

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002**

Please note that [X] indicates figures or text which have been deleted at the request of the parties for reasons of commercial confidentiality.

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 20 January 2020.

Anticipated acquisition by Breedon Group plc of certain assets of Cemex Investments Limited

We refer to your email dated 24 February 2020 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 20 January 2020 as amended by the Variation Order of 11 February 2020 (the '**Initial Order**'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Breedon Group plc, Breedon Southern Limited (together, "**Breedon**") and Cemex Investments Limited ("**Cemex**") are required to hold separate certain assets of Cemex Investments Limited (the "**Target**") from the Breedon business and refrain from taking any action which might prejudice a reference under section 22 or 33 of the Act or impede the taking of any remedial action following such a reference. After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Breedon may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 6(e)(i), (ii) and (iii) of the Initial Order

Breedon submits that Lagan Materials Ltd. ("**Lagan**"), a Breedon subsidiary in Ireland, owns a freehold reversion of greenfield land at [X] and is proposing to dispose of land at [X].

Breedon explains that Lagan owns a freehold reversion of greenfield land at [X] and intends to dispose of the land at [X] on the open market in the near future.

Based on the information provided to the CMA, the CMA understands that the lands at [X] and [X] are unrelated to and would not affect the proposed acquisition by Breedon of the Target business (the assets of which are located in Great Britain).

The CMA therefore consents to Breedon/Lagan disposing of the lands at [X] and [X] and grants a derogation from paragraphs 6(e)(i), (ii) and (iii) of the Initial Order based on Breedon's submission that:

- (i) the proposed disposals are being carried out by Breedon/Lagan solely in Ireland;
- (ii) the land being disposed of in Ireland is greenfield/agricultural land with no planning permission and the land is not currently utilised for any commercial purpose by Breedon/Lagan). As such no aggregates, cement or RMX is being produced at the land being disposed of or, in the alternative, being supplied to customers in the UK;
- (iii) all of the Target assets to be acquired by Breedon pursuant to the Breedon/Cemex transaction are located in Great Britain and the disposals contemplated by Breedon/Lagan in [X], Ireland are entirely unrelated to the Breedon/Cemex transaction; and
- (iv) the derogation requested would not prejudice the outcome of a CMA reference or impede the taking of any remedial action which may be justified by the CMA's decision on a reference.

Yours sincerely,

Assistant Director
28 February 2020