

GART SPORTS CO
Form S-4/A
June 20, 2003

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As filed with the Securities and Exchange Commission on June 20, 2003

Registration No. 333-104321

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

AMENDMENT NO. 2

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

GART SPORTS COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation
or Organization)

5941

(Primary Standard Industrial Classification
Code Number)

84-1242802

(I.R.S. Employer Identification Number)

**1050 W. Hampden Avenue
Englewood, Colorado 80110
(303) 200-5050**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Nesa E. Hassanein

Senior Vice President and General Counsel

Gart Sports Company

**1050 W. Hampden Avenue
Englewood, Colorado 80110
(303) 200-5050**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

with copies to:

**Brian Hoffmann
Richard D. Pritz
Clifford Chance US LLP
200 Park Avenue
New York, New York 10166
(212) 878-8000**

**John S. Fletcher
Morgan, Lewis & Bockius LLP
5300 Wachovia Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
(305) 415-3300**

**Approximate date of commencement of proposed sale to the public:
Upon the completion of the merger described herein.**

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

, 2003

Dear Fellow Stockholders:

We are pleased to inform you that Gart Sports Company and The Sports Authority, Inc. have entered into a merger agreement providing for a "merger of equals" that we believe will create the nation's preeminent sporting goods retailer.

In the merger, The Sports Authority's stockholders will receive 0.37 of a share of Gart common stock for each share of The Sports Authority common stock that they own. Based on the number of shares of The Sports Authority's common stock outstanding on June 18, 2003, 12,263,424 shares of Gart common stock will be issued in the merger. The number of shares of Gart common stock held by current Gart stockholders will not change as a result of the merger. Stockholders of Gart and The Sports Authority will each own approximately 50% of the combined company. Following the merger, the combined company's board of directors will consist of nine members, four designated by each of Gart and The Sports Authority from their current boards and one new director, currently unaffiliated with either company. The transaction is structured to be tax free to the stockholders of The Sports Authority and is expected to close in the third calendar quarter of 2003.

If the merger is completed, the combined company will be named The Sports Authority, Inc. Gart common stock is currently traded on the Nasdaq National Market under the symbol "GRTS." Gart has been cleared to apply to have the shares of the combined company listed on the New York Stock Exchange under the symbol "TSA." As of the effective time of the merger, Gart intends to list the shares of the combined company on the New York Stock Exchange and to delist Gart common stock from the Nasdaq National Market.

After careful consideration, the boards of directors of each of Gart and The Sports Authority have determined that the merger and the transactions associated with it are fair to, and in the best interests of, their respective companies and stockholders. The boards of directors of each of Gart and The Sports Authority have unanimously approved the merger, and unanimously recommend that their stockholders vote "FOR" the proposals relating to the merger.

Meetings of the stockholders of Gart and The Sports Authority are scheduled to be held on August 4, 2003. We cannot complete the merger without the approval of the holders of a majority of the outstanding shares of each of Gart and The Sports Authority.

Your vote is very important. Please promptly complete, date, sign and return the enclosed proxy card in the enclosed prepaid envelope to ensure that your shares will be represented at your stockholders meeting. If you do not vote, it will, in effect, be counted as a vote against the merger. Please review carefully the entire joint proxy statement/prospectus. **In particular, you should consider the matters discussed under the section entitled "Risk Factors," commencing on page 16 of the joint proxy statement/prospectus before voting.**

We look forward to the successful combination of Gart and The Sports Authority and to your continued support as a stockholder of the combined company.

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On behalf of the boards of directors of Gart and The Sports Authority, we urge you to vote "FOR" the approval of the proposals relating to the merger.

John Douglas Morton
Chairman of the Board, President
and Chief Executive Officer
Gart Sports Company

Martin E. Hanaka
Chairman of the Board and
Chief Executive Officer
The Sports Authority, Inc.

Your vote is important.

Please complete, sign, date and return your proxy.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated _____, 2003 and was first mailed to stockholders on or about _____, 2003.

Notice of 2003 Annual Meeting of Stockholders

We will hold an annual meeting of stockholders of Gart Sports Company at Gart's executive offices, located at 1050 W. Hampden Avenue, Englewood, Colorado 80110 at 8:00 a.m., local time, on August 4, 2003, to consider and vote upon the following:

1. A proposal to approve the issuance of shares of Gart common stock in the proposed merger of Gold Acquisition Corp., a wholly-owned subsidiary of Gart, with and into The Sports Authority, Inc., as contemplated by the Agreement and Plan of Merger, dated as of February 19, 2003, by and among Gart, Gold Acquisition Corp. and The Sports Authority.
2. A proposal to amend Gart's certificate of incorporation, effective upon consummation of the merger, to: (i) change its corporate name to "The Sports Authority, Inc."; and (ii) increase the number of authorized shares of Gart capital stock from 25,000,000 to 85,000,000, increase the number of authorized shares of Gart common stock from 22,000,000 to 75,000,000 and increase the number of authorized shares of Gart preferred stock from 3,000,000 to 10,000,000.
3. A proposal to elect seven directors of Gart to serve until the next annual meeting of stockholders or until his or her successor is elected and duly qualified. If the merger is consummated, Gart's board of directors will be reconstituted to consist of four designees of Gart and four designees of The Sports Authority. The reconstituted board will elect a ninth director currently unaffiliated with either company. See the section entitled "The Merger Agreement Covenants Post Merger Operations; Directors Designated by The Sports Authority to Serve on the Combined Company's Board of Directors," commencing on page 61 of this joint proxy statement/prospectus.
4. A proposal to adopt the Gart Sports Company 2003 Long-Term Incentive Compensation Plan.
5. A proposal to adopt the Gart Sports Company 2003 Performance Bonus Plan.
- 6.

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A proposal to approve the adjournment of the meeting, if necessary, to solicit additional proxies in favor of any of the proposals numbered 1 through 5 above.

7.

Any other business that properly comes before the meeting or any adjournments or postponements of the meeting.

The accompanying joint proxy statement/prospectus describes the proposed merger, the issuance of shares of Gart common stock, the amendment to Gart's certificate of incorporation, the Gart Sports Company 2003 Long-Term Incentive Compensation Plan, the Gart Sports Company 2003 Performance Bonus Plan and the other proposals in more detail. We encourage you to read the entire document carefully.

We have fixed the close of business on June 18, 2003 as the record date for the determination of our stockholders entitled to vote at the annual meeting.

Whether or not you expect to attend the annual meeting, to assure that your shares are represented at the annual meeting, please complete, date, sign and return the enclosed proxy card in the envelope that has been provided. No postage is required for mailing in the United States. If you are able to attend the meeting, you may revoke your proxy and vote your shares in person even if you have previously completed and returned the enclosed proxy card. Thank you for acting promptly.

By Order of the Board of Directors of
Gart Sports Company,

Nesa E. Hassanein
Secretary

Englewood, Colorado

, 2003

Notice of Special Meeting of Stockholders

We will hold a special meeting of stockholders of The Sports Authority, Inc. at The Sports Authority's corporate offices located at 3383 North State Road 7, Fort Lauderdale, Florida 33319 at 10:00 a.m., local time, on August 4, 2003, to consider and vote upon the following:

1. A proposal to adopt the Agreement and Plan of Merger, dated as of February 19, 2003, by and among Gart Sports Company, Gold Acquisition Corp. and The Sports Authority, Inc. and approve the merger of Gold Acquisition Corp., a wholly-owned subsidiary of Gart, with and into The Sports Authority.
2. A proposal to approve the adjournment of the meeting, if necessary, to solicit additional proxies in favor of the adoption of the merger agreement and approval of the merger.
3. Any other business that properly comes before the meeting or any adjournments or postponements of the meeting.

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The accompanying joint proxy statement/prospectus describes the proposed merger in more detail. We encourage you to read the entire document carefully.

We have fixed the close of business on June 18, 2003 as the record date for the determination of our stockholders entitled to vote at the special meeting.

Whether or not you expect to attend the special meeting, to assure that your shares are represented at the special meeting, please complete, date, sign and return the enclosed proxy card in the envelope that has been provided or vote your shares by using a touch-tone telephone or through the Internet, as explained on the proxy card. No postage is required for mailing in the United States. Voting by mail, by telephone or through the Internet will not prevent you from voting in person at the meeting. If you are able to attend the meeting, you may revoke your proxy and vote your shares in person even if you have previously completed and returned the enclosed proxy card or voted by telephone or through the Internet. Thank you for acting promptly.

By Order of the Board of Directors of
The Sports Authority, Inc.

Frank W. Bubb
Secretary

Fort Lauderdale, Florida

, 2003

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Sources of Additional Information

This joint proxy statement/prospectus incorporates important business and financial information about Gart and The Sports Authority from documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Gart Sports Company
1050 W. Hampden Avenue
Englewood, Colorado 80110
(303) 863-2293
Attn: Investor Relations

The Sports Authority, Inc.
3383 North State Road 7
Fort Lauderdale, Florida 33319
(945) 735-1701
Attn: Investor Relations

If you would like to request documents, please do so by July 28, 2003 in order to receive them before your stockholders meeting.

For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus and how you may obtain it, see the section entitled "Where You Can Find More Information," commencing on page 132 of this joint proxy statement/prospectus.

Questions and Answers

Q:

Why are the companies proposing to merge?

A:

We are proposing to merge because we believe that the combined company will be a stronger, more competitive company capable of achieving greater financial strength, earnings power and operational efficiencies due to greater economies of scale, improved purchasing ability and an expanded distribution network, sourcing capabilities, product expertise and growth potential. These synergies will enable the combined company to be a stronger, more efficient competitor, better able to serve customers by providing them with a broader selection of sporting goods at competitive prices. We also believe that the complementary geographical presence of our two companies will result in the combined company being the first truly national sporting goods retailer with a presence in many markets in the United States.

Please see the section entitled "The Merger and Related Transactions Gart's Reasons for the Merger," commencing on page 30 of this joint proxy statement/prospectus for Gart's reasons for the merger.

Please see the section entitled "The Merger and Related Transactions The Sports Authority's Reasons for the Merger," commencing on page 32 of this joint proxy statement/prospectus for The Sports Authority's reasons for the merger.

Q:

What do I need to do now?

A:

First, please carefully read this joint proxy statement/prospectus. Then, whether or not you expect to attend your stockholders meeting, please mail your completed and signed proxy card in the enclosed return envelope as soon as possible so that your shares may be

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represented at your stockholders meeting. Your proxy card must be received prior to your stockholders meeting in order for your shares to be voted at your stockholders meeting, unless you attend and vote at your stockholders meeting. The Sports Authority's stockholders may also vote their shares using a touch-tone telephone or through the Internet. Gart's stockholders may not vote their shares by telephone or through the Internet. If you are able to attend your stockholders meeting, you may revoke your proxy and vote your shares in person even if you have previously completed and returned the proxy card or voted by telephone or through the Internet. If you do not include instructions on how to vote your properly completed, signed and returned proxy card, your shares will be voted "FOR" approval of each of the proposals on the proxy card. For more information about how your shares will be voted at the special meeting of The Sports Authority and the annual meeting of Gart, as applicable, please see the sections entitled "The Annual Meeting of Gart's Stockholders" and "The Special Meeting of The Sports Authority's Stockholders," as applicable, commencing on pages 96 and 123 of this joint proxy statement/prospectus, respectively.

Q:

How can The Sports Authority's stockholders vote by telephone or through the Internet?

A:

You can vote with a touch-tone telephone by calling 1-800-PROXIES and following the instructions. You can vote through the Internet by accessing www.voteproxy.com and following the on-screen instructions. In either case, have your control number available. Your control number is printed on your proxy card.

Q:

How can The Sports Authority's stockholders vote their 401(k) Plan and Employee Stock Purchase Plan Shares?

A:

If you participate in The Sports Authority's 401(k) Savings and Profit Sharing Plan, you may vote The Sports Authority common stock allocated to your account (including unvested shares) as of the record date, which is June 18. You may vote by instructing CIGNA Bank and Trust Company, the trustee of this plan, to vote in accordance with the instructions for stockholders of record under "What do I need to do now?" above. If you do not give instructions, The Sports Authority

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common stock allocated to your account will be voted by the trustee in the same proportion that it votes shares for which it did receive timely instructions.

If you participate in The Sports Authority's Employee Stock Purchase Plan, you may vote your shares as if you owned them outside this plan by following the instructions for stockholders of record under "What do I need to do now?" above.

Q:

If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A:

Gart stockholders:

Brokers cannot vote your shares in respect of the Gart merger proposals (which are the proposals to issue Gart common stock in the merger and to amend Gart's certificate of incorporation effective upon consummation of the merger), the proposals to adopt the long-term incentive compensation plan and the performance bonus plan or an adjournment of the meeting, if necessary, to solicit additional proxies without instructions from you on how to vote. Therefore, it is important that you instruct your broker how to vote your shares. Brokers do, however, have discretion to vote your shares in respect of the election of directors even if they are not instructed how to vote.

A:

The Sports Authority stockholders:

Brokers cannot vote your shares in respect of The Sports Authority merger proposal (which is the proposal to adopt the merger agreement) or an adjournment of the meeting, if necessary, to solicit additional proxies without instructions from you on how to vote. Therefore, it is important that you instruct your broker how to vote your shares.

Q:

What happens if I do not vote?

A:

Gart stockholders:

If you fail to mail your proxy card, or if you fail to instruct your broker how to vote shares held for you in the broker's name, the effect will be the same as a vote against the proposal to issue Gart common stock in the merger, amend Gart's certificate of incorporation effective upon consummation of the merger, adopt the long-term incentive compensation plan and the performance bonus plan and approve an adjournment of the meeting, if necessary, to solicit additional proxies.

A:

The Sports Authority stockholders:

If you fail to mail your proxy card, or if you fail to instruct your broker how to vote shares held for you in the broker's name, the effect will be the same as a vote against the proposal to adopt the merger agreement and approve of the merger and approve an adjournment of the meeting, if necessary, to solicit additional proxies.

Q:

What do I do if I want to change my vote?

A:

If you want to change your vote, send the secretary of your company written notice of revocation or a later-dated, signed proxy card before your stockholders meeting, or attend the meeting and vote in person.

If your shares are held in the name of a broker or nominee, you may change your vote by submitting new voting instructions to your broker or nominee. You may not vote your shares in person at your stockholders meeting unless you obtain a signed proxy from the record holder giving you the right to vote your shares.

Q:

Should I send in my stock certificates now?

A:

Gart stockholders:

No. You will continue to hold your shares. No action will need to be taken by you with respect to your stock certificates.

A:

The Sports Authority stockholders:

No. After the merger is completed, we will send you written instructions for exchanging your stock certificates for Gart stock certificates.

Q:

What do I do if I have questions?

A:

Gart stockholders:

You should call Investor Relations at (303) 863-2293 with any questions about the merger.

A:

The Sports Authority stockholders:

You should call The Altman Group, The Sports Authority's proxy solicitation agent, at (800) 218-5608 with any questions about the merger.

Summary

This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. You should read carefully this entire joint proxy statement/prospectus and the other documents referred to in this document for a more complete understanding of the merger. For a guide as to where you can obtain more information about Gart and The Sports Authority, see the section entitled "Where You Can Find More Information," commencing on page 132 of this joint proxy statement/prospectus.

