

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED  
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002**

**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 10 June 2020**

**Completed acquisition by Elis UK Limited of Central Laundry Limited (the 'Merger')**

We refer to your submissions dated 3 and 6 July 2020 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 10 June 2020 (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, Elis S.A., Berendsen Limited and Elis UK Limited (together '**Elis**') are required to hold separate the Elis UK Limited ('**Elis UK**') business from the Central Laundry Limited ('**CLL**') business 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, Elis S.A., Berendsen Limited and Elis UK Limited may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraph 5(c) of the Initial Order**

Elis submits that Berendsen Ireland Limited, a subsidiary of Elis S.A., entered into a share purchase agreement on 25 July 2018 to acquire Kings Laundry Limited, a laundry provider based in the Republic of Ireland (the '**Kings acquisition**'). Elis submits that neither Berendsen Ireland Limited nor Kings Laundry Limited operate in Great Britain ('**GB**') in any way. The Kings acquisition is due to complete by 8 July 2020. On this basis, Elis seeks the CMA's consent to a derogation from paragraph 5(c) of the Initial Order permitting the Kings acquisition to occur.

The CMA consents to a derogation from paragraph 5(c) of the Initial Order strictly on the basis that:

- a) The Kings acquisition will have no impact on:
  - i. CLL, Elis UK or the Elis UK business; and
  - ii. the management or day-to-day operations of Elis UK, CLL or any parts of Elis S.A. which have management oversight of Elis UK.
- b) The Elis UK business and the CLL business will remain entirely separate to Berendsen Ireland Limited and all other Elis subsidiaries in Ireland;
- c) This derogation shall not prevent any remedial action that the CMA may need to take regarding the Merger.

**Karina Kucaidze**  
**Assistant Director, Mergers**  
**7 July 2020**