management team has been together for over a decade, and the team has added substantially to its depth and expertise in the past 24 months.

Significant Growth Opportunities

Existing big box stores are getting bigger. New store growth continues with over 30 new corporate and franchise stores expected this year. The specialty banner business has great potential when clustered together with traditional banners in power centres.

Strong Relationships with Franchisees

Management has redefined the relationship with franchisees over the last decade with new franchise agreements that drive expansion, renovation and purchase fidelity.

Investment Highlights - Continued

A Wholesale Business with Excellent Growth Prospects

Utilizing proprietary brands developed by FGL's private brand team, long-term licensed brands and close outs, FGL wholesale is in a position to grow its existing customers' business and source new customers.

Scaleable Private Brand Business

The FGL private brand team, combined with its access to Intersport International's resources in Europe and Asia via FGL's investment in Intersport, provides quality and great pricing as well as access to the best factories for production.

Additional Margin Expansion Opportunity

Through proper planning, allocation and replenishment as well as recently introduced size optimization capabilities, FGL will continue to make gains in margin yield while driving comparable store sales and reducing comparable store inventories.

Cost Reduction Opportunities

Process and technology standardization of acquired businesses will drive significant synergies.

Industry Overview

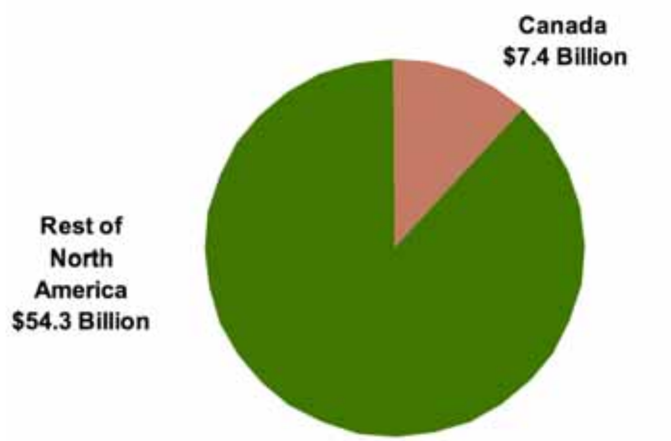
1. North American / Canadian Sporting Goods Market

Sporting Goods Market

North American / Canadian Sporting Goods Market

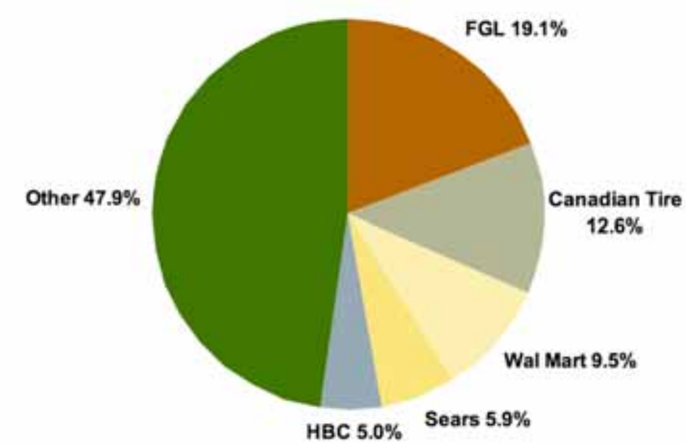
- The Canadian marketplace represents 12% of the total North American market.
- The top 5 sporting goods retailers in Canada represent 52.1% of the entire Canadian market.
- The top 5 sporting goods retailers in the U.S. represent 17.0% of the total U.S. market.
- While both markets are still fragmented, Canada has seen greater consolidation to date than has been experienced in the U.S.. FGL's multi-banner strategy positions it better than anyone else to capture more volume.