The Companies

GART SPORTS COMPANY

1050 West Hampden Avenue
Englewood, Colorado 80110
(303) 200-5050
www.gartsports.com

Gart, headquartered in Englewood, Colorado, is the largest publicly held full-line sporting goods retailer in the Western United States. Gart's business strategy is to provide its customers with an extensive selection of high-quality, brand name merchandise at competitive prices with a high level of customer service. Gart operated 180 stores in 25 states as of May 3, 2003 under the Gart Sports, Sportmart and Oshman's names. Gart's business was established in 1928 and it was incorporated in Delaware in 1993. Gart operates through its wholly-owned subsidiaries, Gart Bros. Sporting Goods Company, Sportmart, Inc. and Oshman's Sporting Goods, Inc. Gart's retail websites, located at www.gartsports.com, www.sportmart.com and www.oshmans.com, are operated by GSI Commerce Solutions, Inc. under a license and e-commerce agreement.

THE SPORTS AUTHORITY, INC.

3383 North State Road 7
Fort Lauderdale, Florida 33319
(954) 735-1701
www.thesportsauthority.com

The Sports Authority is the largest full-line sporting goods retailer in the United States. The Sports Authority's strategy is to offer its customers extensive selections of competitively priced, quality, brand name sporting goods, including athletic footwear and apparel, with a focus on customer service through multiple channels, and to establish clear leadership in existing markets through focused growth. At May 3, 2003, The Sports Authority operated 204 stores in 33 states. An additional 42 "The Sports Authority" stores are operated in Japan by Mega Sports Co., Ltd. under a license agreement. Mega Sports is a joint venture between The Sports Authority and AEON Co., Ltd., a major Japanese retailer that owns 9.2% of The Sports Authority's outstanding common stock. The Sports Authority owns 19.9% of Mega Sports and AEON owns the remaining 80.1%. The Sports Authority's retail website, located at www.thesportsauthority.com, offers an internet based shopping alternative augmenting The Sports Authority's store presence and is operated by GSI Commerce Solutions, Inc. under a license and e-commerce agreement.

What you Will Receive in the Merger (Page 59)

Gart stockholders:

After the merger, each currently outstanding share of Gart common stock will remain outstanding.

The Sports Authority stockholders:

In the merger, each share of The Sports Authority common stock will be exchanged for 0.37 of a share of Gart common stock. Cash will be paid in lieu of fractional shares.

Ownership of Gart After the Merger (Page 59)

Following the consummation of the merger, the current stockholders and optionholders of Gart and The Sports Authority will each own approximately 50% of the then outstanding shares of Gart common stock on a fully diluted basis.

Board Recommendations (Pages 30, 32)

Gart stockholders:

Gart's board of directors believes that the merger is in your best interests and unanimously recommends that Gart's stockholders vote "FOR" approval of the issuance of shares of Gart common stock in the merger and the amendment to Gart's certificate of incorporation. Gart's board of directors also unanimously recommends that Gart's stockholders vote "FOR" the election of the seven nominees for Gart's board of directors listed in this joint proxy statement/prospectus, the adoption of the long-term incentive compensation plan and the performance bonus plan and the approval of an adjournment of the meeting, if necessary, to solicit additional proxies.

The Sports Authority stockholders:

The Sports Authority's board of directors believes that the merger is in your best interests and unanimously recommends that The Sports Authority's stockholders vote "FOR" the adoption of the merger agreement and the approval of the merger. The Sports Authority's board of directors also unanimously recommends that the Sports Authority's stockholders vote "FOR" the approval of an adjournment of the meeting, if necessary, to solicit additional proxies.

Opinions of Financial Advisors (Pages 34, 41)

In connection with the merger, Banc of America Securities LLC delivered a written opinion to Gart's board of directors to the effect that, as of the date of the opinion and based upon and subject to the assumptions and limitations set forth therein, the exchange ratio in the proposed merger was fair, from a financial point of view, to Gart. The full text of Banc of America Securities' written opinion is attached to this document as Annex C. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, the assumptions made, the matters considered and the limitations on the review undertaken in providing the opinion. **Banc of America Securities' opinion is addressed to Gart's board of directors, and does not constitute a recommendation to any stockholder as to how to vote with respect to any matter relating to the merger.**

In connection with the merger, Credit Suisse First Boston LLC delivered a written opinion to The Sports Authority's board of directors to the effect that, as of the date of the opinion and based upon and subject to the matters stated in the opinion, the exchange ratio provided for in the merger was fair, from a financial point of view, to the holders of The Sports Authority common stock. The full text of Credit Suisse First Boston's written opinion is attached to this document as Annex D. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, the assumptions made, the matters considered and the limitations on the review undertaken in providing the opinion. **Credit Suisse First Boston's opinion is addressed to The Sports Authority's board of directors and does not constitute a recommendation to any stockholder with respect to any matter relating to the merger.**

Vote Required for Approval of the Merger; Record Date for Voting (Pages 96, 123)

Gart stockholders:

The holders of a majority of the shares of Gart common stock present in person or represented by proxy at Gart's annual meeting must approve the issuance of Gart common stock in the merger and the holders of a majority of the outstanding shares of Gart common stock entitled to vote at Gart's

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annual meeting, whether or not present at the meeting, must approve the amendment to Gart's certificate of incorporation. Gart's stockholders are entitled to cast one vote per share of common stock owned by them as of Gart's record date which is June 18, 2003. Based on the number of shares of Gart common stock outstanding on June 18, 2003, Gart's directors and executive officers and their affiliates, as a group, beneficially owned an aggregate of 520,292 shares of Gart common stock (excluding shares subject to options and 3,113,200 shares held by Green Equity Investors, L.P.), which would represent approximately 4.4% of all outstanding shares of Gart common stock entitled to vote at Gart's annual meeting.

The Sports Authority stockholders:

The holders of a majority of the outstanding shares of The Sports Authority common stock entitled to vote at The Sports Authority's special meeting, whether or not present at the meeting, must adopt the merger agreement. The Sports Authority's stockholders are entitled to cast one vote per share of common stock owned by them as of The Sports Authority's record date, which is June 18, 2003. Based on the number of shares of The Sports Authority common stock outstanding as of June 18, 2003, The Sports Authority's directors and executive officers and their affiliates, as a group, beneficially owned an aggregate of 929,662 shares of The Sports Authority common stock (excluding shares subject to options and deferred shares), which would represent approximately 2.8% of all outstanding shares of The Sports Authority common stock entitled to vote at The Sports Authority's special meeting.

Stockholder's Agreement (Page 69)

Green Equity Investors, L.P., which holds approximately 26% of the outstanding shares of Gart common stock, has agreed to vote all of its shares in favor of, among other things, the issuance of Gart common stock in the merger and the amendment to Gart's certificate of incorporation. We often refer to Green Equity Investors, L.P., a private equity investment fund, and its affiliates as Leonard Green in this joint proxy statement/prospectus.

Executive Officers and Directors to Vote in Favor of the Merger Proposals (Pages 97, 124)

The executive officers and directors of Gart have advised that they intend to vote their shares in favor of the proposals to issue Gart common stock in the merger and amend Gart's certificate of incorporation effective upon consummation of the merger.

The executive officers and directors of The Sports Authority have advised that they intend to vote their shares in favor of the proposal to adopt the merger agreement and approve the merger.

Conditions to the Completion of the Merger (Page 65)

Gart and The Sports Authority will complete the merger only if a number of conditions are satisfied or waived, including, but not limited to, the following:

approval of the merger proposals by the stockholders of Gart and The Sports Authority;

absence of any legal restraint;

Gart's entering into a credit facility providing a specified level of financing (or a lesser amount mutually acceptable to Gart and The Sports Authority);

each party's receipt of legal opinions that the merger will be treated as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which condition will not be waived after receipt of stockholder approval unless further stockholder approval is obtained with appropriate disclosure); and

absence of a material adverse effect on the other party, accuracy of the representations made by the other party and performance of covenants by the other party.

Termination of the Merger Agreement (Page 66)

Gart and The Sports Authority mutually may agree to terminate the merger agreement at any time. In addition, either party may terminate the merger agreement if:

the merger is not completed by December 31, 2003;

a court order prohibiting the merger becomes final and nonappealable, or a required governmental approval is not obtained;

Gart's or The Sports Authority's stockholders do not approve the merger proposals;

the other party is in breach of any of its representations, warranties, covenants or other agreements contained in the merger agreement, and the breach would give rise to the failure of a condition to the merger and has not been or is incapable of being cured within 30 days after the breaching party received written notice of the breach; or

in response to an unsolicited proposal to acquire a party, that party's board determines that the unsolicited proposal is more favorable to the party than the merger, gives notice to the other party and pays the required termination fee.

Termination Fees (Page 67)

In circumstances set forth in the merger agreement, Gart or The Sports Authority may become obligated to pay a \$7.4 million termination fee upon the termination of the merger agreement. Additionally, in other circumstances set forth in the merger agreement, Gart or The Sports Authority may become obligated to reimburse the other for up to a maximum of \$3.7 million of out-of-pocket fees and expenses of the other party upon the termination of the merger agreement.

Directors and Executive Officers of the Combined Company Following the Merger (Page 61)

Following the merger, the combined company's board of directors will consist of nine directors, composed of four designees of Gart from its current board of directors and four designees of The Sports Authority from its current board of directors. The reconstituted board will appoint a ninth member who is not currently affiliated with either company.

Following the merger, Martin E. Hanaka, the current chairman and chief executive officer of The Sports Authority, will serve as chairman of the combined company; Doug Morton, the current chairman, president and chief executive officer of Gart, will become the combined company's vice chairman and chief executive officer; Elliott Kerbis, the current president and chief merchandising officer of The Sports Authority, will become president and chief merchandising officer of the combined company; and Thomas Hendrickson, executive vice president, chief financial officer and treasurer of Gart, will become non-director vice chairman, chief administrative officer, chief financial officer and treasurer of the combined company.

The rest of the management team of the combined company will consist of executives of both Gart and The Sports Authority.

Material Federal Income Tax Consequences of the Merger (Page 54)

Gart and The Sports Authority have each received opinions of counsel to the effect that the exchange of shares of The Sports Authority common stock for shares of Gart common stock will not cause holders of The Sports Authority common stock to recognize gain or loss for U.S. federal income tax purposes (except for gain or loss recognized because of cash received in lieu of fractional shares). The opinions will be delivered again at the closing of the merger. It is a condition to each company's obligation to complete the merger that they receive these

opinions of counsel. If Gart and The Sports Authority waive the condition relating to the tax opinions and the U.S. federal income tax

consequences to Gart or The Sports Authority's stockholders are materially different from those described in this joint proxy statement/prospectus, each of Gart and The Sports Authority will recirculate a joint proxy statement/prospectus and resolicit the approval of its stockholders prior to proceeding with completion of the merger. Holders of Gart common stock will not recognize gain or loss as a result of the merger.

Tax matters are very complicated and holders of The Sports Authority common stock are strongly urged to consult their tax advisors as to the specific tax consequences to them of the merger, including the applicability and effect of federal, state, local, foreign and other applicable tax laws that relate to their particular circumstances.

Regulatory Filings and Approvals (Page 55)

The completion of the merger is subject to the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Gart and The Sports Authority both made the required filings with the Department of Justice and the Federal Trade Commission on March 3, 2003 and the waiting period expired on April 2, 2003.

Interests of Certain Persons in the Merger (Page 46)

When considering the recommendation of Gart's and The Sports Authority's boards of directors, you should be aware that directors, officers and stockholders of Gart and The Sports Authority have interests in the merger that are different from, or in addition to, yours. Two of Gart's current directors are partners in Leonard Green, which will be paid \$4.25 million by Gart upon the completion of the merger in accordance with the terms of a management agreement that Gart entered into with that partnership in 1998. The Sports Authority's and Gart's executive officers have executed or will execute employment agreements with Gart, which will become effective upon completion of the merger. Some of The Sports Authority's directors, officers and employees who hold stock options and/or shares of restricted stock pursuant to existing plans will, in accordance with the provisions of those existing plans, receive benefits upon completion of the merger, including accelerated vesting of those stock options and/or shares of restricted stock. The Sports Authority's executive officers will receive severance payments after the merger is consummated, even if their employment is not terminated after the merger. The Sports Authority's directors and officers will also receive indemnification and liability insurance benefits from Gart pursuant to the merger agreement. Executive officers of Gart that are party to severance agreements with Gart will, in accordance with such agreements, receive severance payments if their employment is terminated without cause after the merger is consummated.

The board of directors of each of Gart and The Sports Authority was aware of these interests and considered them in making their recommendations.

No Dissenters' or Appraisal Rights (Page 57)

Under Delaware law, no dissenters' or appraisal rights are available to Gart's or The Sports Authority's stockholders in connection with the merger.

Trading of Gart Common Stock (Page 56)

Gart common stock is currently traded on the Nasdaq National Market under the symbol "GRTS." In the merger agreement, Gart agreed to change its name to "The Sports Authority, Inc." and to use its reasonable best efforts to cause the common stock of the combined company to be listed on the New York Stock Exchange under the symbol "TSA" as of or prior to the effective time of the merger. Gart has been cleared to apply to list the common stock of the combined company on the New York Stock Exchange. As of the effective time of the merger, Gart intends to list the common stock of the combined company, including the shares of Gart common stock issued by Gart in connection with the merger, on the New York Stock Exchange and to delist the Gart common stock from the Nasdaq National Market.

Risk Factors (Page 16)

In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, you should carefully consider the factors discussed in the section entitled "Risk Factors," commencing on page 16 of this joint proxy statement/prospectus in deciding whether to vote in favor of the merger proposals.

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Gart Selected Consolidated Financial Data

The selected consolidated financial data presented below for each of the fiscal years in the five-year period ended February 1, 2003 are derived from Gart's audited consolidated financial statements for each of the fiscal years in the five-year period ended February 1, 2003. The selected consolidated financial data presented below for the quarters ended May 3, 2003 and May 4, 2002 are derived from Gart's unaudited financial statements. This data should be read in conjunction with Gart's consolidated annual and quarterly financial statements, the accompanying notes, and the sections of Gart's annual and quarterly reports entitled, "Management's Discussion and Analysis of Financial Condition and Results of Operations," all of which have been filed with the Securities and Exchange Commission and incorporated into this joint proxy statement/prospectus by reference.

Gart's 2002 fiscal year began on February 3, 2002 and ended on February 1, 2003 and included 52 weeks of operations, Gart's 2001 fiscal year began on February 4, 2001 and ended on February 2, 2002 and included 52 weeks of operations, Gart's 2000 fiscal year began on January 30, 2000 and ended on February 3, 2001 and included 53 weeks of operations. Gart's 1999 fiscal year began on January 31, 1999 and ended on January 29, 2000 and included 52 weeks of operations. Gart's 1998 fiscal year began on February 1, 1998 and ended on January 30, 1999 and included 52 weeks of operations.

The results for Gart's 2001 fiscal year are not comparable to the other periods presented, due to the inclusion of Oshman's results of operations, since June 7, 2001, the date of acquisition. The results for Gart's 2000 fiscal year, although it includes a fifty-third week of operations, and Gart's 1999 and 1998 fiscal years are considered comparable to each other. For more information on how you may obtain these documents, see the section entitled "Where You Can Find More Information," commencing on page 132 of this joint proxy statement/prospectus.

