

RESTRICTED

**ANTICIPATED CONSTRUCTION MATERIALS JOINT VENTURE BETWEEN
ANGLO AMERICAN PLC AND LAFARGE S.A.**

Terms of reference

1. In exercise of its duty under section 33(1) of the Enterprise Act 2002 ('the Act') to make a reference to the Competition Commission ('the CC') in relation to an anticipated merger the Office of Fair Trading ('the OFT') believes that it is or may be the case that –
 - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation in that:
 - (i) enterprises carried on by or under the control of Anglo American PLC will cease to be distinct from enterprises carried on by or under the control of Lafarge S.A.; and
 - (ii) the value of the turnover in the UK of the enterprises being taken over exceeds £70 million; and
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the UK for goods or services, including each of: (i) the supply of all aggregates; (ii) the supply of primary aggregates; (iii) the supply of crushed rock; (iv) the supply of rail ballast; (v) the supply of asphalt; (vi) the supply of ready-mixed concrete (including as a result of input foreclosure in relation to the supply of bulk grey cement); and (vii) the supply of bulk grey cement (including the supply of bulk grey cement through co-ordinated effects concerns).

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2. Therefore, in exercise of its duty under section 33(1) of the Act, the OFT hereby refers to the CC, for investigation and report within a period ending on 16 February 2012, on the following questions in accordance with section 36(1) of the Act –
 - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
 - (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the UK for goods or services.

Office of Fair Trading

2 September 2011