North American Sporting Goods Market (1)



Total North American Sporting Goods Market – C$61.7 billion

Canadian Sporting Goods Market (1)

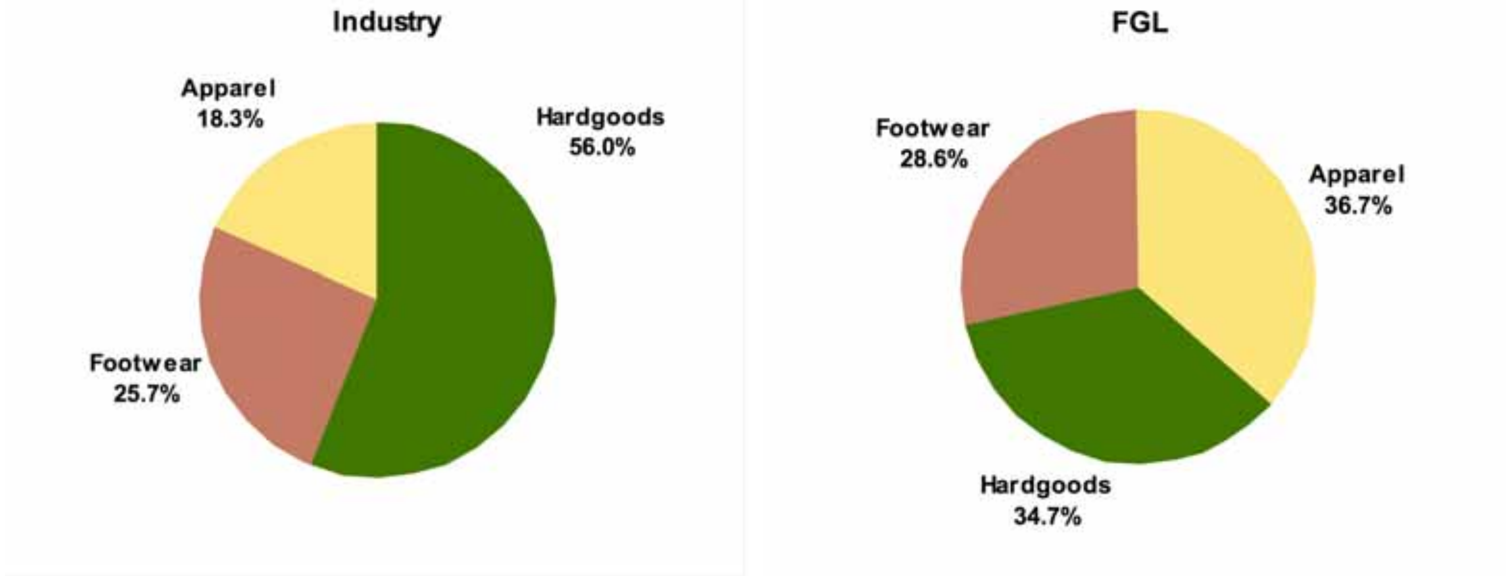


Source: Trendex Sports Vision
1) Based on Calendar year 2006

Sporting Goods Market

- FGL has substantially more apparel in its mix than the industry average.
- The next 4 largest retailers are mass merchants and department stores that sell little or no athletic / technical apparel.
- Hardgoods also includes fishing, hunting and archery, which we do no business in and camping which is very small for us.

Comparison of Industry and FGL Product Mix



Source: Trendex Sports Vision
1) Based on Calendar year 2006

Industry Overview

2. **Industry Trends**

Industry Overview

Industry Trends

- Consolidation is continuing in the sector mainly through attrition.
- Performance based products drive apparel purchases.
- Innovation is still the key driver of sector growth.
- U.S. footwear slowdown driven by trend/retro declines.
  - This will have an effect in Canada, but not on FGL in a material way, as we sell much more sports end-use performance footwear.
- Mall-based CRU rents threaten viability of small branded footwear and clothing banners.
  - There are fewer Footlocker and Athlete's World stores than 10 year ago, and Athlete's World is in transition.
- The only credible national player in the category with <u>access to the brands</u> is FGL.
- The market has grown at a compound average growth rate of 4.26% over the past 8 years, while FGL's growth has averaged 13.94% per year over the same period, including acquisitions.

