



To whom it may concern,

Agreement to combine Lafarge & Tarmac UK operations

You may be aware from internal and external notices issued today (Friday 18 February) that the Lafarge Group has signed a binding agreement (subject to regulatory approval) with Anglo-American, who own Tarmac, to combine UK operations in cement, aggregates, ready-mixed concrete and asphalt & contracting. Lafarge Plasterboard UK is not involved in this agreement.

The new company will be equally owned (50:50) by the two parent companies with a Board of Directors, led by an independent Chairman, and an executive management team drawn from both businesses.

This new joint-venture will be focused on becoming a leading construction materials company in the UK and a major economic and social contributor to the UK, both locally and nationally, especially with regards to the development of a 'low carbon' society. This will be achieved through building on our current business approach and maximising the benefit of an enhanced operational footprint along with the skills, expertises and experience of all the teams involved.

Lafarge remains committed to the UK and to the joint-venture for the long-term and will maintain strong links with the new company, allowing continued access to the Group's technical expertise in construction materials and to its range of value-added products, such as Agilia™ and Extensia™.

This binding agreement is now subject to approval by competition authorities, which is likely to take a number of months. During this period, the businesses involved will continue to operate entirely separately and maintain focus on 'business as usual'.

We will be communicating this announcement with customers and external stakeholders over the next week, although as you would expect, our initial priority rests with informing and discussing this news with our teams.

On the website, alongside this letter, you can find the press release announcing this agreement. If you would like to discuss this development with us, please use the phone numbers provided.

We will continue to communicate proactively throughout this process, particularly when there is specific news to share.

Yours faithfully,

Shaun Davidson
MD, PAVE

Jeremy Greenwood
MD, Readymix

Erdogan Pekenc
MD, Cement

Emmanuel Rigaux
MD, Aggregates

