



FOR IMMEDIATE RELEASE
Friday, August 12, 2005

FOR FURTHER INFORMATION:

At the Company:
Terry Babilla, President and COO or
Bob Mitchell, CFO
972-484-9484

Sport Supply Group Reports Profitable Results For the Quarter Ended June 30, 2005

Dallas, Texas – Friday, August 12, 2005 - Sport Supply Group, Inc. (Pink Sheets: "SSPY.PK"), a leading manufacturer and distributor of sporting goods and physical education products, reported revenues of \$23.2 million and net income of \$621,000 for the quarter ended June 30, 2005. These results of operations compare to revenues of \$25.1 million and net income of \$1.3 million for the quarter ended June 30, 2004.

Terry Babilla, SSG's President and Chief Operating Officer, commented that "Although we are pleased to report another profitable quarter, we are disappointed with the decline in revenues. Approximately \$1 million of the decline in revenues was because SSG had 3 more shipping days in the quarter ended June 30, 2004 as compared to the quarter ended June 30, 2005. These additional shipping days resulted from SSG changing its fiscal year-end last year from a 52/53 week fiscal year ending on the last Friday in March of each year to March 31. Consequently, the quarter ending June 30, 2004 included a transition period from March 27, 2004 through March 31, 2004. In addition, during the quarter ended June 30, 2004, SSG shipped orders for the U.S. Government totaling approximately \$825,000 that did not recur in the quarter ended June 30, 2005.

Gross profit margins were down 1.2% as a percentage of revenues for the quarter, from 29.8% to 28.6%. The decline in gross profit as a percentage of revenues was principally due to lower revenues and increased freight costs. Base product margins were consistent with the same quarter last year.

Although selling, general and administrative expenses were down approximately \$75,000 during the quarter ended June 30, 2005, SSG incurred approximately \$200,000 in incremental legal fees related to a failed transaction with an unaffiliated third party during this quarter. The Company does not expect to incur these legal fees in future quarters.

No income tax provision is reflected in our income statement because we have net operating loss carryforwards of approximately \$19 million.

We are committed to continuing to focus our attention on establishing a profitable and scaleable operation. We believe we have stabilized our operating cost base and will now direct more strategic attention and resources to growing our revenues and margins in a very competitive market."

Sport Supply Group is a leading direct marketer and B2B e-commerce supplier of sporting goods and physical education equipment to the institutional and youth sports market place. Athletes, coaches and instructors in schools, colleges, universities, governmental agencies, camps and youth organizations across the country use our products.

(more)

This press release, other than the historical information, consists of "forward-looking statements" (as defined in the Private Securities Litigation Reform Act of 1995) which are identified by the use of words such as "believes", "expects", "projects", and similar expressions. While these statements reflect the Company's current beliefs and are based on assumptions that the Company believes are reasonable, they are subject to uncertainties and risks that could cause actual results to differ materially from anticipated results.

**SPORT SUPPLY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY STATEMENTS OF
OPERATIONS**

(Unaudited - amounts in \$000's, except earnings per share)

	Three Months Ended June	
	2005	2004
Net revenues	\$ 23,226	\$ 25,104
Cost of sales	16,574	17,625
Gross profit	6,652	7,479
Selling, general & administrative expenses	5,639	5,706
Depreciation & Amortization	345	418
Operating profit (loss)	668	1,355
Interest & other expense	47	59
Income (loss) before taxes	621	1,296
Provision for income taxes		
Net income (loss)	\$ 621	\$ 1,296
Earnings per share:		
Basic	\$ 0.070	\$ 0.145
Diluted	\$ 0.068	\$ 0.145
Shares Outstanding	8,917,211	8,917,211

**SPORT SUPPLY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED SUMMARY BALANCE SHEETS**

(Unaudited - amounts in \$000's)

	June 30, 2005	March 31, 2005
Cash and cash equivalents	\$ 864	\$ 1,137
Accounts receivable	10,827	13,792
Inventory	16,299	15,361
Current deferred taxes	1,257	1,257
Other current assets	350	447
Total current assets	29,597	31,994
Plant, property and equipment	5,518	5,769
Deferred catalog expenses	879	1,598
Noncurrent deferred tax assets	2,130	2,130
Trademarks	2,694	2,715
Other assets	311	351
Total assets	\$ 41,129	\$ 44,557
Current liabilities	\$ 9,224	\$ 13,130
Long term debt	2,867	3,010
Stockholder's equity	29,038	28,417
Total liabilities and equity	\$ 41,129	\$ 44,557

Please visit our website www.sportssupplygroup.com for financial and company information.