	13 Weeks Ended		Fiscal Year Ended				
	May 3, 2003	May 4, 2002	February 1, 2003	February 2, 2002	February 3, 2001	January 29, 2000	January 30, 1999
(Dollars in thousands, except share and per share amounts)							
STATEMENT OF OPERATIONS DATA:							
Net sales	\$ 228,432	\$ 244,976	\$ 1,051,244	\$ 935,717	\$ 751,124	\$ 680,995	\$ 658,047
Cost of goods sold, buying, distribution and occupancy	(170,851)	(183,523)	(776,340)	(696,296)	(559,778)	(517,405)	(503,379)
Gross profit	57,581	61,453	274,904	239,421	191,346	163,590	154,668
Operating expenses	(53,518)(8)	(54,766)	(228,982)	(204,429)	(164,541)	(150,684)	(144,948)
Merger integration costs				(12,490)			(6,045)
Operating income	4,063	6,687	45,922	22,502	26,805	12,906	3,675
Interest expense	(2,015)	(2,760)	(9,166)	(10,981)	(11,670)	(10,916)	(9,580)
Other income, net	2,041(9)	284	1,043	2,030	556	779	302
Income (loss) before income taxes	4,089	4,211	37,799	13,551	15,691	2,769	(5,603)
	100(10)	(1,621)	(14,632)	(5,285)	7,405	(996)	2,185

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	13 Weeks Ended			Fiscal Year Ended			
Income tax benefit (expense)							
Net income (loss)	\$ 4,189(11)	\$ 2,590	\$ 23,167	\$ 8,266(1)	\$ 23,096(5)	\$ 1,773	\$ (3,418)(7)
Basic earnings (loss) per share	\$ 0.35(11)	\$ 0.24	\$ 1.97	\$ 0.86(1)	\$ 3.13(5)	\$ 0.23	\$ (0.45)(7)
Weighted average shares of common stock outstanding	11,870,335	10,843,225	11,766,983	9,598,553(2)	7,380,529	7,632,696	7,676,816
Diluted earnings (loss) per share	\$ 0.34(11)	\$ 0.22	\$ 1.86	\$ 0.80(1)	\$ 2.99(5)	\$ 0.23	\$ (0.45)(7)
Weighted average shares of common stock and common stock equivalents outstanding	12,428,405	11,783,817	12,427,086	10,315,785	7,729,601	7,701,427	7,676,816

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	13 Weeks Ended		Fiscal Year Ended				
	May 3, 2003	May 4, 2002	February 1, 2003	February 2, 2002	February 3, 2001	January 29, 2000	January 30, 1999
(Dollars in thousands)							
OTHER DATA:							
Number of stores at beginning of period	181	179	179	120	127	125	123
Number of stores opened or acquired		1	9	64(3)		7	6
Number of stores closed	(1)		(7)	(5)(4)	(7)	(5)	(4)
Number of stores at end of period	180	180	181	179	120	127	125
Total gross square feet at end of period	7,355,232	7,280,270	7,468,628	7,215,591	4,517,122	4,600,738	4,361,335
Comparable store sales increase (decrease)(6)	(8.8)%	5.5%	0.0%	(0.9)%	6.4%	(0.6)%	(4.5)%
Depreciation and amortization	\$ 6,026	\$ 5,685	\$ 23,836	\$ 20,746	\$ 14,776	\$ 13,892	\$ 11,826
BALANCE SHEET DATA (at end of period):							
Working capital	213,240	189,672	\$ 171,799	\$ 142,563	\$ 113,324	\$ 104,853	\$ 94,439
Total assets	579,521	562,305	540,240	536,630	335,949	344,085	335,119
Long-term debt	162,742	194,657	121,147	158,474	95,900	105,900	100,000
Stockholders' equity	202,864	143,223	198,580	135,509	88,886	65,894	63,466

(1)

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Amount includes the effect of \$7.6 million, net of tax, or \$0.74 per diluted share of one-time merger integration costs associated with the acquisition of Oshman's.

- (2) Gart acquired Oshman's on June 7, 2001. This transaction involved the issuance of 3.4 million shares of Gart common stock.
- (3) Includes 58 Oshman's stores acquired on June 7, 2001.
- (4) Includes four Oshman's stores acquired on June 7, 2001.
- (5) Amount includes the effect of a one-time tax benefit of \$13.5 million associated with the reversal of tax asset valuation allowances. Excluding this benefit and utilizing statutory tax rates, Net Income would have been \$9.6 million and Basic and Diluted Earnings Per Share would have been \$1.30 and \$1.24, respectively.
- (6) New stores enter the comparable store sales base at the beginning of their 14th full month of operation. The Oshman's stores that met the criteria above were included in the comparable store sales base beginning August 4, 2002, the beginning of the 14th full month of operations since the date of acquisition by Gart.
- (7) Amount includes the effect of \$3.7 million, net of tax, or \$0.48 per diluted share of one-time merger integration costs associated with the acquisition of Sportmart.
- (8) Includes a non-recurring expense of \$1.5 million, including attorneys fees and expenses, related to the settlement of two wage and hour lawsuits in California.
- (9) Includes non-recurring interest income of \$1.9 million related to the settlement of a tax dispute with our former parent.
- (10) Includes a non-recurring tax benefit of \$1.7 million related to the settlement of a tax dispute with our former parent.
- (11) Includes \$1.9 million of non-recurring income, after tax, associated with the non-recurring settlements described above and the associated tax benefits.

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The Sports Authority Selected Consolidated Financial Data

The table below sets forth The Sports Authority's summary historical consolidated financial data. The Sports Authority has prepared the annual statement of income data and balance sheet data using The Sports Authority's audited consolidated financial statements for the 52 weeks ended February 1, 2003, the 52 weeks ended February 2, 2002, the 53 weeks ended February 3, 2001, the 53 weeks ended January 29, 2000, and the 52 weeks ended January 24, 1999. The quarterly statement of income and balance sheet data has been prepared using The Sports Authority's unaudited consolidated financial statements for the thirteen weeks ended May 3, 2003 and May 4, 2002.

When you read this summary historical data, it is important that you read it along with the historical consolidated annual and quarterly financial statements and related notes in The Sports Authority's annual and quarterly reports, as well as the sections of The Sports Authority's annual and quarterly reports entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," all of which have been filed with the Securities and Exchange Commission and incorporated into this joint proxy statement/prospectus by reference. For more information on how you may obtain these documents, see the section entitled "Where You Can Find More Information," commencing on page 132 of this joint proxy statement/prospectus.

13 Weeks Ended		Fiscal Year Ended(1)				
May 3, 2003	May 4, 2002	February 1, 2003	February 2, 2002	February 3, 2001	January 29, 2000	January 24, 1999

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13 Weeks Ended

Fiscal Year Ended(1)

(in thousands, except per share data)

Statement of Income Data:

Sales	\$ 339,058	\$ 353,478	\$ 1,426,874	\$ 1,415,552	\$ 1,485,839	\$ 1,492,860	\$ 1,599,660
Gross margin	90,856	94,815	396,599	386,799	395,761	360,564	390,959
License fee income	1,169	1,004	4,804	3,446	2,748	1,829	841
Selling, general and administrative expenses	88,538	92,355	371,590	360,788	366,092	394,963	410,730
Pre-opening expense	671	525	1,734	5	2,131	1,609	11,194
Goodwill amortization						1,963	1,963
Store exit costs	359		1,740	5,553	2,763	8,861	39,446
Store and corporate restructuring	627			800		(700)	3,930
Impairment of long-lived assets			2,679			88,751	13,457
Operating income (loss)	1,830	2,939	23,660	23,099	27,523	(133,054)	(88,920)
Interest, net	(1,028)	(1,235)	(4,590)	(13,332)	(20,744)	(15,287)	(11,965)
Gain on sale of investment securities				2,538			
Gain on deconsolidation of joint venture						5,001	
Income (loss) before income taxes, extraordinary gain and accounting change	802	1,704	19,070	12,305	6,779	(143,340)	(100,885)
Income tax benefit (expense)(2)	(313)		40,599			(22,721)	35,028
Minority interest							2,066
Income (loss) before extraordinary gain and accounting change	489	1,704	59,669	12,305	6,779	(166,061)	(63,791)
Extraordinary gain, net of tax				548	18,647	5,517	
Cumulative effect of accounting change				(503)			
Net income (loss)	489	1,704	59,669	12,350	25,426	(160,544)	(63,791)
Basic earnings (loss) per common share:							
Income (loss) before extraordinary gain	\$ 0.01	\$ 0.05	\$ 1.82	\$.38	\$.21	\$ (5.19)	\$ (2.01)
Extraordinary gain, net of tax				.02	.57	.17	
Cumulative effect of accounting change				(.02)			
Net income (loss)	\$ 0.01	\$ 0.05	\$ 1.82	\$.38	\$.78	\$ (5.02)	\$ (2.01)
Diluted earnings (loss) per common share:							
Income (loss) before extraordinary gain	\$ 0.01	\$ 0.05	\$ 1.75	\$.37	\$.21	\$ (5.19)	\$ (2.01)
Extraordinary gain, net of tax				.02	.57	.17	
Cumulative effect of accounting change				(.02)			
Net income (loss)	\$ 0.01	\$ 0.05	\$ 1.75	\$.37	\$.78	\$ (5.02)	\$ (2.01)

	13 Weeks Ended		Fiscal Year Ended(1)				
	May 3, 2003	May 4, 2002	February 1, 2003	February 2, 2002	February 3, 2001	January 29, 2000	January 24, 1999
Other Data:							
Stores at end of period	204	199	205	198	198	203	226
Comparable store sales increase (decrease)(3)	(5.7)%	3.9%	(0.3)%	(3.0)%	1.5%	(3.4)%	(3.7)%
Weighted average sales per square foot	\$ 38.46	\$ 41.36	\$ 164	\$ 165	\$ 175	\$ 172	\$ 177
Depreciation and amortization (in thousands)	8,488	9,918	38,987	41,663	40,840	46,908	47,921
Balance Sheet Data End of Period: (in thousands)							
Working capital(4)	\$ 187,140	\$ 181,933	\$ 181,826	\$ 188,738	\$ 160,200	\$ 62,102	\$ 30,545
Total assets	641,009	624,284	609,008	601,157	662,547	643,003	897,454
Long-term debt	128,719	167,381	121,425	179,333	205,100	126,029	173,248
Stockholders' equity	217,815	157,412	216,877	155,123	142,317	116,110	272,912

(1) The fiscal years ended February 3, 2001 and January 29, 2000 consisted of 53 weeks. All other fiscal years shown each consisted of 52 weeks.

(2) For the fiscal year ended February 1, 2003 (fiscal 2002), The Sports Authority recorded a tax benefit of \$40.6 million due to the reversal of the valuation allowance on 100% of its federal deferred tax assets and a portion of its state deferred tax assets. Exclusive of the benefit in fiscal 2002 and a \$2 million tax provision on an extraordinary gain on debt repurchased in fiscal 2000, The Sports Authority recorded no income tax provision in fiscal years 2002, 2001 or 2000 due to the utilization of net operating loss carryforwards and the net reversal of other tax deductible differences to offset taxable income.

(3) Reflects comparable store sales, excluding sales from stores closed in the respective fiscal years. (See Management's Discussion and Analysis of Financial Condition and Results of Operations.) A store is considered comparable in its thirteenth full month of operation.

(4) The higher levels of working capital beginning in fiscal 2000 reflects the reclassification of borrowings under our Credit Facility from short-term to long-term based on an amendment to the facility in August 2000.

Selected Unaudited Pro Forma Combined Financial Data

The following table presents Gart's selected unaudited pro forma combined financial data, which are derived from the unaudited pro forma combined condensed financial statements that are presented elsewhere in this joint proxy statement/prospectus. See the section entitled "Unaudited Pro Forma Combined Condensed Financial Statements," commencing on page 75 of this joint proxy statement/prospectus. The data has been prepared giving effect to the merger under the purchase method of accounting with Gart as the acquiror. This information should be read in conjunction with the unaudited pro forma combined condensed financial statements and related notes. The selected unaudited pro forma combined financial data is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have been achieved had the merger been completed as of the dates indicated or that may be achieved in the future.

Statement of Operations Data:

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	52 Weeks Ended February 1, 2003	13 Weeks Ended May 3, 2003
	(dollars in thousands, except per share amounts)	(dollars in thousands, except per share amounts)
Net sales	\$ 2,480,162	\$ 569,269
Operating income	68,509	5,967
Net income	\$ 32,498	\$ 2,773
Earnings per share		
Basic earnings per share	\$ 1.35	\$ 0.11
	<hr/>	<hr/>
Diluted earnings per share	\$ 1.29	\$ 0.11
	<hr/>	<hr/>
Weighted average shares of common stock outstanding		
Basic	24,037,992	24,141,344
	<hr/>	<hr/>
Diluted	25,153,639	25,043,955
	<hr/>	<hr/>

Balance Sheet Data

	As of May 3, 2003
	(dollars in thousands)
Working capital	\$ 347,521
Total assets	1,286,523
Long-term debt	315,946
Stockholders' equity	411,538

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Comparative Per Share Data

The following table shows, as of and for the quarter ended May 3, 2003 and the fiscal year ended February 1, 2003, (1) the historical net income and book value per share of Gart common stock and the historical net income and book value per share of The Sports Authority common stock in comparison with the unaudited pro forma combined net income and book value per share after giving effect to Gart's proposed merger with The Sports Authority and (2) the equivalent historical net income and book value per share attributable to 0.37 of a share of Gart common stock, which will be received for each share of The Sports Authority common stock.

The historical book value per share data is computed by dividing stockholders' equity by the number of shares of Gart common stock or The Sports Authority common stock in each case outstanding at the end of each period. The pro forma book value per share data is computed by dividing pro forma stockholder's equity by the pro forma number of shares of Gart common stock outstanding for the period ended May 3, 2003. The Sports Authority's equivalent pro forma combined net income per share and book value per share amounts are calculated by multiplying Gart's pro forma combined net income per share and book value by 0.37, the exchange ratio used in the merger.

The following information should be read in conjunction with (1) the separate historical consolidated financial statements and related notes of Gart and The Sports Authority incorporated by reference in this joint proxy statement/prospectus and (2) the unaudited pro forma combined condensed financial information and related notes of the combined company commencing on page 75 of this joint proxy statement/prospectus and the selected consolidated financial data of each of Gart and The Sports Authority commencing on pages 9 and 11, respectively, of this joint proxy statement/prospectus. The pro forma information is presented for illustrative purposes only, and is not necessarily indicative of the operating results or financial position that would have occurred if the merger with The Sports Authority had been completed as of the beginning

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of the earliest period presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. No cash dividends have been declared or paid on Gart common stock or The Sports Authority common stock for the last five fiscal years of each company.

