

***Case No COMP/M.3942 -  
ADIDAS / REEBOK***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004  
MERGER PROCEDURE**

---

Article 6(1)(b) NON-OPPOSITION  
Date: 24/01/2006

***In electronic form on the EUR-Lex website under document  
number 32006M3942***



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.01.2006

SG-Greffe(2006) D/200298

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sir/Madam,

**Subject: Case No COMP/M.3942 – Adidas/Reebok  
Notification of 12.12.2005 pursuant to Article 4 of Council Regulation  
No 139/2004<sup>1</sup>**

1. On 12.12.2005, Adidas-Salomon AG (“Adidas”) notified its intention to acquire Reebok International Ltd. (“Reebok”) within the meaning of Article 3(1)(b) of Council Regulation No 139/2004 on control of concentrations between undertakings (“the Merger Regulation”).
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of the Merger Regulation and does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA Agreement.

**I. THE PARTIES**

3. Adidas, based in Herzogenaurach, Germany, is a global company active in the supply of sports and leisure goods, including footwear, apparel and equipment, through its core brands, Adidas and TaylorMade. Adidas has recently sold the Salomon business segment to the Amer Sports Corporation (the “Salomon Transaction”). The Commission approved this transaction on 12.10.2005 (Case No. COMP/M.3765 - *Amer/Salomon*). Excluding the business that was part of the Salomon Transaction, Adidas’ worldwide revenues totals approximately €5.9 billion in 2004, of which [...] % is generated in Europe and [...] % in the US.

---

<sup>1</sup> OJ L 24, 29.1.2004 p. 1.

4. Reebok, based in Canton, Massachusetts, U.S.A., is a global company active in the design and marketing of sports and fitness products, including footwear, apparel and equipment. Reebok also designs and markets casual footwear and apparel for non-athletic use. In 2004, Reebok acquired The Hockey Company. Reebok's other principal brands are: Reebok®, Rocksport®, and Greg Norman®. Reebok's worldwide revenues were approximately €3.1 billion in 2004, of which [...] % in the US and [...] % in Europe.

## **II. THE OPERATION**

5. Pursuant to the agreement between the parties, which was signed between the parties on 2 August 2005, Adidas will indirectly acquire all of the issued and outstanding shares of Reebok for US \$59.00 cash per share. The Transaction is valued at approximately US\$3.8 billion (€3.1 billion).

## **III. THE CONCENTRATION**

6. As a result of the transaction, Adidas will exercise sole control over Reebok. It follows that the notified transaction constitutes a concentration within the meaning of Article 3(1)(b) of Merger Regulation.

## **IV. COMMUNITY DIMENSION**

7. The undertakings concerned have a combined aggregate world-wide turnover of more than €5 billion<sup>2</sup> (Adidas: 5,9 billion in year ending 31 December 2004; Reebok: €3.1 billion in the year ending on 31 December 2004). Both have a Community-wide turnover in excess of €250 million [...], but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension.

## **V. COMPETITIVE ASSESSMENT**

### **A. Relevant product markets**

8. The transaction leads to overlapping activities in the following markets: i) athletic footwear, ii) athletic apparel and iii) other sport equipment.

#### ***(i) Athletic footwear***

9. The industry for athletic footwear typically divides sport shoes into two macro categories: i) purely sport shoes, i.e. athletic footwear designed to play sport, ii) and *leisure/lifestyle* shoes, that is sport-inspired shoes essentially used for leisure purposes. Within the family of sport shoes in turn, a second, intuitive, segmentation of the market is generally based on sports categories, i.e. football, running, basketball, tennis, fitness, etc.. NPD, which is the major third-party supplier of market information for athletic footwear in Europe, divides its point of sale ("POS") and Consumer Panel databases into thirteen and ten

---

<sup>2</sup> Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Notice on the calculation of turnover (OJ C66, 2.3.1998, p25).

categories, respectively, based principally on sporting categories, but also including leisure<sup>3</sup>.

