

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002
COMPLETED ACQUISITION**

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 17 May 2019

Completed acquisition by JD Sports Fashion plc of Footasylum plc (the Merger)

We refer to your emails of 31 May and 6 June requesting that the CMA consents to derogations to the Initial Enforcement Order of 17 May 2019 (the '**Initial Order**'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Pentland Group PLC (**Pentland**) and JD Sports Fashion plc (**JD Sports**) are required to hold separate the Footasylum business from the Pentland and JD Sports businesses and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference.

After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, JD Sports and Footasylum plc (**Footasylum**) may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 6(c), (d), (e), (h), (i), (k) and 10 of the Initial Order

The CMA understands that JD Sports operates a gyms division (**JD Gyms**) which is operated separately to its other business divisions. On the basis that JD Gyms is managed separately to JD Sports' other divisions, staff from its other divisions do not interact on a day to day basis with staff from JD Gyms, and JD Gyms operates in a different market from other JD Sports fascia, the CMA consents to a derogation exempting JD Gyms from paragraphs 6(c), (d), (e), (h), (i) and (k) and from paragraph 10 of the Initial Order such that JD Gyms can continue to operate in the ordinary course of business.

Elie Yoo, Assistant Director, Mergers

11 June 2019