

DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002 COMPLETED ACQUISITION

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purpose of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 21 October 2019

Completed acquisition by Danspin A/S of certain assets and goodwill of LY Realisations Limited (formerly Lawton Yarns Limited)

We refer to your email dated 17 October 2019 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 23 July 2019 (the 'Initial Order'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Danspin and Lawton Yarns are required to hold separate the acquired business ('the LY Realisations business' as defined in the Initial Order) from the acquirer's business ('the Danspin/Lawton Yarns business' as defined in the Initial Order) 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 request for a derogation from the Initial Order, based on the information received from you and in the particular circumstances of this case, Danspin and the LY Realisations business may carry out the following actions, in respect of the specific paragraphs:

1. Derogation request relating paragraph 5(l) of the IEO

The CMA consents to [X] of Danspin being provided with an up to date profit and loss statement and balance sheet of Lawton Yarns Ltd in order to [X]. This is on the condition that this information is not shared by [X] except with Danspin's external legal advisors and [X].

This derogation is granted subject to the following conditions:

- a) Any information proposed to be transferred shall be disclosed in advance to the Monitoring Trustee, to give them an opportunity to raise any concerns with the CMA; and

b) In any event, both Danspin and the LY Realisations business remain under an independent duty to ensure that the information transferred is limited to that which is strictly necessary for the purpose of this derogation.

Yours sincerely

Maria Duarte
Assistant Director, Mergers
21 October 2019