

ACQUISITION BY JD SPORTS FASHION PLC OF FOOTASYLUM PLC

Directions issued on 13 March 2020 pursuant to paragraph 14 of the Interim Order made by the Competition and Markets Authority pursuant to section 81 of the Enterprise Act 2002

On 12 April 2019 JD Sports Fashion Plc (**JD Sports**) acquired Footasylum Plc¹ (**Footasylum**).

On 17 May 2019, the Competition and Markets Authority (**CMA**) made an Initial Enforcement Order (the **IEO**) in accordance with section 72 of the Enterprise Act 2002 (the **Act**) for the purpose of preventing pre-emptive action.

The CMA commenced its inquiry into the Merger on 24 July 2019 (phase 1). On 1 October 2019 the CMA referred the Merger for a phase 2 investigation pursuant to section 22 of the Act (the **Reference**) to determine, pursuant to section 35 of the Act: (a) whether a relevant merger situation has been created; and (b) if so, whether the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition in any market or markets in the United Kingdom for goods or services.

On 26 November 2019, the CMA made an interim order (the **Interim Order**) in accordance with section 81 of the Act to ensure that no action is taken pending final determination of the Reference which might prejudice the Reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the Reference. The IEO ceases to be in force under section 72(6) of the Act when the CMA makes an Interim Order under section 81 of the Act.

The Reference has not been finally determined in accordance with section 79 of the Act.

The CMA now issues written directions to Footasylum under paragraph 14 of the Interim Order to take the actions specified in **Annex 1** for the purpose of carrying out, or ensuring compliance with, the Interim Order, and to comply with the obligations set out in **Annex 1**.

Susan Hankey

13 March 2020

¹ On 19 September 2019, Footasylum plc was registered as a private company and became Footasylum Limited. References to Footasylum in this paper should be interpreted as covering both Footasylum plc (in the period prior to 20 September 2019) and Footasylum Limited (in the period since 20 September 2019).

Annex 1

Directions to Footasylum

Interpretation

In these Directions:

‘the Act’ means the Enterprise Act 2002.

‘CMA’ means the Competition and Markets Authority.

‘Footasylum’ means Footasylum Plc (until 19 September 2019) and Footasylum Limited (since 20 September 2019), a company registered in England and Wales with company number 05535565;

‘the IEO’ means the initial enforcement order imposed by the CMA pursuant to 72(2) of the Act with a commencement date of 17 May 2019;

‘the Interim Order’ means the interim order made by the CMA on 26 November 2019;

‘the MT’ means the monitoring trustee appointed in accordance with the CMA’s written directions under paragraph 12 of the IEO and subsequently under paragraph 6 of the Interim Order;

[X] means [X] (and/or any agent acting on its behalf); and

[X] means [X].

Terms and expressions defined in the Interim Order have the same meaning in these Directions, unless the context requires otherwise.

Specified actions

1. (a) Subject to paragraph 1(b), Footasylum must use reasonable endeavours to enter into [X] with [X] the for the [X]; and

(b) Footasylum is not required to enter into [X] or on terms which are otherwise deemed insufficient to make [X].
2. Subject to paragraph 1(b), Footasylum must [X].
3. Footasylum must not take any action to [X], including any preparatory steps [X] until the final outcome of [X].

4. Footasylum must inform the MT of any material developments in connection with [X] and provide confirmation to the MT [X].

Compliance

5. A failure by Footasylum to enter into [X] will not constitute a breach of these Directions if such failure is due to:
 - a) the refusal or inability of [X]; and/or
 - b) the terms of any [X] deemed insufficient to make [X].