

**DEROGATION LETTER
IN RESPECT OF THE INITIAL ENFORCEMENT ORDER 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 12 May 2022

Completed acquisition by C r lia Group Holding SAS (either directly or indirectly) of certain assets relating to the UK and Ireland dough business (Jus-Rol) of General Mills Inc. (the 'Merger')

We refer to your submission of 20 January 2023 requesting that the CMA consents to derogations from the Initial Enforcement Order of 12 May 2022 (the '**Initial Order**'). Unless otherwise stated, 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, C r lia Group Holding SAS ('CGH'), C r lia UK Ltd ('CUK') and C r lia Netherlands Business Unit B.V. ('CNBU') (together collectively referred to as 'C r lia') are required to hold separate the C r lia business from the Jus-Rol 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 a derogation from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to the Jus-Rol business carrying out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(d) of the Initial Order

C r lia has requested a derogation to allow the Jus-Rol business to discontinue production for the UK of its [X] SKU [X].

The Jus-Rol business has explained that the [X] SKU is an underperforming [X]. [X]. As such the discontinuation of the [X] SKU would not affect the viability of the Jus-Rol business;

[REDACTED], the Jus-Rol business explained that it is no longer commercially and financially viable for the Jus-Rol business to continue to produce [REDACTED].

The Jus-Rol business also noted that GMI will in any event have to discontinue the production of the [REDACTED] SKU [REDACTED].

In the circumstances, Cérélia and the Jus-Rol business [REDACTED] have explained that the discontinuation of the [REDACTED] SKU is necessary to maintain the profitability [REDACTED].

The Jus-Rol business has explained that subject to the CMA granting the derogation, it [REDACTED].

Based on Cérélia and the Jus-Rol business's representations, the CMA consents to a derogation from paragraphs 5(d) of the Initial Order for the actions described above, strictly on the basis that:

- (i) This derogation will not result in any pre-emptive action which might impede the taking of the remedial action that is envisaged in the Final Report¹;
- (ii) Discontinuing the [REDACTED] SKU is meant to remove an underperforming SKU and maintain the viability and competitiveness of the Jus-Rol business;
- (iii) The Jus-Rol business would suffer significant losses if it were required to continue to produce the [REDACTED] SKU; and
- (iv) GMI would have to discontinue production of the [REDACTED] SKU [REDACTED];

Yours sincerely,

[signed]

Project Director

25 January 2023

¹ [Final report \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)