10. However, the parties have argued that although athletic shoes can be segmented into categories (typically by sport but also in other ways), these categories are not relevant antitrust markets, but are principally marketing tools designed to stimulate consumer interest and demand for athletic shoes. The parties have submitted that the relevant product market for athletic footwear is at least as wide as total athletic footwear, for both demand-side and supply-side reasons.
11. On the demand side, the parties have contended that a significant portion of consumers commonly purchase athletic footwear for prevaillingly leisure use and substitute across all types of athletic shoes when making their purchases for both sport and leisure. More particularly, the parties have argued that many consumers buy e.g. a running shoe for their look while not intending to practise sport in the first place. This implies that to such a demand other leisure shoes, as well as shoes belonging to another sport category, can be directly substitutable with a running shoe. To support their claim, the parties have provided the outcome of a survey conducted between a panel of consumers by NPD. This report shows that in each sport category- except football - customers motivated by purely leisure reasons (the marginal demand) account, on average, for at least 40% of the total consumers, and, in some instances, depending on the sport category and the country concerned, reach much higher figures.
12. Moreover, according to the parties, the classification by sport categories can be in many instances arbitrary and may not provide an accurate picture of the market. The parties have given as an example Adidas' model *Stan Smith* (white leather shoes). The *Stan Smith* were originally designed in the 70's as tennis shoes, but, over time, have become a purely fashion item that people wear in leisure time rather than for playing tennis. Yet, this model is still classified as a tennis shoe by NPD.
13. The parties have also argued that consumers themselves are sometimes not aware of the differences between sport categories and boundaries between such categories can be blurred. This applies in particular either to those shoes having similar technical features and look, e.g. an outdoor and a running shoe, or an indoor and a tennis shoe, or to some fashionable sport shoes that consumers may perceive as "leisure shoes". The parties have cited the different data that NPD provides on the size of each sport category, depending on whether the sales in the market are calculated based on the point of sales data (based on an industry classification of shoes into categories) or on a consumer panel data (based on consumers' classification of shoes into categories). In the latter, consumers tend to perceive many models as lifestyle/leisure, and therefore this category tends to be over-represented and is generally bigger than in the POS data.

---

<sup>3</sup> NPD's POS categories include: (i) running (with sub-categories for running performance and running non-performance); (ii) football (with sub-categories for cleated and non-cleated); (iii) tennis (with sub-categories for performance indoor, performance outdoor and non-performance); (iv) cross-training; (v) workout; (vi) outdoors; (vii) indoor; (viii) skateboard; (ix) basketball; (x) walking; (xi) rugby (in France only); (xii) infants; (xiii) leisure. For Consumer Panel data: (i) running; (ii) football; (iii) tennis; (iv) cross-training; (v) workout; (vi) outdoor; (vii) indoor; (viii) basketball; (ix) leisure; (x) all others (including baseball, cricket, cycling, golf, infant, kids, rugby, sports sandal, street hockey, track & field, walking/race walking, skateboard).

14. On the supply side, according to the parties, most athletic shoe suppliers rely upon third-party contract manufacturers that are capable of producing all types of athletic shoes, and athletic shoe suppliers typically market and distribute many types of athletic shoes, both sports performance shoes and athletic-inspired lifestyle shoes. In any event, any foot-wear manufacturer specialised in a sport segment can easily expand into neighbouring segments in little time and incurring little extra production costs. However, successful expansion often requires significant marketing and advertising efforts. As will be discussed in more detail below, the investigation shows that market entry and expansion is possible in the athletic footwear market.
15. Based on a fairly comprehensive set of scanner data containing retail sales of sport footwear in four of the largest countries of the EU, namely Germany, Italy, France, Spain, the parties have also tried to support their claims using some econometric studies. The parties have estimated various econometric demand models to determine in particular whether or not sport foot-wear categories constituted separate markets. Because the estimation did not provide any meaningful results, no definite conclusions can be drawn from these studies.
16. The market investigation has to a large extent confirmed the parties' arguments. Virtually all respondents agree that the segmentation between sport categories is unclear due to the fact that a large number of consumers of sport shoes are mainly driven by leisure. Football is the only sport category where shoes appear to be used overwhelmingly for practising sport. The market investigation also shows that these consumers are not negligible in number. On average, most of the respondents indicated that, except football, in each sport category at least 30% of consumers buy sport shoes for leisure purposes.
17. Based on the same data set as the parties, the Commission has also used an econometric model of demand for athletic footwear. Based on the coefficient estimates, the Commission computed cross-price elasticities between the various segments of sport shoes as well as between brands within some various segments. However, the estimation results of the econometric model did not provide any meaningful estimates. The study is thus inconclusive.
18. Within each sport category, the Commission has also considered whether it is possible to identify a sub-segment of products which, due to their characteristics and price, would appeal only to a particular profile of sports consumers (i.e. performance/professional sub-segment) and would not be subject to competitive constraints from lower range shoes within the same sport category. The parties reject such a theory, arguing along the lines described above. The findings of the investigation are mixed. A number of respondents, among which some major competitors, claim that performance models of athletic footwear recurrently become an icon, hence a fashion item bought predominantly by young trendsetters for purely leisure use. This is the case for instance for Nike's Air Jordan basketball shoes. This would imply again that performance shoes would be subject to competitive pressure from any sport-inspired up-market trendy shoes. Moreover, the segmentation between performance and non performance shoes within the same sport category is rather blurred. On the other hand, many respondents acknowledge the existence of sub-segments within a number of sport categories, such as, in particular, running, football, tennis and to a lesser extent basketball.
19. In conclusion, the findings of the investigation seem to indicate that the distinction of sport shoes in sport categories and sub-categories is indeed blurred. On the other hand, the tendency by consumers to buy real sport shoes (e.g. a pair of running or tennis shoes) just

