

## Regulatory Story

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[Go to market news section](#)



**Company** JJB Sports PLC  
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### OFT Investigation

JJB Sports PLC ("JJB" or "the Company") confirms that it is assisting the Office of Fair Trading ("OFT") in an investigation it is carrying out in the sports retail market. OFT officers visited its offices in Wigan earlier today.

The investigation follows an approach that JJB made to the OFT on 30 January 2009 for immunity pursuant to the OFT's leniency programme in relation to a suspected agreement or concerted practice to dampen competition in the sports retail market in the period from 8 June 2007 to 25 March 2009, being the period in which the former chief executive, Mr Christopher Ronnie, was employed by the Company. The directors take seriously JJB's obligations under UK competition law and, since approaching the OFT, the Company has worked closely, and continues to cooperate fully, with the OFT and all aspects of its investigation.

The OFT considers that it is in the interest of the economy of the United Kingdom to have a policy of granting lenient treatment to companies which inform it of cartel activities. The grant of a marker by the OFT is part of the process in applying for, and being granted, leniency. On 24 August 2009, the OFT confirmed the grant of a marker for "Type A" immunity to JJB in respect of the suspected cartel activity in the period from 8 June 2007 to 25 March 2009. The OFT will only be in a position to decide whether or not to issue an infringement decision in the event that it has sufficient evidence to complete its investigation. This process may take up to a number of years. However, if the OFT were to complete its investigation, decide that JJB has infringed UK competition law and issue an infringement decision, the grant of the marker in favour of JJB means that it would receive full immunity from any financial penalty that would otherwise be imposed by the OFT.

The grant of the marker and the availability of immunity is subject to JJB complying with the OFT's standard immunity conditions, including continuous and complete cooperation with

the OFT, a requirement to refrain from further participation in the suspected cartel and a duty not to act in bad faith. The OFT has confirmed that it is satisfied that JJB is complying with these conditions. In addition, in order for JJB to retain the marker it is also necessary that the strength of the evidence provided by JJB to the OFT is not materially undermined by any statements given by implicated current or former employees or officers such that there is no sufficient basis for the OFT to take forward a credible investigation.

In the event that the marker, or any subsequent immunity agreement, is withdrawn as a result of JJB's non compliance with the conditions or as a result of JJB's evidence being materially undermined as described above, and an infringement decision is issued by the OFT, JJB may be liable for a fine from the OFT of up to a maximum amount of 10% of the Group's turnover.

Given compliance with the conditions set out above is within JJB's control and based on the information and cooperation provided to the OFT, the directors believe that the risk of the marker, or any subsequent immunity, being withdrawn is low. Further, even if the evidence provided by JJB to the OFT is subsequently undermined by any statements by implicated current or former employees or officers of the company, the directors consider it unlikely that this would be to such an extent that it could be said that there was no sufficient basis for the OFT to take forward a credible investigation.

The grant of the marker also means that JJB's employees and officers would be granted criminal immunity from prosecution for the cartel offence, subject to their compliance with the OFT's standard immunity conditions. Where an individual with immunity fails to cooperate, the OFT may withdraw such individual's own immunity, but provided that JJB could demonstrate that it had used its best endeavours to secure the cooperation of that individual (albeit unsuccessfully), the marker and any subsequent immunity would not be revoked from JJB.

Notwithstanding the grant of the marker, and the availability of immunity for JJB, JJB may still be liable for third party claims that may arise as a direct result of the conduct in the period from 8 June 2007 to 25 March 2009. Whilst JJB cannot rule out the risk of any third party claims for damages, the directors believe that the risk of a successful third party claim being made is low and, even if a successful third party claim is made, any financial impact arising from the matters under investigation, even in circumstances where the OFT were to proceed and issue an infringement decision in respect of any cartel activity, is unlikely to be material on the Group.

As stated above, JJB is cooperating fully with the OFT's investigation and cannot comment further on these matters at this stage. A further announcement will be made as appropriate.

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