



4<sup>th</sup> October 2011

Dear Sirs

**Re: Anglo American (Tarmac)/Lafarge Merger Enquiry**

I am writing on behalf of Plasmor Ltd to comment on merger as above. Your letter has only just been passed to me and conscious of the deadline for representation the following comments are brief. We would however be prepared to provide fuller detail as required. The following comments should not be considered to be sensitive and we have no objection to publication.

Plasmor Limited is a privately owned concrete block and paving manufacturer supplying a comprehensive range of concrete products to the building industry throughout the UK. Established in 1959 the Plasmor Group of Companies has grown to be one of Britain's largest independent concrete block producers. The company has manufacturing sites at:

Knottingley, West Yorkshire.  
Great Heck, East Yorkshire.  
Boughton, Notts.  
Halton, Cheshire.  
Newton Aycliffe, Durham.

Products are also supplied by rail from Great Heck to depots at Biggleswade in Bedfordshire, and Bow in London.

The main aggregates used in block making are Furnace Bottom ash from local coal fired power stations and expanded clay aggregate manufactured by the company at the Great Heck site. These are supplemented by limestone, crushed glass and concrete as required/available. A merger of Tarmac and Lafarge is not likely to significantly affect the availability of these materials.

The aggregates used in paving manufacture are sands and gravels. The main source of these aggregates is the Trent Valley, running from Nottinghamshire into Lincolnshire. Reference to the Directory of Quarries shows that almost all quarries in Nottinghamshire are owned by either Lafarge or Tarmac, with the trend continuing into Lincolnshire. Whilst sands and gravels are also available from quarries along the A1 corridor reaching as far as North Yorkshire the quality often makes them unsuitable for paving manufacture. Where aggregate of suitable quality is available the quarries are also likely to be owned by either Tarmac or Lafarge.

Local mineral development plans are generally raised from information provided by interested parties, mainly existing quarry operators, and encompass land that they have an interest in. In the main areas in which Plasmor source sands and gravels it is likely that Tarmac and Lafarge have a significant interest in areas contained within the mineral development plans. Whilst it is not impossible for planning permission to be obtained to quarry outside the development plans this is considered to be a more onerous situation.

The current economic situation has seen both Tarmac and Lafarge lobbying for business and setting prices that could be considered to be competitive. Previous practice however would suggest that this will not continue as the economy recovers, with Lafarge in particular having broken contracted terms with a take it or leave it attitude.

When Plasmor commenced paving manufacture the main suppliers of sands and gravel were Tarmac and Tilcon. These subsequently merged under the Tarmac name as part of Anglo America. Whilst initially we did not notice any change we believe that it eventually resulted in changes to both relationship and pricing strategy. We currently purchase from both Tarmac and Lafarge. These are major suppliers in the areas in which we purchase and we believe that their proposed merger would result in a significant reduction in competition.

Brian Tanner  
Technical Manager  
Plasmor Ltd