for purely leisure purposes is difficult to measure. While it is certainly true that over the last twenty years sport shoes have become a fashion item, hence playing a dual role, most recently the market seems to be evolving towards a further, more sophisticated segmentation. In particular, it is unclear to what extent high end athletic shoes (having more pronounced technical characteristics and selling for a higher price) perform a multifunction role for consumers as much as it is the case for low and mid budget shoes. At the same time, the relatively recent category of “sport inspired” *lifestyle* shoes seems to increasingly catalyze the demand of those fashion conscious consumers who buy athletic shoes for mainly leisure purposes. As a consequence, it cannot be ruled out that sport/performance shoes belonging to the upper range of the market would be prevalingly targeted by sportsmen, and their price little constrained by leisure shoes. In any event, the exact market definition can be left open for the purposes of this case, since even on the narrowest market definition considered, effective competition would not be significantly impeded in the Common market in particular as a result of the creation or strengthening of a dominant position.

***(ii) Apparel***

20. Both parties have overlapping activities in apparel. Apparel comprises sports clothes such as shirts and shorts, swimwear and accessories. The exact market definition for apparel can be left open for the purposes of this decision, because even on the narrowest market definition considered, effective competition would not be significantly impeded in the Common market in particular as a result of the creation or strengthening of a dominant position.

***(iii) Other sporting equipment***

21. Both parties have overlapping activities in other sporting equipment. Other sporting equipment comprises e.g. bags, balls and eyewear. The exact market definition for other sporting equipment can be left open for the purposes of this decision, because even on the narrowest market definition considered, effective competition would not be significantly impeded in the Common market in particular as a result of the creation or strengthening of a dominant position.

**B. Relevant geographic markets**

22. The Parties have submitted that the relevant geographic markets are national, and may be regional in certain parts of the EEA. The investigation has confirmed the parties’ claim that markets tend to be segmented across national boundaries, although there are some elements suggestive of an evolution towards wider than national markets. In particular, from the supply side, the business of large suppliers and retailers (e.g. manufacturing, advertising, distribution, rebate schemes, brand positioning) shows common features in most European countries. However, the investigation has also proved that significant differences on a country basis persist as regards suppliers’ market shares, prices, distributors and consumers’ preferences. Therefore, for the purpose of this case, markets will be considered national in scope.

**C. Assessment**

23. As for athletic apparel and other sport equipment, Reebok has very limited activities in the EEA. The parties’ combined market shares do not exceed [10-20]% either at the national level or EEA-wide level in any alternative market definition used. Third parties in their replies to the market investigation have not raised any concerns on either apparel

or other sporting equipment. Therefore, for the purposes of this decision, apparel and other sport equipment will not be considered any further.