	Gart		Gart Pro Forma Combined	
	13 weeks ended May 3, 2003	52 weeks ended February 1, 2003	13 weeks ended May 3, 2003	52 weeks ended February 1, 2003
Net Income Per Share				
Basic:	\$ 0.35	\$ 1.97	\$ 0.11	\$ 1.35
Diluted:	\$ 0.34	\$ 1.86	\$ 0.11	\$ 1.29
Book Value Per Share	\$ 17.08	\$ 16.73	\$ 17.04	(2)

	The Sports Authority		The Sports Authority Equivalent Pro Forma Combined	
	13 weeks ended May 3, 2003	52 weeks ended February 1, 2003	13 weeks ended May 3, 2003	52 weeks ended February 1, 2003
Net Income Per Share				
Basic:	\$ 0.01	\$ 1.82(1)	\$ 0.04	\$ 0.50
Diluted:	\$ 0.01	\$ 1.75(1)	\$ 0.04	\$ 0.48
Book Value Per Share	\$ 6.58	\$ 6.58	\$ 6.30	(2)

(1) The Sports Authority net income per basic and diluted share amounts include a tax benefit in the amount of approximately \$40.6 million, or \$1.24 and \$1.19 per basic and diluted share, respectively.

(2) Pro forma book value per share amounts at February 1, 2003 are not presented as a pro forma balance sheet at February 1, 2003 is not presented.

Comparative Per Share Market Price Data

Gart common stock is currently traded on the Nasdaq National Market under the symbol "GRTS." The Sports Authority common stock is traded on the New York Stock Exchange under the symbol "TSA."

The following table sets forth the closing prices per share of Gart common stock and the closing sales prices per share of The Sports Authority common stock, as reported on the Nasdaq National Market and the New York Stock Exchange, respectively, on (1) February 19, 2003, the business day preceding the public announcement that Gart and The Sports Authority had entered into the merger agreement and (2) June 19, 2003, the last full trading day for which closing sales prices were available at the time of the filing of this joint proxy statement/prospectus.

The table also includes the equivalent price per share of The Sports Authority common stock on those dates. This equivalent price per share was calculated by multiplying the closing sales price of Gart common stock on those dates by the exchange ratio of 0.37.

Gart Common Stock Closing	The Sports Authority	The Sports Authority's
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	Sales Price	Common Stock Closing Sales Price	Equivalent Price per Share
February 19, 2003	\$ 14.94	\$ 5.51	\$ 5.53
June 19, 2003	\$ 29.28	\$ 10.65	\$ 10.83

Stockholders are urged to obtain current market quotations.

In the merger agreement, Gart has agreed to change its name to "The Sports Authority, Inc." and to use its reasonable best efforts to cause the common stock of the combined company to be listed on the New York Stock Exchange. Gart has been cleared to apply to list the common stock of the combined company on the New York Stock Exchange under the symbol "TSA," and as of the effective time of the merger, Gart intends to list the common stock of the combined company on the New York Stock Exchange and to delist its common stock from the Nasdaq National Market.

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Risk Factors

Both the merger and an investment in Gart common stock involve a high degree of risk. By voting in favor of the merger, The Sports Authority's current stockholders will be choosing to invest in Gart common stock, and Gart's current stockholders will be choosing to combine The Sports Authority's business with Gart's business and to dilute their percentage ownership interest in Gart. In addition to the other information contained in, or incorporated by reference into, this joint proxy statement/prospectus, you should consider carefully the following risk factors in deciding whether to vote in favor of the merger or the related issuance of shares of Gart common stock and amendment to Gart's certificate of incorporation.

Risks Related to the Merger

The number of shares of Gart common stock to be received by The Sports Authority's stockholders in the merger will not be adjusted for changes in the market price of Gart common stock or The Sports Authority common stock.

In the merger, The Sports Authority's stockholders will receive 0.37 of a share of Gart common stock in exchange for each share of The Sports Authority common stock. This exchange ratio is a fixed number and will not be adjusted for subsequent changes in the market price of either Gart common stock or The Sports Authority common stock. Neither party may terminate the merger agreement solely because of changes in the market price of Gart common stock or The Sports Authority common stock. Consequently, the specific dollar value of Gart common stock to be received by The Sports Authority's stockholders will depend on the market value of Gart common stock at the time of completion of the merger. The merger may not be completed immediately following the special meeting of The Sports Authority's stockholders if all conditions have not been satisfied or waived. We cannot assure you that the value of the Gart common stock that The Sports Authority's stockholders will receive in the merger will not decline before or after the completion of the merger.

Integration of Gart and The Sports Authority may be difficult and expensive to achieve.

The merger involves the integration of companies that have previously operated independently. The integration will be a complex, time consuming and expensive process and may materially harm Gart's and The Sports Authority's respective businesses if not completed in a timely and efficient manner. We may not be able to integrate the operations of our companies without encountering difficulties, including possible unanticipated costs, failure to retain key employees, the diversion of management attention or failure to integrate our information systems. Due to the location of the combined company's headquarters in Colorado, a significant number of the members of The Sports Authority's management team will not remain with the combined company. As a result, the combined company may lose some historical knowledge of The Sports Authority's operations and business. In addition, following the merger, the combined company may not realize the increased revenues and cost savings that Gart and The Sports Authority expect to achieve or that would justify the investment made.

Gart's and The Sports Authority's officers and directors have conflicts of interest that may have influenced them to support or approve the merger.

Gart's and The Sports Authority's officers and directors participate in arrangements that provide them with interests in the merger that are different from, or in addition to, yours. The board of directors of each of Gart and The Sports Authority was aware of these interests and considered them in approving the merger agreement and the merger. Gart's stockholders and The Sports Authority's stockholders should consider, however, whether these interests may have influenced these officers and directors to support or approve the merger. You should read more about these interests under the

section entitled "The Merger and Related Transactions Interests of Certain Persons in the Merger," commencing on page 46 of this joint proxy statement/prospectus.

Uncertainties associated with the merger may cause Gart and The Sports Authority to lose key personnel.

Gart's and The Sports Authority's current personnel may experience uncertainty about their future roles with the combined company. This uncertainty may adversely affect The Sports Authority's and Gart's ability to attract and retain key personnel. If we cannot attract and retain key personnel, our ability to effectively manage our operations could be significantly reduced. Additionally, our ability to successfully integrate the two companies may be adversely affected if a significant number of Gart's or The Sports Authority's key personnel depart before or after the completion of the merger, which would adversely affect the combined company's business and results of operations.

The costs of the merger could adversely affect combined financial results.

We estimate that we will incur, in addition to costs already incurred in connection with the merger, direct transaction costs of approximately \$54 million in connection with the merger, including approximately \$25 million in connection with severance payments, approximately \$19 million in connection with third-party advisors and printing fees and approximately \$10 million in connection with costs of relocating current employees of The Sports Authority to Colorado. In addition, Gart has established a reserve of approximately \$42 million in connection with stores that the parties expect to close. If the benefits of the merger do not exceed the costs associated with the merger, including any dilution to the stockholders of both companies resulting from the issuance of shares in connection with the merger, the combined company's financial results, including earnings per share, could be adversely affected.

Risks Related to Gart and The Sports Authority

Except as otherwise specified, the following risk factors relate to the businesses of each of Gart and The Sports Authority prior to the merger. If the merger is not completed for any reason, each company expects to continue to be subject to such risks, in addition to other risks to which each company is subject. If the merger is completed, the combined company will be subject to the risks of each of Gart and The Sports Authority.

Intense competition in the sporting goods industry could limit our growth and reduce our profitability.

The sporting goods retail market is highly fragmented and intensely competitive. Our current and prospective competitors include many large companies that have substantially greater market presence, name recognition, financial, marketing and other resources than we do separately or on a combined basis. We compete directly or indirectly with the following categories of companies:

full-line sporting goods retailers;

traditional sporting goods stores and chains;

specialty sporting goods retailers and pro shops;

mass merchandisers, warehouse clubs, discount stores and department stores; and

catalog and Internet-based retailers.

Increased competition in markets in which we have stores, the adoption by competitors of innovative store formats, pricing strategies and retail sale methods, or the entry of new competitors or the expansion of operations by existing competitors in our markets could cause us to lose market share, limit our growth and reduce our profitability.

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If we are unable to predict or react to changes in consumer demand, our sales may decline and we may be required to take significant markdowns in inventory.

Our success depends on our ability to anticipate and respond in a timely manner to changing consumer demand and preferences regarding sporting goods. Our products must appeal to a broad range of consumers whose preferences cannot be predicted with certainty and are subject to change. Additionally, we often make commitments to purchase products from our vendors several months in advance of the proposed delivery. If we misjudge the market for our merchandise, we may lose sales or we may overstock unpopular products, which may require us to take significant inventory markdowns. In either case, our revenues and profit margins could significantly decline and our business and financial results may suffer.

We sell products that expose us to a greater risk of product liability and infringement claims, and our insurance may not be sufficient to cover damages related to those claims. Additionally, The Sports Authority faces claims in Illinois relating to its sale of handguns before 1999.

We may be subject to lawsuits resulting from injuries associated with the use of sporting goods equipment that we sell or rent. Among other things, Gart sells long guns, handguns and air pistols and The Sports Authority sells long guns and air pistols (and prior to 1999, handguns), which are products that are associated with an increased risk of injury and related lawsuits.

The Sports Authority is one of thirty-three named defendants, including firearms manufacturers and retailers, in City of Chicago and County of Cook v. Beretta U.S.A. Corp. et al., Circuit Court of Cook County, Illinois. This suit was served on The Sports Authority in November 1998. The complaint was based on legal theories of public nuisance and negligent entrustment of firearms and alleged that the defendants distributed, marketed and sold firearms in the portion of Cook County outside Chicago that were found illegally in Chicago. The complaint sought damages allocated among the defendants exceeding \$433 million to compensate the City of Chicago and Cook County for their alleged costs resulting from the alleged public nuisance. The complaint also sought punitive damages and injunctive relief imposing additional regulations on the methods the defendants use to distribute, market and sell firearms in Cook County. In February 2000, the court dismissed the complaint's negligent entrustment count. The plaintiffs filed an amended complaint with the court's permission in March 2000, which contained both the public nuisance and negligent entrustment counts. In September 2000, the court granted the motions of the defendants to dismiss the amended complaint, in its entirety, with prejudice. In October 2000, the plaintiffs appealed to the Appellate Court of Illinois, First Judicial District, but did not pursue the negligent entrustment issue. On November 4, 2002, the Appellate Court reversed the dismissal of the amended complaint and remanded the case to the trial court for further proceedings on the public nuisance issue. On November 25, 2002, The Sports Authority filed a petition for rehearing with the Appellate Court, which was denied on March 7, 2003. On March 27, 2003, The Sports Authority joined in the petition for leave to appeal to the Illinois Supreme Court by the other defendants of the Appellate Court's decision reversing the trial court's dismissal of the amended case. The Sports Authority is currently unable to predict the outcome of this case.

There is a risk that claims or liabilities with respect to lawsuits will exceed our insurance coverage. Additionally, we may be unable to purchase adequate liability insurance in the future. Although we have entered into product and infringement liability indemnity agreements with many of our vendors, we cannot assure you that we will be able to collect payments sufficient to offset product liability losses. Furthermore, we are subject to regulation by the Consumer Product Safety Commission and similar state regulatory agencies. If we fail to comply with government and industry safety standards, we may be subject to claims, lawsuits, fines and adverse publicity that could have a material adverse effect on our business and results of operations.

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If our suppliers and distributors do not provide us with sufficient quantities of products, or if conditions in any of the foreign countries where they source merchandise adversely change, we may not be able to offer competitively priced merchandise or the quantities or assortment that our customers demand.

Gart purchases merchandise from over 1,000 vendors and The Sports Authority purchases merchandise from over 625 vendors, some of which are the same as Gart's vendors. In fiscal 2002, purchases from Nike represented approximately 11.2% of Gart's total purchases and

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approximately 12.7% of The Sports Authority's total purchases. Although purchases from no other vendor represented more than 10% of the total purchases of either Gart or The Sports Authority, our dependence on our principal suppliers involves risk. We do not have long-term agreements with our suppliers and cannot guarantee that we will be able to maintain our relationships with them. If there is a disruption in supply from a principal supplier or distributor, we may be unable to obtain the merchandise that we desire to sell and that consumers desire to purchase. Moreover, many of our suppliers provide us with incentives, such as return privileges, volume purchasing allowances and cooperative advertising allowances. A decline or discontinuation of these incentives could reduce our profits.

Additionally, we believe that a significant portion of the products that we purchase, including those purchased from domestic suppliers, are manufactured abroad. Government regulations, political unrest, war, changes in local economic or labor conditions, trade issues or interruptions or delays in imports could disrupt or delay shipments of merchandise to our stores and cause shortages in our inventory and a decline in our sales. If one or more of these factors occur, our business and financial results could suffer.

Our business is seasonal, and our annual results are highly dependent on the success of our holiday selling season.

Our business is highly seasonal in nature. Our highest sales and operating profitability historically occurs during the fourth fiscal quarter, which is due, in part, to the holiday selling season and, in part, in the case of Gart, to its strong sales of cold weather sporting goods and apparel. Fourth quarter sales comprised approximately 30.1% of Gart's net sales and approximately 50.1% of Gart's operating income for the 2002 fiscal year, and approximately 27.2% of The Sports Authority's net sales and approximately 56.6% of The Sports Authority's operating income for the 2002 fiscal year. Any decrease in our fourth quarter sales, whether because of a slow holiday selling season, poor snowfall in ski areas near our markets (principally in the case of Gart), or otherwise, could have a material adverse effect on our business, financial condition and operating results for the entire fiscal year.

A downturn in the economy could significantly reduce our revenues.

Sales of sporting goods historically depend on consumers' discretionary spending. An economic downturn in any of our major markets, or in general, could reduce consumer spending on discretionary items that could adversely impact our revenues and cause our business and financial results to suffer.

General economic conditions are beyond our control and are affected by:

the impact of an economic recession;

unemployment trends;

interest rates and inflation;

consumer and commercial credit availability;

consumer debt levels;

geopolitical uncertainty;

tax rates and tax policy;

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the impact of natural disasters; and

other factors that influence consumer confidence and spending.

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Increasing volatility in financial markets may cause the above factors to change with an even greater degree of frequency and magnitude.

The combined company will have a significant amount of debt that could adversely affect its business and growth prospects.

The combined company, on a pro forma combined basis, would have had approximately \$316 million of long-term debt at May 3, 2003. The combined company intends to enter into a new credit facility at the completion of the merger that will provide for loans of up to \$600 million. This debt could have significant adverse effects on the business of the combined company. This debt:

makes it more difficult for the combined company to obtain additional financing on favorable terms;

requires the combined company to dedicate a substantial portion of its cash flows from operations to the repayment of its debt and the interest on its debt;

limits the combined company's ability to capitalize on significant business opportunities; and

makes the combined company more vulnerable to economic downturns.

If the combined company is unable to generate sufficient cash flows from operations in the future, it may have to refinance all or a portion of its debt and/or obtain additional financing. We cannot assure you that refinancing or additional financing on favorable terms could be obtained or that the combined company will be able to operate at a profit.

Additionally, the credit facility to be entered into upon consummation of the merger is likely to impose on the combined company, operating and financial restrictions that may impair its ability to respond to changing business and economic conditions or to grow its business.

