

Consent to certain actions for the purposes of the Initial Enforcement Order (Initial Order) made by the Competition and Markets Authority (CMA) pursuant to section 72(2) of the Enterprise Act 2002 (the Act) on 21 August 2014

Acquisition by Pork Farms Caspian Limited of the chilled savoury pastry business of Kerry Foods Limited

Under the Initial Order, save for written consent by the CMA, provision was made that the business of Poppy Acquisition Limited, Pork Farms Limited, Park Cakes Limited, Fletchers Bakeries Limited¹ and their subsidiaries carried on at the commencement date (the Vision Capital business) will be held separate from the chilled savoury pastry business of Kerry Foods Limited carried on at the commencement date (the Target business). After due consideration of your request for a derogation to the Initial Order, the Vision Capital business may carry out the following actions, in respect of the specific paragraphs:

Paragraphs 5(b), 5(d) and 5(e) of the Initial Order

As a consequence of the Initial Order, the Target business has to be maintained as a going concern and maintain the range of goods it supplies in the UK. You submitted that, as part of the normal course of business, the Target has identified a number of product lines that are being manufactured on an unprofitable basis and which the Target business wishes to discontinue in order to avoid further ongoing harm to its financial performance. Details of the product lines being discontinued are set out in Attachment 1.

Therefore the Target business is allowed to discontinue production of the product lines set out in Attachment 1.

Paragraphs 5(b), 5(i) and 5(k)

As a consequence of the Initial Order, the Target business has to ensure that no changes are made to the key staff of the Target business and that all reasonable steps are taken to encourage all key staff to remain within the Target business. You submitted that some employees that came across as a result of the Transaction are a poor fit to the requirements of a stand-alone business and that the additional

¹ The CMA granted a derogation on 12 September 2014 allowing Vision Capital to sell Park Cakes Limited and Fletchers Bakeries Limited. The CMA understands that Fletchers Bakeries Limited was sold on 10 October 2014.

employee costs involved cannot be justified on the basis of the Target's more limited requirements. A copy of the Target businesses restructuring plan was provided to the CMA, which included changes to key staff.

The Target business is allowed to implement its restructuring plan.

Below is a list of the product lines being discontinued:

[✂]