***(i) The features of the athletic footwear market***

24. Over the last two or three decades, the market for athletic footwear has been very dynamic. Due to the nature of the products at stake, namely highly differentiated, consumer fashion goods, sport shoes suppliers have attempted to respond to rapidly changing consumer patterns, which have in turn stimulated broader market demand and volatility. In the 1970s, consumer interest in running for exercise and leisure grew enormously, encouraged by events such as the New York City marathon. In the 1980s, consumers, particularly women, began taking fitness and exercise classes in substantially increasing numbers, and suppliers responded with newer models, including footwear that used softer garment leather. In the 1990s, athletic footwear definitely became a fashion item when style setters from the worlds of film, music and entertainment began wearing athletic shoes to major pop culture events.
25. As a consequence of all these factors, the industry for athletic footwear has recorded important changes. Above all, the most notable trait of the market for athletic footwear over the last two decades has been the increasing trend towards a more fashion oriented focus. In essence, sport shoes designed primarily for sport have increasingly come to play a dual use, a fashion item for leisure use, in addition to a sport performance function. The first company to take advantage of this trend has been Nike, which, from being a small brand in the 1970s, has come to dominate the global sneaker market, and in particular the US, by appealing to both athletes and young urban trend-setters. Conversely, other competitors have not succeeded in adapting to the changing marketplace. As a consequence, strong brands have disappeared as well as others have seen their fortunes rise and fall.
26. To date, some the above described features of the market seem to be magnified. The upper end of the market appears to be increasingly fashion driven. Consumers' patterns, at least as far as fashion-conscious consumers are concerned, can rapidly and radically change. The most illustrative example is given by the story of Puma, a famous brand which fell in decline over the 80s and 90s, and has lately been very successful thanks to its "lifestyle" models. The lifestyle category is probably the most competitive segment of the market, due to the presence of leisure and brown shoes suppliers on top of the athletic foot-wear manufacturers.
27. At the same time, advertising plays an increasingly important role. Advertisement and endorsement of trend setters are a must for the most important brands and require considerable resources. The largest suppliers, above all Nike and Adidas, tend to contract the major sport, movie and music stars as testimonial in order to turn their products into fashion icons and status symbols. Because, of the large costs which are needed to finance such campaigns, the number of players with the ambition of having a global reach is limited.
28. Moreover, as sales are fashion and brand driven, established brands have a considerable advantage in terms of bargaining power, access to shelf space and pricing with respect to little known brands.
29. Technological innovation is also an important factor, in particular as regards sport performance shoes, and is as well mostly reserved to top brands which can significantly invest in R&D.

30. On the other hand, smaller competitors may be very successful in anticipating or understanding a fashion trend (e.g. Puma with lifestyle shoes), or in penetrating new categories starting from a specific identity (e.g. Asics with a running heritage is branching out into other categories). These trends are exemplified by the volatility of sales within specific categories: if a particular shoe becomes fashionable, it can sell much more than the people practicing that sport would ever buy.
31. The low end of the market is perhaps less affected by the above factors, although competition remains intense most notably in those countries where large retailing chains (e.g. Decathlon, JJB and others) sell their private labels.
32. Finally, another typical feature of the market is the delocalisation of the manufacturing towards the Far East or other low-cost labour areas of the Globe.

*(ii) The competitive landscape*

33. As to the competitive landscape, the industry is to date characterised by the presence of a small number of “global” players, who are active in more or less all sport categories and across price points. These are the worldwide leader Nike, followed by Adidas, and then a handful of smaller competitors, primarily Reebok, Asics, and Puma. Some of these are to some extent less diversified across segments, yet focused on some of the most profitable sport categories (e.g., Puma is leader in the sport-inspired lifestyle leisure category, while Asics is strong in running). Finally, there are other smaller players, like New Balance, Mizuno, K Swiss, Umbro and Diadora, who are clearly concentrated on one or few sport categories and/or geographical areas. In the market for athletic footwear, Adidas is number two worldwide and in Europe behind Nike, and only number four in the US. Reebok is stronger in the US (number two) than in Europe (number four).
34. The parties argue that the merger is complementary as the companies’ profile, brand portfolios, as well as geographic focus, appear to be different. Adidas built in the past its reputation on manufacturing athletic shoes of quality and performance. Since then, the company has consistently maintained an image associated to professional sportsmen, although less appealing to younger, fashion-sensitive generations. Moreover, given its roots, Adidas has been and still is perceived in the US as a company with a European flavour. Reebok is one of the US leading sport shoes manufacturers and is a genuine US brand. Moreover, lately, Reebok has been successful in reaching the segment of young, inner-city, fashion-oriented consumers. Reebok has also been very effective at targeting women, in particular the fitness segment. The merger with Reebok would therefore enable Adidas to enlarge its geographic reach and strengthen its position in the US market, diversify and broaden its brand portfolio across categories, gain a leadership position in a number of major sports, add scale and gain cost synergies and savings.

