

**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 10 December 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 Limited / the LY Realisations Business, and in the particular circumstances of this case, Danspin and LY Realisations may carry out the following actions, in relation to the specific paragraphs of the IEO listed below.

**1. Paragraphs 4(c) and 5(e)(i) of the Initial Order**

The CMA consents to the interest rate applicable to the inter-company debt between Danspin and Lawton Yarns Limited and P41 Limited respectively, being set at [~~8~~] % per annum.

This derogation does not affect Danspin's remaining obligations under the Initial Order, subject to relevant derogations already granted by the CMA.

This derogation shall not prevent the remedial action that the CMA is considering regarding the transaction

Yours sincerely

Maria Duarte  
Assistant Director, Mergers  
7 January 2020