

## 1. Introduction

- a. Company C is supportive of JD Sports plc (“JD”) as the buyer of Footasylum Limited (“Footasylum”). From Company C’s perspective, it is believed that there are natural synergies and efficiencies in servicing Footasylum as part of JD. Based upon Company C’s previous experience of working with JD and following their previous acquisitions of other sports retail businesses, it is our experience that they have always maintained or improved the standard of quality, range and service to the benefit of the consumer.
- b. In respect of the CMA notice of possible remedies, Company C do not see an obvious alternative buyer for Footasylum in the UK.

## 2. Counterfactual

In paragraph 5.33 of the Provisional Findings, the CMA concludes that had Footasylum continued to have sustained financial problems, this may have reduced its investment in its store portfolio which may in turn have had a negative impact on its relationship with its suppliers. Company C strongly agrees that if there had been a deterioration in Footasylum store quality Company C would have taken appropriate action as described in paragraph 3b below. [REDACTED]. This demonstrates that Company C’s approach to Footasylum in absence of the completed acquisition of Footasylum by JD (the “Merger”) would have been determined by the further investment or lack of investment in Footasylum stores. Company C believe significant further investment would be necessary to continue the elevation of the Footasylum store base to the Superbia model.

## 3. Role of suppliers and their impact on how retailers compete

- a. In paragraph 8.33, the CMA concludes that suppliers’ distribution strategy and policies could be changed at any time, Company C agrees with this statement but would stress that Company C will always want to ensure its products are presented in the best possible way in the best environment and it is very unlikely to amend its distribution and/or segmentation policies in the future to require a lower level of service or quality from its retailer customers.
- b. In the event that Footasylum doors were to deteriorate post-Merger in terms of retail quality or service this would be reviewed by Company C and a re-auditing process would follow. If an account is re-audited and the result of the audit is that the account should sit within a different customer segment that would be communicated to the account. Their product access would be amended so that they would have access to the products ranged for their new customer segment only. [REDACTED] did not continue to provide a premium retail experience [REDACTED] and this would result in a removal of access to certain product ranges.
- c. In the same way if JD doors were to deteriorate post-Merger in terms of retail quality, service or consumer experience this would be picked up by Company C and the same re-auditing process would follow.