

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDERS 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 purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 23 July 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 31 October 2019 requesting that the CMA consents to derogations 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 the written consent of the CMA, Danspin is required to ensure *inter alia* that confidential, proprietary and commercially sensitive information is not shared between Danspin and the LY Realisations Business and also to ensure that all assets of both businesses are maintained and held separately.

After due consideration of your request for derogations from the Initial Order, based on the information received from Lawton Yarns / the LY Realisations Business, and in the particular circumstances of this case, Danspin and Lawton Yarns may carry out the following actions, in relation to the specific paragraphs of the IEO listed below.

1. Paragraphs 5(l) the Initial Order

In order to ensure that Danspin is able to comply with its obligations under paragraph 5(b) of the Initial Order, the CMA consents to and of Danspin and , external legal adviser of Danspin, being provided with:

- a cashflow forecast of Lawton Yarns Ltd for the period up to 31 December 2019; and
- After 31 December and during the CMA's investigation, a monthly update with Lawton Yarn Ltd's rolling two month cashflow forecast.

This derogation is granted subject to the following conditions:

- Lawton Yarn Limited's cash flow information provided to the individuals identified above is limited to the strictly necessary bottom line information and it will not be shared further by these individuals.
- Before Lawton Yarn Limited's cash flow information is provided to the individuals identified above, it should be shared with the Monitoring Trustee, who will assess if the information is within the scope of this derogation. Where there are doubts as to whether the cashflow information can be provided to these individuals, the CMA should be consulted in advance.

This derogation is granted on the basis of information provided by Danspin which shows that the derogation:

- is strictly necessary for Danspin to comply with its obligations under paragraph 5(b) of the Initial Enforcement Order.
- shall not prevent any remedial action that the CMA may need to take regarding the transaction.

Yours sincerely

Maria Duarte
Assistant Director, Mergers
8 November 2019