

**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 31 July 2020.**

**Completed acquisition by Breedon Group plc of certain assets of Cemex Investments Limited**

We refer to your submissions of 4 September 2020 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 31 July 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 and Breedon Southern Limited (together, "**Breedon**") are required to hold separate certain assets acquired from Cemex Investments Limited (the "**Target**") from the Breedon business and refrain from taking any action which might prejudice a reference under section 22 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 5(e)(i), (ii) and (iii) of the Initial Order**

Breedon submits that it is proposing to dispose of a small area of agricultural land at [X] (the "**Relevant Land**"), which Breedon acquired as part of its acquisition of [X]. Breedon further submits that the Relevant Land is agricultural land currently used for grazing and is not currently used by Breedon for any commercial purpose. Breedon also submits that freehold ownership of the remainder of the site will be retained by Breedon, and that the Relevant Land is outside the area of planning consent for extraction and could not be considered viable for future extraction.

The CMA understands that [X] is not active and that very little material had been extracted since its acquisition. The CMA also understands that the Relevant Land is presently let on an annual grazing licence and a sale to [X] has been agreed, and that the sale of the Relevant Land [X] is unrelated to, and would not affect, the CMA's investigation of the acquisition by Breedon of the Target business.

The CMA therefore consents to Breedon disposing of the Relevant Land and grants a derogation from paragraphs 5(e)(i), (ii) and (iii) of the Initial Order based on Breedon's submission that:

- (i) the Relevant Land is not currently used by Breedon for any commercial purpose. In particular, no aggregates, RMX or asphalt are currently being produced on that land; and
- (ii) 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, Remedies Business and Financial Analysis

10 September 2020