

**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 29 October 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. On 31 October the CMA requested clarification on the derogation request, which was then received on the 1 November.

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 derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Danspin and LY Realisations may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 5(b) and 5(e) of the Initial Order**

The CMA consents to Lawton Yarns not formalising its occupation of [X] and vacating it.

This derogation is granted on the basis of information provided by Lawton Yarns that:

- a) the landlord of [REDACTED] insists that Lawton Yarns enter into a long term lease to formalise its current occupation;
- b) there is spare capacity at the other property of the LY Realisations business at Ravens Ing;
- c) that the stock currently stored at [REDACTED] will ultimately be stored at the Ravens Ing property; and
- d) if this is not possible in the interim, external storage will be used temporarily.

The CMA understands that Lawton Yarns would have taken this course of action absent the Initial Order and that this action will not result in the loss of stock.

This derogation shall not prevent any remedial action that the CMA may need to take regarding the transaction

Yours sincerely

Maria Duarte  
Assistant Director, Mergers  
7 November 2019