Our business depends on our ability to satisfy our labor needs. Additionally, Gart faces wage and hour litigation, which, if determined adversely against it, could have an adverse impact on its financial performance.

Many of our employees are in entry-level or part-time positions that historically have high rates of turnover. We may be unable to satisfy our labor needs and control our costs due to external factors such as unemployment levels, minimum wage legislation and wage inflation. If general economic conditions improve, it may be more difficult to attract and retain quality employees. As a result, our business may suffer.

In addition, in June 2000 a former employee of Sportmart brought two class action complaints in California against Gart alleging several wage and hour claims in violation of the California Labor Code, California Business and Professional Code Section 17200 and other related matters. One complaint alleges that Gart classified certain managers in its California stores as exempt from overtime pay when they should have been classified as non-exempt and paid overtime. The second complaint alleges that Gart failed to pay hourly employees in its California stores for all hours worked. In March 2001, a third class action complaint was filed in the same court in California alleging the same wage and hour violations regarding classification of certain managers as exempt from overtime pay. In July 2001, a fourth complaint was filed alleging that store managers should also not be classified as employees exempt from overtime pay. All the complaints seek unspecified amounts of compensatory damages, punitive damages and penalties. Gart expects to settle such litigation, but there is no definitive settlement agreement. If no settlement agreement is signed and approved and if substantial damages

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are awarded, Gart's, and after the merger the combined company's financial results and liquidity may suffer.

Gart is subject to an income tax contingency that could have an adverse impact on its liquidity.

Under the terms of Gart's tax sharing agreement with its former parent, Gart is responsible for its share, on a separate return basis, of any tax liabilities associated with proposed deficiencies or adjustments and related interest and penalties charged to the controlled group that may arise as a result of an assessment by the Internal Revenue Service.

On July 24, 1997, the Internal Revenue Service proposed adjustments to Gart's and its former parent's (now Thrifty Payless Holdings, Inc., a subsidiary of Rite Aid Corporation) 1992 and 1993 consolidated federal income tax returns, in conjunction with an Internal Revenue Service

examination of Gart's former parent. The proposed adjustments relate to the manner in which last-in first-out inventories were characterized on these tax returns. On November 1, 2002, in order to eliminate the accrual of additional interest on taxes owed to the Internal Revenue Service, Gart entered into an agreement with the Internal Revenue Service pursuant to which Gart paid the Internal Revenue Service taxes of \$1.1 million and interest of \$0.5 million. The tax liability settled under the agreement was recorded as a reduction of the long-term deferred tax liability that had been established previously in relation to this matter. In fiscal 2002, Gart utilized approximately \$20.0 million of net operating loss carry forwards to reduce taxable income in connection with its agreement with the Internal Revenue Service. Gart believes this to be a full and complete settlement of all its separate return issues under review by the Internal Revenue Service. However, the agreement between Gart and the Internal Revenue Service is subject to approval by the Joint Committee of Taxation. If this approval is not granted, Gart could be subject to further liabilities in respect of this matter, which may reduce Gart's, and after the merger, the combined company's, liquidity. In addition, Gart reached a settlement with its former parent under the tax sharing agreement during the quarter ended May 3, 2003. As a result, Gart will receive, on a net basis, approximately \$4.4 million of interest and taxes from its former parent. The interest of \$1.9 million is recorded in other income, and the taxes to be received are recorded as an income tax benefit of \$1.7 million, and a deferred tax liability of \$0.8 million for the 13 weeks ended May 3, 2003. The settlement did not result in the acceleration of the payment of the remaining \$3.3 million tax liability associated with this matter and as such, this amount remains recorded as a long term deferred tax liability. This settlement is subject to approval by the Joint Committee of Taxation of the settlement reached by Gart's former parent with the Internal Revenue Service. Gart believes that this settlement will be approved by the Joint Committee of Taxation, which will result in a full and complete settlement of its former parent's tax return issues under review by the Internal Revenue Service in relation to this matter. If this approval is not granted, Gart would have to adjust the amounts that it recorded in connection with its settlement with its former parent with respect to the 13 weeks ended May 3, 2003. Any such adjustment of these amounts could reduce Gart's, and after the merger the combined company's, earnings per share.

Terrorist attacks or acts of war may seriously harm our business.

Terrorist attacks or acts of war may cause damage or disruption to us and our employees, facilities, information systems, vendors, and customers, which could significantly impact our net sales, costs and expenses, and financial condition. The threat of terrorist attacks in the United States since September 11, 2001 continue to create many economic and political uncertainties. The potential for future terrorist attacks, the national and international responses to terrorist attacks, and other acts of war or hostility may cause greater uncertainty and cause our business to suffer in ways that we currently cannot predict. The military action taken by the United States and its allies against the government of Iraq could have a short or long term negative economic impact upon the financial markets and our business in general. In addition, events such as those referred to above could cause or

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contribute to a general decline in equity valuations, which in turn could reduce the market value of your investment in the combined company.

Because an equity owner of a significant stockholder of Gart is a member of the board of directors of one of Gart's and The Sports Authority's competitors, there may be conflicts of interest.

Leonard Green currently holds approximately 26% of the outstanding common stock of Gart, and also holds approximately 29% of the outstanding common stock of Big 5 Sporting Goods, one of Gart's and The Sports Authority's competitors. Jonathan D. Sokoloff and Jonathan A. Seiffer, equity owners of Leonard Green, both previously served on Big 5 Sporting Goods' board of directors and currently serve on Gart's board of directors. After the consummation of the merger, Leonard Green's ownership interest in Gart will be reduced from approximately 26% to approximately 13% and only Mr. Sokoloff will serve on Gart's board of directors. John G. Danhagl, also an equity owner of Leonard Green, currently serves on the board of directors of Big 5 Sporting Goods. Leonard Green does not have formal procedures to prohibit Messrs. Seiffer, Sokoloff and Danhagl from sharing information about Gart and Big 5 Sporting Goods with each other. Messrs. Seiffer, Sokoloff and Danhagl may have conflicts of interest with respect to various matters affecting Gart and The Sports Authority, including the pursuit of business opportunities presented to Leonard Green. Leonard Green does not have procedures in place that are designed to resolve conflicts arising in connection with its investments in entities that compete with each other. All potential conflicts may not be resolved in a manner that is favorable to us. We believe that it is impossible to predict the precise circumstances under which future potential conflicts may arise, and, therefore, we intend to address potential conflicts on a case-by-case basis.

Anti-takeover provisions may prevent stockholders from realizing a premium return.

Anti-takeover provisions in the combined company's certificate of incorporation and bylaws may deter unfriendly offers or other efforts to obtain control over the combined company. These anti-takeover provisions, among other things:

allow the combined company's board of directors to issue "blank check" preferred stock without stockholder approval, and establish the rights, including voting rights, preferences and limitations of the preferred stock;

establish advance notice requirements for stockholder nominations to the board of directors or for stockholder proxy proposals;

permit the board of directors to increase its own size and fill the resulting vacancies through a majority vote of directors, even if less than a quorum; and

require that mergers and other business combinations with certain interested stockholders, including any holder of 10% or more common stock, be approved by a supermajority of the holders of common stock that are not interested in the transaction.

Section 203 of the Delaware General Corporate Law also imposes restrictions on mergers and other business combinations between the combined company and any holder of 15% or more of the combined company's common stock.

These measures could make the combined company less attractive to a potential acquiror and deprive stockholders of the opportunity to sell their common stock at a premium price.

Our quarterly operating results may fluctuate substantially, which may adversely affect our business and the market price of our common stock, particularly if our quarterly results fall below the expectations of securities analysts.

Our sales and results of operations have fluctuated in the past and may vary from quarter to quarter in the future. These fluctuations may adversely affect our business, financial condition and the market price of our common stock, particularly if our quarterly results fall below the expectations of securities analysts. A number of factors, many of which are outside our control, may cause variations in our quarterly net sales and operating results, including:

changes in consumer demand for the products that we offer in our stores;

pre-opening costs associated with new stores;

costs related to the closures of existing stores;

litigation;

changes in merchandise mix;

sales and promotional events sponsored by our competitors; and

general economic conditions.

The stock price of each of Gart and The Sports Authority has been and may remain volatile, and the value of our common stock may decline as a result of this volatility.

The market price of the common stock of Gart and The Sports Authority has been in the past, and may in the future be, subject to wide fluctuations in response to factors such as:

fluctuations in quarterly operating results;

announcements, by us or our competitors, of actual or expected financial results, significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;

changes in recommendations or financial estimates by securities analysts;

conditions and trends in the sporting goods industry; and

general conditions in the economy or the financial markets.

Additionally, in recent years, the stock market has experienced significant price and volume fluctuations, which are often unrelated to the performance or condition of particular companies. Such broad market fluctuations could adversely affect the market price of our common stock. Following periods of volatility in the market price of a particular company's securities, securities class action litigation has often been brought against a company. If we become subject to this kind of litigation in the future, it could result in substantial litigation costs, damages awards against us, and the diversion of our management's attention and resources.

The loss of key executives could have a material adverse effect on our business.

Our future success depends on the continued services of our senior management, particularly John Douglas Morton, who will be the combined company's vice chairman and chief executive officer, and Martin E. Hanaka, who will be the combined company's chairman. Any loss or interruption of the services of our senior management could significantly reduce our ability to effectively manage our operations and implement our key initiatives because we cannot assure you that we would be able to find appropriate replacements for our senior management should the need arise. If we were to lose any key senior management, our business could be materially adversely affected.

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We rely on our information systems to operate our business and if our information systems fail to adequately perform these functions, our businesses and financial results could be adversely affected.

The efficient operation of our business is dependent on the successful integration and operation of our information systems. In particular, we rely on our information systems to effectively manage our sales, warehousing, distribution, merchandise planning and replenishment and to optimize our overall inventory levels. Most of our information systems are centrally located at our respective headquarters, with offsite backup at other locations. Our major retail and financial information systems use compatible software, hardware and operating system environments. However, some versions of the software programs, the manner in which they are configured and the business processes used to operate them are different. Also, some of The Sports Authority's systems have not been fully implemented and require additional configuration, testing and user training before they become fully operational. Systems integration issues are complex, time-consuming and expensive. The failure to successfully integrate our information systems or their failure to perform as we anticipate could disrupt our business, lead to unanticipated costs, adversely affect our revenues and cause our business and financial results to suffer.

A disruption in the operation of our distribution centers would affect our ability to deliver merchandise to our stores, which could adversely impact our revenues and harm our business and financial results.

Most of our merchandise is shipped by our vendors to a limited number of distribution centers. Our distribution centers receive and allocate merchandise to our stores. Events such as fire or other catastrophic events, any malfunction or disruption of our centralized information systems or shipping problems may result in delays or disruptions in the timely distribution of merchandise to our stores, which could adversely impact our revenues and our business and financial results.

The Sports Authority is in the process of starting up a new distribution center in Burlington, New Jersey. The ability of The Sports Authority to successfully operate this new regional distribution center will depend on the successful integration of its warehouse management systems. In addition, the success of this and other supply chain initiatives is heavily dependent on the implementation and consistent execution of new processes and the use of new systems capabilities by The Sports Authority's merchandising and supply chain personnel. The Sports Authority's new distribution center may not enable it to improve the flow of merchandise to its stores or improve its inventory management.

Cautionary Statement Concerning Forward-Looking Statements

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain, in addition to historical information, forward-looking statements that involve risks and uncertainties, including all statements other than statements of historical fact. Because these forward-looking statements involve risks and uncertainties, the actual results of Gart, The Sports Authority and the combined company could differ materially from those expressed or implied by the forward-looking statements in this joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus. You should specifically consider those factors discussed in the section entitled "Risk Factors," commencing on page 16 of this joint proxy statement/prospectus and the other cautionary statements made in this joint proxy statement/prospectus. The cautionary statements made in this joint proxy statement/prospectus should be read as being applicable to all related forward-looking statements wherever they appear in this joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus.

The Merger and Related Transactions

Background of the Merger

Gart and The Sports Authority are both participants in the retail sporting goods industry and, accordingly, members of the senior management of Gart and The Sports Authority have been familiar with each other for several years. From time to time they have had preliminary discussions regarding a possible business combination of Gart and The Sports Authority.

During August and September 2002, investment banking firms separately contacted Gart and The Sports Authority and suggested several possible strategic and financing transactions, including the possibility of a combination of Gart and The Sports Authority. In September 2002, Credit Suisse First Boston, financial advisor to The Sports Authority, had telephone conversations with representatives of Leonard Green (which owns approximately 26% of Gart's shares) regarding a possible combination of Gart and The Sports Authority.

In October 2002, while at an industry association board meeting, John Douglas Morton, Gart's chief executive officer, and Martin E. Hanaka, The Sports Authority's chief executive officer, again raised the possibility that Gart and The Sports Authority might explore a business combination.

During October and November 2002, Banc of America Securities, financial advisor to Gart, and Credit Suisse First Boston held several discussions on behalf of Gart and The Sports Authority regarding a possible business combination of the two companies. Gart, through Banc of America Securities, proposed a "merger of equals" of Gart and The Sports Authority that would result in 50% of Gart's fully diluted common stock being owned by its current stockholders and 50% by current stockholders of The Sports Authority. It was The Sports Authority's position that its stockholders should receive a premium. The financial advisors also discussed on behalf of their clients additional terms of the possible transaction, including that following the merger the combined company's board of directors would consist of an equal number of directors chosen by each of Gart and The Sports Authority and that the combined company would be headquartered in Englewood, Colorado and be named "The Sports Authority." They also discussed that Mr. Hanaka would be the chairman of the board, Mr. Morton would be the chief executive officer and other members of senior management of the combined company would be chosen from existing management of Gart and The Sports Authority. The financial advisors noted that any agreement on these issues would depend on several factors, including due diligence, the negotiation of financial terms and transaction documents and approval by the companies' respective boards.

On November 1, 2002, The Sports Authority's board of directors reviewed and discussed with Credit Suisse First Boston the preliminary discussion that had taken place between Credit Suisse First Boston and Banc of America Securities. Credit Suisse First Boston reviewed with The Sports Authority's board the preliminary financial aspects relating to the proposed transaction, including a review of each company's stock prices, the relative contribution of each company to the proposed combined company and terms of other similar transactions, as well as strategic and transaction-related issues that the board should consider. The Sports Authority's board discussed these matters and the appropriate next steps, and concluded that The Sports Authority, through Credit Suisse First Boston, should continue to engage in discussions with Banc of America Securities about a possible transaction with Gart.

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On November 20, 2002, the board of directors of The Sports Authority met again with Credit Suisse First Boston, which presented the proposals described above to the board and provided an analysis of the proposals. After extensive discussion, The Sports Authority's board authorized Credit Suisse First Boston to continue discussions with Gart.

On November 25, 2002, the companies executed a confidentiality agreement and agreed to meet to discuss a possible business combination.

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On November 26, 2002, Gart's board of directors held a meeting to discuss the potential business combination with The Sports Authority. At the meeting, Gart's management informed the board of activities being undertaken in connection with the possible transaction and presented the proposals described above to the board. Following a discussion of the issues, the board authorized management to proceed with discussions regarding a combination with The Sports Authority.

