

## THE ORDER

### DEROGATION LETTER IN RESPECT OF INTERIM ORDER ISSUED PURSUANT TO SECTION 81 ENTERPRISE ACT 2002 COMPLETED ACQUISITION

**Consent under section 81 of the Enterprise Act 2002 to certain actions for the purposes of the Interim Order made by the Competition and Markets Authority ('CMA') on 19 May 2021 (the "Interim Order")**

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

We refer to your submissions of 19 April 2021 and 26 April 2021 requesting that the CMA consents to derogations from the Interim Order. The terms defined in the Interim Order have the same meaning in this letter.

Under the Interim Order, save for written consent by the CMA, Pentland and JD Sports are required to hold separate the business of Footasylum 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 requests for derogations from the Interim Order, based on the information received from you and in the particular circumstances of this case, JD Sports may carry out the following actions, in respect of the specified paragraphs of the Interim Order.

#### **1. Paragraphs 5, 6, 10 and 12 of the Interim Order**

The CMA understands that JD Sports' international business activities are independent of and do not impact decision making in the UK. The CMA agreed to exclude JD Sports' international business from the previous Interim Order dated 26 November 2019 in its derogation of 30 November 2019.

The CMA agrees to exclude from the scope of the above paragraphs: (i) the legal entities acquired since 30 November 2019 listed in Annex 1 and their subsidiaries; and (ii) any international business which JD Sports may acquire in the future.

The CMA grants this derogation on the basis:

- a) of JD Sports' representations that its international business activities are entirely unrelated to the UK aspects of the Merger and that this derogation will not lead to the integration of the JD Sports and Footasylum businesses;
- b) that this derogation shall not prevent any remedial action that the CMA may need to take regarding the Merger; and
- c) that where an international business, which JD Sports decides to acquire, has at least one UK store and/or a UK webstore domain name (ie .co.uk) that sells sports-inspired footwear or apparel, JD Sports shall notify the CMA of the acquisition at least five working days prior to its anticipated legal completion date.

#### **2. Paragraphs 5, 6, 10 and 12 of the Interim Order**

The CMA understands that JD Sports operates an outdoor division (**JD Sports Outdoors**), which [X].

The CMA agrees to exclude JD Sports Outdoors from the scope of the above paragraphs. The CMA agrees to this on the basis that: (i) JD Sports Outdoors is [X]; and (ii) JD Sports Outdoors operates in different markets to JD Sports' sports fasciae.

The CMA grants this derogation on the basis of JD Sports' representations that it will not lead to the integration of the JD Sports and Footasylum businesses. This derogation shall not prevent any remedial action that the CMA may need to take regarding the Merger.

### **3. Paragraphs 5, 6(d) and 6(e) of the Interim Order**

The CMA understands that in light of the impact of COVID-19 in the UK on its business, it may be necessary for JD Sports to [X].

In light of the particular circumstances of this case, the CMA grants this derogation subject to the following conditions:

- [X];
- [X];
- [X]; and
- [X].

### **4. Paragraphs 5, 6(d) and 6(e) of the Interim Order**

The CMA understands that at the outset of the COVID-19 pandemic, JD Sports [X].

JD Sports intends to: (i) [X]; and (ii) [X].

In light of the particular circumstances of this case, the CMA grants this derogation subject to the following conditions:

- [X];
- [X]; and
- [X].

### **5. Paragraphs 5, 6(d) and 6(e) of the Interim Order**

The CMA understands that JD Sports may relocate some of its stores. [X].

In light of the particular circumstances of this case, the CMA grants this derogation [X] subject to the following conditions:

- [X];
- [X]; and
- [X].

Kip Meek

Remittal Group Chair

19 May 2021

## **ANNEX 1**

- JDSF Holdings (Canada) Inc
- DTLR Villa, LLC
- Shoe Palace Corporation
- SEA Sports Fashion SDN. BHD.
- JD Sports Fashion NZ Pty Limited

## **ANNEX 2**

### **JD Sports Outdoors fasciae**

- Blacks
- Millets
- Go Outdoors
- Ultimate Outdoors
- Tiso