*(iii) Competitive impact – Unilateral effects*

35. Coming to the impact of the merger in Europe, taking the market for athletic foot-wear as a whole, Adidas will reach a size comparable to the leader Nike, with a market share of around [25-35]% in the EEA, although significant variations on a country by country base are recorded. On most national markets, the combined entity's market share for athletic footwear would not exceed [20-30]% based on pre-merger (2004) figures in volume. Higher market shares would be registered in the following countries: Norway with [30-40]% (Adidas [30-40]%, Reebok [0-10]%), Denmark with [30-40]% (Adidas [25-35]%, Reebok [0-10]%), Iceland with [30-40]% (Adidas [25-35]%, Reebok [0-10]%), Finland with [25-35]% (Adidas [15-25]%, Reebok [10-20]%), Germany with [25-35]% (value figures, Adidas [20-30]%, Reebok [0-10]%), Ireland with [25-35]% (Adidas [15-25]%, Reebok [10-20]%), Malta with [25-35]% (entirely accounted for by Adidas); UK with [25-35]% in (value figures, Adidas [15-25]%, Reebok [5-15]%), Poland with [20-30]% (Adidas [15-25]%, Reebok [5-15]%), Sweden with [20-30]% (Adidas [15-25]%, Reebok [5-15]%), and Spain with [20-30]% (Adidas [10-20]%, Reebok [10-20]%).
36. Looking at specific categories of athletic shoes, a more composite picture appears. The combined market shares range from negligible to very high. The category with the most significant overlaps across Europe is tennis, where the merged entity would reach shares around [50-60]% in Poland and Spain, and between 40% and 50% in France, Germany, Italy, and Sweden. Also categories like basketball and workout give rise to combined market shares above 40% in specific countries. In particular, as regards basketball, Adidas will reach combined market shares between 40% and 50% in Spain and Poland; in workout, the merged entity would reach combined market shares in the range of [35-45]% in Spain, [45-55]% in France, [60-70]% in Germany.
37. Given the highly differentiated nature of the products involved, aside from the market shares, the Commission has verified, within each sport category significantly affected in the countries mentioned above, the closeness of substitution of the models marketed by the two players, by looking more closely at the type of overlapping models as well as the price points in which they concentrate. Its findings, summarized below, indicate a number of common features of competition between the separate national markets. Whenever the situation is different in a specific geographic market, this is explicitly reported.
38. A first element to be borne in mind is that Nike is a strong competitor in virtually all European markets. Its presence spans across the great majority of footwear categories and covers virtually all price points (with the exception of the very low prices shoes). The Commission considers on the basis of the investigation that Nike is likely to retain its market leadership or to contend it to the combined entity in most national market. One notable exception is Poland, where Nike would be a more distant second.
39. Additionally, the market investigation has confirmed that in terms of brand and pricing, Adidas and Reebok have a slightly different position. Adidas is perceived as a professional, technically oriented brand with strong European roots (witness its significant market shares in football). Reebok targets predominantly youth and women, is more a "leisure" brand and has a stronger presence in American sports (basketball, American football, baseball), some of which are not excessively popular in Europe. Additionally, both brands offer numerous models in the important athletic footwear categories such as football, running and leisure.