On December 4, 2002, senior management of the two companies, together with representatives of Banc of America Securities and Credit Suisse First Boston, met to continue discussions of a possible transaction, including an overview of their respective businesses and a schedule for conducting due diligence.

On December 6, 2002, Gart and The Sports Authority executed an exclusivity letter in which both parties agreed that they would not negotiate a business combination with any third parties through January 15, 2003 or any earlier termination of discussions.

Representatives of the two companies, together with their financial advisors and Clifford Chance US LLP, counsel to Gart, met in New York on December 12, 2002, to make presentations to each other regarding their respective businesses. On December 16, 2002, each of Gart and The Sports Authority commenced due diligence reviews of the other company.

On December 17, 2002, Morgan, Lewis & Bockius LLP, counsel to The Sports Authority, delivered an initial draft merger agreement to Gart's representatives. The draft agreement contemplated a stock-for stock merger upon the terms previously discussed by the parties and outlined above, including a fixed exchange ratio, although the initial draft did not specify what the exchange ratio would be. The draft agreement also contemplated the possibility of cash consideration being included in the merger but did not specify the amount of cash consideration to be paid. The draft agreement did not permit either party to terminate the agreement if it received a superior proposal and obligated the board of each party to recommend the deal to its stockholders unless it received a superior proposal. The draft agreement did not contain a financing contingency. Shortly after delivery of the draft agreement, Morgan Lewis delivered a proposed stockholder's agreement pursuant to which directors and executive officers of both companies and Leonard Green would agree to vote in favor of the proposals relating to the merger. The parties commenced negotiation of the terms of these agreements.

On December 18, 2002, the board of directors of The Sports Authority met and further discussed the possible merger with Gart, the status of the due diligence and the negotiations.

Extensive due diligence continued between December 2002 and mid-February 2003. During the same period, the parties and their advisors continued to meet and negotiate the terms of the transaction and the proposed operation of the combined company. These negotiations included discussions of the financial terms of the transaction, deal protection issues (including the need for Leonard Green to enter into a stockholder's agreement, whether each party would be entitled to terminate the agreement upon receipt of a superior proposal and whether each party would be obligated to recommend the merger to its stockholders unless it received a superior proposal), employment arrangements for senior management and closing conditions (including Gart's desire to include a financing condition applicable to both parties).

On January 28, 2003, the board of directors of The Sports Authority met to discuss the transaction. The Sports Authority's management, financial advisor, counsel and independent accountants discussed with the board the results of the financial, legal and accounting due diligence conducted to date, and the status of due diligence efforts on behalf of both parties. The Sports Authority's legal advisors also reviewed with the board the directors' fiduciary duties under Delaware law in connection with the proposed transaction. The board also discussed with The Sports Authority's financial advisor the financial aspects of the proposed transaction, and counsel discussed the status of negotiations and the

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principal issues being negotiated. The board authorized management to continue negotiations with Gart and to report back to the board.

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On February 3, 2003, Gart's board of directors met to discuss the transaction. After discussions with management and Gart's legal and financial advisors and independent accountants, the board authorized management to continue negotiations with The Sports Authority with a view toward negotiating a definitive merger agreement for submission to the board for its consideration. At the February 3 meeting, Gart's board considered the advisability of establishing a special committee to negotiate the fee to be paid to Leonard Green (the holder of approximately 26% of Gart's outstanding common stock) in connection with the merger pursuant to an existing management services agreement between Gart and Leonard Green. Gart determined that, in light of the fact that two of Gart's directors are equity owners of Leonard Green, it was prudent to establish a special committee of independent directors to negotiate this fee. For a more detailed description of this special committee and the negotiation of the Leonard Green fee, see the section entitled "The Merger and Related Transactions Interests of Certain Persons in the Merger," commencing on page 46 of this joint proxy statement/prospectus. Because the merger itself involved an arms' length transaction with an unaffiliated third party, the directors did not anticipate any conflicts of interest, other than those described above, arising with respect to the merger and did not establish a special committee in connection with any other aspect of the merger.

On February 9, 2003, the board of directors of The Sports Authority held a meeting at which it was advised by The Sports Authority's management and financial and legal advisors regarding the status of the negotiations of a merger agreement with Gart, and by The Sports Authority's independent accountants regarding accounting due diligence. Because the merger itself involved an arms' length transaction with an unaffiliated third party, the directors did not anticipate any conflicts of interest arising with respect to the merger and did not establish a special committee in connection with the merger. However, following the meeting the non-employee directors of The Sports Authority met separately to discuss the status of negotiations of the proposed employment contract between Mr. Hanaka and Gart.

During February, Gart and The CIT Group/Business Credit, Inc. (the agent under Gart's existing credit facility) negotiated the terms of a commitment letter under which CIT would provide a credit facility to the combined company following the merger. See the section entitled "The Merger and Related Transactions Financing of the Combined Company Following the Merger," commencing on page 51 of this joint proxy statement/prospectus. Gart and The Sports Authority discussed the terms of the financing and the terms of a closing condition in the merger agreement relating to financing. Gart wanted to ensure that it would not be obligated to consummate the merger if it could not obtain financing for the combined company on acceptable terms and The Sports Authority wanted more certainty of closing. The principal differences of the approaches preferred by each of Gart and The Sports Authority were that Gart proposed that the parties only had to close if Gart could obtain financing for the combined company on specified terms and at specified rates and The Sports Authority based the contingency only on securing financing in an amount reasonably acceptable to both parties.

During the February negotiations, both parties decided not to require directors or executive officers of either company to enter into stockholder's agreements.

On February 16, 2003, Gart's board of directors held a meeting at which it was advised by Gart's management and financial and legal advisors regarding the status of the negotiations of the merger agreement with The Sports Authority, and by Gart's independent accountants regarding accounting due diligence. Gart's legal advisors also reviewed with the board the directors' fiduciary duties under Delaware law in connection with the proposed transaction. In addition, the directors discussed the status of negotiations of the proposed employment contracts between Gart and each of Mr. Hanaka and Mr. Morton.

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On February 19, 2003, the companies and their financial advisors determined that in order to effect a "merger of equals" that would result in 50% of Gart's fully diluted common stock being owned by its current stockholders and 50% being owned by current stockholders of The Sports Authority, it would be necessary to employ an exchange ratio of approximately 0.37 of a share of Gart common stock for each share of The Sports Authority common stock. This exchange ratio provided a nominal premium to The Sports Authority's stockholders based on the market price of both companies' common stock on February 19.

On February 19, 2003, the board of directors of The Sports Authority held a meeting at which The Sports Authority's management and financial and legal advisors made presentations on the negotiations that had taken place prior to the board meeting. The Sports Authority's legal advisors again reviewed with the board the directors' fiduciary duties under Delaware law in connection with the proposed transaction. The board was presented with and discussed the following proposed terms of the transaction that were the result of the negotiations between the representatives and advisors of the two companies: an exchange ratio of 0.37, the proposed deal protection features (which permitted either party to terminate the merger agreement if it approved a superior transaction, but obligated each party to recommend the merger unless it received a superior proposal), the proposed CIT credit facility and the Leonard Green fee that had been negotiated by Gart's independent directors. For a more detailed description of this fee, see the section entitled "The Merger and Related Transactions Interests of Certain Persons in the Merger," commencing on page 46 of this joint proxy statement/prospectus. In addition, the non-employee directors of The Sports Authority who had met separately prior to the board meeting announced to the full board of directors that they had reviewed and approved the proposed contract between Mr. Hanaka and Gart. Credit Suisse First Boston rendered its oral opinion to the board, which opinion was subsequently confirmed by delivery of its written opinion dated February 19, 2003, to the effect that, as of that date and based upon and subject to the matters stated in its

opinion, the exchange ratio of 0.37 of a share of Gart common stock for each share of The Sports Authority common stock was fair, from a financial point of view, to the holders of The Sports Authority common stock. For a more complete discussion of Credit Suisse First Boston's opinion, see the section entitled "The Merger and Related Transactions Opinion of The Sports Authority's Financial Advisor," commencing on page 41 of this joint proxy statement/prospectus. After extensive deliberation, the board of directors of The Sports Authority unanimously determined that the merger was fair to and in the best interests of its stockholders, approved the merger agreement subject to the execution of a stockholder's agreement (which was then approved by the board) by Leonard Green and a revision to the financing condition proposed by Gart to remove references to specific rates and terms to increase the likelihood that the transaction would close. The board of directors also amended The Sports Authority rights agreement so that it would not apply to the merger with Gart.

The Sports Authority reported to Gart that its board of directors had met and was prepared to execute a merger agreement containing only stock consideration and an exchange ratio of 0.37 of a share of Gart common stock for each share of The Sports Authority common stock, provided that Leonard Green agree to the proposed stockholder's agreement and that Gart agree to the proposed revision to the financing condition in the merger agreement which would require Gart to close if it could obtain a credit facility for the combined company providing substantially the same amount of financing as described in the CIT commitment letter or such lesser amount of financing as mutually agreed by the parties.

On February 19, 2003, Gart's board of directors held a meeting at which Gart's management and financial and legal advisors made presentations, including as to the exchange ratio and The Sports Authority's proposed provisions. Gart's legal advisors again reviewed with the board the directors' fiduciary duties under Delaware law in connection with the proposed transaction. At the meeting, representatives of Banc of America Securities rendered its oral opinion, which opinion was subsequently confirmed by delivery of its written opinion dated February 19, 2003, that, as of that date

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and based upon and subject to the assumptions and limitations set forth in its written opinion, the exchange ratio of 0.37 of a share of Gart common stock per share of common stock of The Sports Authority was fair, from a financial point of view, to Gart. For a more complete discussion of Banc of America Securities' opinion, see the section entitled "The Merger and Related Transactions Opinion of Gart's Financial Advisor," commencing on page 34 of this joint proxy statement/prospectus. After further deliberation with its management and its legal advisors, Gart's board of directors determined, among other things, that the terms and conditions of the merger were fair to, and in the best interests of, Gart and its stockholders and unanimously approved the merger, the merger agreement, the stockholder's agreement with Leonard Green, the employment arrangements for senior management and the transactions contemplated as a result of these matters.

Later in the evening of February 19, 2003, Gart and The Sports Authority executed the merger agreement, The Sports Authority and Leonard Green executed the stockholder's agreement and Gart entered into employment agreements with Douglas Morton and Martin Hanaka. The employment agreements will become effective upon consummation of the merger. For a discussion of these agreements, see the section entitled "Related Agreements," commencing on page 69 of this joint proxy statement/prospectus.

On February 20, 2003, before the markets opened, Gart and The Sports Authority issued a joint press release announcing the merger.

Recommendation of Gart's Board of Directors

After careful consideration, Gart's board of directors unanimously determined the merger to be fair to, and in the best interests of, Gart's stockholders. Gart's board of directors approved the merger agreement and unanimously recommends that Gart's stockholders vote "FOR" the amendment to Gart's certificate of incorporation to change its name and increase its authorized capital stock and "FOR" the issuance of Gart common stock to The Sports Authority's stockholders in the merger.

Gart's Reasons for the Merger

Gart's board of directors believes that the merger is fair to, and in the best interests of, Gart and its stockholders because it believes that, as a result of this strategic merger, the long-term value to Gart's stockholders of an investment in the combined company will likely be superior to the long-term value of an investment in Gart as a stand-alone company. In deciding to approve the merger agreement, including the transactions contemplated in the merger agreement, and to recommend the merger to Gart's stockholders, Gart's board of directors considered various factors, including the following:

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the board's belief that the combination would create a pre-eminent sporting goods retailer;

the merger would enable the combined company to realize significant operating synergies and cost savings, including increased purchasing power with its vendors, improved merchandising opportunities, reduced corporate overhead as a percentage of sales, maximization of profitability of new store growth in existing markets, expanded distribution networks and the consolidation of sales and marketing organizations;

the combination would create a national sporting goods retailer, melding the complementary geographic footprints of Gart and The Sports Authority, and operating approximately 385 stores in 45 states with combined 2002 sales of \$2.5 billion;

the opportunity for enhanced brands offering, given the potential for the expansion of premium brands into all stores and the ability to strengthen vendor relationships and gain volume discounts with key national brands and use the best practices of each company in marketing;

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the combination would enable the combined company to offer a broader selection of sporting goods to a greater number of consumers at competitive prices;

competitive conditions in the sporting goods retail sector, including the continued expansion of a number of competitors, in particular, sporting goods retailers and mass merchandisers, and the board's belief that the combined company would be better able to compete over the long term than would Gart on a stand-alone basis;

the opportunity for private label expansion, leveraging The Sports Authority's hardlines expertise and Gart's softline expertise and leveraging the size of the combined company to facilitate new product offerings and lower costs;

the board's understanding of current market and industry conditions;

the board's belief that the merger could result in a higher market valuation of Gart's assets, revenues and cash flows;

the analyses and presentations of Banc of America Securities and Banc of America Securities' opinion to the effect that, as of the date of such opinion and based upon and subject to the assumptions and limitations set forth therein, the exchange ratio in the merger was fair, from a financial point of view, to Gart as described more fully in the section entitled "The Merger and Related Transactions Opinion of Gart's Financial Advisor," commencing on page 34 of this joint proxy statement/prospectus;

the terms and conditions of the merger agreement, including the provisions that restrict each company's ability, subject to the conditions and procedures described in the merger agreement, to enter into transactions with other potential acquirors;

that Gart's management has previously demonstrated an ability to successfully execute and integrate business combinations; and

that Leonard Green, the largest holder of Gart common stock, agreed to support the merger.

Gart's board of directors also considered the principal potential detriments of the merger to Gart and its stockholders, including the following:

the risk that the potential benefits sought in the merger might not be fully realized;

the potential adverse effects on Gart's business, operations and financial condition that might result if the merger is not completed following public announcement of the merger agreement;

the risk that, although Gart has the right to terminate the agreement if a third party makes a superior proposal for a business combination with Gart, the termination fee payable by Gart in such a situation would discourage such a proposal and limit Gart's ability to pursue alternative transactions;

the costs associated with the merger, as more fully described in the section entitled "Risk Factors Risks Related to the Merger The costs of the merger could adversely affect combined financial results," on page 17 of this joint proxy statement/prospectus;

the difficulties of integrating Gart and The Sports Authority, including integration of the management teams and cultures of both companies, and the management effort and costs required to complete the integration following the merger;

that, as a result of the merger, the existing obligations and liabilities of The Sports Authority, whether contingent or otherwise, would be borne in part by Gart's stockholders as a result of becoming stockholders of the combined company; and

the other applicable risks described in this joint proxy statement/prospectus in the section entitled "Risk Factors," commencing on page 16 of this joint proxy statement/prospectus.

Gart's board considered these negative factors, but concluded that, on balance, the potential benefits to Gart and its stockholders of the merger outweighed the risks associated with the merger. The board voted unanimously in favor of the transaction.

The discussion above is not intended to be exhaustive, but Gart believes that it includes all material factors considered by Gart's board of directors in connection with its evaluation of the merger. In light of the number of factors and the variety of information that Gart's board of directors considered, the board did not find it practicable to, and did not, assign any specific or relative weights to the factors listed above. Additionally, individual directors may have assigned differing weights to different factors. The board of directors was aware of the interests of Gart's management in the merger, as described in the section entitled "The Merger and Related Transactions Interests of Certain Persons in the Merger," commencing on page 46 of this joint proxy statement/prospectus.