Industry Overview

Industry Trends

FGL Growth & Market Share vs. The Market

[redacted]

	1998	1999	2000	2001	2002	2003	2004	2005	2006
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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Source: Trendex Sports Vision
1) Based on Calendar year 2006

Industry Overview

3. Competitors

Competitive Overview – Where Canadians Buy Their Sporting Goods

The General Sporting Goods Retailers

31.0% of the market, including outdoor

- FGL
- Marchands Unis
- Source for Sports
- Cleves
- Sporting Life

The Mass Merchants, Department Stores and Discounters

36.2% of the market

- Canadian Tire
- Wal Mart
- Sears
- HBC
- Saan
- Fields
- Super Store
- Costco
- Winner's and others

The Athletic Clothing and Footwear Retailers

11.6% of the market

- Foot Locker
- Champs
- Running Room
- Athlete's World
- Other Mom & Pop stores

The Specialists

21.2% of the market

- FGL
- Golf Town
- Fitness Depot
- Hundreds of Mom & Pop stores

The Outdoor Stores

31.0% of the market, including general sporting goods

- FGL
- Mountain Equipment Coop
- Baron Sports
- Wholesale Sports
- Bass Pro
- Hundreds of Mom & Pop stores

Source: Trendex Sports Vision
1) Based on Calendar year 2006

Competitive Overview – Direct Competitors

- **The General Sporting Goods Retailers**
  - Marchand’s Unis has filed for CCAA;
  - Source for Sports average store volume less than $1.5 million;
  - Cleve’s is losing share to Sport Chek in Atlantic Canada;
  - Sporting Life is a fashion retailer, unique to Toronto.
- **The Outdoor Stores**
  - Mountain Equipment Coop is a strong, private label, purist business.
  - Bass Pro is a major U.S. player with 1 store – more of a major competitor to Canadian Tire and Wal Mart.
  - Other players are regional or individual, poor on apparel, and footwear, heavy on hunting, fishing.
- **The Specialists**
  - Golf Town is entrenched and has the clear lead.
  - Fitness Depot. Poor real estate, thin inventories, reliance on one key exclusive brand, Precor.
- All others are weak with no capital backing.

Competitive Overview – Indirect Competitors

- **The Athletic clothing and Footwear Retailers**
  - Mostly in malls at very high CRU net rents. Rents are being driven up by high margin vertically integrated retailers.
  - Profitability being squeezed in apparel by vertically integrated retailers.
  - Shifting to private label basics in apparel to try to get margins.
  - Heavily reliant on trend / retro / urban which is risky.
  - A shrinking segment. There are less stores than 10 years ago.
- **The Mass Merchants**
  - They sell to an important segment of the market.
  - They will continue to grow.
  - Poor or no access to brands.
  - No real "latest and greatest" product.
  - Little / No technical apparel / footwear.
  - Strictly a price proposition.
  - No real service to the customer.
  - Sport Mart / National Sports take some of their business.

Competitive Overview

Where Canadians Buy their Sporting Goods

FGL's View of Relative Brand Positioning

Competitive Overview – Why FGL Succeeds

- We are focused on the right segments.
- We stay away from CRU net rent deals.
- We leverage our procurement between our businesses.
- We have scale to field world class private brands.
- Our store base is largely current.
- We have invested in people, supply chain, technology, and productivity tools.

