

**COMPLETED ACQUISITION BY LONG CLAWSON DAIRY LIMITED OF
MILLWAY, BEING THE SPECIALITY CHEESE BUSINESS OF DAIRY CREST
GROUP PLC**

**Directions issued pursuant to paragraph 6 of the Undertakings given by
Long Clawson Dairy Limited and adopted by the Competition Commission
on 13 October 2008**

To preserve the possibility of restoring effective competition in the markets affected by the acquisition, through the separation of the Long Clawson Dairy Limited business and Millway, the Stilton and Speciality Cheese business of Dairy Crest Group Plc (the Target Business) as viable, marketable and competitive businesses;

To ascertain precisely the degree of integration which has occurred to date between Long Clawson Dairy Limited and the Target Business, the current and proposed arrangements for managing the two businesses, and to ascertain what changes to those arrangements, if any, are necessary; to supervise the establishment of mechanisms for ensuring compliance with the Undertakings; and so far as possible, to ensure their full and effective compliance;

The Competition Commission now issues written directions under paragraph 6 of the Undertakings that, for the purpose of securing compliance with the Undertakings, Long Clawson Dairy Limited shall appoint a Monitoring Trustee in accordance with the terms provided for in the annex and Long Clawson Dairy Limited shall comply with the obligations set out in the annex.

(signed) DIANA GUY
Group Chair
27 October 2008

ANNEX

1. In order to ascertain precisely the degree of integration which has occurred to date between Long Clawson Dairy Limited and the Target Business, to supervise the establishment of mechanisms for ensuring compliance with the Undertakings, and, so far as possible, to ensure their full and effective compliance, Long Clawson Dairy Limited shall appoint a Monitoring Trustee (MT). The functions of the MT shall be as set out below. The MT shall act on behalf of the Competition Commission (CC) and shall be under an obligation to the CC to carry out his functions to the best of his abilities.
2. Long Clawson Dairy Limited shall cooperate fully with the MT, in particular as set out below. Long Clawson Dairy Limited shall ensure that the terms and conditions of appointment of the MT shall reflect and give effect to the functions and obligations of the MT and Long Clawson Dairy Limited as set out in this document.

General

3. The MT shall possess appropriate qualifications and experience to carry out his functions.
4. The MT shall neither be nor become exposed to a conflict of interest.
5. The MT shall be remunerated and reimbursed by Long Clawson Dairy Limited for all reasonable costs properly incurred in accordance with the terms and conditions of his appointment. This shall be done in such a way that does not impede his independence or his ability to effectively carry out his functions.
6. The MT shall be appointed by Long Clawson Dairy Limited as soon as is reasonably practicable and in any event by 5pm on Monday 3 November 2008 and shall continue to act for ten working days after commencement. For the avoidance of doubt, nothing in these directions shall exclude the possibility of the CC directing the extension of the period of appointment of the MT, or the appointment of a further MT, should the CC consider such an appointment necessary.
7. The appointment of an MT by Long Clawson Dairy Limited shall be subject to the approval of the CC as to the identity of the MT and his terms and conditions of appointment in their entirety (ie the CC shall have the right of veto). To this end, Long Clawson Dairy Limited shall inform the CC as soon as is reasonably practicable and in any event by 5pm on Wednesday 29 October 2008 of the identity of the MT that Long Clawson Dairy Limited proposes to appoint and provide the CC with draft terms and conditions of appointment and, once appointed, Long Clawson Dairy Limited shall provide the CC with a copy of the agreed terms and conditions of appointment.

Primary Functions

8. The Primary Functions of the MT shall be (i) to ascertain precisely the degree of integration which has occurred to date between Long Clawson Dairy and the Target Business, the current and proposed arrangements for managing the two businesses, and what changes to those arrangements, if any, are necessary to preserve the possibility of the CC taking any remedial action, if required; (ii) to identify, and if appropriate supervise the establishment of, mechanisms for ensuring compliance with the Undertakings; and (iii) so far as possible, to ensure the full and effective compliance of Long Clawson Dairy Limited with the Undertakings during his term of appointment.

9. The MT shall take such steps as he reasonably considers necessary in order for him to effectively carry out his Primary Functions. Those steps may include, but shall not be limited to, the monitoring of communications within the merged business of Long Clawson Dairy Limited and the Target Business, including written and electronic communications, telephone conversations and attending meetings.
10. The MT shall comply with any requests made by the CC for the purpose of ensuring the full and effective compliance by Long Clawson Dairy Limited with the Undertakings.

Obligations of Long Clawson Dairy Limited

11. Long Clawson Dairy Limited and their employees, officers, directors, advisers and consultants shall cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require in order to discharge his Primary Functions, including but not limited to:
 - (a) the provision of such facilities as an office equipped with a workstation, telephone, fax machine and computer with Internet access at any and all premises of the merged Long Clawson Dairy Limited and the Target Business as the MT may reasonably require; and
 - (b) the provision of full and complete access to all personnel, books, records, documents, facilities and information of the merged Long Clawson Dairy Limited and the Target Business as the MT may reasonably require access to.
12. If any of Long Clawson Dairy Limited is in any doubt as to whether any action or communication would infringe the Undertakings, they should contact the MT for clarification.
13. If any of Long Clawson Dairy Limited has any reason to suspect that the Undertakings might have been breached, they should notify the MT and the CC immediately.

Reporting functions

14. Ten working days following the date of his appointment the MT is required to provide a report to the CC. This report should set out, in detail, the degree of integration which has occurred between Long Clawson Dairy Limited and the Target Business, the current and proposed arrangements for managing the two businesses, and recommend what changes to those arrangements, if any, are necessary. This report should provide detailed information as to the mechanisms which have been or should be put in place to ensure compliance with the Undertakings, and should include, among other things:
 - (a) steps that could be taken to separate the business enough to preserve the CC's ability, if necessary, to require divestment of the Target Business;
 - (b) assessing the management at the Hartingdon plant to identify suitable individuals (if any) to act as a hold separate manager (including for production and sales and marketing);
 - (c) [X]; and
 - (d) [X].

15. When providing his report to the CC, the MT must ensure that he does not disclose any information or documents to the CC which Long Clawson Dairy Limited would be entitled to withhold from the CC on the grounds of legal privilege.
16. The MT should notify the CC immediately if he forms a reasonable suspicion that the Undertakings have been breached, or if he considers that he is not in a position to effectively carry out his Primary Functions. In that situation, the MT should set out the reasons for his view and attach any relevant supporting evidence available to him (unless doing so would infringe his obligations referred to in paragraph 15 above).
17. All communications between the MT and the CC (including the statements and reports referred to in paragraph 16) shall be confidential and should not be disclosed to Long Clawson Dairy Limited, save with the express written permission of the CC. In relation to the possibility of disclosure of such communications to third parties, the CC shall act in accordance with the provisions of Part 9 of the Enterprise Act 2002. The MT shall not disclose such communications to third parties.

Interpretation

18. In these directions references to 'the Undertakings' are references to the Undertakings given by Long Clawson Dairy Limited and adopted by the CC on 13 October 2008. Terms and expressions defined in the Undertakings shall have the same meaning in these directions, unless the contents requires otherwise.
19. To the extent that the Undertakings are addressed to a person's conduct outside the UK, it shall only apply to the extent that that person is carrying on business in the UK.