Recommendation of The Sports Authority's Board of Directors

After careful consideration, The Sports Authority's board of directors unanimously determined the merger to be fair to, and in the best interests of, The Sports Authority's stockholders. The Sports Authority's board of directors unanimously approved the merger agreement and unanimously recommends that The Sports Authority's stockholders vote "FOR" the adoption of the merger agreement and the approval of the merger.

The Sports Authority's Reasons for the Merger

The Sports Authority's board of directors believes that the merger is fair to, and in the best interests of, The Sports Authority and its stockholders because it believes that, as a result of this strategic merger, the long-term value to The Sports Authority's stockholders of an investment in the combined company will likely be superior to the long-term value of an investment in The Sports Authority as a stand-alone company. In deciding to approve the merger agreement, including the transactions contemplated in the merger agreement, and to recommend the merger to The Sports Authority's stockholders, The Sports Authority's board of directors considered various factors, including the following:

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the exchange ratio, which the board believed to be fair in relation to market prices for The Sports Authority and Gart common stock over both recent and extended periods of time;

the board's belief that as a consequence of the merger a higher valuation of The Sports Authority's assets, revenues and cash flow could result;

the expectation that the combination would enable the combined company to realize substantial operating synergies and cost savings, including increased purchasing power with its vendors, improved merchandising opportunities, reduced corporate overhead as a percentage of sales and improved supply chain efficiency;

the complementary locations of the stores operated by The Sports Authority and Gart, and that the combination would give the combined company a broader national presence with the capability of national advertising for the "Sports Authority" brand;

the combination would enable the combined company to offer a broader selection of sporting goods to a greater number of consumers at competitive prices; including that the combination would create opportunities for enhanced brand offerings, given the potential for the expansion of premium brands into all stores;

the combination would create opportunities for private label expansion, leveraging The Sports Authority's hardlines expertise and Gart's winter and outdoor expertise;

the combination would improve the combined company's access to financial resources;

the combination would enable the acceleration of The Sports Authority's store remodel program;

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the increased growth potential (and the opportunity for The Sports Authority's stockholders to participate in such growth) that may result from a combination of The Sports Authority and Gart, including as a result of the combined company's improved asset base, geographic diversification, portfolio of growth opportunities, operating skills, financial stability and strength;

competitive conditions in the sporting goods retail sector, including the continued expansion of a number of competitors, in particular, sporting goods retailers and mass merchandisers, and the board's belief that the combined company would be better able to compete over the long term than would The Sports Authority on a stand-alone basis;

the board's belief that the merger is the best strategic alternative available to The Sports Authority at this time. In making such determination, the board considered the following strategic alternatives and constraints: (a) continued pursuit of The Sports Authority's long-term strategic plan as a stand-alone company, (b) the business and financial attributes of Gart compared to other possible strategic merger candidates, (c) the likelihood of future consolidation in the retail sporting goods industry and (d) the constraints on The Sports Authority's ability to take advantage of available acquisition and expansion opportunities due to The Sports Authority's current size and financial circumstances;

that implementation of The Sports Authority's long-term strategic plan is subject to risks and uncertainties;

that the combined company's board of directors will consist of nine directors, four of whom are to be designated by The Sports Authority, four of whom are to be designated by Gart and a ninth director who is to be unaffiliated with either company;

that various senior officers of The Sports Authority will serve in senior management positions in the combined company;

the terms and conditions of the merger agreement, including provisions that restrict each company's ability, subject to the conditions and procedures described in the merger agreement, to enter into transactions with other potential acquirors;

that the completion of the merger will be on a tax-free basis to The Sports Authority stockholders for U.S. federal income tax purposes, except for cash received in lieu of fractional shares; and

the opinion given by Credit Suisse First Boston to The Sports Authority board of directors dated February 19, 2003, regarding the fairness, from a financial point of view, to holders of The Sports Authority common stock of the exchange ratio provided for in the merger, as described more fully in the section entitled "The Merger and Related Transactions Opinion of The Sports Authority's Financial Advisor," commencing on page 41 of this joint proxy statement/prospectus.

The Sports Authority's board of directors also considered the principal potential detriments of the merger to The Sports Authority and its stockholders, including the following:

that the merger would be effected at a time when The Sports Authority's stock was trading below its previous high levels and at a time before the company's strategic plans had been fully implemented and its expected benefits fully achieved;

the risk that the merger might not be consummated, and the potential implications to The Sports Authority's business, operations, financial conditions and employee morale and attrition in that event;

the risk that, although The Sports Authority has the right to terminate the merger agreement if a third party makes a superior proposal for a business combination with The Sports Authority,

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the termination fee provisions of the merger agreement would have the effect of discouraging such a proposal and limits the ability of The Sports Authority to pursue alternative transactions;

that, as a result of the merger, the existing obligations and liabilities of Gart, whether contingent or otherwise, would be borne in part by The Sports Authority's stockholders as a result of becoming stockholders of the combined company; and

the other applicable risks described in this joint proxy statement/prospectus in the section entitled "Risk Factors," commencing on page 16 of this joint proxy statement/prospectus.

The Sports Authority's board of directors determined, however, that these detriments were substantially offset by the potential benefits of the merger summarized above, including the opportunity for The Sports Authority's stockholders to share in the benefits of the combined company's long-term prospects. The Sports Authority's board of directors also decided not to pursue other strategic alternatives because the magnitude of the potential benefits of the merger exceeded the potential benefits offered by the other strategic alternatives.

In reaching its decision to approve the merger agreement and to recommend the adoption of the merger to The Sports Authority's stockholders, The Sports Authority's board of directors did not view any single factor as determinative, and did not find it necessary or practicable to assign relative or specific weights to the various factors considered. Further, individual directors may have given differing weights to different factors. The board of directors was aware of the interests of The Sports Authority's management in the merger, as described in the section entitled "The Merger and Related Transactions Interests of Certain Persons in the Merger," commencing on page 46 of this joint proxy statement/prospectus, in determining to approve the merger agreement.

Opinion of Gart's Financial Advisor

Gart retained Banc of America Securities to act as its financial advisor in connection with the merger. Banc of America Securities is an internationally recognized investment banking firm and regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Gart selected Banc of America Securities to act as its financial advisor on the basis of Banc of America Securities' experience and expertise in transactions similar to the merger, its reputation in the investment community and its familiarity with Gart's business and its long-standing working relationship with Gart.

In connection with Banc of America Securities' engagement as financial advisor to Gart, Gart requested that Banc of America Securities render an opinion to Gart's board of directors as to the fairness, from a financial point of view, to Gart of the exchange ratio in the merger. On February 19, 2003, Banc of America Securities delivered its oral opinion, which opinion was subsequently confirmed by delivery of its written opinion dated February 19, 2003, to Gart's board of directors that, as of that date and based upon and subject to the various assumptions and limitations summarized below, the exchange ratio in the merger was fair, from a financial point of view, to Gart.

The full text of Banc of America Securities' written opinion to Gart's board of directors, dated February 19, 2003, is attached as Annex C to this joint proxy statement/prospectus. This opinion sets forth the assumptions made, procedures followed, other matters considered and limitations of the review undertaken. We incorporate the Banc of America Securities opinion in its entirety into this document and this section by reference and urge you to read the opinion carefully and in its entirety. This section is only a summary of the Banc of America Securities opinion and as a summary is qualified by reference to, and not a substitute for, the full text of the opinion.

Banc of America Securities' analyses and opinion were prepared for and addressed to Gart's board of directors and are directed only to the fairness, from a financial point of view, to Gart of the exchange ratio provided for in connection with the merger as of the date of the opinion and do not

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constitute an opinion as to the merits of the merger or a recommendation to any stockholder as to how to vote on the proposed merger. The exchange ratio was determined through negotiations between Gart and The Sports Authority and not pursuant to recommendations of Banc of America Securities. In furnishing its opinion, Banc of America Securities did not admit that it is an "expert" as that term is used in the Securities Act of 1933, nor did Banc of America Securities admit that its opinion constitutes a report or valuation within the meaning of the Securities Act of 1933. Statements to that effect are included in the Banc of America Securities opinion.

In arriving at its opinion, Banc of America Securities:

reviewed certain publicly available financial statements and other business and financial information of The Sports Authority and Gart, respectively;

reviewed certain internal financial statements and other financial and operating data concerning The Sports Authority and Gart, respectively;

analyzed and discussed with senior executives of The Sports Authority and Gart certain financial forecasts for The Sports Authority, including certain financial forecasts for The Sports Authority prepared by The Sports Authority's management as well as those prepared by Gart's management;

analyzed and discussed with senior executives of Gart certain financial forecasts for Gart, including certain financial forecasts for Gart prepared by Gart's management;

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discussed the past and current operations, financial condition and prospects of The Sports Authority and Gart with senior executives of The Sports Authority and Gart, respectively;

reviewed and discussed with senior executives of Gart and The Sports Authority information prepared by managements of Gart and The Sports Authority, respectively, relating to certain strategic, financial and operational benefits anticipated from the merger;

reviewed the pro forma impact of the merger on Gart's earnings per share, cash flow, consolidated capitalization and financial ratios;

reviewed and considered in the analysis, information prepared by members of senior management of The Sports Authority and Gart relating to the relative contributions of The Sports Authority and Gart to the combined company;

reviewed the reported prices and trading activity for The Sports Authority common stock and Gart common stock;

compared the financial performance of The Sports Authority and Gart and the prices and trading activity of The Sports Authority common stock and Gart common stock with that of certain other publicly traded companies Banc of America Securities deemed relevant;

compared certain financial terms of the merger to financial terms, to the extent publicly available, of certain other business combination transactions Banc of America Securities deemed relevant;

participated in discussions and negotiations among representatives of The Sports Authority and Gart and their financial and legal advisors;

reviewed the merger agreement and certain related documents; and

performed such other analyses and considered such other factors as Banc of America Securities deemed appropriate.

In conducting its review and arriving at its opinion, Banc of America Securities assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information reviewed by it for the purposes of the opinion. With respect to the financial forecasts for

Gart, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Banc of America Securities was advised by the management of Gart, and assumed, that Gart's forecasts were reasonably prepared on bases reflecting its best currently available estimate and good faith judgment as to the future financial performance of Gart. With respect to the financial forecasts for The Sports Authority, Banc of America Securities was advised by a representative of The Sports Authority, and assumed, that The Sports Authority's forecasts were reasonably prepared on bases reflecting its best currently available estimate and good faith judgment as to the future financial performance of The Sports Authority. Banc of America Securities did not make any independent valuation or appraisal of The Sports Authority's assets or liabilities, nor was Banc of America Securities furnished with any such appraisals. In addition, Banc of America Securities did not assume any obligation to conduct, nor did it conduct, any physical inspection of the properties and facilities of Gart or The Sports Authority. Banc of America Securities assumed that the merger would be consummated as provided in the merger agreement, with full satisfaction of all covenants and conditions and without any waivers thereof. Banc of America Securities also assumed that, in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the merger, no restrictions, including any divestiture requirements or amendments or modifications, would be imposed beyond those restrictions to which the parties would be required to agree under the terms of the merger agreement or that would otherwise have a material adverse effect on the contemplated benefits expected to be derived from the proposed merger. Banc of America Securities was informed by Gart, and it assumed, that the merger would be treated as a tax-free reorganization pursuant to the Internal Revenue Code of 1986, as amended.

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As is customary in the rendering of fairness opinions, Banc of America Securities based its opinion on financial, economic, market and other conditions as in effect on, and the information made available to Banc of America Securities as of, February 19, 2003. It was understood that, although subsequent developments may affect Banc of America Securities' opinion, Banc of America Securities does not have any obligation to update, revise or reaffirm its opinion. Banc of America Securities' opinion did not address the prices at which Gart common stock will trade following the announcement or consummation of the merger. The opinion of Banc of America Securities expressed in its opinion letter was provided for the information of Gart's board of directors. Banc of America Securities expressed no opinion or recommendation as to how the stockholders of Gart and The Sports Authority should vote with respect to the merger.

In accordance with customary investment banking practice, Banc of America Securities employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses that Banc of America Securities utilized in providing its opinion. Some of the summaries of financial analyses are presented in tabular format. In order to understand the financial analyses used by Banc of America Securities more fully, you should read the tables together with the related text. The tables alone do not constitute a complete description of the financial analyses utilized by Banc of America Securities.

Contribution Analysis

Banc of America Securities compared the pro forma ownership of the combined company to the ownership level implied by the pro forma contribution by each of Gart and The Sports Authority of 2002E and 2003P sales, earnings before interest, taxes, depreciation and amortization (also referred to as EBITDA) and net income (on a fully taxed basis) to the combined company assuming completion of the merger. In conducting its analysis, Banc of America Securities utilized estimated and projected operating and financial information provided by the management of Gart and The Sports Authority and did not take into consideration any synergies anticipated from the merger.

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The following table sets forth a summary of the exchange ratios implied by the ownership levels suggested by the selected financial performance benchmarks, as compared to the exchange ratio in the merger of 0.370.

	Implied Exchange Ratio		
	Sales	EBITDA	Net Income (Fully Taxed)
High	0.609	0.402	0.341
Low	0.570	0.341	0.215
Exchange Ratio in the Merger	0.370	0.370	0.370

Stock Trading History

Banc of America Securities reviewed the historical market prices of Gart and The Sports Authority stock for the 52-week period ended February 19, 2003. Banc of America Securities also reviewed the closing prices of Gart and The Sports Authority common stock over the following periods prior to February 19, 2003 and the average exchange ratios implied by these closing prices, as compared to the exchange ratio of 0.370.

Trading Period	Average Exchange Ratio
Current Stock Price (February 19, 2003)	0.369
Previous Month	0.393
Previous Three Months	0.371
Last 12 Months	0.361
Exchange Ratio in the Merger	0.370

Analysis of Selected Publicly Traded Companies

Using publicly available and other information, Banc of America Securities compared selected historical and projected operating and financial data of Gart and The Sports Authority with similar data for Big 5 Sporting Goods, Dick's Sporting Goods, Galyan's Trading and Hibbett Sporting Goods, publicly traded companies engaged in businesses that Banc of America Securities judged to be generally comparative to those of Gart and The Sports Authority.

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For each of these companies, Banc of America Securities calculated the multiples of enterprise value (which Banc of America Securities defined as diluted equity market value plus total debt, less cash and cash equivalents) to each of earnings before interest, taxes, depreciation and amortization (EBITDA) for 2002 and 2003 and price-earnings ratio for 2002 and 2003, yielding the ranges as set forth below.