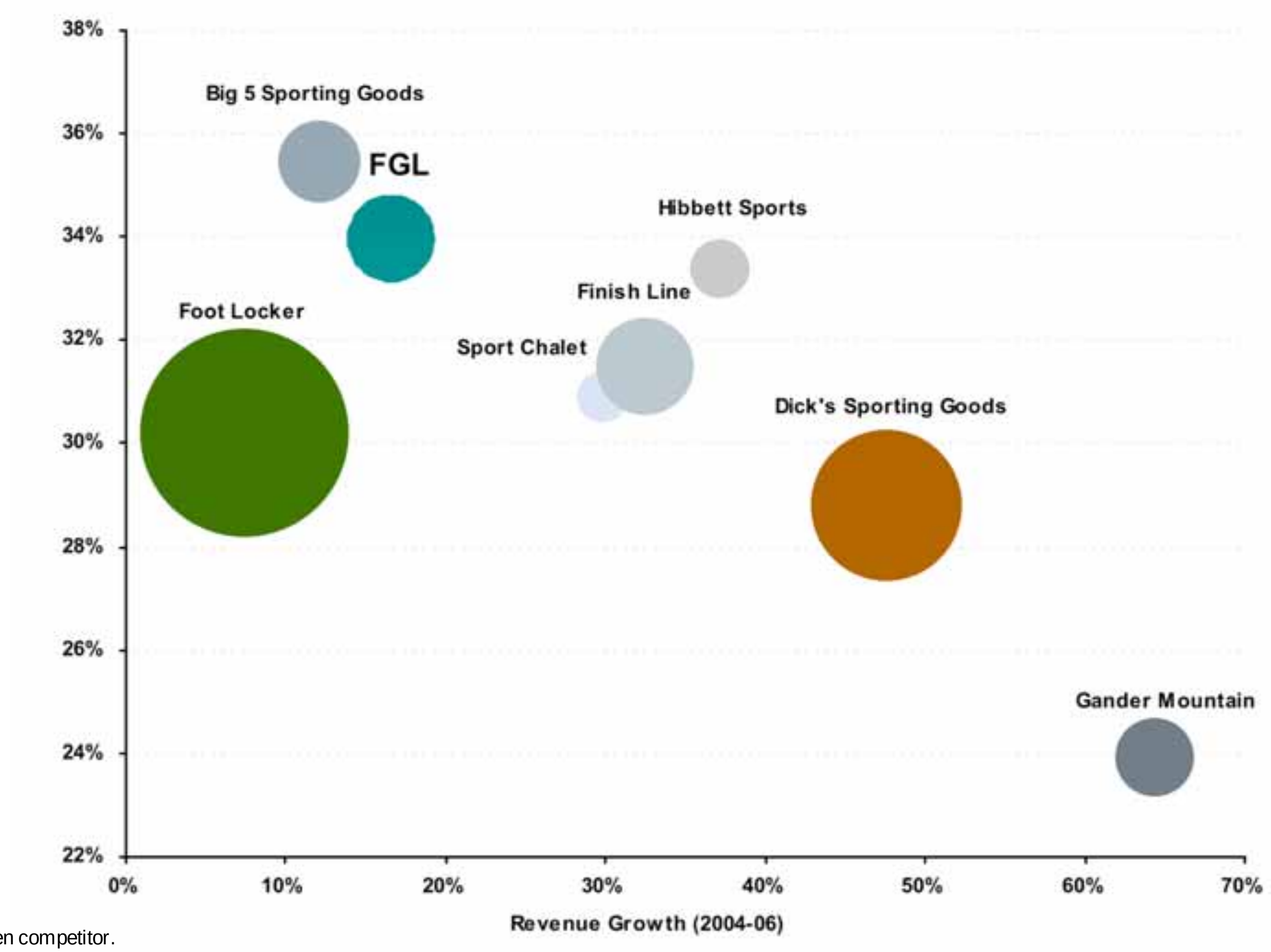
Competitors – Strategic Scorecard

	FGL	Mass Merchants	Department Stores	National Chains	Regional / Independents
Sporting Goods "Pure Play"	●	○	○	●	●
Broad Product Mix in Categories Offered	●	○	○	●	◐
Low Price Points	●	●	●	○	○
Service to the Customer	●	○	◔	●	●
Low Operating Costs	◕	●	●	○	○
Substantial Exclusivity in Product Mix	●	○	○	●	○
Targeted Banner Offering	●	○	○	○	○

Industry Overview

- FGL is near the top of its peer group in terms of consolidated gross margin performance.
- There are several high growth competitors in this retail space.

Peer Comparison (1)



(1) Bubble size depicts revenue for a given competitor.

Industry Overview

4. **Macro Industry Drivers**

Macro Drivers in the Sector

The industry is, broadly speaking, impacted by the following high level drivers:

- Innovation in product design (long-term impact).
- Innovation in technology (long-term impact).
- Sports participation at a junior level (long-term impact).
- Consumer disposable income (short and long-term impact).
- Weather conditions (short-term impact).

Growth, Margin Expansion and Efficiency Opportunities

1. **Organic Growth**

Growth, Margin Expansion and Efficiency Opportunities

Organic Growth Opportunities - Summary

- Improving Ontario store performance – Sport Chek and Sport Mart.
- Rolling out specialty banners.
- Increasing square footage at Sport Chek.
- Aggressively pursuing wholesale expansion.
- Becoming a true apparel retailer at Sport Chek.

Improving Ontario Store Performance

In Ontario, our newest market, sales per square foot are much improved, but still below the chain average. Initiatives to drive sales include:

- Programs to improve store level service;
- Specific marketing initiatives for Ontario;
- Key upcoming affiliations with professional sports teams in Ontario;
- Product mix adjustments.

