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By email: John.Doyle@cc.gsi.gov.uk

Tarmac/Lafarge Merger

5th October 2011

Dear John

Further to your letter of 21st September 2011, I summarise below the general position of [redacted] in respect of the merger. We will respond in detail to the questionnaire sent by you by 18th October as requested.

We have no objections to the proposal in principle but would make the following points;

- The JV will be the market leader in all products and we believe it will have a dominant market share well over 33% in a number of regional markets.
- Significant disposals are required in all product groups in some local markets to ensure that competition is maintained and local dominance avoided.
- The exact nature of the disposals required will need to be decided by a detailed analysis of local markets and the competition issues that arise.
- The CC needs to ensure that the JV divests of sufficient mineral reserves to ensure that divested quarries have a life of at least 15 years. In the past the companies have been able to meet regulatory disposal requirements by selling quarries with very short life due to lack of reserves.
- We believe that there may be an issue with high psv aggregates where the JV will have a high market share of 65+ psv aggregate. Many producers such as [redacted] do not have any quarries with 65+ psv aggregate and have to buy from the major producers.
- The CC also needs to make sure that sufficient transport is transferred with the assets otherwise it will be impossible to deliver the material.

We would be very happy to meet up with you in London to discuss any issues in respect of this investigation and the issues it raises.

Kind Regards

Yours sincerely

[redacted]