40. Partly due to its different heritage, Reebok's image on the European markets is weaker than Adidas' or Nike's. This fact is clearly reflected in the relatively low market shares it has in most national markets. Additionally, the majority of the retailers who have participated in the market investigation have indicated that Reebok is not a must have brand, while Adidas clearly is. Most retailers have also indicated that the addition of Reebok and Adidas would not give the combined entity more bargaining power in the negotiations on which models to stock or sell.
41. In terms of pricing, Adidas is positioned in the medium to high price points, while Reebok is stronger in the low to medium price points. Although there are significant variations across countries, the medium price points in which Adidas and Reebok compete range in first approximation from € 50 to € 80. These are also the price points that generate the highest sales volumes and where most competitors are present. It is therefore unlikely that the concentration will increase the parties' market power in this respect.
42. In the sub-segments of sport performance premium shoes, there are limited overlaps between the parties. Moreover, these sub-segments are systematically presided by Nike, plus one or two specialised competitors (e.g. Saucony, New Balance and Asics in running; And1 in basketball; KSwiss in tennis).
43. In the lower end sub-segments, overlaps are also limited. Competition is provided both by the entry-level models of other brands and by private labels (strong e.g. in France and the UK where the retail sector is particularly concentrated) or by no-brand shoes (particularly strong in lower income countries, e.g. Poland).
44. With regard to sport categories where there are more significant overlaps (tennis, basketball, and workout), it should preliminary be borne in mind that, as discussed above, the Commission found no elements indicating that such categories can be considered independently from other athletic shoes. Even if these categories were to be considered as defining relevant markets the impact of competition from neighbouring market would have to be taken into account. This is all the more true for those categories and models that are more lifestyle inspired.
45. In **tennis** (accounting for about 5% of the market for athletic footwear in the EEA), the investigation has indicated that the most significant overlaps between Adidas and Reebok in terms of model and price points occur with regard to the so called classic models, white leather shoes with a classic silhouette, which have been originally conceived for sport categories like tennis, running and basketball. However, as said already, the investigation has also proved that such classic models are in most instances bought by consumers for leisure purposes and hardly serve the sport function for which they were originally designed. As a consequence, these shoes are exposed to competition coming from all sorts of sport shoes and sport-inspired leisure shoes. A similar situation is found in basketball (which accounts for around 4% of the market in the EEA).
46. As regards **work-out** (a tiny category, accounting for 1% or less of the total market in the EEA), the investigation has provided no indication of possible alarming overlaps, given that: i) the position of the parties is prevailingly due to Reebok's strength in the segment; ii) Nike is systematically present, plus, depending on the countries, other specific competitors; iii) this category is very small in volume and one of the most undefined, thus it appears to be constrained by shoes belonging to neighbouring categories, primarily running, indoor, cross-training.

47. In the categories that account for most of European sales, competition is intense. In **football** (around 10% of the total sales of sport footwear), Reebok is either absent or holds a very limited presence in some countries of the EEA (below 5 %), while many strong players compete with Adidas, including Nike, Umbro and other more local brands (e.g. Diadora and Lotto in Italy). In **running** (over 30% of the total sales), Nike, Asics and to a lesser extent New Balance are strong competitors. And while in some countries such as Poland and the UK overlaps are significant (combined market shares in the range of [35-45]%), it appears that most of Reebok sales involve white leather shoes, a model which, according to the market, is prevalingly bought by consumers for leisure purposes. In **lifestyle/leisure** (over 20% of total sales), Puma is becoming the market leader followed by Nike, not to mention competitive pressure coming from all sorts of sport inspired and brown shoes suppliers (e.g. Diesel, Campers, Kickers), which target the same fashion conscious consumers. Although the parties' position may somehow vary depending on the countries, these are recurrent patterns characterising all the countries of the EEA.

*(iv) Risks of coordinated effects*

48. Finally, the Commission has also assessed whether the merger could give rise to coordinated effects detrimental to consumers. Although the merger increases the market shares' symmetry between the two leading players, i.e. Nike and Adidas, the features of the market, most notably the volatility of market shares due to the fashion driven, differentiated nature of the products, as well as the presence of a large number of dynamic competitors capable of exercising very significant competitive constraints, rule out the risks of collusion on the market resulting from the operation.

*(v) Conclusion*

49. Therefore, on the basis of the foregoing and given in particular the different positioning of Adidas and Reebok on the market, the number of strong competitors present in all categories and price points where Adidas and Reebok are concentrated, the fact that in some instances shoes from a sport and leisure categories constrain the pricing of other sport categories of athletic shoes, the Commission concludes that the transaction as notified does not raise serious doubts as to its compatibility with the Common market.

**VI. CONCLUSION**

50. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EC) No 139/2004.

For the Commission  
signed  
Ján FIGEL  
Member of the Commission