Rolling Out Specialty Banners

- Stores are clustered.
- Potential identified for over 100 stores.
- Little cost infrastructure associated with growth.

Increasing Square Footage at Sport Chek

- Our best Sport Chek stores are in the 30,000 – 40,000 square foot range.
- We have so far identified 25 stores that would benefit from immediate expansion.

Aggressively Pursuing Wholesale Expansion

- With little investment, we have dramatically grown sales and profits.
- We are getting more aggressive with licenses and new territories.
- Potential for multi-year double digit growth exists.

Becoming a True Apparel Retailer at Sport Chek

- Great improvements made since ’05 in visual merchandising.

- More changes to come:

  - store design;
  - new fixturing for apparel;
  - “boutiquing” the brands;
  - getting apparel on the leaseline;
  - operational rethink or who we hire for apparel sales;
  - staffed change rooms;
  - better marketing of our apparel.

Growth, Margin Expansion and Efficiency

2. Existing Systems / Implementing New Systems

Growth, Margin Expansion and Efficiency Opportunities

Implementing New Systems

- **Project**
  – Conversion of National Sport and Sport Mart to the Sport Chek / Coast Mountain merchandise and precision retailing system.

- **Expected Outcome**
  – Strong improvement in replenishment & allocation.
  – Potential comparable store sales lift of 3% - 5%.
  – For Sport Chek and Coast Mountain Sports Fall ’07 is the first season of an integrated purchasing / allocation buy. This new system, we believe, will expand margin beyond levels already achieved in all of the company’s corporate banners.

Growth, Margin Expansion and Efficiency

3. **Simplifying and Standardizing the Business**

Growth, Margin Expansion and Efficiency Opportunities

Simplifying and Standardizing the Business

- National and Sport Mart have different buying, marketing and operation teams from Sport Chek / Coast Mountain.
- Their results are equivalent to the best in North America.
- Management wishes to standardize all business processes and take advantage of Sport Chek's expertise in merchandising and operations.
- This will raise the standards in the other banners to Sport Chek standards, likely boosting sales, margin, and stock turns.

Financial Review

Financial Review

Financial Highlights

Financial Summary ($MMs)

	F07 Year End	% of Rev	Q1 F07	Q1 F08	% Change	Q2 F07	Q2 F08	% Change
Retail Sales	$ 925,443	73.22%	$ 195,855	**$ 194,195**	(0.85%)	$ 208,188	**$ 212,107**	1.85%
Wholesale Sales	$ 338,512	26.78%	$ 84,579	**$ 100,363**	15.73%	$ 75,808	**$ 80,274**	5.56%
Total Revenue	$ 1,263,955	100.00%	$ 280,434	**$ 294,558**	4.79%	$ 283,996	**$ 292,381**	2.87%
Gross Margin	$ 451,592	35.73%	$ 90,144	**$ 98,038**	8.05%	$ 96,661	**$ 102,113**	5.34%
EBITDA	$ 107,260	8.49%	$ 12,828	**$ 14,459**	11.28%	$ 16,075	**$ 20,940**	23.23%
EBIT	$ 56,496	4.47%	$ 467	**$ 1,173**	60.19%	$ 3,689	**$ 8,554**	56.87%
Net Income	$ 35,217	2.79%	$ 294	**$ 739**	60.22%	$ 1,948	**$ 5,428**	64.11%
Diluted EPS	$ 1.04		$ 0.01	**$ 0.02**	50.0%	$ 0.06	**$ 0.16**	62.50%

	Q2 F07 Rolling 12 Months	Q2 F08 Rolling 12 Months	% Change
Retail Sales	$ 902,106	$ 927,702	2.8%
Wholesale Sales	$ 309,897	$ 358,762	13.6%
Total Revenue	$ 1,212,003	$ 1,286,464	5.8%
Gross Margin	$ 417,668	$ 464,938	10.2%
EBITDA	$ 89,446	$ 113,756	21.4%
EBIT	$ 41,158	$ 62,067	33.7%
Net Income	$ 25,739	$ 39,142	34.2%
Diluted EPS	$ 0.79	$ 1.15	31.3%

Questions & Answers