

**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 29 October 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 its landholding at [X], which Breedon acquired as part of its acquisition of [X]. Breedon further submits that the [X] site is non-operational and is not currently used by Breedon for any commercial purpose.

The CMA understands that Breedon expects that the land will be redeveloped by the purchaser for use as a storage yard or plant hire depot. The CMA also understands that the sale of [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 its interests in [X] and grants a derogation from paragraphs 5(e)(i), (ii) and (iii) of the Initial Order based on Breedon's submission that:

- (i) [X] is non-operational and is not currently used by Breedon for any commercial purpose. In particular, no aggregates, RMX or asphalt are currently being produced at [X]; 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

30 October 2020