	2002E EBITDA	2003P EBITDA	2002E P/E	2003P P/E
High	8.1x	6.7x	16.0x	13.5x
Mean	6.0	5.1	10.6	9.3
Low	4.1	3.1	7.3	7.3
The Sports Authority (Merger Value)	5.3x	4.5x	8.3x	9.0x
Gart	5.0	4.3	8.1	6.9

Banc of America Securities then selected a range of 4.5x to 6.5x for 2002E EBITDA and applied this range to the respective operating statistics of Gart and The Sports Authority. This analysis yielded an implied trading value for Gart common stock of approximately \$13.00 to \$22.00 per share, as compared to Gart's closing common stock price of \$14.94 on February 19, 2003, and an implied trading

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value for The Sports Authority common stock of approximately \$4.00 to \$7.00 per share, as compared to the price per share of The Sports Authority common stock of \$5.53 implied by the exchange ratio. Banc of America Securities also selected a range of 7.0x to 10.0x for 2003P price-earnings ratio and applied this range to the respective operating statistics of Gart and The Sports Authority. This analysis yielded an implied trading value for Gart common stock of approximately \$15.00 to \$21.50 per share, as compared to Gart's closing common stock price of \$14.94 on February 19, 2003, and implied trading value for The Sports Authority common stock of approximately \$5.00 to \$7.00 per share, as compared to the price per share of The Sports Authority common stock of \$5.53 implied by the exchange ratio in the merger.

Although the selected companies were used for comparative purposes, none of such companies is directly comparable to Gart or The Sports Authority. Accordingly, an analysis of the results of such a comparison is not purely mathematical but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of the selected companies and other factors that could affect the public trading value of the companies or Gart or The Sports Authority to which they are being compared.

Discounted Cash Flow Analysis

Banc of America Securities performed discounted cash flow analyses to determine the diluted equity value per share of Gart common stock and The Sports Authority common stock by using unlevered financial cash flow projections of Gart and The Sports Authority for fiscal year 2003 through fiscal year 2007 prepared by Gart's management. In conducting this analysis, Banc of America Securities assumed that the companies would perform in accordance with these projections. In calculating the range of terminal values, Banc of America Securities applied a multiple of 2007 EBITDA, ranging from 4.5x to 6.5x, to Gart and The Sports Authority projected 2007 EBITDA. Banc of America Securities then calculated the present values of the projected cash flows and the terminal values using weighted-average costs of capital ranging from 11% to 13% for Gart and The Sports Authority. Based on the results of this analysis, Banc of America Securities derived a reference range of equity values of \$23.00 to \$27.00 per share for Gart common stock and \$8.00 to \$12.00 per share for The Sports Authority common stock and an implied exchange ratio range of 0.397 to 0.406, as compared to the exchange ratio in the merger of 0.370.

Analysis of Selected Transactions

Banc of America Securities analyzed publicly available financial information relating to selected stock-for-stock merger of equals transactions with equity values in excess of \$100,000,000 that were

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completed on or after January 1, 2000 and which Banc of America Securities deemed relevant in evaluating the merger. Banc of America Securities analyzed the following transactions:

Acquiror	Target
Identix Inc.	Visionics Corp.

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Acquiror	Target
Western Multiplex Corp.	Proxim Inc.
Phillips Petroleum Co. Inc.	Conoco Inc.
GlobeSpan Inc.	Virata Corp.
UNB Corp.	BancFirst Ohio Corp.
Santa Fe International Corp.	Global Marine Inc.
Mead Corp.	Westvaco Corp.
Pride International Inc.	Marine Drilling Co.
New York Community Bancorp Inc.	Richmond County Financial Corp.
AmeriSource Health Crop.	Bergen Brunswig Corp.
Chemical Financial Corp.	Shoreline Financial Corp.
Komag Inc.	HMT Technology Corp.
Tuboscope Inc.	Varco International Inc.
National Commerce Bancorp	CCB Financial Corp.
NetIQ Corp.	Mission Critical Software Inc.
America Online Inc.	Time Warner

Banc of America Securities compared the implied exchange ratio premium for the one day prior to announcement and the average implied exchange ratio premiums for the one week and one month periods prior to the announcements of the selected transactions to the respective exchange ratio premium or discount implied by the exchange ratio in the merger.

	Implied Exchange Ratio Premium		
	One Day	One Week Average	One Month Average
Median	6.9%	6.4%	6.7%
Mean	11.2	8.5	10.8
Merger	0.3%	(3.5)%	(5.8)%

Although the selected transactions were used for comparison purposes, none of these transactions is directly comparable to the merger, and none of the companies in such transactions is directly comparable to Gart or The Sports Authority. Accordingly, an analysis of the results of such a comparison is not purely mathematical but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of the companies involved and other factors that could affect the acquisition value of such companies or Gart and The Sports Authority to which they are being compared.

Pro Forma Merger Analysis

Banc of America Securities performed pro forma analyses of the financial impact of the merger using financial projections of Gart and The Sports Authority and synergy and integration cost projections for fiscal year 2003 and fiscal year 2004 prepared by Gart's management. In conducting these analyses, Banc of America Securities assumed that the companies would perform in accordance with these projections. For fiscal years 2003 and 2004, Banc of America Securities compared the earnings per share of Gart common stock, on a stand-alone basis, to the earnings per share of the

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combined company on a pro forma basis. The earnings per share used in this comparison are set forth in the following table and were prepared by management of Gart:

Fiscal Year Earnings Per Share	Gart	Combined Company
2003*	\$ 2.17	\$ 2.11
2004*	2.41	3.06

* Projected. For additional information regarding projections, please see the section entitled "The Merger and Related Transactions Additional Financial Information" commencing on page 57 of this joint proxy statement/prospectus.

Based on these analyses, the proposed transaction would result in a decrease in earnings on a per share basis in 2003 and an increase in earnings per share in 2004, as compared to Gart's earnings per share on a stand-alone basis for 2003 and 2004, respectively.

The summary set forth above does not purport to be a complete description of all the analyses performed by Banc of America Securities. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analyses and the application of these methods to the particular circumstances and, therefore, such an opinion is not readily susceptible to partial analysis or summary description. Banc of America Securities did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, notwithstanding the separate factors summarized above, Banc of America Securities believes, and has advised Gart's board of directors, that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, could create an incomplete view of the process underlying its opinion. In performing its analyses, Banc of America Securities made numerous assumptions with respect to industry performance, business and economic conditions and other matters, many of which are beyond the control of Gart and The Sports Authority. These analyses performed by Banc of America Securities are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the value of businesses do not purport to be appraisals or to reflect the prices at which businesses or securities may actually be sold. Accordingly, such analyses and estimates are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Gart and The Sports Authority, Banc of America Securities or any other person assumes responsibility if future results are materially different from those projected. As mentioned above, the analyses supplied by Banc of America Securities and its opinion were among the factors taken into consideration by Gart's board of directors in making its decision to enter into the merger agreement and should not be considered as determinative of such decision.

Miscellaneous

Gart has agreed to pay Banc of America Securities for its financial advisory services in connection with the merger. Banc of America Securities became entitled to a fee of \$1,000,000 on February 19, 2003, the date on which it rendered its fairness opinion. Banc of America Securities is also entitled to an additional fee upon consummation of the merger equal to 0.75% of the amount of aggregate consideration to be paid in the merger, which additional fee will be no less than \$4 million, less any amounts paid previously. Gart's board of directors was aware of this fee structure and took it into account in considering Banc of America Securities' fairness opinion and in approving the merger. Regardless of whether the merger is completed, Gart has agreed to reimburse Banc of America Securities for all reasonable out-of-pocket expenses, including reasonable fees and disbursements of Banc of America Securities' counsel, and has agreed to indemnify Banc of America Securities against certain liabilities, including liabilities under the federal securities laws. The terms of the fee

arrangement with Banc of America Securities, which are customary in transactions of this nature, were negotiated at arm's length between Gart and Banc of America Securities.

Banc of America Securities acted as joint book-running manager with Merrill Lynch in connection with Gart's offering of 3,500,000 shares of Gart common stock at \$32 per share in May 2002. Gart paid Banc of America Securities underwriting fees of \$1.82 million in connection with this offering. Banc of America Securities and its affiliates may in the future provide financial advisory and financing services for Gart and may in the future receive fees for the rendering of these services. Banc of America, N.A., an affiliate of Banc of America Securities, is a lender under The Sports Authority's credit facility. In addition, in the ordinary course of their businesses, Banc of America Securities and its affiliates may actively trade the debt and equity securities of The Sports Authority and Gart for their own account and for the accounts of their customers, and, accordingly, Banc of America Securities or its affiliates may at any time hold a long or short position in such securities.

Opinion of The Sports Authority's Financial Advisor

Credit Suisse First Boston has acted as The Sports Authority's exclusive financial advisor in connection with the merger. The Sports Authority selected Credit Suisse First Boston based on Credit Suisse First Boston's experience and reputation, and its familiarity with The Sports Authority and its business. Credit Suisse First Boston is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

In connection with Credit Suisse First Boston's engagement, The Sports Authority requested that Credit Suisse First Boston evaluate the fairness, from a financial point of view, to the holders of The Sports Authority common stock of the exchange ratio provided for in the merger.

On February 19, 2003, at a meeting of The Sports Authority's board of directors held to evaluate the merger, Credit Suisse First Boston rendered to The Sports Authority's board of directors an oral opinion, which opinion was confirmed by delivery of a written opinion dated February 19, 2003, to the effect that, as of that date and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to the holders of The Sports Authority common stock.

The full text of Credit Suisse First Boston's written opinion, dated February 19, 2003, to The Sports Authority's board of directors, which sets forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached as Annex D and is incorporated into this document by reference. Holders of The Sports Authority common stock are encouraged to read this opinion carefully in its entirety. Credit Suisse First Boston's opinion is addressed to The Sports Authority's board of directors and relates only to the fairness, from a financial point of view, of the exchange ratio, does not address any other aspect of the proposed merger or any related transaction and does not constitute a recommendation to any stockholder as to any matters relating to the merger. The summary of Credit Suisse First Boston's opinion in this document is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Credit Suisse First Boston reviewed the merger agreement and related documents, as well as publicly available business and financial information relating to The Sports Authority and Gart. Credit Suisse First Boston also reviewed other information relating to The Sports Authority and Gart, including financial forecasts, provided to or discussed with Credit Suisse First Boston by The Sports Authority and Gart. Credit Suisse First Boston also met with the managements of The Sports Authority and Gart to discuss the businesses and prospects of The Sports Authority and Gart. Credit Suisse First Boston also considered financial and stock market data of The Sports Authority and Gart, and compared those data with similar data for publicly held companies in businesses similar to The Sports Authority and Gart and considered, to the extent publicly available,

the financial terms of other business combinations and transactions which have been effected or announced. Credit Suisse First Boston also considered other information, financial studies, analyses and investigations and financial, economic and market criteria that it deemed relevant.

In connection with its review, Credit Suisse First Boston did not assume any responsibility for independent verification of any of the information that was provided to or otherwise reviewed by it and relied on that information being complete and accurate in all material respects. With respect to the financial forecasts for The Sports Authority, Credit Suisse First Boston was advised by the management of The Sports Authority, and assumed, that The Sports Authority's forecasts were reasonably prepared on bases reflecting its best currently available estimate and judgment, as to the future financial performance of The Sports Authority and the strategic benefits and potential synergies, including the amount, timing and achievability thereof, anticipated to result from the merger. With respect to the financial forecasts for Gart, Credit Suisse First Boston was advised by a representative of Gart, and assumed, that Gart's forecasts were reasonably prepared on bases reflecting its best currently available estimate and good faith judgment as to the future financial performance of Gart. Credit Suisse First Boston also assumed, with The Sports Authority's consent, that the merger would be consummated in accordance with the terms of the merger agreement, without amendment, modification or waiver of any material term, condition or agreement contained in the merger agreement, and that, in the course of obtaining any necessary regulatory and third party approvals and consents relating to the merger, no modification, condition, restriction, limitation or delay would be imposed that would have an adverse effect on The Sports Authority or Gart or the contemplated benefits of the merger. Credit Suisse First Boston assumed, with The Sports Authority's consent, that the merger would be treated as a tax-free reorganization for federal income tax purposes.

Credit Suisse First Boston was not requested to make, and has not made, an independent evaluation or appraisal of the assets or liabilities, contingent or otherwise, of The Sports Authority or Gart, and Credit Suisse First Boston was not furnished with any such evaluations or appraisals. Credit Suisse First Boston's opinion was necessarily based on information available to it, and financial, economic, market and other conditions as they existed and could be evaluated on the date of the Credit Suisse First Boston opinion. Credit Suisse First Boston did not express any opinion as to the actual value of Gart common stock when issued in the merger or the prices at which Gart common stock would trade at any time. Credit Suisse First Boston's opinion did not address the relative merits of the merger as compared to other business strategies that may be available to The Sports Authority, and it did not address the underlying business decision of Sports Authority to engage in the merger.

In preparing its opinion to The Sports Authority's board of directors, Credit Suisse First Boston performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse First Boston's analyses described below is not a complete description of the analyses underlying Credit Suisse First Boston's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Credit Suisse First Boston made qualitative judgments as to the significance and relevance of each analysis and factor that it considered. Accordingly, Credit Suisse First Boston believes that its analyses must be considered as a whole and that selecting portions of its analyses and

factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse First Boston considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of The Sports Authority and Gart. No company, transaction or business used in Credit Suisse First Boston's analyses as a comparison is identical to The Sports Authority or Gart or the proposed merger,

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and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Credit Suisse First Boston's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Credit Suisse First Boston's analyses and estimates are inherently subject to substantial uncertainty.

Credit Suisse First Boston's opinion and financial analyses were only one of many factors considered by The Sports Authority's board of directors in its evaluation of the proposed merger and should not be viewed as determinative of the views of The Sports Authority's board of directors or management with respect to the merger or the exchange ratio.

The following is a summary of the material financial analyses underlying Credit Suisse First Boston's opinion dated February 19, 2003 delivered to The Sports Authority's board of directors in connection with the merger. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse First Boston's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse First Boston's financial analyses.**

Discounted Cash Flow Analysis

Credit Suisse First Boston calculated the estimated present value of the stand-alone, unlevered, after-tax free cash flows that each of The Sports Authority and Gart could generate for fiscal years 2003 through 2007 based on two scenarios for each of The Sports Authority and Gart a management case and a revised case. The Sports Authority management case was based on internal estimates of The Sports Authority's management for fiscal years 2003 through 2005 and extrapolated for fiscal years 2006 and 2007 based on guidance from The Sports Authority's management. Gart's management case was based on internal estimates of Gart's management for fiscal year 2003 and extrapolated for fiscal years 2004 through 2007 based on guidance from Gart's management. The Sports Authority's revised case and Gart's revised case included adjustments to the management case estimates for The Sports Authority and Gart to reflect, among other things, the potential for decreased revenue and profitability. Credit Suisse First Boston calculated ranges of estimated terminal values for The Sports Authority and Gart by multiplying fiscal year 2007 earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA, of The Sports Authority and Gart by selected multiples ranging from 5.0x to 6.0x. The estimated after-tax free cash flows and terminal values were then discounted to present value using discount rates of 10% to 11%. This analysis implied per share equity reference ranges for The Sports Authority of \$11.15 to \$13.89 in the management case and \$5.37 to \$7.07 in the revised case, and per share equity reference ranges for Gart of \$31.09 to \$38.20 in the management case and \$16.45 to \$21.03 in the revised case. Based on these implied per share equity reference ranges, Credit Suisse First Boston then derived the following implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range		
Management Case	Revised Case	Exchange Ratio in the Merger
0.29x to 0.45x	0.26x to 0.43x	0.37x

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