



FOR IMMEDIATE RELEASE
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FOR FURTHER INFORMATION:
At the Company:
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Sport Supply Group, Inc. Announces Operating Results for the Three and Twelve Months Ended June 30, 2006

Dallas, Texas – Monday, October 2, 2006 - Sport Supply Group, Inc. (Pink Sheets: SSPY.PK), a leading institutional sporting goods distributor, today announced operating results for the three and twelve month periods ended June 30, 2006.

Some highlights of the Company's operating results for the three and twelve months ended June 30, 2006 as compared to the three and twelve months ended June 30, 2005 are as follows:

Highlights for the three months ended June 30, 2006

- Revenue growth of 3.4% (\$24.0 million vs. \$23.2 million)
- Improvement in Gross Margins of 360 basis points (34.1% vs. 30.5%)
- Improvement in Gross Profit Dollars of \$1.1 million or 16% (\$8.2 million vs. \$7.1 million)
- Increased Operating Income by 171% (\$1.8 million vs. \$669,000)
- Increased Net Income by 168% (\$1.7 million vs. \$621,000)
- Increased basic earnings per share by 166% (\$.19 per share v. \$.07 per share)

Highlights for the twelve months ended June 30, 2006

- Revenue growth of 4.6% (\$92.2 million vs. \$88.1 million)
- Improvement in Gross Margins of 330 basis points (33.4% vs. 30.1%)
- Improvement in Gross Profit Dollars of \$4.3 million or 16% (\$30.8 million vs. \$26.5 million)
- Increased Operating Income by 225% (\$5.0 million vs. \$1.5 million)
- Increased Net Income by 223% (\$4.5 million vs. \$1.4 million)
- Increased basic earnings per share by 222% (\$.50 per share v. \$.16 per share)

Terry Babilla, the Company's President and Chief Operating Officer, commented, "We achieved significant improvement from the prior year in virtually all measures of financial performance for the three and twelve month periods ended June 30, 2006. Our results reflect organic revenue growth and significant improvements in margins, operating income, net income and earnings per share.

In addition to strong operating results, the Company's balance sheet is in excellent condition, with stockholders' equity increasing from \$29.0 million on June 30, 2005 to \$33.6 million on June 30, 2006. In addition, the Company has repaid all of its bank debt under its \$20 million line of credit and should be able to generate significant future cash savings because the Company's net deferred tax assets of approximately \$7.6 million (which include a \$4.3 Million valuation allowance) will be used to offset future income taxes."

Mr. Babilla concluded by stating that “we will continue to focus our attention on increasing our profitable revenues by improving our selling and marketing efforts, entering into strategic relationships, expanding our gross margins and eliminating unnecessary expenses through the use of technology.”

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 the Company’s products.

For more information about Sport Supply Group please visit www.sportsupplygroup.com

Financial Data Tables Follow

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

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

	Three Months Ended June		Twelve Months Ended June	
	2006	2005	2006	2005
Net revenues	\$ 24,008	\$ 23,226	\$ 92,179	\$ 88,109
Cost of sales	<u>15,822</u>	<u>16,140</u>	<u>61,381</u>	<u>61,604</u>
Gross profit	8,186	7,086	30,798	26,505
Selling, general & administrative expenses	<u>6,372</u>	<u>6,417</u>	<u>25,792</u>	<u>24,967</u>
Operating profit	1,814	669	5,006	1,538
Interest & other expense	<u>54</u>	<u>48</u>	<u>318</u>	<u>204</u>
Income before taxes	1,760	621	4,688	1,334
Provision for income taxes	97	--	216	--
Income from discontinued operations	--	--	--	50
Net income	<u>\$ 1,663</u>	<u>\$ 621</u>	<u>\$ 4,472</u>	<u>\$ 1,384</u>
Basic EPS	\$ 0.19	\$ 0.07	\$ 0.50	\$ 0.16
Diluted EPS	\$ 0.18	\$ 0.07	\$ 0.48	\$ 0.15
Weighted Shares OS				
Basic	8,964	8,917	8,953	8,917
Diluted	9,252	9,170	9,239	9,109

SPORT SUPPLY GROUP, INC. AND SUBSIDIARY
CONSOLIDATED SUMMARY BALANCE SHEETS

(Unaudited - amounts in 000's)

	June 30, 2006	June 30, 2005
Cash and cash equivalents	\$ 1,435	\$ 864
Accounts receivable	9,984	10,827
Inventory	18,083	16,299
Current deferred taxes	1,692	1,257
Deferred catalog expenses	1,086	879
Other current assets	<u>454</u>	<u>350</u>
Total current assets	32,734	30,476
Plant, property and equipment	4,599	5,518
Noncurrent deferred tax assets	1,640	2,130
Intangible assets	2,609	2,717
Other assets	<u>238</u>	<u>288</u>
Total assets	<u>\$ 41,820</u>	<u>\$ 41,129</u>
Current liabilities	\$ 8,218	\$ 9,224
Long term debt	--	2,867
Stockholder's equity	<u>33,602</u>	<u>29,038</u>
Total liabilities and equity	<u>\$ 41,820</u>	<u>\$ 41,129</u>