

AGGREGATES, CEMENT AND READY-MIX CONCRETE MARKET INVESTIGATION

Statement concerning the market investigation by the Competition Commission and the Competition Commission's Anglo American/Lafarge joint venture merger inquiry

On 20 September 2011 the Office of Fair Trading (OFT) referred to the Competition Commission (CC) pursuant to section 33(1) of the Enterprise Act 2002 the proposed UK joint venture between Anglo American PLC (Anglo American) and Lafarge S.A. (Lafarge) ('the JV merger inquiry'). The CC published its final report on 1 May 2012. On 18 January 2012 the OFT referred to the CC the supply or acquisition of aggregates, cement and ready-mix concrete for a market investigation under sections 131 and 133 of the Enterprise Act 2002. In addition, the CC is aware that the European Commission Directorate General for Competition (DG COMP) has commenced an investigation into possible infringements of Article 101(1) of the Treaty on the Functioning of the European Union by manufacturers of cement, aggregates and ready-mix concrete.

In the course of our market investigation the fact that there are and have been a series of inquiries which are of interest and relevance to a number of the same parties has been highlighted.

We considered that it might be helpful to clarify two issues at this stage.

First, the CC has decided that a number of key staff who worked on the JV merger inquiry should work on the market investigation. A list of these members of shared staff at the date of publication of this statement is annexed below. Additional staff who worked on the JV merger inquiry may also work on the market investigation over the course of the reference as and when such supplementary staff resources are required. Parties will note that the CC members of the Group responsible for taking decisions in the market investigation are different from those of the JV merger inquiry.

The CC notes for completeness that none of the staff assisting with the market investigation have previously worked on the DG COMP investigation.

Second, the CC does not anticipate that the existence of the ongoing DG COMP investigation should preclude it completing a full investigation of market features which may adversely affect competition in the referred markets. The CC remains mindful, however, of the need to keep the extent of any overlap between the two investigations under review.

In conducting its investigation, the CC will expect to keep DG COMP informed about the issues that the CC is considering in the course of the market investigation and the general progress and timing of the CC investigation from time to time. It expects to receive similar updates from DG COMP concerning its investigation. A line of communication has already been established with DG COMP to address these matters.

The CC notes that the nature and purpose of its investigation are different to that being carried out by DG COMP, and that DG COMP has powers to acquire information for the purposes of its investigation directly from parties. However, in the event that the issue of disclosure of information held by the CC to DG COMP were to arise, the CC's intention would be to adopt an approach broadly in line with its guidance on disclosure of information to other public authorities (CC 12), including generally giving any relevant party an

opportunity to comment on a proposal to disclose the information to DG COMP before doing so.

16 May 2012

List of Competition Commission staff to be transferred from the joint venture merger inquiry to the aggregates market investigation reference

Julie Bon, Economic Adviser

David du Parc Braham, Inquiry Manager

Simon Jones, Legal Director

Tom Kitchen, Director of Economic Analysis

Ingrid Nitsche, Legal Adviser

Peter Park, Financial and Business Adviser

Alistair Thompson, Deputy Director of Financial and Business Analysis

John Townsend, Legal Assistant

Caroline Wallace, Inquiry Director